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SENATE—*Thursday, June 6, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine.

PRAYER

The Reverend Porter H. Brooks, chaplain (colonel) U.S. Army, Post Chaplain, Fort Myer, Va., offered the following prayer:

O Eternal God, the Maker of men and the Master of Nations, who art always more ready to hear than we to pray, mercifully guide our Nation's leaders into the way of justice and truth. Help us to decipher and to heed the messages Thou art sending us through the history of our planet, through the discoveries of science, through the deepening conscience of people about themselves, and through the sacred revelation of Thy word. Then in Thy good time allow a new age to dawn upon us, an age of peace and tranquillity, an age of freedom from want and fear and injustice, an age nearer our hopes and better than our dreams. And we shall give Thee unending praise and thanks throughout our lives. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 6, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 5, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SIMPLIFIED PROCEDURES IN PROCUREMENT OF PROPERTY AND SERVICES BY GOVERNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 869, S. 3311.

There being no objection, the Senate proceeded to consider the bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000, which had been reported from the Committee on Government Operations with an amendment, on page 2, line 12, after "SEC. 5.", insert "Section 9(b) of"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), is amended by striking out "$2,500" and inserting in lieu thereof "$10,000".

SEC. 2. The third full unnumbered paragraph under the heading "Office of Architect of the Capitol" contained in the appropriations for the Architect of the Capitol in the Legislative Branch Appropriation Act, 1966 (79 Stat. 276; 41 U.S.C. 6a–1) is amended by striking out "$2,500" and inserting in lieu thereof "$10,000".

SEC. 3. Section 302(c)(3) of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 252(c)(3)) is amended by striking out "$2,500" and inserting in lieu thereof "$10,000".

SEC. 4. (a) Section 2304(a)(3) of title 10, United States Code, is amended by striking out "$2,500" and inserting in lieu thereof "$10,000".

(b) Section 2304(g) of such title is amended by striking out "$2,500" and inserting in lieu thereof "$10,000".

SEC. 5. Section 9(b) of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831h(b)(3)) is amended by striking out "$500" and inserting in lieu thereof "$10,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the calendar under "New Report."

There being no objection, the Senate proceeded to consider executive business.

DEPARTMENT OF LABOR

The ACTING PRESIDENT pro tempore. The clerk will report the nomination.

The second assistant legislative clerk read the nomination of Betty Southard Murphy, of Virginia, to be Administrator of the Wage and Hour Division, Department of Labor.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, if a request has not already been made, I ask unanimous consent that there be a period for the transaction of routine morning business of not to exceed 20 minutes after the remarks of the distinguished Senator from Wisconsin (Mr. PROXMIRE) have been completed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

"WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT"—FEDERAL REGULATION OF BANKING

Mr. PROXMIRE. Mr. President, during the last few months I have made a series of speeches on "What's Right With the Federal Government." In these speeches I have tried to point out where progress has been made, especially in those areas where I have sometimes been concerned that we have not had enough progress. I have found the making of these speeches to be an extraordinarily useful device for maintaining a true perspective on what is happening in our Government and our country.

The purpose of these speeches is not to call for a relaxation in our pursuit of economic and social justice. Instead, my purpose has been to show that despite widespread feelings of negativism, cynicism, and distrust, that progress is being made, that the system is still working, and that still more progress is possible if we renew our commitment to furthering the public interest.

With this background, the topic of my speech today, "What's Right in Banking," is timely.

Banking to many epitomizes the free enterprise system, and at the same time it is ironic and contradictory, but probably there is no industry that is more tightly or more comprehensively regulated by the Federal Government. Indeed, the progress or lack of progress in banking depends as much, and perhaps more, on Federal rules, regulations, and laws than on the actions of individual bankers.

I think we should keep that in mind in recognizing the shortcomings as well as the progress we have made in banking. It is a product of Federal activity on the Federal and Presidential level, as well as the work of thousands of bankers throughout the country.

While we have the most competitive and innovative banking industry in the world, there is very great room for improvement. As a ranking member of the Senate Banking Committee, I have often been critical of our Nation's banking industry. I have sometimes pursued legislation which has been opposed by banking, and I expect to continue to do so vigorously.

American lending institutions still fall short in the following respects among others:

First. Funds for financing housing are only available at an excessive cost and are frequently not available at all;

Second. With some fine exceptions banks have shown too little initiative or effectiveness in financing the development of the inner core, deteriorating sections of our big cities;

Third. Too many banks still follow a stay-out attitude in employing blacks and other minorities especially in management positions;

Fourth. Women still suffer discrimination in borrowing from many banks;

Fifth. Too many banks arbitrarily reject borrowers requesting loans without explaining why;

Sixth. In too many communities a single bank enjoying a monopoly position can and does blackball credit worthy borrowers;

Seventh. American Bankers Association, the banks, principal lobbyist has for 60 years opposed every piece of progressive legislation affecting the banking industry from establishment of the Federal Reserve System through Federal Deposit Insurance to truth in lending.

Despite these problems, I believe that America can be justly proud of its banking system. Whatever its shortcomings, the American banking system is the envy of the free world, especially in the manner in which it has served the average family. Bank officials from all over the world come to the United States to learn and observe the latest American banking methods and techniques.

I would like to examine some of the specific areas where American banks have excelled. In so doing, I also plan to mention areas where I feel improvements can still be made to make our banking system even more responsive to the needs of the public. However, these criticisms are not intended to detract from the main thrust of my speech—namely, What's Right in Banking. I include the bad with the good primarily to prevent anyone from concluding that I have suddenly succumbed to a view of the banking industry, of the kind Voltaire's Dr. Pangloss applied when he found this the best of all possible worlds. In banking there is great room for improvement.

1. OVERALL LEVEL OF COMPETITION

The most startling fact about the American banking system is the number of commercial banks who compete for the public's banking business. Unlike other countries where the banking business is heavily concentrated in the hands of one or two giant banks, the United States has over 14,000 commercial banks. Moreover, those commercial banks must compete with other financial institutions, including over 4,000 savings and loan associations, 23,000 credit unions, and several hundred mutual savings banks. Anyone who reads the advertising in the financial section of our newspapers cannot help but be impressed by the intense level of competition between banks for the public's banking business.

One reason why the structure of the U.S. banking system is relatively dispersed compared with other countries is owing to our banking laws which prevent branching across State lines. Also bank charters are available from either the Federal Government or from anyone of the 50 State governments. The flexibility afforded by the dual banking system is one of the key elements which helps to maintain a competitive banking industry.

Also, the American system of bank regulation has frequently enhanced the competitive structure of the banking industry. For example, under the policies pursued by former Comptroller of the Currency James Saxon, national bank charters become more readily available.

Despite the generally competitive nature of the banking industry, there are some threats to competition which need to be carefully watched. Notwithstanding Comptroller Saxon's aggressive chartering policies, most bank regulators have unduly restricted the number of new banks being chartered each year. Restrictions on branching, especially in the unit branching States, have sometimes enabled established banks to preserve a localized monopoly of the banking business. The bank regulatory agencies some times approve bank mergers when expansion by de novo branching would do more to increase competition. Nonetheless, the overall competitive structure of the banking industry is healthy and could be made even better.

2. AVAILABILITY OF CREDIT

An old cliche about the banking business is that the only way to get a loan from a bank is to prove that you did not need one. This cliche is no longer true. Today, banks make credit available to borrowers, big and small, for a wide variety of purposes. If anything, banks may make too much credit available from time to time.

Consider the dramatic changes which have occurred in bank lending practices in the last 25 years. During the 1930's and 1940's, the banking industry was a rather dull profession. Bankers acquired most of their money through no-interest demand deposits or low-interest time deposits. The vast bulk of these funds were invested in riskless U.S. Treasury obligations and the remainder in gilt-edged corporate loans. Many others who needed credit were turned away. Under these circumstances, it did not take much brains to be a banker. The most essential tool was grade school arithmetic to enable the banker to compute and compare yields.

I know because it was at that point when I went into banking myself, and I was struck by the fact that all you needed was to be able to add, subtract, divide, multiply, and know a little bit about fractions and decimals and you would make a success as a banker. You did not need any further judgment because all you did was to invest bank funds in Government bonds, and there the yield was the only thing that was important, with no risk involved.

By the 1950's, the banks began to compete more vigorously in the lending market. Banks began making far more loans to consumers, to home buyers, to small businessmen, and to other borrowers for a wide variety of purposes. Today, only a small portion of a bank's loanable funds are invested in U.S. Government bonds; most of the money is loaned to individuals or business firms, the contribution to the Nation's economic growth is big and essential.

The extent to which banks have made credit more generally available is truly remarkable.

In 1947 banks invested 16 percent of their funds in business loans. By 1973, the figure was 24 percent.

During this same period, the percentage of bank funds invested in consumer loans increased from 5 to 15 percent; real estate loans increased from 8 to 17 percent; agricultural loans increased from 1 to 3 percent; and State and local obligations increased from 5 to 14 percent.

These increases in public lending were offset by a decline in the percentage of funds invested in U.S. Government obligations. In 1947, banks invested 60 percent of their funds in Treasury obligations; by 1973, the figure was down to

9 percent. The increase in the percentage of funds loaned to the general public during this period is even more remarkable when one considers that on an absolute basis, the banks increased **their** total volume of credit by over 500 percent. So they not only had, for example, three times as much available for consumer loans, but it was a 500-percent larger kitty. It was really 15 times as much made available for consumer loans.

While the public has been generally well served by the reinvigoration of the banking business, there are times when the willingness of the banks to extend credit has complicated the job of the Federal Reserve Board. The large money center banks in particular have been inclined to fuel a corporate investment boom at the very time when the Fed is trying to dampen inflationary pressures in the economy. Banks also have a tendency, when money is scarce, to leave the municipal bond market and the mortgage market in order to continue making loans to corporate customers. However, these problems are not so much the fault of individual bankers as they are of the system by which we manage monetary policy.

3. SERVICE TO THE PUBLIC

Perhaps the most revolutionary change in the banking business is the increase in customer service. Just a few years ago, the typical bank opened at 10 a.m., closed at 2 p.m. and shut down completely over the weekend. "Bankers' hours" was the standard cliche for a short workday, and a real gravy train for people who wanted to have an easy life. Today, the majority of banks are open during normal business hours. Many stay open in the evening and on weekends or have limited deposit and withdrawal services available during these off hours. Some banks have even introduced automated tellers which can accept deposits or effect withdrawals 24 hours a day, 7 days a week.

The location and style of bank offices have also changed over the years. At the end of World War II, bank offices tended to be massive, monolithic structures in the center of the downtown area. They made customers feel uncomfortable and were costly to operate. Today, bank offices are located more conveniently throughout a metropolitan area, they are brighter and more efficient, and bank officers are more accessible to customers. In addition, the number of banking offices has grown faster than the increase in population. Since the end of World War II, the population increased by 50 percent while the number of banking offices increased by 122 percent, more than twice as fast as the population.

4. VARIETY OF SAVINGS ACCOUNTS

Another desirable change in the banking business has been the increased variety of savings instruments available to the general public—savings accounts, 90-day notice accounts, and certificates of deposits of varying denominations and maturities. This variety enables the bank to meet the specific needs of individual savers. Some savers may be willing to accept a lower rate in return for earlier withdrawal while others may be willing to leave their money on deposit for a longer period in return for a higher rate.

While the variety of savings instruments has benefited the public, the variety of methods used to compute the amount of interest payable has generally resulted in confusion. A survey by the American Bankers Association revealed that there are more than 50 methods for computing the interest payable on a standard savings account advertising a nominal rate of 5 percent.

Also, surveys by consumer organizations reveal that even bank personnel are unable to correctly explain the intricacies of savings accounts when they are asked to do so by their customers. As I say, there is plenty of room for improvement.

5. CREDIT CARDS

As the author of legislation regulating credit card practices, some may be surprised to learn that I regard the advent of bank credit cards as a development generally favorable to consumers. To be sure, there have been problems; but on the whole, the growth of bank credit cards has been beneficial.

For those who use credit cards, the substitution of a single bank credit card for a number of separate cards is a real convenience. Credit cards also reduce the need for carrying cash and enable consumers to take advantage of special sales. Bank credit cards have also enabled smaller retailers to compete more effectively with the large retail chains who have their own credit card plans. Bank credit cards and related check credit plans have also made it possible for consumers to borrow relatively small amounts of money over short periods of time, at rates generally lower than what would be charged by a finance company for a comparable installment loan.

Despite the advantages of bank credit cards, there has been some concern that they make credit too readily available and cause some consumers to become overextended. This was particularly true during the period prior to 1970 when the banks distributed credit cards on an unsolicited basis. The situation has somewhat improved following the passage of legislation I authored in 1970 which bars unsolicited credit cards.

Another problem with all credit card plans is that there is no single method for computing the amount of interest owed by a consumer. Also, consumers are unable to stop payment if they use a bank credit card to buy shoddy merchandise. I am hopeful that these and other problems can be corrected in the Fair Credit Billing Act which has passed the Senate and is now pending before the House.

6. FEDERAL LEGISLATION AFFECTING BANKING

In addition to developments within the banking industry itself, there has been considerable progress in recent years in the area of Federal legislation affecting the banking industry. While the Congress has before it a number of major recommendations for restructuring our system of financial institutions, it is also true that the Congress has already enacted a good deal of legislation to improve the responsiveness of the banking industry. Here are some of the major pieces of legislation passed by the Congress in recent years:

The Bank Merger Act of 1966. This legislation halted an alarming series of mergers between large banking institutions which began occurring in the early 1960's. The act clarifies that bank mergers are subject to the provisions of the antitrust laws and gives the Justice Department an expanded role in reviewing merger applications.

The Bank Holding Company Act Amendments of 1970. This legislation closed a gaping loophole in the Bank Holding Company Act which permitted large banks to form one-bank holding companies for the purpose of engaging in activities not related to the banking business. The legislation passed by Congress requires that all activities of one-bank holding companies be closely related to the business of banking.

Repeal of State tax exemption. In 1972 Congress repealed the exemption which national banks have enjoyed from certain State and local taxes. This legislation will insure that national banks pay their fair share of State and local taxes just like any other business.

Increased deposit insurance. In 1966, Congress increased the amount of FDIC deposit insurance on bank deposits from $10,000 to $15,000, and in 1969 it approved a further increase to $20,000. The Senate Banking Committee has recently approved legislation increasing the amount of deposit insurance to $25,000 while a bill passed by the House of Representatives would increase the amount to $50,00—we will work out a compromise—and these increases will protect the savings of small depositors to a greater degree.

Truth in lending. In 1968, Congress, after an 8-year struggle, passed the Truth in Lending Act. Although this reform legislation was strongly opposed by the American Bankers Association, I believe that in retrospect, it has proven quite beneficial to the banking industry. For the first time, the public knows exactly what it is paying for credit and how much interest is being charged. Since banks generally have lower rates than their competitors, the banking industry has come out looking pretty good under truth in lending.

Fair credit reporting. In 1970, Congress also passed the Fair Credit Reporting Act. While this act primarily regulates credit reporting agencies, it also applies to creditors who use credit reports including commercial banks. Under the law, report must tell the person that a credit report was involved and disclose the name and address of the credit reporting agency.

Credit card legislation. In 1970 Congress also passed legislation prohibiting unsolicited credit cards and limiting to $50 a consumer's liability for purchases made on a lost or stolen credit card. Given the phenomenal growth of bank credit cards, these provisions have served to protect consumers from some of the adverse consequences of credit cards.

WHAT'S WRONG WITH THE ABA

Mr. President, I have by no means exhausted the list of what is right in banking. I have merely touched upon some of the major developments and the lack of time prevents me from getting into further detail. However, before I close, I would like to talk briefly about what is wrong with the American Banker's Association, or the ABA as it is known in banking circles.

There are some who may see a contradiction between the title of my speech and the note on which I am concluding. However, the ABA is not the banking industry. Instead, it is a trade association which purports to represent the views of individual bankers. This difference is important and should not be ignored.

Most of the bankers I have met seem to be sensible and reasonable men. I wish I could say the same for officials of the ABA who testify at congressional hearings. Almost without exception, the ABA has opposed every piece of progessive legislation affecting the banking industry. It opposed the enactment of the Federal Reserve Act in 1913; it opposed Federal Deposit Insurance in 1933; it opposed the Truth in Lending Act; it opposed the Fair Credit Reporting Act; and until most recently, it opposed the Fair Credit Billing Act.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. Mr. President, can the Senator yield me half a minute?

Mr. EAGLETON. Mr. President, I am pleased to yield 1 minute to the Senator from Wisconsin.

Mr. PROXMIRE. But since this is a positive speech, let us not dwell excessively on the past mistakes of the ABA. Mr. President, at the risk of being labeled a fatuous optimist, I say there is even hope for the ABA. There are encouraging signs that the ABA is gradually, but grudgingly, emerging into the 20th century.

For example, last year the ABA reluctantly endorsed the Fair Credit Billing Act including a provision restricting the application of the holder-in-due-course doctrine on credit card transactions. I am hopeful that the ABA may be finally coming around to realize that consumer protection legislation is not antibank legislation and that in the long run both the banking industry and the consumer stand to benefit from reasonable reform legislation. That is the premise on which I have operated in the past and on which I will continue to operate in the future regardless of my position on the Senate Banking Committee.

Mr. President, I thank the distinguished Senator from Missouri for so graciously yielding me a part of his time. I yield the floor.

DESIGN TO COST

Mr. EAGLETON. Mr. President, the defense budget is again the subject of intense debate between those who say we are spending too much and those who want to spend more. But the superficial discussion of defense issues that has thus far characterized our national debate has served only to polarize public opinion on how best to accomplish that goal.

Everyone who participates in a serious way in this debate believes that a strong, sufficient, and nonwasteful defense program is needed. But it is time to go beyond the "motherhood" exhortations and handwringing generalizations to examine in some detail the reforms needed to achieve a stronger, more economical military force.

In January I sent a letter to Deputy Secretary of Defense William Clements inquiring about the progress made in implementing the recommendations of last year's Defense Sciene Board task force which studied the complex subject of "Reducing Costs of Defense Systems Acquisition." I received Secretary Clements' reply some weeks ago and I would like to share it with my colleagues along with some personal views on the subject of defense spending.

The business of buying weapons systems is a highly complicated governmental and industrial endeavor. I certainly cannot qualify as an expert on the subject. But I am concerned, indeed alarmed, about the waste and confusion that has characterized two systems on which I have spent considerable time and effort as a Senator. I refer to the Army's main battle tank—MBT-70—a program canceled by Congress, and the Air Force's airborne warning and control system—AWACS.

My purpose today is not to expose a specific case of inefficiency or to reveal a cost overrun. Unfortunately, these negatives are not difficult to find. But they are merely symptoms of the more profound malady which inflicts our defense establishment. My intent is instead to encourage a process of positive managerial change—change which, if backed by strong commitment, can do more to eliminate inefficiency, waste, and cost overruns than the sum of all the exposés and denunciations.

The change to which I am referring is a fledgling movement within the Defense Department itself which acknowledges the folly of squandering limited national resources and which has set about to encourage the individual military services and defense contractors to build more effective weapons at lower costs. The people behind this movement seek to impose commonsense business practices on a procurement system which suffers badly from infatuation, with gadgetry, unrealistic assessment of developmental risk, insufficient preproduction testing, inadequate competition, and, consequently, cost escalation. These managerial failings not only waste valuable national resources, but they also work against a strong national defense.

The backbone of the move to improve our system of buying weapons is a concept known as design to cost. The idea was brought to the Pentagon in 1969 from the business community by Mr. David Packard, who served until 1971 as Deputy Secretary of Defense.

In the business world of profits, designing to a cost is absolutely essential. And it becomes a way of life. But for some strange reason people develop different attitudes when they spend the tax dollar.

During his Defense Department tenure, Mr. Packard sought to change those attitudes. He wanted to make cost a primary consideration in weapons systems acquisition. The concept he proposed was a simple one: decide the cost goal and design to that cost; aim to purchase the least expensive system capable of doing the job well. Mr. Packard's idea became an official order in 1971 when it was embodied in DOD directive 5000.1.

"Design to cost" was never meant to sacrifice the performance of a weapon. The performance trade-offs that are made to meet the cost goal should be in the "goldplating" category where over-sophistication has raised havoc with combat utility. Mr. Packard warned that his concept would only work well when accompanied by a resolve to improve the techniques of quality control.

According to the information provided in Deputy Secretary Clements' letter, 22 weapons systems are now under design-to-cost guidelines. In accordance with Mr. Clements' directive of June 18, 1973, the cost of all major systems will eventually be controlled by a cost goal.

I commend Secretary Clements and his staff for their efforts in trying to make the Pentagon cost conscious. But as hard working and dedicated as some in the Defense Department have been, I must reluctantly conclude that ingrained resistance to change has transformed Mr. Packard's concept into little more than good public relations.

After 3 years, "design to cost" has influenced the management of a relatively few weapons systems. Despite the setting of cost goals and the bureaucratic machinery to enforce those goals, trade-offs of excessive sophistication have not been made. Developmental schedules continue to be influenced more by expediency than by an orderly sequence of research, development, and production. And sadly, we continue to prepare for combat from the inside of research laboratories where the imagination of defense scientists far surpasses the practicality of the weapons they produce.

The Indochina war and the recent Middle East conflict should have reminded us of an old axiom—that wars are won by men, not by machines. If we cannot build machines in sufficient numbers that can be operated effectively and repaired quickly by our fighting men, then our forces will suffer. Our primary concern should not be what looks good in a laboratory, but what works well in combat.

When Gen. George Brown assumed the post of Air Force Chief of Staff last year, he warned:

> We are going to be out of business if we don't find ways to cut costs.

General Brown was not just making a routine plea for better management. Hard facts make his warning very real.

For example, between World War II and 1969, the actual costs experienced by General Brown's Air Force exceeded official estimates by an average of 4.1 to 6.5 times. The same poor record of keeping costs down was exhibited by the other services.

In one of its best known studies, GAO revealed that in 1972, 77 major systems had cost overruns totaling $28.7 billion. But that was only half the story. Another $11.7 billion in additional overruns was avoided only because of cutbacks in planned systems, procurement quantities, and planned force levels. That means that $11.7 billion was cut directly out of our Nation's defense strength in 1972 to pay for overruns.

And the situation has not improved. Just the other day GAO announced that overruns on 55 major systems totaled $26.3 billion. Besides failing to meet cost and time estimates, our new systems rarely meet the technical objectives established. Take for example the Shillelagh system, a missile-firing mechanism for tanks. In 1969, 10 years after the project began, the Army had 300 M–60 tanks equipped with the Shillelagh, worth a total of $270 million. The Shillelagh was inaccurate and its caseless ammunition was dangerous. The tank system was, in short, unusable.

In Indochina, the Air Force insisted on using its supersophisticated air-to-air missile, the Falcon. But when it was found to be less than 20 percent effective—and after several pilots were lost—the Air Force finally switched to the Sidewinder, a missile that had been available all along but was not used because it was built by the Navy.

Then there was the M–114 armored reconnaissance vehicle. When it hit the slightest bit of mud in Indochina, it became a bogged-down target for enemy fire. The M–114 was built to run well on a superhighway, but it had no combat utility.

Unfortunately, these are all too common failures. From the infantry rifle to the biggest aircraft, our weapons have become the victims of a perspective which values technology over combat effectiveness. And our fighting men have had to pay the price.

What are the solutions to the problems that afflict our Defense Establishment? David Packard posed a general cure when he said:

> We are going to have to stop this problem of people playing games with each other. Games that will destroy us, if we do not bring them to a halt.

The "game playing" to which Mr. Packard referred is the most debilitating symptom of our failure to bring efficiency to defense. Unfortunately, the politics of the budgetary process itself may inspire the most destructive tendencies.

For example, military planners understand that the public seeks dramatic, not marginal, improvements in the performance of a particular weapon. Imaginations, therefore, work overtime in establishing performance goals that are frequently unattainable, often unnecessary and sometimes downright impractical.

Next, it is felt necessary to understate costs. In this the military services have ready allies. Contractors abound who are willing to bid low to buy in. And when the Pentagon comes before Congress to certify the low cost of a new system, it does so with the support of industry.

The military planner also understands that it is difficult to sell long-range projects. Consequently, a schedule is drawn up which shows quick progression from milestone to milestone. Scarce margin is left for error and the pressure to deliver often leaves little time for adequate preproduction testing. So instead of working the bugs out with a prototype, our combat soldiers do it in battle, by trial and error.

If we are to avoid the strange form of unilateral disarmament this game-playing produces, we must begin today to reform our system of buying weapons. We must seek to create a procurement system which is minimally influenced by vested interests. And we must possess the expertise at each level of the decision-making process to check and improve upon estimates made at other levels.

Initially, the Defense Department should vastly improve its in-house research capability. Cost and performance estimates should be based on Government rather than industry-based technical data.

Groups such as the Cost Analysis Improvement Group within OSD should be expanded and given more direct power and authority in evaluating the cost estimates of the military services. And, subsequently, the General Accounting Office, as Congress advisory arm, should review these estimates prior to the approval of all major systems.

Performance goals and risk assessments should also be subjected to intense scrutiny at a number of levels. Again, Congress should be able to draw on a variety of independent assessments to evaluate the potential of a program before it commits the taxpayers' dollar.

In this regard, GAO has been doing an outstanding job evaluating the technical details of a number of major systems. I mention this today because I am aware that there are many vested interests in the industrial world which would prefer to remain the sole sources of technical information about weapons systems. GAO's growing technical competence has become a threat and efforts are now being made to force that agency into a more narrow role. Congress must resist those efforts.

GAO should continue to provide Congress with the vital technical information it needs to evaluate ongoing systems, and it should expand its operation to look at the feasibility of weapons still on the drawing board.

In the initial conceptual stages, the military services should be made to coordinate their requests for new weapons according to the overall defense mission to avoid costly duplication. Secretary Schlesinger is making a noble effort in this area and should receive Congress strong backing.

As we strive to meet performance goals, we must also resolve to schedule development so that our weapons fly before the U.S. Government buys. If we are going to have effective systems at lower costs, this rule cannot be broken except in rare cases of dire national emergency when a specific weapon is needed to perform a high-priority mission. Our failure to follow this policy faithfully has been a major cause of cost overruns and performance failures.

If all these steps are successfully implemented, then Congress itself can add impetus to good management by loosening the annual appropriation process—a process which makes it difficult for managers to plan. Congress should, in other words, consider multiyear funding for certain programs where risks have been minimized by adequate testing.

Finally, Congress should seriously consider imposing "design-to-cost" parameters on low-risk programs where cost effectiveness levels and cost estimates are well established. If, for example, it can be safely assumed that a tank costing over $700,000 is too expensive considering its relative effectiveness against a new threat, then Congress should not hesitate to set a legal price tag. The incentive to spend even less than the limit authorized could be provided by permitting the individual military service to keep the savings to pay its growing manpower bills.

Mr. President, programs such as "design to cost" are eminently worthy of our support, but they cannot function in a vacuum. We must actively seek ways to make the budgetary process work to reinforce rather than discourage good management. And we must always keep in mind the following admonition spoken by the distinguished chairman of the Armed Services Committee, Senator Stennis:

> If the weapons we develop are so costly that we cannot afford enough of them and if they are so technically complex that they are unreliable and difficult to maintain, we have done the nation a disservice by developing and procuring them. We have done a particular disservice to those American soldiers who will die in combat because we have given them a weapon that is superior only in theory to that of the enemy.

Mr. President, I ask unanimous consent that the letter from Deputy Secretary Clements to me dated April 4, 1974, and its attachments be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Deputy Secretary of Defense,
Washington, D.C., April 4, 1974.
Hon. Thomas F. Eagleton,
U.S. Senate,
Washington, D.C.

Dear Senator Eagleton: In further response to your letter of 28 January 1974, I am enclosing the current status of Design to Cost (DTC) implementation on our major defense programs that are subject to either or both of the following management and reporting systems:

The Development Concept Paper (DCP) and Defense Systems Acquisition Review Council (DSARC).

The Selected Acquisition Report (SAR).

First, allow me to define the DTC management concept as we use the term. It means the management and control of future acquisition, operating and support costs during the design and development process within established and approved cost objectives. DTC includes relaxation of performance and schedule requirements where these have an unacceptable cost impact.

On 18 June 1973, I asked the Military Departments to establish DTC goals as specific cost numbers on all major programs as early as feasible, but in any case prior to their approval for full-scale engineering development (DSARC II). These DTC goals are internal management tools to encourage cost consciousness and to provide a quantitative measure of management effectiveness.

We asked the Services to express these goals in terms of average unit Flyaway/Sailaway/Rollaway Costs. Flyaway Cost is defined in the DOD Budget Guidance Manual. It includes the cost of procuring the basic unit (airframe, hull, chassis, etc., including a percentage of unit cost for changes allowance), its propulsion equipment, electronics, armament, other installed Government-furnished equipment, and non-recurring production costs.

Flyaway Cost is only a part of the cost of any major defense system, and it must be viewed in the larger context of all costs defined in the DOD Budget Guidance Manual. A Flyaway Cost does not include peculiar ground support and training equipment costs, or certain other costs, which are included in the budgetary definition of Weapon System Cost. Neither does it include the cost of initial spares, which are included in Procurement Cost, nor the costs of related research, development, test and evaluation or related military construction, which are included in Program Acquisition Cost.

We recognize that setting Flyaway Cost goals is only a first step in applying the DTC concept to defense systems acquisition. Government-established requirements are often so extensive that all of the acquisition costs should eventually be included in DTC goals. Currently, the cost goals which are included in contracts with defense contractors are usually lower than the SecDef's approved Flyaway Cost goals. This is because contractors are only responsible for what they are under contract to deliver, and what they deliver normally represents only part of the total costs included in the Flyaway Cost definition. For example, the Government pays separately for Government-furnished equipment, such as a gun system, which may be delivered to the contractor for installation. Also, the Program Manager normally retains the small allowance for engineering changes which is included in Flyaway Cost.

DTC goals are based on assumptions that are made very early in an acquisition program about the quantity of the system to be procured and its anticipated production rate. In addition, DTC goals are stated for each system in some constant fiscal year dollar base. To determine current average unit Flyaway Cost estimates, it is only necessary to adjust DTC goals for inflation and changes to quantity or production rate.

We normally approve DCP cost thresholds which are somewhat higher than DTC goals in order to provide a realistic planning framework and to assure an adequate margin of cost flexibility to accomplish tradeoffs during development. Recognizing the complexity of DTC and the necessity of fully understanding its variations, I have divided our major programs into convenient categories and indicated our DTC goals on major programs in the enclosures as follows:

Enclosure 1 contains DTC goals agreed to between my office and the procuring Military Department. Any changes in the DTC goals since their establishment are noted.

Enclosure 2 is a list of all the programs which contain a contractual DTC goal.

Enclosure 3 lists those programs which have not yet had DTC goals established, but for which goals will be considered by DSARC II at the latest.

Enclosure 4 lists those programs in the DCP/DSARC and SAR systems which were too far along in their development, or were actually in production, so that establishment of DTC goals was not appropriate.

Enclosure 5 represents the programs I am planning to exempt from establishment of DTC goals. The reasons in each case are included.

DoD guidelines for implementing the Design to Cost concept have been issued by the individual Military Departments, as well as jointly by the Joint Logistic Commanders. My office will issue overall policy guidance as necessary; however, I believe that the Joint Logistic Commander's Design to Cost Guide is excellent and was issued in a timely manner at the proper level. I have attached a copy of the JLC Guide as Enclosure 6.

In regard to Mr. Bucy's report, I feel that it has been valuable as a stimulus to my Office and to the Services to identify more efficient and less costly methods of acquiring modern weapons, including its emphasis on realistic implementation of DTC. The Defense Science Board's reports, such as that of the Cost Reduction Task Force, are written by advisory groups of civilian scientists and industrialists. I accept their "recommendations" as advisory opinions. In fact, the Bucy Report was the catalyst that spurred us to move DTC from a concept to implementing it as a DoD policy. Detailed comments on each principal recommendation contained therein are attached as Enclosure 7.

I most certainly share your interest in using appropriated funds as efficiently as possible when acquiring major defense systems. In view of their expressed interest in the subject of Design to Cost, I am forwarding copies of this letter, together with enclosures, to the Chairmen of the Senate and House Armed Services and Appropriations Committees, and also to the Chairmen of the Research and Development Subcommittees of the Committees on Armed Services. I trust that the enclosed information answers your questions satisfactorily and will prove to be useful to you.

Sincerely,

W. P. CLEMENTS.

Enclosures.

Design to Cost Goals

The following unit Design to Cost (DTC) goals have been established by OSD and the Military Departments. The goals are "flyaway, sailaway, rollaway" unit costs, as defined in DoD Budget Guidance Manual 7110–1–M. In certain cases the systems are late in the design phase, and the DTC goals are for management purposes and reflect current cost estimates in line with the SAR estimates.

System (service)	Average unit goal	Fiscal year dollars	Quantity	Rate
A–10 (AF)	$1, 500, 000	1970	600	20 per month (maximum).
AAH (A)	1, 700, 000	1972	472	8 per month (maximum).
ARSV (Scout) (A)	141, 000	1972	1, 147	55 per month (maximum).
B–1 (AF)[1] (Defensive avionics)	1, 400, 000	1972	241	4 per month (maximum).
CH–53E (N)	4, 230, 000	1973	70	Over 5 yr.
Condor (N)	305, 000	1974	410	Over 4 yr.
EF–111 (AF) (excluding airframe)	5, 400, 000	1973	40	6 per month (maximum).
Harpoon (N)	191, 000	1974	2, 870	Over 7 yr.
Lightweight fighter (AF)	3, 000, 000	1972	300	100 per year.
Low cost EW suite (N):				
Suite 1	300, 000	1975	116	Over 7 yr.
Suite 2	500, 000	1975	119	Do.
Suite 3	1, 400, 000	1975	60	Do.
MICV (A)	178, 300	1972	1, 186	65 per month (maximum).
MAN P/ADS (Stinger) (A)	12, 200	1972	20, 000+	400 per mo (maximum).
Patrol frigate (PF) (N)[2]	45, 000, 000–50, 000, 000	1973	[3]49	Over 7 yr.
Patrol hydrofoil ship (N)[2] NATO (PHM)	18, 000, 000–20, 000, 000	1974	[3]28	Over 3 yr.
Phalanx CIWS (N)	1, 030, 000	1974	359	Do.
Sam–D (A):[4]				
Missile	90, 000	1972	6, 250	90 per mo (maximum).
Radar group	2, 828, 000	1972	125	2 per mo (maximum).
Weapon control	887, 000	1972	125	Do.
Launcher group	250, 000	1972	625	12 per mo (maximum).
SCS (N)[2]	90, 000, 000–100, 000, 000	1973	[3]7	Over 4 yr.
Sidewinder (IMPR) (AIM–9L) (N)	21, 400	1974	7, 460	Over 5 yr.
Sparrow missile (N) (AIM–7F) (N) (G+C only)	75, 000	1974	6, 720	500 per year (average).
Standard SSM (active std) (N)	285. 0	1974	226	Over 2 yr.
UTTAS (A) (airframe only)[5]	600, 000	1972	1, 107	14 per month (maximum).
XM–1 (new MBT) (A)	530, 400	1972	3, 312	30 per month (maximum).

[1] Although there are no formal DTC goals with the other major contractors (Rockwell, General Electric, or Boeing), the unit procurement cost (which includes flyaway, support costs, and initial spares), has been continually tracked. The present estimate for the B–1 unit procurement cost is $33,700,000 in fiscal year 1970 dollars for 239 aircraft delivered over an 8-yr period. This compares favorably with the original unit procurement cost estimate of $30,800,000 in fiscal year 1970 dollars for 241 aircraft.

[2] Final agreement between OSD and the Navy not reached, DTC will be within this range of cost.

[3] Follow on.

[4] The Sam-D program is currently being restructured and DTC goals may be reestablished after the restructuring. These goals represent component goals in the contract, and are not flyaway cost goals.

[5] OSD/Army agreement has not been reached on the UTTAS flyaway DTC goal, only on the airframe goal.

In addition to the foregoing the following major weapon systems have or will have total program DTC goals established between OSD and the Air Force. The use of unit flyaway cost goals for these programs is not appropriate due to the small number of production units involved and the significant portion of total program's cost being expended during development.

Advanced Airborne Command Post (AABNCP) (AF)—This program consists of 1 RDT&E and 6 production aircraft systems. An overall total program DTC goal of $548.1M in FY 73$ was established by the Deputy Secretary of Defense in September 1973.

Airborne Warning and Control Systems (AWACS) (AF)—This program presently consists of 3 RDT&E and 31 production aircraft systems. A revised acquisition program (development and production) DTC goal is being established based upon revised program guidance given at the September 1973 DSARC IIB Review.

Design To Cost Covered Contractually

The following is a list of the weapons systems which have used design to cost (DTC) contract clauses in their development contracts, and the DTC goals established therein. The amounts represent individual contractor cost to the Government (with the exception of the A–10 and AAH) and may be less than the amounts shown on Enclosure (1) for those cases where the cost includes non-recurring production cost, provisions for engineering changes, and the cost of Government Furnished Equipment (GFE). A–10 (AF).

Flyaway[1]—$1.5M in FY 70$ for 600 at a rate of 20/month.

Engine (TF–34–GE–100)—215 K in FY 70$ for 1500 at a rate of 50/month.

Gun (GAU–8)—85 K in FY 70$ for 600 at a rate of 20/month.

The Close Air Support aircraft is being developed under CPIF contract with Fairchild-Industries. The contract includes a DTC goal for a total flyaway unit cost of $1,500,000 and requires Fairchild Industries to monitor not only its cost but also the associated GFE. The engine (TF34–GE–100) and GAU–8 gun are being developed under two separate FPI contracts with General Electric. The DTC goals are included in these three contracts as "prime objectives," and priced options for initial production units are reflective of these DTC goals.

AAH(A):

Airframe+GFE—$1.4–1.6M in FY 72$ for 472 at a rate of 8/month.

Engine—78.7K in FY 72$ for 4700 at a rate of 60–85/month.

The Advanced Attack Helicopter is being developed under two competitive contracts. These contracts are CPIF with an award fee attached to a DTC goal of between $1,400,000 and $1,600,000 (different amounts in each contract). The contracts are with Bell Helicopter and Hughes Helicopter and the contract DTC goals include GFE but do not include non-recurring tooling or allowance for engineering changes.

The engine for both the AAH and the UTTAS is being developed under contract with General Electric.

ARSV (SCOUT) (A) Vehicle—$80-100K in FY 72$ for 1,147 units at 55/month.

The Armed Reconnaissance Scout Vehicle is being developed under two competitive contracts (FMC Corporation and Lockheed Missiles and Space Company) which are FPI type and include a DTC range of $80,000 to $100,000 (excl non-recurring production cost and GFE).

B–1 (Defensive Avionics) (AF)—$1.4M in FY 72$ for 241 units at 4/month.

The B–1 Radio Frequency Surveillance/Electronic Countermeasures (RFS/ECM) defensive avionics program is being developed under a CPIF contract with the AIL Division of Cutler-Hammer, which includes the above DTC goal. Payment of the DTC incentive is based on the negotiated production unit cost for the initial production contract. DTC provisions also include a determination of the associated profit percentage for the production contract based upon that negotiated production unit cost and the target values currently established in the present development contract.

CH–53E (N) Airframe—$3.180M in FY 73$ for 70 units at 2/month.

The CH–53E is the Navy's heavy lift helicopter and is being designed under a CPIF contract with Sikorsky Aircraft. The development contract includes a contract DTC goal of $3,180,000 for the airframe cost.

EF–111 (AF)—$5.4M in FY 73$.

The Manned Support Jamming aircraft has a unit DTC goal of $5,400,000 which includes costs of the jamming subsystem, self-protection subsystem, and radar warning subsystem, and the design/integration/aircraft modification effort. The basic F–111 aircraft will be Government furnished. This goal is included in the current study contract with General Dynamics and Grumman, and will also be included in the prototype development/integration contract to be negotiated following the present study phase.

HLH (A):

Airframe—$5.1M in FY 73$ for 250 units at 3/month.

Engine (XT–701–AD–700)—208K in FY 73$ for 1125 units at 15/month.

The Army's Heavy Lift Helicopter is being developed by Boeing-Vertol under basically a CPAF contract with a portion of the award fee attached to the DTC goal. The engine is being developed under a CPIF contract with Detroit Diesel (Allison Division) which includes an award fee on meeting the DTC goals.

Low Cost EW Suite (N):

Suite 1—$311.3K in FY 75$ for 116 units at 2/month.

Suite 2—$549.3K in FY 75$ for 119 units at 1 to 4/month.

Suite 3—$1,395.5K in FY 75$ for 60 units at 1/month.

The Low Cost Electronic Warfare Suite is being developed under competitive CPIF contracts with Hughes and Raytheon. The DTC goals are for three distinct configurations or suites of shipboard equipment.

MICV (A)—$122.9K in FY 72$ for 1186 units at 65/month.

The Mechanized Infantry Vehicle is being developed under a CPIF contract with FMC Corporation which contains a DTC goal of $122,900 excluding the fire control, some production support costs, non-recurring production costs and GFE.

MAN P/ADS (STINGER) (A)—$25.3K in FY 72$ for the first unit.

The Manportable Air Defense System (STINGER) is being developed under a CPIF contract with General Dynamics (Pomona). The contract also includes an award fee attached to meeting the DTC goal of $25,300 for the first production unit in FY 72$. A total quantity goal for the 20,000+ units has been set by the Army between $5,200 and $6,100 per unit, which would represent a learning slope of approximately 88% from the first unit.

SAM-D (A):

Missile—$90K in FY 72$ for 6250 units at 90/month.

Radar Group—2,828K in FY 72$ for 125 units at 2/month.

Weapon Group—887K in FY 72$ for 125 units at 2/month.

Launcher Group—250K in FY 72$ for 625 units at 12/month.

The Surface-to-Air Missile is being developed under a CPIF contract with Raytheon which includes an award fee for meeting the DTC goals. The program is now going through a complete evaluation and the future status is uncertain; therefore, these goals are subject to change.

UTTAS (A):

Airframe—$600.0K in FY 72$ for 1107 units at 14/month.

The Utility Tactical Transport Aircraft System is being developed under two competitive contracts with Sikorsky and Boeing Vertol (for 3 flyable aircraft each). Each contract is a CPIF and contains a DTC goal of $600,000 per unit. This goal does not include non-recurring cost, an allowance for engineering changes or GFE. There is an incentive provision based on a percentage share of the savings below $600,000/unit computed using an 86% learning slope projected from the first production unit cost for Boeing-Vertol and an 85% learning slope for Sikorsky.

The engine for both the UTTAS and the AAH is being developed under contract with General Electric (see AAH above).

XM–1 (new MBT) (A)—$450K in FY 72$ for 3312 units at 30/month.

The new Main Battle Tank is being developed under two competitive prototype contracts (CPIF) with Chrysler (Defense Division) and Detroit Diesel with DTC goals of approximately $450,000, which would exclude non-recurring production costs (including tooling), GFE and provisions for engineering changes. Award fees are included for meeting the DTC goals.

PROGRAMS TO BE CONSIDERED FOR DESIGN TO COST APPLICATION AT A FUTURE DSARC

1. The following programs, presently in the DCP/DSARC system, have not been approved for Program Initiation (DSARC I). They will be considered for Design to Cost at DSARC I or DSARC II. as appropriate.

Air-to-Surface Modular Weapon System (A, N, AF)—Current studies will indicate direction, exact outcome uncertain now.

TRITAC Switch (AN/TTC–39) (A)—The TRITAC program is a broad joint service program the first phase of which, has the Army as the program manager to develop the AN/TTC–39 switch. This is really a family of tactical, automatic, electronic, voice and message switches, capable of handling traffic in both analog and digital form. DSARC I is scheduled for April 1974.

VCX (COD) (N)—The Navy's replacement for the C–2 as the carrier on-board delivery vehicle. A draft DCP is expected during the summer of 1974 with a DSARC I in late 1974.

2. The following programs have been approved for Program Initiation (DSARC I) and will have Design to Cost objectives established by DSARC II.

AEGIS/DG (N)—The sailway goal for the 15 DG's including the AEGIS weapon system is currently under review and DTC goals will be established after the DSARC scheduled for May 1974.

AGILE (N)—The advanced short-range Air-to-Air missile (AIM–95A) is to replace the SIDEWINDER missile. At present there are no final DTC goals; however, a range of from $35,000 to $50,000 in FY 74 dollars for 5000 units in unit procurement cost has been established.

Air Launched Cruise Missile (ALCM) (AF)—is an air-to-ground missile being developed utilizing the technology baseline of the SCAD program which was terminated in late FY 73. DTC goals will be established following validation of critical design parameters. DSARC II is planned for late 1974.

Cannon Launched Guided Projectiles (CLGP) (A, N)—This program has had the equivalent of a DSARC I, and two contractors, Martin-Marietta and Texas Instruments, have been under contract building prototypes since February 1972 for the Army. The Navy also has a program underway on a 5 inch guided projectile. DSARC II on this program is planned to be held during the summer of 1975.

Cruise Missile (SLCM) (N)—The Navy's Sea Launched Cruise Missile is under advance development by two competitive contractors who are to build prototype systems under CPFF contracts. The contracts are with LTV and General Dynamics (Convair).

HARM (N)—The Navy's anti-radiation missile is to be completed and the resulting contract will contain DTC goals for the planned buy of 5,000 missiles.

Hellfire (A)—This is a laser-guided helicopter-launched missile which has been through the equivalent of DSARC I and is technically sound. Relative operational effectiveness, given the existence of the TOW, is being tested and evaluated. DSARC II scheduled for the summer of 1975.

HLH (A)—The Heavy Lift Helicopter is being developed by Boeing-Vertol under a CPAF contract. The engine is being developed under a CPIF contract with Detroit Diesel (Allison Div). There are DTC goals included in these contracts but final OSD/

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[1] Include $825,000 for airframe, $430,000 for 2 engines, $85,000 for GAU–8, remainder for other GFE.

Army goals will not be established until DSARC II.

LAMPS MK III (N)—The approved DCP authorized development of the avionics suite with deferral of the platform selection until November 1975. Since the cost of avionics needs will be dependent on the interface with other platform detection equipment, establishment of a DTC goal is not feasible at this time.

NAVSTAR Global Positioning System (GPS) (AF)—Formerly known as the Defense Navigation Satellite Development Program, the NAVSTAR (GPS) is to provide a new universal navigation and positioning capability using satellites. The program has only recently entered the validation phase. This phase will provide an in-depth assessment of user requirements, system vulnerability, system costs, the military value of the new capability, and the impact on existing and programmed facilities and equipment. No contractual provisions for DTC are established in the present user equipment definition contract. However, DTC goals will be established by DSARC II.

Over-the-Horizon-Backscatter Radar System (OTH-B) (AF)—Approval was granted at DSARC I for the development and testing of a limited coverage prototype system to be located in the Northeast United States. Design to Cost goals for the prototype phase, and follow-on site expansion and additional site procurements if approved, are being developed. These goals will be included in the proposed CPIF contract to be awarded for the current prototype phase.

PERSHING II (A)—The PERSHING II is basically a new reentry vehicle with the balance of the PERSHING missile remaining unchanged. The program is just being approved for advanced development. DTC goals will be established at DSARC II.

Precision Emitter Location Strike System (PELSS) (AF)—PELSS is an airborne location/strike system being developed to provide a capability to locate and strike emitters. The system consists of several ground stations wtih a central computer processing system, airborne receiver platforms, and weapon delivery systems. DSARC II is scheduled for the fall of 1974.

SHORAD/LOFAADS (A)—The Short Range Air Defense (SHORAD) missile requirement is to be filled by procuring a basically designed system. The DTC goal to be used for management will be established at DSARC II based on system that is selected.

Surface Effect Ship (SES) (N)—The two 100 ton Validation Phase test craft have been used for engineering studies for some time and are not suited for inclusion under design to cost. The 2,000 ton SES prototype(s) now under consideration will be experimental craft, R. & D. funded, to which the concept of flyway cost does not apply. However, establishment of design to cost goals on the military combatants which may grow out of this effort will be made at DSARC II.

Site Defense System—DTC goals will be established at DSARC II.

TASS/TACTLESS (N)—Towed Array Surveillance System/Tactical Towed Linear Array Sonar System provides a passive surveillance and tactical sonar capability for surface ships. This program will be divided into two separate programs, each with its own DCP at DSARC II.

Tactical Operations System (TOS) (A)—is a division-level computer-assisted command and control system to assist in managing the employment of Army combat power. Present tests are being conducted using TACFIRE developed hardware. DTC goals were not set at DSARC I since system description and specifications were not stable enough at that time.

TRIDENT (N)—The Navy's successor to the POSEIDON will have DTC goals established for both the missiles and submarines.

VRFWS (Bushmaster' (A)—Vehicle Rapid Fire Weapon System for use on the Army's MICV. Three contractors were under contract during the validation phase and have been submitted full scale development proposals (G.E., Philco-Ford and AAI). The Army is currently reevaluating its requirements in relation to existing systems as well as the three proposed systems. DSARC II is expected to be in late 1974.

3. CAPTOR Program has received DSARC II approval and is currently being reviewed by the Chief of Naval Material to determine the impact of funding deficiencies on production cost and schedule. It is estimated that necessary decisions regarding definitive production parameters will be available to support the submission of a design to cost later this year prior to DSARC III.

OLDER PROGRAMS IN PRODUCTION

The systems currently in the DCP/DSARC and SAR systems which have been approved for production (DSARC III) and DTC was not applicable are

Army	Navy	Air Force
Dragon	A-7E	A-7D
Impr. Hawk	AV-8A	C-5A
Lance	E-2C	F-5E
M60A2	EA-6B	F-15
Safeguard	F-14A	F-111
TOW	P-3C	Landing Control (TPN-19)
	S-3A	SRAM
	Phoenix	Maverick
	CVAN	Minuteman II + III
	DD-963	Defense support program
	DLGN-38	Cobra Dane
	LHA	
	SSN-688	
	Poseidon	
	Sub Sonar Sys (AN-BQQ-5)	
	MK-48 Torpedo	
	VAST (USM(V))-247	

DESIGN TO COST PLANNED EXEMPTIONS

The following programs are planned for exemption from the establishment of DTC goals. They will still receive constant review and evaluation based on the cost thresholds established under the DCP/DSARC process and will be managed in accordance with DTC concepts.

Air Acoustic Sensors (N)—is a program name applied to approximately 9 individual projects which range from the early formulative stage to production. As such, an overall DTC goal is impractical, however, individual projects which are susceptible to DTC will have goals established at the appropriate time.

Continental Operations Range (COR) (AF)—This program will provide a single fully integrated test range for improved OT&E. It includes consolidation of existing facilities and equipment and isolated procurements of peculiar range instrumentation. DTC is not applicable on a total program basis; however, DTC goals will be established for individual hardware procurements wherever possible. The program is being managed within the cost threshold established in the DCP/DSARC review cycle.

SANGUINE (N)—is a low frequency inground transmitter to be built by the Navy for submarine communication. Site selection has been a problem. It is expected that the program will be managed through cost thresholds established in the DCP/DSARC process, since it is a one of a kind operation and not appropriate for DTC.

FLT SAT COM (N)—The Navy's fleet satellite communication system, including shipboard and ground station equipment and the satellites, is in the late stages of design and DTC goals are not applicable.

SOSUS (IMPR) (N)—An old program name which covers many projects. It has been exempted from the requirements of DTC.

TACFIRE (A)—The initial procurement for this program was under a Total Package Procurement (TPP) concept and the new development contract covers only the remainder of the development effort. So much of the hardware design was performed under the TPP that the remaining software refinement is unlikely to influence system production cost.

OSD COMMENTS ON PRINCIPAL RECOMMENDATIONS OF THE BUCY REPORT

Implementation of the recommendations of the Bucy Report was initiated rapidly by the widespread distribution of copies that I directed in my Memorandum for the Chairman, Defense Science Board, dated May 14, 1973, which was published as a covering memo with the report. The DDR&E sent out almost 2,000 copies of the report during the summer of 1973. These went to key DoD, industry, and Congressional offices and to interested individuals. The report was also made available for purchase through the Superintendent of Documents, G.P.O.

Numerous references to the Bucy Report have been made in speeches by high-ranking members of the DoD before both military and civilian audiences. There have also been frequent written references made to the report in DoD correspondence. In order to provide specific comments on the implementation of the ten principal recommendations contained in the Bucy Report, the Army, Navy, and Air Force have provided the information contained in Tabs A, B, and C, respectively.

As shown in the attached Tabs, the Military Departments are actively engaged in carrying out the spirit and intent of the principal recommendations. Some of these efforts were underway, even before the Task Force was requested to examine Design to Cost by the DDR&E, as a result of DoD Directive 5000.1. Some of the other implementing actions may still require lengthy subtle philosophical changes to the way of life in both DoD and industry. The DoD is moving forward in a positive manner to implement the Bucy Recommendations and the concept of Design to Cost.

ARMY COMMENTS ON PRINCIPAL RECOMMENDATIONS OF THE BUCY REPORT

1. Army Program Managers have been given complete authority to make decisions on performance/cost trade offs within the bands of flexibility established for their individual programs. Trade offs outside of the established bands must be approved at the level that established the threshold. For example, trade offs involving DCP threshold must be approved by OSD. The prospective Project Manager is normally a member of the special task force assembled to prepare the concept formulation package, the development plans and associated analysis, including a draft DCP for major systems.

2. It is Army policy to select only outstanding personnel as Project Managers. The present criteria for selecting a Project Manager are quite demanding. For example, he must be a graduate of a senior service school, possess an advanced degree in a technical field or business administration and have demonstrated outstanding performance. To assure that the best qualified personnel are selected for Project Managers, the Assistant Secretaries of the Army (R&D) and (I&L), as appropriate, and the Under Secretary of the Army will personally review the records of the top three candidates and interview the individual recommended for project manager positions.

3, 5, 6. It is Army policy that cost is equal in priority to performance in the acquisition of weapon systems. There are nine Army systems presently under design-to-cost procedures and this technique will be applied to all other on-going major systems that have not progressed beyond the point where it would be effective. It is planned to apply design-to-unit cost to all major system developments initiated in the future. Production unit-cost-design goals are included in the engineering development contract.

4. The Secretary of the Army recently established a group of senior Secretariat and Army General Staff personnel to review, before release, all RFP's for programs covered by DCP's. The group is chaired by the Deputy Assistant Secretary of the Army (R&D). Some examples of this group's activities are:

a. Assure that DCP objectives are appropriately reflected in the RFP.

b. Performance rather than design specifications provided.

c. Insure that proposed test programs will provide reliable information in advance of major decision points in the program.

d. Eliminate cascading references to standard military specifications and "how to do it" specifications that drive one to expensive solutions.

7. As an example of actions supporting this recommendation, the Army is initiating implementation of the "Wheels Study" recommendation to replace specialized tactical vehicles with appropriate commercial vehicles.

8. The Army strongly supports extending competition as long as economically justified in the weapons acquisition process and this policy is reflected in current programs. It is obviously impractical to have competitive parallel development programs for large systems such as SAFEGUARD and SAM-D. However, programs such as Utility Tactical Transport Aircraft System (UTTAS), Armored Reconnaissance Scout Vehicle (ARSV), and BUSHMASTER gun system are using the competitive prototype technique. Competition will be maintained in these programs as long as economically justified.

The Army has for many years used the "break out" of major subsystems and components to achieve appropriate competition in the procurement of weapons systems.

Competition has also been achieved in the procurement of systems such as TOW and SHILLELAGH by means of educational orders and technical assistant contracts to develop second sources for the system.

9. The Army concurs in this recommendation and is following this procedure.

10. The Army agrees that the organization structure should not inhibit the activities of the Project Manager. Army Project Managers receive their charters from the Secretary of the Army and are authorized direct access to the Secretary, Chief of Staff and the Commanding General of the Army Materiel Command. However, it is also important to insure that the Project Manager is not so "independent" that he becomes isolated from and loses support from the rest of the organization. For example, the development and acquisition of a weapons system should be integrated with force structure and training plans for its deployment. This involves elements of the organization outside of the Project Manager's structure. If the PM were completely independent of the Army Staff organizations, coordination would be more difficult.

Navy Comments Regarding Implementation of Recommendations Advanced by the "Bucy" Report March 15, 1973

The following comments pertain to the list of 10 principal recommendations as cited on page xvii of the "Bucy" Report summary.

RECOMMENDATION NO. 1

"That the Program Manager be given full authority to make timely decisions on performance/cost trade-offs, and that he participate in establishing requirements."

Comment: The authority of Navy Program Managers has been incrementally increased since the program manager concept was strongly emphasized by former DEPSECDEF Packard. The Navy has followed a policy of granting maximum feasible trade-off authority to Program Managers since the early success of the POLARIS program. The practical limits of such authority are many however, due to the extremely complex system/sub-system interfaces which exist among Navy weapons systems.

RECOMMENDATION NO. 2

"That the program management team consist of highly competent individuals, whose tenure is oriented to completion of major program phases, and whose technical background is appropriate. That strong motivations and incentives for these personnel be developed, to counteract the tendency to follow the lines of least resistance."

Comment: The Navy is ensuring a continuous and adequate input of qualified Project Managers and Weapon Systems Acquisition Management personnel by:

1. Providing significant status and recognition for Major Project Managers commensurate with their responsibilities. A Major Project Manager billet is considered equivalent to a Major Command.

2. Ensuring that special attention is given to the procedures for the selection for and designation of billets for Major Project Managers.

3. Strengthening career planning and education for Project Managers and Weapon Systems Acquisition Management personnel.

In 1972, the Navy initiated a formal Weapon System Acquisition Manager (WSAM) program under the auspices of the Chief of Naval Personnel which now contains approximately 1100 officers in grades O-4 through O-6 who are identified as possessing the technical and managerial experience necessary to provide effective management of the Navy's acquisitions.

In the area of Project Manager tenure and promotion, of importance is the fact that the average tenure of project managers during the 1969 period (before DOD Directive 5000.1) was 2 years and 5 months. During 1973 the average tour of project managers rotated was 3 years and 2 months. Of the 59 current Project Managers in the Navy, 39 have not been moved out of their jobs and only 16 have been moved in less than three years.

RECOMMENDATION NO. 3

"That program requirements be balanced between performance and cost—and that their specification and documentation be made directly pertinent to the program."

Comment: The entire Navy application of the design to cost concept is directed toward achieving a better balance between performance and cost. The practical means of achieving such balance occurs in four general ways:

1. Through the day to day exercise of the authority granted Navy program managers.

2. Through the setting of design to cost goals on all major (and a significant number of minor) programs.

3. Through the original specification of broadly worded need statements such that the solution to the need is not preconceived and prespecified in advance of the development of several alternative potential solutions of the need.

4. Through the workings of the Chief of Naval Operations' Executive Board (CEB) and the Chief of Naval Operations' Program Analysis Memorandum (CPAM) process which causes hard trade-off decisions to be made relative to program requirements and resource allocation.

RECOMMENDATION NO. 4

"That specifications be more nearly limited to 'end-item' orientation, including performance, environment, and long-term warranty or service policy. That the thousands of detailed 'how to do it' specifications be reduced, and, in many cases, eliminated. That, to achieve these ends, greater emphasis be placed on the test and evaluation of prototypes, and less on paper specifiations.

Comment: The Navy concurs in the recommendation and has shifted considerably toward the method of operation implied by the elements of the recommendation. Practical application is stimulated and monitored through the requirements review board/request for proposal review board process for which requirements, documents, and requests for proposal are reviewed by Headquarters level review boards prior to release of RFPs to industry sources. All major program RFPs are subjected to high level review by the Deputy Chief of Naval Materiel for major program RFPs receive similar review, generally at the Systems Command level.

RECOMMENDATION NO. 5

"That DOD's weapon systems acquisition policies be modified to place unit price in proper perspective, to provide a more direct incentive for cost reduction. This is not to suggest any single grand plan of "total project" pricing, but rather to focus attention on adequate unit pricing as an incentive to continual cost reduction.

Comment: The Navy believes that current DOD-wide emphasis on the design to cost concept if properly applied will cause unit price to be placed in proper perspective. The current emphasis stems from direction enunciated in DOD Directive 5000.1 dated 13 July 1971.

RECOMMENDATION NO. 6

"That program requirements, particularly unit production costs must be developed at the beginning, and reviewed or revised regularly, to assure that the relative value is still being attained."

Comment: The Navy concurs in the recommendation and is instituting procedures to provide for the early establishment and periodic adjustment of applicable design to cost goals on all appropriate Navy Programs.

RECOMMENDATION NO. 7

"That, for non-weapon procurement, a greater use of commercial products be made."

Comment: The Navy concurs in the recommendation. Practical application is being effected through various DSA programs aimed at reducing the number of milspec items in favor of suitable commercial spec substitutes.

RECOMMENDATION NO. 8

"That competitive procurement of hardware be extended as long as possible, and to the greatest extent applicable to systems, subsystems, and components procurement. Competition is essential whether the contract is Fixed Price, Cost Plus Fixed Fee, or even an Incentive Contract. In such competition, increased weighting and emphasis should be given to the contractor's prior performance and responsiveness.

Comment: The Navy concurs in the recommendation and is employing maximum feasible competition in numerous contemporary programs. Several specific examples are as follows:

PHM, Cruise Missile, MK 48 Torpedo, Surface Effect Ship, Advanced Technology Engine, Harpoon sustained engine, Digital Multi-beam steering subsystem.

Official Navy procurement statistics reflect an increase of 5% in the use of competitive procurement from Calendar Year 1972 to Calendar Year 1973.

RECOMMENDATION NO. 9

"That the important role of Cost Plus Fixed Fee contracts should continue for development and prototype contracts, where effective Fixed Price competition cannot be achieved without the addition of large contingency factors.

Comment: The Navy concurs in the recommendation. Official Navy procurement statistics evidence a 5% increase in the use of cost reimbursable type contracts as opposed to Fixed Price type contracts from CY72 to CY73.

RECOMMENDATION NO. 10

"That, to provide an open environment in which these changes can take place, the hierarchy of DOD program management structures be realigned and simplified.

Comment: The Navy concurs in the recommendation but defers to implementation action which may result from the formal Executive Branch position taken with respect to recommendation C-11 of the Report of the Commission on Government Procurement.

General Comment relative to relationship between the "Bucy" report and the Major Systems Acquisition portion (Part C) of the Report of the Commission on Government Procurement.

There is a very high correlation between the recommendations advanced by both reports. The DoD is actively engaged in responding to the Report of the Commission on Government Procurement and specific implementing actions are being or will be taken with respect thereto.

The GAO, as tasked by the Chairman of the House Government Operations Committee, is monitoring Executive Branch progress in implementing the Commission's recommendation which is distributed to members of Congress and other interested parties.

Air Force Comments on the Principal Recommendations of the Bucy Report "Reducing costs of Defense Systems Acquisition," Dated March 15, 1973

1. That the program manager be given full authority to make timely decisions on performance/cost trade-offs, and that he participate in establishing requirements.

The policy in DOD Directive 5000.1 and the implementing Air Force regulations, AFR 800–2 and 800–3, directs the DOD Component and Program Manager to make performance/cost tradeoffs in the accomplishment of acquisition programs. These tradeoffs are used by the Program Manager to keep the program within the performance and cost objectives and thresholds established by the Secretary of Defense in the approved Development Concept Paper. The Program Manager is delegated maximum authority and responsibility for deriving program and technical design requirements. He develops and approves the Program Management Plan, which is directive on other Air Force Systems Command elements and upon the using and supporting commands.

2. That the program management team consist of highly competent individuals, whose tenure is oriented to completion of major program phases, and whose technical background is appropriate. That strong motivations and incentives for these personnel be developed, to counteract the tendency to follow the lines of least resistance.

The Air Force is continuing its emphasis on three key factors to maintain strong program management teams: an adequate source of qualified individuals; assignment stability to keep people on the job long enough to get it done; and recognition and career incentives to attract and retain the most competent personnel. Major program officers are all manned at a 100 percent level, with the program manager exercising veto power over all personnel assignments to the program office. The selection of program managers for major programs is personally approved by the AFSC commander. The average tour of personnel assigned to major programs has increased from 31 to 43 months since 1970. Today, over 63 percent of our officers in the potential program manager resources (the Air Forces has had a separate systems management career field since 1964) have advanced degrees.

3. The program requirements be balanced between performance and cost—and that their specification and documentation be made directly pertinent to the program.

Program requirements, as related to operational requirements, system design requirements, cost and schedule, are under constant review and evaluation during the acquisition life cycle of a weapon system. The extensive requirements review process which validates the statement of operational requirements, the review boards which thoroughly "scrub" the request for proposal before it is issued to industry, and the Joint Operational and Technical Reviews which further identify marginal requirements, have contributed significantly to maintaining the performance/cost balance. That balance is being established prior to entry into the validation phase, and it is maintained from that point on within the thresholds established by OSD in the approved DCP.

4. That specifications be more nearly limited to "end-item" orientation, including performance, environment, and long-term warranty of service policy. That the thousands of detailed "how to do it" specifications be reduced, and, in many cases, eliminated. That, to achieve these ends, greater emphasis be placed on the test and evaluation of prototypes, and less on paper specifications.

The Air Force is maintaining a strong emphasis on prototyping, with test and evaluation objectives identified very early in the program. Many of the "how to do it" specifications have been eliminated by revising directive regulations and manuals into guides and pamphlets. Necessary information is thereby provided, but without imposing unnecessary constraints. The use of life cycle cost considerations, including maintainability, reliability, and other support criteria is being introduced in the conceptual phase and continued throughout the acquisition process. Combined with an increasing emphasis on early hardware development and evaluation, the overall objectives of system effectiveness and a minimum life cycle cost are receiving considerably more attention.

5. That DOD's weapon system acquisition policies be modified to place unit price in proper perspective, to provide a more direct incentive for cost reduction. This is not to suggest any single grand plan of "total project" pricing, but rather to focus attention on adequate unit pricing as an incentive to continual cost reduction.

The recommendation focuses clearly on the application of design to cost to weapon system acquisition programs. Design to cost goals in the form of unit fly away cost goals have been established on several current programs and are being identified for new programs during the conceptual and validation phase. These cost goals are being contractually implemented, with increasing use of incentive structuring for further emphasis on cost reduction. The Air Force is also aligning design to cost with life cycle cost considerations to prevent undue emphasis on procurement cost at the expense of follow on ownership costs.

6. That program requirements, particularly unit production costs, must be developed at the beginning, and reviewed or revised regularly, to assure that the relative value is still being attained.

Current OSD policy requires the establishment of design to cost goals at the earliest possible date, but no later than entry into full scale development. These cost goals, together with all other program requirements are continually reassessed, with formal consideration occurring on a monthly basis with the AFSC Commander, Chief of Staff, and the Secretary of the Air Force, and at each of the major milestone reviews conducted by the DSARC.

7. That for non-weapon procurement, a greater use of commercial products be made.

It is Air Force policy to rely on the competitive market and to procure standard commercial products from that competitive market whenever they will fulfill the stated mission requirements.

8. That competitive procurement of hardware be extended as long as possible, and to the greatest extent applicable to systems, subsystems, and components procurement. Competition is essential whether the contract is fixed price, cost plus fixed fee, or even an incentive contract. In such competition, increased weighting and emphasis should be given to the contractor's prior performance and responsiveness.

The Air Force makes maximum use of competitive procurement on systems, subsystems, components, and parts. The type of competition and the degree of competition that are used are tailored to each procurement requirement. For example, the Air Force may not be able to afford duplicate prototyping on complex procurements; however, competition at the outset may be used to give program requirements maximum review by all capable contractors. The Air Force is continuing to seek better ways to include contractors' prior performance as a factor in competitive procurements.

9. That the important role of cost plus fixed fee contracts should continue, for development and prototype contracts, where effective fixed price competition cannot be achieved without the addition of large contingency factors.

It is Air Force policy to use cost-type contracts for prime contracts as well as subcontracts whenever substantial risk or development effort is involved.

10. That, to provide an open environment in which these changes can take place, the hierarchy of DOD program management structures be realigned and simplified.

The Air Force has implemented the decentralization philosophy of DODD 5000.1 and has minimized management layering between program offices and top management. The Air Force Blue Line Reporting System provides for bypassing intermediate management levels when necessary. Direct contact with the Chief of Staff and Secretary of the Air Force is authorized in such cases, with after the fact reporting to intermediate levels.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 20 minutes, with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. TOWER. Mr. President, during the consideration of S. 3000, and on amendments thereto, I ask unanimous consent that Michael Hemphill, of the staff of the Joint Committee on Defense Production, be given the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1975

Mr. EAGLETON. Mr. President, I would like to address some of the points raised in the committee report on the AWACS program.

First, I commend the committee for carefully circumscribing its approval of the 12 aircraft requested in the budget by requiring the Secretary of Defense to certify that AWACS will meet its tactical mission requirements. The GAO and others have raised serious questions about the ability of AWACS to perform effectively in Europe and the committee has taken full cognizance of the issues yet to be resolved in determining the viability of AWACS for the NATO mission.

I personally feel that Congress should take the responsibility for slowing down the AWACS program until it is determined whether the system can operate effectively in performing its primary mission. That seems a rather elemental and logical prescription for proceeding with such an expensive and complex system, and I will pursue that course as we consider appropriating funds to carry out the provisions of this authorizing measure.

It is my intention today, however, to clarify the rationale and the methodology used in preparing the GAO report and to explain why I believe Congress should not ignore GAO's recommendation.

It is first important to note that the GAO report is not a critique of the AWACS program generated by a small group of inventive minds bent on dreaming up ways to stop the program. It is instead a careful and responsible analysis of a number of DOD studies which expressed the same reservations about the AWACS production schedule and about the ultimate viability of the system in Europe. GAO, which possesses the technical expertise we badly need, and which, unlike the Air Force, does not have a vested interest, simply added the sum total of these DOD documents and arrived at the obvious—AWACS should not be produced until its capability to perform the European mission is demonstrated by operational tests.

A sample of the DOD documentation used to support this recommendation makes it clear that the GAO study was eminently responsible:

1. SABER SCAN Volumes 1 thru 6, Assistant Chief of Staff, Studies and Analyses (Washington Hdqtrs., USAF July 1973).

2. *AWACS IOT&E Phase I Final Report*, USAF Tactical Air Warfare Center, Eglin AFB, Fla., August 1973.

3. *Concept of Operations for Tactical Airborne Warning and Control System*, Hdqtrs. Tactical Air Command, Langley AFB., Va., Sept. 10, 1973.

4. Defense Policy and Planning Guidance, Office of the Secretary of Defense, Sept. 28, 1973.

5. Nov. 2, 1973, Memorandum from the Deputy Secretary of Defense to the Secretary of the Air Force—DSARC Decisions on the AWACS Program.

Mr. President, I would also like to add that the GAO has continued to review the AWACS program and its reviewing team has spent an extensive amount of time with the AWACS project office. On May 15, 1974 I received an updated report on AWACS which reiterates the recommendations contained in the GAO's March report. In addition, this latest report includes a schedule for AWACS testing which I believe is explicit evidence in itself that AWACS is being pushed ahead too fast.

Mr. President, I ask unanimous consent that the letter from the Acting Comptroller General of the United States be printed in the RECORD at the completion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. The committee report includes a section entitled "Combat Pilots' Testimony on Warning and Control." This section reports the unanimous praise of the AWACS concept by Air Force and Navy pilots who had experienced problems over North Vietnam of effective command and control. Let me say that I agree completely with their conclusion that an operable AWACS would have greatly enhanced the attack sorties carried out by our pilots over Vietnam, assuming, of course, that the North Vietnamese had no better ECM capability and air defense protection than they actually possessed during that war.

But the Vietnam war is history. We must now prepare for the future. And AWACS may or may not play a role in our future defense posture depending on whether it can perform in the high-density air theater of Europe, and whether it can operate against the electronic countermeasures and threat aircraft the Warsaw Pact will use against it.

I recently read an article in the Armed Forces Journal International which graphically illustrates the complexity of the European mission and contrasts the NATO environment with what existed over Indochina. The article, entitled, "New Look at a NATO Air War," states that a European air war would be "6 to 12 times more intense than what American airmen experienced in Vietnam." The following quote describes the great difference in the two theaters of war:

> With 2,800 planes—most of the air-to-air fighters—Warsaw Pact forces tangling with 2,700 NATO aircraft could generate as many as 8,000 combat aircraft tracks a day just in NATO's Central Region. In contrast, there were fewer than 1,200 tracks over *all* of Southeast Asia on an average day even at the peak of the Vietnam air war in July of 1968 (and fewer than 500 a day over North Vietnam itself).

The article goes on to state that "Electronic countermeasures and the air defense ground environment would be far more sophisticated than in North or South Vietnam."

Mr. President, we cannot justify weapons systems on the basis of their capability to fight the last war. Yes, AWACS may have helped in Vietnam, but if it is to help in Europe it will have to be a vastly different, more complex and more expensive system than is now planned. With a currently planned capacity to handle 15 simultaneous tracks, AWACS would be swamped in an 8,000-track-a-day environment. My position is that the tactical design should be defined before we begin production.

Mr. President, I ask unanimous consent that the article in the May 1974 Armed Forces Journal International be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. EAGLETON. The technical side of the AWACS program is not the only area where doubt and confusion reign. Last year the Air Force was planning for a fleet of 42 aircraft—25 for strategic air defense, 10 for tactical and 7 for training and attrition. This year, while the strategic mission has apparently been pushed to the rear the total number of aircraft was mysteriously dropped to 34. Despite repeated efforts, Congress has yet to receive a justification for that number and a specific breakdown explaining where the aircraft would be assigned. This is all the more important since it appears that Secretary Schlesinger has virtually eliminated the strategic mission.

Accordingly, I asked the Library of Congress to study this question and yesterday I received an excellent report on the subject prepared by Mr. Charles Murphy, a defense analyst for the Congressional Research Service. It is characteristic of Congress' struggle to get answers from the Air Force that the most precise description of AWACS deployment needs has come from the Library of Congress.

In short, this study shows that the most fundamental decisions about AWACS deployment either remain unresolved or are being finessed to avoid congressional scrutiny this year. This study shows that there is no valid requirement for 34 AWACS and, if our NATO allies decide to buy the system—an unlikely possibility—the United States may require no more than 5 aircraft. It also shows that the Air Force may have expanded the tactical mission simply to justify buying more aircraft.

Perhaps more important, the Library of Congress study shows considerable doubt over the number of aircraft to be assigned to NATO and whether our NATO allies will purchase AWACS on their own. In this regard, I doubt seriously that our NATO allies would be willing to purchase an aircraft as expensive as AWACS. This doubt was reinforced a few weeks ago when I read a quote from General Brown, then Chief of Staff of the Air Force. General Brown said in testimony:

> I think the development of what they (NATO) want is possible, and we can achieve

it, but at a cost that they may still find too high.

But there is a second reason why NATO may not want AWACS flying over Europe. I have learned that at least one NATO country has expressed serious concern about an aircraft which would be capable of looking down and, therefore, violating sovereign airspace without ever traversing national borders. This report is extremely disconcerting because it implies that the United States may meet resistance from its NATO allies in deploying AWACS in Europe under any circumstances. Since this is the primary mission theater for AWACS, I am all the more convinced that Congress should make no decision to allow AWACS production until this matter is cleared up.

It should be noted that the Library study recommends strongly that a final decision should not be made as to the overall size of our AWACS force until NATO has determined its requirements. The study points out that if the Defense Department proceeds with existing plans, 27 aircraft would have been funded by the time NATO reaches a determination of its own.

Mr. President, I cannot amplify the confusion described by the Library study any better than Mr. Murphy, the author. I would therefore recommend strongly that my colleagues, especially those on the Appropriations Committee, who must decide whether to fund AWACS, review it closely. I therefore ask unanimous consent that the Library of Congress study dated June 5, 1974, on AWACS be printed in the RECORD at this point and that it be followed by the transcript of my testimony of May 15, 1974, before the Appropriations Committee on AWACS.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D.C., June 4, 1974.

To: Hon. THOMAS F. EAGLETON,
From: Charles H. Murphy, Analyst in National Defense.
Via: Charles R. Gellner, Chief, Foreign Affairs Division.
Subject: Airborne Warning and Control System (AWACS).

In response to your letter of May 24, 1974, we are forwarding the attached analysis of proposed AWACS force levels and missions.

If you have any questions regarding the content of the attached report or if additional information is desired, please don't hesitate to call.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

The Airborne Warning and Control System (AWACS): Missions and Numbers

To date most of the controversy surrounding the AWACS program has focused on the issue of whether or not these aircraft could operate effectively in a "high density" European air battle. Thus far, however, little or no attention has been given to the question of how many AWACS aircraft would be required to support U.S. military objectives worldwide if procurement is approved. The purpose of this report is to briefly examine the rationales underlying past, present, and alternative AWACS force levels.

The size of the AWACS force should be determined by the maximum number of missions to be performed per day in wartime. The number of missions to be performed, in turn, would be affected by 1) the size of the geographical area to be covered; 2) the duration of each sortie; and 3) whether or not continuous or intermittent coverage is desired. While the strategic air defense[1] mission was used as the primary justification for the program thorugh 1973 and while the tactical mission was not formally validated until 1970, defense planners have envisioned both a strategic and a worldwide tactical role for these aircraft since the inception of the program in the early 1960's. According to these plans, AWACS would have been used to support the strategic air defense of the continental United States (CONUS), tactical air operations in Europe, and contingency requirements in other theaters, such as Korea, Southeast Asia, or the Middle East. As a general rule, it is assumed that five AWACS aircraft would be required to maintain each orbit on a 24-hour-a-day basis, including needs associated with normal maintenance and training. Although current plans have identified a need for six aircraft to maintain each orbit in the European theater, none of the current estimates appear to allow for combat attrition. Depending on the number of missions and extent of coverage desired, three to five orbits—15 to 25 aircraft—would be required for the strategic air defense mission, two to four orbits—10 to 24 aircraft—for Europe, and one orbit—five aircraft—for other worldwide contingency requirements.

Initially, under a decision made by former Secretary of Defense McNamara in November 1968, a force of 64 AWACS aircraft was planned that would have provided a capability to perform both the tactical and strategic mission simultaneously in wartime. However, in February 1970, former Secretary of Defense Laird reduced the size of the proposed fleet to 42 aircraft. In so doing, he also formally validated the requirement for AWACS in a tactical role. In testimony before Congress in February 1970, defense officials argued that Secretary Laird's action "did not deemphasize the air defense role but was instead a formal recognition of the equal importance of the tactical role for AWACS."[2] but, in fact, the decision to cut the force by 22 aircraft paradoxically lead to a significant downgrading of the tactical mission at the same time that it was being formally validated.

With the 64 AWACS aircraft planned in November 1968, the distribution of aircraft by mission would probably have been as follows: 25 for strategic air defense, 24 for tactical air operations in Europe, five for air operations in other theaters, and the remaining 10 for training and attrition. By comparison, of the 42 aircraft planned for procurement as of February 1970, 25 would have been assigned to the Aerospace Defense Command (ADC) for the strategic mission, 10 to the Tactical Air Command (TAC) for tactical use, and seven for command support and training. Thus, while the CONUS air defense requirement remained unchanged at 25 aircraft, the number of aircraft allocated for tactical purposes was decreased from an estimated 29 to 10 aircraft. The decision to curtail AWACS' tactical force structure in 1970 was related to an all-out Defense Department effort to gain congressional approval of a pervasive and costly strategic defense system that would have included the Safeguard Anti-ballistic Missile System as well as a modernized strategic air defense force, including AWACS, a new interceptor and surface-to-air-missile, and a long-range, all-altitude radar system.

Although the Air Force has argued that "through judicious utilization a force of 42 AWACS could have effectively supported both the tactical and strategic missions simultaneously in wartime,"[3] in this particular case, the simultaneous mission capability was retained by reducing the number of planned tactical orbits. With the allocation of aircraft by mission planned in 1968, it would have been possible to support at least five tactical orbits, four orbits in Europe and one elsewhere. However, with the allocations allowed for under the February 1970 decision, it would have been possible to maintain only two tactical orbits, a capability that would have been adequate to cover either the primary battle zone in Central Europe or two other minor contingencies in other parts of the world.

As the foregoing discussion indicates, from February 1970 through 1973, the bulk of the AWACS fleet—approximately 70 percent of the aircraft—was earmarked for CONUS air defense. Thus, up until recently, the primary justification for the program was based on a requirement to provide our strategic air defense forces with an advanced airborne warning and control capability. Consequently, AWACS was included in the strategic forces budget through fiscal year (FY) 1974. However, in calendar years (CY) 1972–73 a definite shift in emphasis occurred in the justification for the program, with the far greater importance being attached to the tactical mission. In August 1973, Secretary of Defense Schlesinger formally changed AWACS' primary mission. As a result, AWACS funding was transferred to the general purpose forces budget and its strategic mission was relegated to a secondary or "backup" role. If the system is eventually procured, the aircraft will be assigned to a "general purpose pool" under TAC instead of ADC as originally planned and will be used primarily to "improve the air defense capabilities of our general-purpose forces to Europe," according to the Secretary of Defense.[4] In line with these changes, the first 12 aircraft, for which full procurement fundings is requested in FY 1975, will be bought for use in the "general-purpose force mission rather than for continental air defense."[5]

In effecting a reversal of mission priorities in the AWACS program, Secretary Schlesinger also reduced the size of the proposed force by eight aircraft, from the 42 planned a year ago to a current estimate of 34 aircraft. According to some officials in the Department of Defense and Congress, the plan to buy 34 AWACS aircraft is "highly tentative,' and some see a definite trend toward a further reduction of possibly ten or more aircraft. To date the Defense Department has not provided a breakdown of how the 34 aircraft would be allocated by mission area. In the absence of such information, it seems reasonable to conclude on the basis of planned orbit requirements that of the 31 (UE) aircraft that will be in an operational status, up to 29 aircraft would be assigned tactical missions, which leaves two aircraft unaccounted for. Under current plans three of the 34 aircraft would be in a nonoperational status, i.e., in depot maintenance. While the Defense Department officially maintains that the decision to cut the force in late 1973 stemmed from a need to fund other high priority Air Force programs, it would appear that this change was also based on two other considerations: 1) a recommendation by the Senate Armed Services Committee to reduce the quantity to be procured and 2) a greatly reduced need for a dedicated strategic AWACS.

In its report on the FY 1974 military procurement bill in September 1973, the Senate Armed Services Committee expressed the view that the "dual mission" capability inherent in the AWACS design "could allow the overall quantity to be reduced from the 42 aircraft programmed [in 1973]," and it urged "that this be considered while the production program is being planned."[6] During a subsequent floor statement on the AWACS

Footnotes at end of article.

program, Senator Cannon elaborated on this point. "The flexibility of the AWACS should allow a lesser number of airplanes to be built since they can be shifted back and forth between CONUS bomber defense and tactical warfare applications as the world situation dictates at the moment."[7]

The Department of Defense now appears to adhere to the Committee's view of how AWACS should be employed. While defense officials point out that the system is being procured primarily for control of our theater air forces, when not deployed overseas in support of these forces, AWACS would be assigned to a general-purpose pool and would therefore be available for CONUS air defense. In brief there are indications that the Department of Defense is now moving toward a decision that would call for the procurement of enough AWACS aircraft to support one mission only, though the current plan to buy 34 aircraft would provide a limited capability to perform both missions simultaneously.

Proponents of a dual mission might argue that the procurement of a single, tactical AWACS capability is based on erroneous assumptions. They would maintain that any major U.S.-Soviet confrontation would evolve from a developing regional confrontation and would inevitably involve the possible use of nuclear weapons. They would therefore conclude that the tactical and strategic requirement for AWACS would in all probability coincide in wartime. However, on the other hand, if you assume, as the Secretary of Defense does, that air defense of CONUS "is of little practical value without an effective anti-missile defense,"[8] then the procurement of a single mission capability for AWACS might be a prudent course of action.

In view of the reversal of mission priorities in the AWACS programs, ongoing cutbacks in deployed air defense forces, and recent changes in strategic planning, some have questioned the need to procure AWACS for the CONUS air defense mission. They contend that this mission in now inconsistent with overall strategic policy and that it is being used as a device to justify a larger AWACS fleet than the tactical mission alone would justify. Reenforcing this view is the fact that only eight aircraft were deleted from the production program, not the 25 opponents expected.

The Secretary of Defense appears ready to abandon the strategic air defense mission. In a report to the Congress in March 1974, he stated that a "CONUS air defense system structured primarily for peacetime surveillance would not require an AWACS force, the principal purpose of which is to provide a survivable means of control of air defense aircraft in a nuclear war environment.[9] Since the primary emphasis in U.S. air defense is shifting to peacetime surveillance and control of airspace and warning of bomber attack, Secretary Schlesinger's statements seem to suggest that AWACS might not be needed at all for CONUS air defense. However, while the Secretary of Defense has greatly minimized the strategic requirement for AWACS, this mission is still being used by the Air Force to justify a significant portion of the program.

Assuming that the Defense Department is still planning to use AWACS for strategic air defense and assuming that tactical requirements have not changed over the past year, then it is reasonable to conclude that 20 to 25 aircraft are currently earmarked for CONUS air defense. While officials at ADC now concede that only a very limited number of AWACS aircraft—possibly as few as four—would be needed to fulfill peacetime air defense objectives, they still maintain that 25 AWACS would be required to support strategic air defense operations in wartime. A force of this size would be capable of maintaining five orbits, yielding full, 360 degree coverage of the continental United States. Such extensive coverage, however, would seem to be inconsistent with current wartime objectives which call for a "limited defense against a small bomber attack." If AWACS were deployed to cover the primary "bomber threat corridors" only, for example, the wartime CONUS mission could probably be performed by a much smaller force, perhaps as few as 15 aircraft (three orbits).

Assuming, on the other hand, that a determination was made to "kill" the strategic requirement for AWACS, then it would be difficult to justify a fleet of more than 15 aircraft. In the past Defense Department and Air Force witnesses have told Congress that 10 to 15 AWACS would be needed to perform tactical missions worldwide if the strategic air defense mission were eliminated altogether. However, current plans now identify a need for 20 to 24 aircraft to support wartime air operations in Europe alone, plus an additional five aircraft for use in other theaters for a total of up to 29 aircraft assigned tactical missions. This plan differs slightly with information supplied to the Senate Armed Services Committee by the Air Force on February 7, 1974. At that time General Brown, Chief of Staff of the Air Force, reported that current plans would require an active force of 25 AWACS exclusively for the tactical mission. Whereas plans in effect in CY 1970–73 called for the maintenance of two orbits (10 aircraft) to cover the primary battle zone in Central Europe, military planners now appear to be expanding this requirement to four orbits in order to cover the northern and southern flanks of Europe as well. This change would, in turn, more than double the number of AWACS needed for Europe in wartime, from 10 to 24 aircraft. At the same time they are planning to operate each European orbit with six instead of the five aircraft normally needed to sustain each orbit on a 24-hour-a-day basis, a modification that might be based on a greater distance to and from planned orbit areas. Although the above discussion presents the basic rationale for changes in tactical requirements, i.e., the desire to expand coverage to include the northern and southern flanks, a number of questions bearing directly on these requirements remain to be answered. For example, would two orbits—10 aircraft—be adequate to cover the whole European battle area? Would there be a significant air threat over the northern and southern flanks? Would coverage of the flanks (Italy and the Mediterranean Sea and Scandinavia and the North Sea) be the Navy's responsibility? Could the Navy carrier-based E–2 fleet early warning aircraft perform this function?

Uncertainty as to the number of aircraft needed for the tactical mission is also being generated by the possibility that certain North Atlantic Treaty Organization (NATO) countries may be interested in AWACS. While some defense officials contend that NATO is giving "serious consideration" to buying from 12 to 13 aircraft, others believe that a NATO buy is still very much in doubt mainly because of the system's high cost. If NATO were to decide to buy a specified number of AWACS, this would undoubtedly reduce our force requirements. For example, if NATO opted to purchase 12 to 24 of these aircraft, this country would not need to procure any aircraft for the European mission, which could, in turn, reduce our overall requirements to as few as five aircraft, provided there were no need for the CONUS air defense mission. For these reasons, a final decision as to the number of AWACS aircraft needed in our inventory should not be made until NATO has determined its needs. However, if the Department of Defense proceeds with the existing production plan, 27 aircraft would have been funded by the time NATO has made such a determination (December 1975). A force of 27 aircraft might be far in excess of our needs if NATO procured 12 or more aircraft and if the strategic air defense mission were eliminated. On the other hand, if NATO placed such an order and a decision were made to retain the CONUS air defense mission, a force of 15 to 20 aircraft would probably satisfy our needs.

Alternative force levels

TABLE I.—FORCE REQUIRED TO PERFORM ALL MISSIONS SIMULTANEOUSLY

[Number of aircraft]

Mission	Full coverage	Limited coverage	High (Conus)/ low (Europe) [1]	High (Europe)/ low (Conus) [2]
Conus air defense	[3] 25	[4] 15	25	15
Europe	[5] 20–24	[6] 10–12	10–12	20–24
Other theaters	5	5	5	5
Total	50–54	30–32	40–42	40–45

[1] Would provide full coverage of the continental United States and limited coverage in Europe.

[2] Would provide limited coverage of the continental United States and full coverage in Europe.

[3] Would provide full, 360-degree coverage of the continental United States.

[4] Would provide limited coverage of the primary "bomber threat corridors."

[5] Would provide full coverage of the primary battle zone in Central Europe as well as the northern and southern flanks.

[6] Would provide coverage of the primary battle zone in Central Europe.

Note: Figures in this table exclude requirements for combat attrition and depot maintenance.

TABLE II.—FORCE REQUIRED TO PERFORM TACTICAL MISSION ONLY

[Number of aircraft]

Mission	Full coverage	Limited coverage
Europe	[1] 20–24	[2] 10–12
Other theaters	5– 5	5– 5
Total	[3] 25–29	15–17

[1] Would provide full coverage of the primary battle zone in central Europe as well as the northern and southern flanks.

[2] Would provide coverage of the primary battle zone in central Europe.

[3] May represent current force structure.

Note: Figures in this table exclude requirements for combat attrition and depot maintenance.

Major considerations bearing on AWACS force structure

1. The plan to buy 34 AWACS is "highly tentative," and some foresee a further reduction of ten or more aircraft.

2. While planning appears to be moving toward a decision that would call for the procurement of enough aircraft to support one mission only, the tactical and strategic requirement (if any) for AWACS would probably conflict in wartime.

3. Although the Secretary of Defense has greatly minimized the CONUS air defense requirement for AWACS, this mission is still being used by the Air Force to justify a significant portion of the program. In the past, 25 aircraft were earmarked for strategic missions. However, the allocation of this many aircraft to the CONUS air defense mission would be inconsistent with current objectives, which call for a "limited defense against a small bomber attack." A force of perhaps 15 aircraft could probably cover the primary "bomber threat corridors."

4. While the strategic mission is still being used as a major justification for the program, the current allocation of aircraft by mission shows that all but five of the 34-aircraft program are earmarked for tactical missions.

5. In 1973 Defense Department witnesses told Congress that if the CONUS air defense mission were eliminated altogether, 10 to 15

Footnotes at end of article.

aircraft would be needed to perform the tactical mission. Such a force would be capable of performing either the tactical or strategic mission in wartime but not both missions simultaneously.

6. The number of aircraft assigned tactical missions was increased from the 10 planned a year ago to a current estimate of up to 29 aircraft, including as many as 24 for Europe alone. Military planners expanded the European requirement from two to four orbits or from 10 to 24 aircraft so as to cover the northern and southern flanks. This expansion or requirements seems to raise a number of questions that have not yet been answered.

7. In light of the reversal of mission priorities in the AWACS program effected in August 1973 and the previous position of the Defense Department that only 10 aircraft were needed for the tactical mission, the expansion of the number of AWACS needed for the tactical mission to 29 aircraft seems to undermine the credibility of the current request for 34 aircraft. This, in turn, has led some opponents to conclude that the strategic mission is being used as a device to justify a larger AWACS fleet than the tactical mission alone would justify.

8. NATO is said to be giving "serious consideration" to buying from 12 to 36 aircraft. If NATO bought 12 or more aircraft, total U.S. requirements could be limited to as few as five aircraft, provided there were no need to procure for the CONUS air defense mission.

9. A final decision should not be made as to the overall size of our AWACS force until NATO has determined its AWACS requirements. However, if the Defense Department proceeds with existing plans, 27 aircraft would have been funded by the time NATO reaches such a determination. If NATO bought 12 or more aircraft, a force of this size might be far in excess of our needs.

CHARLES H. MURPHY,
Analyst in National Defense,
Foreign Affairs Division.

JUNE 4, 1974.

FOOTNOTES

[1] The terms strategic and CONUS air defense are used synonymously in this report.

[2] U.S. Congress. Senate. Committee on Armed Services. FY 1971 Authorization for Military Procurement . . . Hearings before the Committee . . . Part 1. 91st Cong., 2nd Sess. Washington, U.S. Govt. Print. Off., 1970. p. 376.

[3] U.S. Congress. House. Committee on Appropriations. FY 1974 Department of Defense Appropriations. Hearings before a Subcommittee. Part 2. 93rd Cong., 1st sess. Washington, U.S. Govt. Print. Off., 1973. p. 112.

[4] U.S. Congress. Senate. Committee on Armed Services. FY 1975 Authorization for Military Procurement . . . Hearings before the Committee. Part 1. 93rd Cong., 2nd sess. Washington, U.S. Govt. Print. Off., 1974. p. 219.

[5] Ibid.

[6] U.S. Congress. Senate. Committee on Armed Services. FY 1974 Authorization for Military Procurement . . .; Report to accompany H.R. 9286. Washington, U.S. Govt. Print. Off., 1973 (93rd Cong., 1st sess. Senate Report No. 93–385). p. 41.

[7] Congressional Record [daily ed.] September 20, 1973. p. S17051.

[8] Secretary of Defense Schlesinger. Testimony before the Senate Armed Services Committee, Feb. 5, 1974. p. 13–14 of the prepared statement.

[9] Annual Defense Department Report, FY 1975. March 4, 1974. p. 69.

TESTIMONY OF SENATOR THOMAS F. EAGLETON, MAY 15, 1974

Mr. Chairman, I very much appreciate the opportunity to testify before the Defense Subcommittee on the Air Force's Airborne Warning and Control System (AWACS).

Frankly, Mr. Chairman, I am almost as disturbed today by thhe techniques employed to "sell" AWACS to Congress as I am by the total confusion that characterizes the program.

I know that this subcommittee is working hard to assure that the money available in the federal budget for defense goes to those items which do the most to keep America militarily strong. And I know that you are working hard to assure that defense systems are developed in a sensible way that will assure that the weapons our military uses will be the most effective our increasingly limited financial resources can buy. I thoroughly support that very sound philosophy.

But, for just this reason, I am deeply concerned that Congress is now being asked to spend more than half a billion tax dollars to purchase a system which 1) has not even been defined, 2) will not be fully tested until the entire fleet of aircraft is bought and paid for, and 3) will have grave difficulty operating effectively and surviving while performing its primary mission.

Last year during consideration of the defense budget, the Air Force presented the Armed Services and Appropriations committees with the results of what appeared to be a very comprehensive effectiveness study on AWACS entitled "SABER SCAN." It was an impressive presentation. There was only one thing wrong—it was based on a number of false assumptions.

At my request GAO carefully analyzed SABER SCAN and the back-up data used to support its conclusions. GAO's defense analysts completely discredited the study. In short, Congress had been hoodwinked by the Air Force during its consideration of the FY–1974 AWACS request.

The complete GAO report on the AWACS program was forwarded to this committee in early March and for that reason I will not dwell on its contents. It is an excellent analysis of the issues this committee must address and it recommends that FY–1975 production funding for AWACS be deferred. It is an eminently reasonable recommendation by an agency of Congress possessing the technical expertise we so badly need to evaluate the defense budget.

I would like today to enumerate the reasons why I feel that the GAO recommendation should not be ignored by this committee. Following are assertions the Air Force has made to Congress concerning AWACS and the reasons I consider them to be either erroneous or misleading:

1. The Air Force has testified that the 12 AWACS requested this year will be fully capable of performing the tactical European mission.

In fact, the 12 aircraft will be built in the *strategic*, or CORE, configuration—the configuration suitable for the obsolete air defense role, a role which was supposed to have been cancelled last year. A letter from Deputy Secretary William Clements to the Secretary of the Air Force recognizes that fact and points up the need for major changes to achieve a design capable of performing the much more complicated tactical job:

"... it is evident that a more capable configuration than the CORE is essential to support General Purpose Tactical Forces. The effective integration of command and control in joint operations requires additional (intelligence) equipment . . . identification (devices), communications, data transfer, command and control and a measure of self-defense."

Secretary Clements and his Defense Systems Acquisition Review Council then directed the Air Force to conduct extensive tests to determine what the tactical configuration should be. That configuration has yet to be defined, and could not possibly be validated until operational tests have been performed.

In testimony before the Armed Services Committee, GAO even more explicitly described the problems of designing the tactical AWACS:

"The change in the primary mission emphasis from strategic to tactical requires that more and better equipment of all types, computers, processors, displays, and particularly communications equipment, be on board the aircraft. Thus, the question exists as to whether all of the needed systems can be installed in the aircraft, can be integrated so as to function properly together, can interface with a large number of command and control systems now being operated in Europe by U.S. and NATO ally forces, and whether the system will have the needed tracking and communication capacity to accomplish its mission."

The GAO went on to recommend that Congress "defer funding for production models of the AWACS until the Air Force verifies and demonstrates through tests that a viable and useful tactical configuration can be developed." There is good reason for that recommendation for caution, for there are grave doubts that AWACS will *ever* be viable in the tactical environment of Europe.

2. The Air Force has testified that it would be difficult to jam AWACS with ground-based jammers in a European environment.

A GAO technical consultant has prepared mathematical calculations showing that AWACS could be completely blacked out by ground-based jammers from within 200 miles of the Iron Curtain. This jamming could be accomplished with inexpensive and unsophisticated jammers capable of returning to any AWACS frequency. This type of jamming would completely overwhelm the AWACS side-lobes and black out its radar.

Last week the Air Force finally provided the Armed Services Committee with its own calculations—intended to refute GAO's claim. Instead, the Air Force figures, even though they optimize the efficiency of the AWACS radar far beyond the listed specifications, actually confirm that GAO was correct. The GAO calculations have been independently verified by other authorities on radar technology, and I would welcome their review by any radar expert.

There are also two other ways in which the main beam of the AWACS radar can be compromised by ECM techniques. These methods are classified, but I will be pleased to provide the committee with the pertinent information by letter.

Obviously, when the tactical AWACS is designed it will have to be tested against the full range of ECM threats. But right now the evidence is overwhelming that AWACS will be unable to fulfill its primary tactical requirement—control of friendly aircraft over enemy territory in a European conflict.

3. The Air Force has testified that AWACS would be relatively survivable in a European air battle.

Common sense counters such a claim. AWACS, flying at 35,000 feet and at subsonic speeds, would be a high priority target for the numerous enemy aircraft we will confront in a European air battle, some of which are capable of flying at MACH 3, and at 80,000 feet.

AWACS, emitting high-power radar and infra-red energy, would be extremely vulnerable to radar-homing and infra-red missiles. AWACS would be particularly vulnerable when its radar is blacked out, or when other ECM tricks are being used against it. If it is forced to retreat, it will, of course, be unable to perform its primary mission, leaving our fighters stranded over enemy territory.

AWACS has no fighting capability of its own. A large number of our fighter aircraft would, therefore, have to forego their own primary mission—offensively engaging the enemy—to come to AWACS' assistance. I personally don't think we should have to sacrifice part of our main line of defense to protect an $80 million command and control ship which may not even be able to command and control if the enemy decides to jam it.

I have thus far discussed what I consider the central issues that must be resolved by this committee in deciding to fund AWACS production. But there are other issues as well which give the AWACS program an aura of total confusion. For example:

Last year when a total AWACS fleet of 42 aircraft was projected, the Deputy Air Force Chief of Staff testified that ". . . 25 aircraft are designated for ADC (air defense) and 10 for TAC. Seven aircraft are designed for . . . training." A number of other Defense officials addressed the tactical requirement in testimony and the highest estimate of need they made was 15 tactical aircraft.

In his March posture statement, Secretary Schlesinger stated that "A CONUS air defense system structured primarily for peacetime suveillance (the current air defense mission) would not require an AWACS force."

If the air defense role has been eliminated, what is the justification for a fleet of 34 AWACS? Thus far, the Air Force has failed to answer the question.

The AWACS contract with Boeing contains a highly unusual clause calling for payments by the government of up to $311 million over a 14-month period if the production option is not exercised in December 1974. Although it remains a mystery, that clause was probably agreed to when it was thought that the Boeing 707 commercial line would close down and that the government would have to assume the expense of keeping the line open waiting for the AWACS order. This is no longer the case.

Boeing Vice President Clarence Wilde was recently quoted as saying that the 707 line would remain open indefinitely, and added:

"We are telling our military friends to bring in orders when they can and meanwhile we will continue to build commercial 707's."

The $311 million apparently may be expended to begin building AWACS even before regular production money is appropriated by Congress. It would therefore appear that the only purpose this controversial clause serves is to circumscribe the appropriations process. It most certainly does not protect the interests of the American taxpayer.

The Air Force claims that our allies are very interested in AWACS and that sales to NATO will help lower the costs. However, a recent "Aviation Week" articles states that "NATO has looked closely at AWACS and, as one NATO officer put it, 'winced' at the estimated $80 million unit cost."

In addition, the Air Force has failed to ascertain who will foot the bill for equipping NATO aircraft with the IFF devices necessary to communicate with AWACS. This, and the need to integrate AWACS with the NATO command and control system, represents a large hidden cost. If our NATO allies are really interested in AWACS, they should be asked to begin immediately to assist us with the development costs.

Mr. Chairman, I am at a loss to explain why this program is being pushed ahead so fast when there are so many unanswered questions.

There is no foreseeable national emergency requiring the immediate use of an operational AWACS. And it cannot be argued that the system can be used as a "bargaining chip" in arms limitation negotiations. I, therefore, remain mystified as to why we are being asked to risk so much money on an undefined and untried system which has no fighting capability of its own and which may, in the end, prove unworkable.

In his March posture statement Secretary Schlesinger said ". . . it is faster and cheaper in the long run to insure the proper performance of the key components (of complex weapons systems) before proceedings with full-scale development." That is exactly the rationale behind my recommendation to this committee to eliminate the $550 million requested for AWACS production. The $220 million requested for R&D is more than ample and should be used to develop and test the tactical AWACS design.

This Subcommittee is confronted with the monumental task of reducing waste while preserving a strong national defense. In the case of AWACS, these compatible goals are best served by our insistence on a more deliberate developmental and test program.

EXHIBIT 1

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., May 15, 1974.

B-163058.
Hon. THOMAS F. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: In response to your letters of March 15 and April 18, 1974, the General Accounting Office has continued to monitor the test program for the Airborne Warning and Control System (AWACS) program.

System Integration Demonstration (SID) testing was started in March 1974 and is scheduled to be completed in October 1974. During this period the mission avionics systems, using the preliminary radar design and critical components of other avionic systems, are to be tested to show that they can function together. The aircraft being used is considerably less complex than the "CORE" configuration which the Air Force has indicated is designed to meet the minimum tactical and strategic mission needs for AWACS.

In the fiscal year 1975 budget the Air Force requested funds to procure the so-called Block I configured aircraft, that is "CORE", plus a self-defense system and a satellite communication system. Subsequent Blocks (II and III) might include enhancements needed for the tactical mission such a special identification friend or foe equipment and expanded command and control capabilities. No final decison has been reached by the Air Force on the configurations of the later procurements planned.

It appears that during SID testing the Air Force will attempt to demonstrate solutions to some of the matters of concern to the Deputy Secretary of Defense as expressed in a November 2, 1973, memorandum for the Secretary of the Air Force. To date, one change has been formally proposed to the original SID test plan which adds simulated tests to demonstrate simultaneous close control intercepts against moving targets. Other revisions are being investigated by the Air Force.

Because not all plans have been finalized we cannot be sure at this time if sufficient tests can be planned and accomplished to provide adequate data on AWACS prior to December 1974 when the Secretary of Defense is scheduled to consider a production decision. Further, significant amounts of Development Test and Evaluation (DT&E) are scheduled extending through 1977—after all planned AWACS have been procured.

The testing now scheduled for completion subsequent to December 1974 is shown below. The DT&E plan defining these tests is due to be finalized by late Spring or early Summer 1974.

DESCRIPTION OF THE TEST TO BE PERFORMED AND SCHEDULED COMPLETION DATE

Avionics subsystem performance verification, February 1977.

System performance verification:

Block I aircraft, March 1977.

Enhancement beyond the Block I configuration (this decision is now scheduled to be made in June 1974), March 1978.

Operational test and evaluation of verified systems:

Operational suitability testing (Initial operational testing using the brassboard radar is scheduled for completion in October 1974), March 1977.

Qualification tests of subsystems being considered for AWACS tactical mission:

Self-defense system, December 1975.

Communications satellite link, December 1975.

Special identification, friend or foe (except antenna), December 1975.

Tactical data link—Time division multiple access (TDMA), December 1976.

As we have previously indicated, we are of the opinion that the "CORE" configuration was designed for the less demanding strategic mission. The number of aircraft to be tracked, the jamming potential of the enemy, the command and communications problems, and the threat to AWACS itself, would be much less when operating in the United States than that faced in Europe with a major land war being waged. The change in the primary mission emphasis from strategic to tactical requires that more and better equipment of all types, computers, processors, displays, and particularly communications equipment, be on board the aircraft. Thus, the question exists as to whether all of the needed systems can be installed in the aircraft, can be integrated so as to function properly together, can interface with a large number of command and control systems now being operated in Europe by U. S. and NATO ally forces, and whether the system will have the needed tracking and communication capacity to accomplish its mission.

We still believe, as indicated in our March 11, 1974, report to you, that the viability of AWACS for the European mission should be demonstrated before production. Since there has been no urgent requirement demonstrated for the AWACS, it would seem prudent to defer the production decision until sufficient confidence in the system's performance can be obtained from engineering and operational tests.

We will continue to monitor the AWACS program and report to you, or your staff, periodically as may be appropriate.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General of the United States.

MAJOR STUDIES USED BY GAO IN REVIEW OR AWACS, OCTOBER 1973 TO MARCH 1974

1. Assistant Chief of Staff, Studies and Analysis, Saber Scan Vols. I to VI (Washington: Hdqtrs., USAF, July 1973).

Volume I: Study of AWACS Operational Requirements and Force Structure for DSARC IIB—Executive Summary (SABER SCAN).

Volume II: Evaluation of the Need for AWACS in a Modernized CONUS Air Defense Force (SABER SCAN—STRATEGIC).

Volume III: An Evaluation of the AWACS in a NATO/WARSAW PACT Conflict (SABER SCAN—TACTICAL).

Volume IV: AWACS Brassboard Demonstration in the European Environment (SABER SCAN—ALPHA).

Volume V: Southeast Asia Warning and Control Study (SABER SCAN—BRAVO).

Volume VI: Analysis of Tactical Command and Control Systems in the Middle East (SABER SCAN—CHARLIE).

2. Alfred S. Benziger, Col., USAF, *Airborne Warning and Control System (AWACS) IOT&E Phase 1, Final Report* (U) (Eglin AFB, Fla.: USAF Tactical Air Warfare Center, August 1973)

3. Department of the Air Force, *Concept of Operations for a Tactical Airborne Warning and Control System (TAWACS)*, (Langley AFB, Va.: Hdq. Tactical Air Command, September 10, 1973)

4. The Hon. James R. Schlesinger, *Defense Policy and Planning Guidance* (Washington: Office of the Secretary of Defense, September 28, 1973)

5. Memorandum, Deputy Secretary of Defense for Secretary of the Air Force, November 2, 1973.

EXHIBIT 2

NEW LOOK AT A NATO AIR WAR

The 22 USAF tactical air squadrons deployed in Western Europe face a much more intense and far different air war than American airmen fought in Southeast Asia.

With 2,800 planes—most of them air-to-air fighters—Warsaw Pact forces tangling with 2,700 NATO aircraft could generate as many as 8,000 combat aircraft tracks a day just in NATO's Central Region. In contrast, there were fewer than 1,200 tracks over *all* of Southeast Asia on an average day even at the peak of the Vietnam air war in July of 1968 (and fewer than 500 a day over North Vietnam itself).

For the entire Vietnam war, late 1964 through early 1973, tactical air activity averaged only half the July 1968 level, with fewer than 700 tracks per day over the entire theater and only 120 per day over North Vietnam. On this basis, a NATO air war would be 6 to 12 times more intense than what American airmen experienced in Vietnam.

By the time deployed forces are reinforced (U.S. tac air, for instance, would surge from 22 squadrons to 60, with supporting recon and ECM aircraft), a NATO air war could be 2 to 3 times more intense than the figures above suggest.

A NATO air war would be so different in other respects that some Pentagon planners suggest Southeast Asia provided a lot of "negative" experience and training which now has to be overcome as thinking focuses on the Warsaw Pact. They cite the following examples:

Air forces of 6 or 7 Warsaw Pact nations and 5 or 6 NATO countries might be fighting in the skies over Central Europe at once, posing a command and control challenge of totally different dimensions;

Electronic countermeasures and the air defense ground environment would be far more sophisticated than in North or South Vietnam;

Air-to-air loss rates could run hundreds of times higher. Whereas only 75 U.S. planes were shot down over North Vietnam in air-to-air combat during 8½ years, Pentagon planners remember that the U.S. lost 18,058 planes to German fighters in only 3½ years during World War II. They are even more mindful that counting losses on *both* sides, air-to-air loss rates during the October Yom Kippur war ran *twice* as high as they did over Europe in World War II.

Attrition losses would be higher for other reasons: ground targets would be harder than they were in North Vietnam, formations more mobile and the ground battle more fluid; and U.S. planes would not be operating from the sanctuaries which air bases in Thailand and South Vietnam represented. In one day, an F–15 pilot might be flying point defense of his own airbase, shallow interdiction strike missions, and then fight air-to-air to clear skies over the ground battle area so other tac air elements could provide effective close air support. By the same token, A–10 or A–7 pilots flying close support missions might find they'd often have to fight their way out, with swarms of Mig's over the battle area too numerous for outnumbered NATO fighter forces to handle alone.

These factors are prompting an important high level reappraisal within the Air Force, the Joint Staff and throughout DoD, of how U.S. fighter forces should be equipped and trained for what is now their principal contingency, a NATO air war. While the appraisal is still underway, several conclusions are emerging:

The U.S. needs more fighters: this thinking is partly what prompted Defense Secretary James Schlesinger recently to decide that a Lightweight Fighter should be readied for production. Behind that decision, AFJ has learned, is a budding plan to increase USAF fighter strength from around 800 aircraft to 1200 or more planes in a mix of F–15s and the lower cost Air Combat Fighters, all within the constraints of a tight budget.

Attrition planning factors now used by DoD may be far too low, given the much higher loss rates expected in NATO and the long lead time (close to 2 years) required to produce an airplane from even a "hot" assembly line, once a contract is let. Some DoD officials are even talking of "stockpiling" planes to offset possible early losses in a dynamic war.

Radar directed air-to-air missiles may be of little use in the critical air space above engaged ground forces, because it will be so crowded and chaotic: DoD planners are talking about 6,000 to 8,000 tracks in one day through a band only 100 miles wide (compared with only 40 to 50 enemy and 80 to 100 friendly tracks at any one time over North Vietnam). With degraded command and control, it will be difficult to sort out friend from foe in such an arena. Moreover, for brief periods, USAF may need to generate 5–6 missions per aircraft per day, not the one or two sorties possible with sophisticated aircraft. Some planners question if complex aircraft avionics can be kept in an "up" status at such high sortie rates. This thinking is lending still more strength to the case for a less sophisticated fighter using only guns and heat-seeking tail chase missiles to complement the Sparrow equipped McDonnell Douglas F–15 with its advanced radar directed fire control system.

F-15's radar guided Sparrows can play an important role in some NATO sectors, defending high value targets over friendly territory and (perhaps to a lesser extent) gaining air superiority over heavily defended enemy bases which other tactical air elements will be trying to knock out.

Over friendly territory, U.S. fighters will be operating under very close control through ground control intercept (GCI) surveillance; there will be clear corridors for egress of friendly aircraft and the activity will be accountable; far fewer aircraft will be in battle at any one time than over ground battle area; friend and foe can be sorted out much more easily. Thus, radar directed weapons can be exploited much more freely in this zone. In enemy air space, Warsaw Pact forces will be flying more air-to-air fighters than NATO has and directing them against U.S. strikes with a sophisticated ground control and radar network. In this arena, U.S. fighters will need all the help they can get. As one planner puts it, "We have to take our radars with us."

Others suggest, however, that the value of radar directed air-to-air weapons over enemy air space may be oversold. They point out that over North Vietnam, most contacts with MiGs were made visually (although they acknowledge that the F-15's radar should be far more reliable and capable than the F-4s) and that most of those MiG contacts which were made by radar were "pointed" first from Navy ships.

A key element of doctrine is being reexamined: that of knocking out Warsaw Pact air strength by hitting it on the ground. Such a doctrine suggests a readiness to trade U.S. pilots for Pact aircraft. That may not be a very good trade in light of the extensive Pact sheltering program undertaken since the 1967 Middle East War and the heavy air defense network which protects Pact bases.

Since well trained pilots, not aircraft, historically have been the key resource of an air force (see box), an alternative doctrine for attriting Pact air strength is being considered: going for more air-to-air kills over the crowded air space above the battle area, where downed pilots could more easily be rescued. By the line of reasoning outlined earlier, this strategy if adopted would reinforce the case for improved dogfighting capability.

Mr. EAGLETON. Mr. President, I am pleased that the distinguished Senator from Nevada (Mr. CANNON) is on the floor of the Senate at the present time, and I ask whether I might propound to him a few limited questions with respect to the pending bill, specifically with respect to the AWACS program.

Mr. CANNON. I would be delighted to respond.

The PRESIDING OFFICER. The bill is not yet before the Senate. The Senate is now conducting morning business.

Mr. MANSFIELD. Mr. President, the Senators are recognized under morning business for the purpose of carrying on a discussion with relation to the bill, without the bill being pending.

The PRESIDING OFFICER. Very well.

Mr. EAGLETON. I ask the Senator, with regard to the requirement in the bill that the Secretary of Defense certify that AWACS is cost-effective and meets the mission needs and requirements of the Department of Defense before production money can be spent, I would like to get a clear definition for the record of the words "mission needs and requirements of the Department of Defense."

Would the committee agree that if sufficient test data is not available to demonstrate that AWACS can perform the primary tactical mission—control of friendly aircraft over enemy territory in Europe—the Secretary of Defense could not legally certify that AWACS will meet its "mission needs and requirements?"

Mr. CANNON. Mr. President, when the committee put in its report and in the bill terminology that the AWACS must "meet the mission needs and requirements of the Department of Defense," we meant that it is up to the Secretary of Defense to make a determination that the AWACS will be able to provide the type of radar warning and control capability that the Air Force and the Defense Department currently envision the system should produce. In other words, the Air Force has programed \$2.4 billion to do the R. & D. on AWACS and to buy and build 34 operational airplanes. The system must be worth this investment.

I believe the AWACS will provide a quantum improvement in radar warning and command and control capability for the Air Force and for the total Defense Department, since it also will provide major benefits in tactical warfare for the Army and for the Navy. The committee believes that the AWACS program will be cost effective and well worth the \$2.4 billion investment if the system meets current goals and specifications. We recognize, however, that the current systems integration demonstration—SID—test phase, which is going on now and which will not be completed until this fall, well after this defense bill is passed, will be an important and decisive element in making the determination this December on whether AWACS is ready for production. It was for that reason the committee made its recommendation for approval of AWACS production funds contingent on the Secretary of Defense's review of the program and certification to the Congress that AWACS has progressed satisfactorily and will, indeed, meet mission needs and requirements.

Mr. President, the systems integration demonstration includes considerable operational testing, and it should thus be the Defense Department's decision to make a determination on the adequacy of that testing. We would not propose to try to tell them how they ought to conduct their tests.

Mr. EAGLETON. I thank the Senator. Of course, he recognizes that there is some disagreement with respect to testing methodology and that many would disagree that the SID testing could be called "operational." But that ultimate decision, insofar as the sufficiency, depth, and adequacy of the testing are concerned, I agree would be the decision of the Secretary of Defense, with the Senator's committee exercising its option of legislative oversight.

Mr. CANNON. The Senator is correct.

Mr. EAGLETON. With regard to the term "cost-effective," which is used in the legislation, in addition to the normal usage of that term—a cost comparison among alternative systems to perform the same function—would the committee agree that a careful cost analysis should also be performed to determine whether an enemy could defeat AWACS at very low expense in relation to the value of the system itself? Would the results of such an analysis be encompassed by the term "cost-effective" as it is used in the bill?

Mr. CANNON. The committee pointed out in its report that if the AWACS radar could be jammed easily by enemy electronic countermeasures, then much of the operational utility of AWACS would be lost. I would point out, however, that the Air Force says the AWACS radar has been designed to be most difficult to jam and that the test results to date on the radar would seem to verify their position. Nevertheless, I believe that the overall assessment of the AWACS should carefully consider this factor and the evaluation of whether AWACS is "cost-effective" should take this aspect of the system into account. As I said before, the AWACS is planned to represent a $2.4 billion investment by the Air Force, and about one-quarter of that already has been spent in the R. & D. to date. If the AWACS could easily be countered by an enemy using simple and cheap ECM devices, then it would not make good sense to spend $1.8 billion more to buy the AWACS system.

Mr. EAGLETON. I thank the Senator, and I thoroughly agree with that observation.

I ask this question of the Senator:

The language in the bill states that the Secretary's certification shall not apply with respect to the procurement of longleadtime items for such system. Would the Senator advise me for the record how much money is in the bill for longleadtime items?

Mr. CANNON. Long-lead production items in fiscal 1975 will cost $43.6 million through December 1974. This is about 8 percent of the procurement funds recommended in the bill for AWACS.

Mr. EAGLETON. Finally, I ask this question of the Senator:

The committee has recommended in its report that a group of "disinterested radar and ECM technical experts" examine allegations that AWACS can be easily jammed by ground-based jammers. Since it is the responsibility of the Defense Department to present its case to Congress, am I correct in assuming that appointment of such a panel would not substitute for Congress oversight responsibilities? Does the committee intend that the report of such a panel be submitted to Congress for review?

Mr. CANNON. Answering the first part of the Senator's question first, the committee has no intention of abrogating its responsibilities for oversight of the Defense Department by recommending that the Department make their individual review of the claims and counterclaims made with respect to AWACS' vulnerability to enemy jamming. The reason we have made this recommendation is because the GAO has a consultant with one opinion on this question and the Air Force's technical experts have a different opinion. When we called the GAO to testify this year about a report on the AWACS, the committee was unable to obtain any resolution of these claims and counterclaims. Therefore, we have recommended that the Defense Department perform an independent evaluation of this question and, of course, the results of this evaluation will be open to normal review by Congress, and we certainly will not abrogate our oversight responsibility.

AWACS PROGRAM

Mr. President, I wish to further respond to the remarks by the distinguished Senator from Missouri (Mr. EAGLETON) about the AWACS program. I want to emphasize in my remarks exactly what the Tactical Air Power Subcommittee, and the Armed Services Committee's position is on the AWACS program and why we strongly support it and believe that it will live up to the Air Force's expectations that it will provide an important and essential addition to our total combat capability, including that of the Air Force, the Navy, and the Army.

The position of the committee and of the Tactical Air Power Subcommittee is that we believe the program proposed by the Air Force for fiscal year 1975, which envisions a full production go-ahead being granted in December 1974, is both reasonable and conservative. It is our opinion that the present development and testing program is planned to answer the questions and allegations on technical risk concerning the AWACS program which have been raised against it.

This is not meant to prejudge the results of the testing which is going to be taking place during the next 5 or 6 months of the program. What I am saying is that I think the scope of that testing will be adequate to provide justification to give the full production go-ahead if the test results confirm the predictions of the Air Force for the capabilities of the AWACS system. Let me back up at this point and provide some review of the AWACS program and also of the committee's examination of the AWACS program for this year to explain to the Senate what I mean by these statements.

WHAT IS AWACS?

What is AWACS? Very simply, it is a radar warning and command and control system similar to the radar warning system provided by the EC–121 airplanes in the Air Force inventory today. Then why do we need a replacement for the EC–121? The primary reason is because the EC–121 has no capability to pick out low flying airplanes that are masked by the ground return, or clutter, on a radar scope. The AWACS has a new radar system, utilizing advancements in technology which have been made since the EC–121's were designed and built in the 1950's. These advancements into pulse-doppler radar with digital processing allow the AWACS to pick out and show on its radar scopes any airplane, no matter how close to the ground it is flying. Therefore, speaking in the simplest terms, AWACS is a modernized, improved, and updated replacement for the old EC–121 airplanes now in the Air Force's inventory.

NEED FOR AWACS

Our hearings this year with Air Force and Navy pilots who had flown over North Vietnam, and all of whom had Mig kills to their credit, showed conclusively the need for this low-level radar warning capability. In North Vietnam, the Navy cruisers and the Air Force EC–121's attempted between them to provide radar coverage of the enemy airspace, and they failed. They failed because of the inherent deficiencies of surface-based systems (as exemplified by the Navy ship radars) and of the deficiencies of airborne systems without modern look-down technology (such as the EC–121) to provide surveillance down to low altitudes at inland locations. And as these pilots pointed out to us, much of modern air combat does take place at extremely low altitudes—"down in the weeds" was the phrase they used. These pilots were unanimous about the need for warning of the presence of enemy aircraft, particularly where the enemy was operating in his own command and control network of early warning and GCI radars and voice communications which could vector him into tail-on attacks on our fighters.

AWACS DEMONSTRATED IN NATO

AWACS will provide this capability for warning and command and control. This we already know, because the AWACS "brassboard" or prototype system has demonstrated its capability to spot low-flying airplanes during literally hundreds of hours of flight testing over the last 2½ years. Many of these hours were spent in Europe, when the AWACS prototype went over there in the spring of 1973 and demonstrated its capabilities in the NATO environment. In this highly successful tour, the AWACS not only showed that it could track tactical aircraft for Air Force missions, but it showed how its capabilities could be used to tie in radar warning of low-flying airplanes into our Army's SAM missile systems and also how the AWACS radar could perform ocean shipping surveillance which the Navy could utilize. The vast tactical mission potentials of the AWACS that were demonstrated during that European trip were so exciting to all of the principals in the Defense Department's DSARC review committee of the AWACS that the Air Force was ordered to pay particular attention to insuring that this total potential was in fact utilized as the system was developed and produced. These orders were given in November of 1973, and they resulted in the concept of building AWACS in blocks of aircraft, with the subsequent blocks containing enhanced capabilities but ones which could be retrofitted into earlier blocks.

CURRENT TEST PHASE

Those demonstrations with the prototype AWACS proved conclusively the operability of the new radar technology and its ability to "look-down" and track low-flying airplanes. The next step in proving out the AWACS system was and is to tie together all of the subsystems involved in the AWACS besides the radar. These extra subsystems include display consoles, communications equipment, and the computer programs and "software" that ties the total operation together from one end to the other. This phase of the AWACS development program is going on right now in flight test, and is called the Systems Integration Demonstration, or SID program. When completed by November, SID will show that the total AWACS system from detecting enemy and friendly aircraft, to processing and displaying the information, and then to operators passing this information on to the friendly aircraft, is a workable total system. This SID demonstration will be the basis for the Secretary of Defense giving a full production go-ahead on the AWACS program this December. And if AWACS fails to demonstrate this operation, then production will have to be delayed until it is demonstrated satisfactorily.

COMMITTEE REQUIREMENT FOR CERTIFICATION

The committee believes that this program schedule is reasonable, and it recommends that AWACS production be authorized, contingent on the AWACS fulfilling its required demonstrations for the DSARC review this December. This committee has added a requirement that the Defense Secretary must certify to the Congress that the AWACS will be capable of fulfilling its mission and that it will be a cost-effective investment before he goes ahead and allows the production contract to be signed. This contingency requirement was added because the SID testing is not completed yet.

CRITICISMS OF AWACS

The committee is cognizant of the many criticisms or questions that have been raised against the AWACS, primarily by the GAO, including excessive concurrency between R. & D. and production, potential vulnerability to being shot down by enemy fighters, inability to operate in a NATO scenario with its many targets, and vulnerability to being jammed by enemy ECM. In my opinion, the only one of these contentions which has any possible validity is the one regarding susceptibility to jamming. I must add immediately that I do not know if this is the case or not, as I am not a technical expert in radar design. Nevertheless, if it should turn out that the AWACS was very easy to counter by an enemy, at low cost and with a tactically usable ground jammer, one with low power and great ease of mobility, then much of AWACS usefulness for the tactical mission, indeed, would be seriously degraded. The Air Force states positively that this is not the case. Nevertheless, I believe that it would be in the best interests of the AWACS program if the Secretary of Defense would appoint a group of experts in radar design and electronic countermeasures, people who are not connected with the Air Force and thus have no partisan interest, to review the claims and counterclaims and then provide an assessment on this situation. This should be done before the DSARC review and the Secretary's certification on the AWACS readiness for production should take account of this review.

SUMMARY

In summary, the committee is highly impressed with the AWACS' potential to provide a quantum improvement in capability when it replaces the EC-121 in the Air Force inventory. We believe the program is proceeding based on a very reasonable development and production schedule, and we are not impressed with the GAO criticisms except for the one technical point I mentioned which should be clarified by a review performed by qualified experts. I strongly favor the position the committee has taken as being the prudent course of action on this program and recommend that the Senate support this position.

Mr. EAGLETON. I thank the Senator. His responses to my questions were excellent even though we have differences over the test schedule to be followed. I personally wish to thank the distinguished Senator from Nevada for the considerable attention he has given to the AWACS program. I know he realizes it has been subject to considerable criticism and that it might even be characterized as being controversial; but he has gone into it in great depth. I congratulate the Senator for his interest.

Mr. CANNON. I thank the Senator for his remarks.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. HATHAWAY):

A resolution adopted by the County Legislature of Suffolk County, N.Y., praying for the implementation of the bill H.R. 14016. Referred to the Committee on Finance.

PRESENTATION OF A PETITION

Mr. PELL. Mr. President, my distinguished senior colleague from Rhode Island and I have presented to the Senate a resolution of the General Assembly of Rhode Island memorializing the Congress to maintain a vigorous search for all Americans missing in action in Southeast Asia.

I am sure there is no Senator, no Member of Congress, no American who does not want to do everything possible to help end the gnawing uncertainty that surrounds the fate of our compatriots who courageously went to face the enemy but did not return. I fear many of them never will. But at least to know their ultimate end is some solace to their families and friends.

Among those unaccounted for from Rhode Island is Army Captain Kenneth Goff, Jr. I mention him in particular because recently I received letters from the members of Girl Scout Junior Troop 208 in Providence telling me they had adopted Captain Goff as their Big Brother. On his behalf and on behalf of all the other American MIA's and POW's, the Girl Scouts are asking that everything be done to obtain a full accounting of our missing compatriots. They are absolutely right. We must spare no effort to obtain that accounting.

The distinguished chairman of the Senate Foreign Relations Committee, Senator FULBRIGHT, has offered to head a delegation to go to Indochina, including North Vietnam, to investigate the situation first hand. A staff member of the Foreign Relations Committee will be returning soon from Vietnam to report on arrangements for the visit. I hope it will materialize and lead to a resolution of this sad problem.

In the words of the resolution of the Rhode Island General Assembly:

> All these men courageously and selflessly struggled in an unpopular and lonely war in the belief that it was their duty as American citizens, and so it becomes our duty to expend all our energies and resources to discover their whereabouts.

The resolution was referred to the Committee on Foreign Relations, as follows:

"RESOLUTION MEMORIALIZING CONGRESS TO MAINTAIN A VIGOROUS SEARCH FOR ALL AMERICANS WHO ARE MISSING IN ACTION IN SOUTHEAST ASIA

Whereas, it has been one year since the American military withdrawal from Southeast Asia and there remains an estimated 1300 men whose fate is still unknown; and

"Whereas, among those unaccounted for are the following Rhode Island men: Air Force Colonel Curtis Eaton, missing since 1966, Army Captain Kenneth Goff, Jr., missing since 1967, Air Force Captain Frederick Mellor, missing since 1966, Navy Lieutenant O. J. Pender Jr., missing since 1972, Army Staff Sergeant Louis C. Walton, missing since 1971, and Air Force Senior Master Sergeant Samuel Adams, missing since 1965, and

"Whereas, all these men courageously and selflessly struggled in an unpopular and lonely war in the belief that it was their duty as American citizens; and

"Whereas, it is now our duty to not only these men but to their families who suffered immeasurable hardship to expend all our energies and resources to discover their whereabouts; and

"Whereas, their sacrifice should never be forgotten as it seemingly has been by a majority of Americans especially the Congress of the United States; now therefore, be it

"Resolved, That the Congress of the United States be and it hereby is memorialized to maintain a vigorous search for all Americans who are missing in action in Southeast Asia; and be it further

"Resolved, That the Rhode Island delegation in Congress be at the forefront of this search; and be it further

"Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in Congress."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE:

S. 3589. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records. Referred to the Committee on Finance.

By Mr. COOK (for himself and Mr. HUDDLESTON):

S. 3590. A bill to provide for judicial service by certain justices or judges retired due to disability. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 3591. A bill for the relief of Mildred Sophia Henry. Referred to the Committee on the Judiciary.

By Mr. ERVIN:

S. 3592. A bill for the relief of Tak-Shul Chan. Referred to the Committee on the Judiciary.

By Mr. CHURCH:

S. 3593. A bill directing the Secretary of the Interior to convey certain lands to Valley County, Idaho. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

S. 3594. A bill for the relief of Felipe Alperovich. Referred to the Committee on the Judiciary.

By Mr. BENNETT:

S. 3595. A bill for the relief of Precisa Calculating Machine Co., Inc. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3596. A bill to provide hearings for Federal employees in national security cases, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. CURTIS (for himself, Mr. BELLMON, Mr. EASTLAND, Mr. HANSEN, Mr. BARTLETT, Mr. TOWER and Mr. DOMENICI):

S. 3597. A bill to provide for emergency financing for livestock producers. Referred to the Committee on Agriculture and Forestry.

By Mr. ERVIN:

S. 3598. A bill to protect the constitutional and commonlaw rights of citizens who are the victims of tortious acts or omission by agents or employees of the Federal Government, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH:

S. 3593. A bill directing the Secretary of the Interior to convey certain lands to Valley County, Idaho. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, I introduce for appropriate reference legislation which will grant right, title, and interest in certain national resource lands to Valley County, Idaho.

These lands, once granted to the county, will be utilized as a sanitary landfill, or if more suitable land is identified, such lands could be exchanged and the newly transferred lands used for sanitary landfill purposes.

After an intensive search by county officials it has been determined that private lands are not readily available to the County for sanitary landfill purposes.

I hope the Senate will act favorably on this matter and I urge speedy action in passage of this bill.

By Mr. HARTKE:

S. 3596. A bill to provide hearings for Federal employees in national security cases, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. HARTKE. Mr. President, employment practices within the Federal Government have been of interest to me ever since I had the privilege of serving on the Senate Post Office and Civil Service Committee. I recognize the need for the Government to protect its interests and the interests of the public at large, but we must also guarantee the basic rights of our employees.

Congress has, of course, taken such protective action in the case of those employees covered by Federal civil service. However, we exempted from such protection the employees of certain agencies in the belief that those agencies would institute procedures of their own to guarantee the rights of their employees. Unfortunately, time has shown the need for Congress to enact additional legislation to protect the rights of Government workers.

Today, I introduce legislation to correct the failure to provide certain Government employees with protection of their basic rights. My bill requires that all employees, after they have completed a probationary or temporary period, be accorded the basic due process rights accorded to those employees within the civil service system.

Section 7531, title 5, United States Code, exempts nine classes of employees from the due process coverage of the competitive and preference service. These include: Department of State, Department of Commerce, Department of Justice, Department of Defense, a military department, Coast Guard, Atomic Energy Commission, National Aeronautics and Space Administration, and the employees of any other agency of the Government as the President designates in the best interests of national security.

In looking at the broad picture involved in these exemptions, I understand and accept the interest of the employer in maintaining a certain amount of secrecy and immediate removal power over employees who have access to national security materials. Further, there are some employees within several agencies who have access to awesome power over the lives of individuals through their arrest, subpena, search and seizure powers, which must carefully be observed by the agencies and by Congress in protecting the rights of our citizens.

My bill brings into focus the notice and hearing rights to all Federal employees of the various Federal agencies and departments not now covered, other than those employees requiring confirmation or advice and consent of the Senate.

When an adverse action affecting an employee has been instituted by an agency an employee is entitled to: First, at least 20 days' advance written notice—except when there is reasonable cause to believe the individual may be guilty of a crime for which a sentence of imprisonment can be imposed—stating in writing any and all reasons, specifically and in detail, for the proposed adverse action; second, not less than 7 days for answering the notice personally and in writing and for furnishing affidavits in support of the answer; third, a hearing with respect to the proposed action or suspension; and fourth, a copy of the decision with respect to the proposed action or suspension, including specific and detailed reasons for the decision.

Upon a request filed within 15 days after receiving notice of the proposed action or suspension by the employer, the employee is entitled to a public hearing. Because there may be times when national security matters might be divulged which should not be made part of the public record, the agency will have the opportunity to allege matters of national security and inform the employee that a closed hearing will be conducted. Only those individuals would be admitted to the hearings who have a security clearance equal to or exceeding the classification of the matter in question. An exception would be the counsel for the employee.

If the employee believes the matter is not one affecting national security, he may initiate a civil proceeding in the appropriate district court to enjoin the employer from conducting a closed hearing. It would then be up to the court to determine whether the matter affects national security and whether the hearing should be closed to the public.

Mr. President, recently it was brought to my attention that a constituent of mine, Mr. David Wehner, was dismissed by the Federal Bureau of Investigation. While I do not weigh the merits of this case, the employment procedures followed by the Bureau should clearly be brought within the hearing and notice requirements of my bill. I ask unanimous consent that an article appearing in the Washington Star-News, by Nicholas Blatchford, be published in the RECORD following my remarks. The article sets forth the employment procedures of the Bureau.

A future provision of my bill addresses the often repeated complaint of the general public concerning the responsiveness of the Government to the general welfare of the people. The growth in size and complexity of the Government over the last 30 years has made the public suspicious of the everyday activities and workings of our bureaucracy when a citizen needs help or information.

I have, therefore, in my bill a provision which provides for the suspension of an employee for any unprovoked rude conduct toward any member of the public. I receive continual complaints from constituents concerning the manner in which their inquiries to the Government are handled by employees.

I have also reduced the number of days from 30 to 20 to which an employee is entitled for advance notice of an adverse action. I believe that we must be more responsive to the people whom we represent, and expedite our administrative procedures leading to finalization of the dispute in question. By reducing the number of days that an employee must be kept in the agency after an adverse action has been forwarded in writing to the employee, we will balance the rights of the individual with those of the public, and further the efficiency of our Government.

While my bill guarantees due process rights to the employee, it also places a higher degree of responsibility on the employee to the general public. We must make our Government responsive to the people, especially in light of the tremendous amount of Government power over the daily lives of individuals and businesses. I believe my bill meets the interests of both the people and the interest of the Government.

Both will benefit from my legislation and the very substance of our Government will be enhanced.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record at this point.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 3596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 75 of title 5, United States Code, is amended by striking out subchapters I and II and inserting in lieu thereof the following:

"SUBCHAPTER I.—CAUSE, RUDE CONDUCT, AND PROCEDURE

"§ 7501. Definitions

"For the purpose of this subchapter—

"(1) 'employee' means—

"(A) an individual in the competitive service; or

"(B) a permanent or indefinite preference eligible not in the competitive service who has completed a probationary or trial period as an employee of an Executive agency or as an individual employed by the government of the District of Columbia, but does not include an employee whose appointment is required to be confirmed by, or made with the advice and consent of the Senate; and

"(2) 'adverse action' means a removal, suspension for more than 30 days, furlough without pay, or reduction in rank or pay.

"§ 7502. Cause

"Any employing agency may take adverse action against an employee, or debar him for future employment, only for such cause as will promote the efficiency of the service.

"§ 7503. Rude conduct

"Any employee may be suspended for not to exceed five (5) days for any unprovoked rude conduct, in the performance of his duties, toward any member of the public.

"§ 7504. Procedure

"(a) An employee against whom adverse action is proposed, or against whom a suspension under section 7503 of this title is proposed, is entitled to—

"(1) at least 20 days' advance written notice, except when there is reasonable cause to believe the employee may be guilty of a crime for which a sentence of imprisonment can be imposed, stating any and all reasons in writing, specifically and in detail, for the proposed action or suspension;

"(2) a reasonable time of not less than seven (7) days, for answering the notice personally and in writing and for furnishing affidavits in support of the answer;

"(3) a public hearing with respect to the proposed action or suspension except as provided in subsection (b) of this section; and

"(4) a copy of the written decision with respect to the proposed action or suspension, including specific and detailed reasons for the decision.

"(b) Upon request filed within fifteen (15) days after receiving notice of the proposed action or suspension, the employee is entitled to a public hearing with respect to that action or suspension unless the basis therefor involves interests of national security, in which case the hearing shall be conducted in closed session with individuals being admitted thereto having a security clearance equal to or exceeding the classification of the national security matter that may be disclosed;

Provided, there shall be no security classification requirement for the employee's counsel, and provided further, that the employee is entitled to bring a civil action in the appropriate district court requesting the hearing be public because the alleged interests of the employer are not matters of national security."

(b) Subchapter IV of such chapter 75 is repealed.

(c) The analysis of such chapter 75 is amended—

(1) by striking out the matter relating to subchapters I and II and inserting in lieu thereof the following:

"Subchapter I—Cause, Rude Conduct, and Procedure

"Sec.
"7501. Definitions.
"7502. Cause.
"7503. Rude conduct.
"7504. Procedure."; and

(2) by striking out the matter relating to subchapter IV.

Sec. 2. Chapter 77 of title 5, United States Code, is amended—

(1) by striking out of the analysis—

"7701. Appeals of preference eligibles." and inserting in lieu thereof—

"7701. Appeals of employees.";

(2) by striking out of the caption of section 7701 "preference eligibles" and inserting in lieu thereof "employees"; and

(3) by striking out the first sentence of section 7701 and inserting in lieu thereof the following:

"An employee as defined by section 7501 of this title is entitled to appeal to the Civil Service Commission, from any decision adverse to the employee under section 7504 of this title, of an administrative authority so acting."

Sec. 3. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§1364. Federal employee national security actions

"The district courts shall have original and exclusive jurisdiction without regard to the amount in controversy, of any civil action brought by an employee under section 7504 of title 5 to have the hearing with respect to proposed adverse action or suspension against him be made public since the basis for the proposed action or suspension does not involve interests of national security."

(b) The analysis of such chapter 85 is amended by adding at the end thereof the following new item:

"1364. Federal employee national security actions."

GETTING AN ESCORT OUT BY THE FBI

(By Nicholas Blatchford)

Like many young men these days, David Wehner, 19, has chosen to disguise himself in lots of hair, so one's first impression of him is not of a modern young man at all, but of an older Victorian gentleman of melancholy mein.

Or perhaps the sadness I saw in him was the natural result of his just having been fired by the FBI.

What for? For going out for a beer on bureau time.

Wehner's fortunes and those of the FBI became entwined in the spring of 1972, when an FBI recruiter visited Portage High School in Portage, Ind., and painted "a rosy picture" of life with the bureau here.

Wehner arrived in Washington that fall, and started off as a messenger in the Justice Department building. Soon he was transferred to the bureau's Identification Building, advancing from Grade 3 to Grade 4 and a daytime shift in the records section. He was happy with the job but he chafed in the uniform.

"It's a dirty, dusty, greasy building," Wehner said, "a warehouse actually, but we were required to wear a shirt and tie."

Wehner resisted. "All last summer," he said, "I wore blue jeans, a T-shirt, tennis shoes and no socks. Other people did, too."

He disputed the necktie order, and there was talk of circulating a petition. At the suggestion of his agent supervisor, Wehner put his feeling into writing in a letter to the director.

He promptly found himself in a series of face-to-face meetings with Assistant Director John Marshall, the man in charge of communications and files.

"He told me that if I continued to violate the dress code, I would be dismissed," Wehner said. "They said the building was a dump and everything else, but they didn't have the power to change the rules."

So Wehner capitulated.

"I did comply," he said. "I went out and spent a good deal of money buying clothes that would suit their standards. Shirts, ties and pants. I wore a tie virtually every day, week in and week out, except maybe once a month I would not—like one night when I was going to a rock concert. . . ."

He thought things were going well.

"I felt personally that among my fellow employes, nobody knew the job better than I did," he said. "My supervisor agent told me, 'Dave, you are well on your way to an incentive award.' "

Then the roof fell in.

On a recent Friday, with the scent of spring in the air and the temperature in the 70s, Wehner and a fellow worker took advantage of the regular afternoon 10-minute break to slip across the street to the Market Inn for a beer.

Now on Friday afternoons the Market Inn is full of jolly government section chiefs and their friends and secretaries showing no apparent signs of ever going back to work, so it's easy to see how a couple of young men fresh out of the dusty FBI record stacks might overstay their time.

And they did—by 15 minutes, Wehner said.

Things began to move with terrible swiftness once they got back to work.

Their supervisors asked where they had been, and Wehner told them.

"I like to think that I'm an honest person," he explained. "I said it was a spring fever reaction to the day. I just felt that I had really earned a break, that I had been working hard and I wanted a beer. They read us verbatim the FBI Employes' Handbook, what it said about drinking—and about not leaving the building during rest periods. I didn't know about that."

The following morning they were given two choices. Either they could freely resign, or their resignations would be requested. Wehner's friend resigned. Wehner refused.

"I said this was a totally uncalled-for action," Wehner said. "I wasn't on the job and I'm ashamed of it, but it wasn't a flagrant act."

The following Friday, Wehner received a letter from FBI director Clarence Kelley, requesting him to submit his resignation as of the coming Monday. Again Wehner declined.

On Tuesday, a second letter from the director informed him simply that "your name is being dropped from the rolls of the Federal Bureau of Investigation effective 1 p.m."

"It was then about 25 minutes to 1," Wehner said. "At approximately 1 o'clock, I was escorted out of the building and onto the street. It wasn't a real nice day outside and it wasn't real bad either. Just an average day before spring."

Wehner would like to appeal, but by law the FBI is exempt from Civil Service grievance procedures. He thinks this is unfair, and while he doesn't feel he has much of a case, he wants "the American public to see what the bureau does."

My own feeling is this: If you put your finger on a hot stove, you can't complain if it's burnt.

By Mr. ERVIN:

S. 3598. A bill to protect the constitutional and common law rights of citizens who are the victims of tortious acts or omission by agents or employees of the Federal Government, and for other purposes. Referred to the Committee on the Judiciary.

PROTECTING THE PEOPLE FROM THEIR GOVERNMENT: SOVEREIGN IMMUNITY AND "NO-KNOCK"

Mr. ERVIN. Mr. President, I introduce for appropriate reference a bill to amend title 28 of the United States Code, and to provide a remedy against the United States for the acts or omissions of U.S. employees which are intentional torts or in violation of the U.S. Constitution or statutes. Until March 16 of this year it was impossible for a citizen to sue the Federal Government when any of its agents or employees injured that citizen in the course of an illegal or unconstitutional act.

On that date the President signed H.R. 8245. That bill contained an amendment attached by the Senate Government Operations Committee. The committee's amendment was designed to provide a remedy against the Federal Government for innocent victims of "no-knock" raids by Federal narcotics agents.

The committee's interest in this problem grows out of its recent consideration of Reorganization Plan No. 2 in which the Drug Enforcement Agency was created within the Department of Justice. In the course of considering that plan, the committee learned of "no-knock" raids which occurred on April 29 in Collinsville, Ill. In separate incidents involving the same Justice Department agents, "no-knock" raids were conducted into two different homes in Collinsville. The agents entered the two houses without warrants in violation of the Federal "no-knock" statute, kicked in the doors without warning, shouting obscenities, and threatening the occupants with drawn weapons. The terrified inhabitants were only temporarliy relieved when the agents left after discovering that they had entered the wrong houses.

Until the enactment of H.R. 8245 there was no effective legal remedy against the Federal Government for the actual physical damage much less the pain, suffering and humiliation to which the Collinsville families have been subjected. Since they were neither suspects, nor Federal defendants, they could not move in a prosecution to suppress evidence, the traditional remedy for violation of fourth amendment rights. Indeed, there was not any evidence seized in these raids because, of course, the agents were at the wrong addresses. Furthermore, neither family can recover from the Federal Government in a civil action because of the doctrine of sovereign immunity.

As a general principle until the enactment of H.R. 8245 if a Federal agent violated someone's constitutional rights—for instance, fourth amendment rights against illegal search and seizure—there was no remedy against the Federal Government. This ancient doctrine—sovereign immunity—stood as a bar.

Sovereign immunity is a holdover from the tyrants of Tudor and Stuart England and has no place in our American democracy. Actually the doctrine is derived from the devine right of kings and the doctrine that the king can do no wrong. In modern American law that doctrine has been translated into the rule that the Government cannot be sued unless it so consents.

Only recently have victims of governmental lawlessness, such as the Collinsville families, had a right of action against the offending officers themselves. In the case of *Bivens* v. *Six Unknown Federal Narcotics Agents*, 403 U.S. 388 (1971), the Supreme Court held that the fourth amendment and elementary justice require that there be a right of action against the Federal agents for illegal searches conducted in bad faith or without probable cause.

Of course, Federal agents are usually judgment proof, so this is a rather hollow remedy.

For years scholars and commentators have contended that the Federal Government should be liable for the tortious acts of its law enforcement officers when they act in bad faith or without legal justification. However, the Federal Torts Claims Act (28 U.S.C. 2671–2680) embodiment of sovereign immunity in the United States Code, protected the Federal Government from liability where its agents commit intentional torts such as assault and battery. The injustice of this provision should be manifest—for under the Federal Torts Claims Act a Federal mail truck driver creates direct Federal liability if he negligently runs down a citizen on the street, but until the enactment of H.R. 8245 the Federal Government was held harmless if a Federal narcotics agent intentionally assaults that same citizen in the course of an illegal "no-knock" raid.

H.R. 8245 added a proviso at the end of the intentional torts exception to the Federal Torts Claims Act (28 U.S.C. 2680 (h)). The effect of this provision is to deprive the Federal Government of the defense of sovereign immunity in cases in which Federal law enforcement agents, acting within the scope of their employment, or under color of Federal law commit any of the following torts: Assault, battery, false imprisonment, false arrest, malicious prosecution, or abuse of process. Thus, after the date of enactment of this measure, innocent individuals who are subjected to raids of the type conducted in Collinsville, Ill., will have a cause of action against the individual Federal agents and the Federal Government.

Although H.R. 8245 is an important step in modifying the doctrine of sovereign immunity to comport with modern democratic principles it is only a first step. First of all it is limited to law enforcement officials—and then only to certain torts. For example, the Senate measure would not cover other intentional torts such as misrepresentation by non-law enforcement agents. Even after the recent amendment, the Federal Government cannot be sued by an individual who purchases a house in reliance upon an inspection by the Federal Housing Administration in which the inspector intentionally misrepresented the condition of the house. Second, as a result of H.R. 8245 and the Bivens case there is a very substantial question as to whether the Federal Government is civilly liable when its agents engage in a deliberate violation of a statute or the Constitution but do not simultaneously commit any common law intentional tort.

The administration even concedes that there ought to be Government liability where its agents or employees violate the Federal statutes or the Constitution. On October 10, the senior Senator from Nebraska, introduced on behalf of the administration S. 2558 which would make the Federal Government liable when its agents violate the Constitution or statutes of the United States. The bill which I introduce today is based in large part upon the administration's proposal. However, my bill differs in several important respects. First, it would provide a more complete remedy. The administration bill only permits actual damages and general damages up to $5,000, while my bill would permit unlimited actual and general damages and punitive damages up to $50,000. Second, the administration bill would make this new remedy exclusive of all other actions. This means that victims of constitutional torts or intentional common law torts would have only one cause of action, that is against the Government. Therefore, the victims would not be able to sue the agents as well as the Government.

In the private sector when a corporate employee commits a tort within the scope of his employment the victim of the tort has a cause of action against the employee and the corporation. Although I can see justification for leaving distinctions between corporate and governmental employees, I would not go quite as far as the administration. Therefore, my bill allows similar exclusivity but in constitutional, statutory, or intentional torts exclusivity would only apply where the agent or employee acted within the scope of his employment and with good faith and probable cause. This means that Government employees, and especially law enforcement officers, would enjoy immunity but only where they act in good faith and with probable cause—the same situations in which the court granted immunity to agents in the Bivens case.

Another important difference in the two bills is that I propose that the "no-knock" provisions enacted by Congress in 1970 be repealed. I think that an excellent case can be made that recent "no-knock" incidents grow out of a new philosophy among some Federal law enforcement officers that they are not subject to the fourth amendment. This attitude was highlighted by the various Watergate allegations involving the so-called plumbers. However, I have found that some law enforcement agents in established Federal law enforcement agencies such as the Drug Enforcement Agency and its predecessor, the Office of Drug Law Enforcement, also apparently have the attitude that the warrant provisions of the fourth amendment simply do not apply to them. For example, in the Collinsville and other raids last spring, Justice Department agents did not even bother to get warrants to conduct their surreptitious or "no-knock" entry. I am convinced that the Congress' action in sanctioning "no-knock" searches in the D.C. crime bill and the Controlled Substances Act is partially responsible for this attitude.

I believe that it is essential that these unconstitutional and unnecessary provisions be repealed. Repeal of the provisions would simply have the effect of reinstating the common law rules on search and seizure to Federal agents. In his fine opinion in the case of *Kee* v. *California*, 374 U.S. 23 (1963) Justice Brennan set out the only situations in which "no-knock" is permitted at common law:

> (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within are made aware of the presence of someone outside (because, for example, there has been a knock at the door), and then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted.

If this provision of my bill is enacted, Congress would be giving a loud and clear signal to Federal law enforcement agents that they are, indeed, subject to the fourth amendment. However, Congress would be reacting cautiously because the traditional common law exceptions to the "no-knock" rule would have been preserved.

In conclusion I would like to state that I do not feel wedded to all the provisions of this bill. I am only introducing it for the purpose of discussion and hearings. I am sure that there are a number of inadequacies in the bill. For example, it does not provide for modification of the sovereign immunity doctrine in the District of Columbia. Although I believe that such a provision should be a part of this bill I await experts in sovereign immunity and District of Columbia law to help draft such a provision. Furthermore, I am still troubled by the exclusivity provision. I believe that this section will require much thought and study by the committee to which this legislation is referred. However, I believe that this bill should serve as a beginning, a foundation, upon which meaningful reform of the doctrine of sovereign immunity can be continued in the face of innumerable allegations of governmental lawlessness which have filled the media during the past year.

Mr. President, I ask unanimous consent that the bill and an analysis of it be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3598

A bill to protect the constitutional and common law rights of citizens who are the victims of tortious acts or omissions by agents or employees of the Federal Government, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1346(b) of Title 28, United States Code is amended by striking the period at the end of the Section and adding the following:

", or where the claims sounding in tort for money damages arise under the Constitution or statutes of the United States, such liability to be determined in accordance with applicable federal law."

Sec. 2. Section 2672 of Title 28, United States Code, is amended by inserting in the first paragraph the following language after the word "occurred" and before the colon:

", or where the claims sounding in tort for money damages arise under the Constitution or statutes of the United States, such liability to be determined in accordance with applicable federal law."

SEC. 3. Section 2674 of Title 28, United States Code, is amended by deleting the first paragraph and substituting the following:

"The United States shall be liable in accordance with the provisions of Sec. 1346(b) of this title, but shall not be liable for interest prior to judgment or for punitive damages: *Provided*, that for claims arising under the Constitution or statutes of the United States or for international torts, recovery shall be allowed for all actual, general, consequential and liquidated damages and, where appropriate, reasonable compensation for interest prior to judgment, punitive or exemplary damages not to exceed $50,000 and reasonable compensation for litigation expenses and attorneys' fees."

SEC. 4. Section 2679(d) of Title 28, United States Code is amended by inserting in the first sentence the words "office or" between "scope of his" and "employment".

SEC. 5. Section 2679(d) of Title 28, United States Code is amended by deleting the second sentence and substituting the following:

"After the removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States under the Federal Tort Claims Act. Should a United States district court determine in a hearing on a motion to remand held before a trial on the merits that the employee whose act or omission gave rise to the suit was not acting within the scope of his office of employment, or in the case of a claim arising under the Constitution or statutes of the United States or for claims resulting from intentional torts that the employee was not acting in good faith, or with probable cause or within the scope of his employment, then the case shall be remanded to the State court: *Provided*, that where such a remedy is precluded because of the availability of a remedy through proceedings for compensation or other benefits from the United States is provided by any other law, the case shall be dismissed, but in that event the running of any limitation of time for commencing, or filing an application or claim in, such proceedings for compensation of other benefits shall be deemed to have been suspended during the pendency of the civil action or proceeding under this section."

SEC. 6. Section 2680(h) of Title 28, United States Code, is repealed as of the effective date of this Act.

SEC. 7. Section 4116 of Title 38, United States Code, is repealed, as of the effective date of this Act.

SEC. 8. Section 223 of Title II of the Public Health Service Act (58 Stat. 682, as added Section 4 of the Act of December 31, 1970. 84 Stat. 1870 (42 U.S.C. 233)), is redesignated as Section 224 and is amended to read as follows:

"AUTHORITY OF SECRETARY OR DESIGNEE TO HOLD HARMLESS OR PROVIDE LIABILITY INSURANCE FOR ASSIGNED OR DETAILED EMPLOYEES

"SEC. 224. The Secretary of Health, Education, and Welfare, the Secretary of Defense and the Administrator of Veterans Affairs, or their designees may, to the extent deemed appropriate, hold harmless or provide liability insurance for any officer or employee of their respective departments or agencies for damage for personal injury, including death or property damage, negligently caused by an officer or employee while acting within the scope of his office or employment and as a result of the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations, if such employee is assigned to a foreign country or detailed to other than a Federal agency or institution, or if the circumstances are such as are likely to preclude the remedies of third persons against the United States described in section 2679 (b) of Title 28, for such damage or injury."

SEC. 9. Subsection (b) of section 509 of the Controlled Substances Act (21 U.S.C. 879) is hereby repealed.

SEC. 10. (a) Section 23–522(c)(2) of the District of Columbia Code is hereby repealed.

(b) Section 23–521(f)(6) of the District of Columbia Code is hereby repealed.

(c) The last sentence of section 23–561 (b)(1) of the District of Columbia Code is hereby repealed.

(d) Section 23–591(c) is amended to read as follows:

"(c) An announcement of identity and purpose shall not be required prior to such breaking and entry if circumstances known to such officer or person at the time of breaking and entry give him probable cause to believe that (1) the persons within already know of the officers' authority and purpose (2) the persons within are in imminent peril of bodily harm, or (3) the persons within are aware of the presence of someone outside and are therefore attempting to escape or destroy evidence."

SEC. 11. This Act shall become effective upon enactment.

SECTION-BY-SECTION ANALYSIS OF THE BILL TO PROTECT THE CONSTITUTIONAL AND COMMON LAW RIGHTS OF CITIZENS WHO ARE THE VICTIMS OF TORTIOUS ACTS OR OMISSIONS BY AGENTS OR EMPLOYEES OF THE FEDERAL GOVERNMENT, AND FOR OTHER PURPOSES

Section 1. Section 1 amends Section 1346 (b) of Title 28 of the United States Code to extend the exclusive jurisdiction of the United States District Courts to include claims arising under the Constitution and statutes of the United States. Section 1 also provides that the liability of the United States is to be determined in accordance with applicable Federal law. Because the cause of action arises under the Constitution or Federal statute, Federal law must necessarily control; hence, the reference to Federal law in Section 1 is merely declaratory of the decisional law in its present state.

Section 2. Section 2 amends Section 2672 of Title 28 of the United States Code to provide additionally for the administrative adjustment of claims arising under the Constitution or statutes of the United States and provides that the liability of the United States for such claims shall be determined in accordance with applicable Federal law.

Section 3. Section 3 amends Sections 2674 of Title 28 of the United States Code so as to provide damages for claims arising under the Constitution or statutes of the United States by providing unlimited actual, general and liquidated damages (such as pursuant to 18 U.S.C. 2520). The provision also permits punitive and exemplary damages, not to exceed $50,000 and litigation expenses and attorneys fees.

Section 4. Section 4 amends Section 2679 (d) of Title 28 of the United States Code by inserting the words "office or" between "scope of his" and "employment" appearing in the first sentence of 2679(d). This amendment is a technical amendment designed to make clear that the scope of the Tort Claims Act remedy extends to officers of the Government as well as employees.

Section 5. Section 2679(d) presently reads in relevant part as follows:

"Upon a certification by the Attorney General that the defendant employee was acting within the scope of his employment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings deemed a tort action brought against the United States under the provisions of this title and all references thereto."

Section 5 amends Section 2679(d) so as to include language designed to make clear that in a suit originally commenced against an officer or employee of the government for which a remedy exists under the Federal Tort Claims Act, the United States may assert and establish such defenses to the suit as would have been available to it had the suit originally been commenced against the United States. Thus, under existing decisional law Federal employees injured as an incident of their government employment and who are entitled to the benefits provided by the Federal Employees' Compensation Act, 5 U.S.C. 8101 et seq., are restricted to their compensation rights and may not sue the United States under the Federal Tort Claims Act. Similarly, military personnel who sustain injury as an incident of their military service (by Supreme Court decision, *Feres* v. *United States*, 340 U.S. 135 (1950)), may not sue the United States under the Tort Claims Act. Section 6 will assure preservation of these types of defenses as well as other statutory defenses peculiar to the Federal Tort Claims Act.

Section 6. Section 7 strikes the intentional torts exception of the Tort Claims Act. Until recently present law (28 U.S.C. 2680(h)) immunized the Federal government from direct liability for the intentional torts of its employees. Therefore, the victims of illegal "no-knock" raids by Federal narcotics officers could not sue the Federal government. Nor could the purchaser of a house who relies, to his detriment, upon the deliberate misrepresentation of an FHA inspector sue the Federal government. Legal scholars are virtually unanimous in their view that no persuasive reason can be advanced for any of the intentional torts exceptions.

On March 16 of this year the President signed P.L. 93–253. That legislation contains a limited repealer of the intentional torts exception. The Federal government would be liable if Federal law enforcement or investigative officers conducted any of the following torts: Assault, battery, false arrest, false imprisonment, malicious prosecution or abuse of process. The proposal contained in section 7 of this bill would simply expand that repealer to cover the whole intentional torts exception of the Tort Claims Act.

Section 7. Section 8 is a technical amendment: It repeals Section 4116 of Title 38 United States Code which presently extends the exclusiveness of the Tort Claims Act remedy to claims arising out of activities by medical and paramedical personnel of the Veterans Administration. With the enactment of this bill, Sections 4116 of Title 38 is no longer necessary and is appropriately repealed.

Section 8. Section 9 is also a technical amendment and would affect the partial repeal of 42 U.S.C. 233 which, like 38 U.S.C. 4116, presently extends the exclusiveness of the Tort Claims Act remedy to include claims based upon activities of Public Health Service medical and paramedical personnel. Section 9 also provides for a retention (as a redesignated Section 224 of Title 42 U.S.C.), of language peculiar to the Public Health Service which presently appears in 42 U.S.C. 233(f).

Sections 9 and 10. Section 10 repeals the 1970 Federal "no-knock" statute and Section 11 does the same for the "no-knock" provision contained in the D.C. crime bill which also passed in the same year. These repealers would simply have the effect of abolishing the "no-knock" warrant procedures set out in the two statutes without disturbing the common law authority of police officers to conduct "no-knock" searches. Therefore, even after these repealers, "no-knock" would be permitted in the situations set out by Justice Brennan in his decision in the case of *Ker* v. *California*, 374 U.S. 23 (1963).

Section 11. Section 12 makes the act effective upon enactment. Therefore, the provisions of the act would be effective even on claims arising before the date of enactment so long as they are not otherwise barred by the statute of limitations.

ADDITIONAL COSPONSORS OF BILLS

S. 796

At the request of Mr. PELL, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 796, to improve museum services.

S. 1811

At the request of Mr. CHURCH, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1811, to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 2801, to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs.

S. 2919

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 2919, to modify the method for computing military retirement benefits.

S. 3143

At the request of Mr. CHURCH, the Senator from Florida (Mr. GURNEY), the Senator from Vermont (Mr. STAFFORD), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Florida (Mr. CHILES), the Senator from North Dakota (Mr. BURDICK), and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of S. 3143, to amend titles II, VII, XI, XVI, XVII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes.

S. 3330

At the request of Mr. HARTKE, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 3330, to amend title 10 of the United States Code to provide severance pay for regular enlisted members of the U.S. armed services with 5 or more years of continuous active service, who are involuntarily released from active duty, and for other purposes.

S. 3366

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 3366, to amend title 38 of the United States Code to provide for cost-of-living increases in compensation, dependency, and indemnity compensation and pension payments.

S. 3496

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 3496, to amend title 38 of the United States Code to provide for cost-of-living increases in educational benefits.

S. 3525

At the request of Mr. CURTIS, the Senator from Wyoming (Mr. MCGEE) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 3525, to amend Public Law 88–482, an act of August 22, 1964.

Mr. ABOUREZK. Mr. President, I am pleased to cosponsor this bill authored by the Senator from Nebraska (Mr. CURTIS). It speaks to a growing crisis affecting American livestock producers.

Since last fall, imports of foreign meat have reached the point where they now amount to about 10 percent of domestic production. There is little doubt that this quantity of imports is having a severe and harmful impact on American livestock producers.

The 1964 law which this bill would amend establishes a meat import quota system. The law also allows the President to suspend the quotas when he finds doing so in the national interest. This has been the case since 1972.

However, the law also provides that the President must give special weight to the importance to the Nation of the economic well-being of the domestic livestock industry.

Since last September, cattle feeders alone have lost nearly $1.5 billion. It is clear that the well-being of the domestic livestock industry is not being protected and it is time for Congress to have a voice in determining when limits should be imposed on imports of meat to this country.

That is the purpose of this bill and it has my fullest support.

S. 3582

At the request of Mr. RIBICOFF, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 3582, concerning food stamps for the aged, blind, and disabled.

SENATE RESOLUTION 335—SUBMISSION OF A RESOLUTION RELATING TO THE ISSUE OF EMIGRATION OF JEWS IN SYRIA

(Referred to the Committee on Foreign Relations.)

Mr. MONDALE. Mr. President, concern has been expressed over whether President Nixon's trip to the Middle East is really necessary. Some people believe that it is mostly an exercise in public relations. My view is that if it helps stabilize the peace in the area, then it is worthwhile. I believe that the American people are wise enough to realize the difference between the kind of peacemaking efforts carried out by Secretary Kissinger, which we can all applaud, and the President's efforts to overcome the Watergate inquiry and impeachment.

In this connection, however, I believe there is one specific issue I hope that the President can pursue. The White House has announced that on the 14th and 15th the President will be visiting Syria. When he goes there, he could make a great contribution to both peace and human rights if he would raise directly with Syrian leaders the issue of 4,000 Jews who live in Syria.

The Jews in Syria are by any standard oppressed. The extent and nature of their economic activities is closely controlled. They cannot travel more than 1½ miles from their homes without police permission. They live surrounded by hostility. Often, in fact, surrounded by Palestinians. Finally, these Jews living in Syria are denied the right of emigration or even temporary foreign travel. They are in effect treated as hostages in the conflict with Israel.

There are 25,000 Jews of Syrian background in the United States. Many of the Jews who are still in Syria have relatives here. Permitting them to emigrate to the United States would remove them from the hostile environment in which they live and in no way exacerbate the military and political situation in the Middle East. It would also be in the great tradition of this Nation to provide a home for oppressed minorities such as the Jews in Syria. Of course, if they want to go elsewhere I believe they should have the right to do so.

For these reasons I am today introducing a resolution calling upon the President to urge the Syrian leadership to let the Jews in Syria emigrate to the United States or elsewhere. I ask unanimous consent that the text of my resolution may appear at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 335

Whereas the President has announced that he will be visiting Syria on June 14 and 15;

Whereas, there are four thousand Jews living in Syria;

Whereas these people are not allowed to emigrate or to travel more than one and one-half miles from their homes and are subject to a range of restrictions on their civil liberties: Therefore be it

Resolved, That the President should raise this issue directly with the leadership of Syria and urge that these people be permitted to emigrate to the United States or elsewhere.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 84

At the request of Mr. MONDALE, the Senator from New York (Mr. BUCKLEY), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of Senate Concurent Resolution 84, relating to opium production in Turkey.

DUTY EXEMPTIONS FOR CERTAIN FOREIGN REPAIRS TO VESSELS—AMENDMENTS

AMENDMENTS NOS. 1395 AND 1396

(Ordered to be printed and to lie on the table.)

Mr. CHURCH submitted two amendments intended to be proposed by him to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

AMENDMENTS NOS. 1401 AND 1402

(Ordered to be printed, and to lie on the table.)

Mr. BEALL. Mr. President, I am sending to the desk two amendments to H.R. 8217, which was reported by the Committee on Finance on April 23, 1974. The first amendment is identical to S. 3184, the Bicentennial Celebration Contribution Tax Credit Act which I introduced on March 19, 1974. The second amendment is similar to S. 2347, the Historical Structures Tax Act which I introduced on August 3, 1973.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENT

AMENDMENT NO. 1397

(Ordered to be printed, and referred to the Committee on Finance.)

MINIMUM TAX ON FOREIGN OIL RELATED INCOME

Mr. CHURCH. Mr. President, I am submitting today an amendment to the temporary debt ceiling bill (H.R. 14832) which would establish a minimum tax of 10 percent on all foreign income of the international oil companies.

As you know, the House Ways and Means Committee has reported out an oil and gas taxation bill of 1974 which takes several excellent and long needed steps in the direction of more equitable treatment of oil and gas related income. Some of its provisions require strengthening, and additional sections should be added to tighten the rules on foreign loss deductions and to abolish the Western Hemisphere Trading Corporation.

But even after all of these necessary modifications, the House bill does nothing to reduce the advantage the multinational oil companies hold over domestic independent companies. There are two reasons for this: First, the windfall profits tax in the House bill affects only domestic oil profits; and second, the oil companies can, under the bill, defer indefinitely U.S. taxation on their foreign earnings by simply, first, not repatriating earnings of foreign incorporated subsidiaries in low tax countries; and second, repatriating their foreign profits from high tax countries, but shielding these profits through the foreign tax credit.

Foreign profits of the multinational oil companies are increasing faster than their domestic profits—doubling in the last year to well over $7 billion. Yet under the House bill, domestic oil producers will pay an extra $11.4 billion in higher taxes between 1974 and 1979, compared to $1 to $1.5 billion which will be levied on foreign oil operations. When we factor in the ratio of foreign to domestic oil operations of the American companies, these figures mean that the House tax package imposes new taxes on domestic oil operations twice as great as those imposed on foreign oil operations.

Mr. President, I support Project Independence, but I wonder whether we will ever have energy independence in this country if we continue to subsidize investment in foreign countries at the expense of investment here at home. To formulate a tax package which will not give oil companies so much incentive to invest abroad, there must be some sort of minimum U.S. taxation of the foreign earnings of U.S. oil companies—earnings on which they presently pay little or no U.S. taxes at all.

A flat 10-percent minimum tax on net foreign earnings of the U.S. oil companies—including earnings of the foreign incorporated subsidiaries of these companies—would be an appropriate minimum tax. This would raise additional revenue of approximately $700 million for the Treasury, and would make the tax package more neutral as between foreign and domestic source income.

Currently U.S. manufacturing companies pay, on the average, 8.5 percent of their foreign earnings to the United States in income taxes. This rate of taxation may be too low, and I believe that the Congress must, at some point in the near future, reevaluate the entire system of taxation of foreign earnings. These payments, whether or not they are too low on some absolute scale, are substantially higher than those of the international oil companies, which pay practically no U.S. tax on their foreign earnings. This bill will largely correct this disparity.

Besides assuring a high level of domestic investment, and improving tax equality, this bill has another important function. Assuming that some progress is made in this Congress toward limiting the abuses of the foreign tax credit provision, many of the major oil companies may be tempted to move all or part of their overseas earnings completely offshore. In other words they may take them in foreign subsidiaries and do not repatriate them to the United States. This bill would tax income earned by controlled foreign corporations in which the companies in question have ownership interest, whether or not these earnings are remitted to the parent company in the form of dividends.

Basically the purpose of this bill is to impose a flat 10-percent minimum tax on the real economic earnings of each multinational oil company. Since payments made to foreign governments are real costs, these are treated as deductions, but not as credits as under the present system. Since earnings taken in controlled foreign corporations are nevertheless earnings of the parent U.S. corporation, these are taxed. There is no intent here to impose double taxation on profits taken in a subsidiary, and then remitted in dividends, and the Secretary is authorized to make regulations to prevent this from happening.

Taken in total, I believe that this bill will make a positive contribution to tax equity and to security in the supply of this Nation's vital energy resources.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975—AMENDMENT

AMENDMENT NO. 1398

(Ordered to be printed, and to lie on the table.)

Mr. **CHILES** submitted an amendment, intended to be proposed by him, to the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

AMENDMENT NO. 1400

(Ordered to be printed.)

Mr. **THURMOND** proposed an amendment to Senate bill 3000, supra.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS

AMENDMENT NO. 1399

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

FOREIGN MILITARY SALES

Mr. **NELSON**. Mr. President, it is difficult these days to open the newspaper without coming across unexpected reports of another U.S. multimillion-dollar arms deal with another small nation somewhere.

The amendment I am offering today to the Foreign Assistance Act, S. 3394, gives Congress oversight authority on proposed foreign military sales—before the sale is finalized.

Foreign military sales has become an instrument of foreign policy. The executive branch of this Nation involves the United States in military situations throughout the world without congressional and public debate, discussion or deliberation. The sums here are vast. For 1973—the most recent figures available on foreign military sales credit and cash—show a total of $3.5 billion. This figure represents a quadrupling of the fiscal year 1970 total of $926 million. Fiscal year 1974 sales are estimated to be in the neighborhood of $4.6 billion.

Mr. President, I ask unanimous consent to have a DOD chart of foreign military sales orders totaling $21 billion since 1950 entered in the RECORD at the conclusion of my remarks.

Despite the serious policy issues raised by this tremendous increase in Government arms sales, these transactions are made with little regard for congressional or public opinion. The Department of Defense is consulted. The manufacturers of weapons and the providers of military services are consulted. But Congress is hardly informed of these transactions, much less consulted as to their propriety. As it stands now, the executive branch of the Government simply presents Congress and the public with accomplished facts.

This amendment requires the executive branch to afford Congress the opportunity to debate and discuss foreign sales made by the U.S. Government. It requires the President to report to both Houses of Congress his military sales plans when any single sale to any one country amounts to over $25 million or when cumulative sales of over $50 million occur to one country in 1 year. Although this amendment was approved by the Senate last year as part of S. 1443, the Foreign Military Sales and Assistance Act, the amendment, as well as a majority of that bill's provisions, was deleted in the Senate-House conference on foreign assistance legislation. I am reintroducing the amendment because the circumstances which warranted its consideration last year have grown even more serious in the interval.

There is still no statutory requirement to insure that Congress receives up-to-date information on U.S. Government foreign military sales. The various required reports either provide information on last year's sales or provide detailed information on only a small part of total American arms sales abroad. Thus, the report required by section 657 of the Foreign Assistance Act lists only the total amount of U.S. Government sales by country for the past fiscal year. Since government-to-government arms sales do not require an export license, the portion of the section 657 report titled "Export of Arms, Ammunition, and Implements of War," provides past fiscal year data only on commercial sales which are approximately one-eighth of total American arms sales abroad. Similarly, the more current reports on munition lists exports totaling more than $100,000, required under another commercial sales reporting provision sponsored last year by Senator HATHAWAY, contain no data on the majority of U.S. arms sales. These are government-to-government sales in which the U.S. acts as an intermediary between an American munitions firm and a foreign country.

This lack of required reports to Congress, coupled with the traditional secrecy surrounding international arms transactions, frequently results in Congress learning about arms sales only as a result of the diligent efforts of the press. Thus, ironically, the American public learned of the 1973 sales to Persian Gulf countries only after the American media picked up an Agence France-Presse report and pressed the State Department spokesman to officially confirm the fact that we had an agreement in principle to sell Phantoms to Saudia Arabia and that we were negotiating a giant deal for arms to Kuwait.

So, too, the American public learned about negotiations for the sale of jets to Brazil last year from a report originating in Brazil. And just recently the Washington Post correspondent in Quito, Equador—not Washington, D.C.—reported U.S. intentions to resume military sales to Equador after a 3-year ban. Equador, which has been in a tuna war with the United States, resulting in seizure of U.S. tuna boats and explusion of U.S. military mission to Quito, has a long shopping list including 12 T–33 trainer jets, basic infantry equipment, and large quantities of engineering equipment.

Mr. President, I request unanimous consent to have the Washington Post article entered in the record at the conclusion of my remarks.

Congressional reliance on the press for hard data on U.S. Government arms sales abroad, however, is not the most serious deficiency in the decisionmaking system governing such sales. At this time there is no formal procedure by which Congress can participate in determining the merits of these arms deals before they are finalized. Nor is there any way for Congress to exert effective oversight authority and monitor the impact of these deals after they are negotiated.

These foreign military sales constitute major foreign policy decisions involving the United States in military activities without sufficient deliberation. This has gotten us into trouble in the past and could easily do so again.

These matters require serious deliberation by the Congress and should not be left exclusively to the executive branch.

If Congress is serious about reasserting congressional participation in foreign affairs and exercising its full responsibility in the formulation of American foreign policy, reviewing foreign military sales is the best place to start.

When I first introduced this amendment last June, I pointed out the press reports of burgeoning U.S. arms sales to the Persian Gulf nations, including Saudi Arabia, Kuwait, and Iran, and to Latin America. Apparently those sales were only the tip of the iceberg.

A recent article in the Christian Science Monitor—an article based on interviews with officials of the State and Defense Departments—estimates that the size of arms sales to Persian Gulf countries in fiscal year 1975 alone could total $4 to $5 billion. These prospective sales deserve particular attention in the light of heavy U.S. sales in the past 2 years. In fiscal year 1973 Iran contracted to buy $2 billion worth of U.S. military equipment. A January 1974 New York Times report indicated that Iran had ordered 30 F–14A fighters at a total cost of $900 million and was reportedly negotiating to buy 50 F–15's. Similarly, Saudia Arabia, which last year ordered a total of between 150 to 200 F–5 fighters, signed a $355 million agreement in April for the modernization of the Saudi National Guard. The agreement includes the purchase of American armored vehicles, antitank weapons, and artillery batteries. Possible future sales in the Persian Gulf are reported to include the Hawk missile defense system and various naval craft ranging from coastal ships to destroyers.

On the basis of its interviews, the Christian Science Monitor article emphasizes that both the regional and the East-West implications of these continuing large weapons sales is beginning to worry some Government officials.

Mr. President, I ask unanimous consent to have the Christian Science Monitor and the New York Times articles entered in the Record at the conclusion of my remarks.

Former Secretary of Defense Melvin Laird has publicly echoed this concern in the introduction to an American Enterprise Institute study titled "Arms in the Persian Gulf." Mr. Laird suggests that while providing armaments to third world countries might be a postive short-term measure, it should be accompanied by diplomatic activity so that weapons sales do not become a standard long-term U.S. policy. He also raises important questions about the implications of such sales for future peace and accommodation in the region. These are certainly real issues—issues that deserve to be debated by both Congress and the executive branch.

Similar questions might well be raised about recent and potential sales of jet aircraft to Latin American countries. In 1973 the administration authorized sales of F–5E international fighters to Argentina, Brazil, Chile, Colombia, and Venezuela, ending in one sweep a 5-year ban on the sale of sophisticated military equipment to underdeveloped countries. As of December 1973, Brazil had ordered 42 aircraft. Potential orders from Chile, Peru, and Venezuela could total 90 aircraft. At a cost of $2.5 million per plane, jet aircraft sales in Latin America could amount to $300 to $400 million over the next few years. And, as previously noted, the United States plans to sell arms to Ecuador as a result of the truce in the 3-year tuna war with the United States.

Perhaps these transactions—in the Persian Gulf, in Latin America, anywhere—have merit. Perhaps they do not. Without debating the merits of these sales, it seems to me that they represent such a qualitative change in our involvement in the Persian Gulf area and such a significant turn in our Latin American relations, that Congress must be afforded the opportunity to deliberate on these matters as well as on all other significant sales agreements entered into by the U.S. Government.

That is exactly the purpose of this amendment. It would give Congress the opportunity to consider—and if necessary, reject—foreign military sales according to prescribed conditions.

The proposal requires the President to report to both Houses of Congress his military sales plans when any single deal for cash or credit to any one country amounts to over $25 million. If, after 30 days from the time the President makes his report, neither House objects, the sale will be permitted. Agreements with one country with a cumulative value of over $50 million in 1 year will similarly be subject to this procedure for congressional deliberation. Additional single sales of $25 million or more to such countries will also be subject to review. In an emergency situation, the President may waive the requirement for congressional deliberation for 30 days. However, if he wishes to continue arms shipments after those 30 days, he must at the same time file a report concerning those future arms transactions.

The enactment of this provision should place no significant administrative burden on the executive branch. Neither Congress nor the executive branch will be inundated in paper work as a result of the adoption of this amendment. A Library of Congress memorandum written at my request concludes that the total number of reports that would have been submitted for congressional consideration in fiscal year 1973 had the Nelson amendment been in effect is approximately 30. Mr. President, I ask unanimous consent to have entered in the Record the Library of Congress memorandum at the end of my remarks.

Nor should the 30-day congressional review period prior to consumation of sale provide any serious interference with normal procedures. Under normal circumstances the negotiation of a sales agreement can take months and the delivery period for such purchases may extend over a period of several years.

A purchasing country's decision to buy U.S.-produced military equipment is made primarily on the basis of the high technical quality of American weapons and only secondarily on the basis of the price and delivery schedule. Iran, for example, negotiated the purchase of F–14's for more than a year and reportedly paid more than double the price that the U.S. Navy paid for the same plane. Their delivery is not expected to be completed before 1977. A 30-day congressional review period, therefore, would not have caused any significant delay nor lost the sale.

And in an emergency situation, the amendment provides a special waiver to cover circumstances such as occurred during the October conflict in the Middle East.

The legislative approach used in this amendment has several important historical precedents. The Reorganization Act—chapter 9 of title 5, United States Code—uses this procedure for congressional approval of reorganization plans of the executive branch. Congressional approval of Presidential plans to increase pay for executive level employees, Members of Congress, the Supreme Court, and the Cabinet is similarly provided for in title 2, United States Code, section 359. When the President sends Congress an alternative pay plan for Federal employees, the Reorganization Act concept is also embodied in that legislation, title 5, United States Code, section 5305. And the Administration Trade Reform Act which has passed the House of Representatives and is pending in the Senate uses the congressional veto procedure in a number of instances.

I request that a study on the constitutionality of the legislative veto embodied in the Nelson amendment prepared at my request by the Congressional Research Service, be printed at the conclusion of my remarks. That study finds that—

> The proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive Branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive Branch.

In closing, let me reemphasize the importance of these foreign military sales. The Defense Department estimates that U.S. Government arms sales could total $4.6 billion in fiscal year 1974. Arms sales to the Persian Gulf area alone in fiscal year 1975 could total $4 to $5 billion. This Government—including both Congress and the executive branch—have the responsibility to its own citizens and to the international community to give very careful consideration to weapons sales of such magnitude. This amendment would provide both the essential information and the necessary procedure for congressional review.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN MILITARY SALES ORDERS [Value in thousands of dollars]

	Fiscal years											
	1950-63	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1950-73
Worldwide	3, 733, 726	1, 401, 218	1, 261, 585	1, 579, 172	980, 031	1, 177, 109	1, 348, 377	926, 343	1, 599, 979	3, 282, 431	6, 619, 368	20, 914, 340
Argentina	47, 525	1, 524	1, 276	7, 295	6, 534	14, 371	4, 013	11, 406	14, 374	16, 795	14, 032	139, 647
Australia	144, 208	134, 816	326, 155	47, 521	114, 168	32, 879	35, 768	61, 357	44, 361	117, 222	18, 515	1, 076, 969
Austria	32, 838	2, 804	6, 212	2, 167	2, 181	6, 041	1, 180	1, 770	2, 189	2, 359	2, 450	62, 192
Belgium	72, 106	6, 658	7, 709	6, 310	15, 412	2, 236	9, 739	4, 458	4, 845	5, 080	5, 660	140, 212
Bolivia	736	5	28	132	5	17	3		45	15	19	1, 005
Brazil	19, 217	60	23, 625	223	31, 384	4, 265	11, 493	2, 584	21, 489	34, 567	12, 386	166, 293
Burma	1, 474	31	53	91	113	100	46	7	84	281	167	2, 448
Canada	592, 635	59, 330	41, 070	71, 264	21, 822	18, 377	16, 183	53, 500	29, 683	38, 429	83, 793	1, 026, 686
Chile	12, 742	3, 524	2, 181	1, 058	2, 560	4, 134	1, 697	7, 738	3, 016	6, 075	14, 896	59, 621
China	1, 491	625	1, 095	5, 008	14, 662	42, 996	37, 174	33, 638	61, 143	81, 073	96, 109	375, 014
Colombia	9, 986	195	150	496	98	56	144	176	2, 179	5, 514	1, 331	20, 324
Costa Rica	761	141		(1)						34		935
Cuba	4, 510											4, 510
Denmark	29, 448	1, 627	8, 206	7, 330	9, 098	9, 080	10, 378	6, 937	15, 570	16, 276	7, 657	121, 607
Dominican Republic	1, 434	60	115	266	1	(1)			31	16	80	2, 003
Ecuador	2, 619	34		119	114	1, 476	14	20	315	4		4, 716
Egypt	355	1	2	(1)								358
El Salvador	874	3	18	35	15	514	6		11	(1)	70	1, 546
Ethiopia	663		(1)	30	12	4	7	6		12		734
Finland			(1)	1	1	1	(1)		1	59		63
France	254, 590	27, 002	11, 130	8, 911	6, 472	7, 495	6, 289	3, 487	6, 085	7, 826	7, 951	347, 237
Germany	1, 680, 792	591, 903	313, 967	167, 589	191, 779	163, 998	601, 236	253, 990	186, 997	958, 024	200, 535	5, 310, 810
Ghana			1	(1)			2	61	(1)			64
Greece	1, 104	175	709	472	8, 089	15, 366	11, 283	29, 302	25, 416	193, 406	52, 669	337, 992
Guatemala	719	261	444	546	101	329	153	464	8, 779	2, 511	3, 727	18, 035
Haiti	224											224
Honduras	1, 008	2	13	4	6	59				27	418	1, 536
Iceland	(1)	14							(1)	436	47	498
India	52, 266	12	1, 874	389	1, 988	1, 576	167	2, 095	856	1, 515	(1)	62, 738
Indochina	8, 542											8, 542
Indonesia	622			1	1	24		(1)	18	(1)	148	815
Iran	1, 261	24	68, 876	124, 080	147, 916	69, 279	255, 960	112, 664	433, 108	521, 700	2, 054, 311	3, 789, 182
Iraq	665	1, 254	10, 783	87	361		(1)					13, 152
Ireland	(1)	(1)				(1)	1	(1)	11	248	197	458
Israel	6, 789	332	60, 009	72, 134	9, 425	430, 822	71, 850	45, 287	313, 480	435, 525	183, 499	1, 629, 151
Italy	131, 658	62, 540	41, 563	38, 418	21, 463	101, 761	38, 259	37, 403	27, 245	78, 205	89, 984	668, 500
Jamaica	(1)		1	1	3	3	(1)	8	9	3	7	34
Japan	73, 549	45, 618	15, 977	16, 742	10, 282	20, 277	52, 294	21, 291	11, 639	46, 593	50, 856	365, 118
Jordan	828	1, 408	41, 100	1, 627	30, 597	33, 485	13, 421	30, 655	20, 109	18, 637	14, 740	206, 607
Kenya							(1)					(1)
Korea	286				9	1, 504	3, 368		847	2, 362	2, 579	10, 956
Kuwait			(1)							(1)	53	53
Lebanon	276	55	1	67	2, 235	48	60	1, 558	492	299	5, 634	10, 725
Liberia	1, 146		77								1, 636	2, 860
Libya	73	614	52	541	15, 524	2, 389	1, 811	5, 447	632	3, 125	177	30, 385
Luxembourg	558	258	443	457	88	1	113	107	93	24	624	2, 764
Malaysia	27	3	17	563	509	1, 608	1, 323	1, 838	272	28, 547	1, 821	36, 529
Mali							84	5		48		137
Mexico	8, 944	949	573	101	802	96	399	13	437	182	1, 097	13, 592
Morocco		60		6, 040	697	12, 955	4, 631	2, 441	2, 627	7, 179	2, 386	39, 016
Nepal									11		83	94
Netherlands	40, 037	5, 460	16, 157	24, 192	25, 206	6, 485	5, 248	7, 618	7, 651	17, 832	46, 476	202, 363
New Zealand	3, 781	11, 676	24, 424	5, 361	9, 401	11, 144	30, 267	5, 499	6, 524	3, 453	3, 264	114, 795
Nicaragua	1, 995	21	26	10	85	105	2	93	797	92	15	3, 242
Nigeria	(1)	335		5	10		2			2, 244	684	3, 281
Norway	5, 049	7, 477	21, 334	12, 949	38, 695	56, 855	24, 330	9, 790	23, 409	20, 338	17, 729	237, 954
Pakistan	32, 557	774	1, 319	1, 147	5, 571	15, 031	22, 532	4, 854	20, 473	449	21, 925	126, 633
Panama	13	(1)		(1)			3	15	10	20	1, 567	1, 627
Paraguay	342		34			1		(1)			35	413
Peru	20, 777	597	3, 727	2, 679	3, 363	1, 661	1, 015	2, 244	1, 492	1, 150	6, 659	45, 363
Philippines	4, 213	36	260	107	439	237	454	868	1, 107	630	708	9, 088
Portugal	4, 108	1, 115	425	115	497	780	500	1, 191	1, 461	3, 676	558	14, 425
Saudi Arabia	86, 179	847	8, 443	8, 652	46, 175	4, 844	4, 096	4, 625	96, 863	333, 388	60, 693	654, 805
Senegal										6		6
Singapore					1	841	196	2, 476	2, 089	5, 917	7, 573	19, 090
South Africa	925	2, 157	(1)	56	1	1	4	1	1	2	1	3, 149
Spain	2, 222	2, 781	28, 857	20, 019	122, 942	8, 647	14, 226	25, 954	111, 304	23, 888	49, 484	410, 326
Sri Lanke	3	(1)	(1)	(1)			1			(1)		4
Sweden	26, 688	897	880	449	723	8, 011	106	324	1, 037	1, 041	2, 449	42, 606
Syria					1							1
Switzerland	15, 233	31, 747	492	1, 345	602	25, 790	19, 980	4, 428	581	6, 978	8, 107	115, 284
Thailand	1, 219	(1)	12	1	10	10	3, 829	21, 150	48	17, 360	1, 970	45, 608
Trinidad/Tobago								85				85
Tunisia	2, 874		11									2, 885
Turkey	240	182	129	804	922	139	2, 106	2, 480	1, 154	5, 499	212, 801	226, 456
United Kingdom	92, 169	360, 648	154, 747	875, 136	23, 677	16, 370	17, 523	63, 582	46, 805	125, 993	117, 836	1, 894, 487
Uruguay	2, 305	(1)		56	350	30	26	241	2, 086	1, 683	1, 612	8, 389
Venezuela	61, 181	9, 551	10, 529	11, 833	9, 770	1, 242	1, 177	788	1, 607	42, 208	23, 373	173, 260
Vietnam	5						2			2	1, 089	1, 098
Yugoslavia	9, 373	1, 168	2	185	377	221	212	44	12	123	717	12, 433
Zaire				1, 142	166	226	(1)	54	17, 490	301	580	19, 959
International organizations	123, 687	19, 826	3. 672	24, 780	24, 519	18, 316	9, 989	36, 224	17, 478	37, 926	94, 119	410, 539

(1) Less than $500.

Source: Department of Defense.

Note: Totals may not add due to rounding.

[From the Christian Science-Monitor, May 9, 1974]

Mideast Arms Deals Disturb United States: Costly Weapons From West, Their Effect on Arab Nations, Soviets Cause Concern

(By Dana Adams Schmidt)

Washington.—The prospect of more multibillion-dollar arms deals with Iran and Saudi Arabia in the 1975 fiscal year—and the arms race such deals may portend—is beginning to worry some officials of the State and Defense Departments.

The outlook, these officials say, is for $3 billion and possibly as much as $4 billion worth of sales to Iran during this period and more than $1 billion worth to Saudi Arabia. Kuwait is, meanwhile, in the market for a several hundred million dollar air defense system.

Privately, American officials are convinced that hundreds of millions of dollars worth of costly weapons sent to these and other countries of the Middle East are bound to end up rusting in warehouses, or more likely, out in the open. These officials point out that it is a great deal easier to buy a piece of military hardware than to train men to use it.

But the thing that worries the officials much more than the waste is the effect these huge programs, combined with additional purchases from France and Britain, are going to have on Iraq and its superpower backer, the Soviet Union. Saudi Arabia, Kuwait, Iran, and Iraq are the principal countries on the shore of the Persian Gulf, all of them oil billionaires.

The rationale for the programs is that, since the British military withdrawal from the gulf at the end of 1967 the countries of the area have themselves begun to fill the power vacuum the British presumably left behind.

But some here believe it is likely that they are in fact getting into a new and major arms race—a race made more complex by the fact that in addition to the East-West implications, Saudi Arabia and Iran are traditional rivals.

Here are some of the sketchy facts on the sales available from company and official sources. (The purchasing countries object to the publication of details of their transactions, and American companies concerned with their own profits and American officials concerned with the United States balance of payments are usually eager to cooperate in withholding the information.)

The $3 billion to $4 billion deals with Iran for the period in question include about $1 billion worth of F–14 jet fighters built by Grumman, together with the extra gear that may be required over a period of three years—spare parts, spare engines, technical equipment, ground support, bombs, missiles, and electronic firecontrol equipment.

SELLING AGREEMENT

In addition the Shah probably will be buying McDonnell-Douglas F–15's as these become available. The U.S. already has agreed to sell them.

Other deals with the Iranians which are included in the coming fiscal year (although they may take years longer to complete) include $400 million to $500 million for naval craft, notably two Spruance-class destroyers.

MISSILES INCLUDED

Another item on the Iranian list is re-equipment with the latest-model Hawk missiles. These are air-defense missiles said to be the American answer to the Russian SA–6 which proved so effective against the Israelis last October.

The size of the coming year's military deals should be appreciated against the background of about $2 billion worth of military sales last year and about $1 billion worth during the preceding years.

The Saudis have not thus far purchased the most expensive American jet fighters, although they were told last fall that the United States was willing to sell them F–4 Phantoms. No answer has been received from Saudi Arabia, and American officials now presume that the Saudis are buying French Mirages.

The biggest item in the coming year will be a $750 million naval expansion program. This includes sizable sums for the bricks and mortar of navalbase development as well as 19 ships ranging in size from coastal craft to frigate.

Most of the rest of the billion-dollar estimate for the year is devoted to modernization and mechanization of the Saudi national guard.

Not included in the estimate for the year is a $360 million agreement recently concluded between the Saudi Government and Raytheon for the modernization of the country's eight-year-old Hawk missile-defense system.

The Kuwaitis, who have definitely opted out of the F–4 market in favor of French Mirages, are engaged in comparing the Hawk with the French crotale and British missile systems.

[From the New York Times, January 18, 1974]

Arms Sales Boom in Mideast; United States Is the Principal Supplier

Paris, January 12.—The decision by Iran to order $900-million in American-built fighters is only one sign of the growing business in arms in the Middle-East—a business that is expected to continue booming as coffers of the oil state swell following recent price increases.

Several industrial countries, in particular France, Britain, Italy and Japan, are competing for oil supply contracts with the Middle East producers.

Among the inducements are commitments by the industrial countries to participate in the economic, technological and military development of the producer countries.

The oil states of the Persian Gulf are especially interested in military development, and even though Washington is not competing for oil supplies—or at least not openly—it is the United States that is the principal arms supplier in the region.

ABU DHABI BUYS JETS

But France and Britain are coming up fast. France, for instance, has just sold the tiny emirate of Abu Dhabi 14 Mirage Jets. Abu Dhabi has only 80,000 people and no pilots. The pilots will come from Pakistan.

The producing states justify their demand for military equipment in several ways.

In the first place, many are still run on conservative feudal lines and face constant internal threats from separatists and Palestine guerrillas. So they say they need the arms to maintain internal stability.

To keep control on border conflicts, such as that between Kuwait and Iraq last spring, and to reduce the possibilities of intervention in the region by the major powers are other arguments used to justify the arms build-up.

POSITION OF U.S.

The United States, which has contingents of arms salesmen, technicians and counselors in most of the Middle Eastern states, maintains that its desire is to help the producers resist eventual penetration by the Russians or the Chinese.

While the oil producers have been raising their prices, the cost of arms has also been moving up swiftly.

In fact, from the point of view of Iran, the biggest arms purchaser in the region, the fact that defense goods have moved up so rapidly was one of the elements behind the recent sharp increases in oil prices.

Iran was reportedly interested in the F–14A fighter for some time, but was reluctant to pay the high price, $30-million for each aircraft, demanded by the manufacturer, the Grumman Corporation of Long Island.

That figure, which includes spare parts, is believed to be twice what the United States Navy and Marine Corps have paid for their F–14A fighters.

LEVEL OF SPENDING

With prospects for quadrupled oil revenues this year, Iran presumably now feels able to afford the Grumman price.

Iran's annual military budget has risen recently at a rate of nearly 50 per cent and that of Saudi Arabia by nearly a third.

In the nineteen-fifties Iran's arms buying was less than $10-million a year. By the late nineteen-sixties the figure exceeded $150-million, and it will reach $2-billion a year during the current five-year plan, begun last March.

The French have military contracts with a number of Persian Gulf states. Saudi Arabia, for instance, is buying 38 Mirage III jets, AMX–30 tanks, light automatic machine guns, amphibious equipment, and tactical air-to-air and ground-to-air missiles.

KUWAIT: CONTRACTS SOUGHT

French and American arms salesmen are now fighting for new contracts in Kuwait. The French are proposing Mirage jets for the Kuwaiti air force, while the United States is offering F–5's or F–4's.

Although Britain's influence in the region is on the wane, the British were able to get an important contract with Saudi Arabia last year, representing deliveries of $600-million of arms purchases, mainly aeronautical equipment, over five years.

Britain has sold naval equipment to several of the emirates, and some aircraft and antisubmarine helicopters to Iran.

But the United States is by far the biggest supplier to the two principal arms purchasers in the region, Iran and Saudi Arabia.

[From the Washington Post, May 21, 1974]

United States Reviving Arms Sales to Ecuador After Cutoff

(By Terri Shaw)

Quito, Ecuador.—As part of U.S. Secretary of State Henry A. Kissinger's drive to improve relations with Latin America, the United States reportedly is about to resume some military sales to Ecuador after a three-year ban.

Informed sources here said that Ecuador's military government had presented a long list of military equipment it wants from the United States, including 12 T–33 trainer jets, basic infantry equipment and large quantities of engineering equipment.

The sources said the United States is also planning to invite Ecuadorean officers to attend training programs in the Panama Canal Zone.

Resumption of military weapons sales, which were cut off in January, 1971, during a dispute over Ecuador's seizure of American fishing boats, appeared to be part of a general warming of relations between Washington and the two-year-old military government that rules this small country on the west coast of South America.

U.S. officials reportedly hope that an improvement in relations will make Ecuador more receptive to U.S. views during Kissinger's periodic meetings with Latin American foreign ministers.

Ecuador will receive no U.S. government credits for the weapons, because the country has recently begun exporting oil and has enough hard currency to buy the arms on standard commercial terms, the sources said.

Having money to buy modern weapons is new for Ecuador, for many years one of the poorest Latin-American countries. The military government, which seized power in February 1972, has pledged to spend most of its oil reserves on economic development, and some Ecuadoreans question the wisdom of the arms purchases while there is still hunger and widespread poverty, especially in the countryside.

Most of the equipment used by the 56,000-man armed forces is of World War II vintage. Military aircraft visible at Quito's airport, high in the Andes mountains, include several C-47 transports, a Constellation and a Flying Boxcar. The military government recently purchased 41 new tanks from France and sent a mission to Moscow to discuss possible arms purchases.

A factor in Ecuador's quest for new arms is fear neighboring Peru, which in 1942 occupied a large chunk of Ecuadorean jungle at the headwaters of the Amazon River. While the two countries now have good relations, Ecuador has not given up its ambitions as an "Amazonian country." Peruvian oil exploration in the area has fed rumors of military incursions and even of skirmishes between forces of the two countries.

Lifting of the U.S. ban on military aid followed a discreet exchange of "smoke signals" between Quito and Washington, informed sources said.

While the United States quietly eased some of the restrictions placed by Congress on aid to Ecuador after the seizures of U.S. tuna boats, the Ecuadoreans reportedly moderated their criticisms of American "economic coercion" in international forums like the United Nations and the Organization of American States.

There was also a letup in the "Tuna War," which began in 1962 when Chile, Peru and Ecuador declared a 200-mile territorial limit and required boats fishing within 200 miles off their coasts to purchase licenses.

The military government has decreed a new fishing law which informed sources said could open the way to joint ventures by Ecuadorean and U.S. interests. The U.S. embassy is expected to mediate between the Ecuadorean government and the U.S. fishing companies in San Diego in an attempt to work out an agreement under the new law.

The truce in the "Tuna War" prompted President Nixon's formal lifting of the sales ban in January.

Resumption of military sales and training is not expected to bring back a large U.S. military mission to Quito. The last one was expelled in 1971 following the cutoff of the arms sales program. Ambassador Robert C. Brewster is expected to enlarge his staff of military attaches to handle the paper work involved in the training program and weapons sales.

The Library of Congress,
Congressional Research Service,
Washington, D.C., May 29, 1974.

To: Hon. Gaylord Nelson; Attention: Paula Stern.
From: Allan W. Farlow, National Defense Specialist.
Via: Chief, Foreign Affairs Division.
Subject: Report Required under the Proposed Nelson Amendment.

This memorandum responds to your recent request for answers to the following questions:

1. How many individual sales of U.S. arms to other countries involving an amount of $25 million or more were made by the United States government in FY 1973?

Answer: According to the Office of the Comptroller, Defense Security Assistance Agency, Department of Defense there were nineteen such sales.

2. How many instances of total sales of U.S. arms to a single country by the U.S. government of $50 million or more during FY 1973 were there?

Answer: There were eleven such instances.

3. How many individual sales of U.S. arms of $25 million or more to countries which had previously purchased an accumulation of $50 million from the U.S. government were made during FY 1973 (Do not include individual sales reported in the answers to question number 1 above)?

Answer: None not included in the nineteen reported in the answer to question number 1.

In summary, during FY 1973, based on the information furnished by the Office of the Comptroller, Defense Security Assistance Agency, in response to the above questions, there were a total of not more than 30 sales incidents during FY 1973 which would have required reports by the executive branch to the House of Representatives and the Senate under the provisions of the proposed Nelson Amendment.

The Library of Congress,
Congressional Research Service,
Washington, D.C., September 4, 1973.

To: Hon. Gaylord Nelson; Attention: Paula Stern.
From: American Law Division.
Subject: Constitutionality of the Legislative Veto Amendment to the Foreign Military Sales and Assistance Act.

This memorandum is in response to your request of July 30, 1973, for material on the constitutionality of the legislative veto.

Amendment No. 253 to S. 1443, the proposed Foreign Military Sales and Assistance Act, requires Congressional approval of any foreign military sale exceeding 25 million dollars, or sales to any country exceeding 50 million dollars for a fiscal year. The amendment permits either House of the Congress to disapprove a sale or increase in assistance by means of a simple resolution within thirty days of the report to the Congress of the proposed transaction. See 119 Cong. Rec. S. 11930 (daily ed. June 25, 1973).

Our analysis of the problem persuades us that the proposed amendment is constitutional. Perhaps, the best way to demonstrate this is to examine the historical background of the legislative veto as it developed in the Executive Reorganization Acts. We will begin by defining the terms commonly used in this area.

DEFINITIONS

A. *Congressional veto*. The term "congressional veto" is a generic term covering a variety of statutory devices which enable one or both Houses of the Congress, or one or more committees of the Congress, to preclude the Executive from final implementation of a proposed action authorized by law. This definition includes only those measures which legally compel the Executive to forego the proposed action. It excludes many provisions that are often described as Congressional legislative or committee vetoes, but which do not legally preclude Executive action if Committee approval is not forthcoming.

B. *Legislative veto*. A legislative veto is a provision in a statute that requires the President or an Executive agency to submit actions proposed to be taken pursuant to statutory authority to the Congress at a specified interval, usually 30 to 60 days, before they become effective. The action becomes effective at the close of the interval 1) if the Congress fails to express its disapproval, or 2) in a few cases, if the Congress expresses its approval. If the disapproval or approval takes the form of a concurrent resolution by both Houses of the Congress, the measure can be termed a "two-House" legislative veto. If the disapproval takes the form of a simple resolution by either House, then the device is a "one-House" legislative veto.

Neither a concurrent resolution nor a simple resolution is presented to the President for his signature. Thus, neither form of approval or disapproval is subject to veto by the President. In this memorandum, the term legislative veto does not include measures which require the Congressional disapproval to take the form of legislation enacted by both Houses and signed by the President (or passed over his veto).

C. *Committee veto*. The committee veto includes several types of statutes. Among these are provisions which require an Executive agency to submit a report of a proposed action to one or more committees of the Congress at a stated interval, usually 30 to 60 days, prior to its effective date. During the interval, the action may be blocked by a resolution of disapproval by any of the committees. In some instances, the action does not become effective until all designated committees pass resolutions of approval. Finally, some committee veto provisions do not specify an interval, but rather provide that the Executive agency must "come into agreement" with the responsible committees before it may take the proposed action.

D. *Reporting Provisions*. The term "reporting provision" refers to those statutes which provide that a proposed action by the Executive branch shall not take place until the expiration of a specified time, usually 30 to 60 days, after the proposed action has been reported to the two Houses of the Congress or to designated committees of the Congress.

This type of statute is often referred to as a waiting period, a report-and-wait, or a laying-on-the-table provision. In some cases, the waiting period may be waived in whole or in part by resolutions of approval by the designated Houses or committees. Some of these laws do not specify the waiting period, but simply provide that no action may be taken until after there has been "full consultation" with the designated committee.

During the waiting period, the responsible committees have an opportunity to review the proposed action and make their approval or disapproval known to the agency. The agency, however, is not legally bound by a committee's resolution of disapproval. It may go forward with the proposed action unless the disapproval takes the form of enacted legislation.

The practical effect of most reporting provisions may be the same as that of a committee veto, because most agencies are usually reluctant to take an action that is clearly contrary to the wishes of its oversight Congressional committee. For this reason, reporting provisions are frequently lumped together with true legislative or committee vetoes in discussions of the general topic. See Harris, *Congressional Control of Administration* 204-48 (1962). From a constitutional viewpoint, however, there is a major distinction between the two types of legislation.

Many of the statutory provisions commonly referred to as committee vetoes or Congressional vetoes are actually reporting provisions. Twelve of the 19 veto provisions compiled by this Division in 1967 were reporting requirements. See Small, *The Committee Veto: Its Current Use and Appraisals of Its Validity* (Legislative Reference Service, Jan. 16, 1967). Twenty-two of the 39 provisions compiled by the American Law Division in January 1973 were reporting provisions.

See Williams, *Federal Statute Citations Which Give Congressional Veto Over the Power of the Executive Relating to Disposal of Federal Property or Interest* (American Law Division, January 15, 1973).

PARALLEL PROVISIONS

There are numerous other statutes which also contain "one-House" legislative vetoes. See, for example, 22 U.S. Code sec. 2587, dealing with transfer of functions to the Arms Control and Disarmament Agency; 50 U.S. Code App. sec. 194g, dealing with sales of military rubber plants; and 8 U.S. Code sec. 1254, governing the suspension of deportation proceedings for aliens by the Attorney General. Because the legislative veto originated in the Reorganization Acts, this memorandum will concentrate on the legislative background of that Act. It would appear clear that if the legislative veto feature of the Executive Reorganization Act is constitutional, then the similar provisions in analogous statutes are also constitutional.

LEGISLATIVE HISTORY: ACTS OF 1932 AND 1933

The legislative history of the provision for disapproval of reorganization plans by either House of the Congress extends back to 1932. The Economy Act of 1932 gave President Hoover the authority to consolidate, redistribute, and transfer various Government agencies and functions by Executive Order. The Act provided that each order should be transmitted to Congress in session, and should not become effective until 60 days thereafter. The Act also provided that "if either branch of Congress within such 60 calendar days shall pass a resolution disapproving such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval." 47 Stat. 414 (1932).

In an opinion dealing with the propriety in an urgent deficiency bill of a provision authorizing a joint committee of Congress to make the final decision as to whether refunds over $20,000 shall be made and to fix the amount thereof, Attorney General William D. Mitchell cast doubt on the one-House disapproval mechanism.

"It must be assumed that the functions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one house of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts, raises a grave question as to the validity of the entire provision in the Act of June 30, 1932 for Executive reorganization of governmental functions." 37 Op. Atty. Gen. 64–65 (1933).

Largely as a result of the Attorney General's criticism, Congress replaced the one-House disapproval provision in 1933 with a "waiting period" provision. This latter provided than an order becomes effective after 60 days, unless Congress provided otherwise by statute; this disapproval, in turn, was subject to being vetoed by the President. Act of March 3, 1933, Sec. 407, 47 Stat. 1519. The Congress appears to have countered the objection to its disapproval power by limiting the Act's duration to two years. Accordingly, it expired in 1935. The next Reorganization Act was not enacted until 1939.

THE 1939 ACT

The Reorganization Act of 1939 granted reorganization authority to President Roosevelt for a two year period. The Act provided that the Presidential reorganization proposals were to be embodied in "plans", not in Executive "orders". Each plan would become effective 60 days after its transmittal to the Congress, unless it was disapproved in its entirety by a *concurrent* resolution of *both* Houses of the Congress. Such a concurrent resolution was not subject to Presidential veto.

The House Committee which reported the bill proceeded on the constitutional theory that the power conferred upon the President by the Act was legislative in character; because of this, it seemed inaccurate to provide that his action take the form of an Executive order, as did the 1933 Act. The Committee reasoned that the power was neither "executive" in a true sense, or an "order", for the reorganizations would take place not as a consequence of the President's order, but as a consequence of the happening of the contingencies set forth in the Act. The Committee stated:

"The failure of Congress to pass such a concurrent resolution is the contingency upon which the reorganizations take effect. Their taking effect is not because the President orders them. That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized." House Report No. 120, 76th Cong., 1st Sess. 4–6 (1939).

The Committee relied on the then recent Supreme Court decision in *Currin* v. *Wallace*, 306 U.S. 1 (1939), which upheld the validity of a referendum of farmers which determined whether the Secretary of Agriculture could exercise the authority given him by the statute. The Committee concluded that it seemed "difficult to believe that the effectiveness of action legislative in character may be conditioned upon a vote of farmers but may not be conditioned on a vote of the two legislative bodies of the Congress." House Report No. 120, 76th Cong., 1st Sess. 6 (1939). See also *United States* v. *Rock Royal Cooperative, Inc.*, 307 U.S. 533 (1939) (agricultural marketing statute); *Marshall Field & Co.* v. *Clark*, 143 U.S. 649 (1892) (finding of fact by executive officer under Tariff Act); *J.W. Hampton, Jr. & Co.* v. *United States*, 276 U.S. 394 (1928). The Supreme Court has stated that the Congress may fulfill "the essentials of the legislative function" by authorizing "a statutory command to become operative upon ascertainment of a basic condition of fact by a designated representative of the government." *Hirabayashi* v. *United States*, 320 U.S. 81, 104 (1943).

THE 1945 ACT

In 1945, a Report of the Senate Committee on the Judiciary recommended a veto by *either* House.

The Committee reasoned that the Reorganization Act delegates part of the legislative power of the Congress to the President; when subject to a one-House veto, such a delegation does not operate to deprive either House of its constitutional right not to have any change made in the law without the assent of at least a majority of its members; either House, after seeing precisely how the President proposes to exercise the general power delegated effectively to him would have its own independent right to veto the Presidential action and thus to retain the essential authority vested in it by the Constitution. Senate Report No. 638, 79th Cong., 1st Sess. at 3 (1945). The Senate, however, restored the veto by concurrent resolution, after a discussion of the constitutionality of the one-House veto. See 95 Cong. Rec. 10269–74, 10714 (1945).

THE 1949 ACT

The one-House veto was first enacted in its present form in 1949. The specific provision originated in the proposed Senate bill. The Senate Committee on Expenditures in the Executive Departments (now the Committee on Government Operations) requested the Justice Department's current views of the constitutional issues raised earlier by Attorney General Mitchell in 1933.

The Department responded, first, that Mitchell's statement concerning the 1932 Act was *obiter dictum*, (that is, not essential to the central matter being decided and, hence not binding), because his opinion was concerned only with the constitutionality of proposed legislation affecting tax funds. Secondly, the Department stated that Mitchell's opinion was based on the unsound premise that the Congress, in disapproving a plan, is exercising a legislative function in a nonlegislative manner. The memorandum continued:

"But the Congress exercises its full legislative power when it passes a statute authorizing the President to reorganize the executive branch of the Government by means of reorganization plans. At that point the Congress decides what the policy shall be and lays down the statutory standards and limitations which shall be the framework of Executive action under the Reorganization Act. If the legislation stops there, with no provision for future reference to the Congress, the President's authority to reorganize the Government is complete. Indeed, such authority was given in full to President Roosevelt in the Reorganization Act of 1933 (47 Stat. 1517).

"The pattern of the 1939 and 1945 Reorganization Acts has been to give the reorganization authority to the President, and then provide machinery whereby the Congress may approve or disapprove the plans proposed by the President. Nor is it, in the circumstances, an improper legislative encroachment upon the Executive in the performance of functions delegated to him by the Congress. As indicated above, the authority given to the President to reorganize the Government is legally and adequately vested in the President when the Congress takes the initial step of passing a reorganization act.

"The question here raised relates to the reservation by the Congress of the right to disapprove action taken by the President under the statutory grant of authority. Such reservations are not unprecedented. There have been a number of occasions on which the Congress has participated in similar fashion in the administration of the laws. An example is to be found in section 19 of the Immigration Act of 1917, as amended (8 U.S.C. 155(c); Public Law 863, 80th Cong.), which requires the Attorney General to report to the Congress cases of suspension of deportation of aliens and which provides further that "if during the session of the Congress at which a case is reported * * * the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel the deportation proceedings. * * * If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien * * *.' The Congress has thus reserved the opportunity to express approval or disapproval of executive actions in a described field.

"Still other examples may be found in the laws relating to the administration by the Secretary of the Navy of the naval petroleum reserves, which require consultation by him with the Armed Services Committees of the Congress before he takes certain types of action, such as entering into certain contracts relating to those reserves, starting condemnation proceedings, etc. (34 U.S.C. 524); and in the statute which requires the Joint Committee on Printing to give its approval before an executive agency may have certain types of printing work done outside of the Government Printing Office (44 U.S.C. 111).

"It cannot be questioned that the President in carrying out his Executive functions may consult with whom he pleases. The President frequently consults with congressional leaders, for example, on matters of legislative interest—even on matters which may be considered to be strictly within the purview of the Executive, such as those relating to foreign policy. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given Executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking the Congress to pass the instant reorganization bill, is following the pattern established by those acts, namely by taking the position that if the Congress will delegate to him authority to reorganize the Government, he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation.

"For the foregoing reasons, it is not believed that there is constitutional objection to the provision in section 6 of the reorganization bills which permits the Congress by concurrence resolution to express its disapproval of reorganization plans."

Memorandum Re: Constitutionality of Provisions in Proposed Reorganization Bills Now Pending in Congress, reprinted in Senate Report No. 232, 81st Cong.; 1st Sess. 18–20 (1949) (Citations omitted; emphasis added).

Although the conclusion was limited to the use of the concurrent resolution, the underscored portions of the memorandum noted that "disapproval . . . by . . . either House" was not a legislative act and thus not constitutionally objectionable.

On the Report accompanying the Bill, the Senate Committee stated:

"It was determined that the most direct and effective way to eliminate the need for exemptions was to include an amendment providing that a simple resolution of disapproval by either the House or the Senate would be sufficient to reject and disapprove any reorganization plan submitted by the President.

"By reserving to either House the power to disapprove, Congress retains in itself the power to determine whether reorganization plans submitted to the Congress by the President shall become law. The power of disapproval reserved to each House by the bill does not delegate to either House the right to make revisions in the plans, but it will enable each House to prevent any such plan of which it disapproves from becoming law. The power thus reserved to each House seems essentially the same as that possessed by each House in the ordinary legislative process, in which process no new law or change in existing law can be made if either House does not favor it. No significant difference would seem to exist by reason of the fact that under the ordinary legislative process the unwillingness of either House to approve the making of new laws or a change in existing law is manifested by the negative act of refusing to register a favorable vote, whereas under the bill the unwillingness must be manifested by the affirmative act of the passage of a resolution of disapproval of a reorganization plan. The unessential character of this difference becomes even more apparent when regard is had to the stringent rule contained in the bill which makes impossible actions calculated to delay or prevent consideration of resolutions of disapproval which have been favorably reported by the appropriate committee."

Senate Report No. 232, 81st Cong., 1st Sess. (1949).

Since the House version of the bill called for disapproval by concurrent resolution, the bills went to conference:

The Senate conferees stood solidly for retention of the provision for rejection by a simple majority vote of either House, which, had been included in the Senate bill, the conferees agreeing to a considerable broadening of the President's authority compared with previous reorganization acts.

As finally approved in conference, after an impasse which lasted for several weeks, the bill incorporated Senate proposals granting the President authority to propose the creation of new departments—a power which was not given to him under earlier acts—and eliminated all restrictive and limiting provisions, but incorporated the provision requiring that a reorganization plan submitted under the act would require the adoption of a resolution of disapproval by a majority of the authorized membership of either House. The Senate, in approving the original Senate bill, had made it clear that the granting of these additional powers to the President had been conditioned upon retention of the provision permitting rejection of any plan by a simple majority vote of either House, and the concessions made by the conferees were approved only because they were necessary if any reorganization authority was to be granted to the President.

Senate Report No. 386, 85th Cong., 1st Sess. (1957).

The Act was discussed on the floor of the Senate at 95 Cong. Rec. 7785, 7827 & 7829 (1949) and in the House of Representatives at 95 Cong. Rec. 7838–39 & 7444–46 (1949). For an extensive discussion and analysis of the legislative history of the legislative veto provisions of the Reorganization Acts from 1932 to 1949, see *Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees,* 66 Harv. L. Rev. 569 (1953).

In 1957, the Act was amended to permit disapproval by a simple majority of either House, rather than by majority of the authorized membership of either House, Public Law 85–286, 71 Stat. 611 (1957). In 1964, the President's power to create new Cabinet Executive Departments was eliminated from the Act, Public Law 88–351, 78 Stat. 240 (1964).

CONSTITUTIONALITY OF THE ONE-HOUSE VETO

As the foregoing legislative history suggests, the constitutionality of the one-House legislation veto mechanism embodied in the Reorganization Act of 1949 and in other statutes is virtually universally accepted. Although occasional arguments in opposition have been raised during floor debates, they have been resolved in favor of the constitutionality of the provisions, either expressly or implicitly, by all concerned legislative committees from 1945 to the present; by the Justice Department, when its opinion was requested; and by the votes of both Houses of the Congress, which are not inconsiderable since the Act has undergone successive extension in 1953, 1955, 1957, 1961, 1969 and 1971.

Reorganization plans submitted by the President more closely resemble proposed legislation, in form and substance, rather than Presidential actions or Executive orders. Legislation proposed to Congress cannot become law if either House votes "no". The effect of the Reorganization Acts have been similar, that is, no "plan" can become "effective" if either House votes "no". As the Senate Committee remarked in 1949, there is no significant difference between the negative act of refusing to register a favorable vote and the affirmative act of a resolution of disapproval.

As to the question of legislative encroachment on the powers of the President, it should be noted that the President arguably accepts the limitation on his delegated powers when he signs the Reorganization Act itself; he has the alternative of vetoing the Act. The power of legislation, including the power to reorganize the Executive branch, is vested by the Constitution in the Congress, U.S. Constitution, Art. I, Secs. 1 and 8. Congress has no obligation to delegate this power to the President, and the President has no obligation to accept the delegation. As the Justice Department pointed out in 1949, each Reorganization Act is a case of the Executive and the Congress acting in cooperation.

There are no court decisions dealing with the constitutionality of the provisions of the Reorganization Act of 1949 under discussion. However, in *Sibbach* v. *Wilson & Co.*, 312 U.S. 1 (1941), the Supreme Court did consider the validity of the analogous "waiting period" provided for the promulgation of the Federal Rules of Civil Procedure. In its discussion of this provision, the Court stated:

"The value of the reservation of the power to examine proposed rules, laws and regulations before they become effective is well understood by Congress. It is frequently, as here, employed to make sure that the action under the delegation squares with the Congressional purpose. That no adverse action was taken by Congress indicates, at least, that no transgression of legislative policy was found." (Footnotes omitted). 312 U.S. at 15–16.

In support of this position, the Court cited three analogies: (a) the organic acts of some of the territories, providing that laws passed by the territorial legislature prior to their admission to statehood would be valid unless Congress disapproved; (b) the provisions of the Act of March 3, 1933, for the laying over of reorganization orders before the Congress, (also known as a "waiting period" provisions); and (c) the Reorganization Act of 1939, which included provision for disapproval by concurrent resolution. (312 U.S. at 15 n. 17).

The holding in the *Sibbach* case does not apply directly to the one-House veto in the 1949 Reorganization Act, because the Court cited only those statutes which required disapproval by both Houses of the Congress. However, the rationale of the case appears to be that the absence of adverse congressional action implies that there is no transgression of legislative policy in a proposed rule, law or regulation. The one-House veto is consistent with this rationale, because it is an accurate method of recording the lack of congressional assent to a proposed change; it is accurate because *either* House can voice its objection readily and independently. In the case of reorganization plans, the failure of either House to register its disapproval is even stronger support for the inference that the plan under consideration does not transgress any legislative policy.

In the case of the proposed Foreign Military Sales and Assistance Act, the legislative veto would enable the Congress to review the proposed military sales and assure itself that it is consistent with Congressional policy.

Therefore, it may be asserted that the legislative veto is neither unconstitutional nor "extra-constitutional". The Act does not allow one House of the Congress to take legislative action binding on the President. It may be persuasively argued that the resolution of disapproval is not a legislative act; that there is no opportunity to amend, alter or delay the proposed plan. Rather, it is merely a reservation to the Congress of the power to examine the exercise of power delegated to the Executive. Congress presumably can be far more generous in amounts of authority which it delegates when the power of review is expressly retained; in the absence of a legislative veto, the Congress usually substitutes other, more stringent limitations on the subject matter and duration of the delegated powers.

Perhaps the best summary of the argument in favor of the legislative veto is contained in Professor Corwin's treatise on the Presidency:

"It is generally agreed that Congress, being free not to delegate power, is free to do so on certain stipulated conditions, as, for example, that the delegation shall terminate by a certain date or on the occurrence of a specified event; the end of a war, for instance. Why, then, should not one condition be that the delegation shall continue only as long as the two houses are of opinion that it is working beneficially? Furthermore, if the national legislative authority is free to delegate powers to the President, then why not to the two houses, either jointly or singly? And if the Secretary of Agriculture may be delegated powers the exercise of which is subject to a referendum vote of producers from time to time, as he may be, then why may not the two houses of Congress be similarly authorized to hold a referendum now and then as to the desirability of the President's continuing to exercise certain legislatively delegated powers?

"As we have seen, moreover, it is generally agreed that the maxim that the legislature may not *delegate* its powers signifies at the very least that the legislature may not *abdicate* its powers. Yet how, in view of the scope that legislative delegations take nowadays, is the line between *delegation* and *abdication* to be maintained? Only, I urge, by rendering the delegated powers recoverable without the consent of the delegate; and for this purpose the concurrent resolution seems to be an available mechanism, and the only one. To argue otherwise is to affront common sense."

Corwin, *The President: Office and Powers, 1787–1957* (4th rev. ed. 1957 (Footnotes omitted). (Emphasis in original).

By serving as a limitation on the delegation of powers to the Executive branch, the legislative veto serves to strengthen rather than weaken the traditional separation of powers. Faced with a choice between legislating in excessive detail, on the one hand, and a major abdication of authority to the Executive on the other, the Congressional veto provides a practical middle course. In Corwin's phrase, what better way is there to maintain the line between *delegation* and *abdication* of legislative powers?

CONCLUSION

The legislative veto has become generally accepted on the theory that it is a reservation by the Congress of the power to approve or disapprove the exercise of a delegated power by an official of the Executive branch. This is a power which the Congress reserved to itself in the original law that delegated authority to the official.

In the light of the foregoing analysis, it would appear that the proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive branch.

VINCENT E. TREACY,
Legislative Attorney.

DEVELOPMENT OF A FAIR WORLD ECONOMIC SYSTEM—AMENDMENTS

AMENDMENT NO. 1403

(Ordered to be printed, and referred to the Committee on Finance.)

Mr. MONDALE. Mr. President, I am submitting several amendments to the Trade Reform Act of 1973. The proposed amendments are intended to deny tax credits to American firms operating in territories deemed to be, by both the United Nations and the International Court of Justice, under illegal occupation. Therefore, these amendments express American concern over countries where basic human rights are still outrageously flouted and majority rule denied.

My amendments most specifically address themselves to the tragic situation in Namibia, an arid, mineral-rich country located in the southwestern corner of Africa. Namibia suffers a unique international wrong in the unlawful perpetuation of South African rule. This is compounded by the introduction into Namibia of the apartheid system and of the whole apparatus of arbitrary South African police laws and political trials.

It is 8 years since the General Assembly, after other remedies had been exhausted, declared the South African mandate, dating from 1918, at an end, and with it, South Africa's right to govern that territory. It is 3 years since the International Court of Justice's advisory opinion concurring with the United Nations ruling. Yet South Africa remains in defiance of the United Nations.

The United States has continually supported the actions of the United Nations and of the World Court. To date, American action has been, first, to officially discourage investment in Namibia by U.S. nationals; second, to deny Export-Import Bank credit guarantees; third, to deny U.S. government assistance in protection of any U.S. investment there; and fourth, to encourage other nations to follow suit. However, we allow tax credits, for taxes paid to the South African Government, on American investments in Namibia. We, in effect, allow tax credits to a government in places where we don't recognize their authority.

In 1972, 27 U.S. Senators and Representatives wrote a letter to the Secretary of the Treasury expressing concern over the inconsistency between international law and U.S. policy on the one hand, and the Treasury Department's allowance of credit against U.S. tax due to taxes paid by U.S. companies to South Africa on income earned, in Namibia, on the other. In a letter dated May 4, 1973, the Secretary of the Treasury, Mr. Shultz, replied to that letter saying:

> We have concluded that the existing tax credit legislation does not provide discretion to deny the tax credit to United States taxpayers, even though the occupation of the area by South Africa has been determined to be illegal under international law.

I believe that Secretary Shultz's reply was an invitation to the Congress to amend the Internal Revenue Code to disallow the foreign tax credit to U.S. investors in Namibia who are paying taxes to the illegal South African occupiers. Today, we should set the record straight and bring the tax laws into line with U.S. policy, and in total compliance with our international obligations.

There are important U.S. interests at stake in my amendments. Other nations of Africa, strategically important, are seriously concerned over Namibia. Their decisions on major economic and political questions may be affected by our actions on this issue. For example, Nigeria, a country whose government is a vigorous critic of South Africa's illegal administration of Namibia, is a growing supplier of all U.S. oil imports. Moreover, one of the greatest potential areas for oil exploration in the world is in the offshore area of the "western bulge" of Africa. All of the countries in this area are strongly opposed to South Africa's presence in Namibia. Such strategic factors, together with diplomatic and humanitarian considerations, compel our attention and our action on the Namibian issue.

Change is coming in southern Africa. With the recent events in Portugal and the Portuguese colonies, we must not delay in making it clear where the United States stands. This is the purpose of these amendments. I, therefore, believe that they deserve the support of the Congress and of the Government of the United States, for they are in keeping with our policies, our basic values, and our national interests.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1377

At the request of Mr. HARTKE, the Senator from South Carolina (Mr. THURMOND), the Senator from Texas (Mr. TOWER), the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of amendment No. 1377 to Senate bill 3000, the Department of Defense Appropriations Authorization Act, 1975.

ANNOUNCEMENT OF HEARING ON IMPROVING LEGAL REPRESENTATION FOR OLDER AMERICANS

Mr. CHURCH. Mr. President, as chairman of the Senate Committee on Aging, I wish to announce that the committee will undertake a joint inquiry with the Judiciary Subcommittee on Representation of Citizen Interests on "Improving Legal Representation for Older Americans."

Senator TUNNEY, who is the chairman of the Judiciary subcommittee and also a member of the Committee on Aging, will conduct the joint hearings.

The initial hearing will be held on June 14, 1974, beginning at 9:15 a.m. in Los Angeles, Calif., at the State Building, 107 South Broadway, room 1138.

Several issues will be examined in detail during this inquiry, including:

What are some of the formidable barriers for older Americans to obtain legal, other professional, or paraprofessional services?

Can legal assistance be linked up with other services to provide a comprehensive and effective service delivery system for the aged?

How can lay advocates and law students be utilized to improve legal services to older persons?

What steps are needed to assure that the elderly are effectively represented when they encounter problems with Federal, State, and local programs?

Mr. TUNNEY. Mr. President, it is with great satisfaction that I look forward to the challenge described by Senator CHURCH.

As a member of the Senate Committee on Aging and the chairman of the Judiciary Subcommittee on Representation of Citizen Interests, I have been deeply concerned about the inadequacy of legal representation for elderly persons.

Too often they are forced to fend for themselves when confronted with a problem—whether it involves litigation, understanding some of the technical aspects of the social security program or other matters of direct concern to them, like preparing a will.

One of our primary missions, then, will be to find out why the aged have largely been overlooked or ignored when they are confronted with a legal or other technical question.

Equal important, we shall search for concrete recommendations to make essential representation available to older Americans—to assure that they have an opportunity to be heard fully, fairly, and promptly when they have a problem.

In this regard, our joint inquiry will also consider several alternatives to make government more responsive to the special needs of its elderly citizens.

Before concluding my remarks, I wish to pay special tribute to the national aging organizations, the National Senior Citizens Law Center, members of the Los Angeles and California Bar Associations, and many others who have provided effective and helpful counsel in launching this important study.

IRS HEARINGS TO CONTINUE BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT OPERATIONS

Mr. MONTOYA. Mr. President, last April 9, 10, and 11, I held the first session this year of oversight hearings on the Internal Revenue Service. The second portion of the hearings will begin next Tuesday morning, June 11, at 10 a.m., in room 1114 of the Dirksen Senate Office Building. At that time, IRS Commissioner Donald C. Alexander will appear to discuss improvements for taxpayers he thinks the Service has made. The Commissioner will reply to charges aired during the April hearings and to questions about a range of topics in which the committee is interested. Commissioner Alexander will be accompanied by several of his assistant commissioners.

Mr. President, reviews of the progress the IRS has made in the past year—not only in taxpayer service, but also in administering audit and collection procedures—have been mixed. The feelings of the majority of witnesses the committee questioned in April were that only a little progress has been made.

Taxpayer advocates Phil and Sue Long of Bellevue, Wash., longtime fighters for freedom of information, charge that delays in receiving materials covered by the Freedom of Information Act and other materials heretofore freely available, have actually become more prevalent. The Longs, who devote a great deal of their time to tax research, told the subcommittee that cooperation from the IRS has been limited. U.S. Tax Court Commissioner Joseph N. Ingolia stressed the trouble which misinformation from the IRS causes taxpayers. In his position on the court, he sees this problem frequently.

Mr. Clyde Maxwell, former high-ranking IRS attorney from California, and Mr. Rueben Lenske, noted Oregon barrister, urged the committee to be aware of the dangers of emergency or "jeopardy" assessments. The American Bar Association was well represented by Mr. Alex Soled, chairman of the Committee on Collections and Limitations of the bar's tax section. Mr. Soled presented his committee's recommendations for changes in the statutes directing amounts to be exempt from levy by the IRS. The National Treasury Employees Union testified concerning pressure generated by Congress and the IRS which causes IRS agents and revenue officers to press individuals in order to achieve greater revenue levels. Problems peculiar to aged taxpayers were discussed by representatives of the American Association of Retired Persons, and I believe real progress can be made in this area. Nearly all of the witnesses discussed the many and special difficulties encountered by those with low incomes who honestly try to pay their taxes each year. Also, realistic, but sweeping changes in filing procedures were suggested by Bob Brandon and Louise Brown of Ralph Nader's Tax Reform Research Group.

I believe the hearings allowed the tax paying public and the IRS to re-evaluate the present condition of tax administration and review IRS practices. One of the best ways for a government agency to evaluate its own service to the public is through frank and open testimony of citizens. As a result of last year's hearings IRS was encouraged to consider new policies and to make many needed changes in their practices.

After Commissioner Alexander and his aides have presented their plans and programs, as well as rebuttal to taxpayer allegations, I expect new interest to be aroused in the tax research community among the general public. This is the way progress has been made in the past and this is the way I believe it will continue to occur.

One major problem I hope soon to see more expertly dealt with is the problem of providing information to taxpayers in such a way that they feel it is timely and convenient. IRS produces much information that is available to the taxpayer only if he knows of the existence of the publication or pamphlet. It is the feeling of many of the witnesses I have interviewed in the past 2 years that the single most helpful change in IRS practice would be a wider dissemination of taxpayer information and a better advertisement of publications available to citizens. This seems to be a simple matter but has proven stubborn.

It is my feeling that this simple lack of information about daily IRS procedures causes taxpayers many heartaches. Even fewer are in any way informed about the successful administrative appeals and methods of legitimate compromise in the IRS which are available to taxpayers. Only a tiny fraction of earnest taxpayers are alert to how, where or, when to seek tax help. Even those who look for it sometimes come away without a clear picture of their responsibilities and their options. Many IRS publications exist which contain this information, but they do no good if left in centralized, musty warehouses when taxpayers are marching off with teeth clenched to an IRS audit.

Mr. President, I look forward on the 11th of June to a free discussion of many IRS administrative problems which concern the IRS, but more importantly plague taxpayers. It is my hope that the public will attend these hearings. A greater knowledge of their tax rights and obligations will enable taxpayers to be able to cope with an audit or any contact with IRS. Moreover, through increased awareness of the tax system we all pay for, Americans can except greater benefits from it.

HEARING ANNOUNCEMENT BY PUBLIC LANDS SUBCOMMITTEE

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 30, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Colorado River in the State of Utah as a component of the National Wild and Scenic Rivers System; S. 449, a bill to designate a portion of the Colorado River, Colo., for potential addition to the National Wild and Scenic Rivers System; S. 2151, a bill to designate the Cahaba River, Ala., for potential addition to the National Wild and Scenic Rivers System; S. 2216, a bill to designate the West Fork of the Sipsey Fork, Ala., for potential addition to the National Wild and Scenic Rivers System; S. 2319, a bill to designate segments of certain rivers in the State of Colorado for potential addition to the National Wild and Scenic Rivers System; S. 2386, a bill to designate a portion of the American River, Calif., for potential addition to the National Wild and Scenic Rivers System; S. 2443, a bill to designate a segment of the Upper Mississippi River, Minn., for potential addition to the National Wild and Scenic Rivers System; S. 2691, a bill to designate the Kettle River, Minn., as a component of the National Wild and Scenic Rivers System; S. 3022, a bill to amend the Lower Saint Croix River Act of 1972;

S. 3130, a bill to designate the Shepaug River, Conn., for potential addition to the National Wild and Scenic Rivers System; S. 3186, a bill to designate a portion of the Tuolumne River, Calif., for potential addition to the National Wild and Scenic Rivers System.

The hearing will be held on June 20, 1974, at 10 a.m., in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel to the committee, at 225-2656.

ANNOUNCEMENT OF HEARINGS ON SOLAR ENERGY BILL

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that hearings will be held on solar energy bill, S. 3234, before the Senate Interior Committee on June 24 and 25 in room 3110 of the Dirksen Senate Office Building.

Until quite recently, the United States enjoyed such seemingly unlimited access to inexpensive fossil fuels that only nominal sums of Federal moneys were expended on the development of our alternative sources of energy. The economic and political ramifications of the Arab oil embargo made painfully clear the cost of this complacency. There is now a general consensus that making commercially viable our less-conventional forms of energy should be a national goal. This is well evidenced by legislation pending before Congress, where the passage of such bills as S. 1283 and S. 3234 which I sponsored, and cosponsored respectively would accelerate and expand our present research and development efforts.

Solar energy is one of those forms of energy now receiving increased attention. While a few short years ago, harnessing the Sun's energy seemed a "far out" idea at best, today solar energy is considered to be a very real energy alternative. I was struck by the great potential of this untapped energy source during a recent visit to the Commonwealth of Puerto Rico. The island, of course, is ideally suited, both climatically and geographically, for demonstrating the possible commercial uses of solar energy. The Government of Puerto Rico feels that economic and social benefits could well accrue from the wide-scale development of this clean and abundant energy source. Accordingly, the Department of Natural Resources has already initiated or is laying the groundwork for three major programs to achieve that end. The solar projects include the heating and cooling of buildings, and electric power production from energy stored in the winds and in the thermal gradients of the ocean.

Soon after my trip to Puerto Rico, the Honorable Cruz A. Matos. the Secretary of the Department of Natural Resources of Puerto Rico, had the occasion to be in Washington and make available to me additional information concerning the present and proposed work of his government in the field of solar energy.

In view of our pressing need to achieve energy self-sufficiency, I find their endeavors particularly timely and encouraging and worthy of support.

Mr. President, Mr. Matos has been gracious enough to forward to me a brief description of the Department's involvement in solar energy conversion. I ask unanimous consent that it be included in the RECORD at this point. At the time of the hearings, Members will have the opportunity to hear the testimony of Mr. Matos and Mr. William Beller, two of the men most responsible for the progressive solar energy program which now exists in the Commonwealth of Puerto Rico.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOLAR ENERGY IN PUERTO RICO

In Puerto Rico we have a wonderful example of a place where solar energy can help solve not only energy problems but also economic and social ones. The citizens of our island need multipurpose technology, where developments are encouraged not simply because they are feasible, but more importantly, because they are vital.

In the past twenty-eight years, the people of Puerto Rico have raised their per capita income from among the lowest in the Caribbean to one of the highest. Despite this achievement, the per capita income in Puerto Rico is still much below that of the poorest state on the Mainland. What this fact means is that while developments such as the utilization of solar energy conceivably could pay great dividends to many of the states, and thus to the nation, such developments in Puerto Rico could be essential for its economic health.

Adding to the advantages of Puerto Rico insofar as utilizing solar energy is concerned is the island's fortuitous geography—solar radiations among the highest and most constant in the world; strong solar-driven winds, phenomenal in their steadiness, that sweep across Puerto Rico from the ocean, unmodified by intervening land masses; a clear sea that in some coastal areas drops nearly a mile, an excellent geometry for deriving power from the temperature differences in the sea.

The Department of Natural Resources of Puerto Rico is developing solar sources of energy as part of the natural resources of the Island. The Department has three major projects in various stages of development:

(1) a 100-kilowatt wind generator for the island of Culebra;

(2) a factory building that would use solar heat to drive an air-conditioning system; and

(3) a demonstration plant from which we would derive simultaneously, electrical power, seafood, and fresh water from the sea.

WIND GENERATOR

Puerto Rico is making a meteorological study of Culebra, under NASA contract, to find the best site for a wind generator.

There are about 1000 people on Culebra, which lies 20 miles east of the main island of Puerto Rico. Culebra gets its electricity from two diesel generators that together put out 750 kilowatts. The power is used to desalt water because there is no other source of fresh water on the island except from the rain; to bring power to the one manufacturing plant on the island; and to take care of the various personal and commercial needs of the population.

Occasionally, when the sea passage between Puerto Rico and Culebra is rough, or an incident occurs that prevents delivery of diesel fuel, the island is without power. One way to help solve this problem is to install a wind generator. Puerto Rico has been working with the National Science Foundation and the National Aeronautics and Space Administration for more than a year to put such a device on Culebra. When this wind generator is built, it will be the highest powered machine, other than a research one, operating in the United States.

One of the big problems with deriving power from a wind generator is how to store the power when it is not needed. On Culebra, excess power would be "stored" in the water that is desalted, and in the ice manufactured for fishermen. Thus, several of the important electrical needs of the people of Culebra would be satisfied by a wind generator.

SOLAR AIR-CONDITIONING

We are seeking to build a factory building that will prove highly economical in operation because it is cooled through the use of solar energy. If successful, the program would almost immediately affect the multi-million dollar building program of the Economic Development Administration of Puerto Rico, which constructs standard factories and leases them at low rates to industry. Modest homes, too, might be fitted with solar air-conditioning units, giving the residents relief they can economically afford; at the same time, the extra burden on the power resources of the island would be small.

The theory behind the concept is illustrated by the old Kelvinator refrigerator, which used a gas flame to turn a refrigerant into a vapor. When the vapor subsequently liquefied, it rid itself of the heat it had picked up from its cooling work and from the gas flame.

The technical advantage of using a Puerto Rican site for solar-energy work is that the Island has one of the highest insolations throughout the year; thus, experimentation and data-collection can be done throughout the year. The results of the work will be extended through economic analyses to the operational conditions of various industries that could use solar-cooling systems. We are now seeking the help of the National Science Foundation to accelerate the overall program.

POWER, FOOD AND WATER FROM THE SEA

One of the most imaginative projects in solar energy stems from the work of scientists at the Lamont-Doherty Laboratory on St. Croix, U.S. Virgin Islands. They have run experiments that indicate that electrical power, fresh water and mariculture products can be generated on an economical basis from a commercial plant. The ideal site for such a plant from an economic, social, and—extremely important—geological point of view—is Vieques, an island within view of Culebra. Puerto Rico is working with the scientists to try to set up such a demonstration plant.

The theory behind the experiments is based on the high nutrient value of deep ocean water, about 900 meters; its near total sterility; and its low temperature relative to surface water.

By using the deep water's nutrient value and sterility, mariculture products can be raised rapidly and free of disease. By using the temperature difference between the deep water and surface water, which amounts to about 21-25 degrees Centigrade, a low-pressure turbine can be devised to yield electrical power; simultaneously, the condensate from the turbine could be used as fresh water.

The mariculture aspect of the work has been proven: the scientists on St. Croix have successfully and rapidly raised clams, oysters and scallops, and are starting to raise Maine and spiny lobsters. What remains to be done, other than refining the work, is to build the Vieques demonstration plant that would additionally yield power and water.

NOTICE OF HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE ON DISTRICT OF COLUMBIA ELECTION FINANCE AND CONFLICT OF INTEREST ACT

Mr. MATHIAS. Mr. President, the District of Columbia Committee, on Thursday, June 13, 1974, from 9:30 a.m. to 11:45 a.m., will hold a public hearing in room 6226, Dirksen Senate Office Building, on S. 3264, a bill to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, Councilman, and members of the School Board by establishing expenditure and contribution limitations applicable to such campaigns, by establishing requirements for reporting and disclosure of the financing of such campaigns, by establishing an independent agency of the District of Columbia to administer election laws generally, and for other purposes. Persons wishing to present testimony at such hearing should contact Mr. Colbert King, minority staff director of the District Committee, room 6222 Dirksen Senate Office Building, by the close of business on Tuesday, June 11, 1974.

NOTICE OF HEARING ON S. 2755

Mr. DOMENICI. Mr. President, on behalf of the chairman of the Committee on Aeronautical and Space Sciences, I wish to announce that on Wednesday, June 12, 1974, at 9:30 a.m., the committee will hold a hearing on S. 2755, a bill to require the Administrator of the National Aeronautics and Space Administration to study the feasibility of entering into certain international cooperative programs involving the utilization of space technology and application.

The witnesses will be Dr. James C. Fletcher, Administrator of the National Aeronautics and Space Administration, and Mr. Herman Pollack, Director of International Scientific and Technological Affairs, Department of State.

ADDITIONAL STATEMENTS

METRIC CONVERSION

Mr. PELL. Mr. President, in my research into metric conversion legislation and the advantages its enactment would bring to our country, I have discovered a most interesting article published 68 years ago.

It appeared in the National Geographic magazine of March 1906 and was authorized by Dr. Alexander Graham Bell, inventor of the telephone. He was, I find, a stanch supporter of our country's conversion to the metric system of weights and measurements.

As one who has worked toward this goal for more than 10 years in recent times, and as the sponsor of S. 100, now before the Commerce Committee which contains my latest proposals in this most important area, I was fascinated to read the 1906 article.

I was particularly interested because the article is as germane today as it was almost seven decades ago.

The article's format follows an informal address by Dr. Bell to the Committee on Coinage, Weights and Measures of the House of Representatives which met on February 16, 1906.

The committee was considering legislation introduced by Representative L.N. Littauer from New York. His bill called for the employment of the metric system by "all of the Departments of the Government of the United States in the transaction of business requiring the use of weights and measurement." The date for such conversion was to be July 1, 1908. We are still waiting.

Dr. Bell pointed out that the bill was only five lines long, and then proceded to present to the committee one of the most compelling arguments for the simplicity of the metric system which I have ever encountered.

I have consistently maintained that the metric system provides advantages for all its users in the simplicity of its decimal format.

Dr. Bell's statement on this subject is so cogent, so timely today, that I urge my colleagues to consider it for a few moments. Dr. Bell said in 1906:

> Few people have any adequate conception of the amount of unnecessary labor involved in the use of our present weights and measures. Let us take, for example, the figure 1906, which express the present year. In using the metric system we know without calculation that 1906 centimeters amount to 19.06 meters, and that 1906 grams amounts to 1.906 kilograms. No calculation is involved.
>
> Now compare this simple process with the laborious processes involved in the use of the ordinary measurements of length and weight. Take 1906 inches—how many feet and yards? We must divide 1906 by 12 to find out the number of feet, and then divide the product by 3 to ascertain the number of yards. Or take 1906 ounces—how many pounds? And what kind of pound—avoirdupois weight, troy weight, or apothecary's weight? In one case we may have to divide 1906 by 16, in another by 12; but the point I wish to make is this: that a calculation of some sort is involved in the mere process of translation from one denomination to another in the same kind of measure, while by the metrical system all this kind of labor is saved—we merely shift the decimal point.
>
> The amount of labor saved in calculating square measure and cubical measure is still more remarkable. Try square measure first. Take the figures 1, 2, 3, 4, 5, 6; 123,456 square inches, how many square feet? I will not try to work it out, but you must divide this number by 144 to get the number of square feet. You will probably require paper and pencil to perform the computation but on the metrical plan the solution is so easy that any intelligent person can arrive at the result mentally without any calculation whatever. 123,456 square centimeters is equivalent to 12.3456 square meters.
>
> Now try cubical measure: having measured a tank or reservoir and performed our initial calculation, suppose we find that the tank contains 123,456 cubic inches of water.
>
> How many gallons have we there? And how much does the water weigh?
>
> I will not attempt to work the result out to its final conclusion even with the aid of paper and pencil, for I must confess that my memory does not hold the exact number of cubic inches contained in a gallon or the relation of weight to volume of water in our present system. The problem is therefore absolutely insoluble to me at the present moment. I must consult some reference book for the information that would enable me to work it out. But put the problem in metrical terms and the problem is solved as soon as you have ascertained the cubical contents in any of the metrical denominations you prefer.
>
> For example, suppose we find that our tank holds 123,456,789 cubic centimeters of water. How many liters have we there, and how much does the water weigh? The answer is 123,456,789 liters, weighing 123,456,789 kilograms.
>
> It really is astonishing when you come to work out complicated problems involving cubical measure, specific gravity, and the relation of volume to weight, how much labor of calculation is saved by the use of the metrical measures.

Mr. President, this article points out that in 1906 the United States and Great Britain and her then so-called colonies were the only industrial countries in the world not committed to the metric system.

Sixty-eight years later we alone lag behind.

Great Britain is well embarked on metric conversion, as are Canada, Australia, New Zealand, and South Africa.

In 1906 Dr. Bell said:

> It is obvious that our present system of weights and measures is in a very chaotic condition.

He was referring to the variations still existing within our own system—in tons, in pounds, in grams. The same situation is compounded today with many industries, many segments of our economy embarked on conversion to metric measurements and terminology and equipment, while others adhere to an outmoded past. Mr. President, just a few days ago—on May 8—I called attention to the pending legislation and emphasized that failure to approve it will lead us to "costly and chaotic conversion instead of coordinated, comprehensive conversion." I am delighted that the Washington Post, in an editorial on May 18, underscored the benefits of metric conversion and the dangers of further delay.

Dr. Bell in 1906 also spoke of the advantages which metric conversion would bring to our country in international trade—advantages which the Commerce Department has estimated most recently would bring us an added $2 billion a year. In this respect we can speculate on how much our balance-of-payments situation would have been improved and our stance in international trade, had we converted in 1908.

In addition, Dr. Bell discusses the costs of conversion which remain an obstacle in the minds of some to our own commitment. Just as I do today, he finds that such difficulties are exaggerated—"unduly magnified" are his words. But I would like to add, the longer we delay, the greater such costs will be; and I would again invite us to consider the relative bargain we would have gained, had we converted in 1908.

There is a section in Dr. Bell's presentation on how his own laboratory was converted to metric measurements—for the sake of efficiency and economy—and how quickly and well the workers in that laboratory adopted the system.

Dr. Bell said:

> The only question in my mind was whether ordinary workmen, carpenters and mechanics accustomed to the usual methods of measurements, could or would employ the metric system.

He went on to say, "No difficulty whatever was experienced in the use of the system," and concluded. "The use of the metric system in my laboratory has greatly facilitated all calculations and the men like it."

I find this passage especially interesting in view of the concerns heard in some quarters today.

Mr. President, if this article bore the date 1974, I would consider its contents refreshingly germane to our considerations and deliberations now in progress. The fact that it is nearly 70 years old gives it a unique historic impact. Rarely has history so repeated itself in a continuing debate.

My great hope, Mr. President, is that someone reviewing the history of this day in the Senate 5, 10, or 15 years from now—or 68 years from now—will be able to say, "At last, that was the year—1974—when the Congress had the commonsense and the wisdom to commit the United States officially to metric conversion."

Mr. President, because I feel that my colleagues can gain valuable knowledge from this article in assessing their own opinions on metric conversion legislation, I ask unanimous consent that the full text be printed in the Record at the conclusion of my remarks.

In conclusion, I would like to express my appreciation to Mr. Peter D. Coquillette, executive assistant of the American Telephone and Telegraph Co., for his help in bringing this article to my attention.

I also ask unanimous consent that the editorial from the Washington Post which I have mentioned be printed in the Record following the article by Alexander Graham Bell.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Metric System: An Explanation of the Reasons Why the United States Should Abandon Its Heterogeneous Systems of Weights and Measures

(By Alexander Graham Bell)

The following pages contain an informal address to the Committee on Coinage, Weights, and Measures of the U.S. House of Representatives on February 16. The bill under consideration reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the first of July, nineteen hundred and eight, all of the Departments of the Government of the United States, in the transaction of business requiring the use of weight and measurement, shall employ and use the weights and measures of the metric system.

The bill was introduced in the House of Representatives by L. N. Littauer, Representative from New York, and is known as "the Littauer Bill." Dr. Bell's address is published here through the courtesy of the chairman of the committee, James H. Southern, of Ohio.

This is one of the briefest bills I have even seen—only five lines—but it is pregnant with consequences to the people of the United States. It means very much more than appears upon its face. This is a mandatory bill requiring the use of the metric system in the departments of the government, but of course Congress would not pass a bill of this kind unless as a step toward the introduction of the metric system generally in the United States. So that this really means, if you pass it, that you have decided to abolish the chaotic systems of weights and measures we now have and substitute the metric system not simply for the government departments, but for the whole of the United States. This bill is simply a logical step in the consummation of the greater plan, and I hope it will pass.

It is obvious that our present system of weights and measures is in a very chaotic condition. It certainly is not right that a coal company should be able to pay their miners by a ton of 2,240 pounds and then sell their coal by another ton of 2,000 pounds. But even the pound itself varies in weight according to circumstances. Some of our people employ a pound of 16 ounces, others a pound of 12 ounces; so that it is necessary in business transactions to have a definite understanding as to the kind of pound we employ—whether avoirdupois or troy weight. The ounces, too, varies. Our apothecaries use an ounce of 8 drams, whereas there are 16 drams in an ounce avoirdupois. Thus the avoirdupois pound consists of 16 ounces of 16 drams each, equivalent to 256 drams, whereas the pound used by our apothecaries contains only 12 ounces of 8 drams each, equivalent to 96 drams.

In a similar manner we have different kinds of bushels and gallons and other measures in common use by different sections of our people; and if there is anything that is clear it seems to be this—that we need uniformity in our system of weights and measures.

Of course, it matters little what system may be employed by an individual, so far as he himself is concerned; but the moment he has dealings with other individuals the necessity for uniformity and a common understanding arises. The right of the individual to choose his own methods of measurement must give way to the convenience of the community of which he forms a part; in a similar manner the right of sections of the community like apothecaries, silversmiths, etc., to have their own peculiar system of measurement should give way to the right of the community as a whole to have uniformity and a system convenient to all.

Every state in the Union might with perfect propriety have a different system of weights and measures if there were no interstate transactions or mingling of people from different parts of the country, but the interests of the nation as a whole demand uniformity throughout the length and breadth of the land.

In achieving such a result the United States might very well establish a peculiar system of its own, without reference to the usage of other countries, if we formed an isolated people, having no dealings with the rest of the world; but in making a change—and the necessity for a change is very obvious—it would be advisable to adopt a system that would not only be convenient for our own people, but would also be convenient for the other peoples of the world with whom we carry on trade and commerce.

No one doubts that the metrical system is superior to the crude methods of measurement we employ. It is therefore useless to expect that foreign countries employing the metrical system will ever change to our methods of measurement; from which it follows that if international uniformity is to be secured it is we who must give way. We must either adopt the metrical system or some other system—not our own—which may have some chance of international adoption.

At the present time, however, the metrical system is the only system known that has the ghost of a chance of being adopted universally by the world. As a matter of fact, it is now international in character, for practically all of the civilized nations of the world have already adopted it with the exception of the English-speaking peoples, who employ an admittedly inferior system.

The metric system was legalized in the United States in 1866 and is already in use by a portion of our people, thus adding to the existing confusion. Our scientific men especially employ it, almost universally, and merchants having dealings with foreign countries are obliged to use it to a greater or less extent. Our imports from non-English-speaking countries are largely expressed in metrical measures, and in exporting to these countries our merchants must adopt the metrical system or be placed at a disadvantage with competitors who already employ it; for people accustomed to the metrical system will not take the trouble of translating our measures into their own system in order to understand what they are buying, if they can obtain the same goods elsewhere expressed in the measures with which they are already familiar. There can be no question that in competing with metrical countries for the trade of the countries already employing the system, our commerce is seriously handicapped by the inconvenient and antiquated systems of weights and measures in use in the United States. This means that we are at a disadvantage everywhere in the world excepting in dealing with Great Britain and her colonies.

A WASTE OF LABOR

Few people have any adequate conception of the amount of unnecessary labor involved in the use of our present weights and measures. Scientific men and merchants may have the necessary skill with figures to enable them to use the metrical system, but how about the common people of the country? It is just here that the metrical system possesses special advantages—reducing to a minimum the amount of labor and skill required in the solution of the every-day problems of life involving the use of figures.

The people of Great Britain, having no practical experience by actual use of the advantages of a decimal system of measurement, may have difficulty in realizing the amount of unnecessary drudgery through which they are obliged to go in order to obtain a solution of the simplest arithmetical problems, and they therefore have some excuse for remaining in the rear of progress; but the United States has no such excuse to offer for her hesitation in joining the majority of the civilized nations of the world in the adoption of the metrical system. We already have a decimal system of money, and our people are therefore prepared to apprethe few such undeveloped, unexploited spots left in this part of the country. One of the strengths of the national park system is its diversity, and we believe that the Cuyahoga Valley would be an excellent addition to its spectrum of scenic pleasures. In fact, "green-shrouded miracle" was the way the National Park Service described the area in its initial survey.

The Nixon administration has backed away from its earlier enthusiasm for national park sites in urban areas. We believe that this is a mistake, not just because it imperils the Cuyahoga Valley plan, but because the need for open space around congested cities is undeniable, especially if people face a period of decreased mobility because of energy shortages.

The proposed park in the Cuyahoga Valley has significant scientific and historic values as well as possibilities for recreation that would be compatible with the character of the land. All its advantages should be demonstrated at the hearing in June in hopes of speeding congressional action.

AMENDMENTS TO THE ANTI-DEFICIENCY ACT

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1974

Mr. **BRECKINRIDGE**. Mr. Speaker, in a report prepared by the House Appropriations Committee to accompany the 1950 amendments to the Antideficiency Act, the following discussion stemmed from consideration of President Truman's decision to impound Air Force funds:

> It is perfectly justifiable and proper for all possible economies to be effected and savings to be made, but there is no warrant or justification for the thwarting of a major policy of Congress by the impounding of funds. If this principle of thwarting the will of Congress by the impounding of funds should be accepted as correct, then Congress would be totally incapable of carrying out its constitutional mandate of providing for the defense of the Nation.

Since that time, the power of the executive branch of government has increased dramatically—mostly at the expense of the Congress.

In all fairness, it must be stated that the Congress handed this power to the executive in the belief that the executive branch would be better staffed and better equipped to handle the problems of today. Now, however, the Congress recognizes its error and is determined to reestablish its responsibility over these matters relinquished to the Presidency.

During the past 18 months, the President has used his substantial powers to impound funds both authorized and appropriated by the Congress and signed into law by the President. He has done this in a selective manner, thus permitting him to frustrate and deny the will and intent of Congress. In effect, his impoundments have become "item vetoes"—neither contemplated by the Founding Fathers or authorized by the Constitution.

The House, in an effort to reassert itself, passed major budget and impoundment legislation, particularly H.R. 7130, the Budget and Impoundment Control Act of 1973. The basic thrust of this legislation requires the President to notify Congress of each impoundment before it occurs; it being provided that if either House passes a simple resolution of disapproval, the impoundment must then immediately cease. With passage of similar type legislation in the Senate, the bill is now in conference.

Although the Congress is now acting to prevent future impoundments, as conceived by this administration, some 70 suits have been filed in the courts across the land in attempts to free some $20 billion impounded and crippling dozens of programs, mostly domestic, which the Congress has approved and the President has signed into law. Patently absent amongst the voluminous litigations now before the courts is any concerted effort on the part of Congress to free the moneys now being improperly withheld.

Appreciating the fact that impoundment has been employed by Presidents in a variety of instances and for differing purposes beginning with Thomas Jefferson, I think it appropriate to outline briefly the history of impoundment in order to illustrate how its present use differs from past practice and policy.

In 1803, declining to spend an appropriation for gunboats, Jefferson stated in his annual message to the Congress:

> The favorable and peaceful turn of affairs on the Mississippi rendered an immediate execution of that law unnecessary, and time was desirable in order that the institution of that branch of our force might begin models the most approved by experience.

In 1876, in signing a river and harbor bill, President Grant expressed his objections to particular projects:

> If it was obligatory upon the Executive to expend all the money appropriated by Congress, I should return the river and harbor bill with my objections notwithstanding the great inconvenience to the public interests resulting therefrom and the loss of expenditures from previous Congresses upon completed works. Without enumerating, many appropriations are made for works of purely private or local interest, in no sense national. I can not give my sanction to these, and will take care that during my term of office no public money shall be expended upon them.

In 1905 the first general statutory basis for impounding was included in the Antideficiency Act of that year. It was not until the Harding administration and the enactment of the Budget and Accounting Act of 1921, however, that formal administrative procedures with regard to impoundment were established.

The first President to make extensive use of impoundment was Franklin D. Roosevelt. During World War II Roosevelt shelved a number of programs using the device of impoundment, particularly depression-oriented public works projects unrelated to the war effort, for the duration of the hostilities. Impoundments pursuant to this authority before, during, and after World War II sparked objections from some Members of Congress but without creating a major crisis.

In the years immediately following the war impoundment was used selectively in the demobilization program, and was used more extensively to curtail spending by the Armed Forces during the period in which conversion to a peacetime military establishment coincided with the emergence of the cold war.

In 1949 Congress appropriated funds for a 50-group Air Force, over the opposition of the Truman administration which had requested funds for a 48-group force, and the President impounded more than $700 million for the announced purpose of easing the strain on the domestic economy.

In the latter years of the Eisenhower administration the President impounded funds for Nike-Zeus missile development, and in the same period the Senate Armed Services Committee's Preparedness Investigating Subcommittee held hearings inquiring into the failure of the administration to use funds appropriated for such purposes as the support of the Marine Corps at a given strength and the construction of Polaris submarines.

Disputes continued to arise between the Congress and the executive branch in the 1960's. In 1962 President Kennedy took sharp exception to a fiscal 1963 appropriations bill for aircraft, missiles, and naval vessels in which the Secretary of the Air Force was directed to utilize authorizations in an amount not less than $491 million during the 1963 fiscal year for planning and procurement in connection with development of the B-7 bomber. The word "directed" was deleted before final passage, however, and the constitutional issue of whether or not the legislative branch can so bind the executive was not put to the test. The Kennedy administration subsequently impounded those funds appropriated in excess of original administration requests.

Impoundments during the Johnson years included some made at the general direction of the Congress and others initiated by the executive. In 1966 the administration reduced the obligations available under the highway trust funds, and sizable cutbacks were made in programs for Housing and Urban Development; Health, Education, and Welfare; Agriculture; and Interior.

From this brief historical outline it is readily apparent that impoundments, when made, have generally occurred on a selective basis. As provided by Congress in the 1905 antideficiency legislation the executive branch of government need not spend all that Congress appropriates. The Antideficiency Act as amended in 1950, authorizes and directs the President to establish budgetary reserves to—

> Provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriations were made available.

As the act stipulates, administrators are required to operate their respective programs as efficiently as possible and to the extent possible, savings are to be affected to the extent that the purposes of the programs established by Congress remain unaltered.

The Bureau of the Budget and the General Accounting Office were instrumental in the improvement of the 1950 Antideficiency Act Amendments, jointly issuing a report in which they warned was whether ordinary workmen, carpenters and mechanics accustomed to the usual methods of measurements, could or would employ the metric system.

The result may be of interest to the committee as bearing upon the question of the ability of the common people of America to handle a new system of this kind. No difficulty whatever was experienced in the use of the system, and the total expense involved in the change amounted to a few dollars for the purchase of a set of metrical weights and measures. The same balances formerly employed were equally efficient in weighing by the metrical system, and even the old weights were utilized as supplementary weights, with their value in grams distinctly marked upon them. No change was required in the machinery and tools employed, simply a change in the method of measuring the output.

For convenience of reference a chart of the metrical system was hung up in the workshop, but no effort was made to have the men master the new names involved, excepting so far as they were introduced by actual use. The names of which the men were most afraid, like dekagram, hectogram, dekameter and hectometer, were really not required at all in actual use. The only terms employed at first were meter, centimeter, and gram; but the necessities of the laboratory soon introduced millimeter, kilogram, and liter. In this connection it is rather interesting to note that the word "decimeter," although understood, remained among the unused terms, the men preferring the expression "10 centimeters," just as we usually prefer to call a dime "10 cents" rather than a dime. So, too, a cubic decimeter (or liter) was preferably called "a cube of 10 centimeters."

So long as I did not ask my men to translate from one system into the other, all was plain sailing. They would have difficulty in translating from pounds and ounces into grams or kilograms, or from feet and inches into centimeters or meters; but in the actual measurement of length with a metric measure in hand, and in actual weighing with metrical weights, no difficulty whatever has been experienced.

The use of the metric system in my laboratory has greatly facilitated all calculations and the men like it.

WE ARE ONE OF THE LAST NATIONS TO ADOPT THE METRIC SYSTEM

The Chairman: It has been contended by one or two people at least who have set out to oppose the introduction of this system that in France and in Germany, where is has been used as long as anywhere, it is not really the system of weights and measures of those countries. You have been there?

Mr. Bell: I have been in France; and so far as my observation has gone it seems to be in universal use there. I understand that it is also employed in Germany. In fact we are one of the last nations to take it up. I understand that nearly all the civilized nations of the world have already adopted the metric system, with the exception of Great Britain, the United States, and the British colonies.

The Chairman: Of course we realize that an argument can be made about the confusion which exists in weights and measures in this country in a great many different lines. For instance, in the United States Mint they have four standards of weights—apothecary's, avoirdupois, troy, and the metric measures.

Mr. Bell: I do not think any system of weights and measures has any chance of becoming universal except the metric system, and its growth during the short time it has been in existence seems to indicate that it has such a chance.

THE REASON WE DID NOT ADOPT THE METRIC SYSTEM WHEN WE ADOPTED DOLLARS AND CENTS

It has always been a matter of wonder to me why the United States, when it changed from the old system of pounds, shillings, and pence to the present dollars and cents, did not at the same time go the whole way and adopt the metric system of weights and measures. The answer, however, is simple. The metric system had not then been invented, or rather had not anywhere come into use. Propositions foreshadowing its advent were under consideration, but the metric system as we know it did not appear until after the passage of our coinage act of 1792. It was only adopted by France about the beginning of the nineteenth century, and if I remember rightly—and if not Mr. Stratton will correct me—the first standard kilogram and the first standard meter were not deposited until 1830.

Mr. Stratton: * It was just about the time that we made the change in coinage that they were considering this system. Congress directed John Quincy Adams, the Secretary of State, to make an investigation in regard to the matter, and he did so, and he made a report in which he called attention to the fact that the metric system was then being developed; and he advised us to watch it closely, and he said that it was in his opinion a thing we ought to adopt if it proved successful.

Mr. Bell: In 1790 Jefferson advised a decimal system of weights and measures and suggested the length of a second pendulum as a unit.

The Chairman: Of course he could not recommend the metric system because it had not been invented.

Mr. Bell: No; it was not introduced until later. Some action was taken by France in 1795, and in 1798 it was considered by some international gathering, but it was not legalized in France until 1801, and many years elapsed before legal standards were prepared.

OUR WHOLE SYSTEM OF ARITHMETIC IS DECIMAL

There is one other point to which I desire to call attention, which seems to me to lie at the root of any proposed change in our methods of measurement in the direction of simplicity and ease of application, and it is this: "We employ a decimal system of arithmetic; from which it follows that a decimal system of measurement will be more easy for us to handle than any system in which the units of measurement do not progress by tens.

Our whole system of arithmetic itself is decimal in character. In counting we employ 10 figures: 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9. We then repeat these in groups of 10, advancing from 10 to 20, 30, 40, etc., up to 99. We then advance by groups of 10 times 10, namely, 100, 200, 300, etc., to 999; then by groups of 10 times 100, namely, 1,000, 2,000, 3,000, etc., etc.

From this peculiarity in our method of numeration it follows that any system in which the units of measurement advance by tens is specially suited to our system of arithmetic. It enables us to change from one denomination to another in the system, as desired, without special calculation, by simply changing the place of the decimal point. Now the metric system is a decimal system of this character. It has already found favor with the world at large, and I think America should adopt it and make it her own. It really is astonishing, when you come to work out complicated problems involving cubical measure, specific gravity, and the relation of volume to weight, how much labor of calculation is saved by the use of the metrical measures.

The Chairman: If you will point out what the relation is specifically, perhaps it would be interesting. The members of the committee may understand, but I would like to see it.

Mr. Bell: There is a simple relation between volume and weight: one cubic centimeter of water weighs one gram. That fact remembered is the key to the whole subject.

Now if you want to calculate the weight of any other substance you have simply to express its volume in cubic centimeters and multiply that by the specific gravity of the substance. Here is a piece of steel 10 centimeters long, one centimeter wide, and one-tenth of a centimeter thick (one millimeter). What is its weight?

Now you first find out the cubical contents of this piece of steel by multiplying together the length, breadth, and thickness expressed in centimeters so as to have the answer in cubic centimeters. It is 10 centimenters long and 1 centimeter wide; 10 times 1 is 10. It has a surface of 10 square centimeters, it is one-tenth of a centimeter thick. One-tenth of 10 is 1; that is, its volume is 1 cubic centimeter. Now multiply this by the specific gravity of steel and this will give you its weight expressed in grams. The specific gravity of steel, if I remember rightly, is somewhere about 8; that is, a piece of steel weighs about 8 times its own volume of water. Eight times 1 is 8. This piece of steel then weighs about 8 grams.

Now this happens to be a very simple case; but the process would give you the weight in grams, whatever the dimension of your piece of steel might be. If its volume should be one million cubic centimeters its weight would be eight million grams; that is, if I have correctly expressed the specific gravity by 8. If you wish to express this weight in kilograms, simply shift the decimal point three places to the left. A weight of 8,000,000 grams is equivalent to 8,000 kilograms.

The Chairman: The unit of length is what?

Mr. Bell: One meter. A centimeter is one hundredth part of that.

The Chairman: And that is equal to one liter, which filled with water is one kilogram, the unit of weight?

Mr. Bell: The gram is the unit weight; and one cubic centimeter of water weighs one gram. The liter is the unit of volume. It is equivalent to a cubical space 10 centimeters long, 10 centimeters wide, and 10 centimeters deep. It therefore holds 1,000 cubic centimeters of space; and if filled with water, the water would weigh 1,000 grams (or 1 kilogram).

The fact that one liter of water weighs one kilogram is easily remembered; but if forgotten the knowledge is readily recovered from the basal fact that one cubic centimeter of water weighs one gram (the unit of weight).

THE NEW NAMES SIMPLE WHEN UNDERSTOOD

To an American the metric system appears at first sight to be much more difficult of acquirement than it really is, on account of the un-English appearance of the terminology. After you have once mastered the meaning of the prefixes employed, the whole terminology appears to be beautifully simple and appropriate, the words expressing by their etymology the numerical relation to the units of the system.

Thus when we know that *deka* means ten, *hecto* one hundred, and *kilo* one thousand, we see at once that a *dekameter* means 10 meters, *hectometer* 100 meters, *kilometer* 1,000 meters. So with the multiples of gram:

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*S. W. Stratton, Director of Bureau of Standards.

A *dekagram* means 10 grams, *hectogram* 100 grams, and *kilogram* 1,000 grams. So also, when we know that *deci* means one-tenth, *centi* one-hundredth, and *milli* one-thousandth, we see at once that *decimeter* means one-tenth of a meter, *centimeter* one-hundredth of a meter, and *millimeter* one-thousandth of a meter. In a similar manner when we examine the subdivisions of gram we see that a *decigram* means one-tenth of a gram, *centigram* one-hundredth of a gram, *milligram* one-thousandth of a gram, etc.

The foreign words employed need be no bar to the use of the metric system, for they are really not necessary to the system at all—the English equivalents would do as well. It is convenient, however, for many reasons to have some means of expressing all these various denominations in specific words coined for the purpose, although the names are not all of equal importance. As a matter of fact, many of them are seldom used, and a few suffice for ordinary purposes. This greatly simplifies the nomenclature for English-speaking persons.

You will appreciate the point by reference to our monetary system. Our system of coinage provides for eagles, dollars, dimes, cents, and mills; but, as a matter of fact, dollars and cents are sufficient for all ordinary purposes. We do not reckon money by eagles or dimes, and mills are hardly ever alluded to excepting by Congressmen and statisticians.

So, on the metric system, the terms *kilogram* and *gram* are generally sufficient to express weight; and the other terms provided, which Americans find some difficulty in remembering, are really of little importance because so seldom used.

The *meter* and *centimeter* are generally sufficient for ordinary purposes, although *millimeter* is also needed for fine measurements, and *kilometer* for long distance comparable to our mile, though little more than half its length.

The *liter* is necessary also in expressing volumes; but the multiples and subdivisions of it are not much used. These give you what may be called the basal points. It is not really necessary to use the other names, although advisable to possess them in case of need for special purposes.

The Chairman: Just as you would remember pounds and quarts and dollars and cents.

Mr. Bell: Exactly.

The Chairman: When you know the value of anything expressed in one denomination you know it in all, by looking at it.

Mr. Bell: Yes. And you are relieved of the enormous and unnecessary labor of calculation involved in the use of our present measures in merely translating from one denomination of the system to another.

The Chairman: Now, for the purposes of actual measurement, something has been said about the inch being a more convenient unit than the centimeter.

Mr. Bell: I do not see any reason why an inch should be more convenient than a centimeter, excepting that we have become accustomed to it. Usage will familiarize us with the centimeter, and then our judgment will probably be just the other way.

The Chairman: Some of those who oppose the introduction of the metric system say that, so far as its actual use is concerned, there is no difference between the two systems, and others say that the inch is a more convenient unit; that the meter is not a convenient unit. There have been suggestions that it ought to be 40 inches.

Mr. Bell: Is not the fact of the matter this: That anything you are accustomed to is convenient?

The Chairman: Yes; I think so.

OUR FOREIGN COMMERCE WOULD BE HELPED TREMENDOUSLY

Mr. Bell: The metric system is already in extensive use. It has stood the test of a hundred years, and has displaced the older systems in most of the countries of the old world. The metrical units have proved to be very convenient there, and they will be equally convenient to us when we become accustomed to them and use them.

If we employed them, we would have the same system that is in use in most of the foreign countries with which we trade. The trade and commerce of the United States would then be enormously facilitated by reason of the fact of our using the same weights and measures employed by the people with whom we deal.

We cannot expect a Frenchman or an Italian to translate from pounds and ounces into kilograms and grams, etc.—to go through all this drudgery of translation—simply for the purpose of understanding the value of what he buys from us. So, of course, if he can get the things he wants from a country that already uses his own system of weights and measures he will do so in preference to buying from us, and American trade will suffer. In my opinion, the trade and commerce of the United States will be very much promoted by our adoption of that system of weights and measures which alone has any chance of becoming universal—the metric system.

The trade of Great Britain is already suffering from the competition of metric-using countries, and if we also adopt the system it will not be long before she follows our example. Then the metric system will become in fact the international system of the world.

We are better prepared to make the change than the British because we have already become accustomed to a decimal currency, and can therefore appreciate the benefits we derive from the application of the decimal principle to monetary affairs. I am hopeful, therefore, that our people may be made to see by analogy that we would derive similar benefits from the adoption of the decimal principle in our system of weights and measures.

WOULD NEW TOOLS IN OUR WORKSHOPS BE NECESSARY

The Chairman: A good deal has been said on this point: We have been told that if we adopt the metric system it will necessitate the use of new tools and new workshops and thereby become a matter of great expense to our manufacturers.

Mr. Bell: That is a matter for very grave consideration, and I think that the difficulty has been unduly magnified. While of course some of our more enterprising manufacturers would construct new machinery and tools specially adapted for metrical work, it does not necessarily follow that the old machines and tools would not be used for the purpose. The fact is that the change does not necessarily involve any change in tools or machinery at all—or at least not to any great extent. It is a question of arithmetic, not of tools or machinery. You can measure the work or output of the present tools and machinery just as well by the metric system as in the ordinary way. You can express the dimensions and weights of all the parts of the old machines, where required, by the metric system, and though the measurements might not be exact to a fraction of a millimeter or a fraction of a gram, they could be rated at their true metrical value, or at a closely approximated value in exact measure. It is only where very fine and accurate measurements are required that special tools would be needed.

The Chairman: In making a brand-new machine you very often have to have special tools in order to economically manufacture the machine.

Mr. Bell: Yes. Of course the change would lead to the production of tools and machinery specially made for the metric system; but whether these tools are specially for this purpose or not, they can be measured by the metric system.

The Chairman: You mean by that this, do you not, Doctor: That eventually it would come to be that they would manufacture in even metric sizes as they now manufacture in even sizes of the English system?

Mr. Bell: Yes, sir.

The Chairman: But it would not be an impossibility or a very great inconvenience to manufacture by the sizes they already have?

Mr. Bell: No. I mean it would not be necessary to throw away the machinery and tools they now have, because generally you would have a sufficient approximation to some exact metrical measurement for practical purposes. We can approximate say to a sixty-fourth of an inch, or a fraction of a millimeter, which would be near enough to precise figures ordinarily. The old tools and machinery need not be thrown away; they can be used during the transitional period at whatever may be their metrical value. A tool or machine has only a limited life. It may last, say, ten years, and then it must be replaced. After the adoption of the metric system the new machinery made would certainly be constructed to an exact metrical scale. The old machinery, however, so long as it lasted, would be measured by the metrical system, and you would simply rate it at its nearest equivalent in the metric system.

*Mr. Scroggy:** I would like to ask a question in that connection. This bill, you must observe, uses the language that in the transaction of business requiring the use of weight and measurement the government shall employ and use the weights and measures of the metric system. That apparently is mandatory. Now could you suggest to this committee some amendment to that language by which the present tools, the tools now in use for manufacturing machinery that is now being manufactured, could still continue to be used, and at the same time adopt the metric system as contemplated by this bill?

Mr. Bell: I do not think, sir, that this requires any amendment. The bill is only mandatory concerning the system of arithmetic to be used (the metric system), and leaves the question of tools, etc., open. It relates simply and exclusively to a method of measurement: The weights and measures of the metric system shall be used—that is all. It does not prescribe the kind of tools or machinery or limit it in any way.

Mr. Scroggy: Do you think that the language would admit of the use of the present tools?

Mr. Bell: You mean in the government departments?

Mr. Scroggy: Yes.

Mr. Bell: I have not hitherto given that point consideration, but I should think that it would. It simply refers to the measurement of them. Take the present tools and measure them in the metric system.

I thought you referred especially to outside firms undertaking business for the government, and whether they would be required to have new tools and machinery made in undertaking government work. I don't think they would, under the language of the bill. I have no doubt that some enterprising manufacturer would have metrical tools and appliances made for use in government work, though this does not seem to me to be required by the bill. The same remarks apply to the tools and appliances at present in use in the government departments themselves. I can see nothing in the bill to require their abandonment and replacement by tools specially constructed for metrical measurement. The present tools can be measured metrically, which is all that is required by the present bill, so far as I understand it. I do not therefore see why any amendment is required to permit the use of any kind of machinery that may be desired. The bill simply prescribes that in the transaction of business requiring the use of weight and measurement the departments of the government shall use the weights and measures of the metric system. Under this language I take it that you can use anything under the sun if you measure it by the metric system. You can use a pound weight if you please, if you put it down at 454 grams.

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*Thomas E. Scroggy, Representative from Ohio.

The Chairman: It would require the use of metric weights and measures, for instance, in the Treasury Department in determining our imports and things of that kind.

Mr. Bell: Oh, yes.

The Chairman: There would be no difficulty about that, I should think.

Mr. Bell: I don't think there would. Indeed, it might be possible that the labor of the department might be lightened, in fact, for I presume that goods imported from foreign countries employing the metric system are invoiced in the countries of their origin by the metric system, and the Treasury Department, or the importing merchants, at all events, would thus be saved the labor of translating the measures. The work of translation of the department would thus be limited practically to imports from Great Britain and her colonies.

The Chairman: Of course the equivalents of the metric system of weights and measures are enacted into law now.

Mr. Bell: I believe so. I understand that the use of the metric system is already permissible in the United States by law. It is now competent for any one to use it legally who chooses. This bill takes the next step and makes its use mandatory upon the government departments; and of course if you take that step it means that you are going further with legislation in the future and make it mandatory for the whole country.

Mr. Dresser:* Has not there been some objection made on account of land measurements?

The Chairman: The bills formerly introduced here have always contained an exception, and that exception was the government survey; but that work is so nearly completed now that I am told the author of this bill thought it was not worth while to except that from its provisions.

Mr. Bell: Of course there is necessary friction in making the change, but this difficulty only belongs to the transition period.

The Chairman: I suppose there are about three things that the ordinary man or woman—I mean the man who has not any special use for weights and measures, but uses them ordinarily in trade—would have to remember, and that is the liter, the meter, and the kilogram; the liter, one-tenth more than a quart; the meter, one-tenth more than a yard; and the kilogram, one-tenth more than two pounds, about?

Mr. Bell: Yes; that is a very simple way of memorizing the radical points.

A CHANGE WOULD CAUSE NO SERIOUS ANNOYANCE

The Chairman: Do you imagine there will be any serious annoyance, so far as what we call the common people are concerned?

Mr. Bell: I do not anticipate it. We simply have to be bold enough to take the step. All the difficulties lie in the transition period. All the difficulties in the metric system are in translating from one system to the other, but the moment you use the metric system alone there is no difficulty. The workmen in my laboratory used the metrical weights and measures right off. I did not ask them to translate from one system to the other, for that would speedily have developed their limitations of education. I simply asked them to use the metric system, and they did it without difficulty. They now use meters and centimeters and grams and kilograms as if to the manner born, and they are simply common carpenters and mechanics. I consider them as an average sample of the common people. I do not anticipate any difficulty in the use of the metric system by itself; and if the government will lead the way, the change must and will come, and we will be brought into line with the progressive nations of the world, instead of lagging behind.

Mr. Scroggy: Legislating for the future and not for the past generations?

Mr. Bell: Yes, sir. Our forefathers legislated pretty well for the future in the adoption of the Constitution; and, later, Congress did well in abolishing the old system of pounds, shillings, and pence and adopting the decimal system for our money; and we will do well for the future of our country if we provide the metric system for the whole of the United States.

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*Solomon R. Dresser, Representative from Pennsylvania.

Metric Conversion

Plantagenet Palliser harbored an overriding ambition. The hero of Anthony Trollope's political novels of the Victorian era (Palliser becomes Prime Minister and Duke of Omnium in the fifth of the series) hoped to introduce a great monetary reform by which the penny would contain five farthings and the shilling 10 pennies. "It was thought," wrote Trollope, "that if this could be accomplished, the arithmetic of the whole world would be so simplified that henceforward the name of Palliser would be blessed by all schoolboys, clerks, shopkeepers, and financiers. But the difficulties were so great that Mr. Palliser's hair was already grey from toil, and his shoulders, bent by the burden imposed upon them." His assistants, the novelist tells us, "were near to madness under the pressure of the five-farthing penny."

Well, poor Plantagenet Palliser need no longer turn in his grave. Blessed, no doubt, by schoolboys. clerks, shopkeepers and financiers (to say nothing of foreign tourists), the shilling now has 10 pennies and the pound ten shillings. Great Britain, moreover, is well on the way to complete metric conversion of weights and measures as well.

Which is, as American school children must surely know, what George Washington, Thomas Jefferson, James Madison and other founders of this republic advocated at the time Congress passed the Coinage Act in 1792, giving us a neat 100 cents for the dollar. In 1866, Congress made it at least "lawful throughout the United States of America to employ the weights and measures of the metric system." But to this day Congress has refused to simplify "the arithmetic of the whole world," being unwilling to forego the colonial legacy of Britain's old 16 ounces for the pound, two pints for the quart, 12 inches for the foot, and 1,760 yards for the mile. Just the other day, the House once again defeated metric common sense, leaving this country, as Rep. John Anderson (R-Ill.) pointed out, in league only with Trinidad, Tabago, Yemen and less than a dozen other countries which still measure the modern world with ancient yardsticks.

This last defeat of orderly metric conversion, to be sure was only a matter of procedure. Rep. Olin Teague (D-Tex.), whose Science and Astronautics Committee had unanimously favored a voluntary metric conversion plan, maneuvered its defeat rather than pay a huge federal ransom for it. The issue is no longer whether we buy our milk in liters and figure our distances in kilometers. We must inevitably join a metric world. Americans already buy most prescription drugs in grams, build 100-meter Olympic swimming pools, and are beginning to post road signs which tell distances in both miles and kilometers. The issue, as Sen. Claiborn Pell (D-R.I.) put it, is "whether we have costly and chaotic conversion rather than coordinated comprehensive conversion."

Under the defeated House bill, which was similar to the Senate proposal sponsored by Sen. Pell, coordinated and comprehensive conversion is to take place within 10 years. The conversion is to be guided by a National Metric Conversion Board, funded to encourage and assist industry and to educate the public in the use of the metric system. The bill would have let "change-over costs lie where they fall." And this is what organized labor objects to. The AFL–CIO insists that the federal government pay for the new metric tools and for retraining in the metric arithmetic. The labor unions have proposed, for instance, that garage mechanics be paid up to $4,000 for new socket wrenches and measuring tapes, although mechanics repairing foreign cars already use tools that are calibrated in centimeters and milimeters. The building trades demand funds to train apprentices in measuring metered bricks and lumber, although these apprentices seem to have no trouble in figuring that 50 cents equal half a dollar. The claim is that conversion would cost workers and small businesses $40 to $60 billion.

The fact is that over 10 years plumbers, carpenters and such are likely to buy new tools anyway. Most large firms, such as General Motors, Ford, Caterpillar Tractor and others, have either already begun conversion the better to compete in foreign markets, or plan to do so. They are willing to assume the full cost of worker-owned tools. The real fear on the part of labor seems to be that adoption of the metric system will speed the standardization of a good many products and may lead to increased imports of foreign products. The country as a whole, however, should surely welcome a greater measure of industrial standardization (it will make repairs and replacement of parts a great deal easier and less expensive) and favor expansion of world trade.

In short, the attitude of labor toward coordinated, metric conversion reminds us somewhat of the attempts of those legendary French workers who fought the introduction of machines by clogging the wheels with their wooden shoes, or *sabots*. Sabotage, as we all know, did not much delay the march of industrialization which, in turn, raised labor's standard of living. Since we are eventually going to have to join the rest of the world in this matter, in any case, it seems to us only logical to face up to it in a coordinated and comprehensive fashion, as Sen. Pell suggests.

ANALYSIS OF THE LEGAL SERVICES CORPORATION ACT

Mr. TAFT. Mr. President, the Library of Congress has prepared an analysis in chart form of H.R. 7824, the Legal Services Corporation Act, as introduced and supported by the administration; as passed by the House; as passed by the Senate; and as approved by the conference committee.

I believe this comparative analysis would be of great assistance to all of my colleagues and their staffs, as it has been to me, in helping to understand the development of this legislation over this last year and the compromises which led to the final form of this legislation as approved by the conference committee.

The conference bill will be before us in the very near future and I am hopeful that it will be overwhelmingly approved by my colleagues. I ask unanimous consent that this chart be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

COMPARISON OF H.R. 7824

AS INTRODUCED	AS PASSED BY THE HOUSE	AS PASSED BY THE SENATE	AS APPROVED BY THE CONFERENCE
(In the format of a separate Legal Services Corporation Act)	(In the format of a separate Legal Services Corporation Act)	(Adds a new Title X to the Economic Opportunity Act of 1964, as amended.)	(Adds a new Title X to the Economic Opportunity Act of 1964, as amended.)
Legal Services Corporation	Legal Services Corporation	Legal Services Corporation	Legal Services Corporation
Board of Directors	Board of Directors	Board of Directors	Board of Directors
The President appoints the Board of Directors, composed of 11 voting members, by and with the advice and consent of the Senate.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.
No more than 6 of the 11-member Board shall be of the same political party. A majority shall be members of the bar of the highest court of any State. None shall be a full-time employee of the United States.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.
The President selects a chairman from among the voting members to serve for a 1-year term.	Identical to H.R. 7824, as introduced.	The President selects a chairman from among the voting members—to serve for a 3-year term. Thereafter, the Board annually elects a chairman from among its voting members.	Identical to H.R. 7824, as introduced.
A Board member may be removed by a vote of 7 members, only for malfeasance in office or persistent neglect of or inability perform duties.	Identical to H.R. 7824, as introduced.	A Board member may be removed by a vote of 7 members—only for malfeasance in office or persistent neglect of, or inability to discharge duties, or offenses involving moral turpitude.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	No Board member may participate in any decision, action, or recommendation with respect to any matter which directly benefits that member or any firm or organization with which that member is then currently associated.	No Board member may participate in any decision, action, or recommendation with respect to any matter which directly benefits that member or pertains specifically to any firm or organization with which the member is then currently associated or has been associated within a period of 2 years.	Identical to H.R. 7824, as passed by the Senate.
All meetings of the Board, any executive committee of the Board, and advisory councils shall be open to the public—unless, by a ⅔ vote, the membership of the body determines that an executive session should be held on a specific occasion.	Identical to R.R. 7824, as introduced.	All meetings of the Board, any executive committee of the Board, and advisory councils shall be open to the public, and minutes of each public meeting shall be available to the public, unless, by a ⅔ vote, the membership of the body determines that an executive session should be held on a specific occasion.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	The Board shall meet at least 4 times each calendar year.	Identical to H.R. 7824, as passed by the House.	Identical to H.R. 7824, as passed by the House.
Duration of the Corporation	Duration of the Corporation	Duration of the Corporation	Duration of the Corporation
No comparable provision.	"The corporation created under this Act shall be deemed to have fulfilled the purposes and objectives set forth in this Act, and shall be liquidated on June 30, 1978; unless sooner terminated by Act of Congress.	No comparable provision.	No comparable provision.
Advisory Councils	Advisory Councils	Advisory Councils	Advisory Councils
The Board of Directors shall request the governor of each State to appoint a 9-member advisory council for the State.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.
If a governor fails to appoint a State advisory council within 90 days of receiving the Board's request, the Board of Directors shall appoint a State advisory council.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
A majority of each advisory council's members shall be chosen from among lawyers admitted to practice in the State and all members shall be subject to annual reappointment.	Identical to H.R. 7824, as introduced.	A majority of each advisory council's members shall be appointed, after recommendations have been received from the State bar association, from among lawyers admitted to practice in the State and all members shall be subject to annual reappointment.	Identical to H.R. 7824, as passed by the Senate.
Each State advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this Act and applicable rules and regulations.	Each State advisory council shall be charged with notifying the Corporation of any violation of the provisions of this Act and applicable rules, regulations, and guidelines.	Each State advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules and regulations.	Each State advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this Act and applicable rules, regulations and guidlines.
No comparable provision.	The advisory council shall, at the same time, furnish a copy of the notification to any recipient charged with an apparent violation of the title, and the Corporation shall allow the recipient reasonable time to reply to any allegation contained in the notification.	The Corporation shall furnish a copy of the notification to any recipient charged with an apparent violation of the title, and the Corporation shall allow the recipient reasonable time to reply to any allegation contained in the notification.	Identical to H.R. 7824, as passed by the House.
No comparable provision.	No comparable provision.	The Board of Directors shall appoint a National Advisory Council, comprised of 15 members.	No comparable provision.
No comparable provision.	No comparable provision.	The members of the National Advisory Council shall be representative of the organized bar, legal education, legal services project attorneys, the population of eligible clients, and the general public.	No comparable provision.
No comparable provision.	No comparable provision.	The National Advisory Council shall consult with the Board and the President of the Corporation regarding the activities of the Corporation, especially on all rules, regulations and guidelines proposed to be established under this title.	No comparable provision.
Lobbying and political activity	Lobbying and political activity	Lobbying and political activity	Lobbying and political activity
The Corporation shall not undertake to influence the passage or defeat of any legislation by the Congress or by any State or local legislative bodies except that Corporation personnel may testify when formally requested by a legislative body, or one of its committees or members.	Identical to H.R. 7824, as introduced.	The Corporation shall not undertake to influence the passage or defeat of any legislation by the Congress or by any State or local legislative bodies, except that Corporation personnel may testify or make other appropriate communication when formally requested to do so by a legislative body, or one of its committees or members or in connection with legislation or appropriations directly affecting the activities of the Corporation.	Identical to H.R. 7824, as passed by the Senate.
The Corporation shall insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to undertake to influence the passage or defeat of any legislation by the Congress of the U.S., or by any State or local legislative bodies; except that personnel of any recipient may testify when formally requested to do so by a legislative body, a committee, or a member thereof.	The Corporation shall "insure that no funds made available to recipients by the corporation shall be used at any time directly or indirectly to undertake to influence any executive order or similar promulgation by a Federal, State, or local agency, or to undertake to influence the passage or defeat of legislation by the Congress of the United States, or by any State or legislative bodies, except that the personnel of any recipient may (a) testify or make a statement when formally requested to do so by a governmental agency, or by a legislative body or a committee or member thereof, or (b) in the course of providing legal assistance to an eligible client (pursuant to guidelines promulgated by the corporation) make representations necessary to such assistance with respect to any executive order or similar promulgation and testify or make other necessary representations to a local governmental entity."	The Corporation shall insure that no funds made available to recipient programs are used at any time, directly or indirectly, to undertake to influence the passage or defeat of any legislation by the Congress or by any State or local legislative bodies—except where (a) a legislative body, committee or member thereof requests personnel of any recipient to make representations thereto (b) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities.	The Corporation shall insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by Congress or any State or local legislative bodies, except where— (A) representation by an attorney as an attorney is necessary to the provision of legal advice and representation with respect to his client's legal rights and responsibilities. (This shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons, as distinguished from acting on behalf of any particular client); or (B) a governmental agency, legislative body, committee, or a member thereof requests personnel of any recipient to make representations to their organization.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
The Corporation and any of its recipients shall not contribute corporate funds, program personnel or equipment for use in advocating or opposing any legislative proposals, ballot measures, initiatives, referendums, executive orders, or similar enactments or promulgations.	"Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, referendums, or similar measures."	Neither the Corporation nor any recipient program shall contribute or make available corporate funds, program personnel, or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums, except as necessary to the provision of legal advice and representation by attorneys as attorneys to their eligible clients with respect to such clients' legal rights and responsibilities.	The Corporation and any of its recipients shall not contribute corporate funds, program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as any attorney to any eligible client with respect to the client's legal rights.
No comparable provision.	No comparable provision.	No class action suits may be undertaken, directly or through others by a legal services attorney, except with the express approval of a project director in accordance with policies established by the governing body of the project.	Identical to H.R. 7824, as passed by the Senate.
The Corporation shall insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from— (1) any political activity; or (2) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal representation) in civil or administrative proceedings; or (3) any voter registration activity (other than legal representation). The Corporation shall insure that attorneys receiving a majority of their annual professional income from legal assistance activities supported in whole or in part by the Corporation refrain from the above enumerated activities *at any time*.	The Corporation shall, in accordance with the Canons and Code of the ABA, insure: (a) that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from: (1) any political activity; (2) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election other than legal representation in civil or administrative proceedings; (3) any voter registration activity (other than legal representation). The Corporation shall insure that all attorneys receiving more than one-half of their annual professional income from legal assistance activities supported in whole or in part by the corporation refrain at any time during the period for which such compensation is received from the activities described in clauses (2) and (3) and from taking an active part in partisan or nonpartisan political management or in partisan or nonpartisan political campaigns.	The Corporation shall insure: that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation, refrain, while so engaged, from: (1) any political activity associated with a political party or a candidate for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election; or (3) any voter registration activity; except as necessary to the provision of legal advice and representation by an attorney as an attorney for any eligible clients with respect to such clients' legal rights and responsibilities; and The Corporation shall insure that all staff attorneys refrain, at any time, from identifying the Corporation or a recipient program with any partisan or nonpartisan political activity associated with a political party or a candidate for public office.	The Corporation shall insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—(A) any political activity, or (B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or (C) any voter registration activity (other than legal advice and representation). The Corporation shall insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from transportation and registration of voters, and from political activities prohibited by the Hatch Act, whether partisan or nonpartisan.
No funds made available by the Corporation, either by grant or contract, may be used for any of the political activities described directly above.	Identical to H.R. 7824, as introduced	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.
The Corporation shall insure that Corporation and recipient program employees receiving a majority of their annual professional income from legal assistance under this act refrain from participation in, and encouragement of others to participate in, any of the following activities: (1) rioting, civil disturbance, picketing, boycott, or strike; (2) any form of activity which is in violation of an outstanding injunction of any Federal, State, or local court; or (3) any illegal activity.	"The Corporation shall ensure that its employees and employees of recipients, which employees receive a majority of their annual professional income from legal assistance under this Act, shall, while engaged in activities carried on by the Corporation or by a recipient, refrain from participation in, and refrain from encouragement of others to participate in any picketing, boycott, or strike, and shall at all times during the period of their employment refrain from encouragement of others to participate in: (a) rioting or civil disturbance; (b) any form of activity which is in violation of an outstanding injunction of any Federal, State, or local court; or (c) any illegal activity."	The Corporation shall insure that: (1) no Corporation or recipient program employee shall, while carrying out legal assistance activities under this title, engage in (except as permitted by law in connection with employee's own employment situation), or encourage others to engage in, any public demonstration, picketing, boycott, or strike; and (2) no Corporation or recipient program employee shall at any time engage in, or encourage others to engage in, any of the following activities: (a) any rioting or civil disturbance (b) any form of activity which is in violation of an outstanding injunction of any court of competent jurisdiction or (c) any other illegal activity, or any activity to provide voters with transportation to the polls or provide similar assistance in connection with an election; or any voter registration activity except as necessary to the provision of legal	The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with his own employment situation), while carrying out legal assistance activities under this title, shall engage in, or encourage others to engage in, any public demonstration or picketing, boycott, or strike; and (B) no employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity, including transportation or registration of voters.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
		advice and representation by an attorney as an attorney for any eligible clients with respect to such legal rights and responsibilities.	
No comparable provision.	No comparable provision.	Employees of the Corporation or its recipients shall at no time engage in, or encourage others to engage in, identifying the Corporation or any recipient with any political activity associated with a political party or candidate for public or party office.	Employees of the Corporation or its recipients shall at no time intentionally identify the Corporation or its recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.
The Board of Directors, within 90 days of this act's enactment, shall issue rules and regulations to provide for the enforcement of the illegal activity limitations mentioned above. These rules shall include provisions for termination or summary suspension of legal assistance under this act, and suspension or termination of compensation to an employee of the Corporation or an employee of any recipient program.	The Board of Directors, within 90 days of this Act's enactment, shall issue guidelines to provide for the enforcement of the illegal activity limitations mentioned above. These guidelines shall include criteria which shall be used by recipient programs in any action by them for the suspension or termination of their employees for violations of the illegal activity provisions mentioned above.	The Board of Directors, within 90 days of the date of its first meeting, shall issue rules and regulations to provide for the enforcement of the illegal activity limitations mentioned above. These rules shall include, among available remedies, provisions for the suspension of legal assistance under this title, suspension of an employee of the Corporation or of an employee of any recipient by the recipient, and after other remedial measures have been exhausted, the termination of assistance or employment, as deemed appropriate for the violation in question.	The Board of Directors, within 90 days after its first meeting, shall issue rules and regulations to provide for the enforcement of the above prohibitions, as well as the enforcement of prohibitions relating to attempts to influence legislation. Available remedies shall include suspension of legal assistance supported under this title, suspension of an employee of the Corporation or of any employee of any recipient, and, after consideration of other remedial measures and after a hearing, the termination of assistance or employment.
The Corporation and its recipients shall not contribute or make available corporate funds or program personnel or equipment to any political party, political association or candidate for elective office.	Identical to H.R. 7824 as introduced.	The Corporation and its recipients shall not contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.	Identical to H.R. 7824, as passed by the Senate.
No funds made available by the Corporation, either by grant or contract, may be used to support or conduct training programs for the advocacy of, as distinguished from the dissemination of information about, particular public policies, or which encourage political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations. No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used to support or conduct training programs for the advocacy of, as distinguished for the dissemination of information about, particular public policies, or which encourage political activities, labor or antilabor activities, boycotts, picketing, strikes, demonstrations. This provision shall not be construed to prohibit the training of attorneys necessary to prepare them to provide adequate legal assistance to eligible clients.	No funds made available by the Corporation, either by grant or contract, may be used to support or conduct training programs for the purpose of (1) advocating, as distinguished from the dissemination of information about particular public policies or (2) encouraging political activities, labor or antilabor activities, and any illegal boycotts, picketing, strikes, and demonstrations (except that, for the purposes of this title, encouraging does not include the rendering of legal advice and representation to eligible clients by an attorney as an attorney with respect to the clients' legal rights and responsibilities).	No funds made available by the Corporation, either by grant or contract, may be used to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or anti-labor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about these policies or activities. This provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients.
No funds made available by the Corporation, either by grant or contract, may be used to organize, to assist to organize, or plan for, the creation or formation of, or structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity except as authorized by the Corporation.	No funds made available by the Corporation, either by grant or contract, may be used to organize, to assist to organize, or plan for, the creation of, formation of, or the structuring of, any organization, association, coalition, alliance, federation, or any similar entity—except for the provision of appropriate legal assistance in accordance with Corporation guidelines.	No funds made available by the Corporation, either by grant or contract, may be used to organize, to assist to organize, or plan for, the creation or formation of, or structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity—except for the rendering of legal advice and representation to eligible clients by an attorney as an attorney with respect to the clients' legal rights and responsibilities.	Identical to H.R. 7824, as passed by the House.
Criminal representation	Criminal representation	Criminal representation	Criminal representation
No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to a criminal proceeding or incarceration for a crime.	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to any criminal proceeding or (3) in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failure	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to a criminal proceeding.	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
	to act connected with the criminal conviction and is brought against an officer of the court or a law enforcement official.		of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction.
Fee generating cases No comparable provision.	Fee generating cases No funds made available by the Corporation, either by grants or contract, may be used to provide legal assistance with respect to any fee-generating cases (except in accordance with Corporation guidelines).	Fee generating cases No comparable provision.	Fee generating cases Identical to H.R. 7824 as passed by the House.
Outside practice of law The Corporation shall insure that attorneys employed full-time in legal assistance activities supported in whole or in part by the Corporation represent only eligible clients and refrain from any outside practice of law.	Outside practice of law Identical to H.R. 7824, as introduced.	Outside practice of law The Corporation shall insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (1) any outside practice of law for compensation, and (3) engaging in uncompensated outside practice of law except as deemed appropriate in guidelines promulgated by the Corporation.	Outside practice of law Identical to H.R. 7824, as passed by the Senate.
Incitement of litigation No comparable provision.	Incitement of litigation (Sec. 7(a)(9)) The Corporation shall "insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation or any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association.	Incitement of litigation No comparable provision.	Incitement of litigation The Corporation shall insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the ABA Canons and Code.
No comparable provision.	"The Corporation shall insure that such attorneys refrain from personal representation for a private fee for a period of two years any cases which are first presented to them while engaged in such legal assistance activities."	No comparable provision.	The Corporation shall insure that Corporation-supported attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in legal assistance activities supported by the Corporation.
Public interest law firms No funds made available by the Corporation, either by grant or contract, may be used to award grants or enter into contracts with any public interest law firm which expends any resources and time litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both.	Public interest law firms "No funds made available by the Corporation under this Act, either by grant or contract, may be used to award grants or to enter into contracts with any private firm which expends 50 per centum or more of its resources and time litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both;"	Public interest law firms No funds made available by the Corporation, either by grant or contract, may be used to award grants or enter into contracts with any public interest law firm which expends 50% or more of its resources and time litigating issues in the broad interests of a majority of the public.	Public interest law firms No funds made available by the Corporation, either by grant or contract, may be used to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public.
Notification prior to approval of a grant or contract At least 30 days prior to approval of any grant application or prior to entering into a contract, the Corporation shall notify the governor and the State Bar Association of the State in which the recipient program will offer legal assistance. Notification shall include a reasonable description of the grant application or proposed contract and a request of their comments and recommendations.	Notification prior to approval of a grant or contract Identical to H.R. 7824, as introduced.	Notification prior to approval of a grant or contract At least 30 days prior to approval of any grant application or prior to entering into a contract, or prior to the Corporation's initiation of any other project, the Corporation shall announce publicly, and notify the Governor and the State bar association of any State where legal assistance will be initiated, of the grant, contract, or project. Notification shall include a reasonable description of the grant application or proposed contract or project and request comments and recommendations.	Notification prior to approval of a grant or contract Identical to H.R. 7824, as passed by the Senate.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
Approval of grants or contracts	Approval of grants or contracts	Approval of grants or contracts	Approval of grants or contracts
Grants and contracts shall be made or entered into by the president in the name of the Corporation, but the Board of Directors may by rule establish classes of grants or contracts to be reviewed and approved by it prior to such action by the Corporation president.	Grants and contracts shall be made or entered into by the president of the Corporation, but the Board of Directors shall review and approve any grant or contract with a State or local government prior to action by the president and may, by rule, establish other classes of grants or contracts to be reviewed and approved prior to such action by the Corporation president.	Grants and contracts shall be made or entered into by the president of the Corporation.	Identical to H.R. 7824, as passed by the Senate.
Review of appeals	Review of appeals	Review of appeals	Review of appeals
The Corporation shall establish guidelines for a system for review of appeals to insure the efficient utilization of resources and to prevent the taking of frivolous and duplicative appeals.	The Corporation shall, in accordance with the Canons and Code of the ABA, establish guidelines for consideration of possible appeals to be implemented by each recipient program to insure the efficient utilization of resources. Such guidelines shall in no way interfere with the attorney's responsibilities.	The Corporation shall require recipient programs to establish guidelines for a system for review of appeals to insure the efficient utilization of resources and to avoid frivolous appeals.	The Corporation shall require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resources and to avoid frivolous appeals (except that these guidelines or regulations shall in no way interfere with attorneys' professional responsibilities).
Governing boards of recipient programs	Governing boards of recipient programs	Governing boards of recipient programs	Governing boards of recipient programs
In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal services to eligible clients is governed by a body consisting of a majority of lawyers who are members of the bar of the State in which the legal services are to be provided.	"In making grants or entering into contracts for legal assistance, the Corporation shall assure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least two-thirds of which consists of lawyers who are members of the bar of a State in which the legal assistance is to be provided (except pursuant to regulations issued by the Corporation which allow a waiver of this requirement for recipients which because of the nature of the population they serve are unable to comply with such requirement); such lawyers shall not, while serving on such body, receive compensation from a recipient or from the Corporation for any other service."	In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body consisting of a majority of lawyers who are members of the bar of the State in which the legal assistance is to be provided and an appropriate number of eligible clients. The Corporation shall, upon application, grant waivers to permit a legal services program which (on the date of enactment of this title) has a majority of non-lawyers on its policy-making board to continue its non-lawyer majority. The Corporation may grant a waiver of the requirement for a majority of lawyers to other recipient programs for cause shown. Members of the governing boards of recipient programs shall not receive compensation from the recipient program while serving on the governing board.	In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the State bar. The Corporation shall, upon application, grant waivers to permit a legal services program supported by OEO with a majority of non-attorney board members to continue under the provision of this title. The Corporation may grant a waiver to recipients which, because of the nature of the population they serve, are unable to comply with this requirement. Any attorney, while serving on the board, shall not receive compensation from a recipient. The governing body shall include at least one individual eligible to receive legal assistance under this title.
Independence of the attorney	Independence of the attorney	Independence of the attorney	Independence of the attorney
The Corporation shall insure the maintenance of the highest quality of service and professional standards, adherence to the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.	Identical to H.R. 7824, as introduced.
The Corporation shall not interfere with any attorney in carrying out his professional responsibility to his client or abrogate the authority of a State to enforce the applicable standards of professional responsibility which apply to the attorney.	Identical to H.R. 7824, as introduced.	The Corporation shall not interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in the jurisdiction.	The Corporation shall not interfere with any attorney in carrying out his professional responsibilities to his client as established in the ABA's Code and Canons. The Corporation shall not abrogate as to attorneys in recipient programs the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in the jurisdiction. The Corporation shall insure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
Eligibility determination and fee schedules	Eligibility determination and fee schedules	Eligibility determination and fee schedules	Eligibility determination and fee schedules
The Corporation shall establish that an individual shall be eligible for legal assistance under this act if his annualized gross income is less than 200% of the poverty level as defined by the OMB, except that no individual, capable of gainful employment, shall be eligible if his lack of gross income results from his refusal or unwillingness to seek or accept employment.	The Corporation shall establish maximum income levels for those eligible for legal assistance under this Act. These maximum income levels shall take into account family size and urban and rural differences and be established in consultation with the Director of the OMB. The Corporation shall also establish guidelines to insure that eligibility of clients will be determined by recipient programs on the basis of factors including: (1) client's assets and income levels; (2) fixed debts, medical expenses, and other factors affecting the client's ability to pay; (3) size of the client's family; (4) cost of living in the locality; and (5) such other factors as relate to the financial inability to afford legal assistance. . . . "no individual, capable of gainful employment, shall be eligible for the receipt of legal assistance if his lack of income results from his refusal or unwillingness, without good cause, to seek or accept employment;"	The Corporation, consistent with attorneys' professional responsibilities, shall establish maximum income levels for individuals eligible for legal assistance under this title. These maximum income levels shall take into account family size, urban and rural differences, and substantial cost-of-living variations and be established in consultation with the Director of the OMB and State governors. The Corporation shall also establish guidelines to insure that eligibility of clients will be determined by recipient programs in accordance with appropriate factors related to financial inability to afford legal assistance, which may include among other factors evidence of a prior determination that a lack of income results from a refusal, without good cause, to seek or accept an employment situation commensurate with an individual's health, age, education, and ability.	The Corporation shall establish, in consultation with the Director of OMB and State Governors, maximum income levels for individuals eligible for legal assistance under this title. The maximum income levels shall take into account family size, urban and rural differences, and substantial cost-of-living variations. The Corporation shall establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include— (i) the liquid assets and income level of the client (ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay (iii) the cost of living in the locality, and (iv) other factors that relate to financial inability to afford legal assistance. An individual shall be ineligible for assistance if his lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation.
No comparable provision.	In addition, the Corporation shall establish priorities to insure that those least able to afford legal assistance are given preference in furnishing of assistance.	Identical to H.R. 7824, as passed by the House.	Identical to H.R. 7824, as passed by the House.
The Corporation shall establish a schedule of fees which will require the client, if able, to pay at least a portion of the cost of legal assistance.	No comparable provision.	No comparable provision.	No comparable provision.
The Corporation shall insure that grants are made and contracts are entered into so as to provide adequate legal assistance to persons in both urban and rural areas.	Identical to H.R. 7824, as introduced.	The Corporation shall insure that grants are made and contracts entered into so as to provide the most economical, effective, and comprehensive delivery of legal assistance to persons in both urban and rural areas, and to assure equitable services to the significant segments of the population of eligible clients (including handicapped individuals, the elderly poor, Indians, and migrant or seasonal farmworkers and others with special needs.	The Corporation shall insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas.
No comparable provision.	No comparable provision.	In areas where significant numbers of eligible clients speak as their predominant language a language other than English, the Corporation shall insure that their predominant language is used in the provision of legal assistance to them under this title.	Identical to H.R. 7824, as passed by the Senate.
No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance under this act to any person of less than 18 years of age without formal written consent of one of the person's parents or guardians, except that if a person less than 18 has no parent or guardian, an attorney compensated under this act may represent such person for the purpose of petitioning the court to request appointment of a guardian *ad litem*, with the written consent of a guardian *ad litem* necessary for continued provision of such legal assistance.	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance under this Act to any person under eighteen years of age without the written request of one of such person's parents or guardians or any court of competent jurisdiction except in child abuse cases, custody proceedings, and PINS proceedings;"	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance under this title to any unemancipated person of less than 18 years of age, except: (1) with the written request of one of his parents or guardians (2) upon the request of any court of competent jurisdiction (3) in child abuse cases, custody proceedings, PINS proceedings and cases involving the institution of, continuation or conditions of institutionalization, or (4) where necessary for the protection of the person for the purpose of securing, or preventing the loss of, benefits or services to which the person is legally entitled; or	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance under this title to any unemancipated person of less than 18 years of age, except (A) with the written request of one of the person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of the person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
		(5) in other cases pursuant to criteria which the Board shall prescribe for the purpose of insuring adequate legal assistance for persons under 18 years of age.	the child's parent or guardian as a defendant or respondent.
Desegregation of schools	Desegregation of schools	Desegregation of schools	Desegregation of schools
No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any school or school system;"	No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system.
No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any institution of higher education;"	No comparable provision.	No comparable provision.
Litigation relating to abortion	Litigation relating to abortion	Litigation relating to abortion	Litigation relating to abortion
No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, contrary to the religious beliefs or moral convictions of such individual or institution;"	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance with respect to any proceeding or litigation which seeks to procure an abortion unless the abortion is necessary to save the life of the mother, or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of the individual or institution.	No funds made available by the Corporation, either by grant or contract, may be used to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of the individual or institution.
Litigation relating to Selective Service	Litigation relating to Selective Service	Litigation relating to Selective Service	Litigation relating to Selective Service
No comparable provision.	No funds made available by the Corporation, either by grant or contract, may be used "to provide legal assistance under this Act with respect to any matter arising out of a violation of the Selective Service Act or of desertion from the Armed Forces of the United States."	Identical to H.R. 7824 as passed by the House.	Identical to H.R. 7824, as passed by the House.
No comparable provision.	(Sec. 12(d)) "No assistance shall be given to indigent, abandoned Watergate defendants."	No comparable provision.	No comparable provision.
Qualifications of attorneys	Qualifications of attorneys	Qualifications of attorneys	Qualifications of attorneys
No attorney shall receive compensation, either directly or indirectly, for the provision of legal assistance under this act, unless such attorney is admitted to practice law in the State where the rendering of such assistance is initiated.	No attorney shall receive compensation, either directly or indirectly, for the provision of legal assistance under this Act, unless such attorney is authorized to practice law in the State where the rendering of such assistance is initiated.	No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless he is admitted or otherwise authorized by law, rule, or regulation to practice law or provide legal assistance in the jurisdiction where the assistance is initiated.	No attorney shall receive compensation, either directly or indirectly, for the provision of legal assistance under this title, unless the attorney is admitted or otherwise authorized to practice law or authorized to provide legal assistance in the jurisdiction where the assistance is initiated.
Recommendations of local bar	Recommendations of local bar	Recommendations of local bar	Recommendations of local bar
No comparable provision.	The Corporation shall "insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this Act and give preference in filling such positions to qualified persons who reside in the community to be served;"	No comparable provision.	Identical to H.R. 7824, as passed by the House.
Alternative methods of legal assistance	Alternative methods of legal assistance	Alternative methods of legal assistance	Alternative methods of legal assistance
The Corporation shall conduct a study of alternative methods of delivery of legal services to eligible clients including judicare, vouchers, prepaid legal insurance,	Identical to H.R. 7824 as introduced.	The Corporation shall provide for a comprehensive, independent study of the existing staff attorney program under this Act and, through the use of appro-	Identical to H.R. 7824, as passed by the Senate.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
and contracts with law firms, and shall make recommendations to the President and the Congress on or before June 30, 1974, concerning improvements, changes, or alternative methods for delivery of such systems.		priate demonstration projects, alternative and supplemental methods of providing legal services to eligible clients including judicare, vouchers, prepaid legal insurance, and contracts with law firms. The Corporation shall make recommendations to the President and the Congress not later than 2 years after the first meeting of the Board of Directors, concerning improvements, changes, or alternative methods for the economical and effective delivery of legal services.	
Notice prior to issuing rules, regulations, and guidelines	Notice prior to issuing rules, regulations, and guidelines	Notice prior to issuing rules, regulations, and guidelines	Notice prior to issuing rules, regulations, and guidelines
No comparable provisions.	The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines. The Corporation shall publish all bylaws, rules, regulations, and guidelines in the Federal Register on a timely basis.	The Corporation shall afford notice and reasonable opportunity for comment to interested persons prior to issuing rules, regulations, and guidelines. The Corporation shall publish all proposed rules, regulations, guidelines, instructions and application forms issued in the Federal Register at least 30 days prior to their effective date.	Identical to H.R. 7824, as passed by the Senate.
Transition provisions	Transition provisions	Transition provisions	Transition provisions
No comparable provision.	No comparable provision.	OEO shall take action as may be necessary, in cooperation with the Corporation, to arrange for the orderly continuation by the Corporation of financial assistance to legal services programs assisted under any provision of the Economic Opportunity Act.	OEO or any successor authority shall take action as may be necessary, in cooperation with the Corporation, to assist the Corporation in preparing to undertake its responsibilities under the title. This action may include the provision of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation.
No comparable provision.	No comparable provision.	Whenever OEO determines that an obligation to provide financial assistance for legal services will extend beyond 6 months after the date of enactment of this Act, it shall include, in the grant or contract, provisions to assure that the obligation to provide assistance may be assumed by the Corporation—subject to modifications of the terms and conditions as the Corporation determines to be necessary.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	No comparable provision.	Personnel transferred to the Corporation (with certain exceptions) shall be transferred in accordance with applicable laws and regulations and shall not be reduced in classification or compensation for 1 year after transfer, except for cause.	Personnel transferred to the Corporation from OEO or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for 1 year after transfer, except for cause.
No comparable provision.	No comparable provision.	OEO shall take whatever action is necessary and reasonable to seek suitable employment for personnel who would otherwise be transferred to the Corporation, but who do not wish to transfer to the Corporation.	The Director of OEO or the head of any successor authority shall take action to seek suitable employment for personnel who do not transfer to the Corporation.
No comparable provision.	No comparable provision.	Collective bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of the agreements, or until mutually modified by the parties.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	No comparable provision.	The Corporation shall insure maximum utilization of the expertise and facilities of organizations presently specializing in the delivery of legal services to the community of eligible clients.	No comparable provision.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
No comparable provision.	Effective July 1, 1973, or the date of enactment of this Act (whichever is later), the Secretary of HEW shall take necessary actions (including the provision of financial assistance and the furnishing of services and facilities): (1) to assist the Corporation in preparing to undertake, and in the initial undertaking of, its responsibilities under this Act; and (2) to assist recipient programs in the provision of legal assistance until 90 days after the first meeting of the Corporation's Board of Directors.	The Director of OEO and the president of the legal services corporation shall take action to arrange for the orderly continuation of financial assistance to legal services programs assisted by OEO.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	Effective July 1, 1973, or the date of enactment of this Act (whichever is later), all OEO rights to legal services programs' property, and all assets, liabilities, property, and records held or used by OEO in connection with legal services programs shall be transferred to the Secretary of HEW—until 90 days after the first meeting of the Corporation's Board of Directors. Thereafter, they shall be the property of the Corporation.	Notwithstanding any other provision of law, effective 90 days after the date of the first meeting of the Board of Directors, all rights of the OEO to capital equipment in possession of legal services programs shall become the property of the Corporation.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	The first meeting of the Board of Directors is to occur following the appointment and qualification of at least 6 members.	Effective 90 days after the Board's first meeting, all personnel (except "personnel under schedule A of the excepted service"), assets, liabilities, property, and records and obligations employed, held, or used in connection with the OEO legal services program shall be transferred to the Corporation.	Effective 90 days after the Board's first meeting, all assets, liabilities, obligations, property, and records employed, held or used in connection with the OEO legal services programs shall be transferred to the Corporation.
No comparable provision.	The current legislative authorization for the OEO Legal Services Program (Sec. 222(a)(3) of the Economic Opportunity Act) is repealed—effective 90 days after the first meeting of the Board of Directors.	Identical to H.R. 7824, as passed by the House.	Identical to H.R. 7824, as passed by the House.
No comparable provision.	The interim authority of the Secretary of HEW over the Legal Services Program is terminated—effective 90 days after the first meeting of the Board of Directors.	No comparable provision.	No comparable provision.
No comparable provision.	Such sums as may be necessary to carry out the interim authority of the Secretary of HEW are authorized to be appropriated for FY 1974.	The Director of OEO shall make funds available to meet the organizational and administrative expenses of the corporation, out of appropriations available to him for the fiscal year in which this Act is enacted. Within 90 days after the first meeting of the Board, the director of OEO shall transfer to the Corporation all unexpended funds appropriated to OEO for legal services activities.	Identical to H.R. 7824, as passed by the Senate.
No comparable provision.	No comparable provision.	The President may direct that particular support functions of the Federal Government, such as the General Services Administration, the Federal telecommunications system, and other facilities, be utilized by the Corporation or its recipients to the extent not inconsistent with other applicable law.	The President may direct that appropriate support functions of the Federal government may be made available to the corporation in carrying out its activities to the extent not inconsistent with other applicable law.
Court fees	Court fees	Court fees	Court fees
No comparable provision.	"If an action is commenced by the Corporation or by a recipient and a final judgment is rendered in favor of the defendant and against the Corporation's or recipient's plaintiff, the court may	No comparable provision.	If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may,

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
	upon proper motion by the defendant award reasonable costs and legal fees incurred by the defendant in defense of the action, and such costs shall be directly paid by the Corporation."		upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order awarding reasonable costs and legal fees incurred by the defendant in defense of the action. (This order shall be appealable before being made final.) Any resulting costs and fees shall be directly paid by the Corporation. This action may not be taken when in contravention of a State law, a rule of court, or a statute of general applicability.
Authorization	Authorization	Authorization	Authorization
Authorizes to be appropriated such sums as may be necessary to carry out the activities of the Corporation. The first appropriation may be made available to the Board of Directors at any time after 6 or more members have been appointed and qualified.	Identical to H.R. 7824, as introduced.	Authorizes to be appropriated for the purpose of carrying out the activities of the Corporation $71.5 million for FY 1974, $90 million for FY 1975, and $100 million for FY 1976. The first appropriation may be made available to the Corporation at any time afer 6 or more members have been appointed and qualified.	Authorizes to be appropriated $90 million for FY 1975, $100 million for FY 1976, and such sums as may be necessary for FY 1977 to carry out the activities of the Corporation. The first appropriation may be made available to the Corporation at any time after 6 or more members of the Board have been appointed and qualified.
Subsequent appropriations shall be for 3-year periods or such other periods as the appropriations acts may designate. If for more than 1 year, these appropriations are to be paid in annual installments.	No comparable provision.	Subsequent appropriations shall be for not more than 2 fiscal years, and, if for more than 1 year shall be paid to the Corporation in annual installments at the beginning of each fiscal year.	Subsequent appropriations shall be for not more than 2 fiscal years. If for more than 1 year, these appropriations are to be paid in annual installments.
No comparable provision.	"Funds appropriated pursuant to this section shall remain available until expended."	Identical to H.R. 7824, as passed by the House.	Identical to H.R. 7824, as passed by the House.
Non-Federal funds	Non-Federal funds	Non-Federal funds	Non-Federal funds
Where monies are received by the Corporation or any recipient from funds not made available by the Corporation, they shall not be comingled with funds derived from appropriations under this act.	"Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds, but shall not be expended by recipients for any purpose prohibited by this Act (except that this provision shall not be construed in such a manner as to make it impossible to contract or make other arrangements with private attorneys or private law firms, or with legal aid societies which have separate public defender programs, for rendering legal assistance to eligible clients under this Act)."	Funds received by the Corporation from a source other than appropriations acts, or by any recipient from any source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.	Non-Federal funds received by the Corporation, and funds received by recipients from a source other than the Corporation, shall be kept separate and distinct from Federal funds. These funds shall not be expended for purposes prohibited under this title. This provision shall not prevent recipients from receiving other public funds or tribal funds and expending them in accordance with the purposes for which they are provided. Nor shall it prevent contracting with private attorneys, private law firms, other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients.
Monitoring, evaluation and range of Corporation activities	Monitoring, evaluation and range of Corporation activities	Monitoring, evaluation and range of Corporation activities	Monitoring, evaluation and range of Corporation activities
The Corporation shall monitor and evaluate programs supported in whole or in part under this Act to insure that the provisions of this Act, the Corporation bylaws, and applicable rules, regulations, and guidelines under this Act are carried out.	Identical to H.R. 7824, as introduced.	The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the bylaws of the Corporation and applicable rules, regulations, and guidelines are carried out.	Identical to H.R. 7824, as passed by the Senate.
The Corporation is authorized to make grants to, and to contract with, individuals, partnerships, firms, organizations, corporations, State and local governments and other appropriate entities for the purpose of providing legal assistance to eligible clients.	The Corporation is authorized to make grants to or contract with individuals, partnerships, firms, organizations, corporations, State and local governments, and other appropriate entities for the purpose of providing legal assistance; and	The Corporation is authorized to: (1) provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to, and to contract with— (i) individuals, partnerships, firms, nonprofit organizations, and corporations, and	The Corporation is authorized to provide financial assistance to qualified programs furnishing legal assistance to eligible clients. The Corporation is further authorized to make grants and contracts with individuals, partnerships, firms, corporations, and nonprofit organizations, and State and local governments for

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
		(ii) State and local governments (only upon an application by an appropriate State or local agency or institution)[1] for the purpose of providing legal assistance to eligible clients under this title; and (2) make other contracts and grants as are necessary to carry out the purposes and provisions of this title.	the purpose of providing legal assistance to eligible clients under this title. (Grants to State and local governments can be made only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made will provide services which will not be provided adequately through nongovernmental arrangements.) The Corporation is also authorized to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title.
The Corporation is authorized to undertake, either directly or by grant or contract, research, training and technical assistance, and information clearinghouse activities.	The Corporation is authorized to undertake research, training and technical assistance, and information clearinghouse activities, directly and not by grant or contract.	The Corporation is authorized to provide, either directly or by grant or contract, for research, recruitment, training and a clearinghouse for information, relating to the delivery of legal assistance under this title, and for technical assistance to programs providing legal assistance to eligible clients.	The Corporation is authorized to provide, either directly or by grant or contract, for research, training and technical assistance, and information clearinghouse activities. The Corporation's authority to conduct research shall terminate on January 1, 1976. During the period from June 30, 1975, to January 1, 1976, the Congress may, by concurrent resolution, act with respect to the duration of authority to conduct research. If Congress has failed to take such action, the authority to conduct research shall automatically be extended until January 1, 1977. The Corporation shall conduct a study of the efficiency of using grants or contracts for research activities as opposed to direct provision for such research by the Corporation. The Corporation shall report its findings to Congress and the President no later than June 30, 1975.
Tax-exempt status	Tax-exempt status	Tax-exempt status	Tax-exempt status
No comparable provision.	The Corporation and legal service programs assisted by the Corporation shall be eligible to be treated as a tax-exempt organization under the Internal Revenue Code.	No comparable provision.	Identical to H.R. 7824, as passed by the House.
	If tax-exempt treatment is conferred, the Corporation and legal services programs assisted by the Corporation shall be subject to all provisions of the Internal Revenue Code relevant to the conduct of organizations exempt from taxation.		Identical to H.R. 7824, as passed by the House.
Prohibition of Federal control	Prohibition of Federal control	Prohibition of Federal control	Prohibition of Federal control
No comparable provision.	No comparable provision.	Nothing contained in this title shall be deemed to authorize any department, agency, officer or employee of the U.S. or the District of Columbia to exercise any control with respect to the Corporation, any grantee or contractor, or any employee thereof, to the bylaws, rules, regulations or guidelines of the Corporation, to staff attorneys, or to eligible clients.	No comparable provision.

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[1] Upon a special finding of the Board of Directors that a governmental recipient would provide supplemental assistance not adequately provided by non-governmental recipients and in a manner not inconsistent with an attorney's responsibilities.

COMPARISON OF H.R. 7824—Continued

AS INTRODUCED—continued	AS PASSED BY THE HOUSE—cont.	AS PASSED BY THE SENATE—cont.	AS APPROVED BY THE CONFERENCE—continued
No comparable provision.	No comparable provision.	Nothing in this section shall be construed as limiting the authority of the OMB to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to Congress.	No comparable provision.
Enforcement of provisions	Enforcement of provisions	Enforcement of provisions	Enforcement of provisions
Any interested person may bring an action in a Federal District Court to enforce compliance with the prohibitions of or under this act by the Corporation, any recipient program, or any officer or employee of the Corporation or any recipient program. If this action results in a final judgment rendered in favor of the plaintiff for costs and legal fees.	No comparable provision.	No comparable provision.	No comparable provision.

THE CONSTITUTIONAL AMENDMENT PROPOSAL BY SENATOR CARL CURTIS

Mr. HRUSKA. Mr. President, on Monday of this week my distinguished colleague from Nebraska, Senator CURTIS, addressed himself to this body on the subject of income taxes. He did so in the light especially of the presence in the current discussions about reducing taxes.

He addressed the Senate also on behalf of his proposed constitutional amendment, Senate Joint Resolution 142. This proposal would compel the Government to live within its means. It "would impose a mandatory automatic surtax every year in order to bring about a balanced budget. It would work automatically. It would be beyond the reach of the politicians to thwart."

My colleague is to be highly commended for the courageous statement of economic, fiscal and monetary facts which he declares. Some of his statements are as inescapable as they are inflexible. For example—

> To reduce taxes by increasing the national debt, in the absence of some extreme and grave national emergency is not only a deception, but a cruel deception. The key to relief for American economy and the American taxpayers is reduced spending.
>
> The major cause of inflation is deficit spending and the resulting mounting national debt.

At another part of his remarks he stated—

> Mr. President, what is the major economic problem that our country faces? The unanimous verdict is that it is inflation.

Then a little further on in his remarks, he goes on to say—

> Government causes inflation and government perhaps is the biggest victim of inflation. . . . The major cause of inflation is deficit spending and the resulting mounting national debt.

Mr. President, without question, the key to solving the inflation problem is to curb high Government expenditures and deficits.

There is much merit in the approach recommended and proposed by Senator CURTIS. It should be seriously considered by all who are interested in making some progress against the very adverse influences which are attacking the well-being of this Nation and its people.

Despite the rhetoric about cost-push vs. demand-pull inflation, inflation is and has always been a monetary phenomenon. When the increase in the supply of money chases smaller increases in the real output of goods and services, inflation is the inevitable result. For example, for the past 5 years, the Federal Reserve has increased the money supply about 50 percent. During this same 5-year period, the real output of goods and services grew only 15 percent. Thus there was an accumulated level of inflation of 30 percent, which is approximately what has been experienced.

Why do the monetary authorities pursue this expansionary policy? Are they proinflation? No. The monetary authorities are compelled to follow this inflationary policy to support the debt financing policies of the Treasury. The Treasury's debt financing problems stem in large part from the size of deficits in the Federal Budget. The larger the deficit, the larger must be the sale of Treasury bonds and the larger the stock of money to insure sale at a reasonable bond price.

Therefore, as my distinguished colleague from Nebraska has so accurately indicated, the key to controlling inflation is to control the size of the deficit. Unfortunately, the Congress has repeatedly failed to mind its fiscal house.

My distinguished colleague from Nebraska has proposed a resolution mandating a balanced budget through a surtax which becomes operative when expenditures exceed revenue. This is an extremely worthwhile and valuable approach which deserves serious investigation.

There are those who think this action might mean that we could grow complacent about tax increases. I am reminded of the remarks of a distinguished colleague who had been told that preelection polls showed he would receive only about 23 percent of the vote in an upcoming election. While he was not exultant about this report, he professed and declared optimism, and even gratification. He said:

> After all this report is really a good thing. There is no place to go but up!

But taxes need not "only go up." Proper fiscal management could result in tax reductions. Complacency now plagues fiscal policies resulting in the hidden tax increase of inflation.

Inflation is taxation without representation. It burdens the poor and elderly most severely. It secretly raises taxes without a congressional vote by increasing nominal income. Thus, persons are involuntarily placed in a higher personal tax bracket flaunting the will of the Congress which passed the Tax Reform Act to achieve the opposite effect.

The proposal of my colleague from Nebraska would mandate fiscal responsibility in Government and help end inflation. I urge serious study and consideration of the resolution of Senator CURTIS.

SENATOR JACKSON ADDRESSES DELTA COUNCIL

Mr. STENNIS. Mr. President, recently Senator HENRY M. JACKSON, our distinguished colleague from the State of Washington, addressed the annual meeting of Delta Council, at Cleveland, Miss.

Delta Council is an organization representing the 18 counties that make up the Mississippi Delta, which is in the northwestern part of the State of Mississippi, and extends from the mouth of the Yazoo River to the south to the border with Tennessee on the north. This organization is supported by the agricultural, business, and professional leadership of the area, and by the county boards of supervisors.

The area served by Delta Council is recognized as one of the most productive agricultural areas of the world. Cotton, soybeans, and rice are the principal crops, and this part of Mississippi produces about 70 percent of the cotton and soybeans and all of the rice that is grown in the State.

In his address to the leaders of that area, Senator JACKSON gave a masterful review of the energy situation in the United States, and described a national energy policy which can lead to national self-sufficiency for energy in the 1980's. He stressed the need for national independence from foreign fuel supplies, from the point of view of both national defense and economic progress.

Our distinguished colleague also spoke on the present situation in the Middle East, and gave his views as to what future developments may come about in that area.

Senator JACKSON's address was extremely well received. Although I could not be present, I have received many, many comments in praise of his clear thinking and forthright approach to the solution of difficult national and international problems.

My warm thanks are extended to my distinguished friend from the State of Washington for making room in his crowded schedule to come to Mississippi. He gave the citizens of our State an opportunity to hear the views of one of the most able and experienced men in government, and they are most appreciative.

Senator JACKSON spoke without a written text, but I have a summary of the principal points that he developed in his speech. So that others may have the benefit of his thinking, I ask unanimous consent that the summary be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD as follows:

SUMMARY OF SENATOR JACKSON'S REMARKS

The United States is in a position of dependence on foreign oil for as much as one-third of its oil needs. Only an urgent national drive for self-sufficiency will prevent that dependence from becoming much greater—and for a longer period of time. And the greater our dependence, the greater our reliance on insecure sources of Mid-East oil.

With the record of Soviet activity in the Mid-East, with the Arabs willingness to use oil as a political weapon, with their lack of incentive to produce all the oil we might need, drifting into greater dependence on Arab oil could be disastrous.

As long as this country is so dependent on foreign oil, we must be prepared to deal with the impact of cut-offs and shortages—no matter what the cause. That is why we must establish a real strategic reserve, capable of replacing imports for an extensive period in the event of supply interruptions.

If we pursue a sound and vigorous national energy policy, self-sufficiency can in fact become an attainable objective in the 1980's. Such a national energy policy has three critical ingredients:

One: A program to intensify the development of energy resources owned or controlled by the federal government, particularly on the Outer Continental Shelf and including the Gulf of Mexico. I have introduced an energy supply bill to set new ground rules for OCS development and accelerate leasing of OCS resources as the largest single source of new domestic energy available to us in the next decade.

Two: A massive research and development program to develop alternate energy sources like solar energy and make better use of existing sources like coal. The ten-year, $20 billion program I proposed—which the Senate has endorsed—would achieve this goal.

Three: Renewed conservation efforts: As the experience of this winter has shown, we are capable of achieving substantial energy savings in every sector of our economy. We waste as much energy as some countries consume—through gas-guzzling autos, inefficient industrial process and power generation. Government must encourage, and in some areas, mandate conservation to bring energy demand into balance with supply.

No other country is going to help us. We must do it ourselves. Our military forces must be independent of fuel supplies from these foreign nations. Our farmers and businessmen must be confident that when they expand their production, they will have strong markets for their goods and a constant supply of fertilizers and other energy related products and at reasonable costs. America was built on the idea that we can do it. We don't need anybody else. They need us and we want to help them.

With respect to the continuing crisis in the Middle East, for some time now the focus of Soviet interest has been centered on radical regimes of Iraq and Syria. As the Soviet position in Egypt has deteriorated, Soviet efforts to foment instability and instransigence in Syria have quickened. The Soviets have been engaged in supporting a Syrian military build-up and a diplomatic demolition job. At this very moment there are over 2,000 Soviet military personnel in Syria, 500 of them operating a dense network of surface-to-air-missiles. Soviet diplomats have been urging Syria to continue its military operations and cultivating distrust of American diplomatic efforts aimed at a partial settlement. If Mr. Gromyko wishes to demonstrate that his government will cooperate in bringing about a disengagement, he might well begin by disengaging the Russian Army and Air Force from Israel's northern border.

For the long term, the shift of Soviet activity to Iraq, Syria, Aden, South Yemen and Somalia, combined with the reopening of the Suez Canal, poses a great and growing threat to Western interests in the Persian Gulf. Positioned in these countries, the Soviets will be able to bring pressure to bear against the moderate regime in Jordan as well as Saudi Arabia and the oil-producing states of the Gulf. The Soviet drive for primacy in the Gulf will mean increasing instability accompanied by the possibility that sources of petroleum vital to the West will become less and less secure. In my judgment, the demilitarization of the Suez Canal by limiting the presence of the Soviet fleet in the Indian Ocean and Persian Gulf, could add substantially to the stability of that vital area. If the Soviets genuinely desire the sort of stability on which peace in the Middle East must be based, they will join in supporting a proposal to close the Canal to the warships of all great powers.

CIVIL RIGHTS HEARINGS IN NEW YORK CITY

Mr. JAVITS. Mr. President, on Monday, May 13, in commemoration of the 20th anniversary of the Supreme Court decision in the case of Brown against Board, the New York City Commission on Human Rights held a series of hearings on current civil rights problems with particular focus on the pace of desegregation in the North.

I ask unanimous consent that the opening statement of Chairperson Eleanor Holmes Norton, of the Commission, together with my own testimony that day, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF ELEANOR HOLMES NORTON

I am pleased to open what may be the most important hearings ever held by the Commission on Human Rights. They are certainly the most important to be held in the last 4 years. For they will subject to scrutiny and analysis perhaps the least analyzed of the major social problems in the North—the failure of integration mechanisms to work in the Northern environment. The result of this failure is the actual rigidifying of institutions along racial lines in the supposedly more progressive North at a time when Southern institutions are showing increasing adaptability to the needs of integration.

This is a problem of ominous proportions, made even more serious by the failure to come to grips with the inevitable implications of the trend. It is commonly believed that problems such as drug abuse, high crime levels, poor schools, and urban decay are the chief plagues of the Northern cities. We believe these hearings will show that in many cases, these are symptoms of deeper and more complicated phenomena. We believe these hearings will show that the urban condition today is deeply rooted in the failure to intervene into the process by which the cities and their institutions absorb people largely in monolithic racial clusters. Schools, neighborhoods, and finally cities themselves cannot survive the current rate of influx of minorities and outflux of whites because such segregated institutions will be fatally encumbered by disproportionate poverty and demand for services, while the tax base on which the necessary services depend—middle income people and businesses—have separated themselves out or fled to outlying territory.

The fact is that government, or scarcely anyone else, has so much as an analysis, much less a strategy for approaching this rapidly developing catastrophe. We study and bemoan the pieces of the problem—the spread of ghetto neighborhoods, increasing school segregation, the flight of business to the suburbs. But we never put the pieces together so we can see the whole sorted picture.

We fail wholly to see what, in my view, is the key to finding our way out. That is bold intervention by government to alter natural, and incidentally disastrous, racial habits that can be expected to take their own insane course in a country that seems unable to find the key to the total dismantlement of racism.

The first place to begin is with the honest construction of a deeper and more specific analysis than Americans have yet tried. This week's hearings provide an opportunity to contribute to a broad new beginning by looking freshly at the country's oldest social problem.

I emphasize that we must be prepared for a really new analysis and truly novel and untried strategies. No one can doubt that approaches to integration born in the 40's, 50's, and 60's are bankrupt today. Even worse, they often increase rather than relieve segregated patterns. For example, the law suit to desegregate a school, the classic tool of this period, seems today to accelerate white flight, guaranteeing greater school segregation. Such flight not only injures the school but resegregates the entire neighborhood in which the school is located, and leaves the city on which both depend starved for the racial, tax, and cultural diversity that has always been the key to the dynamism of the great Northern cities.

New strategies that lead out of this cycle must urgently be found. But they will require that we think through the problem in an entirely fresh fashion. Let me offer an example. It would seem more accurate for purposes of integration to regard whites as a minority group in school systems where they are in fact outnumbered by non-whites, such as the New York City public schools. Of course for purposes of Title I funds and other indices of deprivation, non-whites would continue to be regarded as minorities. But integration is a two-way street, which requires children of all races. So long as we regard white children as majority group people to be integrated with the minority, no matter how the numbers of whites have dwindled, we will be impeded in our efforts to encourage integrated schools. The designation of whites as minorities for purposes of integration in big-city school systems could open us to devising new ways to encourage the retention of whites without whom integration is an empty, even bitter slogan.

I think this example helps to demonstrate how radically we must break with visions of the past if we are to secure a future in which integration has any place. I have every reason to believe these hearings will produce more examples of this kind and the beginning of a new analysis on which fresh approaches to integration depend.

To describe the contents of these hearings the Commission has deliberately used the out-of-vogue word "integration" to provoke a redefinition of an idea still too often defined by the needs and styles of former decades. Many Northern blacks and other minorities are disillusioned with the failure to achieve integration and many Northern whites seem to have given up on or become more hostile to it. Both attitudes are dangerous. They hasten the possibility of two separate societies, a prediction that horrified the country when first made by the Kerner Commission. Its horror lies manifestly in the fact that such an America is neither economically or socially viable.

The fact is that despite the erosion of the integration concept even among blacks, there is no doubt that blacks still ardently pursue integration as a functional goal. Black pressure for access to housing in white neighborhoods, for jobs in white corporations and for places in white schools is stronger than ever. This is strong evidence that functional integration is still a strong priority among blacks. The push for integration defined in this way is not inconsistent with the rejection of the more complete assimilationist spirit that characterized the old integrationist concept.

I believe the public will find this week's hearings particularly comprehensive. Months of investigation have gone into their preparation. Today political and legal issues will be covered; tomorrow, economics and employment; Wednesday, housing and community issues; and Thursday, education. During these 4 days we will hear from an impressive array of national civil rights, civic and political leaders, as well as local figures whose expertise can take this giant issue in new directions.

It is no accident that we have chosen the week of the historic Brown decision in which to hold these hearings. We in the North cannot yet use May 17th as a date of celebration. But we should use it to encourage our redoubled energy. It would be tragic if the high hopes set free 20 years ago by Chief Justice Warren's unanimous decision were to falter in the North of the United States. If we are to avoid that said irony we must begin somewhere soon. I suggest we begin here and now.

Testimony of Senator Jacob K. Javits

This Commission has set itself a formidable task in surveying the state of civil rights in America ten years after the passage of the Civil Rights Act of 1964. As one of the managers of that historic bill I can testify to the high hopes of all its supporters that a new era in U.S. relations among the races had begun. In a sense we were right; we can be proud of our efforts at that time and heartened by the progress which has been made under the Act and its successors. But as with any hard-fought historic cause, a victory—even a substantial one—first, takes time adequately to implement and second, requires the utmost vigilance to preserve the gains which have been won.

Since my own work has been in Federal legislation I will confine my presentation today to a consideration of civil rights issues and the Congress, with a special emphasis on education. As you know, this very week the Senate is considering legislation to restrict the courts in ordering remedies for school segregation and we are being hard pressed to prevent a step backward in this area. But I will also be concerned, before the end of the year, with voting rights, revenue sharing and other responsibilities.

While Congress made progress in securing the franchise for black Americans in the Civil Rights Acts of 1957, 1960 and 1974, the big breakthrough came in 1965 with the passage of the Voting Rights Act. That law, extended in 1970, provided for Federal registrars in any state or county having a substantial minority population and a literacy test where voter participation fell below 50%.

While it was not expected in 1965 that any Northern states would fall within this formula—though I argued that they might, too—three counties right here in New York City fell below the 50% trigger point in the last election and are now subject to the provisions of the Act. While I doubt strongly that this low voter participation in New York is due to racial discrimination by election officials I welcome Federal supervision of our voting procedures and the equal application of the laws. Thus far, the Voting Rights Act has had its most significant impact in the deep South where discriminatory practices were rampant. Since 1965 two and a half million new voters have been registered in the states of the Old Confederacy and more than 1,200 black men and women have been elected to office.

As significant as the provision for Federal registrars is Section 5 of the Act which mandates that any proposed change of law affecting voting in areas covered by the Act must first be approved by the Attorney General of the United States or by the United States District Court for the District of Columbia. This provision sets up an automatic check on state legislation such as redistricting which has the effect of diminishing black voting rights. Within the last three years, 150 such laws have been blocked by the Attorney General and gains won by those newly registered voters have not been subverted.

The Voting Rights Act will expire next summer. While many will say its goals have been accomplished and Federal supervision of the electoral process—north and south—is no longer needed, I do not agree. The safeguards against backsliding set up in section 5 should be preserved as should be the discretionary power to send Federal registrars and poll watchers into troubled areas. I am working with my colleagues to prepare the bill for reintroduction this year, so that hearings can begin long before the expiration date.

A second area where Federal legislation is needed is neither initiating nor preserving a law, but patching a loophole in one. In 1972 Congress enacted the Revenue Sharing Act transferring billions of Federal tax dollars to the states with minimal strings attached. There was, of course, a proviso that the funds not be used in a discriminatory manner but there is no effective means of enforcing that prohibition. There ought to be a mechanism for challenging a community's decision to spend its revenue sharing funds in a way which effectively excludes minorities or the poor—on paving roads or building sewers in white neighborhoods and discriminating against black areas, for example, instead of using funds for public recreation facilities and improved health services.

This is not easily accomplished as there is a wide difference of opinion in the Congress on the question of how many "Federal strings" should be attached to the revenue sharing program. At the present time, the Treasury refuses to defer payments where discrimination is charged, and they do not have sufficient staff or published guidelines to ensure compliance. Suits challenging expenditures have been filed and some favorable rulings have been won, but as we all know, litigation is time consuming and given these circumstances, delay is in the interest of the defendant. The Act will expire—at the end of 1976—before some of these suits have been finally decided. I will therefore propose legislation to require the Revenue Sharing Office to promulgate civil rights enforcement regulations which include the authority to suspend payments pending the outcome of litigation.

The most immediate threat to civil rights, and the focus of my attention this coming week, is an attempt to limit the power of the courts to remedy public school segregation unlawful under the Constitution and the laws. This latest move comes in the form of amendments to the Elementary and Secondary Education Act now pending before the Senate. As passed by the House, these amendments would gravely and probably unconstitutionally encroach on the power of the courts to correct unlawful segregation by setting out in legislative form restrictions on the orders which may be issued by the courts. These remedies could not:

—include busing of any children below the sixth grade, in spite of a universally held view of social scientists that the best time to bring children of different races together is early in their school experience;

—busing of children over the sixth grade except to the closest or next closest school, in spite of the fact that such a restriction puts the greatest burden on lower and middle income neighborhoods while protecting all-white communities; and

—busing of any kind unless five alternative methods of pupil assignment had been tried and rejected, in spite of the fact that busing is already considered a "last resort remedy" by the courts.

The most dangerous provision of the House bill—and the most ironic on the very eve of the 20th anniversary of *Brown* v *Board* (1954)—is the section which allows any parent to sue to reopen any existing case where a school district is operating under court order which does not conform with the new standards. And so we would be back literally to the Topeka case—back two decades—to open old wounds and expose a whole new generation of children to the bitterness and rancor which we thought we had put behind us. I am confident that what the House is trying to do is unconstitutional and would be so declared by the courts eventually. But in the meantime, we would be living again in fear and uncertainty.

The Senate Labor and Public Welfare Committee has proposed alternative language to the House bill which is now before the Senate. We would prohibit busing to impose racial balance, but not to accomplish desegregation which the courts have ordered—after all appeals have been completed—and we have insured that there shall be no busing if it is over such a distance as to impair the health or ability to learn of the child. Thus, we believe the courts should continue to be free to use this important tool in correcting unlawful segregation and that the courts should continue to weigh each situation individually and to tailor its remedy (desegregation plan) according to the needs of each community—neither of which can be done by the Congress. We shall fight to preserve our bill in the Senate.

No one is an advocate of busing for its own sake. It is simply one of a vriety of tools to achieve the ultimate objective of quality education for all American children. We are working on other fronts toward this objective, too. Integrated housing, for exmple, will make busing unnecessary in order to achieve integrated schools. Better job opportunities for minorities will enable them to live in better neighborhods. And, of course, quality schools, adequately funded and imaginatively run, will eliminate the concept of a hardship transfer. But all these are long-range solutions; in the meantime, each year that we do nothing we will have taken from our children an opportunity that can never be replaced. As we approach the twentieth anniversary of the *Brown* decision I intend to commemorate the date on the Senate floor, working to preserve funds to build upon what was begun two decades ago. Our unfinished work remains the highest domestic human relations priority.

SUPPORT FOR SOLAR ENERGY RESEARCH WOEFULLY INADEQUATE

Mr. HUMPHREY. Mr. President, the potential of solar energy to meet our Nation's energy needs is only now beginning to receive the attention of the Federal Government. Funding for solar energy research in the past has been minuscule and today it remains woefully inadequate.

For this reason I have introduced S. 3234, the Solar Energy Research Act of 1974, which provides for a major $600 million, 5-year program of solar energy research and development. It also creates a separate Office of Solar Research in the proposed Energy Research and Development Administration to coordinate all Federal solar research activities.

The Senate Interior Committee has announced today that it will hold hearings on this legislation on June 24 and 25. I am very pleased that the committee has scheduled these hearings and am hopeful that a solar research bill will be reported to the full Senate in the near future.

There is no doubt, whatsoever, that a much expanded solar research program is fully warranted in view of its tremendous potential and of our Nation's and the world's energy resource deficiency.

Mr. President, an article by Harvey Ardman in this month's American Legion magazine looks at the comparative investment in solar and nuclear energy by our Government. It concludes that, despite its great potential, equal consideration has not been given to the cleanest and most inexhaustible source of power—solar energy. I commend this excellent article to the attention of my colleagues.

Mr. President, I ask unanimous consent that the June 1974 American Legion magazine article by Harvey Ardman, entitled "How Far Should We Go With Nuclear Power?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Legion Magazine, June 1974]

HOW FAR SHOULD WE GO WITH NUCLEAR POWER?

(By Harvey Ardman)

The title of this article is a good question. How far should we go with nuclear power as a source of electricity?

Few people who are knowledgeable about nuclear power outside of the Atomic Energy Commission feel that the question has been well answered. But we are being ever more deeply committed to the constant expansion of various forms of atomic energy as the eventual basis of most of our energy for electric power.

The unanswered questions are not simply the familiar excited and hostile ones raised by activists. Let one accept the current type of nuclear powerplant as a good and necessary thing, as I do, and there still remains a host of questions about the kind of total reliance on nuclear power toward which we seem to be headed.

Over the next 10 to 15 years, I believe we need more atomic powerplants to ease our short-term demands on coal, oil and natural gas. Whether we need all 200 conventional nuclear plants to which we seem to be committed over the next decade or so at a cost of about $100 billion is another question. A growing storm is gathering around them on the safety question, raised not simply by anti-nuclear activities but by the refusal of insurers to provide coverage for nuclear-accident risks.

Meanwhile, the growth of atomic power beyond the next decade is beset with enormous expense, unsolved problems and commitments that seem premature at least.

It is hard to believe that the same money spent on other energy sources—especially on various forms of solar power—would not give us much more satisfactory power with more assurance of abundance for all time, along with a total end to the pollution bugaboo—be it smoke pollution, heat pollution or radioactive wastes. In fact, we now have a large corps of top-flight energy scientists who are convinced that for less money solar energy could give us all the power we will ever need and solve a host of other problems that are only multiplied by our present plans for the development of more atomic power.

Yet we are ever more deeply committed to atomic power over a very long haul, and are pouring billions into it while spending so little on what are probably better alternatives as to almost guarantee our failure to develop them.

At the rate set by a current proposal for federal research and development of solar power, made by the Atomic Energy Commission, it would take 130 years to spend on solar power development what the Atomic Energy Commission expects to spend before 1986 to develop a new kind of nuclear power plant.

The solar energy in sunshine, wind and water, etc., is clean, abundant and inexhaustible. Its use diminishes no natural resources. The cost of developing it to the point of commercial use is about a fifth the cost of a present project for developing a new type of nuclear power plant to the same stage. Yet the AEC recently recommended that of $10 billion for a federal energy research program, solar energy should get 2¢ of each dollar, while 55¢ should go to the further development of nuclear power.

Sen. James Abourezk, of South Dakota, sees the possibility of something sinister or evasive in treating solar energy like a poor relative. In proposing to continue with a $5.1 billion program to develop new "breeder reactors" for atomic power plants—hopefully to be ready by 1986—the Atomic Energy Commission recently reported to the President that there was no hope of solar energy becoming an alternative major source of commercial power in the foreseeable future.

There is probably not a responsible expert on solar power who agrees with that. In fact, at the time the AEC issued its dim view of the future of solar power, it had in hand a report of a panel of ten distinguished scientists, headed by Alfred J. Eggers, Jr., of the National Science Foundation, saying that for $1 billion spent over five years starting in 1975, solar energy could start providing commercial power and heat by 1979, and steadily increase it thereafter.

It is almost impossible to read the Eggers Panel report without concluding that if we would make the same effort in solar power that we are making in nuclear power, six different forms of solar power could, together, match or better the performance of breeder reactors on an identical or faster time schedule—for less money, while avoiding the headaches not only of nuclear power but of the excessive burning of coal and oil.

Senator Abourezk entered the whole Eggers Panel report into the Congressional Record of April 1, 1974, as a part of remarks starting on page 9059 and continuing for 11 pages. He charged that the AEC had "suppressed" the report. It would be fairer to say, perhaps, that it hadn't advertised it, since its contents were not a total secret. The Eggers report noted that in 1972 a joint report of NASA and the National Science Foundation had also affirmed the feasibility of solar power as a major national energy source if we would get moving on it.

On the face of it, it is ridiculous for the AEC to be an authority on non-nuclear sources of power. It is unreasonable to expect an agency which must fight for a budget for nuclear power to take a balanced view of other sources of power. The investigation and development of them could threaten the AEC's plans and budget, if not its whole role in electric power in the long run. What the government needs is a Department of Energy with atomic energy, solar energy, coal, oil and gas, etc., as subjects for sub-agencies within the larger department. None would then speak for the other, and the Department would speak for all. The Congress is presently considering the creation of both an energy development agency and a Department of Energy. On March 26, Senator Hubert Humphrey, speaking for himself and a group of co-sponsors, introduced a solar energy bill. It proposed an accelerated federal investment in solar energy development and the creation of a separate solar energy agency, with the proviso that it come under a larger energy agency if one is created.

David Rose, a professor of nuclear engineering at M.I.T., spelled out our total lack of a national energy policy in the January 1974 Scientific American. In the absence of a federal Department of Energy, he noted, the Congress and the President must depend for their most basic energy decisions on the advice of agencies such as the AEC, and on corporations, such as the oil and power companies—all of which have special, narrow interests in the energy field and control the key information.

There is presently not a single large, influential interest or impartial agency to speak for the development of wind power, power from sunshine, power from the heat in the oceans. If they are the ultimate answers to most of our energy problems, and they most certainly are, we should be pouring money into them. A federal Department of Energy should steer us better. As it is, the government advisers on energy with the most influence may be anywhere from indifferent to solar energy in its various forms to opposed to it as a rival of their interests.

Be that as it may, in 1970, 1% of our electric power was nuclear. Now, in 1974, it is 5% (with 40 plants operating). For 1980, the projection is 20%, with 140 plants operating. To at least some of this I say, amen. In the short haul we need them. Our lack of energy foresight and policy has us in a bind from which we can be bailed out part way by a ten- to 15-year expansion of conventional nuclear power plants.

But the projection of atomic electric power plants continues on indefinitely. We are heading toward 45% of our electricity being produced by nuclear plants by 1990, 60% by the year 2000, and at some future date (highly speculative) close to 100%.

As this growth proceeds, a shift is expected from our present so-called light-water reactors to breeder reactors. Though simpler than other designs in many respects, the so-called "light-water" reactors we now use are the most extravagant consumers of uranium, while breeders make the best use of fuel, by a long shot.

As noted, the AEC is running up an estimated $5.1 billion in costs to develop breeders for power plants. Present estimates put the appearance of the first commercial breeder power operations some 12 years away.

But it may be that we will have no compelling need for their fuel economy, that we will not satisfactorily overcome their heat and plutonium waste problems, and that they will be so expensive to operate in any case that power companies won't want to pay for their energy. Some $90 million of federal funds have been tentatively allocated as subsidy to get local power companies to tie into the first-generation breeder plant at Oak Ridge, Tenn., when and if it is ready to produce.

The history of breeders is hardly encouraging. Small-scale breeders are old hat. Only a small proportion of natural uranium will react in light-water atomic generators. But, as breeders produce power, they also convert a supply of uranium to fissionable plutonium, multiplying by about 35 times the usable content of each pound of natural fuel (chiefly uranium and thorium).

In the belief that our supply of uranium could not stretch much beyond the year 2000 unless we used breeders, work began on large-scale models to produce power long ago.

A guinea-pig breeder plant to produce limited power for Detroit was built in the 1960's. In 1966, it suffered a melt-down, due apparently to some workman's carelessness rather than to any inherent fault. It was out of business almost from the start. By then, unsolved breeder problems (breeders produce much more heat than other designs) were evident—and the Detroit plant was never fueled up again. It was back to the drawing boards, and the earliest that a successfully tested trial plant is now envisioned is about 1986.

There is no certainty of this. Breeders have simply turned out to be far more difficult to design for economical electric generation than anyone had imagined. The problem of plutonium waste products may be solved, but it isn't cheering. The stuff only loses half its radioactivity in 24,000 years. Breeders would both use and manufacture plutonium, which is about as potent and poisonous a radioactive substance as you can find. Transportation of plutonium is exceedingly dangerous, and it could be vulnerable to highjacking and blackmailing in the wrong, expert hands.

The AEC is well aware of this. It is entertaining the idea of crowding breeder power plants close together to minimize the transportation of plutonium. If we processd to build breeders in line with AEC plans, we'll have 500 of them in 26 years, with enormous amounts of plutonium in being and some 600 shipments of it a week back and forth between reactors and fuel refining plants. I do not belong to the school that says these problems absolutely cannot be solved. But they certainly make the more serious consideration of simpler alternatives a subject not to be pushed under the rug.

Breeders pose a unique problem, jokingly called the "China syndrome." They use hot contaminated liquid sodium in a closed system as a coolant and heat transfer agent, since breeders operate at temperatures too high to use water. In a meltdown, as happened by accident in the Detroit breeder-generator in 1966, there is the possibility that the radioactive and violently chemically active sodium could break loose, flow into a puddle and sink right through the floor of the plant into the earth. Nobody really thinks it would go all the way through the earth to China, but just how far it would go and what it would do (to ground water, for example) is pretty much an unknown. A test project to find out has been interminably delayed for one reason and another.

The constant rise in the estimated cost of breeder development is chilling. It more than doubled since 1972, when the estimate was $2.5 billion. Some 350 power companies contributed $250 million of their own money to the project, but they had to "be dragged kicking and screaming into the program," according to N. B. McLeod, a v.p. of NUS Corp., a utility consulting firm in Rockville, Md. Their fear: breeder power will cost too much.

Breeders are not worth the investment unless their fuel economy is vital to us. On two premises it has long seemed to be vital. The first premise is that we must and will eventually rely for most of our power on nuclear sources. Of course, if we can do as well on free, clean solar energy, the long-term need for any nuclear power plants is nonexistent. At most we need more conventional light-water nuclear power plants to see us through the difficult next ten or 15 years. After that, those we have now and those we might build immediately would be useful for their normal life span, during which our proposed solar energy system could be brought up to the maximum needed capacity. The fuel economy of the breeders is not needed at all if we can start kicking the uranium habit in favor of a sunshine diet well before the year 2000.

The second premise is that the uranium supply is so short that a large and permanent atomic power system would seriously reduce the available uranium by the year 2000 unless breeders were brought in with their 35-fold fuel economy.

But this shortage of uranium does not now appear to be real. According to a recent report by the House Interior Committee. "It is not unlikely that the true reserves of high-grade uranium ore are many times as abundant as the AEC estimates."

The AEC, notes energy consultant Thomas B. Cochran, is like the oil companies in holding its estimates of available ore to what may be expected from known and worked ore fields. It counts on 273,000 tons of "proven" recoverable ore reserves and another 450,000 tons "probably" recoverable. This would be a short supply, indeed. But nothing is counted on from unexplored ore fields, nor from fields where the extraction cost might run twice as high as the present $8 a ton.

Ore at $15 a ton is entirely practical. It would raise the price of a kilowatt hour of electricity a half cent. Business Week Magazine notes that an additional 1.6 million tons should be available from known sources if we allow $15 a ton. Meanwhile, there are enough unexplored geological formations in the United States that ought to contain uranium to allow for 16 million additional tons of ore at extraction cost of up to $15 a ton.

Such a supply would let us run a nationwide network of light-water reactors well past the year 2100, and we could probably double the safe time lead by switching to heavy-water reactors. They get about twice as much electricity per pound of uranium as our light-water reactors. No basic development of heavy-water reactors is needed though they could probably be improved. Canada is operating some of them and Canadians express enormous satisfaction with them.

Even if we stay with atomic power, there would be no need at all to rush into a breeder program in this generation if a more exact appraisal of uranium supplies affirms a 16-million-ton reserve.

Plainly, enough questions haven't been answered to justify our present commitment to breeders, considering the questionable need for them, doubts about their ultimate value and safety, and the enormous cost to which the program commits us. The breeder program could be closed down today while we take second thoughts and get all the answers. It could be reopened years hence if it should (unbelievably) be true that we have no better alternatives.

Nobody actually knows the whole cost of the breeder program. The $5.1 billion, which may keep growing, is only to get the first practical plant firmed up—if it can be. What will the 500 power plants cost within the next 26 years? It is hard to believe that each one will not cost at least $500 million, almost certainly much more. If it is $500 million, their total cost will be $250 billion. I have never seen an estimate of what $250 billion would buy in solar power. Clean solar power. Inexhaustible solar power. I don't have the answer, but I am willing to believe until someone proves otherwise that much less money could power the whole country on solar energy and that we have the time to put a couple of billion into it to prove it.

We are investing hundreds of millions in a form of atomic power which doesn't really belong in a discussion of our energy problems in the "foreseeable future." This is the slow hydrogen reaction, called "controlled fusion" and best understood as a slow hydrogen bomb.

It might, and might not, be a magnificent source of boundless energy if it ever becomes possible to control it. But no matter what you hear, there is no assurance today that man will ever be able to conrol the hydrogen fusion reaction (which gives off heat when hydrogen is converted to helium). It needs enormous heat to set it off, and the only success we have had is to explode hydrogen bombs in one big blast, triggering them with "ordinary" nuclear bombs.

No champions of solar power have yet had the guts to discuss what they could do for us with tens of billions of dollars. But somebody ought to before we spend more on something less satisfactory.

Let's make no mistake. The daily input of energy from the sun is there for the taking. More than we can ever use. The Eggers Panel reported that the sunshine falling on 4% of the U.S. continental land area could provide our current total national energy needs if tapped at 5% efficiency. Maybe we can't cover 4% with solar collectors. On the other hand, maybe we can tap less of it with more efficiency.

A conceivable, extensive windmill system in the United States and Alaska could generate about as much electricity as we used in 1973.

The availability of energy by tapping the surface heat in warm oceans that would otherwise radiate back into space is, said the Eggers Panel, "virtually unlimited." In fact, as noted in this magazine last January, the Gulf Stream off Florida *could* be tapped by Claude-type generators for something like 80 to 90 times the energy we are apt to use in 1980.

These, and other forms of energy from the daily action of the sun on the earth are often brushed aside in the most offhand and illogical manner. In his otherwise excellent article on energy policy in the January Scientific American, Prof. David Rose completely dismissed windmills with the following statement: "To supply the U.S. electric needs by wind power would require windmills 100 meters high spaced a few kilometers apart all over the country."

It would seem that this statement makes more sense if it is reversed. If we can actually get all of our electricity that simply, why not do it? What is there about the enormously expensive, complex and roundabout approaches to electric power—based on atomic energy and coal, with their pollution and the eventual exhaustion of their fuels—that makes them "logical," if we can get all the power we need from the eternal winds?

And should we completely dismiss windmills on the basis of *any* objection to our getting *all* of our power from the wind? What is the objection to getting 25% or 10% of our power from the wind? Even 10% is twice what we are getting from nuclear power plants today.

This is the kind of reasoning we hear on all sides against solar power. The collection of direct sunshine is objected to on the same basis. "We'd have to cover too much land in order to get all of our power from it, so forget it." There is no need to get *all* of our power from direct sunshine in order to put the whole nation on solar energy. We can get an enormous amount from sunny land that is readily available. We can heat and cool buildings all over the country from the energy in local sunshine. No one form of solar energy is an all-or-nothing proposition, any more than coal or oil or gas or atomic power are all-of-nothing choices.

The Eggers Panel considered six different forms of solar energy, for five of which the basic technology is already at hand. The modest $1 billion that it suggested be spent was to develop all six of them to the point where they could go commercial. It did not even suggest that we get *all* of our power from all six, though it's likely that we could for a smaller investment than we are heading into to develop more nuclear power and coal.

Congress ought to convene a committee of solar power experts and tell it to stop talking peanuts and instead advise the government on the possibilities of solar power in the next 25 years based on expenditure of $10 billion, $25 billion, $50 billion, $100 billion, $250 billion. This is the kind of money already being considered not only for atomic power development, but for crash programs in coal and oil.

The solar energy bill (S3234) introduced by Senator Humphrey on March 26 is a positive step—though it is much more modest. By early April it was co-sponsored by at least 13 other Senators of both parties, ranging from quite liberal to quite conservative. Supporting Democrats by then included Jackson (Wash.), Metcalf (Mont.), Bible (Nev.), Church (Idaho), Haskell (Colo.), Nelson (Wis.), Johnston (La.) and McGee (Wyo.). The Republican sponsors included Hatfield (Ore.), Cook (Ky.), Fannin (Ariz.), Brock (Tenn.), and Packwood (Ore.). To this writer's knowledge, Senators Gravel (Alaska) and Abourezk (S.D.) are among others who support the rapid development of solar power, and the list seems to be growing steadily.

The Humphrey bill, in addition to creating an agency to get development of solar energy going (which would use the scientific brains in a host of existing government agencies as well), would provide $600 million for solar energy development over the next five years. This is three times what the AEC recommended to the President for solar power ($200 million) and considerably more than what the always conservative Federal Office of Management and Budget recommended ($350 million). It is quite a bit less, however, than the accelerated program urged by the Eggers Panel ($1 billion plus).

The trouble is that conservative support is hard to come by if a figure much larger than that recommended in the Humphrey bill is proposed. Perhaps it should be made clear to conservative spenders (who certainly have a point regarding federal spending in general) that by all indications, larger expenditures on developing solar energy could well save us a fortune, now and forever. By at least postponing the breeder program, a massive solar energy program could get under way for far less money, and it would probably obviate the need for a breeder-reactor national power program for all time.

The hard fact is that several billion spent as fast as is feasible on solar energy would probably provide the most conservative approach we could make to procure all our future energy needs.

The leading champion of solar power in the House of Representatives is Rep. Mike McCormack, of Washington. This seems odd to some, as he is also a staunch champion of nuclear power. Be that as it may, he has recently shepherded through the House the first solar energy bill ever to pass either chamber of the Congress. It is a bill to get going on one of the six forms of solar energy covered by the Eggers Panel—the heating and cooling of buildings using the energy from local sunshine. The Senate had not acted on the McCormack bill at this writing.

According to the Eggers Panel, a quarter of all of our energy is presently used to heat and cool buildings, while existing solar energy technology could be refined to supply from a third to half of that. The panel of scientists believed that $204 million spent over four years could put us in a position, by 1979, to start the commercial climatizing of buildings, using the energy from sunshine. This would provide great "benefits in fuel saving, reduced pollution, and independence from complex energy transmission and distribution systems."

If brownouts and voltage reduction cut your air conditioning this summer, remember that.

Finally, Congress should create an impartial U.S. Department of Energy pronto—an authority that would report the unbiased facts on such matters as the uranium supply, that would in general advise the government on energy without prejudice or favor for any one form.

Until we can get the unvarnished truth about energy in all its facets, we have no business embarking on such extremely costly, long-range programs as we are committed to in the nuclear field. Professor Rose put it this way in the Scientific American.

"The getting and finding and distributing of fuels accounts directly for about 10% of the nation's economic activity. . . . That is almost equal to all of agriculture, food processing and food distribution, activities long recognized as requiring . . . their own department in the federal government. It might therefore seem that the development of a rational, long-range energy policy would be the first order of any nation's business. That the U.S. never had such a policy and is still without one can only be regarded as a major social failure."

Below are listed the members of the Eggers Panel who reported to the President on the feasibility of solar power as a major national source of energy:

Alfred J. Eggers, Jr., Chairman, Assistant Director for Research Application, National Science Foundation, Washington, D.C.

Jim D. Andrews, Energy Programs Coordinator, Naval Weapons Center, China Lake, California.

Donald A. Beattie, Deputy Director—Advanced Energy Research and Technology Division, National Science Foundation, Washington, D.C.

Walter Carleton and William A. Raney, both of the National Program Staff, Agriculture Research Services, Agricultural Research Center, U.S. Department of Agriculture, Beltsville, Maryland.

James Johnson, Air Technology Branch, Environmental Protection Agency, Washington, D.C.

James Rannels, Division of Applied Technology, U.S. Atomic Energy Commission, Washington, D.C.

Ronald L. Thomas, Solar Systems Section, NASA Lewis Research Center, Cleveland, Ohio.

William H. Woodward, Director, Space Power & Prop. Division, Office of Aeronautics & Space Technology, National Aeronautics & Space Administration, Washington, D.C.

Robert Woods, Executive Secretary, Division of Physical Research, U.S. Atomic Energy Commission, Washington, D.C.

TAX CUT NOT A SOLUTION TO OUR ECONOMIC ILLS

Mr. TAFT. Mr. President, our colleagues, Senator KENNEDY, Senator MONDALE, and other Senators, are again dangling before the Senate the bait of a huge tax cut as the solution to our economic ills. I hope the Senate will see that in this case, political attractiveness is not likely to constitute economic soundness.

There is no question that parts of the economy have become severely depressed—housing and automobiles are the sectors most affected. Whether the present situation constitutes a recession is a semantic debate in which there is no necessity to participate. The point is that we have slack economic activity in certain sectors and that Senators KENNEDY and MONDALE have responded with the classic cure for this situation—a tax cut to stimulate consumer demand.

Unfortunately, our present economic problems do not fit the classic situation and thus the classic simple cures are not likely to be effective. The truly recessionary aspects of the present situation are simply not due to slack overall demand. On the contrary, the housing recession is largely a result of high interest rates caused by a booming demand for corporate loans, as well as the Federal Reserve Board's efforts to control inflation through the interest rate structure. Although the automobile sector does suffer from slack demand, this is largely a result of the tremendous price increases in gasoline caused by high oil demand relative to supply and uncertainty about the future petroleum situation. Of course, this energy situation has also taken its toll on the health of the aviation, housing, petrochemicals, and other sectors of the economy. Except in residential construction and sectors affected by energy shortages, however, real gross national product actually increased 4.4 percent between first quarter 1973 and first quarter 1974.

Thus, our economically depressed sectors are not likely to be revitalized by a tax cut. Relief more specifically directed to the problem areas, such as a resumption of Federal housing assistance and public service employment in certain areas, would be a more cost-effective means of alleviating our economic soft spots than a general tax cut. Rather than cure the "recession" it is quite possible that the major effect of a large tax cut on the national economic picture would be to aggravate a far greater threat to our long-term economic well-being—galloping inflation, which in the last few months has reached double digits and the highest rates since the Korean war.

Major materials industries were still running above 90 percent of capacity in the first quarter of 1974 and the capacity utilization ratio was still increasing for most industries. Furthermore, some industries may have continued difficulties obtaining the energy-related and other supplies they need to expand production. Given this situation, there is truly a risk that the demand generated by a large tax cut would aggravate inflation. The risk we would be taking becomes clearer when one reflects that for many taxpayers, less than a 1-percent increase in consumer prices wipes out the proposed tax reduction.

Because the effects of a tax cut would not appear for months, it is true that to some extent the effects of a tax cut cannot be predicted with much certainty. Consumer demand may slacken further and the economy by then may be—or may not be—in a better posture to absorb the effects of a tax cut. By the same token, however, this delay factor strengthens the probability that those who are suggesting that a tax cut would bring an immediate uplift in the economic situation are misleading us.

We must also face up to the fact that America has already had two large tax cuts in the past 5 years. There is no way for the Federal Government to meet responsibly its growing social responsibilities to the American people, largely supported strongly by proponents of this third tax cut, if it keeps cutting taxes.

While I thus sympathize with the April 23 Washington Post article that "the most sensible thing to do right now is nothing" with respect to overall tax levels, I also recognize that inflation has severely eroded the relative size of the personal exemption which Senators KENNEDY and MONDALE now seek to enlarge. I agree that adjustments in the exemption level are called for. I also agree that an alternative tax credit to help those with low incomes, such as the one proposed, should be considered. Given the present economic situation, however, any such adjustments absolutely must be offset promptly to a major extent rather than resulting in a large net fiscal stimulus.

I am currently reviewing the rash of revenue-raising amendments which have been introduced to accomplish this end. Some of the concepts embraced, such as an oil windfall profits tax with an investment plowback provision, repeal of the oil depletion allowance and the arrangement which allows oil companies' payments to Arab shieks to nullify U.S. tax liability rather than be counted as business expenses, repeal of tax deferral in connection with domestic international sales corporations and the tightening of a minimum tax, clearly command attention, but must be weighed against the drastic need for capital for development of energy resources. While the political clamor for a tax cut may make the time ripe for some of these changes, they must be made only with fullest consideration of their likely economic effects. Many of the "loopholes" were designed to promote investments which would be essential in our quest to achieve long-run capacity expansion necessary to avoid continued "shortage inflation." Others are tailored to help improve our international economic position, which has been set back considerably by the "oil tax" after drastic improvement in 1972 and 1973. While general expressions of the need to encourage investment and exports cannot be used as an excuse to continue unjustifiable loopholes, it will be a very difficult task to put together an economically sensible package of reforms on the Senate floor which would generate enough in revenues this year to compensate adequately for the proposed tax reduction of $6.5 billion.

Rather the answer may lie in a more unpleasant medicine, a moderate and temporary increase in revenue through a surtax or rate increase.

If we can make helpful adjustments in the tax system which compensate for inflation, without augmenting the present inflation problem, we should do so. But it is an economic necessity that we reject any proposal which adds fuel to the already raging inflationary fire by cutting taxes drastically, or which contains ill-considered tax "reforms" accepted largely because they would offset a tax cut.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has come under exceedingly close scrutiny. It is, of course, proper that all treaties which the Senate is called upon to ratify be closely examined. The constitutional power of ratification which the Senate possesses must be treated the same as every other constitutional power—with extreme reverence.

But our scrutiny of the Genocide Convention has been prolonged and redundant. Those who have opposed ratification have offered a multitude of arguments, but most of thees arguments have been technical, focusing on very small parts of the convention and its language. The gravity of the ratification procedure demands that these small parts be looked at, but not to the exclusion of the larger principles involved. The technical, small parts of the convention are properly viewed only in the context of the broader principles that motivated the introduction of the convention in the first place. Those opposed to the convention seem to have lost this broad perspective. I urge those opposed to the Genocide Convention to consider it in this light so that the prolonged consideration of this treaty can come to a fruitful conclusion.

Mr. President, the time has come for the Senate to ratify the Genocide Convention.

ROLE OF OUR UNIONS

Mr. BROCK. Mr. President, there is a growing debate today on the role of our unions in our economy, and if the role that is being played today is the proper one. Nicholas von Hoffman recently took this debate to task, and presented what he termed "A New Look at Unionism." I ask unanimous consent that his article be printed in the RECORD as yet another view of the union situation today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW LOOK AT UNIONISM

(By Nicholas von Hoffman)

They say that when it comes to labor unions all you have to do with some old liberals is whistle a bar of Joe Hill and you can tell 'em to walk across the Grand Canyon without a rope. That's a bit of an exaggeration. The kicking around that some unions have given blacks and other minorities has made old line libs wonder if every union and every strike is an unalloyed good.

Those who've escaped being victims of this form of dogmatic sentimentality may want to pick up on a recent speech by Federal Trade Commissioner Mayo J. Thompson, who has been trying to trace exactly what unions accomplish in the light of today's economic problems. It may be time for some new legislation.

Thompson begins by remarking that the division of income between capital and labor hasn't changed significantly since the turn of the century; about 70 per cent of all the dollars spent for goods and services in 1900 went for wages, and roughly the same percentage does today. Since the distribution of wealth hasn't changed much either, the conservatives may be right when they say the portions are the same—it's just that the pie is bigger.

But the unions haven't been getting a larger piece for all working people. Instead, in Thompson's words, "They have succeeded in getting larger shares for their own members. Roughly 25 per cent of the country's total workers belong to a labor union . . . workers belonging to some of the more powerful unions receive wages as much as 20 per cent above those they would be receiving in the absence of the unions . . . it is obvious that those organizations are simply 'transfering' money from one group of workers to another . . . Union members' wages are, in effect, subsidized out of the paychecks of the country's non-union employees."

There is nothing intrinsically wrong with that. In all Western societies, capitalist, socialist and communist, there are sliding pay scales, all of which arbitrarily assume that workers in some occupations should be paid more than workers in others. But could the inequality of compensation Thompson points out here be eliminated by unionizing all workers? It's doubtful, since the results would probably be not higher pay but more inflation.

This brings us to the nub of Thompson's argument: He believes that labor monopolies gouge the public penny for penny with business monopolies. It is estimated that monopoly capital steals about $40 billion a year from the public; if monopoly labor does the same, we're talking big money, money enough to be a significant factor in our ever-hemorrhaging inflation.

Few statistics are collected on this touchy subject, presumably because if we knew the facts it would make it a little harder to avoid doing something about them. But the indications are that in certain industries pay raises consistently outstrip the inflation and productivity.

Why would management permit itself to sign such wage agreements? Because in an industry with a labor monopoly the management doesn't have to fear a non-union competitor paying realistic wages and charging lower prices.

The best situation for both is when monopoly capital can embrace monopoly labor. You see that in the automobile business. Henry Ford lectures us about free enterprise, but if you had a free market, he couldn't raise his prices when his sales drop. That's what they've been doing in the car business.

Apparently a union can be used as a device by management to get around the antitrust laws. That seems to be the case in the steel industry, where you have a number of ostensibly competing companies who can use the mechanisms of industry-wide collective bargaining to rig prices and run the cartel. The last steel contract reads like a Viking blood oath between union and management to go commit piracy on the high seas, and we haven't even talked about the tariffs and subsidies.

Many unions don't have a monopoly or anything like it. Chavez's agricultural workers don't, the mine workers in Harlan county don't and the Farah pants makers could never have won their fight without a large, industry-wide union. Just as some industries, for good cause and bad, are exempted from the antitrust laws, so should some unions be. But the inflationary biggies may have their power cut back.

THE ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1974

Mr. CHURCH. Mr. President, I would like to take just a moment to commend the Senate Labor and Public Welfare Committee, under the capable direction of my distinguished colleagues, Senator Williams and Pell, for its excellent performance in guiding the Senate through the recent debate on the Elementary and Secondary Education Amendments of 1974. What could have been a long, drawn-out debate was simplified into a week's discussion primarily due to months of careful preparation and discussion by the committee members and staff.

I must say I was especially impressed with the committee's efforts to curtail the usurpation of legislative powers by the executive branch of Government, a practice which has been so deeply felt in recent years by the educators of our country. Education programs have been the powerless victim of impoundment under the Nixon administration, and all too often newly enacted programs have failed to get off the ground, simply because the executive branch would not promulgate the necessary regulations.

Under the Senate bill, special precautions have been taken to avert such confrontations between the Congress and the President. In many instances, this legislation mandates that congressional action is necessary to approve or disapprove departmental decisions to insure that such actions are in concurrence with the intent of Congress.

I was pleased also with the Senate decision to continue the impact aid program, a program which the administration had proposed to phase out. Two-thirds of the land in Idaho is owned by the Federal Government, and consequently there is not a large property-tax base upon which to draw. The Public Law 874 program, which provides Federal aid to schools in areas impacted by a large amount of Federal activity, has in past years provided the necessary funds to keep many Idaho school districts afloat, compensating them for their tax loss on public lands.

The Senate was also able to reach an agreement—acceptable to both urban and rural States—on the funding formula for title I ESEA funds, aid to disadvantaged students. Although the 85 percent hold harmless level of funds to local educational agencies was retained, as in the House of Representatives version, the Senate added a special section authorizing $35 million for assistance to those local school districts whose receipts of funds is less than 90 percent of the amount received during the previous year, and for whom this decline in funds would create a problem in carrying out their education program. In Idaho, this provision would be of particular assistance to Blaine, Boise, Caribou, Clark and Lemhi counties as these Idaho counties are suffering the greatest loss in funds under the recent switch from the 1960 census figures to the 1970 census figures in computing title I aid. Whereas we must insure that these funds are directed to serve the needy, we must also insure that the absence of these funds in previously funded districts does not severely handicap the educational process.

Another change important to my State was the reinstitution of part C which provides special grants for areas with an exceptionally high concentration of poor children. Seven Idaho counties will qualify for some $115,000 in funds from these grants. Those counties included will be Ada, Bannock, Bingham, Bonneville, Canyon, Kootenai and Twin Falls.

The Senate legislation greatly expands the handicapped education program, a move which is desperately needed if we are to deal effectively with the education rights of handicapped persons. Several other vital areas of education have been given special emphasis also—among these, bilingual education, including vocational training, career education, and reading programs. Of special interest to me was the adoption of funding for community school projects, legislation which I have authored in the past two Congresses. Successful community education programs underway in Idaho have offered everything from tax counseling for the elderly to continuing education courses for the entire community.

Included in the bill are restrictions on the busing of school children to insure that the health, safety, and welfare of the child is our primary concern. At the same time, these restrictions are limited to the bounds of our Constitution which insures all children equal education opportunities.

I believe the Senate has produced a strong, viable, workable bill—one which would revitalize our education system. As a progressive nation, we must constantly update our programs to keep pace with our advanced technology. In doing so, however, we must remember the trials and tribulations of past experience and rework the success of the past with the innovation of the new. We must reweave our educational policy of the sixties to conform to the seventies.

Nothing brings this more to mind than my recent visit to the small community of Yellow Pine, Idaho, where I attended the dedication of a new school bell. Yellow Pine houses the epitome of the little red schoolhouse that has grown to be the symbol of free public education in America. Grades one through eight are taught in a one-room building by one teacher, and the entire community expresses pride in both their school and the education their children receive. In adopting new programs, Congress must allow for a flexibility which will accommodate my friends in Yellow Pine as well as the students in downtown Los Angeles. The little red schoolhouse is still a vital part of our educational system and it is a link to the past that must be retained.

We have come a long way since the early colonial period when education was just a privilege of the wealthy—when the sons of the rich were schooled in philosophy and theory while the sons of the working class were apprentices in the trades of their fathers. Education is now available to all the children of our land, regardless of race, sex, or economic status.

This is as it should be. America is a great Nation because her people are educated, for only where you have an educated electorate, can you maintain a democracy such as ours.

If enacted, the Senate bill would do much to enhance the quality of education in our country, and I urge the Senate conferees to hold tight to the principles we have adopted when the time comes to reach a compromise between the House and Senate versions of the Elementary and Secondary Education Amendments of 1974. We must not abandon our pursuit of quality education for all Americans.

BAD DAYS FOR CATTLEMEN

Mr. DOMENICI. Mr. President, I have spent a great deal of time in the past several weeks talking to my many friends in the cattlegrowing business in my home State of New Mexico. These are hardy men, independent and used to the vagaries of bad weather, sick calves, and an up-and-down marketplace. They do not ask for favors and they rarely complain. They are proud of their contribution to the health and nutrition of this Nation and of the world.

But, these men, the salt of the earth, face grave troubles, perhaps the worst in 20 years, some of the veterans in the field tell me. They are caught in a vicious cost-price squeeze that threatens ot bankrupt many of the smaller outfits. I had a call recently from one of the most prosperous cattlegrowers, who told me:

> I can probably take a beating this year, and even the next, because I've done real well the past 30 years, but a lot of the littler producers are going to go out of business if things don't improve soon.

I have already joined with several of my distinguished colleagues to reinstate the 1964 import quotas to help our domestic cattlegrowing. I hope to initiate more action in the very near future. But, one of the most important things to tell the noncattlegrowing public is the ills of the cattlegrowers today will be the shortages of tomorrow. For this reason, I ask unanimous consent that an article from the New York Times be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

In Colorado, Bad Days for a Cattleman

(By Bill Hosokawa)

Denver.—Ken Monfort, whose Colorado-based company is the world's largest producer of grain-fattened cattle, sold a steer one day recently and instead of making a profit he lost $125.

What worries Mr. Monfort is that he has 180,000 head of cattle in his feedlots and he's going to have to market most of them at a loss—probably not as much as $125 apiece—

if conditions don't change. Meanwhile, every one of these animals is munching about a dollar's worth of grain every 24 hours. It costs Mr. Monfort $180,000 a day just to feed his cattle.

In the most recent quarter of his fiscal year, Mr. Monfort's cattle-feeding operations, around the town of Greeley, Colo., lost nearly $9.2 million. Profits from the company's other divisions and a substantial tax break trimmed the loss to $3.8 million.

Even so, it is not the kind of situation conducive to sound sleep at night. It also demonstrates how sensitively one remote segment of the United States economy, the beef industry, is linked to the world-wide economy.

The steer on which Mr. Monfort lost $125 was purchased half a year ago from a Texas rancher for 53 cents a pound on the hoof. Since it weighed 700 pounds, the cost was $371. Last fall, after the beef boycott ended, the future looked bright for the cattle business and an investment of $371 for this calf appeared to be sound.

By the time the calf gained 400 pounds to reach ideal marketing weight, Mr. Monfort's computers told him it had cost $216 in feed, wages, interest and other outlays. That averages out to 54 cents for each pound of growth.

Adding the original investment to the cost of fattening the steer, Mr. Monfort had spent $587 to produce this 1,100-pound animal for market.

But when he sold the steer the market had weakened so badly that he was paid only 42 cents a pound, or $462. Instead of realizing a profit for his work, time and investment, he had lost $125.

It is not unusual for cattlemen to buy high and sell low. That's part of the risk of a volatile business.

"We've taken beatings before, but this is the biggest loss in my experience," says Mr. Monfort, a former Colorado state legislator. "Our situation is typical of the entire industry. We just happen to be the biggest."

What caused the trouble? Many things.

For one, there was that grain deal that sent United States surpluses to the Soviet Union. Suddenly American reserves had vanished. Buyers began to bid up the price, and the cost of feed nearly doubled.

Then there was the Arab oil embargo and the sudden rise in retail gasoline prices. Americans reduced their traveling. That meant they didn't eat steaks in restaurants the way they used to.

Auto workers were laid off. Their wives fed their families chicken or canned tuna rather than sirloins.

Britain used to buy nearly all of Mr. Monfort's beef kidneys. But British foreign-currency reserves had to be diverted to pay for expensive petroleum. The kidneys are now sold to pet-food manufacturers for one-third the former price.

Affluent Japanese have developed a taste for Colorado beef. But when Japan had to double payments for oil to keep her industry going, there was precious little foreign exchange for imported sukiyaki meat.

Many smaller cattle feeders, less soundly financed than Mr. Monfort, are cutting back or going out of business. They cannot afford the risks on top of paying as much as 14 per cent interest on their loans.

At Brush, Colo., Irvin "Whitey" Weisbart is shutting down the feedlot his father opened 40 years ago. "We were going to close it anyway," he says, "but the current situation speeded up our plans."

Cattlemen are retrenching all along the line. What the public doesn't realize is that it takes 28 to 30 months for beef to move from breeding farm to retailer. The calves that aren't being conceived today won't be on the meat counters two and a half years from now.

FERTILIZER AND FOOD AVAILABILITY

Mr. HUMPHREY. Mr. President, I wish to point out a very compelling article, "If We Hog the Fertilizer . . .," in the May 26 issue of the Washington Star-News.

The article points out the critical importance of both the price and availability of fertilizer.

Fertilizer shortages in countries such as Pakistan and India have brought increasing pressures on already meager food supplies. Food prices are estimated to have increased by 30 percent during the past year in Pakistan. With reduced availabilities of public law 480 food commodities, fertilizer becomes a life and death matter.

This article highlights the need to increase fertilizer production. It also points up the need to establish a food reserve system to deal with crisis situations.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article be ordered to be printed in the RECORD, as follows:

IF WE HOG THE FERTILIZER . . .

(By Richard Critchfield)

ISLAMABAD.—The American housewife who is worried about her rising food bill might well take a look at what is happening in Pakistan.

Here Prime Minister Zulfikar Ali Bhutto, afraid of urban rioting, is doing his best to hold down food prices after a 30 percent rise this past year. This is not news, of course, since virtually every other Asian country is faced with the same runaway inflation and is doing the same thing.

What hurts most is that to keep prices down in the cities, Bhutto must also keep prices down that are paid to some 4 million farm families. And with the price of such nitrogen-based fertilizer as urea having risen from $40 a ton in 1971 to $260 a ton now, lower prices for farm products could mean a lot of Pakistani farmers will be forced to grow a lot less grain from now on.

The consequences would be familiar: Short supplies anywhere affect the supply equation everywhere. The inevitable bidding and escalation of prices follows.

So far, Pakistani farmers have not curtailed their output. The annual wheat harvest is still being gathered on the Punjab Plain, one of the earth's great breadbaskets, which extends from the Pakistani capital of Islamabad down to the Indian capital of Delhi. Pakistan has been hoping for a record harvest of 8.5 million tons. India, hit by wheat rust disease, fears it will get only 40 million tons of an expected 48 million ton harvest.

Most experts believe that with enough fertilizer and proper technology, Pakistan could produce 12 million tons of wheat each year and India 60 million tons. Such a total of 72 million tons would nearly match the record 76 million tons of wheat hoped to be harvested in the United States and Canada by October, the biggest in history. Of this, 41 million should be available for export or stockpiling.

Together these harvests hold an important key to global inflation.

More than anything else, it is the unprecedented tripling of wheat prices and the doubling of soybeans, animal feed and beef prices over the past two years that produced the 14 percent rise in American grocery prices in 1973, a rise that probably will be matched in 1974.

If prices are to fall for the American housewife, they must fall on the world market first, and this means that not only the United States and Canada, but also a few key regions like the Punjab Plain, must produce all the grain they can.

North American production alone may bring some relief this year. U.S. farmers are planting 6 percent more land than last year, bringing a total of 340 million acres under the plough, the highest in 18 years. But not even last year's record crop stopped prices from soaring, or demand from devouring much of the world's grain reserves. By June, world wheat stocks will stand at only one-third the level of four years ago—and today there are 300 million more mouths to feed.

American farmers this year are spending an extra $1.8 billion on fertilizer, 50 percent more than in 1973. They are bidding up and buying up the limited supplies that could be better used in poor countries like India and Pakistan. A ton of fertilizer on a virgin field in Pakistan can push up wheat yields by about 10 tons, on a normal field five tons. But the more fertilizer supplied, the smaller the extra crop. This law of diminishing returns means that the world food supply will be held down this year as the rich farms of the United States and Europe are over-fertilized at the expense of the developing world.

This is not in the interest of anyone, including the American housewife. Pakistan is one place where food production, if Bhutto lifted all price controls and enough fertilizer were available, could be expanded very quickly. Wheat production has risen from 3.8 million tons in 1965 to 8.5 million tons this year and rice from nothing to 2.4 million tons (most of the rice is exported).

Everything is ready to go—if Pakistan gets the cash, credit, fertilizer and technical assistance it needs. It now has, in what was a virtual desert 50 years ago, 33 million acres irrigated by a 10,000-mile canal system and 120,000 tubewells, the largest single irrigated area in the world. Two-thirds of it is threatened by waterlogging and salination but corrective technology exists and Pakistan is investing $500 million to reclaim 14 million acres over the next seven years.

Just since 1967, 35,000 tractors, 5,000 threshing machines and 200 combines have been introduced. Pakistan's American-financed wheat research laboratories, together with those of India, are now the most advanced in the world. Next year Tarbella, the world's largest earthfilled dam, with more hydroelectric power than Aswan, will come on line.

Pakistan, now shorn of Bangladesh, is a land of 69.5 million people in an area of 300,000 square miles, with no more than 4 million farm families in 60,000 villages, cultivating 47.5 million acres. That is a favorable man-land ratio for Asia.

Productivity is still very low. If things go moderately well, most foreign experts believe Pakistan can double its production of wheat, rice, cotton and sugar within 10 years. Reform is required; Bhutto has reduced land ceilings from 250 to 150 acres but he needs to bring them down in line with the 50-acre limit imposed in Iran, and the 30 acres of India. Farm wages need to be raised from a present pitiful 50 cents a day. Primary education must be spread among a rural population that still is 88 percent illiterate.

Immediately, Bhutto needs to lift present controls so that his farmers can make enough money to buy higher-priced fertilizer and really go to town and grow more food. Philippine President Ferdinand Marcos has done this, accepting a 40 percent price rise in the cities while allowing farmers to double and triple their earnings because of record-high world commodity prices.

Unfortunately, little of Asia's rice production can be available for export; as it is, production is not keeping up with population growth. Since wheat and rice are man's two basic foods, any appreciable rise in the world food supply has to come in wheat.

Self-sufficiency in food remains touch-and-go in the Soviet Union, and China's 800 millions now are being told to "eat a mouthful less each meal." That leaves the Punjab Plain as one great hope for the hungry world. Especially important to the world at large is that part of the plain which lies within Pakistan, since India is hard put to feed its own millions in any case, and probably will remain so in the foreseeable future.

But Pakistani output, if Bhutto remains more afraid of angry urban mobs than angry village farmers, is in danger of declining not rising. Two years ago Bhutto would not have had to choose between village and city. He then could have obtained U.S. PL480 surplus wheat at concessional prices Pakistan could afford, and kept his restless cities fed while allowing farm prices to rise so farmers could afford the fertilizer they need (if it was available).

What happened is that two years ago, President Nixon and Agriculture Secretary Earl Butz quietly ended U.S. policy of stocking huge corn and wheat surpluses and paying farmers to keep 60 million acres lying fallow, at a cost to the taxpayers of $4 billion a year. Today there are no more expensive stocks to be financed—and no PL480 surplus either—and the upward surge of world prices has pushed American commercial farm exports up to $18 billion a year, double the 1972 amount, taking the federal government out of the grain business altogether.

This has reversed the U.S. balance of payments deficit and farm subsidies now cost the taxpayer only one-eighth of the 1972 amount.

But developing countries like Pakistan have been left high and dry. Without PL480 wheat they have no way to combat urban inflation without hurting the rural, food-producing population. Although the rural peasantry in most Asian countries numbers 70 to 80 percent of the total population, it is the restless urban poor that topple governments and keep political leaders awake nights.

Urban politics aside, the inexorable requirements of food production may force Bhutto to raise farm prices before the next wheat planting season, probably in October, and risk the food price rise sure to follow. A United Nations food conference has been called by Secretary of State Henry Kissinger for November to try and find some way to make wheat reserves available to poor countries, but this will be too late to help Pakistan this year.

And if Pakistan loses, so does the American housewife.

KANSAS WINTER WHEAT STAMP

Mr. DOLE. Mr. President, I take this opportunity to call the Senate's attention to the forthcoming issuance of the third in a series of commemorative stamps honoring rural America.

The first stamp in this series highlighted the centennial of the Angus cattle breed's establishment in America at Victoria, Kans. And as further indication of Kansas' importance to American agriculture this third stamp, marking the centennial of the famous land winter wheat, will be issued in Hillsboro, Kans., on August 16.

This is a uniquely Kansas-oriented stamp. In addition to commemorating the variety of grain which established the bases for Kansas' nickname, "the Wheat State," it was designed by John Falter, originally of Atchison, Kans. Many of Mr. Falter's Kansas scenes were cherished by millions as they appeared on covers of the Saturday Evening Post. And his selection as the stamp's artist is particularly appropriate. Hillsboro is also the hometown of Postmaster General E. T. Klassen who is expected to be a leading participant in the festivities surrounding the stamp's issuance.

I am looking forward to taking part in the Kansas wheat stamp's first day of issue ceremonies, as are many others in Kansas, Hillsboro, and in the agricultural community.

To provide the Senate with a brief history of Kansas winter wheat and the people who brought it to this country, I ask unanimous consent that an article from the June 12 Washington-Star News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KANSAS WINTER WHEAT

(By Belmont Faries)

The hard winter wheat that made Kansas the granary of America reached the Middle West in the baggage of German-speaking immigrants from the steppes of Southern Russia.

The third stamp in the Rural America series, to be issued Aug. 16 at Hillsboro, Kansas, marks the centennial of their arrival.

The Mennonite brethren came to the western prairies of the United States in an increasing flood in the decade after 1873. They were followers of the Dutch priest Menno Simons, a remnant of the radical Anabaptist wing of the Protestant Reformation who had fled religious persecution in Holland in the 16th century to settle the wild Vistula border of Prussia and Poland.

Two things set these "plain people" apart from their neighbors. They were superb farmers and they would serve in no king's army. Alarmed by the growing militarization of Prussia and encouraged by Catherine the Great's promise of free land, religious tolerance and freedom from conscription, many of them had moved to the unbroken steppes of the Ukraine in the 1700s. In the next 90 years, with the help of a hardy strain of wheat they called "Turkey Red," they had made southern Russia the granary of Europe.

But in 1870 Czar Alexander II imposed military conscription on the foreign settlements within Russia's borders, and it was time for the Mennonites to move again. They had heard tales of the American Middle West, and an official delegation came to see for themselves in 1873. They were eagerly welcomed by officials of the Santa Fe Railroad, which had pushed across Kansas to the Colorado border and had nearly 3 million acres of land grants from the state available for sale along its tracks.

Some Mennonites from the eastern United States were already in Kansas, and Bernhard Warkentin of the Molotschna settlement, who later cooperated with Mark A. Carleton of the Department of Agriculture spreading the use of hard winter wheat, had set up a grist mill at Halstead before the first organized group arrived. Thirty-four families of 163 persons from Annenfeld n the Crimea reached Marion County in central Kansas on Aug. 16, 1874, and founded the village of Gnadenau on 7,680 acres purchased from the Santa Fe. Nearly every family had with it small amounts of Turkey Red seed wheat.

Other groups followed to settle in Marion and McPherson counties, in Nebraska and as far north as Canada's Manitoba. German Lutherans and Catholics from Russia also joined the migration. It soon became obvious to their American neighbors that the bearded foreigners not only worked uncommonly hard but they were growing a hardy drought-resisting high-yield wheat. In a few years Kansas was producing million-acre crops and wheat was the most important element in the state's economy.

The stamp design, a wheat field extending to the horizon, with a railroad engine pulling a tender and two cars of the kind that carried the immigrants to the railroad grant lands, is the work of John Falter of Philadelphia, whose grandparents were Nebraska wheat farmers.

Frank J. Waslick of the Bureau of Engraving and Printing prepared the model for the engravers, John S. Wallace for the picture and Kenneth C. Wiram for the lettering. The stamps are being printed by a combination of lithography and recess engraving, with yellow and red, blue and brown applied in offset presses and green, blue and black added in a single pass through a Giori intaglio press. the 10-cent stamps will be issued in post office panes of 50 with one plate number.

Addressed envelopes for first day cancellation, with remittance for the cost of the stamps, may be sent to "Kansas Wheat Stamp, Postmaster, Hillsboro, Kans. 67063." The request must be postmarked no later than Aug. 16.

AT 91, MRS. RIGBY IS TALENT SHOW WINNER

Mr. CHURCH. Mr. President, the State of Idaho Office on Aging—working with the Office of Special Projects at Boise State University and the Idaho Commission on the Arts—has established a new and very welcome tradition.

On the eve of the annual State conference on aging, these three sponsors each year conduct a talent show for older Americans. Every participant is the winner of an earlier, regional competition. The final statewide event is a contest of champions.

This year, the Idaho State Senior Citizen Talent Show was held in the College of Southern Idaho, and it was my good fortune to be on hand.

It was a happy occasion, both for the audience and the performers. More than that, it was memorable. It made me all the more convinced that greater efforts should be made throughout the Nation to provide similar opportunities for older persons to show off performing know-how which may have been developed over a period of decades or perhaps acquired only recently, during retirement years.

The talent show was only one part of a Senior Citizens Festival of Arts which also included displays, exhibits, and demonstrations of talents and skills. To get from the auditorium where the conference and talent show was held to the arts and craft display, many of the visitors, young or old, rode in golf carts provided by the college.

All in all, the festival was a lively occasion, one which offers a model for other States.

No other State, however, could be as fortunate in having so admirable an overall, first place winner.

That honor went to Pearl Rigby of St. Anthony. Mrs. Rigby is 91 years old. She is the mother of 5 children, 18 grandchildren, and 59 great-grandchildren, and 16 great-great-grandchildren.

For 20 years, following an automobile injury, Mrs. Rigby has been confined to a wheelchair. She does all of her housework by herself.

At the talent show, from her wheelchair, Mrs. Rigby gave a humorous reading which she addressed to "her poor sisters of misery."

Her subject was "Women's Liberation."

It was, to say the least, a spirited rendition. One of the reasons for her skill, perhaps, is that she gave her first reading at the age of 6. And so she has had 85 years to practice.

Just as Mrs. Rigby drew from a rich source of experience and far-reaching memory to entertain other generations, so did other participants in the talent show.

Mr. President, I ask unanimous consent that their names be listed here.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of Talent Show Winners

1st Place Winner: Titus White (Saxaphone Solos), Lewiston Area Regional Contest.

2nd Place Winner: Silver Valley Trio (Instrumental), Coeur d'Alene Area Regional Contest.

1st Place Winner: Dave Mitchell (Reading), Twin Falls Area Regional Contest.

2nd Place Winner: Norah Ross (Irish Jig), Pocatello Area Regional Contest.

1st Place Winner: Pearl Rigby (Reading), Idaho Falls Area Regional Contest.

2nd Place Winner (Alternate): Marvin Brown (Sax Solos), Payette Area Regional Contest.

1st Place Winner: Mt. Home Musical Misfits, Boise Area Regional Contest.

2nd Place Winner: Zora Warner (Organ Solos), Lewiston Area Regional Contest.

1st Place Winner: Cecile Chambers (Violin Solos), Pocatello Area Regional Contest.

2nd Place Winner: Dr. A. H. Simmons (Reading), Boise Area Regional Contest.

1st Place Winner: Fred Haun (Instrumental Group), Payette Area Regional Contest.

2nd Place Winner: Bulah Chisham (Vocal Solo), Twin Falls Area Regional Contest.

1st Place Winner: Alexander's Ragtime Band, Coeur d'Alene Area Regional Contest.

2nd Place Winner: Onita Hoff (Marimba Solos), Idaho Falls Area Regional Contest.

FEDERAL SPENDING

Mr. BROCK. Mr. President, Congress continues to overspend, oblivious to the consequences. Therefore, I would like to share with my colleagues an article which appeared in the New York Times by Donna A. Thompson. She paints a very vivid picture which each of my colleagues should see. I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A "Hinterland" Plea on Taxes

(By Donna A. Thompson)

Springfield, Mo.—For a long time I have been thinking about telling you, Mr. Congressman and Mr. Senator, what your constituents are thinking—things you never hear. We want to know how you are going to cut taxes when you continue to make larger and larger appropriations.

You say, "We'll cut the Government payrolls," yet in the same breath continue: "But we'll set up another agency or consolidate the ones we have. Instead of so many little people, we will spend more money for the men at the top to take care of the supervision of these bureaus. We need competent men at high salaries."

But we wonder if you need more and more of them? If the men in charge of the agencies are not competent to handle them, why not let them go and put someone in who is? Or is it that more high-priced executives will be another means of helping organize political machines—a way of paying off with large salaries party promises to men who have helped carry elections?

Three farmers were talking about taxes, a favorite topic of conversation out our way, in a service station here the other day.

"My taxes were higher than they have ever been," one said.

Another asked, "When a depression comes, will they come down?"

"They never have," the first one answered. "But if they don't. Uncle Sam will have a lot of farms on his hands."

You talk much about reducing taxes but never do enough for us to tell the difference back here in the hinterland. We listen to political messages and talks over the radio and television, to men who are already in office and men who want to be in office, the President and men who want to be President. And your constituents grow fearful.

It is difficult to believe when men talk out of both sides of their mouths and say nothing. We are not dumb, not entirely ignorant, as many candidates seem to believe. We can recognize a lack of sincerity and honesty. We hear high-sounding phrases that don't say anything. And underlying them all is the idea of more centralization and more regimentation. We are told this isn't true, but we know better, because there is a commission of some kind regulating every part of our lives. The right to live as an individual is dwindling and dwindling.

Most Americans believe in the inalienable right to live and think as individuals, the right to make mistakes. But the right to succeed or fail is no longer "the thing" because the Government wants to help out. It is going to underwrite our right to live so that the farmer's price stays up and the consumer's price stays down and the businessman won't lose money. A man is not allowed to fail or succeed very far. He is limited from falling too low and held back from climbing too high. But we do not want that kind of protection. We want to try our wings, to climb and stumble and climb again. Don't hamper us with restrictions and regulations that tie our hands and empty our pockets so that we aren't free to use our brawn and our brains.

The small-business man cannot compete with the power of Government control and the vast funds that are appropriated. What he is actually doing is paying taxes to feed a monster that is going to devour him, paying the bill to subsidize the corporation that is his most powerful competitor and that will eventually swallow him.

Your constituents are also thinking about our involvement all over the world. You seem to be trying to manage the world as you are trying to manage us. You talk of spending billions of dollars in order to keep the underprivileged countries in operation and to raise their standard of living. Had you thought about letting them struggle to stand on their own feet and slip and slide and climb again as the men who made America did?

You on Capitol Hill talk blithely of billions of dollars; we at home only talk of dollars and dimes. We are small, but after all we make the whole, and dollars come hard. We can't help but think of the billions of dollars that have gone down the drain in foreign aid, and try to believe that the end result is peace in the world. Yet we doubt.

I hope that you will think about what I have said, because after all I am just an average American. There are millions of us and we are thinking mighty hard.

DISAPPOINTMENT IN VICE PRESIDENT FORD'S RECENT CONDUCT

Mr. MONDALE. Mr. President, 6 months ago the U.S. Senate and the U.S. House of Representatives exercised their solemn duty under the 25th amendment and confirmed Gerald Ford to fill the vacancy created in the Office of Vice President by the resignation of Spiro Agnew. This was the first time that the 25th amendment machinery was put into operation and, surely, all must recognize that Congress exercised its responsibilities to fill the second-highest office in the land with thoroughness and appropriate care.

Gerald Ford was subjected to the most rigid scrutiny Congress could muster—in both the House and the Senate, Mr. Ford was required to meet demanding standards, not only because he was about to fill the important office of Vice President of the United States, but also because he was to be elevated to that office at a time of trouble for this country.

This country was, and continues, in the throes of the greatest political scandal in American history. High administration officials have resigned, have been indicted, have pled guilty to serious offenses, and have been convicted of others. The incumbent Vice President resigned his office after entering a "nolo contendere" plea to charges of income tax evasion, backed up by more serious charges of violation of the public trust. Serious charges about improper conduct in the high levels of the executive branch were rampant at the time of Mr. Ford's confirmation and continue unabated, fueled most recently by the release of transcripts of White House conversations. For only the second time in American history, the House of Representatives is engaged in an inquiry into whether grounds of impeachment of the President of the United States exist.

Gerald Ford was confirmed, because he met the ethical standards which Congress and the Nation must demand of a Vice President and possessed the abilities to function successfully in that office. But, more importantly, Mr. Ford was confirmed, with the concurring votes of those who could never agree with his political philosophy, because Congress perceived him as a man who might someday be President of the United States and who, it was thought, possessed the wisdom and foresight to recognize that possibility and conduct himself accordingly.

Because of the realistic possibility that Gerald Ford might become President in troubled times, it was thought that he could take the reins of Government untouched by those troubles. Because he might assume the Office of President at a time when public confidence in Government, as revealed by poll after poll, is at alltime low levels, it was hoped that Mr. Ford might provide a symbol of strength and nonpartisanship which could recapture the confidence of the American people in their Government. Because Gerald Ford might have the duties of a difficult office cast upon him after divisive events, it was expected that he would remain a symbol of unity.

In light of the expectations with which I, and many of my colleagues, voted to confirm Gerald Ford, I witness his recent conduct with great disappointment.

Instead of attempting to remain aloof from the troubles of Richard Nixon, Mr. Ford has insisted upon making repeated public statements indicating his assessment, not only of the President's character and fitness to continue in office, but also of the nature of the evidence against the President. Despite his initial—and, I believe, correct—reaction to such statements, by which he indicated he would not comment upon, much less review, the evidence being presented to the House committee, Mr. Ford has recently insisted upon passing judgment on the evidence and its weight.

A recent article in the Wall Street Journal by Mr. Norman C. Miller notes:

> Mr. Ford may have arrived at the point where his constant public exposure could actually harm the reputation he has established as a straight-talking leader—his most precious asset. For as he backs and fills in his comments on Mr. Nixon's impeachment tactics—one day urging the President to give the House more evidence, another day backing up the Chief's refusal—the Vice President risks impairing his credibility.

The article goes on to add:

> A quarter-century as a member of the House did not adequately prepare Mr. Ford to lead the country, as he would probably be the first to admit. Now, as a Vice President who clearly may be called on to succeed to the presidency under traumatic circumstances, Mr. Ford has a responsibility to educate himself on an array of complex international and domestic problems. And he is blowing it, frittering away his time on trivia.

Mr. Ford has many complicated roles to play right now. He is an important member of his party; he is a popular figure; he is a possible Presidential candidate in 1976; he is a former Member of Congress with great influence among his former colleagues; he is an antidote to the sagging spirits of America. But, more important than anything else, he is a person who might ascent to the Presidency through impeachment and removal, or resignation, of the President. This is his most important role. This is his most historical role. Gerald Ford must preserve his ability to fill this critical role.

I ask unanimous consent that the article from the Wall Street Journal of June 4, 1974, by Mr. Norman C. Miller entitled "Please Take a Break, Mr. Ford" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Please Take a Break, Mr. Ford

(By Norman C. Miller)

Washington.—Someone ought to do Jerry Ford a favor and take his airplane away from him.

The Vice President's frantic flying around the country really isn't doing anyone much good, least of all Mr. Ford. One day he is in Hawaii talking to Boy Scouts. Then he pops up in Texas or Colorado or Utah giving college speeches. Another night finds him in Buffalo to buck up the Republican faithful at a party fund-raiser.

So it goes week after week. What purpose is served by this incessant barnstorming? Very little.

Sure, it's nice for Boy Scouts to see a politician who has all the attributes of an Eagle Scout. Of course the Vice President is a prize catch for a college commencement. And Republicans, God knows, need bucking up, and Jerry Ford probably can do it better than anyone else.

But enough, Vice President Ford has more important things to do—like preparing himself to take over as President if it becomes necessary.

A quarter-century as a member of the House did not adequately prepare Mr. Ford to lead the country, as he would probably be the first to admit. Now, as a Vice President who clearly may be called on to succeed to the presidency under traumatic circumstances, Mr. Ford has a responsibility to educate himself on an array of complex international and domestic problems. And he is blowing it, frittering away his time on trivia.

FOREIGN POLICY PROBLEMS

Mr. Ford has little experience in foreign policy, and he certainly could profitably devote an indefinite period to systematic and intensive study of international affairs. Yet he gives the impression that, if he became President, he could make up for his own lack of foreign-policy knowledge simply by retaining Henry Kissinger as Secretary of State. As wise as such a decision might be, it would hardly be a panacea. Suppose something happened to Mr. Kissinger? What would an inexperienced President Ford do then?

Anyway the strength of Mr. Kissinger or any other Cabinet officer depends to a great degree on the strength of the President he serves. Notwithstanding Mr. Kissinger's likely continuation in office, it is prudent to assume that the Russians would test Mr. Ford's mettle in some way, particularly if he succeeded to the presidency after a divisive impeachment of Mr. Nixon. It is therefore prudent for Mr. Ford to prepare himself for such a possible test by studying the personalities and internal politics influencing Kremlin decisions, and certainly the Vice President could get the help of any expert in or out of government.

Or consider the problem of double-digit inflation. The Nixon administration's economic policy appears almost bankrupt, its policymakers intellectually exhausted after more than two years of disillusioning experience with wage-price controls. The Vice President surely could tap the thinking of other economists, and from extended consultations Mr. Ford just might develop better ideas. If he does not do so, the strong likelihood is that as President he would inheret a discredited policy and be in no position to change it.

Moreover, if he succeeds to the presidency, Mr. Ford would have an immediate opportunity to move the country forward on an array of fronts. The Congress, where he served so long and has many friends in both parties, would be eager to work constructively with him at least during a honeymoon period. The whole country would be rooting for Mr. Ford's success after the protracted anguish of the Nixon Watergate crisis.

Mr. Ford's long experience as the House Republican Leader would make it easier for him to seize this opportunity. For example, his chances of success would be high if he pushed a comprehensive health insurance plan or resurrected the Nixon administration's long-languishing plan to overhaul the welfare system. A political consensus already is within reach on these issues, and as a legislator Mr. Ford learned enough about them to move with confidence.

But there are knottier issues that will yield only to creative leadership. For instance, federal urban policy is a shambles, and yet the massive problems of the cities fester and cannot be ignored forever. Long-range energy policy, despite the sloganeering about Project Independence, has yet to be formulated, and it involves extremely complex economic and environmental decisions vitally affecting everyone's future. To provide leadership on such important matters, Mr. Ford would need to know a good deal more than the superficialities he was exposed to as a legislative leader.

It would be unfair to assert that Vice President Ford's nomadic speech-making means that he isn't spending any time briefing himself on issues. Indeed, a Ford aide maintains that "he's the biggest focus for information that I've ever seen. He has contacts through the party structure, from business, labor, the academic world, you name it. Of all the people in the U.S., he probably had more input from more sources than any other individual."

But how can the Vice President find time to absorb and seriously reflect upon all this "input"? In the last five months he has traveled some 75,000 miles to about 30 states. It is impossible to follow a whirlwind schedule and have much time or energy for extended study of difficult issues.

Mr. Ford's original reasons for hitting the road were understandable and proper. He needed to establish himself as a national figure. People wanted to see him. His party was in desperate need of a respectable cheerleader and fundraiser.

IMPAIRING HIS CREDIBILITY

While the latter two consideration still exist, Mr. Ford may have arrived at the point where his constant public exposure could actually harm the reputation he has established as a straight-talking leader—his most precious asset. For as he backs and fills in his comments on Mr. Nixon's impeachment tactics—one day urging the President to give the House more evidence, another day backing up the Chief's refusal—the Vice President risks impairing his credibility.

A warning sign appeared the other day when Minnesota Sen. Walter Mondale, a Democratic presidential hopeful, charged that the Vice President was "making a fool of himself" with "confusing and contradictory statements about some of the most grave matters that have confronted this country."

Yet no one really wants to drag Mr. Ford into the Watergate wringer. Thus, even while delivering a partisan jab, Sen. Mondale declared: "I hope the Vice President will . . . stop entangling himself in Richard Nixon's troubles and preserve his ability to play a leadership role."

It would be possible for Mr. Ford to take that advice, without exhibiting any disloyalty to Mr. Nixon, simply by deemphasizing public appearances and concentrating instead on quiet policy studies. In doing so, Mr. Ford would lose nothing if Mr. Nixon survives his impeachment crisis. But careful preparation certainly would benefit Mr. Ford and the Nation if he has to assume the presidency.

TRIBUTE TO THE SENATORS FROM NORTH CAROLINA

Mr. HARRY F. BYRD, JR. Mr. President, I wish to compliment my two distinguished colleagues from the great State of North Carolina. In a recent poll, Senator Ervin and Senator Helms were chosen by a wide margin as the two

North Carolina political leaders believed by the people to be most honest.

At a time when national polls show Members of the Congress rated low, it is comforting to find the people of North Carolina holding their Senators in such high esteem.

Analysts for the Long Marketing North Carolina poll commented that they were impressed with the "evident affection for both of the State's incumbent Senators, who finished far ahead" in the poll.

Mr. President, I, too, am impressed. Not only am I impressed by the deserved recognition of our two colleagues, but I am impressed and encouraged by the awareness displayed by the people of North Carolina. It is evident that they are well-informed, not only of the actions by their Senators, but of the splendid character of both these outstanding public figures.

I commend these dear friends and colleagues. I am proud to serve in the U.S. Senate with them.

I quote from the poll, question No. 4, with the result and analysis:

Question 4—What living man or woman, now in political life or formerly in political life—Federal, state, county or local—is in your opinion North Carolina's most honest political leader? (Open-end question; no names suggested.)

Results: (41 names volunteered) first, Senator Sam J. Ervin, Jr. Second, Senator Jesse A. Helms. Third, Terry Sanford. Fourth, Luther Hodges, Sr. Fifth, Robert Morgan. Sixth, Congressman L. Richardson Preyer. Seventh, Supreme Court Justice Dan K. Moore, former Congressman Charles Jonas (tie). Ninth, Governor Jim Holshouser, Tenth, Supreme Court Justice I. Beverly Lake, Congressman Wilmer D. Mizell, Congressman Charlie Rose, Congressman David N. Henderson (tie).

Analysis: Respondents were encouraged to examine the question carefully before replying. The words "living" and "honest" were stressed. LMNCP analysts were impressed with the absence of facetious or trifling answers, and evident affection for both of the state's incumbent U.S. Senators, who finished far ahead. Four of the state's present eleven Congressmen placed in the top ten. Several sour comments were volunteered: that of a Canton man was perhaps sourest—"No such animal exists."

LIMITING GROWTH

Mr. BROCK. Mr. President, within the last year shortages of raw and processed materials have occurred more frequently and with greater economic impact than at any time since the Korean war. Both Houses have held hearings to explore the causes of these shortages and several bills have been introduced.

One effect of the recent concern over material shortages has been a renewed interest in the doomsday literature. Several books published over the last 5 years predict imminent disaster if we do not drastically reform our economic system. Included among this literature are such books as "Technology and Growth: The Price We Pay, Scarcity and Growth" and, probably most well-known, "The Limits to Growth."

Mr. President, all these books argue, in one way or another, that the Earth is a finite system and that its resources cannot last indefinitely. Up to this point, I am sure that no rational man would disagree.

However, these books do not stop there. They use this fact as a starting point from which to argue for the cessation of all population and economic growth, for more centralized decisionmaking and for less individual freedom. I shall not attempt to enumerate the fallacies of this reasoning: others have done the job in detail.

Instead, I would like to share with my colleagues an article that appeared in last Sunday's New York Times, written by Mr. Rudolf Klein, of the London Center for Studies in Social Policy, it points out some of the consequences of limiting growth.

Mr. President, I ask unanimous consent that Mr. Klein's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Limiting Growth

(By Rudolf Klein)

One of the dangers of swings in intellectual fashions is that ideas become accepted before their implications have begun to be explored, as yesterday's unconventional wisdom becomes transmuted into today's unquestioned orthodoxy. The success of the advocates of nongrowth in bringing about a mass conversion to their view is a case in point.

By now we all know what the physical world will look like by the year 2000 or so, assuming that nothing will change except that there will be more of everything. The picture of an overpopulated and overexploited world, with too many people competing for too little space, is guaranteed to chill the spines of even those agnostics who, like myself, remain skeptical about some of the more simple-minded predictions that have been made. If faith in growth—the identification of progress with rising material standards of living—is the original sin of Economic Man, then he no longer has any excuse for being unaware of the consequences if he does not repent soon. Just as the men and women of the Middle Ages were warned by the stained-glass images in their cathedrals of the results if they did not change their sinful ways, so today's congregations are being warned by the images on their television screens of the effects if they do not repent: The vision of a hell on this earth has replaced the medieval vision of a hell in the next world.

But if the arguments in favor of a nongrowth society deserve to be taken seriously, then it is imperative to explore some of the implications of moving in this direction. It is, of course, just possible that if—by some miracle—the United States were suddenly to decide to adopt a policy of nongrowth, this would simply freeze the existing social and political system in perpetuity—that the history of the future would be nothing but the rerun of the same old movie. This, however, is the least plausible of all the possible scenarios; it seems highly unlikely that it would be possible to introduce a revolutionary change in the economic basis of society without also affecting profoundly the social and political relationships of its members.

The trouble is that, precisely because nongrowth would mark a sharp break with our existing habits of thought and ways of doing things, a fundamental discontinuity in our historical expereince, no one can predict what would happen—while prophesying what will happen if growth continues unchecked, in its present form, is all too easy. But if it is impossible to predict, it is essential to speculate. For the paradox is that while modern societies are beginning, if all too slowly and hesitantly, to learn how to cope with some of the consequences of growth (like dealing with pollution), they are utterly unprepared to deal with the effects of nongrowth. Yet these effects, particularly if they are unanticipated and undiscussed, could be shattering. It is not all that difficult to sketch out a scenario of social catastrophe in a nongrowth society to equal, in its horror, the scenario of ecological catastrophe in a growth society.

The starting point of such a doomsday scenario would be the Hobbesian assumption that politics in societies like the United States is about the allocation of resources. There are different groups—some ethnically defined, some economically defined—struggling to improve their position in society, as measured by their incomes, their housing, their access to education, job opportunities and so on. At present, economic growth tends to blunt the edge of this conflict. For everyone can expect to be better off next year than they were last year, even if their relative position does not change. Furthermore, it is possible for some groups actually to improve their relative position, without anyone actually being worse off in terms of hard cash. The competition for resources (social and financial) is therefore a game in which everyone can win at least something.

Now imagine the situation transformed by a decision to halt all economic growth. Immediately the competition for resources becomes a zero-sum game. One man's prize is another man's loss. If the blacks want to improve their share of desirable goods, it can only be at the expense of the whites. If the over-65's are to be given higher pensions, or improved medical services, it can only be at the expense of the working population or of the young.

From this, it would seem only too likely that the haves would man the barricades to defend their share of resources, against the have-nots. The politics of compromise would be replaced by the politics of revolution, because the have-nots would be forced to challenge the whole basis of society, and its distribution of wealth and power. For those who think that this distribution is wrong—and that most of the compromises are cosmetic anyway—this would be a welcome confrontation; not so, however, for those who take a more optimistic view of the possibilities of change in the existing society.

But the tensions created by nongrowth within a single political society like the United States would be compounded, more catastrophically still, within the international political community. For again, economic growth creates at least the possibility—even if in practice it has turned out to be illusory for some nations—of a general and continuing rise in standards of living. To abjure growth, by freezing the present situation, is thus to repudiate hope. It is to condemn a majority of the globe's inhabitants to permanent poverty unless (once again) the have-nots successfully manage to challenge the haves in order to bring about a redistribution of global resources in their own favor.

It is difficult to conceive such a challenge stopping short of war; perhaps the extreme form of this particular scenario would envisage China ultimately leading a coalition of the developing countries against the bourgeois superpowers, Russia and the United States. Given this kind of political doomsday assumption, not many of us would be left alive to witness the ecological disasters predicted by the antigrowth school; the problem of overpopulation would have been solved dramatically—unpleasantly but efficiently.

Like most speculations about the future, this doomsday scenario carries a contraband of undeclared assumptions in its baggage. It takes man to be an acquisitive, competitive and aggressive animal. It assumes a social ethic of work, struggle and achievement. Indeed this sort of political doomsday prediction is based on the same trick of argument as the ecological doomsday prophecy: it projects the present into the future, without allowing for the possibility that a changing situation will produce changing attitudes or policies and so falsify the forecasts.

If one reverses the assumptions, if one allows for the possibility that nongrowth will in itself create a new political and social situation, then it is possible to draw up a much more optimistic scenario at the opposite end of the spectrum of possible futures. This, I suspect, is what most advocates of nongrowth do, if only explicitly. In the optimistic scenario, competitive man is an aberration, the product of a society dedicated to growth, which stunts and distorts its members by generating artificial wants. From this point of view, the competition for limited resources is seen not as inevitable but as socially induced, a sign of the corruption brought about by tasting the apple of economic growth.

Given this approach, then, the repudiation of economic growth would in itself create the opportunity for a new kind of society to arise. This was, for instance, the view taken by one of the earliest advocates of nongrowth, John Stuart Mill, the English political philosopher, as long ago as 1848.

I confess that I am not charmed with the ideal of life held out by those who think that the normal state of human beings is that of struggling to get on," Mill wrote, "that the trampling, crushing, elbowing, and treading on each other's heels, which form the existing type of social life, are the most desirable lot of humankind, or anything but the disagreeable symptoms of one of the phases of industrial progress." Instead, he thought, "the best state for human nature is that in which, while no one is poor, no one desires to be richer." And he concluded: "This condition of society, so greatly preferable to the present, is not only prefectly compatible with the stationary state, but, it would seem, more naturally allied with that state than with any other."

The stationary state of John Stuart Mill is the nongrowth society of today, and many of his views are reflected (if in less stately prose) in the writings of people as diverse as Marcuse or Gallbraith. It is worth noting, thought, that while Mill thought that the United States provided the most favorable conditions for the development of such a society—since the northern and middle states had "got rid of all social injustices and inequalities"—he was disappointed by the lack of progress in this direction: "All that these advantages seem to have done for them is that the life of the whole of one sex is devoted to dollar-hunting, and of the other to breeding dollar-hunters."

In his advocacy of the stationary state, Mill was, of course, drawing on a tradition as old as Western thought, a tradition which put the emphasis not on productive work but on reflective, artistic and other noneconomic activities—a point of view which also finds an echo in the works of Karl Marx when he contemplates the future of society after the disappearance of capitalism. In this perspective, it is the growth society which is the aberration—a temporary phenomenon of the past 500 years or so, against which must be set the thousands of years of history during which nongrowth was the norm. Thus nongrowth can be seen as a resolution of social and political tensions, rather than as their cause.

Stated in these deliberately crude and extreme terms, neither the pessimistic nor the optimistic scenario is particularly convincing. Both are rather like the naive scenarios fashionable in the early days of the hydrogen bomb, which postulated a simple antithesis between a universal nuclear holocaust or universal nuclear disarmament. They beg crucial questions about what is meant by a nongrowth society, about how such a society might evolve and about whether one is talking about a single nation-state like the United States or about the world community.

Nongrowth is a deceptively simple slogan. It would seem to imply a combination of zero population growth (Z.P.G.) and zero economic growth (Z.E.G.)—by which is usually meant, no further rise in the total population nor in such conventional indicators as the Gross National Product. This, in turn, would seem to suggest a rather unthreatening picture of a society continuing to enjoy its present standards of living which, in the case of the United States at any rate, are luxuriously high for the great majority. But, forgetting for a moment the international setting and making a start with the case of a single society like the United States, this particular intellectual ball of wool turns out to be a remarkable tangle which requires teasing out.

The first difficulty comes in trying to relate the two components of the stable society—Z.P.G. and Z.E.G.—to each other. If it is assumed that progress towards these two aims will proceed harmoniously in step, then it follows that no one's standards of living (as measured by per capita income) will fall—and the stable society appears as a well-cushioned resting place, a plausible setting for the optimistic scenario. But it is at least possible that economic growth might stop before population growth; indeed more than likely, since it is impossible to insure a stable population in the absence of compulsory abortion or euthanasia. If so, there would actually be a fall in per capita income. In turn, this would raise some exceedingly awkward questions as to whose income should be cut: the pessimistic, social and political cutthroat scenario would seem to be rather apposite in such an event.

Mancur Olson pointed out a further permutation in his introduction to the issue which Daedalus, journal of the American Academy of Arts and Sciences, devoted to the subject of the No-Growth Society (compulsory reading for anyone interested in this subject). This was that it might be possible to combine a static economy with a falling population. In this case, there would actually be an increased income per capita, which would perhaps permit a superoptimistic scenario about a paradisiacal future combining affluence with ecological safety, social stability and social reform on behalf of deprived and underprivileged minorities.

But before jumping into this or into any other future, we should do well to ask a rather different sort of question: What are the social and political processes which will produce a stable society, as distinct from the social and political problems that may be created by the emergence of such a society? The two are obviously related, in that the circumstances of the birth are bound to affect subsequent developments. The discussion so far has, like most discussions of the nongrowth society, skirted round his issue; it has rather taken it for granted that there will be a collective social revelation, resulting in a colletcive social decision.

This, of course, is a nonsense belief, and it is precisely because this belief is widely held that much of the discussion about the stable society tends to have an element of religiosity about it, more concerned with spiritual conversion than practical realities. For the implications of even beginning to move toward a stable society are immense; political institutions would come under great pressure and social friction would grow.

This contention can easily be illustrated. To return to the first element in the equation of the stable society—zero population growth—there is no problem about this, only assuming that, by some instant process of education creating a generally shared consensus, all families in the United States will more or less keep to the required number of children (although there is obviously a little scope for variety, since some families may decide to have no children at all).

But what if they don't? What if some ethnic groups in the population keep to their ratio, while others exceed it? Would this be acceptable? Or would it be resisted since—in the long term—voting power tends to follow population size, and therefore differential ethnic population growths would imply a change in the ethnic balance of power? The idea of actually enforcing standard family sizes (as distinct from persuading people to accept voluntary limitation and introducing financial incentives designed to encourage such a development) tends to be widely resented, anyway. The idea that such a policy should be enforced on a discriminatory basis against a particular ethnic group would, surly, be equally widely resisted. It would introduce a particularly sensitive and divisive new issue into a political system which is already under strain in dealing with current social problems.

Difficulties of a different sort, but no less formidable, arise in the case of Z.E.G. It is implausible to assume that the present economy will remain as a mummified museum piece for perpetuity, that the United States will forever go on churning out the same number of cars, television sets, Ph.D.'s and garage mechanics. A stable society does not mean a frozen society, one hopes. But allowing for the possibility—indeed necessity—of change, how is such change to be controlled? For stability does imply control. It predicates that if Firm X (or University Y) produces too much in the way of goods, then Firm Z (or University W) will have to cut production back, if the total is not to be exceeded. It means that, if health and public services are to expand and improve in quality, the resources will have to be found by cutting other items of consumption.

The last point underlines the fact that progress from a growth to a stable society is also likely to mean progress from a society in which most of the decisions are taken by individuals or individual firms to a society where most of the decisions are taken collectively. It means (if we are really serious about Z.E.G.) more central control over the production and allocation of resources.

This is not necessarily a distressing prospect. Collective decision-making must not be confused with totalitarian decision-making and it has indeed been argued by J. K. Galbraith and others that present-day American society offers the illusion rather than the reality of individual decision-making, since not only are these decisions affected by the brain-washing activities of Madison Avenue but take place in an economic and social environment controlled by the "techno-structure" of big business and government. But it would clearly impose extra burdens on existing political institutions.

As it is, there is already much debate about the adequacy of Congressional control over the executive and a widespread feeling that the present balance is unsatisfactory. However, progress towards Z.E.G. would demand a more powerful executive backed by a more all-embracing bureaucracy. In turn, this would imply yet a further shift in the balance between Congress and the executive—between accountability and centralized power—unless there was an acompanying change in the political institutions of the United States deliberately designed to meet this danger.

Collective decision-making also ought to be distinguished, though, from giving greater priority to collective services for society as a whole. On the whole, advocates of the stable society also tend to be advocates of the provision of more collective goods: more hospitals and fewer private cars, to encapsulate the standard argument. But while in a growing economy public and private affluence can go hand-in-hand, they part company in a stable society. The choice becomes sharpened in conditions of Z.E.G., and it certainly cannot be taken for granted that there would be a consensus in favor of allowing the rise in expenditure on health, education and pollution control to continue if this would actually mean a reduction in private consumption (it's all too easy to forget that measures designed to improve the environment or control pollution actually cost money, and therefore appear in the Gross National Product).

It is just possible—if one actually does believe Professor Galbraith's contention the people only want the gadgetry of modern technology because of the artificial pressures of the admen—that a collective decision would go in favor of more collective goods. However, it might be as well to consider seriously the possibility that the collective decision might be in favor of more private goods. If so, the result might paradoxically be more pollution and more political tension, since less would be spent on cleaning up the environment and on making the inner cities acceptable places in which to live. If this were the outcome, progress toward a stable society would actually increase social stress.

At this stage in the argument, however, it is necessary to reveal yet another concealed assumption. So far, I have tended to accept what might be called the social-engineering view of social change: that, given the political will and a little tinkering with the machinery of administration, it is practically possible to bring about certain desired changes. Only the self-evident difficulties of persuading a population to accept the personal implications of the general idea of Z.P.G. have been touched on so far.

But, in returning to Z. E. G., it is far from clear that in the present state of knowledge, it is actually possible to exercise the sort of precise, finger-tip control which is implied by the idea of non-growth. The evidence, rather, appears to point in the opposite direction. But if, in fact, the economy continues to perform on a cyclical pattern, then it would seem—if Z.E.G. is to retain any meaning at all—that if by some unfortunate mishap the economy were to grow in one year, there would have to be a compensating fall in the following year. The manic-depressive pattern of economic management of recent decades might well be reinforced, with deeper and sharper recessions deliberately engineered to compensate for accidental growth—what might be called an economic abortion program. In turn, such a policy of economic management would once more entail political friction, deepening rather than narrowing divisions between the various economic, ethnic and social groups in American society.

All this may seem unnecessarily pessimistic, deliberately stressing the negative aspects of the evolution toward an American society based on nongrowth while neglecting the possibility of agreed and harmonious change. But the picture of possible futures painted so far appears positively cheerful and encouraging if the wider, global setting is also considered.

Again, there is a whole spectrum of scenarios, offering various mixes of gloom and optimism. For example, one possibility might be a unilateral decision by the United States to introduce no-growth in one country, on the reasonable enough argument that the American dream has been fulfilled in economic terms. Clearly such a conscious decision (always assuming that it is psychologically plausible and politically possible) would, in itself, tend to create that sense of dedication which would be required to cope with the problems so far discussed. Still, even this sort of ideological and economic isolationism would come under severe pressures. It would have to survive, for example, the spectacle of other countries—particularly in Western Europe—overtaking the United States in terms of per capita income.

In practice, though, it is difficult to take this particular scenario seriously. For even a unilateral American decision in favor of Z.E.G. has implications for the rest of the world.

No-growth in the United States means less growth elsewhere, given the nature of the world economy. In effect, therefore, the United States would be taking a paternalistic decision with damaging effect on much poorer nations (again, it's worth noting that, just as expenditure on improving the environment shows up in the national accounts, so does expenditure on foreign aid—and that both might be a casualty of Z.E.G.). Leaving aside the morality of such a course, it obviously has considerable implications for American foreign policy and the balance of power throughout the world. Economic isolationism implies political isolationism.

Abandoning this particular scenario, therefore, and accepting that the United States is inescapably a member of the global community, it then follows that the problems of a nongrowth society have to be considered in this wider context. The sorts of difficulties which have been discussed within the setting of a single country must now be translated in terms applicable to international society. Again, there are the problems of distribution—this time not as between ethnic groups and social classes, but as between different countries. Again, there are the problems of enforcing policy decisions—this time not in terms of strengthening the governmental machine of a single country but the mechanisms of international control. It hardly needs pointing out that while all the problems would be that much more severe, the means for tackling them are at present effectively nonexistent.

Indeed, what does the concept of a stable society imply when applied to the world community? Obviously the idea of Z.P.G. has even more urgency when applied on a global scale than in the case of a single country like the United States, since it is the soaring numbers in the underdeveloped and developing countries which help to perpetuate their poverty. Equally obvious, though, the difficulties of actually enforcing such a policy are compounded; indeed it is seen by some countries, notably by China, as a threat to their power.

But it is the idea of Z.E.G. on a global scale which is politically implausible. This would in effect mean condemning the majority of the world's population to poverty for the rest of time. But if this is a nonsense way of interpreting global Z.E.G., who is to decide which nations get how much? Who will ration out permission for growth? What are the standards—in terms of per capita income—which are going to be the upper limit of permissible growth?

Assuming that there would be no voluntary agreement, based on an international consensus, on points like these, the most likely outcome would be an attempt by the prosperous nations (whether capitalist or Communist) to enforce their policies on the rest of the world. In turn, such an attempt would be seen—and resisted—as an effort to make the world a pleasant place for the prosperous to live in, at the expense of the poor—a new form of colonial exploitation.

However, the developing countries might well decide to push for a redistribution of the global income in their own favor, using their control over what are going to become increasingly scarce natural resources like oil and various metals as their weapon. The "have" countries might actually be faced with the possibility of accepting a fall in their standards of living or engaging in an economic confrontation—possibly shading off into a military one—with the "have-nots." The stable society, in population and economic terms, might turn out to be, in political and military terms, a singularly unstable one.

In discussing the possibility of such developments, there is always the danger that one will be misunderstood to be predicting a particular outcome. This is far from being the intention of this article. For the only certain aspect of the future is that it will be a great deal more complex than the sort of simplified scenario that it is possible to construct. Futurology is useful only to the extent that it is seen as an intellectual game, creating an awareness of possibilities that might otherwise be ignored and stirring up discussion about what might otherwise be neglected policy options.

Indeed, by far the most plausible scenario does not involve anything even remotely resembling a deliberate policy decision to adopt a nongrowth policy, but a muddled, half-conscious drift—a gradual emphasis on new priorities, like trading economic growth for more leisure time, hesitantly and perhaps even inconsistently pursued over a period of decades as social values evolve. In this scenario, the change would first become apparent in the societies of economic satiety, like the United States, and slowly percolate elsewhere; conspicuous nonconsumption, on this reading of the situation, is the luxury of the well-to-do and the paradox may be that the acceptance of nongrowth in itself depends on the achievement of growth (just as population control seems to catch on only when it is seen as a way of increasing living standards).

Leaning on history, this scenario might then suggest that a society which had adopted the values of nongrowth would be introvert rather than extrovert, traditional rather than innovative. Whether it had settled for an egalitarian distribution of wealth or for the perpetuation of inequalities, it would be resistant to change, stressing social control as the inevitable counterpart of social stability. There would be little social mobility, since this tends to be a product of economic growth. There might well evolve a gerontocracy, with power going hand in hand with seniority, since it would no longer be open to the young to secede from existing organizations to start their own. The only frontiers that would be open for exploration would be those of artistic or spiritual activity.

The resemblance of the picture to medieval society in Western Europe is not accidental. For that was a society which was based on non-growth, whose mold was indeed broken only when the Protestant ethic of economic achievement became the ideology of the newly developing capitalism. It would be absurd to push the parallel too far; a society which commands technological resources of infinite potential, but refrains from using them to their full limits to create extra economic wealth, cannot be equated with one which was ravaged by starvation and the plague. But perhaps it is worth remembering that building cathedrals can go hand in hand with burning heretics, that emphasizing spiritual rather than material values does not necessarily imply tolerance, that a sense of community may be achieved at the cost of accepting social hierarchy.

This is not to imply that nongrowth will, inevitably, bring about such a situation—any more than growth will, inevitably, bring about ecological disaster. It is to suggest, however, that nongrowth may carry certain social and political risks just as growth may carry certain ecological dangers, and that it may need a determined effort to avoid both.

GOVERNOR HERNANDEZ' VIEWS OF PUERTO RICO'S ROLE IN INTERNATIONAL AFFAIRS

Mr. CHURCH. Mr. President, I wish to take this opportunity to commend Rafael Hernandez Colon, the able Governor of Puerto Rico, for his excellent testimony to the ad hoc advisory group which is currently considering in depth the future relationship between Puerto Rico and the United States.

Governor Hernandez, a thoughtful and progressive man, carefully laid before the ad hoc advisory group the future course that both countries could appropriately take in strengthening the 22-year-old commonwealth relationship, a relationship that has benefited Puerto Rico and the United States. I am delighted to note here that the Hernandez administration is already demonstrating leadership both in advancing Puerto Rico's economic growth and economic equity.

The youthful Governor has also shown perception as an observer of current world events. As someone greatly concerned about foreign affairs, I have read with interest — and delight — his two speeches at Yale Universty in April and his commencement address at Johns Hopkins University 2 weeks ago, in which he discussed the difficulties but the necessity of preserving and extending human freedom in Puerto Rico and throughout the globe.

In his ad hoc advisory group presentation, Puerto Rico's top elected official and chief executive spoke at length about his country's role in international affairs. I bring these passages to the attention of my Senate colleagues and others in order that they can know more about Puerto Rico's presence and participation in the world community.

I ask unanimous consent that Gov. Rafael Hernandez Colon's comments on the international role of Puerto Rico be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF THE HONORABLE RAFAEL HERNANDEZ COLON

THE INTERNATIONAL ROLE OF PUERTO RICO

I have already pointed out that interdependence is at the heart of the principle of free association which governs the relationship between Puerto Rico and the United States. Because we are conscious of our special relationship with the United States and also of our place in the community of Hispanic American peoples, we cannot afford to be isolated from the rest of the world. We cannot stand aside from contemporary world currents and events, particularly where we can make a real contribution. We can, and should, contribute to multilateral efforts to promote understanding and friendship among peoples, especially in our own region and hemisphere. We have much to teach, and also a great deal to learn, about economic development.

Geographically, Puerto Rico belongs to the Caribbean. Culturally, it is a part of the community of Hispanic American peoples. Politically and economically, it is intimately associated with the United States. These three points of reference—and especially a political status of free association—are the points of departure for defining Puerto Rico's place in the world and its relationships with other countries and with international organizations.

While under the Commonwealth relationship the broad range of foreign affairs is a matter of federal concern, nonetheless, there is ample room for Commonwealth initiative.

Puerto Rico has a role to play in the Caribbean and a need to enter into government-to-government relationships with other countries such as Venezuela, in order to resolve effectively its needs, such as its energy requirements.

We have already had considerable experience in the international arena, and we are well prepared to make substantial contributions to international cooperation and solidarity. Since 1950, Puerto Rico has been the meeting place of more than 30,000 persons from developing countries, most of whom visited our island in order to observe and study our social and economic development programs. Most of those visitors came from Latin America and the Caribbean region, but large numbers also arrived from Africa, Asia and Oceania. In this manner, we have been able to communicate our experiences, our successes and our problems to representatives of other areas of the world striving for social justice and political democracy. During the 1960's, the Commonwealth of Puerto Rico actively participated in matters of special concern to the peoples of the Caribbean region. Puerto Rico was a founding member, and San Juan was the headquarters, of the Caribbean Organization. This now-dissolved organization contributed greatly to the idea and practice of regional collaboration and promoted the movement for the economic integration of our region. The Commonwealth subsequently created its own specialized agency with regional concerns, the Corporación de Desarrollo Económico del Caribe, in an effort to foster regional cooperation. Our economic and regional interests have prompted the Commonwealth government to establish an active program of trade missions, whereby Puerto Rico seeks to promote trade with other areas, especially with the Caribbean and the nations of the Western Hemisphere. Our industrial promotion efforts have led the Commonwealth government to open facilities in Europe and Tokyo for the purpose of attracting investment to the Island. By bilateral agreement, Puerto Rico and the Dominican Republic, in 1967, created the Joint Dominican-Puerto Rican Commission for the purpose of developing a program of economic, cultural and technical collaboration.

Puerto Rican cultural missions to different countries of the Hemisphere have been sponsored for more than two decades by our Institute of Culture, Department of State and Department of Education. For many years, Puerto Rico has collaborated with different international organizations in a wide array of exchange programs and technical assistance projects. In addition to these official contacts, private entities in different fields have made positive contributions to the flow of information and peoples between Puerto Rico and other countries. We have accumulated valuable experience in our relations with other countries and with international organizations. Our experience is a good point of departure for future Puerto Rican roles in international matters in a manner consistent with our association with the United States.

Various courses of action are already open to the Governments of the United States and Puerto Rico which require no substantial or prolonged constitutional or legislative action, based on the longstanding recognition by the United States and the United Nations of Puerto Rico's status as an autonomous political entity. Other possibilities may require more complex procedures. An exhaustive and incisive analysis of the desirability of greater participation by Puerto Rico in international affairs and appropriate international institutions was prepared recently by Professor W. M. Reisman of Yale Law School for a conference of the United States' leading lawyers, held at the Carnegie Endowment for International Peace in New York.

With the Committee's permission, I would like to submit a typescript of Professor Reisman's study for the record, as an appendix to my statement. I will not elaborate on the constitutional and international law questions treated at length by Professor Reisman, in view of my basic agreement with the recommendations he offers. However, I would draw your particular attention to Professor Reisman's recognition of the very real advantages to both our peoples, and the practical possibilities of Puerto Rico's participation in numerous specialized international organizations—especially those dealing with education, health, culture and commerce. These offer an effective and additional dimension for greater rapport with and support to developing countries which can be a valuable supplement to U.S. policies and programs.

ENERGY PROBLEMS ARE STILL WITH US

Mr. PERCY. Mr. President, as I said last week when I introduced S. 3556 to retain indefinitely the 55 miles per hour speed limit on the Nation's highways, I believe that convincing the public of the continuing seriousness of the energy situation is one of the difficult problems facing the Federal Government. I applaud all efforts by Government and the private sector to assure that energy conservation remains an important goal for each individual and for our society as a whole.

On May 13, 1974, U.S. News & World Report featured an editorial by Howard Flieger, expressing his views, which coincide with my own, that we are slipping too easily into the old pattern of energy consumption and the old attitude of complacency about our fuel resources. I endorse Mr. Flieger's remarks and ask that they be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHORT MEMORIES

(By Howard Flieger)

Human nature being what it is, yesterday's crisis is last night's bad dream—and today's faded memory.

With the advent of balmy weather, the car tuned up and the open road ahead, who wants to be reminded of gasoline queues?

Shoe leather is getting heavy on the gas pedal again. The prudent driver who keeps to a modest 55 miles an hour is honked at and scowled at by fellow motorists. With fuel tanks brimming and a credit card handy, they're on their way—unmindful of the short time ago when they didn't know where their next gallon of gas was coming from.

Results of a recent poll in New Jersey by the Eagleton Institute of Rutgers University probably are typical of much of the motoring public. A couple of figures are instructive:

Only 16 per cent of those polled now rate the energy crisis as "one of the most important issues" of the day.

It was different last February. Then, 55 per cent considered it "the most important problem" in New Jersey.

That was back in the days when many filling stations were doling out gasoline a few gallons at a time, when drivers waited in long lines to get enough fuel to move them to and from the office, when "Sorry, No Gas" signs were more common than the weather reports, and the final digit on your license plate—odd or even—had to match the calendar.

Memories are short. Who wants to fret about gasoline now? Sure, it costs more than it did then. But there seems to be a lot of it around if you've got the purchase price. So why worry? Everything's O.K.

Well, nobody likes to be a spoilsport, but everything is *not* O.K. A little worry might be a good thing along about not. Do you know where your gasoline, your heating oil and power for your air conditioning are going to come from in the months ahead?

If you do, you know something that the most skilled minds in the entire complex field of energy supply haven't figured out.

A more even distribution of gasoline after a rather panicky start, the end of the Middle East oil embargo, a bit of conservation here and there—these are the things that have taken the hysteria out of the fuel situation.

But they have masked the problem for the time being. They haven't cured it.

The whole thing comes down to a simple but stark matter of supply and demand.

For years the United States has been using more power than it produces. It still is. The difference has had to be made up by buying from producers in other countries. It still has to be made up that way.

No matter how you measure it—and no matter that you now can drive into the gas station and say "Fill 'er up"—the basic fact is as true today as it was two months ago.

This country just doesn't have control over enough energy to live in the manner to which it has become accustomed. When you buy a tankload of gasoline or home heating oil you are getting, pro rata, a little bit more than the United States is able to produce.

When the embargo was in full force, the U.S. was having to make do with 2 million barrels less oil per day. As motorists return to their old ways they also return just as surely to dependence on the Arabs.

So it might be wise to remember that the energy crisis is a bit like a concealed weapon. It can catch you by surprise.

And it isn't going to go away permanently until one of two things happens: (A) either this country makes a dedicated effort to produce a lot more fuel, or (B) we tailor the use of energy to living within our means.

Otherwise, the long queues can return any time the balance tips the slightest bit. That's all it takes to light up the "tilt" sign.

ST. CLOUD, MINN.—ALL-AMERICA CITY

Mr. HUMPHREY. Mr. President, I salute St. Cloud, Minn., for being designated an All-American City by the National Municipal League. This award was well deserved. St. Cloud has revitalized its business district with one of the most extensive programs of beautification and modernization to be found in any community of its size. It also has created a multi-use sports center, a 182-acre industrial park, and provided three regional metropolitan agencies designed for the St. Cloud area's unique problems.

All of these achievements were made possible by the efforts of business, labor, and other community leaders who were determined to see St. Cloud, Minn., become one of the Nation's finest cities.

The city of St. Cloud is also fortunate in having one of Minnesota's splendid State colleges—St. Cloud State College. It is known as a community of good homes, fine parks, beautiful churches, outstanding medical facilities, and an expanding industrial and business economy. It is situated on the banks of the Mississippi River. Recently St. Cloud developed a modern airport, thereby improving communication and transportation. It is dissected by a system of State and Federal highways and is the trade center for one of the most highly developed and prosperous agricultural areas in the upper Midwest.

The mayor of the city, Al Loehr, has given his community strong and effective leadership, working in cooperation with the St. Cloud Area Planning Commission and the St. Cloud Chamber of Commerce. All of them are to be commended.

Mr. President, I ask unanimous consent that an article relating to St. Cloud redevelopment, written by Mr. Carl Griffin, Jr., of the Minneapolis Tribune, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

St. Cloud Redevelopment Wins All-America Award

(By Carl Griffin, Jr.)

Three years ago St. Cloud voters barely passed a referendum to allow the city to close off traffic in a three-block downtown area for a shopping mall.

The scant margin led to a mall, completed last year, that silenced its skeptics as downtown business rebounded strongly enough to be considered by some to be booming. It also led to a mall that was one of four reasons St. Cloud today was named an All-America City.

St. Germain St., as the mall is called, was cited by the National Municipal League, which makes the award, for its effect on reviving a declining city economy. The other project cited in announcing St. Cloud's selection are a multi-use sports center, an 182-acre industrial park and three regional metropolitan agencies designed for the St. Cloud area's peculiar problems.

Ed Stockinger, a member of the St. Cloud area planning commission, said that a major factor in a city's winning the award is "evidence of broad-based concern by community and business leaders in community improvements."

Like many other communities, St. Cloud was faced with the problem of a central business district deteriorating aesthetically and economically. Crossroads Shopping Center, with more than 40 businesses in its enclosed mall, was built nearly 10 years ago outside of the city limits on Hwy. 52. Not only did the city lose the benefits of tax revenue from the shopping center, but downtown lost a lot of business.

A strip of fast-food chains, service stations and other businesses soon developed along Hwy. 52 from the city limits to the shopping center.

Another problem was that the city's two basic industries—quarries and railroads—were not expanding as rapidly as the area's population was growing.

In 1956, a group of businessmen formed St. Cloud Opportunities, Inc. The group bought a 182-acre tract from the Veterans Administration. The project was launched with the sale of $200,000 in bonds. There now are 11 new industries in the industrial park. The plants have generated more than 3,000 new jobs, and there are plans possibly to develop another industrial park. All costs of the acquisition and development came from volunteer and private sources. At least $387,000 in revenues from property taxes was generated by the project.

Adjacent to the industrial park is a sports center. The facility replaced an older baseball park on the Hwy. 52 strip. With the business developments springing up on the strip, the property had a potential for being a tax base for the city. The stadium at the ball field had limited use for sports anyway.

A citizens commission was formed to review a number of proposals to sell the property. The capital income from the sale was invested in a new sports complex, which has an ice-hockey arena as well as a baseball field. The facility is used by the city's schools, college and neighboring athletic leagues.

With the continuing growth of St. Cloud and its neighboring communities a drive spearheaded by a number of community leaders was begun to create three area agencies—a metropolitan planning commission, a sewage commission and a transit commission.

St. Cloud is an unusual city because its city limits extend into Sherburne and Benton counties.

The formation of the three agencies has led to creation of a metropolian bus system which serves the surrounding communities as well as St. Cloud. A new sewage-treatment plant is being built and a coordinated traffic and thoroughfare plan is being put into use.

Formal presentation of the award to the city will be made later this month. Glen Carlson, manager of the St. Cloud Chamber of Commerce, said that the award probably will encourage continued development and growth of the city.

Nine other cities to win the award this year were Albion, Mich.; Jamestown, N.Y.; La Habra, Calif.; Lewiston, Pa.; Lexington, Neb.; Macon, Mo.; North Adams, Mass.; Port Arthur, Texas, and Tulsa, Okla.

PRISON REFORM

Mr. BROCK. Mr. President, one of the pressing needs of our society today is in the field of prison reform. More congressional consideration is needed of this often forgotten area. Many programs have been suggested, and many new, innovative and progressive programs have been initiated. But we certainly need to do more.

I would like to call to the attention of my colleagues a prison publication which I receive entitled "From the Mountain." It is from a prison in Cohoctah, Mich. I think it deserves the attention of this body. The answers proposed may or may not be the proper ones, but the article can certainly give us an insight into what prisoners are thinking. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Thoughts on Prison Reform

As one sits in a 5′ x 10′ windowless and airless, sterile cell, one cannot help to marvel at the inane minds of the powers that control this dying society. This Oakland County's Jail is supposedly the social and physical engineering epitomy of what jails should be.

It is escape-proof. It is easy to clean. It is easy to supervise. It is fireproof. It is easy to heat. It is easy to cool. It is an ideal vacuum for storage, and minimal life support, of animals. It would, indeed, make an excellent dog pound.

Now, this tells more what is in the minds of the social scientists than anything else could do. Rehabilitation is allegedly a goal of the courts and prisons. Punishment is supposedly secondary. Detention and extraction from the society, as a whole, are ostensibly designed to remove an offending individual from adverse influences. The site to which he is removed, is intended to provide an atmosphere in which his social rehabilitation can most easily be effected.

A state prisoner, sentenced up to one year in this jail, is treated no different than are we, awaiting transportation elsewhere. A minute few, it is true, may become trustees. They, then, have an open eight man block in which to live. This area is generally left unlocked during the day. This permits trustees to go about their unpaid work without the need for guards tending to the opening and closing of iron gates and doors. The trustees do have light physical chores in the nature of kitchen work, housekeeping and orderly functions.

The bulk of the 300, or so, inmates can be divided into 3 groups. The largest, by far, is serving sentences already handed down by various courts. There is a secondary group, the next largest, who are federal prisoners awaiting trial or awaiting post-trial transportation to federal prisons. The last group are state or county prisoners awaiting trial.

Imagine being sentenced to one year in here. If you are in an 8-man cell, you have about 20 x 20 ft. Out of this space, take 2½ ft. from each side. That is bunk space, two high, four in all on each wall. Then deduct one end area, about 2½ ft. out, which allows for the shower, one toilet and one wash basin on one side of the shower, plus one wash basin on the side of the shower. At the opposite end of the 8-man room, along the barred gate wall which faces the corridor serving about 4 of these rooms in each gallery, is the sole activity center. It is a steel table with built-in benches, identical to park picnic tables.

That would be your world for one year. No light is visible other than from flourescent fixtures in the corridor—the resultant eyestrain is quite predictable. No breeze, neither a hot one nor a cold one. The only time you would leave its confines would be on visting days, once a week, to walk to the glass view boxes in that small cubicle at the end of the gallery. If no visitors, no walk. Or, every two weeks, when one's two sheets were exchanged for clean ones, and at which time, a single set of underwear and blouse and trousers are exchanged for a clean set.

Now and then, well meaning missionaries may spend ten minutes on an occasional Sunday afternoon, in a brief and fruitless shot at saving souls. This, even, is counterproductive in both the attitudes of the missionaries and the jailors in handling this interlude. The missionaries can't get their hymn books back fast enough for fear that some heathen inmate may contaminate them. The jailors can't move the missionaries out fast enough so that they, the jailors, will not have to spend time bringing them in and out of the various galleries. Any spiritual uplift is thoroughly marked by its absence.

There is a set of enclosed exercise yards. I understand that last July and August, some prisoners were allowed outside to bask in the sun, and air occasionally. The jailors complain that lack of manpower prevents any regular "airing of the inmates".

There are no work details on county roads nor on county, or state properties. The liberal do-gooders can take as much blame for this as the hard-nosed, sock-it-to-them law and order conservatives. The liberal tears over prisoners doing manual labor washed away the fact that most prisoners would prefer to be active, even at relatively arduous tasks, rather than to atrophy in concrete voids. The conservative who wanted daily labor to be punishment, instead of constructive, rehabilitative routine, made work so excessive that he gave the liberals a ready-made issue.

Any child could have designed a better operative system than this. It should be clear that the purpose of this type of detention is contrary to all the hypocritical mouthings of rehabilitation. The sole purpose is detention, extraction from society and a hope, vague at best, that out-of-sight and out-of-mind, the problems must just go away.

Recidivism is not only understandable, but completely inevitable under such a system. Talk to repeaters, to hard-rock transferees awaiting new trials, back inside as a result of parole violations. Their experiences, and attitudes, their evaluations and their judgments stand head and shoulders above the preachments of social governmentalists.

How does society want to control crime if it, in its own way, perpetuates the soil in which the seeds are scattered? If it really desires rehabilitation, then let it recognize that the guidance, the education and the facilities for such must come first.

How simple a program could be developed—and how inexpensive when compared to the monstrous expense of prison construction and prison operations! One must wonder if the personal profits made by specialists in prison construction, in prison equipment, in police support industries, has not had a hidden influence, far more weighty than moral considerations.

First, all first-time offenders should be sent to a rural commune. Such commune would, in effect, be several hundred acres in size. There would be twenty-room huts. Individual cubicles would be furnished each prisoner. Group use of showers and toilets would be eliminated by individual, simple facilities in each cubicle. Each hut would have a study room and a recreation room.

A central dining hall would service all areas. A medical hut would provide convenient attention to minor ailments, nonsurgical treatments and periodic prisoner checkups. The medical staff would be long-term prisoners, whether trained in such profession prior to violation of the law, or those specifically trained, after conviction, for these functions.

There would be workshops to produce items usable in the prison system there and elsewhere. All items would have to be totally designed for inmate consumption, support or utility in order to avoid commercial perversion of the intent of the system by outside profits.

Educational classrooms would form a series of huts at the center of the camp. These would include manual trades and arts necessary to the support of both functional and recreational life of the camp. Staffing would be from inmates and outside voluntary professionals. However, training programs to utilize prison cadres for all professional educational posts would be pressed for the main purpose of eliminating non-prison employees.

Why this emphasis on prisoners being trained and used for all camp functions. If rehabilitation is the main goal of law, and the purpose of detention, then what better way to rehabilitate an inmate than to give him a new profession or trade? And, to show him, or her, how that skill or knowledge can be immediately placed into productive, meaningful use in and on behalf of, his or her, peer group. Here is re-education at a practical level. Here is responsibility given where visible and tangible application can result.

Any society that creates a profession or a trade industry that has as its sole profit, income from a prison system, must depend upon recidivism as a reality. Such prison profit, whether to the well intentioned professional, or to the indifferent construction contractor, must be protected, perpetuated and promoted. This can easily be understood from the egocentric position of the individual case.

A man goes to college to obtain a degree in social science. He spends four years there. He now has an investment to protect, and from which he expects a return. The return, necessarily includes a better income, a better scale of living than had he not spent the four years at college. He now applies for a position in one of the many prison-support professions. He may enter prison ranks as a psychologist, or administrator, or serve as probation or parole officer.

His livelihood is now dependent upon prison. Prison is his factory, his office, his mercantile establishment. The raw materials with which he works, are the finished products as well. He has no need to fear competition, due to the nature of our society. His income, his livelihood, is then dependent on perpetuation of the prison system which is dependent upon the courts to supply the source of profit and materials. In effect, he must consciously, or subconsciously, encourage and extend the prison system in order to advance his own, and his newly joined industry's personal interests.

Let us look at the builders who bid the contracts for construction of these new concrete monstrosities, called correctional facilities by the government. The type of construction, the vagaries of bidding in the prison field, have become as specialized the last 20 years for those whose main bidding centers on jails and prisons. With this specialized experience, and this includes the know-how in bidding the job to suit federal or state whims or needs, a new element enters penology. Definitely a vested interest group, it strives for profit, pure and simple. Unlike the first example of a professionally trained prison official, this second example has lobby representatives, and has profit of considerable amounts at stake. For its egocentric interests, the more prisons built like fortresses, the greater the profit. The greater the profit, the more influence this group can exert upon elective and appointive officials in the direction of penology. For all elective and appointive officials are dependent upon political ties which are highly dependent upon financial contributions. As recent national scandals have shown, contractors are too often a quick source of financial aid for which they expect, and usually receive, favors in the form of contracts, in return.

There is a moral consideration also. Morality may seem archaic but men have already seen the damage that immorality can cause. Each man has a need of a personal standard of attitude, conduct and behaviour to measure his own by. The individuals, cited as examples, whether singularly or in a group trade entity, must bear a weight of responsibility personally, when receiving the ignominious failures of the systems of prisons and penology.

Therefore, let us remove these extraneous interests from the basic areas of rehabilitation, as rapidly as is effectively possible.

Let prisoners build their own communes. Let prisoners staff, operate and maintain them themselves. If there is a true need for non-geographical isolation of certain inmates beyond rehabilitation, let specific islands, or parts of the northern areas of Alaska, be allocated with minimal staff of non-prisoners. But, in the main, let the prisoners follow natural work and study instincts. Then watch the subsquent and concurrent degree of individual rehabilitation that is produced.

Man's nature is basically good. His primary instincts are helpful ones to his fellow man. Let alone, he may be quarrelsome at times, but it is rare that he will deliberately endanger others. Left alone, he will share and aid others but when under compulsion of external forces, then becomes suspicious, withdrawn and stores his valuables in apprehension of the motives of those bringing about this compulsion.

Prisoners, particularly in this plastic society, are no different than the bulk of their neighbors. What are considered illegal acts in this profit-protective society, would not even be worthy of notice in a natural society. Many illegal acts were responses to equally, if not greater, illegal acts by the government. Therefore, prisoners in relating to their present peer group, other prisoners, would follow the same innate desires of natural humanity.

Imagine the change. A youth is imprisoned for a crime. He is first given a complete medical examination—something not done in most jails, even today. His health is brought up to par by treatment or diet, where needed. No rehabilitation is possible when a person's health is first in need of rehabilitation.

Then, the inmate is tested for skills and knowledge. If he has a skill, his camp assignment is based on the camp where such skill can be used. If he has no skill, but shows interest or aptitudes towards one, he is then sent to a suitable training school for vocational training. Once that training is completed, he is sent to a camp requiring such skill.

In the case of short sentences, work assignments would be on a basis of existing skills or to general manual or unskilled labor at a nearby camp.

With long time sentences, professional training in medical fields, construction and agriculture professions would be available to inmates with interest and aptitudes. Then, upon completion of suitable practice under experienced professional supervision, such trained personnel will be transferred to service needed camp areas.

Now, with repeaters (and by the nature of personal reactions between human beings, repeaters will occur under even idyllic conditions), assignments to camps will be based on skill, age, and attitude.

Sexual offenders shall be evaluated and separated for treatment in medical communes. Homosexual prisoners shall be sent to homosexual camps, completely staffed and supervised by specially trained personnel.

Conjugal visits will be permitted all prisoners on a monthly basis. Use of professional prostitutes in camp areas on a medically controlled basis will tend to further eliminate the rising homosexual rape problems in today's prisons. All camps shall be furnished with separate huts for female prisoners. No other discrimination in treatment of sex shall exist.

These camps shall be located in remote areas, of all states, wherein neither the camps' need for isolation, nor the general community's need for apartness from the camps, shall be impinged upon.

Cost? Compare it to the fantastic costs of the present system. Not the least portion of which centers on parole or probation. Complete revision of probation techniques should be entertained. Abolition of parole entirely could with a prison system in the spirit of the above outlined suggestions, be then effected.

Idealistic, not practical, or simply too risky? Compared to what, this present system? The past system, which was even less productive of rehabilitation? When can it be started? Why not right now, before the next millions of dollars are spent on the next steel and masonry prison fortress.

PRISONS OR DOG POUNDS?

The preceding article entitled "Thoughts on Prison Reform" was written by a federal prisoner after spending only 45 days in Oakland County Jail. One of the worst things about these new fortress-type structures is the lack of windows. Not only is there no fresh air, but one cannot even see the sky—can you imagine yourself not seeing the sky, not knowing if it is raining, snowing, or sunny? Even the astronauts, who are cooped up similarly, can see the outside—and only the strongest mentally are chosen to be astronauts because of the psychological torment of being cooped up in a small place with no exercise.

When the author, after almost two months in the above jail, arrived at his next "abode", he spent as much time as was allowed in the exercise yard, even in freezing weather, walking and enjoying the fresh air and the exercise. He may still be in prison and a maximum security prison, at that, but at least there is a sky there and a place to exercise.

After doing some further research, we discovered something even more disgraceful. In some prisons or jails, certain prisoners are kept from having visitors other than their wife or lawyer. If, as in cases we know of, their wives would rather have them remain in prison, and they have no attorney (which is not unusual), and the jailors refuse to recognize their religious leader, then what chance do they have for any help? They can be brainwashed very easily or driven insane by the use of solitary confinement, and/or "tranquilizers" such as Meloril, Prolixin, etc. Some of these are thought inducive drugs which merely means that any thought or idea can be placed in the recipient's brain—very similar to hypnotism. These people can then be used to give false testimony against others and even against themselves.

Of course, this eliminates a number of unsolved crimes—they are still really unsolved but on the records, someone is being punished for them. Usually, someone with a previous record or someone who the authorities feel will be a menace to society, or a thorn in their side which needs removing.

TRUMAN'S WHITE HOUSE

Mr. HATHAWAY. Mr. President, I would like to call the attention of my colleagues to the article by George M. Elsey on the Truman White House in yesterday's edition of the Washington Post. I found this article interesting not only for its insights into the character of President Truman, but also for what it says about the structure of the Truman government.

According to Mr. Elsey:

> No one stood between Truman and an agency head; no one second-guessed a cabinet officer; policy decisions were made by the President after direct discussion with those who would execute them; a White House staffer ill-enough advised to treat a Senator or a Secretary with disdain had very short tenure. A primitive system—but it seemed to work.

A primitive system, indeed, Mr. President, but one in keeping with the governmental structure originally contemplated in the Constitution. I have been concerned that the continuing revelations of Watergate have somewhat obscured the changed organization of the executive branch which has evolved during the last several administrations.

Instead of having the executive agencies managed by the Cabinet officers—who are accountable to both the Congress and the President and who are visibly in charge of their departments—we have seen more and more policy-making and even management authority moved to faceless White House staff. This new "shadow government" is unconfirmed by Congress, unknown to the public, and unaccountable to anyone—save the President himself.

Franklin Roosevelt managed the New Deal and World War II with a personal staff of 11. Now this figure is in the hundreds and seems to grow with each new administration. Structure, to a large extent, determines policy. And as long as this is allowed to continue, Mr. President, we are also going to see a continuation of the frightening trend toward a kind of elected monarch—one far removed from the will of the people.

At this time, I would like to ask unanimous consent that the article to which I referred be printed, in full, in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRUMAN'S WHITE HOUSE

(By George M. Elsey)

If Harry Truman had taped his private White House conversations, they would not titillate, disillusion, shock or turn up on drug store counters as $2.95 paperbacks. If transcripts were available—which they will never be because no conversation was recorded—they would merely confirm the impressions the American people have long held.

Truman was serious about his job, sentimental about his family and friends, old-fashioned in personal ethics, stubborn in defense of the rights of citizens, relaxed with his staff and very, very firmly in command. All this and more came through in the 9 a.m. conferences each morning with the small staff who, sitting on a couple of sofas or in small chairs dragged across the Seal of the President incised in the green carpet, formed an arc around the old presidential desk. Talk was free and easy. Matt Connelly, appointments secretary, ran through the day's schedule with sardonic quips about self-important political or public figures. Charlie Ross and later Joe Short mentioned in casual tones the current interest of boys in the Press Room. (Women became prominent in later administrations.)

The staff was unbelievably small to observers of the White House of the 60's and 70's, never more than a baker's dozen. Although there was a certain hierarchy that recognized Assistant John Steelman and Special Counsel Clark Clifford (succeeded in February 1950 by Charles Murphy) as being senior to military aides and administrative assistants, it was all first name camaraderie. Only 5-star Admiral Leahy, relic of Roosevelt's High Command, was treated with the respect of position and age. No one stood between Truman and an agency head; no one second-guessed a cabinet officer; policy decisions were made by the President after direct discussions with those who would execute them; a White House staffer ill-enough advised to treat a Senator or a Secretary with disdain had very short tenure. A primitive system—but it seemed to work.

H. S. T. opened one of his 9 a.m. meetings husky voiced and moist eyed. He had just been told by the Secretary of the Army of a widespread cheating scandal at West Point. He felt the blow as keenly as if every cadet involved had been a son or nephew. He could not comprehend how young men in whom such trust had been placed could violate a solemn oath.

A sense of personal ethics prevailed that astounded all who perceived Truman as no more than a Pendergast product or who assumed that a mink coat accepted by a witless White House stenographer typified the man's moral code. After a presidential meeting with congressional leaders in the Cabinet Room as the MacArthur issue was developing, an aide picked up a manila envelope left behind in error. It was clear from annotations on the face that it not only belonged to a Republican Senator but that the contents dealt with Republican congressional strategy. The envelope was promptly carried into the oval office. Did the President want to see it? The response was as emphatic as Henry Stimson's had been when, as Herbert Hoover's Secretary of State, he had closed down the department's cryptographic unit with the statement that "Gentlemen do not read other men's mail." Truman's sentiments were the same, more earthly expressed. The envelope was returned unread to the Capitol by messenger.

Truman's vocabulary in all-male company reflected his three decades on a farm. The language seemed natural and neither inappropriate nor crude. Anyone who has milked a cow—or tried to—could readily understand that Truman was predicting failure and frustration when he spoke of a particular candidate for office. "He's just pulling on the hind teat." Truman laughed heartily at locker room jokes but rarely told them himself. As a raconteur, he preferred political lore.

All Presidents have problems with the press. Here, as in many other fields, H. S. T. sometimes fired off a letter in the dawn's early light; more often he would let someone on the staff hear a long-hand draft, turn pale and then gasp out reasons why the letter should not be mailed as written. Occasionally he could be talked out of it altogether as I succeeded in doing with one scorcher addressed to Sulzberger of the New York Times. The problem to Truman was usually a publisher, rarely a reporter. Reporters were his friends. He liked their straightforward, no-nonsense lack of obsequiousness.

Truman valued the citizen's right of privacy; the guarantees of the Constitution were real. Although conventional political wisdom argued for a tough "loyalty program" as the 80th Congress became increasingly exercised over Communist infiltration, Truman stalled. The idea of investigations into the personal lives of civil servants smacked to him of police state tactics. Loyalty oaths were repugnant. He admired the F.B.I. for its criminal work, but he balked at letting it investigate job applicants. He sent me to explore with Frances Perkins and her colleagues whether the Civil Service Commission would take on the chore.

"If you can't take the heat, get out of the kitchen" was a favorite quotation of his long before some anonymous admirer had a small placard painted for the edification of visitors to the oval office. The heat was really on one morning when he called me in. A letter of his with caustic remarks about the Marine Corps had found its way into the Congressional Record. Could I possibly find in a hurry some statements in which he had praised the Corps? I could not. The press office reported the thermometer rising by the hour. No point in pretending he had not called the Marines the Navy's police force or had not said its propaganda machine was the equal of Stalin's; he had. And so Truman asked the Commandant of the Corps if he could accompany him to the reunion of one of the Corps' feistiest divisions then meeting at the Mayflower Hotel to make his apologies in person. The way to meet critics was to confront them, with an engaging grin when you knew you had been wrong (as on this occasion) and a bristling salvo of facts when you were sure you were right.

But all this was long ago, in a simpler time, when cabinet officers were more directly responsible for their departments, when the President relied on the Department of Justice for legal advice, when White House staff members knew they had no independent authority and when everyone in town knew that the buck stopped on the Boss's desk.

SENATOR MATHIAS: FOLLOWING HIS THREAD OF RESPONSIBILITY

Mr. PERCY. Mr. President, the distinguished senior Senator from Maryland (Mr. MATHIAS) has been my good friend during the years we have served together in the Senate. My admiration for him is great, a feeling shared by many of my colleagues on both sides of the aisle. Senator MATHIAS and I have cosponsored legislation on juvenile delinquency prevention and criminal justice reform, and we share an intense interest in making the Congress more responsive to the needs and wishes of the people it serves. I was pleased, therefore, to see that he was the subject of an article in the Washington Post of Sunday, June 2. I would like to call this article to the attention of my colleagues who might have been out of Washington over the weekend, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MATHIAS: FOLLOWING HIS "THREAD RESPONSIBILITY"

(By Michael Kernan)

Early in 1929, when he was 6 years old, Charles McCurdy Mathias Jr. was taken by his father to the White House to pay a farewell call on outgoing President Coolidge.

"One did things like that in those days," said the senior senator from Maryland. "I remember it was a springlike day, and I asked my father if the moving men would be around."

No, his father told him, when a President moves out, all he takes is his wardrobe.

"Well, I had a picture in my mind of a huge mahogany wardrobe—I was raised in one of those big old houses that had such things—and that's all I remember of Coolidge. Except his voice as we left: 'Please go out the othah doah.' "

You have to see that big old house in Frederick to understand Mac Mathias. You have to get the feel of it, with its high ceilings and ponderously ticking grandfather clocks, its ancestor portraits going all the way back to the 1603 brass rubbing of Richard Brooke, whose son Robert brought his family to America a few years later—and along with them the first English foxhounds to reach the new continent.

And then you have to stand outside the massive cream-and-black brick townhouse built in 1816 on Council Street and look across Courthouse Square, where Mac used to play hide-and-seek with his younger brother and sister and the closeknit gang of children who lived in the genteel heart of old Frederick.

You can see the hiding place under the courthouse steps where Mac hit himself a crack on the forehead one summer because he had suddenly grown too tall for it. And the diagonal sidewalks where the studious, pudgy youngster once ran his homemade car, a wagon with a Maytag washer motor that drove all the lawyers and realtors absolutely bananas in their offices around the square.

8:42 a.m.—Sen. Mathias, in a lightweight gray suit, crisp blue shirt and dark tie with the Maryland crest, arrives at his office and establishes his blear-eyed 14-year-old Chesapeake Bay retriever, Shammy, by the fireplace. The 3x5 card with the day's appointments comes out of the breast pocket. On it, the interviewer's name is misspelled, and the senator duly mispronounces it. Within the hour, through some staff osmosis, he has it right.

The thing that people always want to know about Mac Mathias: How can anyone with political roots in Frederick County get away with being so liberal?

Mathias himself denies he's liberal, of course. "I'm not all that liberal, in fact in some aspects I'm conservative," he said. "A while ago I introduced a bill preserving the guarantees of the Bill of Rights by prohibiting warrantless wiretaps. I suppose they'll say it's another liberal effort. But it's as conservative as you can get. It's conserving the Constitution."

Nevertheless, the fact is that Mathias rated tops among Republican senators last year with the Americans for Democratic Action, voting their side on 20 key issues 90 per cent of the time. He was one of 20 senators given a perfect score by the League of Women Voters, hardly as militant as the ADA but definitely liberal.

9:10 a.m.—An assistant brings in a sheaf of letters. "Why do people always say too much in letters?" he muses, and picks up his pen. For minutes the only sounds are the scratch of the pen and Shammy's soft snoring. Often during the day Mathias will surround himself with this particular silence, contemplative and magisterial. On Capitol Hill it takes a certain force of character to achieve such silences, and it shows in the determined firmness and deliberation of his movements. "He doesn't like to be rushed," an aide says.

Not only has Mathias often broken party ranks, notably on the Cambodia invasion, the Carswell Supreme Court appointment and Kent State, but as early as December 1971 he publicly urged President Nixon to campaign on "the high road" and abandon a strategy "which now seems destined, unnecessarily, to polarize Americans even more."

That was before the Watergate break-in. After it, when the White House and most Republicans were still denying or minimizing the issue, he endorsed the Kennedy investigation into alleged GOP espionage and told the Senate: "The pursuit of truth is the only direction in which we can go in search of the way to preserve our loyalty to the Constitution and the laws."

For years reports circulated that the administration would be gunning for Mathias when he came up for reelection this year, and columnists Evans and Novak wrote that not since New York liberal Republican Charles Goodell "was defeated with White House connivance has any Republican so outraged Mr. Nixon and his senior staff . . ."

The situation has changed today, and the Marylander's Mr. Clean image makes him look better with every new jolt to political bombshelters in Washington and Annapolis.

But consider now: Mathias was city attorney of Frederick (1954–58) following a brief term as state assistant attorney general, and in 1958 he was elected to the General Assembly of Maryland, moving up to Congress two years later, and in 1968 to the Senate, defeating his old roomie at the University of Maryland law school, Daniel Brewster. Frederick County and the Sixth Congressional District aren't what you would call rockribbed, but they contain plenty of Nixon voters, plenty of people ready to lash out at any Republican who so much as whispered "I told you so."

9:29 a.m.—Press aide Alan Dessoff brings in a tape recorder, and Mathias reads a statement into it, pulling on his left ear. "Handicapped and retarded children face many problems . . ." he says, then stops. "Take two," he begins calmly. On the fourth take he is satisfied. Before heading over to the Capitol for two subcommittee meetings, he sets up staff conferences about busing and commencement speeches, phones his wife at home (she will attend a Pioneer Women's luncheon for him that noon) and checks another letter: "What the hell? Congratulations Miss Frederick County, but she lives on Route 8 in Hagerstown?" Ponders a moment. "Well, that's right. . . ."

Around Courthouse Square the opinions are remarkably consistent.

"I knew Mac in Frederick High School," said Reese Shoemaker, who followed the senator as city attorney. "In fact we were in the same grade, but we were never close. He was always a bit of a loner, not in sports at all. He was kind of pudgy in those days. Never held class office, but that was a popularity contest, you know. He wasn't extroverted at all.

"There was a coolness. A reserve. It went both ways. I mean, his family had been leaders in the community for generations and Mac was the heir apparent. People feel he underwent some sort of metamorphosis down there (in Washington), but he's still a local boy. They vote for him and respect him, and he goes his own way. That's how it is."

Auctioneer Emmert R. Bowlus, an alderman when Mathias was city attorney, said the liberal views didn't come to light until he went down to Annapolis. "His stand on Nixon hasn't hurt him," Bowlus said. "He hasn't forced any issues. I'd say he was above jealousy."

Charles Sanner, insurance and real estate, a former Chamber president, wears his white hair in a crewcut, has Rotary plaques in his office and calls himself a "middle-of-the-roader."

"I grew up in this community," he said. "How the area feels today is different from two years ago, pre-Watergate, when there was quite a bit of disaffection (because of Mathias' early opposition to the cover-up). People didn't like to feel they'd been wrong voting for Nixon. But you have to give the man (Mathias) credit. First of all, he's an idealist. As a senator he couldn't vote a provincial line. He keeps his perspective. And he's matured so very much. Above all, he doesn't fear to stand alone."

Sanner, who serves with Mathias on the board of nearby Hood College, recalled a commencement speech by the senator that spring. "He talked about Lincoln, showed how his words apply today, and he charged the class with the challenge of the post-Watergate era. He related the past and the future. One thing that strikes you: the absolute honesty."

11:41 a.m.—The Senate floor. Present: Buckley, Muskie and Mathias. Legislative aide at his side, Mathias proposes an amendment to the Clean Air Act designed to appeal to Maryland commuters, agrees to withdraw it on Muskie's pledge to consider certain changes.

What we have here is the American aristocrat. It is something you don't talk about when you're in politics. Like a prison record. But let's face it: There is a tradition in some venerable families, the Roosevelts, the Saltonstalls, the Bradfords, the Adamses, the Lees and so on, the sort of people who were born to an attitude toward self and society that others, like the Kennedys, had to achieve. It is the tradition of public service, of noblesse oblige if you must, the tradition of Cincinnatus, who left his plow to win a war for Rome and then quietly returned to his fields.

In the same tradition, Charles Mathias denies the whole thing.

True, his office is full of the Maryland history which is his hobby. True, there is a window in St. Anne's Church in Annapolis to John Hammond, Major General of the Western Shore, an ancestor, and a whole row of windows at All Saints Episcopal in Frederick to various family members. True, another ancestor, C. E. Trail, served under Washington, and two Mathias great-grandfathers were in Maryland politics, and a grandfather was a Bull Mooser, and Mathias' father, though never in office, was always active in public affairs, a friend of Presidents.

"Maybe you get a little perspective after generations in politics," Mathias commented. "In small communities with strong families there's a kind of thread of responsibility. And I guess if you practice law in Frederick and you're a farmer there, too, you've got one foot in the courthouse and one on the farm, and you just have to have some political sense."

But he rejected the word "squire." Too elitist, he said uncomfortably.

Before he moved his family to Chevy Chase he lived on a 4-acre farm outside Frederick, and there is a larger spread just over the West Virginia border, willed him by a grandmother, where he has beef cattle, sheep and peacocks.

"A farmer is what he is," said his mother, "a real farmer. It's his salvation. He's got a green thumb."

(Sometimes, walking on the Hill, he picks up horse chestnuts, plants them in his yard, and they grow. This spring he had squash and pumpkins thriving on his office windowsill until the frost killed them.)

In Frederick you're never far from the country. Mathias kept his pony in a stable behind the house; now the stable is a law office, with a library in the hayloft, where he practiced with his father after finishing law school in 1949. In the same loft he once put on plays, written, directed by and starring himself—he even printed the programs—and featuring his brother Trail, today a Baltimore attorney, and his sister Michelle, four years younger, who remembers him as a perfect older brother.

12:04 p.m.—Pictures on the Capitol steps with 50 children from Avidon School in Oxon Hill. "How many of you know what the statue on top of the dome is?" Nobody knows. "It represents freedom," he says. "Think of it, Abraham Lincoln stood right in this street and watched them hoist it into place. They did it by hand in those days, with ropes." He promises to send autographs, gives the thumbshake to several small boys.

"His first day home from grade school, he tried to teach me what he'd learned," his sister said. "Our father believed we should go to the local schools because we would be living with these same people all our lives."

However, like many another brood of children from many another "big old house" in American small towns, the young Mathiases lived in a special world: Saturday mornings with their aunts in the gaunt Trail mansion (now a funeral home) where they could read folio Shakespeares and see newspapers in seven languages, visits to the poor with baskets at Christmas; being pulled out of the Saturday movies by their mother via the usher while their less carefully supervised friends saw the picture around and around; being read aloud to; being spanked; young Mac's being sent to Haverford College because his father disapproved of fraternities, admired the Quakers—and was a friend of the college's president.

"I think the liberal conscience, if you want to call it that, was instilled in us early," said Michelle, married to a Frederick banker. "I remember how we'd see the blacks in the balcony at the movies and would feel uncomfortable . . ."

12:28 p.m.—A Senate corridor. He greets colleague Glenn Beall, peers into the room where he will say hello to the Carol County Chamber of Commerce luncheon. No one there. He phones a constituent on the spot, reading the number off a slip just handed to him by Dessoff, "Our goal is a 24-hour response to all mail," he remarks. "We get over 1,000 communications a day." With his home state just a 25-cent phone call away, he faces demands on his time that would appall a pleasantly remote Western senator. On to the Tuesday Republican policy lunch.

Living in another cool, darkish, old mansion on the square is Col. Philip Winebrenner a, first cousin once removed who was born in the same house as Mathias and who follows his career with interest.

"He's not affluent," said Winebrenner, "though I suppose there's some family money. He could dress better. He doesn't seem to care. Now this $100 limit on contributions. That could hurt him if he got into a real fight for re-election. I sent him $100 a year ago, and then when he opened his campaign I sent another $100. He sent it back. This has happened to other supporters in town, to their amazement.) Why, a lot of people around here thing he's too liberal. But they seem to vote for him. The thing is, he's decent. He's got class."

Today however, he is regarded by many as the state's top vote-getter next to Gov. Marvin Mandel. Last year some private polls indicated that Mathias would lose if he ran for governor—but that Mandell would lose if he ran for senator. Word is that former Sen. Joseph Tydings, a Democrat, is passing up this year's election in order to have another go at Sen. Beall Jr., regarded in some quarters as rather less invulnerable.

However Federal Maritime Commissioner Helen Delich Bentley is widely expected to challenge Mathias for the GOP nomination and, with Maryland Republican primary voters generally small in number and conservative in nature, she could give him some real problems.

1:46 p.m.—The Capitol steps again, now with the Chamber group. He seems to have all the time in the world. Striding back to the office, he mutters, "I hope Bowie Kuhn isn't so busy he can't wait. But those were constituents." During the afternoon he will have five office interviews. Administrative aide William Kendall unobtrusively keeps traffic flowing. At 4 the schedule will be interrupted for a floor vote.

"He tries to avoid being abrasive," one former aide said. "He trims a lot in his statements, you might say he fudges, but it hardly ever affects his votes. He picks his spots for a fight. There are times when he can be absolutely fearless."

They talk about his anguish over running against his old friend Dan Brewster, his understanding of what had happened to Brewster, whose career fizzled out in a crackle of indictments, aggravated by alcohol. Mathias drinks little, and never during a campaign.

"He's not a snob," said an associate. "He assumes he can talk to anyone. He's fearless in that sense. He doesn't duck many meetings. He's not combative, but patient."

Sometimes he "turtles," escapes from his life on the Hill, takes Shammy for a walk or gets a haircut or even hides out on the Senate floor. It's almost the only time of day he has to himself.

"To be very honest," he said, "there isn't much left at the end of a day. I hate to have my sons just see me disappear in the morning and reappear at night. My wife feels it; her childhood (as daughter of Massachusetts Gov. Robert Bradford) was the same thing. It was a family decision to run again. The boys—Charles is 14½ and Robert's nearly 13—designed a bumper sticker and pin for the campaign. If they get involved in it, they understand it better, I think. But the campaign is a hard life for my wife. She's a very bright person, but this life makes many demands on her. She has to fill in with the children for many things I can't do during the campaign. As far as home goes, I'm a nonperson then."

8:14 p.m.—Mathias shows up at Mt. Vernon College for a panel discussion before some Vassar alumni. The senator has already been to three receptions, stopping for a sandwich along the way. He talks about Tonkin Gulf, the Bill of Rights, warrantless wiretaps, handicapped children, and backs off from giving opinions on Watergate because as a senator he may have to sit in judgment on the matter. He will answer questions for more than two hours. He has been going since 6:45 a.m. His collar is wilted.

Coming in from the vegetable garden behind the pleasant colonial house in Chevy Chase, Ann Bradford Mathias wouldn't quite admit to having a green thumb like her husband.

"I'm sort of the pruner around here," she said. She puts up tomato pickles and Elk Ridge tomatoes (which she calls tomahtoes like any good New Englander).

A campaigner from the age of 3, she has been pitching in as usual this time, and the other night, faced by an antibusing picketer at a meeting where she hadn't even known she was to speak, she ended up by inviting the man to the house to talk with the senator.

"I came to Washington to get away from politics," she laughed. But the family decision to have Mathias run again was easy, despite the terrible drain on family amity. "I think we all recognize where Mac belongs," she said. "He's an extraordinary legislator, a man of tremendous depth and judgment. God knows, you have to have people like that in government."

The Mathiases met at a birthday party here in 1952, when she was working for the CIA. Years later they met at another party, and this time it took: They talked politics the whole time. Three weeks later he phoned. They married in 1958.

Every summer the family goes to her childhood vacation place on a remote Maine island. It's part of an agreement: If she would learn to drive a tractor, he'd go to the island every year.

"It's not easy for him either," she added. "Imagine—a politician without a phone. The way we learned about Agnew in '68 was someone left a note scribbled on some brown paper on our dock: 'Your governor was named for vice president.' Mac was frantic."

During the conversation Mathias drifted into the house, having returned to dress for a lawyers' association dinner. Quietly at his ease, he showed visitors some Indian miniatures and assorted Orientalia around the room. He had shucked the austerity of the office as easily as he had removed his jacket, and as he strolled about the garden while pictures were being taken, his quiet humor flickered pleasantly, like a coin glimpsed in the grass.

Pointing to an apple tree that had been cut back to within an inch of its life, he muttered, "You can see what we mean about the pruning." And winked.

STATEMENT ON SAVINGS-INTEREST TAX CREDIT AMENDMENT

Mr. TUNNEY. Mr. President, tomorrow, I intend to offer an amendment to H.R. 8217.

This amendment will provide the Senate with an opportunity to deal constructively with several aspects of the current inflationary dilemma.

The value of the average American's savings is constantly eroded by inflation. As a result, many people have foresworn old savings habits.

The rush to spend now, rather than save for the future, not only exacerbates the inflation, it drains the home mortgage market of funds which are critical to the growth of our national housing stock. There is no better way to guarantee continued inflation of rents and home prices than to permit an extended slump in the housing market.

No less serious is the effect of today's capital shortage on commercial credit markets. When business cannot borrow the resources to meet its current needs, higher unemploymnet is virtually assured.

Clearly, we need a means of increasing savings so that adequate capital is created, not through an inflationary Federal Reserve policy of rapid money supply expansion, but via a voluntary reduction in private consumption expenditures.

The amendment I will offer provides a tax credit reward of up to $100 to citizens who increase their savings. This amendment would create a tax credit equal to the increase in "qualified taxable interest income" earned in the current tax year over the amount of such income in the previous tax year, subject to a maximum credit of $100.

"Qualified taxable interest income" refers to income earned on savings accounts at commercial banks and at savings and loan associations.

A short example illustrates the mechanism proposed in my amendment.

Assume that in 1973 a taxpayer has $1,000 in a savings account. If the account pays 5 percent, the taxpayer will earn $50 interest in 1973. Next, assume that in 1974 the taxpayer increases his or her savings to $2,000 and earns $100 in interest.

Under my proposal, the taxpayer could claim a tax credit of $50—the amount of the increase in qualified taxable interest income.

The principle of this policy is very simple. For each dollar of increased interest income, a saver gets $1 of tax credit.

Dollar-for-dollar matching, up to the $100 limit, makes saving much more attractive. In the example I used before, the net return on increased savings of $1,000 would be $100. The effective rate of interest is 10 percent—a rate sufficient to fully offset the rate of inflation expected in 1974.

In closing, I would like to stress that the proposed credit is limited to rewarding increases in savings and to a maximum of $100. These limitations serve two purposes. They make it most unlikely that upper-income savers will shift funds from high-interest securities to savings accounts. But more important, they insure that the benefits of this credit go to the millions of low- and moderate-income citizens who so badly need to protect their income and savings from the rampages of today's inflation.

BUREAUCRATIC FOOLISHNESS

Mr. BROCK. Mr. President, the bureaucratic foolishness that the people of this Nation have to endure is simply getting out of hand. Time and time again, we see new federally required jobs for business, or private citizens to perform, which serve no real purpose and cost small business and private citizens money and time for no particular reason. The Federal Trade Commission's line of business procedure is one of these programs.

However, my hat is off to the General Accounting Office, because it required the program to go through a year testing period, which every new program should have to endure. Hopefully, within that framework, this program will die. An excellent editorial appeared in the May 17, 1974, Wall Street Journal in this regard, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LOB EXPERIMENT

The Federal Trade Commission's plan to require the nation's largest businesses to break down their sales and profits by line of business, and report these to the FTC, has gotten the weakest kind of approval from the General Accounting Office. Reading between the lines. It's apparent that the GAO has as many doubts about this LOB experiment as we have and probably would have killed it outright but for other considerations.

Instead of getting approval through 1980 to inflict its questionnaires on the 500 largest businesses, the FTC is given a year to experiment. The GAO also observes that its analysis suggests the costs to business of complying "will be substantially greater than the FTC has estimated." It further observes that the initial information the FTC gets will be "unreliable, at best," and that in order to come up with some better reporting systems than the FTC has so far, "what is needed is extensive face-to-face discussion between informed FTC representatives and informed business representatives for joint learning."

Why didn't the GAO simply reject the plan and send the FTC planners back to the drawing board? The answer may lie in the fact that Congress last year, without thinking much about it, passed an amendment to the Alaska pipeline bill giving the regulatory agencies authority to override the GAO on such matters. Rather than invite such a confrontation and expose its absence of final authority, the GAO has decided to let the FTC hang itself with this experiment.

Unless the National Association of Manufacturers stops the FTC in court in a challenge of its authority to require LOB reports, within several weeks 26-page questionnaires will be mailed out to the businesses and the fun will start. Standard Octopus Inc., which engages in 30 categories of business, will have to put a battalion of accountants to work to figure out costs and profits in each line. However they allocate general costs, overhead, advertising, research and development, other companies will do it differently. A battalion of lawyers will be called in to figure out how to protect proprietary information, to brainstorm on what they have to give the FTC and what they don't have to give. The other companies will also come to different conclusions.

When all the work is completed, the whole mess will be sent off to the FTC, and the bureaucrats will spend several months trying to figure out what to make of it. The FTC's expressed object is to expose those lines of greatest profitability, thereby by inviting new competition to the benefit of consumers. But before the ink is dry on whatever report the FTC issues that it might think useful, the market will have changed sufficiently to make all the numbers obsolete. In the end, what we have is a make-work project for lawyers and accountants.

In its mercy, the GAO has found a way to keep this Frankenstein monster from going beyond the infant stage. A year from now, it will have to review the LOB experiment before the FTC can make it bigger and better. By that time, perhaps Congress will review the wisdom of giving the regulatory agencies the last word.

NONSTOP ENDURANCE WALK

Mr. MONTOYA. Mr. President, recently, attempts were made at the Aintree Race Track in Liverpool, England, to break the world record of 302 miles for a nonstop endurance walk. The competition at this event was rough as there were approximately 20 walkers of international fame competing in this race. I am proud to say that Jesse Castaneda was New Mexico's representative at this event.

Mr. Castaneda, through hard work and diligent training, has made many achievements in the field of nonstop walking. In November of 1973, Mr. Castaneda won the Topham NSPCC Challenge Trophy for a magnificent walk in Albuquerque, N. Mex., the previous year. The results of this contest were entered in the 1974 edition of the Guiness Book of Records:

> The greatest mileage ever achieved in a nonstop walk is 302 miles (486,021 meters) by Jesse Castaneda, 33, on the 440 yard track at Albuquerque Academy, New Mexico, in 102 hours 59 minutes, on 16–20 March 1973.

It was unfortunate that this year at the Aintree Race Track, Mr. Castaneda, after 86 miles, pulled a ligament and was unable to complete the contest. However, I am proud to say Mr. Castaneda remains the world recordholder for nonstop walking. I am grateful for this opportunity to congratulate this gentleman on his achievements and look forward to his speedy return to athletic competition.

I would like to extend my best wishes for his continued success, both as a nonstop walker in national and international competition and as a goodwill ambassador from New Mexico.

TRUTH IN PACKAGING, ESPECIALLY FOR PERSONS OF HIGH ESTEEM

Mr. PERCY. Mr. President, I ask unanimous consent that a press release from Virginia Knauer, Special Assistant to the President for Consumer Affairs, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

OFFICE OF CONSUMER AFFAIRS,
Washington, D.C., May 23, 1974.

Arch Booth, Executive Vice President of the Chamber of Commerce of the United States, and Anthony Harrigan, Executive Vice President of the United States Industrial Council, have joined the ranks of the nation's press, Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, announced today.

Mrs. Knauer noted that a number of anti-Consumer Protection Agency articles have recently appeared (see attached) in newspapers with Mr. Booth and Mr. Harrigan's byline.

"These papers," Mrs. Knauer said, "do not indicate that either Messrs. Booth or Harrigan have any position other than that of editorial or feature writer. Therefore, I must state facetiously that both Mr. Booth and Mr. Harrigan seemingly have left their posts with industry to become members of the Fourth Estate."

"If this is true," Mrs. Knauer said, "then I hope both would take some journalism courses in factual editorial writing."

Mrs. Knauer said that Mr. Harrigan, as a reporter, should be very upset because several papers are printing his stories without even giving him a byline.

"Seriously," Mrs. Knauer said, "the newspaper reader has a right to know if any printed material is the product of a specialized interest. I heartily agree with the right of any publisher to print the viewpoints of Mr. Booth or Mr. Harrigan, even though I disagree with their views on the CPA. But I also believe the publisher has the responsibility of informing his readers of Mr. Booth's and Mr. Harrigan's occupations so that the public can evaluate the articles accordingly. Otherwise, the reader my be misled into believing the published material is the result of an independent newspaperman."

Mr. PERCY. Mr. President, I agree that it is only fair that the occupations of my good friends, Arch Booth and Anthony Harrigan, be put on the public record so that they might be readily identifiable to the American people.

Mr. Booth is president of the Chamber of Commerce of the United States. Mr. Harrigan is executive vice president of the U.S. Industrial Council

Certainly, the positions these two men hold are worthy of the highest praise and esteem. They have made invaluable contributions to the American business community and the American economy through the years. One wonders, then, why their occupations have not been indicated in a number of articles in opposition to a Consumer Protection Agency recently appearing under their bylines in various newspapers. This is no criticism of Mr. Booth and Mr. Harrigan, who are rightfully proud of their high positions, but of newspapers that do not properly and fully identify them.

Several papers have printed Mr. Harrigan's pieces without any byline at all.

As Mrs. Virginia Knauer, Special Assistant to the President for Consumer Affairs, has remarked:

> The newspaper reader has the right to know if any printed material is the product of a specialized interest. I heartily agree with the right of any publisher to print the viewpoints of Mr. Booth or Mr. Harrigan, even though I disagree with their views on the CPA. But, I also believe that the publisher has the responsibility of informing his readers of Mr. Booth's and Mr. Harrigan's occupations so that the public can evaluate the articles accordingly. Otherwise, the reader may be misled into believing the published material is the result of an independent newspaperman or editorial writer.

I wholeheartedly agree with Mrs. Knauer. And, I strongly urge newspapers publishing articles by Mr. Booth or Mr. Harrigan to make certain that their positions of responsibility are clearly identified.

QUALITY EDUCATION FOR MEXICAN AMERICANS

Mr. MONTOYA. Mr. President, on April 12 of this year the U.S. Commission on Civil Rights made a statement before the Education Subcommittee of the House Education and Labor Committee.

This statement has recently come to my attention, and I find the information contained in it to be of such significance that I believe every Member of this body should have the opportunity to see it.

The Civil Rights Commission has effectively demonstrated the need for strengthening and expanding title VII of ESEA in the final report of the Mexican-American Education Study "Toward Quality Education for Mexican Americans." I have commended them for that study before.

The statement I wish to introduce into the RECORD today ties the need for bilingual and bicultural education even more closely to title VI of the Civil Rights Act of 1964, and highlights the importance of the Supreme Court decision in Lau against Nichols to the bilingual and bicultural education programs of the Nation.

I ask unanimous consent for this statement to be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE U.S. COMMISSION ON CIVIL RIGHTS ON BILINGUAL BICULTURAL EDUCATION BEFORE THE GENERAL EDUCATION SUBCOMMITTEE OF THE HOUSE EDUCATION AND LABOR COMMITTEE

APRIL 12, 1974.

The United States is a multilingual multicultural society. Our general reluctance to accept this phenomenon, either officially or unofficially, makes it no less of a reality, especially for the countless Americans who most directly experience it. In thousands of homes throughout this country parents and children speak to each other, not in English, but in Spanish, Cantonese, Navajo, Portuguese, Italian or French. When these children enter school they bring with them their own distinct language and cultural backgrounds which differ, often drastically, from those on which the school program is based. Under these circumstances Mexican American, Puerto Rican, Asian American, and Native American children do not begin school with the same chance for success as other children, and the resulting record of the schools' educational failure with these children dramatically attests to that fact. These national origin minority children, no less than our English speaking youngsters, have a right to qualify education. They deserve the full commitment of educational agencies at the Federal, as well as the State and local levels, to achieving that goal.

A number of recent developments make this a particularly significant time in the important nation-wide effort toward the goal of achieving quality education for national origin minority children. The Supreme Court ruling in *Lau* v. *Nichols*, 414 U.S. —, 94 S. Ct. 786 (1974) has affirmed the Department of Health, Education and Welfare's (HEW) interpretation of Title VI of the Civil Rights Act of 1964 to the effect that the schools' failure to educate students in a language they can understand denies these students equal educational opportunity in violation of that Act. Congress this year has before it extremely important legislation to extend and strengthen the Bilingual Education Act, also known as Title VII of the Elementary and Secondary Education Act (ESEA). Recently, State governments and local educational agencies have begun to commit resources and funds for bilingual education programs and these agencies are looking to the Federal government for leadership in the full development of effective bilingual education programs. Finally, this Commission has recently completed a five year study documenting the schools' failure to educate Mexican American students, in which it was concluded that the language and cultural background of Mexican American students must be integrated throughout the educational program if equal educational opportunity is to become a reality.

In light of these important developments the country is now at a crossroads with respect to educational planning for language minority children and, in effect, for all children in our schools. It is altogether appropriate that this Subcommittee should be reassessing the overall Federal role in securing quality education for language minority students. Specifically, it is fitting that we ask such questions as "What are the implications of *Lau* for HEW's Title VI enforcement efforts with regard to national origin minority students?", "What should be the Federal policy with respect to bilingual bicultural education programs supported by Title VII of the ESEA?", and "What should be the relationship between Title VI enforcement efforts and the goals and structure of Title VII programs?".

In brief, the Commission's position on each of these three questions is as follows:

1) The Supreme Court in *Lau* did not expand HEW's responsibilities under Title VI of the Civil Rights Act of 1964; rather, it ratified HEW's existing guidelines interpreting that law.

2) Title VII of the Elementary and Secondary Education Act should be strengthened and expanded so as to assure adequate funding of developmental demonstration projects in bilingual bicultural education, and to provide for the development of trained staff and curriculum materials for bilingual bicultural education.

3) The experience gained from the ongoing operation of the Title VII projects, together with the bilingual education resources developed with Title VII funds, will be useful in assisting school districts in selecting and implementing programs for compliance under Title VI of the Civil Rights Act. Title VII, however, must not become simply a method for funding State and local efforts to comply with Title VI.

Lau and title VI of the Civil Rights Act

In *Lau v. Nichols* the Supreme Court ratified HEW guidelines contained in a 1970 memorandum known as the "May 25th Memorandum." These guidelines, promulgated pursuant to HEW's statutory responsibility to enforce Title VI, require school districts receiving Federal funds to undertake programs to rectify the English language deficiencies of students whose inability to understand English excludes them from effective participation in the educational program. In the words of the Court in *Lau* affirming that position:

"Basic English skills are at the very core of what these public schools teach. Imposition of a requirement that before a child can effectively participate in the educational program, he must already have acquired those basic skills is to make a mockery of public education. We know that those who do not understand English are certain to find their classroom experiences wholly incomprehensible and in no way meaningful."

In effect, *Lau* did not expand the previous responsibilities of HEW to enforce Title VI; what this Supreme Court decision has done is to draw national attention to the previously existing Title VI requirements. These guidelines, however, have never been adequately enforced. Since the issuance of the May 25th memorandum HEW has reviewed relatively few districts for compliance with the memorandum's provisions and, further, HEW has been extremely reluctant to take enforcement action against districts refusing to comply. Between May 1970 and January 1973 HEW had completed reviews of only 30 districts nationwide for compliance with the May 25th memorandum, and all of these districts were found in noncompliance. Although an additional 23 districts were under review as of January 1973, the total represents a very meager effort, considering the fact that HEW has identified a minimum of 1660 school districts in the country with five percent or more national origin minority children. As of January 1973, more than half of the 30 districts found in noncompliance still had not negotiated a compliance plan with HEW. Several of these districts had been negotiating with HEW for a period of as long as 18 months. Despite the fact that a number of the districts have flatly refused to comply, HEW has not, to date, terminated Federal funds for any of these districts.

This record of HEW's enforcement efforts shows that it has had only a minimal commitment to national origin minority students most of whom are still being denied an equal opportunity in education. Evidence collected by the Commission in the Mexican American Education Study, and in Commission hearings held on Puerto Ricans in New York and on Navajos on the Reservation, documents the fact that the majority of students from these groups attend schools which fail to provide them with any basic language program. For example, in the Mexican American Education Study principals identified only eight percent of Mexican American students in the Southwest as being enrolled in either bilingual education or English as a second language classes. Further evidence of this lack of language programs for national origin minority students has been reported at Commission State Advisory Committee meetings in California, Connecticut and Pennsylvania. As hundreds of school districts are clearly still in noncompliance with Title VI, HEW should make enforcement action against these districts a high priority in its allocation of staff and resources.

In addition to the provision of language programs, there are other important Title VI equal educational services issues which were not considered in *Lau* nor stated in the provisions of the May 25th memorandum. Title VI states specifically:

"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

This Commission, as a result of its intensive investigations into the education of Mexican Americans, Navajo Indians and Puerto Ricans in this country has concluded that, in addition to language, other aspects of the educational program can function, just as effectively, to exclude national origin minority children from participation in the school program. In a school system which has previously ignored, and even denigrated, the language and cultural background of national origin minority group students, it is not likely that the mere incorporation of a minimal type of program, whose sole purpose is to teach English, will meet the requirements of Title VI. As stressed in Report VI of the Commission's Mexican American Education Study it is important that the child's cultural background—interests, values, and heritage—be incorporated into the basic design of the curricula. According to basic educational principles, if children are to have a real chance to succeed, the school curricula must build upon what they bring with them to school, which includes their cultural as well as their language background. Thus, incorporation of culture, as well as language, is a Title VI issue.

Title VI should also cover the training and preparation of the instructional staff. The way teachers interact with students is a key factor in the child's chances for success in school; yet, national origin minority students get seriously shortchanged in this area. It is not uncommon to find teachers of these youngsters who believe that these children have less basic ability and who treat them accordingly. The Commission has documented in the Mexican American Education Study that, on the average, teachers interact less favorably with Chicano than Anglo students in the classroom, and that this results in part from inadequate teacher training. Likewise, testimony presented to the Commission at Hearings on Puerto Rican and Navajo students, indicated that these groups of students also suffer educationally by treatment at the hands of teachers whose training leaves them insensitive to the students' cultural background. Introducing a language program alone, without adequately training staff in the sensitivities, skills and techniques for teaching language minority chidlren, will not likely provide an equal opportunity for success in education.

Thus, for compliance with Title VI, HEW should require districts to institute comprehensive educational programs, rather than remedies designed solely to teach the national origin minority children English. All forms of exclusion from effective participation in the school program must be eliminated in Title VI compliance plans accepted by HEW.

At this time it would not be appropriate for HEW to require the same type of program for compliance from all school districts. A good deal of research and development is still needed in the planning and implementation of truly effective educational programs for national origin minority children. Likewise, there are many variables, such as district size, language dominance, and available resources, which will enter into the program's effectiveness. It is important, therefore, that in accepting a compliance plan from a school district, HEW require the district to provide evidence, on educational grounds, that the program promises to provide equal educational opportunities for the specific population being served. Following the acceptance of a district's compliance plan, HEW should hold these districts responsible for the program's effectiveness through systematic monitoring to extend over several years. Further, the measurement of program effectiveness should not be limited to the children's achievement in English language skills, but should include their achievement in other academic subjects using either English or their native language, and such performance factors as attendance rates, grade reptition and dropout rates.

The Title VI enforcement actions of HEW are extremely signficant to the future of education for language minority children. Although recent years have evidenced increased activity at the State and local levels in providing programs for language minority students, these efforts are still minimal. Without the full enforcement action of the Federal government, the impact of Title VI with respect to national origin minority students will continue to be inconsequential.

Title VII of the Elementary and Secondary Education Act (ESEA)

Title VII of the Elementary and Secondary Education Act should be strengthened and expanded to assure that programs funded under this Title will provide the necessary leadership and the development of critical resources for bilingual bicultural education. It is important that specific provisions be made for staff training, curriculum development and research in bilingual bicultural education.

In the past five years Title VII has been instrumental in initiating the development of resources and in pointing out critical areas of need in bilingual bicultural education. As few such programs were in existence in 1967, Title VII essentially had to begin with very basic development in the areas of curriculum materials, staff training, program design and evaluation. Almost exclusively through Title VII funds, a good deal has been accomplished in these areas. However, much yet remains to be done before bilingual bicultural education will be a true educational alternative for language minority students.

In light of the important developments in the education of language minority children over the last five years, there is, today, an even greater demand for Title VII to be strengthened and expanded as a full bilingual bicultural effort on the part of the Federal government. The *Lau* decision has directed national attention to the inadequacies of the standard educational program for teaching children of limited English speaking ability. The country is beginning to realize that educational programs for these children can no longer be considered low priority items not demanding a significant investment of staff and resources. Rather, as it is now clear that State and local education agencies have a basic educational responsibility to provide effective educational programs for language minority children, these agencies are beginning to investigate bilingual bicultural education and other types of programs for providing the needed services.

Further, many communities are interested in the implementation of bilingual bicultural programs to achieve objectives which go beyond merely meeting their minimal responsibility for providing equal educational opportunities to minority children. There is a good deal of excitement over the prospects for implementing integrated bilingual bicultural programs, from which English speakers can also benefit by acquiring a facility in a second language and by achieving a bicultural understanding. In addition, many school districts consider the development of bilingual skills as a goal in itself, and are interested in designing programs which capitalize on the children's language resources through continued systematic language training in their native language, as well as in English.

Interest in bilingual bicultural education has, thus, multiplied over the last 2 to 3 years. Educators throughout the country are looking to the Federal government for direction, and also for assistance in developing the necessary resources of trained staff, curriculum materials, and evaluation instruments. There is much need for new Federal legislation on bilingual bicultural education which would authorize full funding for Title VII and specifically provide for meeting the most critical needs in bilingual bicultural education. Specific provisions should thus be made in the legislation for: staff training; curriculum development; research, including the development of valid assessment instruments; and funding of demonstration projects which will systematically provide information on the implementation of various alternative bilingual bicultural education program designs.

Between Fiscal Year (FY) 1968 and FY 1973 appropriations for Title VII never exceeded 35M, despite the fact that authorizations for the programs were 135M in FY 1973. Most of these funds were used directly for demonstration bilingual education programs. No funds were set aside specifically for the training of bilingual bicultural staff, and only a small proportion of the funds were set aside for curriculum development. This meant that staff training and curriculum development had to be carried out, in large part, within each individual program, with some assistance from the Title VII support centers. As a result, progress in these areas has been slow and uncoordinated.

In order for bilingual bicultural education programs to be fully implemented in the future, it is necessary that a significant proportion of the Title VII funds be set aside for staff training on a large scale and for the systematic development of curriculum materials for each of the major language groups. This would require that the allocation for Title VII be increased substantially over the next several years in order to continue funding demonstration projects, while assuring the accomplishment of these tasks. This Commission supports the level of authorizations for Title VII specified in the proposed Senate legislation of 135M for the first year with increasing authorizations each year to reach 175M in FY 1977 and FY 1978. We also support a specific provision in the legislation which will set aside for staff training 50 percent of the funds appropriated for Title VII between 35M and 60M and one third of the funds appropriated above 60M.

Research in bilingual bicultural education, another critical area of development, should also be provided for in the legislation. As it is appropriate that this type of systematic research be carried out by the National Institute of Education (NIE), we support a provision in the legislation which would require that at least five percent of NIE's budget be set aside for research specifically in bilingual bicultural education.

The Title VII demonstration projects and the NIE research in bilingual education would serve distinct, but related, functions. The Title VII projects should be directed primarily at providing experience in the implementation of alternative types of bilingual programs. All programs funded under Title VII should, at a minimum, provide bilingual bicultural instruction until the child can function as effectively in English as in his or her native language (transitional programs). Beyond this, programs selected for funding under Title VII should demonstrate the various types of alternatives in bilingual bicultural education according to different types of objectives and different types of communities. Thus, Title VII would fund a spectrum of types of bilingual programs from the most limited transitional type for non-English speakers only, to the most comprehensive integrated bilingual bicultural programs designed, not only to teach English to non-English speaking children, but also to fully develop their native language and cultural resources, as well as to provide English speakers with the opportunity to become bilingual.

The evaluation of these demonstration projects should be designed to provide much needed information on the inputs, processes and outcomes of the various types of programs. These data are required for the refinement of program design, curriculum materials, and staff preparation activities.

The major role of the National Institute of Education in this effort should be to conduct systematic research in effective bilingual education approaches and to develop needed assessment instruments for evaluation. The information obtained from the evaluation of the Title VII demonstration projects would be valuable in generating hypotheses for systematic controlled experimental research by NIE, which would be designed to determine what program components may be most effective for given objectives and under what types of settings.

Assessment of bilingual bicultural education programs to date has been seriously hampered by the total lack of evaluation instruments validated for bilingual bicultural children. In order to accurately evaluate the effects of a bilingual program, instruments for measuring the following must be developed: achievement in English language skills; achievement in native language skills; achievement in academic skills through the medium of English; achievement in academic skills through the medium of the native language; measures of language dominance; and attitudinal measures of self concept, attitudes toward learning, and attitudes toward other ethnic groups. As research and evaluation in bilingual education are largely dependent on such instruments, their development should be a high priority item for the National Institute of Education.

The relationship of title VII of ESEA to title VI of the Civil Rights Act

In relation to HEW's Title VI Civil Rights enforcement efforts, the role of Title VII of ESEA is to assist the districts in complying with Title VI by providing experience in effective bilingual bicultural program alternatives and by supporting the development of staff and curriculum resources for bilingual education. The role of Title VII should not be to directly fund State and local efforts to comply with Title VI.

It is our understanding that one of the alternative directions being considered for the Title VII programs at this time is, essentially, to channel present available funds into the maximum number of programs possible which would be designed solely to meet the minimum requirements of Title VI of the Civil Rights Act of 1964. This Commission strongly opposes this alternative.

This approach would leave to the Federal government the financial responsibility for assisting the districts in meeting the minimum requirements for compliance with Title VI. Aside from the fact that there is some question regarding the legality of using Federal funds to finance basic educational services which are the responsibility of local school districts, this approach for Title VII would be a very detrimental one to the future of education of language minority children.

According to Title VI requirements, the provision of equal educational services to minority children is the basic responsibility of school districts as a condition for their receiving federal financial aid. If HEW were adequately enforcing the law, school districts failing to meet the minimum requirements of Title VI would be threatened with fund termination, not rewarded with federal program funds to meet their minimum responsibilities. Were Title VII to become merely a supplement to the Title VI enforcement program, it would seriously discourage school districts from relying on their own resources to come into compliance.

Further, Title VII of ESEA was never intended as a means to provide only the minimal services to the maximum number of needy children nationwide. The intent of the original legislation was to fund programs which would serve as demonstration projects to provide alternative program approaches and at the same time to support the development of the resources needed to facilitate implementation on a broader scale. Likewise, this is the main intent of the proposed Senate legislation on bilingual education. Any attempt at this time to narrow the definition of the objectives of the Title VII program would be a serious setback to bilingual bicultural education in this country because it would prevent the development of program alternatives.

In conclusion, the Commission urges the House of Representatives to take the needed action to assure the Federal government's commitment to quality education for national origin minority students. We support the passage of new strengthened bilingual education legislation which will assure that the Federal government will provide the leadership in developing the critically needed resources and in funding alternative types of bilingual bicultural education programs. Secondly, we urge that the needed action be taken to assure the full enforcement of Title VI of the Civil Rights Act of 1964 with respect to national origin minority students so that these students will no longer be deprived of their right to an equal opportunity in education.

Both the Federal bilingual bicultural program and the Title VI enforcement efforts are critical to the future hopes for quality education for language minority children. At the same time, it is important that Congress not allow these two efforts to become identified as one and the same by subjugating Title VII to the Title VI enforcement efforts. Congress should give full support to the Title VII objective of developing bilingual bicultural education as a true educational alternative for our schools. In our multilingual multicultural society, this is an alternative which countless Americans would cherish as a method of achieving the full benefits of our educational system while, at the same time, not being deprived of their own valued heritage.

ENERGY CRISIS

Mr. BROCK. Mr. President, this Nation still faces an energy crisis. I keep picking up newspapers from my State of Tennessee, and from other States, and I read that we are dangerously close to forgetting the long lines at the service stations this past winter. Motorists are creeping up from the 55-mile-an-hour speed limit that most States have imposed in a fuel saving gesture. We are again becoming wasteful Americans. If we continue at this pace, we will again find ourselves in the same circumstances as last fall. I hope that we will have better sense.

Meanwhile, Congress continues to do little to solve our energy problems. I wanted to bring to the attention of my colleagues an article which appeared in the New York Times by Z. D. Bonner, who is president of Gulf Oil Co. It points out where Federal controls hamper any business enterprise and depress the free enterprise system. I ask unanimous consent that Mr. Bonner's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATTERN SAID LEADING TO "SOCIALIST STATE"

(By Z. D. Bonner)

"Not one but two threats should concern Americans today. Attention is being given to one: the threat of continuing shortages of energy supplies.

"The second threat is much more subtle yet far more dangerous. It is the fast support developing for an economic philosophy based on the simple premise that the Federal Government can run almost any sort of business better than private enterprise.

"It is a philosophy foreign to those that have built our industrial enterprises, yet it exists, and is gaining strength, despite lack of any evidence that Federal control or Federal operation of any business ever has succeeded or ever will.

"The general approach of people who follow this philosophy is to begin by regulating a politically vulnerable industry. This is the way it started with the railroads, and now comes the proposed regulation of the oil industry.

"Soon that kind of regulation is increased to the point where the industry is unable to satisfy public needs.

"The next development is a Federal competitor that, under some of the new bills advanced by Congress, has unlimited borrowing capacity, is funded with tax dollars, pays no taxes and has virtually no accountability. This Federal industry is set up to compete with the totally regulated private industry.

"Under this philosophy, such moves are to be made industry by industry.

"There are two primary reasons why this philosophy, which once would have been dismissed as a threat to fundamentally accepted American concepts, is gaining strength. The first is a totally unforeseen and unexpected development, Watergate. Its effect has been to substantially weaken an Administration that was elected with an overwhelming mandate and that probably would have been strong.

"In this weakened condition, it has been next to impossible for this Republican Administration to have any of its programs passed by the Democratic Congress. President Nixon is reduced to vetoing a barrage of unwise bills affecting business.

"The second reason relates to power. The proposed Federal companies, such as the Federal Oil and Gas Corporation, fascinate many politicians. Think of the political patronage! And the jobs that could be provided!

"This anti-free-enterprise philosophy, then, could eventually provide almost unlimited expansion of the Federal Government and transform the United States into a complete socialist state.

"Businessmen must take action on two fronts if this trend is to be reversed. Those in business must do their level best to explain and justify the American system to their employes and the public. Also, they must urge their Congressmen and Senators to oppose the trend toward total regulation of business.

"There are many dedicated and hardworking Senators and Congressmen. In many cases, however, these public servants are not the most vocal or most outspoken. A result is that of the 1,700 energy proposals introduced in Congress in the wake of the energy crisis, not a single constructive bill on the subject has issued from Congress.

". . . Not a single bill that I know of would make more oil and more gas available. And making more oil and gas available is, of course, what free enterprise is all about so far as energy companies are concerned."

SCHOOL LUNCH PROGRAM: CONSTERNATION OR CONCERN

Mr. HARTKE. Mr. President, too often the policies we set in Washington do not reach the concerns of the people. Legislation passed by this Congress may alleviate our collective conscience, but it will do little to alleviate the hunger felt by children at lunchtime in the Nation's schools. Too often the tremendous administrative effort associated with the school lunch program at various levels tends to feed the children paper instead of food.

As the result of eminent discussion on the part of many scholarly figures and several studies concerning the role the Federal Government should play in the care of our children, we have shifted from one theory to another in an attempt to feed the hungry children of our country a nutritious lunch during their attendance at school.

I question whether our schools should be furnished with food stamps, money, or commodities by the Federal Government. Relevant statistics indicate the majority of schools prefer receiving cash at a rate certain per student enrollment. This program seems more conducive to urban population center schools with a ready and continual source of food at current market values.

However, many rural and smaller population school areas have expressed grave concern for this approach, and prefer the commodities program whereby the Federal Government furnishes the school corporation assistance-in-kind in the form of food purchased on the open market by the Federal Government to offset decreasing prices for farm products. The wisdom of this approach in light of security and stability of the farm financial community has merit, but we find the Department of Agriculture administering the school lunch program without continuity and budgetary procedures to the concerned school systems.

I acknowledge that both programs have merit and supportive arguments attesting to their validity. However, when the Federal Government offers one program to the exclusion of the other and not an alternative selection procedure allowing school districts to select the program most conducive to their own operation, we invariably compound the problems already facing a beleaguered situation. I ask my colleagues whether it is not possible to maintain both programs. Each school system would then select one of which would avail that school system the most administratively efficient system. To do less is to lessen the quality of lunches furnished our children.

I wrote a letter to the Agriculture Secretary Earl Butz expressing my concern with the direction the present program was taking and asking whether a pluralistic approach was feasible. The letter I received from his Department failed to respond to the question, but attempted to justify the Department's position based on their interest in stabilizing the farm community. While the stability of the farm community is of interest to me, I also am thinking of the children of our Nation. I hope the Department of Agriculture will broaden its perspective on this important question.

Mr. President, I ask unanimous consent that my letter to Secretary Butz and the response of his Department be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARTKE. Mr. President, let me make one further comment regarding my distinguished colleague from South Dakota's (Mr. MCGOVERN) bill S. 2871, which was passed by the Senate last week, and the commodity school lunch program. Assistant Secretary to the Department of Agriculture Clayton Yeutter testified before the Subcommittee on Agricultural Research and General Legislation, Senate Committee on Agriculture and Forestry, regarding S. 2871, that:

> The Federal government simply does not have access to large surpluses of food at bargain rates, as we did in the past. In fact, our efforts to purchase food, even at market levels, are facing stiff competition.

The Assistant Secretary seems to indicate that because the Federal Government finds the slightest difficulty with the pursuit of its administrative duties that it should cease to furnish commodities to our children. Does the Assistant Secretary presume the task to be easier for schools concerned, or does he assume they too will take the attitude that the task is too difficult and ask the children to go hungry while attending school?

Mr. President, the future of our country depends on the children of today. Let us not short change them, but instead make available to them the abundance of foods our rich Nation has the capacity to produce.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., April 4, 1974.

HON. EARL L. BUTZ,
Secretary, Department of Agriculture, Washton, D. C.

DEAR SECRETARY BUTZ: I have received numerous letters from concerned citizens in Indiana regarding the Department of Agriculture's phase-out of the commodity foodstuffs program for school lunches. Under Public Law 93–86, commodities were to be provided to schools for use in school lunches for children.

While it may be evident that larger schools, or schools in urban areas may not wish to continue in the commodities program, which choice they should have; those schools in rural areas, or schools without large enrollments will suffer greatly if they do not receive commodities from the Federal government.

I call upon you to do an immediate inquiry into the percentage of schools that care to remain within the commodities program. If the percentage of students affected is significant, I believe the interests of the children, parents, school and program administrators would be better served if the commodities program were to be continued on a voluntary basis.

The pluralistic society of the Seventies often necessitates pluralistic responses by its government. We must be ever cognizant of the needs of the people we serve, and seek solutions to their problems which may not always be the most efficient or relevant for the government. I trust that you will evaluate the commodities school lunch program with a sincere interest in the welfare of our children.

With my best wishes, I am
Sincerely,

VANCE HARTKE,
U.S. Senator.

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 22, 1974.

HON. VANCE HARTKE,
U.S. Senator.

DEAR SENATOR HARTKE: Secretary Butz has asked us to respond to your letter of April 4 regarding the availability of donated foods for schools.

The Administration's budget for fiscal year 1975 contains funds to maintain the distribution of donated foods to child nutrition programs at the rate of seven cents per school lunch. However, should market conditions preclude us from making food donations to this extent, we will use the authority provided by P.L. 93–150 to distribute any balance in cash. Thus, if the budget is approved, schools will be assured this seven cents per lunch level of support programmed in the budget request for donated foods.

With the return of a market-oriented agriculture, food surpluses stored and handled at the taxpayers' expense are largely a thing of the past. In fact, sometimes in our efforts to purchase foods for donation, we get no bids at all—not at any price. We have, therefore, been struggling to make workable a system that is not attuned to changed conditions.

Some school food service people have long advocated that the Department discontinue food distribution for schools entirely, in favor of cash assistance. They have argued that schools frequently receive commodities from the Department which do not suit local food preferences. Furthermore, they maintain that storage and recordkeeping present formidable problems for smaller schools.

Now that price support and surplus removal commodities are largely a thing of the past, the Department no longer has some of the purchasing advantages that were previously available. It is our objective to provide maximum nutritional benefits at a minimum cost to the Federal taxpayer. Indications are that we can best meet that objective by providing cash to the State and local governments, with those governments doing the purchasing, rather than through the present system.

We are enclosing a copy of Assistant Secretary Yeutter's March 27 Statement regarding S. 2871; it discusses in greater detail the issues you raised.

We appreciate your interest.
Sincerely,

MARY JANE FISKE,
Assistant to the Administrator.

MEAT IMPORT QUOTA SYSTEM

Mr. CURTIS. Mr. President, for some time I and other Senators representing States where there is considerable livestock feeding, have been concerned about the drastic drop in livestock prices at the farm level. The Committee on Agriculture and Forestry held hearings on the problems of the livestock feeding industry in Iowa during January and at my request, here in Washington on March 13 and 14.

At the Washington hearings we were told that livestock feeders had lost in excess of $1 billion in the period since September 1973. During much of this time cattle feeders were losing, and are currently losing from $100 to $200 per head on each animal sold.

It was my hope that the reduced prices being received by feeders would be passed on to consumers and that the consumption of beef and other meat would increase to a level that would reduce the surplus and once again allow livestock raisers to make a fair profit. Unfortunately, this has not happened, and to make the situation worse, the United States has become the only major meat importing country which has failed to embargo further shipments of foreign meat.

Last week I introduced legislation to reimpose the meat import quota system and to provide that in the future quotas may only be lifted with the concurrence of Congress.

Today I am introducing, with a number of cosponsors, legislation to provide Government loan guarantees to help maintain in business, livestock breeders and feeders who face bankruptcy. I need not point out, Mr. President, the effect such bankruptcy would have on the American consumer. Very simply, it will mean that if fewer numbers of livestock are put on feed, less meat will be available in the supermarket, and this means even higher prices for the consumer.

The bill I introduce today would allow Farmers Home Administration to finance or refinance livestock breeding raising, fattening, or marketing operations when the applicant's usual credit source is unable or unwilling to provide additional credit without a Government guarantee.

The bill authorizes Farmers Home Administration to guarantee 90 percent of loans up to $250,000 for the aforementioned purposes. The loan shall bear interest at a rate not in excess of the Government's cost of money and shall be repayable in not more than 7 years, but may be renewed for 5 additional years.

This bill authorizes up to $3 billion in loan guarantees to be outstanding at one time, and provides that Farmers Home Administration shall pay the difference between interest payments made by borrowers and the interest rate charged by the lender.

Because of the emergency nature of this legislation, and the fact that it is a guaranteed loan program, rather than direct loans by the Government, this bill provides that the guarantees made under this provision shall not be included in the budget totals of the U.S. Government.

Mr. President, the livestock producers in this country are a proud breed and have always been reluctant to ask for Government assistance, but I believe that it is not only in their interest, but in the best interest of the consumers of this Nation that we provide the financing to maintain a healthy domestic livestock industry.

DEPLETION ALLOWANCE

Mr. BARTLETT. Mr. President, I have had the opportunity to review the statement made by the distinguished Senator from Oklahoma on the oil and gas depletion allowance before the Senate Finance Committee on June 6, 1974.

I found his views interesting and enlightening and I encourage my colleagues in the Senate to read it carefully. I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPLETION ALLOWANCE BY SENATOR DEWEY F. BARTLETT BEFORE THE SENATE FINANCE COMMITTEE

I am pleased to have the opportunity to address the members of the Committee on the subject that is all important to the consumers of the United States if they are to have adequate energy supplies at a reasonable price.

As you well know, the depletion allowance was devised as a method of fair income tax treatment towards the extractive industries, and has been in effect since the first income tax law was enacted under the 16th amendment to the Constitution in 1913.

Although the method of calculation of the depletion allowance has been revised and lengthy debate over the merits of the depletion allowance has occurred through the years, the basic concept of fair and equitable tax treatment for a depletable asset has continued for over 60 years.

Aside from the fair tax treatment issue, the Committee will also through testimony be able to determine the effects of the depletion allowance to judge whether they are desirable or undesirable—if they are in the consumer's best interest or not. I know that the Committee is seeking information from all interested parties—independent producers, major oil companies, as well as consumers. I hope the list of witnesses will include representatives of the royalty owners.

There is one inescapable fact—reducing the depletion allowance would increase energy prices for consumers in the United States. If the higher costs of operation reflected by the increase in taxes are not passed on to the consumer in the form of an increase in the price of domestic crude oil then all exploration activitiy will be sharply reduced. If oil field activity is reduced then we must depend upon importing more unreliable and high priced foreign oil. So it is inescapable either way—the consumer will be faced with higher prices.

The last 9 months have been very emotional. For the first time Americans have been faced with a shortage of energy supplies which have been taken for granted during prior years. Constructive action is needed to overcome our energy deficiency. This is no time for punitive action aimed verbally at the major oil companies but actually hitting the independent producers and consumers. The recent increases in major oil company profits have been earned overseas—not from the depletion allowance.

This is a time for incentives not disincentives. The uncertainty created by Congress with proposed rollbacks and tax revisions can only serve to delay the domestic activity that could further relieve our dependence upon unreliable and high priced foreign oil. The petroleum industry should be given the green light, not a blinking orange light.

Any reduction in the depletion allowance would be far more disastrous to the exploratory activities of the independent producer than it would be to those of the major oil company. I am sure subsequent testimony by independent producers will bear that out.

Reducing the depletion allowance would definitely decrease competition in the petroleum producing industry. The independent operator drills about 80% of all domestic wells. He depends to a great extent upon outside capital to finance these high risk, oil finding ventures. A reduction in the depletion allowance would severely hamper an independent's ability to acquire this outside capital—even if the additional costs were passed on to the consumer. This is because of the tax advantages to a prospective investor in a high risk venture.

Also, the independent operator produces an estimated 80% of the domestic stripper well production—those wells which are marginally economic. A small reduction in the cash flow of this marginal production could mean the difference between continued production and abandonment of many of these leases.

This committee should attempt to define the effects of lowering the depletion allowance from 27½% to 22% in 1969. My information is that domestic expenditures decreased about $500 million because of this decrease in the depletion allowance which had the effect of reducing the value of crude oil by 17¢/barrel.

This was the final blow to many independents whose numbers were reduced from 20,000 to 10,000 over a 15 year period by low profits resulting from the government policies during that period.

Another important fact is that the average tax benefit to an oil company is well below the 22% of gross income. This is especially true of the independent operators because the depletion allowance is either 22% of the gross income or 50% of the net income—whichever is the lesser.

In the latter stage of the life of a producing lease, the operating expenses approach the gross income. The net income becomes small and therefore 50% of net income is far less than the 22% of gross income. For that reason, several smaller operators in my state estimate that their overall benefits from the depletion allowance average anywhere from 12 to 18 percent—far below the 22 percent figure.

At this time I would like to suggest that the Committee consider eliminating or revising the 50% of net income limitation on the depletion allowance to allow the continued production of marginally economic production.

During the WW II energy shortage a substantial Federal subsidy of from 20c to 35c per barrel of crude oil was paid to producers in order to prolong the life of marginal oil wells, to encourage workovers and infill drilling.

As I have said, the reduction of the depletion allowance has a relatively more severe effect on the independent producer than it would have on the major oil company because the major oil company could partially make up for the decrease in cash flow by raising the prices of refined products. But to the extent that the major oil companies cash flow would be reduced, capital and therefore investment to increase oil and gas and alternate energy supplies would be restricted.

This nation is not going to develop domestic energy self-sufficiency unless the necessary capital commitments are made. The capital requirements, as I am sure the Chairman knows, are staggering. These capital requirements can only be filled if there is adequate cash flow to sustain equity commitments and debt service.

In other words, the borrowing ability of the industry depends upon its cash flow. Therefore, the ability of the petroleum industry to respond to our energy needs depends upon the combination of factors that make up cash flow—net profits, depletion allowance, intangible charge offs, and return of capital through depreciation.

It is important to note that major oil company profits, which appear to be the general stimulus to criticism of the petroleum industry, have not occurred because of the depletion allowance. John Winger of the Chase Manhattan Bank has explained very aptly in a paper entitled "The Profit Situation" that the major oil company profits have, in general, occurred on foreign operations because of factors over which the major oil companies had no control—principally devaluation of the dollar and price increases established by the OPEC countries.

Foreign tax credits are much more important than the depletion allowance to enable the major American oil companies to compete sucessfully with foreign oil companies on a worldwide basis.

Mr. Chairman, I request that the article I mentioned by John Winger, "The Profit Situation", and a recent study by the Petroleum Information Research Foundation Incorporated on foreign tax credits be inserted into the Record at the conclusion of my remarks.

In 1973 more than 85% of the increase in profits of the 30 largest oil companies resulted from profits realized outside the United States. The 30 major multinational oil companies earned in 1973 $4,354 billion in the United States and $7,368 billion in the rest of the world. Compared to 1972 that was only a 19.1% increase domestically and a substantial 130% increase in profits from the rest of the world.

Much of the profit from foreign operations is being reinvested in domestic operations. Over the past 5 years expenditures domestically have exceeded domestic profits by 80.6%. The same companies expended on foreign investments 47.7% more than their foreign profits. It can readily be seen that the ratio of expenditures to profits demonstrates that the major petroleum companies are committed to increasing domestic production. It can be seen that profits from foreign operations are to a significant extent subsidizing domestic investments.

Mr. Chairman, last but not least, I would hope that the Committee will address itself to the interests of the royalty owners to make sure that they receive fair and equitable tax treatment upon the selling of their irreplaceable assets. The rights of the royalty owners, the original mineral interest owners, are often overshadowed by the interests of the producers and consumers.

Mr. Chairman, I am sure that this Committee intends to investigate fully the effects of changes in existing tax treatment for all concerned.

The average price of domestic crude oil has increased substantially—but the principal cost of oil and gas exploration has skyrocketed—the prices of steel tubular goods, oil and gas leases and contract drilling have more than doubled for many operators in recent months.

The rate of drilling oil and gas wells has increased substantially this year. There is a real momentum and confidence developing in an industry which has been squeezed dry by 20 years of direct and indirect price controls.

The stability of any industry is important to maximizing its capital investment. This is particularly true of a high risk industry.

Reducing the depletion allowance will continue the instability of this oil industry and jeopardize the increasing momentum of the current exploratory effect.

In order to achieve energy self-sufficiency, the oil and gas industry needs a consensus of support from the Congress—not a consensus of punishment.

If the goal of legislation to lower or eliminate the depletion allowance is to punish the multi-national oil companies the sponsor of this legislation may as well forget it. The effect will be like trying to sink a battle ship with a bow and arrow.

But there would be an effect—which I believe would be disastrous—the major oil companies would end up with a larger share of the oil industry and the independents a smaller share. There would be decreasingly less competition in the petroleum industry.

I certainly appreciate this opportunity to address the Committee.

[From Energy Economics Division of the Chase Manhattan Bank, April 1974]

A Special Petroleum Report

PROFITS AND THE ORDINARY MAN

Ask any man what he would need first if he wanted to get into the petroleum business. He would be virtually certain to say money. He would know he could not start the business without money. And he would also know he would need more money to keep the business going and still more to make it grow.

Ask him where he would get the money. And he would be likely to say that he would have to provide most of it himself from his accumulated earnings. He would probably know he could borrow some—but only if he could prove to the lender his ability to repay the loan out of future profits.

Because he obviously must depend upon them so much, ask him to define profits. Again, he would be likely to respond correctly. He would know that, of the money he took in from the sale of petroleum, only the amount remaining after paying all the costs of doing business, including taxes, would represent his profit. He would be likely to understand that he could expand his business only if his profits were large enough. And he would also recognize that his business would fail if his profits were too small.

Despite the fact that most people readily understand their own needs for an adequate income, whether it be salary or profits, many fail to recognize the equal needs of others. Indeed, the extent of the failure to understand the vital importance of the role played by profits in the free enterprise system is appalling. Because that lack of understanding is now so great, it constitutes a significant threat to the continued existence of the economic system that has served the people of the United States so well in the past.

THE FREE ENTERPRISE SYSTEM

The American economy has been called the eighth wonder of the world because it is based on a historically revolutionary idea: that a society can function, prosper and grow on the basis of free economic choices by individuals. The market place—not government planning—regulates the economy. The desire for private gain and fulfillment, not decree or coercion, is the motivating force. It is a system that has brought to the American people the highest standard of living anywhere on earth. It has worked well because for the most part it has been permitted to function with a minimum of intervention by government. Yet, despite the demonstrated merits of the system, disturbing changes are being introduced. With increasing frequency governmental intervention is being substituted for the free choice of individuals in the market place.

ECONOMIC ILLITERACY

If asked, a vast majority of the people of this nation would doubtless say they believed in the free enterprise system. But how many really understand how it functions? Only a small proportion of all high school and college graduates have ever taken a course that explains the free enterprise system in a meaningful fashion. Former Secretary of Commerce Luther Hodges once said, "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics."

Among the most disturbing effects of economic illiteracy is the widespread misunderstanding of the role profit plays in the free enterprise system. In the minds of far too many, unfortunately, profit is a dirty word. There is the strong tendency to think of profits as funds left over from the operations of a business—money to be utilized for any unrelated purpose. Profits, therefore, are regarded as something a business does not really need, or at least something that can be reduced without serious consequences. Many, though they endorse the free enterprise system, nevertheless reject profits. Apparently, their lack of knowledge of economics leaves them unprepared to understand that the American economy cannot function without capital—and there can be no capital without profits. Indeed, there is the shocking evidence that some are not even able to distinguish between gross revenue and profits.

HOW MUCH PROFIT?

Even among those who understand the need for profits, there is often the failure to recognize that profits must also grow. With each passing year, our needs for goods and services rise. And if they are to be satisfied in full, our economy must also grow. But it cannot if profits do not expand too. Yet, from sources not truly qualified to judge, we frequently hear that profits are too high.

How should the adequacy of profits be judged? There is no simple or permanent benchmark. Under one set of circumstances, profits of a certain size could be judged sufficient. But, given changed circumstances, the same amount of profit could be either too little or too large. No meaningful conclusion can be drawn from a mere measurement of an organization's profits for a limited period of time or the amount of increase over the preceding period. Nor is the rate of return on invested capital by itself a sufficient guide. A knowledgeable management, thoroughly acquainted with every facet of a company's operations and with a carefully planned and detailed projection of future capital expenditures, knows what level of profits will be necessary. But the casual observer cannot possibly know. If the profits have been sufficient to provide and attract all the capital required for an extended period of time, they may be deemed to have been adequate—for that period. But, if the company's business is growing, the same amount of profit would be inadequate to serve future needs.

A DANGEROUS SITUATION

The inability to judge the adequacy of profits fairly with only a superficial examination has never been more apparent than at present. The public attitude in respect to the profits of the petroleum industry reveals clearly how dangerous a small amount of information can be. Usually, the earnings of the petroleum industry go largely unnoticed. Brief reports appearing in the business section of newspapers attract mainly the attention of investors and are ignored by most other readers. But, a combination of abnormal factors in 1973 caused earnings to be much larger than in 1972. Because the news media and many politicians have focused a great deal of attention on the size of individual petroleum company profits, public awareness is much greater than usual. And there is no doubt that much of the public now considers the earnings excessive. Coupled with the current shortages of petroleum products, all the publicity relative to earnings has created the impression that petroleum companies are engaged in profiteering. That belief is doubtless shared by many representatives of government. And many obviously believe punitive actions against the industry are therefore necessary.

Considering the widespread failure to understand the true function of profits in the free enterprise system, the attitude of the public is not surprising. But the American people are entitled to a much greater insight on the part of their elected and appointed representatives in government. Unless they fully understand the nation's chosen economic system and unless they ascertain all the facts before they act, these officials run the risk of setting in motion forces that are likely to prove highly detrimental in the longer run. Because its economic and social well-being is so highly dependent upon an adequate supply of petroleum, the nation can no longer tolerate political blunders that jeopardize that supply.

There is, therefore, an urgent need to publicize the underlying factors responsible for the unusual level of earnings experienced by petroleum companies in 1973. For that reason this special report is presented in the hope that the information it contains will contribute to a more accurate and broader understanding of all that is involved. The information is drawn from a financial survey of a large group of petroleum companies conducted continuously by this bank for nearly four decades. Currently, the group is comprised of 30 companies of various size. Together, they represent a major proportion of the entire petroleum industry throughout the non-Communist world. Not all of the companies have completed the auditing of their books nor have they all reported to their shareholders. Therefore, the figures cited in this report are necessarily of a preliminary nature. Although the final data may prove to be slightly different, the variation is not likely to be sufficient to alter the conclusions presented here.

THE FACTORS

It is important to recognize at the outset that the group of companies does business throughout the entire non-Communist world and that the operating conditions in 1973 outside the United States were vastly different than within. The growth of demand for petroleum was strong in the United States—but it was much stronger in the rest of the world. Market needs in the United States increased by nearly a million barrels per day and elsewhere they rose by more than two million a day. Gains of that magnitude, of course, could alone produce a substantial increase in earnings without any change in the price of petroleum.

But, for several reasons—mostly abnormal—there were price increases also. A gradually evolving shortage of petroleum has been apparent for many years. For the most part, that development has been regarded with complacency in the United States. In most of the rest of the world, however, the degree of awareness has been much greater. And mounting apprehension about the scarcity of supply caused prices to advance in many of the world's markets during 1973.

Largely because of governmental restraints on the generation of capital over the past two decades, it has not been possible to increase the production of petroleum in the United States in recent years. And all of the expansion of market needs, therefore, has had to be satisfied with imported oil. That means the United States has recently started to compete much more aggresively with other importing nations for available foreign supplies. And that competition in 1973 gave rise to even greater concern within other nations about the adequacy of their oil supply. They reacted by increasing their stockpiles of oil and bidding up prices further in the process.

Governments of several major oil producing nations were also responsible for higher oil prices in 1973. To varying degrees and in several stages they enlarged their ownership of the petroleum operations within their borders and in the process dictated very large increases in the price of crude oil. Under the terms of the varied and complicated formulas that establish the relationship of the governments and the operating petroleum companies, most of the benefits of the price changes went to the governments, but some accrued to the companies too.

During 1973, governments of some of the oil producing countries made threats to cut off the flow of oil. Such warnings, of course, contributed to the apprehension within the importing nations about the continuity of their oil supply. And, as a consequence, the governments of the importing nations compelled petroleum companies to maintain exceptionally large inventories. As the price of oil progresively rose in the world's major markets in response to both the forces of supply and demand and the unilateral actions of government, the value of inventories increased too. And that development was naturally reflected in the gross revenue of the petroleum companies involved.

Early in 1973 the dollar was devalued. And, in the process of the necesary conversion from various other currencies, dollars were automatically increased on the books of many petroleum companies. Thus, an action of the United States Government contributed directly and significantly to the growth of earnings of those companies.

The strong worldwide growth in the demand for petroleum in 1973 caused tanker rates to soar to record highs after being at subnormal levels the year before. Consequently, the transportation operations of many of the petroleum companies because substantially more profitable than they had been.

After being in the doldrums for several years, the petrochemical operations of the petroleum companies staged a strong recovery in 1973. And the earnings from those operations, therefore, were significantly better than in the previous year. The impetus for the recovery was provided by both a strong demand for chemcial products and a shortage of supply.

MORE MONEY AND WHERE IT WENT

As the foregoing commentary reveals, there were several unusual developments in 1973 which together led to a larger than usual increase in the gross operating revenue of the group of petroleum companies. The actual size of that increase is measured in the following table:

[Dollar amounts in millions]

Gross operating revenue	1973	1972	Change from 1972	
			Amount	Percent
United States	$55,810	$47,639	+$8,171	+17.2
Rest of world	76,245	56,520	+19,725	+34.9
Total	132,055	104,159	+27,896	+26.8

The table reveals that the companies received much more revenue outside the United States than within. And, because of the abnormal developments cited earlier, nearly three-fourths of the increase in revenue occurred outside the United States.

Normally, as the scope of their business expands, the operating costs of the companies rise too. In 1973, however, the increase of 21 percent was proportionately larger than the growth of their business operations. But, even so, the rise in costs was still not as great as the expansion of operating revenue. Consequently, the group's pre-tax income was 54 percent larger than in 1972.

Unfortunately, there is a widespread failure to recognize that taxes are one of the costs of doing business. But they are, of course. And, like all other costs, they must be recovered in the price paid by the consumers of petroleum. Otherwise, the business operations simply cannot remain viable for long. Therefore, whenever governments impose higher taxes on petroleum companies, they are actually imposing those taxes indirectly on consumers. And, if consumers had a better understanding of this, they would doubtless protest vigorously.

When pre-tax income increases, income taxes go up too, of course. And income taxes also rise as a result of governmental actions. For the latter reason, income taxes have been the fastest growing cost of doing business for the petroleum companies. And, in 1973, the group turned over as much as 56 percent of its pre-tax income to governments in the form of income taxes. The payment amounted to 14.8 billion dollars—4.5 billion more than in 1972.

Petroleum companies do in fact pay additional taxes that are not imposed on most other businesses. They include such levies as production, severance, and ad valorum taxes. In 1973, these additional taxes amounted to 6.0 billion dollars for the group of companies. Their total tax payment in 1973, therefore, came to 20.8 billion dollars—5.4 billion more than in the previous year.

Of the total 1973 operating revenue, 75.3 percent was required to pay day-to-day operating costs. Taxes took 15.8 percent. And the remaining 8.9 percent represented the group's profits. Each of these elements increased in 1973 as indicated in the following table:

[In millions of dollars]

	United States	Rest of world	Worldwide
Gross operating revenue	+8,171	+19,725	+27,896
Operating costs	+6,627	+11,001	+17,628
Direct taxes	+846	+4,560	+5,406
Profits	+698	+4,164	+4,862

Obviously, higher operating costs absorbed a major portion of the revenue increase both within and outside the United States. Also, taxes increased more than profits in both areas. And, of the total growth in profits, the great bulk—more than 85 percent—occurred outside the United States. The next table compares the actual amount of profits in both areas in 1973 with the net earnings in the year before:

[Dollar amounts in millions]

Profits	1973	1972	Change from 1972	
			Amount	Percent
United States	$4,354	$3,656	+$698	+19.1
Rest of world	7,368	3,204	+4,164	+130.0
Worldwide	11,722	6,860	+4,862	+70.9

The average changes shown in the table reflect widely varied results for the individual companies ranging from very large gains to very large declines.

WHY PROFITS INCREASED SO MUCH

In 1972, more than half of the group's overall profits—53 percent—were earned in the United States. But, in 1973, the proportion dropped to only 37 percent. For the most part, that major shift reflected the impact of the various abnormal forces operating in 1973.

Devaluation of the dollar had the single greatest effect. Indeed, nearly one-fourth of the worldwide increase in profits can be attributed to devaluation alone. About one-sixth of the profit gain was brought about by the increase in the value of inventories following the progressive firming of petroleum prices in most of the world's markets through out the year. As explained earlier, the price changes were the result of both economic and political forces. Historically, the profitability of both the petrochemical and tanker operations of the companies has ranged from extremely poor to extremely good. It is unusual, however, for both operations to stage a strong recovery in the same year, as was the case in 1973. Because these activities did recover at the same time, they also contributed substantially to the expansion of the group's profits.

Four of the thirty companies in the group are European rather than American organizations. Their earnings have fluctuated widely in recent years and in 1972 they were severely depressed. Because of the unusual developments in 1973, the earnings of these four companies were much improved and that recovery alone accounted for more than one-third of the profit gain for the entire 30 company group.

The growth of demand for oil continued unabated in 1973. Worldwide needs were 3.2 million barrels per day larger than in the year before. And, with that much additional oil moving to market at price levels that averaged higher than in the previous year, a substantial increase in profits was a perfectly normal consequence.

When considered superficially, a 71 percent increase in profits appears excessive. But, as analysis that is limited solely to the change for a single year is not only foolish and grossly misleading but can also be dishonest. If petroleum companies are to serve the expanding needs of consumers, they must make long range investment plans. And those plans must necessarily be based upon the average growth of profits over a long period of time—not just the increase in a single year. For the past five years, including 1973, the group of companies achieved an average annual growth in earnings of 12.0 percent. For the past ten years, the annual growth has averaged 9.9 percent. In both cases, the average increase fell far short of the growth required to provide the capital funds needed to keep pace with the expansion of petroleum demand.

Within the United States alone the longer term growth of profits has been even less favorable. Although the group's earnings in 1973 were 19.1 percent higher than in the year before, they were only 11.3 percent higher than five years earlier. And the average annual growth for the past five years has been only 2.2 percent. Over the past ten years the average growth has amounted to no more than 6.2 percent. Clearly, the United States cannot possibly achieve the higher degree of petroleum self-sufficiency it so urgently needs if profits continue to grow at such slow rates. Not nearly enough capital can be generated internally nor will capital from outside sources be attracted. There are many opportunites for investment in the United States that are much more attractive.

A RISKY BUSINESS

A high degree of risk has always been a characteristic of the petroleum business. There is the continuous risk of spending vast amounts of money on the search for petroleum without finding any. And there are also the political risks which take various forms. The most obvious is the outright confiscation of assets by government. More subtle but no less damaging are those actions of government that interfere with the highly essential process of capital formation. Both kinds of political risk continue to exist right up to the moment. Because of these risks, petroleum companies need to achieve a higher return on their investment than most other industries. For many years, however, the return on average invested capital for the group of companies has been too low relative to their risk element. In 1972 it was only 9.7 percent and substantially below the return for many other industries with much less risk. The higher level of profits in 1973 brought the group's worldwide return up to 15.6 percent. At that level it was within the range considered necessary to generate the required capital funds.

In the United States, however, the rate of return remained too low. It increased from 9.6 percent the year before to 11 percent in 1973. At that level it was still substantially below the return for most other industries with a lower degree of risk. For the most part, the poor return in the United States in 1973 and in the past was the direct result of governmental interference with the operations of the nation's chosen economic system.

ABOUT THOSE TAXES

As noted earlier, the group's taxes increased more in 1973 than its profits—both in the United States and in the rest of the world. Indeed, taxes have increased more than profits for many years. The following table illustrates the degree of increase over the past five years:

[Dollar amounts in millions]

	1973	1968	Change from 1968	
			Amount	Percent
Profits	$11,722	$6,664	+$5,058	+75.9
Direct taxes	20,845	7,276	+13,569	+186.5

Clearly, governments are benefiting far more from the operations of the companies than the companies themselves. In the United States alone, total direct taxes rose by 33.1 percent in 1973 compared with the 19.1 percent gain in profits. Income taxes were up 72.9 percent. Over the past five years direct taxes in the United States increased by 1,343 million dollars or 65.2 percent compared with the profit gain of 441 million dollars or 11.3 percent. Income taxes alone increased by 804 million dollars or 97.2 percent during that period.

In addition to the direct taxes they pay, the companies transfer to governments an enormous amount of money in the form of excise taxes. In 1973 the excise taxes amounted to 26.4 billion dollars—10.1 billion in the United States and 16.3 billion in the rest of the world The total taxes taken in by governments as a result of the group's operation in 1973 amounted to 47.2 billion dollars—13.5 billion in the United States and 33.7 billion in the rest of the world. Of the total taxes paid, the major portion went to the governments of the petroleum importing nations. Indeed, the tax receipts of government in the United States alone exceeded those of all the major producing countries together. Compared with the year before, the tax revenue of governments increased by 9.4 billion dollars. Over the past five years governments took in 172.7 billion dollars in taxes. The profits of the companies over the same period amounted to 39.2 billion dollars. By any test, governments have fared exceedingly well.

It should be readily apparent that the more money governments take from the companies in the form of taxes the less there is available for capital investment. When governments increase taxes they reduce profits and thereby create an immediate need for the companies to offset the loss by raising petroleum prices in an effort to restore their profits. But, if governments apply price controls or otherwise limit profits, the companies cannot offset the loss of capital funds caused by the tax increase and they are then forced to curtail their capital investment. Obviously, the companies cannot invest money they do not have.

THEY SPEND MORE THAN THEY EARN

Historically, there has always been a very close relationship between capital expenditures and profits. As one of the charts in this report clearly reveals, capital expenditures rise and fall with net income. Also indicated is the fact that the group's capital expenditures are much larger than its profits. The following table compares the actual amount of profits and capital expenditures over the past five years:

[Dollar amounts in millions]

			Expenditures over profits	
	Profits	Capital expenditures	Amount	Percent
United States	$18,883	$34,102	+$15,219	+80.6
Rest of world	20,308	30,000	+9,692	+47.7
Worldwide	39,191	64,102	+24,911	+63.6

As the table reveals, the companies invested nearly two-thirds more money in the past five years than they generated in profits. And in the United States they spent nearly twice as much as they earned. In fact, well over half of their world-wide investment was made in the United States even though their profits were larger in the rest of the world. The companies were able to invest more than they earned only because they could obtain part of the money they needed through the mechanism of capital recovery and another part of borrowing.

THE IMPORTANCE OF PETROLEUM

The satisfaction of virtually all needs for goods and services throughout the world depends upon the use of energy. Without a sufficient supply of energy, the developed nations of the world cannot maintain their existing standard of living and the less developed nations will not be able to achieve the economic and social gains they so urgently need. The liquid form of oil makes it by far the most versatile of all energy sources. Our studies reveal that the world will depend upon oil alone to satisfy well over half of its energy needs between 1970 and 1985. The world's requirements for petroleum in that time will be nearly three times greater than in the preceding fifteen years. Even if the demand for oil stopped growing, the consumption would still be almost twice as large as in the preceding fifteen years.

All of the existing proved reserves of oil throughout the entire non-Communist world are not now sufficient to satisfy the worldwide needs between 1970 and 1985. If those needs are to be satisfied and a realistic level of underground inventories maintained, the petroleum industry will have to find twice as much oil between 1970 and 1985 as it discovered in the preceding fifteen years. The estimated cost of finding that much oil and providing all the additional facilities required to satisfy the world's expanding markets plus the other essential financial needs of a viable business operation will amount to well over a trillion dollars. That is about four times the amount of money the industry utilized in the preceding fifteen years. In the United States alone, the petroleum industry's financial needs will exceed half a trillion dollars.

Raising that much money will represent an enormous task. Part of it can be borrowed but at least three-fourths will have to be generated internally from profits and capital recovery. Nearly half must be obtained from profits alone and, profits will have to grow much faster than in the past. The rate of return on invested capital will need to range between 15 and 20 percent.

THE ROLE OF GOVERNMENT

But, if obstacles are raised by governments, and the petroleum industry is therefore prevented from generating all the capital funds it needs, it will be unable to serve the world's markets—a progressively worsening shortage of petroleum will surely evolve. The United States is now faced with a shortage of all forms of energy and the blame for that condition must be laid almost entirely at the doorstep of government. For nearly four decades, government has broken economic laws repeatedly and has compiled an appalling record of interference with the normal operations of the free enterprise system. Yet, against that background, many representatives of government are currently exhibiting an incredible determination to take further actions that are certain to prove highly detrimental to the nation.

The temper of the times is dangerous. And government should be acting with utmost care. It ought to be making a thorough, well-reasoned, and open-minded assessment of all the abnormal forces at work in 1973. In addition, it should be conducting an equally honest examination of its own role in bringing about the energy shortage. Good government demands nothing less. But we are not witnessing actions of that nature. Instead, there appears to be an impulsive rush to take punitive actions—actions apparently motivated primarily by the growth of petroleum company profits in 1973. There are few signs of a truly meaningful effort to seek the facts. Hearings abound. But the politically charged, theatrical atmosphere of the typical Congressional hearing does not provide an opportunity for the effective development of factual and relevant information. Sincere and earnest efforts to gain information can be accommodated far better with other methods.

Among the punitive actions proposed are limitations on both capital recovery and profits. Government appears unmindful of the serious consequences of restricting the petroleum industry's ability to generate capital funds. Apparently, there is little understanding that a worsening shortage of petroleum would be the inevitable outcome. Nor does it seem to be understood that the nation's economy would surely suffer as a result of the petroleum shortfall and that tax receipts would then decline, leaving government less able to carry on its legitimate functions.

The sequence of events in prospect are cause for much alarm. And, if government acts to set them in motion, the nation will be faced with a prolonged period of hardship. That is not to say, however, that the ultimate result would be doom. As the problems worsen, the seeds of correction will begin to grow. Consumers will not tolerate shortages of petroleum, or other forms of energy, indefinitely. They will insist that their needs be satisfied. At the present time, they are angry at the petroleum companies, as well as the electric and gas utilities because of shortages and rising prices. And the punitive actions being considered by government appear to manifest in part a desire to cater to the public attitude for reasons of political expediency. But the punitive actions will not solve the problems—they will only make them worse. And, when conditions do not improve, consumers will seek a new villain. By then, the only one available, of course, will be government.

By resorting to their most potent weapon—their votes—consumers can bring about change; they can set in motion powerful forces of correction. In response to their needs and demands, men and women with a more positive attitude toward the free enterprise system and the needs for capital can be attracted to government service. And, in time, the United States can stage a gradual recovery and again achieve a high degree of self-sufficiency relative to the supply of petroleum and other forms of energy. The nation does not lack basic energy resources to be developed—all that is required is sufficient capital funds and freedom to act.

But the time required to attain that goal will be long and painful. Favorable results could be achieved sooner if only government would recognize immediately the urgent need to work constructively with all the energy industries for the over-all good of the nation rather than continuing in an adversary posture.

John G. Winger,
Vice President.
Richard C. Sparling,
Energy Economist.
Richard S. Dobias,
Financial Analyst.
Norma J. Anderson,
Assistant Financial Analyst.

[From the Oil Daily, May 28, 1974]

The Foreign Tax Credit and the U.S. Oil Industry

(Ed. Note: Due to the significance and timeliness of the report just issued by the Petroleum Industry Research Foundation on the effects of foreign tax credits on the U.S. oil industry, Oil Daily has decided to reproduce the report in full. The first part of the report appears below. It will be continued in tomorrow's paper. The report is the property of Petroleum Industry Research Foundation Inc., 122 East 42nd Street, New York, N.Y. 10017.)

INTRODUCTION

The five month political embargo on Arab oil shipments to the U.S. and the sharp and unexpected increases in world oil prices unilaterally imposed in 1973 by the Organization of Petroleum Export countries have brought home to most Americans the risks and costs of depending on foreign sources for a significant share of domestic oil requirements. The situation is quite new. Until 1972 our dependence on foreign oil was such that the kind of embargo that existed from October 1973 to March 1974 would have had relatively little effect on our supplies. In fact, throughout the embargo period we received more foreign oil than during the comparable period of 1972. Likewise, world oil prices prior to 1973 had always been below U.S. prices so that in the past imports had the effect of lowering our average oil cost.

It is not surprising that under the shock effect of these radical changes, legislators and policy makers are asking for a return to the pre-1973 period and, in fact, are looking for self-sufficiency in energy by about 1980. Whether this is a realistically achievable goal has been questioned by many experts in government and industry. The National Petroleum Council in its major study, "The Outlook for Energy," released in December 1972, projected that by 1980 our dependency on foreign oil would range from 30% to 66% with 48% as the most likely number. Even if we assume the National Petroleum Council's most optimistic domestic supply projection (which the Report termed "difficult to attain") and the smallest demand projection, we will still have to bring in a minimum of about 6 million barrels daily of foreign oil by 1980.

Thus, it is reasonable to assume that regardless of what energy policy we pursue, foreign oil will play a significant part in supplying our demand for the next ten years at least. It is therefore essential that we do not embark on policies which will reduce our access to foreign oil during this period without having an offsetting effect on domestic supplies.

The various current proposals to alter or abolish the Foreign Tax Credit on income from U.S. oil operations abroad must be examined from this point of view. The acknowledged principal purpose of these proposals is not to raise additional tax revenue but to create a tax disincentive to U.S. investment in foreign oil production on the assumption that this would lead to increased investment in domestic oil production. If the assumption is correct, a reduction of the Foreign Tax Credit may be justified. If it is not, the effect of the removal is likely to be counterproductive.

Thus, before we go into the technical aspects of how the Foreign Tax Credit works and what the consequences of the various proposals to reduce or eliminate it would be, we must determine why U.S. oil comapnies ventured abroad, what would have been the consequences if past government policy had prevented them from doing so and what the role of foreign oil will be in supplying our future energy needs.

Tax Policies and Oil Investment—U.S. vs. Foreign:

American oil companies have been investing substantially in foreign countries before the turn of the century, well before the adoption of the modern income tax law in the United States in 1913. Their historic reasons for doing so are well covered in other studies. Here we are concerned with the question of what role, if any, taxes have played in the continuation of such investments, particularly since the end of World War II.

The fact is that from the tax point of view it was better throughout this period to produce oil in the U.S. than in almost any major foreign producing country. Prior to 1970, when the Tax Reform Act of 1969 became operative, the average federal income tax payment of integrated U.S. oil companies amounted to not quite 20% of their total U.S. book earnings and less on their earnings from domestic crude oil production alone.

The principal reason for this relatively low rate were two special tax provisions applying to oil and gas production: the depletion allowance and the expensing of intangible drilling costs. The rationale for these two provisions on which a vast literature exists lies outside the scope of this report. But with the exception of Canada, no major foreign oil producing country has granted oil companies such preferential tax treatment.

As a result, since the introduction of the so-called 50/50 principle in foreign oil taxation (which consisted of a 50% income tax rate minus a tax credit for royalties and other payments made to the state), in 1948 in Venezuela and two years later in the Middle East, U.S. oil companies operating in the major foreign producing countries have consistently paid a higher tax rate there than at home. Over the years the differential has grown dramatically. Until about 1960 the income tax rate on oil operations in the Middle East and Venezuela was approximately 36% or nearly twice as high as the effective tax rate in the U.S.

In the early 1960's increasing competition forced the oil companies abroad to introduce discounts off their posted prices. However, OPEC did not allow these discounts to be used for the purpose of calculating taxable income. As a result, the effective tax rate on real income was further increased. Then in the second half of the 1960's OPEC required that royalties be treated as a deduction instead of a tax credit. This together with the discounts raised the effective tax rate to 54–56% of real earnings.

In 1971, statutory income tax rates were raised to 55% in the Middle East and African producing countries and to 60% in Venezuela. In addition, a series of sharp increases in posted prices were imposed by the producing country governments culminating in the current postings which range from $11.44 to $15.77 per barrel, about four times the level of a year ago. As a result, the current effective tax rate in the Middle East is about 67% of the real earnings on a company's own (equity) crude oil production (see page 5), assuming a market price of $9.70 f.o.b. Persian Gulf.

By comparison, the total U.S. tax burden on crude oil production, including state income and production taxes, is probably less than half of this rate. In other words, U.S. oil companies have gone abroad despite the fact that U.S. tax treatment of their earnings has been consistently more favorable than that of major foreign producing countries. Over the years, this difference has steadily increased as the foreign countries raised their tax bases and rates while the U.S. limited such general tax incentives as the Investment Credit and Accelerated Depreciation largely or wholly to domestic investments.

Reasons for U.S. Foreign Oil Investments:

The principal reason why, despite this disparity, American companies have apparently increased their investments in foreign exploration any production much more than those at home in the last 12–14 years lies of course in the resource base differential. The opportunity to find very large deposits of very low cost oil abroad at a time when domestic deposits were beginning to show signs of decline and finding costs were rising was sufficient to overcome the foreign tax disadvantage. The results bear out the correctness of this choice. Production costs in the OPEC nations range from 10c to 60c per barrel while in the U.S. they average in excess of $1.00 per barrel. Even more dramatically, while in 1971 the drilling of a total of 11,858 oil wells in the U.S. did not prevent a production decline of about 100,000 b/d from the previous year, in the Middle East where a production increase of 3 million barrels daily (b/d was achieved only 160 wells were drilled.

Suppose the U.S. government through prohibitive tax measures or other means had successded in preventing or hampering U.S. companies from developing the petroleum resources abroad in the last 15–30 years?

Would such a policy have resuled in higher investment in petroleum production at home? Probably not. There is clear evidence that the decline in U.S. oil production investments did not reflect lack of funds but lack of opportunity to employ the funds profitably. The great bulk of domestic oil investment had occurred on-shore in the Southwestern and West Coast regions.

There is now general agreement among geologists that the bulk of the recoverable reserves in these areas have been located and that the only way to extract more oil from these reserves is to introduce secondary or tertiary recovery methods. This is a direct function of the existing or expected wellhead price of oil rather than the availability of capital.

Investment Opportunities in the U.S.

The principal areas for major new oil finds in the U.S. will be the offshore regions along our coastlines and the offshore and onshore areas of Northern Alaska. The American petroleum industry has shown every sign that it wants to develop these areas at the most rapid rate and has the capital to do so. The Alaskan North Slope discoveries which, together with the pipeline to the warm water port of Valdez will have cost a total of well over $10 billion by the time commerical production gets under way were found and developed when domestic crude oil prices were at one-third and landed foreign prices at one-fifth of their present levels.

The only thing that held up the commercial development of the North Slope reserves were court and government actions, never lack of capital. The eagerness of additional companies to join in the Alaskan oil search was clearly demonstrated at the lease auction in September 1969 when $1 billion was paid in bids to the Alaskan state government for the right to search for oil.

There is every indication that if the state or federal government were to open more areas with promising geological indications for oil search in Alaska on any profitable basis, the American oil industry would be willing and financially capable to undertake this search without any change in existing tax or other legislation.

Similarly, every lease sale in federal offshore lands in the Gulf Coast in the last several years has brought in over a billion dollars in bonuses. In the two latest sales, held early in 1974, the industry paid $1.8 billion and $2.2 billion, respectively, in cash bonuses to acquire leases. In fact, the petroleum industry's position is that more federal off-shore leases should be offered for bidding than the 3% of the total area that has been opened up so far. The industry has also urged the opening up of the East Coast for oil exploration and the removal of some of the restrictions put on oil search and production in the Pacific off-shore areas.

Without going into the specific positions of the industry and the government on the question of off-shore drilling, it is clear that American oil companies are willing to invest considerably more money in search for oil and gas in the major remaining potential oil bearing areas in this country than they have been permitted to do so far. The reason for the decline in domestic production and reserves in the last several years is therefore not lack of funds but lack of opportunity.

If a change in U.S. government policy were to make it more difficult for U.S. oil companies to invest funds abroad, it would not follow that these funds would be invested in U.S. oil production ventures which are currently considered not profitable enough. The basic criterion for any business investment decision is to maximize the return on the investment. If opportunities outside the oil producing sector promise a higher rate of return this is where the funds would go. Thus, one result of discouraging past foreign oil investments would probably have been increasing domestic diversification of oil companies into other lines of business. The same thing can be expected if such a policy were to be adopted now.

Balance of Payments Considerations:

It is sometimes argued that if U.S. companies had not been able to develop foreign production they would have had to develop more production at home even if the profitability were less, since integrated oil companies cannot stay in business without adequate crude oil supplies. This assumes that any oil not found by American oil companies abroad would stay unfound.

Actually, international competition between U.S. and non U.S. oil companies is very keen. Three of the world's biggest and oldest oil companies—Royal Dutch Shell, British Petroleum and Compagnie Francaise des Petroles—are headquartered in Europe. There are also large oil companies in Germany, Italy, Belgium and Japan. Some of these have access to government funds for their foreign exploration ventures.

Furthermore, the national oil companies of all the major producing countries have by now acquired enough knowledge and skill to produce and sell their own oil. In the future their role as international oil marketers will in fact be greatly expanded.

Thus, the amount of oil available for sale abroad would not necessarily be less in the absence of American oil companies. U.S. companies could therefore import the same volume of oil as they do now by purchasing it from foreign producers. The only difference would be that the profits abroad from the sale of this oil would accrue entirely to the foreign producers. In turn, this would have a negative effect on our balance of payments.

The importance of foreign oil earnings in our balance of payments is shown in the table on page 5. It should be pointed out that most of these earnings are not the result of imports into the U.S. but into other markets—mainly Europe and Japan. In 1972 U.S. oil companies produced a total of about 18 million b/d abroad while oil imports into the U.S. amounted to less than 5 million b/d and not all imports came from U.S. controlled companies.

In previous years, the share of U.S. controlled foreign oil going into third countries was even larger. Had there been effective interdiction of U.S. investments in foreign oil production, we might have lost up to a cumulative maximum of $10 billion of foreign earnings inflow since 1965 without necessarily reducing our dollar outflow for oil imports by any relatively significant amount.

Investment in Down-Stream Facilities:

In the future, the role of U.S. oil companies in the main foreign producing areas will clearly decline while that of the national oil companies will rise. U.S. earnings from oil production abroad can therefore be expected to diminish. But the same is not likely to hold for the role of U.S. companies in the importing countries abroad. In fact, as their earnings from upstream profits dwindle, the companies will try to shift their profit center to refining and marketing operations.

If U.S. companies were handicapped vis-a-vis their foreign competitors in participating in these operations, the inflow of foreign earnings would of course be diminishd. There would be no compensating increase in domestic investment and earnings. An international oil company blocked by U.S. policy from building a refinery in Europe to supply the local market will not build one in the United States instead.

Refinery building is a function of market demand and availability of crude oil. The reason for the insufficient U.S. refining capacity is not lack of domestic capital. Rather, a variety of other factors such as our former oil import policy, environmental opposition to refinery location and the existence of excess refining capacity until 1972 came together to create this situation.

Some of these factors are no longer prevalent or have been mitigated. As a result, almost every large refining company has announced plans within the last ten months to expand its capacity. If all these plans are carried out it will mean an increase in U.S. refining capacity of about 3 million b/d by 1977/78, enough to raise our self-sufficiency in refined products above the level of recent years.

How many of the announced expansions or new constructions will actually take place depends primarily on one factor—secure access to foreign crude oil. Any attempt to hinder U.S. companies from finding more oil overseas could therefore have a negative side effect on U.S. refinery construction in the next few years.

Forign Oil and U.S. National Security:

Self-sufficiency in petroleum in the next ten years is not a realistically achievable goal for U.S., official statements to the contrary notwithstanding. It would require a reduction of 50% in our historic energy growth rate from 1974 on. This is clearly unrealistic. It would result in an economic recession of major proportions.

CAPITAL TRANSACTIONS OF THE U.S. FOREIGN PETROLEUM INDUSTRY AFFECTING THE BALANCE OF PAYMENTS, 1966–72

[Dollars in million]

	Net capital outflows	Interest, dividends and branch earning[1]	Ratio inflows to outflows
1966	885	1,781	2.01
1967	1,069	1,989	1.86
1968	1,231	2,271	1.84
1969	919	2,638	2.87
1970	1,460	2,608	1.79
1971	1,950	3,442	1.77
1972	1,635	3,950	2.42
Total	9,149	18,679	2.04

[1] Net balance of payment inflows.

We can, however, reduce our dependency on foreign oil considerably over the next ten years from what it would be in the absence of a concerted effort to do so. Thus, by 1980 our domestic petroleum production under the stimulation of higher prices and a more liberal government policy on off-shore leasing might be as high as 14 million b/d, compared to 11 million barrels in 1974.

At the same time, our oil demand which had been projected to reach 24 million b/d in 1980 by various authoritative studies made prior to the major changes in world oil demand and supply conditions which occurred last year, may be reduced through conservation measures and substitution of coal to an absolute minimum of 20 million b/d. This would imply an annual growth rate of 1.8%, about one-third of our recent historic rate.

Even these spectacular achievements in increasing domestic supplies and decreasing the growth in demand would require imports of at least 6 million b/d in 1980, or 30% of total demand. If we further assume that all increases in oil demand between 1980 and 1984 can be met from domestic sources and that at the same time oil imports can be reduced by another 10% from their 1980 levels, we will still have to bring in 5.4 million b/d of foreign oil ten years from now.

Thus, even under these clearly optimistic assumptions we will continue to be substantial importers of oil for the next decade and very probably beyond. The question of access to foreign oil will therefore continue to be of major national significance.

One thing we have learned from the present oil crisis is the need for maximum diversification of supply sources. Without the existence of major producing areas in Canada, South America, West Africa and Southeast Asia the effect of the Arab oil embargo on the U.S. would have been far more serious than it was.

Some of these areas were developed only within the last ten years. Nigeria, for instance, produced only 75,000 b/d in 1963 compared to 2.2 million b/d in 1974. Ecuador which had virtually no exports prior to 1973 now sells over 250,000 b/d abroad. In Indonesia production has increased from 450,000 b/d ten years ago to the current level of 1.4 million b/d. Canadian production has nearly doubled in the last five years to its present level of 2.1 million b/d. In all these cases, U.S. companies were involved in finding and developing this oil.

All major oil importing countries other than the U.S. are officially encouraging the search for new deposits throughout the world in order to diversify their supply sources. At the same time the national oil companies of existing or potential producing countries are looking for minority partners or subcontractors to help them develop their resources. If American companies were to be prevented from participating in this search the security of supply of our required imports would clearly be weakened.

The Arab oil embargo has demonstrated that during a physical shortage of global allocation of available supplies is in the final analysis in the hands of the international oil companies. To the extent to which these companies are American our government has some means of influencing the allocation. True, during the embargo U.S. companies operating in Arab countries were specifically prohibited from supplying their own country and had no choice but to respect this prohibition.

However, by increasing shipments from non-Arab sources and by importing finished products from refineries in countries which continued to have access to Arab crude oil, the shortfall of imports into the U.S. throughout the five months of the embargo was kept below the level that would have prevailed if the embargo had been fully effective and no offsetting shipments from non-embargoed sources had come in.

Given the present constellation of world politics it is questionable that such remedial action would have been taken if most of the oil shipped to the U.S. had been controlled by private or government companies of other countries.

Thus, as long as the U.S. remains a major importer of oil it would seem to be in the national interest to encourage U.S. companies to participate in as many foreign oil ventures as possible.

[From the Oil Daily, May 29, 1974]

THE FOREIGN TAX CREDIT AND THE U.S. OIL INDUSTRY

(Ed. Note: Due to the significance and timeliness of the report just issued by the Petroleum Industry Research Foundation on the effects of foreign tax credits on the U.S. oil industry, authored by the group's executive director, John H. Lichtblau, Oil Daily has decided to reproduce the report in full. The first part appeared in yesterday's paper. The second part appeared below and it will be concluded in tomorrow's paper. The report is the property of Petroleum Industry Research Foundation Inc., 122 East 42nd Street, New York, N.Y. 10017.)

Concept and calculation of the foreign tax:

Looking at the role the Foreign Tax Credit plays in U.S. foreign oil operations. One of the most concise as well as authoritative explanations of the principle of this tax provision was given by the then Secretary of the Treasury, George P. Shultz, before the House Ways & Means Committee on February 4, 1974 which is quoted below:

"The basic concept of a tax credit system is that the country in which the business activity is carried on has the first right to tax the income from it even though the activity is carried on by a foreigner. The foreigner's home country also taxes the income, but only to the extent the home tax does not duplicate the tax of the country where the income is earned. The duplication is eliminated by a foreign tax credit.

"For example, if a U.S. corporation were taxed at a 30% rate in country X on its income from operations in country X, the U.S. would not duplicate country X's 30% tax on that income. But since the U.S. corporate income tax rate is at 48%, the U.S. would collect—i.e., "pick-up" the 18% which remained over and above the 30% collected by country X. Technically the result is achieved by imposing a hypothetical 48% U.S. tax on the income earned in country X, with the first 30 percentage points rebated by a credit. However, if the foreign rate were 48% or more, there would be nothing left for the U.S. to pick up and thus no tax payable to the U.S. on that foreign income.

"Note that the foreign tax credit only affects income earned in some foreign country through activities conducted in that country. Income arising out of operations conducted in the U.S. and the taxes on that income are totally unaffected by the credit."

The Foreign Tax Credit is, of course, not limited to the oil industry. It applies to all U.S. controlled business enterprises abroad. However, the oil industry's foreign tax credit is the largest of any U.S. industry. But the same applies to the foreign earnings of the U.S. oil industry. Table A on page 2 shows the foreign earnings, and tax credits of all U.S. industries and of the petroleum industry in the years 1969–72.

The two methods of computing the foreign tax credit:

The allowable Foreign Tax Credit can be determined in two ways. The "per country" method treats the income and taxes from each foreign country separately in determining the Foreign Tax Credit. The "over-all" method treats all foreign net income and all foreign taxes as a whole. Taxpayers may elect either method. But if they elect the over-all method they are not free to change to the per-country method in subsequent years unless they receive special permission from the Treasury.

The principal attraction of the over-all method is that it permits a company operating in several foreign countries to average differential tax rates. Thus, excess foreign tax credits accumulated in countries with tax rates higher than in the U.S. may be used to offset U.S. tax liabilities arising in countries with tax rates below the U.S. level.

The advantage of the per country method is that it permits losses in a foreign country to be deducted from U.S. income taxes on domestic earnings, independent of the accumulation of excess tax credits in other foreign countries. This is based on the principle in our tax law that if the foreign income of U.S. businesses is subject to U.S. taxes, foreign losses must be deductible from U.S. taxes. In the case of foreign income a Foreign Tax Credit is allowed to avoid double taxation. In the case of a foreign loss there is no conceivable-counterpart to the Foreign Tax Credit. A taxpayer on the per country basis may therefore deduct the loss directly from his total earnings which include of course his domestic earnings.

The case of Aramco:

An illustration of a limitation on the use of the excess foreign tax credit, regardless of the method used to compute it, is provided by the Arabian American Oil Company (Aramco)—the world's largest crude oil producer. Aramco's own operations are limited almost entirely to Saudi Arabia. But its four U.S. owners—Exxon, Texaco, Standard of California and Mobil—operate of course in many foreign countries. However, since none of them controls a large enough share of Aramco to treat it as a subsidiary for U.S. tax purposes, they can not make use of Aramco's accumulated excess foreign tax credit.

According to recently released figures by the Senate Foreign Relations Committee, Aramco paid nearly $2 billion in income taxes in Saudi Arabia in 1972 and an estimated $3.9 billion in 1973. On the basis of these figures it can be estimated that the company received U.S. tax credits of approximately $1.4 billion in 1972 which gave it an excess Foreign Tax Credit of about $600 million in that year.

In 1973, the excess tax credit was probably somewhat above $1 billion, according to preliminary figures. For the reasons pointed out, no part of the excess tax credit generated by Aramco can be used to reduce the U.S. tax liability of its owners in any other country. It was therefore no value for the four companies.

Some misconceptions of the foreign tax credit:

Much of the controversy over the oil industry's use of the Foreign Tax Credit arises out of misunderstandings over how the credit works and what its limitations are. In the following paragraphs the most common of these misconceptions are discussed:

(1) The Foreign Tax Credit as an Offset Against U.S. Income Taxes: In the public discussions about the Foreign Tax Credit it is sometimes claimed that U.S. oil companies can offset increases in foreign tax liabilities by a corresponding lowering in tax payments to the U.S. Treasury through the Foreign Tax Credit device. It is important to understand that this credit is available only up to the point where foreign tax rates equal U.S. rates.

Since, by and large, foreign tax rates for the oil industry have exceeded U.S. tax rates since the mid-1960's, increases in foreign tax-payments since then have had very little effect on tax payments to the U.S. Treasury.

TABLE A.—U.S. CORPORATE FOREIGN EARNINGS AND TAX CREDITS

[Dollars in millions]

	Foreign earnings			Foreign tax credit		
	All corporations	Petrol.	Petrol's share of all corporations (percent)	All corporations	Petrol.	Petrol's share of all corporations (percent)
1969	$8,128	$2,452	30.2	$3,988	$1,779	44.6
1970	8,789	2,935	33.4	4,549	1,820	40.0
1971	10,299	3,856	37.4	5,486	2,444	44.5
1972	12,386	4,552	36.7	NA	NA	NA

Source: Department of Commerce Survey of Current Business and Internal Revenue Service, Corporate Income Tax Returns

In other words, the U.S. oil industry has paid very little domestic income taxes on its foreign earnings for a number of years and since tax liabilities arising out of domestic earnings can never be reduced by a foreign tax credit, there has simply been nothing to write off against the many increases in foreign tax payments in recent years. As a result, all U.S. oil companies with substantial foreign producing operations have built up increasing amounts of unusable excess Foreign Tax Credits.

Table "B" illustrates this point. It shows the composite foreign income tax liabilities and U.S. foreign tax credits of 18 major oil corporations which report their earnings and taxes regularly to the public accounting firm Price, Waterhouse and Co. As can be seen, foreign tax liabilities have risen by $2.3 billion during the four-year period but the Foreign Tax Credit has gone up by only $0.4 billion. Similarly, in 1972 the Foreign Tax Credit covered only 37% of total foreign income tax payments, compared to 58% in 1969—an indication of the growth in excess foreign tax credits, that is tax credits in excess of those required to offset U.S. tax liability. In 1973 the ratio dropped still further.

Since at least part of the increase in the Foreign Tax Credit since 1969 was due to higher earnings in oil importing countries, some of whose tax rates are below the comparable U.S. level, virtually none of the sharp increases in tax liabilities to the oil producing countries during this period were passed on to the U.S. Treasury through higher Foreign Tax Credits.

(2) The Question of Royalty Payments: It is sometimes charged that the income tax paid by oil companies in the major foreign producing countries is only a disguised form of royalty payment and should be treated as such in the computation of the U.S. income tax liability on these earnings. The difference would be quite significant, since a royalty under U.S. tax law is in effect treated as a deduction rather than a tax credit. Thus, under a hypothetical 50% U.S. tax rate one dollar paid in foreign income tax would reduce U.S. liability on that income by one dollar while one dollar paid in royalties would reduce U.S. tax liability by only 50c.

The dispute over whether the payments to foreign oil producing governments are taxes or royalties arises in part out of the confusion as to the kind of payments made to these countries and in part out of the historic origin of these payments. For the past 20 years at least foreign oil producing companies have paid both an income tax and a royalty to their host governments.

The latter ranges from 12.5% to 16.6% of the posted or tax reference price of the crude oil. It currently amounts to about $1.46/bbl in Saudi Arabia and about $1.25 a barrel in Venezuela. The royalty is treated as a regular business deduction for U.S. income tax purposes and thus does not figure in the computation of the Foreign Tax Credit.

The foreign producing countries also treat royalty payments as a tax deduction, although prior to 1965 most of these countries treated them as a tax credit in calculating the 50% income tax rate then in effect. Some of the confusion might arise from this previous differential treatment of oil royalty payments in the producing countries.

Another reason for the confusion is that at one time all payments to foreign producing countries were in the form of fixed royalties per barrel. In Venezuela an income tax law applicable to foreign oil companies was passed in 1943 and in Saudi Arabia it was introduced in 1950 as part of the 50/50 principle in sharing profits between the government and the company. Shortly thereafter all remaining major oil producing countries adopted income tax legislation. The system in most of these countries is similar to that in effect in U.S. for oil operations on federal territories. Oil companies producing on public lands or offshore areas must pay a royalty to the government, in addition to which they are of course subject to an income tax on their earnings.

The argument has been made that since a major reason for the changeover from a pure royalty to a combination income tax and royalty system in Saudi Arabia was to take advantage of the U.S. Foreign Tax Credit, Saudi Arabian and other Middle East income taxes are really converted royalties and as such should not be given Foreign Tax Credit status. The argument ignores several points.

(a) It is only common sense for any country to try to minimize, within the framework of existing laws and conventions, the tax payments to other countries from profits earnings within its borders. The long-standing provision in the tax codes of the U.S. and the U.K., the two largest investors in Middle East oil, of a Foreign Tax Credit was a clear invitation to reduce the outflow of tax payments. The fact that under the royalty system the U.S. Treasury received a much larger income from Saudi Arabian and other Middle East oil operations than the treasures of these countries provided a strong additional incentive to take corrective action.

(b) It is now generally recognized that the income tax is a superior form of governmental revenue collection than a fixed royalty, both because it has greater flexibility and because it makes the government a partner in the profits and losses of the enterprise. The move from a royalty to an income tax system must therefore be regarded as a normal development in fiscal sophistication on the part of the less developed countries which would have come about even in the absence of Foreign Tax Credits in U.S. and other tax legislation.

(c) It would be extremely arbitrary for the U.S. to insist on treating all tax payments to foreign oil producing countries forever as royalties because at one time some of these countries (none where the first oil discovery was made after 1950) collected their oil revenues in the form of royalties.

TABLE B.—FOREIGN INCOME TAX PAYMENTS AND TAX CREDITS OF 18 MAJOR U.S. OIL COMPANIES

[Dollar amounts in millions]

	Foreign tax credit	Foreign income taxes	Ratio of col. 1 to col. 2
1969	$1,176.5	$2,027.0	$58.9
1970	1,181.6	2,366.6	49.0
1971	1,676.2	3,808.4	44.0
1972	1,616.2	4,315.0	37.5
Increase 1969–72 (percent)	37	113	

Note: The figures shown are those reported in the published financial statements of the companies. They exclude 2 major U.S. foreign oil companies—Aramco and Caltex—the income taxes of which are not included in the consolidated reports of their shareholders whereas the earnings are.

Source: Reports by Price Waterhouse & Co. to the general committee on taxation of the American Petroleum Institute.

TABLE C.—HYPOTHETICAL U.S. INCOME TAX LIABILITY AND FOREIGN TAX CREDIT ON EQUITY KUWAIT CRUDE OIL, MARCH 1974 (POSTED PRICE $11.55)

	Present law	Present law without depletion allowance	No foreign tax credit, no depletion allowance
Recent market price	9.70	9.70	9.70
Depletion allowance computation:			
Rollback to wellhead	0.08		
Royalty (12.5 percent of posted price)	1.44		
Total	−1.52		
Gross depletable revenue	8.18		
Depletion allowance (22 percent of above)	1.80		
U.S. income tax computation: Gross income	9.70	9.70	9.70
Less:			
Royalty	1.44	1.44	1.44
Operating cost	0.07	0.07	0.07
Depletion allowance	1.80		
Kuwait tax			5.52
Total	3.31	1.51	7.03
Taxable income	6.39	8.19	2.67
U.S. tax at 48 percent	3.07	3.93	1.28
Kuwait incoma tax (see p. 29)	5.52	5.52	5.52
Foreign tax credit	3.07	3.93	
Excess of Kuwait tax over foreign tax credit	2.45	1.59	
Total United States-Kuwait tax cost	5.52	5.52	6.80

(3) Posted vs. Market Prices: Another criticism of the U.S. Foreign Tax Credit provision as it applies to foreign oil is that the credit is permitted on the artificially inflated earnings based on posted prices. Posted prices were originally the market prices at which oil companies were willing to sell to third parties. In the early 1960's, the setting of these prices was taken over—at first informally and now officially—by the governments of the producing countries and were set above actual market values. For instance, the current posted price for light Saudi Arabian crude oil is $11.65 per barrel. But the actual market value of this oil is $1.50–$2.00 less. Since company profits for tax purposes are calculated on the basis of posted prices by the producing countries, it is argued that the profits are overstated as are the resulting tax payments to the foreign governments and the ensuing U.S. Foreign Tax Credit.

The problem is that some countries such as Saudi Arabia and Iran require the producing companies to use only posted prices for accounting and operating purposes. If these companies grant discounts off the posted prices to meet market competition they must do so outside the producing countries. In some other countries, such as Venezuela, it is only necessary to pay taxes on the basis of "tax export values." For export purposes the foreign companies in Venezuela are free to use actual market prices. They take therefore a Foreign Tax Credit only on that portion of their foreign tax payments which is based on market prices. The balance is treated as an expense.

Since the U.S. Treasury takes the position that profits or losses for tax purposes should be based on transactions at real market values, it has argued that the Foreign Tax Credit should be based universally on foreign earnings arising out of market prices rather than government-imposed posted prices. The change would not bring about additional tax payments to the U.S. Treasury because all producing-country tax rates are above comparable U.S. tax rates. The only effect would be a reduction in excess Foreign Tax Credits.

Table "C" illustrates the workings of the Foreign Tax Credit, based on the estimated recent market price of one type of crude oil at the Persian Gulf. The table shows that the allowable Foreign Tax Credit equals slightly more than half the actual tax paid to the producing country. As pointed out earlier, the resulting excess tax credit may under certain conditions be used to reduce U.S. tax liability on earnings in other foreign countries.

The table also shows that removal of the depletion allowance on foreign production earnings which is currently under consideration by Congress, would reduce the excess tax credit but would not result in the payment of any U.S. income tax in the case shown. However, the reduction of the excess tax credit could bring about an increase in U.S. tax liabilities from earnings in some other countries for companies using the overall method of determining their Foreign Tax Credit. The Treasury has estimated that removal of the depletion allowance on foreign oil production earnings would increase U.S. tax liabilities by $40 to $50 million a year.

The removal of both the Foreign Tax Credit and the depletion allowance would in the specific case shown create a U.S. liability of $1.28/bbl in addition to the $5.52/bbl liability to the producing country. This would cut the existing net profit of $2.67 on equity crude oil nearly in half.

(4) The Real Profit Margin on Foreign Oil: Tables "C" and "D" show that crude oil with an fob market value of $9.70 bbl at the Persian Gulf has a total tax-paid cost to the producing company of $7.03/bbl. resulting in a profit margin of $2.67/bbl. This is substantially higher than the historic profit margin on foreign crude oil for most international oil companies. The sharp increase in the margin has created the impression that higher posted prices and tax payments in the foreign producing countries have moved in tandem with higher after-tax profits for the oil companies.

TABLE D.—INCOME TAX, TAX-PAID COST AND EFFECTIVE TAX RATE ON KUWAIT EQUITY CRUDE OIL

[Dollars per barrel]

	(1) Income tax calculation	(b) Tax-paid cost to companies
Posted price	11.55	
Production cost	0.07	0.07
Royalty	1.44	1.44
12.5 percent of posted price taxable income	10.04	
55 percent tax	5.52	5.52
Tax-paid cost to companies		7.03
(c) Effective income tax rate		
Market Price		9.70
Cost:		
Production	0.07	
Royalty	1.44	1.51
Pre-tax profit		8.19
Income tax payment		5.52
Ratio of tax to profit (percent)		67.4

However, the profit margin shown in the two tables applies only to "equity" crude oil, that is crude oil owned by a private company and produced for its own account. Until 1973, virtually all crude oil (except royalty crude) produced in the Middle East and North Africa could be considered equity oil. Since then government companies in the producing countries have progressively taken over varying shares of the oil companies' equity.

In Kuwait and Qatar, equity crude will account for only 40% of total production. In Saudi Arabia a similar share is being negotiated, probably retroactive to January 1, 1974, while in Libya the companies' share seems to have been set at 49% of total production.

Since all of the established international oil companies need considerably more oil than their equity share entitlement to meet their internal and external market requirements, they must buy the balance back from the producing country government at prices imposed by the latter. While the level of many of these "buy-back" prices has not yet been determined, it will probably be near the current market price.

Thus, under the new system the profit on a company's equity crude must now be viewed in conjunction with the possible loss—or, at the very least, absence of profit—on its buy-back crude. Taken together, the overall profit margin per barrel of crude oil is therefore considerably smaller than that on a company's equity crude alone.

For instance, a company with 40% equity crude, having to obtain the balance of its crude requirements under buy-back provisions or in the open market, could under our assumption, have an overall per-barrel profit of less than half of that received on its equity crude.

(5) Differential Treatment of State and Foreign Taxes: The question is sometimes asked why foreign income taxes are treated differently from U.S. state income taxes. A state income tax can only be deducted as an expense in computing federal income tax liability while a foreign income tax can either be deducted or be treated as a tax credit for federal income tax purposes.

The question is only superficially meaningful. State income taxes and foreign income taxes are simply not comparable. Since U.S. tax legislation treats all state taxes alike, the problem of competitive advantage or disadvantage does not enter into consideration in the federal treatment of state taxes. In the treatment of foreign tax liabilities of U.S. firms, however, this consideration is of major importance. If the U.S. practice were to be more severe, that is create a greater total tax burden, than that of other nations, American firms abroad would of course be at a competitive disadvantage.

Treating foreign income taxes as a deduction for U.S. tax purposes would result in partial double taxation—taxation of the same income at the foreign source and at home. According to a calculation of the National Foreign Trade Council, this would increase the total tax burden for U.S. companies as follows in a number of selected countries:

EFFECTIVE INCOME TAX RATE FOR U.S. COMPANIES

Local tax jurisdiction of subsidiary	Treating foreign taxes as a deduction	Under present law	Percentage increase
Canada	77.2	56.2	37.3
France	74.6	51.2	45.7
Germany	71.8	45.8	56.8
Italy	76.0	53.9	41.0
Japan	72.9	47.8	52.5
Mexico	73.2	48.5	50.9
Netherlands	73.3	48.6	50.8
United Kingdom	71.4	45.0	58.0

Source: "Economic Implications Of Proposed Changes In The Taxation Of U.S. Investments Abroad," National Foreign Trade Council, Inc., June 1972.

The increases would apply only to U.S. companies. Domestic companies in those countries would of course not be affected by it. Nor would firms of third countries other than the U.S., since most countries either do not tax the foreign earnings of their business enterprises at all or allow a tax credit for such earnings.

Most other home countries of international oil companies treat taxation on foreign-source earnings at least as favorably as the U.S. Any weakening of the Foreign Tax Credit provision in our law would therefore create a disparity between the tax burden of U.S. and foreign oil companies. The U.K., the Netherlands, France, Italy, Germany, Belgium, Sweden and Japan, all home countries for companies with foreign oil operations, either exempt foreign earnings from taxation or grant full tax credits on such earnings.

Most of these countries—the U.K., Netherlands, Italy, Germany, Belgium and Japan—also permit the deduction of foreign losses. This indicates that U.S. tax legislation in this regard is in line with international tax practice.

A proposed change in this particular tax provision, requiring the recovery of these losses out of future earnings for U.S. tax purposes would weaken the international competitive position of U.S. oil companies primarily in the one activity of most interest to the U.S.—the exploration and development of new areas. Most oil company losses abroad are incurred during the search for new oil deposits and the early development years of such deposits and are deductible either currently (with loss carry-over provisions) or are amortized over a period of years.

However, any U.S. tax benefits that may be realized in the exploratory stage through deduction of losses are partly or wholly offset by the reduction of creditable foreign taxes during the pay-out period because most foreign producing countries also permit the deduction of such losses from future earnings.

If U.S. oil companies were required to refund the loss deductions to the Treasury out of subsequent earnings they would find it more difficult to bid competitively with non-U.S. companies in the ever faster race for access to the remaining petroleum resources around the world.

The national interest would seem to indicate just the opposite stance on the part of the U.S. government. Certainly, no other country is putting these or other restraints on the foreign activities of its oil companies—not even countries, such as the U.K. and the Netherlands, which have recently found substantial oil and gas reserves in their own home territories.

FREEDOM OF CHOICE

Mr. HANSEN. Mr. President, I am among those Americans who believe in the free enterprise system and the free marketplace.

I believe that if there is public demand for a product, that there are entrepreneurs who will manufacture that product and merchandise it at competitive prices. Most importantly, our system gives the consumer his choice, because businessmen are going to tailor their products to meet demand.

Mr. President, while I believe anyone who does not use a seat belt while driving or riding in an automobile uses poor judgment and adds considerable risk to his health and happiness, I believe it is a major invasion of the rights to privacy of citizens for the Government to force manufacturers to build automobiles in such a way that they will not operate unless seat belts have been engaged.

It seems to me that the proposal to require all radios manufactured to have both FM and AM receivers can be likened to the seat belt situation. It is my understanding that should a purchaser desire to buy only an FM radio, he will not be able to do so unless he pays the extra money to also have an AM receiver; and if the purchaser desires to buy only an AM radio, he will not be able to do so unless he pays the extra money to also have an FM receiver.

I have been advised that the precedent for requiring that any AM radio built also have an FM radio receiver in it already has been established. That precedent, I am told, was a requirement that all television sets built have both UHF and VHF capacity.

Mr. President, I believe in freedom of choice for consumers. It has been pointed out to me that on automobile radios the estimated cost increase of this law to impose FM or AM receivers would be only roughly $7, and that the estimated cost for other radios would be "minimal."

But we are considering a fundamental American value here that exceeds monetary value, and that is the value of freedom of choice—freedom of choice for the manufacturer to build goods that he believes the public wants, and freedom of the consumer to buy what he wants as he has it at present—either an AM radio, or an FM radio, or a combination AM-FM radio, or a short wave radio, or any combination.

Mr. President, I urge my colleagues to consider the principle at stake here.

NORTH CAROLINA'S FINEST

Mr. GRIFFIN. Mr. President, it has come to my attention that two of our Senate colleagues have been accorded very favorable recognition as the result of a recent poll.

The Long Marketing North Carolina Poll has just released results of a survey made during the month of May.

Those polled in North Carolina were asked to name the man or woman in political life—at the Federal, State, county, or local level—who they consider to be North Carolina's most honest political leader.

No one in this Chamber will be surprised to learn that Senator Sam J. ERVIN, JR., and Senator JESSE HELMS were chosen one and two, finishing far ahead in a field of 41.

This poll merely substantiates a fact that all of us in the Senate have already known: Senators ERVIN and HELMS are men of great integrity.

It is a privilege to serve with these two fine Senators, and I compliment the people of North Carolina on their excellect judgment.

THE MILK TAPES

Mr. BUCKLEY. Mr. President, I was somewhat startled this morning to find the following headlines, respectively, on the front pages of this morning's New York Times and the Washington Post: "Nixon Tapes Is Said To Link Milk Price to Political Gift"—New York Times. "Tape Provides No Nixon Link to Milk Funds"—Washington Post.

This experience has shattered my faith in the infallibility of the undisclosed sources of one or the other of these papers. The question that now bedevils me is, which am I to believe?

For the interest of my colleagues, I ask that the relevant portions of the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 6, 1974]

NIXON TAPE IS SAID TO LINK MILK PRICE TO POLITICAL GIFT

(By James M. Naughton)

WASHINGTON, June 5—The House Judiciary Committee heard today evidence suggesting that President Nixon conditioned his 1971 decision to raise Federal milk price supports upon a reaffirmation by dairy industry leaders of a pledge to raise $2-million for the President's re-election campaign.

Committee members said that a tape recording of a meeting March 23, 1971, at which Mr. Nixon decided on the increase, contained implicit references to campaign funds being raised by milk producer groups and warnings that, without the industry's support, Mr. Nixon could lose as many as six states in the election.

[From the Washington Post, June 6, 1974]

TAPE PROVIDES NO NIXON LINK TO MILK FUNDS

(By Richard L. Lyons and William Chapman)

House Judiciary Committee members listened yesterday to a taped conversation in which President Nixon decided on a 1971 increase in milk price supports and generally agreed it provided no evidence that he acted in response to a promised $2 million campaign contribution.

Several Republicans said that the decision, worth several hundred million dollars to the dairy industry, appeared to be a political one based, as the President has conceded, on the belief that Congress would force the increase and that he might as well act first to reap the political benefits.

But most of the President's severest critics said that nothing said in that March 23, 1971, White House meeting linked the price-support increase and the promised campaign money as part of the deal.

RALPH NADER OVERRULED

Mr. HANSEN. Mr. President, today I should like to congratulate Judge George L. Hart of the U.S. District Court for the District of Columbia for the wisdom he showed last week in denying an injunction in an action brought against the Department of the Interior by Ralph Nader's group, Public Citizen, to prevent lease sales on the Outer Continental Shelf. To prevent these lease sales from taking place would be to deny the energy industry the opportunity to begin immediately to explore and develop this area, so rich in resource potential.

When time for exploration and development is at a premium, when we need so very much to develop our domestic sources of energy as rapidly as possible, we find that those who are so concerned with conservation want to waste our one irreplaceable resource—time.

In December 1970, the Sierra Club brought an action in Florida to prevent a lease sale. This suit was not resolved until September 1971, a waste of 10 months. Had the Sierra Club had its way, 2 years would have been wasted before the development of the resource could have begun.

In December 1973, a similar suit was brought. There was no substantial delay in this case, as an injunction to prevent the lease sale was denied. The sale took place, but the suit is still being argued on its merits, and the Department expects that if drilling permits are granted, the whole litigation process will begin again. The only possible result will be delay and a waste of our valuable time resources.

Last week another such suit was considered here in Washington, and an injunction denied. I should like to commend Judge Hart for his incisive recognition that the Department of the Interior has weighed the alternatives and that the prevention of lease sales and the exploration that accompanies them would "do irreparable injury to the people of the United States."

Environmentalist dilatory tactics have been tolerated long enough. The time has come for them to stop playing the role of obstructionists and begin to undertake constructive activities.

I ask unanimous consent that the relevant portions of Judge HART's opinion be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Civil Action 74-739

In the U.S. District Court for the District of Columbia

Public Citizens, et al., Plaintiffs, against, Rogers C. B. Morton, Secretary of the Interior, Defendant, and Exxon Corporation, et al., Intervenors.

The Court: The Courts holds that there is no showing of irreparable injury on behalf of the plaintiffs; no showing of the actual likelihood of success on the part of the plaintiffs; no showing that Interior in its Environmental Statement has not considered all reasonable alternatives, particularly in view of the fluctuating prices and difficult of foreseeing future prices; and the Court is of the opinion that a preliminary injunction might well do irreparable injury to the people of the United States.

I will therefore deny the motion for a preliminary injunction.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PERKINS, Mr. MEEDS, Mr. FORD, Mr. HAWKINS, Mrs. MINK, Mrs. CHISHOLM, Mr. LEHMAN, Mr. BRADEMAS, Mr. QUIE, Mr. BELL, Mr. ASHBROOK, Mr. FORSYTHE, and Mr. STEIGER of Wisconsin were appointed conferees on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes;

S. 3373. An act relating to the sale and distribution of the Congressional Record; and

H.R. 12565. An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

The ACTING PRESIDENT pro tempore (Mr. METCALF) subsequently signed the enrolled bills.

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1975

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the unfinished business, S. 3000, which the clerk will state.

The assistant legislative clerk read as follows:

(S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Montana (Mr. MANSFIELD), No. 1392, on which there shall be 3 hours' debate. The time for debate on the proposal during this day will be limited to 3 hours, with 40 minutes on any amendment to the above amendment, and 30 minutes on any debatable motion or appeal, with one hour on any other amendment to the bill, and 30 minutes on any amendment to that amendment, debatable motion, or appeal. All time is to be divided in accordance with the usual form.

The amendment reads as follows:

AMENDMENT NO. 1392

On page 5, after line 2, insert the following: *Provided*, That no funds authorized to be appropriated by this title may be used after December 31, 1975, for the purpose of maintaining more than 2,027,100 active duty military personnel, and no funds authorized to be appropriated by this title may be used after December 31, 1975, for the purpose of maintaining more than 312,000 military personnel permanently or temporarily assigned at land bases outside the United States or its possessions. The Secretary of Defense shall determine the appropriate worldwide overseas areas from which the phased reduction and deactivation of military personnel shall be made.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, while the chairman of the Committee on Armed Services, the distinguished Senator from Mississippi (Mr. STENNIS), is in the Chamber I again wish to call to the Senate's attention the fact that after prior notification to Secretary James Schlesinger I did write him under date of February 26, 1974, at which time I propounded 111 questions.

The Commission on the Reorganization of the Government for the Conduct of Foreign Policy on April 26, 1974, sent a letter to Secretary Schlesinger making the same request.

To date this information has not been forthcoming, and I wanted this information not only because of my interest in the activities of the commission, but also because of my interest in bringing about troop reductions worldwide during the debate on the defense authorization act.

In that request I had the following to say:

All of the premises upon which these questions are based have been formulated from unclassified information—

Unclassified information—

that has appeared in the American press and elsewhere. I believe all of the informatiton solicited by these questions should be part of the public domain and should be publicly discussed by the Commission and within the Congress in open session.

I therefore request that none of the information supplied by you in answer to these questions relate to classified information, and if in any case you are unable to answer fully the question because you prefer the answer to be classified, please state that aspect is classified and the reasons for the classification of that information. It is only through an open dialogue on questions such as these that the wisdom for these policies and proposed expenditures can be truly validated.

I look forward to an early response from you on these matters.

Sincerely,

MIKE MANSFIELD.

So once again I am making a request as a Senator of the United States to the Secretary of Defense for this information and on the basis of the terms laid down. I would hope that I would not have to go beyond this polite request to achieve this information which I think should be made available to every Senator; and I would like to suggest to the distinguished chairman of the committee the situation in which the Senator from Montana finds himself as a Senator in his request for information which he thinks is necessary for his understanding of the issues which come before this body.

Mr. STENNIS. Mr. President, if the Senator will yield to me.

Mr. MANSFIELD. Yes, indeed.

Mr STENNIS. I respond by saying I certainly agree that the Senator is entitled to any information he requests. He is entitled to it unless there is a positive reason for it to be classified. I did not have any knowledge of the Senator's request. May I ask the date of that request? I did not catch the date.

Mr. MANSFIELD. Yes. The first date Secretary Schlesinger appeared before the commission was in December and I asked him a few questions at that time and said I would prefer to submit some in writing. He said, "Fine, as soon as you want."

But the letter was sent on February 26, 1974, and the letter from the Commission was sent April 26, 1974, which is quite a long time for answers to the 111 questions raised.

Mr. STENNIS. Well, I agree it is certainly a reasonable time for the questions to be answered. And the Senator has had no response of any kind?

Mr. MANSFIELD. Only from Admiral Peet, which I found unsatisfactory, and about which I wrote to Admiral Peet.

Let me read what Admiral Peet wrote, and this was on March 29, more than a month after the original letter was sent. I quote in part:

> Regarding the information to be considered by the Commission from this Department, I share your view in the benefits to be derived from increased public awareness of U.S. commitments throughout the world. It is apparent, however, that many important aspects of the questions you posed on behalf of the Commission cannot be addressed adequately on an unclassified basis. Accordingly, it is our intention, and we will also advise Ambassador Murphy, to place at the Commission's disposal senior members of the Defense staff to discuss those questions of interest to the Commission. The resulting face to face dialogue should avoid the constraints of classification and should prove of more value than a limited and unclassified written response. I would expect that acceptable arrangements for these discussions can be made in the very near future.

I replied to Admiral Peet on April 2, in which I said:

> DEAR ADMIRAL PEET: I have received your letter of March 29, 1974, stating that it is your intention to place at the Commission's disposal senior members of the Defense Department staff to discuss the questions that I raised in my letter of February 26, 1974, rather than answering in writing those questions I submitted to Secretary Schlesinger.
>
> I find this response unsatisfactory. By copy of this letter to Secretary Schlesinger, I am renewing my request for these questions to be answered in as great detail as possible and on an unclassified basis. Upon the receipt of the answers to these questions, I believe the Commission then could make a valid judgment as to which areas need further elucidation by further testimony of members of the Defense Department. Since you stated that you were to advise Ambassador Murphy of your decision. I am sending a copy of this letter to Ambassador Murphy and to every member of the Commission of the Organization of Government for the conduct of Foreign Policy.

Then on April 26, a month later, Ambassador Murphy, Chairman of the Commission, sent a letter supporting my views and unanimously backed by the Commission. To date no reply.

Mr. STENNIS. No reply from either Ambassador Murphy or the Secretary of Defense?

Mr. MANSFIELD. No reply by the Secretary of Defense to Ambassador Murphy's letter or my response to Admiral Peet.

Mr. STENNIS. Well, let me again say I am sorry this happened. I think the Senator certainly is entitled to full information. I am sure the Senator from Montana is willing to hear that, if they say it is classified, on some special basis.

Mr. MANSFIELD. Of course.

Mr. STENNIS. I had no knowledge of this. The Senator does not need my help to get anything, but I would certainly cooperate by expressing my interest and expressing the wish that the request would be carried out.

Mr. MANSFIELD. I appreciate the remarks of the distinguished Senator. I bring this to the attention of the Senator only because I have waited for 4 months to get answers, and I would hope the answers would be forthcoming soon.

Mr. STENNIS. I hope so. I will try to contact them, as soon as time permits, and express my interest in it, and also request them to give an explanation.

Mr. MANSFIELD. I thank the Senator.

Now, Mr. President, turning to the amendment which is now before us—and I yield myself an additional 13 minutes—I wonder if the American people realize what the cost to this Nation has been in the field of military expenditures since the end of the Second World War. The figure has been estimated at one trillion, 500 billion dollars in military expenditures alone.

This year we are considering a military budget which, if you take in the supplemental, the military aspects of AEC and other areas, will come somewhere close to $100 billion.

Secretary Schlesinger has indicated to the appropriate committees this year that he anticipated a $5 billion to $6 billion increase every year for the next several years ahead.

And there has been speculation in the press recently that it will not be too long before we will have a $150 billion budget for defense.

I believe that the national debt at the present time is set at the figure of $475.6 billion. A request has been made of the Congress to increase that amount, and I assume that it will be before the Senate shortly.

We have a stockpile of nuclear atomic bombs, and so does the Soviet Union, which are enough to annihilate each country many times over.

This mad momentum which has affected us in our defense expenditures has created a situation which I think is not going to work out in the best interests of our country, but is going to contribute to increasing inflation and, I hate to use the word, but perhaps bankruptcy somewhere down the line.

We just cannot afford to spend as we have been spending. We have to recognize the realities of today and get away from the dreams of yesterday. Unfortunately, there are too many people in this Government, in all its branches, who are enamored of the past, who are afraid to face up to the present, who live in an era which might have once existed and which was once necessary, but which has changed considerably since the end of the Second World War almost 30 years ago.

Mr. President, the Pentagon and its people, the State Department and its people, the AFL–CIO and its people, have been prowling the corridors of the Senate yesterday and today. The purpose is to defeat the amendment which is now pending before the Senate. But these people live in a bygone day, and I wonder if they are aware of what the true feelings of the American people are in the maintenance of huge military forces and dependents, around the world almost 30 years after the end of the Second War.

I wonder if they are aware of the fact that to maintain our forces in Europe today—in Europe—30 years, almost, after the end of the Second War, it is costing us $19 billion. I think that is a fair estimate, because the Defense Department figure a year ago last January was $17 billion; but when you consider the devaluation of the dollar, the floating of the dollar, and the increase in the inflationary rate, it appears to me that $19 billion is a reasonable estimate.

And then, of course, we have to consider what our allies are doing. I will get around to that later. But before I do, may I also note that two of the outstanding papers in this Nation, the Washington Post and the New York Times, have come out, as usual, against any change in the situation as far as U.S. troops and dependents overseas are concerned.

From the Washington Post article entitled "A Steady Course for Europe", I will quote a few excerpts. The editorial states:

> The European allies can, indeed, be vexing critters.

I do not find them vexing; I find them looking after their own interests as best they can. I only wish that we, too, would look after our own interests.

Then, further on, the editorial says:

> The question, however, is whether the United States can afford to indulge the fatigue and irritation which Europeans sometimes induce. We believe the answer is, no.

I agree.

Further, it says:

> But it is sustainable—

The link with Europe—

> only by constant attention to Europe's welfare and independence.

Do we have to look after Europe's welfare? Do we have to maintain its independence? Are not the nations of Europe sovereign states, and is not that responsibility theirs?

Further on, I again quote:

> There is nothing magical militarily about a given level of force, but there is something "magical" politically; the current level has come to represent the steadiness of the American guarantee. It is psychological, but psychology, after all, is central to politics.

Psychological, evidently, not necessary. Well, we will see.

Then, the last sentence:

> This is a good time to tell the world we are seeking a steady course—and to tell ourselves.

I would agree. But my interpretation of a steady course would be exactly the opposite of that of the Washington Post.

The second great daily newspaper, the New York Times, has the following to say, in part: that the Mansfield amendment "is the wrong battle in the wrong place at the wrong time."

That has a very familiar ring, and the arguments are just as familiar.

What do they mean: that this is the wrong place? This is the right place because it was from this Chamber that an initial four divisions in 1951, I believe, were sent to Europe. The place is not Vienna or the MBFR. The place is right here in the Congress of the United States. We were told at that time that these additional divisions would not remain in Europe long; that it was not going to be a permanent situation.

Mr. President, if I read the signs correctly, every administration. Democratic and Republican, intends to keep American occupation troops in Europe for years and decades to come; and they will do it unless Congress and the American people force them to do otherwise. So we are waging the right battle in the right place and at the right time. Every time this amendment comes up the same old arguments are rehashed over and over and over again.

I believe in the North Atlantic Treaty Organization, but I do not believe in maintaining 313,000 American military personnel, accompanied by 235,000 dependents, in Western Europe ad infinitum.

Nor do I believe in similar elements being continually stationed in Okinawa; into the indefinite future on Thailand, where we have 36,000 men and a number of B–52's and a number fo fighter bombers. And for what? Have we not achieved peace with honor in Southeast Asia? Why are these troops and these planes, including the big ones, maintained in Thailand?

Have we not normalized relations with the People's Republic of China? Of course we have. But when we went into Vietnam—a real tragedy—we went in to contain China. Conditions have changed, but some of our people in high office will not change with them.

Mr. President, the amendment I have submitted will limit the number of U.S. military personnel stationed on foreign soil to 312,000 as of December 31, 1975. Its enactment will require the removal from foreign lands of American military personnel of 125,000 soldiers over the next 18 months.

The United States has stationed on foreign soil approximately 437,000 military personnel. In addition, there are approximately 55,000 U.S. military personnel off foreign shores on U.S. warships. Thus, over 25 percent of our military forces are stationed beyond our homeland.

I thought we had long ago recognized the fact that we could not afford to be the world's policeman because we have neither the resources nor the manpower to so comport ourselves.

The amendment I have introduced today is not directed exclusively at any particular area of the world. Our military presence is worldwide. The Senate Armed Services Committee report states that the United States has 36,000 U.S. military personnel stationed in Thailand; 23,000 stationed on Okinawa; 38,000 stationed in South Korea.

Speaking of South Korea, I note that the report of the committee on page 137 contains the following statement in the next to the last paragraph—and remember, now, 38,000 are stationed in South Korea, according to my statement. I quote from the report of the committee:

> Secretary Schlesinger this year said that there have been no major improvements in North Korean force size or improvement. In the manpower hearings, DOD stated that South Korean ground forces are now adequate for defense against North Korea.

The PRESIDING OFFICER. The Senator's 13 minutes have expired.

Mr. MANSFIELD. I yield myself 13 minutes more.

To continue, 6,000 stationed in Taiwan; 16,000 stationed in the Philippines; 32,000 stationed in Japan in addition to Okinawa; for a total of 151,000 U.S. military personnel stationed on the landmass of Asia. These troop levels in the committee report are dated December 31, 1973. The more recent figures that were just supplied this week are even higher in these areas. There are, in addition, approximately 21,000 U.S. military afloat on U.S. warships in the western Pacific.

This amendment will not affect those U.S. personnel on American warships. In addition, the United States has stationed in Western Europe and related areas more than 300,000 U.S. military personnel. Europe and Asia are not the only areas of the world where our troops are stationed. The phenomenon is worldwide. In fact the committee report tells us that we have 2,000 U.S. military personnel stationed in Bermuda protecting our national interests. Two thousand U.S. military personnel—in Bermuda.

It has been painfully evident and generally agreed in the U.S. Senate for at least the last several years that the United States is badly overextended abroad. The presence of so many military personnel on foreign soil presumes a U.S. governmental policy that heavily favors the military option. The war powers legislation adopted by the Congress last year expresses a congressional dissent to that emphasis. But the fundamental difficulty in discerning semblance to American policy abroad is that the commitment and level of U.S. forces abroad has determined our foreign policy rather than our foreign policy determining the level of U.S. forces abroad.

The intractability of executive branch attitude on force levels abroad during the past 25 years can only be explained by the incapacity of the policy makers to perceive that the troops on foreign soil was our policy. Members of the executive branch, whether in office for 2 weeks, 2 months, 2 years or two decades have had the same theme; and it is always one that "the world would fall" if any of our soldiers were returned home.

The greatest opposition to removal of our troops from overseas has come because of our special relationship with Europe. The figure in Europe has remained somewhat static over the past half dozen years. In fact, we had fewer troops in Europe in 1969 and 1972 than we did in 1973. But the amendment I have offered would not require the removal of a single soldier from Europe. The amendment leaves with the Secretary of Defense the absolute discretion to determine from which countries and to what degree the troops shall be removed.

If the Secretary of Defense determines that the present level of our forces in Europe is absolutely essential and that every soldier, even in a support position, was required in Europe to fulfill our commitment to NATO—and, incidentally, we have no troop commitment to NATO—and to prevent an invasion from the East, then not one soldier from Europe need be removed by force of this amendment. Our Senate Armed Services Committee, however, does question the present structure of our forces in Europe and has determined that there is justified a reduction of 23,000 U.S. Army support troops from Europe.

I believe that is the so-called Nunn amendment which the committee adopted. Our committee—speaking of the Senate Armed Services Committee—mandates such a reduction in support forces over the next 24 months. It is a recognition by the Senate Committee that there is significant fat in our forces in Europe.

The Senate Armed Services Committee again this year implores—implores, Mr. President—in its committee report for a further reduction in U.S. support and headquarter facilities overseas. Last year, the Senate Armed Services Committee report suggested a 50-percent reduction in the three U.S. headquarters in Korea. This year, the Senate Committee reports to us that there was no reduction in the three headquarters but in fact an increase.

Here again let me refer to page 137 of the report:

> Secretary Schlesinger this year said that there have been no major improvements in North Korean force size or improvement. In the manpower hearings, DOD stated that South Korean ground forces are now adequate for defense against North Korea.

But, to repeat, this year, in spite of the request made by the Senate Armed Services Committee last year, the committee reports to us that there was no reduction in the three headquarters but, in fact, an increase. It is time that the gentle request be replaced with an order.

Last year, our Senate Armed Services Committee recommended in its report a 30-percent reduction in other certain headquarters and support facilities. The response of the Department of Defense was a reduction of 7 percent. It is time for the gentle request to be replaced by an order.

This year our Senate Committee is mandating a 23,000 U.S. support troop cut from Europe over 2 years. The amendment I have offered would not require the removal of a single U.S. soldier from Europe let alone a cut beyond that recommended by our committee. This action will not affect the MBFR. It will be combat forces that will be required to be reduced in any ultimate MBFR agreement, if there ever is an agreement, which I doubt very much at this time. How silly are we to think that the Soviet Union would be willing to reduce their combat forces for our support forces? They are top heavy in combat forces—we are bottom heavy in support forces.

The amendment before us could, therefore, be fully implemented without increasing the 23,000 European cut mandated by the Senate Armed Services Committee in the bill now before us. The remaining forces could come from such places as Korea, Taiwan, Thailand, Okinawa, Japan, Philippines, and Bermuda where our total U.S. forces stationed on land exceed 151,000.

The amendment will require the demobilization of a comparable number of U.S. forces to those returned. Again, however, the absolute discretion is given to the Secretary of Defense to determine which forces would be demobilized. Therefore, if the Secretary of Defense chose to remove 20,000 marines from Okinawa to Guam, he need not demobilize 20,000 marines. He would only be required to assure that the cumulative end strength for all the services was reduced by the total figure on or before December 31, 1975—18 months from now. Many feel that the difficulties in obtaining present quotas by virtue of the all-volunteer army might very well provide a shortfall in enlistments that would in effect make the decision for the Secretary.

Nevertheless, the Senate Armed Services Committee has reduced the end strength figure for all services in this bill by 49,000 men. This amendment would not be in addition to the 49,000. The 49,000 reduction by the Senate Armed Services Committee in manpower in this bill by June 1975, would be included and a part of the total manpower reduction required by December 31, 1975. Thus, the reduction in end strength would be an additional 76,000 but not until December 31, 1975.

The total effect in dollar savings of the cumulative cut in manpower by the adoption of this amendment will exceed $1.5 billion and, in my opinion, that is a conservative estimate.

Again let me repeat the amendment will not affect manpower on Navy ships afloat. It does reflect the Nixon doctrine by demonstrating that we are a Pacific power and not an Asian power.

In conclusion, Mr. President, I would like to read from the Congressional Record of an earlier period. It is a statement by a man I have always admired as a true conservative:

> The key to all our problems before this Congress lies in the size of our military budget. That determines the taxes to be levied. It is likely to determine whether we can maintain a reasonably free system and the value of our dollar or whether we are to be weakened by inflation and choked by government controls which inevitably tend to become more arbitrary and unreasonable. We must not so extend ourselves as to threaten economic collapse or inflation. For a productive and free America is the last bastion of liberty. . . . The commitment of a land army to Europe is a program never approved by Congress and with which we should not drift. The policy of secret executive agreements has brought us to danger and disaster. It threatens the liberty of our people.

These words were spoken by Senator Robert Taft on January 5, 1951. Senator Taft was a prophet in his own time, because what he said then is applicable today. His concern then was only Europe. Since his time, we have added hundreds of thousands of U.S. forces to Asia. His advice was sound in 1951. How forceful his wisdom is today.

I hope the Senate will approve this amendment which will begin to restore some sanity to the foreign policy of the Nation and the economic well-being of our citizens at home.

Mr. President, I ask unanimous consent that the editorials referred to, which were published in the New York Times and the Washington Post earlier this week, both be printed in the Record.

There being no objection, the two editorials were ordered to be printed in the Record, as follows:

[From the New York Times, June 5, 1974]

U.S. Troops in Europe

Senator Mike Mansfield's renewed effort to force substantial withdrawal of American troops from Europe and other areas overseas is the wrong battle in the wrong place at the wrong time.

The Senate floor is the wrong place for this decision to be taken because the issue is now under negotiation in Vienna between the NATO and Warsaw Pact powers in an effort to bring about Soviet as well as American troop cutbacks. There are now 460,000 Soviet ground troops on the central front in Europe, compared with 193,000 Americans. Warsaw Pact troops outnumber NATO's ground forces in this area 925,000 to 770,000.

An over-all NATO-Warsaw Pact reduction to 700,000 on each side, as proposed by the West—with the bulk of the Western reduction to be taken in American forces—would assure stability as well as the reduction in defense spending desired in both East and West. But unilateral American withdrawals now would clearly be destabilizing. They would lower the nuclear threshold, forcing earlier use of atomic weapons in a conflict. They could lead to the nuclearization or the "Finlandization" of West Europe—or both.

This is the wrong time as well for the Mansfield amendment. West Europe's political stability and economic health are shakier today than at any time since the Marshall Plan days more than two decades ago. Governments have fallen in Britain, West Germany, France and Italy in recent months. The new leaders may do better than the old, but that is not yet certain. The Common Market is stalled. Relations with the United States have been badly strained. A major effort by Washington is needed to pull the Atlantic community back together again before disintegration goes further. Unilateral weakening of West Europe's security would frustrate this effort before it could begin.

Above all, Senator Mansfield's long struggle, extending over eight years, is the wrong battle for the majority leader and his supporters to be waging at all. The battle to bring back American troops from Europe, an area where American interests are truly vital, was spurred initially by American balance-of-payments deficits and Europe's surpluses. The oil price increase and other factors have reversed the situation. American payments are in surplus, while most of West Europe is headed toward a disastrous deficit. West Germany, which is also in surplus, is offsetting the dollar costs of American forces there.

The extraordinary notion has been propounded that the presence of American troops abroad brings about American involvement in war. But there were no American troops in Europe before World War I or World War II—or in Korea before the involvement there. On the contrary, the presence of American troops in Europe since World War II has helped provide an almost unprecedented 29 consecutive years of European peace. Their withdrawal would be a step into the unknown.

Senator Mansfield's latest argument is that the troops withdrawn from Europe and Asia could be demobilized, reducing the defense budget by $1 billion a year. But United States armed forces already are half-a-million fewer than pre-Vietnam and 1.2 million fewer than those the Soviet Union maintains. There are ways in which defense spending can and should be reduced. But shotgun legislation aimed at American military manpower overseas would be the worst way now to go about that task.

[From the Washington Post June 3, 1974]

A Steady Course for Europe

This is a bad time for the Senate to heed the annual call of Sen. Mike Mansfield (D-Mont.) to legislate a large unilateral cut in the 300,000-man American force in Europe. With the Mideast mercifully receding as an issue in separating the Atlantic nations, it would be unwise to subject NATO to a harsh new blow affecting not only the quality of Atlantic relations but the security of the Alliance. Then, East-West talks on reducing forces in East and West Europe are proceeding in Vienna. For the United States alone to pull the plug on West Europe, even as the talks have proven to be an effective vehicle for Allied consultation and joint East-West exploration of the complex issues involved, would be, we believe, little short of desertion. Moreover, Mr. Nixon is about to go to Moscow: he is enough in the soup for reasons of his own making to make eminently unwise a move further reducing the general authority he brings to the summit.

The European allies can, indeed, be vexing critters. All too often they fail to act on what would seem to be their own self-interest in making it easier for the United States to remain a faithful ally—although recently, it should be noted, the Germans have taken major steps in one sensitive area, offsetting the dollars lost by the United States in keeping its troops in Germany. The question, however, is whether the United States can afford to indulge the fatigue and irritation which Europeans sometimes induce. We believe the answer is, no. The Atlantic relationship remains this country's fundamental overseas tie, strengthened by links of culture and tradition. But it is sustainable only by constant attention to Europe's welfare and independence. Europe came out of World War II devastated and unable thereafter to care adequately for itself in the big-power world. This is at once Europe's burden and our own. It makes it all the more necessary for the United States, in such a critical matter as the presence of military forces, to act in concert with Europe and not by itself.

Sen. Mansfield quite properly believes that the level of our forces in Europe ought to reflect the improvements in political relations which travel under the general name of detente. Detente can proceed, however, only if Europeans have the confidence which those forces impart. There is nothing magical militarily about a given level of forces, but there is something "magical" politically: the current level has come to represent the steadiness of the American guarantee. It is psychological, but psychology, after all, is central to politics.

Soviet-American detente, as the Europeans well know, is still in an early and tentative state. Europeans can also see that the SALT talks, which compose the basic framework of their security, are in a particularly tentative state. The economic uncertainties bred by world inflation add to European anxieties. In such circumstances, it is really quite wrong to look at the U.S. troop level in Europe as though it were the only card in play. In the absence of a decision to demobilize any troops brought home, moreover, a strong case can be made for leaving them in Europe, where they do double duty, political as well as military.

The House turned down a Mansfield-type amendment the other day by a substantial margin. We hope the Senate will do the same. This is a good time to tell the world we are seeking a steady course—and to tell ourselves.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from California (Mr. CRANSTON), the distinguished Senator from Ohio (Mr. METZENBAUM), and the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) be added as cosponsors of the pending amendment.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. NUNN. Mr. President, as the Senator knows, I am not in accord with him on his amendment, but I do not want to get into the general statements at this point. I did want to ask the Senator a couple of technical questions about the amendment.

As I read the amendment, the War Powers Act which we passed last year and for which I voted, gives the President the latitude within a short time frame to take action relating to emergencies——

Mr. MANSFIELD. Thirty days, I believe.

Mr. NUNN. I would ask whether this amendment would not mean a dramatic extension of the War Powers Act, because the President's latitude in getting troops to foreign soil would be abrogated except for the troops already deployed, unless Congress passed a subsequent act. I wonder whether the Senator from Montana intends this kind of sweeping extension or whether the Senator from Georgia may be, in some way, missing the key element in the amendment.

Mr. MANSFIELD. No. I think the distinguished Senator is misinterpreting what the Senator from Montana is attempting to do in this amendment. It does not conflict with the War Powers Act which the Senator voted for, of which the distinguished chairman of the committee was one of the chief sponsors, and which I voted for and a large majority of the Senate also voted for.

The War Powers Act still stands. The President would have the power to act in an emergency; all the amendment does is what the committee itself is attempting to do in reducing troop levels but only on a broader scale.

The Senator from Georgia is the sponsor of an amendment in this bill which would bring about a 23,000-man reduction in support troops in Europe. The committee as a whole has approved, I believe unanimously, a reduction within the next 18 to 24 months, of 49,000 military personnel overall. So the same reasoning that went for the committee goes for this amendment now before the Senate for consideration.

Mr. NUNN. The committee amendment on the 23,000-man cut specifically includes the language that makes it plain the Secretary of Defense can add the troops back in a combat role——

Mr. MANSFIELD. Oh, yes.

Mr. NUNN. And it also leaves latitude to the President in case of imminent hostilities. But I would make the point to the Senator from Montana that even if the President could take emergency action under the War Powers Act, as I read the amendment, he would be precluded from doing anything with additional personnel as long as the act was in effect unless Congress came back and passed another act. The committee position does not do that at all. The committee position is one of increasing our leverage in the MBFR, because nothing could be more of an incentive to the Soviet Union in negotiating an MBFR agreement than thinking that the American fat would be turned into American muscle. I would have to say that I agree with the Senator from Montana as to his observations about too much fat. That is the thrust of the report I made to the committee after a rather extensive investigation. That was also the thrust of the Armed Services Committee's action.

I want to clarify what we are doing on this War Powers Act because I believe the President in an emergency situation must have some authority, because an absolute prohibition on any troops despite hostilities, or in conflict, or in combat, without any exceptions, would be a dramatic extension far beyond any reservations in the War Powers Act. I would like to clarify that particular point with the Senator.

Mr. MANSFIELD. I thought I had clarified the question raised by the distinguished Senator from Georgia, but in looking over the amendment, I would be willing, for example, on page 2, line 4, after the word "possessions" to insert "subject to the provisions of the War Powers Act." Would the Senator then approve and give his support to the amendment on that basis?

Mr. NUNN. I am not going to support any unilateral withdrawal, no matter what we do with this amendment, which would prohibit the President from responding in any national emergency other than within our own Continental United States.

Mr. MANSFIELD. I will say to the Senator that I think the amendment speaks for itself. My interpretation of it is in accordance with this language so I see no reason to change it at this time.

Mr. NUNN. One other question. As I understand the amendment, it says, "That no funds authorized to be appropriated by this title may be used after December 31, 1975. * * *"

The date is the question I raise. That would be 6 months into the fiscal year 1976, as I understand it.

Mr. MANSFIELD. That is right.

Mr. NUNN. So I wonder—and I do not want to further restrict the Senator's amendment—whether that is the Senator's intention, since the funds under this act will all have been used by June 30, 1975—during fiscal year 1975.

Mr. MANSFIELD. If the Senator would be willing to support the bill, I would be willing to reduce the date to June 30, 1975.

Mr. NUNN. The Senator from Georgia does not intend to support this amendment at all, but I do think the language ought to be clear, because it is an extremely important matter, particularly relating to the MBFR negotiations and to the signals it would send throughout the world.

Mr. MANSFIELD. The language is very clear—very, very clear.

Referring to the MBFR, I think the Senator is under an illusion if he thinks that anything concrete and constructive is going to soon come out of the meetings being held in Vienna. How are they going to reach an agreement? Is it going to be a case of 1 on 1—1 NATO soldier, American, against 1 Warsaw Pact soldier, a Russian? Or is it going to 5 to 1, 10 to 1, or what? I think we are whistling in the dark so far as the MBFR is concerned, and that is a handy latch to hang on to.

So far as offering hope for a reduction in forces in Europe is concerned, especially U.S. forces—the only outside forces on the continent except the Canadians, who have reduced their forces by half since Trudeau came into power—I do not look for anything in the way of constructive and satisfactory results out of MBFR. We are wasting money and time and creating a psychology which just will not jell, in a situation which will not produce the necessary results.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I yield the Senator 2 additional minutes.

Mr. NUNN. On that point, I observe that I do not think anyone can stand in the U.S. Senate and say that the MBFR negotiations are going to be successful. The Senator from Georgia does not make that point, and the report I filed does not make that point. But if there is a unilateral withdrawal, I say we can bring the negotiators home, because there will be no further purpose for MBFR if this amendment is adopted.

So, while we cannot assure success, I think we can be assured that, if the Senate and the House adopt this amendment and if the President of the United States were to sign the bill, the MBFR negotiations would be terminated, would be moot, and would have no bearing; because I have never seen negotiations have any chance of success where the subject of the negotiations was unilaterally conceded by one side.

I would like to think that the Soviet Union would respond reciprocally; that they would say to us, "You are nice people. You have withdrawn your troops from Europe, and we are going to withdraw the ones we have next to the East German border." Unfortunately, that is not the way it works. It never has been, and I am afraid it never will be.

I would like now to make the point that I do believe this amendment, as it is presently drawn, without any clarification, would be a dramatic extension of the War Powers Act and would prohibit the President of the United States from taking emergency action, whatever the case may be, without a further act of Congress which, in a world of danger, might very well be delayed beyond the point where any act would do any real good.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. I yield myself 2 minutes.

The Senator from Georgia is entitled to his interpretation, which he seems to have set in his mind and which goes contrary to the interpretation of the author of the amendment.

I think we ought to recognize that a number of factors are involved in this amendment in addition to the expenditure of funds. In a sense, on the basis of the trips made by the Senator from Georgia to Europe last year and this year, he is aware that there is a superfluity of personnel over there, that there are too many headquarters. Last year, there were 130 admirals and generals in Western Europe. That is quite a large number.

The Senator has to take into consideration the morale problem, drugs, alcoholism, race relations, and other factors which must be considered. He has to recognize the fact that an army in Europe—the Senator is talking about Europe; I am talking about the worldwide situation—cut in half over a graduated period of time would be leaner, more effective, and I think more worthwhile than what we have at the present time, with the problems plaguing the 7th Army.

Mr. NUNN. I think the Senator from Montana has performed a yeoman's job in the last several years, pointing out some of the defects in our NATO structure. I believe he has zeroed in on several of them, and he has some well-made points.

I think the committee's action of this year reflects the fact that we believe that the structure needs changing in NATO; that we believe we have too much support and not enough combat personnel there. The committee action takes into account the larger picture, though, of the negotiations going on.

I should like to ask the Senator a further clarifying question, because it could be important if the amendment is adopted. Does the Senator believe that under this amendment, if there were a threat of imminent hostilities in Europe, if this was in the law, that the President of the United States would be able to take our reserve troops from the United States to NATO where we have prepositioned equipment without coming back to Congress for specific, affirmative approval?

Mr. MANSFIELD. Of course. There is no question about that.

Mr. NUNN. He could do that. Would that be under the War Powers Act?

Mr. MANSFIELD. That is right. And he could pull them from anywhere in the world.

Mr. NUNN. Suppose the President said that he felt there was a grave danger by our taking this action and that there was some threat of imminent hostilities and that he was, therefore, going to leave the troops there. Would that be a breach of the amendment?

Mr. MANSFIELD. It would have to be a clear and present danger; because NATO, as I recall the treaty, makes it mandatory on all the members of the North Atlantic Treaty Organization to come to the aid of one of their members if it is attacked. So my answer would be in the negative. The President could not negate the effect of the amendment by declaring that the removal of troops would create a threat of imminent hostilities.

Too many Presidents, too often—both Democrats and Republicans—have declared national emergencies and things of that sort. They have been mythical, in large part. They have not been proved.

I do not think we ought to be taken in by questions of that nature, which I think raise hypotheses which should not and must not exist in view of the War Powers Act. It applies to a clear and present danger. A declaration by a President would not be sufficient unto itself.

Mr. NUNN. But the War Powers Act was passed prior to this act.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. NUNN. Mr. President, will the Senator from Mississippi yield time to me?

Mr. STENNIS. I am glad to yield to the Senator. I am going to yield some time to him in a few minutes, anyway.

Mr. NUNN. I yield myself 1 minute.

I submit that the War Powers Act does require a clear and present danger; but even if the President were to certify that, this act would preclude him from taking any action unless it was in breach of this act—unless there is some clarifying language in this act that says it is subject to the War Powers Act and could be waived in the event the President found a clear and present danger under the War Powers Act.

Mr. MANSFIELD. We just do not agree on the intent; but I would assume that anybody interpreting this amendment, based on the congressional debate, would have an idea what the author meant, and that, therefore, it would carry some weight.

Mr. STENNIS. I yield myself 8 minutes, and I ask the Chair to notify me when I have 2 minutes remaining.

Mr. President, we have had this debate, in much the same form, for several years, which is all right. I have noticed that, at times, some elements of the press say it is a contest between the Committee on Foreign Relations and the Committee on Armed Services. Nothing could be further from the truth. That is nonsense, just nonsense. There is no basis whatever for that statement. These are matters of judgment and logic and evaluation of situations. These amendments just apply to the money that is authorized in this act, which is for one fiscal year.

I bring that up just to show that this is a straight, honest difference of opinion about these matters. It makes no difference which committee one is a member of.

Mr. President, every year for the last 5 years—every year since I have been privileged to be chairman of the Committee on Armed Services—we have reduced the total number of personnel in military uniform. During that period there were a great number of natural reductions, because of the war being wound down and our withdrawal, but all the time the reductions we were making were stoutly resisted by the Department of Defense and the services, up to this year. We have been taking this problem step by step and we have been making some progress each year. There is an altogether different picture now than there was a few years ago.

I shall touch on the highlights and other Senators can develop the full facts about the committee action this year.

We called for a reduction of 11,000 military personnel in overseas headquarters and noncombat units. That is a target we have been shooting at and that is the most vulnerable, as I see it, of all the services. This reduction is fully explained in the committee report and is included in the overall committee reductions of 49,000 military and 44,600 civilian personnel. Those are reductions to which the Senator from Montana has referred.

On top of reductions made in previous years, this progress now and these reductions that are made mandatorily are having an effect and become more and more meaningful, even though the numbers may be less and less.

Now we have come to what I think is a logical, intelligent, mandated reduction of 20 percent of the Army noncombat personnel in Europe in the next 2 years, not mandated to be done at once or at the end of the incoming fiscal year, but in an orderly way over the next 2 years.

This provision is aimed at causing a major improvement in the tooth-to-tail ratio in Europe. Thus, the Secretary of Defense would be allowed, on a permissive basis, to replace these support troops with combat troops. That is what we are aiming at, after all. We are aiming at combat strength. I mean by that, Army units with rifles, armored units, and artillery units, people that fight on the ground. That is considerable progress, Mr. President.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. STENNIS. I thank the Chair. I will yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Mississippi may proceed.

Mr. STENNIS. Mr. President, these amendments will be effective if they become law and they would gradually swing this matter around.

We have proposed a mandated ceiling on tactical nuclear weapons in Europe. I shall not go into that further at this time.

We have also mandated a requirement for the Secretary of Defense to find and propose actions to the NATO allies that would standardize weapons systems and their support. This is aimed at reducing overall NATO costs and improving conventional effectiveness by eliminating the duplication and incompatibility of NATO weapons and support systems. This is something that has been debated 20 or 25 years. Those who have looked into this matter find plenty of room for improvement in that direction. I shall have more to say on this matter during the debate.

But let us not totally discount the very earnest effort of a great number of civilian and military personnel who have labored long and hard on this effort to get something in the way of agreement with the Soviets to have a multilateral withdrawal of troops from Western Europe, from that area of the world.

I think it is a totally logical position. If we are trying to get them to reduce their troops, and if we bring home our troops anyway regardless of what they agree to or do not agree to, we would just blow up the whole thing.

This is not someone's fantasy. It has been worked on. I remember standing here 2 years ago and reading a letter from the President of the United States about his efforts in this field to get these mutual balanced reductions. I thought then that it was a mighty dark page that that letter was written on so far as any reasonable chance of getting something done was concerned, but I accepted his efforts. Now, 2 years later, progress has been made. At least we have been at the table talking about this matter. It took a whole year last year to get agreement on the agenda that was going to be discussed.

I do not talk with these military men often, but I do come in contact with them, and I can recognize a person who has ability, whether he is in uniform or out of uniform. One of the gentlemen over there representing us is one of the most capable men I have found in Government anywhere. He is frank, honest, logical, and forthright. I just happened to come upon him and I had a delightful conversation with him about his appraisal. He was the one who helped with the agenda to which I have referred. He is a military man. Some say that the military man does not want any reductions to come out of the conference. I do not say that. But he wants something in return.

Later I shall refer to what former Secretary of the Army Resor said. He is now there on these MBFR negotiations. I found him to be an honest and forthright man. So we are legislating here in an atmosphere in which these activities are going on. There is a program under discussion with respect to reductions and so these conferences are accomplishing something.

Right down to the very last it was said by many people that Secretary Kissinger was throwing away his time over there in the Mideast for 30 days, neglecting things at home. Before the agreement last week, predictions were that the whole thing had blown up, and I think maybe he thought so himself for a while. But progress was made. These things come in the dead of the night. As long as we are trying, we are making some progress.

I hope the Senate will see fit to take these steps the committee has recommended, for which we will fight in conference, and which I believe the conferees will accept. I know I will have no patience at all with anyone—military or nonmilitary—who comes in and tries to lobby that the conferees for the Senate abandoned the position the Senate may adopt here, whether it goes the way I want it to go or the other way.

I am going to yield some time to the Senator from Georgia. Last November the Senator from Georgia expressed an interest in going to Europe and getting into this matter in the best way he could. I will not speak for him. I think he thought then he could recommend a lot of reductions.

"Well," I said, "I am not going to agree for you to go——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I yield myself 1 minute. "But I want you to go to represent me, because I can't go," I said, "and then I want you to go on your own, too."

He did, and he worked hard, as he always does, and he has developed some thoughts, some facts and figures. He is the author of three amendments I have alluded to that the committee adopted on the thorny subject. I want to yield him time now. I checked with the Senator from South Carolina, and he is ready to let the Senator from Georgia speak on his time.

Mr. President, I have concluded my remarks for the time being. I suggest the absence of a quorum, the time to be charged to me.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I am glad to yield now 25 minutes to the Senator from Georgia, or so much thereof as he may use, and if he does not use it, I ask him to yield back his time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I must rise to oppose the proposals offered today to make major reductions in our overseas troop levels.

Senator STENNIS asked me last fall to look into the matter of NATO for the committee and for him personally, and I have spent a good deal of time on this subject. I agree with many of the frustrations expressed by Senator MANSFIELD, but I do not come to the same conclusions for many reasons, and that is what I would like to discuss here for a few moments this morning.

I oppose this reduction, because I see no way the Defense Department can meet such a mandate without making a serious unilateral reduction in our conventional forces supporting NATO. And I am firmly convinced that any such cut at this time, as Secretary Kissinger recently noted, "would be useful to no one but the Soviets."

I recognize that these amendments purport to be directed not at NATO but at our overseas presence in general and that they profess to leave it to DOD to decide just where the cuts should be made. However, when we recall that well over half of our overseas forces are in the NATO area, we cannot in candor expect that our Government can, practically or politically, limit such a major reduction to the lesser number of troops in other areas.

The proposals for an overseas troop cut are not simply a question of numbers. They involve far-reaching consequences affecting fundamental interests.

In terms of the options we have, it is clear that the essential question before the Senate today is really whether we should seriously try to make NATO work or whether we should wash our hands of these difficult problems and begin to withdraw our forces unilaterally.

I believe Senator MANSFIELD made it very plain. I think this is a question of judgment, but I think he made it very plain he does not see any hope of any reduction under the mutual reduction in forces talks. This differs from what Ambassador Resor and Bruce Clark have said. I can say they do not share that pessimism.

I have no way of knowing what is going to happen as a result of the mutual reduction in forces talks, but I would like to present the view that it is not a question of just how many troops we would like to bring home. I myself would like to bring home the troops. The question is much broader and involves such things as the level of the tension in Europe, the danger of tactical nuclear war on the East-West border, and what would be the status of our dependents who are going to remain there.

I do not think that Senator MANSFIELD, Senator HUMPHREY, Senator CRANSTON, or anyone else says we are going to bring all the troops home. I have not heard them say that.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. MANSFIELD. Does the Senator think we should keep our troops in Europe permanently?

Mr. NUNN. I certainly do not. I made it plain, and the committee report I think made it plain, that we should take steps to see that NATO is restructured not only in military strength but economically. The Jackson-Nunn amendment, which I think the Senator supported last year, is going a long way, although not as far as I would like it to go. So it is correcting one of our basic inequities in NATO, and that is the U.S. balance-of-payments deficit.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NUNN. In just a minute. Let me finish my answer.

But I do submit we have two chances of withdrawing troops on a rational basis. One is through the mutual force reduction talks. If that does not work—and I do not know the magic number of days or months it will take—then I think we ought to sit down with our allies and negotiate, and even if we cannot come to an agreement, negotiate, as far as the level of support they are willing to commit over a period of time is concerned, which will give them an opportunity to replace the forces we withdraw, so the withdrawal does not leave NATO—and this is an extremely important point—without adequate forces.

It is true that we are still going to have

150,000 or 175,000 troops. We are still going to have 100,000 dependents. We are still going to have hundreds of thousands of American tourists. We are going to have a substantial business investment there. I do think if that happens, then the nuclear tripwire that some people talk about—and I do not agree with it entirely—is going to become a self-fulfilling prophecy, and we are going to see tactical nuclear weapons become the No. 1, the No. 2, and the No. 3 defense in Europe, because we are not going to be able to maintain a conventional defense if the United States unilaterally withdraws 125,000 troops.

So I think we have to consider, in that connection, not just the question of troop withdrawal, but, more importantly, what is going to be the danger to Europe and to the world of nuclear war if there should be any kind of altercation breaking out in Europe. When we cannot deter conventionally, when we cannot defend conventionally, that leaves only the recourse to tactical nuclear weapons.

I do not believe this body has carefully examined that question. I will be candid with the Senator from Montana (Mr. MANSFIELD) that this is one of the essential reasons why I am opposed to unilateral withdrawal at this time. But I do not think we are going to be able, in the years to come, to continue to support NATO to the extent we have in the past, and I believe I have made that position very, very clear to our allies and to everyone I have talked to.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. MANSFIELD. The Senator referred to the Jackson-Nunn amendment, and I am pleased that that amendment was adopted, but the Senator went over there last fall and was displeased with the results of the Jackson-Nunn amendment.

Mr. NUNN. I believe I said the amendment is not working as well as I would like to see it work, but it is doing substantial good in terms of offset. Last fall we had not had a report. In fact, last fall the Jackson amendment had not become law. It did not become law until late in the fall. I was there in February. A German-American bilateral agreement had not been negotiated. In fact, it was negotiated and finalized in April of this year. So the Senator from Georgia had no way of gauging the results of the Jackson-Nunn amendment last fall. It has not produced a 100-percent offset, but it has produced a 75-percent offset brought about by the bilateral agreement with Germany.

I had a conversation this week with people from other, smaller NATO countries. They are trying to decide on a French or American fighter plane. One of the factors which is affecting their choice is the Jackson-Nunn amendment. I do not know what their decision is going to be, but if they should purchase our plane, it could mean $.2 billion coming into our country over several years.

So the amendment is making substantial progress. But I am not going to pretend I am satisfied this morning with the amount of contribution our allies are making, because I am not satisfied, and I think the record very clearly reflects that.

Mr. MANSFIELD. Will the Senator yield?

Mr. NUNN. I will be glad to yield.

Mr. MANSFIELD. Are the Germans still purchasing U.S. bonds on which we pay interest as part of the offset agreement?

Mr. NUNN. One of the principal parts of the offset agreement is the German purchase of U.S. bonds at a highly subsidized interest rate. I believe the level is around 2 or 2.5 percent, which is about 6 to 6.5 percent under the current market, which means that that is a direct subsidy to the U.S. Government.

I may say to the Senator from Montana that I am not completely satisfied with the way the bond agreement has been arranged in the past. I do not think that we can, on the one hand, count on the bonds coming in as a complete offset and, on the other hand, not count them when they are paid back.

I have raised that point with the State Department, the Defense Department, and the Commerce Department, and I think this is one of a number of questions that the Senate and Congress must answer. I know the Senator from Montana is going to be interested in the precise way they compute this offset, because it is a very complex kind of computation.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, it is a gimmick. We have, over the past decade, on more than one occasion subsidized the retention of British troops, the so-called Army of the Rhine, in Germany, and we probably have done it for other countries as well.

Is the Senator aware of the fact, speaking of unilateral cuts, that the British are pondering military cuts in Europe and Asia, according to an article in the Washington Star-News under date of May 11, 1974, including the Army of the Rhine?

Mr. NUNN. I am not aware of that precisely. I do know England has some very serious economic problems.

I talked at length with some of the British representatives, particularly in the NATO conferences, and they recognized the results that would occur if they did unilaterally withdraw. I am not sure whether they are going to do any withdrawing or not, but I would be very much opposed to that, just as I am opposed to the American position. But I do not think we can base our long-range national security interests and the security interests of NATO on what may or may not be the subject of some speculation in England at this time.

Mr. MANSFIELD. It really makes little difference whether we oppose what the British do. It is what we do ourselves, because what the British or the other nations, including Canada, do as sovereign nations, they do within the confines of their sovereignty and their independence.

Mr. NUNN. I would submit to the Senator that I think Britain is a great ally and has been a mainstay in NATO for a long time. I do not think, whatever they do, that their action would have the kind of fundamental repercussions with the Soviet Union or the Warsaw Pact nations that withdrawal by the Americans would.

Of course, the British role is very important and will continue to be very important. But the mutual balanced force reduction talks are not likely to hinge on whether or not Britain withdraws a few troops from NATO.

Mr. MANSFIELD. The Senator mentioned inflation; that Britain is undergoing an inflationary difficulty at the present time. That is true. But it is my understanding that the inflationary rate is just about the same in both our countries at the present time. So are we not undergoing an inflationary rate? Are not our costs increasing? Is not our burden becoming heavier? Are we not shouldering too much at this time?

Mr. NUNN. I would agree with the Senator that we have serious economic problems. I also think the Senator has this year made a very candid change from his previous year's approach on this matter, because in the past we were debating over and over and over again, hour after hour, the total savings that were going to inure to the benefit of the United States by bringing home troops, when the actual facts are that bringing home troops does not save much money at all.

It does save in the balance of payments. But what really has to happen to save the money is to take these troops out of the service entirely. I think that being a Senator, I have had this hit me four-square this year. We have that question before us, because bringing home American troops from overseas does not save budgetary costs, or, to the extent that it does, it is very small.

We would have to take them out entirely, and I think we are going to be faced with this issue on a head-on, frank, candid basis now, I believe that is the way it ought to be addressed.

The committee has already cut 2 percent across the board. I believe it is going to come to 49,000 or 50,000 troops.

As I understand the Senator's amendment, it would take out about 125,000 troops. The Senator will correct me if I am wrong on this, but about 75,000 troops would be taken out of the U.S. active duty force beyond the number cut by the committee.

Mr. MANSFIELD. That is right: 49,000 which the committee has cut and 76,000 which would be included in the 125,000.

But the Senator has mentioned the question of costs. It is true that has been a factor. But, frankly, I have never been interested in the costs per se. I am not interested in the economics of the situation. I am interested in a principle, and sometimes a politician does have a principle. But I think 30 years—almost 30 years—after the end of the Second World War, for us to maintain in excess of 300,000 troops and in excess of 225,000 dependents in Western Europe is going far beyond any responsibilities which we might have had when Senator Taft made his prophetic declaration in 1951.

I appreciate the comments of the distinguished Senator, who is a student of military history, but I do think that the right place; the right time and the right way to do it is through congressional action.

I thank the Senator from Georgia.

Mr. NUNN. Mr. President, as I was saying before we had this dialog, I think the alliance faces many critical problems and deficiencies. But it is also my firm opinion that a strong alliance is vital—is still vital—to U.S. security, and there is a wide consensus that, with a determined effort, NATO can be restored to a new footing responsive to the realities of today.

As I frankly said to the Senator, I am not satisfied with NATO. I am not satisfied we are doing all we can do to strengthen our own conventional forces. I am not satisfied with the amount of funds and troops and support our allies are making. But I think the Senate must today face the question of whether we are going to try to correct these deficiencies, as the committee legislation has done, or whether we are going to withdraw unilaterally and terminate any possibility of having successful negotiations.

Again I emphasize that it is not a question of withdrawing everybody from Europe. It is a question of withdrawing partially under this amendment; and if we do this, those who remain are going to be in much greater hazard because we will not have, and NATO will not have, a strong conventional deterrent. I believe, therefore, we will have to turn to tactical nuclear weapons very quickly in any kind of confrontation.

Mr. DOMINICK. Mr. President, will the Senator from Georgia yield at this point for a comment?

Mr. NUNN. I am glad to yield to the Senator from Colorado.

Mr. DOMINICK. I remember that when the Senator from Montana submitted his first resolution to withdraw some people from Western Europe and other places, I believe I was the first Republican to be a cosponsor on that. I suspect we were doing it for different reasons. I suspect that the Senator from Montana—and I am not sure of this—felt there was not nearly the risk that I thought there was.

I joined as a cosponsor because I believed that, we having been there for 25 years, it was time for the European countries to do more for their own defense instead of acting as neutralists, as they have in the United Nations and in a variety of other places and on other occasions.

Despite that fact, it seems to me that the Senator from Montana, by putting this into law, is, in fact, saying that we, as Members of the Senate and as Members of the House, if they should adopt that position, are really acting as the chairman of the Joint Chiefs of Staff and/or President of the United States.

The Constitution clearly gives those the right to determine where troops ought to be stationed in order to defend the best interests of the United States.

For us to try to take that away from their control would, in my opinion, be a disaster. It would not take us very long to find ourselves in a condition where each person just liked the particular area he was involved with, and would have an isolation-type position, which I am against, as I gather the Senator from Georgia is against.

So I would, under those circumstances, even though I was the original Republican sponsor of the resolution when it was the sense of Congress, vote against the Mansfield amendment today. I certainly do not think, in view of this debate, that we are capable of being either the Chairman of the Joint Chiefs of Staff or the head of any one of the military branches, nor do I think we are capable of having the necessary information on a day-by-day basis so that the Commander in Chief, namely the President, regardless of who he is, can be second-guessed by Congress.

For that reason, I shall not be supporting the Mansfield amendment, and I think the Senator from Georgia has given us a very graphic and good account of the situation in Europe.

Mr. NUNN. I thank my colleague the Senator from Colorado.

Mr. President, I would like to emphasize one point. We are getting down to real reasons today. I think we should look at the issues squarely.

The amendment of the Senator from Montana provides that we have to get 125,000 troops out of the Armed Forces entirely, so we are facing a vote today to cut the American forces to the greatest extent since the Korean war. That is one point.

I think the Senator from Montana has also been very candid this morning in saying he has very little confidence in the mutual balanced force reduction talks. That is an important matter, too. I have already made the point that, if the Mansfield amendment is defeated the success in MBFR talks would not necessarily occur; what I do say, and what I think the Senate has to confront today, is that we are not going to have any mutually balanced force reduction talks if we do pass the Mansfield amendment.

So we have to decide whether the Senate has any confidence in the mutual balanced force reduction talks. We also have to decide whether the Senate wants to go beyond what the committee felt was prudent in terms of the Mansfield amendment, and whether to add another 75,000 people to be taken out of service.

Those are the two points, and I believe we are right down to them now.

I would like to take a few moments to express what the committee has done positively to deal with some of the frustrations which are legitimate, as Senator Mansfield has pointed out.

First of all, I think we have to realize that a policy relying primarily on nuclear deterrence and defense to conventional attack is no longer viable. The willingness of any American leader to unleash nuclear arms against a limited conventional attack would be in serious doubt with success by no means assured and the risks of escalation virtually uncontrollable. Deterrence and defense simply cannot safely be left to a nuclear umbrella alone.

Second, NATO's conventional inferiority is neither clear nor necessary. Secretary Schlesinger has taken the lead in demonstrating that Soviet advantages in conventional forces and arms are substantially offset by compensating NATO advantages in defense such as tactical air superiority, extensive anti-tank capabilities and other advanced arms which were well proven in the Middle East war. With better organization, greater coordination, streamlining and some change in doctrine, NATO can establish a solid conventional defense and deterrence essentially within present resource levels. I believe this realization is finally beginning to strike home to our allies and that prospects are excellent for real improvements.

To encourage this process, the Senate Armed Services Committee unanimously adopted three amendments which are in the procurement bill. They are aimed at making NATO work. I explained these amendments in detail earlier in this debate, but briefly:

The first amendment requires a 20-percent reduction in U.S. support troops in Europe over 2 years, involving about 23,000 troops and would allow but not require corresponding increases in combat forces. This amendment would reduce the top heavy support structure of our forces and permit a substantial increase in combat capability with no increase in costs.

But, Mr. President, I want to point out the differences between this amendment, which is in the bill, and the amendment we will be voting on today.

First of all, the bill provides that the Secretary of Defense can add back combat troops in the place of the supply troops that are not in the service. That is extremely important from a MBFR point of view, and also from the point of view of having any kind of strength and conventional capability.

I also want to make another point: I did not realize until this morning, in examining carefully the Mansfield amendment, that the committee amendment is entirely compatible with the War Powers Act which we passed. The language makes it very plain, in the event of hostilities, that this amendment does not put any ceiling on the President of the United States. The Mansfield amendment—and I do not know about the other amendments that may be offered—to my mind, in my legal interpretation, would preclude the President of the United States from putting any additional combat troops in any area in the world where there were imminent hostilities, or even an outbreak of war, without another act of Congress.

We debated the War Powers Act long and hard last year, and I voted for it; but I believe the Mansfield amendment as now proposed and written would be a drastic extension of the War Powers Act that I do not really believe the Senate should agree to.

As to the other two amendments in the bill that I think are also important, the second amendment would impose a legislative ceiling on U.S. tactical nuclear weapons in Europe and require the Secretary of Defense to make a real review of our nuclear policy and posture in Europe and the possibilities for reducing the numbers and kinds of tactical nuclear weapons that have accumulated there over the years. This amendment would assure that our tactical nuclear posture is consistent with a proper emphasis on conventional defense and reduce any chance of unnecessary or inadvertent nuclear combat. It would retain the ability to employ these weapons "as soon as necessary" as our current plans provide, but would emphasize that they should be held back "as late as possible."

I believe we have not updated our tactical nuclear policy in the light of events, and that this legislation would be of great benefit to the Congress, and also to the Department of Defense, in reassessing our tactical nuclear weapons in Europe.

The third amendment is important from an economy point of view. Recently a German general retiring from the NATO structure made the comment that 50 percent of the total research and development funds expended by the members of the NATO alliance are wasted because of duplication. This amendment is directed at that point. It requires the Secretary of Defense to take every action possible to improve standardization within NATO. It is directed at what may be the greatest source of waste and inefficiency in NATO and would lead to real increases in combat effectiveness and economy.

I believe that these amendments together with the Jackson-Nunn amendment promise real progress in putting NATO on a new footing and in meeting the objectives of those who call for a substantial change in our commitment. What, on the other hand, would be the consequences of a substantial unilateral withdrawal of U.S. forces from NATO? While no one can foresee the future with certainty, I think the major consequences of that action are clearly predictable.

First, the mutual and balanced force reduction negotiations between NATO and the Warsaw Pact will be aborted. The Soviets are not going to make concessions or sign away options when they can get what they want simply by waiting. Although the MBFR talks seem promising, success is not inevitable; but failure can be confidently predicted if we have unilateral withdrawal.

Second, we would demoralize our European allies and unavoidably weaken their own commitment to collective defense. In all likelihood, they would be forced to seek a greater degree of accommodation with the U.S.S.R.

A number of our NATO allies are facing serious political instability and economic difficulties. These problems make doubly difficult, as we ourselves know, positive defense efforts. Despite these problems, I believe we are now turning the corner in collective action to bring NATO up to date. Unilateral reductions will undo this progress and, worse, present the Soviets with their number one goal—a divided and demoralized Europe at odds with the United States.

Third, we would jeopardize our important economic and commercial relationships in Europe. U.S. trade and investment with Western Europe is critical to our own well being. U.S. direct investment in Western Europe is over $30 billion, one-third of our worldwide total. U.S. trade with the European community exceeds $33 billion in 1973, nearly a quarter of our worldwide total. The success of international monetary and trade arrangements depends directly on a constructive European role. While these relationships and our security arrangements are not conditioned on each other, they are closely related. Our apparent abrogation of our undertakings in defense of Europe will inevitably erode these other vital ties.

Fourth, and most critical, a reduction in our conventional capability will make the nuclear tripwire prophecy self-fulfilling. With no prospect left of a realistic conventional defense, we lower the nuclear response to a hair-trigger in an unsteady hand. I do not mean to be an alarmist or to say that the Soviets are simply waiting to attack, but I am persuaded that any altercation or serious instability along the German frontier would create immediate pressure for the use of tactical nuclear weapons. With a large unilateral withdrawal, we would have no other way to meet a conventional military adventure or misadventure without making substantial concessions.

Finally, reducing our troop level will have little impact on our balance-of-payments deficit. If the Jackson-Nunn negotiations are successful, we will have obtained a full offset of this deficit. Any foreign exchange gains from bringing home troops would in turn be offset by the losses which would result from the inevitable termination of the offset arrangements agreed to. We must remember, too, that there will be no savings in the budget costs of these troops from bringing them home unless, and until these troops are also deactivated.

Mr. President, whenever I think of NATO today, I am reminded of the story of the preacher who asked his congregation one Sunday if any among them could honestly say that he had no enemies in the world. The preacher was surprised when one crusty old codger called out from the back of the church, "I ain't." The preacher said to the old fellow that he was sure his experience would be a great example to the other parishioners and he asked him to tell them how it was he could say that he had not one enemy at all. The old gentleman stood up, looked around, and said, "I outlived the scoundrels."

There are those who believe today that NATO has outlived the threat that got it started and that has kept it going. They contend that with the economic strength of Europe and the atmosphere of détente, we can now reduce and relax our defenses. They would, in effect, take the "O" or Organization out of NATO and rely on the treaty alone for deterrence.

I trust there are few in the Senate who subscribe to this view. Soviet actions during the Yom Kippur war in supporting Arab aggression and in threatening unilateral intervention have put to bed any hope that détente might be a substitute for deterrence. With these signals in mind, I hope that my colleagues will carefully weigh the consequences for the United States which would follow if a meat ax U.S. troop cut should dismember NATO and with it our vital capacity for a conventional forward defense in Europe.

I believe that the committee amendments when considered in light of the progress being made under Jackson-Nunn and the prospects in MBFR promise substantial success in placing NATO on a firm footing that responds to current realities. I believe these measures can substantially lower the cost to the United States in manpower and money without lowering our guard and without lowering the nuclear threshold.

To my mind, the Committee amendments represent the kind of positive leadership in national policy which Congress should assert instead of the kind of negative knee-jerk reaction to executive inertia that we are all too often forced to settle for. I ask only that the positive approach of the committee be given a chance to make NATO work before we risk irrevocably writing off 25 years of solid NATO success.

Mr. STENNIS. Mr. President, I yield myself 1 minute to thank and again commend the Senator from Georgia for some very vital work that has been very highly productive for our committee and for this bill. I believe those amendments that he is responsible for, that he has just described, will prevail here today as a part of this bill; I am sure they will prevail here in the Senate, and I believe they will have very fine prospects, due to their great strength and soundness, to prevail in conference, though I never promise nor predict flatly what the conference may decide, because it is an official committee of the Senate and the House of Representatives together.

I commend the Senator and thank him again.

Mr. President, I yield now to the Senator from South Carolina.

The PRESIDING OFFICER. How much time?

Mr. STENNIS. I yield the Senator 20 minutes.

Mr. THURMOND. Mr. President, before I begin my talk, I would like to commend the able Senator from Georgia also for the splendid work he has done on the Armed Services Committee, and particularly in connection with this bill.

Mr. President, a worldwide overseas cut of 125,000 men could not be absorbed by some vague combination of closing down insignificant facilities and reducing support troops and headquarters staffs. Rather, it would force us to decide between removing virtually all of our land-based forces west of Hawaii, leaving the Seventh Fleet alone to support our policy interests in the Pacific, or making a major reduction in our forces in Europe.

The first of these alternatives would represent a reversal of 30 years of bipartisan policy in the Far East, and would have a profound effect on the countries in that area and on our relations with them, an effect I do not believe Congress intends or would want.

The argument, then, comes down, as it has in the past, to the question of whether the United States can or should make a substantial reduction in its troop commitments to Europe.

For at least a decade, the argument has been made by both Republican and Democratic administrations that the time is not ripe for a unilateral—and I stress unilateral—reduction of United States forces in Europe. That argument is even more valid today for the following reasons:

First, our forces in Europe were stationed there for the defense of the United States as well as Europe. That is something I feel many people in this country have not recognized—even some Members of Congress.

As a matter of strategic judgment, we believe they can contribute more to the defense of the United States there than they could if they were withdrawn to the Continental United States. In other words, we are better protected by helping our allies maintain an effective line of defense in Europe than if we weakened our European forces by pulling back these forces to the United States.

Second, it is important to remember that United States forces are by no means the dominant component of NATO forces in Europe. They constitute just over 10 percent of the ground manpower and about 20 percent of the ships and aircraft.

Third, from a cost standpoint, there would be no net savings. In fact, it would mean additional costs, if we withdrew our forces and maintained them with the capacity to reintroduce them quickly in an emergency. The additional cost would be attributable to buying more airlift to take our men back and more equipment would have to be prepositioned in Europe for their use when they arrived.

Fourth, our forces in Europe are the premium for NATO's very successful insurance policy.

The Soviet Union rode all over Eastern Europe in World War II and has repeatedly used force to maintain its dominance there since then.

The Warsaw Pact has developed enormous strength but Western Europe remains free and secure. In other words, our forces there in NATO and in Europe have maintained the peace since the end of World War II.

Fifth, there is now a good prospect for mutual and balanced force reductions—MBFR for short. Mutual and balanced force reduction talks are now under way in Vienna.

If we withdraw U.S. forces unilaterally, we would reduce the one bargaining power—and I want to call this especially to the attention of my colleagues—we would reduce the one bargaining consideration that has induced the Soviet Union to negotiate on this matter in the first place.

Mr. President, finally, withdrawing substantial U.S. forces would force greater reliance on nuclear weapons. In an age of strategic parity, it would be most unwise to upset the existing rough balance in Europe and reduce the President's options for dealing with possible crises in Europe. It could be there might be some skirmishes there. It could be possible that with the conventional forces we have there, we could deter the situation long enough for the heads of the nations to talk.

But if there is no recourse but to use nuclear weapons, then they could engage not only our country and the Soviet Union in war but could engage the entire world in a war. So it would seem the only sensible course to allow an option to the President; but we would take away that option if we reduced the strength of our NATO forces in Europe where they would become ineffective.

Mr. President, the man we have been relying upon to do our negotiating under President Nixon's direction, guidance, and supervision is Dr. Kissinger, the Secretary of State.

I should like to read some excerpts from a letter he wrote to the chairman of the Armed Services Committee of the Senate, the Senator from Mississippi (Mr. STENNIS), which is dated June 1, 1974.

These are Dr. Kissinger's words:

> I feel compelled to caution that unilateral reductions at this time could seriously undermine our efforts to achieve mutual reductions of forces between NATO and the Warsaw Pact in Europe where the bulk of our overseas forces are located. As you know, we have already reduced our troops in Europe by about one-fourth, from about 400,000 in the early 1960's to about 300,000 now. During the same period, Soviet forces deployed in Eastern Europe have increased by about 100,000, from 475,000 in 1962 to 575,000 now. But more important, the U.S. troops in Western Europe constitute an absolutely essential element of NATO's military posture in the Central Region.

Now, Mr. President, following that excerpt, he states as follows:

> An unreciprocated reduction of U.S. forces would remove Soviet incentives to negotiate seriously since they will hardly pay a price for something that is about to be handed them unilaterally by us.

Mr. President, that makes sense. In other words, Dr. Kissinger can use this force over there that we have and say to the Soviets, "We will reduce our forces if you reduce your forces." But if we already have reduced our forces, then we have lost our bargaining power.

Now, Mr. President, further down in the letter Dr. Kissinger makes this statement:

> There is no question in my mind that a reduction in United States forces in Europe would be destabilizing, and would afford distinct political advantages to potential adversaries.

He also makes this statement:

> But any major reduction in U.S. forces in South Korea, Japan, Okinawa, and the Philippines could seriously jeopardize our efforts to achieve a more permanent structure of peace in that area.

Mr. President, those are the words that come from Dr. Kissinger.

Are we going to take out of his hands the strength he says he needs in order to get a multilateral or a mutual reduction in forces?

That is what we want.

We want both sides to reduce. We want to reduce our side, to save the taxpayers of this country money. We want to reduce the number of tanks, planes, missiles, rockets, and all the other weapons of war. But we want the Soviets also to reduce their forces. We cannot afford to reduce unless the Soviets also reduce. We cannot get the Soviets to reduce if we give away our bargaining power first and unilaterally reduce because, as Dr. Kissinger has said in his letter, he would lose his bargaining strength.

Now, Mr. President, I want to say that it has been mentioned here something about defense officials during the day prowling around the corridors. Well, Mr. President, I am glad to see any defense officials over here that can shed any light on this situation. I am pleased to see the officials of our Government come to the Capitol and talk to Senators and Representatives about matters affecting the very survival of this Nation. That is what we are doing in this bill. We are considering weapons that affect the very survival of our Government and the freedom of the people of the United States. If those officials wish to come and talk to me and if they can enlighten me on subjects, I am delighted to have them come.

Something has been said about too many admirals and generals. The Armed Services Committee has already taken up this matter with the Defense Department, and they have agreed to reduce the number of admirals and generals. We will keep oversight with respect to that matter. Under the able chairmanship of Senator STENNIS, this matter will be followed up. I believe he has already given some figures to show some reductions now. Not only have we been after them to reduce the number of admirals and generals, but also, we have been after them to reduce headquarters and convert the cost of those headquarters into combat troops.

We have a relatively large proportion of support troops to combat troops, and for some years the Armed Services Committee of the Senate has felt that there should be a smaller proportion of support troops to combat troops, and we are working on that and will continue to do so.

Mr. President, the Mansfield amendment, No. 1392, would do two things. First, it would set a ceiling on military manpower effective December 31, 1975, at 2,027,100. To explain this, I have prepared a little chart, a copy of which will be placed on the desk of each Senator, so that Senators can see the true picture at a glance.

In other words, the DOD request was 2,152,000, and when we subtract from that the Mansfield amendment, 2,027,000, it shows a manpower cut of 125,000.

The Armed Services Committee has already considered this matter. They have already acted on this matter; and against the thinking of some of the members of the Armed Services Committee, the committee has reduced the manpower. It has made a cut of 49,000. We feel that this is sufficient, but Senator MANSFIELD's amendment would make a 76,000 cut in addition to the committee action.

Mr. President, at the very time when our President has been able to get some agreements in various parts of the world in order to preserve peace, and at the very time when there are crises in the world and when we are trying to take steps to bring about multilateral reductions in armaments, it certainly would be unwise to say to the world that we are going to reduce more than the Armed Services Committee has already reduced. Would that not be a signal to the Soviets that we were beginning to weaken? Would that not be a signal to our allies that we were beginning to draw back from various parts of the world and would not work with them to preserve peace in the free world?

The second part of the Mansfield amendment sets a ceiling on military manpower overseas, effective December 31, 1975, at 312,000. I will explain that figure.

We have 274,000 men in Europe, 116,000 in the Pacific, 35,000 in Southeast Asia, and 13,000 others, making a total of 438,000 overseas. Under the Mansfield amendment, there would be a cut, as I calculate—and we have gone over these figures—of 124,000.

The PRESIDING OFFICER. The Senator's 20 minutes have expired.

Mr. STENNIS. I yield the Senator 2 additional minutes.

Mr. THURMOND. This shows a ceiling allowed under the Mansfield amendment of 312,000.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. MANSFIELD The figure was 125,000, but the Senator must subtract from that the 49,000 which the committee, itself, reduced; so, overall, the figure would amount to 76,000.

Mr. THURMOND. That is in the act of establishing it. I have already explained that. I am now explaining the second part of the amendment, about the overseas part.

Mr. MANSFIELD. It is only overseas. It does not apply to domestic forces.

Mr. THURMOND. According to the Senator's amendment, he would set a ceiling of 2,027,100 in the whole active establishment.

Mr. MANSFIELD. Exactly, just as the Armed Services Committee set a ceiling on the basis of the 49,000 reduced which it agreed to and reported in the bill.

Mr. THURMOND. The DOD request, as I explained earlier, was 2,152,000. The Mansfield amendment would set it at 2,027,000.

Mr. MANSFIELD. And what would the committee do?

Mr. THURMOND. The Mansfield manpower cut was 125,000. The committee cut 49,000, which leaves a 76,000 cut in the Mansfield amendment, in addition to the committee action. But that would also be a cut overseas—if we want to call it the second part of the amendment of the distinguished Senator from Montana—to 312,000. I believe he calculated 313,000 and we calculated 312,000.

Mr. President, in my judgment, this is not the time, when our President has been so successful in getting negotiations to preserve peace in the world, to say to the world that we are going to weaken our establishment, that we are going to make such reductions here that could jeopardize further negotiations and further reductions.

I hope the Senate will defeat this amendment.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute without the time being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION AMENDMENTS OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 69.

The PRESIDING OFFICER (Mr. Haskell) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Pell, Mr. Williams, Mr. Randolph, Mr. Kennedy, Mr. Mondale, Mr. Cranston, Mr. Eagleton, Mr. Hathaway, Mr. Dominick, Mr. Javits, Mr. Schweiker, Mr. Beall, and Mr. Stafford conferees on the part of the Senate.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON ADMINISTRATION OF THE RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Hathaway) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the third annual report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et seq). This report has been prepared in accordance with section 211 of the act, and covers the period January 1, 1973 through December 31, 1973.

Richard Nixon.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the quorum which I am about to suggest be taken equally out of both sides on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is indeed a pleasure to debate a military procurement bill at a time when no American troops are engaged in hostilities abroad and the United States continues to make impressive progress in its efforts to improve relations with the Soviet Union and the People's Republic of China. This is due in large part to the relentless efforts of Secretary of State Kissinger, who seems to perform one diplomatic miracle after another to the amazement of us all. His most recent achievement in prompting the conclusion of a Syrian-Israeli troop withdrawal agreement may be his finest accomplishment to date.

This agreement, as well as the others, has been concluded in an atmosphere of compromise, an atmosphere which renders even the most insoluble problems, susceptible to negotiation, if not resolution. It is an atmosphere commonly known as détente. Although it behooves us to perpetuate this policy, it is essential to realize the foundation upon which this policy is based. It is based largely upon economic and military strength, in my judgment; and we dangerously mislead ourselves to attribute it to anything else. Our continued economic and military strength apparently has convinced our adversaries of the wisdom of pursuing constructive diplomatic and commercial ties with the United States rather than dwelling upon irreconcilable differences. They have done so because it is in their own best interests, and they can ill afford to confront the United States as long as we remain militarily their equal and economically their superior.

This is really the heart of the matter as we debate the military procurement bill for the next fiscal year, that is, how much defense is necessary to maintain strategic parity with the Soviet Union while not neglecting major domestic problems, including, of course, inflation.

Chairman Arthur Burns of the Federal Reserve Board said that unabated inflation could signal the eventual demise of our present form of society in America; and at the risk of appearing alarmist, I find some merit in that comment. I am of the opinion that one of the keys to controlling inflation is coming to grips with the sky-rocketing expenditures of the Federal Government. In this regard, defense spending is particularly significant. Although the percentage of Federal outlays spent on defense continues to decline, it still accounts for almost 6 percent of the gross national product and over 27 percent of the Federal budget.

This fact has prompted repeated legislative initiatives to reduce defense spending at every opportunity, and not surprisingly, the preponderance of these attempts have centered around the most visible weapons projects. It is not surprising simply because weapons are easier to understand and grasp and greater attention is traditionally devoted to weapons by the House and Senate Armed Services Committees than to certain other facets of the defense budget. Moreover, recurring cost overruns and frequent defense contractor bungling have tended to add to the growing inclination on the part of many to subject weapons to the closest scrutiny.

Although I generally commend these efforts and, in fact, intend to pose some questions of my own regarding various weapons proposals, we must not obscure what seems to be clearly the single most serious problem affecting the defense budget, and eventually our defense posture—the problem of manpower.

Manpower narrowly defined in the fiscal year 1975 defense budget accounts for approximately 57 percent of all defense outlays. If we include medical programs, hospital construction, et cetera, manpower consumes a phenomenal 66 percent. In the past 20 years, manpower has accounted for 93 percent of the increases in defense spending and 96.4 percent in the past 10 years. Moreover, the worst is yet to come.

Military retirement pay is a devastating example. At the present time, there are approximately 1 million individuals on military retirement rolls costing about $5 billion per year, not including the cost of any recomputation. By the year 2000, there will be approximately 2 million retirees with an annual cost in excess of $30 billion; and given reasonable pay and price increases, the Government will disburse between now and fiscal year 2000—only 25 years—over $400 billion in military retired pay. The government's unfunded liability for military retirement alone is already $137 billion which means that in the not-too-distant future, we could be spending as much on retirement annually as we do for all military research and development efforts.

The tragedy of it is that no real solutions are in sight for coming to grips with various aspects of the military manpower problem, and there will not be any real progress in this regard until manpower is given the same attention as weapons proposals. For these reasons, Senator BENTSEN and I proposed and gained passage of an amendment to the military procurement bill last year creating a seven-member Defense Manpower Commission.

Since that time, the Commission has been formally appointed and has selected the very able Curtis Tarr as its Chairman. Their task is both ambitious and awesome, but absolutely necessary if we in the Congress are to obtain a comprehensive and objective accounting of the problem as it presently exists and is likely to exist in the future.

Moreover, I would urge that consideration be given to "beefing up" our own capability in this regard. It is no fault of the respective Armed Services Committees, nor of the General Accounting Office that they cannot match the resources of the Pentagon in the manpower area. Indeed, they should not even try. However, it might be beneficial to consider devoting greater attention to manpower within the committees, whether such attention takes the form of additional staff personnel or the formation of a special manpower subcommittee so that when the Defense Manpower Commission submits their periodic findings, the Congress is in a better position to entertain those findings without having to rely on the Pentagon for advice.

And finally, I would urge the Department of Defense to undertake its own study of manpower requirements and the cost-effectiveness of the military today and in the future, for clearly they are the most familiar with the situation and, hopefully, the most interested in reducing costs. The reasons are obvious. Either we gain control of military personnel costs, or face the dangerous prospect of gradually compromising our overall defense capability. It is just that simple; because if inflation continues, and pressure increases to cut or limit defense spending, I submit that the Congress will have no choice but to eliminate essential weapons systems or impose strict personnel guidelines, neither of which are acceptable alternatives.

Mr. McINTYRE. Mr. President, will the distinguished Senator yield me 10 minutes on the bill?

Mr. STENNIS. Mr. President, I am glad to yield 10 minutes on the bill to the Senator, and such additional time as he and the Senator from Wisconsin may want on this matter.

Mr. McINTYRE. Mr. President, I am happy to yield to my distinguished colleague from Wisconsin in order to enter into a colloquy concerning a program in which he is very much interested, the Sanguine program.

Mr. NELSON. Mr. President, S. 3000, the military procurement authorization bill, contains a $11.4 million request for research and development of Project Sanguine, which has been an ongoing program for some years. This project, which is sponsored by the Navy, continues to be a matter of public controversy. Citizens in Wisconsin, Texas, Colorado, and Michigan are very much concerned about the possible environmental effects and the technical feasibility of the communications system that the Navy alleges that, despite nuclear attack or attempts at jamming, will assure continued command and control of U.S. strategic forces, particularly our attack submarines.

To clarify the funding situation in this procurement authorization bill, so that everyone understands what is being authorized, I would like to ask the distinguished chairman of the Armed Services Research Subcommittee (Mr. McINTYRE) some questions.

First, it is my understanding that the $11.4 million that is requested is slated for the design validation phase, including further environmental and feasibility testing. Not one penny will be spent on actual deployment or construction of the communications system.

Is that a correct statement of the facts?

Mr. McINTYRE. The Senator is correct.

Mr. NELSON. Second, that at this stage of development, Project Sanguine's technical feasibility is still undergoing evaluation, and neither the Navy nor the committee has made any commitment for construction and deployment. Is that correct?

Mr. McINTYRE. The Senator is correct. Before either the Navy or the committee commits themselves to construction of the system several things must happen. The Defense Systems Acquisitions Review Council will hold a meeting in April 1975. The Council will generally review the program and provide a status report on the site selection project. Then, in July 1976 the Council will meet again to review the site selection project and approve or reject recommendations for the final system. If the Council approves the project then money will be requested from the Congress for actual construction and deployment.

Mr. NELSON. Before any money for actual construction is authorized by the Senate, it is essential, that the following questions be answered definitively in debate on the floor of the Senate:

First. Have all of the environmental concerns that have been raised by citizens in Wisconsin and across the country and environmental experts been adequately answered?

Second. Is the system technically feasible? That is, does it work?

Third. Is it vital to our national defense?

Would the Senator agree to that?

Mr. McINTYRE. I would. I would agree with that.

Mr. NELSON. Mr. President, I know that it is clearly understood by the committee and by Members of the Senate that no final decision has been reached on any one of these three matters. We do not have a final decision on the question of environmental implications.

I believe it ought to be understood that when these environmental studies are completed scientific experts around the country will have the opportunity to evaluate the quality of the studies and come to their own conclusions about them. We will then have the benefit of both the results of the studies that the Navy has been engaged in, through a series of contracts with universities and private contractors, and an independent scientific analysis. In addition the final studies on the question of Project Sanguine's technical feasibility will have been made available and it will be clear whether or not the communications system which is being tested does in fact work.

When those two issues are settled, the Senate will then come to the question of whether or not—if the environmental studies showed there would be no environmental damage, and if the system is feasible—the system is vital to the defense of the United States. Is that correct?

Mr. McINTYRE. I would say to my good friend from Wisconsin that because of his astuteness and because of his deep interest in the environment, not only the U.S. Navy, but the Department of Defense and the full Committee on Armed Services are going to make very sure that no damage will occur to the environment in any way. We are going to cooperate fully with the Senator and his associates.

I know the Senator from Michigan is also very much concerned. These three questions that the Senator poses will have to be thoroughly debated and answered, I think, to the satisfaction of the Senate and the House before we go ahead.

Mr. NELSON. Assuming it is technically feasible, if there were—and I emphasize "if"—no environmental problems, we would still have to deal in the House of Representatives before the Armed Services Committee and on the floor of the Senate with the debate on the question of whether or not this communication system is vital to the defense of the United States, and the system would have to be approved by a vote of Congress before deployment of the system would commence.

Mr. McINTYRE. I would like to be as accommodating as I can. The Senator realizes that the Navy considered this program to be vital to our command and control of our strategic weaponry. But I think we are on the same ground.

The Senator is interested in making certain that this program is not going to cause environmental damage or damage to human life, and all of these factors which are of great concern to the Senator. We are going to cooperate fully with him, as we already have, and I will read into the RECORD at the conclusion of our little colloquy the amount of study, time, and effort that we have already spent, all due to the keen interest of the Senator from Michigan and the Senator from Wisconsin in this, before we come to a decision on deployment and its effect on the environmental world.

Mr. NELSON. I understand the Senator does agree that it is a part of a weapons system that would still have to have the positive approval by a vote of Congress before it could be deployed.

Mr. McINTYRE. Absolutely; that is correct.

Mr. NELSON. I thank the distinguished Senator from New Hampshire.

On the environmental question, I raised that issue with the Navy in 1968, and they began studies with a very modest $125,000 contract. The contract was, I believe, with the Hazelton Laboratories. I pointed out to the Navy in 1968 that such a limited study would be totally inadequate.

They have since developed comprehensive environmental studies and, as of the end of fiscal 1975, if this authorization is adopted, will have spent $20,600,000 on environmental studies.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. STENNIS. Mr. President, I yield 5 additional minutes on the bill to the Senator.

Mr. NELSON. I ask for just 1 minute.

I thank the Senator from New Hampshire, who conducted hearings on this issue. We submitted to him 25 questions that we wished to have dealt with in testimony before the committee. The Senator from New Hampshire asked these questions, which were comprehensive, and that help compile 139 pages of the hearing record—in part 6 of the authorization bill for military procurement. The pages covered in the hearing record are pages 3154 through 3157.

I thank the Senator for having testimony taken on these 25 questions, which went into great detail on all aspects of the issues in which I was interested having a record made.

Mr. McINTYRE. We intend to cooperate with the Senator from Wisconsin fully in the future.

I yield to the Senator from Michigan.

Mr. HART. Mr. President, I simply wish to express my appreciation to the Senator from Wisconsin and the Senator from New Hampshire for having made so clear, not alone for our constituents—because of their understandable concerns—but also for the Department of the Navy, the restraints and restrictions that attach to S. 3000 as it relates to Project Sanguine.

The Senator from Wisconsin emphasized properly the environmental concern, and the ultimate question of military necessity and feasibility.

But I ask explicitly with respect to the matter of hurt, harm, and injury to human life: Is it not true that before there will be any deployment permitted of the system known as Sanguine, Congress, led by the Senator from New Hampshire, would have to have demonstrated to it that there would be absolutely no harmful effect on a human being by the deployment of this rather esoteric system?

Mr. McINTYRE. In response to the question of the Senator, that would, of course, be of the highest priority and force to indicate whether there were any possible damage to human life. The Senator can rest assured on that.

If the Senator heard me explain this to the Senator from Wisconsin, the subcommittee and the full committee intend to cooperate fully with his questions to cooperate with him.

Mr. HART. I think the people of Wisconsin and elsewhere will be made more comfortable by reading the remarks of the able Senator from New Hampshire who, better than any of us, understands the enormity of the problem, and will make clear to the Navy the restraints under which it will operate.

I thank the able Senator.

Mr. McINTYRE. I thank my good friend from Michigan. The total funding on the Sanguine program amounts to $86,300,000 through fiscal year 1975, of which, as the Senator from Wisconsin said, $20,600,000 has been or will be expended on studies of various types.

I call attention to the extensive hearings appearing in the hearing record on pages 3135 to 3274; which represents 140 pages we devoted to hearings on April 1 of this year.

Also, in the committee report we have covered this on pages 110 and 111, which I shall read into the RECORD for the assurance of all concerned about the environmental features. At the top of page 111, the committee says:

> The committee will continue to closely follow the progress of this program, including, in particular, both technical feasibility and environmental aspects of the system. In this regard, the committee considers Sanguine to be a program of special interest and enjoins the Department of the Navy to keep the committee apprised of all significant problems or developments as they occur.

I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STENNIS. From the time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending amendment may be laid aside temporarily and that the distinguished Senator from Georgia may call up an amendment, with a limitation thereon of 15 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> At the appropriate place in the bill, insert the following:
>
> SEC. —.
>
> Section 401 of the Department of Defense Supplemental Appropriations Authorization Act, 1974, is amended by striking out the period at the end of such section and inserting in lieu thereof the following: "when his enlistment is needed to meet established strength requirements.".

Mr. NUNN. Mr. President, I have discussed this amendment with the Senator from Mississippi and the Senator from Texas. This amendment is being done at the request of Secretary of the Army Callaway. I will go into the background matter briefly.

Last year, the House Appropriations Committee put certain restrictions in the appropriation bill relating to overall high school graduates, the number of those graduates that must be included in service recruitment totals. Then the House authorization committee, which is the House Armed Services Committee, came back with a sentence in the authorization bill, the 1974 supplemental authorization bill, which reads as follows:

> Notwithstanding any other provision of law, no volunteer for enlistment in the armed services shall be denied enlistment solely because of not having a high school diploma.

That was put in, as I understand it, to negate some of the problems that the Marine Corps and the Army were having with meeting the high school diploma requirement. That is understandable, and I am not getting into the merits of either the House Appropriation Committee decision or the Armed Services Committee position. But it is clear that neither of these committees intended to interfere with ongoing programs of the Army that required high school diplomas.

What I have proposed is really an amendment to the 1974 supplemental authorization bill, which received final approval of the Senate yesterday morning, and it simply adds to the previous language these words:

> When his enlistment is needed to meet established strength requirements.

This is really a neutral kind of amendment so far as the debate is concerned as to what the number of high school graduates should be or should not be. This does not address that point. I happen to be one of those who believe there should be more high school graduates.

This amendment would give the Secretary of the Army, or the Secretary of any other service, the flexibility to meet their requirements; and, once they have met their requirements, they could use the high school diploma as a criterion. In some of the services, they are using the high school diploma, and they are being restrictive in certain categories.

The fear was that amendment in the House 1974 supplemental authorization bill would have precluded the Secretary from using the high school diploma in any way, should he decide to, in order to help screen out applicants. This amendment would restore that flexibility to the Secretary, so that the high school diploma could be used as a criterion when the Secretary did not need the particular applicant to fulfill a quota. That is really all the amendment would do.

I have discussed this amendment with the chairman, the Senator from Mississippi. I am sure that he is agreeable to it. I defer to the Senator from Texas for any comments he might wish to make.

Mr. TOWER. Mr. President, I think this is a constructive amendment. It is my understanding that it does make it discretionary with the Secretary. Is that correct?

Mr. NUNN. That is right. It would not preclude him from using the high school diploma in instances where he does not have any problem fulfilling his quota.

Mr. TOWER. I am prepared to accept the amendment for the minority, and I believe that Senator STENNIS has already put his imprimatur on it.

Mr. NUNN. He has, and he has authorized me to handle it from the committee's position as well as from the individual position. The committee does accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. NUNN. I yield back the remainder of my time.

Mr. TOWER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed be charged equally to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily and that there be a time limitation of 10 minutes on the Bayh amendment, the time to be equally divided between the manager of the bill, the Senator from Texas (Mr. TOWER), and the Senator from Indiana (Mr. HARTKE).

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1390

Mr. BAYH. Mr. President, I call up my amendment No. 1390, on behalf of myself and the Senator from Pennsylvania (Mr. SCHWEIKER).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

> At the appropriate place in the bill insert a new section as follows:
>
> SEC. —. It is the sense of the Congress that, in carrying out advertising activities for the recruitment of military personnel, the Department of Defense should utilize all major forms of public media, including the broadcasting media.

Mr. BAYH. Mr. President, I ask unanimous consent that Mr. Heckman of my staff be permitted on the floor during discussion of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, for the sake of expedience, perhaps it might be best for the Senator from Indiana to read the amendment because it is very simple and straightforward. The amendment states:

> SEC. —. It is the sense of the Congress that in carrying out advertising activities for the recruitment of military personnel, the Department of Defense should utilize all major forms of public media, including the broadcasting media.

Mr. President, the purpose of the amendment is to provide that the people who are charged with the recruiting for the volunteer army, those who are directing our armed services are in a better position to know from their experience what media and how much of the various kinds of media can be most successful in persuading young men and women to serve their country in the military services; and that we should not continue, as a result of the strong feelings on the part of certain Members of the other body, to prohibit the use of certain types of media to persuade young men and women to serve in the military service. It is not for us to tell them what to use, but rather to let them use the media they find most successful in their recruiting efforts.

Mr. President, this amendment is designed to remedy what I regard as an inequitable policy that the Department of Defense has followed in the last few years with regard to its expenditures for advertising for recruiting purposes. Although the current budget contains almost $100 million for advertising, under current DOD policy none of this is expended for radio and television.

This history behind this policy is interesting. In 1971 the Army began an experimental program of paid television advertising in connection with its initial efforts on the All-Volunteer Army. Apparently all or virtually all of these funds, some $6 million, went only to the television and radio networks. Many of the smaller broadcasters around the country were naturally upset that with this experimental program at least, they were not to participate. As a result of the complaints of many of these broadcasters, the Congress in its conference report on the fiscal year 1972 Department of Defense appropriations bill settled the issue by simply barring the use of any funds for paid advertising in the electronic media. Although this provision in the conference report applied only to fiscal year 1972 funds, the Defense Department has continued the policy of expending no funds for this purpose.

The amendment I offer today would simply indicate to the Defense Department that it is the sentiment of the Congress that in allocating the funds made available for recruitment advertising, consideration should be given to the use of all forms of the media, including radio and television. I have discussed the question with the appropriate officials of the Department and they have indicated that they would welcome such an amendment. As all of us in this chamber are well aware, the electronic media is by far the most effective in reaching the American people. Since our Government has decided to follow the policy of an All-Volunteer Army, it seems to me that it is important that the military be able to use all of the media in its effort to make the concept work.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I think the amendment of the Senator from Indiana is a reasonable amendment. I am prepared to accept it.

I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Mississippi desire to be recognized?

Mr. STENNIS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. STENNIS. Mr. President, this is an old question that has been before us several times. It is a question of judgment with respect to the methods of presenting the appeal with reference to the volunteer army. In exercising its judgment, the House has turned this sort of proposal down. In conference we have had the fullest of discussions about it and the House is totally opposed to yielding.

I support the volunteer army concept, even though I did not support it as a change of policy.

For my part I am willing to take this matter to conference again and have it considered. The Senator from Indiana knows it has been resisted, but we will do the best we can.

Mr. BAYH. Mr. President, I appreciate the willingness of our distinguished chairman and the ranking minority member to pursue this particular amendment in conference. I am hopeful that good judgment and the passage of time will persuade some of those in the other body who have had very strong feelings with respect to this matter.

If we are to proceed with the volunteer army concept, we have to give those charged with the great responsibility of recruiting young men and women to serve in the Army the opportunity to exercise their judgment as to how they can sell this idea to those they seek to enlist.

I appreciate the courtesy of both of our distinguished colleagues.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BAYH. I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time on the amendment.

Mr. TOWER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Hartke amendment having to do with the recomputation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Hartke amendment is called up there be a time limitation of 20 minutes, to be divided between the sponsor of the amendment, the Senator from Indiana (Mr. HARTKE), and the manager of the bill, the Senator from Mississippi (Mr. STENNIS).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, the pending amendment will temporarily be laid aside.

AMENDMENT NO. 1377

Mr. HARTKE. Mr. President, I call up my amendment No. 1377 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 1377 is as follows:

On page 17, between lines 20 and 21, insert the following new title:

TITLE VIII—MILITARY RETIREMENT RECOMPUTATION

SEC. 801. Notwithstanding any other provision of law, a member or former member of a uniformed service (1) who is sixty years of age or older on the date of enactment of this Act or becomes sixty years of age after such date, is retired for reasons other than physical disability, or for physical disability under title IV of the Career Compensation Act of 1949 (63 Stat. 816–825), as amended, or chapter 61 of title 10, United States Code, whose disability was finally determined to be of a permanent nature and less than 30 per centum under the standard schedule of rating disabilities in use by the Veterans' Administration at the time of that determination, and is entitled to retired pay computed under the rates of basic pay in effect before January 1, 1972, or (2) who is entitled to retired pay for physical disability under title IV of the Career Compensation Act of 1949 (63 Stat. 816–825), as amended, or chapter 61 of title 10, United States Code, whose disability was finally determined to be of a permanent nature and at least 30 per centum under the standard schedule of rating disabilities in use by the Veterans' Administration at the time of that determination, and whose retired pay is computed under rates of basic pay in effect after October 1, 1949, and before January 1, 1972, is entitled to have that pay recomputed upon the rates of basic pay in effect on January 1, 1972.

SEC. 802. A member or former member of a uniformed service who was retired by reason of physical disability and who is entitled, in accordance with section 411 of the Career Compensation Act of 1949 (63 Stat. 823), to retired pay computed under provisions of law in effect on the day preceding the date of enactment of that Act, may elect within the one-year period following the date of enactment of this Act, to receive disability retirement pay computed under provisions of law in effect on January 1, 1972, in lieu of the retired pay to which he is otherwise entitled.

SEC. 803. (a) A member or former member of a uniformed service who is sixty years of age or older on the date of enactment of this Act and is entitled to have his retired pay recomputed under the first section of this Act shall be entitled to retired pay based upon such recomputation effective on the first day of the first calendar month following the month in which this Act is enacted.

(b) A member or former member of a uniformed service who becomes sixty years of age after the date of enactment of this Act and is eligible to have his retired pay recomputed under the first section of this Act shall be entitled to retired pay based upon such recomputation effective on the first day of the first calendar month following the month in which he becomes sixty years of age.

(c) A member or former member of a uniformed service who retired by reason of physical disability under title IV of the Career Compensation Act of 1949 and whose disability was finally determined to be of a permanent nature and at least 30 per centum under the standard schedule of rating disabilities in use by the Veterans' Administration at the time of that determination, and is entitled to have his retired pay recomputed under the first section of this Act, shall be entitled to retired pay based upon such recomputation effective on the first day of the first calendar month following the month in which this Act is enacted.

(d) A member or former member of a uniformed service who is entitled to make an election under section 2 of this Act and elects to have his retired pay recomputed as authorized in such section shall be entitled to retired pay based upon such recomputation effective on the first day of the first calendar month following the month in which he makes such election.

SEC. 804. The enactment of sections 1 and 3 of this Act does not reduce the monthly retired pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.

SEC. 805. A member or former member of a uniformed service whose retired pay is recomputed under this Act is entitled to have that pay increased by any applicable adjustments in pay under section 1401a of title 10, United States Code, which occur or have occurred after January 1, 1972.

SEC. 806. As used in this Act (1) the term "uniformed services" has the same meaning ascribed to such term by section 101(3) of title 37, United States Code, and (2) the term "retired pay" means retired pay or retainer pay, as the case may be.

Mr. HARTKE. Mr. President, the amendment I am offering today provides for a one-time recomputation of benefits for military retirees, using the base rates of pay for January 1, 1972.

The U.S. Congress and the administration have delayed long enough in correcting the severe injustice that has been done to the retired members of our uniformed services. In 1958, the retirement recomputation system which had been in effect since 1861, was suspended. Under the pre-1958 system, retirees had their benefits recomputed whenever active duty base pay was increased. Without recomputation, military retirees with the same rank and the same number of years of service receive widely different retirement benefits.

My amendment would remedy this injustice. Since 1958, there have been 12 pay raises. The Hartke amendment would simply make one recomputation, based on pay rates in effect on January 1, 1972. The increase in retirement benefits would be effective immediately for all persons 60 years or older and for those who are at least 30 percent disabled. Other retirees would have their retired pay recomputed at the time they reach age 60.

Mr. President, I find myself in the unusual position of acting to redeem a campaign promise made by President

Nixon in 1968 and again in 1972. During the campaign, the President stated that he felt that the precipitous suspension of the recomputation system was, and I quote the President:

> A breach of faith for those hundreds of thousands of American patriots, who have devoted a career of service to their country and who, when they entered the service, relied upon the laws insuring equal retirement benefits.

In 1968, Senator Humphrey and Governor Wallace were equally strong in their endorsement of a restoration of recomputation rights to retired military personnel.

In 1972, my distinguished colleague, Senator McGovern, pledged his support for military recomputation and he has been one of the prime cosponsors of my amendment in the past.

The Hartke approach to recomputation is just, equitable and economically realistic. Formulated by keeping the economic consequences to the military budget firmly in mind, it is estimated first-year cost was $343 million.

Full restoration of the recomputation system would cost over $1 billion in the first fiscal year of its operation and carry a lifetime cost of over $140 billion. The Hartke solution to the recomputation problem is designed to keep expenditure at a reasonable level.

I find it of grave interest to note that the President is blaming Congress for its negligence in enacting some form of recomputation. In his most recent budget requests he says:

> An allowance of about $400 million for recomputation of military retirement pay has been included in each of the past two budget requests in fulfillment of a pledge made in 1968. In both years, the request was not approved by Congress.
>
> Consequently, although the administration continues to support recomputation, it cannot realistically include it in the budget request.

I think it is time that we met the challenge offered us by the President and enact a reasonable and financially responsible recomputation system.

The Senate has made good on its pledge to recomputation by endorsing my amendment twice in the past by substantial margins.

What is the full history of military recomputation? The recomputation system was started in 1861. Retirees had their benefits recomputed whenever active duty base pay was increased. In 1922, recomputation was suspended until 1926, when the 69th Congress corrected the injustice by restoring the system. At that time, the Senate committee report stated, and I quote:

> The 1922 legislation deprives all officers retired prior to that date of said benefits, thereby violating the basic law under which these officers gained their retirement rights. There is no justice in two pay schedules for equal merit and equal service. (Senate Report 364, 69th Congress)

This statement is equally true today. We now have 12 different rates of retired pay for retirees of equal ranks and service. The unfortunate result of the present system is that the oldest retirees, whose need is most often the greatest, are those in each case receiving the smallest benefits while the youngest are receiving the largest. The disparity in many cases exceeds 50 percent.

This difference in retirement benefits for equal service exists because of the sudden suspension of the recomputation system in 1958 and its repeal in 1963. In the 1963 decision, a system of raises based upon increases in the cost of living was substituted with no "savings clause" to protect the previously earned benefit. This provision has utterly failed to make up for the loss of the earned right to which the retirees had previously been entitled.

As a result of the 1958 and 1963 decisions, merit and length of service are no longer primary factors in determining the compensation a retiree will receive during the inactive phase of his career. On the contrary, it has now become a matter of the individual's birthdate and how successful he has been in manipulating a favorable retirement date.

For instance, a lieutenant colonel retiring today receives more retired pay than a major general who retired only 10 years ago.

In the last months, I have been very gratified to see the enthusiasm for my amendment grow in the House. Representative Bob Wilson, who is a long and courageous promoter of recomputation, has introduced the amendment in the House this spring. Congressman Wilson has worked very hard for this legislation both on the floor and in committee. There are now 89 cosponsors to the amendment in the House.

The Hartke approach has earned the united support of the various military retiree organizations. Leaders of the 16 major military organizations, representing almost a million military men both on active duty and retired, have pledged their full support for this amendment. In addition, the proposal has received the enthusiastic endorsement of the American Legion, Veterans of Foreign Wars, Disabled American Veterans and the National Association of Retired Persons/National Retired Teachers Association, comprising a joint membership of more than 10 million people. The issue is worthy of their support.

Mr. President, I ask unanimous consent that letters addressed to my office from some of these organizations be placed in the Record at this point. I also ask unanimous consent that a chart showing the number of retired military personnel living in each State be placed in the Record at this point. A copy of this chart has also been placed on each of my colleagues' desks.

There being no objection, the material was ordered to be printed in the Record, as follows:

The American Legion,
Washington, D.C., June 5, 1974.

Hon. Vance Hartke,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

Dear Senator Hartke: It is our understanding that you will propose an amendment to S. 3000, the Military Procurement Authorizations bill presently under consideration by the Senate, to permit a limited recomputation of the rates of pay for certain physically disabled and older retirees of the Armed Forces.

The American Legion strongly supported your efforts to accomplish this in past years and we continue to do so. Adoption of your amendment would, in large measure, cure an inequity under the existing system which provides for some eleven different rates of retired pay for persons of equal grade and length of service. This has resulted in the oldest retirees with the greatest need receiving the smallest pay. The disparity, in many cases, is as much as 50 percent.

Enclosed is a copy of our current resolution on this subject and we want you to know that your efforts again this year are appreciated.

Sincerely yours,
Herald E. Stringer,
Director, National Legislative Commission.

THE 55TH NATIONAL CONVENTION OF THE AMERICAN LEGION

RESOLUTION NO. 189

Committee: National Security.

Subject: Equalize military retired pay.

Whereas, past inequities have been created by failure to update military retired pay; and

Whereas, the Federal Government has an obligation to retired military personnel to provide retired pay in line with what they were led to expect when they entered the armed forces and acknowledging that retirement pay is part of what a veteran has earned; and

Whereas, the retired pay for these military retirees is based on the inadequate pay scales which prevailed during their long and faithful years of service; and

Whereas, those who have retired for disabilities incurred in line of duty have by their sacrifices earned the right to every consideration when corrections in provisions for retirement and retainer pay are considered for all members and former members of the uniformed services; and

Whereas, it is quite clear that pay for all retirees, including all disabled retirees should be equalized so that all such retirees of the same grade, years of service, and all disabled retirees be the same; and

Whereas, the application for piecemeal increases based on the consumer price index does not compensate for the low retirement pay; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Honolulu, Hawaii, August 21, 22, 23, 1973, that we endorse and support legislation to equalize military retired pay currently in effect for active duty personnel having the same grade or rank and length of service.

Disabled American Veterans,
June 6, 1974.

Hon. Vance Hartke,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Hartke: The most recent national convention of the Disabled American Veterans unanimously adopted Resolution No. 231 to endorse and support legislation to equalize military disability retired pay with that currently in effect for active duty personnel having the same grade and length of service.

In accordance with the mandate of the enclosed resolution, the Disabled American Veterans strongly supports the Recomputation Amendment that you will offer to the Department of Defense Appropriation Authorization Act, S. 3000, and we respectfully urge the Senate's approval of this most equitable proposal.

Sincerely,
John T. Soave,
National Commander.

RECOMPUTATION OF MILITARY RETIRED PAY

Whereas, past inequities have been created by the failure to update military retired pay, and

Whereas, the Federal government has an obligation to retired military personnel to provide retired pay in line with what they were lead to expect when they entered the armed forces, and

Whereas, the retired pay for former military retirees is based on the inadequate pay scales which prevailed during their long and faithful years of service, and

Whereas, those who have retired for disabilities incurred in line of duty have by their sacrifices earned the right to every consideration when corrections in provisions for retirement and retainer pay are considered for all members and former members of the uniformed services, and

Whereas, it is evident that the pay for all military retirees, including the disabled, should be equalized so that all such retirees of the same grade and years of service, receive the same, and

Whereas, the application of piece-meal increases based on the consumer price index does not compensate for the low retirement pay; Now

Therefore, be it resolved, by the Disabled American Veterans in National Convention assembled at Miami Beach, Florida, August 12–18, 1973, that we endorse and support legislation to equalize military disability retired pay with that currently in effect for active duty personnel having the same grade and length of service.

THE RETIRED OFFICERS ASSOCIATION,
Washington, D.C., June 6, 1974.
Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: On behalf of our over 182,000 members and of the national membership of the Retired Enlished Association, who have asked that we speak for them in this matter, I extend our profound thanks for your continued interest and indefatigable efforts in resolving the inequitable situation currently existing regarding military retired pay.

We feel that there is a clear moral obligation on the part of the government to take remedial action. Our organizations fully support the compromise recomputation amendment which you have offered to S. 3000, the Department of Defense Appropriation Authorization Act of 1975.

We trust the members of the Senate will again adopt the amendment by an overwhelming majority as was done in 1972 and 1973 on similar proposals which you offered. As before, we are at your call for whatever assistance we can provide.

Sincerely,

BARKSDALE HAMLETT,
General, USA, Retired, President.

RESERVE OFFICERS ASSOCIATION
OF THE UNITED STATES,
Washington, D.C., June 6, 1974.
Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: By re-submitting your amendment to provide for a limited, one time, settlement of the issue of recomputation of military retired pay, you again bring to the attention of your colleagues, of both bodies of the Congress, the necessity to eliminate an inequity that should no longer be permitted to exist.

It is our belief that if the will of the majority of the Congress can be asserted your amendment will prevail in the final enactment of the bill before the Senate today.

The provisions of your amendment have been carefully developed. It represents, in our opinion, a general consensus among those who benefit from it and those who must pay for it, a reasonable and just solution to this vexing issue. Actually, the current and ultimate cost of your proposal is considerably less than that originally proposed by the administration.

By this communication, through you, we urge the Senate to do as they did last year: *overwhelmingly adopt your amendment;* that the Senate conferees remain insistent upon its inclusion in the Conference Report and that the House be allowed to express its evident will for its approval.

In summary, to you and your fellow Senators, who supported you last year, our deepest gratitude, and our urgent appeal that your amendment become laws, which will in the end ensure the morale of our Armed Services and thus strengthen and assure the security of our nation.

Sincerely,

JOHN T. CARLTON,
Executive Director.

DISABLED OFFICERS ASSOCIATION,
Washington, D.C., June 6, 1974.
Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: This letter confirms talks with members of your staff relative to your again introducing an Amendment to a Military Authorization Act, in this case for Fiscal Year 1975.

Our association, formed in 1919, by a group of Temporary Officers disabled in World War I, does sincerely appreciate your earnest efforts both in the past and in this instance, to correct a long standing inequity by advocating a fair compromise solution.

In "recomputation" or pay equalization matters, our association was mandated by our 1972 National Convention to support the Administration's "one-shot" recomputation bill, as amended, that was to provide 50 percent of the 1 January 1971 pay scales to those pre-1949 disability retirees, who were retired under laws in effect prior to the Career Compensation Act of 1949. However, our National Executive Committee by a strong majority vote in 1973 agreed to support your Senate Bill S–1336 which would provide for a "one-shot" recomputation on the 1 January 1972 pay scales immediately for all retirees age 60 or over whose retirement was based on length of service, and to all persons regardless of age, who were retired for disability under the Career Compensation Act of 1949. Retirees for length of service not yet age 60 would be increased to the 1972 pay scales, plus interim changes to those rates based on the CPI, when they reach age 60. Members retired for physical disability under laws in effect prior to 1949 would have the option to remain under current retirement laws or to come under the new recomputation legislation, at their actual degree of disability.

Approximately 60 percent of our membership consists of pre-1949 disabled officers who elected to receive their retired pay under laws in effect prior to 1 October 1949 the date of the Career Compensation Act.

Therefore, in order to help our pre-1949 disabled members we do advocate a compromise, a fair bill that can possibly pass through the Congress and which will be signed into law by the President.

We believe that your amendment will not only comply with our mandated position, but will correct a long standing injustice, while at the same time it will be within realistic cost estimates as viewed in our expanding economy.

Sincerely yours,

WALTER J. REILLY,
Major, U.S. Marine Corps, Retired Chairman, National Legislative Committee.

AIR FORCE SERGEANTS ASSOCIATION,
Washington, D.C. JUNE 6, 1974.
Hon. VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: The many thousands of retired enlisted men and women of our association have been encouraged in the past by efforts in obtaining at least a one time recomputation of retired pay.

As you are well aware, the consumer price index (CPI) formula utilized in assisting the retirees in keeping pace with the inflationary economy is deeply appreciated. However, for the average enlisted individual, who retired under a far lower active duty pay formula, a CPI increase of 6 per cent on $200.00 amounts to the great sum of $12.00. Even though appreciated, the base upon which the CPI is applied is far too low to be meaningful.

This is to inform you that our association, in addition to supporting the Honorable Bob Wilson's bills on recomputation, renders full support to the compromise amendment you offered to the Department of Defense Appropriation Authorization Act of 1975 (S. 3000).

On behalf of the retired enlisted people we represent, it is imperative that your compromise amendment be enacted into law, thus bringing the retired pay of the enlisted retiree up to an amount that will enable the CPI increases to assist in keeping pace with the economy.

We urge all members of the United States Senate support your efforts and that our retired veterans, many of whom are living on a fixed income, be considered with the same respect during their waning years of retirement, as they were during the periods of conflict.

Yours in dedication and service,

DONALD L. HARLOW,
CMSAF (Ret.) Director of Legislation.

MILITARY WIVES ASSOCIATION, INC.,
Washington, D.C., June 6, 1974.

DEAR SENATOR HARTKE: The Military Wives Association is delivering a letter to every Senator today asking them to vote for the amendment on Recomputation which you so kindly attached to the Military Procurement Bill S 3000.

We deeply appreciate your efforts on behalf of all the military whose pay is so grossly inequitable to those men currently retiring. We wish you every success in the passage of this amendment.

Sincerely,

Mrs. R. C. SOXMAN,
President.

AIR FORCE ASSOCIATION,
Washington, D.C., June 6, 1974.
Hon. VANCE HARTKE,
U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR HARTKE: On behalf of the more than 125,000 members of the Air Force Association we salute your persevering efforts to continue the hallowed practice, abruptly abandoned in 1958, of recomputation of military retired pay. We believe that your amendment to the Department of Defense Authorization Act of 1975 (S3000) is an affirmation of reassurance to this Nation's military retirees that they have not been abandoned. We support this.

As our current Policy Resolution, passed unanimously by our last National Convention of delegates assembled, reads, in part:

Whereas, AFA continues to support the principle of full recomputation while at the same time fully recognizing that budgetary considerations militate against such an eventuality at this time; and

Whereas, legislation has been introduced in the Congress which reaffirms the principle of recomputation;

Now, therefore, be it resolved that the Air Force Association urges . . . the Congress to pass legislation now pending which will authorize recomputation when retirees reach age sixty, with such recomputation to be computed on the basis of military pay scales in effect on January 1, 1972."

On behalf of all of our members, we thank you for your continued interest in correcting this inequity.

Kindest personal regards,

JOE L. SHOSID.

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
Washington, D.C., June 6, 1974.

Hon. VANCE HARTKE,
Chairman Veterans Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Since the time recomputation of military retired pay based on active-duty scales and discontinued, when Congress departed form this method of adjusting retired pay in the 1958 Military Pay Act, each ensuing National Convention of the Veterans of Foreign Wars of the United States has given us a mandate, in the form of a resolution passed by the more than 14,000 voting delegates thereto, to seek recomputation of retired pay on present-day pay scales and such has been one of our continuing Priority Legislative Goals. Our most recent National Convention, held in New Orleans, Lousiana, August 17–24, 1973, gave us a somewhat broader mandate, a copy of which is enclosed.

In view of the foregoing, rest assured you have the full support of the 1.8 million members of the Veterans of Foreign Wars and the more than 500,000 members of our Ladies Auxiliary in your Amendment No. 1377 to S. 3000, the Military Procurement Authorization Bill, to grant recomputation of military retired pay.

Trusting your amendment receives overwhelming approval and with best wishes and kindest personal regards, I am

Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

RESOLUTION NO. 684: RECOMPUTATION OF RETIREMENT PAY, RETIRED MILITARY PERSONNEL

Whereas, recomputation of retirement pay for retired members of the military has not been accomplished since 1958; and

Whereas, the number of pay increases authorized for the U.S. Military since 1958 has caused a vast difference in the amount of retirement pay to individuals retired in 1958 and subsequent years; and

Whereas, military personnel retired since 1958 did serve long and faithfully to earn their retired benefits; and

Whereas, the recomputation regulation was abolished late in the careers of a very large group of those presently retired and was not expected by that group; now therefore

Be it resolved, by the 74th National Convention of the Veterans of Foreign Wars of the United States, that we vigorously support Recomputation of Retirement Pay Bills in Congress.

MILITARY PERSONNEL RECEIVING RETIRED OR RETAINER PAY AS OF JUNE 30, 1973

State	Total	Air Force	Army	Navy	Marines
Alabama	18, 708	7, 296	7, 764	3, 124	524
Alaska	2, 151	1, 105	736	265	45
Arizona	16, 837	8, 368	5, 237	2, 508	724
Arkansas	10, 383	3, 966	3, 946	2, 129	342
California	161, 823	42, 235	35, 925	69, 584	14, 079
Colorado	19, 643	9, 370	7, 641	2, 161	471
Connecticut	8, 418	1, 490	2, 466	4, 100	362
Delaware	2, 526	1, 361	606	498	61
Washington, D.C	6, 548	1, 218	3, 615	1, 532	183
Florida	76, 702	29, 530	19, 176	24, 698	3, 298
Georgia	29, 932	8, 321	15, 897	4, 190	1, 527
Hawaii	6, 174	1, 352	2, 735	1, 747	340
Idaho	2, 992	1, 355	748	739	150
Illinois	19, 737	6, 020	7, 697	4, 993	1, 027
Indiana	10, 289	2, 912	4, 609	2, 222	546
Iowa	4, 490	1, 239	1, 769	1, 275	207
Kansas	8, 512	3, 013	3, 839	1, 405	255
Kentucky	11, 225	2, 245	7, 016	1, 616	348
Louisiana	14, 031	6, 145	4, 546	2, 652	688
Maine	5, 051	1, 500	1, 753	1, 581	217
Maryland	25, 256	6, 137	10, 052	7, 930	1, 137
Massachusetts	18, 801	5, 246	6, 317	6, 486	752
Michigan	13, 095	4, 374	5, 382	2, 894	445
Minnesota	7, 483	2, 267	2, 859	1, 676	681
Mississippi	9, 821	4, 705	2, 887	1, 846	383
Missouri	15, 715	5, 265	6, 549	3, 284	707
Montana	2, 245	1, 100	577	480	88
Nebraska	4, 677	2, 502	1, 221	828	126
Nevada	5, 051	2, 505	975	1, 228	283
New Hampshire	4, 771	1, 642	1, 679	1, 245	205
New Jersey	19, 718	3, 727	10, 017	4, 160	1, 814
New Mexico	7, 577	3, 834	2, 432	1, 099	212
New York	30, 868	8, 458	13, 489	7, 563	1, 358
North Carolina	22, 449	5, 321	9, 653	4, 153	3, 322
North Dakota	935	391	337	180	27
Ohio	19, 924	8, 149	7, 053	3, 766	956
Oklahoma	14, 405	5, 618	6, 525	1, 873	389
Oregon	9, 915	3, 123	2, 786	3, 411	595
Pennsylvania	28, 062	6, 538	11, 842	8, 082	1, 600
Rhode Island	4, 864	511	987	3, 244	122
South Carolina	18, 811	5, 813	6, 979	4, 740	1, 279
South Dakota	1, 403	689	456	229	29
Tennessee	15, 902	5, 057	5, 868	4, 150	827
Texas	74, 831	35, 246	28, 361	9, 204	2, 020
Utah	3, 554	1, 549	1, 244	647	114
Vermont	1, 412	438	616	306	52
Virginia	49, 576	8, 923	17, 699	19, 930	3, 024
Washington	28, 997	8, 322	11, 164	8, 699	812
West Virginia	4, 302	1, 282	1, 768	1, 033	219
Wisconsin	7, 296	2, 196	3, 013	1, 729	358
Wyoming	1, 310	693	348	231	38
Total United States	909, 198	291, 662	318, 763	249, 405	49, 368
Outside United States and undistributed	26, 195	6, 575	13, 857	4, 646	917
Total, June 30, 1973	935, 393	296, 237	332, 620	254, 251	50, 285

Mr. HARTKE. Mr. President, recomputation has come of age, and it is time for both Houses of Congress to enact this legislation. Recomputation is a bipartisan issue and I urge all my colleagues to support this amendment which will correct the present inequity against retired military personnel.

Mr. President, the distinguished Senator from Texas is on the floor, and he has repeatedly authored a bill which would correct all inequities, but, under the circumstances, I feel that probably this somewhat limited approach to the matter is about all we can do, especially in view of the fact that the House of Representatives has consistently refused to accept even this limited version of recomputation.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. TOWER. I thank the Senator from Indiana for his remarks. I associate myself with his amendment and intend to support it.

Mr. STENNIS. Mr. President, will the Senator use his microphone? I cannot hear him.

Mr. TOWER. I think that the Senator from Indiana has underscored the difficulty we have, and that is that we cannot prevail on the House to accept it. I feel that a majority of the members of the House committee are in favor of the recomputation bill, but somehow we always get bogged down in conference on this matter. They keep promising that they are going to do something about it, hold hearings, and that sort of thing. I do not know whether they have made any progress there or not. For my part, I hope the amendment will be adopted so it can be taken to conference and perhaps some of the other thoughts can prevail.

Mr. HARTKE. I would like to point out that this year this item is not in the budget request, but the President really puts the blame on Congress for being negligent in this regard, saying Congress has refused to fulfill the pledge he made in 1968 and in 1972 in his campaigns, and he had said that allowance for recomputation of military time and pay has been included in the past two budget requests in fulfillment of the pledge of 1968, but that the request was not approved by Congress. Consequently, although the administration continues to support recomputation, it cannot realistically include it in the budget request.

It is not true that Congress did not approve it. It is correct to say that the House of Representatives and the conference have not approved it, but the recomputation measure was approved by overwhelming votes in the Senate.

The first year's cost is estimated to be $434 million, rather than the $440 million that was in the budget request for the last 2 years.

Mr. President, I want to pay tribute to the distinguished chairman of the committee. He has been very strong in his opposition to the amendment, although I think he is basically in agreement with the concept which has been put forth. I have talked with him about trying to come up with some kind of alternate plan, perhaps a contributory retirement system. That has not been done. In the meantime this situation continues and causes a great deal of disarray in the field of retirement which certainly is not fair.

I reserve the remainder of my time.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, may I inquire whether the Senator is for the amendment or against it?

Mr. BELLMON. I would like some time to speak for the amendment.

Mr. HARTKE. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, today I rise to offer my support for Senator HARTKE's effort to provide one-time recomputation of benefits for military retirees. Military recomputation is an urgent matter which is familiar to all of my colleagues in the Senate and which is all too well understood by military retirees. The need for military recomputation has been well documented and needs no further analysis. In 1968, President Nixon said that the action of Congress in first suspending and then repealing the statutory provisions for recomputation in 1958 was a breach of faith for those hundreds of thousands of American patriots who have devoted their career to the service of their country and who, when they entered the service, relied upon the laws and sharing equal retirement benefits. It is also important to remember that the three Presidential candidates in 1968, Mr. Nixon, Mr. HUMPHREY, and Mr. Wallace, pledged at that time to fight for military recomputation. However, the problems still exist and the basic injustice that has gone on for the past 15 years still remains. Mr. President, we can no longer afford inaction on military recomputation.

Since 1958 the pay for Armed Forces personnel has risen sharply. This creates a great disparity between retirement benefits for comparable grades of service personnel. Further compounding the problem is the fact that in the last decade we have witnessed unprecedented inflation. Not only because of the economics involved, but because of the simple equities of the situation, people who entered the service while the old law was in effect had every right to expect that they would continue to be compensated under that system after retirement. However, Congress acted in complete disregard for the rights of those military personnel and deleted the recomputation method from the military retirement system. Because of this slight people who retired with the same rank at different times received unequal payment not based on their ability or their service but rather because of the date of retirement. Clearly, this is not fair. As we look down the road to the All-Volunteer Army concept and as we look back in the direction to those who have already served their country, we must realize that certain commitments were and will be made to these men and women who have served their country. Mr. President, as of June 30, 1973, there were 14,405 military personnel receiving retired or retainer pay in my home State of Oklahoma. Mr. President I ask you, why should these earlier retirees be discriminated against so severely? In some cases a later retiree gets nearly 150 percent of the pay that his colleague of the same grade and length of service who retired prior to 1958. Mr. President, the U.S. Government has a commitment to those who have served in the Armed Forces. This commitment is irreversible and rightfully so. The Government broke faith with the retirees and potential retirees in 1958. So, the question is, Are we here today to reaffirm that commitment made in the past and are we going to live up to our responsibility by restoring their faith in a system they once believed in? Mr. President, the All-Volunteer Army is now a reality. While we have tried to make the military service as attractive as possible, by not acting fairly in regard to retirement benefits, we have kept ourselves outside the bounds of equity and justice in trying to attract qualified military personnel. Mr. President, the issues in regard to military recomputation have been well drawn. The arguments have been made time and time again in this Chamber. It seems to me that the equities and rules of fairplay argue strongly for this amendment. Mr. President, I urge my colleagues to vote favorably on amendment No. 1377 and restore the military retirement system to the level of integrity it once had.

I ask unanimous consent that a table showing various levels of retirement for the same grade be included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Grade and date retired (before)	Length of service	Current retired pay	Under bill	Under bill: Monthly increase	Under bill: Annual increase	Under bill: Annual retired pay
Major: 0-4:						
June 1, 1958	20	$499.93	$706.78	$206.85	$2,482.20	$8,481, 36
Jan. 1, 1965	20	582.02	706.78	124.76	1,497.12	8,481.36
July 1, 1970	20	679.06	706.78	27.72	332.64	8,381.36
Sergeant major, E-9:						
June 1, 1958	30	(1)				10,080.48
Jan. 1, 1965	30	691.58	840.04	148.46	1,781.52	10,080.48
July 1, 1970	30	807.15	840.04	32.89	394.68	10,080.48
Master sergeant E-8:						
June 1, 1958	30	(1)				9,004.08
Jan. 1, 1965	30	$617.64	$750.34	$132.70	$1,592.40	$9,004.08
July 1, 1970	30	720.86	750.34	30.08	360.96	9,004.08
Sergeant 1st class E-7:						
June 1, 1958	24	333.29	480.10	146.81	1,761.72	5,761.20
Jan. 1, 1965	24	395.34	480.10	84.76	1,017.12	5,761.20
July 1, 1970	24	461.35	480.10	18.75	225.00	5,761.20
Staff sergeant E-6:						
June 1, 1958	20	230.13	330.00	99.87	1,198.44	3,960.00
Jan. 1, 1965	20	271.90	330.00	58.10	697.20	3,960.00
July 1, 1970	20	317.11	330.00	12.89	154.68	3,960.00

Pay grades E-9 and E-8 were established June 1, 1958. Accordingly, there were no retirees in those grades before that date.

Mr. STENNIS. Mr. President, I yield 3 minutes on the bill to the Senator from Montana.

Mr. MANSFIELD. Mr. President, after consultation with the chairman of the Armed Services Committee and the two ranking members of the Republican minority, the Senator from South Carolina and the Senator from Texas, and after having the matter checked with the staffs of all three, I ask unanimous consent that it be in order at this time to offer a substitute for the so-called Mansfield amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I sent it to the desk.

The PRESIDING OFFICER. The Clerk will state the substitute amendment.

The second assistant legislative clerk proceeded to read the substitute amendment.

The substitute amendment is as follows:

On page 5, after line 2, insert the following as a substitute for the Mansfield amendment: *Provided* that no funds may be expended after December 31, 1975, for the purpose of maintaining more than 2,027,100 active duty military personnel, and no funds may be expended after December 31, 1975, for the purpose of maintaining more than 312,000 military personnel permanently or temporarily assigned at land bases outside the United States or its possessions. The Secretary of Defense shall determine the appropriate areas from which the phased reduction and reactivation of military personnel shall be made. In the event that any reductions are made under this section in the military personnel of the United States stationed or otherwise assigned to duty in Europe, such reductions shall be made only after the Secretary of Defense and Secretary of State or other appropriate official designated by the President, has consulted with other members of the North Atlantic Treaty Organization concerning such reductions.

The PRESIDING OFFICER. Who yields time on the Senator from Indiana's amendment?

Mr. STENNIS. Mr. President, how much time is allotted to each side on this amendment.

The PRESIDING OFFICER. Ten minutes were allotted to each side.

Mr. STENNIS. Thirty minutes.

The PRESIDING OFFICER. Ten minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I declare I did not hear anything about the 10 minutes to each side.

I ask unanimous consent, Mr. President, that that time be increased to 25 minutes to each side.

The PRESIDING OFFICER. Is there objection to increasing the time to 25 minutes to each side? Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I do not now know of anyone else who wants to speak on this matter, and I will not speak for 25 minutes. I wish it were possible for the Senate to hear the hard, cold facts that pertain to this matter. I do not think the cost of it—and this is in reference now to the recomputation—is fully realized by the Senate.

This is something we do not like to deny to these very fine people who are in retirement. I do not believe there is any law anywhere that anyone can find which makes a promise about this recomputation as a right, and that there is a promise on it.

Many times we have changed the law with reference to the pay structure, and it was always necessary to come back and get a recomputation so as to get the payments increased beyond the rates that applied when these people retired. That is recognized, and that question has been carried to court. The court has held that there was no promise, no continuation of these payments. Now recomputing means that retirees can recompute their retirement pay on the basis of what their active duty salary is today, or sometime recently, when the pay was last changed. So the court held that no individual, as a matter of right, was entitled to have this increase.

I just wish everybody could have an increase, considered on an individual basis. But there has to be some reason for the existence of these things.

It is a fact that even though the increase would cost only $300 million for the first year—these are staggering figures, but I think they are correct—for the lifetime of this amendment it would cost $16 billion. In other words, there are so many people now in this retired category that merely to permit one more recomputation would be adding a liability—to accrue in the future just for this group alone, without adding a single additional retiree to it—that would cost $16 billion to redeem under this amendment.

When this amendment is passed that would constitute a law, that is, a promise it will run.

So the first big fact is there has been no promise, or anything in the law, by the Congress, regardless of what an individual Member may have promised, to continue these increases.

The next point is that this has gone now to where we have so many of these retirees that to just permit this recomputation for those who are in existence in retirement would cost us $16 billion.

We already know we have a rate of inflation of 11.5 percent per year, and we know that that inflation is literally eating up the pocketbooks of the poor and the middle-income group. We know it has taken away from them the buying power of the dollar at the rate of 11.5 percent per year as of now. Lord help us to get that lowered some, but that is the way it is running now, and this amendment will add to it.

We know that these deficits in Federal expenditures are running as regularly as the years come and go. We have reached the point at this time where it is planned that way; it is planned that we have a deficit. I am not blaming anyone for that any more than I am blaming myself, but it does happen that I have a more conservative voting record on the dollars than the average Senator; that is, I have not voted for all that has been passed. This shows how far we are going and how fast we are going.

I want to say this now about the House. Unintentionally, some critical reference has been made to the position of the House. The House of Representatives has been very reasonable about this, I think; very reasonable in conference, although when we passed this 2 years ago I tried to get the conferees to adopt the Senate amendment and, if not, some modified form of it. But the House conferees said they would hold hearings. They said that last year at the conference, and they did hold those hearings in the House of Representatives. That subcommittee reported back, and the full committee adopted their report, "Do not pass." In other words, after holding hearings, they turned it down.

I am advised here—I do not have the report before me—but I believe the substance of their report was that the present system, they thought, were fair and adequate.

I have no misgivings about this thing. It was 2 years ago or 3 years ago when we had it up. I took the position I am taking now, and we had a total of four votes against it. Last year I was not here. It came up and there were 17 votes against it. According to those calculations we can compute that it would be better to let me remain absent and the vote will jump it up some more.

But it is a serious matter. I have said this, Mr. President, I do not ignore this situation. I think something along this line should be done. What I am going to propose here is going to overwork the computers and will take some real calculations—I do not know whether Congress, without benefit of a lot of experts in computers, can put a bill together—but I think that we ought to initiate another additional system of retirement for our military personnel. Presently they do not contribute to that retirement fund. It is all paid by the Federal Treasury. That arose back in the days when the dollar amount was far, far, far less. Now I think we ought to initiate an additional system and put it into effect now and let those who are in military service pay what Congress might decide was their share.

Let both of those systems run along side by side until the old system, which is before us today finally expires. It would die a natural death.

I would be willing to make some kind of calculation that would bring these retirees in with some increase, in view of the enormous increase in the cost of living that has occurred in the last few years, But if we let them recompute now, as of the January 1972 rates, which would create this enormous obligation that I have already related, I do not believe that the people by and large can keep on paying taxes and paying for the inflation that these deficits involve.

That January 1972 figure does not include all of these pay increases that we have made for the volunteer forces, but it includes some of them.

Mr. President, I want to be certain that some time is saved to represent these points to Senators when they are here prior to the vote. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 16 minutes remaining.

Mr. STENNIS. I thank the Chair. I yield myself 2 additional minutes.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I associate myself with the remarks the chairman has made.

The chairman cited some figures as to the cost of this amendment. My reservation is, Would it be fair to recompute the pay of the military without recomputing the pay of the civilian retirees? Would we not have our companion committee, Post Office and Civil Service, coming out with a suggestion that the retired pay of civilians be recomputed also?

Mr. STENNIS. The Senator brings up a good thought indeed. The systems are different, and I do not know just what has been the experience of the civil service people, whether they have asked for a recomputation or not. But I know the logic of it would apply fully, as the Senator suggests in his question.

Mr. WILLIAM L. SCOTT. Mr. President, I have served for 6 years on the Post Office and Civil Service Committee in the House of Representatives, and I do know that from time to time labor leaders or the Government employees themselves came to us and said that the civilian employees who retired many years ago were receiving very small annuities, and they did want something done. I am just thinking that if the military retirement pay is recomputed, the civilians will ask for the same thing, and in fairness they may be entitled to the same type of treatment. I believe under existing law when there is an increase in the cost of living, both the civilian and the military do get an increase in their annuity; so to an extent today they are treated in the same manner.

Mr. STENNIS. Yes. That is a good point the Senator has made.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. STENNIS. I yield myself 1 more minute, and yield to the Senator from Montana.

Mr. MANSFIELD. Is it not true that the retirees, both military and civilian, acquire increases in their pensions as the cost of living goes up? Is that not automatic?

Mr. STENNIS. That is a special statute that applies to both alike. Cost-of-living increases apply automatically under our present statute. I thank the Senator for his question.

Mr. President, I have here a list of the accrued obligations, liabilities, and other financial commitments of the Federal Government, dated February 7, 1974, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ACCRUED OBLIGATIONS OF THE UNITED STATES AND FIXED COMMITMENTS IN THE FEDERAL BUDGET

Following is information on accrued fiscal obligations of the United States Government. On the next page is information on the part of the federal budget (outlays) that is composed of fixed commitments under existing law.

Accrued obligations—liabilities and other financial commitments as of June 30, 1973

[In billions]

Public debt	$469.3
Other liabilities related to the debt, such as interest	51.4
Undelivered orders	102.1
Long-term contracts	8.9
Contingencies,* annuity programs:	
DoD retired pay	137.1
Social security and railroad retirement	164.4
Civil service retired pay	68.7
Veterans compensation and pension fund	205.3
Other	2.5
Government guarantees	157.8
Insurance commitments	1,021.9
International commitments	7.6
Other	23.3

The Treasury Department cautions against adding these numbers, as they are basically dissimilar types of commitments.

*Amounts representing financial commitments that may or may not become liabilities in their full amounts, depending upon future conditions and events.

FIXED COSTS UNDER EXISTING LAW, FISCAL YEAR 1975

Each year well over half of federal spending is composed of fixed costs of programs that are required under existing law. This sum must be appropriated each year but Congress has no control over the amount. The following chart shows the estimated outlays involved in each program for fiscal year 1975.

Relatively uncontrollable under present law

[Dollars in billions 1975]

Open-ended programs and fixed costs:	
Payments for individuals:	
Social security and railroad retirement	$67.2
Federal retirement and insurance	12.8
(Military retired pay)	(5.7)
(Civilian)	(7.1)
Unemployment assistance	7.5
Veterans benefits: Pensions, compensation, education and insurance	9.6
Medicare and medicaid	20.8
Housing payments	2.3
Public assistance and related programs	14.1
Subtotal, payments for individuals	134.2
Net interest	22.0
General revenue sharing	6.2
Farm price supports (CCC)	.9
Other open-ended programs and fixed costs	8.1
Total, open-ended programs and fixed costs	171.4
Outlays from prior year contracts and obligations:	
National defense	23.7
Civilian programs	28.6
Total, outlays from prior-year contracts and obligations	52.3
Total, relatively uncontrollable outlays	223.6

The $223.6 billion of "relatively uncontrollable" items is 73.5% of total recommended spending for fiscal year 1975, leaving only 27.7% over which Congress has discretion.

The President said in his State of the Union address that 90% of the increase from fiscal year 1974 to fiscal year 1975 in total recommended spending is unavoidable under existing law.

Mr. STENNIS. Mr. President, those are the points.

I stated that I thought we ought to start an additional system, and I would make it larger, like the Civil Service System is, with a contribution by the person involved and also by the Government, with cost-of-living increases already applying to both that would make it fair and adjust the one to the other. Then the old system would gradually wind itself down, and when the last one was gone the system would be gone.

I would go further; I would make an effort somewhere in there to try to make a final adjustment with these people in some way. I hope that some day we can get together and present such a bill.

I reserve the remainder of my time, unless someone wishes me to yield.

Mr. MANSFIELD. Mr. President, if the Senator will yield me 1 minute, it is my understanding that the chairman of the committee wants to reserve some time so that he can speak again before the vote.

Mr. STENNIS. That is correct, yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the votes on the Mansfield amendment, the substitute, or whatever other amendments there are having to do with troop reductions, the vote then occur on the Hartke recomputation amendment.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HARTKE. And have all the votes on troop reductions completed first?

Mr. MANSFIELD. Yes; and at that time, that the time remaining to the Senator from Mississippi and the Senator from Indiana be used up in consideration of the Hartke proposal.

Mr. HARTKE. It is understood that time will still be reserved after the vote?

Mr. MANSFIELD. Yes; exactly.

Mr. HARTKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARTKE. How much time is remaining on our amendment?

The PRESIDING OFFICER. The Senator from Indiana has 17 minutes.

The Senator from Mississippi has 11 minutes.

Mr. HARTKE. Mr. President, I yield myself 2 minutes, to discuss one or two items which the Senator from Mississippi has discussed.

This matter has been thoroughly debated on the floor of the Senate twice. It has been overwhelmingly adopted by the Senate twice, the last time in September 1973.

As I say, these were overwhelming votes, and there is no question in my mind that if the Senate could work its will, this measure would become the law. So it is not a question of a promise by Congress, it is a question of action by the Senate, by which these people would reserve their due and correct benefits. It is a matter of giving them what they are entitled to, giving them equity.

I would point out that the President has blamed Congress for not acting on this matter. To that extent, we would be redeeming a pledge made in 1968 by the three majority candidates for President and a pledge made by both Senator McGOVERN and President Nixon in 1972. So this is a matter upon which the national policy is very clearly defined, and if there is any fault whatsoever, it is to be found with the present system.

That could be corrected. I know some people would like to correct the present system. These military personnel who come into the office are not making contributions, but it is not possible for them to do so, because that is not the way the law is written.

Recomputation is not new. It was temporarily set aside. I point out that this recomputation applies to those who are 60 and over, and those who ultimately will reach the age 60.

The first-year cost is estimated at $340 million, less than the $400 million requested in the budget 2 years ago. I point out that if you take any program to its ultimate end and project it over a 20-year period, the cost is certainly about 20 times what the cost would be for 1 year. There is no question about that.

Mr. President, I reserve the remainder of my time.

Mr. CHILES. Mr. President, I ask unanimous consent that Lester Fettig, staff director for the Subcommittee on Federal Procurement of the Committee on Government Operations, be accorded the privilege of the floor during the consideration of the amendment I am about to offer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I ask unanimous consent that the Senator from Georgia (Mr. NUNN) be added as a cosponsor of amendment No. 1381.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1381

Mr. CHILES. Mr. President, I call up my amendment No. 1381 and ask for its immediate consideration.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Is retirement the pending business?

Mr. MANSFIELD. Mr. President, is the Senator from Florida offering an amendment?

The PRESIDING OFFICER (Mr. DOMENICI). The Senator is preparing to offer an amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that my amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered and the clerk will state the amendment of the Senator from Florida, No. 1381.

The assistant legislative clerk read as follows:

On page 17, between lines 20 and 21, add two new sections, as follows:

SEC. 703. Beginning with the fiscal year ending June 30, 1977, the Secretary of Defense shall submit to the appropriate committees of Congress, together with other information in support of the proposed budget for the Department of Defense, the following information—

(1) budget authority, proposed budget authority, outlays and proposed outlays for

each defense mission, including all missions necessary to provide a complete presentation of end-purpose functions and subfunctions being performed to provide for national defense; and

(2) for each defense mission identified pursuant to paragraph (1) above—

(A) a discussion and description of the relationship to and role in executing overall defense policy, strategy, and fulfilling foreign policy commitments;

(B) a discussion and description of current and projected levels of mission capability based on existing and approved inventories of systems and those under development together with equipment and support programs;

(C) a discussion and description of current and projected threats to mission capability and the need for increasing or decreasing the level of mission capability with regard to subparagraph (B) above;

(D) the need, if any, to undertake a new major acquisition program to provide an increase or replacement of mission capability and the goals for such new acquisition programs;

(E) the allocation of budget authority from each authorization account to be used for mission-related activities, such allocation to include, with subdivisions to identify the military departments or defense agencies to which such funds are apportioned—

(i) research, development, test, and evaluation for exploratory, advanced, and engineering development, or other activities, to explore alternative systems to meet a specific mission need and for final development of preferred systems chosen to meet a specific mission need, provided that basic research and exploratory development activities not related to any specific defense mission shall be collectively identified as in support of the defense technology base;

(ii) procurement of systems and equipments for mission inventories; and

(iii) to the extent practicable, related manpower, operations and maintenance, and military construction activities.

Sec. 704. (a) Beginning with the fiscal year ending June 30, 1977, funds authorized to be appropriated to the Department of Defense for research, development, test, and evaluation shall be available for such purposes only when the Secretary of Defense has certified to the Congress that—

(1) the activities are in response to a specific mission need and part of a new major acquisition program to increase or replace mission capability;

(2) the mission need and program goals have been reconciled with overall defense capabilities and resources;

(3) the mission need and program goals have been stated independent of any type of system product;

(4) the program's goals have been based on long-term projections of mission capability and deficiencies and clearly specify the total costs within which new systems are to be bought and used; the level of mission capability to be achieved above that of projected inventories and existing mission forces; and the time period in which the new mission capability is to be achieved;

(5) the responsibility for responding to a specific mission need has been clearly delegated to military departments and defense agencies so that either:

(A) a single department or agency is responsible for developing alternative systems; or

(B) competition between two or more departments or agencies is formally recognized with each offering and exploring alternative systems;

(6) alternative systems to meet the mission need have been created by—

(A) soliciting industry proposals for new systems with a statement of the mission deficiency; time, cost, and capability goals; and operating constraints, with each offeror free to propose system concept, technical approach, subsystems, and principal design features;

(B) soliciting system proposals from smaller firms that do not own production facilities provided they have:

(i) personnel experienced in major development and production activities; and

(ii) contingent plans for later use of required equipment and facilities;

(7) alternative systems being explored to meet the mission need have been selected by the head of the responsible department or agency concerned from a review of all systems proposed and with the evaluation and advice of a team of experts including members drawn from outside the cognizant military development organizations;

(8) competition between contractors exploring alternative systems to meet the mission need is being maintained by—

(A) limiting contract commitments to annual, fixed-level awards, subject to periodic review of contractors technical progress by the sponsoring military department or defense agency;

(B) assigning representatives of the sponsoring department or agency with relevant operational experience to advise competing contractors as necessary in developing performance and other requirements for each candidate system as tests and tradeoffs are made; and

(C) concentrating activities of in-house development organizations, laboratories, and technical and management staffs on monitoring and evaluating contractor competitive development efforts, and participating in those tests critical to determining whether the system should be continued in competition;

(9) he, or his duly authorized representative, has decided to conduct a full system-level competitive demonstration of two or more candidate systems by—

(A) selecting contractors for system demonstration depending on their relative technical progress, remaning uncertainties, and economic constraints;

(B) providing selected contractors with the operational test conditions, mission performance criteria, and lifetime ownership cost factors that will be used in the final system evaluation and selection;

(C) proceeding with final development and initial long-lead production and with commitments to a firm date for operational use after the mission need and program goals have been reaffirmed and competitive demontration results have proved that the chosen technical approach is sound and definition of a system procurement program is practical.

(b) The requirements of subsection (a) shall not apply to funds authorized to be appropriated for research, development, test, and evaluation when such funds are used for activities to support the technology base not related to any specific defense mission need, but only if such activities are limited to basic and applied research, proof of concept work, or exploratory subsystem development restricted to less than fully designed hardware not identified as part of a system candidate. Support of technology base activities and the new candidate systems that emerge shall be done competitively.

(c) The requirements of subsection (a) (8) and (9) shall not apply if the Secretary of Defense certifies to the Congress that research, development, test, and evaluation activities should be concentrated on a single system candidate without further exploration of competitive offers and that actions have been taken to—

(1) establish a strong centralized program office to take direct technical and management control of the program;

(2) integrate selected technical and management contributions from in-house groups and contractors;

(3) select contractors with proven management, financial, and technical capabilities as related to the problems at hand;

(4) use cost-reimbursement contracts for high technical risk portions of the program; and

(5) estimate program cost within a probable range until the system reaches the final development phase.

(d) Beginning with the fiscal year ending June 30, 1977, funds authorized to be appropriated for procurement for the Department of Defense shall be available for these purposes only when the Secretary of Defense determines that—

(1) the mission need has been reconfirmed and system performance has been validated in an environment that closely approximates the expected operational conditions; or

(2) the costs of system operational test and evaluation prior to production substantially outweigh the benefits in terms of reduced cost growth for correction of system deficiencies and other factors.

Mr. CHILES. Mr. President, let me make clear at the outset, that I do not expect the amendments I am offering can be adequately considered as floor amendments during our deliberations on this year's authorization bill.

Therefore, I do not intend to bring these amendments to a vote but rather to offer them primarily for the information of the executive branch agencies and also as an opportunity to support the distinguished chairman of the Armed Services Committee, Mr. Stennis, in his long and continuing efforts to improve the management of the Department of Defense.

As most of my colleagues already know, the distinguished Senator from Mississippi has lead a concerted effort to review and defense policies and procedures in one of the most vital areas of our defense posture and effectiveness: The acquisition of major systems and the relationship of these major programs to our defense budget.

As chairman of the Armed Services Committee he has held hearings on the weapons systems acquisition process in 1971 and again in 1972, and, as I understand, plans to continue these hearings.

Further, in the fiscal year 1974 authorization committee report, the committee made it clear that:

Major improvements in our system acquisition policy were necessary;

Defense Department promises have yet to be fulfilled, and

That although it was not Congress normal role to dictate defense management policy, such action may ultimately be necessary if we are to see all that we have learned about improved acquisition procedures come into effect.

The amendments I am offering are an attempt to raise for discussion a new focus for congressional involvement in systems acquisition and defense budget, to provide a basis for consideration by not only Members of Congress but executive agencies as well.

Basically, the amendments would cover two areas. Section 703 would call for the Secretary of Defense to submit supplementary budget information so that we could review the defense budget more easily in terms of foreign policy commitments, defense strategy, defense missions, and the programs we are financing to support them. This section on supplementary budget information is also an issue for the Appropriations Committee and its distinguished chairman, Senator McCLELLAN.

Section 704 would provide for a new framework for conducting major systems acquisition programs so that we can—

Restore meaningful competition;

Eliminate unnecessary duplication;

And in the long run, provide more effective systems for military forces at lower costs.

To achieve these ends, section 704 would implement a rational decision-making process in for the evolution of new miiltary systems to meet defense needs.

The framework for systems acquisition is the product of the 2½-year study of the Congressional Commission on Government Procurement on which I had the pleasure to serve along with Senator GURNEY, Senator JACKSON, Congressmen HOLIFIELD and HORTON as well as the Comptroller General of the United States, Mr. Elmer B. Staats.

Many of the recommendations made by the Commission have already been recognized in the actions and deliberations of the Armed Services Committee and its distinguished chairman.

For example, section 101 of S. 3000 calls for the Secretary of Defense to certify to the Congress a key program decision for production of either the A-10 or A-7D and the Airborne Warning and Control System—AWACS.

The Procurement Commission's framework would add to and build upon such key decision milestones so that the Congress could effectively participate in the major turning points that actually control Major Systems Acquisition programs.

I strongly support these provisions in the legislation that is now before the Senate.

I know the leadership is anxious to demonstrate our ability to move quickly on this important budget legislation so that I will limit my remarks only to say that I would hope that these amendments would stimulate interest in the possibility for procurement reform in major systems acquisition.

In conclusion, may I ask the distinguished chairman of the Armed Services Committee whether he feels that the findings and recommendations of the Procurement Commission provide an opportunity for us to hold hearings later this year? I would be glad to offer the full services and support of the Procurement Subcommittee to assist in whatever way possible. The other members of the subcommittee—Senators NUNN, BROCK, HUDDLESTON, ROTH, as well as Senator JACKSON—have expressed a desire to see that we capitalize on this work while it is still current and while the executive branch is preparing a formal position.

Mr. JACKSON. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I yield.

Mr. JACKSON. I should like to commend the distinguished Senator from Florida for his untiring efforts in connection with Government-wide procurement problems. He has focused, especially, on one of the largest problems, national defense. I would agree with him—based on all the work that has been done, and in keeping with the freshness of the recommendations and the studies which have been made—that we should try to move forward in a timely and determined way to improve the procurement process.

I simply want to say to my distinguished chairman that the Senator from Florida, more than any other Senator, has taken a keen and continuing interest in this area. I commend him.

I want to assist his efforts in any way I can.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Washington who also serves as a member of the Procurement Commission and certainly, from his experience on the Commission and the work that he did, has a deep understanding of the magnitude of the problems as does the distinguished chairman of the Armed Services Committee who has been wrestling with this problem for a number of years.

Mr. STENNIS. Mr. President, I am not sure that I understood all of the Senator's question—my attention was diverted more than once by Members wanting time on another matter—but as I understand it, the Senator recognizes that this is such an extensive and complicated matter it could hardly be considered as a floor amendment.

On the question of procurement, I think it is the No. 1 problem of the Congress with reference to military expenditures, for these high-priced weapons especially; and, of course, research and development is $9 billion this year. So far as the committee's going into the items is concerned, it would be hard to improve on the present subcommittees work. But the whole system of the budget and everything that goes with it is pretty relevant.

What was the rest of the Senator's question—would we have hearings, is that it?

Mr. CHILES. The question was whether the distinguished chairman of the Armed Services Committee felt there would be a need for hearings on the major recommendations of the procurement commission, and the study that took 2½ years to make and $9 million of the public's money, that dealt with the area of how the Government buys a major system, how we go into a systems acquisition and, if there could be some merit to continuing the hearings that the distinguished chairman has had over 2 particular years that I know about, but trying to go further into major weapons acquisition hearings and how the systems are procured.

Mr. STENNIS. I wish that we could have some more of the hearings, but sometimes we overspeak ourselves in debate and make promises about hearings on this and hearings on that, which all adds up to about 2 years of work that we are supposed to do in 2 or 3 months.

So I am going to ask the Senator to excuse me from making any definite promise. But we want to contribute in any way we can to exploring some of the problems the Senator has in mind.

First, I think it would take someone highly competent and with practical experience in the field of industry and manufacturing and contracting on a very large scale. These contracts involve billions of dollars. That would be the first thing I would try to do, to get someone such as that as an adviser, as well as a staff member to go into it.

Mr. CHILES. I appreciate that. I want to offer again the services of the staff and the Ad Hoc Committee on Procurement that has been created in the Government Operations Committee. Some of the people we are talking about sit as members of the Procurement Commission—they are the ones who brought this problem to the attention of the Procurement Commission—some of the major contractors who have been trying to work in systems; the former Administrator of NASA, who sat as a member of that Commission, who knows much about systems acquisition and the tremendous systems acquisitions of NASA. That kind of expertise would have to be necessary, and I think it could be forthcoming if we were ready to proceed in the area; because I believe they recognize more than anyone else the need for some reform in the way we go into the acquisition.

Mr. STENNIS. I think the Senator's remarks are timely, and I have confined myself to general remarks rather than a definite promise. We can discuss it further later.

Mr. CHILES. Mr. President, I ask unanimous consent that a summary description of the Procurement Commission recommendations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PART C—ACQUISITION OF MAJOR SYSTEMS

CHAPTER 1. DIRECTIONS FOR CHANGE

This report treats a Federal procurement activity that has created controversy for two decades—the process of acquiring major systems, particularly the major systems of the Department of Defense.

The major system acquisition process draws upon new technology in developing new systems to meet national needs. Over the long term, defense acquisition programs represent a staggering commitment of national resources. The 141 programs currently identified in DOD, when complete, will have consumed a direct investment of more than $163 billion. Operating and maintenance costs over the lifetime of these systems could be two or three times greater than this aggregate direct investment.

Unlike many past studies that were constrained to deal with segments of the acquisition process, our study benefited from having an exceptionally broad congressional charter to examine system acquisition and to make recommendations for its improvement.

As a result, the Commission chose to take an integrated view of the acquisition process, covering all the basic steps from the initial statement of a need to the eventual use of a system. The report concentrates on the way the Government organizes policies and procedures to accomplish these basic steps. It also deals with the problems caused by the vested interests and motivations of the principal organizations in the roles they most often play in major system acquisition, including:

Contractors who are overoptimistic in their estimates of system cost, performance, and delivery date and who make contractual commitments according to those estimates in order to win program awards.

Agency components, like the military services, that reinforce contractor optimism to gain large-scale but premature program commitments in order to meet their obligations to provide modern operational capabilities and to preserve their stature and influence.

Agency heads who do not have effective means of control in discharging their responsibilities for coordinating components and programs in the face of severe bureaucratic pressures.

Congress and its committees which have become enmeshed at a detailed level of decisionmaking and review in attempting to fulfill their responsibilities. This disrupts programs, denies flexibility to those responsible for executing programs, and obscures Congress' view of related higher-order issues of national priorities and the allocation of national resources.

IMPROVING SYSTEM ACQUISITIONS

The need to improve major system acquisition has been made apparent by the succession of cost overruns, contract claims, contested awards, buy-ins, bail-outs, and defective systems that have drawn sharp criticism to one or more programs in recent years. The clutter of programs and problems has made it difficult to understand or grapple with the underlying causes of acquisition difficulties, some of which are subtly removed from the time and place that the symptoms appear.

This report concludes that the basic roadblock to improvements in system acquisition is the fact that too many past attempts have symptomatic problems, such as those just enumerated, on an individual, piecemeal basis. Patchwork corrective action has become counterproductive, leading to more regulations to amend regulations, more people to check people, more procedures to correct procedures, and more organizations to correct organizational problems.

Underlying problems

Piecemeal improvements will only aggravate the underlying problem in system acquisition: *the lack of visibility over the key decisions that control the purpose and direction of system acquisition programs.* Without this visibility, these key decisions (and the information needed to make them) have been displaced from their proper organizational levels, both within Government and between Government and the private sector. The end results have been a diffusion of responsibilities that has made it difficult to control system acquisition programs.

Congress and agency heads have become so burdened with detail that they have not been effective in carrying out their respective responsibilities. Congress often cannot act as a credible and sensible check on an agency because acquisition programs provide no handles to enable Congress to interrelate the purpose of new systems and the dollars being spent on them with national policies and national needs. Instead, data is presented to Congress in "traditional" forms, inviting attention to already defined products and to annual budget increments that finance development and production. From many points of view, this information is useless as a basis for effective congressional review.

The agency head has a similar problem. He cannot manage or control agency components unless he makes some key program decisions to keep cost and capabilities within coordinated agencywide limits. Agency components often start and carry out major system acquisitions with little or no control by the agency head or Congress because responsibility for making some key decisions is unclear. However, once such decisions are made, an acquisition program is set on a course that is costly, if not impossible, to change without outright cancellation.

Finally, the responsibility for making decisions on new system products has been spread across the public and private sectors, badly distorting the buyer-seller relationship between the Government and contractors. This has precluded effective competition and undermined contractual agreements.

Main Directions for Change

The Commission's recommendations in effect call for a "systems approach" to solving the problems of major system acquisition by:

Establishing a common framework for conducting and controlling all acquisition programs that highlights the key decisions for all involved organizations—Congress, agency heads, agency components, and the private sector.

Defining the role each organization is to play in order to exercise its proper level of responsibility and control over acquisition programs.

Giving visibility to Congress and agency heads to exercise their responsibilities to providing them with the information needed to make key program decisions and commitments.

Congress and agency heads must exercise their responsibilities by participating effectively in key acquisition decisions that steer a program and determine which national problems are met; determine how successful agencies will be in performing their missions; and influence long-term patterns in the use and allocation of national resources. To participate effectively requires that meaningful information be brought forward for deliberation. Decisions on needs, goals, the choice of a system, and commitment of development and production resources must be presented in a clear and cohesive framework that can be referenced by all parties involved.

Our report recommends a realignment of the acquisition structure to correct the de facto abdication of responsibilities in Government and industry that has come about for want of a clear understanding of the decisions and actions that actually control system acquisition programs. The need to reestablish control and reallocate responsibilities is vital not just for defense programs but also because system acquisition programs will be used increasingly throughout the Government to meet civilian as well as defense needs.

Because this report is based on an integrated view of the acquisition process, the recommendations made are linked to form a structure that is applicable for acquisition programs of all agencies. Recommendations are not designed to be applied selectively to improve parts of the acquisition process but, rather, to work together to control the whole.

Expected Results and Implications

The recommended actions would establish effective control over system acquisition programs—what they are supposed to do and how much we are willing to pay for them—before these things are decided, often by default, by the systems and their government and industry sponsors.

In the long run, adopting the recommendations should also result in a net reduction in the time and cost to go from the statement of a need to the effective use of a system to meet it. This is to be accomplished not by shortening or paying less for every phase of activity but by spending more time and money on the early pivotal development tasks that will net savings in the larger commitments that follow. Less time and money should be spent on nonproductive activities that service the demands of the bureaucracy and its regulations but do little to increase our information about what system to buy or to advance the development of a satisfactory system.

The recommendations also suggest a different environment for the participating institutions because:

Congress must become a more effective and informed check and balance in acquisition programs through the use of its legislative prerogatives. Congress should be given the opportunity and information to understand the need and goals for new programs in the context of national policy and priorities. Thereafter, they should be in a better position to monitor the development, procurement, and operating funds going to programs to meet these needs.

Agency heads must make early decisions on program needs and coordinate the responsibilities of agency components. The agency head should make the decision to initiate a program to provide increased mission capability and set a cost goal in view of all related agency needs and resources. Thus, programs would not be initiated independently of total agency capabilities, needs, and resources. The agency head would also reconcile needs with the mission responsibilities of agency components, assuring that if component rivalry leads to duplicate efforts, the duplication is purposeful, visible, and controlled.

Agency components must be given full flexibility to explore alternative systems within agreed-upon program goals before committing to just one. With this flexibility, their management efforts would shift from designing a system and controlling its development to management based on review, test, and evaluation of competing private sector design efforts.

Contractors must enter a competitive arena that rewards suppliers who are held responsible for creating and demonstrating the best system according to their own business and technical judgments. Competition should involve innovative products that must demonstrate that they meet the Government's need at the lowest cost, not an undeveloped but already defined system at the price needed to win. On this basis, new firms would be allowed to enter and old ones forced to exit from an industry whose total capacity would be based on current and future system needs.

Overall, the report calls for a simplified but flexible decisionmaking process that places greater reliance on sound judgment and less on regulations and complicated contracts and clauses. It also recommends that acquisition policy and monitoring be unified within each agency with a concurrent reduction in management and administrative layering between policymakers and program officers, and a counterpart reduction in industry staffing.

OVERVIEW OF REPORT AND RECOMMENDATIONS [1][2]

Major system acquisition is an extended and complex process. It begins with the Government's determination that a certain capability needs to be strengthened and the premise that the technological base can support viable system concepts. It continues through development, production, and operation of a system to meet that need, with information flowing back at each stage to those who are responsible for comparing what exists with what is needed.

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[1] Appendix B is a compilation of the 12 recommendations made in this part of the report.

[2] In the discussion and recommendations that follow, "agency" refers to each executive department or agency whose head reports to the President, such as DOD and DOT. "Agency component" refers to the first major organizational divisions within the agency below the agency head, such as the military services and the Federal Aviation Administration. "Agency mission" refers to a function to be performed by the agency, either generally or specifically, in support of the agency's assigned responsibilities.

Well-known major systems are the space shuttle, Apollo spacecraft, Minuteman missile, Polaris fleet ballistic missile system, C–5A transport, F–14 and F–15 fighter aircraft, Phoenix and SAM–D missile systems, Main Battle Tank, and Cheyenne helicopter. Hundreds of other major systems have been developed, many with lesser unit costs but in greater production quantities.

Evolution of practice and problems

Most difficulties in major system acquisitions, including cost overruns and overly sophisticated, expensive systems, arise from a few basic characteristics of the way Federal agencies have come to organize system acquisition programs and engage private sector participation. The evolution of the system approach—a comprehensive attack on a problem in the context of its total environment—has caused radical changes in the Government procurement process.

Until after World War II, the usual practice was to develop and produce many system components and subsystems independently of their integrated use in a weapon system. The design of many major weapon systems was sufficiently stable to permit components and subsystems to be readily integrated. The military services were, in effect, buying major systems in bits and pieces.

Following World War II, there was greater awareness of the benefits that might be gained if advancing technologies could be stimulated and brought together to meet the escalating Cold War needs for national defense. But the new technologies presented problems. Each new component or subsystem, although it offered improved characteristics, had to work well with other new pieces in order for the total system to be effective. This called for stronger control over all the newly developing components and subsystems and the system itself.

The size of the emerging programs brought about a shift in Government-industry relationships so that the benefits of the system approach were not without some drawbacks. Companies could not be expected to develop major systems and subsystems on their own without the assurance that they would be able to sell enough of their products to recover development costs. The funds required and the technical risks involved were too great. As a result, an agency had to underwrite the development of new major systems.

DOD was the first to face these unusual buyer-selller conditions as it took the lead in developing the major system approach to meet defense needs. Although particular program practice varied in significant degree, the following is the general process that crystallized the 1960's and remains the predominant pattern for communicating the Government's need, creating a system, and contracting for it.

The process began with a decision within one of the military services that its ability to perform an assigned mission should be strengthened by a new system. Policy and practice usually excluded the Office of the Secretary of Defense (OSD) and Congress from these early deliberations on the need for a new system, although the military services were guided by Department of Defense plans and policies.

The agency would begin to describe the system so that it could contract for its development. The need would be communicated informally to industry, usually in terms of a product better than one currently doing the job. Goals typically would be for better system performance, such as more range and speed or less size and weight.

Companies would respond with their ideas on new systems, sometimes presenting different system concepts. The system concept that offered the most promise and was most compatible with the service's interest and operating doctrine had the best chance of being selected. The information used to select the concept and technical approach for development could come from industry (both informally and under study contracts) and from within the agency's own laboratories and technical staffs. The most desirable features received from these various sources, many of which required advances in the state-of-the-art, usually would be combined into a total system description.

After the agency component had decided on the system concept and main technical features, a detailed system description would be issued to solicit industry proposals in formal competition for the award of the development contract. Upon receiving contractor proposals, the agency again would pick up the most attractive ideas, weave them into an updated system description, negotiate with the most promising contractors, and ultimately select one to develop and produce the system. The system often was an amalgamation of ideas from many Government and industry sources; no single public or private sector organization had the scope or depth of engineering knowledge to know if the system actually could be developed to perform as intended within planned time and dollar limits.

The agency often found it difficult to choose a clear technical winner because the technical approach and all main system features had been specified by the agency. The point scorings used to judge competitors often were close and awards sometimes were contested. Price or estimated cost dominated final evaluation and pressured contractors to "buy-in" with a low price bid for an undeveloped system. A company's survival hinged, in large measure, on winning one of these major programs in which an increasingly large proportion of new military expenditures were being concentrated. Even if the agency could predict that it was accepting a "buy-in" price, realistically it could not justify paying a price higher than a major, experienced contractor had proposed and was willing to accept.

The winner of this so-called "design competition" received a contract to conduct a development phase that might span five years. Sometimes the contract would include production.

The date for a new system to become operational would be influenced by the desire to field it as soon as possible and the assumption that everything would proceed according to plan. Contractors would agree to this date in response to the terms and conditions of the competition. This often would necessitate starting production before the development and testing were completed (concurrently) and building up large organizations very quickly to handle all phases of a compressed development and production program with little room for learning or mistakes.

Some years later, when all did *not* go according to plan, the system did not measure up to initial expectations and costs grew unexpectedly. The contractor could be blamed for poor management of the development effort. In turn, the contractor could shift blame to the agency for imposing what turned out to be an inconsistent or impossible set of technical requirements on the system and for having forced premature performance, schedule, and pricing commitments under the heat of contrived competition.

At this point, the agency would find itself doing business with only one contractor with the background needed to carry out the protracted test and production phases. In this situation, the agency could not abdicate its responsibility to meet real defense needs or disregard the public funds already invested in the system; the agency often had to find ways to "bail out" the contractor from his technical and financial difficulties.

Pressure grew for increased agency engagement and control over system developments. Methods were developed within the Government to control the technical and management functions of both contractor and in-house organizations. The results have been a proliferation of staffs and multiple levels of review in both industry and Government; a proliferation of paperwork, management systems, and regulations; demands for much greater program detail by Congress; and increased reviews of major systems by the General Accounting Office. The proliferation of controls has contributed to many of the symptomatic problems and complaints reported in recent years by various Government, industry, and public sources.

Some of the most important problems discussed are summarized in the first column of table 1. DOD has recently made efforts to improve system acquisition practices, as shown in the second column, and has begun to implement its plans on some selected new programs. The third column highlights the changes recommended here that generally support recent DOD actions, but also extend into more fundamental aspects of the acquisition process. They should not be evaluated on an individual basis but as part of the acquisition structure.

The recommended acquisition structure does not eliminate the need for competent personnel to exercise sound judgment. It highlights the fundamental decision points that must be dealt with by each agency as a system moves through the acquisition process. It also identifies the kind and quality of information that should be available when each decision is made.

The acquisition structure is recommended as the best standard for conducting the process, but it is designed to be flexible. Intelligent and well defined variations can be made while achieving the necessary visibility and control. Standards for the most important variations and the responsibilities for authorizing such variations are presented in this chapter.

Establishing needs and goals

Starting and Coordinating Programs

Establishing needs and goals for a new acquisition program is one of the most vital areas for improving system acquisition. Decisions on needs and goals have far-reaching effects on the *formulation* and direction of national policies and strategies. The resources required to develop major systems are a significant factor in an agency's total budget and in the allocation of funds among Federal agencies and components. In view of the resources consumed by major programs, the needs to be met and the goals to be achieved must receive close attention from the agencies and Congress. Both defense and civilian programs have suffered when well-defined and coordinated statements of needs and goals were lacking.

Program goals establish the capability needed, the money that can be spent to get that capability, and the date for achieving it. These goals set the tone of the program. Allowing one goal to improperly dominate may cause later distortions such as when urgency receives unwarranted emphasis, leading to compressed development and production activities.

TABLE 1.—COMPARISON OF PAST PROBLEMS, CURRENT CHANGES, AND RECOMMENDED ACTIONS (DEPARTMENT OF DEFENSE)

PAST PROBLEMS	MAJOR CURRENT CHANGES (OTHERS DISCUSSED IN TEXT)	MAJOR RECOMMENDED ACTIONS (OTHERS DISCUSSED IN TEXT)
Establishing needs and goals:		
Needs/goals set by each service; unplanned duplication.	Mission area coordinating paper.	Agency head reconciliation of needs/goals and service responsibilities.
No formal congressional overview.		Congressional review of mission deficiences, needs/goals for new acquisition programs.
Exploring alternative systems:		
Centralized agency-level control over systems.	Decentralization; more authority for military services.	
Lack of congressional visibility; scattered R. & D. line items.		Congressional authorization and appropriation of R.D.T. & E. funds for systems candidates by mission need.
Premature commitment to single technical approach.	Attempt to broaden choice of system options at 1st agency-level review.	Solicit system proposals using broad need statement; maintain integrity of separate candidate systems.
Multiple information sources; uncommitted industry proposals; pressures for goldplating; high unit cost.		Annual review and fixed-level awards to each selected competitor; agency technical staff assistance.
Narrow technical latitude for competition; paper information; buy-ins.	Greater design latitude; more time for exploration and hardware development.	Commit best competitors to prototype system-level demonstration.
Choosing preferred system:		
Paper competition; complicated source selection; contentious awards.	Some hardware prototypes; less reliance on paper.	Choose system based on mission performance measurements, total ownership cost derived from competitive demonstration and operational tests.
Single contract covering both development and production.	No "total package" awards.	
Implementation:		
Overlapped development and production ("concurrency").	Reduced concurrency.	Independent operational test before full-production release; strengthened test organizations.
Late and inadequate operational tests for production decision.	Emphasis on early and better operational testing.	

Source: Commission studies program.

Great sums have been committed to programs which, later, cannot respond to corrective changes in goals. Programs often have been begun with insufficient consideration of other programs underway that can collectively strain the limits of existing resources. Lack of additional funds requires a cutback in the number of systems, leaving unplanned disruptions in an agency's capability to do its job.

DOD policy currently delegates the responsibility for deciding needs and goals to each of the military services. They define them mainly in terms of the kind of hardware they "need," not in terms of the mission to be performed. Although new technological opportunities cannot be ignored, too often the focus has been on the system product and not on its purpose. The results have been pressures to lock-in to a single system approach prematurely without giving adequate attention to why a new level of capability is needed in the first place and what it is worth before less costly system alternatives are created or eliminated.

The needs and goals that each military service sees for its acquisition programs are shaped by its own views of defense missions and priorities. They do not necessarily correspond to the perceptions of the other services or of the Office of the Secretary of Defense, frequently resulting in destructive interservice rivalry and overlaps in mission capabilities. Interservice rivalry has caused special complications for system acquisition programs because these programs have become the principal means by which the services can preserve and enlarge their roles, budgets, and influence.

Interservice rivalry can be made to work to advantage if harnessed by a clear statement of common needs, an invitation for the services to compete openly when appropriate, and a formal recognition that we cannot afford to finance all the systems sponsored by each of them. The objective should not be to eliminate all overlap or duplication in assigned responsibilities among or within the services; it should be to ensure that where such overlap or duplication exists, it is visible, controlled, and purposeful.

DOD has attempted to view new systems and programs on an agencywide basis through its mission Area Coordinating Papers (ACPs) but they do not carry the weight of secretarial decisions or apply to the very start of new acquisition efforts. Unplanned duplication of systems; pressures to make new systems large, multipurpose, and expensive; premature commitments to an undeveloped systems; and loss of control over the allocation of resources to agency missions all result when programs are begun independently by agency components to obtain "needed" products without agencywide coordination of needed capabilities and affordable costs.

Recommendation 1. Start new system acquisition programs with agency head statements of needs and goals that have been reconciled with overall agency capabilities and resources.

(a) State program needs and goals independently of any system product. Use long-term projections of mission capabilities and deficiencies prepared and coordinated by agency component(s) to set program goals that specify.

(1) Total mission costs within which new systems should be bought and used

(2) The level of mission capability to be achieved above that of projected inventories and existing systems

(3) The time period in which the new capability is to be achieved.

(b) Assign responsibility for responding to statements of needs and goals to agency components in such a way that either:

(1) A single agency component is responsible for developing system alternatives when the mission need is clearly the responsibility of one component; or

(2) Competition between agency components is formally recognized with each offering alternative system solutions when the mission responsibilities overlap.

Congressional Review of Needs and Goals

Without a clear understanding of the needs and goals for new programs, Congress is unable to exercise effectively its responsibilities to review expenditures and the allocation of national resources. This failure is partly encouraged by the timing and format used to present system acquisition programs and by the kinds of questions this format provokes. The wrong questions are asked early about research and development projects and, when the right ones are provoked by debates on a particular system, it is often too late for the answers to be relevant.

Current budgeting and review procedures expose the need and goals for a program to Congress at a time when a single system is proposed, with cost, schedule, and performance estimates often predicated on insufficient research and development efforts. At this stage, it is difficult to control costs because system characteristics are fixed within a narrow range. Thus, the cost to meet a mission need is largely determined by the cost of the new systems, not the worth of the new mission capability compared to other alternatives. This leaves Congress a futile choice: either pay the price for the system or let the need go essentially unsatisfied. Congressional ability to deal with agency budgets and to provide meaningful guidelines to allocate limited national resources is seriously undermined.

Congress should have an early and comprehensive opportunity to debate and understand any agency's mission needs and goals for new acquisition efforts, and the opportunity to discuss the relationship of proposed mission capabilities to current national policy and the allocation of resources in accordance with national priorities. Understanding an agency's needs and program goals before discussing the system to meet the need should help reduce the delays in authorization and appropriation caused by extended investigation of all these issues when a system surfaces later for large-scale funding approval.

This does not imply that Congress should make defense strategy, define defense missions, or interpret for the military what their needs are and the best way to meet them; these are roles of the executive branch. Congress *should* have the opportunity to review agency programs in such a way that the programs can be clearly related to national policies, priorities, and the allocation of resources in order for Congress to exercise its legislative responsibilities and controls. This is preferable to having the consideration arise after a single system is well into development, when need and goals are already obscured by the technical merits and demerits of a particular system, and there is little room to control the cost of meeting national needs.

Recommendation 2. Begin congressional budget proceedings with an annual review by the appropriate committees of agency missions, capabilities, deficiencies, and the needs and goals for new acquisition programs as a basis for reviewing agency budgets.

Exploring alternative systems

The Technology Base[3]

Ongoing exploration of technology is fundamental to any new acquisition program—new components, tools, materials, processes, and organized knowledge can be used to develop new and better ways to meet public needs. The chances for success of any major system acquisition are enhanced if there is a variety of advancing technologies from which new system solutions may be drawn. Otherwise, a solution must be based on a safe but stagnant technological choice or on unpredictable advances outside that range.

Most Federal agencies with operating responsibilities recognize the value of a strong technological base. For example, the most recent defense policy on major system acquisition cites the importance of "a strong and usable technology base" to provide raw material for creating more effective and less costly systems.

There is no way to know how much money to spend in a given field of technology; the payoffs are usually unpredictable and downstream in time. Technology is advanced through a creative process sparked by dedicated people in Government, industry, and universities, supported directly by contracts, grants, or industry profits, or indirectly through recovery of related overhead costs.

Technical judgment is the critical factor in apportioning money and in performing this kind of effort. The results may not be immediately useful and may have unforeseen applications of unpredictable value.

The Government has paid a spiraling cost to meet growing public needs by stretching existing technology and "goldplating" old approaches instead of seeking innovative approaches that ultimately might prove less complex, less costly, and more effective. This is a case of diminishing returns: to do a job 10 percent better may cost 50 percent more if the old technology is stretched. Sometimes this approach is selected simply because of time or initial dollar constraints.

Maintaining an adequate growth of technology is one of the most important prerequisites for successful system acquisition, but there have to be limits on activity that is financed and justified solely for its value to the base of technology. Currently, the technology base is inadequately developed to support new acquisition programs and their search for candidate systems.

Technology base work (both public and private) tends to concentrate on producing results that are, first, immediately useful and, second, acceptable. To be useful, the work tends to provide well-developed products (both subsystems and system concepts) before the need for any has been established and confirmed at the agency level. To be acceptable, these products tend to be based on familiar approaches. The search for alternatives in connection with a specific operational need frequently is conducted in a way that nourishes the technology base in constrained areas of relatively "old" technologies. The net effect is a closed cycle; innovative technologies are suppressed and relatively stagnant ones are carried too far as subsystem and system candidates in anticipation of a specific program.

The Commission favors making the technology base better serve new programs by: (1) controlling how far projects are taken within technology base funding and justification and (2) giving the base a greater access in offering new system candidates.

Recommendation 3. Support the general fields of knowledge that are related to an agency's assigned responsibilities by funding private sector sources and Government in-house technical centers to do:

(a) Basic and applied research
(b) Proof of concept work
(c) Exploratory subsystem development

Restrict subsystem development to less than fully designed hardware until identified as part of a system candidate to meet a specific operational need.

CREATING NEW SYSTEMS

In the face of uncertainties about needs and technology, it makes sense to explore alternative systems. At the start, it is more expensive to explore several approaches than to focus quickly on one. However, the short-range cost should be weighed against the longterm benefits of having options, particularly in the early phases of development when they cost relatively little. Money spent on development of alternative systems can be relatively inexpensive insurance against the possibility that a premature choice of one approach may later prove to be a poor and costly one.

In addition to guarding against uncertain needs and technology alternative systems also:

Provide a means for introducing the benefits of competition in the early stages of system evolution when the cost to maintain competitors is only a small fraction of that needed to have competition in later fullscale development and production phases.

Insure that a wider base of innovative talent is applied rather concentrating R&D resources on a single-system approach.

Increase the probability that the best possible solution will be found.

DOD acquisition procedures have not worked well in surfacing system alternatives based on different technical approaches. This fact is evidenced by ongoing consideration of new policies to foster more substantive system options and to improve the quality of information at the first program review at the Secretary of Defense level. Despite these efforts research and development funds remain generally scattered in a great many separate projects, making it difficult to trace the cost of existence of alternative systems prior to the first agency head review of a new program.

Premature commitment to system concept, technical approach, and design often leads to schedule delays. The combined pressures of (1) limited resources to explore alternatives and (2) the requirement that the military services defend a system before large-scale resources are committed create incentives for them to focus prematurely on one technical approach. Resources are spent to prove that the initial choice is right in order to get a go-ahead decision rather than to examine broad alternatives.

Military services also become advocates of specific methods and approaches to meet their responsibilities. This advocacy is dedicated to fielding the best solution to mission deficiencies based on *past* operational experience. Such advocacy leads to parochial choices of familiar kinds of systems.

To encourage a greater number of more innovative alternative systems to meet a given need, DOD requests for proposals should be broadly stated in terms of needed mission capability, program goals, and essential limitations, not in terms of required features or performance stipulations keyed to a particular kind of system.

There is a critical need to capitalize to a greater degree on the Nation's innovative resources by encouraging smaller firms to enter early in the acquisition process, provided they can make necessary business arrangements for plant and facilities if their proposed systems prove superior.

Large established firms tend to acquire technical biases based on their experience with successful products and their customer's likely to have more initiative and innovative technical approaches for new systems. However large firms are usually the only ones considered qualified to compete for major system development awards because competitions are held relatively late in the process, at great expense, after system performance and design features have been determined.

There is a need to balance the acquisition process by ensuring a more objective selection and exploration of alternative systems. The agency should also prevent centralization of the management process and the buildup of large staffs to do the job that should be done at the operating level. The Commission favors retaining the decision on which system alternatives to explore at the agency component level but with reviews to ensure that alternatives are created and explored.

Recommendation 4. Create alternative system candidates by:

(a) Soliciting industry proposals for new systems with a statement of the need (mission deficiency); time, cost, and capability goals; and operating constraints of the responsible agency and components(s), with each contractor free to propose system technical approach, subsystems, and main design features.

(b) Soliciting system proposals from smaller firms that do not own production facilities if they have:

(1) Personnel experienced in major development and production activities.

(2) Contingent plans for later use of required equipment and facilities.

(c) Sponsoring, for agency funding, the most promising system candidates selected by agency component heads from a review of those proposed, using a team of experts from inside and outside the agency component development organization.

Congressional Review of System Exploration

Congress has difficulty overseeing the growing expenditures for agencies' R&D budgets; its intensified demands for information and justification leaves Congress burdened with detailed reviews that obscure the overall pattern.

Congress could better understand where R&D money is spent if it reviewed, authorized, and appropriated funds for exploring candidate systems according to mission. This should be done in conjunction with its review of agency missions and the needs and goals for new acquisition programs. This approach would segregate funds for (1) maintaining the technology base, (2) activities to explore alternative solutions to mission needs, and (3) the final development of systems chosen to meet needs. The second category would group together all development projects asociated with candidate systems to meet each agency mission need. Congress would then have a more meaningful and convenient basis for reviewing expenditures and earlier awareness of the evolution of new systems.

Allocations of R&D money according to mission needs would help reduce the pressures to make premature commitments to a particular system in order to gain funding approval. With defense mission needs and goals reviewed yearly, and with a fixed-level funding constraint tied to finding solutions, the executive branch would have greater flexibility to explore alternative systems and cope with uncertain system candidates. The opportunity to question and review individual projects within these mission funds would remain whenever such scrutiny is needed but, at the same time, a more meaningful level of review and control would be available.

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[3] This subject is also treated in Part B (Acquisition of Research and Development).

There is a growing awareness in Congress that it must deal more effectively with executive branch programs and equip itself more fully to do so. The primary intent of our recommendations on review of program needs, goals, and related funds is to sharpen the effectiveness of whatever congressional efforts are expended to review major system acquisition programs.

Recommendation 5. Finance the exploration of alternative systems by:

(a) Proposing agency development budgets according to mission need to support the exploration of alternative system candidates.

(b) Authorizing and appropriating funds by agency mission area in accordance with review of agency mission needs and goals for new acquisition programs.

(c) Allocating agency development funds to components by mission need to support the most promising system candidates. Monitor components' exploration of alternatives at the agency head level through annual budget and approval reviews using updated mission needs and goals.

Reinstating Meaningful Competition

The notion that the agency should take advantage of all the best proposed technical features in specifying a preferred system is appealing, but analysis shows that multiple design influences from in-house laboratories, weapon centers, operational commands, and contractors often are not compatible and contribute to "goldplating," oversophistication, system integration difficulties, and later performance deficiencies. There is a natural inclination to incorporate new and independently developed subsystems and combine them into a single system specification that then forms the basis for industry competition and later contractual requirements.

Effective competition in system acquisition has been precluded because design decisions on the best approach are made by the Government. Premature commitments are made to a system composed of design contributions from a host of public and private organizations. This "design by committee" approach sets up a one-horse race to meet the mission need, betting on a predetermined and frequently untested combination of technological and performance characteristics. Private sector contractors compete for the development and production of a "required" system, not to offer their best solution at their lowest cost. Consequently, there is limited opportunity for contractor innovation and technical competition, and contractors find it easier to promise the customer what he wants than to innovate and demonstrate new products.

Divided responsibilities for defining the system are also at the heart of later contractual difficulties, correction of deficiencies, and engineering changes, all of which can result in added costs and weakened contractual commitments. Although the contractor has accepted contractual responsibility for computing a system, its ultimate cost, schedule, and performance difficulties are rooted in the combination of specified performance requirements the agency believed could be met. Thus, ultimate responsibility for development problems is difficult to pinpoint.

In most programs, important advantages could result from allowing competitors to be independently responsible for the evolution of their systems by:

Reinstating a competitive challenge to industry to use a wider span of technologies for system solutions that are of lower cost and simpler design.

Creating incentives that encourage economy and austerity in development because, unlike sole-source situations, the incentives for competitors can be directed toward austerity in system design and system design activities.

Restoring the integrity of contracts, with each contractor fully responsible for designing the system contained in its proposal. Ultimately, system demonstration should determine the success or failure of a contractor's approach and there should be a sound basis for negotiating a production contract.

A wider latitude for contractors to propose and explore system alternatives would be balanced by technical competition among them. These are not unlimited alternatives or alternatives for their own sake, but options pursued as long as they make sense in terms of their cost, what has been learned and what remains to be learned in order to make stable program commitments. Initially, only relatively small amounts of money will be needed to explore system concepts to determine the ones that are the most promising and the ones that should be rejected.

Recommendation 6. Maintain competition between contractors exploring alternative systems by:

(a) Limiting commitments to each contractor to annual fixed-level awards, subject to annual review of their technical progress by the sponsoring agency component.

(b) Assigning agency representatives with relevant operational experience to advise competing contractors as necessary in developing performance and other requirements for each candidate system as tests and tradeoffs are made.

(c) Concentrating activities of agency development organizations, Government laboratories, and technical management staffs during the private sector competition on monitoring and evaluating contractor development efforts, and participating in those tests critical to determining whether the system candidate should be continued.

Choosing preferred systems

The choice of a system can be based on low-cost information—studies, analyses, and limited laboratory tests—but this is also low-confidence information whenever a system embodies advances in technology. Although the short-range benefits of money saved by an early choice of a system are apparent, the penalities of a poor early choice can and have proved to be enormously costly.

Early choice of a system raises the risk that increasing costs will have to be paid as long as the agency need remains of sufficient priority. With only a single organized effort underway to meet the need, system performance and schedule slippages have to be accommodated by additional funding. As a result of this monopoly-like situation, costly and burdensome controls and regulations must be applied to a greater extent than in competitive procurements to assure public accountability. There are no *standards* to measure the efficiency of a single undertaking and no competition to aid in choosing the best system.

Technical leveling through transfusion of the best features of proposals early in system exploration and, later, during source selection narrows the differences between competing proposals. Source selections have depended less on technical differences between proposals and more on contractor predicted costs at a time of great technical uncertainty about the "chosen system." In relying on these cost predictions for initial system procurement, insufficient weight has been given to system performance and to the cost eventually to be paid for operating, supporting, and maintaining the system.

Systems that were defined early and subjected to a short industry competition to select the contractor and remaining design refinements invariably have led to technical problems and contractual difficulties. The resulting procurement climate has been clouded by buy-ins, contentious awards, and contracts that were subject to so many changes and claims as to invalidate the integrity of original contractual agreements.

Some new DOD programs reflect efforts to first prove out the "chosen" system by building partial or complete prototypes. This is a major improvement. However, in new prototype programs, choices of technical approach and some system characteristics are still being made by the agency before competition takes place. Introducing industry competition after a system has been largely defined and when large-scale commitments for prototypes have to be made results in relatively narrow cost and technical differences and confines the participation to major firms.

Competitive demonstration of new systems is not appropriate for all programs, but the decision to forego competition should consider more than near-term savings in time and money. The added expenditure of R&D monies to bring a wider span of system solutions into competition can be expected to have a great leverage effect on ultimate system performance and on the vast majority of program costs that will be incurred later.

Looking at the past and to the future, no new programs automatically can or cannot afford competitive demonstration as a basis for choosing a preferred system. It is deceiving to say from the outset that any systems which might meet an agency need must of necessity be big and expensive and, therefore, not amenable to prototype demonstration. The "necessity" for bigness comes about mainly because of familiarity with the scale and scope of past systems used to meet comparable agency needs. With a wide range of system candidates and technologies opened up by earlier recommendations, smaller and cheaper systems will have a chance to be brought forward.

If several design teams were allowed to follow different technical paths in the early innovative phase of system acquisition, the agency might select two for competitive demonstrations of either complete systems or prototypes that embodied all the critical parts.

Having competition from the beginning of the program and maintaining it to this point would provide important benefits largely lacking in current programs, including:

Design continuity from concept through engineering design to improve technical control and integrity of the system.

Different competitive performance and cost solutions to provide options.

Clear contractor product responsibility for a system.

Competitive exploration of technical approaches should produce distinguishably different system performance characteristics. Technical differences would then become more important criteria for choosing systems and contractors than in the past when differences mainly involved design detail and an uncertain cost.

Essentially, our recommendations call for using additional R&D expenditures to initiate competition before system options are eliminated and when costs are significantly lower than those that must be incurred later for full-scale enigneering development. Competition should be continued at least up to the final development phase to provide a sound basis for choosing a potential system and entering into firm performance and price commitments with the successful developer.

Recommendation 7. Limit premature system commitments and retain the benefit of system-level competition with an agency head decision to conduct competitive demonstration of candidate systems by:

(a) Choosing contractors for system demonstration depending on their relative technical progress, remaining uncertainties, and economic constraints. The overriding objective should be to have competition at length through the initial critical development stages and to permit use of firm commitments for final development and initial production.

(b) Providing selected contractors with the operational test conditions, mission performance criteria, and lifetime ownership cost factors that will be used in the final system evaluation and selection.

(c) Proceeding with final development and initial production and with commitments to a firm date for operational use after the agency needs and goals are reaffirmed and competitive demonstration results prove that the chosen technical approach is sound and definition of a system procurement program is practical.

(d) Strengthening each agency's cost estimating capability for:

(1) Developing lifetime ownership costs for use in choosing preferred major systems.

(2) Developing total cost projections for the number and kind of systems to be bought for operational use.

(3) Preparing budget requests for final developments and procurement.

Recommended Acquisition Structure for Programs Not Based on Competitive Demonstration

Some large or complex systems cannot be put through competitive hardware demonstrations, as in the case of large aircraft carriers: an early choice of a preferred system may be necessary. Programs like Apollo and Polaris that made an early commitment to an undeveloped system have generally been considered successful when accompanied by these essential conditions:

There was a broad consensus that cost was not as important as program goal as mission capability and/or the time it was to be achieved.

The Government retained direct control and responsibility for defining and developing the system through a highly competent program staff and gave itself flexibility to change characteristics and performance "requirements."

Flexible cost-type contracts were used for specially selected contractors.

Such programs were usually of high priority because they addressed mission needs that were critical to national policy and strategy. They received the specific attention of the President and the National Security Council; thus, the programs attracted large amounts of agency resources and the best talents from industry and Government to solve major technical problems.

Two important criteria for adopting a direct agency control approach are:

Some urgent needs cannot be met if time is taken to explore eligible alternative systems to a point when competitive hardware test informtaion is available. Instead, a system concept must be formulated early by taking (transfusing) the best ideas from industry and Government and by applying large-scale resources to achieve a solution within a fixed time.

Some needs and goals will require major systems of such massive physical and financial magnitude that no one contractor (or even a team of contractors) may be able to marshal, consolidate, and manage all the necessary talents and resources to compete, even if the agency could finance them.

Both the criteria for choosing such an approach and the conditions needed to make successful clearly suggest that these programs will often require the highest levels of visibility. They should be subject to agency head review of the reasons for adopting a centralized format and be reviewed in Presidential and congressional councils when the resources or capabilities required are critical to national planning.

Although these programs warrant special controls, overreliance should not be placed on complicated regulations and contractual clauses. Better assurance of program success can be attained from proper contractor selection and the involvement of a strong, technically competent program management office complemented by a strengthened agency test and evaluation capability.

Recommendation 8. Obtain agency head approval if an agency component determines that it should concentrate development resources on a single system without funding exploration of competitive system candidates. Related actions should:

(a) Establish a strong centralized program office within an agency component to take direct technical and management control of the program.

(b) Integrate selected technical and management contributions from in-house groups and contractors.

(c) Select contractors with proven management, financial, and technical capabilities as related to the problems at hand. Use cost-reimbursement contracts for high technical risk portions of the program.

(d) Estimate program cost within a probable range until the system reaches the final development phase.

Implementation: final development, production, and use

Although the benefits of competition apply equally to the final development, production, and operation of systems, the cost to maintain competition rises substantially in these phases. As a consequence, system normally enter final development, production, and deployment under an evolved monopoly situation; there is only a single system and contractor to cope with an agency need. Recent difficulties in getting systems produced and deployed within contract terms are related to the "locked in" position of a contractor who, since the beginning of development, has not been subject to direct competitive pressure.

The basic problem, however, is not being locked-in to a sole-source contractor but being locked-in to one who, as it turns out, cannot supply the system as originally planned under the terms and conditions of the contract. Following our recommended acquisition pattern, the contractor and his system would be brought to a point where contractual obligations could be made *before* competition was eliminated with high assurance that he *could*, in fact supply the system according to plan.

Although the chosen system would have been created and demonstrated under continuous competitive pressure, there are conditions when direct competition should be retained or reinstated to drive ownership cost down and system performance up. For example, when the operating conditions remain very uncertain, as in the case of some defense systems, the cost of having competing operational systems with different capabilities may be an acceptable price to pay for the benefit of competition and for being prepared for operational contingencies.

In another situation, the system chosen to meet the need may have to be procured in large quantities over an extended period. If the cost of duplicating tooling, facilities, and knowhow is not prohibitive, it can be advantageous to establish competing producers. Finally, when total systems cannot be competed in the implementation stage, the prime contractor will find it beneficial from his viewpoint and the Government's to solicit competitive sources for selected subsystems. Practices to retain or reinstate competition are followed on occasion by DOD and should be continued whenever the benefits of doing so justify the additional investment of time and cost. The difficulty, of course, is that while the cost of maintaining competition can be readily determined in advance, the benefits cannot.

Problems associated with the final development, production, and use of new systems have been the most painful symptoms of basic inadequacies in the structure of system acquisition programs. Defense systems have been produced and deployed in large numbers while major unknowns about their technical capabilities, reliability, and operational effectiveness remained. Occasionally deficit and unreliable systems have often resulted.

Two kinds of cost problems have come to the forefront during these later phases. First the unit cost of each new system has been rising over the cost of predecessor systems to meet similar needs. Second, major systems in the final development and production phases have grown in cost well in excess of planned amounts so that the agency often is forced to:

Shift money between programs and sometimes obtain reprogramming authority from Congress.

Obtain higher than planned appropriations from Congress in succeeding years.

Reduce the number of units to be procured and deployed (force levels).

DOD has taken various actions to alleviate the cost growth problem including strengthening its cost estimating capability for major systems. These efforts will not reduce the rising unit cost of new systems and resultant reductions in planned force levels unless other more basic changes are made in how needs and goals are initially set and how systems are then defined, competed for, developed, tested and evaluated.

The intended cumulative effect of our recommendations is to acquire enough information to choose systems within established agency cost goals, to change the contracting environment to one of competitive demonstration, and to minimize the difficulties in present-day contract administration. To support all these recommended actions, strengthened agency testing is necessary.

One of the primary findings of our study is that too much is committed to individual major systems before ideas, needs, designs, and hardware are tested and evaluated. Agency testing has usually been delayed until the results were too late to be used effectively in an overcommitted program. Additionally, the testing function has borne the brunt of problems created by the way early acquisition processes have been conducted.

Testing, in the major system acquisition process, has not commanded the importance, stature, or priority that it must if it is to be a primary source of information on major system progress and for decisions on continuing system design efforts, system selection, starting production and operational deployment.

There are two main reasons why there has been inadequate testing. First, testing is often expensive and time-consuming, especially if staged and executed in a realistic manner. Second, the advocates of major system programs are aware that negative test results, if misunderstood at higher levels, can jeopardize or delay a program.

There is mounting evidence that agencies should spend the money, take the time, and go to the trouble of performing adequate tests. DOD has taken initiatives to strengthen testing by:

Establishing a top-level office to set policy and to monitor, for the Secretary, the test operations of the military services.

Emphasizing earlier development and operational testing in new programs and readjusting some of the testing in ongoing programs.

Reducing the overlap between development and production.

Focusing attention on test results at key acquisition decision points.

These are excellent beginnings.

To create incentives for adequate testing, clear direction will first have to be given that defines the timing and expected results of various kinds of testing at each stage in the acquisition. Major steps in this direction have been taken by DOD. It is necessary to then develop a strong testing activity with the stature to its job.

Test results, by themselves, are not foolproof indicators of how good or bad a system will be in operation. However just prior to a planned full-production commitment, tests should be conducted for the specific purpose of making a "go/no-go" decision. Substantial sums will have been spent on a new program and even larger amounts will be requested for operational system production and deployment. At this point the system must be subjected to a tough and objective evaluation of its usefulness under expected operating conditions.

Recommendation 9. Withhold agency head approval and congressional commitments for full production and use of new systems until the need has been reconfirmed and the system performance has been tested and evaluated in an environment that closely approximates the expected operational conditions.

(a) Establish in each agency component an operational test and evaluation activity separate from the developer and user organizations.

(b) Continue efforts to strengthen test and evaluation capabilities in the military services with emphasis on:

(1) Tactically oriented test designers

(2) Test personnel with operational and scientific background

(3) Tactical and environmental realism

(4) Setting critical test objectives, evaluation, and reporting.

(c) Establish an agencywide definition of the scope of operational test and evaluation to include:

(1) Assessment of critical performance characteristics of an emerging system to determine usefulness to ultimate users

(2) Joint testing of systems whose missions cross service lines

(3) Two-sided adversary-type testing when needed to provide operational realism

(4) Operational test and evaluation during the system life cycle as changes occur in need assessment, mission goals, and as a result of technical modifications to the system.

Contracting methods and procedures have been used as remedies for acquisition problems found in past programs. This has stimulated a large growth in contracting regulations that have been applied to most programs, whether appropriate or not.

There is widespread dissatisfaction with the voluminous size and detail of contracting regulations. Common complaints are the frequency of change, the ponderous waiver routes required for use of nonstandard clauses, and the practical impossibility of being able to understand and intelligently apply all that is included in them.

The personnel assigned to major system procurement are or should be the best available to the procuring organization. They should not need detailed formula substitutes for judgment. Excessively detailed guidance and requirements to use ineffective contract provisions have been an impediment to major system acquisitions. In this area, there is a great need for personnel to have adequate authority to adapt, modify, innovate, and be held responsible for actions taken.

The problems in contract performance cannot be corrected by contract procedures. The problems are rooted in the actions or inactions in earlier phases of the acquisition process. The cumulative effect of prior recommendations having to do with competing system-level technical approaches, a test demonstration phase, and a strengthened testing activity is intended to provide realistic Government procurement specifications. The result should be simplified contractual arrangements.

Recommendation 10. Use contracting as an important tool of system acquisition, not as a substitute for management of acquisition programs. In so doing:

(a) Set policy guidelines within which experienced personnel may exercise judgment in selectively applying detailed contracting regulations.

(b) Develop simplified contractual arrangements and clauses for use in awarding final development and production contracts for demonstrated systems tested under competitive conditions.

(c) Allow contracting officials to use priced production options if critical test milestones have reduced risk to the point that the remaining development work is relatively straightforward.

Organization, management, and personnel

An understandable desire to avoid past mistakes and blunt future criticisms results in an unstable tendency in bureaucracies either to draw all matters up to the highest possible level for decision or to leave critical decisions and information at too low a level. DOD management philosophy, for example, has exhibited wide swings between "centralized" and "decentralized" patterns of decisionmaking. These two approaches generally describe the relative authority of the Office of the Secretary of Defense (OSD) and the military services, but also have meaning within a military service.

DOD recently has attempted to balance the advantages and disadvantages of centralization with a philosophy of "selective decentralization" and "participatory management." This philosophy has given the military services greater responsibility for their acquisition programs. An attempt to find an effective middle ground is proper, but policy and management philosophy must be buttressed by clear statements on the placement of specific decision authority and management responsibility within OSD and the military services.

At present, the responsibility for policymaking and monitoring acquisition programs is split between the technical and business functions at top agency and component head levels. No single office is accountable to the agency head for overall results of acquisition policies.

When new acquisition programs are initiated, procurement must begin using the tools and techniques prescribed by procurement policy and regulations. Such policies and regulations, often intended for more orthodox procurements, have caused problems when applied to advanced technology major systems. Technical and business policies and the people who make them are not closely interrelated. The result has been that procurement methods and contracting techniques do not match the character of technical activity embodied in major system acquisition programs.

On the other hand early technical activities commit to requirements and actions that prejudice strongly the business structure of any program. With technical needs and considerations occurring first and the business activity second, a vacuum is created in the acquisition process. Issues such as roles and relationships of the Government and industry in defining and developing a system, competitive approach, technical risk, time factors, contracting, and cost should be actively considered from the start.

The split between the technical and business functions also is part of a more widespread pattern of management layering and duplicate staffing that includes agency components where multiple assignments of authority and responsibility also exist.

During the past 15 years, the problem of management layering and excessive staffing has been exhaustively documented but only marginally improved. Its actual impact on the cost of programs is impossible to assess. Whatever the total, the costs are multiplied in industry; contractors who deal with agency staff specialists must create counterparts in their own staffs.

Within an agency component, the acquisition program office is a natural focal point for operating authority and responsibility. The program manager usually is assigned after a major system has been defined and therefore has no role in some of the most important decisions governing execution and success of the program for which he is made responsible. Program managers recently have been given increased authority, but it is difficult to exercise that authority in the current DOD environment. There is too much layering, too much fragmentation of authority and responsibility, and too many coordination points and staff reviews up through the top level.

Recommendation 11. Unify policymaking and monitoring responsibilities for major system acquisitions within each agency and agency component. Responsibilities and authority of unified offices should be to:

(a) Set system acquisition policy.

(b) Monitor results of acquisition policy.

(c) Integrate technical and business management policy for major systems.

(d) Act for the secretary in agency head decision points for each system acquisition program.

(e) Establish a policy for assigning program managers when acquisition programs are initiated.

(f) Insure that key personnel have long-term experience in a variety of Government/industry system acquisition activities and institute a career program to enlarge on that experience.

(g) Minimize management layering, staff reviews, coordinating points, unnecessary procedures, reporting, and paperwork on both the agency and industry side of major system acquisitions.

Recommendation 12. Delegate authority for all technical and program decisions to the operating agency components except for the key agency head decisions of:

(a) Defining and updating the mission need and the goals that an acquisition effort is to achieve.

(b) Approving alternative systems to be committed to system fabrication and demonstration.

(c) Approving the preferred system chosen for final development and limited production.

(d) Approving full production release.

Mr. CHILES. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. STENNIS. Mr. President, what is the pending order of business?

The PRESIDING OFFICER. The pending business is the substitute amendment by the Senator from Montana for his own amendment.

Mr. STENNIS. Mr. President, the situation is that some Senators want to speak with respect to the Hartke amendment that is going to come before the Senate when there will be some time for debate, and we can add to the time by taking time from the bill. But the agreement now is that we vote on the Mansfield amendment at 2:30. So long as there is someone here who wants to speak on the Mansfield amendment, I think they should have preference.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MANSFIELD. I should like to suggest that the vote on the substitute I have offered occur at 2:45, to give all Members a chance to come back. If that substitute is rejected, it will be my intention to offer another substitute. If that is rejected, that will be the end of it; and if it wins, that will be the end of it for the time being.

Mr. STENNIS. I have no objection to that.

The PRESIDING OFFICER. Is the Senator from Montana asking unanimous consent that the vote on his substitute occur at 2:45?

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. How much time does the Senator from Montana have and how much time does the Senator from Mississippi have on the amendment?

The PRESIDING OFFICER. He has 40 minutes on the substitute.

Mr. STENNIS. I yield 5 minutes to the Senator from Washington, and more, if necessary.

Mr. JACKSON. I thank the Senator from Mississippi.

The PRESIDING OFFICER. Is it the request of the Senator from Montana that the vote occur at 2:45?

Mr. MANSFIELD. That the vote on the pending substitute occur at 2:45.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, for several years now, the Senate's consideration of the military authorization legislation has also been the occasion for full-scale debate of the overseas component of America's defense posture and the role of our alliance system in insuring our own security and promoting international stability.

Now, once again, we are asked to consider proposals which would drastically cut back American military capabilities deployed overseas and deal a serious blow to the structure of a successful alliance system.

The most conspicuous aspect of the overseas manpower issues has involved the continued stationing of U.S. troops in Europe. Congress, in consistently rejecting pleas that our conventional military capability in Europe be substantially reduced, has exhibited a deep understanding of the vital role those forces play. The maintenance of a credible conventional deterrent in Europe has, over the years, proved to be the sine qua non of stability in Europe.

In recent days, the point has been well made in the editorial columns of both the New York Times and the Washington Post that withdrawals of American forces from Europe remain inappropriate. Such withdrawals would introduce a new element of uncertainty into trans-Atlantic relations, relations already troubled by disputes over security, political, and economic issues. We have, moreover, seen changes of government in France, West Germany, and Britain; and we ought to seek common approaches to outstanding problems in an atmosphere unencumbered by any major shock to the security balance in Europe.

The Senate is thoroughly familiar with the case that has been made for the continued presence of a meaningful contingent of American troops in Europe.

Today, I believe it is especially appropriate to reemphasize the promising initiatives that have been undertaken first, to put the financing of the Alliance on a more stable and equitable plane and, second, to insure that American resources committed to Europe are used efficiently and effectively.

My colleagues will recall that, during the consideration of last year's procurement legislation, the Senate chose a constructive and positive approach to outstanding NATO problems, an approach which has served to strengthen NATO rather than cripple it. I refer to the Senate initiative which established full offset of the NATO-related U.S. balance-of-payments deficit as a formal goal of American policy. This so-called Jackson-Nunn amendment, approved in the Senate by a vote of 84 to 5, endorsed by the House, and subsequently signed into law, has established a formula which relates the American troop commitment to the level of cooperation within the Alliance in this area of "burden-sharing."

The negotiations mandated by the Jackson-Nunn amendment have not been completed in their entirety. However, a new and significant offset agreement has been concluded with the Federal Republic of Germany. Additional multilateral agreements are in the process of being worked out. Having frankly faced up to a major problem, the NATO allies are well along the way to solving it. There are hopeful indications that the Secretary of Commerce, as provided in the legislation, will be able to determine that a full offset has been achieved.

However, a major cutback in U.S. forces at this time, in my judgment, would be an unfortunate reversion to unilateralism at a time when cooperative negotiations are working. Indeed, it would destroy the rationale not only for the ongoing offset negotiations, but the whole range of negotiations designed to secure a more equitable distribution of NATO's defense efforts.

Mr. President, the U.S. commitment to NATO has been a constant concern of the Armed Services Committee. The procurement legislation endorsed by the committee this year contains three significant provisions which speak directly to the problem. These sections, which represent the effort and initiative of Senator NUNN, will further meet the concerns often expressed by many Members of the Senate.

First, the legislation mandates a 20-percent reduction in logistical and support forces in Europe, permitting their replacement with combat troops only. This will have the effect of significantly reducing the "overhead" associated with our deployments in Europe without compromising—indeed enhancing—their military effectiveness.

The legislation further obligates the Secretary of Defense to take action to standardize the military equipment used within the Alliance. Over the years, we have come to recognize that greater standardization and commonality is one way of effecting significant savings on a NATO-wide basis.

Finally, the legislation establishes—for the first time—a ceiling on the number of American tactical nuclear warheads deployed in Europe. In association with this provision, the committee has mandated a major review of European-based tactical nuclear forces, their size and composition, their cost, their utility, and their real contribution to the common defense effort.

In effect, Mr. President, what the Senate is asked to evaluate is whether drastic and irreparable congressional action is preferable to the measured and responsible steps that have already been taken and which are now programed for the future. Implicit in the course endorsed by the Congress last year and pending before the Congress this year in the form of the procurement legislation is an orderly process for resolving Alliance-wide programs. Implicit in the remedy proposed by the advocates of major unilateral troop cuts is the chaos and instability that would come from rupturing a relationship now a quarter of a century old. Additionally, Mr. President, drastic troop cuts—at a time when the negotiations on Mutual and Balanced Force Reductions are in a significant phase—can only serve to make mutual reductions virtually impossible.

The fact, Mr. President, that the issue of European and American security is being discussed today in the context of proposals for a worldwide cutback in American forces only serves to underscore the delicate relationships and balances which protect our security.

We hear the argument that withdrawals of forces from the Pacific can substitute for withdrawals from Europe. We hear, alternatively, that we ought to maintain current commitments in Europe but dismantle our security structure in the Pacific area. We have learned, however, that the security concerns of the United States are not so neatly divisible. We have learned that the balance of forces in the Indian Ocean is related to stability in the Middle East—the source of Europe's vital energy supplies. We have learned that a stable security relationship between Japan and the United States is a fundamental component of international stability. To think, for example, that a further drawdown in our already modest forces in Korea will have anything but a destabilizing effect on these complex interrelationships is, in my judgment, dangerously simplistic.

Certainly, the U.S. role in the Pacific region is changing. The normalization of political relationships between the Peoples Republic of China and many of its neighbors may help to reduce old sources of tension. But to force the pace of change in the area is as dangerous as failing to respond to it. Moreover, Mr. President, we have scaled down, and we continue to scale down, the level of our Armed Forces in the region consistent with improvements in the overall situation. This, I submit, is a far more sensible strategy than the imposition of arbitrary troop ceiling hastily conceived and shallowly evaluated for their impact on international security.

I must say, in all candor, Mr. President, that the abrupt changes in the proposals that are being put forward, the way in which the proponents of troop cuts discuss 125,000, 100,000, or 75,000 troops suggests to me that these proposals have not been given the care and analysis they deserve.

Mr. President, I trust that the Congress will continue to support a range of realistic commitments and alternatives, consistent with our own security and vital to continued international stability. This is the most prudent route to the more peaceful world we seek.

Mr. President, I wish to make this added observation. We have made a great breakthrough in our relations with the People's Republic of China. Many statements in the Chinese media express concern over the future of NATO, and the uncertainties that would result from a sudden and abrupt shift in the balance of power in Europe. This concern reinforces the point I made earlier: international stability rests on complex and delicate global interrelationships.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. JACKSON. Mr. President, if I had made this observation 4 or 5 years ago, many people would have been startled. Yet the balance of power in Europe does have obvious security implications for China. We are moving forward to improve our relations with Peking—building upon one of the major breakthroughs of the post-World War II period. In my view, American actions that would serve to upset the balance in Europe could very well have an adverse impact on Sino-American relations. As I said earlier, I believe the Chinese are seriously concerned over the collective posture of the West in Europe. So I would call the attention of my colleagues to this additional aspect of the problem—an important aspect in my judgment, in terms of the long-range stability that we all seek, a world of peace and the avoidance of catastrophic nuclear war.

In sum, Mr. President, I hope that these proposed troop cuts will be rejected by the Senate.

Mr. GOLDWATER. Mr. President, will the Senator yield to me for 3 minutes?

Mr. STENNIS. First, I wish to inquire about the time.

Mr. President, how much time do I have remaining on the bill?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STENNIS. Mr. Preident, I yield 3 minutes on the bill to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I thank my chairman.

Mr. President, something we overlook in this body each year as we debate this amendment is the fact that our total forces have been reduced year by year over the last 5 years. We have reduced them about 1,300,000 and the committee this year has mandated a 23,000 cut from the European Army alone within the next 2 years.

Yet we look at the figures and we find Europe having 300,000, Thailand with 36,000, Western Pacific having 132,000, and others 57,000, for a total of 525,000.

Then, if we take off the U.S. territories of 33,000, that leaves 492,000; and then the Navy of 55,000, and that leaves 437,000 that we could apply the Mansfield amendment to, or a net of 312,000.

I do not care how this pie is cut. There will have to be reduction of forces in NATO under the Mansfield amendment. Something that I think we overlook, that is repeatedly considered in war gaming, whether it is in this country or abroad, is the fact that there is doubt and rather serious doubt about how solidly the Warsaw Pact nations are alined behind the Soviet Union. We can play the game several ways. If we take the weakest stand of the Warsaw Pact nations, it would be very much in our favor; and, in fact, if we take the strongest stand, it would be in our favor.

The thing that bothers me, if we reduce our NATO forces is that the Warsaw Pact nations that are not totally unfriendly to us might begin, just as all countries do when there are signs of weakness in the leadership, to look for some other allies or alliances, which means they would strengthen their ties with the Soviets because they would be convinced the United States is not determined to maintain the strength that is necessary in NATO to stand up to its share of the burden there. And it probably would have a bad impact on our NATO allies who would begin to see that the United States is not going to stand by their agreement.

I urge that the Mansfield amendment be rejected. I think we are treading on dangerous ground. These are decisions that ought to be made by the National Security Council and by the President after consultation with the Joint Chiefs of Staff. I do not think this is something we should determine on the floor of the Senate, although we certainly can; it is within our power. But we are going into the field of strategy and tactics.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

May I say to the distinguished Senator from Arizona (Mr. GOLDWATER) and to the distinguished Senator from Washington (Mr. JACKSON) that neither the NSC, nor the Joint Chiefs of Staff, not even the President, should have the right to make decisions that the elected representatives of the people have the authority and responsibility to undertake.

Furthermore, as far as the Jackson-Nunn amendment is concerned, it is my understanding the Germans, as a part of that offset payment, are buying up U.S. bonds on which they are paid interest. So they are not doing us much of a favor in buying our bonds, even if they are getting a rate below that paid the American people by 2½ to 3 percent.

But this is the right time—30 years after the end of the Second World War, almost. Today we are celebrating the Normandy invasion 30 years ago. This is the right place—in the Senate of the United States, where the people's elected representatives stand—and this is the right issue, because it has not been hastily conceived. This has been going on. I have been trying for a decade to get some action, and so far with little or no success.

Some persons talk about the MBFR and say "give it a chance." Thirteen years ago I suggested that a meeting of this kind take place, but only as the pressure increases here does this administration and its partners get together with the Soviet Union and members of the Warsaw Pact.

It is costing the American people $19 billion a year to maintain troops and military dependents in Europe. How long do we think that we are so big and so strong and so powerful and so rich that we can afford to be the world's policeman? Do not we know that our manpower resources are limited? Do not we know that our wealth is limited? Who do we think we are? We are not the world's policeman. We should be in partnership with the rest of the world, and we should not try to cover every ocean and every continent. We have not got what it takes, and we may as well wake up to that fact and, hopefully, at long last, on the basis of reality, not on the basis of a dream or a myth which was good 30 years ago, but on the basis of the change which has occurred in the meantime, start bringing our troops and their dependents from all parts of the globe, and do it gradually, without disrupting any of our relations with our neighbors and allies, and make it possible for those friends of ours to carry their share of the burden, and not do it for them.

We have a debt of $475.6 billion. The administration has asked for $15 or $20 billion more. They will get it, I assume, although it just passed the House by one vote.

We are not that rich. We are not that strong. We are not that all powerful. Let us recognize that we are human, and let to operate on an equal basis, so that no nation of the world has to take too much of a burden on its own shoulders.

I yield 4 minutes to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. Mr. President, I thank my leader for yielding and I thank him for the leadership he has provided in this amendment. I am delighted to join with him as a sponsor of the amendment.

I would like to point out that while I favor, while Senator MANSFIELD favors, and while many others favor withdrawing troops from Europe without waiting for everlasting negotiations that may not produce any agreement to withdraw troops from there, this amendment does not require that troops be withdrawn from Europe. We have enough troops elsewhere—in Asia primarily—without having to weaken the military strength in Europe.

The Senator from Missouri (Mr. SYMINGTON), who, unhappily, cannot be with us today, has often stated that our national security rests on three factors: First, the strength of our institutions; second, the soundness of the dollar and our economy; and third, the certainty that we can retaliate against any foe overwhelming should it make a move against us, and the certain knowledge on the part of the foe that we have that capacity.

In regard to these points, first, the strength of our institutions has been brought into question by reason of shattering events in our history. Second, as to the soundness of the dollar and the economy, the very strength we are seeking to secure by this amendment, the dollar has been weakening, as well as the strength of our economy, and the money spent on maintaining those overseas troops are greatly inflationary. As a result of the many dollars leaving the country, it has led to two devaluations of the dollar and a weakening of the economy. If we were to start cutting some of these incredible expenditures, we could deal with that inflation. We could deal with that injury to the dollar. We could move toward a balanced budget, which I think is essential to deal with inflation.

Finally, with regard to retaliation and the certainty that we have that capacity, this extravagant, wasteful expenditure of dollars overseas brings the whole military budget into suspicion on the part of many people, who think we are spending too much on it, and when they see it is impossible to cut this part of the budget by flailing at it, they then strike at other parts of that budget.

Finally, there is the question of American jobs, which is also necessary for our economy. By spending too much on overseas bases, we tend to provide a tremendous number of jobs for foreign nationals and income for businesses around those bases, at the cost of American jobs and around American bases, which, for some reason, are cut instead.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. I yield 2 more minutes to the Senator.

Mr. CRANSTON. Mr. President, last fall Secretary Schlesinger told the distinguished chairman (Mr. McCLELLAN) and the ranking minority member of the Senate Appropriations Committee (Mr. YOUNG) that the Pentagon was seriously studying overseas troop withdrawals and would soon produce specific recommendations. What happened? The report on manpower for the fiscal year 1975 listed a reduction of only 2,000 men in overseas deployment by the end of fiscal year 1975.

The only cuts that have been reported in the press since that manpower report appeared have been 8,000 in Thailand and 2,000 in Taiwan. Yet that total, 10,000, represents less than 2 percent of our overseas deployment.

In the case of headquarters in Korea, the committee report summed up the problem succinctly. It says, on page 137:

> The fiscal year 1974 report of this committee suggested a 50 percent reduction in the three U.S. headquarters in Korea. The committee is surprised that, as of June 30, 1974, 100 people will have been added to these headquarters, representing an 8 percent increase.

If we are ever going to get this matter in hand, it requires action by this body. I suggest we take that action.

Mr. MANSFIELD. Mr. President, if the Senator will yield, was the Senator referring to the report?

Mr. CRANSTON. Yes.

Mr. MANSFIELD. In the report of the committee, at page 137, there is this statement:

> Secretary Schlesinger this year said that there have been no major improvements in North Korea force size or improvement. In the manpower hearings, DOD stated that South Korean ground forces are now adequate for defense against North Korea.

So the admonitions of the Armed Services Committee have not been paid much attention, and I would hope that we have not reached the stage in this Chamber when the Pentagon, the Joint Chiefs of Staff, the AFL–CIO, the Washington Post, the New York Times can tell us how to vote on issues of this kind or any other kind.

Mr. CRANSTON. I thank the Senator. I would simply ask, after all this talk about "Yes, we will make some reductions in Korea," What do we find? One hundred people added there to headquarters, an 8-percent increase in Korea.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I thank the Senator from Montana because, ordinarily, he would have the right to conclude the debate. I merely need a few minutes time for summing up.

I pointed out this morning that neither the Armed Services Committee nor any member thereof was trying to tell anyone how to vote. This is a matter of judgment or commonsense, and every individual Senator has the right to make up his own mind. I have never had any other attitude.

Just a word about our military forces. I have been in the forefront in trying to get the numbers reduced. They are very expensive. The weapons are very expensive. We have these obligations all the way from Korea to troops in Thailand, airpower in the Philippines, and the Western European situation. I think our main forces are down to a very, very reasonable number, just 13⅓ divisions. But I want to get a higher percentage of them into fighting units. As a worldwide power, we have 13⅓ divisions stationed all around the globe; and, of course, we have our reserves and the National Guard in addition. But I think that is getting them down pretty fast to a rather reasonable number.

Mr. President, let us not get excited. I believe after 4 or 5 years of closely keeping up with the problem there is something to having a conference about a mutual reduction of forces.

I believe we have made some headway. I believe we do have an agenda that is being carried out now that will probably mean something. If we really get a mutual reduction, that could mean we are on the way to more reductions. If we get a unilateral reduction, or take one, we do not know just what the consequences will be.

I believe that this conference means something. I believe the disengagement agreement a few days ago between Syria and Israel means something. It has a fine potential. It certainly is going in the right direction. It opens up new avenues of development toward peace. It may have to be a guarded peace and, perhaps, in our time, it will be a guarded peace in many ways for us. But all this certainly opens up an opportunity, and is the opening of a door which has a positive meaning now.

The real way to liquidate all of that, if we have made any progress—and I think I have said we have—the way to pull the rug out from under it and liquidate it, and for all of it to go down the drain, is for us to turn back now and start unilateral reductions.

There is no special, urgent necessity for taking that step. We are not going to save all of the $14 billion or more if we withdraw all our troops from Europe. We could not afford to discharge or liquidate that many divisions and forego our military strength.

In regard to these large overseas troop reductions that are being proposed as amendments today, I want to repeat that I do not think it is wise to make these large reductions at this time. The committee has looked into our overseas troop commitment and in particular our NATO troop levels in great detail this year. The committee has recommended four very positive actions in this bill. I oppose and do not see how we can go any further than that at this time.

I agree with the sponsors of these amendments that over the years the United States has borne a heavy burden with our overseas deployments. A way must be found to put our overseas troop commitments on a long term, more acceptable footing politically, economically, and militarily. This year the committee took a number of positive actions toward this end.

First, as part of the overall reduction of 49,000 military personnel and 44,600 civilian, the committee included reduction of 11,000 military personnel in overseas headquarters and non-combat units worldwide. This action is aimed is taking out some of the overhead and unneeded support units, thus reducing costs.

Second, the committee recommended a mandated reduction of 20 percent of Army noncombat personnel in Europe over the next 2 years. This will amount to about 23,000 troops. On a permission basis the Secretary of Defense would be allowed to replace these support troops with combat troops. This action is aimed at requiring a major improvement in the so-called tooth-to-tail ratio of our overseas troops.

Third, the committee recommended a mandated ceiling on tactical nuclear weapons in Europe. This would prevent any increase of U.S. tactical nuclear weapons in Europe and require the Secretary of Defense to study our overall tactical nuclear policy and seek ways to reduce the nuclear stockpile in Europe.

Fourth, the committee recommended a mandated requirement for the Secretary of Defense to find and propose actions to the NATO Allies systems that would standardize weapons systems and their support for all of NATO. This is aimed at reducing overall NATO costs, including U.S. costs and improving conventional effectiveness by reducing the duplication and incapability of weapons and support systems that now exist in NATO.

Taken together, these four actions represent a firm and positive first step by the Congress to put our overseas troop posture on a firm and long term basis. I do not see how we can go further at the present time and in the present world circumstances. The House Armed Services Committee this year recommended against overseas troop cuts at the present time for two main reasons:

First, the ongoing negotiations regarding mutual balance force reductions in Europe and strategic arms limitation talks; and

Second, commitment that the Congress made to the NATO Allies that they will have an opportunity to meet the balance of payments requirement under the Jackson-Nunn amendment before we reduce our forces.

The House recently defeated by a vote of 163 to 240 an amendment to reduce our overseas troop levels by 100,000.

It has been said that we could reduce our overseas troop levels by 100,000 to 125,000 without seriously affecting our troops in Europe. This is simply not the case. As of March 31 of this year the United States had a total of 164,000 troops overseas in all locations other than Europe, United States territories, or board Navy ships. The amendments before the Senate today would substantially eliminate any meaningful United States presence anywhere in the world other than the areas mentioned, therefore, reduction of 100 to 125,000 would necessarily affect our European troop levels.

There are four main reasons for not reducing troops in Europe more than what the committee recommended.

First, the MBFR talks are underway. We have reports that these negotiations offer prospects for a better military and security situation in Europe with lower levels of forces on both sides. The Soviet Union and the United States have put forth substantive proposals on this matter. Both sides are seriously pursuing negotiations, looking for a common ground for a mutually acceptable outcome. A unilateral troop reduction at this time would end the negotiations in my opinion.

Second, the political situation in Europe today can be described as uncertain at best. Within recent months the governments have changed in Britain, West Germany, France, and Italy. At this juncture I think a large unilateral troop reduction would seriously endanger the whole American-European relationship.

Third, the balance-of-payments picture which has been a source of frustration for many has changed. In 1973 the United States showed a basic balance-of-payments surplus for the first time in over 5 years. The administration recently concluded a 2-year agreement with the German Government for major offsets to be paid to the United States for the balance-of-payments costs attributed to our troops in Europe. The President anticipates that the congressional requirements imposed last year for all balance-of-payments costs to be fully met for fiscal year 1974. If this situation works out there would be no balance payments of deficit reason to reduce troops in Europe.

Finally, the committee feels that the nuclear threshold in Europe is already too low. We do not need to increase troop levels in Europe, instead to raise it we need to improve the use of troops and equipment NATO has as a whole. This will take time and could result in a better conventional deterrent in Europe with fewer troops. The committee recommendations move in that direction and a large unilateral reduction would disrupt that process.

The United States has 524,000 men overseas. That is a large number of men, but in 1964, before Vietnam, the United States had 755,000 men overseas, thus today we have 231,000 men fewer overseas than in 1964—a 30-percent reduction. In 1967 the United States had 1,247,000 men overseas. That is 717,000 more than we have today thus, we have reduced troops overseas 58 percent since 1967. In every major world area there are substantially fewer troops overseas today than in 1964. Europe has been reduced by 100,000 or 25 percent, Korea has been reduced by 40 percent, Japan and Okinawa has been reduced 38 percent from 1964 and all other world areas have been reduced 54 percent. I would ask where would another 20 to 25 percent reduction, which is what these amendments would require, lead us?

Finally, the sponsors of these amendments have large, overseas troop reductions pointed to large savings as a result of these reductions. I would point out that these savings can only accrue if the troops are brought home and deactivated. We would not save that money if we simply bring the troops home and station them at bases in the United States. To do that would increase the budget in 1975 because we would have to bring the troops and their equipment home, build bases for them and hire civilians to support them. To deactivate 100,000 to 125,000 men, which is the only way that much money would be saved, would cut into the overall force structure and military strength of the United States. It would bring our active duty strength down to 2,027,000 men—the lowest since 1950. It would cut heavily into Army and Marine Corps divisions, Air Force bomber and fighter squadrons, and Navy ships. This kind of a cut would take out more combat because the major support and training bases are in the United States, not overseas. I could certainly not agree with such major reductions in our overall military strength without careful consideration and debate.

In summary the committee recommendations make some reductions in overseas headquarters and overhead activities to improve overall efficiency. They are a step towards putting our overseas military forces on a carefully planned, long term footing. I do not believe we should make major reductions below the committee recommendations at this time.

I ask unanimous consent that letters from Secretary Kissinger and our MBFR representative, Stanley Resor, be printed in the Record, at the conclusion of my remarks together with a table on overseas troop strength.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Secretary of State,
Washington, D.C., June 1, 1974.
Hon. John C. Stennis,
Chairman, Committee on Armed Services, U.S. Senate.

Dear Mr. Chairman: It has been called to my attention that the FY 1975 Defense Authorization bill will be considered on the floor of the Senate early next week. I am sure you appreciate that a strong U.S. military posture is absolutely essential to the success of our diplomacy abroad. It is America's strength, both economic and military, that gives weight to our words in the councils of nations. Consequently, I feel justified, as Secretary of State, in taking the liberty of stating my views on three major issues which are bound to arise during the course of the debate on the bill and which are of deep concern to our foreign policy. These are: (1) reductions in our troop deployments abroad, (2) military assistance for South Vietnam (MASV), and (3) the strategic research and development program.

While I fully appreciate the strong desire in the Congress to effect reductions in the number of U.S. military personnel and dependents now stationed abroad, I feel compelled to caution that unilateral reductions at this time could seriously undermine our efforts to achieve mutual reductions of forces between NATO and the Warsaw Pact in Europe where the bulk of our overseas forces are located. As you know, we have already reduced our troops in Europe by about one-fourth, from about 400,000 in the early 1960's to about 300,000 now. During the same period, Soviet forces deployed in Eastern Europe have increased by about 100,000, from 475,000 in 1962 to 575,000 now. But more important, the U.S. troops in Western Europe constitute an absolutely essential element of NATO's military posture in the Central Region. None of our partners is in a position to replace them. I would certainly favor a more efficient utilization of the military personnel in Europe, but any reduction in our forces there should be accompanied by a commensurate reduction in Soviet forces deployed in Eastern Euprope. And this is precisely our objective in the MBFR negotiations which are proceeding with great care and seriousness in Vienna. Those negotiations are being pursued in the general context of our efforts, in association with our Allies, to achieve a more normal relationship with the USSR in which the massive armies that now confront each other in Central Europe would be reciprocally reduced. An unreciprocated reduction of U.S. forces would remove Soviet incentives to negotiate seriously since they will hardly pay a price for something that is about to be handed them unilaterally by us. It would also disrupt our Alliance relationship (possibly encouraging a rash of unilateral cuts by our allies), and thus undermine the basis on which we are seeking to induce more constructive policies on the part of the USSR.

Unilateral reductions in Europe would have equally serious consequences in the West. You and your colleagues are sufficiently aware of the stress in our relationships with Western Europe over the past eight months. Our objective throughout this period has been to build toward a closer understanding with our allies and friends of our shared objectives, and to enhance the practice of frank and timely consultation. The changes in governments in Western Europe in the very recent past make it important to avoid at all costs abrupt and destabilizing actions by us. Continuity and stability in the Allied defense posture are essential to maintaining Allied security, which is the indispensable basis for pursuit of our policy of detente. There is no question in my mind that a reduction in United States forces in Europe would be destabilizing, and would afford distinct political advantages to potential adversaries.

Our troop deployments in Asia and the Western Pacific, which are now a fraction of what they were only a few years ago at the height of the Vietnam conflict, constitute a very tangible measure of our interest in the security of our friends and allies in that region of the world. But any major reductions in U.S. forces in South Korea, Japan, Okinawa, and the Philippines could seriously jeopardize our efforts to achieve a more permanent structure of peace in that area. Such reductions can be safely made only when we have firm evidence of improved relations among the contending nations in the region. Meanwhile, we will continue to make reductions in our forces in Thailand as the situation in Southeast Asia permits.

With regard to South Vietnam, I have a very personal sense of obligation to do everything I can to make good on our moral commitment to assist that nation in its survival as an independent state. The Administration's request for $1.6 billion in military assistance was made because of our conviction that the survival of South Vietnam is indispensable to the creation of an enduring structure of peace in Southeast Asia. Without our military assistance South Vietnam's ability to resist communist military pressures, fueled by an extensive flow of arms and supplies from the North, would be critically endangered.

I recognize that the House has already substantially reduced the Administration's request and that some members of the Senate would favor even a larger reduction. But I would be remiss in my duty as Secretary of State if I did not urge upon you the essentiality of supporting the Administration's request. Here, as in Europe, we must not lose sight of our longer range objective, and that is not just a reduction in the level of hostilities but more importantly the creation in Southeast Asia of an environment conducive to enduring peace and reconstruction. This fundamental humanitarian goal not only deserves the wholehearted support of all the people in the area, but also of the American people whose devotion to peace and progress throughout the world has been convincingly demonstrated over the years. In South Vietnam we have made an enormous investment in lives and dollars on behalf of the survival of that country and an enduring peace in Southeast Asia. We have made marked progress toward these goals. I am convinced that our willingness to contribute a substantial level of military assistance to South Vietnam in the coming fiscal year will bring stable peace closer and enable us to reduce our assistance progressively over the following years.

Best regards,

HENRY A. KISSINGER,
Secretary of State.

DEAR SENATOR STENNIS: When Bruce Clarke and I met with you a few weeks ago during the Easter break in the MBFR negotiations, you suggested that I give you my views on the significance of these negotiations, and their prospects.

I believe the MBFR negotiations provide an opportunity to accomplish several objectives of the United States which can be accomplished in no other way:

1. An MBFR agreement would give us a negotiated quid pro quo for U.S. withdrawals: The Soviets would withdraw a substantial number of their forces from Central Europe.

2. Under the kind of agreement envisaged by the Allies, limitations would be placed on the size, character and activities of forces in Central Europe.

3. Stability in Central Europe would be increased, resulting in a commensurate decrease in the risk of conflict.

I believe the course of the negotiations so far provides hope that these purposes can be realized. The Soviets are approaching the negotiations in a businesslike way, and they show signs of serious interest in reaching agreement, though so far they have tenaciously adhered to their own positions.

Any Congressional action that made it appear there would be unilateral withdrawals of U.S. forces while negotiations are actually in progress would have a number of negative consequences;

1. It would make the positions of the U.S. at the talks untenable. The U.S. could not seriously press for substantial Soviet reductions while its bargaining leverage was being undercut back home. The U.S. would lose the security benefits, described above, of a successful agreement.

2. Because most participants expect a positive outcome of the negotiations, unilateral withdrawals during the negotiations could lead both the Soviets and the West Europeans to conclude that U.S. interest in Western Europe had declined to such a point that a trend toward a complete U.S. disengagement was irreversible and unlikely to be influenced by external events. These conclusions would tend to enhance Soviet political influence over affairs in Western Europe.

3. Other East-West negotiations could also be adversely affected. MBFR is only one of several negotiations for furthering the relaxation of tensions between the U.S. and the Soviets.

Progress in the MBFR talks will not be rapid. Nineteen countries are involved in negotiating matters intimately affecting their national security. Thus, it may not become clear before the end of the year whether an acceptable MBFR agreement will be possible.

With this said, nevertheless, I am convinced that it is worth making the effort and I believe that international conditions currently provide a reasonable opportunity to achieve an agreement for some mutual withdrawals of U.S. and Soviet forces from Central Europe.

With warm regards,

Sincerely,

STANLEY R. RESOR,
U.S. Representative to the Mutual and Balanced Force Reductions Negotiations.

U.S. MILITARY STRENGTH OUTSIDE THE UNITED STATES

[End strengths in thousands]

	June 30, 1964	June 30, 1965	June 30, 1966	June 30, 1967	June 30, 1968	June 30, 1969	June 30, 1970	June 30, 1971	June 30, 1972	June 30, 1973	Dec. 31, 1973
Total outside the United States	755	778	1,013	1,247	1,241	1,195	1,071	842	628	585	523
U.S. territories and possessions [1]	36	36	37	39	41	41	37	38	33	43	31
Foreign countries	719	774	977	1,208	1,200	1,155	1,034	804	595	542	492
Total foreign afloat (included in foreign countries figure	(129)	(142)	(132)	(156)	(117)	(94)	(120)	(83)	(87)	(73)	(55)
Selected areas:											
Southeast Asia	21	103	322	529	622	622	472	287	153	53	36
South Vietnam	17	60	268	449	534	539	415	239	47	(*)	(*)
Thailand	4	10	25	39	48	48	41	32	47	42	36
Afloat	NA	33	30	41	40	35	17	16	40	11	
Western Pacific	222	194	212	215	238	220	211	166	142	146	136
Japan	43	33	39	38	40	40	38	32	22	19	32
Philippines	15	16	26	28	28	27	24	19	17	16	16
Ryukyus Islands	46	35	39	42	39	43	43	47	43	38	23
South Korea	63	62	52	56	67	61	54	43	41	42	38
Taiwan	4	4	8	8	9	9	9	9	8	9	6
Afloat	52	45	47	43	54	40	43	16	11	22	21
Western Europe and related areas	403	401	360	364	319	296	304	314	298	319	300
Belgium				2	2	2	2	2	2	2	2
France	34	32	28	2							
Germany	263	262	237	257	225	206	214	223	210	229	214
Iceland	3	2	3	3	3	3	3	3	3	3	3
Italy	11	11	10	10	10	11	10	9	10	10	12
Greece	3	3	3	3	3	3	3	3	3	5	4
Greenland	4	3	2	1	1						
Libya	4	3	3	3	3	3					
Morocco	2	2	2	2	2	2	2	2	2	1	1
Netherlands		1			2	2	2	2	2	2	2
Portugal (including Azores)	2	2	2	2	2	2	2	2	2	1	1
Spain	11	9	9	10	9	10	8	9	9	9	10
Turkey	11	10	10	11	10	10	7	7	7	7	7
United Kingdom	26	20	20	25	24	23	21	21	22	21	21

	June 30, 1964	June 30, 1965	June 30, 1966	June 30, 1967	June 30, 1968	June 30, 1969	June 30, 1970	June 30, 1971	June 30, 1972	June 30, 1973	Dec. 31, 1973
Afloat	28	39	30	32	23	19	28	29	26	28	23
Other	2	1	2	1	1	2	2	2	2	1	(*)
Other Areas	110	84	124	142	62	58	84	76	53	67	51
Bermuda	3	2	2	2	2	2	1	1	1	2	2
Canada	11	10	6	5	4	4	3	2	2	2	2
Cuba	4	4	4	4	4	4	4	3	3	3	3
Ethiopia	2	2	2	2	2	2	2	1	1		1
Guam	8	7	9	12	15	12	11	9	11	16	9
Midway	2	1	1	1	1	1	1				
Panama Canal Zone	11	11	12	13	12	12	11	11	11	10	11
Puerto Rico	10	10	11	9	9	10	9	6	7	7	5
Afloat	49	25	51	40	*	*	34	28	11	18	13
Other	11	12	27	55	13	10	8	15	8	9	[2] 6

[1] Excludes afloat.

[2] Includes 1,006 Navy personnel in British Indian Ocean territory.

*Indicates service presence insufficient for roundoff to 1,000.

Note: Tota may not add due to rounding. Parentheses indicate nonadd figures.

Mr. STENNIS. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment for the Mansfield original amendment.

Mr. STENNIS. That is the troop amendment?

The PRESIDING OFFICER. The troop reduction amendment.

Mr. McCLELLAN. Mr. President, may we have the amendment read?

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, as follows:

> On page 5, after line 2, insert the following: as a substitute for the Mansfield amendment: Provided that no funds may be expended after December 31, 1975, for the purpose of maintaining more than 2,027,100 active duty military personnel, and no funds may be expended after December 31, 1975, for the purpose of maintaining more than 312,000 military personnel permanently or temporarily assigned at land bases outside the United States or its possessions. The Secretary of Defense shall determine the appropriate areas from which the phased reduction and deactivation of military personnel shall be made. In the event that any reductions are made under this section in the military personnel of the United States stationed or otherwise assigned to duty in Europe, such reductions shall be made only after the Secretary of Defense and Secretary of State or other appropriate official designated by the President, has consulted with other members of the North Atlantic Treaty Organization concerning such reductions.

Mr. TAFT. Mr. President, I think it is important that we not forget the enormous diplomatic impact that any large, unilateral troop withdrawal would have. When we talk about troop numbers, we run the risk of thinking we are speaking of purely military and fiscal matters. But in fact, the function of these troops relates very directly to our diplomacy for peace, not just to fighting possible wars.

The most immediate and catastrophic diplomatic effect of such a troop cut would be felt at the mutual balanced force reduction talks. In these negotiations we are attempting to arrange for withdrawals of both American and Soviet troops from Europe, in such proportion as to preserve the balance of power. Now, we are beginning to see signs of success at these talks; the Soviets have recently taken some initiatives which suggest they are dropping their demands for concurrent troop cuts by the Central European states. If they follow through on these initiatives, we will be close to agreement on the arrangements for the first withdrawals.

But if we now cut our force levels unilaterally, what chance is there that the Soviets will agree to anything in MBFR? Why should they? Surely my colleagues are sufficiently familiar with Soviet history to realize that Moscow does not pay a price for something she can obtain free. Let there be no doubt; any across-the-board troop reduction by this body means the sabotage of the force reduction talks just as they are showing signs of success.

The destruction of the MBFR talks would be a serious blow to our foreign policy; but it would by no means be the only blow it would suffer if we pass this amendment. If the Congress undermines one important effort by the Government to negotiate with the Soviets, it will most assuredly suggest to Moscow that disunity on foreign policy will influence other negotiations. The SALT talks, in particular, would surely be damaged if the Soviets thought the Congress would not support our Nation's negotiators. How can our negotiators at SALT argue credibly that we will match the Soviets in a strategic arms race, should they start one, if we have unilaterally cut our conventional strength while in the very midst of negotiations? In any of our negotiations with Moscow, how can we negotiate from strength if we have set a precedent of weakness? The repercussions of this amendment, reverberate far beyond MBFR, important as that is in itself.

Nor, for that matter, do they stop with American-Soviet relations. Such a reduction would be a severe blow to the new German Government of Chancellor Schmidt. Schmidt has given heavy emphasis in his statements to improving relations with the United States, and to the need for genuine, European-transatlantic partnership. We would, by this amendment, discredit his pro-American position in the eyes of his constituents; for if some Americans are unaware how vital our forces are to European security, the German people are not. A unilateral troop withdrawal would be a major blow to the security of all the European people, and to their trust in the friendship of the United States. It would serve notice to every European leader that transatlantic partnership is not a secure or politically advantageous policy.

We would also effectively say no to several indications of increased cooperation on the part of the new French Government of M. Giscard D'Estaing. Specifically, there have been signs both that the French may join the MBFR talks, and that they may increase their military cooperation with other NATO forces. A unilateral troop cut on our part, which would destroy MBFR and greatly weaken NATO, would effectively discourage such friendly attitudes on the part of the Quai d'Orsay.

Finally, it would be sure to have adverse effects on our rapproachment with China. The Chinese perceive, rightly or wrongly, a great threat from the Soviet Union. It is no secret that a major motivation on their part for the current entente was to obtain diplomatic support against the possibility of a Soviet attack. But a major withdrawal of U.S. troops overseas would enable the Soviets to concentrate their forces on China; and would thus be a clear signal to Peking that the United States has no interest in China's security. There is currently a leadership struggle underway in Peking pitting the pro-U.S. faction, still in apparent control, against the remnants of the old Lin Piao faction who argue for a Soviet alliance, directed against the United States. We don't need to specify which faction would be advanced by an American decision that China was of no consequence in American foreign policy? And that is exactly what this amendment would say to Peking.

Thus, the foreign policy effects of the proposed amendment are broad and serious. The troop cut proposed would sabotage the MBFR talks. It would seriously undermine all our military-related negotiations with the Soviet Union, including SALT. It would be a severe blow to the pro-American policies of the new German and French Governments. And it would strengthen those in Peking who favor a renewal of the old hostility toward the United States. I urge my colleagues to keep these considerations in mind in their deliberations on this matter.

Mr. MONDALE. Mr. President, it is ironic but perhaps fitting that today is the 30th anniversary of Operation Overlord, the massive invasion of Europe by U.S. and Allied forces in Normandy on

June 6, 1944. As we stand here debating the issue of the peacetime deployment of U.S. forces overseas, it is worth recalling how America's participation in the Second World War came about so as to understand the role of American forces overseas today.

We are all aware of the tragic history of the period between the First and Second World Wars: The failure of the League of Nations, the inability of governments to come to grips with inflation, and the rise of totalitarian alternatives to democracy.

But we also should recall our own role in these events. In this Senate we spurned the League of Nations, we refused to participate in the system of security which was set up to try to build the peace in Europe and elsewhere in the world on the ashes of the First World War. The United States also followed economic policies which were both protectionist and shortsighted and which aggravated the floundering economies of Europe.

The result was a collapse of the German economy, then German democracy, and ultimately the collapse of the fragile peace in Europe and Asia and the onset of World War II. All of these events went forward outside our grasp because of our self-imposed absence. Only after it was too late to head off war, were we drawn in to try to win it.

That was then and now is now. What are the policies to be pursued today? Thirty years after the invasion of Normandy there are still more than a half a million American servicemen stationed overseas. More than 300,000 of them are in Europe. More than 150,000 are in the western Pacific: Japan, the Philippines, South Korea. In the wake of our disastrous involvement in Vietnam, there has been continuing pressure to reduce these forces—in part because they are seen as a legacy of the cold war, but also as a reaction to our tragic involvement in Southeast Asia and a desire to never repeat that experience again.

I have in the past supported amendments aimed at significantly reducing the number of U.S. forces overseas. I have supported Senator MANSFIELD's amendments to reduce overseas troop levels by 125,000. But I will not do so today. And let me give my reasons.

First, just as the military is often accused of preparing for the last war, so must we be careful not to do the same thing. The problem today is not so much one of overinvolvement in affairs abroad. Rather, it is that dangerous developments in the world may no longer be under control by any country.

Just as in the period between the two world wars, inflation is reaching proportions which are threatening the stability of democratic governments. In Europe, the three major powers—France, Britain, West Germany—have all undergone changes in leadership in the last few months. Hopefully, this will strengthen these governments, but it is yet too soon to tell.

The Common Market is floundering. New leadership in Europe may be able to put it together again, and continue building a united Europe—a Europe which could, in fact, take over much of the security responsibilities we now bear. But as of now, neither the governments of Europe nor the European Community have the political strength to take up the slack if U.S. Forces are withdrawn.

A significant cut in the number of overseas forces on the scale proposed by Senator MANSFIELD's original amendment would inevitably require reductions in Europe. This is not the time to administer yet another shock to transatlantic relations and place still another burden on the backs of the marginal governments of Europe which are struggling with the problems of inflation and political stability.

Second, we must recognize that we can no longer afford the luxury of believing that our political commitments overseas will remain unchanged even if our military presence is withdrawn. We must recognize that Watergate has taken its toll in this area as in others. No longer can the President act in this area with the confidence that was enjoyed by past Presidents. We would be irresponsible if we did not recognize that he does not have sufficient support to substitute political commitments for a significant U.S. military presence in crucial overseas areas.

So I shall oppose the original Mansfield amendment. Making the scale of reductions the majority leader has proposed does not suit the political or security requirements of America today. The fragile nature of our transatlantic relations, the delicate balance which exists in Asia, the fact that we ourselves do not have the kind of political leadership that can effectively implement significant reductions and still retain U.S. influence abroad, all lead me to conclude that this is not the time for such massive reductions.

More modest reductions in overseas forces could be tolerated. And I want to congratulate the committee for having at least made a start on the reduction of military and civilian personnel levels. But vast reductions should, in all prudence, be rejected by the Senate at this time.

Until such time that we once again have the political leadership which can work out with our allies a long-term program for readjusting the burdens of defense and security in the world, we must act with utmost caution. We must not let the crisis in American leadership become a crisis in world security and stability.

THE EFFECT OF TROOP CUTS ON MBFR

Mr. HUGH SCOTT. Mr. President, negotiations on mutual and balanced force reductions have been going on in Vienna, as you know, since last October. The U.S. objective in these talks has been to allow each side to enjoy undiminished security but at lower levels of forces. Successful achievement of this goal could have monumental significance in terms of our relations with the Soviets, of reducing tensions in Europe generally, and, eventually, of allowing transfer of some defense expenditures for both sides to more urgent social needs.

We did not, however, go into MBFR to achieve a rapid result regardless of cost. This is a serious negotiation. The pace cannot be determined by our enthusiasm for quick results; it must reflect concrete progress made by both sides.

The Soviets have presented tough bargaining positions based on their interests; our positions are also tough, based on our interests.

It is vital that NATO cohesion be sustained during these negotiations. The Soviets will try to exploit fissures in allied unity. This places increased demands on the care and patience of the NATO negotiators.

This is the first time European countries have sat down to talk about their force levels. This is an achievement in itself. But—as we learned in SALT—when negotiations go to the heart of national security, positions must be weighed carefully. Neither side is willing to give something up without getting a full measure in return.

All of these problems relate to mutual cuts. In the case of unilateral cuts they would be magnified. Alliance confidence and cohesion would be impossible to maintain. The balance between Western and Eastern military strength would be lost, perhaps irretrievably. The West would be unable to maintain its security while reducing its troops, because the other side would have no incentive to take compensating measures.

If we make unilateral cuts because of a misguided wish to set a good example, I see no reason why the Soviets would not just sit back and wait to see how many other good examples we would be willing to offer. The concept of reciprocity is one of the strongest principles in international affairs. In any event, I would suppose that we must be at least as careful to protect our security interests as our trade interests. Would any sensible statesman, for example, recommend that in preparation for world trade negotiations the United States should hand our trading partners a unilateral reduction in our tariffs in the hope that this would lead them to follow our good example? The world does not, unfortunately, work this way.

Mr. ROTH. Mr. President, once again we are debating the question of whether or not the Congress should legislate a reduction in overseas troop levels. I support moderate and careful reductions of overseas forces in line with an improving international environment, but I do not believe it would be wise to adopt the amendments being offered today which would legislate an inflexible, unilateral withdrawal. As the New York Times pointed out in an editorial yesterday:

> There are ways in which defense spending can and should be reduced. But shotgun legislation aimed at American military manpower overseas would be the worst way now to go about that task.

In the wake of the frustration and bitterness of the Vietnam conflict, a fundamental foreign policy issue was reopened in a major way—is the United States going to continue to be actively engaged in the world or can we disentangle ourselves from the world's troubles and return to a secure and safe fortress America? Time and circumstances, however, have left us with no real choice. What has been true all this century is even more true today—that America's security is extricably linked with developments in other major countries. Instability in Western Europe or Japan is inevitably going to have serious ramifications for the security of the United States.

I do not believe that the United States can or should be the world's policeman, but I do think we have to be one of the world's good citizens. We have to recognize that a major withdrawal of our power from an area enjoying stability can be just as destabilizing as a major insertion of new troops would be in such an area.

Many had hoped that détente would permit substantial reductions in American overseas forces without causing major security problems for our allies. This hope, however, reflects an overly optimistic view of the world. I believe that this year we can make a much more realistic assessment of both the promise as well as the limits of détente than we could at this time last year. The failure of the Soviet leadership to consult with us to prevent the outbreak of war in the Middle East and their refusal to join us in halting shipments of weapons to the Middle East after war broke out were clear indications that while détente does imply an ongoing dialog between the superpowers, it does not mean that the Soviet has given up, or intends to give up, its designs to extend its influence where opportunities seem available.

Unilateral reductions by the United States create vacuums of power that in a military sense can only be filled by the Soviet Union. I am convinced that the only way to deal with the Soviet leaders and to lay a firm foundation for a sound relationship with the Soviet Union, is through bargaining from strength. I find myself in strong accord with the sentiments expressed by Secretary of State Kissinger yesterday to the effect that a strong U.S. military posture is absolutely essential to the success of our diplomacy abroad, and particularly to our efforts to work out a stable relationship with the Soviet Union.

If we adopt the course suggested by these amendments and pursue a policy of abdicating our world responsibilities—or even appearing to abdicate them—we will create temptations and tensions which will provide the Soviets, from their point of view, with an option more promising than the option of détente.

Until we have established a sound basis of relations with the Soviet Union, it will be necessary to maintain troops in Europe and also smaller forces in the Far East. The Mansfield amendment is aimed at forcing a reduction in American military manpower in Europe. To make substantial cuts at this time would not only be very unwise in a time of considerable uncertainty in Europe, but would also pull the rug from under our negotiations for mutual American-Soviet troops reductions.

An important opportunty does exist for obtaining reductions in both United States and Soviet forces, maintaining the relative status quo in Europe. When I was in the Soviet Union this April, I had the opportunity to explore progress at the mutual and balanced force reduction talks with Ambassador Oleg Khlestov, Chief of the Treaty and Legal Division of the Soviet Ministry of Foreign Affairs and the principal Soviet negotiator. I was interested to find that Ambassador Khlestov indicated a strong Soviet interest in a successful outcome to these talks.

It would be an opportunity wasted if the United States makes the unilateral cut that would be required by the Mansfield amendment. It would be a tragedy if the Congress handed to the Soviet Union a deal that they could never get in negotiations—a U.S. force reduction without any requirement for reciprocal concessions from the U.S.S.R.

As both the Washington Post and the New York Times as well as Secretary Kissinger have pointed out in recent days, a unilateral reduction could not come at a worse time. What is called for today in our relations with Europe is a policy of reassurance, not a policy that may be interpreted as abandonment.

The second amendment before us today would require smaller reductions of forces. The sponsors of this amendment disavow any intention to reduce European troops strength and argue instead that all force reductions could be made from our strength in Asia.

After giving careful consideration to this amendment as well as to U.S. deployment in Asia, I have become convinced that this reduction could not be made without jeopardizing America's vital interests in Asia.

Contrary to much popular conception, America does not have vast overseas deployments in Asia. Under the previous withdrawal programs, most of our Asian forces have been withdrawn, and now our total ground based forces in Asia are only half those of Europe—about 150,000—in Japan, Korea, Thailand, and the Philippines. Also contrary to the popular impression, two-thirds of the remaining forces are in Northeast Asia, while withdrawals are still being made from Southeast Asia.

Northeast Asia, including Japan, represents a part of the world which because of its industrial capacity and manpower resources is as vital to our interests as Europe. Many scholars and other observers of Japan believe that if the United States were to make substantial reductions in the vicinity of Japan, this could set in motion forces leading to the development of nuclear forces by Japan, a development that would greatly increase tensions in Northeast Asia. I think the situation here could be described in the same words which the Washington Post used for Europe:

> There is nothing magical militarily about a given level of force, but there is something "magical" politically; the current level has come to represent the steadiness of the American guarantee. It is psychological, but psychology, after all, is central to politics.

It has been suggested in some quarters that U.S. troops in foreign countries do not contribute to international stability, but instead tend to provoke aggression. One can contend that history demonstrates that quite the opposite has been true. There were no American forces in Europe prior to World Wars I and II, no U.S. forces in Korea when North Korea invaded South Korea in 1950, and no U.S. Forces in Vietnam when North Vietnam made the decision in 1959 and 1960 to renew its war against the South.

In concluding, I believe that we can best contribute both to safer, stabler world and to our own security by rejecting these amendments and supporting mutual reductions of forces. Such a course will demand great maturity from the American people. It will require that we view our interests in a long-term perspective rather than in the short term. But I think we should recognize that these troops are essential to the present world stability as well as an indispensable tool for building a stronger structure of world peace.

Mr. DOMENICI. Mr. President. I am pleased to see that the suggestions from the Committee on Armed Services includes a hard look at the NATO alliance and at the U.S. participation in the alliance. I have called in recent months for just such a reevaluation. I support the three amendments offered by Senator NUNN, my distinguished colleague from Georgia, and adopted by the committee.

These amendments will insure that we cut back on headquarters and noncombat units among our U.S. NATO forces in Europe, through a 20-percent reduction in the number of Army support troops there. This amounts to a 23,000-man reduction in these noncombat troops. I am also heartened to see a real strengthening of actual fighting power, while the nonnecessary support troops are reduced. This should insure maximum efficient use of taxpayers' dollars. In addition, such a cut will not interfere with present MBFR talks which seem to be making progress. I also note that when we adopted the Jackson-Nunn amendment last year, Congress made an implied undertaking to maintain our conventional support in NATO while our allies assume their fair share of the burden. I understand that negotiations are underway and the outlook is optimistic. Going back on this arrangement, as the committee reports notes, would be irresponsible.

One of the most telling points made by the committee report, in my judgment, is that reduction of conventional forces, unilaterally, at this time, would seriously lower the nuclear threshold. I quote from the report:

> When we had assured strategic nuclear superiority, our tactical nuclear forces was an effective deterrent to a conventional Soviet attack. With strategic parity and expanded Soviet tactical nuclear capabilities, this is no longer true. Neither side can afford the risks of initiating a nuclear conflict.

Certainly, we need maximum flexibility in this regard. I also support enthusiastically the amendment to prohibit any increase in the number of U.S. tactical warheads in Europe except in the case of imminent hostilities, and directing the Secretary of Defense to conduct a comprehensive study of the situation for Congress in annual reports.

The final amendment concerning our policy in Europe is directed at improving the dovetailing of our forces and those of our allies through standardization and specific proposals for common action. Failure to standardize apparently has cost this Nation, and her European allies, about $10 billion annually. Standardization could improve defense strength, but cut expenditures significantly.

My call for reevaluation of our role in Europe's defense still stands. I am pleased that the committee, through its amendments, has also undertaken a reevaluation. I hope that such work, which seeks to increase European commitments to NATO costs and improve the efficiency of our forces in Europe, continues without abatement. If we make the effort needed, we may indeed be able to reduce the drain on American manpower and money while still insuring a free Europe and our own national security.

I also hope that this body will not cut unilaterally our troop strength overseas during this period of transition and great turmoil among the leadership of the European nations. In such uncertain times, a prudent national policy dictates that we await further indications of European policy before we make any dramatic and unilateral moves.

I am pleased that this proposal does not propose any massive troop shifts, but does continue the policy of troop cuts in recent years. I do not think that we should be dictating where our troops are deployed, as some proposals before this body would have it. At I noted earlier, this bill does give the Jackson-Nunn negotiations a chance of proceeding as we consider an absolute troop cut vis-a-vis our adversaries.

The PRESIDING OFFICER. The hour of 2:45 having arrived, under the previous order the Senate will proceed to vote.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment for the Mansfield amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUDDLESTON (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Missouri (Mr. Symington). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Utah (Mr. Moss), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

On this vote, the Senator from Arkansas (Mr. Fulbright) is paired with the Senator from Wyoming (Mr. McGee).

If present and voting, the Senator from Arkansas would vote "yea" and the Senator from Wyoming would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Packwood) and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

The result was announced—yeas 35, nays 54, as follows:

[No. 232 Leg.]

YEAS—35

Abourezk
Aiken
Bayh
Bible
Biden
Burdick
Byrd, Robert C.
Church
Clark
Cranston
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hughes
Long
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Metzenbaum
Montoya
Nelson
Pastore
Proxmire
Randolph
Ribicoff
Schweiker
Scott, William L.
Talmadge
Williams

NAYS—54

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Humphrey
Jackson
Javits
Johnston
Kennedy
McClellan
McClure
McIntyre
Mondale
Muskie
Nunn
Pearson
Pell
Percy
Roth
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Huddleston, against.

NOT VOTING—10

Fulbright
Hollings
Inouye
McGee
Moss
Packwood
Sparkman
Symington
Weicker
Young

So Mr. Mansfield's substitute amendment was rejected.

Mr. STENNIS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I send to the desk a substitute for the pending amendment cosponsored by Senators Cranston, Schweiker, Metzenbaum, and Humphrey.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

> On page 5, after line 2, insert the following as a substitute for the Mansfield amendment: Provided that no funds may be expended after December 31, 1975, for the purpose of maintaining more than 2,027,100 active duty military personnel, and no funds may be expended after December 31, 1975, for the purpose of maintaining more than 312,000 military personnel permanently or temporarily assigned at land bases outside the United States or its possessions. The Secretary of Defense shall determine the appropriate areas from which the phased reduction and deactivation of military personnel shall be made. In the event that any reductions are made under this section in the military personnel of the United States stationed or otherwise assigned to duty in Europe, such reductions shall be made only after the Secretary of Defense and Secretary of State, or other appropriate official designated by the President, has consulted with other members of the North Atlantic Treaty Organization concerning such reductions.

Mr. STENNIS. Mr. President, may we have order in the Senate? It is impossible to hear. It is impossible to get the facts.

The VICE PRESIDENT. The Senate will be in order. This is an important amendment. How much time does the Senator yield himself?

Mr. MANSFIELD. Mr. President, 2 minutes, and then I will yield to the distinguished Senator from Pennsylvania (Mr. Schweiker).

Mr. STENNIS. Mr. President, will the distinguished majority leader yield to me so that I may inquire about the time?

Mr. MANSFIELD. I yield.

Mr. STENNIS. What is the time agreement on this amendment?

The VICE PRESIDENT. Forty minutes, 20 minutes to a side.

Mr. STENNIS. I thank the Chair.

Mr. MANSFIELD. Mr. President, the United States stations 437,000 military personnel in foreign countries around the world. This does not include dependents. This amendment would reduce that number to 361,000 by December 31, 1975.

The Secretary of Defense would determine where the cuts would be made. No Navy personnel would be included.

The Armed Services Committee has already mandated a 23,000-man cut from the European army alone—that is the 7th Army—within the next 2 years.

Thus, this amendment would require only a removal from around the world of 53,000 men. No European cut need be made beyond that which was mandated by the committee.

The committee has also reduced the end strength of the military by 49,000 by June 30, 1975. The amendment would require additional demobilization of 27,000 men by December 31, 1975. The Secretary of Defense would determine which forces would be demobilized.

Mr. President, this amounts to 27,000 less than that reported by the committee for June 30, 1975. The cumulative savings by this amendment, including 49,000 in the committee amendment, is in excess of $900 million.

Mr. President, I now yield 5 minutes to the distinguished Senator from Pennsylvania (Mr. Schweiker).

The PRESIDING OFFICER (Mr. Domenici). The Senator from Pennsylvania is recognized for 5 minutes.

Mr. SCHWEIKER. Mr. President, I rise in support of the pending Mansfield amendment. I share the deep concern that I know every Senator and every American feels regarding the national security of our country. It is because of this concern for national security that I strongly support the amendment offered by the distinguished majority leader, to withdraw and deactivate some of the over 490,000 military personnel that we still have stationed in foreign countries throughout the world.

I support this effort to begin, almost 30 years after the end of World War II, to make modest reductions in the size of what has become a seemingly permanent worldwide land-based U.S. military presence, because I am convinced that such action will strengthen our national security. National security after all rests on more than just military forces abroad. The ultimate security of this Nation rests in the final analysis on the strength of a strong and growing economy which can provide for the domestic needs of all the citizens of this great country. In order to be able to meet the needs of the American people, it is imperative that we in the Congress give the closest scrutiny to every aspect of Federal spending.

As the distinguished chairman of the Armed Services Committee has pointed out, this defense budget, part of which we are considering today, is the second largest in our Nation's history. And approximately 57 percent of the nearly $93 billion budget authority being requested by the Department of Defense will be spent on manpower.

It has been estimated that U.S. overseas forces will cost at least $22 billion in fiscal year 1975. The Department of Defense also estimates that the balance of payments deficit which we will incur in fiscal year 1975, just from the presence of our 300,000 troops and 250,000 dependents in Europe, will run about $2.1 billion.

I do not believe we should continue to spend such staggering amounts of the taxpayers' money to maintain overseas Armed Forces which assign around 60 percent of their manpower to noncombat heat quarter and support duties.

These overseas noncombat elements can be reduced without any appreciable loss of combat power. And this is what the Mansfield amendment is proposing. Furthermore, total discretion is left to the Secretary of Defense regarding where the withdrawals would be made.

This proposal for a carefully phased independent pruning-back of an overgrown U.S. headquarter and support personnel has been referred to negatively here as a meat-axe approach which will slash our conventional strength in Europe to such a point as to cause our NATO allies to desert us. Now that is just not factual.

While this amendment is for a cut of 76,000 troops, let us pause for a moment in negatively arguing the reasons why our forces cannot be reduced and look at how it is possible to reduce our worldwide overseas forces by 100,000 for example, without reducing combat capability.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. MANSFIELD. It is not really a 76,000 cut. It is a 27,000 cut, added to the 49,000 cut which the Committee on Armed Services unanimously reported out.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. SCHWEIKER. I yield.

Mr. STENNIS. Mr. President, the committee recommended a cut which of course is not law yet. It was a 49,000 cut, applied all over the world, to all the services, without mandating any particular thing. This amendment mandates 76,000 out of the overseas troops alone.

I thank the Senator for yielding.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, the end figures come out correctly. It is a 49,000 reduction so far as the end figures are concerned. This adds 27,000 more, for a total of 76,000; but 49,000 goes to the credit of the Armed Services Committee.

Mr. SCHWEIKER. The distinguished Senator from Montana is correct. This is a very, very modest cut. The illustration I want to make is that we can take even a larger cut than this and not affect one combat soldier around the world. That is the point I would like to make.

First, let us examine U.S. forces in Asia. There are approximately 151,000 U.S. military personnel stationed at land bases in Asia. Additionally there are about 21,000 personnel afloat in the Western Pacific. Under the Mansfield amendment, withdrawals would be made only from the land-based forces. At present 1½ divisions, 6 tactical air squadrons, and 3 carrier task forces constitute the major U.S. combat units stationed west of Guam. The total personnel assigned in the land-based divisions and air squadrons comes to about 35,000 men. If these 35,000 personnel are subtracted from the 151,000, land-based troops in Asia, we have a remainder of 116,000 personnel who are mostly serving in support roles. Approximately 66,000 of these 116,000 personnel could be withdrawn from their bases in Thailand, Japan, Okinawa, Philippines, South Korea and Taiwan. This would leave the 35,000 land-based combat units and the 21,000 afloat personnel untouched. And it would leave 50,000 land-based support and headquarters personnel to back up the land and sea combat units. This certainly does not strip our combat power from Asia; what it does do is bring the out-of-proportion U.S. logistical support structure being maintained in Asia into a more reasonable relationship with the combat forces that are deployed there.

Having been on the Armed Services Committee, I know that the United States has the worst record in the world in the ratio of support troops to combat troops. We are overgrown, overfed, and overstuffed, by far.

So all this amendment does is to take us back to the standard other countries have used for years in the ratio of supply to combat troops, and in doing so it does not affect combat soldiers.

Now let us look at Europe. There are 276,000 land-based personnel stationed in Western Europe and related areas. These are the Defense Department figures, not the figures of the Senator from Pennsylvania. I am using their figures. There are an additional 23,000 personnel afloat chiefly in the Mediterranean.

The combat heart of the land-based forces is the Army's 4½ divisions and 11 Air Force tactical fighter squadrons. The total personnel assigned to the land-based cambat units comes to about 104,000 men. When these 104,000 personnel are substracted from the total land-based force, there is a remainder of 172,000 who are chiefly serving in headquarters or support roles. Over 18 months approximately 31,000 of these headquarters and support personnel could be withdrawn under the provisions of the Mansfield amendment.

That is all this amendment would provide for. In fact, it would be actually 25 percent less than that, because these figures were projected on 100,000 instead of 76,000.

This modest 31,000 man withdrawal could come from the 172,000 support personnel stationed at bases in Belgium, Germany, Italy, Greece, Morocco, Netherlands, Spain, Turkey, and Great Britain. Such a withdrawal would leave all the land and sea combat forces untouched and would leave 141,000 support personnel in position to back them up.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SCHWEIKER. I ask for 3 additional minutes.

Mr. MANSFIELD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. MANSFIELD. I yield 3 minutes to the Senator from Pennsylvania and 5 minutes to the Senator from Minnesota.

Mr. SCHWEIKER. So, speaking in a positive sense, with the withdrawal of 66,000 of the 116,000 support personnel we now keep in 6 Asian countries and 31,000 of the 172,000 support personnel maintained in 9 European countries, plus 3,000 of the approximately 32,000 more support personnel stationed at land bases in other parts of the would, it is possible to achieve a 100,000 reduction in overseas manpower without withdrawing a single fighting man, or seriously weakening the support he actually needs to fight.

But I would remind my colleagues that I have pointed out these hypothetical withdrawal figures only to help more clearly focus the perspective of the Members on what the Mansfield amendment is actually proposing. They should remember that the amendment does not dictate where overseas withdrawals will be made. This is left entirely to the decision of the Secretary of Defense who will act with the advice of the Joint Chiefs of Staff. These are the defense experts and they would make the final determination on where reductions would be made.

This amendment is not a meat-ax approach. This amendment would not force a slash in our NATO conventional combat forces and send our NATO allies scurrying to reach an accommodation with the Soviet Union.

What this amendment does is responsibly express to the American people the resolve of the Senate to end the wasteful spending of their hard-earned tax dollars on excessive, farflung military noncombat headquarter and support empires that do not furnish combat power to support our foreign policy, nor provide much combat defense of our national security.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I think we ought to hear from the supporters of the committee bill.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I yield 5 minutes to the Senator from Georgia.

Mr. NUNN. Mr. President, I should

like to make a few brief points in rebuttal of some of the comments that have been made.

First, a factsheet has been placed on the desk of each Senator that says the committee version cuts 23,000 troops out of NATO. That is erroneous. The committee version cuts out 23,000 support personnel but permits the Secretary of Defense, in his discretion, to add back 23,000 combat personnel.

There is a reason for this. The committee happens to be of the opinion—and I certainly am, as a Senator from Georgia—that the MBFR talks—the mutual balanced force reduction talks—do have a chance. No one can guarantee that they are going to succeed. But what we can say with certainty is that if we adopt a unilateral withdrawal amendment in Congress, we can guarantee that MBFR will not succeed. I think that is an important point that is not being talked about enough. So the factsheet is erroneous, so far as the committee version is concerned.

Another point is—and I am glad we are facing it head on this year—that you do not save money by bringing troops home from Europe. You save money if you deactivate those troops. These amendments—both the one we just rejected and this one—do deactivate troops. Thus the Senate is voting on the question of a total troop cut, of whether we want to go to the lowest force level of any time since the Korean war. That is what this amendment would do.

The committee has already cut substantial numbers of troops in our version, but this amendment would cut an additional 27,000 troops out of the services. I think that point needs to be faced head-on.

Mr. President, there is another point I think we do not talk about enough. The proponents of unilateral withdrawal from Europe contend our forces are merely a nuclear tripwire in Europe. If we are a tripwire in Europe now, what will we be when we withdraw unilaterally another 75,000 troops? If we reduce the presence of American troops there would be no hope of having a strong conventional deterrent and a strong conventional defense. I believe we should address ourselves to the question as to whether we want to say to our military forces, "We want you to use tactical nuclear weapons the day war breaks out in Europe." I say that because if we do not have a strong conventional deterrent and a strong conventional defense, then tactical nuclear weapons in all likelihood would have to be used at the outset of a war.

So we are talking about a vote that would lower the nuclear threshold and increase the danger of nuclear war in Europe if we had a conflict.

Mr. President, my final point is this, and I covered this point this morning. We debated all last year the War Powers Act. I was one of the many cosponsors. This amendment as now worded would place an overall ceiling on foreign troops. What does that mean? There is no exemption here on any clear and present danger and there is no exemption on imminent hostilities. So what we are doing is this. An affirmative vote means we are extending the War Powers Act.

How can the President of the United States address himself to imminent hostilities in Europe if Congress has to come back into session and we have to have an affirmative vote in both the House and the Senate. We are extending the War Powers Act and placing an overall ceiling on troops to be committed anywhere in the world. We are saying to the President of the United States, "You cannot commit any troops in addition to what we already have overseas unless you come back to Congress, no matter what happens." I do not believe Senators want to do that because we fought too hard and debated about it too long last year.

Mr. President, I urge Senators to consider what we want to do in Europe, what our long-range goals are, and whether the MBFR negotiations are to succeed. A vote here will make a difference as to whether the MBFR talks have a chance to succeed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator from Georgia may proceed.

Mr. NUNN. Mr. President, I have talked at length with people involved in the MBFR negotiations and I cannot stand here and say that the talks will succeed; but I believe the Senate by a negative vote on this amendment would take a long step forward, saying to our negotiators, "We are behind you, we want you to succeed," and saying to the Soviet Union, "We will not unilaterally do for you what we are trying to do on a mutual basis."

Mr. HUMPHREY. Mr. President, do I have 5 minutes?

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, I wish to ask my colleagues to give me just a little attention. Last year this body voted a troop reduction of 110,000. We voted that reduction knowing we could take those 110,000 men from overseas without affecting our NATO forces at all. This year the committee recommends that we take 23,000 out of NATO. The committee itself in its report——

Mr. NUNN. Mr. President, will the Senator yield? That is a question of support troops. We also put in the same report that the Secretary of Defense, in his discretion, can add back that number of combat troops. This is not an overall reduction in NATO.

Mr. HUMPHREY. All right, but all I am saying is that the committee found 23,000 support troops that were not necessary there.

I appeal to those who voted against the Senator from Montana time after time to come to their senses and recognize that the military establishment can be reduced within reason without affecting our security.

What the Senator from Montana has done is to say we will add a 27,000 reduction to the committee recommendation. That is all; 27,000 out of over 2 million; and the committee said there are 23,000 in Europe that should come home, that are not needed as support troops.

The next thing that is done is to say that worldwide, at the discretion of the Secretary of Defense, out of over 2 million troops, we will bring back home 76,000 out of the 450,000 overseas—not deactivate those 76,000, unless the Secretary so desires, but bring them home.

Mr. NUNN. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I have so little time that I cannot yield now.

Mr. President, where would those troops come from? Where can we make that troop reduction? We can make that troop reduction safely in the Philippines, Taiwan, Japan, Okinawa, Thailand, and South Korea, and we can do so without jeopardizing our defense or the security of these nations. Every Senator knows it.

Last year this body voted to cut the forces in Asia by 110,000. We are saying here that if the Secretary desires, we cut them by 76,000.

Last year I was told by the Defense Department, "Mr. Humphrey, do not get so excited about your amendment. We plan to take out 45,000 to 50,0000 this coming year in Asia. You do not need your amendment." What happened? They took out 18,000. It is the same old story.

I have been a supporter of NATO every year in this body and I have voted against every troop reduction in Europe. I believe in MBFR. The Senator from Montana is not jeopardizing those negotiations one bit. I have voted against my majority leader dozens of times on troop reductions. He has come up now with the most conciliatory and the most modest amendment he has ever presented. I appeal to Senators on this side of the aisle that the majority leader is a responsible man and he is entitled to our support and particularly he is entitled to our support on an issue that in no way would jeopardize a single negotiation in which we are presently engaged; and he is entitled to support on an issue that will save the taxpayers hundreds of millions of dollars. He is entitled to support because the Department of Defense has ignored the will of this body time after time.

Last year the committee jettisoned in conference on the first day the amendment we passed. All this amendment does is to add to the committee recommendation. They said 49,000 out of over 2 million. Can we not add another 27,000? The committee said, "We do not need 23,000 support troops in Europe." So the Senator from Montana has not asked for a reduction in Europe; he left it entirely to the Secretary of Defense.

I think the amendment of the Senator from Montana is meritorious and long overdue. As one who has voted against any weakening of NATO, and my record is without blemish on this issue, I think the time is at hand to come to some understanding as to what our troop levels should be and to get some of these forces back from overseas—especially from Southeast Asia and the western Pacific.

I think the majority leader has presented us with an amendment which should muster an overwhelming majority in the Senate. The time is here for the Senate to make a decision and to act.

The amendment before us has two purposes: First, to reduce the total end strength of the Armed Forces of the United States by 76,000 men over a period of 18 months.

The Armed Services Committee already recommends a reduction of 49,000 in active military manpower strength. This represents a 2-percent reduction. The amendment before the Senate now increases this reduction by 27,000. The committee recommends such a reduction over 1 year. The amendment before us lengthens this to 18 months.

The committee states that its reduction of 49,000 in active-duty strength, once fully implemented and made effective, would save about $600 million annually in future years. If this amendment is enacted several hundred million dollars more can be saved.

Why are we recommending a further reduction of active military manpower? We want to support the Secretary of Defense's policy of "cutting out waste and fat from the defense budget." There is much talk within the administration about curtailing Government spending. I want to go on record that I am in favor of this approach. But let us cut Government spending where it should be cut—in the area of excessive military manpower, not in the areas of education, health care, and job training.

The sums saved in this amendment are considerable. They should not be taken lightly. But most important of all, this reduction, recommended in the amendment before us, will not endanger the security of the United States in any way.

The Armed Services of the United States would still have over 2 million active-duty personnel. Surely, modest reductions in support units and from overstaffed headquarters could result in a cut of an additional 27,000 personnel. And these men could realistically and safely be deactivated over a period of 18 months.

The second part of this amendment calls on the Secretary of Defense to reduce the number of land-based troops on foreign soil by 16,000 over the next 18 months.

What are the facts? According to the figures supplied to the Armed Services Committee and printed in the committee report, as of December 31, 1973 the United States maintained 437,000 troops in foreign countries. An additional 55,000 serve on board ships of our Navy and are not included in the provisions of this amendment.

Of the 437,000 foreign based American troops, this amendment proposes that 76,000 will be brought home over the next 18 months. I want to make it clear that the amendment does not state that those troops withdrawn from foreign bases are to be deactivated. The amendment states the final end strength for the armed services at the end of the 18 months. But it does not state that an Air Force wing or a Marine battalion or any other group of men removed from any base in a foreign country must be deactivated. The deactivations can take place at the discretion of the President and the Secretary of Defense.

I believe the period required for the phased reduction and deactivation of military personnel in this statement is more than adequate to be carried out safely, effectively and avoiding any sudden or precipitous action. This amendment is being considered before fiscal year 1975 begins. Last year a troop cut amendment passed the Senate in late September. Due to the very prompt and thorough actions of the Armed Services Committee, we are on time this year and thus the full 18 months should provide adequate time in which to accomplish the provisions of the amendment.

The question arises: Where can we safely make troop reductions from foreign soil? I believe that the primary thrust of any troop reductions should take place in the areas of Southeast Asia and the Western Pacific.

At the present time, according to the figures supplied to the Congress, the United States maintains 151,000 land-based troops in Southeast Asia and the Western Pacific. In addition, there are 21,000 men afloat, but I want to remind my colleagues again that these 21,000 are not included in the provisions of this amendment.

Where could savings in Asia take place?

First of all, in Thailand, where there are 36,000 U.S. troops. The annual cost of maintaining these troops in Thailand is approximately $760 million a year. The American presence in Thailand consists primarily of U.S. airmen who formerly flew bombing missions over Indochina. It is a virtual impossibility that these men will be actively involved in a military action over Indochina. I would oppose such a role for them, and I am sure the majority of the Members of Congress and the American people would also oppose any renewed American involvement in Indochina. Substantial cuts could thus be made in these forces.

In South Korea, there are 38,000 American troops 20 years after the Korean war. The annual operating costs of maintaining these troops in Korea will remain approximately at about $620 million a year. The Armed Services Committee in its report dealt at length with the status of American troops in Korea. The committee in fiscal year 1974 suggested a 50-percent reduction in the three U.S. headquarters in Korea. I repeat, it suggested this reduction. As of June 30, 1974, 100 people were added to these headquarters, according to the committee, representing an 8-percent increase. The committee goes on to state:

> The Committee looked at the overall force structure in Korea and determined that the overstaffing at headquarters is part of a larger problem. Using the Army again as an example, U.S. Army forces in Korea have combat-support ratio of 37/63. Of the 63 percent representing non-combat units, about one quarter are headquarters and administrative units.

The committee goes on to state that:

> Secretary Schlesinger this year said that there have been no major improvements in North Korean force size or improvement. In the manpower hearings, DOD stated that South Korean ground forces are now adequate for defense against North Korea.

Despite the fact that Secretary Richardson predicated further U.S. withdrawals from Korea on the completion of a $1.5 billion Korean modernization program, the requested Army strength for Korea in fiscal year 1975 has not been reduced, although the modernization program is reported to be 58 percent complete.

It seems reasonable and logical that a substantial reduction of the 38,000 American troops stationed in Korea could be made over the period of 18 months called for in this amendment.

Japan and Okinawa is another area where substantial troop cuts could be made without endangering the security of the United States or of Japan. There are now 32,000 American troops in Japan and 23,000 troops on Okinawa, making the total 55,000 troops for this area. For fiscal year 1974, the estimated annual operating costs of maintaining the troops in Japan and the Ryukyus add up to $916 million.

Again, substantial cuts could be made in these forces in view of the lessening of tensions in the area and the great costs of maintaining these troops.

Other possible areas of reduction include the Philippines, where we have 16,000 troops, and Taiwan, where we presently have 6,000 men at a cost of more than $120 million in fiscal year 1974.

Substantial cuts can be made in Southeast Asia and the Western Pacific without touching our fleet and without a total withdrawal of American troops.

The countries from which we would be having a phased reduction—Thailand, South Korea, the Philippines, Taiwan, Japan, and Okinawa—would not have their defense placed in jeopardy.

Secretary Schlesinger in a statement made on March 1, 1974, admitted that the major reason for keeping American forces in Asia at this high level "lies under the heading of political rather than military considerations." This is a high cost to pay for political considerations.

It will be possible to achieve the reduction required by this amendment without a unilateral troop reduction in Europe. This is a critical and essential point. The Armed Services Committee has indeed called for a reduction of 23,000 support troops in Europe by June of 1976. If substantial cuts in Asia were added to this minor European reduction, a goal of a 76,000 troop cut could be achieved very easily.

It is important for the Senate of the United States to realize that despite the statements made by the Department of Defense that it was actively trying to reduce the number of American troops abroad, the figures comparing actions over the past year do not support the Department of Defense's contention. As I stated earlier, as of December 31, 1973, we have 151,000 American land-based troops in Southeast Asia and the Western Pacific. Last year when we debated a troop cut amendment using figures of March 31, 1973, there were 169,000 troops in Southeast Asia and the Western Pacific. This is a reduction of only 18,000 troops. There are no indications of any other sizable reductions over the coming fiscal year. Unless the Congress acts now, we will again be faced next year with over 140,000 American troops in Southeast Asia and the Western Pacific. I see no change on the horizon that will cause us to abandon our mistaken policy of garrisoning great numbers of American troops in Southeast Asia and in the Western Pacific.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Georgia.

Mr. NUNN. Mr. President, I shall not take that long. I do wish to make one correction. This amendment does require deactivation; it is not just bringing them home. The committee has about 49,000 being deactivated. Under our version, this amendment would require an additional 27,000 that would be deactivated.

We are facing the issue squarely because this would determine whether we are going to be at the lowest troop level since the Korean War.

Mr. HUMPHREY. Mr. President, if the Senator will yield, it requires 75,000 be deactivated, but not that if we bring home from Okinawa or Thailand a wing or a B-52 bomber, and deactivate them. It requires that out of the total of over 2 million they can find 75,000 people peeling potatoes that they deactivate.

Mr. STENNIS. Mr. President, I yield 6 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I hope that no one has the illusion that by reducing our present troops in Europe we can reduce tensions. The fact of the matter is that our troop strength has been going down in that area and the Soviet and Warsaw Pact strength has been going steadily upward.

But let me sound a note of history here. The American presence has resulted in an unprecedented 29 years of peace in Europe—unprecedented in modern times.

If we had not walked away from World War I in 1919 and walked away from involvement with other nations, I think it is highly likely that World War II would not have occurred. If the American presence had been in Western Europe in 1936, Hitler would not have marched across the Rhineland.

I want to read some remarks from a beautiful speech that was made on November 11 of 1965 at Arlington Cemetery. It reads:

> Today we know that World War II began not in 1939 or 1941 but in the 1920's and 1930's when those who should have known better persuaded themselves that they were not their brothers' keepers.

And further, another excerpt from that great speech:

> We have come to realize that anything that happens on this planet can and does affect us all. We have learned that there is no place to hide in a world which grows smaller day-by-day.

Further:

> We have made known our commitment to the interdependence of nations and international cooperation.
>
> Through the maintenance of powerful military forces we have demonstrated our ability to meet aggression.

And further this speech goes on:

> But, above all, we have fulfilled the responsibility of leadership.
>
> We have not wavered. We have not turned inward. We have not withdrawn from the world. And we will not.

And further:

> But, there are those who would have us turn away from the lessons of this century.
>
> They plead, as others have pled before, that mankind's plight in other places need not be our concern. We hear—even in Western nations scarred by centuries of war—the appeals of those who would turn modern nations away from interdependence and international cooperation. These voices must be rejected. Theirs is the counsel of despair and defeat.

Further it says:

> We have a responsibility for the defense of Europe.

And the speech goes on with a great statement by John F. Kennedy:

> There is no way to maintain the frontiers of freedom without cost and commitment and risk. There is no swift and easy path to peace in our generation. . . . We cannot save ourselves by abandoning those who are associated with us, or rejecting our responsibilities."

Mr. President, I ask unanimous consent that the full text of this great speech of Senator HUBERT HUMPHREY be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF VICE PRESIDENT HUBERT HUMPHREY, VETERANS DAY, ARLINGTON MEMORIAL CEMETERY, NOVEMBER 11, 1965

We meet today to honor brave men and deeds. We enjoy the freedom their valor won.

On this resting ground of American heroes, we meet to examine the lessons of war.

We meet to commemorate a day of peace.

When a nation sends its young men to war, it must be sure indeed that the cause is worth the terrible cost.

In this century young Americans have given their lives in two world wars—and in conflict since—for a noble purpose: The cause of a just and lasting peace.

Have we learned the lessons of this century so that peace may finally be secured?

When World War I ended 47 years ago today, it seemed that anything but peace was unthinkable.

But the peace of World War I was lost when the free and strong nations of the West closed their eyes to international bullying in other places. It was lost when large nations justified the sacrifice of small nations to those playing the game of willful power.

Today we know that World War II began not in 1939 or 1941 but in the 1920's and 1930's when those who should have known better persuaded themselves that they were not their brothers' keepers.

It is now twenty years since the end of World War II. These have not been years of peace. They have been years, rather, during which there has been an absence of world war.

There continues to be aggression and despotism in the world. And, often without benefit of fullest homage, American men continue to sacrifice their lives in distant places.

The danger of war—nuclear war—torments mankind. But that war has not occurred because, in these years, we have consciously and devotedly worked to win the peace.

We have dared to stand firm against those who would terrorize their neighbors.

We have extended the hand of cooperation to both the strong and weak, the rich and poor of the world.

We have come to realize that anything that happens on this planet can and does affect us all.

We have learned that there is no place to hide in a world which grows smaller day-by-day.

In Greece and Turkey, in Berlin, in Korea, in Vietnam, we have stood with other nations against aggression when those places could have been sacrificed as was the Sudetenland—and with the same probable end result.

Through the Marshall Plan, Point Four, the United Nations, the NATO alliance, the Organization of American States and other international agencies and programs, we have made known our commitment to the interdependence of nations and international cooperation.

Through the maintenance of powerful military forces we have demonstrated our ability to meet aggression. Through patient and sometimes painful negotiation we have shown our determination to halt the arms race and control the atom.

But, above all, we have fulfilled the responsibility of leadership.

We have not wavered. We have not turned inward. We have not withdrawn from the world. And we will not.

We know that mankind can destroy itself in one horrible nuclear holocaust.

We know that one more totalitarian military adventure, one more exercise in international irresponsibility, can obliterate what man has created through the ages.

But, there are those who would have us turn away from the lessons of this century.

They plead, as others have pled before, that mankind's plight in other places need not be our concern. We hear—even in Western nations scarred by centuries of war—the appeals of those who would turn modern nations away from interdependence and international cooperation. These voices must be rejected. Theirs is the counsel of despair and defeat.

Today in Vietnam we reaffirm our knowledge of the lessons of war.

As our President has said: "There are those who wonder why we have responsibility there . . . We have it for the same reason that we have a responsibility for the defense of Europe."

We are not in Vietnam to establish any American colony or base. We are not there to enrich ourselves or to subjugate others to our will.

We are in Vietnam to keep a commitment established by international treaty.

We are there because, once again in history, it must be proved to aggressors that the price of their aggression comes far too high.

The aggression we face in Vietnam is not one in which massed armies attack across national frontiers. It is one in which the battlefield is often the homes of men. It is one in which the innocent suffer to the pain of all of us.

The aggression in Vietnam is one which deals in organized assassination and terrorism yet masks itself as a "war of liberation." It is waged by hard and callous men who seek to prove that force and Communist militancy can win the future—by men convinced that democratic societies are soft and weak and unable to meet their form of warfare.

To these, we say: Do not be misled. Do not misunderstand the processes of a free society. Do not mistake our respect for the right of dissent for internal division or lack of resolve.

We will remain in Vietnam until a just and lasting peace can be established there.

At the same time we shall now—and after establishment of that peace—dedicate ourselves to creating conditions which will enable all the people of Vietnam, North and South, and all of Southeast Asia to look forward to a tomorrow without danger of attack, without hunger, and with social justice and security.

There are times when American power must be used—when there is no alternative in face of determined aggression.

But military power alone will not provide stability and security unless it is accompanied by political, social and economic effort—and the promise to the people of a better life. And thus we work with the Vietnamese people toward that goal.

No, peace will not come through military victory alone. Nor will peace come by good intention. Peace comes to those who earn it . . . work for it . . . sacrifice for it.

Peace will be won only through the untiring practical efforts of this generation and others to follow—efforts to improve the conditions of man's life.

It will be won only when all men realize that they share a common destiny on this planet.

Peace will be won when starvation, ignorance and injustice are eradicated from a world which has the resources to defeat them.

There is no alternative to peace. Let us pursue it with perseverance and patience.

Four years ago John Kennedy stood in this place to give this message:

"There is no way to maintain the frontiers of freedom without cost and commitment and risk. There is no swift and easy path to peace in our generation . . . We cannot save ourselves by abandoning those who are associated with us, or rejecting our responsibilities."

Today his body lies in this place among others who have given their lives so that this lesson might be clear. Today that lesson is not lost.

Let us prepare ourselves for long and hard burdens ahead. Let it be written in history that in this time the lessons of history were heeded.

Today we heed the words of Lincoln, who hated war but waged it for the cause he knew was just:

"With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in."

Let it be written that, when man's freedom was threatened, there were free men willing to give their lives to preserve it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. HUMPHREY. I appreciate the Senator's yielding. He is always courteous. I want to thank him for placing that speech in the RECORD. It was one of my better speeches. What the Senator from Minnesota has said today does not in any way violate what he said then. I am not asking for one reduction in Western Europe. I am saying when we voted for a troop reduction, we took them out of Asia. That is not in NATO. We expected a mutual balanced force reduction.

I am simply saying that the majority leader has given us this reduction on that of the committee itself. The Senator's amendment says we can reduce 76,000 out of 2 million. I think we can, and it does not take one whit from what I said in that marvelous speech which the Senator read with great eloquence.

Mr. TOWER. I could read the Asian part of the Senator's speech. It says, "Stay in Vietnam." In any case, it is a good speech. I wish I could have made as good a speech myself and be as persuasive.

Let me say, this is going to have a destabilizing effect in Western Europe if we make a substantial troop reduction. It is going to have a destabilizing effect in Asia. The government in Japan is not stable at the moment. The governments of Western Europe are not stable. Indeed, the oldest government there is about 4 months old. The psychological impact of the reduction of the American presence I think could be disastrous to NATO. I think this destabilizing time is not the time to make any significant force reduction in Western Europe or any other part of the globe.

Let me state that should we substantially reduce our forces, we endanger those remaining forces should hostilities break out. The Senator from Georgia made an important point when he said we hazard the security of the United States if we impose such narrow restrictions on the President that he does not have the troops to defend this country, if he has to.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Nevada (Mr. CANNON).

Mr. CANNON. I thank the Senator.

Mr. President, I would like to make a very few observations.

We have heard from the proponents of these amendments about the fact that this is the 30th anniversary of Normandy. This is one Member of this body who was in the air over Normandy 30 years ago, and he is glad he has not had to go back again. I hope I never do.

As a member of the Armed Services Committee, I have directed my efforts toward trying to see that this Nation remains in a position that it will not have to go through that kind of thing again.

I would like to make this one observation, and that is that the Armed Services Committee considered this matter very carefully. We are interested in troop reductions. We are interested in the most efficient use of our troops. We are interested in a higher pro rata ratio of combat troops. I, for one, voted for the Humphrey amendment last year because I thought we could make reductions, but conditions have changed. We have had the withdrawal of troops from Asia, which we were very anxious to get when the Humphrey amendment was offered last year.

In addition, we voted to withdraw 23,000 support troops out of Europe and permit replacement, but to withdraw 23,000 to have a higher pro rata of combat troops.

As was stated here, we voted earlier to reduce the end troop strength by 49,000. I do not know what the correct figures ought to be. I cannot say whether they ought to be 49,000 or 50,000 or 48,000 or, indeed, whether it ought to be 75,000, as the proponents argue, but I point out that not one of those proponents of the amendments is on the Armed Services Committee which took the testimony and heard the testimony from the various services and from the various people involved with these day to day problems, and we do not know whether we could make such a reduction. We considered the facts before us, along with other problems in the committee, and we came up with the figures we used as our considered and best judgment.

If we want to legislate on the floor and let people who have not had the day to day work in this area make the decisions, then we had better change our committee system.

Mr. STENNIS. Mr. President, I yield 2 minutes—

Mr. MANSFIELD. Mr. President, I have 3 minutes left. I would like to yield it at the end of the argument. I yield to the Senator from California, and I was going to yield to the Senator from Alaska, but he does not appear to be on the floor.

Mr. CRANSTON. Mr. President, Europe is frequently mentioned in connection with troop reductions. No one says that the reductions need come from Europe. There are other places, in Asia and other areas, to make these cuts.

It is said that the Armed Forces are the lowest since the Korean war. Why should they not be the lowest since the Korean war? The President, with Secretary Kissinger's help, has accomplished great things in reducing tensions with the Soviet Union and with China and in achieving a shaky peace in the Middle East. I think we should recognize that, whatever other problems and lacks he has, this President has achieved significant accomplishments in foreign policy and has made possible a reduction in this aspect of the military budget.

I wonder how many Americans know how many dollars we are talking about in terms of 500,000 overseas troops in 30 countries and 2,000 bases? The total cost is $30 billion—$30 billion. This is an effort to begin to cut into that, to balance the budget, and it would be possible, if we started in this direction, to save the dollar which is declining in the world markets because of the dollars leaving our country, to save the dollar in the American economy, and which is so adversely affected by this inflationary form of military spending.

Our defense depends as much on the stability of the dollar and the economy as upon any other factor and this particular sort of defense spending clearly affects the economy and the dollar and therefore affects the stability of our defense.

It also brings the whole defense budget under suspicion and attack because of the immense waste of that budget.

It brings into attack weapons of deterrance that we must have, and that any foe must know we have.

If we destroy our economy or if we bring the whole defense budget under such attack that we begin to be weak in that department then we have indeed done damage to the security of our country and to its institutions.

I urge that we begin the task of balancing the budget, stop wasting this money and hurting the dollar, by making this modest move at this time under this amendment.

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, the distinguished Senator from California has raised a very pertinent point. I have been very sympathetic to the majority leader's position for a number of years in attempting to reduce costs.

But I think when we look at the facts that we have a better situation than we might think otherwise. Overall for the past 4 years—and I would ask the distinguished Senator from South Carolina and the distinguished Senator from Mississippi to correct me if it is not true—we have reduced our military force by about 1,400,000 men.

Mr. STENNIS. That is correct, yes.

Mr. PERCY. Also on the balance of payments, I served as rapporteur to the Balance of Payments Subcommittee of the NATO North Atlantic Assembly for several years, where 15 countries worked together to try to find ways to reduce American balance-of-payments deficits in NATO.

It is my understanding—and I would like to ask for confirmation of these figures—that our balance-of-payments deficit in NATO expenditures in Europe in fiscal year 1974 is estimated to be about $2 billion. In the offset agreement recently negotiated by Secretary Schlesinger, West Germany has agreed to make purchases and other financial commitments of about $700 million; there have been agreed-upon purchases by other NATO countries of about $800 million and to make up the difference, West Germany is making $400 million of loans of 2.5 percent over a period of 7 years. Loans are not nearly as good as purchases. But this agreement comes closer than we have ever come before to our goal and our objective we have had for 4 or 5 years to get our NATO allies to pay their fair share of the total cost and certainly to totally cover our balance-of-payments deficits.

If that is correct, I think it is a very germane point and answers the point of the Senator from California (Mr. Cranston).

Mr. STENNIS. I think the Senator is substantially correct in his figures. I know that those who are familiar with it are highly pleased not only with the direction in which we are going but the substantial improvement and the prospect of even greater improvement.

Mr. PERCY. Finally, I ask only this question——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield an additional minute, Mr. President.

Mr. PERCY. Now that we have a totally volunteer force, are there very many forces that came in under the draft, still serving, that may be involuntarily sent overseas? I know of none myself. The young men I talked to in Germany would rather be there than at some base in the United States anyway. So the basic question is what our overall force level should be, not necessarily where they are.

I cannot really see, once we have established that we have reduced the Armed Forces by almost a million and a half men, that it is a terribly important point now that we have a total volunteer force.

These are professional people who have gone into the military of their own free will, and I cannot really see then why we should worry about whether they are serving in Kansas, Illinois, Montana, or whether they are sent over to Germany if that, in the judgment of the Defense Department is the best place for them to be stationed for our security.

Mr. STENNIS. I thank the Senator very much. We are about at the end of debate.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Mississippi has no time remaining.

Mr. STENNIS. Five minutes on the bill, Mr. President, that I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, there are just two or three points I want to make. The first is that our allies have responded positively to the injunctions of the Jackson-Nunn amendment. It appears that the balance-of-payments cost for maintaining our troops in Europe will be completely offset through fiscal year 1975.

Therefore, unless the force to be returned was demobilized, little or no economic advantage would be derived from reducing our forces in Europe. So there is no saving to be made by it.

The next point I would make is we have a team now trying to negotiate to bring about a mutual balanced force reduction in arms. They have been working now for some months. Let me tell you what a member of this team has said. He is not a Republican. He was Secretary of the Army appointed by former President Lyndon Johnson, Mr. Resor. Everybody who knows him has respect for him. Here is what he said, and I would like the Senate to hear this:

> If we make a unilateral force reduction at this time, the MBFR (Mutual Balanced Force Reduction) team might just as well pack up and come home.

Mr. President, it is just that simple. If we are going to get a mutual force reduction, and that is what we want, we do not want a unilateral reduction.

We just do not want to give away our strength. We will give away our bargaining power if we do. If we want to get a reduction on the part of the Soviets too, Mr. Resor says we might as well pack up and come home if we are going to reduce those troops over there now. I hope the Senate will remember that because I think it is an extremely important point.

The President has just appointed a new Chief of Staff of the Air Force whose name is David Jones. He has been in Europe as Air Force commander. If anybody knows the score over there he does.

He testified before the Senate Armed Services Committee just a few days ago. I want to quote one sentence from what he said. I propounded this question:

> General, do you feel any reduction in NATO forces at this time would be desirable?

His answer was:

> A reduction of forces at this time would not only tilt the balance of power in Europe to NATO's detriment, but unavoidably would signal to both allies and adversaries a lessening of American interest in the commitment to European defense.

Mr. President, some people may say, "Well, that is a military man. We expected him to say that."

I do not expect General Jones, with the high respect that I have for him, to make that statement unless he believes it.

Here is the top Air Force man in the United States who has made that statement to us, and I think we ought to take heed and warning of it.

Mr. President, again I say if we want to get reductions from the Soviets now is the time to get them, but not by reducing troops. If we reduce troops and weaken ourselves here in this country what do we have to bargain with, to give the President and give Dr. Kissinger something to bargain with. He has some thing to bargain with now.

I hope the Senate will not agree to this amendment.

Mr. President, I ask unanimous consent to place in the Record following my remarks a prepared speech opposing these overeas troop reductions and a memo I sent to all Senators on the Mansfield amendment.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by Senator Strom Thurmond

Mr. President. A large world-wide overseas troop reduction of any significant size could not be absorbed by some vague combination of closing down minor facilities and reducing support troops and headquarters staffs.

Rather, it would simply force us to decide between two actions, (1) removing large percentages of our land-based forces West of Hawaii, leaving the 7th Fleet alone to support our policy interests in the Pacific, or (2) making a reduction in our forces in Europe.

I would like to very briefly state why neither of these alternatives are acceptable.

PACIFIC AREA

The first of these alternatives would represent a reversal of 30 years of bipartisan policy in the Far East. Further, it would destabilize an area in which we have expended American lives and over $100 billion in funds.

In plain words, if we maintain our strength in NATO and allow the Mutual Force Reduction talks to bring about a mutual cut in Warsaw Pact and NATO forces, then ALL overseas cuts must be taken in the remaining 164,000 overseas troops located chiefly in the Pacific. Even a 50,000 overseas cut would decimate these forces.

Remember, we have withdrawn from South Vietnam, given Okinawa back to the Japanese, pushed away from Nationalist China, and cut our combat forces in Korea and Thailand. Further we must realize that sizable troop reductions in the Pacific could have several bad results. Possibilities would be:

(1) Encouraging Communist forces to press their advantages in South Vietnam, Cambodia and Thailand.

(2) Encourage Japan to re-arm.

(3) Jeopardize further the outward position of Nationalist China.

(4) Encourage internal subversion in places like Okinawa and the Philippines.

(5) Destabilize our position in Korea (even Red China does not object to our presence there).

Thus, the argument centers on whether or not the U.S. should make a substantial reduction in its troop commitment to Europe.

NATO

For at least a decade the argument has been made by both Republican and Democratic administrations that the time is not right for a unilateral reduction of U.S. forces in Europe. That argument is even more valid today for the following reasons:

(1) Our forces in Europe are stationed there for the defense of the U.S. as well as Europe. They contribute more to the defense of the U.S. there than they could in the U.S.

(2) It is important to remember that U.S. forces are by no means the dominant component of NATO forces in Europe; they constitute just over 10 percent of the ground manpower, and about 20% of the ships and aircraft.

(3) From a cost standpoint, there would be no net savings. In fact, new funds would be needed to buy more airlift to return our troops there and more equipment would have to be prepositioned in Europe.

(4) Our forces in Europe are needed for NATO's success. The Soviet Union rolled over Eastern Europe in World War II and has repeatedly used force to maintain its dominance there.

(5) There is now a good prospect for mutual and balanced force reductions. MBFR talks in Vienna show promise. If we withdrew U.S. forces unilaterally, we would end the one bargaining point that has induced the Soviets to negotiate.

(6) If we remain firm in Europe and thus force mutual reductions we may be taking the first step towards permitting these Soviet dominated nations to eventually attain truly free societies.

(7) Withdrawing substantial U.S. forces would force greater reliance on nuclear weapons. In an age of strategic parity, we would reduce the President's options for dealing with possible crises in Europe.

Finally, if one accepts the argument we should stand firm in NATO any overseas troop cut would have to be taken from the forces outside NATO. In NATO, we have about 273,000 land-based forces while elsewhere in the world we have about 164,000, a total of 437,000.

The final question then is: Do we want to reduce our non-NATO forces worldwide (164,000) by 125,000 as proposed in the Mansfield amendment, or even 75,000 or 50,000 as may be proposed in other amendments.

If the Senate goes this route we will create a vacuum in the Pacific which may scuttle all of our efforts there since World War II.

Moreover, the Senate Committee this year has taken steps to meet this troop issue. The Committee cut military manpower 49,000 and civilian manpower 44,000. We also would allow a 23,000 reduction of support troops in NATO over the next 2 years and their replacement by combat troops if needed.

Finally, Mr. President, let me say that besides the overseas cut the Mansfield Amendment would cut military strength 76,000 below the 49,000 already cut by the Committee. If such a reduction, or even a smaller one is allowed, we will be reducing the Army below the 13 divisions we have had since World War II.

In response, to this proposal I would merely ask the Senate this question—Is the U.S. more or less powerful today vis-a-vis the Soviets than at any time since 1950?

COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 6, 1974.
To: Members of the Senate
From: Senator Thurmond
Subject: Mansfield amendment

Mansfield amendment 1392 does two things:

1. Sets ceiling on *military manpower* strength effective December 31, 1975 at 2,027,100.

EXPLANATION

DOD Request	2,152,000
Mansfield ceiling	2,027,000
Mansfield manpower cut	125,000
Committee cut	49,000
Mansfield cut in addition to Committee action	76,000

2. Sets ceiling on military manpower overseas effective December 31, 1975 at: 312,000.

EXPLANATION

Land based overseas forces:	
Europe	273,000
Pacific	116,000
Southeast Asia	35,000
Other	13,000
Overseas total	437,000
Mansfield cut	125,000
Ceiling allowed in Mansfield amendment	312,000

3. It is indicated that Senator Cranston may make a proposal to increase the *overseas* ceiling to 337,000, a net cut of 100,000, and Senator Humphrey may propose to increase the overseas ceiling to 362,000, a net reduction of 75,000.

Mr. STENNIS. Mr. President, the Senator from New York is here and I want to yield to him for 1 minute on the bill. Then I want to take 1 minute for myself.

Mr. JAVITS. Mr. President, I have done a lot of work on NATO—I suppose as much as anybody in this Chamber. I was chairman of the committee to review all of NATO.

I would vote for a cut of 75,000 in the troop strength of the United States, and I hope that amendment will be agreed to, but with this shirttail relating to Europe, and the requirement that the reduction be in overseas forces, it will, in my judgment, be a clear signal to the Europeans that the Mansfield amendment, with all respect to the leader—and he knows of my affection for him—has passed. I think that is a bad signal and, for that reason, I must vote against it.

I ask unanimous consent that a editorial from the New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. TROOPS IN EUROPE

Senator Mike Mansfield's renewed effort to force substantial withdrawal of American troops from Europe and other areas overseas is the wrong battle in the wrong place at the wrong time.

The Senate floor is the wrong place for this decision to be taken because the issue is now under negotiation in Vienna between the NATO and Warsaw Pact powers in an effort to bring about Soviet as well as American troop cutbacks. There are now 460,000 Soviet ground troops on the Central Front in Europe, compared with 193,000 Americans. Warsaw Pact troops outnumber NATO's ground forces in this area 925,000 to 770,000.

An over-all NATO-Warsaw Pact reduction to 700,000 on each side, as proposed by the West—with the bulk of the Western reduction to be taken in American forces—would assure stability as well as the reduction in defense spending desired in both East and West. But unilateral American withdrawals now would clearly be destabilizing. They would lower the nuclear threshold, forcing earlier use of atomic weapons in a conflict. They could lead to the nuclearization or the "Finlandization" of West Europe—or both.

This is the wrong time as well for the Mansfield amendment. West Europe's political stability and economic health are shakier today than at any time since the Marshall Plan days more than two decades ago. Governments have fallen in Britain, West Germany, France and Italy in recent months. The new leaders may do better than the old, but that is not yet certain. The Common Market is stalled. Relations with the United States have been badly strained. A major effort by Washington is needed to pull the Atlantic community back together again before disintegration goes further. Unilateral weakening of West Europe's security would frustrate this effort before it could begin.

Above all, Senator Mansfield's long struggle, extending over eight years, is the wrong battle for the Majority Leader and his supporters to be waging at all. The battle to bring back American troops from Europe, an area where American interests are truly vital, was spurred initially by American balance-of-payments deficits and Europe's surpluses. The oil price increase and other factors have reversed the situation. American payments are in surplus, while most of West Europe is headed toward a disastrous deficit. West Germany, which is also in surplus, is offsetting the dollar costs of American forces there .

The extraordinary notion has been propounded that the presence of American troops abroad brings about American involvement in war. But there were no American troops in Europe before World War I or World War II—or in Korea before the involvement there. On the contrary, the presence of American troops in Europe since World War II has helped provide an almost unprecedented 29 consecutive years of European peace. Their withdrawal would be a step into the unknown.

Senator Mansfield's latest argument is that the troops withdrawn from Europe and Asia could be demobilized, reducing the defense budget by $1 billion a year. But United States armed forces already are half-a-million fewer than pre-Vietnam and 1.2 million fewer than those the Soviet Union maintains. There are ways in which defense spending can and should be reduced. But shotgun legislation aimed at American military manpower overseas would be the worst way now to go about that task.

Mr. MANSFIELD. I yield back the balance of my time.

Mr. STENNIS. Mr. President, I will just take 1 minute. I am sure every Senator has been fully honest in dealing with these figures. Someone may have made a grave error. The Senator from Nevada (Mr. CANNON) stated the correct figure here with reference to the way these matters were arrived at. Whoever said that taking out 500,000 troops would save $30 billion was far, far off the mark.

We have just over 2 million in all, and if that were the case, our budget for manpower alone would be $120 billion. It just shows how far we have gotten away from the park.

Mr. President, here is a committee which tries to exercise its judgment in view of all the facts we have, and now our action is taken as a springboard to try to get a further reduction of altogether a different kind, and I think a dangerous one, if we turn our backs on these conferences.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. MANSFIELD. Mr. President, if I may use the 1 minute remaining, I think I should speak in behalf of the Senator from California, who used the $30 billion figure, but with relation to all costs overseas, including some 2,000 bases. He did not say it would result in a saving of $30 billion, but that it costs $30 billion at this time.

Mr. MUSKIE. Mr. President, I believe that we can reduce our forces stationed in foreign countries significantly without jeopardizing our security interests or our political objectives.

Like most Americans, I believe that an isolationist policy is neither wise nor possible. I believe that we need to maintain an important military presence in areas of vital interest, and that precipitate, large-scale troop reductions in such areas would not serve our foreign policy objectives.

This is not to say, however, that all proposed reductions would be unwise. The trend in recent years has been toward further reductions—a trend supported both by the administration and by the Congress. We have now disengaged from South Vietnam. Our allies have become stronger, and they are carrying a greater share of their own defense burden. Moreover, the Nixon doctrine foresees a much less interventionist foreign policy than we have had in the past. For all these reasons, our military presence abroad has declined in recent years in a manner which has been consistent with our overall foreign and defense policy.

The dilemma which confronts us today, as in years past, when Senator MANSFIELD's initiatives on overseas troop reductions have come before the Senate, is the size of such reductions. The Senate Armed Services Committee this year has recommended a 20-percent reduction in Army noncombat troop strength in Europe by the end of fiscal year 1976, with half of this reduction to be implemented by the end of fiscal year 1975. The committee's recommendation would involve a cut of some 23,000 support troops, although the committee would allow their replacement by combat troops should the Secretary of Defense deem it appropriate.

I believe that no more than that number should be withdrawn from European areas over the next 2 years. In relation to our total European force commitment of nearly 300,000—including 25,000 afloat—a reduction of this kind would neither be precipitate nor politically destabilizing.

With respect to our military presence in the Western Pacific and Southeast Asia, however, I believe significant reductions can be made—reductions of 50,000 to 75,000 land-based troops or roughly one-third to one-half of our present land-based forces of 151,000 in these areas. The latest Defense Department figures—March 31, 1974—show that we still have 35,000 troops in Thailand; 57,000 in Japan, including Okinawa Prefecture; 38,000 in South Korea; 17,000 in the Philippines; and 5,000 in Taiwan. I believe that significant reductions can be made in our troop presence in each of these countries.

I would like to take just a moment to state my own reasons for not making major reductions in our European forces at this time as well as my reasons for recommending a significant cut in our land-based forces in the Asia area.

With respect to Europe, I believe that NATO needs a strong conventional capability and that the United States must make a major contribution to such forces in Europe in addition to providing a nuclear shield for our European allies. But there is nothing magic about our present land-based force level of 275,000, and I would hope that this number will be reduced substantially in the future.

For a variety of reasons, however, I do not believe that now is the time for major European troop reductions. The reasons were well stated in Secretary Kissinger's letter to Senator STENNIS which was released yesterday. First, negotiations are now in progress in Vienna between NATO and Warsaw Pact countries on the possibility of mutual force reductions. These are difficult negotiations, and I have my own doubts as to whether they will ever produce meaningful results. But Secretary Kissinger assures us that they are proceeding with great care and seriousness, and he warns us that large unilateral reductions at this time might remove Soviet incentives to negotiate seriously. I believe we should give these negotiations a chance to produce results, since it is certainly in the interests of NATO to achieve a reduced Soviet troop presence in Eastern Europe.

Second, there is the additional problem that the last 8 months have been a period of unusual stress in the alliance, and recent changes in European governments add a further element of uncertainty to the future. These facts suggest that it would be untimely to make major reductions at this time—that such reductions could be destabilizing and could create political advantages for our adversaries.

Secretary Kissinger also warns us against large cuts in Asia, but I find his reasons less convincing. Troop reductions in Thailand, he says, will be made as the situation in Southeast Asia permits. Major reductions in South Korea, Japan, and the Philippines, according to the Secretary, could seriously jeopardize our efforts to achieve a more permanent structure of peace in that area, and such reductions should be made only when we have firm evidence of improved relations among rival nations in the area.

Secretary of Defense Schlesinger testified before the House Appropriations Committee on March 1 that the major reason for keeping American forces in Asia at their current high level "lies under the heading of political rather than military considerations." The reason, no doubt, is that the Chinese threat to our Asian allies simply does not equal in any way the possible Soviet threat to our European allies—where very large numbers of Soviet troops are deployed in Eastern Europe. Secretary Schlesinger's remark seems to recognize this fact, implying that our current troop presence is needed instead to reinforce the internal political stability of certain weak regimes in Asia.

It is this kind of reasoning which led to our Vietnam intervention, and I believe it is time to state unequivocally that U.S. policy does not include the option of intervening in Asia to protect our friends from internal threats. In keeping with such a policy, we should not design our force structure to include the possibility of becoming involved in another land war in Asia.

Unlike the situation in Europe, where our allies openly express their opposition to any large American troop reductions, such key Asian allies as Japan and Thailand have publicly encouraged further U.S. troop reductions in those countries. South Korea, which outnumbers North Korea in troop strength by about two to one, hardly needs 38,000 American troops for assistance in their own defense. The Philippines faces no external threat, and our forces on Taiwan have already been reduced to almost a token level.

I am not suggesting that we withdraw completely from any of these countries. I am suggesting that the size of our forces in each of these countries is a good deal larger than required to fulfill the political mission which both Secretary of State Kissinger and Secretary of Defense Schlesinger have described.

On balance, I believe the second Mansfield amendment is consistent with the considerations I have outlined. I intend to vote for it.

The PRESIDING OFFICER (Mr. DOMENICI). All time has expired. The question is on agreeing to the substitute amendment offered by the Senator from Montana (Mr. MANSFIELD). On the question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Utah (Mr. MOSS), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

On this vote, the Senator from Missouri (Mr. SYMINGTON) is paired with the Senator from Wyoming (Mr. MCGEE).

If present and voting, the Senator from Missouri would vote "yea" and the Senator from Wyoming would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. PACKWOOD), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

The result was announced—yeas 44, nays 46, as follows:

[No. 233 Leg.]

YEAS—44

Abourezk
Aiken
Bayh
Bible
Biden
Burdick
Byrd, Robert C.
Church
Clark
Cranston
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hughes
Humphrey
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson

Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott,
William L.
Stevenson
Talmadge
Tunney
Williams

NAYS—46

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Brooke
Buckley
Byrd,
Harry F., Jr.
Cannon
Case
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Huddleston
Jackson
Javits
Johnston
McClure
Nunn
Pearson
Percy
Roth
Scott, Hugh
Stafford
Stennis
Stevens
Taft
Thurmond
Tower

NOT VOTING—10

Fulbright
Hollings
Inouye
McGee
Moss
Packwood
Sparkman
Symington
Weicker
Young

So Mr. MANSFIELD's amendment in the nature of a substitute was rejected.

Mr. STENNIS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. GRIFFIN and Mr. THURMOND moved to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question now recurs on agreeing to the original amendment of the Senator from Montana (Mr. MANSFIELD).

Mr. MANSFIELD. Mr. President, I understand that under an agreement reached, we now would turn to the consideration of the Hartke amendment having to do with recomputation——

Mr. TOWER. Mr. President, I believe the vote now occurs on the original amendment of the Senator from Montana, does it not?

Mr. MANSFIELD. A voice vote will be OK.

The VICE PRESIDENT. The question is on agreeing to the original amendment of the Senator from Montana (Mr. MANSFIELD).

Those who favor the amendment will say "aye." Opposed, "no." The Chair is in doubt and calls for a division. All in favor stand and be counted.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Washington will state it.

Mr. JACKSON. What is the question before the Senate?

The VICE PRESIDENT. The question is on agreeing to the original amendment of the Senator from Montana.

Mr. JACKSON. Mr. President, a further parliamentary inquiry. Would the Chair state whether the amendment changed the original amendment that was offered, so that the Senate will know what it is being asked to vote on?

The VICE PRESIDENT. The question is on agreeing to amendment No. 1392, the original amendment offered by the Senator from Montana (Mr. MANSFIELD).

Mr. GRIFFIN. Mr. President, may I ask that the clerk read the amendment?

The VICE PRESIDENT. The clerk will read the amendment.

The assistant legislative clerk read, as follows:

AMENDMENT 1392

On page 5, after line 2, insert the following: *Provided,* That no funds authorized to be appropriated by this title may be used after December 31, 1975, for the purpose of maintaining more than two million twenty-seven thousand and one hundred active duty military personnel, and no funds authorized to be appropriated by this title may be used after December 31, 1975, for the purpose of maintaining more than three hundred and twelve thousand military personnel permanently or temporarily assigned at land bases outside the United States or its possessions. The Secretary of Defense shall determine the appropriate worldwide overseas areas from which the phased reduction and deactivation of military personnel shall be made.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendment be withdrawn.

The VICE PRESIDENT. Without objection, the amendment is withdrawn.

The Senate will be in order.

The pending amendment is amendment No. 1377, by the Senator from Indiana (Mr. HARTKE). Senator HARTKE has 15 minutes, and Senator STENNIS has 11 minutes.

Mr. HARTKE addressed the Chair.

The VICE PRESIDENT. The Senate will be in order.

Mr. HARTKE. Mr. President, I ask unanimous consent that the name of the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor of the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Who yields time?

Mr. STENNIS. Mr. President, I make the point of order that it is impossible for the Senate to transact business because the Senate is not in order. This matter involves a $16 billion obligation of the Federal Treasury, and we have only a few minutes. I ask the Chair to maintain order, so that we can hear each other.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield 3 minutes to the Senator from Arizona.

The VICE PRESIDENT. The Senator from Arizona is recognized for 3 minutes.

Mr. GOLDWATER. Mr. President, I rise to oppose this amendment, even though, because of conflict of interest, I will not be allowed to vote for it.

I look at the sheet that has been put on my desk and see that there are 16,800 retired military people in my State, and that becomes rather appealing politically. But this will never pass the House of Representatives on this bill.

We voted for it in the last two or three Congresses, and as conferee last year, it became very obvious to me that the House will not take it. It is out of order in the House.

I think it is wrong for this body to give hope to the retired military people of this country that they are going to receive computation, when we know it is not going to happen. If I were allowed to vote I would vote "no," even though politically that is probably dangerous. I have told the people of my State that there is no way they can get recomputation through the Hartke amendment.

The only way we are ever going to get it is for the Senator from Indiana to have hearings in his own committee or the Senator from Mississippi to have hearings in the Armed Services Committee on the whole complicated subject of recomputation, which would be extremely costly. It is extremely involved.

This is not something that should be passed lightly on this floor, so that we can write letters home to our retired constituents and say, "I have done something for you," because we have not.

This amendment probably will be overwhelmingly accepted by the Senate. It will be the first thing that will be thrown out when this bill comes to conference. I am merely calling the attention of my colleagues to this, because it is not going to do a single thing for the retired military person.

I think it is time that the Members of this body stopped kidding themselves and kidding the retiree.

Mr. STENNIS. I thank the Senator.

Mr. President, if any Senator desires time, I can yield several minutes, and I will be glad to do so.

Mr. President, I oppose this amendment on the ground that the time has come when we cannot keep on increasing the pay of these retirees every time there is an increase, or almost every time there is an increase, in the pay of the people who are in the service.

We have to bear in mind that those in the service do not make a contribution to their retirement. This is one of the most liberal—if not the most liberal—retirement systems in the world. These retirees have received every cost-of-living increase that has come along, under the statute, since 1958. Those cost-of-living increases have totaled approximately 85 percent. That is permanent law—it is in the law now—and they will continue to draw it.

This recomputation—that is, permitting those who are retired to recompute on the basis of a high wage scale as of January 1, 1972—does not include all the increases we made but does include some and it would cost approximately $300 million the first year. If the amendment is adopted, it will put an obligation on the Federal Government that will finally total $16 billion. That has been checked out, and there is no mistake about it. The computers have shown that over and over. That is what the amendment would amount to in the long run.

I have said this: I think we ought to set up a second retirement system, starting now. It would be complicated to do it, but it could be done. Let those in the service pay a contribution, as the civil service people do, and at the same time continue in operation the system we now have; and it would finally clear out when no one else is living who is under this system. That system would be gone, and we would have matured another system.

I would then be willing to try to figure out some kind of basis of settlement for those who are now drawing this retirement pay. But if we let them recompute time after time after time, or every few years, as we have been doing—this matter has come to the point that this one increase will cost $16 billion extra, and it goes on and on and on. For that reason, I cannot vote for this amendment, as a Senator or as chairman of the committee.

Some retirees feel that they are entitled to this money as a matter of right. I want to be fair to them. But it has even been tried out in court, and the court held that there was no obligation for us to make this recomputation clause applicable. I have dealt with this matter off and on since 1958, and there is no committal in law, in any way, that these recomputations would continue. I am told by the Senator from Virginia that whenever we adopt one of these proposals, the civil service people apply to that committee, but it has never been granted.

Those are the hard, cold facts of life. We adopted it before. I recall that one year we had only four votes against it. Last year we had 14 votes, I believe.

The House has taken a firm stand, and they have held hearings. We requested them, in the last conference, to hold hearings on this matter, when they failed to yield. They promised to do so, and they did. They held those hearings, and their subcommittee reported, I assume, to the full committee. Anyway, no bill ever was reported. They reported against it. Their conclusion was that this system as it is now is adequate.

I have people very close to me in many ways, and I am a target in this matter, in a very adverse way. But this matter has to stop sometime, somewhere.

Frankly, I do not think that Congress can get the new system I have mentioned without the help of the executive. Perhaps it has not been figured out, but it could be done. This time, the budget did not request the money. They requested it last year, but they did not do so this year. That is the story.

I ask unanimous consent to have a table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Grade and date retired (before)	Length of service	Current retired pay	Hartke amendment	Under Hartke amendment: Monthly increase	Under Hartke amendment: Annual increase	Under Hartke amendment: Annual retired pay
General, O-10:						
June 1, 1958	30	$2,271.47	$2,706.53	$435.06	$5,220.72	$32,478.36
Jan. 1, 1965	30	2,364.06	2,706.53	342.47	4,109.64	32,278.36
July 1, 1970	30	2,757.83	2,706.53	51.30	615.60	32,478.36
Lieutenant general, O-9:						
June 1, 1958	30	2,004.24	2,532.50	528.26	6,339.12	30,390.00
Jan. 1, 1965	30	2,085.78	2,532.50	446.72	5,360.64	30,390.00
July 1, 1970	30	2,433.26	2,532.50	99.24	1,190.88	30,390.00
Major general, O-8:						
June 1, 1958	30	1,803.81	2,283.50	479.69	5,756.28	27,402.00
Jan. 1, 1965	30	1,880.64	2,283.50	402.86	4,834.32	27,402.00
July 1, 1970	30	2,194.11	2,283.50	89.38	1,072.68	27,402.00
Colonel O-6:						
June 1 1958	30	1,316.12	1,744.09	427.97	5,135.64	20,929.08
Jan. 1 1965	30	1,436.72	1,744.09	307.37	3,688.44	20,929.08
July 1 1970	30	1,675.82	1,744.09	68.27	819.24	20,929.08
Lieutenant colonel O-5:						
June 1 1958	25	862.94	1,185.91	322.97	3,875.64	14,230.92
Jan. 1 1965	25	976.64	1,185.91	209.27	2,511.24	14,230.92
July 1 1970	25	1,139.32	1,185.91	46.50	559.08	14,230.92
Major O-4:						
June 1 1958	20	$561.19	$793.38	$232.19	$2,786.28	$9,520.56
Jan. 1 1965	20	653.33	793.38	140.05	1,680.60	9,520.56
July 1 1970	20	762.25	793.38	31.13	373.56	9,520.56
Sergeant major E-9:						
June 1 1958	30	(1)	942.96			11,315.52
Jan. 1 1965	30	776.33	942.96	66.64	1,999.68	11,315.52
July 1 1970	30	906.04	942.96	36.92	443.04	11,315.52
Master sergeant, E-8:						
June 1, 1958	30	(1)	842.27			10,107.24
Jan. 1, 1965	30	693.31	842.27	148.96	1,787.52	10,107.24
July 1, 1970	30	809.18	842.97	33.09	397.08	10,107.24
Sergeant 1st class, E-7:						
June 1, 1958	24	374.12	538.92	164.80	1,977.60	6,467.04
Jan. 1, 1965	24	443.78	538.92	95.14	1,141.68	6,467.04
July 1, 1970	24	517.88	538.92	21.04	252.48	6,467.04
Staff sergeant, E-6:						
June 1, 1958	20	258.32	370.43	112.11	1,345.32	4,445.16
Jan. 1, 1965	20	305.21	370.43	65.22	782.64	4,445.16
July 1, 1970	20	355.96	370.43	14.47	173.64	4,445.16

(1) Pay grades E-9 and E-8 were established June 1, 1958. Accordingly, there are no retirees in those grades before that date.

Note: Where appropriate the above figures include the 6.4 percent Consumer Price Index increase in retired pay scheduled for July 1, 1974.

Mr. HARTKE. Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. BARTLETT) and the Senator from Kansas (Mr. DOLE) be added as cosponsors of the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THURMOND addressed the Chair.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, this is probably the only time that the distinguished Senator from Mississippi and I will be differing on this bill. I am not going to vote on this bill because I would be affected by it. However, I want to say this. My military retirement money goes to scholarships to help educate needy, worthy students. I am for this bill because it is nothing but plain justice.

A major who retired in 1968 draws $6,000 in retirement and a major who retired in 1972 would draw $9,000. There is a 45-percent difference.

Mr. President, there have been 12 pay raises since 1958. We have a major retiring one year getting a different retirement from a major who retires the next year. Senators can see the discrepancy. The same is true for enlisted personnel. Yet everyone of these military people have served this country the same length of time and retired in the same grade.

I do not think it is right; I do not think it is fair. Even if it does cost some money, if it is the just thing to do. The Senate has passed this measure for the last 2 years. It has gone to conference and the House has taken a strong position against it. But I am not sure that we cannot arrive at some compromise. If they do not recompute at age 60 maybe we can get it to age 65 or age 75. There certainly should come a time when there can be a recomputation in order to do justice in a matter that demands justice.

I shall not take a long time on this matter. I want to say this to demonstrate what an important issue it is. In 1968 when the candidates were running for President, Vice President HUMPHREY favored this bill, Mr. Nixon favored this bill, and Mr. Wallace favored this bill. Every one of the candidates for President came out openly and made strong statements for it. Mr. Nixon has had the money in his budget for 7 years. They see the justice and the fairness of it.

I feel we should not delay this matter any longer. Many officers have died and never will get justice. I hope the Senate will agree to the amendment and let us see if we cannot work something out in conference so that these officers who retired years ago, who retired with just as much service as those who are retiring today, when salaries were much lower, can get some semblance of justice, if not complete justice.

Mr. GOLDWATER. Mr. President, will the Senator yield to me for 2 minutes?

Mr. THURMOND. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, everything the distinguished Senator from South Carolina said is true. I agree with every word of it. In fact, when I made the mistake of running for President in 1964 I had this in my platform also. But I did not have something in my platform that I knew would never pass Congress.

The way to get this recomputation accomplished is for either the Committee on Veterans' Affairs to hold hearings on it or for the Committee on Armed Services to hold hearings on it, find out how much it is going to cost and find out what we are going to have to do to take care of these men who retired before 1958.

If we are going to go that route and play on the organ, I remind colleagues that Senators who retired in 1940 do not get the retirement pay of those who will retire this year in November. We can argue all over the lot on this. I think it is perfectly fair to seek recomputation. I shall vote for a recomputation bill that comes out of either proper committee. I am not going to vote, if I were allowed to vote, for something that is kidding. We are not being honest with the retired officers of this country when we know, and the Senator from South Carolina will be one of the conferees and he knows, what the House committee will do with it. It is not that they want to do it. It is a technicality. The Parliamentarian of the House has ruled no on this matter time after time after time.

I do not want to be a part of something that will kid or fool a lot of retired people who want this, and I want to see them get it. But the proper way to do it is to go through either of these committees, report a bill, and I will give it all the support I can.

Mr. HARTKE. Mr. President, I ask unanimous consent that there be added as cosponsors of the proposal the names of the following Senators: Mr. TOWER, Mr. BEALL, Mr. BELLMON, Mr. RANDOLPH, Mr. CRANSTON, and Mr. DOMENICI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, if this is the right thing to do, the Senate should do it and not fool around with it. If the House does not do the right thing that is on their souls. Let them explain it in hell. I do not want to duck my duty. If the Committee on Armed Services wants to grant jurisdiction to the Veterans' Affairs Committee, I guarantee Senators will do our duty by these people.

The most people to be helped by this legislation will be enlisted men. The President did put the request in his budget but he castigated the Congress for it and he said Congress will not act. If we do not act we will be doing what he has criticized us for. If we do our duty we will be doing what was favored by the Senator from Minnesota (Mr. HUMPHREY) when he ran for the Presidency, by Mr. Wallace and by Mr. Nixon as well as Mr. McGOVERN in 1972. This measure has been favored by the major parties in the last 2 years.

I do not know what the position was of the distinguished Senator from Arizona when he ran for President. I guess he was in favor of it. I hope he was. The Senator from Arizona indicated he is in favor of it today. I do not know what the position of President Johnson was.

I will say this. The Senator from Mississippi did promise us a hearing but unfortunately he met with his injury and I do not believe hearings were held.

Mr. STENNIS. That was last year, and this year the House held hearings.

Mr. HARTKE. They were promised to be held. I am not raising that question here. What we are saying, what the sponsors of the amendment are saying is, "This is not as good as the Senator from Texas wanted to do, which would be real justice," and I compliment him but that would be much more expensive; that would cost over a billion dollars the first year alone.

The sponsors of this amendment would take this one shot and give justice to that master sergeant who retired before June 1, 1958. He gets $341. If he retired after January 1, 1973, he gets $518. They served the same country in the same capacity. The only difference is that probably the man who retired in 1973 served in Vietnam. There is a difference of $177, or 52 percent differential given for the same type service, service for the same country, and the Congress says no to him. If they say no it is no wonder the recruitment policy is hard to come by, if justice of that type is given to our people.

As the Senator from South Carolina reminded me, this goes to 60-year-olds, and the older they are the more they need it.

They should be entitled to these benefits. I hope we will take the action on the amendment that we must take.

To correct the record for the Senator from Mississippi, on the last vote there were 14 votes and not 27. I do want to correct the record in that respect. Only 14 Senators opposed this measure the last time.

Mr. TOWER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I wish to concur with the Senator from Indiana in his statement that we should go ahead and act whether or not the House acts. If we continue to act annually on this matter ultimately the House will be pressured into acting because we are discharging our obligation to these men by acting. So I hope we will continue to act even though we may be reasonably certain they will never accept it. They must understand at some point over there that in time they are going to have to pass it.

Mr. HARTKE. The Senator is correct. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. STENNIS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER (Mr. DOMENICI). The Senator has 1 minute remaining.

Mr. STENNIS. I yield myself that 1 minute, plus 1 minute on the bill, just to say this: I am certain that there has been a recomputation since 1958. It came about in 1964 when we passed the cost-of-living increase and gave every retiree the option of taking the cost-of-living increase or recomputing, and I judge that virtually everyone recomputed that year and has been given the cost-of-living increases since that time.

This matter has run on and on. I do not scare easily, anyway, but this is costing about $6 billion a year now—$6 billion in the year 1975 is what retirement will cost. I am talking about without any recomputation.

We have had so many people in the service who have retired, and they retire early—and I am not criticizing them for that—that this bill runs about $6 billion a year. The total bill for salaries for personnel, civilians included, is $52.5 billion, or 57 percent of the defense budget. So here is $6 billion that is for retirees alone. When we recompute, it is going to add the amount I have already given. It will total the $16 billion I have mentioned for those already in retirement and who will receive retirement pay during their lifetime.

I do not see how we can let it run away any longer, but I think we ought to do something about it, less than recomputing.

Mr. HARTKE. Mr. President, let me say again that if we took what is really just and fair, the recomputation measure that was introduced by the Senator from Texas (Mr. TOWER), it would cost over $1 billion the first year. The lifetime cost of fair recomputation would be $140 billion. We are not going for that. We are asking only for a one-short recomputation, which will cost $340 million. The President requested $440 million, so it is less than what the President requested 2 years ago.

When a man gives his service to his country, he does so with the anticipation that when he retires, he is going to receive fair and equitable treatment, and he is not going to receive one retirement pay and have another master sergeant get more than he does when he retires.

Mr. HELMS. Mr. President, this is one of those times when a Senator has to bite the bullet and do what he thinks is right instead of yielding to the temptation of merely doing the popular thing.

I am obliged to vote against the Hartke amendment—even though I favor an honest, workable, and equitable recomputation of military retirement pay. As the distinguished Senator from Arizona (Mr. GOLDWATER) and the distinguished Senator from Mississippi (Mr. STENNIS) said a little while ago in this debate—and they were absolutely right—this amendment does not have a prayer of surviving the rules of the House of Representatives.

Therefore, even if the Senate should approve this amendment unanimously, we are simply going through a few political gyrations which, of course, will win favor among retired military personnel. But it is more serious than that, Mr. President. We are deceiving the very people we purport to be helping.

Because, Mr. President, when this amendment is approved by the Senate, and discarded in the House of Representatives—as it certainly will be—then the issue of recomputation of military retirement pay probably will be dead for another year—and all that the people who need and deserve equity will get out of it is a bit of lipservice.

For my own part, Mr. President, and I am examining only my own conscience and not passing judgment on any other Senator's position. I feel that the Congress ought to begin hearings at the earliest possible moment to draw up a genuine recomputation bill—a bill that can be supported in good conscience, a bill that can have the expectation of enactment by both Houses of Congress.

Then we can take our positions honestly and forthrightly, and I shall support recomputation enthusiastically. I acknowledge that there is great need for it; I have declared my support for it on numerous occasions. And I will support it under the circumstances I have just mentioned.

But I cannot participate, Mr. President, in an exercise which seems to me to be merely a display of politics. I want to level with the thousands of retired military personnel in my State. I do not want to deceive them.

Moreover, as the distinguished Senator from Mississippi (Mr. STENNIS) has emphasized on several occasions during this debate, we are talking about 16 billions of dollars in terms of Federal spending. And as one who has constantly pleaded for a balanced budget, I simply cannot go along with the business of talking one way, and voting another.

I know this will be an unpopular vote, Mr. President, but I feel obliged to bite the bullet, and vote my convictions.

I shall regretfully have to vote against this amendment.

Mr. MUSKIE. Mr. President, in the past I have supported the principle of recomputation for many of the reasons which have been presented by the distinguished Senator from Indiana (Mr. HARTKE). I need not repeat those arguments. But I have reluctantly decided to vote against recomputation this year because our present economic circumstances—and most particularly, the unprecedented rate of inflation which we have been suffering—requires special restraint in new Government expenditures.

Before 1958 retired pay was recomputed, or increased, each time there was a pay increase for active forces to keep pace with rising prices. Since then military retirees have had their retired pay adjusted according to changes in the cost-of-living index, as is done for Federal civilian retirees. The "recomputation" issue is whether, in addition to the cost-of-living increases, military retirees should also have their retired pay adjusted to be kept current with active duty pay scales. Those who support the proposal, which has twice passed the Senate, but not the House, argue that the Government has broken faith with retirees who entered service before 1958 by changing the system. Those opposed point out that a double escalation of retired pay (cost-of-living plus recomputation) would be unprecedented in Government or outside it; the cost, even for a one-time plan for older retirees, would be about $16 billion over the lifetimes of those affected.

Because of this extraordinary cost, I must vote against Senator HARTKE's amendment. I hope we will continue to examine the whole question of retired military pay, and I welcome the assurances of Senator STENNIS that the Armed Services Committee will look carefully at this issue in the near future.

Mr. DOLE. Mr. President, I am very pleased to be able to support and cosponsor this amendment of the Senator from Indiana (Mr. HARTKE). While I regret that I can only answer "present" to a rollcall vote on the measure, due to a conflict of interest situation arising from my own receipt of disability retirement pay, it is my sincere hope that my colleagues will afford the provision the overwhelming approval which it deserves.

Recomputation of military pay has historically been a system of adjustments upward concurrent with the increases in compensation of active duty forces. This method of providing equitable changes was terminated in 1963, however, in favor of cost of living modifications commensurate with 3-percent rises in the Consumer Price Index.

Unfortunately, these consumer price increases have not kept pace with active duty pay scales, thereby creating a very unfair situation for military retirees from the point of view of previous authorizations.

PAST PROPOSALS

A number of recomputation compromises have been proposed by Congress in the past several years, and many attempts have been made to adjust the retirement system. I have previously cosponsored efforts similar to the one now before us, and have continually advocated that a reform of the current practice is necessary.

The exclusion of a recomputation provision from the final military procurement authorization bill approved by Congress in fiscal year 1973 resulted from the fact that men retiring today in some cases make one and one-half times the retired pay that pre-1958 retirees of the same rank and years of service make. This unfair discrimination is contrary to the established principle of equalizing retired pay with existing active duty pay for the same grade or rank.

SECURITY IN RETIREMENT

The provision of this amendment which restricts servicemen to a one-time recomputation at age 60, or upon 30 percent or more disability, should make the process economical and sound in accomplishing its purpose of providing a fair retirement pay system. The retiree has in most cases reached the end of his work career; this assurance of an equitable adjustment will provide much-needed security to those coming of age, and allow them the dignity they have earned in service to their country.

OBLIGATION TO THOSE WHO SERVED

Mr. President, as we look down the road to the full implementation of the All-Volunteer Army concept, we must also look back in the other direction to those who served their country. Certain commitments were made to these men and women—whether officers or enlisted personnel—and it seems to me that when you balance all the various considerations, the scale is tipped in favor of the present proposal.

Certainly, this one-time recomputation of military retirement benefits to January 1, 1972, is justified if for no other reason than that obligation. For almost since the time the retirement system came into effect during the Civil War, this issue has been with us. And again, except for the years from 1922 to 1926, the retired pay of military men was recomputed with every pay raise from 1861 to 1958.

TIME FOR CORRECTION

It is time now, therefore, that we act to correct the inequity which has existed in the system since that latter year. Rightly or wrongly certainly commitments have been made to retired personnel, many of whom feel that Congress or the administration or both have reneged on promises made over the past several years.

We now have another opportunity to make the record very clear so far as Congress is concerned. We are discussing equity and fairness on a one-shot proposition, and I strongly urge that we take advantage of this moment to bring about the meaningful change which is so long overdue.

Mr. HARTKE. I yield back my time.

Mr. STENNIS. Mr. President, I yield back my time, and I move to table the amendment.

Mr. HARTKE. Mr. President, I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Indiana. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

I also announce that the Senator from North Dakota (Mr. YOUNG) is absent on official business.

I further announce that the Senator from Colorado (Mr. DOMINICK), would say "nay."

The result was announced—yeas 24, nays 54, as follows:

[No. 234 Leg.]

YEAS—24

Bennett
Biden
Brock
Buckley
Eagleton
Eastland
Ervin
Fannin
Hansen
Hathaway
Helms
Hughes
Kennedy
Mansfield
McClellan
McClure
Muskie
Pastore
Pearson
Percy
Proxmire
Scott,
  William L.
Stennis
Stevenson

NAYS—54

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Bible
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Domenici
Gravel
Griffin
Hart
Hartke
Haskell
Hatfield
Hruska
Huddleston
Humphrey
Jackson
Javits
Long
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Nelson
Nunn
Pell
Randolph
Ribicoff
Roth
Schweiker
Stevens
Taft
Talmadge
Tower
Tunney
Williams

ANSWERED "PRESENT"—8

Cannon
Dole
Fong
Goldwater
Gurney
Scott, Hugh
Stafford
Thurmond

NOT VOTING—14

Bayh
Cotton
Dominick
Fulbright
Hollings
Inouye
Johnston
McGee
Moss
Packwood
Sparkman
Symington
Weicker
Young

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana. On this question, the yeas and nays have been ordered.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the rollcall be delayed for 2 minutes, so that I may address an inquiry to the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUGH SCOTT. Mr. President, I rise to inquire of the majority leader as to the order of business for the remainder of the day and the remainder of the week.

ORDER FOR ADJOURNMENT UNTIL 9 A.M.

Mr. MANSFIELD. Mr. President, in response to the question raised by the minority leader, first I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, it is anticipated that there will be several more amendments offered this afternoon. I believe the distinguished Senator from Massachusetts (Mr. KENNEDY), and the distinguished Senator from South Dakota (Mr. ABOUREZK) have amendments. There may be an amendment by the distinguished Senator from California (Mr. CRANSTON). I may have an amendment, either this afternoon or tomorrow, and there will be further amendments to be considered. I believe the distinguished Senator from New Hampshire (Mr. McINTYRE) is going to lay down an amendment on which he will spend some time.

Then we hope that during the day we can dispose of various odds and ends, including H.R. 859, a bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States; H.R. 14291, an act to amend the Northwest Atlantic Fisheries Act of 1950; S. 585, a bill to amend section 303 of the Communications Act; and possibly S. 3523, a bill to establish a temporary National Commission on Supplies and Shortages.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL 12 O'CLOCK NOON ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow—quite likely there will be some votes; how many I do not know—it adjourn until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, reserving the right to object——

EXECUTIVE SESSION

Mr. MANSFIELD. Yes; Mr. President, if the Senator from Arizona will yield, I ask unanimous consent that at this time the Senate go into executive session to consider the nomination of Mr. Middendorf.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nomination.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of J. William Middendorf II, of Connecticut, to be Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JAVITS. Mr. President, could we confirm the other one also?

Mr. MANSFIELD. It has been confirmed.

Mr. JAVITS. No, I mean the Warner nomination.

Mr. MANSFIELD. All we have ready is the one.

Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I move that the Senate return to legislative session.

The motion was agreed to.

LEGISLATIVE PROGRAM—CONTINUED

Mr. MANSFIELD. I now yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, the majority leader has satisfied my reservation.

Mr. MANSFIELD. Has the Chair ruled on the adjournment over until Monday at noon?

The PRESIDING OFFICER. The Chair has ruled.

Mr. TOWER. Mr. President, if the Senator will yield, it is my understanding that one of the amendments to be offered is another troop withdrawal amendment.

Mr. MANSFIELD. The Senator is correct; that is my understanding also.

Mr. TOWER. I wanted everyone to be so advised.

Mr. MANSFIELD. The sponsor of the amendment came to me and indicated he might do it tomorrow, but I stated to him that we had an agreement to consider all those troop reduction amendments today, so we are going to do it this afternoon; shortly, I think.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS, Mr. FASCELL, Mr. FRELINGHUYSEN, Mr. BROOMFIELD, and Mr. DERWINSKI were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS, Mr. FRELINGHUYSEN, and Mr. BROOMFIELD were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOLIFIELD, Mr. MOORHEAD of Pennsylvania, Mr. MOSS, Mr. ALEXANDER, Mr. HORTON, Mr. ERLENBORN, and Mr. McCLOSKEY were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEAGUE, Mr. DAVIS of Georgia, Mr. SYMINGTON, Mr. McCORMACK, Mr. MOSHER, Mr. BELL, and Mr. ESCH were appointed managers on the part of the House at the conference.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 6, 1974, he presented to the President of the United States the following enrolled bills:

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes; and

S. 3373. An act relating to the sale and distribution of the CONGRESSIONAL RECORD.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate resumed the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research. development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The PRESIDING OFFICER (Mr. Domenici). The question is on agreeing to the amendment of the Senator from Indiana (Mr. Hartke). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BUCKLEY (after having voted in the negative). On this vote, I have a pair with the distinguished Senator from Colorado (Mr. Dominick). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Fulbright), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Utah (Mr. Moss), the Senator from Louisiana (Mr. Johnston), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

,I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. Cotton), the Senator from Colorado (Mr. Dominick), the Senator from Oregon (Mr. Packwood), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. Young) is absent on official business.

The result was announced—yeas 58, nays 19, as follows:

[No. 235 Leg.]

YEAS—58

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Case
Chiles
Church
Clark
Cook
Cranston
Curtis
Domenici
Gravel
Griffin
Hart
Hartke
Haskell
Hatfield
Hruska
Huddleston
Humphrey
Jackson
Javits
Long
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Stevens
Taft
Talmadge
Tower
Tunney
Williams

NAYS—19

Biden
Byrd, Robert C.
Eagleton
Eastland
Ervin
Fannin
Hansen
Hathaway
Helms
Hughes
Kennedy
Mansfield
McClellan
McClure
Muskie
Proxmire
Scott,
  William L.
Stennis
Stevenson

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Buckley, against.

ANSWERED "PRESENT"—8

Cannon
Dole
Fong
Goldwater
Gurney
Scott, Hugh
Stafford
Thurmond

NOT VOTING—14

Bayh
Cotton
Dominick
Fulbright
Hollings
Inouye
Johnston
McGee
Moss
Packwood
Sparkman
Symington
Weicker
Young

So Mr. Hartke's amendment was agreed to.

Mr. HARTKE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me without losing his right to the floor?

Mr. KENNEDY. As soon as I get the floor.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I yield to the distinguished majority leader.

Mr. STENNIS. Mr. President, may we have quiet in the Chamber so we can understand what is going on.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. MANSFIELD. Mr. President, I call up the amendment (No. 1387) proposed by Senators Metcalf, Magnuson, Jackson, Church, Hatfield, Packwood, McClure, McGovern, and Abourezk, having to do with the Giant Patriot, a proposed shootout or a targetout by the Air Force over the land areas of the Northwestern United States. I ask that this amendment be called up and given immediate consideration.

Mr. GRIFFIN. Mr. President, reserving the right to object, I would have no objection if there were some understanding as to how much time we would allot.

Mr. MANSFIELD. Five minutes.

Mr. STENNIS. Mr. President, I said 3 minutes. But if the Senator will yield to me, I want it understood that we will immediately then move into the troop matter, on the next amendment, if there is any other amendment.

Mr. HUMPHREY. Mr. President, if the Senator will yield, I believe that the Senator from California does have an amendment. He just stepped out of the Chamber.

Mr. KENNEDY. Mr. President, I think we can dispose of our amendment in a similar amount of time.

Mr. STENNIS. Mr. President, I agree to 3 or 5 minutes, if it is necessary, with reference to the matter of the Minuteman testing. But I want it understood that we will take up next the matter of troop reduction amendments.

Mr. MANSFIELD. Three minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by the Senator from Montana will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 3, line 8, strike out "$1,572,400,000" and insert in lieu thereof "$1,556,800,000".

On page 17, between lines 20 and 21, insert a new section as follows:

"Sec. . None of the funds authorized by this or any other Act may be used for the purpose of carrying out any proposed flight test (including operational base launch) of the Minuteman missile from any place within the United States other than Vandenberg Air Force Base, Lompoc, California.".

Mr. MANSFIELD. Mr. President, my colleagues from the States of Washington, Oregon, Idaho, South Dakota, and Montana have introduced an amendment to the military procurement bill, S. 3000, now before the Senate which would prohibit the authorization of funds for the Department of the Air Force's proposed testing of the Minuteman II intercontinental ballistic missiles from operational silos in the Malmstrom Air Force Base complex or at any other site in the Continental United States with the exception of Vandenberg Air Force Base in California. After several months of consideration, I continue to believe that the benefits from such tests would not be commensurate with potential dangers and international implications. In fact, it would be a waste of Federal money at a time when we are making a sincere effort to limit the size of the budget. This authorization legislation contains an amount of $15,600,000 for the proposed tests. My colleague, Senator Lee Metcalf, and I have a special interest in view of the fact that the first four tests are proposed for Malmstrom Air Force Base in Montana. While the testing would bring a temporary influx of funds, I do not think that it is worth the anxiety that would be created. As reported, the immediate danger would be relatively small and the flight pattern would be over sparsely populated areas of the Northwest. Should something go wrong, however, the risks would be serious in one or more of these States. A disaster of this nature would have severe repercussions. Also, there is no guarantee the chartered course of the missiles is firm. There are several reports that tests from the Vandenberg Air Force Base have gone off course.

The Minuteman II intercontinental ballistic missiles reportedly have performed extremely well during a series of tests at Vandenberg Air Force Base. I do not see that anything can be accomplished by testing these missiles inland at the various missile sites in the Northwest. What more can be proven in the proposed launches? Does this mean that we will have to test every launch site in the Nation? It would seem that technical achievements at Vandenberg Air Force Base would be sufficient. One other consideration that concerns me, but has not been discussed by the Department of Defense, is whether these proposed tests are part of our international negotiations. Is this really a show of strength? Such a show of strength could backfire and erode the U.S. confidence in, and reduce other nations' respect for the U.S. nuclear deterrent. This is in the case of an untested facility and I believe that this is an instance where we can reduce the budget without weakening our defense system in any way.

I urge that this amendment be approved.

Mr. President, I ask unanimous consent to have the following items printed in the Record: a letter signed by several Senators, dated May 21, 1974, addressed to Secretary of Defense James R. Schlesinger; a letter sent by me to Secretary of Defense Schlesinger, dated January 31, 1974; a letter addressed to me by Deputy Secretary of Defense Clements, dated February 20, 1974; a letter sent by Carla W. Beck, president of the Great Falls Newspaper Guild, to Col. John K. Kelly, Jr., commander of Malmstrom Air Force Base, Mont., dated May 30, 1974; and an article published in the Missoulian of May 9, 1974, captioned "Malmstrom Missile Test Program 'Very Much Alive.'"

There being no objection, the material was ordered to be printed in the Record, as follows:

May 21, 1974.

Hon. James R. Schlesinger,
Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: As Senators for the Pacific Northwest states, we continue to have considerable concern about the Department of the Air Force's plan to test the Minuteman II intercontinental ballistic missiles in the Malmstrom Air Force Base complex and several other sites during the next several years.

A number of basic issues still remain unsettled. We direct your attention to the attached editorial from the May 9, 1974 issue of *The Missoulian,* Missoula, Montana, which raises a number of vital questions. These questions are similar to some of those raised in our communication of January 31, 1974, a copy of which we are also enclosing. We would appreciate having detailed responses to these questions and ask that this same information be provided to both the Senate Armed Services Committee and the Senate Subcommittee on Defense Appropriations. We ask further that the most serious consideration be given to cancelling Giant Patriot, because we are not aware of any value which cannot be achieved through continued testing at Vandenberg Air Force Base, California.

With best personal wishes, we are,

Sincerely yours,

Henry Jackson,
Frank Church,
Mike Mansfield,
Lee Metcalf,
Mark Hatfield,
Bob Packwood,
James McClure,
George McGovern,
James Abourezk,
Warren Magnuson,
U.S. Senators.

January 31, 1974.

Hon. James R. Schlesinger,
Secretary, Department of Defense,
Washington, D.C.

Dear Mr. Secretary: As United States Senators representing the Pacific Northwest, we share a great concern about the Department of the Air Force's plan to proceed with the testing of Minuteman II intercontinental ballistic missiles from operational silos in the Malmstrom Air Force Base complex and several other sites. We believe benefits from such a test will not be commensurate with potential danger to lives, properties, and international implications.

The Minuteman II reportedly has performed very well during a series of tests at the Vandenberg Air Force Base in California. What more can be learned from the proposed launches in Montana? Publicity associated with these tests and the extensive safety precautions would not contribute to a realistic combat situation. We douth that data provided by such tests would contribute anything that has not already been determined from the heavily instrumented test range in California. Based on information available, we find it difficult to justify an expenditure of $26.9 million for this purpose.

In addition, our constituents have expressed grave concern with regard to lives and property. We recognize that, as envisioned, the danger would be relatively small and it would be limited to sparsely populated and National Forest areas. Should something go wrong, however, the risks would be far more serious in one or more of our states. A disaster of this nature would have severe repercussions for domestic attitudes toward the military. Also, there is no guarantee that the chartered course of the missiles is firm. Newspaper accounts indicate that in several tests our U.S. missiles have gone off course and crashed in Mexico and as far away as Brazil.

Presentations made in behalf of these tests have indicated that they may be an important part in our international negotiations. The need for a show of strength is questionable and, should the inland test fail, it would erode United States confidence in, and reduce Soviet respect for, the United States nuclear deterrent. At the present time, the Minuteman Missile System is considered to be very reliable and we question the need for additional test sites.

The budget for Fiscal Year 1975 containing funds for the Minuteman II testing proposal will be scrutinized in great detail and we ask that your office review this matter in light of the concerns expressed above and withdraw your budget request for the Minuteman II Operational Base Launch.

Sincerely,

Mike Mansfield.

February 20, 1974.

Hon. Michael J. Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: This is in response to the letter of January 31 in which you joined with Senators Metcalf, Church, and Hatfield in expressing concern about the proposed launches of Minuteman II from operational silos. With respect to the various issues set forth in the letter, the following points may be helpful.

It is true that the data obtained from the launches conducted from California are the primary contributors to our assessment of Minuteman reliability. We also accomplish many other tests, both in laboratories and in the operational units, which contribute to our high confidence in the Minuteman weapon systems. The basic reason for the operational base launch (OBL) proposal is to conduct for the first time a launch of the weapon system from initiation of the launch command through impact of the stimulated warhead at the end of a full-range flight. To be more specific, the most significant unique features of the proposed launches as compared to the Vandenberg AFB, California program are:

1. Two of the launches will be from Minuteman II operational silos that do not have Vandenberg-type protective shielding installed, thus assuring that the absence of the shielding in an operational launch does not affect system performance. A limited protective shielding is planned to be installed on subsequent OBL launches to minimize post launch silo refurbishment.

2. In a war-time launch there are five separate crews at five individual launch control centers who would be involved. However, Vandenberg AFB launches do not provide this complete five crew exercise. The OBL launch will accomplish this.

3. Unlike the Vandenberg launches, we will launch a Minuteman which has not been removed from its operational silo, thus none of the mechanical/electrical connections which mate the missile directly to the silo will be disturbed prior to launching.

4. Land mass gravitational effects are presently calculated as an extrapolation from over water flights. The land overflight involved with OBL will provide further verification of the present extrapolated land mass gravitational values.

I share your interest in the safety aspects of this program and we will certainly not conduct the launches if they cannot be done safely. As we have indicated in our briefings to federal, state and local officials and to interested citizens, we plan to conduct extensive safety and environment studies before a final decision on the launches is made to assure that the attendant risks are minimal and acceptable. For example, the specific silos chosen for launches will be those where the missile trajectory offers the least risk to people and property. This deliberate, cautious and open approach to the Minuteman OBL program we believe will gain the confidence of those affected by demonstrating that we are giving careful and thorough consideration to the safety and environmental factors involved in these launches, including situations where the flights might not proceed as planned.

While we agree that the Minuteman Missile System is reliable, we believe that the OBL program will enhance our confidence—and that of others—in that reliability, much in the same manner as do tests of other weapon systems in their operational environment. In this regard, it is noteworthy that the Soviet Union has been conducting an ICBM operational base launch program for a number of years.

We believe that the Minuteman II OBL program will yield results worth the cost, particularly in view of the Nation's investment in this weapon system. We expect that Congressional review of the FY 75 budget request will provide an opportunity for thorough evaluation of the proposed Minuteman OBL program.

I trust the foregoing is responsive to your concern with respect to this important program.

With kindest regards.

Sincerely,

W. P. Clements, Jr.,
Deputy Secretary of Defense.

Great Falls Newspaper Guild,
Great Falls, Mont., May 30, 1974.

Col. John K. Kelly, Jr.,
Commander, Malmstrom Air Force Base, Mont.

Dear Colonel Kelly: We have learned that a briefing on the Giant Patriot Project was given Great Falls area clergy at a Malmstrom Air Force Base Clergy Day observance. We understand it was explained to the clergymen that they would be given correct information which would help them explain the project to others in the community, as opposed to the "bits and pieces" and "bad press" they had probably heard up to that point. At some juncture, one of the host military personnel is said to have interjected that an example of "bad press" Malmstrom received was the story on the front page of that morning's Tribune.

I have reviewed the front page of the Thursday, May 9, Tribune and the only story I see related to Malmstrom is the one headlined "MAFB sergeant is electrocuted."

The Great Falls Newspaper Guild protests the characterization "bad press" applied to this news story when expressed before an official meeting involving a professional group from our community.

It is our contention that this story is an accurate presentation of the information that was supplied to the reporter by: Wing Information Division at Malmstrom, Cascade County Sheriff's Department, District Office of Montana Highway Patrol, Montana Power Co. and Sun River Electric Cooperative.

Yours truly.

CARLA W. BECK,
President.

MALMSTROM MISSILE TEST PROGRAM "VERY MUCH ALIVE"

Sen. Lee Metcalf recently wrote The Missoulian: "I am informed that the proposed test firing of Minuteman missiles from Malmstrom is very much alive." He enclosed a copy of "The High Priests of Waste" by A. Ernest Fitzgerald.

Fitzgerald was the civilian Defense Department management systems expert who blew the whistle on the vast cost overruns in the C-5A transport plane project.

For going public with his information of institutionalized waste—namely for telling Congress about it—his job was eliminated. After a lawsuit he was reinstated with back pay.

One chapter of the book deals in part with the Minuteman II project. The Air Force, which wants to spend more than $26 million to fire eight of these missiles over Western Montana and Idaho, has given repeated assurances that the tests will be safe.

According to Fitzgerald, banking on Air Force performance promises in much like speculating from afar in Florida swampland real estate.

Fitzgerald delves deeply into the horrendous system where making waste—and vast profits for the industrial wastemakers—was a built-in part of the defense purchasing system. Omitting data, obscuring adverse facts, covering up mistakes, actual lying and excessive spending were systematized.

Concerning the Minuteman II, Fitzgerald found "inherent reliability problems in the advanced guidance system" of the missile as early as 1963. The Minuteman II, contrary to Air Force propaganda in selling the Montana testing project, had an "exceedingly high failure rate of the Autonetics (the contracting firm) guidance sets."

Air Force performance data on Minuteman II test shots were doctored by "counting only the relatively good shots, omitting entirely the worst misses." The costs of the program ran utterly out of control.

The proposed Montana Minuteman II tests would launch four missiles next winter and four missiles the winter after from silos near Malmstrom Air Force Base. The 4,800-pound first stage and two 60-pound panels per missile will strike ground in federal forest land in Idaho PROVIDED the tests go successfully. It is possible the missiles will drop junk on populated areas if the tests go awry.

The objections to the tests are:

1. They are an unnecessary waste of the taxpayer's money.

2. They are potentially dangerous to people down range.

3. Key data gained at Malmstrom tests would not be pertinent to other Minuteman II sites or to Minuteman III missiles, which are expected to replace the Minuteman IIs.

4. The same tests can be made at Vandenberg Air Force Base by the Pacific Ocean.

5. If the Malmstrom tests occur, they will clear the way for later tests over populated areas.

6. Testing these missiles will tend to harm, not help, diplomatic efforts to ease the mutual danger which missiles pose to both the United States and the Soviet Union.

7. The missile testing program, if it's being handled by the same kind of boobs who messed things up in Fitzgerald's description, is not in the hands of giant competents or Giant Patriots. Quite the contrary on both counts.

The matter still pends in Congress, which must provide the money before the tests can take place. Renewed pressure on our congressmen to block the program would be the right thing to do.—Reynolds.

Mr. JACKSON. Mr. President, will the Senator yield me 30 seconds?

Mr. STENNIS. I yield.

Mr. JACKSON. Mr. President, the effect of this amendment would be to take out the authorized funds for the testing of the Minuteman missiles from bases in Montana impacting into the Pacific. I support this amendment and have joined the distinguished majority leader.

I believe this matter should be postponed until we have had a chance to really go into it further. It seems to me that the issues involved here are of such a nature that it would be in the public interest to postpone the testing. The time that will be lost will not harm the national security.

Second, I want to point out that I am not fully satisfied that we cannot get the kind of data we need without following through on an actual test firing.

Therefore, I support the amendment on the basis that it should be postponed until a further date, when we will have an opportunity to review the matter thoroughly.

Mr. MANSFIELD. Mr. President, among the material I have been given permission by the Senate to insert in the RECORD is a letter dated May 21, addressed to Hon. James R. Schlesinger, Secretary of Defense, a portion of which reads as follows:

> We ask further that the most serious consideration be given to cancelling Giant Patriot, because we are not aware of any value which cannot be achieved through continued testing at Vandenberg Air Force Base, California.

It is signed by Senators JACKSON, MANSFIELD, CHURCH, METCALF, HATFIELD, MCGOVERN, ABOUREZK, PACKWOOD, MCCLURE, and MAGNUSON.

Mr. STENNIS. Mr. President, with reference to this amendment, I have not had a chance to confer with the Senator from South Carolina. I realize the concern of the Senators from this area. I think that, if possible, there should be a test of this nature with reference to the Minuteman. I have gone to the trouble of going to Vandenberg to learn what I could about the testing there.

It is something about which I think we should have a serious conference with House Members, the Air Force, and others, to see whether something can be agreed upon. I am not yielding one bit on my idea that there should be a testing.

This amendment would just hold it up for this year. Is that correct?

Mr. MANSFIELD. All this year.

Mr. JACKSON. All the fiscal year.

Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. JACKSON. Let me say to the Senate that one matter is of great concern, and that is that in firing of the Minuteman missile, certain stages of the system will be dropped along the way. This has a particular impact on the States of Montana and Idaho, probably in a nominal way on my State, and perhaps more so on Oregon. The fact is that we do not have all the facts, and I feel that it is in the public interest that this matter be deferred.

Mr. STENNIS. Mr. President, this is a problem, and I am willing to take the amendment to conference, and we will confer with the House. As I understand, this amendment applies only to this year—to fiscal year 1975 funds.

Mr. JACKSON. Mr. President, I ask that the amendment be modified so as to read as follows:

> None of the funds authorized by this act may be used . . .

In other words, strike out "or any other." It will read as follows:

> "SEC. . None of the funds authorized by this Act may be used for the purpose of carrying out any proposed flight test (including operational base launch) of the Minuteman missile from any place within the United States other than Vandenberg Air Force Base, Lompoc, California.".

That will limit it to the fiscal year July 1 through June 30, 1975.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, does that mean that the Air Force has other money they might use for this testing?

Mr. JACKSON. No. This would prohibit the use by the Air Force of any funds during the period we are talking about. They have no authority to do it now, and they have asked for this specific authority, and we are denying it in the authorization bill. That would commence July 1 of this year, ending June 30 next year.

Mr. ABOUREZK. One other question I would like to ask the manager. Does that also prohibit the planned test use of Ellsworth Air Force Base in South Dakota?

Mr. JACKSON. Yes. The only place they can fly and test systems is Vandenberg. It excludes all other areas.

Mr. CHURCH. Mr. President, reserving the right to object.

Mr. STENNIS. Mr. President, we had an agreement of 5 minutes and then we were to go back to the bill on troops. I have to ask that we consider that agreement. Some Senators have left the Chamber and some have returned.

Mr. CHURCH. I shall be very brief. Does the amendment make the appropriate reduction in the amount of the authorization?

Mr. JACKSON. It does.

Mr. CHURCH. I thank the Senator.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 3, line 8, strike out "$1,572,400,000" and insert in lieu thereof "$1,556,800,000".

On page 17, between lines 20 and 21, insert a new section as follows:

"SEC.   . None of the funds authorized by this Act may be used for the purpose of carrying out any proposed flight test (including operational base launch) of the Minuteman missile from any place within the United States other than Vandenberg Air Force Base, Lompoc, California.".

Mr. ABOUREZK. Mr. President, I support the effort of the Senator from Montana. I do so for two basic reasons.

My first concern, is the Pentagon's request for $29 million for missile testing over the Western United States. According to a letter which I received from the Defense Department earlier this year, if congressional approval is obtained, four Minuteman II missiles will be launched during the winter of 1974–75 from Malmstrom AFB, Mont., and a second set of four missiles from another base during the winter of 1975–76.

"Because of its westerly setting," the letter states, "Ellsworth AFB, S. Dak., is a likely candidate as a site for the second series of launches." Presently, a feasibility study is underway to determine precise test location of the second succession of missile firings.

The testing of these missile sites in South Dakota gives pause to consider several aspects of the program including what effect there will be in the immediate area and what potential hazards exist in the northwestern part of the United States.

The first four launches, as I understand it, would be launched from Montana and routed over northern Idaho and the State of Oregon into the Pacific Ocean. The Air Force contends that it is confident the Minuteman tests can be carried out with a minimum of inconvenience to residents of the areas in the flight path.

My concern with this operation is based primarily on two factors: safety and necessity.

In spite of all of the assurances of minimal danger, there can be no question that the tests would jeopardize the lives and property of a great number of residents of the Pacific northwest. If all went well, the site of probable damage would be in national forests and the danger, that of forest fire, would likely be small. If something went wrong, however, the risks would be far more serious.

If the missile appeared to be going off course within the first minute of flight, the booster, which essentially is a container of high explosives, would be destroyed. In this case, pieces of the missile and explosive propellant would be scattered over a wide area. And even if the probability of personal injury was still low, the repercussions for domestic attitudes toward the presence of missiles near their homes, should any debris land near populated areas, in a school yard, for example, would be severe.

In addition, there would be some chance that the missile would veer off course and not be destroyed. In the past, U.S. missiles have crashed in Mexico and Brazil during tests.

The third and most important risk concerns the effect of a series of failures in the tests. About 10 years ago, Minuteman missiles were launched from silos in my State of South Dakota. The top two stages were inert; they were expected only to fly for 7 seconds and land within a few thousand feet of their silos. But the program ended in disgrace after several successive failures.

I fear that a similar experience would erode U.S. confidence in the present nuclear deterrent.

The second factor is necessity. As you know, Minuteman missiles originating at Vandenberg Air Force Base in California and installed in launching facilities almost identical to their operational sites, the only differences being protection in the silo against the intense heat generated by the rocket motor and replacement of nuclear warhead by a test package.

What then would the launches from Montana and South Dakota add to this procedure? Very little. The missiles must still be removed from their silos. The nuclear warhead would be replaced by a test package and the silo would be fireproofed.

The data provided by the tests on the new course could not possibly match that elicited from firings on the heavily instrumented western test range. The eight launches under these conditions can hardly add much to already extensive data on Minuteman's performance and reliability. Basically, what would be proved was that a missile could be launched from Montana as well as California.

I am convinced, therefore, that the proposed test program is a poor gamble. The Nation would be accepting a serious risk for very minimal gains. Fortunately, the funds for this project require the consideration of this committee and others in the Congress. I am thankful for that and urge you to reject the Defense Department's request for $29 million for this redundant program.

Mr. HATFIELD. Mr. President, I am a cosponsor of the amendment offered by the distinguished Senator from Montana to delete funding for the Air Force's Giant Patriot missile launch program.

Mr. President, when this program was proposed some time ago, I believed there were two fundamental questions which needed to be resolved: is it necessary, and is it safe?

As to the latter consideration, I am aware that a concerted effort has been made by the Air Force to convince citizens in the Northwest that the project could be accomplished with safety. But much of the original skepticism over its safety remains, and I get little indication that people, at least in Oregon, are satisfied that the launch will not physically endanger them.

Even more important, is the fact that the Air Force has failed to prove that this program is even necessary. In fact, the Air Force concedes that it is well pleased with the Minuteman test launches it has conducted from its facility at Vandenberg Air Force Base, Calif. The Air Force simply has not shown to my satisfaction that these Vandenberg tests, already conducted, are not enough. Nor has it shown that Giant Patriot, with its large price tag and potential danger to populated areas, is essential to the integrity of our Minuteman program.

Mr. President, in the absence of clear and compelling proof that this project is both necessary and safe it should be dropped and the amendment offered by the distinguished majority leader should be enacted.

Mr. THURMOND. Mr. President, I think this is a rather important matter. I can realize the emotion involved and the feelings concerning this matter.

As far as I am concerned I am willing to take the amendment to conference and by that time we can get into it further.

Mr. MANSFIELD. Mr. President, I would hope that the Senator from South Carolina would not take that attitude. I have seen too many amendments go to conference that have not survived. I think the wishes of Senators from the Northwest, both Democrats and Republicans, should be given consideration. It is not a matter of taking this to conference nor is it a matter of the Pentagon or the Air Force out there telling us what they want to do and intend to do. We have something to say about it, and I want some support of it.

Mr STENNIS. We would not abandon it when we go to conference.

Mr. MANSFIELD. I am talking about the reference to take it to conference and study it.

Mr. JACKSON. Mr. President, may I be recognized for 30 seconds?

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I assume I will be a conferee and I believe I know the attitude of the people in the Northwest in both political parties. I will do everything in my power to see that the Senate position prevails. I am speaking for myself only. I would expect the House conferees to respect the virtual unanimous judgment of the delegation from those States. I shall do everything I can.

Mr. MANSFIELD. I appreciate that

Mr. JACKSON. I give the majority leader that assurance. I am not speaking of the jargon of "We will take it to conference."

Mr. THURMOND. Mr. President, the reason I made my statement is that I do not have the facts. I am willing to vote for it. By the time the conference acts, we can get some facts.

Mr. MANSFIELD. I appreciate the statement.

The PRESIDING OFFICER. Without objection, the amendment as modified, is agreed to.

The bill is open to further amendment.

Mr. STENNIS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, is it not true that today is the only day that any troop removal proposals or reconsideration of limits can be considered to this bill?

The PRESIDING OFFICER. The Senator is correct, under the unanimous-consent agreement.

Mr. STENNIS. Mr. President, the day is almost gone. I am in sympathy with the Senator from Massachusetts fully in his amendment. I think we will agree to it. However, Senators are leaving the Chamber and others are returning to the Chamber. We have to devote more time to the troop amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment ordered to be printed in the Record is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

Sec. —. (a) No funds authorized for the use of the Department of Defense by this or any other Act in fiscal year 1975 may be used for the purpose of stockpiling war materials or equipment for use by any Asian country except to the extent authorized by section 701 of this Act or by the Foreign Assistance Act of 1961 or the Foreign Military Sales Act.

(b) Any materials or equipment stockpiled by the Department of Defense on the date of enactment of this Act for future use by any Asian country may not be transferred to any such country except to the extent such transfer is specifically authorized by law.

Mr. KENNEDY. Mr. President, this amendment would put a halt to the stockpiling of weapons, ammunition, and other military equipment for South Vietnam, South Korea, and Thailand without specific congressional authorization.

It will cut off an end run of the authorization process which has continued for the past 2 years. Including the Pentagon's current plan for fiscal year 1975, the total amount of funds involved is more than $1 billion.

This amendment would:

First, prohibit the stockpiling of weapons and equipment as war reserves for South Vietnam, South Korea, and Thailand now planned by the Department of Defense for fiscal year 1975, unless specifically authorized by the Congress.

Second, it would require that stockpiles built up in fiscal year 1973 and 1974 for those Asian countries would be redesignated for the sole use of the U.S. Armed Forces. No transfer to those countries could occur unless specifically approved by the Congress.

The amount designated by the Defense Department in fiscal year 1973 for this surreptitious stockpiling was $25 million. Once it went undiscovered, the Defense Department followed the same route in fiscal year 1974 to the tune of $500 million.

These funds were appropriated in the various appropriations categories which do not require specific authorization, such as for ammunition procurement for the Army.

Thus, these funds were appropriated by the Congress in the general belief that they were destined for U.S. forces. In fact, they had been designated by the Department of Defense for use by other nations. And these amounts were in addition to the very substantial amounts of military equipment that the Department of Defense specifically requested under MASF, foreign military aid or foreign military sales credits for these countries.

While we thought we were authorizing specific amounts for these countries and appropriating funds under that authorization, in fact, there was a back-door appropriation which also had their name written on it.

It is important to note now what this amendment does not do: First, it does not affect in any way the Department's request for funds for South Vietnam under the military assistance service funded program, section 701 of this act. The administration requested $1.45 billion this year under that section and the committee has approved $900 million.

Second, it does not affect in any way the level of assistance which ultimately may be approved by the Congress under the authority of the Foreign Assistance Act or the Foreign Military Sales Act. Some $300 million has been requested for South Korea and Thailand under those programs. This amendment has nothing to do with whether the Congress approves or rejects those requests.

Nor might I add is there anything in this amendment which would prevent the assistance to Israel provided last October. Not only does it not include Israel but neither does it affect the process by which the assistance was made available to Israel.

What it does do is prevent some $490 million from being squirreled away in side accounts for the countries of South Vietnam, South Korea, and Thailand. And it rescues for use by the U.S. Army, Navy, Air Force, and Marines, the $525 million stockpile already built up under previous appropriations.

Let me emphasize that we owe a deep debt of gratitude to Senator Fulbright, the distinguished chairman of the Foreign Relations Committee, who disclosed this military assistance loophole last month.

Examining the budget, Senator Fulbright found that it contained $490 million in "war reserve materials." When he inquired of the Department of Defense, he found that these funds were not contained within the administration's request for military assistance service funds under the Defense Department budget considered by this committee, nor within the military assistance requests proposed within the fiscal year 1975 foreign aid bills considered by the Foreign Relations Committees.

Instead, these moneys simply appear as "war reserve materials" without any indication that the appropriation providing the funds to purchase those weapons and equipment is in excess of the $1.75 billion requested specifically by the administration for those three countries.

The failure to approve this amendment will permit the Defense Department, now that its past practice has been publicly disclosed, to assume that Congress does not wish to prohibit its continuation.

Therefore, I feel it is essential for this amendment to be adopted to restate our intent that funds expended for aid to foreign countries should occur as a result of specific congressional authorization.

Also, I would emphasize that passage of my amendment would mean a total of some $1 billion in weapons and other equipment which can be used for our own Armed Forces this year, $1 billion which otherwise would have to be made up by separate appropriations. The $525 million stockpiled in fiscal years 1973 and 1974 as war reserve materials for South Vietnam, South Korea and Thailand would be designated for use only by the United States, also the $490 million previously planned for the upcoming fiscal year no longer would be authorized. The total of over $1 billion could be dropped from the Department of Defense appropriations bill later this year.

I would urge my colleagues to consider the following additional reasons why this amendment should be adopted barring the unauthorized stockpiling of weapons and equipment for other nations out of service authorized funds.

First, we are well aware of the difficulty involved in insuring that unilateral Presidential actions do not commit the United States to hostilities without congressional action. The War Powers Act approved last session was an important step to prevent such action occurring in the future. Yet, by permitting the President to decide to commit substantial amounts of equipment and weapons to South Vietnam, to South Korea, and to Thailand in an emergency could well result in just the sort of U.S. ad hoc involvement in hostilities that we labored so hard to prevent.

Second, we have been attempting in recent years to insure that congressional information on the use of funds is fully adequate. Yet, we have the Department of Defense subtly concealing from the Congress the true destiny of substantial sums of defense dollars, dollars which were authorized and appropriated last year and the year before when in fact, they were destined for use by the South Vietnamese, the South Korean and the Thai armed forces.

Third, we have been carefully trying to evaluate the level of appropriate support for South Vietnamese and for other nations on the basis of administration requests and our own independent assessment of their needs. In fact, the expenditure ceilings that we so carefully arrived at, were being breached by the administration in the moment of their establishment. Although we approved a ceiling of $1.26 billion last year, in fact, an additional $500 million in weapons and equipment was marked "for use by South Vietnamese armed forces." This year, the committee has recommended a $900 million level, a level which should be even lower, but once again, the administration intent is to use a different route—the route of war reserve materials to reserve several hundred million in additional assistance to the Thieu government.

Finally, the Congress in approving appropriations for the Defense Department clearly believes that funds for tanks and bullets and missiles not designated for a specific country under the foreign aid request or under the MASF program, are going to bolster the defensive capability of our armed forces. In fact, substantial amounts of those funds have been diverted from the supposed recipient—our own forces—to hidden recipients—South Vietnam, South Korea or Thailand.

Therefore, Mr. President, I believe it is essential that this amendment be adopted.

Mr. President, I would be glad to go into this matter in greater detail. I have not had an oportunity to discuss the matter with the chairman of the Committee on Armed Services. This program initially was started in fiscal year 1973 and $25 million was made available in connection with the troops in South Vietnam, South Korea, as well as Thailand, in adition to the $2.5 billion for total military aid.

In 1974, $500 million was made available to these countries in addition to the amount appropriated; and in 1975, $490 million would be available for these countries in addition to the moneys requested under MASF-funding and under the foreign aid bills.

It seems to me that what the Senate has done has been to set a ceiling on the amount of military assistance we are willing to provide to these countries, and on the other hand we have appropriated and expended $525 million in addition to those ceilings to furnish war reserve stockpiles which can be used for military equipment by any of the designated Asian countries.

If we are really serious about some kind of ceiling, that ceiling should apply to appropriations and expenditures. My amendment would provide that none of these other reserve stocks could be transferred to South Vietnam, South Korea, or Thailand unless there were a specific authorization; if there were a specific authorization they could be expended, and if not, they would be available only for American force use.

By this amendment we are indicating to the Department of Defense that when we set a ceiling, whatever ceiling has been agreed to by Congress and the Senate with regard to military aid assistance, that ceiling should stand. We have reached that ceiling through the authorization process in committee and here on the floor of the Senate.

Clearly unless this amendment is accepted there is close to a billion dollars worth of military equipment that would have been expended by the Department of Defense for these countries in excess of our authorized ceilings.

The public disclosure of this reserve fund resulted from inquiries made by the chairman of the Committee on Foreign Relations, the Senator from Arkansas (Mr. FULBRIGHT). It was through his questioning and exchange of correspondence that this fund has come to light. These funds are not specifically designated for these foreign countries in the authorization process.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt fron. the RECORD of May 6, 1974 wherein the Senator from Montana (Mr. MANSFIELD) had printed in the RECORD a press release issued by the Senator from Arkansas (Mr. FULBRIGHT) in connection with this matter.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

FOREIGN AID

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a press release issued by the Senator from Arkansas (Mr. FULBRIGHT) together with copy of letter that Senator FULBRIGHT sent to the Department of Defense and the Department's explanation.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCERNING $490 MILLION IN HIDDEN FOREIGN AID

Senator J. W. Fulbright charged today that the Nixon Administration is hiding $490 million in additional foreign military aid in the Pentagon budget. He said that a Defense Department budget item of $490 million labeled "War Reserve Materials" is in reality foreign military aid since it is not for United States use but is destined for use by foreign forces. However, the money is not included in President Nixon's $3.5 billion foreign military aid program.

Information furnished to Senator Fulbright by the Defense Department states that the money is to be used for "acquisition, storage and maintenance" of war equipment and munitions for "Vietnam, Thailand, and Korean forces." The Department's explanation said that the materials were to be "stockpiled and earmarked specifically for use by the ROK, RVN, or Thailand forces."

In a letter to Secretary of Defense Schlesinger, Senator Fulbright asked for a full explanation of the request and questioned the legality of buying supplies for ultimate use by foreign forces with funds other than those provided by Congress specifically for foreign aid purposes.

Senator Fulbright, in commenting on the matter, said: This hidden item is typical of the way the Executive branch tries to get around Congressional cuts in foreign aid. Congress turns off or cuts down the flow from one foreign aid spigot and they open up another one somewhere. This appears to be a deliberate attempt to circumvent the Congress which over the last several years has cut back on the military aid program.

"The President has asked Congress to approve a $3.5 billion military aid program, $1.8 billion of which is for these three countries. This secret item, if approved, would add another half billion dollars to that. The fact that this vast amount could be hidden away in the $86 billion Defense budget shows how much fat there is in it. I will do everything I can to eliminate this item from the Defense appropriation bill."

LITTLE ROCK, ARK.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I understand that the Department of Defense budget contains $490 million for "War Reserves Materials" described in information obtained by the Committee on Foreign Relations as: "Costs for acquisition, storage and maintenance of war reserve munitions for Vietnam, Thailand, and Korean forces. This constitutes the only ammunition stockpiled and earmarked specifically for use by the ROK, RVN and Thailand forces. Stocks will remain U.S. owned and controlled."

I oppose such a stockpile program for these three countries, particularly if it is to be paid for out of the Defense budget. A total of $1.8 billion in military aid has been requested for Vietnam, Korea and Thailand in the regular military aid program. Any stockpiled material for these countries should be charged against the regular foreign military aid program, not the Defense budget. It appears to me that this proposal is an attempt to circumvent Congress' actions in recent years to reduce foreign aid and in anticipation of further cuts this year.

I would appreciate your providing me with a detailed report on this proposal, the size and composition of any existing stockpile of this nature, the statutory authority being relied upon for stockpiling materials for foreign military forces and for possible release of materials from such a stockpile to foreign forces.

Sincerely yours,

J. W. FULBRIGHT.

EXPLANATION FROM THE DEFENSE DEPARTMENT

The requested appropriation for War Reserve Materials (WRM) is made up of two categories as indicated and defined below:

WRM—SUPPORT OF ALLIES (EQUIPMENT)

Costs for acquisition, storage and maintenance of war reserve equipment and secondary items for Vietnam, Thailand, and Korean Forces. This constitutes the only equipment stockpiled and earmarked specifically for use by the ROK, RVN, or Thailand forces. Stocks will remain U.S. owned and controlled.

WRM—SUPPORT OF ALLIES (AMMUNITION)

Costs for acquisition, storage and maintenance of war reserve munitions for Vietnam, Thailand, and Korean forces. This constitutes the only ammunition stockpiled and earmarked specifically for use by the ROK, RVN and Thailand forces. Stock will remain U.S. owned and controlled.

1. Please provide complete details and an itemization concerning the budget category "Support For Other Nations."

The budget activity "Support of Other Nations" is defined on page 68 of the Budget for the fiscal year 1975 as follows:

"Support of Other Nations"—This program includes direct support by the Defense Department for the Armed Forces of South Vietnam within the limits permitted by the Paris Agreement. Also included are the military personnel costs of military assistance missions and advisory groups around the world, the U.S. share of cost of international military headquarters and NATO common logistics. For 1975, $2.2 billion in total obligation authority is recommended for this program."

The FY 1975 Department of Defense appropriation request of $2.2 billion for Support of Other Nations is comprised of the following:

	Millions of dollars
MASF—Vietnam	1, 450
International Military Headquarters & Agencies	111
NATO Infrastructure	73
MAAGs, Missions, and Military Assistance Groups	63
F-5E International Fighter Aircraft	8
War Reserve Materials	490
Total	2, 195

Excludes MAP of $1,279 million.

Mr. KENNEDY. It does seem to me if we are going to be serious about putting limits on the amount of military equipment and assistance we are going to provide for these countries that the committee should be willing to accept this amendment and then if they feel in their judgment additional support for these three countries is necessary we should come back to get such an authorization from Members of Congress and the Senate.

I know that the committee probably has not had a chance to get into this to the extent that it might want to, but I would hope that this amendment would be accepted and that with it would be the acceptance of the concept that when Congress provides a ceiling in terms of funding for military assistance programs, that ceiling will be respected by the Defense Department and by the administration and they will not seek backdoor appropriations.

I yield the floor.

Mr. STENNIS. Mr. President, we have looked into the proposal of the Senator from Massachusetts during the course of the afternoon. It goes into a rather serious matter. He is striking at the stockpiling of war materials or equipment for use by any Asian country, except as authorized by section 701 of this act or by the Foreign Assistance Act, which is the regular Military Assistance Act, or by the Foreign Military Sales Act, which is the act under which we sell countries military materiel. The section refers to any material or equipment that may be stockpiled now.

I call to the attention of the Senator from Massachusetts the fact that the way the amendment is drawn it is permanent legislation, because it says, "By this or any other Act."

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. STENNIS. Yes.

Mr. KENNEDY. The amendment I sent to the desk was modified along the lines that the chairman of the Armed Services Committee suggested. It would not be permanent legislation. It would prohibit the expenditure of new funds in fiscal year 1975 and in prior years. I modified it, and that is the way I called it up, but I failed to give the modification to the Senator.

Mr. STENNIS. As I understand, the Senator has modified his amendment to read after the word "Act" and before the word "may" the following: "in fiscal year 1975". Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. STENNIS. That makes the amendment apply, as I understand, only to acts pertaining to activities in fiscal year 1975.

I think this is a very involved matter, and we do not have all of the facts before us, but certainly, since the Senator limits this amendment to the fiscal year 1975, it is a matter to which we could agree.

I have to point out that this language is not in the House bill, and it was not in the bill as reported by the Senate committee. It has not had the legislative grind or microscopic examination that we should put it through. We will work on this and will be glad to have the assistance of the Senator and his staff and try to get it adopted for fiscal year 1975 if it is adopted by the Senate. Perhaps that will lead to something else more permanent.

Mr. KENNEDY. I appreciate that. As I understand the effect of the modification, it says that no new money will be expended in fiscal 1975. Part (b) of the amendment says that none of the old materials can be transferred. That is part (b).

I think that is the understanding of the Senator from Mississippi.

Mr. STENNIS. Yes.

Mr. KENNEDY. It is not only applying to the year 1975, but the money that has accumulated will be prevented from being transferred.

I appreciate the Senator's accepting this amendment. Since he is willing to accept it, I am sure he will make every effort to have it adopted in the conference and work with us. I think it is extremely important. We have a $900 million ceiling in the committee bill. But we have the accumulation of approximately another $1 billion of funding with prior year war reserve expenditures and the funds proposed for this year. Unless this amendment were applied, we would almost double the amount of resources that could be available to South Vietnam.

I am not asking for a rollcall vote on this amendment. I know the Senator is aware that I am deeply interested in maintaining the ceilings that are being authorized by the Congress in this area.

I appreciate the Senator's taking the amendment to conference, with the understanding that he will review it carefully and work with us to hopefully carry out the purpose and the aim of this particular amendment.

Mr. STENNIS. Mr. President, with respect to paragraph (b), I think the Senator has correctly interpreted that paragraph as meaning that any materiel now stockpiled may not be transferred unless expressly authorized.

Another point pertaining to this amendment is that I would have in mind that, with this amendment added to the bill, the committee would immediately call on the Department of Defense for a full disclosure as to what the situation was now, what was on hand, and so forth, so that when we went to conference we would have the facts before us more fully than we have now. That would be with the idea of getting the amendment adopted.

I do not want anyone to accuse us of accepting amendments here and then not trying to get them adopted in conference, because, if this is the will of the Senate, we are going to work for it.

I would like the Senator from South Carolina to address himself to this amendment, as modified.

Mr. THURMOND. Mr. President, I do not have enough facts on this amendment to form a sound judgment, but I do not wish to hold the matter up and I am willing to go along with the distinguished Senator from Mississippi and accept the amendment. By the time we get to conference we can get more facts and then decide what the situation is. Of course, the Senate would naturally espouse the amendment in conference. At the same time, there have been no hearings on this amendment, and the strength behind it, as the Senator from Mississippi has said, is not as great as it would have been had it been put in the bill by the Armed Services Committee.

I do not have all the knowledge I would like to have about it, but I will go along with accepting it.

Mr. KENNEDY. Mr. President, the reason why there were not any hearings is that it was a secret fund to many, many Senators and Congressmen and the public. That is the reason why we did not have hearings. When Members of the Congress established a ceiling, I do not think they knew there was another means for circumventing what was their clear intention, which was to limit both the level of expenditures in a given year for a given country as well as the level of materials actually transferred to that country.

I want to thank the Senator from Mississippi for his assurances.

Mr. STENNIS. We will call on the Senator for any additional facts or information or data or statistics he may have. Anything he has on that amendment we would like to have the benefit of.

Mr. ABOUREZK. Mr. President, the Pentagon has recently acknowledge that its last three budget requests included a total of more than $1 billion to build a reserve stockpile of weapons for use by three countries in Asia—rather than by American forces.

A total of approximately $25 million was included in the 1972 budget when the stockpile concept was initiated. Last year's budget according to the Pentagon, contained $500 million for this and now this year, another $490 million is being included in the fiscal 1975 defense budget.

According to the Pentagon, the basic rationale behind the stockpiling of weapons for Korea, South Vietnam, and Thailand is to have a ready supply of arms—other than those earmarked for U.S. units—which could be used in an emergency by these governments. The stockpile consists of ammunition, trucks, tanks, spare parts, and other equipment. While the exact location of these stockpiles is unclear, Defense Department spokesmen have stated that "some of these stocks have been placed in forward areas," a term which most likely means the three countries themselves.

I believe that there are at least two basic problems with this new and little-known stockpile policy.

The first problem is its cost. Already the American people are being called upon to give up even a greater share of their income to fund our Federal agencies and programs—including the Defense Department. Last year alone, the average American family of four spent over $1,200 in taxes to support our defense program.

There should be absolutely no doubt whatsoever in these times of tight money, high inflation and severe unemployment, that the taxpayers in this country can ill-afford to give up an additional chunk of their hard earned wages to fortify the war chests of at least two of the most repressive regimes in all of Asia.

We are oftentimes told by every Federal agency that the budget they have presented is their "bare bones" funding level and that they simply cannot give up another nickel. The Pentagon is no different.

However, with admissions from Secretary Schlesinger that at least part of the current defense budget has been requested to bolster our sagging economy and with the knowledge now that some of these funds have been used to purchase weapons for our Southest Asian friends, I cannot help but think that this is not the "bare bones" budget the Defense Department would have us believe it is.

The second problem which I see in this stockpile, is in many ways the more important of the two.

It deals with congressional control over spending. The Constitution has delegated to the Congress the responsibility of insuring that the funds which it authorizes are properly expended. It is up to the Congress to maintain that responsibility by insuring that the executive branch and its administrative bureaucracy abide by its will. To do anything less is to abrogate that responsibility which to all would be a most serious mistake.

The short history of this stockpile has presented a direct challenge to our constitutionally delegated responsibility. Without congressional knowledge or approval, the Pentagon has seen fit to authorize and appropriate funds for this special stockpile. They have rationalized this action by saying that, although the stockpile has been funded without specific congressional approval, the war reserve stocks for allies cannot be released until a "conscious Presidential decision, with appropriate congressional consultation is made."

What this means is that the President could act with nothing more than a phone call to one or two Congressmen in a wholesale giveway of almost a billion and a half dollars of munitions and supplies.

I oppose this irresponsible policy. I think it is wrong and needs to be changed.

At the very least, I believe that the Congress needs to assert its authority over such expenditures. I believe that if the Congress must approve the funds for the equipment in the first place, then surely we should also be in a position to approve or disapprove the DOD's giving that equipment away.

Mr. THURMOND. Mr. President, as I understand it, the amendment has been amended, or will be, to provide that it applies to the year 1975.

Mr. KENNEDY. The amendment has been modified.

Mr. STENNIS. It already has been modified.

Mr. President, we do not have anything to say.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. Yes.

Mr. STENNIS. Yes.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABOUREZK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. On nobody's time.

The PRESIDING OFFICER. Without obejction, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND's amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

SEC. —. (a) No funds authorized to be appropriated by this or any other Act may be obligated under a contract entered into by the Department of Defense after the date of the enactment of this Act for procurement of goods which are other than American goods unless, under regulations of the Secretary of Defense and subject to the determinations and exceptions contained in title III of the Act of March 3, 1933, as amended (47 Stat. 1520; 41 U.S.C. 10a, 10b), popularly known as the Buy American Act, there is adequate consideration given to—

(1) the bids or proposals of firms located in labor surplus areas in the United States as designated by the Department of Labor which have offered to furnish American goods;

(2) the bids or proposals of small business firms in the United States which have offered to furnish American goods;

(3) the bids or proposals of all other firms in the United States which have offered to furnish American goods;

(4) the United States balance of payments;

(5) the cost of shipping goods which are other than American goods; and

(6) any duty, tariff, or surcharge which may enter into the cost of using goods which are other than American goods.

(b) For purposes of this section, the term "goods which are other than American goods" means (1) an end product which has not been mined, produced, or manufactured in the United States, or (2) an end product manufactured in the United States but the cost of the components thereof which are not mined, produced, or manufactured in the United States exceeds the cost of components mined, produced, or manufactured in the United States.

Mr. THURMOND. Mr. President, last year the Senate agreed to an amendment called the buy American amendment, and the conference committee adopted the amendment. So it has been the law this year; but in some way we failed to put it in the pending Armed Services Committee bill.

I move that the amendment be adopted.

Mr. JAVITS. Mr. President, will the Senator answer a question? Is the Department of Defense in favor of this amendment?

Mr. THURMOND. The Department of Defense has raised no objection to the amendment. It is in the law now, and it is in the fiscal year 1975 House bill as section 702.

Mr. JAVITS. Mr. President, I would like an opportunity, as this relates to procurement in the billions of dollars, to take a look at the amendment overnight, if the Senator would be kind enough to give us an opportunity to do that, and then I will undertake to let the Senator know if for any reason I have any objection. For myself, I would like to look at it. This is an amendment with very serious consequences to many States.

Mr. THURMOND. Mr. President, I have no objection to that. As I have stated, it is already the law.

Mr. JAVITS. Good. Well, it is the law for this year.

Mr. THURMOND. In other words, the Senate passed it last year, the conference committee adopted it, and it is in the House bill for fiscal year 1975 as section 702. I will be glad to carry it over until tomorrow and let the Senator look into it.

It simply gives American businessmen some advantage when it comes to procurement matters.

Mr. JAVITS. I thank the Senator very much.

The PRESIDING OFFICER. Does the Senator from South Carolina withdraw his amendment?

Mr. THURMOND. Mr. President, I ask unanimous consent that the amendment be the pending business tomorrow morning.

The PRESIDING OFFICER. Without the time being limited on it?

Mr. THURMOND. There is no time limitation on it. I have no objection to one.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, could we agree to a time limitation on it?

Mr. JAVITS. I would like to look it over. It is a matter of first impression. Let us carry it over until morning.

The PRESIDING OFFICER (Mr. HATHAWAY). There is a unanimous-consent agreement providing for a 1-hour limitation on all amendments.

Mr. JAVITS. Mr. President, I do not understand the Chair. On all—what?

The PRESIDING OFFICER. The Chair would state——

Mr. ROBERT C. BYRD. Mr. President, that was only for today.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Is there objection to the amendment of the Senator from South Carolina being made on the pending question when the Senate resumes the unfinished business tomorrow morning?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, let me be sure that I understand the Senator from New York. Do I understand him correctly to say that he would rather not agree to a time limitation on the amendment at this time?

Mr. JAVITS. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina. The Chair hears none, and it is so ordered.

Mr. THURMOND. Mr. President, as I understand it, then, my amendment will be the pending business when we meet tomorrow; is that not correct?

The PRESIDING OFFICER. The Senator is correct. When the Senate resumes the unfinished business tomorrow, it will be the pending question.

Mr. THURMOND. I thank the Chair.

Mr. STENNIS. Mr. President, is the leadership going to seek——

Mr. ROBERT C. BYRD. Mr. President, there will be no further rollcall votes today.

Mr. STENNIS. Are there any agreements about votes or anything?

Mr. ROBERT C. BYRD. We would hope to work out an agreement on the bill before we close this session today, but there will be no more rollcall votes today.

Mr. STENNIS. All right. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SPELLING BEE WON BY 12-YEAR-OLD ALABAMA BEAUTY

Mr. ALLEN. Mr. President, it is with great pride that I announce that the winner, this afternoon, of the 47th Annual National Spelling Bee is a constituent, 12-year-old, Miss Julie Ann Junkin of Gordo, Pickens County, Ala., representing the Birmingham, Ala., Post-Herald. This is a further indication of what Alabamians have long known—that Alabama women are not only beautiful, they are gifted, wise, and talented as well.

I dare say that there are not many of us in this chamber who could spell the words Miss Junkin did to gain her honors. Julie is reported to have said that she had never heard of the word, "hydrophyte," but she spelled it right anyway and captured first place in an event which featured 80 of the best spellers from across the Nation. Julie Ann also mastered "psychosomatic," "daguerreotype," "staphylococcic," "sururrant," "croissant," "chateaubriand," and "mantelletta".

Miss Junkin is the daughter of Mr. and Mrs. Raybon Junkin and is as pretty as she is smart. She has two sisters and one brother. Julie Ann is a sixth grader and attends the Gordo Elementary School where she is a straight-A student. It is no wonder.

Mr. President, I should like to extend my thanks to the Birmingham Post-Herald, which sponsored Julie Ann, and to the Washington Star-News which sponsored the contest here in Washington, D.C. And naturally, I want to congratulate Julie Ann once again, and extend my further congratulations to her proud family, her coach, Mrs. Frank Elmore, a fourth grade teacher from Julie Ann's school, and to all the other contestants in this outstanding annual event. Miss Gill Meier of Bartlett, Tenn., representing the Memphis, Tenn., Press-Scimitar, the runnerup, also excelled and is to be commended for her great performance in the spelling bee. An excellent article in the June 6, 1974, Washington Star-News about the spelling bee was written by Kathleen Maxa, Star-News staff writer. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Star Shines for Alabama

(By Kathleen Maxa)

Julie Ann Junkin a 12-year-old pixy with long blonde curls, won the hearts of the audience at the 47th annual National Spelling Bee, even before she won the contest today.

As early as yesterday, little Julie Ann was astounding the audience by whizzing through words such as "psychosomatic" and "daguerreotype."

In the 15th round this morning, Julie Ann, a sixth-grader from Gordo, Ala., corrected runner-up Gail Meier's spelling of "mantelletta." Fourteen-year-old Gail, who is from Bartlett, Tenn., had spelled the word "mantilleta."

Then, according to the rules of procedure when only two contestants remain, Julie Ann was given another word, "hydrophyte." She whizzed through the word without even hesitating although she later confided she had never heard it before.

To prepare for this first National Spelling Bee, Julie Ann said she had practiced with tapes made for her by Mrs. Frank Elmore, a fourth-grade teacher at Gordo Elementary School, where Julie is a straight-A student and cheerleader.

As late as last night, Julie Ann was still brushing up with the tapes for today's final round. She breezed through troublesome words such as "staphylococcic" and "susurrant" and French words such as "croissant" and "chateaubriand," even though she had said she has never studied French.

Julie Ann is the daughter of Mr. and Mrs. Raybon Junkin. Her father is the auto service manager for Bear Bryant Volkswagen in Gordo, Ala. She has two sisters and one brother.

Washington's entry in the 1974 National Spelling Bee finals, Mary Ann Jung, was tripped up in the ninth round today by the word "scallopini," which she spelled "Scallipini." Mary Ann, 14, is an eighth-grade student at St. Ambrose in Cheverly, Md.

The 1974 National Spelling Bee finals are sponsored locally by the Star-News.

Traveling expenses for each contestant were paid for by his or her sponsoring local Scripps-Howard newspaper. Each of the 80 contestants who competed in the national finals here won regional spelling bees sponsored by their local newspapers.

TIME LIMITATION AGREEMENT ON AMENDMENTS 1393 AND 1394 BY MR. METZENBAUM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on two amendments by Mr. Metzenbaum, amendment No. 1393 and amendment No. 1394, there be a time limitation on each of 1 hour, to be equally divided between Mr. Metzenbaum and Mr. Stennis.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND RESUMPTION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate resume the consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has there been any morning business today?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR ADJOURNMENT FROM FRIDAY UNTIL 10 A.M. ON MONDAY, JUNE 10, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in adjournment until the hour of 10 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY APPROPRIATION BILL TO BE CONSIDERED ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I believe the order already has been entered which provides for taking up the energy appropriation bill H.R. 14434, right after the morning business on Monday. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

UNANIMOUS-CONSENT AGREEMENT—TIME LIMITATION ON CERTAIN AMENDMENTS—ORDER OF BUSINESS FOR FRIDAY AND MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at not later than the hour of 1 p.m. on Monday the Senate resume consideration of the unfinished business, S. 3000, at which time the Senate take up—or resume consideration, whichever happens to be the case—the amendment by Mr. McIntyre; that there be a time limitation thereon of 4 hours, to be equally divided between Mr. McIntyre and Mr. Stennis, and out of which time a closed session may occur in the event Mr. McIntyre makes such a request and the request is seconded; that there be a time limitation on a substitute for the McIntyre amendment, to be offered by Mr. Chiles, of 1 hour, to be equally divided between Mr. Chiles and Mr. McIntyre; that when the Senate completes its business on Monday it stand in adjournment until the hour of 12 noon on Tuesday, and that at the hour of 1 p.m. on Tuesday, the Senate proceed to the consideration of an amendment by Mr. Humphrey, a so-called ceiling amendment, on which there be a time limitation of 1 hour and 15 minutes; that there be a time limitation on any amendment thereto of 30 minutes, the time to be equally divided and controlled in accordance with the usual form; and that upon disposition of the Humphrey amendment, as amended, if amended, a vote occur on final passage of the bill, S. 3000; and that paragraph 3 of rule XII be waived.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. ROTH. Mr. President, reserving the right to object, with respect to the voting on Monday afternoon on the substitute, at what time would that vote come?

Mr. ROBERT C. BYRD. If the 4 hours allotted for the McIntyre amendment were to be consumed and if the 1 hour to be allotted to the Chiles substitute therefore were to be consumed that would constitute a total of 5 hours, which would mean that votes would start running at approximately 6 p.m.

Mr. ROTH. Under the circumstances I wonder if it could not be arranged that the votes would start not later than 5:45 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the McIntyre amendment begin running at 12:45 p.m. rather than at 1 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what is the critical hour, as far as the Senator from Delaware is concerned, on Monday?

Mr. ROTH. I have to leave here at 5:45 p.m.

Mr. ROBERT C. BYRD. The leadership will do everything possible to expedite matters but it cannot assure beyond what the times allotted would require. Senators will be entitled to use their full time if they wish.

Mr. HATFIELD. Mr. President, reserving the right to object, may I inquire when the first vote would be taken on Friday, tomorrow, and when the leadership would expect the first vote to be taken on Monday?

Mr. ROBERT C. BYRD. On Monday, as has been the practice of late, rollcall votes have been delayed until the hour of 2:30 p.m. to allow Senators from distant points the opportunity to return to Washington. So it would be perfectly agreeable to enter an order to that effect, if the Senator wishes.

Mr. HATFIELD. Could they begin at 2:30?

Mr. ROBERT C. BYRD. Any votes ordered prior to that hour could be delayed until that hour, but I must say to the distinguished Senator that I would not anticipate a vote on the McIntyre amendment or on the substitute prior to 5 p.m. or 5:30 p.m., at best.

Mr. HATFIELD. I have no problem on Monday. What about the first vote tomorrow?

Mr. ROBERT C. BYRD. On tomorrow the first of two amendments by Mr. Metzenbaum probably will not be called up until about 12 o'clock noon.

Mr. Metzenbaum is chairing a hearing. Those two amendments will be called up tomorrow. There are three or four bills on the calendar which could be called up, which could necessitate rollcall votes.

What are the Senator's wishes in that regard?

Mr. HATFIELD. I would like no votes before 12 o'clock.

Mr. ROBERT C. BYRD. I think that is a reasonable request.

ORDER THAT VOTES NOT OCCUR UNTIL 12 O'CLOCK NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes that are ordered tomorrow prior to the hour of 12 o'clock noon, if there be such, not occur until the hour of 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I thank the leader.

Mr. ROBERT C. BYRD. Is the Senator from Delaware satisfied?

Mr. ROTH. Mr. President, as long as the vote does not come later than 5:45. The substitute. It would be the final vote.

Mr. ROBERT C. BYRD. Let us do our best to make it work out that way. We will do everything we can to accommodate the Senator, and we have his suggestion in mind.

Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER CERTAIN MEASURES ON THE CALENDAR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the leadership on tomorrow, depending upon what the circumstances are at the conclusion of routine morning business, to call up any one of the following measures, which were enumerated earlier today by Mr. Mansfield in his response to the query from the distinguished Republican leader: Calendar Order No. 859, Calendar Order No. 866, Calendar Order No. 868, Calendar Order No. 876, and any other measures that have been cleared with the minority for action by tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at no later than the hour of 12 o'clock noon tomorrow, the Senate resume the consideration of the unfinished business, S. 3000.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR MR. HUGHES TO CALL UP AN AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Hughes be allowed the opportunity of calling up an amendment on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, what would be the situation? Would there be a time limit then?

Mr. President, I withdraw any reservation.

WITHDRAWAL OF RESERVATION THAT MR. JAVITS CALL UP AN AMENDMENT MONDAY

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that Mr. JAVITS may have the same opportunity on Monday.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

PROGRAM

Mr. **ROBERT C. BYRD**. The Senate will convene tomorrow at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

At the conclusion of morning business on tomorrow, under the order, the Senate will resume consideration of the unfinished business, S. 3000, or the leader may call up certain measures on the calendar previously enumerated.

Mr. President, during the further consideration of the unfinished business on tomorrow, Mr. METZENBAUM will call up two amendments, one of which is numbered 1394—I understand that will be the first one he will call up—and then he will call up another amendment, No. 1393. There is a 1-hour limitation on each of those two amendments.

There may be other amendments to the bill S. 3000 tomorrow, and they may necessitate rollcall votes. There may also be rollcall votes on any one or more of the calendar measures which the distinguished majority leader enumerated earlier.

So Senators are informed that there may be, I would anticipate, at least two rollcall votes tomorrow.

In view of what the Senator from Ohio (Mr. METZENBAUM) has told me, he has indicated he would want rollcalls on his amendments if they are not accepted. Whether they will be accepted or not, I do not know what the chances are.

Mr. President, I am reminded that under the order previously entered, the statement by Mr. THURMOND would be the pending question before the Senate tomorrow upon the resumption of the unfinished business.

ADJOURNMENT TO 10 A.M.

Mr. **ROBERT C. BYRD**. Mr. President, before other problems develop, I move that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 6:40 p.m., the Senate adjourned until tomorrow, Friday, June 7, 1974, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6, 1974:

DEPARTMENT OF LABOR

Betty Southard Murphy, of Virginia, to be Administrator of the Wage and Hour Division, Department of Labor.

DEPARTMENT OF DEFENSE

J. William Middendorf II, of Connecticut, to be Secretary of the Navy.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, June 6, 1974*

The House met at 11 o'clock a.m.

The Very Reverend Dr. John A. Poulos, St. Demetrious Greek Orthodox Church, Astoria, N.Y., offered the following prayer:

God, our Father, as we come to You this day, we ask that You bless the Members of this distinguished assembly who have the heavy obligation to govern our country.

Reveal Your presence here, and guide the work being done. Build new bridges of understanding among them. Help them to use their talents, and bring about progressive changes in our Nation. Abide with them so that they may get through their problems, and grow because of them. Grant peace to the world that men of all nations and creeds may live together in fellowship and love.

May Your grace and love be ever upon us, and upon those we love here and everywhere. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 415. Concurrent resolution authorizing the printing of summaries of veterans legislation reported in the House and Senate during the 93d Congress.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12565) entitled "An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees as additional campgrounds, and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 69) entitled "An act to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PELL, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. EAGLETON, Mr. HATHAWAY, Mr. DOMINICK, Mr. JAVITS, Mr. SCHWEIKER, Mr. BEALL, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 283. An act to declare that the United States hold in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif.; and

S.J. Res. 123. Joint resolution authorizing the procurement of an oil portrait and marble bust of former Chief Justice Earl Warren.

The message also announced that the Vice President, pursuant to Public Law 84–944, appointed Mr. BUCKLEY to the Senate Office Building Commission in lieu of Mr. PACKWOOD, resigned.

CALL OF THE HOUSE

Mr. **WAGGONNER**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **MORGAN**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 277]

Alexander
Andrews, N.C.
Biester
Bingham
Blackburn
Blatnik
Bolling
Brasco
Breaux
Buchanan
Burgener
Burke, Fla.
Burton
Carey, N.Y.
Collins, Ill.
Conlan
Conyers
Culver
Danielson
Davis, Ga.
Dellums
Dickinson
Diggs
Dorn
Downing
Flood
Flynt
Ford
Fraser
Fuqua
Giaimo
Gonzalez
Gray
Green, Oreg.
Gubser
Gude
Hanna
Hébert
Hinshaw
Holifield
Holtzman
Howard
Hutchinson
Johnson, Colo.
Jones, Okla.
Kyros
Mazzoli
McCormack
Minshall, Ohio
Mollohan
Nichols
O'Brien
Price, Tex.
Rangel
Reid
Robison, N.Y.
Rooney, N.Y.
Rose
Rousselot
Roybal

Ruppe
Shuster
Sikes
Steele
Stokes
Teague
Thompson, N.J.
Tiernan
Udall
Vander Jagt
Whalen
Wyman

The SPEAKER. On this rollcall 361 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REV. DR. JOHN POULOS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, the opening prayer in the House this morning was offered by my good friend, the Rev. Dr. John Poulous, pastor of the St. Demetrious Church located in Queens, N.Y.

Father Poulos in addition to tending to the needs of the largest Greek congregation in the United States, also serves as the chaplain for the New York City Police Department. He devotes a great deal of time maintaining the faith of our beleaguered policemen, and his inspiring efforts have been rewarded many times over by the spiritual and moral response of the policemen in New York. I am grateful to Father Poulos for his dedication to the men whose lives are constantly on the line protecting their fellow citizens.

Father Poulos, both in his work at St. Demetrious and elsewhere has been striving to enhance the lives of the growing Greek-American community in this Nation. He has been responsible for the implementation of a number of programs to assist Greek-Americans, and has earned the love and respect of the entire Greek community.

Mr. Speaker, I am especially proud and happy that Rev. Dr. John Poulos accepted my invitation to be here today. He has proven himself to be a man of exemplary stature, and serves as one of the foremost representatives of the Greek-American community in this Nation. I welcome him as well as his family today, and extend to them all, the thanks of all my colleagues.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

I wish to commend my colleague from New York on his comments regarding Rev. Dr. John Poulos who delivered the invocation this morning.

Mr. Speaker, I am very pleased to acknowledge and greet today in this Chamber Rev. Dr. John Poulos, pastor of St. Demetrious Church in Astoria, N.Y., who delivered the opening prayer in this Chamber today and it is appropriate that Members of the House hear this dedicated priest whose activities have always emphasized community programs and the kinds of social goals which we in Congress also share.

Astoria, in Queens, N.Y., is the largest Greek community anywhere in the world outside of Greece. The other members of the Queens congressional delegation and I are very proud to greet Reverend Poulos today and welcome him to our Chamber.

Reverend Poulos has been pastor of St. Demetrious since 1966 following a period of service in Manhattan and Jersey City, N.J. He was born in Nafpaktow, Greece, in 1918 and studied theology at the University of Athens. He received a scholarship from the World Council of Churches and later became a member of the National Council of Churches.

His interest in community programs is illustrated by his program to meet the needs of Greek immigrants through the formation of a volunteer committee for job opportunities, legal advice, immigration matters, and English lessons. This kind of concern and devotion have earned him the love and respect of his parishioners and neighbors in Astoria and all who know of him.

I join my colleagues in welcoming Reverend Poulos and thanking him for his most timely and stimulating opening of our session today.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO HAVE UNTIL MIDNIGHT FRIDAY, JUNE 7, 1974, TO FILE REPORT ON H.R. 14883

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works have until midnight Friday, June 7, 1974, to file the report on H.R. 14883, to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RAMIFICATIONS OF DEFEAT OF SUGAR ACT EXTENSION

(Mr. BERGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERGLAND. Mr. Speaker, with the defeat of the Sugar Act extension in the House on yesterday, I am now exploring the possibility of diverting Minnesota-produced sugar from the markets of this country to the prairie provinces of Canada in exchange for Canadian crude oil to supply Minnesota's refineries.

The House, by its action, has agreed to a global market concept for sugar and under this policy Canadian sugar users and Minnesota petroleum users could both benefit.

I would have much preferred an extension of the Sugar Act enabling Minnesota's high quality sugars to be sold to American users, at prices mutually acceptable, but with the defeat of the bill the sugar industry in my State has no choice but to make the best deal with whomever possible and the nearby Canadian market offers the best hope.

My colleagues, I call this to your attention so when sugar goes over $2 for a 5-pound sack, you can explain the situation to your constituents.

APPOINTMENT OF CONFEREES ON H.R. 12799, TO AMEND THE ARMS CONTROL AND DISARMAMENT ACT

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. MORGAN, ZABLOCKI, HAYS, FRELINGHUYSEN, and BROOMFIELD.

APPOINTMENT OF CONFEREES ON H.R. 12412, TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian Nations of Africa, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. MORGAN, ZABLOCKI, HAYS, FASCELL, FRELINGHUYSEN, BROOMFIELD, and DERWINSKI.

NOAA PROPOSAL WOULD SLAUGHTER DOLPHINS

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FREY. Mr. Speaker, the National Oceanic and Atmospheric Administration apparently intends to adopt regulations which I fear will result in the senseless slaughter of untold numbers of dolphins and other marine mammals.

The public is rightfully outraged in my State of Florida, and schoolchildren and several organizations have mounted petition-signing campaigns in what I believe is a vain attempt to persuade the National Oceanic and Atmospheric Administration to change its proposed regulations.

Basically, Mr. Speaker, the proposed regulations would allow commercial fishermen, who claim that dolphins and other marine mammals are endangering their fishing gear or catch, to kill these mammals after obtaining a $5 dollar permit from the Government.

NOAA claims each kill has to be reported but we realize that it will be difficult if not impossible to police these regulations and the result will be a wholesale slaughter of these playful marine mammals.

I intend to introduce legislation to prevent these regulations from becoming effective and I ask my colleagues to join me and my constituents in saving these dolphins and other marine mammals from slaughter.

VETERANS' EDUCATIONAL BENEFITS

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, now that the President has signed emergency legislation providing for a 30-day extension of veterans educational benefits, we must keep the pressure on the other body to seek approval of H.R. 12628, the bill which passed the House and provides for an increase of 13.6 percent percent in veterans educational benefits with a 2-year extension of these benefits.

With only 25 days remaining, we are again confronted with critical timing for some 300,000 veterans.

The House on February 19 approved H.R. 12628. But, as of this date the Senate has failed to act. Certain members are assisting on their own version of a comprehensive educational benefits measure or nothing, it would appear.

Our veterans cannot make plans for their future education without knowing what benefits or programs are available to assist them. Inaction of the other body is totally irresponsible and we must insist that it act now.

END OF SUGAR ACT WOULD BRING DISASTROUS CONSEQUENCES

(Mr. MATSUNAGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Speaker, now that this House has dealt an ignominious death blow to the Sugar Act Amendments of 1974, I would like, just for the record, to predict what the consequences are going to be.

First, the price of sugar in the United States will rise sharply, and the American consumer will have those who voted against the act to thank. The industrial users will have only themselves to blame, for through their high-powered lobbyists they worked against the legislation, and unwittingly against their own interests.

Why will the price of sugar escalate? Because by tolling the death knell of the Sugar Act, the House signalled to all foreign suppliers of sugar to the United States that they had better sell their sugar to the world market where they can get a higher price than in this country.

The SPEAKER. The time of the gentleman from Hawaii has expired.

END OF SUGAR ACT WOULD BRING DISASTROUS CONSEQUENCES

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO of Wyoming. Mr. Speaker, I yield to the gentleman from Hawaii (Mr. Matsunaga).

Mr. MATSUNAGA. Mr. Speaker, without the guaranty of a steady and sure market, which they would have continued to enjoy under the Sugar Act Amendments of 1974, our foreign suppliers will see no profit in selling to us during periods when the world market brings a better price. Because we import as much as 45 percent of our national needs, we will then suffer an acute shortage of sugar, and its price will skyrocket.

Second, if this situation is not corrected by the Senate through an early passage of its own bill, which the House can hopefully accept, the American sugar industry, bereft of the protection of the Sugar Act, will export itself to foreign countries to take advantage of their abundance of cheap labor. When this happens, and hundreds of thousands of American workers lose their jobs, they will have the shortsighted lobbyists of organized labor, who worked against the bill, to thank.

And after this Nation's workers, consumers and taxpayers have suffered the consequences of the defeat of the Sugar Act Amendments of 1974, the New York Times, the Washington Star-News and other newspapers of their ilk can editorialize that they made a grievous error only because they relied upon information presented them by Congressmen who were even more grievously in erorr.

Mr. RONCALIO of Wyoming. Mr. Speaker, I thank the gentleman for his remarks. I associate myself with his remarks and I thank the gentleman for the truth of his statement.

NATION'S EYES ON THE SENATE

(Mr. MIZELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIZELL. Mr. Speaker, last night the House of Representatives voted by a majority of over 60 percent to instruct the House conferees on the education act to retain the antibusing language of the Esch amendment. On March 26 of this year, the House voted by over 67 percent to include that language in the bill.

These votes by the House reflect the will of the people as indicated by the mail we receive and by the polls regarding the busing issue around the Nation. In my own district, a full 93 percent of the voters expressed their opposition to forced busing in a poll I conducted. Nationally, a Gallup poll conducted last fall found that 95 percent of those polled are opposed to busing. The House of Representatives has clearly acted in accordance with the will of the people.

Now, the eyes of the Nation are upon the Senate. That body must now also follow the will of the majority and act through its conferees to restore commonsense and reason to our education policy and to maintain the high quality of our educational system by bringing an end to massive forced cross-busing of our children.

APPOINTMENT OF CONFEREES ON H.R. 12471, TO AMEND SECTION 552 OF TITLE V, UNITED STATES CODE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12471 to amend section 552 of title V, United States Code, known as the Freedom of Information Act, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. Holifield, Moorhead of Pennsylvania, Moss, Alexander, Horton, Erlenborn and McCloskey.

COMMUNICATION FROM THE CHAIRMAN OF SPECIAL SUBCOMMITTEE ON INTELLIGENCE OF THE COMMITTEE ON ARMED SERVICES—SUBPENA WITHDRAWN

The SPEAKER laid before the House the following communication from the chairman of the Special Subcommittee on Intelligence of the Committee on Armed Services:

Committee on Armed Services,
Washington, D.C., June 6, 1974.

The Honorable Carl Albert,
Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Reference is made to the letter from Chairman F. Edward Hébert on May 30, 1974 enclosing a subpoena duces tecum naming me, Mr. Hébert and Mr. William H. Hogan, Jr., an employee of the House Armed Services Committee and commanding that we appear in the United States District Court for the District of Columbia on June 6, 1974 and bring certain enumerated Committee documents. The subpena was issued upon application of defendant Charles W. Colson.

As indicated in the attached correspondence that subpoena has been withdrawn.

Sincerely,

Lucien N. Nedzi,
Chairman, Special Subcommittee on Intelligence.

Dickstein, Shapiro & Morin,
Washington, D.C., June 3, 1974.

Re *U.S.* v. *Ehrlichman, et al.* Criminal No. 74–116.

Attention: William Hogan, Jr.

Hon. F. Edward Hébert,
Chairman, House Armed Services Committee, Rayburn House Office Building, Washington, D.C.

Dear Mr. Hogan: Please be advised that in light of Mr. Colson's recent plea of guilty to a one count Information and the dismissal of all charges against him in Criminal Case No. 74–116, we are withdrawing the subpena recently served upon you and it will not be necessary for you to respond on June 6th. If you have any questions, please feel free to call me at the above number.

Very truly yours,

Kenneth L. Adams,
Counsel for Charles W. Colson.

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATION BILL, 1975

Mr. EVINS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15155) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Wisconsin (Mr. Davis) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee (Mr. Evins).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15155) with Mr. Ichord in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Tennessee (Mr. Evins) is recognized for 1 hour, and the gentleman from Wisconsin (Mr. Davis) is recognized for 1 hour.

The Chair recognizes the gentleman from Tennessee (Mr. Evins).

Mr. EVINS of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring you today the Public Works for Water and Power Development and Atomic Energy Commission appropriations bill for fiscal 1975.

This is a significant bill—an important bill—a bill that touches the lives of virtually all Americans.

This bill represents a substantial investment in the future of America—and in the future needs of our country.

This bill is an investment that will pay rich dividends in service for our people and in economic benefit to the Nation.

As I shall point out in more detail later, this bill places the highest priority on those projects that will bring more electric power on line at the earliest time possible.

This bill represents a continuing response to the energy crisis—and to the other critical demands for public services that today challenge this Nation.

Now that the energy crisis is a reality rather than a threat, we must move forward with all possible speed to provide the response that this committee has within its capability.

As you know, provisions that normally would be a part of this bill were placed in one package—the special energy research and development appropriations bill for 1975—which was passed in the House earlier this year.

The purpose of this bill we are considering today—the Public Works and Atomic Energy Commission appropriations bill—is to build a stronger America—to strengthen our great country.

This bill provides appropriations for flood control, power generation, navigation, reclamation, recreation, water supply, beach erosion, and shore protection, among others.

A total of 455 public works projects are funded in this bill—for either planning or construction.

This bill also strengthens the muscle and sinews of America by providing for research and development by the Atomic Energy Commission for defense and defense-related missions—as well as for the continuing development of nuclear power for peacetime purposes.

As I indicated earlier, the committee has exercised its judgment and discretion after extensive hearings and study—we are recommending funds to provide for the full planning and construction capability for hydroelectric power projects for the Corps of Engineers and the Bureau of Reclamation.

We are recommending a total of 29 new planning starts and 27 new construction starts in the bill—I recommend to you the reading of the report which will set out the details with respect to actions by our committee—cuts and reductions in some instances and, where warranted in the public interest, some increases and additions.

The recommendations of the committee for the Corps of Engineers for "general investigations" are shown on pages 16–21 and the recommendations for construction items on pages 24–40. "General investigations" recommended for the Bureau of Reclamation are on pages 47–49 and construction and rehabilitation items are on pages 51–55.

Earlier this year in a special energy research and development appropriations bill, the House passed appropriations totaling $2,269,828,000 for various phases of energy research and development. Of this amount $1,521,760,000 was provided for the Atomic Energy Commission and other agencies funded in this bill.

So this bill is reduced somewhat from the amount that would normally be considered because of funds included in the special energy research and development appropriations bill.

OVERALL SUMMARY

The total amount recommended in this bill is $4,475,410,000.

This represents an increase of $63,159,000 over the budget request.

Previous public works appropriations bills passed by the House have been under the budget, but this year this bill has exceeded the budget request because of the energy crisis and the need to accelerate projects to bring power on line and other benefits.

There have been some cuts and reductions—and some increases and additions. The committee has set its own priorities.

Essentially the increase in the construction budget for the Corps of Engineers—$61,033,000—accounts for most of the net increase.

And this net increase is a further response, as I have said, to the energy crisis and increased power demands.

Some cuts and reductions were made in the AEC—including among others, $9,800,000 in weapons activities, $3,900,000 in high energy physics, and $20,000,000 in general reductions, unobligated balance and anticipated slippage.

The following table provides a summary of the committee action—showing ongoing studies, planning and construction—budgeted additions and additions recommended by the committee:

STUDIES AND PROJECTS FUNDED IN THE FISCAL YEAR 1975 PUBLIC WORKS BILL

	Corps of Engineers	Bureau of Reclamation	Total
Ongoing studies	211	37	248
Budgeted additions	3	2	5
Committee additions	+29	+12	+41
Total studies	243	51	294
Ongoing planning	96	11	107
Budget additions	5		5
Committee additions	+22	+2	+24
Total planning	123	13	136
Ongoing construction	258	35	293
Budget additions	7		7
Committee additions	+17	+3	+20
Total construction	282	38	320

Mr. Chairman, with the 455 projects recommended in this bill, this is certainly an all-America bill.

There are three projects in the bill that may be considered somewhat controversial.

The first is the Tock's Island project in New Jersey, New York, and Pennsylvania.

The second is the Dickey-Lincoln project in Maine.

And the third is the Cross Florida Barge Canal in Florida.

I should like to make a brief comment on each of these projects.

TOCK'S ISLAND

The Tock's Island project was authorized in 1962—12 years ago. Land acquisition has been continuing for 8 years. During that period approximately 14,000 acres have been acquired of the 25,000 acres in the project area as initially approved. Costs have increased from $90 million at authorization to $95 million at the initiation of planning funding—and $235 million at the initiation of construction funding—and now in excess of $360 million as the current cost estimate.

The committee has provided more

than $54 million for this project over the years—and the committee in this bill is recommending $8,490,000 for construction, an increase of about $2½ million.

The committee report provides, however, that none of these funds may be expended for construction at this time until the Corps of Engineers, the Delaware River Basin Commission, and other concerned agencies develop recommendations with respect to resolving environmental problems. These agencies are directed to report to Appropriation Committees of the Congress as soon as possible and within the next 12 months.

DICKEY-LINCOLN

Concerning the Dickey-Lincoln School Lakes project, our old friend from Maine, as we all know, this project has been voted on six or eight times in the past.

The bill has consistently passed in the Senate and has failed to carry a majority in the House.

However, the committee felt that because of the energy crisis, there exists an urgent need for additional power—and the Dickey-Lincoln project would provide crucial peaking power as one of the last potential sites for this purpose in the Nation.

The inclusion of this project gives the Congress another opportunity to work its will and pass on this project in light of the added perspective provided by the energy crisis.

The committee has provided $800,000 for advanced engineering and planning work on the project and the House will therefore have an opportunity to work its will on the proposed Dickey-Lincoln School project in Maine.

CROSS FLORIDA BARGE CANAL

Concerning the Cross Florida Barge Canal, the committee has written language in the Report indicating that it has no objection to the use of the funds originally impounded by OMB and released as a result of court action—these funds to be used for an environmental study to garner and marshal the pertinent facts and data concerning the environmental impact of this project in the area.

DISASTER BENEFITS

Certainly I am sure I do not have to remind my colleagues of the natural disasters that occurred this year—including the flooding of the Mississippi River.

The damages prevented in the flood—an estimated $15 billion—attest to the essential importance of a continuing program of public works in the national interest.

BENEFITS IN BILL

This bill we are considering today funds projects that will provide an estimated $2,823,890,000 in further annual flood prevention benefits—flood damage averted through projects funded in this bill.

Total annual benefits from projects included in this bill are: $6,355,722,000—including $920,017,000 in power generation—$1,117,501,000 in navigation benefits—$796,590,000 in additional irrigation measures and $216,240,000 for water supply benefits, among others.

Let me at this time commend all of the members of our subcommittee who have contributed to the preparation of this bill—all have participated and all have been most helpful.

This bill is the refined product of the contributions of our entire subcommittee—and we bring you a bill which I trust will be speedily approved.

In this connection I want to thank all members of the committee for their cooperation and diligent work on this bill.

I commend the gentleman from Massachusetts (Mr. BOLAND), the gentleman from Mississippi (Mr. WHITTEN), the gentleman from West Virginia (Mr. SLACK), and the gentleman from Louisiana (Mr. PASSMAN), the able and genial ranking minority member, the gentleman from Wisconsin (Mr. DAVIS), the gentleman from New York (Mr. ROBISON), and the gentleman from Indiana (Mr. MYERS), a new member of our subcommittee.

At this point, Mr. Chairman, I want to pay special tribute to the fine work by the able and distinguished gentleman from New York (Mr. ROBISON), who has served on the committee for a number of years and will not be with us next year.

This, therefore, is the last bill of this subcommittee in which he will participate as a Member of Congress.

I want to commend the gentleman from New York (Mr. ROBISON) for his great abilities—his significant contributions to the work of our committee—for his genial and cooperative attitude—and for the great record of service he has made in the field of water resources development as well as in other areas.

The gentleman from New York (Mr. ROBISON) has been a tower of strength on our committee, effective in working out compromises, a man of reasoned and sound judgment, an expert on environmental matters—a concerned American who has joined us in striving to achieve a balance between the preservation of our environment and the necessary development of our natural resources in the public interest.

I commend him—I salute him—I wish him well.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I wish to commend the distinguished chairman of the Subcommittee on Public Works of the Committee on Appropriations for his comments concerning the distinguished and brilliant gentleman from New York (Mr. ROBISON). It has been my pleasure to serve with the gentleman from New York, HOWARD ROBISON, on this subcommittee for many years. This is his ninth term in the Congress.

I know that all of us who have come to know the gentleman have come to respect him and we have built up a considerable admiration for him. We are sorry to see him leave this House of Representatives.

As the distinguished chairman has indicated, and as I have learned, no Member on any subcommittee or on any appropriations subcommittee works as hard, pays as much attention, and is as persuasive a Member as is the distinguished gentleman from New York. I know that his district and the State of New York will miss him.

I know the service that he has given to that district has been outstanding, and I know that all of us who have come to know him in this Congress and in past Congresses appreciate him as a very distinguished gentleman and truly a great American.

Mr. EVINS of Tennessee. Mr. Chairman, I think the gentleman for those remarks.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the chairman of the Committee on Appropriations, the distinguished gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I wish to join in this special salute to the gentleman from New York, HOWARD ROBISON, who has performed such distinguished service to the Nation for so many years. He is a man of great stature, and he has done an outstanding job for the Nation.

This country needs Members like HOWARD ROBISON in the House. I regret to see him leave, but I know that he certainly will depart with a record of which he and his family and his constituents may always be proud.

Mr. Chairman, I thank the gentleman for yielding.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. EVINS of Tennessee. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I wish to associate myself with the views of our distinguished chairman of the Committee on Appropriations and also with those of the distinguished chairman of the subcommittee in praising our great colleague, our very able colleague, the gentleman from New York (Mr. ROBISON).

It is my pleasure to serve with the gentleman on this subcommittee and also on another subcommittee. It is always an inspiration to see this Member interrogating witnesses and seeking information in his work on the committee. We are certainly going to miss the gentleman.

I also wish to commend the distinguished chairman of the subcommittee, the gentleman from Tennessee (Mr. EVINS).

He is one of the most knowledgeable Members in this great body.

I do not think that one could ever get this Member to put any item in a bill which he feels is not justified, any item that did not meet the proper criterion.

The gentleman from Tennessee has performed distinguished service to his district, to the State of Tennessee, and to the Nation for many years. He is an able lender and has done an outstanding job on the bill before you today.

Mr. EVINS of Tennessee. Mr. Chairman, I thank my friend, the gentleman from Louisiana (Mr. PASSMAN) for his comments. Perhaps, my friend, the gentleman from New York (Mr. ROBISON), after hearing these remarks, will reconsider and come back to us next year.

Mr. Chairman, I want also to commend our excellent committee staff: Hunter Spillan, George Urian, and John

Plashal. These are able, helpful and dedicated men who have drawn frequent commendations from many Members and the public generally, for their ability, faithfulness to duty, and their public service.

Our committee conducted 3 months of hearings on this bill.

The testimony fills eight volumes and 5,546 pages of hearings.

A total of over 2,000 witnesses appeared, including 200 Members of Congress, to give testimony on projects important to their States and to this Nation.

This bill has four titles—

Title I, the Atomic Energy Commission;

Title II, The Corps of Engineers, Department of Defense;

Title III, Bureau of Reclamation, Department of the Interior; and

Title IV, independent offices—including the Federal Power Commission, Appalachian Regional Commission, Tennessee Valley Authority, Bonneville Power Administration, Water Resources Council, Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, among others.

U.S. CORPS OF ENGINEERS

For the Corps of Engineers overall, the committee recommends $1,695,052,000 which is $68,687,000 less than the new obligational authority provided for this fiscal year.

Our recommendation is $78,852,000 over the budget request.

The committee recommends $61,542,000 for general investigations by the Corps of Engineers—$988,533,000 for construction—$440,877,000 for general operation and maintenance—and $150 million for flood control measures for the Mississippi River and tributaries.

It is interesting to note that the total budget request by the Corps of Engineers for construction—$927,500,000—is less than $50 million over the budget request in 1965—10 years ago—although construction costs have doubled during that period of time.

In other words, this is a realistic, hardrock budget based on national needs and priorities.

ATOMIC ENERGY COMMISSION

For the Atomic Energy Commission the committee is recommending $1,746,415,000.

This is $57,973,000 less than the budget request.

We are recommending $1,428,760,000 for operating expenses—a decrease of $32,873,000 from the budget request.

We are recommending $317,655,000 for plant and capital equipment—which is $25,100,000 less than the budget request.

Some cuts and reductions have been made in both areas—operations and plant and capital equipment—but adequate funding is recommended to continue vital and important AEC programs and projects.

BUREAU OF RECLAMATION

For the Bureau of Reclamation in the Department of the Interior, the committee recommends $463,672,000, which exceeds the budget estimate by $37,567,000.

A major part of this increase stems from the committee's recommendation that funds be provided for the full capability of the Bureau of Reclamation for hydroelectric power projects.

It is the view and the recommendation of the committee that the Bureau should move forward to accelerate development of this clean power source to help ease the energy problems facing our Nation.

APPALACHIAN REGIONAL DEVELOPMENT PROGRAM

The programs of the Appalachian Regional Development Commission are continuing to have a positive and beneficial impact in the 13-State Appalachian region.

The committee is recommending $293,500,000 for the Commission, which is the budget request.

The largest single appropriation for the Commission is $160 million for highway construction.

The committee has approved $125 million for the area development program activity as authorized by Congress and which includes four programs previously funded separately—health demonstration, mine area restoration, vocational education and supplemental grants.

There is no change in the basic procedure under the act—individual project recommendations required from the respective states and individual project approval required from the Commission in Washington.

FEDERAL POWER COMMISSION

The committee is recommending $32,100,000 for the Federal Power Commission, which represents a slight decrease—$293,000—from the budget request.

Our recommendation is $3,600,000 over the current year level.

The Federal Power Commission administers the several provisions of the Federal Power Act and the Natural Gas Act and performs other work related to both Federal and private electric power development and associated natural resources.

TENNESSEE VALLEY AUTHORITY

The committee is recommending an appropriation of $77,400,000 for the Tennessee Valley Authority—an increase of $2,800,000 over the budget request.

Most of the increase is to accelerate development of the Bear Creek multipurpose water control system project, which has experienced substantial cost increases due to prolonged construction delays.

Appropriations to the Tennessee Valley Authority are limited to the water resources development program and related activities normally financed by the Federal Government.

All TVA power projects begun since the mid-fifties have been financed from electric power revenues through the sale of bonds and notes as authorized by Congress in 1959.

This committee through the years has been a staunch advocate for and supporter of TVA and has noted with pride the many achievements and accomplishments of this great agency in preventing flood damage, promoting navigation, producing electric power, creating reforestation, encouraging industrial development and generally improving economic conditions in the Tennessee Valley area.

The committee continues to be concerned, however, over the continuing pattern of escalating power rate increases by TVA—six increases in 7 years—which, if continued, may cause TVA to lose its image as a low-cost power yardstick for the Nation.

WATER RESOURCES COUNCIL

Mr. Chairman, in this bill we are also recommending $9,775,000 for the work of the Water Resources Council—an increase of $2,910,000 over the budget request.

The committee expressed some concern over the priorities followed by the Water Resources Council in its mission.

The Congress established the Council to encourage and stimulate water resource development—it is recommend that the Council reorder its priorities and return to its mission as mandated by the Congress.

IN CONCLUSION

Mr. Chairman, again I want to emphasize that the net increase in this bill—$63,159,000—is brought about by the necessity of accelerating a response to the energy crisis.

As I indicated at the outset, the committee has recommended funding for the full capability of the U.S. Corps of Engineers and Bureau of Reclamation on hydroelectric power projects.

We all recognize that it is vital and important—and urgent—that all possible power be brought on line at the earliest time possible.

This is a good bill—an important bill—one of the most important appropriations bills the House will consider this year—especially in view of the importance of providing additional generating units to provide more electric power—and clean electric power for this Nation.

Mr. Chairman, this bill is in the public interest and for Americans.

This is a bill for growth and progress.

This bill is a builder for the future—a source of internal strength—and an indicator of the determination of this Congress to meet the water resource development and power needs of an expanding population.

I urge prompt approval of this vital appropriations bill in the public interest.

Mr. DAVIS of Wisconsin. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am pleased indeed that the distinguished chairman of our subcommittee and the distinguished chairman of our full committee as well as some of our other colleagues on the subcommittee have brought to the attention of the Members of this body that this is the last time, apparently, that our distinguished colleague from New York (Mr. Robison) is to share with us the responsibility for bringing this bill to the floor.

He has been a member of this subcommittee for the past 10 years. He has been a dedicated member, a well informed member, a man of good judgment, and a man of great consideration for the wishes of his colleagues in this body.

Therefore I certainly would not let this occasion pass without adding my words of deep respect and deep personal friendship for our colleague from New York who has served us so well.

Mr. Chairman, this bill is substantially above the budget, and this always makes me uncomfortable. With respect to the Atomic Energy Commission, the recommendation of the subcommittee, which was concurred in by the full committee, represents a $58 million reduction below the budget.

But this is $437 million over the amount that was appropriated last year. This increase reflects the efforts of this committee as well as the Members of this body to accelerate our efforts in the energy field and to cut the time between the initiating decision that is made with respect to a new nuclear plant and the time that useful power can be put on the line. It also reflects, too, an effort to capitalize on some of the breakthrough possibilities in other areas for which the Atomic Energy Commission is responsible.

In the Bureau of Reclamation and the Corps of Engineers this bill is above the budget in all categories, surveys and investigations, planning, and construction.

There are more additions to this budget in this area than the total figures would indicate because we have taken general slippages, anticipated delays, and carryovers to account for an across-the-board and general $90 million reductions.

I am afraid that this bill does represent too widespread a program for efficient management by these construction agencies.

This increase overall is accounted for by two things. One of them is a policy with which I heartily agree, and that is to proceed with the ongoing energy-producing hydro projects to the limit of the capacity of the construction agencies.

With respect to other ongoing projects, there has been an increase in funding for individual projects in order to keep them moving. We have for several years, now, had a large number of projects in this bill that have been inadequately funded. There has been a policy of spreadout, in other words, to keep as many projects going as you can, but then a failure to fund them at a realistic level for the greatest efficiency and to avoid the effects of skyrocketing construction costs. In some projects, for instance, that are ongoing, we could pinpont for you some of them that the amount of funding in particular years has not even kept up with the overall increase of the cost of the project because of general inflation and general increases in construction costs.

But the part of the spreadout in this bill that does concern me is the large number, budgeted and unbudgeted, of new studies, surveys, and investigations, 29 new planning starts, 27 new construction starts, and this concerns me not only for this year but the forecasted proliferation of spending and the proliferation of people in the immediate out years.

This increase in the overall budget situation now and in the years ahead has to be a matter of concern to all of the Members of this House.

Most of the members of this subcommittee have been here for a long time.

There is a realistic recognition that we must react in general terms to the wishes of our colleagues. It is obvious this year that the usual restraining influence of the budget has not applied. We have heard, since this bill was brought to the full committee and the results of the markup have been published, no comments that we have provided too much. Rather, there has been a professed lack of understanding as to why specific projects have not been included, some that have been recently authorized and on which we obviously have had no opportunities for hearing.

I hope that this could have been a more compact bill, but in the overall I believe it does reflect the needs of our country and it does reflect the general atmosphere and the wishes of our colleagues of the House.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I have read with interest not all, but some of the hearings with respect to this bill. I was interested, among other things, in the increased costs of the outlet of the Mississippi River into the gulf, and the Corps of Engineers statement of the increased costs of that project. I believe there is some $14 million in the bill for that purpose. This is just one item, but this one sticks in my mind.

Mr. DAVIS of Wisconsin. This is really quite typical, I might add.

Mr. GROSS. If the gentleman will yield further, I agree with the gentleman. But let me say to the gentleman there is no diminution in the demands of the administration, nor the readiness, apparently, of the committees in Congress responsible for the authorization and appropriation of foreign aid. This Government is spending millions to clean up the Suez Canal. It spends billions on other foreign aid while delaying necessary projects here at home. I hope that the Congress, when we get around to the foreign aid bill, which grows and grows and grows—larger this year than it was a year ago—will give some consideration to the outflow of the billions of dollars to foreign countries while denying funds for justified domestic projects.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVIS of Wisconsin. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I am sure that the gentleman from Iowa, who is assiduous in his research on these matters, will make his comments on that matter when the bill, which, of course, is the responsibility of a different subcommittee, does come before us sometime later this year.

I should like to close just by bringing to the attention of the Chairman, if I might, page 47 of our report. While I recognize the impropriety of attempting to correct the printed version of the report, on the third line of the third paragraph there appears near the end the pharse "in addition to." This, I believe, Mr. Chairman, to be a printing error, and that the intent of the report was to say "incidental to," I should like to make that bit of legislative history so that it will be considered binding upon the Corps of Engineers in accordance with this correction rather than in accordance with the printed text of the report.

Mr. EVINS of Tennessee. The gentleman is correct.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Tennessee.

Mr. BAKER. I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of H.R. 15155, the appropriations bill for public works for water and power development and the Atomic Energy Commission for 1975. I certainly want to commend my good friend and fellow colleague from Tennessee (Mr. EVINS) for his leadership and hard work on this appropriations measure. There was an incredible amount of work here and the committee has done a great job.

We recognize the potential in waterway projects for additional electrical power, while nuclear energy plants in the future will provide an increasing percentage of power for the needs of our Nation. I am greatly encouraged by the level of funding in this bill. In view of the increasing scarcity of our fossil fuel resources, we must turn to alternative fuel sources. The long leadtimes involved in nuclear research and construction means we need adequate, continuing funding levels.

The committee bill recommends appropriations of $1,428,760,000 for the Atomic Energy Commission. This represents an increase over the 1974 budget of $512,382,000.

When we were considering the 1974 budget requests for energy development last year, there was a great deal of concern about an approaching energy crisis. During the debate on last year's public works and AEC appropriation bill, this concern was expressed by many of us here. Our concerns were well founded. We now have seen what a shortage of energy can do to our country and our economy. We must now move ahead in developing the energy sources our country needs.

I am pleased to see a provision for an increase in payments in lieu of property taxes to Roane and Anderson Counties in Tennessee. The AEC has determined the additional payments to the county governments are justified in view of the special financial burdens related to the Commission's operations at the Oak Ridge complex.

We need this appropriation measure. Our country needs this bill. It is vital to our Nation's economy and to the well-being of our citizens to bring power on line at the earliest time possible.

Mr. MIZELL. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from North Carolina.

Mr. MIZELL. I thank the gentleman for yielding.

Mr. Chairman, in the Public Works appropriation measure before us today are two items of importance to North Carolina's Fifth Congressional District which it is my honor to represent in the House of Representatives.

The first is the Reddies River Lake project for which a budget request was made in the amount of $140,000. However, after the initial request was sent to Congress the Corps of Engineers advised me that it had revised the fiscal year 1975 capability for this project and could use an additional $20,000.

I wrote to Chairman Joe L. Evins of the Appropriations Subcommittee on Public Works-AEC and the Honorable Glenn Davis, ranking minority member of the subcommittee asking if it would be possible to provide this $20,000.

As you know from studying the bill, this project has been funded with $160,000 for the coming fiscal year. I want to thank both Chairman Evins and Mr. Davis for their consideration and other members of both the subcommittee and full committee because the citizens of my district will benefit from this additional money and early completion of the Reddies River Lake project.

On March 7, 1974, the President signed into law the Water Resources Development Act which was passed by this Congress and included another project vital to my district known as the Roaring River.

Because this was after the fiscal year 1975 budget had been prepared by the executive branch and sent to Congress, I inquired of the Corps of Engineers to determine if they could initiate this project in fiscal year 1975 if an appropriation were made available and, if so, what their capability would be. They advised that $100,000 would begin phase I stage of advance engineering and design.

Again, Mr. Chairman, I wrote to Chairman Evins and Mr. Davis asking consideration of $100,000 to begin the Roaring River project. As you note in this bill, the committee has included such an appropriation.

Therefore, I would urge that these two North Carolina Fifth Congressional District projects remain at the committee appropriation level, and that they be enacted.

Finally, Mr. Chairman, I would like on behalf of the citizens of my district concerned with the Reddies River Lake and Roaring River projects to express appreciation to the subcommittee for their assistance.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Appropriations, the gentleman from Texas (Mr. Mahon).

Mr. MAHON. I thank the chairman of the subcommittee.

Mr. Chairman, the special thanks of the House should go to the chairman, Mr. Evins of Tennessee, and the ranking minority member, Mr. Davis of Wisconsin, and all the other members of the Appropriations Subcommittee on Public Works-Atomic Energy Commission for their work on the bill before us.

On April 9, the House passed the legislative appropriation bill. The bill before us today is the first regular appropriation bill for 1975 for the executive branch to be before the House, and it is a tribute to the members of the Public Works-AEC Subcommittee that they have labored so steadfastly and diligently to present their bill to the House at this date.

I am especially grateful to Chairman Evins and his subcommittee for cooperating so magnificently in connection with this appropriation bill. Not only has their regular workload been extremely heavy, but this subcommittee also had a major part in the special energy research and development appropriations bill which the House passed on April 30.

Mr. Chairman, the bill before us is crucial to the energy and water resources development of the Nation. And, Mr. Chairman, no one in Congress has labored longer and harder to see that our Nation's water resources are properly developed and controlled than has the chairman of the Public Works Subcommittee, Mr. Evins.

I personally congratulate Mr. Evins on the work he has done in bringing before the House the excellent bill that he has.

I am confident that it will be passed by an overwhelming margin.

I believe the House will approve the action which has been taken.

THIRTIETH ANNIVERSARY OF THE ELECTION OF JOHN ROONEY TO CONGRESS

I rise at this moment not to discuss the bill but to call attention to a very notable event. Mr. Chairman, today marks the 30th anniversary of the election of John Rooney, of New York, to Congress. He was elected in a special election on June 6, 1944. It is appropriate that we pause a moment and celebrate this special event.

Few men in the years that I have been here have served in the Congress with the distinction of John Rooney. He is a very unique individual with exceptional legislative skill. Among subcommittee chairmen he does not have a peer. In handling legislation on the floor he is supurb.

Since 1947 he has served as either chairman or ranking minority member of the State, Justice, Commerce, and Judiciary Subcommittee and has given substantial leadership and guidance to these areas of Government. He has also been a member of the Foreign Operations Subcommittee since 1953.

In all of these activities John Rooney has been a stalwart and tenacious watchdog of the people's money, always fighting against waste and foolishness but always seeking to provide for the real needs of the Nation.

John Rooney knows that there is no substitute for hard work and he has always labored diligently in the committee and otherwise. And I point out that no request for funds has ever been too small to escape his attention. This has made it possible to insure a better administration of the funds appropriated by the Congress.

On Monday of this week John announced that he would not seek reelection after 15 full consecutive terms in the House. We shall certainly miss John Rooney. He is among the last of the unique breed of Americans in Congress who come from and understand the immigrant tradition and concept of America.

Mr. Chairman, on this day of the 30th anniversary of his having been elected to Congress, I am sure all my colleagues join me in a salute to a man who has served his Nation so exceptionally well. When we return to the House I shall ask unanimous consent that all Members may be permitted to revise and extend their remarks in the Record at this point.

Mr. ALBERT. Mr. Chairman, I want to associate myself with the remarks of the distinguished chairman of the Committee on Appropriations and congratulate him on taking time today to comment on the outstanding service in the House of a great American and dear friend, John Rooney. It is particularly fitting and appropriate that we pause to do this during the consideration of a bill from the great Committee on Appropriations, for few Members have served that committee and the House as well and as faithfully and with as much dedication and tireless effort as has John Rooney.

Thirty years ago today, two great events occurred. On the surface, seemingly unrelated, yet both of great significance. It was on this day, June 6, 1944, that thousands of courageous American patriots landed on the shores of Normandy in one of our country's proudest moments.

Also, on that date 30 years ago another courageous patriot, John Rooney, was first elected to the Congress of the United States. His great love for this country and its institutions has guided him into a long and productive career. Just as the success of the Normandy invasion established the role this country would play in world affairs, John Rooney's election to the House of Representatives has assured that the Department of State, which represents this Nation around the world, would be a strong, vigorous, effective representative of this Nation's interests.

John Rooney will always be remembered as one of the great watchdogs of the U.S. Treasury. The bills from his committee have always been sound, fair and void of frivolous or unwarranted expenditures. To watch John Rooney handle his appropriation bill on the floor is to have a lesson in debate and parliamentary procedure. After watching him year after year vigorously defend his bill few can doubt that he was one of the most capable prosecutors in the history of Kings County.

Born of immigrant parents in one of the most ethnically diversified areas in the country, John Rooney has lived with the problems of immigrants and the poverty stricken. He has known firsthand the plight of the people and he has courageously, tirelessly and ceaselessly worked and fought for the people of his district during his long service in the House. When he returns to his beloved Brooklyn next January, JOHN can carry with him in his heart the peace which comes from knowing that he has done his very best for his district, his city, his State, and his Nation.

Here, Mr. Speaker, is a man, a man of courage but a man with a great heart. When God made him, he broke the mold. There have been many great men in this House; there has been only one JOHN ROONEY. He is my friend.

As he returns to his native city and to a well-earned retirement, JOHN ROONEY will go with our deep, profound respect, with our admiration, and, most of all, with our love. We hope he comes back to see us often. We will miss him sorely in the proceedings of this great Chamber.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, on behalf of the New York delegation I thank the chairman of the Appropriations Committee, the gentleman from Texas (Mr. MAHON), for his kind words on behalf of our colleague from New York (Mr. ROONEY) and for taking this time to extol his accomplishments.

Mr. Chairman, JOHN ROONEY'S service here in the House and back home in his beloved Brooklyn has been as full as tumult and accomplishments as the day on which he first came to this Congress, D-Day 1944, continuing great public service to the people of the city and State of New York, in various official capacities.

I deeply appreciate the guidance he gave me when I joined him on the Appropriations Committee, and succeeded him as chairman of the New York congressional patronage when he no longer wished to serve.

Today marks the 30th anniversary of the day when Congressman JOHN ROONEY of New York was sworn in as a Member of the House.

During that period, Mr. ROONEY has played a vital role in many of the momentous issues that have faced this Nation. He has always conducted himself in the best traditions of the House and it can be said with no hesitation that he has always placed the interests of his country above partisanship or parochial desires.

On Tuesday, Mr. ROONEY announced his decision to retire at the end of this term. As dean of the New York congressional delegation, he has been a friend to all of us who have come to this House. Not only has he been a good friend and a wise counsel, he has demonstrated the qualities to each of us that made him a political institution in his native Brooklyn.

The people of New York owe him a deep debt of gratitude for his long service in this House. All of us who have served with him are sorry to see him go, though we wish him well in the years to come.

He has fought gallantly against serious illness in recent years; he has in fact been hospitalized six times in the last year alone. We wish only the best for Congressman ROONEY and Mrs. Rooney in their well-deserved retirement.

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Mr. Chairman, I yield to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, I appreciate the distinguished chairman of the Committee on Appropriations yielding.

We, on both sides of the aisle from New York, are deeply grateful to him for having brought this date to our attention.We are all justly and properly proud of the long record of distinguished service of the gentlefrom New York, Mr. JOHN ROONEY, and I am sure all of us wish him well in the years ahead. Not often do dedicated public servants of his sort come along—with his willingess to submerge himself in the work of his committees—and he will be sorely missed, I know, by those who have been associated with him.

Mr. MAHON. Mr. Chairman, I yield to the distinguished ranking minority member of the subcommittee, the gentleman from Wisconsin (Mr. DAVIS).

Mr. DAVIS of Wisconsin. Mr. Chairman, I, too, want to join with the comments made by the distingiushed chairman.

I would like to ask that Mr. CEDERBERG, the distinguished ranking minority member of the full committee and also the ranking minority member of the subcommittee, which the gentleman from New York (Mr. ROONEY) has so ably chaired for so many years, may insert his comments relating to his esteem for Mr. ROONEY at this point in the RECORD.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate so much our distinguished chairman's remarks concerning our friend, the gentleman from New York, JOHN ROONEY. Having had the privilege of serving with the gentleman from New York, Mr. JOHN ROONEY, for 10 years as a member of his subcommittee, I not only join with our chairman, the gentleman from Texas (Mr. MAHON) in respect for one of the most able Congressmen to ever sit in this House, but it is also fitting to point out that we hold a love for the warm human decency that he has displayed during his entire lifetime, particularly during his career in the House. We are going to miss him in his retirement. It has been a privilege and a distinct pleasure to have worked with him.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I wish to join in the statements that have been made here about the fine job that has been done by our chairman, the gentleman from Tennessee (Mr. EVINS), and the members of this subcommittee. It is a real pleasure to be on this subcommittee where we are working toward protecting and developing our own country and particularly under the leadership of the gentleman from Tennessee (Mr. EVINS) and the very fine staff he has.

I join, too, in the comments that have been made about our colleague, the gentleman from New York (Mr. ROBISON), with whom I have had the privilege of serving for many years, a person of high character and real ability and with a sincere desire to do the appropriate thing for the good of his district, his State and his Nation. Truly, we shall miss him as he retires and we wish him many active years, which I am sure he will have in the succeeding years.

Then I come to the other statements that have been made here with regard to our good friend, the gentleman from New York, Hon. JOHN ROONEY. It has been said that one of the weaknesses we have as a legislative body sometimes is that the witnesses on the other side of the table come before us well prepared, when the Member of Congress who has the job of developing the record and eliciting the facts and making them available to our colleagues in the Congress does not always have all that we would like to have to handle our side of the argument. That is true, perhaps, in some cases; but it has never been true with the gentleman from New York, JOHN ROONEY. The gentleman from New York (Mr. ROONEY), among other things, is not only an able Congressman, but behind that he is a very, very able lawyer. It is a real treat, not only to watch him, to listen to him, but to read the record of his hearings, because the gentleman from New York, JOHN ROONEY, has never been at a disadvantage, whoever the witness might have been on the other side.

I say as the annals of history are written about the years that the gentleman from New York, Mr. JOHN ROONEY, has been here as our colleague and friend, that his contribution will always stand as a mark toward which new Members of Congress may work and as the absolute tops in what a good Congressman can do for his country.

To John, we wish the very best. We hate to see him come to the point of retirement, but he leaves a monument here to work well done by a man of high character, of great ability, one who has left a mark that future Members may well try to emulate.

Mr. WHITTEN. Mr. Chairman, the House recently passed the supplemental appropriations bill providing $100,000,000 in emergency flood control funds and $20,000,000 for emergency work by the Soil Conservation Service. I offered these provisions to repair the flood damage that has occurred in the lower Mississippi River Valley since 1972. With the rains and floods continuing these funds become more important as the Corps of Engineers attempts to repair the physical damages, though the losses to the people have proven to be tremendous.

Today we bring you the regular appropriations bill for the fiscal year 1975 which begins July 1, 1974.

I enjoy serving with all my colleagues, each of whom has made great contributions, particularly Chairman JOE EVINS, an outstanding chairman, and all others on the Committee on Appropriations, where I am ranking majority member. This position gives me an opportunity to serve the interests, not only of my district, but of the entire Nation. As I have pointed out many times, we must look after our own country, develop our own natural resources, if you please, for all the rest is dependent upon the land. I know we bring you a good bill.

Perhaps this bill is best described in the opening paragraph of our report:

The Public Works for Water and Power Development and Atomic Energy Commission Appropriation Bill for 1975 is an important bill—a bill that touches the lives of virtually all Americans. The purpose of this bill is to build a stronger America. It represents a substantial investment in the future of our country. This investment will pay rich dividends in services for our people and in economic benefits to the Nation.

Since my colleagues have pointed out the projects included on a national basis, I shall limit my self to those items which are of vital interest to my area. I quote:

YAZOO BASIN

Upper Auxiliary Channels.—This project, an essential part of the Flood Control Act of 1946, has been delayed for numerous assigned reasons. The project must be begun and completed since it is essential to the overall flood control plan.

The Committee therefore directs that, if, in the opinion of the Corps of Engineers, substantial agreement is not reached by July 1, 1974, the Corps shall proceed with location, planning, land acquisition and construction as it may determine, provided, however, that any plan shall provide not less than 90 percent of the relief to the upper Delta and provided in the original plan (Plan A) and provided further that no gate, lock or other obstruction to retard the flow of water generally southward, shall be planned or built.

Tallahatchie County Road, Mississippi.—Within the funds available for the Yazoo Basin, $50,000 shall be available for necessary reconstruction of the Tallahatchie County Road along Phillips Cut-off, made by the Corps of Engineers, so as to provide an appropriate grade to prevent further flooding until the Flood Control Plan for the upper Yazoo Basin is completed.

Streambank Erosion Control Evaluation and Demonstration.—The Committee recommends a total of $2,000,000 to initiate works in the delta and hill areas of the Yazoo River Basin generally in accordance with the recommendations of the Chief of Engineers in his report dated September 23, 1972—as provided in Public Law 93-251, 88 Stat. 22, providing for demonstration projects.

Yazoo Navigation.—$500,000 is recommended to prepare plans for raising the Belzoni Bridge. Plans for the Shepardstown Bridge have been deferred since action is still pending to authorize such planning.

Ascalmore, Tippo and Opossum Bayou, Mississippi.—A total of $2,350,000 is included in the bill for completing plans and for construction on Ascalmore, Tippo and Opossum Bayous.

Recreation.—The Corps should develop the necessary recreation facilities at Clear Creek, Sardis Reservoir, with the State of Mississippi Park Service, including a boat ramp, and provide also for a boat ramp on the Southeast side of Enid Reservoir.

The committee provided in the bill the following language to continue the experiment on North and South Tillatoba and Hunter Creeks in Tallahatchie County:

Provided, That not less than $250,000 shall be available for bank stabilization measures as determined by the Chief of Engineers to be advisable for control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District Engineer and the State Conservationist.

This will help greatly in supporting the hill-delta project which I introduced and got included in the omnibus bill. In this bill we provide $2,000,000 to be used in an attempt to prevent the soil in the creek bottoms of the hills from washing away into the delta, filling up the streams from Yazoo City to Memphis, thereby causing delta flooding.

RESERVOIRS

Recreation was not included in the original construction funds for Arkabutla, Enid, Sardis, and Grenada Reservoirs. However, since this activity is an economic asset to the area, $1,445,000 was provided for further recreation development of the four reservoirs.

The committee explored fully to see if there was any authority to provide Federal aid for the construction of bridges in Tate County from Senatobia to Arkabutla, and a crossing from Oxford to Harmontown in Lafayette County, but we found such an authority does not exist. In both cases, the Federal Government paid for road damages years ago, and the counties executed a complete release.

As a part of the Tate County settlement for road damages, the Federal Government granted an easement to the County for a public road which was subject to, among other provisions, the following in 1949:

Article 5. Inspection—The County shall have the right to inspect the work performed hereunder by the Government at any time during its progress. Upon completion of the work, the parties shall make a joint inspection thereof beginning at the time and place appointed by the Government, such time to be not less than 10 nor more than 30 days after the road is completed. If the road is found to have been satisfactorily completed in accordance with the plans and specifications therefor, it shall be accepted by the County and all responsibility of the Government with respect thereto shall cease.

The easement was again granted in 1954, subject to the following provisions and conditions:

1. That the construction, use, and maintenance of said road, including culverts and other drainage facilities, shall be performed without cost or expense to the Grantor, except as provided in aforesaid Contract No. DA-22-052-eng-24, under the general supervision and subject to the approval of the officer having immediate jurisdiction over said premises.

2. That the Grantor, U.S. Government, shall not be responsible for the maintenance and/or repairs to said road, but it shall be the duty of the Grantee, Tate County, to maintain said road and all improvements, structures, and appurtenances thereto in good condition and make all necessary repairs thereto.

3. That any property of the Grantor damaged or destroyed by the Grantee incident to the use and occupation of the said premises shall be promptly repaired.

Mr. Chairman, these dams and reservoirs were built before I came here. Looking back, the compensation paid to the counties was grossly inadequate even then. I have introduced legislation to reopen these settlements; however, in view of the releases by the counties affected, I cannot be too optimistic about our prospects of reopening the matter even though I believe it proper.

TENNESSEE-TOMBIGBEE NAVIGATION

For construction, including the divide cut, we have provided $37,900,000, an increase of $7,900,000. We also directed that funds for land acquisition for the canal shall proceed at not less than the rate of acquisition of land to provide for railroad or highway relocation. Further, the corps should acquire only such land as is essential to the project and should make every effort to make payments for land acquired in an expenditious manner.

Further, we directed that, within available funds, the Corps of Engineers make a study and prepare a report on the feasibility of designing the Amory Lock so that the west fork of the Tombigbee River will not be excluded in the water transportation system design of the Tennessee-Tombigbee navigation project. Provided, that this study shall in no way slow down construction of the Tennessee-Tombigbee Navigation Waterway.

In addition, we included $33,000 for investigations.

BEAR CREEK

The committee increased the funds for Bear Creek to $5,445,000. For Tombigbee River and tributaries, $700,000 is available for use in the coming fiscal year.

APPALACHIA

For the Appalachian development program, which covers 13 States and is so vital to the 10 eastern counties of my district, the bill provides $293,500,000, of which $160,000,000 is for highways, $125,000,000 for area development programs, and $8,500,000 for research, demonstration, and local development districts.

OTHER ITEMS OF INTEREST

Mr. Chairman, other items from our Appropriations Committee, which are vital funds for a continuation of construction on the Natchez Trace which my colleagues were good enough to revive after northeast Mississippi was added to our district. Much of the funds has gone to bridge construction, for with bridges we will eventually get the highways.

The Appropriations Subcommittee of which I have the honor of serving as chairman, has restored the agricultural conservation program, provided additional personnel for the Soil Conservation Service, increased funds for rural water and water treatment loans and grants, and asked for a review of those applications which have been held up because of frozen grant funds by the Office of Management and Budget. We provide again for rural housing.

Mr. Chairman, I am thankful to my colleagues for their support of these items. Truly they are essential to my area, just as similar works are vital to the whole Nation.

Again, the more we owe, the greater our problems, the more imperative it is that we look after our own country, on which all the rest depends.

If we leave our children a rich land, then they can make a fine future for themselves. We could leave them all the money in the world and a worn out land, and they would have nothing on which to build.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. PASSMAN).

Mr. PASSMAN. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I was disappointed to learn that our friend and able colleague, JOHN ROONEY, has decided not to stand for reelection. JOHN ROONEY is one of the ablest men ever to serve in the Congress of the United States.

Mr. ROONEY and I have served on the Committee on Appropriations together for 26 years. It was my privilege to have JOHN as a member of the subcommittee of which I have the privilege to chair. I never had to guess where JOHN stood. In most cases when marking up my bills, JOHN would say I cannot support you, but this made me respect him even more because I never had to guess where JOHN stood. Not only am I going to miss having JOHN's good counsel and sound advice, I am going to miss the association, but since it is his desire to retire, I certainly hope that our Heavenly Father will bless him and keep him and give him health and happiness in retirement.

Of course, some day, and I hope it is a long way off, when He that is on High calls JOHN home then hundreds of thousands of those whom he served and loved and millions of other Americans who were familiar with his record will know that this world is a better place in which to live for JOHN ROONEY having lived in it. May God bless you, JOHN, in your well-deserved retirement. We will all miss you.

Mr. LENT. Mr. Chairman, it was with deep regret that I noted the decision of my friend and colleague, JOHN ROONEY, to retire at the end of the current term.

Throughout his 15 terms in Congress as a Representative of New York's 14th District, JOHN ROONEY has been one of the best known "watchdogs" of the Federal budget. In particular, his chairmanship of the State, Justice, Commerce, and Judiciary Subcommittee of the Appropriations Committee, has been marked by a sincere effort to see that the taxpayer's money is wisely spent. His leadership in this regard will be sorely missed.

I want to take this opportunity to wish JOHN health and happiness in his retirement.

Mr. GROVER. Mr. Chairman, 1974 is in many respects an unusual year for the U.S. Congress. The large number of retirements among its Members is regrettably notable in the number of highly qualified and experienced gentlemen who leave these Chambers. Among them is a great American and dedicated fellow New Yorker, Hon. JOHN J. ROONEY.

It is with regret that I see his talents leave this House for in the coming years his expertise in the field of congressional appropriations will be sorely missed.

He has done much for his constituencies over the years, but most of all he has served his country nobly and with excellence.

Mr. CEDERBERG. Mr. Chairman, I want to join with the distinguished chairman of our committee in paying respect and appreciation to our good friend JOHN ROONEY.

I have had the privilege of serving on the State Justice Subcommittee, ably chaired by our friend from New York, Mr. ROONEY, for many years.

JOHN ROONEY has been a great chairman. I know of no one who has greater knowledge of the matters that come before his committee than he.

I regret that he has decided to retire after 30 years of dedicated service to his district and his country. I will miss his wise counsel and his Irish wit.

This place will not be the same when JOHN leaves.

I know JOHN will miss this House that he has served so many years. JOHN, I hope you will return to visit us as often as you can. We wish you the very best in your retirement.

Mr. BRASCO. Mr. Chairman, every Member of Congress who cares for this House and what it stands for has to deeply regret the Honorable JOHN J. ROONEY's announcement of his retirement from Congress.

Over the years, he has honorably and faithfully represented every single person in his district to the best of his ability, regardless of their political beliefs. His door has been open and he has been available to the people who overwhelmingly and consistently sent him to the Congress for 16 terms.

As a legislator, he has done his homework, sought to safeguard the Republic and to legislate constructively on behalf of all the people. The position of power he has obtained was earned by him, rather than handed to him.

As new Members came to the House, such as myself, we were always able to find JOHN ROONEY accessible and helpful. You always know where you stand with him. He is blunt, candid, and forthright.

He has also added a certain indefinable something to this body. That something is enormously difficult to isolate and define. It is part New York, with an accent on Brooklyn. It is part Irish with an accent on determination. It is part Democrat, but always all-American, and once removed from our midst, we shall not see the likes of JOHN ROONEY ever again.

Mr. SIKES. Mr. Chairman, it is hard to visualize a session of Congress without the able service, the driving force, and the effective repartee of JOHN ROONEY. Things just will not be the same. His absence will be a great loss, because this distinguished American has announced plans to retire from this body at the end of his present term. He has rendered outstanding service; the Congress will miss his effective leadership, and the Nation willl suffer by his absence.

When he came to Congress in 1944, JOHN ROONEY embarked on a remarkable and distinguished career in the Nation's ing Democrat on the Appropriations Committee and is chairman of the State, Capitol. He currently is the third rank- Justice, Commerce, and Judiciary Subcommittee. To say that JOHN ROONEY will leave an indelible mark on his beloved country is to understate the matter.

He is unique in that he was born in the congressional district he has served for 30 years and his family has lived in that district for more than 100 years. He is one of the few among us whose roots are so deeply founded in the traditions of the district which he serves. He has effectively helped to protect and preserve those traditions.

JOHN ROONEY's influence has been felt far beyond the boundaries of New York's 14th District. He has been honored around the world for his efforts to help mankind, and particularly for his effective work toward sound and constructive programs in the agencies of Government most directly affected by the decisions of his committee. He has always been an active Member of Congress. His efforts extended beyond the Halls of Congress and the Capitol and our Nation. He traveled to war fronts in the 1940's; to the Pacific to witness atomic testing, and to Japan for the 1951 peace conference.

It would be impossible to chronicle all the achievements of the gentleman from New York. I know from personal experience that he is a tireless worker for the people of his district and our Nation. He has fought long and hard to do those things which would benefit his district and which would benefit our country.

I have deep personal regret that JOHN ROONEY will leave us at the end of this Congress. We have worked closely together, and in recent years, our Rayburn Building offices have been side by side. More importantly, I have shared with him a warm and understanding friendship.

I will miss seeing him in the halls and on the floor. I will miss his sage counsel and cool head. The entire Nation will be the poorer for his decision to retire but is far richer than would have been possible had he not made the decision more than 30 years ago to offer himself for public service in the Nation's Capitol.

I wish for him and Mrs. Rooney happiness and contentment in their retirement. They can be secure in the knowledge that they leave behind close friends who are legion in number on both sides of the political aisle and throughout the Nation's Capitol.

Mr. HANLEY. Mr. Chairman, I join with my New York colleagues this afternoon in paying tribute to our distinguished colleague and good friend, JOHN ROONEY, who has announced his intent to retire from Congress at the end of this session.

As a freshman Member of the House in 1965, I looked to the experience, the dedication, and the great willingness to help, which JOHN ROONEY exhibited. Along with other senior Members of the New York delegation in 1965, JOHN ROONEY became a mentor and teacher.

JOHN ROONEY served his Brooklyn constituents, his country, and the House of Representatives for 30 years. His record of public service has been outstanding, and it has covered a very broad range of issues. As chairman of the Appropriations Subcommittee on State, Justice, Commerce, and Judiciary, JOHN ROONEY exercised the congressional power of the purse in firm but fair fashion. And he exercised great leadership in guiding an expanded Federal financial effort to deal with crime.

While it is apparent that our association as House Members will be ending, I look forward to the continuation of that friendship. As John said himself on Tuesday—

> This is not goodbye or Farewell, but merely "so long, see you again."

Mr. MURPHY of New York. Mr. Chairman, 30 years ago the residents of Brooklyn, N.Y., did a favor for themselves and other citizens of this country; they elected John Rooney to serve as a Member of this distinguished body.

His integrity and boldness can be traced back to the time when John worked in his family's flower shop in Brooklyn, as a bookkeeper. During those early years, John learned about budgets and economizing, and as we are all well aware, he has carried that knowledge with him to the Appropriations Committee.

Believing that government should act as an instrument of the people, he has fought with zest and tenacity on the side of every taxpayer to slice off the fat from the budgets under his committee's purview. As chairman of the Appropriations Committee for State, Justice, Commerce, and Judiciary, John has provided dedicated and conscientious leadership and responsible decisionmaking ability, always in what he felt was in the best interests of this country. As a member of the Appropriations Committee's Foreign Operations Subcommittee, John contributed with firm resolve and independent thoughts.

There is no doubt in my mind that we are losing a colleague of experience, courage, foresight, and determination; Brooklyn is losing a humble and devoted public servant; and the Nation is losing a just and progressive leader.

Mr. Chairman, with the announcement of his retirement so fresh in our minds, I wish to express our gratitude to John Rooney for his 30 years of congressional leadership and my heartfelt best wishes for a happy future to his wife Kate, and a most honorable legislator.

Mr. DELANEY. Mr. Chairman, the time will come when each and every Member of this distinguished body must take leave. Today, after 30 years in the House, a dear friend and colleague of mine, John Rooney, has made this difficult decision. I would like to share with my colleagues my reflection on his many years of public service.

My association with John Rooney predates our service in Congress. At the time he was assistant district attorney in Kings County, N.Y., I served in the same capacity in the adjoining county of Queens. Since crime knew no bounds it was necessary to work together. We spent many late hours working at what was a necessary but seemingly thankless job.

It was apparent from the start that John was a thorough and wholly qualified investigator. He had the ability to get to the bottom of things. Time and work were no obstacles. He was second to none at getting to the facts, and at getting to the truth. Today his record stands as a model for investigators and prosecutors in the criminal courts of New York.

This experience became an invaluable asset when John arrived in Congress. His hard work and dedication became an inspiration to both friends and opponents alike. Thirty years have passed, but I am proud to say that John Rooney has remained the same man. A ranking member of the Appropriations Committee, and chairman of its subcommittee that deals with the funding requests of the Departments of State, Justice, Commerce, and Federal Judiciary, John Rooney has become a champion of the taxpayers' interest. And yet, John never forgot the needs and wants of his district. They were always his first priority. I speak from the heart when I say I will miss John Rooney, my colleague, my neighbor, and good friend.

Mr. SLACK. Mr. Chairman, on Thursday, June 6, we marked the 30th anniversary of the first election of Congressman John Rooney of New York to the House of Representatives. It has been my privilege to serve as a member of his appropriations subcommittee for some 14 years, where I could observe at close range his unsurpassed legislative ability.

It is my conviction and belief that no person in this government had a greater command of the matters within the jurisdiction of his subcommittee than Chairman Rooney. I will say more on this subject at a more appropriate time in the near future when the State, Justice, Commerce, Judiciary appropriations bill for fiscal year 1975 is brought before the House for consideration.

Mr. DAVIS of Wisconsin. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New York (Mr. Robison), a member of the subcommittee

Mr. ROBISON of New York. Mr. Chairman, I must, of course, begin by taking note of the remarks of those of my colleagues who earlier today directed certain undeserved words of praise in my direction. They were, however, undeserved, deeply appreciated, and they will be remembered.

I do not think I shall recommend retirement to any of the rest of the Members, but because of experiencing several other occasions such as this, I have come to believe that once you do announce your congressional retirement, truthfully, people could not be nicer to you if you had died.

In any event, Mr. Chairman, I have made—on paper—several attempts this morning to draft an appropriate beginning to these brief remarks. The trouble with them has been that they have all come out sounding more like endings. This is, I suspect, because—having some months back now made my decision to retire from Congress at the end of this year as has already been remarked upon, today is, for me, a definite turning in the road, what with this being the last public works appropriation bill with which, after working on nine prior ones, I will be associated.

Today, thus, brings closer to home the reality of my decision to leave the Congress. I am still affected by that fatigue and those same frustrations—shared by all of us these days, I assume—that led me to that decision, and I do not regret it.

But at the same time, today makes ever more clear to me than it may sometimes have been, the fact of what a truly great personal privilege and honor it is to be one of the some 10,570 Americans who have served in the Congress of the United States since 1774, 200 years ago, which date marked the beginning of the Congress.

Today, in that same fashion, makes even more clear to me than it may sometimes have been, the fact of my respect for and faith in this institution that we call the Congress of the United States; and also my belief, despite the way it too often thrashes around without any seeming sense of direction, and despite all its very human faults and frailties, that it is still the greatest legislative body of its kind in the world.

Finally, today brings home to me also the very real fraternal affection I have come to feel for those of my colleagues with whom I have been privileged to serve. Despite the fact that, today, the institution that they collectively compose is under fire from almost all directions, I have found them to be—with but the rarest of exceptions during my 17 years here—men and women of patriotism, of honor, of intellect, and dedicated to the finest traditions of what we call public service.

Whatever the faults of the Congress—and they are many—they are, it seems to me, the faults of the "system," and most of those are correctable. They are far more the fault of the system than they are the fault of those who, in their years of service here, have tried to make that system work.

This, then, would be an appropriate time, Mr. Chairman, for me to now express my special thanks to my colleagues on this subcommittee, and particularly, of course, to our distinguished chairman, the gentleman from Tennessee (Mr. Evins) and to our ranking minority member, the gentleman from Wisconsin (Mr. Davis).

Both of them, through the years, have been very patient with and kind to me, and I am indeed grateful.

Mr. Chirman, I will have some general remarks to make regarding the bill, but before launching into them, let me say that I think this is a good bill, a creature of substantial compromise as all such bills necessarily become, but nevertheless one worthy of the support of the Members. It carries, to be sure, a total for obligation that is substantially above the budget estimates, some $63 million, in fact; but, in light of the backlog of work on such projects as here presented which has developed over the past several years, in light of the demonstrable local and national need for such projects, and in light of the further fact that, with our economy lagging, work thereon can help, in a modest way, to alleviate unemployment at local levels, I do not see this overage as being either out of line or irresponsible in a fiscal sense.

Mr. Chairman, finally, to mark up such a bill is always a complicated task, both for the subcommittee members and for its staff, and occasionally some technical mistakes or oversights occur. One such—to which I would like to call the attention of the chairman of our subcommittee—has apparently occurred with respect to the Tioga-Hammond Lakes project, as it is called, in northern Pennsylvania. This project, located on a tributary of the Susquehanna River that flows briefly north into New York and then south again into Pennsylvania, is well under way, and when completed, it will provide additional flood protection not only to the Corning-Elmira area of New York, but also to the Wyoming Valley on the main stem of the Susquehanna in Pennsylvania, both of which areas were very severely hurt 2 years ago with flooding by Hurricane Agnes.

Mr. Chairman, the budgeted amount for this project was, as shown on page 36 of our report, $18 million. We discovered, in the course of our hearings, that the Corps had some additional capability for accelerating its construction, and the subcommittee actually agreed to our markup, according to my notes, to add $2.4 million to the budgeted amount so as to make the budgeted money available to the corps for this project in the next fiscal year $20.4 million. However, our bill and the report do not reflect that fact. Unfortunately, I did not catch the error until after our bill had gone through the full committee, but, having already spoken to our chairman about this, I wonder if he would care to comment about this situation and, hopefully, to express his support for the $20.4 million for this much-needed project.

Mr. EVINS of Tennessee. If the gentleman will yield, the gentleman is correct, as usual. The subcommittee was unanimous in the decision that $2.4 million should be added to the budget request of $18 million for the Tioga-Hammond project. There was an error, the amount should be $20.4 million.

Mr. ROBISON of New York. Mr. Chairman, if the gentleman will permit, let me direct one further question to him in this regard: Would it be the gentleman's suggestion that this correction be picked up in the other body and then accepted in conference? Would that be the simplest way to do it?

Mr. EVINS of Tennessee. To answer the gentleman, that would in my opinion be the simplest way to handle it.

Mr. ROBISON of New York. Mr. Chairman, I thank the gentleman. I appreciate his support, as always.

Mr. ROBISON of New York. Mr. Chairman, in my present philosophical mood, I am inclined to take stock of what has been accomplished during my term on the Public Works Appropriations Subcommittee, hoping while I do so, that we can find we have made some contribution to the betterment of this great country and its citizens.

As much as I would like to abolish the term "pork barrel"—and I hope my own small contributions to this bill over the years have helped a bit in doing so—it is necessary to start with that prerogative, in order to determine whether the last 10 years have moved the public works bill away from the criteria, "Who is pushing for the project," and toward the more demanding tests of regional planning, cost-effectiveness, and environmental protection.

We cannot, and should not, ever brand political support for a particular public works project as prima facie evidence of the "pork barrel" mentality. My colleagues here are the voice of their constituents, and necessarily ought to represent local desires for any public works project which might conceivably contribute to the security and quality of their lives. Yet, once those proposals are before us, it is Congress's responsibility to demand that those projects meet the highest standards of planning and technology, and that each proposed water-resource project is consistent with the environmental and economic priorities set by the Federal Government.

If we are to make these determinations in the most thorough and conscientious manner, I strongly believe that we must enhance our analytic capability to do so. One tool which promises to be very helpful is the new system of cost and benefit accounting set out in the recently published "Principles and Standards" of the Water Resources Council.

As it is, each of the members of our subcommittee is presented with a formidable pile of project justifications at the outset of the budget year, yet even these volumes fail at times to permit Members and the public to properly scrutinize a project. We, of course, attempt to supplement these justifications with questions during our subcommittee hearings, but there are inevitably questions which come up when we do not have the ability, or the time, to discuss the specific topic with the proper agency official.

There is another point here—actually more an attitude than a policy—which I hope can be more strenuously applied to our decision process. We necessarily need more sources of independent evaluation of specific water-resources projects than are presently available. The fine gentleman from Tennessee (Mr. EVINS), chairman of our subcommittee, has been consistent in his valuable counsel, and I remember his recent biblical citation:

> Out of the mouths of two witnesses shall come the truth.

This wisdom of my chairman, and the biblical authority he invoked, ought to be applied more strenuously to our work on this bill. University groups, private interest groups, and informed individuals, for and against particular water-resource projects, have become very skilled in applying detailed planning standards and cost evaluation criteria to water-resource projects.

We do solicit the views of these groups during the public witness portion of our hearings, yet I am not sure that our subcommittee, or my colleagues outside the committee, are inclined to give some of these public voices sufficient credence.

Sometimes there is good reason to avoid the emotional demands of specific interest groups, which may be more insistent than accurate, yet there are many groups and individuals which have proven to be highly conscientious and objective in their efforts to present assessments of particular projects.

A further extension of the attitude I am suggesting would be that any interested citizen, or interest group, ought to have free access to all data pertaining to the planning or justification of a water-resource project. As I understand the Freedom of Information Act this right is established in law, yet there are any number of impediments which can be thrown in the path of a person who seeks specific data on a fine point of a project's justification.

One of my self-appointed tasks on the Public Works-AEC Appropriations Subcommittee has been to encourage the Atomic Energy Commission to come out in the "sunshine," so that the public can learn of the technology of the nuclear energy program and be assured of the extreme safety precautions which have been taken. Under Chairman Schlesinger, and now Chairman Ray, the AEC has made considerable progress in getting the message to the public. The AEC has benefited from this effort, and I personally believe it has been vitally important to public acceptance of the AEC's program.

It seems to me we need more of the same "outreach" attitude on the part of the water-resource agencies, specifically the Corps of Engineers and the Bureau of Reclamation. Yet, while I say this, I must also pause to praise the efforts of both these agencies to increase the frequency and availability of public review. Both agencies have been most diligent in seeking effective means to involve the public in their planning processes. Where difficulties most often arise, however, is with authorized projects which are being readied for construction, or have already begun construction.

Some of these projects have been stretched out for decades, and have been bolstered by good faith and good intentions every step of the way. Yet, we have undergone a revolution in planning expertise and environmental consciousness during the span of those same decades, and hindsight, on occasion, does reveal that mistakes have been made. If those mistakes are corrected on the basis of sound analysis, and good judgment, Congress will be judged as conscientious in the performance of its duty. However, if we insist that in every instance where a project has undergone advanced engineering and design—or even preliminary construction—that there is nothing new to consider, that new concepts or new priorities do not require reassessment of the project, then we may be stamping the term "pork barrel" indelibly on this institution.

Once the House and Senate Public Works Committees have worked out whatever their differences are with the administration over the new Water Resources Council principles and standards, particularly with regard to the question of project discount rates which is of great controversy, we must move quickly on with the implementation of the new planning tools which those principles and standards will make available. I should be emphatic here in stating that we have a serious need for some version of the principles and standards. Too many times we have had bad projects which seemed to gain their own momentum once they were put into the pipeline through the authorization process. It becomes apparent to the Congress that we have a bad project, it is apparent to the Corps of Engineers or the Bureau of Reclamation that we have a bad project, yet there is seemingly no stopping it.

If we can commence the planning of all projects on a much sounder basis—one which properly accounts for all of the developmental priorities now recognized as important, then we ought to have much less of this painful hindsight, fewer dollars wasted, and better projects.

As I discuss these things, I find there is something else which needs to be said. Because the Corps of Engineers is so pivotal to any discussion of water-resource projects—good and bad—there is the frequent temptation to characterize that very able organization as a permanent antagonist, whose only purpose is to endanger our wildlife and attack our wilderness areas. I have always strenuously objected to anything smacking of this sort of characterization, because there is simply no substance to it.

I can say, without qualification, that the Corps of Engineers is one of the best-organized, the most-talented, and the most-efficient governmental organization I have had the privilege to work with. One does not always have to agree with an agency's policy on a particular question to appreciate its competence, and that is frequently the case with me. It should be equally recognized, however, that whenever there is a temptation to criticize the corps or to accept criticism of it, the individual should first look very closely through the Halls of Congress for the real culprit.

Beside being one of the finest engineering organizations in the world, the corps has developed a saintly patience at taking the heat which is often more correctly directed at Congress. At a time when the corps receives pitiful little praise for its genuine excellence, and oceans of critical abuse, all of us ought to remember that the men of the Corps of Engineers like to be appreciated, just as humble Members of Congress like to be appreciated for their accomplishments.

When the Corps of Engineers is castigated, it is usually because it is attempting to carry out the instructions of Congress—to the letter. When we find a way to bring new respect to the corps, we will have brought it to ourselves at the same time.

There is another chapter of this bill which I have yet to comment on. A good deal of the appropriations normally found in the Atomic Energy Commission section of this proposal were included in the special energy appropriation bill we passed a few weeks ago. I spoke to my colleagues then about my optimism for the future of in situ oil shale processing and my concern for the future of the fast-breeder program, since items affecting both those endeavors appeared in the energy appropriation.

In the bill before us today we are recommending a $13.4 million increase over last year for AEC's regulatory activities. It may not be totally appropriate for a country lawyer to be critical of the highly professional efforts of AEC's regulatory arm, yet my own concern has grown over the past year that the regulatory cushion we all depend on to assure the highest level of safety is getting a little thin. By no means do I feel that serious problems have resulted, but I see a growing potential for new problems if we do not constantly renew the energies and vigilance which are devoted to regulatory safety.

Also, I should be specific enough in my comments to indicate that I have found no reason to fault the regulatory surveillance of the AEC. To a large extent, that Agency has brought to light the difficulties which exist in assuring quality control and proper security procedures. We have added funding for regulatory activities since this is the only way that members of my committee can contribute to the constant search for better and more effective regulatory review and monitoring. I am also encouraged that the chairman of the Joint Committee on Atomic Energy, Mr. Price of Illinois, has taken the initiative to draw together a very prestigious study panel to make recommendations on nuclear materials security.

It remains for Congress to be well informed of the AEC regulatory and security program, and to continue to demand and receive every possible precaution in the conduct of the nuclear energy program.

Mr. Chairman, my assignment to this subcommittee—and my exposure to the problems involved in carrying forward the work of its constituent agencies—has been a challenging, and rewarding, experience. I would say, again, that I hope in some small way to have measured up to that challenge.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I rise with a deep sense of regret in knowing that my great colleague, the gentleman from New York, will also be retiring this year.

He has been a champion of all public works projects in the State of New York, and I was hoping that the people back home, including his family, would change his mind about retiring.

In any event, I believe his work has been of great benefit to this House, and I join my colleagues in wishing him well.

Mr. ROBISON of New York. Mr. Chairman, I thank my colleague, the gentleman from New York, for his kind remarks.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I will be glad to yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank the distinguished gentleman from New York for yielding.

I hesitate, on his time particularly, to join in expressing my feelings about the retirement of the gentleman from New York, Howard Robison. I know of few Members in this House who are more intelligent, more incisive, and more willing to take on tough public issues than the gentleman who is in the well right now. He will be missed by all who have a respect for the legislative branch of Government, and especially by the Members in the House of Representatives. His constituency during his years of service has been extraordinarily well-served, and just from my standpoint, as one Member who is not a part of the Committee on Appropriations, I do want the gentleman to know and I do want his family to know how terribly saddened I am personally by his departure from this body.

Mr. ROBISON of New York. Mr. Chairman, I appreciate, of course, the gentleman's remarks.

Mr. Chairman, I think the safest thing I might do at this point is to yield back the balance of my time.

Mr. SHRIVER. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Kansas.

Mr. SHRIVER. Mr. Chairman, I rise in support of this bill, H.R. 15155, which touches the lives of practically all Americans. In addition to funding the operations of the Atomic Energy Commission, this is a conservation bill. It will help us in conserving energy and water resources which are so vital to the future well-being of our people and our Nation.

I take this opportunity to express appreciation to the distinguished subcommittee chairman (Mr. Evins), the ranking member (Mr. Davis), and the other members of the subcommittee who worked so diligently and with understanding to bring this appropriations bill to the floor.

I especially want to thank the members of the subcommittee for their favorable consideration of my request for early construction funding of the Marion local flood protection project in Kansas. The committee has included $100,000 for this purpose.

Now $100,000 in an appropriations bill calling for over $4.4 billion in spending does not seem to be a very important item. But let me assure you it means a great deal to the future of the small town of Marion and to its citizens who have been waiting patiently for 16 years to get this project underway.

Last year alone they saw the raging waters of Mud Creek inundate their town five times—twice within 1 month. This has been the story for years.

The people of Marion have worked in good faith with the Corps of Engineers and the Congress to fulfill their commitments and to justify the expenditure of over $2.6 million for the local project. They have demonstrated their willingness to put up over $350,000 as the local share.

Contrast this process with the speedy action taken by our Government in committing our Nation to the Suez Canal cleanup, and you can understand the frustrations of many people in our own country.

It is time that we demonstrate that domestic needs have a priority over foreign-aid programs, and that we can cut through redtape to get the job done here at home.

The committee's action on my request has underscored that Congress understands the need to reorder our priorities, and it can and does act positively.

This action in behalf of the small community of Marion, coupled with inclusion of $78,000 for the final stage of advance engineering and design will enable the Corps of Engineers to move quickly into the construction stage on the Marion project probably in the last quarter of the 1975 fiscal year.

In addition to funding for the Marion flood protection project, the committee has included funds to continue the multipurpose investigation on the Arkansas River, including $270,000 for the studies from Tulsa, Okla., to Great Bend, Kans., and $25,000 for studies from Great Bend, Kans., to John Martin Dam, Colo.

This bill includes $23.7 million for work by the Corps of Engineers in Kansas not including the general investigations.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I thank the gentleman for yielding this time to me.

I want to thank the members of this committee, as well as the Chairman, and certainly the gentlemen from New York (Mr. Robison) and (Mr. Addabbo) and all the others for their excellent cooperation with respect to the very important public works appropriations contained in this bill.

I also want to say that the gentleman from New York (Mr. Robison), has been an important Member of this House, not only to this committee, but to the delegation. We all deeply regret his leaving, and we know that he will be hard to replace.

I am most gratified to see included in the bill before us funding for several much-needed and long-delayed projects in the New York area. The approximately $8 million appropriated for projects to deepen harbors and channels in New York City waterways will enable a prompt start to be made in solving a problem of almost crisis proportions—to accommodate the vital needs of tankers in bringing crude oil and oil products to the critical Northeast area via the Port of New York.

The appropriation of $4 million for the Rockaway Beach Erosion Control project will enable work to be started immediately to satisfy another urgent need. The problem of beach erosion has become so serious that the City of New York was forced last summer to close 25 blocks of beach to the public.

At high tide, surrounding roadbeds, powerlines, sewer systems, and the boardwalk have been threatened. At low tide, there exists a drop of 8 to 10 feet from the last step of the boardwalk to the beach. The Rockaway beaches have served hundreds of thousands annually as a recreational area. I am pleased to see that this valuable national resource will not be allowed literally to waste away.

My greatest satisfaction, however, is derived from one of the smallest appropriations in this bill—the $330,000 allocated to commence construction, on the New York Harbor Collection and Removal of Drift project. The history of this project, first recommended by the Corps of Engineers in the 1960's, has been long and arduous. Despite widespread agreement on the need for cleaning up New York harbor and the recognition that New York City did not have the capacity to handle this problem alone, the project was stymied by the failure of the Secretary of the Army and the President to grant approval, as required by the 1970 act. With the cooperation of Senator Javits and many members of the New York delegation, and with the invaluable assistance of Representative Blatnik, chairman of the House Committee on Public Works, and Representative Roberts, chairman of the Subcommittee on Water Resources, I was successful in having included in the Water Resources Act of 1974 a $14 million authorization for the harbor project. Since that time I have been working closely with representatives of the U.S. Army Corps of Engineers in efforts to expedite the commencement of work on this project.

The New York Harbor collection and removal of drift project is not a local project in the sense that it will benefit only New York or even the New York-New Jersey area. Drift, sunken vessels, deteriorated waterfront structures, and other debris in the harbor pose serious safety hazards to public and private shipping, causing millions of dollars in damage each year. When one considers that approximately 10 percent of our international shipping passes through this harbor, one can appreciate the vital national significance of the project. During the past 7 years, the city of New York has spent over $14 million on the removal of deteriorated piers alone, but, without Federal funds, the city has been unable to make any significant headway on harbor cleanup.

Although the Corps of Engineers agrees with the need for prompt action, the amount of time required to complete the necessary design and planning stages will not permit the awarding of contracts for construction until the end of fiscal year 1975. The funds appropriated, however, will be sufficient to complete the design and planning phases in the coming year so that construction funds can be appropriated in the fiscal year 1976 bill.

Despite my disappointment that construction could not be started sooner, I am still hopeful that, with an adequate appropriation in next year's bill, we will be able to clean up the debris and disintegrated shore structures in at least part of the harbor—the area surrounding the Statue of Liberty and most visible to tourists—in time for our Nation's Bicentennial celebration.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATIONS, 1975

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Davis).

Mr. DAVIS of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. Myers), a member of the subcommittee.

Mr. MYERS. Mr. Chairman, as the newest member of this subcommittee, I take this opportunity to thank the chairman of our committee, the gentleman from Tennessee (Mr. Evins), and the ranking member of the committee, the gentleman from Wisconsin (Mr. Davis), and all the members of this subcommittee and the staff who have shown me the patience and courtesy and who have given me so much help this year in my first year on this subcommittee. After hearing all the evidence and considering all the testimony we have received, we have had to make some very hard decisions. The members of the subcommittee have given me a great deal of help, and I appreciate that very much.

I also join with my colleagues in expressing regret and with mixed emotions, concerning the departure of our two colleagues, particularly the member who serves on this subcommittee, the gentleman from New York (Mr. Robison).

I served previously for 4 years on another subcommittee of this Committee on Appropriations, on which the gentleman from New York (Mr. Robison) served as ranking member. He was of great help to me, and I learned to know him and to appreciate him for his courage, for his convictions, and for his knowledge and his willingness to do what was right. His leadership in this Congress, and particularly on this committee, is going to be missed. His departure will be a great loss not only to this Committee on Appropriations but to this country. His shoes are not going to be very easily filled.

I join also with the gentleman from New York (Mr. Addabbo) in that I had hoped that the gentleman would change his mind and remain, but I do recognize that he has made this decision with his family. We understand this, and we do wish him well.

Mr. Chairman, as has been said here, this Public Works and Atomic Energy appropriation bill is a rather large one. I suppose it is the largest one that has ever come to the floor. Four and one-half billion dollars is a lot of money.

I imagine this afternoon we will hear some conversation and suggestions that many of these programs are not really needed and that we could get along with less because they will not be in the best interests of the future of this country.

Again as a new Member listening to

the witnesses and observing the tragedies and disasters and the ultimate cost to the American taxpayers and consumers of this country, I think if we do not continue to expand the programs embodied in this bill, we will be contributing to new tragedies and new disasters.

I can say as the newest member of this committee that this is one of the best areas in which the taxpayers can spend their money this year. We only need to look at the flood areas such as the Mississippi River valley and many of the other rivers and their tributaries to see the big disasters that occurred and the areas where these projects are so badly needed this year. A few dollars spent in flood protection and prevention will certainly return a great deal more not only in dollars saved but in food that this Nation and this world needs today. Food is not produced from farms that are under flood waters.

So the public works projects that we come to today, every one of them, I am sure will return many fold in dollars that we invest.

I certainly share in and join our colleague from Iowa, the watchdog and the man who has been cited as the conscience of this House and Congress, Mr. GROSS, and believe he is exactly right in his opinions. If the taxpayers, through the dollars they spend in this Congress, can spend it on domestic assistance programs such as we have here rather than in foreign assistance, that would be the best way in which we could spend it.

I recognize today that there will be some amendments to increase some of these projects. This committee explored all of the areas where we could spend more. I believe we have in this bill appropriated for the maximum that can be spent wisely. There could be other increases, but they could not be made wisely.

I assure you, as a member of this committee, that we will continue to expand the programs in order to improve our water resources and to preserve the ecology and environment of our country. I know every Member is concerned about that.

Again I thank the committee and the staff for their patience and help this year.

Mr. EVINS of Tennessee. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Dakota (Mr. DENHOLM).

Mr. DENHOLM. Thank you, Mr. Chairman.

I appreciate the effort and work of the chairman, Mr. EVINS of Tennessee, and the members of the committee in reporting the legislation on appropriations. Their work product is a foundation for the future of our country. It is money well spent in the preservation and use of our national resources. The appropriations included in the legislation provides for a construction start on emergency bank stabilization on the Missouri River below Gavins Point Dam in South Dakota. It includes emergency funding that may be reprogramed at the discretion of the Corps of Engineers wherever essential demand for emergency projects exist.

Mr. Chairman, every dollar authorized in the appropriations of this effort is another investment in America.

I am grateful to the distinguished chairman, Mr. EVINS of Tennessee, for his leadership in doing what must be done. It is difficult to do all that should be done but I am persuaded the members of the subcommittee have done well in equitably providing for the funding of many projects across the country. I commend them and urge the enactment of the legislation accordingly.

Mr. EVINS of Tennessee. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. I thank the chairman for yielding.

I want to express my appreciation for what the chairman and the committee have done on this very fine piece of legislation.

I want to commend my dean and the chairman of the committee for his leadership and ability in handling the public works bill as he has.

I rise in support of the bill in general but have some specific remarks about the west Tennessee tributaries project which is included.

I am proud to say that after several years of controversy and litigation our project is about to get underway again. The original channelization project was challenged in court by a coalition of duck hunters and environmental groups. An injunction was issued against the project by the Memphis Federal District Court. For several years little work has been done and the area has suffered flood damage running into the millions of dollars.

A few months ago it became evident to all the parties involved that they were all in a "no win" situation. This prompted some of the first real personal discussions between the proponents and opponents of the project. They worked out a compromise which was approved earlier this year by this body and will be partially funded by the bill before us today.

This compromise appears to me to be a forward-looking approach to balancing our immediate needs for flood protection with the necessity to preserve our environment and wildlife habitat.

Basically, the project will be allowed to proceed but at the same time the Corps of Engineers will begin acquisition of 32,000 acres of wet lands to be set aside for wildlife and recreation.

I have no doubt that in the future as we begin to come to grips with dual problems of food production for growing populations and environmental protection for future generations that such compromises will be the way to go. The funds in this bill will help us establish in west Tennessee a project that may well become a model for settling these disputes all across the Nation.

Mr. ALEXANDER. Mr. Chairman, generally the bill which we consider here today is one which benefits the Nation as a whole in all its parts. But, there is a portion of this bill which is of particular interest to me as chairman of the Subcommittee on Rural Development.

The part of the bill to which I refer is the funding contained in title IV for the Appalachian Regional Commission and regional development programs. This Commission is designed to help do a job in Appalachia that is the same as or very similar to one which I speak to this House about from time to time—revitalizing small countryside communities. Making it possible for those communities to enter or reenter the mainstream of American life through the improvement of the quality of life they can offer their citizens and persons who want to become their citizens.

I am pleased to note that the Appropriations Committee has increased the appropriations for the Commission's operations and programs. The work which the Commission has done in many areas has pointed the way to routes which other disadvantaged countryside areas might be assisted in strengthening their economies and quality of life. For my colleagues' information I would like to review the facts with regard to this particular portion of the bill:

APPALACHIAN REGIONAL COMMISSION

SALARIES AND EXPENSES

Appropriation, 1974	$1,492,000
Budget estimate, 1975	1,740,000
Recommended, 1975	1,740,000
Comparison:	
Appropriation, 1974	+248,000

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

Appropriation, 1974	$270,000,000
Budget estimate	293,500,000
Recommended, 1975	293,500,000
Comparison:	
Appropriation, 1974	+23,500,000

The committee allocated the programs funds to the following programs and activities:

Highways	$160,000,000
Area Development Programs	125,000,000
Research, Demonstration and Local Development Districts	8,500,000
Total	293,500,000

Mr. MILFORD. Mr. Chairman, this bill contains substantial funds for two reservoirs vital to the Dallas-Fort Worth metroplex area, which I have the good fortune to represent.

I am particularly pleased that the committee has increased the budgeted amount for the Lakeview Reservoir from $1,000,000 to $2,500,000, so that we can begin construction of this facility without further delay.

This is an extremely good project from every standpoint.

The cost-benefit ratio is 2.8 to 1. And even excluding recreational benefits and charges, the ratio is still 2.1 to 1.

Mr. Chairman, this reservoir will make a strong start toward halting flooding in a large and heavily populated downstream area. Within the last 5 years, this area has had major flooding with damage estimated at over $11 million for the most recent flood and damage estimated at $7½ million from the previous major flood.

It is estimated that more than half the damages from these floods would have been eliminated by construction of this one reservoir.

I am pleased that the committee has analyzed these figures and come to the conclusion that it is vital to begin this project without further delay.

This project is in an area of rapidly rising land prices, and every penny we invest in beginning acquisition of the necessary acres this year will save us money in the future.

I might also add that the location of this lake, within close proximity to a large metropolitan area, will afford water-related recreational opportunities to many, many low-income people who do not have the means to travel out of the immediate vicinity for this recreation.

Mr. Chairman, I would also like the RECORD to show that of the total estimated cost of this project, almost a third is in non-Federal funds. The participating communities are committed to spending $26.8 million for water supply benefits, and more than $6 million for recreational benefits.

It is truly an outstanding project, and I thank the committee for a tremendous boost in getting it started.

The inclusion of a $5 million appropriation for the Aubrey Lake in Denton County, Tex., is another dramatic step in the right direction. I am most pleased that the committee has recognized the urgent need to begin construction on this project, even though the people at OMB did not.

Denton County is not in the area I represent in Congress today, but it was a part of my district when I first came here.

This, again, is a reservoir in an area where land prices are rising at a dramatic rate. Every year's delay in construction of this lake literally adds millions of dollars to the total reservoir cost. And the lake is so vital that someday it must be built. The committee obviously recognized this fact, and I appreciate it.

Thank you, Mr. Chairman.

Mr. ANDREWS of North Carolina. Mr. Chairman, as we vote today on H.R. 15155, the bill providing for Public Works-Atomic Energy Commission appropriations for fiscal 1975, I would like to call my colleagues' attention to the item of $5.5 million for the Falls Lake project in North Carolina.

Earlier this week, I obtained a copy of the committee report on this bill and was pleased to see that the Appropriations Committee had approved the request that my distinguished colleague, Hon. DAVID HENDERSON, and I made on May 1 that the appropriation for this project be increased from the $3 million requested in the administration's budget to $5.5 million for the fiscal year beginning July 1.

At this time, I would like to express my sincere thanks to my distinguished colleague, Hon. JOE EVINS, chairman of the Public Works-AEC Subcommittee, and other members of that subcommittee and of the full Appropriations Committee, for approving this request.

My testimony on May 1 concerned both the Falls Lake project and public works funding for North Carolina, and at this point, I would like to insert this testimony into the Record:

STATEMENT BY HON. IKE ANDREWS

Mr. Chairman, Members of the Subcommittee, the administration is requesting more than $1.5 billion for the civil works program of the Corps of Engineers for Fiscal 1975. Budget items listed under states total $1.4 billion.

Of this $1.4 billion, the State of North Carolina is slated to receive $13,036,000, or only nine-tenths of one percent of the total.

With North Carolina having about two percent of our nation's population and about 1.5 percent of the land area, it is clear that the administration's Fiscal 1975 budget would deny my State its fair share of funds for public works projects.

Although my State ranks 12th nationally in population, it ranks 28th in the administration's budget requests for public works.

In reviewing this budget, I was struck by the fact that the requests for one state amount to three times what is being requested for North Carolina, yet that state has less than half the population and less than half the land area of North Carolina.

Having been in the House for only 16 months and not being a member of this important Subcommittee, I realize that I am far from aware of all the many complexities confronting you in your deliberations. Obviously, many factors other than the population and land area of a given state must be considered.

Even so, I firmly believe that the most important consideration must always be population—that is, consideration for human needs and for the people who will benefit from and be affected by these public works projects.

Although North Carolina is shortchanged by the administration in its requests for public works projects, I strongly hope that this Subcommittee will take action to correct this by recommending appropriations more in line with my State's percentage of the national population.

Public works projects are especially important to people in North Carolina who reside in two geographic areas. One area, as Congressman Walter Jones is to describe later this afternoon, is along our 300-mile coastline.

The other area is the one I represent in the central part of the State.

In the course of returning home for the past 60 consecutive weekends and talking at length with elected officials and residents throughout the Fourth District, I know that nothing in my area is more critical than the need for a much more adequate supply of water. Not far behind are the related needs for flood control and for improved waste treatment facilities.

The four counties that make up the Fourth District contain four major Corps reservoir projects. Two are in the land acquisition-construction stage, and two others are in the planning stage.

The administration's budget requests $5,160,000 for these and other public works projects in the Fourth District. However, as stated in my letter to the Chairman of April 16, the Corps has a capability on these projects of $13,885,000, without regard to its overall program capability, fiscal constraints, or the administration's assessment of appropriate national priorities for federal investments.

I hope it will be possible to fund the Corps' capability for my district, and I especially hope that funds can be found to meet the capability of $5.5 million for the Fall Lake Project.

Of all the Corps' reservoir projects planned for North Carolina, our State Government has accorded number one priority to completion of the Falls Lake Project. It is needed without further delay.

The Falls Lake Project is designed to provide for recreation, flood control and water quality, and, most importantly, to provide a water supply for the fast-growing Raleigh metropolitan area that will be adequate until well into the 21st Century.

The Greater Raleigh metropolitan area grew 35 percent in population in the Sixties and is believed to be experiencing this same growth rate in this decade.

For the past 10 years, the Raleigh City Council has taken strong positions in support of the Falls Lake Project, and in anticipation of it, the City has spent nearly $8 million to build a new water plant and intake and is preparing to spend about $2 million to build an interim, emergency reservoir on Beaver Dam Creek.

Hopefully, this emergency reservoir on Beaver Dam Creek, a tributary of the Neuse River, can be completed in the latter part of 1975. It will help meet the Raleigh area's water needs until the Falls Lake Project is completed on the Neuse, and at that time the Beaver Dam facility will be flooded by the larger project.

The Corps' capability of $5.5 million for the Falls Lake Project for FY 1975 is $2.5 million above the amount requested in the administration's budget.

One way to obtain a portion of the additional $2.5 million has been suggested by Mr. James E. Harrington, Secretary of the North Carolina Department of Natural and Economic Resources.

His suggestion, which represents a recommendation on the part of the State of North Carolina, is that the $1,000,000 recommended in the administration's budget for "Brunswick County, Beaches" in North Carolina be reallocated, with *$700,000 going* to the Falls Lake Project and $300,000 to the Manteo (Shallowbag Bay) Project.

I would like to endorse Mr. Harrington's suggestion to this Subcommittee.

My understanding is that local interest and participation is slim to non-existent in the project known as "Brunswick County, Beaches," and I would not be surprised to learn that in some other localities across the country, residents and elected officials may be opposed to or unenthusiastic over some Corps projects planned for their area. If your Subcommittee should uncover such projects, it is my hope that the administration's budget requests for these will be re-allocated to the Falls Lake Project, the B. Everett Jordan Dam and Lake Project, and other public works projects needed in my area and my State.

In closing, please let me again stress the critical and overwhelming need for a more adequate water supply in the Greater Raleigh metropolitan area. The Falls Lake Project on the Neuse River is the most feasible means for obtaining this water supply.

Although it is not considered by some to be a completely perfect project, steps are being taken to correct the imperfections, and there is almost unanimous agreement in my area that problems with respect to the separable recreation lands on the edge of the project can be settled during the time the Corps proceeds with acquisition of the joint use lands.

The energy crisis has taught us that we absolutely must do a better job of anticipating problems well in advance of the time they may become crises and of acting quickly to solve those problems. With another drought similar to the one Raleigh, Wake County and a large part of North Carolina experienced in 1953, the area's water shortage problem will become a full-blown crisis.

That can possibly be averted with full funding of the Falls Lake Project in Fiscal 1975 and subsequent years.

My office has very extensive files on the Falls Lake Project, and, should you need any additional information on it, we shall be most happy to provide it to you.

Thank you.

Mr. JOHNSON of California. Mr. Chairman, I rise today to express my full support for the Public Works appropriations bill brought before us today. I also would like to take this opportunity to commend the chairman of the House Appropriations Committee, the gentleman from Texas, and the chairman of the Public Works Subcommittee, our good friend, the gentleman from Tennessee, and the members of his subcommittee. As usual, the subcommittee has recognized the needs of the Nation and has put before the House of Representatives a solid package of public works development which will prove of great benefit to the Nation.

Before commenting further on the bill itself, I would like to express a regret that this bill will be the last Public Works appropriations bill that our good friend, HOWARD ROBISON of New York, will be working on, as he will be leaving this House at the end of the 93d Congress. HOWARD ROBISON has contributed greatly to the growth and stability of our Nation through his vision of wise public works programs which have been most beneficial to our people. We in California consider him a good friend and we are going to miss him and his dedicated leadership in this field. On behalf of the State of California and on behalf of myself personally, I want to express my deep appreciation. HOWARD, for all that you have done for us over the years.

Mr. Chairman, turning to the bill at hand, I think it is important that we move ahead with the programs as recommended by the committee. Each of these programs considered for funding in fiscal 1975 is a project which has been authorized by this Congress following comprehensive studies which demonstrated that the benefit-cost ratios are beneficial, and in the final analysis, the people of this great Nation of ours are going to be helped by the completion of these projects.

Much of the initial cost of these projects will be returned to the Federal Treasury through the sale of water, hydroelectric energy, and through other means. However, the Federal cash register cannot ring until the works are completed. Delays are costing us dearly because of inflation. Delays cannot help place reasonably priced food on the tables of the Nation. Delays do not create jobs to ease the high unemployment we have in many regions where this type of development is programed.

Mr. Chairman, let me conclude by once again commending my good friend from Texas, GEORGE MAHON, upon the outstanding leadership which he has offered to the Committee on Appropriations. He has a very difficult and challenging responsibility in trying to meet the needs of the Nation and yet at the same time hold down the costs of our Federal Government as he has indicated he wants to do. This bill before us points out how successful he is in this effort and I want to congratulate him for it. These same congratulations can be extended to our friend JOE EVINS of Tennessee. He and the members of his fine committee have considered many, many projects and many, many problems and the recommendations that they have brought forth as a result of extensive hearings certainly are realistic and reasonable, and I believe should be supported fully by this House of Representatives.

Mr. WIDNALL. Mr. Chairman, I rise in support of the Committee's action appropriating funds for the Tocks Island multipurpose project, but making their expenditure for its construction subject to committee approval of the project agency's decision to proceed.

I believe the committee has acted responsibly in this matter. At pages 4 and 5 of its report it states:

> The Committee is aware of the massive amounts of water necessary to run our hydropower projects, operate nuclear and other types of power generating plants, produce food and fiber, operate navigation systems, develop our oil shale deposits, and provide municipal and industrial water supplies for people of this nation.
>
> We should never forget that water is a precious resource which we cannot do without.
>
> Many feel that water supply could be the next serious problem facing the nation. Water resource development should be considered very high on the list of items to be given immediate attention.
>
> The Committee has a strong commitment to the development of the water resources of our country. The funds recommended in the bill will provide adequate funds for an orderly approach toward developing our water resources. * * *
>
> The Committee believes that the objectives of water resource development and the enhancement of the environment need not be incompatible and indeed should be complementary. A proper balance must be maintained in the national interest and in the public interest. The Committee rejects the position of either extreme—development no matter what the environmental impact or sacrificing all economic growth at the whim of the environmentalists. * * *
>
> The Committee believes that the programs funded in this bill offer a balanced approach which is proper and which will contribute to an economic development policy which will not stop progress in America but which will provide for preserving, promoting, and protecting our environment while developing vital natural resource needs to serve mankind—thus providing a balanced program serving the total public interest.

I share the committee's sound philosophy in these matters, and repeat here by statement before the subcommittee regarding the Tocks Island water resource project, as follows:

STATEMENT OF CONGRESSMAN WILLIAM B. WIDNALL

> Mr. Chairman, Members of the Subcommittee, for seventeen years my Seventh Congressional District of New Jersey included the authorized Tocks Island project area.
>
> I represented it during the Delaware River's disastrous floods of 1955, and its disastrous seven-year drought of the 'sixties, and through all their lingering adverse environmental effects.
>
> I also represented it in 1962, when we authorized Tocks Island multipurpose project to prevent a repetition of those environmental disasters, and to meet the additional electric energy and lake recreation needs of the people of New Jersey and elsewhere throughout the Delaware Basin area.
>
> There is no dispute as to the public need for this undertaking. Our Governors have now provided the two preconditions the Subcommitee imposed on Tocks Island's construction last year. I therefore request that you now grant the appropriation needed to permit this long delayed development to go forward to construction.
>
> Our Governors now have given formal assurance that we will pay our share of the cost of this Project's water pollution control, and have reduced its recreation impact on highways by reducing its visitor level to four million visits a year.
>
> Tocks Island's other purposes are important, of course, but its water supply function is paramount. Our need for it was great at the time of the *Presidential Drought Disaster Declaration of 1965*. Our need for it is far greater today. For our numbers and requirements are far greater today.
>
> In a recent report on the Water Resource Development of 1974, our House Public Works Committee noted that—
>
> ". . . the threat of energy shortages has produced front page stories and mobilized public officials," yet the threat of water shortages, which is equally serious in its consequences, has received little attention. * * *
>
> "We must act today to avert the coming crisis, . . . Fortunately, these investments will provide a service to the Nation, not only in security against crippling shortages, but in providing protection against floods, adding vitally needed hydroelectric power, creating new opportunities for healthful outdoor recreation, improving the navigable capacity of our inland waterways, and providing new habitats for fish and wildlife—a rich return" (H. Rept. No. 93–541).
>
> Mr. Chairman, the Tocks Island Conservation Project is desperately needed to avert those shortages, supply that protection, add electric power, and provide opportunities for healthful recreation in New Jersey. This needed conservation project must now go forward to construction.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in support of the appropriations contained in H.R. 15155 as reported to us by the Subcommittee on Public Works of the House Appropriations Committee. I particularly want to express my support for the $8,490,000 recommended for the Tocks Island Lake project and the $135,000 made available to the Corps of Engineers for the Raritan River flood control feasibility study. It is my understanding that the latter figure includes $60,000 for the continued feasibility study of the Crab Island water supply project.

As the most urbanized State in the Union, New Jersey must, if it is to maintain orderly progress, assure to itself an adequate supply of potable water to meet demonstrable and anticipated needs. The Tocks Island Lake project will provide an additional 300 million gallons a day of water when completed. The State of New Jersey has already similarly requested that it be allocated 150 million gallons per day of that supply. That allocation will be urgently needed to meet anticipated use in northern New Jersey by the year 1990.

The Crab Island project contemplates construction of an on-river cofferdam which would impound a body of fresh water that would recharge underground aquifers and thereby assure a continued supply of artesian water to users in northern Middlesex County.

I note that with respect to the Tocks Island project the committee has requested $6,040,000 for continued land acquisition and $2,450,000 for construction and that none of the latter sum be obligated or expended at this time until the various governmental parties in interest reach a decision on construction of the Tocks Island Dam. I think the committee acted wisely in directing that this decision be made at the earliest possible time, and that in any case it be made within a year. Mr. Chairman, this project has been studied and restudied since its enactment in 1962. People in the State of New Jersey and, for that matter, people throughout the country who will be paying the cost are entitled to have a decision. The Congress spent $5 million of the taxpayers' money to finance the study upon which the Tocks Island Lake project is based. No responsible official has denied the demonstrated benefits of the project. The Corps of Engineers will soon submit to the Council of Environmental Quality an updated environmental impact statement which should answer all outstanding environmental questions to the extent that they can be answered by the knowledge at our disposal. In short, Mr. Chairman, it is time for a decision on the Tocks Island Lake project.

Mr. TOWELL of Nevada. Mr. Chairman, a month ago, I testified before the Public Works-Atomic Energy Commission Appropriations Subcommittee urging my colleagues to support an increased funding level for the Atomic Energy Commission's weapons program. While this increase had not been requested by the administration, it had been recommended by the Joint Committee on Atomic Energy and approved by Congress in the fiscal year 1975 authorization legislation for the Atomic Energy Commission.

As the Joint Committee noted, the priority increases in the AEC 1975 budget are now primarily related to energy development programs and basic and supporting energy research for civilian use. In fact, the original AEC request would increase energy and related research programs by more than 30 percent. This amount, too, was approved by the House of Representatives on April 30 when the energy research and development appropriations bill was passed.

All other AEC programs, including the weapons program, would only receive an aggregate increase of about 4 percent under the original administration request. The Joint Committee on Atomic Energy's basic concern regarding the weapons program activities of the AEC, and a concern with which I fully agree, is that our technology in weapons development and testing be maintained as the foundation of our national security.

The committee report on the AEC authorization bill emphasizes that the administration's budget request, if not increased by Congress, would essentially freeze the nuclear weapons technology at the 1974 level. In light of the Department of Defense's strategic objectives and activities of the Soviet Union in nuclear testing, I feel that the proposed increase in the AEC weapons program is not only justified, but imperative.

As more nations are gradually developing their capabilities in the development of nuclear technology, this does not seem to be the time to stabilize the United States commitment to maintain a superior program in this regard. This Nation's obvious leadership in the sphere of international diplomacy rests in part on our continued strength in military capabilities.

From this position, I was most disappointed when the Appropriations Committee reported the bill we are considering today, which sets the Atomic Energy Commission's weapons program funding at essentially the same level as last year. While the new commitment to energy research is certainly essential to our Nation today and in the future, that it comes at the expense of continuing the expansion of atomic weapons testing is not in the national interest.

I am voting for H.R. 15155 today because I fully support the continuing efforts of the Atomic Energy Commission to maintain and improve this Nation's nuclear technology. But as a firm believer in maintaining the role of the United States as a leader in weapons research and development, I must protest the stabilization in appropriations for the AEC weapons program contained in this legislation.

Mr. HOSMER. Mr. Chairman, as a member of the authorizing committee I have had an opportunity to examine in great detail the budget request submitted to the Congress for the conduct of AEC's responsibilities, took part in the actions of the Joint Committee on Atomic Energy concerning it and now in reviewing the actions taken by the Appropriations Committee.

In general, the Appropriations Committee has approached AEC's funding for this year in a constructive way. However, in two areas I think the committee has underestimated the needs and carved too deeply with its cutting knife.

One area concerns the budget for licensing and regulatory activities. We want to speed these, yet the committee has slavishly followed OBM's dictates in this matter instead of providing the funds AEC needs to expedite the licensing program in recognition of the Nation's need for new electrical generating capacity. And, in the nuclear weapons testing area the committee also has dealt over harshly with respects to national security requirements.

Today I will discuss both these items in detail, hoping thereby to lay the foundation for acceptance of such increases in these areas as the other body may suggest.

In passing I also note that the high energy physics fund have been cut by about $4.9 million below what is essential if that program is to be maintained at its present level despite every decreasing value of the dollar and ever-increasing costs of electricity and other items upon which a satisfactory pace in this basic and vital effort must be maintained. The money should be restored, of course.

LICENSING PROGRAM

The Joint Committee's examination of the present status of the licensing program and the projected workloads revealed that the Commission could well utilize an addition of 114 personnel—representing an increased obligational authority of $1,425,000 during the fiscal year—for the important purpose of accelerating the licensing reviews of specific reactor projects and speeding the proper consideration of the environmental views as well.

I think it is clear to all Members of this body that we have a national need which has been translated into a national objective to achieve self-sufficiency in energy as soon as we can possibly bring it about. Additions of electrical generating capacity to our utility systems will not solve all of our energy problems but can contribute significantly to closing the gap insofar as electrical energy is concerned. Each additional nuclear plant brought onto line reduces our dependence on Mideast oil to a significant extent. For example a 1,000-megawatt electric nuclear plant operating for a period of 1 year decreases our need for Mideast oil in the amount of 14 million barrels during that period. The AEC's licensing program is now moving at a pace where a significant number of additional large plants are being granted construction permits and operating licenses.

The growth of the AEC regulatory staff has been admittedly fairly rapid. However, an examination of present and projected workloads shows that the increase in personnel requested by the administration for fiscal year 1975 can be effectively utilized in speeding up the licensing of nuclear powerplants.

The objectives of the regulatory staff include:

A reduction in the safety review time for construction permit applications—a 5-month saving in processing for each nuclear unit translates to 5 million barrels of oil;

Acceleration of the development of standards of design and construction of nuclear units. The existence of definitive standards on various aspects of design should reduce controversy during public hearings concerning the acceptability of the detailed design of a plant;

Carry out increased effort on important criteria relating to waste management, standardization, physical security, et cetera; and

Accelerate the effort of the General Counsel's office—participation in public hearings for specific cases, rulemaking hearings, and other aspects of the regulatory process.

The additional $1.425 million would permit the licensing and regulatory effort to be increased by a net 265 billets to speed along these processes.

The actual increase in personnel distributed as follows:

(90) Inspectors—More (35 powerplants and fuel cycle facilities to inspect.

(34) Rapid rise in operating reactors increases licensing workload on technical amendments and application of generic solutions to more plants; backfitting assessments of older plants.

(65) Five-month cut in CP environmental review time and accelerated CP safety reviews.

(7) Increased standards work on predesignated site criteria.

(18) Fast breeder demo (5)—gas-cooled reactors (4)—Pu recycle (3)—commercial enrichment (2)—plant construction info system (2)—tech assistance for antitrust (2).

(8) Standards work on quality assurance, plutonium processing, etc.

(20) ACRS, boards, and legal services.

(23) Clerical and administration services support for line functions.

These billets are essential and I trust that by the time this legislation gets in the lawbooks they will be included.

TEST PROGRAM

As to the test program, this bill has the effect of reducing it at the wrong time. The heart of past progress in gaining effective arms control agreements with the Soviet Union has been our qualitative edge in nuclear weapons technology. That edge cannot be maintained without an active and vigorous underground test program as required by the limited test ban treaty safeguards.

During the hearings on the AEC's weapons program the Joint Committee on Atomic Energy concluded that the on-continent test program had been so reduced in funding by the administration that no advanced technology experiments could be conducted within the fiscal year 1975—if during the year the Department of Defense stated a requirement for weapons which would require higher yield—less than a megaton—tests at the Nevada test site. In order not to freeze weapons technology at the 1974 level, the joint committee recommended that an additional $15 million be authorized for the on-continent test program. The Congress did authorize that addition.

In fact, the Department of Defense has made those requests—in March and April—and that an additional $15 million will be required in order not to freeze weapons technology at the 1974 level.

This bill eliminates the additional $15 million and leaves the on-continent test funding at the $97,552,000 level instead of the authorized $112,552,000 as was authorized by the Congress. If the overall $9,800,000 reduction to the operating expenses made by this bill is applied in part to the test program by the AEC, there will be a further deterioration in the test program.

We have all learned from recent reports that the United States and the Soviet Union may be close to signing some kind of test ban treaty in the very near future. If that happens, we do not yet know when it will become effective. However, if it does not become effective until the end of fiscal year 1975—as seems probable—it is essential that the AEC test program during fiscal year 1975 be a full one which will include advanced technology experiments rather than a reduced program. We will need that effort to assure the necessary qualitative effort to help make the SALT II negotiations still underway have a higher probability of success. Without it, the chances for a successful SALT II are reduced.

I hope this item, too, will be restored during the legislative process sometime before the bill reaches the law books.

Mr. BURKE of Massachusetts. Mr. Chairman, today, as the Public Works-AEC appropriations bill is being debated on the House floor, I wish to advise my colleagues of my strong support of full appropriations for flood control projects in Massachusetts, particularly the Quincy coastal streams flood control study and the Weymouth-Fore and Town Rivers dredging project. The Army Corps of Engineers has requested $110,000 for the continuation of the Quincy coastal streams study, and they are receiving cooperation from the Metropolitan District Commission in Boston to assist in expediting the study. The ultimate goal of this project is to report to Congress on the advisability of improvements for flood control and allied purposes on the Quincy coastal streams.

I also support appropriations of $1.8 million for the Weymouth-Fore and Town Rivers project. The results of this dredging project will yield great benefits in improved navigation and increased commerce on the Weymouth-Fore and Town Rivers.

The economy of the South Shore Area has suffered severe setbacks in recent years. The closing of military bases has contributed to the extremely high unemployment in that area. I believe that the increased commerce and navigation on the Weymouth-Fore and Town Rivers, which will result from completion of the project, will prove to be a major factor in improving the economic situation of the entire South Shore Area.

Many businesses and homes have suffered severe damage due to flooding in the South Shore area. However, with the completion of these projects, and the implementation of recommendations, such destruction of property will cease.

The projects which I have brought to your attention are of vital concern to all who work and reside in the South Shore Area of the Commonwealth of Massachusetts. I want to thank the members of the Public Works Appropriations Subcommittee who, in recommending the bill before us today, have recognized the seriousness of the problems facing the Massachusetts area.

Mr. KEMP. Mr. Chairman, I rise in support of this important appropriations bill before us.

It is important to the people of western New York and the Nation.

Federal financial assistance to aid in the planning and construction of works of improvement—such as those funded by this bill—is a form of Federal aid as longstanding as our Nation itself. It is an important aspect of the Federal-State-local cooperation which has pervaded our sense of national unity.

These works of improvement—public works—are designed to carry out important environmental objectives. They are investments to help us protect the environment against the ravages of floods, to improve navigation for both commercial and recreational uses, to enhance crucially needed water supplies for municipalities, to reduce losses to our economic well-being, and to alleviate the human misery which accompanies any failure to come to grips with these problems.

I have seen the effects of flooding. I have seen homes—into which families had put their life savings—destroyed in only a few hours because there were not structures and devices to hold back the water or rechannel it away from populated areas.

I have seen the water supplies of entire areas endangered by the contamination which arises from such disasters.

During the period when it has become evident that the Federal Government must cut out the fat—the frivolous, less-important, lower-priority activities it too often has funded—I think few could disagree with the conclusion that here—working toward the construction of protective public works structures— is where we should be spending our money.

There are several important projects in this bill affecting the people of western New York. I have testified and urged the Committee on Appropriations to fund these vital projects.

I am thankful to the distinguished chairman of the Committee on Appropriations, Mr. MAHON of Texas, and the ranking minority member, Mr. CEDERBERG of Michigan—and to all the members and staff of that committee—for their assistance in getting these proposed fundings to the floor today.

The bill provides $275,000 for a comprehensive flood control and wastewater management investigation in the Buffalo River drainage area, which includes watersheds of Cayuga and Cazenovia Creeks, portions of Cheektowaga, West Seneca, Lancaster, and Buffalo, and much of the towns of Aurora, Elma, Colden, Marilla, Wales, Bennington, Sheldon, and Java. This is an increase over the amount requested in the budget message, but it is critically needed and the committee's judgment reflects that. Of the $275,000 investigation, $100,000 is to be earmarked to complete the unfinished Tonawanda Creek flood control study.

The bill provides an additional $25,000 for investigations for improved navigation on the Niagara River and improvement of Niagara Falls, as well as an additional $10,000 for the study of additional locks on the St. Lawrence Seaway, our avenue of commerce and trade between the Great Lakes and the Atlantic—a crucially important matter for the economic health of the entire Great Lakes area.

The bill provides $120,000 for planning navigation improvement projects in Cattaraugus Harbor, $135,000 for additional flood control planning on Ellicott Creek, and $100,000 for flood control planning on Scajaquada Creek.

The amount for Ellicott Creek planning funds has been included by the committee. They were not recommended by the administration in its budget message. I appreciate the support of the committee on this matter. The diversion channel component of the Ellicott Creek project, as far as I am concerned, is ready to go forward.

It has been studied and studied, occasioning what I consider to be inordinate delays in flood control construction. Extensive public hearings showed strong local, public support for the proposed diversion channel project—support from the homeowners of the area, the League of Women Voters, the Sierra Club—over any other single alternative, particularly the proposed, mammoth Sandridge Dam.

Now, in the eleventh hour, when we thought there would be sufficient agreement to proceed with this important project, the State of New York has indicated to the Corps that it cannot assure local participation in the project. Quite simply, that means the State is unwilling to endorse this project and to provide its share of the commitment. I find this terribly distressing.

I feel so strongly about it that I have today dispatched a telegram to the Governor, urging him to reconsider and reevaluate the State position. I think it would be prudent for him to do so, for the proposed diversion channel enjoys broad public, community support.

The text of the telegram follows:

Hon. MALCOLM WILSON,
Governor of New York,
Albany, N.Y.

DEAR GOVERNOR: The proposed Ellicott Creek diversion channel is crucial to providing the residents of Erie County with improved flood control and protection.

This matter has been the subject of study for years. Extensive public hearings have shown the breadth of community support for the proposed diversion channel. Homeowners' associations, environmental groups, and many others have supported the diversion channel as the most viable of all alternatives weighed. There is strong opposition among these groups—and I fully share it—against the construction of the Sandridge Dam. The channel is the most cost effective and least environmentally disruptive of the major alternatives under consideration. Most importantly, there is overwhelming opposition to the delay in the construction of these life and property saving devices now being occasioned by the State's failure to provide the Corps of Engineers assurances of adequate local commitment.

This State position will cause even more delay. In the simplest terms, this delay could result in the loss of life and property. Every time there is a flood on that Creek—because construction of the channel was delayed—I think residents along its banks will recall that it was a failure on the part of the State to endorse the channel which resulted in the damage which will occur.

There is no reason for the State to remain so firmly committed to the Sandridge Dam project. I think I can state accurately that the dam will never be authorized by the Congress. The channel is the only feasible alternative, but that cannot go forward until the State gives its assurances.

I urge you to do so. It is in the best interest of Western New York and of the State.

Sincerely,

JACK KEMP,
Member of Congress.

I hope to see this Ellicott Creek diversion channel project started, and started as soon as possible. It is the least expensive and most constructive approach to the Ellicott Creek flood problems.

I have worked closely over the years with the Buffalo office of the Corps of Engineers, as well as many citizen organizations, in trying to find the solution that would have the least disruption to the lives and property and ecology of our community.

I am pleased that the committee has agreed with me and has appropriated these moneys for this and other crucial environmental programs for western New York.

Mr. PRICE of Illinois. Mr. Chairman, I rise in support of this bill.

I would like to address myself to the nuclear weapons program of the Atomic Energy Commission and specifically to the test program. In this time of shaky détente with the Soviet Union and of hopeful progress toward effective arms limitation agreements, our Nation has been ably supported by the vigorous and competent work of the AEC weapons laboratories. Their work in giving us the advantage of high quality weapons made possible the first SALT agreement. Any further progress must be based on qualitative advantages.

The nuclear weapons test program is the essential element of the laboratories work. This is recognized by the safeguards of the Limited Test Ban Treaty which require an active and vigorous underground test program.

The Joint Committee on Atomic Energy determined during its hearings that the proposed test program would allow no advanced technology experiments—the very heart of developing the quality technology needed as a base of our negotiations. Thus, the joint committee recommended and the Congress authorized an additional $15 million to assure that these essential advanced technology experiments would be conducted during fiscal year 1975 and so that technology would not be frozen at the 1974 levels. I must express a word of extreme caution relative to any steps toward reductions in the test program.

In the event that we sign some sort of test treaty with the Soviet Union it is probable that it will not become effective until the end of fiscal year 1975 if what we have read in the press is true. If that happens, it is necessary that the nuclear test program be a full one which will give us the technology which we will need to help us obtain a SALT II agreement on terms that are advantageous to our national security. Accordingly, I support every effort to maintain a vigorous test program for our national security.

Mr. BAUMAN. Mr. Chairman, I arise in support of H.R. 15155, making appropriations for public works, water and power development, and the Atomic Energy Commission for 1975.

The committee has very properly included in the provisions of this bill funds in the amount of $3 million to continue the construction and operation of the Chesapeake Bay hydraulic model which is located at Matapeake in Queen Annes County, Md. The implications of the bay model and its continued funding, however, will benefit the entire State of Maryland as well as the surrounding States since the operation of this model will allow scientists and engineers to unlock many of the mysteries regarding the Chesapeake Bay. The experimentation which will follow the completion of the model includes work on sedimentation problems, pollution, and the preservation of the seafood industry.

This model has been a longtime dream begun by my predecessor, now Secretary of Interior, Rogers Morton, and the late Bill Mills, who pushed this project to completion.

I, therefore, commend the Committee on Appropriations for this continued funding and I also want to express my approval of the inclusion of $27,000 in the bill in order to allow the Corps of Engineers to conduct a survey of the dredging and maintenance needs for the Port of Cambridge Harbor in Dorchester County, Md. The continuing siltation of this major port has been an increasing problem and this will allow the corps to begin the process which will restore Cambridge Harbor to its rightful place in commerce.

Mr. HUNT. Mr. Chairman, I urged the Members' support of the committee bill making appropriations for this Nation's needed public works and energy undertakings.

I wish to commend the committee for its appropriation for our needed Tocks Island conservation project, and for its direction that the project agency is to submit its decision to the committee for approval before proceeding with construction of this authorized undertaking. I would like to repeat here my statement before the subcommittee on this matter, as follows:

STATEMENT OF CONGRESSMAN JOHN E. HUNT OF NEW JERSEY, BEFORE THE SUBCOMMITTEE ON PUBLIC WORKS, HOUSE APPROPRIATIONS COMMITTEE

Mr. Chairman, members of the Subcommittee: The Tocks Island Conservation Project is authorized by the Congress, and recommended by the President, and is urgently needed to meet the growing, human needs of the people of the Delaware River Basin area—for water supply, flood control, public energy supply, lake recreation, and to sustain and improve the mainstream flow of the great Delaware River.

As representative of the State of New Jersey's First Congressional District, including Camden and Gloucester Counties, both bordering on the Delaware River mainstem, I earnestly urge your support of the Administration's full appropriation request for this needed Conservation Project for our State.

In particular, I especially urge that the Subcommittee now permit this essential undertaking to go forward to construction. Its construction has now been delayed three years. There is no question of its need. Its cost is escalating by tens of millions each year. And the two preconditions to its construction this Committee imposed on it last year have now been fully and fairly met.

The Governors of our Basin States have now provided the formal assurances that the Council on Environmental Quality asked for, that we will pay our share of the cost of Tocks Island's water pollution control. And the Governors of our States have now reduced this Project's recreation impact on highways, by cutting its recreation level from ten million down to four million people a year.

There is little more to add. The Subcommittee is familiar with the Delaware River Basin's disastrous floods, and disastrous droughts, and energy shortages, and long hot summer recreation crises, and pollution laden low-flows which this Project is needed to alleviate.

As for my own, First Congressional District of New Jersey, the project's flood control function will reduce the damage of the mainstem's flood impacts on our fish and shellfish.

Its energy output will help provide the peak power supply necessary to maintain our homes, employment, and industries.

Its lake and surrounding park will provide the needed additional public water recreation area and greenspace that is in such short supply in our crowded, most densely populated State.

And its sustained downstream flow releases are required to prevent the intrusion of the Delaware River's salt front on our critical domestic, municipal and industrial fresh ground water sources. Its releases are also necessary to maintain and improve the Delaware River's level for aquatic life, boating and other recreation uses during low flow periods.

Tocks Island Conservation Project has been reevaluated and reaffirmed many times, as essential for the water resource requirements of our people.

I therefore respectfully request that the Subcommittee and full Committee recommend the funds needed for continuance and construction of this necessary Conservation Project, and for all efforts to assure its compatibility with the environment.

Thank you.

Mr. ROSTENKOWSKI. Mr. Chairman, I have consistently voted in opposition to the Dickey-Lincoln hydroelectric power project since it first came before the House in the middle 1960's. My reasons for opposing it were twofold in nature. First, I believe that the cost factor was risky at best. Three years ago, I believed that we should not risk $300 million to produce power which might or might not be less expensive than the power produced by the private electric companies.

Three years ago, I was concerned about the environmental impact of this project upon the Maine wilderness. Mr. Chairman, I still have these environmental concerns and they trouble me, but I will today reverse my position and vote to approve funds for the Dickey-Lincoln project. For, since I last voted on this measure, the cost of oil has soared, thus making my original economic calculations unreasonable. No area of our Nation has been more affected by emergency shortages than has the New England region. The people of New England desperately need additional and inexpensive power sources. I now feel that the Dickey-Lincoln project will be a necessary factor in meeting this need.

Mr. DORN. Mr. Chairman may I commend the House Appropriations Committee for recommending full funding next year for the Nation's water and power public works projects. We are especially pleased that the committee accepted our recommendation and provided $2.125 million in fiscal year 1975 to begin construction of the Richard B. Russell (Trotters Shoals) project on the Savannah River. This is compared to the $500,000 contained in the budget request sent to the Congress by the administration.

Now is the time to proceed at the speediest rate feasible in the construction of hydroelectric power projects. We appeared before the Appropriations Committee to urge that the Corps of Engineers be provided with the full amount they were capable of using next year on the Russell project. We are delighted that the committee has provided the full $2.125 million. We urge the House to vote its overwhelming approval.

Mr. Chairman, production of electric power at the Russell project will help assure the additional future energy supply so desperately needed in South Carolina and throughout the Southeast.

The fuel shortage brought to our attention as never before how dependent this Nation is on its energy sources. Fortunately in the Southeast we have moved ahead with public and private power. The fuel shortage came close to paralyzing the Nation. But this was nothing compared to the chaos that would result from national electrical power blackouts and brownouts. This would be a national calamity.

Production of power by means of falling water at the Russell—Trotters Shoals—project on the Savannah will be a positive step in South Carolina's environmental improvement and in conservation of scarce resources. Energy production at the Russell project will consume neither coal, gas, oil, or uranium. It will enhance South Carolina's unsurpassed water resources and environmental beauty. In addition to power generation, the project will provide immeasurable fish and wildlife benefits. The resulting lake will augment the nationally known Clark Hill and Lake Hartwell recreation complex.

Mr. Chairman, may I commend the very effective support the Russell project has received from the South Carolina Electric Cooperative Association. Their foresight in supporting the Russell project and other power generating projects in South Carolina and the Southeast has played a vital role in assuring the continued economic and social progress of South Carolina.

Mr. Chairman, this $4.475 billion overall bill is a tremendous step forward toward assuring the Nation's power and water supplies. I urge its overwhelming approval.

Mr. VANIK. Mr. Chairman, I am very disappointed that the committee has continued and expanded funding for new contracts on the Bureau of Reclamation's North Dakota Garrison Diversion Unit. The administration's budget contained a request for $10,555,000 for fiscal year 1975, of which $7.8 million is to complete existing contracts and $2.8 million was for new contracts. In addition to the basic budget request of $10,555,000, the committee provided $1.8 million for expanded work.

Mr. Chairman, the Garrison Unit is probably the worst Bureau project and its continuation will insure public disillusionment with the entire Bureau.

It is an energy and environmental disaster: It consumes more energy than it creates and it wrecks havoc with the environment.

Instead of helping small farmers, it hurts them: The North Dakota Farmers Union has called for a halt to new Garrison Unit contracts until questions involving farm family relocation and other costs to the farmer have been answered. Garrison has become an international sorepoint. The Canadians have protested to the U.S. Government that the project will degrade the quality of water flowing into Canada and, is therefore, a serious violation of the 1909 Water Boundary Treaty.

A year ago, our late colleague, Representative John Saylor—one of the finest conservationists ever to serve in the House of Representatives—and myself offered an amendment to delete further funding of the Garrison project. We failed in that amendment.

It is now a year later, and the Bureau continues to throw good money after bad. Numerous objections have been raised in the courts. The Canadian Government continues its adamant opposition to the project. The cost overruns which have developed on the project will insure a tighter Office of Management and Budget review.

A General Accounting Office study, requested by Chairman REUSS of the House Government Operations Subcommittee on Conservation and Natural Resources, will undoubtedly reveal so many environmental problems associated with the Garrison project that the Council on Environmental Quality and the Environmental Protection Agency will act to end this farce.

In the meantime, it is unconscionable that the Department of the Interior continues to fund this project. The Conservation and Natural Resources Subcommittee has requested the Department to insure that no new contracts be made for the Garrison project until the cost overrun and environmental issues are resolved.

I urge the Department to comply with the subcommittee's request; a halt to new contracts is essential if these moneys are to be saved and if irreversible environmental damage is to be avoided.

Mr. Chairman, I would like to discuss some of the problems associated with Garrison at greater length. I would like to refer interested Members to the debate in the House last June 28 and 29 by Representative SAYLOR and myself.

On July 12, 1973, on page 23682, I entered into the hearing record a letter from the Council on Environmental Quality which described the ecological disasters being created by the Garrison project. At that time, I included a copy of a letter from Russell Train, then Chairman of the Council and presently Administrator of the Environmental Protection Agency, to Secretary Morton concerning the Garrison project. In his letter of June 15, 1973, Chairman Train stated:

> In view of the substantial and severe impacts of this project, including the loss of wetlands, the lowered water-table, the severed farms, and the public controversy and international implications, I strongly recommend that construction on the Garrison Diversion Unit be suspended until these issues have been resolved.

On August 3, 1973, on page 28311, I included in the RECORD a copy of a memorandum to the Commissioner of the Bureau of Reclamation from the Director of the Department of the Interior's Bureau of Sport Fisheries and Wildlife. This memorandum details at great length the problems which the Garrison Diversion Unit would create for the natural wetlands and fish and wildlife facilities throughout the North Dakota region.

On November 13, 1973, on page 36935, I entered into the RECORD a letter from the Honorable Christian A. Herter, Jr., Special Assistant to the Secretary of State for Environmental Affairs, addressed to the Department of the Interior. Mr. Herter—who is also a member of the Canadian-American International Joint Commission—pointed out that—

> The Department of State feels that the draft impact statement does not adequately address the serious international problems of an environmental nature raised by this [Garrison] proposal, and that *the statement is therefore unacceptable from this standpoint.* (emphasis added)

On November 14 on page 37127, I pointed out that the Garrison Diversion Unit appeared to be a clear violation of international law. At that time, I included in the RECORD a letter from Kenneth Rush, Acting Secretary of State, to the Secretary of the Interior. In his communication, Secretary Rush conveyed to the Interior Department, the Canadian Embassy's note No. 432—which, in the strongest terms possible, objected to the continuation of this project by our Government. The State Department was, understandably, concerned over the tone of the Canadian note and pointed out to Secretary Morton that—

> Canada's position is consistent with that which the Department of State has taken in its communications and discussions of the Garrison project with the Bureau of Reclamation. We think that the obligation of the United States under the 1909 Boundary Waters Treaty should be very carefully weighted before further funds are expended on this project. The documentation delivered by Canada in support of its Note suggest that continuation of the Souris section of the project could result in pollution of waters crossing the boundary "to the injury of health and property" in Canada in contravention of our obligation under Article IV of the Boundary Waters Treaty.

On May 28, 1974, on page 16575, I entered into the RECORD a resolution adopted by the North Dakota Farmers Union requesting that further new starts on the Garrison project be delayed until the numerous questions surrounding the project and its effect on North Dakota farmers are resolved.

Finally, on June 4, on page 17571, I entered into the hearing record a number of statements submitted to the House and Senate Appropriations Committees by United Family Farmers Inc. of Carpenter, S. Dak. This group of approximately 500 small family farmers eloquently described the type of problems which are being created by some of the Bureau's massive public works projects.

Mr. Chairman, recently the Department released its final environmental impact statement on the Garrison Diversion project. Try as it may to present a pro-Garrison viewpoint, this massive tome reveals the grim realities of the Garrison project. Because of the importance of this environmental impact statement, I would like to comment at some length on some of the problems which the impact statement raises—as well as some of the many problems which it fails to discuss.

ENVIRONMENTAL DAMAGE

First of all, it is obvious from a reading of the report that the project will involve enormous environmental damage. For example, the Bureau's own report states that—

> Some localized adverse impacts which cannot be avoided will be changes in vegetation and some loss of scattered trees, shrubs, and native prairie . . . Some sections of shelterbelts will be removed . . . about 50,000 acres of grazing land will undergo a land use change . . . Development of features and irrigation will alter or drain about 23,000 acres of water and marsh and about 3,800 acres of temperate wetlands.

Glossing over what could be an ecologically devastating phenomenon, it continues:

> Irrigation drains could lower ground water levels of lands immediately adjacent to irrigated land. This influence will not be extensive but could cause some vegetation changes on subirrigated lands.

The report continues on, detailing the type of water degradation which will occur:

> Estimated increases in average total dissolved solids (TDS) are 796 milligrams/liter (before) to 1,320 milligrams/liter (after) in the Souris River below Minot; 650 milligrams/liter (before) to 800 milligrams/liter (after) in the Sheyenne River; 1,200 to 1,300 in the Wild Rice River; 350 to 400 in the Red River; and 350–510 to 385–550 in the James River.
>
> Some loss of riparian and aquatic vegetation will occur at the excavated areas. Also some natural grassland areas will be disturbed and removed from agricultural use.
>
> Some snags which serve as shelter for fish from predators and feeding areas will be removed. Turbid condition during construction and stabilization will temporarily reduce the fish carrying capacity.
>
> Fish habitat in rivers will undergo a change as streamflows change in quantity, velocity, and quality . . . Development of project features will result in temporary displacement and disturbance of many species of wildlife. Irrigation of 250,000 acres of land will also cause some adjustments of wildlife densities and inhabitants. . .

The impact statement, despite its very pro-Garrison viewpoint, had to admit:

> The quality of other streams and lakes may be somewhat degraded by sediment and salts from return flows and by brackish outflows from saline lakes. Water quality of streams in the Missouri, Souris, and Red River Basins will be somewhat degraded by return flow accruals from irrigation in the Unit.

This admission must be weighed quite heavily in light of the Bureau's extremely one-sided position.

Mr. Chairman, such occurrences as those do have serious ecological implications. In addition, the very superficial nature of the Bureau's analysis of the anti-Garrison arguments is totally insufficient and quiet ominous.

GARRISON IS AN ENERGY LOSER

As for energy, Garrison will "steal" 576 million kilowatt-hours every year. As the environmental impact statement admits:

> Replacement of the 576 million KWH of electric energy . . . would require, with present technology, about 440,000 tons of lignite coal annually which could result in about 25 acres of strip mining.

I might add, Mr. Chairman, that the amount of energy which will be lost in the development of this Bureau project would provide heat for about 20,000 homes. Over the years, the Bureau has developed a reputation for providing power. This project, however, is a consumer of power. To continue with this project is unconscionable during this period of new energy concern.

GARRISON AND THE VIOLATION OF THE 1909 TREATY

Garrison contravenes the 1909 International Boundary Waters Treaty. The increase in salts, nutrients, pesticides will affect the Red, Souris, Assiniboine Rivers and Lake Winnipeg. The connection of the Mississippi and Red Rivers watersheds will introduce rough fish, foreign bacteria, fungi, and viruses into the Red. The Garrison diversion unit is proceeding on this course, despite the pledge by the United States not to pollute Canadian waters. But under Garrison, cross-boundary pollution is absolutely inevitable. The result will be serious, adverse impacts on Canadian waterways and Canadian irrigation plans. For example, Manitoba is currently considering an irrigation system involving the Assiniboine River. However, the Garrison project could destroy that program due to its contamination of the Assiniboine.

GARRISON AND ITS IMPACT ON SMALL FARMERS

Garrison will take 218,000 acres of arable land to irrigate 250,000 acres. All the farm lands involved are already successfully producing grain crops with dryland farming methods, yet many farmers are being displaced by the project.

The impact statement says Garrison's main impact will be a change from dryland farming to a "more intense and viable agricultural economy in the project area." The Bureau argues Garrison will help stabilize declining rural population and stimulate North Dakota's economy. It calculates a net gain to North Dakota farmers of $14 million a year. Yet the sprinkler systems required by the project are estimated to cost $125 to $190 per irrigated acre. The typical farmer with irrigation will have his costs double. The Bureau claims, though, that his income will more than double. Yet existing dryland farming of wheat is thriving economically. In 1973, with the lowest rainfall since the 1930's, wheat production was the greatest ever, according to the "Committee to Save North Dakota."

The impact statement assertion that Garrison will create economic stability is ridiculous. Dr. Glen Sherwood, author of "New Wounds for Old Prairies," says:

> One has to swallow a good deal to believe that the 250,000 acres of irrigated land, 0.6% of the State's agricultural land, will bring significant stability to North Dakota.

Dr. Sherwood reflects on the trap North Dakota farmers and population in general find themselves in. Originally, "I was eager for the promise of Garrison Diversion. So was the rest of North Dakota." But subsequently, as a research biologist with the Northern Prairie Wildlife Research Center, "I found the environmental, economic and social impacts of Garrison Diversion to be far worse than my wildest suspicions. The people of North Dakota, by trusting government and business leaders, have had an unprecedented disaster unleashed upon themselves. Of course, North Dakota's disaster will go right down the river to Manitoba."

Dr. Sherwood continued to say:

> The Bureau claims to hold the interest of small farmers at heart, but there are several good reasons to question this.
>
> First, and most importantly, with irrigation investments and costs of sprinkler equipment at $20,000–$30,000, and an average life expectancy for the equipment of ten years, it seems incredible that the Bureau should really believe that small farmers will be able to survive with such excessive overheads. To have to invest $20,000–$30,000 every ten years will render it virtually impossible for the small family-owned farm to remain economically viable . . .

Finally, Mr. Chairman, the project is an economic disaster. The GAO report to the Reuss subcommittee indicates the type of cost overruns which will continue to plague this project. Garrison was originally estimated to cost about $212 million when it was first authorized in 1965.

It is now estimated to cost more than $400 million. I would predict that—with only 18 percent of the project now done—that it would end up costing over $1 billion if carried to completion.

The impact statement's benefit-cost analysis is an example of deception through omission. The original cost-benefit ratio was figured to be 1 to 2.51. This included indirect benefits. The final impact statement excluded indirect benefits from its cost-benefit ratio of 1 to 1.67. With this calculation, there is no reference to the specific discount rate used. The discount rate is a percentage factor involved in figuring the effect of inflation on future costs and benefits. Dr. Sherwood computed the Bureau used a 2.8-percent discount rate. The discount rate required by the Water Resources Council gives a ratio of 1 to 0.75. The Council's new recommended rate of 7 percent sends the ratio down to 1 to 0.42, a totally uneconomical ratio—the cost of the project will be more than twice the value of the program.

The "Garrison Report," a publication of concerned local citizens, states:

> Had the Office of Management and Budget been given a valid cost-benefit study, it is probable that the Garrison Diversion Project might never have been approved.

Mr. Chairman, in view of these factors, I urge the Department to suspend new contracts on the Garrison project. I hope that next year, when the committee considers the Bureau's appropriation, it will find a way to close out this unnecessary and harmful project.

Mr. Chairman, I am opposed to this legislation providing fiscal year 1975 appropriations for the Atomic Energy Commission and a variety of public works projects.

There are many good programs and projects included in this bill. There is also entirely too much waste. The area of construction activity should be one of the easiest places in which we could and should make budget cuts. Instead, the bill increases the budget request by over $63 million, to a grand total of $4,475 million. If we are to stop inflation, one of the prime places to make cuts is in the public works bill. For generally speaking, this is not a bill designed to aid the unemployed and the urban poor. Rather, it is construction work in rural areas, where, in many cases, there are manpower and material shortages.

I object to the level of appropriations for military-use nuclear materials and to the continued determination of the AEC to proceed with the fast breeder technology. The administration is committing this Nation to a plutonium economy—and plutonium is perhaps the most dangerous substance man has ever known—reportedly more dangerous than the venom of a cobra. The AEC keeps telling us there can be no accidents. Yet, the number of reported "minor incidents" continues to increase.

Just last month, there was the discovery of a substantial plutonium leak at an enrichment plant in my own State of Ohio. At the rate we are going, the odds will soon favor the chance for a major accident.

Instead of continuing our commitment to fission nuclear energy, we must place a new emphasis on conservation, hydrogen fuel, and solar energy.

I object to this legislation, because it continues massive corps projects designed to "double-lane" the Mississippi and provide new extensions of barge navigation. It is absurd "public policy" to continue massive barge projects at the very time that we are preparing "counter-subsidies" to maintain our railroad systems—systems which have been damaged by the heavy subsidies given to river traffic.

I object to these Bureau of Reclamation projects which consume more energy than they create, which drive the small farmer off the land, which degrade the environment, and almost always cost twice as much as originally estimated.

Mr. Chairman, this bill should be reexamined to eliminate or "stretch out" the work on those projects which are not vital to the immediate economic needs of the Nation and to provide clearer emphasis on those projects which are needed.

Finally, I am concerned that this bill totally fails to provide for a comprehensive water plan for the development of our Nation's oil shale resources.

During recent months, the Department of the Interior has begun to lease public oil shale lands in Colorado and Utah. Oil company bids for these valuable lands have exceeded the Department's wildest dreams. It is obvious that the oil shale lands of the Rocky Mountains constitute one of our Nation's most valuable and precious natural resources. The Department has calculated that there are 600 billion barrels of high grade oil shale that is recoverable. There are also enormous quantities of lower grade shale containing trillions of barrels of oil.

For some years, a number of us have been concerned that the public's interest in these oil shale lands be adequately protected. I have been concerned that the lands are being virtually given away and that the public is not receiving an adequate return for this oil treasure. I believe that the creation of a TVA-type corporation could provide for the orderly development of the shale lands, protect the environment, and provide a price yardstick to insure that the oil is produced in the best manner possible.

It now appears that there are other serious problems involved in oil shale development. Water is needed in the process which is used to separate the oil from the shale. According to the Department of the Interior, only about 2,500 barrels of oil can be produced from each acre-foot of water consumed. Given the available water in the dry Rocky Mountain plateaus, it is obvious that water shortages will place severe limits on the amount of oil we can produce from the shale deposits.

I recently wrote to the Department of the Interior's Bureau of Reclamation regarding the water situation in the Upper Colorado. The Bureau has replied, indicating that there are severe problems. It is obvious that if this Nation is serious about developing energy independence, we will have to develop a new water plan. Planned and scheduled projects may have to be reevaluated, downgraded, or terminated to maintain or increase the amount of water available for oil shale development. New efforts must be made to find a way to obtain more oil per unit of water. Before proceeding with additional Bureau of Reclamation projects, the Congress should determine precisely which projects are truly important, what national resources should be committed to the development of the oil shale lands, what the environmental effects will be, and who should bear the costs.

I would like to enter in the RECORD at this point, the full text of the Bureau's letter to me relating to water resources available for the development of oil shale lands:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C. April 11, 1974.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Your letter of March 11 inquires about the availability of water for oil shale development from Bureau projects in Colorado, Wyoming, and Utah.

In general, there has been no water set aside specifically for oil shale development, but a number of projects, both constructed and in various stages of planning, have water available for municipal and industrial uses. These uses include oil shale development, residential needs, coal conversion requirements, and other industrial uses. As vast deposits of low sulphur coal and other natural resources exist in the same general area as the oil shale deposits, it is likely that only a portion of the municipal and inindustrial water available will be utilized for oil shale development. The following tabulation lists the quantities of municipal and industrial water currently available or with potential for development.

M. & I. WATER SUPPLY—BUREAU OF RECLAMATION

Feature and project	Annual quantity of water (acre-feet)	Status
COLORADO:		
Ruedi Reservoir, Fryingpan-Arkansas project.	33,000	Constructed.
Green Mountain Reservoir, Colorado-Big Thompson project.	45,000	Do.
Yellow Jacket project	(1)	Feasibility study.
West Divide project	77,000	Authorized project.
Lower Yampa project	(1)	Feasibility study.
Total, Colorado	155,000	
UTAH:		
Jensen unit, central Utah Project.	7,200	Authorized project.
Ute Indian unit, central Utah Project.	(1)	Feasibility study.
Total, Utah	7,200	
WYOMING:		
Fontenelle Reservoir, Seedskadee project.	200,000	Constructed.
Sublette project	(1)	Feasibility study.
Total, Wyoming	200,000	

[1] Under study.

In addition to the above quantities of water, about 107,000 acre-feet per year of Colorado River water allocated to Utah, 50,000 acre-feet to Wyoming, and 12,000 acre-feet to Colorado have not been identified with a need and could be used for oil shale development.

The above quantities of water total about 530,000 acre-feet per year. It must be emphasized that oil shale development will be only one of many competing potential uses for this remaining water, among which are coal development, residential needs, fish and wildlife needs, and recreational requirements.

The vast oil shale deposits of Colorado, Utah, and Wyoming include more barrels of high-grade oil than the entire world reserves of petroleum. The high-grade oil shale includes only those deposits 10 feet or more in thickness with 25 or more gallons per ton. The reserves are located approximately as follows (in billions of barrels):

		Percent
Colorado	480	80
Utah	90	15
Wyoming	30	5
	600	100

Depending upon the process employed, about 2,500 barrels of oil can be produced with each acre-foot of water consumed. Therefore, in the unlikely event that all of the above 530,000 acre-feet of potential water supply are used in oil shale development, it would have a capability of producing about 1.3 billion barrels of oil from oil shale per year, or less than one-quarter of today's requirements in the United States.

If the vast oil shale deposits are to be utilized to make the United States independent of imports, additional water supplies will be needed in the Upper Colorado River Basin. The Bureau of Reclamation has several research investigations currently underway of possible ways to augment the water supply. These programs are described on page 5 of the enclosed "Western U.S. Water Plan, 1973 Progress Report."

Thank you for your interest in our program.

Sincerely yours,

G. G. Stamm,
Commissioner.

Enclosure.

Western U.S. Water Plan, 1973 Progress Report

WATER AUGMENTATION

Research and pilot projects indicate that cloud seeding can add 1.5 to 2 million acre-feet annually to the Colorado River. The Colorado River Basin Pilot Project in the San Juan Mountains of southwestern Colorado has accrued 86 of the 160 experimental days needed for sound statistical evaluation. Studies are underway to resolve the questions of possible environmental effects, both immediate and long range; legal ownership of additional water and effect on state water rights; potential augmentation in 12 western river basins under various types of snowfall years with estimates based on weather data from the past 20 years; and the effect on avalanche hazard and appropriate means of control.

Seeding operations occurring in the pilot project are suspended when avalanche and flood hazards and operational experiences under rapidly changing weather conditions dictate. Cost analysis of field activities verify early estimates of producing new inexpensive water ranging between $1.00 and $2.00 per acre-foot, plus any necessary environmental monitoring costs.

The environmental studies of possible detrimental effects of cloud seeding in the Colorado River Basin and elsewhere are revealing that ecological impacts are difficult to determine. These studies suggest that there may be much less ecological impact than often expressed. Favorable public acceptance of weather modification appears to be gaining; at the local level, weather modification is becoming recognized as a legitimate means of meeting water needs. The results of the Bureau of Reclamation's Project Skywater are attaining important national recognition. Additional pilot projects are scheduled to be conducted in the Northern Sierras in cooperation with the State of California, and in the North Platte River Basin.

Mr. DRINAN. Mr. Chairman, in each of the past 7 years, the House has considered and rejected funding for the Dickey-Lincoln School hydroelectric power project on the St. John River in Maine. The seriousness of the energy shortage in New England has led to the resurrection of the project in the proposed public works appropriation for fiscal 1975. I strongly support constructive programs to help meet New England's energy needs, but I do not believe that we should blindly approve every project which comes before us now on the grounds that it relates to energy. The Dickey-Lincoln project is no less deficient now than it was the last seven times this body turned it down. For that reason, I support the amendment offered by my distinguished colleague from Massachusetts to delete the funding provided for this project in the bill before us.

Proponents of the Dickey-Lincoln project claim that it would alleviate New England's energy shortage. If the statistics bore that claim out, I would be joining with them this afternoon. Yet evidence indicates that by 1983, the earliest possible date this project could be completed, New England will be consuming an estimated 100 billion kilowatt hours each year. The Dickey-Lincoln project would supply 1.1 billion kilowatt hours, about 1 percent of the region's total energy needs.

Dickey-Lincoln's power would supply a greater portion of New England's peaking power—an estimated 10 percent. But the limited water level of the St. John River would permit Dickey-Lincoln's generators to operate for only 2½ hours daily. Thus, Dickey-Lincoln could not replace other peaking facilities; it would merely allow such facilities to halt their operations for a few hours each day.

Moreover, all electricity generated by Dickey-Lincoln would be marketed by the Department of the Interior under the provisions of the 1944 Flood Control Act. Outside of Maine, municipal utilities, cooperatives, and other preference customers would have first priority in purchasing this peaking power. Ninety-two percent of New Englanders, served by privately owned utilities, would receive no benefits. In summary, the project would have negligible impact upon New England's energy supply.

Advocates of funding for Dickey-Lincoln also assert that the project would be economically feasible. They stress the benefit/cost ratio of 2.6 calculated by the Corps of Engineers. If we examine the intricacies of that figure, Mr. Speaker, we discover that the corps has performed a bit of economic slight-of-hand. In determining the cost of the proposed project, the corps used an imaginary 3.25 percent interest rate and a wishful rate of zero inflation for the next 10 years. Yet, in calculating the cost of possible alternatives, the corps assumed an annual interest rate of 8¾ percent.

If we employ a realistic interest rate of 6⅞ percent and take into account the current inflation rate of 8 percent, the cost of the project, by the corps' own estimate, would escalate to $839 million, reducing the benefit/cost ratio to 1.1. At the going market interest rate of 8¾ percent, the one utilized by the corps in considering alternatives, the b/c ratio falls to .95.

Using its own figures, the Corps of Engineers estimates annual savings to New England consumers on their electric bills at $11.7 million, about ½ of 1 percent of the current total cost. When the true price of this project is considered, actual savings would be far lower or nonexistent. If we assume an inflation rate of 8 percent, the electricity generated by Dickey-Lincoln would cost 4.2 cents per kilowatt hour compared to 4.1 cents per kilowatt hour for fossil-fuel generated electricity supplied by private utilities. Whatever the actual final costs of this project, its economic feasibility lies strongly in doubt.

Apart from considerations of how much power the Dickey-Lincoln project would supply and at what cost, the project would ruin thousands of valuable acres of wilderness in northern Maine. The lake created by the massive Dickey Dam would flood 140 square miles of irreplaceable land used for recreation and as a prime source of lumber. In addition, the dam would flood nearly two-thirds of the upper St. John River, destroying a large part of the finest canoeing and fishing region in the Northeast. Finally, powerlines planned to run from the Dickey-Lincoln site to Boston, a distance of 400 miles, would bisect Baxter State Forest and other scenic areas, contributing to visual pollution of this unspoiled area. The disasterous environmental impact of this project must be taken into account in a comprehensive analysis of benefits versus costs.

Finally, Mr. Chairman, it is important to note that the problems which the Dickey-Lincoln project purports to meet could all be solved more effectively in other ways. The springtime flooding which has long beset the town of Fort Kent could be controlled by building a protective dike at a cost of $1 million instead of implementing an $800 million project. It is true that funding the Dickey-Lincoln project would provide some additional jobs to a section of Maine. Yet most of these construction jobs would be for low-paid unskilled labor, and most would disappear when construction was completed. I would greatly prefer initiating a program of Federal aid to open up this lovely region to all Americans as a protected recreational area. Such a program would provide permanent jobs to local citizens and enhance, rather than decimate, the beautiful lands of the St. John Basin.

I urge the Members of Congress to accelerate their efforts to provide New Englanders and all Americans with clean, abundant and inexpensive electricity through responsible legislation. Alternative sources such as solar and geothermal energy must be fully explored. The construction of safe nuclear generating facilities should be stepped up. The Federal Government should assume a more active role in the development and distribution of our petroleum and coal resources. But let us not lose our perspective and our keen sense of judgment in the heat of the energy crisis.

Mr. ROY. Mr. Chairman, I rise in support of H.R. 15155, the public works appropriations bill. This bill appropriates funds for many important flood control projects in Kansas.

I am particularly pleased that the House Appropriations Committee included funds for road improvements at two projects in my district. The administration's budget proposed that no funds be appropriated for Perry Lake and Tuttle Creek. The committee included $400,000 in construction funds for Perry Lake road improvements and $20,000 in planning funds for Tuttle Creek road improvements.

These two projects are very near and dear to my heart, because they are so important to my constituents. As I wrote to the Public Works Subcommittee of the House Appropriations Committee on April 30, 1974:

> Primarily designed for flood control, Perry Reservoir has become one of the most important and popular recreation areas in Kansas. It serves more than 3 million people per year. The need for construction of Perry Lake access roads is even more evident and acute than when I first introduced the legislation for their improvement in July 1971. Suffocating dust clouds hang over the area from May through September each year, constituting a health hazard to all those living in the Perry Reservoir area. It is imperative that something be done to alleviate the hardships imposed upon all those who live near, or visit, this facility.

I am gratified that the committee included $400,000 in construction funds for this purpose.

In the same letter, I urged funding for preconstruction planning for Tuttle Creek roads. I introduced legislation to authorize these road improvements and this was included in the recently approved Water Resources Development Act of 1974. In my letter to the committee, I justified the need for funding:

> When Tuttle Creek Dam was first proposed and later constructed, its primary function was for flood control. It was planned that the Corps would build new roads to replace existing roads below the high water level, vacating the lower roads. The Corps fulfilled their contract, but before it was completed, Tuttle Creek had become an important recreation facility. Attempts were made to close the existing roads which were below the high water level, but objections were raised by land-owners and the Corps, saying that access to the leased lands and recreational areas would be cut off. The net result is that the existing roads must be maintained by the local County Commissioners at prohibitive costs, since the roads and bridges are frequently covered with mud and logs.

Again, it is gratifying that the committee included $20,000 in preconstruction planning for Tuttle Creek roads.

The Perry Lake and Tuttle Creek projects are of vital importance to me and to many of my constituents. I am pleased that H.R. 15155 makes provision for funding for road improvements at these projects.

Mr. GILMAN. Mr. Chairman, I regret that this may be the last Public Works measure which my distinguished colleague and neighbor from New York (Mr. ROBISON) has the opportunity to work on. HOWARD's decision to retire from the Congress will mean a loss of one of our finest and most hardworking Members. As dean of the New York Republican delegation Congressman ROBISON has willingly guided and assisted any and all who have come to him. His 16 years of service, faithfully representing the 27th District of New York State, have earned him a fine reputation as an effective and distinguished leader. While I regret his departure from the Congress, I feel certain that his dedication to our Nation will continue to shine as he fulfills his new responsibilities in the role of a professor.

Mr. Chairman, I am pleased to rise in support of the bill before us, H.R. 15155, the Public Works appropriations measure.

I am particularly pleased that the committee has provided adequate language to prevent construction of the Tocks Island Lake project for 1 year in order to permit an ample opportunity for the many questions remaining unanswered with regard to the development of the Tocks Island recreation project.

The 26th Congressional District of New York, which I represent, lies immediately adjacent to the Tocks Island project area on the east bank of the Delaware River.

While the proposed Tocks Island Lake has been "in the works" for over 10 years, there are many environmental and fiscal problems remaining to be resolved prior to any construction. The most serious of these questions involves the possible eutrophication of the reservoir's waters. All of the interested parties clearly recognize the need to control nonpoint pollution resulting from seepage of dairy and poultry wastes in the upstream river basin area. How this will be accomplished and who will pay for such pollution controls is still open to question.

Additionally, I am concerned about the potential impact of the proposed Tocks Dam on the fish and wildlife resources of the region. The free-flowing Delaware has always been a source of enjoyment for the sportsmen in our vicinity. It is of utmost importance that the aquatic life and the spawning areas of the Delaware are duly considered and protected from the adverse effects of any hasty construction.

While these ecological problems await resolution, there is also the need to concern ourselves with the proximate results of the proposed lake. As originally conceived, the proposed recreation facilities were anticipated to handle a recreation load of more than 10 million visitors per year. With such a massive influx of tourists into our rural area, there will be critical need for the development of expanded and improved water and sewerage, for more highways and for ancillary services—all of which will incur burdensome costs on local government. To date, we have not resolved how these additional costs will be absorbed.

Accordingly, with so many vital, unanswered questions it is reassuring that the committee has wisely seen fit to postpone construction until such time as we are able to make certain that the problems associated with Tocks Island are adequately resolved.

Mr. RANDALL. Mr. Chairman, H.R. 15155, the appropriations bill for public works for fiscal year 1975 is a measure which has been carefully considered by the committee as is so clearly shown by the report which accompanies the bill.

Who among us has so short a memory that we cannot remember this appropriation bill was referred to in the past as the annual pork barrel legislation? Well, those who prefer can continue to use such descriptions but somehow in the last few years the people of this country have come to realize that flood protection, power from hydroelectric sources, and recreational benefits is something that is vital to this country and deserves a better description than pork barrel.

As the report so eloquently expresses it:

> The purpose of this bill is to build a stronger America. It represents a substantial investment in the future of our country. This investment will pay rich dividends in services for our people and in economic benefits to the Nation.

No doubt anyone who takes the time to praise the Subcommittee on Public Works will be suspect of being provincial or parochial. But the answer to such suspicion is the fact that the composition of the subcommittee is not only bipartisan but comes from widely scattered sections of our country. Moreover, a careful look at the bill itself and the report will show that the committee exercised the most careful discretion in setting priorities. There were some reductions, there were also some additions. In general, appropriations were provided for the items exactly as recommended in the budget with few exceptions.

Mr. Chairman, one exception that I feel was certainly merited was the increase from the budget item of $30,500,000 to a figure of $43,000,000 for the Truman Dam and Reservoir which covers several counties in the Fourth District of Missouri which is the district that I have the privilege and honor to represent. I would be the last to claim any special consideration or favortism by the subcommittee or by the full committee. Of course, I appeared before the subcommittee on the 29th and 30th of April when a delegation from our district testified in favor of the Missouri projects. Of course, it is no secret I urged my colleagues on the subcommittee to go higher on the budget not because I regard myself as a "budget buster" but because this project in the past has been beset by lawsuits commenced by environmental groups and has been slowed not only by these lawsuits but by threats of impoundment or put aside in budgetary reserve, and there have been some times the corps did not have the capability to use the funding appropriated.

To recapitulate, the Truman Dam and Reservoir project, which for many years was known as the Kaysinger project, has suffered from lack of funding. The committee must have recognized this. The committee must also in its deliberations have recognized that in this project not all the land which was needed has been acquired and that there were many landowners that were faced with the uncertainty of not only of whether they would have to move but when they would have to move. In my judgment, the Truman Dam project has suffered greatly because of the delays in funding and if it were to be delayed further there could be a cost figure reviewing many millions of times higher than the original cost estimates.

No. The increased funding for the Truman project formerly known as the Kaysinger project was not the result of any special favoritism or even the result of any super salesmanship from any source. The delegations which appeared presented a strong case for more funding. They put their best foot forward. They were pursuasive but in the last analysis the action of first the subcommittee and then the full committee, in my judgment, was a logical and commonsense realization that we in this country are still in the midst of an energy crisis. The committee realized that the Truman project had been too long delayed.

The committee realized that there was a capability by the Corps of Engineers to use $43 million. They reasoned that here was a project that should be singled out for priority status because it was a project that would produce much-needed hydroelectric power.

The committee report itself indicates that the committee went out of its way to locate by careful survey those projects which would produce hydroelectric power and to make certain that as to these projects there was funding equal to the capability of the Corps of Engineers for fiscal year 1975. That is exactly what happened with the Truman project. The committee recognized this as a priority project because the committee, like the rest of us so well appreciate the fact that there remains a serious energy problem faced by the Nation and the construction of hydroelectric power projects is one of the very best ways to contribute to the solution of the energy crisis.

Well, the Truman project has suffered from some delays. As I mentioned earlier, there were the suits by the environmentalists groups. There was a lack of funding always below the capability of the Corps of Engineers to use the funding. During all of these years a group of public-spirited citizens came to Washington each spring to present their case and to argue persuasively but, as it too frequently turned out, not too effectively. They argued that the longer the project was delayed the more it would cost. They argued each year that the more the project was delayed the longer the areas would have to wait for flood control, hydroelectric power, and recreational benefits.

In passing it, I would be amiss, in my judgment, if I failed to point out the shortsightedness of those who filed the suits to try to stop the construction on the Truman project because of some alleged adverse environmental impact. I had always been led to believe that the purpose of any environmental organization was to achieve a desired objective or a beneficial result with the very least adverse environmental impact. Surely, they could understand that these lawsuits were not only ill-timed, ill-advised, and unwise, but those who participated as plaintiffs were suffering from severe shortsightedness. Those who were responsible for filing these lawsuits, surely in their myopia, they should have seen that they were preventing the construction of the one remaining pollution-free source of electricity—hydroelectric power.

Mr. Chairman, the true environmentalists in my judgment are those who had to go about to collect funds in order to defend the lawsuits brought by those pseudoenvironmentalists who seemed intent upon stopping the Truman project. The true environmentalists, at considerable personal expense, finally prevailed and I describe them by this name because when the Truman project is complete it will be a source of a substantial amount of hydroelectric power, all of which is pollution free.

Of course, those of us who have seen the Truman project move at a snail's pace are happy that the House has acted to increase the funding of this project by $12,500,000. It might be a coincidence that the delegation that visited here in April asked for exactly what was appropriated but let me repeat that that was purely a coincidence. The facts are that the Corps of Engineers had the capability to do $43 million worth of work and the further facts are that this project was singled out for priority status because it contains a hydroelectric power generating unit that can be completed within a time frame to help solve the energy crisis of a susbtantial portion of the State in which this great project is situated.

Mr. Chairman, let me say hats off to the good work of the subcommittee and to the fine work of the full committee on appropriations. We salute them for their careful scrutiny of the many projects that came before them for consideration. We applaud the fact that the projects they singled out for priority status were done not by accident or by chance or coincidence but rather by a careful study of the priorities involved including the capabilities of the Corps of Engineers on those projects which would contribute to the solution of our energy crisis.

Mr. EVINS of Tennessee. Mr. Chairman, I have no further requests for time.

Mr. DAVIS of Wisconsin. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

Mr. GIAIMO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 100 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction): $988,533,000 to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be wtihin the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That $1,800,000 of this appropriation shall be transferred to the Bureau of Sport Fisheries and Wildlife for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), $150,000,000, to remain available until expended: *Provided*, That not less than $250,000 shall be available for bank stabilization measures as determined by the Chief of Engineers to be advisable for the control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District Engineer and the State Conservationist.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 5, lines 18–19, strike out "$988,533,000" and insert "$987,733,000".

Page 6, line 6, insert immediately before the period the following: ": *Provided further*, That none of the funds appropriated under this act shall be available for the multipurpose Dickey-Lincoln School Lakes project".

Mr. CONTE. Mr. Chairman, the amendment that I and my colleagues are offering is to strike from the bill before us the $800,000 committee addition to the Corps of Engineers' "Construction, general" request to be used for resumption of preconstruction planning and design on the Dickey-Lincoln School project.

Since 1967, the House has refused further funding for preconstruction work on Dickey-Lincoln. We have had this proposal before us, in one form or another, seven times in that interval.

Here we are again. And nothing has changed. I want to make that clear.

The energy crisis is invoked as a rationale for throwing more money after the $2.2 million that has already gone into this ill-conceived venture.

Certainly, we have an energy crisis. No one knows that better than I do. Not only do I come from New England, which felt the worst of the crisis this past winter because of its dependence on foreign oil, but I have been pleading for a rational energy policy for this country for the 16 years I have served in the Congress.

But the energy crisis does not change the basic facts about Dickey-Lincoln, and about the Upper St. John River Basin.

It does not change the fact that the project would be an environmental disaster.

In the last great wilderness area in the Northeast, and one of the last in the Eastern United States, on the free-flowing St. John River, it is proposed to build two dams—one larger than the Aswan Dam on the Nile.

Briefly, construction would take 110,000 acres of this wilderness area, not counting right-of-way slashes for long-distance transmission lines; 89,000 acres would be flooded. The reservoir behind the big dam at Dickey would extend almost 60 miles up the mainstream of the St. John, and miles of neighboring rivers and streams would be inundated. Seventy million cubic yards of earth and rock would be quarried or dug for the dams and dikes at the expense of some of the area's most beautiful country.

The project would bring the loss of one of the finest, if not the finest canoeing rivers in the country, some of the country's finest brook trout fishing, winter feeding yards for deer that could be only partially replaced and at great cost, duck breeding habitat, and, in the flowage area alone, timber at a conservatively estimated annual mill value of about $660,000, as well as access to other timber harvesting areas.

Proponents of the dams cite their estimated annual power output of 1.2 billion kilowatts. That is only 1½ percent of New England's annual consumption now; it will be less than 1 percent by the time the project is completed. Most of the project's output will be for peak periods only. Because of the small water flow in the St. John, the major part of the project's generating capacity will be unusable most of the day. That at the big dam at Dickey would operate only 2½ hours a day. Summer peak power utilization periods run 6 hours and over.

By law, power will go first to preference customers and cost considerations will give priority to Maine. The Congress has no hard assurance that any power at all will actually be available elsewhere.

As for the substantial reductions in rates for electricity that some proponents have promised New England, even if we accept the corps' estimated cost of 2.9 cents per kilowatt hour, as against fossil fuel alternatives of 3.4 cents, the savings would be only a fraction of 1 percent of New England's $1.6 billion power bill.

The corps' cost estimates for the project fail to include such things as increasing costs over 7 years of construction or a profit for the contractors. The vaunted cost-benefit ratio is meaningless. A borrowing rate of 3¼ percent is used to calculate the corps' cost; and 8¾-percent rate for the alternative; $1.25 million is included for "enhanced recreation value" resulting from the project; nothing is included on the other side for loss of wilderness' recreation. I could go on. The point is that Dickey-Lincoln actually promises little in power benefits. The cost in environmental destruction is fearful.

Remember, the funds in this appropriation are for planning and design leading to construction. We have been promised that first priority will go to an environmental impact study. Frankly, I do not know what more a study can tell me about the impact of the 11th largest dam in the world, and the sixth largest in the United States, on a wilderness area. We are asked why we should object to further study of the issue. I want to point out to you that elsewhere in the bill, an additional $35,000 is appropriated for the on-going St. John River study. Our amendment does not affect that study. I am opposed to resuming preconstruction planning and design activities.

My major objections to this project are that it will give us the illusion we are actually doing something about the energy crisis and that it looks backward. It looks to the kind of power development we placed our bets on decades ago. We should be looking to alternative sources of power, to developing new technologies. For that matter, spending the money that Dickey-Lincoln will take on storm windows or heat pumps would give us far greater power returns.

The impression has been created that this project has wide support in New England. Over the past weeks, I have received hundreds of letters from all over New England in opposition to it.

To set the record straight, when we go back in the House I will ask unanimous consent to include these in the RECORD.

I hope all of my colleagues will take a look at this map and see where the two dams will be located and see what they will do and what they will destroy in this great wilderness area. Members will recall we are spending elsewhere in our country a great deal of money to provide habitats for ducks, we are spending millions of dollars every year, and here we will be ruining those habitats, and we will be ruining two of the greatest trout streams in the country, the Black River and the Little Black River, and we will flood the St. John River 60 miles upstream, which is one of the finest rivers in the country.

I hope this project will be defeated.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, can the gentleman tell us how far upstream these dams will back up the waters?

Mr. CONTE. It will take the waters 60 miles up the St. John River.

Mr. WYMAN. And after that, when the dam is filled up, will we not then have a lake the shoreline of which will be available to people and the waters of which will be full of fish?

Mr. CONTE. The gentleman is avoiding the question. The gentleman has always been opposed to this project but this year he has gotten timidity because of the energy crisis. This will destroy—and the gentleman is an outdoorsman—two of the finest trout brooks we have in Maine. If the gentleman wants to say that we will have a lake fishery, yes, we will have a lake fishery.

Mr. EVINS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an amendment to strike $800,000 from the bill for the planning work for the Dickey-Lincoln project. This project is an old friend from Maine and New England which Congress has considered many times, as we will all recall.

The Senate has always passed the Dickey-Lincoln project; but it has failed to muster a majority in the House. The Dickey-Lincoln project was authorized 10 years ago. Originally the private utilities opposed this project, but now because of the energy crisis, they have lessened their opposition and now the opposition is from the environmentalists.

There must be some working out of this problem. The longer the project is delayed the more the cost will escalate. The benefit-cost ratio has risen to 2.6 to 1; it is one of the few remaining hydroelectric power projects in the Nation. This project will have onsite annual power generation of 1.2 billion kilowatt-hours. This will greatly aid the New England area.

I would point out that about $350 million will be paid to the Federal Government from the sale of power from this project.

I want to say once again that we feel the House should be allowed to work its will on this project in view of the energy problems faced by the New England area.

Mr. COHEN. Mr. Chairman, I rise in opposition to the amendment to delete the $800,000 preconstruction planning appropriation for the Dickey-Lincoln hydroelectric project which, if approved, would be located within the Second District of Maine. I cannot urge my colleagues too strongly to vote against this amendment which would have the effect of killing an energy project that has been needed in New England for over a decade.

In the past 12 months, we have all learned a great deal about the fundamental relationship between adequate energy resources and the economic, political, and social well-being of our Nation. To be sure, we have learned that an unbalanced energy budget leaves this country politically and economically exposed. We have learned that we can no longer afford to ignore the reality that we have fixed resource boundaries. We have learned that the era of cheap, abundant energy is over, and that radical changes in our oil-based economy cannot be denied any longer. And, we have learned that we can no longer base our energy policy upon the shifting sands of other nations' passions and policies. Clearly, the challenge confronting us is to apply the lessons of the past year in planning for the future energy needs of the United States.

It has now been almost 10 years since Congress initially authorized the construction of the Dickey-Lincoln project. During this period, Dickey-Lincoln has generated numerous studies and extensive debate—but no electricity. To date, more than $2 million has been spent on preconstruction planning, which the Corps of Engineers has testified is about 60 percent complete. Regrettably, the project has received no appropriations since 1967, despite continuing testimony from the corps that Dickey-Lincoln remains a most worthwhile project. The present 2.6-to-1 benefit-to-cost ratio is considerably more favorable than many projects which have been funded in recent years.

While it is true that total project costs have risen, the economics of energy have changed suddenly and dramatically in recent months, leaving our traditional assumptions concerning price and supply badly in need of readjustment. I do want to stress, however, that Dickey-Lincoln is not an expenditure without economic return. The power revenues generated from the operation of the project would be used to reimburse the Treasury for all but a small percentage of the total cost of Dickey-Lincoln.

New England's need for expanded hydroelectric generating capacity has never been greater. The severe impact of the energy crisis on the region has only further underscored this fact; 1973 figures reveal that New England is 63 percent dependent on oil for its electrical power generation, a significantly higher dependence than any other area in the country. The Middle Atlantic region, which is the second highest in dependence, is 37.2 percent dependent on oil for electrical power generation. As a result of the central role that oil plays in the energy picture of New England, the tripled world oil prices of recent months have imposed additional economic and personal hardships on the consumers in the region, who were already saddled with higher electrical rates than most areas of the country. While I am not suggesting that Dickey-Lincoln will dramatically lower individual consumer electrical bills—rarely does any single power unit materially affect power costs to the consumer—I do believe that the generation of an additional 1.2 billion kilowatt-hours of electricity per year to the region could be an important factor in helping to stabilize power costs. In any event, it is apparent that New England consumers will not realize any relief from high energy costs if the lowest cost energy alternatives are left undeveloped.

Because the onset of the energy crisis has been an instructive experience for all of us, I am hopeful that the Dickey-Lincoln project will be viewed more favorably among my colleagues than it has in the past. Many of Dickey's former adversaries, including private utilities, have already indicated their support for the project, and others have indicated that they will not oppose additional Federal planning funds. Moreover, the project has received the editorial support of several newspapers in New England and the approval of all six New England Governors. As the Corps of Engineers pointed out in testimony before the Public Works Appropriation Subcommittee earlier this year, both the Department of the Interior and the Federal Power Commission continue to feel that Dickey-Lincoln "has a proper integration into any plan to meet expanding (power) growth."

Many of Dickey's critics have charged that the project will benefit only the State of Maine and that the amount of power generated by the project would not be substantial enough to warrant construction. It has been stated that large nuclear plants or oil-fired plants could produce far greater power than Dickey-Lincoln at less cost. Such statements are misleading. Thermal and nuclear units are intended for base load power, while Dickey would be a peak load facility designed to meet regional needs. Comparing a base load power facility with a peaking power facility is as one proponent of Dickey has put it "akin to comparing apples and oranges. During peak demand periods of the day, our total generating system must have the capacity to expand by as much as 15 to 20 percent. A nuclear plant which is most economically and efficiently run for 24 hours per day clearly does not have the flexibility for peaking power. For peak power demands, our generating system must depend upon thermal units, pump storage facilities or hydroelectric power. Hydro power, with its low operation cost, is by far the most economical means of meeting this demand.

I am fully aware of the concerns of many over the impact of the Dickey-Lincoln project on the environment. I can appreciate these concerns and strongly believe that we must take every precaution to insure that Maine's scenic and recreational resources are protected. In this regard, it should be noted that the Dickey-Lincoln complex will have no adverse impact on the Allagash wilderness, will flood only about one-half of 1 percent of Maine's timberland, and will displace only about 2,000 of the approximately 180,000 deer in the State. One of the purposes of the continued planning funds for this project is to provide all interested parties with the data and information necessary to make a more accurate assessment of the environmental impact of the project. Until we have such information, there is simply no way that we can accurately assess the potential impact of Dickey-Lincoln on the environment.

As we face the increasing reality that the end of the fossil fuel era is rapidly approaching, it becomes evident that this fact also signals the birth of a new era—an era in which an imperative need exists to develop available, nonpolluting, and renewable sources of energy. Efficiently operated hydroelectric plants are generally recognized to yield the cheapest and cleanest energy. At the present time, however, about 70 percent of the hydroelectric power potential in the United States remains untapped. Put another way, an existing energy resource that could produce almost 500 billion kilowatt hours of electricity annually is being ignored. I strongly believe that our underdeveloped hydroelectric resources can play an increasingly important role in meeting the energy needs of this Nation, and I urge my colleagues to join me in opposing this amendment which seeks to further impede this effort.

And let me take this opportunity to address myself to some of the points raised by the gentleman from Massachusetts.

CHARGE

Dickey-Lincoln would cost too much.

REBUTTAL

The primary users of Dickey power will pay for the project. Consumer-owned municipal electric and rural cooperative systems will be allocated the power output of the Federal project and they will pay back 85 percent of the total project cost in its first 50 years of operation. These public power systems will also operate the project by making the peaking capacity available to the entire regional power system, thus offering a low-cost addition to power supply which will benefit all New England consumers, not just the 8 percent served by the publicly owned utilities.

CHARGE

Dickey-Lincoln would lead to degradation of the environment.

REBUTTAL

Dickey-Lincoln will change the St. John, at least the 66 miles involved out of the total 400 miles of riverway. But it will not ruin it. It will conserve clean water, provide permanent flood control for the Fort Kent region, improve stream flow by regulating constant water levels, open up miles of shoreline with a new wide-river lake for the first time in history, allow access to new hunting and fishing areas. All this in addition to producing pollution-free electric power. It should be stressed that the Corps of Engineers is bound by law to conduct a comprehensive environmental study. An environmental impact statement must be filed and approved by the Council on Environmental Quality before construction can proceed.

CHARGE

Dickey would provide only a small percentage of New England's power.

REBUTTAL

It has been argued that the power generated by Dickey would provide only a small percentage—given variously as one-half percent, 1 percent, and 1½ percent—of New England's total power needs. This is an elusive statistical comparison, since it attempts to relate a peaking power facility with total consumption from all sources. Even the large nuclear plants which have been proposed would only provide 4 to 5 percent of our region's total demand.

CHARGE

Dickey would result in a loss of significant timberlands.

REBUTTAL

To place this in perspective, it should be recognized that the State of Maine has more timberland per capita than any State in the Nation, with over 87 percent of our land area forested. The timberland which would be acquired for Dickey represents less than six-tenths of 1 percent of the forested land in the State of Maine. The 90,000 acres of timberland needed for the Dickey reservoir would not be wasted. The wood harvested during construction could be burnt in steam turbines, if they are operating. Likewise, similar wood wastes from the overall Maine timber acreage—17 million acres—could be used in similar fashion.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. COHEN. Mr. Chairman, I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, the gentleman has just made a statement that there has been a change of attitude of the people in the area.

Of course the gentleman is aware that former Senator Margaret Chase Smith supported the project for many years. Do all Representatives from the State of Maine support the project?

Mr. COHEN. All the Representatives of the State of Maine have previously supported the measure, such as Senator Smith, Senator MUSKIE, Senator HATHAWAY, Mr. KYROS, and myself.

Mr. EVINS of Tennessee. Mr. Chairman, would the gentleman address himself regarding a change of attitude toward the project by those in the area? We were told originally that the project was always opposed by the power companies, but that some companies now have withdrawn their opposition because of the energy crisis, and that now the opposition is primarily by the so-called environmentalists. Is that correct?

Mr. COHEN. The change of attitude has been on the part of Central Maine Power Co., who has in the past opposed it based on the economics of the project. Due to a 500-percent increase in the cost of oil—and we rely principally on oil for furnishing our electric power output—I believe there has been a change of attitude on the part of some of the private utilities.

There is still considerable debate, I must say, within New England between environmentalists and those who support this particular project, but that has been a debate which has existed from the inception of the project.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts (Mr. CONTE). He spoke very eloquently about the concern of the environmentalists, and I agree with him on that concern. In fact, I would say that this dam has a long way to go before it ever sees construction.

The Corps of Engineers was asked in the hearings whether or not they had made an environmental study, and as far as I could glean from the hearings, the corps' study consisted of a canoe reconnaissance of the St. John's River.

Mr. Chairman, I would like to speak against construction of this dam from the standpoint of the consumers in New England who are being sold the biggest bill of goods that has ever been perpetrated. We talk about pork barrel legislation. This is the most classic example of pork barrel legislation that has come down the pike in the last 25 years. This House has consistently defeated the construction of this dam.

I remind the Members that the dam will be more than 300 feet high. It will be the 6th largest dam in the United States, and 11th largest dam in the world. What do we get out of it? We get power for only 2½ hours per day because it has to rest after that for the water in that small river to build up—2½ hours a day.

The consumer is being told that because of the energy crisis, this will be the source of additional power and the answer to the crisis. We have an energy crisis. There is no question about it.

Reference has been made to the fact that the utility companies are no longer in opposition. Of course they are not. They are so desperate and they are in such bad light back home because of increased fuel prices and costs that they would not dare oppose anything.

There are those who will say, "I am for any energy project, even if it means building a windmill or a dam or anything else." But, the consumer is the one who is being conned. He is the one who thinks that Dickey-Lincoln is going to make a change in his electric bills and relieve the energy and price crisis back home. Let me tell the Members of the House that nothing could be further from the truth.

Mr. Chairman, we have an obligation here to worry about how our taxpayers' dollars are being spent. Particularly, because of the fact that this Government operates at a huge deficit, $32 billion this year alone, in interest charges. With Dickey-Lincoln, we are going to add to it. How does the consumer pay? Every time she or he goes to the grocery store. Every time she or he makes a purchase. The consumers of this country are paying because we, in our profligacy in this Government, are authorizing the expenditures of moneys, in many instances, whether they are needed or not.

And this, I submit, is a wasteful expenditure of money.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. Mr. Chairman, I will be delighted to yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman recall how many times we have voted on this project?

Mr. GIAIMO. In 1966, 1967, 1968, 1970, and 1971, but now they tell us there is an energy crisis. Fine. The estimated cost of the dam when it was originally proposed was in the neighborhood of $300 million. At that time, we told the corps that it would be a half billion dollar project, at least. Today the cost is estimated at over a half billion dollars, $513 million.

Mr. Chairman, the corps comes in with this fancy benefit-to-cost ratio at 2.5 or 2.6, depending on whose figures they use. What they do not tell you is that in estimating the cost of this dam, which will take 8 years to build, they are using an interest rate of 3¼ percent for the period of construction. Where does anyone, including the U.S. Government, borrow money for 3¼ percent?

Mr. Chairman, I asked the Corps of Engineers in hearings what would happen if you applied an interest rate of 6⅞ percent to construction and transmission in costs and an 8 or 10 percent or more, a year escalation cost during the 8 years of construction. Their answer was the dam would cost, at least $839 million.

Mr. Chairman, we are talking about a billion dollar project. What do we get for it?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. Mr. Chairman, I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. I would like to point out that at the auction on Treasury bills on Monday of this week the figure was more than 8 percent.

Mr. GIAIMO. Of course, and I used the 6⅞ figure because that was the figure that they tried to change to the going rate with public work projects, as the gentleman well knows.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, what do we get for our billion dollars? We get an 830,000 kilowatt capacity, of which approximately 100,000 will be used for base load power in Maine. The additional 700,000 kilowatts, which is less than 1 percent of the needs of New England, will be sold outside of Maine.

To whom? To the preference customers. What are preference customers? Preference customers are rural electrification agencies and municipally owned electric companies.

In my own State of Connecticut that means about 4 percent of the electrical power needs because 96 percent is produced by private companies. They are not preference customers. They cannot get this electricity.

Mr. Chairman, in the State of the gentleman from Rhode Island I doubt that there is one single preference customer. I could be wrong, but my information is that you have no municipals and no REA's. If that is the case, your utilities would not qualify for this preference electricity.

Where would it go? It would go into the grid system, and the law is clear that it has to be sold to the preference customers, whether they are in New England or not.

Mr. Chairman, I asked the Corps of Engineers whether this electricity was going to be available for Connecticut, for southern New England. They said that they are not in a position to tell us at this time because the Secretary of the Interior will have to determine who the preference customers are, where they are, and where the electricity would go.

On the grid system, it is conceivable that the power can go to western New York, northern New York, or New Jersey. This idea that Dickey-Lincoln power is going to reduce, in any way, the electric bills of the people in New England is absolutely not true.

Efforts have been made by the proponents of this legislation time and time again to convince the people in New England that all they need is the Dickey-Lincoln public power dam in Maine and their electric problems will be solved.

First of all, the dam would only provide 1 percent or less of New England's electric needs; second, it must go to the preference customers, thereby excluding the overwhelming percentage of producers of electricity in New England; and, third, the cost of this $800 million to $1 billion pork-barrel boondoggle is going to be paid for by the taxpayer who is being taxed to his very eyeballs. Finally, it is going to be paid for by the consumer who has to pay inflated prices daily because this Government of ours is spending money that it does not have.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will be delighted to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I want to be sure that I understand this. Because this dam will only be used for 2½ hours a day, does that mean that the water level will fluctuate?

Mr. GIAIMO. The gentleman is correct.

Mr. ROUSSELOT. That means that they have to wait for the water to accumulate?

Mr. GIAIMO. The gentleman is correct. We must understand, in contradistinction to the power dams on the Columbia River and other rivers in the West, which have a very steep downstream drop, the St. John is a relatively small river, and it fluctuates during different seasons of the year; thus, we only get the electric power from what is known as the head, the top of the dam. It is stated by all who are involved and all who know about this that 6 or 7 hours of peaking power are needed, but that this dam will only provide operation for 2 to 2½ hours per day, and then they have to let the head build up.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I will ask this:

So that in contrast to the comment we have heard that this nice lake would be created, it would be a fluctuating lake, and so consequently the great argument that it would be a great fishing area, assuming one could catch up with the level of the lake, is not necessarily true at any given time?

Mr. GIAIMO. The gentleman is correct. It would be a fluctuating lake with a drop, and there are strong seasonal drops in the river which would also make great changes. The seasonal changes in the lake's water levels are going to be even more severe than the daily changes.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comment.

Mr. GIAIMO. Mr. Chairman, in conclusion, if there was ever a place where the energy crisis is being used as a gimmick to get this pork barrel legislation enacted—despite the fact that the House has defeated it time and time again—this is it.

We must do a lot of things in this country in order to solve our energy problems. One billion dollars can very wisely be spent in helping us to solve these problems, but certainly not by building this monstrosity in the State of Maine. Dickey-Lincoln dam will do nothing for the people of Connecticut or of southern New England.

Mr. MACDONALD. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I rise to oppose this amendment and in support of the funds for the Dickey-Lincoln School hydroelectric project. As many of my colleagues in this Chamber are aware, I have consistently supported this project since the time that it was first authorized in 1965. At that time, I was the only New England Member outside of the Maine delegation to favor Dickey-Lincoln. Today it appears that a majority of the New England Members are prepared to support the project, and I urge those of you from other regions to support the majority of New Englanders and not one or two loudly dissenting voices.

I would like to develop briefly three important facts which demonstrate that the decision by the Appropriations Committee to include $800,000 for Dickey-Lincoln deserves the support of this body. First, the project is essential to the energy needs of New England. Second, the project is cost effective. And third, construction will not have a significant adverse impact on the environment.

As chairman of the Subcommittee on Power I have had the opportunity to deal with energy problems on both a national and regional basis for the past decade. During this same 10-year period, the Dickey-Lincoln project was conceived, funds were authorized for planning, $2.1 million were appropriated for preconstruction planning, and then, in 1967, funds were cut off and the planning has remained uncompleted. In the meantime, the cost of energy in New England has skyrocketed. For example, arguing against Dickey-Lincoln 7 years ago, the private utility companies promised cheap nuclear power as the answer to New England's needs. Today, the cost of that power is more than 200 percent higher than these utilities predicted. Recent estimates show that by 1978 the capacity of present facilities will be inadequate to meet the needs of New England.

I am not suggesting that Dickey-Lincoln will in itself solve New England's energy problems. When fully operative, Dickey-Lincoln will provide 1.5 billion kilowatt hours of power. This represents only a very small percentage of the overall energy needs of the region. However, the point which is overlooked by critics of the project is that Dickey-Lincoln's major contribution is not base load power, but rather peaking power—power which can be utilized during the critical peak load hours. In this respect, the project would be invaluable in providing a dependable, uninterruptible source of power.

In energy equivalents, Dickey-Lincoln will be worth 1.5 million barrels of oil—or the average annual output of 300 oil wells—6,000 tons of coal, or 9.2 billion cubic feet of gas. None of these alternative energy sources are indigenous to New England, and all of them continue to rise sharply in cost during the current energy shortage.

There is another point which should be clarified. The benefits of the project will accrue to all of New England, when, as is envisioned, Dickey-Lincoln is connected to the New England Power Pool—NEPOOL. Naturally, not all areas or systems will share directly in the benefits of the project, but to the extent that Dickey-Lincoln power adds to the total power available through the interconnection, all of New England will stand to gain.

Let me turn now to the second key fact about Dickey-Lincoln. It is a project which has been shown to be cost effective. The latest benefit/cost ratio compiled by the Corps of Engineers is better than 2½ to 1. I would remind my colleagues that many private utility companies undertake construction projects with less efficient ratios than this. You have heard a great many figures thrown around carelessly as to the ultimate cost of this project. They vary depending on what interest rate is applied and on what guess is made as to the rate of inflation during the construction of the project. I will not add needlessly to this confusion. However, nearly all of the cost to the Federal Government can be recouped from power revenues. And we must not lose sight of the fact that what we are voting on today is an additional appropriation for continuing the preconstruction planning of the project. This body will have a chance to evaluate the results of this planning before appropriating one penny of construction money. I urge my colleagues not to be sidetracked by the confusion bred by conflicting figures. The planning for Dickey-Lincoln has been needlessly delayed for 7 years, and it must not be killed today as a result of mere speculation.

I would like to call to the attention of my colleagues the fact that the project has the support of the Governors of the six New England States and that, acting as the New England Regional Commission, they will consider later this month the expenditure of NERC funds to assist in the continuation of the planning.

In addition, the largest private utility companies in New England, formerly implacable foes of Dickey-Lincoln, have reversed their position and now support funds for preconstruction planning. These companies include the New England Electric System, Northeast Utilities, and Central Maine Power.

This year the most vocal opposition has come from the environmental groups, a number of whom have formed a special lobbying group called "Friends of St. John." Although these groups have never asked to discuss the issue with me, I have seen the results of their lobbying campaign, including a slick brochure which purports to tell the truth about Dickey-Lincoln. Their arguments lead me to the third and final key fact which I want to lay before you. The construction of the Dickey-Lincoln project will not create the kind of environmental havoc that the environmentalists predict and, in fact, the completed project will produce significant environmental benefits to northern Maine.

Again, we must remember that what we will be voting on here today are funds for further planning and not for construction. Yet out of the nearly $4.5 billion contained in this appropriations bill, the environmentalists have chosen the $800,000 for Dickey-Lincoln as their rallying point. This figure represents less than two one-hundredths of 1 percent of the total appropriation to be considered.

For such a relatively small project to attract such vehement opposition, one can imagine that the construction of Dickey-Lincoln would create a veritable environmental holocaust. Can this suspicion be substantiated? The answer is "no." I will include following my remarks, a detailed summary of the possible environmental impact of the project which was prepared by the Army Corps of Engineers. The corps' conclusion is that the environmental losses are not sufficient to warrant abandoning the project. In addition, I would remind those who are concerned about the environmental impact of the project that the corps must file all the necessary environmental impact statements and must comply with all applicable environmental regulations.

I would like to dispell several of the most prevalent misconceptions about Dickey-Lincoln's impact on the environment. There is the misconception that a priceless wilderness area will be destroyed. In reality, the Allagash Wild and Scenic River area will not be affected. There is the misconception that a substantial portion of the Saint John River Basin will be flooded. In reality, less than 2 percent of the waterways will be flooded. If the Dickey-Lincoln project had been completed as originally scheduled, the dams would have prevented last months' floods which caused more than $3 million damage to the town of Fort Kent. I note that the environmentalists are suggesting that a dike could be constructed to solve the flooding problem, but I have yet to see a dike which produced as much as one kilowatt hour of power.

There is the misconception that fishing and canoeing opportunities will be lost. In reality, whatever stream fishing or canoeing is lost, will be made up for in the resulting lake fishing or boating. As it is, the Saint John area is virtually inaccessible. In a recent year, only 30 parties navigated the Saint John. To preserve the only feasible site in the State for a hydroelectric project for the benefit of so few when the power produced by Dickey-Lincoln is important to so many might be a noble but, I believe, a foolish gesture. There is the misconception that the loss of wildlife would be excessive. In reality, $2.3 million has been included in the cost of the project for wildlife mitigation measures, especially for the relocation of the deer and waterfowl breeding areas.

In conclusion, I feel that the facts support the recommendation of the Appropriations Committee that $800,000 be appropriated to fund further planning for Dickey-Lincoln. I am convinced that Dickey-Lincoln will be a benefit to the people of New England. It will provide a nonpolluting source of dependable power which will help meet the peak power needs of New England. I hope that the amendment to delete funds for Dickey-Lincoln will be defeated and that we can get on with this project whose time has finally come.

Mr. Chairman, I include the following information for the benefit of the Members:

EXCERPTS FROM PRELIMINARY ENVIRONMENTAL STUDY ON DICKEY-LINCOLN

(By Col. John H. Mason)

LOSS OF THE ALLAGASH

There has been a general misconception that the project will adversely affect the Allagash waterway. The Dickey damsite was relocated to a point immediately above the confluence of the Allagash River with the St. John River for the specific purpose of preventing any interference with the free flow of the Allagash waterway. In fact, future analyses may reveal that the project could further preserve the Allagash's environmental assets. There is a growing concern that heavy use of the Allagash will detract from its unique experience. The Dickey-Lincoln School Lakes project would provide an adjacent large wilderness lake which would serve to alleviate these growing pressures on the Allagash River.

LOSS OF DEERYARDS

A draft report prepared by the Bureau of Sport Fisheries and Wildlife estimated that approximately 2,200 deer would be displaced by the project but that an estimated 1,800 of these could be replaced through mitigation measures. All possible measures will be taken to minimize the adverse effects of the project. Mitigation measures would be explored including acquisition of suitable land and proper management to replace the lost deeryards.

LOSS OF STREAM FISHING

Some stream fishing will be lost, however the magnitude is certainly subject to further investigation. There are two problems allied with current utilization of stream fishing capability of the St. John River, namely, 1) difficulties of access, and 2) varying stream conditions. The St. John River Basin is a wilderness resource. The area is generally inaccessible except by foot or by water. The latter access is particularly undependable during midsummer because of the low water conditions thus necessitating frequent portages. In addition, a major part of the basin is owned by paper companies. Undoubtedly, access to the basin by a large number of fishermen would be restricted because of the significantly increased risk of fire.

The dominant fish species within the project area is the native brook trout. These trout reportedly can be found in the lakes and smaller tributary streams during the entire year. However, this even distribution of trout is not true of the main stem of the St. John River and its larger tributary streams during the late summer and early fall months. This is a period of low stream flows and increased stream temperatures which force the fish to seek other cooler tributaries.

The 86,000 acre lake impounded by Dickey dam will provide access to wilderness areas never before accessible. The lake itself will provide a multiple warm and cold water fishery. Access to the wilderness lake will provide areas for hunting, camping, pack trips and enjoyment of the wilderness experience. The project in essence will provide a trade-off between stream fishing and lake fishing. However, due to the increased accessibility the project would undoubtedly support more users.

LOSS OF FORESTED LAND

The State of Maine, with over 87 percent of its land area in timberlands, has more forested acres per capita than any state in the nation. Construction of the project would result in the loss of approximately 90,000 acres of forested land. This represents less than six-tenths of one percent of the forested acres in the State of Maine.

LOSS OF CANOEING ON ST. JOHN RIVER

The Allagash River is a far greater canoe stream than the St. John River. For example, a reconnaissance trip was made of the St. John River in the early summer of 1967 by an engineer and a fishery biologist of this Division. They canoed the river from the southwest branch approximately 110 miles to the Dickey damsite in four days. Both were experienced avid canoeists. Although the trip was very enjoyable and exciting to both, they found the river to be very shallow in many areas requiring them to often push and pull the canoe while walking alongside of it. The river has considerably reduced flows in mid-summer making canoeing even more difficult. They also learned that 30 parties made a similar trip in 1966 as compared to 3,000 on the Allagash. The Dickey dam was located above the mouth of the Allagash expressly to preserve the wilderness canoe trip region of the Allagash, although a dam located further downstream in the vicinity of Rankin Rapids would be more advantageous from the viewpoint of power production.

LOSS OF STREAMS

The project would create an 86,000 acre lake at Dickey and a 2,150 acre lake at Lincoln School, at maximum pool elevations. These reservoirs would inundate 64 miles of the St. John River of which 53 miles would be upstream of Dickey dam. The St. John River is about 420 miles long, of which 100 miles are above Dickey dam and 320 miles below the dam. In total (including all tributaries to the St. John), the project will flood 219 miles of streams. This is less than two percent of the estimated 14,000 miles of rivers, streams and branches in the St. John River Basin.

EFFECT OF RESERVOIR DRAWDOWN

The maximum drawdown of the project would be 40 feet between Elevations 910 and 870. However, this would not happen in any one year. The average annual drawdown between 15 June and 15 October would be four feet. The heaviest drawdown period would be in the winter months because of the large power demands in that season. Due to the generally preciptive nature of the Dickey reservoir area, it is not considered that the shoreline areas, when exposed, would have the graphic features of mud flats. Winter months are also periods of heavy snowfall which would tend to cover drawdown areas. The reservoir will be cleared of all standing timber within the drawdown area to eliminate any unsightly tree kill.

SILTATION IN THE RESERVOIR

The St. John River currently has three downstream power reservoirs in the Canadian reaches of the river. Silting has not been a problem at these sites due basically to the natural ability of the forested watershed—comprised principally of a coniferous forest dominated by a northern spruce-fir cover—to retain its soil. According to information obtained from the New Brunswick power interests, sedimentation has been no problem at their Grand Falls hydroelectric project located 90 miles downstream of the proposed project. Also, observations of similar nearby watersheds revealed no sediment problems at impoundments there.

AQUATIC WEED GROWTH

Studies to date indicate that there should be no problem with aquatic weeds. In general, the incoming water to the Dickey-Lincoln School Lakes project does not have an over-abundance of nutrients and the water will be deep and rather cold minimizing the amount of weed growth.

EFFECTS ON THE ST. JOHN RIVER FLOW REGIMEN

The project will effectively augment St. John River flows during normally low flow periods, resulting in improved fishery conditions and enhanced water quality. Based on over 20 years of flow records in the area, minimum monthly flows on the St. John River downstream of the Dickey-Lincoln School site have been less than 1,000 cfs in 8 out of 12 months of the year with minimum flows during some months being 500 cfs or less. However, the proposed treaty with Canada stipulates that a minimum monthly average flow of 2,500 cfs will be maintained downstream of the project. This resulting flow augmentation will provide considerable enhancement of the downstream flow regimen during normally low flow periods.

At the other extreme, the project will eliminate flood flows that have plagued downstream areas. The Town of Fort Kent, located about 30 miles below Dickey dam, has experienced nine floods during the past 46 years of record. The most recent floods have occurred in May 1961, May 1969 and April 1973. The April 1973 flood stages exceeded the record flood of May 1961 and caused damages estimated at $1 million. These losses would be prevented by the project.

EFFECTS ON THE ST. JOHN RIVER ESTUARY

It can be reasonably stated that there will be no impact on the lower river area. Flows will be regulated for power purposes but these regulations will not be detected at the estuary due to the Canadian storage reservoirs downstream of Dickey-Lincoln School Lakes plus flows from intervening drainage areas.

ENVIRONMENTAL EFFECTS DURING CONSTRUCTION

Much of the construction activity, including the stripping of borrow areas, will be located in the reservoir area so that once the reservoir fills, most traces of construction activity will be obliterated. During construction, measures defined by Federal standards and specifications will be taken to reduce adverse effects on the environment. Controls will be exercised over the contractor to minimize air, noise and water pollution. Such items as burning of waste, soil erosion, dust control, revegetation of borrow areas, batch plant spills, waste concrete, oil and fuel spillage, operation of motorized equipment, and personnel sanitation facilities will be evaluated and controlled to minimize temporary environmental impacts.

COSTS NOT INCLUDED FOR VALUE OF STANDING TIMBER WHICH WILL BE LOST DUE TO PROJECT

The environmental impact due to loss of timber cannot be quantified. However, the economic loss has been included in the project cost estimate. The estimate for land acquisition includes the estimated stumpage value of standing merchantable timber and also the value of the cut-over land based on its residual highest and best use.

SOCIAL DISRUPTION

A prime environmental consideration in conjunction with any large reservoir project is the disruption of man's social environment due to relocation. At Dickey-Lincoln School, developed areas are minor in contrast to the size of the project, as most of the upper reservoir areas are timberlands. A real estate survey conducted in 1967 revealed that 238 improved properties in the vicinity of the damsites in St. Francis and Allagash would be acquired for the project. These consist principally of residences and camps, with some commercial properties, small lumber mills and marginal farm units.

There is no question that a project of the magnitude of Dickey-Lincoln School Lakes has considerable environmental impacts. There will be environmental losses as well as environmental gains—these losses and gains often being interpreted and measured through the exercise of personal preference. I feel the integration of the Dickey-Lincoln School project and the Allagash will ultimately provide the optimum resolution to the divergent desires and needs of many. It will also result in a valuable resource balance to the upper region of Maine.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I am happy to yield to the distinguished gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, this project is probably the most worthwhile enterprise that the Federal Government will ever be engaged in. It has had careful consideration from the Committee on Public Works, which makes constant analyses of the economic justifications. This project needs the enthusiastic support of all the Members of this body, particularly today when we are wrestling with the problem of trying to solve our energy crisis and trying to find other sources of energy. This represents the cheapest, most available, and most constant source of energy known to man.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I am happy to yield to the gentleman from Maine.

Mr. KYROS. Mr. Chairman, I would inquire of the gentleman from Massachusetts, since we have heard some facts just a few moments ago which were absolutely so erroneous and so without basis in fact that they should be readily corrected, one of them being that the Dickey-Lincoln project was not a peaking powerplant. Is it not a fact that the Federal Power Commission states that in 1980 to 1990 we will have about 4,422 megawatts as New England's peaking capacity needs and Dickey-Lincoln, with 830 megawatts, would provide 18.7 percent of the peaking power requirements of all of New England, therefore, there is an enormous peaking power benefit from this project; is that not so?

Mr. MACDONALD. That is a correct statement, and I thank the gentleman for his contribution.

Mr. WYMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

The previous speaker, on several occasions, directed the attention of the House to the fact that this is a very small part of this bill, $800,000. I want to correct the record. This is for planning. This whole project, if we build it at 6¾ percent, will be $800 million.

Mr. WYMAN. I thank the gentleman for his comments.

On the point he makes I would certainly add my comment that I am supporting the planning money here, but without a commitment to support the whole project until we get revised cost figures. Many figures used in argument today are about 10 years old, and we need new ones.

Mr. Chairman, I want to confine my remarks now to the environmental issue. I happen to love the woods and have done so all my life—especially northern Maine. I happen to also hunt and fish. I happen to be a licensed guide in New Hampshire. I have camped, canoed, hunted, and fished on the Saint John River and in the area under discussion. I have leased a campsite from great northern near Mt. Katahdin for more than 25 years.

There has been a lot of erroneous talk here today, about the environmental disaster that would be involved if Dickey-Lincoln is built. What we are doing is swapping some streams and woods for a great big lake with hundreds of miles of shoreline, a fresh water lake that will have some of the best fishing in the United States of America. It will still have tributary streams and they will still have trout.

It has been suggested somehow, in an anti-Dickey-Lincoln folder that has been circulated in this House today signed by friends of the St. John out of Boston, Massachusetts that deer will be killed and lumber will be destroyed, and everything will be lost if the lake is flowed. Let us take lumber for example. They are going to clear-cut this. It will take 7 years to build Dickey-Lincoln. By the time the dam is built and the water starts to flood back in the area, there will be no lumber there, and to replace a clearcut would take an entire generation, 30 years.

As for the deer, it is sometimes claimed they do not move more than a mile and a half, generally speaking, from where they are born. But their yarding habitats will be relocated and the deer will be moved. In this big country up there in northern Maine there is more than ample yardage and space for the deer, the moose, the bear and all displaced wild game. The one thing in terms of environmental impact, that will make some sense to worry about is the bathtub concept, the flowage related to peaking that will run the water down when run through the generators leaving a ring on the shore line until nature refills the lake.

The answer is that much of the ringing will probably take place in the wintertime; less will occur in the summertime. But we have lived with this in the Connecticut Lake of New Hampshire. The shore owners do not care for it too much, understandably so, but this is a small penalty to pay in terms of environmental impact in view of the energy reserves to be constructed and that will be permanent and naturally replenished.

We have here one of the last places where we can get such a natural waterhead in America and have this vast waterhead reserve to complement the power pool for New England.

Mr. Chairman, we ought to fund this planning money this time around in light of the energy crunch. We ought to fund this study and go ahead from there if the facts and figures justify whether they will or not we do not yet know but we will never know if we don't complete the planning.

I urge defeat of the pending amendment.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Maine.

Mr. KYROS. I thank the gentleman for yielding.

Is it a fact, first, that all six New England Governors have supported Dickey-Lincoln?

Mr. WYMAN. I do not know whether they have all supported Dickey-Lincoln or not.

Mr. KYROS. If the gentleman will yield further, it is a fact.

Secondly, the gentleman talks about the drawdown as a result of this lake. The fact is that there will be a drawndown of about 4 feet, which will result in 5 or 6 feet of space for the so-called bathtub ring concept.

Mr. WYMAN. Considering the size of the area to be flooded, it will draw down minimally. The First Connecticut Lake in New Hampshire sometimes runs a 15- to 20-foot draw when water is short, but it is very small compared to the body of water we are considering here.

Mr. KYROS. In addition to that, if the gentleman has been in the Saint John area where the dam will be built, the actual drawdown on the Saint John today runs 16 to 12 feet every day, and ran 28 feet in this recent flood. So Dickey-Lincoln is going to be about 4 or 5 feet different, where the Saint John with its steep banks, runs 12 to 28 feet. So, what sense is there to argue against that lake?

Mr. WYMAN. The answer is, as in other respects, that the bathtub concept of Dickey-Lincoln, in terms of its environmental consequences, has been overstated by the supporters of the amendment. The gentleman's figures tend to confirm this fact.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 15155, the Public Works for Water and Power Development and Atomic Energy Commission appropriation bill for 1975. This bill is the product of many arduous hours of hard work by Chairman EVINS and the members of the Committee on Appropriations. This is demonstrated by the comprehensive program presented to us by the committee today. I applaud their splendid effort.

I am particularly pleased that the committee has recommended that $800,000 be appropriated to resume planning for the Dickey-Lincoln School hydroelectric project. At a time when utility rates are soaring in New England, this is most welcome.

Dickey-Lincoln was first authorized by the Flood Control Act of 1965. In 1966 and 1967 the Corps of Engineers received appropriations totalling nearly $2 million to make advanced engineering and design studies for the project. Since that time, further appropriations to complete such studies have not been forthcoming. I sincerely hope that this year, my colleagues will recognize the dire need for this important project.

New England is in a stranglehold of skyrocketing electric rates. The region relies heavily on residual fuel oil imported from foreign nations to generate electricity. During the period from May 1973 to February 1974, residual oil prices tripled, up 181 percent, from $4.04 a barrel to $12.50 a barrel. The utility companies are allowed to passthrough 100 percent of fuel costs increases. This places a terrible burden on consumers and puts New England in a precarious position as far as drawing new industry into the area. Many consumers' electric bills have doubled in just the past 6 months. For the elderly, the poor, the infirm, the pensioner, and others on fixed incomes, this is an impossible situation. The Northeast has long shouldered a disproportionate share of the burden of rising utility rates. Dickey-Lincoln would help to relieve this burden.

When completed, Dickey-Lincoln will have a capacity of 830,000 kilowatts and an annual generation of 1,154 million kilowatt hours. The electricity generated would usually be utilized at peak load hours. It could be turned on instantly to prevent brownouts and blackouts such as occurred in November of 1969 when millions of people, in an area of over 30,000 square miles, were suddenly deprived of electric service. No one wants that nightmare to reoccur. Dickey-Lincoln would prevent it by providing a dependable source of hydroelectric power to supplement the nuclear and other types of powerplants proposed for the region.

Dickey-Lincoln is an economically viable program. Once completed it will have a benefit/cost ratio of 2:1. Ninety-eight percent of construction costs will be recouped as a result of power and recreation fees. The cost to the Federal Government will be minimal, while the benefits to the northeast will be substantial.

The purposes of the project are many and varied. In addition to providing much needed power, Dickey-Lincoln will provide recreational facilities for millions of Americans. It will also prevent widespread flooding along the St. John River. Recently, the town of Fort Kent, Maine, was inundated by a flood that would have been prevented had Dickey-Lincoln been completed on schedule.

Much of the opposition to Dickey-Lincoln in the past has been promulgated by the utility companies. Their opposition now appears to be dwindling as fuel costs soar and consumers revolt. I cannot help thinking that if the utility monopolies had not lobbied so vigorously in the past, current could be flowing from Dickey-Lincoln this very summer when we so desperately need it.

As one who has long supported measures to protect and rejuvenate our environment, I am particularly cognizant of the fears of many citizens about the impact of Dickey-Lincoln on the wilderness of Maine. I sincerely believe these fears will prove to be unjustified. If I believed otherwise, I would not support the project.

The site of the project is adjacent to the recently established Allagash Wild River Area. With proper planning, the Dickey-Lincoln project and the Allagash will provide a balance in types of recreational opportunities while preserving the wilderness character of the region. The lake created will provide ready access to the now unavailable wilderness expanse surrounding the reservoir. Areas of refuge, with boat landings, rustic camp shelter, and essential sanitary facilities would provide overnight accommodations for boat parties. Foot trails could provide access for wilderness hiking. Some stream fishing would be lost, but substantial lake fishing would be created. Downstream fishing would be enhanced by reregulation storage at Lincoln School Lake which will provide a steady flow year round.

I ask those who have such fears to look at other areas where similar dam projects have been completed. The Grand Teton National Park, near Jackson, Wyo., is an excellent example. The lakes there were created by manmade dams. Few areas in the world match it for scenic beauty and recreational pleasure. Perhaps most importantly, through expert management and planning, it remains unspoiled and the wildlife thrives. Many forms of wildlife that were once nearly extinct, now find refuge there and are making a comeback.

The list of those who support Dickey-Lincoln is impressive. Many of the utility companies, which, as I stated earlier, formerly opposed it, now realize the necessity of inexpensive nonpolluting electricity. Last December, during hearings before the Committee on Government Operations, I asked Chairman Nassikas of the Federal Power Commission for his opinion of the project. He replied:

> As far as I am concerned, as Chairman of this Commission, I have adopted a view that our hydro-electric power resources should be developed, that if Dickey-Lincoln is a viable project, as was found before I came here, that we should proceed with it.

The New England Regional Commission on May 1, passed a resolution calling for, among other things, immediate congressional action to provide funds for the completion of preconstruction planning for Dickey-Lincoln.

In light of the difficulties facing New England regarding electricity costs, I vigorously urge my colleagues to rejoin this growing group of supporters and enact the Public Works for Water and Power Development and Atomic Energy

Commission appropriation bill for 1975, including the appropriations for the Dickey-Lincoln School project.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. WHITTEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and one Members are present, a quorum.

The gentleman from Massachusetts is recognized in opposition to the amendment.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment offered by my distinguished and lovable close friend, the gentleman from Massachusetts.

I recall back in 1965, I think it was, that I opposed this particular project. I opposed it because a separate and independent study had never been made of the Dickey-Lincoln School Reservoir project. I indicated at the time the public works bill came to the floor that our Subcommittee on Public Works Appropriations would conduct a staff study, an investigative study, into the feasibility of this particular project. If that study indicated that the project was feasible, that there was a benefit to cost ratio better than unit, then, I said, I would support the project next year.

The investigative staff study was made. That staff study concluded that this project was feasible. That staff study was the result of conferences and meetings with the Federal Power Commission, the Department of the Interior, the Corps of Engineers, and the consultants on public power. From that day to this I have supported this project.

We have not often been successful. We have been here many times, perhaps nine; but since our last vote in 1971 there have been dramatic changes with reference not alone to this project, but to the problems that New England now faces.

What are some of those dramatic changes? Well, I suppose the most significant one is that for the first time in the past 8 years we have a majority of the New England Members favoring this project. That has never happened before. All of the Governors of New England, the six New England Governors, favor this project.

Over the past few years some of the areas that are on the St. John River have been visited by devastating floods.

Fort Kent, only a little community of 4,000 people suffered greatly, just this spring. A lot of other little communities suffered too.

Turning to the environmental impact of which so many have talked here today, let me point out that priority has been assigned in spending this $800,000 requested appropriation for Dickey-Lincoln. That commitment is that an environmental impact statement will be filed before the project can even get under construction. Of course, that is true of every public works project we fund in the United States.

Maine has 1,600 rivers. It has 2,000 lakes. When we talk about this particular area, I have the feeling that this land belongs to the people, not to just a few that can penetrate the almost impenetrable virgin territory. I have the feeling that this area along the St. John River belongs to all the people. We can open it up. This fantastic lake can be useful to more people, not just the few who can afford to get there, who can afford to get guides. Oh, no; we can open this great area up now to many, many more Americans, to all of our people.

The question has been raised.

What about the 3¼ percent, the discount rate? I am looking across this Chamber here at Members from the great Southwest, the great Northwest, the South, the Midwest, and I am looking at Members in whose districts projects have been built for years at 3¼ percent.

Do the gentleman from Connecticut or the gentleman from Massachusetts or any of those who oppose this project suggest that New England ought not to be treated on the same basis as every project that has been heretofore built by the Corps of Engineers, by the Bureau of Reclamation? Do they suggest that we now ought to pay 6⅞ percent? This project meets all of the criteria of the Corps of Engineers at the 3¼ percent discount rate.

But, do not confuse the economic analysis with the payment analysis, the repayment analysis.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent Mr. BOLAND was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield to me?

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, the purpose of stating the interest rate at 3¼ percent which obviously, as the gentleman says, applies to power projects throughout the United States is merely to point out the fiction of these interest charges and to show that they are not the true and actual cost of these projects. They are underestimating costs by this fictitious interest rate which the Corps of Engineers uses because, as the gentleman knows, if they ever used the real interest rates and really told the American people what they were paying for a lot of these projects, they would never get them approved.

Mr. BOLAND. Mr. Chairman, I am sure that is true. Let me respond to the gentleman from Connecticut by saying that even if we were to apply the discount rate in effect in 1970 of 6⅞ percent, this project is still economically feasible on a benefit-to-cost ratio of 1.3 to 1. Further, based on the discount rate of 3¼ percent that the project is entitled to have, the benefit-to-cost ratio is 2.6 to 1, and that is an excellent benefit-to-cost ratio.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I would like to point out here that if we are submitting the interest rate of some years ago, that the same increase in the front end products has changed in the same manner, so while it may have been 3½ percent back yonder, the end result of the end product increases at the same ratio. So, the relative comparison is the same.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Indiana, who is a member of the subcommittee and voted for this. Also, Mr. Chairman, let me remind all Members that this project was voted unanimously by the subcommittee.

Mr. MYERS. Mr. Chairman, it is true that the cost of interest which is now being used is not current as to rate, but also the benefits are not being brought up to date either. The benefits we can realize from the project are worth a whole lot more than the Corps of Engineers is using today. The low interest rate and the low benefits used in benefit-cost ratio is relevant.

Mr. BOLAND. Mr. Chairman, the gentleman is absolutely right. It is axiomatic that if costs increase, benefits increase also. There is no question about it.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Mr. Chairman, the gentleman from Massachusetts, who has been a valued member of this subcommittee, is making a very fair and factual statement relating to this. We have been on the subcommittee for 10 year, going back to the time of the investigation that was conducted way back in 1965, if my recollection is correct.

I think that many of the statements that have been made in opposition to this project, in support of this amendment, could be made with respect to hundreds of projects that are included in this bill, many of which have less justification from the standpoint of our energy problem and from the standpoint of the benefit-to-cost ratio than does this one.

Mr. Chairman, I cannot in good conscience continue my opposition to this project as long as we continue to approve many of the projects in this bill. I shall join the gentleman from Massachusetts in opposition to this amendment.

Mr. BOLAND. Mr. Chairman, I thank the gentleman from Wisconsin. Let me make my appeal now to the Members from Pennsylvania. Most of the Members from Pennsylvania have voted against this project in the past, based, of course, on the opposition from the coal interests. Let me say now that there is no longer any opposition from the coal interests.

Mr. Chairman, let me also say that the United Mine Workers who opposed this project in the past are not in opposition to it now. Let me also say that the private utilities, practically every private utility up in that area, now favors this project with the exception of one of the largest ones.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. Yes; I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, as a Member of the Pennsylvania delegation and a member of the Committee on Public Works, I certainly want to compliment the chairman and all the members of the committee. I agree with them completely.

I strongly endorse this project, and I fervently hope that we defeat this amendment.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Maine.

Mr. KYROS. Mr. Chairman, there have been some sweeping assertions and generalizations about the impact that this dam would have on farmers and other people in the surrounding area.

May I ask the gentleman this: Is it not a fact that this will provide a study? It will get the last word as to the impact it will have, and we will know definitely the answer to so many questions that are raised about this.

Mr. BOLAND. Mr. Chairman, the gentleman is absolutely right. It is an $800,000 appropriation for preconstruction planning. That is all it is. This appropriation is typical of projects all over the United States, and we invariably approve them where the benefit-to-cost ratio is as high as it is here, 2.6 to 1.

Mr. Chairman, I urge the defeat of the amendment. I do so, I believe, with good cause.

Indeed, the issue of the Dickey-Lincoln School hydroelectric project which comes before the House today is one that has been coming up for our consideration since 1965. Since then it has been voted upon nine times. On previous occasions I and a few other Members of the New England congressional delegation have led the fight for this project while the majority opposed it. In part this objection stemmed from the long time opposition to Dickey-Lincoln from private power companies in New England, who feared the yardstick comparison of their service with that of a public power project. There was, at the same time, sustained resistance from various recreational and environmental organizations who claimed that the damming of the St. John River at the Dickey and Lincoln School sites would destroy two of the truly untouched river basins in the Northeast, those of the St. John and the Allagash.

PRIVATE POWER OPPOSITION DISAPPEARS

The situation as the issue of Dickey-Lincoln once again comes to a vote is significantly different from that which predominated on previous occasions. The tables have changed. Practically all of the private power companies no longer oppose the project, partly, I am sure, in belated recognition of the successful cooperation and enhancement of the power generation picture in dozens of Western States where federally financed public power projects have long been a fixture. They have simply realized that public power can only help, not hinder, the total regional power equation. And they appreciate, I am sure, that the Dickey-Lincoln site is perhaps the only feasible one for a project as large as the one for which we are being asked to appropriate funds.

Dickey-Lincoln will have a total capacity production of 830 megawatts and will provide 740 megawatt hours of peaking power for New England. It will provide 1.2 billion kilowatt hours annually of hydropower with no fuel costs and very low maintenance costs.

PRICE OF FUEL CLIMBS

Another factor in the political equation that has changed since the last vote on Dickey-Lincoln is the price of fossil fuels. The energy crisis has skyrocketed oil prices in the New England region by astronomical percentages. The effect on the region which is reflected, among other things, in consumer electric bills has been severe, particularly, since most industries and electric utilities depend upon imports for virtually 100 percent of their residual fuel oil requirements.

Such a heavy economic blow is only worsened by the dampening effect it tends to have on consumer usage and on an already sagging industrial development. The impetus that higher fuel costs have given inflation only further mires New England in an economic morass of stagnation and negative growth evidenced by our record unemployment levels.

GROWING DEMAND MUST BE MET

In addition to higher fuel prices and its attendant economic effects, the more than 12 million New Englanders, who presently consume an estimated 72 billion kilowatt hours of electricity a year, are expected to double this demand figure by 1983, and triple it by the 1990's. So even the most stringent of conservation methods will not permit our existing electric generating capacity to cope with heavy levels of demand just down the road.

DICKEY-LINCOLN IS SUPERIOR TO OTHER ALTERNATIVES

The Dickey-Lincoln funds that are contained in this bill amount only to $800,000. They will only continue the planning and preconstruction phases of the project. Yet Dickey-Lincoln could, with appropriate funding in subsequent years, have power on the line in 8 years. Existing plans of the private utilities reveal that they are not on schedule in providing additional plants. They are having problems in the construction and full operation of nuclear plants. Escalating costs of coal and oil are presenting serious financial problems. In addition, their existing system is old. They will therefore have serious problems in merely replacing existing plants—without even attempting to expand their current capacity.

Dickey-Lincoln, on the other hand, will not depend on costly fuels for its operation. It will rely on a continuous source of clean, nonpolluting, free water for power generation. And, while Dickey-Lincoln, like all hydroelectric projects, will have an expensive price tag—a possible maximum of $781 million, assuming an 8 percent annual rate of inflation—it will have virtually no fuel costs and very low maintenance costs. Although the initial costs of nonhydroplants, such as fossil fueled or gas turbine installations, is less, the high annual costs of fuel and maintenance makes their ultimate cost far greater.

In addition to no fuel costs and low maintenance, a hydroelectric facility such as Dickey-Lincoln will have a minimum life span of 100 years compared to an approximate life of 35 years for nonhydroplants. Thus, all the project's costs will be fully reimbursed within 50 years. The only ultimate Federal cost will be $14,500,000, which represents the project costs for flood control and one-half of the recreational costs, which are in any case nonreimbursable under Federal law. As a result, after payback of the Federal investment, there will remain a minimum of 50 years in the project's life during which the revenues from Dickey-Lincoln can be returned to the Treasury, used to reduce power rates, or used for such other purposes as Congress may determine. Besides all this, Dickey-Lincoln will save—in terms of comparable nonhydroplant fuel usage—1.5 million barrels of oil or 600,000 tons of coal or 9.2 billion cubic feet of gas annually. The value of saving those quantities of fuel over a 100 year period—in a thoroughly nonpolluting and inexpensive fashion—ought to be, I think, overwhelmingly evident to all.

EXCELLENT BENEFIT-TO-COST RATIO

That is why the Corps of Engineers, in its comparative study of Dickey-Lincoln and fossil fuel or gas turbine alternatives, developed a projected 2.6 to 1 benefit-to-cost ratio. That figure, I submit, is a truly overwhelming one when it is realized that it takes into account 50 percent—$169.1 million—of the possible transmission costs to Boston. The likelihood that such a cost will ever be incurred is unlikely since either existing lines could be utilized or proposed lines which would link New England utilities with the Canadian Churchill Falls hydroplant on the St. John's River are soon to be built.

A previous point of objection to benefit-to-cost ratios used for Dickey-Lincoln have centered around the discount rate which has been used in its computation. As prescribed by law, a rate of 3¼ percent has been used to discount the future benefits of the project to current investment costs. But, even at a rate of 6⅞ percent, the benefit-to-cost ratio would be 1.3 to 1, more than sufficient to warrant its full funding.

CHEAPER ELECTRICITY

Mr. Chairman, I indicated just a moment ago that opposition to Dickey-Lincoln had been turned around in the New England delegation. Perhaps one of the central reasons for that reversal has been the cost at which the electricity that would be generated by Dickey-Lincoln can be marketed. Power must be marketed to repay all costs, including the first cost, interest during construction and annual operation and maintenance costs of a facility. Based on a 5⅞-percent interest rate and a 50-year repayment period, power from Dickey-Lincoln could be marketed at 25.05 mills per kilowatt-hours as compared to 34.43 mills per kilowatt-hour for the privately financed equivalent alternatives. This would represent a $11.7 million annual saving for New England.

DICKEY-LINCOLN IS PEAK POWERPLANT

Another bugaboo that has been revealed as a sham has been the contention that the Dickey-Lincoln project would produce less than 1 percent of the region's power needs. That is because critic shave conveniently avoided mentioning that Dickey-Lincoln, unlike most baseload plants that contribute their maximum output on as near to a 24-hour basis as possible, will be a peak load facility. It is meant to provide a rapid, economical surge of power during peak hours of the day and early evening when power use rises dramatically and during the summer months. During such peak periods demand typically expands by as much as 15–20 percent. Dickey-Lincoln's peak load of 740 megawatts will provide 18.7 percent of the estimated total peak requirements for New England. Thus, it can be seen that Dickey-Lincoln will constitute a substantial portion of that increased total demand that New England is fast approaching.

ENVIRONMENTAL DISRUPTION, NOT DESTRUCTION

The most disquieting and, to my mind, perhaps the most serious objections to Dickey-Lincoln have come from environmentalists and lovers of the outdoors who claim that two invaluable watersheds will be destroyed by the construction of this project. Yet this simply is not true. As long ago as 1962, recreational and environmental analyses of the original proposal prompted the shifting of the principal dam site to the town of Dickey so that the Allagash River basin would remain untouched by the flooding of the St. John. This large natural wilderness area will be completely preserved while a 91,100 acre area will be flooded. Yet this disruption will involve only 66 miles out of a total of 400 miles of riverway. But it will not ruin it. It will conserve clean water, provide permanent flood control for the Fort Kent region, already disastrously flooded this Spring, improve stream flow by regulating constant water levels, open up miles of shoreline with a new wide-river lake for the first time in history, allow access to new hunting and fishing areas and help open doors to lower cost power for Maine by way of Canada. All this, in addition to the production of pollution-free electric power, is hardly a destruction of the St. John.

APPROPRIATION PROVIDES FOR IMPACT STATEMENT

Besides the obvious benefits in recreational opportunities and preservation of wild lands, the Dickey-Lincoln project will be forced to resolve any potential threat to the Maine environment. Much of the $800,000 in fiscal year 1975 funds will go towards preparation of a thorough environmental impact statement covering all aspects of Dickey-Lincoln's effects. In addition, Maine's Board of Environmental Protection will conduct its own survey according to standards that are among the most stringent in the country. Members can, I believe, rest assured that every effort, every probe will be made to ascertain just what sort of a tradeoff is involved in the construction of the project.

I will be candid with my colleagues in this regard. Some hunting, canoeing and wilderness areas will be destroyed when the Dickey lakes are flooded. Yet, in terms of the vast forestation of Maine and of the abundant areas available for such outdoor pursuits, I do not feel that significant harmful damage will have been done. Of the approximately 1,600 streams and 2,000 lakes in Maine, a total of only five streams will be affected by Dickey-Lincoln. Maine is 90 percent forested, yet only one-half of 1 percent of this forested area will be flooded. The timberland lost would not be insignificant in itself, but it will only cause a slight decrease in the State's annual yield. In fact, as I have pointed out, significant new recreational advantages will be presented.

FLOOD CONTROL

Perhaps the issue most underplayed by the opponents of Dickey-Lincoln is that of flood control. This is because the principal dam at Dickey and the smaller spillover dam at Lincoln School together will provide us with the ability to control, for the first time in history, the severe floods for which the river communities of Fort Kent, Allagash, St. Francis and others are known. By regulating the flow of the St. John at times of high water, Dickey-Lincoln will preserve formerly ravaged sections of Maine from annual floods. And it is evident that the system of dikes which some have proposed in place of the Dickey and Lincoln School dams would not be adequate to effectively regulate the flow of the St. John in flood.

Mr. Chairman, I have spoken these same arguments on many previous occasions on this floor. At times I was joined by only a few of my colleagues from New England. That tide has changed. Now, I believe, the majority of New Englanders support this project—on the basis of its economics, its long life, its freedom from pollution, its regional economic benefits, its recreational benefits. I do not wish to take up any further time in spelling out the advantages of Dickey-Lincoln or refuting its critics because I feel that the time for this project—more than ever before—is now and because I believe that most of my colleagues agree with me. Before I close, however, I would like to request unanimous consent to insert into the RECORD at the end of my remarks a letter which I received yesterday from a man whose opinion on energy matters I truly admire, Mr. Lee C. White, the distinguished former Chairman of the Federal Power Commission, who is now the head of the Energy Policy Task Force of the Consumer Federation of America. His opinions and the tables prepared by the Corps of Engineers which I also insert confirm my own feeling that this project should continue to be studied seriously upon responsible and nonemotional grounds. It deserves a fair hearing, I believe, both from the Congress and from the public. But this will not be accomplished if it continues to be downgraded by the all too frequent half-truths that have distorted its image in the eyes of many. I urge therefore that this appropriation be approved so that the environmental impact statement and complete planning analyses can be completed. Only then will the public be able to evaluate what value the low cost, long term hydroelectric power of Dickey-Lincoln will mean for New England.

I include the following:

ENERGY POLICY TASK FORCE,
Washington, D.C., June 5, 1974.

Rep. EDWARD P. BOLAND,
Rayburn House Office Building,
Washington, D.C.

DEAR EDDIE: I understand that the House Committee on Appropriations has approved the inclusion in the fiscal year 1975 public works appropriations bill of $800,000 for planning for the Dickey-Lincoln School project on the St. John River in Maine. While Chairman of the Federal Power Commission, I supported the project vigorously, and the passage of time and the present energy difficulties underscore how wise it would have been to have built the project years ago. We cannot turn back the clock, but we can do now what we should have done then. I am pleased to indicate my strong support for the project.

Rising power prices threaten to make a shambles of family budgets throughout the Northeast, and vigorous consumer voices are calling for action to help protect users of this essential service against escalating costs. Full funding now for the Dickey-Lincoln project will assist in efforts to guard home-owners, workers and businessmen against soaring electric rates and will lessen our dependence on imported oil.

On the basis of information that has come to our attention, we believe support for the Dickey-Lincoln School project is a good investment in consumer protection for at least three reasons:

1. The project has a benefit-cost ratio of 2.6 to 1 making it a sound economic proposal.
2. The project can produce the power for which it is designed at a cost estimated at almost $12 million less annually than the best alternative.
3. The project is expected to conserve yearly about 2,000,000 barrels of oil saving some $20 million for the region.

We hope the House will approve the Committee on Appropriations' recommendation for funding of the Dickey-Lincoln School project.

Sincerely,

LEE C. WHITE,
Chairman.

TABLE I.—*Dickey-Lincoln School lakes economic analysis—annual costs and benefits*

[Based on 3¼% interest rate and 100-year project life] [1]

TOTAL INVESTMENT—DAMS	
Construction Costs of Dams	$356,000,000
Interest During Construction	28,800,000
Total Investment	384,800,000

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[1] Capital recovery factor 100 year life; .03388.

ANNUAL COSTS—DAMS	
Interest and Amortization	$13, 037, 000
Operation and Maintenance	1, 500, 000
Major Replacements	248, 000
Loss of Land Taxes	98, 000
Sub-Total Dams	14, 883, 000
TOTAL INVESTMENT	
Construction Costs of Transmission Line	123, 100, 000
Interest During Construction	6, 000, 000
Total Investment	129, 100, 000
ANNUAL COSTS—TRANSMISSION LINES	
Interest and Amortization	4, 374, 000
Operation and Maintenance	950, 000
Major Replacements	394, 000
Sub-Total Trans. Lines	5, 718, 000
TOTAL ANNUAL COSTS	
Dickey-Lincoln School Lakes	14, 883, 000
Transmission (50 percent)	2, 859, 000
Annual costs	17, 742, 000
Annual benefits (see next page)	46, 492, 000
B/C ratio	2. 62 to 1

ANNUAL BENEFITS	
Marketed in Maine:	
105,000 kw × .95 × $54.25	5, 411, 000
372,000,000 kwh × .95 × $.010	3, 534, 000
Marketed in Boston:	
725,000 kw × .905 × $16.50	10, 826, 000
782,000,000 kwh × .929 × $.030	21, 794, 000
Downstream:	
350,000,000 kwh × 0.008	2, 800, 000
Subtotal power	44, 365, 000
Prevention of flood damages	60, 000
Recreation	1, 250, 000
Redevelopment	817, 000
Total annual benefits	46, 492, 000

TABLE II.—*Dickey-Lincoln School Lakes economic efficiency test*

[Based on 3¼% interest rate]

ANNUAL BENEFITS	
Power marketed in Maine:	
105,000 Kw x .95 x $25.00	$2, 494, 000
372,000,000 Kwh x .95 x $.010	3, 534, 000
Power marketed in Boston:	
725,000 Kw x .905 x $6.50	4, 265, 000
782,000,000 Kwh x .929 x $.030	21, 794, 000
Downstream:	
350,000,000 Kwh x $.008	2, 800, 000
Sub-Total	34, 887, 000
Adjustment for flood control*	60, 000
Adjustment for recreation*	1, 250, 000
Adjustment for redevelopment*	817, 000
Total Benefits	37, 014, 000
Annual Charges	17, 742, 000
Comparability Ratio	2.1 to 1

* Flood control, recreation and redevelopment benefits which are provided incidentally to construction of Dickey-Lincoln School would be foregone by the alternative. Therefore, the values of these benefits are added to the alternative in order to obtain a valid comparison.

TABLE III.—DICKEY-LINCOLN SCHOOL LAKES

I. REPAYMENT ANALYSIS (50-YR PERIOD—5⅞ PERCENT INTEREST RATE)

	Dam and appurtenances	Transmission	Total
A. First cost:			
1. Construction costs allocated to power [1]	$341, 235, 000	$123, 100, 000	$464, 335, 000
2. Interest during construction (at 5⅞ percent)	50, 008, 720	10, 848, 000	60, 856, 720
Total investment	391, 243, 720	133, 948, 000	525, 191, 720
B. Annual cost (50 yr at 5⅞ percent):			
1. Interest and amortization	$24, 390, 100	$8, 350, 300	$32, 740, 400
2. Operation and maintenance	1, 500, 000	950, 000	2, 450, 000
3. Major replacements	165, 000	262, 000	427, 000
Total annual cost	26, 055, 100	9, 562, 300	35, 617, 400
C. Repayment requirement:			
1. System transmission revenues from wheeling off-peak power (50 percent)		—$4, 781, 100	—$4, 781, 100
2. Net amount to be recovered by power revenues	$26, 055, 100	4, 781, 200	30, 836, 300
3. Energy revenues [2]	—12, 461, 500	0	—12, 461, 500
4. Amount to be recovered by capacity	13, 593, 600	4, 781, 200	18, 374, 800
5. Capacity value (at mkt.—756 MW)	17. 98	6. 33	24. 31
D. Total capacity charge:			
Capacity value			$24. 31
Administration charge for marketing			. 50
Total capacity charge (per kilowatt)			24. 81

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[1] Remaining construction costs have been allocated to flood control, recreation and area redevelopment.

[2] Energy value fixed at 10 mills/kWh equivalent to value for Maine market area.

II. COMPARISON OF COST (DICKEY-LINCOLN SCHOOL VERSUS PRIVATELY FINANCED ALTERNATIVES)

	Capacity dollars per kilowatt	Energy (mills per kilowatt-hour	Compostei (mills per kilowatt-hour
A. Composite values:			
Private alternatives: [1]			
Gas turbine (Massachusetts)	16. 50	30. 00	44. 90
Fossil fuel (Maine)	54. 25	10. 00	25. 35
Combined private	21. 49	21. 39	34. 43
Dickey-Lincoln School	24. 81	100. 0	25. 05

	Capacity dollars per kilowatt	Energy (mills per kilowatt-hour	Composite (mills per kilowatt-hour
B. Annual savings:			
Private alternatives (1,246,150 kWh×34.43)			$42, 905, 000
Dickey-Lincoln School (1,246,150 kWh×25.05)			31, 216, 000
Annual savings (say $11,700,000)			11, 689, 000

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[1] Based on values furnished by the Federal Power Commission.

Mr. McKINNEY. Mr. Chairman, I rise in support of the amendment.

The magnificent apologia that goes on for the Dickey-Lincoln project makes it very difficult to sort the truth from fiction.

Mr. Chairman, I tried to think of what I could say in addressing myself to the facts, and I came across an editorial out of the Maine Sunday Telegram, published in the 4th month of this year. I would like to read it to you.

The editorial is as follows:

THE BAD SIDE TO DICKEY-LINCOLN DAM

The Dickey-Lincoln project doesn't look half so good this Sunday, since reporter Bob Cummings put it under the microscope in last Sunday's Telegram.

For the first time Maine people are now able to see the other side of the Dickey-Lincoln project. And Dickey doesn't look like the prize-winner that Senator Hathaway has been touting for years and years.

The only real advantage Dickey-Lincoln would seem to have it that it does not use fuel to generate power. It would use water.

But then Dickey wouldn't make much power anyway. It would transmit power only about 3 out of each 24 hours. It would add only seventenths of one per cent to the electricity now available in New England.

And Dickey would cost tremendously. To build Dickey-Lincoln would cost over $500 million, or twice as much as it cost to build Maine Yankee at Wiscasset, which produces about eight times the amount of Power Dickey would.

To build Dickey would mean a dam in the Maine wilderness that would be 340 feet high and two miles long—far bigger than the Aswan dam which controls the waters of the Nile. The Aswan took eight years to build. If it takes eight years to build Dickey the cost might be closer to a billion dollars.

To build Dickey dam will require some 65 million cubic yards of fill. That may mean taking it from the Debouillie Mountain range, 20 miles or so from Dickey. That spectacular mountain, with its rare twin lakes, would be devastated. And if the fill were trucked to Dickey—it would require three million truck journeys each way. All told 120 million miles of driving. Quite a lot of fuel involved there, for a project that is supposed to save fuel!

Cummings also revealed that the Corps of Engineers estimates were based on the assumption that the $514 million involved might be borrowed at interest rates of 3½ per cent. Where have those engineers been?

Based only on the facts recited here, it is clear that Dickey-Lincoln is not the prize-winning solution it was so long touted to be by its supporters.

Now add the fact that Dickey would flood 80,000 acres of valuable timberland.

Add the fact that Dickey lake would cut Maine off from 200,000 acres of Maine timberland. Only the Canadian workers could get to the land—unless a multi-million dollar bridge were built over Dickey Lake!

The concerned committees in Congress should carefully re-evaluate the Dickey-Lincoln data supplied to them.

Mr. BURKE of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, you are listening to a convert here today. I opposed this bill at every stage down through the years.

Mr. Chairman, many of the arguments which my good friend, the gentleman from Connecticut, and my good friend, the gentleman from Massachusetts, used are true in some respects. But I think they have missed the boat, because the real issue here is the energy needs of this Nation and whether or not we are going to allow this great country of ours, this great beloved country of ours, to be subject to the blackmail efforts of the Arab countries, who are holding up this Nation and gouging the public on the high price of oil.

We have had brownouts in Massachusetts. We have unemployment up there over 7½ percent.

As my good friend, the gentleman from Connecticut, said, there are some Members here who would vote to erect a windmill on Mount Greylock if it would produce energy, I know to whom he was referring. He was referring to me, because I am telling the Members that it is a fact there is a great need for energy in this country. We are facing a real energy shortage, and I do not think any one of us can afford to vote for this amendment.

Mr. Chairman, I believe this amendment is wrong. I think we would do untold damage to many people in the Northeast section of this country. I believe we need energy wherever we can find it, and if this Nation is going to be able to be self-sufficient in the energy field, we will have to go out and get the energy wherever we can find it. Because of those reasons, I must oppose the amendment.

I have a great deal or respect for the environmentalists. I believe I have one of the best records in this Congress on environmental legislation. However, as I pointed out to a friend of mine a few weeks ago, we have two issues to face in Massachusetts and in the Northeast: We can either freeze to death or we can choke to death. Those are the choices we have.

I say, if we are going to use any commonsense here today, that we will defeat this amendment. If we fail to do that, we are jeopardizing the entire Northeast section of this country, we are creating even greater unemployment, and we are going to cause brownouts and blackouts. If we fail to defeat this amendment, we are going to play into the hands of the Arab nations, who are blackmailing the American public with their high oil prices.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Massachusetts. I am happy to yield to my good friend, the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I find myself at odds with the gentleman; I am usually on the same side of the fence with my friend. We, of course, found ourselves on the same side when we served together in the State legislature.

The gentleman said that we will either freeze to death or choke to death in New England. The gentleman was not here when I spoke, but I said that I am very concerned about the energy crisis in New England, but we are working toward a solution and my friend knows how hard I work on this. The gentleman said that we should get our energy wherever we can find it.

Mr. Chairman, I would like to ask the gentleman in the well how he feels about nuclear powerplants. I would also like to ask the gentleman how he feels about offshore drilling off the Atlantic coast.

Mr. BURKE of Massachusetts. Mr. Chairman, I would be glad to enter into a discussion with the gentleman about offshore drilling at some other time, but not now.

Mr. CONTE. Mr. Chairman, if the gentleman will yield further——

Mr. BURKE of Massachusetts. Mr. Chairman, I have only 5 minutes in which to speak, and the gentleman, Mr. Conte, is one of the ablest debaters in the Congress, he wants me to discuss offshore drilling. That is a great way to tie me up, getting me involved in a discussion about offshore drilling. We are discussing the Dickey-Lincoln Dam right now, and let us stick with that subject.

We need that Dickey-Lincoln project up there now. I voted against it eight times, and I have now made a 180 degree turn. I have fought the utility companies down through the years when they were wrong, and I have stood with them when they were right, but even the utility companies in New England today are not opposing this study. The New England Power Co., does not oppose this bill. The United Mine Workers, who formerly opposed this bill, now are neutral on this bill, because they now realize the consumers have something at stake here. They realize that America is in real trouble.

I will say for the benefit of those friends of mine on the other side of the aisle that the President has asked them to go out and make this country self-sufficient in the power field and in the energy field. By voting down this amendment, they will be following their leader in the White House.

I will say to those Members on the other side of the aisle, if they vote down this amendment, they will be protecting the consumers of this country.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I wish to point out to the gentleman that in my own State of Connecticut, which gets only 4 percent of its needs now from public power, and in New England as a whole, where public power only provides 10 percent of the needs and the other 90 percent is provided by private power, this energy from Dickey cannot be sold to the private power utilities in New England; it is going to be sold to the public power companies, the preference customers, most of homw are outside of New England. So you are not solving the problems of 90 percent of our people who are dependent upon private power. This is not the answer to the dilemma.

Mr. BURKE of Massachusetts. Just a minute. Let me answer.

You are going to relieve New England of the necessity of acquiring about 1.5 million barrels of oil a year, and that is a terrific reduction in the amount of oil we use.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRINGTON. Mr. Chairman, I move to strike the necessary number of words, and I rise to speak against the amendment.

Mr. Chairman, since we are in the business of quoting editorials, I would like to make a couple of nongermane editorial comments for the benefit of the gentleman from Connecticut.

First, I might observe that the average voting rating of the five people who are the sponsors of the letter that has been the subject of discussion this afternoon with regard to conservation is in the mid-40-percent range, led by the gentleman from Massachusetts, (Mr. Conte) who tops the list with a reasonably healthy percentage.

I think to a degree this is an obscure issue so far as conservation is concerned. I would really like, if I could, to go on to relevant kinds of concerns here and review for the House as a whole some broad observations made by my colleague from Massachusetts (Mr. Boland).

About 2 percent of our power needs in New England are met by public power sources. With enthusiasm on my part, the New England delegation has joined in assuring that the rest of the country has an average of 20 percent of their power needs met by public power projects. It is time that we gave consideration to allowing the New England region to make progress in this area.

Now let me make a couple of points that have not been made, particularly with regard to the opposition coming from the State of Connecticut.

We have registered in New England the following electric power costs for individual consumers over the period of 1973—the most recent statistics available. Connecticut is 4th ranking; Massachusetts is 7th; Rhode Island is 14th; Vermont is 15th; New Hampshire is 8th; and Maine is 12th. The profile is similar as far as commercial and industrial users are concerned.

The question I suggest is, are we going to continue this situation, which has contributed to a regional economic decline? Electric power costs have been cited by the first national bank as one of the major reasons why our regional economy has failed to be competitive. The cost of electric power has indeed greatly contributed to the decline in our regional economy.

My feeling, in looking at the Dickey-Lincoln project, is that there has been a degree of exaggeration on both sides. This is not an ideal public power project, and neither is it the monster that has been painted for us by the gentleman from Connecticut. We have to recognize that for a number of years, circumstances have existed which can now be changed, and which accounted for the industrial decline which has been taking place on a regular basis. We have made an effort to get our region into a position where we could deal with power crises. For a number of years, our efforts have been countered by propaganda which has been issued from the private sector.

Dickey-Lincoln would produce peaking power at a comparative cost level to that at which it is now being supplied by the private utilities.

We must recognize that we have to get a foothold on this problem now, if we are to accrue for New England the benefits of public power and bring down our power costs.

Dickey-Lincoln will also serve as a yardstick, to give us a better understanding of the utility industry and of the propaganda presented by the private power companies.

On the environmental question, not to long ago I took time to join my colleagues in a trip to Maine. We flew over the area in question—over the St. John River area and the Allagash River area. We inspected the clearcutting to which the gentleman from New Hampshire (Mr. WYMAN) referred, and which I think is responsible for the flooding that has been taking place in the area in the last few years. We also were struck at what I might call, with all due appreciation to the Members from the State of Maine, a quasi-Appalachian situation which exists in that region, as far as the economic picture is concerned.

These efforts on our part suggest, I hope, that we are attempting to weigh the positive nature of the benefits to the region, and derive an accurate measure of the environmental issues.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HARRINGTON was allowed to proceed for 1 additional minute.)

Mr. HARRINGTON. Mr. Chairman, I hope my colleagues in the Congress recognize what I think is so apparent to the 25 Members of the House who are from New England—that we are not able to be competitive with the rest of the country due to the peculiar nature of our situation so far as the costs of power are concerned. I think the time has come to give us this modest means of getting into a better position, and to create a means of evaluating what we are getting from the private utility sector so far as the costs of power are concerned.

Mr. KYROS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it seems to me that we should certainly approve this study. This hydroelectric project has been endorsed by many groups, and by the six Governors of New England. We have seen the sharp rise in the cost of oil making a shambles of the economy of our Nation and particularly that of New England. So it would appear that the only possible way we can reduce the energy burden upon the consumers and the taxpayers and the homeowners, the same persons who use electricity, is that we should proceed both with the environmental impact review and planning study. I think that this is the least that should be done to assist the New England region in obtaining cheaper electric power.

Mr. TIERNAN. Mr. Chairman, will the gentleman yield?

Mr. KYROS. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Mr. Chairman, I want to associate myself with the remarks made by my colleague, the gentleman from Maine (Mr. KYROS).

Mr. Chairman, the measures before us today, the Public Works-AEC appropriations bills, contain $800,000 for preconstruction planning of the Dickey-Lincoln hydroelectric project in northern Maine. The proposed funding would continue the preconstruction planning for Dickey-Lincoln which was terminated in the fall of 1967 prior to the passage of the National Environmental Planning Act (NEPA). Also, a major portion of the funds now included in the budget will go to the preparation of an environmental impact study, which was not required at the time of the original 1967 funding, but which has since been recognized as an important funding consideration. There have been many arguments proposed for continued preconstruction funding and eventually granting substantial obligational authority Dickey-Lincoln. Here are just a few:

First. The present 2.6-to-1 benefit-to-cost ratio indicated economic superiority to privately financed alternatives;

Second. The Corps of Engineers states the project will be self-sustaining with 98 percent of the costs returning to the Federal Treasury;

Third. It will be an invaluable source of uninterruptable and highly dependable peak load power which would be available throughout New England through interconnections with the regional power system (NEEPOOL);

Fourth. Its annual output of 1.2 billion kilowatts will annually supply approximately 150,000 households or approximately 600,000 individuals; and

Fifth. It will provide an important means of flood control and recreation in the area concerned.

The present energy crisis has greatly excerbated the power situation in New England and has shown the need for a large-scale hydroelectric project of the Dickey-Lincoln type. For example, in the last year there has been a dramatic shift in New England utility company opposition to the project. Northeast Utilities, the largest private utility in New England, strongly endorses Dickey-Lincoln, a major shift from its previous position over the past 7 years. The second largest utility, New England Electric System, also "supports" another economic study of the feasibility of Dickey-Lincoln. The Northeast Public Power Association, representing New England's 80 municipal and cooperative electric systems strongly endorses Dickey-Lincoln.

The overwhelming majority of the New England congressional delegation support Dickey-Lincoln. Some of the members originally opposed to the project have switched to support of Dickey-Lincoln based upon cost-benefit facts, preliminary environmental analysis and the hard-hitting impact of the energy crisis in New England. In addition, the six New England Governors have unanimously urged Congress to appropriate preplanning funds for the project. I have consistently supported the Dickey-Lincoln project from the beginning of my first term in Congress in 1967 and the present energy-power situation has further substantiated my position.

It has been argued that Dickey-Lincoln is a noneconomical and inconsequential project. However, the fact is that Dickey-Lincoln's benefit-cost ratio—the analysis by which all public works projects are measured—has actually increased from 1.8 to 2.6 in the past 10 years. The project will generate approximately one billion kilowatts per year and will provide approximately 10 percent of New England's peak power needs.

In conclusion, I give my enthusiastic support to the preconstruction planning for the Dickey-Lincoln Hydroelectric Dam included in the fiscal year 1975 public works appropriations bill.

PREFERENTIAL MOTION OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer a preferential motion to strike the enacting clause.

The Clerk read as follows:

> Mr. CONTE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. CONTE. Mr. Chairman, I had no intention to speak again on my amendment. But, first of all, my great and good friend, the gentleman from Massachusetts, came down here in the well of the House and he tried to lecture me on the fact that I am not an environmentalist, or a conservationist, and that really takes a hell of a lot of gall.

Mr. Chairman, I have spent my whole life dedicated to conservationism. In 1972 I was cited by the League of Conservation voters on my outstanding record on the key environmental issues in the Congress. And I was one of 15 in the United States, Senators, Congressmen, and Governors to be endorsed.

In 1972 Field & Stream cited me as the outstanding legislator in the field of environmental legislation.

The gentleman from Massachusetts has been a very dear friend of mine. I have a lot of respect for him. But I think he should have his facts in order when he comes up here and tries to lecture that I am a new-found member of the environmental group.

He has tried to characterize me as one of a group of members with a rating in the forties from the League of Conservation Voters. He should look at my ratings for the past 3 years—79, 85, 93 are not in the forties.

A lot has been said that the UAW is for this, the coal miners are for it, the private utilities are for it, so why am I against it? I ask you, why am I against it? My good friend, the gentleman from the Second District of Massachusetts, gibed at me and said that the only people who could go up in that area and canoe would have to be people who could afford to hire guides, they are the only ones who could afford a trip to go up there.

Mr. BOLAND. Mr. Chairman, if the gentleman will yield, let me state that I was making no particular reference to my good friend, the gentleman from the First District of Massachusetts. The facts are that it takes guides to go in that area in order to hunt and to fish, but this would not apply to the gentleman from the First District.

So I was making no reference to the gentleman at all.

Mr. CONTE. I thank the gentleman from Massachusetts, because I have been in that area, and I know that there is not a Member in the Congress who has gotten up and walked and canoed through that area except the Congressmen from Maine, they have, but the others have not walked in this area, fished in this area, or canoed in this area where I have been.

I have been on the Migratory Bird Commission, and the gentleman from Maine knows how I have been fighting to get him wetlands in the Rachael Carson Refuge. Here we are going to destroy a habitat for ducks and two of the best trout rivers in Maine, the Big Black River and the Little Black River. We are going to flood the Saint Johns River for 60 miles, and the gentleman is going to tell me that we are not going to destroy this area?

Another Congressman got up and told me that we are going to cut that lumber so we are not losing that lumber. Did he ever hear of selective cutting? This is like a gold mine. Did he ever hear of reforesting? We are going to drown 89,000 acres on which we could have continually renewed a valuable resource.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maine.

Mr. KYROS. I thank the gentleman for yielding.

First, I should like to say to my good friend, the gentleman from Massachusetts, that he does not have to stand up and protect his environmental record. There is no question about that. Everybody in this Congress knows that. I personally am a great admirer of his record.

The gentleman has been a friend, not only to the United States but to the State of Maine.

That is not the issue. The issue today is whether $800,000 can be appropriated for a study for this dam. Not one pound of earth will be moved.

I think the money would be well spent.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. HARRINGTON. I thank the gentleman for yielding so we can clarify what the purpose was of the remark.

First of all, I thought it was rather clearly stated, but I will state it again, to indicate that in the list of five sponsors that were on a letter that was initiated, I assume, by the gentleman from Massachusetts, the average League of Conservation Voters rating for the most recent figures hovered around the mid-40 percentile. It was not meant as a personal attack on the gentleman; it was meant as a clarification of that list. I did not mean to take it as a point to debate the issue on but rather to indicate that the conservationists' rating is fallacious.

Mr. CONTE. Mr. Chairman, I have been opposed to this dam ever since I first came here. If the Members will go back and check the CONGRESSIONAL RECORD, it was always on the environmental issue. I still oppose it for the environmental impact.

My good friend, the gentleman from the Second District of Massachusetts, mentioned the flooding of the town of Fort Kent. "We need the dam to prevent serious flooding." He is absolutely right, but a dike or a levee costing only between $1- and $2 million is feasible and could be done with the Corps' general fund for small flood control projects. We could protect the downtown area of Fort Kent. The local residents, however, have in the past refused to come up with the $250,000 needed as a local share, preferring, of course, to hope for the gigantic Dickey-Lincoln Dam in regard to cheap electricity.

Mr. Chairman, I include the following material in support of my position:

SOUTH PORTLAND, MAINE, *April 3, 1974.*

Hon. SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR SIR: I just read in my local newspaper that you will oppose the Dickey-Lincoln hydroelectric project proposed for northern Maine. I am so happy to hear this. I fought Dickey very hard six years ago when it was a strong possibility, and I was very glad to see it put to rest. Only I have known all along that it hadn't died—was just sleeping—and some day it would rear its ugly head again. Now it seems it is about to do just that.

* * * * *

Please let me know what I and others here in Maine who are opposed to Dickey can do—and what the chances are of this monstrosity being defeated this time.

Sincerely,

LENORA K. BANGERT.

SOUTHAMPTON, MASS., *April 4, 1974.*

Representative SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CONTE: I wish to express my support of your stand against the Dickey Lincoln dam and power project. In June, 1973, my wife, fifteen year old son and I canoed down the St. John river to the village of Dickey. By the end of June there is hardly enough water to float a canoe. Even if a dam were built, the amount of water stored to generate power would be neglegible.

Even if it were feasible from an economic standpoint (which it isn't) it would be a tragedy to destroy all that beautiful wild timber land and streams and rivers and wildlife.

It seems to me a wiser course would be to conserve energy rather than constantly seeking to increase production and consumption.

Very truly yours,

EDMUND STASZ.

WILLIAMSTOWN, MASS., *April 7, 1974.*

Congressman CONTE,
Washington, D.C.

DEAR SIR: As a concerned member of the Sierra Club, the proposal to build two hydroelectric dams on the St. John River, better known as the Dickey-Lincoln project, has been brought to my attention. I am writing to urge you to resist all efforts to pass this bill.

Doubtless, you have been under considerable pressure to support this measure in the name of alleviating the energy crisis. A closer look at the best way to fulfill our energy needs shows, however, that we must develop alternate sources of energy, such as solar energy, and use what energy resources we have more frugally, rather than wildly, rashly executing projects like Dickey-Lincoln at the cost of damaging the environment.

Few can argue that the Dickey-Lincoln project would not harm the ecological balance of the region. The dam would destroy over 100,000 acres of land of outstanding natural resource and recreational values. The dams would submerge waterfowl and wildlife habitat, including 17,600 acres of deer yards supporting 2,200 deer, eliminate a wildlife reservoir, and flood timber with a usual yield value of $660,000 in 1967.

If the money to fund the Dickey-Lincoln project were allotted to research on alternative energy sources, we'd be well on the road to insuring adequate energy sources not just for ourselves but for posterity.

On an entirely different subject, I'd like to commend and thank you for your anti-war efforts. You're doing a great job and I wholly support your work. Thank you.

Sincerely,

KAREN LEAF.

ASSOCIATED SPORTMANS CLUBS
OF YORK COUNTY, INC.
Eliot, Maine, April 19, 1974.

Hon. SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR SIR: An article appeared in the Portland Press Herald on April 3, 1974, wherein you expressed your opposition to the proposed Dickey-Lincoln hydroelectric project.

Our organization is comprised of seven individual associations which represent approximately 1000 members and it is heartening, to say the least, to find a public servant who is apparently concerned with conservation.

We wish to express our appreciation for your concern.

Respectfully,

Howard B. Leavitt,
Secretary.

Kingston, Mass., *April 24, 1974.*

Hon. Silvio O. Conte,
House Office Building,
Washington, D.C.:

We are vigorously opposed to the proposed Dickey-Lincoln Dam project.

The beauty of the St. John River surpasses even that of the Allagash River. We who have canoed it's unspoiled length, enjoyed it's solitude and wild animals and tasted it's clear cold water, find the thought of destroying it most distasteful.

Backing the waters of a dam up 89,000 acres will jeopardize one of the country's top fishing and canoeing rivers as well as destroying thousands of its wild life.

The Dickey-Lincoln dam would contribute at a maximum only 1½% percent of New England's needs and this will decline with time. Is this small percentage of power worth such total destruction? Must we sacrifice the last real wilderness in Maine with it's beautiful rapids and waterfalls to make way for ugly power lines to cut wide swaths through virgin timber causing massive scarring of an unspoiled wilderness?

Nearer the populated areas which would benefit from the power are several polluted rivers. These should be utilized instead for a dam project rather than the taking of vast acres of virgin timber and the natural habitat of thousands of wild animals and birds.

This is one more sacrifice of nature so that each succeeding generation has less and less of this great land to enjoy. One has only to study the results caused by the damming of the Colorado River to foresee the future of the Dickey-Lincoln area. As many of the advocates of the Colorado project now agree, there is the problem of silt filling the reservoir and the potential for agriculture and grazing lands have been destroyed. Do we want this to happen here? More and more supporters of the Colorado project admit there are more serious problems than were expected.

Let us spend more time and investigate the problems which may arise in the future before listening to "scare tactics" telling us that the energy crisis is the only important issue, especially with the millions of dollars involved. Why not reconsider the Passamaquody Tidal Power project again?

Let us take the time and reassess our values so that the future generations will be able to move and breathe in the green unspoiled and unpolluted beauty of the real America.

We feel that a reassessment of the Dickey-Lincoln dam project is in order.

Mr. and Mrs. Thomas Motte.

Harvard, Maine, *April 26, 1974.*

Hon. Silvio O. Conte,
House of Representatives,
Washington, D.C.

Dear Mr. Conte: I would like to register my total disapproval of the proposed Dickey-Lincoln Dam being considered for construction in the State of Maine.

I hope the energy crisis in this country will not swallow up and overwhelm the environmental concerns of this country which must also be considered as a crisis situation. The Northeast is one of the most populated areas of the United States and we have almost no wilderness areas left to our use.

Last year I canoed from above Baker Lake to the Town of Allagash, and beyond, in an unforgettable relatively wild part of Maine. Unlike the Allagash River which is now overpopulated, the St. John Area is wild, beautiful and exciting. I caught salmon and trout in the river, saw bears sunning themselves on the banking, moose fording the river and the white flags of deer tails disappearing in the underbrush. I have canoed and explored and camped in most of the areas of New England and the St. John River is unique. I, personally, would consider it a tragedy to lose it to a civilization content to swallow up every resource at its disposal for additional increments of energy.

I would recommend you visit this area of Maine personally before you take action on the proposed dams. I would offer to take you personally down the river if you would wish, because nobody who has been on that beautiful river would ever agree to see it destroyed.

I am no expert on the statistics of energy consumption, the amount of energy in such a river if dammed up, nor can I unscramble the true nature of the energy crisis in terms of what we truly need for energy supplies. I think it would be disastrous, however, to ignore the pleas of people who want to preserve our land unless they can come up with a solution to the energy crisis first. Surely we are not so shortsighted as to agree to dispoil our land further than we already have. We must stop and look at what is happening, what has happened in the past, and decide how we want to leave our land for future generations.

Please share with me a mutual concern for the consequences of ruining our last really great geographical area in the Northeast by voting against further appropriations of money for the Dickey-Lincoln Dam in Maine.

Sincerely,

Malcolm C. Henry.

Holyoke, Mass., *April 28, 1974.*

Congressman S. O. Conte,
Cannon House Office Building,
Washington, D.C.

Dear Sir: I wish to commend you on your stand against the Dickey-Lincoln Project. This area is the last real wilderness here in the Northeast. Friends tell me it hasn't changed since Rogers Rangers went through it. We don't need more energy at such a price—the amount to be gained is very small. All New England has a stake in the river's preservation. I am very surprised that the governors of our six states should wish to provide funds for such an unsound project.

We do not always agree on our politics, but your record as sponsor of so many worthwhile conservation measures is a fine one.

Sincerely,

Helen D. McGinty,
Mrs. E. P. McGinty.

Poughkeepsie, N.Y., *April 29, 1974.*

Hon. Silvio O. Conte,
House Office Building,
Washington, D.C.

Sir: I understand the House Appropriations Committee is considering an appropriation of funds for engineering and design of a proposed hydroelectric project at Dickey, Maine on the St. John River in Maine. With the current concern on energy, one can understand why an interest in this project has been re-kindled. However, I hope that members of Congress will take a more "long term" view. To destroy a natural resource like the St. John River for a short term gain would be a tragedy.

The St. John River is unique in that it is the only river in the Northeastern United States with a true 100-mile wilderness section. (Even this is stretching a point a little as there are several paper company bridges and roads.) The Allagash waterway in Maine is a system of lakes and rivers. However, in recent years this has become extremely crowded. The American desire for wilderness is almost insatiable. In the long term the preservation of the St. John River in its present state would have the greatest value.

Hydro-electric power will become decreasingly important in the future. Other power sources have the greater potential. Let us play for the long run and try to keep as much of America wild and beautiful as we can.

Sincerely yours,

Walter T. Blank.

Bar Mills, Maine, *May 6, 1974.*

Hon. Silvio O. Conte,
Appropriations Subcommittee
Washington, D.C.

Dear Mr. Conte: As I note with appreciation your questioning of the practicality of funding the Dickey-Lincoln power project of Maine with its destructive impact on the area it occurred to me to send you comments and information contained in clippings from the Portland papers to support your position.

The flooding of the St. John River at Fort Kent has renewed pressure for the dam. Feelings are running high, and the unhappy citizens are blaming the so-called environmentalists for their plight. They are ready, they say, at a word from any of them to dunk their heads in the river among the ice cakes. Emotions are at fever pitch.

Beside the clippings I have a few observations of my own which may add to the information in the clippings.

I live on a rise above the Saco River in the Town of Buxton in an old farmhouse. In slippery winter weather I have to be careful that my car does not skid down the hill into the river.

In March of 1936 there was a flood here bigger than the present St. John flood at Fort Kent. All the bridges but one went out. The river came almost lapping at the door of this farm house on a high hill.

Then the river was dammed, resulting in the Skelton Lake. The dwellers by the river thought there could never be another flood. The engineers said that there could be if conditions were right. This proved to be true. There have been several big floods since the dam with threats of others. Only because rain stopped, and the ice moved out, and thaws turned to freezes in the nick of time preventing bigger floods were the conditions different than in 1936.

So when Senator Muskie and others—as in a couple of these clippings—say that the dam is not the answer to the flooding they are right. It should be noted that bad timber practises in the past are noted as one error in causing flooding.

As for recreation provided by the Lake it is pretty but the waters of the St. John are lowered over week ends very often so that boats cannot be used on the river leading to it. There are a few houses and mobile houses on a point of land. The historic old picnic grounds were lost. The young people now spend their time dangerously leaping off the bridge or the older ones down on a point which as a dismal sight of stumps where no one felt like going using this as a beer drinking gathering place.

Recently there have been clean-ups, and for two years a tremendous grass roots effort was made by the corridor towns to bring about legislation to protect the river, water quality, prevent wrong development and building on the flood plains, wrong timber cutting, and protection for recreational opportunities all along the river. The effort was successful and resulted in landmark legislation known as the Saco River Corridor Act passed by the 106th legislature.

My children and grandchildren, and their friends have camped, canoed, explored the rivers of Maine, north and south including the Allagash and the St. John. They like many others know the conditions in the wet and in the dry seasons, and have enjoyed both. Many more young people than anyone realizes benefit from these recreational advantages.

How can we explain to those who do not want to learn that they too benefit from the forests and the rivers and the wild animals. An environmentalist is only a person who has done his or her homework and knows only too well the history of what happens to people and their happiness when they destroy their own environment.

I should not waste your time with this kind of comment because you know that only too well.

* * * * *

We have learned to live with the power lines running back of our farmhouse. It was saddening to see them but if that power was needed so be it but now other swathes not far away thru woods, across streams, by farm houses not far away are to go up for the new plant. We must not question those we really need but we should question action where the harm seems greater than the benefits.

There are many people glad for your interest and support. I hope it will help for you to know this and that you may find something new in these clippings to pass on to members of your committee.

Sincerely yours,

HELEN L. BRUCE.

HANOVER, N.H., *May 19, 1974.*

Representative SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: I myself am an avid canoeist and outdoorsman, I was shocked to hear that the Dickey-Lincoln project was being considered again. Through the last few years I have spent many extremely joyful days and nights on the St. John river. I find it shocking that this project would destroy 20,000 acres of land this is beyond my comprehension as to how *any* human being can give himself the power to do this. Even if this project was done, it wouldn't even make a dent (maybe a scratch) in the need for energy. And by the time it is finished we will be dependent on other types of power, so why waste all that money, time and effort on something that will be obsolete in five years? It doesn't make any sense at all. My God, this area should be turned into a preserve, not a lake. It now offers: fishing, camping, hunting (duck & deer), canoeing and lots of swimming. At the present stage the river used and enjoyed by many, but who wants to play behind a dam? I hope that this letter will draw others to see the hard cold facts about the deadly destruction that this project will cause. I am pleased to hear of your opposition of the project.

I only hope to God that the others try (as you have) to prevent this idea from ever becoming reality.

Sincerely,

JEFFREY MCALLISTER.

CARLISLE, MASS., *May 19, 1974.*

Representative SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: I wish to oppose the Dickey-Lincoln dam project.

It appears that the enthusiasm for this project is based on several incorrect priorities. The recent shortages of fuel have made power sources which do not consume fuel seem attractive, but such projects consume other resources. In the case of the Dickey-Lincoln the consumed resources would be: lumber, wildlife habitat, wilderness recreation areas, and construction materials. Several of these resources are far more limited in supply than power sources and all of them have a real value.

It is always a mistake to lose perspective in crises. In this energy crisis, to squander the last bits of our wilderness for what is at best a mere gesture, is pure folly.

Very truly yours,

TIMOTHY FOHL.

SHELBURNE, VT.,
May 21, 1974.

Re St. John River, Maine.
Representative SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: One of the sad things about our country is that we never seem to learn from past experiences . . . and, one of the nice things is that we are blessed with some incredible natural resources. The combination of these two factors has led us to destroy more and more of that which is irreplaceable. And so it is that once again we are faced with total extinction of a beautiful natural area, all because of some panic stricken ideas that we must quickly build a dam—because we need more and more energy.

I'm writing to you about the St. John River in northern Maine. I've been there, I know what it's like. I've traveled more than 150 miles of the St. John's vibrant waters—have marveled at its lush shore line teeming with wildlife in a corridor of magnificent pines, spruces and balsams. I saw deer at practically every bend in the river—it's easy to approach them by canoe for the deer don't associate "man" with something floating on the river. And yes, there's moose up there too—I had one walk through my campsite and trip over my tent ropes. Eagles fly overhead and there's a multitude of waterfowl. It is majestic and tranquil, and it ought to be left alone the way the Lord intended it to be—forever in its natural state.

I urge you to use every ounce of influence to oppose the dam builders who are determined to destroy the St. John waterway. Once it's gone it can never be replaced. For the sake of future generations yet unborn our country must make some sane commitments now to preserve what little we have left.

Thank you very much,

Cordially yours,

CLYDE E. SMITH.

MIDDLETOWN, R.I.,
May 23, 1974.

DEAR SIR: I am opposed to the proposed Dickey-Lincoln dam in the St. John River area of Maine. Last summer I canoed up in the St. John-Allagash Wilderness area and although there were a lot of other visitors. (we need to expand the wilderness area up there to include the upper St. John) it was a spectacularly beautiful area—the last true wilderness waterway area in the northeast. We must save this small remote section of Maine for our children and future generations to enjoy.

Very truly yours,

HOWARD M. WHITFIELD.

BOOTHBAY HARBOR, MAINE,
May 23, 1974.

Hon. SILVIO CONTE,
House Office Building,
Washington, D.C.

SIR: The proposed Dickey-Lincoln Dam on the St. John River has reared its ugly head again. As a conservationist, I must add my voice to those who stand in opposition to such a proposal.

To dam the St. John, one of the only remaining wilderness river areas in the northeast would not only inflict irreparable damage on this river, but would also most assuredly threaten the Allagash watershed.

This environmental threat should be reason enough to kill it. Add to it the waste of taxpayers money in the construction of a plant that can provide but minimal power, and common sense should dictate the outcome.

Very truly,

FRANCES T. RULE
MRS. W. H. RULE.

PROVIDENCE, R.I.,
May 23, 1974.

REPRESENTATIVE SILVIO CONTE,
House Office Building,
Washington, D.C.

MY DEAR SIR: We wish to say that we are *opposed* to the proposed Dickey-Lincoln School Dam on the Upper St. John River in Maine.

This project will never solve the energy crisis because it is not big enough. Nor can it be made bigger or be operated for a longer period daily, because the water supply is too limited for large or larger operation. Its output will never amount to more than 1% of New England's annual electricity demand.

Dickey-Lincoln School would destroy a unique environment which has enormous recreation potential in its natural state. For example—this dam would destroy one of the outstanding brook trout fisheries of the nation—Hunters would lose about 17,600 acres of deer yard—and 2,800 acres of duck-breeding habitat would be also lost. This part of the Maine woods has served as a wildlife reservoir from which other areas have been re-populated—by moose, etc.

This Dam is not economic, despite the Corps reportedly favorable "cost benefit" analysis.

Investment of the capital in prototype solar construction would make a more lasting contribution to solving the long-term energy crisis. Dickey-Lincoln is a throwback to early 20th century methods and their destructiveness, rather than an innovation in power production which our times demand.

Much more thought and investigation should be given this matter before a final decision is made.

We sincerely hope that you will give serious consideration to the above facts, and oppose this project when it comes up for a vote. Thank you.

Yours very truly,

MR. AND MRS. JOHN N. LALLY.

SACO, MAINE,
May 23, 1974.

Re Dickey-Lincoln Project.
Hon. SILVIO CONTE,
House of Representatives,
Washington, D.C.

DEAR MR. CONTE: Because of the character of its development, the northern part of Maine is still quite largely wilderness and it is very unique in that it is accessible to a great many people as an example of what the wilderness of this country used to be.

Accepting the acuteness of the energy shortage as it is, the amount of power which could be produced by the development of the St. John River is not large enough to warrant its sacrifice as a source of pulpwood and timber and, particularly, the great value of its natural beauty.

As a citizen of Maine who has spent the most of his life in the lumber business and who has been an active supporter in the development of the Saco Valley Authority (intended to maintain the beauty of the area of the entire valley), I am strongly opposed to this proposal.

I respectfully request that this letter be included in the Hearing Record.

Yours very truly,

JOSEPH G. DEERING.

Hon. SILVIO O. CONTE,
House Office Building,
Washington, D.C.:

I am writing in opposition to the Dickey-Lincoln hydroelectric power project on the St. John River in northern Maine.

Four years ago our family of five spent 10 of the most significant days of our lives canoeing a nearby river in the St. John country. Even then the Allagash River was becoming "crowded". We, and the thousands yet to enjoy such a wilderness trip, need the St. John River—as a wilder, more natural supplement to the over utilized Allagash. Its value is great today; its potential value as a rare wild river is unlimited.

The Dickey-Lincoln hydroelectric project, on the other hand, would be very limited in value. Its present benefits would be small relative to its investment of increasingly rare capital, and these benefits would diminish steadily in the future as technology supersedes this ecologically wasteful method of energy harnessing.

About two thirds of the Northeast's best wilderness, recreation area, fish and game breeding habitant and timber resource would be flooded by a stagnant pool whose level might fluctuate many feet *daily* (peaking power use), leaving thousands of acres suitable for neither recreation nor renewable resource.

The significance of the St. John River as an energy source would be small and short-lived; its significance as a prime source of renewable resources (aesthetic recreation, fish and game, timber) is great and growing.

I think we should put our money and effort into increasing our utilization of the sun as a natural energy source and into more sensible use of the energy we now expand (more reasonable temperatures, vehicles, insulation, etc.).

Please help us to do this and to preserve the St. John River wilderness for ourselves and for the many, many people who will need it in the future.

Thank you.

MILTON E. BORDEN, JR.

MAY 23, 1974.

Representative SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR MR. CONTE: We strongly oppose the appropriation of more funds for the Dickey-Lincoln hydroelectric project on the St. John River in Maine.

While we are admittedly interested in the St. John as a recreational area, we are also aware of the disruption to the regional economy that the Dickey-Lincoln will cause. The boom-and-bust aspects of large scale projects is evident wherever they have been undertaken. When the construction crews leave, there is little left for the local residents but degraded public facilities such as schools, water systems and the like.

The loss to the lumber industry alone would suggest that long-term benefits from the project are an illusion. Enough electricity simply would not be generated to justify the damage to the region. Power lines and roads and right of ways also have to be taken into consideration, and in this case the generation of power is too far from the potential users. We have been pushed into too many unwise decisions under the threat of energy crisis. The crisis is real enough, but the solution will not come from Dickey-Lincoln's.

Sincerely,

PAUL AND MARTHA WILLIAMSON.

BELMONT, MASS., May 23, 1974.

Representative SILVIO O. CONTE,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CONTE: Please vote against the Dickey-Lincoln dam and power project.

It would forever deprive our children the rich experience of the northwoods wilderness.

I have canoed this river, and personally appreciate this (increasingly) rare and rich natural experience.

The lure of cheaper power seems to be largely illusory when total costs are considered, especially the high costs and power losses due to transmission over long distances. Generation closer to the user-cities is more efficient.

Any temporary local benefit from construction jobs soon disappears; and the local population would lose the very asset (visitors) that assists with their continuing support, and its natural birthright now available for the perpetual enjoyment of all.

Please vote against the Dickey-Lincoln dam and power project.

Very truly yours,

JOHN M. BOARDMAN.

MILFORD, N.H.,
May 24, 1974.

Hon. SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: I earnestly urge you to vote No on appropriation of funds for the Dickey-Lincoln Hydroelectric Power Project on the St. John River in Northern Maine, for the following reasons:

1. Dickey-Lincoln, when completed, will supply only 1% or less of New England's electric power requirements.

2. Its cost, estimated to be ultimately nearly $1 billion, is grossly out of proportion to the return to the taxpayer.

3. Nearly 100,000 acres of wildlands and over 50 miles of natural wild river will be lost forever to camper/canoeists, fishermen, hunters, and lumber farming.

4. Dickey-Lincoln, as I understand it, was originally conceived as a back-up for the Passamaquoddy Tidal Power Project. Since Passamaquoddy, for the time being at least, is a dead issue, the implementation of Dickey-Lincoln seems poorly founded.

I base my plea on the following personal experiences and considerations:

1. I was born and lived in Northern Maine for 25 years, and to that extent consider myself a native "Mainiac", although I presently reside in the adjacent sister state of New Hampshire.

2. I know, I have been there: I have canoed both the Allagash and the St. John Rivers, and know first-hand what that wilderness area is like.

3. I have seen, as recently as last week, the sickening devastation created by the lumber/pulp operations, but, forests will renew themselves, given time and more intelligent regulations of forestry practices.

However, a dammed river will never again be a natural river, but by slow siltation will become a dead river, as has happened to many of our beautiful Western and Southern rivers (Green in Washington, for one, and even to some extent the great Colorado).

I implore you to consider the long-term losses as contrasted to the questionable short-term gains of this proposed project, and vote with good conscience.

Sincerely yours,

HOWARD W. HODGDON.

GREENVILLE, MAINE,
May 24, 1974.

Hon. SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: I am strongly opposed to the appropriation of funds for advanced engineering and design for the Dickey-Lincoln School Hydroelectric project at Dickey, Maine, on the upper St. John River, Maine. At this time, when our wilderness areas are being continually devastated, it seems that this unique river drainage should be spared. It is one of the last wild rivers in the northeast; its location in the heart of a huge wilderness area, makes it excellent habitat for all species of wildlife. The area flooded by this project would eliminate 17,600 acres of deer yard supporting 2200 white tailed deer, and about 2800 acres of duck breeding habitat. The St. John and two tributaries to be flooded, the Big and Little Black Rivers, now contain one of the most outstanding native brook trout fisheries in the country. The Building of the Dickey-Lincoln dams would also flood one of the last unspoiled white water canoeing rivers in the Northeast.

Today, when more and more people are turning to our wilderness areas for recreational activities such as hunting, fishing, and canoeing, and the areas suitable for these activities and the support of the associated fish and wildlife admittedly shrinking, it seems to me that every effort should be made to perserve these areas, not destroy them. Building this project would also upset the long term economy of northern Maine, eliminating many small businesses who depend on this area for guiding and providing facilities for sportsmen and canoeists, not to mention the wood products industry. Many non-residents from the entire Northeast depend on this "Big Woods" area for their vacations and recreation.

Aside from the wilderness preservation aspect of it, the project does not appear to be practical. By the mid 1980's when the project is to be completed, technology will have nuclear generating plants on a much more satisfactory basis both economically and ecologically, making a hydroelectric dam obsolete. The daily running time, 2½ hours because of lack of water, also makes the propect seem extravagant. The fact that this 1% of New England's demand will go mostly to states other than Maine does not justify the damage that will be done to Maine itself. It is not right for people who are not residents or closely associated with the state to decide the fate of a project built in Maine which will not benefit its citizens to any great extent.

I urge you to oppose this project.

Sincerely yours,

ERIC R. GIVENS.

NORTHEAST HARBOR, MAINE,
May 24, 1974.

Representative SILVIO CONTE,
House Office Building,
Washington, D.C.

DEAR SIR: I am writing to oppose the appropriation of funds for the Dickey-Lincoln project. As an avid camper and nature-lover, I would hate to see the St. John ruined by such a project. It is one of the few wilderness areas left to Americans, and one of the best places to camp, fish, and canoe that I know of, since the Allagash is so crowded these days. The amount of power to be acquired by this project is insignificant (I believe a few per cent, at most of the present supply); and becomes ridiculously insignificant in consideration of the loss of the wilderness area. We should be looking for ways to decrease our demands for energy which call for the exploitation of areas such as the St. John, and encouraging energy conservation and energy sources which minimize such measures. Furthermore, the U.S. and Canada can certainly come to an agreement on a less destructive and less expensive project to alleviate flooding in the Fort Kent area.

Yours sincerely,

CHRISTINA FRALEY.

LEICESTER, MASS.,
May 24, 1974.

DEAR MR. CONTE: I am writing to ask you to oppose the Dickey-Lincoln School hydroelectric dam project on the upper St. John river in Dickey, Maine. In my opinion this project is nothing more than a panic reaction to the present energy "crisis". The need for more energy year by year is a problem that may never be fully solved, certainly not by persuing such conventional methods as building dams; however the total and irrevocable destruction of all the wilderness left in the United States is becoming a more frightening reality every day.

Once lost this land is lost forever. Once gone the wildlife may never return. For over three centuries the prevailing ethic in this country has been that nature was a foe to be conquered. There is no longer any room for this attitude. Man is incapable of creating a tree or a deer only of destroying them. It is time he learned to live in harmony with nature not in opposition to it. Only 3% of the land in the forty-eight states is still wilderness and only ½ of 1% is protected. That isn't much and every bit of it is precious beyond money. The upper St. John is one of the very few wild rivers left it must be saved. Thoreau said "in wilderness is the preservation of the earth" this might be ammended to "in wilderness is the preservation of man". If we are to keep in perspective the meaning of this planet and man's place on it then the time is now to preserve what little is left, tomorrow will certainly be too late.

Thank you,

E. Clark Eaton.

Presque Isle, Maine,
May 24, 1974.

Representative Silvio Conte,
House Office Building,
Washington, D.C.

Dear Representative Conte: We are deeply concerned about the possibility of the Dickey-Lincoln Dam being hastily approved because of the emotion surrounding the recent flooding of the main streets of Fort Kent. We oppose the dam strongly for many reasons:

Economically, it just doesn't seem to be sound business. There are many other ways of generating power which will not take valuable acreage out of timber production,—and will give greater dollar return.

Environmentally, it would be a tragedy. The St. John is a beautiful recreation area which will be much prized as the years go by. The Allagash, which was once said to be inaccessible and unnecessary to preserve, is now so heavily used that Maine has stopped publicizing it. Even if we ignore the many acres of deer yards, migratory bird nesting sites, trout and salmon waters, we need the river for people.

Flood control for that area is urgent. Even if the dam were the best way to control flooding—which it is not—the towns cannot wait nearly ten years for it to be built. The people of the St. John need flood control. The people of Maine and New England need the St. John River. Please think long and well before supporting what certainly appears to be a foolish, expensive and relatively unproductive enterprise.

Very truly yours,

Norman and Minnie Varnum.

Castine, Maine,
May 25, 1974.

Representative Silvio Conte,
House Office Building,
Washington, D.C.

Dear Representative Conte: As a retired public utility engineer with over 40 years direction of long range planning for electricity growth. I wish to record my opposition to the proposed Dickey-Lincoln project.

In my judgment, its damage to the environmental values in Maine would far exceed any benefits to Maine or to New England.

Its economic benefits are doubtful; the U.S. Corps of Engineers is not an unbiased judge in this matter; it wants to build, always.

The addition to power supply in Maine or New England is a very small percentage and would require great transmission lines through Maine's best forest area.

Sincerely yours,

Robert G. Hooke.

Dear Representative Conte: Please do all in your power to stop the Dickey-Lincoln Project. At a time when everyone is becoming frantic about energy, we need a few sane people to remember that it's worth keeping this country an enjoyable place to live.

The proposed environmental destruction seems tragic while the economic benefits appear negligible. I would far prefer to see the funds appropriated for solar energy research. All other sources of energy have a finite supply. Why not start tapping the cleanest, safest, and most obvious form of energy immediately, rather than waiting till we have destroyed the rest of our environment?

I beg you to defeat the D-L Bill.

Sincerely,

Peter H. Carter.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I ask unanimous consent to withdraw the preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLARK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

No. 1, the legislative history is very clear on the point of what this Congress has done in the past. In 1965 it defeated the bill. September 21, 1966, it was defeated. July 25, 1967, it was defeated. In 1968 it was defeated. In 1971 it was defeated; and in 1972 it was defeated.

The reason that I am on my feet today—I was not going to take any time because I think this kettle of fish has gone far enough—is I should like to say that the United Mine Workers are not for this bill. They have not taken any sides either way. They have opposed it up to this time, and I am sure they would be opposing it now if it had not been for the opposition of some of the leaders of the House.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, I should just like to say to the Members of the House that the only reason that this bill is back after having been defeated, as the gentleman from Pennsylvania just told the Members, year after year after year—it never could stand the light of day—is because of the energy shortage. Yet, to my friends from outside New England I want to say that this is an extremely expensive way to get less than 1 million kilowatts of electricity. To my friends in New England I will say that this dam will do little to solve our energy problem because this power must be sold to preferential customers. That means that most consumers in New England will not be eligible for the power since New England customers are 90-percent dependent on nonpreference power sources.

In my own State of Connecticut there will be very little, if any, of it available. I resent the implication that Dickey-Lincoln is going to provide cheaper power and is going to bring down the inordinately high electric bills of my people in Connecticut because it is not going to make any significant difference. It will be a matter of pennies on their electric bills which are extremely high. We could better use this $1 billion or $800 million to find real and true methods of resolving the energy crisis in New England, rather than this system which will not inure to the benefit of the people of New England but to many preference customers outside of New England.

Mr. EVINS of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to point out we have had a full and wholesome debate on this subject. We have spent an hour and a half on it.

Mr. WYDLER. Mr. Chairman, a point of order. Do I understand the House is debating the motion of the gentleman from Massachusetts that the committee do now rise?

The CHAIRMAN. That was withdrawn by unanimous consent.

The gentleman from Tennessee is recognized for 5 minutes.

Mr. EVINS of Tennessee. Mr. Chairman, I am pointing out that we have debated this amendment about 1½ hours whereas the genreal debate consumed only 1 hour. I think it is time for us to vote on the amendment and I suggest we now vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Conte).

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 201, not voting 46, as follows:

[Roll No. 278]

AYES—186

Abdnor
Anderson, Ill.
Archer
Arends
Ashbrook
Bafalis
Bauman
Bell
Bennett
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Burleson, Tex.
Camp
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Conable
Conlan
Conte
Conyers
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Dellenback
Dellums
Dennis
Derwinski
Devine
Dorn
Drinan
Dulski
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Findley
Fish
Fisher
Flood
Forsythe
Fountain
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Goldwater
Goodling
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hechler, W. Va.
Heinz
Hillis
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Pa.
Kastenmeier
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lehman
Lent
Long, Md.
Lott
Lujan
McClory
McCollister
McDade
McKinney
Madigan
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mayne
Metcalfe
Michel
Miller
Mitchell, Md.
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Obey
O'Brien
Parris
Pettis
Peyser
Pike
Powell, Ohio
Pritchard
Quie
Railsback
Randall
Rarick
Regula
Riegle
Robinson, Va.
Roe
Rogers
Roush
Rousselot
Runnels
Ruth
Sandman
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Snyder
Spence

Staggers
Stanton, J. William
Steelman
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Towell, Nev.
Vander Veen
Vanik
Veysey
Walsh
Wampler
Ware
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Zablocki
Zion

NOES—201

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Baker
Barrett
Beard
Bergland
Bevill
Biaggi
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Chappell
Chisholm
Clay
Cleveland
Cochran
Cohen
Corman
Cotter
Cronin
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dent
Dingell
Donohue
Downing
Duncan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Flowers
Foley
Fulton
Gibbons
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Hammerschmidt
Hanley
Hansen, Wash.
Harrington
Hawkins
Hays
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Holtzman
Hungate
Ichord
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Leggett
Litton
Long, La.
Luken
McCloskey
McEwen
McFall
McSpadden
Macdonald
Madden
Mahon
Mallary
Mathis, Ga.
Matsunaga
Meeds
Melcher
Mezvinsky
Milford
Mills
Minish
Mink
Moakley
Mollohan
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pickle
Poage
Podell
Preyer
Price, Ill.
Quillen
Rangel
Rees
Reuss
Rhodes
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roy
Ryan
St Germain
Sarasin
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Stanton, James V.
Steed
Steele
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Teague
Thompson, N.J.
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vigorito
Waggonner
Waldie
White
Whitten
Wilson, Charles, Tex.
Wright
Wyatt
Wyman
Yates
Young, Tex.
Zwach

NOT VOTING—46

Badillo
Biester
Bingham
Blackburn
Brasco
Bray
Broomfield
Buchanan
Burgener
Burke, Fla.
Burton
Carey, N.Y.
Collins, Ill.
Culver
Danielson
Davis, Ga.
Dickinson
Diggs
Flynt
Ford
Fraser
Frelinghuysen
Gude
Hanna
Hébert
Hinshaw
Howard
McCormack
McKay
Mazzoli
Minshall, Ohio
Moss
Murphy, N.Y.
Nichols
Passman
Price, Tex.
Reid
Rooney, N.Y.
Roybal
Ruppe
Stark
Steiger, Ariz.
Vander Jagt
Whalen
Whitehurst
Wilson, Charles H., Calif.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. EVINS of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS of Tennessee. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ICHORD, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 15155) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. EVINS of Tennessee. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DELLENBACK. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 374, noes 21, not voting 38, as follows:

[Roll No. 279]

AYES—374

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Tex.
Conlan
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn

Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—21

Archer
Cleveland
Collier
Conable
Conte
Conyers
Crane
Dellums
Giaimo
Goodling
Gross
Holtzman
Kastenmeier
Landgrebe
Maraziti
Michel
Rosenthal
Steiger, Wis.
Vanik
Wolff
Wydler

NOT VOTING—38

Anderson, Ill.
Biester
Bingham
Blackburn
Brasco
Buchanan
Burgener
Burke, Fla.
Burton
Carey, N.Y.
Collins, Ill.
Culver
Danielson
Davis, Ga.
Dickinson
Diggs
Flynt
Ford
Fraser
Gude
Hanna
Hébert
Hinshaw
Howard
King
Mazzoli
Meeds
Murphy, N.Y.
Nichols
Price, Tex.
Reid
Rooney, N.Y.
Roybal
Ruppe
Stark
Vander Jagt
Whalen
Wilson, Charles H., Calif.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Mazzoli.

Mr. Rooney of New York with Mr. Stark.

Mr. Burton with Mr. Meeds.

Mr. Bingham with Mr. Ford.

Mr. Carey of New York with Mr. Price of Texas.

Mr. Diggs with Mr. Roybal.

Mr. Hanna with Mr. King.

Mr. Brasco with Mr. Anderson of Illinois.

Mr. Reid with Mr. Ruppe.

Mrs. Collins of Illinois with Mr. Charles H. Wilson of California.

Mr. Flynt with Mr. Buchanan.

Mr. Nichols with Mr. Dickinson.

Mr. Murphy of New York with Mr. Biester.

Mr. Davis of Georgia with Mr. Burke of Florida.

Mr. Fraser with Mr. Gude.

Mr. Danielson with Mr. Blackburn.

Mr. Culver with Mr. Vander Jagt.

Mr. Howard with Mr. Whalen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 15155, just passed, and to include extraneous matter, and that I be permitted to include tables and other material.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in tribute to JOHN J. ROONEY upon the occasion of the 30th anniversary of his election to Congress following my remarks in the debate on the Public Works-AEC appropriation bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR THE CONSIDERATION OF H.R. 10701, DEEPWATER PORTS

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1139 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1139

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10701) to amend the Act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution, and which shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. Immediately after the reading of the enacting clause of H.R. 10701, it shall be in order to consider without the intervention of any point of order in lieu of the committee amendment now printed in the bill H.R. 10701, the text of the amendment printed on pages H3784 through H3787 of the Congressional Record of May 13, 1974, if offered as an amendment in the nature of a substitute for the bill H.R. 10701. If said amendment in the nature of a substitute is not agreed to in Committee of the Whole, it shall then be in order to consider without the intervention of any point of order the text of the amendment printed in the bill H.R. 11951 reported from the Committee on Merchant Marine and Fisheries on May 15, 1974, if offered as an amendment in the nature of a substitute for the bill H.R. 10701. At the conclusion of the consideration of H.R. 10701 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to any amendment in the nature of a substitute reported from Committee of the Whole. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1139 provides for an open rule with 2 hours of general debate on H.R. 10701, a bill providing for construction and operation of certain port facilities.

House Resolution 1139 provides that the 2 hours of general debate be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

House Resolution 1139 provides that immediately after the reading of the enacting clause of H.R. 10701, it shall be in order to consider without the intervention of any point of order in lieu of the committee amendment now printed in the bill H.R. 10701, the text of the amendment printed on pages H3784 through H3787 of the Congressional RECORD of May 13, 1974, if offered as an amendment in the nature of a substitute for the bill H.R. 10701. If the amendment in the nature of a substitute is not agreed to in the Committee of the Whole House on the State of the Union, it shall then be in order to consider without the intervention of any point of order the text of the amendment printed in the bill H.R. 11951 reported from the Committee on Merchant Marine and Fisheries on May 15, 1974, if offered as an amendment in the nature of a substitute for the bill H.R. 10701.

The committee substitute for H.R. 10701 establishes the Deepwater Port Facilities Commission, to issue licenses for contruction of deepwater ports. The Commission will be composed of the Secretary of Transportation, the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary of the Army. The Secretary of Transportation would be the Chairman of the Commission.

The committee substitute also provides that a State is granted a preference in receiving a deepwater port license if the State meets all of the requirements of the bill, if the port is closer to the State's coast than to the coast of any other State and if 50 percent or more of the design-receiving capacity for crude oil and petroleum products is to be located in the State.

H.R. 11951, which may be offered as an amendment in the nature of a substitute for H.R. 10701 if the committee substitute is not adopted in the Committee of the Whole, provides authority to the Secretary of Interior to issue permits to construct offshore port facilities. H.R. 11951 also requires the Secretary of the Interior, before he may issue a license to construct a specific high seas oil port, to determine that the economic benefits, coupled with environmental benefits, will more than outweigh any adverse impact on nearby existing oil ports.

Mr. Speaker, I urge the adoption of House Resolution 1139 in order that we may discuss and debate H.R. 10701.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule is not fair to all the committees involved. To fully understand the problem, some background is necessary. Originally, three different committees of the House were working on legislation dealing with deepwater oil ports. The three committees were Merchant Marine and Fisheries, Public Works, and Interior and Insular Affairs. On November 30, 1973, the chairmen of the three committees wrote a joint letter to the chairman of the Rules Committee, requesting a rule which would divide the time under general debate between the three committees, and would make in order the Merchant Marine and

Fisheries Committee bill, with the Public Works Committee bill to be considered as a substitute. This agreement has broken down. The Rules Committee has met three separate times on these bills in an effort to reach a satisfactory resolution of the conflict.

The rule finally reported out provides an open rule with 2 hours of general debate. The time is to be equally divided between the Committee on Public Works and the Committee on Merchant Marine and Fisheries. The rule first makes in order H.R. 10701, the Public Works bill. Then the rule provides that it will be in order to offer what has come to be known as the Jones amendment in the nature of a substitute. The Jones amendment is a product of the Public Works Committee. The rule then provides that only if the Jones amendment is defeated, would the Committee on Merchant Marine and Fisheries have a chance to offer its bill, H.R. 11951. In fact the House is unlikely ever to consider the Merchant Marine and Fisheries bill under this procedure. The House would probably act on the Jones amendment and never get to the Merchant Marine and Fisheries bill.

In order to give the Merchant Marine and Fisheries Committee a fair chance to present its version of this bill, the chairman of that committee has indicated that she will offer a Merchant Marine Committee substitute to the Jones amendment. Let me quote from her remarks published in the CONGRESSIONAL RECORD of June 4, 1974:

> In order to insure that the Members of the House will have the opportunity to consider an alternative to the Public Works bill outside the straitjacket imposed by the rule, it is my intention to propose an amendment, in the nature of a substitute, to the Jones amendment. The amendment, in the nature of a substitute, which I propose contains most of the features of the Merchant Marine and Fisheries Committee bill and its consideration will enable Members of the House to consider this important legislation in a rational manner.

Mr. Speaker, it is only fair that the Committee on Merchant Marine and Fisheries be given a chance to have its bill considered. This rule does not provide them a fair chance. However, I will not oppose the rule, in light of the plan outlined by the chairman of the Merchant Marine and Fisheries Committee.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I would want simply to make an observation, if the gentleman from Nebraska would allow it, that is, that I can think of no more classic example of how this House can be out of order than this one.

If there is any more pressing example for the Members of this House as to why there is a need to take a look at the jurisdiction of committees and trying to rationalize that jurisdiction, trying to avoid this kind of incredible complication by the passage of House Resolution 988, I hope what we go through today might lead the majority party to determine that we ought to come to the floor and ought to be able to work our will.

Mr. MARTIN of Nebraska. Mr. Speaker, I agree with the gentleman. It pinpoints the great need for reporting the resolution of the Select Committee on Committees with regard to reorganization of the committee structure and other matters in relationship to the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it is not always that I agree with the gentleman from Wisconsin (Mr. STEIGER), but I rise as he has to emphasize the incredibleness of this rule. I wonder if the gentleman from Nebraska agrees that there should have been a three-way split. Why did not the Rules Committee provide a rule which would divide the time and the opportunity to offer a bill three ways? We might as well make the Rules Committee a legislative committee and divide the time and opportunity to offer legislation three ways.

And perhaps there are other committees which should be able to share in this weird, incredible, legislative position in which the House apparently will put itself. I do not recall ever seeing a rule like this in the time I have spent in this place.

Mr. MARTIN of Nebraska. That is correct, and I agree with the gentleman in regard to the third committee. Since the original letters from the three committee chairmen, somewhere along the route the Committee on Interior and Insular Affairs dropped out of the picture. I believe we were told in our hearings that the Committee on Interior and Insular Affairs was in agreement with the Merchant Marine Committee bill. But originally, as the gentleman has pointed out, all three committees had requested consideration.

Mr. DU PONT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Speaker, could we go over once again this situation so that those of us on the Committee on Merchant Marine and Fisheries might have an understanding of what is going to happen? Let me see if the gentleman would verify my understanding.

When the title of H.R. 10701 is read, it will then immediately be in order to substitute the Jones amendment?

Mr. MARTIN of Nebraska. That is correct.

Mr. DU PONT. And will debate follow that before the Merchant Marine and Fisheries bill can be offered, or will that immediately follow and then all debate occur?

Mr. MARTIN of Nebraska. As I understand the parliamentary situation, the chairman of Merchant Marine and Fisheries Committee, or some representative of that committee, will call up their bill, which has been amended, as I understand, as a substitute to the Jones amendments.

Mr. DU PONT. So that the initial debate in the House will actually occur on the Merchant Marine and Fisheries substitute?

Mr. MARTIN of Nebraska. Yes, that is correct. Actually, we will have debate on both the Jones amendments, I believe, as well as the Merchant Marine and Fisheries bill.

Mr. DU PONT. My point is, no debate will occur until the Merchant Marine and Fisheries bill substitute is offered?

Mr. MARTIN of Nebraska. That is my understanding.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, in order to clarify the situation here, the committee of which I am chairman was involved before the Rules Committee. We asked them to thoroughly investigate the bill. We thought it more probably should be handled by the Committee on Merchant Marine and Fisheries, and we have plenty of work of our own to do.

Mr. MARTIN of Nebraska. Mr. Speaker, I thank the gentleman.

Mr. LONG of Louisiana. Mr. Speaker, I yield 7 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, may I say first that I appreciate the effort of the chairman of the Committee on Interior and Insular Affairs for correcting this little misunderstanding. He did comply with the Committee on Merchant Marine and Fisheries in all ways when we were trying to resolve the jurisdiction and the working together of these three committees. I am pleased to have the distinguished chairman confirm that our two committees are in accord on the Merchant Marine and Fisheries Committee bill.

The Committee on the Interior and Insular Affairs and its chairman (Mr. HALEY) were satisfied with the work that the Merchant Marine Committee staff and that his staff had done to come out with a bill that was a good bill for the building of these deep sea ports, so I want to say right here that I appreciate the great help that we had during the consideration of these bills in the committee from the staff of the Committee on Interior and Insular Affairs and its chairman.

Mr. Speaker, I asked for a few minutes to discuss the procedural problems raised by this rule, but it is not my intention to oppose the rule. Under the circumstances which I will outline, I am not enthusiastic about the rule, but I will not oppose it. The intention of the Merchant Marine and Fisheries Committee on the floor today, will be to attempt to get the best possible offshore terminal legislation, for the benefit of the people of the United States and the national interest. To this end, at the appropriate time I will offer an amendment in the nature of a substitute to the so-called Jones amendment—which I understand will be offered as an amendment in the nature of a substitute for the bill H.R. 10701. We have been working on this legislation for the past year and one half.

Our committee was the first committee to seek a rule on its bill, which we did on December 13, 1973, and again on January 22, 1974. Each time we were put off. The Public Works Committee first sought a rule on its bill, H.R. 10701, on May 14, 1974, some 5 months later, and I again sought a rule on our bill on May 21. At that time, the Rules Committee granted a rule on H.R. 10701, the Public Works Committee bill.

The rule finally agreed upon by the Rules Committee provides that the Merchant Marine and Fisheries Committee bill, H.R. 11951, cannot even be considered by the Members of this body unless and until the so-called Jones amendment—to be offered by Mr. JONES is defeated. House Resolution 1139 would prevent our committee bill—a meritorious bill—from even being considered on the House floor.

Our committee held 8 days of hearings on this offshore terminal legislation, beginning on June 12, 1973, and hammered out the legislation we are presenting today in 6 days of Committee markup. The Public Works Committee apparently held 3 days of hearings on their legislation and one afternoon of markup, and there does not appear to be any record that the so-called Jones amendment which is to be offered in the nature of a substitute, was even considered in markup by the Public Works Committee. In addition, as the gentleman from Nebraska mentioned the chairman of the Interior and Insular Affairs Committee and the Public Works Committee entered into a written agreement with me on November 30, 1973, agreeing to a resolution for a rule, which would provide for consideration of the Merchant Marine and Fisheries Committee bill to be offered in the nature of a substitute amendment. So far as I know, this agreement has never been repudiated.

If the Rules Committee had even granted a rule reversing the procedure the Chairmen had agreed upon in writing, it would have at least given both committee bills a fair opportunity to be heard on the House floor. The rule stops that—ultimately granted by the Rules Committee provides that our meritorious bill—which received far more committee consideration than the Public Works Committee bill—cannot even be considered by the House membership unless and until the Public Works Committee bill is defeated.) That is why I will offer the text of the amendment which was printed in the CONGRESSIONAL RECORD of June 4, 1974, as an amendment to the so-called Jones amendment.

The Public Works Committee abandoned their original approach to this subject, which related solely to State veto rights over Federal activities beyond State jurisdiction, and reported a bill which would amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities. That bill as introduced—much less the bill as reported—has absolutely nothing to do with, and is completely nongermane, to the act which it would amend. There is nothing in H.R. 10701 relating to public works on rivers and harbors. It is, as a matter of fact, not related to public works at all.

In this connection, I would call attention to the fact that several bills on this subject have been introduced and referred, depending upon the acts they would amend. The only clean bill, the only bill providing for a new enactment with regard to amending previous acts, and which was referred entirely by subject matter, was referred by the Speaker to the Committee on Merchant Marine and Fisheries. As far as I am concerned, this resolved the jurisdictional issue and any rule granted on the subject involved should have recognized that jurisdictional fact.

Obviously, we cannot be pleased with a rule which prevents our bill from even being considered unless and until the so-called Jones amendment is defeated, especially when we feel our bill is a better bill than its Public Works Committee counterpart. In this connection, I would point out that some of the licensing interests, the environmentalists and the administration support our bill and oppose the Public Works Committee bill. In light of these facts and the procedural and substantive history of the two bills—including the agreement signed by the three chairmen involved—the rule does seem unduly harsh and unfair. Nevertheless, we will not oppose the rule because we are convinced that offshore terminal legislation is an absolute necessity for the welfare of the Nation and the Merchant Marine and Fisheries Committee will do its best today to get the best possible piece of legislation.

During the debate we will analyze the differences between the Jones amendment and my substitute amendment which will be proposed. I think the Merchant Marine and Fisheries Committee version is clearly superior and we hope the Members will give this matter their undivided attention because of its importance to national welfare and even to national security.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I would like to ask the gentlewoman from Missouri this question:

If the Speaker referred the original legislation to the Committee on Merchant Marine and Fisheries, how in the world did the Committee on Public Works get into this act on the basis that they are in it here today?

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am delighted to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, the reason is that another bill that was introduced amending certain acts, such as the Rivers and Harbors Act was referred to the Committee on Public Works because of the thrust of the act concerning rivers and harbors, although there is no wording of "rivers and harbors" in the offshore terminal bill at all.

Mr. GROSS. And other bills were referred to the Committee on Interior and Insular Affairs?

Mrs. SULLIVAN. That is right, because it amended an act of theirs, the Outer Continental Shelf Lands Act.

Mr. GROSS. How wonderful this is. Three committees are involved, two of which apparently held public hearings, although I do not know about the Committee on Public Works. The gentlewoman said that her committee held 8 days of hearings. I just do not understand this kind of weird procedure which challenges the jurisdiction of the Merchant Marine Committee which initiated the original action.

Mrs. SULLIVAN. Mr. Speaker, if the gentleman would continue to yield, I will make a further explanation.

Mr. GROSS. Yes, I yield. I am glad to yield to the gentlewoman.

Mrs. SULLIVAN. Mr. Speaker, I try to avoid jurisdictional fights. I think our committee has legitimate jurisdiction over this matter of deepwater or high seas oil ports because these facilities will be beyond the jurisdiction of any State and because they will be far beyond the 3-mile limit. These ports are to be built some 20 to 25 miles from the shore over the Continental Shelf and no State has any jurisdiction whatever beyond the 3-mile limit.

Mr. GROSS. Mr. Speaker, I think I would have to agree completely with the gentlewoman from Missouri.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THIRD ANNUAL REPORT ON ADMINISTRATION OF RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the third annual report on administration of the Railroad Safety Act of 1970 (84 Stat. 971, 45 U.S.C. 421 et seq.). This report has been prepared in accordance with section 211 of the act, and covers the period January 1, 1973 through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *June 6, 1974.*

APPOINTMENT OF CONFEREES ON H.R. 13999, NATIONAL SCIENCE FOUNDATION AUTHORIZATION

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, with a Senate amendment thereto, disagree to the

Senate amendment, and request a conference with the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. TEAGUE, DAVIS of Georgia, SYMINGTON, MCCORMACK, MOSHER, BELL, and ESCH.

DEEPWATER PORTS

Mr. **BLATNIK**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10701, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The **CHAIRMAN**. Pursuant to the rule, general debate will continue for not to exceed 2 hours, 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Works and 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

Under the rule, the gentleman from Minnesota (Mr. BLATNIK), the gentleman from Ohio (Mr. HARSHA), the gentlewoman from Missouri (Mrs. SULLIVAN), and the gentleman from New York (Mr. GROVER), will each be recognized for 30 minutes.

The Chair now recognizes the gentleman from Minnesota, (Mr. BLATNIK).

Mr. **BLATNIK**. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the matter of deepwater port facilities is one which has received the attention of the Public Works Committee for a number of years. Historically, this committee has considered and recommended projects for the improvement of navigation, both in the inland and coastal waters of the Nation. These projects, carried out by the U.S. Army Corps of Engineers, have made possible the efficient and economic transportation by water of goods necessary to our economy and our standard of living. In particular, these projects are vital to the transportation of fuels for energy. The inland waterways carry coal and petroleum products. And the coastal ports recommended by this committee and constructed by the Corps of Engineers handle the crude oil and petroleum products which we import from other countries.

Commencing in 1971, the Corps of Engineers was authorized to undertake studies on the feasibility of deepwater ports on the Atlantic, Gulf, and Pacific coasts. We have had access to the basic, field-level reports and all of the consultants' reports, such as that prepared for the corps by Arthur D. Little, Inc., and Robert R. Nathan Associates. The information we have, and which we have considered, is as thorough and complete as any information available on deepwater ports.

It was with this background that we determined that deepwater port legislation was necessary. We were aware, of course, that the Department of the Interior had been suggested by some as the proper agency to handle the licensing of deepwater port facilities, and we gave this very serious consideration. We concluded, however, that the Department of the Interior did not possess the requisite jurisdiction and experience to qualify as the sole Federal agency to oversee deepwater port facilities. The key aspects of these facilities do not involve mineral exploration and exploitation, which is where Interior's expertise lies, but rather navigation and transportation.

We also gave very serious consideration to placing the licensing responsibility in the Corps of Engineers. This would have made sense since it would simply have been an extension beyond the 3-mile limit of the authority the corps presently has within the 3-mile limit.

In the end we concluded that because of the many Federal agencies concerned to a greater or lesser degree with the construction and operation of deepwater port facilities, a commission should be established, composed of the heads of the directly interested agencies, to issue the licenses. The members of the commission are the Secretary of Transportation, the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary of the Army, acting through the Chief of Engineers.

After our committee reported out H.R. 10701, the Committee on Merchant Marine and Fisheries also reported out a deepwater port bill. When the Rules Committee last considered the subject of deepwater port legislation on January 22 of this year, it requested that the committees involved try to agree on a new request for consideration by the Rules Committee and that they also consider national security concerns and matters involving State control and involvement which were raised at the January 22 meeting.

Following that, we made every effort to reach such an agreement with the other committees. Unfortunately, it was not possible to do so. During these efforts, however, we did have an opportunity to compare the provisions of our bill with those of the other bill and to examine both with great care. As a result, we were able to draft an amendment to our bill which improves upon its original provisions and which also utilizes those concepts in the other bill which we determined to be of value.

The amendment offered by Mr. JONES to H.R. 10701 is a carefully considered and well-drawn piece of legislation. The amendment contains provisions to insure domestic control of construction and operation of deepwater port facilities. It also retains those provisions giving States a preference in the granting of deepwater port licenses and requiring that a State have an environmental program including deepwater port facilities if a facility is to be constructed off the coast of that State and if either that State's coast is closer to the facility than any other State or 50 percent or more of the petroleum will be coming onshore in that State.

Mr. Chairman, I wish to compliment the gentleman from Alabama (Mr. JONES) and the ranking minority member of the committee, the gentleman from Ohio (Mr. HARSHA) for their excellent leadership and cooperation in bringing this bill to the floor. I wish also to commend the chairman of our Subcommittee on Water Resources, the gentleman from Texas (Mr. ROBERTS), the ranking minority member of that subcommittee, the gentleman from California (Mr. CLAUSEN), the chairman of our Subcommittee on Energy, the gentleman from New Jersey (Mr. HOWARD), and the ranking minority member of that subcommittee, the gentleman from Kentucky (Mr. SNYDER) for their distinguished and excellent efforts in helping to formulate this important legislation.

Mr. Chairman, I believe this amendment is sound in its approach and represents an effective means of permitting and regulating deepwater port facilities. I urge its adoption.

The **CHAIRMAN**. The Chair would like to state that next the gentleman from California will be recognized. Then we will return to this side and the gentlewoman from Missouri will be recognized. Then the gentleman from New York will be recognized.

The Chair recognizes the gentleman from California (Mr. DON H. CLAUSEN).

Mr. **DON H. CLAUSEN**. Mr. Chairman, I yield 10 minutes to the ranking minority member, the gentleman from Ohio (Mr. HARSHA).

Mr. **HARSHA**. Mr. Chairman, I rise in support of the Public Works Committee amendment to H.R. 10701. The availability of deepwater ports is very much in the national interest. That is right—national interest. Deepwater ports also have obvious local impacts which must be considered and we have done that. Equally important, however, we must recognize the impact on noncoastal States.

Mr. Chairman, I have some data which should be of interest to Members from noncoastal States. I say to my colleagues from noncoastal States that they should listen carefully—this is not only a Louisiana, Texas, or New Jersey issue. It is an issue of national significance.

In Petroleum Administration for Defense District I, which includes the Northeast, in January of this year there was an input of 40 million barrels of crude into refineries; 32.5 million barrels of this were imported; and 22 million came from Africa or Asia.

This was at a time when the Arab embargo was in force. This was a time of shortages. Petroleum needs will increase. Remember, Northeast America can save a penny a gallon with deepwater ports because of reduced shipping costs.

Let us look at the upper Midwest. In January 1973 imports from Canada were over 32 million barrels. In January 1974 they were 27 million barrels. My statistics are not complete, but they do point out that there was a decrease. Further, they emphasize the fact that Canadian oil is ultimately destined for use in Canada. Exports from Canada will obviously not increase sufficiently to meet our needs. But to the contrary, there is every likelihood that they will decrease.

The situation in the Midwest deserves more scrutiny. In Petroleum Administration for Defense District II which includes such States as Illinois, Indiana, Michigan, Wisconsin, Nebraska, Missouri, my own State of Ohio, and others, 18 percent of refinery throughput was imported. Domestic supply is not growing; imports will. In December 1973 approximately 19.5 million barrels of crude were imported into the district. Over 15 million came from Canada, about 2.5 million came from Iran, 1.1 from Saudi Arabia, and .6 from Nigeria. Approximately one-fourth of imports came from the Persian Gulf. Increasing supplies will come from the Persian Gulf. This is the only presently existing source of additional supply.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Chairman, I thank the gentleman very much. I would not impose on the gentleman except to say this, that my distinguished colleague, the gentleman from New Jersey (Mr. HOWARD) unfortunately has had to have surgery from which he is recovering well. He is in the Bethesda Naval Hospital. He was one of the prime architects of this legislation. He feels, as I do, very deeply that any offshore ports in New Jersey would be inimical to the interests of New Jersey. I intend to support the Jones substitute in order to guarantee our Governor and those of our neighboring States the right of veto. Had Mr. HOWARD been here he would have expressed himself on this more knowledgeably than I. I am sure he regrets very deeply that he is not here. I think I express his position and certainly I express that of a majority of the New Jersey delegation.

I am grateful to my friend from Ohio for yielding.

Mr. HARSHA. I thank the gentleman from New Jersey for his comments.

The gentleman is absolutely correct. The Jones amendment does preserve all the States rights of any State affected by this legislation.

Now, what is the best way to transport imports from the Persian Gulf to the interior of the country? In the case of the upper Midwest, it would be via ports in the Gulf of Mexico where the existing water and pipeline distribution systems can be used. Yes, consumers in midcontinent States like Ohio, Wisconsin, Michigan, and others, will benefit by this bill. That is why I say this legislation is not merely a coastal State bill.

Deepwater ports, as we can see, will aid in reducing the transportation costs for consumers throughout our country and not just States bordering the coast. It will increase our options.

Some have argued that our recent experience with embargoes by the Arab countries is a reason for not constructing deepwater ports. In answer to this, we must recognize that deepwater ports will not solve the energy crisis. However, they will increase our options.

I firmly believe that we must do everything possible to make our Nation self-sufficient in energy, but we are not self-sufficient now. Unfortunately, we will not be for a good number of years. We must also recognize that the use of coal and oil shale may, because of processing and environmental difficulties and water supply limitations, be economically and environmentally more costly than the use of imported crude oils. This is why I point out that the availability of deepwater port facilities increases our options. If, after we become self-sufficient in energy, it becomes apparent that it is less costly, economically and environmentally, to import crude oil, we will have provided for the necessary off-shore facilities.

In addition, we will have provided the off-shore transportation facilities that will minimize our costs between now and the time we do become self-sufficient in energy.

Mr. Chairman, we need legislation to allow for deepwater construction.

We need legislation which will at the same time recognize the environmental and social ramifications of the construction of any deep water port. The Jones substitute does exactly that. It recognizes the presence of compacts between States for the operations of ports and gives a preference to States over other applicants if the State in its application indicates it will meet all of the other requirements of the legislation. A State must, as must any other applicant, show in its application that it does, in fact, have a bona fide intent to construct and operate a deep water port facility and that it will have the capacity to do so, if granted the license.

Mr. Chairman, there is another aspect of this legislation that is important. We have established a regulatory structure that will insure that all of the national interests are recognized. The environment, the consumer and our economic needs are recognized. Deepwater ports will be regulated as common carriers. Monopoly use will be precluded. Transportation will be reduced, and consequently, costs of fuel will be reduced. We know large ships will reduce vessel traffic and this will lessen the hazard of oil spills. Most environmentalists agree that super tankers and deepwater ports may be acceptable if we do what is necessary to protect the environment. We believe in the Committee on Public Works that this legislation has those necessary safeguards written in it to protect adequately our environment.

Mr. Chairman, I support legislation to provide a basis for regulated construction of deepwater ports. I am from Ohio, a midcontinent State. I believe the amendment offered by my good friend, the gentleman from Alabama, meets our needs. I urge my colleagues to support this amendment. Remember, the benefits will accrue to consumers in all the United States. That is why I say this legislation is in the national interests.

The CHAIRMAN. The Chair now recognizes the gentlewoman from Missouri (Mrs. SULLIVAN), the chairman of the Committee on Merchant Marine and Fisheries.

Mrs. SULLIVAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I mentioned in my statement on the rule, at the appropriate time I will offer the text of the amendment printed in the CONGRESSIONAL RECORD of June 4, 1974, as an amendment to the so-called Jones amendment—which will, I understand, be offered as an amendment in the nature of a substitute for the bill H.R. 10701. It is necessary to do this in order to obviate the harsh results of House Resolution 1139, the rule granted on this matter by the Rules Committee which would prevent the consideration of the Merchant Marine and Fisheries Committee bill, H.R. 11951, unless and until the Jones amendment is not agreed to in the Committee of the Whole.

I rise in strong support of the amendment which I will offer to amend the Jones amendment as well as H.R. 11951.

The Committee on Merchant Marine and Fisheries held 8 days of hearings on this important offshore terminal legislation and spent 6 days marking up the bill, which was by far the most thorough treatment of this subject, by any committee. I would also like to emphasize that our legislation on this matter has the support of two committees—the Interior and Insular Affairs Committee and the Merchant Marine and Fisheries Committee.

In light of the energy crisis facing the Nation today and the increasing use of larger and larger tankers, even up to 500,000 dwt, coupled with the 45-foot draft limitation restriction of most of our ports, the construction of offshore terminals becomes a necessity. I should point out that this legislation is permissive and not mandatory and that despite our problems in the Mideast today, it will be necessary for this Nation to import significant amounts of petroleum and petroleum products over the next 10 years. These high seas oil ports will facilitate this importation of needed fuel. We cannot lag in this area to our detriment, as we have lagged with respect to the Trans-Alaskan pipeline.

This has been a long involved legislative process, stretching over the last year and a half, involving many irregularities. However, Mr. Chairman, I do not think it would be beneficial to the work before us to dwell on these matters and I would like now just to address myself to the great many differences between the Merchant Marine and Fisheries Committee's worthwhile bill and the Public Works Committee legislation.

It has been our feeling from the beginning that the Merchant Marine and Fisheries Committee bill was a superior piece of legislation to the Public Works Committee bill. I am convinced that in the long run the Members of this body will recognize the merits of the superior Merchant Marine and Fisheries Committee legislation and vote for it, and so I would like to point out the many considerable differences between the two pieces of legislation here before us today for our consideration.

Our legislation contains a detailed declaration of policy. H.R. 10701 has no comparable provision.

Our legislation specifically restricts the use of licensed high seas oil ports to oil importation. H.R. 10701 contains no specific limitation on use.

Our legislation specifically prohibits any structure on the Outer Continental Shelf, except as specifically authorized by Federal law, or pursuant to an authorized Federal program. This provision fills a gap in present law related to activities on the Outer Continental Shelf. H.R. 10701 contains no comparable provision.

Our legislation specifies that this legislation is applicable only to the high seas outside the territorial limits, and relates to ports for the importation of oil. H.R. 10701 causes some confusion with areas not covered by the bill, since the title does not describe any commodity limitations and does not distinguish between high seas ports and deepwater ports projects inside territorial waters.

Our legislation provides that individual U.S. citizens, U.S. private companies, and U.S. public authorities are all to be treated equally as eligible applicants. H.R. 10701 gives the State a preference as an eligible applicant, with a 210-day time period to exercise this exclusive preference.

Our legislation gives the Secretary of the Interior the lead responsibility to issue construction licenses for high seas oil ports and gives the Secretary of Transportation the lead responsibility for supervising their operation. H.R. 10701 creates a new bureaucratic entity, "Deepwater Port Facilities Commission," composed of five agency heads.

Our legislation guarantees public access to all information concerning a license application. H.R. 10701 contains no comparable provision.

Our legislation provides for coordination with adjacent coastal States to insure that the high seas oil port in its landside impact, complies with State requirements related to land or water uses and prohibits the issuance of a construction license unless the project so complies and can be modified to do so. H.R. 10701 prohibits the issuance of a license unless the nearest coastal State, or the coastal State which will contain the majority of the landside facilities, has an environmental program which authorizes the construction of a deepwater port off the coast, even though the construction might be outside State limits.

Our legislation provides specifically that high seas oil ports shall be treated in accordance with their high seas location and specifies that they shall not possess any territorial status. H.R. 10701 provides that Federal law shall apply to deepwater port facilities in the same manner as if such facilities were located in the navigable waters of the United States.

Our legislation prohibits the use of high seas oil ports by foreign-flag vessels, except by specific agreement by the foreign-flag vessel to subject the vessel to U.S. jurisdiction at the oil port. H.R. 10701 provides that foreign-flag vessels shall be deemed to consent to the jurisdiction of the United States when using deepwater port facilities. The language referred to above as in our bill has also been added to H.R. 10701, thus including two contradictory provisions on the same subject.

Our legislation provides for civil and criminal penalties for violation of the act. H.R. 10701 provides for a civil penalty only, and that only against the licensee, except for a general penalty for violation of Coast Guard regulations on port procedures.

Our legislation authorizes research activities in pollution prevention and clean-up of high seas oil spills. H.R. 10701 has no comparable provision.

Our legislation makes some 15 Federal laws specifically applicable to high seas oil ports. H.R. 10701 incorporates many of the provisions of our bill in this regard, as well as containing a general statement that all Federal laws shall apply to the oil ports as if they were part of the United States. This double provision creates some confusion, particularly in connection with clean-up liability.

Our legislation does not provide user charges. H.R. 10701 provides for a continuing user charge by an adjacent coastal State, as compensation for economic costs attributable to the construction and operation of deepwater port facilities and of related land-based facilities.

In essence, this means that a State would charge an owner for the use of the owner's own facilities beyond the jurisdiction of the State itself. Such a provision may be questionable as an attempt to regulate foreign commerce in violation of article I, section 8, of the Constitution, or as the imposition of duties on imports, which is an exclusive right of the Federal Government which cannot be delegated to a State except to the extent absolutely necessary for executing inspection laws. In such an aspect, it would violate article I, section 10, of the Constitution.

I have set out many of the major differences between the two pieces of legislation. We believe that it is abundantly clear that my amendment is a superior piece of legislation to the Jones amendment.

In closing, Mr. Chairman, I would ask my colleagues to support the Merchant Marine and Fisheries Committee legislation and oppose the Public Works Committee proposal because our measure is a superior piece of legislation and has received more thorough consideration. In this connection, I would point out to the Members that our bill has the support of major portions of the licensing interests, the environmentalists and the administration.

Why do these people support the Merchant Marine and Fisheries Committee version of this important legislation? Because it is a better bill.

For all these pertinent reasons, I hope the Members of the House will join the licensing interests, the enviromentalists, and the administration in supporting the enactment of either my amendment to the Jones amendment or H.R. 11951, if we should ever reach that point.

Mr. GROVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a member of both of the committees which have authored these respective excellent pieces of legislation—of varying excellence, I may say—I do regret that the jurisdictional situation was as it was.

Of course, I am in a position to take note of the fact that the staffs and the members of both of these committees are composed of very dedicated gentlemen.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. GROVER. I certainly will yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, if the gentleman is in concord with both bills, may we not dispense with the gentleman's further dissertation?

Mr. GROVER. Mr. Chairman, I do not think we can go quite that far in spite of the fact that I have great admiration for the gentleman's work.

Mr. Chairman, the energy crisis which we have weathered over the past 6 months has driven home the need for deepwater ports off the coast of the United States, where very large oil tankers can dock and discharge the petroleum imports which are so important to our economy. Under the most optimistic projections, we will continue to depend to a significant degree upon imported oil for at least another decade. Indeed, even under Project Independence, it is not anticipated that we would stop importing oil, but rather we will reach the point where a threatened interruption in foreign supplies cannot be used as a political or economic club.

Existing port facilities of the United States on the East and gulf coasts cannot accommodate tankers much over 70,000 deadweight tons fully loaded. On the West coast, several ports can accommodate ships upward of 100,000 deadweight tons. These are, however, small tankers by comparison with the ships that supply the bulk of oil to Japan and Europe, the other major consuming areas of the world. The tankers in those trades vary from over 200,000 deadweight tons capacity up to ships in the 400,000-ton range. Ships even larger will be entering service in the next few years.

Economics clearly favor these larger ships. Crew costs remain virtually unchanged between a 100,000- and 400,000-ton tanker. Other operating expenses do not increase in proportion to the increased capacity. Further, in order to deliver a given volume of oil on an annual basis, fewer numbers of ships are required utilizing these very large crude carriers.

From an environmental standpoint also, deep-water ports make sense. Most of the oil imported into the United States is delivered to refineries located on inland rivers or bays, where the results of a pollution incident can have a dramatic impact upon wildlife, recreation, commercial and sport fisheries, and esthetic values. In many instances, the tankers now being employed have only marginal clearance as they proceed up river or through our bays to reach refineries. This is certainly the case in the Chesapeake Bay, the Delaware Bay and River, and New York Harbor.

The number of tankers entering our ports grows each year. Several years ago, we were given an excellent example of the type of catastrophe that can occur when two very small tankers of only 16,000 tons collided under the Golden Gate Bridge in San Francisco. A massive spill occurred, coating beaches with oil within San Francisco Bay and along the Pacific Coast. The amount of oil spilled, however, was literally a drop in the bucket compared to that which could be spilled should a 70,000-ton tanker be involved in a collision under similar circumstances.

As a response to this, we enacted the Ports and Harbors Safety Act and the Bridge-to-Bridge Radio-Telephone Act greatly increasing the powers of the Coast Guard to control vessel movements in congested areas and insuring that those who are maneuvering ships will be able to communicate with each other rather than depending upon traditional means such as whistle signals. Nevertheless, we cannot assume that human error or so-called acts of God will not bring about similar occurrences in the future. Almost every day pollution incidents occur in our ports as a result of oil transfer operations. Inattention on the part of a valve operator may permit thousands of gallons of oil to escape into a river or harbor during a routine discharging operation.

Mr. JONES of Alabama. Will the gentleman yield?

Mr. GROVER. I am again glad to yield to my friend.

Mr. JONES of Alabama. Is the gentleman from New York making a distinction between the Committe on Public Works bill and the bill of the Merchant Marine and Fisheries Committee?

Mr. GROVER. At this time, if I can reply, I am indicating the need for deepwater ports, whichever bill finally provides them, but I will make a couple of distinctions in a moment for the gentleman.

Mr. JONES of Alabama. I hope in making those distinctions the gentleman will indicate the security and protection that is in the Committee on Public Works bill as compared with that in the Committee on Merchant Marine and Fisheries bill.

Mr. GROVER. I will leave those glowing tributes to the gentleman's legislation to the gentleman when he can speak for it, if I may.

Mr. Chairman, I rise in support of the substitute offered by the chairman of the Committee on Merchant Marine and Fisheries. This substitute is the bill reported by the Committee on Merchant Marine and Fisheries, H.R. 11951, with certain provisions deleted that would be subject to points of order. I anticipate that one of the deleted provisions establishing a liability fund will be offered as an amendment. I understand that Mrs. Sullivan will support the restoration of the liability fund. I also will support that. The Sullivan substitute is strongly endorsed by the administration and by virtually every organization that has taken a position on this issue. It is opposed primarily by those who wish to guarantee a State monopoly on offshore terminals or who would prefer to dredge existing harbors at great cost and environmental damage rather than have deepwater ports built. The so-called Jones amendment is replete with ambiguities, inconsistencies, and questionable legal provisions. I note for example that the Department of Justice has submitted to the Public Works Committee a report on that committee's bill setting forth eight pages of objections to serious deficiencies. According to the Department of Justice, the Public Works Committee bill would require an amendment to the Outer Continental Shelf Lands Act in order to clarify serious inconsistencies which would arise in the application of State law to offshore terminals. Likewise, the Department of the Interior has serious reservations concerning the wisdom of the Public Works bill that go to the heart of the licensing procedures set forth in that bill. The Sullivan substitute will encourage the construction of deepwater port facilities and at the same time protect those States, such as for example Delaware, which have adoped programs for land and water use, which rule out a deepwater port.

Under the Jones amendment, however, the States will have to rule in deepwater ports in order for deepwater ports to be built. This is a fundamental difference in approach which will determine whether we will or will not have these facilities.

The Sullivan substitute enables States to become an applicant if they choose to do so on an equal footing with all other applicants. The Public Works bill or Jones amendment gives a State an unreasonable and totally unjustified right to preempt any other applicant and to delay the licensing procedure for up to 210 days by indicating its desire to preempt.

The Public Works version of this legislation introduces such vague concepts as "50 percent of design-receiving capacity for crude oil." This undefined criteria must be met before a State would qualify to exercise the veto rights given it in the Public Works bill. Quite frankly, those of my colleagues who might support the Jones amendment thinking that it gives greater protection to their State in terms of veto may be buying a "pig in a poke." The veto may prove to be an illusion if 50 percent of the so-called design-receiving capacity is not located in the State. There are endless ways that a license application might be manipulated to get around this concept of design-receiving capacity. Ultimately, of course, it will probably be up to the courts to decide what design-receiving capacity is. For these reasons I urge my colleagues to support the Sullivan substitute and to go on record in support of the national interest in deepwater port legislation.

It has been urged by some that the answer is not offshore facilities, but rather deeper channels into our existing ports. Dredging has not only become prohibitively expensive, but is an environmental catastrophe in itself. Dredging any existing waterway in the United States to accommodate 200,000-to-400,000-ton tankers would involve costs and environmental risks that would greatly exceed any conceivable benefit that might accrue to the local economy of the port served by such dredging.

I note that one gulf coast port has placed large ads in the Washington newspapers this week urging the construction of deepwater onshore superports. The ad does not state how much dredging this would entail. I believe we can safely assume that it would be on a massive scale. Nor does the ad state where it is proposed to dispose of the dredge spoil. We have, of course, enacted legislation—the Marine Protection, Research and Sanctuaries Act, the purpose of which is to discourage and hopefully eventually eliminate the disposal of waste material of all sorts in the oceans, which we now know cannot continue to absorb the growing variety of materials which man has been conveniently dumping just over the horizon.

It is clear, therefore, that high seas oil discharging facilities are the only sensible answer. Today the House will decide which of two approaches it should take to the licensing and operation of these offshore facilities. The Committee on Merchant Marine and Fisheries has reported a bill, H.R. 11951, that is strongly endorsed by every department of the Government, the petroleum industry, environmental groups, and virtually every organization that has gone on record on this subject. The Merchant Marine Committee's bill was the subject of extensive hearings, extensive markup within the committee, and is accompanied by a report that carefully analyzes the need for the legislation and the details of the bill. That report has been available for some time now.

As for procedure, let me say—to permit a bill of this importance, and one which is the subject of major controversy, to come to the floor of the House in the form of a proposed amendment that a Member will offer that has not been adopted as a committee amendment and reported in orderly fashion from the committee is a departure from the regular order of this House.

Notwithstanding the overwhelming support for the bill reported by the Merchant Marine Committee, the Members have asked what real difference is there between these bills? Is there any reason why I should favor one over the other? The answer to that question is clearly "Yes, there are differences—fundamental differences." Chairman Sullivan has discussed many of them.

The bill reported by the Committee on Merchant Marine and Fisheries, which will be offered as a substitute to the Jones amendment, clearly reflects the principle that I discussed at the outset of my remarks. The most important principle is that the Merchant Marine Committee bill makes it possible for deepwater ports to be built. The Merchant Marine Committee bill establishes a simple, clearcut, logical system for the construction, licensing, and operation of deepwater ports within the existing Federal bureaucracy. It strikes a careful balance between the national interest and the interest of coastal States. It permits those coastal States which find an irreconcilable conflict between their land and water use programs and a deepwater port to, in effect, veto the deepwater port off their coast. This is accomplished in the following manner. If a State has adopted land or water use programs, and let me hasten to say that the programs do not yet—and hopefully will not require Federal approval—and if, upon the filing of an application to construct a deepwater port, the State determines that the deepwater port proposal conflicts with its programs, the State must advise the Secretary of the Interior to that effect. If the deepwater port proposal cannot be amended to the State's satisfaction to conform to its land or water use programs, then the Secretary of the Interior may not issue a permit.

The Jones amendment printed in the Congressional Record, which the rule has made in order to be considered as an original bill, assumes a narrow view of the deepwater port problem. It seems to recognize the national interest in having deepwater ports constructed, but it focuses not on the national interest, but rather on the interest of a handful of States. It does not even attempt to balance the national interest with the State interest. It is structured so as to virtually insure that no offshore facilities could possibly be built to serve the east coast of the United States, and the one which might be built in the gulf, through which apparently it is contemplated most of our imports will be funneled, will be the captive of one State.

In order for a deepwater port to be built under the so-called Jones amendment, the State or States—and there may be two or three involved with any application for a deepwater port—must affirmatively adopt programs which contemplate the existence of a deepwater port off their shore. This will so complicate the licensing process that I seriously doubt that any facilities will be built to serve the areas of the United States that most desperately need them. This is the critical difference between the approach taken by the Merchant Marine Committee and that of the Public Works Committee. In all political realism in today's climate, the likelihood of securing the adoption of land and water use programs in the coastal States that say, in effect, "we want a deepwater port" is very slim. What is most likely to happen is that, through sheer inaction or political timidity by the States, deepwater port facilities will not be built.

Under the Merchant Marine Committee bill, the States are protected, but they must act—they may not protect themselves through inaction. They must have adopted a land or water use program, and they must determine that the deepwater port proposal is incompatible with that program. They must make a "good faith" effort to secure change in the deepwater port proposal to make it compatible with their program. If this fails, then they may veto the proposal. They cannot, however, simply sit on their hands as they are permitted to do under the Public Works version. This is why I say that the Merchant Marine bill recognizes the national interest and adequately protects the States. It strikes a balance. The Public Works bill has been written so narrow in scope as to facilitate a deepwater port in the only State that has gone on record as wholeheartedly supporting a deepwater port.

The Public Works bill further compounds the problem by providing that if an existing port has a study underway with the Corps of Engineers with respect to dredging its channel, no license can be issued for an offshore terminal near that port regardless of any clearly demonstrated need for the offshore facility.

Mr. Chairman, in conclusion, let me reiterate that the real crux of this issue is the proper balance of rights and responsibilities between the Federal Government and the States and between the national interest and local interest. The Merchant Marine Committee bill, as embodied in the substitute which our chairman will offer, accomplishes this balance. The amendment made in order by the rules does not.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. Jones).

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. Roe).

Mr. ROE. Mr. Chairman, I too feel a little bit edgy today; as a Member of this body I feel strongly that we should not have to decide enormous matters of state based on the vicissitudes of jurisdictional responsibility from respective committees.

Be that as it may, I would like to address myself to a few points that I think are highly germane, and particularly in view of the comments of the previous speaker, and categorically, at the very outset, I want to state that I firmly support the Jones amendment to H.R. 10701.

You know, it seems amazing to me that people talk around here about the environment so much. We passed the EPA Act, which was supposed to protect the environment of our States and the Nation. It seems amazing to me that here we are talking about deep seaports, and we are talking about ships that carry 210 million gallons of crude oil; 210 million gallons of crude oil—just think about that should there be an accident along one of the coasts.

I suppose I could be considered to be somewhat provincial because I represent the great sovereign State of New Jersey, which is a coastal State, and I could be accused of being guilty of saying perhaps that I am not interested in the deep seaport and, therefore, I am against the energy needs of our country. That is not so. That is not so.

But I do think it is very clear in the Jones amendment that the States reserve unto themselves the right in effect to veto any action off their particular coasts unless it meets their environmental requirements and the needs of their particular land along their coasts, their environmental needs.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, with respect to the merchant marine bill, there is also such a provision to provide that whatever is done must be in accordance with the environmental standards of the State within its own waters. The gentleman is familiar with that provision?

Mr. ROE. Very much so.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the distinguished gentleman.

Mr. JONES of Alabama. I thank the gentleman for yielding.

To further embellish the remarks of the gentleman from Texas (Mr. Eckhardt) we have the Environmental Protection Agency as a member of the Commission which is going to supervise and adjudicate the proposition of environmental protection.

Mr. ROE. That is part of the consortium.

May I point out to all of the Members here that the point I am trying to make here is under the public works bill the States have a positive action. The States must act positively if a particular facility is to be built off their shore. I think that is where the delicate balance lies.

There is a second point in this particular bill where people say that under the public works bill we should not allow the State to preempt the use, if you like, or to permit a situation where a State could actually institute a port itself, that would be taking away from free enterprise. This is total nonsense.

In the State of New Jersey we have the Delaware River Port Authority, which is a bi-State agency to develop port facilities in the State. We have, perhaps, the most important port authority in the entire world, the New York-New Jersey Port Authority, which is constituted by a bi-State compact to be able to develop port facilities. So I see nothing wrong with rendering unto Caesar that which is Caesar's and rendering unto God that which is God's, and allowing the States to have the right, if it is in the State's best interest and the people's best interest. What is so wrong around here with the premise that States ought to have the right over their own destiny? Why must it always be that everything that evolves has got to be through "big brother;" that "big brother" has more brains than anyone else?

What about the dictum of the consent of the governed? New Jersey has 7½ million people. It is the most urban State in the Nation. It ought to have a right over its own destiny. I do not care who builds a port facility in so-called territorial waters; they cannot get the commodity into the respective States on the mainland unless they go through my State or contiguous coastal-oriented States.

Let me caution my good friends from the Midwest and in the central part of our Nation. Time and time again we Members from coastal States have stood toe-to-toe with every one of them where States rights have been concerned, time and time again on environmental or whatever matters that affected those States, because the sovereignty of those States is a vital issue, as I see it.

Let me conclude, Mr. Chairman, by saying, Why am I concerned? Am I concerned alone because I am a member of the Committee on Public Works——

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES of Alabama. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. ROE (continuing). And owe my fealty just to the Committee on Public Works? In no way is that correct. I owe my fealty to my people, with the consent of the governed, to my State, and to my Nation.

I am in favor of the energy program, but let me leave the Members with this thought. We are now debating whether off the coast of New Jersey to put in a floating nuclear generator. There is research going on and drilling going on along the coast of New Jersey to drill for oil off of our coast. Now we are talking about these deep seaports; but it is time that the people of the country represented by their States have something to say about their destiny, remembering that the single largest industry in the State of New Jersey is a shore tourist resort industry of $1½ billion a year.

If we are confronted with one oil spill without the State having the veto right over the building of that port, this would be disastrous to the tune of tens of millions of dollars to New Jersey.

I wish to compliment both committees for the efforts they are putting forth to create solid legislation that will work. But let us not throw away the baby with the bath water and let us not give up the rights of the States over their own destiny and the rights of the governed to be fully consulted.

Mr. DON H. CLAUSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I somewhat regret that we are in this position of a difference of opinion that exists between the committees. I find myself in the position where I am particularly concerned over the fact that we have to be at odds with one of the fairest chairmen, one of the fairest ladies in the Congress, and I mean that in the truest sense of the word and I mean that in every way.

I do believe that we on the committee can stand before the Members today and say that both versions are greatly improved as a result of the efforts that were made to bring about a tripartite arrangement between the three committees. As a matter of fact, it is my understanding that a goodly portion of the provisions of the Jones amendment actually came about as a result of some of the discussions that took place between the two people on the committees and the staff members themselves. I know some of the provisions that are in the Jones amendment resulted from discussion with the Committee on Merchant Marine and Fisheries.

As has been stated there is a great deal of concern on the part of the coastal States. In California, as Members can readily understand and appreciate, there is a great deal of concern. We remember that it is not too long ago that we had the Santa Barbara spill. This was not a result of spills with vessels but it left a great impression on the people as a result of a leaking offshore well. Thus, in the southern part of the State in particular and throughout the entire coast of California there is a deep and abiding concern over the entire question of how we are going to handle the question of transportation of our crude oil.

Mr. Chairman, I rise in strong support of the amendment offered by my good friend, the gentleman from Alabama (Mr. JONES). Mr. JONES is to be commended for his effort and diligence in bringing to the floor of the House today this most important legislation.

The question of deepwater ports is one of broad national importance but the key element of the deep ports issue is transportation. I support this amendment because it recognizes that we as a Nation should avail ourselves of the most economical means of transportation of crude oil and petroleum products that are available.

It has been stated there is a question of jurisdiction by our committee, and that has been challenged. We believe this is a part of our traditional navigation responsibilities under the Rivers and Harbors Act.

I was pleased to hear Mrs. SULLIVAN clarify that a note on the amendment she will offer will not change the jurisdiction of the Public Works Committee over deepwater ports.

I wish it were not so that our country has become dependent on the supply of crude from Asia and Africa and particularly the Persian Gulf. I wish I could say we as a nation will be self-sufficient in a matter of a few short years. Unfortunately we will become even more dependent on foreign supplies of crude and unfortunately we will not be self-sufficient in energy in any time less than, in my judgment, 10 to 15 years at the earliest.

I strongly advocate that we as a nation do everything reasonable to develop technologies and capacities for being self-sufficient.

Again, Mr. Chairman, we also recognize, unfortunately, that there may be constraints on such self-sufficiency in the form of availability of water and other environmental considerations.

I further urge and intend to take action within the Committees on Public Works and Interior, of which I am a member, to press for studies to determine just how water-limited the coal and oil shale methods of self-sufficiency may really be. I hope that the studies will show that water will not be a limiting factor. At this time, however, I am concerned, and for those Members that are on the floor, I would suggest that they read a most important recent article in the Time magazine of June 10, where they make reference to the title: "Now a Water Shortage," in addition to all the other shortages in dealing with the coal and the oil shale capabilities in the western part of the United States, if we are going to bring them into commercial use.

In any event, Mr. Chairman, whether we are self-sufficient or not, we must make available those options for providing a reliable and clean energy supply at the lowest and most economical and environmental cost. This means that even if we are energy-self-sufficient, it may be less costly to import foreign oil.

Therefore, Mr. Chairman, I do support the concept of deepwater ports. I urge the House to approve the amendment offered by the gentleman from Alabama (Mr. JONES). I urge that we do this because it is necessary to do as much as possible to reduce the cost of imported crude oil. Deep-draft tankers and deepwater ports will help in this effort.

Mr. Chairman, my good friend, the ranking minority member on the Committee on Public Works, the gentleman from Ohio (Mr. HARSHA) has ably described the fact that deepwater ports are in the national interests and why they are as important to midcontinent States as they may be to coastal States. I associate myself with those remarks and urge my colleagues from coastal and noncoastal States to support this amendment. The gentleman from Ohio (Mr. HARSHA) has explained the reasoning, I think, very well.

Mr. Chairman, in addition to providing a legislative framework for deepwater ports which are in the national interest, we cannot forget that we must recognize the fact of interest of the coastal States which are concerned about potential environmental insults that might result from deepwater ports. I state not only the potential for oilspills, but also the industrial development that would be fostered by deepwater ports. The coastal States are quite proper in recognizing that this growth may not be in their interest. There must, therefore, be a balance between the national and the local interests concerned.

We will probably hear today that this amendment to H.R. 10701 is too strongly oriented toward the States. Others will argue, perhaps, that the protective provisions for the coastal States are not stringent enough.

We have worked hard to develop legislation which provides the proper balance between the two. The Southern Governors' Conference has indicated their support for our bill and the amendment. Of course, I make reference to the Southern Governors' Conference because of the great interest in the development of facilities in the Gulf States.

As a matter of fact, I might state parenthetically that while there is greater concern for the protection of the overall environment in the two East and West coastal States, it is just a question of where the facilities are going to be located in the Gulf States. This in the long run will be in the national interest, and we must heed that which comes forth from the elected Representatives from those States.

The Governors of Texas, Louisiana, Mississippi, and Alabama have individually given us their written support of our bill. They recognize that their States are adequately protected. A consortium of oil companies with advanced plans for building a deepwater port off the coast of Louisiana, has also indicated their support for our bill and amendment. I believe this is an excellent indication that we have struck the balance we sought in deepwater ports legislation.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. Mr. Chairman, I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman in that statement is not saying that these Governors, or some of them, have not supported both amendments, is he? I mean, these are not exclusive support of one amendment as against the other?

Mr. DON H. CLAUSEN. Mr. Chairman, I would be happy to yield to a gentleman from a Southern State to reply to that.

Mr. ECKHARDT. Mr. Chairman, I happen to be from a Southern State, and I know my Governor favors the provisions contained in the merchant marine bill. He may also favor like provisions contained in the public works bill.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. BREAUX. Mr. Chairman, I think there is no question about the support of H.R. 10701 by the Governors of the deepwater port authority States such as Louisiana, Alabama, and Mississippi as well as support by the unanimous adoption of a resolution in support of H.R. 10701 by the Southern Governors' Conference, but I do know the State of Texas Port Commission, headed by Mr. Jim Cross, is on record as in support of H.R. 10701.

Mr. ECKHARDT. Mr. Chairman, I do not think the gentleman is saying that the Governor of Texas is not in support of the merchant marine bill as well as the other one.

Mr. BREAUX. It is difficult to say how he would be in support of H.R. 10701 and at the same time in support of the other bill, considering the differences in the bills.

Mr. ECKHARDT. I would support either bill as my ultimate choice if I were put to it. I think that is the Governor's position.

Mr. BREAUX. Mr. Chairman, I think there is no real conflict in the telegram the State of Texas has submitted to the Members supporting their position on H.R. 10701.

Mr. DON H. CLAUSEN. Mr. Chairman, I must point out another consortium of companies with advanced plans for construction of deepwater ports off the coast of Texas has opposed parts of our bill because of what I consider to be an issue within the State of Texas. The Texas Offshore Terminal Commission, a Commission set up by the legislature of the State of Texas, has recently indicated that deepwater ports off the Texas coast should be constructed and operated by the State of Texas. We understand this Commission to be advisory only, and that unless recommendations of this Commission are enacted into law, they have only an advisory effect.

We have provided that the State of Texas may exercise the preference to own and operate a deepwater port. However, we consider this to be a local question to be decided by the Governor and legislature of the State of Texas or any similarly situated State.

If a State chooses to exercise its State preference, then it must recognize that with regard to meeting requirements it is on the same footing as any other applicant. That State, like any other applicant, must show in its application that it has a bona fide intent to construct and operate a deepwater port facility and that it will have the capacity to do so if granted a license. We have outlined this in our report to demonstrate clearly that the State may not use its preference to operate as a veto. In fact Mr. Chairman, in order for a State to exercise its preference, that State must not exercise the provision for vetoes given in section 2(e) of the amendment. The preference provision may not be utilized unless a State has an environmental program which includes construction of a deepwater port facility off its coast.

The question of providing a veto to the coastal States was one our committee wrestled with long and hard before we decided to adopt a veto provision. It is expected that before any State decides to veto a deepwater port off its shores, that it will thoroughly evaluate the energy requirements within that State and the region. For example, the gentleman from Ohio (Mr. HARSHA) in his opening remarks, described the potentials for petroleum shortages and dependence upon imported crude in the Northeast. I repeat, the States in the Northeast should evaluate thoroughly their energy requirements before they, without thorough scrutiny, exercise their veto provision. It would seem that coastal States in the Northeast such as Delaware, New Jersey, and Pennsylvania, which currently import large volumes of crude oil to supply existing centers, would take a very close look at the environmental advantages of eliminating a large part of the vessel traffic and oil transfers within the New York bight and the Delaware River and Bay.

Our committee received testimony during our hearings that the threat of severe environmental damage from vessel traffic and oil transfers within these fragile estuaries, rivers, and bays might be reduced substantially by the use of deepwater ports and pipelines to transfer petroleum to refineries rather than the existing use of a large number of small tankers and extensive lightering operations. There would be less maneuvering of ships, reduced potential for accidents, more time to respond to an accident before the coastal area would be affected, and less chance of having an impact in river, bay, marsh, and estuary areas.

Mr. Chairman, it is not the intent of the committee to rush headlong into the development of construction of deepwater ports without the type of analysis of the impacts that is required to meet our environmental goals. On the other hand, we recognize that there is a growing volume of petroleum imports which might best be imported through deepwater ports. We have, therefore, set time limitations in section 3(d) of the amendment, the Jones amendment. We expect that the Commission will meet these legislative deadlines and that applications will be handled in an expeditious and timely fashion.

The Commission will have to initiate promptly the preparation of the environmental impact statement and other reviews. The Commission is charged with an important responsibility, and delays simply cannot be tolerated. The cost of preparation of applications will be quite high, and applicants deserve expeditious handling and timely decisions.

Mr. Chairman, with regard to the questions of applications, the committee was faced with a very important consideration. We recognized that the application must contain a large volume of information. On the other hand, we recognized that the provisions for State preference in section 2(b) of the amendment could create some hardships on non-State applicants. We therefore provided in section 2(b) that the Commission must notify eligible States in writing of any application within 30 days of the time the application is received by the Commission. We provided that the notification from the Commission must establish a reasonable period of time for the State to apply for a license to construct a facility and thereby exercise its preference.

The Commission, in its promulgation of rules and guidelines for applications, should recognize clearly the potential for hardship. It would be within the powers of the Commission to require prompt notification from a State within 30 days as to whether or not the State intends to file an application. This is an issue of which each of the affected States should be acutely aware. The States are cautioned to proceed immediately to make their determination whether or not they would submit their own applications if another one were received. It will be unconscionable for the Commission to provide for an 180-day decision period, for the State to utilize the full 180 days, and for the State to then decide it will not submit an application. This simply wastes 6 months of time, 6 months during which consumers would not be able to benefit from the reduced transportation costs available from deepwater ports.

Mr. Chairman, section 2(h) requires the Commission, if requested by an existing port with plans and studies for deepdraft, onshore facilities, not to issue a license until after the Commission has examined the economic, social, and environmental effects of the construction and operation of both the applied for deepwater port facility and the economic, social, and environmental effects of the construction, expansion, deepening, and operation of the onshore port. After examination, the Commission must determine which of the two is more in the national interest. This places important burdens on the Commission. First, the schedules given in section 3(d) must be met. The section 2(h) study must not be a basis for delays of any type.

Mr. Chairman, I might just add that this is something that is of great interest to the ports serving Los Angeles, and I state this for those Members from the southern California delegation.

Mr. CASEY of Texas. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I will be happy to yield to the gentleman from Texas.

Mr. CASEY of Texas. Mr. Chairman, one fallacy of this Jones amendment is that there is no time limit as to when they are supposed to report on it. That could drag on for years under that section (h).

Mr. DON H. CLAUSEN. No, this could not drag on. It is my understanding that there is a 120-day period for them to respond.

Mr. CASEY of Texas. It is not in the bill.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman should direct the attention of the Members to the committee print of June 1974.

It clearly states:

> It is intended that the indepth review required by this section shall be promptly initiated and completed within the time provided for in section 3(d), namely, within 120 days after receipt of agency certifications or after completion of any hearings, whichever is later.

So I think it is very clear as to what was intended.

Mr. DON H. CLAUSEN. Mr. Chairman, I cannot yield any further. I am running out of time. The Members can take the time to develop this issue from their side.

It is expected that there would be an indepth review of the onshore facility including environmental considerations, but the provisions of section 3(e) providing for the preparation of a single detailed environmental impact statement apply to the 2(h) study. For the purposes of section 2(h), no additional environmental impact statement would be required. If, however, permits were subsequently issued for the onshore port, the normal provisions of the National Environmental Policy Act would apply.

The committee in its deliberations decided to utilize a commission to manage the national deepwater ports program. It would have been easy to provide that the Department of Transportation be the managing agency. To do so, would have been a failure to recognize the necessary input from the Departments of Commerce and the Interior as well as the Environmental Protection Agency and the Corps of Engineers.

This committee and the Committee on Public Works in the other body have directed the Corps of Engineers to make thorough studies of deepwater ports off the Atlantic, gulf, and Pacific coasts. The first of these reports has demonstrated the competence of the corps. The work product would be efficient and thorough and environmental controls would be properly implemented. It would be a continuation of their regular permitting activities within the navigable waters, included in the territorial seas. However, the need for thorough input from the various departments and agencies justified utilization of a commission.

The fact that the heads of the five departments or agencies are members of the Commission should in no way impact upon their departments or agencies' determinations under the certification provisions given in section 3(d). Each department or agency would be expected to exercise their jurisdiction pursuant to the requirements of the laws which they administer in accordance with the certification provisions of section 3(d).

It is expected that the members of the Commission with the Secretary of Transportation as Chairman, will develop rules and regulations regarding the operation of the Commission. The Commission members in their deliberations and possible votes on issues before the Commission would operate under their own rules and possible memorandums of understanding between the agencies.

Mr. Chairman, I commend to the Members of the House, Committee Print 93–41 which has been distributed to each Member. This print or report contains a copy of the amendment to H.R. 10701, general statements, highlights of the amendment and a section-by-section analysis. This report reflects the intent of the amendment and should be utilized by the Commission, agency and courts in the same manner as if it were a formal report accompanying a bill.

Mr. Chairman, it has been a pleasure for me to work on this bill along with our most able and distinguished chairman, JOHN BLATNIK; the floor manager of this bill, my good friend from Alabama (Mr. BOB JONES); and the most able ranking minority member of our committee, BILL HARSHA. Many months on the calendar as well as many man-years of effort have gone into the preparation of this bill. It meets our national needs while reflecting important local considerations. I urge that our amendment be adopted.

The CHAIRMAN. The time of the gentleman from California (Mr. DON H. CLAUSEN) has expired.

Mrs. SULLIVAN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Chairman, I rise to urge the passage of high seas oil port legislation.

I will not repeat the legislative background or the parliamentary situation that we face today because of the manner in which the rule was reported. I will, however, discuss the total legislative proposal in light of the consideration of this matter in the Merchant Marine and Fisheries Committee.

Our committee began hearings on this legislation approximately a year ago. We issued invitations to every segment of the public which we felt had an interest in, and information on the subject, and we heard from representatives of the Federal Government, State governments, environmental organizations, interested individuals and industry groups and associations. After 8 days of extensive hearings, it was apparent that there was a widespread and generally unanimous support for the concept of constructing and operating offshore oil ports to handle the importation of foreign oil, and particularly, the increase which is anticipated for the next few years. Even during our experience with the oil embargo by the exporting countries.

The committee felt that that was probably a temporary condition and that when foreign oil was again readily available, the Nation should be prepared to take advantage of it by offshore oil port construction.

Our recent experience has made it clear that dependence on foreign sources for our energy needs is a serious one for the United States, and I wholeheartedly support the administration's initiative to make the Nation self-sufficient in its energy supplies. Nevertheless there is no question that the accomplishment of this initiative will take some years, and even after that point is reached, we should be prepared to take advantage of supplies available to us from overseas when such action is in our best interest. We would, therefore, be remiss if we did not maintain a balanced policy whereby we utilized, as needed, all sources of energy supply and, at the same time, maintained adequate domestic reserves upon which we could call in time of emergency.

For these general reasons, I consider it imperative to authorize the building of high seas oil ports, through which we may take advantage of major savings in transportation costs that will result from the greater use of very large crude carriers, transporting petroleum and petroleum products. The United States is the only major nation which cannot accommodate these vessels in its existing ports, and despite some suggestions to the contrary, it is not feasible, either from an environmental or an economic viewpoint, to dredge existing ports to the depths necessary to handle a 500,000 deadweight ton tanker. Every study that has been undertaken on the subject, whether by governmental or private groups, makes that point absolutely clear. There is, however, another aspect of the situation which has a special interest for me. I have devoted a substantial part of my time and energy in supporting a strong merchant marine for the United States. While I will not repeat the reasons that justify my position, I will say only that the maintenance of a strong merchant marine is absolutely vital to the lifelines and security of the United States. At the present time, and for some time past, only 5 percent of all U.S. imports by volume are being, and have been, transported in American-flag vessels. With the exception of the SS *Manhattan*, delivered in late 1962, American shipyards have been building smaller tankers and it was only recently that several orders were received for tankers for up to 265,000 deadweight tons.

One of the major reasons for this deficiency is that U.S. ports cannot handle and cannot feasibly be deepened to handle the very large crude carriers, and, therefore, most of them, being built for trade between foreign nations, have been ordered from foreign shipyards. If, however, the construction of high seas oil ports comes about, there will be an immediate increased demand for the vessels which will be needed to serve those ports. The American shipbuilding industry and the affected trade unions will, therefore, be able to prepare for and increase the national capability for larger tanker construction.

In addition to construction, the availability of ship repair and overhaul facilities will be in increased demand. Again, American shipyards will be involved to meet that need, since even the large tankers, once unloaded will be able to proceed to the repair facilities in many existing port areas. I am convinced, therefore, that not only will the U.S. consumer reap the benefit flowing from cheaper transportation costs, but our shipbuilding industry and our merchant marine will be in a position to contribute immeasurably to the improvement of economic conditions in the Nation generally and in our labor forces particularly.

Furthermore, Mr. Chairman, the very expansion that will result will mean the modernization and efficiency of our tanker fleet, and the reduction of traffic congestion in harbor areas. The offshore ports will make our overall transportation system safer and more efficient. The addition of more U.S.-flag tankers will not only provide for additional employment in the shipbuilding area, but will provide for more maritime employment on the vessels themselves.

Mr. Chairman, later today the distinguished chairman of the Merchant Marine and Fisheries Committee will propose an amendment, in the nature of a substitute, which in general represents the legislation reported by our committee. She has decided to take this action to overcome the unfair aspect of the rule which was granted on H.R. 10701. The language of her amendment is reasoned, balanced, and effective. It has received the endorsement of the administration, of environmental groups, of labor representatives, of the shipbuilding industry, the maritime industry, the offshore construction industry, and of many of the potential licensees. The very fact that this broad spectrum can support her language is evidence enough of its balance. At the same time, several of those listed groups have registered specific objections to the language of the Jones amendment. None of which are applicable to the Sullivan amendment. It is therefore, with a great deal of satisfaction that I can join my chairman in her proposal, and urge all other Members to do so.

Mr. GROVER. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I would like to briefly outline some important differences between the merchant marine and fisheries bill and the public works bill and explain why I feel the merchant marine bill is far superior.

First, the merchant marine and fisheries bill clearly defines adminstrative authority—the Secretary of the Interior for construction and the Coast Guard for operation. The public works bill would put control in a commission consisting of several cabinet-level members. This is administratively unfeasible. It requires an interagency cooperation and sharing of responsibility that has never existed before. Further, since the public works bill requires certification by each affected Federal agency, each agency has a veto over construction of the facility. The agencies have not worked well together in the past, do not have the procedures to do so, and finally do not have the incentive to do so since each has a veto. This creates an administrative morass. The merchant marine and fisheries bill will require consultation with other Federal agencies to get their expertise, but it certainly defines where final authority will lie.

Second, both bills provide veto authority by the affected coastal States. But the public works bill allows veto by inaction. It provides that unless the affected States have enviromental programs that specifically authorize offshore ports, they will be prohibited. The merchant marine and fisheries bill requires a State to object if it wishes to prohibit the offshore port. With a matter of this great importance, it seems fair to require a State to act to state its objection. Inaction has marred the Nation's energy plans for too long.

Third, the public works bill provides preference to States for construction of offshore ports while merchant marine and fisheries bill does not. Oil companies are ready to build these ports now and to grant preferences would delay the construction of these ports and discourage future private development.

These differences demonstrate the clear superiority of the merchant marine and fisheries bill. They explain why it has the support of the administration, of environmental groups, and of the private companies who will be utilized and building the facilities. I urge your support of the merchant marine and fisheries version. It provides a speedy and effective method for constructing and operating these vital ports.

Inaction has messed the nation's energy plans up far too long. I think this is the crucial difference between the two bills, and it is why I am so strongly in favor of the bill offered by the Committee on Merchant Marine and Fisheries.

Mr. GROVER. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Chairman, today we have before us legislation to regulate the construction and operation of deepwater ports off the coast of the United States. In considering this legislation I believe the members of the House of Representatives have a basic decision to make; does this Nation need deepwater ports? If the answer to that question is in the affirmative, the next question is which of the two measures before us is better legislation—the bill presented by the Public Works Committee, or the legislation developed by the Merchant Marine and Fisheries Committee.

The answer to the first question regarding the need for deepwater port legislation is not an easy one because this Nation has clearly embarked on the course of energy self-sufficiency that will decrease the need for imported oil.

However, as the Federal Energy Administration pointed out in a speech last week, energy self-sufficiency does not mean zero oil imports. It means an oil import rate of 10 percent to 15 percent instead of a projected import rate of 40 percent to 50 percent of our requirements. But energy self-sufficiency, even defined in this manner, will not happen overnight. In the short run this Nation is going to need to import oil and will even retain some of this need in the long run.

If that is the case, the next issue to resolve is whether or not a deepwater port is the best means to bring the needed oil ashore. What both committee bills envision is a single point buoy system anchored to the ocean floor to which the tanker will be tied. Attached to the buoy will be undersea pipes to pump the oil from the tanker to the shore. Neither bill envisions a pier 20 miles long extending into the ocean.

Mr. Chairman, I believe this single point buoy system is far preferable to the present system, which is, in effect, a deepwater port system, without the actual port.

Fourteen years ago the average size of an oil tanker was 40,000 deadweight tons—DWT. Today, it is 200,000 DWT and in a few years 500,000 DWT will no longer be a rarity. To dock, these very large crude carriers—VLCC's—require harbor depths of 100 feet or more. Unfortunately the deepest port in the United States has a depth of only 52 feet and the deepest east coast port depth is 45 feet.

These 200,000 DWT tankers cannot enter U.S. ports and to unload their oil they anchor in the open sea as close as possible to the harbor and unload their oil into several smaller tankers which carry it ashore.

While we already have the effect of deepwater ports without the port itself, my chief concern is the comparative environmental safety of the present system versus the proposed actual port.

In this light it is most significant to note that the Council on Environmental Policy has concluded that if the same amount of oil ever embarked via the present system with its multiple handlings of pipeline connections, et cetera, or via a single point buoy system, the chance of an oil spill is 90 percent greater under the present system. A deepwater port is environmentally safer, from this standpoint, than the present system. And this conclusion is supported by the experience of other nations which have already graduated to deepwater ports.

Not only are these ports safer, they are more economical since VLCC's using actual deepwater ports, achieve economies of scale that save the consumer approximately $4.50 per ton in transportation costs—an almost 50 percent savings.

Some people have raised the question of dredging existing ports to accommodate VLCC's. The possibility of dredging U.S. harbors to a depth of 100 feet is not only economically unsound but also raises major environmental questions about the impact on the marine ecosystem of such large scale dredging and the disposal of the dredged sledge. Further, most existing ports impose physical limitations on dredging because of hard rock formations under the port bottom and because of the landside developments and transportation systems, including tunnels crossing under harbors or harbor approach areas.

It is primarly the environmental considerations that lead me to the belief that an actual deepwater port is superior to the present system which is a deepwater port system in all but name only. But while it is all right for the Council on Environmental Quality to tell us that real deepwater ports are 90 percent safer than the present method of delivering oil to the United States, the CEQ does not tell us about the potential damage if there is an oil spill at a deepwater port.

It was for this reason that when the Merchant Marine and Fisheries Committee, of which I am a member, was considering its bill, I introduced an amendment, which was accepted unanimously, providing for a $100,000,000 per accident no-fault liability fund. Thus, if an oil spill occurs, a U.S. citizen, instead of being forced into lengthy and costly court proceedings to collect for any damage he or she may have sustained, could collect immediately from the no-fault liability fund. The fund would cover damages up to $100,000,000 per accident and would be financed by a fee paid by the oil tanker. Furthermore, by collecting from the fund, a citizen would not be prevented from suing in U.S. courts to recover additional damages.

This section of the original Merchant Marine and Fisheries Committee bill was not in the original bill reported by the Public Works Committee, but I am pleased to see that when the Public Works Committee reconsidered its bill the committee agreed to include my amendment establishing the $100 million no-fault liability fund.

However, the public works provisions are much weaker than my original proposal. Section 7(d) provides that an owner or operator is liable for cleanup costs of an oil spill except where he can prove that the spill was caused by "A. An act of God, B. An act of war, C. Negligence on the part of the United States, or D. An act or omission of a third party without regard to whether any such act or omission was or was not negligent * * *." Subsection (D) essentially invalidates the meaning of no-fault liability, and I feel it should be deleted.

Now, in order to comply with the rather unusual parliamentary requirements set down for the consideration of this legislation, it has been necessary for the Merchant Marine and Fisheries Committee to redraft its legislation, and in doing so, the Forsythe no-fault provision has been eliminated.

This amendment will be offered today when the House considers H.R. 11951, the Merchant Marine and Fisheries Committee bill, as a substitute. I urge the support of my colleagues. From other standpoints, I believe H.R. 11951 is superior to H.R. 10701, the bill offered by the Public Works Committee. However, in my judgment the no-fault provision is a core issue in assuring that every maximum effort is made to preserve the environment, and my final vote must depend upon which measure contains this provision.

The key to preventing damage is preventing spills and if they occur to clean them up immediately. This is why I also sponsored an amendment to the Merchant Marine and Fisheries bill that would provide $30 million in additional funds to the Coast Guard for the purpose of developing improved methods of preventing and cleaning up oil spills. While the Merchant Marine and Fisheries Committee accepted the amendment, I regret that the Public Works Committee has not seen fit to recognize this aspect of the overall picture in this bill.

However, I am pleased to note that the Public Works Committee has reversed its thinking on the environmental importance of landside development which may well accompany a deepwater port. When the Merchant Marine and Fisheries Committee was discussing its bill, I insisted on the inclusion of a series of amendments requiring that before any authorization for the construction of a deepwater port be granted, the landside impact of the port be considered.

I also insisted that before any construction license granted at least one public hearing be held in the vicinity of the proposed port. Local residents of the area must be given an opportunity to present their views.

While the first bill reported by the Public Works Committee did not adequately recognize the environmental importance of attendant landside development or the need for local public hearings, I am pleased that the new Public Works Committee bill does include these features, although H.R. 11951's provisions for notice, hearing and review are generally stronger.

A very essential question is who should have the final authority on where a deepwater port is to be constructed. I believe it should be the people of the State off whose shores the port will be located and the people of the State on whose land the onshore facilities will be placed.

Therefore, I strongly prefer the Merchant Marine and Fisheries Committee bill to the Public Works Committee measure on this point. H.R. 11951 provides that any State within 10 miles of the port—or any component thereof, including pipeline, storage tanks, et cetera—shall have an absolute veto over the proposed port.

The Public Works bill, on the other hand provides only that the State whose shores are closest to the port and that the State which has 50 percent or more of the "receiving capacity" may exercise a veto over the port. "Receiving capacity" is not defined. I am not sure what that means. Presumably, it means landside facilities of the port. If that is the case, States which may have 49 percent of the landside components of the port are left only their local zoning authority with which to oppose a port. Moreover, H.R. 11951 covers any State within 10 miles of the pipeline. The Public Works bill does not. I do not believe this is as adequate a veto as the Merchant Marine and Fisheries Committee bill provides.

In addition to providing a more effective veto mechanism and funds for improved oil spill technology the Merchant Marine and Fisheries Committee bill is a better drafted bill. As has already been noted by previous speakers, the Public Works bill contains inherently contradictory clauses and I believe it is in conflict with the Federal Water Pollution Control Act's national oil spill cleanup plan. Further the Public Works Committee bill creates several layers of additional experimental bureaucracy in the form of new Government commissions. Instead of new bureaucracy the Merchant Marine and Fisheries Committee bill uses the existing frameworks of the Department of Interior and Transportation.

Furthermore the public works bill does not absolutely guarantee the public's right to access to all pertinent information concerning the license application which the Merchant Marine and Fisheries bill makes public access an ironclad guarantee.

If the merchant marine bill can be amended to contain the liability fund for cleanup, it is by far our better choice from an environmental and practical point of view. I might point out that both the Sierra Club and the Environmental Policy Center concur with this position.

Mr. BLATNIK. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, I have a unique position such as no other Member of the Congress has of having the opportunity and the privilege to serve on both the Committee on Merchant Marine and Fisheries as well as the Committee on Public Works.

In having the privilege of serving on both of these committees, I think I have had the opportunity to have a real insight into the workings of the bill from the very beginning from both committees. I think I have also come to understand what the meaning of the space between a rock and a hard place actually is.

I would like to thank the chairman of the Committee on Merchant Marine and Fisheries for keeping me completely informed on the progress of their bill as it has been progressing through the Committee on Merchant Marine and Fisheries, and also in allowing me to participate actively at the hearings and discussions on the Committee on Merchant Marine and Fisheries bill.

I am, however, completely satisfied and convinced with the degree of consideration given this measure by the

Committee on Public Works on H.R. 10701, which was the first piece of legislation reported by any committee after numerous hearings and onsite investigations of existing deepwater ports by members of the committee.

Throughout this entire process we have had countless meetings with those persons whom the development will actually affect, the States, the companies, and the environmentalists.

It is absolutely essential that Federal, State, environmental, and private concerns be given very great consideration in this matter verging upon their rights.

I am confident that H.R. 10701, from the Committee on Public Works, meets those overall requirements for sound legislation and creates the safeguards that are necessary for protection of the public interest.

Mr. Chairman, in the beginning of our discussion on this bill I think it is very important that the Members realize that we are approaching a completely totally new area which has never before been considered by the Congress, that is, authorizing the construction of deepwater ports in international waters off the coasts of the United States.

In breaking this new ground, I think that emphasis should be placed on the creation of the most sound and the most efficient methods of achieving our end result. In doing this, we are addressing this Congress now to one of this Nation's major concerns, that of stabilizing our energy supply and demands.

Mr. Chairman, the legislation providing for the licensing and regulation of deepwater ports as contained in the amendment to H.R. 10701, I believe, represents a logical and workable solution to the problem of this Nation's lack of efficient and environmentally sound methods of transporting crude oil into the United States.

The bill, which has undergone intense investigation and review by representatives of our States, environmental organizations, administration and industry, takes into account those major provisions and safeguards which surround the subject of deepwater port licensing.

If I may, Mr. Chairman, I would like to touch upon a few of the major characteristics of this legislation, and the effect its enactment would have on the Nation.

It is significant that H.R. 10701 creates a Deepwater Ports Facilities Commission composed of the Secretaries of Transportation, Interior, Commerce, and Army and the Administrator of the Environmental Protection Agency. In doing this, all significantly affected agencies in this matter will have direct input into the licensing procedure as well as utilization of the expertise contained in the agencies which affect the numerous conditions surrounding the granting of licenses. I would also point out that this Commission will reduce unnecessary time delays by requirements written into this bill that the Commission must issue or deny the license within 120 days after receiving certification or after completion of the hearings on the granting of a particular license.

The legislation, in order to protect the interests of all the States, requires a number of safeguards and protections.

Before a license could be granted under the bill, the State whose coast would be nearest the proposed facility or in which 50 percent or more of the petroleum will be received must have an environmental program which allows for deepwater port development. Those States who find it is not in their interest to have this development either make no mention of allowing a deepwater port or specifically state in their environmental program their objection to this development occurring.

In incorporating this positive approach by a State, by requiring the State to come up with an environmental program to do something positive, I think that all States who both desire and object are protected by H.R. 10701.

In addition, those States who find it in the interest of their citizens to apply for a license are given a preference to receiving the license over other applicants after they have first met all of the requirements of the legislation.

The amendment gives special consideration to the protection of the environment by providing for the extension of the provisions of the Federal Water Pollution Control Act to the deepwater port facility.

There is also established in this bill a deepwater ports liability fund which is liable for any cleanup costs resulting from any spill by vessels using these ports. In addition, there is liability for damages occurring to property within the territorial jurisdiction of the United States, which is also covered by the liability fund which this bill provides.

Even more important, I believe the overall thrust of H.R. 10701 brings with its enactment a step in the right direction in our constant attempt to secure adequate fuel requiremnts for our Nation.

Mr. Chairman, if I may just address myself to a question of who supports which bill, I think at this late hour and after many months of hearings and debate on this bill, it certainly is confusing as to which groups support which bill, but I think there can be no question that the States who have taken an active interest and taken the steps necessary to do the work to acquire a deepwater port facility are in support of this bill.

By this I am talking about States like Texas, Louisiana, Mississippi, and Alabama, who have all contacted our committee and in public expressed their support of this bill.

In addition, the LOOP organization, which is a consortium of major oil companies which are planning a facility to be built off the coast of Louisiana, by a 13-to-0 vote endorsed the provisions of H.R. 10701.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

The gentleman will concede that LOOP support is based upon two amendments to the public works program; is it not? One, the elimination of the deep dredging to shore on the mainland and, two, the elimination of the State preference as a requisite to application by private interests.

Mr. BREAUX. I do know the Seadock organization, which is considering a port to be developed off the coast of Texas, is very much opposed to the consideration of developing offshore ports as opposed to onshore ports. However, the LOOP organization in a 13-to-0 vote in support of H.R. 10701 took the opposite position.

Mr. ECKHARDT. I would hope the gentleman would be sure of his position on that because I understand both Seadock and LOOP condition any support of the public works bill on the elimination of both the deep dredging to shore and the elimination of the provision that requires as a prerequisite the private organizations seeking authorization have first the permission of the State to file a 180-day or 120-day period. I understand that to be the case.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The question that the gentleman from Texas brings up is with reference to the position of the Governor of Texas and the LOOP organization, but why does he bring the questions up and cast them in doubt if he does not know what position they take?

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, I think I do know their position.

Mr. JONES of Alabama. Mr. Chairman, the LOOP people have been in touch with me. I cannot do any more than the gentleman from Louisiana or anybody else can do, than just take their word. If the gentleman has later word or substance to refute the position that has been noted by the gentleman from Louisiana, I suggest he be forthcoming with it.

Mr. ECKHARDT. I have. If the gentleman will yield further, I shall state that at the present time, I have it within the last 5 minutes, that the LOOP organization has told me a statement that they did not raise these two exceptional provisions, that it would be incorrect that they support the public works bill, and the two exceptions were that they do not support it without an amendment eliminating the requirement of first seeking to dredge to mainland and second with respect to the question concerning the States' preferential right to operate.

Mr. BREAUX. I agree with the gentleman from Texas in the sense that he makes the point, that the LOOP organization would like to see work done on the two provisions he has specifically addressed himself to, but that does not take away from their public support by the vote I have indicated. I do not say they support the bill without reservation but they do support this bill. We also have complete, unqualified support of the organization composed of Alabama and Mississippi, Ameriport whose planning board is considering a facility off the coast. In addition, the Southern Governors Conference, at their convention, unanimously supports the provisions of H.R. 10701 without reservation. I do think we have here a bill that can find support from the States that want to see a deepwater port built and also from companies that are planning to invest money to build these deepwater port facilities. This provides protection for those States who favor deepwater ports and those States who feel that it is not in their interest. They are also protected.

Even more important the legislation brings with its enactment a step in the right direction in our constant attempts to secure adequate fuel requirements for our Nation.

Mr. GROVER. Mr. Chairman, I yield to the gentleman from Maryland (Mr. BAUMAN) such time as he may consume.

Mr. BAUMAN. Mr. Chairman, the legislation we are considering today dealing with the ultimate manner in which the Federal Government will regulate the construction of high seas oil ports is of vital interest to the citizens of the 1st District of Maryland, which I represent, including as it does all of Maryland's Atlantic coastline. I think the seriousness of the issue of location and control of these deepwater ports is underscored by the damaging consequences which could flow from our failure to enact proper legislation. All of us are aware of course of the need to preserve the environment and at the same time meet the energy needs of the people of America.

The people in my district do not care about the jurisdictional pride of the Committee on Public Works or the Committee on Merchant Marine and Fisheries. They could not care less, but I have tried as their Representative to examine the alternatives available, and I do support the Sullivan substitute as an effective means to protect the interests of my constituents, and particularly the provisions which permit the individual States to have a veto power over the location of such ports near their coastline. I think this is important to States such as Maryland or Delaware which have or are planning restrictions governing coastal areas.

There is no question that we in the Congress are being asked to balance the national need against the equal need to protect the coastal areas and our environment. The average annual import of crude oil and petroleum products over the last year has been more than 5 million barrels daily. Increasing demand will probably raise U.S. oil imports at least 50 percent by 1980 and 90 percent of that imported oil will have to be transported via tankers.

I would note that there is near unanimity amongst the various agencies and groups which have taken a position on this legislation and most do support the Sullivan substitute. They include the U.S. Coast Guard, the Department of Interior, which is headed by my predecessor, Secretary Rogers Morton, as well as the AFL–CIO, the Environmental Policy Center and the Sierra Club. The support of environmental groups is properly premised on the superior provisions of the Sullivan substitute, governing liability for oil spills, as well as the procedural requirements for public hearings and judicial review.

I am surprised that the Governor of the State of Maryland has not seen fit to communicate any view on this legislation to the members of the Maryland Congressional. On a matter of such great importance I would have thought he would have spoken, as have the Governors of several other States.

It is therefore imperative that we act today so that this increased oil import traffic will be regulated not only in a safe manner, but in a manner that will preserve our coastal areas while providing the needed energy to keep the American economy moving. That can be done by adopting the Sullivan substitute.

The CHAIRMAN. The Chair now recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I rise to add my support to the passage of the high seas oil port legislation, and I say that advisedly. I am for legislation in this area, whatever vehicle we work on.

Frankly, I believe that most of the support that has been given by both the Governors and by various concerns and agencies that desire to build ports are very much in the same category. I think both bills can claim support by those organizations and most of the forces that support superport building.

While the proposed legislation is a matter affecting the entire Nation and deserves the support of all Members, I am most familiar with its potential impact on my own State of Texas. I am proud of the fact that Texas has been in the forefront in anticipating legislation on this subject. It has created a Texas Offshore Terminal Commission to study State needs in this area and through its academic system, particularly Texas A. & M., the State has produced studies relating to the feasibility of offshore terminals, their potential economic impact, and environmental benefits. Uniformly, the results of those Texas studies support the concept of constructing high seas oil ports located in sufficiently deep water offshore to receive the supertankers now being operated and the even larger ones on order and on the drawing boards.

Various studies, including the Texas studies, conclude that using a 35,000-ton tanker as a comparative base, carrying the same amount of crude oil in 500,000-ton tankers will result in a saving of 60 percent of the cost per barrel. At the same time, of course, the realization of such savings is dependent upon the ability to receive these larger tankers. It is for this simple reason that the building of an offshore reception facility becomes mandatory from an economic viewpoint. At the same time, on the environmental side, a reception facility well removed from the critical estuaries of the shoreline is a sound solution. Not only will the threat of vessel groundings be reduced to an absolute minimum, but the threat of tanker collisions in confined harbor areas will also be substantially reduced, and so for one of the rare times in recent years, a single proposal can be supported as the best economic, as well as the best environmental, alternative.

During the course of our hearings on offshore port legislation, representatives of several State Governors testified, among them was a representative of the Governor of Texas. His testimony was simple and straightforward. He endorsed the concept of the language which will later be presented to the House by the Honorable LEONOR K. SULLIVAN when the bill is open for amendment. He listed certain specific points that the legislation should include. One was a simplified procedure for the issuance of construction permits to be handled by a single Federal agency. That, of course, is contained in the merchant marine bill. It is contained in the existing agency, the Interior Department, with ultimate supervision under the Coast Guard.

A second was a requirement that the Federal agency should consult the responsible State agency off whose coast the facility would be located. That, of course, is also in the Sullivan amendment which will be offered shortly. A third was that a single Federal authorization should serve the needs of all interested Federal agencies and that a single issuing Secretary would coordinate the various Federal requirements in one license. This also is contained in the Sullivan substitute.

Finally, he proposed that the Federal legislation should reserve to the State the right to decide the port location and whether the State itself should construct the facility. The fourth provision is accomplished, in effect, in the Sullivan substitute by making public authorities eligible to apply for licenses, and in addition, by requiring the Secretary, even in a case where no public authority applies, to consult the adjacent coastal State and give full consideration for its views providing for strict adherence to any State requirements as to land or water uses within its jurisdiction before a project license can be issued.

During the 4-day period of markup, careful and detailed guidelines were included in the merchant marine and fisheries legislation as to the conditions to be attached to a license; detailed requirements for establishing criteria for evaluating potential environmental impact and the taking of necessary measures to prevent, or at least to minimize, any threat to the environment.

Furthermore, provisions guarantee that the public shall have full access to the information which it may need in order to participate in any licensing decision. There are requirements for ample notice, public hearings, and access to the courts for review of any licensing decision.

I would further call attention of the Members to the extensive regulatory powers conferred in order to insure safety and environmental protection, the specific application of Federal laws relating to vessel control, vessel construction, and employment injuries and the subjection of pipeline oil movements to the regulatory authority of the Interstate Commerce Commission for common carriers.

An additional feature of the legislation which is noteworthy is recognition that the establishment of high seas oil ports does not in any way constitute a territorial claim by the United States, and that, in recognition of its international treaty commitments, the United States will not assert jurisdiction over foreign-flag vessels on the high seas without a specific agreement on the part of the foreign-flag nation that it may do so.

In the Sullivan amendment, in order to be quite certain that it be not subject to a point of order, one provision had to be eliminated. That had to do with the very excellent provision concerning liability with respect to oil spills and damages of that nature. It is my intention at the appropriate time to propose an amendment to the Sullivan substitute in which language will be contained to reinstate, in effect, the language of section 210 of H.R. 11951, but avoiding, of course, matters which would be subject to a point of order at this time.

That language provides for a high seas oil port liability fund which shall be liable, without regard to fault, for all damages to property within the territorial jurisdiction of the United States sustained as a result of an oil pollution incident occurring at or near the high seas oil port. I consider this a desirable feature of the legislation, and I will be prepared to discuss it in some detail later.

I think I might conjecture that the gentleman from Alabama agrees with the desirability of this type of language since the objective is also inculcated in the Jones amendment.

Now, to turn to several of the conflicting provisions between the so-called Jones amendment and the proposed Sullivan amendment. I shall move immediately to the more serious differing provisions on the State role. The Sullivan amendment places public authorities, including State authorities, at the same level as private entities as eligible applicants and treats all possible applicants on an equal footing, so that this whole program can be set afoot immediately. A choice of the merits of private development as against State development can be measured without inordinate delay.

On the other hand, the Jones amendment provides for a 30-day period for filing an application and up to 180 days in which the State may seek to comply, an additional 120 days for the agency to make its decision, and then one would presume that after the agency has made its decision, assuming it does not accept the State's application, the State would probably be given an opportunity to try to correct its application. I do not know how long it would get to do that. I do not think there is any limitation provided in the bill with respect to that point.

Mr. Chairman, as the gentleman from Texas (Mr. CASEY) has pointed out to me, with respect to the initial decision as to whether a State or a private agency should proceed and with respect to the study contained in the Jones bill, it is not absolutely clear that there is a limitation in that provision at all.

Mr. Chairman, the report said that it is presumed that this is limited to a reasonable period of 180 days, but whether this is strictly provided in that section or not, I am not quite sure. However, I am quite sure that after the 180 days and the 120 days, if the State is turned down, surely the State would come back and say, "Let us cure our application." That would take some more time, and the agency could take more time, and the time for compliance could extend over a period of perhaps several years.

Mr. CASEY of Texas. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. CASEY of Texas. Mr. Chairman, I thank the gentleman for yielding. The section that I am primarily concerned with too is that section on page 6 of the Jones amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired. The time of the gentlewoman from Missouri (Mrs. SULLIVAN) has expired.

Mr. GROVER. Mr. Chairman, I yield 1 additional minute to the gentleman at this time.

Mr. CASEY of Texas. Mr. Chairman, the section I refer to has to do with existing plans for construction of deep-draft channels and harbors within the same State regardless of where they are located. This is trying to pit one against the other. I think that is the wrong attitude. That is like pitting one offshore harbor against another offshore harbor. We need all of our harbors, both offshore and onshore, and I do not think they should be pitted against each other, as this bill would indicate.

Therefore, I would question the time element. Their explanation of the Jones amendment states that it is their intention to grant 120 days, as under section 3(d), if I am correct.

Mr. ECKHARDT. Does the gentleman agree with me that there is nothing in the bill that does grant 120 days?

Mr. CASEY of Texas. I cannot find it in that particular section. There is no limit in that particular section.

Mr. ECKHARDT. I cannot find it either.

The CHAIRMAN. The time of the gentleman from Texas has again expired. The chair now recognizes the gentleman from New York.

Mr. GROVER. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The Chair will inform the gentleman from New York (Mr. GROVER) that he has 6 minutes remaining.

Mr. GROVER. Mr. Chairman, it is my intention at this time to yield 3 minutes to the chairman of the committee, Mr. JONES of Alabama, and reserve the balance of my time, consisting of 3 minutes, which I will yield to the chairman of the other committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mr. JONES of Alabama. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman. I rise in support of the Jones bill. I do so because I feel that it contains greater safeguards for environmental protection and cleanup costs, but mostly, because it makes it much easier for a State to prevent a superport from being built, if its people have grave doubts about its desirability on environmental grounds. Under the Jones substitute, a State need only to exert a pocket veto.

Why are we in the coastal States so skeptical of these deepwater ports and supertankers? Anybody who has read this very carefully documented article in the New Yorker magazine is aware of the giant oil spills, the shipwrecks, and breakups of these supertankers, the explosions resulting in firestorms with burning oil falling on villages, the contamination of beaches and ocean waters for years to come.

The truth is nobody knows the truth about these giant supertankers and giant superports. They do not know the navigation problems, the ability to survive storms and other catastrophes; they do not know about what metal fatigue will do, they do not know the economic effects of opening up the Suez Canal, and they do not know about vulnerability of supertankers during time of war.

Until we do know the truth, the presumption is to go slow on building superports and supertankers.

What is at stake?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES of Alabama. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LONG of Maryland. I thank the gentleman.

What is at stake? If we do not build them, a slightly higher cost of oil, estimated at about 1 cent a gallon. If we do build them, the future of our beaches and our wetlands and our sea life.

What good does it do the average American to get his gasoline a penny cheaper if it speeds him faster to a beach corrupted with oil spills on waters which no longer support fish or clams or crabs?

Mr. GROVER. Will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the gentleman.

Mr. GROVER. Do I take it that the gentleman is unalterably opposed to deepwater ports?

Mr. LONG of Maryland. I am supporting the Jones bill because I think it gives greater protection. I have deep skepticism over the deepwater ports, yes, but I support the Jones bill.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as she may require to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Chairman, I rise in support of the amendment offered by Mr. JONES to H.R. 10701. I wish to compliment the gentleman as well as all of the other members of the

Public Works Committee for this fine piece of legislation. California has suffered unduly from oil spills. I would particularly like to comment on the very comprehensive and substantial provisions of this amendment regarding protection of the environment from possible oil spills. This amendment applies section 311 of the Federal Water Pollution Control Act to deepwater port facilities. Section 311 contains provisions relating to the cleanup of oil spills and penalties for discharge of oil into the navigable waters of the United States from vessels, onshore facilities, and offshore facilities. The amendment provides that deepwater port facilities are determined to be onshore facilities for the purposes of section 311 and that spills from the facility into the surrounding waters are determined to be oil discharged into the navigable waters of the United States. This brings into application all of the cleanup and penalty provisions of section 311 to any spill from the deepwater port facility.

As far as spills from vessels are concerned, the Jones amendment authorizes the Secretary of Transportation to clean up oil spilled from a vessel while that vessel is using the deepwater port facility, or while the vessel is en route to or departing from the facility while in the vicinity of the facility. The amendment also directs the Secretary to prepare a contingency plan to provide for efficient, coordinated, and effective use to minimize damage from such an oil spill. The amendment imposes liability for cleanup costs unless the owner or operator of a vessel can show that the spill was caused solely by an act of God, an act of war, negligence on the part of the United States, or an act or omission of a third party. Complete cleanup authority is thus provided for oil spills from vessels and from the deepwater port facility.

Furthermore, the amendment establishes a deepwater port liability fund to pay for the costs of cleanup of oil spills from vessels, and also to compensate for damages to real and personal property within the territorial jurisdiction of the United States caused by such an oil spill. The liability of the fund is up to $100 million for each oil spill.

Two international treaties regarding oil spills are presently under consideration among the various nations of the world. The amendment provides that when they are approved they will become applicable insofar as they cover areas provided for in the amendment and that where they do not cover areas provided for in the amendment, the provisions of the amendment will continue to govern. If the amendment did not mention these treaties then they would become the law of the land in any event when they are approved. The important thing to remember about this provision of the amendment is that it insures that it will continue to apply in areas not covered by the treaties. The purpose of this is to insure that the treaties will not be interpreted as wiping out all of the provisions relating to cleanup in the amendment.

California has a definite concern that there will be regulation control and provision for spill cleanup. The Select Committee of the Assembly on Deepwater Ports has set forth their position in a letter from Assemblyman Mike Culler that I ask be printed in the Record.

There are further provisions of the bill designed to protect the environment. The Commission must determine before it issues a license that the deepwater port facility will be located, constructed, and operated in a manner which will minimize or prevent any advance significant environmental effects. The environmental effects of a facility to States whose shorelines might suffer environmental harm as a result of the facility must be considered. The license must contain provisions requiring that if a license is revoked or expires and is not reissued, or if the licensee abandons the facility, the licensee will render the facility harmless to the environment. The license must also include conditions to prevent or minimize the pollution of the surrounding waters including payment of cleanup costs and provisions for the temporary storage of hazardous substances. Mr. Chairman, one of the advantages of deepwater port facilities is the minimization of the possibility of damages occurring as a result of oil spills. However, such spills are always a possibility.

The amendment offered by Mr. Jones assures that the possibility of such spills will be minimized and that if they occur, damages from them will be prevented or mitigated.

Mr. Chairman, I strongly urge support of the Jones amendment.

I have a letter here from the Assembly Select Committee on Deepwater Ports of the California Legislature, Mike Cullen, chairman, signed by Mr. Cullen, which I will include in the Record at this point:

June 3, 1974.

Hon. Y. Brathwaite Burke,
Longworth Building,
Washington, D.C.

Dear Yvonne: Deepwater Port Legislation is scheduled to be considered on the House floor Thursday, June 6.

The House Rules Committee granted Public Works Bill H.R. 10701 a rule, which allows substitute language (amendments authored by Mr. Jones of Alabama) to be debated on the floor. If the Jones Bill is defeated, a Merchant Marine and Fisheries Bill, H.R. 11951, would then be in order.

These bills govern the licensing of deepwater port facilities that are constructed beyond the territorial seas of the United States. Although there are presently no proposals to build these ports beyond the 3-mile limit off the California Coast, this legislation may affect future port development in our state.

H.R. 10701 would establish a Deepwater Port Facilities Commission to grant the licensing for building and operating the ports. The Commission would consist of the Secretaries of Transportation, Interior, Commerce and Army and the Administrator of the Environmental Protection Agency.

Under H.R. 10701, the state is given the opportunity to obtain a license to the exclusion of all other applicants and can veto the licensing of a deepwater port if its plans fail to conform to the state's environmental program.

H.R. 11951, the Merchant Marine Committee version, places the authority to issue a license solely with the Secretary of the Interior. The state is not given priority over the private sector in obtaining a license.

Of the two bills, H.R. 10701 emphasizes state's rights, whereas H.R. 11951 would give the Federal Government a stronger role in licensing and regulating deepwater ports.

These ports will have a substantial environmental and economic impact on the state off whose shores they are built. The Select Committee on Deepwater Ports feels that California's interest would best be served by the passage of H.R. 10701, or its amended version.

Cordially,

Mike Cullen,
Chairman.

Mr. DON H. CLAUSEN. Will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to say that I have a similar letter from the chairman.

Mr. GROVER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri (Mrs. Sullivan), the chairman of the Committee on Merchant Marine and Fisheries.

Mrs. SULLIVAN. Mr. Chairman, today the important and controversial matter of offshore terminals is being presented to the House. I am sorry that we have had so very few Members on the floor to hear the differences between these two bills during this debate in which we have analyzed the differences between the Jones amendment and my substitutes which will be proposed.

I think that the version proposed by the Committee on Merchant Marine and Fisheries is clearly superior. We hope the Members of the House will give this matter their undivided attention, because of the importance of this matter.

I agree with the gentleman from Maryland (Mr. Long) that the bill from the Committee on Public Works would make it more difficult to build these high seas oil ports, and yet if we do not build them then all the imported oil that we need is going to have to be brought to our inland ports, making the danger of collisions spillages, and environmental harm much more likely.

I urge the passage of the Sullivan substitute amendment.

Mr. GROVER. Mr. Chairman, I have no further requests for time.

Mr. BLATNIK. Mr. Chairman, I yield the balance of our time to the gentleman from Texas (Mr. Casey).

Mr. CHAIRMAN. The gentleman from Texas (Mr. Casey) will be recognized for 2 minutes.

Mr. CASEY of Texas. Mr. Chairman, I do want to point out that the scare that was raised with reference to the pollution possibilities of these large offshore terminals is a kind of a bugaboo, because I believe you can have more problems with pollution at our onshore terminals.

I also have a letter from the Environmental Protection Agency signed by Mr. Train that points out that the further offshore that you can operate in unloading and loading oil, the safer it is, because fewer ships are out there, and they are not in any confined waters. However, if you do have a spill, and you are out 20 or 25 miles off the shore, then any oil which is not cleaned up will be diluted to the extent that it will not pollute the oyster beds or clam beds, or the estuarine waters.

I also want to point out that the offshore terminals are vital to this country.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I would ask the gentleman from Texas if it is not a fact that if you use the huge tankers that unload at the offshore ports, that the risk of collision with other high seas traffic and the possibilities of other accidents between smaller ships in confined areas is induced. Is not the movement of these huge ships and smaller ships in confined inland waters one of the major causes of oil pollution, because of such accidents?

Mr. CASEY of Texas. The gentleman from Ohio is absolutely correct.

When you try to bring these ships to the inshore terminals, you must have channels that have been dredged, and when you are running them through a narrow channel, then there is the possibility that the slightest wind crosswise, or what have you, means that there is more danger of collision or running aground, and the rupturing of the oil tanks, far, far more so than when they are on the high seas.

Mr. HARSHA. If the gentleman will yield still further, is it also not a fact that at the inland ports where there may be the danger of rupturing the tanks, that there is far greater possibility of oil pollution than there is on the high seas?

Mr. CASEY of Texas. The gentleman from Ohio is again absolutely right, because the toxic substances, by the time they reach the shore, are mostly diluted out of the oil.

Mr. Chairman, there is conflict in the minds of many about whether deepwater ports pose a threat to conventional shoreline ports.

There simply is no such conflict. We need both types of ports now and we will need them in the future.

In my own district, we have strong interest in the maintaining of conventional ports at Houston and Freeport. We want these ports to continue to grow and prosper. At the same time, we have a strong, even an urgent interest in seeing that a deepwater terminal is built off the coast to allow the huge supertankers of today and the future to serve our vast refining complexes of Texas and Oklahoma.

These will be single-purpose terminals. They will serve the mammoth supertankers that cannot feasibly use shoreline docks, and for a number of reasons.

First, the Nation's energy crisis makes it mandatory that we build new refineries and that we keep those now in existence supplied with petroleum feedstocks.

We cannot wait for the extra years that will be required to dredge out the many miles of shallow harbor now existing. To do so would mean a delay of 5 years or more and probably at least double construction and dredging costs.

Second, cost factors make the deepwater, offshore terminal vastly more desirable. A number of studies, both at the Federal level and by agencies and universities in the State of Texas, have shown that the offshore terminals will provide greatly reduced delivery costs for petroleum. And the costs of delivery are passed on to the consumer. We can help keep the price of gasoline at the pumps down by keeping down the cost of transporting crude oil.

As an example of the transportation costs saved by the use of the supertankers and offshore facilities as compared to the common tanker serving our onshore ports today, comparative freight charges per ton of petroleum shipped are as follows:

Ship size	Venezuela	North America	Persian Gulf
65,000 tons	$1.90	$3.50	$9.05
250,000 tons	1.40	2.50	6.55
500,000 tons	1.00	1.90	5.45

Third, offshore terminals offer far greater protection to the environment than deepwater, dredged coastline ports.

Aside from the pure congestion, trying to maneuver a huge supertanker down a narrow channel is an extremely difficult operation. Docking it to a solid, onshore wharf is even more delicate. Just a nudge of a solid dock by one of the tankers weighing 200,000 tons or more can severely damage the dock and the ship as well. Already tankers of 450,000 tons are in use, with ships in the 700,000-ton range on the drawing boards.

The great danger, of course, in maneuvering these huge tankers is that any accident can result in oil spills that are not only dangerous to human life, but highly damaging to the ecology. Statistically, the dangers of collisions and oil spills are extremely high in the narrow channels of onshore ports as compared to the deepwater terminals that float in the sea at a distance of 25 or 30 miles offshore. And if there is a spill at that distance from shore, there is ample time to clean it up before it damages the coastline.

I have summarized the facts, Mr. Chairman, but the detailed studies and statistics to back up my statements are documented in voluminous reports.

There have been studies by the U.S. Army Corps of Engineers, the Environmental Protection Agency and other Federal agencies.

There have been studies by a special committee of the Senate of the State of Texas, by the Texas Offshore Terminal Commission, by teams of engineers and econologists from the University of Texas and from Texas A. & M. University.

All reach the same conclusion: That the most expedient method of obtaining the vast amounts of petroleum imports this country must have, and with the least cost and environmental damage, is through use of offshore unloading facilities.

We already have these studies. The facts are there. And I believe that anyone familiar with the legislation we consider today, knows those facts.

It is incumbent on us, Mr. Chairman, to approve this legislation, which will help us cope with our energy shortage at the least cost to the people of our country and in a form that will afford greatest protection to our environment.

It is equally important that this legislation be finally adopted in a form that will allow construction of these needed terminals as quickly as possible.

Mr. ANDERSON of Illinois. Mr. Chairman, this deep water ports legislation is being considered on the House floor under a most unusual, confused and complex parliamentary situation and I apologize to my colleagues for this. But I do not entirely fault the Rules Committee for this situation, though our own brand of complexity has been added. The reason the rule under which this bill is being considered, House Resolution 1139, is so unusual and complex is because we simply were not able in the Rules Committee to force the Public Works and Merchant Marine and Fisheries Committee to get together and work out a compromise between their two versions. Thus, we have a situation in which both bills are made in order under the rule; but, to further add to the confusion, we have provided a rule whereby before we can vote on the Merchant Marine Committee substitute, we must first reject the Public Works substitute, even though that is the original vehicle mentioned in the rule. Ordinarily, this body would act first on the Merchant Marine Committee substitute and any amendments thereto before taking final action on the primary bill.

Mr. Chairman, to make matters even worse, this particular rule, as I read it, does not allow for amendments which would ordinarily be considered only in the second degree, since the Public Works Committee has brought out an amendment in the nature of a substitute to its original bill. Thus, the substitute itself is already in the first degree, and only one amendment at a time would be in order to the substitute. As I understand it, this would also apply to any attempt to offer a substitute for the Public Works substitute, as some have indicated they will attempt.

Mr. Chairman, if all this sounds very confusing, it is because it is. And I would suggest that if we now had the Bolling-Martin committee reform resolution in effect, we would have avoided this situation in the first place. For in that resolution there is provision for resolving jurisdictional differences between committees before they come to the floor, both through new referral procedures, more distinct jurisdictional lines, and for appeals by committees through the Rules Committee and the full House on questions of referral.

In short, Mr. Chairman, what we are experiencing here today could easily be avoided through the rules changes suggested in the Bolling-Martin reform amendments, and this is but one more strong argument for the adoption of those proposals which are now pigeonholed in the Democratic Caucus. I wish to dissociate myself from this rule and wish my colleagues well as we proceed down this tangled parliamentary path. I urge that we all heed the lesson we will be learning on this today well and based on this experience proceed immediately with the consideration of the Committee Reform Amendments which are specifically designed to avoid this from happening again in the future.

Mr. EDWARDS of Alabama. Mr. Chairman, my comments today are on the need for deepwater ports in America and on the corresponding need for the Congress to continue to exercise leadership in this important area.

Our acute energy shortage has been brought to the attention of every American in recent months. We have learned just how much we rely on petroleum products to keep the country and the economy moving. We have seen how our fuel needs, our balance of payments, the strength and stability of the dollar, the health of our domestic economy, and our national defense posture are so tightly interwoven that if one strand frays, all the others are affected.

We rely heavily on oil imports to satisfy our energy needs. This reliance will not diminish in the foreseeable future, and many experts believe it will increase significantly. It is an urgent priority, then, that the United States have the best, most economical port system to handle oil imports.

Deepwater ports will be needed because the fuel will reach the United States in supertankers of unprecedented size. Since our natural ports cannot handle these huge vessels, we must construct offshore terminals which can cope with supertankers. The Maritime Administration reports that if we do not build our own deepwater port facilities, we will have to rely on transshipment through neighboring foreign terminals, such as in Canada, the Bahamas, or elsewhere. This would heighten our already dangerous reliance on outside sources and our unfavorable outflow of dollars.

Mr. Chairman, I believe the need for deepwater ports is both evident and immediate. I urge the House to pass legislation today, which will accelerate the construction of superports. We need legislation which insures the environmental soundness of ports, setting up stringent but reasonable environmental criteria to protect our beaches and marine life. Just as the secondary economic benefits of deepwater ports, such as refineries, general industrialization, and petrochemical plants, must be considered, so must the corresponding secondary environmental impact be evaluated.

Many other arguments could be offered in favor of deepwater ports. But suffice it to say that we need a bill which will provide the legislative fuel to drive the deepwater port issue to the point that the United States leads the world in superport capability and efficiency.

In my opinion, Mr. Chairman, the Public Works Committee bill, H.R. 10701, as it will be amended by the gentleman from Alabama (Mr. Jones) is the best vehicle to accomplish this great goal. I urge my colleagues to follow this course and to vote for the Public Works Committee bill as amended by the Jones amendment.

Mr. BEVILL. Mr. Chairman, I favor, very strongly the legislation before us today, H.R. 10701, which would provide for the licensing, construction, and operation of deepwater ports.

In light of the recent shortages in fuel we experienced in this country, and in light of the continuing need for conservation of our energy resources, I believe most of us agree that we will require increasing quantities of crude oil in the future. Much of this oil must be imported. The most efficient, economical and safest way to transport crude oil from abroad is by supertankers. These large carriers require deepwater ports for offshore unloading.

As you know, currently there are no procedures for the licensing of deepwater ports off our coasts and beyond the 3-mile limit. This bill will provide for the licensing of deepwater port facilities by a Deepwater Port Facilities Commission composed of the Secretaries of Transportation, Commerce, Interior, Army, and the Administrator of EPA. This will enable these agencies with significant expertise and experience in the various aspects of a deepwater port facility to participate in the licensing procedure and will avoid inter-Agency conflict.

This legislation also provides protection for those States which feel they do not need deepwater ports.

I believe this is a very good bill. I congratulate my good friend, Congressman Bob Jones and the Public Works Committee for their efforts. They have done an outstanding job, and I strongly urge my colleagues to support this important measure.

Mr. Chairman, I am pleased to report that Alabama, anticipating the need for these deepwater ports, joined with our sister State, Mississippi, many months ago to do an in-depth study of the need and where to locate a deepwater port in the Gulf of Mexico. The Ameraport Corp., which has been conducting the ongoing study, has done an excellent job. Therefore, Mr. Chairman, we are especially pleased with this legislation and feel that we will be ready to begin construction of this superport as soon as the legislation has been approved.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the H.R. 10701 substitute as reported by the Public Works Committee. This Nation is entering a period when there is increasing demand for oil and gas production from the ocean floor. And this demand for offshore oil and gas is compounded by the need to avoid polluting the sea and the desire to preserve the coastal environment.

In addition to the construction of necessary platforms and installations for the drilling of offshore oil and gas, there is a need for deepwater port facilities. I believe that this legislation effectively answers such a need.

The justification for development of deepwater terminals is both economic and environmental. Crude oil transportation savings by the use of very large crude carriers is well established. In addition, the likely alternative to U.S. deepwater ports is transshipment of crude from the Caribbean or Canadian ports in small tankers, thus increasing the potential for vessel accidents and oil spills. It would seem advantageous then to provide for the construction and operation of deepwater ports to facilitate importation of crude and petroleum products from overseas.

The H.R. 10701 substitute provides clear guidelines for the obtaining of a license to operate such a deepwater terminal, taking into account the economic, environmental, esthetic, and regional effects of such a construction. The bill further provides for domestic control over deepwater port facilities and would establish a deepwater port liability fund to cover cleanup costs and damages caused by oil spills, to be financed by fees assessed per barrel on the owners of the imported oil.

In light of continued growth along the Atlantic seaboard and the increasing demand for petroleum products, the construction of deepwater ports is a necessity. I urge my colleagues to vote in favor of this legislation.

Mr. DORN. Mr. Chairman, as a member of the Public Works Energy Subcommittee I have consistently supported in committee legislation that would encourage development of offshore deepwater ports. Our committee has labored very diligently and effectively in drafting a bill that will get the job done and will provide all due environmental safeguards. We held extensive hearings in preparing this bill. Our Public Works Committee's deepwater ports bill is a States' rights bill that gives priority to the environmental policy of the coastal States.

While energy self-sufficiency is our national goal, deepwater ports can alleviate problems involved in importing oil. Our bill will set up the machinery for the licensing of deepwater offshore facilities that can accommodate the mammoth oil tankers of the future. Pipelines will connect the offshore ports to inland facilities. As a member of the Energy Subcommittee, Mr. Chairman, may I commend our chairman, the gentleman from New Jersey (Mr. Howard) and the ranking member of the full committee the gentleman from Alabama (Mr. Jones) for their splendid leadership in developing this outstanding and timely legislation.

The CHAIRMAN. All time has expired.

Under the rule, immediately after the reading of the enacting clause of the bill, H.R. 10701, it shall be in order to consider in lieu of the committee amendment now printed in the bill, the text of the amendment printed on pages H3784 through H3787 of the Congressional Record of May 13, 1974, if offered as an amendment in the nature of a substitute for the bill H.R. 10701.

The text of the amendment in the nature of a substitute printed in the Congressional Record of May 13, 1974, is now printed in corrected form on pages 14163 through 14170 of the Congressional Record of June 3, 1974.

The Clerk will read the enacting clause.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENT IN THE NATURE A SUBSTITUTE OFFERED BY MR. JONES OF ALABAMA

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. JONES of Alabama:

That as used in this Act the term—

(1) "application" means any application filed under this Act for a licsnse to construct or operate a deepwater port facility, or for a renewal or modification of such license.

(2) "deepwater port facility" means a facility constructed off the coast of the United States, and beyond the territorial seas of the United States, for the purpose of providing for the unloading of crude oil and petroleum products. It includes all associated equipment and structures (other than vessels) beyond such territorial seas, and all connecting pipelines within such territorial seas.

(3) "Commission" means the Deepwater Port Facilities Commission provided for in this Act.

(4) "person" means any citizen of the United States, any State or political subdivision of a State, or any private, public, or municipal corporation or other entity created by or existing under the laws of the United States or of any State.

(5) "significantly affected State" means a State whose shorelines might suffer environmental harm as a result of the activities of a deepwater port facility.

(6) "State" means each of the several States, the District of Columbia, each territory or possession of the United States, and the Commonwealth of Puerto Rico.

(7) "United States" means the several States, the District of Columbia, the territories and possessions of the United States, and the Commonwealth of Puerto Rico.

SEC. 2. (a) No one shall construct or operate a deepwater port facility without first receiving a license as provided under this Act.

(b) In any case where an applicant applies for a license to construct a deepwater port facility and the point of connection for unloading crude oil and petroleum products between vessels and the deepwater port facility is nearer the coast of one State than any other State and if 50 per centum or more of the design-receiving capacity for crude oil and petroleum products is to be located in the State whose coast is nearer such point of connection, then the Commission shall notify such State in writing of such application within thirty days of the date such application is received by the Commission. Such notification shall also establish a reasonable period of time for such State to apply for a license to construct such a facility, except that such period shall not exceed one hundred and eighty days from the date such notification is received by such State. If such State within such period applies for a license to construct a deepwater port facility having a point of connection for unloading crude oil and petroleum products between vessels and a deepwater port facility located nearer to its coast than the coast of any other State with 50 per centum or more of the design-receiving capacity for crude oil and petroleum products to be located in such State, then such State, if it meets all other requirements of this Act, shall be granted the license to construct such facility to the exclusion of all other applicants for a license for such a facility.

(c) All applications for a license to construct or operate a deepwater port facility shall be filed with the Commission. The Commission is authorized to issue a license to any applicant if it first determines that—

(1) the applicant is a person financially responsible who has demonstrated his ability and willingness to comply with applicable laws, regulations, and license conditions;

(2) the applicant has the power to sue and be sued, complain and defend, in its own name, and, if the applicant is a State, has consented to be sued in connection with its construction and operation of the deepwater port facility;

(3) the construction and operation of the deepwater port facility will not unreasonably interfere with international navigation or other reasonable uses of the high seas, and is consistent with the international obligations of the United States; and

(4) the facility will be located, constructed, and operated in a manner which will minimize or prevent any adverse significant environmental effects. In making the determination required by this paragraph, the Commission shall consider all significant aspects of the facility, including, but not limited to, its relation to—

(A) effects on marine organisms;

(B) effects on water quality;

(C) effects on ocean currents and wave patterns and on nearby shorelines and beaches;

(D) effects on alternative uses of the oceans such as fishing, aquaculture, and scientific research;

(E) susceptibility to damage from storms and other natural phenomena;

(F) effects on other uses of the subjacent seabed and subsoil such as exploitation of resources and the laying of cables and pipelines; and

(G) effects on esthetic and recreational values.

(d) Licenses issued under this section shall be for a term of no longer than thirty years, with preferential right in the licensee to renew under such terms and for such period not to exceed thirty years as the Commission determines is reasonable. Licenses to construct such facilities shall include conditions to assure that a bona fide effort to construct is made. These conditions shall include but not be limited to schedules for design and construction of such facilities. In the absence of such bona fide effort, as determined by the Commission after hearings, a license to construct may be revoked by the Commission.

(e) (1) No license shall be granted under this Act to construct a deepwater port facility unless the State whose coast is nearer than that of any other State to the point of connection for unloading crude oil and petroleum products between vessels and a deepwater port facility has an environmental program which includes construction of deepwater port facilities off its coast and the deepwater port facility proposed to be licensed and the directly related land-based activities are consistent with such environmental program.

(2) No license shall be granted under this Act to construct a deepwater port facility unless the State in which 50 per centum or more of the design-receiving capacity for crude oil and petroleum products is to be located has an environmental program which includes construction of deepwater port facilities off its coast and the deepwater port facility proposed to be licensed and the directly related land-based activities are consistent with such environmental program.

(f) The Commission shall not issue a license under this Act unless it shall first have considered the economic, environmental esthetic, and regional effects of the construction and operation of a deepwater port facility on all other significantly affected States.

(g) Licenses issued under this Act may be transferred after the Commission determines that the transferee meets the requirements of this Act, and upon approval by the Commission of the terms and conditions of the transfer.

(h) If an application is made under this Act for a license to construct a deepwater port facility off the coast of a State, and a port of such State which on the date of such application—

(1) has existing plans for construction of a deep draft channel and harbor, and

(2) has either (A) an ongoing study by the Secretary of the Army relating to the expansion and deepening of such port harbor or channel, or (B) a pending application for a permit under section 10, 13, or both, of the Act of March 3, 1899 (30 Stat. 1121), for such construction.

applies to the Commission for a determination under this section within thirty days of the date of the license application, then the Commission shall not issue a license under this Act unless, after examining the economic, social, and environmental effects of the construction and operation of such deepwater port facility with the economic, social, and environmental effects of the construction, expansion, deepening, and operation of such State port, it has determined which of the two is more in the national interest.

SEC. 3. (a) There is hereby established a Deepwater Port Facilities Commission. The Commission shall consist of the Secretary of Transportation, the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary of the Army, acting through the Chief of Engineers. The Secretary of Transportation shall serve as Chairman. All administrative personnel and related facilities necessary to carry out the functions of the Commission shall be provided by the Secretary of Transportation.

(b) The Commission is authorized to issue reasonable rules and regulations governing application for, and issuance of, licenses for the construction and operation of deepwater port facilities under this Act. Such rules and regulations shall be issued in accordance with section 553 of title 5 of the United States Code without regard to the exceptions contained in subsection (a) thereof.

(c) In carrying out all of its functions under this Act, the Commission shall consult with interested Federal agencies, and the Commission shall be required to expedite and coordinate all Federal reviews of applications required under this Act.

(d) An application for a license filed under this Act shall constitute an application for all Federal authorizations required for a deepwater port facility. The Commission shall consult with interested Federal agencies to insure that applications contain all information required by the agencies. The Commission will forward promptly a copy of each application to those Federal agencies with jurisdiction over any aspect of the construction and operation of a deepwater port facility and will not issue a license under this Act until such agencies have certified to the Commission that, except as provided in subsection (e) of this section, that aspect of the facility under their jurisdiction meets the requirements of the laws which they administer. The granting of a license under this Act shall be deemed to satisfy all of the requirements of any other law of the United States with respect to which a certification has been issued by a Federal agency under this subsection, and no other permit or license shall be required under such law in connection with the construction or operation of such facility. Such certification shall be issued or denied within one hundred and twenty days following transmittal of a copy of the application to the agencies. Hearings held pursuant to this Act shall be consolidated insofar as practicable with hearings held by other agencies. The Commission shall issue or deny the license not later than the one hundred and twentieth day after receipt of the certifications of all of the Federal agencies involved, or not later than the one hundred and twentieth day after the day of completion of all hearings under section 4, whichever date occurs later.

(e) The provisions of this Act shall in no way alter or otherwise affect the requirements of the National Environmental Policy Act of 1969, except that a single detailed environmental impact statement shall be prepared in connection with each license proposed to be issued by the Commission. The Commission shall be responsible for the preparation of such statement. Such statement shall fulfill the responsibilities under section 102(2) (C) of the National Environmental Policy Act of 1969 of each Federal agency with respect to each certification made by it under subsection (d) of the section.

SEC. 4. (a) The Commission shall prescribe by regulation the procedures, including appropriate charges, for the submission and consideration of applications for licenses.

(b) Upon application for any license the Commission shall publish in the Federal Register within thirty days after receipt of such application a notice containing a brief description of the proposed facility, and information as to where the application and supporting data required by subsection (a) may be examined and given interested parties at least ninety days for the submission of written data, views, or arguments relevant to the granting of the license, with or without opportunity for oral presentation. Such notice shall also be furnished to the Governor of each significantly affected State, and the Commission shall utilize such additional methods as it deems reasonable to inform interested parties about the proposed facility and to invite comments from them.

(c) The Commission shall hold at least one public hearing on each application for a license for a proposed facility. At least one such hearing shall be held in the vicinity of the proposed site.

(d) When the Commission determines from the comments and data submitted pursuant to subsections (b) and (c) that there exist one or more specific and material factual issues which may be resolved by an evidentiary hearing, it may direct that such issues be submitted to a supplemental hearing before a presiding officer designated for that purpose. Such officer shall have authority to preclude repetitions and cumulative testimony, to require that direct testimony be submitted in advance in written form, and to permit cross-examination to the extent necessary and appropriate. After the hearing the presiding officer shall submit to the Commission a report of his findings and recommendations, and the participants in the hearing shall have an opportunity to comment thereon.

(e) The Commission's decision granting or denying a license shall be in writing and shall include or be preceded by an environmental impact statement, if required, a discussion of the issues raised in the proceeding and the Commission's conclusions thereon, and, where a hearing was held pursuant to subsection (d), findings on the issues of fact considered at such hearing.

(f) The provisions of sections 554, 556, and 557 of title 5, United States Code, are not applicable to proceedings under this section. Any hearing held pursuant to this section, shall not be deemed a hearing provided by statute for purposes of section 706(2)(E) of title 5, United States Code.

Sec. 5. (a) Anyone adversely affected by an order of the Commission granting or denying a license may, within sixty days after such order is issued, seek judicial review thereof in the United States Court of Appeals for the circuit nearest to which the facility is sought to be located. A copy of the petition shall forthwith be transmitted by the clerk of the court to the Commission or an officer designated by it for that purpose. The Commission thereupon shall file in the court the record of the proceedings on which the Commission based its order, as provided in section 2112 of title 28 of the United States Code. This record shall consist of—

(1) the application, the notice published pursuant to section 4(b), and the information and documents to which reference is made therein;

(2) the written comments and documents submitted in accordance with the agency rules by anyone, including any other agency and any agency advisory committee, at any stage of the proceeding;

(3) the transcript of any hearing held pursuant to section 4 (c) and (d); and the presiding officer's report, if any; and

(4) the Commission's decision and accompanying documents as required by section 4(e).

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Commission, and to be adduced in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendations, if any, for the modification or setting aside of its original order, with the return of such additional evidence.

(c) Upon the filing of the petition referred to in subsection (a), the court shall have jurisdiction to review the order in accordance with section 706 of title 5, United States Code, and to grant appropriate relief as provided in such section.

SEC. 6. (a) The Commission is authorized to include in any license granted under this Act, any conditions which it deems necessary to carry out the purposes of this Act. Such conditions shall include but need not be limited to:

(1) Conditions designed to assure that the operation of the deepwater port facility will not substantially lessen competition or tend to create a monopoly. Such conditions shall include a requirement of nondiscriminatory access at reasonable rates.

(2) Provisions requiring that, if a license is revoked or expires and is not reissued, or the licensee abandons the deepwater port facility, the licensee shall render such facility harmless to navigation and the environment.

(3) Such fees as the Commission may prescribe as reimbursement for the cost of Federal activities occasioned by the application for licensing, development, and operation of the deepwater port facility.

(4) Such measures as the Commission may prescribe to meet United States international obligations.

(5) Such measures as the Commission may prescribe to prevent or minimize the pollution of the surrounding water, including payment of cleanup costs resulting from construction and operation of the deepwater port facility.

(6) Such provisions as the Commission may prescribe for the temporary storage of hazardous substances.

(7) Such provisions as the Commission may determine necessary to insure domestic control over the contruction and operation of the deepwater port facility.

(b) If a licensee becomes bankrupt and unable to render the deepwater port facility harmless to navigation and the environment, the United States shall render such facility harmless and bear all costs in connection therewith to the extent that such costs are not covered by a bond, as may have been required in the license by the Commission.

SEC. 7. (a) Whenever any oil is spilled from a vessel using a deepwater port faciltiy or enroute to or departing from such facility while in the vincinty of such facility, the Secretary of Transportation is authorized to act to remove or arrange for the removal of such oil at any time, unless he determines such removal will be done properly by the owner or operator of the vessel.

(b) The Secretary of Transportation shall prepare and publish a contingency plan for the removal of oilspills from vessels using, en route to, or departing from deepwater port facilities. Such contingency plan shall provide for efficient, coordinated, and effective action to minimize damage from the oil, including containment, dispersal, and removal of the oil. The Secretary may, from time to time, as he deems advisable, revise or otherwise amend the contingency plan. After publication of the contingency plan, the removal of oil and actions to minimize damage from oil shall, to the greatest extent possible, be in accordance with such contingency plan.

(c) The Secretary of Transportation is authorized to request and receive assistance, on a reimbursable basis, from any Federal department, agency, or instrumentality in carrying out his duties and responsibilities under this section.

(d) Except where the owner or operator of the vessel can prove that an oilspill was caused solely by (A) an act of God, (B) an act of war, (C) negligence on the part of the United States, or (D) an act or omission of a third party without regard to whether any such act or omission was or was not negligent, or any combination of the foregoing clauses, such owner or operator shall, notwithstanding any other provision of law, be liable to the United States for actual cleanup costs incurred under this section. Such costs shall constitute maritime lien on the vessel which may be recovered in an action in rem in the district court of the United States or any district within which the vessel may be found. The Deepwater Port Liability Authority created in section 8 of this Act may bring an action against the owner or operator in any court of competent jurisdiction to recover such costs, including, but not limited to, all such costs paid from the Deepwater Port Fund created by such section.

(e) During any period when the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage are both in force the liability of vessels subject to such conventions for damages within the territory and the territorial sea of the United States, from oilspills from such vessels, and for the payment of such damages, shall be that established in such conventions in lieu of any liability and payment for such damages established by this section and section 8 of this Act.

(f) Section 311 of the Federal Water Pollution Control Act shall apply to a deepwater port facility licensed under this Act and to oilspills from that facility. For the purposes of that Act, such a facility shall be deemed to be an onshore facility and oilspills from such facility shall be deemed to be oil discharged into the navigable waters of the United States.

SEC. 8(a) There is hereby created a body corporate to be known as the Deepwater Port Liability Authority, hereafter in this section referred to as the "Authority", which shall have succession until dissolved by Act of Congress The Authority shall be subject to the general supervision and direction of the Secretary of Transportation. The Authority, a wholly owned Government corporation, is an instrumentality of the United States subject to the Government Corporation Control Act and shall maintain such offices as may be necessary or appropriate in the conduct of its business. The purposes of the Authority shall be to administer the Deepwater Port

Liability Fund. The Authority may sue and be sued in its own name.

(b)(1) The Authority shall have a Board of Directors consisting of five individuals, one of whom shall be the Secretary of Transportation or his designee as Chairman of the Board, and four of whom shall be appointed by the President from among the officers or employees of the Commission or of any other department or agency of the United States Government.

(2) The Board of Directors shall meet at the call of its Chairman. The Board shall determine the general policies which shall govern the operations of the Authority. The Chairman of the Board shall select and effect the appointment of qualified individuals to fill the offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such individuals shall be the executive officers of the Authority and shall discharge all such executive functions, powers, and duties. The members of the Board, as such, shall not receive compensation for their services.

(c) There is hereby created a Deepwater Port Liability Fund (hereafter referred to in this section as the "fund") which, notwithstanding any other provisions of law, (1) shall be liable for cleanup costs resulting from any oilspill from a vessel using a deepwater port facility or en route to, or departing from such a facility while in the vicinity of such facility, and (2) shall be liable without regard to fault, in accordance with the provisions of this section, for damages to real and personal property within the territorial jurisdiction of the United States that are sustained by any individual or entity, public or private, as the result of any oilspill from a vessel using a deepwater port facility or en route to, or departing from, such a facility while in the vicinity of such facility.

(d) Liability of the fund for damages may not be imposed under this section—

(1) if the fund can prove that the damages concerned were caused by an act of war; or

(2) with respect to the claim of a damaged party if the fund can prove that the damage was caused by the negligence of such party.

(e) Liability of the fund for damage claims arising out of any one oilspill shall not exceed $100,000,000. If the total damage claims allowed against the fund arising out of any one oilspill exceed $100,000,000 they shall be reduced proportionately.

(f)(1) Each licensee of a deepwater port facility under this Act shall collect from the owner of any oil offloaded at the deepwater port facility operated by such licensee, at the time of offloading, a fee of 4 cents per barrel until the fund contains a total amount of $100,000,000 or until the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage both come into force, whichever first occurs; thereafter the fee shall be 2 cents per barrel, but in no case shall any fee be collected during any period when the fund contains a total amount of $100,000,000 or more.

(2) The collections made under paragraph (1) shall be delivered to the fund at such times and in such manner as shall be prescribed by the Authority. Costs of administration shall be paid from the money paid to the fund, and all sums not needed for administration and the satisfaction of cleanup costs and damage claims shall be invested prudently in income-producing securities of the United States approved by the Authority. Income from such securities shall be added to the principal of the fund.

(g)(1) In the case of any claim where liability for damage without regard to fault is imposed on the fund by this section and such claim is paid by the Authority from the fund, the Authority shall be subrogated under applicable State and Federal laws (including any international agreements to which the United States is a party) to the rights of the claimant under such laws with respect to the paid claim. If, with respect to such paid claim the Authority brings an action based on any right to which it is subrogated by this subsection, it may recover from any affiliate of the defendant, if the defendant fails to satisfy any judgment entered against it in such action.

(h) This section shall not be interpreted—

(1) to preclude or deny the right of any State, or political subdivision thereof, or interstate agency, to adopt or enforce any other requirement with respect to liability for oilspills; or

(2) to affect in any manner the application of the Federal Water Pollution Control Act; or

(3) to restrict any right which any individuals or entity (or class of individuals or entities) may have under any statute or common law to seek any other relief.

(i) If the fund is unable to satisfy cleaning costs or damage claims required to be paid under this section, the Authority may borrow the money needed to pay such costs or such claim from any available source, at the lowest available rate of interest.

(j) For the purposes of this section—

(1) the term "affiliate" includes—

(A) any entity owned or effectively controlled by the defendant in any action under subsection (g);

(B) any entity that effectively controls or has the power effectively to control such defendant by—

(i) stock interest,

(ii) representation on a board of directors or similar body,

(iii) contract or other agreement with other stockholders, or

(iv) otherwise; or

(C) any entity which is under common ownership with or control of such defendant.

(2) the term "entity" means an individual corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization.

(3) the term "barrel" means forty-two United States gallons at sixty degrees Fahrenheit.

SEC. 9. (a) Any licensee who violates any condition of his license, or any rule or regulation of the Commission issued under this Act, may be assessed a civil penalty by the Commission, in a determination on the record after opportunity for a hearing, of not more than $25,000 for each day during which such violation occurs.

(b) A licensee aggrieved by a final order of the Commission assessing a penalty under this section may, within sixty days after such order is issued, seek judicial review thereon in the United States district court for the judicial district nearest to which the licensee's facility is located, and such court shall have jurisdiction of the action without regard to the amount in controversy. Judicial review of the Commission's determination shall be in accordance with section 706 of title 5, United States Code.

(c) Penalties assessed pursuant to this section may be collected in an action by the United States, but the order of the Commission shall not be subject to review otherwise than as provided in subsection (b).

SEC. 10. Whenever a licensee fails to comply with any provision of this Act or any rule, regulation, restriction, or condition made or imposed by the Commission under the authority of this Act, or fails to pay any civil penalty assessed by the Commission under section 9 (except where a proceeding for judicial review of such assessment is pending), the Commission may file an appropriate action in the United States district court for the judicial district nearest to which the licensee's facility is located (1) to suspend operations under the license, or (2) to revoke such license if such failure is knowing and continues for a period of thirty days after the Commission mails notice of such failure by registered letter to the licensee at his record post office address. When such failure would, in the judgment of the Commission, create a serious threat to the environment, it shall have the authority to suspend operations under the license forthwith. The licensee may seek judicial review of the Commission's action in such district court within sixty days after the Commission takes such action.

SEC. 11. (a) The Constitution and the laws and treaties of the United States shall apply to deepwater port facilities licensed under this Act in the same manner as if such facilities were located in the navigable waters of the United States. Foreign-flag vessels and those others who are not nationals of the United States using such facilities shall be deemed to consent to the jurisdiction of the United States for the purposes of this Act. To the extent that they are applicable and not inconsistent with this Act or other Federal laws and regulations, the civil and criminal laws of the State whose coast is nearer than that of any other State to the point of connection for unloading crude oil and petroleum products between vessels and the deepwater port facility are declared to be the law of the United States for such facility. All laws applicable to a deepwater port facility shall be administered and enforced by the appropriate officers and courts of the United States. State taxation laws shall not apply to such facility, but this shall not affect the right of a State to tax its own citizens or residents.

(b) Except as otherwise provided in this Act, the United States district courts shall have jurisdiction of cases and controversies arising out of, or in connection with, the construction, operation, or use of deepwater port facilities. Proceedings with respect to any such cases or controversies may be instituted in the judicial district in which any defendant may be found or the judicial district nearest the place where the cause of action arose.

(c) Notwithstanding any other provision of this Act, a State whose coast is nearer than that of any other State to the point of connection for unloading crude oil and petroleum products between vessels and a deepwater port facility and in which 50 per centum or more of the design receiving capacity for crude oil and petroleum products is to be located may fix reasonable fees for the use of such deepwater port facility, and such State and any other State in which land-based facilities directly related to a deepwater port facility are located may set reasonable fees for the use of such land-based facilities. Fees may be fixed under authority of this subsection as compensation for any economic cost attributable to the construction and operation of such deepwater port and such land-based facilities, which cannot be recovered under other authority of such State or political subdivision thereof, including, but not limited to, ad valorem taxes, and for environmental and administrative costs attributable to the construction and operation of such deepwater port and such land-based facilities. Fees under this subsection shall not exceed such economic, environmental, and administrative costs of such State. Such fees shall be subject to the approval of the Commission. As used in this subsection, the term "land-based facilities directly related to a deepwater port facility" means the onshore tank farm and pipelines connecting such tank farm to the deepwater port facility.

(d) The Commission is authorized to promulgate such regulations governing health and welfare of individuals using deepwater port facilities licensed under this Act as it deems necessary.

SEC. 12. Directly related land-based activities and facilities connected to a deepwater port facility licensed under this Act such as pipelines, cables, and tank farms, which are located within the geographic jurisdiction of a State, shall be subject to all applicable laws or regulations of such State. Nothing in this Act shall be construed as precluding a State from imposing within its jurisdiction more stringent environmental or safety regulations when otherwise not prohibited by Federal law.

Sec. 13. A deepwater port facility licensed under this Act may not be used for the transshipment of crude oil or petroleum products destined for locations outside the United States.

Sec. 14. The consent of Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) the construction and operation of deepwater port facilities, and (2) the establishment of such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts. Such an agreement or compact shall be binding and obligatory upon any State or party thereto without further approval by Congress.

Sec. 15. The Secretary of State, in consultation with the Commission, shall seek effective international action and cooperation in support of the policy of this Act and may, for this purpose, formulate, present, or support specific proposals in the United Nations and other competent international organizations for the development of appropriate international rules and regulations relative to the construction and operation of deepwater port facilities, with particular regard for measures to promote the safety of navigation in the vicinity thereof.

Sec. 16. (a) The Secretary of the department in which the Coast Guard is operating (hereafter in this section referred to as the "Secretary") is authorized to issue reasonable rules and regulations prescribing procedures applicable in the waters adjacent to deepwater port facilities with respect to the following:

(1) vessel movements;

(2) pilotage requirements;

(3) maximum vessel drafts;

(4) designation and marking of anchorage areas;

(5) the provision of equipment necessary to prevent or minimize pollution of marine environment and to clean up any pollutants which may be discharged;

(6) lights and other warning devices;

(7) safety equipment; and

(8) other matters relating to the promotion of safety of life and property.

(b) Whoever violates any rule or regulation issued under this section shall be liable to a civil penalty of $10,000 for each day during which the violation continues. The penalty shall be assessed by the Secretary, who, in determining the amount of the penalty, shall consider the gravity of the violation, any prior violation, and the demonstrated good faith of anyone charged in attempting rapid compliance after notification of the violation. No penalty may be assessed until the party charged shall have been given notice of the violation involved and an opportunity for a hearing. For good cause shown, the Secretary may remit or mitigate any penalty assessed. Upon failure of the party charged to pay an assessed penalty, the Secretary may request the Attorney General to commence an action in the appropriate district court of the United States for collection of the penalty, without regard to the amount involved, together with such other relief as may be appropriate. Any vessel, except a public vessel engaged in noncommercial activities, used in violation of any rule or regulation issued pursuant to this section shall be liable in rem for any civil penalty assessed and may be proceeded against in any district court in the United States having jurisdiction thereof; but no vessel shall be liable unless it would appear that one or more of the owners, or bareboat charterers, was at the time of the violation, a consenting party or privy to such violation.

(c) Subject to recognized principles of international law the Secretary, after consultation with the Secretary of State, the Secretary of Defense, and the Secretary of the Interior, shall designate a safety zone surrounding any deepwater port facility licensed under this Act. No point on the perimeter on such safety zone shall lie more than ten nautical miles from the nearest point of the deepwater port facility. No other installations, structures, or uses incompatible with the operation of the deepwater port facility shall be permitted within the safety zone. The Secretary shall issue rules and regulations relating to those activities which are permitted within such safety zone. In promulgating such rules the Secretary shall consult with the Secretary of State to insure that such rules are consistent with the international obligations of the United States.

Sec. 17. For the purposes of the International Voyage Load Line Act of 1973 (87 Stat. 418); of the Coastwise Load Line Act, 1935 (49 Stat. 891), as amended (46 U.S.C. 88–88i); of section 4370 of the Revised Statutes of the United States, as amended (46 U.S.C. 316); of section 8 of the Act of June 19, 1886 (24 Stat. 81; 46 U.S.C. 289); of section 27 of the Act of June 5, 1920 (41 Stat. 998), as amended (46 U.S.C. 883); and of title I of the Marine Protection, Research, and Sanctuaries Act of 1972 (86 Stat. 1052; 33 U.S.C. 1401–1421), deepwater port facilities licensed under this Act shall be deemed to be ports or places within the United States.

Sec. 18. For the purposes of chapter 39 of title 18, United States Code (18 U.S.C. 831–837) and part 1 of the Interstate Commerce Act (24 Stat. 379), as amended (49 U.S.C. 1–27), movement of crude oil or petroleum products by a pipeline that is a part of a deepwater port facility licensed under this Act from outside, to within, the territorial jurisdiction of any coastal State shall be deemed to be transportation or commerce from one State to another State, and the licensee shall be deemed to be a common carrier for all purposes of regulation by the Interstate Commerce Commission and by the Secretary of Transportation.

Sec. 19. With respect to disability or death of an employee resulting from any injury occurring in connection with the construction, maintenance, or operations of, a deepwater port facility, compensation shall be payable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1424) as amended (33 U.S.C. 901–950). For the purposes of applying that Act to deepwater port facilities—

(1) the term "employee" does not include a master or a crewmember of any vessel, or an officer or employee of the United States or any agency thereof, or of any State, or foreign government, or of any political subdivision;

(2) employment in the construction, maintenance, or operation of a deepwater port facility shall be deemed to be "maritime employment"; and

(3) deepwater port facilities shall be deemed to be located in the navigable waters of the United States.

Sec. 20. Except in a situation involving force majeure, a licensee of a deepwater port facility may not permit a vessel, registered in or flying the flag of a foreign state, to call at, or otherwise utilize, a deepwater port facility licensed under this Act unless (1) the foreign-flag state involved, by specific agreement with the United States has agreed to recognize the jurisdiction of the United States over the vessel and its personnel, in accordance with the provisions of this Act, while the vessel is at, or in the vicinity of, the deepwater port facility, and (2) the vessel owner, or bareboat charterer, has designated an agent in the United States for the service of process in the case of any claim or legal proceeding resulting from the activities of the vessel or its personnel while at, or in the vicinity of, the deepwater port facility.

Sec. 21. All United States officials, including those officials responsible for the implementation and enforcement of United States laws applicable to a deepwater port facility, shall at all times be afforded reasonable access to a deepwater port facility licensed under this Act for the purpose of enforcing laws under their jurisdiction or otherwise carrying out their responsibilities.

Sec. 22. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving assistance under this Act, under any license issued under this Act, or under the jurisdiction of the Deepwater Port Facilities Commission. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

Mr. JONES of Alabama (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, at the outset I want to make two points clear. There have been statements made over and over again about the jurisdiction of the three committees that may have had the possibilities of reporting this bill to the floor. This includes the Committee on Public Works, the Committee on Merchant Marine and Fisheries, and the Committee on Interior and Insular Affairs. But that is not the proposition that is pending here today. Mrs. Sullivan has already stated that whatever happens the jurisdiction of this bill remains in the Public Works Committee. We are not here for the purpose of resolving jurisdictional questions, nor are we here to consider any reorganization of the House of Representatives. There is only one question that is presented to the House today and that is the substance of the bill H.R. 10701. That is what we are to decide, and that should be the basis of all of our thinking.

Mr. Chairman, we have two propositions. They have been explained over and over again. It seems to me that both committees have been most dedicated, trying to make a prompt and proper resolution of the subject matter that they have been dealing with.

We feel in the Committee on Public Works that our experience, our understanding, the history of our dealings with these problems, have been more substantial and vastly broader than that of any other committee. We also considered the immediacy of the problem because we are in a vast and desperate situation as far as energy is concerned. This country has neglected the question of energy. We have sought to deal with every Federal instrument that we could bring into play, bring into power, bring into usefulness, all the tools that could be accumulated and utilized to help the American people with this most distressful and disdainful situation that confronts us with the lack of energy.

It is not only serious now, but it is accumulating day by day—the great and tragic fact that our economy in this country is going to be severely damaged, almost irreparably damaged, by the fact that we have been negligent and the consequence of our negligence is being thrust upon the people of our Nation. We cannot further delay this matter. We are directed by the vast number of people of this country that sends us here to make the proper resolution of these questions and to utilize our knowledge, information, and the strong interests of the Federal Government in attempting to solve our energy problem.

Let us make no mistake any longer.

Let us not deliberate between this Commission and that agency. Those are things that are almost collateral to the general issue, and the general issue today is what we have brought to the Members in the way of a bill.

We have consulted with every interest in the country. We have had the oil interests in. We have had the transportation people in. We have had the Members of the House. We have had the whole range of consultation, the advice, the imploremcnts of people who have given us the direction which we took.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent, Mr. Jones of Alabama was allowed to proceed for 3 additional minutes.)

Mr. JONES of Alabama. Mr. Chairman, certainly we cannot run here a Gallup poll nor a Harris poll. The problem is here with us today and the consequences of our neglect cannot be allowed to continue. We must be ready to make repair of our past mistakes.

The gentleman from Louisiana and the gentleman from Ohio, and the gentleman from California, as well as the gentleman from New Jersey (Mr. Howard) who is unfortunately unable to be here with us today because of his illness and confinement to the hospital, have worked long and hard on this. There has not been a more diligent group which ever worked more earnestly and fruitfully than the members of the Public Works Committee. Certainly they are to be commended.

I hope, Mr. Chairman, that the amendment is adopted and that we will get along with the business of the country.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas (Mr. Milford).

Mr. MILFORD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, there has been some discussion and misunderstanding about the position of the Governor of Texas regarding the bill H.R. 10701. I should like to read into the Record a telegram received on the 10th of May from the Governor of Texas:

Austin, Tex.,
May 13, 1974.

Hon. Dale Milford,
House of Representatives,
Washington, D.C.:

H.R. 10701 licensing superports should be heard by the House Rules Committee within the next few days. Your cosponsorship of this legislation is most appreciated. I urge your continued help in encouraging the members of the Rules Committee to report this bill for final floor passage. Any delay incurred at this point in time may well result in there being no bill this year. Please do what you can to get this very important legislation to the floor.

Dolph Briscoe,
Governor of Texas.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(On request of Mr. Milford, and by unanimous consent, Mr. Jones of Alabama was allowed to proceed for 1 additional minute.)

Mr. MILFORD. Mr. Chairman, will the gentleman yield further?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, for purposes of clarification and legislative history, I direct the attention of the gentleman to section 2(b) of the Jones amendment where it is provided that the State shall be notified a license application is filed by a private party and that the State then has a reasonable period of time to file a license application. Would the gentleman explain the word State as used in this provision?

Mr. JONES of Alabama. Mr. Chairman, in reply to the gentleman from Texas it was our intention in drafting the bill that the word Governor could be a synonym of the word State in this section. And if the Governor as the chief executive officer of the State has inherently had that right and that power, there is no way he would be decommissioned under this bill. If there is a statute dispossessing the Governor of any authority and it is vested in a political subdivison, then that board or agency would have the inherent authority to give the Governor that consent. I assure the gentleman that word in the bill is in no sense restrictive.

Mr. MILFORD. I thank the gentleman.

Mr. JOHNSON of California. Mr. Chairman, I rise in support of the amendment to be offered by Mr. Jones on H.R. 10701. I wish to commend the chairman of our Public Works Committee, the gentleman from Minnesota (Mr. Blatnik), and the gentleman from Alabama (Mr. Jones) and all of the other members of our fine committee for the outstanding job which has been done in bringing this legislation to the floor.

This legislation, which will provide for the Federal licensing and regulation of deepwater port facilities, is urgently needed to help enable our country to obtain the energy it needs to sustain our industralized society and a standard of living. The efforts which we are making to achieve energy sufficiency are commendable and necessary, but we will still have the need, at least until these efforts are successful, to import substantial commodities of crude oil and petroleum products. In order to import these products efficiently and economically and compete on the world market for them, it is necessary that we have port facilities capable of handling the very large deep-draft vessels which are being utilized more and more for the transport of crude oil and petroleum products.

The amendment offered by Mr. Jones would provide a sound legislative scheme for the construction and operation of deepwater port facilities. It represents a careful balancing of all competing interests and is truly in the national interest. One of the more significant features of the amendment is the recognition it gives to the interests of the coastal States off whose shores these deepwater port facilities may be located. Such States face substantial impact from these facilities, such as possible environmental and other damages, and economic and other costs. The role given these States by the amendment, in determining whether or not a facility should be licensed and whether it should be constructed and operated by the State itself, goes far in protecting the interests of these States. Coupled with this, of course, are the very strong environmental safeguards contained in the amendment with regard to construction and operation of deepwater port facilities. Mr. Chairman, I strongly urge support of the amendment.

Mr. DINGELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-eight Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MRS. SULLIVAN AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF ALABAMA

Mrs. SULLIVAN. Mr. Chairman, I offered an amendment as a substitute for the amendment in the nature of a substitute offered by Mr. Jones of Alabama.

The Clerk read as follows:

Amendment offered by Mrs. Sullivan as a substitute for the amendment in the nature of a substitute offered by Mr. Jones of Alabama: In lieu of the amendment offered by the gentleman from Alabama, insert the following:

"That this Act may be cited as the 'High Seas Oil Port Act'.

"DECLARATION OF POLICY

"Sec. 2. (a) Findings.—The Congress finds—

"(1) that the Nation's energy requirements will continue to increase for the foreseeable future and that energy demands will increasingly exceed available domestic sources of energy supply;

"(2) that technological, economic, and environmental factors which will directly affect other potential sources of energy supply may dictate that the increased energy demand be met, for at least the near future, largely by the utilization of oil as the source of energy supply and that a substantial part of the needed oil must be imported from foreign sources;

"(3) that the economic use of resources, the necessity for improving the national balance-of-payments position, the interest in transportation efficiency, and the maintenance of a competitive position in world trade demand the utilization of increasingly larger vessels to transport the needed quantities of foreign oil;

"(4) that the physical limitations of present ports and port facilities in the United States render them incapable of accommodating the larger tankers that will be needed, and that it is not feasible, either economically or environmentally, to deepen the port waters and expand the port facilities to the extent required for the needed accommodation;

"(5) that, as an alternative solution, the use of smaller tankers which can be accommodated in the port areas of the United States would result in substantially increased port congestion and would constitute a massive threat, from environmental and safety viewpoints, from the increased vessel traffic and the expanded oil transfer activities;

"(6) that the construction of a sufficient number of high seas oil ports, located in areas where existing water depths will permit the accommodation of the deep draft vessels needed, will be both economically advantageous and environmentally sound;

"(7) that the licensing of such ports as to location, construction standards, and operational regulations is a matter primarily of national interest, and that the shoreside impact of such ports is a matter of both national and local interest; and

"(8) that the construction and operation of high seas oil ports, in accordance with the provisions if this Act, in waters superjacent to the Continental Shelf of the United States would be a reasonable use of the high seas and would be consistent with recognized principles of international law.

"(b) Purposes.—The Congress declares that the purposes of this Act are—

"(1) to authorize the Secretary of the Interior to grant to eligible applicants licenses for the construction of high seas oil ports;

"(2) to authorize the Secretary of the Department in which the Coast Guard is operating to issue necessary and reasonable regulations for the operation of high seas ports;

"(3) to minimize any adverse impact on the marine environment which may result from the construction or operation of high seas oil ports; and

"(4) to insure that all reasonable precautions are taken to protect the national interests of the United States in the construction and operation of high seas oil ports and to protect the national and local interests involved in the impact of such construction and operation on adjacent coastal States.

"DEFINITIONS

"Sec. 3. For the purposes of this Act—

"(a) 'High seas oil port' or 'oil port' means, in a structural sense, any complex, consisting of a permanently sited structure or structures, located in, or subjacent to, the offshore coastal waters of the United States, operated as a means for the unloading and further handling of petroleum or petroleum products for transshipment to the United States. The term includes all necessary components, such as vessel mooring facilities, storage facilities, cargo hose systems, pumping stations, operational platforms, pipelines, and their associated equipment and appurtenances. The term also includes any pipeline segment lying in or subjacent to the territorial sea of the United States, designed to connect a component of the oil port to facilities located landward of the base line from which the territorial sea is measured. In a geographical sense, a high seas oil port shall consist of a circular zone, the center of which is the port reference point, and the diameter of which is not less than two, and not more than four nautical miles.

"(b) 'Offshore coastal waters of the United States' means the high seas, outside the territorial sea, superjacent to the Continental Shelf of the United States, as the latter term is delineated by the provisions of article 1 of the Convention on the Continental Shelf (15 U.S.T. 471; TIAS 5578).

"(c) 'United States' or 'State' includes the several States, the District of Columbia, the territories and possessions of the United States, and the Commonwealth of Puerto Rico.

"(d) 'Coastal State' means any State in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, or Gulf of Mexico.

"(e) 'Adjacent coastal State' means, as to a high seas oil port (either existing or proposed), a coastal State any point of which lies within ten miles of the high seas oil port, as that term is used in either a structural or geographical sense.

"(f) 'Port reference point' means a point designated by the Secretary of the Interior and defined by coordinates of latitude and longitude, located as nearly as possible at the center of activity of a high seas oil port.

"(g) 'Person' includes private individuals, associations, corporations, or other entities, and any officer, employee, agent, department, agency, or instrumentality of the Federal Government, of any State or local unit of government, or of any foreign government.

"(h) 'Eligible applicant' means any citizen, or group of citizens, of the United States, any private corporation, or other private entity, created pursuant to the laws of the United States or of any State, or any public authority created, pursuant to Federal or State law, for the purpose of constructing and operating a high seas oil port. To qualify as an eligible applicant, any such private corporation or other private entity must have as its president or other chief executive officer and as its chairman of the board of directors, or holder of a similar office, a citizen of the United States and may have no more of its directors who are not citizens of the United States than constitute a minority of the number required for a quorum necessary to conduct the business of the board.

"(i) 'Marine environment' means the offshore coastal waters of the United States; the coastal waters of a State, containing a measurable quantity or percentage of seawater, including, but not limited to, bays, sounds, lagoons bayous, salt ponds, and estuaries; the living and nonliving resources of all such waters; and the economic recreational, and esthetic values of those waters and their resources

"ACTIVITIES PROHIBITED

"Sec. 4. (a) Except as specifically authorized by the laws of the United States (including the provisions of this Act), or pursuant to an authorized Federal program, no person may construct, maintain, or operate a high seas oil port or any other fixed structure in the offshore coastal waters of the United States.

"(b) A high seas oil port, licensed pursuant to the provisions of this Act, may not be utilized—

"(1) for the unloading of commodities or materials transported from the United States, other than materials to be used in the construction, maintenance, or operation of the high seas oil port, or to be used as ship supplies, including bunkering, for vessels utilizing the high seas oil port,

"(2) for the transshipment of commodities or materials, to the United States, other than petroleum or petroleum products,

"(3) except in cases where the Secretary of the Interior otherwise by rule provides, for the transshipment of petroleum or petroleum products, destined for locations outside the United States,

"(4) for the transportation of minerals, including oil and gas, which have been extracted from the subsoil or seabed of the Continental Shelf of the United States, in the coastal area in which the high seas oil port is located, nor

"(5) by carriers of petroleum or petroleum products, unless such carriers are equipped with collision avoidance radar systems which meet or exceed such systems as are required by the United States Maritime Administration of vessels built with the assistance of United States Government subsidies.

"TITLE I—CONSTRUCTION OF HIGH SEAS OIL PORTS

"DEFINITION

"Sec. 101. For the purposes of this title, the term 'Secretary' means, except where its usage specifically indicates otherwise, the Secretary of the Interior.

"LICENSE TO CONSTRUCT

"Sec. 102. (a) General.—Pursuant to the provisions of this title, the Secretary may issue to any eligible applicant a license to construct a high seas oil port, if the Secretary, after consultation with other appropriate Federal agencies and departments, first determines—

"(1) that the applicant is financially responsible and has demonstrated the ability to comply with applicable laws, regulations, and license conditions;

"(2) that operations under the license will not adversely affect competition or result in restraint of trade;

"(3) that the construction and operation of the high seas oil port will not pose an unreasonable threat to the integrity of the marine environment in which it is to be located, and that all reasonable precautions will be taken to minimize any adverse impact, actual or potential, on the marine environment, including the marine environment of any adjacent coastal State;

"(4) that the high seas oil port will not unreasonably interfere with international navigation or other reasonable uses of the high seas, as defined by any treaty or convention to which the United States is signatory, or by customary international law;

"(5) that the issuance of a license does not conflict otherwise with the international obligations of the United States;

"(6) that the issuance of a license will not be contrary to the national security interests of the United States;

"(7) that the location of a high seas oil port in the area for which the license is issued is in the national interest and will meet national needs, or regional needs or both; and

"(8) that the overall benefits resulting from the construction and operation of a high seas oil port will be greater than any potential adverse impact on existing nearby ports.

"(b) Terms of License.—Any license issued under the provisions of this title shall be for a term of five years and may be extended for such additional period of time as the Secretary finds is reasonably necessary for the completion of construction. Such license shall be converted into a license to operate the oil port in accordance with the provisions of title II of this Act.

"(c) Transfer of License.—Upon the application of a licensee, the Secretary may transfer a license issued under this title when he determines that the proposed transferee qualifies as an eligible applicant and otherwise meets the requirements of this title.

"(d) License Conditions.—(1) The Secretary is authorized to include in any license issued, or transferred, under this title, any reasonable conditions which he finds necessary to carry out the purposes of this Act. Such conditions shall include, but need not be limited to—

"(A) such construction schedule requirements as the Secretary finds necessary to assure prompt and effective implementation of the license by the licensee;

"(B) such fees as the Secretary may prescribe as reimbursement to the United States for administrative and other costs incurred in processing the application for, and in monitoring the construction of, the high seas oil port;

"(C) such fees as the Secretary may prescribe as the fair market rental value of the subsoil and seabed subjacent to the high seas oil port, including the fair market rental value of the right-of-way necessary for the pipeline segment lying outside the seaward boundaries of any State as that term is defined in the Submerged Lands Act (67 Stat. 29; 43 U.S.C. 1301–1315);

"(D) such measures as the Secretary may prescribe to prevent or minimize any adverse impact of the construction on the marine environment, including the marine environment of any adjacent coastal State;

"(E) such requirements as the Secretary may find necessary to insure that, during the period of the license, the licensee shall continue to meet the qualifications required of an eligible applicant;

"(F) such requirements as the Secretary may find necessary in order to insure nondiscriminatory access to the oil port at reasonable rates; and

"(G) such bonding requirements or other assurances as the Secretary may find necessary in order to insure that, upon the revocation or surrender of a license, the licensee will remove from the seabed and subsoil all components of the high seas oil port: *Provided,* That in the case of components lying in the subsoil below the seabed, the Secretary is authorized to waive the removal requirements if he finds that such removal is not otherwise necessary and that the remaining components do not constitute any threat to navigation or to the environment: *Provided further,* That at the request of the licensee, the Secretary is authorized to waive the removal requirement as to any components which he determines may be utilized in connection with the transportation of oil, natural gas, or other minerals, pursuant to a lease granted under the provisions of the Outer Continental Shelf Lands Act (67 Stat. 462), after which waiver the utilization of such components shall be governed by the terms of the Outer Continental Shelf Lands Act.

"(2) Prior to including any license condition which is designed to continue to be applicable after the license to construct is converted to a license to operate, pursuant to title II of this Act, the Secretary shall consult with, and give full consideration to the views of, the Secretary of the Department in which the Coast Guard is operating.

"ENVIRONMENTAL CONSIDERATIONS

"Sec. 103. (a) Criteria.—Prior to the issuance of a license under section 102 of this title, the Secretary, after consultation with other appropriate Federal agencies and departments, shall establish and apply, and may from time to time revise, criteria for evaluating the potential impact of the construction or operation of the proposed high seas oil port on the marine environment, including the marine environment of any adjacent coastal State. Such criteria shall include, but are not limited to—

"(1) effects on aquatic plants and animals;

"(2) effects on ocean currents or wave patterns, and on nearby shorelines or beaches, including bays and estuaries and other features of the coastal zone of any affected coastal State;

"(3) effects on other uses of the high seas area, such as navigation, fishing, aquaculture, and scientific research;

"(4) effects on other uses of the subjacent seabed and subsoil such as exploitation of resources and the laying of cables and pipelines;

"(5) the dangers to any components of the oil port which might be occasioned by waves, winds, and other natural phenomena, and the steps which can be taken to protect against such dangers;

"(6) effects on esthetic and recreational values;

"(7) effects of land-based developments which are related to port development;

"(8) effects on public health and welfare; and

"(9) such other considerations as the Secretary finds reasonably necessary to fully evaluate the impact of any high seas oil port.

"(b) Environmental Impact Statement.—In connection with the grant or denial of an application for a license under this title, the action of the Secretary will constitute a Federal action in the sense of section 102(2) (C) of the National Environmental Policy Act of 1969 (83 Stat. 852), and the requirements of that Act will be applied accordingly.

"LICENSING PROCEDURES

"Sec. 104. (a) General.—The Secretary is authorized to issue reasonable rules and regulations prescribing procedures governing the application for and the issuance of licenses pursuant to this title. Such rules and regulations shall be issued in accordance with section 553 of title 5, United States Code, without regard to subsection (a) thereof. Such rules and regulations shall contain a mechanism for full consultation and cooperation with all other interested Federal agencies and departments and with any affected adjacent coastal State, and for the consideration of the views of any interested members of the general public.

"(b) License Application.—Each application shall contain such financial, technical, and other information as the Secretary may find necessary to evaluate the application. Such information shall include, but is not limited to—

"(1) the specific location of the proposed high seas oil port including all components thereof;

"(2) the type and design of facilities;

"(3) where construction in phases is intended, the detailed descriptions of each phase, including the specific components thereof;

"(4) the financial and technical capabilities of the applicant to construct and operate the oil port;

"(5) the qualifications of the applicant to hold a license under this title, including, in the case of a private corporation or other private entity, necessary information relating to the citizenship of its officers and directors;

"(6) an agreement that there will be no material change from the submitted plans without prior approval in writing from the Secretary;

"(7) an agreement that the licensee, upon acceptance of the license, will comply with all conditions attached thereto; and

"(8) an agreement that the licensee, upon termination of the license, pursuant to the provisions of this Act, will remove all components of the oil port from the seabed and subsoil, in accordance with the license conditions included pursuant to subsection 102 (d) hereof.

"(c) Public Access to Information.—(1) Copies of any communications, documents, reports, or information received or sent by any applicant shall be made available to the public upon identifiable request, and at reasonable cost, unless such information may not be publicly released under the terms of paragraph (2) of this section.

"(2) The Secretary shall not disclose information obtained by him under this section which concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information—

"(A) shall be disclosed,

"(i) upon request, on a confidential basis, to a committee of Congress having jurisdiction over the subject matter to which the information relates, and

"(ii) in any judicial proceedings under a court order formulated to preserve the confidentiality of such information without impairing the proceedings; and

"(B) may be disclosed,

"(i) upon request, on a confidential basis, to another Federal department or agency, and

"(ii) to the public in order to protect public health and safety after notice and opportunity for comment in writing, or for discussion in closed session within fifteen days, by the party from which the information was obtained (if the delay resulting from such notice and opportunity for comment or discussion would not be detrimental to the public health and safety).

"(3) Nothing contained in this subsection shall be construed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

"(d) Agency Consultation.—(1) Notwithstanding any other provision of law, an application filed with the Secretary for a license under this title shall constitute an application for all Federal authorizations required for construction of a high seas oil port. The Secretary will furnish a copy of the application to all other Federal departments or agencies which would otherwise have permit authority over any aspect of the proposed construction and shall insure that the application contains all the information which would have otherwise been required by those agencies.

"(2) Upon receipt of its copy of the application, each department or agency involved shall review the information contained therein and, based upon legal considerations within its area of responsibility, recommend to the Secretary the approval or disapproval of the application. In any case in which a department or agency recommends disapproval, it shall set out in detail the manner in which the application does not comply with any law or regulation within its area of responsibility and shall notify the Secretary how the application may be amended so as to bring it onto compliance with the law or regulation involved. The failure of any department or agency to forward its recommendation to the Secretary within sixty days after receiving a copy of the application shall be conclusively presumed as a recommendation by that department or agency that the application be approved.

"(e) Coordination With Adjacent Coastal States.—(1) Prior to issuing a license under this title, the Secretary shall consult with, and give full consideration to the views of, the responsible officials of any adjacent coastal State.

"(2) When an adjacent coastal State has an existing State program controlling, or other legislative requirements related to, land or water uses, upon which the construction of a high seas oil port will have a direct impact, the applicant shall include, in his application to the Secretary, a certification that in the applicant's best judgment the issuance of the license applied for would be consistent with applicable State requirements. At the same time, the applicant shall furnish to the appropriate State officials a copy of the certification, with all necessary information and data. After completion of its established procedures for the consideration of such matters, the State involved shall, at the earliest practicable time, notify the Secretary that the State concurs with or disagrees with, the applicant's certification, and in case of disagreement, the State shall specify the manner in which the certification is in error. The State shall also indicate how the application may be brought into compliance with State requirements, if such compliance is possible. In the event that the State fails to furnish the required notification of concurrence or disagreement, within six months after receipt of its copy of the applicant's certification, the State's concurrence with the certification shall be conclusively presumed. The Secretary may not grant a license under this title until the State has concurred with the application or until, by its failure to act, the State's concurrence is conclusively presumed.

"(3) In addition to following the procedures outlined in paragraph (2) thereof, the Secretary shall also take into account the views of appropriate officials of any State which will be indirectly affected by the issuance of a license under this title, to the extent that the overall project will have a secondary impact on that State because of needs related to the addition or expansion of supporting landside facilities or the furnishing of expanded services.

"(f) Notice, Hearings, and Review.—(1) Within thirty days after receipt of an application filed under subsection (b) hereof, and prior to granting any license, the Secretary shall publish in the Federal Register a notice containing a summary of the application and information as to where the application and supporting data required by subsection (b) may be examined, allowing interested persons at least sixty days for the submission of written data, views, or arguments relevant to the grant of the license, with or without opportunity for oral presentation. Such notice shall also be furnished to the Governor of each adjacent coastal State, and the Secretary shall utilize such additional methods as he deems reasonable to inform interested persons and groups about the proceeding and to invite comments therefrom. Each such publication shall provide for a hearing or hearings which shall take place in the adjacent coastal State. After the completion of all hearings, the presiding officer shall submit to the Secretary a report of his findings and recommendations, and the participants in the hearings shall have an opportunity to comment thereon.

"(2) The Secretary's decision granting or denying the license shall be in writing and shall be made within one hundred and twenty days following the conclusion of all hearings. The decision shall include a discussion of the issues raised in the proceeding and his conclusions thereon and findings on the issues of fact considered at any hearing. The decision shall be accompanied by the environmental impact statement as required by section 102(2)(C) of the National Environmental Policy Act of 1969.

"(3) Judicial review of the Secretary's decision shall be in accordance with sections 701–706 of title 5, United States Code. A person shall be deemed to be aggrieved by agency action within the meaning of this Act if he—

"(A) has participated in the administrative proceedings before the Secretary (or if he did not so participate, he can show that his failure to do so was caused by the Secretary's failure to provide the notice required by this subsection) and

"(B) is adversely affected by the agency action or asserts an interest and speaks knowingly for the environmental values asserted to be involved in the suit.

"SUSPENSION OR REVOCATION OF LICENSE TO CONSTRUCT

"Sec. 105. (a) Whenever a licensee, holding a license to construct, fails to comply with any applicable provision of this title or any applicable rule, regulation, restriction, or condition issued or imposed by the Secretary under the authority of this title, the Attorney General, at the request of the Secretary, may file an appropriate action in the United States district court nearest to the location of the high seas oil port to be constructed or in the district in which the licensee resides or may be found, to—

"(1) suspend operations under the license; or

"(2) if such failure is knowing and continues for a period of thirty days after the Secretary mails notification of such failure by registered letter to the licensee at his record post office address, revoke such license.

"(b) When the licensee's failure to comply, in the judgment of the Secretary, creates a serious threat to the environment, the Secretary, in lieu of the action authorized under subsection (a), may suspend operations under the license forthwith and notify the licensee accordingly. Such suspension shall constitute final agency action for the purposes of section 704 of title 5, United States Code.

"CERTIFICATION OF COMPLETION OF CONSTRUCTION

"Sec. 106. (a) Upon completion of construction of a high seas oil port, the licensee shall notify the Secretary of such completion and of his readiness to commence operation of the oil port. Upon receipt of such notification, the Secretary shall cause an inspection to be made to assure himself that the licensee has completed construction in accordance with the license, including the conditions specified by the Secretary under section 102 of this title. If necessary, the Secretary may require such corrective measures as may be necessary to bring the construction into conformance with the provisions of this title.

"(b) When the license to construct authorizes construction in designated phases, the licensee may notify the Secretary of the completion of a designated phase, and, upon the request of the licensee, the Secretary shall invoke the procedures of subsection (a) hereof, as if the construction had been fully completed. Subsequent phase completions shall be similarly treated.

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 107. There are authorized to be appropriated for fiscal year 1974 and for each of the two succeeding fiscal years such sums, not exceeding $500,000 for any fiscal year, for the administration of this title, and for succeeding fiscal years only such sums as may be specifically authorized by law.

"TITLE II—OPERATION OF HIGH SEAS OIL PORTS

"DEFINITION

"Sec. 201. For the purposes of this title, the term 'Secretary' means, except where its usage specifically indicates otherwise, the Secretary of the department in which the Coast Guard is operating.

"LICENSE TO OPERATE

"Sec. 202. (a) General.—Upon receipt of the certification of the Secretary of the Interior, as required by section 106 of title I of this Act and subject to the provisions of subsection (b) hereof, the Secretary shall convert the license to construct a high seas oil port to a license to operate the oil port.

"(b) Duration and Renewal of License.—Each license converted, or renewed, pursuant to this title shall be limited to a reasonable term in light of all circumstances concerning the project, but in no event for a term of more than thirty years. In determining the duration of the license, as converted or as renewed, the Secretary shall, among other things, take into consideration the cost of the facility, its useful life, and any public purpose it serves. Upon the expiration of any licensing period, and on application of the licensee, the Secretary shall renew any such license: *Provided*, That, at the time of the renewal, the high seas oil port is in commercial operation, is operating in accordance with the public interest, and the licensee is otherwise in compliance with the conditions of the license, with requirements of this title and the regulations issued pursuant thereto, and with such other provisions of law as are applicable.

"RULES AND REGULATIONS

"Sec. 203. (a) General.—The Secretary is authorized to issue reasonable rules and regulations prescribing procedures under which the high seas oil ports shall be operated. Such rules and regulations shall be issued in accordance with section 553 of title 5, United States Code, without regard to the limitations of subsection (a) thereof. They shall include, but not be limited to, port operations, vessel movements, pilotage requirements, maximum vessel drafts, designation and marking of anchorage areas, facility maintenance, personnel health and safety measures, and the provision of all equipment necesary to prevent or minimize pollution of the marine environment, to clean up any pollutants which may be discharged, and to otherwise prevent or minimize any adverse impact from the operation of the oil port.

"(b) Lights and Other Warning Devices and Safety Equipment.—The Secretary may issue and enforce such reasonable regulations with respect to lights and other warning devices, safety equipment, and other matters relating to the promotion of safety of life and property on high seas oil ports or on the waters adjacent thereto as he may deem necessary.

"(c) Protection of Navigation.—The Secretary may mark for the protection of navigation any component of a high seas oil port whenever the licensee has failed suitably to mark the same in accordance with regulations issued hereunder, and the licensee shall pay the cost thereof.

"(d) Safety Zones.—Subject to recognized principles of international law, the Secretary, after consultation with the Secretary of State, the Secretary of Defense, and the Secretary of the Interior, shall designate a safety zone, surrounding any high seas oil port licensed under this Act, every point in the perimeter of which lies less than two, and not more than ten, nautical miles from the port reference point. No other installations, structures, or uses incompatible with the operation of the high seas oil port will be permitted within the safety zone. The Secretary shall issue necessary rules and regulations relating to permitted activities within such zone. In promulgating such rules, the Secretary shall consult with the Secretary of State to insure that the rules are consistent with the international obligations of the United States.

"(e) Special Regulations for Safety of Navigation.—In addition to any other regulations, the Secretary, after consultation with the Secretary of the Interior, is authorized to establish a safety zone in the manner described in subsection (d) hereof, and to issue reasonable rules and regulations relating thereto, to be effective during the construction of a high seas oil port for the purpose of protecting navigation in the vicinity of the construction.

"APPLICABLE LAWS

"Sec. 204. (a) General.—High seas oil ports licensed under this Act do not possess the status of islands and have no territorial seas of their own. Except as specifically provided otherwise in this section, the Constitution and the laws and treaties of the United States shall apply to such high seas oil ports in accordance with their location on the high seas.

"(b) State Laws.—State taxation laws shall not apply to any high seas oil port or to any component thereof located outside the tax jurisdiction of the State. In other respects, and to the extent that they are not inconsistent with the provisions of this Act or the regulations issued pursuant thereto, or with other Federal laws and regulations now in effect or hereafter adopted, the civil and criminal laws of the State nearest to the high seas oil port, now in effect or hereafter adopted, are declared to be the law of the United States for the high seas oil port.

"(c) Navigable Waters of the United States.—For the purposes of title I of the Ports and Waterways Safety Act of 1972 (86 Stat. 424; 33 U.S.C. 1221–1227); of titles 52 and 53 of the Revised Statutes of the United States, and of Acts amendatory and supplementary thereto, including, but not limited to, sections 4472 and 4417a thereof, as amended (46 U.S.C. 170, 391a); of title II of the Act of June 15, 1917 (40 Stat. 220), as amended (50 U.S.C. 191–194); and of sections 311 and 312 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321–1322), high seas oil ports, licensed under this Act, shall be deemed to be located within the navigable waters of the United States.

"(d) Port or Place Within the United States.—For the purposes of the International Voyage Load Line Act of 1973 (87 Stat. 418); of the Coastwise Load Line Act, 1935 (49 Stat. 891), as amended (46 U.S.C. 88–88i); of section 4370 of the Revised Statutes of the United States, as amended (46 U.S.C. 316); of section 8 of the Act of June 19, 1886 (24 Stat. 81; 46 U.S.C. 289); of section 27 of the Act of June 5, 1920 (41 Stat. 998), as amended (46 U.S.C. 883); and of title I of the Marine Protection, Research, and Sanctuaries Act of 1972 (86 Stat. 1052; 33 U.S.C. 1401–1421), high seas oil ports, licensed under this Act, shall be deemed to be ports or places within the United States.

"(e) Transportation Between States: Common Carrier.—For the purposes of chapter 39 of title 18, United States Code (18 U.S.C. 831–837), and part 1 of the Interstate Commerce Act (24 Stat. 379), as amended (49 U.S.C. 1–27), movement of petroleum or petroleum products by a pipeline component of a high seas oil port, licensed under this Act, from outside, to within, the territorial jurisdiction of any coastal State shall be deemed to be transportation or commerce from one State to another State, and the licensee shall be deemed to be a common carrier for all purposes of regulation by the Interstate Commerce Commission and by the Secretary of Transportation.

"(f) Compensation for Injury.—With respect to disability or death of an employee resulting from any injury occurring in connection with the construction, maintenance, or operations of, a high seas oil port, compensation shall be payable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1424) as amended (33 U.S.C. 901–950). For the purposes of applying that Act to high seas oil ports—

"(1) the term 'employee' does not include a master or a crewmember of any vessel, or an officer or employee of the United States or any agency thereof, or of any State, or foreign government, or of any political subdivision;

"(2) employment in the construction, maintenance, or operation of a high seas oil port shall be deemed to be 'maritime employment'; and

"(3) high seas oil ports shall be deemed to be located in the navigable waters of the United States.

"(g) Labor Disputes.—For the purposes of the National Labor Relations Act (61 Stat. 136), as amended (29 U.S.C. 151–168), any unfair labor practices, as defined in that Act, occurring upon a high seas oil port, shall be deemed to have occurred within the nearest judicial district located in the coastal State nearest to the location of the oil port.

"(h) Special Maritime and Territorial Jurisdiction.—For the purposes of section 7 of title 18, United States Code, high seas oil ports licensed under this Act, shall be deemed to be within the special maritime and territorial jurisdiction of the United States.

"(i) Custom Laws.—The customs laws of the United States shall not apply to any high seas oil port licensed under this Act, but all foreign articles to be used in the construction of any such high seas oil port, including any component thereof, shall first be made subject to a consumption entry in the United States and all applicable duties and taxes, which would be imposed upon or by reason of their importation if they were imported for consumption in the United States, shall be paid thereon in accordance with the laws applicable to merchandise imported into the customs territory of the United States.

"FOREIGN-FLAG VESSELS

"Sec. 205. Except in a situation involving force majeure, a licensee of a high seas oil port may not permit a vessel, registered in or flying the flag of a foreign state, to call at, or otherwise utilize, a high seas oil port licensed under this Act unless (a) the foreign-flag state involved, by specific agreement, or otherwise, has agreed to recognize the jurisdiction of the United States over the vessel and its personnel, in accordance with the provisions of this Act, while the vessel is at the high seas oil port, and (b) the vessel owner, or bareboat charterer, has designated an agent in the United States for the service of process in the case of any claim or legal proceeding resulting from the activities of the vessel or its personnel while at the high seas oil port.

"INTERNATIONAL COOPERATION

"Sec. 206. The Secretary of State, in consultation with the Secretary, shall seek effective international action and cooperation in support of the policy of this Act and may, for this purpose, formulate, present, or support specific proposals in the United Nations and other competent international organizations for the development of appropriate international rules and regulations relative to the construction and operation of high seas oil ports, with particular regard for measures to promote the safety of navigation in the vicinity thereof.

"OFFICIAL ACCESS

"Sec. 207. All United States officials, including those officials responsible for the implementation and enforcement of United States laws applicable to a high seas oil port, shall at all times be afforded reasonable access to a high seas oil port licensed under this Act for the purpose of enforcing laws under their jurisdiction or otherwise carrying out their responsibilities.

"PENALTIES

"Sec. 208. (a) Any person who violates any provision of this title or any rule or regulation issued pursuant to section 203 hereof shall be liable to a civil penalty of $10,000 for each day during which the violation continues. The penalty shall be assessed by the Secretary, who, in determining the amount of the penalty, shall consider the gravity of the violation, any prior violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of the violation. No penalty may be assessed until the person charged shall have been given notice of the violation involved and an opportunity for a hearing. For good cause shown, the Secretary may remit or mitigate any penalty assessed. Upon failure of the person charged to pay an assessed penalty, the Secretary may request the Attorney General to commence an action in the appropriate district court of the United States for collection of the penalty, without regard to the amount involved, together with such other relief as may be appropriate.

"(b) In addition to any other penalty, any person who willfully and knowingly violates any provision of this title, or any rule or regulation issued pursuant to section 203 hereof, shall be punished by a fine of not more than $25,000 for each day during which such offense occurs.

"(c) Any vessel, except a public vessel engaged in noncommercial activities, used in a violation of this title or of any rule or regulaton issued pursuant to section 203 hereof, shall be liable in rem for any civil penalty assessed or criminal fine imposed and may be proceeded against in any district court of the United States having jurisdiction thereof; but no vessel shall be liable unless it shall appear that one or more of the owners, or bareboat charters, was at the time of the violation, a consenting party or privy to such violation.

"SUSPENSION OR REVOCATION OF LICENSE

"Sec. 209. (a) Whenever a licensee, holding a license to operate, fails to comply with any applicable provision of this title or any applicable rule, regulation, restriction, or license condition issued or imposed under the authority of this Act, or fails to operate the high seas oil port consistent with the policy of this Act, by denying reasonable access or otherwise unreasonably restricting the amount of petroleum or petroleum products received at the oil port or transshipped to the United States, the Attorney General, at the request of the Secretary, may file an appropriate action in the United States district court nearest to the location of the high seas oil port or in the district in which the licensee resides or may be found, to—

"(1) suspend operations under the license; or

"(2) if such failure is knowing and continues for a period of thirty days after the Secretary mails notification of such failure by registered letter to the license at his record post office address, revoke such license.

"(b) When the licensee's failure to comply, in the judgment of the Secretary, creates a serious threat to the enviromnent, the Secretary, in lieu of the action authorized under subsection (a), may suspend operations under the license forthwith. Such suspensions shall constitute final agency action for the purposes of section 706 of title 5, United States Code.

"(c) In any case in which a license is revoked under subsection (a) hereof, the Secretary, in lieu of requiring or permitting the licensee to remove any of the components of the high seas oil port, may—

"(1) order forfeited the posted bond or, in the absence of a bond, collect payment of a sum of money representing the other assurances given under section 102(d)(1)(G),

"(2) take custody of the high seas oil port, and

"(3) transfer the license to any other eligible applicant, with payment from the new licensee for the value of the high seas oil port, such value to be determined by the Secretary and such payment thereafter to be transferred by the Secretary to the former licensee.

"(d) In any case in which a license is suspended under subsection (a) or subsection (b) hereof, the Secretary, after assuring himself that the basis for the suspension has been removed and that future operations will be conducted in accordance with applicable provisions of this title and with applicable rules, regulations, restrictions, and license conditions, may lift the suspension and reinstitute the license.

"AUTHORITY FOR RESEARCH ACTIVITIES

"Sec. 210. (a) The Secretary in cooperation with other Federal agencies of the Government, or not, as may be in the national interest, shall—

"(1) engage in such research, studies, experiments, and demonstrations as he deems appropriate with respect to (A) the removal from waters of oil spilled incident to high seas oil ports operations, and (B) the prevention and control of such spills; and

"(2) publish from time to time the results of such activities.

"(b) In carrying out this section, the Secretary may enter into contracts with, or make grants to, public or private agencies and organizations and individuals.

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 211. (a) There are authorized to be appropriated for fiscal year 1976 and for each of the three succeeding fiscal years such sums, not exceeding $2,500,000 for any fiscal year, for the administration of this title (other than section 210 hereof), and for succeeding fiscal years only such sums as may be specifically authorized by law.

"(b) There are authorized to be appropriated $10,000,000 for each of the fiscal years 1975, 1976, and 1977, to carry out the purposes of section 210 of this title."

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment offered as a substitute for the amendment in the nature of a substitute offered by Mr. JONES of Alabama be dispensed with since it has been printed in the CONGRESSIONAL RECORD of June 4, 1974, at pages H4724, H4725, H4726, H4727, H4728, and H4729.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, I have offered my amendment as an amendment to the Jones amendment, as I have mentioned previously, because of the wording of the rule, House Resolution 1139, which would have prevented any consideration of the Merchant Marine and Fisheries Committee legislation on this important matter, unless and until the so-called Jones amendment was defeated. In effect, this rule would provide only a minimal chance that the Merchant Marine and Fisheries Committee measure would ever be considered by the House.

My amendment is the same as our bill, H.R. 11951, except that we have deleted several provisions.

By offering this amendment, I hope that the Public Works Committee version in the form of the Jones amendment, and the Merchant Marine and Fisheries Committee version in the form of the "Sullivan amendment," can be perfected and considered head-to-head. This seems fair to the committees which have both expended considerable time and effort on this important matter, and to the Members of the House itself which should be afforded an opportunity to consider the various legislative possibilities available.

I have gone through the various differences between the two versions in my statement in general debate. There are considerable differences between the two versions and we are convinced the Merchant Marine and Fisheries Committee version is the better of the two. Many of the licensing interests, plus the environmentalists, plus the administration, are convinced that our bill is the best piece of legislation.

We provide that the licensing of the facility shall be by the Secretary of the Interior and its operation shall be governed by the Coast Guard under DOT. The Public Works Committee proposal provides for the licensing and administration being in a five-member commission. They also establish a liability fund commission. In my opinion, the Public Works Committee proposal just provides for more unnecessary layers of bureaucratic encumbrance.

The Public Works Committee version provides a State preference so that during the insulated period no other applicant can proceed in this matter. Our bill provides that any applicant may proceed on an equal basis.

The Public Works Committee bill provides that the State next to the facility, as well as a contiguous State having 50 percent or more of the piping or landside facilities, can veto the building of an offshore port. We do not agree with such a dual contiguous State veto.

The Public Works Committee bill provides that an offshore terminal may not be constructed unless the State has an environmental program specifically providing for the construction of offshore terminals. Our bill requires only that there be coordination with the adjacent coastal State and compliance with State requirements related to land or water use.

There are many, many other differences between the two bills, Mr. Chairman, but I only wanted to point up some of the basic differences which I think show the superiority of our legislation. As I mentioned a few minutes ago, a large portion of the licensing interests, as well as the environmentalists and the administration, support the Merchant Marine and Fisheries Committee version of this legislation, which is embodied in my amendment. The adoption of my amendment precludes the necessity of any amendments from these parties and interests.

I would like to point out that the Public Works Committee had to improve their original version of H.R. 10701, which was the purpose of the so-called Jones amendment printed in the RECORD on May 13 and June 4. Even this improved version is a weak piece of legislation and cannot compare to the bill worked out by the Merchant Marine and Fisheries Committee.

It is clear that the best interests of the people of the United States and of the Nation will be served by enacting the Merchant Marine and Fisheries Committee version of this offshore legislation. I am confident in the ability of the Members to analyze the differences between the two versions and to discern the superiority of the Merchant Marine and Fisheries Committee product. I feel that this will be reflected in the vote on my amendment.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT OFFERED BY MRS. SULLIVAN AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF ALABAMA

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment offered by the gentlewoman from Missouri (Mrs. SULLIVAN) as a substitute for the amendment in the nature of a substitute offered by Mr. JONES and I ask unanimous consent that the reading of my amendment be dispensed with and it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendment offered by Mr. ECKHARDT to the amendment offered by Mrs. SULLIVAN as a substitute for the amendment in the nature of a substitute offered by Mr. JONES of Alabama is as follows:

Following Section 210, insert a new Section 211, which, together with its caption, will read as follows:

"LIABILITY FOR DAMAGE

"SEC. 211. (a) Notwithstanding any other provision of law, the High Seas Oil Port Liability Fund (hereafter referred to in this section as the 'Fund') shall be liable without regard to fault, in accordance with the provisions of this section, for all damages (excluding cleanup costs) to real and personal property within the territorial jurisdiction of the United States that are sustained by any person or entity, public or private, as a result of operations and activities related to a high seas oil port and occurring at, along, or in the vicinity of, any high seas oil port.

"(b) Liability may not be imposed under this section—

"(1) if the Fund can prove that the damages concerned were caused by an act of war; or

"(2) with respect to the claim of a damaged party if the Fund can prove that the damage was caused by the negligence of such party.

"(c) Liability for all claims arising out of any one incident shall not exceed $100,000,000, and the Fund shall be liable for the claims that are allowed up to $100,000,000. If the total claims allowed exceed $100,000,000, they shall be reduced proportionately. The unpaid portion of any claim may be asserted and adjudicated under other applicable law.

"(d) The Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The Fund shall be administered by the Secretary. The Fund shall be subject to an annual audit by the Comptroller General of the United States, and a copy of the audit shall be submitted to the Congress.

"(e)(1) Each licensee shall collect from the owner of any oil offloaded at the high seas oil port operated by such licensee, at the time of offloading, a fee of 2 cents per barrel.

"(2) The collections made under paragraph (1) shall be delivered to the Fund at such times and in such manner as shall be prescribed by the Secretary subject to such appropriation as may be made pursuant to the authorization provided in subsection (j) hereof. Cost of administration shall be paid from the money paid to the Fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income-producing securities approved by such Secretary. Income from such securities shall be added to the principal of the Fund. Expenditures from the Fund shall be made only after appropriation in an appropriation bill.

"(f) Liability under this section shall cease with respect to any oil offloaded at any high seas oil port at such time when the oil has been removed from the onshore facilities of such high seas oil port.

"(g)(1) In any case where liability without regard to fault is imposed pursuant to this section and the damages involved were caused by the unseaworthiness of the vessel or by negligence of the owner or operator or of the licensee, the Fund shall be subrogated under applicable State and Federal laws to the rights under such laws of any person entitled to recovery thereunder. If the Fund brings an action based on unseaworthiness of the vessel or negligence of its owner or operator or of the licensee, it may recover from any affiliate of the owner or operator or licensee, if the respective owner or operator or licensee fails to satisfy any claim by the Fund allowed under this paragraph.

"(2) In any case where liability without regard to fault is imposed pursuant to this section and claims with respect to the damages involved may be made under any international agreement to which the United States is party, including the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, the Fund shall be subrogated to the rights of recovery under such agreements of the person compensated under this section.

"(h) This section shall not be interpreted—

"(1) to preempt the field of liability without regard to fault or to preclude any State from imposing additional requirements; or

"(2) to affect in any manner the application of the Federal Water Pollution Control Act.

"(i) If the Fund is unable to satisfy a claim asserted and finally determined under this section, the Fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest.

"(1) The term 'affiliate' includes—

"(A) any entity owned or effectively controlled by the vessel owner or operator or licensee;

"(B) any entity that effectively controls or has the power effectively to control the vessel owner or operator or licensee by—

"(i) stock interest,

"(ii) representation on a board of directors or similar body,

"(iii) contract or other agreement with other stockholders, or

"(iv) otherwise; or

"(C) any entity which is under common ownership with or control of the vessel owner or operator or licensee.

"(2) The term 'licensee' means any person holidng a license to operate a high seas oil port under section 202.

"(3) The term 'entity' means an individual corporation, a partnership, an association, a joint-stock company, a business trust, or an unincorporated organization."

"(j) There is authorized to be appropriated such sums, not to exceed $100,000,000, to carry out the provisions of this section. Any other moneys received by the Fund under this section shall also be deposited in said revolving fund and shall be available when appropriated for such purposes. All sums appropriated hereunder shall remain available until expended,"

And renumber the following section accordingly.

Mr. ECKHARDT. Mr. Chairman, I offer this amendment in behalf of the gentleman from New Jersey (Mr. FORSYTHE) and myself, and I mention his name first advisedly, because this amendment entered the bill from the Committee on Merchant Marine and Fisheries through his excellent efforts and, indeed, was accepted in the bill from the Committee on Public Works as an excellent idea and was adopted in almost identical form.

I may say, Mr. Chairman, that the purpose of this amendment is to restore in the language proposed by the distinguished chairman of the Committee on Merchant Marine and Fisheries a section relating to liability which was contained in H.R. 11951, as reported. It has already been discussed. This section was omitted from the Sullivan language by reason of the fact that it might have been in its original form subject to a point of order.

The amendment, as now drafted, would eliminate the basis for that point of order and would restore substantially in its original form the provisions with respect to liability. It would establish the high seas oil port liability fund, which would be liable without fault for any damages which might be suffered to property within the territorial limits of the United States from an oil spill which might occur as a part of the high seas port operation. The fund having responded to a claim from such damage, is then subrogated of all rights from any loss of compensation claimed. In order to establish the fund, a fee of 2 cents a barrel will be collected from the owner of any oil received at the high seas oil port.

Access to this fund is available to claimants as an alternative to any other legal resource they may have under State or Federal or international law and provides quick and immediate compensation without the necessity of their having to resort to court action under other statutes.

This provision, patterned after a somewhat similar provision in the Alaskan pipeline bill, was added during the markup of the Committee on Merchant Marine and Fisheries, as I said, by the distinguished gentleman from New Jersey (Mr. FORSYTHE). Its validity has apparently been recognized by the Committee on Public Works and the gentleman from Alabama (Mr. JONES) since he has elected to incorporate the provisions of our bill in his amendment.

I hope this will be considered merely as a corrective and perfecting amendment to the substitute amendment offered by the gentlewoman from Missouri (Mrs. SULLIVAN).

I yield to my distinguished chairman.

Mrs. SULLIVAN. I just want to say that I think it would be a very fine addition to my substitute amendment.

As the gentleman said, it was a part of the original bill.

Mr. ECKHARDT. I yield to the distinguished chairman of the Committee of the Interior, the gentleman from Florida.

Mr. HALEY. The gentleman's amendment, as I understand it, follows very closely the language put into the Alaskan pipeline bill.

Mr. ECKHARDT. The gentleman from Florida correctly said that the language follows very closely the excellent language that was devised in his committee following the Alaskan pipeline bill. That is correct.

I yield back the balance of my time.

Mr. CRONIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to address a question either to the gentleman from Alabama (Mr. JONES) or the gentleman from Louisiana (Mr. BREAUX).

As you know, I come from the State of Massachusetts, and we are very concerned there about the availability of fuel and also the excessively high cost of our fuel. We now have to import all of the fuel we use. We have no refineries at this time and no source of supply; yet we use over 25 percent of the Nation's distillate fuels. I am particularly interested as to whether the Jones substitute would give priorities to those sections of the country that already have the largest volume of tanker and barge traffic.

Mr. BREAUX. Will the gentleman yield?

Mr. CRONIN. I yield to the gentleman.

Mr. BREAUX. I would like to answer the gentleman by pointing out that in the middle of the committee print that point is covered on page 8 where it says that very expeditious and positive consideration will be given to applications for a license which would become an appropriate area which additionally has a high dependence on petroleum products. For example, it could be applied under this provision so that it would be affecting a public port authority. It is the intent of the committee by the committee print that expeditious and positive consideration should be given to the specific points that the gentleman from Massachusetts raises.

Mr. CRONIN. We have a port authority in Massachusetts that currently has control over the ports and is proposing the deepwater port there. Under the terms stated in your bill, am I correct in believing that the Massachusetts Port Authority will be considered the logical applicant?

Mr. BREAUX. Yes.

Mr. CRONIN. Thank you very much.

One of the very few variables we have left in the price we must pay for our oil is the cost of transportation. Historically, New England has paid the highest prices in the country for our energy because we are totally dependent on foreign nations and other sections of our own country for energy supplies. This bill represents one way to cut the cost of New England's energy lifeline so that we will no longer be forced to depend upon the leftovers of the rest of the country to drive our cars, run our industries, and heat our homes.

This legislation is environmentally sound, because of the reduction of the large number of small, leaky tankers lining Boston Harbor and those of the rest of the United States that would occur with the construction of deep-water port facilities. The advent of the supertankers would reduce this hazard and the likelihood of collision and would certainly clean up our harbors, even assuming the worst possible condition.

This Nation desperately needs this legislation—both to alleviate our energy problems and to reduce our enviromental problems. Therefore, I am pleased to support the deepwater port bill, and I strongly urge my colleagues to do likewise.

Mr. BREAUX. Mr. Chairman, I move to strike the last word.

I merely rise to point out regarding the amendment offered by the gentleman from Texas (Mr. ECKHARDT) that although I know he does offer an amendment to strengthen the environmental provisions of the bill by establishing a liability fund, I think it is very important for us to point out and to recognize the amendment offered by the gentleman from Texas only provides money from the liability fund for damages and only within territorial waters. It does not provide any funds from that liability fund for any cleanup cost.

One of the biggest problems we will have is if a supertanker cracks up outside the 3-mile limit off the coast of Louisiana, Who will pay for the cleanup costs?

I want to make one other point. The public works liability fund, in addition to providing for damages, also provides for a cleanup cost for oil spills from vessels outside territorial waters as well as providing liability for damages to real or personal property that occurs within territorial waters.

Mr. ECKHARDT. Mr. Chairman, if the

gentleman will yield, the reason why cleanup is left out here is because there is a fund already established under the Federal Water Pollution Act.

Mr. BREAUX. Mr. Chairman, on the point just raised by the gentleman from Texas, would the gentleman from Texas not be in agreement that the Federal Water Pollution Control Act applies only to damages occurring in navigable waters? What happens outside of our territorial waters where the Federal Water Pollution Control Act does not apply? That act applies only to damages in navigable waters of our country.

Mr. ECKHARDT. Would the gentleman from Louisiana propose to ask to extend the Federal Water Pollution Control Act? I think we just got that extended last year.

Mr. BREAUX. Definitely. If the gentleman from Texas would merely look at the bill H.R. 10701, the gentleman would see our concern, when I speak of cleanup costs outside territorial waters, that is already outside the gentleman's amendment.

Mr. ECKHARDT. I have no objection to striking out the cleanup. I feel that we should not overlap with the Water Pollution Control Act.

Mr. BREAUX. I think the point should be made that the amendment offered by the gentleman from Texas does not apply to the cleanup costs, but only for damages.

Mr. GROVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the pending amendment.

Mr. Chairman, as the gentleman from Alabama (Mr. JONES) stated, we are here to consider the substance of these bills that we will agree upon.

I rise in support of both the Eckhardt amendment and the Sullivan amendment, and I do so for a number of reasons.

Mr. Chairman, the amendment offered by the gentleman from Texas (Mr. ECKHARDT) to the Sullivan substitute amendment, has been offered to restore the deleted provisions in the liability fund, which was removed because it would have been subject to a point of order.

I believe that when it will have been included that we will have a complete bill.

One of the things that was not mentioned today, or I could almost say tonight and today, is that the Department of Justice has submitted to the Committee on Public Works a report on that committee's bill, setting forth eight pages—eight pages—of both technical and substantive changes. I would like to just quote a few of them. I would wish that the gentleman from Iowa (Mr. GROSS) would listen closely to these:

One is that there is a great deal of ambiguity in the economic costs which they have referred to in the Public Works Committee bill.

Interior objects to the broad scope of granting to the States the right to collect user fees.

Interior objects in particular that the reference in the economic costs gives the States an open-ended taxing authority. Hear that. States rights? Sure. You give the States open-ended taxing authority.

A further objection is to the confusion and conflict in the application of both our Outer Continental Shelf land and our Submerged Land Act. And there are several pages of objections by the Justice Department.

The Justice Department has raised an objection to the Public Works Committee bill in its liability clause to some unenforceable changes in merging it with the Federal Water Pollution Control Act.

The Justice Department has raised objection to the enforcement, the enforcement authority of the authority which is set up here, saying that their enforcement authority is unclear.

They have also raised objection to the unclearness of the borrowing authority which the Public Works Committee bill would place in the authority.

In addition to that they have indicated that the States under the Public Works Committee bill must waive immunity to get within the umbrella of the Federal jurisdiction, in the way that the Public Works Committee bill is written.

In adition to that, they claim that the Public Works Committee bill is silent on the authority of the U.S. Coast Guard in implementing the legislation.

The Sullivan substitute will encourage the construction of deepwater port facilities and at the same time protect those States, such as, for example, Delaware, which have adopted programs for land and water use, and which rule out a deepwater port. Under the Jones amendment, however, the States will have to rule in deepwater ports in order for deepwater ports to be built. This is a fundamental difference.

The Sullivan substitute enables States to become an applicant if they choose to do so on an equal footing with all other applicants. The Public Works Committee bill, or the Jones amendment, give a State an unreasonable and totally unjustified right to preempt any other applicant, and to unduly delay the licensing procedure for up to 210 days by indicating its desire to preempt.

Section 2, subsection 2 of the public works bill has a little sleeper which, as a vague concept, refers to the "50 percent of design-receiving capacity for crude oil." As I read it, this permits a sister State which does not have 50 percent, which has an abutting State which has more than 50 percent, conceivably to be imposed upon without the so-called veto power which they claim is in the public works bill.

Like I say, Mr. Chairman, it is something that disturbs me, and I have been informed that section 13 of the House Public Works bill bars transshipment of crude oil which comes into these deepwater ports—and petroleum products through these deepwater ports—to any location outside the United States. What this will do will bar any cooperating importing in super crude carriers, cooperative venture, between the United States and Canada, the United States and Mexico, or any other partner in the Western Hemisphere. It will also be a blow to the petrochemical industry, because we do not export petroleum in very large quantities from this country. But I understand we do export to Europe petroleum which is refined, which is for sophisticated, petrochemicals which are vitally needed in many, many industries in this country.

The Sullivan substitute amendment bars the export or transshipment of products, but it does give the Secretary jurisdiction to waive that bar in given circumstances.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ECKHARDT and by unanimous consent, Mr. GROVER was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I should like to ask the gentleman a question in order to more or less elucidate on the matters that the gentleman from Louisiana (Mr. BREAUX) raised. As he pointed out, the Federal Water Pollution Control Act does not in its initial provisions necessarily include all of the waters included in this bill, but on page 27 of the Sullivan amendment it is provided in section (c) navigable waters of the United States—and it states:

> For the purpose of title I, sections 311 and 312 of the Federal Water Pollution Act—

Incidentally, that is a section where the funds available for cleanup are contained, and the authorization is $35 million—it states that with respect to those sections, the high seas oil ports licensed under this act shall be deemed to be located within the navigable waters of the United States.

Therefore, I would submit—and I should like to have the gentleman's response—that our act in all of its parts totally covers cleanup as well as other provisions, because it refers to, and thus enlarges if need be, the Water Pollution Control Act.

Mr. GROVER. The gentleman is referring to the Sullivan amendment?

Mr. ECKHARDT. That is correct.

Mr. GROVER. I would agree with that. As I pointed out, there is an inconsistency in the enforceability of the Water Pollution Control Act in the Jones amendment.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Louisiana.

Mr. BREAUX. I thank the gentleman for yielding.

In response to the point made by the gentleman from Texas, by stretching the definition of the port the very most that could be done under the bill the gentleman is talking about, is that oil spills could be cleaned up in the 2- to 4-mile zone around the unloading facility. When we get outside of that 2- to 4-mile zone, then we are talking about high seas where the Federal Water Pollution Control Act certainly does not cover it, and by no stretch of one's imagination could there be cleanup under the Federal Water Pollution Control Act on the high seas.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

The bill also includes all pipe connections, and it is difficult for me to see where a spill can occur at other than the area of the facilities or at the pipeline, so I think we have covered it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I should like to point out to our Members there seems to be a very poignant point here that ought to be brought to people's attention. What all of a sudden has become of the rights of the States? Should not a State have a right over its destiny? Why should the Federal Government preempt the rights of a State and say to the State, "We will consult with you, but we will place that port off your shore, whether in effect you agree or not."

I know somebody is going to take a little umbrage with that. Our Public Works bill and the Jones amendment says that the State has to take positive action. Should the Federal Government be in the position of forcing the State to take action on an issue? Should it not be the right of a State of 7½ million people as we have in New Jersey to make that determination? Should it not be the right of the State in its environmental program and in its ecology program and in its use of its 3-mile limit to make that determination? Should it not be the State which has the right? Would any one of the Members here give up his State's rights and now have them preempted by the Federal Government? I do not see why we should denigrate the right of the States to speak. Should a State not have the right to govern its environmental program or its ecology program or its coastline and coastal waters programs?

We are talking about a major point on these oil spills. I hope some of these Members realize, as my State of New Jersey realizes, that each of these superships will carry 210 million gallons of crude oil. Our biggest asset in the State of New Jersey is our shore tourist resort industry. There is no provision in the Sullivan amendment at this point to accommodate the cleanup should we have that kind of an oil spill accident. In our State of New Jersey we have had ship accidents and many, many miles of our beaches were destroyed for years. We, the State, had to clean them up and pay for it. I know this at first hand, having been an officer in the cabinet in that State and heading up the department of conservation.

Nobody denies that there is a question of dichotomy in this legislation but who is going to clean up the 200 million gallons of oil and who is going to pay that bill? Should the State be responsible? Should we have a $1.5 billion industry ruined because of such an accident? What about the Mississippi flood program, and what about the earthquakes; and did those people not come back here and ask for our help and say they needed our help and we voted for it.

I am not against deepwater ports or energy for the United States or for my people, but I do say each person and each State should be treated fairly and should have the right to act for itself and not have the Federal Government preempt the State rights in the situation. That is the core and central problem in this particular bill. The Jones amendment does protect those rights.

Mr. CLEVELAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time before we vote on the Sullivan amendment to establish some legislative history on the Jones amendment. I would make this inquiry of the gentleman from Alabama if I may have his attention.

Mr. JONES of Alabama. Mr. Chairman, presupposing the gentleman is yielding, I suggest the answer might be "Yes."

Mr. CLEVELAND. I am going to ask the question and then the gentleman can answer "Yes."

I understand after the brilliant States rights speech which we just heard from the gentleman from New Jersey that the gentleman from Alabama may have been surprised perhaps and perhaps has not quite recovered his senses. It is nice to know that States rights is an issue which is coming back into style.

Mr. JONES of Alabama. I think it is most commendable.

Mr. CLEVELAND On page 5 of a report we issued on November 28, which accompanied another bill, but a very similar bill, we find the following language:

> The Congress will be expected to consider various new methods and technologies of oil transfer including the propelled unmoored terminals of advanced design capable of relocation and storm avoidance which offer possible leadtime and cost effectiveness advantages.

That language was omitted from the committee print report which accompanies the gentleman's substitute for the bill H.R. 10701, but my question of the gentleman is whether or not for purposes of legislative history it would still be operative and still be a part of the legislative history of this proposal.

Mr. JONES of Alabama. Yes. I will bring the gentleman's attention to the committee report. On page 5 next to the last paragraph, which I will read, it is as follows:

> The Commission will be expected to consider various new methods and technology of oil transfer including self-propelled, unmoored terminals of advanced design with the capability of relocation and storm avoidance which offer possible lead time and cost effectiveness advantages. The determination of the need for a license under this legislation for this type of terminal will depend upon the specifics of the design and operation.

Mr. CLEVELAND. I thank the gentleman. I might ask the gentleman if he wants to comment, because I find nothing similar to this proposal in the Sullivan amendment. I would inquire whether or not he has found that to be true. I have not been able to find anything in the Sullivan substitute that incorporates that type of approach to the problem.

Mr. JONES of Alabama. Neither did I.

Mr. CLEVELAND I am going to yield to the gentleman from California, who has been handling this bill for the minority. I would like to inquire of him as a matter of legislative history if the dialog between me and the gentleman from Alabama (Mr. JONES) is correct, as far as the legislative history of this matter is concerned.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. The gentleman is referring to Report No. 93-668, dated November 28, 1973. I believe that is what he read from.

The answer is yes, I concur in the statement of the gentleman from Alabama.

Mr. CLEVELAND. I appreciate that. I want to make this point against the Sullivan substitute and for the Jones bill. The point is simply this, that there is a considerable body of information, considerable information given to our committee in the hearings that shows there is a very promising possibility here for these so-called new methods of technology in oil transfer, including the self-propelled, unmoored terminals that will have the capability of relocation and storm avoidance. This avoids the problem of erecting a massive structure that some day may have to be removed or which will become outmoded or obsolete.

Finally, there is the argument of substantial cost savings.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GROVER and by unanimous consent, Mr. CLEVELAND was allowed to proceed for 1 additional minute.)

Mr. GROVER. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from New York.

Mr. GROVER. There is absolutely no limitation in the Sullivan bill whatever with regard to the type of facility, including self-propelled, unmoored terminals, such as have been designed in the State of New Hampshire and elsewhere.

Mr. CLEVELAND. Is there anything in the Sullivan bill that incorporates this in writing?

Mr. GROVER. Well, I do not believe there is.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield further?

Mr. CLEVELAND. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. There appears to be a difference of opinion because of the definition of high seas oil port in H.R. 11951. It is defined in a structural sense as, any complex, consisting of a permanently sited structure or structures, located in, or subjacent to, the offshore coastal waters of the United States.

I doubt if it would qualify as a permanently sited structure.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Mississippi.

Mr. COCHRAN. Mr. Chairman, in recent months acute shortages of vital petroleum supplies have made the Nation painfully aware of its precarious dependence on imported oil.

While it instituted a number of stopgap measures designed to alleviate the immediate effects of the shortage, this Congress has given first priority to obtaining long-range energy self-sufficiency. Despite recent brightening of the short-term energy outlook, it is imperative that we remain steadfast in our efforts to free the United States from dependence on unstable and expensive foreign crude supplies.

Yet while pushing for long-run self-sufficiency, we cannot afford to neglect the pressing needs of the more immediate future. Even though a concerted effort is underway to develop fully our Nation's energy resources, the fact remains that imported petroleum, at least in the near future, will continue to make up the difference between American demand and domestic supply.

With the foreign controlled oil exporting monopoly exerting constant upward pressure on crude prices, it is important that petroleum be imported by the most efficient and economical means.

Crude oil transportation technology is changing rapidly. There is a marked trend toward larger and larger tankers for overseas transport. The average size of all crude oil tankers now on order is approaching 200,000 deadweight tons. Where complemented by modern terminal systems, these large ships offer lower freight rates, reduced port congestion, and minimal oil handling.

But because of inadequate port facilities, the United States is presently denied the numerous advantages supertankers offer. The average size of tankers now entering U.S. ports is only 50,000 deadweight tons. Ports are congested with these less economical small tankers; collisions, and ecological damage are not rare.

New port facilities capable of handling the newer and more efficient supertankers—many of which draw up to 100 feet of water—are needed to alleviate the problems presently associated with petroleum importation. Since dredging of existing port channels would be prohibitively expensive, new facilities located offshore in deepwater are the logical answer.

Recognizing the need for such offshore oilports, I worked actively with my colleagues on the Committee on Public Works to develop the necessary authorizing legislation. The comprehensive bill which the committee reported, H.R. 10701, provides for effective coordination among the numerous Federal agencies which would be involved in the licensing and construction of a deepwater port.

For a superport to be economically feasible there should be large amounts of land available on the adjacent shore, ready transportation linking the port to the prime users of petroleum in inland areas, and adequate support facilities to provide for the day-to-day operation of the port.

In light of these specifications, the Mississippi-Alabama coast on the Gulf of Mexico would provide the ideal site for an offshore oilport. The superport would be located in close geographic proximity to the oil-hungry areas of the Eastern and Central United States, with abundant land available for support and storage facilities.

The governments of Alabama and Mississippi thoroughly studied the feasibility of locating a deepwater oilport off their coastline. They propose the construction of an "Ameraport" deepwater facility utilizing a single-point monobuoy mooring system. I commend them for this initiative and heartily endorse the "Ameraport" proposal. Locating a superport in the vicinity would not only be in the best national interest but would also serve to further the growth of a region with great capacity for economic expansion.

Mr. LONG of Louisiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a little legislative history, if I may; but before I do that, I believe that the gentleman from Alabama (Mr. JONES), the gentleman from Texas (Mr. ROBERTS), my colleague, the gentleman from Louisiana (Mr. BREAUX), and for that matter, the entire Public Works Committee deserve the thanks of the House for the fine work they have done in producing the deepwater ports bill. I particularly want to thank the gentleman from Louisiana (Mr. BREAUX) who, as the author of this bill, has spent so many hours of hard work in writing it.

We in Louisiana have been among the leaders in developing plans for deepwater ports in the Gulf of Mexico.

Louisiana's universities have been at work on the technology needed to build the ports and protect our unique wetlands and coastal environments. Also, private industry has been planning ways of accommodating supertankers.

Governor Edwards has given his full support to the drive to build a superport. Our State legislature over a year ago adopted a law which would enable the construction of the port while protecting our coast.

I had the honor of heading up the first task force charged with developing plans for a deep-draft harbor in Louisiana, and later was first president of the Louisiana Deep-Draft Harbor and Terminal Authority.

When the several deepwater ports bills were first brought up to the Rules Committee, I stated at that time that I favored the Public Works Committee approach, but I also pointed out at that time that neither of the bills brought before the Rules Committee then contained any protection against the danger of foreign control over the ownership and operation of whatever ports might be built.

To highlight this danger, we only need to look at a few simple facts. Ten years from now, the United States will need to import as much as 13 million barrels of oil per day. Because of the high cost of construction, Mr. Chairman, there probably will be no more than three to five of these ports built for the supertankers. These few ports, three to five, will become America's energy lifeline during this transition period and will be crucial pressure points of our national security.

What would happen if one or more of these would come under the control of a foreign country with interests adverse to those of the United States? All of us remember, because it is fresh in our minds, the recent oil embargo. The Arab nations at that time showed their willingness to use their oil for political purposes. Now that they are collecting staggering amounts for their oil, there is no reason to doubt that they would hesitate to use that money for similar purposes. Their income is about to rise so fast that by 1980 they will have amassed about $300 billion—more than four times the combined 1972 net worth of every single American oil company.

When America is utterly dependent on a handful of ports, and an alien country has the power to control both supply and price of oil they ship to us, and also to cut off our supply from other countries by financial control over our ports, we face a potentially catastrophic situation. It is because of this danger that I have worked to include domestic control provisions in any deepwater ports authorization bill. I am especially gratified that the Public Works Committee is now inserting such a provision in its bill which I consider to be adequate.

Section 6(a)—and I would like to call the attention of the gentleman from Louisiana (Mr. BREAUX) to this—section 6(a) of the substitute for H.R. 10701 authorizes the Deepwater Port Facilities Commission to include certain conditions in every license it issues. It also requires the Commission to include in every license seven conditions which are listed in the section.

There is some ambiguity in my mind in this section. In its first sentence, it authorizes inclusion of some conditions, and in the next sentence it requires some conditions to be included.

The report of the Public Works Committee on H.R. 10701 says this about section 6(a):

> The Commission is authorized to include in any license any conditions which it deems necessary to carry out the purposes of the legislation. Certain important conditions are required to be included in the license.

The new committee print, No. 93-41, which explains the amended bill, states:

> The amendment adds a provision directing the Commission to include in any deep water port facility license provisions necessary to ensure domestic control over the port facility.

The only significant change in section 6(a) from the original to the amended bill is the addition of 6(a), subparagraph (7), which orders that conditions of domestic control be included in every license.

Mr. Chairman, my question to the gentleman is this: Am I correct in reading the language as interpreted in the report and in the new committee explanation, the intent of the Public Works Committee is that every license issued by the Commission must contain conditions listed in section 6(a), parts 1 through 7 of the substitute, and may contain other conditions if the Commission feels that they are needed to carry out the purposes of the act?

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. Mr. Chairman, I am happy to yield to my colleague, the gentleman from Louisiana.

Mr. BREAUX. I would like to say to my colleague that he is absolutely correct.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. LONG of Louisiana was allowed to proceed for 1 additional minute.)

Mr. BREAUX. Mr. Chairman, my colleague, the gentleman from Louisiana, is correct. Page 9 of the committee report has a provision to insure domestic control over operation and construction of the facility.

Section 6 directs the Commission to include certain conditions, as a minimum, in any license it issues. It is certainly the intent of the committee to have the licenses issued by the Commission expressing conditions to insure domestic control over construction and operation of the port facilities.

Mr. LONG of Louisiana. Mr. Chairman, I thank the gentleman and I am in support of the bill of the Committee on Public Works and in opposition to the Sullivan amendment.

Mr. FORSYTHE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to thank my friend, the gentleman from Texas, for offering the amendment to restore the provision that we did have in the original bill of the Committee on Merchant Marine and Fisheries to provide for the liability funding.

I wish to point out too that I think from our research, the committee is very confident that all bases are covered in this liability funding and the other provisions of the Sullivan amendment, so that with regard to clean-up and third-party damage, we are assured that we have clearly protected the public from all kinds of oil spills or any other kind of accident that might be connected with the operation of a deep sea port.

Mr. Chairman, I also again want to urge my colleagues to support the Sullivan amendment.

I think the fact that there are so many areas of the bill of the Committee on Public Works which are in question by the various people interested in this legislation, including departments of our Government such as Justice and Interior, indicates that it is clearly a much better bill.

I hope we will have the support of the House for the Sullivan amendment.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that all debate on the Eckhardt amendment and all amendments thereto be concluded in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. JONES of Alabama. Mr. Chairman, I move that all time on the Eckhardt amendment and all amendments thereto be concluded in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama (Mr. JONES).

The motion was agreed to.

The CHAIRMAN. The Chair will state that all members standing at the time the motion was made will be recognized for approximately one-half minute each.

(By unanimous consent, Messrs. DOWNING, DINGELL, and LEGGETT yielded their time to Mr. ECKHARDT.)

The CHAIRMAN. The Chair recognizes the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, in the half minute which I have, I would simply like to say that it would be a tragedy if we were not to adopt the Eckhardt amendment, regardless of which position one might take on the legislation itself.

I will have further comment on that later, but the Eckhardt amendment is a good amendment, and it should be adopted by the House.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Chairman, I am constrained to oppose both bills before the House this afternoon. Both are well-intentioned but neither is adequate, in my judgment, to deal with the menace posed by these enormous tankers.

I can remember not so many years ago when ships like the Cunard Queens, displacing 80,000 tons or so, were tremendously impressive as the largest things then afloat.

No longer. Today they are building squat and ugly tankers capable of carrying upwards of 500,000 tons of petroleum. And I am told that behemoths with capacities of 1.25 million tons are now seen as both technologically feasible and economically justifiable.

The *Torrey Canyon,* which caused such havoc when she ran aground off the Scilly Islands 7 years ago weighed in fully loaded at 118,000 tons—a baby in comparison with existing and future monsters.

Just think about the potential for destruction that is inevitably built into the loaded supertanker. It is almost too much for the mind to grasp. My district is on a seacoast. I simply cannot imagine the consequences if a giant tanker broke up 30 miles off the shore.

There is also evidence that tankers cause most of their long-term damage through normal leakage in unloading operations, and resulting from ordinary deterioration of equipment.

No port in the United States can accommodate these dubious vessels; throughout the world there are only about six ports capable of berthing them. Very few ports—Rotterdam is a notable exception—want this deadly business.

To receive these tankers, we now talk about developing special facilities for them many miles offshore, which presumably would enable them to take on and discharge their cargo, while staying so far out that there would be no chance of striking bottom.

H.R. 10701 and H.R. 11951 are both admirable in the safeguards they would prescribe to minimize hazards of operating these ports.

I have no serious quarrel with any provision in either of the bills. What does concern me is the aura of legitimacy the measures could extend to supertanker operations.

Perhaps the supertanker route is the one that eventually we will have to take, to meet future energy needs. But we cannot be certain of this today, especially at a time when there is such concern over our continued heavy reliance on oil. I do not see how providing a statutory basis for supertanker ports can help us in our quest for new fuel sources. Accordingly, I must oppose both of the measures before us, as setting us onto collision course with possible disaster.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DON H. CLAUSEN).

(By unanimous consent, Mr. DON H. CLAUSEN yielded his time to Mr. HARSHA).

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Mr. Chairman, I rise in opposition to the Eckhardt amendment and to the Sullivan amendment.

In the first place, the Eckhardt amendment does almost nothing to take care of the danger of oil spills outside the territorial limits of these United States. As one of the coauthors of the Federal Water Pollution Control Act and as one of the conferees who spent some 6 months in conference with the Senate, I can assure this body that the Federal Water Pollution Control Act has no jurisdiction outside the territorial limits of the United States. Therefore, when we are talking about these huge tankers which import over 200 million gallons of oil, endangering the environment, neither the Eckhardt amendment nor the Sullivan substitute amendment does anything significant to protect the environment outside the territorial limits of the United States, and the bill from the Committee on Public Works does.

There has been a great hue and cry in this House about protecting the environment, and justly so. I think we all want to protect the environment, but if we are sincere in that desire, if we are sincere in that determination that we want to protect the environment and the waters of this Nation and outside this Nation, then we should adopt the bill from the Committee on Public Works and vote down the Eckhardt amendment and the Sullivan substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I shall use my time to clarify the parliamentary situation. All we ask here is that the Members adopt an amendment which is, in effect, a perfecting amendment to the Sullivan substitute.

It is hardly more than a courtesy that we ask, because it was in the merchant marine bill that the original liability section was devised by the gentleman from New Jersey (Mr. FORSYTHE). The provision is substantially the same in the Jones bill. It would seem to me that the Members, whether they be for the Jones bill or for the Sullivan substitute, would want to be assured that liability in either case exists with respect to oil spills.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Mr. Chairman, I have so little time, but I will yield to the gentleman.

Mr. HARSHA. Mr. Chairman, if the Sullivan substitute is such a rational and well thought out program, why did the gentleman begin to amend it immediately?

Mr. ECKHARDT. Mr. Chairman, the reason was because the Sullivan substitute was not protected by a waiver of points of order, and it took us a little time to devise a way in which to handle that situation.

Mr. HARSHA. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. Mr. Chairman, I refuse to yield further.

I urge strongly that the House permit the two bills before the House to be perfected in order that we have a choice between those two bills. That is all that is requested by this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. Jones).

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I thank the gentleman for yielding.

I was going to ask the gentleman from Texas (Mr. Eckhardt) this: If this is such a worthy amendment, why was it deleted from the Sullivan bill to start with?

Mr. ECKHARDT. Mr. Chairman, I thought I had answered that. The reason is because, as it was originally written, it contained an appropriation, and, therefore, it would have been subject to a point of order because it is not protected by the rule.

Therefore, we have removed the appropriation and answered the point of order, and we seek to put it back, in order that the Sullivan substitute be in its best form at this time, and that is the reason.

Mr. HARSHA. But it does nothing to protect the territorial seas outside the 3-mile limit.

Mr. ECKHARDT. I thought I answered that earlier.

Mr. HARSHA. And we have two other bills that were offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt) to the amendment offered by the gentlewoman from Missouri (Mrs. Sullivan) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. Jones).

The question was taken, and the chairman stated he was in doubt.

RECORDED VOTE

Mr. ECKHARDT. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 311, noes 27, not voting 95, as follows:

[Roll No. 280]

AYES—311

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bennett
Biaggi
Boland
Bolling
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Foley
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Grasso
Green, Pa.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hungate
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Ketchum
Kyros
Lagomarsino
Landgrebe
Latta
Leggett
Lent
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Randall
Rees
Regula
Reuss
Riegle
Rinaldo
Robinson, Va.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Rousselot
Roy
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—27

Baker
Bergland
Bevill
Blatnik
Boggs
Breaux
Cochran
Devine
Ginn
Gray
Hanrahan
Harsha
Hunt
Johnson, Calif.
Jones, Ala.
Kluczynski
Long, La.
Mahon
Milford
Rarick
Roberts
Shuster
Slack
Stephens
Waggonner
Ware
Whitten

NOT VOTING—95

Andrews, N.C.
Ashbrook
Ashley
Bell
Biester
Bingham
Blackburn
Brasco
Buchanan
Burgener
Burke, Fla.
Burton
Butler
Carey, N.Y.
Chappell
Collins, Ill.
Conyers
Corman
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Dickinson
Diggs
Donohue
Dorn
Esch
Fish
Flynt
Ford
Fraser
Frenzel
Fulton
Fuqua
Goodling
Green, Oreg.
Griffiths
Gude
Hanna
Hawkins
Hays
Hébert
Hinshaw
Howard
Hudnut
Hutchinson
Ichord
Karth
Kemp
King
Koch
Kuykendall
Landrum
Lehman
Litton
Lujan
McKay
McSpadden
Mazzoli
Mitchell, Md.
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Nichols
Pettis
Peyser
Poage
Powell, Ohio
Price, Tex.
Quillen
Railsback
Rangel
Reid
Rhodes
Robison, N.Y.
Roncalio, Wyo.
Rooney, N.Y.
Rosenthal
Roush
Roybal
Ruppe
Schneebeli
Steele
Steiger, Ariz.
Steiger, Wis.
Symms
Thompson, N.J.
Ullman
Vander Jagt
Whalen
Wyatt
Young, Alaska
Zwach

So the amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The Chairman. The Chair will put the question on the amendment offered by the gentlewoman from Missouri (Mrs. Sullivan), as amended.

PARLIAMENTARY INQUIRY

Mr. DU PONT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DU PONT. Mr. Chairman, it is my understanding when the gentleman from Alabama moved a time limit that he moved it on the Eckhardt amendment and all amendments thereto, and therefore I would be entitled to move to strike the requisite number of words at this point, and a vote on the Sullivan amendment is not in order.

The CHAIRMAN. The gentleman is correct.

Mr. DU PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to use my time to speak very strongly in favor of the Sullivan substitute and I would like to congratulate the chairman of our committee for the fine remarks she made earlier and associate myself with those remarks.

There are three points to be made, Mr. Chairman. The first is, as my colleagues know, the Justice Department has filed a letter with 8 pages of objections to the Public Works bill. I bring that up because I think it indicates that the public works bill had not had the thorough consideration that the Merchant Marine Committee has given to this substitute over the past year.

As one example of that, I would specifically cite section 13 of the public works bill, which prohibits completely the export of oil from a superport. Now, in the United States we are exporting a small amount of oil, most of it going to refineries abroad in which it is refined and sent back to the United States. That is part of the standard commercial practice in which we are now engaged. If the public works bill passes, that will be cut off and we will be endangering the oil supplies of refined products that we have in this country. That is the kind of thing that exists in the public works bill, that is a good reason to adopt the Sullivan substitute.

But most importantly, let me address myself to the question of States rights, because I know a lot of my colleagues are concerned with that. I represent a State, the only State in the Nation, I believe, which 3 years ago enacted a comprehensive coastal zoning bill. That bill prohibits superports, among other things.

The merchant marine bill recognizes the impact of the superport on a State like Delaware and recognizes that a State like Delaware ought to have the right to reject an offshore terminal.

The bill provides that if an application is made, Delaware and other States have to be consulted. If we turn thumbs down, then the superport cannot be built. But the public works bill goes one step further and says that we have got to have positive action to stop the development of superports in those areas of the country where they are appropriate and desired.

Legislation by inaction, prohibition by inaction, is a serious mistake. I think the dangers of that are obvious.

The gentleman from New Jersey a few moments ago made an impassioned speech saying that the merchant marine bill allowed us to override the opinion of the State. That could not be further from the truth. It does nothing of sort. All it says is that the States will have an opportunity to express their opinion. If their opinion is yes, they may have a superport. If their opinion is no, no superport may be built and the Federal Government may not override the decision of the States.

That is good legislation. That is the way a bill ought to be drafted.

I urge adoption of the Sullivan amendment.

Mr. DINGELL. Mr. Chairman, I rise in support of the Sullivan substitute.

Mr. Chairman, I rise, first, to note that the time is 6:55. If we adopt the Sullivan substitute, we will vote on the Sullivan substitute. We will then vote on final passage and we may all go home.

Now, that makes good sense and I hope my colleagues will be moved by that good sense at this hour of the night.

Let me talk now about the merits of the issue which lie before us. The Jones substitute is a most curious device, printed in the Congressional Record. We cannot find out whether it was voted on, considered, read, reported, amended, or otherwise reviewed by the Committee on Public Works. By a curious coincidence it involves many, indeed, seven or eight provisions of the Sullivan substitute.

Interestingly enough, however, in the draftsmanship of the Jones substitute, which I assume was not read by the Committee on Public Works—and incidentally, while I am taking the skin off the Committee on Public Works, they are fine men, even though they did a poor job in this matter.

As a matter of fact, there are some curious conflicts in the Jones substitute. For example, every vessel calling at a deep sea oil port which bears a foreign flag is deemed under one provision to have consented to U.S. jurisdiction. Under another provision, it says no vessel can call at a deep sea oil port unless the flag jurisdiction of this foreign vessel has consented to U.S. jurisdiction.

In addition to this, it makes all U.S. laws applicable to high seas oil ports.

For example, the Federal Water Pollution Control Act, which has extensive provisions with regard to oil cleanup. In addition to this, it has another thoroughly inconsistent provision which relates to cleanup liability of the deep sea oil ports. It has still a third provision which provides for cleanup responsibilities in the oil liability fund which is set up. These provisions are so inconsistent and so bad that the Department of Justice has complained about the feasibility of adopting legislation which has so many inherent jurisdictional conflicts that it may be impossible of successful administration from an environmental standpoint.

I do not want to say that this bill should be voted down solely for that reason, but these are two very good reasons; legislation written in haste, poorly considered, presented to the House in great haste.

The Sullivan substitute, on the other hand, has been considered with exquisite care and has no inherent conflicts that can be discerned. For example, as to declaration of policies, no problem. With regard to structures on the Continenal Shelf, the high seas oil port, it has a most curious definition of high seas oil port.

The limitation applicability solely to the States; it totally disregarded prudent practice of this Nation over the years that we should utilize, where possible, the private free enterprise system. The Sullivan substitute clearly requires in each and every instance that the oil port must be operated in full conformity with all State laws of adjacent States. There is nothing like that in the Jones substitute

The Jones substitute sets up another most curious device, a Commission composed of the Secretary of Transportation and a number of others, Cabinet agents, who will be dispersing their responsibilities by delegation to junior level, subcabinet and noncabinet officers. Perhaps some of the decisions will even be made by a panel of GS-16's, GS-17's, and GS-18's under the Jones substitute. On the other hand, under the Sullivan substitute, we find very clearly that the decisionmaking power is vested clearly in the Secretary of the Interior, the agency which has jurisdiction over the entire Outer Continental Shelf.

Certainly, when we look at this curious package, so desperate in its internal function, so unwise in its result, so poorly drafted, so poorly considered by the committee which presents it to us at the hour of 6:55, it appears clear that we should go on. I am informed that there are something like 18 amendments at the Clerk's desk.

Let us adjourn and get home.

Mr. JONES of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased that my good friend from Michigan, Mr. Dingell, is so solicitous of the comfort and well-being of the Members. I am going to join him in trying to get this bill finished and completed just as promptly as we can.

Mr. Chairman, I ask unanimous consent that all amendments and all debate thereon close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. BROOKS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. JONES OF ALABAMA

Mr. JONES of Alabama. Mr. Chairman, I move that all amendments to the amendment offered by the gentlewoman from Missouri (Mrs. Sullivan) as a substitute for the amendment in the nature of a substitute offered by Mr. Jones of Alabama, and all debate thereon, be concluded within 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

The CHAIRMAN. The Chair will state that all Members standing at the time the motion was made will be recognized for one-half minute each.

The gentleman from Louisiana (Mr. Treen) is recognized.

(By unanimous consent, Messrs. Armstrong and Collier yielded their time to Mr. Treen.)

Mr. TREEN. Mr. Chairman, in a minute and a half, I will just try to make one point.

I apologize to those who were here before repeating this point. I think one of the significant advantages of the substitute offered by Mrs. Sullivan is that we will get a port built faster than we would under the bill of the Committee on Public Works.

The reason is that there is no State preference under the Sullivan amendment. Under the bill of the Committee on Public Works the State must be notified of a private application within 30 days, and then it can have up to 6 months to file an application. During that time we might lose the interest of some of the people who are willing to build ports.

Mr. Chairman, one of the places they are thinking about building a port is off the coast of my district.

I think that private enterprise ought to stand on at least an equal footing with local government in building these ports. I, for one, believe that whenever private enterprise is willing to invest this kind of money, massive amounts of money, to build a facility, when it can be built in the public interest, as both bills guarantee, we ought to let private enterprise do the job because it does it at less cost and it does it more quickly.

The CHAIRMAN. The Chair now recognizes the gentleman from Texas (Mr. Eckhardt).

(By unanimous consent, Mr. Eckhardt yielded his time to Mr. Downing).

Mr. DOWNING. Mr. Chairman, I am heartily in favor of deep sea ports to serve this Nation from the standpoints of economy, of environment, and of the well-being of our people.

If the Members believe as I do, I think the Sullivan amendment is the solution to it. I will tell the Members why. Under the version of the Committee on Public Works, the State has to take affirmative action before a deep sea port can be built there. I can see how this would mean delay after delay. It would take a man with great courage to introduce legislation in his State house to accommodate or provide for an oil port.

I think if the Members are really serious and if they want to get the deep sea ports, they will have to vote for the Sullivan amendment.

Mr. Chairman, as for the version of the Committee on Public Works, if the Members vote for that, it is going to have to be amended in several important places if it is to be a workable bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Gray).

Mr. GRAY. Mr. Chairman, I wish to commend the chairman of the Public Works Committee, the gentleman from Minnesota (Mr. Blatnik) and the gentleman from Alabama (Mr. Jones) and all the other members of our fine committee on the excellent job they have done in bringing the deepwater port legislation to the floor.

I am supporting the amendment offered by Mr. Jones to H.R. 10701. One of the most meritorious provisions of this amendment is that it establishes a Deepwater Port Facilities Commission to issue the licenses for deepwater ports. The construction and operation of deepwater ports does not involve merely one or two agencies in a major sense. A number of agencies have substantial and significant interest in this matter. The Corps of Engineers is the major Federal agency involved with navigation and port facilities, and has also undertaken a number of studies on the need for and location of deepwater port facilities off our Nation's coasts. The Department of Commerce is, of course, very much involved in the need for petroleum products and other sources of energy which we so vitally need to maintain our growing and industrialized economy. The Department of the Interior has many responsibilities with regard to energy needs and uses, including oil exploration and use.

The Environmental Protection Agency is also very much concerned with the construction and operation of deepwater port facilities because of the potential major environmental impacts of these facilities, and the Department of Transportation has a leading role to play in deepwater port development because deepwater port facilities are nothing more nor less than a means to provide for the transportation of oil into the United States.

Because of the significant interests and responsibilities of these various agencies, the establishment of a Commission composed of these agencies is the most logical concept to be utilized for the issuance of deepwater port licenses. This will enable these agencies to effectively and responsibly apply their experience and expertise to the questions involving licensing and operation of deepwater port facilities, and will avoid unnecessary, unproductive, and duplicative interagency conflicts.

In recognition of the fact that we are dealing primarily with a transportation question, the Secretary of Transportation is made chairman of the Commission and he is directed to make the necessary administrative arrangements for the Commission. Mr. Chairman, the establishment of a Commission to issue these deepwater port licenses will go far to insuring that all competing interests are properly balanced and that the Nation's interest will be properly served.

I wish to express my strong support for the amendment which will be offered by Mr. Jones.

(By unanimous consent, Messrs. Gray, Jones of Alabama, and Waggonner yielded their time to Mr. Brooks.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Brooks).

Mr. BROOKS. Mr. Chairman, I am greatly concerned over the ownership of these offshore facilities. This legislation—the Jones amendment—provides for participation by the Federal Government and the opportunity for State ownership, but it does not require control by any governmental body.

This raises the specter of control by a consortium of international companies, by financial soldiers of fortune, and indirectly by foreign governments.

We are all painfully aware of the recently demonstrated ability of oil producing nations to influence the major oil companies. The management of these international giants showed us how little control we actually have over their operations even though they vitally affect the defense, economy, and public policy of the United States.

I am not pleased at the prospect of giving control over our economic future to an international consortium by allowing them to operate facilities, off our coast in international waters, through which our economic blood is supplied. If there are to be such facilities, it is imperative that they be absolutely controlled by a governmental entity which is responsive to the public, not to a group of stockholders, or worse, to a foreign power.

It is my contention that, at best, offshore facilities are only make-do Jack Lee, Rube Goldberg, solutions which are extremely limited in their capacity and are, in fact, single purpose—that is, to transship oil and its refined products. What we need are onshore, deepwater, multipurpose ports of a permanent nature, controlled by a public entity, which can handle bulk, liquid, and all types of cargo.

Public ownership of our deepwater ports is the only way to provide protection for our people. While the Federal Government has helped to build and dredge our ports, they have been operated primarily by local bodies, such as port authorities, wharf districts, et cetera. These are the types of bodies which are most responsive to the public need.

The port of Galveston, Tex., is this week submitting a permit request to the Corps of Engineers for a 67-foot channel. They now know that they must move ahead with such a project if they are to meet the future requirements for port facilities. Our Nation would be better served by supporting such efforts by publicly owned port authorities. I support the public works bill as amended by the Jones amendment, but I am hopeful that the Congress will continue to consider this matter and not stop with a piecemeal solution such as offered by this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Don H. Clausen).

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. Don H. Clausen yielded his time to Mr. Mizell.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. Mizell).

Mr. MIZELL. Mr. Chairman, I come from a State that has one of the most beautiful shorelines of all of those in the United States. It is rich in marine life, as well as natural beauty, and it is unmatched in recreational opportunities.

As I listened to the debate today, I became convinced in my own mind that the best opportunity for protecting these beautiful natural resources we have is by adopting the Jones substitute in preference to the Sullivan substitute.

I urge the Members to adopt the Jones amendment, and I would say also that the Governor of North Carolina prefers the Jones amendment today, because it offers the best opportunity and the best formula for developing these deepwater ports, and it will help to develop the environmental standards which are necessary in order to protect this great natural resource we have, which is the coastline of North Carolina.

Mr. Chairman, I urge the Members to vote for the Jones amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I must beg to disagree with my colleague from North Carolina, but there are other matchless areas on the coast, and one of them is in the State of Maryland.

I, as one who is very much concerned about these matters, know that the question is not whether we will have these deepwater ports but whether they will defile the coast of my district.

I support the Sullivan substitute and urge everyone in the Chamber to support it. There is something in it for everyone.

If you would like to be with labor, then the AFL–CIO likes the Sullivan substitute. If you are interested in ecology, the Sierra Club is for the Sullivan substitute. The environmental policy organization is for it. If you would like to go with the administration, the Department of the Interior also supports the Sullivan substitute.

Let us get away from the jurisdictional battle we have had all afternoon and vote on the merits. Let us support the Sullivan substitute.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Mr. Chairman, I say to everyone in this House let us deal on the merits here. Remember we represent 50 sovereign States. The day the Federal Government usurps the basic fundamental rights of the States and this particular body countenances it, that is the day that we end our democracy.

I say vote for the Jones amendment and support the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in support of my committee's bill which is the Sullivan substitute. I think the amendment offered by the gentlewoman from Missouri is well thought out and will put the total jurisdiction in one department; namely, the Department of the Interior. If we vote for that, it will allow us all to go home, because if we do not pass it, we are going to have half a dozen amendments offered to perfect the distinguished Public Works Committee bill. I think all of the arguments that have been made on the basis of environment will not be made on the Sullivan substitute because it does a good job in protecting the environment.

Mr. Chairman, I urge your support for the Merchant Marine Committee substitute, H.R. 11951. I take the position not merely because I am a member of that committee, but because there are good and valid reasons for preferring this version.

First, there is the question of licensing. The commission proposed in the public works bill is a well-designed commission, but why do we need a commission at all? It will be more cumbersome and more unwieldy than a single executive, and it appears to offer no advantages. The Secretary of the Interior will bear the most direct involvement in any case; in my view, we will do better to give him the entire construction licensing authority in the interest of efficiency. The Secretary will, of course, have to consult with and receive recommendations from DOT, Commerce, EPA, and the Corps of Engineers.

Second, I do not believe it is necessary to have a State veto, or to require the adjacent or the most affected State to have a special act authorizing deepwater ports. All of these ports will be covered by NEPA, which will provide more than adequate environmental protection.

Finally, there is the national security aspect, which is of particular interest to me since I also serve on the Armed Services Committee. These facilities will be located outside our territorial waters. The merchant marine bill requires that the ports be consistent with national security considerations; the public works bill does not.

The merchant marine bill requires that, before a foreign-flag vessel can use the port, its nation must make an agreement with our Government subjecting its vessels to U.S. jurisdiction at the oil port. The public works bill contains similar provisions, but it also says foreign-flag vessels shall be automatically deemed under our jurisdiction when they use the ports. This confusion can be avoided by adopting the merchant marine substitute.

More importantly, there is the question of who shall operate these stations. I am all in favor of détente and opening doors to the Soviets, but I do not think we want them setting up storage tanks and missile observation platforms 20 miles off our shores. The merchant marine bill explicitly requires that the ports be under control of U.S. citizens. In contrast, the public works bill merely authorizes the commission to insure domestic control. I believe this question is sufficiently important that it must be tied down hard by legislation. For this and the other reasons I have enumerated, I hope you will support the merchant marine substitute.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. SANDMAN).

Mr. SANDMAN. Mr. Chairman, New Jersey is the most affected State in this Nation insofar as this legislation is concerned mainly because New Jersey refines more oil than any other State.

I represent 80 percent of New Jersey's coastline on both the Delaware Bay and River as well as the Atlantic seaboard. New Jersey's greatest natural asset is its beaches all of which will be in jeopardy if this measure passes.

The Jones amendment is the better of the two evils. The Sullivan amendment actually requires a State to take affirmative action to defeat the deepwater port whereas the Jones amendment would require affirmative action to approve the port.

The people of the Atlantic seaboard overwhelmingly oppose the deepwater oil port. Only the Gulf of Mexico wants this port under these conditions the Jones amendment allows the people to have what they want.

The deepwater port will make the oil companies richer and none of their transportation savings will be passed on to the consumer. They only seek to increase prices not to lower them.

To those who love the great natural beaches of the Nation, they will vote "no."

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. GROVER).

Mr. GROVER. Mr. Chairman, we perfected by an overwhelming vote a little while ago the Sullivan substitute by putting in clean-up provisions. As the gentleman from Louisiana said, it has the clean-up provisions in it, and it is now an environmentalist bill and a States rights bill.

If we want to perfect the House Public Works Committee bill, we have to vote on the 14 pages of suggestions of ambiguities and defects which have been set forth by the Department of Justice. If we are going to do that, then we can stay here until 11 o'clock and we will get a good bill just like the Sullivan substitute.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Missouri (Mrs. SULLIVAN), as amended, as a substitute for the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. JONES).

The question was taken, and the Chairman announced that the Chair was in doubt.

RECORDED VOTE

Mrs. SULLIVAN. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 174, noes 158, not voting 101, as follows:

[Roll No. 281]

AYES—174

Adams
Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Armstrong
Aspin
Barrett
Bauman
Biaggi
Boland
Bowen
Brademas
Breckinridge
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Burke, Mass.
Burlison, Mo.
Camp
Casey, Tex.
Cederberg
Chamberlain
Clark
Clawson, Del
Clay
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Dingell
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Eshleman
Findley
Forsythe
Frelinghuysen
Frey
Froehlich
Gaydos
Giaimo
Gibbons
Gilman
Goldwater
Gross
Grover
Gunter
Guyer
Haley
Hamilton
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Heinz
Hogan
Holt
Horton
Hosmer
Huber
Hungate
Hunt
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kemp
Ketchum
Kyros
Lagomarsino
Latta
Leggett
Lott
Luken
McClory
McCloskey
McCollister
McDade
McEwen
McKinney
Macdonald
Madigan
Mallary
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mayne
Melcher
Metcalfe
Mezvinsky
Michel
Mitchell, N.Y.
Moorhead, Pa.
Morgan
Mosher
Moss
Murtha
Obey
O'Brien
O'Neill
Owens
Parris
Patman
Perkins
Podell
Pritchard
Quie
Railsback
Randall
Regula
Reuss
Riegle
Robinson, Va.
Rogers
Rooney, Pa.
Rousselot
Roy
Sarasin
Sarbanes
Satterfield
Scherle
Shriver
Sisk
Smith, Iowa
Smith, N.Y.
Spence
Stanton, J. William
Steelman
Stratton
Stubblefield
Sullivan
Symington
Talcott
Thomson, Wis.
Thone
Towell, Nev.
Treen
Udall
Vanik
Veysey
Vigorito
Waldie
Wampler
Whitehurst
Widnall
Wilson, Charles H., Calif.
Winn
Wolff
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.

NOES—158

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Annunzio
Badillo
Bafalis
Baker
Beard
Bennett
Bergland
Bevill
Blatnik
Boggs
Bolling
Bray
Breaux
Brinkley
Brooks
Brown, Ohio
Burke, Calif.
Burleson, Tex.
Byron
Carney, Ohio
Carter
Clancy
Clausen, Don H.
Cleveland
Cochran
Collier
Cotter
Cronin
Davis, S.C.
Dellums
Denholm
Devine
Duncan
Edwards, Ala.
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Foley
Fountain
Fulton
Gettys
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gubser
Hammerschmidt
Hanrahan
Harsha
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Holifield
Holtzman
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Landgrebe
Long, La.
Long, Md.
McCormack
McFall
Madden
Mahon
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Meeds
Milford
Miller
Mills
Minish
Mink
Mizell
Moakley
Montgomery
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
O'Hara
Passman
Patten
Pepper
Pickle
Pike
Preyer
Price, Ill.
Rarick
Rees
Rinaldo
Roberts
Rodino
Roe
Rose
Runnels
Ruth
Ryan
St Germain
Sandman
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Snyder
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stuckey
Studds
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thornton
Tiernan
Traxler
Van Deerlin
Vander Veen
Waggonner
Walsh
Ware
White
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wright
Wyman
Young, Tex.
Zablocki
Zion

NOT VOTING—101

Andrews, N.C.
Ashbrook
Ashley
Bell
Biester
Bingham
Blackburn
Brasco
Buchanan
Burgener
Burke, Fla.
Burton
Butler
Carey, N.Y.
Chappell
Chisholm
Collins, Ill.
Conyers
Corman
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Dickinson
Diggs
Donohue
Dorn
Esch
Fish
Flynt
Ford
Fraser
Frenzel
Fuqua
Goodling
Green, Oreg.
Griffiths
Gude
Hanna
Hawkins
Hays
Hébert
Hinshaw
Howard
Hudnut
Hutchinson
Ichord
Karth
King
Kluczynski
Koch
Kuykendall
Landrum
Lehman
Lent
Litton
Lujan
McKay
McSpadden
Mazzoli
Minshall, Ohio
Mitchell, Md.
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Nichols
Nix
Pettis
Peyser
Poage
Powell, Ohio
Price, Tex.
Quillen
Rangel
Reid
Rhodes
Robison, N.Y.
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Schneebeli
Sebelius
Steele
Steiger, Ariz.
Steiger, Wis.
Symms
Ullman
Vander Jagt
Whalen
Williams
Wyatt
Wydler
Young, Alaska
Zwach

So the amendment offered as a substitute, as amended, for the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Alabama (Mr. Jones), as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. Natcher) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, pursuant to House Resolution 1139, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HARSHA. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Harsha moves to recommit the bill H.R. 10701 to the Committee on Public Works.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 318, nays 9, not voting 106, as follows:

[Roll No. 282]

YEAS—318

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biaggi
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Devine
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Foley
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Hosmer
Huber
Hungate
Hunt
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
Kyros
Lagomarsino
Latta
Leggett
Long, La.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rarick
Regula
Reuss
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Rooney, Pa.
Rose
Rousselot
Roy
Runnels
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—9

Brooks
Harsha
Holtzman
Landgrebe
Long, Md.
Maraziti
Sandman
Stark
Van Deerlin

NOT VOTING—106

Andrews, N.C.
Ashbrook
Ashley
Bell
Biester
Bingham
Blackburn
Brasco
Burgener
Burke, Fla.
Burton
Butler
Carey, N.Y.
Chappell
Chisholm
Collins, Ill.
Conyers
Corman
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Dickinson
Diggs
Donohue
Dorn
Esch
Fish
Flynt
Ford
Fraser
Frenzel
Fulton
Fuqua
Goodling
Green, Oreg.
Griffiths
Gude
Hanna
Hansen, Wash.
Hawkins
Hays
Hébert
Hinshaw
Horton
Howard
Hudnut
Hutchinson
Ichord
Karth
King
Kluczynski
Koch
Kuykendall
Landrum
Lehman
Lent
Litton
Lujan
McKay
McSpadden
Mazzoli
Minshall, Ohio
Mitchell, Md.
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Nichols
Nix
Patman
Pettis
Peyser
Poage
Powell, Ohio
Price, Tex.
Quillen
Rangel
Rees
Reid
Rhodes
Riegle
Robison, N.Y.
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Schneebeli
Sebelius
Steele
Steelman
Steiger, Ariz.
Symms
Ullman
Vander Jagt
Whalen
Williams
Wyatt
Wydler
Young, Alaska
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mrs. Hansen of Washington.

Mr. Hays with Mr. Patman.

Mr. Rooney of New York with Mr. Riegle.

Mr. Howard with Mr. Roncalio of New York.

Mr. Brasco with Mr. Symms.

Mr. Flynt with Mr. Moorhead of California.

Mr. Murphy of New York with Mr. Lujan.

Mr. Diggs with Mr. Culver.

Mr. Nix with Mrs. Griffiths.

Mr. Bingham with Mr. Kuykendall.

Mr. Fraser with Mr. Minshall of Ohio.

Mr. Danielson with Mr. Derwinski.

Mr. Mazzoli with Mr. King.

Mr. Roybal with Mr. Hutchinson.

Mrs. Chisholm with Mr. Ashley.

Mr. Nichols with Mr. Dickinson.

Mr. Carey of New York with Mr. Ashbrook.

Mr. Reid with Mr. Bell.

Mrs. Collins of Illinois with Mrs. Green of Oregon.

Mr. Dent with Mr. Esch.

Mr. Donohue with Mr. Biester.

Mr. Koch with Mr. Fulton.

Mr. Mitchell of Maryland with Mr. Ullman.

Mr. Dominick V. Daniels with Mr. Fish.

Mr. Chappell with Mr. Blackburn.

Mr. Burton with Mr. Frenzel.

Mr. Rangel with Mr. Lehman.

Mr. Hawkins with Mr. McKay.

Mr. Davis of Georgia with Mr. Goodling.

Mr. Hanna with Mr. Burke of Florida.

Mr. Mollohan with Mr. Horton.

Mr. Corman with Mr. Gude.

Mr. Litton with Mr. Hudnut.

Mr. Dorn with Mr. Butler.

Mr. Ford with Mr. Lent.

Mr. Conyers with Mr. McSpadden.

Mr. Fuqua with Mr. Quillen.

Mr. Kluczynski with Mr. Pettis.

Mr. Landrum with Mr. Robinson of Virginia.

Mr. Ichord with Mr. Powell of Ohio.

Mr. Andrews of North Carolina with Mr. Price.

Mr. Karth with Mr. Peyser.

Mr. Roncalio of Wyoming with Mr. Schneebeli.

Mr. Roush with Mr. Ruppe.

Mr. Steele with Mr. Sebelius.

Mr. Rosenthal with Mr. Steiger of Arizona.

Mr. Rostenkowski with Mr. Vander Jagt.

Mr. Rees with Mr. Whalen.

Mr. Wydler with Mr. Williams.

Mr. Young of Alaska with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend the remarks which I made in the Committee of the Whole today on the bill just passed, and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CONFERENCE REPORT ON H.R. 14368, ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. MACDONALD filed the following conference report and statement on the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1085)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Section 1. Short title; purpose.

(a) This Act, including the following table of contents, may be cited as the "Energy Supply and Environmental Coordination Act of 1974".

TABLE OF CONTENTS

Sec. 1. Short title; purpose.
Sec. 2. Coal conversion and allocation.
Sec. 3. Suspension authority.
Sec. 4. Implementation plan revisions.
Sec. 5. Motor vehicle emissions.
Sec. 6. Conforming amendments.
Sec. 7. Protection of public health and environment.
Sec. 8. Energy conservation study.
Sec. 9. Report.
Sec. 10. Fuel economy study.
Sec. 11. Reporting of energy information.
Sec. 12. Enforcement.
Sec. 13. Extension of Clean Air Act authorization.
Sec. 14. Definitions.

(b) The purposes of this Act are (1) to provide for a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment, and (2) to provide requirements for reports respecting energy resources.

Sec. 2. Coal conversion and allocation.

(a) The Federal Energy Administrator—

(1) shall, by order, prohibit any powerplant, and

(2) may, by order, prohibit any major fuel burning installation, other than a powerplant,

from burning natural gas or petroleum products as its primary energy source, if the Federal Energy Administrator determines such powerplant or installation on the date of enactment of this Act has the capability and necessary plant equipment to burn coal, and if the requirements of subsection (b) are met.

(b) The requirements referred to in subsection (a) are as follows:

(1) An order under subsection (a) may not be issued with respect to a powerplant or installation unless the Federal Energy Administrator finds (A) that the burning of coal by such plant or installation, in lieu of petroleum products or natural gas, is practicable and consistent with the purposes of this Act, (B) that coal and coal transportation facilities will be available during the period the order is in effect, and (C) in the case of a powerplant, that the prohibition under subsection (a) will not impair the reliability of service in the area served by such plant. Such an order shall be rescinded or modified to the extent the Federal Energy Administrator determines that any requirement described in subparagraph (A), (B), or (C) of this paragraph is no longer met; and such an order may at any time be modified if the Federal Energy Administrator determines that such order, as modified, complies with the requirements of this section.

(2) (A) Before issuing an order under subsection (a) which is applicable to a powerplant or installation for a period ending on or before June 30, 1975, the Federal Energy Administrator (i) shall give notice to the public and afford interested persons an opportunity for written presentations of data, views, and arguments, (ii) shall consult with the Administrator of the Environmental Protection Agency, and (iii) shall take into account the likelihood that the powerplant or installation will be permitted to burn coal after June 30, 1975.

(B) An order described in subparagraph (A) of this paragraph shall not become effective until the date which the Administrator of the Environmental Protection Agency certifies pursuant to section 119(d) (1) (A) of such Act is the earliest date that such plant or installation will be able to comply with the air pollution requirements which will be applicable to it. Such order shall not be effective for any period certified by the Administrator of the Environmental Protection Agency pursuant to section 119(d) (3) (B) of such Act.

(3) (A) Before issuing an order under subsection (a) which is applicable to a powerplant or installation after June 30, 1975 (or modifying an order to which paragraph (2) applies, so as to apply such order to a powerplant or installation after such date), the Federal Energy Administrator shall give notice to the public and afford interested persons an opportunity for oral and written presentations of data, views, and arguments.

(B) An order (or modification thereof) described in subparagraph (A) of this paragraph shall not become effective until (i) the Administrator of the Environmental Protection Agency notifies the Federal Energy Administrator under section 119(d) (1) (B) of the Clean Air Act that such plant or installation will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a compliance date extension under section 119(c) of such Act, or (ii) if such notification is not given, the date which the Administrator of the Environmental Protection Agency certifies pursuant to section 119(d)(1)(B) of such Act is the earliest date that such plant or installation will be able to comply with all applicable requirements of such section 119. Such order (or modification) shall not be effective during any period certified by the Administrator of the Environmental Protection Agency under section 119(d)(3)(B) of such Act.

(c) The Federal Energy Administrator may require that any powerplant in the early planning process (other than a combustion gas turbine or combined cycle unit) be designed and constructed so as to be capable of using coal as its primary energy source. No powerplant may be required under this subsection to be so designed and constructed, if the Administrator determines that (1) to do so is likely to result in an impairment of reliability or adequacy of service, or (2) an adequate and reliable supply of coal is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the Federal Energy Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner to recover any capital investment made as a result of any requirement imposed under this subsection.

(d) The Federal Energy Administrator may, by rule or order, allocate coal (1) to any powerplant or major fuel-burning installation to which an order under subsection (a) has been issued, or (2) to any other person to the extent necessary to carry out the purposes of this Act.

(e) For purposes of this section:

(1) The term "powerplant" means a fossil-fuel fired electric generating unit which produces electric power for purposes of sale or exchange.

(2) The term "coal" includes coal derivatives.

(f)(1) Authority to issue orders or rules under subsections (a) through (d) of this section shall expire at midnight, June 30, 1975. Such a rule or order may take effect at anytime before January 1, 1979.

(2) Authority to amend, repeal, rescind, modify, or enforce such rules or orders shall expire at midnight, December 31, 1978; but the expiration of such authority shall not affect any administrative or judicial proceeding which relates to any act or omission which occurred prior to January 1, 1979.

Sec. 3. Suspension authority.

Title I of the Clean Air Act is amended by adding at the end thereof the following new section:

"ENERGY-RELATED AUTHORITY

"SEC. 119. (a) For purposes of this section:

"(1) The term 'stationary source fuel or emission limitation' means any emission limitation, schedule or timetable of compliance, or other requirement, which is prescribed under this Act (other than this section, or section 111(b), 112, or 303) or contained in an applicable implementation plan (other than a requirement imposed under authority described in section 110(a)(2)(F)(v)), and which limits, or is designed to limit, stationary source emissions resulting from combustion of fuels, including a prohibition on, or specification of, the use of any fuel of any type, grade, or pollution characteristic.

"(2) The term 'air pollution requirement' means any emission limitation, schedule or timetable for compliance, or other requirement, which is prescribed under any Federal, State, or local law or regulation, including this Act (except for any requirement prescribed under subsection (c) or (d) of this section, section 110(a)(2)(F)(v), or section 303), and which limits stationary source emissions resulting from combustion of fuels (including a prohibition on, or specification of, the use of any fuel of any type, grade, or pollution characteristic).

"(3) The terms 'stationary source' and 'source' have the same meaning as the term 'stationary source' has under section 111(a)(a); except that such terms include any owner or operator (as defined in section 111(a)(5)) of such source.

"(4) The term 'coal' includes coal derivatives.

"(5) The term 'primary standard condition' means a limitation, requirement, or other measure, prescribed by the Administrator under subsection (d)(2)(A) of this section.

"(6) The term 'regional limitation' means the requirement of subsection (c)(2)(D) of this section.

"(b)(1)(A) The Administrator may, for any period beginning on or after the date of enactment of this section and ending on or before June 30, 1975, temporarily suspend any stationary source fuel or emission limitation as it applies to any person—

"(i) if the Administrator finds that such person will be unable to comply with any such limitation during such period solely because of unavailability of types or amounts of fuels (unless such unavailability results from an order under section 2(a) of the Energy Supply and Environmental Coordination Act of 1974), or

"(ii) if such person is a source which is described in subsection (c)(1) (A) or (B) of this section and which has converted to coal, and the Administrator finds that the source will be able to comply during the period of the suspension with all primary standard conditions which will be applicable to such source.

Any suspension under this paragraph, the imposition of any interim requirement on which such suspension is conditioned under paragraph (3) of this subsection, and the imposition of any primary standard condition which relates to such suspension, shall be exempted from any procedural requirements set forth in this Act or in any other provision of Federal, State, or local law; except as provided in subparagraph (B) of this paragraph.

"(B) The Administrator shall give notice to the public and afford interested persons an opportunity for written and oral presentations of data, views, and arguments prior to issuing a suspension under subparagraph (A), or denying an application for such a suspension, unless otherwise provided by the Administrator for good cause found and published in the Federal Register. In any case, before issuing such a suspension, he shall give actual notice to the Governor of the State in which the affected source or sources are located, and to appropriate local governmental officials (as determined by the Administrator). The issuing or denial of such a suspension, the imposition of an interim requirement, and the imposition of any primary standard condition shall be subject to judicial review only on the grounds specified in paragraph (2)(B), (2)(C), or (2)(D), of section 706 of title 5, United States Code, and shall not be subject to any proceeding under section 304(a)(2) or 307 (b) and (c) of this Act.

"(2) In issuing any suspension under paragraph (1), the Administrator is authorized to act on his own motion or upon application by any person (including a public officer or public agency).

"(3) Any suspension under paragraph (1) shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall include, but need not be limited to, (A) a requirement that the persons receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary, (B) such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment of health of persons, and (C) in the case of a suspension under paragraph (1)(A)(i), requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are in fact reasonable available (as determined by the Administrator) to such person.

"(c)(1) Except as provided in paragraph (2) of this subsection, the Administrator shall issue a compliance date extension to any fuel-burning stationary source—

"(A) which is prohibited from using petroleum products or natural gas by reason of an order which is in effect under section 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, or

"(B) which the Administrator determines began conversion to the use of coal as its primary energy source during the period beginning on September 15, 1973, and ending on March 15, 1974,

and which, on or after September 15, 1973, converts to the use of coal as its primary energy source. If a compliance date extension is issued to a source, such source shall not, until January 1, 1979, be prohibited, by reason of the application of any air pollution requirement, from burning coal which is available to such source, except as provided in subsection (d)(3). For purposes of this paragraph, the term 'began conversion' means action by the source during the period beginning on September 15, 1973, and ending on March 15, 1974 (such as entering into a contract binding on such source for obtaining coal, or equipment or facilities to burn coal; expanding substantial sums to permit such source to burn coal; or applying for an air pollution variance to enable such source to burn coal) which the Administrator finds evidences a decision (made prior to March 15, 1974) to convert to burning coal as a result of the unavailability of an adequate supply of fuels required for compliance with the applicable implementation plan, and a good faith effort to expeditiously carry out such decision.

"(2)(A) A compliance date extension under paragraph (1) of this subsection may be issued to a source only if—

(i) the Administrator finds that such source will not be able to burn coal which is available to such source in compliance with all applicable air pollution requirements without a compliance date extension,

(ii) the administrator finds that the source will be able during the period of the compliance date extension to comply with all the primary standard conditions which are required under subsection (d)(2) to be applicable to such source, and with the regional limitation if applicable to such source, and

(iii) the source has submitted to the Administrator a plan for compliance for such source which the Administrator has approved.

A plan submitted under clause (iii) of the preceding sentence shall be approved only if it meets the requirements of regulations prescribed under subparagraph (B). The Administrator shall approve or disapprove any such plan within 60 days after such plan is submitted.

"(B) Not later than 90 days after the date of enactment of this section, the Administrator shall prescribe regulations requiring that any source to which a compliance date extension applies submit and obtain approval of its means for and schedule of compliance with the requirements of subparagraph (C) of this paragraph. Such regulations shall include requirements that such schedules shall include dates by which any such source must—

"(i) enter into contracts (or other obligations enforceable against such source) which the Administrator has approved as being adequate to provide for obtaining a long-term supply of coal which enables such source to achieve the emission reduction required by subparagraph (C), or

"(ii) if coal which enables such source to achieve such emission reduction is not available to such source, enter into contracts (or other obligations enforceable against such source) which the Administrator has approved as being adequate to provide for obtaining (I) a long-term supply of other coal, and (II) continuous emission reduction systems necessary to permit such source to burn such coal, and to achieve the degree of emission reduction required by subparagraph (C).

Regulations under this subparagraph shall provide that contracts or other obligations required to be approved under this subparagraph must be approved before they are entered into (except that a contract or obligation which was entered into before the date of enactment of this section may be approved after such date).

"(C) Regulations under subparagraph (B) shall require that the source achieve the most stringent degree of emission reduction that such source would have been required to achieve under the applicable implementation plan which was in effect on the date of submittal (under subparagraph (B) of this paragraph) of the means for and schedule of compliance (or if no applicable implementation plan was in effect on such date, under the first applicable implementation plan which takes effect after such date). Such degree of emission reduction shall be achieved as soon as practicable, but not later than December 31, 1978; except that, in the case of a source for which a continuous emission reduction system is required for sulfur-related emissions, reduction of such emissions shall be achieved on a date designated by the Administrator (but not later than January 1, 1979). Such regulations shall also include such interim requirements as the Administrator determines are reasonable and practicable, including requirements described in subparagraphs (A) and (B) of subsection (b)(3) and requirements to file progress reports.

"(D) A source which is issued a compliance date extension under this subsection, and which is located in an air quality control region in which a national primary ambient air quality standard for an air pollutant is not being met, may not emit such pollutant in amounts which exceed any emission limitation (and may not violate any other requirement) which applies to such source, under the applicable implementation plan for such pollutant. For purposes of this subparagraph, applicability of any such limitation or requirement to a source shall be determined without regard to this subsection or subsection (b).

"(3) A source to which this subsection applies may, upon the expiration of a compliance date extension, receive a one-year postponement of the application of any requirement of an applicable implementation plan under the conditions and in the manner provided in section 110(f).

"(4) The Administrator shall give notice to the public and afford an opportunity for oral and written presentations of data, views, and arguments before issuing any compliance date extension, prescribing any regulation under paragraph (2) of this subsection, making any finding under paragraph (2)(A) of this subsection, imposing any requirement on a source pursuant to paragraph (2) or any regulation thereunder, prescribing a primary standard condition under subsection (d)(2) which applies to a source to which an extension is issued under this subsection, or acting on any petition under subsection (d)(2)(C).

"(d)(1)(A) Whenever the Federal Energy Administrator issues an order under section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 which will not apply after June 30, 1975, the Administrator of the Environmental Protection Agency shall certify to him—

"(i) in the case of a source to which no suspension will be issued under subsection (b), the earliest date on which such source will be able to burn coal and to comply with all applicable air pollution requirements, or

"(ii) in the case of a source to which a suspension will be issued under subsection (b) of this section, the date determined under paragraph (2)(B) of this subsection.

"(B) Whenever the Federal Energy Administrator issues an order under section 2(a) of such Act which will apply after June 30, 1975, the Administrator of the Environmental Protection Agency shall notify him if such source will be able, on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a compliance date extension under subsection (c). If such notification is not given—

"(i) in the case of a source which is eligible for a compliance date extension under subsection (c), the Administrator of the Environmental Protection Agency shall certify to the Federal Energy Administrator the date determined under paragraph (2)(B) of this subsection, and

"(ii) in the case of a source which is not eligible for such an extension, the Administrator of the Environmental Protection Agency shall certify to the Federal Energy Administrator the earliest date on which the source will be able to burn coal and to comply with all applicable air pollution requirements.

"(2)(A) The Administrator of the Environmental Protection Agency, after consultation with appropriate States, shall prescribe (and may from time to time, after such consultation modify) emission limitations, requirements respecting pollution characteristics of coal, or other enforceable measures for control of emissions, for each source to which a suspension under subsection (b)(1)(A)(ii) will apply, and for each source to which a compliance date extension under subsection (c)(1) will apply. Such limitations, requirements, and measures shall be those which he determines must be complied with by the source in order to assure (throughout the period that the suspension or extension will be in effect) that the burning of coal by such source will not result in emissions which cause or contribute to concentrations of any air pollutant in excess of any national primary ambient air quality standard for such pollutant.

"(B) Whenever the Administrator prescribes a limitation, requirement, or measure under subparagraph (A) of this paragraph with respect to a source, he shall determine the earliest date on which such source will be able to comply with such limitation, requirement, or measure, and with any regional limitation applicable to such source.

"(C) An air pollution control agency may petition the Administrator (A) to modify any limitation, requirement, or other measure under this paragraph so as to assure compliance with the requirements of this paragraph, or (B) to issue to the Federal Energy Administration the certification described in paragraph (3)(B) on the grounds described in clause (iii) thereof. The Administrator shall take the action requested in the petition, or deny the petition, within 90 days after the date of receipt of the petition.

"(3)(A) If the Administrator determines that a source to which a suspension under subsection (b)(1)(A)(ii) or to which a compliance date extension under subsection (c)(1) applies is not in compliance with any primary standard condition, or that a source to which a compliance date extension applies is not in compliance with a regional limitation applicable to it, he shall (except as provided in subparagraph (B)) either—

"(i) enforce compliance with such condition or limitation under section 113, or

"(ii) (after notice to the public and affording an opportunity for interested persons to present data, views, and arguments, including oral presentations, to the extent practicable) revoke such suspension or compliance date extension.

"(B) If the Administrator finds that for any period—

"(i) a source, to which an order under section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 applies, will be unable to comply with a primary standard condition or regional limitation,

"(ii) such a source will not be in compliance with such a condition or limitation, but such condition or limitation cannot be enforced because of a court order restraining its enforcement, or

"(iii) the burning of coal by such a source will result in an increase in emissions of any air pollutant for which national ambient air quality standards have not been promulgated (or an air pollutant which is transformed in the atmosphere into an air pollutant for which such a standard has not been promulgated), and that such increase may cause (or materially contribute to) a significant risk to public health,

he shall notify the Federal Energy Administrator of his finding and certify the period for which such order under such section 2(a) shall not be in effect with respect to such source. Subject to the conditions of the preceding sentence, such certification may be modified from time to time. For purposes of this subsection, subsection (c), and section 2(a) or (b) of the Energy Supply and Environmental Coordination Act of 1974, a source shall be considered unable to comply with an air pollution requirement (including a primary standard condition or regional limitation) only if necessary technology or other alternative methods of control are not available or have not been available for a sufficient period of time.

"(4) Nothing in this Act shall prohibit a State, political subdivision of a State, or agency or instrumentality of either, from enforcing any primary standard condition or regional limitation.

"(5) A conversion to coal (A) to which a suspension under subsection (b) or a compliance date extension under subsection (c) applies or (B) by reason of an order under section 2(a) of the Energy Supply and Environmental Coordination Act of 1974 shall not be deemed to be a modification for purposes of section 111(a)(2) and (4) of this Act.

"(e) The Administrator may, by rule, establish priorities under which manufacturers of continuous emission reduction systems necessary to carry out subsection (c) shall provide such systems to users thereof, if he finds that priorities must be imposed in order to assure that such systems are first provided to sources in air quality control regions in which national primary ambient air quality standards have not been achieved. No rule under this subsection may impair the obligation of any contract entered into before the date of enactment of this section. To the extent necessary to carry out this section, the Administrator may prohibit any State or political subdivision of a State or an agency or instrumentality of either, from requiring any person to use a continuous emission reduction system for which priorities have been established under this subsection, except in accordance with such priorities.

"(f) No State, political subdivision of a State, or agency or instrumentality of either, may require any person to whom a suspension has been issued under subsection (b)(1) to use any fuel the unavailability of which is the basis of such person's suspension (except that this subsection shall not apply to requirements identical to Federal requirements under subsection (b)(3) or subsection (d)(2)).

"(g)(1) It shall be unlawful for any person to whom a suspension has been issued under subsection (b)(1) to violate any requirement on which the suspension is conditioned pursuant to subsection (b)(3) or any primary standard condition applicable to him.

"(2) It shall be unlawful for any person to fail to comply with any requirement under subsection (c), or any regulation, plan, or schedule thereunder (including a primary standard condition or regional limitation), which is applicable to such person.

"(3) It shall be unlawful for any person to violate any rule under subsection (e).

"(4) It shall be unlawful for any person to fail to comply with an interim requirement under subsection (i)(3).

"(h) Nothing in this section shall affect the power of the Administrator to deal with air pollution presenting an imminent and substantial endangerment to the health of persons under section 303 of this Act.

"(i)(1) In order to reduce the likelihood of early phaseout of existing electric generating powerplants, any electric generating powerplant (A) which, because of the age and condition of the plant, is to be taken out of service permanently no later than January 1, 1980, according to the power supply plan (in existence on January 1, 1974) of the owner or operator of such plant, (B) for which a certification to that effect has been filed by the owner or operator of the plant with the Environmental Protection Agency and the Federal Power Commission, and (C) for which such Commission has determined that the certification has been made in good faith and that the plan to cease operations no later than January 1, 1980, will be carried out as planned in light of existing and prospective power supply requirements, shall be eligible for a single one-year postponement as provided in paragraph (2).

"(2) Prior to the date on which any powerplant eligible under paragraph (1) is required to comply with any requirement of an applicable implementation plan, such plant may apply (with the concurrence of the Governor of the State in which such plant is located) to the Administrator to postpone the applicability of such requirement to such plant for not more than one year. If the Administrator determines, after considering the risk to public health and welfare which may be associated with a postponement, that compliance with any such requirement is not reasonable in light of the projected useful life of the plant, the availability of rate base increases to pay for the costs of such compliance, and other appropriate factors, then the Administrator shall grant a postponement of any such requirement.

"(3) The Administrator shall, as a condition of any postponement under paragraph (2), prescribe such interim requirements as are practicable and reasonable in light of the criteria in paragraph (2).

"(j)(1) The Administrator may, after public notice and opportunity for presentation of data, views, and arguments in accordance with section 553 of title 5, United States Code, and after consultation with the Federal Energy Administrator, designate persons with respect to whom fuel exchange requirements should be imposed under paragraph (2) of this subsection. The purpose of such designation shall be to avoid or minimize the adverse impact on public health and welfare of any suspension under subsection (b) of this section or conversion to coal to which subsection (c) applies or of any allocation under section 2(d) of the Energy Supply and Environmental Coordination Act of 1974 or under the Emergency Petroleum Allocation Act of 1973.

(2) The Federal Energy Administrator shall exercise his authority under section 2(d) of the Energy Supply and Environmental Coordination Act of 1974 and under the Emergency Petroleum Allocation Act of 1973 with respect to persons designated by the Administrator of the Environmental Protection Agency under paragraph (1) in order to require the exchange of any fuel subject to allocation under such Acts effective no later than forty-five days after the date of such designation, unless the Federal Energy Administrator determines, after consultation with the Administrator of the Environmental Protection Agency, that the costs or consumption of fuel, resulting from requiring such exchange, will be excessive.

"(k)(1) The Administrator shall study, and report to Congress not later than six months after the date of enactment of this section, with respect to—

"(A) the present and projected impact of fuel shortages and fuel allocation programs on the program under this Act;

"(B) availability of continuous emission reduction technology (including projections respecting the time, cost, and number of units available) and the effects that continuous emission reduction systems would have on the total environment and on supplies of fuel and electricity;

"(C) the number of sources and locations which must use such technology based on projected fuel availability data;

"(D) a priority schedule for installation of continuous emission reduction technology, based on public health or air quality;

"(E) evaluation of availability of technology to burn municipal solid waste in electric powerplants or other major fuel burning installations, including time schedules, priorities, analysis of pollutants which may be emitted (including those for which national ambient air quality standards have not been promulgated), and a comparison of health benefits and detriments from burning solid waste and of economic costs;

"(F) evaluation of alternative control strategies for the attainment and maintenance of national ambient air quality standards for sulfur oxides within the time for attainment prescribed in this Act, including associated considerations of cost, time for attainment, feasibility, and effectiveness of such alternative control strategies as compared to stationary source fuel and emission regulations;

"(G) proposed priorities, for continuous emission reduction systems which do not produce solid waste, for sources which are least able to handle solid waste by-products of such systems;

"(H) plans for monitoring or requiring sources to which this section applies to monitor the impact of actions under this section on concentrations of sulfur dioxide in the ambient air; and

"(I) steps taken pursuant to authority of section 110(a)(3)(B) of this Act.

"(2) Beginning January 1, 1975, the Administrator shall publish in the Federal Register, at no less than one-hundred-and-eighty-day intervals, the following:

"(A) A concise summary of progress reports which are required to be filed by any person or source owner or operator to which subsection (c) applies. Such progress reports shall report on the status of compliance with all requirements which have been imposed by the Administrator under such subsection.

"(B) Up-to-date findings on the impact of this section upon—

"(i) applicable implementation plans, and

"(ii) ambient air quality."

Sec. 4. Implementation plan revisions.

(a) Section 110(a) of the Clean Air Act is amended in paragraph (3) by inserting "(A)" after "(3)" and by adding at the end thereof the following new subparagraph:

"(B) As soon as practicable, the Administrator shall, consistent with the purposes of this Act and the Energy Supply and Environmental Coordination Act of 1974, review each State's applicable implementation plans and report to the State on whether such plans can be revised in relation to fuel burning stationary sources (or persons supplying fuel to such sources) without interfering with the attainment and maintenance of any national ambient air quality standard within the period permitted in this section. If the Administrator determines that any such plan can be revised, he shall notify the State that a plan revision may be submitted by the State. Any plan revision which is submitted by the State shall, after public notice and opportunity for public hearing, be approved by the Administrator if the revision relates only to fuel burning stationary sources (or persons supplying fuel to such sources), and the plan as revised complies with paragraph (2) of this subsection. The Administrator shall approve or disapprove any revision no later than three months after its submission."

(b) Subsection (c) of section 110 of the Clean Air Act is amended by inserting "(1)" after "(c)"; by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and by adding at the end thereof the following new paragraph:

"(2)(A) The Administrator shall conduct a study and shall submit a report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committee on Public Works of the United States Senate not later than three months after date of enactment of this paragraph on the necessity of parking surcharge, management of parking supply, and preferential bus/carpool lane regulations as part of the applicable implementation plans required under this section to achieve and maintain national primary ambient air quality standards. The study shall include an assessment of the economic impact of such regulations, consideration of alternative means of reducing total vehicle miles traveled, and an assessment of the impact of such regulations on other Federal and State programs dealing with energy or transportation. In the course of such study, the Administrator shall consult with other Federal officials including, but not limited to, the Secretary of Transportation, the Federal Energy Administrator, and the Chairman of the Council on Environmental Quality.

"(B) No parking surcharge regulation may be required by the Administrator under paragraph (1) of this subsection as a part of an applicable implementation plan. All parking surcharge regulations previously required by the Administrator shall be void upon the date of enactment of this subparagraph. This subparagraph shall not prevent the Administrator from approving parking surcharges if they are adopted and submitted by a State as part of an applicable implementation plan. The Administrator may not condition approval of any implementation plan submitted by a State on such plans including a parking surcharge regulation.

"(C) The Administrator is authorized to suspend until January 1, 1975, the effective date or applicability of any regulations for the management of parking supply or any requirement that such regulations be a part of an applicable implementation plan approved or promulgated under this section. The exercise of the authority under this subparagraph shall not prevent the Administrator from approving such regulations if they are adopted and submitted by a State as part of an applicable implementation plan. If the Administrator exercises the authority under this subparagraph, regulations requiring a review or analysis of the impact of proposed parking facilities before construction which take effect on or after January 1, 1975, shall not apply to parking facilities on which construction has been initiated before January 1, 1975.

"(D) For purposes of this paragraph—

"(i) The term 'parking surcharge regulation' means a regulation imposing or requiring the imposition of any tax, surcharge, fee, or other charge on parking spaces, or any other area used for the temporary storage of motor vehicles.

"(ii) The term 'management of parking supply' shall include any requirement providing that any new facility containing a given number of parking spaces shall receive a permit or other prior approval, issuance of which is to be conditioned on air quality considerations.

"(iii) The term 'preferential bus/carpool lane' shall include any requirement for the setting aside of one or more lanes of a street or highway on a permanent or temporary basis for the exclusive use of buses or carpools, or both.

"(E) No standard, plan, or requirement, relating to management of parking supply or preferential bus/carpool lanes shall be promulgated after the date of enactment of this paragraph by the Administrator pursuant to this section, unless such promulgation has been subjected to at least one public hearing which has been held in the area affected and for which reasonable notice has been given in such area. If substantial changes are made following public hearings, one or more additional hearings shall be held in such area after such notice."

Sec. 5. Motor vehicle emissions.

(a) Section 202(b)(1)(A) of the Clean Air Act is amended by striking out "1975" and inserting in lieu thereof "1977"; and by inserting after "(A)" the following: "The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the interim standards which were prescribed (as of December 1, 1973) under paragraph (5) (A) of this subsection for light-duty vehicles and engines manufactured during model year 1975."

(b) Section 202(b)(1)(B) of such Act is amended by striking out "1976" and inserting in lieu thereof "1978"; and by inserting after "(B)" the following: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the standards which were prescribed (as of December 1, 1973) under subsection (a) for light-duty, vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines maufactured during model year 1977 shall contain standards which provide that such emissions from such vehicles and engines may not exceed 2.0 grams per vehicle mile."

(c) Section 202(b)(5)(A) of such Act is amended to read as follows:

"(5)(A) At any time after January 1, 1975, any manufacturer may file with the Administrator an application requesting the suspension for one year only of the effective date of any emission standard required by paragraph (1)(A) with respect to such manufacturer for light-duty vehicles and engines manufactured in model year 1977. The Administrator shall make his determination with respect to any such application within sixty days. If he determines, in accordance with the provisions of this subsection, that such suspension should be granted, he shall simultaneously with such determination prescribe by regulation interim emission standards which shall apply (in lieu of the standards required to be prescribed by paragraph (1)(A) of this subsection) to emissions of carbon monoxide or hydrocarbons (or both) from such vehicles and engines manufactured during model year 1977."

(d) Section 202(b)(5)(B) of the Clean Air Act is repealed and the following subparagraphs redesignated accordingly.

Sec. 6. Conforming amendments.

(a)(1) Section 113(a)(3) of the Clean Air Act is amended by striking out "or" before "112(c)", by inserting a comma in lieu thereof, and by inserting after "hazardous emissions)" the following: ", or 119(g) (relating to energy-related authorities)".

(2) Section 113(b)(3) of such Act is amended by striking out "or 112(c)" and inserting in lieu thereof ", 112(c), or 119(g)".

(3) Section 113(c)(1)(C) of such Act is amended by striking out "or section 112(c)" and inserting in lieu thereof ", section 112(c), or section 119(g)".

(4) Section 114(a) of such Act is amended by inserting "119 or" before "303".

(b) Section 116 of the Clean Air Act is amended by inserting "119 (c), (e) and (f)," before "209".

(c)(1) The second sentence of subsection (b) of section 307 of such Act is amended by inserting ", or his action under section 119(c)(2) (A), (B), or (C) or under regulations thereunder," after "111(d)'.

(2) The third sentence of such subsection is amended by striking out "or approval" and inserting in lieu thereof ", approval, or action".

Sec. 7. Protection of public health and environment.

(a) Any allocation program provided for in section 2 of this Act or in the Emergency Petroleum Allocation Act of 1973, shall, to the maximum extent practicable, include measures to assure that available low sulfur fuel will be distributed on a priority basis to those areas of the United States designated by the Administrator of the Environmental Protection Agency as requiring low sulfur fuel to avoid or minimize adverse impact on public health.

(b) In order to determine the health effects of emissions of sulfur oxides to the air resulting from any conversions to burning coal to which section 119 of the Clean Air Act applies, the Department of Health, Education, and Welfare shall, through the National Institute of Environmental Health Sciences and in cooperation with the Environmental Protection Agency, conduct a study of chronic effects among exposed populations. The sum of $3,500,000 is authorized to be appropriated for such a study. In order to assure that long-term studies can be conducted without interruption, such sums as are appropriated shall be available until expended.

(c)(1) No action taken under the Clean Air Act shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856).

(2) No action under section 2 of this Act for a period of one year after initiation of such action shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. However, before any action under section 2 of this Act that has a significant impact on the environment is taken, if practicable, or in any event within sixty days after such action is taken, an environmental evaluation with analysis equivalent to that required under section 102(2)(C) of the National Environmental Policy Act, to the greatest extent practicable within this time constraint, shall be prepared and circulated to appropriate Federal, State, and local government agencies and to the public for a thirty-day comment period after which a public hearing shall be held upon request to review outstanding environmental issues. Such an evaluation shall not be required where the action in question has been preceded by compliance with the National Environmental Policy Act by the appropriate Federal agency. Any action taken under section 2 of this Act which will be in effect for more than a one-year period or any action to extend an action taken under section 2 of this Act to a total period of more than one year shall be subject to the full provisions of the National Environmental Policy Act, notwithstanding any other provision of this Act.

(d) In order to expedite the prompt construction of facilities for the importation of hydroelectric energy thereby helping to reduce the shortage of petroleum products in the United States, the Federal Power Commission is hereby authorized and directed to issue a Presidential permit pursuant to Executive Order 10485 of September 3, 1953, for the construction, operation, maintenance, and connection of facilities for the transmission of electric energy at the borders of the United States without preparing an environmental impact statement pursuant to section 102 of the National Environmental Policy Act of 1969 (83 Stat. 856) for facilities for the transmission of electric energy between Canada and the United States in the vicinity of Fort Covington, New York.

Sec. 8. Energy conservation study.

(a) The Federal Energy Administrator shall conduct a study on potential methods of energy conservation and, not later than six months after the date of enactment of this Act, shall submit to Congress a report on the results of such study. The study shall include, but not be limited to, the following:

(1) the energy conservation potential of restricting exports of fuels or energy-intensive products or goods, including an analysis of balance-of-payments and foreign relations implications of any such restrictions;

(2) alternative requirements, incentives, or disincentives for increasing industrial recycling and resource recovery in order to reduce energy demand, including the economic costs and fuel consumption tradeoff which may be associated with such recycling and resource recovery in lieu of transportation and use of virgin materials; and

(3) means for incentives or disincentives to increase efficiency of industrial use of energy.

(b) Within ninety days of the date of enactment of this Act, the Secretary of Transportation, after consultation with the Federal Energy Administrator, shall submit to the Congress for appropriate action an "Emergency Mass Transportation Assistance Plan" for the purpose of conserving energy by expanding and improving public mass transportation systems and encouraging increased ridership as alternatives to automobile travel.

(c) Such plan shall include, but shall not be limited to—

(1) recommendations for emergency temporary grants to assist States and local public bodies and agencies thereof in the payment of operating expenses incurred in connection with the provision of expanded mass transportation service in urban areas;

(2) recommendations for additional emergency assistance for the purchase of buses and rolling stock for fixed rail, including the feasibility of accelerating the timetable for such assistance under section 142(a)(2) of title 23, United States Code (the "Federal Aid Highway Act of 1973"), for the purpose of providing additional capacity for and encouraging increased use of public mass transportation systems;

(3) recommendations for a program of demonstration projects to determine the feasibility of fare-free and low-fare urban mass transportation systems, including reduced rates for elderly and handicapped persons during nonpeak hours of transportation;

(4) recommendations for additional emergency assistance for the construction of fringe and transportation corridor parking facilities to serve bus and other mass transportation passengers;

(5) recommendations on the feasibility of providing tax incentives for persons who use public mass transportation systems.

Sec. 9. Report.

The Administrator of the Environmental Protection Agency shall report to Congress not later than January 31, 1975, on the implementation of sections 3 through 7 of this Act.

Sec, 10. Fuel economy study.

Title II of the Clean Air Act is amended by redesignating section 213 as section 214 and by adding the following new section:

"FUEL ECONOMY IMPROVEMENT FROM NEW MOTOR VEHICLES

"SEC. 213. (a) (1) The Administrator and the Secretary of Transportation shall conduct a joint study, and shall report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committees on Public Works and Commerce of the United States Senate within one hundred and twenty days following the date of enactment of this section, concerning the practicability of establishing a fuel economy improvement standard of 20 per centum for new motor vehicles manufactured during and after model year 1980. Such study and report shall include, but not be limited to, the technological problems of meeting any such standard, including the leadtime involved; the test procedures required to determine compliance; the economic costs associated with such standard, including any beneficial economic impact; the various means of enforcing such standard; the effect on consumption of natural resources, including energy consumed; and the impact of applicable safety and emission standards. In the course of performing such study, the Administrator and the Secretary of Transportation shall utilize the research previously performed in the Department of Transportation, and the Administrator and the Secretary shall consult with the Federal Energy Administrator, the Chairman of the Council on Environmental Quality, and the Secretary of the Treasury. The Office of Management and Budget may review such report before its submission to such committees of the Congress, but such Office may not revise the report or delay its submission beyond the date prescribed for its submission, and may submit to Congress its comments respecting such report. In connection with such study, the Administrator may utilize the authority provided in section 307(a) of this Act to obtain necessary information.

"(2) For the purpose of this section, the term 'fuel economy improvement standard' means a requirement of a percentage increase in the number of miles of transportation provided by a manufacturer's entire annual production of new motor vehicles per unit of fuel consumed, as determined for each manufacturer in accordance with test procedures established by the Administrator pursuant to this Act. Such term shall not include any requirement for any design standard or any other requirement specifying or otherwise limiting the manufacturer's discretion in deciding how to comply with the fuel economy improvement standard by any lawful means."

Sec. 11. Reporting of energy information.

(a) For the purpose of assuring that the Federal Energy Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information, the Federal Energy Administrator shall request, acquire, and collect such energy information as he determines to be necessary to assist in the formulation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973. The Federal Energy Administrator shall promptly promulgate rules pursuant to subsection (b) (1) (A) of this section requiring reports of such information to be submitted to the Federal Energy Administrator at least every ninety calendar days.

(b) (1) In order to obtain energy information for the purpose of carrying out the provisions of subsection (a), the Federal Energy Administrator is authorized—

(A) to require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (at other than the retail level) of energy resources to submit reports;

(B) to sign and issue subpenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents;

(C) to require any person, by general or special order, to submit answers in writing to interrogatories, requests for reports or for other information; and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Federal Energy Administrator may determine; and

(D) to administer oaths.

(2) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Federal Energy Administrator, the Federal Energy Administrator, or any officer or employer duly designated by him, upon presenting appropriate credentials and a written notice from the Federal Energy Administrator to the owner, operator, or agent in charge, may—

(A) enter, at reasonable times, any business premise or facility; and

(B) inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

(3) Any United States district court within the jurisdiction of which any inquiry is carried on may, upon petition by the Attorney General at the request of the Federal Energy Administrator, in the case of refusal to obey a subpena or order of the Federal Energy Administrator issued under this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) (1) The Federal Energy Administrator shall exercise the authorities granted to him under subsection (b) (1) (A) to develop, within thirty days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;

(B) imports; and

(C) inventories;

of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal.

(2) For each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Federal Energy Administrator shall develop and publish a report containing the following energy information:

(A) Imports of crude oil, residual fuel oil, refined petroleum products (byproduct), natural gas, and coal, identifying (with respect to each such oil, product, gas, or coal) country of origin, arrival point, quantity received, and the geographic distribution within the United States.

(B) Domestic reserves and production of crude oil, natural gas, and coal.

(C) Refinery activities, showing for each refinery within the United States (i) the amounts of crude oil run by such refinery, (ii) amounts of crude oil allocated to such refinery pursuant to regulations and orders of the Federal Energy Administrator, his delegate pursuant to the Emergency Petroleum Allocation Act of 1973, or any other person authorized by law to issue regulations and orders with respect to the allocation of crude oil, (iii) percentage of refinery capacity utilized, and (iv) amounts of products refined from such crude oil.

(D) Report of inventories, on a national, regional, and State-by-State basis—

(i) of various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) of various refined petroleum products, previous quarter deliveries and anticipated three-month available supplies;

(iii) of anticipated monthly supply of refined petroleum products, amount of set-aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(iv) of LPG by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

(d) Upon a showing satisfactory to the Federal Energy Administrator by any person that any energy information obtained under this section from such person would, if made public, divulge methods or processes entitled to protection as trade secrets or other proprietary information of such person, such information, or portion thereof, shall be confidential in accordance with the provisions of section 1905 of title 18, United States Code; except that such information, or part thereof, shall not be deemed confidential for purposes of disclosure, upon request, to (1) any delegate of the Federal Energy Administrator for the purpose of carrying out this Act and the Emergency Petroleum Allocation Act of 1973, (2) the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office, when necessary to carry out those agencies' duties and responsibilities under this and other statutes, and (3) the Congress, or any committee of Congress upon request of the Chairman.

(e) As used in this section:

(1) The term "energy information" includes (A) all information in whatever form on (i) fuel reserves, exploration, extraction, and energy resources (including petrochemical feedstocks) wherever located; (ii) production, distribution, and consumption of energy and fuels wherever carried on; and (B) matters relating to energy and fuels, such as corporate structure and proprietary relationships, costs, prices, capital investment, and assets, and other matters directly related thereto, wherever they exist.

(2) The term "person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose, wherever situated, domiciled, or doing business, who directly or through other persons subject to their control does business in any part of the United States.

(3) The term "United States" when used in the geographical sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(f) Information obtained by the Administration under authority of this Act shall be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

(g) (1) The authority contained in this section is in addition to, independent of, not limited by, and not in limitation of, any other authority of the Federal Energy Administrator.

(2) The provisions of this section expire at midnight, June 30, 1975, but such expiration shall not affect any administrative or judicial proceeding which relates to any act or failure to act if such act or failure to act was not in compliance with the requirements and authorities of this section and occurred prior to midnight, June 30, 1975.

Sec. 12. Enforcement.

(a) It shall be unlawful for any person to violate any provision of section 2 (relating to coal conversion and allocation) or section 11 (relating to energy information) or to violate any rule, regulation, or order issued pursuant to any such provision.

(b)(1) Whoever violates any provision of subsection (a) shall be subject to a civil penalty of not more than $2,500 for each violation.

(2) Whoever willfully violates any provision of subsection (a) shall be fined not more than $5,000 for each violation.

(3) It shall be unlawful for any person to offer for sale or distribute in commerce any coal in violation of an order or regulation issued pursuant to section 2(d). Any person who knowingly and willfully violates this paragraph after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to section 2(d) shall be fined not more than $50,000, or imprisoned not more than six months, or both.

(4) Whenever it appears to the Federal Energy Administrator or any person authorized by the Federal Energy Administrator to exercise authority under this section 2 or section 11 of this Act that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of subsection (a) the Federal Energy Administrator or such person may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by subsection (a).

(5) Any person suffering legal wrong because of any act or practice arising out of any violation of subsection (a) may bring a civil action for appropriate relief, including an action for a declaratory judgment or writ of injunction. United States district courts shall have jurisdiction of actions under this paragraph without regard to the amount in controversy. Nothing in this paragraph shall authorize any person to recover damages.

Sec. 13. Extension of Clean Air Act Authorization.

(a) Section 104(c) of the Clean Air Act is amended by striking "and $150,000,000 for the fiscal year ending June 30, 1974" and inserting in lieu thereof ", $150,000,000 for the fiscal year ending June 30, 1974, and $150,000,000 for the fiscal year ending June 30, 1975."

(b) Section 212(i) of such Act is amended by striking "three succeeding fiscal years." and inserting in lieu thereof "four succeeding fiscal years.".

(c) Section 316 of such Act is amended by striking "and $300,000,000 for the fiscal year ending June 30, 1974" and inserting in lieu thereof ", $300,000,000 for the fiscal year ending June 30, 1974, and $300,000,000 for the fiscal year ending June 30, 1975".

Sec. 14. Definitions.

(a) For purposes of this Act and the Clean Air Act, the term "Federal Energy Administrator" means the Administrator of the Federal Energy Administration established by Federal Energy Administration Act of 1974 (Public Law 93–275); except that until such Administrator takes office and after such Administration ceases to exist, such term means any officer of the United States designated as Federal Energy Administrator by the President for purposes of this Act and section 119 of the Clean Air Act.

(b) For purposes of this Act, the term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (as defined in section 3(5) of the Emergency Petroleum Allocation Act of 1973).

And the Senate agree to the same.

Harley O. Staggers,
Torbert H. Macdonald,
John E. Moss,
John D. Dingell,
Paul G. Rogers,
Samuel L. Devine,
Ancher Nelsen,
James T. Broyhill,
James F. Hastings,
Managers on the Part of the House.

Jennings Randolph,
Edmund S. Muskie,
Joseph M. Montoya,
Howard Baker,
Robert T. Stafford,
Henry M. Jackson,
Alan Bible,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SECTION 1. SHORT TITLE; PURPOSE

House bill

Section 1(b) of the House bill set forth the purpose of the bill: to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and enhance the environment, and to provide requirements for reports respecting energy resources.

Senate amendment

Section 1(b) of the Senate amendment was identical to the House bill, except for the deletion of the reference to reporting requirements which reflected the Senate deletion of the provisions of the House bill relating to reporting of energy information.

Conference substitute

The conference substitute adopts the House provision.

SECTION 2. COAL CONVERSION AND ALLOCATION

House bill

Section 10 of the House bill required the Administrator of the Federal Energy Administration ("FEA"), to the extent practicable and consistent with the objectives of the bill, by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of the bill to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of the bill, had the capability and necessary plant equipment to burn coal. Any installation to which such an order would apply was permitted to continue to use coal and coal derivatives as provided in section 119(b) of the Clean Air Act. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the Administrator of FEA was directed to prohibit the use of natural gas and petroleum products for those installations where the use of coal would have the least adverse environmental impact. A prohibition on use of natural gas and petroleum products under this provision of the House bill would have been contingent on the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area.

The Administrator of FEA was directed under the House bill to require that fossil-fuel-fired electric powerplants in the early planning process (other than combustion gas turbine and combined cycle units) be designed and constructed so as to be capable of using coal as a primary energy source instead of or in addition to other fossil fuels. No fossil-fuel-fired electric powerplant would be required to be so designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) if an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design or construction requirement, the Administrator was directed to consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

Under this section, the FEA Administrator was authorized by rule to prescribe a system for allocation of coal to users thereof in order to attain the objectives specified in this section.

Senate amendment

The Senate amendment differed from the House bill in these respects: (1) Prohibition orders on the use of petroleum products or natural gas were not authorized to be issued to plants located in air quality control regions in which national primary ambient air quality standards are now being exceeded or where the use of coal would cause concentrations of air pollutants to exceed national primary standard levels; (2) the duty to perform an environmental balancing analysis and the responsibility to establish conversion priorities on an environmental basis in a case of a short supply of coal, which responsibilities were vested by the House bill in the FEA Administrator, were deleted; (3) the FEA Administrator was authorized but not required to compel powerplants in the design stage to be designed and built so as to be capable of burning coal; and (4) authority "to enforce" orders prohibiting burning of petroleum products or natural gas was not terminated on June 30, 1975. The effect of this last change was to provide that the mandatory orders prohibiting use of natural gas and petroleum products issued prior to June 30, 1975, could be made effective and enforced without time restriction thereafter.

Under the Senate amendment conversion to coal could only be ordered in accordance with section 119(b) of the Clean Air Act and therefore could not cause an "unavailability" of conforming fuel under section 119(a) of that Act. Thus, short-term suspension under section 119(a) would not be available to converters or other plants subject to a prohibition order.

CONFERENCE SUBSTITUTE

Section 2(a) of the conference substitute contains the provisions of the House bill and Senate amendment which required the FEA Administrator to prohibit any existing electric powerplant with the capability and necessary plant equipment to burn coal from burning natural gas or petroleum products as its primary energy source. The effect of this provision is to require FEA to issue such prohibition orders not only to powerplants which are burning petroleum products or natural gas, but also to those which are burning coal. In the former case, the effect of the prohibition order will be to require conversion to the burning of coal as the source's primary energy source. In the latter case, the effect will be to prevent such plant from switching to the burning of petroleum products or natural gas

The requirement under section 2(a) that FEA prohibit use of natural gas and petroleum products is subject to several qualifications and limitations. First, it applies only to powerplants (as defined in section 2(e)(1)); with respect to other major fuel-burning installations FEA is authorized, but not required, to issue such prohibition orders.

Second, only powerplants and major fuel-burning installations which have the capability and necessary plant equipment to burn coal on the date of enactment can be subject to an FEA prohibition order. "Capability" and "necessary plant equipment," as used in this section, include necessary coal handling facilities and appurtenances both inside and outside the plant; necessary land for storage of coal; equipment such as unloaders, conveyors, pulverizers, scales, burners, soot blowers, and special coal-burning instrumentation and controls. These latter are necessary not only to maintain dependable operation, but to assure operational safety, since coal firing is often a much less stable operation than that obtainable with natural gas or petroleum products.

It is not intended, however, to imply that the absence of any one or combination of these facilities or equipment would be grounds for concluding that the facility lacked capability or necessary plant equipment to burn coal. Nor is it intended that this condition be applied in an overly rigid or strict fashion which would frustrate the intent of the section to encourage burning of coal in lieu of petroleum products or natural gas.

Third, prohibition orders shall be issued, shall become effective, and shall remain in effect only in accordance with the findings and requirements of subsection (b). With respect to any powerplant or major fuel-burning installation, the FEA Administrator is authorized to issue a prohibition order only if he finds that the burning of coal is practicable and consistent with the purposes of the bill and that sufficient supplies of coal and coal transportation facilities will be available to plants expected to burn coal during the period the order will be in effect. Assessment of the availability of coal would take into consideration the practicability of its production, transportation to the powerplant, and of any State laws or policies limiting its extraction or use.

With respect to a powerplant, the FEA Administrator must make the additional finding that the prohibition will not impair the reliability of service in the area served by the plant. These findings must be made before a prohibition order may lawfully be issued by FEA.

In addition to findings required of FEA, certain action by the Administrator of the Environmental Protection Agency (EPA) is required before any prohibition order which has been issued by FEA may be made effective.

A prohibition order which FEA intends to apply for a period ending on or before June 30, 1975, could not become effective until the date which EPA certifies pursuant to section 119(d)(1)(A) of such Act is the earliest date that such plant or installation will be able to comply with the air pollution requirements which will be applicable to it.

In the case of a prohibition order which EPA intends to be in effect after June 30, 1975, the order may not take effect until (i) EPA notifies the FEA under section 119(d)(1)(B) of the Clean Air Act that such plant or installation will be able on and after July 1, 1975, to burn coal and to comply with all applicable air pollution requirements without a compliance date extension under section 119(c) of such Act, or (ii) if such notification is not given, the date which the EPA certifies pursuant to section 119(d)(1)(B) of such Act is the earliest date that such plant or installation will be able to comply with all applicable requirements of such section 119. In addition, an order will not be effective for any period certified by EPA under section 119(d)(3)(B) of such Act.

In making the determinations referred to above, the EPA Administrator is to consider only the physical and technological feasibility of the plant or installation complying with the Clean Air Act requirements while subject to a prohibition order. He is not to consider economic feasibility of compliance. The reasonableness of the costs of compliance (and the economic feasibility of compliance) are matters solely to be considered by the Administrator of FEA in determining the practicability of a prohibition order issued under this section.

If the FEA Administrator determines that unreasonably high costs of compliance would be imposed upon a plant or installation which would be required to convert to coal and comply with the requirements of section 119 of the Clean Air Act (or existing requirements under that Act), he may conclude that he cannot make the finding of practicability under section 2(a)(1)(A) of this Act. If he were to reach such a conclusion, he would not be authorized to issue a prohibition order.

If such an order had already been issued and the FEA Administrator subsequently determined that compliance with its terms and with Clean Air Act requirements would not be practicable, he would be required to rescind the order, or to modify the order so that compliance would be practicable. In no event, however, is the Administrator of FEA authorized to override or modify Clean Air Act requirements (which are and will be in effect under the existing Clean Air Act or prescribed under section 119) in order to make practicable the implementation of a prohibition order.

Of course, whether or not it is physically possible for a plant or installation to burn coal and meet requirements of the Clean Air Act depends on the type of coal to be burned and the availability of emission control equipment, in addition to other factors. Thus, when EPA exercises its judgment under section 119(d) of the Clean Air Act, its findings will be in conditional terms as provided in that section.

These conditional findings are important for two reasons. These conditions are to form the basis for the Administrator's action under section 119 of the Clean Air Act (in making findings, granting suspensions, prescribing primary standard conditions and interim requirements, etc.). Moreover, until such conditions are capable of being met by the plant or source, no prohibition order under section 2(a) of this Act may become effective.

This does not mean that the prohibition order's effectiveness is contingent upon actual compliance by the plant or installation with Clean Air Act requirements. If this were the policy, a plant or installation could resist such a prohibition order merely by refusing to comply with Clean Air Act requirements. The conferees do not intend to permit such a result. A prohibition order will not be in effect if the source is unable to comply with Clean Air Act requirements; however, if the source is able to comply but fails to do so, the prohibition order could stay in effect and the source would be subject to enforcement action under the Clean Air Act.

Under section 119(d), if a source to which a suspension or compliance date extension applies fails to comply with any primary standard condition or with any regional limitation applicable to it, the EPA Administrator must either enforce compliance with such condition or limitation under section 113 or, after appropriate procedure, revoke the suspension or compliance date extension. In the latter case, the source would have to comply with all air pollution requirements which would have otherwise been applicable without the suspension or compliance date extension.

Further discussion of primary standard condition and the regional limitation are to be found in the discussion of section 3 of the conference substitute (the new section 119 of the Clean Air Act). However, it is important to note that the provision of section 119(d) of the Clean Air Act relating to pollutants for which national ambient air quality standards have not been prescribed (which provision is also discussed there) is intended to have a different effect than these other two requirements. While the Administrator of EPA must make a finding that a plant or installation will be able to meet the primary standard condition and the regional limitation (or the requirements under the existing Act) before a prohibition order may become effective, such a prior finding with respect to the plant or installation's ability to meet the provision respecting such pollutants is not necessary. All that is required is that a prohibition order cease to be effective during any period during which the EPA Administrator notifies the FEA Administrator that burning coal by the plant or installation will not be consistent with such provision.

Still a fourth qualification on the mandate of section 2(a) is to be found in the procedural and consultative measures which are provided for in connection with the issuance of these prohibition orders. Furthermore, prohibition orders must be issued no later than June 30, 1975, although they may be modified or made effective thereafter.

In light of this limitation on FEA's order issuing authority, the conference substitute requires only informal and expedited procedures prior to the issuance of such orders. No formal adjudication or rulemaking is intended, nor is 5 U.S.C. 554, 556, or 557 to apply in the issuance of such orders or in any other proceeding under this Act or under section 119 of the Clean Air Act. To the extent that *constitutional* requirements may necessitate some opportunity for cross-examination with respect to some issues of fact, it is anticipated by the conferees that this opportunity would be provided by the courts in judicial review or enforcement proceedings or by means of a remand to the appropriate Administrator.

As used in the conference substitute, the term "interested persons" includes the public. Consequently, whenever the conference substitute (including the provisions which amend the Clean Air Act) requires notice and opportunity for presentation of views, the public must be afforded notice and must be given the same opportunity to present views as other interested persons.

While the conference substitute does not require FEA *consultation* with the Federal Power Commission, the conferees intend that, to the maximum extent practicable prior to the exercise of any authority under this section, the FEA Administrator should consult with all affected departments and agencies of government (including the FPC) in order to obtain recommendations of such agencies covering matters within their administrative jurisdiction and expertise. For example, the physical conversion of electric generating facilities from petroleum products or natural gas firing to coal firing may have implications respecting adequacy and reliability of bulk power supply, matters within the FPC's jurisdiction under the Federal Power Act.

In order to assure that the conferees' intent to encourage the combustion of coal where practicable and consistent with the broad purpose of the Act would not be unduly delayed or frustrated by endless litigation, the conferees adopted the Senate amendment which deleted the third sentence of section 10(a) of the House-passed bill (requiring that conversions be required with respect to plants or installations where the conversion would have the least environmental impact, in the case of a short supply of coal). This decision does not mean that FEA should ignore such considerations. The conferees chose not to impose such a requirement, but rather intend to direct FEA to take account of such factors insofar as practicable after consultation with EPA.

A fifth limitation on section 2(a) is that all prohibition orders and all modifications thereof must expire no later than January 1, 1979.

Section 2(c) of the conference substitute also authorizes the Administrator of FEA to require that fossil-fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal as a primary energy source. (The conferees recognize that any new powerplant would have to comply with applicable new source performance standards under the Clean Air Act.) The conferees thus adopted the discretionary provision of the Senate amendment in this respect. Moreover, no fossil-fuel-fired electric powerplant may be required to be so designed and constructed, if (1) to do so is likely to result in impairment of reliability or adequacy of service, or (2) an adequate and reliable supply of coal is not expected to be available. In considering whether to impose a design or construction requirement, the Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of requirements imposed under this provision.

Subsection (d) authorizes the FEA Administrator to allocate coal (1) to any powerplant or major fuel-burning installation to which a prohibition order has been issued under subsection (a), or (2) to any other person as may be necessary to effectuate the purposes of this Act.

The FEA Administrator's authority to issue (but not to amend or enforce) rules or orders to allocate coal expires July 30, 1975

It is the conferees' intention to require the FEA Administrator, if he finds it necessary to allocate coal after June 30, 1975, to ensure that the purposes of the bill are carried out, to do so pursuant to general rules which he has promulgated before such date. These rules should establish procedures and criteria for allocating coal after such date as may be necessary for assuring that coal producers or suppliers (or other persons handling coal) will expeditiously comply with any allocation made pursuant to such rules or orders. In addition, any rules or orders issued before July 1, 1975, could be amended as necessary to carry out the purposes of the bill. Thus, a direction after June 30, 1975, to a person to supply coal to a user pursuant to rules issued before that date would not be barred by the June 30, 1975, expiration date for issuing rules or orders. Rules and orders under section 2(d) should also specify procedures for FEA to respond to EPA's designation of persons to whom fuel exchange orders should be issued under section 119(j) of the Clean Air Act and to effectuate the requirement of section 7(a) of this Act.

SECTION 3. SUSPENSION AUTHORITY

House bill—short term

Section 2 of the House bill provided for short term suspension of stationary source fuel or emission limitations but, with one exception, did not authorize long-term delay of such limitations. The bill added a new section 119 to the Clean Air Act which permitted the Administrator of the Environmental Protection Agency to suspend until June 30, 1975, or one year after date of enactment (whichever comes first), any stationary source fuel or emission limitation. A suspension could be granted by the Administrator either upon his own motion or upon the application of a source or a State, if the source could not comply with such limitations because of the unavailability of fuel. The Administrator of the Environmental Protection Agency was directed to give prior notice to the Governor of the State and the chief executive of the local government unit where the source is located. He was also directed to give notice to the public and to allow for the expression of views on the suspension prior to granting it unless he finds that good cause exists for not providing such opportunity. Judicial review of such suspension was restricted to certain specified grounds.

The Administrator was required to condition the granting of any suspension upon adoption of any interim requirements that he determined to be reasonable and practicable. These interim requirements were to include necessary reporting requirements, and a provision that the suspension would be inapplicable during any period when clean fuels were available to such source. The Administrator was required to determine when such fuels were in fact available. It was the intent of the House that the Administrator in making such determination take into consideration the costs associated with any changes that would be required to be made by the source to enable it to utilize such fuel. No source which converted to coal and to which section 119(b) applies, however, could be required under this provision to return to the use of oil or natural gas.

The suspension was also to be conditioned on adoption of such measures as the Administrator determined were necessary to avoid an imminent and substantial endangerment to the health of persons. This authorized not only requirements that a facility shut down during air pollution emergencies, but also (for example) a requirement that it keep a reserve supply of clean fuels on hand to be burned to avoid such emergencies.

The purpose of the short term suspension provision was to enable sources to continue operation during any fuel shortage which may exist prior to June 30, 1975, while at the same time limiting as much as possible the impact on air quality.

Senate amendment—short term

The provisions of the Senate amendment were substantially similar to those contained in the House bill, except that, in the intention of the Senate, no plant which was prohibited from burning petroleum products or natural gas under the bill could be considered to be eligible for a short term suspension, solely because of the unavailability of fuels. Such sources were eligible only for suspension of air pollution requirements under the long term provisions of section 119 (b) and then only if they had converted to the burning of coal.

House bill—long term

The bill provided that no air pollution requirement could have the effect of prohibiting any such source from burning coal, except as provided in the conditions specified in section 119 of the Clean Air Act. The bill prohibited the application of such requirements to sources which are either ordered to convert to coal or which began to convert to coal during the period September 15, 1973, and ending on date of enactment of this bill. This prohibition against application of such requirements to such source could in some instances continue until as late as January 1, 1979. The prohibition would only apply if the source were placed, after notice and opportunity for oral presentation of views, on a schedule approved by the Administrator of the Environmental Protection Agency. The schedule would have to provide a time-table for compliance with the fuel or emission limitations of the applicable implementation plan no later than January 1, 1979.

All compliance schedules under section 119(b) also had to provide for compliance with interim requirements that will assure that the source will not materially contribute to a significant risk to public health.

Senate amendment—long term

The Senate amendment contained provisions similar to those in the House bill with these important exceptions:

First, because of the mandatory nature of the Senate's coal conversion provision and the fact that the Senate prohibition on the burning of petroleum products or natural gas could be made effective and enforced at any time, before or after June 30, 1975, the Senate's long term Clean Air Act requirements were imposed on the source; they were not left to the option of the source, as in the House bill.

Second, the Senate amendment limited the provisions pertaining to "voluntary converters" (i.e., those plants which began conversion to coal prior to enactment of the bill) to those which began conversion during the 90-day period prior to December 15, 1973.

Third, the Senate amendment limited the application of section 119(b) to sources (1) which were located outside of a region in which national primary ambient air quality standards are currently being exceeded and (2) which would not, as a result of a conversion to coal, cause or contribute to concentrations of air pollutants in excess of primary standards. The House bill contained no such limitation.

Conference substitute

Section 3 of the conference substitute adds a new section 119 of title I of the Clean Air Act.

Section 119(a).—Definitions. Section 119 (a) defines terms used in the new section 119.

Section 119(b)(1).—Short-term suspensions. Subsection (b) of the new section 119 establishes the conditions under which short-term suspension of stationary source fuel or emission limitations may be granted by the Administrator of the Environmental Protection Agency.

Two types of persons are eligible for a suspension during the period ending June 30, 1975. The first is any person whom the Administrator finds will be unable to comply with such limitation during such period solely because of the unavailability of fuels that would permit that person to comply with such limitation. No person to whom a prohibition order has issued under section 2(a) of the Energy Supply and Environmental Coordination Act would be eligible for a suspension of this first type unless he cannot obtain coal which permits compliance with air pollution requirements. Persons who would be eligible for this type of suspension include, but are not limited to, those to whom conforming fuels are unavailable because of strikes, embargoes, accidents, allocation rules, or orders under the Emergency Petroleum Allocation Act or under section 2(d) of this Act, or exchange orders under section 119(j) of the Clean Air Act. (Unavailability does not include unavailability of natural gas and petroleum products by reason of an order under section 2(a) of bill).

The second type of person who may receive short-term suspensions under the Clean Air Act is an owner or operator of a fuel-burning stationary source to which subsection 119 (c)(1)(A) or (B) applies and which has converted to the burning of coal. This group has two subgroups (1) those installations which are prohibited from burning petroleum products or natural gas under section 2(a) of the Energy Supply and Environmental Coordination Act and have, after September 15, 1973, converted to the burning of coal, and (2) those installations which began conversion to the use of coal during the period of September 15, 1973–March 15, 1974, whether or not a prohibition under section 2(a) has been issued with respect to any such installation. No installation which had been burning coal and which did not convert from the burning of petroleum products or natural gas (either in response to a prohibition order or voluntarily beginning during the period September 15, 1973–March 15, 1974) would be eligible for a suspension under section 119 (b)(1)(A)(ii).

In the case of a plant or installation which is described in section 119(c)(1)(A) or (B) and which has converted to burning coal, no short term suspension may be granted by the Administrator of EPA unless he finds that the source will be able to comply with all primary standard conditions which will be applicable to the source.

In addition to the measures he imposes as primary standard conditions, the Administrator is required to condition the granting of any suspension upon adoption of any other interim requirements that he determines are reasonable and practicable. These interim requirements must include necessary reporting requirements and a provision, applicable only to those sources which receive a suspension under section 119(b)(1)(A)(i), that the suspension be inapplicable during any period when clean fuels are available to such source. The Administrator would be required to determine when such fuels are in fact available. It is the intent of the conferees that the EPA Administrator in making a determination to make a short term suspension inapplicable would take into consideration the costs associated with any changes that would be required to be made by the source to enable it to utilize such fuel.

The suspension would also be conditioned on adoption of such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment to the health of persons. This would authorize not only requirements that a facility shut down during air pollution emergencies, but also (for example) a requirement that it keep a reserve supply of clean fuels on hand to be burned to avoid such emergencies.

Section 119(b)(2). A suspension may be granted by the Administrator either upon his own motion or upon the application of any person or a State. The Administrator is directed to give notice and opportunity for public hearing prior to granting a suspension or denying an application therefor, unless he finds that good cause exists for not providing such opportunity. Before granting a suspension he is also directed to give actual notice to the Governor of the State in which the source or person is located and to appropriate local officials (as determined by the Administrator). Judicial review of such suspension and any related interim requirements and primary standard conditions would be restricted to certain specified grounds.

Section 119(c)(1). Compliance date extension. In recognition of the need to balance energy needs with environmental requirements and the unique problems facing any source which converts to coal in response to the fuel shortage, the conferees adopted a provision that no air pollution requirement (as defined in section 119(a)(2)) could have the effect of prohibiting the burning of coal by any source which is described in section 119(c)(1)(A) or (B), which converts to the burning of coal, and for which the requisite findings have been made under section 119(c)(2)(A), except as provided in section 119(d)(3).

This prohibition against application of such "air pollution requirements" to such source could in some instances continue until as late as January 1, 1979. It would expire on such earlier date as is established pursuant to section 119(c)(2)(B) and (C).

The compliance date extension provision is only applicable to plants or installations which began conversion from petroleum products or natural gas to coal voluntarily between September 15, 1973, and March 15, 1974, or converted from petroleum products or natural gas to coal as a result of an order under section 2.

As noted above, before the provisions of section 119(c)(1) may apply to any person, the Administrator of EPA must make certain findings. First, he must find that the source will be able to comply with all primary standard conditions (just as in the case of a short-term suspension under section 119(b)(1)(A)(ii). Second, he must find that the source will be able to comply with the regional limitation (defined in section 119(a)(6)).

Section 119(d). Primary standard conditions. Primary standard conditions are emission limitations, requirements respecting pollution characteristics of coal, or other enforceable measures for control of emissions which the Administrator determines must be complied with by a source in order to assure that the burning of coal by that source will not result in emissions of any air pollutant which cause or contribute to concentrations of such air pollutant in excess of any national primary ambient air quality standard for that pollutant. The Administrator of EPA may require that the source use intermittent or alternative controls during such period if he determines that such measures are enforceable and will provide the necessary assurance pertaining to attainment and maintenance of the national primary air quality standards.

The decision of which measures to impose is left to the discretion of the Administrator. In the conferees' view, however, specific enforceable requirements must be made applicable to specific sources in order to have an effective air pollution control strategy. Moreover, enforcement of any such requirements should not be made contingent upon a showing that the national primary standard is being exceeded at any place or time. This is not required under the Clean Air Act, as amended in 1970; nor is it required here. The conferees subscribe to the view expressed in S. Rept. No. 91–1196 that: "[National ambient air quality] Standards are only the reference point for the analysis of the factors contributing to air pollution and the imposition of control strategy and tactics."

The regional limitation means, in effect, that no source which is located in an air quality control region (as designated in accordance with section 107 of the Clean Air Act) in which any national primary ambient air quality standard for a particular pollutant is being exceeded may emit that pollutant in amounts which exceed any emission limitation or may violate any other air pollution requirement for that pollutant under the applicable implementation plan. Thus, for instance, if the national primary standard for particulates is being exceeded at any point within an air quality control region, no source located within that region could be permitted by section 119(c) to emit particulates in excess of implementation plan limitations applicable to such source. Sulfur oxide emissions by a source covered by section 119(c) and located in a region exceeding primary standards for particulates could exceed applicable implementation plan limitations for sulfur oxides so long as the national primary standard for sulfur oxides was not being exceeded in the region and the source complies with all primary standard conditions. Moreover, if at any subsequent time it is determined that the national primary standard for particulates is being attained in the region, then such source would no longer be subject to the regional limitation (but of course would continue to be subject to all primary standard conditions).

The purposes of requiring these findings are several. First, since the national primary standards are intended to assure protection of the public health, the conferees felt that no override of air pollution requirements should be permitted if it would cause or contribute to the national primary standards being exceeded. Second, although the conferees did not want to totally preclude conversions to coal in air quality control regions in which national primary standards for any given pollutant may be exceeded, they did want to assure that no implementation plan requirement for such pollutant would be overridden for a source located in such a region.

Primary standard conditions, (including requirements respecting pollution characteristics of coal), regional limitations and other requirements applicable to a source under section 119 would be enforceable under the citizens' suit provisions of the Clean Air Act.

While the source's ability to comply with the regional limitation and primary standard conditions are threshold determinations which must be made prior to the issuance of a compliance date extension under section 119(c)(1), this is not the case with respect to the provision relating to emissions of any air pollutant for which national ambient air quality standards have not been promulgated (or an air pollutant which is transformed in the atmosphere into an air pollutant for which such a standard has not been promulgated). If at any time the Administrator determines that the burning of coal by any source to which section 119(c)(1) applies (or which has received a prohibition order under section 2(a) of this Act but to which section 119(c)(1) does not apply), will result in an increase, which causes (or materially contributes to) a significant risk to public health, in such emissions, he is directed to notify the Administrator of FEA.

Under section 2(b) of this Act, upon receipt of such notice by FEA, the prohibition order section 2(a) would cease to be effective until the EPA Administrator determines that such source no longer causes (or materially contributes) to a significant risk to public health.

In so providing, the conferees did not intend to authorize the Administrator of EPA to circumvent air quality standards and implementation plan procedures and criteria for the regulation of air pollution emissions under the Clean Air Act. However, the conferees are aware of the potential, described in several recent reports, that inadequately considered coal conversion orders may cause or contribute to a significant risk to public health from certain pollutants for which ambient standards have not been prescribed. The pollutants which have been mentioned include sulfuric acid aerosols, sulfate particles, nitrates, cadmium, particulate polycyclic organic matter, arsenic, etc. In the judgment of the conferees, the Administrator of EPA should be authorized to assure that orders prohibiting the burning of petroleum products or natural gas under section 2(a) of the Energy Supply and Environmental Coordination Act would not create major new air pollution threats to health, exacerbate existing serious threats to health as a result of the increased emission of such presently unregulated air pollutants, or prevent sources of such pollutants from reducing a significant risk to health.

Of course, action by the Administrator of EPA to notify FEA and thus to make ineffective a prohibition order on the basis of this determination should not be undertaken without a reasonable basis. To permit such a determination of causing or materially contributing to a significant risk to health to be made on speculative or conjectural bases would be inconsistent with the conferees' strong intention to encourage burning of coal to the maximum extent practicable without endangering public health.

If the Administrator of EPA determines that all primary standard conditions are not being met by any person to whom such conditions are applicable, the Administrator must take one of two actions: he must either commence an enforcement action under section 113 or he must revoke the suspension or compliance date extension. The Administrator is also required to exercise one of these two options if he finds that any person who has converted to coal and who is covered by section 119 (c)(1)(A) or (B) is violating the regional limitation.

If, however, the Administrator finds that a person is unable to comply with all primary standard conditions (and with any revised conditions which he might establish), or with the regional limitation and such person is subject to a prohibition order under section 2(a) of the Energy Supply and Environmental Coordination Act, the EPA Administrator must so notify the FEA Administrator. This notice will cause such an order to cease to be effective with respect to such person, until such time as the EPA Administrator determines that compliance is possible (whether due to an FEA coal allocation order or for other reasons). Similarly, the EPA Administrator is required to give notice to the FEA Administrator, if he determines that any such condition or limitation is unenforceable due to court order. In this instance also the prohibition order ceases to be effective, until EPA determines that such condition or limitation is enforceable.

The conferees reaffirm the following statement of intent from the House report:

There are three basic reasons for the committee's decision to encourage increased burning of coal until at least 1979. First, in order to encourage the opening of new coal mines to increase energy supplies, it is necessary to encourage an on-going substantial demand for such coal. Without reasonable likelihood that new coal mines will be able to market their new production, the opening of new mines and expansion of existing mine capacity may be regarded too risky. Second, to the extent that electric generating power plants can be encouraged to cease burning oil and natural gas, these fuels would be available to meet other energy needs, such as production of gasoline and home heating oil. Finally, since continuous emission reduction technology is available for major sources such as power plants, but is not availabe for sources such as homes, apartment houses, and small businesses, the purpose of the Clean Air Act can be better effectuated by having low pollution oil and natural gas burned to the maximum extent feasible, in sources for which no effective clean-up technology is available.

The committee believes that the priority effort of each source which is subject to section [119(c)] should be to obtain low sulfur coal. If an adequate, long-term supply of low sulfur coal is available to such a source, the Administrator should only approve a plan which requires its use (and thus compliance with air pollution requirements) as expeditiously as practicable. In such a case, the Administrator would have to disapprove a plan which proposed to wait until January 1, 1979, before beginning to burn low sulfur coal. The committee believes that requiring priority consideration to the use of nonmetallurgical low sulfur coal will reduce the likelihood of extended violation of applicable emission standards.

If a source is unable to obtain an adequate, long-term supply of low sulfur coal, it may seek to come into compliance by use of a continuous emission reduction system or by use of coal derivatives which would achieve the required degree of emission reduction. In such case, the source would still be required to act expeditiously to obtain an adequate supply of coal. However, compliance with all air pollution requirements would be required on a date established by the Administrator in the case of a source which will require a continuous emission reduction system for sulfur-related emissions, or as soon as practicable in the case of any other source; but in any case not later than January 1, 1979.

The Administrator would be required to impose, but would not be limited to imposing, the following requirements in any compliance schedule:

(1) the dates by which the source will solicit bids and enter into binding contractual agreements (or other equally binding commitment) for the procurement of an adequate coal supply to permit continued long term operation of the source:

(2) where the coal obtained by the source has sulfur content or other characteristics which will require installation of continuous emission reduction equipment to enable the source to comply with emission limitations, the dates for soliciting bids for such equipment, contracting for such equipment, and installation and start-up of such equipment by a date that will permit a reasonable time for necessary adjustments of the equipment to maximize the reliability and efficiency of the system prior to January 1, 1979; and

(3) reasonable interim measures which the source should employ to minimize the adverse impact on air quality.

In establishing dates for contracting for coal, the Administrator should determine the earliest date that is reasonable and which will permit compliance by the time specified in this section. Because the dates for obtaining coal or continuous emission reduction systems may occur at approximately the same time for more than one source which may over burden supplies, the Administrator is specifically authorized to establish differing dates for obtaining coal or such systems to insure availability of supplies of such coal or equipment. In making such decisions, it is expected that the Administrator will provide the earliest date for those sources in areas with the most serious pollution problems.

It is the intent of the committee that when the coal available to the source necessitates the use of continuous emission reduction equipment for control of sulfur-related emissions, the source will have as much time as necessary to install the equipment and achieve timely compliance, in order to permit the orderly development of technology.

In recognition of the complex factors involved in determining schedules for the various sources, the committee intends that the Administrator have broad discretion in prescribing and approving schedules of compliance to insure that sources meet the requirements of this section without overburdening production capacity for continuous emission reduction systems for sulfur control or causing unacceptable disruption in energy production capacity.

The committee does not intend to permit delay of existing compliance schedules for control of particulate emissions. Some slight delay may be necessary in light of revised compliance schedules for control of sulfur-related emissions. However, only such minor adjustments as the Administrator determines to be unavoidable should be permitted in existing compliance schedules and emission limitations for control of particulates.

While both the House bill and the Senate amendment required sources to which section 119(c) applied to obtain continuous emission reduction systems if long-term supplies of low sulfur coal were unavailable, the House bill would have permitted sources to opt to return to oil or gas after June 30, 1975, in which case this requirement would not have been applicable. By agreeing to the approach embodied in the Senate amendment which requires prohibition orders to be effective after June 30, 1975, and which precludes any source subject to an effective prohibition order from reverting to petroleum products or natural gas, the conference substitute makes the requirement respecting continuous emission reduction systems mandatory with respect to sources unable to obtain low sulfur coal.

The conferees were concerned with the conflicting reports regarding the effectiveness, reliability, cost, and environmental side effects of presently available continuous emission reduction systems for sulfur oxides. Substantial doubts were expressed about each of these points by several of the conferees. The conferees believed, however, that time remains for these systems to be improved prior to the time binding commitments would have to be made to procure such systems under section 119 of the Clean Air Act. Both House and Senate conferees expressed a commitment to carefully review these questions in upcoming hearings and to promptly modify these amendments, if warranted by the information obtained in the course of such review.

The conferees also take note that the term "long-term supply of coal" as used in both the House bill and the Senate amendment, is not defined or explained. It is the intention of the conferees that this term be interpreted in accordance with the broad objectives of this bill. Thus, for instance, sufficiently long-term contracts should be required to assure that new deep mines can and will be opened and that existing mines can and will be significantly expanded to substantially increase the energy supplies which will be available to the Nation. Furthermore, if the contracts are entered into for low sulfur coal, they should be of sufficient duration to assure a comparable degree of reliability of compliance with Clean Air Act requirements as would be provided by the installation of continuous emission reduction systems for control of sulfur oxide emissions.

The conferees also take note of the following statement in the House report:

In two States—Ohio and Kentucky—however, there is no applicable implementation plan in effect. This is so because of the Sixth Circuit Court of Appeals' opinion and order in *Buckeye Power, Inc.* v. *Environmental Protection Agency*, No. 72–1628 (6th Circ. 1973) and consolidated cases. The committee does not intend to preclude sources located in Ohio or Kentucky from eligibility for the exemption provided in section 119(b)(1). Therefore, the language of section 119(b)(2)(B) would permit the Administrator to approve a plan for a source located in either of these states if the plan provides a compliance schedule to achieve "the most stringent degree of emission reduction that such source would have been required to achieve . . . under the first applicable implementation plan which takes effect after" the date of enactment.

The conferees intend to make section 119 applicable to plants and installations located in Ohio and Kentucky.

In the conference substitute, eligibility for the application of section 119(c)(1) is conditioned upon submission and approval of a compliance plan which must meet the requirements of regulations (which EPA must promulgate within 90 days after enactment) requiring any source to which a compliance date extension applies, to submit and obtain approval for its means of and schedule for compliance in accordance with the requirements of section 119(c)(2)(B). Failure to comply with such regulations is a prohibited act enforceable under section 113 of the Clean Air Act.

Moreover, the degree of emission reduction which must ultimately be achieved has been changed to that degree of emission reduction required to be achieved by the applicable implementation plan in effect on the date of submittal of the means of and schedule for compliance (except if no plan is in effect on such date). The purpose of this change was to permit any plan revision under section 4 of this Act to be taken into account if such revision is approved by such date.

SECTION 4. IMPLEMENTATION PLAN REVISIONS

House bill

Section 3 of the House bill provided that the Administrator will only review those State implementation plans for regions in which the application of section 119(b) of the Clean Air Act to sources converting to coal may result in a failure to achieve a national primary ambient air quality standard on schedule. The bill directed the Administrator to order necessary plan revisions within one year after such conversion that would set forth any additional reasonable and practicable measures required to achieve ambient air quality standards. The plan revision would have to consider whether, despite the coal conversion, the national primary ambient standards could be achieved through the use of additional reasonable and practicable measures (which may include energy conservation measures) that were not included in the original plan. In allowing up to a year for the Administrator of the Environmental Protection Agency to act, it was the intent of the House to permit both the Administrator and the States sufficient lead time to obtain adequate information on the impact of coal conversions, both effected and anticipated, and to permit accurate assessment of the additional measures required for State implementation plans.

Senate amendment

The Administrator was required to review State air quality implementation plans to determine whether or not less restrictive emission limitations can be applied to fuel burning stationary sources in designated air quality control regions without causing or contributing to concentrations of air pollutants in excess of applicable primary air quality standards.

Each State retained the authority to determine whether or not, on the basis of the review by the Administrator, a revision of any aspects of applicable implementation plans is appropriate. Should the State decide to revise emission limitations, the Administrator would be required to act on the State's request within 90 days of submission.

TRANSPORTATION CONTROLS

House bill

Section 3 of the House bill amended section 110 of the Clean Air Act to include a provision that parking surcharges must receive explicit authorization by Congress by law before they may legally be imposed by the Environmental Protection Agency. The bill would, however, continue to permit preferential bus/carpool lanes to be implemented by the Environmental Protection Agency as set forth in current transportation control plans.

The bill also empowered the Administrator of the Environmental Protection Agency to suspend for one year the review of new parking facilities.

The House bill also provided that no standard, plan, or requirement relating to management of parking supplies or preferential bus/carpool lanes could be promulgated after enactment, unless there has been a public hearing on such requirement, plan, or standard in the affected area.

Senate amendment

No comparable provision.

Conference substitute

Section 4 of the conference substitute retains the provisions of the House-passed bill pertaining to a prohibition on the imposition of parking surcharges by the Environmental Protection Agency, authority for EPA to suspend for one year the applicability of its parking management regulations (both under its transportation control and indirect source regulations), and the requirement for at least one public hearing prior to the imposition by EPA of any standard, plan, or requirement pertaining to parking management or exclusive carpool/bus lanes. The conferees note that on January 15, 1974, the Administrator of EPA published regulations in the Federal Register implementing the first two provisions which were identical to those contained in S. 2589 as reported by the conferees.

With respect to revision of State implementation plans, section 4 of the conference substitute basically follows the Senate amendment version of the provision with certain modifications intended to emphasize the relationship between this provision and the provisions relating to coal conversion. As soon as practicable after enactment, the EPA Administrator would be required to review applicable implementation plans and report to each State whether such plans could be revised with respect to stationary source fuel burning installations and their suppliers without impairing the State plan's effectiveness to attain and maintain the national ambient standards. States could at any time thereafter revise their plans. If effective to attain and maintain the national ambient standards, such revised plans would be required to be approved by the Administrator.

The conference substitute differs from the Senate amendment in that the Administrator's plan review authority is not restricted to air quality control regions in which the national primary ambient standards are being exceeded. This change, like the whole provision, is intended to permit a mechanism by which EPA's clean fuels policy can be implemented to the extent that States agree to do so and by which conversions to the burning of coal can be effectuated more readily consistent with requirements of the Clean Air Act.

SECTION 5. MOTOR VEHICLE EMISSIONS

House bill

The House bill amended section 202 of the Clean Air Act to continue the emission standards established by the Administrator for 1975 model year automobiles during the 1976 model year. The effect of this provision was to maintain in the 1976 model year a Federal 45-State standard of 1.5 grams per mile of hydrocarbons, 15.0 grams per mile of carbon monoxide and 3.1 grams per mile of oxides of nitrogen, and a Federal standard for California of 0.9 gram per mile of hydrocarbons, 9.0 grams per mile of carbon monoxide, and 2.0 grams per mile of oxides of nitrogen. These standards would apply to automobiles produced by all manufacturers, whether or not any individual manufacturer had applied for or received a suspension under section 202(b)(5) previous to the enactment of this section.

The House bill provided that after January 1, 1975, an automobile manufacturer may seek a single one-year suspension of the statutory standards for hydrocarbons and carbon monoxide applicable to the 1977 model year. The Administrator would be required to establish interim emission standards for 1977 model automobiles for hydrocarbons and carbon monoxide if he grants the suspension.

The House bill amended section 202(b)(1)(B) of the Clean Air Act to establish a maximum emission standard for oxides of nitrogen of 2.0 grams per mile applicable nationwide to 1977 model year automobiles. This defers the previous statutory standard of 0.4 gram per mile of oxides of nitrogen until the 1978 model year. No administrative suspension would be possible from either the 1977 or 1978 NO_x standard. While the 1977 model year standard is a maximum of 2.0 grams per mile nationwide, California retains the right under section 209 of the Clean Air Act to seek a waiver for a more stringent standard.

Senate amendment

Identical to the House bill.

Conference substitute

The conferees retained the provisions of the House bill and Senate amendment.

SECTION 6. CONFORMING AMENDMENTS

House bill

Certain conforming amendments were adopted to assure the enforceability of certain provisions of new section 119 of the Clean Air Act, in addition to other purposes.

Senate amendment

Identical to the House bill.

Conference substitute

Certain additional conforming amendments were necessitated in light of the changes in the coal conversion and suspension authority provisions of the conference substitute. This section incorporates the needed conforming amendments.

SECTION 7. PROTECTION OF PUBLIC HEALTH AND ENVIRONMENT

House bill

This section contained provisions relating to allocation of low sulfur fuel to minimize adverse effects on health and welfare; a study of the health effects of increased sulfur oxides as a result of coal conversions; an exemption of coal conversion orders from the National Environmental Policy Act for one year; and an exemption of a Canada-New York State transmission line from the requirements of the National Environmental Policy Act.

Senate amendment

The Senate amendment contained identical provisions relating to low sulfur fuel allocations, the study of health effects of sulfur oxides, and the one-year exemption of coal conversion orders from the National Environmental Policy Act. The Senate amendment also included a provision to clarify the relationship between the National Environmental Policy Act and the Clean Air Act. Under the Senate amendment, no action taken under the Clean Air Act would be deemed a "major Federal action significantly affecting the human environment" within the meaning of section 102(2)(C) of the National Environmental Policy Act. Thus environmental impact statements under NEPA would not be required to be filed with respect to any action under the Clean Air Act.

Conference substitute

The conference substitute retains the provisions of the House bill, but in addition adds the provision of the Senate amendment which sets forth that no action taken under the Clean Air Act would be deemed a "major Federal action significantly affecting the human environment" within the meaning of section 102(2)(C) of the National Environmental Policy Act.

SECTION 8. ENERGY CONSERVATION STUDIES

House bill

This section contained provisions relating to various energy conservation studies.

Senate amendment

No comparable provision.

Conference substitute

With the exception of two provisions which the conferees deemed duplicative of studies authorized by existing law, the conference substitute retains the provisions of the House bill.

SECTION 9. REPORT

House bill

This section provided for a report by the EPA Administrator on the implementation of sections 2 through 7.

Senate amendment

Identical to the House amendment except for deletion of the reference to section 7.

Conference substitute

The conference substitute provides for a report comparable to that in the Senate amendment.

SECTION 10. FUEL ECONOMY STUDY

House bill

The House bill provided for EPA and the Department of Transportation to conduct a joint study on the feasibility of establishing a 20 percent fuel economy improvement standard for 1980 and later model new motor vehicles.

Senate amendment

No comparable provision.

Conference substitute

The conference substitute retains the provisions of the House bill. In this connection, the conferees' intention is that EPA and DOT should determine whether a 20 percent fuel economy improvement standard is feasible by 1980. If so, the agencies should also notify Congress whether a greater improvement can be realized within such time or whether such improvement can be realized at an earlier date. If not, the agencies should notify Congress of the lesser degree of improvement which can be realized within such time or how much later than 1980 it will be before such an improvement can be achieved.

Furthermore, the conferees wish to emphasize their concurrence with the following statement from the House report:

> The purpose of the jointly conducted study is to eliminate duplication with current, ongoing fuel economy studies.
>
> The committee expects, of course, that any current DOT studies will be coordinated with this study to eliminate any potential duplication and minimize waste of funds.
>
> At the same time, the committee agrees that EPA must be actively involved in any fuel economy analysis to assure consistency between the findings of the study and the statutory requirements for automobile emission reductions.
>
> The committee recognizes that DOT has an equally important safety responsibility but does not have either established test procedures, testing facilities or the expertise on engine technology to perform an independent review.
>
> The committee expects this study to utilize EPA's established emission test procedures in order to avoid inconsistency in any subsequent legislation recommendation.

SECTION 11. REPORTING OF ENERGY INFORMATION

House bill

Section 11(a) of the House bill provided that for the purpose of assuring that the Federal Energy Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of this section, the Federal Energy Administrator, in addition to and not in limitation of any other authority, was to request, acquire, and collect such energy information as he determines to be necessary to assist in the formulation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973. The Federal Energy Administrator was to promptly promulgate rules under the authority of subsection (b) of this section requiring reports of such information to be submitted to the Federal Energy Administrator at least every ninety calendar days.

Subsection (b) of section 11 of the House bill stated that in carrying out the provisions of subsection (a) the Administrator had the power to require, by rule, any person who was engaged in the porduction, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of energy resources to submit reports; sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents; require of any person, by general or special order, answers in writing to interrogatories, requests for report, or other information; and such answers or submissions were to be made within such reasonable period and under oath or otherwise as the Federal Energy Administrator could determine; and to administer oaths.

Subsection (c) of section 11 of the House bill provided that for the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Federal Energy Administrator, officers or employees duly designated by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, could have entered and inspected any facility or business premises, to inventory and sample any stock or energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

Subsection (d) of this section directed the Federal Energy Administrator to exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of the House bill, as full and accurate a measure as is reasonably practicable of domestic reserves and production, imports, and inventories, of crude oil, residual fuel oil, or refined petroleum products, natural gas, and coal. This subsection further directed the Federal Energy Administrator, for each calendar quarter beginning with the first, complete calendar quarter following the date of enactment of the House bill, to develop and publish quarterly reports containing the following:

(1) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(2) Report of domestic reserves and production of crude oil, natural gas, and coal.

(3) Report of crude oil and refinery activity; relating allocation of crude oil to refiners with products to be derived from such crude oil.

(4) Report of inventories, nationally, and by region and State for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions; for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies; for refinery yields of the various refined petroleum products, percent of activity, and type of refinery; with respect to the summary of anticipated monthly supply of refined petroleum products amount of set-aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and with respect to LPG by State and owner; quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

Section 11(e) of House bill provided that where a person shows that all or part of the energy information required by section 11 was being reported by such person to another Federal agency (other than the Bureau of the Census, the Bureau of Labor Statistics, or the Internal Revenue Service), the Administrator could exempt such persons from providing all or part of such energy information to him, and upon such exemption, such Federal agency, notwithstanding any other provision of law was to provide such energy information to the Administrator.

Section 11(f) of the House bill stated upon a showing satisfactory to the Administrator by any person that any energy information obtained under this section from such person or from a Federal agency would, if made public, have divulged methods or processes entitled to protection as trade secrets or other proprietary information of such person, such information, or portion thereof, was to be confidential in accordance with the provisions of section 1905 of title 18 of the United States Code, except that such information or part thereof was not to be deemed confidential for purposes of disclosure, upon request, to (1) any delegate of the Federal Energy Administrator for the purpose of carrying out this bill and the Emergency Petroleum Allocation Act of 1973, (2) the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office when necessary to carry out those agencies' duties and responsibilities under this bill and other statutes, and (3) the Congress or any committee of Congress upon request of the Chairman. This section 11(f) went on to say that the provisions of section 11 were to expire on midnight, June 30, 1975, but such expiration was not to affect any administrative or judicial proceeding pending on such date which related to any act or omission before such date.

Subsection (g) of section 11 contained the defined terms for use in the section.

The term "Federal agency" was to have the meaning of the term "executive agency" as defined in section 105 of title 5, United States Code.

The term "energy information" included all information in whatever form on fuel reserves, exploration, extraction, and energy resources (to include petrochemical feedstocks) wherever located; production, distribution, and consumption of energy and fuels wherever carried on; and included matters relating to energy and fuels, such as corporate structure and proprietary relationships, costs, prices, capital investment and assets, and other matters directly related thereto, wherever they existed.

The term "person" meant any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose, wherever situated, domiciled, or doing business, who directly or through other persons subject to their control did business in any part of the United States, its territories and possessions, the Commonwealth of Puerto Rico, or the District of Columbia.

Subsection (h) of the House bill's section 11 stated that information obtained by the Administrator under authority of this bill was to be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

Subsection (i) of the House bill's section 11 provided that any United States district court within the jurisdiction of which any inquiry was carried on was authorized, upon petition by the Attorney General at the request of the Administrator, in the case of refusal to obey a subpena or order of the Administrator issued under this section, to issue an order requiring compliance therewith; and any failure to obey the order of the court could have been punished by the court as a contempt thereof.

Senate amendment

No provision.

Conference substitute

The conference substitute takes the provisions of section 11 of the House bill with the deletion of subsection (e) thereof and with technical and clarifying changes.

The conferees wish to emphasize two important points with respect to the grant of authority to the Administrator to collect energy related information. First, it should be noted that the authority under this legislation is temporary in nature and will expire on June 30, 1975. This does not represent a decision by the conferees that our informational needs will not extend beyond this point in time. On the contrary, the conferees are convinced that these needs will be with us over the long term and that meeting these needs requires a comprehensive, long term legislative solution. The conferees are aware of the efforts now under way in the Committee on Interior and Insular Affairs of the Senate to develop a centralized energy information agency within the Federal Government. This legislation, S. 2782, the National Energy Information Act, is currently in markup, following extensive hearings and consultation with Federal agencies, industry and other experts in the area during the previous several months. A permanent and comprehensive Energy Information Act is needed to address the long-term energy information needs of the Executive, the Congress, and the public while reducing the burden of duplicative reporting on private industry by coordinating the collection of this information.

The effort represented by S. 2782 should go forward. But we cannot fail to respond to the immediate needs of the short-term situation awaiting the final resolution of the issues which attend the formation of a centralized energy data system.

Secondly, the conferees wish to emphasize that the energy information reporting authorities contained in this bill are intended to be in addition to, independent of, and not limited by any other authority of the Federal Energy Administrator. It is intended thereby to equip the Administrator of the Federal Energy Administration with broad powers, fully enforceable, to reach into any sector of the economy to bring together information relevant to his task and to assure that that information is freely available to the Congress. Moreover, to assure that the public is kept informed on a routine basis, the Administrator is required to publish quarterly reports containing specific and detailed information pertaining to supplies of petroleum products, natural gas, and coal. It is the conferees intention that the making of periodic reports will assure the continued quality and timeliness of the data required to be obtained under this section.

SECTION 12. ENFORCEMENT

House bill

Section 10 of the House bill contained provisions relating to enforcement of orders relating to prohibition of burning of petroleum products or natural gas, coal allocation rules and orders, and energy information reporting requirements.

Senate amendment

Identical to the House bill, except with respect to enforcement of energy information reporting requirements.

Conference substitute

The conference substitute retains the substantive provisions of the House bill. These provisions appear in section 12 of the conference substitute.

SECTION 13. EXTENSION OF CLEAN AIR ACT AUTHORIZATIONS

House bill

No such provision was included.

Senate amendment

This section extends for one year (FY 1975) the authorizations in the Clean Air Act. The purpose of such amendment was to assure that sufficient funds were authorized to be appropriated for FY 1975 in order to permit the Administrator of EPA to meet his obligations and responsibilities under the bill.

Conference substitute

The conference substitute retains the provision of the Senate amendment.

The conferees wish to emphasize, however, that many important legislative issues pertaining to the Clean Air Act have yet to be resolved. Among these are the issues relating to the prevention of significant deterioration, the effectiveness and enforceability of intermittent control strategies, the reliability of existing sulfur emissions control technology, and many others.

The Senate Public Works Committee has already begun to hold hearings on the Clean Air Act. The House Interstate and Foreign Commerce Committee has stated its intent to schedule hearings on these problems and on legislative measures to address them. These hearings will be held before the Public Health and Environment Subcommittee of the House Interstate and Foreign Commerce Committee beginning in June, 1974. The existence of this provision does not in any way alter or postpone this commitment by the House committee to promptly consider the amendments now pending before the Subcommittee.

SECTION 14. DEFINITIONS

House bill

Section 12 of the House bill defines the term "Federal Energy Administrator" for purposes of the bill and the Clean Air Act. That term refers to the Administrator of the Federal Energy Administration, which will be established by the Federal Energy Administration Act of 1974. Until that Administrator takes office, this section provides that the term will refer to an officer of the United States designated by the President.

Senate amendment

No comparable provision was included.

Conference substitute

The conference substitute retains the House bill provision with an additional amendment to explain the meaning of the term "petroleum products" as used in the provisions of both bills pertaining to orders prohibiting the burning of natural gas or petroleum products.

Harley O. Staggers,
Torbert H. Macdonald,
John E. Moss,
John D. Dingell,
Paul G. Rogers,
Samuel L. Devine,
Ancher Nelsen,
James T. Broyhill,
James F. Hastings,
Managers on the Part of the House.

Jennings Randolph,
Edmund S. Muskie,
Joseph M. Montoya,
Howard Baker,
Robert T. Stafford,
Henry M. Jackson,
Alan Bible,
Managers on the Part of the Senate.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader if he will kindly advise us as to the program for the following week.

Mr. O'NEILL. Will the minority whip be kind enough to yield?

Mr. ARENDS. I am glad to yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the week of June 10, 1975, for the House of Representatives is as follows:

Monday is District day. We have one bill, H.R. 15074, the political campaign finance practice regulations.

On Tuesday we have two bills reported unanimously from the Committee on Ways and Means, H.R. 15125, 12-month extension of eligibility of supplemental security income recipients for food stamps—until July 1, 1975, and H.R. 12281, continuing suspension of duties on certain forms of copper through June 30, 1975.

Also on Tuesday we will have H.R. 12165, the Colorado River Basin Salinity Control Act, which is subject to a rule being granted. I understand the Committee on Rules will meet on that on Monday afternoon. Also on Tuesday we have H.R. 10294, the Land Use Planning Act, which has an open rule and 2 hours of general debate.

On Wednesday, Thursday, and Friday, H.R. 14462, the Oil and Gas Energy Tax Act.

On Thursday we will have the Flag Day ceremonies.

Conference reports may be brought up at any time, and any further program or changes will be announced later.

Mr. ARENDS. I thank the gentleman.

Mr. GROSS. Will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

Mr. GROSS. I thank the gentleman for yielding.

I should like to ask the distinguished majority leader why only one bill on Monday and then four bills on Tuesday, including the Land Use Planning Act, which is certainly controversial. Does the gentleman really expect to dispose of those four bills on Tuesday?

Mr. O'NEILL. The answer, of course, is in the affirmative. That is why we have scheduled them. We would have liked to have brought up H.R. 12165, the Colorado River Basin Salinity Control Act on Monday, but the Committee on Rules adjourned very abruptly today. It had been scheduled to act on a rule today.

Consequently we are putting it on for Tuesday. We would have had it on Monday. We promised the floor managers of the Land Use Planning Act some weeks ago that it would be scheduled for June 11, and we are keeping to that schedule.

As you know, the Oil and Gas Energy Tax Act will be up on Wednesday, and I make note of the fact that we say Wednesday, Thursday, and Friday, because there will be a great possibility that we will be working Friday.

There is no other legislation at this time that we could have put on for Monday.

Mr. GROSS. There is nothing that could be brought up to Monday? This apparently will be a repeat performance of this last week of adjournments at 1 o'clock and 1:30.

Mr. O'NEILL. I just want the gentleman to know that it is a constant matter of calling the committees and of calling chairmen and staff directors to get bills up. The gentleman, I am sure, is aware of the fact, of course, that starting with next week we have also planned Friday sessions for the next 3 weeks in a row. We have seven appropriation bills that will be coming up.

Mr. GROSS. I say to my friend that last night we were in until 8 o'clock and tonight we are here until 8 and after.

Then, going back to last Monday, we were through at 1 o'clock in the afternoon, or approximately that time. It is a little bit difficult to assimilate this sort of procedure.

Mr. O'NEILL. Interestingly enough, they used to talk about a "Tuesday to Thursday organization" around here, but I have checked the records for the last year and a half, and we have had an average of 3.4 rollcalls and quorum calls on Mondays.

I am sure the gentleman from Iowa is aware of what is going on in the committees around here. We are actively contacting the chairmen of the committees, and the clerks of the committees, to get programs out as best we can.

Mr. GROSS. I hope we do not discover that there is another golf tournament on next Monday.

Mr. O'NEILL. Mr. Speaker, I had made reference in my earlier remarks, and I direct this particularly to the attention of the gentleman from Iowa (Mr. GROSS) that there was no further business on today, but I neglected to state that there are some printing resolutions that the gentleman from Indiana will be offering.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER TO MONDAY, JUNE 10, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next, June 10, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZATION FOR REPRINTING ADDITIONAL COPIES FOR THE USE OF THE COMMITTEE ON THE JUDICIARY OF THE COMMITTEE PRINT ENTITLED "CONSTITUTIONAL GROUNDS FOR PRESIDENTIAL IMPEACHMENT"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1086) on the resolution (H. Res. 935) authorization for reprinting additional copies for use of the Committee on the Judiciary of the committee print entitled "Constitutional Grounds for Presidential Impeachment," and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 935

Resolved, That there shall be reprinted for use of the House Committee on the Judiciary three thousand additional copies of the committee print entitled "Constitutional Grounds for Presidential Impeachment".

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING OF THE TRANSCRIPT OF THE PROCEEDINGS IN THE COMMITTEE ON RULES OF OCTOBER 25, 1973

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. 93-1087) on the resolution (H. Res. 1006) authorizing the printing of the transcript of the proceedings in the Committee on Rules of October 25, 1973, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 1006

Resolved, That the transcript of the proceedings in the Committee on Rules of October 25, 1973, incident to the presentation of a portrait of the Honorable Ray J. Madden to the Committee on Rules be printed as a House document with illustrations and suitable binding.

SEC. 2. In addition to the usual number, there shall be printed three hundred copies of such document for the use of the Committee on Rules.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO REPRINT THE BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1088) on the concurrent resolution (H. Con. Res. 201) to reprint the brochure entitled "How Our Laws Are Made," and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 201

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", as set out in House Document Numbered 92-323 of the Ninety-second Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, and with a foreword by the Honorable Peter W. Rodino, Junior; and that there be printed two hundred and forty thousand five hundred additional copies, of which twenty thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

With the following committee amendment:

On page 1, line 9, delete "forty thousand five hundred" and insert "forty-one thousand".

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ADDITIONAL COPIES OF OVERSIGHT HEARINGS ENTITLED "STATE POSTSECONDARY EDUCATION COMMISSIONS"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1089) on the concurrent resolution (H. Con. Res. 445) authorizing additional copies of Oversight Hearings entitled "State Postsecondary Education Commission," and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 445

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the Committee on Education and Labor, House of Representatives, one thousand copies of the Oversight Hearings entitled "State Postsecondary Education Commissions", held April 9, 11, and 12, 1973.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TO AUTHORIZE THE PRINTING AS A HOUSE DOCUMENT "OUR FLAG" AND TO PROVIDE FOR ADDITIONAL COPIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1090) on the concurrent resolution (H. Con. Res. 454) to authorize the printing as a House document "Our Flag" and to provide for additional copies, and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 454

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document with illustrations, a revised edition of the House document "Our Flag"; and that two hundred seventy-two thousand and five hundred additional copies be printed, of which two hundred twenty-one thousand shall be for the use of the House of Representatives, and fifty-one thousand five hundred shall be for the use of the Senate.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TO PROVIDE FOR THE PRINTING AS A HOUSE DOCUMENT A REVISED EDITION OF THE HOUSE DOCUMENT "OUR AMERICAN GOVERNMENT. WHAT IS IT? HOW DOES IT WORK?"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-109) on the concurrent resolution (H. Con. Res. 455) to provide for the printing as a House document a revised edition of the House document "Our American Government. What Is It? How Does It Work?" and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 455

Resolved by the House of Representatives (the Senate concurring), That there shall be printed, as a House document, a revised edition of the House document "Our American Goernment. What Is It? How Does It Work?"; and that five hundred and sixty-five thousand additional copies be printed, of which four hundred and forty-two thousand shall be for the use of the House of Representatives and one hundred and three thousand shall be for the use of the Senate, and twenty thousand shall be for the use of the Joint Committee on Printing.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF REPORT ISSUED BY COMMITTEE ON FOREIGN AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1092) on the concurrent resolution (H. Con. Res. 474) authorizing the printing of additional copies of a report isued by the Committee on Foreign Affairs, and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 474

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for use by the Commitee on Foreign Affairs of the House of Representatives ten thousand copies of the report of a study mission to Greece entitled "Controlling the Damage: United States Policy Options for Greece".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF A COMMITTEE PRINT OF SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1093) on the Senate concurrent resolution (S. Con. Res. 73) authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs, and ask for immediate consideration of the Senate concurrent resolution.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 73

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Select Committee on Nutrition and Human Needs five thousand additional copies of its committee print entitled "To Save the Cihldren: Nutritional Intervention Through Supplemental Feeding".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

HELIUM STORAGE ACT OF 1974

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SEBELIUS. Mr. Speaker, as the Nation emerges from the first critical energy shortage it has known in its history, we come to realize the necessity for the development of new techniques and resources to meet our vast energy needs. Today, I am introducing legislation, the Helium Storage Act of 1974, which can go far in meeting those needs through the conserving and storing of helium—a vital natural resource.

This legislation will authorize and direct the Secretary of Interior to store non-Federal helium in the Government underground storage facility in Texas to the credit of the company producing and delivering it. The Hugoton Field in southwest Kansas is the richest known source of helium in the United States. This active field is rapidly being depleted and helium is being vented into the atmosphere as a by product in the refining of natural gas. The facilities are there and the transmission lines to the Texas storage facility are ready for use. All that is required is enactment of this legislation to once again activate this conservation process.

Research into alternate sources of energy relies on the availability of helium. The science of supercold, or cyrogenics, holds the promise of helping solve the energy crisis through its use in the development of nuclear power facilities and the long distance transmission of energy. Helium can be the realization of that promise as a superconductor of electricity.

Helium also has been found beneficial in many areas of scientific research and its technological applications are steadily growing. The exhaustion of our helium resources would wipe out critical research fields in low temperature and solid-state physics as well as superconductive powerlines, magnets, including the new supermagnets that will be needed if controlled thermonuclear fusion is to be developed as a source of energy.

At a time when the greatest future applications of this precious resource are beginning to be clearly seen, we must insure that a ready supply will be there to meet that need. I cannot stress too strongly the need for this legislation to conserve helium. In closing I would like to summarize my feeling regarding the helium conservation program in this way. The cold story goes, alas and alack, when you squeeze out the toothpaste you cannot put it back. This is exactly what is happening with the helium supply at the Hugoton Field.

TRADE OFF ON STRIP MINING

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Arizona (Mr. Udall), is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, I want to take this opportunity to bring to my colleagues' attention a brief and straightforward editorial supporting H.R. 11500, the bill reported by the Interior Committee to regulate coal surface mining. This editorial appeared in the May 25 issue of Business Week. The editorial's appraisal of the bill is concise, accurate, and reflects an understanding of the balances struck in developing H.R. 11500 between the divergent positions on each of the many issues involved:

TRADE-OFF ON STRIP MINING

Environmentalists oppose the strip mining bill reported last week by the House Interior Committee because they think it is too permissive. The coal companies oppose it because they think it is too tough. Actually, it is a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment. The House should adopt it, and a conference committee should reconcile it with a bill already passed by the Senate to give the nation its first effective regulation of a practice that is chewing up 1,200 acres of land a week.

The bill would require strip miners to restore the land to its "approximate original contour." This goal is technologically and economically feasible in most regions, as some operators already have shown.

Restoring the land will increase the cost of coal, but in most cases the additional cost is acceptable. In the flat plains of Wyoming and Montana, stripped land can be restored for pennies per ton, according to a recent study by the National Academy of Sciences. Elsewhere, the cost would be higher, exceeding $1 a ton in some areas. Even so, strip-mined coal will still be cheaper than deep-mined coal.

In areas where restoration is not possible, stripping would have to stop. But the House bill would give the industry three years to shift to seams where reclamation is feasible. The unworked areas could remain as a national reserve, awaiting future technology that would make restoration practical.

The bill would also protect land owners who do not own mineral rights to the coal beneath them. The coal companies would have to get the written consent of the surface owners.

All in all, the bill provides the best trade-off the nation can make. Both the industry and the environmentalists should stop carping and accept it.

THE ILLUSIONS OF DÉTENTE: 15TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Derwinski) is recognized for 30 minutes.

Mr. DERWINSKI. Mr. Speaker, with the background of captive nations analysis provided in the first part of the article "The Illusions of Détente" which was inserted into the Record of June 5, the following section on "Peaceful Coexistence" and eight prominent illusions of détente becomes all the more meaningful and significant. I am inserting the conclusion of the commentary written by Dr. Lev. E. Dobriansky of Georgetown University, in the hope that every American will ponder the points made:

THE COLD WAR: "PEACEFUL COEXISTENCE" AND DÉTENTE

The current confusion over the terms of Cold War, "peaceful coexistence" and détente suggests in itself that the time is ripe for a national re-examination of our policies before we find ourselves too far afield in abetting Moscow's global strategy.[8] Diplomatic smiles, toasts, cultural exchange, summitry and a host of relatively insignificant agreements may be the theatrics of day-to-day politics, but they are no substitute for clearly defined policies attuned to the broad trends and developments depicted here. As Marx said, "Russia only throws out so many notes to the Western diplomats, like bones to dogs, in order to set them at an innocent amusement, while she reaps the advantage of further gaining time." Until there is evidence of substantial structural and functional change in Moscow's empire of captive nations, nothing that has so far emanated in US–USSR relations is really contributory to genuine peace, and politically uncalculated trade would make it even more remote. Treaties, negotiations, cultural exchange, trade and other involvements were rife in relations with Nazi Germany, but these failed to alter the course of basic trends. The injection of a nuclear age doesn't make these activities any more substantial and scarcely deters Moscow from racing its global troika.

From the beginning of the RSFSR the stratagem of "peaceful coexistence" has always been a tool in Moscow's Cold War arsenal. The first victims of Soviet Russian aggression, such as Byelorussia, Ukraine, Georgia and others, were temporarily exposed to it. In this respect, the Cold War, which most erroneously synonymize with hot official rhetorical exchanges and acutely strained relations, is very much applicable to Moscow's relations with the West. This special Cold War concept of unyielding systemic conflict and political warfare is uttered almost daily by Moscow and its satraps, and aside from the Aesopian language means in essence: "The struggle between the proletariat and the bourgeoisie and between world socialism and imperialism will be waged up to the complete and final victory of communism on a world scale. . . . All forms of the class struggle—political, economic and ideological—are closely interwoven, one augmenting the other—bringing first one form and then another to the forefront."[9] On the propaganda level, through indigenous communist parties, via its extended espionage system, and the use of its embassies, those of the "satellites," and a variety of visiting delegations, Moscow is engaged in this "peaceful coexistence" with the West.

Considering the problems of nationalism and dissidence within the empire, the maintained and expanded ideological and military apparatus at the control centers in the empire, and the persistent pressures of Moscow in the Free World, it is ludicrous to believe that the Cold War has diminished or is over. Only the gears have been shifted as Moscow gains time and Western aid to strengthen and facilitate its troika. Within the empire the Cold War is expressed in varying degree by nationalist assertions, resistance to Russification, open dissidence, religious revival, underground publications, and sheer ideological apathy and indifference. In the third sphere of Moscow's operations, who would classify Vietnam, the Mideast, the Indian Ocean, the base of Cuba and others as being beyond the Cold War concept as it pertains to US-USSR relations? The Cold War in its multiform can be and is waged through proxy and intermediate conduits.

Only in the past year has Moscow and its voices accepted the ambiguous term "détente." Doubtlessly, witnessing the confusion surrounding the term in the West, they have decided on its projected utility in their "peaceful coexistence" exploits. To intensify this confusion by semantic impress and tactical mutuality could result in more tangible advantages to them. However, it should be noted that out of deference to their own ideologic fixations and the transmission belt of CP's around the world, they take care to lump détente with their unequivocal meaning of "peaceful coexistence." For example, during the recent lobbying theatrical of the so-called Soviet parliamentary delegation in Washington, the leader of the group who is affiliated with the Politburo and a basic ideologist, Boris N. Ponomarev, stated that all members of the Supreme Soviet "support peaceful coexistence and détente."[10] In short, confusing détente is a tool of "peaceful coexistence."

EIGHT PROMINENT ILLUSIONS OF DÉTENTE

Perpetual motion diplomacy may have its cosmetical effects regarding the building of "peace" and may even produce purgative results with respect to our illusions about "Russia" and Red China, but it cannot be construed as a diplomacy of substance and credibility if it is pursued, in the proper nature of a diplomatic confrontation, on a set of conceptual and hopeful illusions that underlie and have aggregated about "détente." Aside from the many psychosomatic notions of détente, if we accept the definition of Secretary of State Henry Kissinger that "Détente is a process of managing relations with a potentially hostile country in order to preserve peace," suggested logically at the very outset are the preconceptual assumptions of this process, the existential framework of the process, the selected means in the process itself, and worthy objectives in addition to "peace." Regardless of the temporary, compromised "settlement" in Vietnam or equally momentary arrangements in the Mideast, the crucial and primary area of our policy is the USSR which by stated intent, open and covert action, and fixed objective is hardly only "a potentially hostile country."

The outline of the foregoing captive nations analysis is adequate enough to spotlight the mounting illusions of détente which can be concisely defined as follows:

(1) *The Nation-State Illusion:* It is a truism that in dealing with any object the ruling concept must be conformable with its reality and nature if the object is to be accurately understood toward whatever ends. A fallacious, basic concept can only lead to poor and even disastrous results. At this late stage in global politics it is incredible, but true, that in our highest governmental, educational and other institutions that the USSR is viewed as a nation-state with "Soviet citizens" of different ethnic backgrounds similar to the pattern of the U.S. This illusion not only betrays false knowledge of the object, its origins and fundamental weakness but also blinds us to the opportunities resident in the object. In defending détente the Secretary of State, who plainly misunderstands the Captive Nations Week Resolution,[11] suffers from this basic illusion when he speaks of "our two peoples," "our two nations,"[12] and some sort of a "Soviet domestic structure"[13] for an area which is really multi-inter-national in composition. In short, an empire-state. As a matter of fact, Dr. Kissinger's ill-founded conception hasn't changed since his first notable work.[14]

(2) *The Non-Interference Illusion:* The first illusion logically breeds this one on noninterference in the "internal affairs" of the USSR. Rationally, the principle of non-interference is valid where it concerns a nation-state, but in the case of an empire-state, founded on conquest and oppression of nations and with imperial extensions and ambitions beyond, it makes only practical sense to the imperialist power. The abuse of this principle is an old imperial Russian technique which Stalin, Vishinsky, Khrushchev and Brezhnev have frequently employed not only for the empire-state of the USSR but also, as the Brezhnev doctrine confirms, for its imperial extensions in Central Europe.

If Moscow's domain were extended to the Atlantic, the same cry of noninterference would be encountered. It was both contrary to objective reality and needless in fact and truth that this concession was made in the Moscow Declaration of '72. A government founded on principles of justice could hardly justify itself by playing mute to grave, clear-cut injustices in the very camp of its chief enemy.

(3) *The Institutional/Policy Illusion:* The strange motion that the external policy of a state can be divorced from its internal, imperial policies is what may be called the institutional/policy illusion, which is obviously cognate to the preceding illusion. The institutional nexus between the essentially barbaric political institutions of the USSR and its external, predatory policy has roots 500 years in the past. The external imperial policy has always been fed by the oppressive, whether authoritarian or totalitarian, internal policy of the empire. To hope for substantial changes in the former without essential structural and behavioral changes in the latter is the illusion. As Solzhenitsyn recently pointed out, one of the characteristics of our present pseudo-détente is: "When any acts of cruelty and even brutality by one side towards its own citizens and its neighboring peoples is hastily and near-sightedly accepted by the proponents of detente as "in no way standing in the way of detente"—thereby encouraging new acts of brutality and persecution . . .[15] Kissinger is quoted.

(4) *The "Peaceful Coexistence" Illusion:* As shown earlier, "peaceful coexistence" is no illusion for Moscow. It is a very specific and definite sub-strategic policy for the Kremlin totalitarians. It only becomes an illusion for the West and us Americans when we identify it with détente in the mistaken belief that this troika unit of Westpolitik means a live-and-let-live policy. "Peaceful coexistence" for Moscow means plainly ideo-political warfare in all its dimensions against the West, and in our country it is already an open secret that our F.B.I. cannot cope with the inflow of agents from behind the Iron Curtain. Here, too, it violated credibility and truth for our representatives to have accepted in Moscow, in 1972, this principle as a basis of mutual relations between the U.S. and the USSR.[16]

(5) *The Non-Ideologic Illusion:* Some detentists hold that the ideologic power of Moscow and its syndicate is minimal and that there is little to fear from it. As far back as 1957, Kissinger observed, "The emerging middle class in Russia may, of course, in time ameliorate the rigors of Soviet doctrine."[17] Apart from a mythical middle class in "Russia," Marxist-Leninist ideology remains doctrinally powerful in the CPSU membership and beyond, though for the Russian populace at large and among the captive non-Russian nations its power of attraction is nil. What is more important is the effective tool it represents to attract all sorts of elements in the Free World who have not experienced the experience of the captive peoples, including

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Footnotes at end of article.

from another interpretative angle the Russian people.

(6) *The Humanist Illusion:* Bred by the "mellowed communist" fantasy of the 60's, many detentists view the Kremlin and other Red totalitarians as destalinized types and thus more humane and reasonable to work with toward "peace." After all Solzhenitsyn was exiled, not murdered. Those harboring this widespread illusion are easily deceived by calculating Potemkinist techniques of the Kremlin, where for one Solzhenitsyn tens of thousands linger in Moscow's prison camps, psychiatric wards and terminal cells. The leadership is mainly Stalin-bred, is brutal and calculating, and in Hitlerian fashion cultivates and dominates a society that is predominantly technocratic and militaristic. Aside from the numbers game played in SALT talks, it is sufficient to note that the top priority of these "humanist socialists" is revealed in an economy half our size and a military input with advantaged weaponry comparable to ours.

(7) *The Economic Interdependence Illusion:* It is in the area of trade, long-term joint projects, and gradually enhanced economic involvements leading to a generalized economic interdependence that leverage is sought by us to curb and cause all three horses of the Russian troika to retreat, with "peace" becoming more secure than ever before. The so-called linkage concept involved here is essentially the poltrade policy advocated by the writer almost ten years ago, but with a significant difference.[18] Bear in mind that Moscow's essential objective is to acquire our advanced technology to shore up its messy, labor-short and capital-starved economy while its overall strategic troika races on.

It is absolutely necessary, therefore, to focus the predication of our trade and investments on politico-social concessions in the USSR itself and not for Moscow's restraint in Vietnam, the Mideast and elsewhere, which is really a dealt cover-up for relative American weakness in these areas and could be open-end as the troika, fed by our economic "aid," races on. The concession on Jewish emigration is essential but far less than what can be packaged in graded steps of trade/investment involvement. Without such USSR-centered concessions, economic interdependence will remain an illusion and, as in all cases of trade with totalitarian powers, the answer to the question of "Who is giving the shaft to whom?" should be evident.

(8) *The Non-Morality Illusion:* Finally, the supposedly, hard-nosed play in power balances leaving no room for moral forces of idealism, human rights, freedom, national independence, etc. is perhaps the most absurd illusion surrounding détente. Regardless of all of its imperfections, the whole story of America is founded on moral idealism, whether expressed by internal or external policies for basically they're interwoven, and this unfolding story is unsurpassed in the history of mankind. The continuing impact of American idealism on the captive nations is boundless and is one of the greatest of our weapons against the Kremlin totalitarians.

A détente pursued on the basis of these illusions will only court disaster for us and the Free World. A real, genuine détente, pointing even to the mutual benefits of entente, presupposes the dissipation of these illusions and a concrete development of an irreversible and guaranteed movement of actions that would preclude violence, further arms build-up, and the violation of fundamental human and national rights. Invoking the nuclear scare, as Kissinger does, is no argument for an illusory détente. The formation of a genuine détente, based on the factual counterpoints to the illusions, is the hope of this 15th Captive Nations Week anniversary.

FOOTNOTES

[8] For full discussion see *The Theory and Practice of Communism, Part 4.* Committee on Internal Security, Washington, 1974, pp. 2422–2527.

[9] *Pravda,* August 22, 1973.

[10] Peter Osnos. "Congenial Mood of Detente," *The Washington Post,* May 23, 1974.

[11] Op. cit. *On The Threshold of New Captive Nations,* pp. 5–6.

[12] Barry Schweld. *Associated Press,* March 25, 1974.

[13] "U.S. Says Exile Does Not Alter Detente." *The Washington Post,* February 14, 1974.

[14] *Nuclear Weapons and Foreign Policy,* 1957.

[15] Solzhenitsyn Letter to the House Foreign Affairs Committee, April 3, 1974.

[16] *Basic Principles of Mutual Relations Between the Union of Soviet Socialist Republics and the United States of America. Congressional Record,* April 25, 1974, p. S5987.

[17] *Ibid.,* p. 357.

[18] See *East-West Trade,* Hearings, Committee on Foreign Relations, Part II, 1965 pp. 94–104 and Senator Everett M. Dirksen. "Needed: A Realistic East-West Trade Policy," *The Reader's Digest,* June 1969, pp. 129–133.

INTRODUCTION OF LEGISLATION TO PERMIT DONATIONS OF SURPLUS SUPPLIES AND EQUIPMENT TO OLDER AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, I have introduced a bill today to amend the Federal Property and Administrative Services Act to permit donations of surplus supplies and equipment to older Americans.

Presently, donations of Federal surplus property are restricted to tax-supported or tax-exempt recreational or health services facilities and civil defense and service education organizations.

My bill would afford senior citizens an equal opportunity to receive Federal surplus property for use in town organizations, et cetera. For example, a local senior citizens' center would be eligible for donations of tables, chairs, desks, and other needed equipment to furnish their facilities.

This legislation would solve the dilemma presented to many tax-supported senior citizens' organizations who have been provided with the use of town buildings but lack the funds for furnishings and other equipment needed to make the centers viable.

The need for this bill is certainly present, and I urge my colleagues to join in supporting this effort.

PROTECTING THE FISH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as a Member of Congress from the State of Massachusetts, I am acutely aware of the many problems facing the fishing industry in the Northeast United States. The livelihood of thousands upon thousands of people is affected by the declining fish stocks off the New England shores. Numerous pieces of legislation have been introduced in an effort to alleviate the economic uncertainties caused by smaller catches. I have cosponsored a bill which would establish a contiguous fishing zone of 200 miles beyond the territorial sea of the United States.

A very fine newspaper from Massachuetts, the Patriot Ledger, recently carried excellent editorial comments on this issue. For the benefit of my colleagues who are considering this type of legislation, I would like to read into the RECORD the contents of this in-depth editorial:

PROTECTING THE FISH

In the past, The Patriot Ledger has opposed efforts to unilaterally extend United States fisheries jurisdiction beyond the present 12-mile zone.

However, we believe in order to protect declining Northeast Atlantic fish stocks and promote orderly and regulated fishing consistent with conservation of this valuable marine resource, national action is now required.

We therefore support, with one reservation, the bills filed in the Congress by Sen. Warren G. Magnuson, D-Wash., (S. 1988) and Rep. Gerry E. Studds, D-Cohasset (H. 8665), the "Interim Fisheries Zone Extension and Management Act," which would extend U.S. fisheries jurisdiction to 200 miles offshore. But instead of having the 200-mile fishery zone apply to the whole U.S. coast, it should be limited to those areas where the problems are, in the Northeast and Northwest.

At hearings on the Senate bill held last week in Boston before the Senate Commerce Committee, Massachusetts members of Congress, state officials and fishing interests stressed the points that protection of dwindling coastal fish stocks is urgent and imperative; that large, modern foreign fishing vessels are systematically depleting the most valuable food fish; that international agreements have been inadequate in conserving fish stocks and are inadequately and unevenly enforced; and that the best way of protecting valuable species from virtually extinction is by extending American jurisdiction to cover the prime fishing areas.

The State Department and other federal agencies have opposed such action, as has The Patriot Ledger, not because of lack of sympathy for New England fishermen, but because of broader international considerations.

Next month, in Caracas, Venezuela, the third international Law of the Sea Conference is scheduled to begin. This United Nations conference will deal with matters of extreme importance to nations of the world; the goal is to avoid impending anarchy over uses of the ocean and its living and mineral resources.

Without such agreement, it is feared, the oceans could become a battleground for competing claims over their uses and their resources. As powerful nations in previous centuries laid claim to land territories in creating colonial empires, so the oceans could become prey to national claims, to the detriment of other nations.

The rational way out of this maritime encroachment is a global, accepted uniform limit to offshore national sovereignty with most of the oceans and their resources reserved as the common heritage of mankind under international management. This means coastal states would have to waive national claims to sovereignty over adjacent waters beyond a specified limit, as well as to underwater resources.

The U.S., like maritime nations, has conflicting interests.

On the one hand, there are the marine resources, including fish, offshore oil and gas, and deepsea minerals, as well as national security considerations, which tempt nations to extend their off-shore jurisdictions.

On the other hand, there is a matter of freedom of navigation and of marine scientific research. Shipping and naval considerations call for the narrowest possible territorial seas, and for insistence upon freedom of navigation through international straights and waterways.

The basic United States position, therefore, at the Law of the Sea Conference includes a maximum breadth of 12 miles for the territorial sea (which would be an extension of the present three-mile U.S. territorial sea under the old "Cannon Shot Rule" of 1737); free transit through and over straits used for international navigation; international standards and controls to protect the marine environment from pollution; an agreement on freedom of marine scientific research, and reservation of deep seabed resources to an international authority which would manage and regulate exploration and exploitation.

By and large, the U.S. position is admirably idealistic and self-denying, for the U.S. has the technological prowess to exploit deep-sea resources, and the military power to extend its coastal jurisdiction even beyond the continental shelf. But if every nation did so, there would be little of the oceans for international use, and the U.S. would be in trouble elsewhere in the world where it had maritime interests. So the United States has opposed unilateral claims by other nations to 200-mile territorial waters and/or exclusive economic rights, including fishing.

The U.S. government also has opposed efforts, such as the Studds-Magnuson bills, to extend our fishing jurisdiction to 200 miles. If this were done, the administration has argued it would jeopardize international efforts to restrain other coastal states' claims, would amount to recognition of existing 200-mile claims, and would tend to promote a universal 200-mile limit—which would give coastal states control over about 70 per cent of the world's total ocean territory and almost all maritime wealth.

Yet what in fact is happening is the development of an international consensus on a coastal state economic zone out to 200 miles, which may become about the same thing as a 200-mile zone. The U.S. draft treaty provides for exclusive coastal state jurisdiction over marine resources (excluding fisheries), tempered by international standards, within a "coastal seabed economic area." The extent of this area is to be thrashed out at the conference, but most coastal nations favor 200 miles.

Instead of a 200-mile fisheries zone, the U.S. has proposed a "species approach," and has begged New England to be patient while an international agreement to this effect is is being worked out.

The species approach is based on the premise that "coastal state rights should depend upon the biological characteristics, including migratory habits, of the different species of fish involved and should not be exercised in a zone of fixed mileage off the coast."

Under this approach, coastal stocks (such as cod, haddock, flounder) would be under the jurisdiction of the coastal state—this could be beyond a 200-mile limit!—and coastal states also would regulate and have preferential rights to anadromous fish (those which ascend rivers for breeding, such as salmon), throughout their migratory range. Tuna and other highly migratory oceanic species would be regulated by international organizations.

If a species approach were negotiated, New England could wind up with greater American control over its most valuable fish than under a 200-mile-limit. A species approach is no less "protectionist" than a preferential fishing zone.

But the hangups are, "if" and "when," as well as the more problematic matter of enforcement under a species approach. A territorial definition has the virtue of having a distinct cut-off line; a species approach does not. And under territorial regulation, it is possible to impose quotas and regulations on fishing operations for various species. Highly migratory fish, such as tuna, would be under international control in both the government position and the Magnuson-Studds bill.

Out of this, several points may be drawn:

1. There is an urgency to the Northeast fishing problems that must be promptly met. International agreements may take years to negotiate. The Magnuson-Studds legislation would meet that immediate need, but is not intended as a permanent claim. It would go out of existence when Law of the Sea provisions go into effect.

2. The 200-mile fishing jurisdiction would be no more protectionist in concept than the U.S. government's proposed species approach and would be simpler to enforce. Foreign fishermen in both cases would share in the catch.

3. While we favor a narrow territorial sea and a narrow zone of national economic jurisdiction beyond that, most coastal nations favor a 200-mile economic zone. If this is to be the norm for oil, gas and mineral exploitation, a 200-mile fisheries conservation zone is not incompatible and should not jeopardize international negotiations.

4. The international impact can be limited by emphasizing the U.S. action as necessary to conserve valuable species and by limiting the 200-mile jurisdiction to those areas in which overfishing is depleting important species.

Limiting the 200-mile zone to the most threatened fishing grounds off the Northeast and Northwest Coasts, perhaps above a certain latitude, would demonstrate American concern for conservation, rather than territorial expansion, and it would avoid potential jurisdictional problems with Cuba and Mexico. Canada should be invited to help work out problems of mutual interest.

DEEPWATER PORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, as we considered legislation today to develop deepwater port facilities, I would like to concentrate on the need for this legislation, and its potential effects, in my home State of Maryland.

In the port of Baltimore, we have one of the great harbor facilities in America. But Baltimore is limited at present to a 42-foot depth, to be increased to 50 feet. It is obvious that Baltimore will not be able to accommodate supertankers which require drafts of 60 feet or more. Further, Baltimore is not a major location for the refining of crude oil. It is mainly a distribution and facility center for refined petroleum products. Consequently, a deepwater port for the supertankers in Baltimore is probable not feasible at the present time.

I have followed with great interest the U.S. Army Corps of Engineers' study of Atlantic coast deepwater port facilities. The purpose of this study was to determine the best means of developing U.S. facilities for very large bulk carriers until the year 2000. It included ore and coal as well as oil, but concluded that to transship ore and coal is not economically desirable at this time.

We know that, unlike our neighbors in Canada and the Bahamas, we have no ports in the United States for the superships. We also know that the absence of these deepwater ports is costing this country money and jobs.

The conclusion of the corps study was that—

> There is a need for a deep draft port facility in the North Atlantic region; that it is economically, engineeringly and environmentally feasible; that private interests are able and willing to construct and operate it; and that, if undertaken, the public interest could be protected through conditions attached to the permits or licenses under which the facility is built and operated.

The study also found that—

> There is no suitable site in this region that is not strongly opposed by the local inhabitants and their elected representatives and officials. Accordingly, I am unable to recommend federal participation in any such project at this time.

The study surveyed 18 sites on the Atlantic coast and concluded before the energy crisis that the most efficient and economical method of accepting very large bulk cargo carriers was "to provide a regional monobuoy unloading facility in the Atlantic Ocean approximately 13 miles off the New Jersey coast. However, if the low level of production is assumed—as now is probable—the most efficient and economic site would be located in the Delaware Bay off Big Stone Beach, Del." This is in the vicinity of Rehobeth Beach. Rehobeth is 17 miles from Maryland and 27 miles from Maryland's most popular seaside resort, Ocean City. Were this recommended facility constructed under H.R. 10701, Maryland doubtless would be a "significantly affected State." There is no comparable provision in H.R. 11951. I might add the corps' recommendation proposed that the Delaware site serve the York River oil refinery by transhipment. It also specified "because of the cost of rehandling and the smaller ships used to transport coal and iron ore, it is more efficient and economic to deepen the existing projects at Hampton Roads and Baltimore than to develop transhipment facilities for those commodities." With this, I concur.

The study was most complete in its consideration of inshore and offshore facilities. Dredging inshore, construction of marginal piers and sea islands were considered. The study concluded with the monobuoy recommendation, stating:

> It will be necessary to import most, if not all, of the crude oil into the North Atlantic Region by vessel in the near future and possible until the turn of the century. The use of foreign terminals (Canada and the Bahamas) will increase harbor congestion and lightering operations and the frequency of oil spills. Providing facilities to accept VLCC's (very large crude carriers) . . . will reduce the chance of oil spills . . . and at the same time provide some savings in oil transportation costs.

We have consulted with experts who manage the Baltimore Harbor and have asked their advice. It basically agrees with the corps study:

First. The offshore monobuoy facility provides economies which benefit all the oil-consuming public. In short, it is in the public good.

Second. The monobuoy is ecologically the best answer. It does not increase foreign oil consumption; it merely decreases the likelihood of oil spill for a given supply of oil.

Third. Transshipment of bulk ores and coal are not economical. The need for a 50-foot channel for Baltimore is primary. A 50-foot channel is to ore and coal what the monobuoy offshore port is to oil.

I, therefore, support the need for a deepwater port in the national interest, and I hope that the offshore facilities will be located off the Maryland coast and that onshore facilities will be in my State so we can derive the substantial revenue therefrom and begin reducing the onerous tax burden that now lies heavily on Maryland residents.

ILLINOIS PROJECTS NEED FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I am very disappointed the public works appropriations bill for fiscal year 1975 does not include funding for several projects in my district. Earlier this year, I testified before the House and Senate committees urging funding for several projects which are within the Corps of Engineers' capabilities and I intend to pursue my efforts. The following statement which I had presented earlier explains why funds for these projects are so vital, and I certainly hope the Senate will provide the moneys needed:

STATEMENT BY HON. TOM RAILSBACK

Mr. Chairman, Members of the Subcommittee, I'd like to thank all of you for giving me this opportunity to appear before you to discuss various public works surveys and projects so vital to the well-being of the 19th Congressional District of Illinois. I have represented this area since 1967, and greatly appreciate the funds you have approved over the years to enable the U.S. Army Corps of Engineers to carry out its work.

The disastrous flood of 1965 was studied very closely by this Subcommittee. In no case where a new levee had been constructed by the Corps of Engineers did any sustain a single break. In light of the fact the flood was the worst in over 100 years, I think it is clear how important your Subcommittee's efforts have been. I hope this cooperation will continue well into the future as there are still many important projects to be completed.

In addition, I wish to take a moment today to commend the Upper Mississippi Flood Control Association which serves a 200-mile stretch along the Mississippi River, the home and working places of well over a half million people. The Association has joined with you in performing important public service to the residents of Illinois, and I'd like to associate myself with the testimony they present to you.

This year's budget is very significant to my constituents. Many of the budget requests are identical to the amounts the Corps of Engineers also recommends, and I am hopeful these figures can be approved immediately.

	Budget	Corps
Surveys:		
Mississippi River, Cassville, Wis. to mile 300	$90,000	$90,000
Mississippi River, Coon Rapids Dam to Ohio River, levee projects review	95,000	95,000
Projects:		
East Moline, Ill	150,000	150,000
Milan, Ill	80,000	80,000
Moline, Ill	100,000	100,000
Rock Island, Ill	120,000	120,000
Mill Creek and South Slough	20,000	20,000

I'd like to take a few minutes to very briefly explain the need for full funding of these surveys and projects.

First, the surveys are of interest and concern to the residents of the 19th Congressional District because they point out what additional measures are still needed.

The East Moline flood control project was authorized by the 1968 Act, and is a sister project to one just across the Mississippi River at Bettendorf, Iowa. The $150,000 requested will permit the Corps of Engineers to continue their planning on this project. Similarly, Moline, Illinois needs $100,000 to continue its advance engineering and design plans.

Milan, Illinois is a city where the residents literally dread the approach of spring thawing. These people are at the mercy of both the Mississippi and Rock Rivers. $80,000 for FY75 will ensure the Corps can continue with its flood control project in Milan.

The request for $120,000 for Rock Island is to provide for the further construction of a major flood control project. Rock Island has been particularly hard-hit by floods, and I'm sure many of you remember the national attention the city's volunteers received during the 1965 flood. I certainly hope full funding will be approved for this flood control project, as it has been clearly demonstrated that there will be a great potential savings of lives and property.

The project at Mill Creek and South Slough is a navigation project. The $20,000 requested will further assist the Corps of Engineers in clearing and dredging and providing flood protection for the area just west of Milan, Illinois.

In addition, I'm pleased to note the project underway at Fulton, Illinois will be able to complete its preconstruction planning with available funds. This project means hope for the residents of a town which has had to fight for its existence. The flood of 1965 resulted in more than $1 million in damages, and the residents are still in danger with each spring flood. It's encouraging to know planning is being continued on this much-needed project.

Let me just say at this point that while I am greatly encouraged by these requests, I am very disappointed that two projects and two Illinois surveys that affect my constituents have been omitted from the 75 budget. I'd like to discuss each of them, and urge your favorable consideration for renewed funding of them.

THE ILLINOIS AND MISSISSIPPI CANAL

The Illinois and Mississippi Canal—also known as the Hennepin Canal—stretches approximately 100 miles across northwestern Illinois, and has the potential for a great historic and recreational area. Both the State and the Federal Government in past years have made commitments to such a project, and in years to come work on bridges, fencing, hydraulic structures, and culverts and ditches is expected. Unfortunately, however, this year's budget provides no new funds for the rehabilitation of the Hennepin Canal. Upon checking with the Corps, I learned their capability is for $700,000 for the Canal, and I urge your Subcommittee's approval of that figure.

LA MOINE VALLEY PROJECT

Perhaps the greatest disappointment to me was the result of the feasibility study conducted on the La Moine Valley Project. Such a project—a pure water lake—was proposed by the La Moine Valley Association between Macomb and Carthage, Illinois. The lake would assist with flood control, providing water and waterplant capacity to surrounding municipalities, and would be a recreational area for the benefit of all in that area. Unfortunately, I have just learned that this project is not economically feasible at this time. Therefore no funds are requested by the Corps of Engineers, and, since no funds were proposed in the budget, I regret I cannot ask this Committee to approve money for what I believe is a very valuable project. However, if another assessment shows that La Moine should proceed with this project, I'll certainly be back to urge full funding.

MISSISSIPPI RIVER SURVEYS

The two surveys which have no funds in the FY75 Budget are the Mississippi River, Year-Round Navigation Survey, and the Mississippi River-Illinois Waterway, 12-Foot Channel Survey. Both of these are extremely important to residents of Illinois, and I urge $100,000 for the former; $200,000 for the latter. $100,000 will provide for the continuation of the year-round navigation study which is of concern to many Districts, and the $200,000 for the Mississippi River-Illinois Waterway Survey will not only provide for the continuation of this study, but it will also advance the date of completion by one year. Both of these are clearly within the Corps' capabilities.

One other point—the House Public Works Committee has considered resolutions on behalf of other projects in my District—such as Keithsburg and Liverpool—and, when funds are requested for them, I certainly hope you will approve the necessary funding. These and still other communities in Illinois are in desperate need of flood control assistance.

Mr. Chairman, flooding in my home state is an ever-present threat to the lives and property of the people there. Consequently, we have very great interest and respect for the Corps of Engineers' programs. I am hopeful you will approve all the funds for which the Corps' has capabilities in order to reduce particularly the grave flood threats to my District.

CHANGE OF COMMAND AT U.S. COAST GUARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes.

Mr. CONTE. Mr. Speaker, on May 31 in the U.S. Coast Guard one great era came to an end and another one commenced. On that day a dedicated American, Adm. Chester R. Bender, Commandant of the Coast Guard, stroke his colors at a change in command ceremonies marking his retirement. Adm. Owen Siler hoisted his flag as he assumed command and became the new Commandant.

Secretary of Transportation Brinegar administered the oath of office to the new Commandant and on behalf of the President of the United States awarded Admiral Bender the Distinguished Service Award. Admiral Bender has been at the helm of the Coast Guard during a period of time that has witnessed some of the most important changes in duties and assignments occurring within that command in its long history. His goal of a "one Coast Guard" involving both Regular and reservists became a reality during his term as Commandant.

His successor, Admiral Siler, has seen considerable service in the Washington headquarters. Under his able leadership we can look forward to an extension of the goal of the "one Coast Guard" concept as well as toward the fine honing of the readiness of the Coast Guard both in its peacetime and its wartime responsibilities.

Mr. Speaker, I include herewith the comments of both Admiral Bender and Admiral Siler at the change of command ceremonies:

Change of Command

(Remarks by Admiral Bender)

Secretary Brinegar, distinguished representatives of the Congress and the executive branch, fellow coast guardsmen and friends.

Four years ago many of you were here when I assumed the position I am about to leave. Those four years seem to have gone so fast one could almost imagine that the saluting batteries of this morning's ceremony were merely echoes of those fired in 1970.

But in reality we know that is not so. The years have actually passed and now it is time for new faces, new talents and new energies to carry on the work of the Coast Guard.

Looking back, those four years have been busy and productive ones for the Coast Guard. We've seen good progress in the modernization of our physical resources, including our cutters, aircraft and shore facilities. These resources better equip us to shift the emphasis of Coast Guard duties to meet new responsibilities. Legislation reflecting the interest of the Congress in the conservation of national resources has broadened our missions. This is particularly evident in our duties related to protection of the marine environment and to the enforcement of laws and treaties related to American fisheries.

We have demonstrated the competence and versatility of the Coast Guard by assuming these new tasks even as we were phasing out of our operations with the Navy in the Vietnam theatre. In the transition we helped train South Vietnamese crews which now man former Coast Guard cutters continuing to protect that small nation and symbolizing our contribution to that national effort.

Our many peacetime missions bring us into close contact with many other Federal agencies. Sometimes this has required special interservice agreements. At other times our cooperation is on a less formal basis. But always we have done our best to foster the good working arrangements which other agencies have learned to expect from the Coast Guard.

We are proud to be part of the Department of Transportation. But we also take great satisfaction from our wartime operations with the Navy and our peacetime cooperation with the Departments of Defense, State, Treasury, Commerce and Interior, as well as with many of the autonomous agencies in the executive branch.

The cutter *Ingham*, which is the platform for this ceremony today, has participated in a variety of Coast Guard duties in peace and in war. *Ingham* went into service in 1936, the same year I was commissioned. In her thirty-eight years of service she has accumulated a long and proud record.

Today the *Ingham's* prominent white hull displays the bold red and blue stripes which identify her distinctively as Coast Guard.

To help establish a similar identity for our personnel we are phasing into an entirely new uniform with a distinctive "Coast Guard Blue" color. However, the white uniforms you see today, like our handsome training barg *Eagle* across the dock, are indications that we are unwilling to entirely break with tradition.

The Coast Guard is indeed a modern service, but our organization is enriched by nearly two hundred years of tradition. Those traditions are a source of strength and inspiration which will help us meet the challenges of the future.

Before concluding I must acknowledge my gratitude to the organizations and individuals who have been particularly helpful to me during my tour as Commandant:

The four senior armed forces have always extended the fullest cooperation to us. The facilities made available to us here today by the Navy are just a small example.

My thanks go to the other Federal agencies—too numerous to mention individually—which have worked closely with us in our daily affairs.

I owe much to a particularly able staff at Coast Guard headquarters. They were headed by our Vice Commandant, my strong right arm, my alter ego, Vice Admiral Sargent. He has always given me sound advice and unfailing support—and his lovely wife Lucy has stood staunchly behind him and the Coast Guard.

During my tour I have had the good fortune to work with two extremely able Secretaries of Transportation; Secretary John Volpe and Secretary Claude Brinegar. Both have been great supporters of the Coast Guard. They and their staffs helped establish and maintain our close relationships with other administrations in the Department.

Finally, I will pay my highest tribute to my dear wife Mollie. She has shared my concerns during difficult days, laughed with me over the occasional humorous aspects of our duty, and always has given me sound advice in those matters in which only a warm and generous hearted woman can adequately advise.

My successor, Admiral Siler, is the youngest man to become commandant since Admiral Russell Waesche, our great leader during World War II. Admiral Siler's broad experience and native abilities make me confident that he will keep the Coast Guard on a sound and steady course. His vigor and aggressiveness assure me that he will be more than equal to the challenges ahead. I wish him and his charming wife Betty all the richness of life and rewards of accomplishment that accrue in the service of our nation and humanity through working with a great organization.

That organization, the United States Coast Guard, has been my life for over forty years. It has accepted my weaknesses and amplified my strengths. It has always given me more than I was able to return. I will be forever indebted to the Coast Guard for the meaningful and rewarding life I have enjoyed. If I could do it all over again, I would gladly trade these four stars for a cadet uniform tomorrow morning. God bless you all.

Change of Command

(Remarks by Admiral Siler)

Secretary Brinegar, Admiral Bender, distinguished guests, first and foremost I must thank you who are here today for your attendance at this ceremony. The change of command ceremony is a traditional one, and one to which we in the services attach a great deal of importance. Some of the guests here today have travelled very considerable distances at the expense of personal inconvenience. Others, I know, are absenting themselves from desks which cry out for attention. I appreciate the interest and effort you have demonstrated in being here this morning.

The position which I assume today is one to which many of us here aspire, and one for which many of us work during our entire careers. At the same time, it is one which no one really expects.

In today's environment of "One Coast Guard", where reserve or regular, regardless of speciality, strives to achieve the same goals, many of our top Coast Guard officers could be tapped and probably serve well as commandant. But to do so requires leadership such as we have had from Chet Bender, and loyalty and support such as we have had from our service.

I am following an officer who has achieved a great deal for the Coast Guard. I recently heard an abbreviated recital of some of the major accomplishments of the term of Admiral Bender as commandant. I am not setting a goal of doing more, or even as much. The one thing I hope that I can equal, and I will be working toward that goal, is to maintain the working relationships that Admiral Bender has had. Whether at the Congress, the Department of Transportation, or with our sister services, the Coast Guard holds a position of respect and integrity. When we have undertaken a task, it is done and done well. I want to keep that reputation.

I believe an important aspect in my selection to be the Commandant was that Secretary Brinegar felt that he and I could work together toward new objectives when necessary. I believe we can work together harmoniously within the Department and also maintain the relationships the Coast Guard has had with our sister armed services.

It takes a lot of doing to accomplish these goals of keeping the present character of the Coast Guard and maintain these relationships. I have said that there are several senior Coast Guard officers who could serve as Commandant successfully, with the proviso of leadership. The other essential ingredient is the loyalty and support of every person in the Coast Guard.

I need support in this position—I need it from my wife Betty and I need the loyalty and support of the personnel of the Coast Guard. Loyalty is *not* a one way street. I said I need your loyalty—you will receive mine. I pledge that I will do all that is possible within my ability to support and work for the good of our service. I also pledge that I will do my utmost to maintain and build upon the outstanding relationships the Coast Guard has established.

We have massive challenges for the Coast Guard coming in the next four years—if the past is any measure. Together we'll make the Coast Guard, the country and the world still greater.

COUNTIES FAVOR LAND-USE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Martin) is recognized for 5 minutes.

Mr. MARTIN of North Carolina. Mr. Speaker, as we approach high noon for the heralded shoot-out over land-use legislation, Members have been besieged with conflicting claims about what the committee bill (H.R. 10294) will do and what the Steiger substitute (H.R. 13790) will do.

As a former county commissioner, I have worked in committee to incorporate a series of amendments to preserve local government involvement. In recent hearings before the Subcommittee on Environment of the Committee on Interior and Insular Affairs, the chairman of the Salt Lake County Board of Supervisors, Hon. Ralph McClure, delivered a positive endorsement of the committee bill (H.R. 10294) on behalf of the National Association of Counties.

I am pleased to insert that statement in the CONGRESSIONAL RECORD, to share with all the Members of the House of Representatives. Particular attention should be drawn to the middle third of the statement which cogently points up deficiencies in the proposed substitute (H.R. 13790) and reasons why it does not warrant the support of local governments:

Statement of Ralph McClure, Chairman of the Board of Supervisors, Salt Lake County, Utah, on Behalf of the National Association of Counties, April 26, 1974

Mr. Chairman and Members of the Committee: My name is Ralph McClure, Chairman of the Board of Supervisors, Salt Lake County, Utah. I appreciate the opportunity to testify today before this distinguished committee on behalf of the National Association of Counties. We in county government have a high regard for the work of this committee and we believe you have been extraordinarily diligent in your consideration of land use legislation.

Mr. Chairman, I will be presenting testimony for the National Association of Counties' position on three points concerning land use legislation:

1. NACo continues its strong support for responsible land use legislation and specifically supports your committee's bill H.R. 10294.

2. NACo opposes the recently introduced bill, H.R. 13790, introduced by Representative Sam Steiger (R-Ariz.).

3. NACo believes adequate hearings have been held on land use legislation and it is time for a floor vote.

NACo continues to support responsible land use legislation (H.R. 10294).

I would like to start by agreeing wholeheartedly with Russell E. Train, the Environmental Protection Agency Administrator who said in a speech on March 15, 1974, "There is, in my judgment, no more important legislation before the Congress than the land use bill."

There is a critical need for a national framework for sound planning and land management on the state, county and city levels. We must provide a framework to protect our most valuable irreplaceable resource—our land.

The NACo Land Use Steering Committee, Board of Directors and membership have consistently supported responsible land use legislation that includes provisions for an effective local input into land use decisions.

NACo, along with the League of Cities, Conference of Mayors, the National Governors' Conference, and the National Legislative Conference, supports the Interior Committee bill (H.R. 10294) because these provisions are included to protect local involvement in land use decisions.

A resolution showing this support from the New Coalition, that represents these groups, is attached to our written statement for your committee's consideration.

We support your committee bill because you have included important provisions to guarantee a working partnership between the state and local government, Specifically I refer to:

Section 103 of the bill, which requires a "consult, review and comment role for local government in the development of planning guidelines;

Section 104, which calls for continued participation by the appropriate officials or representatives of local governments in all significant aspects of the planning process (also requires the impact on the property tax base to be considered):

Section 106, which requires the states, rather than local governments, to bear the burden of responsibility to demonstrate whether local government land use actions are inconsistent with the planning process; and

Section 111, which requires actions of federal agencies to be consistent with adopted plans.

NACO OPPOSITION TO THE STEIGER BILL (H.R. 13790)

Mr. Chairman, since your committee last held hearings on land use legislation, another bill has been introduced (H.R. 13790) by Representative Sam Steiger (R-Ariz.) which purports to encourage maximum use of local governments. However, we challenge that representation. The bill in fact does not include any of the provisions that require local participation that are included in your mitteee bill. The following comparison of your committee bill (H.R. 10294) and the Steiger bill (H.R. 13790) will demonstrate this.

COMPARISON OF STATE/LOCAL PARTNERSHIP

Though the Steiger bill specifies that the land use plan shall be implemented to the maximum extent possible through general purpose local governments, it fails to provide for the on-going involvement by local governments in the development of the plan and fails to assure that *all* local governments affected by land use decisions have an opportunity to participate in the planning and decision-making process.

Your committee bill, on the other hand, leaves the initiative at the state level for developing this land use planning process, but provides important specific methods for involving local governments during the planning process development, including formation of an intergovernmental advisory council, and appeals process and consideration of the planning process impact on the local tax base.

The most important distinction, however, is that the Steiger bill would require a land use plan which could include *all* land areas and uses within a state, including those of purely local concern which constitute 90 percent of all land use decisions. Your committee bill, however, omits decisions affecting only one local government by focusing on critical environmental areas and development and land use of more than local concern which constitute only about 10 percent of all land use decisions.

ROLE OF THE FEDERAL GOVENMENT

The Steiger bill provides no direction to federal agencies to improve decision-making processes which affect the use of non-federally-owned land. These activities, now outside state and local control, have significant influence on future land use patterns in urban and rural areas alike.

Your committee bill would direct federal agencies to get their own house in order. It would require federal projects and activities significantly affecting the use of non-federal lands to be consistent with the state land use program except in the case of overriding national interest, as determined by the President. This provision returns a measure of control over such projects to the states and is the basis of the enthusiastic support of state and local levels of government for the land use legislation. The Steiger bill omits this provision. Also, the Steiger bill contains no definition of what would constitute an adequate state land use policy, which may leave this determination to a federal agency.

BALANCED ENVIRONMENT/DEVELOPMENT

The Steiger bill provides no encouragement to balance development needs and environmental concern and give particular attention to interstate areas of critical environmental concern and give particular attention to interstate areas of critical environmental concern and key facilities in cooperation with other states.

However, your committee bill requires the state to give consideration to all economic, social, and environmental demands on the land. It focuses not only on areas of critical environmental concern, including important natural areas, renewable resources areas and natural hazard areas, but so focuses on key facilities including energy facilities, large-scale development, regionally beneficial development, new communities, and urges the coordination of a full range of housing opportunities.

GRANT AUTHORIZATION

The Steiger bill authorizes the appropriation of only $50 million per year for only 6 years for state grants at 50 percent of the cost for plan development and implementation. If the state chooses to provide mechanisms for the reasonable participation by local government in the development and implementation of the plan, it could receive up to 75 percent of the cost of plan development and implementation.

Your committee bill provides $100 million per year for 8 years and would provide 75 percent of the cost of process development and implementation in any case. If under the Steiger bill a state failed to develop reasonable mechanism for local involvement, it would receive only 50 percent of the cost. The specification of these mechanisms would be left to a federal agency.

GRANT QUALIFICATION

Under the Steiger bill states would be ineligible to receive any financial assistance unless their legislatures had already adopted a land use policy. Needed funding could be delayed since development of a land use policy could take several years and is usually preceded by an evaluation of land resources and uses, evaluation of growth and land use issues, and public consideration.

Under your committee bill, state and local governments could receive grants to develop land use policies as part of their development of a land use planning process. Grants could be made available as soon as the state had designated an agency to receive them and established an intergovernmental advisory council that includes local government participation.

Based on this comparison it is clear that the Steiger bill (H.R. 13790) would negate all the work done over the past three years in developing land use legislation that is acceptable to states, counties and cities. Therefore, we want your committee to know of our opposition.

NACO BELIEVES ADEQUATE HEARINGS HAVE BEEN HELD ON LAND USE LEGISLATION

Mr. Chairman, the National Association of Counties believes adequate hearings have been held concerning land use legislation and it is time that Congress enacts a responsible bill.

This committee knows all the work that has gone into developing balanced land use legislation over the past three years. You have heard extensive testimony in public hearings before your own committee and your subcommittees. Hearings have also been held in the Senate.

In addition, almost every state in the nation has either adopted or considered some form of land use legislation. For example, many states have adopted coastal zone legislation, strip mining laws, environmental protection areas, open space incentives, and so forth. These together with locally adopted plane and zoning amount to a patchwork of land use legislation across the country. It is time now for guidelines to be adopted at the federal level that can be implemented by the states and local governments on a nationwide basis.

Now, here we are after three years of considering these guidelines on a nationwide basis and critics are saying we need more hearings—hearings that they hope will kill the legislation altogether. These critics are saying that land use legislation has been hastily conceived, that it will confiscate private property, start national "zoning," that it is "no growth" oriented, and that it will aggravate the energy crisis.

The states, counties and cities, who endorse your committee bill, know that these claims are not true. First, *this legislation has not been hastily conceived*. There have been three years of debate, hearings, amendments and study. It is time for action.

Second, *this legislation will not confiscate private property*. There is nothing in the bill that would allow this.

Third, *the claim of national zoning is false*. There are specific prohibitions in the bill preventing the federal government from adopting zoning control. On the contrary, there are provisions protecting the involvement of local governments in all phases of land use planning.

Next, *this is not a "no growth" bill*. Local government supports this legislation because it provides a balanced approach to resolving growth and development pressures while identifying areas of environmental concerns.

Finally, *this bill will not aggregate the energy crisis*. In fact, it provides mechanisms to allow locating of energy production facilities.

If anything has been "hastily conceived," it has been the claims critics have been making to justify more hearings.

* * * * *

Mr. Chairman, NACo urges you to conclude these hearings. We join with the representatives of the state and cities to urge early adoption of your land use bill, H.R. 10294.

STATEMENT BY CONGRESSMAN JOHN M. MURPHY ON THE INTRODUCTION OF A BILL TO PROHIBIT THE POSSESSION OF FIREARMS BY CRIMINALS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. **MURPHY** of New York. Mr. Speaker, I introduce for appropriate reference a bill to amend chapter 44, title 18, United States Code, to prohibit the unlawful possession of firearms, and for other purposes.

Mr. Speaker, events in the past few months have highlighted over and above our preoccupation with Watergate, one of the most chronic problems facing America today—the problem of violent gun crimes. From the incredible firefight between members of the Symbionese Liberation Army and California law enforcement authorities witnessed on TV by millions of unbelieving Americans, to the average gunning down of innocent civilians and law enforcement officers, we are experiencing an increasing number of firearms atrocities.

Murder by gun reached the highest point in American history in 1973—13,000 deaths.

This has happened in spite of the basically good law the Congress passed in 1968, which was supposed to be the beginning of a saner firearms enforcement policy in the United States of America. While the rate of increase in gun murders dropped shortly after passage of the Gun Control Act, we are now experiencing a renewed surge of gun crimes because the criminals and gunrunners have had 6 years to develop ways to circumvent the law.

Unfortunately, since the 1968 act was passed, it has not been refined in the sense of keeping it up to date to make it more difficult for criminals to obtain weapons or to block their end runs around the law.

Further, the law has been assaulted and chipped away at by those who would eliminate effective firearms controls in the United States.

Attempts by those of us in Congress who want to diminish the number of weapons available to criminals and to punish those criminals who carry and use firearms have been thwarted since 1969 when adjustments to the 1968 law began to be the subject of congressional debate. As I have indicated, we are now going into the sixth year of this law and as the result of a Supreme Court decision and the untiring efforts of the ever-present gunrunners, we have witnessed the evolvement of several serious loopholes in the Gun Control Act.

First and foremost, Mr. Speaker, is the so-called "Saturday night special" loophole which has been the subject of intensive congressional hearings and debate, but which has resulted in a lamentable lack of legislative results. And while Congress has done nothing, as a recent Treasury Department study shows, this ubiquitous little killer has proliferated to an unconscionable degree. While the killing, maiming, and robbery goes on unabated those of us in Congress who have fought for controls over these weapons still hope that the litany of violent crimes will persuade even the most die-hard "guns for everybody" advocates that something must be done to control these weapons.

In the meantime, however, yet another major gaping hole has been knocked into the 1968 act as a result of a 1971 Supreme Court decision. In *United States* v. *Bass* (404 U.S. 336, December 30, 1971), the Supreme Court rejected the Government's argument that the Congress intended to make it a crime for felons, fugitives, drug addicts, mental defectives, and other classes of persons defined by the statute to possess a firearm. I would point out that this intent was recognized by five of the six U.S. courts of appeals that have passed on the issue.

More to the point, and as one who sponsored the 1968 Gun Control Act in the House of Representatives, I believe I can speak with some certainty as to the intent of the legislation. A cursory reading of the floor statements regarding this provision of the law and a reading of the legislative history of the statute should convince anyone of the intent of the 90th Congress. However, the Court apparently has perverted both the intent and the language of the law.

The amendment I introduce today is intended to implement the intent of Congress to prohibit certain classes of persons from possessing firearms.

I have reviewed the floor statement of Senator RUSSELL LONG who introduced this provision of the gun law which was based on extensive research by legislative counsel. The intent of the amendment is so clear as outlined in the May 17, 1968, Senate debate, that I feel that Congress would be derelict in its duty if it did not eliminate the prosecutorial problem raised by the Bass case.

Senator LONG said:

> There are a lot of lunatics, mental incompetents, and members of the criminal element who have guns and have been using guns to rob, plunder, and commit all sorts of crimes.
>
> This, of course, is contrary to what we want. While we may be willing for a citizen to have a gun for the defense of his home—and I certainly have no objection to it—we do not want the murderers, the burglars, the rapists, the looters, or the arsonists armed to the teeth and walking the streets. We do not want the habitual criminals who have committed all sorts of crimes armed and presenting a hazard to law-abiding citizens.
>
> That being the case, it makes good sense that we should see to it that citizens, as far as Federal law is concerned, can have weapons for self-defense.
>
> I have prepared an amendment . . ., simply setting forth the fact that anybody who has been convicted of a felony or discharged from the Armed Forces, for conditions other than honorable, has been adjudged by a court of the United States or State to be mentally incompetent, or, if he is a citizen of the United States, who has renounced his citizenship, or, if he is an alien, who is illegally and unlawfully in the United States he is not permitted to possess a firearm.

As if this language was not clear enough, Mr. LONG then referred to the several categories of persons intended to be denied the right to possess firearms. As far as a felon is concerned, he said:

> When a man has been convicted of a felony . . . That man would have no right to possess firearms. He would be punished criminally if he is found in possession of them.

In reference to the dishonorably discharged serviceman, he said such a person would "forfeit his right to possess firearms."

In reference to Lee Harvey Oswald, the Senator said, because of his dishonorable discharge from the military service, under this law, Oswald "would not have been permitted to possess firearms."

Further, he said:

> A person who has been adjudged mentally incompetent should not carry firearms.

I believe even these brief references as to the purpose of the law are sufficient to question, if not the technicalities of the Supreme Court's decision, at least their interpretation of the intent of Congress. I feel any reasonable person will agree the goal of Congress was obvious. Yet as a result of the Supreme Court decision, the Justice Department has been unnecessarily hampered in their prosecution of criminals with guns.

The numbers we are talking about are not insignificant.

For example, during fiscal year 1972—which covered calendar year 1971 before the effects of Bass were felt—there were 709 indictments, informations, or charges and 425 guilty pleas or verdicts for violations of section 1202(a). While many of these violations were in combination with violations of other Federal gun control laws, 204 indictments and 104 convictions were for violations of section 1202(a) alone.

In the Bass case, the Court, applying the rule of strict construction, held that section 1202(a) of title 18, appendix, United States Code, does not make it a crime for a convicted felon—and other classes of persons named in the statute—to possess a firearm.

The Court interpreted the statute to require that the Government allege and prove, in any case involving unlawful "possession," "receipt," or "transportation" of a firearm, that such "possession," "receipt," or "transportation," was "in commerce or affecting commerce."

Since the Supreme Court decision on Bass, substantial numbers of cases have been lost, indictments dropped, and cases that could previously have been made were not pursued because a felon who possesses a gun may only be apprehended when Federal officers believe they can prove that the gun has traveled in interstate commerce.

This means, for all practical purposes, a criminal must be caught crossing a State line with a firearm before he can be convicted of illegal possession.

Such cases number in the thousands.

In short, the Supreme Court has blundered and gutted the possession offense from the landmark 1968 gun laws using a giant judicial eraser to wipe the provisions concerning the felonious possession of firearms by criminals from the statutes.

We must help the Justice Department retrieve its capability to successfully prosecute criminals under the statute.

It is to close the loophole and achieve this purpose that I introduce for appropriate reference a legislative proposal to prohibit certain classes of persons from possessing firearms and to provide appropriate penalties.

I emphasize that this is not new or radical legislation. It simply restores the original intent of Congress to the appropriate provisions of the law.

This legislative proposal which has the endorsement of the Justice Department and the administration, will make clear that possession of firearms by convicted felons and other classes of persons identified in the legislation is recognized as a burden on interstate commerce and is prohibited.

The bill also contains several amendments of a technical nature and are incorporated into the proposal to help avoid future problems which might arise under the existing provisions.

Specifically, the proposed legislation would make unlawful the mere possession of a firearm by any person—or his employee in the course of employment—who:

First, has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year; or

Second, is a fugitive from justice; or

Third, has been discharged from the Armed Forces under dishonorable conditions; or

Fourth, is an unlawful user of or addicted to marihuana or any depressant or stimulant substance or narcotic drug as those terms are defined in the Controlled Substances Act—Public Law 91-513; 21 U.S.C. 802; or

Fifth, has been adjudicated as a mental defective; or

Sixth, being an alien, is illegally or unlawfully in the United States.

A penalty of imprisonment for not more than 2 years, a $10,000 fine, or both, is provided.

The legislation combines subsections 922 (g) and (h) and section 1202 of title 18 to subsume the same categories of people now covered in both sections together and to define the same crime now defined in both sections with the intent of making the language of the law clear that "mere possession" under prescribed circumstances is sufficient to constitute a violation.

The question of constitutionality remains undecided by the Supreme Court since the Court decided the Bass case on the issue of statutory construction. The constitutional issues involved were not addressed. The Department of Justice has advised me that the existing legislation and the legislation I introduce today are clearly constitutional.

Mr. Speaker, violent crime in America today is as serious as it ever was. Our preoccupation with political crimes in recent months, the energy crisis, inflation, and other matters, have taken up much of our attention and deflected congressional efforts at providing better laws to safeguard our people.

I am not suggesting that we diminish our concern for the above issues in Congress.

I do feel, however, that the House Judiciary Committee and the Congress have the capability to handle legislation of this type which in the final analysis are not concerned with shortages, high prices, and crimes of political expediency, as serious as these crimes are.

We are dealing with a situation that involves the very lives and deaths of thousands upon thousands of Americans.

I certainly feel that we can allot some time in this Congress to this measure which is relatively simple in concept and could result in a substantial savings in human life. I hope members will agree that this bill is worth some degree of effort in the time remaining in the 93d Congress.

Mr. Speaker, I include the text of the bill I introduced be printed at the conclusion of my remarks today.

The bill follows:

H.R. 15280

A bill to amend chapter 44, title 18, United States Code, to prohibit the unlawful possession of firearms, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 44, title 18, United States Code is amended by adding the following new sections to read as follows:

"SEC. 929. FINDINGS OF FACT.

The Congress hereby finds and declares that the possession of a firearm by felons, fugitives from justice, veterans who are discharged under dishonorable conditions, mental defectives, persons who have been committed to a mental institution, unlawful users of or persons addicted to marihuana, depressant or stimulant substances, or narcotic drugs, and aliens who are illegally in the country, constitutes—

(1) a burden on commerce and a threat affecting the free flow of commerce, and

(2) a threat to the effective enforcement of the Federal criminal laws, including those laws designed to protect the safety of the President and Vice President of the United States.

SEC. 930. UNLAWFUL ACTS.

(a) Any person who—

(1) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year; or

(2) is a fugitive from justice; or

(3) has been discharged from the Armed Forces under dishonorable conditions; or

(4) is an unlawful user of, or is addicted to, marihuana or any depressant or stimulant substance or narcotic drug as those terms are defined in the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802); or

(5) has been adjudicated as a mental defective or who has been committed to any mental institution; or

(6) being an alien, is illegally or unlawfully in the United States;

and who possess any firearm, shall be fined not more than $10,000 or imprisoned not more than two years, or both.

(b) Any person who, while being employed by an other person who—

(1) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year; or

(2) is a fugitive from justice; or

(3) has been discharged from the Armed Forces under dishonorable conditions; or

(4) is an unlawful user of, or is addicted to, marihuana or any depressant or stimulant substance or narcotic drug as those terms are defined in the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802); or

(5) has been adjudicated as a mental defective or who has been committed to any mental institution; or

(6) being an alien, is illegally or unlawfully in the United States;

and who, knowing or having reason to believe his employer falls within one of the classifications enumerated in sub-paragraphs (1) to (6) above, in the course of such employment possesses any firearm, shall be fined not more than $10,000 or imprisoned for not more than two years, or both.

(c) The meanings of all terms used in Sections 929–931 of this chapter are governed by the definitions in Section 921, of this chapter, except that for the purposes of Sections 929–931 "a crime punishable by imprisonment for a term exceeding one year" means any offense punishable by imprisonment for a term exceeding one year, but does not include any offense (other than one involving a firearm or explosive) classified as a misdemeanor under the laws of a State and punishable by a term of imprisonment of two years or less.

SEC. 931. EXCEPTIONS: RELIEF FROM DISABILITIES

This chapter shall not apply to—

(a) any prisoner who by reason of duties connected with law enforcement has expressly been entrusted with a firearm by competent authority of the prison; or

(b) any person who has been granted relief pursuant to Section 925(c) of this chapter from the disabilities imposed by Federal law with respect to the possession of firearms; or

(c) any person who, having been adjudicated to be a mental defective, or who, having been committed to a mental institution, has been subsequently adjudicated by a court or other lawful authority to have been restored to mental competency and specifically found by such court or other lawful authority no longer to be suffering from a mental disorder which interferes with or handicaps him in the handling or possession of a firearm.

SEC. 2.

(a) Subsection 922(d)(3) of Title 18, United States Code is amended to read as follows: "is an unlawful user of, or is addicted to, marihuana or any depressant or stimulant substance or narcotic drug as those terms are defined in the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802); or,"

(b) Subsections 922(g)(3) and 922(h)(3) of Title 18, United States Code are amended to read as follows: "who is an unlawful user of, or is addicted to, marihuana or any depressant or stimulant substance or narcotic drug as those terms are defined in the Controlled Substances Act (84 Stat. 1242; 21 U.S.C. 802); or".

SEC. 3. Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (82 Stat. 236; 18 U.S.C. Appendix 1201–1203) is hereby repealed.

THE 50TH ANNIVERSARY OF CLARKE-McNARY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. RARICK) is recognized for 60 minutes.

Mr. RARICK. Mr. Speaker, I have taken this special order to commemorate the 50th anniversary of the enactment of the Clarke-McNary Act which was signed into law June 7, 1924. I would like to recognize the forethough of Representative John D. Clarke of New York, Senator Charles McNary of Oregon and the entire 71st Congress for their efforts in enacting this important legislation.

The Clarke-McNary Act contains several sections of special significance. Section 2 authorizes the Secretary of Agriculture to extend cooperative forest fire control to include all forest and critical watershed lands in State and private ownerships. Today, all 50 States cooperate in this program providing forest fire protection on more than 626 million acres.

Originally limited to $200,000 in Federal assistance, the cooperative forest fire control program received $20 million in Federal funds in 1973. States have increased their expenditures from $1.8 million in 1924 to $123 million in 1973; private industry has also participated to a considerable extent. As a result, where in 1924 there were 92,000 fires reported in 25 States burning almost 29,000,000 acres, in 1973 all 50 States reported 118,000 fires, which burned but 1,900,000 acres. This is a significant reduction in forest acreage burned and the Clarke-McNary Act can be given major credit for bringing it about.

In 1945, Smokey Bear became part of the cooperative forest fire prevention team. As a joint effort by the Forest Service, the State forestry departments, and the Advertising Council, Inc., the Smokey Bear program has had far-reaching effects in carrying the forest fire prevention message to all Americans.

Section 4 of the Clarke-McNary Act provides for Federal-State cooperation in the procurement, production, and distribution of forest tree seeds and plants to be used for establishing forests, windbreaks, shelterbelts, and farm woodlots on denuded or nonforested lands. Mr. Speaker, in the 50 years since the passage of this act, an incredible 14½ million acres and five other States—Florida, Michigan, Mississippi, New York, and South Carolina—have planted over 1 million acres each. Many of these trees are now being harvested and manufactured into lumber and paper products for the use of the American people. As Forest Service Chief John R. McGuire has pointed out, without these trees planted under authority of the Clarke-McNary Act, timber shortages would undoubtedly be a reality today.

Another section of the Clarke-McNary Act provides for the extension of the National Forest System by allowing the determination of public lands valuable for timber production and protection of navigable streams or irrigation. In the period 1926–28, the National Forest System was enlarged by 580,000 acres for these purposes. The act allowed the Secretary of Agriculture to accept donations of land for the National Forest System. Over the years, more than 355,000 acres have been donated to the Federal Government to become a part of the National Forest System. In addition, nearly 17 million acres of forested, cut-over, or denuded lands within the watersheds of navigable streams have been added to the NFS since passage of the Clarke-McNary Act and are now receiving multiple-use management.

Mr. Speaker, I would like once again to stress the significance to all Americans of the accomplishments of the Clarke-McNary Act and to praise the foresight of those who enacted this legislation.

Mr. SIKES. Mr. Speaker, I am pleased and privileged to join my distinguished colleague and friend, from Louisiana (Mr. RARICK) and others in the House in his special order today to provide appropriate recognition of the 50th anniversary of the enactment of the Clarke-McNary Act of 1924. This landmark legislation gave full recognition for the first time to the key role of private forestry in meeting future timber requirements of the Nation. Few legislative acts have been more important to sound forestry programs in America.

The Clarke-McNary Act authorized Federal cooperation with States and private forest owners in lessening the risks and improving the opportunities for commercial timber production. Under its far-reaching provisions, the 50 States have extended fire protection to 626,000,000 acres of forest and watershed lands. Fire losses during 1973 were held to less than two-tenths of 1 percent of the acreage protected, a remarkable achievement.

The act also provided for Federal-State cooperation in production and distribution of seedlings for the establishment of forests, shelterbelts and windbreaks. Some 14½ billion seedlings have been distributed. This is an excellent beginning on the massive reforestation task that still confronts us.

Other provisions of the Clarke-McNary Act enabled the owners of land chiefly valuable for the growing of timber crops to donate 355,000 acres of such lands to the United States. These and other public lands of primary importance for watershed protection and timber production have been added to the National Forest System so that the public may enjoy the benefits of sustained yield and multiple use management.

Mr. GUNTER. Mr. Speaker, I take pleasure in joining with my colleagues of the Forestry Subcommittee in recognition of the importance of June 7, 1924. In reviewing the efforts of that day, I find that many figures prominent in forestry testified in favor of the Clark-McNary cooperative forestry program. Among them were Royal S. Kellogg, a prominent Floridian and chairman of the National Forestry Committee; George D. Pratt, chairman of the New York Conservation Committee; Charles Lathrop Pack, president of the American Tree Association; Henry P. Wallace, Secretary of Agriculture, and Col. William B. Greeley, Chief of the Forestry Service. Their testimony predicted that timber shortages would occur unless Federal-State cooperative forestry efforts were expanded. The significance of the passage of this landmark legislation can be found in the fact that without it, such timber shortage would undoubtedly exist today.

Mr. BAKER. Mr. Speaker, I take great pleasure in joining my colleagues in paying tribute to this historical act. Among other things this act authorizes the Secretary of Agriculture to determine which lands are chiefly valuable for streamflow protection and timber production.

As a result of actions taken under this act, nearly 18 million acres of forested, cut-over, or denuded lands have been added to the National Forest System. These lands now provide a great deal of lumber for our growing economy. The administration of this act has shown time and again that responsible multiple-use sustained yield management of timber resources can provide our country with a dependable supply of lumber materials.

As a raw material, wood provides lumber for millions of new structures every year. We all use products every day, almost without thinking, which are wood end-products. Plywood, furniture, paper, clothing, packaging material, chemicals, films, plastics, cleansing agents, perfumes—the list of wood products goes on and on. And the great thing about wood is that it is renewable. Our timber comes from forests which use the soil, water and the air to provide people with this unique resource.

Clarke-McNary has gone a long way during the past 50 years in providing the citizens of the United States many ecological, recreational and economic benefits during the cycle of wood production. Forests serve well in the areas of soil erosion, controling streamflow, and providing homes for wildlife. I am most conscious of this since in my own area of eastern Tennessee after a restored forest cover was put on some of our depleted mountain farm land, erosion was controlled and soil loss was prevented. As a direct result a more sustained flow of streams was produced. This benefited not only the lands in the immediate area, but also all the people living near the downstream waterways.

In this time of concern over environmental impact of technology, it does well to remember the usefulness of our forests when managed in a rational manner.

Mr. THONE. Mr. Speaker, it is a pleasure to join my colleagues in recognizing the 50th anniversary of the Clarke-McNary Act. This legislation has been of great value in extending professional forest management throughout the nation.

On this occasion, I also want to pay tribute to one from my home State of Nebraska who contributed much to forestry. I refer to Dr. Charles E. Bessey, who was an eminent University of Nebraska botanist. He created public interest in the idea that trees could grow on our Great Plains where nature had not put any.

As a result, the Nebraska National Forest was established in 1902. Nebraska has the only National Forest that was established solely by the efforts of man. Thirty thousand acres of coniferous trees flourish where only prairie grass grew previously.

The techniques and knowledge gained at the Bessey National Forest were used to great advantage by the U.S. Forest Service when the shelterbelt program was established in 1935 because of the Dust Bowl. Each year the Bessey Nursery produces about 2 million trees which are distributed under the Clark-McNary Act.

When the Clark-McNary Act was passed in 1924 only 25 States had forestry bureaus. Today, all 50 States do. In Nebraska, our fine State forester is E. H. Benson.

Clarke-McNary has not only been a success but also has served as a model for many other programs of Federal-State cooperation.

GENERAL LEAVE

Mr. RARICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

"IT'S TIME TO GET ANGRY" SAYS NEW YORK POSTAL WORKERS UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, engraved over the portals of the General Post Office building in New York are the famous words:

> Neither snow, nor rain, nor heat, nor gloom of night shall stay these couriers from the swift completion of their appointed rounds.

Maybe not, but the U.S. Postal Service can. Mail service has become so bad that it sometimes takes several days for a letter to be delivered from one side of Manhattan to the other. And at the same time the cost of mailing a letter has gone up to 10 cents and more.

This afternoon—June 6—thousands of postal workers, members of the New York Metro Area Postal Union and the New York Letter Carriers, are gathering in a huge unity demonstration in front of the General Post Office building in my district to protest the policies of the USPS and budget cuts which will eliminate 9 million work hours in the Northeast region in fiscal 1975; 10,000 jobs have been wiped out in Manhattan and the Bronx alone since 1970.

An immediate crisis has been created by a decision to reduce the number of hours worked by some 2,000 "substitute" workers to only 20 hours a week. These men and women, who have families to support, are taking home less than $75 a week. They could do better on welfare.

As the unions said in a statement published in the New York Daily News June 5, "It's Time to Get Angry." I would like to read the full text of the unions' statement because it calls attention to a potentially disastrous situation.

IT'S TIME TO GET ANGRY!

> If you write a letter home once a week or run a small business or a large company, count yourself among the most over-taxed and under-service of Americans.
>
> You pay 10 cents for a stamp now. It could go to 20 cents, 25 cents or more.
>
> Meanwhile, postal service is deteriorating day by day. The United States Postal Service—a virtually private corporation run by big-business directors who are answerable to no-one—is on a collision course with almost certain disaster.
>
> What is happening?
>
> The USPS in a maniacal attempt to make the postal service self-sustaining is spending billions of dollars on untested machinery and pie-in-the-sky routing programs. Some are failing; others already have failed.
>
> Perhaps even more important to you—the postal public—is what is happening to your postal work force. The force, already demoralized, is the target of a renewed and inhumane effort by the USPS to replace tried and tested working men and women with untested and questionable machinery.
>
> On May 28, 1974, the Regional Postmaster General ordered a further reduction in service of nine million work hours for the coming fiscal year. That means service is going to be even worse.
>
> Ten thousand jobs have been wiped out in Manhattan and Bronx alone since 1970. No wonder your service is worse while you're paying more. At this rate we caution you that in a few years a postage stamp will cost 25c. This is not enough for Postmaster General Klassen.

POSTAL SUBS STARVING

> Right now in June, 1974, postal subs have been reduced to 20 hours work a week, taking home less than $75 a week. They would fare better on the welfare rolls. Because they are proud, the Postmaster-General has decreed they must starve.
>
> Other factors delaying your mail are constant delivery route changes, poor scheduling, more costly excessive night and weekend work, transfer, and reassignments. Did you know that Viet Nam vets are denied equal right for equal work and get less benefits?
>
> For all these reasons a mass unity demonstration of all postal workers will be held in front of the: General Post Office, 33rd Street and Eighth Avenue, Thursday, June 6, 1974, from 2:30 P.M. to 5 P.M.
>
> We seek to avoid a catastrophe comparable to the breakdown of the Chicago postal system in the late 1960's or the massive postal strike of 1970.
>
> **Vincent R. Sombrotto, President, Thomas J. Germano, Exec. Vice Pres., New York Letter Carriers, Branch 36, National Association of Letter Carriers.**
>
> **Moe Biller, President, Philip Seligman, Exec. Vice Pres., New York Metro Area Postal Union, Affiliated with American Postal Workers Union, AFL-CIO.**

New York is the leading business community in the Nation. It cannot function without rapid, efficient mail service. The 8 million people of our city have a right to expect good mail service. The thousands of Postal Service workers have a right to expect that they will be allowed to work at full pay and under decent conditions.

This is a situation that cannot be allowed to continue, and I urge that the appropriate steps be taken to prevent the U.S. Postal Service from destroying jobs, demoralizing the work force, and messing up mail deliveries.

PROTECTING SERVICE STATION OPERATOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I am introducing a bill to protect the service station operator. I am sure that every Member in the House has received letters from operators in their district who have run into problems when it has come time for them to renew their franchises, and some have had problems even before their franchises expired.

I believe that we owe it to these service station operators to provide them with some means of protection from distributors and major refiners who are attempting to push them out of business because it would be more profitable for them to have their own agency outlets.

The bill I am offering today is identical to a section that has been in a number of energy bills that for one reason or another have not become public law.

My bill provides that a refiner or distributor may not cancel, fail to renew, or otherwise terminate a franchise unless he gives notification 90 days prior to the cancellation date together with the reasons for the cancellation and the remedies available to the service station operator.

The bill I am proposing prohibits cancellation of a franchise unless the retailer or distributor failed to comply with any reasonable requirement of the franchise, failed to act in good faith in carrying out the terms of such franchise, or unless the refiner or distributor withdraws entirely from the sale of petroleum products—other than crude—in commerce for sale other than resale in the United States.

This bill also provides that any wronged retailer may apply to Federal court for damages or injunctive relief.

Mr. Speaker, I feel this legislation is urgently needed to protect the bulwark of small American businessmen around the country, and I am sure that a majority of my colleagues will agree with me. I hope that this bill can be brought before the House as soon as possible in order to protect these hard-working, taxpaying Americans.

THE ASSAULT ON THE PRIVACY OF NEWSMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, on May 22, I introduced H.R. 14981, the Newsmen's Right to Privacy Act, to protect members of the news media from the indiscriminate subpena of their telephone and telegraph records. This bill is designed to attack a problem that is not simply theoretical in nature. In response to a December 21, 1973, letter from the Reporters Committee for Freedom of the Press, the American Telephone & Telegraph Co. has conceded several disclosures of the telephone records of news organizations and newsmen. I think it vital that these instances be brought to the attention of my colleagues in the House:

First. St. Louis Post Dispatch: Under subpena by the U.S. District Court for Massachusetts in Boston, A.T. & T. gave the FBI records of all toll calls from the newspaper's Washington bureau from June–August 1971. In addition, it supplied records of calls from the home of Post Dispatch Washington correspondent Richard Dudman. The records were obtained apparently in connection with an investigation into publication of the Pentagon papers. A.T. & T. also turned over the toll records of long-distance calls from June 13–July 15, 1971, from the home phone of Thomas Ottenad, a Post-Dispatch Washington reporter.

Second. Knight Newspapers: Toll-call records for the Washington bureau of Knight Newspapers were also subpenaed at the same time as the Post-Dispatch records. This also was apparently in connection with the Pentagon papers investigation.

Third. The New York Times: In February, the Internal Revenue Service disclosed that it had sought and received from the Chesapeake & Potomac Telephone Co. long-distance records made from the Times Washington bureau for the 7-month period ending in January 1974. The IRS agreed on February 12 to return the records to the phone company. In addition, C. & P. supplied to IRS the records of toll calls made from the home telephone of David Rosenbaum, a Times reporter who lives in Chevy Chase, Md.

Fourth. Jack Anderson: A.T. & T. turned over to the FBI the long-distance records of the Anderson office in Washington and of his associate Les Whitten. According to the Anderson column of February 12, 1974, the phone records of associates Joseph Spear and Brit Hume, along with those of Whitten's 18-year-old son Les Whitten III, were also obtained.

It should be noted that not all these disclosures were made in response to court orders. Whether court-mandated or otherwise, the effect of disclosure is to make it known that the Government can penetrate the confidentiality of news sources whenever it wishes to do so. The range of circumstances in which the Government's law-enforcement responsibilities may entitle it to force the disclosure of these sources in narrow at best. In no case can the Government justify the wholesale disclosure of sources made possible when it demands all toll call records of a journalist, including records irrelevant to any law-enforcement investigation.

A.T. & T. has recently modified its policy to facilitate notification of customers when their records have been subpenaed or summoned, except when the requesting Government agency certifies that notification would impede enforcement of the law. Apart from this exception, which gives the Government discretion to refuse notification, the company's willingness to notify newsmen should not be construed as a solution to the problem. It still remains true that reporters can never be assured of the confidentiality of their sources because, as A.T. & T. itself argues, there exists no legal basis on which such subpenas can be challenged as threats to the confidentiality of news sources. H.R. 14981 provides precisely the legislative guidance courts need to protect the confidentiality of sources. It not only requires that disclosure of journalists' telephone and telegraph records be mandated by valid court order, but provides that no subpena of a newsman's phone records be valid unless it does not reveal or threaten to reveal a news source or unless it is justified by an "overriding and compelling national interest," as determined by a U.S. district court.

As the Supreme Court recognized in its 1972 decision in Branzburg against Hayes, the protection afforded by the first amendment extends not only to the dissemination of news, but also to the gathering of it, for "without some protection for seeking out the news, freedom of the press could be eviscerated". No newsman worth his salt would deny that the assembling of reliable confidential sources is essential to news gathering. Unless the telephone records of the news media are explicitly protected by legislation, we have no reason to expect the press to exercise its constitutional function as a free and independent check on the power of the Government to promulgate its own point of view.

In view of the real and present impact of these disclosures on the function of the free press, I have written Chairman Staggers of the House Committee on Interstate and Foreign Commerce asking that hearings on this legislation be conducted. In addition, I am today reintroducing the bill with additional cosponsors. The 20 cosponsors of the Newmen's Right to Privacy Act are: Ms. Abzug, Mr. Badillo, Mr. Brown of California, Ms. Chisholm, Mr. Conyers, Mr. Corman, Mr. Drinan, Mr. Edwards of California, Mr. Fraser, Mr. Goldwater, Mr. Harrington, Mr. Kemp, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Podell, Mr. Rooney of Pennsylvania, Mr. Stokes, Mr. Van Deerlin, Mr. Won Pat, and Mr. Young of Georgia.

HEARINGS ON H.R. 14856 TO BAN DISCRIMINATION IN CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Missouri (Mrs. Sullivan) is recognized for 5 minutes.

Mrs. SULLIVAN. Mr. Speaker, as chairman of the Subcommittee on Consumer Affairs of the Committee on Banking and Currency, I am pleased to announce that the subcommittee has scheduled hearings on June 20 and 21 on H.R. 14856, to prohibit discrimination in extensions of credit by reason of race, color, religion, national origin, age, sex, or marital status.

H.R. 14856 was introduced on May 16, and appears in the Record of that date, long with extensive background information, beginning at page E3062. It is the most far-reaching, antidiscrimination bill in the credit field ever introduced in either House, and applies to all forms of credit, not just to consumer, agricultural, and residential real estate credit covered by the Truth in Lending Act.

The bill represents a consensus of 13 of the members of the subcommittee. Joining me as cosponsors are the following Members: Walter E. Fauntroy, of the District of Columbia; Parren J. Mitchell, of Maryland; William A. Barrett, of Pennsylvania; Henry B. Gonzalez, of Texas; Andrew Young, of Georgia; Fortney H. ("Pete") Stark, Jr., of California; John Joseph Moakley, of Massachusetts; and Edward I. Koch, of New York, Democrats; and Margaret M. Heckler, of Massachusetts; Stewart B. McKinney, of Connecticut; Matthew J. Rinaldo, of New Jersey; and Angelo D. Roncallo, of New York, Republicans.

Since May 1972, when Congresswoman Bella Abzug of New York introduced the first bills on credit discrimination by reason of sex or marital status, following her testimony at a hearing on this subject by the National Commission on Consumer Finance, many Members have joined in cosponsoring bills by Ms. Abzug, Mr. Koch, or Mrs. Heckler of Massachusetts, or have introduced individual bills, dealing with sex and marital status credit discrimination.

Other bills, dealing with discrimination by reason of age in the issuance of credit cards, have been introduced by Congressman Hugh L. Carey of New York, with multiple sponsorship. So I know that there is widespread interest among Members of the House in the subject matter of H.R. 14856.

Members who wish to submit statements for our hearing record are cordially invited to do so. However, I should point out that we already have held extensive oversight hearings on credit discrimination in the subcommittee, as part of our review of consumer credit issues generally, so we are asking that the emphasis in our June 20 and 21 hearings be directed to the mechanics of H.R. 14856. Witnesses are being requested to devote their statements primarily to the feasibility and effectiveness of the language of that bill in carrying out the bill's objectives. In other words, we need no persuasion that unfair discrimination should be prohibited; we are interested at this point in knowing whether our bill can accomplish that purpose in a fair and effective manner, or if not, how it should be changed, taking into consideration the multiplicity of State laws dealing with a creditor's ability to achieve repayment in case of default.

The hearings of the National Commission on Consumer Finance 2 years ago and our subcommittee hearings in this Congress have clearly established not only that widespread, indefensible discriminatory practices have existed in the credit industry but also that State laws on husband-wife relationships often have a legitimate impact on the creditor's decisions in extending or denying credit to women. H.R. 14856 seeks to meet and solve this problem by permitting a creditor to take into account an applicant's race, color, religion, national origin, age, sex, or marital status only when it is clearly a factor under State law in ascertaining his rights and remedies in the event of default.

LEGISLATIVE TO REPEAL HATCH ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DULSKI) is recognized for 5 minutes.

Mr. **DULSKI**. Mr. Speaker, the privilege to actively participate in the process of elections in this country should be enjoyed by each and every American citizen. Yet, unfortunately, this privilege—rather this right—because of the Hatch Act, is denied to a select small group in our country today—the Federal employee.

The time has come for the Congress to rectify this injustice. The merit principles which govern Federal employment, which the Hatch Act was designed to protect, are for the most part working well. It no longer needs the protection which the Hatch Act once afforded.

In fact, this law was designed by its author to protect, not the merit system, but Government workers from overzealous superiors and elected officials who had pressured them to engage in political activities against their will as a ransom for retention of their Government positions.

Today, the climate has completely changed. These kinds of pressures, which were so evident in the 1920's and 1930's, are no longer a factor, in my opinion, and should not be used as an excuse to continue to deny our Federal workers what is rightfully theirs—the right to participate in the workings of our democratic way of life.

Therefore, I have introduced today legislation to repeal the Hatch Act and which will restore our Government employees to full citizenship—thus raising them from the status of second-class citizens to the status enjoyed by the overwhelming majority of Americans.

Included among the political activities a Federal employee may enjoy under my bill are—

First. Candidacy for or service as delegate, alternate, or proxy in any political convention or service as an officer or employee thereof;

Second. Participation in the deliberations of any primary meeting, mass convention or caucus, addressing the meeting, making motions, preparing or assisting in preparing resolutions before the meeting, or taking a prominent part therein;

Third. Preparing for, or organizing or conducting a political meeting or rally, addressing such a meeting on any partisan political matter, or taking any part therein;

Fourth. Membership in political clubs and organizing of such a club;

Fifth. Distributing campaign literature and distributing or wearing campaign badges and buttons;

Sixth. Publishing or having editorial or managerial connection with any newspaper including those generally known as partisan from a political standpoint, and writing for publication or publishing any letter or article, signed or unsigned, soliciting votes in favor of or against any political party, candidate, or faction, except that no such editorial, letter, or article shall make reference to the writer's official employment or authority;

Seventh. Organizing or participating in any political parade;

Eighth. Initiating or signing nominating petitions on behalf of a partisan candidate, including canvassing for signatures of others; and

Ninth. Candidacy for nomination or election to any national, State, county, or municipal office.

In addition, the bill prohibits the use of official authority for the purpose of affecting the results of elections.

I am aware that this legislation may not be the complete answer to the problem. It is a sincere attempt to correct and amend an outdated and outmoded law so that Federal employees can join all other citizens of our country in exercising the privilege of participation in the election process of America.

I urge my colleagues to join with me in sponsoring this bill and work toward its early consideration during this Congress.

CURRENT WORLD FOOD SHORTAGE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

Mr. **ALEXANDER**. Mr. Speaker, with an increase of the hunger cries from around the world the handwriting is on the wall. The current combination of a world food shortage and a population explosion means higher food prices among industrial nations and widespread hunger in the underdeveloped countries of the world.

Since we have come face to face with the reality that the world, for the first time in modern history, has come dangerously close to running out of food, we have learned some new lessons. When Ethiopia ran out of food this year, the oldest government in existence was challenged by a military uprising. When oil temporarily replaced gold as an international medium of exchange we learned that the one essential ingredient to producing oil is food. When Mr. Kissinger negotiated with the Arabs we saw that the Middle East settlements hinged, not on military might, not on technological capabilities, but on the American capacity to produce food.

Food is now a tool of diplomacy, an instrument of peace and the American farmer is on the front line in the fight for world peace.

In addition, if we realistically examine our international fiscal potential as it relates to the balance of payments, the one single resource that is in abundance, that we have more of than anyone else, is food.

I would like to insert at this time, table 804 from the Agricultural Statistics of 1973 showing the U.S. positive balance of payments in agricultural trade and its substantial contribution to our total value of international trade:

TABLE 804.—FOREIGN TRADE: VALUE OF TOTAL AGRICULTURAL EXPORTS AND IMPORTS, UNITED STATES, 1959-72

[Dollar amounts in millions]

Year ending June 30	Total domestic exports	Agricultural exports [1]			Total import for consumption	Agricultural imports (for consumption)			Supplementary		Excess of domestic agricultural exports over supplementary imports
		Domestic	Percentage (domestic) of total exports	Foreign (re-exports)		Total	Supplementary [2]	Complementary [2]	Percentage of total agricultural exports	Percentage of total agricultural imports	
1959	$17,357	$3,719	21	$83	$13,857	$4,004	$2,029	$1,975	55	51	$1,690
1960	19,110	4,519	24	73	15,496	4,010	1,979	2,031	44	49	2,540
1961	20,507	4,946	24	67	14,161	3,645	1,814	1,831	37	50	3,132
1962	21,447	5,142	24	63	15,687	3,762	2,049	1,713	40	54	3,093
1963	21,638	5,078	23	62	16,398	3,907	2,208	1,699	43	57	2,870
1964	24,718	6,068	25	84	17,776	4,096	2,225	1,871	37	54	3,843
1965	26,331	6,097	23		19,731	3,986	2,127	1,859	35	53	3,970
1966	28,886	6,676	23		23,295	4,454	2,472	1,982	37	56	4,204
1967	30,819	6,711	22		26,427	4,453	2,667	1,786	39	60	4,104
1968	32,195	6,311	20		29,613	4,656	2,845	1,811	45	61	3,466
1969	35,221	5,741	16		34,175	4,931	3,072	1,859	54	62	2,669

		Agricultural exports[1]				Agricultural imports (for consumption)					Execss of domestic agricultural exports over supplementary imports
									Supplementary		
Year ending June 30	Total domestic exports	Domestic	Percentage (domestic of total exports)	Foreign (re-exports)	Total import for consumption	Total	Supplementary[2]	Complementary[2]	Percentage of total agricultural exports	Percentage of total agricultural imports	
1970	$41,059	$6,721	16		$38,219	$5,592	$3,451	$2,141	51	62	$3,270
1971	43,663	7,758	18		42,724	5,828	3,684	2,144	47	63	4,074
1972[3]	44,864	8,051	18		50,055	6,041	3,949	2,092	49	65	4,102

[1] Includes food exported for relief or charity by individuals and private agencies. These figures include a small amount of certain foodstuffs other than agricultural.

[2] Supplementary agricultural imports consist of all imports similar to agricultural commodities produced commercially in the United States, together with all other agricultural imports interchangeable to any significant extent with such U.S. commodities. Complementary agricultural imports include all others, about 98 percent of which consist of rubber, coffee, raw silk, cacao beans, wool for carpets, bananas, tea, and vegetable fibers.

[3] Preliminary.

Source: Economic Research Service. Compiled from reports of the U.S. Department of Commerce. Data for 1924–58 in "Agricultural Statistics, 1972" table 817.

The existing rice program has served us well in the past, but it was designed to prevent overproduction. What we now need is to unshackle the rice farmer from the binds of the past and encourage full production. Today, I am introducing a bill that is designed to maximize food production in the rice industry. This bill, when enacted into law, will reduce Government interference in rice production, milling and exporting, and permit the American farmer to respond to world market forces.

All reports indicate that the current world food shortage is not just a culmination of coincidences that will soon pass, but is a genuine long-term crisis that needs the consideration of our Government and the formulation of a new national and international policy of domestic production and foreign cooperation in order that we may truly deserve the reputation which we strive to maintain as leader of the free world.

A recent report of the United Nation's Food and Agricultural Organization—FAO—has produced an alarming report on the world food crisis. The report entitled, "Preliminary Assessment of the World Food Situation—Present and Future," contains several references which are valuable and I urge my colleagues to consider these findings as they shed light on this important issue:

EXCERPTS FROM "PRELIMINARY ASSESSMENT OF THE WORLD FOOD SITUATION—PRESENT AND FUTURE"

While the precipitous turn in the world food situation was obviously caused by the disastrous weather in 1972, there was also a most unusual coincidence of a number of events which compounded the effects on prices, trade and payments. The unprecedented boom in economic activity in the developed countries, leading to a highly buoyant demand for commodities, the worldwide inflationary forces accentuated by monetary instability and speculative activities—all of these factors have synchronised since 1972 to transform the general economic scene in which the tight food situation made its impact. As a result, world cereal prices rose steeply in 1972 and, in spite of a good harvest in 1973, reached even higher levels. With dwindling food reserves, the food aid programmes were cut and the developing countries with food deficits faced, and still face, the very difficult problem of having to finance a much higher food import bill. Food prices have gone up sharply all over the world and have hit particularly hard the poorer sections in the developing countries. History records more acute shortages in individual countries, but it is doubtful whether such a critical food situation has ever been so worldwide. . . .

The strong demand and high prices of most of the food and agricultural commodities have improved the terms of trade of primary products, and have been a boost to the agricultural sector. However, the gains in export earnings have not been evenly shared, the developed countries having gained more. And the developing countries which have suffered the most are the ones whose exports of commodities have not benefitted from the boom and which are also net importers of food. . . .

Two other elements in the present crisis—fertilizers and energy—burst into the scene in 1973. A cyclical production shortfall has been characterizing the fertilizer market since the end of 1972 and led to not only high prices but even physical shortage in 1973. The rise in the petroleum prices in late 1973 has not only increased the cost of fuel in agriculture, but in many cases has led to shortage and high prices of feed stocks for fertilizer manufacture. In particular, the developing countries who have been making commendable progress in the expansion of fertilizer use are faced with the serious problem of fertilizer shortage at a time when they need it most. . . .

The developing countries' cereal imports are likely to rise to an estimated 60 million tons in 1973/74, a level which in present trade conditions and at present price levels cannot be maintained for long without adverse consequences on their development programmes. In the past, the burden of payment was mitigated by the availability of food aid, which in the sixties ranged between 30 and 45 percent of total food imports, but the main source was United States' surplus stocks of grain. With the recent running down of these, the volume of food aid has drastically diminished, particularly at a time when it is most needed. . . .

Looking to the future, a preliminary forward assessment of food demand and supply has been made for the period up to 1985 on the basis of assumptions concerning growth of population and gross national product, and excluding any major changes in governments' policies or relative prices. On this basis, world food demand in the seventies and eighties is calculated to grow at a rate of 2.5 percent per annum, of which 2 percent represents population increase and 0.5 percent increased purchasing power. This, however, masks major differences between country groups: thus in the developed countries taken as a group the growth rate of demand is projected at 1.6 percent per annum, but in the developing market economy countries at 3.7 percent in terms of farm value. It also masks differences among the developing countries. Thus, despite the rapid rate of demand growth, there would still be in 1985 some 26 countries with a combined population of 365 millions in which average per capita energy demand would fall short of food energy requirements.

50TH ANNIVERSARY OF CLARKE-McNARY ACT OF 1924

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 15 minutes.

Mr. FOLEY. Mr. Speaker, I take pleasure in joining my distinguished colleagues in recognizing the 50th anniversary of the Clarke-McNary Act. This far-reaching legislation authorized extension of cooperative forest fire control efforts to include all forested, potentially forested, and critical watershed lands and State and private ownerships.

Today this protection is extended to over 626 million acres. All 50 States participate in this cooperative effort. In 1924, the year of enactment, 25 States reported 92,000 forest fires which burned almost 29 million acres.

In 1973, the 50 States reported 118,000 fires which only burned 1.9 million acres, less than two-tenths of 1 percent of the acreage protected. This is a remarkable tribute to this cooperative Federal-State effort.

AN ALTERNATIVE TAX CUT PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, serious economic difficulties beset the United States. We are now in the throes of an event that was considered impossible by orthodox economists only a few years ago—high unemployment and high inflation. This phenomenon has been popularly termed "stagflation" by those who have a way with catchy phrases.

The country is divided over just what would be the best remedy for this stagflation. The administration, naturally, takes the orthodox conservative viewpoint. They wish to do as little as possible, and preferably nothing, to control inflation or ease unemployment. They argue that essentially anything one does to deal with one of these problems will exacerbate the other. Their remedies are limited to the outmoded, timeworn "tight money-high interest" policies, in the hopes that by reducing the amount of dollars in circulation, there will be less demand for goods in the marketplace and consequently a decrease in the rate of inflation.

Apparently nobody has pointed out to either President Nixon or his staff of Chicago-school economists, that the present high interest rates have done nothing but fuel inflation by driving up the prices we pay for everything. Business must borrow to keep up capital investments which are used to produce the goods we buy. These interest costs may be tax deductible in April, but we all know that they are passed on to us in the form of higher prices. These higher prices in turn put pressure on workers, who naturally will ask for higher wages, and so we are drawn into a classic cost-push inflationary spiral.

While the administration toys with stopgap remedies that have already been proven to be ineffective at best, and downright damaging at worst, inflation and unemployment climb hand-in-hand. The administration had the opportunity to at least keep a minimal rein on inflation through the continuation of the Cost of Living Council, but refused to do even this much.

A number of Senators have recently been proposing a variety of tax cuts as a means of at least combatting unemployment, a traditional remedy in ending recessions. The administration vehemently opposes tax cuts, saying that giving the consumer more purchasing power will add fuel to inflationary fires. But I have yet to see anything the administration has done which would bank those fires.

I believe a tax cut is necessary, and I do not think that it will increase the rate of inflation. Wharton Econometric Forecasting Associates, Inc., constructed an economic model similar to the economy at present, and forecast the effects of a tax cut that would total approximately $6 billion. Based on the results of this study, they demonstrated that the rate of real growth of the economy would increase by half a percentage point, and that this in turn would increase the projected rate of inflation only slightly, from 8.55 to 8.61 percent. Granted, this is a very high rate of inflation, but is still far less than what we are currently experiencing. Additionally, unemployment would drop about two-tenths of a percent.

Economic models are far from perfect, but the forecasts derived from them do have a degree of reliability and accuracy. Based on the Wharton model and forecast, I feel it would not be the disaster President Nixon postulates should the Congress enact a tax cut. I am, therefore, introducing legislation today that would provide a substantial cut in taxes to the average working person.

My plan is to allow a deduction from adjusted gross income of the amount of social security taxes paid by a worker during the year. A full deduction would be allowed up to the maximum income taxable under the Social Security Act. For this year, for example, a person whose income was $13,200, the maximum taxable amount for social security purposes, would be able to deduct all social security taxes withheld. Above that amount, the deduction would be decreased by five cents for every additional dollar of income, thus phasing out the deduction entirely by the time a person's income reaches $26,000.

This deduction would have a twofold effect. It would not only be a beneficial tax cut giving a stimulus to the enonomy, but it would obviate some of the more regressive features of the social security tax.

Social security has come under fire from many quarters recently, because the tax burden falls most heavily on workers in the lower-income brackets. These workers would be precisely the ones to benefit the most from my legislation. Understandably, these people are also the ones who lost the most as a result of the astronomical inflation rates during the last year, and I feel my proposal would be of great benefit to them. Further, it would not diminish in any way the retirement benefits which they receive under social security, once they are fully insured.

The estimated cost of this proposal is about $6.5 billion. This is the same amount that has been put forth in other tax cut proposals. But I do not think that the other tax cut plans, which propose such remedies as an increase in personal exemptions or a tax credit, would have the same beneficial effect on the millions of working men and women in this country who earn $10,000 a year or less.

We can no longer afford to simply float around in an economic whirlwind. We must do something to restore some sanity to the economy. I believe that a tax cut, such as the one I am proposing today, would end the threat of a recession, and would not add any inflationary pressures to the economy.

We must start somewhere. Every minute we sit and debate over what is the best course, inflation and unemployment increase. Let us begin the struggle to strengthen our economy by reducing taxes. Toward this end, I commend to your attention the bill I am introducing today.

MORALITY HAS NO LIMITS

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PODELL. Mr. Speaker, when President Nixon addressed the graduating class at the U.S. Naval Academy, he took the opportunity to let the American people have a further insight into his conceptions of foreign policy.

The President of this country is of the opinion that there are certain limits to American power as it is exercised through our foreign policy. Unquestionably, this is true. We have too often abused our power trying to get other nations, the recipients of our foreign-aid dollars, to do our will and conform to our standards.

When we did this, we were accused of practicing dollar diplomacy. It was considered wrong to pay nations to support the United States, or to expect those nations that received aid from us to remain friendly and uncritical out of gratitude for American largess. I agree that this is wrong. We cannot buy friends, and we should not use foreign aid programs as a political weapon either to keep friendly governments in power or to keep potentially unfriendly ones from criticizing us.

Where President Nixon is wrong, however, is in his attempt to analogize dollar diplomacy to the current efforts to get the Soviet Union to liberalize her emigration policy and open up her society to dissent. Russia is not the recipient of dribs and drabs of foreign aid. We are not attempting to buy a friend, as we tried to do in Egypt, India and other Third World nations.

Russia is a great and powerful nation, with whom we are trading, often to the disadvantage of the American people. When the President says that American power is limited and that we cannot gear our foreign policy to transformation of other societies, he misses the point that motivated those who cosponsored the Freedom of Emigration Act in both the House and Senate.

Large majorities in both Houses felt that it was not a question of bending the Soviets to our will by offering them the sweet apple of increased trade. Trade with the Soviet Union has grown tremendously in the past 5 years, without the benefit of most favored nation status. The Export-Import Bank has extended low-interest loans to the Soviet Union, perhaps in violation of the law, and again without the benefit of any special trade agreements. Trade can continue to grow with the Soviet Union, whether there is a trade bill or not.

What we are trying to do here, is not to bar détente, but to make the point that détente requires concessions on both sides. We offer the concession of increased trade, placing on the sacrificial block the best interests of the American consumer. I ask President Nixon, do not we have a right to demand concessions from the Russians as well? There is precious little which they have to offer in trade goods which could easily find a market in the United States. We are asking them to make a moral concession.

We are asking them simply, to function as any modern state desirous of sharing in the benefits of the modern world. There are people in the Soviet Union who wish to live free from official harassment, or, if they cannot do so, who wish to leave. The moral concession we are asking the Soviets to make is to allow these people the right to live in peace or to leave in peace.

The United States and the Soviet Union grow closer every day.

No matter how we feel about such developments from the standpoint of world politics, the overwhelming majority of Members of the House and Senate stand united on one point. It is not a misuse of American power to ask the Soviets to concede on the point of Jewish emigration. It is not too much to ask for the Soviet Union to behave in a moral and responsible way, by living up to the terms of the Universal Declaration of Human Rights, which both Russian and the United States signed.

The President of this country, says that—

> There are limits to what we can do, and we must ask ourselves some hard questions . . . What price—in terms of renewed conflict—are we willing to pay to bring pressure to bear for humane causes?

These are Mr. Nixon's precise words, uttered at Annapolis. I say to him, that we must indeed ask ourselves some hard questions. How much are we willing to put on the line for a matter of principle? How much do a few lives mean to us?

How much is the dignity of the individual worth to us? Are we willing to risk the loss of a few dollars profit for the sake of purely moral question?

This does not extend only to the question of Soviet Jewry, but carries over into what we are trying to do in the Middle East and elsewhere as we attempt to refashion our foreign policy to meet the demands of the last quarter of the 20th century. Raising the old bugaboo of renewed cold-war conflict if we do not get détente and a trade bill is false issue, calculated to divert our attention from the real question at hand.

There is a fine line between making justified demands on other nations in the name of higher moral principles, and meddling in another nation's internal affairs. It is foolish for the President to make a blanket statement. What is a legitimate demand under the circumstances as far as Russia is concerned would be unexcusable meddling in the affairs of, say, France or Brazil. We must strike a balance and rise to each occasion as it occurs.

The President would lock into a foreign policy as rigid and unworkable as that practiced during John Foster Dulles' heyday, when morality consistently gave way to expediency. I hope we are not seeing a return to those days. I hope that President Nixon listens to the voice of the American people as expressed through the Congress. They are calling for a return to morality in government, both domestically and in foreign affairs.

BELATED CONGRATULATIONS

(Mr. PODELL asked and was given permission to extend his remarks at this point in the Record.)

Mr. PODELL. Mr. Speaker, I want to offer my congratulations to Secretary of State Henry Kissinger on winning the Nobel Peace Prize.

A few months late, you say? Not really. I was among those who did not believe that Dr. Kissinger had really earned the prize by his work in bringing about the withdrawal of American troops from South Vietnam. Even today, we are still pouring billions of dollars into South Vietnam, and the fighting continues. Peace has not come to Southeast Asia, nor is there any genuine prospect of peace.

On the other hand, the Secretary of State, by his work in bringing about disengagements first between Israel and Egypt, and then between Israel and Syria, earned his Nobel Prize all over again.

Such efforts are to be warmly welcomed. Every time fighting breaks out in the Middle East, the whole world trembles for fear that it will lead to the ultimate confrontation between the United States and Russia. I am pleased that the President and the Secretary of State devoted themselves to the goal of insuring at least the opportunity for peace to come to the Middle East.

This was by no means easy. Dr. Kissinger had to fight a quarter of a century of fear, prejudice and misunderstanding on both sides. He had to convince the Syrians that the Israelis were serious about ending the fighting and working toward peace. He had to convince the Israelis that their legitimate needs for defensible borders would not be sacrificed for the sake of a few words mentioned in the history books.

Getting the Syrians to agree to make compromises with Israel, whom they had once sworn to wipe from the face of the Earth, is a testament to the desires for peace shared by all men. The Secretary of State was midwife at the birth of a new understanding in the Middle East, that perhaps Israelis and Arabs really can live in peace and cooperation.

The details of the disengagement are widely known. The Israelis had to give up some of the land they captured, but not so much that they would be as vulnerable as they were in 1967. The Syrians, for the first time, demonstrated a degree of willingness to cooperate with their enemies in the search for peace.

There is much to be happy about in Dr. Kissinger's accomplishment. But, while we may breathe somewhat easier, knowing that the guns have fallen silent, we must not forget that this is not yet really peace, but only the cost tenuous beginnings.

We must still look forward to the talks in Geneva at which, hopefully, a lasting peace settlement will be worked out between Israel and her Arab neighbors. Still unsettled are the interrelated questions of the fate of the Palestinians, and what should be done about the terrorists who consistently prey upon Israel. I am most unsatisfied that the Secretary of State was unable to get a more definite commitment about controlling terrorist activities from the Syrian Government, and I fear that this may be the weak link that will break the chain leading to peace in the Middle East.

But on the whole, considering the circumstances and history of the entire situation, I believe Dr. Kissinger did an incredible job, and should be warmly congratulated by every Member of the House. Only time will tell whether the foundation that the Secretary laid in Damascus and Jerusalem will be strong enough to support genuine peace and cooperation between the nations of the Middle East. I hope that his work this time will prove lasting and truly worthy of the honor that the Nobel Awards Committee bestowed on him last year.

BILL TO PROVIDE COST-OF-LIVING INCREASES TO MINIMUM-INCOME WIDOWS UNDER MILITARY RETIREE SURVIVOR BENEFIT PLAN

(Mr. HICKS asked and was given permission to extend his remarks at this point in the Record, and to include extraneous matter.)

Mr. HICKS. Mr. Speaker, today I am introducing legislation to provide cost-of-living increases to minimum-income widows under the military retiree survivor benefit plan. These widows are almost the only remaining group for whom cost-of-living increases are not provided in their Federal annuity. They are at the lowest rung of the annuity-payment ladder, and the value of their benefit is being eroded by inflation.

The survivor benefit program for military retirees enacted in September 1972 as Public Law 92–425 allows the military retiree to leave up to 55 percent of his retired pay to his widow for a modest reduction in his monthly retired check. The annuities received by military widows under the law are increased on the same day and by the same total percentage as military retired pay or retainer pay. Therefore, the widows under the principal program provided by the law are protected against inflation in the same way military retirees are protected against inflation by their cost-of-living increase system.

As in the case of most personnel legislation, the new survivor benefit plan created by Public Law 92–425 was prospective in nature, and the widows of those retirees who were deceased prior to its enactment were, regrettably, ineligible for coverage under the program.

In enacting the legislation, however, the committee recognized that some widows were in an extremely difficult financial situation and provided, therefore, in section 4 of the law, a separate program of a minimum-income guarantee for those widows. Such widows are eligible for the nonservice-conducted death pension provided by the Veterans' Administration. Under that program widows are paid a monthly amount by the VA, depending upon other sources of income, if any. Public Law 92–425 provided for a supplement to the income of such widows to assure that their income would in no case be less than $2,100 a year.

Briefly, the law provided for the Defense Department to pay an income supplement which, together with the widow's existing income, as defined by the VA, brings the widow's income up to the $1,400 level from which point the VA pension payment is triggered. The VA payment would bring the widow's income over $2,100.

Such widows do benefit from any increase in the VA death pension without loss of their other income. However, since the VA death pension makes up only one-third of the widow's modest income, it means that she fails to receive any cost-of-living increase in two-thirds of her income and not only must live on a very low income in a time of inflation, but consistently lose ground in comparison with other Federal annuitants. My bill would provide that the payment she receives from the Defense Department would be increased at the same time by the same percentage that retired pay is increased under the retiree cost-of-living system.

It would also provide that such an increase is excludable income under the VA formula so it does not result in a loss of any VA payment.

To be eligible for the non-service-connected death pension, the widow must meet the VA means test of income. Section 503 of title 38 provides for the categories of income that are excluded in determining the widow's income for purposes of the pension. Excluded are such things as death gratuity, Government service life insurance payments, and so forth.

After the exclusions, the widow's income is determined and she is paid a variable amount by the VA ranging from a high of $96 a month for a widow with income of $300 a year or less, to $21 a month for a widow with income of $2,600.

The military survivor benefits law provision for minimum-income widows provides that the Defense Department will pay the widow a supplement which, together with other income, will bring her up to $1,400 a year. For a widow with income of $1,400 VA scale provides for a payment of $69 a month. That is $828 a year, bringing the widow's income to $2,228 per year.

For a widow in this category the VA payment was last raised in January 1974 by $9 a month—from $60 to $69.

As I indicated, I believe she should receive an increase in the Defense Department payment as well. To simply increase the DOD supplement, however, would result in a partial decrease in the VA payment. My bill provides, therefore, that the cost-of-living increase to be provided to such widows shall be considered excludable income under section 503 of title 38.

I appreciate that the Veterans' Affairs Committee does not wish to increase the exclusions under that law. But because of the unusual nature of the military law, I believe an exception is necessary in this instance in order to provide reasonable cost-of-living increases to these military widows who are often in a state of extreme financial hardship and who are ineligible for a larger annuity merely because their military husbands were unfortunate enough to die before a good survivor benefit program for military retirees was adopted.

VIVISECTION OF A PRESIDENT

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, O. R. Strackbein has written a number of papers on a number of subjects and has recently submitted one entitled, "Vivisection of a President," which I am attaching after conclusion of my remarks.

A graduate of the University of Texas, Mr. Strackbein was a Phi Beta Kappa, taught economics at Washington and Lee University, and served in Latin America as Trade Commissioner for the Commerce Department. He also was with the Tariff Commission and the Federal Public Contracts Board as well as a management consultant.

As an author, Mr. Strackbein has written a number of books on varied subjects, is a member of the National Historic Society, and has led the nationwide Committee on Import-Export Policy in Washington.

His article follows:

VIVISECTION OF A PRESIDENT

(By O. R. Strackbein)

In the history of man there has surely been no parallel subjection of any public official to the minute or pitiless examination, criticism and excoriation such as has befallen the current President of the United States.

Webster defines vivisection as the cutting of, or operation on, a living animal. Figuratively, he says, it means subjection to minute or pitiless examination, criticism and the like. In that sense the President of this country is undergoing vivisection, day-in, day-out, and month-in, month-out. The accepted purpose is the administration of justice. Yet our own Constitution has a proscription against cruel and unusual punishment. As sentient beings our Constitution-makers, living in days of harsher judgments than those meted out today, felt constrained to halt punishment this side of the cruel and unusual.

Of what does punishment consist? We will all profess that it is not for revenge. The justifiable purpose is deterrence. The forms of punishment differ; and there has been an evolution away from the infliction of physical pain, in the form of flogging, starvation and the like. The trend is evermore toward amelioration of the other types of pain inflicted because, with the advancement of civilization, man's sensibilities revolt more readily against harshness. There is also more of the reflection that but for the grace of God, that could be myself—in other words, a growth of empathy or an understanding of our own shortcomings in common with those of others.

An-eye-for-an-eye, a-tooth-for-a-tooth attitude was once a recommended form of justice; but some two thousand years ago it lost most of its religious sanction. Punishment, if divested of its element of revenge, becomes a question of its suitability as a deterrent and its facilitation of rehabilitation. The incidence of punishment, which is to say, how hard it falls upon the person who has to bear it, is a subjective question.

While physical punishment has come to be abhorred, mental punishment has hardly been given a thought. Yet the difference in the affliction may depend in great degree not only on the sentence but on the circumstances and condition of the recipient. If he had little to lose, is in any case insensitive, is not concerned to be idle and not too much concerned to be deprived of companionship, incarceration may hold little terror for him. If he has no high altitude from which to fall in the esteem of his friends, and associates, or his family, again, he will not be deeply wounded. Repeaters in crime give indication that incarceration and the deprivations that go with it are not for them the worst of alternatives.

If the indicted person, subject to possible conviction, however, has achieved wide acclaim in his community, in his State or in the country as a whole, and, moreover, has a mission in life and a dedication to high goals, the punishment that might befall another person without leaving deep scars, would in his case be both condign and extremely damaging to his psyche. The physical punishment, which might mean most to the other person, would be by far the lesser part of his own affliction. His demoralization, burning at his vitals, and his enveloping frustration, would be for him the real rack of torture.

The President, having fallen from grace as adjudged by his peers, would stand out as Felon #1 of America, to live, not in the hearts of his countrymen, as deserving of gratitude for his notable achievements, but as the Delinquent Extraordinary of our history. A crown of thorns woven of a more punitive and penetrating mockery could hardly be imagined.

The President has been singled out for the most microscopic examination in history, of any public official, with intent to incriminate. His tapes, to be sure, the results of his own installation, have been used to lay bare what no other President of this country has been called upon to reveal, namely, the innermost confidences and private cogitations, explorations, unguarded expletives and sallies. Therefore he is left without a basis of comparison with the performance of any of his predecessors. He alone is subjected to a pitiless demand for stripping before a peephole accessible to the eyes of all Americans!

This is something new; and it could easily strike, as it undoubtedly does, many Americans as an unseemly and shameful performance in the name of legitimate inquiry. Because we have no precedent of condemnation of such procedure before, since we have never been over the ground before, our own naked souls are being exhibited in a very unflattering manner. Certainly the President is not alone in being on trial.

For whom does the bell toll? It tolls not only for the President; it tolls also for thee and me!

COMMONSENSE ON U.S. OVERSEA TROOP CUTS

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, it is with the greatest pleasure that I invite the attention of my colleagues to an editorial that appeared in the New York Times for June 5, 1974, on the subject of possible troop cuts abroad. The fine, sound reasoning of the editorial follows almost step by step the arguments presented to the House in April by the House Armed Services Committee, and ratified by the House last month when we fully supported the committee's version of the 1975 defense authorization bill. This report was originally developed by the Randall subcommittee on U.S. commitments to NATO.

I am also delighted to learn that the Senate today has also followed the wisdom of the Randall recommendations and has turned down all efforts to cut U.S. troops overseas at this time.

U.S. TROOPS IN EUROPE

Senator Mike Mansfield's renewed effort to force substantial withdrawal of American troops from Europe and other areas overseas is the wrong battle in the wrong place at the wrong time.

The Senate floor is the wrong place for this decision to be taken because the issue is now under negotiation in Vienna between the NATO and Warsaw Pact powers in an effort to bring about Soviet as well as American troop cutbacks. There are now 460,000 Soviet ground troops on the Central Front in Europe, compared with 193,000 Americans. Warsaw Pact troops outnumber NATO's ground forces in this area 925,000 to 770,000.

An over-all NATO-Warsaw Pact reduction to 700,000 on each side, as proposed by the West—with the bulk of the Western reduction to be taken in American forces—would assure stability as well as the reduction in defense spending desired in both East and West. But unilateral American withdrawals now would clearly be destabilizing. They would lower the nuclear threshold, forcing earlier use of atomic weapons in a conflict. They could lead to the nuclearization or the "Finlandization" of West Europe—or both.

This is the wrong time as well for the Mansfield amendment. West Europe's political stability and economic health are shakier today than at any time since the Marshall Plan days more than two decades ago. Governments have fallen in Britain, West Germany, France and Italy in recent months. The new leaders may do better than the old, but that is not yet certain. The Common Market is stalled. Relations with the United States have been badly strained. A major effort by Washington is needed to pull the Atlantic community back together again before disintegration goes further. Unilateral weakening of West Europe's security would frustrate this effort before it could begin.

Above all, Senator Mansfield's long struggle, extending over eight years, is the wrong battle for the Majority Leader and his supporters to be waging at all. The battle to bring back American troops from Europe, an area where American interests are truly vital, was spurred initially by American balance-of-payments deficits and Europe's surpluses. The oil price increase and other factors have reversed the situation. American payments are in surplus, while most of West Europe is headed toward a disastrous deficit. West Germany, which is also in surplus, is offsetting the dollar costs of American forces there.

The extraordinary notion has been propounded that the presence of American troops abroad brings about American involvement in war. But there were no American troops in Europe before World War I or World War II—or in Korea before the involvement there. On the contrary, the presence of American troops in Europe since World War II has helped provide an almost unprecedented 29 consecutive years of European peace. Their withdrawal would be a step into the unknown.

Senator Mansfield's latest argument is that the troops withdrawn from Europe and Asia could be demobilized, reducing the defense budget by $1 billion a year. But United States armed forces already are half-a-million fewer than pre-Vietnam and 1.2 million fewer than those the Soviet Union maintains. There are ways in which defense spending can and should be reduced. But shotgun legislation aimed at American military manpower overseas would be the worst way now to go about that task.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Blackburn (at the request of Mr. Rhodes), for June 5 and 6, on account of official business.

Mr. Brasco (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Burke of Florida (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Corman, for today after 5 p.m., on account of official business.

Mr. Frey (at the request of Mr. Rhodes), for June 12 through June 18, on account of official business.

Mr. Hastings (at the request of Mr. Rhodes), for June 12 through June 18, on account of official business.

Mr. Moss, from close of business on June 6 through June 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Huber), to revise and extend their remarks, and to include extraneous matter:)

Mr. Derwinski, for 30 minutes, today.

Mr. Cleveland, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 15 minutes, today.

Mr. Hogan, for 5 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Conte, for 5 minutes, today.

Mr. Martin of North Carolina, for 5 minutes, today.

(The following Members (at the request of Mr. Ryan), to revise and extend their remarks, and to include extraneous matter:)

Mr. Murphy of New York, for 10 minutes, today.

Mr. Rarick, for 60 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mrs. Sullivan, for 5 minutes, today.

Mr. Dulski, for 5 minutes, today.

Mr. Alexander, for 15 minutes, today.

Mr. Foley, for 15 minutes, today.

Mr. Podell, for 10 minutes, today.

Mr. Price of Illinois, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Conte and to include extraneous matter in his remarks on H.R. 15155.

(The following Members (at the request of Mr. Huber), and to include extraneous matter:)

Mr. Hanrahan in two instances.

Mr. Roncallo of New York in two instances.

Mr. Steelman.

Mr. Wyatt.

Mr. Goodling.

Mr. Cohen in three instances.

Mr. Broyhill of Virginia in two instances.

Mr. Robinson of Virginia.

Mr. Archer.

Mr. Cleveland.

Mr. Rousselot.

Mr. Forsythe.

Mr. Wyman in two instances.

Mr. O'Brien in two instances.

Mr. McCollister in six instances.

Mr. Derwinski in two instances.

Mrs. Holt.

Mr. Martin of Nebraska.

Mr. Brown of Michigan in two instances.

Mr. Lent.

Mr. Huber.

Mr. Hosmer in two instances.

Mr. Heinz.

Mr. Gilman.

Mr. Hunt in two instances.

Mr. Anderson of Illinois in two instances.

Mr. Froehlich.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. Ryan), and to include extraneous matter:)

Mr. Bolling.

Mr. Gunter in 10 instances.

Mr. McKay in two instances.

Mr. St Germain.

Mr. Edwards of California in two instances.

Mr. Brasco in 12 instances.

Mr. James V. Stanton.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mrs. Mink.

Mr. Tiernan.

Mr. Nix.

Mr. Traxler in two instances.

Mr. Minish.

Mr. Meeds in two instances.

Mr. Van Deerlin in two instances.

Mrs. Hansen of Washington in 10 instances.

Mr. Stokes in 10 instances.

Mr. Rodino.

Mr. Leggett in three instances.

Mr. Mitchell of Maryland.

Mr. Badillo in four instances.

Mr. O'Hara.

Mr. Patten.

Mr. Evins of Tennessee.

Mr. Drinan in three instances.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 283. An act to declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif.; to the Committee on Interior and Insular Affairs; and

S.J. Res. 123. Joint resolution authorizing the procurement of an oil portrait and marble bust of former Chief Justice Earl Warren; to the Committee on House Administration.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 12565. An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2844. An act to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On June 5, 1974:

H.R. 6979. An act for the relief of Monroe A. Lucas; and

H.R. 14013. An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

On June 6, 1974:

H.R. 12565. An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

ADJOURNMENT TO MONDAY, JUNE 10, 1974

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, June 10, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2418. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July 1973–March 1974, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

2419. A letter from the Assistant Secretary of State for congressional relations, transmitting a report on the international narcotics control program for the period July 1, 1973 to March 31, 1974, pursuant to section 481(b) (1) of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2291(b) (1)]; to the Committee on Foreign Affairs.

2420. A letter from the Deputy Administrator of General Services, transmitting a draft of proposed legislation to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes; to the Committee on Government Operations.

2421. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of accommodations, facilities, and services for the public at Boulder Beach Site in the Lake Mead National Recreation Area for a term ending December 31, 1997, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2422. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of April 30, 1974, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2423. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act [8 U.S.C. 1182 (a) (28) (I) (ii) (b)]; to the Committee on the Judiciary.

2424. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice transmitting, copies of orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d) (6) of the Act [8 U.S.C. 1182(d) (6)]; to the Committee on the Judiciary.

2425. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a Federal Office Building at Huron, South Dakota, pursuant to 40 U.S.C. 606; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2426. A letter from the Acting Comptroller General of the United States, transmitting a report on the Pacific Northwest hydrothermal power program; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 15223. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes. (Rept. No. 93–1083). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. S. 411. An act to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes. (Rept. No. 93–1084). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on H.R. 14368. (Rept. No. 93–1085). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Resolution 935. Resolution, authorization for reprinting additional copies for use of the Committee on the Judiciary of the committee print entitled "Constitutional Grounds for Presidential Impeachment". (Rept. No. 93–1086). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Resolution 1006. Resolution authorizing the printing of the transcript of the proceedings in the Committee on Rules of October 25, 1973. (Rept. No. 93–1087). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 201. Concurrent resolution to reprint the brochure entitled "How Our Laws Are Made"; with amendment. (Rept. No. 93–1088). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 445. Concurrent resolution authorizing additional copies of oversight hearings entitled "State Postsecondary Education Commissions". (Rept. No. 93–1089). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 454. Concurrent resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies (Rept. No. 93–1090). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 455. Concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?" (Rept. No. 93–1091). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 474. Concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs (Rept. No. 93–1092). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 73. Concurrent resolution authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs (Rept. No. 93–1093). Ordered to be printed.

Mr. BLATNIK: Committee on Public Works. H.R. 14883. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes; with amendment (Rept. No. 93–1094). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOLIFIELD (for himself, Mr. HORTON, Mr. BROOKS, Mr. ERLENBORN, Mr. FASCELL, Mr. WYDLER, Mr. MOORHEAD of Pennsylvania, Mr. BROWN of Ohio, Mr. ROSENTHAL, Mr. MALLARY, Mr. HICKS, Mr. PARRIS, Mr. FUQUA, Mr. ALEXANDER, Ms. ABZUG, and Mr. DONOHUE):

H.R. 15233. A bill to establish an Office of Federal Procurement Policy within the Office of Management and Budget; to the Committee on Government Operations.

By Mr. CONABLE (for himself, Mr. ARCHER, Mr. CORMAN, Mr. DUNCAN, Mr. GIBBONS, and Mr. ROSTENKOWSKI):

H.R. 15234. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and so forth, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Ms. ABZUG, Mr. BADILLO, Mr. BROWN of California, Ms. CHISHOLM, Mr. CLAY, Mr. HARRINGTON, Mr. MITCHELL of Maryland, Mr. STARK, Mr. STOKES, and Mr. YOUNG of Georgia):

H.R. 15235. A bill to provide for disclosure of information by executive departments to committees of Congress; to the Committee on Armed Services.

By Mr. DELLUMS (for himself and Mr. EDWARDS of California):

H.R. 15236. A bill to amend the Budget and Accounting Act of 1921 to provide for investigations and expenditure analyses of the use of public funds; to the Committee on Government Operations.

By Mr. DELLUMS (for himself, Mr. BADILLO, Mr. BROWN of California, Ms. CHISHOLM, Mr. CLAY, Mr. HARRINGTON, Mr. MITCHELL of Maryland, Mr. STARK, Mr. STOKES, and Mr. YOUNG of Georgia):

H.R. 15237. A bill to provide for the receipt of testimony and information from executive agencies and bodies; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 15238. A bill to name the Veterans' Administration hospital located at 13000 North 30th Street, Tampa, Fla., the "Melvin T. Dixon Memorial Hospital"; to the Committee on Veterans' Affairs.

By Mr. HELSTOSKI:

H.R. 15239. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provisionmaking supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. HICKS:

H.R. 15240. A bill to amend title 10 of the United States Code to provide cost-of-living increases in the supplemental payments authorized by section 4, Public Law 92–425; to the Committee on Armed Services.

By Mr. KEMP (for himself, Mr. Badillo, Mr. Grover, Mr. Mathias of California, Mr. Rees, Mr. Corman, Mr. Hunt, Mrs. Boggs, Mr. Milford, Mr. Byron, Mr. Bergland, Mr. Johnson of Pennsylvania, Mr. Boland, Mr. Murtha, Mr. Eilberg, Mr. Veysey, Mr. Michel, Mr. Burgener, Mr. Smith of New York, Mrs. Heckler of Massachusetts, Mr. Frey, Mr. Carter, Mr. Mizell, and Mr. Armstrong):

H.R. 15241. A bill to create a National Commission on Olympic Sports to evaluate and formulate recommendations concerning participation of the United States in the Olympic games and other international competition in the Olympic sports; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. Abzug, Mr. Badillo, Mr. Brown of California, Ms. Chisholm, Mr. Conyers, Mr. Corman, Mr. Drinan, Mr. Edwards of California, Mr. Fraser, Mr. Goldwater, Mr. Harrington, Mr. Kemp, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Podell, Mr. Rooney of Pennsylvania, Mr. Stokes, Mr. Van Deerlin, Mr. Won Pat, and Mr. Young of Georgia):

H.R. 15242. A bill to restrict the disclosure of information in the possession of telephone companies or telegraph companies concerning members of the news media; to the Committee on Interstate and Foreign Commerce.

By Mr. KUYKENDALL:

H.R. 15243. A bill to amend the Federal Aviation Act of 1958 to require the Civil Aeronautics Board to disapprove certain pooling and other agreements between air carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McKAY:

H.R. 15244. A bill to provide that the Secretary of Transportation and the Interstate Commerce Commission require common carriers under their jurisdiction to prohibit smoking aboard aircraft, railroads, buses, and vessels carrying passengers, except in areas designated for that purpose; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Nebraska (for himself and Mr. McCollister):

H.R. 15245. A bill to prohibit the importation of fresh, chilled, or frozen cattle meat for a 6-month period; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 15246. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax from $60,000 to $100,000; to the Committee on Ways and Means.

By Mr. NELSEN:

H.R. 15247. A bill to establish university coal research laboratories and to establish energy resource fellowships, and for other purposes; to the Committee on Science and Astronautics.

By Mr. RANGEL:

H.R. 15248. A bill to amend the Small Business Act to assist in the financing of small business concerns owned by persons who are disadvantaged because of certain social or economic considerations; to the Committee on Banking and Currency.

H.R. 15249. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on the Judiciary.

By Mr. SANDMAN:

H.R. 15250. A bill to amend the Social Security Act to provide for medical, hospital, and dental care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax credits; and to provide effective utilization of available financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. SANDMAN (for himself, Mr. Broomfield, Mrs. Chisholm, Mr. Drinan, Mr. Eilberg, Mr. Fish, Mr. Forsythe, Mr. Gaydos, Mr. Hastings, Mr. Helstoski, Mr. Hogan, Mr. Ketchum, Mr. Maraziti, Mr. Railsback, Mr. Roe, Mr. Roncallo of New York, Mr. Tiernan, Mr. Charles Wilson of Texas, Mr. Won Pat, and Mr. Yatron):

H.R. 15251. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 15252. A bill to authorize and direct the Secretary of the Interior to conserve and store helium; to the Committee on Interior and Insular Affairs.

By Mr. STEELE:

H.R. 15253. A bill to authorize increased appropriations for the development of thermonuclear fusion power by the Atomic Energy Commission, acting through its own facilities or through cooperative arrangements with public and private institutions, organizations, and persons; to the Joint Committee on Atomic Energy.

By Mr. STEELMAN (for himself and Mr. Biester):

H.R. 15254. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 15255. A bill to amend section 552 of title 5, United States Code (known as the "Freedom of Information Act") to specify those matters which in the interest of the national defense may be withheld from public disclosure by a Federal agency; to the Committee on Government Operations.

H.R. 15256. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for an in camera inspection by the appropriate court of certain agency records; to the Committee on Government Operations.

H.R. 15257. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act) to require Federal agencies to respond to requests for certain information no later than 15 days after the receipt of each such request; to the Committee on Government Operations.

H.R. 15258. A bill to amend section 552 of title 5, United States Code (known as the "Freedom of Information Act"), to provide for increased public access to certain Federal agency records; to the Committee on Government Operations.

H.R. 15259. A bill to amend section 552, of title 5, United States Code (known as the "Freedom of Information Act"), to provide for the award of court costs and reasonable attorneys' fees to successful complainants that seek certain Federal agency information; to the Committee on Government Operations.

H.R. 15260. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 15261. A bill to amend the Consolidated Farmers Home Administration Act; to the Committee on Agriculture.

By Mr. WYMAN (for himself and Mr. Cleveland):

H.R. 15262. A bill to name the Federal Building located in Manchester, N.H., the Norris Cotton Federal Building; to the Committee on Public Works.

By Mr. ALEXANDER (for himself, Mr. Baker, Mr. Johnson of Colorado, Mr. Madigan, Mr. Wampler, Mr. Mills, Mr. Whitten, Mr. Thornton, Mr. Hammerschmidt, Mr. Burlison of Missouri, and Mr. Bowen):

H.R. 15263. A bill to establish improved programs for the benefit of producers and consumers of rice; to the Committee on Agriculture.

By Mr. ASHLEY (for himself, Mr. Rees, Mr. Mitchell of Maryland, Mr. Koch, Mr. Young of Georgia, Mr. Brown of Michigan, Mr. Johnson of Pennsylvania, Mr. McKinney, and Mr. Frenzel):

H.R. 15264. A bill to further amend and extend the authority for regulation of exports; to the Committee on Banking and Currency.

By Mr. BIAGGI:

H.R. 15265. A bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 15266. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio:

H.R. 15267. A bill to amend title II of the Social Security Act to provide a 20-percent across-the-board increase in benefits thereunder; to the Committee on Ways and Means.

H.R. 15268. A bill to amend title XVI of the Social Security Act to increase supplemental security income benefits to $200 a month for individuals and $275 a month for couples; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 15269. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit donations of surplus supplies and equipment to older Americans; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. Beard, Mr. Byron, Mr. Collier, Mr. Conlan, Mr. Dan Daniel, Mr. Davis of South Carolina, Mr. Duncan, Mr. Goldwater, Mr. Goodling, Mr. Hanrahan, Mr. Hutchinson, Mr. Kuykendall, Mr. Lagomarsino, Mr. Powell of Ohio, Mr. Quillen, Mr. Stephens, Mr. Taylor of Missouri, Mr. Ware, and Mr. Williams):

H.R. 15270. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 15271. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on House Administration.

By Mr. FLOOD:

H.R. 15272. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY:

H.R. 15273. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GONZALEZ:

H.R. 15274. A bill to provide for the protection of franchised dealers of petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS:

H.R. 15275. A bill to exempt the Chautauqua Lake Bridge in the State of New York from the application of the National Environmental Policy Act of 1969; to the Committee on Public Works.

By Mr. HAWKINS (for himself, Mr. Perkins, Mr. Bell, Mr. Benitez, Mrs. Chisholm, Mr. Clay, Mr. Esch, Mrs. Mink, and Mr. Steiger of Wisconsin):

H.R. 15276. A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. HECHLER of West Virginia (for himself, Ms. Abzug, Mr. Addabbo, Mr. Aspin, Mr. Badillo, Ms. Chisholm, Mr. Corman, Mr. Drinan, Mr. Eilberg, Mr. Fascell, Mrs. Grasso, Mr. Harrington, Mr. Helstoski, Mr. Lent, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Nedzi, Mr. Nix, Mr. Stokes, and Mr. Wolff):

H.R. 15277. A bill to provide for the orderly phasing out of surface coal mining operations, and to control those underground coal mining practices which adversely affect the quality of the environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. HECKLER of Massachusetts:

H.R. 15278. A bill to amend title 18 of the United States Code to permit the mailing, broadcasting, or televising of lottery information and the transportation, mailing, and advertising of lottery tickets in interstate commerce but only concerning lotteries which are lawful; to the Committee on the Judiciary.

By Mr. JOHNSON of Pennsylvania:

H.R. 15279. A bill to prohibit the use of appropriated funds for the purposes of carrying out research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological, or chemical warfare agents upon dogs; to the Committee on Science and Astronautics.

By Mr. MURPHY of New York:

H.R. 15280. A bill to amend chapter 44, title 18, United States Code, to prohibit the unlawful possession of firearms, and for other purposes; to the Committee on the Judiciary.

By Mr. PODELL:

H.R. 15281. A bill to amend the Internal Revenue Code of 1954 to provide individuals a deduction for the amount of certain social security taxes; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 15282. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers; to the Committee on Agriculture.

By Mr. RARICK (for himself, Mr. Foley, Mr. Vigorito, Mr. Gunter, Mr. Baker, Mr. Thone, Mr. Symms, Mr. Sisk, Mr. Bergland, Mr. Blatnik, Mrs. Hansen of Washington, Mr. Sikes, Mr. Evans of Colorado, Mr. Hicks, and Mr. Wyatt):

H.R. 15283. A bill to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and environmental values of certain of the Nation's lands and resources, and for other purposes; to the Committee on Agriculture.

By Mr. ULLMAN:

H.R. 15284. A bill to modify section 204 of the Flood Control Act of 1965 (79 Stat. 1085); to the Committee on Public Works.

By Mr. DUNCAN:

H.R. 15285. A bill to amend title 38 of the United States Code to require the Administrator of Veterans' Affairs to pay the cost of installing headstones and markers furnished by him; to the Committee on Veterans' Affairs.

By Ms. ABZUG (for herself and Mr. Bingham):

H.J. Res. 1052. Joint resolution designating October 10, 1974 as "The 90th Commemorative of Eleanor Roosevelt's Birth"; to the Committee on the Judiciary.

By Mr. DULSKI:

H. Con. Res. 519. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Lativa, and Lithuania; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Ms. Abzug, Mr. Addabbo, Mr. Alexander, Mr. Annunzio, Mr. Aspin, Mr. Badillo, Mr. Barrett, Mr. Beard, Mr. Bell, Mr. Benitez, Mr. Bergland, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blatnik, Mr. Boland, Mr. Bowen, Mr. Brademas, Mr. Brasco, Mr. Breaux, and Mr. Brotzman):

H. Con. Res. 520. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Broyhill of Virginia, Mr. Brown of Ohio, Mr. Brown of California, Mr. Buchanan, Ms. Burke of California, Mr. Burke of Massachusetts, Mr. Carey of New York, Mr. Carney of Ohio, Mr. Casey of Texas, Mr. Chamberlain, Ms. Chisholm, Mr. Clark, Mr. Del Clawson, Mr. Clay, Ms. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Cotter, Mr. Crane, Mr. Dominick V. Daniels, and Mr. Danielson):

H. Con. Res. 521. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Davis of Georgia, Mr. Davis of South Carolina, Mr. Delaney, Mr. Dellums, Mr. de Lugo, Mr. Denholm, Mr. Dent, Mr. Derwinski, Mr. Diggs, Mr. Dingell, Mr. Donohue, Mr. Downing, Mr. Drinan, Mr. Dulski, Mr. Duncan, Mr. du Pont, Mr. Edwards of California, Mr. Eilberg, Mr. Esch, Mr. Evans of Colorado, Mr. Evins of Tennessee, and Mr. Fascell):

H. Con. Res. 522. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Fish, Mr. Flood, Mr. Flowers, Mr. Ford, Mr. Frenzel, Mr. Fulton, Mr. Fuqua, Mr. Gaydos, Mr. Gettys, Mr. Gilman, Mr. Goldwater, Mr. Gonzalez, Ms. Grasso, Mr. Gray, Mr. Green of Pennsylvania, Ms. Griffiths, Mr. Grover, Mr. Gubser, Mr. Gunter, Mr. Guyer, Mr. Haley, and Mr. Hammerschmidt):

H. Con. Res. 523. A concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Kazen, Mr. Kemp, Mr. King, Mr. Kluczynski, Mr. Koch, Mr. Kyros, Mr. Lagomarsino, Mr. Landgrebe, Mr. Latta, Mr. Leggett, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. Lujan, Mr. Luken, Mr. McCormack, Mr. McDade, Mr. McFall, Mr. McKay, Mr. Madden, and Mr. Maraziti):

H. Con. Res. 524. A concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Hanna, Mr. Hanley, Mr. Harrington, Mr. Hawkins, Ms. Heckler of Massachusetts, Mr. Hechler of West Virginia, Mr. Heinz, Mr. Henderson, Mr. Hicks, Mr. Hogan, Ms. Holtzman, Mr. Huber, Mr. Hungate, Mr. Hunt, Mr. Ichord, Mr. Johnson of Pennsylvania, Mr. Johnson of California, Mr. Jones of Alabama, Mr. Jones of Oklahoma, Ms. Jordan, Mr. Karth, and Mr. Kastenmeier):

H. Con. Res. 525. A concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Martin of North Carolina, Mr. Mathias of California, Mr. Matsunaga, Mr. Mazzoli, Mr. Metcalfe, Mr. Mezvinsky, Mr. Miller, Mr. Mills, Ms. Mink, Mr. Minshall of Ohio, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Mizell, Mr. Moakley, Mr. Montgomery, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Murtha, Mr. Myers, and Mr. Nix):

H. Con. Res. 526. A concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. O'Brien, Mr. O'Hara, Mr. O'Neill, Mr. Owens, Mr. Patten, Mr. Pepper, Mr. Perkins, Mr. Peyser, Mr. Podell, Mr. Price of Texas, Mr. Price of Illinois, Mr. Quie, Mr. Railsback, Mr. Rarick, Mr. Regula, Mr. Rhodes, Mr. Riegle, Mr. Rinaldo, Mr. Roberts, Mr. Roe, Mr. Roncallo of New York, and Mr. Roncalio of Wyoming):

H. Con. Res. 527. A concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Rosenthal, Mr. Rostenkowski, Mr. Roush, Mr. Rousselot, Mr. Roy, Mr. Roybal, Mr. Ryan, Mr. St Germain, Mr. Sarasin, Mr. Sarbanes, Mr. Scherle, Mrs. Schroeder, Mr. Seiberling, Mr. Shuster, Mr. Sikes, Mr. Sisk, Mr. Skubitz, Mr. Smith of New York, Mr. Smith of Iowa, Mr. Snyder, Mr. Spence, and Mr. James V. Stanton):

H. Con. Res. 528. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Steed, Mr. Steele, Mr. Stephens, Mr. Stokes, Mr. Studds, Mr. Taylor of North Carolina, Mr. Thornton, Mr. Tiernan, Mr. Traxler, Mr. Udall, Mr. Vander Veen, Mr. Vanik, Mr. Vigorito, Mr. Waggonner, Mr. Waldie, Mr. Walsh, Mr. Whalen, Mr. White, Mr. Whitehurst, Mr. Bob Wilson, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H. Con. Res. 529. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Wolff, Mr. Rodino, Mr. Stark, Mr. Yates, Mr. Yatron, Mr. Young of Georgia, Mr. Young of South Carolina, an Mr. Zion):

H. Con. Res. 530. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. STEELE:

H. Con. Res. 531. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself, Mr. Rangel, Mr. Rodino, Mr. Aspin, Mr. Benitez, Mr. Boland, Mr. Blatnik, Mr. Bowen, Mr. Broyhill of Virginia, Mrs. Burke of California, Mr. Carney of Ohio, Mr. Del Clawson, Mr. Conte, Mr. Cotter, Mr. Crane, Mr. Dingell, Mr. du Pont, Mr. Edwards of California, Mr. Esch, Mr. Fulton, Mr. Goldwater, Mr. Gonzalez, Mr. Gray, Mr. Hogan, and Mr. Hungate):

H. Con. Res. 532. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself, Mr. Rangel, Mr. Rodino, Mr. King, Mr. Lujan, Mr. McKay, Mr. Mathias of California, Mr. Miller, Mr. Minshall of Ohio, Mr. Mizell, Mr. Moakley, Mr. Montgomery, Mr. Perkins, Mr. Quie, Mr. Railsback, Mr. Rhodes, Mr. Riegle, Mr. Roberts, Mr. Rostenkowski, Mr. Roy, Mr. St Germain, Mr. Scherle, Mr. Skubitz, Mr. Smith of Iowa, and Mr. Luken):

H. Con. Res. 533. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself, Mr. Rangel, Mr. Rodino, Mr. Thornton, Mr. Tiernan, Mr. Vander Veen, Mr. Vigorito, Mr. Waggonner, Mr. White, Mr. Charles Wilson of Texas, and Mr. McEwen):

H. Con. Res. 534. A resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr ASPIN:

H. Res. 1162. Resolution requesting a survey of the shoreline of Lake Michigan; to the Committee on Public Works.

By Mr. STEELE:

H. Res. 1163. Resolution to create a standing Committee on Small Business; to the Committee on Rules.

By Mr. YATES (for himself, Mr. Brown of Michigan, Mr. Lagomarsino, Mr. Mazzoli, Mr. Owens, Mr. Pike, and Mr. Rooney of Pennsylvania):

H. Res. 1164. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Repreesntatives on any resolution to impeach the President of the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

497. The SPEAKER presented a memorial of the Legislature of the State of West Virginia, relative to the tax-exempt status of State and local bonds for federally aided projects; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURGENER:

H.R. 15286. A bill for the relief of Maria Sylvia Macias Elliott; to the Committee on the Judiciary.

By Mr. McCOLLISTER:

H.R. 15287. A bill for the relief of Steve P. Reese; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

443. The SPEAKER presented a petition of Miro Nohavec, Franklin Lakes, N.J., relative to redress of grievances; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

WATERBURY, CONN., TERCENTENNIAL

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mrs. GRASSO. Mr. Speaker, this week citizens of Waterbury, Conn., are celebrating the 300th anniversary of their city.

It was in 1674 that 31 young men from Farmington petitioned the colonial council for permission to settle in what was then called Mattatuck, a wilderness region in western Connecticut.

The men were delayed in their work for several years by the Indian wars which swept the region. However, they showed the same industriousness that characterizes the citizens of Waterbury to this day. Indeed, with stunning success they fulfilled the requirements of the original deed to their settlement which stipulated that they were to build within 4 years of issuance a "good and fashionable" house, "with a good chimney." A short time later the town's name was changed to Waterbury—the name it bears today.

Waterbury's tercentennial is a joyous celebration—commemorating three centuries of progress and productivity. It is a marvelous milestone in the history of this fine city.

As with so many Connecticut cities, Waterbury's greatest resource is its people. Through the years, succeeding waves of sturdy immigrants brought rich traditions and culture to the city. Waterbury residents are dedicated and determined Americans—whose innovative outlook, resourcefulness, and undeniable spirit have led to great accomplishments for their city, their State, and the Nation. Always, the people of Waterbury have been forward-looking and progressive individuals. Their deep love of country and concern for their fellow Americans is evident in their hard work and diligence in pursuit of the common welfare.

Waterbury was originally a farming settlement. Yet, by the early 1800's industrialization had begun. The town's first manufactured goods were buttons made by the Waterbury Button Co., which is still in existence today. The buttons were originally made out of cloth-covered corn, but, because the company began supplying the military, sturdy and decorative metal brass became the material used for the buttons. The use of brass for buttons represented one of the important first steps in Waterbury's road to becoming "Brass City of the World," a designation reflected in the city's motto "Quid Aere Perennius?"—"What is more lasting than brass?"

Waterbury industry did not stop with buttons or brass, however. In 1841, just 6 years after Daguerre, a photographic pioneer, finished his experiments in France, Waterbury was the prime supplier of photographic plates and equipment used in the United States. Waterbury, together with nearby Thomaston, became important centers of the clock industry in America.

Though no longer the singular power in the world of brass that it was in the past, Waterbury has developed a strong and diversified economic base, including heavy industry, plastics, consumer goods, and other types of manufacturing. Established industries like Timex and the Scovill Manufacturing Co. add to the sturdy economy of the area.

The week long tercentennial celebration, which started Saturday, reflects the innovation and the creative verve that have long been key moving forces in the development of Waterbury. The celebration is being marked by impressive pageants depicting Waterbury life, and involving thousands of the city's citizens—ranging from the very old to the very young. Other events include a carnival, an Arts and Crafts Day, Ladies Day and a Young America Day, with sports, gymnastic exhibitions and the presentation of awards from the President's Physical Fitness Program. One day will be devoted to an exhibit on local industry.

On June 9, the final day of the celebration, Waterbury will hold a parade with 23,000 marchers, 54 marching bands and 50 floats. The line of march will be nearly 3½ miles long, and the parade will last almost 4 hours. It will be the largest parade that Connecticut and possibly New England has ever seen.

At this gala time, a significant point in Waterbury's history, I wish the hard-working people of Waterbury continued achievement and good luck in the years ahead.

OLDER AMERICANS

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. OWENS. Mr. Speaker, inflation, inadequate health care and unemployment are key problems confronting many older Americans. I am concerned with the plight of over 21 million Americans over 65, and have supported legislation in the 93d Congress that will seek solutions to the pressing hardships facing these individuals.

I voted to increase social security and pension benefits and to expand programs for social services, community employment projects and research on aging. I have been supportive of legislation to develop mass transportation for the elderly, to establish emergency medical systems and to reform medicare and health maintenance organizations.

Although these programs are only a first step in improving the quality of life of our senior citizens, they are an important step and will lay a foundation for further needed changes.

SOCIAL SECURITY

For many senior citizens on a fixed income, spiraling costs have taken their toll. Inflation will be approximately 11 percent this year, and as a result, nearly 30 percent of the 21 million Americans over 65 will receive incomes below the current poverty level.

Congress has recently passed a bill providing for increases in social security and supplemental security income. I voted for this legislation providing for a 7-percent increase in benefits in March of 1974 and an additional 4 percent in June 1974. An important feature of this bill is the stipulation that commencing June 1975, social security benefits will increase automatically to reflect increases in the cost of living. As the cost of living increases, retirement benefits must be sufficient to cover those costs.

A second needed revision in the social security program is an increase in the earnings limitation on outside income. Under existing regulations, a maximum of $2,400 can be earned in outside income before reductions in benefits will occur. This limitation is a disincentive in encouraging older Americans to continue to be self-supporting. Those individuals who wish to lead useful, active, and productive lives should be able to do so without losing retirement benefits.

I propose that older Americans be entitled to earn at least $3,600 per year in outside income without reducing social security benefits. This increase is modest, but will at least insure an equitable net income sufficient to provide for a decent standard of living.

Finally, more comprehensive information on the relationship between retirement benefits and programs should be made available to retirees. Administering agencies must insure that qualified recipients are receiving the full measure of benefits to which they are entitled.

MEDICAL CARE

Increasing medical costs, fewer medical benefits, and gaps in covered services are matters of considerable concern to older Americans. Although medicare has been a partial solution, it has not been the panacea that many expected it would be. Medicare pays only about 40 percent of the health care needs of its beneficiaries. One of the most serious omissions is the lack of coverage for chronic conditions. An estimated 85 percent of elderly people not in hospitals or nursing homes have chronic health conditions. There is legislation pending in Congress to provide for institutional care for nonacute illnesses and disabilities requiring no prior hospitalization and for support services in the home for nonacute illnesses and disabilities. Many in hospitals at the present time have no need to be there if adequate home care coverage and service was available. In addition, pending legislation would provide for prescription drugs outside of institutions, dental care and dentures, hearing aids, eyeglasses and refractions, and long-term health care.

Also, it seems that as medical costs increase, benefits decrease. Many doctors do not accept the medicare fees as the "usual and customary" fees, requiring patients to absorb differences between medical costs and medicare fees. Medicare premiums and deductibles have soared dramatically, making it impossible for elderly Americans on limited or fixed incomes to obtain even minimal health care. I have cosponsored legislation to roll back administration proposals increasing deductibles.

Finally, the medicaid program, designed to fill gaps in medicare services, has not proven responsive to the needs of many older Americans. Generally, only the very poor can qualify. Varying State regulations limit or preclude many from medicaid benefits. I have supported improvements in the medicaid program. I have also supported and voted for a 3-year comprehensive emergency medical service program, an expansion of health maintenance organizations—HMO's—and a $1.27 billion construction program for local and regional medical centers and hospitals. I will continue my efforts to meet the health needs of Americans, especially older Americans.

NUTRITION

Wholesome nutritious meals are essential to good health. Despite this fact, decent meals are an acute need of the elderly. Skyrocketing food costs and cutting corners on food budgets in order to meet housing costs and other fixed expenses have contributed heavily to this serious problem.

I have supported legislation expanding the food stamp program and providing adjustments for cost of living increases. Recently I voted for a bill to extend for 3 years the nutrition program of the Older Americans Act for Americans aged 60 and over. This program provides needy elderly with one hot nutritious meal a day, 5 days a week, in a community setting. The program is aimed at reducing the isolation of old age, making it possible for older Americans to meet with other citizens of similar interests on a day-to-day basis. Meals are transported to the homes of elderly unable to get out through the "meals on wheels" program. I support and urge expansion of the nutrition programs to all needy elderly.

TRANSPORTATION

Limitations on driving permits and high costs of automobiles and fuel have placed private transportation beyond the economic reach of many senior citizens. Public transportation is often too expensive, or inconvenient.

To ease these burdens, I have cosponsored the "Senior Citizens Transportation Act," which would allow persons 65 and older to travel in planes, buses and trains during nonpeak hours for half-fare on interstate trips. I supported amendments to mass transportation bills to improve urban transportation for the aged and handicapped, and amendments to the Older Americans Act for a comprehensive study of transportation problems of the elderly by the Commissioner on Aging.

One problem deserving greater attention is rural transportation for the elderly. One possible solution is the remodeling and use of small buses and vehicles no longer needed by the Government and available under the Federal Surplus Property Act.

Private transportation companies and volunteer organizations should be encouraged to plan programs of transportation for older Americans. Intrastate and intracity public transportation can provide reduced fares during nonpeak hours to senior citizens. This is mutually beneficial. The companies receive revenues otherwise lost and the elderly receive transportation otherwise beyond their means. I will continue to seek solutions to alleviate transportation problems for our older Americans.

JOBS

Older Americans are subject to a number of forms of discrimination—credit cards, loans, mortgages, and so forth. One of the most serious forms is job discrimination. Federal law prohibits job discrimination based on age for Americans between 40 and 65. Why 65? Any elderly American who is qualified to work and wishes to work should have the right to work.

Manpower retraining programs and public service programs should be made available to older Americans. Programs providing outlets for the engines of the elderly—Green Thumb, Foster Grandparents, Service Corps of Retired Executives—SCORE, Volunteers in Service to America—VISTA—should be encouraged and expanded. Green Thumb workers in Utah have done an immense amount of work for the State.

Wage discrimination must be eliminated. I have supported legislation increasing the minimum wage for elderly people holding jobs to $2 per hour as of May 1, 1974, increasing to $2.30 as of January 1, 1976, and extending the coverage of the minimum wage law. Older Americans, like any other Americans, are entitled to a decent wage.

Finally, private industry should adopt preretirement counseling programs to ease the transition from a labor to a leisure environment.

PENSIONS

Pension benefits must keep pace with increases in costs of living and must not be discontinued due to payments from other retirement income programs or outside earnings. I am supporting pending legislation to insure that recipients of veterans' pensions and compensation will not have the amount of such compensation reduced, or entitlement there-reduced or discontinued for increases in monthly social security benefits. Veterans' pensions likewise should not be reduced or discontinued for increases in railroad retirement benefits, or for reasonable outside earnings. I have also supported increases in veterans' benefits for nonservice connected disabilities and for survivors of veterans whose deaths were service connected.

I have supported amendments to the Railroad Retirement Act to ease eligibility requirements and change railroad retirement tax rates. Changes in railroad retirement, effective July 1, will enable employees with 30 years service to retire at age 60 with full benefits. Increases in social security during 1974 will automatically increase railroad retirement benefits. A Labor-Management Committee is studying improvements in the railroad retirement system with instructions to report to Congress for action before the end of 1974.

Finally, I support pension reform legislation now before the Congress. This legislation protects pension plans by setting standards for "vesting" rights, and protects pensions against losses and abuses of pension funds. It also increases the tax-deferred sums that self-employed persons can put aside for retirement.

TAX ASSISTANCE AND REFORM

A further threat to the limited resources and disposable incomes of older Americans arises from a lack of tax guidance and tax laws which cast an unfair burden upon the aged.

Many returns are filed without tax counseling and without claim of legitimate exclusions, exemptions, and deductions which reduce the tax properly due. An estimated 50 percent of all older Americans are paying more taxes than the law requires. Under present tax laws on retirement income credits, an elderly taxpayer can deduct from final taxes 15 percent of up to $1,524 of his retirement income—up to $2,286 for a couple. An estimated 50 percent of persons entitled to this credit do not avail themselves of it. Many elderly persons do not utilize the benefits of section 121 of the Internal Revenue Code relating to gain from the sale or exchange of a residence by an individual 65 or older.

The Internal Revenue Service is making belated efforts to provide assistance. In 1973 the IRS trained 2,500 elderly tax counselors as part of its volunteer income tax assistance—VITA—program. The program provides not only tax counseling, but also promotes productive use of time by many senior citizens. I support legislation introduced in Congress to continue this most beneficial program.

Property taxes have increased over 50 percent since January 1969. The crushing burden falls particularly on elderly people with fixed incomes. I have introduced H.R. 13090, the Emergency Property Tax Relief Act, to decrease the real property tax burden of low- and moderate-income individuals who have attained age 65. This bill encourages State and local governments to reform their real property tax systems, and provides tax relief to homeowners and renters in the form of tax credits, refunds, or rebates.

Maximum limits of retirement income qualifying for the retirement income credit are $1,524 for an individual and $2,286 for a joint return. Congress is considering legislation to raise the maximums to $2,500 and $3,700 respectively. I support this increase.

Finally, no additional tax burdens should be placed upon the elderly. Medical and dental expenses constantly reduce retirement incomes and benefits. These expenses are deductible above 3 percent of adjusted gross incomes—above 1 percent for drugs and medicines. I oppose any increase in the limitation on excluding medical and dental expenses for older Americans. In fact, I urge consideration of eliminating the 3 percent and 1 percent limitation on deductibility of medical and dental expenses and medicines for taxpayers 65 and over. This will provide some tax relief for expenses which have become a daily drain on many elderly taxpayers.

HOUSING

Every American seeks a decent, safe, clean home of his own choosing. Millions of older Americans live in deteriorating and unsatisfactory housing, and high mortgages and interest rates take new homes out of economic reach.

Amendments to the Older Americans Act authorized single family and multifamily housing and demonstration projects for older Americans. It provides legal protections against fraud and discrimination in acquiring housing. The Congress also authorized $3 billion for low-rental, low-cost housing for senior citizens. I supported this legislation. The President has impounded these critical funds and thereby prevented the start of a program to implement the goal of the 1971 White House Conference on Aging for 120,000 housing units per year. These funds should be released and put to work immediately for new construction.

I strongly favor passage of the Housing and Community Development Act of 1974. Programs revised, assisted, and established by this act would provide 117,500 single family and multifamily housing units for the elderly.

In addition, the Department of Housing and Urban Development should be directed to put to productive use, with particular attention to the needs of older Americans, the many units of foreclosed or dilapidated housing under its jurisdiction. A number of cities, led by Wilmington, Del., have initiated programs for selling or leasing condemned buildings at little or no cost in return for full renovation of the premises by the purchaser or lessee. To meet particular problems of the aged, the unused units could be transferred at nominal cost to nonprofit organizations for repair and remodeling for sale or lease at reasonable sums to older Americans.

RESEARCH

Funds allocated for research on aging are insufficient. Limited experiments are already yielding important results.

A few weeks ago, I was pleased to support the establishment of a National Institute on Aging as a new division of the National Institutes of Health. Similar legislation passed the Congress in 1972, but was pocket vetoed by the President. The Institute will have responsibility to first, assess the biological, medical, and psychological aspects of aging on all programs for the aging administered or assisted by HEW; second, provide information and assistance to all Americans, especially older Americans, to deal with problems of aging; and third, prepare a comprehensive aging plan within a year for submission to Congress. The bill also promotes training of health, nursing, and paramedical personnel. This legislation can result in limitless benefits by providing cures to problems associated with aging. I urge the President to be more responsive to the needs of the elderly and sign this bill.

CONCLUSION

In my first special report to senior citizens, I stated my commitment "to the challenge that remains before us to develop and implement a national policy to help eliminate the inequities facing older Americans." The inequities are many. The challenge is great. It must be met. We owe it to our older Americans. We owe it to ourselves, for we will all be older Americans some day.

OLDER ADULT LUNCHEON CLUBS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. RANGEL. Mr. Speaker, one of the most serious problems facing our elderly citizens today is malnutrition. The sharp increases in the cost of food and other essentials is making it increasingly more difficult for senior citizens to buy nutritious foods. This fact, combined with the inability of many old people to prepare their food because of physical infirmity has led to the serious problem of malnutrition which exists today.

The meals on wheels program and the free hot lunch program which are presently in operation go a long way to help meet the serious problem of malnutrition among the elderly. It is, therefore, essential that Congress continue to fund these worthy programs.

I am taking the liberty of placing in the Congressional Record an editorial which recently was aired on WINS Radio in New York City regarding the role which the hot lunch and meals on wheels programs play in New York City, for the benefit of my colleagues:

Older Adult Luncheon Clubs

(By Robert W. Dickey, general manager)

One of the most serious problems faced by many elderly persons is malnutrition caused by inadequate, unbalanced diets. These people have been seriously hurt by rising food prices which restrict the kinds of food they can afford to buy.

In addition, many of them who are in poor health or live alone lack either the ability or the incentive to prepare proper meals for themselves. That's why we think that programs like New York City's "Older Adult Luncheon Clubs" are so important.

Mayor Abraham Beame recently announced the opening of 31 such facilities in a program which the city hopes eventually will serve free hot lunches to 10,000 elderly New Yorkers. We think this program is a great idea.

By the end of June, there should be 60 such clubs in neighborhoods throughout the city which have large numbers of low-income elderly persons. These clubs operated by churches, voluntary agencies, community groups or the city parks department offer companionship as well as nutritious lunches.

In addition, meals on wheels will be delivered to shut-ins in each neighborhood. The program is financed by the Federal Government under the Older Americans Act with 10% matching funds from the city.

The House of Representatives already has appropriated more money for programs of this kind, and this legislation now awaits Senate action. We think that this is one appropriation bill that merits prompt Senate approval.

PROFESSIONAL STANDARDS REVIEW

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. WHITE. Mr. Speaker, recent decisions by the Secretary of Health, Education, and Welfare regarding the area designations of Professional Standards Review Organizations — PSRO — have caused some Members to support legislation which would repeal the PSRO section of Public Law 92–603.

Some States, like Texas, had already established statewide PSRO units which adopted all of the criteria and guidelines laid down by the statute and the Department. Yet, the Secretary has seen fit to divide those States into areas which cause, among others, administrative complications. Consider for example, the problems caused for multi-located medical schools, each of which location falls in a different HEW PSRO area.

The bill I introduced with my colleagues yesterday would allow States already in compliance with the law to operate on a statewide PSRO basis.

To further illustrate the need for this legislation, I would like to share with you pertinent excerpts from letters I received from the Texas Medical Association and the Texas Institute for Medical Assessment:

> . . . As you are aware, representatives of the American Medical Association and the Texas Medical Association testified as to the potential deleterious effects of this law on the quality, confidentiality and costs of medical care before the Senate Finance Committee and the House Ways and Means Committee prior to its adoption in 1972. In conversations with various members of Congress it has been confirmed to us that due to the time frame of the passage of H.R. 1 that all ramifications of the PSRO section were not fully comprehendible . . .
>
> Since the enactment of the PSRO section, the AMA and TMA have recognized their responsibilities and have attempted to provide leadership in the PSRO Program to assure that the best interest of the public and the medical profession are preserved. You are aware that the TMA in coperation with virtually every professional health organization in Texas formed the Texas Institute for Medical Assessment (TIMA) to establish an organization which does qualify with all terms of P.L. 92–603 to become a statewide PSRO. This organization had the active support of 24 of 26 members of the Texas Delegation in Congress for which we are grateful. You have also been made aware of the support that 92% of the health providers of Texas gave to the TIMA proposal as evidenced by a poll made in January of this year.
>
> In spite of the fact of all the support TIMA had in its efforts to comply with the law, the Secretary of HEW chose to ignore our position and sliced Texas into nine regions resulting in non support of health providers, disruption of service and referral patterns, casting away a sound, logical, feasible, economical approach and placed the entire PSRO Program in Texas on a course that leaves little hope of success and more likely one not in the best interest of the patient whose interest it was supposed to serve . . .
>
> The Texas Medical Association remains firmly committed to the principle of peer review under professional direction and will continue our efforts to expand and improve our existing peer review, based upon principles of sound medical practice and documentable objective criteria, so as to certify that objective review of quality and utilization does take place. Because the PSRO provision of the law and the Secretary of HEW through his actions have in effect placed into motion forces which will dismantle these programs of proven effectiveness and inhibit the improvement of existing peer review programs, we feel our recommendations . . . are justifiable . . ."
>
> CHARLES B. DRYDEN, M.D.,
> *President, Texas Medical Association.*
> JOHN M. SMITH, Jr., M.D.,
> *Chairman, Board of Trustees.*
> JOSEPH T. AINSWORTH, M.D.,
> *Chairman, Council on Medical Legislation.*
> JOSEPH T. PAINTER, M.D.,
> *Chairman, TIMA Steering Committee.*

> . . . TIMA has established an organization which can qualify under the terms of the law as a PSRO. We have developed a proposal which will expedite with greater economy in Texas the PSRO provisions of P.L. 92–603. Our proposal emphasizes local responsibility for PSRO. The proposal is a product of overwhelming, grass-roots support from all aspects of the health professional spectrum.
>
> In turn, we have asked for a single, statewide PSRO with the flexibility to subdivide into local functions of review according to the medical service patterns of our large state and in those ways to insure effective and genuine cooperation from local providers . . .
>
> We understand that the states of Georgia and Washington . . . have been designated as single statewide PSROs. TIMA has offered a legitimate, in our judgment, third model for PSRO which should be tested. PSRO needs the cooperation of providers if it is to succeed, and it must not disrupt service and referral patterns. TIMA has done its repeated best to persuade OPSR and HEW that Texas does have unique circumstances which justify the TIMA proposal.
>
> JOSEPH T. PAINTER, M.D.,
> *Chairman, TIMA Steering Committee.*

WE HAVE NOT FORGOTTEN OUR MIA'S

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. CONLAN. Mr. Speaker, I am very pleased that the House of Representatives this week passed without opposition House Concurrent Resolution 271 concerning the status of U.S. military men missing in action or presumed dead in Southeast Asia.

This bill requires U.S. officials to end consideration of aid, trade, diplomatic recognition, or any other communication, travel, or accommodation with the North Vietnamese or the Vietcong until they abide by provisions of the Paris Peace Treaty and peace agreement of September 14, 1973.

These provisions require that the North Vietnamese and Vietcong submit a complete and accurate accounting of our men who were prisoners of war or listed as missing in action.

There have been grave inconsistencies in North Vietnamese and Vietcong reports to date. The Communists would have us believe that they have released and accounted for all our men. However, they have released pictures of U.S. servicemen whom they once claimed were prisoners of war, but who were not among the POW's released. Nor were there bodies among those that have been returned so far.

Failure of the North Vietnamese and the Vietcong to comply fully with the treaty provisions by not only refusing to provide information on our men or assist our search teams, but by actually ambushing and killing members of those teams, renders any U.S. aid to them unreasonable, unpatriotic, and a slap in the face to the proud families of our heroic servicemen.

I am pleased and proud that I could join in cosponsoring this bill. I believe that all Americans share our concern for our men missing in action. This resolution should be a firm indication to the Communists that we have not forgotten our MIA's.

U.S. FOREIGN AID FOR THE SOVIETS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. ASHBROOK. Mr. Speaker, the recent approval of a $180-million credit to the Soviet Union by the U.S. Export-Import Bank is one more example of the United States giving foreign aid to that Communist power. That is correct, the present credit is nothing but foreign aid. Why? The reasons are obvious with a few minutes thought.

The U.S. Eximbank is lending money to the Soviets at 6-percent interest. The U.S. Government is paying more than that to borrow money. Of course, you and I cannot hope to borrow money anywhere near that interest rate. Nonetheless, the Soviet regime is able to get American taxpayer-subsidized credits at a rate that U.S. citizens are unable to borrow at.

While the Soviets are obtaining foreign aid from the United States, they, in pursuance of their own goals, are granting aid and giving loans to other countries. At the same time the United States was granting the Soviets a $180 million loan, the Soviets were granting Argentina a $600-million credit.

Some have been arguing that the United States must give loans to the Soviets in order to sell our goods to them. It seems that Britain and West Germany must be better businessmen. West Germany got the Soviets to pay $1 billion in cash for a steel plant even though the Soviets originally wanted loans. A British firm is receiving $48 million in cash for a new plastics firm. Why must the U.S. Eximbank be providing subsidized loans at rates unobtainable in the United States?

Has the time not passed that the United States should be financing its enemies? At a time that inflation is raging at home, I cannot understand how anyone can defend subsidizing the Soviet Union with American tax money.

At this point I include in the Record excerpts from an editorial in the Pittsburgh Press of May 26, 1974.

[From the Pittsburgh Press, May 26, 1974]

Availability of Russian Cash Noted

"In a foolish and unnecessary foreign-aid blunder, the Nixon administration has granted a $180 million loan to the Soviet Union to help finance a huge fertilizer complex there.

"The loan was made by the Export-Import Bank on instructions from President Nixon.

"It carried the bargain interest rate of 6 per cent. Six per cent at a time when the most creditworthy American corporations must pay about twice as much to borrow money!

"In an effort to justify its dubious deal, the Ex-Im Bank points out that the credit will help U.S. companies export $400 million in goods for the fertilizer project and eventually will bring 'needed fertilizer to the U.S.'

"All that may be true but it misses a basic point:

"By granting credit to the Soviet Union at half the rate charged domestically and to many friendly countries, the U.S. taxpayer is subsidizing and giving foreign aid to the Kremlin's industrial base.

"There is nothing wrong with expanding trade with Moscow in nonstrategic items. But financing that trade with long-term loans at sweetheart rates is indefensible.

"It may be news to the White House, but it isn't to the U.S. intelligence agencies, that the Soviet Union can well afford to pay cash or to arrange for normal commercial credits for what it wants to buy in this country.

"Russia tried to pull an 'Ex-Im' type deal on West Germany for an iron and steel combine in Kursk. But when Bonn remained firm, Moscow agreed in March to pay $1 billion in cash for the project.

"Similarly, it is paying $48 million in cash to a British firm for a new plastics plant.

"Only this month the Soviet Union gave Argentina $600 million in credit for a vast electric power project.

"Can anyone explain why Russia should get a $180 million loan from the United States when Russia can afford to lend Argentina $600 million?"

SILVER JUBILEE OF THE REVEREND JOHN P. CASEY

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. RONCALLO of New York. Mr. Speaker, the Reverend John P. Casey, pastor of Our Lady of Mercy Church since 1969, will celebrate the 25th anniversary of his ordination June 11.

Father Casey spent the first 18 years of his priestly life as an assistant pastor of St. Hugh's Church, Huntington Station.

While at St. Hugh's, Father Casey also served as the advocate and procurator of the diocesan tribunal.

In 1967 he was transferred to SS. Cyril and Methodius, Deer Park, where he served as assistant pastor until his present appointment as pastor of Our Lady of Mercy in 1969.

Father Casey was born in New York in 1923, and attended St. John's Prep, Brooklyn, Cathedral College and the Immaculate Conception Seminary.

Reflecting on his 25 years as a priest, Father Casey said he hopes to "keep on serving the people" of Long Island.

Father Casey will celebrate a Mass of Thanksgiving to mark his silver jubilee at 2:15 p.m., June 9, at Our Lady of Mercy Church.

I join with my colleagues in extending Reverend Casey our congratulations and best wishes on this joyous occasion for his service to God and community.

THE JEWS OF RUSSIA ARE NOT FORGOTTEN

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. BRASCO. Mr. Speaker, a number of years ago, before too many people remembered that they were still alive and suffering in the Soviet Union, I and a number of other concerned Americans raised the question of the plight of Russia's 3½ million Jews. We encountered a large amount of indifference and a certain amount of hostility, even in circles where we might have expected the greatest concern.

As history reveals, our effort persisted. First the young people took it upon themselves to arouse the conscience of the Nation's Jewish community. After that it became a matter of massaging America's national conscience. To the credit of our country, the cause of Soviet Jewry has become nationally known and today commands the sympathy of all thoughtful, compassionate Americans.

Let it be known that our efforts have not been for nothing. Embodied in legislation, they are largely responsible for the Soviet's grudging release of some thousands of their Jewish citizens. Yet the grudging manner in which this has been done should tell us that the moment our energies flag, then will the Russian regime crack down on all activities and shut the door in the faces of those who desperately seek the chance to leave Russia.

Today, all across the face of Russia, Jewish and like-minded activists challenge the might of the Soviet state at their peril. Thousands and perhaps hundreds of thousands, rot in Soviet prisons, victims of Soviet brutality and martyrs to their own beliefs. The plight of Valery Panov and his wife immediately comes to mind. Yet we must recollect that he and his wife are only the most visible of many thousands of Soviet citizens whose only crime is to want to live as Jews in Israel. Anyone who denigrates their situation or the state of mind prevailing in Russia today lives in a world of self-delusion.

One has only to look into the face of a Russian Jew who has managed to leave, or to hear of their experiences, to understand the reality of the equation governing the lives of their coreligionists. Yet there are those who would play down their experiences and seek to defuse the efforts we are making on behalf of the right to emigrate.

On all sides, within and without the Jewish community, there are heard voices saying that we are making too much of the thing—that things are changing, that too great a fuss has been made, that we should ease off. Fortunately, their views have not prevailed. And they shall not prevail. We shall never rest until everyone of these people seeking the right to live freely has the opportunity to do so. We shall continue to stand up to those vested interests here in the United States who have tried to cut off the concern for Soviet Jewry at the roots.

Who are these people? Mainly those large interests who seek to profit from doing business with the Soviet Union. Armand Hammer of Occidental Petroleum opposes freedom for Soviet Jewry because he is in love with profit at any cost. Mr. Kendall, president of Pepsico, opposes us because it is more important in his eyes to sell Pepsi-Cola in Russia than for America to stand up for human freedom. Still other, well meaning but totally misguided groups seek to oppose freedom of emigration because to them, sacrificing the freedom of Russia's Jews seems to be a way of pursuing the will-of-the-wisp of world peace and disarmament. All are doomed to failure in their efforts in the short run.

Dr. Martin Luther King, Jr. said:

> No man is free until all men are free.

I believe that this is as worthy a goal as world peace. Neither is possible without the other. When man is free, then his mind will be free, and world peace will become a possible dream. Until then, we must continue to batter at the gates of dictatorships until our voices are heard within and those imprisoned within can emerge into the broad sunlit uplands of human dignity. Today that situation does not prevail for the Jews of Russia.

On June 2, we celebrated National Solidarity Sunday to reaffirm American support for Jews in Russia. Under the coordination of the National Conference on Soviet Jewry, communities across the United States sponsored events in which Americans of all religious faiths and ethnic backgrounds expressed their feelings of solidarity for Soviet Russia's Jews. Let it be noted that in the first 4 months of 1974, permitted emigration was more than 30 percent below the emigration rate allowed for 1973. Harassment of those applying for exit visas has increased, and this takes extreme physical forms. Only our voices can make a difference.

Elie Wiesel has written and spoken eloquently of the holocaust in World War II, when Hitler's Germany murdered 6 million innocent Jews. He has spoken in his messages of the crime of silence. Abraham Lincoln stated that—

> To sit in silence when we must speak out makes cowards out of men.

America has always spoken out against morally bankrupt acts and regimes, be they abroad or at home. This is such a time for us to make our voices heard above the tumult of society. It is an act that lifts us and our cause to a greater height than those who oppress the innocent. The Jews of silence look to us for such an act of affirmation.

INFLATION: A TIME FOR ACTION

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. ALEXANDER. Mr. Speaker, undoubtedly the most critical problem confronting this Nation today is inflation—the rapid recent rise in the cost of living. In the early months of 1974, the Consumer Price Index was rising at an annual rate of approximately 11 percent, dipping a heavy hidden hand into the pockets of every American family.

Some of our economic advisers have taken the view that, if left alone, the disease will run its course and disappear. That may be fine for a common cold, but it is no good for pneumonia—and the present rate of inflation is clearly assuming the symptoms of the latter.

Others stick doggedly to the belief that higher interest rates are a cure. Yet this only adds fuel to the fire. It simply contributes another layer of cost to every commodity in the marketplace.

The average rate of interest has inched upward to almost twice the level of 5 years ago. And every time the interest rate has been allowed to rise, the cost of living has risen with it.

High interest has not discouraged people from going into debt. It has just made it almost impossible for anybody to get out of debt.

Debt is the principal cause of inflation. Individually and collectively—in our private lives and in our governmental life—Americans have been on a credit card binge.

Private installment debt—not counting public debt—stands today at $150 billion, 10 times the total of 20 years ago. When you add mortgage debt, the American people will shell out this year some $54 billion in interest charges on delayed payments.

Is it any wonder then that there is scarcely enough left over for groceries? And is it any wonder that Government has come to expect an annual increase in the national debt?

Last year the President submitted to Congress a proposed budget which called for a $12.7 billion deficit. Congress reduced the total outgo, principally by cutting about $5 billion from military and foreign aid. Thus the total deficit forecast has been diminished by some $8 billion, and it appears now that we will end the fiscal year going only $4.7 billion in the red.

But that is exactly $4.7 billion too much.

The inflationary impact of spending is not mainly in how much we spend. It is in how much we spend that we do not have.

If the Government were to spend $2 billion less than it took in and apply that $2 billion to a reduction in the national debt, the effect would be deflationary.

And if the general public were encouraged to pay off $2 billion of its current $150 billion of outstanding installment debt this year instead of adding to it, the combined effect of these two actions would predictably begin to bring prices back down.

This year the Federal Government is paying $27.8 billion in interest on the national debt. That means you and I and the rest of the American taxpayers are paying this amount as a penalty for having borrowed in previous years.

There are two ways to reverse this self-destructive trend. One course of action rests with enactment of the Budget Control and Impoundment Act of 1973, now passed by both Houses of Congress and awaiting final action in a conference committee.

Through this legislation, Congress for the first time will have a positive vehicle to commit itself not only to the stoppage of deficit creation, but also the budgeting of a definite amount each year as a payment on the national debt.

This bill, which I have actively supported and spoken for in the House, provides for the establishment at the beginning of each Congress of a definite expenditure ceiling. Should total appropriations exceed this ceiling, every government program would be cut back by the same percentage to assure that the ceiling is not exceeded.

By including in each budget a specific amount for debt reduction, Congress would finally be in a position to guarantee some annual progress on this long-deferred and increasingly imperative goal.

The second means of reversing the spiraling inflationary trend lies in the collection of delinquent international debts. Zeroing in on international debts is a must since these debts hurt the American taxpayers in three ways. First, since the Federal Government does not have this money available to apply to costs in the national budget, the taxpayer has to cough up higher levies. Second, taxpayers are penalized when the Federal Government, because of the vacuum caused by the failure of countries to pay the debts they justly owe us, is forced to borrow money at high interest rates. And finally, taxpayers suffer long-term injury when the United States gives the impression to other countries that the men making decisions at the top are such poor economic managers they do not insist on timely payment of debts.

At present we are drifting toward the double danger of inflation and recession. But there is a way back to economic health and sanity. The Budget Control and Impoundment Act, though it may require some degree of sacrifice on the part of the Government and the public, and collection of outstanding international debts are two roads to a sound economy.

Whatever the sacrifices, they will be much less painful than the consequences of inaction. And those consequences are becoming harsher every month we delay.

TWO MORE CHURCHES FAVOR THE LEGAL OPTION OF ABORTION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DELLUMS. Mr. Speaker, I would like to express again my deep concern for the basic human right of each woman in this country to decide when to have her own children. I believe that no woman should be forced to bear an unwanted child.

Abortion should be available to all women without restriction by law or constitutional amendment. Affluent Americans have always had access to safe abortions—young, poor, minority women, however, if denied a legal abortion, are too often forced to seek abortions from unskilled quacks or by some self-induced means.

A large number of individuals and organizations have expressed their support for safeguarding the legal option of abortion. I would like at this time to include in the RECORD recent resolutions from the General Board of American Baptist Churches in the U.S.A. and from the Social Action Commission for Reformed Judaism. Both resolutions are based upon a concern that the free exercise of individual conscience and religious belief is threatened by the proposed constitutional amendments which would prohibit abortion:

MOTION FROM THE COMMITTEE ON CHRISTIAN UNITY, ADOPTED BY THE GENERAL BOARD, FEBRUARY 24, 1974

The General Board of American Baptist Churches in the USA feels it is imperative to address itself to the current efforts of the National Conference of Catholic Bishops in the U.S.A. to seek a Constitutional Amendment through the Congress and the States to nullify the January, 1973 decision of the United States Supreme Court on abortion.

1. Encouraged by the mutual understanding and cooperation toward which Roman Catholics and Protestants have been moving during the past decade, we are nevertheless impelled to express a divergent view regarding the Constitutional Amendment before the Senate Subcommittee on Constitutional Amendments on March 7, 1974.

2. We acknowledge the legal right of all individuals and groups, both religious and secular, to seek the enactment of laws which reflect the values they hold to be necessary to the exercise of their freedom and on behalf of the common welfare. However, we believe that the present national effort of the National Conference of Catholic Bishops in the U.S.A. to coerce the conscience and personal freedom of our citizens through the power of public law in matters of human reproduction constitutes a serious threat to that moral and religious liberty so highly prized by Baptists and so long protected for all people under the nation's policy of the separation of church and state.

3. We recognize the moral ambiguities involved for many people, including American

Baptists, in the birth control and abortion issues. We are nevertheless saddened when such crusades seek the passage of laws which violates the theological and moral sensitivities, and hence the freedom, of other church bodies. All must be given their constitutional rights in a free society to guide and assist their constituencies in formulating a responsible life style in matters of sexual expression and family planning.

4. We affirm freedom of conscience for all but object to an appeal to the state which could coerce all citizens to accept a moral judgment affirmed by one member of the body of Christ. We urge a continuation of dialogue with our Roman Catholic brothers and sisters on this and other matters. Let us seek a common understanding of the mind of Christ, and let us listen to each other in love.

We therefore request our General Secretary to communicate this concern to the appropriate Roman Catholic leadership in the hope that the progress and strides which have been made in the area of Christian unity may continue.

Statement of Social Action Commission for Reformed Judaism

At a recent meeting of the Social Action Commission for Reformed Judaism, the Commission reaffirmed its support of abortion rights and of the Supreme Court decision. The Commission expressed its deep concern over the effort of certain groups to overturn the decision and the gradual erosion of the civil liberties of Americans by such an act. They urged their synagogues to join local and state-wide coalitions of Christians and Jews being formed by the Religious Coalition for Abortion Rights to support the Supreme Court decision.

SENIOR CITIZENS DISCOUNT CLUB

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. EILBERG. Mr. Speaker, on May 1, 1974, the Roosevelt Mall Shopping Center, in my district in northeast Philadelphia, initiated a unique program for shopping centers.

Seventy merchants established a Senior Citizens Discount Club and the man responsible for this innovation was Mr. Sy Goldberg, the center's manager.

At first the merchants were a little reluctant to go along with this idea, but Mr. Goldberg's confidence and enthusiasm for the program were so great that he persuaded the store owners to at least try it.

A headquarters for senior citizens was set up on the mall and identification cards with photographs were given out to the senior citizens who qualify for a 10-percent discount in 70 stores.

The results so far have been tremendous. Thousands of senior citizens have taken advantage of the offer, which benefits both them and the store owners.

Mr. Goldberg believes that senior citizens have long been neglected by retailers who have not recognized their special problems and the fact that because of their generally fixed incomes these people have been hit the hardest by the continuing inflation.

I believe that Sy Goldberg deserves recognition for his innovative efforts, on behalf of both the senior citizens in my district and the businessmen with whom he works.

BUSINESS FACES THE FIGHT OF ITS LIFE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. CRANE. Mr. Speaker, rather than hailing the fact that our American system of free enterprise has made our country the most prosperous in the world, with wealth more widely diffused than in any other place, we have, instead, witnessed a mounting attack upon American business and industry.

In an age when more and more individuals find the need for scapegoats, American business has been discovered as a prime villain which can be blamed for all of our many problems, whether environmental, ecological, racial, or energy.

How ironical that the oil companies have been blamed by politicians for an energy shortage created almost solely in Washington by Government import quotas, price controls, and other similar interferences in the market. Just as demagogs in other countries have used racial and religious minorities as the scapegoats for national difficulties, so in our own country business and industry has been assigned this unfortunate position. Demagoguery is the same, however, whether its targets are racial minorities or business enterprises.

Discussing this state of affairs Senator BARRY GOLDWATER recently wrote:

> The threat of crippling anti-business legislation is now greater than at any previous time in my experience. . . . From now on, you can expect to see a constant parade of corporate witnesses going to Capitol Hill to be badgered and blamed for a growing list of problems.

Senator GOLDWATER notes:

> Never before have I seen a situation which cried out as loudly for intelligent planning by business representatives.

Criticizing American business for doing too little at too late a time to defend their own interests, Senator GOLDWATER concludes:

> I would tell them to start making plans today—not tomorrow—to head off a concerted drive against all important elements of the American private enterprise system. . . . The current challenge to business seemed to reach crisis proportion almost overnight. This, by itself, should inform the leaders of the private enterprise system that the hour is very late and growing later every minute.

Freedom and free enterprise are intrinsically linked. It is not possible to become economically dependent upon the state without becoming a ward of that state. Unfortunately, business voices have not been raised loudly enough to carry this vital message to the American people.

I wish to share Senator GOLDWATER's important article, which appeared in the May 1974 issue of Nation's Business, with my colleagues, and insert it into the RECORD at this time:

Business Faces the Fight of Its Life

(By Senator BARRY M. GOLDWATER)

The American private enterprise system—especially its basic industry segment—is headed for new and serious trouble in Congress.

In fact, the threat of crippling anti-business legislation is now greater than at any previous time in my experience. The going-over that representatives of the oil industry got recently in a Senate committee is only the beginning. From now on, you can expect to see a constant parade of corporate witnesses going to Capitol Hill to be badgered and blamed for a growing list of problems which are not only affecting the nation's economy, but interfering with the conveniences of the average American.

These problems, like comparable ones before them, have been seized upon by the liberal-radical element in Congress, in the private sector and in the academic community which would like to bring about the nationalization of American business.

In the current drive for government ownership of business, the oil industry just happened to be the first juicy target for the liberal-leftist cabal. And already we know from signs that are evident in all parts of the nation that today's energy crisis will be tomorrow's steel crisis, and tomorrow's steel crisis will be the next day's crisis for the entire competitive enterprise system.

I am not sure the business community has ever faced a situation just like the one that confronts it today. Our problem seems to be one involving too much of what American business has always held beneficial.

What I'm saying is that there is too much growth, too much demand, and too little supply. The system is faltering under a series of badly handled shortages and is under attack by all its old socialistic enemies.

Unfortunately, much of the present drive against business is fueled by public anger. The claim of some spokesmen come to the nation's capital to testify before committees of Congress when the problems affecting their businesses are especially grave. But they seem, invariably, to be the most poorly organized, poorly informed group of witnesses in the whole country. It is not that they don't understand their businesses, not that they can't articulate their problems—rather, an attitude they carry with them into the committee rooms seems to prohibit their story from getting across.

I have spent a lot of time considering this situation. And I have come to the conclusion that too many of the business spokesmen whom I see testify assume that the members of Congress know little or nothing about the intricacies of their enterprises. This may be true, but what the witnesses fail to understand is that even the dumbest member of Congress can be armed with the toughest kind of question. Some witnesses fail to understand that many of the questions put to them in these hearings are prepared by brilliant young staff members who mistrust or totally disbelieve the attributes of the private enterprise system.

Other witnesses come to Washington with an abiding faith that the members of Congress will have an appreciation of their problems and that their testimony will get the kind of treatment in the news media they believe it deserves. The record fully proves that these are mistaken assumptions.

If any of America's business leaders doubt that there is danger ahead, I would ask them to ponder the consequences of a bill now before Congress to place government and public members on the boards of directors of all major U.S. oil companies.

And then I would tell them to start making plans *today*—not *tomorrow*—to head off a concerted drive against all important elements of the American private enterprise system. I predict we have only heard the beginning of charges that industry representatives conspired to bring about material shortages, inflation and unemployment. I believe American business will be accused on every side of reaping windfall profits at the expense of helpless consumers and taxpayers. And I predict that Congress will, before long, be considering a barrage of bills to nationalize businesses or to impose greater controls and taxes on the domestic and foreign earnings of American industry.

The current challenge to business seemed to reach crisis proportion almost overnight. This, by itself, should inform the leaders of the private enterprise system that the hour is very late and growing later every minute.

AMATEUR ATHLETE'S BILL OF RIGHTS

HON. GLENN R. DAVIS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DAVIS of Wisconsin. Mr. Speaker, I am sure most Members of the House are aware that amateur athletics as it relates to U.S. efforts in international competition has been the victim of a bitter dispute between major sports organizations such as the NCAA and the AAU. During the 93d Congress, I was joined by five of my colleagues from Wisconsin in the introduction of H.R. 12780, a bill identical to H.R. 11242, introduced by our colleague and former Olympic champion from California, Hon. BOB MATHIAS. The bills are often jointly referred to as the "amateur athlete's bill of rights."

This logical and practical legislation which many of us from Wisconsin, a State long recognized for outstanding amateur athletes, recognize as being essential, is designed to provide a nongovernmental procedure to resolve the unnecessary feuds between sports organizations.

The legislation Congressman MATHIAS and I have introduced has the support of the AAU and the U.S. Olympic Committee as well as many other sports organizations around the country. Further, the congressional support is bipartisan both in the House and the Senate where it was introduced by Senator HUBERT H. HUMPHREY and Senator MARLOW W. COOK.

Typical of the support this legislation is receiving is a recent letter from the National Association of Intercollegiate Athletics—NAIA—addressed to the House Judiciary Subcommittee chaired by the Honorable DON EDWARDS of California. I would commend this letter to my colleagues in the House for their consideration and urge support when the bill comes to the House for a vote.

NATIONAL ASSOCIATION OF
INTERCOLLEGIATE ATHLETICS,
Kansas City, Mo., May 16, 1974.

HOUSE JUDICIARY SUBCOMMITTEE NO. 4:

As Executive Secretary of the National Association of Intercollegiate Athletics, an organization composed of 565 colleges and universities of the United States and Canada, I have been authorized to inform you of the position the organization has taken on the legislation before the House and Senate on the conduct of amateur athletics and especially the control and protection of athletes and organizations in assuring their rights and privileges in participation in international competition.

The National Association of Intercollegiate Athletics, commonly designated as the NAIA, is a completely autonomous organization and has as its main aim that intercollegiate athletics should be an integral part of the total educational program of every institution, rather than a commercial or promotional adjunct. The NAIA was organized in 1940 with some sixty member colleges. It was then known as the NAIB and its only national event was a basketball tournament, which has been held in Kansas City since 1937. In 1952, the membership of then some 250 colleges determined to sponsor other national events and we now have 16 national events each year.

I have served as Executive Secretary of this organization since 1949 and previous to that time, served on the Executive Committee since 1943. I have experienced almost constant distress at the lack of cooperation between national organizations in the administration of all levels of amateur athletics, both within the United States and in international competition. Our organization has made every attempt to serve as a unifying force in what appears to be organizational self-interest and we are fully aware that at this point something must be done to literally force organizations to act for the common good.

NAIA is in full support of the Mathias Bill, H.R. 11242 for the following reasons:

1. It sets up an arbitration body which protects the rights of athletes and prevents organizations from exercising arbitrary control over the participation of their athletes in international competition. Our organization has never attempted to apply sanctions on the participation of athletes, but has left this to the athlete and the administration of the institution.

2. We are completely opposed to government intervention and control of amateur athletics. We feel that government control will eventually destroy amateurism and make it a political football.

We have requested our leaders in our 32 Districts and our National Executive Committee to contact their Congressmen, expressing our full support of the Mathias, Cook, Humphrey, and other co-sponsors of the various bills sponsored in the Congress.

If we can be of any service, feel free to call upon us. We feel that the decisions to be made within the next few months can serve to dissolve the antagonisms between organizations which, at the present time, are preventing our building a strong national force for all levels of international competition, including the Pan American World and Olympic Games.

We hope for a speedy passage of this bill.

A. O. DUER,
Executive Secretary.

RED TRICK BACKFIRES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DERWINSKI. Mr. Speaker, Alex R. Seith, a well-known attorney, civic leader, and international commentator, in his column carried in the Suburbanite Economist, published in Chicago on May 26, discusses his observations of the foreign scene in West Germany.

The commentary follows:

RED TRICK BACKFIRES

(By Alex R. Seith)

"Once again, the Communists have outsmarted themselves." That was the gleeful, triumphant comment I heard from leading Germans while traveling in Europe at the time of the stunning surprise of the resignation of West German Chancellor Willy Brandt.

As the leader of West Germany since 1969 Brandt had been the architect of an Ostpolitik of reconciliation with the Communist regimes of Eastern Europe. In summit negotiations with the Soviet Communists in Moscow, the Polish Communists in Warsaw and the East German Communists in Pankow, Brandt had signed away all of Germany's past claims to "eastern territories taken from Hitler's Germany at the end of World War II by the conquering Red Army of the Soviet Union.

For a quarter century, the Kremlin had unsuccessfully sought international acceptance of its conquests of the countries behind the Iron Curtain. Brandt was the first leader of a Western government to give them that recognition. For his policy, Brandt was widely acclaimed as a great statesman and, in 1971, became only the second head of government in this century (after U.S. President Woodrow Wilson in 1919) to receive the Nobel Prize for Peace.

When Brandt left office last week, his government was actively negotiating with the Soviets for the next major step in the Ostpolitik: the granting of massive commercial credits and the arrangement of huge German investments in the U.S.S.R. which would help the sagging Soviet economy.

Now, all of that has been brought into serious jeopardy by Brandt's resignation. And the Communists have only themselves to blame.

The reason for Brandt's abrupt departure from high office was the discovery that one of his closest and most trusted aides, Gunther Guillaume, was a dedicated secret agent of the Communist government of East Germany.

In 1956 Guillaume had come to West Germany under the guise of being an escapee from the totalitarian regime of East Germany. He *promptly* joined Brandt's Social Democratic party and ambitiously took on a series of menial jobs. By proving his intelligence and dedication to hard work, Guillaume continually rose in the ranks of the party and won the complete confidence of nearly all of its leaders. All the time, Guillaume's true loyalty was to the Communist country he claimed to have fled.

When Brandt became Chancellor in 1969, Guillaume seized the opportunity which had been 13 years in the making. Brought into the Chancellor's inner circle, the Communist agent was privy to the most crucial deliberations of the Brandt government and had access to nearly every secret plan. Throughout the most sensitive negotiations with the Soviets, the Poles and the East Germans, Guillaume was at the Chancellor's side. He even accompanied Brandt on a private "family" vacation to Sweden last year.

Just a month ago, Guillaume's "cover" was blown and the revelation hit Germany not like a bombshell, but an A-Bomb. Day after day screaming headlines told a stunned public of the spy in their midst. At first, Brandt tried to explain away some of his apparent intimacy with Guillaume by saying that the West German secret service had known about Guillaume for several months but recommended temporarily leaving him in the Chancellor's coterie as a "trap."

But when public outrage did not subside, Brandt displayed his own courage and character by refusing to hide behind the secret service recommendation and taking full blame for "the Guillaume scandal."

And here is the irony for the Communists who sponsored Guillaume. Brandt's successor as Chancellor is Helmut Schmidt, who had been Minister of Finance and Minister of Defense in Brandt's government.

A strong anti-Communist and a tough political leader Schmidt is expected to take a much harder line toward the East. Schmidt will also come down hard on extreme left-wing elements in Germany. In the past two years, Brandt was increasingly harassed by doctrinaire Socialists in his own party who want to pursue many of the Marxist principles prevalent in the Soviet Union.

For several months. Schmidt had unsuccessfully urged Brandt to get tough with the extremists. Now, Schmidt is expected to pursue his own advice with a vengeance. And, as a staunch pro-American, he is also likely to be a hard bargainer with the East Europeans.

Until Brandt's resignation, it was the conventional political wisdom in Germany that Schmidt would never be elected Chancellor because he was "too hard-nosed." But by their "smart" trick of spying on Brandt, the Communists opened the way for Schmidt and outsmarted themselves.

AWESOME HOUR

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. McKINNEY. Mr. Speaker, while attention to substantive issues is the primary congressional responsibility in the impeachment inquiry, there are those who place equal importance on the Nation's mood and tone of these times.

I, for one, see the value of this type of analysis for our Nation's strength lies in its character and ability to respond in a time of crisis. Recently, the Washington correspondent for three Connecticut newspapers, Carey Cronan, gave his readers the benefit of his views on the current mood. Reporter-Columnist Cronan, whose commentaries appear in the Post Publishing Co. papers and the Advocate of Stamford, is one whose thoughts we should not easily dismiss for he writes with a perspective gained through more than a quarter of a century of experience in journalistic observation in the Nation's Capital.

Mr. Speaker, Mr Cronan characterizes the times as an "Awesome Hour" and I would commend his column to my colleagues so that they might give it thoughtful review I believe it deserves:

Awesome Hour

(By Carey Cronan)

WASHINGTON.—This is an awesome hour for America, a sad time, a dread day that borders on a twilight of darkness tinged with a shadow of despair.

The dream of almost two centuries is almost on the verge of becoming a nightmare of twisted shapes and fantastic fantasies that haunt the halls of government.

Harsh decisions face the men and women, chosen to form the legislative body of the federal system, whose brittle careers lie in the hands of all those at every level of a befuddled political society.

The judges know full well that they too shall be judged.

For some it may be a beginning, but for others it will be the end of many things which they have held dear and to which they have been devoted.

There is a tide that could sweep some to glory and others will be dragged out with the ebb to a personal and political oblivion.

WHEEL TURNS

If the constitutional wheel turns full circle it will break many hearts and crush and pulverize some souls who did not seek this historic challenge. Some will rise to untold height. Others will sink into a broad abyss from which no one ever really returns.

The scholars will be heard.

Procrastination, a highly regarded pragmatic principle of the practice of law, will be indulged in to an annoying degree from time to time.

Some demagoguery appears inevitable.

The process will reveal the weakness of some, and disclose the latent strength in others who may be startled at their own prowess.

Phrases will be coined to take their place forever upon the scrolls of the record of mankind.

Words will be cast abroad which will be regretted, while other words will help give voice to citizens who seek guidance from their claimed legislative leaders.

Questions will be asked which may never be answered and answers may be given which will be forever questioned, and give birth to discord and debate for the ages.

The time is not for those who are indecisive. No one may seek relief through vascillation and continue extant in the world we term public service.

This is not only a test of characters but also of character. Justice flanked by honor cannot be denied.

Now patriotism is no longer a flamboyant term for platform oratory but a demanding mistress whose scarlet kiss may sear as well as succor.

WEARY PATH

It will be a weary path for all of us to travel. It shall lead down into the valley and up, against the peaks and then down again into the shadowed depths, where the half light may distort and disturb and disfigure.

The pettiness will appear and the pettifoggers will reveal themselves for all to gaze upon.

The meaning of words will be debated as will the vast interpretations of the law and what the Founding Fathers meant when they wrote down their reversed pattern of government.

The great and the near-great will be quoted and their shades appealed to again and again.

It will be somewhat like a resurrection of the long line that has labored to build our tower. Those architects will be summoned to build or batter a case at hand.

Voices long silent will be heard again, many of them memories in the very halls which house this distasteful session.

The oaths that have been sworn will now demand their tribute.

The vows of loyalty and dedication will now burn upon many hearts and in many minds.

Victory has its price today for with the responsibility has come the raw sacrifice that must be offered one way or another to the cause of country, of a people that cry out for a nation-wide release from doubts and fears, from confusion and obfuscation, from dalliance and technical doubts and delays.

It is undoubtedly old hat to say once again that we are at the crossroads, but it is in such a spot and at such a place that one must make a choice of which highway to take.

If one is to go on, one must decide once and for all before all mankind and adhere to the pathway selected in the glaring light of living history.

NO ENVY

No one should envy those who have to make the choice. In many ways it lies in dull hours and annoying details, in the discovery of new friendships, and in the dismal deaths of old friendships and alliances and seemingly important understandings.

No matter what the final denouement, this city, this federal enclave, this nation will not be the same tomorrow. The operation will be too painful and too lasting for all concerned.

But now there are many indications that the people will survive, that the nation may rise from its knees and draw away the symbolic tears that betray the wounded heart.

They may disdain some. They may find compassion for others, if not forgiveness. But right now they are watching those whom they have sent down to the Potomac to seek out the truth and to make the judgment upon which the nation waits.

No legislator can avoid his place in history in this sad and solemn moment.

SPACESHIP EARTH

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. TIERNAN. Mr. Speaker, since the gaslines have begun to shrink, and the most visible of the materials shortages has been reduced from a "crisis" to a "problem," Americans have started turning away from conservation efforts. The United States has been lulled into a false sense of security that the shortages were merely a temporary inconvenience of little or no importance. Complacency toward the conservation of our natural resources is beginning to settle in as Americans revert to their previously insatiable appetite for consumption.

We must not let this attitude of unbridled consumption come to the fore once again because it would destroy the magnificent efforts to conserve our resources made by many Americans in the past year. Fortunately, there are those in this country who recognize the need for continued efforts and have consciously dedicated themselves to a conservation of our natural resources. The American Baptist Churches of Rhode Island are one such group of people. I would like to submit for the Record their resolution, entitled "Spaceship Earth and Limited Support Systems," which shows the degree of their sensitivity to the problem and their commitment to solving it. I commend them for their actions and I strongly urge other Americans to come to grips with the problem as realistically and positively as they have.

As their resolution states, the only way to solve the problem is to change our views on the consumption of our natural resources, including those which supply us with food, shelter, and energy:

Spaceship Earth and Limited Support Systems

Background Facts: Our spaceship is a sphere with a diameter of 7926 miles (about twice the length of the Mississippi-Missouri River) and a circumference of 24,901 miles, proceeding through space at about $18\frac{1}{2}$ miles per second.

The Problem: The quality of the spaceship is steadily declining while the load in terms of people is increasing. The soil erodes and is paved over; timber is being used faster than it's being replaced; key minerals and metals are close to exhaustion; the shortage of fossil fuels is growing obvious; wildlife is threatened, with many species extinct and others nearly so, as habitat is destroyed; the seas with their fish and plankton are attacked by the tars of petroleum residues and by plastic debris; air quality, already poor, is further threatened by more air-polluting fuels; chemical and other impurities continue to be dumped into rivers, streams, and lakes. In short, this exquisite, complex interdependent environment, the part of God's creation of which we are not only the beneficiaries but the custodians as well, is being despoiled by us, its inhabitants.

In light of the Background Facts and the Problem, we, the members of the American Baptist Churches of Rhode Island, do now in this convention hereby declare that:

We reject the view that it is a cause for pride that our part of the earth's population consumes far more than its share of the world's resources;

We reject the notion that our efforts should be to maintain our standard of living regardless of the cost to our children and those of our fellow inhabitants in less affluent parts of the world;

We oppose the adoption of panic-inspired relaxation of environmental standards which risks irreversible damage in exchange for short term relief from possible discomfort and dislocation;

We accept the reality that shortages of all kinds are neither temporary nor reversible by political manipulations or economic retaliation, but must be dealt with in a manner consistent with concern for our global neighbors and all those who will follow us.

To this end, we urge our government to explore with other nations the mutual sharing of resources, particularly those needed by all standards of 20th century living.

And we do resolve, believing that through faith and determination all things are possible, that we shall study and work so that together we may take the steps necessary to reorder our personal lives and our national life in ways that will make us good stewards of God's gifts and not squanderers thereof. Towards this end we, as individuals and as churches, commit ourselves to promote and practice:

a. the elimination of waste in our living,

b. the re-use of materials in present form,

c. where re-use is impossible, the recycling of materials for future use.

d. the responsible disposal of unusable materials and waste,

e. the reduction of our use of all forms of energy derived from exhaustible sources and, in particular, energy derived from fossile fuels, uranium, plutonium, and other nuclear fusion-fission metals, turning where possible to human energy and that of winds, tides, and the sun.

f. the conservation of our soil, and the protection of our waters, seas, and air from further degradation,

And to this end we do further resolve that the incoming President of the American Baptist Churches of Rhode Island establish a Task Force to study and provide guidance to us and to others as to the best means of achieving the goals of this resolution, such Task Force to report back to the Annual Meeting in 1975.

We direct that this resolution be sent to the American Baptist Churches of the USA, to our national legislators, and to the Chairman of the Environmental Protection Agency.

We further direct that measures be taken to bring about the reading of this resolution in meetings of our local, state, and national legislative bodies—that our Social Action Committee be instructed to seek the widest possible press publicity for this resolution.

PUBLIC CONFIDENCE IN GOVERNMENT

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, the 1974 elections may well go down in history as this Nation's greatest test of public confidence in government. Right now, there is a greater public awareness than ever before of what we in public life can do for the people to continue the great tradition begun in this country almost 200 years ago. That tradition has been carried on by men who had the ability and sincerity and integrity to make it work.

My colleague, the Honorable MATTHEW J. RINALDO of New Jersey, is such a man. Although he has served in this Chamber for less than 2 years, he has left a mark on the House of Representatives that is extraordinary for a freshman Member. He has been one of the most eloquent congressional voices for budget reform, a ceiling on Federal expenditures as a means of combating inflation, and for the reform of our legislative institutions that is so vital if we are to restore people's confidence in Government.

It is in tribute to the efforts he has made that I stand today and single him out as a Representative who deserves to be overwhelmingly reelected by his constituents this November.

And, I do not stand alone in this view. A newspaper from Congressman RINALDO's home district, the Summit Herald, has assessed his performance and endorsed him with the words:

> We know he attends to the needs of our district.

Mr. Speaker, this is a goal to which we should all aspire. That is all the more reason why we need MATT RINALDO in Congress. I would like to insert this article into the RECORD so that my fellow colleagues can see the recognition he has received.

The article follows:

CONGRESSMAN RINALDO

These days it would be easy to understand if Republican office holders were not so visible.

It's a pretty tough time to be a Republican, walk around with stature and dignity, and at the same time get the job done.

It's even tougher if your term is up, and you are about to start campaigning; and there's no chance of shilly-shallying away from direct questions, to which the electorate is entitled the answers.

Add to this vista, the dismal fact that all too often our national legislators have a tendency to be more away from the job than on it. Too often we read of junkets here and junkets there . . . all for the alleged, elusive fact-finding investigations.

But, let's face it. National government is run from Washington, and somebody should be on the job.

Well, it's with considerable pride we note that Congressman Matthew J. Rinaldo, of our own 12th Congressional district, has been cited by the House Republican Leader, John J. Rhodes, for his 95 percent voting record on House roll calls during the second session of the present, 93rd, Congress.

Undoubtedly, Congressman Rinaldo's record would have been even higher if it had not been for a compulsory two weeks hiatus last January when he underwent emergency surgery.

Congressman Rhodes added that Congressman Rinaldo has demonstrated the same sense of duty in his committee work.

From personal experience we know he attends to the needs of our district.

There seems good reason to send Matt Rinaldo back to continue doing the same good job.

FRANK PANDOLFI AND OPERA IN CONNECTICUT

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. COTTER. Mr. Speaker, I wish to take this opportunity to call to the attention of my colleagues the retirement of an internationally known figure in the world of opera, Frank Pandolfi. For more than three decades he has made outstanding contributions to the cultural heritage of Connecticut.

Mr. Pandolfi is stepping down as executive director of the Connecticut Opera Association, a widely respected organization he founded in 1941 to perpetuate grand opera in his adopted State. Fortunately for opera lovers Mr. Pandolfi will continue as a consultant to the association.

Mr. Pandolfi was born in Mormanno, Italy, a nation devoted to great opera. He came with his family to Hartford, Conn., at the age of 10. With the exception of several years during his young manhood when he studied voice in New York, appeared on Broadway, sang on radio on the National Broadcasting Co., and toured for the Shubert organization, Mr. Pandolfi has made his home in Hartford.

During the Great Depression, with many theaters closed and cultural activity at a low ebb, he returned to Hartford and taught voice.

Operatic performances by touring companies were only spiratic in Hartford, but Frank Pandolfi felt the public should be able to hear and see this majestic art form which he loved so well. In 1941, he staged his first opera in a small auditorium with his students making up the cast. From this humble beginning, the Connecticut Opera Association was formed and became dynamic and internationally recognized, which annually presents an outstanding season of grand opera.

Frank Pandolfi is well known in the opera world. Under his direction, the association has brought many, many artists of international note to Hartford to perform in the most famous operas. These seasons of opera are a continually growing source of cultural enrichment for the people of Connecticut.

Artist, teacher, and impresario are all fitting descriptions for Frank Pandolfi.

I feel privileged and proud to join in public tribute, here in Congress, to Frank Pandolfi, who has not only built a legend in the arts, but is himself a legend.

I know my colleagues will join in acknowledging the outstanding achievements of this great man.

MEMORIAL DAY ADDRESS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. WYDLER. Mr. Speaker, recently I spoke at the Memorial Day services in my hometown village of Garden City in Long Island, N.Y. I was particularly pleased to address the services this year because for the first time, after serving 11 years as a Member of Congress, I could address a service without having had an American soldier die the year before. During the course of the ceremonies, the president of the Garden City High School Student Council, Mr. Paul Laud, addressed the audience and gave a short but most forceful talk. I am setting it forth in the RECORD so my colleagues may have the benefit of his words:

MEMORIAL DAY ADDRESS

For over a hundred years, Americans have been gathering together, setting aside some time at the end of May, to pay honor and respect to those who have fought, and more, to those who gave their lives in the past wars of our country: A day to pay tribute to the men and women who fought so that we might be able to take advantage of the great institution of democracy: So that we might lead our lives with the rights and freedoms guaranteed to us in the documents drawn up by our country's founders.

Unfortunately, there are those who feel that the lives perhaps were lost in vain. He is the cynic; the pessimist. And, generally, his disgust is based upon his views of young people. To him campus unrest, demonstrations, picketing, protests, rock concerts and indeed even streaking seem to be undermining and threatening the very existence of the American lifestyle and all the institutions America represents. Indeed the only thing he may be happy about is that he can rest comfortably knowing he won't be around when young people are in the positions to run the government and the country.

But he should look closer. More than ever, young people are becoming genuinely interested and concerned with developments within the government, the economy, and society. The interest lies not only in how developments in these areas affect them, but how they can change, improve, and overcome the difficulties encountered in the past.

Never have young people taken such an active role and displayed so much energy in attempting to mold a better world.

I believe the future will manifest many of today's great hopes and expectations . . . A world less soiled by prejudice and discrimination . . . a world composed of rational thinking individuals, where problems will be openly and peacefully thought through . . . and most of all, a world where justice is the rule and not the random exception.

Clearly, the hope of the future is in the hands of the young. If we should fail, then we are no worse off. If successful, then we will have carried out the good hopes and aspirations of generations of Americans before us.

We, the young, shall never let the dream of America fade . . . .

THE HATCH ACT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. WHITEHURST. Mr. Speaker, Prof. Philip L. Martin, a member of the Political Science Department at Virginia Polytechnic Institute and State University in Blacksburg, Va., has written a thoughtful and thought-provoking article on the reform of the Hatch Act.

I am introducing it at this point in the RECORD, because I believe that my colleagues will find it to be both interesting and helpful:

[From Public Personnel Management, May-June 1974]

THE HATCH ACT: THE CURRENT MOVEMENT FOR REFORM

(By Philip L. Martin)

In 1939, in an effort to complete the civil service reform which had begun with the Pendleton Act of 1883, Congress passed the Hatch Act which prohibited political activity on the part of most federal employees. The exceptions were those employed in the legislative and judicial branches and the policy-makers appointed by the president with the advice and consent of the Senate. One year later the law was amended to include state and local government personnel working in federally funded programs. In 1966, another amendment to the act applied the prohibition against political activity to employees of private groups who work with community action programs funded by the Economic Opportunity Act.

During the past several years, however, a movement has begun in Congress to modify the Hatch Act. The basic reason for the proposed change is that there are currently over five million federal and federally related employees who, if not legally barred from political participation beyond voting in elections, are certainly discouraged. Ths fact is especially deplored because these employees constitute approximately 2½ percent of the nation's population and about 7 percent of the voting population of 73 million.[1] Moreover, it has been pointed out that the impact of the Hatch Act is even greater in some states such as Alaska where there are over 17,000 affected employees in a population of 302,000. This means that the political participation of 6½ percent of the total and 21 percent of the voting population is restricted. In addition there are numerous "Little Hatch Acts" whose passage by the states has been encouraged by the national example. Countless state employees are thus precluded from engaging in the same types of political activities that are open to other citizens before election day.

The challenge against the Hatch Act is based first on the interpretation that it was intended only to protect public employees from involuntary political activity, and second, that the promulgation of rules and regulations to enforce the law have exceeded the original purpose. An example is the rule from Civil Service Commission Pamphlet No. 20 entitled "Political Activity, Federal Offices and Employees," which was cited on February 29, 1972 before the Elections Subcommittee of the House Administration Committee. Concerning political activity by indirection, it stated that:

"Employees are therefore accountable for political activity by persons other than themselves including wives or husbands if, in fact, the employees are accomplishing by collusion and indirection what they may not do openly and directly."

As a result of such extensions those who advocate reforming the Hatch Act believe that most affected employees are so inhibited that they follow the old axiom for survival, "When in doubt, do nothing."

PROVISIONS OF THE HATCH ACT

At this point a brief review of the Hatch Act is needed in order to understand the proposal for reform.[2] Basically its provisions fall into four categories.

Solicitation of funds

To begin with, employees are not allowed to solicit funds for political purposes and they are also protected against the notorious assessment policy of the past which required a public servant to contribute a percentage of his annual salary to the campaign chest of the party in power.

Campaign participation

Regarding campaign participation, the second prohibition of the Hatch Act is rather comprehensive. It provides:

"No person employed in the executive branch of the Federal Government, or any agency or department thereof, shall use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No person occupying a position in the competitive service shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute. All such persons shall retain the right to vote as they may choose and to express their opinions on all subjects and candidates."

This proscription has been interpreted to preclude a wide range of political activities along with a confusing array of qualifications.

First of all, the affected employees clearly cannot be candidates nor can they serve as delegates to any political convention. However, the Civil Service Commission has ruled that employees may belong to political clubs and vote on questions that arise, so long as they are not active in organizing the club, do not serve either on its committees or as an officer, and do not address the club on political matters. By the same token activities such as organizing and conducting political rallies, delivering political speeches, and organizing or leading participation in political parades are forbidden. Yet the Civil Service Commission has decided that if one is a member of a band or an orchestra that is generally for hire as a musical group, he may march in a political parade or play for a political rally. This exemption is evidently based on the assumption that a drummer who is a Democrat or a Republican will play no differently for his party's activity than for one which is sponsored by the opposition.

Other phases of campaigning which are prohibited include distributing any type of literature, soliciting votes and publishing any statement for or against any candidate, party, or faction. Not even a letter to the editor of the local newspaper expressing an opinion about any political candidate, issue or question can be written without violating the Hatch Act as interpreted by the Civil Service Commission. This interpretation seems questionable in view of the Hatch Act's explicit recognition of the right of political expression. Such seemingly inconsist-

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Footnotes at end of article.

ent rulings have given much support to the reform movement.

Political candidacy

The third category concerns partisan political candidacy. Allowing a civil servant to run for election to public office while still performing his regular duties has always been incompatible with the American idea of government service. Over the years the general practice has been to require such a candidate to resign his position when he decides to run for election. Nevertheless, the Hatch Act does permit those covered by its provisions to seek nonpartisan posts such as, for example, local school boards which are theoretically removed from politics. Generally speaking, though, federal employees are not eligible, even as independents, to run for county or municipal councils since these bodies are usually chosen on partisan ballots.

Employee organizations

The last prohibition applies to involvement of public employee organizations. The rule is that whatever a civil servant is forbidden to do as an individual, he cannot do by indirection as a member of an association. This means that any organization of public employees cannot engage in political activity, and this restriction applies even when the representatives of such organizations are not themselves civil servants. In practice, however, it has proved to be very difficult to police organizational activity, and unquestionably government employee associations have engaged in political activity in order to further the ends of their membership.

PROPOSED REFORM LEGISLATION

The reform measure which is currently being sponsored in Congress retains the original purpose of prohibiting involuntary political activity and of preventing political participation from becoming a prerequisite for employment. At the same time there is a total rejection of any restriction on voluntary political activity which is conducted separately from the job. Therefore, the following political rights are enumerated: 1) candidacy for any public office at any level; 2) candidacy for, and service as, a party convention delegate or officer; 3) expression of political opinion; 4) membership in political clubs; 5) participation in, or organization of, meetings, caucuses, conventions, or rallies for political purposes; and 6) political campaigning.[3] To underscore their importance, the proposal makes it very clear that these rights are specifically protected against interference by any government administrators.

Although the intention is noble, there is still the crucial question of how feasible is the reform bill. How can involuntary political activity be distinguished from voluntary? Can ostensibly voluntary acts result from coercion by superiors? Opponents of reconsidering the Hatch Act, even though they would like to give more political freedom to federal employees, fear that opening the door ever so slightly will lead to subtle abuses which are very difficult to detect. Some of the problems raised by the opposition are: how can it be ascertained whether a letter to the editor endorsing a particular political candidate is an independent opinion, and not the result of a superior's "pep talk" about getting involved in the campaign? Could membership in a political club be encouraged as a clever way of obtaining political contributions through the payment of dues? How many employees will risk their superior's disfavor by complaining about his interference with their political freedom? In short, opponents emphasize that the difficulty of determining when a political act is involuntary is the principle disadvantage of easing the restrictions.

The problem of distinguishing involuntary from voluntary activities not only involves interference from the top but it also embraces the invidious mobilizing of employees by their peers. Students of informal organization know that it is possible for an administrator to use selected subordinates who are respected by their co-workers for the purpose of getting a point across to other members of the organization. Peer level communications and influence can be very persuasive, and most organizations have some employees who are extremely effective at winning acceptance of their viewpoint by many fellow workers. Whether they be true or false, stories of Depression-era WPA work gangs led to the polls by their foremen, make opponents of changing the Hatch Act pessimistically predict that more political freedom will very likely lead to the development of Byzantine-style intrigues and politics in the public service.

CONCLUSIONS—PRO AND CON

In conclusion, there are mixed feelings regarding the effect of political prohibitions on civil servants. It does not seem fair to anyone that those who work for the government should not be able to exercise the same rights of citizenship as other Americans. This philosophy has been well expressed by California Supreme Court Justice Tobriner who stated:

"The expansion of the Government enterprise with its ever-increasing number of employees marks this area of the law a crucial one. As the number of persons employed by the Government and governmentally assisted institutions continues to grow, the necessity of preserving for them the maximum practicable right to participate in the political life of the republic grows with it. Restrictions on public employees which, in some or all of their applications, advance no compelling public interest commensurate with the waiver of constitutional rights which they require, imperil the continued operation of our institutions of representative government."[4]

Although opponents of reform mostly agree with this lofty ideal, they still point out that realistically the demarcation between constitutional rights and public interest is no easier to discern than the difference between involuntary and voluntary political activity. The crux of the problem facing reform then is finding some formula which grants freedom while preserving neutrality for the public service. Opponents do not believe such a solution is possible, and so far the reformers have not found an acceptable answer. Therefore, it does not appear that the Hatch Act will be easily changed by Congress in the near future.

While legislative reform has been stalemated, the judiciary has been recently attacking what it regards as the overly broad prohibitions against political activity that are enforced at all levels of government. In late 1971 and early 1972 two municipal ordinances forbidding political participation by public employees were struck down by lower federal courts, and in both cases it was ruled that the Mitchell decision of 1947 in which the Supreme Court had upheld the Hatch Act by a 4–3 vote was no longer good law because later interpretations of the First Amendment require more narrowly drawn definitions of the guarantee of freedom of speech.[5] On the same grounds, on July 31, 1972, a special three judge federal court declared that the Hatch Act ban on federal employees was unconstitutional.

State and local employees affected by a separate section of the law were not, however, included in this decision because they were not properly represented in the case. Consequently, they will have to file their own suit.

The main point of this ruling was not that a government cannot constitutionally restrict the political activities of its employees, but rather the lack of any standard to guide those responsible for intepreting the law. As a consequence the court emphasized that a number of ridiculous applications had resulted, such as punishing federal employees for betting on an election. Any law which permits such interpretations, it was concluded, violates the current overbreadth doctrine used to review First Amendment cases.

Concerning governmental power, there was an admission of "an obvious, well-established governmental interest" in restricting the political involvement of public employees. Yet the following qualification was issued that:

"If there are impermissible areas of activity, the overriding governmental interest must be marked with utmost clarity by the Congress in a form that is obvious to the sophisticated and unsophisticated alike.[6]"

It would seem that in the opinion of the special court a more specific law would be judicially acceptable for at least some prohibitions.

None of these arguments were accepted when the Supreme Court reviewed the preceding case. Instead, on June 25, 1973, the status quo was upheld.[7] This is a most unsatisfactory conclusion because some modification of the political prohibitions contained in the Hatch Act is needed to remove the second-class citizenship of affected government employees. The end of judicial review means that the only hope left for revision is for Congress to overcome its disagreement and uncertainty, but in the minds of many reformers there is only a slight chance of such legislative success.

FOOTNOTES

[1] Philip L. Martin, "The Hatch Act in Court: Some Recent Developments," *Public Administration* Vol. 33 (1973), p. 445.

[2] This review is based on: *The Commission on Political Activity of Government Personnel*, Vol. 1 (Washington: Government Printing Office, 1968).

[3] A Bill to Restore To Federal Civilian Employees Their Rights To Participate, As Private Citizens, In the Political Life of the Nation, To Protect Federal Civilian Employees From Improper Political Solicitations, and For Other Purposes, H.R. 668, 93 Congress, 1st Session (1973).

[4] *Fort* v. *Civil Service Commission*, 392 P. 2d 385, 389 (1964).

[5] *Hobbs* v. *Thompson*, 448 F. 2d 456 (1971) and Mancuso v. Taft, 341 F. Supp. 574 (1972).

[6] *National Association of Letter Carriers* v. *U.S.* 346 F. Supp. 578 (1972).

[7] *U.S. Civil Service Commission* v. *National Association of Letter Carriers, AFL–CIO, et al.*, 409 U.S. 1058 (1973).

PAULA ANTONIO—COMMUNITY LEADER

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Ms. HOLTZMAN. Mr. Speaker, I would like to salute today a constituent of mine, Mrs. Paula Antonio, who is leaving her post as president of the 63d Precinct Community Council.

In her 3 years in office, Mrs. Antonio has worked tirelessly and tenaciously to serve her community. Whether seeking to improve neighborhood security, organize athletic events for children, or obtain essential government services and improvements, Mrs. Antonio and the community council have given invaluable assistance to the people of Marine Park, Flatbush, and Flatlands.

I believe that the strength of a community depends in large measure on the quality of its volunteer leadership. I am proud of the many active and capable community leaders in my congressional district and delighted to acknowledge Mrs. Antonio's role as such a leader. Her abilities will be sorely missed by the 63d Precinct Community Council, but I am sure that she will continue to serve us in activities with many other community organizations.

CONGRESSIONAL REFORM: DON'T THE MEMBERS GIVE A DAMN?

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, one of the most pungent statements about the fate of the Committee Reform Amendments of 1974 appeared on May 11 in the New York Daily News, the Nation's largest general-circulation newspaper.

The editorial accurately points the finger at the big special interests which ganged up to defeat the reform bill behind closed doors in the Democratic Caucus.

I fear the editorial writers may be correct when they suggest that many Democrats are lulled by Watergate into thinking that the public is blind to the pressing need for a more effective Congress. The editorial concludes:

> If they've been reading the polls on the public's opinion of Congress, they'd think otherwise. Or don't the members give a damn?

The complete editorial, "Congress Reform Stymied," follows:

CONGRESS REFORM STYMIED

Rep. Wilbur Mills (D-Ark.) has apparently won his battle to keep House committees operating along the same old inefficient, 19th century lines. He and other powerful committee chairmen have blocked a sweeping reform bill, authored by Rep. Richard Bolling (D-Mo.), which would consolidate, reorganize and streamline House committees to meet the demands of the modern world.

The bill was sidetracked to a Democratic caucus committee "for further study."

The reorganization measure would limit members to only one major committee chairmanship, diluting the power of old-line chairmen and giving newer members a chance to get in on the action. It would also set up two new budget committees in both houses to try to limit the ever-rising spending programs that keep laying new tax burdens on the public. Now that is all down the drain.

A gang-up of big labor, big business and special interest lobbies worked hard to dump the reform bill. They want to keep their influence over present committee chairmen.

Perhaps the Democratic majority believes that, with the presidency in deep trouble over Watergate, the people don't care whether Congress continues on its bumbling, money-wasting course.

If they've been reading the polls on the public's opinion of Congress, they'd think otherwise. Or don't the members give a damn?

WEST GERMAN ELECTIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. ASHBROOK. Mr. Speaker, the resignation of Willy Brandt as Chancellor of the Federal Republic of Germany earlier this month surprised many people. The ostensible reason for his abrupt departure from office concerned a spy scandal that had rocked his government.

But to close observers of the German scene, many problems preceding the scandal undoubtedly contributed significantly to Brandt's decision to resign. The people of Germany had expressed discontent with many of Brandt's policies through the numerous local elections that have taken place in Germany this year.

In an article which appeared in Die Welt several weeks before Brandt's resignation, the municipal elections were analyzed as a plebiscite on Brandt's politics. The author of this article, W. Hertz-Eichenrode, notes that the Christian Democrats have made consistent gains of from 7.7 to 9.6 percent in the various elections. The vote, he points out, is largely a protest vote and hence even the present beneficiaries of this discontent, the CDU, "is in an uncertain position."

In order to better understand the important changes that have been taking place in Germany, I commend this article to the attention of my colleagues. Following is the text of the article:

[From Die Welt, Mar. 26, 1974]

WAVES OF PROTEST—MUNICIPAL ELECTIONS AS A PLEBISCITE ON BONN'S POLITICS

(By W. Hertz-Eichenrode)

Within one month the test has been taken four times, and it can now be said positively that since the last Bundestag (federal parliament) elections in 1972 not only the election trend has been upset, but that the voters, too, have basically changed their habits.

One state parliamentary election (Hamburg) and three municipal elections (Rhineland-Palatinate, Schleswig-Holstein, North Hesse) demonstrate a reorientation from the SPD (Social Democrats) to the Christian Democrats (CDU), extending from the city of several million inhabitants to the flat countryside. That means that the nature of the municipal elections has changed. They no longer reflect local characteristics, but are fitting in with the supraregional development. The element of electing individuals is receding, the local political personalities cannot reverse the general trend as a rule.

Obviously, the voters are now regarding each of the great parties as an undivided power instrument, extending from the townhalls, over the state capitals to Bonn, thus basing even their votes for the municipal elections strongly on general criteria of federal politics. Hence every municipal election becomes a test for Bonn.

In the four elections the SPD has lost by at least 5.8 percent (Rhineland-Palatinate) when compared to the last municipal or state elections—on the average even more than that—and in comparison to the last federal parliamentary elections the loss has been at least 9.5 percent. The FDP (Free Democrats) has picked up in comparison to the last municipal or state parliamentary elections by 3.8 percent in Hamburg and 3.3 in Schleswig Holstein. It has, however, only slightly exceeded its last federal election results. For the Bonn coalition parties this outcome is alarming: the FDP's minor gains vis-a-vis the last Bundestag elections do not suffice by a long shot to make up for the SPD's losses.

As far as the CDU is concerned, a striking fact can be noted: In comparison to the last municipal or state parliamentary elections it has picked up votes by a remarkably consistent rate, ranging only between 7.7 and 9.6 percent. Its gains since the last Bundestag elections point up an average 8 percent with the lowest rate amounting to 5.7 percent (Rhineland-Palatinate). In a Bundestag election that would give it the absolute majority in Bonn.

For the SPD all this did not come out of the blue sky. It may console itself with the hope that the voters' protest will decline if it succeeds in spreading some economic optimism. However, that is not its basic problem. As a ruling party it is suffering from rapid attrition which finds its expression in Brandt's weakness of leadership. The strong leftist forces are trying to impose upon their party the recognition that successful reforms cannot be implemented "within the framework of the system". Sooner or later Brandt's party will have to make up its mind whether it wants the transition from social to socialist free-market economy or not. As long as it is in power, it cannot carry out this dispute. It can only accomplish that in the opposition.

For the FDP the situation looks altogether different. It still thinks that its chance lies in attracting those voters within the coalition parties of Bonn who are turning their backs on the SPD. Although the trend—as could be noticed by the remarkable flexibility of the voters of the outskirts of Hamburg last Sunday—is not yet unequivocal, it does point out that voters turning their backs on the SPD are directly moving over to the CDU. Not before the parliamentary elections of Lower Saxony will the FDP know for sure whether its commitment to the SPD guarantees its survival or leads to its demise.

The CDU, too, is in an uncertain position. It has to assume that it owes its high gains to protesting voters. Its problem is how to make the new voters firmly committed to it. That does not only require intellectual attractiveness which it still lacks. Just because the SPD is showing leadership weakness, the CDU should prove strong leadership, and that necessitates early agreement on a candidate for Chancellor, who must then be the uncontested leader. Those are the objective facts. On the other hand, the time is not ripe yet for a CDU/CSU debate on the candidate's choice. Yet, it is conceivable that the Lower Saxony election will become a signal—in the event that a CDU victory renders the CDU/CSU independent of the outcome of the parliamentary elections in the Rhineland-Palatinate, Helmut Kohl's domain.

After the parliamentary elections in 1972 the party scenery seemed to have been consolidated into a two-force system (SPD/FDP and CDU/CSU). The March elections have turned it into a three-force system, in which the FDP must find its own role. As a consequence, all kinds of coalition models are being speculated on all around, and not lastly in Bonn. In this context the rules of a representative democracy should, however, be brought to mind: The votes for building a government are given for a term of four years. Experiences with the Great Coalition (SPD/CDU) which was inaugurated in 1966 without prior elections, should serve as a deterring factor. Premature coalition experiments would break off the CDU/CSU renewal process in the opposition before it has been concluded.

Such experiments should be out of the question also for the following reason: they would risk the stability of the party system which has been convincingly reconfirmed by this month's elections. Stability is demonstrated by the fact that the voters' strong protest movement deos not lead to radicalism. Without evidence of a political decline the protest is stopped within the system of the three parliament parties.

CANCER CONTROL WORK PROGRESSING UNDER NATIONAL CANCER ACT

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DULSKI. Mr. Speaker, Dr. Gerald P. Murphy, director of Roswell Park Memorial Institute in Buffalo, N.Y., recently returned from an international meeting on cancer control collaboration, and reports that it was a most successful gathering.

Roswell Park is the oldest comprehensive cancer center in the world, and the efforts of its staff have put it in the forefront of the fight against cancer.

I would like to insert in the RECORD Dr. Murphy's letter and a statement on the meeting held May 22 through 24, 1974, in Geneva, Switzerland. The aim was to promote some of the international facets of the National Cancer Plan; more specifically, the International Cancer Research Data Bank. The letter follows:

ROSWELL PARK MEMORIAL INSTITUTE,
Buffalo, N.Y., May 25, 1974.

Congressman THADDEUS J. DULSKI,
Congress of the United States, House of Representatives, Cannon Office Building, Washington, D.C.

DEAR CONGRESSMAN DULSKI: We had a very successful meeting in Geneva, Switzerland, May 22–23, sponsored by the Committee on International Collaborative Activities' working group of the International Union for the Control of Cancer. Enclosed for your information is a resume of the Secretary, Dr. J. Delafresnaye. This meeting marked the final and full implementation of the International Cancer Data Bank as mandated by Congress in the National Cancer Act of 1971. I am most delighted that Roswell Park Memorial Institute and other American and International cancer institutes contributed to the successful implementation of this most important aspect of the National Cancer Plan. Dr. Gregory O'Conor, of the National Cancer Institute, and other able international representatives enabled the successful implementation of this important endeavor.

Sincerely yours,
GERALD P. MURPHY, M.D., D.Sc.,
Institute Director.

STATEMENT

The meeting was called by the International Union Against Cancer which has set up a special committee—The Committee on International Collaborative Activities—which has in fact two main functions. First, it will advise, upon request, the National Cancer Institute on the international aspects of the Data Bank. Second, it will encourage collaboration between cancer centers and institutes throughout the world.

Senator Pell who, among others, has been instrumental in writing into the National Cancer Act of 1971 the paragraphs relating to the International Cancer Research Data Bank, addressed the meeting. He stressed that in building integrated systems and developing rational processes for the collection, categorization, and use of information, the American legislators have in mind the benefit to mankind which would result from the flow of information across international borders.

He stressed that the United States had made one of its greatest modern peacetime commitments when it authorized, in the National Cancer Act of 1971, one and one half billion dollars for an initial three years of cancer research and cancer research orientated treatment.

The Committee on International Collaborative Activities, under the chairmanship of Professor T. Symington of London (UK), which comprises such eminent leaders as Dr. R. Lee Clark of Houston, Texas, and Dr. G. P. Murphy of Buffalo, New York, expressed its great satisfaction with this statement of encouragement and of solidarity.

The main discussion centered around the establishment and support of Cancer Information Analysis and Dissemination Centers and the promotion of international cooperation in this area, the support of multilateral exchange of cancer researchers, and the sponsorship of international cancer study groups to bring about standardization of nomenclatures, reporting of results which is essential for international understanding, and the setting up of networks of collaborating institutes.

Recommendations were addressed to Dr. Rauscher, of the National Cancer Institute, in response to his requests.

BICENTENNIAL CONGRESS

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. HELSTOSKI. Mr. Speaker, under the direction of Dr. Silvio R. Laccetti, of Stevens Institute of Technology, the three colleges of Hudson County recently sponsored a highly successful bicentennial congress. The purpose of this congress, which was attended by over 300 delegates, was to encourage public participation in our national bicentennial observance.

At the Hudson County Congress, a resolution was passed which highlights the true meaning of America's bicentennial. Many of the ideas included in the resolution were contributed by Dennis Rhodes, a Fairview resident, and student at St. Peter's College.

In the resolution, the Congress holds that the bicentennial represents "a reaffirmation of those ideals and commitments which have brought forth, developed and characterized our national life"; and personally I could not agree more fully.

Mr. Speaker, while our bicentennial will be a time for celebration, it will also be a time for reflection; and in view of the importance of this occasion, I would like to take this opportunity to share this most inspiring resolution with my colleagues. The resolution follows:

RESOLUTION: HUDSON COUNTY AMERICAN REVOLUTION BICENTENNIAL CONGRESS

The act of commemorating our nation's Bicentennial is a reaffirmation of those ideals and commitments which have brought forth, developed and characterized our national life. The American republic cannot remain vibrant if its basic political tenets are only confined to the written word transcribed and stored in museums, monuments, and textbooks. These tenets must be written large in the minds of all citizens and we must continually strive to foster a general and immediate awareness of government and of the individual's role in it. Responsible citizenship finds its most powerful ally in a vigorous, free local press, serving as the public's eye in the corridors of civic affairs.

The present social and political changes and uncertainties, rather than serving as a cause of bewilderment and confusion, should instead serve to stimulate the creative energies and abilities that this nation has so often summoned forth in the past.

We affirm:

(1) Government and public policy is the reflection of broad citizen participation and direction. The increasing complexity and challenges of our future life demand greater vigilance and involvement on the part of all American citizens.

(2) Our institutions, among them a free press the educational system, and constituted government on all levels, though structurally sound, must be continually renewed and equipped to meet the future.

Conceived in the crucible of change, America has accepted her previous challenges and will accept these persent ones in her quest for a better life for all her people.

Therefore, let this Congress resolve that the Bicentennial commemoration, through its activities, committees, and involved citizens, reaffirm and seek everywhere to encourage and strengthen these basic principles for America's Third Century.

WATERGATE AND THE CONSTITUTION

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mrs. MINK. Mr. Speaker, on Friday, May 10, 1974, Philip Curland of the University of Chicago spoke on "Watergate and the Constitution" before the University of Chicago Alumni Club at the Atrium in the Kennedy Center, Washington, D.C.

His remarks discussing the growth of the White House as a fourth branch of Government are a significant scholarly contribution to the discussion of the constitutional implications of Watergate.

For the benefit of my colleagues I am inserting his speech, "Watergate and the Constitution," at this point in the RECORD:

WATERGATE AND THE CONSTITUTION

There is, you must concede, a certain awkwardness in an ivory-towered professor from the hinterlands of Chicago coming to Washington to speak to you about Watergate. In a way it reminds me of suburbanites offering their advice to city dwellers on where public housing should be located within the city. It is redolent, too, of the staunch positions on busing taken by parents whose youngest children have recently reached college age. For Watergate is a creature of Washington. Indeed, it may be said that today Watergate is Washington and Washington is Watergate.

Yet there are some reasons why the outlander may speak to the native. First is the fact that if the events of Watergate are essentially local, their repercussions are national and international. Second, it is apparent that total immersion has resulted in inadequate comprehension here at the scene of what is really going on. I would point, for example, to a recent headline of The Washington Post, a paper that may properly be called the "mother" of the Watergate affair. The page-one story was labelled: "Chicago Has Watergate of Its Own," or something like that.

If the Washington Post cannot see the differences between the corruption that is Watergate and the corruption of party politicians lining their own pockets from the public till, the difference between the corruption of Agnew and the corruption of the White House, then, indeed, the citizens of the Potomac are in need of counsel from the outside world. My point can be made by a quotation from a letter of William James, written at the time of the Dreyfus affair, a letter that a visitor from Chicago to Washington could well adapt to his own use today. James wrote:

"Talk of corruption! We don't know what corruption means at home, with our improvised and shifting agencies of crude pecuniary bribery, compared with the solidly entrenched and permanently corruptive geniuses of monarchy, nobility, church, Army that penetrate the bosom of the higher as well as the lower kind of people in all European states . . . and sophisticate their motives away from the impulse to the straightforward handling of any simple case."

Substitute for the words "monarchy, nobility, church, Army," the words "presidency, bureaucracy, party organizations, and the CIA" and the transference from the shame of the Dreyfus affair to the shame of the Watergate affair becomes evident.

I should like to suggest tonight that the problems thrown up by Watergate may be found in four elements; two different kinds of constitutional questions and two different kinds of corruption. And it is where the perimeters of corruption overlap the perimeters of constitutional violations that we discover the greatest dangers to representative government and democratic freedom.

Let me speak first to some of the constitutional questions that have been the focus of so much attention in our daily news reports. Here, the primary issues have involved two not unimportant constitutional concepts, but nevertheless constitutional concepts of subordinate importance when compared with the constitutional issues that have received inadequate public attention. The two notorious concerns have been with the meaning of the impeachment provisions and with the scope of "executive privilege," a term that finds no delineation either in the words of the Constitution or in the history of the Convention of 1787 that gave birth to that constitution.

The central question about impeachment is whether the Constitution demands that the impeachment processes rest on evidence of an indictable offense, *i.e.*, a violation of the criminal code of the United States. The total argument for this position rests on the fact that the constitutional language of Article II, § 4, provides impeachment for "Treason, Bribery, or other high Crimes and Misdemeanors." It is argued that there can be but one meaning for the words "crimes and misdemeanors" and that meaning is an offense against the positive, enacted criminal statutes. This construction has bemused even some of our most eminent constitutional authorities, including the venerable Senator Sam Ervin.

The fact of the matter is that the phrase "high crimes and misdemeanors" comes to us with an established provenance. And none can read, as I have read, the English history of impeachment that preceded the formation of the Union, the debates of the Constitutional Convention of 1787, the contemporary and authoritative construction of the Constitution as it emerged from that convention, and the history of the impeachment clause in the years that have elapsed since the Constitution was written, without concluding that the phrase was meant to connote something more than, and different from, misbehavior that was punishable under the criminal laws. The Constitution was not concerned with ordinary punishments for ordinary crimes: that was left, by the impeachment provisions themselves, to the ordinary courts of law for resolution. As James Wilson, one of the founders wrote, impeachment was directed not to ordinary crimes committed by ordinary criminals, but rather to "political characters, to political crimes and misdemeanors, and to political punishments." He summed it all up in a single word. For him an impeachable offense was defined as "malversation," which the dictionary tells us has meant, since 1549, corrupt behaviour in a position of trust."

I submit that there can be no doubt that Professor Raoul Berger is confirmed by both English and American history in his catalogue of impeachable offenses as including: (1) misapplication of funds; (2) abuse of official power; (3) neglect of duty; (4) encroachment on or contempt of the legislative prerogatives; and (5) the abuse of office for self-benefit.

Indeed, the alternative construction, limiting impeachments to prosecutions for criminal offenses, is both demeaning of the impeachment function and more expansive in its consequences. For in this day and age, a criminal charge rather than breach of trust is the easier standard to meet. One need only look at the myriad prosecutions and convictions in the national courts for conspiracy, mail fraud, and income tax evasion to recognize that every American citizen lives under a sword of Damocles whose gossamer threat may be broken by any self-willed prosecutor. Certainly the petty events that are the concern of our criminal processes were not the concern of the authors of the Constitution when they wrote the impeachment provisions.

Perhaps now that the President's version of some taped White House conversations has been released, there will be less controversy over the need for a criminal offense to base an impeachment proceeding. For these transcripts certainly reveal ample evidence of a prima facie case of obstruction of justice and subornation of perjury or, at the very least, conspiracy or attempts to commit these crimes. The editorial leader in the New York Times of May 6th, and both Time and Newsweek this week, have reprinted the text on which such charges can rest. And, as Tony Lewis wrote in the newspaper of the same day, referring specifically to §§ 2 and 1510 of Title 18 of the United States Code, "By the standards of what is required to bring an ordinary indictment, there is overwhelming evidence in these transcripts that Richard Nixon committed Federal crimes."

I should insist, nevertheless, that the transcripts as a whole reveal even more clearly the "malversation" of which James Wilson wrote, which ought to remain the proper basis for calling into question whether the incumbent President should be removed from office because he has so abused the highest trust that the nation affords to any man.

It is important, too, to note that we should not be misled into making the Watergate coverup the sole issue for Senate consideration. The coverup is but one element that must be weighed when the President is called to the bar of judgment. For me, at least, such sins as may have been committed in the name of Watergate are of less significance than, for example, the abuse of presidential power by the creation of a secret police under the euphemism of "the Plumbers" and the perversion of the powers of the F.B.I., the C.I.A., the Internal Revenue Service, and the Department of Justice. For these acts are far more dangerous to American constitutional liberties than the attempted concealment of White House implication, whether before or after the fact, in the Watergate break in.

The other constitutional question of prominence has been that of the proper scope of "executive privilege." There are two kinds of "executive privilege." One calls for the exemption of the Chief Executive of his nation from the duty to respond in his person to subpoenas from either the legislative or judicial branches of government. I believe, as Jefferson said, that this is a valid and necessary attribute of the presidency. I do not, however, believe that it extends beyond the person of the President to include those of his aides who happen to hold office in the White House itself, incidentally, without the advice and consent of the Senate.

The other form of "executive privilege" is concerned with the right to conceal data from the legislature, the judiciary, and even that newly created monarch of monarchs, the press. Here, too, I believe that such a privilege exists, but that it is confined either to materials whose publication would endanger the safety of the nation or to confidential communications about matters of state. I do not think that it affords limitations on access: 1) to non-confidential communications or, 2) to confidential communications that are external to the actual business of government, such as campaign activities, or 3) to evidence of illegal behavior. The last, of course, may be protected by the privilege against self-incrimination, but only by the affirmative invocation of the Fifth Amendment. The hard question, the answer to which I do not pretend to know, is how it is to be determined whether material properly falls within the privileged area. I am certain that the mere ipse dixit of the executive is not enough to establish the privilege. At the very least, the President owes a reasoned explanation of why the concealed data should be accorded the privilege that he seeks for it. But, except for the impeachment process, I know of no machinery to compel him to act properly.

The questions of impeachment and executive privilege, important as they are, however, pale in significant when compared with the other constitutional issues that have been revealed by Watergate. Nor will the resolution of the former cure the deep constitutional ills from which we as a nation are suffering.

George Washington's decision not to be available for a third term as President of the United States was announced in what we have come to know as his Farewell Address. Even Macaulay's schoolboy knows of the Farewell Address. Aside from the injunction to abstain from all foreign entanglements, however, the contents of the Farewell Address have been obscured by time and circumstance. Henry Steele Commager has told us that the admonitions contained in the Address "have influenced American history far more than Washington himself could have anticipated." And yet, it must be conceded, that none of the advice so painstakingly offered has been abided. Washington warned against political parties and they have come to dominate American affairs. He advised against "overgrown military establishments which, under any form of government, are inauspicious to liberty, and which are now regarded as particularly hostile to republican liberty." He admonished us that: "It will be worthy of a free, enlightened, and at no distant period a great nation to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence."

Included among his cautions was one that it is particularly relevant to the subject of our discussion tonight. In 1796, he told us:

"It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration to confine themselves within their respective spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all departments in one, and this to create, whatever the form of government, a real despotism."

We are met today with a far different constitution than that which Washington bequeathed us. We have seen the concentration of power in the Presidency that has been achieved by the usurpation of which Washington warned us, aided largely by the abdication of responsibility by the Congress. We are, indeed, threatened by that despotism which he decried, whether it be called "benevolent" or not.

The affair called Watergate, however, has brought the spectre of totalitarianism to the attention of the American public. Now, as hardly ever before, we are cognizant of the crisis that we face. For the first time in many years Congress is seeking to assert itself. And the question is whether or not it is too late to restore the constitutional balance that our Founding Fathers created.

Heretofore, crisis has been the handmaiden of presidential power. Whether the crisis was economic, as was the case when Franklin Delano Roosevelt first came to power, or a military crisis of the kind that has plagued every generation of Americans, starting with World War I, it has always brought with it exaltation of executive authority. And each time, at least until the advent of the Vietnamese War, this concentration of authority has been justified not only by our leading liberal politicians but also by our most eminent scholars, either on the ground of necessity or expediency.

Facts are to be faced, and the facts are that since Franklin D. Roosevelt's tenure all meaningful government power has been vested in the national government. And, within the national government that power has since been concentrated in the executive branch. This, I hasten to add, is not a result of the Nixon incumbency.

As Tom Wicker, certainly no friend of the President, has told us:

". . . it was "strong" Democratic Presidents who did the most to expand the Presidency to its imperial status . . . the doctrine of implied powers . . . is primarily the product of liberal Democratic thought and policy and ultimately was bound to lead to abuse.

"This is not a justification for Watergate or any other excessive use of state power, it ought to be a warning however, that liberal Democrats will not automatically end the threat to liberty inherent in the imperial Presidency merely by coming back to power in 1976."

The point I should like to make here, however, is that the dangers to American democracy and freedom against which George Washington warned lies not only in the adhesion of power to a single man, the President, but the adhesion of power to the executive office of the President: an executive office that encompasses the C.I.A., the National Security Council, the Council of Economic Advisers, and the Office of Management and Budget among its unchecked, unlimited, and unelected "guardians" of the American people. To use Mr. Heren's analogy, what we have witnessed in the Kennedy, the Johnson, and the Nixon administrations is a return to that period of English history when the power was not wielded solely by the king but by the king and his council, *i.e.,* to the period that led up to the American Revolution.

A startlingly perceptive and insightful work, Professor Bernard Bailyn's *The Ideological Origins of the American Revolution,* published in 1967, demonstrates that the intellectual case for the American Revolution was based not so much on those simplifications about George III that are taught in our history courses, as on the notion that the English constitutional system on which all men's liberties depended had been perverted by the men around the Crown in conjunction with the king rather than by the king alone.

The American Revolution was a political revolution not a social or economic revolution. It was fought to restore the constitutional balance that Englishmen and Americans thought essential to the liberties they claimed. In the two centuries that have elapsed, the "corruption of the constitution" which they deplored has once again occurred. And, if our liberties are to be preserved, we should be looking to the means to restore the constitutional balance among the three branches of government.

The first step toward the restoration of our constitutional democracy is clear to me, if to no one else. It would be the abolition of the "fourth branch of government," to quote from Bailyn's sources, " a kind of fourth power that the constitution knows nothing of, or has not provided against."

I don't know yet when the euphemism "The White House" first came into use as a description of something other than the Presidential mansion at 1600 Pennsylvania Avenue. But it was exactly when the "White House" became what it now is, a fourth branch of American government, that we were committed to take the road that led to Watergate. My proposal is, therefore, that the first step back towards our constitutionally established democratic principles is to remove the powers accumulated in the so-called Executive Office of the President, to dissipate the Office of Management and Budget, the National Security Council, the Council of Economic Advisers, the czar of this and the emperor of that. Put these functions back in offices that are subject to Congressional control and public scrutiny, or in administrative agencies that could be made totally free from Executive Office corruption. It would be only a second step to attempt to abate the abuses of bureaucratic power in the old line departments and the so-called "independent agencies."

Watergate is the consequence of two kinds of corruption. The first is what I have described as the "corruption of the Constitution." The second is the corruption of the people and their leaders. In 1835, Mr. Justice Story wrote:

"Unless the people do at all times possess virtue, and firmness, and intelligence enough to reject mischievous influence; unless they are well instructed in public affairs, and resolutely maintain the principles of the constitution, it is obvious that the government itself must soon degenerate into an oligarchy; and the dominant faction will rule with an unbounded and desolating energy."

The fact is, of course, that no institutions, however perfect—and the constitutional plan of checks and balances can hardly be deemed perfect—can function without the appropriate human beings to run them. The Founders had in mind not only a concept of the Presidency but the kind of man they wanted when they prepared Article II.

Despite their great respect for Washington, they limited the executive power as no national government had ever before limited executive power. The need for a Washington was, nevertheless, pervasively felt. The problem of finding the right men for the right governmental posts has plagued us from the beginning. The distinguished French historian, Francois Guizot supplied the introduction to Jared Spark's biography of Washington. In 1837, Guizot wrote:

"The disposition of the most eminent men, and of the best among the most eminent, to keep aloof from public affairs, in a free democratic society, is a serious fact. . . . It would seem as if, in this form of society, the tasks of government were too severe for men who are capable of comprehending its extent, and desirous of discharging the trust in a proper manner."

Today we are suffering not only from a corruption of the Constitution through perversion of the institutions of government, but a corruption of Constitution because the men chosen for high office are unworthy. A President of the United States who tells us that he is "not a crook," thereby affords little reassurance of his qualifications for office, even if we could credit him with a capacity for the whole truth. It is not enough that the President of the United States is "not a crook." There is more to honor and duty than not stealing from the public fisc. The reassurances we need and have not received—because deeds and not words are the only cogent evidence here—is that the authority of the United States government is not expended merely to effectuate the personal whims or wishes of those in high authority nor only to benefit their personal friends and do harm to their personal enemies. Unfortunately, we live in an age when it is no longer the love of money that is the root of all evil; for our time it is the love of power that is the root of all evil. And no better evidence of this could be provided than the transcript of the presidential tapes to which we have recently been made privy.

A system of Presidential selection—not, incidentally, the one created by the Constitution—that leaves the voters only a choice between Scylla and Charybdis, as it did in the 1972 election and in some earlier elections, has helped bring us to this most grievous point in our history. The crisis called Watergate has provided us pain and suffering, outrage and disgust, fear and trembling. It has also afforded us an opportunity not likely to come again, to reexamine the "corruption of the Constitution" from which we have been suffering these many years and to try to effect a remedy before it is too late. That objective should not be forgotten as we so inexorably march to the most traumatic political event that can occur in our constitutional system, the impeachment of a President.

SILVER JUBILEE OF THE REVEREND JOSEPH KOZLOWSKI

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. RONCALLO of New York. Mr. Speaker, I wish to share with my colleagues the great joy and happiness of myself and the many, many family, friends, and acquaintances of the Reverend Joseph Kozlowski of Glen Cove, L.I., who will celebrate a Mass of Thanksgiving on June 9 at 12:30 at St. Hyacinth's Auditorium to mark his silver jubilee.

Father Kozlowski, who was ordained June 11, 1949, has been pastor of St. Hyacinth's Church since 1970.

Following his ordination 25 years ago, Father Kozlowski served for 11 years as a curate in St. Hyacinth's. From 1960 to 1970, he was assigned to St. Hedwig's Church, Floral Park.

Father Kozlowski was born in Queens. He attended Holy Cross School in Maspeth and St. John Kanty Prep, Erie, Pa.

He studied for 1 year at Cathedral College in Brooklyn and graduated from SS.

Cyril and Methodius Seminary, Orchard Lake, Mich.

Father Kozlowski is the chaplain of the Pulaski Police Association of Nassau County and in 1972 was the grand marshal of the Pulaski Day Parade in New York City.

He is also active in several Polish, civic, and community organizations in Glen Cove.

I am proud that I will be among those present at the silver jubilee banquet to be celebrated in Father Koslowski's honor on Friday, June 7. I join with all of Congress in extending our best wishes and congratulations to Father Koslowski on this joyous occasion for his service to God and community.

FORTIETH ANNIVERSARY OF THE ORDINATION OF THE REVEREND JOHN J. McQUEENEY

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mrs. GRASSO. Mr. Speaker, later this month parishioners of St. Mary's Church in Windsor Locks—the parish in which my family and I have lived all the days of my life—will honor our pastor, Father John J. McQueeney on the 40th anniversary of his ordination.

It is with a deep sense of pride and affection that I join my fellow parishioners in paying tribute to this good and decent man. His hard work and diligent efforts in the vineyards of the Lord have meant so much to the people of my hometown and other communities in which he has served. The parishioners of Windsor Locks have had the good fortune to have Father McQueeney as our pastor since 1962. His first pastorate was at St. John the Evangelist in West Hartford, while he received curate appointments earlier at churches in Bridgeport, Norwalk, and Elmwood.

Father's training for the priesthood began at St. Thomas Seminary in Bloomfield, Conn. He is also a graduate of Sacred Heart University in Bridgeport and St. Mary's College in Baltimore. He was ordained by the late Bishop Maurice McAuliffe in 1934 at St. Joseph's Cathedral in Hartford.

Father McQueeney has been a source of counsel and direction, comfort, advice and wide-ranging enthusiasm and creative thought. His parishioners speak of his zeal as an educator, a community leader, and a dedicated man of God. They know that selfless sacrifice for all mankind is a true hallmark of his long and distinguished career.

Father has served St. Mary's faithfully. Under his pastoral guidance, there have been improvements in the convent and the parish center, the formation of a parish council and the creation of a "drop-in center" for teenagers.

But his involvement does not stop with his church and its people. It extends deep into the whole community. He is a member of the Citizens Advisory Board on the Aged in Windsor Locks and of the Juvenile Review Board. In short, his energy and enthusiasm in the people's behalf make him an inspiration to all of those whose lives he has touched.

We at St. Mary's are grateful for having Father McQueeney as our pastor. He has always sought excellence in the performance of his priestly duties. His hard work and many contributions and accomplishments reflect a boundless compassion for and commitment to all those around him.

Mr. Speaker, I am delighted to honor Father McQueeney at this truly auspicious time, and to wish him continued health and happiness in God's work which truly is his own.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 40

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. HARRINGTON. Mr. Speaker, the American Enterprise Institute for public policy research, in a recently released analysis of the Federal Oil and Gas Corporation, presents an excellent overview of the oil and gas resources available on Federal lands.

Because the Federal Oil and Gas Corporation has as its mandate the development of resources on public lands, it is important to realize the magnitude of those resources.

An excerpt from the report follows:

Issues on Use of Federal Lands to Meet National Energy Needs

According to advocates of a Federal Oil and Gas Corporation, the primary task of FOGCO would be to explore for, develop, and produce the large deposits of oil and natural gas on lands owned by the federal government in order to satisfy national energy needs.

The USGS has estimated that there are almost 500 billion barrels of oil in proven indicated additional and undiscovered reserves, and almost 2,400 trillion cubic feet of proven and undiscovered natural gas reserves yet to be found onshore and offshore in the United States. Estimates of what portion of these resources is under federal lands range from 50 to 75 percent.

The Mineral Leasing Act of 1920 and the Acquired Lands Act of 1947 permit the leasing of most public and acquired lands of the United States for oil and gas development. Excluded, however, from the operation of the act are oil and gas lands in (1) national parks and monuments, (2) lands acquired under the Appalachian Forest Reserve Act, (3) lands in military, naval, and Indian reservations, (4) lands in incorporated cities, towns, and villages, and (5) lands in naval petroleum and oil shale reserves.

In his testimony before the Senate Commerce Committee, George L. Turcott, Associate Director of the Bureau of Land Management, discussed the quantity of federal land acreage and the amount of present leasing for oil and gas development:

"Exclusive of Indian reservations, there is an estimated 815 million acres of Federal land, including reserved mineral estates in the United States administered by the Bureau of Land Management. Lands within the National Park system, military reservations on acquired lands and naval petroleum reserves total approximately 65 million acres, leaving an estimated 750 million open to oil and gas leasing.

"Approximately ten percent of these lands are presently under Federal oil and gas lease. As of June 30, 1973, there was 104,218 outstanding Federal oil and gas leases embracing 74,292,109 acres. The peak leasing activity occurred in 1960 when 139,553 oil and gas leases were outstanding, embrasing 113,675,492 acres. Almost all this was due to the "gold rush" atmosphere in Alaska at the time surrounding the initial discovery of oil. In 1960 there were 16,547 leases embracing 34,908,153 acres in Alaska. As of June 30, 1973, there were only 2,443 outstanding oil and gas leases in Alaska embracing 4,509,978 acres. In addition, there are over 1,000 leases embracing about 4,400,000 acres on the Outer Continental Shelf.

"All Federal lands subject to operation of the oil and gas leasing acts are open to leasing at all times. Except for lands in known geologic structures of producing oil and gas fields, all lands are open for filing of applications to lease. Less than ten percent of all Federal lands (Naval Petroleum Reserves) are unavailable for oil and gas leasing."

Yet, federal leases have never covered more than 15 percent of the available federal lands.

The development of these resources is influenced by several factors, the determination of which involves costly and time consuming geological and geophysical procedures to see if a potential resource thought to exist does exist. The USGS has not had the funding or the manpower to adequately carry out these procedures. In addition, it has been suggested that the present system of bidding for rights to explore for and develop energy resources on federal lands is not the best means of developing these resources. Therefore, vital domestic energy supplies remain to be tapped, and they are located largely on federal lands. How these resources should be developed is now the policy issue before the United States Congress.

BERKELEY SCHOOL BOARD AGAINST BUSING RESTRICTIONS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DELLUMS. Mr. Speaker, for years Berkeley, Calif., along with many other communities throughout the country, has benefited from public school busing.

Busing is one way to insure the right to education for all on equal terms. In Berkeley, despite the fears of some, busing has tended to improve the school system as a whole and to enrich the educational experience of a large number of students.

Recently the Berkeley Board of Education unanimously passed a resolution expressing its views on the value of busing. To show that busing can be a very positive thing and to counter commentary to the contrary, I place in the Record at this point the following resolution of the Berkeley Board of Education:

Resolution in Opposition to U.S. Senate Antibusing Action

Whereas, the Berkeley Board of Education protests Congress's attempts to prevent the integration of this nation's public schools; and

Whereas, we are convinced that the development of equal educational opportunity for all youngsters begins with the elimination of unequally staffed and equipped schools and the elimination of racial isolation. Busing youngsters is one way to achieve this; and

Whereas, Berkeley eliminated its ghetto schools in 1968 with a busing program, and we know it works; and

Whereas, the Berkeley Board of Education regrets that the two Senators from California chose to join a majority of the Senate in curtailing the court's efforts at redressing the profound injustice of this nation's educational practices;

Therefore, be it resolved that the Board of Education feels that the courts must continue to insist that racially-segregated school districts integrate, and Congress must not in any way restrict the options of local school districts for complying with court orders to do so.

WARNING ON INFLATION: "FUTURE OF OUR COUNTRY IS IN JEOPARDY"

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. CARTER. Mr. Speaker, Dr. Arthur F. Burns, the Chairman of the Federal Reserve Board, warns us on inflation. I commend his remarks to this body's attention:

WARNING ON INFLATION: "FUTURE OF OUR COUNTRY IS IN JEOPARDY"

(By Arthur F. Burns)

The gravity of our current inflationary problem can hardly be overestimated. Except for a brief period at the end of World War II, prices in the United States have of late been rising faster than in any other peacetime period of our history. If the past experience is any guide, the future of our country is in jeopardy.

No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

I want to discuss briefly . . . the sources of our inflationary problem, the havoc being wrought in the economy, and the steps that must be taken to regain general price stability and thus strengthen confidence in our nation's future.

A large part of the recent upsurge in prices has been due to special factors. In most years, economic trends of individual nations tend to diverge. But during 1973, a business-cycle boom occurred simultaneously in the United States and in every other major industrial country. With production rising rapidly across the world, prices of labor, materials and finished products were bid up everywhere.

To make matters worse, disappointing crop harvests in a number of countries in 1972 forced a sharp run-up in the prices of food last year. The manipulation of petroleum supplies and prices by oil-exporting countries gave another dramatic push to the general price level last autumn and early this year. The influence of these factors is still being felt in consumer markets, Recently, our price level has also reacted strongly to the removal of wage and price controls—a painful but essential adjustment in the return to free market.

These special factors, however, do not account for all of our inflation. For many years, our economy and that of other nations has had a serious underlying bias toward inflation which has simply been magnified by the special influences that I have mentioned.

Ironically, the roots of that bias lie chiefly in the rising aspirations of people everywhere. We are a nation in a hurry for more and more of what we consider the good things of life. I do not question that yearning. Properly directed, it can be a powerful force for human betterment. Difficulties arise, however, when people in general seek to reach their goals by means of short cuts, and that is what has happened.

Of late, individuals have come to depend less and less on their own initiative and more on Government to achieve their economic objectives. The public nowadays expects the Government to maintain prosperous economic conditions, to limit such declines in employment as may occasionally occur, to ease the burden of job loss or illness or retirement, to sustain the incomes of farmers, home builders, and so on.

These are laudable objectives, and we and other nations have moved a considerable distance toward their realization. Unfortunately, in the process of doing so, governmental budgets have gotten out of control, wages and prices have become less responsive to the discipline of market forces, and inflation has emerged as the most dangerous economic ailment of our time.

The awesome imbalance of the federal budget is probably the contributory factor to inflation that you have heard the most about. In the past five years, total federal expenditures have increased about 50 per cent. In that time span, the cumulative budget deficit of the Federal Government, including Government-sponsored enterprises, has totaled more than 100 billion dollars. In financing this deficit, and also in meeting huge demands for credit by businesses and consumers, tremendous pressures have been placed on our credit mechanisms, and the supply of money has grown at a rate inconsistent with price stability.

I am sure that each of you . . . is aware that some of the troublesome consequences of inflation. The prices of virtually everything you buy have been rising and are still going up. For the typical American worker, the increase in weekly earnings during the past year, while sizable in dollars, has been wiped out by inflation. In fact, the real weekly take-home pay of the average worker is now below what it was a year ago. Moreover, the real value of accumulated savings deposits has also declined, and the pressure of rising prices on family budgets has led to a worrisome increase in delinquency rates on home mortgages and consumer loans.

Many consumers have responded to these developments by postponing or canceling plans for buying homes, autos and other big-ticket items. Sales of new autos began to decline in the spring of 1973, and so, too, did sales of furniture and appliances, mobile homes and newly built dwellings. The weakness in consumer markets, largely engendered by inflation, slowed our economic growth rate last year some months before the effects of the oil shortage began to be felt. . . .

The effect on business profits was ignored for a time because accountants typically reckon the value of inventories—and also the value of machinery and equipment used up in production—at original cost rather than at current inflated prices. These accounting practices create an illusory element in profits—an element that is not available for distribution to stockholders in view of the need to replace inventories, plant and equipment at appreciably higher prices. . . .

By early this year, a confrontation with economic reality could no longer be put off. Major business corporations found that the volume of investible funds generated internally was not increasing fast enough to finance the rising costs of new plant and equipment or of the materials and supplies needed to rebuild inventories. Businesses began to scramble for borrowed funds at commercial banks and in the public markets for money and capital.

Our financial markets have therefore come under severe strain. Interest rates have risen sharply; savings flows have been diverted from mortgage-lending institutions; security dealers have experienced losses; prices of common stocks have declined; the liquidity of some enterprises has been called into question, and tensions of a financial nature have spilled over into international markets.

Concerned as we all are about the economic consequences of inflation, there is even greater reason for concern about the impact on our social and political institutions. We must not risk the social stresses that persistent inflation breeds. Because of its capricious effects on the income and wealth of a nation's families and businesses, inflation inevitably causes disillusionment and discontent. It robs millions of citizens who in their desire to be self-reliant have set aside funds for the education of their children or their own retirement, and it hits many of the poor and elderly especially hard.

In recent weeks, governments have fallen in several major countries, in part because the citizens of those countries had lost confidence in the ability of their leaders to cope with the problem of inflation. Among our own people, the distortions and injustices wrought by inflation have contributed materially to distrust of Government officials and of Government policies, and even to some loss of confidence in our free-enterprise system. Discontent bred by inflation can provoke profoundly disturbing social and political change, as the history of other nations teaches. I do not believe I exaggerate in saying that the ultimate consequence of inflation could well be a significant decline of economic and political freedom for the American people.

There are those who believe that the struggle to curb inflation will not succeed and who conclude that it would be better to adjust to inflation rather than to fight it. On this view, contractual payments of all sorts—wages, salaries, Social Security benefits, interest on bank loans and deposits, and so on—should be written with escalator clauses so as to minimize the distortions and injustices that inflation normally causes.

This is a well-meaning proposal, but it is neither sound nor practical. For one thing, there are hundreds of billions of dollars of outstanding contracts—on mortgages, public and private bonds, insurance policies, and the like—that as a practical matter could not be renegotiated. Even with regard to new undertakings, the obstacles to achieving satisfactory escalator arrangements in our free and complex economy, where people differ so much in financial sophistication, seem insuperable. More important still, by making it easier for many people to live with inflation, escalator arrangements would gravely weaken the discipline that is needed to conduct business and government affairs prudently and efficiently.

"AN ILLUSORY AND DANGEROUS QUEST"

Universal escalation, I am therefore convinced, is an illusory and dangerous quest. The responsible course is to fight inflation with all the energy we can muster and with all the weapons at our command. One essential ingredient in this struggle is continued resistance to swift growth in money and credit. The Federal Reserve System, I assure you, is firmly committed to this task. We intend to encourage sufficient growth in supplies of money and credit to finance orderly economic expansion. But we are not going to be a willing party to the accommodation of rampant inflation.

As this year's experience has again indicated, a serious effort to moderate the growth of money and credit during a period of burgeoning credit demand results in higher interest rates—particularly on short-term loans. Troublesome though this rise in interest rates may be, it must for a time be tolerated. For if monetary policy sought to prevent a rise in interest rates when credit demands were booming, money and credit would expand explosively, with devastating effects on the price level. Any such policy would in the end be futile, even as far as interest rates are concerned, because these rates would soon reflect the rise in the price level and therefore go up all the more. We must not let that happen.

But I cannot emphasize too strongly that monetary policy alone cannot solve our stubborn inflationary problem. We must work simultaneously at lessening the powerful underlying bias toward inflation that stems from excessive total demands on our limited resources. This means, among other things, that the federal budget has to be handled more responsibly than it has been in the past.

I do not expect that the path back to reasonable price stability can be traveled quickly. Indeed, our Government will need to take numerous steps to reduce the inflationary bias of our economy besides those I have emphasized.

The forces of competition in labor and product markets need to be strengthened—perhaps by establishing wage and price review boards to minimize abuses of economic power, certainly through more vigorous enforcement of the antitrust laws, besides elimination of barriers to entry in skilled occupations, reduction of barriers to imports from abroad, and modification of minimum-wage laws to improve job opportunities for teenagers. Impediments to increased production that still remain in farming, construction work and other industries need to be removed. And greater incentives should be provided for enlarging our capacity to produce industrial materials, energy and other products in short supply.

"INFLATION CANNOT BE ELIMINATED WITHOUT COST"

But if inflation cannot be ended quickly, neither can it be eliminated without cost. Some industries will inevitably operate for a time at lower rates of production than they would prefer. Government cannot—and should not—try to compenstate fully for all such occurrences. Such a policy would involve negating with one hand what was being attempted with the other.

But Government does have a proper ameliorative role to play in areas, such as housing, where the incidence of credit restraint has been disproportionately heavy. . . . And my personal judgment is that it would be advisable, too, for Government to be prepared, if need be, to expand the roster of public-service jobs. . . . It would conflict much less with basic anti-inflation objectives than would the conventional alternative of general monetary or fiscal stimulus.

A cut in personal income taxes, for instance, would serve to perpetuate budget deficits. Not only that, it might prove of little aid to the particular industries or localities that are now experiencing economic difficulty. . . .

In concluding, I would simply repeat my central message: There is no easy way out of the inflationary morass into which we have allowed ourselves to sing through negligence and imperfect vision. But I am confident that we will succeed if the American people become more alert to the challenge. . . . This objective is within our means and is essential to our nation's future.

TRENDS IN MINORITY BUSINESS ENTERPRISE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. STOKES. Mr. Speaker, at the recent 34th annual awards banquet of the Cleveland Business League, I had the opportunity to hear a most informative report on the status of minority business enterprises by Mr. Abraham S. Venable, director of urban affairs for the General Motors Corp.

Mr. Venable's statement reviewed the progress of GM in this most important area, and outlined potential methods for increasing minority efforts and ownership in the business community.

I ask my colleagues to give Mr. Venable's perceptive address their closest consideration, and, accordingly, I submit it to the RECORD:

REMARKS OF ABRAHAM S. VENABLE

Thanks very much Mr. Hamilton, Congressman Stokes, Judge Whiting, Mr. Wynne, distinguished guests, honorees, members and friends of the Cleveland Business League. I'm deeply grateful for this opportunity to participate in your 34th Annual Awards Banquet. I must confess, however, that when I accepted your invitation, I did not realize that today, Good Friday, is one of the few holidays at General Motors. So, in spite of the fact that my wife has refused to speak to me for leaving town today, I do appreciate the opportunity to spend this evening with you.

This is my third trip to Cleveland since joining General Motors three years ago. As you may recall, on March 20th of last year GM quite appropriately presented a report to the community of Cleveland to outline its many activities in areas of crucial concern to members of the minority community. Let me give you the latest figures on a few of the programs in which GM is presently involved.

In the area of minority suppliers, General Motors is presently doing business with approximately 450 minority firms. Purchases from these suppliers last year totaled about $14 million.

In Motor Enterprises, GM's Minority Enterprise Small Business Investment Company, we have approved loans to 96 minority firms in 39 cities and 13 states. General Motors has loaned approximately $2.2 million and this has generated another $10.6 million in loans from other sources for a total of $12.8 million in financing assistance.

Several years ago, General Motors issued a policy that it would make bank deposits in every known minority bank. Presently 62 minority banks have GM deposits and this represents about 15% of the 403 banks with which GM does business.

In the area of minority dealerships, 88 minority individuals presently operate GM dealerships, of this number 26 are black.

In addition, 670 other minority businessmen sell and service products from AC Spark Plug, Frigidaire, and United Delco Divisions throughout the United States.

And, finally, of the 7 broker-agents handling GM's blanket property damage insurance, three are black. With the three black firms, $1½ billion of insurance have been placed with them representing almost 16% of GM's total property damage coverage.

This is merely a status report on the efforts of one company. While much remains to be done, I am convinced that the doors of economic opportunity are slowing opening, both inside and outside General Motors. On the other hand, I am not going to tell you that racism has suddenly vanished from the corporate corridors, far from it, but there are unmistakable signs of change and ripples of opportunity that could become waves of progress in the future.

In preparing my remarks for this evening, I re-read the Business Leadership Lecture given by Asa T. Spaulding at the Graduate School of Business Administration of the University of Michigan when he received the School's prestigious Award for Business Leadership in 1971.

Mr. Spaulding, who as you know is the retired president of the North Carolina Mutual Life Insurance Company, and now Chairman of the Board of Trustees of Howard University, is a man I admire greatly. In his Business Leadership Lecture, he said:

". . . despite our country's shortcomings, I still believe America provides the best soil, democracy the best climate, the free enterprise system the best incentives, and freedom the best opportunity, for the growth and development of the whole man and the achievement of the highest potentials of each individual."

This sums up my own views in spite of the fact that so much remains to be done in assuring blacks an even chance at the starting line. And, yet I know that until all minorities have the opportunity to gain a meaningful economic stake in the future of America there can be no real solution to our urban problems.

Prior to joining GM, I was the Director of the Office of Minority Enterprise at the U.S. Department of Commerce in Washington, D.C. And even though I have now been away from this office for 3 years, many of my thoughts and most of my concerns are still deeply rooted in the minority enterprise effort. The purpose of this office was and is today to promote wider ownership of business among blacks and other minorities.

It is not a new movement by any means. Ironically, this latest thrust of the civil rights movement dates back to the days of Booker T. Washington, 74 years ago. This great man's dream was of an America in which—at long last—the black man would enjoy a full measure of economic, political and social justice. The vehicle to translate this dream into reality was to be business ownership.

But that was 74 years ago—the turn of the century—and Booker T. Washington's idea was one whose time had not come. On the other hand, there were many similarities between conditions and moods of that time and today. Looking back, we see that:

Some said the solution to their racial ills lay in amassing political power—in other words, "black power".

Others said it was in amassing economic power—we call it "green power".

Some said they should work toward a fully integrated society;

Others called for a parallel, duplicating, black-owned and managed society, and so on;

Some gave up completely, calling attempts at reform useless. They turned their backs on the American dream and prepared to migrate to Africa.

The resemblances between then and now are striking. The only major difference is that today the overwhelming majority of blacks have not given up. They are not preparing to migrate to Africa. Instead, they are prepared to stand up and fight for a full and equal share of America's economic pie.

Today, almost three-quarters of a century after Booker T. Washington first issued his call for blacks to organize themselves economically, current statistics indicate that minorities constitute 17% of our population —but they own and operate less than 3% of the businesses and control less than ½ of 1% of the capital assets.

Further, a closer look shows that many black-owned businesses are still in the service and trades industries. Operationally, they are very small, comparable to the typical, white-owned business of 40, 50, 60 and even 70 years ago. In other words, most black business today is still at the mom-and-pop store stage and it is easy to see why. Minorities were not a part of the so-called industrial and economic development of this country. As a result, minority-owned business today is still struggling to survive while—for the rest of industry—sales are higher than they have ever been in the history of the world. Black business at best is marginal and, if it ever had to pay for the free family labor that goes into it, most would undoubtedly be submarginal.

It is not surprising that many minority parents still tend to discourage their children from seeking careers in business. Too often they find that minority enterprise represents the fashionable thing to discuss but obviously not the logical thing to do. However, in spite of what appears to be a somewhat bleak picture, I don't think it would be at all fair to say that there is no hope for the future black business development. Quite the contrary, I have found that many of the seeds have been sown and there is a deep seated determination by many blacks and whites to get the show on the road—in the face of overwhelming odds and loss expectations.

In many ways this could be a new day, and while I have pointed out that there are striking—if not alarming—similarities between conditions at the turn of the century and now, I want to point out also that there are at least three new forces for change which I believe can make tomorrow better than today and eventually change a nightmare into hope for the future.

The first and most important of these forces for change are the many individuals and organizations like the Cleveland Business League that have unrelentingly, imaginatively, and constructively kept the Nation's attention focused on one of its foremost pieces of unfinished business—insuring minorities their rightful place at the starting line on the road to business ownership.

The second force for change is the result of the first. It is the majority community's realization that our entire country will prosper even more when everyone—regardless of race, color or national origin—participates equally in this Nation's economy.

The third force is the result of the first two. It came into being on March 5, 1969, when the federal government established the Office of Minority Business Enterprise.

This represented the first time that the Federal Government officially recognized, by Executive Order the role of blacks and other minorities as owners and operators of the means of production. While this does represent a significant step forward, it should be clearly understood that the Federal Government cannot, should not, and must not be relied upon solely by the black community as an all encompassing entity to plan its destiny. The role of the Federal Government can only be supportive of the desires of the people. And, while I have great hope for the Office of Minority Business Enterprise, its efforts—even if totally successful—will barely scratch the surface in resolving this monstrous problem created by years of deprivation and discrimination. Still these forces for change in my mind clearly set the tone for the future and if properly utilized will undoubtedly determine the destiny of our black entrepreneurs. We can succeed if we apply the right approaches and techniques to resolving the most critical and pressing minority business problems.

Usually most practitioners in the minority enterprise field generally agree that there are 4 ingredients necessary for a successful business.

First, the man, and he is most important. He must have the entrepreneurial juices—the stamina, the stick-to-it-iveness, the desire and the will to take a risk. If he doesn't, he has little or no chance of success.

And, next the business opportunity. And, here we are talking about a realistic opportunity which can provide an entrepreneur with a good standard of living and provide an adequate return on investment to the individual or the stockholders.

Third, the money. Too often most people consider money to be the sole ingredient for a successful business. An entrepreneur must have sufficient capital but he must first have a reasonable business opportunity for which he is adequately trained or experienced. Therefore, money is important but only as a final part of a total business package.

Last, but not least, technical assistance. Blacks in most cases have not been a part of the industrial and economic development of this country. As a result, the majority are by necessity not familiar with the most advanced business techniques that are being used in today's competitive world—to assure efficiency and profitability in business management. Unfortunately, in too many cases, most technical assistance has represented the "blind leading the blind."

And, this brings me to the key point in my remarks. I doubt very seriously if anyone in this audience this evening would question the fact that in most instances those blacks who already own and operate the many small businesses throughout the black community represent the forgotten souls of modern capitalistic advancement. We have seen that they barely make enough to survive; many are 30 to 50 years behind their white competitors in systems and procedures know-how, they are struggling to keep the tiny market that is left as table scraps by the large firms. They are weak and they are all alone.

Admittedly, there is great merit in those assistance programs which encourage blacks to establish new businesses. But, in my mind, we face a much greater problem in trying to improve the efficiency and profitability of those minority businesses already in existence. And, until we develop effective techniques to provide meaningful assistance to existing black businesses, there can be no real hope for a successful black business development effort. This represents a necessary first step in changing the basic image of black business at its lowest level.

As we all know, what most minority businessmen need is not more rhetoric or an illusion of attaining the impossible dream, but simply a foothold on the advancement ladder which has led to the prosperity of mainstream firms. For most mainstream businesses, that foothold has often been the trade association. Let me go into more detail.

The trade association concept is not a new approach nor does it depend heavily on inputs from the outside community. It is simply an organization of successful businessmen having similar interests and needs who can benefit from cooperative effort. Amalgamation allows them to retain their individual pride and freedom while discovering, through action and involvement, the merit of cooperation and mutual improvement. Together, these businessmen can achieve economies of scale in purchasing, group advertising, employe benefits, and business services. Among themselves, they can exchange information on quality standards, pricing policies, diversification opportunities, and operating techniques.

The trade association would be an ideal structure for "bootstrap" upgrading of existing black businesses—except for one very important thing: the trade association is a mainstream invention; it amalgamates basically *viable* firms.

Most existing black firms are typically not *viable* according to mainstream standards. Indeed, by strict definition, many are not even "business" entities but merely self-employed individuals who get paid for labor but do not make a profit of any kind.

As a result, very few black firms can gain membership to a mainstream trade association today just because of that fact: they are not in most cases on a par with successful businesses.

Thus, black entrepreneurs need something that is similar in structure to trade associations but radically different in level of emphasis. The black structure must do more than offer economies in purchasing, advertising, and so forth. It must stress *education* in business systems and procedures. The point may seem trivial, but actual experience has shown such education is the most vital and meaningful form of assistance we can give to the majority of existing black businessmen. For that reason, the structure I am recommending as an initial step is not, properly speaking, a "trade association' but a "Business Organization."

Most accurately described, a "Business Organization" embodies the cooperative joining of businesses engaged in similar or identical lines of activity into a trade association—and through such an association—work can begin on standardizing all operational procedures and marketing techniques. Such a sharing of experience allows the individual participating firms an opportunity to upgrade themselves in order to meet the minimum standards of operation necessary for survival and growth in the general market. The total effort of the organization is directed at maximizing efficiency and profitability. This, and only this, will give the minority businessman an equal chance at the starting line. This concept ties in the key elements and ingredients reflected in the evolution of capitalism—from the "mom-and-pop store" to the voluntary chain, to the large corporation and finally to the commercial or industrial giant.

The Business Organization concept is a tested and proven mechanism. It was first tried by Howard University in Washington, D.C. where 85 black dry cleaners were organized into a trade association. To achieve the necessary objectives, participating dry cleaners standardized their operational procedures, including such items as quality control, physical appearance or image standards, accounting methods, etc. Out of this experience came a new awakening by black dry cleaners in Washington, D.C. Not only did they purchase a building for their trade association headquarters but they reduced the cost of hangers almost 65% through group purchasing.

There were many problems, but these were expected. For nothing good comes easy.

As a tool of survival and growth, the Business Organization concept is relatively new to minority businessmen. It represents a more far-reaching and effective means of upgrading marginal businesses than programs involving guidance, counseling and training. This does not mean that these tools are unimportant. On the contrary, they are a vital part of Business Organization, with the concepts of guidance, counseling and training built-in. It provides the mechanism for the businessman to take full advantage of his training, and enables him to move up to a more efficient and productive level of operation. The Business Organization is useful in single-line operations on the local level as well as multi-line business on a regional or national level.

I am convinced that Business Organization of minority-owned businesses represent an effective means of setting in motion self-perpetuating machinery which will eventually allow the minority community to function and grow on its own as a vital part of the total business community.

Many people have stated that blacks have not taken those steps that represent a necessary pre-requisite in achieving economic independence. In my mind, the first step must be to organize the existing business institutions in the black community at the most efficient operational level. This would include the barber shops, the beauty parlors, the dry cleaning stores, the auto repair shops, and all other small businesses which blacks operate in relatively large numbers. The potential profit and the resulting savings would astound you.

With the civil rights focus now having turned at last to the role of blacks as owners and operators of the means of production—we all must realize that the time for philosophical debate has long since passed. In essence, I am saying that if going into business is ever going to represent a meaningful goal for black people, we must recognize the problems and develop a system and procedure approach based on those techniques which the majority community has used and is using to achieve its economic goals.

So, in conclusion, the question is not whether we take those steps through which we can share significantly in the ownership of America's means of production—the question is "How?" and "When?" When are we in the black community going to work together in a concerted manner to attack the vicious problems discrimination has caused in the development of black business?

So, this evening I call upon each of you to pledge yourself to make the 70's the era of true emancipation. What Booker T. Washington attempted to do 74 years ago became little more than a dream. It is certainly far past the time that we should have awaken from that dream!

Thank you.

THE DEMOCRATIC CAUCUS: "BLOCKING HOUSE REFORM"

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, the Nation's media have been virtually unanimous in condemning the Democratic Caucus action which last month prevented the Committee Reforms Amendments of 1974 (H. Res. 988) from receiving floor consideration.

A noteworthy statement, "Blocking House Reform," appeared May 15 in the Philadelphia Bulletin.

The editorial points out that public dissatisfaction with Congress—now at an alltime high—demands that we take quick and decisive steps to improve the effectiveness of our handling of public-policy problems. The public is not easily fooled, and they are judging the caucus action for what it is; placing private convenience above public responsibility.

The Philadelphia Bulletin message is loud and clear:

> House Democrats should put aside selfish interests and enact responsible committee reform.

The editorial "Blocking House Reform" follows:

BLOCKING HOUSE REFORM

House Democrats who voted in caucus to send a congressional reorganization plan back to committee, effectively killing chances of early passage, placed private convenience above public responsibility.

The relatively modest plan would have redrawn committee assignments and jurisdictions into more logical fashion, stripping such powerful bastions as House Ways and Means of control over health and trade legislation and creating a single committee to handle energy and environmental bills.

No reform is painless and this one ran into predictable opposition from Ways and Means Chairman Wilbur Mills and others who want no dilution in either their authority or number of assignments. Joining them were strong voices in labor and business, anxious to preserve working relationships with present chairmen and staffs.

The public disenchantment with Congress is not likely to be dispelled until it demonstrates its ability to conduct the public business more effectively. The proposed reforms would create greater efficiency and fairness in the handling of legislation.

There is still a chance that reform will be enacted in some form later this year. Any dilution, it needs to be said, could hurt what is already a modest proposal, one that leaves unchanged the rigid seniority system and the obstructionist Rules Committee.

House Democrats should put aside selfish interests and enact responsible committee reform.

UNITED STATES—THE GREATEST

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. CARTER. Mr. Speaker, it becomes increasingly distasteful to read and hear discourses on gloom, doom and disaster. Last night, for instance, I heard a prominent editorialist who spoke disparagingly of the razzle-dazzle diplomacy of the Honorable Henry Kissinger and indicated that perhaps his tactics were too much on the flamboyant side.

I would remind this member of the fearless forum contributing to the Washington Star that without the astute diplomacy of the Honorable Henry Kissinger the oil embargo would not have been lifted, and this country would have been in the throes of a deep depression. How this Secretary of State of evidently great genius has accomplished so much in such little time beggars the imagination. As I have stated previously, there is no question but that he is the greatest diplomat since Disraeli, probably in history.

Instead of constantly accenting the negative, let us strike up the band and accent the positive! The United States of America is still the greatest and most compassionate nation in the world.

I include the following article for your attention:

STRIKE UP THE BAND!

Sensationalism, they say, sells more magazines, newspapers, TV shows than good cheer—but we think it's time the country got the *facts* instead of all the fright.

The media never show us the miles of pleasant homes owned by workmen; they concentrate on the slums.

They never mention our 85,000,000 jobs (still the best in the world)—they concentrate on what unemployment there is.

You never see pictures nor articles about the 400,000 and more young volunteers who man classes and clinics, working to cure drug addiction and trying to prevent youthful crime.

When have you seen an article about our thousands of hospitals and clinics to cure malnutrition and disease, or the hundreds of thousands of dedicated men and women who staff them?

The media never mention their own profits but hold up their hands in self-righteous horror at those of oil companies, never mentioning the billions necessary to build enough refineries to meet the oil crisis.

This used to be a happy country, full of reasonably happy people. But we've been fed trouble and sadness so long that that's all we can see or hear.

There's more music in America than discord!

PRIVACY

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. OWENS. Mr. Speaker, nearly 50 years ago Supreme Court Justice Oliver Wendell Holmes characterized illegal wiretapping as "dirty business." In the same case another great jurist, Louis Brandeis, said that the right to be left alone—that is, the right to privacy—is so important that "every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment."

Ironically enough, a majority of the Supreme Court in 1928 disagreed with both Holmes and Brandeis and held that the Constitution does not protect the privacy of persons against wiretapping. Holmes and Brandeis wrote the words quoted above in dissenting opinions.

But since then the law has changed—progressed, I think—as the law so often does, and now these quoted words have become the law of the land. We have come a long way, but we have further yet to go in protecting individuals' privacy in today's society.

Many legal scholars agree that the right to privacy is one of our most basic constitutional freedoms. Yet, the word "privacy" is mentioned nowhere in the entire Bill of Rights. The reason for this can be found in the fact that life is different today from the way it was in 1789 when the first 10 amendments to the Constitution were ratified. There were no telephones, and therefore no wiretaps. There were no "bugging" devices, no data banks, no computers, no credit agencies performing investigations, no tape recorders and no hidden cameras.

With this in mind, it is clear that our Founding Fathers did indeed intend to protect citizens' privacy by writing the fourth amendment to our Constitution. It protects persons, houses, papers, and effects from unreasonable searches and seizures. Protection against wiretapping and "bugging" was secured by a necessary judicial interpretation.

As our society changes it is imperative that our rules of conduct, our laws, must change too. Today there are threats to our privacy which Jefferson and Hamilton could have never foreseen. We must make sure that our laws continue to protect us.

I am concerned with the privacy of individuals, and protecting that privacy against Government intrusion. Of course, we must weigh the Government's right to know and use certain information, information concerning individuals, for its proper functioning. In making these judgments, however, we should consider just how pervasive and penetrating are the eyes of some of our governmental institutions:

Alan Westin in his book, "Privacy and Freedom," reported:

> At least 50 different federal agencies have substantial investigative and enforcement functions, providing a corps of more than 20,000 "investigators."

Until checked, the Army in the 1960's had more than 1,500 plainclothesmen reporting on individuals to scores of data banks.

Between 1968 and 1972, Federal, State, and local government wiretapped more than 1,623,000 conversations involving about 120,000 people.

A report from the Department of Health, Education, and Welfare said flatly last summer:

> Under current law, a person's privacy is poorly protected against arbitrary or abusive recordkeeping practices.

By far one of the greatest potential threats to our privacy derives from the technological advances in our recordkeeping capabilities. Computers and data banks have created an unprecedented potential for abuse by private institutions, such as credit agencies, as well as by governmental agencies. Here again, we have to bring the law up-to-date and make sure it keeps up with advances in technology.

In his book "Databanks in a Free Society," Westin makes this very point:

> But the reality of the 1960s was that civil liberties in record-keeping was an underdeveloped area of American law. Thus, computers moved into the world of organizational record-keeping at a time when both American law and public opinion were just beginning to confront the problems of defining more clearly what rights of privacy and due process individuals should have in the various major zones of manual recordkeeping that had come to exercise a major effect on the lives of individuals in the post-World War II era.

Of course, this whole issue of privacy has taken on a new aspect due to Watergate. The Watergate affair, and all the immoral and illegal activity associated with it, is not primarily a matter of privacy. But it does demonstrate that a great threat to our privacy exists from political leaders who are willing to manipulate the Government to serve their own needs. In Watergate, not only did the Nixon administration or the Nixon reelection campaign use private individuals to spy upon and wiretap others; just as harmful, they used information which the Government legitimately possessed, such as tax returns, for totally illegitimate purposes. This was a flagrant violation of the responsibilities of office and remains a potential threat to our liberties.

One answer—the most obvious one—to this problem is to elect principled leaders. Of course, this must be done. But the experience of the past few years teaches us that we also must try to restrict access to and limit the private information which the Government has in order to protect our privacy. Only with institutions and laws which are sensitive to and meet the threat to privacy, as well as leadership committed to preserving privacy, will the privacy of our citizens be adequately protected.

I support several proposals, both general and specific, which I feel meet some of the problems in this area and which embody a program to insure the privacy of our citizens is respected by our Federal Government.

I. LIMITED ACCESS TO INFORMATION

First, access to personal or confidential information submitted to the Federal Government should be strictly limited to those "who need to know" that information in order to carry out a specific, legitimate Government function. This policy should be embodied in law, and where appropriate, Agencies should be required to limit access to such information to a list of certain Government employees.

Also, transferring such information from one Government agency to another must be strictly controlled. In many cases, such transfers should be forbidden. And no transfers should ever be permitted for political purposes.

I believe this policy, firmly embedded in our Government's procedures, will aid in keeping confidential what should be confidential, whether it be tax information, confidential business information, medical records, or other categories of information which deal with individuals' personal lives.

Not only should this information be restricted to those who have demonstrated a bona fide need to know, but also non-Government agencies should never receive such information without the consent of the individual involved. Private parties, whether they are potential employers, credit agencies, insurance companies, or private investigators have no business receiving such information without the explicit approval of the person involved. This principle should also be contained in our Federal law.

II. THE RIGHT TO CORRECT

In many instances, Government files may contain incorrect or derogatory information about an individual and these errors, unknown to that person, go uncorrected. In many instances this can be remedied by allowing each citizen to inspect the Government file dealing with him or her and allowing that person to add a statement to the file and to request the Government to correct any errors. This is the surest and the easiest way to eliminate inaccurate or harmful material and to let our citizens know what about him or her is in the Government's files.

Of course, certain files, by their very nature, would have to be excluded from this "right to correct" category. For example, current criminal investigative files cannot be made available to the subject of such an investigation while it is taking place. Also, certain medical files may have to be kept confidential. However, these exceptions to the "right to correct" principle should be kept to an absolute minimum.

Indeed, we should, where appropriate, apply the "right to correct" rule to nongovernmental agencies which keep files on individuals such as credit bureaus, utilities, insurance companies, and certain other businesses. These files, in private hands, can cause serious economic harm or humiliation to individuals. And of course, access to these files is not restricted. It seems only fair that people have a right to look at these files to correct mistakes which they may contain.

The "right to correct" principle will serve to do more than just correct errors. By knowing that *individuals* will have access to these files, both Government and business will be more careful in collecting information and will restrict the information which they collect to that needed for legitimate purposes in order to avoid embarrassment and complaints.

III. STATE PRIVACY RULES TO CONTROL

Recently, it has become clear that State procedures to protect privacy can be undermined by Federal programs seeking State data. For example, certain States such as Massachusetts are now battling the Federal Government to keep the confidentiality of their criminal records in the face of the federally sponsored, computer program to centralize all such information.

I believe that when a State government collects private information—whether it is tax information, health records, court records, or whatever—and the State *promises* to keep that information confidential, then the Federal Government should respect those protections and provide equally stringent guarantees of privacy for that information.

IV. PRIVACY IN OUR SCHOOLS

Privacy is especially important for our children. Our schools and at times, other agencies of government deal with our children as parents, and so often deal with confidential information. Because of this added access to such private information, there must be added vigilance to preserve its privacy. This has been done in many juvenile court systems, where many proceedings are kept from the press and the public. I believe such special protection should be extended to other areas.

For example, it has recently come to public attention that the Federal Office of Education has been administering questionnaires to children in order to evaluate certain of their programs. These questionnaires have contained questions about social background, family life, emotional stability, sex, and other matters which many people find offensive and intrusive. While I believe we must not cripple Government programs by unreasonably restricting the information they seek, we must be vigilant in opposing Federal efforts to gather facts from us or our children which intrude too far into our privacy.

What is particularly disturbing about these questionnaires is the fact that they were presented to children by teachers—authority figures whom the children obeyed—without any consent or knowledge by the children's parents.

Just as important as protecting our children's privacy from questions in school, I think we must guard zealously school records involving our children. Here the main problem is school records, which often deal with disciplinary problems, emotional difficulties, and family matters. In high schools and colleges, where counseling is often available, health or mental health records may be involved. With these files, which are needed for the proper functioning of our school system, we must exercise special care, for students do not and cannot maintain the privacy of their lives, and there are many outside parties such as employers, who naturally look to such records for information. Sometimes it is an agency of the Federal Government, Federal investigators, or private parties working under a Federal grant who are seeking such data.

To protect our children, I believe that school records involving personal matters should not be released to anyone outside the school system connected with the Federal Government without the informed consent of the parents of the child involved. This simple protection will guard against any possible abuses of these records. Of course, once a child reaches 18, he or she should make the appropriate decision on release of these records.

I make these proposals today, knowing full well that they are simply a few steps to meet a potential problem. But I believe they should be taken, because our privacy is so important, and we should do everything reasonable to protect it.

We have seen what ill-intentioned leaders can do to our privacy. And we know that as our Government grows, this is an area that needs careful attention.

For these reasons, I believe we must act promptly to protect our citizens and to reassure them that their right to privacy will not be invaded or eroded by the Federal Government.

EDUCATION BILL CONFERENCE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. FRENZEL. Mr. Speaker, today I voted against the motion to instruct House conferees on the education bill, H.R. 69, to insist on the House antibusing language. I voted for our bill, but see no reason why our House managers should not be allowed, as usual, to negotiate the best bill possible.

I believe it is terribly important not to deadlock this bill. We always are late with education funding. We need, and our school districts need, to pass an education bill before the school year begins for a change. Tying our managers hands could defeat this purpose.

NEW YORK STATE COMES TO HARLEM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. RANGEL. Mr. Speaker, on May 20, the New York State Harlem Office Building was dedicated. This impressive structure on the corner of 125th Street and Seventh Avenue will benefit both Harlem and New York City. The dedication served as an occasion for reflection on the role of Harlem in the city, its history, its growth, and its future. I insert into the RECORD the mayor's dedication statement and three newspaper articles about the ceremony. These items reflect the implications for Harlem of the completion of the modern, State office building.

REMARKS BY MAYOR ABRAHAM D. BEAME

I am especially pleased to bring you the greetings and congratulations of the entire City of New York at this dedication which is so important to the future of Harlem.

This State Office Building, providing jobs for Harlem residents and a new look on 125th Street, will be an economic shot in the arm.

And, I think we can say that not only Harlem will benefit, but also the City of New York and the State of New York.

For I believe that the destinies of all neighborhoods are linked together, and each neighborhood that grows and prospers contributes to the well-being of the entire City.

I believe that the new office building is the forerunner of a new Harlem.

I can assure you that the City government, along with the State, will work closely with Harlem officials and Harlem businessmen to bring about that Renaissance here of which this new State building is a herald.

I am glad to be here to join all of you in these exciting ceremonies.

For what is good for Harlem, is good for the entire city.

Thank you.

[From the Amsterdam News, May 18, 1974]

WELCOME!

We at the Amsterdam News take pleasure this week in welcoming the new State Office Building to Harlem as it opens next Monday with businessman Kenneth Sherwood serving as master of ceremonies.

Initiated in controversy, the State Building has, as it rose under the hands of Black craftsmen, reached a point today where few, if any, find dispute with it being located in Harlem, and the vast majority of Harlemites see it as a milestone of economic rebirth for our area.

The building stands today as a blend of the faith of the oldtimers who visualized it, and the belief in the future of the younger men who threw their weight behind the work of the older ones.

Therefore, while we pay credit to men like Hope Stevens and Charles Buchanan who have always advocated the economic growth of Harlem, we also pay tribute to the younger men who joined them.

Men like Kenneth Sherwood, Jack Wood, Charles Vincent, James Dowdy and others. And certainly must offer credit to former Governor Rockefeller under whose administration the entire project was planned.

The Albany Mall may be bigger in space and size than the State Office Building, but it cannot match the enduring legacy which the State Office Building brings to Harlem.

We are naturally interested in the development of the eastern half of the site on which the State Office Building is located and we will aggressively support the right of the businessmen who were forced to move, to have first claim on returning to the site.

HARLEM HAILS OPENING OF STATE OFFICE BUILDING

(By Simon Andkwe)

Performing his first official function in Harlem since succeeding Nelson Rockefeller, Governor Malcolm Wilson opened the $36-million, 20-story Harlem State Office Building at 125th St. and 7th Ave., Monday afternoon, amidst memories of the confrontation which delayed the construction of the project announced Sept. 17, 1966.

"This is an historic occasion," the Governor said. "For there has never been, in the history of our Nation. Black participation in a project on this scale in terms of jobs, investment, site designation, selection of architect, contractors, subcontractors and training programs for Black people of the community."

MAINLY BLACK

Flanking the Governor as he spoke from the dais facing 125th St. were high federal, state and city officials as well as distinguished men and women from the community. Seated facing him on the cemented courtyard was another distinguished group, mainly Black, seated along an inverted E without the midstroke.

"It is a monument to the Harlem community—and to the State's confidence in the future of Harlem," the Governor said.

"That confidence was inspired by the spirit of cooperation which developed between the community and the State during the building's planning and construction," he said.

There was cooperation from the start but initially it was essentially with the community's business, professional and church leaders. A committee of these recommended the actual site to Governor Rockefeller Dec. 5, 1966, their focus being on the economic revitalization of Harlem that would follow such state involvement in the community's future.

OUTFLOW

But as Governor Wilson said at the opening, "this project once was a subject of intense controversy." Initially, it was a group of young Black activists who in effect asked "economic benefits for whom?" and expressed fears that the planned revitalization would merely increase the outflow of dollars from the hands of Harlemites and out of the community.

And at the height of the ensuing controversy, the younger people "liberated" the site by christening it "Reclamation Site No. 1" and pitching their tents there. They issued "The People's Choice" which would consist of low cost housing, educational and cultural complex commercial area and day care center.

At Monday's opening, all parties emphasized the need to press on with the cultural complex at the east end of the block. More than that, the confronation led by the young people, produced other results.

HISTORIC

"I believe the State's response to the original criticism has been both understanding and positive," Gov. Wilson has said. "For we did provide more jobs for Blacks in the construction of this building. We did provide for Black participation in the management of this building."

Thus the youthful opposition spurred Black participation to the level that justified its being termed "historic" by the Governor. "In short," he said, "we acted in good faith and in a spirit of cooperation.

"I want to see that trust and that spirit continued . . ." so that the ceremony will be "the beginning of a new era for Harlem . . .".

At the dedication, State Athletic Commissioner and businessman Kenneth N. Sherwood was master of ceremonies. Miss Carol Ann Taylor led the singing of the national anthem; and then with the I.S. 201 Instrumental Company under the baton of Cliff Lee, "Lift Every Voice and Sing," came out loud from an audience that almost whispered the anthem.

Introducing first the dais guests, and later on others in the audience, Mr. Sherwood mentioned the following Blacks:

Congressman Charles Rangel, Manhattan Borough President Percy Sutton, State Senator Joseph Galiber and Sidney Von Luther; Assemblymen Mark Southall, George Miller, Jesse Gray; City Councilman Fred Samuel; Rev. Wyatt T. Walker, Col. John Silvera; Attorney Hope Stevens, Dr. John Holloway, Fred Eversley, Omar Ahmed, Mrs. Whitney Young Jr.; Civil Service Chairman Ersa Poston, Commissioner Lucille Rose; and Commissioner Betty Granger Reid.

SPECIAL GUESTS

Also Dr. C. B. Powell, Clarence Jones, Lewis Michaux, Dorothy Gordon, Jeff Greenup, Bruce Llewellyn, Dick Kennard, Dick Campbell, Jack E. Wood, Rev. James Gunther, Rev. M. L. Wilson, Rabbi Judea Anerson, Rose Morgan, Charles Kenyatta, and Elaine Parker. He also mentioned some who had passed away: Adam Clayton Powell, Whitney Young, Marcus Garvey, J. A. Rogers, Harold Burton, Dr. Thomas Matthews and Bishop O. M. Kelly.

Some others present included William R. Hudgins, Reuben Patton; Conrad Johnson and George Hanchard, architects for the building; Raymond L. Dean, Marshall England, Lloyd Douglass, Judge Herbert Evans, William Del Toro, Sam Roberts, Jim Houghton, L. Joseph Overton, Enis Francis.

Heading the line of speakers who followed was Rev. Walker, was an aide to Governor Rockefeller. He and Col. Silvera had been the link with the community in the development of the project. He called the building the catalyst for the revitalization of Harlem.

ADJUST

Mr. Sutton noted that he had opposed the building as a potential "colonial outpost." He had held that the state should not construct a building to which only Harlemites would come. All sides had shown flexibility and adjusted to change.

Mr. Rangel termed the structure "the symbol of our dreams." He urged that all work together to make Harlem a safe place to live "and bring our friends with pride." Mrs. Margaret Young, widow of Whitney Young read a letter from Vernon Jordan, excusing himself because he had to attend a National Urban League conference.

Attorney Stevens drew long applause from the dais when he urged both state and city officials to come forward with "a strong program of housing for our people, without which this monument would be a mockery."

ENDURING

And Mr. Michaux delighted the audience as he told how he "left the pulpit for the snake pit;" and how he has tried to instill into the youth that while "Black is beautiful" it is knowledge that is power. Senator Robert Garcia said that like Mr. Sutton he had opposed the project and hoped the coming years would prove him wrong.

Harlem Urban Development Corporation President Jack E. Wood, Jr. paid tribute to Mr. Young and others who supported construction of the project. He termed it a "testimony to the enduring strength of the people of Harlem and a reminder that Blacks and other minorities are determined to be involved in sharing" the benefits of redevelopment.

Spreading the benefits around was the key in a statement made by Mr. Ahmed in which he urged a reaffirmation and commitment by the Governor to the "continued economic development of Harlem particularly the eastern half of the State Office Building site."

THE RETURN

He also urged Mr. Wilson to assist in the development of a market place on 125th St. for the Harlem Street merchants; the information of an advisory committee to pursue the integrated development and completion of the project and the return to the site of Mr. Michaux's National Memorial Bookstore.

Charles Kenyatta, a former opponent of the project, noted that the building had become a reality. It would bring good to the people of Harlem if local residents are recruited to work there, rather than the agencies bringing up people from outside the community. If the latter became the case, then the office building would indeed prove to be a Trojan horse, Kenyatta said.

In addition to the Governor, Mayor Abe Beame and State Attorney General Louis Lefkowitz also spoke. Commissioner A. C. O'Hara paid tribute to the efforts of Ms. Dorothy Gordon, who as director of the affirmation action program, had made it possible for a large number of Blacks and Puerto Ricans to be trained and employed on the project.

[From the New York Times, May 21, 1974]

STATE OFFICE BUILDING IN HARLEM IS DEDICATED: "HISTORIC OCCASION" ATTRACTS 1,000—SOME PROTEST

(By Charlayne Hunter)

In a quiet ceremony tinged with irony, paradox and anticlimax, the State Office Building in Harlem, one of the largest and most controversial projects in a black community, was dedicated yesterday.

A thousand people—black and white—sat quietly under sunny skies in the outdoor mall of the $36-million building, while more than 100 dignitaries, including Governor Wilson and Mayor Beame, participated in what Mr. Wilson and others termed "an historic occasion."

The block-square site, bounded by 125th and 126th Streets and Lenox and Seventh Avenues, was in 1969 the scene of bitter controversy. And yesterday, although the voices of protest were somewhat muted, they were not altogether silent.

Manhattan Borough President Percy E. Sutton, for example, said that, "like a number of people on the dais," he had originally opposed the building, and had once called it "a colonial outpost." But "there is flexibility in all of us" and "a maturing in all of us," he said. "I now see this building as a focal point around which much can be built.'

But Artis Brown, 15 years old, of 212 West 129th Street, disagreed.

"What about the jobs? he shouted periodically to the dais. "They're talking about how many jobs this building's gonna have, and when you come to look for one they tell you they can't get none," he told a reporter. "It's just taking up space, far as I'm concerned."

It had been almost eight years since former Gov. Nelson A. Rockefeller first announced the project, which will house 20 government agencies and 600 employs. He declared that the building would "mark the first surge of new development, the rebirth of this great part of our city."

Those sentiments were echoed yesterday by many who had been in on the planning of the project from the start.

The Rev. Wyatt Tee Walker, who was an aide to Mr. Rockefeller in his Office of Urban Affairs during the planning stages and later said the project marked "the first time in any state or city of this nation that a major government facility has been planted in the heart of the ghetto."

PROJECT WORKERS LISTED

Among the black concerns involved in the project were the architects, Ifill, Johnson & Hanchard (Percy Ifill died before the building was completed); Jenkins Electric, Inc., which had the largest contract, $4-million, and Finley and Madison, structural engineers.

The general contracting were a joint venture between Lasker Goldman, a white concern and Trans Urban, a black concern. Gerald Roberts, a vice president of Trans Urban, was general superintendent. Fred Pendleton was the state engineer in charge, demolition and Byron Coleman, who is also black, was the state engineer in charge of construction. Mr. Coleman will now be manager of the all-electric building.

Mrs. Dorothy Gordon, a black woman who ran the state affirmative-action plan established for the project, said more than 70 men acquired full union status during the work, some of which involved training at Manhattan Vocational School.

SOME OPPONENTS ATTEND

Deans Protective Agency, the black-owned security outfit that provided protection for the area during construction, was awarded a contract for continued services.

Few of those who predicted that the state building would never rise in Harlem had anything to say at the ceremony. Some of the people who occupied the site and delayed construction for three months in 1969 because they felt Harlem had greater needs than an office building were around, but not demonstrating. One, Omar Ahmed, occupied a seat on the dais and was introduced by Kenneth N. Sherwood, the master of ceremonies and a prominent Harlem businessman, as "a candidate for the [72d] Assembly District."

PLANS FOR REST OF SITE

There was speculation among many who attended the ceremony that the relative silence of opponents of the project had to do with future plans for the eastern portion of the site—two and a half acres on which community facilities may be built. Most of that part has been cleared.

That portion, which was cut from the original state allocation, is expected to be developed by a local group in conjunction with the Harlem Urban Development Corporation. And it is expected that many of the original demands of the demonstrators—including demands for a cultural complex and for office space for businessmen displaced by the state building—may be realized there.

The Governor said $2-million had been set aside in the supplemental budget to finance the start of a massive redevelopment program under the auspices of the Harlem Urban Development Corporation. And according to reliable sources, Mayor Beame has pledged to provide matching funds, subject to approval of the City Council and the Board of Estimate.

RESULTS OF MATHEMATICAL ANALYSIS OF APPORTIONING SEATS IN HOUSE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. DELLUMS. Mr. Speaker, I wish to present, for the benefit of my colleagues, a mathematical analysis of various methods of apportioning seats to the House of Representatives completed by Henry F. Kaiser, professor of education at the University of California at Berkeley.

Dr. Kaiser's analysis proves the fact that the method of equal proportions for congressional apportionment is the most accurate. It is essential that each congressional district include an approximately equal number of voters if Congress is to give fair and equal representation to all Americans. This analysis is especially important in light of the recent study of the average population of congressional districts within each of the 50 States done by the Library of Congress.

I urge all of my colleagues to give careful consideration to the results of this analysis. The analysis follows:

A NOTE ON CONGRESSIONAL APPORTIONMENT*

(By Henry F. Kaiser)

The purpose of this note is to provide a small piece of additional evidence that the method of equal proportions for congressional apportionment—the method currently used—is quite likely the best of known procedures for the problem.

According to Schmeckebier,[1] there are five modern methods of apportionment, the methods of: Greatest Divisors; Major Fractions; Equal Proportions; The Harmonic Mean; Smallest Divisors.

For each of these methods an apportionment is carried out by establishing a priority number for all states' kth representative, found by multiplying the state's population by M_k, where M_k is the kth "multiplier" for the method (different methods have different sequences of multipliers). The next representative apportioned goes to the state with the highest priority number. For more detail, see Schmeckebier.[2]

Now, for a given method, $M_x > M_y$, where x and y are integers greater than one, $x < y$. ("Greater than one" because, according to the Constitution, a state's first representative is given automatically—it is not apportioned.)

It is of interest to form ratios, $R_{y,x} = M_y M_x$, for a given x and y, $x < y$, for the five methods. For example, $R_{3\cdot2}$ for the five methods is: Greatest Divisors, .6667; Major Fractions, .6000; Equal Proportions, .5774; The Harmonic Mean, .5556; Smallest Divisors, .5000.

$R_{3\cdot2}$ establishes a hierarchy among the methods. It may be shown (the mathematics is long and tedious) that this same hierarchy holds for any choice of x and y.

What is the meaning of this hierarchy? A little thought indicates that, for a given x and y, the larger $R_{y\cdot x}$, the greater is the apportionment favoritism to large states; the smaller $R_{y\cdot x}$, the greater the apportionment favoritism to small states. Schmeckebier[3] gives examples.

Above it was said that all states' first representative is given automatically, so that a given method does not need a multiplier, M_1, for its first representative. But it is of interest to determine M_1 for each of the five methods, ignoring for the moment the Constitutional provision of each state's being given its first representative automatically to see if a given method naturally complies with this Constitutional provision.

Taking limits where necessary to avoid divisions by zero, M_1 for each of the methods is: Greatest Divisors 1; Major Fractions 2; Equal Proportions ∞; The Harmonic Mean ∞; Smallest Divisors ∞.

Since M_2 for all methods is finite, we observe that the last three methods, complying with the Constitution, apportion all states their first representative before any state gets its second, while the first two methods do not. To comply with the Constitution, we conclude that a method of apportionment must have an infinite M_1 to be acceptable.

Now, how do we choose among methods with infinite M_1? Tentatively, we suggest that the method with the largest $R_{y\cdot x}$ for a given x and y; $x > 1$; $x < y$, is best. This conclusion is based upon noting that, historically, the method of major fractions was actually used (after first arbitrarily assigning one representative to each state) in the first part of this country and, following Schmeckebier's[4] arguments for the method of equal proportions, we want a method which is neutral in its favoritism for large versus small states, and such neutrality appears to occur when $R_{y,x}$ is large, given M_1, infinite.

Thus, it is suggested an ideal method of apportionment should surely have infinite M_1 and perhaps have maximum $R_{y,x}$ for a given x and y. Of presently known methods, the method of equal proportions best fulfills these two characteristics.

MAINE FIRMS HONORED

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. COHEN. Mr. Speaker, 37 firms from my home State were recently cited by the United States Department of Commerce for their efforts to conserve energy, while at the same time maintaining high efficiency and productivity. In this time of national energy shortage, this is an achievement of both real and symbolic significance. I believe that these Maine companies deserve the respect of all Americans.

I am sure that my colleagues will want to join me in paying tribute to these 37 firms that have set an example of energy conservation all of us would do well to emulate. I, therefore, insert in the CONGRESSIONAL RECORD at this point a list of the Maine companies honored by the Commerce Department with SavEnergy citations:

MAINE COMPANIES

District A (York County)—five firms—Prime Tanning Company, Inc., Berwick; Fiber Materials, Inc., Biddeford; and New England Division Maremont Corp., Saco; E/I Corporation, Sanford; and Shape, Symmetry and Sun, Biddeford.

District B (Cumberland County minus Brunswick)—nine firms—Burgess Fobes Paint Company, Portland; John J. Nissen Baking Company, Portland; Southworth Machine Company, Portland; Circus Time, Inc., South Portland; Hannaford Brothers Company, South Portland; Pine State By-Products, Inc., South Portland; L. C. Andrew, Inc., South Windham; Union Mutual Insurance Company, Portland; and Maine Oil Dealers Association, Portland.

District C (Knox, Lincoln, Sagadahec and Waldo Counties plus Brunswick)—eight firms—Seapro, Inc., Rockland; Maplewood Poultry Enterprises, Belfast; Marine Colloids, Inc., Rockland; Sprowl Brothers, Inc., Searsmont; Truitt Brothers, Inc., Belfast; Fisher Engineering, Rockland; Granite Paving Company, Brunswick; and Hunt Brothers Lumber, Inc., Damariscotta.

District D (Androscoggin, Franklin and Oxford Counties)—two firms—Gardiner Shoe Company, Inc., Lewiston; and Robinson Manufacturing Company, Oxford.

District E (Kennebec and Somerset Counties)—one firm—North Anson Reel Company, North Anson.

District F (Penobscot and Piscataquis Counties)—seven firms—Banton Brothers, Inc., Newport; Dexter Shoe Company, Dexter; Snow & Nealley Company, Bangor; Beaudry Lumber, Inc., Greenville; Pepsi Cola Bottling Company of Bangor, Brewer; Smith Timberlands, Inc., Dover-Foxcroft; and R. Leon Williams Lumber Company of East Eddington.

District G (Hancock and Washington Counties)—two firms—Addison Packing Company, Prospect Harbor; and Stinson Canning Company, Prospect Harbor.

District H (Aroostook County)—three firms—Houlton Farms Dairy, Houlton; Maine Potato Growers, Inc., Presque Isle; and Cyr Brothers Meat Packing, Inc., Caribou.

GOOD WORKS OF SACRAMENTO'S MAMA MARKS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. LEGGETT. Mr. Speaker, more often than not the day's headlines have been telling of venality, deceit, and hypocrisy at the highest levels of Government. In contrast, I think we will all be heartened by the story of a woman whose entire life is devoted to helping people just because she enjoys doing it.

Margaret Marks of Sacramento, Calif., has raised 31 foster children. She has organized and operated for 4 years a program that provides free meals for 60 to 100 people every weekend—people who otherwise would not eat. Every weekday, in coordination with the Sacramento Area Economic Opportunity Council, she prepares 125 lunches for schoolchildren. In the evenings, she tends the vegetable gardens that provide some of the food for the free feeding program. And what does she feel is missing in her life? She says:

> I wish I had me a great big old house with a bunch of children right now.

I think you will all enjoy my friend Margaret "Mama" Marks' story as much as I do. I insert reporter Sigrid Bathen's account from the Sacramento Bee of May 26, 1974, in the RECORD at this point:

[From the Sacramento Bee, May 26, 1974]

ANGEL OF ASBURY

(By Sigrid Bathen)

The huge, hand-lettered sign, written in the unmistakable style of small children, extends across one wall of the Asbury United Methodist Church in Sacramento's Del Paso Heights.

Its gentle message of thanks comes from "Mrs. Crenshaw's kindergarten class, McClellan School, room 20," and is painstakingly signed by Richie, Rhonda, Violet, Robert and their friends in room 20.

"Momma Marks," it says, "we want to thank you for everything you have done for us."

The object of this affection is a 60-year-old Margaret Marks, known to all as Mama Marks, who for the last four years has been feeding the hungry of Del Paso Heights—every weekend, free meals at Asbury to between 60 and 100 persons.

She's doing it, she says, because she had a dream in which "I wanted to feed hungry people." Most people, she recalls, "laughed at me and said I was crazy."

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* This research was supported in part by the Office of Computing Activities, National Science Foundation.

[1] Laurence F. Schmeckebier, *Congressional Apportionment* (Brookings, Washington, D.C., 1941).

[2] *Ibid.*

[3] *Ibid.*

[4] *Ibid.*

But today, the dream is a reality, made that way by Mama Marks' dedication, by donations of food, space and labor by her friends.

On a bulletin board in that Asbury room are congratulatory letters from government officials, awards from a variety of civic and humanitarian groups, photographs of Mama in the kitchen cooking, in a park distributing Easter candies to children, and at the groundbreaking of a community health center.

Meantime, a man in a green sweater hungrily eats a heaping plate of spaghetti at one of the long tables covered with brightly colored cloths. It is nearly 2 o'clock on a weekday afternoon, and the man is just one in a long stream of hungry people who have been fed, cheered and perhaps even counseled by Mama Marks.

Mama and her five assistants serve the daily meal in the church's Sunday School room from noon "until,' she says, "just until . . ." On special holidays she takes over a local clubhouse and serves 500 to 600 persons, doing the cooking in advance at the church kitchen. In addition, she and her assistants fix 125 lunches each weekday for children at the McClellan Elementary School as part of the Sacramento Area Economic Opportunity Council's children's feeding program.

"In the morning when I get up, I fall out of bed," she says with a laugh and a slight grimace. "But after I get up, I stay on my feet most of the time. I come here (to the church) about 7:30–8 o'clock. I used to say I would close at 3 or 4, but now we're here till 6 or 7."

In the evenings, one might find her at gardens planted by the community's children on land donated for growing vegetables for the free feeding program.

Produce from the garden will also be sold by young people in need of summer money.

Before her current program started she made sandwiches for hungry children and distributed them at the Del Paso Heights Community Clubhouse.

Her dream was helped to reality by Evelyn Dooley from NDP (the Del Paso Heights Neighborhood Development Project) who helped Mama find a place, the church.

"I spoke with church officials, and they asked me what I wanted. I said I want to feed everybody who's hungry. They asked me how I would get the food. I told them not to worry about that, and they gave me the key.

"I went right out and got 100 cases of soup from Campbell's, rice from the rice growers, bread from the bakeries, meat from the packing companies. Now if I don't call for my donations, they call me."

Everything in Mama Marks' vast free feeding program is donated, from her labor and that of her assistants to the meat, bread, canned goods, fruits and vegetables that go to fix the huge, savory meals she cooks just about every day. The church donates the space and pays the utilities, and financial donations come from various sources. Before the Sunday School room was given over to the feeding program, Mama said she moved the pews in the church proper to make room for her hungry constituents.

She is constantly in need of donations of all kinds and is trying now to get a minibus to pick up people who can't get to the church and to take meals to persons confined to their homes.

"Whatever we get," she says of donations, "we can use."

Mama and her chief assistant, Helen Bell, do the cooking. Mrs. Bell has been with Mama since shortly after the Asbury program's inception. "We're like sisters," Mama says. "People call her the second Mama Marks." A former beautician who suffered a stroke in 1968, Mrs. Bell spends as much time and works as hard on the program as Mama Marks. Somewhere in between, she finds time to help with a local preschool and to care for her three young sons.

Mama has no intentions of limiting the size of the program. "The more people I have," she says, "the better I feel. We feed all kinds of people. There are a lot of hungry children, and we have quite a few kids come here for lunch. I refuse to turn anyone away."

With food costs rising and unemployment rates high, particularly in Del Paso Heights, Mama and Mrs. Bell say there are more hungry people to feed now than ever before. "We had a couple of people come for lunch the other day," Mrs. Bell recalls, "and we had some old rotten bananas in the garbage. We found them eating the bananas out of the garbage can."

During her tenure in Sacramento (she came here from her native Louisiana in 1940), Mama Marks has been the recipient of just about every award and accolade available, from the NAACP's community service award to the National Enquirer's Good Samaritan award. Politicians seek her support, and her presence is requested at all variety of civic functions.

While devoting much of her time to helping others in one way or another, Mama has also found time to work as a beautician and a nurse's aide, and to raise 31 foster children. Thinking of the children, she smiles and chuckles softly in that inimitable deep and throaty voice:

"I wish I had me a great big old house with a bunch of children right now."

HON. HERMAN BADILLO ON BILINGUAL EDUCATION

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. COHEN. Mr. Speaker, in a recent appearance before the House General Subcommittee on Education, I testified to the urgent need for greater Federal support for bilingual education. My immediate concern is for the thousands of Franco-Americans in Maine whose children's progress in the schools is held back by unfamiliarity with the English language, although the need is nationwide and for many nationalities.

The Bilingual Education Act of 1967, now title VII of the Elementary and Secondary Education Act, is designed to provide Government funds for bilingual instruction for these youngsters—of French, Hispanic, Italian, Greek, Chinese, or any other ethnic background—in whose homes English is not spoken as the mother tongue. By making it possible to have teachers conduct classes in their native language while simultaneously beginning the teaching of English, this program enables children of limited English-speaking ability to learn with the same opportunity afforded their classmates. And importantly, by including instruction in the history and culture of the particular ethnic group, it helps instill pride and a sense of identity to replace the social isolation so commonly the lot of these children in the classroom.

Far more money is needed for bilingual/bicultural education if we are to meet the needs of the estimated 5 million youngsters in this country with deficiencies in English. My colleague from New York City, HERMAN BADILLO, has been a leader in the congressional drive for greater Government involvement, not only from Washington, but also at the State and local level.

In order that the American promise of equal educational opportunity not be denied children with this type of learning disadvantage when they enter our schools, Mr. BADILLO summed up the case in a recent speech at the International Conference of Bilingual/Bicultural Education in New York City. I commend to my colleagues his suggestions for Federal, State and local involvement as a blueprint for specific actions to advance the right to a meaningful education for so many neglected American children.

ADDRESS BY REPRESENTATIVE HERMAN BADILLO

I am pleased to have the opportunity to appear at this Annual International Conference on Bilingual/Bicultural Education. The cause that brings us together here today is a unifying one, and it is my profound hope that the enthusiasm generated by these four days of speeches and seminars will be carried into every community in America in the months to come.

By now you have been through an exhaustive survey of virtually all of the problems and potentialities of bilingual/bicultural education. While it is useful to gauge the progress we have made to date, it is critically important that we focus on the distance we have yet to go before we achieve the lofty goal expressed in the recently passed House version of the education bill, quote:

"The Congress hereby declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers and limited only by the desire to learn and ability to absorb such education."

Despite these sentiments, bilingual/bicultural education is still neither widely understood nor accepted by the public in general and by public officials in particular. All of our efforts from here on must be geared toward spreading the message that equal educational opportunity will never be a reality in this country until the specific needs of every child with an identifiable learning disadvantage are met in the schools. Inability to understand the language of instruction is surely one of the most severe handicaps that any child can be burdened with in the normal classroom situation.

Our goals are identifiable and practicable. First, we must always emphasize the bicultural component of bilingual education, for without instruction in the history and culture of the nationality or ethnic group from which the non-English-speaking child derives, we will not provide him with the self-esteem and reinforcement he needs to succeed in the shool and later in society.

Second, we need to prepare many more teachers, not only in a second language but with a comprehensive grounding in the culture and background of the students to be taught. This is a critical area. Not only do we need many thousands of newly trained teachers, but we must deal with the fact that many of the individuals presently teaching bilingual classes are woefully inadequate for the job.

Third, we need to ensure that *all* children of limited English-speaking ability are served. While we are all aware that only a small percentage of Chicano children in the

Southwest and Puerto Rican children in the major cities are enrolled in bilingual classes, we also learned in recent hearings in Washington and here in New York City that there are no programs at all for many nationalities—Italians, Greeks, Albanians, some American Indian tribes, and perhaps others we have not heard from.

And fourth, to implement all of the above goals, we need to push relentlessly for more funds for bilingual/bicultural education. Money alone does not guarantee adequate implementation, as is so clearly illustrated in some of the ongoing programs today, but if we are to accomplish the training of teachers and paraprofessionals, if we are to supply the curriculum materials needed, our task will be impossible without greatly increased funding, not only from the Federal government but from State and local agencies as well.

The United States Senate is debating an education bill with the most comprehensive bilingual package ever to receive serious consideration in the Congress. If enacted, its provisions would enable us to take a giant step toward the goals I have outlined. Your help and support will be needed if we are to get it, or any portion of it, enacted into law.

The Senate amendments include a comprehensive definition of what constitutes true bilingual/bicultural education; places great emphasis on the training of teachers and paraprofessionals; authorizes the creation of a Bureau of Bilingual Education within the U.S. Office of Education to give the program greater weight within the bureaucracy; increases the authorization to $145 million next year and $10 million more per year thereafter; authorizes up to 500 fellowships for prospective bilingual teachers; provides a bilingual vocational training program for persons not presently enrolled in the schools; and has many other fine features that would upgrade and enhance the Federal government's role in support of bilingual/bicultural programs.

I had prepared similar amendments to be offered when the House of Representatives debated the education bill earlier this year. In a colloquy with the chairman of the Education and Labor Committee on the floor of the House, I won agreement that if I withdrew my amendments at that time, they would be given serious consideration when House and Senate conferees meet to work out an acceptable compromise to the differing versions of the bill. Realistically speaking, we will probably get only a portion of the Senate package into the final legislation, and the remainder we will have to work for in the months and years to come.

Political action on behalf of bilingual/bicultural education is important no matter where in the United States you live. A Census Bureau survey has shown that of 417 Congressional Districts for which data are available, 155 United States Congressmen have a constituency with more than 20 per cent who speak a mother tongue other than English. In an additional 118 Congressional Districts, from 10–20 per cent of the population are not native-English-speakers. And only 144 Districts, largely in the Deep South, have less than 10 per cent, although no Congressional District in the country has none.

These are significant findings. What they tell us is that every Member of Congress should be alerted to the needs of these particular constituents and, as a public official standing for re-election, he must be asked to support an expanded Federal role in bilingual/bicultural education. Do not be deceived by promises of a vote for higher authorizations for the program, because it is in the critical appropriations process that the life or death of every program is determined. I have found that the public has too little knowledge of how funding decisions are arrived at, and the special interests who have learned where the action is are not anxious to share their knowledge.

It is the function of the legislative committees of the Congress to outline and define programs that they believe will be in the public interest. They are responsible as well for indicating in every bill involving expenditures from the Treasury what the authorization, or maximum allowable outlay, shall be for the program in any given year. Then the appropriations committees of the House and Senate decide how much money should actually be spent on each Federal activity and report accordingly to their respective chambers with funding bills that are rarely amended or overturned.

Thus, the person who lobbies members of the Education and Labor Committee for more money for bilingual /bicultural education and comes away satisfied because he has found agreement and even seen a large authorization figure put into the bill, has really done only part of his work. For, as I have indicated, the final appropriation rarely comes close to the authorized amount, and sometimes programs that we have approved literally pass into limbo for lack of funds.

It is no secret that the appropriations committees are constituted largely with conservative Members of Congress, for whom vast outlays of money for military needs are far more congenial than even small expenditures for health, education, and welfare.

The history of the Bilingual Education Act is typical. From the initial $7.5 million appropriation in 1968 to the $35 million allocated in fiscal 1973, the gap between authorization and actual spending has grown considerably wider. This grievous underfunding has kept the Act from even approaching the goals originally envisioned for it.

The $35 million in 1973 provided Federal support for bilingual services for only 110,000 children out of a nationwide population estimated at five million who need such instruction to attain true equal educational opportunity. We have now joined battle with renewed intensity over this issue of funding, and the main point I would like to leave with you today is the urgent need for your involvement in this critical struggle for adequate support of bilingual/bicultural education, at the Federal level, obviously, but also most urgently with your State and local governments as well.

I believe very strongly that the responsibility is not solely that of the U.S. Congress. State and municipal governments have a clear obligation to encourage and support the development and operation of bilingual education programs. Educational development is a joint venture and bilingual programs are no different from any other.

You must understand that bilingual/bicultural education does not depend on an act of Congress alone and that the Federal government is not the sole governmental level which must be concerned with it. Using the Federal legislation and programs as models, you should initiate efforts to have your state legislatures enact measures to provide for programs and the appropriation of State and local funds to effect those programs.

Therefore, you should not only demand an accounting from your U.S. Representatives and Senators for their support—or lack of it—for bilingual/bicultural education, but you should also call upon your State legislators and your local boards of education for their active support and participation. I am certain, for example, that the New York State Education Department and the New York City Board of Education could both take steps to provide sizeable financial underwriting for the program. I am equally confident that similar action can be taken throughout the country.

In fact, the landmark *Lau* v. *Nichols* decision of the Supreme Court on January 21 mandated local school districts to provide this essential educational service wherever needed. In *Lau* v. *Nichols* the Court ruled that the San Francisco school system's failure to provide special instruction to students of Chinese ancestry who have difficulties with the English language constitutes discrimination under the Civil Rights Act of 1964.

I quote from the recent report of the U.S. Commissioner of Education to the Congress:

"Lau does not mean only that San Francisco must provide special instruction for non-English speaking Chinese children so that they can participate more fully in the district's educational program. It means that every school system with minority group children who do not speak English are under a duty to provide similar instruction."

The command of the Court was clear and unequivocal. Yet today, nearly four months later, the budget prepared for New York City by its mayor gives no recognition to the edict in *Lau* v. *Nichols* and proposes no improvement in this local government's woeful inadequacies in the critical area of providing bilingual/bicultural education for thousands of children of limited English-speaking ability. This is unconscionable, and I will seek redress. I call on all New Yorkers concerned for the future of this city and its people to join me in this effort.

There are approximately 150,000 students in the schools of this municipality who have serious deficiencies in English, yet a budget has been drawn up that will continue to ignore the needs of these youngsters and crucially affect their future success or failure, not only in the public schools but in society as well.

Those of us who live in this city and are concerned over its problems must come to grips with this budgetary neglect immediately. Even without *Lau* v. *Nichols* it is heartless and shortsighted to deny to a significant part of our school population the right to a meaningful education. But with the Supreme Court decision as a prod and a legal foundation, we must now proceed to make clear to the appropriate officials of this city—and every city in America—what their obligations are under the law and the demands of human decency. Certain basic rights are inalienable in this country. Equal educational opportunity is one that must be implemented with dispatch, in New York and throughout the land, both for the public welfare and because we believe this to be the right course of action.

We have been able to win a skirmish or two in the Congress this year, but we will never win the war without a demonstration of strong grassroots support from concerned citizens around the United States. One small triumph came through the dedicated efforts of a great champion of bilingual/bicultural education, Senator Joseph Montoya of New Mexico, when an additional $20 million over the budget figure was tacked onto the supplemental funding bill for this fiscal year. If the House concurs, those funds will be available until December 31.

Prior to this, we challenged the Administration budget request of only $35 million for bilingual education for fiscal 1975, a cutback from the 1974 appropriation. In recent hearings in the General Subcommittee on Education, of which I am a member, we heard from witnesses from around the country—education organizations, state bilingual program directors, ethnic groups, Indian school board members, and representatives of the New York City Board of Education. At the conclusion of five days of expert and compelling testimony, HEW officials appeared to testify on the final day of the hearings that they would seek an additional $44.5 million for bilingual/bicultural education in the 1975 budget.

Such small advances must be built upon. Political action could not be more timely than it is today. I urge each and every one of you to go home from this conference and contact your United States Senators to urge their support for the bilingual amendments in the education bill they are now debating. Then write to your Congressman as well. The vote on the education bill for this year will come soon, but this is a long-range effort we are engaged in, and whether we can keep the Senate provisions in the final legislation or not, we need to keep the pressure on over the long term.

The responsibility is ours. If each of us can in some way contribute to increasing public sensitivity to the educational needs of children with an English-language deficiency, we will be on our way to carrying out the promise that America has always held for the diverse nationalities reaching its shores—equal opportunity to rise to the utmost of one's individual ability and desire. Working together, I believe we can give substance to that dream.

STATEMENT OF REPRESENTATIVE JOEL T. BROYHILL OF VIRGINIA ON A BILL TO AMEND TITLE XI OF THE SOCIAL SECURITY ACT TO REPEAL THE PROVISION FOR THE ESTABLISHMENT OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS TO REVIEW SERVICES COVERED UNDER THE MEDICARE AND MEDICAID PROGRAMS

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am introducing legislation today to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs.

Specifically, this bill would repeal section 249F of Public Law 92-603 which establishes a network of Professional Standards Review Organizations to see that appropriate professional standards are practiced by our Nation's doctors. Further, the Secretary of Health, Education and Welfare is authorized to establish norms of health care and to assist the Secretary in the development of these norms, employees of the 193 regional PSRO's will be permitted to enter physician's offices and inspect the private medical records of all patients. Presumably, norms will then be used to determine the necessity of hospital admissions, length of stay, nature and number of medical tests, type of treatment, and what pharmaceuticals a physician may prescribe. I submit this type of meddling in our private medical delivery system can only lead to standardization of medicine, a decline in quality medical care and a serious invasion of privacy coupled with violation of doctor-patient confidentiality.

Mr. Speaker, that section of Public Law 92-603 which would be appealed by this bill was added by the Senate to H.R. 1, the Social Security Amendments Act of 1972, and was accepted in conference. H.R. 1 was then brought to the floor of the House on the very last day of the 92d Congress under closed rule. In essence, the House never debated nor did the House pass a PSRO provision.

Mr. Speaker, our Nation's physicians have done an outstanding job of maintaining high professional standards and we simply do not need Federal intervention with the doctor-patient relationship, and I urge early and favorable consideration by my colleagues of this bill which I have proposed today.

CLEARCUT

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. TIERNAN. Mr. Speaker, for several decades the United States has witnessed the attack upon our national forests by private companies interested in sustaining or increasing their timber supplies. The U.S. Forest Service, a Federal agency which is supposed to safeguard our national forests for multiple use, such as recreation, watershed, wildlife, and fishing, has often acted more in the interest of the timber companies than in the national interest. In a book entitled "Clearcut" Nancy Wood chronicles the onslaught upon our forest resources by both industry and government, and the devastating role the Forest Service played in that onslaught.

The fight to preserve our forests is still being carried on—not by the Forest Service, but rather by conservationists such as the Sierra Club. In January 1970, the club and the Sitka Conservation Society filed a complaint in U.S. district court at Anchorage, Alaska, against the Secretary of Agriculture, the Chief of the U.S. Forest Service, and the regional forester of region 10 for the sale of 1 million acres of the Tongass National Forest of southeast Alaska.

The sale was made in 1965 to the Champion International Corp.—formerly U.S. Plywood Champion Papers, Inc.—and was the largest single timber purchase in the history of the United States. Since that time the Sierra Club has been attempting to block the sale of Tongass because in their opinion:

> It represents the single largest act of wilderness destruction ever contemplated.
>
> If the Forest Service contract with Champion Paper is allowed to stand and Champion is allowed to build its mill, then the entire Tongass National Forest, comprising almost the whole of Southeastern Alaska, will be destroyed . . . The entire production of the Champion mill is committed to Japan, so there would not even be any compensating benefit to the American people, save those few who are directly connected with the mill.

Mr. Speaker, I think it would be well for all of us to read the article I am submitting on the sale of the Tongass Forest and judge for ourselves the merits, if any, of this enormous purchase and eventual destruction of one of our national forests.

HERITAGE IN PROBATE: OUR TONGASS FOREST

(By Julie Cannon)

The American public holds title to a remarkable forest: the Tongass of southeast Alaska. Established as a unit of the National Forest System in 1902, today the Tongass includes more than 16 million acres, covering most of the panhandle that runs southward between the sea and British Columbia. Its spectacular mountains, the finale of the famous inside passage from Seattle to Alaska, rise abruptly from the Pacific to elevations of nearly 9,000 feet, their profiles reflected in deep, nordic-like fiords. In the morning shadow of this range lie its partially submerged western foothills, the islands of the Alexander Archipelago.

Despite the glaciers imbedded in the mountain sides and the piedmont ice sheets that have ground their way to the sea, the coastal climate of southeast Alaska, thanks to the moderating influence of the ocean, is mild compared to the continental interior. Dense hemlock-spruce forests belt the rugged, sinuous coast and encircle the islands in a band extending from tidewater to elevations varying from 1,000 to 2,000 feet above sea level. The timberlands are rich in wildlife: bear, deer, wolves, beaver, otter, mink. The American bald eagle nests here, and wintering species include the extremely rare trumpeter swan.

In 1965, the U.S. Forest Service put more than a million acres of the Tongass on the block—the largest timber sale in the history of the United States. The resulting contract is a license to clearcut 416,000 acres of western Admiralty Island, 528,000 acres across Stephens Passage on the mainland, and 146,000 acres at Yakutat, northward along the mainland coast. Admiralty, which provides prime habitat for the giant Alaska brown bear and nesting grounds for a major part of the remaining population of the endangered American bald eagle, is considered by conservationists to be the most important wilderness in southeast Alaska. Nevertheless, of the 8.75 to 9 billion board feet of commercial timber (which, in this case, means virtually *all* the timber) thought to be available on West Admiralty and the two neighboring areas, the Forest Service sold 8.75 billion board feet. In other words, if these terms were carried out, almost no timber whatsoever would be left standing as wildlife habitat, or wilderness, or for recreational purposes. Calling the Juneau Unit Timber Sale the "single largest act of wilderness destruction ever contemplated,' the Sierra Club joined with Alaskan conservationists in a court action to challenge the legality of the sale.

Two factors played a crucial role in the biggest timber sale in U.S. history. Following World War II, the Forest Service became involved in promoting a local timber industry in Alaska at the expense of such other lawful forestland uses as wildlife, recreation, wilderness, and commercial fishing. In line with this policy, the terms of the million-acre sale stipulated: "Purchaser proposes to establish a new industrial development of Alaska." The purchaser was required to construct and operate a pulp and saw-mill complex near the site. Production quotas were set. When the Forest Service offered the million-acre harvest to Champion International Corporation, the second factor came into play. The Japanese, having grossly overcut their forests during World War II, are importing almost the entire yield of the Alaska forest industry. Champion negotiated an agreement to sell the first 15 years' worth of the pulp and timber production of the mills to the Kanzake Paper Company of Japan and then signed the Juneau Unit Timber Sale contract on September 12, 1968.

Two months before the deal was completed, Sierra Club President Edgar Wayburn arrived in Juneau for what was becoming an annual pilgrimage to urge the Forest Service to protect the unique wilderness areas of southeast Alaska. When the Wayburns first visited the Region 10 office the year before, they learned the Forest Service had no plans to dedicate any Alaskan wilderness. This time, Howard Johnson, the regional forester, reported that the regional organization had held two major meetings and was recommending several areas for study as wilderness or national recreation areas. But the outlook was not good: Johnson went on to rule out protected status for areas with timber resources. "I'm not personally inclined to put on ice considerable areas of commercial timber," he told Wayburn.

According to Wayburn, Johnson discussed the coming Champion sale "which he was quite optimistic about." "He told us," Wayburn said, "that the overriding factor in the sale and its scheduling was its economic benefit to Juneau."

" 'I like to have the local community benefit,' " Wayburn quoted the forester as saying.

"I proposed that the Forest Service reconsider the entire matter of Admiralty Island," Wayburn continued, "that they treat Admiralty as a special case and declare it either a wilderness area or combined wilderness and recreation area." When he returned home, he re-emphasized these views in a letter to the regional forester on August 16, 1968: "We strongly urge the Forest Service to reconsider the areas of the virgin forest that remain intact in terms of their national significance as an unmatched scenic resource for the American people."

"We went back to Alaska again in 1969," Wayburn said, "and had a growing sense of outrage at the way the U.S. forests, which belong to all the people of the United States, and which, by law, are to be managed for multiple use, were instead being managed for local economic interests as the regional forester interpreted them." At the time of the Wayburns' 1969 trip, Champion had organized a "blue ribbon" team of university ecologists to guide all phases of mill construction and the lumbering program, and several company officials and team scientists were already in Juneau.

"We discussed with them what would happen if the panel of ecological advisers should suggest that the company modify its plans or turn down the sale," Wayburn recalled. "My remembrance is that they said, 'Well, that would be one of the options then that we would have to consider."

The Club waited for Champion to assess the ecological findings and evaluate its options. In December, 1969, the lumber company announced its site selection for the mill: Berner's Bay on the mainland about 30 miles north of Juneau. It appeared that the contract would indeed go forward.

The January 5, 1970, issue of *Industry Week* carried a brief news item headlined: "Placate Conservationist by Getting Him Involved." The article said, "Opposition from conservationists can easily scuttle plans for a new plant. Executives at U.S. Plywood Champion Papers Inc. (now renamed Champion International Corporation) faced and solved the problem in planning a new lumber mill in Alaska." The article explained how the company set up a panel of experts to help in site selection and in advising the firm on plant design and construction. " 'We were taking quite a risk,' admits the firm's official, 'because they could have made recommendations unacceptable to us.' " *Industry Week* concluded: "However, the plan worked. The site and construction recommendations were acceptable to the company, and the conservation groups were pleased with the final plan. Construction is scheduled to begin in 1970."

But contrary to this article, conservationists were, in fact, *not* pleased with the final plan. In January, 1970, the Sitka Conservation Society and the Alaska Chapter of the Sierra Club wrote jointly to the Sierra Club Legal Committee: "If the Forest Service contract with Champion Paper is allowed to stand and Champion is allowed to build its mill, then the entire Tongass National Forest, comprising almost the whole of Southeastern Alaska, will be destroyed. . . . The entire production of the Champion mill is committed to Japan, so there would not even be any compensating benefit to the American people, save those few who are directly connected with the mill."

Nor was the Sierra Club pleased with the plan. The lawsuit had already been drafted, and in mid-January, Donald Harris, then chairman of the Legal Committee, announced that the Sierra Club and the Sitka Conservation Society were filing a complaint against the Secretary of Agriculture, the chief of the U.S. Forest Service, and the regional forester for Region 10 in the U.S. District Court at Anchorage for failing "to furnish a continuous supply of timber for the use and necessities of citizens of the United States" and for failing to follow the Multple Use and Sustained Yield Act, which requires that uses other than logging—such as recreation, watershed, wildlife and fishing—must also be given proper balance in the use of the national forests.

Outlining the unprecedented dimensions of this million-acre sale, Harris emphasized: "The chainsaw will continue unabated until the year 2022 to destroy major recreational resources of the United States." He called attention to two other long-term timber sales made in the Tongass within the last decade. "Indeed, our experts tell us that these timber sales irrevocably commit the Forest Service to an inflexible schedule of harvesting substantially all of the operable virgin growth forests in Southeastern Alaska to the exclusion of all other legitimate uses." The Sierra Club and the Sitka Conservation Society "have thus filed this lawsuit as a necessary step to protecting these invaluable resources. The ultimate winners will be the people of the United States."

The issue was joined. Warren E. Matthews, an Alaskan attorney and a member of the Executive Committee of the Sierra Club's Alaska Chapter, was retained to try the case. Karl E. Lane, a Juneau resident and a professional registered guide who conducts hunting, fishing, sightseeing, and photography trips into the timber sale area, joined the Club and the Sitka Conservation Society as plaintiffs. On the other side, Champion and the State of Alaska both intervened as codefendants with the Forest Service. The trial was set for November, 1970.

Gordon Robinson, the Club's consulting forester, was dispatched to Alaska to assess the Forest Service's timber management plans for the Tongass and to examine the logging practices already underway in southeast Alaska. Robinson's findings showed that the Forest Service was not managing the timber resource, which it was concentrating on, any better than it was managing the watershed, wildlife, and other resources, which it was ignoring, Robinson found the following:

(1) The Forest Service, by several methods, including using a very loose definition of "commercial forest" when compiling the inventory from which the allowable cut is determined, was authorizing itself to permit *excessive cutting*. Robinson's surveys showed that insufficient timber exists in the Juneau and Yakutat units to fulfill the Champion contract under a plan of sustained yield management.

(2) *Overcommitment:* Construction of the Champion mill will bring the annual mill production capacity on the Tongass to 945 million feet. The present allowable cut on the Tongass is set at 824 million feet annually.

(3) *Destructive logging practices:* in recent years the Forest Service has adopted the practice of wholesale clearcutting on the national forests of Alaska. Areas where the humus layer and topsoil are removed through careless logging are not regenerated for 20 to 30 years. When slopes exceeding 50 percent are clearcut, the landslides that often follow make the forest-recuperation process take even longer. Robinson said that 31.6 percent of the commercial forest land within the sale area on Admiralty Island is situated on slopes that exceed 50 percent.

(4) *Below-market values:* After reviewing over 50 recent timber-sales transactions in southeast Alaska, as well as log prices in the Pacific Northwest over the past decade. Robinson established that the value of timber in the initial cutting area as of the date of the contract was $33 per 1,000 board feet for spruce; $8.50 for hemlock. The Forest Service awarded the spruce to Champion for $6.54 per 1,000 board feet and the hemlock for $5.10. Alaskan spruce, incidentally, is the finest remaining old-growth softwood timber in the world.

As the Club continued to amass evidence of the mismanagement of the Tongass timber resources, Reginald Barrett, a graduate student working under Professor A. Starker Leopold of the School of Forestry and Conservation at the University of California, Berkeley, began a wildlife survey in the timber sale area. As a member of Champion's team of ecologists, Leopold had been asked to assess the impact of the proposed logging program on wildlife, with particular emphasis on the Admiralty Island operation. Barrett arrived at Admiralty in the late summer of 1970 and remained until the following July, making aerial and ground surveys of wildlife and habitat conditions throughout the sale area in general and on the South Hood Bay watershed in particular.

Leopold and Barrett investigated the characteristics of the winter range of the Sitka deer, a significant species on the island. The deer are migratory, spending the summer at high elevations and with the onset of winter descending to the lower elevations in advance of the snow line. Key winter ranges are situated in mature conifer stands that provide shelter from the bulk of the snows and allow the growth of browse plants. The winter of '70–'71 was a severe one on the island, and Barrett observed the deer band together in the dense, mature timber near sea level. The scientists knew that it takes well over 100 years for a climax forest and its understory of browse plants to fully recover from logging. It was clear that, once eliminated, the deer would be gone for a century. They reported to Champion, "the only practical way to preserve key deer winter ranges is to refrain from cutting them." The outlook was worse for smaller wildlife species with their more restricted ranges.

Winter passed into spring on Admiralty Island. The bears began to emerge from hibernation on the high slopes, sliding down the snowfields in search of forage at the lower elevations. Barrett watched the bald eagles in their tree perches above the rocky tidelines scan the channel for the herring runs. The eagles, along with the other species on the island, had young to feed. The needs of wildlife during this season suggested additional problems that would result from the extensive logging of Admiralty. Barrett had begun to monitor the migration of the blue grouse from their upland winter range to their breeding grounds throughout the South Hood Bay logging site, when, on May 20, 1971, the District Court announced its final judgment:

Yes, the Forest Service has made an "overwhelming commitment of the Tongass National Forest to timber harvest objectives in preference to other multiple use values." Nonetheless, the court ruled that the evidence presented failed "to impeach the record provided by the Forest Service by showing that the administrative decision-makers either lacked actual knowledge or failed to consider the myriad reports and studies available to them. The court must presume, therefore, that the Forest Service did give due consideration to the various values specified in the Multiple Use-Sustained Yield Act." No one in the courtroom heard the drumming of the blue grouse on Admiralty that day; nor did they know that Leopold and Barrett had found that the hens and their broods require the understory vegetation that grows in partnership with mature conifer stands.

The Club's Alaskan co-plaintiffs, the Sitka Conservation Society and the Sierra Club's Alaska Chapter, immediately put themselves on record as strongly supporting an appeal. Quoting a remark attributed to an Alaskan state legislator, they wrote to the Clubs' headquarters in San Francisco: "Let's make a mistake on the side of conservation for once; it's so much easier to correct." When the Club filed its notice of appeal on July 16, 1971, other Alaskans were not so jubilant. The *Southeast Alaska Empire* editorialized: "America's record of ecological successes is very dismal. Alaska's is not. Alaskans have always taken great pains and care to maintain the beauty and ecology of the Great Land." The paper accused the Club of locking the door on the economic growth of Juneau and throwing away the key. The paper's major premise was wrong. The Club was not suing Alaskans; it was suing the U.S. Forest Service for importing to the federally-owned forests of southeast Alaska the same management practices that indeed had contributed to America's dismal ecological record.

The appeal, prepared by Angus MacBeth of the Natural Resources Defense Council for the Sierra Club and its co-plaintiffs, was presented in oral argument before the Ninth Circuit Court in September, 1972. The Sierra Club argued:

(1) The contract violates the Multiple Use-Sustained Yield Act of 1960 by failing to give due consideration to non-timber resources: outdoor recreation, range, watershed, wildlife and fish purposes. The Club stated that the Forest Service had insufficient knowledge of soil conditions, water quality, and fish and wildlife inventories on the Tongass to draft a viable multiple-use management plan for the sale area. In the absence of such a plan, the Forest Service had overwhelmingly devoted the Tongass to timber harvesting. When the preliminary award of this timber sale was made, only 1.6 percent of the commercial timber area on the Tongass was formally reserved from cutting.

(2) The contract calls for cutting almost all the timber in the million acres within 50 years, even though it takes 120 years for timber to regenerate in Alaska. Thus, the contract is in blatant violation of the Multiple Use-Sustained Yield Act, which requires that the forests be administered to provide a sustained yield, a regular, even flow of the various renewable resources.

(3) the contract is invalid because in exporting all the timber to be cut the contract fails to meet the requirements of the Organic Act for the National Forests, one of which is "to furnish a continuous supply of timber for the use and necessities of *citizens of the United States.*"

(4) The contract is invalid because timber from a national forest cannot be sold for the purpose of providing local economic development. No U.S. statute gives the Forest Service the power to engage in the program of industrial location envisioned in the primary processing provisions of the Champion contract. The Club argued that the Forest Service must redetermine, solely on the provisions of the Organic Act and the Multiple Use-Sustained Yield Act, whether or not to enter into this contract.

(5) The contract violates the Organic Act of 1897, which requires that before being sold, trees shall be individually marked and designated for removal from the national forests. The Club charged that the Champion contract not only allows the designation of large cutting units without the marking of individual trees, but the designation is to be largely done by the lumber company.

(6) The Forest Service initially violated the National Environmental Policy Act by not preparing a detailed environmental impact statement before issuing a use permit for the pulp-mill site at Berner's Bay. The Club pointed out that the use permit for the mill constitutes a major federal action affecting the environment because the effluent from the mill will contain a biological oxygen demand equivalent to the untreated sewage of a city larger than Juneau. Its smoke emissions into the atmosphere will reach the level of 250 pounds of sulphur per day. Subsequently, the Forest Service filed a three-page, after-the-fact environmental impact statement, which the Club rejected as "plainly inadequate."

On January 23, 1973, one of the Club's key arguments was confirmed. Leopold and Barrett released their report, "Implications for Wildlife of the 1968 Juneau Timber Sale," prefaced by a note from their employer to the effect that the opinions expressed were not necessarily those of Champion. Now it was clear that the Forest Service had not had sufficient knowledge upon which to judge the impact on wildlife of the million-acre timber sale. The two wildlife consultants for Champion supplied research findings and field studies to support their conclusion: "The 1968 timber sale contract between the U.S. Forest Service and U.S. Plywood Champion Papers, Inc., seems to us to imply a level of timber removal in southeast Alaska that is unrealistic by present-day standards of ecological acceptability. To achieve the timber harvest implied in this contract would require clearcutting of perhaps 95 percent of the presently accessible commercial timber, and this cut would have to be made in a single operation within each unit or compartment."

Leopold and Barrett added that "the days of massive clearcutting of whole watersheds have passed. Particularly on public lands, timber harvest schemes must take account of the full spectrum of social values." They offered a program of deferred cutting under which no more than one third of the timber in any given locality would be cut at one time and considerable areas would be permanently reserved from cutting "to protect critical scenic and ecological sites, shoreline timber, key deer winter range, estuary borders, eagle nest trees and other subsidiary values."

The Sierra Club and its co-plaintiffs saw in the Leopold-Barrett report confirmation that the million-acre timber sale represented a total default by the Forest Service of its duty to manage the National Forests. The Club turned first to the Forest Service, asking Chief John R. McGuire to reevaluate the contract in light of this new information concerning the sale's impact on the public lands and wildlife under his management. He refused. James Moorman, executive director of the Sierra Club Legal Defense Fund, on February 5, 1973, petitioned the Appellate Court to remand the case to the District Court for consideration of the newly discovered evidence.

He told the court:

"The Forest Service has by contract given the management for 50 year of a million acres over to U.S. Plywood Champion Papers, Inc., with a charter to cut all the timber regardless of the consequences. It has even delegated the study of environmental impact to the company. Now two of the company's own environmental consultants have actually gone out and studied the forest and have learned what the Forest Service should have known before it entered into this contract: that this timber sale will destroy all other values of the million acres.

"Most shocking, the Leopold-Barrett report reveals that the destruction is not necessary. A more reasonable cutting schedule would save the forest. Under any standard of review it is clear that the decision of the Forest Service to enter into the contract in its present form is irrational, arbitrary, and an abuse of discretion within the exact meaning of those phrases."

"We conclude that the motion should be granted," the Court of Appeals responded, finding that "what is here at stake is of such import as to call for the consideration of the District Court." Concerning the Club's contention that the Forest Service had not given "due consideration" to the non-timber values of the Tongass, the appellate court noted that the earlier district court ruling had concluded "that some consideration was sufficient." "For the purposes of this order," the higher court said, "we accept this interpretation, with the caution that 'due consideration' to us requires that the values in question be informedly and rationally taken into balance. The requirement can hardly be satisfied by a showing of knowledge of the consequences and a decision to ignore them." With this, the Court of Appeals granted the Sierra Club leave to seek a new trial, and the Club's motions are now on file in the trial court awaiting decisions.

The Club's litigation to force the Forest Service to account to the public for its actions on the Tongass—actions that present an extreme example of the agency's abuse of the public lands under its care—has been a long battle. Its final outcome remains unclear. One thing, though, is clear: should the suit fail, the Forest Service will find itself with nearly limitless administrative discretion to dispose of million-acre parcels of the public forest. "The management of the National Forest System will be largely beyond the control of the law," Moorman states. The Club believes that the facts available in the Leopold-Barrett report, combined with the precedent set by the Legal Defense Fund's recent landmark victory ending clearcutting on the Monongahela National Forest, may well cancel the nation's largest timber sale. If so, the American public will have reclaimed its title to the Tongass and reasserted its right to determine the future of the national forests.

SISTERS OF ST. DOMINIC CELEBRATE GOLDEN AND SILVER JUBILEE

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. RONCALLO of New York. Mr. Speaker, I wish to share with my colleagues the joy and happiness of the Sisters of St. Dominic in marking the golden and silver jubilee of those of their order. Those celebrating their golden jubilee are: Sister Estelle Gilmartin, Sister Colette Juras, Sister Rose Margaret Chapman, Sister Leontina Hampel, Sister Raphael Sobieraj, Sister Catherine Therese Giroux, Sister Bertilla Klong, Sister Mary Redemptrice Mack, Sister Benigna Consolata Sobieraj, Sister Salvatore Behringer, Sister Florence Gabriel Schroeder, Sister Charlotte Lake, Sister Josephine Clare Hickey, Sister Mary Louis Hecht, Sister Angelita Farrell, and Sister Adrienne Marie.

Among those celebrating their silver jubilee are: Sister Francis Benedict McVeigh, Sister Julia Mary Murphy, Sister Maria Carmel Wirsching, Sister Benedicta Fisher, Sister Maryaline Zierle, Sister Helen Butler, Sister Alphonse Louise Gendron, Sister Jeanne Theresa Puff, Sister John Regis Milhaven, Sister Rose Anthony Walshak, Sister Katherine Gee, Sister Joan Quinlan, Sister Mary Erica Burkhardt, Sister Helen Anthon Novak, Sister Maureen Conway, Sister Mary Christine Conetta.

I join with my colleagues in extending the Sisters of St. Dominic our congratulations and best wishes on this joyous occasion for their service to God and community.

PREVENTION OF DRUG-INDUCED DEATHS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. LEGGETT. Mr. Speaker, I have recently been astounded to hear that the number of drug-induced deaths in American hospitals runs from 60,000 to 140,000 annually. This exceeds the annual highway carnage, and it exceeds the total number of Americans killed in Vietnam. It does not include deaths caused by intentional abuse of such addictive drugs as heroin or cocaine.

In an attempt to reduce the unnecessary deaths from inadvertent improper drug use, paid prescriptions—a nonprofit prepaid drug program—is introducing a pilot program in Seattle. This program will pay a fee to pharmacists who can demonstrate that they prevented an inappropriate drug dispensation. If it is successful—70 to 80 percent of these cases should be preventable—I hope to see the program expanded nationwide.

I insert in the RECORD a report on drug-induced deaths from the San Francisco Chronicle of May 21, 1974, and excerpts from an article describing the program in the May 15, 1974, issue of Voice of the Pharmacist newsletter:

[From the Voice of the Pharmacist, May 15, 1974]

PILOT PROJECT DESIGNED TO PAY PHARMACISTS FOR PREVENTING ADVERSE DRUG REACTIONS

In the pilot program a pharmacist would be paid a professional fee if he could document that he had prevented a potential drug-drug interaction, prevented an inappropriate use or an adverse drug reaction by not dispensing another unneeded prescription and alerting the prescriber of the hazards of unnecessary medication. This is a revolutionary concept in third party drug programs—paying the pharmacist for his knowledge rather than the dispensing function.

THE PILOT PROGRAM

The purpose of the pilot program is to provide community pharmacists and prescribes with the ability to identify potential adverse drug reactions and to prove that the pharmacist is knowledgeable in proper drug usage and the clinical aspects of pharmacy care, and is capable of intervening to make meaningful decisions for the benefit of the patient. Adverse drug reactions are qualified as being unintended, unanticipated, and undesired effects on a patient from both prescribed and OTC drugs. ADR's may take the form of drug-drug interactions, potentiation of drugs, duplication of medication, abusive drug use, or known drug sensitivity.

PATIENT PROFILES REQUIRED

Pharmacists will be required to maintain and properly utilize drug profiles on patients of this study and to inquire about proper drug usage. When a potential ADR is recognized, the pharmacist is to communicate this information to the prescriber with full documentation and request his consultation concerning the appropriate action to be taken. Of course, some physicians could take this action as a personal affront and for this reason pharmacists in the program are discouraged from taking a critical attitude and to regard all incidences as only potential reactions which may or may not require alteration of therapy.

CONTINUING EDUCATION PROVIDED

The success of this pilot program will depend heavily on the pharmacist's ability to keep up-to-date in the areas related to adverse drug reactions. For this reason Paid Prescriptions, in conjunction with the clinical faculty of Washington State University will provide a series of continuing education programs and a drug information service to provide background information necessary to document ADR's. A mechanism such as this is one of the few which stimulate more pharmacists to attend CE programs by combining economic benefits with patient benefits. Hopefully more programs of this nature wil be established once the pilot study is shown to be successful.

PEER REVIEW INCLUDED

One of the most important parts of this pilot study is the activity of the Peer Review Committee. A selected group of local practicing health professionals will review patterns of drug utilization in a program in which they participate, establish parameters of current practice based on computer reports, determine variances from accepted local standards which should be researched, and for the pilot program at least, prepare guidelines of proper drug utilization. By a constant process of review and study the Committee assumes as its prime objective the achievement of high standards of patient care through the promotion of rational drug therapy. Rational drug therapy was considered by the HEW Task Force on Prescription Drugs to mean: ". . . prescribing the right drug for the right patient, at the right time, in the right amounts, and with due consideration of relative costs."

The impact of the complete documentation of a patient profile on practicing professionals cannot be over-emphasized. It is difficult for practitioners to ignore the persuasive prodding by their peers when problems are identified and displayed.

[From the San Francisco Chronicle, May 21, 1974]

ESTIMATE UP ON HOSPITAL DRUG DEATHS

WASHINGTON.—A controversy over the extent of adverse reactions to medicines intensified yesterday with a disclosure that two California scientists have drastically increased their estimates of drug-induced deaths in hospital from 30,000 to between 60,000 and 140,000 annually.

Even the 60,000–140,000 range is "probably extremely conservative" because data was lacking on such deaths in ambulatory and nursing home populations, Marc F. Laventurier and Dr. Robert B. Tallen said in a letter to the journal of the American Medical Association.

Senator Edward M. Kennedy (Dem-Mass.) released the letter at a Senate hearing at which the Nixon administration announced support of major elements of proposed legislation to reform the advertising and promotion, marketing, use and testing of medicines. Abuses in these areas have been blamed for much of the toll from fatal drug reactions, of which 80 per cent are said by experts to be preventable.

The dispute over the number of adverse reactions began in 1972, when Talley, a physician, and Laventurier, a pharmacist, combined a computerized survey of records of the San Joaquin Medical Foundation with other data and then extrapolated a yearly toll of 30,000 drug fatalities.

While Kennedy repeatedly cited the estimate, it was ridiculed as vastly inflated by the Pharmaceutical Manufacturers Association and the AMA. Neither submitted alternative calculations.

The AMA, in testimony on May 3, cited a report in its journal showing that of all patients admitted to University of Florida hospitals, 2.9 per cent had drug-induced illnesses, and that of these patients, 6.2 per cent died.

As the AMA saw it, these rates showed that the estimate of 30,000 was excessive. But the same evidence now has been cited by the Californians in contending the 30,000 figure is far to low.

The over-all mortality rate that can be "directly attributed to adverse drug reactions" in the Florida study is .18 per cent, the scientists said in their letter. This was almost double the .1 rate that, when applied to 2 million hospital admissions in 1971, yielded the 30,000 figure, they said.

Moreover, they said, a far higher mortality rate, .44 per cent, has been reported among hospitalized patients in a Boston survey.

Consequently, the incidence of lethal reactions can be estimated "from a low of 60,000 (.18 per cent incidence) to a high of 140,000 (.44 per cent)," Talley and Laventurier said. Their letter, dated May 13, has not yet been published by the AMA.

DR. RAY BLASTS IGNITION-INTERLOCK SYSTEM

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. O'BRIEN. Mr. Speaker, I recently received a poignant letter from a constituent, Dr. Richard E. Ray, of Kankakee, Ill., who has become exasperated by the latest, federally mandated, safety device on automobiles—the ignition-interlock system. Writing as a physician, Dr. Ray explains that this new safety device can be especially frustrating, and perhaps hazardous, to arthritic and other disabled persons.

During this period of low public esteem for Congress, I believe it is time for responsible action tuned to the needs of our citizens. In a recent interview with U.S. News & World Report on May 6, 1974, New Hampshire Senator NORRIS COTTON, retiring after 20 years of Senate service, issued these words of warning that should be heeded by all Members of Congress:

> The government is into too much, [it's] in everyone's hair . . . it takes a while to discover the impracticality of trying to correct all ills by law.

Automotive safety is a desirable objective but the mandatory ignition-interlock regulation is a perfect example of "too much Government" trying to "correct all ills by law." It is a blatant case of a Federal governmental agency overstepping its bounds of authority and unnecessarily interfering in the private lives of our citizens. To add insult to injury, the National Highway Traffic Safety Administration of the Department of Transportation, which promulgated this regulation, did not even hold public hearings on it.

I urge prompt action on a bill which I am cosponsoring, H.R. 10664, a bill to abolish this inane Federal regulation. I believe Congress could show a good faith effort at constructive legislation by prompt action on this measure.

Dr. Ray's letter follows:

PEDIATRICS, LIMITED,
Kankakee, Ill., March 15, 1974.

Representative GEORGE O'BRIEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. O'BRIEN: I feel that I should bring this to your attention especially since you are concerned about the safety mechanisms in the new cars. I feel quite intent about this particular problem and I will explain what has happened over the past few months.

I recently purchased a new Chrysler station wagon, which was complete with all the safety mechanisms and etc., etc. However after ten minutes in which I drove to a gas station to fill the tank, I found that I could not start the car. As people were lining up behind me, I finally figured out how to get the safety belt working. This was the first episode and by that time I was ready to turn my new car for the one I had just traded. However, more was to come.

About two weeks later, I being a physician after a hard day's work, went out to my car only to find that the car would not run. I spent perhaps twenty minutes calling different people and finally found there was a button under the hood which released the safety belt mechanism and, of course, this solved my problem. However, the significant factor is that if I would have had an emergency in that twenty minutes, I am sure the patient would have expired.

In addition to the above problems, I have also found that anyone who is accompanying me in the passenger seat must be an old hand at operating the seat belt device since otherwise, of course, the car will not run. In my frustration, I have frequently told my passengers that they will have to ride in the back seat.

I also have found in my contortions to connect the safety belt I have torn buttons off my clothes. In my contortions, I can see no way a person with arthritis or other disablement could operate such a device.

In conclusion, I certainly am not against safety devices. But I do believe that this current law requiring that safety belts be connected before the car will run is entirely too much. I also believe that it is an invasion of privacy and strongly urge you to repeal any such law on the books. I wish to thank you sincerely for listening to my prolonged complaints and I appreciate whatever you can do in straightening this problem out.

Sincerely,

RICHARD E. RAY, M.D.

U.S. FOREIGN POLICY WITH REGARD TO AMERICANS MISSING IN ACTION

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. COHEN. Mr. Speaker, I rise to commend the House for its action on House Concurrent Resolution 271 expressing the sense of Congress that U.S. policy shall be to cease all consideration of aid, trade, diplomatic recognition, or accommdation with North Vietnam or the Vietcong until they have complied with binding agreements respecting our servicemen missing in action. Unfortunately, I was unable to be present to join my colleagues in their support of this resolution and wish to declare my strong support for this measure at this time.

It is a tragedy that North Vietnam and its allies have failed to account for a single one of our missing men. Their refusal to live up to the obligations stated in the Vietnam and Laos agreements reinforces my conviction that no progress on economic assistance negotiation or other forms of accommodation can even be discussed until we have obtained a satisfactory accounting.

Furthermore, I support the dedication of trees as a living memorial in honor of those who are missing in action by national officals and civic leaders. While such service will not bring back these sons, brothers, and husbands, it is a symbolic recognition of our continuing responsibility of these men and their famliies, and it will serve to remind us of the strength, the straightness and the sacrifice of our young men who are still missing.

To the still suffering families, especially the six families resident in my State, of those men unaccounted for, this resolution demonstrates my deep concern and appreciation for their sacrifice.

MORE FUNDS FOR OPEN SPACE PRESERVATION AND OUTDOOR RECREATION ACROSS AMERICA

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. STEELMAN. Mr. Speaker, on May 23, I introduced a bill, H.R. 14999, designed to amend the Land and Water Conservation Fund Act of 1965, so as to authorize significantly increased funding for outdoor recreation programs across the country.

The Land and Water Conservation Fund Act is a product of the Congress, enacted almost a decade ago. It has since constituted the basic Federal source for the funding of Federal, State, and local outdoor recreation-oriented land acquisition programs, and State and local development programs for outdoor recreation across our land.

With a current annual fund ceiling of $300 million, it is all too apparent that the demands for funds greatly exceed the supply. The backlog cost of authorized, but as yet unacquired, Federal outdoor recreation lands alone, reaches to nearly $2 billion. In addition, hundreds of millions of more dollars will be required in the immediate future to purchase proposed new Federal outdoor recreation lands. The backlog of proposed development on Federal recreation lands runs into the billions, though this aspect has never been funded from the land and water conservation fund.

The greatest part of the fund, however, goes to the States for use in State and local open space preservation and outdoor recreation projects. The demands for increased outdoor recreation space and facilities here is even greater than that supported by the Federal side of the fund, and projected needs here run into the billions.

Mr. Speaker, as a result of the increasing conflicts of competing uses bearing down ever more strongly on our finite land base, we are all aware of the rapid escalation which occurs in the price of land. Moreover, and perhaps more important over the long run, is the need to preserve certain lands for outdoor recreation use before other competing uses take over the land and permanently preempt that alternative forever.

Mr. Speaker, currently the bulk of the financing of the Land and Water Conservation Fund is drawn from revenues received from sales on the Outer Continental Shelf. It has been projected that revenues from this source will move into the billions of dollars annually. It would seem only logical, as these public resources are withdrawn and converted into dollars, that a portion of those dollars be reconverted into some other form of direct public benefit. What could be more appropriate, and what could benefit more people more permanently, than the further conversion of Outer Continental Shelf revenues over to tangible public resources in the form of parks, preserves, and related outdoor recreation resources—resources that can endure, and be used and enjoyed forever.

Mr. Speaker, my bill would increase the current annual ceiling of the Land and Water Conservation Fund by greater than threefold. It further provides, over a short period of 7 years, for a greater percentage of matching Federal funding to the State side of the fund, as an added incentive for the States to make even stronger efforts to generate matching dollars from State and local sources, and thus significantly increase the total funding for State and local projects. The current law provides for a dollar match of State money for each dollar of Federal money. Even with this match ratio, some States have difficulty generating sufficient State funds to match the available Federal share. My bill would change the match ratio, for a period of 7 years, to a 70-Federal/30-State match for land acquisition dollars and a 60-Federal/40-State match for development dollars, after which time the match would revert to 50-Federal/50-State for both activities.

Mr. Speaker, an overall funding increase of the magnitude advanced in my bill is an absolute must if we are sincere and serious, and honest with ourselves over the prospects for saving much more of America's fast disappearing open space. At the rate we are now going, we are plainly too late with too little. Waiting until later to move aggressively on this matter is foolhardy, as not only will the land be greatly more expensive, but much of it will no longer exist at all; cost will then not be a relevant consideration. Moreover, the availability of more dollars now to buy park and recreation lands rapidly, once the areas are authorized, would be of great benefit to the landowners whose lands are to be purchased. Owners can then be promptly paid for their lands, without having to wait years for the money to come through, as is so frequently the case now. It is very unfair for landowners to have their lands included in new park boundaries, without funds coming along promptly to pay them off.

We owe it to ourselves, and certainly to the future generations yet to come who have no voice, to move forcefully and aggressively now to secure and preserve more of what little remains of our precious natural outdoor heritage. I hope that many of my colleagues will join and support this most worthy cause of significantly increasing the size of the Land and Water Conservation Fund. I know that sympathy is already strongly here now with many. I can think of few efforts on the part of the Congress which would result in such lasting benefit to so many. But we must act without further delay.

STUDENTS FLOCK TO VOCATIONAL COURSES

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MEEDS. Mr. Speaker, vocational education traditionally has been the "poor relation" of education. On the one hand, vocational education has come out a poor second best when it comes to dividing up the educational dollar. In the not-so-distant past, we were spending 85 percent of the education dollar for academic education, while only 20 percent of those students really needed baccalaureate degrees for their careers. On the other hand, vocational education has been a second choice, attracting principally students who, for one reason or another, felt they could not make it in the academic tract.

I am glad to note that this is no longer as true as it once was. Changing attitudes on the part of administrators help, but the biggest change is with the students themselves. Status concepts, college just for the sake of college, the sanctity of the white-collar job—these are being challenged by the present generation of students.

The following article from the Washington Post of June 3, 1974, illustrates the shifting focus:

STUDENTS FLOCK TO VOCATIONAL COURSES

(By Ron Shaffer)

Paul Farmer, 15, is one of those high school students who doesn't like the classroom. He is interested in welding, not English literature.

Starting in September, Paul will be able to spend two hours a day studying welding, among other construction techniques, at a new $4.6 million career education center in Arlington. The center is one more response by a school system to the growing number of students who want to leave high school with a start toward a career that does not require four years of college.

"Kids aren't going to college any more just for the sake of it" explains Thomas E. Smolinski, director of the career center. "They want more of an idea in high school what they're going to be doing in later life, rather than waiting to get to a university to do their exploring."

Consequently, school officials in the Washington metropolitan area report, participation in vocational courses has doubled or tripled in the last few years, and local public school systems are rapidly expanding the number of career orientation programs and specialized vocational training.

One of the moving forces in this trend, educators say, is a change in attitudes of youth toward blue collar work.

No longer are students as conscious about status as they once were, and this is breaking down old perceptions that there are so-called "good jobs", like doctors, and "bad jobs", like bricklayers, local educators say.

School officials also are working to remove the traditional stigma attached to jobs involving physical labor by offering more vocational courses, and a career education program from kindergarten on designed to show how different jobs relate and how each can be valuable and satisfying.

This program includes hands on tools in kindergarten; role playing in the elementary schools where youngsters act out both white-collar and skilled labor jobs and visits to work sites where students are encouraged to study the worker as well as the product.

In junior high school the study becomes more intense, with students focusing on the connection between a range of jobs in fields such as transportation, health sciences, communication or marketing.

Then, those students in high school who have a strong interest in a job can choose from a list of vocational training courses that is being expanded annually but still is not meeting the demand.

More than 1,000 students already have signed up for the Arlington career center courses, and there are waiting lists for most classes.

"Traditionally the adage was, 'Get good grades and stay in school or you'll have to go to work,' but more and more students are disregarding that," says Dr. N. Edwin Crawford, director of career education for Prince George's public schools. "Youngsters are opting to go to work; they want to go to work, to get involved."

In developing their vocational curriculum, administrators note also that jobs stemming from vocational training often pay more than so-called white collar jobs available to college graduates, and that the Department of Labor predicts that three out of four new jobs between now and the end of the decade will not require a college education.

One of the ironies of the present high unemployment rate is that there is a shortage of workers in construction and maintenance-related fields. "Try to get something fixed in your home—a television, plumbing, electrical work—and you can't get it done," says Dr. Crawford.

"In the past we've channeled kids into what we thought was good for them; we told them these (blue collar) jobs were bad and nobody went out to work them," he said. "Now kids are more intelligent. They're looking for something meaningful and relevant to them and they're not letting this older generation impose their values on them."

Critics of the trend toward career education and increased vocational training, Dr. Crawford says, "complain we're trying to lock kids into an early choice. But in career education we're simply trying to give kids more information with their career options. It begins in kindergarten and covers not just blue-collar jobs, but all jobs."

For instance in the Prince George's County police department, Crawford said, there are 450 jobs other than being a patrolman. "These are jobs that kids know nothing about. Many are high paying and very interesting. That's what career education is, trying to let kids know about these other jobs."

Paul Farmer, a sophomore at Washington-Lee High School, says he figures the Arlington career center is what he's looking for.

"In the first year (general construction) you get to arc-weld, and the second year you get further training in welding. That helps getting into a union," he says. "A journeyman welder makes good money, and that's something you can always fall back on if you want to try something else."

Paul's two older brothers are iron workers, his mother explains, and Paul is tired of school already. We're not your 9-to-5 office family type; Paul likes getting outdoors, so this (program) will be great for him."

Arlington, like the other Washington area school systems, will allow students to spend up to half their classroom time training in courses such as hotel-motel management, fashion design, carpentry, masonry and child care, with the rest of their time devoted to the standard academic construction at their home high schools.

In Alexandria junior high school students now can watch a butcher carve meat in the classroom; in Montgomery County high school students can intern as say, a congressional aide or work part time in data processing; and in Fairfax County students build houses.

As part of their high school vocational training experience, students in some Washington area school jurisdictions repair—at cost—cars, radios, televisions, and heating and air conditioning products brought in by the public. They set hair, cut hair or give manicures in cosmetology and barbering classes and build prefabricated sheds, raise nursery products and repair lawnmowers.

One of the unusual vocational projects the area is the home in Annandale built entirely by Fairfax County high school students.

The project took 18 months; boys did most of the construction and girls planned the interior design and the color-coding, and together they marketed it.

The home sold for $73,000 last fall to television newscaster Wes Sarginson. "It has been an outstanding home, with many fewer problems than you would expect in a new house," Sarginson told a reporter this week.

His previous, smaller home cost $69 a month to heat, Sarginson said; the larger, student-built home cost $32 a month. "That gives you an idea about how much tighter the new home is."

The quality of student work, Sarginson said, can be further evidenced in the repair job they did on a car owned by his friend and coanchorman, Fred Thomas.

"He had a Volkswagen van that was a moving junkpile, an embarrassment to ride in," Sarginson said. "The floor was rusted through, no body shop would touch it." Students in an auto mechanics course at George Marshall High School near McLean tore the car down and refurbished it to near-new quality, Sarginson said. The cost was parts and $1 for labor.

Construction students from all 22 Fairfax County high schools are now involved in building a complex of eight structures at Hemlock Overlook Regional Park near Clifton. This project, built with Northern Virginia Regional Park Authority money, is to be an environmental campus where students can take overnight field trips for nature study.

About 50 of the students are at the work site all day and have their English and social studies classes in the woods.

While Arlington is the first to consolidate vocational programs in one complex, Alexandria has plans to follow suit in 1976 with a vocational complex at T. C. Williams High School, and the District of Columbia is moving toward opening some area vocational centers that will include programs of study in one area, such as transportation, health services, marketing, and construction.

Some of these are due to be opened next fall, and gradually will replace the traditional vocational schools in the District, which offered its special training only to those students in the school.

The high school vocational programs are structured to provide the basics for continued study specialized at area junior colleges and technical schools. Often one or two years beyond high school is required to enter skilled jobs.

"We don't want students to have to spend four years in college to find out what they want to do," Dr. Crawford said. "We want to let them know what options are open to them early on, and have them know about different types of work and become involved in appropriate technical training and academic instruction that will prepare them for jobs.

"One high school girl told me she wanted to major in medical research in college," Dr. Crawford said. "I asked her why and she said she had picked that field out of a college catalogue. She didn't know anything about it—the hours, the pluses and minuses, the requirements or whether she even had the aptitude for it.

"My own son decided in high school to be an economist because he read where it was one of the highest paying jobs. But he didn't know what the job entailed until his last two years in college. It's a sad story but it happens all the time."

His son went on to get a master's degree in education, Dr. Crawford added, but now works as a paint foreman because that pays better than work he could find in his college major.

A RESOLUTION COMMENDING WILLIAM PADFIELD

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to introduce in the RECORD, a Maryland Senate resolution which commends William Padfield, a constituent of mine from Glen Burnie, Md.

Mr. Padfield has spent his lifetime in service to his Nation and his community. He was a member of the Coast Guard for 24 years, and following his retirement, Mr. Padfield provided 28 years of compassionate service to his community. His contribution to Maryland through his work in children centers, and his advice and counsel on numerous commissions has been a strengthening influence to his fellow citizens. His remarkable career is a source of pride and satisfaction to Marylanders, and I submit the following resolution in support of this:

[Senate of Maryland]

SENATE RESOLUTION No. 122

A SENATE RESOLUTION CONCERNING WILLIAM PADFIELD

For the purpose of commending his ability and dedication as a community leader

Whereas, When he retired from the U.S. Coast Guard 24 years ago after 28 years of service, William Padfield decided to devote his time to the improvement of his community, Glen Burnie, Maryland; and

Whereas, Over these many years, he has been honored with the well-earned title of Unofficial Mayor of Glen Burnie and has been an advisor to government officials including the President of the United States, the Governor of Maryland and the Anne Arundel County Executive; and

Whereas, Many honors have been bestowed upon him because of his work with more than 40 organizations, including 23 years as President of the Glen Burnie Improvement Association, 22 years as President of the Glen Burnie Health Center, and 26 years as President of the Glen Burnie carnival that since 1908 has earned thousands of dollars annually for the improvement of Glen Burnie; and

Whereas, His many activities also include being an informal advisor to President Nixon on community contributions by volunteers; appointment by Governor Millard W. Tawes as Vice-President of the Maryland Children's Center and Vice-President of the Waxter Children's Center; appointment by County Executive Joseph Alton to several importance commissions and boards; and

Whereas, He has served on a wide range of other organizations benefitting citizens from children through senior citizens; now, therefore, be it

Resolved by the Senate of Maryland, That William Padfield be commended as an able and dedicated community leader, for his unusual contributions to the community of Glen Burnie, and for his many good works which will benefit the people of Glen Burnie for many generations to come, and be it further

Resolved, That a copy of this Resolution be sent to Mr. Padfield, 410 Delmar Avenue, S.E., Glen Burnie, Md. 21061.

WILLIAM RANDOLPH HEARST REVISITED

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. LEGGETT. Mr. Speaker, a few weeks ago I delivered a statement that was somewhat critical of the intellectual acuity displayed by Mr. William Randolph Hearst on the question of impeachment. I now find occasion to modify my views.

In a more recent column, which I insert in the RECORD at the conclusion of my remarks, Mr. Hearst appears to have reversed himself. Where before he seemed to feel that impeachment of Mr. Nixon would violate the concepts of government envisioned by Washington, Jefferson, Hamilton, and others, he is now impressed by "how impossible it would have been for any of the Founding Fathers or for Abraham Lincoln to have tolerated 2 minutes" of Mr. Nixon's cynical indifference to the national interest.

What has caused Mr. Hearst's change of heart?

I suspect that he has begun to read his newspapers.

The article follows:

A FACING OF FACTS

(By William Randolph Hearst, Jr.)

NEW YORK.—This is a very tough column for me to write, but events this week make it imperative. The essence—or lead as we say in the newspaper business—is that President Richard M. Nixon has made it impossible for me to continue believing what he claims about himself in the Watergate mess.

That's about the most reluctant statement made here in the last 20 years. It probably will disappoint, surprise and maybe even shock a lot of people. If so, they will have nothing on the disappointment, surprise and shock I have felt in reading those transcripts of the White House tape recordings during the past few days.

Now any more or less regular reader of these weekly editorial comments knows how consistently the President has gotten my backing—and properly so. Even his worst enemies now have to admit that his strategy for ending the Vietnam War was correct. And absolutely no one can fail to praise his many remarkable initiatives toward a more peaceful world.

It also was proper—certainly in my book—to continue to back and defend the President as strongly as possible when the Watergate scandals began leaking all over the place. As a loyal American, to me it seemed only natural and necessary to be loyal to the nation's elected leader; to accept his explanations and deplore the excesses of his accusers. At the very least, like everyone else, he should be presumed innocent until proven guilty.

That was my consistent position, expressed here many times and in many ways. Not that it was easy. In my heart I often felt he probably knew a lot more than he admitted. And it certainly became obvious, despite his claims of executive privilege and national security, that he was far from being as forthright as the people and the Congress had a right to expect.

The real reason for his uncooperative stalling tactics is now abundantly and terribly clear. It is all in the tape transcripts he finally was forced to make public. Even in their heavily edited and possibly inaccurate form, the transcripts add up to as damning a document as it is possible to imagine short of an actual indictment.

Maybe, technically, the President still is justified in claiming he knew nothing in advance about the Watergate break-in, or of the initial cover-up efforts. The point is that those shameful tapes reveal a man totally absorbed in the cheapest and sleaziest kind of conniving to preserve appearance, and almost totally unconcerned with ethics.

The man seems to have a moral blind spot. To me it is simply astonishing that he would make the transcripts public with the avowed belief that they would exonerate him. They may not actually amount to a conviction of criminal behavior. Perhaps the kindest way of putting it is that they amount to an unwitting confession, in which he stands convicted by his own words as a man who deliberately and repeatedly tried to keep the truth from the American people.

I am not being heartless or simple minded about this. Over the years I have known quite a few Presidents and am very much aware of the often ruthless—even deplorable—actions made necessary by the pressures of their awesome power. But I have never heard anything as ruthless, deplorable and ethically indefensible as the talk on those White House tapes.

The voices on the tapes, even the censored parental guidance version, comes through like a gang of racketeers talking over strategy as they realize that the cops are closing in on them. Scene after scene sounds like a corny old movie. How can we cover up this and that? How much dough do we need to pay off so and so? Who's going to take the rap for this and that?

An odd fact is that the Boss in these sessions—to this reader, at least—fails to radiate even a whiff of the authority of Edward G. Robinson in the movies, or even Chicago's Big Bill Thompson in real life. Instead the other members of the gang all clearly felt free to keep coming up with tricky ideas and chew them them around with as much apparent authority as the chief.

In this sharing of power, this speaking as equals, the atmosphere was solely one of intrigue and self-protection. If any of the participants—ever—gave any consideration to what was right for the nation instead of themselves, then I must have missed it in the thousands of words I have waded through.

Think how impossible it would have been for any of the founding fathers or for Abraham Lincoln to have tolerated two minutes of it.

I also think of Eisenhower—as easy-going a President as we ever had. He instantly chopped off his strong right arm, Sherman Adams, the man who was running the country for him, when his chief aide committed the impropriety of accepting gifts from a man seeking business with the government.

To Lincoln, to Ike, and to most of our Presidents, the White House itself had to be just that—a house of pristine integrity, both in reality and appearance.

The symbol of America's faith in its government is sullied beyond measure when it is used as headquarters for a gang whose main concern is the maintenance of personal power—at any cost.

As was declared in the opening paragraph, this is a tough column for me to have to write. Perhaps some of what has been said is overly tough. Certainly it is not my intention to join the persecutors of Richard Nixon.

All the same, honesty and a natural concern for my country's dignity compel me to face the facts. This is something that Richard Nixon, unhappily for both himself and the nation, has repeatedly refused to do in the Watergate affair.

As noted, it is amazing to me that he doesn't seem to realize how damning those tape transcripts are. Even more amazing is the fact that an astute politician, which he is, failed to realize that cleverness is no match for demonstrable truth.

From the very beginning of Watergate I thought he would sit tall and straight in the saddle. His White House cleanup at least partially confirmed my expectations. But then he proceeded, in one razzle-dazzle move after another, to show that he was going to resist Congress and the press in their every effort to get the full truth.

Practically all of his troubles, including the impending threat of impeachment, would have been avoided if he had only had the honesty to tell the whole truth right away. Lacking that, he certainly should have stuck by his original contention that nobody has a right to examine the intimate records of the presidency.

Over a year ago, in this column, the opinion was expressed that only the Supreme Court has the authority to decide whether such records may be opened or not. It was the President's steady retreat from defiant positions, plus the suspicions and renewed attacks each retreat created, that finally compelled him to release at least part of them.

He released them only because he had to, finally, and because he somehow thought the censored versions would do him some good with the public. God knows what the unexpurgated tapes would show.

Incredible? It sure is.

Sickening? Just read the transcripts.

Today, sitting here in a kind of stunned sorrow, it is hard for me to imagine why any informed person would not see the inevitability of impeachment.

PROHIBIT SMOKING IN COMMON CARRIERS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. McKAY. Mr. Speaker, I am introducing a bill today that would require the Secretary of Transportation and the Interstate Commerce Commission to prohibit smoking in common carriers except in areas designed for that purpose.

Cigarettes are hazardous to the health of those who smoke. It has recently been found that cigarette smoke also can be hazardous to the health of those who must breathe it second-hand. In the confined space of an airplane, a train, or a bus, the air pollution due to cigarette smoke can impair efficiency, can cause discomfort, and can be an irritation. The nonsmoker should not have to breathe his neighbor's cigarette smoke for prolonged periods as the price of traveling in a public carrier.

It is a curious contradiction that we have committed ourselves to the complex task of improving environmental air quality, without taking action to remove ourselves from the most prevalent form of air pollution—the smoke-filled room.

This bill is a reasonable first step in the direction of recognizing our rights to clean air, indoors, as well as out. It would give to the nonsmoker minimal protection against the dangers and the unpleasantness of cigarette smoke in the closed environments of interstate transportation systems.

U.S.S.R. DRAFTS CITY RESIDENTS FOR FARMWORK

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HUBER. Mr. Speaker, the perennial problem that haunts the Communist nations of the world is an adequate supply of food. The standard practice of collectivizing the farms always brings a decrease in production. There is no incentive to produce, except on any small plots of land, permitted by the government, that can be privately worked. Farm people in the Soviet Union are treated as second-class citizens. They are not normally issued the internal passport, which every Soviet citizen carries for travel within the country. They are issued temporary passports for up to 6 months or even just 3-day passes in order to leave or travel from the farm to which they are assigned. In addition the pay is low and the rewards are few. Thus, it is with great interest that I recently read that the world's most powerful Socialist state was drafting city dwellers in order to bring in the harvest, even as Fidel Castro does with Cuba's sugar harvest. The article from the Journal of Commerce of May 14, 1974, follows:

SPRING CROP PLANTING BEHIND IN THE U.S.S.R.

Moscow.—The Soviet Union, behind schedule with its spring crops because of bad weather, has decided to draft city dwellers into emergency agricultural work, Pravda said recently.

The newspaper said the party central committee has issued a decree authorizing governments of the various Soviet republics "to employ able-bodied members of the populations of cities, settlements and villages in agricultural operations as an exceptional measure during 1974.

Similar measures were authorized last year to help bring in the harvest.

Soviet officials have said recently that unexpectedly cool spring weather has delayed the planting of spring crops and delayed the growth of winter wheat that is still being harvested. Normally, 60 per cent of the Soviet grain crop is planted in spring.

HOME RULE PROTECTION UNDER THE LAND USE PLANNING ACT

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MEEDS. Mr. Speaker, citizens of States with strong political and constitutional traditions of home rule have voiced some concern that land use decisions historically made at the local level would—under provisions of H.R. 10294—be made instead by officials of State government.

The measure under consideration, however, guarantees that there will be relatively little alteration of the traditional delegation of land use control to the smallest units of local government.

Analyses of past and present land development practices reveal that public or private decisionmakers can, in fact, exercise judgments which affect citizens living beyond their local jurisdictions. The true meaning of our democratic process—of grass roots participation—dictates that some resolution of the conflict between communities planning their own development—and citizens of adjacent areas who will be impacted by that development—must occur if major land use crises are to be avoided.

Local governments have grappled with the issues of land use, growth and development for decades. Chicago and Cincinnati, for example, developed smoke control laws nearly a century ago—long before the issue of air pollution gained national prominence. By 1912, 23 of the 28 cities in the Nation with populations over 200,000 had similar laws. Automobile emissions were regulated only after Los Angeles officials discovered in the early fifties that cars are the chief source of urban smog. While the problem of air pollution cannot be characterized purely as a local issue, responsibility for enforcement of air quality standards remains largely under control of local jurisdictions.

City governments also led the way in establishment of protection for sources of drinking water as well as the treatment of liquid wastes. At the time of the Federal entry into the water quality control scene in 1948, local governments had outpaced all other levels of government in these efforts. Local jurisdictions traditionally have been—and likely will continue to be—the agencies most responsive to new demands and areas of citizen concern.

Local regulation of land use has existed—at least in the urbanized portions of most States—for a number of years. Historically, local systems of zoning and subdivision control have proved adequate for controlling most types of development in urban areas. Yet at a time of increasing land use demands and the need for more effective public participation and community control, the value of supporting local decisionmaking wherever possible is obvious.

Land use planning partnerships among the various levels of government can and should be developed—procedures which allow each level to represent its constituency without unnecessarily usurping powers needed at another level for responsible decisionmaking.

As the Nation moves toward an increased level of State involvement in land use decisionmaking, adequate provisions must be developed to assure that the State role is related in a logical manner to the continuing need for local participation. The tendency to bypass existing systems of local control must be avoided.

This historical tradition of local control of land use decisions is desirable and should be maintained. But the need to provide some form of State or regional participation in those decisions transcending single jurisdiction boundaries must also be recognized. How can this best be done? How can the successful aspects and independent traditions of home rule be protected as new mechanisms for State assistance in decisions that transcend local boundaries are developed?

Regional and State participation in land use judgments must be guided by a policy that assures their involvement only in those issues impacting more than one community. Control over the great majority of matters which are only of local concern should remain in the hands of local government. Although the problem of defining the extent of land use impact in advance is not an easy one, the Land Use Planning Act currently under consideration provides clear protection for home rule concerns.

Until recently, the delegation of State power to local governments as the agencies best able to exercise regulation of land development had been accepted with little question. However, increasing attention in the past several years has focused on a number of well-publicized problems which demonstrate the need for a return to State or regional participation in the control of land use.

In New York, the consumers face power shortages; local opposition to new generating plants has stymied both private utilities and State agencies. In New Jersey, failure of local interests to agree on a plan for use of the Hackensack Meadows has stalled development of this important area for many years.

Several States have adopted varied forms of land use controls to address these types of local conflicts—regulations that maintain home rule safeguards. Although the increased level of State interest is welcomed in most cases, involvement must be channeled so it deals effectively with important problems without unnecessarily increasing the costs of the land development process. Inefficient, time consuming procedures involving State or Federal approval of locally oriented decisions of minor importance could have serious social and economic consequences, especially in industries where cost is a key factor, such as housing.

The American Law Institute's report, "A Model Land Development Code," states that 90 percent of land use decisions currently made by local governments have no major effect on statewide or national matters. In addition, most of these decisions can be made intelligently solely by people familiar with the local social, environmental, and economic conditions. The decision whether a motel or a drugstore should be located on a particular corner in Charlotte, N.C., for example, can be made most effectively in Charlotte—not in Raleigh or Washington.

Better coordination of decisions affecting land use activities beyond local boundaries clearly is needed today. Many examples of harmful land use activities exist to counter arguments that "nothing needs to be done." Individual jurisdictions can do little about such problems, because local government land use planning activity ends at the city line. A wider overview of the simultaneous impact of large-scale development on several communities is vital.

Facing this issue poses the challenge: How can an equitable mechanism be devised that guides development having multicommunity impact while concomitantly protecting local government control of intrajurisdictional decisionmaking? H.R. 10294 carefully blends these requirements. It guarantees that local land use decisions will continue to be made locally—while judgments affecting projects impacting more than a single community will be reviewed by State governments.

BEEF IMPORTS INTO THE UNITED STATES

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, I am today introducing legislation to provide for a 6-month freeze on beef imports into the United States. At a time when our domestic livestock market is such that U.S. producers are suffering losses of $100 to $200 per head, it is imperative that action be taken to restore a sound market. If we are to continue to have the best and most abundant supply of food of any nation in the world, we must insure that our livestock industry survives.

There is no other way of handling the current problem, in any existing law, so I am calling on my colleagues to support this legislation and ask that it be given swift hearing and be reported to the House for passage as soon as possible.

Mr. Speaker, the imposition of a 6-month freeze on meat imports would be a healthy act for the U.S. economy, and a vital shot in the arm for the ailing cattle industry. Most economists agree with the current agricultural policy of increasing production of food to meet strong domestic demand and to satisfy foreign market opportunities. At the same time, while agreeing that this is a legitimate and worthwhile policy, we cannot sit idly by and ignore the short term severe and immediate problems that threaten the stability of our important livestock industry.

Current livestock prices threaten the livelihood of tens of thousands of families along the entire length of the production and marketing chain. At least part of this low price situation is due to the folly of last summer's meat price freeze and the lifting of meat import restrictions.

The current dip in retail beef prices widely heralded by the American housewife, may turn out to be a boomerang. If low livestock prices are allowed to continue, the producers and feeders will be driven from the marketplace and a red meat shortage in a matter of months could drive prices to new record levels.

The bill I am introducing today would temporarily restrict the import of beef into the United States for a period of 6 months in order to help the industry return to its normal stabilized pricing procedures which were thrown out of kilter last year.

During the fall of 1972 and early spring 1973 the cattle industry achieved an orderly and reasonably stable market situation. Cattle numbers by category remained steady. As fat cattle were finished in feedlots and slaughtered, feeder cattle were available for lot replacements. This replacement procedure continued back along the supply chain to the cow-calf producer.

In 1973, the picture turned around. Domestic demand for beef had been growing significantly. This increased domestic demand continued as grain and other feed prices rose to all-time highs. The dollar devaluation contributed an increased foreign demand for U.S. grain. Cattlemen in the Midwest and West were hit with the worst winter weather in memory, and an estimated half-million head of cattle perished in the winter. Beef supplies fell short of demand and prices responded by rising sharply.

At this point, cattlemen were making money. The cattle prices were once again reaching levels of 20 years ago. Livestock producers planned expansions of their cow herds. In time the increased prices would have enabled production to catch up with demand. But, consumers grew alarmed at the dramatic price increases. They demanded more beef at lower prices. Consumer boycotts were organized across the Nation, and, reacting to political pressure from consumer advocates, the Federal Government placed price controls on beef.

The price controls on beef were lifted last fall, but we are not out of the woods yet. A truck strike in February produced further erratic price behavior in the marketplace. Right now, cattle feeders are losing $100 to $150 per head. Their losses to date are estimated by the Agriculture Department at well over $1 billion. Live cattle prices have dropped dramatically. They appear to have stabilized somewhat in the range of the mid $30's per hundred pounds—but at these prices, producers are suffering huge losses.

The deteriorating cattle market in February and March of this year forced many cattle feeders into financial loss positions which discouraged orderly marketings of cattle for slaughter. Overfinished cattle have had a major price depressing effect in the past several weeks on both the live and the retail markets.

There were 8 percent fewer cattle on feed on April 1 in the 23 major cattle feeding States than a year ago, according to the Agriculture Department. The sharpest decline was in the Corn Belt, which had 9 percent fewer cattle, while those in western feedlots were down by 5 percent.

Cattle feeders expected to market only slightly more cattle in April through June than they did a year ago although on April 1 they had 8 percent more cattle on feed in weight groups that normally would supply most of the spring quarter marketings. This indicates that the problems that go along with overfinished cattle are not yet solved.

A 6-month respite from the market impact of imported beef would go a long way toward helping the U.S. cattle industry get back to normal, allowing the visible strength in consumer demand to lift the price of choice steers at Omaha back to the mid $40's per hundred pounds early this summer. A year ago they averaged $46.

From the steady, orderly market of 1972–73, we have come full circle, to surplus followed by shortage. Price controls were a terrible price to pay for the irreversible damage to our strong cattle industry.

Mr. Speaker, I am sure that my colleagues in the Congress can appreciate the fact that the livestock industry is one of the only segments of our economy not burdened with heavy Government regulation, controls and programs. But, if we fail to act to help the industry now, we may one day rue the fact if we have to provide huge Government subsidies to insure sufficient supplies of meat for the people of our Nation.

The beef industry will reestablish its traditional market stability if we give it the opportunity. The bill I have introduced will provide that opportunity, and I urge my colleagues in the House to support the bill and request swift hearings so that the bill can be reported and acted on as soon as possible.

COURT DECISION ON RELEVANCY NEEDED

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. WYMAN. Mr. Speaker, even a decision by the High Court on the Jaworski petition relating to evidence sought in the Ellsberg prosecutions will not settle the continuing question of relevancy that plagues the House Judiciary Committee's impeachment investigation. The President declines to produce subpenaed materials contending irrelevancy. The list sought is specific.

What is needed to clear the air and get proceedings on the right road toward an end to the interminable delays and confusion is an application to the Federal courts for a court order to produce designated materials subpenaed. Such an application would almost certainly result in a court order to produce the materials for examination by the court in camera for the purpose of ruling whether relevant or not. Thereafter, those items found relevant would be required to be turned over to the committee.

While such a procedure is admittedly subject to the delays involved in appeals, if taken, it is the preferable course to achieve a final proper resolution of conflicting claims. Once finally adjudicated, it is inconceivable that the President would refuse to comply with the final order of the court after appeals have been exhausted.

In this connection, an editorial appearing in the Wall Street Journal for June 5, 1974, is of interest:

> IMPEACHMENT AND THE COURTS
>
> We do not see how Congress can vote on the substance of a case for impeachment unless it first encourages the courts to handle questions of evidence and executive privilege, which otherwise will be intractable procedural snarls. While the House Judiciary Committee has so far refused to seek adjudication, we hope and trust the matter is not yet closed.
>
> As one straw in the wind, we note that Senate Majority Leader Mansfield has asked the Supreme Court to forgo its usual summer recess, holding itself ready to decide questions affecting Watergate. In allowing Special Prosecutor Leon Jaworski to skip the usual appellate level and scheduling a July hearing on his subpoena of Oval Office tapes, the Court not only took the majority leader's advice but expressed its own willingness to involve itself in Watergate proceedings.
>
> We are at a bit of a loss to understand the Rodino committee's adamant opposition to invoking the court. But we have been increasingly impressed by its general handling of the impeachment probe, and we would be far from surprised if it yet decided to go to court in the face of presidential refusals to yield more evidence. Surely the committee can understand that the nation deserves a vote on the substance of alleged presidential wrongdoings, not on the prerogatives of Congress versus the prerogatives of the Executive.
>
> The committee's refusal to go to court would be easier to understand if it had been less careful generally, for the quickest explanation is that it feels it needs the procedural issue to make a case against the President. The House could find no grounds on which to impeach Andrew Johnson, for example, until it forced him into an impasse on prerogatives. Similarly, we now learn, when Tammany Hall Democrats impeached and removed a threatening New York governor, the grounds were campaign fund violations and refusing to cooperate with the impeachment panel.
>
> As we have said before, we think the committee's demand for further evidence is entirely justified by the ambiguity of the transcripts so far released; we think the President ought to accede or at least ask the courts to rule and accept the outcome. But it is also true that by demanding more and more the committee can keep the procedural issue alive forever, regardless of any issue of substance. It can unilaterally create its own grounds for impeachment.
>
> If the committee allowed the courts to arbitrate. procedural issues would be grounds for impeachment only if the President decided to defy both branches. In that case they would be good grounds indeed. But by allowing the courts to impose limits on its demands, the committee would lose the one option through which it can assure itself of grounds for impeachment. No doubt a fear that the substantive case alone will not be enough is the reason some partisans paint the whole idea of adjudicating as something of a Nixon plot, but the committee itself ought to be above that kind of thinking.
>
> There are of course more solid fears about involving the court, as the discussion nearby shows. To rule on evidence, the courts would have to decide in their own minds what constitutes an impeachable offense. But surely the argument that they cannot do this without asserting the power to overrule Congress' eventual decision strains at gnats and swallows elephants.
>
> We also doubt that the Congress really wants to argue that the courts have no place because impeachment is a purely political matter anyway. It is of course true that public opinion will eventually be decisive, but the public is too sensible to see the impeachment issue as one of prerogatives of the branches of government. We should think that all branches should try to meet the real issue, which is whether or not the President is guilty of wrongdoing.
>
> Obviously a great many people have already made up their minds, both pro and con, on the President's guilt. But there are also those of us who find the current evidence quite ambiguous and are interested in trying to establish the truth about so serious a matter. The truth will not be established by impeaching the President for refusing subpoenas or citing him for contempt of Congress. Going to the courts is the best route for forcing out the relevant evidence; Congress' function is to then render its judgment on where the truth lies.
>
> In accepting the Jaworski appeal, the Supreme Court has moved some way towards accepting its part of those tasks, though the issues in that case will still be far from those that would arise in the full context of an impeachment probe. Congress' next step ought to be a suit putting the issue squarely, even at the risk of giving up sweeping but ultimately empty claims of unilateral jurisdiction. In deciding whether to take that course, Congress needs to ask which is more important, rhetorically defending its prerogatives, or arriving at the truth about Watergate.

MAO'S STRATEGY

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HUNT. Mr. Speaker, yesterday two different communications regarding Communist China came to my attention and both are most disturbing. The first is the latest edition of U.S. News & World Report, and the second is a secret document, published by the Chinese Communist Kunming Military Region and obtained and released by intelligence sources in Taipei.

As both articles are quite lengthy, I am not going to go into a lot of the detail of either, but rather I have picked out a few of the contrasting points in each.

Let me quote first from U.S. News:

> There is plenty of excitement in U.S. business circles about a "boom" in trade with mainland China. In two years the exchange of goods between the two countries has gone up 10 times.

Then they go on to say:

> In addition, U.S. traders—instead of selling "oil lamps" as their forebears did a century ago—are signing contracts with Peking to deliver aircraft, communications equipment, fertilizer plants, oil drilling and mining rigs, and machine tools.

In addition to all this Mr. Speaker, Boeing Corp. has sold 10 of its 707's to mainland China, and the training of Chinese pilots took place in the United States, using interpreters provided by Peking.

Mr. Byron Miller, Boeing's director of international sales for Southeast Asia and Australia said:

> We had to start from ground zero and give them a complete rundown on the development of the 707 aircraft up through the 727, 737, and 747. We tried to cover the waterfront.

This is all pretty cozy, Mr. Speaker, and looks good perhaps on the corporate balance sheet. But I should like to offer now, some excerpts from the secret report I made reference to earlier. First some comments regarding the President's trip to China and the reasons for it:

> If you don't talk to him, it is impossible for you to get in (the U.S.), nor is it possible to have your influences brought into the United States, much less the possibility of doing a good job in the work of the people and of making a publicity of Marxism-Leninism.
>
> Especially noteworthy was the tremendous impact resulting therefrom, when people in the United States and West Europe and North America saw the spiritual aspects and the actual situation of the people of our country. Thus, the U.S. lies slandering China in the past were all shattered by facts, and our international influences were expanded.

Mr. Speaker, the report cites the increase in travel between both countries, the exchange of artistic groups, and the now famous ping-pong match. But, according to the report this was done for publicity for Communist China. It states that—

> Our influences have now reached the United States. Revolution has already triumphed in China. If revolution triumphs also in the United States, it will create a tremendous impact on the whole world.
>
> Our invitation to Nixon to visit China proceeds precisely from Chairman Mao's tactical thinking of exploiting contradictions, winning over the majority, opposing the minority, and breaking them up one by one. And this by no means indicates a change in our diplomatic line.

I shall conclude this with one last quote from this most lengthy and informative report:

> The two main enemies facing us are U.S. imperialism and Soviet revisionism. We are to fight for overthrow of these two enemies. This has already been written into the new party constitution. Nevertheless, are we to fight these two enemies simultaneously, using a same might? No. Are we to ally ourselves with the one against the other? Definitely not. We act in the light of changes in situation, tipping the scale diversely at different times.

Are we going to continue to let ourselves be suckered by the Communist line, or are we going to remain strong and firm in our dealings with them? Détente to the Communists, Mr. Speaker, is just another step in their overall strategy of world conquest. That we are contributing to this goal is most disturbing.

POLICE HARASSMENT IN THE SOVIET UNION

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. NIX. Mr. Speaker, many of us are concerned about the continuing repression of human rights in the Soviet Union. Recently I wrote to Secretary of State Kissinger asking for a report on an incident in which several American citizens, along with a group of Soviet Jews, were subjected to harassment by Soviet police.

I believe that it is essential that the United States make it clear to the Soviet Union that we will not tolerate the use of Soviet police-state methods on American citizens.

I insert my letter and the reply of the State Department in the RECORD at this point:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., May 15, 1974.*
>
> Hon. HENRY KISSINGER,
> *Secretary of State, Department of State, Washington, D.C.*
>
> DEAR MR. SECRETARY: I am deeply upset about recent news reports concerning the harassment of American citizens in the Soviet Union. I refer specifically to news reports appearing on May 11 of an incident near Moscow in which 10 American citizens who were preparing to have a picnic with a number of Soviet Jews were apparently subjected to searches, intimidation, and insults by a large number of Soviet plainclothes police. It was also reported that anti-Semitic insults were shouted at the group.
>
> It is shocking to me that American citizens can be subjected to such police state tactics for attempting to have a picnic with Soviet friends. It is my opinion that if the Soviet Union wishes to be considered a major nation and a part of the world community, it must be expected to abide by at least the minimum standards of civilized nations. If we cannot prevent the Soviet Union from harassing its own citizens, we can certainly prevent them from harassing citizens of the United States.
>
> Please send me, at the earliest possible time, the State Department's assessment of the incident I have described. Also, please inform me of what steps, if any, the United States Embassy in Moscow has taken to insure that American citizens in the Soviet Union will not be subjected to future harassment and intimidation by Soviet authorities.
>
> Sincerely yours,
> ROBERT N. C. NIX,
> *Member of Congress.*

> JUNE 4, 1974.
>
> Hon. ROBERT N. C. NIX,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. NIX: The Secretary has asked me to reply to your letter of May 15, in which you ask for information about the reported harassment of American tourists in Moscow on May 10.
>
> Our Embassy in Moscow was informed of this matter on May 11 by a Western journalist who had encountered the American tourists involved in the incident. The tourists themselves did not contact the Embassy, and the Embassy's attempts to locate them were unsuccessful.
>
> On May 11 the Embassy received an account of the incident from one of the Soviets who was present as a guest of the tourists. According to this account, the incident involved a picnic reportedly organized by a couple from Florida who had been corresponding with Soviet Jews in Moscow prior to their visit to the USSR. This couple and several of their fellow tourists from Florida were joined by several Soviet Jews on a Moscow city bus bound for a picnic site near the city.
>
> According to the Soviet source, the bus was halted by Soviet militia at the outskirts of Moscow, and all passengers were asked to produce identity documents. Militiamen reportedly told the Americans and their Soviet guests that the bus was headed for an area off-limits to foreigners. The group started to walk toward the picnic area but was again stopped by militiamen who repeated that the area was closed to foreigners. The group then went to a nearby field and held a picnic.
>
> The Embassy's source said that the group was surrounded by plainclothes policemen, some of whom took photographs. Some residents of the area also appeared and cursed at the group, using anti-semitic language. The group departed peacefully after finishing its picnic. There were no arrests either then or later.
>
> One of the major functions of the American Embassy in Moscow and the American Consulate General in Leningrad is to assist American tourists who encounter difficulties with Soviet authorities. We would be prepared to consider raising this incident with appropriate Soviet officials, once we receive a full account from the Americans who were involved. To date, neither the Embassy nor the Department has been contacted by the Americans who participated in the picnic.
>
> I hope you will call on me if you have further questions regarding this matter.
>
> Cordially,
> LINWOOD HOLTON,
> *Assistant Secretary for Congressional Relations.*

CAPITAL GAINS TAX REFORM

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HANRAHAN. Mr. Speaker, the House Ways and Means Committee has been working extensively on tax reform measures. One issue of concern is the tax on long term capital gains. For the benefit of my colleagues, I wish to insert the following article which recently appeared in the Chicago Tribune:

> CAPITAL GAINS TAX REFORM
>
> American industry will need about $1.4 trillion in new capital by 1980 and $4 trillion by 1985 to finance industrial expansion, cre-

ate new jobs, and meet future energy needs from new sources.

Unless the U.S. tax laws—particularly the tax on long term capital gains—are liberalized to encourage investments, the nation could fall short of its capital requirements. The penalty for this failure would be a lower standard of living for all Americans.

Capital gains are paid on the increase in the value of an asset, such as stock or real estate, between the time it is purchased and when it is sold. At the present time, short term capital gains—on investments held for six months or less—are taxed at the same rate as ordinary income. Long term gains, those held more than six months, are taxed at half the ordinary rate up to a maximum of 35 per cent.

Investment capital traditionally has come from the savings that individuals invest in American business by buying securities. Because of low stock prices, unstable economic conditions, government crises, and high yields on savings and other fixed-income investments, investors—large or small—are staying out of the stock market, and corporations are finding it difficult to raise the money they need.

The Securities Industry Association, made up of investment bankers and stock brokers, cites what it terms a "capital drought." The number of new stock issues has dropped from 1,460 in 1972 to 440 last year. The number of new bond issues slipped from 470 to 248 in the same period.

Moreover, hundreds of billions of dollars in capital are "locked in" because stock holders are reluctant to sell them and thus become liable for the capital gains tax. The Treasury Department believes that between $233 and $558 billion in long term investments are thus immobilized. This, in turn, reduces federal revenue because investors would rather hold onto their securities than face a tax that could amount to more than one-third of their profit.

There have been a number of suggestions for liberalizing the capital gains tax. One has caught the attention of some members of Congress and is being pushed by Chairman Wilbur Mills of the House Ways and Means Committee. It calls for a sliding scale: The longer an investment was held, the lower the tax rate would be.

Mr. Mills has offered no specific figures. The Securities Industry Association, however, has suggested a scale ranging from 100 per cent when assets had been held for three months to 10 per cent for assets held 20 years or more.

S.I.A. estimates that for every billion dollars in securities unlocked by the sliding scale, the treasury would realize $260 million in additional tax revenues. More important, however, the lower tax rates would encourage investors to shift their assets, thus making money available to new industries.

Inflation has made the present capital gains tax confiscatory. It devoured 27 per cent of any profit acquired over a period of 10 years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left. Many family businesses have to be sold when the owner dies merely to pay the capital gains tax.

Some self-styled reformers would do away with the capital gains tax entirely, and tax investment profits at the higher rate applied to ordinary income. This, they contend, would enable government to redistribute the nation's wealth from the haves to the have-nots.

This is the sort of nonsense that appeals to economic illiterates. Such a tax would destroy any incentive to invest risk capital. It would invite industrial stagnation, jeopardize our standard of living, and inevitably lead toward socialism.

The sliding-scale proposal for capital gains is the most promising we've seen. We also like a proposal by Mr. Mills to exempt from taxation the first $10,000 in capital gains earned over a taxpayer's lifetime. This, we believe, would encourage lower income groups such as wage earners to participate in the free enterprise system and help provide the capital that will be needed in the years ahead.

CONGRESSMAN LANDGREBE OBSERVES A TIMELY POEM

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. LANDGREBE. Mr. Speaker, I would like to pass on a poem which strikes me as a particularly timely and sensitive expression of how one citizen perceives the sincere efforts of our President to provide a better life for all. The message comes from Amy von Maur Morse, who is a constituent of Congressman William S. Broomfield, the Representative from the 19th District in Michigan.

Perhaps the real beauty of the poem is the eloquence and depth of feeling that are clearly represented in the presentation, a presentation that expresses the views of many conscientious Americans today. At any rate, I feel that such talent should not go unnoticed, and I hope my colleagues will find the following poem inspirational:

Stop It!!!

(By Amy von Maur Morse)

The tumult and the shouting died
An awesome silence, like the eye of a tornado, fell over the frenzied multitude.
Cartoons, suddenly alive, leered back at their creators.
Ink from venomous pens of the press fell in black blots on thirsty paper.
Comedians paled and swallowed their hatefully cruel jokes.
Guilty news-casters stood still in shame.
"Stop it! Stop it! Stop it!!!'
No single body housed the words.
No eyes discerned the form.
But deep within the hearts of all, the furious, anguished cry tore forth.
In mind they saw before them their single, bloodied prey.
They saw him being stoned; they saw him being torn to shreds
The sight was not a pretty sight to see!
"What did he do?" a bewildered child asked.
And none could tell him, exactly, for sure.
Was it the *language* he might have used when the stress was too much?
(Oh woe is me if every word I spoke was to be heard!)
Was his sin *this* great, to cover others wrong?
(How often have I defended those I loved!)
Or was it a vague, gross "image" eloquently painted by an adept media?
Painted in our hearts and burned into our gullible, impressionable minds?
"He brought us peace . . . he brought our boys back home . . .
Did we forget to thank him?
Two years ago we gave him all our hearts
Now we've stained his name and broken his heart to bits . . .
Is this the way we show our thanks?
The magazines, the press and T.V. too
Day in day out for weeks then months then years
Compete to bring us all the bad
But hold back mightily on all that's good
And good there is as millions of us know
Because we've personally witnessed some
Then later, shocked, we've heard or read reporter's lies.
Not only government, but the *media* is here on trial!!!
Yes, the tumult and the shouting died in this our hour of truth.
Some dropped their stones in weary shame and vowed to be more fair.
Some picked stones up, for those on whom they blamed their guilty shame.
"We're like a mob of animals!" they whispered to themselves.
Animals? Ah no! Torture is only allowed in man's civilized state!
But torture has a cost which, also, is known to man alone.
The gnawing sense of guilt born of the knowledge that
We accorded more fairness to murderers, dope peddlers and traitors
Than we did to the President of our own country.
This will put us in debt, for the rest of our lives.
And History will so testify.
Before it is too late
Before the cost becomes too great
Let's face the future with intelligent poise and fairness.
Let the media deal in facts . . . both pro and con . . .
And let "we the people" demand of those who deal in hate, to
"Stop it!!! Stop it!!! Stop it!!!
I dedicate this to my President, in grateful appreciation for his efforts to bring peace to the world and a better life for all Americans.

BIG JIM FARLEY

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HANLEY. Mr. Speaker, recently a truly great American celebrated another birthday. It was his 86th, and although chronology suggests this to be old, not so in the case of this human dynamo who, despite his four-score-plus, continues to "do his thing" on a day-to-day basis and, I might add, do it well. I refer to the late President Franklin D. Roosevelt's chief mentor, former Postmaster General, and former Chairman of the Democratic National Committee, the very lovable Jim Farley.

For some years now Jim has maintained an executive position with the Cocoa-Cola Co. and will be found each day working away in his office in New York City. Along with his interests in the private sector he continues to maintain a deep interest in the affairs of the great State of New York, and for that matter, the affairs of our Nation.

Recently, an excellent editorial appeared in a Rochester, N.Y., newspaper, the Times-Union. I feel that my colleagues would enjoy reading it:

Big Jim Farley

Big Jim Farley gets bigger every year. The former top Democratic political strategist and postmaster general of the early Roosevelt years, who later broke with F.D.R., is active as always and even more honored.

"In time of difficulties," wrote the Chinese revolutionary leader, Chairman Mao Tse-tung, "we must not lose sight of our achievements."

Pursuing that thought, in times when the air is filled with charges and countercharges of gravest character affecting those in high stations, it's comforting to focus on contrasts.

Almost regularly, it seems, the Coca Cola executive, who at 86 may be seen breakfasting at 7:30 a.m. or earlier regularly in the New York City hotel where he lives alone, is honored by some group. And the citations seem likely to be in about the same key on all such occasions.

At the most recent, arranged by officers and executives of McCann-Erickson and of the Coca-Cola Co. which honored Farley on April 17 in New York City, a Thomas Jefferson letter to John Adams was quoted:

"The whole of government consists in the art of being honest."

The citation continued:

"If ever there was a time when this Jefferson principle needs to be shouted from the housetops it is today. If there is among us a man whose public and private life always reflected his unswerving commitment to rugged honesty, it is the honorable James A. Farley.

"We meet with him today in a spirit of warm friendship and great respect. We salute him for a lifetime of great accomplishment in the art of being honest, human and a vigorous advocate of all that is good and true in American life, politics and business."

TRIBUTE TO HON. JOHN ROONEY OF NEW YORK

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. EVINS of Tennessee. Mr. Speaker, earlier today the distinguished gentleman from Texas (Mr. Mahon) paid tribute to our colleague, the gentleman from New York (Mr. Rooney) who earlier had announced his retirement from the Congress—and I wanted to join with Mr. Mahon in commending and congratulating John Rooney on the 30th anniversary of his election to the Congress.

John Rooney is a most valued member of the Committee on Appropriations—a senior member—and chairman of the Appropriations Subcommittee on Justice, Commerce and the Judiciary, three Cabinet-level departments that come before Chairman Rooney for funding.

John Rooney has no peer as a legislative craftsman—he is a master of legislative skills, resourceful in debate, a most effective legislator with a warm personality.

John Rooney is a great American—a traditional American in the truest and classic sense—the son of Irish immigrant parents who settled in Brooklyn more than 100 years ago.

We know that he has been in ill health for some few weeks and we all wish for him the recovery of his health and much happiness in his richly deserved retirement.

SENATE—*Friday, June 7, 1974*

The Senate met at 10 a.m. and was called to order by Hon. James B. Allen, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, for this quiet moment, before the pressing duties of the day move in upon us, wilt Thou lift us above the stress, the contention, and the bafflement of these difficult days into the healing calm of Thy presence. Grant us the peace of those whose minds are stayed on Thee. May all who labor for the people here be patient in debate, charitable in judgment, and slow to anger. Give us wisdom and courage to uphold what is just and true. Grant us to know Thee, that we may truly love Thee, and so to love Thee, that we may freely serve Thee, for the rule of righteousness in the world, and the honor and glory of Thy great name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 7, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James B. Allen, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. **ALLEN** thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, June 6, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 15155) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 73) authorizing the printing of additional copies of a committee print of the Senate Select Committee on Nutrition and Human Needs.

The message further announced that the House had agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H. Con. Res. 201. A concurrent resolution to reprint the brochure entitled "How Our Laws Are Made";

H. Con. Res. 445. A concurrent resolution authorizing additional copies of oversight hearings entitled "State Postsecondary Education Commissions";

H. Con. Res. 454. A concurrent resolution to authorize the printing as a House document "Our Flag," and to provide for additional copies;

H. Con. Res. 455. A concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?"; and

H. Con. Res. 474. A concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs.

HOUSE BILL REFERRED

The bill (H.R. 15155) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following House concurrent resolutions were referred to the Committee on Rules and Administration:

H. Con. Res. 201. A concurrent resolution to reprint the brochure entitled "How Our Laws Are Made";

H. Con. Res. 445. A concurrent resolution authorizing additional copies of Oversight Hearings entitled "State Postsecondary Education Commissions";

H. Con. Res. 454. A concurrent resolution to authorize the printing as a House document "Our Flag," and to provide for additional copies;

H. Con. Res. 455. A concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?"; and

H. Con. Res. 474. A concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs.

U.S. PARTICIPATION IN INTERNATIONAL ENFORCEMENT OF FISH CONSERVATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 866, H.R. 14291.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

H.R. 14291, to amend the Northwest Atlantic Fisheries Act of 1950 to permit United States participation in international enforcement of fish conservation in additional geographic areas pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with an amendment on page 2, line 6, after the word "inserting", insert "shall"; and, after line 20, insert:

(g) Subsection (b) of section 4 of the Act of September 27, 1950 (64 Stat. 1068), is amended by adding the following sentence to the end thereof: "The Secretary of State shall submit an annual report to the Congress of the costs incurred in reimbursing travel and per diem expenses of members of the advisory committee pursuant to this subsection".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader (Mr. HUGH SCOTT).

Mr. HUGH SCOTT. Mr. President, I yield back my time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

Mr. ROBERT C. BYRD. Mr President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1865. A bill to amend the National Environmental Policy Act of 1969, in order to encourage the establishment of, and to assist, State and regional environmental centers (Rept. No. 93-905).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2940. A bill to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico (Rept. No. 93-906).

SUBMISSION OF A SUPPLEMENTAL REPORT ENTITLED "JAPAN-UNITED STATES FRIENDSHIP ACT"—PART 2, (REPT. NO. 93-885)

Mr. MANSFIELD, from the Committee on Foreign Relations, submitted a supplemental report on the bill (S. 649) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON (by request):

S. 3599. A bill to establish the Nunamiut National Park in the State of Alaska, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MANSFIELD:

S. 3600. A bill to stabilize the economy and mitigate the effects of inflation by providing for minimum annual increases in wages. Referred to the Committees on Banking, Housing and Urban Affairs and Labor and Public Welfare, by unanimous consent.

By Mr. BENTSEN:

S. 3601. A bill to amend the Urban Mass Transportation Act of 1964. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CRANSTON:

S. 3602. A bill for the relief of Viola J. Stewart, Lois Souby, Jane Robertson, and Norma Jean Ridgeway. Referred to the Committee on the Judiciary.

By Mr. PERCY:

S. 3603. A bill to repeal the no-knock laws. Referred to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 3604. A bill to abolish certain Federal agencies, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONTOYA (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. DOMENICI, Mr. HUGHES, Mr. MCGEE, Mr. MANSFIELD, and Mr. METCALF):

S. 3605. A bill to provide emergency assistance to persons engaged in the cattle raising business by authorizing the Secretary of Agriculture, for a temporary period of time, to guarantee loans made to such persons until they can sell their livestock. Referred to the Committee on Agriculture and Forestry.

By Mr. MCGOVERN (for himself, Mr. HUMPHREY, and Mr. ABOUREZK):

S. 3606. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for producers of livestock. Referred to the Committee on Agriculture and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (by request):

S. 3599. A bill to establish the Nunamiut National Park in the State of Alaska, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I am introducing by request today a bill which, like S. 2917 and S. 2918, provides for the addition of certain lands in Alaska to the national park system.

This bill which would establish the Nunamiut National Park in the Central Brooks Range of Alaska is, however, unusual because it was prepared by the Arctic Eskimo people as a direct product of their land selection and planning process established by the Congress within the Alaska Native Land Claims Settlement Act of 1971.

The innovative approaches taken in this bill and the planning steps pursued in its development should help to demonstrate the land management abilities of the Alaska Native people.

This proposal for a Nunamiut National Park in the Central Brooks Range of Alaska illustrates their abilities.

The lands which national conservationists have hoped for decades would be dedicated to a national park in the Brooks Range were split by withdrawals for Native selection pursuant to the Alaska Native Claims Settlement Act of 1971 in and about the inland Eskimo village of Anaktuvuk Pass. Rather than emotionally opposing the creation of a national park, which might deprive their people of the subsistence harvest of fish and wildlife resources, the Arctic Eskimos have sought an approach which would accommodate their cultural ways and their economic future and also enhance the opportunities of all citizens to enjoy the spectacular beauty of this vast northern land.

The lands involved are the "homelands" of the Nunamiut Eskimos, which literally means "people of the land." They have occupied the Central Brooks Range of the Arctic for centuries and seek understanding of their cultural values and history as part of the dedication of a national park in these mountains and tundra-covered foothills.

Mr. President, due to the significant nature of this measure, I ask unanimous consent that the full text of the bill together with a brief description of its provisions be printed in the Record immediately following my remarks.

There being no objection, the bill and description were ordered to be printed in the Record, as follows:

S. 3599

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Congress finds and declares that there exists in the Central Brooks Range of Alaska an area of outstanding Arctic Wilderness with raw unique beauty shown in magnificent mountain peaks, incised valleys and tundra-covered foothills, unequalled historic sites of man's early Arctic occupancy and significant current Eskimo cultural importance.

(b) The Congress further finds and declares that it is in the national interest to set aside park lands within the Central Brooks Range to preserve, protect and perpetuate these values, that an immediate need exists for the establishment of this park to prevent the inroads of disturbing influences and development, and that lands selected by the Inupiat (Eskimo) people of the Arctic Slope Regional Corporation and the Nunamiut Village Corporation of Anaktuvuk Pass, Alaska, pursuant to the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601), are important to the establishment of this park and the values inherent thereto, and in order that:

(1) healthy and protected vegetative communities and wildlife populations may be maintained, including migration routes of North America's last and largest herds of herbivores—the Arctic caribou;

(2) the culture and way of life of indigenous Native peoples, the Nunamiut or inland Eskimo, may be maintained and interpreted; and that

(3) Arctic wilderness recreational opportunities may be afforded all peoples of the Nation.

Sec. 2. Description of Exterior Boundary.

The boudaries of the Nunamiut National Park are described as follows:

Commencing at the point of intersection of the boundary of Naval Petroleum Reserve No. 4 (NPR–4) with boundary of the Kateel River (KRM) and Umiat (UM) Meridians, thence north approximately 43 miles along the NPR–4 boundary to the Colville River, thence east and north approximately 150 miles along the Colville River boundary of NPR–4 to the point of intersection with the line dividing T.'s TN. and 3N. (UM), thence east approximately 23 miles to the N.E. corner of T.2N., R.6E. UM, thence south approximately 12 miles to the S.E. corner of T.1N., R.6E. UM, thence east approximately 2 miles to the N.E. corner of Section 4 T.1S., R.7E. UM, thence south approximately 12 miles to the S.E. corner of Section 33, T2S., R.7E. UM, thence east approximately 6 miles to the N.E. corner of Section 4, T.3S., R.8E. UM, thence south approximately 12 miles to the S.E. corner of Section 33, T.4S., R.8E. UM, thence east approximately 3 miles to the N.E. corner of T.5S., R.8E. UM, thence south approximately 6 miles to the S.E. corner of T.5S., R.8E. UM, thence east approximately 3 miles to the N.E. corner of Section 4, T.6S., R.9E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.6S., R.9E. UM, thence east approximately 3 miles to the N.E. corner of T.7S., R.9E. UM, thence south approximately 6 miles to the S.E. corner of T.7S., R.9E. UM, thence east approximately 3 miles to the N.E. corner of Section 4, T.8S., R.10E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.6S., R.9E. UM, thence east east approximately 3 miles to the N.E. corner of T.9S., R.10E. UM, thence south approximately 18 miles to the S.E. corner of T.11S., R.10E. UM, thence east approximately 3 miles to the N.E. corner of Section 4, T.12S., R.11E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.12S., R.11E. UM, thence west approximately 1 mile to the N.E. corner of Section 4, T.13S., R.11E. UM, thence south approximately 18 miles to the S.E. corner of Section 33, T.15S., R.11E. UM, thence west approximately 6 miles to the N.W. corner of Section 3, T.15S., R.10E. UM, thence south approximately 8 miles to the boundary line between T.'s 36N. and 37N. Fairbanks Meridian (FM), thence west approximately 3 miles to the N.E. corner of T.36N., R.11W. FM, thence south approximately 24 miles to the S.E. corner of T.33N., R.11W. FM, thence west approximately 5 miles to the N.E. corner of T.32N., R.12N. FM, thence south approximately 6 miles to the S.E. corner of T.32N., R.12W. FM, thence west approximately 6 miles to the N.E. corner of T.31N., R.13W. FM, thence south approximately 18 miles to the S.E. corner of T.29N., R.13W. FM, thence west approximately 6 miles to the N.E. corner of T.28N., R.14W. FM, thence south approximately 6 miles to the S.E. corner of T.28N., R.14W. FM, thence west approximately 15 miles to the S.W. corner of Section 34, T.28N., R.16W. FM, thence north approximately 6 miles to the N.E. corner of Section 4, T.28N., R.16W. FM, thence west approximately 1 mile to the S.W. corner of Section 34, T.29N., R.16W. FM, thence north approximately 12 miles to the N.E. corner of Section 4, T.30N., R.16W. FM, thence west approximately 18 miles to the N.W. corner of Section 3, T.30N., R19W. FM, thence south approximately 3 miles to the S.E. corner of Section 16, T.30N., R.19W. FM, thence west approximately 15 miles to the N.W. corner of Section 19, T.30N., R.21W. FM, thence south approximately 9 miles to the S.E. corner of T.29N., R.22W. FM, thence west approximately 1 mile to the N.W. corner of Section 3, T.28N., R.22W. FM, thence south to the S.E. corner of Section 33, T.28N., R.22W. FM, thence west approximately 3 miles to the S.W. corner of T.28N., R 22W. FM, thence south approximately 12 miles to the S.E. corner of T.26N., R.23W. FM, thence west approximately 15 miles to the point of intersection with the line dividing R.s 26E. and 27E. KRM, thence south approximately 8 miles to the S.E. corner of T.18N., R.26E. KRM, thence west approximately 30 miles to the S.W. corner of T.18N., R.22E. KRM, thence south approximately six miles to the S.E. corner of T.17N., R.21E. KRM, thence west approximately 1 mile to the N.E. corner of T.16N., R.21E. KRM, thence south approximately 12 miles to the S.E. corner of T.15N., R.21E. KRM, thence west approximately 48 miles to the S.W. corner of T.15N., R.14E. KRM, thence north approximately 12 miles to the N.W. corner of T.16N., R.14E. KRM, thence east approximately 1 mile to the S.W. corner of T.17N., R.14E. KRM, thence north approximately 24 miles to the N.W. corner of T.20N., R.14E. KRM, thence west approximately 5 miles to the S.W. corner of T.21N., R.13E. KRM, thence north approximately 12 miles to the N.W. corner of T.22N., R.13E. KRM, thence west approximately 30 miles to the S.W. corner of T.22N., R.8E. KRM, thence north approximately 12 miles to the N.E. corner of T.24N., R.7E. KRM, thence east approximately ½ mile to the S.W. corner of T.25N., R.8E. KRM, thence north approximately 6 miles to the N.E. corner of T.25N., R.7E. KRM, thence west approximately 6 miles to the S.W. corner of T.26N., R.7E. KRM, thence north approximately 6 miles to the N.E. corner of T.26N., R.6E. KRM, thence west approximately 30 miles to the S.W. corner of T.27N., R.2E. KRM, thence north approximately 36 miles to the N.E. corner of T.32N., R.1E. KRM, thence west approximately 12 miles to the S.W. corner of T.33N., R.1W. KRM, thence north approximately 12 miles to the N.W. corner of T.34N., R.1W. KRM, thence east approximately 87 miles to the point of origin.

Sec. 3. Included Park Lands And Their Administration.

(a) The Secretary shall administer all federally owned lands within the exterior boundaries of the Nunamiut National Park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented, except as provided otherwise in this Act;

(b) The Secretary shall administer all lands selected by and patented to, Alaska Native regional or village corporations pursuant to the Alaska Native Claims Settlement Act of 1971 located within the exterior boundaries of the Nunamiut National Park as part of this park and in accordance with the Act of August 25, 1916, as amended and supplemented, except as provided otherwise in this Act; and

(c) The Secretary shall administer as part of the Nunamiut National Park all lands and interests in lands or waters selected by the State of Alaska pursuant to the Alaska Statehood Act (72 Stat. 341; 77 Stat. 223) or obtained by the State of Alaska or private parties under the public land laws of the United States, including but not limited to lands beneath navigable waters under the Submerged Lands Act of 1953 (67 Stat. 29; 43 U.S.C. 1301), located within the boundary of the Nunamiut National Park: *Provided,* That such lands or interests have not been previously patented to the State of Alaska or private parties. He shall also administer such lands in accordance with the Act of August 25, 1916, as amended and supplemented, except as provided otherwise in this Act: *Provided further,* That the Secretary shall convey to the State or private parties other lands that will equal in acreage those lands that will remain in federal ownership by the operation of this subsection in locations that the State or private parties shall select from the unreserved and unappropriated lands of the United States located outside the exterior boundaries of the Nunamiut National Park in the State of Alaska: *Provided further,* That the Secretary shall acquire on behalf of the United States all interests in lands or developments upon lands owned by the State of Alaska or private parties located within the exterior boundaries of the Nunamiut National Park and shall compensate the State or such third parties by purchase, land exchange or other device: *Provided further,* That the Secretary shall acquire on behalf of the United States all lands or interests in lands which have proceeded to full patent in the State of Alaska or private parties within the exterior boundaries of the Nunamiut National Park and shall compensate the State or such third parties by purchase, land exchange or other device and the Secretary shall administer such lands as part of this park in accordance with the Act of August 25, 1916, as amended and supplemented, except as provided otherwise in this Act.

Sec. 4. Classification of Park Lands and Waters.

(a) Lands and waters of the Nunamiut National Park are hereby classified in two categories:

(1) wilderness areas, pursuant to the Wilderness Act of 1964 (78 Stat. 890; 16 U.S.C. 1131), wherein only the uses of lands and waters authorized by that Act are permitted, except as otherwise provided in this Act, and

(2) Native subsistence use areas, wherein only the uses of lands and waters authorized by this Act on such classified lands are permitted.

(b) There shall be *two* designated wilderness areas within the Nunamiut National Park, to be named the Gates of the Arctic Wilderness Area and the Arrigetch Peaks Wilderness Area; and

(c) Lands selected and patented to Alaska Native corporations and lands designated for

Native subsistence uses within the Nunamiut National Park shall be named the Nunamiut Wildlands.

SEC. 5. DESCRIPTION OF CLASSIFIED AREAS.

(a) The Gates of the Arctic Wilderness Area within the Nunamiut National Park shall encompass the following described lands:

Commencing at the N.W. corner of T.12S., R.8E. Umiat Meridian, (NM), thence East approximately 21 miles to the N.E. corner of Section 4, T.12S., R.11E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.12S., R.11E. UM, thence west approximately 1 mile to the N.E. corner of Section 4, T. 13S., R.11E. UM, thence south approximately 18 miles to the S.E. corner of Section 33, T.15S., R.11E. UM, thence west approximately 6 miles to the N.W. corner of Section 3, T.15S., R.10E. UM, thence south approximately 8 miles to the boundary line between T.'s 36N. and 37N. Fairbanks meridian (FM), thence west approximately 3 miles to the N.E. corner of T.36N., R.11W. FM, thence south approximately 24 miles to the S.E. corner of T.33N., R.11W. FM, thence west approximately 5 miles to the N.E. corner of T.32N., R.12N. FM, thence south approximately 6 miles to the S.E. corner of T.32N., T.12W. FM, thence west approximately 6 miles to the N.E. T.31N., R.13W. UM, thence south approximately 18 miles to the S.E. corner of T.29N., R.13W. FM, thence west approximately 6 miles to the N.E. corner of T.28N., R.14W. FM, thence south approximately 6 miles to the S.E. corner of T.28N., R.14W. FM, thence west approximately 15 miles to the S.W. corner of Section 34, T.28N., R.16W. FM, thence north approximately 6 miles to the N.E. corner of Section 4, T.28N., R.16W. FM, thence west approximately 1 mile to the S.W. corner of Section 34, T.29N., R.16W. FM, thence north approximately 12 miles to the N.E. corner of Section 4, T.30N., R.16W. FM, thence west approximately 18 miles to the N.W. corner of Section 3, T.30N., R.19W. FM, thence south approximately 3 miles to the S.E. corner of Section 16, T.30N., R.19W. FM, thence west approximately 7 miles to the John River, thence north approximately 23 miles along the main channel of the John River to the line dividing T.'s 33 N. and 34 N. FM, thence east approximately 5 miles to the S.E. corner of T.34N., R.21W. FM, thence north approximately 6 miles to the N.W. corner of T.34N., R.20W. FM, thence east approximately 12 miles to the S.E. corner of T.35N., R.19W. FM, thence north approximately 12 miles to the N.W. corner of T.36N., R.19W. FM, thence west approximately 2 miles to the S.E. corner of T.37N., R.19W. FM, thence north approximately 1½ miles to the N.E. corner of T.37N., R.19W. FM on the boundary between the Fairbanks and Umiat Meridian, thence east approximately 6½ miles to the S.E. corner of T.17S., R.2E. UM north thence approximately 3 miles to the S.W. corner of Section 18, T.16S., R.3E. UM, thence east approximately 18 miles to the S.E. corner of Section 13, T.16S., R 5E. UM, thence north approximately 15 miles to the N.W. corner of T.14S., R.6E. UM, thence east approximately 12 miles to the S.E. corner of T.13S., R.7E. UM, thence north approximately 6 miles to the N.W. corner of T.13S., R.8E. UM, thence east approximately 1 mile to the S.W. corner of T.12S., R.8E. UM, thence north approximately 6 miles to the point of beginning.

The area described encompasses approximately 2,093,000 acres.

(b) The Arrigetch Peaks Wilderness Area within the Nunamiut National Park shall encompass the following described lands:

Commencing at the point of intersection of the boundary of Naval Petroleum Reserve Number 4 (NPR–4) with the north boundary line of T.34N., R.14E. Katell River Meridian, (KRM), thence west approximately 87 miles to the N.W. corner of T.34N., R.1W. KRM, thence south approximately 11 miles to the S.W. corner of T.33N., R.1, KRM, thence east approximately 12 miles to the S.E. corner of T.33N., R.1E. KRM, thence south approximately 36 miles to the S.W. corner of T.27N., R.2E. KRM, thence east approximately 30 miles to the S.E. corner of T.27N., R.6E. KRM, thence south approximately 6 miles to the S.W. corner of T.26N., R.7E. KRM, thence east approximately 6 miles to the S.E. corner of T.26N., R.7E. KRM, thence south approximately 6 miles to the S.W. corner of T.25N., R.8E. KRM, thence west approximately 1 mile to the N.W. corner of T.24N., R.8E. KRM, thence south approximately 12 miles to the S.W. corner of T.23N., R.8E. KRM, thence east approximately 30 miles to the S.E. corner of T.23N., R.12E. KRM, thence south approximately 12 miles to the S.W. corner of T.21N., R.13E. KRM, thence east approximately 5 miles to the N.W. corner of T.20N., R.14E. KRM, thence south approximately 24 miles to the S.W. corner of T.17N., R.14E. KRM, thence west approximately 1 mile to the N.W. corner of T.16N., R.14E. KRM, thence south approximately 12 miles to the S.W. corner of T.15N., R.14E. KRM, thence east approximately 48 miles to the S.E. corner of T.15N., R.21E. KRM, thence north approximately 12 miles to the N.E. corner of T.16N., R.21E. KRM, thence east approximately 2 miles to the S.E. corner of T.17N., R.21E. KRM, thence north approximately 6 miles to the N.E. corner of T.17N., R.21E. KRM, thence east approximately 30 miles to the S.E. corner of T.18N., R.26E. KRM, thence north approximately 8 miles to the point of intersection with a line extending west from the line dividing T.'s 35N. and 26N. Fairbanks Meridian (FM), thence east approximately 15 miles to the S.E. corner of T.26N., R.23W. FM, thence north approximately 12 miles to the N.E. corner of T.27N., R.23W. FM, thence east approximately 3 miles to the S.E. corner of Section 33, T.28N., R.22W. FM, thence north approximately 6 miles to the N.W. corner of Section 3, T.28N., R.22W. FM, thence east approximately 1 mile to the S.W. corner of T.29N., R.21W. FM, thence north approximately 9 miles to the N.W. corner of Section 19, T.30N., R.21W. FM, thence east approximately 8 miles to the John River, thence North approximately 23 miles along the main channel of the John River to the line dividing T.'s 33N. and 34N. FM, thence west approximately 17 miles to boundary of the Fairbanks and Kateel River Meridians, thence north approximately 10 miles to the N.E. corner T.28N., R.26E. KRM, thence west approximately 18 miles to the S.W. corner of T.29N., R.23E. KRM, thence north approximately 6 miles to the N.E. corner of T.29N., R.22E. KRM, thence west approximately 6 miles to the S.W. corner of T.30N., R.22E. KRM, thence north approximately 6 miles to the N.E. corner of T.30N., R.21E. KRM, thence west approximately 6 miles to the S.W. corner of T.31N., R.21E. KRM, thence north approximately 3 miles to the N.E. corner of Section 24, T.31N., R.20E. KRM, thence west approximately 3 miles to the S.W. corner of Section 15, T.31N., R.20E. KRM, thence north approximately 9 miles to the N.W. corner of Section 3, T.32N., R.20E. KRM, thence east approximately 1 mile to the S.E. corner of Section 32, T.33N., R.20E. KRM, thence north approximately 6 miles to the N.E. corner of Section 4, T.33N., R.20E. KRM, thence west approximately 9 miles to the N.W. corner of T.33N., R.19E. KRM, thence south approximately 6 miles to the S.E. corner of T.33N., R.18E. KRM, thence west approximately 27 miles to the boundary of NPR–4, thence north along the NPR–4 boundary approximately 12 miles to the point of beginning.

The area described encompasses approximately 7,598,000 acres.

(c) The Nunamiut Wildlands within the Nunamiut National Park shall encompass the following described lands:

Commencing at the point of intersection of the boundary of Naval Petroleum Reserve No. 4 (NPR–4) with the line dividing T.'s 32N. and 33N. Kateel River Meridian (KRM), thence north approximately 55 miles along the NPR–4 boundary to the Colville River, thence east and north approximately 150 miles along the Colville River boundary of NPR–4 to the point of intersection with the line dividing T.'s 2N. and 3N. Umiat Meridian (UM), thence east approximately 23 miles to the N.E. corner of T.2N., R.6E, thence south approximately 12 miles to the S.E. corner of T.1N., R.6E. UM, thence east approximately 2 miles to the N.E. corner of Section 4 T.1S., R.7E. UM, thence south approximately 12 miles to the S.E. corner of Section 33, T.2S, R.7E. UM, thence east approximately 6 miles to the N.E. corner of Section 4, T.3S., R.8E. UM, thence south approximately 12 miles to the S.E. corner of Section 33, T.4S., R.8E. UM, thence east approximately 3 miles to the N.E. corner of T.5S., R.8E. UM, thence south approximately 6 miles to the S.E. corner of T5S, R.8E. UM, thence east approximately 3 miles to the N.E. corner of Section 4, T.6S., R.9E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.6S., R.9E. UM, thence east approximately 3 miles to the N.E. corner of T.7S., R.9E. UM, thence south approximately 6 miles to the S.E. corner of T.7S, R.9E UM, thence east approximately 3 miles to the N.E. corner of Section 4, T.8S., R.10E. UM, thence south approximately 6 miles to the S.E. corner of Section 33, T.8S., R.10E. UM, thence east approximately 3 miles to teh N.E. corner of T.9S., R.10E. UM, thence south approximately 18 miles to the SE. corner of T.11S., R.10E. UM, thence west approximately 18 miles to the S.E. corner of T.11S., R.7E. UM, thence south approximately 6 miles to the S.7. corner of T.12S., R.7E. UM, thence, west approximately 1 mile to N.E. corner of T.13S., R.7E. UM, thence south approximately 6 miles to the S.E. corner of T13S, R.7E. UM, thence west approximately 12 miles to the S.E. corner of T.13S., R.5E. UM, thence south approximately 15 miles to the S.E. corner of Section 13, T.16S., R.5E. UM, thence west approximately 18 miles to the S.E. corner of Section 13, T.16S., R.2E. UM, thence south approximately 3½ miles to the S.E. corner of T.17S., R.2E. UM, on the boundary of the Fairbanks and Umiat Meridians, thence west approximately 6½ miles to the N.E. corner of T.37N., R.19W. FM, thence south approximately 1½ miles to the S.E. corner of T.37 N., R.19W. FM, thence east approximately 2 miles to the N.9. corner of T.36N., R.19W. FM, thence south approximately 12 miles to the S.E. corner of T.35N., R.19W. FM, thence west approximately 12 miles to the S.E. corner of T.35N., R.21W. FM, thence south approximately 6 miles to the S.E. corner T.34N., R21W. FM, thence west approximately 24 miles to the SW. corner of T.34N., R.24W. FM on the boundary of the Fairbanks and Kateel River (KRM) Meridians, thence north approximately 10 miles to the N.E. corner of T.28N., R.26E. KRM, thence west approximately 18 miles to the S.W. corner of T.29N., R.23E. KRM, thence north approximately 6 miles to the N.E. corner of T.29N., R.22E. KRM, thence west approximately 6 miles to the S.W. corner of T.30N., R.22E. KRM, thence north approximately 6 miles to the N.E. corner of T.30N., R.21E. KRM, thence west approximately 6 miles to the S.W. corner of T31N., R.21E. KRM, thence north approximately 3 miles to the N.E. corner of section 24, T.31N., R.20E. KRM, thence west approximately 3 miles to the S.W. corner of Section 15, T.31N., R.20E. KRM, thence north approximately 9 miles to the N.E. corner of Section 4, T.32N., R.20E. KRM, thence east approximately 1 mile to the S.E. corner of Section 33, T.33N., R.20E. KRM, thence north approximately 6 miles to the N.E. corner of

Section 4, T.33N., R.20E. KRM, thence west approximately 9 miles to the N.W. corner of T.33N., R.19 KRM, thence south approximately 6 miles to the S.E. corner of T.33N., R.18E. KRM, thence west approximately 27 miles to the point of beginning.

The area described encompasses approximately 7,061,000 acres.

Sec. 6. Exclusion of Interior Park Lands From Federal Title.

(a) Lands selected, patented to, and retained by the Nunamiut Village Corporation (Anaktuvuk Pass) pursuant to section 12(a) of the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601) and lands selected, patented to, and retained by the Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601), are hereby excluded from park title as set forth in section 4 of this Act: *Provided,* That such lands shall be considered part of this national park solely for the purposes of the attainment of national objectives and administrative control as set forth in sections 2, 4, and 9 of this Act.

(b) Lands patented to Alaska Natives pursuant to the Native Allotment Act of 1906 (34 Stat. 197), are hereby excluded from park title as set forth in section 4 of this Act: *Provided,* That such lands shall be considered part of this national park solely for the purposes of the attainment of National objectives and administrative control set forth in sections 2, 4, and 9 of this Act. *And provided further,* That Native allotment lands located within the park within either the Gates of the Arctic or Arrigetch Peaks Wilderness Areas shall be acquired by the Secretary from the owner of such allotment by purchase, land exchange, or other device, but the owner of such allotment may retain use and occupancy of such allotment for the period of his lifetime; and

(c) All lands selected by, and patented to the Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Land Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601) for the purposes of oil or gas exploration or development within the exterior boundary of the Nunamiut Wildlands of the Nunamiut National Park, and all lands identified for selection by the Arctic Slope Regional Corporation pursuant to section 17(d)(2)(E) of the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601) for the purposes of oil or gas exploration or development prior to December 18, 1975 and to which the Congress accedes or agrees by this Act or other legislation within the exterior boundaries of the Nunamiut Wildlands of the Nunamiut National Park, shall be excluded from the lands administered for park purposes for the life of such development. Following the completion or life of such development, the site shall be returned as nearly as practicable to natural conditions and the Secretary shall acquire such lands from the Arctic Slope Regional Corporation by land exchange (including lands within existing Federal reserves or withdrawals within the Arctic Slope Region as established pursuant to section 7(a) of the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601) and shall be administered as part of the park.

Sec. 7. Management of Wilderness Areas.

The wilderness areas of the Nunamiut National Park established by this Act shall be managed in accordance with the provisions of the Wilderness Act of 1964 (78 Stat. 890; 16 U.S.C. 1131) and as provided as follows:

(a) The construction of roads, pipelines, transmission lines, communication towers, railroads, airfields, heliports, buildings of any kind, and the conduct of mining, mineral, gravel removal, oil or gas development are prohibited;

(b) The operation of all terrain vehicles, except snow machines in areas that the Secretary shall designate is prohibited;

(c) The landing of aircraft, except in areas that the Secretary shall designate or in the event of emergency, is prohibited;

(d) Hunting, trapping and the disturbance or removal of vegetation is prohibited;

(e) Sport fishing in accordance with the laws and regulations of the State of Alaska is permitted: *Provided,* That such fishing may be further restricted by regulations of the Secretary so as to insure against over use; and

(f) Recreational activities including hiking, skiing, mountain climbing, horseback riding, snow machine travel and other wilderness compatible activities that the Secretary shall determine are permitted in areas he shall designate for such purposes.

Sec. 8. Management of the Nunamiut Wildlands.

The Nunamiut Wildlands of the Nunamiut National Park including lands in title to the federal government, the village of Anaktuvuk Pass, the Nunamiut Corporation and the Arctic Slope Regional Corporation shall be managed by the terms of a management agreement acceptable to all parties concerned and in accordance with the following criteria:

(a) Hunting, fishing, trapping and the harvest of timber and vegetative products for sustenance, shelter, fuel and general livelihood shall be authorized for those people residing in the village of Anaktuvuk Pass and those people who may reside within a potential new village which the Inupiat people may establish in the vicinity of the Colville and Killik Rivers on lands selected by the Arctic Slope Regional Corporation pursuant to Section 12(c) of the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601): *Provided,* That hunting, fishing and trapping shall be in accordance with the laws and regulations of the State of Alaska;

(b) That the use of snowmobiles and dog teams throughout the Nunamiut Wildlands shall be permitted for the subsistence and travel purposes of the local residents, and by other persons pursuant to regulations of the Secretary;

(c) The location of aircraft landing areas shall be minimal and in accordance with the actual needs of village livelihood and recreational interests;

(d) The use of gravel taken from the lands of the village of Anaktuvuk Pass, the Nunamiut Corporation or the Arctic Slope Regional Corporation for community purposes shall not be restricted or abridged;

(e) Sport fishing by persons other than residents within the Nunamiut Wildlands shall also be permitted in accordance with the applicable laws and regulations of the State of Alaska: *Provided,* That such fishing may be further restricted by regulations of the Secretary so as to insure against overuse;

(f) Headquarters buildings and facilities for the Nunamiut National Park shall be located within the Nunamiut Wildlands in proximity to the village of Anaktuvuk Pass on lands that the Nunamiut Corporation or village of Anaktuvuk Pass shall lease to the Department of the Interior;

(g) Mutually acceptable plans shall be made for the improvement of health, water and sanitation facilities at the village of Anaktuvuk Pass;

(h) Plans for the location, design and construction of ranger stations, trail shelters, visitor and interpretative lodges and centers and other facilities within the Nunamiut Wildlands shall be made which will be compatible with park purposes, not detrimental to the subsistence hunting patterns and village livelihood concerns of the Nunamiut people and which will to the maximum extent possible and practicable utilize the capital investment potentials of the Arctic Slope Regional Corporation and the Nunamiut Corporation and such labor force as may be available among indigenous peoples; and

(i) No right of way, or road, railroad, pipeline, transmission line or other surface transportation system shall be permitted to be developed through Anaktuvuk Pass of the Brooks Range: *Provided,* That any potential oil or gas pipeline from oil or gas development north of the village of Anaktuvuk Pass on lands within the exterior boundary of the Nunamiut Wildlands shall be permitted to be constructed to provide service to the village of Anaktuvuk Pass, park facilities at Anaktuvuk Pass or to an Inupiat community along the Colville or Killik Rivers; and

(j) Feeder pipelines from oil or gas developments within the Nunamiut Wildlands joining a pipeline within the Prudhoe Bay-Valdez Pipeline Corridor or to any other transportation carrier of oil or gas located to the westward of the Nunamiut National Park or through Naval Petroleum Reserve No. 4, other lands of the United States or State of Alaska northward to the sea shall be permitted to be constructed: *Provided,* That such construction does not interfere with the migration of caribou, there are no roads or surface transportation facilities connected with such developments within the Nunamiut National Park: *Provided further,* That following the completed life time of such facilities they are completely removed and the surface lands restored as nearly as practicable to natural conditions;

(k) No mining for locatable minerals within the Nunamiut Wildlands shall be permitted except recreational gold panning; and

(1) Such other matters as may be mutually acceptable to all parties identified in this section.

Sec. 9. Federal and State Concurrent Jurisdiction.

Concurrent jurisdiction in all matters civil and criminal shall be exercised by the United States and the State of Alaska within the Nunamiut National Park: *Provided,* That the Secretary is authorized for practical reasons of law enforcement and justice to enter into an agreement with the State of Alaska as to the duties and responsibilities of Federal and State officials to carry out such matters.

Sec. 10. Taxation of Native Interests.

Interests in lands or facilities held or operated by the Arctic Slope Regional Corporation or the Nunamiut Corporation or revenues derived therefrom, which are determined by the Secretary to be beneficial and contributory to the operation, management and administration of the Nunamiut National Park shall not be subject to any form of Federal, State or local taxation.

Sec. 11. Establishment of Nunamiut Board of Commissioners.

(a) The Secretary shall establish in consultation and mutual accord with the Arctic Slope Regional Corporation and the Nunamiut Corporation and the village of Anaktuvuk Pass, a three person Board of Commissioners, mutually acceptable to all parties, whose duties and responsibilities shall be:

(1) To exercise review of the administration, management and development of the Nunamiut National Park, including the maintenance of wilderness integrity, the propriety of developments within the Nunamiut Wildlands, compliance with this Act, the promulgation of, and compliance with regulations adopted pursuant to this Act, the mediation of any disputes or misunderstandings between the Nunamiut people and government personnel, and such other matters as the concerned parties shall decide upon;

(2) To make recommendations to the Secretary and to the Congress on any or all matters concerned with park administration or management; and

(b) Members of the Board of Commissioners agreed to by all parties shall be appointed by the Secretary and shall be compensated as provided by the President at a rate not in excess of that provided for level V of the Executive Schedule in Title 5 United States Code, for such periods of time as their actual duties demand: *Provided,* That Commissioners shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of the Board of Commissioners: *Provided further,* That members of the Commission shall serve without time limitation but at the convenience of the Secretary, in cooperation with other parties concerned.

SEC. 12. REVIEW BY CONGRESS.

The Secretary shall submit to the Congress annual reports on the administration and management of the Nunamiut National Park.

SEC. 13. APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 14. PUBLICATION, VIOLATIONS OF PROVISIONS.

The Secretary is authorized to issue and publish in the Federal Register, pursuant to the Administrative Procedures Act, such regulations as may be necessary to carry out the purposes of this Act. Any person, association, partnership, or corporation who shall violate or fail to comply with any of the provisions of this Act or regulations adopted pursuant thereto shall be fined not more than $500.00, or be imprisoned for six months, or both, and shall pay indemnifications and damages for any land, water, wildlife or property damages.

SEC. 15. SAVING CLAUSE.

To the extent that there is a conflict between any provision of this Act and any other Federal laws applicable to Alaska, the provisions of this Act shall govern.

SEC. 16. SEPARABILITY.

If any provision of this Act or the applicability thereof is held invalid, the remainder of this Act shall not be affected thereby.

ELEMENTS OF NUNAMIUT NATIONAL PARK BILL

Section 1. Declares that both national and Native interests coincide within the park area and that the objectives of the bill may serve both the nation and the Native people.

Section 2. Description of exterior boundaries of park.

Section 3. Categorizes ownership of land (federal, Native, state and private parties) that would be included within the park and to set forth a framework of their overall jurisdiction. It further provides for purchase, land exchange and acquisition by other device.

Section 4. Classifies land into wilderness areas (Gates of the Arctic and Arrigetch Peaks) that would have restricted uses and into the Nunamuit Wildlands which would have permissive uses for the residents of the area but restricts the uses of others.

Section 5. Describes lands in the wilderness areas and the Nunamiut Wildlands.

Section 6. Excludes Native lands from federal title, but provides that such lands may be administered to attain the objectives of the park. Lands excluded include subsistence lands, allotments and oil and gas areas. The section further provides that oil and gas lands within the Nunamiut Wildlands may be developed, but after the development is concluded they would be returned to federal ownership in the natural condition by land exchange.

Section 7. Describes permitted and nonpermitted uses in wilderness areas.

Section 8. Describes permitted and nonpermitted uses in Nunamiut Wildlands. It also provides for a second Inupiat village, construction of park facilities on lands leased to the Department of the Interior by the Nunamiut Village Corporation, plans for health, water and sanitation at Anaktuvuk, and the use of local labor force for construction, maintenance and management of park facilities. The section excepts from the restricted uses of the Nunamiut Wildlands a pipeline that would serve the communities at Anaktuvuk and Killik. It further excepts pipelines that would traverse the wildlands in an easterly direction to the Prudhoe—Valdez corridor or in a northwesterly direction.

Section 9. Provides for concurrent federal and state jurisdiction. Allows for law enforcement agreement between them.

Section 10. Excludes from federal, state and local tax any lands, facilities or revenues determined by the Secretary to be necessary for operation of the park.

Section 11. Establishes a Nunamiut Board of Commissioners to be jointly determined by all parties and appointed by the Secretary. The Board would exercise administrative oversight of the Park's operations.

Section 12–16. Technical provisions.

By Mr. MANSFIELD:

S. 3600. A bill to stabilize the economy and mitigate the effects of inflation by providing for minimum annual increases in wages. Referred to the Committees on Banking, Housing and Urban Affairs and Labor and Public Welfare, by unanimous consent.

THE WAGE ADJUSTMENT ACT OF 1974

Mr. MANSFIELD. Mr. President, I introduce a bill entitled "The Wage Adjustment Act of 1974" and ask unanimous consent that it be referred simultaneously to the Committee on Banking, Housing and Urban Affairs and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Last week, Mr. President, on the Senate floor, I reminded the Senate of what every Senator knows only too well—that the No. 1 economic problem confronting this Nation and the world today is inflation. In Europe and Asia national inflation rates run from 15 to 30 percent. In the United States the most recent monthly inflation rate is 12.4 percent. For the first quarter of this year the inflation rate was 14.2 percent. For the most recent 12-month period the rate is 10.2 percent. Production in this country is declining at an annual rate of 6 percent. Wages are lagging behind prices for the 13th consecutive month. Workers' families have approximately 6 percent less to spend that a year ago. The stock market is in a steady decline. The interest rates are at record highs. As I said last week, if the present trend continues Americans will have to make twice what they are making today in 1980 just to keep even. But there are no solutions forthcoming.

I think it is time to put a primary focus on this most severe problem. I do hope, however, that it will provide a vehicle upon which a national dialog can commence so that this most pervasive national problem can be given the attention at the highest levels that it so rightly deserves.

The bill I have introduced today would require every employer whose employees are presently covered by the social security laws to give that employee a cost-of-living increase each year comparable to the Government-determined inflation rate for the previous 12 months. Presently there are approximately 5.4 million organized workers who have contract provisions for a cost-of-living increase. However, there are 85 million other workers in the United States and they, too, are affected by inflation. It was through the social security definition that I felt we could reach the work force we hope to cover.

At present these is a cost-of-living increase for social security beneficiaries and Government pensioners. Provisions of this bill would also include a cost-of-living increase and adjustment in the minimum wage.

I had contemplated including a similar indexing and cost-of-living increase in U.S. Government savings bonds and Government securities. I think that this would be a mechanism whereby there would be an inflation-free return of principal on these Government securities. It was my thought that this feature would provide a source of investment for private pension funds or other people who would rely upon the fixed income to have a similar compensation for an inflationary rate. However, I think such a provision would under the existing climate offer such an attractive investment that it would dry up the already almost nonexistent available funds in the marketplace and add to our economic woes rather than solve them. I believe it is almost impossible now to get mortgage money and as a result homebuilding is grinding to a halt and aggravating the economic ills of this country.

For this reason, I deferred inclusion of such a provision in this bill.

There have been other bills introduced. Senator BUCKLEY has introduced a bill which would adjust the tax rate to compensate for a rise in inflation thereby providing a comparable spending income to those who pay taxes. I think that that approach should be considered along with this particular approach so that our energies can be devoted to this most serious and potentially disastrous nation and worldwide problem. I am hopeful that the appropriate committees—Banking, Housing and Urban Affairs, the Labor Committee, and perhaps the Joint Economic Committee—can give this proposal immediate consideration and hopefully it can provide the vehicle for a most needed national dialog.

In conclusion, Mr. President, may I say that the bill I am introducing today is not offered as a panacea, but only as a base from which other thinking can develop and, perhaps, some cures for inflation found.

I ask unanimous consent that the text of the bill and the statement I made in the Senate on May 30 be inserted at the conclusion of my remarks.

There being no objection, the text of the bill and the statement were ordered to be printed in the RECORD, as follows:

S. 3600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Wages Adjustment Act".

ANNUAL WAGE INCREASE

SEC. 2. Each employer shall increase the wages of each individual employed by him not less frequently than annually by a percentage at least equal to the percentage by which the price index for the most recently ended calendar year exceeds the price index for the base period. Each employer shall increase the minimum rate of pay for each position in which a vacancy occurs at the same time and in the same amount as that rate of pay would have been increased if no vacancy had occurred in that position.

(b) Notwithstanding any other provision of law, as soon after the close of each calendar year as the necessary data becomes available from the Bureau of Labor Statistics of the Department of Labor, the President shall increase the rates of pay set forth in subchapter II and subchapter III of chapter 53 of title 5, United States Code, and in any other law of the United States other than section 102 of title 3, United States Code, by the percentage by which the price index for the most recently ended calendar year exceeds the price index for the base period. Each amount increased under this subsection shall be the amount in effect under such subchapter or other law until the rate is changed under this section or otherwise increased.

(c) For purposes of this section the term—

(1) "base period" means the calendar year 1973;

(2) "price index" means the average over the base period or over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics of the Department of Labor;

(3) "employer" means any person engaged in activity in or affecting interstate commerce and liable for the payment of the tax imposed under section 3111 of the Internal Revenue Code of 1954 (relating to rate of tax on employers) or who would be liable for such tax if no provision of paragraphs (1) through (19) of section 3121 (b) of such Code (relating to definition of employment) applied to him; and

(4) "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash.

OTHER ADJUSTMENTS

SEC. 3. The President shall issue such rules and regulations as may be necessary—

(1) to provide for the passthrough of cost increases incurred by any person who is subject to any maximum limitation on prices or other similar transfers in complying with the provisions of section 2; and

(2) to provide for the effective administration and enforcement of this Act.

ADJUSTMENT IN THE MINIMUM WAGE

SEC. 4. In addition to any other increase in the minimum wage under section 6 of the Fair Labor Standards Act of 1938 provided for by law, the President shall annually issue an order effective January 1 of each year increasing the minimum wage by the same percentage by which wages are increased under section 2, rounded to the next highest multiple of 5 cents.

WAGE AND SALARY CONTROLS

SEC. 5. If the President or any other officer of the Federal Government, acting pursuant to authority under an Act of Congress, issues an order or regulation stabilizing wages in the private sector, he shall include in such order or regulation a provision whereby the stabilized wage levels shall be subject to periodic adjustments to reflect changes in the cost of living as required by section 2.

INJUNCTIONS

SEC. 6. Whenever it appears to the President that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation under this Act, he may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any such order or regulation.

SUITS FOR DAMAGES OR OTHER RELIEF

SEC. 7. (a) Any person suffering legal wrong because of any act or practice arising out of violation of this Act, or any order or regulation issued pursuant thereto, may bring an action in any district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment, writ of injunction, or damages.

(b) In any action brought under subsection (a) against any employer who is found to have failed to increase the plaintiff's wage under section 2, the court may, in its discretion, award the plaintiff reasonable attorney's fees and costs, plus whichever of the following sums is greater:

(1) an amount not more than three times the amount of the increase upon which the action is based, or

(2) not less than $100 or more than $1,000; except that in any case where the defendant establishes that his action was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to the avoidance of such error the liability of the defendant shall be limited to the amount of the increase.

INFLATION

Mr. MANSFIELD. Mr. President, inflation is the No. 1 economic problem confronting this Nation and the world today.

Inflation was not caused by Watergate; it is worldwide.

Offhand, the inflation figures for the United Kingdom, as I recall them, is around 15 percent; France, 18 percent; Denmark, 25 to 30 percent; Japan, around 25 percent, and so forth.

In the United States:

Inflation is around 12 percent;

Production is declining around 6 percent;

Wages are lagging behind prices for the 13th consecutive months;

Workers' families have approximately 6 percent less to spend than a year ago;

The stock market is down;

Prime interest rates are up to 1¾ percent.

If present trends continue, we will have to make twice as much in 1980 as we are making today, just to keep even.

What are we doing about the situation? The answer is nothing.

That applies to Congress and the executive branch of the Government.

What is the answer? I do not know definitively but I believe consideration should be given to a proposal known as indexing. It would provide for annual adjustments to reflect increases in the cost of living. The basis for adjustments would be the cost of living index.

It has been estimated that taking all social security payments into consideration, about 50 million Americans have incomes directly tied to the Consumer Price Index, and the increases are automatic as the cost of living goes up.

Add wage escalator agreements in union contracts now in being and they cover, as I understand it, around 5 million workers. Furthermore, almost every new wage agreement covers this particular escalator clause at the present time. Add Government pensioners, both civilian and military, and that must include several million more who are "indexed."

Will it stop inflation? I do not know, but it will at least allow millions to keep even. If we cannot stop or reduce inflation—and the Government, the administration and the Congress, are unwilling to do so—then let us try this proposal and at least endeavor to keep even.

It is my intention, Mr. President, some time next week, to introduce legislation seeking to establish an index on wages and salaries so that something at least can be attempted to bring about a halt or at least an alleviation to the high cost of living which is rampant throughout the Nation and throughout the world today.

Mr. ALLEN. Mr. President, will the Senator yield to me after the distinguished minority leader has spoken?

Mr. MANSFIELD. I will be glad to yield now, on my time.

Mr. ALLEN. I thank the Senator very much.

I should like to ask the distinguished majority leader if it would not also be helpful in the battle against inflation to balance the Federal budget?

Mr. MANSFIELD. It certainly would.

Mr. ALLEN. Are any efforts being made in that regard by the Congress?

Mr. MANSFIELD. By neither the Congress nor the administration. We are both to blame, I think, in large part, for the fix in which we find ourselves today.

The only stabilizing element is, in my opinion, the Federal Reserve Bank where Arthur Burns is trying to do a job and has been a Cassandra for months trying to warn us that something must be done before the economic condition of the country breaks down and becomes more horrible than it is now.

Mr. ALLEN. Does the Senator think there is any possibility of balancing the Federal budget for the next fiscal year, starting in July?

Mr. MANSFIELD. I would not say. That would be up to Congress and the administration.

I would point out, so far as Congress is concerned, in the first 4 years of the present administration, if my memory serves me correctly, that we reduced the requests of the President by about $22 billion to $23 billion. During that period, the deficit was increasing, conservatively speaking, by $100 billion. The House just the other day, by a one-vote margin, passed a substantial increase in the debt limit, which is now approaching the $500 billion mark.

By Mr. BENTSEN:

S. 3601. A bill to amend the Urban Mass Transportation Act of 1964. Referred to the Committee on Banking, Housing and Urban Affairs.

THE URBAN PUBLIC TRANSPORTATION ASSISTANCE ACT OF 1974

Mr. BENTSEN. Mr. President, I am today introducing the Urban Public Transportation Assistance Act of 1974.

During the last 3 months, the Subcommittee on Transportation, which I have the privilege to chair, has conducted a series of nationwide hearings on "Transportation Planning and Priorities for the Seventies."

In the hearings, we have received testimony from mayors, State transportation departments, transportation planners, contractors, environmental groups, and private citizens concerning the future of our transportation system.

The legislation I introduce today is an outgrowth of those hearings. It is directed to our needs in bus and rail mass transit over the next several years. In the next weeks, I will be discussing separate highway legislation, in the Transportation Subcommittee and members will consider a broad range of measures, including the administration's Unified Transportation Assistance Act.

The legislation I introduce today may well be broadened and refined, but it represents a direction in which I believe we should be moving, based on the testimony we received from over 50 witnesses during many weeks of hearings.

We asked our witnesses to address the most serious issues confronting us in highway and transit legislation. Specifically, we asked them to comment on the following issues:

First. Should highway and transit funds be combined in a single transportation fund?

Second. What formula should we use to distribute funds to the States and to the urbanized areas?

Third. Should cities with existing transit systems to be treated differently from other cities which have only begun to plan their systems?

Fourth. What should be the level of Federal support? and,

Fifth. Who should administer transportation funds, the States or the localities?

The bill I offer today represents a distillation of the views we received. It is an attempt to reconcile different points of view and to provide the transit assistance we sorely need.

One of the principal questions we confronted was whether to establish a single, unified transportation fund. The prevailing view, among witnesses representing both transit and highways, is that a single fund does not represent the most efficient and effective means of providing support to all forms of transportation. Alan Kiepper, the general manager of the Metropolitan Atlanta Regional Transit Authority, expressed it this way:

> The Administration's proposal requires competition between highway and transit projects for certain funds. This can result in useless, time-consuming and costly disputes over funds that are inadequate to meet the needs, no matter which side wins.

Similar views were expressed by the Colorado contractors and other groups generally associated with highway construction. With a limited amount of available funds, the belief was expressed that the proper emphasis on transit can best be accomplished by separate and, most significantly, adequate funding for transit projects.

Another question receiving considerable attention involved operating subsidies for transit systems.

Many of our cities find themselves in a vicious circle, with transit deficits leading to increased fares, which in turn lead to a reduction in ridership, which diminishes transit revenues. The net result has been that urban mass transit has been in a state of decline since the 1940's. Even the recent spurt in ridership because of the energy shortages seems to be slacking off, as the growing availability of gasoline sends more people back to their private cars.

It is obvious to me that the Federal Government has a role in supporting local transit systems with some form of operating assistance; the question was how do we support local transit while insuring that Federal funds are not poured into constantly deteriorating systems?

Although most of the witnesses recognized the urgency of some form of subsidy for transit systems, there was general agreement that some protection should be written into Federal law to encourage localities to make their transit systems more efficient and to maintain the level of local support. John Dyer, the director of the Miami-Dade County Rapid Transit System told the subcommittee:

> Two alternatives are advanced as possible standards which could be applied to the issue of operating subsidies. First, a maintenance of effort provision should be contained in legislation so that those metropolitan areas and states are now providing subsidies would be required to do so at their present level of effort . . . . At the same time, however, legislation could be developed which would set a ceiling on the amount of subsidy in terms of the ratio of subsidy to the total operating costs of the transit system.

The bill I offer today provides that a ceiling of 50 percent of the total funds allocated to all urbanized areas may be available for operating subsidies. It further instructs the Secretary of Transportation to issue regulations regarding maintenance of effort and requirements for improving the efficiency of transit systems. To avoid excessive reliance on Federal subsidy, the Federal matching share for subsidies is set at 50 percent, as opposed to the 80 percent for capital grants.

Then, there is a serious question concerning how to distribute the funds fairly among the States and the major urbanized areas. The major transit needs are in the most populous metropolitan areas; however, substantial needs for transit assistance can also be found in medium sized cities and even in some smaller urban areas that are experimenting with bus service, dial-a-ride, and other transit innovations.

The purpose of the distribution formula in the bill is to give considerable recognition to the larger cities which have the greatest needs, and which, in many cases, have moved aggressively with local money to solve their transportation problems. At the same time, the formula does not shut out cities who may be in the early stages of planning from receiving their fair share of available funds.

There are some 248 urbanized areas over 50,000 inhabitants, and 32 of these areas exceed 750,000 in population. These 32 areas have a combined population of 76 million people. The formula provides them with 70 percent of the funds, in recognition of their needs and the efforts they have made in transit thus far.

In addition, the 32 areas include all of the cities now having rail systems or those which are committed to having such systems in operation. I considered and rejected plans which would have set aside the cities with rail in a category of their own. In the first place, such a distribution could effectively isolate these cities in a special group without the possibility of other cities being able to qualify for inclusion. Moreover, if the special category were left open to new cities, it might well create a situation in which cities could be encouraged to go to rail systems when other systems might be substantially more efficient and cost effective.

Under the first category in the bill, the funds would be distributed to the localities directly, as in the present UMTA legislation; under the second category, the Governors would administer the funds, except that urbanized areas of over 200,000 in population would receive their proportional share of the funds by formula, an earmarking process similar to that used in the 1973 Federal Aid Highway Act.

In the bill, there is also a discretionary fund including 10 percent of the total available funds in the hands of the Secretary. The discretionary fund can be used for either operating expenses or capital expenditures and would go, in part, to those areas having special transit needs. Priority in the distribution of these funds would go to those areas which have made progress in increasing the percentage of people using transit facilities. The objective is for the cities to make efforts to move people out of their automobiles and into attractive and efficient alternatives. I believe that providing incentives to the cities to make transit more acceptable to citizens formerly using private cars, is the proper way to encourage broader use of transit throughout the country.

As I indicated, the advantage of this tripartite distribution is that it recognizes that some cities have made special efforts in transit and have special needs, while it also allows other cities developing new transit systems to have a fair share of the funds

The bill provides some $17.5 billion or approximately $3.5 billion per year over the next 5 years for both capital expenditures and operating expenses, $14.4 billion of which is new money. The subcommittee received a variety of estimates on the need for transit funds, but the most commonly accepted figure, and the one I believe represents a feasible level of expenditure, was $2.5 billion a year in capital expenditures and $1 billion a year in operating expenses, a figure advanced by the American Transit Association and the Institute of Rapid Transit. The bill I introduce today does not break down the available funds in precisely that manner, but it includes approximately the same level of total expenditures.

Mr. President, let me make just a few general comments.

For many years now, Americans have taken their transportation system largely for granted. We seemed to have an endless supply of gasoline, manageable environmental problems, and a transportation system superior to any other nation in the world.

That is no longer the case.

We have realized that our supply of gasoline is finite and often unpredictable. Our bus and rail mass transit systems are failing; over 250 of them have gone into bankruptcy. The price of fuel jumped over 19 percent in a single month last year, and record numbers of Americans either stopped buying automobiles or looked at their larger cars with a new sense of doubt.

All of these incidents brought home to us the recognition of how vulnerable our transportation is, and, for the first time, we began to ask basic questions about transportation that should have been asked years ago.

I believe that transportation will become one of the major issues of the seventies, as more and more Americans ask serious questions about how often they travel, what type of transportation they will use, and how they will get to work.

This bill is one effort to help achieve that elusive goal of a balanced transportation system. I believe we must allocate the resources necessary to put urban transportation back on its feet, to encourage the growth of attractive, efficient alternatives to the automobile.

This bill calls for a serious commitment of our resources to that task.

At this point, I ask unanimous consent to include in the RECORD a fact sheet detailing the principal points in the bill and the text of the Urban Public Transportation Assistance Act of 1974.

There being no objection, the fact sheet and bill were ordered to be printed in the RECORD, as follows:

FACT SHEET—THE URBAN PUBLIC TRANSPORTATION ASSISTANCE ACT OF 1974

TOTAL FUNDING

$17.5 billion over five years, $14.4 billion of which is new money.

DISTRIBUTION AND USE OF FUNDS

A three way division of funds is included in the bill as follows:

1. Urbanized areas of over 750,000 in population—

A. 70% of the total available funds are allocated to these areas.

B. Not to exceed 50% of the funds for these areas may be used for operating expenses.

C. The Federal share of operating expenses shall not exceed 50%; for capital expenditures 80%.

D. The distribution is directly from the Secretary to the urbanized areas, not to the States.

E. Approval is on a project-by-project basis as in the present UMTA program, not on a formula distribution.

2. Other urbanized areas with a population exceeding 50,000—

A. 20% of the total available funds are allocated to these areas.

B. Not to exceed 50% of the funds for these areas may be used for operating expenses.

C. The Federal share for operating expenses shall not exceed 50%; for capital expenditures, 80%.

D. The distribution is from the Secretary to the Governors of the States, except that urbanized areas over 200,000 in population receive earmarked funds based on the ratio of their population to the total population of all the urbanized areas in the State.

E. Each State is entitled to receive an amount equal to the ratio that the urbanized areas of over 50,000 in the State bears to the total population of all such urbanized areas in all the States, except that no State shall receive less than ⅓ of 1% of the funds allocated under this section.

3. Discretionary funds to be distributed by the Secretary—

A. 10% of the total available funds are to be held by the Secretary in a discretionary fund.

B. The discretionary fund may be used for either capital expenditures or operating expenses.

C. The distribution is from the Secretary to the urbanized areas, except that priority in the distribution of these funds shall go to urbanized areas which increase the share of total trips in the area taken by transit passengers.

D. The Secretary shall conduct a yearly review to determine the information required under (C) above.

S. 3601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Public Transportation Assistance Act of 1974".

FINDINGS

SEC. 2. The Congress finds that—

(1) more than 70 per centum of the Nation's population lives in urban areas;

(2) transportation is the lifeblood of an urbanized society and the health and welfare of that society depends upon the provision of efficient economical and convenient transportation within and between its urban areas;

(3) for many years the mass transportation industry satisfied the transportation needs of the urban areas of the country capably and profitably;

(4) in recent years the maintenance of even minimal mass transportation service in urban areas has become so financially burdensome as to threaten the continuation of this essential public service;

(5) the termination of such service or the continued increase in its cost to the user is undesirable and may have a particularly serious adverse effect upon the welfare of a substantial number of lower income persons;

(6) some urban areas are now making preliminary plans for, or are actually carrying out, comprehensive projects to revitalize their mass transportation operations;

(7) immediate substantial Federal assistance is needed to enable many mass transportation systems to continue to provide vital service; and

(8) long-range capital improvements programs with adequate Federal support are necessary to implement the construction and modification of transit systems.

URBAN PUBLIC TRANSIT

SEC. 3. (a) Section 5 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"URBAN PUBLIC TRANSIT PROGRAM

"SEC. 5. (a) As used in this section—

"(1) the term 'Governor' means the Governor, or his designate, of any one of the 50 States or of Puerto Rico, and the Mayor of the District of Columbia; and

"(2) the term 'urbanized area' means an area so designated by the Bureau of the Census, within boundaries which shall be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary, which shall at a minimum, in the case of any such area, encompass the entire urbanized area within the State as designated by the Bureau of the Census, and which has a population of at least 50,000.

"(b)(1) Of the amounts available under section 4(c) for any fiscal year beginning after the date of enactment of the Urban Mass Transportation Assistance Act of 1974, 70 per centum shall be available to the Secretary for grants to eligible applicants in urbanized areas which have populations in excess of 750,000. Grants under this subsection shall be made on a fair and equitable basis and on such terms and conditions as the Secretary may prescribe in accordance with the provisions of subsections (e) through (g) of this section, subsection (m) of this section, and section 4(a).

"(2) Of the amounts available for grants under this subsection in any fiscal year, not to exceed 50 per centum shall be available for grants for operating expenses.

"(c)(1) of the amounts available under section 4(c) for any fiscal year beginning after the date of enactment of the Urban Mass Transportation Assistance Act of 1974, 20 per centum shall be available to the Secretary for apportionment to the States in accordance with the provisions of this subsection for use in urbanized areas (other than urbanized areas eligible for assistance under subsection (b)) in accordance with the provisions of this section and section 4(a).

"(2) The Secretary, under regulations prescribed by him, shall apportion the sums available under this subsection for any fiscal year for use in urbanized areas with populations of 750,000 or less in the several States under a formula by which each State will be entitled to receive an amount equal to the product of the total amount available for apportionment multiplied by the ratio which the population of such urbanized areas within such State bears to the total population of all such urbanized areas in all the States as determined by the latest available Federal census, except that no State shall receive an entitlement which is less than one-third of 1 per centum of the total amount so apportioned.

"(3) The funds apportioned to any State under paragraph (2) of subsection (c) of this section that are attributable to urbanized areas of 200,000 population or more shall be made available for expenditures in such urbanized areas in accordance with a formula which entitles such area to receive an amount equal to the product of the total amount of that State's apportionment determined under paragraph (2) multiplied by the ratio which the population of such urbanized area or part thereof bears to the total population of all the urbanized areas in that State having populations of 750,000 or less.

"(4) Any amounts which are not subject to the entitlement formula set forth in paragraph (3) shall be allocated by the Governor on a fair and equitable basis to eligible applicants in urbanized areas within the State having populations of less than 750,000 for projects which meet the requirements of subsection (m), for a period of two years after the close of the fiscal year for which such sums are allocated and any amounts remaining unobligated at the end of such period shall be recovered to the Treasury of the United States.

"(5) Of the amounts available for the purpose of this subsection, not to exceed 50 per centum shall be available for grants for operating subsidies.

"(d) Of the amounts available under section 4(c) for any fiscal year beginning after the date of enactment of the Urban Mass Transportation Assistance Act of 1974, 10 per centum shall be available to the Secretary as a discretionary fund to meet the special needs of any mass transportation system serving any urbanized area. In making grants under this subsection the Secretary shall give a priority to those urbanized areas which demonstrate an increase in the ratio of mass transportation ridership to total trips taken in such areas by all forms of transportation.

"(1) Uniform reporting procedures shall be developed by the Secretary and utilized by urbanized areas to determine the ridership information required in subsection (d).

"(e)(1) The Secretary may approve for assistance under this section, on such terms and conditions as he may prescribe, (A) the acquisition, construction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service, and (B) the payment of operating expenses to improve or to continue such service.

"(2) The Secretary shall issue such regulations as he deems necessary to administer this subsection and subsection (f), including regulations regarding maintenance of effort by States, local governments, and local public bodies, the appropriate definition of operating expenses, and requirements for improving the efficiency of transit services.

"(f)(1) The Federal share payable under subsection (e)(1)(B) shall not exceed 50 per centum of the cost of the project. The remainder of the cost of the project shall be provided from sources other than Federal funds. Federal funds available for expenditure for mass transportation operating expenses under this section shall be supplementary to and not in substitution for the average amount of State and local government funds and other revenues expended on the operation of mass transportation service in the area involved for the two fiscal years preceding the fiscal year for which the funds are made available; but nothing in this sentence shall be construed as preventing State or local tax revenues which are used for the operation of mass transportation service in the area involved from being credited (to the extent necessary) toward the non-Federal share of the cost of the project for purposes of the preceding sentence. The Secretary is authorized to make such adjustments in any grant for operating expenses as may be necessary to assist and encourage the establishment and maintenance of fare structures which make special provision for elderly persons, non-peak hours service, or other special circumstances.

"(2) The Federal share payable under section (e)(1)(A) shall be determined under section 4(a).

"(g)(1) As soon as practicable after the allocation pursuant to subsection (c) has been made for any fiscal year, any applicant desiring to avail himself of the benefits of this section shall submit to the Secretary for his approval a program, or programs, of proposed projects for the utilization of the funds authorized. The Secretary shall act upon programs submitted to him as soon as practicable, and he may approve a program in whole or in part.

"(2) An applicant for assistance under this section (other than a Governor) shall submit the program or programs to the Governor of the State affected, concurrently with submission to the Secretary. If within 30 days thereafter the Governor submits comments to the Secretary, the Secretary shall consider such comments before taking final action on the program or programs.

"(h)(1) An applicant shall submit to the Secretary for his approval such surveys, plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such surveys, plans, specifications, and estimates as soon as practicable after they are submitted, and his approval of any such projects shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"(2) In approving the plans, specification, and estimates for any proposed project under this section, the Secretary shall assure that possible adverse economic, social, and environmental effects relating to the proposed project have been fully considered in developing the project, and that the final decisions on the project are made in the best overall public interest, taking into consideration the need for fast, safe, and efficient transportation, public services, and conservation of environment and natural resources, and the costs of eliminating or minimizing any such adverse effects, including—

"(A) air, noise, and water pollution;

"(B) destruction or disruption of man-made and natural resources, aesthetic values, community cohesion, and the availability of public facilities and services;

"(C) adverse employment effects, and tax and property value losses;

"(D) injurious displacement of people, businesses, and farms; and

"(E) disruption of desirable community and regional growth.

"(i) Upon submission for approval of a proposed project under this section, the applicant shall certify to the Secretary that it has conducted public hearings (or has afforded the opportunity for such hearings) and that these hearings included (or were scheduled to include) consideration of the economic and social effects of such project, its impact on the environment, including requirements under the Clean Air Act, the Federal Water Pollution Control Act, and other applicable Federal environmental statutes, and its consistency with the goals and objectives of such urban planning as has been promulgated by the community. Such certification shall be accompanied by (1) a report which indicates the consideration given to the economic, social, environmental, and other effects of the proposed project, including, for construction projects, the effects of its location or design, and the consideration given to the various alternatives which were raised during the hearing or which were otherwise considered, and (2) upon the Secretary's request, a copy of the transcript of the hearings.

"(j) (1) The Secretary may discharge any of his responsibilities under this section with respect to a project under this section upon the request of any applicant by accepting a certification by the applicant, if he finds that such project will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this section.

"(2) The Secretary shall make a final inspection or review of each such project upon its completion and shall require an adequate report of its estimated and actual cost, as well as such other information as he determines to be necessary.

"(3) The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this subsection.

"(4) Acceptance by the Secretary of a certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"(5) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), section 4 (f) of the Department of Transportation Act (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d) et seq.), title VIII of the Act of April 11, 1968 (Public Law 90–284, 42 U.S.C. 3601 et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

"(k)(1) As soon as practicable after the plans, specifications, and estimates for a specific project under this section have been approved, the Secretary shall enter into a formal project agreement with the applicant. Such project agreement shall make provision for non-Federal funds required for the State's or other recipient's share of the cost of the project.

"(2) The Secretary may rely upon representations made by the applicant with respect to the arrangements or agreements made by the Governor or the other recipient where a part of the project involved is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

"(l)(1) The Secretary may in his discretion, from time to time as the work progresses, make payments to the applicant for costs of construction incurred by him or it on a project. Such payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payments plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project. Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an offsite location the materials cannot be stockpiled in such vicinity.

"(2) After completion of a project in accordance with the plans and specifications, and approval of the final voucher by the Secretary, an applicant shall be entitled to payment out of the sums apportioned to him of the unpaid balance of the Federal share payable on account of such project.

"(3) No payment shall be made under this section except for a project covered by a project agreement.

"(4) Such payments shall be made to such official or officials or depository as may be designated by the Governor or other recipient of the urbanized area and authorized under the laws of the State to receive public funds of the State.

"(m) The Secretary shall not approve any project under this section unless he finds that such project is based upon and consistent with a continuing comprehensive transportation planning process carried on cooperatively by the State and the governing bodies of local communities in conformance with the objectives of section 134(a) of title 23, United States Code, and is necessary for the sound, economic and desirable development of such area. A project under this section may not be undertaken unless the responsible public officials of the urbanized area in which the project is located have been consulted and, except for projects solely to pay operating expenses, their views considered with respect to the corridor, location, and design of the project.

"(n)(1) The provisions of section 13(c) and section 3(e)(4) shall apply in carrying out mass transportation projects under this section.

"(2) The provision of assistance under this section shall not be construed as bringing within the application of chapter 15 of title 5, United States Code, any nonsupervisory employee of an urban mass transportation system (or of any other agency or entity performing related functions) to whom such chapter is otherwise inapplicable.

"(o) The Secretary shall report annually to the Congress with respect to the effectiveness of the allocation of funds under this section and shall include in such report detailed information, based on annual surveys carried out for the purpose of establishing eligibility for assistance under subsection (d), relating to the ridership ratios of all recipients."

(b) Section 4(a) of such Act is amended by striking out "Except as specified in section 5, no" and inserting in lieu thereof "No".

INCREASE IN BASIC ASSISTANCE AUTHORITY

SEC. 4. (a) The first sentence of section 4(c) of the Urban Mass Transportation Act of 1964 is amended by striking out $6,100,000,000" and inserting in lieu thereof "$23,000,000,000".

(b) The third sentence of section 4(c) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out all that follows "which amount may be increased"; and

(2) by inserting in lieu thereof "to not to exceed an aggregate of $310,000,000 prior to July 1, 1972, not to exceed an aggregate of $710,000,000 prior to July 1, 1973, not to exceed an aggregate of $1,260,000,000 prior to July 1, 1974, not to exceed an aggregate of $3,260,000,000 prior to July 1, 1975, not to exceed $5,260,000,000 prior to July 1, 1976, not to exceed and aggregate of $7,260,000,000 prior to July 1, 1977, and not to exceed $9,260,000,000 prior to July 1, 1978, not to exceed $11,260,000,000 prior to July 1, 1979, and not to exceed an aggregate of $20,500,000,000 thereafter."

By Mr. PERCY:

S. 3603. A bill to repeal the no-knock laws. Referred to the Committee on the Judiciary.

Mr. PERCY. Mr. President, the central premise underlying all forms of constitu-

tional government, our own in particular, is the limitation on the right of the Government to act in certain areas or in certain ways. This notion of limited government evolved over many years in Europe before it was adopted on this side of the Atlantic. It was made a cornerstone of the U.S. Constitution after being a hotly contested issue in our war of independence, and then only after extensive discussion and debate at the Constitutional Convention.

One of the signal advances made in the original Constitution was the specific restriction placed on Government authority to search persons and their effects and to seize private property. The fourth amendment of the Constitution specifically provides:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Such limitations on governmental authority are rather rare in all of recorded history. They should be treasured. They should not be taken for granted.

The right to be free from unreasonable searches and seizures—along with the first amendment rights of speech, assembly, and religion—has long been considered part of the bedrock of our constitutional system. Without these rights, all other constitutional guarantees seem empty.

A further bulwark against governmental tyranny—the doctrine of the separation of powers—was enshrined in the Constitution as a means of preventing any one individual or any branch of government from gaining and consolidating the kind of absolute power that the colonists had suffered under before the Revolution. But it was understood that a mere clash of political interests was no guarantee of individual liberty. If the Government as a whole has absolute power to regulate and control the most private spheres of conduct, then any division of this authority among the branches of government only serves to separate powers that are ultimately all-encompassing. It was this that the Founding Fathers sought specifically to preclude for forbidding Government activity under certain circumstances and by recognizing certain individual rights which were to be secure against all the world.

Over the years, the U.S. Supreme Court, the final arbiter of constitutional questions under our political system, has remained faithful to this basic tenet: while checks and balances do operate to moderate the exercise of official power, the rigid restrictions on all governmental actions written into the Constitution must be closely adhered to. It has given certain rights of citizens a preferred status. With regard to fourth amendment safeguards, the Court has gone so far as to hold that all evidence seized in an unconstitutional fashion is tainted and is to be excluded in Federal (*Weeks v. United States*, 232 U.S. 383 (1941), and State (*Mapp v. Ohio*, 367 U.S. 643 (1961)) criminal proceedings. This is a drastic course, to be sure. But the Court felt that only by operation of a rigid exclusionary rule could the rights of the many be protected from the excesses of the few.

In recent years, no doubt in reaction to the distressing increase in violent crime in the United States, the Congress and the executive branch have begun to take our hard won fourth amendment rights for granted. A prime example of this trend involved enactment of the Comprehensive Drug Abuse Prevention and Control Act of 1970. This statute was designed to dramatically expand the Federal Government's role in combating the cancer of drug abuse. Included in that legislation was a provision known as the Federal no-knock statute, 21 U.S.C. 879.

The no-knock provision is applicable only to searches by Federal narcotics officers enforcing Federal drug laws. The law permits unannounced forcible entries by authorized Federal narcotics agents pursuant to a "search warrant relating to offenses involving controlled substances the penalty for which is imprisonment for more than one year." In order to obtain such a warrant, a judge or a U.S. magistrate must decide that there is probable cause to believe that the material sought may be easily or quickly destroyed if advance notice is given or that such warning would endanger the life or safety of the executing officer or other persons. These no-knock warrants must specifically state that no advance notice is required.

Increasingly, reports in the news media point to an upsurge in the violation of the fourth amendment rights of innocent individuals by drug agents at all levels since passage of the Federal no-knock law. At the same time, there is a growing recognition that no-knock entries are generally not an effective law enforcement tool, and certainly not as effective as intended when the provision was enacted.

In the District of Columbia, where an even broader no-knock statute is in effect, police officials unilaterally decided over 2 years ago that the exercise of the no-knock authority is too dangerous under present circumstances. Mr. Geoffrey Alprin, chief lawyer for the police department in Washington, D.C. has stated that in a no-knock search ". . . there might be a shoot out. That's not what we want." He went on to say, "It's most effective from a safety viewpoint to announce who we are," adding, "generally, we don't need no-knock."

Capt. Charles Light of the police morals division in Washington, D.C., has emphasized that while the police had originally requested no-knock warrants, "after weighing all the facts, we decided not to." He explained that unannounced entry "adds to the risk factor to officers involved and to the occupant. We'd prefer to go there as known police officers with a barricade team."

In 1970, I voted for the Comprehensive Drug Abuse Prevention and Control Act in spite of the fact that it contained the potentially dangerous Federal no-knock provision. I felt that the positive purposes of that law outweighed its more questionable provisions. But the dangers and abuses that were predicted by some Senators have unhappily come to pass over the last few years. Mistaken drug raids by Federal officers have unfortunately taken place across the country with an alarming frequency. Narcotics agents have sometimes used police state tactics in making unannounced and unlawful entries into the dwellings of decent, law-abiding citizens. A simple, but familiar pattern has emerged in these raids. Overly eager agents, suspecting that drugs are hidden in a home, decide to dispense with the warrant provisions of the no-knock law, and the command of the fourth amendment. Alternatively, they seek a special no-knock search warrant and then alter the address as circumstances dictate.

The widely publicized mistaken drug raids that occurred in Collinsville, Ill., in April 1973, represent perhaps the most notorious example of this official lawlessness.

On the evening of April 23, teams of Federal and local narcotics officers raided the homes of the Herbert Giglottos and the Donald Askews. Unidentified and unannounced, the drug agents entered these homes in commando-raid fashion with weapons drawn. Both families looked on in terror as the agents made a futile search for supposedly large caches of illicit drugs. Only after the officers were completely satisfied that no drugs were to be found at these addresses did they realize that they had raided the wrong homes. At this point the agents simply departed into the night.

Such incidents are not uncommon. They have occurred across the Nation. Some have involved death and serious personal injury to dedicated officers and innocent home dwellers alike. Too often, even well-meaning agents dispense with the warrant requirements of the Federal no-knock statute for reasons of convenience. Sometimes they alter the address on a warrant rather than obtain a new one as the law requires.

Individual instances of drug agents trampling constitutionally guaranteed rights are alarming, but continuing systematic behavior along these lines is profoundly disturbing and calls for immediate remedial action. If allowed to spread, a callous disregard for the rights of some citizens in the name of law and order could risk a severe public backlash against the concept of strict law enforcement. Justice William Brennan stated this argument well in *Miller* v. *United States*, 357 U.S. 301 at 313 (1958):

> We are duly mindful of the reliance that society must place for achieving law and order upon the enforcing agencies of the criminal law. But insistence on observance by law enforcement officers of traditional fair procedural requirements is, from the long point of view, best calculated to contribute to that end. However much in a particular case insistence upon such rules may appear as a technicality that inures to the benefit of a guilty person, the history of the criminal law proves that tolerance of short-cut methods in law enforcement impairs its enduring effectiveness.

Mr. President, today I am introducing legislation which will repeal the Federal no-knock provision as well as the no-knock authority found in the District of Columbia Code. This bill is designed to do more than merely repeal now-existing statutory authority. It makes clear that in the future Federal officers must in all cases identify themselves and announce their purpose and authority before they can enter and search a private dwelling.

I recognize, of course, that the vast majority of drug law enforcement agents have not conducted the sort of mistaken drug raids that have caused a public outcry over the past several years. But a climate has developed where, on occasion, doors are kicked in, residents are terrorized, property is destroyed, lives are irreparably scared, and, for the sake of administrative convenience, questions are dealt with later. Answers, perhaps never.

It is this attitude of condoning shortcut methods when dealing with basic constitutional rights that this repealer law is, above all, designed to prevent. I ask unanimous consent that this bill be printed at the conclusion of my remarks. I trust that it will receive prompt consideration in hearings before the appropriate committees in the Senate.

Mr. President, editorial comment on repealing the no-knock statutes has come recently from newspapers around the country and has been almost uniformly favorable. There appears to be a general recognition that no-knock authority is unnecessary for thorough, vigorous police work. Indeed, that it creates more problems than it solves.

Adequate constitutional authority clearly exists to combat drug abuse. On April 6, 1974, a New York Times editorial on the Collinsville trial made a persuasive case for curbing the overly broad police powers granted in 1970:

> Even though the police work [in the Collinsville raids] was shoddy and irresponsible in planning and in execution—as was the case in similar incidents in other parts of the country—it is nevertheless obvious that the laws under which the raiders acted should really have been on trial. The real culprit is the legislation enacted in 1970 by a get-tough Congress under pressure from a 'law and order' Administration. The resulting powers of 'no-knock' entry clearly amount to a blank check in the hands of over-zealous or vindictive police.
>
> It is virtually impossible to prove that a warrantless raider had no reason to believe that contraband was about to be destroyed in any house which he, however mistakenly, decided to enter. As long as such police license remains undefined and uncurbed, no home is safe from government raiders.

Earlier, New York Times columnist Tom Wicker had argued for repeal of the no-knock statute in his column of November 11, 1973:

> A survey by the New York Times has disclosed that largely as a result of the 1970 legislation, dozens of violent and mistaken assaults on innocent persons and abodes have been carried out by drug-abuse officers, notably the highly publicized raids at the Askew and Giglotto homes in Collinsville, Ill. At least four persons, including one policeman, have been killed in these incidents. . . .
>
> Mr. Percy's decision to seek repeal of the no-knock law is significant in itself. As he put it, 'If we allow drug abuse law enforcement to be overridden by drug law enforcement abuse, the sacrifice and the risk are just too great.' He pointed out, moreover, that despite the self-serving claims of enforcement officials, no-knock entry has been of dubious efficacy; on the average, such raids save only twenty seconds, while frequently putting the officers as well as the targets in danger of violent reaction.

While praising efforts by the Drug Enforcement Agency to issue stricter rules and regulations for no-knock search situations, the Los Angeles Times has called for outright repeal of this law:

> The new regulations may bring narcotics agents under more effective and sensible control, but they do not reach the heart of the matter, which is the no-knock sections of the omnibus drug-control bill that permits law enforcement officers to smash into a home or other building without notice. The dangers inherent in this statute were noted at the time. Events since have amply confirmed these warnings. Congress should repeal the law.

The Metro-East Journal, in East St. Louis, Ill.—near Collinsville—stated in an April 5, 1974, editorial that the Federal no-knock law should be repealed forthwith:

> There are ways—good and effective ways—for drug offenders to be apprehended without "no-knock" provisions. Good police work can substitute for recklessness at the same time rights to privacy are preserved.
>
> A law that does not leave so much room for possible confusion and mistakes also would protect law enforcement agents from such legal troubles as those that developed from the Illinois raids.

The Witchita Eagle opined editorially on November 8, 1973, that:

> The no-knock law should be repealed because its constitutionality is questionable, its usefulness limited, its effectiveness doubtful and its contribution to the lawless and mindless conduct of some federal narcotics agents undeniable.

In Chicago, a WBBM–TV editorial on November 17, 1973, made the same point in more emphatic language:

> We have no brief with the fight against illicit drug trafficking. We need every bit of law enforcing mechanism to root out and contain drug abuse. What we don't need, however, are law enforcement officials hiding behind the law to harass and deny people their constitutional rights. The no-knock law has proven to be a mistake, and should be repealed.

On December 4, 1973, another Chicago television station, WGN, urged prompt action to eliminate the possibility of additional official lawlessness in the future. No less was at stake, according to this editorial, than insuring that the means used in combating drug abuse do not become more dangerous than the drug trafficking itself:

> We concur in Senator Percy's statement that, "If we allow drug-abuse law enforcement to be overridden by drug law enforcement abuse, the sacrifice and the risk are just too great." Too much, we feel has been done in the name of law and order which flies in the face of that famous phrase. Certainly we want law and order, but we're not willing to accept DIS-order and questionable legality as an ultimate solution. No end, regardless how worthy, can justify using any and every means at hand.

A third Chicago television station, WMAQ, was equally emphatic:

> We have had a federal no-knock law since 1970. One specific reason for it was to combat narcotics traffic. The argument was made that if officers have to announce their presence in advance, drug pushers will have just enough time to flush away their heroin or pills. And drug traffic does constitute a serious threat to our society, particularly to young people.
>
> But even more important is the Fourth Amendment to our Constitution that guarantees every one of us the right to be secure in our homes against unreasonable searches and seizures. That is a fundamental right of every American. We cannot accept the rationalization that a few citizens might be forced to surrender their basic rights for the benefit of the majority.
>
> The time has come for Congress either to repeal the no-knock law or to revise it substantially so that our rights as citizens are protected.

Last July 18, the Chicago Sun-Times praised efforts by the Drug Enforcement Administration to improve its hiring and training procedures. But that was not seen as a complete response to the abuses of the past:

> The ultimate answer, however—the one solution that won't fall short of a full guarantee of civil and personal rights—is to outlaw no-knock drug raids. We have long held that the grant of no-knock power was a dangerous invitation to abuses. The recent evidence has shown the position to be correct. The campaign against the drug traffic and the crime it breeds should not be a vigilante performance. There must always be an official concern for constitutional liberties.

The Sun-Times reiterated its position on this matter in even more forceful terms on December 11, 1973:

> Those of us who argued that this [no-knock] law violated fundamental guarantees against abuse of police powers were elbowed aside—it was more important to stop the drug traffic. But when innocent citizens were raided and terrorized, as they were in Collinsville, Ill., and elsewhere, the reasons for the fundamental guarantees began to simmer through.
>
> The no-knock law was an extension of the end-justifies-the-means philosophy that underlay the Watergate concept which has rocked the nation to its foundation. The no-knock law itself breeds lawlessness. It has no place in a society based on the concept that law and order begins with respect for the rights of all citizens.

As the Des Moines, Iowa, Register concluded in an editorial comment on August 20, 1973:

> Many Americans who once were caught up in the fervor of the 'war against drugs' now recognize that giving the police no-knock authority was a bad idea.

The Northern Virginia Daily took a similar tack on July 23, 1973:

> One of the abiding problems of law enforcement is to maintain a balance between individual rights and the exercise of police authority. The government's new drug enforcement rules are an effort to achieve this balance, and as such are welcome. Repeal of the no-knock law would be even more so.

In short, as stated by a Decatur, Ill., Herald editorial on July 18, 1973:

> The no-knock cure seems worse than the disease. Indeed, it seems like the disease.

Mr. President, several months ago I wrote a number of authorities on the criminal law to survey the opinion of the law enforcement and legal communities on no-knock repeal proposals. Much of the reaction has been highly favorable. Former Supreme Court Justice Abe Fortas responded:

> I do not have the slightest doubt that the no-knock laws should be repealed. They are and should be held unconstitutional. They

> violate a fundamental principle of our constitutional and political heritage.
>
> The sanctity of a man's dwelling place was established in Hebraic and English law long before the freedoms of religion, speech and the press. That sanctity is absolutely basic. Without it, other freedoms are fragile and vulnerable.
>
> The American revolution was triggered by the incidents of crown officers breaking into the homes and warehouses of the colonials.
>
> The requirement that the police officer identify himself and give notice of his identity and purpose is fundamental to maintain this ancient safeguard of personal inviolability. It is a fundamental and rudimentary part of due process of law. These ancient protections of the individual against arbitrary acts by the state are not luxuries that can be dispensed with because of the pressures of a period in history.
>
> One should know by now that disregard of our constitutional and ethical heritage is an invitation to catastrophe.
>
> Anyone who is literate in the history of mankind's struggle for freedom—anyone who is literate in the background of our Constitution, should know that the qualified immunity which your proposal seeks to protect, is essential to us. Any literate person should have been able to foresee that the result of the no-knock laws would be precisely what has occurred—widespread and flagrant abuse.

His former colleague on the high court, Arthur Goldberg, agreed saying:

> Laws such as this . . . transgress our basic constitutional guarantees.

Along the same lines, former Chief Justice Earl Warren wrote:

> I do share with you concern about some of the methods authorized by the Federal and District "No-Knock" statutes now in existence. I have always thought that they are of questionable constitutionality, and are subject to great abuse. I wish you success in any effort to revitalize the Fourth Amendment.

Louis H. Pollak, a distinguished professor of law at Yale, echoed these sentiments and urged an early repeal to the no-knock law:

> I wholly concur in your view that our experience with "no-knock" authority has been calamitous. And I think it is high time to expunge from federal law an authority so inconsistent with our traditions and, demonstrably, so counter-productive for law enforcement purposes.

Some law enforcement officials are equally adamant about the repeal of this statute. Joseph McNamara, chief of police of Kansas City, wrote:

> In principle, I agree with the requirement of not only having an officer identify himself and giving notice of his authority and purpose, but also believe that at least one uniformed member of a police agency should be present at any searches as those in question here.

Bernard Carey, State's Attorney from my own Cook County, Ill., was unequivocal:

> The power and authority vested in the "no-knock" legislation is not only not needed for good police work, but in fact invites the type of abuse we have been experiencing the last few years throughout the country.
>
> The "no-knock" laws in my opinion seriously violate individual rights of our citizens and generate disrespect for law enforcement.

Mr. President, these excerpts from letters and editorials are but a sample of the positive reaction to proposals for repealing the Federal and District of Columbia no-knock statutes. I ask unanimous consent that the editorials and letters referred to above, as well as other comments on this proposal, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> [From the New York Times, Apr. 6, 1974]
>
> POLICE RAIDS UPHELD
>
> The acquittal of ten narcotics agents in Alton, Illinois, who had forcefully invaded six homes in the course of what turned out to be mistaken-identity drug raids underscores the danger inherent in existing laws which sanction such abuse of police power. The case also offers new proof of the fundamental flaws in trials on charges of conspiracy. Conspiracy is equally vague and capricious a concept whether the alleged conspirators are dissenting from, or in support of governmental policies.
>
> The agents were charged with conspiracy to deprive their mistaken victims of their civil rights. The homes of those victims had been damaged, their persons were manhandled; and some were actually taken into custody. Yet, the jurors quite understandably reached their verdict of no guilt in response to the Federal District Judge's instructions that, in order to convict, they would have to find that the agents had conspired against the victims' constitutional rights. Quite properly, under existing law, the judge held that searches without warrants were permissible if the officers believed that contraband drugs were about to be destroyed.
>
> Even though the police work was shoddy and irresponsible in planning and in execution—as was the case in similar incidents in other parts of the country—it is nevertheless obvious that the laws under which the raiders acted should really have been on trial. The real culprit is the legislation enacted in 1970 by a get-tough Congress under pressure from a "law and order" Administration. The resulting powers of "no-knock" entry clearly amount to a blank check in the hands of overzealous or vindictive police.
>
> It is virtually impossible to prove that a warrantless raider has no reason to believe that contraband was about to be destroyed in any house which he, however mistakenly, decided to enter. As long as such police license remains undefined and uncurbed, no home is safe from government raiders.

> [From the New York Times, Nov. 11, 1973]
>
> "NO-KNOCK," DRUG USERS AND CRIME
>
> (By Tom Wicker)
>
> Tuesday's elections suggested something of a retreat from the often hysterical "law-and-order" politics of recent years. Also attesting to a more rational political attitude toward crime-fighting was Senator Percy's welcome announcement that he would introduce a bill to prevent "no-knock entry" by drug law-enforcement agents.
>
> No-knock entry was authorized in a 1970 act purporting to facilitate the control of drug abuses. Officers were permitted to obtain warrants authorizing them to enter private premises without warning, on the theory that they had to do so to prevent drug pushers from destroying their supplies of drugs—the evidence—while the officers pounded on their doors.
>
> A survey by the New York Times has disclosed that, largely as a result of the 1970 legislation, dozens of violent and mistaken assaults on innocent persons and abodes have been carried out by drug-abuse officers, notably the highly publicized raids at the Askew and Giglotto homes in Collinsville, Ill. At least four persons, including one policeman, have been killed in these incidents; a dozen agents have been indicted for the Illinois raids.
>
> Mr. Percy's decision to seek repeal of the no-knock law is significant in itself. As he put it, "If we allow drug abuse law enforcement to be overridden by drug law enforcement abuse, the sacrifice and the risk [are] just too great." He pointed out, moreover, that despite the self-serving claims of enforcement officials, no-knock entry has been of dubious efficacy; on the average, such raids save only twenty seconds, while frequently putting the officers as well as the targets in danger of violent reaction.
>
> But beyond that, Mr. Percy is an obvious if undeclared Presidential candidate. As a Republican liberal, he is already at a disadvantage in a conservative party. His decision to fight no-knock entry is a risky one, at best, and is bound to signify his perception that the nation may be gradually beginning to see the folly and danger of the "anything goes" approach to fighting crime.
>
> The hour is nevertheless late; here in New York, for example, punitive new laws against drug abuses have come into effect at the urging of Governor Rockefeller, mainly on the specious premise that all other means of controlling the drug-crime crisis have been tried and found wanting. This is widely believed, and when it was stated in this space on Sept. 30 that "there are no really good statistics . . . to prove that a substantial proportion of violent crime is committed by drug addicts," many letters of protest were received.
>
> I am indebted, therefore, to Dr. William C. Eckerman of the Research Triangle Institute for providing me with a copy of a comprehensive study he directed for the Bureau of Narcotics and Dangerous Drugs; it shows that, in fact, drug users are *less likely* to be charged with crimes of violence than are non-drug users.
>
> The study was carried out by personal interviews with, and urine analysis of, 1,899 arrested persons in Chicago, Los Angeles, New Orleans, Brooklyn, San Antonio and St. Louis in 1970 and 1971. The past arrest records of the subjects also were studied.
>
> The results showed clearly that in the major categories of violent crime—criminal homicide, forcible rape, aggravated assault, and other assaults—non-drug users were substantially more often charged than drug users (eleven drugs were considered in the study). Only 2.5 per cent of the drug users arrested during the study, for example, were charged with criminal homicide, as against 3.9 per cent of the non-drug users. Aggravated assault charges were brought against 7.4 per cent of the drug users (218 persons out of a total of 1,278) and against 16.8 per cent of the non-drug users (103 people out of 611).
>
> Those considered drug users in these statistics were, in fact, persons who had used drugs at some time in their lives; and these people made up about two-thirds of the total arrested. This finding obviously confirms the general belief that drug users are responsible for much crime.
>
> It is primarily, however, what Dr. Eckerman and his colleagues called "acquisition crime" rather than "violent crime." Thus, 17.1 per cent of all drug users in the study had been charged with robbery, which may or may not be a "violent" crime but is always acquisitive; another 20.6 per cent were charged with burglary, which is rarely violent; 4.8 per cent were charged with auto theft, and 11.9 per cent with violations of narcotics laws. These were the only categories in which drug users were charged more often than non-drug users; they total 54.4 per cent of all the drug users arrested. And only 4.6 per cent of the drug users were arrested on weapons charges, as against 7.5 per cent of the nonusers.

[From the Los Angeles Times, July 18, 1973]

DANGERS OF THE NO-KNOCK LAW

Constitutional safeguards of individual rights often frustrate authorities in the apprehension and prosecution of criminals. The safeguards were deliberately designed for that purpose. The framers of the Constitution understood from the history of tyranny that people have much to fear from lawless law enforcement.

A series of raids earlier this year by narcotics agents on a hunt for illegal drugs provided fresh evidence, if any new evidence were needed, of the wisdom of these constitutional protections. Armed men invaded a Winthrop, Mass., home, terrorized the family and left; they were plainclothesmen of the state police, and had raided the wrong house in a search for drugs. Armed men also broke into two Collinsville, Ill., homes, ransacked them, threatened the two families and left; they were federal narcotics agents acting without warrants, and, again, had invaded the wrong homes.

As the narcotics agents were leaving one of the Collinsville homes, an agent told the wife of the family: "Just forget about it, ma'am. It's all a mistake." But the climate in which such "mistakes" can occur more readily is created by authorities who view constitutional protections solely as an impediment to law enforcement rather than as the foundation of all our freedoms.

In response to the Collinsville episodes, the acting head of the newly formed Drug Enforcement Administration has issued stricter rules in no-knock searches and forcible entry in the search for illegal narcotics. All no-knock searches must now be approved by the agency chief or his deputy, arrest warrants must be obtained "when humanly practical" before agents force their way into a home, and agents must wear identifying emblems.

The new regulations may bring narcotics agents under more effective and sensible control, but they do not reach the heart of the matter, which is the no-knock sections of the omnibus drug-control bill that permits law enforcement officers to smash into a home or other building without notice. The dangers inherent in this statute were noted at the time. Events since have amply confirmed these warnings. Congress should repeal the law.

[From the (E. St. Louis, Ill.) Metro-East Journal, Apr. 5, 1974]

NO-KNOCK LAW SHOULD BE REPEALED

The acquittal of 10 narcotics agents by a jury in Alton closes one important chapter in an unfortunate story concerning civil rights, U.S. law and its enforcement.

The jury has rendered its verdict that the federal agents involved in six drug raids last April in Collinsville, East St. Louis and Edwardsville were innocent of conspiring to deprive 11 persons of their civil rights, among other charges. The jury verdict stands. The men are innocent.

But the events set in motion by this case and its national publicity do not, and should not, end there. A lot went wrong during those drug raids. The fault lies in several places, if not with the men themselves.

Now that the court has determined the federal agents did not criminally violate federal law, it becomes more important than ever to examine the law and its consequences.

In search of illegally possessed drugs, agents forcibly entered the home of Mr. and Mrs. Herbert Giglotto in Collinsville last April 23. The agents had no search warrant. One held a gun to Mr. Giglotto's head. It turned out later that the agents had come to the wrong address. So much was admitted by the defense during the trial.

A second mistaken raid took place at the home of Mr. and Mrs. Donald Askew in Collinsville. Agents armed with shotguns crashed through the door of his house. They did not have a search warrant. It turned out later that the agents had, again, gone to the wrong address.

No illegal material was found in either search.

Innocent victims of other mistaken raids that occurred during the same period have said they were terrorized by drug agents.

We find no good excuse for the drug agents' failure to procure search warrants.

A warrant is intended to assure that law enforcement officers have a good reason for searching the places they search. In these cases, warrants might have helped to ensure that the right houses were entered. At least one federal magistrate in Illinois has said that search warrants are relatively easy to obtain by authorized law enforcement officers with good reason. The agents certainly had enough time to get search warrants, had they chosen to do so for the searches that culminated in the raids began three days earlier.

We suspect a good part of the outrageous bungling in these cases was due to lax and improper supervision within the drug agency itself. This factor has been brought to attention by Myles J. Ambrose, former head of the now-defunct office of Drug Abuse Law Enforcement. We trust the recent case has brought about necessary review of drug enforcement supervision.

Probably the worst offender has been the federal "no-knock" law enacted by the Congress in 1970. The law allows federal drug agents with a warrant to break in and search private buildings without prior announcement of their intention or authority.

Senator Charles Percy, R-Ill., has called proper attention to the faults in this law which tend to lead to abuses of civil rights. His hearings last summer revealed facts of how the law has been abused. There is no justification whatsoever for the drug agents' attorney David Schippers blasting at Sen. Percy that he conducted "onesided" hearings. The drug agents were given an opportunity to testify at the hearings, but refused to do so because of the pending court action.

Senator Percy has promised to seek repeal of the "no-knock" law. It has led—besides the mistaken Collinsville raid—to terrorizing of innocent citizens in other mistaken raids throughout the country. Even some law enforcement agents are saying the law is unnecessary and harmful.

There are ways—good and effective ways—for drug offenders to be apprehended without "no-knock" provisions. Good police work can substitute for recklessness at the same time rights to privacy are preserved.

A law that does not leave so much room for possible confusion and mistakes also would protect law enforcement agents from such legal troubles as those that developed from the Illinois raids.

The acquittal of the 10 drug agents in Alton should convince Americans that the law, not the men, is at fault. No-knock should be repealed before such mistakes are repeated.

[From The Wichita Eagle, Nov. 8, 1973]

REPEAL NO-KNOCK

Legislation to remove the controversial and generally unpopular "no-knock" provision from federal drug abuse statutes will be introduced shortly in the U.S. Senate.

Sen. Charles Percy, R-Ill., wants to change federal laws in order to prevent the recurrence of a series of mistaken and illegal drug raids in the past year.

Percy is particularly concerned because two highly publicized raids took place in his home state. At the Collinsville homes of Donald Askew and Herbert Giglotto, agents of the now-defunct federal office for Drug Abuse Law Enforcement kicked in doors, ransacked dwellings and held the families at gunpoint while shouting obscenities before realizing they had the wrong homes. The agents had no search warrants.

In June, a two-month long New York Times investigation revealed that many violent, illegal and mistaken drug raids had been conducted in recent months by agents on all levels of government across the country. At least four persons have died in such incidents.

Specifically, Percy's bill would delete the so-called no-knock provision from the comprehensive Drug Abuse Prevention Control Act of 1970. That act, among other things, permits federal narcotics agents to enter premises without announcing themselves if they secure a special no-knock warrant and show that announcing themselves would endanger the agents or allow drug evidence to be destroyed.

Percy maintains such raids save only an estimated 30 seconds, "hardly sufficient time for the destruction of very large caches of drugs." Moreover, he says, such tactics often trigger a violent response by the home owner. At least one policeman has been shot and killed as he broke into an innocent woman's bedroom unannounced.

If the experience of the past few months has taught anything, it is that excessive zeal, even in the pursuit of so worthy a purpose as drug law enforcement, cannot be allowed to destroy the fundamental rights of American citizens. If drug abuse law enforcement is overridden by drug law enforcement abuse, the sacrifice and the risk are just too great.

The no-knock law should be repealed because its constitutionality is questionable, its usefulness limited, its effectiveness doubtful and its contribution to the lawless and mindless conduct of some federal narcotics agents undeniable.

[WBBM-TV Editorial]

NO-KNOCK REPEAL

NOVEMBER 16, 1973.

Illinois' senior Senator, Charles Percy, has started a campaign that should have been started a long time ago. Percy wants the repeal of the no-knock provision in federal law enforcement.

This provision gives federal lawmen the right to break into homes they suspect of being involved in illegal activities. Despite the good intentions of lawmakers, the no-knock provision has been misused and abused by federal agents in their over-zealous pursuit of drug dealers. In April of this year, raids were made in Collinsville, Illinois, in which families had their rights violated and were shamefully treated. There are other examples of abuse of the law by federal agents in other states.

Senator Percy says, "individual instances of drug agents trampling on constitutionally guaranteed rights are alarming enough. But the evidence of systematic behavior along these lines calls for immediate remedial action." We agree. If this kind of action by federal agents continues, then the whole concept of law and enforcement will suffer in the public's eye.

We have no brief with the fight against illicit drug trafficking. We need every bit of law enforcing mechanism to root out and contain drug abuse. What we don't need, however, are law enforcement officials hiding behind the law to harass and deny people their constitutional rights. The no-knock law has proven to be a mistake, and should be repealed.

That is the opinion of the management of WBBM-TV.

[WGN EDITORIAL]

LET'S END "NO-KNOCK"

DECEMBER 4, 1973.

It was late spring that agents of the federal government, in quest of illicit drugs, staged midnight raids on two homes in Collinsville, Illinois. In both cases, the raids were mistakes, and the raiders were disciplined, after they and their superiors apologized. But, in both cases, the people who lived in the two homes were terrorized. The raiders, acting under a 1970 law, broke into the houses in the middle of the night, the clatter waking and terrifying those people.

A few weeks later, in behalf of the Government Operations Committee, Senator Charles Percy conducted a hearing in Chicago. One of the couples which had been terrorized in Collinsville told the Senator a tale of such intimidation during and following the raid that they were forced to move to another city.

Now, the Senator says, he plans to introduce a bill to repeal the no-knock provision. He does not deny that the warning of a knock on the door *may* allow a drug dealer to flush away the evidence. But, he adds, it's estimated that knocking first delays entering, forced or otherwise, no more than 20 seconds.

We concur in the Senator's statement that, "If we allow drug-abuse law enforcement to be over-ridden by drug law enforcement abuse, the sacrifice and the risk are just too great." Too much, we feel has been done in the name of law and order which flies in the face of that famous phrase. Certainly we want law and order, but we're not willing to accept DIS-order and questionable legality as an ultimate solution. No end, regardless how worthy, can justify using any and every means at hand.

[WMAQ-TV Editorial]

July 27, 1973.

There have been serious cases recently where law enforcement officers have flagrantly disregarded the fundamental rights of American citizens.

First, some examples of these abuses. In April, federal drug agents smashed into the homes of two sleeping families in Collinsville, Illinois, ransacked the houses and held the terrified occupants at gunpoint. Later the agents discovered they made a mistake. They were in the wrong houses. There was a similar incident in Edwardsville, Illinois, and others elsewhere in the country.

Residents of the black community in Chicago say the overzealous, police-state mentality shown in these cases is nothing new to them—and they're undoubtedly correct.

We sense in this country a growing disregard for individual rights by some law enforcement agencies. But the violation of just one citizen's constitutional rights is sufficient reason for concern by all of us. Collinsville and Edwardsville are not far away from Woodlawn or Winnetka.

The Drug Enforcement Administration has piously apologized for these raids—suspending the agents involved while promising to be more careful in the future. That's an unsatisfactory response. Law enforcement agencies should be in the forefront of protecting our rights and they should immediately get rid of any officers with pistol-pointing, door-busting tendencies.

Even that is only a partial, superficial solution. The cases in Collinsville and Edwardsville are examples of what can happen when the law allows for no-knock raids.

We had had a federal no-knock law since 1970. One specific reason for it was to combat narcotics traffic. The argument was made that if officers have to announce their presence in advance, drug pushers will have just enough time to flush away their heroin or pills. And drug traffic does constitute a serious threat to our society, particularly to young people.

But even more important is the Fourth Amendment to our Constitution that gurantees every one of us the right to be secure in our homes against unreasonable searches and seizures. That is a fundamental right of every American. We cannot accept the rationalization that a few citizens might be forced to surrender their basic rights for the benefit of the majority.

The time has come for Congress either to repeal the no-knock law or to revise it substantially so that our rights as citizens are protected.

[From Chicago Sun-Times, July 18, 1973]

No-Knock Law Should Be Repealed

The Drug Enforcement Administration has tightened regulations governing the conduct of no-knock narcotics raids and has said it is studying the possibility of psychological screening for agency applicants. The actions are welcome. There has been an unfortunate outbreak of mistaken-identity raids in which agents terrorized innocent persons. And although Myles J. Ambrose, last director of the defunct Office of Drug Abuse Law Enforcement, correctly said there is no way to insure that "some knucklehead wouldn't go off halfcocked in the future," tighter rules and screening could minimize the risks.

The ultimate answer, however—the one solution that won't fall fall short of a full guarantee of civil and personal rights—is to outlaw no-knock drug raids. We have long held that the grant of no-knock power was a dangerous invitation to abuses. The recent evidence has shown the position to be correct. The campaign against the drug traffic and the crime it breeds should not be a vigilante performance. There must always be an official concern for constitutional liberties. It is thus reassuring that Sen. Charles H. Percy (R-Ill.) and other legislators may seek to repeal the no-knock law. We urge them to make the effort.

[From the Chicago Sun Times, November 12, 1974]

The Basis of Law and Order

Sen. Charles H. Percy (R-Ill.) is probably reflecting widespread and current public opinion in his call for repeal of the controversial "no-knock" federal law passed by Congress three years ago during the period when "law and order" was a popular political catchphrase. Last week some local law-and-order candidates—including three with police force experience—were defeated in elections. We suspect that the vote, aside from purely local considerations, shows not a loss of concern about law and order but loss of enchantment with one-dimensional political figures whose only appeal is to the citizenry's fear of rising crime and changing social mores.

The "no-knock" law, which we have argued against since its inception, permitted federal agents armed with a warrant to knock down the doors of a citizen's home—in the dead of night if they wanted to—if the agents suspected the citizen might possess illegal drugs. It was argued the surprise element was necessary to prevent evidence from being disposed of (flushed down a toilet).

Those of us who argued that this law violated fundamental guarantees against abuse of police powers were elbowed aside—it was more important to stop the drug traffic. But when innocent citizens were raided and terrorized, as they were in Collinsville, Ill., and elsewhere, the reasons for the fundamental guarantees began to simmer through.

The no-knock law was an extension of the end-justifies-the-means philosophy that underlay the Watergate concept which has rocked the nation to its foundation. The no-knock law itself breeds lawlessness. It has no place in a society based on the concept that law and order begins with respect for the rights of all citizens.

[From the Des Moines Register, Aug. 20, 1973]

No-Knock Repeal

Senator Charles Percy (Rep., Ill.) is preparing a bill to repeal the "no-knock" provision of the 1968 omnibus crime law under which police units throughout the country carried out aggressive anti-drug crusades. Percy voted for the provision at the time, but he now says that was a mistake.

Numerous reports of abuse of the law by undercover narcotics agents have come to light in recent months, especially after two families in Collinsville, Ill., were terrorized last spring by agents who went to the wrong houses.

Under the federal law, police get special search warrants authorizing them to enter places unannounced if there is probable cause to believe they can apprehend a person committing an unlawful act or can seize substances that could be disposed of if the presence of police were known.

After the "mistaken" raids at Collinsville, the federal Office for Drug Abuse Law Enforcement issued new regulations to tighten up no-knock procedures. Among them was a rule specifying that no-knock warrants could be obtained only with the approval of Administrator John R. Bartels, Jr., of the federal agency or his deputy.

Civil rights groups pointed out that in a somewhat analagous situation, that of wiretapping, special warrants can be obtained from a federal court only on the personal request of the U.S. attorney general.

The Collinsville families whose homes were invaded by narcotics agents have filed suit against the government claiming damages as a result of the incidents. But the government is immune from prosecution except under vague and broadly worded provisions of the civil rights laws.

Percy has indicated his bill will include a provision permitting citizens to file direct suits against both the government and individual agents who overstep their authority. He is thinking about drafting the provision so it would apply to instances of illegal electronic eavesdropping by the government as well as to no-knock entry.

Along with Senator Percy, many Americans who once were caught up in the fervor of the "war against drugs" now recognize that giving police no-knock authority was a bad idea.

[From the Northern Virginia Daily, July 23, 1973]

A Curb on No-Knock

Passage of federal law permitting no-knock searches and forcible entry in narcotics cases was an unwise response to an admittedly grave problem. Such practices, no matter how justifiable they may seem as a weapon against drug abuse, violate the letter and spirit of the Fourth Amendment. We would be better off if Congress were to get rid or this bad law.

Short of that, the corrective action taken by the Drug Enforcement Administration is commendable. The DEA's acting chief, John R. Bartels Jr., has tightened the controls on no-knock raids and promised "a shift in emphasis" to assure more protection for individual rights. This is a proper reaction to recent episodes in which drug agents have trampled roughshod over constitutional guarantees, even terrorizing innocent people in some cases.

One of the abiding problems of law enforcement is to maintain a balance between individual rights and the exercise of police authority. The government's new drug enforcement rules are an effort to achieve this balance, and as such are welcome. Repeal of the no-knock law would be even more so.

[From the Decatur Herald, July 18, 1973]

Move Against "No-Knock"

Senator Charles H. Percy reportedly is "seriously considering" a bill to eliminate the "no-knock" authority given federal authorities at the insistence of former Atty. Gen. John N. Mitchell.

The "no-knock" provision was a cornerstone of the administration's war against crime. Police officials argued it was needed to prevent suspects from flushing narcotics down the toilet or disposing of them in some other way.

The result has been an abuse of authority seldom seen in American law enforcement. Federal narcotics agents have terrorized innocent families by use of tactics too similar to those used in totalitarian societies to be ignored.

The Federal Drug Enforcement Administration has issued new regulations designed to alleviate that kind of a situation.

Their agents have been told to burst only "sparingly" into private homes and to observe all the proprieties. No more raiding the refrigerator for beer as they apparently did in one raid in Edwardsville.

The essential problem lies in the very fact that agents of the federal government, presumably trained men and women, would have to be so admonished.

The elemental problem lies in the very nature of the no-knock law, which by itself tends to encourage loose behavior.

There is a bit of glamor in being able to smash through a door and startle those inside the house or apartment. It sets up a train of action through which other events seem to follow.

Constitutional rights become blurred. Why not the refrigerator door if one can break down the front door?

That is the sort of behavior one expects from a conquering army entering enemy territory, not law enforcement officers operating against persons who are, after all, fellow citizens.

Sen. Percy should follow through on his "serious consideration" but start a move to end this reprehensible practice. The "no-knock" cure seems worse than the disease. Indeed, it seems like the disease.

[From the Washington Post, Apr. 14, 1972]

A Piece of Stupidity

(By William Raspberry)

A lot of us thought it was bad news when the District's no-knock law was enacted in 1970.

Some of us could sympathize a little with the rationale behind the law: that in some cases contraband and other criminal evidence may be destroyed if police raiding parties have to announce themselves.

But we were certain that more evil than good would come of a law that made it legal for police officers to break into a home without having to identify themselves as policemen, without waiting to be admitted, without even the necessity of wearing uniforms.

We knew, no matter what the intentions of those who drafted the legislation, that most of the legalized breaking and entering would not be done in the "good" sections of town.

The debate was over whether the police needed this frightening tool.

There just may be a number of local police officers who were wondering whether they want it. No-knock, as some of us suspected from the beginning, can be dangerous not just to those who are raided but also to those who are doing the raiding.

What brings this up now is a case that police say was not a no-knock raid. But it does give a good indication of what can happen.

The legislation was barely on the books when, in October, 1970, D.C. police raided Marvin Vincent's home on Hayes Street NE. They were looking for narcotics, they said.

What they found was not drugs, but slugs. Two of them, from Vincent's gun, struck one of the raiding officers. This week, Vincent was acquitted of all nine counts of the indictment growing out of the affair.

Police told the U.S. District Court that they knocked on Vincent's door and heard someone inside say, "Just a minute." When there was no further response, they said, they broke the door down. They were met by a hail of bullets.

Vincent said he opened fire because the officers had burst in without warning and he feared for his life. It's easy to believe he was frightened in light of the fact that two years earlier he had been shot six times by police during an altercation involving a motorcycle.

In any case, the officers retreated and called for reinforcements. The reinforcements came—including some three dozen policemen and an armored car—but Vincent held them off for nearly three hours until community leaders managed to work out a deal for his surrender.

You and I will never know whether Vincent was given adequate notice of what was happening, or whether he was the intended victim of an unofficial no-knock.

The interesting point is that a jury chose to believe Vincent, in spite of the fact that he hardly qualifies as a pillar of the community.

From what I know of the case, the acquittal makes sense. If you accept the assumption that a man has a right to defend his home against intruders, that puts some special burdens on the police when they are the intruders. And the most important of those burdens is that they make unmistakably clear who they are.

They didn't make it clear when they raided Kenyon Ballew's home in suburban Silver Spring last year, and as a result the young gun collector tried to protect himself and was nearly killed for his efforts.

They didn't make it clear in Northeast Washington, either, and as a result a policeman was lucky to escape with his life.

Vincent's acquittal doesn't make him any sort of tinhorn hero. As a matter of fact, he's in prison now doing 4 to 12 for armed robbery and assault, crimes that took place after the shootout.

The point is that no-knock is a stupid piece of legislation that can get you killed no matter on which side of a busted down door you happen to be.

In view of Vincent's acquittal, the police might give thought to leading a fight to get that piece of stupidity off the books.

[From the Washington Post, Jan. 28, 1974]

Repealing the No-Knock Law

(By William Raspberry)

Sen. Charles Percy (R-Ill.) is now drafting legislation to repeal the no-knock provisions of both the federal Comprehensive Drug Abuse Prevention and Control Act of 1970 and the D.C. Omnibus Crime Law of that same year.

It's hard to avoid mixed emotions over the good news. There's no doubt in my mind that the provisions ought to be repealed (along with the preventive detention provision of the D.C. act), and I'm glad Mr. Percy shares that view.

But I do wish he had come around sooner, and for different reasons. When D.C. residents were being saddled with a repressive piece of legislation that they didn't want, the liberal Mr. Percy voted for it.

(So did that other liberal, former Sen. Joseph Tydings (D-Md.). Conservative Sen. Sam Ervin (D-N.C.) and Sen. John Stennis (D-Miss.) doubted the bill's constitutionality and voted against it.)

What helped to trigger Sen. Percy's change of heart is the way no-knock has worked out in real life—not in the District of Columbia but in Silver Spring, where antique gun collector Kenyon Ballew was crippled in a shoot-out during a mistaken raid; in Rochester, N.Y., where state troopers swooped down on the James R. Herman family because they got the address mixed up; in Eureka, Calif., where federal agents killed a panic-stricken Dirk Dickenson, who was fleeing his cabin while an army of plainclothesmen (some arriving by helicopter) were wrecking the place in search of a nonexistent "giant lab" for producing illegal drugs. And of course the raids in Collinsville, in Sen. Percy's home state, on the homes of the Herbert Giglottos and the Donald Askews.

But there's no point in being bitter that it took police abuse elsewhere to help Sen. Percy see the error of his vote on the D.C. bill. One should simply be glad that he has changed his mind, and grateful that he is sufficiently principled to do something about it.

He bases his call for repeal on four considerations: "The law is of doubtful constitutionality; it has proved to be quite ineffective as a tool of law enforcement; it has unnecessarily increased the danger to law enforcement officers and suspects; and it has contributed to an atmosphere where wholesale assaults on individual rights have taken place."

Fair enough, even if some of us were positively screaming about precisely those considerations four years ago. Who knows, maybe if we had convinced Sen. Percy then he wouldn't be moved to work for repeal now.

Even now, he's finding it difficult to get the bill worded right, which is one of the reasons he doesn't expect to have the measure introduced before late next month.

The problem is that a simple repealer (he fears) won't be adequate. His fear is based on the fact that a key argument forwarded by the bill's sponsors was that it simply codified existing common law on no-knock authority.

Some Justice Department officials even advanced the notion that their act was a civil libertarian instrument, in that it put clear limits where none had existed before. Percy fears that if that point of view prevails in the courts, simple repeal will leave us worse off than we are now on the question of no-knock.

Thus, he is adding language to the effect that "No federal officer may, pursuant to the conduct of any search, break open an outer or inner door or window of a building, or any part of the building, or anything therein, without first identifying himself and giving notice of his authority and purpose."

No-knock has been largely a theoretical concern here since it has seldom been used. That may be due in part to restraint at the top police ranks. But it is almost certainly due in large measure to second thoughts on the part of police officers.

As Geoffrey Alpin, chief attorney for the D.C. police force, told Percy's Government Operations Committee, use of no-knock tends to increase the chances of injury or death to police officers as well as to citizens.

"There might be a shoot-out," he said. "That's not what we want . . . It's most effective from a safety viewpoint to announce who we are.

Incidentally, while he's at it, Sen. Percy is trying to correct what strikes him as another injustice in the law.

In general, a citizen may not sue the government for damages unless the government agrees to be sued. Thus a citizen may find it impossible to recover for damages even if a law officer deliberately violates his rights.

"With all due respect to the ancient principles involved," says Percy, "it seems to me that it is now time to amend the Federal Tort Claims Act so that victims of deliberate violence at the hands of federal agents can be better compensated, if only monetarily for their losses . . .

"Surely the federal treasury is large enough to indemnify citizens whose constitutional rights have been blatantly violated. It is ludicrous for us to be overly cost-conscious in denying basic justice to the victims of the fast and loose tactics of a federally sponsored law-enforcement program."

And now if somebody could get him worked up about preventive detention . . .

[From the Washington Post, June 29, 1973]

Enforcement of Drug Laws—Or Repression?

President Nixon has called drug addiction "Public Enemy No. 1." That is a large and probably exaggerated statement, but there is no question that the big drug problem has a powerful and corrosive effect on American society. There is also no question that the Nixon administration has beefed up law enforcement efforts in the drug field significantly in the past few years. The only trouble is that the cure seems to be getting out of hand. In an extensive investigation, the New York Times has discovered a disturbing nationwide pattern of violent, illegal and mistaken drug raids which have caused the deaths of a number of innocent people and have left some families quaking in fear at any random sound in the night.

The Times report carried details of 13 mistaken raids carried out over the last three years from Massachusetts to California by federal, state and local law enforcement officers. Two of the raids occurred on the night of April 23 in Collinsville, Ill., and were highly publicized at the time. Although federal officials suggested then that the Collinsville incidents were aberrations, the Times report details a whole pattern of sloppy, illegal and negligent raids.

In the main, these raids took place in private homes in the middle of the night pursuant to special "non knock" authority given by Congress to federal agents or pursuant to similar local authority claimed by state and local officers. Two examples will suggest the horror.

At about 3 a.m. on May 24, 1972, Mrs. Lillian Davidson of Norfolk, Va., heard someone battering down her bedroom door. She picked up her gun, fired through the door and killed a 22-year-old patrolman, the son of the local police chief. The raid was a mistake, the result of a bum tip from an informer.

On Oct. 3, 1969, state and local agents entered the apartment of a Whittier, Calif., woman, but withdrew and went upstairs to the right address when they realized they were in the wrong place. Hearing the commotion, the woman's son-in-law and his 22-month-old son went into her apartment to see what was wrong. Suddenly, a gun went off upstairs, a bullet crashed through the ceiling. One of the raiders upstairs had inadvertently discharged the unauthorized weapon he was carrying. Another mistake, but the bullet pierced the son-in-law's head and left him dead.

Federal officials have expressed outrage at such incidents and the Civil Rights Division of the Department of Justice says it is looking into the whole matter. But, somehow that doesn't seem to be enough. The federal government has commendably beefed up drug law enforcement. Manpower is said to be up to 1,586 agents this year, compared to 615 in 1968; funding is up $74 million from $14 million in 1968. Federal officials are also proud that their lead has enlarged state and local efforts in this field. Yet, the problem of controlling what it has set in motion now appears to be one of the toughest law enforcement problems facing the administration.

It is one thing to hire hosts of new agents and another to train them properly—the course on due process and restrictions on illegal searches and seizures is not mandatory for new agents or for local law enforcement personnel trained by the Bureau of Narcotics and Dangerous Drugs. It is one thing to motivate local officials and another to urge them on to the point where they operate negligently and vengefully. It is one thing to recruit brave men willing to perform society's dangerous and dirty work and another to train them to act with professionalism and skill in an atmosphere of evil and fear. It is one thing to announce that you have suspended men accused of the grossest violations of citizens' civil liberties and another, as *Sen. Charles Percy* (R-Ill.) has discovered, to permit those "suspended" men to continue to work while they are under investigation.

Miles Ambrose, special assistant attorney general for drug abuse law enforcement, talked a few weeks ago about "a few knuckleheads . . . [who] call all law enforcement into disrepute." It is now clear that it is a problem larger than those "few knuckleheads." The question is whether the government, having launched a major law enforcement thrust, can conduct the people's business and protect their interests within the bounds of the law. This problem will be a major test of the new attorney general.

Fortas and Koven,
Washington, D.C., February 19, 1974.

Re Federal No-Knock Legislation.

Hon. Charles H. Percy,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

Dear Senator: Forgive me for my delay in responding to your letter of January 21. I had hoped to find time to write you a detailed response, but the intervention of influenza has made it impossible. Now Carol and I are about to go off to Aspen for two weeks and I think I should send you a brief reply to your inquiry.

I do not have the slightest doubt that the no-knock laws should be repealed. They are and should be held unconstitutional. They violate a fundamental principle of our constitutional and political heritage.

The sanctity of a man's dwelling place was established in Hebraic and English law long before the freedoms of religion, speech and the press. That sanctity is absolutely basic. Without it, other freedoms are fragile and vulnerable.

The American revolution was triggered by the incidents of crown officers breaking into the homes and warehouses of the colonials.

The requirement that the police officer identify himself and give notice of his identity and purpose is fundamental to maintain this ancient safeguard of personal inviolability. It is a fundamental and rudimentary part of due process of law. These ancient protections of the individual against arbitrary acts by the state are not luxuries that can be dispensed with because of the pressures of a period in history.

One should know by now that disregard of our constitutional and ethical heritage is an invitation to catastrophe.

Anyone who is literate in the history of mankind's struggle for freedom—anyone who is literate in the background of our Constitution, should know that the qualified immunity which your proposal seeks to protect, is essential to us. Any literate person should have been able to foresee that the result of the no-knock laws would be precisely what has occurred—widespread and flagrant abuse.

My personal regards.

Sincerely,

Abe.

January 25, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

My Dear Senator: This is in reply to your letter enclosing a copy of a draft bill designed to repeal the Federal and District of Columbia no-knock statutes which you, together with several of your colleagues, propose to introduce early in this session of the 93rd Congress.

I entirely share your view that the no-knock laws should be repealed for the reasons cogently set forth in your letter to me.

I want to commend you for taking the leadership in seeking repeal of laws such as this which transgress our basic constitutional guarantees.

I shall give thoughtful consideration to your proposed bill and will write you again offering any suggestions that I may regard to be helpful after my study of the language of the bill.

With every good wish, I am

Yours most cordially,

Arthur J. Goldberg.

Supreme Court
of the United States,
Washington, D.C., April 25, 1974.

Hon. Charles H. Percy,
U.S. Senator,
Washington, D.C.

My Dear Senator: This is a very belated response to your letter of January 21st concerning the drug problem which arrived during my absence because of illness.

The subject you discuss is a very important one in the life of a nation and is one which I am sure calls for greater attention than it has been accorded thus far. However, the problem of what kind of an agency should administer the program is a political one and one which I am not prepared to discuss as a matter of administration. However, I do share with you concern about some of the methods authorized by the Federal and District "No-Knock" statutes now in existence. I have always thought that they are of questionable constitutionality, and are subject to great abuse. I wish you success in any effort to revitalize the Fourth Amendment.

With best wishes, I am

Sincerely,

Earl Warren.

Yale University Law School,
New Haven, Conn., March 13, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: On January 21, 1974, you wrote asking my views about your proposed legislation to repeal the federal and District of Columbia "no-knock" laws. At about the same time you wrote a similar letter to President Kingman Brewster, Jr., who, believing himself not currently versed in these problems, referred your letter to me. This letter is by way of belated response to your two letters.

I wholly concur in your view that our experience with "no-knock" authority has been calamitous. And I think it is high time to expunge from federal law an authority so inconsistent with our traditions and, demonstrably, so counter-productive for law enforcement purposes.

With respect to your proposed legislation, I have two comments:

1. As to the proposed amendment of 21 U.S.C. § 879, I think there is a typographical error in line 3. The phrase should be not "or anything" but "or anything therein."

As to the proposed amendment of 18 U.S.C. 3109, I wonder whether it doesn't on the one hand go too far, and, on the other hand, go not far enough. The proposed language may go too far in the sense that it may be legitimate to preserve the existing entitlement of an officer to make an unannounced entry "when necessary to liberate himself or a person aiding him in the execution of the warrant" (except that I would wish to insist that the "person aiding him" should himself be acting with official authority). On the other hand, I wonder if the proposed amendatory language doesn't go far enough in the sense that as written it does not seem to specify the existence of a search warrant, whereas Section 3109 as it now stands does presuppose that the officer is there "to execute a search warrant." With these two thoughts in mind, I suggest a revision of your proposed amendatory language along the following lines:

No officer authorized to execute a search warrant may break open any outer or inner door or window of a building, or any part of a building, or anything therein, to execute a search warrant, unless such officer identifies himself and gives notice of his authority and purpose and is thereafter refused admittance; provided that such officer need not identify himself and give notice of his authority and purpose when the giving of such identification and notice would impede the officer's necessary efforts to liberate himself or a person authorized to aid him in the execution of the warrant.

In closing, permit me to commend you for taking the lead in this important effort to restore rationality and decency to federal law enforcement.

Sincerely yours,
Louis H. Pollak.

Police Department,
Kansas City, Mo., January 28, 1974.
Hon. Charles H. Percy,
U.S. Senator, Illinois,
Washington, D.C.

Dear Senator Percy: I received your proposed bill prohibiting "no knock" provisions under U.S.C. 879 and 23 D.C. Code 561.

In principle, I agree with the requirement of not only having an officer identify himself and giving notice of his authority and purpose, but also believe that at least one uniformed member of a police agency should be present at any searches as those in question here.

It is my further belief that regardless of such a provision or lack of it, there is no substitute for proper training and supervision and a change in the statutes without more is a useless act.

Sincerely,
Dr. Joseph D. McNamara,
Chief of Police.

County of Cook,
Office of the State's Attorney,
Chicago, Ill., January 29, 1974.
Hon. Charles H. Percy,
U.S. Senator,
U.S. Senate,
Washington, D.C.

Dear Chuck: I am in full agreement with you on your stand in opposition to the federal and District of Columbia "no-knock" statutes.

In my campaign for Sheriff in 1970 and the 1972 campaign for State's Attorney, I publicly announced my strong opposition to legislation of that type. The power and authority vested in the "no-knock" legislation is not only not needed for good police work, but in fact invites the type of abuse we have been experiencing the last few years throughout the country.

The "no-knock" laws in my opinion seriously violate individual rights of our citizens and generate disrespect for law enforcement. I applaud your effort to repeal the federal and District of Columbia "no-knock" statutes.

Please let me know if there is anything I can do to help.

Sincerely,
Bernard Carey,
State's Attorney.

National Association for the
Advancement of Colored People,
New York, N.Y., January 29, 1974.
Hon. Charles H. Percy,
Dirksen Building, New Senate Office Building, Washington, D.C.

Dear Senator Percy: This will acknowledge your letter of January 21. The Federal no-knock statute and the District of Columbia no-knock statute have been cause of great concern for us in the Association. It is our conclusion that the no-knock provisions serve to bring law enforcement in disrepute. We thoroughly agree with the stated position of the District of Columbia Police Department. As a matter of fact, we have always been opposed to no-knock procedure.

Search and Destroy, the Report of the Commission of Inquiry into the Chicago police raid on the Black Panthers headquarters, December 4, 1969, found that even with a warrant, Chicago plainclothes officers entered the apartment at 4:45 A.M. with machine guns. This type of procedure has negatively conditioned the black community, with reason.

We are, of course, opposed to the Federal no-knock statute 21 U.S.C. 879.

I am referring a copy of your correspondence to Clarence Mitchell of our Washington Bureau, who will also be in touch to communicate our pledge to do all possible to secure the repeal of these laws.

With best wishes, I am
Sincerely yours,
Roy Wilkins,
Executive Director.

Goldfarb & Singer,
Washington, D.C., February 4, 1974.
Hon. Charles H. Percy,
U.S. Senate, Committee on Government Operations, Washington, D.C.

Dear Senator Percy: Thank you for sending me your proposed bill repealing the no-knock laws. I agree with your conclusion that the present situation is of questionable constitutionality. Furthermore, the hazardous implementation of the law makes its continuance precarious on pragmatic grounds. I understand, as well, that in terms of community perceptions of the police and law enforcement process, this law is a very sore spot, indeed. Demonstrated abuses, strong public feelings regarding the law and its questionable legal posture and seemingly modest returns in terms of law enforcement efficiency combine to support your notion that the law be changed.

I wish you success in this endeavor and hope you will call on me if I can be of any further assistance.

Sincerely,
Ronald L. Goldfarb.

The Council of New York
Law Associates,
New York, N.Y., February 13, 1974.
Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for your letter of January 28th discussing your suggested repeal of the no-knock laws. I strongly agree with your position that these statutes need to be repealed. The grave invasion of civil liberties as described in the report of the Committee on Government Operations does not outweigh the marginal benefits of these statutes. On page 35 of the Committee's report you note that citizens who have their civil rights and privacy invaded by illegal government action have no remedy against the government except the commonly meaningless one against the agent, who has little funds. Perhaps a second bill should be introduced which does create a cause of action for individuals against illegal acts and intentional torts of the federal government's agents.

I am a member of the Civil Rights Committee of the Association of the Bar of the City of New York. I referred your letter and committee report to the Committee Chairman and have suggested to her that the Civil Rights Committee and perhaps ultimately the Criminal Courts Committee join in a report supporting your bill. I think at least the Civil Rights Committee will give your bill support.

Yours sincerely,
James J. Fishman,
Executive Director.

By Mr. PROXMIRE:

S. 3604. A bill to abolish certain Federal agencies, and for other purposes. Referred to the Committee on Government Operations.

FEDERAL AGENCY EFFICIENCY ACT—ABOLISH EIGHT GOVERNMENT AGENCIES

Mr. PROXMIRE. Mr. President, today I am introducing a bill to abolish eight Federal agencies. On April 15 I called for the abolition of 17 agencies. Due to the death of the Economic Stabilization Act on April 30, which I helped bring about both in the Banking Committee and on the Senate floor, 9 of the 17 agencies will die on June 30. My bill would kill the remaining eight.

As vice chairman of the Joint Economic Committee and chairman of its Subcommittee on Priorities and Economy in Government, and as chairman of the Appropriations Subcommittee on HUD, Space, Veterans, I have gone into these matters in considerable detail.

The eight remaining agencies are the Interstate Commerce Commission, Selective Service, the Overseas Private Investment Corporation, the so-called Department of Dirty Tricks of the CIA plus the CIA's domestic activities, the Small Business Administration, the Civil Defense Agency, the Renegotiation Board, and the President's Council on Physical Fitness.

Under the bill a few necessary functions of these agencies are transferred to existing ones. For example, the disaster loan functions of the Small Business Administration are transferred to the Secretary of Commerce, and the civil defense functions of warning against enemy attack and impending natural disasters are transferred to the Secretary of Defense and OMB, respectively.

The act would take effect 30 days after enactment.

REASONS FOR BILL

There are a variety of reasons why these agencies should be abolished. First and foremost is the general principle that while almost every act of Congress sets up a new agency, bureau, or commission, almost no act or bill ever wipes one out.

With respect to specific agencies, here are my reasons for ending them:

THE INTERSTATE COMMERCE COMMISSION

There are more whiskers and cobwebs at the ICC than any place in the Government. With fierce competition among air, rail, barge, and road transportation, regulation for other than safety purposes has long been unnecessary. The answer is abolition plus strong enforcement of the antitrust laws.

SELECTIVE SERVICE

No one is being drafted. No one can be drafted. Yet Selective Service is asking for $47 million in fiscal year 1975 to keep its bureaucracy afloat.

OVERSEAS PRIVATE INVESTMENT CORPORATION

OPIC gives a Government guarantee to U.S. firms operating abroad. There is no reason why the Government should protect them against the risk of confiscation. That should be reflected in their rate of return. Why should the taxpayers provide funds to bail out ITT?

CIA DIRTY TRICKS AND DOMESTIC ACTIVITIES

The CIA should continue to gather intelligence by mechanical and other means. But when it gets into the business of dirty tricks, overthrowing governments, and so forth, it has little control over the forces set in motion. The CIA's domestic activities, which were never intended under the original law, should be carried out by the FBI or other domestic institutions, to the degree they are legitimate and necessary.

SMALL BUSINESS ADMINISTRATION

This is a highly political agency which helps a minute number of small businesses. The favoritism should end.

CIVIL DEFENSE

Everyone knows this has been one of the Nation's biggest boondoggles since it was started. Its few legitimate functions of warning of natural or military disasters should be continued elsewhere.

RENEGOTIATION BOARD

This agency does not do its job. After renegotiation, company after company got a return of 50, 75, and even 100 percent or more on its investment under "negotiated contracts." Taxpayers are not required to support a useless agency.

PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS

This agency has done some fine things. But if there is any activity which is clearly a private rather than a government one it is personal physical fitness and sports.

I hope we can kill these eight remaining agencies as fast as we killed the first nine. Our motto should be "nine down, eight to go."

By Mr. MONTOYA (for himself, Mr. Abourezk, Mr. Clark, Mr. Domenici, Mr. Hughes, Mr. McGee, Mr. Mansfield, and Mr. Metcalf):

S. 3605. A bill to provide emergency assistance to persons engaged in the cattle raising business by authorizing the Secretary of Agriculture, for a temporary period of time, to guarantee loans made to such persons until they can sell their livestock. Referred to the Committee on Agriculture and Forestry.

Mr. MONTOYA. Mr. President, on behalf of Senators Clark, Domenici, Hughes, McGee, Mansfield, Metcalf, and myself I introduce today a bill to prevent an artificially induced collapse of the entire cattle industry.

The crisis in which the cattle industry now finds itself is well recognized. Signs of serious trouble are visible for all to see. Between September 1973 and March 1974, for example, livestock feeders had lost more than $1 billion, and more has been lost since March. The farm price of beef, as reported in yesterday's Wall Street Journal, is $38 per hundredweight, as opposed to $46.60 a year ago. Cattle production is down 4 percent from what it was last year and the number of cattle killed is down 5 percent. Perhaps the most telling statistic is that cattle raisers are losing between $150 and $200 a head.

If this goes on, we are going to see beef disappear from the supermarket. There will be no beef at any price.

Several first steps have already been taken to deal with the problem. Bills have been introduced by Senator Curtis to reestablish the beef import quotas and by Senator Dole to suspend imports altogether for 90 days. These are important measures and will solve part of the problem.

In March, the administration announced it would purchase an additional $45 million worth of ground beef for the school lunch program, and this was another helpful step. But this is not enough.

The bill we introduce today is addressed to yet another aspect of the problem; namely, the financial structure which supports the cattle industry.

The cattle industry survives on the basis of loans made by private lending institutions and production credit associations to individual cattle raisers and feeders. If, for some reason, this system fails, it will bring down cattlemen, banks, feedlot operators, and grain dealers alike. There will be a general collapse.

Such a crash could come about because the loans which have been made to cattle raisers and feeders have attracted the critical attention of Federal bank examiners. The bankers who specialize in cattle loans have told me that they are confident that the loans which they have made will be paid back, once the cattle industry regains its footing, but they are concerned that the bank examiners are going to force a foreclosure on cattle loans.

Cattle loans are normally secured by the cattle themselves which are pledged as collateral. During normal times, the integrity of this collateral is unassailable. As the cattle gain weight, their value increases and so does their value as collateral.

During these abnormal times, however, declining cattle prices have undercut the value of the cattle as collateral. This, in turn, has forced some bank examiners to question the security of some cattle loans, and bankers are concerned that wholesale foreclosing could ensue.

The bill we introduce today heads off that possibility by providing a Federal guarantee for 90 percent of these loans.

We have attempted to write a bill which is limited in scope and time and which can be implemented quickly.

The bill is restricted in scope to those persons who were engaged in the cattle raising business in 8 of the 12 months preceding the time they take out their loans. This provision is designed to restrict the bill's application to regular cattle raisers and to exclude speculators, assuming anyone would wish to speculate in cattle at this time.

The fact that the loan guarantee would be restricted to 90 percent of the value of the loan means that the lending institution would stand to lose 10 percent of the value of the loan if there were a foreclosure. This provision will force the lending institutions to continue to exercise prudence in making loans.

The life of the program is limited to 1 year. This reflects our conviction that the cattle industry, assisted by this and other bills, will be back on its feet within a short period of time. We have included a special provision authorizing the Secretary of Agriculture to discontinue the program after 6 months if he finds that the industry has regained its health.

In short, what is proposed is a limited bill providing much needed but temporary relief.

The cattlemen do not want and we do not propose a program which will eventually become a permanent part of the United States Code.

I also wish to point out that this act can be implemented quickly. This is important, for speed is of the essence if any assistance is to be offered to the cattle industry. We have not set up a vast number of requirements which must be met before a loan may be guaranteed, but believe instead that the lending institutions, constrained by the threat of a 10-percent loss, will exercise the prudence needed to protect the interest of the United States and keep the program within bounds. A program which required the establishment of a new governmental agency and which would require reams of application forms and papers would be self-defeating, for the cattle industry would have failed before aid could be provided to it.

I know that Senator McGovern, the chairman of the Agricultural Subcommittee on Agricultural Credit and Rural Electrification is concerned about this crisis and I am hopeful that he may see fit to hold hearings soon on this measure.

By Mr. McGOVERN (for himself, Mr. Humphrey, and Mr. Abourezk):

S. 3606. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for producers of livestock. Referred to the Committee on Agriculture and Forestry.

ASSISTANCE FOR LIVESTOCK PRODUCERS

Mr. McGOVERN. Mr. President, I introduce today for appropriate reference, a bill and an amendment on behalf of myself and Senators Humphrey and Abourezk, which are designed to help producers of cattle and hogs out of the most severe financial disaster they have ever faced.

My bill would establish a $3.5 billion revolving fund which would be used by the Department of Agriculture to insure and guarantee loans, to be repaid over 5 years at 5.5 percent interest, to help cattle and hog producers stay in business.

The amendment would suspend immediately, for a period of 60 days, all imports of beef into the United States, and at the end of that period reimpose the quotas provided in the 1964 Meat Import Act which have been suspended by the President.

Several of our colleagues have introduced legislation with similar purpose. All of them, as am I, reflect the outrage which is felt by hundreds of thousands of livestock producers who are being driven to the point of bankruptcy and despair.

In addition, they reflect a concern which representatives of urban States should have for the consumers of meat and meat products. For the present financial condition of the livestock markets threaten a severe shortage of meat in the supermarkets just a few months from now, along with the highest retail prices that a meat counter has ever displayed.

Even though retail prices do not fully reflect the present low state of slaughter animal prices, the problem today is too much meat on the market. But as soon as the present supply is gone, there is likely to be a severe scarcity.

For the last 9 months in a row, cattle placements into feedlots have been down. Many feedlots are closing; they have been wiped out. Those which can still struggle along are operating at far less than capacity.

And every cattle feeder who sells a fed steer or fed heifer today loses at least $150—in many cases more. And they simply cannot afford to replace feeder stock. The cow-calf operator, in turn, is hit with depressed prices for feeder animals, and that in turn is causing a number of them to sell off cows from their production herds.

Thousands of them have been broken financially; some will not recover.

They have been subjected to merciless increases in the costs of everything they buy, and to the cruelties of a sagging livestock market which has cut out any hope of breaking even in the near future.

The crisis in the livestock industry can be traced directly to the ill-advised and unfair use of price control authority in the food economy last year, when first red meat, then only beef, were singled out for controls in the naive hope that retail meat prices could be driven down without hurting the livestock producer.

The result of the price freeze, compounded by the effects of a truck strike and continued unlimited imports of foreign meat products, is a gross oversupply of meat on the market and a collapse in the price paid to farmers, ranchers, and feeders.

Mr. President, inasmuch as the problem was created in part by the Federal Government, we have an obligation to help repair the damage.

Accordingly, I introduce legislation which will create a revolving fund for insured and guaranteed loans, to be provided by private lenders but administered and guaranteed by the Farmers Home Administration in the Department of Agriculture, to help cattle and hog producers get back on their feet.

This is not a handout. It is a helping hand. Although it would provide up to $5 billion in credit—to meet a need which is far greater than the amount in my bill—it would be financed not by appropriations but by repayments to the revolving fund created by this legislation.

In addition, this is not the full solution to the problem of cattle and hog producers. A loan program will not make up the billions of dollars already lost, and which are yet to be lost, by producers.

It is predicated on the hope that the markets for slaughter cattle and hogs will recover sufficiently in the months ahead to permit repayment of the loans which this legislation would provide.

Eligible family farmers and ranchers who have been, and are able to continue, in the production of cattle and hogs and who are unable to obtain credit elsewhere, would qualify for 5-year loans to be repaid at a maximum interest rate of 5½ percent.

The Congressman from Texas, Mr. Price, has introduced similar legislation in the House. His personal experience as a livestock producer, and the experience and counsel of hundreds of livestock producers in my State and elsewhere, are eloquent testimony to the need for legislation such as this.

As I said, Mr. President, this is not the final answer. We will continue to urge the administration to restrict the unfair competition now being provided by imports of foreign beef, and to work to expand the markets for U.S. meat producers.

But this legislation can serve as the focus for action, and it is my hope that we can have suggestions during committee consideration which will improve the bill.

Our colleagues from urban centers should understand that this legislation is not solely in the interests of the livestock producers of the United States. It is every bit as much in the best interests of consumers who want a stable supply of meat at reasonable prices. Because without some incentive and assistance to remain in business, the cattle and hog producers of this Nation simply will be unable to produce meat in the quantity, quality and consistent supply necessary.

Mr. President, I ask unanimous consent that the text of my bill and my amendment be included in the Record at the conclusion of my remarks.

There being no objection, the bill and amendment were ordered to be printed in the Record, as follows:

S. 3606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by striking out "Subtitle D" in the center heading immediately preceding section 331 and inserting in lieu thereof "Subtitle E", and by inserting immediately after subtitle C the following new subtitle:

"Subtitle D—Loan Insurance for Producers of Livestock

Sec. 331. (a) The Secretary shall insure loans made by a lender other than the United States, or made by the Secretary and sold to such lender, to a borrower in the United States who—

"(1) is a citizen of the United States engaged solely or primarily in agricultural production;

"(2) is or has been engaged in livestock producing operations to an extent and in a manner determined by the Secretary as necessary to assure reasonable prospects of success in livestock producing endeavors financed by loans insured under this subtitle;

"(3) is unable to obtain sufficient credit to finance his actual needs in the livestock producing business at reasonable rates and terms, as determined by the Secretary after considering prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time; and

"(4) has, if he has received previously a loan insured under this subtitle, performed successfully the terms of such loan.

"(b) Loans insured under this subtitle must be expended for the purpose of financing the normal operations of buying, raising, and selling meat animals by the borrower whose loan is being insured.

"Sec. 332. (a) Subject to the approval of the county committee, appointed under section 352, the amount of any loan insured under this subtitle shall be determined by the lender.

"(b) The period of repayment of any loan insured under this subtitle shall not exceed five years.

"Sec. 333. (a) The Secretary shall from time to time establish the interest rate which may be paid by borrowers on loans insured under this subtitle, but such rate shall not exceed 5.5 per centum per annum.

"(b) Whenever the Secretary determines it necessary that a lender be paid a higher interest rate on a loan than is to be paid by the borrower on such loan in order for the Secretary to be able to enter into a contract of insurance with a lender with respect to such loan, the Secretary may contract to pay the difference between the interest rate to be paid by the borrower and the interest rate to which the lender is to be entitled under such contract.

"Sec. 334. (a) The Secretary shall determine whatever security he deems necessary for the obligations entered into by him in connection with loans insured under this subtitle.

"(b) The Secretary may enter into any security instrument in connection with loans insured under this subtitle; whenever practicable he shall provide that such instrument constitutes a lien running to the United States even though the notes are held by lenders other than the United States.

"Sec. 335. In any case in which the borrowers receives the loan insured under this subtitle in installment payments, the Secretary shall specify in any contract made in connection with such loan that such borrower shall receive no such payments after failure by the borrower to perform successfully the terms of such loan.

"Sec. 336. The Secretary is authorized—

"(1) to make agreements with respect to the servicing of loans insured under this subtitle and to purchase any such loan on conditions and terms as he may prescribe; and

"(2) to retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan.

"Sec. 337. Any contract of insurance executed by the Secretary under this subtitle shall be an obligation supported by the full faith and credit of the United States and incontestible except for fraud or misrepresentation of which the holder has actual knowledge.

"Sec. 338. (a) The borrower of any loan insured under this subtitle shall pay such fees and other charges as the Secretary may require.

"(b) Such borrower shall prepay to the Secretary as escrow agent such taxes and insurance as the Secretary may require and on such terms and conditions as he may prescribe.

"Sec. 339. (a) There is hereby created the Livestock Producers' Insurance Fund (hereinafter in this subtitle referred to as the 'fund') which shall be used by the Secretary as a revolving fund for the discharge of obligations of the Secretary under this subtitle.

"(b) The Secretary is authorized to transfer, no later than twelve months after the date of enactment of this subtitle, assets from the Agricultural Credit Insurance Fund, described in section 309, to the fund if he determines that such transfer is necessary to establish the insurance program created by this subtitle.

"(c) Moneys in the fund not needed for current operation shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary, for the purpose of obtaining money for the fund, to the Secretary of the Treasury.

"(d) The Secretary shall make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this subtitle, and he may make and issue such notes for the purpose of establishing the insurance program created by this subtitle. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the average maturities of loans insured under this subtitle. The Secretary of the Treasury shall purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which such securities may be issued under such Act are extended to include the purchase of notes issued by the Secretary hereunder. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(e) Notes and security acquired by the Secretary in connection with loans insured under this subtitle shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

"(f) The Secretary shall deposit in the fund any charges collected for loan insurance services provided by the Secretary under this subtitle as well as charges assessed for losses and costs of administration in connection with insuring loans under this subtitle.

"(g) The Secretary shall utilize the fund—

"(1) to make loans which can be insured under this subtitle whenever he has reasonable assurance that they can be sold without undue delay, and he may sell and insure such loans;

"(2) to pay amounts to which the holder of insured notes is entitled on loans insured accruing between the date of any payments by the borrower and the date of transmittal of any such payments to the holder; in the discretion of the Secretary, payments other than final payments need not be remitted to the holder until due or until the next agreed remittance date;

"(3) to pay to the holder of insured notes any defaulted installment, or upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

"(4) to purchase notes in accordance with contracts of insurance entered into by the Secretary;

"(5) to make payments in compliance with the Secretary's obligations under contracts of insurance entered into by him;

"(6) to pay taxes, insurance, prior liens, and expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, plus expenses for necessary services, including commercial appraisals and loan servicing and consulting fees, and other expenses and advances authorized in section 355(a) of this Act in connection with loans insured under this subtitle; such items may be paid in connection with guaranteed loans after or in connection with acquisition by the Secretary of such loans, or of the security of such loans after default, to an extent determined by the Secretary to be necessary to protect the interest of the United States;

"(7) to pay the difference between interest payments by borrowers and interest to which insured lenders are entitled under contracts of insurance entered into by the Secretary under section 333(b);

"(8) to pay the Secretary's cost of administration of the program authorized under this subtitle, including costs of the Secretary incidental to insuring loans under this subtitle; and

"(9) to perform any other act authorized by this subtitle.

"Sec. 340. The aggregate amount of the obligations insured under this subtitle and outstanding at any one time shall not exceed $3,500,000,000.

"Sec. 341. Any amounts loaned, insured, guaranteed, advanced or otherwise expended under this subtitle shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"Sec. 342. For purposes of this subtitle—

"(1) the term 'livestock producing operations' means: (a) a beef cow-calf rancher; (b) an individual who raises beef cattle or hogs and pigs in his normal farming or ranching operations; (c) an individual feedlot operator who feeds beef cattle or hogs and pigs for himself and others; (d) a partnership that feeds beef cattle or hogs and pigs for itself; (e) an individual operator who feeds beef cattle or hogs and pigs for himself: *Provided*, that the individual or partnership herein defined shall obtain his or its income solely or primarily from agricultural production: *Provided further*, that a corporation, other than a corporation wholly owned by members of a single family, shall not qualify for loans under this subtitle; and

"(2) the term 'livestock' means cattle, hogs and pigs raised to be sold and slaughtered primarily for purposes of meat for human consumption.".

(b) Sections 331 through 334 of the Consolidated Farm and Rural Development Act, and all references thereto, are redesignated as sections 351 through 364, respectively.

Amendment No. 1418

At the end of the bill, insert the following new title:

TITLE —CONTROL OF MEAT IMPORTS

"Sec. . Notwithstanding any provision of law, no article specified in Item 106.10 (relating to fresh, chilled and frozen cattle meat) of the Tariff Schedules of the United States may be imported into the United States for sale, consumption or any other use for a period of sixty days following the first day of the first month subsequent to the enactment of this Act.

"Sec. . Effective upon the date of enactment of this Act, paragraph (3) of Proclamation 4272, 39 F.R. 7777 (1974) (relating to the suspension of quotas pursuant to Section 2 (d) of the Act of August 22, 1964 (78 Stat. 594; 19 U.S.C. 1202, note), shall be of no force and effect.

"Sec. . Section 2(d) of the Act of August 22, 1964 (78 Stat. 594; 19 U.S.C. 1202, note) is amended by striking the last sentence of such section and inserting in lieu thereof: 'No such suspension shall be in excess of a period of sixty days, unless the Congress shall, by concurrent resolution, expressly authorize a suspension for a period which may be longer.' "

ADDITIONAL COSPONSORS OF BILLS

S. 2801

At the request of Mr. Proxmire, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 2801, a bill to prevent the Food and Drug Administration to regulate safe vitamins as dangerous drugs.

S. 3294

At the request of Mr. Williams, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 3294, to provide the employees of State and political subdivisions thereof shall be subject to provisions of the National Labor Relations Act.

S. 3295

At the request of Mr. Williams, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 3295, the National Public Employment Relations Act.

S. 3386

At the request of Mr. Fong, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 3386, a bill to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65.

S. 3504, S. 3505, S. 3507, S. 3427, AND S. 3428

At the request of Mr. Percy, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 3504, to amend the Social Security Act to provide for the furnishing of rehabilitative services to inpatients of long-term care facilities; S. 3505, to amend section 232 of the National Housing Act to provide insurance for loans to finance improvements to long-term care facilities required to correct deficiencies identified in State surveys and Federal certification procedures; S. 3507, to amend the Social Security Act so as to make permanent certain temporary provisions relating to inspections of long-term care institutions, to provide for the publication of certain information regarding such institutions, and requiring that such institutions provide certain training for their nonprofessional employees as a condition of participation in the medicare and medicaid programs; S. 3427, to liberalize the retirement earnings limitation under the Social Security Act; S. 3428, to provide for computation of benefits under title II of the Social Security Act based on the combined earnings of a husband and wife.

SENATE CONCURRENT RESOLUTION 89—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE PLACEMENT IN THE CAPITOL OF LIKENESSES OF INDIVIDUALS FROM MINORITY GROUPS WHO HAVE CONTRIBUTED TO OUR NATION AND OUR HISTORY

(Referred to the Committee on Rules and Administration.)

Mr. HUMPHREY. Mr. President, I am today submitting, for myself and my distinguished colleague from Minnesota (Mr. Mondale), a Senate concurrent resolution which would direct the Joint Committee on the Library to obtain likenesses, for placement in the Capitol, of individuals from minority groups who have contributed significantly to our Nation and our history.

My resolution also would establish a

procedure for the selection of those who should be represented.

It would provide that the leadership of both the Senate and the House of Representatives act together to appoint an advisory committee of nine persons distinguished in public or private life to nominate individuals whose likenesses would be obtained for permanent exhibit in the Capitol. It would be my hope that this advisory committee could include historians, political scientists, representatives of the arts and sciences, the professions, government officials past or present, or others with a high degree of expertise in relevant fields.

The advisory committee would be authorized to seek the advice and recommendations of a broad range of experts, as well as the general public, similar to the procedures utilized by the Special Committee on the Senate Reception Room which was authorized by Senate Resolution 145, of the 84th Congress, to select five outstanding persons who served in the Senate whose portraits would be placed in the Senate Reception Room.

The number of persons to be selected for representation has been left unspecified, so as to allow the advisory committee the greatest possible freedem in its determinations. Space limitations in the Capitol will necessarily impose certain restrictions on the number, but I believe that this question should be left to the advisory committee and the House and the Senate, acting as authorized in the resolution to approve the recommendations of the advisory committee.

The advisory committee would be directed to complete its selection process within 1 year from the date this resolution is agreed to, after which time both Houses would be called on to approve the selections by concurrent resolution.

Upon final approval of the selection or selections, the Joint Committee on the Library, which has jurisdiction over works of art in the Capitol, would be directed to obtain likenesses of these individuals by any of several procedures currently available. The manner in which each individual is to be represented—whether by statue, bust, or portrait—is also left unspecified, to allow the joint committee flexibility in placing the works of art in light of the current shortage of available space.

Mr. President, it would be impossible to overstate the role that has been played in our national history by members of minority groups. Great achievements in law, medicine, science, philosophy, religion, sports, the arts—indeed, in every phase of American life—have been accomplished through the dogged and often unrecognized efforts of minority citizens who struggled against great odds to bring honor to themselves and their country.

Nearing our 200th year as a nation, we have finally put to rest many of the legal, socioeconomic, and cultural barriers which prevented these outstanding citizens from being brought into the mainstream of American life. We are better able at this juncture to assess the critical contributions which have been made in the building of our Nation.

It is fitting that we determine at this hour in our national life to honor these citizens suitably and to bring their achievements to the attention of the American people by commemoration in the U.S. Capitol.

Thousands of citizens pass through these halls each year. Many are schoolchildren who are seeing American history firsthand. It is neither accurate nor just to have them believe that American history is only a history of white, Anglo-Saxon Protestant or Catholic. Rather, they should be allowed to see that American history is a tapestry—composed of many diverse peoples who have come to this great land seeking freedom and opportunity.

As our national goal for 1976, I would like for us to be able to show the world that we were able to create out of this diversity of people a sense of common purpose without in any way destroying individuality or cultural heritage.

We have to be willing to once again find the ideals that move people and nations. So let us begin our third century as an America aware of the richness in our heritage and diversity; a nation that realizes the importance of every people; a society in which the contributions and achievements of each ethnic and racial group are respected and valued.

Let us proudly announce to the world the true freedom—the freedom of all people to be themselves—to be as diverse as history and culture have made them, and to make their fullest contribution to a greater America. I believe that we can enhance the chances for realization of this goal by beginning now to redraw the lines that have impeded the recognition of the accomplishments and contributions of minority citizens. I can think of no more appropriate way to look toward America's future than to acknowledge and cherish her true history.

The concurrent resolution reads as follows:

Whereas the United States of America will celebrate its two hundredth anniversary in 1976;

Whereas it is appropriate that the richness and variety in our national history be commemorated in conjunction with Bicentennial events and celebrations;

Whereas it is fitting and appropriate that the important role of members of minority races, cultures, and nationalities in the development of the Nation and the enhancement of human life in America be acknowledged and commemorated; and

Whereas minorities are not adequately represented among the statues, busts, portraits, and other works of art displayed in the United States Capitol: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized to obtain, in accordance with this concurrent resolution, likenesses of members of minority groups to be placed in the United States Capitol.

SEC. 2. (a) The President pro Tempore of the Senate, the Majority and Minority Leaders of the Senate, the Speaker of the House of Representatives, and the Majority and Minority Leaders of the House of Representatives shall jointly appoint—

(1) an advisory committee to be composed of 9 distinguished citizens from the public and private sectors, for the purpose of selecting members of minority groups it deems appropriate who have made significant contributions to the United States; and

(2) one member of the advisory committee as chairman of the advisory committee.

Each member of the advisory committee who is not otherwise employed as an officer or employee of the United States Government shall receive compensation, for each day (including travel time) that he performs duties as a member of the advisory committee, at an annual rate of pay which is in effect with respect to pay disbursed by the Secretary of the Senate and which will provide a daily rate which is nearest to, but not less than, $75 for each such day. Each member of the advisory committee shall be paid for expenses incurred, including travel expenses, with respect to his duties as a member.

(b) The advisory committee is authorized to seek advice and recommendations from such historians and other sources including the general public, as it deems advisable.

(c) The advisory committee shall report any of its selections to the Senate and House of Representatives not later than one year from the date this concurrent resolution is agreed to.

(d) The Joint Committee on the Library, the Architect of the Capitol, and the Commission on Art and Antiquities of the United States Senate shall provide to the advisory committee, to the maximum extent practicable, employees, facilities, supplies, and equipment that the advisory committee deems appropriate in carrying out its duties under this concurrent resolution.

SEC. 3. Upon approval by the Senate and House of Representatives by concurrent resolution of any selection made by the advisory committee, the Joint Committee on the Library shall obtain by donation, loan, purchase, or commission appropriate likenesses of any individual so approved.

SEC. 4. Expenses of this concurrent resolution shall be paid out of the contingent fund of the Senate upon vouchers approved by the Chairman of the Joint Committee on the Library.

SENATE RESOLUTION 337—SUBMISSION OF A RESOLUTION TO AMEND RULE VIII, RELATIVE TO THE CONSIDERATION OF PROPOSED LEGISLATION

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD submitted the following resolution:

S. RES. 337

Resolved, That Rule 8 of the Standing Rules of the Senate is amended—

1. At the end of paragraph 2, insert a new paragraph as follows:

"3. (a) At the end of the Morning Hour of any legislative day, it shall be in order for any Senator to be recognized to make a unanimous consent request that the Senate proceed to the immediate consideration of any bill or resolution on the Calendar, with the proviso that any amendment (except any amendment proposed by the committee which reported such bill or resolution) offered to the said bill or resolution during the consideration of the same must be germane or relevant to the subject matter of the said bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution.

"(b) Should objection be heard to such a unanimous consent request, specified in the above subparagraph (a), on the following day, at the conclusion of the Morning Hour, a motion to the same effect set forth in the above proposed unanimous consent request would be in order, to be determined without debate, and if a two-thirds vote on that motion is forthcoming, that bill or resolution would become the unfinished business of the Senate until it is disposed of. Thereafter, during the consideration of the said measure, any amendment (except any amendment proposed by the committee which reported such bill or resolution) which is not germane or relevant to the subject matter of such bill or resolution, or to the subject matter of an amendment proposed by the committee which proposed such bill or resolution, shall not be in order.

"(c) A motion to reconsider the vote to consider such a bill or resolution which was agreed to or which was not agreed to shall not be in order, and, if such a motion was not agreed to, it shall not be in order to make a second motion under subparagraph (b) with respect to such bill or resolution.

"(d) When a motion made under subparagraph (b) has been agreed to with respect to the consideration of a bill or resolution, a point of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may, prior to ruling on any such point of order, entertain such debate as he considers necessary in order to determine how he shall rule on such point of order. Appeals from the decisions of the Presiding Officer on such points of order shall be decided without debate.

"(e) The provisions of the above paragraphs shall not apply to amendments subject to the rules of germaneness and relevancy contained in paragraph 4 of Rule XVI and paragraph 2 of Rule XXII.

"(f) Renumber paragraph 3 of Rule VIII."

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975—AMENDMENT

AMENDMENT NO. 1404

(Ordered to be printed and to lie on the table.)

Mr. ROBERT C. BYRD (for Mr. McGEE) submitted an amendment intended to be proposed to the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. ROBERT C. BYRD (for Mr. McGEE) submitted the following notice in writing:

> In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 14434) the following amendment; namely: Following the word "expended" on line 15, page 2, add the following language: Provided, That the Environmental Protection Agency may transfer so much of the funds as it deems appropriate to other Federal agencies for energy research and development activities that it may be in a position to supply, or to render or to obtain by contract.

AMENDMENT NO. 1421

(Ordered to be printed and to lie on the table.)

Mr. HASKELL. Mr. President, I am introducing an amendment today which I intend to call up on Monday when H.R. 14434, the special energy research and development appropriations bill, is before the Senate.

The bill reported from the Appropriations Committee contains $4.4 million for the applied energy technology stimulation techniques. My amendment will limit the amount of funds available for use by the Atomic Energy Commission to continue that program. Briefly it would do the following:

First, it would allow the AEC to continue its evaluation of Project Rio Blanco, a 1973 nuclear stimulation experiment conducted in Colorado. That evaluation has already begun and H.R. 14434 contains $375,000 to complete the study which would be left intact with my amendment.

Second, the amendment would halt further research and development on nuclear stimulation techniques until the above evaluation is complete. Congress would then decide whether to proceed with nuclear stimulation research and development or whether to fund other stimulation techniques such as massive hydraulic fracturing. Halting this year's research program, until an evaluation of Project Rio Blanco is available, involves deleting $4.025 million from the bill.

It should be noted that the AEC recently contracted with CER Geonuclear Corp. to fund a large-scale hydraulic fracturing experiment. The AEC will pay about $1 million of the estimated $2.5 million project cost. The site for this experiment is within 1 mile of the Project Rio Blanco nuclear gas stimulation experiment site. There is considerable debate whether it is necessary to use nuclear explosive devices to fracture these particularly tight sand formations or whether hydraulic fracturing will be successful. The Federal Government has spent over $33 million to date developing nuclear stimulation techniques and approximately $1.3 million on hydrofracturing.

In my opinion it is premature and inappropriate for us to commit ourselves still further in support of nuclear stimulation techniques. We must look at the facts—which will be available once the Rio Blanco evaluation is complete and once the new hydraulic fracturing experiment is complete—to determine which technology is most appropriate.

I fully recognize that the natural gas resources in the Rocky Mountain States are tremendous and important in our energy development picture. I am not opposing development of that resource. But I do propose that we must use the best means available for that development; one that will not interfere with development of other valuable resources which are also located in the same area such as oil shale, coal, uranium, nahcolite, and bauxite.

A recent report by the General Accounting Office entitled "Progress and Problems in Developing Nuclear and Other Experimental Techniques for Recovering Natural Gas in the Rocky Mountain Area" stresses that—

> Commercial programs to recover natural gas in the Rocky Mountain area might not be compatible with development of the other mineral resources in the area.

The Department of the Interior stated in a letter to the GAO dated February 11, 1974:

> . . . the *apparent incompatibility of nuclear fracturing techniques with concurrent or subsequent mining of oil shale and other mineral resources in the same area* is viewed as a most unfavorable feature of fracturing techniques which use nuclear explosives. (emphasis added)

I recognize that many of my colleagues might well be inclined to support additional Plowshare program funding because of the energy shortages which face us. I must stress that this gas will not be available in the near future in any case. The technology is being developed with a long-term purpose in mind.

The Federal Power Commission estimates that the Rocky Mountain formation contains up to 600 trillion cubic feet of natural gas. A 1973 FPC task force report estimated that up to 300 trillion cubic feet of this gas could be recovered with either of the two techniques—nuclear stimulation or massive hydraulic fracturing—currently under study. In order to recover that much gas using nuclear stimulation the program would involve drilling 5,680 wells and detonating 29,680 nuclear explosive devices each with a 100-kiloton yield over a period ranging from about 35 to 65 years. For massive hydraulic fracturing the task force report indicated the program would involve drilling about 22,720 wells over a period of about 60 to 115 years.

With anywhere from 400 to 1,000 nuclear devices being detonated annually for a period of up to 65 years considerable risk would be involved. Just recently a small amount of the radioactive byproduct tritium leaked from a disposal well in close proximity to the Project Rio Blanco nuclear stimulated gas well. The amount of tritiated water was small—very small—but even that amount represented an unexpected development. Many uncertainties shroud nuclear stimulation and the Congress must insure that such developments are investigated and resolved before further development takes place.

The Joint Committee on Atomic Energy has recognized that the 1973 Rio Blanco experiment has not been entirely satisfactory. In their report on legislation authorizing appropriations for the Atomic Energy Commission for fiscal year 1975 it was stated:

> The Committee notes . . . that satisfactory results have not been forthcoming from the fiscal year 1974 Rio Blanco event. The Committee considers that the Commission must place strong emphasis on resolving the uncertainties in results from that experiment before proceeding with other major experiments. Further, the Joint Committee believes it important that the AEC complete the conventional hydrofracturing experiment it started near the Rio Blanco site during fiscal year 1974 (Report 93-969)

Mr. President, I appeal to my colleagues to support this amendment. I hope that we can agree to evaluate Project Rio Blanco and the current AEC–CER geonuclear hydraulic fracturing test before proceeding with further development of nuclear stimulation technology for natural gas or oil shale or coal.

The best available evidence indicates that nuclear stimulation is incompatible with development of other mineral resources in the area. We cannot afford to forfeit those resources. Therefore, I can see no reason to support the funding request contained in this bill.

I ask unanimous consent that a copy of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1421

On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,019,665,000"; on line 14 delete "." and insert in lieu thereof ": Provided further, That the sum herein appropriated for the Applied Energy Technology Program, totaling $375,000, shall be limited for use solely in completing the technical and economic assessment of Project Rio Blanco, detonated May 17, 1973."; on line 23 delete "$432,470,000" and insert in lieu thereof "$432,160,000".

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1974—AMENDMENT

AMENDMENT NO. 1405

(Ordered to be printed, and to lie on the table.)

Mr. JACKSON (for himself and Mr. THURMOND) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

AMENDMENT NO. 1422

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN (for himself, Mr. BROOKE, and Mr. HATHAWAY) submitted an amendment intended to be proposed by them jointly to the bill (S. 3000), supra.

AMENDMENT NO. 1423

(Ordered to be printed and to lie on the table.)

AMENDMENT TO DEVOTE ICBM R. & D. TO PROTECT AGAINST SOVIET FIRST STRIKE AND BAN U.S. FIRST STRIKE DEVELOPMENTS

Mr. MONDALE. Mr. President, should the United States develop a first strike capability against Soviet ICBM's? This is the most serious issue raised by the defense appropriations authorization bill which contains several programs aimed at increasing the accuracy and yield of our ICBM warheads. Developing these capabilities would be a radical change in U.S. strategic policy. Proposals along these lines have been pressed for years by the U.S. military and rejected by civilian defense officials and also turned down by Congress.

American policy has been to aim for stability by making clear that both sides should have a deterrent secure from attack. Now, however, the Secretary of Defense is asking for new improvements in our Minuteman ICBM's which would provide an increased capability of attacking Soviet ICBM's.

The major arguments for these new programs are that the Soviets appear to be moving in this direction with their new ICBM's. If they go ahead and we go ahead, both sides will be able, for the first time, to threaten major segments of the other side's deterrent. In a severe crisis, there would be enormous pressure to use nuclear forces before they are lost to enemy attack. This in turn will only add to the gravity of any crisis.

Thus, if we go down this route, both sides will be worse off. Both will be more vulnerable. Both will be more frightened of the other's intentions. And the risk of nuclear war will be closer than before. Not only détente, but peace itself will be in greater jeopardy.

It is imperative, therefore, that every effort be made to control these so-called first-strike programs in SALT. However, if the Soviets do not accept effective limits on their ability to attack our ICBM's, we should not blindly follow a moneky-see, monkey-do policy. Responding by increasing our ability to kill Soviet ICBM's will in no way help ours to survive; it only makes our ICBM's a more tempting and urgent target.

I believe that we must emphasize other more stabilizing options: mobility—land or air mobile ICBM's, or more submarine launched ballistic missiles. We also can further diversify our forces such as by adding a long-range standoff cruise missile capability for our ships and planes. This would continue the traditional U.S. policy of producing an assured deterrent by making clear that there will be no advantage to be gained by the Soviets in trying for a first-strike capability. At the same time, these programs will not threaten the Soviets with a first strike.

For this reason, I am submitting the following amendment to the defense appropriations authorization bill. It provides that research and development funds for ICBM's be used to enhance their ability to withstand a Soviet first strike and not give our ICBM's a better capability to carry out a first strike on Soviet ICBM's. I ask unanimous consent that the text of this amendment may appear in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 4, between lines 18 and 19, insert the following new section 202:

"SEC. 202. The Secretary shall expend funds authorized pursuant to section 201 for research and development for intercontinental ballistic missile forces only upon determination that such expenditure is for the purpose of enhancing the ability of such forces to survive a strategic attack, or otherwise to improve the effectiveness of such forces, but that such expenditure is not for the purpose of increasing the capability of such forces to destroy hardened ICBM launchers of other countries."

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT—AMENDMENT

AMENDMENT NO. 1406

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself and Mr. HASKELL) submitted an amendment intended to be proposed by them jointly to the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

AMENDMENTS NOS. 1408 AND 1409

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted two amendments intended to be proposed by him to the bill (S. 3523), supra.

FULL DEPOSIT INSURANCE FOR PUBLIC UNITS—AMENDMENT

AMENDMENT NO. 1407

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted an amendment intended to be proposed by him to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

EXEMPTION FROM DUTY CERTAIN EQUIPMENT AND REPAIRS FOR VESSELS—AMENDMENTS

AMENDMENTS NOS. 1410 THROUGH 1417

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted eight amendments intended to be proposed by him to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

AMENDMENT NO. 1418

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN (for himself, Mr. HUMPHREY, and Mr. ABOUREZK) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 8217), supra.

(Mr. McGOVERN's remarks in connection with this amendment appear under the heading "Statements on Bills and Joint Resolutions.")

AMENDMENTS NOS. 1419 AND 1420

(Ordered to be printed and to lie on the table.)

Mr. HASKELL. Mr. President, on May 2 of this year, Senator CHILES and I introduced amendment No. 1247 to H.R. 8217. That amendment consisted of four parts: First, it would replace the present $750 personal exemption deduction with a nonoptional $200 tax credit; second, it sharply limits use of the investment tax credit; third, it repeals the asset depreciation range system—ADR; and, fourth, it repeals the so-called DISC provisions of the tax code.

We are today reintroducing these proposals as two separate amendments. The first consists of the replacement of the $750 income deduction with a $200 personal exemption tax credit. The second amendment consists of the three revenue-raising tax reform measures originally included in amendment 1247.

I ask unanimous consent that my statement of May 2, 1974, explaining the amendments further and the amendments themselves be printed at this point in the Record.

There being no objection, the statement and amendments were ordered to be printed in the Record, as follows:

Exemption From Duty Certain Equipment and Repairs for Vessels—Amendment

AMENDMENT NO. 1247

(Ordered to be printed, and to lie on the table.)

AN INCOME TAX REALLOCATION AMENDMENT

Mr. HASKELL. Mr. President, there has been much discussion recently about the advisability of a substantial income tax cut. Today, I am submitting for myself and the Senator from Florida (Mr. Chiles) a tax relief—tax reform amendment that we shall propose when H.R. 8217 is before the Senate. Senator Nelson is also introducing a tax relief—tax reform bill today. I applaud his efforts and look forward to supporting him as we pursue the goal of tax fairness.

I am convinced that some form of relief or cutback is an essential element of much needed tax reform. But we must be cautious of the manner in which such relief is provided.

Some form of reallocation of the Federal income tax burden is a wise and desirable manner in which to help millions of inflation-pressed American families to cope with the extraordinary economic situation in which we now find ourselves. I believe, though, that we should achieve this goal without even arguably jeopardizing the economic position of the American people as a whole.

I further believe that we have before us a unique opportunity to not only provide economic relief to the vast majority of American taxpayers, but also to do so in a way that provides them a significant measure of fair play in the operation of their Federal tax system. We should, in my judgment, seize this opportunity to reallocate, on the principle of fairness, some of the overall income tax burden.

I would like first to explain my concern over the proposals that have been made by some of a blanket tax cut without any offsetting revenue raising features. Although many things about the present state of our economy are unclear, Mr. President, there are some things that should be abundantly obvious to all of us.

One is that inflation has not been halted.

Another is that inflation has hit hardest those Americans with middle and lower incomes. Americans are today trapped in the vise of higher prices, concurrently shrinking real wages and the unrelenting pressure of Federal taxes. It is sensible to propose that they should have the pressure of that vise loosened by having less of their wages withheld through the Federal tax system.

But taxes are not the only important variable in any income-enhancing plan. Inflation, which affects middle- and low-income taxpayers the most, also plays a decisive role in income distribution and growth. Therefore, it seems that any tax proposal must in reality have twin objectives. The first should be to place the burden of such a tax proposal more squarely on the shoulders of those who can pay; the second, to minimize any adverse price effects on the economy.

A brief perusal of recent economic reports quickly underlines the serious strains already being placed on the average American. Statistics just released by the Labor Department reveal that while the net income of the average American worker increased by 5.2 percent in the first quarter of 1974, real compensation declined by almost 5.6 percent at an annual rate. Inflation has simply more than offset any surface increase in income.

At the same time as the rate of inflation approached 14.5 percent computed annually, something quite unorthodox by traditional economic standards occurred. Both total output of goods and services in the private sector and productivity declined at annual rates of more than 5.5 percent. Such behavior is normally characteristic of economies undergoing periods of low inflation.

This anomalous behavior seems to indicate that the output recession is finding its origins not in decreasing demand at all—as has traditionally been the case—but rather in shortages of supply. Conversely, increases in inflation appear to be originating in the attempts of producers to compensate for falling production due to raw materials shortages—especially energy—by raising prices.

This rapid escalation of inflation concomitant with productivity and output "recession" presents a difficult dilemma, for forces normally working against one another to restore equilibrium now appear to be acting temporarily in concert. Thus, strategies designed to decrease inflationary pressure are likely to further aggravate high unemployment and lower output, while strategies designed to spur growth in productivity and output and lower unemployment are likely to encourage higher rates of inflation.

It is in this context of "stagflation" that we must view any tax cut proposal. If we agree that any such cut should be designed to improve the plight of those Americans most seriously affected by inflation—the lower- and middle-income groups—then any such cut must be judged by reference to the income effects it will have on these individuals.

In the case of any tax cut, there is an immediate and obvious income effect: that is to increase the amount of money readily available to any wage earner. But, any such increase in the amount of money available for immediate expenditure by consumers eventually translates itself through the demand mechanism into increased inflation. Thus, one must subtract the decline in real income lost to inflation as a result of the tax cut from the addition to earnings accruing from the tax cut to determine the true income effects.

For example, if a family's income was $10,000 and the increase in inflation due to the tax cut was 2 percent, then the family's income in real terms suffered a loss of over $200. Therefore, any tax cut, to make sense, must increase this family's income by more than $200. If it does not, the tax cut is self-defeating, and any income gains are quickly erased by price losses—that is, growing inflation.

With the economy already undergoing severe strain from inflation, induced by shortages of supply, a simple tax cut is very likely to result in even higher rates of inflation, and hence, less real value to the average consumer. This is particularly true when the cut is considered in light of a deficit in the Federal budget of $5.4 billion this year and an anticipated deficit of almost $10 billion in fiscal year 1975. Any tax cut would only further aggravate fiscal problems by cutting Federal revenues in the fact of increasing Federal expenditures. The logical result of this would seem to be a further erosion in the buying power of the average consumer—an effect quite opposite to that intended by the proposal to simply cut taxes.

As Prof. Otto Eskstein of Harvard University, stated in testimony before the Senate Finance Committee in March:

"My feeling against a tax cut is mainly based on the longer term needs for resources by the Federal government. We have cut taxes too much in the last four years, and we will need the tax base to meet the future social goals."

Profs. John Kenneth Galbraith and Murray Wiedenbaum echoed this concern when they also concluded, respectively:

"I am very doubtful about a tax reduction. Inflation is still a major problem. It's a tough fact that tax reduction is the wrong medicine for that, and I am concerned that the $6.5 billion estimated revenue loss (to the Federal government) would add to inflationary pressures which remain so very strong."

Thus, for many reasons, Mr. President, I am opposed to a simple tax cut. I believe the best way to accomplish the twin objectives of tax reform and price stability is to couple any tax cut with reforms designed to offset any losses of Federal revenue, thereby minimizing the danger of added inflation.

With this in mind I have proposed an amendment to H.R. 8217. I firmly believe that our proposal will provide the much-needed tax relief without posing the threat to middle- and lower-income persons of having that relief eaten away by yet more exaggerated rates of inflation. At the same time, it addresses itself to several of the most inequitable, unjustifiable, and unnecessary tax breaks presently built into the Internal Revenue Code.

Our amendment will propose to—

First, replace the present personal exemption in the form of a deduction with a nonoptional tax credit of $200.

Second, repeal the code provision allowing the deferral of certain export income—DISC; terminate, with an exception, the investment tax credit; and eliminate the asset depreciation range system.

Step No. 1 in our proposal will provide tax relief for nearly 55 million taxpayers. This represents nearly 90 percent of all the tax returns that are filed each year. The bulk of this relief will go to taxpayers with annual income of $20,000 per year and less.

Step No. 2 of our proposal is designed to offset the loss in tax revenues caused by step No. 1—about 6.1 billion—by repealing some of the least justifiable tax breaks presently in the code.

First, the so-called DISC provisions of the code would be repealed. These provisions allow certain businesses engaged in exporting to defer half of their overseas income and, in the end, this deferral can be so extended as to amount to the equivalent of an initial exemption from taxation for the part of the exporter's income.

A Treasury report released just last week informs the Congress that DISC cost the Federal Government 2½ times as much as was anticipated in 1972. When enacted, the Congress was told that DISC would mean a loss of about $100 million in Federal revenues. Instead, DISC has meant a subsidization of the exporting business to the tune of $250 million. Moreover, the report states that—

"On balance, it seems likely that the 1973 income figures, and hence revenue loss, will exceed the estimated 1972 loss."

There are two disturbing elements of the tax subsidization of exporters. One is the high uncertainty of the need for the DISC provisions. We just do not know how much of the increased exporting activity in 1972 would have occurred without the help of DISC.

We know, for example, that devaluation and other general economic influences have inevitably spurred on exporting; we know, hence, that, to some extent DISC has been an utter, unjustified waste.

The other disturbing element of DISC is the fact that its incentive features all too often may result in American manufacturers exporting items that American consumers find they are unable to obtain here at home. This is an unnecessary business incentive and an unnatural tax policy. Repeal of this provision will result in a revenue gain of $250 million.

The second part of this amendment that will bring in new revenue will be a termination of the investment tax credit, subject to a limited exception. We propose to limit the credit to assets with a cost basis of $100,000 or less. The credit would be fully applicable up to a cost basis of $50,000, and would then be incrementally phased out from $50,000 to $100,000.

I seriously doubt, Mr. President, that this investment tax credit is much of a stimulus to the economy at all. If the board of directors of a corporation is convinced of the profitability of further investment, then marginal benefits accruing from a tax credit will play a very small role in their decision to invest. If the venture is inherently nonprofitable, then it should not be further subsidized by an investment tax credit. The credit is, in my opinion, a classic example of the use of the tax system to induce certain economic behavior, whether that behavior needs to be induced or not.

The effect of the tax credit is very nearly to completely offset the interest costs an investor must pay to borrow the funds to be invested. Thus, borrowing is largely at the expense, not of the investor, but of taxpayers in general. The extraction of those dollars from the average taxpayer in order to subsidize the borrowing of corporate investors ought to require a showing of compelling need if it is to be justified at all. Such a showing has not, to my satisfaction, been made. Thus, the burden ought to be shifted back to those presently benefiting to come to the Congress and demonstrate their individual need for economic subsidization by the Federal Government. The Joint Committee on Internal Revenue Taxation estimates that the change proposed by Senator Chiles and me will yield from $3.5 to $4 billion in additional Federal revenues.

The third revenue-raising element of our proposal is a repeal of the asset depreciation range system. ADR allows rapid tax depreciation of machinery and equipment, and is defended as an incentive for the purchase of new assets, much like the investment tax credit. The system is essentially a fiction, since financial accounting in shareholders' and creditors' reports uses far less rapid depreciation methods. Rapid depreciation amounts to a deferral of taxes: this deferral is a highly valuable tax reduction device. Like the investment credit, we have been shown no current evidence of the need for this tax preference. Fifty percent of the benefits of ADR, it is estimated, go to the largest 103 corporations. Eighty percent of the benefits will go to the largest 2,500 corporations—just one-twentieth of 1 percent of all U.S. businesses. What ADR, in reality, means, is that the Federal Government, at the taxpayers' expense provides these corporate giants interest-free loans of taxes otherwise due each year.

Senator Chiles and I propose to eliminate the ADR concept—a move I view as one more step in the direction of eliminating Federal Government interference through the tax system in the decision-making processes of the free-enterprise system. This repeal will net the Treasury approximately $1.5 billion.

The new revenue raised by my proposals is to be used to finance tax relief for nearly 90 percent of all Federal income taxpayers. The method by which this is to be accomplished is replacement of the deduction for personal exemptions with a tax credit for those exemptions. The credit will not be on an optional basis, although I acknowledge the attractiveness of the option, that feature would simply be unfair.

Tax reform, if to be true to the implication of equity inherent in that appealing phase must face a fundamental reality; we cannot reform the tax system by giving something to everyone. Tax relief for the many must come from those presently paying less than their fair share. The American people recognize this fact of life. So, too, should the Senate. Moreover, equity knows no qualification. True equity should not mean that some are to be treated "more fairly" than others or that some taxpayers are "more equal" than others under the law.

The present personal exemption system is backward simply because it provides tax assistance to taxpayers in proportion to their marginal tax bracket. Thus, for the very wealthiest of taxpayers, the $750 exemption means that $750 of their income will not be taxed at the otherwise applicable 70 percent tax rate. For the wealthiest taxpayer, then, the exemption is worth about $525 in real dollars saved. For the lowest marginal bracket taxpayers, however, the exemption is worth only about $105—this notwithstanding the fact that their basic living expenses for the minimum essentials of life do not cost them less simply because they are less affluent than other taxpayers. For a family of four with an income of $15,000 a year, the exemption is worth about $185.

But, since the exemption is designed to provide tax recognition to the expenses that one incurs for the basic essentials of life, it should not be valuable to a taxpayer only in so far as he is wealthy. Thus, in my opinion, the credit that is available in lieu of a deduction for personal exemptions should not be provided on an optional basis. It would be available to all taxpayers, rich, poor, or in the middle, on an equal basis.

In the end, Mr. President, one thing must be always kept in mind regarding our tax system: every time one taxpayer does not have to pay some or all of his taxes, the rest of the American people must take up the slack.

It is the presence in the Federal tax "budget" of some $65 or $75 billion of tax subsidization like those I propose we repeal which has for years stood in the way of any meaningful tax relief. Many of these items sharply distort the progressiveness of the tax system.

Thus, there exists this independent justification for our amendment: it is never too soon to close off the most unjustifiable of the tax loopholes. And that is precisely what we propose.

I hope that my colleagues on both sides of the aisle will be able to join in proposing tax relief for millions of the hardest pressed American taxpayers, and a noninflationary reallocation of the Federal tax burden to some who have for too long not been paying their fair share of Federal taxes.

Amendment No. 1419

Sec. 4. Amendment of the Internal Revenue Code.

Except as otherwise expressly provided, whenever in section 5 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

Sec. 5. Credit Against Tax, in Lieu of Deduction, for Personal Exemptions.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by renumbering section 42 as section 43 and by inserting after section 41 the following new section:

"Sec. 42. Personal Exemptions.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) Conforming Amendment.—So much of section 151 of such Code (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"Sec. 151. Credit for Personal Exemptions.

"(a) Amount of Credit.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be $200 for each exemption allowed to the taxpayer under this section for the taxable year.".

(c) Conforming Amendment.—Section 151 is further amended by striking out "of 750" wherever it appears therein.

(d) Technical Amendments.—

(1) Sections 2(a)(1)(B), 2(b)(1), 143(b)(1), 214(b)(1)(A), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(2) Section 37(a) (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and ".

(5) Section 50A(a)(3) (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

(F) section 42 (relating to personal exemptions)."

(6) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(7) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(8) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(9) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) Estates and trusts.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(10) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section *151* (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(11) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions).".

(12) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(13) Section 873(b)(3) (relating to nonresident aliens) is amended to read as follows:

"(3) Credit for personal exemption.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151.".

(14) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(15) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the reductions under section 151, relating to personal exemptions)".

(16) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "and deduction allowed by section 642(b)".

(17) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

AMENDMENT No. 1420

SEC. 4. AMENDMENT OF THE INTERNAL REVENUE CODE.

Except as otherwise expressly provided, whenever in sections 5, 6, or 7 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or provision of the Internal Revenue Code of 1954.

SEC. 5. LIMITATION OF INVESTMENT CREDIT.

(a) IN GENERAL.—Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended to read as follows:

"(1) GENERAL RULE.—The amount of the credit allowed by section 38 for the taxable year shall be equal to a percentage (determined under the following table) of the qualified investment (as defined in subsection (c)).

"If the basis of the section 38 property is—	The applicable percentage is—
$50,000 or less	7
More than $50,000 but not more than $58,000	6
More than $58,000 but not more than $66,000	5
More than $66,000 but not more than $74,000	4
More than $74,000 but not more than $82,000	3
More than $82,000 but not more than $90,000	2
More than $90,000 but not more than $100,000	1
More than $100,000	0".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property—

(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974; or

(2) which is acquired by the taxpayer on or after that date.

(c) Subpart B of part IV of subchapter A of chapter 1 (relating to rules for computing credit for investment in certain depreciable property) is amended by adding at the end thereof the following new section:

"SEC. 50–1. SECOND TERMINATION OF CREDIT

"(a) GENERAL RULE.—For purposes of this subpart, the term 'section 38 property' does not include property the cost basis of which exceeds $100,000 and—

"(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974, or

"(2) which is acquired by the taxpayer on or after such date,

other than second pretermination property.

"(b) SECOND PRETERMINATION PROPERTY.—The Secretary or his delegate shall prescribe regulations describing property which is treated as pretermination property for purposes of subsection (a). Such regulations shall prescribe rules similar to and consistent with the provisions of section 49(b).

"(c) LEASED PROPERTY.—In the case of property which is leased on or after January 1, 1974 (other than pursuant to a building contract to lease entered into before such date), which is section 38 property with respect to the lessor but is property which would not be section 38 property because of the application of subsection (a) if acquired by the lessee, and which is property of the same kind which the lessor ordinarily sold to customers before such date, or ordinarily leased before such date and made an election under section 48(d), such property shall not be section 38 property with respect to either the lessor or the lessee.

"(d) PROPERTY PLACED IN SERVICE AFTER 1980.—For purposes of this subpart, the term 'section 38 property' does not include any property placed in service after December 31, 1980."

(d) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 50–1. Second termination of credit.".

SEC. 6. REPEAL OF THE TAX EXEMPTION FOR A DISC.

(a) IN GENERAL.—Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1974.".

(b) TECHNICAL AMENDMENT.—Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No corporation shall be treated as a DISC for any taxable year beginning after December 31, 1973."

SEC. 7. REPEAL OF ASSET DEPRECIATION RANGE SYSTEM.

(a) Section 167(m) (relating to the Asset Depreciation Range System) is repealed.

(b) Section 167(a) (relating to a reasonable allowance for depreciation) is amended by adding at the end thereof the following: "Such reasonable allowance shall be computed, subject to the provisions of Revenue Procedure 62–21 (including the provisions for the reserve ratio test) as in effect on December 31, 1970, on the basis of the expected useful life of property in the hands of the taxpayer.".

(c) The amendment made by subsection (a) shall apply to property placed in service after December 31, 1973. The amendment made by subsection (b) shall apply to taxable years ending after December 31, 1974, but it shall not apply to property placed in service by the taxpayer during the calendar years 1971, 1972, 1973, or 1974 if an election has been made to have the provisions of section 167(m) applicable to such property.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1389

At the request of Mr. McINTYRE, the Senator from Indiana (Mr. HARTKE) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of amendment No 1380, intended to be proposed to the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

ANNOUNCEMENT OF HEARING ON THE PLIGHT OF INDEPENDENT OIL FIRMS

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics of the Joint Economic Committee, I wish to announce that the subcomittee will undertake an inquiry into "The Plight of Independent Oil Firms" on Thursday, June 13, beginning at 10 a.m., in room 1202 of the Dirksen Senate Office Building.

One of the explicit objectives of the Emergency Petroleum Allocation Act is the preservation of the competitive viability of the independent oil refiners and marketers. This act also requires that the mandatory oil allocation program achieve equitable distribution of crude oil and refined products at equitable prices. The subcommittee will ask Mr. Sawhill, Director of the Federal Energy Office what he is doing to save the independent sector of the oil industry.

We will also ask representatives of the independent oil refiners and independent gasoline marketers what needs to be done to help them cope with the current market situation. Mr. R. E. Holding, president of the Independent Refiners Association, and Mr. Ronald J. Peterson, chairman of the Independent Gasoline Marketers Council, will give testimony to the subcommittee on the plight of the independents

NOTICE OF HEARINGS ON COAL SLURRY PIPELINES

Mr. JACKSON. Mr. President, on April 9, I introduced legislation designed to facilitate the construction of coal slurry pipelines—amendment 1175 to S. 2652. I wish to inform all Senators and the public that on June 11, the Committee on Interior and Insular Affairs will hold a hearing on my proposal.

It is increasingly clear that coal slurry pipelines are going to be needed to move the coal required to meet our energy needs. My proposal would do two things. First, it would amend the law governing issuance of rights-of-way over Federal lands for oil and gas pipelines. The existing law was recently updated by the Congress in connection with its consideration of the trans-Alaska pipeline and is found in title I of the act of November 16, 1973. Thus, the most modern and environmentally responsible Federal law would apply to coal slurry pipelines on Federal lands.

Second, my proposal would give a right of eminent domain over private property to the operator of a coal slurry pipeline, if the Secretary of the Interior makes certain findings with respect to the pipeline involved.

Anyone wishing more information should call Mike Harvey of the committee staff—225–1076. The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE OF HEARINGS BY TECHNOLOGY ASSESSMENT BOARD

Mr. CASE. Mr. President, I wish to inform Members of the Senate that the Technology Assessment Board, of the Office of Technology Assessment, has scheduled hearings on June 12 and 13 on technology assessment related activities of the National Science Foundation.

These are the first hearings the Board has held since OTA began operations and are the beginning of a series of hearings on technology assessment.

The hearings on both days will commence at 10 a.m. in room 318, Russell Senate Office Building, and will be open to the public.

ADDITIONAL STATEMENTS

PROGRESS TOWARD A BETTER LIFE IN VIETNAM

Mr. GOLDWATER. Mr. President, one slanderous charge that professional activists repeatedly use in their campaign against continued U.S. financial assistance to South Vietnam is that the South Vietnamese Government is an isolated regime, uncaring of the needs of its average people. At least 15 organizations, representing what the Indochina Peace Campaign newspaper itself designates "pacifists, church people, civil libertarians, Marxists, liberals, and anarchists," are stressing this theme as a major element of their lobbying campaign to pressure Congress for cuts in aid to South Vietnam.

The lie to these fabrications is clearly provent by the third and fourth of studies on Vietnam written by my legal assistant, Mr. Terry Emerson, who traveled extensively throughout South Vietnam from May 2 to June 1. His investigations reveal that the South Vietnamese Government is making heartening strides in promoting universal education in the country and is achieving truly remarkable success in resettling over half a million refugees created by the Communist warfare.

Widespread, but seldom reported Communist violations of the Paris cease-fire agreement are disturbing, but not preventing, the continued progress of these programs for the South Vietnamese people; and the fact that these projects can exist at all in a setting of vicious terrorism demonstrates the general stability which prevails in South Vietnam, contrary to the misleading barrage of sensationalist headlines which portray to Americans an image of chaos that is far from the truth.

Mr. President, in order that a more balanced picture of the situation in Vietnam may be available to the general public, I ask unanimous consent that Reports From Vietnam: III and IV, by Mr. Emerson, entitled "An Obsession for Education" and "A New Life in Suoi Nghe," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Report From Vietnam: III

(By J. Terry Emerson)

AN OBSESSION FOR EDUCATION

"Who is it who has shortened your days on earth?
At three you went into class, at five you would come out
Your parents expected you for the evening meal . . .
It was Saturday, Sunday would be a day of rest
Who would have thought your going away was forever?"

The above poem was read by an eleven year old Vietnamese school child who was honoring the memory of classmates who had been killed in a Viet Cong mortar attack on the Cai Lay Primary School one week earlier, on March 9 of this year. Communist gunners had fired an 82 mm mortar round as the children were lining up in the playground, preparing for afternoon lessons to start after a recreation period.

A single Chinese-made mortar round, of a special kind which has a very large killing zone as it explodes, caused the death of 45 small children instantly or at the hospital and wounded another 83. A tail section of the murder weapon, the Communist mortar shell, was found and identified by an International Commission of Control and Supervision Team (ICCF) at the site of the playground.

On May 4, the Communists repeated their massacre tactics by shelling Song Phu elementary school. This time three Communist mortar rounds killed at least eight children ages six to fourteen and left another 30 of them wounded. Indonesian and Iranian members of the ICCF have investigated the massacre, but the two Communist delegations, Poland and Hungary have refused to look into the attack.

Of the three rounds that fell into this school, one exploded in the rear, in front of a grocery shop. That was where Nguyen Tien, the Deputy Principal, found his six year old girl. Her two legs were blown off and she was already dead. The shell that killed his daughter also killed three other boys.

At Song Phu, eleven of the children are still in the hospital. At Cai Lay, care is still being given to about 50 children who have shrapnel left in their legs and hands.

The attacks on these two primary schools are part of an extensive campaign of terrorists' tactics which the Communists have undertaken since the signing of the Paris Cease-Fire Agreement in January of 1973 in order to disrupt the stability of the South Vietnamese Government and to physically force villagers to come over to Communist-controlled areas. The dead school children are among the more than 2,300 civilians in South Vietnam who have been killed by the Communists after the cease fire went into effect.

But school goes on. Education is an obsession with the people of South Vietnam. If there is one impression that stands out from the many one gathers after an exhaustive tour of the Republic of South Vietnam, it is the truth that the people have a great thirst for knowledge.

Not only in sophisticated Saigon, but in every village and hamlet one visits in South Vietnam, he encounters scores of school children, easily identifiable in the case of girls because female students in South Vietnam wear a type of uniform, white blouse or dress over black pants. While traveling along dirt roads in the most distant village, one sees rows of these school children walking beside the road in contrast to their elders who are stooping in the wet farmlands which seem to stretch endlessly in the remote areas.

The achievement of the South Vietnamese Government in the field of education is nothing short of remarkable. In the current 1973–74 academic year, there are over three million children attending primary schools in South Vietnam, over one million pupils in High Schools, and over one hundred thousand in higher education.

The three million children in primary schools represent 90.4% of all children in the six to ten age group and the one million children in high schools constitute about 55% of all children from eleven to seventeen. The percentage of children starting school now that can expect to complete the twelfth grade of high school is seventy percent, based on present schooling trends.

The success of the Republic of Vietnam in the field of education is a major achievement for an under-developed nation. Its results stand very favorably in comparison with other free world undeveloped countries and its progress far out-shines its direct antagonist, North Vietnam, which, with 5 million more citizens than the South, has only about as many youngsters in school.

Twenty years ago, South Vietnam lacked even one indigenous university. Now, it has nearly twenty institutions of higher education, with a total student population exceeding one hundred thousand. Saigon University is the largest with over fifty thousand students, but several smaller, private universities have also started up in the last few years. The skills that can be learned in South Vietnam represent a spectrum from the humanities and social sciences to engineering, medicine and the law.

For a nation which has suffered continuous war on its own territory, which has much of its resources necessarily locked into the national effort of self-survival, and which is facing deliberate Communist attacks against school children and teachers, the people of South Vietnam have marked a tremendous development in education. The United States can be proud to assist the government and people of South Vietnam, who are making a dedicated effort to advance themselves into a Western-style society of highly educated, free-thinking citizens.

Report From Vietnam: IV

(By J. Terry Emerson)

A NEW LIFE IN SUOI NGHE

Suoi Nghe lies about 80 miles northeast of Saigon in a beautiful valley stretching to the nearby seacoast on one side and bordered by rolling mountains that revive childhood memories of my native West Virginia scenery. A comfortable breeze sweeps the lush farmland cleared from the thick, inland forest, in sharp contrast to the more humid atmosphere at Saigon.

Suoi Nghe is one of 140 resettlement sites in South Vietnam in which some 550,000 refugees are being given an opportunity to establish a safe life of their choosing. If Suoi Nghe were situated on the east coast of the United States, it undoubtedly would have been developed as a city dwellers' retreat, part of a resort land boom campaign.

But Suoi Nghe is the home of eleven thousand refugees who have settled here since early 1972. In this village, the average homesite given to each family is 1,300 square meters, ample room for a family residence and some gardening. In addition, each family is provided one acre and a half for cultivation purposes. When the adjacent land is fully reclaimed from the forest, each family will be granted up to three hectares, or over seven acres, for farming.

The Government provides this land free of charge, without compensation, to the families who are resettled here and in other refugee villages and cities throughout the country. The individual family itself must volunteer a wish for resettlement and lists of approximately 5,000 such volunteers are compiled. Then four or five representatives of the people within the group accompany officials of the government to three or four possible locations in different provinces.

Once a location is finally selected with the agreement and participation of the people who wish to move there, the land itself is cleared and prepared with the assistance of the national government. Eventually, the various lots are determined upon and assigned to individual families who select the corresponding numbers.

For the first two years, each individual family is given a temporary title to their land. With this, they may borrow from the Agricultural Bank and begin cultivating their land. If they make a reasonable effort at working the land, their titles will be confirmed to them without cost by the Ministry of Agriculture at the end of the two-year period.

Anyone who loves the land would enjoy living at Suoi Nghe. To be let alone, with a chance to develop rich soil in a vibrant climate amidst a picturesque environment is a dream come true for many a pressure-driven, smog-bound city dweller. For nearly all the residents of Suoi Nghe, it is a way of life for which they would choose no replacement. Farming is the calling which these people want above all else.

Tragedy has filled the lives of hundreds of thousands of villagers in South Vietnam because of the Communist design for conquest. Of course, if the people submit passively to the Communist invaders and allow their lives to become manipulated by the whims of totalitarian despots, in other words if they are willing to submit to slavery, these refugees need not have left their original homes. But one of the remarkable facts about the war in Vietnam is that the refugees from battles have always run to the South Vietnamese side. The clear vote is for life in the Republic of Vietnam and against Communism.

The Government of South Vietnam deserves applause for its success in properly handling the resettlement or return to home of over 550,000 persons in a period of some fifteen months. Of about 737,000 refugees who were in camps in 1972, there are now remaining in refugee centers fewer than 185,000. At least 40,000 of these unfortunates are new refugees who were created in 1974 as a result of Communist violations of the Cease-Fire Agreement.

The successful refugee program by the South Vietnamese Government is not only a tremendous humanitarian undertaking, but it has great economic importance as well to the stability of life in South Vietnam. The land reform program, which has accompanied the refugee resettlement project, has given approximately three million acres to one million families. This is a truly major achievement done in a bloodless way by a government who is concerned about its people. It stands in sharp contrast to the so-called Communist land reform, where the individual peasant only retains at best a tiny plot in his backyard.

The true land reform effort by the Republic of Vietnam has resulted in the intensive cultivation of rice lands. Even with the Communist cease-fire violations, South Vietnam is well on its way to resuming its natural status as being a rice surplus and exporting area.

In summary, the South Vietnamese Government is providing valuable services to its population and the people have demonstrated their will to be free from Communism. American assistance for a short while longer can guarantee that the residents whom I saw in Suoi Nghe will enjoy a continued opportunity to make their lives in freedom rather than slavery.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, again I wish to express my vigorous support for the Genocide Convention. I am not alone in this support, however. Many of my colleagues here in the Senate as well as eminent members and scholars of the bar, support the ratification of this treaty. There has also been widespread support among the press and many of my constituents have expressed to me their support of the convention.

The support for the treaty has been undaunting. It has been over 25 years since the treaty was put before the Senate for ratification, and those who supported the treaty 25 years ago continue to do so now with the same conviction. Surely this steadfast support must be a sign of the need for this treaty. The governments representing the peoples of 78 nations have already approved the terms of the treaty, yet we have failed to do so.

Mr. President, I urge that we take heed of the intensity with which many view the appropriateness of the convention and ratify it as soon as possible.

JUSTICE MARY COLEMAN

Mr. GRIFFIN. Mr. President, at a time in our history when it is especially important to have faith in our legal system, I welcome the opportunity to call attention to the service of an outstanding jurist in my State.

In 1972, Justice Mary Stallings Coleman became the first woman ever elected to the Michigan Supreme Court. Having been a lower court judge for 12 years prior to her elevation, she brought to the high court of our State a unique combination of beauty and brilliance.

Recently, in an interview with reporter Gary F. Schuster of the Detroit News, Justice Coleman discussed her judicial philosophy and provided some candid insight into the workings of the appellate court on which she sits. It is an heartening account that inspires confidence, particularly in this remarkable member of the judiciary.

Mr. President, I ask that the article, which appeared in the Detroit News on June 3, 1974, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A View of Michigan's High Court Through the Eyes of Justice Mary Coleman

The following is a Detroit News intreview with Michigan Supreme Court Justice Mary Stallings Coleman:

Q. "How have you been received by your colleagues on the court?"

A. "Fine. I have no complaints. They are all gentlemen and treat me well. I must say, however, there are no holds barred when it comes to arguing a position on a case. Then (I am) just one of the boys.

"If the discussions become violent, which they frequently do, we keep the fighting in the conference room, write a dissent if we can't win our position and go out to lunch and be friends."

Q. "What has impressed you least about the court?"

A. "I hate to put it this way, but I think appellate courts like ours have become obsessed with the perfect trial to the point that we have forgotten about the fair trial.

"Courts have become, in hindsight, too ritualistic. The substance of a case becomes lost as a result, and so does truth. There are other things that bother me about this court, but I can't approve of everything. So I will not comment on the other things."

Q. "You seem to be worried in answering the questions about, perhaps, damaging the public image of the court. Is the court worried about its public image?"

A. "Yes. The good name of the court is related to its effectiveness. The court does not want to lose the confidence of the people."

Q. "Do you think the court has lost the public's confidence?"

A. (Hesitation.) "Yes. It has. I don't say that negatively. It's necessary for the court to keep up with the times. And I mean not only keeping up, but also keeping from getting too far ahead. It can be harmful if we move too far from the people.

"If we get too far out with our decisions, the lower courts can't handle it or understand it. I mean, if the rules we set down change dramatically, rapidly and in great number, there will be confusion in the lower courts and among the public.

"I'm for evolution of the law, not revolution. We must be consistent. The law should be stable, but not stand still. It has to develop in an orderly fashion to take care of the new concerns of society."

Q. "How do you perceive justice?"

A. "Justice is arriving at the truth. Through the facts found at the trial court level, and great research, this court is called on to make a decision. I think justice can be defeated by a court being overly technical. In arriving at a decision it must be remembered that justice is for defendants as well as plaintiffs."

Q. "Does the Supreme Court have too much power over the lower courts?"

A. "The power has to be there, but it must be used with restraint. Along those same lines, I think we should be slow to overturn the decisions of trial courts. I believe in considering whether to hear (a case) the court should take into account whether a defendant is obviously guilty. If he is and the trial court has done its work properly, then the verdict should be able to stand on its own."

Q. "How do you see your role on the seven-member court?"

A. "Just as that. I'm one of seven. I can't act as an individual, and that is one of the drawbacks. As a Probate judge, I could, and now I can't. My statements affect the other six members of the court."

Q. "Why can't you act as an individual? Your job is to state your opinions on matters before the court whether you are speaking for the majority or as a lone dissenter."

A. "Well, I should say I can't speak my opinion other than in writing. I don't think it's judicially ethical to go out on a speaking tour and undercut the court. I feel a certain restraint. But I got away from the question. I see myself as a moderate on the court. I think there are two of us who are consistently moderate. Myself and Justice John Fitzgerald. (Both of whom are Republicans.)"

Q. "Let me put it another way. Has the fact that you are a woman justice had an impact on the court's actions?"

A. "Yes, but not because I'm a woman. I think my legal background with 12 years' trial court experience has helped me make a greater contribution than the fact I'm the first woman justice. There is a shortage of trial judges on the Supreme Court. But the woman's angle is important too."

Q. "How important?"

A. "I see a question that my male cohorts do not see on some occasions. If you are a man, perhaps you don't see it as a problem or a question. In any event, once I see a problem I bring it before the other members of the court. So far we have agreed that there indeed was a problem in the area I pointed out, and we have addressed those things to my satisfaction."

Q. "What would you say is the hardest part of your job?"

A. "Writing opinions. I say that because all kinds of problems are involved. I'm very sensitive to the effect they will have, not just to the man or woman whose case is before us, but down the line. When I write an opinion or a dissent, I keep in mind—or try to determine—what the repercussions will be for generations to come. Sort of the stone-in-the-pond effect.

"You have to know where you are going. You have to ask yourself if what you are doing is going to open prison gates for some or shut them on others. You can't ever forget society. There is the practical application of the law, but in applying that law you have to consider the human element too."

Q. "The court has been criticized in the past for being politically oriented in some of its rulings. Do you think that is a fair criticism?"

A. "In my term I have not had occasion to witness any of the opinions that the court has been taken to task for. I think the philosophy of a particular justice is more important in decisions than his or her political background. From case to case, a philosophy of a justice shifts like sand."

Q. "You remarked earlier that you considered yourself a moderate. Do you feel alone on this court?"

A. "I don't know what the others call themselves. Some are moderates in some respects in a particular case. I can't speak for them, though. I might be looked down on for criticizing my cohorts and I do not want to do that. Let it stand that the others have philosophies different from mine."

Q. "Does the magniture of the job scare you?"

A. "No. I'm not frightened by it. I feel the weight of the responsibility. It's a tremendous challenge. I don't think people realize what goes into making a decision in a case. There is a continuous searching of the conscience as well as doing background research into case law from, in some instances, every state in the Union.

"It's very exciting to participate in decisions that affect matters which come to every man's fireside."

FIFTIETH ANNIVERSARY OF THE CLARKE-McNARY ACT

Mr. TALMADGE. Mr. President, I rise to note that today marks the 50th anniversary of the enactment of the Clarke-McNary Act of 1924. This landmark legislation gave full recognization for the first time to the key role of private forestry in meeting future timber requirements of the Nation.

As we look to the future and wonder where we will get the timber to meet rapidly expanding demands for wood and wood products, it is well that we consider that the authors of this act attempted to face these same concerns in a manner that was consistent with balanced concerns for the environment and for timber management. This law was the trigger which established national initiatives in resource conservation.

The Clarke-McNary Act authorized Federal cooperation with the States and private landowners in lessening risks, such as fire, as improving the opportunities for commercial timber production. Under its far-reaching provisions, the 50 States have extended fire protection to 626,000,000 acres of forest and watershed lands. Fire losses during 1973 were held to less than two-tenths of 1 percent of the acreage protected. That is a remarkable achievement.

The act has also provided for Federal-State cooperation in the production and distribution of seedlings for the establishment of forests, shelterbelts, and windbreaks. More than 14½ billion seedlings have been distributed since 1924. This is a major reforestation achievement. But more must be done.

Other provisions of the Clarke-McNary Act enabled the Secretary of Agriculture to accept donations of 355,000 acres of forested land, and to determine that certain public lands should be added to the national forest system for the protection of navigable streams and the production of timber. Other acquisitions under the Weeks Act of 1911 extended multiple use management for the public benefit to some 17,000,000 acres. These tracts have also been added to the national forest system.

The Clarke-McNary Act authorized the Federal Government to carry out its responsibilities in the protection of the land. In doing this, it caused the creation of at least 20 new State forestry organizations. Together, the Federal Government and the State forestry organizations have made great strides in fire protection and reforestation that never would have been possible without a cooperative effort.

In this tradition of excellence, the Committee on Agriculture and Forestry has attempted to build on the sound environmental principles of the Clarke-McNary Act.

In 1960 we had enacted the Multiple Use-Sustained Yield Act. In 1972 we enacted reforestation legislation, which unfortunately the Executive has not seen fit to implement. We have supported the efforts of the Forest Service to do serious and meaningful planning for effective management of all lands for all uses in the national forest system.

In 1973 the Senate adopted, at our initiation, a resolution which would have insured adequate manpower for the Forest Service to continue its good work, including the cooperative program with the States.

Also, in 1973, we followed the lead of my distinguished colleague from Mississippi (Mr. Stennis) and had a forestry incentives measure added to the Agriculture and Consumer Protection Act. This measure is already at work assisting small landowners in managing their woodlots for commercial uses, thereby increasing the Nation's timber stock.

Further, in that same portion of the farm bill, title X, we provided for a long series of conservation measures which, when effectively implemented, will provide greatly for improved environmental quality and protection in vast areas of rural America.

This year, the committee adopted and the Senate passed the Forest and Rangeland Environmental Management Act.

This proposal, when enacted, will provide for a systematic program for the total management of all uses in the national forest system and for constant evaluation to determine if the job is being done.

The Clarke-McNary Act began a long tradition of resource conservation that must be expanded upon if we are to be assured adequate supplies of vital renewable resources while maintaining an environmentally sound posture. The Committee on Agriculture and Forestry is moving forward vigorously in this tradition.

THE AIR FORCE PSALM

Mr. GOLDWATER. Mr. President, on the 30th of May of this year it was my privilege to address the graduating class of 74-06 at Moody Air Force Base in Georgia. The benediction was given by Lt. Col. Lee Backman, the base chaplain, and it was so inspiring that I asked him for a copy so that I may make it a matter of the Record. I ask unanimous consent that the "Air Force Psalm" which was the benediction be printed in the Record.

There being no objection, the benediction was ordered to be printed in the Record, as follows:

The Air Force Psalm

The Lord is my Pilot. I shall not falter.
He sustaineth me as I span the heavens;
He leadeth me, steady, o'er the skyways.
He refresheth my soul.
For He showeth me the wonders of His firmament
For His Name's sake.

Yea, though I fly through treacherous storms and darkness
I shall fear no evil, for He is with me.
His Providence and Nearness they comfort me.

He openeth lovely vistas before me
In the presence of His Angels.
He filleth my heart with calm.
My trust in Him bringeth me peace.

Surely, His Goodness and Mercy
Shall accompany me each moment in the air,
And I shall dwell in His matchless heavens forever.

—From the Office of Chief of Air Force Chaplains.

FEO HEARINGS ON SYNTHETIC NATURAL GAS FEEDSTOCK ALLOCATION POSE DIRE THREAT TO PROPANE USERS AND INDUSTRY

Mr. ALLEN. Mr. President, on May 28 and 29, the Federal Energy Office conducted public hearings on the subject of the synthetic natural gas feedstock allocation. Should the present allocation system be changed now, basically to increase supplies of gas to the urban areas of the country, the threat to propane users throughout the State of Alabama and the Nation would be catastrophic.

One could, it seems to me, question the underlying philosophy which led the FEO to hold such hearings. Surely, the agency charged with the fair and equitable distribution of energy supplies throughout the economy is aware of the short- and long-run supply situation of LP-gas. Surely, the FEO is not insensitive to the millions of people dependent upon LP-gas fuels. Most of these users do not have alternate sources of fuel. Were the FEO to reverse the allocation program for LP-gas, the economic consequences in terms of benefiting urban gas users would be minimal and the adverse consequences for millions of rural customers would be dramatic and painful.

Fortunately, propane customers and the industry were ably represented at the FEO hearings. Mr. Arthur C. Kreutzer, executive vice president and general counsel of the National LP-Gas Association, struck a blow for protection of LP users in his testimony. Representing also the National Committee on Propane Allocation, Mr. Kreutzer laid bare the fallacies of the claims by the SNG industry as to the effect of using LP gases as feedstocks for SNG production. Mr. Kreutzer said toward the end of his remarks:

> Proposals to use LP-gas as a feedstock in the manufacture of SNG to solve natural gas shortages reflects a lack of understanding of the overall picture: Three percent cannot supply the shortages of the other 97 percent. Any attempt to do so will destroy existing markets, many portions of which have few alternate fuels. Natural gas itself provides 20 times the energy provided by the LP-gas market. Obviously, a relatively small shortfall of natural gas could absorb the entire U.S. LP-gas supply.
>
> Any allocation of SNG feedstock, beyond base period use, represents a radical departure from the underlying philosophy of the allocation program—protection of historical customers. It will constitute an open invitation to other new users that will be most difficult to withdraw. Industrials can be expected to pressure for similar treatment in an end run around present restrictions.

Mr. President, the fuel supply potential for millions of Americans is in jeopardy should the LP allocation program be scrapped or substantially modified as desired by SNG and natural gas representatives. As for the price of propane—which we recently had to deal with—the pressure on propane supply will create a related impact on the cost of propane at all levels in the distribution chain. The price can be expected to rise, both in those instances when it is now selling under ceilings, or when higher price source material is sought in the attempt to meet the new demand. I wholeheartedly agree with Mr. Kreutzer's concluding sentence:

> The simple basic fact is that there is not enough propane for new SNG.

Accordingly the National LP-Gas Association, the National Committee on Propane Allocation—and I join in this recommendation—that no allocation of propane for SNG feedstock be created beyond the present base period allocation.

Mr. President, in order that all Senators will have the benefit of the data presented by the association, I ask unanimous consent that the complete statement, including the appended chart thereto entitled "Status of Current SNG Projects Using LP-Gas and NGL as Feedstock" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT OF ARTHUR C. KREUTZER, EXECUTIVE VICE PRESIDENT, NATIONAL LP-GAS ASSOCIATION, AT THE FEDERAL ENERGY OFFICE PUBLIC HEARING ON SNYTHETIC NATURAL FEEDSTOCK ALLOCATION, MAY 28, 1974

I am Arthur C. Kreutzer, Executive Vice President and General Counsel of the National LP-Gas Association. This testimony is presented on behalf of that association and the National Committee on Propane Allocation. NLPGA is the national trade association of the LP-gas industry. It has within its membership of approximately 5000, producers, distributors, and dealers of propane, butane, and propane-butane mixes, as well as 41 affiliated states. The National Committee on Propane Allocation speaks for both NLPGA, and unaffiliated states. In presenting this statement we are primarily speaking for the reseller—or dealer level of the association and the industry. This statement is fully representative of LP-gas industry position at that level and also represents the posture of many producers. It is our fundamental position that supplies of propane are inadequate to furnish SNG feedstock without drastic damage to the propane consumer, and relatedly to the supplier of propane.

Propane is stored and transported as a liquid. It is used as a clean-burning gas. Its mobility makes use possible anywhere. It is portable fuel delivered by trucks, either in cylinders or in large quantities to a consumer's storage tank on his property.

The LP-gas industry's position in the American economy is significant. It supplies over 3% of the nation's energy needs. It ranks fourth in the nation's energy market. Of the total 23 billion gallons sold in 1973, over 12 billion gallons went to serve the over 13 million consumers supplied by the LP-gas dealer. The LP-gas operations contribute over $3 billion in annual sales to the total economy and the industry represents approximately a $7.5 billion segment of the nation's capital investment.

The marketing portion of the LP-gas business alone employs more than 86,000 people which means that well over 300,000 citizens are supported by this one industry. These figures do not include other businessmen, closely allied with the LP-gas industry, who obtain some part of their livelihood from it.

More than 200 oil and gas companies produce LP-gas at natural gas liquids extraction plants and oil refineries. Approximately 65% of the propane comes from natural gas extraction and 35% from refineries. Primary retailing is through marketers maintaining bulk storage facilities, supplemented by thousands of hardware and furniture dealers and other retailers.

Its physical assets comprise over 25,000 retail sales outlets, 8,000 bulk storage and distribution points, 70,00 miles of cross-country pipelines, over 4 billion gallons of primary storage, at least 25,000 transport and delivery trucks, 22,000 railroad tank cars and a fleet of 150 barges and tankers.

In millions of homes in suburban, small community and rural areas, LP-gas is used extensively for automatic cooking, water heating, home heating and air conditioning, clothes drying and incineration.

In the business of modern farming, LP-gas is used for crop drying, flame weeding, alfalfa weevil control, tobacco curing, poultry and pig brooding, defoliation, stock tank heating and frost protection. LP-gas powers tractors, trucks, pumps, standby generators and other implements.

Commercial establishments, such as motels, hotels, resorts, cafes and restaurants use LP-gas for cooking, water heating, space heating and other essential purposes. Industrial plants use LP-gas for brazing, soldering, ceramic firing, die casting, drop forging, and rubber vulcanizing, to mention but a few uses.

LP-gas engine fuel operates fork lift trucks and other industrial type vehicles in plants and factories, over-the-road trucks, city buses, taxi fleets, sanitation truck fleets and privately owned automobiles.

In the face of pressure for additional propane supplies, to replace natural gas shortages any allocation program should recognize that millions of farms and homes without alternate energy sources rely on propane. With respect to employment and jobs, there are thousands of small businessmen and their employees, not large in number per plant but a highly significant part of the nation's labor force when added together, whose economic well being is based on sufficient propane supplies for these historical consumers.

In a recent study performed for the FEA under the auspices of the Emergency Advisory Committee for Natural Gas, propane, butane, and ethane supply and demand were forecast from calendar 1974 through the first quarter of 1977. The projection, which included only the refined propane and butane requirements of SNG plants currently in operation, showed that with normal weather patterns, a combination of LP-gas and ethane supplies and current high inventories might be sufficient to meet demand through 1975 and possibly part of 1976. The study assumed that imports would increase from the 1972 level of 1.3 billion gallons (5% of total supply) to 3.3 billion gallons (11% of total supply) by 1976—no mean feat. It also assumed that no major new demands, such as for SNG feedstock for plants beyond those already operating, would be placed on the market. Even with these stringent assumptions, the Committee's Task Group was led to caution that:

"By 1977, surplus inventories of LP-gases will have been exhausted, domestic production of the subject products will have peaked, and the resultant reliance on imports will be increasing in order to satisfy the continued growth in LP-gas demand. Even with greatly expanded imports, which assumes the cooperation of foreign producers, by 1977 the shortfall of supply vis a vis demand would appear to require a significant reduction in consumption."

Utilities developing SNG plants certainly were aware of the developing propane shortfall. They were aware of prospective shortfalls in natural gas, and should have been equally aware of the consequent impact on propane, with over two-thirds of the propane then being derived from natural gas wells. In the face of this probable propane shortfall, commitments were apparently made with some hopeful expectation of propane availability for SNG feedstock. At an early date, in interruptible natural gas proceedings, the FPC found that propane was not a feasible alternative to natural gas. The forecast of a propane tightening supply appeared in other sources. As a later reflection, propane was the first petroleum product to be placed under allocation. This supply problem still persists, even though a temporary relaxation now appears. As a possible barometer of continuing tight supply, the Propane Futures Market has recently started an upward move.

It is in this supply environment that the SNG interests seek to enter the LP-gas market. These interests certainly qualify as a major new demand component; for example, Columbia LNG Corporation's recently completed plant at Green Springs, Ohio, will require 1.3 bililon gallons of gas liquids annually—liquids which could otherwise be separated into roughly 75% LP-gas components and 25% other products. The 1 billion gallons of LP-gas "lost" to the LP-gas market due to the operation of this single plant (and this may be conservative due to the use of pure LP-gas as feedstock in some amount at this location) would represent 4% of the total LP-gas and ethane supply to be available in the U.S. in 1974.

But this is just one plant. To gain an overall perspective, it is possible to tabulate the NGL and LP-gas feedstock requirements of those plants which are now operating, those under construction, and those planned:

NGL and LP-gas feetstock requirements

Million gallons per year

Status:	
Operating	2,300
Under construction	797
Subtotal	3,097
Planned	1,932
Total	5,029

In terms of the total LP-gas and ethane supply projected for 1975 of 28 billion gallons, the 3 billion gallons SNG feedstock requirement for plants operating or under construction would represent eleven percent; if the 1976 forecast supply of 29 billion gallons and all SNG plant requirements—including those of planned plants—are used, the figure becomes 17%. In contrast, the forecast demand included only .3 billion gallons for SNG plants, and even with this low figure, total LP–gas shortfalls excluding inventory drawdowns ranged from .5 billion in 1974 to 2 bilion in 1976. It is clear that the addition of even a small SNG load above that forecast will turn a situation which is troublesome in the short term into an immediate dire shortage condiion.

It should be noted that the "feedstock requirement" figures used above, which include natural gas liquids as well as pure propane, butane, ethane, and mixes, are not strictly comparable to the Task Group supply forecasts, which did not include NGL's directly. The forecast demand by utilities for SNG feedstocks included only propane and butant and therefore excluded, for example, the estimated 80% portion (1.1 billion gallons) of the Columbia LNG Corporation's feed at their Green Springs, Ohio SNG plant. However, the SNG interests argue that the remaining NGL and LP–gas feedstocks are incremental to what would otherwise be available to the LP-gas market. While it would be difficult to prove or disprove this statistically, their reasoning can be questioned:

(1) Suppose an SNG plant contracts for an NGL supply. The SNG plant, in its FEO argument, might argue that since they are using NGL, the feedstock is not coming from the supplies forecast in the Task Group study (which excluded NGL) and is therefore an incremental supply. But, if this causes, directly or through exchange cancellations, less LP-gas to be produced from historical fractionators, the feedstock is clearly not incremental to the forecast.

(2) Suppose an SNG plant contracts for "new" NGL as feedstock and argues that except for their efforts, it would not exist and therefore would not otherwise be available to the LP-gas market. But this is also misleading; the forecast included new production (which offsets loss of old production due to well shut-ins) in the U.S. and also included "new" liquids in the form of increased imports, as follows (given as increases from one year to the next):

[Million gallons]

1973 to 1974	+184
1974 to 1975	+460
1975 to 1976	+644
Total 1973 to 1976	+1, 288

This purportedly "new" SNG feedstock sources may in fact be no more than a capture of a portion of the projected imports.

(3) It is known that some of the SNG plants' contracted feedstocks are to come from domestic sources (i.e. Consumers, NI-Gas, and Peoples Gas) while others are presently seeking to secure allocations for domestic LP-gas from the FEO (i.e. Columbia LNG's request for what we estimate as 613 million gallons). These supplies definitely are included in the forecast, and their use by SNG plants will worsen existing shortages.

(4) Even if the "new" gas they secure is truly incremental to the projected supply, it is dubious reasoning to assume they should be allowed as SNG feedstock. Only if no LP-gas shortages exist can it be said that the supplies are truly incremental U.S. supplies; otherwise the shortage is perpetuated. If the "new" volumes were not consumed in SNG plants, someone else would import them, supply them to the LP-gas market, and help relieve shortages.

The added strain of planned SNG plants as a demand component in the LP-gas market clearly must reduce or eliminate supplies available to existing users, regardless of whether the allocation petitions are made on a "current requirements" or a "case-by-case" basis. It is questionable whether the plants now in existence can contract for their full requirements without causing the same occurrence to a large degree. But let us assume the absurd: that allocations are made on a "current requirements basis." Hearing this, the seven proposed SNG plants whose plans have been deferred due to their inability to secure naphtha feedstocks, will change their plans to use LP-gas foodstocks, outbid non-SNG demand components for the LP-gas, and take away an additional 3.4 billion gallons. Thus of the total 29 billion gallons of supply available in 1976, SNG interests would use 8.4 billion gallons—28½%—compared to a percentage figure approaching zero in 1973.

The effect on the LP-gas market, as it existed in 1973, would be staggering. Over twenty-five thousand retail LP-gas distribution companies currently serve thirteen million homes, business, schools and government groups, including 1½ million farms (approximately one half of all U.S. farms), 4 million U.S. housing units using LPG for heating and 6 million units using LPG for cooking. Estimates can be made of the number of people these figures represent. Using the 1971 Bureau of the Census estimate of 3.2 people per housing unit and estimating the number of people served in other groups at 5.0 per group, a market serving nearly 50 million people is indicated. This consumer group is largely "rural" and is certainly less fortunate in terms of median income than the U.S. population as whole.

This is demonstrated in a breakdown of propane consumer classes as it appeared in the Oil & Gas Journal of September 10, 1973:

	Percent
Rural residential	24. 6
Petrochemicals	24. 5
Farm (incl. farm, residence)	20. 3
Industrial & Commercial	16. 5
Urban residential	12. 4
Utility gas	1. 7
Miscellaneous	7. 9

To gauge the impact of SNG plants on these people, let us assume that the plants now in existence, under construction, and planned are allocated all the LP-gas as feedstock they are designed to use. Seventeen percent of the 50 million customers now served, or potentially 8½ million people, would have to locate other fuel sources, as a group underwriting huge conversion costs for the existing fuel systems. In many areas, this alternate fuel may only be wood; in many areas, there may be no alternate, due to unavailability or cost beyond their means. And those who remain as LP-gas consumers will pay sharply higher prices as their suppliers are forced to compete with SNG plants in a bidding war to secure the limited supplies of LP-gas available.

Certainly the SNG produced can supply some of the energy requirements of those who lose LP-gas as a fuel. But at what cost? To answer this, the efficiency of the SNG conversion process must be considered in terms of BTU's of input versus BTU content of the SNG output. While generalities cannot completely answer this question, they can indicate an order of magnitude. Suppose an SNG plant is built to serve 100,000 customers who formerly used propane, and that the propane these customers would have used provides the feedstock and fuel for the SNG plant. Since the feed cannot economically be converted entirely to methane, there is a loss of BTU heating value of approximately seven percent in the process. In addition, to maintain proper temperatures in the process, another seven percent must be burned as fuel. Thus, fourteen percent of the heating value is forever lost in the conversion. Of the 100,000 customers who were receiving their full BTU need from propane, the SNG produced would only supply the need of 86,000. It is hardly logical to go to the trouble of converting propane to SNG in order to serve fewer people. And the resulting SNG would certainly cost more per BTU than the propane it was made from. In addition to reimbursing the utilities for the heat value in the conversion process, those customers who convert to the new SNG would have to pay for entirely new investment, new marketing facilities, and a new distribution system. What the SNG interests are proposing is to replace an existing, completely developed marketing system with an entirely different, less efficient, and more costly system—which smacks of change for the sake of change.

Some of these utilities seeking propane feedstocks continue to expand their lines into areas now served with propane. With their line extensions they have been displacing propane use by consumers in some quantity. This transfer of consumers creates no energy saving, but a net loss. A propane SNG allocation will serve to provide the ammunition for further invasion.

A further argument against the use of LP-gas for SNG production lies in the future seen for SNG from light liquids. A scan of the current literature provides a glimpse of what industry experts as well as SNG interests themselves see in the relatively short term. R. L. Purvin, of Purvin & Lee, Inc., stated in the February, 1974 "Journal of Petroleum Technology" that SNG from LP-gas should be viewed as a short-term solution to gas utility shortages until processes are developed for manufacturing SNG from coal and low quality liquids. An article in the September, 1972 "Pipe Line and Gas Journal" reinforces this belief, and further suggests that the SNG plants fed with gas liquids, due to the preponderance of cost associated with feedstock relative to investment, can easily be abandoned or deactivated at the end of the short term when alternate processes (i.e. coal conversion) make them unnecessary. G. Long, Director of Research for Northern Illinois Gas (which is currently building an SNG plant which can use as feed naphtha, NGL, and LP-gases), calls conversion of liquids to SNG a "short-term stop-gap measure" and states that "the price of SNG (from liquids) is expected to remain significantly higher than all other types of gas supply long-term" ("Pipe Line Industry," October, 1973). D. E. Anderson of Consumers Power Company (which operates an SNG plant from NGL and LPG feedstocks) acknowledges the existing liquids shortage in a November, 1973 "Oil and Gas Journal" article, being quoted as saying that anyone starting to investigate a liquids-based SNG plant is already too late, because of the shortage of suitable feedstock supply, advising an immediate switch to coal-gasification plans. He states, "Don't build an SNG plant unless you have no other alternatives but prayer."

In these references, two facts become clear. Liquids are already in critically short supply; any further drain will only heighten the severity of the existing shortage. The second is that the SNG interests intended tenure in the liquids market is admittedly short-term, that there is no interest in remaining beyond the next six years. Hence allocating LP-gas to the SNG plants will not only injure present consumers seriously, but will eventually result in a flood of LP-gas on the market after many significant portions of that market have been destroyed through fuel starvation.

What are the alternates to the use of LP-gas and NGL as feedstocks? Two were previously mentioned. SNG from coal has been demonstrated to be feasible and commercial from a processing point of view; a coal gasification plant in South Africa has been producing 972 BTU (pipeline quality) gas for over a year, answering vital questions concerning reliability and catalyst strength and activity. In the U.S., the FPC predicts that one commercial plant will be operating by 1976, five by 1930, and sixteen by 1965. Unfortunately, coal gasification cannot solve the short-term problem. The other feedstock possibility mentioned—low-quality liquids—have yet to be proven commercially feasible (these are liquids which are heavy in carbon content and are not satisfactory as feed for gasoline or distillate production).

It is necessary, then, to look within the range of products classified as "light liquids"—naphthas, pentane, propane, butane, and ethane, primarily. The shortage of the latter three have been discussed previously. Pentane does not exist in sufficient obtainable quantities for use as a sole feedstock. This leaves naphtha.

Expert opinion is available on the outlook for naphtha supplies in the short term. Bonner & Moore Associates, in a study performed for the AGA on feedstock availability, stated that over fifteen billion gallons annually of naphtha for U.S. SNG production could be absorbed from European and Caribbean refineries in 1980 and still leave them with a naphtha surplus. In the FPC hearings on the proposed TECON SNG plant, Pace Corporation supported this claim. Chem Systems International predicted a naphtha surplus of 8 billion gallons would exist in Western Europe in 1974, growing to a surplus of 11 billion gallons by 1980. Even if the Chem Systems forecast is overstated by 50%, the available naphtha would be sufficient to supply all plants operating, under construction, and planned using LP-gas feedstock, plus all plants planned using naphtha. In any case there appears to be more naphtha available than gas liquids.

Naphtha is, to a large extent, substitutable for LP-gas as a SNG feedstock, even in existing plants. Some of these were designed with acute foresight to use LP-gas and/or naphtha. Others would require the addition of feed preparation facilities and process modification, requiring significant expenditures in terms of their original investment. But the total investment in the modified plant would not be excessive relative to the cost of building an entire new plant; and it should be remembered that investment is a relatively insignificant portion of the SNG manufacturing cost. But even the increased investment may not be necessary in individual cases; if naphtha which has been hydrodesulphurized in a refinery is allocated to an SNG plant, only minor modifications would need be made.

There are further economies to using naphtha as opposed to gas liquids as a feedstock. Full-range naphtha would yield an approximate 5.2 MCF per barrel, compared to 3.9 for propane. But at present prices, naphtha costs only 17% more per barrel. Thus a savings of 12% is achieved in the highest SNG cost component, feedstock, by using naphtha as opposed to propane. These savings, in turn, can help pay for the higher initial cost of (or modification to) naphtha processing.

LP-gas and ethane currently supply only 3% of the total U.S. energy demand. Yet they are often suggested as a means of supplying shortfalls in other energy sources. The fact that this has to some degree occurred is one reason for the expected LP-gas shortage. Proposals to use LP-gas as a feedstock in the manufacture of SNG to solve natural gas shortages reflects a lack of understanding of the overall picture: three percent cannot supply the shorts of the other 97%. Any attempt to do so will destroy existing markets, many portions of which have few alternate fuels. Natural gas itself provides 20 times the energy provided by the LP-gas market. Obviously a relatively small shortfall of natural gas could absorb the entire U.S. L.P.-gas supply.

It might be argued that the SNG interests have committed $237 million to the construction of five LP-gas-fed SNG plants and plan to commit an additional $135 million for three more, thus necessitating an LP-gas allocation. But it can also be argued that, if the feedstock requirements are taken from residential and commercial LP-gas customers' supply, the cost in terms of loss in value of customer storage tanks alone could conservatively be estimated at over $500 million due to the five existing plants and over $300 million due to the three planned. And this does not include the sunken investment of in-place marketing facilities, distribution plants, transportation systems, and employees.

Rather than allocate propane to SNG plants on either a "current requirements" or a "case-by-case" basis, it would be better to forbid use of LP-gas in any SNG plant, existing or future. More total energy would be available to consumers, and at lower cost, than is now the case.

Any allocation for SNG feedstock, beyond base period use, represents a radical departure from the underlying philosophy of the allocation program—protection of historical customers. It will constitute an open invitation to other new users that will be most difficult to withdraw. Industrials can be expected to pressure for similar treatment in an end run around present restrictions.

Present consumers many times have no alternate fuel. All have invested in LP-gas equipment. SNG allocation will damage these consumers, both in obtaining their essential supply of fuel, and in their equipment investment.

It is equally unfair and discriminatory to require the LP-gas dealer to suffer economic loss in order to bail out the utility.

Taking propane from the consumer, generally "outside the gas mains", is simply robbing Peter for Paul. No new energy source is created. It creates rank discrimination to favor residents of the urban area (SNG supplied), as against the rural residents (propane supplied). The present residential 95% allocation subject to allocation fraction would necessarily be sharply reduced. Agricultural production supply will ultimately suffer, with consequent impact on food supply.

The pressure on propane supply will create a related impact on price—or cost of propane at all levels. It can be expected to rise, both in those instances when it is now selling under ceilings, or when higher price source material is sought on the attempt to meet the new demand.

The simple basic fact is that there is not enough propane for new SNG. We, accordingly, recommend that no allocation of propane for SNG feedstock be created beyond the present base period allocation.

STATUS OF CURRENT SNG PROJECTS USING LP-GAS AND NGL AS FEEDSTOCKS

[As listed by A. D. Little at a May 1974 AGA distribution conference]

Company and plant location	SNG output (MM CFCD)	Type of feedstock	Full feed requirement (MM gal/yr)	Amount of feed included in subcommittee study (MM gal/yr)	Comments
Plants now operating:					
Boston Gas Co., Everett, Mass	20	Propane	77	76	Feed probably from Venezuela.
Columbia LNG Corp., Green Springs, Ohio	250	NGL and LP-gas	1,334	151	Dome supplying 613 MM gal/yr, some of which is Shell domestic obtained on exchange; petitioning FEO for allocation of remainder of feed requirements.
Commonwealth Natural Gas Corp., Chesapeake, Va	30	Propane and butane	123	119	Supply originally scheduled to come from Libya through Tropigas.
Consumers Power Co., Marysville, Mich	200	NGL and LP-gas	766	0	Part of supply from Dome, part from Michigan fractionators.
Subtotal, plants operating	500		2,300	346	
Plants under construction: Northern Illinois Gas, Minooka, Ill.	166	NGL and LP-gas	797	0	Mapco supplying 300 MM gal/yr of LP-gas products and mines; can process heavy naphtha.
Subtotal, operating and in construction	666		3,097	346	
Plants planned:					
Northwest Natural, Portland, Oreg	100	NGL or naphtha	368	0	Plans deferred but not cancelled.
Southern Natural Gas, Escambia County, Ala	60	NGL	230	0	
Transco Energy, Delaware City, Pa	250	NGL	1,334	0	Plans deferred but not cancelled.
Subtotal, planned only	410		1,932	346	
Total operating, in construction, and planned	1,076		5,029	346	

A DOLLAR'S WORTH OF DEFENSE FOR EVERY DEFENSE DOLLAR SPENT

Mr. PERCY. Mr. President, if the Department of Defense is to get the job done—to maintain a solid national security posture at the lowest possible cost—DOD management must be reviewed regularly with the goal of achieving more efficient and economical operation.

My experience in a large technically oriented industrial organization has taught me that continued review and improvement in procedural, organizational and management policy is critical if the goals are to be achieved efficiently. Secretary of Defense Schlesinger deserves credit for the importance he attaches to this matter. I would like to supplement his efforts with some suggestions which I have concerning the management of research and development in the weapons acquisition process.

During the R. & D. phase, a military product is conceived, evaluated for cost and technical feasibility, developed, tested, and refined. The goal of defense R. & D. is to provide a product which meets DOD specifications and which can be introduced into full production relatively problem-free at a cost we can afford in a reasonable time.

A necessary adjunct of the R. & D. phase is the maintenance and development of a broad base of scientific and technical inquiry and experimentation to seek technological breakthroughs and to avoid technological surprise by other major powers.

If R. & D. breaks down in any of its tasks, there can be large unanticipated costs or extensive delays. For instance, an overly optimistic assessment of a project's technical feasibility could lead us to sink money into an undertaking which is beyond our present scientific or engineering capabilities. Or, if a technical shortcoming were overlooked in the development phase, its appearance in the mass production process could cause large cost overruns. Technical problems are certainly more costly when encountered during the late stages of development and production.

Alternatively, an excessively conservative application of technology or a necessarily long development period can result in the production of weapons that are obsolescent or obsolete by the time they are deployed because of advances made by other nations. Therefore, weapons acquisition management must seek to improve the procedures and policies affecting research and early development.

Naturally, the realization of an efficient management system is not as simple as stating the need for it. I would suggest the importance of the following five guidelines for the management of defense R. & D.:

First. Most important, Congress and the DOD should recognize the intrinsic value of R. & D. and devote to it the attention and resources necessary to make it as effective as possible. Basic research—research not related to any specific weapons project—should be encouraged. Greater allocations of funds for self-directed, independent research and development by private contracting firms, and supporting for ongoing, basic research by universities and Government laboratories would broaden our range of militarily applicable knowledge. This would help insure that the United States would never be left unaware of new scientific possibilities in the military field.

In the design and engineering phases of weapons system development, the DOD has sought to solve management problems contributing to cost overruns and performance shortfalls.

In his recent defense R. & D. posture statement, Dr. Malcolm Currie, Director of Defense Research and Engineering, credited a rejuvenated Defense System Acquisition Review Council (DSARC) with being the key factor in improving the entire R. & D. program. This council conducts the milestone reviews of major projects and make the decision whether to continue to the next development step. Recognizing the critical importance of the council, the DOD has synchronized DSARC's reviews with test and evaluation reports from other agencies and has tried to further promote cooperation between this council and the Services. Hopefully, the DSARC or new lower-level groups with similar functions will be able to subject to review a greater percentage of all defense projects.

Testing and prototyping is also a critical factor in weapons development management. In the last 3 years, necessary refinements in testing and evaluation management have been achieved. The Office of the Deputy Director, test and evaluation, performs the important function of monitoring all T. & E. plans to make certain that the tests are adequate and that test results are accurate. The Army and Navy now have their own offices of testing and evaluation, and the Air Force will soon establish such an office.

Dr. Currie has suggested that there should be more multiservice testing to determine the applicability of a new system to the needs of more than one service. In addition, he has expressed a readiness to cooperate in the testing and evaluation of weapons systems developed by our European allies.

These are solid advances in our weapons development management. I hope that DOD will continue to make improvements its T. & E. program and will continue to be responsive to future test and evaluation problems.

Second. The DOD should continually review the work of the major sources of defense research in the Nation in order to promote better integration of effort among them. Several independent studies have recommended coordination of the work of research institutions. The most ambitious is a report issued by the Georgetown University Center for Strategic and International Studies Panel on Military R. & D. Management, chaired by Dr. Robert Kilmarx, which analyzes the four major research establishments in the country—the university, the private contractor, the Federal Contract Research Center, and the Government in-house laboratory. The report points out that in order to best use available scientific talent, DOD must eliminate undesirable duplication and assign to the research institution most qualified the primary responsibility for each research field.

Related to this overall review is the equally important necessity to periodically reexamine the in-house Government laboratory structure. The performance of the in-house laboratories has among the Nation's defense research establishments.

However, Dr. John S. Foster, Dr. Currie's predecessor, initiated technology coordinating papers last year with the objective of improving the management and coordination of in-house efforts to advance our technology base.

And now, Dr. Currie is conducting a review of the in-house laboratories. In his position statement to the Senate Armed Services Committee, he demonstrated sensitivity to the problems of the in-house laboratories as he pointed out that the portion of technology base resources allotted to these laboratories is getting larger while their capabilities may be diminishing. I hope that he will recommend revisions of those present civil service regulations and Government procedures which are incompatible with the flexibility necessary to scientific research. Across-service consolidation of some in-house laboratories along problem area lines might also be advisable in order to reduce unnecessary duplication of effort.

Third. The DOD should continue to devise new contracting policies with an emphasis on innovative technical competition among companies competing for a contract. This competition should be continued as far into development as cost feasibility permits.

In the past, some cost overruns have been caused by overly rigid schedules, inflexible designs, and fixed-price contracting. DOD has gradually changed to cost-plus-incentive contracting which permits a company to spend extra money, if necessary, to work out a technical problem. Additionally, I would like to see the Department consistently encourage the type of competition among companies which would allow each competitor to design his own system in response to a requested mission objective. The competitors would be reimbursed for cost, but would have to achieve relatively broad pre-set cost and performance plateaus. DOD has also begun to stress cost and performance parameters in guidelines called Concept Development Papers.

Other cost overruns have resulted from the tendency of contractors to deemphasize potential technical problems in design in order to win contracts. This was aggravated by an inclination to rush through the high-risk R. & D. stages and get on with the more profitable production stage. Monitoring the competitors for performance would make it impossible to hide technical shortcomings. Moreover, contractors who fail to achieve specified performance and cost landmarks could be eliminated as development progresses.

The advantage to this proposal is that greater technical competition will inspire the best possible performance by the competitors, will encourage creativity, and will afford DOD a number of alternatives.

Fourth. DOD should encourage the development of less complex systems, should divorce subsystem—engines, electronic equipment et cetera—development from major system development where possible, and give more attention in design and engineering to the possibility of future improvements when greater performance may be required.

One of the major problems in weapons acquisition is the progressively higher cost of new weapons systems. Studies comparing successive generations of weapons systems show that the price of a weapon system can be expected to exceed the price of the system it replaces by 250 to 350 percent. Inflation, at most, could only account for one-fourth of the increase.

Examination of these cost increases reveals that for the most part, successor systems have proved more expensive because unrealistically high performance has been required from them. These high-performance requirements have led to the needless addition of complex subsystems, called "gold-plating," and to a deemphasis of cost considerations. The DOD is beginning to respond to this problem by encouraging a "high-low" mix of weapons. This approach to weapons acquisition calls for comparatively few very sophisicated weapons necessary for very intense battle situations, to be complemented by considerably more weapons of less complexity which would be sufficient for a lower-threat battle situation. For example, a fighter airplane fighting in friendly airspace and having the benefit of ground support may not need all the instrumentation required by an attack fighter flying over hostile territory.

So far, the Navy and the Air Force have been innovative in this high-low mix program. The Navy's fiscal year 1975 request for the sea control ship is a good illustration. This ship, which is relatively simple and austere, is designed to carry helicopters and short takeoff and landing aircraft, and will be able to protect convoys and logistics maintenance ships. As a platform ship, it economically supplements our aircraft carrier fleet. These high-low mix projects should be encouraged and I hope all of the services make the high-low formula a general rule in weapons acquisition policy.

I also hope that the DOD will maintain reasonable costs even in the "high" performance weapons of the high-low mix. In the past, performance requirements for major systems often pushed the state-of-the-art frontier too far, and actual advances in performance did not justify the immense additional cost. Also, because subsystems had no independent funding, their development was contingent on the development of a specific major system. This caused a situation in which a major system's development could be held up by problems in any one of a number of its subsystems, and where the opportunity to make advances in a given subsystem was lost if the major system did not call for it.

Fifth. DOD must guarantee that a commitment to research and development does not necessarily mean a commitment to production. In the past, the administrative decision to begin engineering development—the last stage of development—was at the same time interpreted as an authorization to ultimately go into production. We thus prematurely committed ourselves to produce a specific weapon when we knew neither the actual cost, which can be determined only after engineering development is completed, nor how the weapon would ultimately perform.

The DOD has fiscally and procedurally made an effort to decouple research and development from production. Their test and evaluation requirements and separate R. & D. funding address this matter. However, I want to urge a simultaneous psychological decoupling of R. & D. from production. Just because we have invested in the development of a weapons system should not necessarily mean we should spend the money to actually produce it. We must not allow ourselves to be compelled by the logic of "sunken costs." That type of reasoning only leads to escalating costs and inflexibility in our military posture.

A good example is this year's defense request for large sums of money for research and development in nuclear weapons. Secretary Schlesinger has indicated that this request is a response to the present Soviet military buildup. I hope that the DOD recognizes that the current situation could change, and that it might be advisable later on to turn off this R. & D. or to stop when we achieve the capability to produce the new weapons. In short, we should not be locked into a strategic policy which may not correspond to future needs simply because we are psychologically committed to produce a weapons system.

I believe that these five guidelines are essential to improved management of defense R. & D., in the interest of both national security and cost efficiency. The acceptance by DOD of the principles embodied in these guidelines, and DOD's initial efforts to implement these principles, give hope that we can achieve a higher level of actual defense preparedness with considerably less extravagance and waste.

More efficiently managed R. & D. would go a long way toward insuring a dollar's worth of defense for every defense dollar spent.

LETTER FROM T. DEWITT FITTS, JR.

Mr. McCLELLAN. Mr. President, I recently received a letter from a constituent, Mr. T. DeWitt Fitts, Jr., of Pine Bluff, Ark., which I would like to share with my colleagues.

Mr. Fitts is an articulate and eloquent spokesman for the viewpoint of the average American citizen—the silent majority who pay their taxes, obey the laws, and are the backbone of our society.

Mr. Fitts wrote to me with the request that he be allowed to address the Senate for 15 minutes so he could express his views in person. Of course, this is impossible under the rules of the Senate. Instead, I have received his permission to insert his letter into the RECORD.

I am convinced, Mr. President, that Mr. Fitts' views are worthy of study by the Members of this body and I commend his letter to the attention of the Senate.

Mr. President, I ask unanimous consent that Mr. Fitts' letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PINE BLUFF, ARK.,
May 10, 1974.

Senator JOHN L. McCLELLAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR McCLELLAN: Please forgive the tone of my letter. I am very upset.

Mr. McClellan, why is my tax money wasted in so many ways? Why, sir?

Why should I, a very little man of very modest means, be made to pay all this money into the curative of all our social ills.

To be specific Mr. McClellan, why is the Congress spending money I work so damn hard for so freely. You men are bleeding me to death. Every time I turn around you and your associates are removing a tax deduction. Today, your associate Mr. Mills of Arkansas tells me he is removing the following deductions:

(a) the use of part of my home for my office.

(b) the state tax on gasoline.

(c) the deduction of Business conventions expense.

(d) Nixon has decided to subsidize the housing industry.

Mr. McClellan hasn't the British experience with socialism taught you people a lesson. Are you public officials so smart that you can't see what we can see.

Permit me to cite some examples, Mr. McClellan.

(1) Why won't Congress work & live within its budget? You people expect me to so that I can pay the social security, and income tax. Who told you that Congress doesn't have to balance the budget. How is that fiscal responsibility? Tell me sir, how is it. Why do my people (creditors) expect me to live within my mean so I can pay them, and you expect me to live within my means so you people can close my little tax loopholes & get more of my money. Don't you people ever get enough of my money Mr. McClellan. Ever!

(2) Now you want a guaranteed income for all.

(3) Now you want a National Health Plan—govt. Bill, I will pay for for ever & ever & ever.

(4) Roll back on oil prices & excess profit tax.

(5) Wage & price freedom for labor union. Do they control all of my public officials. They seem to be able to strike any and all business. I have no control over my payroll. I can't fire anyone. When will some one with guts tell me that they will stand with me to fight their power despite their vote potential. They are a major part of the inflation spiral Senator. And you know it.

Senator McClellan, I would like to address the Senate for 15 minutes. I would appreciate the privilege to tell them what they are doing to me and my father and my friends. Senator McClellan, I can promise you, I would not embarrass you or me. I would let you talk with me & see my speech. It would be proper in all respects. Mr. McClellan, this is a honest request and I would ask that you consider it. Please.

I have enjoyed our chat, Mr. McClellan. I believe that if a man speaks his mind to the best of his ability and does what he must then all is right.

Would you be kind enough to give me a personal reply. You have written me before and your letters are always nice—but you give me standard political doubletalk. Just tell me like a man to another man.

Thank you sir,

T. DEWITT FITTS, Jr.

TRIBUTE TO PROF. PETER MARRONEY

Mr. GOLDWATER. Mr. President, on June 15 of this year, representatives of the State of Arizona, people from all over the region and the United States as a whole will salute the man who has been justifiably called "the father of theater in Arizona." That man is Prof. Peter Marroney.

Professor Marroney has been associated with the University of Arizona for over 35 years. Almost all of this time was spent in chairing the drama department. But his involvement with the theater goes back even further to 1936, when he received his B.A. in fine arts from the University of Oklahoma. From there, he went to the University of Iowa on an assistantship, and received his master's degree from Iowa in 1939.

It was also in 1939 that Peter Marroney joined the faculty of the University of Arizona as technical director in the drama department. Prior to that time, he had worked in theaters in Oregon, and during the interim summers was on the staff of the department of speech at the University of Iowa. In 1941, he was promoted to the position of acting head of the University of Arizona's Drama Department. After a stint in the U.S. Navy during World War II, he resumed the chairmanship and has continued in the position to the present time.

Recognition is not a new thing to Professor Marroney. Over the years, he has served the theater in many different areas—on community, educational, and professional levels. He has been honored as an outstanding educator and as Tucson's "Man of the Year."

In 1966, Gov. Sam Goddard appointed him to the Arizona Commission on the Arts and Humanities, and 2 years later, he was reappointed by Governor Williams.

In 1968, Marroney was also asked to join the President's Advisory Committee for the John F. Kennedy Center for the Performing Arts. In 1970, he was appointed the western chairman for the education committee of the JFK Center.

In 1973, Marroney was made a member of the Arizona Alliance for Arts Education, and was this year elected vice chairman of the alliance.

Mayor Lew Murphy of Tucson has been named the honorary chairman of the event—sponsored by Arizona's only professional theater, the Arizona Civic Theater—during which Professor Marroney will be given the Artistic Achievement Award for his outstanding dedication to the development of the arts.

It is with great pleasure that I introduce these remarks into the CONGRESSIONAL RECORD as tribute for Prof. Peter Marroney's undeniable and great contributions to theater, education, charity, and the arts in general, to the people of Arizona and the citizens of this country.

I ask unanimous consent that these remarks may be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TRIBUTE TO PROF. PETER MARRONEY

(By Senator BARRY GOLDWATER)

Mr. President, on June 15th of this year, representatives of the State of Arizona, people from all over the region and the United States as a whole will salute the man who has been justifiably called "the father of theatre in Arizona". That man is Professor Peter Marroney.

Professor Marroney has been associated with the University of Arizona for over thirty-five years. Almost all of this time has been spent in chairing the Drama Department. But his involvement with the theatre goes back even further to 1936, when he received his B.A. in Fine Arts from the University of Oklahoma. From there, he went to the University of Iowa on an Assistantship, and received his Master's Degree from Iowa in 1939.

It was also in 1939 that Peter Marroney joined the faculty of the University of Arizona as Technical Director in the Drama Department. Prior to that time, he had worked in theatres in Oregon, and during the interim summers was on the staff of the Department of Speech at the University of Iowa. In 1941, he was promoted to the position of Acting Head of the University of Arizona's Drama Department. After a stint in the U.S. Navy during World War II, he resumed the chairmanship and has continued in the position to the present time.

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It is with great pleasure that I introduce these remarks into the Congressional Record as tribute for Professor Peter Marroney's undeniable and great contributions to theatre, education, charity, and the arts in general, to the people of Arizona and the citizens of this country.

THE NEED FOR ECONOMIC LEADERSHIP

Mr. BENTSEN. Mr. President, the high standard of living we enjoy in this country has been built by hard work and initiative and it must be safeguarded and complemented by a high standard of economic leadership.

However, in recent years Government has too often failed to provide genuine economic leadership.

The American people are disturbed by this serious situation. As chairman of the Subcommittee on Economic Growth of the Joint Economic Committee, I have made the examination and improvement of the Government's role in economic development a chief priority of that subcommittee. On June 11, 12, and 20 we will ask Roy Ash, Herbert Stein, and William Simon what is being done by the administration to enhance our long-range capabilities.

Several months ago, a constructive dialog with the executive was initiated by the bipartisan leadership of the Senate on possible means of improving the Nation's economic foresight. I hope this continuing effort signals cooperation, and demonstrates the willingness of Congress to move forward.

In his recent address to the Nation, the President told the American people to work together to solve our economic problems. Yet those who are asked to support the economic decisions of this administration must understand the reasons behind those decisions, what the alternatives were, how the decisions were made, and who benefits the most by them. The American people deserve truthfulness and accountability from those in the executive branch whose economic decisions deeply affect the lives of all citizens.

I commend the President for having filled the vacancy left upon the resignation of former Secretary, George Shultz. Mr. Kenneth Rush, the President's new Counselor for Economic Policy, will be sailing into a choppy sea and we all hope for his success.

Mr. Rush assumes a post of high responsibility in our Government and I am gratified that he will appear before the Joint Economic Committee on June 18 to discuss his appointment and the state of the economy before Members of Congress and for the benefit of the American public. This must be an ongoing obligation.

Mr. Rush will of course have to prove himself under fire in his new job, but certainly his years at the State Department should have given him the international perspective which effective economic policymaking requires, today more than ever before.

Some observers have labeled Mr. Rush a diplomat and a "referee" assigned to silence the feuding among the economic policymakers in the White House family.

On the other hand, Mr. Rush has said he would not have taken the job if he was to be no more than an economic "traffic cop" to settle disagreements between administration officials. He describes his role as being President Nixon's "first spokesman" on economic affairs and active in the making as well as the coordinating of policy.

Based on the past performance of this administration's economic policymaking machinery, I question whether anyone can bring order out of the confused state to which Executive policymaking has fallen. We have heard before how important it is that we have a coherent, coordinated economic policy; how necessary it is to orchestrate domestic and international aspects of our economic programs; and how all this should be pulled together into a comprehensive package by a trusted man who has the President's ear.

Just 18 months ago, President Nixon promised us "better coordination in the formation and execution of policy" when he announced the appointment of Mr. Rush's predecessor as economic counselor, George Shultz. Like Mr. Rush, Shultz was to chair a streamlined Cabinet-level committee, whose job would be to hammer out a coherent planning and decisionmaking process among the departments and agencies playing direct roles in the economy. Baptized the Council on Economic Policy, and touted as an economic counterpart to the National Security Council, the committee was to become the administration's economic nerve center, geared to insure efficient Government-wide input and coordination on economic issues.

But this experiment in systematic policy coordination was short lived. To activate the CEP, Shultz used a task force approach relying on the specialized machinery of the Council on International Policy, the Cost of Living Council, the Federal Reserve, Commerce, and the Treasury to put together the administration's trade package. However, for reasons that are obscure to me, the Council on Economic Policy was allowed to wither on the vine. If one picks up his telephone and dials to make contact with the administration's economic nerve center, he gets nothing but a dead line. In fact, the Council's Executive Director, Kenneth Dam, resigned and went back to the University of Chicago some months ago.

When Mr. Rush was recently asked by the editors of Business Week, "Will there be any other new economic policy machinery created as a result of your job?" he answered, "The new machinery will simply be my setting up a better method for receiving input and transmitting decisions." I sincerely hope that Mr. Rush's energies do not go the way of the Council on Economic Policy.

Since 1969, we have had four Treasury Secretaries, four budget managers, six wage and price controllers, five energy chiefs, two Chairmen of the Council of Economic Advisers, and now two economic czars. Rapid labor turnover is not the answer to economic instability.

We must formulate economic policies to insure greater continuity, coordination, and responsiveness to effectively meet the challenges we face. The improvement of our institutional machinery for systematic decisionmaking can be an important first step to better influence the growth of our economy.

SUBSTANTIAL PROGRESS MADE IN MARIANAS' STATUS NEGOTIATIONS

Mr. FONG. Mr. President, a most welcome announcement has been made concerning ongoing negotiations on the future political status of the Northern Mariana islands in the Trust Territory of the Pacific.

On May 15, the fourth round of future status negotiations between the United States and the Marianas Political Status Commission was begun on Saipan.

Two weeks later, on May 31, Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, and Senator Edward DLG. Pangelinan, chairman of the Marianas Political Status Commission, issued a joint communique announcing further substantial progress toward an agreement on a commonwealth status for the Northern Marianas.

According to the communique, the United States and Marianas delegations affirmed the basic decisions reached in earlier sessions with respect to the future political relationship between the Northern Marianas and the United States which include the establishment of a commonwealth of the Northern Marianas under U.S. sovereignty with maximum internal self-government, including the right of the people to draft and adopt their own constitution and to establish local courts to administer local laws.

The communique further reported on progress made in negotiations concerning land, economic and financial assistance, transition, and the nature of the formal status agreement to be entered into.

The future status talks with the Marianas were first opened in December, 1972, in response to a longstanding request by the people of the Pacific Trust Territory's Marianas District for a close association with the United States separate from the rest of the Territory. During the second session of these talks in May 1973, preliminary agreement was reached on a commonwealth status as the eventual goal for the Marianas District.

In December 1973, the third session of negotiations produced further agreement in the areas of local self-government, taxation, tariffs, and citizenship status.

As one who has followed the development of the Trust Territory under U.S. administration, I am very pleased to note the progress of these negotiations. I hope these can be brought to a successful conclusion before too long, perhaps even by the end of this year.

The delegations participating in the negotiations have demonstrated a spirit of mutual understanding and cooperation which has made possible the encouraging progress achieved so far. I congratulate them for their good work and wish them well in their future deliberations.

Any agreement reached by the parties will be subject to the approval of the U.S. Congress and of the people of Northern Marianas. So that all may be apprised of the results of the latest negotiations, I ask unanimous consent to have the text of the joint communique of May 31 printed in full in the RECORD.

There being no objection, the communique was ordered to be printed in the RECORD, as follows:

OFFICE FOR MICRONESIAN
STATUS NEGOTIATIONS,
Washington, D.C., May 31, 1974.

MARIANAS IV—FINAL COMMUNIQUE

The following is the text of the Joint Communique issued Saipan May 31, 1974 at the conclusion of Round Four of the Marianas Status Negotiations. The communique was signed by the President's Personal Representative for Micronesian Status Negotiations, Ambassador Franklin Haydn Williams, the Chairman of the Marianas Political Status Commission, Edward DLG Pangelinan and the Vice-Chairman, Vicente N. Santos:

Begin text:

"From May 15 to May 31, 1974, the Marianas Political Status Commission and the U.S. Delegation met for the Fourth Session of negotiations aimed at achieving the long held desire of the people of the Marianas Islands for political union between the present Mariana Islands District of the Trust Territory of the Pacific Islands and the United States.

The session consisted of several working meetings held on Saipan and public meetings held on Rota and Tinian. These entailed a continued and progressive discussion of matters raised in earlier rounds, including questions concerning the basic political nature of the proposed commonwealth relationship, land, economic and financial assistance, transition and the nature of the formal status agreement to be entered into. The public meetings offered an opportunity to discuss with many of the people of the Mariana Islands District the progress which has been achieved and the issues which remain to be resolved.

During these discussions the delegations affirmed the basic decisions reached in earlier sessions with respect to the future political relationship between the Northern Marianas and the United States which include the establishment of a commonwealth of the Northern Marianas under U.S. sovereignty with maximum internal self-government, including the right of the people to draft and adopt their own constitution and to establish local courts to administer local laws.

LAND

A summary of the tentative agreements reached on land requirements follows:

1. Farallon de Medinilla: This island consisting of 229 acres (93 hectares) will continue to be made available to the United States as a target area. Maximum safety precautions will be enforced by the United States.

2. Tanapag harbor area, approximately 197 acres (78 hectares) in the southern portion of the Tanapag Harbor area, now under military retention, will be made available for future contingency use by the United States, most of this land will be used by the United States for the development of an American Memorial Park which will be used as a recreation area by the people of the Marianas. Preliminary plans for the park call for cleared beaches, an amphitheatre, a family picnic area, an arboretum, a swimming pool and other athletic facilities in addition to a monument. Land in the Tanapag Harbor area not used for the memorial park or for military purposes will be made available to the future Government of the Northern Marianas for possible sub-lease for civilian harbor-related activities. There are no current plans for military use of this area. Subject to the limitations imposed by any future military use, the United States has agreed to permit maximum feasible joint use of any land and facilities which are developed for military purposes.

3. Isely Field area. Approximately 482 acres (193 hectares) south of and adjacent to the southern runway of Isely Field and within the south boundary road also will be made available for future contingency use by the U.S. forces. As at Tanapag Harbor, this land will be made available to the future government of the Northern Marianas for use or lease for industrial or agricultural purposes compatible with possible future military use.

4. Tinian. Approximately 17,475 acres (6,993 hectares) will be made available for the development of a joint service military base in accordance with the plans newly presented by the United States. These plans reduced the acreage required by approximately 1,200 acres (485 hectares) and eliminated the necessity for relocating San José Village. The United States will carefully reevaluate its military land needs in the area south and east of the northeastern portion of the proposed runway in order to make as much of this land as possible immediately available

to the government of the Northern Marianas under a land use arrangement for agricultural and other purposes compatible with planned military activities.

Joint use arrangements for both the new West Field and the rehabilitated San José Harbor will be under the civilian control of the Marianas Government except during times of national emergency, consistent with military requirements, land will be made available under a land use arrangement in the San José Harbor area for civilian harbor-oriented activities. In addition, there will be maximum civilian use of land within the base itself for agricultural, fishing, recreational and other purposes, including access through the base area to northern beaches compatible with respect to local community needs for public utility services. The U.S. offered to improve the road from San José Village to the Marpo Valley and north into the base area by the construction of a bypass road to the civilian air terminal and around the airbase. Opportunity will be provided for the development of a commercially operated ferry system between Saipan and Tinian and possibly Rota.

The United States indicated its intent to relinquish its use rights on all remaining military retention land in the Northern Marianas not covered by the new agreement—some 4.691 acres (1,898 hectares)—and to return them to the public domain at a time to be agreed but no later than the date when the formal status agreement becomes effective.

The two delegations discussed whether the land could be made available to the United States by lease or purchase and methods of determining fair market value. A Joint Land Committee has been appointed by the Marianas Political Status Commission and the President's Personal Representative to consider the exact details of specific requirements and means, procedures and terms for acquisition of land by the U.S. Government.

It was agreed that the consideration and development of appropriate safeguards in the area of eminent domain would be referred to the Joint Drafting Committee referred to below. The question of how to implement the prior agreement that the Marianas Government will have the authority to prohibit the alienation of land to persons not of Marianas descent was also referred to the Joint Drafting Committee. This committee will consider as well limitations on the amount of public lands which might be made available to or held by any one individual.

ECONOMICS AND FINANCE

A report by the Joint Ad Hoc Preparatory Committee on Transition established at the Third Negotiating Session last December was approved. The report outlined a proposed program of studies and events to take place between the time of the signing of a political status agreement and the establishment of a new government of the Northern Marianas under is own constitution. These studies will include those related to government organization and planning for the Marianas Constitutional Convention, research and planning for government reorganization and the initial legislative program, and research on U.S. Federal Programs and services. There would also be studies related to economic and social development planning, fiscal and revenue planning, physical planning and study of the impact of relocation of the capital of the Trust Territory. The events anticipated to take place include a political status education program and status plebiscite, a constitutional convention, a constitutional education program and constitutional referendum and finally the election of a new government.

A Joint Commission on Transition, consisting of representatives of the Marianas and the United States, will be established to provide continuing consultation and policy guidance on all matters related to the change in political status. To assist the commission, a Joint Secretariat consisting of six highly qualified professionals, is to be established to develop transition plans and schedules, conduct basic economic studies, arrange for the employment of experts and administer funds to be made available by the United States for these activities in the amount of $1.2 million.

The two delegations tentatively agreed on a initial 7-year program of U.S. financial assistance to begin following the installation of a new Government of the Northern Marianas in accordance with a popularly approved constitution. This could be as early as July 1976. Under this tentative agreement the U.S. will provide $13.5 million for each of these years in direct financial grants as follows: A grant of $8 million a year to help meet the cost of government operations; a grant of $1.5 million a year to the future Government of the Northern Marianas to be used for economic development loans, with $500 thousand a year of this amount to be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives; and a grant of $4 million a year for capital improvement projects of which at the Marianas Political Status Commission request, $500 thousand a year will be reserved for Rota and $500 thousand a year for Tinian because of the urgent development needs on those islands. U.S. assistance will be provided in constant 1975 dollars.

In addition, a wide range of services and assistance under regular U.S. Federal programs will be available. The United States estimates the value of federal services and assistance at $3 million a year. The total direct annual assistance is thus estimated at $16.5 million. This does not include potential additional income from military construction and a growing military presence and spending.

Federal funds will augment the commonwealth's other growing financial resources from internal taxes, anticipated rebates of U.S. Federal income taxes after the new status becomes effective and income from public lands. All of these resources would be directed toward assuring the economic development of the Northern Marianas, higher personal income and living standards for the people, capital improvements for social and economic growth, as well as improved public services.

COMMONWEALTH OF THE NORTHERN MARIANAS STATUS AGREEMENT

In the light of the progress achieved, both parties agreed to the establishment of a joint drafting committee whose members (1) will be charged with the preparation of a status agreement in keeping with the tentative agreements reached to date; and (2) the approval of their principals specific language for the provisions to be included in the agreement. Their draft will be presented to will have the authority to draft subject to the Marianas Political Status Commission and the United States at the next negotiating session. It was reaffirmed that any final agreement will have to be approved by the Marianas District Legislature, the people of the Mariana Islands District in a plebiscite, and by the United States Congress.

SEPARATE ADMINISTRATION

The final substantive item of discussion centered on the Marianas Political Status Commission's request for consideration of early transition to self-government and the possible separate administration of the Marianas District prior to the termination of the Trusteeship Agreement. The Commission shared its preliminary views with the United States delegation for the purpose of opening a dialogue on this important subject. The U.S. in turn promised to take the matter under advisement and both parties agreed that further study and consultation on this question should be carried forward prior to the next negotiating session.

The members of the Marianas Political Status Commission and the U.S. Delegation expressed appreciation for the warm hospitality extended to them by the people of Rota, Tinian and Saipan and for all the courtesies and cooperation received from the authorities of the TTPI Headquarters and the Marianas District Government.

No firm date was set for the next meeting but it is expected that it will take place in the early Fall. In the meantime, informal consultations will continue and technical, legal and drafting experts will be meeting in accordance with the agreements reached and recorded in this joint communique.

Date: May 31, 1974.

For the United States: Franklin Haydn Williams, The President's Personal Representative for Marianas Status Negotiations.

For the Marianas: Edward DLG Pangelinan, Chairman, Marianas Political Status Commission; and Vicente N. Santos, Co-Chairman, Marianas Political Status Commission.

SPECIAL FUNDS FOR MIDDLE EAST REFUGEES

Mr. KENNEDY. Mr. President, this past week I wrote to Secretary of State Henry A. Kissinger to express my concern over the financial situation faced by the United Nations Relief and Works Agency for Palestine Refugees in the Near East—UNRWA, and urged an immediate Presidential determination for a special emergency contribution to its current program.

As I indicated in my letter, the financial situation of UNRWA continues to deteriorate. Official estimates indicate that some $20 million are needed to give the agency minimum financial solvency, and that the deficit for 1974 alone is approximately $10 million. According to officials in UNRWA—and I believe this view is shared by officials in the Department of State—unless additional contributions from the international community are forthcoming within the very near future, UNRWA services, including the distribution of food rations and the education of young refugees, will be sharply curtailed.

Given the hopeful changes toward a lasting peace in the Middle East, our country and the international community should not lose sight of the continuing humanitarian needs among the refugees and the immediately important responsibilities of UNRWA in helping to meet these needs.

Mr. President, there is approximately $5,200,000 which is immediately available to help UNRWA in the contingency fund for humanitarian purposes authorized in Public Law 87–510. I urge an immediate Presidential determination to make these funds available as an emergency contribution to UNRWA.

With headquarters in Beirut, UNRWA operates in Lebanon, Syria, Jordan and the Israeli administered territories of Gaza and the West Bank. Some 1,600,000 refugees are currently registered and assisted by UNRWA, and they need our continuing help.

Mr. President, I ask unanimous consent that excerpts from my letter to Secretary Kissinger be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM A LETTER TO SECRETARY OF STATE HENRY A. KISSINGER FROM SENATOR EDWARD M. KENNEDY, CHAIRMAN OF THE SUBCOMMITTEE ON REFUGEES

May 29, 1974.

HENRY A. KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to express by personal concern over the financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and to urge your recommending an immediate Presidential determination for a special emergency contribution to this international humanitarian agency.

As you probably know, the financial situation of UNWRA continues to deteriorate. Official estimates indicate that some $20,000,000 are needed to give the agency minimum financial solvency, and that the deficit for 1974 alone is approximately $10,000,000. According to officials in UNRWA—and I believe this view is shared by officials in the Department of State—unless additional contributions from the international community are forthcoming within the very near future, UNRWA services, including the distribution of food rations and the education of young refugees, will be sharply curtailed.

I fully recognize that the question of UNRWA's mandate and future is a matter of growing discussion in many quarters, especially in light of the significant progress being made in the resolution of outstanding issues in the Middle East. But given these hopeful changes towards a lasting peace in the area, our own country and the international community should not lose sight of the continuing humanitarian needs among the refugees and the immediately important responsibilities of UNRWA in helping to meet these needs.

Over the years the United States has generously supported humanitarian programs among the refugees, and our government's contribution to UNRWA for the current fiscal year totals some $25,000,000 in cash and kind—or approximately forty percent of the agency's 1974 budget. I feel, however, that an additional modest contribution at this time would serve a useful purpose in our foreign policy, and that additional funds should be made available to UNRWA in the coming fiscal year.

In urging an immediate Presidential determination for a special emergency contribution to UNRWA, I understand from the Department's Office of Refugee and Migration Affairs that some $5,200,000 remains available for Fiscal Year 1974 in the contingency fund for humanitarian purposes authorized in Public Law 87–510, the Migration and Refugee Assistance Act of 1962. Hopefully, the bulk of these remaining funds can be designated for a special emergency contribution to UNRWA. . . .

Finally, Mr. Secretary, I would like to express my personal admiration and support for your extraordinary efforts in behalf of a peaceful resolution of outstanding issues in the Middle East, and I wish you success in your continuing diplomatic efforts to secure this end.

Many thanks for your consideration and I look forward to hearing from you soon. Best wishes.

Sincerely,
EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees.

CONSUMER LEGISLATION

Mr. McCLURE. Mr. President, in a few days we may commence debate on what will be the most far-reaching legislation facing this session of Congress. I refer to the misnamed Consumer Protection Act.

In fairness to all Senators, I hope it is possible to establish as a ground rule from the beginning, that there is not one single one of us who is not concerned about the consumer. We are consumers ourselves. All of our constituents are consumers. It would be unthinkable were we not concerned about problems that we all share.

However, from my initial study of the upcoming consumer legislation, it appears to me that it really is not in the best interests of consumers at all.

That indefinable phrase, "the American way of life," refers in part to a series of checks and balances that face all of us every day. The three branches of our Government embody this principle, and the economy also requires its own checks and balances. However, it appears to me that the consumer bill is yet another expression of desire to destroy our political and social constitution. There are a few persons in this country who feel that our constitutional government no longer is adequate to meet the problems of modern society. There are more people alien to our shores who support the efforts to destroy the freedoms so dearly bought and carefully protected under our Constitution. To these must be added the sincere and dedicated, but misguided, souls in the United States who seek to destroy restraints on the power of government as a means to attack some perceived evil in our society. This proposal, also, alters some of those very delicate relationships found in the marketplace which make the free enterprise system work.

I will not go into the details of the bill at this time. However, a few basic points need to be stressed. It is just as important to preserve the business climate in this country as it is to protect those who consume the products and use the services that business makes available. And it is just as important to the consumer as to any other group that this legislation not be passed in haste. We live in a time when many Americans are suspicious of government and when virtually all of them want to get government off their backs. About the last thing most Americans want is the creation of another new bureaucracy filled with people telling them what is in their own best interests.

For these reasons, all Senators need to become familiar with what is contained in this dangerous legislation with the innocent title. I think you will agree with me that it deserves a long, hard look and full debate when it reaches the Senate floor.

PART C, KENNEDY-BROOKE AMENDMENT—SPECIAL GRANTS FOR URBAN AND RURAL SCHOOLS SERVING AREAS WITH THE HIGHEST CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES

Mr. BROOKE. Mr. President, during the recent debates on the elementary and secondary education bill, the Senate included in title I of the Elementary and Secondary Education Act a revised part C—special grants for urban and rural schools serving areas with the highest concentrations of children from low-income families—of title I, ESEA.

As proposed now in the Senate education bill, those counties are eligible for additional title I funds which enroll either twice the State average percentage of children from low-income families—those from families with incomes of less than $3,000 and with incomes of above that level from AFDC—and/or those counties enrolling 10,000 such children—if that number accounted for at least 5 percent of the county's enrollment. No State may receive more than 12 percent of the total title I funds.

This new formula will have the effect of making available substantial additional grants to urban areas enrolling high numbers of low-income children and to extremely poor rural areas.

In addition, separate funding is provided at the level of $75 million. Thus, it should be stressed, part C will not diminish the funds received by any educational agency provided by the McClellan amendment adopted previously. This, then has the effect of providing additional title I funds to areas with especial needs.

I have now received from the Library of Congress statistics showing county and State allocations under part C as it was finally written into the education bill by the Kennedy-*Brooke* amendment, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the allocations were ordered to be printed in the RECORD, as follows:

County allocation under part C of title I, ESEA, as passed by the Senate

Alabama:	
Dallas	$69,788
Jefferson	282,577
Mobile	185,901
Montgomery	100,553
Total for Alabama	638,819
Alaska:	
Anchorage	82,781
Bethel	58,162
Siska	1,641
Wade Hampton	27,217
Total for Alaska	169,801
Arizona:	
Maricopa	390,866
Pima	150,913
Total for Arizona	541,779
Arkansas:	
Crittenden	59,429
Jefferson	61,287
Lee	31,332
Mississippi	57,293
Phillips	55,808
Pulaski	96,711
St. Francis	42,508
Saline	5,250
Total for Arkansas	409,617
California:	
Alameda	538,530
Contra Costa	246,637

Fresno	$374, 650
Kern	228, 325
Los Angeles	4, 228, 433
Orange	396, 173
Riverside	281, 972
Sacramento	395, 461
San Bernardino	410, 365
San Diego	589, 374
San Francisco	365, 351
San Joaquin	193, 944
Santa Clara	413, 151
Tulare	176, 950
Ventura	160, 683
Total for California	8, 999, 999
Colorado:	
Adams	83, 124
Arapahoe	39, 233
Clear Creek	905
Denver	349, 738
Douglas	2, 301
El Paso	119, 019
Gilpin	57
Jackson	75
Jefferson	48, 739
Pitkin	604
Pueblo	84, 765
Weld	68, 789
Total for Colorado	797, 350
Connecticut:	
Fairfield	445, 126
Hartford	564, 788
New Haven	558, 263
Total for Connecticut	1, 568, 177
District of Columbia	1, 138, 262
Florida:	
Broward	181, 027
Dade	482, 738
Duval	319, 089
Escambia	134, 940
Hillsborough	240, 611
Orange	147, 066
Palm Beach	140, 750
Pinellas	135, 319
Polk	123, 066
Total for Florida	1, 904, 607
Georgia:	
Bibb	82, 491
Burke	29, 459
Chatham	100, 542
Clayton	14, 716
Cobb	31, 916
De Kalb	62, 726
Dougherty	53, 113
Fulton	259, 733
Lauren	28, 433
Lowndes	31, 943
Muscogee	83, 045
Richmond	69, 827
Total for Georgia	847, 945
Hawaii:	
Honolulu	410, 037
Total for Hawaii	410, 037
Idaho:	
Ada	28, 765
Bannock	15, 872
Bear Lake	657
Benewah	1, 105
Bingham	11, 341
Blaine	699
Bonneville	12, 571
Canyon	19, 871
Caribou	993
Clark	56
Franklin	1, 063
Kootenai	11, 774
Latah	3, 090
Lewis	154
Twin Falls	$16, 067
Valley	587
Total for Idaho	124, 665
Illinois:	
Boone	4, 702
Cook	5, 895, 742
De Kalb	11, 547
Du Page	79, 322
Grundy	5, 839
Kane	65, 041
Kendall	4, 440
La Salle	28, 453
Livingston	11, 482
McHenry	32, 980
Monroe	4, 265
Platt	4, 330
Putnam	1, 290
St. Clair	461, 325
Tazewell	34, 751
Wabash	3, 084
Woodford	6, 167
Total for Illinois	6, 654, 760
Indiana:	
Adams	5, 501
Allen	78, 689
Blackford	2, 823
Carroll	2, 605
Cass	8, 179
Clay	5, 082
Clinton	6, 175
De Kalb	6, 630
Delaware	35, 410
Dubois	4, 372
Elkhart	26, 685
Fountain	4, 208
Greene	5, 537
Hamilton	11, 239
Hancock	5, 647
Harrison	4, 608
Hendricks	7, 978
Howard	17, 322
Huntington	5, 392
Jasper	4, 900
Johnson	10, 328
Kosciusko	9, 144
Lake	271, 896
Madison	34, 372
Marion	288, 890
Miami	9, 344
Monroe	11, 512
Montgomery	7, 341
Morgan	8, 506
Noble	6, 776
Owen	2, 678
Porter	16, 958
St. Joseph	73, 024
Scott	4, 098
Tippecanoe	16, 849
Tipton	3, 443
Vanderburgh	51, 457
Vigo	37, 796
Warrick	4, 627
Wells	4, 390
White	4, 517
Total for Indiana	1, 126, 927
Iowa:	
Black Hawk	65, 340
Boone	5, 686
Buena Vista	5, 039
Cedar	4, 209
Dubuque	37, 577
Henry	4, 270
Johnson	12, 850
Linn	53, 341
Mills	2, 428
O'Brien	4, 270
Polk	126, 249
Pottawattamie	43, 870
Scott	68, 760
Shelby	3, 076
Story	9, 207
Wapello	24, 991
Warren	7, 103
Washington	$3, 804
Winnebago	2, 712
Woodbury	42, 575
Total for Iowa	527, 356
Kansas:	
Barber	1, 186
Clark	549
Cloud	2, 832
Edwards	443
Gray	920
Harper	1, 398
Johnson	37, 648
McPherson	5,168
Montgomery	20, 780
Norton	1, 292
Pratt	1, 735
Rice	2, 354
Saline	41, 029
Sedgwick	198, 471
Shawnee	58, 729
Smith	1, 080
Thomas	1, 505
Trego	602
Wyandotte	160, 699
Total for Kansas	538, 418
Kentucky:	
Bell	32, 104
Boone	6, 108
Christian	34, 735
Clay	36, 711
Fayette	45, 821
Floyd	30, 654
Harlan	41, 099
Jefferson	231, 350
Kenton	34, 439
Knox	34, 234
Pike	50, 710
Total for Kentucky	557, 694
Louisiana:	
Caddo	182, 576
East Baton Rouge	149, 501
Jefferson	113, 764
Orleans	602, 037
St. Landry	149, 379
Total for Louisiana	1, 197, 257
Maine:	
Aroostook	63, 371
Cumberland	70, 397
Total for Maine	133, 768
Maryland:	
Baltimore	140, 583
Carroll	18, 795
Harford	36, 302
Howard	14, 056
Montgomery	115, 346
Prince Georges	215, 831
Baltimore City	1, 294, 735
Total for Maryland	1, 835, 648
Massachusetts:	
Bristol	282, 992
Essex	341, 810
Hampden	308, 948
Middlesex	552, 795
Suffolk	954, 166
Worcester	305, 375
Total for Massachusetts	2, 746, 086
Michigan:	
Genesee	418, 961
Ingham	205, 621
Kent	320, 564
Macomb	248, 923
Oakland	416, 403
Saginaw	232, 060
Wayne	3, 176, 309
Total for Michigan	5, 018, 842

County allocation under part C of title I, ESEA, as passed by the Senate—Continued

Minnesota:	
Anoka	$64,423
Dakota	46,625
Freeborn	12,050
Goodhue	10,822
Hennepin	607,822
Lake	4,866
McLeod	8,597
Olmsted	22,339
Ramsey	275,905
St. Louis	104,768
Stearns	60,182
Total for Minnesota	1,218,401
Mississippi:	
Bolivar	72,025
Coahoma	64,964
Harrison	51,105
Hinds	126,375
Holmes	43,485
Leflore	50,146
Sunflower	56,795
Washington	67,386
Total for Mississippi	532,281
Missouri:	
Butler	32,846
Clay	18,543
Dunklin	35,962
Franklin	9,161
Greene	37,971
Jackson	216,589
Jefferson	22,085
Lafayette	3,474
New Madrid	34,651
Osage	1,652
Pemiscot	44,254
Platte	4,768
St. Charles	13,911
St. Louis	145,976
Worth	579
St. Louis City	461,136
Total for Missouri	1,083,556
Montana:	
Big Horn	10,927
Cascade	33,074
Custer	2,869
Daniels	274
Dawson	1,992
Flathead	14,929
Gallatin	4,605
Glacier	14,582
Golden Valley	91
Lincoln	4,477
Missoula	21,489
Sheridan	1,535
Silver Bow	13,997
Yellowstone	35,998
Total for Montana	160,893
Nebraska:	
Adams	6,352
Cedar	17,838
Colfax	2,105
Deuel	351
Douglas	173,710
Gosper	332
Hall	12,908
Harlan	923
Knox	13,942
Lancaster	32,814
Madison	6,168
Nemaha	1,625
Perkins	720
Saline	2,179
Sarpy	18,706
Scotts Bluff	15,825
Seward	2,567
Washington	2,770
Total for Nebraska	311,854
Nevada:	
Clark	$88,607
Douglas	1,141
Elko	2,986
Nye	1,065
Washoe	24,477
White Pine	2,625
Total for Nevada	120,901
New Hampshire:	
Hillsborough	69,783
Rockingham	55,110
Total for New Hampshire	124,893
New Jersey:	
Bergen	248,337
Camden	694,228
Essex	1,562,296
Hudson	751,408
Mercer	292,855
Middlesex	323,361
Monmouth	392,808
Morris	103,179
Passaic	479,570
Somerset	72,672
Union	280,218
Total for New Jersey	5,200,931
New Mexico:	
Bernalillo	153,722
Los Alamos	718
McKinley	69,342
San Juan	64,281
Total for New Mexico	288,063
New York:	
Bronx	2,122,151
Erie	431,017
Genesee	9,163
Hamilton	658
Kings	3,166,391
Monroe	271,475
Nassau	341,503
New York	1,222,005
Onondaga	144,636
Putnam	9,344
Queens	633,046
Suffolk	375,303
Westchester	294,047
Wyoming	6,259
Total for New York	8,999,999
North Carolina:	
Catawba	12,237
Columbus	53,042
Cumberland	111,378
Durham	54,482
Edgecombe	57,164
Forsyth	77,630
Guilford	77,545
Halifax	65,379
Lincoln	5,519
Mecklenburg	115,683
Nash	50,220
Pitt	67,764
Robeson	96,233
Wake	75,174
Wayne	60,199
Total for North Carolina	979,648
North Dakota:	
Burleigh	10,136
Cass	17,722
Grand Forks	13,279
Logan	786
Rolette	15,124
Slope	417
Traill	1,283
Ward	16,439
Total for North Dakota	75,186
Ohio:	
Ashland	$7,486
Auglaize	5,447
Champaign	6,677
Cuyahoga	989,634
Darke	10,209
Defiance	8,259
Delaware	7,363
Erie	17,783
Franklin	355,358
Fulton	4,727
Geauga	11,211
Hamilton	400,184
Hancock	13,091
Henry	4,288
Huron	10,754
Knox	8,856
Lake	37,007
Lucas	193,362
Mahoning	116,203
Medina	11,404
Mercer	5,553
Miami	19,505
Montgomery	210,266
Portage	22,879
Preble	7,556
Putnam	5,482
Sandusky	13,583
Seneca	13,337
Shelby	5,904
Stark	92,077
Summit	202,359
Union	4,832
Wayne	18,521
Williams	6,203
Wood	16,096
Total for Ohio	2,863,455
Oklahoma:	
Comanche	54,506
Muskogee	38,273
Oklahoma	190,552
Tulsa	141,767
Total for Oklahoma	425,098
Oregon:	
Clackamas	69,173
Lane	112,405
Marion	89,503
Multnomah	316,487
Total for Oregon	587,568
Pennsylvania:	
Allegheny	1,072,612
Cumberland	34,249
Delaware	284,095
Montgomery	157,466
Philadelphia	3,135,363
Union	6,669
Total for Pennsylvania	4,690,454
Rhode Island:	
Providence	416,528
Total for Rhode Island	416,528
South Carolina:	
Charleston	158,495
Florence	71,843
Greenville	72,457
Orangeburg	77,707
Richland	99,114
Sumter	69,526
Total for South Carolina	549,141
South Dakota:	
Brown	11,916
Charles Mix	13,723
Minnehaha	32,501
Pennington	30,124
Shannon	21,060
Stanley	238
Todd	13,232
Total for South Dakota	122,792

Tennessee:	
Davidson	$120, 186
Fayette	38, 682
Hamilton	93, 104
Knox	93, 766
Shelby	360, 259
Sullivan	39, 253
Total for Tennessee	745, 250
Texas:	
Armstrong	188
Bell	45, 590
Bexar	465, 537
Cameron	194, 330
Clay	1, 253
Dallas	401, 695
El Paso	192, 074
Galveston	68, 949
Gray	5, 201
Harris	611, 285
Hartley	595
Hidalgo	277, 599
Hutchinson	4, 825
Jefferson	109, 683
Johnson	8, 664
Lubbock	72, 302
McLennan	66, 082
Moore	2, 757
Nueces	141, 518
Ochiltree	1, 551
Randall	8, 194
Tararnt	198, 905
Travis	81, 968
Webb	94, 690
Winkler	1, 567
Total for Texas	3, 057, 004
Utah:	
Davis	19, 028
Kane	245
Morgan	735
Piute	276
Rich	199
Salt Lake	183, 785
San Juan	32, 435
Utah	46, 115
Weber	51, 446
Total for Utah	334, 264
Vermont:	
Chittenden	42, 918
Total for Vermont	42, 918
Virginia:	
Fairfax	98, 792
Henrico	23, 125
Pittsylvania	45, 519
Chesapeake City	56, 968
Colonial Heights City	3, 119
Fairfax City	2, 806
Falls Church City	1, 150
Hampton City	74, 342
Newport News City	100, 866
Norfolk City	291, 287
Portsmouth City	123, 660
Radford City	802
Richmond City	215, 446
Roanoke City	53, 012
Salem City	2, 544
Virginia Beach City	94, 035
Waynesboro City	3, 625
Total for Virginia	1, 191, 098
Washington:	
King	553, 094
Pierce	263, 053
Snohomish	159, 071
Spokane	165, 307
Yakima	178, 608
Total for Washington	1, 319, 134
West Virginia:	
Cabell	$40, 866
Fayette	43, 432
Hancock	6, 699
Kanawha	101, 765
Logan	40, 975
McDowell	67, 144
Mingo	52, 134
Raleigh	44, 027
Total for West Virginia	397, 042
Wisconsin:	
Brown	62, 817
Dane	122, 328
Dodge	14, 415
Door	5, 598
Green Lake	4, 034
Lincoln	6, 546
Milwaukee	742, 784
Ozaukee	11, 704
Racine	106, 701
St. Croix	11, 131
Sauk	11, 638
Washington	20, 079
Waukesha	55, 213
Total for Wisconsin	1, 174, 988
Wyoming:	
Campbell	3, 437
Carbon	3, 264
Fremont	16, 971
Hot Springs	1, 189
Laramie	23, 630
Natrona	19, 717
Sublette	757
Sweetwater	4, 562
Teton	1, 167
Uinta	1, 816
Weston	2, 075
Total for Wyoming	78, 585

UNITED NATIONS CHARTER OF ECONOMIC RIGHTS AND DUTIES

Mr. BENTSEN. Mr. President, we have heard a great deal in recent months about the increasing economic interdependence of the nations of the world. Secretary Kissinger, in particular, has repeatedly reminded us of the need for better means of cooperation among nations in handling worldwide commodity shortages, monetary stresses, and inflationary pressures, if we are not to fall into the trap of trade wars or succumb to self-defeating retaliatory practices.

I certainly subscribe to this viewpoint, as does just about anyone who believes that America's economy will grow healthier in a cooperative atmosphere of stable and open trade relations with the rest of the world than in a hostile one of tariff barriers and trade restraints.

Yet I believe we may be slower in recognizing that "interdependence" is, by its very nature, a two-way street, and that achieving the cooperation and stability we seek will require some sacrifices and changes of habit on our own part. We tend to assume too easily that what is right for the United States must be right for the rest of the world.

The fact is that each nation defines the aims of cooperation in terms of its own self-interest and seeks stability in a system which maximizes its own returns. We face a long and very difficult period of negotiations with the other nations of the world in which our definitions and theirs will have to be balanced and sorted out.

And in the course of this give-and-take we are obviously going to have to pay more attention than we have in the past to what others mean by "cooperation" and "stability." Not surprisingly, some definitions now being advanced elsewhere in the world presuppose radical changes in the way we Americans—both official and private—do business abroad.

In this connection, I ask unanimous consent to print in the Record an address recently given by the Ambassador of Mexico to the United States, His Excellency Jose Juan de Olloqui, before the American Management Association in New York City. Ambassador Olloqui's excellent speech, in addition to providing a useful summary of major economic problems facing the world community, places the "interdependence" theme within the framework of demands for greater social justice throughout the world.

Mexico, of course, has been at the forefront of efforts to reshape our system of economic relations so as to harmonize free enterprise principles with social justice goals, and Mexico is the sponsor of a draft Charter of Economic Rights and Duties at the United Nations which would lay the foundation for this reformed system. Ambassador Olloqui explains the Mexican proposal and argues forcefully in support of such a Charter.

I commend Ambassador Olloqui's speech to my colleagues for their careful study.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address By His Excellency Jose Juan de Olloqui Before the American Management Association

The world economy is in a special situation which has never before existed in such a particular complex form. We are facing today scarcities of food, scarcities of mineral resources, a crisis of energetics and a volatile and unstable international monetary system.

Some people argue that the present situation will have an effect on the world pattern of trade and investment which will increase uncertainty, and that as countries begin to feel the effect of higher prices of imports upon their balance of payments they will become more and more protectionist and economic warfare could result.

I suggest that as an example of what could happen we go back a few months ago: on June 27, 1973 the United States announced a temporary embargo on all exports of soybeans. Five days later it replaced the embargo with an export licensing system that effectively reduced U.S. sales abroad. At the same time, it imposed export restraints on iron and steel scrap. Before the summer was over, Japan was forced to limit its purchases of U.S. timber from the Pacific northwest, and the U.S. Department of Agriculture initiated steps to limit exports of some chemical fertilizers.

On October 17, the Arab nations announced a series of cutbacks in the production of crude oil and a total embargo on exports of oil to the United States.

On November 24, 1973, representatives from sixteen East and Central African countries, meeting in Dar-es-Salaam, called for economic sanctions against the United States, Great Britain, France, West Germany, Japan, and Brazil unless their countries ceased their support of the Government of South Africa. Specifically mentioned among potential sanctions was an embargo on the exports of raw materials to these countries.

Inflationary pressures have been felt worldwide. The U.S. has just experienced a two digit inflation rate last month, and this is simply average as regards Western Hemisphere developed countries.

While the price of oil went up 350 per cent in 12 months, the prices of wheat and nitrogen fertilizer have also nearly tripled in a comparable period. The worldwide inflation problem did not begin with oil, and it will not end with oil. Other items will increase in cost either because of the inflationary psychology, because of monopoly or oliogopoly power, or simply because of a real scarcity.

Several producers of primary goods are talking of creating cartels in order to restrict export supplies and raise prices. Such are the cases of coffee, bananas and several minerals.

All of the short term problems of scarcity noted above have been further complicated by the collapse of the Bretton Woods monetary system and a tendency within the international community to desregard the rules of the General Agreement on Trade and Tariffs whenever self-interest so dictates. Monetary uncertainities have led not only to flights from currency to currency, but also in some instances to flights from currency to commodities, pressing prices ever upward.

It should be noted that the United States is dependent on imports for more than half of its supplies of nine of sixteen critical minerals and metals. Apart from this you must remember that the U.S. imports 100% of all the natural rubber and coffee it consumes. Futhermore, in the May 1973 issue of the American Economic Review, professors Fisher and Ridker conclude that "The United States economy undoubtedly will become somewhat more dependent on mineral, fuel, and certain other raw material imports".

I believe, therefore, that two facts standout from the present world situation: a greater dependency or interrelation among nations and an imminent danger of economic warfare headed by strong protectionist policies.

I am not an alarmist, rather I am an optimist, and I believe that out of adversity sometimes comes vision.

The leaders of the world today face a unique challenge and it affords a great opportunity. We have the means and we have the adequate forums to implement the solution, for example, this very year we have the Law of the Sea Conference, the World Food Conference, the Population Conference, the Monetary Reform (Group of 20), the Tokyo Round of Trade Negotiations (GATT), among others.

Therefore we must enter these negotiations with the clear intention of finding viable solutions. In these negotiations we must remember the changes in world relations that have occurred, such as the new concept of international power; the emerging world scarcities; the changing needs for external development cooperation; the emergence of China; the new bargaining potential of Developing Countries and, very important, the importance attached to the concept of equality and justice.

As we enter these negotiations let us remember that if they are going to be effective we must all sit as equals around the negotiating table and that the proposition to negotiate so as to maximize the gains must be tempered by a sense of justice. We are all dependent on one another, in different degrees. We recognize interdependence, we reject intervention.

Negotiations have talked about equality, and justice for many years, but never have they implemented it in a manner that provides economic benefits for developing countries.

At the Tokyo Round negotiations we must keep in mind that it serves no purpose to reduce tariffs if on the other hand non-tariff barriers are increased.

It is important to elaborate studies so as to provide us with criteria, but there is also a point of saturation at which studies are made not for their implementation but for the sake of studies. I believe we already have enough studies. What we need is action, and not more studies, not a program of action, but action itself.

We must not allow the powerful nations to revert the old ways of thinking; we must prevent the implantation of neo-colonialism in any of its forms.

We must promote new and dynamic concepts of trade, investment, credit. We must search for new formulas to our old problems.

However, this search must be done by all, together, for the possibility exists that the more powerful nations will get together on a solution and leave out the developing nations. This would constitute a terrible mistake, notably because in some cases developing countries are the suppliers of raw materials, or potential suppliers, but also because without the participation and cooperation of developing countries no global agreement can ever be a success for any considerable length of time, especially in view of the fast changes taking place in relations among nations.

Mexico is actively participating in all of these negotiations: in the world monetary reform Mexico's Secretary of the Treasury is a member of the Group of the Twenty (20) who are drafting the reform; the Secretary of the World Population Conference is a Mexican, we are also participating in the Tokyo Round and in all preparatory negotiations in GATT as well as in every other major conference. My country firmly believes in the necessity for change, and we believe it can be done through mutual understanding. We therefore not only promote change but we participate in it.

Irrefutable evidence of this is the Charter of Economic Rights and Duties of the States proposed by the President of Mexico at the III UNCTAD. This Charter is the equivalent as regards nations, to the Universal Declaration of Human Rights. Some of the principles contemplated in the Charter are the following:

Full respect to the right of every nation to adopt the economic structure which it deems appropriate;

No economic pressures to hamper the political sovereignty of any State:

Full respect for local laws by foreign investment;

Abolition of discrimination on exports from non-industrialized countries;

Economic advantages to be granted in inverse relation to the stage of development;

Agreements to guarantee the stability and equitable price of basic products, and

Ample and pertinent transmission of technological and scientifical knowledge at lesser cost and more expeditious to backward countries.

When the Charter of Economic Rights and Duties was conceived, the developed nations of the world contemplated it as a mechanism to benefit exclusively the developing countries, and they only sought in the Charter the aspects of justice and equity. I believe that the events in the past year have proven the need for a more stable international economic system, which the Charter will provide. This implies that there are economic benefits derived from the Charter, since stability as you, my dear friends know, as astute investors, promotes investment growth, trade and development. Consequently, we want to create the necessary frame of reference to provide not only the elements that will assure equity and justice in economic matters, but also provide the necessary stability for a growth in which both developing and developed countries will share. Therefore, I believe that the Charter of Economic Rights and Duties is just as important to the developed nations as for the developing countries.

The lack of this Charter has given rise to the present world-wide economic emergency, which culminated in the call by the United Nations of its Sixth Special Session of the General Assembly, which is the first devoted to economic matters.

The issues that are being discussed by the Assembly are not new. They have been building up for years. What is new is the sense of urgency. We are confronted now with the most serious problems which must be dealt with, in cooperation, as a community of nations. The members of the United Nations will have to decide whether they are willing to act collectively in a manner which will insure that the organizations works effectively in the long-term interest of all.

The main theme of the Assembly is to secure the optimum use of the world's natural resources with the basic objective of securing better conditions of social justice throughout the world.

This is a formidable undertaking, considering the selfish interests of the many groups which comprise the organization, but I am optimistic about its ultimate accomplishments.

The Foreign Minister of France Michel Jobert approached the problems before the Assembly by calling for the concerted establishment of a fair and stable economic order as put forth in the draft Charter of Economic Rights and Duties of States submitted by the President of Mexico.

Out of great crises come also great opportunities for creating a better world. Some of the Addresses at the United Nations have constituted noble declarations of intentions. Let us hope that the machinery to carry out those intentions is established.

The most obvious problem-areas which require a united effort for their solution are:

1. The cycle of raw materials shortages and surpluses.
2. Sudden unexpected swings in prices.
3. Obstacles to trade.
4. Monetary instability.

What we are trying to accomplish through the Charter of Economic Rights and Duties of States and related agreements, is a fair and stable economic order, propitious to the development of trade and investment. It will be in a sense the infrastructure required for private enterprise to expand and flourish. In the measure that standards of living are raised throughout the world, greater volumes of trade which require greater production, could be maintained for the benefit of all.

It is evident that we face an important challenge, one which we can solve to our mutual benefit, but one which requires new formulas, full participation and, above all, a sense of dignity for all mankind from which we can draw a new spirit, akin to the Spirit of Tlatelolco, of justice and equality.

To conclude, let me summarize by saying that the era in which one country, or a group of countries, would adopt measures for their sole benefit without regard to the consequences for the rest of the world, must give way to another era in which the welfare of all mankind must be considered. Selfish countries are being warned by the recent

events, beware the countries that do not pay heed to history.

PROGRESS REPORT ON ETHNIC STUDIES PROGRAM AND ADVISORY COUNCIL

Mr. SCHWEIKER. Mr. President, one item to be considered during the House-Senate conference on H.R. 69, the education bill, is the Senate-passed 4-year extension of the Ethnic Heritage Studies Programs Act, section 111 of the Senate version, S. 1539.

I am proud to have been the sponsor of this important ethnic studies legislation and the extension amendment, and am grateful for the active support I have received from my Senate colleagues in approving the program and the initial funding for fiscal year 1974. It is vitally important that the program be extended. The program has attracted widespread national attention, interest, and enthusiasm and I am most hopeful that the conference committee will approve the Senate measure.

I would like to report to my colleagues on progress of the program to date. The Office of Education recently reported to me that in the 6 months since appropriations were first granted last December 1973, more than 4,000 requests for information and 900 actual grant applications were received from "every section of the country." Interest has been balanced between educational institutions "at every educational level" and community and ethnic groups. In short, there has been an enormous grassroots interest in the Ethnic Heritage Studies Program Act which has demonstrated public approval of extension of the program.

At the conclusion of these remarks, I ask unanimous consent to have printed in the RECORD the May 23, 1974, report to me from Commissioner of Education, John Ottina, outlining details concerning implementation of the act.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHWEIKER. Mr. President, another area of concern to me, and to many supporters of the ethnic studies legislation, has been the failure of the Department of Health, Education, and Welfare, to implement the appointment of the National Advisory Council on Ethnic Heritage Studies called for in the original act.

I recently protested the inaction on this appointment to HEW Secretary Caspar W. Weinberger. He expressed concern over the original June 30, 1974, expiration date for the ethnic studies program, but has pledged to "proceed expeditiously" with appointment of the National Advisory Council as soon as the program extension is approved by Congress. Because the Senate has already approved such an extension, the Secretary reports that his staff is already gathering data on proposed Council members in anticipation of concurring action by the full Congress.

It is interesting to note the widespread national interest in the National Advisory Council as well as the ethnic studies grant program. The Secretary reports a "large number of nominees proposed by many interested organizations and individuals" for the National Advisory Council.

I ask unanimous consent also to have printed at the conclusion of these remarks Secretary Weinberger's May 31, 1974, report to me on the status of the National Advisory Council.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SCHWEIKER. Mr. President, with a 4-year extension of the Ethnic Heritage Studies Program Act, participating ethnic and minority groups, educational institutions, and program planners can continue their work to develop meaningful programs to help make ethnicity an important positive force for mutual understanding and mutual cooperation between all people in communities throughout America.

I am gratified by the enthusiastic response this program has received throughout America, and strongly urge Congress to approve its extension in the education bill.

EXHIBIT 1

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., May 23, 1974.

Hon. RICHARD S. SCHWEIKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCHWEIKER: Thank you for your letter of May 8 concerning Title IX of the Elementary and Secondary Education Act (Ethnic Heritage Studies). I am pleased to have the opportunity to respond to the questions posed in your letter.

1. Since the appropriation was enacted in December 1973, the Office of Education has received approximately 4,000 requests for information, both written and telephonic. In addition, over 12,000 application forms and program materials have been distributed to prospective applicant institutions and organizations throughout the United States.

2. The closing date for receipt of applications for the FY 1974 program was May 17. As of May 22, 840 applications for grants had been received. We anticipate that the final count will reach approximately 900.

3. Our records indicate that thus far 47 of the 50 major ethnic and minority groups as listed in the Encyclopedia Britannica "Maker of America" have made inquiries to the Office of Education concerning Title IX.

4. Institutions and organizations in every section of the country and at every educational level have made inquiries concerning the program, including organizations and groups in Guam, the Virgin Islands, Puerto Rico, American Samoa, and the Trust Territory of the Pacific Islands.

5. While we do not yet have all the applications in hand, a preliminary screening of those thus far received indicate that between 20–25 percent of the applicants are community and ethnic groups. As interpreted by the Office of General Counsel, an ethnic or community organization need not have educational ties with any other educational institution or agency in order to qualify as an eligible applicant under Section 902. Such ethnic and community groups are eligible in their own right as long as they can demonstrate that the organization or group has an educational purpose.

6. In January 1974, the Office of Education formally established the Ethnic Heritage Studies Branch to administer the program. This Branch was placed in the Division of International Education where there is substantial expertise and experience in intercultural learning. The Acting Chief of the Ethnic Heritage Studies Branch is Dr. John A. Carpenter.

7. The Office of Education intends to obligate by June 30 the full amount of $2.375 million appropriated for the program.

8. The Office of Education has engaged in extensive and continuing efforts to insure effective communication and cooperation with ethnic and community groups. A preliminary master mailing list of ethnic groups throughout the country has been developed and over 5,000 fact sheets, applications, and guidelines have already been provided to ethnic groups and chapters. Several meetings have been held with editors of ethnic newspapers and key officials of national ethnic organizations in order to more efficiently disseminate information concerning the program. In addition, published regulations require that each applicant must consult with an advisory council in the planning and carrying out of the program and that the advisory council membership shall have representation from each of the ethnic groups with which the porgram is concerned. Finally, when projects are selected for funding, the Office of Education plans to convene a conference of project directors where this requirement will be among the aspects emphasized.

Questions 9 and 10 of your letter are under study by the Office of Education based on the incoming flow of applications. As soon as the current program cycle is completed and grants have been awarded, the experience we have gained will place us in a better position to provide a detailed response.

Sincerely,

JOHN OTTINA,
U.S. Commissioner of Education.

EXHIBIT 2

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., May 31, 1974.

Hon. RICHARD S. SCHWEIKER,
U.S. Senate, Washington, D.C.

DEAR SENATOR SCHWEIKER: Thank you for your letter of May 8 regarding the National Advisory Council on Ethnic Heritage Studies.

As you know, there was a delay of some year and a half between the mandate and the Congressional appropriation of funds to support the ethnic heritage studies programs. Now the authorization expires June 30, 1974. The brief period remaining is too short, if the program is not going to be extended, to satisfy all the requirements under the Federal Advisory Committee Act for balanced membership, public notice and preparation of such an advisory committee for its meetings and functional performance.

It is our intention to carry out all these advisory committee statutory requirements in appointment of the Council should the Congress pass legislation extending the Ethnic Heritage Studies Program. As it appears that the Congress may extend the program, I have already instructed my staff to begin consideration of the data concerning the large number of nominees proposed by many interested organizations and individuals. A slate of candidates is being readied for my review, and should the Congress extend the program, I will be prepared to proceed expeditiously with appointment of the Council.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

COMPREHENSIVE NUCLEAR TEST BAN TREATY

Mr. HART. Mr. President, later this month, President Nixon will travel to Moscow. The question of arms controls will be on the agenda.

In light of that strong possibility, I urge the Senate to take prompt action on Senate Resolution 67, which supports a complete ban on all nuclear testing.

The resolution, cosponsored by more than 30 Senators, asks the President to suspend all underground nuclear testing as long as the Soviet Union refrains from such tests, and to seek a permanent comprehensive nuclear test ban treaty.

While underground testing is permitted by the partial test ban treaty signed in 1963, we did agree at that time to actively pursue a total ban. I think time has come to make good on that commitment.

The approach of passing a Senate resolution and the recommendation that tests be suspended are founded on historical precedent.

Senate approval of resolution supporting the concept of a non-proliferation treaty was helpful in securing international agreement to such a treaty.

In seeking the partial test ban treaty, President Kennedy first announced a suspension of tests as long as the Soviet Union did not test.

In asking for prompt action on this resolution, I want to emphasize why I think it is important to pass the resolution before the President goes to Moscow.

Those of us who say Congress should take more of a lead in affairs of state should welcome this opportunity to advise the President on a matter of critical importance.

Those of us who say the business of Government can continue while possible impeachment proceedings are under investigation should welcome this opportunity to demonstrate that belief and to strengthen the President's position in negotiations.

Further, hardliners in both Washington and in Moscow oppose a comprehensive test ban treaty or favor only a threshold agreement, which would permit nuclear underground tests of less than a defined limit.

The Senate should make clear it prefers a no-threshold treaty, for these reasons:

The threshold might be so high as to be meaningless in terms of slowing the arms race.

A threshold treaty might not be tight enough to encourage nonnuclear nations from seeking a nuclear capability.

A threshold treaty might encourage the major powers to develop nuclear tactical weapons on the mistaken belief that such weapons could be used without escalating the conflict into all-out nuclear war.

A threshold treaty might detract attention from securing what should be the ultimate goal—a total ban.

In a world two-thirds poor, in a world in which tens of millions of people face starvation, in a world which still spends more than $200 billion a year on weapons, the need to redirect talent and money from bombs to people should be evident to all.

It would be in the great tradition of this Nation to take the first step in redirecting the resources of the world toward helping those in need.

It would be appropriate and responsible for the Senate to advise and give direction to a President on this question.

And if, indeed, we can direct the resources of the world toward easing hunger and poverty, we will do more to secure a peaceful future for our children then we can by building still more bombs.

LABOR-MANAGEMENT RELATIONS IN THE PUBLIC SECTOR

Mr. TOWER. Mr. President, an excellent editorial appeared in today's Wall Street Journal concerning labor-management relations in the public sector. The editorial noted a recent decision by a New York trial judge, Burton B. Roberts, that the leaders of the New York City fireman's union could be criminally prosecuted for allegedly faking a strike vote that resulted in a partial strike of city fireman last fall.

Justice Roberts recognized the unique conditions with respect to vital public services that exist in labor-management relations in the public sector. The extent of collective bargaining rights in the public sector guaranteed to employees must be not only balanced against the interests of their employers, but also must be balanced against the interests of the general public. The editorial notes that this overriding interest of the public has a basis in common law.

I urge my colleagues to give careful consideration to this issue The approval of a Federal collective bargaining statute for public employees regulated under the authority of either the National Labor Relations Board or by a new Federal independent regulatory agency modeled after the NLRB ranks perhaps only second to the repeal of section 14 (b) in the game plan of the so-called veto proof Congress.

As the editorial so properly states, labor-management relations in the public sector should be approached by a careful understanding and recognition of the problems and concerns that beset public employees throughout the country. This can only be translated into good public policy if it is accomplished through local bargaining with the participation of public employees, public officials, and an interested citizenry. Improvements in the delivery of public services and in the job security of millions of public employees cannot be obtained if the process is to be subject to a Federal regulatory structure that is inherently incapable of taking into consideration the varying needs of the public which differ from community to community.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PUBLIC EMPLOYEES AND THE PUBLIC

In a show of firmness that was overdue, a New York judge recently cracked down on three leaders of New York's Uniformed Firefighters Association who allegedly faked a strike vote that brought about a brief, partial strike of firemen in the city last fall.

Trial Court Judge Burton B. Roberts held that the three were liable to criminal prosecution for public endangerment, which means that if convicted they could go to jail or pay heavy personal fines. That's tougher than the usual penalties for an illegal strike but Justice Roberts commented that "when human lives are placed in immediate peril by the strike of a vital government service, the stakes are higher and so should be the penalties."

However, the question that underlies this and similar cases goes far beyond a simple equation of crime and punishment. The nation now has some 15 million government employes, representing over 20% of the work force as a result of rapid growth in the public sector over the last decade. The services they provide—police and fire protection, education, garbage collection, mass transit—often are indeed vital. Labor-management relations in this sphere are in some disarray.

One thing that all types of governments have traditionally had in common has been a low tolerance for unionization and strikes by their own employes. In the U.S., the federal government and most states have laws that prohibit government employe strikes and apply sanctions of various types against unions that conduct them.

Nonetheless public employe unionization has risen sharply over the last decade, particularly since President Kennedy permitted limited federal negotiation with such unions in 1962. And sanctions or not, the number of public employe strikes has risen substantially as well.

There would be ample grounds for arguing that this trend should be countered with tougher public employe antistrike laws and penalties. That view has a base in common law. Justice Roberts, for example, made it clear that his court is not tolerant of union actions in which "people's safety, lives and homes are held for ransom." It could be further argued that a growing tolerance of illegal strikes does ever more damage to respect for the law. And finally it is possible that public employes emboldened by their successes in collective bargaining, will become increasingly interested in public policy generally as it affects schools, police work and other branches of government, and will end up dictating to the public they are supposed to serve.

Those are all good reasons for a stronger enforcement of antistrike laws for public employes. But the discussion cannot end there. A nation that expects its public servants to perform well must treat them fairly. And if it is to deny them the right it accords other workers to withdraw their labor it must find some way to deal with their legitimate grievances and aspirations. A free society cannot afford to be beaten over the head by its public servants but it can't afford to beat *them* over the head either.

At one time in our history, so it would seem, it was enough for public servants to have superior job security, a measure of status and the psychic rewards of public service. But relatively speaking, those rewards today are less attractive. Keeping up with inflation has become more important.

One obvious answer—one which applies to any number of other problems—is to kill inflation. The clamor for higher pay, and the willingness to go to extraordinary lengths to acquire it, is almost certain to abate if inflation can be brought under control.

Similarly, it should be a goal of public policy, to maintain some parity between the compensation of the public employes and that of private employes in similar ocupations, neither overpaying nor underpaying public workers. That, of course, is an oversimplification of a complex equation but it can serve as a general objective.

Beyond that, public employes should be encouraged by public officials to participate in the making of public policy, rather than having to fight their way in the door through their unions. Teachers, after all, know a great deal about the problems of the classroom. Policemen know a great deal about the problems of controlling crime. Firemen know a lot about reducing fire risks. Too often, public officials have been too concerned with exercising power and not enough concerned with listening to the legitimate problems of those they direct.

Pubilc employe strikes reflect alienation of workers who traditionally have identified themselves with the public welfare. That is not something to be taken lightly. They should be treated firmly where laws are violated but that is only the beginning of a solution.

SUMMER YOUTH EMPLOYMENT

Mr. JACKSON. Mr. President, every summer as school ends a flood of young people all across the Nation begin looking for summer jobs. These young people are seeking employment in order to earn needed money to assist in meeting their necessary educational and personal expenses, and to fill their summer months with rewarding and productive labor. Every summer thousands of these young people are frustrated because there are never enough job opportunities for everyone.

I am very proud of young Americans who want to work hard and to help earn their own way with high school or college expenses, and I believe that both government and private enterprise should do all that is possible to help young people who simply want an opportunity to work.

I am extremely pleased that in many communities business groups, often in conjunction with youth organizing committees, have formed national and local youth employment programs.

I believe that this effort of private business and young people to help increase summer youth employment is highly commendable and should be strongly encouraged.

I am particularly proud of one such coalition of young people and private businessmen in the State of Washington. The Youth Employment Service in Spokane, Wash., is working very hard to locate jobs for young people. I speak for myself along with Senator MAGNUSON and Congressman FOLEY in strongly endorsing and praising these efforts in behalf of youth employment by YES and other similar groups.

In this regard, YES has designated the week of June 9 through 15 as "Hire a Kid Week." During this week activities are planned to emphasize the need for youth summer employment.

We hope that the support of the Spokane community for YES's program will be strong and that it will serve as an example to communities across the Nation that such programs are both necessary and worthy of public support.

GOLDEN ANNIVERSARY OF THE CLARKE-McNARY ACT

Mr. HATFIELD. Mr. President, 50 years ago today President Calvin Coolidge signed the most significant environmental act of its day. It was the Clarke-McNary Act which had resulted from a Select Committee on Reforestation of this body under the chairmanship of the then senior Senator from Oregon, Charles L. McNary. His colleagues on the committee were other well-known Senate figures and included George Moses of New Hampshire, James Couzens of Michigan, Duncan Fletcher of Florida, and Pat Harrison of Mississippi. Their committee was charged by the Senate "to investigate problems relating to reforestation with a view to establishing a comprehensive national policy for lands chiefly suited for timber production in order to insure a perpetual supply of timber for the use and necessities of citizens of the United States."

After holding 24 hearings in 16 States and the District of Columbia, the committee concluded that Congress should attack the Nation's forest problem by:

First. Extending public forest ownerships in areas where special public responsibilities were involved, like protection of the watersheds of navigable rivers and also where natural difficulties, costs and hazards attending reforestation make it impracticable as a private effort; and

Second. Reduction of the risks and handicaps of private timber growing to furnish the greatest possible incentive to commercial reforestation.

These Senators were joined in their endeavor by Representative John W. Clarke, a forestry enthusiast from upstate New York. The legislation was conceived, supported, and guided through the Congress by two pioneer American foresters, E. T. Allen of the Western Forestry and Conservation Association of Portland, Oreg., and Col. W. B. Greeley, chief of the U.S. Forest Service.

The Clarke-McNary Act firmly established the three-way cooperation of the Federal Government, the States, and the private forest owners in preventing and controlling forest fires. The beneficial environmental record hung up thereunder is both worth noting and exulting about for in 1924 we burned over 28,800,000 acres of our forest lands nationwide **Through** the strong impetus of the Clarke-McNary Act which helped build strong forestry departments, we now burn over less than one-tenth of the terrible losses of a half century ago. Every State has a State forestry department now, as well as a citizen organization devoted to keeping it green by forest fire prevention. It has been the State foresters who have successfully translated the Clarke-McNary principle of cooperation into action by tooling up to do the job of preventing and controlling the demon fire. Through 1972 the Clarke-McNary Act has brought organized protection to 1,283,132,000 acres of forest and range lands. Today 91 percent of all our lands which need systematic protection, have it.

The smoke run out of the woods by Clarke-McNary cooperation has had another significant effect upon our environment. Once protection against forest fire became effective so that forest owners had some assurance their property would not be subject to loss from fire, they were encouraged to speed up reforestation by planting new trees where the old ones had been harvested. Up through 1925 there had only been 1,600,000 acres reforested by planting in our entire history. Now we reforest more than that each year and it is increasing constantly.

The Clarke-McNary Act also stimulated reforestation by another provision, too. That was its authorization of helping the States provide trees and seeds for reforestation. This was the way many States got started in the tree nursery business of growing trees for reforestation at cost for farmers and other landowners.

So much of today's preoccupation with the environment implies that no one had ever previously done much about it. The wise forestry leaders like Senator McNary and his colleagues, Congressman Clarke, Colonel Greeley, and E. T. Allen a half century ago gave this Nation its Clarke-McNary Act which has not only been the prime mover in freeing the forests of the Nation of smoke, but has stimulated the greening up of rural America by reforestation. Has any law done more for our environment?

Mr. President, as a Senator from Oregon, the Nation's No. 1 forest State, I feel particularly privileged to honor and commemorate today the genius of the handful of men who gave us the constructive environmental blueprint of the Clarke-McNary Act 50 years ago. Its environmental accomplishments speak for themselves—an America safer from the ravage of forest fires and greener from reforestation.

On this golden anniversary of the Clarke-McNary Act, I invite all my colleagues in the Senate and citizens everywhere to honor the 20,000 professional foresters in Federal, State, and private employ for what they are doing to create a better environment through forestry on the forested third of our country. They are protecting and managing our forest lands so we will always have the environmental advantages of trees. Their renewability guarantees them as our principal source of building, packaging, and communication materials, as well as the other multiple benefits of well-managed forests—water, wildlife, scenery, and recreation.

INCREASED MOBILITY FOR THE HANDICAPPED

Mr. HART. Mr. President, last year Senator PERCY and I introduced a series of bills (S. 1911–1913) to make jobs available to the handicapped and to eliminate transit and architectural barriers to their mobility. The bills would accomplish this through tax incentives to prospective employers, by allowing tax deductions for extraordinary transportation expenses of the handicapped employee, and by assuring that all buildings constructed or renovated with Federal funds be fully accessible.

Not only did we hope to focus attention on the need for action on the Federal level to correct society's failure to allow the handicapped to be self-sufficient, but by example to encourage active concern at other levels of Government and in private life. All this seemed a rather ambitious undertaking on which we were making little noticeable progress. Now comes a letter from a young lady of 10 years who has made the case for the very real and very human needs of the handicapped more persuasively and succinctly than I would venture either Senator PERCY or I could. Therefore, I ask unanimous consent that the letter from Miss Kristi Heft be printed in the RECORD.

In addition to my hope that Congress might be moved to further commitment to the handicapped, I am also asking the new HEW Office of the Handicapped, created by the Rehabilitation Act of 1973, if accessibility to public places could be a special interest of their informational clearinghouse.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WEST BLOOMFIELD, MICH., *April 29, 1974.*

Senator PHILIP HART,
U.S. Senate,
Washington, D.C.

DEAR SIR: During my spring vacation I made a trip to Toronto, Canada. I undertook a survey of the facilities for the handicapped enroute. Although some strides have been made in Michigan in the handicapped area, they amount to nothing compared to the advances in Canada. I am only ten years old, but I have been interested in this for more than three years because my grandmother has multiple sclerosis and I must accompany her in places where my grandfather cannot go. Do you know what it is like not to be able to get through a doorway? To have to stop because the curbs are too high? To have a table too high or too low? Or to go to Somerset Mall in Troy, Michigan, and have a theater down an untold number of steps? Or to have owners of those in charge not wanting you around because it might hurt business or make patrons feel funny? We have been through all this but it is in the restroom area I must accompany, and it is bad.

May I have your help in furthering my project to make this known to officials who can do something about it? I have the U.S. Document "Design for All Americans", but if you can't get the local officials interested, what good is it?

Sincerely,

KRISTI A. HEFT.

NATO PLANS TO PROTECT AFRICAN CAPE ROUTE

Mr. CRANSTON. Mr. President, recently several distinguished newspapers have carried reports detailing allegations that the North Atlantic Treaty Organization has drawn up secret plans for the air and naval defense of sea routes around southern Africa. A report prepared for the United Nations Decolonization Committee has raised the point that such secret contingency planning could turn into an American and NATO commitment to defend the white minority regimes of southern Africa against both internal and external threats. These are very serious allegations, Mr. President, and I intend to investigate them further. I ask unanimous consent that the following articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Observer, May 18, 1974]

NATO PLANS TO PROTECT AFRICAN CAPE ROUTE

(By Andrew Wilson and Sue Masterman)

THE HAGUE.—The head of the NATO Press service admitted to THE OBSERVER in a telephone call from Brussels yesterday that the NATO Supreme Commander, Atlantic, Admiral Ralph Cousins, had received secret authorisation to study possible operations in the Southern African area.

The allegation that SACLANT had been given a secret directive to conduct contingency planning in the area was made in a United Nations commissioned report leaked earlier in the week to Parliamentary circles here. The report says the study is intended to prepare the way for the setting up of a "counter-intervention" force in the area with South African co-operation; but NATO vigorously denies this.

According to the NATO Press chief, authorisation for the study of SACLANT was given in October 1972, because of concern at the possibility that the Soviet Union could interfere with oil supplies for Europe and America round the Cape.

Asked why the existence of the directive had been kept secret, he said: "It is a purely military matter, and thus one we do not normally talk about."

The United Nations report—commissioned for the General Assembly's decolonisation committee, and, until its adoption, still technically a "draft"—has already increased the threat of a crisis in the Dutch Coalition Cabinet, where Socialist members are committed to making defence cuts.

The report was written by three American professors: Sean Gervasi, an economist formerly at Oxford; Lawrence Bowman, of Connecticut University; and Ellen Frey-Wouters, of the City University of New York. It says the directive to SACLANT came as a triumph for a largely British pressure group that had been working on behalf of the white regimes in Southern Africa since the 1960s; and that one of the principal figures was the former Chancellor of the Duchy of Lancaster, Mr. Geoffrey Rippon.

From 1970 the British Government began to press its allies for an extension of NATO. Members of the Government were aware of the opposition to the idea among their allies. . . . They therefore proceeded to press for various *ad hoc* arrangements. In this, they seem to have had some support from the Nixon Administration.

In the spring of 1972, the supporters of defence co-operation with the white regimes scored their first important success. The Military Committee of the North Atlantic Assembly appointed a sub-committee to examine the "Soviet maritime threat."

The report says the purpose of establishing the committee was to bring the "threat" to the Cape route into the open; and the appointment as its *rapporteur* of the right-wing British MP Mr. Patrick Wall was part of an attempt to commit NATO to the policies recommended by Mr. Rippon.

It says that in a draft working paper in June 1972, raising the question of "NATO being outflanked to the south," Mr. Wall was making a barely-veiled argument for a naval alliance with South Africa. "It bears repeating that this could not have been accidental. One can only deduce that the results which Mr. Wall produced were those which were intended by those who secured his appointment."

According to the report, the draft working paper prepared by Mr. Wall's sub-committee had to be toned down, for political reasons, by the NATO Assembly's Military Committee.

After the committee approved the report the discussion continued in the full Assembly in Bonn, with the result that the Assembly approved "Recommendation 22." This urged the North Atlantic Council to give SACLANT authority to plan for the protection of the Cape routes.

The UN report says the recommendation caused considerable disquiet in a number of European countries.

It goes on: "Western Governments have been very sensitive about this and have gone out of their way to deny that any thing has actually happened.

"It is now clear that this is not true. The 1972 deliberations of the Assembly . . . were the prelude to an official decision to move towards defence planning with the white regimes. The decision was taken at a Ministerial session in Brussels when the Defence Planning Committee of NATO issued a classified communique in response to Recommendation 22. The communique gave SACLANT authority to plan for contingencies 'outside the NATO area'."

[From the New York Post]

NATO TO AID WHITE AFRICA?

(By Michael J. Berlin)

American and NATO military officials are actively engaged in secret contingency planning that could turn into a commitment to defend the white minority regimes of southern Africa against both internal and external threats, according to a report prepared for the UN's decolonization committee by three American academies.

On the official level, the commitment has reached a point where the NATO defense ministers in a communique—issued last June in Brussels, but still classified as secret—authorized the Supreme Allied Commander in the Atlantic region (SACLANT) to plan for contingencies "outside the NATO area."

NOT ENOUGH FORCES

SACLANT, headed by American Admiral Ralph W. Cousins and based in Norfolk, Va., has already begun gathering information on bases that might be required in the southern African area, the needed reconnaissance and communications facilities, shipping lanes, traffic density and the "oceanographic situation."

So far, The Post learned from an informant, SACLANT has reached the conclusion that NATO itself does not have sufficient forces to deal with that area. And the corollary to this is that a defense arrangement involving the white minority regimes of southern Africa, South Africa in particular, is required.

Ostensibly, the NATO purpose is to protect the shipping route between the Persian Gulf and Europe, used to transport much of the West's oil, from a potential Soviet naval threat.

This route, a SACLANT spokesman admited to The Post in a telephone interview from Norfolk, is an "area of concern" for NATO. But the spokesman insisted that NATO activities remain "bound" to its authorized area—north of the Tropic of Cancer—and he added that "SACLANT has no plans for the air and naval defense of South Africa."

Technically, of course, the denial is accurate. The plans SACLANT is formulating officially involve not the defense of South Africa, but the sea route around its Cape of Good Hope.

But the report prepared for the UN committee says that defense of the sea route would be impossible without "active cooperation, at several levels, with the defense forces of Portugal and South Africa."

The UN report, prepared by Sean Gervasi, a fulltime UN consultant, with the collaboration of Prof. L. W. Bowman of the University of Connecticut and Prof. Ellen Frey-Wouters of CUNY, goes on to make the argument that although the importance of the sea lanes around southern Africa is real "the threat to the Cape route is minimal."

The report says that the real motivation of the NATO planners was hinted at in the NATO Assembly action that set the SACLANT contingency planning in motion—to "relieve pressure on * * *."

The authors of the UN report quote an unnamed NATO official, who was involved in the action that set SACLANT in motion, as saying that the contingency planning was designed to make it possible "to go to the aid of our potential allies in southern Africa if the need should arise."

The debate over protection of sea routes, the UN report says, is a "smokescreen" designed to hide from the public of the Western nations an evolving alliance designed to sustain the rule of a South African government that practices the racist system of apartheid, repugnant to majority public opinion in most NATO nations.

Several Western nations, the U.S. included, have moved quietly and individually in the last few years to bolster the military capacities of the southern African white regimes against internal pressures from "liberation movements," which the West has seen as extensions of Soviet and Chinese influence. The UN report details the flow of American (as well as British and French) military items to the Portuguese colonies, including large quantities of the defoliants the U.S. used with such devastating effect in South Vietnam.

EXCHANGE DATA

The Post learned that the U.S. and South Africa have already begun informally, through the U.S. Naval Attache there, to exchange intelligence information on Soviet ship movements in the Indian Ocean area.

All this stemmed from a National Security Council decision, coordinated with NATO early in 1970, to bolster positions against Soviet influence all along the shores of the Indian Ocean.

But the current contingency planning undertaken by SACLANT could lead far beyond that—by building an infrastructure of military relationships and a rationale to expand them into direct U.S. military involvement.

The recent Portuguese coup, which leaves the future of the Portuguese territories of Angola and Mozambique—buffers between South Africa and black Africa—very much in doubt, has spotlighted the inherent long-term instability of what had been termed the "white redoubt" of southern Africa.

[From the Times of London]

NATO LEAK SHOWS PLAN TO PROTECT SOUTH AFRICA

THE HAGUE, May 19.—The Nato command in the southern Atlantic (Saclant) received authorization in October 1972 to draft a study of possible operations in the southern African area. The fact was confirmed by a Nato spokesman in Brussels after the leak of a draft working paper to the United Nations decolonization committee.

The initiative for Saclant's authorization, according to the draft report, came after pressure from a British contingent.

The report claims that the authorization to Saclant was given under "smoke screen" motives for protecting the tanker transport routes around the Cape of Good Hope from possible Soviet naval interference. It was, the draft report claimed, an excuse to draw up plans for the protection of the white minority regimes in southern Africa in order to secure supplies of minerals, in particular heavy metals, from those areas for Nato member countries.

The draft working report has been drawn up by an American Oxford graduate and former lecturer, Mr. Sean Gervasi, an economist, who is now working as an adviser for the Tanzanian Government. He was assisted by two American professors. The United Nations secretariat have hastened to point out that the draft report was not exactly what the United Nation commission for decolonization had commissioned from Mr. Gervasi.

[From the Guardian]

NATO ROW OVER CAPE DEFENCES

(By Patrick Keatley)

Four NATO Governments—Denmark, Norway, Holland, and Canada—are unhappy about the confidential instruction issued at a ministerial meeting in Brussels in June last year which has led to the preparation of a secret contingency plan for air and naval defences of the sea routes around the southern tip of Africa. The row has come to light as a result of the activities of a Dutch parliamentary committee which has been investigating NATO policies with a view to recommending cuts in defence expenditure.

There was no comment from the Foreign Office last night and in Washington the Defence Department has flatly denied that a contingency plan exists.

However detailed evidence has been compiled in a 275-page report prepared for a UN committee by the American authority on southern African affairs, Dr. Sean Gervasi, who taught at Oxford. He was in Holland last week.

The gist of the study is that the Supreme Allied Commander, Atlantic. Admiral Ralph Cousins of the US Navy, was asked to implement the directive, and that he has ordered his staff to prepare plans on how the NATO forces could protect the sea lanes around the Cape of Good Hope in an emergency.

[From the Sunday London Times, May 19, 1974]

NATO'S SECRET PLAN FOR CAPE

(By Peter Watson)

Secret plans for the air and naval defense of sea routes around southern Africa have been drawn up by the North Atlantic Treaty Organisation. The Supreme Allied Commander in the Atlantic, US Admiral Ralph W. Cousins, has made the contingency plans at his headquarters in Norfolk, Virginia, on instructions from a classified communique issued by a ministerial meeting of Nato's defence committee held in Brussels last June.

The plans are the first official sign that Nato may be willing to extend its activities beyond the Tropic of Cancer.

The plans, according to the ministerial communique, are to counter the "Soviet maritime threat," particularly to the West's oil from the Persian Gulf. They are supposed to exist on paper only and refer to such things as traffic density in the sea lanes around the Cape, reconnaissance capabilities from local airports, communications facilities in the area and oceanographic details.

Joint manoeuvres are ruled out and no non-Nato governments are to be consulted. "No action is to be implied by the drawing up of the plans," according to the communique.

These moves are disclosed in an as yet unpublished report by an American consultant to the UN Special Committee on Decolonisation. The consultant, Sean Gervasi, an American political economist who has taught at Oxford and the London School of Economics, was commissioned by Salim Saleem, the Tanzanian Ambassador to the UN and chairman of the UN Special Committee in August, to produce a report on Portugal, the Western powers and Southern Africa.

The report was completed in March and Mr. Saleem said in New York yesterday that the report is now being considered by the special committee. They might present it to the full UN Assembly. He said he felt that "some" of the report would have to be published.

However, says Mr. Gervasi in his report, other Nato studies in connection with the plans show that defence of the Cape sea routes is "impossible without the active co-operation, at several levels, with the defence forces of Portugal and South Africa."

He says South Africa has the only detailed maps for 3,500 miles of coastline in the area and has been making these available to Nato via the Simonstown agreement with Britain. (The agreement was unilaterally extended by South Africa last week, more bases being made available to Britain.)

South Africa, the US and Britain have been co-ordinating communications equipment in the past few months. The US and South Africa have already begun to exchange information on Soviet ship movements in the Indian Ocean.

Inevitably, says Mr. Gervasi, innovations like the cooperation over counter-insurgency training with the Portuguese raises the question as to whether one of the contingency plans included in Nato's researches is an internal situation threatening to the right regimes in the area.

Last week, the British Foreign Office offered "no comment" on the plans. The Pentagon denied their existence.

A spokesman for Admiral Cousins admitted that the Cape routes were "an area of concern" for Nato but insisted that Nato activities remain bound to the authorised area, north of the Tropic of Cancer.

But Mr. Harry de Vreiss, official spokesman of Nato in Brussels, conceded that most of Mr. Gervasi's disclosures are correct. When asked why the plans were kept secret, he replied: "It was seen as an internal military affair which should not give rise to misunderstanding."

However, he contributed to that misunderstanding when he added that the conditions under which the Nato forces would be mobilised included not just "war," but "crisis" as well. He would not elaborate on what "crisis" meant.

INTERNATIONAL ENVIRONMENTAL SYMPOSIUM

Mr. JACKSON. Mr. President, an estimated 5 million people will discover the Pacific Northwest and visit Spokane, Wash.—the site of Expo '74 before it closes next November.

This is the first international symposium ever held on the subject of maintaining a quality environment.

Thousands have already visited the Expo site and the first discussions on the environment have already been held.

It was my good fortune to visit the fair on May 19 and address a symposium on the environment at Gonzaga University.

My message on that occasion was simply this. At the heart of the environmental problem we face is how to deal with the basic resource—land. Land is the premise on which we make all moves, and unless we get that house in order we cannot do all of the other things we need to do to maintain a quality environment logically and reasonably.

I am proud that the Senate has taken prompt and early action to provide national land-use legislation. Hopefully House action on this measure will come before the end of this Congress.

Because of the importance of bringing about a broad understanding of this issue I ask unanimous consent that my remarks on land use delivered on that occasion be included in the RECORD at this point.

In addition I ask unanimous consent that my remarks published recently in Passages magazine on the subject of Expo '74 be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HENRY M. JACKSON

It is altogether fitting that the first international exposition with the environment as its theme is being held here in the Pacific Northwest. Certainly nowhere on this continent is there a more impressive environment than ours. And nowhere on this continent are these citizens more sensitive to the necessity of protecting environment quality. Statutes such as Washington's Shorelines Management Act, its State Environmental Policy Act, and Oregon's Land Use Law, attest to our environmental concerns. Initiatives such as the rehabilitation of Lake Washington and the Willamette River in Oregon demonstrate this region's commitment to back legislation with strong action.

It was, as you know, the signing of the National Environmental Policy Act on January 1, 1970, that ushered in a new era of national environmental consciousness. This Act had three major purposes:

It provided a mandate to all Federal agencies to protect the quality of our environment.

It created a Council on Environmental Quality to insure that the mandate is carried out.

It established a set of "action forcing" administrative procedures which require an environmental impact statement on any proposed major Federal action which would adversely affect the environment.

As the author of that Act, I take pride in its proven strength. However, if we are truly to protect our environment, we cannot rest on past legislative achievements.

To meet the environmental mandate which NEPA provides requires more than case-by-case decisionmaking—no matter how balanced it is, no matter how environmentally sound it is. We must have decision-making which is based on planning. Before we can make specific decisions on various uses of any resource, particularly a finite resource, we must know all of the competing demands on that resource—economic, social, and environmental—and we must attempt to balance those demands. This can only be done by planning.

No finite resource is more important from an environmental standpoint than our LAND. On no other resource are the demands more severe. To preserve the environmental quality of land we must plan its use.

As Chairman of the Senate Interior and Insular Affairs Committee, I have devoted a great deal of time to land use questions. Since 1964, my Committee has approved and the Congress has enacted legislation to set aside over 14 million acres of land and water for the use and enjoyment of all Americans.

These were "National" land use policy decisions. They were made in the belief that the dedication of a part of America's land base for recreational, scenic, historic, cultural, and wilderness purposes is a high priority national goal.

Important as these past decisions are to our national well-being, they fall short of what is required to meet the emerging national land use crisis.

Let no one be mistaken, we are faced with a national land use crisis. Our advanced technology, our growing economy, and our expanding and more mobile population are placing truly unprecedented demands on our land base. We simply are not making any more land; yet, we are demanding more and more of it to house, feed, school, transport, and supply the material and recreational needs of our people.

To meet this land use crisis—to reverse the tide of environmental deterioration, urban blight, and suburban sprawl, and to provide for the timely siting of critically needed development—we must wisely plan the land's use.

We can delay no longer. The pressures upon our land are nearly overwhelming.

Over the next 30 years, the pressures upon our finite land resource will result in the dedication of an additional 18 million acres or 28 thousand square miles of undeveloped land to urban use.

This urban sprawl will consume an area equal to all the urbanized land within our major cities, the equivalent of the total area of New Hampshire, Vermont, Massachusetts and Rhode Island.

Each decade, new urban growth will consume an area greater than the entire state of New Jersey.

Vast areas of land are required to meet plans for industrial expansion. In the next two decades, one industry alone—the electrical power industry—will need three million acres of new rights-of-way for additional high voltage transmission lines and more than 140,000 acres of potential prime industrial sites for over two hundred new major generating stations, and will require immense acreages of land to be disturbed by strip mining for coal.

In summary, by present projections—between now and the year 2000—we must build again all that we have built before. We must build as many homes, schools, airports, and hospitals in the next three decades as we built in the previous three centuries.

Our nation's economy and environment can no longer bear the burden of the chaotic, ad hoc, case-by-case, crisis-to-crisis, land use decisionmaking which all levels of government have indulged in the past. We can no longer countenance a situation in which many critical land use decisions are the exclusive province of those whose interests are selfish, short-term and private. In the future, in the face of immense pressures on our limited land resources—these land use decisions must be long-term and public.

The Federal government can and must assist the states and localities to reform their institutions and procedures in order to improve their land use decisionmaking. Federal financial assistance is, of course, most critically needed. State and local government, confronted with the funding demands of programs to solve immediate problems, are seldom able to segregate sufficient funds to conduct planning—even when such planning could result in avoidance of numerous future problems. But—let me be frank with you—federal assistance is also needed to provide much needed political muscle. Without federal legislation requiring reforms and offering funds to do so, most states could not move the necessary enabling legislation. Numerous governors have told me privately how much they are counting on federal legislation to place them in a stronger position with their own legislatures. Otherwise, it takes a crisis—a Santa Barbara oil spill, a threat of a refinery on the Maine coastline, massive destruction of scarce open space in Hawaii—to precipitate state action. In my view, state action should be taken before the crisis, not in panicked reaction to it.

With this in mind, I have introduced and fought for a National Land Use Policy Act. My bill was first introduced in 1970. It has been reported by the Senate Interior Committee three times and has twice passed the Senate by wide margins, most recently on June 21 of last year.

My bill would—

Encourage the states, which have the police power and the basic constitutional authority for planning and management of non-federal lands, to take the initiative in developing state land use programs;

Provide $800 million in grant funds to the states for staffing, data gathering and analysis, and development of the land use programs;

Encourage passage of the necessary state enabling legislation to insure implementation of the state land use programs;

Direct federal agencies to comply with approved state land use programs; and

Put the federal "house" in order by providing for interagency coordination of federal programs which have significant land use impacts.

The bill does not ask the states to do master planning and state-wide zoning, rather it encourages the states to focus on five categories of critical areas and uses.

Perhaps, one of the strongest commonly held beliefs concerning government is that local zoning is the last bastion of truly democratic government. For 90 percent of zoning decisions this belief is accurate. But for a critical 10 per cent of the decisions—those decisions which impact way beyond the jurisdiction of the local zoning board—the belief is myth. These critical decisions may result in the crowding of others' schools, jamming of others' roads, polluting of others' streams, and adding to the tax burden of others. Yet those other people can neither participate in the decisions or vote for the zoning officials who make those decisions. The State governments elected by these people must serve as their representatives.

How the states implement their programs is a decision for the states to make. Most states will likely reassert the authority of local government to fully plan and control land uses. The states would review the localities actions to insure they accord with state guidelines devised to safeguard the boundaries of those localities.

It is my hope that this very reasonable, widely supported measure will soon be enacted into law. However, the House action on the bill has been slowed by last minute scare tactics. These tactics are being employed by ideological fringe groups and those few representatives of industry who have long practiced the bending of land use controls to the public's detriment, but to their own financial benefit. These few still contend that social and environmental change cannot or should not be consciously planned or given direction. They make dire predictions of ruin—destruction of property values, surrender of local control, socialism—should the laws of the free market be amended, no matter how slightly, by the laws of society. They argue that public planning and implementation of policies to protect the public interest and the environment somehow invade constitutionally protected rights. They make these arguments in the face of the opinion of the many constitutional scholars and the Department of Justice officials who have stated that property rights are fully protected in the bill's language.

The scare tactics include cries that land use decisions will no longer be made by state and local officials but by civil servants in distant Washington. The opposite is true. The Land Use Policy and Planning Assistance Act is the nation's best and probably last chance to preserve and to invigorate state and local land use decisionmaking and to insure that basic property rights are not infringed by faceless Washington bureaucrats, far removed from the sites of land use problems.

The Act is an affirmation of states rights. It is a statement of belief that, if urged and aided, state and local government, working together can provide a better design for tomorrow—a design which embodies all legitimate values and goals, local, regional, and national.

If state and local governments do not accept this challenge and do not implement this bill, the only solution will be the usual solution for national problems: Federal control. No one wants national zoning; but unfortunately I believe that, if we turn our backs on the opportunity and shirk our responsibility to improve land use decisionmaking now, by the end of this decade in an unthinking response in a crisis atmosphere we will mandate federal zoning.

We must begin to plan for our land today for it is truly our most valuable resource. It is our most valuable resource because, first, it is finite. Gone are the days when one could move ever westward in search of new land—a new and better place to live, to work and to play. Second, not only is land finite, but unlike air, water, and many minerals and materials, land too often cannot be "recycled". Mountains carved by strip mines, wetlands dredged and filled, or streams channelized frequently cannot be returned to their former use or beauty. Land selected for parks may bar needed housing for years to come. Land prematurely chosen for housing may be uniquely suited for the siting of a desperately needed airport. Land committed without planning to a use today, be it social, economic, or environmental, may be unable to support uses which our children will find preferable in the future.

The message is clear: To protect our land and both the environment and economy it sustains we must carefully plan its use. We must improve our land use decisionmaking, institutions, and procedures so as to leave a better legacy to future generations of Americans than the unsightly, unproductive, and unrewarding land resource we are shaping today.

I will be very interested to see whether the participants in the environmental symposia come to share my belief that proper environmental protection requires effective, citizen-based land use planning and management. How many international expositions truly study the themes they espouse? I am delighted that EXPO '74, true to its environmental theme, will house the Environmental Symposium Series.

Thus, it gives me great pleasure to introduce the National Chairperson of the Expo '74 Environmental Symposium Series, Doctor Edward B. Lindeman. In 1970, after 27 years in the aerospace industry, Dr. Lindeman became President of Whitworth College here in Spokane. Dr. Lindeman's credentials as a concerned environmentalist are impeccable. Not only has he been a moving force behind these symposia, but he is also serving on the Governor's Task Force on "Alternatives for Washington"—a task force of 150 persons charged with the task of exploring alternative futures for the State of Washington over the next 15 years.

The Environment of Expo '74

(By Senator Henry M. Jackson)

Between May and November of this year, an estimated five million people will discover the Pacific Northwest. They will be attracted to this remarkable land by Expo '74—the first international exposition ever held on the environment.

The central theme on Expo is "Celebrating Tomorrow's Fresh, New Environment," and the purpose of the Spokane World's Fair is to offer to people throughout the world a program for the improvement of man's physical environment.

The exposition will demonstrate how the air, water and land can be used to benefit man without pollution. Exhibitors include Russia, the Republic of China, Japan, Mexico, Australia, Korea, Iran and several European nations, among the many foreign participants; and the United States and several state, institutional and industrial pavilions are expected to attract much attention.

Planning for this great enterprise began in early 1970, and construction on the 100-acre exposition site in downtown Spokane started in the fall of 1972.

The site, including Havermale and Cannon Islands and the north and south banks of the cold and clear Spokane River, is crowned by the spectacular Spokane River Falls, a splashing attraction usually found only in remote Alpine areas.

Most of the Expo visitors are expected to ride a gondola that will whisk them down the Spokane River gorge and across the face of the falls.

It won't be quite like tumbling over Niagara Falls in a barrel, but it will be an exciting trip over crashing water.

Spokane is 290 miles east of Seattle, and ninety-five miles south of the Canadian province of British Columbia. The Rockies begin only a short drive east of Spokane, on the way through Idaho and into Montana.

Expo is a contagious community fever that has caught the support and excitement of Congress and foreign governments. Congress last year approved $11 million for the event, including some $5 million for construction of the U.S. Pavilion which will be located on a four-acre site. Within the Pavilion, the visitor will be able to walk from the theatre area, through a central courtyard. en route to the multi-media Environmental Action Center—all under the pavilion's huge translucent roof.

The purpose of the U.S. Pavilion, expressed in film, garden and exhibits, is to present environmental and ecological issues for public scrutiny, and suggest alternatives to help maintain a quality environment.

The Japanese will demonstrate a model of a pollution-free, industrial complex and an innovative city traffic system.

Pollution control and ecological safeguards are topics of serious discussion in the Soviet Union, and Russian representatives say their exhibit will feature the Soviet approach to these problems.

The theme of the Republic of China (Taiwan) Pavilion is expressed in six Chinese characters—cheng-teh, li-yun, hou shong: One must with perfect virtue serve the reasonable requirements of the people and enrich their lives.

The people of Washington are solidly behind Spokane's ambitious undertaking. They remember fondly the glowing success of the Seattle World's Fair of 1962—a jewel in the great succession of world expositions during the early sixties. The Seattle fair was the only World's Fair, to that point in time, to end in the black. Good management and a good show paid off. The visitors loved it.

Washington's state legislature actually topped the federal government, by approving an $11.9 million exhibit for Expo '74, including a 2700-seat opera house and a gallery to show major American landscape art dating back to colonial times. Originals by John Audubon, Andrew Wyeth, Charles Russell and others will draw the crowds.

Industry will play a major role in the success of Expo.

A Ford Motor Company spokesman has declared: "We hope our exhibit at Spokane will portray some exciting new concepts in recreation vehicles and their utilization by the growing numbers of people who want to travel and live outdoors."

General Motors displays could range from a full-scale Lunar Rover and the General Motors Experimental Safety Vehicle, to latest advances in gasoline-powered and electric cars and operating cutaways of automobiles and engines.

A permanent outdoor theater to serve as a setting for concerts, musical and dramatic events and public ceremonies is being developed by Boeing. It will adjoin the Soviet and European pavilions on the quiet eastern frontage of Havermale Island. The Smithsonian Institute, with its huge 1976 Bicentennial festival scheduled on the Mall in Washington, D.C., will establish a miniature of the '76 national show of Spokane. The Institute's four acre riverfront park on the north shore is expected to come up with some of the most popular events of the six-month run.

Geared to the cultural and ethnic origins of the Pacific Northwest, the Smithsonian Theme Park ("The Northwest: A Gift of the Earth"), will provide a continuously changing program. One day, American Indians will present a show or activity—part of the ongoing Expo series of self-proposed and directed American Indian events. On another day, perhaps the Northwest's Scandinavian population will be featured displaying their culture. It is the first time that the Smithsonian has participated in a World's Fair.

There will be a feast of some of the world's greatest entertainers.

Already booked into the Fair are the Los Angeles Philharmonic, Cleveland Philharmonic, Van Cliburn, Isaac Stern, Edward Villella of the New York City Ballet, Roberta Peters, the Carpenters, Gordon Lightfoot, Liberace, Disney on Parade, the King Family, Joffrey Ballet and more.

With people from all over the world expected to converge on Spokane for Expo '74, the community is making final preparations to accommodate the influx. A downtown program of beautification has paid off, giving a pleasant, tree-shaded appearance to the city center.

The big fair has also provided an object lesson in conservation.

Spokane's first families are actually a colony of yellow-bellied marmots—small furry animals somewhat larger than their woodchuck cousins who have lived on the fair site for longer than man.

When construction was announced, Maurice Vial, Spokane architect and member of the Spokane chapter of the Audubon Society, expressed concern for the safety of the resident marmots in a letter to King F. Cole, President of Expo '74. "These animals saw the pioneers arrive," Vial said. "Since they were the original residents, I felt they deserve special consideration."

Because of Vial's concern, the animals are being relocated to new homes along a rock bluff west of the city. At the end of the Fair, they will be returned to their island homes to become permanent caretakers of Spokane's new city park, as the World's Fair grounds are slated to become.

Area youth are getting an ecological object lesson, forming search parties for abandoned automobile hulks destinued for the scrap pile. The Goal of The Expo '74 Youth Task Force, "Operation Carcase," is to remove all abandoned automobiles from the Spokane area and to recycle them through the scrap-metals market. It is a clean-up activity so visitors to the city of 200,000 will view an environment unspoiled by the litter of rusting automobile bodies. In the first few weeks, more than 500 unsightly automobile hulks were identified for removal by the primarily high school-age search party.

The exposition will, in a major way, be an environmental event in itself. The area, once a tangle of railroad tracks and derelict buildings, will become a massive redevelopment and rehabilitation project which will restore the river and surrounding terrain to its former natural beauty. With thousands of trees to be planted, and the many areas of grassy walkways and quiet pools to be installed, the site of the world's first environmental exposition will be both dazzlingly beautiful and tranquil.

Spokane is gearing up for the visitors. Expo has established its lodging and information services: Hospitality Services, P.O. Box 1974, Spokane, Washington 99210, (509) 456-1974. Accommodations within 100 miles of Spokane are being categorized and listed, and reservations are now being accepted. Information on Northwest touring is also available, as well as a comprehensive entertainment guide for Expo's duration.

Local universities are helping out, too, with hostel programs at Gonzaga, Whitworth, Eastern Washington State College, Fort Wright and Washington State University.

In the area of eastern Washington, campgrounds, state parks, national parks and resorts abound. Visitors to Washington find three exciting National Parks—Mount Rainier, Olympic and North Cascades. No other state has an Alpine collection.

As an integral part of the fair, the world's leading environmentalists and scientists will converge on Spokane for a series of international conferences opening May 1, 1974, and continuing throughout the fair. The conferences will be on energy, population, conservation, pollution, natural resource management, land use and health and social interests. The National Science Foundation has been assisting the program.

The people of the Pacific Northwest know and care about the environment in which they live. Ecology and the environment have been important there for years. They used to call it conservation. It was conservationists who helped block off great pristine areas of the Northwest. They have protected fish and wildlife, and they have made as much as they could of the forests and beaches available to all the people. They have succeeded in some cases and they have failed in others. People of the state of Washington are proud of their area and of their way of life. They think that visitors from other states and countries will learn much about the environment—from the Spokane Expo and the great sprawling land that surrounds it.

Mr. JACKSON. And finally as a way of emphasizing the price in both the Northwest and in Expo which has characterized the effort by our people to emphasize the need to preserve the beauty of nature. Mrs. John J. Bell of Oak Harbor, Wash., wrote a letter to me recently in which she included a song lyric she had written to help the city of Spokane tell the world about Expo '74.

I ask unanimous consent that Mrs. Bell's letter and lyrics be included at this point.

There being no objection, the letter and lyrics were ordered to be printed in the RECORD, as follows:

OAK HARBOR, WASH.,
April 14, 1974.

DEAR MR. BING CROSBY: First, let me thank you for the delightful reply you sent us to the get well card I sent.

Spokane claims you for its own. Spokane is having a Fair. I don't think they have a song for it. So I wrote this lyric:

The FAIR-est words
You've ever heard
Are spoken in Spokane,
They're asking you
To come and view
New wonders if you can.
You'll sigh your sighs
And realize
Your dreams could all come true.
So join our song
And come along,
Spokane's in love with you!

This is a better song than Seattle had for its Fair. It could catch on and sell the '74 Fair, put Spokane on the map and do a lot of good.

I used to live in Spokane, and I want to give Spokane these song words. I have not copyrighted them. I ask no profit for myself. I only ask someone pass them to the proper authorities. Maybe your agent would think you should sing this song as a promo for the Fair in your home town.

You receive so much mail you can't possibly read it all so perhaps this letter will never come to your attention. So I'll send copies of it to various officials, media, and Gonzaga University. As one former resident of Spokane to another, I had to reach out to you and ask if you could pass this song along to someone who can help Spokane with it. Can someone help?

Thank you for your kind consideration.

Sincerely yours,

MRS. JOHN J. BELL.

CLOSER COOPERATION WITH EUROPEAN ALLIES IN MILITARY RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, in my continuing efforts to publicize the advantages to be realized by closer cooperation with our allies in research and development, I have just received a report from the General Accounting Office, dated June 4, 1974, No. B-167034. The title of the report is "Benefits and Drawbacks of U.S. Participation in Military Cooperative Research and Development Programs with Allied Countries."

It is very satisfying to learn from reading this report that the independent study by the General Accounting Office arrives at the same conclusion, that there are substantial benefits to be derived from such cooperation.

I request unanimous consent that this report be printed in the RECORD at the conclusion of my remarks.

The report also recommends that the Department of Defense prepare an annual formal summary of international cooperative activity to be submitted to the Congress each year with the budget and that the summary should identify all significant programs and indicate their estimated cost, development categories, and benefits. The Director of Defense Research and Engineering, in his letter of August 21, 1973 to the General Accounting Office, concurs with this recommendation. A copy of his letter appears as appendix III in the subject report.

I would also like to call the attention of my colleagues to pages 120 through 123 of committee report No. 93-884 on the fiscal year 1975 military procurement bill, which expresses the committee position in support of greater cooperation with our allies in areas of mutual interest.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

To the President of the Senate and the Speaker of the House of Representatives.

We are reporting on the benefits and drawbacks of participating in international cooperative research and development programs.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of Defense; and the Secretaries of the Army, Navy, and Air Force.

R. F. KELLER,
Acting Comptroller General of the United States.

BENEFITS AND DRAWBACKS OF U.S. PARTICIPATION IN MILITARY COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAMS WITH ALLIED COUNTRIES, DEPARTMENT OF DEFENSE, B-167034

DIGEST: WHY THE SURVEY WAS MADE

GAO studied cooperative military research and development by the United States and one or more allied countries to determine the extent of U.S. participation; assess benefits, and identify problems.

Basic information

The Department of Defense (DOD participates in cooperative military research and development programs with allied countries to strengthen military alliances and use free world resources more effectively.

DOD's former Director of Defense Research and Engineering estimated that U.S. allies spend about $3 billion annually for military research and development and that about $1 billion of this amount is in areas where the United States is conducting military research and development.

DOD policy is to restrict cooperation to programs which will satisfy a military need and which will provide the United States with full design and production rights. Programs not adversely affecting the U.S. balance of payments are preferred.

FINDINGS AND CONCLUSIONS

Extent of DOD participation

As of September 30, 1973, there were 21 ongoing programs with a total U.S. investment of $172.1 million. There were another eight ongoing small programs for which the extent of U.S. investment could not be determined because agency records were incomplete. In addition, GAO identified 15 programs that had been terminated; U.S. investment in these ranged from $30,000 to about $523.7 million (See pp. 7 and 8.)

Descriptions and particulars of ongoing and past programs appear in appendixes I and II.

International cooperative research and development is only partially visible in military budgets. Large programs identified as cooperative programs are commingled with all other research and development programs. Small programs, particularly in basic research and exploratory development, are not broken out of broader budget-reporting elements and are not visible as international programs.

There is no single place where all international cooperative activity is summarized. (See p. 8.)

Advantages of international participation

By pooling economic and technical resources, allied nations can obtain needed equipment and technology at a lower cost and can have access to unique geographical features of other countries.

Primary incentives for participating in international cooperative research and development may be economic. By teaming up with other countries who share in the development cost, DOD can provide its forces with equipment it needs at a lower cost.

The side-looking airborne radar and the fuel cell research programs are two examples. On the radar program, Germany is contributing $12 million, 50 percent of the total cost. On the fuel cell research program, the savings to the United States, represented by the United Kingdom's share, is $379,200. (See pp. 10 and 11.)

DOD is looking to foreign scientific talent and technical expertise to fill gaps in U.S. research and development. In such areas as armored vehicles, shallow-water acoustic research, and forward area air defense, European technological ability is regarded as being equal to or better than that of the United States.

By entering into cooperative programs in one of these areas, DOD can avoid costly duplication. By cooperating with the Federal Republic of Germany in the shallow-water research programs, for example, DOD is getting valuable information not otherwise available because the Navy has concentrated on deep-water acoustical research. (See pp. 11 to 14.)

Often, DOD must develop a piece of equipment that will operate in all types of environmental and geographical conditions. Participation in international cooperative programs may provide the United States with access to unique geographical features not otherwise available. Two such programs are polar cap III and the Azores fixed acoustic range. (See pp. 14 and 15.)

Problems of cooperative research and development

A number of formidable problems, such as those listed below, must be resolved before an international cooperative research and development program can start.

Adverse balance-of-payments effects. (See pp. 16 to 19.)

Increased unemployment. (See pp. 19 to 21.)

Differences in military equipment requirements. (See pp. 21 and 22.)

Differences in coproduction policies. (See p. 22.)

Differences in national standards. (See pp. 23 and 24.)

Military security restrictions. (See p. 24.)

Lack of resources. (See p. 25.)

Reluctance to cooperate. (See pp. 25 and 26.)

Other methods of capitalizing on foreign developments

DOD can achieve its goals for international cooperative research and development through three other methods, each having benefits and drawbacks.

Interdependent research and development offers cost, technical, and standardization benefits. In an interdependent research and development agreement, all research and development is funded unilaterally and done by one nation with the end product available to all partners under a licensing agreement. However, interdependent research and development is subject to the same problems as those of cooperative programs. (See pp. 27 and 28.)

Licensing for production of existing foreign equipment in the United States is a means by which DOD can (1) pay a part of the development cost through royalties, (2) put the equipment in service sooner than if duplicate unilateral development were undertaken, and (3) reduce risk because performance is known. Paying royalties, however, would adversely affect the U.S. balance of payments. (See pp. 28 to 30.)

Purchasing foreign-made equipment is not attractive because of the significant adverse effect on the U.S. balance of payments and employment base. (See p. 30.)

Conclusions

The future for international cooperative research and development appears much more promising for basic research and exploratory development programs than for engineering development programs. The obstacles confronting engineering development programs are many and formidable. GAO believes, therefore that successful engineering development programs, especially those involving the development of major weapon systems, are likely to be few. The obstacles confronting basic research and exploratory development programs appear to be far fewer.

Because DOD can realize favorable cost and technical results, it should continue to emphasize licensing U.S. production of existing foreign equipment which will meet firm U.S. requirements. Obstacles to this licensing do not seem to be insurmountable.

All significant international cooperative research and development programs should be individually identified and summarized as a whole so that they can be fully recognized and properly evaluated. (See pp. 34 and 35.)

RECOMMENDATION

DOD should prepare a formal, annual summary of international cooperative programs and submit it to the Congress with the budget. The summary should identify all significant programs and indicate the estimated cost, development category, and benefits of each. (See p. 35.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

DOD agrees with this recommendation. (Sec. app. III.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

During budgetary hearings in recent years, Congressmen have raised questions concerning the progress, problems, and value of major international cooperative programs. They also have expressed interest in having DOD take advantage of foreign research and development.

This report should therefore be useful to the Congress in its deliberations on international cooperative research and development programs.

CHAPTER 1: INTRODUCTION

Department of Defense (DOD) policies regulating international cooperative research and development provide for maximum coordination of U.S. technical objectives and programs with those of our allies. The purpose is to strengthen military alliances and to better use free world technical and economic resources made available for military purposes.

In international cooperative research and development programs, the United States and one or more of its allies join together to fulfill a common requirement, sharing cost and effort in predetermined ratios with each participant receiving full rights to the program results. These programs are also called joint international research and development programs.

A responsible DOD official stated that the international cooperative research and development policies also extend to programs in which the United States acquires design rights to foreign equipment. These are called interdependent research and development programs and are defined in greater detail on pages 27 and 28.

The policies provide for U.S. participation in cooperative research and development only when it is in the overall best interests of the United States. The principal goals contained in DOD Directive 3100.3 are as follows:

1. To make the best equipment available to the United States and its allies as quickly as possible.

2. To increase the effectiveness of the scientific and technical resources of the United States and its allies, especially by eliminating unnecessary and wasteful duplicated effort.

3. To standardize equipment as much as possible.

4. To create closer military ties among the allies.

The policies restrict cooperation to those programs which satisfy a military need and provide the United States with design and production rights equivalent to those secured from domestic sources. Moreover, preference is to be given to programs not adversely affecting the U.S. balance of payments.

DOD policies on international cooperative research and development agree with the President's national policy pronouncements. In his February 9, 1972, report to the Congress, the President outlined the basic principles of the new American foreign policy. In emphasizing partnership and cooperation in research and development, the President stated:

"The unprecedented advances in science and technology have created a new dimension of international life. The global community faces a series of urgent problems and opportunities which transcend all geographic and ideological borders. It is the distinguishing characteristic of these issues that their solution requires international cooperation on the broadest scale."

The Secretary of Defense, in his annual report on the fiscal year 1973 budget, stressed the need for partnership and burden sharing with our allies as part of an overall strategy of "realistic deterrence."

The Congress too has shown a keen interest in international cooperative effort. During budgetary hearings in recent years, Congressmen have questioned the value of international cooperative programs and have expressed interest in having DOD take advantage of foreign research and development.

CHAPTER 2: DOD INVOLVEMET IN INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT

Since September 1963, when present policies came into being, DOD has initiated international cooperative programs in all four categories of research and development. The first three categories—research, exploratory development, and advanced development—deal with advancing technology. The fourth category—engineering development—deals with the development of equipment meeting specific operating requirements and incorporating the latest technological advances.

Some international cooperative programs have been multilateral; however, most have been bilateral. Nearly all the programs have been with other members of the North Atlantic Treaty Organization (NATO).

EXTENT OF INVOLVEMENT

As of September 30, 1973, there were 29 ongoing international cooperative programs involving the United States and 12 other countries. Details about each program appear in appendix I. The table below summarizes 21 of the programs.

Research and development category	Number of programs	U.S. investment (millions)
Engineering development	5	$116.8
Advanced development	8	51.1
Exploratory development	4	1.1
Basic research	2	.6
Other [1]	2	2.5
Total	[2] 21	172.1

[1] The category was not clearly defined for these 2 programs.

[2] The 8 ongoing programs not included were relatively small programs in the basic research and exploratory development categories.

Existing agency records generally do not identify international cooperative programs started and ended before September 1973. By various means we were able to identify 15 past programs. The U.S. investment in these programs ranged from $30,000 for an exploratory development program to $523.7 million for an engineering development program. Details about each program appear in appendix II.

VISIBILITY IN MILITARY BUDGETS

International cooperative research and development is not fully visible in military budgets. Large programs, which generally are identified as international cooperative programs, are commingled with all other research and development programs. Small programs, particularly those in basic research and exploratory development, are not broken out of broader budget-reporting elements and thus are not visible as international programs. Moreover, there is no single place where all international cooperative activity is summarized.

TRENDS

Because we could not identify all past programs—particularly small ones—we could not demonstrate trends. Available data showed only that overall DOD participation in international cooperative programs had been relatively low compared to the total DOD research and development budget.

Opinion expressed by DOD officials varied and did not clearly indicate trends. An official responsible for international research and development programs in the Office of the Director of Defense Research and Engineering said that top-level interest since 1970 had shifted from cooperative research and development (joint programs) to licensing foreign equipment.

The official attributed this shift to the lack of success with international cooperative research and development programs in the past. He said, however, that international cooperative research and development would continue at the low level and that cooperative programs would be started from time to time.

Navy and Air Force officials responsible for international research and development programs felt international cooperative research and development as a whole was likely to increase. The responsible Air Force and Army officials felt there might be a future trend away from major weapons and toward small items of equipment, components, and exploratory-type development.

Although past participation has been minimal, there are indications that there is future potential for increased international cooperative research and development. The cost and complexity of equipment continue to increase, military budgets may be stabilized or cut, foreign policy is inclining more toward international cooperation, and much effort is being duplicated among allies. The Director, Defense Research and Engineering, estimates that our allies are spending about $3 billion yearly for research and development and that, of this amount, about $1 billion is in areas in which the United States is also conducting military research and development. In 1971 NATO headquarters made a requirements review and compiled a list of areas for future cooperation.

Therefore, it appears all the more important to weigh the advantages and disadvantages of international cooperative research and development and find the best ways to capitalize on the capabilities and efforts of our allies.

CHAPTER 3: ADVANTAGES OF INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT

Bilateral and multilateral international cooperative research and development programs offer many advantages over unilateral programs. By pooling economic and technical resources, nations can obtain needed equipment and technology at lower costs and can have access to technical advances and unique geographical features in other nations. Cooperative research and development, if successful on a large scale, may be a means of reducing duplicated equipment and technology among allies and standardizing equipment.

Limited DOD experience has demonstrated the benefits which can accrue from international cooperative research and development.

COST BENEFITS

A primary incentive for becoming involved in a bilateral or multilateral international cooperative program may be economic gain. By teaming up with other countries who share in the development cost, DOD can provide its operational forces with equipment they need at a lower cost.

Potential savings are greater for engineering development programs than for programs in other categories because engineering development generally requires large expenditures of economic resources. Examples of cost benefits expected for an engineering development program and an exploratory development program follow.

SIDE-LOOKING AIRBORNE RADAR

The Air Force expects to reduce its development costs 50 percent by cooperating with the Federal Republic of Germany for advanced and engineering development of a side-looking airborne reconnaissance radar system. (Both countries have a requirement for such a system, and an Air Force official said the United States would have developed the system on its own anyway because of its need.) All the work is being done in the United States, and the cost is being shared equally. Air Force officials indicated that Germany was buying technology and that it was not technically capable of sharing the work.

In November 1973, an Air Force official said the current development program was to be completed in January 1974. The Air Force official said Germany would be invited to participate on the same terms in a follow-on program to incorporate the newest technological advances in the radar system. A better overall system is expected as a result of this work.

The official said about $24 million would have been spent on the program by January 1974. The United States and Germany will each bear half the costs. Besides realizing a cost savings of $12 million, the United States is benefiting from the employment and balance-of-payments standpoint because all work is being done in the United States.

FUEL CELLS

The Army expects to gain economically as well as technologically by cooperating with the United Kingdom in exploratory development on fuel cells. A fuel cell generates direct electrical current through the cold chemical reaction between oxygen and hydrogen. The objective of the work is to form a basis for developing efficient, advanced, low-cost electrical power sources. The work has been divided equally, with each country funding its share. Each country has full rights to the results of the work. Potential savings to the United States, as represented by the United Kingdom's share, is $379,200 over a 4-year period.

TECHNICAL BENEFITS

DOD is looking to foreign scientific talent and technical expertise to fill gaps in U.S. research and development. In certain areas, such as forward area air defense, armored vehicles, sonars, metals research, and shallow-water acoustic research, European technological ability is regarded as being equal to or better than our own.

By entering into an international cooperative research and development program in one of these areas, DOD can avoid costly duplication. Examples follow.

SHALLOW-WATER ACOUSTIC RESEARCH PROGRAM

The Navy's shallow-water acoustic research program with the Federal Republic of Germany and the Netherlands is concerned with gathering basic hydroacoustic data, exploring environmental acoustics of the Baltic Sea, and testing sound propagation in selected areas of the western Baltic Sea. The objective of this program is to expand the U.S. shallow-water research data bank.

The United States has concentrated mainly on deep-water acoustic research and has only one shallow-water range in operation today. Although considerable data and knowledge of shallow-water acoustics has been acquired from this range, the data has been obtained from only one area. By cooperating, the Navy is able to capitalize on important foreign research. The Navy is also attempting to obtain similar agreements with allies in other parts of the world.

PLANAR ARRAY SONAR

The Navy has concentrated on increasing the capability of its *AN/SQS–26* surface ship sonar system while foregoing unilateral development of a new type of surface ship sonar called the planar array sonar, which differs in operational concept from the existing system.

Although the Navy had an advanced-development requirement for a planar array sonar, it did not elect to proceed on a unilateral development program because of insufficient resources. The United Kingdom was doing advanced development work in the planar array area prior to the agreement to cooperate. To capitalize on the United Kingdom's efforts, the Navy entered into a bilateral advanced-development cooperative program. By doing so, the Navy will obtain rights to designs, concepts, and data needed but not otherwise available. Project officials estimate that the U.S. contribution will be about 25 percent of the cost of the whole program.

The Navy's AN/SQS–26 improvement program and the planar array advanced-development program are both expected to result in greatly improved sonar range and detection capabilities.

ACCESS TO DIFFERENT GEOGRAPHICAL AREAS

The benefits of participating in an international cooperative research and development program cannot be measured in economic and technical terms alone. Often, DOD must develop a piece of equipment that will operate in all types of environmental and geographical conditions. Participation in international cooperative programs may permit the United States to exploit unique geographical features not otherwise available. Two such international cooperative programs are polar cap III and the Azores fixed acoustic range.

POLAR CAP III

The Air Force and Canada are engaged in this bilateral cooperative research and development program. Basically, the program involves testing over-the-horizon radar at a Canadian site near the North Pole. The tests are to determine the effects of the aurora borealis on the radar's operation. Test data will be used to determine the feasibility of locating over-the-horizon radars in the Arctic regions.

The United States is realizing several benefits from this program because Canada is contributing to the cost of the program and providing the testing site. Otherwise, the site might not be available or the United States would have to pay the full cost of the program in addition to renting the site.

AZORES FIXED ACOUSTIC RANGE

The United States, along with seven other nations, has entered into a multilateral international cooperative research and development program to establish the Azores fixed acoustic range. This facility is for conducting fixed underwater communications experiments.

It is an established fact that voice communication through water is difficult. The Navy wanted to develop data for such a communication system, using the most adverse conditions as a basis and thereby establishing the parameter within which the system would have to operate. The Azores area had the environmental and geographical conditions most desired. As a result, the Navy has gained access to an area that the United States might otherwise have had to rent, or worse, have been denied access to.

CHAPTER 4: PROBLEMS OF INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT

Initiating and participating in an international cooperative research and development program is not easy because of various formidable obstacles. Pooling economic and technical resources, a characteristic of cooperative programs, opens the way for the Nation's balance of payments to be adversely affected or its employment base eroded. Moreover, differences among nations' requirements, policies, standards, national security, capabilities, and attitudes are wide and generally irreconcilable. These obstacles not only prevent programs from starting but they also influence the nature and outcome of programs which do start.

BALANCE OF PAYMENTS

International cooperative research and development programs, if indiscriminately undertaken, can adversely affect the balance-of-payments situation—dollars will leave the country. DOD policy provides that preference be given to those programs in which adverse balance-of-payments effects can be minimized or avoided. Some of our allies also appear to take this view regarding their own balance of payments. Thus, balance-of-payments considerations have become a crucial negotiating point in determining cost- and effort-sharing arrangements on cooperative programs and could be an obstacle to starting programs.

Balance-of-payments problems may be minimized to some extent through the offset technique. This involves allocating cost and effort in such a manner that currency outflows balance the inflows. This method was used on two programs. On the NATO Seasparrow ship defense missile program, for example, cost sharing was based on the ratio of each country's projected quantitative requirements. Work was to be allocated, to the extent possible, according to the cost ratio so that adverse balance-of-payments effects would be minimal for all participants. The sharing arrangements included formulas for readjusting development costs to provide for quantity changes.

The prime contractor, an American firm, was to allocate the work by awarding subcontracts to firms in each of the participating countries. A maximum deviation of plus or minus 25 percent from a zero U.S. balance of payments was permitted. In this case, the impact on the balance of payments will not be known until the program is completed.

Balance-of-payments problems can be avoided by dividing the research and development work among participating countries, with each country funding its own work. The final product—experimental results or design and production rights—is fully available to each participant without exchanging funds. It is clear that this type of sharing arrangement will not affect the balance of payments. This was the type of sharing arrangement agreed to for 9 of the 29 ongoing DOD programs. Moreover, this method could be applied to any of the four categories of research and development.

Permissible imbalance

A special foreign policy agreement between the United States and Canada provides for cooperation in research and development and establishes the policies governing the United States-Canadian development-sharing program. The program is to help provide for integrated common defense of the North American Continent and a wider defense mobilization base.

Under this program, the United States pays at least 25 percent of the cost and all work is done in Canada. As of September 30, 1973, DOD had seven cooperative programs under this agreement. For the most part, cost sharing was about 50–50. The total U.S. share for the seven programs was $24.4 million. Since all work is done in Canada, there is an imbalance in favor of Canada; however, the need to provide for a common defense is believed to override U.S. balance-of-payments policies in this case.

Fluctuating currencies

Fluctuations in international monetary exchange rates can cause a redistribution of real burdens and benefits and can affect the balance of payments on programs in which participants exchange funds. So far, the United States has probably benefited from such fluctuations.

An example is the Javelot forward air defense missile system project between the United States and France. The United States agreed to pay 50 percent of France's development cost. In May 1972, France informally expressed concern about the effects of the U.S. dollar devaluation on the cooperative project. France was apparently concerned because the exchange rate change increased its share of the funding. France apparently had no intention of pushing the point at that time, but it did ask if future U.S. payments for the Javelot project could be increased to adjust for the 8.5-percent devaluation. An Army official told us the sharing arrangements had not changed.

We found no indication that fluctuating exchange rates had been a significant obstacle to successful international cooperative research and development. However, future cooperative agreements may have to provide for adjusting the funding arrangements whenever participants' exchange rates fluctuate.

FEAR OF ERODING THE NATIONAL EMPLOYMENT BASE

Because much of the research and development work for the cooperative programs is done outside the United States, it could be argued that such programs lead to substantial U.S. unemployment, assuming that the expenditure of Federal funds is directly related to the creation of jobs. If cost-sharing arrangements permit an adverse balance of payments, unemployment in the United States could result. If cost-sharing arrangements have no effect on the balance of payments, employment would not be affected. Employment is not affected when work is split among participating countries with each country paying only for its own work.

To minimize the erosion of the national employment base, DOD follows a policy of (1) giving preference to cooperative research and development programs not involving coproduction and (2) obtaining full design and production rights on all cooperative programs so that production may be carried out fully within the United States. As discussed later in this report (see p. 22), DOD generally cannot get engineering development-type cooperative programs started unless it agrees to coproduce.

Under coproduction agreements the participants each produce some component of the weapon system. On the NATO Seasparrow program, for example, the United States produces the missile and major portions of the fire control and launcher subsystems and assembles the total system; Norway produces the computer; Denmark produces the pedestal for the launcher; and the remaining countries produce other portions of the system.

Buy American

Various measures, including the Buy American Act (41 U.S.C. 10a), have been adopted to protect the domestic employment base. The Buy American Act is concerned primarily with restricting the acquisition of foreign goods and supplies. DOD has applied similar restrictions to purchases of foreign services. Our report to the Congress entitled "Coordinated Consideration Needed of Buy National Procurement Program Policies," dated December 9, 1971, discusses the Buy American policies in greater detail.

Contrary to what might be supposed, the Buy American restrictions do not preclude all DOD purchases abroad. If the foreign content of an end-item is less than 50 percent of its value, it is considered a domestic end-item and no restrictions apply; moreover, the Secretary of Defense is permitted to waive the restrictions if national security considerations require it. Because DOD does not keep records which identify programs not started because of Buy American restrictions, we could not determine whether the Buy American restrictions had been an obstacle to international cooperative research and development.

Department of Defense Appropriation Act

The fiscal year 1973 Department of Defense Appropriation Act (Public Law 92–570) bars DOD from spending research and development dollars abroad when a United States company can do the same work at a lower cost. A responsible DOD official said his office had reviewed past and ongoing programs to see what effect this would have had on cooperative research and development. He concluded that there would have been no effect.

DIFFERENCES IN MILITARY EQUIPMENT REQUIREMENTS

According to a contractor study,[1] nations' inability to harmonize their requirements is a major obstacle to international cooperative research and development.

For example, the United States may require sophisticated multirole equipment for its wider, global responsibilities, whereas our allies may need austere single-purpose equipment for their local scenarios.

Harmonizing requirements appears to be a problem solely in engineering development programs, for which there are specific performance parameters. To agree on mutual requirements for a cooperative development program, each potential participant must make compromises in individual requirements. This can cause a problem. If a compromise is not possible, then a cooperative program is not initiated, and the potential participants go their separate ways, each involved in costly development programs.

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[1] "The Potential For Anglo-American Cooperation in the Field of Transportation Technology," by Allied Systems Limited, London, England, dated June 1971. This study was contracted for and funded jointly by the U.S. Department of Transportation and the United Kingdom's Ministry of Transport. The study included a detailed analysis of joint defense research and development programs within NATO.

Because records were not readily available on cooperative programs considered but not started, we could not determine the extent that candidate programs were rejected because of nations' inability to harmonize requirements. We did, however, find some examples. One prospective program where harmonizing was a problem was the mechanized infantry combat vehicle program. According to an Army document, the interested countries could not, for example, agree on whether the vehicle would have a swimming or a fording capability. Therefore, the United Kingdom, France, the Federal Republic of Germany, and the United States each developed a vehicle to meet its own specific requirements.

In the case of the main battle tank (MBT–70) program, a bilateral engineering development effort involving the United States and the Federal Republic of Germany, harmonizing was a problem before and after the program started. Therefore, the cooperative agreement provided for a degree of commonality with each country having a different version, the U.S. version being more sophisticated. As development proceeded, several amendments were made to the cooperative agreement, each change resulting in less commonality. Finally, the United States pulled out of the cooperative program, and 2 years later the U.S. program was terminated under claims that the MBT–70 was overly sophisticated and unnecessarily complex.

To meet its requirement for a main battle tank, the Federal Republic of Germany used developments generated in the joint program to develop the Leopard II, which is far less complex than the MBT–70. Germany is planning to sell the tank to several European countries. The U.S. Army still plans to develop a sophisticated main battle tank.

DIFFERENCE IN COPRODUCTION POLICIES

Differences in coproduction policies are also a major obstacle to international cooperative research and development. To the allies, cooperative research and development goes hand in hand with cooperative production. In European cooperative programs, development and production costs and markets are shared. As indicated earlier, DOD prefers not to combine coproduction with codevelopment because of domestic employment considerations.

In the past the United States, for the most part, has not been able to get a cooperative program started on engineering development involving large systems unless coproduction has been part of the agreement. This was true of Project Mallard, the XJ–99 vertical takeoff engine, the NATO Seasparrow, and the NATO hydrofoil fast patrol boat.

DIFFERENCES IN NATIONAL STANDARDS

The United States uses the English system of weights and measures, whereas our allies and most other countries in the world use the metric system. Moreover, there are differences in national standards for materials such as sheet metal, plate, wire, and electronic components. Likewise, standards for engineering drawings differ. These differences can pose intricate problems for international cooperative development programs.

When a system's components are developed by countries having different standards, interoperability problems may occur. Components developed according to one standard may not interface with components developed by another nation according to a different standard. This caused major problems on the MBT–70 program, one of which involved thread fasteners produced under different standards. It was finally agreed that, in producing the fasteners, the United States would use the inch standard and Germany the metric; both countries would use the metric standard for parts that were to interface.

If DOD accepts equipment wholly or partially made up of components and parts made to metric standards, it might be confronted with a costly support and maintenance problem. Spare parts and bits and pieces, such as screws and wires, might have to be produced in the United States in uneconomical lots according to the metric system or purchased abroad. Standardized English system tools and testing equipment, moreover, might not be capable of testing and repairing metric system hardware, and thus additional support for metric hardware might be required.

Officials responsible for the NATO hydrofoil fast patrol boat program stated that the participants were having problems deciding on whether to use the metric system, the English system, or both. This took several months to resolve. Finally they decided to use a mixture of the two. This was partly because some of the already developed components were made according to the metric system and some according to the English system.

We believe that mixing metric with English standards in developing equipment might lead to additional problems if the equipment is to be wholly produced by each of the participants. U.S. manufacturers geared to the English system would have difficulty producing components designed according to the metric system. Moreover, components might be costly to maintain and support.

Differences in standards appear to be a problem only in engineering development programs, in which military hardware is being developed for service use.

Differences in standards might be a lesser problem if and when the United States converts to the metric system. Plans are being made for voluntary conversion to the metric system. There are also several bills now being considered in the Congress (for example, H.R. 11035). The proposed conversion would take place over a 10-year period.

DIFFICULTY ASSOCIATED WITH MILITARY SECURITY

Military security restrictions may limit international cooperative research and development among the allies in certain defense areas. Within the United States, participation in an international cooperative research and development program in the defense area must operate within military security limits and national disclosure policies. As a result, the United States has refused to disclose information on various national developments to its allies. This has brought reciprocal action from the allies in areas of interest to the United States.

The United States is reluctant to share technical and scientific knowledge of strategic weapons, such as those involved in undersea warfare. The United States has been involved in a national development effort for a new, highly sophisticated, wire-guided torpedo. A responsible project official stated that one European country requested information on this developmental effort but was refused because of security restrictions. In apparent retaliation, the United States was refused information on torpedo developments by that country.

AVAILABILITY OF RESOURCES

Only a few nations have the economic and technological capabilities to unilaterally develop today's costly weapon systems. Participation in an international cooperative program offers the only opportunity for small nations with limited resources to increase their technological base and develop needed hardware. Norway, for example, wants to advance its military research and development capability but cannot bear the costs and risks alone. Norway thus views bilateral and multilateral cooperative development programs as a necessity to achieve its goals. Large nations, however, may not want to cooperate with the small nations that may not have anything to offer.

Although the lack of technological expertise may not preclude a nation's participation, a shortage of money will. This can apply to large as well as small countries. Two examples of this exist in the NATO Seasparrow and the NATO hydrofoil programs. In both programs many interested nations did not participate because they lacked money. More specifically, a study showed that Portugal was interested in the Seasparrow program but did not participate because of budgetary problems. We were informed that the United Kingdom and Canada failed to participate in the hydrofoil program because of several reasons, of which budgetary problems was one.

WILLINGNESS TO COOPERATE

The United States and its allies appear to have different motives for participating in international cooperative research and development programs. To the United States, such programs are a means of reducing development costs, achieving standardization avoiding costly duplication, and exploiting the benefits its foreign allies have to offer. The allies view such programs as a means of avoiding an unsupportable cost burden and increasing their sales and profits. Eliminating duplication and achieving standardization are not as important as they are to the United States.

Independent[1] and in-house[2] studies conclude that nations' willingness to participate in an intangible factor inhibiting international cooperative research and development. It is the consensus of these studies that the European community views cooperative programs as a necessity to be able to afford large, expensive programs. In contrast, the United States views cooperative programs as a desirable goal but not a necessity. Thus, European countries are felt to be more willing to cooperate.

The reluctance to cooperate is sometimes attributable to the "not wanted here" syndrome or the "not invented here" syndrome. Both follow the same basic theme. No matter what foreigners develop, it is not considered by some as good as ours. Likewise, we do not want to depend on a foreign supplier—we need a domestic source of supply. These syndromes have been, and continue to be, a big problem although there has been some improvement in recent years, according to DOD officials. They said that exposure to foreign equipment will help to further alleviate the situation.

CHAPTER 5: OTHER METHODS OF CAPITALIZING ON FOREIGN DEVELOPMENTS

Some DOD goals for international cooperative programs can be achieved by obtaining equipment developed by foreign countries. The three most apparent methods of obtaining this equipment are:

1. Independent research and development programs.

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[1] "The Potential For Anglo-American Cooperation in the Field of Transportation Technology," by Allied Systems Limited, London, England, dated June 1971. This study was contracted for and funded jointly by the U.S. Department of Transportation and the United Kingdom's Ministry of Transport. The study included a detailed analysis of joint defense research and development programs within NATO.

[2] "An Assignment of NATO Naval Research and Development," staff study, dated November 8, 1967, by the Office of Naval Research.

2. Licensing agreements with foreign developers.
3. Direct procurement of foreign hardware.

Each of these methods can be considered a form of cooperative research and development in the sense that the United States benefits technically and pays only part of the development cost. The three methods differ from joint international programs in that the United States has no control over development, does not share in the development work, and pays the development costs indirectly. The benefits and drawbacks of each method are discussed below.

INTERDEPENDENT RESEARCH AND DEVELOPMENT

Interdependent specialization among allies in military research and development appears to be economically attractive. In an interdependent research and development agreement, all research and development work is unilaterally funded and done by one nation, with the end product available to all partners under a licensing agreement. Thus, wasteful duplication of research and development among allies is eliminated and each country obtains more for the resources it spends. Also, having one nation fulfill management responsibilities allows the program to proceed faster and more cheaply. Under the license, each country pays for only part of the research and development costs. The success of interdependent research and development, however, apparently hinges on overcoming various formidable obstacles.

As discussed in chapter 4, harmonizing differences in requirements and differences in national standards is a major obstacle to successful cooperative development. If nations cannot harmonize requirements for cooperative research and development programs, we do not see why they would harmonize requirements for interdependent research and development. Moreover, differences in national standards would still exist under interdependent research and development. Although interoperability problems might not be a factor because one country would be developing all the components of a system, there might be problems when a nation tried to manufacture a system designed under different standards.

Finally, no military services, especially those of the United States, would rely exclusively on foreigners for developing crucial equipment.

LICENSING AGREEMENTS WITH FOREIGN DEVELOPERS

Licensing is a means of establishing a domestic source for a piece of foreign hardware. Under licensing agreements, foreign developers provide the data package, patent rights, technical assistance, and whatever else is needed to enable the domestic source to produce the desired hardware. In return, the domestic source compensates the foreign developer through royalties or a license fee.

The difference between interdependent research and development agreements and licensing agreements is that under the latter there is no attempt at harmonizing requirements when the program starts. The country developing the equipment designs it for its own needs and apparently it is only a matter of chance that the equipment meets U.S. needs. Under an interdependent arrangement, the two countries harmonize their requirements before development starts.

Licensing foreign equipment has many of the advantages and some of the disadvantages which face international cooperative research and development programs. The obstacles to success, however, are not nearly as great.

By obtaining production rights to existing foreign equipment, a country pays only part of the development costs and puts the equipment in use sooner than if unilateral duplicate development were undertaken. Since the equipment already exists, performance is known and normal developmental risks can be avoided. Moreover, U.S. technicians can learn the foreign technologies incorporated in the foreign equipment by producing the equipment.

The former Secretary of Defense and the former Director of Defense Research and Engineering began to promote the licensing of foreign equipment in 1970. U.S. corporations reacted to this new environment by taking the initiative and obtaining licensing agreements for production of several complex foreign weapon systems. Most notable are the French Exocet antishipping missile, the British Rapier, the French Crotale air defense missile system, the French-German Roland air defense missile system, and the Italian 76 mm Oto Melara automatic gun.

Regarding the U.S. Army's low-altitude forward area air defense system requirement, the Army is evaluating the Crotale, Rapier, and Roland. Pictures of these systems appear at the end of this chapter. The Crotale is operational, the Rapier is in production, Roland I is being readied for production, and Roland II is in advanced development. By contrast, the United States does not have a system in development in this same category. The Army estimates that developing such a system on its own would take 8 years and cost about $250 million to $500 million. Through licensing, the system can be made available now at a fraction of this cost.

A responsible DOD official stated that foreign licensing would expand the U.S. employment base. He explained that mass production involving greater numbers of workers could be undertaken sooner and that funds which normally would have been applied to a unilateral development program would be applied to other developmental efforts.

Adverse effects on the balance of payments, military resistance to using foreign equipment, and differences in standards appear to be the main obstacles to licensing foreign equipment. Since the United States is buying the rights to produce without any inflow of funds to offset the outflow, it follows that the balance of payments will be affected to some extent; the military services, in some cases may be unwilling to accept foreign equipment; and, although differences in national standards may not be an interoperability problem as they are in cooperative research and development, they could become a problem when U.S. firms geared to the English system try to produce something designed to metric standards. The degree to which these problems would be tolerated would apparently depend on the benefits to be received in technical, economic, and availability terms.

DIRECT PROCUREMENT OF FOREIGN HARDWARE

Direct procurement of foreign hardware offers advantages similar to those of licensing agreements. These advantages include eliminating costly duplication, achieving standardization, and introducing new equipment more quickly. Likewise, the United States could take advantage of lower unit costs for foreign items.

Although direct foreign procurement offers some attractive advantages, there are inherent disadvantages which we believe would preclude using this method to any great extent. The balance of payments would be adversely affected, the domestic employment base would be eroded, and the military services would have to rely exclusively on a foreign supplier for spare-parts support.

Chapter 6: Conclusions, Recommendation, and Agency Comments

CONCLUSIONS

The future for international cooperative research and development appears much more promising for basic research and exploratory development programs than for engineering development programs.

The obstacles confronting acceptance of candidate engineering development programs are many and formidable. The wide differences between the United States and its allies in requirements, policies, capabilities, attitudes, standards, and security are not controllable by DOD and generally are not reconcilable.

We believe, therefore, that successful engineering development programs, especially those involving the development of major weapon systems, are likely to be few. When special circumstances permit, as with the side-looking radar and the Seasparrow missile system, engineering development of major systems may take place.

Without many engineering development programs and widespread participation or acceptance, a major goal of cooperative research and development—eliminating wasteful duplication of equipment among allies—will not be met to any appreciable extent. The benefits of standardization, therefore, will also be negligible.

The future for international cooperative research and development appears much more promising for programs in the earlier stages of development, especially in basic research and exploratory development. Adverse balance-of-payments effects can be avoided by using proper cost- and work-sharing arrangements. Concern about adverse effects on the employment base, moreover, may be insignificant since few resources generally are used in such efforts. Other obstacles, for the most part, are not deterring factors since the end product is information or equipment concepts rather than military hardware. We therefore believe the potential for cooperation is greater for research and exploratory development programs.

We also believe the current DOD emphasis on licensing existing foreign equipment is desirable because of the favorable cost and technical results that can be achieved. Obstacles to this licensing do not seem to be insurmountable. There is no need to harmonize requirements. Manufacturing the equipment according to different standards may pose some problems, but the interoperability of components designed by two or more countries with different standards will not.

Because of current national concern over military involvement with foreign powers, we believe international military activity should be fully visible. To this extent, all significant international cooperative research and development programs should be individually identified and summarized as a whole so that all activity will be visible and can be properly evaluated. At present this is not done.

RECOMMENDATION

We recommend that DOD prepare an annual formal summary of international cooperative activity to be submitted to the Congress with the budget. The summary should identify all significant programs and indicate their estimated cost, development category, and benefits.

AGENCY COMMENTS

DOD agreed with our findings and concurred with our recommendation. (See app. III.)

Chapter 7: Scope of Review

In the light of attention being given to international military cooperation and in the absence of prior GAO reviews in the area, we made this study to determine the degree of U.S. involvement in international cooperative research and development, assess the benefits, and identify the problems.

We analyzed policy directives, instructions, cooperative agreements, development plans, requirement documents, memorandums, technical reports, trip reports, pertinent articles, contract files, and related study reports.

We did our work primarily within the Office of the Chief of Naval Operations; Headquarters, Army Materiel Command; Headquarters, Air Force Systems Command; and various subordinate developing activities and project offices. We also talked to responsible officials at the Office of the Director of Defense Research and Engineering and at Headquarters, Departments of the Army, Navy, and Air Force. We did not visit overseas or U.S. locations where international cooperative research and development programs were being carried out.

Information in the report concerning individual programs was generally obtained from headquarters groups and in many instances from program officials. We did not make a detailed review of individual projects.

APPENDIX I

ONGOING INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAMS, SEPT. 30, 1973

Program title	Effective starting date	Estimated completion date	Foreign participants	Military service	U.S. share of research and development costs	
					Amount	Percent
Engineering development:						
NATO hydrofoil fast patrol ship [1]	(2)	June 1975	Federal Republic of Germany, Italy	Navy	$75,900,000	71.0
NATO Seasparrow surface missile system [1]	June 1968	February 1976	Belgium, the Netherlands, Italy, Norway, Denmark	do	$29,314,000	83.6
Side-looking airborne radar improvement program [3]	December 1968	January 1974	Federal Republic of Germany	Air Force	$12,000,000	50.0
Band IV headset for CRC-13. radio relay set [1]	March 1971	February 1979	Canada	Army	$1,500,000 [4]	[4] 50.0
Meteorological research, development, test, and evaluation rocket vehicle and associated equipment.	August 1966	June 1974	do	do	$1,109,387	42.4
Advanced development:						
Reliable acoustic path sonar	March 1972	March 1977	France	Navy	(5)	[4] 20.0
Planar array sonar	September 1968	January 1976	United Kingdom	do	(5)	[4] 25.0
Polar cap III [6]	March 1972	December 1974	Canada	Air Force	$8,000,000	[4] 89.0
Javelot weapon system	April 1971	April 1976	France	Army	$1,351,000	50.0
Aircraft air-cushion landing system	May 1971	November 1975	Canada	Air Force	$6,900,000	55.2
Tactical aircraft guidance system	December 1968	January 1974	do	Army	$14,070,000	60.0
Recording radiation monitor and automatic radiation alarm system	December 1971	May 1971	do	do	$225,000 [4]	[4] 50.0
Individual (personal) radiation dosimeter and radar	May 1973	May 1975	United Kingdom	do	$300,000	50.0
Exploratory development:						
Plasma research	September 1966	June 1974	Italy	Air Force	$179,000	31.0
Analytic photogrammetry	February 1965	Continuing	do	do	$221,700	60.0
Gas and aerosol cloud diffusion studies	August 1967	January 1974	Norway	Army	$100,000	39.0
Fuel cell research	November 1968	November 1974	United Kingdom	do	$640,000	63.0
Chemical agent alarms	March 1971	July 1974	do	do	(7)	
Lightweight steel armor and aluminum alloy	July 1971	September 1974	do	do	27 man-years [8]	50.0
Fragmenting mechanisms in naturally fragmenting materials.	do	July 1974	Australia	do	6 man-years [8]	50.0
Basic research:						
Deep diving research	October 1970	Continuing	United Kingdom	Navy	(9)	(9)
Shallow-water acoustic research	June 1972	do	The Netherlands, Federal Republic of Germany.	do	(8)	(8)
Aluminum alloy research	July 1968	December 1975	Italy	Army	$468,333	59.0
Improved photochromic materials	June 1971	September 1974	Greece	do	3 man-years [8]	50.0
Helicopter dynamics	December 1971	December 1974	France	do	12 man-years [3, 8]	50.0
Transient radiation effects on electronics as relating to leopard tank.	August 1971	January 1975	Federal Republic of Germany	do	(10)	(10)
Room temperature injection luminescence in wide band gap semiconductors.	December 1971	March 1974	Canada	Air Force	$70,000	50.0
Other:						
Thrust-measuring system [11]	Fiscal year 1970	June 1974	do	do	$504,500	50.0
Azores fixed acoustics range [12]	June 1968	Continuing	France, Italy, Canada, Federal Republic of Germany, United Kingdom, the Netherlands, Portugal.	Navy	$2,000,000	67.0

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[1] The program agreement provides for followon coproduction.

[2] Contracts were awarded in November 1971. Italy, Germany, and the United States signed the memorandum of understanding on Nov. 23, 1972.

[3] The United States is doing all the work and the Federal Republic of Germany is providing 50 percent of the funding.

[4] Estimated by responsible service official.

[5] Individual funding levels are classified; however, total U.S. share for both programs amounts to approximately $20,200,000.

[6] The United States-Canadian defense development sharing program, which is explained on p. 17, does not include this program.

[7] Program work is being done by the United Kingdom; the United States is furnishing data and components.

[8] Work was divided equally between participants with each participating country funding its respective effort. U.S. costs could not be determined because the programs are tasks of larger programs. Likewise, budgets costs are buried within broader program elements appearing in military budgets.

[9] Indeterminable, since there is no separate budget line item for this project. Program documentation did not reveal the extent of U.S. funding.

[10] Project office officials stated the Federal Republic of Germany was providing total funding for the program and all work was being done in the United States.

[11] This program involves component improvement.

[12] Program does not involve development of hardware. The project consists of 2 phases: Constructing the range and conducting experiments using R.D.T. & E. funds.

APPENDIX II

PARTIAL LIST OF PAST INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAMS TERMINATED BY SEPT, 30, 1973

Program title	Foreign participants	Estimated U.S. investment	Outcome
Engineering development:			
Main battle tank (MBT-70)	Federal Republic of Germany	$523,700,000	Engineering development was terminated before completed due to severe development problems.
Mallard	United Kingdom, Australia, Canada.	34,000,000	The program was terminated during development. The United States pulled out of the program because of interservice incompatibilities.
Miniature inertial navigation system	Federal Republic of Germany	4,783,000	Engineering development was completed in 1970. The system was not introduced into the U.S. Fleet because of reliability problems.
Air transportable maintenance shop [1]	Canada	388,630	The program was completed. 2 check test shops were procured and outfitted. The check test was completed in June 1971, and the shop was classified "standard A" on Mar. 30, 1972.
XM-571 articulated utility carrier [1]	Canada	14,065,705	The program was completed and the vehicle was classified "standard B" on July 27, 1971. The Army procured 46 vehicles but does not plan any additional procurements.
Advanced development:			
XJ-99 VTOL engine	United Kingdom	[2] 30,000,000	Advanced development was completed in 1971; however, there was no application for the engine.
Rocket components for meteorological data-sounding system.	Canada	552,713	The program was completed March 1973. Concepts were proven feasible.
Exploratory development:			
Ceramic armor materials [1]	Canada	133,000	The program was completed. A new agreement for a development-sharing project on ceramic armor materials is not contemplated. Canada decided not to propose a new agreement because there was no net advantage for Canada.
Improved Shenitt-Gordon dispersion-strengthened nickel chromium alloys.	Canada	30,000	The program was completed in April 1973, and the objectives were met.
Highfield superconducting magnets for magnetohydrodynamic generators.	Canada	(3)	The program was completed in April 1973, and the objectives were met.

Footnotes at end of table.

APPENDIX II—Continued

PARTIAL LIST OF PAST INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAMS TERMINATED BY SEPT. 30, 1973—Continued

Program title	Foreign participants	Estimated U.S. investment	Outcome
Basic research:			
Fragmentation effects of mortar shells	Norway	$50,000	The program was terminated in December 1971.
High acceleration effects on man	United Kingdom	(3)	The program was completed in August 1972 and the objectives were met.
Other:			
Type AN/ARA-59 direction finder [1][4]	Canada	[5] 150,000	The program was completed in March 1971.
Rotary-wing aircraft cold-weather tests [4]	Canada	(3)	There was testing in Canada, using United States supplied and operated OH-58A aircraft with Canadian forces support. The program was terminated in November 1971.
Snow testing of munitions [6]	Norway	(3)	The United States provided materiel, data, and technical assistance. No exchange of funds was involved. Testing was completed during the winter of 1971-72.

[1] Entered into under the United States-Canadian defense development-sharing program.

[2] Estimated by program official.

[3] Documentation provided did not disclose the cost of equipment and services supplied by the United States.

[4] Product-component improvement funding.

[5] Actual investment.

[6] Management support funding.

APPENDIX III

DIRECTOR OF DEFENSE,
RESEARCH AND ENGINEERING,
Washington, D.C., August 21, 1973.

Mr. HAROLD H. RUBIN,
Deputy Director,
U.S. General Accounting Office,
Washington, D.C.

DEAR MR. RUBIN: The Department of Defense has reviewed your draft report on "Involvement in International Cooperative Research and Development—Benefits and Drawbacks" and is in essential agreement with its contents. Attached are specific recommended changes with appropriate comments and justification which will serve to clarify or amplify statements made in the report.[1]

There is no mention in the report of the many coordinating group activities and the technical centers associated with NATO. These activities do contribute to technical information exchange and the initiation of cooperative efforts and have led to specific bilateral and multilateral cooperative development projects. The NATO Conference of National Armament Directors (CNAD), its Defense Research and Armament Groups, the NATO Science Committee and the Advisory Group of Aerospace Research and Development (AGARD) are examples of these coordinating bodies which continuously provide a working mechanism for cooperation. The SHAPE Technical Center (STC) and the Senior Allied Commander, Atlantic (SACLANT) ASW Research Center are jointly funded and staffed research activities which support NATO military organizations' scientific and technical matters. Both of these activities contribute to the furtherance of international cooperative research and development and provide an excellent forum for considering specific cooperative development projects.

The Department of Defense is also engaged in bilateral technical information exchange with our Allies which has been formalized by government-to-government Data Exchange Agreements. These bilateral agreements have been concluded with many countries and cover a wide spectrum of technical military subjects. These information exchanges have led to joint development or production programs as well as to direct sales of U.S. military equipment.

(The deleted comments related to report classification and no longer pertain to this report.)

The Department of Defense concurs with the General Accounting Office recommendation that an annual summary report on U.S. International Cooperative Research and Development Activities be prepared for submittal to the Congress.

MALCOLM R. CURRIE.

APPENDIX IV

PRINCIPAL OFFICIALS RESPONSIBLE FOR THE ACTIVITIES DISCUSSED IN THIS REPORT

TENURE OF OFFICE

Department of Defense

Secretary of Defense:

James R. Schlesinger, from July 1973 to Present.

William P. Clements, Jr. (acting), from May 1973 to July 1973.

Elliot L. Richardson, from Jan. 1973 to May 1973.

Melvin R. Laird, from Jan. 1969 to Jan. 1973.

Clark M. Clifford, from Mar. 1968 to Jan. 1969.

Robert S. McNamara, from Jan. 1961 to Feb. 1968.

Deputy Secretary of Defense:

William P. Clements, Jr., from Jan. 1973 to Present.

Kenneth Rush, from Feb. 1972 to Jan. 1973.

Vacant, from Dec. 1971 to Feb. 1972.

David M. Packard, from Jan. 1969 to Dec. 1971.

Paul H. Nitze, from July 1967 to Jan. 1969.

Cyrus L. Vance, from Jan. 1964 to June 1967.

Director of Defense Research and Engineering:

Dr. Malcolm R. Currie, from June 1973 to Present.

Dr. John S. Foster, Jr., from Oct. 1965 to June 1973.

Dr. Harold Brown, from May 1961 to Sept. 1965.

Department of the Navy

Secretary of the Navy:

John W. Warner, from May 1972 to Present.

John H. Chaffee, from Jan. 1972 to May 1972.

Paul R. Ignatius, from Sept. 1969 to Jan. 1969.

Charles F. Baird (acting), from Aug. 1967 to Sept. 1967.

Robert H. B. Baldwin (acting), from July 1967 to August 1967.

Paul H. Nitze, from November 1963 to June 1967.

Chief of Naval Operations:

Adm. Elmo R. Zumwalt, Jr., from July 1970 to present.

Adm. Thomas H. Moorer, from August 1967 to June 1970.

Adm. David L. McDonald, from August 1963 to July 1967.

Department of the Army

Secretary of the Army:

Howard H. Callaway, from May 1973 to present.

Robert F. Froehlke, from July 1971 to May 1973.

Stanley R. Resor, from July 1965 to July 1971.

Army Materiel Command:

Gen. Henry A. Miley, Jr., from November 1970 to present.

Gen. Ferdinand Chesarek, from March 1969 to November 1970.

Gen. Frank Besson, from August 1962 to March 1969.

Department of the Air Force

Secretary of the Air Force:

John L. McLucas, from July 1973 to present.

John L. McLucas (acting), from May 1973 to July 1973.

Robert C. Seamans, Jr., from February 1965 to May 1973.

Harold Brown, from October 1965 to February 1969.

Air Force Systems Command:

Gen. Samuel Phillips, from August 1973 to present.

Gen. George S. Brown, from September 1970 to August 1973.

Gen. James, Ferguson, from September 1966 to August 1970.

Gen. Bernard Schrieber, from April 1959 to August 1966.

ACTION NEEDED TO FORESTALL RAW MATERIALS SHORTAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to print in the RECORD a speech which I delivered to the National Parking Association in New Orleans, La., on May 8, 1974.

There being no objection, the speech was ordered to be printed the RECORD, as follows:

SPEECH TO NATIONAL PARKING ASSOCIATION

(By Senator ROBERT C. BYRD)

Mr. Chairman, Ladies and Gentlemen: It is a pleasure for me to visit with the members of the National Parking Association at your 23rd Annual Convention, and I thank you for inviting me. I note from your convention program that I was preceded on Monday by a distinguished colleague from the United States Senate, Senator Lloyd Bentsen, of Texas.

It is always somewhat awesome for a Senator from a relatively small state like West Virginia to follow a Senator from the second biggest state in the Union. But we Mountaineers always console ourselves with the thought that if ever we could flatten out the West Virginia mountains, neither Texas nor Alaska would be in the same league for size.

I notice from your roster of Association officers that your treasurer's name is Layden, and that you have a vice president called Miller. If you could elect a president named Stuhldreyer, and another vice president named Crowley, the National Parking Association might well become as immortal as the Four Horsemen of the Apocalypse.

We are meeting today in the great port city of New Orleans. To millions of people, not only in the United States, but all over the world, New Orleans is synonymous with the Mardi Gras, jazz music, superb food, magnolias, and the romance of the Old South. All of this is true and deserved. But New Orleans is something more. It is, and has been for two centuries, one of America's most active links with the world beyond our shores. From the port of New Orleans have sailed American flag ships to every corner of the globe. Into the harbor of New Orleans have sailed ships under the flags of every maritime nation in the world. New Orleans may be Old South in its historical character, but it is also one of the most international cities in this vast American continent.

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[1] The report has been revised where appropriate to reflect changes suggested in the attachment.

I mention this international character because today the United States of Amerca is entering a phase of this nation's history that will more and more require from us an understanding and a tolerance of the politics, the economics, and the strengths and the weaknesses of practically every other nation on earth.

Time was when American foreign policy and American attitudes and actions toward other peoples were strictly formulated by events and conditions that existed within our own Atlantic and Pacific boundaries. There could be upheavals in Europe, or disasters in Asia, but they affected us little, if at all. We were secure in our geographical isolation, and confident in our native ability to withstand any ravages of Fate, or would-be foe. We looked upon the world from the pinnacle of power, and we were well content.

Less than one year ago, some of our illusions were shattered. A group of tiny countries with which the majority of Americans were quite unfamiliar, arbitrarily denied to us a significant part of what has become our nation's lifeblood. A centuries-old quarrel in the Middle East, which had its genesis hundreds of years before America was founded, stretched its icy fingers into the homes and into the schools, into the factories, and into the farms and into the automobiles of this Republic.

For a brief moment, it was brought home to us that though we are still the most powerful, the wealthiest, and the most influential country in the world, we are no longer impregnable from serious threats to our economy, our industrial wellbeing, and our societal way of life.

It was revealed to us that the internationalism which characterized American policy and attitudes during the Cold War of the 50's and the 60's—that internationalism which idealistically saw the world sharply divided into the forces of good and evil, with ourselves inextricably bound up with the forces of good—might have to be revised, for our own immediate advantages, and, ultimately, for our survival as the world's most potent force for peace.

For, despite the confusion of values in American life that are a legacy of Vietnam; despite the national trauma of Watergate; despite our current misunderstanding with our traditional allies in Europe, and an apparent cooling in the détente with the Soviets; despite the tinder-box in the Middle East, and the continuing conflict in southeast Asia—despite all these problems, I believe that our country is on the verge of new directions and new purposes, born of a consensus and a new understanding that America's most important responsibility to our own future security and survival lies, not in the largesse of foreign aid or the provision of American troops and equipment to fight other peoples' battles, but on constructive and intelligent co-operation with other nations in order to *prevent* international crises. In the past, we have pursued policies that forced us to sacrifice our manpower and deplete our treasury, in order to put out fires that need never have been ignited in the first place.

I believe that most Americans are now sympathetic to a policy directed toward global interdependence. This policy will require a significant American role in the political, economic, and security affairs of the world.

I further believe that there is in this country, general support for the principle of detente with our former adversaries of the Cold War days—Soviet Russia and the Peoples Republic of China. The terms, and the speed at which the process of detente is conducted are, of course, subject to penetrating analysis.

Any agreement or concession that patently jeopardizes this nation's security can never be countenanced, and I hold no brief for those persons who claim that a Presidential summit meeting in Moscow might result in concessions being made by the President in order to gain political points at home. I have my own views about some aspects of the Watergate mess, but I cannot believe that any President of the United States would risk this nation's future for domestic political gain in this hazardous nuclear age.

Now, whether the timing of the proposed summit meeting is wise timing, is another matter. It might better be postponed till dpmestic affairs that are currently in a state of great uncertainty are clarified.

There is another aspect of America's role in the world over the last quarter of the 20th century. It concerns our alliances with Europe and Japan, and I believe that there is widespread agreement in this country that these alliances are still vital to our best interests—not only for mutual security, but also for the economic wellbeing of all the countries concerned.

You may recall that there was bitter criticism of the Administration's failure to advise the Japanese government that we were going to open a dialogue with the mainland Chinese. There have also been claims that we have ignored the interests of our NATO allies in a headlong rush to promote better relations with Russia. I am not privy to the innermost thoughts and reasoning of Secretary Kissinger or the President, but both men are sufficiently experienced in the conduct of foreign affairs that I cannot countenance their having inadvertently committed diplomatic gaffes with Japan and the NATO nations. There must have been good reasons why the negotiations were conducted in the way they were, and history will reveal them.

In any case, the attitudes of Japan and the European countries toward the United States will be guided by what they consider to be their own best interests. Diplomatic slights are very quickly forgotten if their remembrance in any way threatens the national exchequer. Money still speaks louder than manners in international intercourse, regrettable as that may be.

And while we speak of old countries and old alliances, let us not forget the important need for probing into the potential of new countries and new alliances. I believe that in America today, there is a new awareness of the interdependence of the developed and the underdeveloped world.

At the recent special session of the United Nations, which was convened for the purpose of considering the critical issues of world economic development, Secretary Kissinger addressed the assembly on the problems of the world economy and world development. The gist of his speech was that if the world as we know it is going to survive, every country, in whatever stage of economic or political development, must have a part to play in that survival. The day is past when any one nation, no matter how rich and powerful, can withdraw into an economic or political shell and expect to be dependent only on its own resources.

For the first hundred years of our existence as a nation, the underpinnings of our strength were built on the wisdom of our Founding Fathers, the rugged determination of our pioneers to succeed, and on the flowing bounty that nature had provided in our natural resources. Since the end of the nineteenth century, we have built our strength by our vigorous industrial economy and by our unrivalled technological skills and ingenuity. There has been little in the world that Americans could not produce better and faster than could any other people in the world, and I am convinced that this will always be true, provided that the raw materials that are vital to our technology are always readily available. But, as Shakespeare wrote: "Aye, there's the rub."

Today, the United States imports all, or a substantial percentage, of 26 out of some 36 raw materials that are vital to our industrial economy. Chrome, manganese, tin, bauxite, tungsten, and copper are but a few of the resources of which we have scarce supplies within our own shores. All of these scarce resources are essential to our industrial growth.

Despite recent rhetoric that the United States will be self-sufficient in energy fuels by 1980, it is also certain that we will have to import significant quantities of oil and natural gas if we hope to maintain at least a semblance of our American way of life.

Add to these considerations the fact that the United States is the leading international investor in the world today, and it is obvious that we have a tremendous stake in the game of ensuring that the natural raw material resources of the world are used for the benefit of all the peoples of the world, and not as weapons in a game of international blackmail.

I mentioned earlier in this address that massive American foreign aid programs are not the answer to the world's ills. This country has been generous to a fault since the end of World War II in the distribution of our wealth and technical knowledge to people less fortunate than ourselves.

It now becomes essential that the United States take the lead in fostering technical programs directed toward assisting the underdeveloped world to help themselves in the basic task of producing enough food of their own so that they will not be plagued constantly with famine. We must also take the lead in opposing the formation of cartels by raw material producing countries for the purpose of negotiating artificially high prices for those materials. We must use our American know-how for the purpose of proposing and planning a world-wide system of trade, monetary exchange, and investment.

In none of these efforts to forestall global crises must we lose sight of the essential interests of the United States, or in any way jeopardize our own reasonable prosperity and security. But our economic interests, our prosperity, and our security are now so inextricably bound up with the fate of other nations of the world, that it would be self-defeating, and a grave disservice to generations of Americans yet unborn, to ignore the facts of international life as we approach the beginning of our third century as a nation.

Americans have always been proud of their patriotism, and it is my hope that we will never lose this pride in our country, and the ideals that have sustained us for two hundred years. I would add, however, a caveat. To our reverence for the past, and our confidence in the present, it behooves us to add an awareness of what we must do to ensure our future.

The United States of America has had a glorious past, and we are measured largely by the success of that past. There were no obstacles that we did not overcome. There were no frontiers that we did not cross.

Let us resolve that while we are measured by our past successes, we shall also be measured by our future striving. In 1776, the vastness of the mountains, the plains, the forests, and the rivers of this continent were the American challenge. We met that challenge, and we triumphed. Today, two years from 1976, the world is our challenge. Let us not be found wanting.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

JAPAN-UNITED STATES FRIENDSHIP ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 859, S. 649.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 649) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, first, I should like to express great appreciation to the leadership for calling up this measure.

This bill represents an effort by us to do something in the field of Japan-United States relations at a time of critical importance to both Japan and the United States, and it gives very strong recognition to the primacy of Japan as a nation and a close ally.

What the bill does is to set aside 10 percent of the proceeds that are being paid by Japan to the United States from the Okinawa Reversion Agreement—$32 million out of a total of $320 million—for cultural, educational, and artistic exchanges and other programs between Japan and the United States. This Japan-United States Friendship Act commemorates institutionally the special significance and symbolism of the Okinawa Reversion Agreement, which effected the return of Okinawa to Japanese administration and which was agreed to by the Senate on November 10, 1971, by a vote of 84 to 6. We do carry on some such exchange programs now, though they are not nearly adequate. This bill will obviously represent a material supplement.

It is to be clearly understood that this bill establishes a trust fund. The critical point involved—this is the point upon which the State Department and we differ, and the committee has come out unanimously on the side of this bill rather than the State Department, and that is the reason why I wish to explain it—is not the money or the idea or the exchanges, all of which were unanimously approved.

Indeed, the President and Prime Minister Tanaka had that in mind when they issued their communique last year when he was here; that is, that this kind of operation would take place.

The question is, what do we do with the $320 million being paid to this country by Japan? Does it go back in the Treasury? I do not say it does not cost the United States any money because the entire $320 million could be placed in the Treasury, or should $288 million go in the Treasury, with $32 million authorized and appropriated for this purpose?

The issue was whether there should be an independent commission to administer the program, or should it go into the State Department cultural exchange program with an advisory council, on a more or less usual basis.

After very much consideration the committee came to the conclusion that under the circumstances existing in Asia today, and between the United States and Japan, it was more desirable to really make this a distinguished, earmarked, and unique effort.

The other point was a budgetary point. The State Department said there is $19 million in so-called GARIOA funds remaining in an account which could be used for educational and cultural exchange with Japan, money which was paid to the United States by Japan as repayment for U.S. aid to Japan during our occupation of that country.

Again, the committee said, "We can always find uses for that kind of balance," and it is unwise if we are going to make this kind of a friendship gesture to Japan to remind them of the occupation by using money which comes out of that fund.

So on both counts, for policy reasons, that committee decided the course prescribed by this bill is a wise course.

The Senator from Montana (Mr. MANSFIELD), I, and others concerned feel that the report which the committee filed, which is before us, should be supplemented with additional information. Therefore, I ask unanimous consent that there may be printed for the Senate and that there may be considered as a supplemental report Part II, the document which will be sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, finally, I have a few technical amendments which I send to the desk.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes technical amendments as follows:
>
> On page 4, line 4, strike out "1974" and insert "1975" in lieu thereof.
>
> On page 6, line 9, strike out "by" and insert "in" in lieu thereof.
>
> On page 10, line 16, strike out "accounts" and insert "amounts" in lieu thereof.

Mr. JAVITS. Mr. President, these are strictly technical amendments and have no relation to the merits of the bill.

That is all I need to say about it. I think the Senator from Michigan (Mr. GRIFFIN) wishes to address this matter.

Mr. GRIFFIN. Mr. President, will the distinguished Senator yield to me?

Mr. JAVITS. I yield.

Mr. GRIFFIN. Mr. President, I wish to indicate my general support for the bill and its purposes. I would think that the commission contemplated by the bill to administer the fund would not operate much differently than the method suggested by the administration.

I note that the very first member of the commission as designated by the bill is the Secretary of State, and that is very appropriate. I note that other high ranking officers of the administration would automatically be members of the commission and if the President should still have any concern about the commission serving the foreign policy interests of the United States, he has the opportunity on a carte blanche basis to appoint the other six members of the commission.

Mr. JAVITS. The Senator is correct.

Mr. GRIFFIN. So I think this administration; indeed, any administration, would certainly be protected, as the Commission would be constituted.

In terms of what would be done with the money in the fund, I wonder if the Senator might provide some additional insight in terms of what is contemplated or what might be done. I am thinking, for example, of some difficulties I have experienced trying just to get consideration by the State Department for the World Youth Symphony Orchestra of the National Music Camp at Interlochen, Mich., to represent this Nation abroad on some occasion. As the Senator from New York may recall, the wonderful music camp brings talented young people together from all around the country and the world. Dr. Joseph Maddy was the founder of the National Music Camp. He died several years ago.

I have tried over and over again to get the State Department, to realize that this group would be ideal to represent America as part of a cultural exchange. These talented, wonderful young people are a resource that this country can be very proud of, and that would present the right kind of an image in other parts of the world.

Of course, I would not expect the group to be selected often or regularly. But it is inconceivable that the group cannot even get consideration for one appearance.

This year, the group was invited to perform in Australia at an international musical event. If you can imagine it, the Government of Australia was willing to put up $35,000 toward expenses but the Government of the United States, acting through the State Department, would contribute nothing at all. So the invitation had to be regretted.

The Senator from New York, who is a member of the Committee on Foreign Relations, may recall, that our committee took action in connection with the State Department authorization bill, and the report, to specifically encourage State

Department consideration of this project. But we might as well have saved the effort because the State Department paid no attention whatever to the committee views.

I recite this only as an indication of the kind of frustration I have experienced, and why I would be reluctant to put the administration of this fund and program under the control and jurisdiction of the State Department. I wonder if the sort of group I have mentioned might at least have serious consideration in connecting the cultural exchange activities contemplated by this bill?

Mr. JAVITS. It certainly could be, and I would like to call to the attention of my colleague that he referred to one member of the commission, which is the Secretary of State. The other members are the Secretary of Health, Education, and Welfare, the chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities, who serve ex officio. Then, there are the six members appointed by the President who would be conversant with United States-Japan relations, expert in the field of education, the arts or the humanities, or representative of the general public.

The important thing I wish to emphasize is that it opens up the very situation the Senator mentioned.

It is another body with an independent status and independent resources which could challenge the State Department as to the quality of its decision.

That having been said, I would say to the Senator that I am not on the Commission so I do not control it in any way.

Mr. GRIFFIN. I understand and that is not the assurance I want.

Mr. JAVITS. No, but I have another point that is very important.

As the author of the bill, voicing my vision of what it would be, I would hope this Commission would not put this operation into day-to-day ventures as the State Department does, such as sending an orchestra or an artist, or something of that sort, but that they would have a program. For example, I can easily conceive of an effort to have a great competition under their auspices in which the best musical organizations in the United States, or the best two or three organizations in Japan were chosen, and that each would go to the other country. That is the kind of thing I envision rather than a day-to-day bread and butter operation.

But certainly the authority is very adequate to cover the very thing the Senator has in mind, and the chairman of the National Endowment of the Humanities serves ex officio, and that is what he contemplates as the kind of activity it should undertake.

Mr. GRIFFIN. I thank the Senator for that explanation. And, having focused on the usefulness of this legislation in the field of the arts, I would like to make sure, however, that its reach would not be limited to the arts. I wonder if the Senator would agree that the exchange of students in other fields could be expected. And I assume that the program could encourage better understanding as between government officials of the two countries, including Members of Congress and members of the Japanese Parliament, perhaps in the form of an interparliamentary conference. I wonder if such projects might be considered in this kind of program?

Mr. JAVITS. Certainly, I would not expect that this Commission would pay the travel fare of a deputy or a minister who could well travel on the diet's account or the cabinet's account. It should not be programmatic, but a project-oriented Commission, because this is a signal opportunity, similar to giving the Nobel prize or other distinguished recognition that give the mark or cachet of a high level commission to a particular activity at a particular time under particular auspices.

For example, the Japanese complain very seriously that they know a lot about our culture, but we know very little about theirs, in terms of their country. It has a fascinating culture, and it is a very old culture. This is the kind of thing which I hope this Commission will devote itself to.

For example, I myself bought a book not too long ago, a fantastically beautiful book. It cost several hundred dollars, as a matter of fact. It was printed in Japan. It is a book of marvelous color plates, together with historical references to the ideas, dates, the artistic movements which developed these particular arts in Japan. The book is a very valuable and beautiful one. I doubt that more than a small handful of Americans are acquainted with this kind of artistic and scholarly output, because it is a combination of the two which comes out of Japan.

We think of them as the makers of things and as fantastic commercial competitors, but I think they would like to be thought of quite differently.

Mr. GRIFFIN. As the Commission is to be structured certainly this administration, or any administration, would be able to exercise a degree of oversight and control.

Mr. JAVITS. The term is for 3 years. That is a Commissioner's term, and the staggering would come only to get the Commission going and to have a revolving membership. So there is a rollover from the very beginning, and it will continue with two such prestigious Cabinet officials as the Secretary of State and the Secretary of Health, Education, and Welfare as the base for the Commission.

I do not think we need have any concern about the disorientation of the Commission. Besides which, this will be a Commission like the Smithsonian or the National Gallery of Art, or one of the other great commissions made up of very distinguished people which function so successfully in the field of arts.

Mr. GRIFFIN. If there is concern on my part, frankly, it would relate to the lack of oversight and control that might be available to the Congress, and particularly the Senate, once this fund and the commission are established.

I do recognize, however, that the Senate committees would have the opportunity from time to time to question the Cabinet officers who will serve on the commission. And to that extent, at least, we could have some impact.

Would the Senator agree?

Mr. JAVITS. I do not think there is any question about it; I think similarly, in the exercise of our legislative oversight and in foreign policy over members of the commission. There is no question about that.

Mr. GRIFFIN. I thank the Senator.

Mr. JAVITS. I thank my colleague.

Mr. GRIFFIN. Mr. President, we are ready.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments. Without objection, the amendments are agreed to.

Mr. FONG. Mr. President, I am pleased to voice my wholehearted support of S. 649, the proposed "Japan-United States Friendship Act." This bill, of which I am a cosponsor, has the salutary objective of improving understanding between the United States and Japan by providing the means for promoting scholarly, cultural and artistic activities.

As I observed in my statement to the Foreign Relations Committee, when it held hearings on S. 649 on May 1 and 2.

> Mutual trust and understanding between the United States and Japan must be continually and intelligently fostered. Considering the obstacles of distance, language, and culture which exist between the United States and Japan, this is not an easy task.

I believe the establishment of a Japan-United States Friendship Trust Fund proposed in the bill will be a most helpful mechanism for supporting a wide variety of scholarly, artistic, and cultural exchanges, fellowships and scholarships, and other programs relating to Japan.

The bill has a special significance for Hawaii because of the State's unique geographic *location* and the large resident population of Japanese ancestry. The University of Hawaii is especially prepared to serve as a valuable center for the promotion of the activities envisioned in S. 649.

Dr. Yasumasa Kuroda, chairman of the executive committee of the Japan study group at the University of Hawaii, has furnished me with pertinent information on his group's interest in the legislation. His letter of May 16 to me provides valuable arguments why S. 649 should be enacted.

I ask unanimous consent to have Dr. Kuroda's letter printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

University of Hawaii,
May 16, 1974.

Hon. Hiram L. Fong,
U.S. Senate,
Washington, D.C.

Dear Senator Fong: The Japan Study Group at the University of Hawaii wishes to express enthusiastic support of Senate Bill 649, the proposed "Japan-United States Friendship Act" introduced by Senator Javits and co-sponsored by you in the United States Senate.

The Japan Study Group is an association of all professors on the Manoa Campus of the University of Hawaii who are engaged in research on Japan. The Group was organized in an attempt to give local, national and international visibility to the professional study of Japan at the University of Hawaii. The University maintains on its faculty 50 to 60 research scholars with an area focus on Japan, or approximately 10 percent of Japan specialists in the United States.

We probably have the most well-balanced Japanese study program in the nation. We have scholars who are specialized on Japan not only in traditional fields of humanities and social science but also in business, health, natural sciences, computer science, and engineering. Nearly all of us including natural scientists we have, are capable of communicating with Japanese scholars in Japanese. In this sense, we have a strength unmatched by any other University in the nation.

This unmatchable strength of the Group is an integral part of the State's decision to consider Asia as a region in which study and research at this University should be concentrated. Its decision is based upon, as you pointed out in your testimony to the Senate, our unique geographic location and the varied ethnic background of population.

There are many reasons for our wholehearted support of the Bill. We are currently working toward the establishment of a Center for Japan Studies. All of the proposed objectives of the Bill 649 as specified under Section 3, "Establishment of the Fund: Expenditure" are included in the projected activities of the Center.

Second, the Bill is proposed at this time when other funds for area studies are rapidly disappearing.

Third, we are happy to see you place the support for studies "designed to foster mutual understanding between Japan and the United States" on the first priority for we know that mere exchanges of individuals and materials are not sufficient to promote the needed mutual understanding, respect, and friendship, e. g., the recent controversy over the Japanese investments in the U.S. I wish to point out the relevance of Japan-U.S. relations to Asian Americans in this regard. The troubled Japan-U.S. relations in recent years have begun to adversely affect the relationship betwen the Japanese and other ethnic groups in the United States as described by journalists (e.g., *Wall Street Journal*, August 9, 1972). Articles appearing in *Gardena Valley News* in California, for example, would strike fear into the hearts of not only American citizens of Japanese ancestry but also of any American whose forebears came from a nation that was at one time at odds with the United States. The point is that we must not simply promote exchanges of personnel and trade, but we must emphasize the importance of thorough, continuing study of conditions under which people of two different nationals can maximize mutual respect and friendship. Unfortunately, "getting to know you, know you" is not automatically leading us to respect each other.

A large number of Japan specialists at the University of Hawaii are Asian Americans and we are concerned with the deleterious effects of Japan-U.S. relations on minority Americans. A well programmed study of Japan and related areas of interest, however, cannot be carried out without adequate funding. In the situation we find ourselves today—rising costs and sophisticated methods of research—we are forced to look to governmental support for carrying out our projects.

Fourth, the Japanese government was sufficiently concerned with the image of Japan abroad to pass a bill on May 26, 1972 to establish the Japan Foundation which came into existence on October 2, 1972. We are all concerned with the declining popularity of the U.S. among the Japanese from the first rank in the first half of 1960's to fourth place after the Nixon "shock." It would be a good gesture on the part of the United States to demonstrate to the Japanese government and its people that we are concerned with Japan-U.S. relations.

Therefore, we are pleased to learn of your continued efforts toward the establishment of the Fund. I am certain that Bill 649 is welcomed by a wide spectrum of citizens of Hawaii and especially by Japan specialists at the University of Hawaii. Thank you very much for your sustained interest.

Respectfully yours,
YASUMASA KURODA,
Chairman, Executive Committee, Japan Study Group.

Mr. KENNEDY. Mr. President, I wish to add my support for S. 649, the Japan-United States Friendship Act. I was pleased to cosponsor this legislation when the distinguished Senator from New York (Mr. JAVITS) introduced it a year and a half ago.

In the history of postwar American foreign policy, few developments can rival the transformation of our relations with Japan. Twenty-nine years ago, at the end of the worst war the world had known, Japan lay devastated, her cities shattered, her people stunned by the horror of their loss. Yet in the years that followed, the enmities of the past gave way to the creation of a powerful and lasting bond of cooperation and trust between our two countries. With Japan as a principal ally, a stable democracy, and a valuable economic partner, we value the fact that the Japan-American relationship has written a new chapter in relations between Asia and the West.

It is especially significant, Mr. President, that this legislation provides for funds from the Okinawa Reversion Agreement to be used for promoting scholarly, cultural, and artistic activities between Japan and the United States. Many hundreds of thousands of Americans, particularly our servicemen, have had the opportunity over the past three decades to experience the unique culture, art, and language that Japanese society provides. But up to now, this direct experience of Japan has not been matched by a significant number of Japanese studies programs in our colleges and universities. In language skills in particular, it is embarrassing that so many Japanese speak our language while so few Americans speak theirs. This legislation can help provide us with the opportunity for many Americans to learn Japanese and to gain detailed understanding of Japanese culture and society.

In order to pay tribute to the 29-year history of our mutually beneficial partnership, to promote increased mutual public understanding, and to help guarantee the maintenance of our friendly relationship in the future—I urge Senate passage of this bill.

The PRESIDING OFFICER. If there be no further amendment, the question is on the third reading of the bill.

The bill (S. 649) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Japan-United States Friendship Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the evolution of the relationship between Japan and the United States from wartime bitterness to peacetime friendship and partnership is one of the most significant developments of the postwar period;

(a) the agreement between Japan and the United States of America concerning the Ryukyu Islands and the Daito Islands, signed at Washington and Tokyo on June 19, 1970, is a major achievement and symbol of the new relationship between the United States and Japan; and

(3) the continuation of close United States-Japan friendship and cooperation will make a vital contribution to the prospects for peace, prosperity, and security in Asia and the world.

(b) It is therefore the purpose of this Act to provide for the use of an amount equal to a part of the sums to be paid by Japan to the United States in connection with the reversion of Okinawa to Japanese administration to aid education and culture at the highest level in order to enhance reciprocal people-to-people understanding and to support the close friendship and mutality of interests between the United States and Japan.

ESTABLISHMENT OF THE FUND; EXPENDITURES

SEC. 3. (a) There is established in the Treasury of the United States a trust fund to be known as the Japan-United States Friendship Trust Fund (hereafter referred to as the "Fund").

(b) Amounts in the Fund shall be used for the promotion of scholarly, cultural, and artistic activities between Japan and the United States, including—

(1) support for studies, including language studies, in institutions of higher education or scholarly research in Japan and the United States, designed to foster mutual understanding between Japan and the United States;

(2) support for major collections of Japanese books and libraries at United States colleges and universities located throughout the United States;

(3) support for programs in the arts in association with institutions of higher education in Japan and the United States;

(4) support for fellowships and scholarships at the undergraduate, graduate, and faculty levels in Japan and the United States in accord with the purposes of this Act;

(5) support for visiting professors and lecturers at colleges and universities in Japan and the United States; and

(6) support for other Japan-United States exchanges consistent with the purposes of this Act.

(c) Amounts in the Fund may also be used to pay administrative expenses of the Japan-United States Friendship Commission, established by section 4 of this Act, as directed by that Commission.

(d) There is authorized to be appropriated to the Fund, for fiscal year 1975, an amount equal to 10 per centum of the funds paid to the United States pursuant to the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands, signed at Washington and Tokyo, June 19, 1970. Any unappropriated portion of the amount authorized to be appropriated for such fiscal year may be appropriated in any subsequent fiscal year.

THE JAPAN-UNITED STATES FRIENDSHIP COMMISSION

SEC. 4. (a) There is established a commission to be known as the Japan-United States Friendship Commission (hereafter referred to as the "Commission"). The Commission shall be composed of—

(1) the Secretary of State;

(2) the Secretary of Health, Education, and Welfare;

(3) six members appointed by the President from among individuals who are (A) conversant with Japan-United States relations; (B) expert in the field of education, the arts, or the humanities; or (C) representative of the general public;

(4) the Chairman of the National Endowment for the Arts, who shall have no vote; and

(5) the Chairman of the National Endow-

ment for the Humanities, who shall have no vote.

(b) The term of office of each of the six public members of the Commission appointed under clause (3) of subsection (a) of this section shall be three years, except that (1) such members first appointed shall serve as designated by the President, two for terms of three years, two for terms of two years, and two for terms of one year, and (2) any member appointed under such clause to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(c) Members of the Commission who are not regular, full-time employees of the United States shall, while serving on business of the Commission, be entitled to receive compensation at rates fixed by the President, but not exceeding the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(d) The President shall appoint the Chairman of the Commission. A majority of the members of the Commission shall constitute a quorum. The Commission shall meet at least twice in each year.

FUNCTIONS OF THE COMMISSION

SEC. 5. The Commission is authorized to—

(1) develop and carry out programs of public or private institutions for the promotion of scholarly, cultural, and artistic activities in Japan and the United States consistent with the provisions of section 3(b) of this Act;

(2) make grants to carry out such programs; and

(3) submit to the President and to the Congress an annual report of its activities under this Act together with such recommendations as the Commission determines appropriate.

ADMINISTRATIVE PROVISIONS

SEC. 6. In order to carry out its functions under this Act, the Commission is authorized to—

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and property donated, bequeathed, or devised, without condition or restriction other than that it be used for the purposes of this Act; and to use, sell, or otherwise dispose of such property (including transfer to the Fund) for the purpose of carrying out the purposes of this Act, and any such donation shall be exempt from any Federal income, State, or gift tax;

(3) in the discretion of the Commission, receive (and use, sell, or otherwise dispose of, in accordance with paragraph (2)) money and other property donated, bequeathed, or devised to the Commission with a condition or restriction, including a condition that the Commission use other funds of the Commission for the purposes of the gift, and any such donation shall be exempt from any Federal income, State, or gift tax;

(4) direct the Secretary of the Treasury to make expenditure of the income of the Fund and not to exceed 5 per centum of the annual principal of the Fund for the purposes of this Act, including the payment of Commission expenses if needed;

(5) appoint an Executive Director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who shall be compensated at the rate provided for a GS-18 of the General Schedule of such title;

(6) appoint and fix compensation of such additional personnel as may be necessary to carry out the provisions of this Act;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the rate specified at the time of such service for grade CS-18 in section 5332 of title 5, United States Code;

(8) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(9) enter into contracts, grants, or other arrangements, or modifications thereof to carry out the provisions of this Act, or any other provisions of law relating to competitive bidding; and

(10) make advances, progress, and other payments which the Commission deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529).

MANAGEMENT OF THE FUND

SEC. 7. (a) The Fund shall consist of—

(1) amounts appropriated under section 3(d) of this Act;

(2) any other amounts received by the Fund by way of gifts and donations; and

(3) interest and proceeds credited to it under subsection (b) of this section.

(b) It shall be the duty of the Secretary of the Treasury (hereafter referred to as the "Secretary") to invest such portion of the Fund as is not, in the judgment of the Commission, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purposes, the obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest bearing obligations of the United States issued during the preceding two years then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(e) In accordance with section 6(4) of this Act, the Secretary shall pay out of the Fund such amounts, including expenses of the Commission, as the Commission considers necessary to carry out the provisions of this Act.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr ROBERT C. BYRD. Mr. President, I ask that the Senate resume the consideration of the unfinished business.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Senate will resume the consideration of the unfinished business, S. 3000, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from South Carolina (Mr. THURMOND), the so-called Buy American amendment.

Mr. ROBERT C. BYRD. I thank the Chair. Is there a time limitation on that amendment?

The PRESIDING OFFICER. There is no time limitation.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the disposition of the McIntyre amendment and the Chiles substitute to the McIntyre amendment, the Senate proceed to the consideration of an amendment (No. 1391) to be proposed by Mr. Mathias, and that there be a time limitation thereon of 1 hour, to be equally divided in accordance with the usual form; and that there be a time limitation on any amendment thereto, debatable motion, or appeal of 20 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, what is the order of business?

The PRESIDING OFFICER. On agreeing to amendment No. 1400 of the Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, I rise in support of my amendment No. 1400 which I have labeled the "Buy American" amendment.

This amendment is identical to one I offered last year except that it adds the words "or any other" between the words "this" and "Act" and would therefore become permanent law rather than apply only to the fiscal year, as was the case with the fiscal year 1974 amendment.

Last year, Senator SYMINGTON of Missouri, floor manager of the procurement bill, joined me as a co-sponsor of this amendment and it was accepted by the House conferees over a similar "Buy American" amendment in the House bill which the Defense Department considered too restrictive and possibly very difficult to enforce. Therefore, the provisions of this amendment are current law, and by accepting my amendment today the Senate will merely be making permanent the law on this subject which was approved by the Congress last year.

Actually, Mr. President, when I first introduced a "Buy American" amendment last year it was patterned after one introduced and passed by the House. However, this particular amendment was considered enforceable by the Defense Department, so Senator SYMINGTON and I introduced a second amendment which the Defense Department did not oppose.

Now, Mr. President, for a brief explanation of this amendment the following points should be helpful to the Senate.

First, it is my view that the Department of Defense, in awarding contracts for the procurement of supplies and equipment, should award these contracts to firms located in the United States which have the capability to supply them provided such action will not result in unreasonable costs or otherwise be contrary to the public interest.

Second, it is only right that firms located in the United States and employing American labor, both of which pay U.S. taxes, should be given a preference in the award of these contracts whenever it is economical and appropriate to do so. This is particularly justified in the case of firms located in the unemployment areas designated by the Secretary of Labor as labor surplus areas and in the case of U.S. small business firms.

Third, we must consider the impact on the U.S. balance of payments when contracts are awarded to foreign firms as well as any additional costs involved to the United States in awarding contracts to foreign firms.

I am told that the Department of Defense employs administrative procedures to accomplish these objectives now. However, these objectives are so important and critical to American firms and American workers that there should be a basis for them in law.

The proposed amendment which I offer will require the Department of Defense prior to the award of a contract to a foreign firm to be funded by money authorized to be appropriated by the act, to give adequate consideration to the bids or proposals of firms located in U.S. labor surplus areas, to those of small business firms, and all other firms located in the United States, to the impact on the U.S. balance of payments and to the additional costs, such as shipping costs and duties which might be involved if other than American goods were procured.

My amendment will constitute a clear expression by the Congress that American goods, when available, are to be procured whenever it is economical to do so, and it is not otherwise contrary to the public interest.

In closing, Mr. President, this amendment should not result in any additional costs and requirements of the amendment are concise enough to insure an evenhanded administration of these proposals.

Mr. President, if there is any opposition to this amendment, I would suggest that Senators come forward. I do not believe there is any opposition. When the distinguished Senator from Missouri (Mr. SYMINGTON) and I introduced this amendment last year, it was accepted. As I said, the conference committee accepted it. It is in the House bill this year, section 702.

QUORUM CALL

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment No. 1400 of the Senator from South Carolina (Mr. THURMOND).

The amendment was agreed to.

Mr. THURMOND. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WILLIAMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12 o'clock noon today.

The motion was agreed to; and at 11:14 a.m. the Senate took a recess until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. METZENBAUM).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. JACKSON. Mr. President, I ask unanimous consent that Dorothy Fosdick and Richard Perle be granted the privilege of the floor during consideration of the pending defense procurement bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1394

Mr. METZENBAUM. Mr. President, I call up my amendment No. 1394 and ask that it be stated.

The PRESIDING OFFICER (Mr. HASKELL). The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 17, between lines 20 and 21, insert a new section as follows:
>
> SEC. —. (a) Section 2304(a) of title 10, United States Code, is amended by striking out clause (7) (relating to the purchase or contract for medicine or medical supplies).
>
> (b) Section 2304 of such title is further amended by adding at the end thereof a new subsection as follows:
>
> "(h) Notwithstanding the provisions of subsection (a), all purchases and contracts made for medicine or medical supplies shall be made by formal advertising except (1) where the purchase or contract is made under clause (3) of subsection (a), or (2) where the head of an agency determines that because of extreme circumstances formal advertising cannot be used and promptly notifies the Congress of the purchase or contract and the extreme circumstances necessitating the purchase or contract without formal advertising.".

The PRESIDING OFFICER. On this amendment there will be 1 hour of debate with one-half hour to a side. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. METZENBAUM. Mr. President, I will be asking for the yeas and nays on this amendment at the conclusion of my remarks.

My distinguished colleague, almost daily we are told by spokesmen for the Nixon administration that the Federal budget must be reduced to conquer the inflation that has hobbled our economy for far too long.

This message has been stated—and emphasized—by Dr. Arthur Burns, Chairman of the Federal Reserve Board, by Mr. William Simon, the Secretary of the Treasury, as well as by President Nixon himself.

I believe that every Member of this body agrees that inflation must be checked. The real question is "how do we do it." Cutting or holding the Federal budget in check is a first priority. With few exceptions all of us advocate spending reductions. We only differ in our choice of cuts. Many of us refuse to cut those programs that we feel are vital to the well-being of people in need. Others are most concerned that we not jeopardize those programs that provide jobs.

One spending area that is always ripe for review is the mammoth Pentagon budget that accounts for approximately 70 percent of the Government's controllable outlays. I am well aware that many have supported past and recent efforts to reduce the military budget.

However, that is not the question raised here today. Neither military capacity nor military strategy is applicable to the subject I address myself to today. I am convinced we can achieve substantial savings, amounting to billions of dollars, in the Pentagon budget without reducing military capability or revising military strategy in any way.

We need only to revise military procurement policy. We need only to honor our long-standing national commitment to competitive bidding as the proper way for the Federal Government to get the most for its dollar. Unlike other Federal, State, and local departments and agencies, the Pentagon has honored this commitment in the breach.

As a consequence, studies show, the costs of procurement have escalated tremendously. This is what I propose to change. I believe the Pentagon must be required to rely upon competitive bidding wherever possible, or explain to the Congress why not.

Under the Armed Forces Procurement Act, the Pentagon is allowed 17 exemptions from competitive bidding requirements. Today I ask you, my distinguished colleagues, to join me in removing one of these exemptions—for the purchase of medicine and medical supplies for the military services.

I see no reason whatsoever that all medical procurement should be exempt from formally advertised competitive bidding. My amendment, to the pending military procurement authorization bill S. 3000, would delete this blanket exemption and require, instead, that all medical procurement contracts above $2,500 must be let through formal advertising, except in "extreme circumstances."

To understand the thinking behind my amendment, it is necessary to review the recent history of Pentagon purchases of medical supplies.

Generally speaking, Pentagon procurement falls into three categories:

First. Sole source procurement, in which there is no competition at all;

Second. Competitive negotiation, in which the number of competitors is limited to a select few, and formal advertising normally does not occur; and

Third. Open competition through formal advertising.

Roughly half the money spent by the Defense Department for medical items is disbursed for drugs. The other half is spent for medical supplies such as bandages, beds, wheelchairs, and other equipment.

From 1971 through April of this year, the proportion of contracts awarded for medical supplies through advertised competitive bidding dropped from 21.1 percent of the total dollars spent to 5.8 percent. As of April of this calendar year only 4.7 percent of the purchase contracts for drugs were let through open and advertised competitive bidding, a little more than half the level of 1971.

Yet, it is clear that advertised competitive bidding offers major cost-saving advantages over sole source procurement. The proof in this area is hard to find, since the military has been totally exempt from the requirement to bid competitively for medicine and medical supplies.

However, there is available some specific evidence. In 1968 and 1969, the Veterans' Administration purchased its supplie of glyceryl cuaiacolate syrup through the sole-source method of procurement. During these same years, the defense personnel support center obtained the same drug through advertised competitive bidding.

A comparison of the costs shows that the Veterans' Administration, the sole-source purchaser, paid 59 percent more to buy the same drug than the defense personnel support center, which made its purchases by taking open and competitive bids. And I hasten to add that during those same years, 1968 and 1969, the Veterans' Administration, by their own admission, purchased 113 items without competitive bidding even though other competitive suppliers were available.

I am fully aware of the Defense Department arguments rationalizing sole-source procurement over competitive bidding. However, I am not persuaded by them.

We are told that a drug is obtained through sole-source procurement when the defense medical material board designates it to be the only drug meeting required specifications. These specifications, however, usually are developed by a pharmaceutical company. Theoretically, the specifications apply to a generic drug, but in practice they often apply to a brand-name drug.

The result is that the Defense Department finds itself required to buy a brand-name drug manufactured by only one company. There is no choice but to purchase sole-source.

Furthermore, the brand-name drug is often an expensive version of an equally effective generic drug. My distinguished colleague, the Senator from Wisconsin (Mr. NELSON) found many examples of this in the hearings he conducted on the status of competition in the pharmaceutical industry.

The loser in this arrangement is the taxpayer, who has to foot the bill.

At present, some 77 drugs are designated by the defense medical material board for sole-source procurement.

However, another 2,500 items are purchased without competitive bidding through a variation of the practice, called single-source procurement. This method is used when hospitals and other local purchasing units find themselves buying a particular drug in volume, whether or not there are competitive suppliers.

On the theory that economies of scale will result, the central buying agency will accept the brand-name drug purchased by the local units as the "standard" for that drug category. The central buying agency then will purchase the drug for all the local units.

The practical effect of such a decision, however, is to preclude competition for such "standardized" drugs.

But I am convinced that competitive bidding, not volume purchasing, achieves the greatest savings. My point is supported dramatically by the 59 percent saving I mentioned earlier in the purchase of glyceryl cuaiacolate.

Certainly, there is no justification for the blanket exemption from competitive bidding requirements for all purchases of medicine and medical supplies as now provided in the code. If the amendment I propose today is accepted, the Department of Defense would still not be required to take competitive bids for purchases of $2,500 or less, or when extreme circumstances exist.

I see no reason why the military should not be required to utilize the same cost-saving procedures used by every township, city, county, and State in this country, as well as almost all other Federal agencies. All these other governmental units utilize competitive bidding for the letting of all their contracts, including medical contracts. The military should not be able to continue employing wasteful procedures at the taxpayers' expense.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged to either side on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield briefly?

Mr. THURMOND. I yield.

Mr. ROBERT C. BYRD. If the Senator from Ohio wishes to order the yeas and nays, sufficient Senators are on the floor now to second his request.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise to speak in opposition to this amendment. The Committee on Armed Services is opposed to it.

The proposed amendment to S. 3000 deletes section 2304(a)(7) of title 10 United States Code which authorizes negotiated procurement of medicine and medical supplies. The amendment further stipulates that all purchases and contracts for medicine and medical supplies be made by formal advertising except: First, where the provisions of 2304 (a)(3) title 10, United States Code apply; or second, where the agency head determines that because of extreme circumstances formal advertising cannot be used; Congress will be promptly notified of the facts and circumstances surrounding the use of such negotiation.

EFFECT OF AMENDMENT

The enactment of amendment No. 1394 to S. 3000 would eliminate medicine and medical supplies from the special category presently afforded to both food and medical materiel. It would place restrictions on the procurement of medicine and medical supplies far more stringent than those of other commodities and would result in seriously impeding or restricting the procuring activity's ability to support the patient in a timely fashion. Specifically, the amendment would preclude the use of negotiation:

First. To satisfy emergency requirements as authorized by Section 2304(a) (2), title 10 United States Code.

Second. To satisfy the unique purchase requirements outside the United States as authorized by section 2304(a) (6), title 10, United States Code.

Third. To obtain medicine and medical supplies when it is impracticable to secure competition by formal advertising such as sole source, specialized equipment, required for patient care, research and training programs, maintaining system compatibility, and failure to obtain responsive bidders through formal advertising. These provisions are currently authorized by section 2304(a)(10), title 10, United States Code.

Fourth. To permit set asides for small business and labor surplus area firms as currently practiced.

Mr. President, the Defense Department has considered this matter carefully, and they are strongly opposed to the amendment. The Department of Defense strongly urges that this amendment not be adopted, since it will unduly restrict the procurement of critical medicine and medical supplies. The Department of Defense is strongly committed to the procurement of generic equivalent medical products and is continuously seeking to improve competition not only by the use of formal advertising but also through competitive negotiation.

The amendment fails to recognize the Commission on Government Procurement recommendation that competitive negotiation is an acceptable and efficient alternative to formal advertising. The impact of this amendment on the procurement of medicine and medical supplies is exceptionally far reaching and highly complex. It is strongly recommended that the amendment not be passed and that the Congress along with the Commission on Government Procurement and the Department of Defense thoroughly review this matter, to include conducting appropriate hearings, prior to amending title 10, United States Code, as proposed.

NEGOTIATION OF MEDICAL ITEM PURCHASES

Absolute prohibition against the use of any negotiation authority except the small purchase authority for the purchase of drugs and medical supply items would be of no benefit to the Government, the drug industry, or the military patient. When the Armed Services Procurement Act was enacted and considered in 1947 it was clearly recognized that for certain types of commodities the method of procurement must remain flexible. Medical supplies were one of these commodities and the negotiation authority was placed in the statute. There were no good reasons to change it when negotiation authority was revised in 1962 to add the requirements for cost and pricing data on sole source negotiation procurments and there are no good reasons to change it today.

Use of the negotiated authority does not mean that items are procured without competition. Many drug and medical items are available from several sources and these are obtained competitively. Of the approximately 15,000 medical items in the supply system, only 77 are truly sole-source and so designated by the Defense Medical Materiel Board. Approximately 2,500 items are single source or items for which there is no effective competition. Many medical items are either sole or single source because patent rights preclude effective competition. Department of Defense medical procurement does not represent a sufficiently large segment of the entire industry production to warrant a firm entering into the business of supplying drugs and medical items solely to satisfy the military market, particularly in view of its uncertainty.

Inherent in the proposed amendment would be the inability to make set asides for small business and labor surplus area firms, which are now authorized under the current negotiation authority.

A requirement to use inflexible formal advertising procedures would unnecessarily complicate medical item procurement by limiting Department of Defense ability to accept minor deviations from specifications, delivery schedules or contract terms without the need for the delay involved in readvertising the purchase. Also, proprietary rights in production and development, inability to describe intangibles and the writing of quality into a specification further restrict the use of formal advertising for these items.

Certain other significant problems would occur if we were precluded from negotiating except under exception 3 and under extreme emergencies approved by the head of an agency:

Public exigencies such as earthquake support or epidemics could not be responded to as promptly under formal advertising procedures;

Delays inherent in purchasing could be prohibitive; for example, if we received no responses or only one response and were required to resolicit either by formal advertising or negotiation;

Under formal advertising prices of sole bids—regardless of number of available sources—could not be negotiated if prices were considered unreasonable. In addition, we could not obtain cost and pricing data under Public Law 87-653, if such a procurement were formally advertised;

Under the rigid procedures of formal advertising any deviation from exact responses to solicitations would render a bidder nonresponsive. New firms attempting to compete might lose out on a technicality because of their inability to resolve a spec, packaging or delivery deviation;

These restrictions would limit our ability to accept a proffered better delivery which was to our advantage, if there was a lower bid which met the delivery set forth in the solicitation;

The restrictions requiring formal advertising could also create problems in overseas purchase, which are usually negotiated under exception 6 because of language and interpretation problems. Many of these procurements could not meet the definitions of an extreme emergency, although most would probably be included under exception 3;

Over 2,000 actions per year, over $10,000 each, could require referral to the Director of DSA for his determination as to authority to negotiate. If the Small Purchase Authority—exception 3—is not increased to $10,000, over 6,500 additional actions could possibly be referred to the Director;

The increase in procurement administrative leadtime inherent in these restrictions would create the need for higher inventory levels with concomitant increased costs, plus the costs of storing and maintaining the increased inventory;

Most medical items are produced for the civilian community and not specifically for the military. Manufacturers may produce items which basically perform the desired functions but each utilize a separate and distinct method, configuration, et cetera. Each product may be different enough that to use firm specifications and formal advertising would eliminate many otherwise competitive sources. In such cases the only way a contracting officer can assure the fullest competition is through negotiation; and

During the current energy crisis the use of negotiation exception 7 has allowed contracting officers to procure medical items on a timely basis. Manufacturers have had to use alternate materials in their manufacturing process. By negotiating for these items the Government has been able without undue delay to obtain items which fill the requirement.

For these reasons it would appear that the amendment is unwise and should be defeated by the Senate.

NOTICE OF INTENTION TO PROPOSE AN AMENDMENT TO THE MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. ROTH. Mr. President, the junior Senator from Minnesota and I intend to offer an amendment on Tuesday to the

Military Procurement Authorization Act to place an aggregate ceiling over the line items for procurement and for R.D.T. & E. in titles I and II of the bill. The ceiling will be the same as the sum of the line items as recommended by the Armed Services Committee less the $15.6 million deleted by the Senate yesterday for a missile firing from Montana, unless a further change is made on the floor. The purpose of the amendment is to insure tight fiscal control over defense while at the same time providing funds for a strong national defense as recommended by the committee.

The text of the amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

Sec. Notwithstanding any other provision of this Act not more than $21,631,812,000 may be appropriated to or for the Department of Defense under authority of titles I and II of this Act for the fiscal year ending June 30, 1975.

JACKSON AMENDMENT

Mr. JACKSON. Mr. President, I ask unanimous consent that I may call up my unprinted amendment which is at the desk, out of order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

Sec. . (a) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of any such country. It is the purpose of this section to provide for such an assessment and to authorize the Secretary of Defense to review proposed export of goods or technology to any such country and disapprove such exports whenever he determines that the export of such goods or technology will significantly increase the military capability of such country.

(b) Notwithstanding any other provision of law, whenever a request for a license or other authority is required by any person to export any goods or technology to any controlled country, the appropriate export control officer or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request for a period of 30 days after the Secretary of Defense has been notified. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and shall:

(1) disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country; or

(2) notify such office or agency within such period that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

(3) indicate, prior to the expiration of the 30 day review period, that he does not intend to interpose an objection to the export of such goods or technology.

If the Secretary notifies such office or agency within such period that he disapproves such export, no authorization may be issued for the export of such goods or technology to such country.

(c) In determining whether the export of any goods or technology to any controlled country will significantly increase the military capability of such country, the Secretary of Defense shall take into account all potential end uses regardless of the end use indicated by the applicant for the export of such goods or technology.

(d) Effective on June 1, 1974, the removal of any category of goods or technology requiring an export license or other authorization shall require the approval of the Secretary of Defense.

(e) The Secretary of Defense is authorized, on behalf of the United States, to disagree to any modification of the so-called COCOM international lists (or interpretations thereof) if he determines that such modification would likely result in a significant increase in the military capability of any controlled country.

(f) As used in this section—

(1) the term "goods and technology" includes but is not limited to—

(A) machinery, equipment, durable goods, and computer software;

(B) any license or other arrangement for the use of any patent, trade secret, design, or plan;

(C) the so-called "know-how" or knowledge of any individual, firm, corporation, or other entity;

(D) assistance in planing and joint venture arrangements; and

(E) arrangements under which assistance is provided in developing a manufacturing capability, including so-called turn-key arrangements.

(2) The term "expert control office" as used in this section means any office or agency of the U.S. Government whose approval or permission is required pursuant to existing law for the export of goods or technology.

(3) The term "controlled country" means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, and the German Democratic Republic (East Germany).

(g) The Secretary of Defense shall submit to the Congress every six months a report on the implementation and administration of this section.

Mr. JACKSON. Mr. President, the senior Senator from South Carolina has requested to join as a cosponsor of the amendment. I ask unanimous consent that he be shown as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the amendment I propose has a simple purpose: to assure that the Secretary of Defense, who is constitutionally charged with the principal administrative responsibility for matters affecting national defense, has an adequate opportunity to review and, where he deems proper, prohibit the transfer to the Soviet Union and the other COMECON countries of goods or technology capable of significantly increasing their military capability. As matters stand today a number of government agencies participate in advising the various offices administering export controls, each agency giving its advice from the point of view of its own expertise and administrative responsibility. In my judgment, the view of the Secretary of Defense as to the impact of any specific transfer of technology on the military potential of the recipient is of unique and decisive importance. Therefore, my amendment has the effect of giving the Secretary of Defense a veto over any transfer of technology to a controlled country if he determines that such export will significantly increase the military capability of such country.

Mr. President, the Soviet Union is making a concerted effort to acquire our most advanced technology at minimal cost to itself. The leaders of the Soviet Union have repeatedly stated that technology holds the key to the competition between our system and theirs. After more than 50 years of Soviet rule there are no signs of their closing the technological or management gaps, and they lag far behind us on their own chosen grounds of materialism.

While there are both economic and military dangers in transferring advanced technology to the Soviet Union, it is the military aspect with which this amendment deals and on which I wish to comment.

Our sense of values does not allow us to have as many troops, or tanks, or other types of weapons as the Soviets have. We prefer to spend our money improving the life of our people. It is only the quality of our weapons, based on our more advanced technology and know-how, which allows us to maintain an adequate military deterrent. If some of the protocols and contracts already signed by American companies with the Soviet bloc are allowed to go through we will have lost a large part of the technological basis for this deterrent.

The Soviet bloc has the capability to do excellent basic research in a broad range of fields. Their problem lies in turning this research into products on a production line. It is for this reason that they want most of all to buy complete turnkey facilities to manufacture products, including computers, integrated circuits, and aircraft. In many cases the tools and techniques needed to manufacture civilian products are virtually identical to those needed in manufacturing the most advanced military devices. These cases can only be determined by people with the requisite technical background, including knowledge of both civilian and military hardware and manufacturing techniques. This sort of knowledge is far more likely to lie in the Department of Defense than in the Departments of Commerce and State.

It is the Secretary of Defense who has the primary responsibility for monitoring our defensive strength. It is logical, therefore, that he should be in a position to disapprove any transfer of technology to our adversaries which would significantly enhance their military capability. This is the intent of this amendment.

This amendment is not meant to stop ordinary commercial trade with the Soviet bloc unless that trade can significantly enhance the military capabilities of those countries.

It is useful, Mr. President, to consider three categories of sales. The first and most harmful are those which involve joint planning with the Soviet bloc of state-of-the-art devices, or the participation of American companies in the planning and construction of manufacturing facilities in controlled countries. Such sales, while perhaps bringing a one-time profit to one of our companies, allow the Soviet Union to bridge an enormous technological gap, often 10 years or more. They create an international competitor for all our manufactures in the field, a competitor whose sale price need have no relation to his costs. This can only further our balance-of-payments and unemployment problems, while alleviating those of our adversaries. Worst of all, such manufacturing plants can usually produce a wide range of military systems with, at most, minor changes. The most careful consideration should be given to any such transfers before they are licensed.

The second category includes the licensing of high technology to the Soviet bloc countries. Such arrangements permit this know-how to be used in whatever military systems the Soviets desire. Here, too, the military ramifications of each transfer must be carefully thought out before it is licensed since we can never really control the end use of a technology once it has been shipped abroad and is in operation.

The third category is that of selling finished equipment. This type of transaction is, of the three, the least dangerous for us. Not only are we able to sell finished products, thus keeping our workers employed and building our own manufacturing skill, but we can generate a continuous flow of payments without creating competition for ourselves. Most important, we can more clearly understand the military implications of finished goods than of techniques and facilities. While such trade can have a significant effect on the military capabiilty of the Soviet bloc, particularly in high technology items, there are many cases in which this is not so and this amendment should help to encourage and facilitate such trade, while assuring that dangerous transfers of high technology will be precluded.

This amendment, Mr. President, provides that the Secretary of Defense shall take into account all potential end-uses of any goods or technology to a controlled country in determining whether the export will significantly increase the military capability of such country. We are presently licensing the export of high technology, such as advanced computers, to controlled countries which we would not be willing to license if it were not for the claim that they will be used only for acceptable purposes. In certain cases, some verification of the end-uses has been attempted. In the opinion of most experts, Mr. President, any such verification schemes can be easily fooled and these so-called "safeguards" do nothing but delude us into thinking we can control the end-use of products when in fact we cannot. It is the intent of this amendment that the Secretary of Defense should assume that any products or technology that go to controlled countries will be used for whatever purposes those countries desire.

This amendment calls for review by the Secretary of Defense of those items which require an export license. Its purpose could be circumvented by an administrative decision to remove certain items from the list of those requiring licenses. Thus, this amendment requires the approval of the Secretary of Defense before any such items can be removed.

There are many cases, Mr. President, in which technology which is available here is also available from other members of COCOM, the 15-nation Coordinating Committee which maintains lists of strategically significant items whose export the member states agree to control. (COCOM members include Japan, and all members of NATO except Iceland.) Since exceptions from the COCOM controls operate on a rule of unanimity, and since the technology controlled under COCOM is essentially the same as we control internally, our Government is in a position to prevent other COCOM countries from either shipping regulated technology to controlled countries or removing items from the COCOM control lists. It is the intent of this amendment, Mr. President, that the Secretary of Defense be authorized, on behalf of the United States, to disagree to any modification of the COCOM lists of controlled items or to any modification of the general guidelines under which it is decided what exceptions from the COCOM regulations will be permitted.

The COCOM list of controlled items is up for revision this fall, Mr. President. It has always been true that items are removed from the lists during these revisions, but new ones are never added. Once an item is removed from the COCOM lists, it becomes unreasonable to keep it controlled under our own regulations if it is available from other COCOM countries. Thus, the intent of this amendment could be circumvented by our acquiescence in the removal of critical items from the COCOM lists or our acquiescence in items being unwisely granted an exception to the COCOM rules. It is for this reason that we have given the Secretary of Defense the power to disapprove our acquiescence to changes in the COCOM lists or their interpretation.

Mr. President, the determination of whether or not the transfer of goods or technology will significantly increase the military capability of the recipient has little to do with whether the same or similar technology can be obtained elsewhere. The clear intention of this amendment is to prohibit any transfer that will significantly increase the military capability of the recipient. The fact that if we do not authorize such a transfer some other country might do so, is no reason to loosen the required determination of the potential military impact of the technology or goods transferred. The proper approach to alternative national suppliers is to join with them in maintaining sufficient controls on the export of military-related technology—not a scramble among the Western nations to outbid each other in the transfer of military-related technology to Moscow or countries dominated by Moscow.

Moreover, Mr. President, a simple rule ought to apply to the determination required of the Secretary of Defense in export control cases: Where the technology whose transfer is under consideration makes a significant contribution to the military capability of the United States, there is a prima facie case that its transfer would make a significant contribution to the defense capability of the recipient. This will not be true in each and every case; there will always be exceptions. But, as a general rule, if a good technology is in use in the Armed Forces, land, sea, and air, of the United States, or if it is used in the other agencies of the Government of the United States that are concerned with national defense and security so as to make a significant contribution to our military capability, then there is a reasonable presumption that its transfer ought not to be approved by the Secretary of Defense. It is in that context that the Secretary ought to interpret his responsibilities under this amendment. In the exceptional circumstances where the Secretary concludes that transfer ought to be authorized despite the fact that the same or comparable goods and/or technology are contributing to the American defense effort, the burden of establishing that judgment is especially great.

I hope this amendment will be accepted. It simply says that when we are exporting technology that significantly affects the military security of the Nation by significantly increasing the military capability of a controlled country, the Secretary of Defense must review that, and he would have the power to veto it. Now, the Department of Defense is involved only on an advisory basis. These matters are not being brought to the attention of the Secretary.

May I say, for the benefit of the Senate, the reason for this amendment stems from the preliminary investigation I have underway in the Permanent Subcommittee on Investigations, which indicates that there are pending a number of situations in which there could be the transfer of militarily significant technology, particularly to the Soviet Union, that would have an adverse impact on the military security of this Nation. It is because of this preliminary investigation that I feel that the responsible official, the Secretary of Defense, should have a decisive voice in this matter as it relates to his responsibility.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. McCLELLAN. I compliment the Senator on offering the amendment. I am in complete agreement with its objective; that is, to exercise a substantial measure of control over the exportation of bids and technology that could inure to the military benefit of a potential enemy.

I have only one concern at the moment as I read the amendment. We are delegating a complete, irreversible veto power in this matter to the Secretary of Defense under this amendment. I simply suggest to the Senator: Should there not be some review of some other tribunal afterwards? In other words, to have his advice and counsel and recommendations, but to have no further judgment, no supervision of that decision of his, not subject to any further action by the Congress or anyone else, seems to me to place a tremendous power in the Secretary of Defense.

I am wholly in accord with the objectives of the amendment. That is the only thing that gives me immediate concern.

Will the Senator comment on that?

Mr. JACKSON. Yes. In order to veto a proposed transaction, he must make a written finding that any such transfer would significantly increase the military capability of the recipient. We have uncovered a number of pending transactions with the Soviet bloc that are rather startling. Some of them involve production facilities which can be used in the manufacture of critical high-technology weapons systems. These facilities are being allegedly acquired for commercial reasons. Obviously, the President has the final say-so on this.

Mr. McCLELLAN. That is what I wanted to ascertain.

Mr. JACKSON. But, the responsibility is delegated now.

It is staff members at the Commerce and State Departments who have the final judgment now. Under present arrangements, low-level personnel within the Department of Defense render their advice, which may not be accepted. Either the Department of Commerce or the Department of State make the final determination.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. McCLELLAN. I am in complete accord with the purpose of the amendment. My only concern is placing this power exclusively in the Secretary of Defense. My own thought is there should be at least a review or appeal of the decision within a given time, if any protest is made, either by the President or someone else. It should not just be reposed completely in him.

Mr. JACKSON. Let me respond again. I understand the Senator's concern. I am saying only that the Commerce and State Departments now have the sole authority to grant export licenses.

Mr. McCLELLAN. I do not want it to have that authority.

Mr. JACKSON. I know that.

Mr. McCLELLAN. We are simply transferring it to the Defense Department.

Mr. JACKSON. All we are doing is to give the Secretary the decisive judgment in areas that relate to his expertise—defense. I think in conference we can review the question——

Mr. McCLELLAN. I wish the Senator would——

Mr. JACKSON. Of having a referral to Congress.

Mr. McCLELLAN. There should be something.

Mr. JACKSON. A referral to Congress of these actions.

Mr. McCLELLAN. There should be some further action.

Mr. JACKSON. Right.

Mr. McCLELLAN. Debatable under certain circumstances.

Mr. JACKSON. Correct.

Mr. McCLELLAN. Not just an arbitrary, complete authority in the Secretary of Defense to make a decision, and that would be the end of it; a matter of that kind.

Mr. JACKSON. We can work that out in conference.

Mr. McCLELLAN. I hope that will be done. I commend the Senator again for his amendment. I am going to support it.

Mr. JACKSON. I appreciate that.

Mr. McCLELLAN. But I do hope that in conference some consideration will be given to the thoughts I have expressed.

Mr. JACKSON. I will be happy to work with the chairman of the full committee on that proposal.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. MANSFIELD. Is the Senator by this amendment giving the Secretary of Defense the authority which is contained in this proposal? Is that correct?

Mr. JACKSON. The Secretary of Defense, on matters relating to defense and where he finds a significant adverse impact on our defense, is given the right to veto such technological transfers. At the present time it is all in the hands of the Commerce Department and, in some cases, the State Department.

Mr. MANSFIELD. What is the view of the President of the United States on this proposal? What is the view of the Secretary of State on this proposal? It seems to me that what the Senator is doing is giving the Secretary of Defense extraordinary power and denigrating Congress in the process, along with the President and Secretary of State, who are charged with the conduct of our foreign policy.

Mr. JACKSON. I would respond to the majority leader by pointing out that the sole authority on all export licenses and the movement of goods out of the country is in the hands of the Commerce Department, with some authority lodged with the Department of State.

Mr. MANSFIELD. But is not the Commerce Department under the control of the President?

Mr. JACKSON. Yes.

Mr. MANSFIELD. Does not the President, in the final analysis, have to make the final decision?

Mr. JACKSON. And he would in this case, too. The Secretary of Defense is under the control of the President.

Mr. MANSFIELD. Why not say "the President" instead of "the Secretary of Defense"?

Mr. JACKSON. Because by law the authority lies in the Department of Commerce in most cases and in the Department of States in the others. All we are saying is that on matters that significantly relate to our national defense, the Secretary of Defense shall have the authority to make certain findings; and that, with cause, he can veto them.

The President, of course, can override the Secretary, as he can with the Secretaries of Commerce or State.

Mr. MANSFIELD. I know. But what would the Senator think of getting a letter from the President and Secretary of State as to what their views are, because this is a most momentous amendment which I do not think we should consider in a haphazard fashion?

The amendment was not printed. This is the first I knew about it. I hope that the Senator will withhold a final decision until the President and the Secretary of State have given the Senate the benefit of their views.

Mr. JACKSON. Well, I think if we wait that long I do not know when we will act on it. All we are doing is——

Mr. MANSFIELD. When it came to the Mansfield amendment yesterday, they sure as hell acted in a hurry. If the Senator wanted to contact the President and the Secretary of State, I am certain they could get an answer to the Senator today.

Mr. JACKSON. I would say to my distinguished colleague that all we are doing is enlarging the Cabinet authority which now exists and has all been delegated to the Departments of Commerce and State, under the President. We want to know the views of the Secretary of Defense. We want to give him the authority to veto the transfer of those items that could seriously and adversely impact on our own security.

Mr. MANSFIELD. Mr. President, I have grave doubts about this amendment until and unless we get something in writing from the President and the Secretary of State as to what their views are.

The Secretary of Defense is a good man and he has an awful lot of power at the present time; but this amendment would increase the power of the Secretary of Defense and thereby increase the power of the Department of Defense and the Pentagon.

Mr. JACKSON. It would only do so in cases that relate to military matters.

Mr. MANSFIELD. That is right.

Mr. JACKSON. The Secretaries of Commerce or State have absolute authority over every area of commerce including those of critical importance to our defense. So I do not follow the reasoning of the Senator from Montana. I normally agree with him, but we have delegated total authority to the Commerce and State Departments.

I would hope that this matter would be settled in a way which would give to the Secretary of Defense, at least in his own area, the authority that the Commerce Department and the State Department already have over these matters.

Mr. MANSFIELD. I would still like to find out what the views of the President and Secretary of State are, and I am sure that the distinguished Senator from Washington would like to have the same information. This is a strict senatorial transfer to the Department of Defense without consultation with the man in charge of our *foreign* policy and, incidentally, with the President, who is also the Commander-in-Chief. We ought to get some word from them as to what their feelings are. Otherwise, I think we would not be acting in the best possible manner.

Mr. JACKSON. I would again respond that we are enlarging the responsibility of the Secretary of Defense with this amendment, so that more than just the Commerce or the State Department is called upon in these cases. This seems sensible to me.

I can say to the majority leader, as I said before he came to the Chamber that the motivation for this amendment stems from preliminary investigations now underway by the Permanent Subcommittee on Investigations which clearly indicate that proposals are pending that involve the transfer of technology that could substantially enhance the military capability of our adversaries, and, therefore, damage our national security.

Mr. MANSFIELD. I am not arguing with that. I am merely wondering what the President's views are—the Commander in Chief's—and what the Secretary of State's views are because this applies in the field of foreign policy as well as in the field of economics.

Mr. JACKSON. I do not know his views. All I can say is that he has complete control, of course, over the Department of Commerce, as he does over the Department of Defense. For all practical purposes, he can direct any of those decisions.

What I want is something we do not have now, and that is that the Secretary of Defense should have a decisive judgment on the transfer of technology bearing on the security of the Nation.

Mr. MANSFIELD. Yes. But section (b) states:

> (b) Notwithstanding any other provision of law, whenever a request for a license or other authority is required by any person to export any goods or technology to any controled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request for a period of 30 days after the Secretary of Defense has been notified. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and shall—

(1), (2), (3), and so forth—

> If the Secretary notifies such office or agency within such period that he disapproves such export no authorization may be issued for the export of such goods or technology to such country.

This is a very far-reaching amendment with the provision "notwithstanding any other provision of law." I would most respectfully say to the distinguished Senator from Washington that no one is more conversant in the field of armaments and defense matters than he is, I suggest that he consider most earnestly taking this matter up with the President and the Secretary of State today so that we can get an answer from them as to what their views are on an amendment of this nature.

Mr. JACKSON. In order to dispose of the matter we can add the President to the language. He has authority over the Secretary of Defense, and he could direct him as he directs the Department of Commerce now.

Mr. MANSFIELD. Why not scratch out the name of the Secretary of Defense in all areas and substitute the President of the United States.

Mr. JACKSON. I do not want to do that. I am willing to add the President, but the Secretary of Defense is the one who has to make the findings and, where he deems it appropriate, exercise a veto.

Mr. MANSFIELD. No, no. It should be the Secretary of Defense who would be added. It is the President who is primary, and he is the one who should be given the consideration.

This is a pretty far-reaching amendment, and I do not think this much power should be given to a Cabinet officer who is not elected, who is appointed, and it seems to me we ought to get the views of the President and the Secretary of State about this amendment.

Mr. JACKSON. But the Secretaries of Commerce and State have that authority now.

Mr. MANSFIELD I know, but that is under a different setup. It has been delegated by the President, and this thing ignores the President.

Mr. JACKSON. No, no, it is by statute. The Secretaries have the authority.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. GOLDWATER. Has the Senator looked into the question of whether or not the Secretary of State already operates in this field in the same manner that the amendment would allow the Secretary of Defense to operate?

Mr. JACKSON. Well, the Department of State is involved in many of these transactions.

Mr. GOLDWATER. The reason I ask——

Mr. JACKSON. The Secretary of Defense is now consulted. But I would be willing to modify the amendment to enable the President to take the final action, after the Secretary of Defense has acted. Then we will have a systematized arrangement by which the decisions will be made.

Mr. GOLDWATER. Will the Senator yield further?

Mr. MANSFIELD. We could say the President, and the Secretary of Defense, if he wishes to be delegated——

Mr. GOLDWATER. Mr. President, who is the Senator yielding to?

Mr. JACKSON. I am sorry. I yield to the Senator from Arizona.

Mr. GOLDWATER. I am not opposed to the amendment. I think it is a good amendment. I just want to interject something that I have come across in the last 2 days that applies directly to what the Senator is trying to solve.

I will not name the country, nor will I name the firm, but an American firm has been awarded a contract of rather large size on some very critical communications equipment, and that contract cannot be awarded by this country without the authority of the Secretary of State.

That is the question I asked the Senator from Washington, whether or not he had any intimate knowledge as to how far this authority requirement of the Secretary of State went. I did not know, actually, until this morning that the Secretary of State, in this particular instance, has to issue a letter of authority or letter of approval before the company involved can accept a contract from this country, or before this country can give an American firm the contract.

Mr. JACKSON. It is my understanding—and I may be wrong—that the formal decisionmaking process is usually made in the Department of Commerce. On some items, including some communication equipment, the decision is made by the Secretary of State, under the Battle Act. Several departments are consulted, the findings are made in State and Commerce.

So, in order that there be no misunderstanding, I would propose an amendment, that all acts undertaken pursuant to this section shall be subject to a final determination by the President of the United States.

Mr. GOLDWATER. Will the Senator yield further?

Mr. JACKSON. Yes.

Mr. GOLDWATER. This is a very interesting problem, and I believe in the Senator's amendment. I would like for him, if he can do so, to ask the staff to investigate the situation that I have outlined, because it is obvious that some forms of contracts require approval by the Secretary of State before the country can give the contract to an American firm or the American firm can accept it; and knowing the details of this particular purchase, I would have to assume that any equipment sold to another country that could impinge upon the security of an enemy or the security of an ally, that would reflect badly on us, would have to have the approval of the Secretary of State.

I do not know that. I do not know under what law it comes. I have just run into it myself.

Mr. JACKSON. I appreciate the Senator's comment. I will inquire further into the Senator's question.

Mr. GOLDWATER. I thank the Senator.

Mr. JACKSON. Mr. President, I modify the amendment to provide that after subsection (g), there be a new subsection (h), to read as follows:

> All actions undertaken pursuant to this section shall be subject to a final determination by the President of the United States.

The PRESIDING OFFICER. Will the Senator send his modification to the desk?

The amendment is so modified.

The modification will be stated.

The legislative clerk read as follows:

> At the end of the amendment, insert a new section as follows:
>
> "(h) All actions undertaken pursuant to this section shall be subject to a final determination by the President of the United States."

Mr. MANSFIELD. Mr. President, if the Senator will yield, I would hope that this amendment would not be voted on until Members who are more conversant with the subject than I, members of the Committee on Banking, Housing, and Urban Affairs, Senator PROXMIRE, Senator STEVENSON, Senator SPARKMAN, and others, are present, because I still think that while what the distinguished Senator from Washington has done helps to reestablish the primacy of the pesidency, I would like to hear some debate on the subject, and would like to have Senators who are more conversant with the topic here in the Chamber to discuss it.

Would the Senator consider a vote on this amendment on Tuesday morning prior to the vote on the Humphrey amendment, or Monday afternoon after the Mathias amendment has been taken up, rather than today?

Mr. JACKSON. Well, it is all right with me. I would defer to the chairman of the committee, the manager of the bill.

Mr. MANSFIELD. If we could get some of these people here who know more about it than I do, maybe we can. But I think it ought to be gone into more carefully than it has been.

Mr. STENNIS. Mr. President, may I yield myself some time from my own?

The **PRESIDING OFFICER.** There is no time limitation on this amendment.

Mr. STENNIS. Mr. President, how much time is available?

The **PRESIDING OFFICER.** There is no time limitation.

Mr. STENNIS. I thank the Chair. Mr. President, the Senator from Washington mentioned this matter to me for the first time late yesterday afternoon, when we were engaged, as he was, in other matters pertaining to the bill. We talked about it again, hurriedly, at lunch.

I think he has identified a very serious situation and what is going to be a very grave problem. I believe for the next 2 years this matter will be coming to a head more and more, and be repeatedly before us.

My reaction to the idea that this is an attempt to get some more power exclusively in the hands of the Secretary of Defense is that that the inference is totally erroneous. One of the points that I raised with the Senator from Washington was that this seems to give the Secretary of Defense final authority, and I questioned the wisdom of that in the long run.

It seems to me that to enact something from the floor as permanent law on this subject is unwise. This is going to be coming back, and it has occurred to me since the debate started that if we could put a termination date on this amendment of 18 months, that would be a remedy. There would be time, then, for Congress to further thrash it out. Before making it permanent law, it looks to me as though we would first have to have some hearings and identify the problem more so that we could prescribe the remedy. If the amendment goes to conference, I want to make it clear now that I would want the Senate conferees to have the implied authority to make this limited in time—say 18 months from now—December 31, 1975 just comes to mind. The Senator from Washington might want to amend his amendment to that effect. It would strengthen the amendment as an amendment.

There is one more point I want to make. This is a problem—no doubt about it—which will vex us. It can be solved all right but I would like these matters considered by something in the nature of a commission on which the legislative branch was represented; that is, by some such body, a commission, whatever we want to call it in which the legislative branch had some representation. I think this problem will come up more and more and will become more complicated. This amendment is strictly limited to the military capability of such other country. That comes within the realm of the Department of Defense and the Secretary, subject to the President of the United States, which is already implied; but the Senator has amended his amendment to make it clear that we are not trying to run by anyone or run over anyone. I do not think we want to set up this body, commission, or whatever we want to call it, in this amendment.

I express that as a thought now.

May I ask the Senator from Washington what is his response here with reference to making this temporary, say 18 months, so that in the meantime there could be a development of the facts and the problems and the remedies?

Mr. JACKSON. I certainly would go along on an added section which would stipulate that the provisions of the section of the amendment should expire December 31, 1975, so that it will be temporary and not permanent law.

Mr. President, I would so modify my amendment by adding a section. Would the Senator from Mississippi yield for that purpose?

Mr. STENNIS. I am glad to yield for that purpose.

Mr. JACKSON. Add, "The provisions of this section shall expire on December 31, 1975."

The **PRESIDING OFFICER** (Mr. HASKELL). The amendment is so modified.

Mr. STENNIS. Mr. President, all right. I think, Senator, that clears up the matter.

I yield to the Senator from Arizona (Mr. GOLDWATER) for questions.

Mr. GOLDWATER. Mr. President, I might ask the Senator from Mississippi whether the present law does not already cover what this amendment proposes to do.

I am not a lawyer and am not intimately acquainted with it but I believe that the President now has the power to deny the exportation of any goods for any reason, including danger to the national security. Is that not correct?

Mr. STENNIS. I have just been handed a copy of Supplement No. 2 of the 1970 edition of the United States Code covering the time January 1971 to January 1973. Turning here to section 2403, the subhead reads, "Presidential Determinations and so forth."

Item 1 reads:

> To effectuate the policies set forth in Section 3 of this act . . .

And section 3 will be referred to in a minute—

> . . . the President may prohibit or curtail the exportation from the United States, its territories and possessions of any articles, materials or supplies including technical data, or any other information, except under such rules and regulations as he shall prescribe."

And then the section goes on and later refers to the President again, and states:

> . . . If the President determines that their export would prove detrimental to the national security of the United States, regardless of their availability from nations other than any nation or combination of nations threatening the national security of the United States . . .

And so forth.

Yes, he has that direct authority.

In that same section, section 2 provides:

> The Secretary of Commerce in cooperation with the appropriate United States Government departments and agencies and the appropriate technical advisory committees . . . shall undertake an investigation to determine which articles, materials, and supplies, including technical data and other information, should no longer be subject to export controls . . .

and so forth.

That is where the Secretary of Commerce, it seems, conducts the investigation and decides which items should no longer be under control—

> . . . because of their significance to the national security of the United States.

So those are some of the pertinent sections and sentences, at least, in response to the Senator's question.

The Senator from Arizona is a pretty good lawyer without even having to open a book on the subject. He can kind of smell the law there as to what it is.

Mr. GOLDWATER. Without any inference that the proposed amendment is wrong, because I think we need something like this either in the form of an amendment or an expression of the Senate or the committee that we feel this is right, I believe the President already has the authority to do this. I think that under the President, the Secretary of Defense already has the power to do it. I can recognize the problems here.

I have talked about this in communications gatherings across the country. Whenever I travel abroad, I am usually afforded the opportunity to see communications equipment and aviation equipment in the countries that I visit.

Where 5 or 10 years ago I would have laughed at the idea that a country like Russia or even a country as advanced as France or even Germany could ever make avionics equipment comparable to our own, now, whenever I get into a new aircraft or see what there is in their communications centers, I immediately recognize American technology being used by the other countries.

How do they get that technology? It is not difficult. Just come to this country and make a purchase of anything involving a new circuit or integrated circuitry and it is possible for all countries to acquire our technological know-how.

We do export to other countries, through the Defense Department, highly sophisticated defense systems, highly sophisticated fire control systems, and I would like to see us put a stop to some of that.

Mr. JACKSON. If the Senator from Mississippi will yield——

Mr. STENNIS. I yield.

Mr. JACKSON. Might I say that we do transfer, of course, to the non-Communist countries certain highly sophisticated items under existing law—and the able chairman of the committee has referred to it—State and Commerce directly are involved in this; but the Department of Defense is only indirectly involved in an advisory capacity.

All I am suggesting is that Congress should have the benefit of the facts, in the form of a finding that a proposed transfer to a controlled country will not significantly impact in an adverse way on the defense of this country. That is the whole burden of this amendment.

Mr. GOLDWATER. I agree. I am looking at the extreme difficulties of having anything done about it. For example, we sold the F-4E aircraft to Israel. All the Russians have to do is to put one back together that they have shot down and they have all the secrets of our most sophisticated fire control equipment. All they have to do is to capture one of the radar systems that we have given to Israel and they know as much as we know.

I might say we get the same advantages over the Soviets when we capture a Mig, as we have done in a number of cases, or capture any of their equipment, which we have done. We have the advantage of seeing what they are doing that we do not understand.

Mr. JACKSON. We are going way beyond what might be learned from the capture of a plane that was sold by the United States or transferred to another country. We have gained a great deal in that area ourselves from what happened in the Middle East.

But what we are really talking about here is the transfer of a whole technology, the building of manufacturing plants overseas. One such proposed deal involves the construction of an entire integrated manufacturing complex capable of manufacturing wide-bodied jets which are faster and longer ranged than any now in existence.

Mr. GOLDWATER. Now the Senator is getting into a different field, and I think he is getting into commerce here.

Mr. JACKSON. I am sure that the distinguished Senator from Arizona, who knows more than anyone else in the Senate about aircraft, knows that when we talk about the technology of wide-bodied jets, we are not just talking about commercial aircraft.

Mr. GOLDWATER. That is correct.

Mr. JACKSON. We are talking in this amendment about the transfer of a technology that would make it possible for the Soviets to manufacture the whole system. We are not talking about the outright transfer of military equipment. We are talking about computers. We are talking about the transfer of all sorts of high technology that could have an adverse impact on our own security.

Mr. GOLDWATER. Let me ask the Senator a question, because we were not in this field a few moments ago.

Does the Secretary of Defense have any control over whether or not we allow an American firm to build a factory in an unfriendly country that would build wide-bodied jets or improve computers? These are not directly related to defense. These are directly related to commerce—just as Eastman Kodak make most of their cameras now in Germany. I do not talk that down a bit. I think it is all right. But when we get into the particular field that we are talking about now, I do not see where the Secretary of Defense would ever be exposed to the problem of whether we are going to build a commercial product in some other country.

Mr. JACKSON. If the distinguished chairman will yield, may I just point out that the problem that arises here stems from commercial transactions.

The question is a very subtle one, and it is this: As a consequence of a so-called commercial transaction, you can transfer a critically important military technology. This is what we are addressing ourselves to, and at the present time these matters are handled without a Defense Department veto.

The Defense Department makes certain judgments, but they are neither final nor decisive.

Our investigators have already uncovered evidence of what is now going on. I think it is a dangerous situation. I do not want to disclose what we have encountered so far, but the Russians have been sending over teams of so-called civilian experts, some of whom are not civilian experts, and they have been looking into and have had access to large factories and operations.

Mr. GOLDWATER. I saw a photograph the other day of six Chinese in the Boeing aircraft factory being shown the intimate details of how we construct the 747, the 737, and the 727.

I believe that the Senator has a point, but I also think the majority leader raised a good point, that we put this matter off until Tuesday, so that some of us who are highly in favor of what the Senator from Washington is trying to do can have a chance to see how we can correlate this whole matter and not wind up having every part of our Government in a decision that I think can be handled.

I do not even know, for example, whether Commerce picks up the phone and calls the Secretary of Defense and says, Dr. Schlesinger, we want to give a permit to the Soviets to build a wide-bodied jet. Can you see anything harmful in that decision? I do not know whether they do that.

Mr. JACKSON. Let me explain what really goes on, as I understand it. The Secretary of Defense does not get into this. It is at a low level in the bureaucracy. The Secretaries are not brought in where, in my judgment, they should be brought in.

I think that when we start holding public hearings, the country is going to be startled about what is transpiring. I am concerned about it, and that is why we have the provisions in this section which would require the Secretary of Defense to make written findings and to spell out in detail what is involved.

I say to my colleague that unless we do something about this, some dangerous transfers may take place.

Mr. GOLDWATER. Do we have to act on it today? We have a very small group in attendance, and I suspect that by 3 o'clock we will not have a quorum. Would the Senator seriously entertain the suggestion of the majority leader that we put this vote off until Tuesday, so that our staff and others can have a chance to review the matter?

Mr. MANSFIELD. Would the distinguished Senator from Washington consider the possibility that we could come in at 10 a.m. on Tuesday? Certainly, we could finish within 2 or 3 hours. At one o'clock, we will take up the so-called ceiling amendment by Mr. HUMPHREY.

Mr. JACKSON. What time will the Humphrey amendment be called up?

Mr. MANSFIELD. One o'clock. We could set a time limitation on it.

Mr. JACKSON. If we vote at 11 o'clock on Tuesday.

I defer to the chairman of the committee.

Mr. STENNIS. Mr. President, it is not possible to please everybody, and I am not trying to please anybody. I believe that this raises a very grave question, and something should be done about it. I am not much inclined to take far-reaching amendments on this bill, beyond its true scope, but I think something should be done about this, first on an interim basis, and the Senator from Washington has agreed to it.

However, it is Friday afternoon, and there is great force in the idea of getting a broader section of the Senate to express itself and to vote on it.

I ask the majority leader what his proposal was about setting it for some other time.

Mr. MANSFIELD. Either at the end of the session on Monday, after the Mathias amendment, which I understand will not take long, or at the beginning of the session on Tuesday morning.

Mr. JACKSON. For when is the Mathias amendment scheduled?

Mr. MATHIAS. It will come fairly late.

The assistant majority leader has just indicated that we could start at 10:30 on Tuesday and vote at 12:30—or less time, if Senators wish.

Mr. JACKSON. I think an hour would be ample.

Mr. STENNIS. On Tuesday, it would be after we had disposed of any closed session that might take place.

Mr. ROBERT C. BYRD. The closed session will be on Monday.

Mr. MANSFIELD. Yes.

Mr. STENNIS. Mr. President, it is left to me to give counsel on it.

I am for the amendment, frankly, especially since it has been limited to an interim time. I think it would give strength to the law and there would be a more solid vote if we were to put it over until early next week. But then it should be understood that no long debate would be involved.

Mr. JACKSON. One hour.

Mr. STENNIS. One hour equally divided.

Mr. MANSFIELD. Would the Senator care to suggest a time?

Mr. STENNIS. Let it fit in with the program for Monday afternoon, or, if the Senate desires, Tuesday afternoon.

Mr. MANSFIELD. How about coming in at 11 o'clock and having the vote at 12 o'clock, with 1 hour?

Mr. CASE. Is that Tuesday?

Mr. MANSFIELD. Tuesday.

Mr. THURMOND. I shall not object to that provided I can have 15 minutes on this amendment. I am vitally interested in it. I think it is most essential and I would like 2 or 3 minutes today to place a matter in the RECORD.

Mr. MANSFIELD. The Senator from

Washington would be in charge of the amendment as the sponsor. He would have one-half hour and the other side would have one-half hour.

Mr. STENNIS. Let us make it 40 minutes to a side.

Mr. MANSFIELD. Beginning at 11 o'clock.

Mr. THURMOND. With the understanding I have 15 minutes.

Mr. STENNIS. That is going to be in my charge. No, I am going to be for the amendment, so it would have to be someone else.

Mr. MANSFIELD. Time would be in charge of the sponsor of the amendment and the minority leader or whomever they designate.

Mr. THURMOND. I will cut my time to 10 minutes.

Mr. JACKSON. I am worried about the time available. Forty minutes to a side.

Mr. STENNIS. Will the Senator restate the request?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 1 hour and 20 minutes, to be equally divided, 40 minutes to a side, under the control of the distinguished manager of the bill or whomever he may designate, and the minority leader or whomever he may designate, the time to be equally divided, and the time to start running at 11 o'clock, with the vote to occur at the hour of 12:20 p.m.

The PRESIDING OFFICER. What day?

Mr. MANSFIELD. Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. If I may, I wish to ask the Senator from Washington, just to clear the record, if the Senator would consider getting a communication from the present Secretary of State so we may have their views.

Mr. JACKSON. I will ask for it, certainly.

The PRESIDING OFFICER. Does the Senator withdraw his amendment?

Mr. JACKSON. Mr. President, I ask unanimous consent that further action on the amendment be deferred in accordance with the unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Which means that it will be in order on Tuesday morning.

Mr. THURMOND. Mr. President, reserving the right to object, I shall not object provided I can have as much as 4 minutes now.

Mr. JACKSON. Oh, yes; with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would the Senator allow me to make a request at this time for the Senator from Ohio, who has been so very patient in allowing his amendment to be laid aside?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if it meets with the approval of the Senator from Ohio, that the Senator from South Carolina (Mr. THURMOND) be allowed to proceed for not to exceed 5 minutes, after which the Senate return to the consideration of the amendment of Mr. METZENBAUM.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I wish to express my appreciation to the assistant majority leader and to the distinguished Senator from Ohio. I wish only to say that for some time I have been collecting some information in working on this question.

Mr. STENNIS. Mr. President, would the Chair maintain quiet in the Chamber so that the Senator may be heard?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. THURMOND. Mr. President, this is a very vital question and it may be that we will be met with surprises when we discover all that is being sold to Communist countries or Communist-dominated countries. Without going into detail, on May 17, 1974, I wrote to Secretary Schlesinger a letter which reads as follows:

> DEAR MR. SECRETARY: Considerable evidence has come to the attention of the Armed Services Committee that the Soviet military establishment is being aided immeasurably by export of U.S. technology and scientific and technical expertise.
>
> Representative Ben B. Blackburn of Georgia presented information on this problem April 1 to the Senate Finance Committee. He made the point that it was almost impossible to differentiate between "economic assistance and outright military assistance" when "economic assistance" has such obvious military application. For example, computers, machinery for manufacture of miniature precision ball bearings, truck plants, etc., have a dual application.
>
> Of particular concern I have learned in the last few days that the United States has sold 2 Cyber computers, 72-16, to Poland and is considering or has approved the sale of the IBM computer 370-145.
>
> If this information is accurate I find it both scandalous and mindless. As you know, these computers are on the lower end of our more advanced technology and would not only be of immense value to the Soviets, they are even in short supply for our own defense needs.
>
> I fully agree with the recent statement of Dr. Stefan D. Possony who wrote in a recent issue of the Defense and Foreign Affairs Digest:
>
> "Computers are at the core of today's and tomorrow's strategies, for without them there are no modern weapons systems. All of the new technologies have ties to the computer and even the current computer is built with the aid of computers. It is now in the fabric of things, and the 'balance of computer capacity' is the very essence of the balance of power."
>
> Your reaction to this problem and the difficulties which it may impose upon you as Secretary of Defense would be greatly appreciated.

Mr. President, on May 30, 1974, the Secretary of Defense replied to that letter through Ambassador Robert F. Corrigan, Deputy Assistant Secretary, Strategic Trade and Disclosure Affairs. In this letter, and I shall refer only to excerpts now, he speaks of selling these computers in the other countries, stating:

> To guard against this possibility, we review each case in terms of the end user, the stated end use.

Mr. President, in my opinion the "stated end use" of the Communist countries cannot be stated. They may state it as one purpose while it is used for an entirely different purpose. So I do not think we can accept their position as to what they say they are going to do with this equipment. They buy a computer for use in a laboratory and use it for military purposes.

Another excerpt from Mr. Corrigan's letter states:

> The United States approved the sale of one Control Data Corporation (CDC) Cyber 72-14 Computer System to Poland's Institute of Nuclear Research (INR) at Swierk in March 1973. The system is being used for peaceful laboratory research regarding high energy nuclear physics at INR and to serve a number of other Polish scientific and educational institutions in the Warsaw area.

Mr. President, may we have order in the Senate?

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is entitled to be heard. Will Senators having conversations in the Chamber retire to the cloakroom?

The Senator may proceed.

Mr. THURMOND. Mr. President, the point I make is "stated use" might be for laboratory research, but how do we know it is being used for peaceful laboratory research? Perhaps that is the purpose used in applying for it, but we have no way of knowing that is how it will be used. We know the Soviets are trying to obtain every bit of technology and equipment available, not only through their own country but also countries behind the Iron Curtain, such as Poland.

Mr. President, the question came up a while ago with respect to the Commerce Department being connected with this.

Another excerpt from the letter states:

> Currently the Operating Committee of the Department of Commerce's Advisory Committee on Export Policy Structure, on which the DoD is represented, is considering the proposed export of a CDC Cyber 72-16 to Jagellonian University at Krawok, Poland for scientific research and education studies by a variety of institutions.

Then it goes on to say that—

> The CDC Cyber 72-16 is comparable to the previous approved Cyber 72-14 with the exception of having a larger memory.

In other words, unless they have acted on this matter since I got this letter a few days ago, there is now under consideration——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THURMOND. May I have 2 more minutes?

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes to the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. There is now under consideration the sale of the most modern computer we have to a country behind the Iron Curtain. In my judgment, it would be a terrible mistake.

I ask unanimous consent that a copy of my letter to Dr. Schlesinger be placed in the RECORD, and that it be followed by the reply of the Secretary of Defense, furnished through his assistant, Ambassador Robert F. Corrigan, Deputy Assistant Secretary for Strategic Trade and

Disclosure Affairs, and also an article entitled "The Computer Balance," by Dr. Stefan D. Possony.

There being no objection, the material was ordered to be printed in the Record, as follows:

May 17, 1974.

Hon. James R. Schlesinger,
Secretary of Defense,
The Pentagon,
Washington, D.C.

Dear Mr. Secretary: Considrable evidence has come to the attention of the Armed Services Committee that the Soviet military establishment is being aided immeasurably by export of U.S. technology and scientific and technical expertise.

Representative Ben B. Blackburn of Georgia presented information on this problem April 1 to the Senate Finance Committee. He made the point that it was almost impossible to differentiate between "economic assistance" and outright military assistance when "economic assistance" has such obvious military application. For example, computers, machinery for manufacture of miniature precision ball bearings, truck plants, etc. have a dual application.

Of particular concern I have learned in the last few days that the United States has sold 2 Cyber computers, 72–16, to Poland and is considering or has approved the sale of the IBM computer 370–145.

If this information is accurate I find it both scandalous and mindless. As you know, these computers are on the lower end of our more advanced technology and would not only be of immense value to the Soviets, they are even in short supply for our own defense needs.

I fully agree with the recent statement of Dr. Stefan D. Possony who wrote in a recent issue of the *Defense and Foreign Affairs Digest:*

"Computers are at the core of today's and tomorrow's strategies, for without them there are no modern weapons systems. All of the new technologies have ties to the computer and even the current computer is built with the aid of computers. It is now in the fabric of things, and the 'balance of computer capacity' is the very essence of the balance of power."

Your reaction to this problem and the difficulties which it may impose upon you as Secretary of Defense would be greatly appreciated.

Very truly,

Strom Thurmond.

May 30, 1974.

Hon. Strom Thurmond,
U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: Your letter of May 17, 1974, to Secretary of Defense has been referred to me for reply. At the outset, let me say that we share with you a concern lest the present international climate mislead us into lowering our guard toward the Communist world. The current detente is due in no small part to our resolute adherence to a strategy of deterrence, and it is a strategy which we believe must be continued. In so doing, we must recognize that a crucial element in its success is the maintenance of a margin of military advantage through possession of a number of sophisticated technologies.

The field of computers provides a prime example. A great many modern weapons systems depend on computers, and in the technology of their production we are, by conservative estimate, years ahead of the Soviets. It is not that they cannot make computers. The fact is that they have a sizeable computer industry with a substantial logic design capability and one able to supply their most critical military requirements. What they lack is the ability to build large numbers of highly reliable machines and to provide related equipment and follow-on support.

Since computers are "dual use" items in that they can be used in many cases equally well for civil as well as military purposes—and indeed many of our military requirements are today being supplied by commercial-type computers—the problem of controlling their export to the Communist world is one of judging the likelihood of a machine, purchased for ostensibly peaceful purposes, being diverted to a military use.

Where low performance machines of a level known to be within Soviet production capabilities are concerned, we usually do not object to their export to Warsaw Pact nations since diversion of such equipment to Soviet military purposes would be neither worthwhile nor significant. In the case of larger machines, we view the matter differently. Here diversion—which we regard in any case as possible—becomes more worthwhile and militarily significant and thus, in our view, more likely. To guard against this possibility, we review each case in terms of the end user; the stated end use; the appropriateness in both size and configuration of the machine for the stated end use; the difficulties and disruptions which would result from any significant diversion; the kind of monitoring procedures which can be applied to detect diversion; and a number of other factors. The larger the machine, the more rigorous are the measures we apply.

The United States approved the sale of one Control Data Corporation (CDC) Cyber 72–14 computer system to Poland's Institute of Nuclear Research (INR) at Swierk in March 1973. The system is being used for peaceful laboratory research regarding high energy nuclear physics at INR and to serve a number of other Polish scientific and educational institutions in the Warsaw area. The computer system is safeguarded from diversion through monitoring procedures designed to certify what the computer is being used for. Currently the Operating Committee of the Department of Commerce's Advisory Committee on Export Policy Structure, on which the DoD is represented, is considering the proposed export of a CDC Cyber 72–16 to Jagellonian University at Krakow, Poland for scientific research and education studies by a variety of institutions. The CDC Cyber 72–16 is comparable to the previously approved Cyber 72–14 with the exception of having a larger memory. In recent years several IBM 370–145 computers with lower performance memories have been approved for sale to Poland with appropriate safeguards.

It is clear, of course, that none of the safeguard measures provide obsolute protection. But they do raise the cost of diverting equipment and increase the likelihood that illicit use of the machine will be detected. In such a case, a number of sanctions, including shutting off the supply of spares needed to keep the computer operating, can be imposed.

The export of technology is an entirely different matter. Unlike equipment whose end use can be checked and which has a limited life expectancy, the end-product of technology cannot be determined in advance and know-how, once transmitted, is beyond recall. For these reasons, we are especially careful about releasing technology. In the case of computers, this means keeping a careful control on the production know-how for small computers as well as big ones, since the same technology builds them both. One practical way of achieving this control is through restricting the export of the tools, instruments and test equipment used in the manufacture of computers and the components, such as integrated circuits, which go into them. Another control is exercised through restricting the licensing of production itself, although in most cases such licensing involves the supply by the exporter of some production equipment.

None of our controls can prevent the Soviets from developing or obtaining individual embargoed items or technology. Clandestine acquisitions are always possible, but they are more costly in time and resources and unreliable as a source of continued supply. While our export controls are inherently imperfect from this standpoint, they have achieved their principal objective of retarding the development by the Communist world of a number of militarily significant capabilities—of which computer production is one—and thus made an important contribution to our national security.

The Department of Defense, in concert with the Departments of State, Treasury and Commerce, is carefully monitoring the sales of U.S. computers to the USSR and East Europe. You may be sure that the Department of Defense will take a position against permitting computer exports to be made that are contrary to the national interests of the U.S.

I hope this information has been of assistance to you.

Sincerely,

Robert F. Corrigan,
Deputy Assistant Secretary, Strategic Trade and Disclosure Affairs.

THE COMPUTER BALANCE

(By Dr. Stefan D. Possony)

Computers are at the core of today's and tomorrow's strategies, for without them there are no modern weapons systems. All of the new technologies have ties to the computer, and even the current computer is built with the aid of computers. It is now in the fabric of things, and the "balance of computer capacity" is the very essence of the balance of power.

It is also true that the USSR lags years behind the U.S. in the development of computers, has admitted this and has sought to buy U.S. and British equipment on the open market. Essentially, the accuracy of the Multiple Independently-Targetable Re-entry Vehicle (MIRV) is dependent upon the most modern computing capacity as will be the MARV (MAnoeurverable Re-entry Vehicle) to an even larger extent. The capacity can be discussed in the number of operations, or the number of "bits", which can be done each second, especially in the large computers.

It is the advance in computer technology, carried out by U.S. private enterprise, which has enabled the U.S. ballistic missile refinements which in turn guarantee accuracy. These refinements are graphed on the pages accompanying this article, and noted alongside the various U.S. submarine-launched ballistic missile (SLBM) programs over the years, from the old A–1 *Polaris* to the upcoming C–4 *Trident*.

Naturally, in a Western society, the computer is used in a commercial sense more than as a purely military tool. This has not been the case in the USSR where by 1971 there were about 6,000 computers, virtually all of which were allocated to the military and arms/aerospace industry. Another estimate has the Soviet computer count at 8,000 by 1972 when the U.S. had some 80,000 in use in commerce, industry and the military.

Thus the trade by the United States and UK in computer hardware and software to the Soviet Union is actually a move which allows the USSR to build up its strategic capacity against the West, with the West's own help. Paraphrasing Lenin: when the time comes to hang the capitalist nations, it will be they who bid for the hemp. Today's hemp is the computer.

US Congressman, Ben. B. Blackburn, a Georgia Republican, is campaigning solidly against further US trade in strategic materials with the USSR. "US and British computer technology, and other US technology, is being used to build a massive, sophisticated Soviet war machine against us," he told a Senate committee, at the same time citing current examples of what he termed as "implacable hostility" toward the US.

He went on: "Precision machines for manufacturing ball bearings, purchased [by the USSR from the US] ostensibly for peaceful purposes have direct military application. Note, please, that, here in the United States, 90% of the same type of these machines which the Soviet Union has been able to purchase from us are used for the guidance systems for ballistic missiles."

This relates directly to research done by Congressman Blackburn's Special Assistant on International Affairs and Trade, Miles Costick, who recently said: "The USSR is particularly interested in precision-built ball bearings for use in its MIRV missiles. The only machine capable of making the ball bearings required are produced by the Bryant-Chucking Grinding Company in Connecticut. So until the Soviets were able to get hold of these machines, they were unable to produce the guidance mechanisms essential to 'MIRV' their missile force. Obviously, then, the USSR had no choice but to do business with us if they wanted the equipment. For twelve years the Soviets tried to purchase the ball bearing machinery, but were turned down because the US government considered the equipment as 'strategic' and would not allow its sale to the Kremlin. However, in 1972, with the dawning of 'detente', the State Department changed its tune and the Soviets got an item they desperately wanted."

Blackburn, in his April 1, 1974, testimony, said that US and UK computer technology has enabled the USSR to advance development of its MIRV's from two to four years. This, of course, allowed it to take advantage of the loosely-worded SALT (Statregic Arms Limitation Treaty) One, and advance the Soviet strategic posture in a time-span officially unanticipated in Washington.

Blackburn also traced Western computer sales to the USSR, from the earliest Model 802 National-Elliott, sold in 1959 by Elliott Automation Ltd., of the UK. National-Elliott is a General Electric subsidiary. He quoted a *Science* magazine report of February 8, 1974, in which Mr. Wade B. Holland, editor of Rand Corporation's *Soviet sybernetics Review*, said, with regard to getting an export license in the US for the USSR: "There are no rigid standards. Getting a license to export depends on how much weight you can throw or whether your timing is right, like if Nixon has just made a visit to Moscow."

Said Blackburn himself: "Even as I am worried about the export of computer technology to the Soviet war machine, I am worried about export of precision grinding machines for the manufacture of precision miniature ball bearings. Ball bearings are an integral part of many weapons systems; there is no substitute. The entire Soviet ball bearing production capability is of Western origin. All Soviet tanks, all Soviet military vehicles, run on ball bearings manufactured on Western equipment—or on copies of Western equipment."

Blackburn's testimony goes on to decry the agreements signed by the USSR with General Dynamics of the US, and by Fairchild Corporation with Poland, for sales which covered integrated circuit technology, aid in shipbuilding, telecommunications, microfilm and navigation devices, etc.

Congressman Blackburn said earlier that the Soviet attempt to create a manufacturing base for third-generation computers had failed completely. "Consequently, the Kremlin leaders are asking our electronic and computer firms to create a Soviet productive base in which to manufacture third-generation and advanced scientific computer systems," he said.

"In October 1973, Control Data Corporation announced the signing with the USSR Council of Ministers for Science and Technology of a 10-year agreement leading to 'possible development' of an 'advanced computer', plus operation of an extensive computer communications network. Reliable sources estimated the venture's ultimate worth at $500 million.

"Through the official Soviet news agency, Tass, the Kremlin leaders boasted that Control Data and Soviet tracking organizations had maintained 'commercal ties . . . for over five years'.

"The Tass announcement added: 'Talks are underway on the sale of high-speed Capital Cyber electronic computers.'

"Cyber is a sensitive topic. It is a very high-speed, large volume, third generation scientific computer. It processes a phenomenal 94 million bits of information per second. Only eight to 10 such installations exist today. Typical installations belong to the Atomic Energy Commission and the National Security Agency," Blackburn said on March 27, 1974.

There is no question that the computer is the key to whatever lead the US holds in nuclear efficiency—the delivery of ballistic missile warheads onto their target with the greatest possible accuracy—as well as to intelligence gathering and processing, to antisubmarine warfare and the like. The sale of the Cyber to the USSR would allow that nation to think in terms of quantum advances in its nuclear and intelligence programs, thereby cutting still further the ground out from under the West.

Key Computer Equipment Sales by the West to the U.S.S.R.

Until recently, direct export of U.S. computers was restricted by export control regulations. Even so, the origin of today's Soviet systems can be traced to the United States. Following World War Two, the Soviet Union received computers almost entirely from West European plants of IBM.

The earliest American computer sale to the Soviet Union that can be traced was a Model 802 National-Elliott sold in 1959 by Elliott Automation, Ltd., of the United Kingdom. National-Elliott is a General Electric subsiidary.

In 1966, Standard Cables and Telegraph, Ltd installed a Standard 7x8 instrument landing system at Moscow's D. Sheremetyeva Airport. Standard Cables was then a subsidiary of ITT.

In 1968, a second-generation Control Data Corporation 1604 System was installed at the Dubna Soviet Nuclear Facility near Moscow.

In 1972, Control Data sold the Soviet Union a third-generation CDC 6200 system computer.

For these systems, Control Data's operating statement has improved by about $3-million in sales over the past three years. And the Soviet Union has gained 15 years in computer technology.

As 1969 ended, it was estimated that Western computer sales to all of Communist Europe and the USSR were running at $40-million per annum. In great part, three came from American subsidiaries.

In 18 months during 1964–65, Elliott Automation delivered five Model 503 computers to the USSR. The Elliott 503 ranged in price from $179,000 to more than $1-million, depending on its size.

By the end of 1969, General Electric-Elliott Automation sales to Communist countries were four times greater than in 1968.

This market accounted for one-third of General Electric-Elliott's computer exports. Other G.E. machines, including a Model 400 made in France by Compagnie des Machines Bull, were also sold to the USSR.

Olivetti-General Electric of Milan, Italy, also has been a major USSR supplier of G.E. computers.

In 1967, Olivetti delivered $2.4-million worth of data processing systems to the USSR. This was in addition to Model 400 and Model 115 machines already sold.

In 1967, English Electric sold the USSR its System Four Machine with microcircuits. This machine incorporated RCA patents. It was similar to the RCA Spectra 70 series.

Over the years, the USSR's largest single supplier of computers has been International Computers and Tabulation, Ltd. of the United Kingdom. The latter also licenses RCA technology. It has supplied at least 27 of 33 large computers to the Soviet Union.

In November, 1969, five of the firm's 1900 series computers valued at $12-million, went to the USSR: These were large, high-speed units with integrated circuits. Without question, they were well in advance of anything the Soviets were able to manufacture in the computer field; even by copying previously-imported technology.

These machines are capable of solving military and space problems. But, being machines, they cannot distinguish between military and civilian problems. There is no way that a Western firm or government can prevent Soviet use of computers for military work.

The Soviets in 1970–71 indicated that if International Computers, Ltd., of Great Britain, was allowed to sell two big, fast, highly-sophisticated 1906A computers, American scientists would be allowed to participate in further research at the Serpukhov Institute of High Energy Physics. The key equipment at Serpukhov, including the bubble chamber, had come from the West.

The Soviets gave "ironclad" guarantees not to use these new British (RCA) 1906A computers for military research. Personal intervention by President Nixon forced a relaxation of U.S. opposition to the British sale.

Business Week of April 28, 1973, published word that the Soviet Union had contracted for an IBM third-generation 370 computer system. The price: A reported $10-million.

According to the *Washington Post* of July 6, 1973, and the *Wall Street Journal* of August 8, 1973, James Binger, Chairman, Honeywell Incorporated. Minneapolis, told a Moscow news conference his firm had begun negotiation with the Soviet government on two contracts involving several million dollars.

During a recent aviation-space industries exhibition, Soviet interests were noted, U.S. companies at the exhibition included: Westinghouse Electric Corporation, Bendix Corporation, Collins Radio Company, Texas Instruments, Inc., Boeing Corporation, United Aircraft Corporation, Lockheed Aircraft Corporation, and Raytheon Corporation.

U.S. News and World Report of January 28, 1974, said International Business Machines and the Univac Division of Sperry-Rand were competing in two areas for contracts for two data systems for Soviet aviation.

Red Star, the official organ of the Soviet Army, used the Remington-Rand Univac computer to illustrate an article on Soviet computers.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HASKELL) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Commerce.

(The nominations received today are printed at the end of Senate proceedings.)

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The PRESIDING OFFICER. The Senate will return to the consideration of amendment No. 1394 by the Senator from Ohio (Mr. METZENBAUM).

Who yields time?

Mr. STENNIS. Mr. President, a parliamentary inquiry. How much time is there under the agreement?

Mr. METZENBAUM. There was 1 hour on the amendment. It is my understanding I have 20 minutes left and the distinguished Senator has 16 minutes left. The limitation was 1 hour, to be divided equally.

Mr. STENNIS. I thank the Senator.

Mr. METZENBAUM. Mr. President, I yield myself 5 minutes.

I would like to respond to the remarks made earlier by the distinguished Senator from South Carolina relative to some of the objections that have been raised concerning this amendment. The distingushed Senator from South Carolina refers to the need for medical supplies overseas, and medicine itself overseas. I would like to point out to the Members of the Senate that I think, in the main, those medicines, as well as medical supplies, that would be required at overseas bases in most probability would come under the $2,500 exemption that is provided under the present legislation as well as under the present law.

Furthermore, there is the provision that, should there be extreme circumstances, the overseas hospital, the medical battalion, would have no difficulty in using the exception that is provided under the law.

I, therefore, feel very strongly that that need not provide us with a real cause for concern.

One of the other matters to which the distinguished Senator from South Carolina addressed himself had to do with the matter of there being 77 single-source items, and then he went on to point out that the Department of Defense had indicated that there were 2,500 other items that were also available on a single-source basis.

I wish to point out to him that the information we received from the Department of Defense brought us to a contrary conclusion. They indicated that only 77 items were on a sole-source basis and that on 2,500 items, competition is available, and they did not use the competitive process in securing those products. We feel very strongly that if competition were permitted, there would be substantial savings to the Government.

The question also has been raised as to whether the proposal would or would not help the small businessman who wanted to get the door opened. The Department of Defense argument is that at the present time, on the basis of negotiations, they are able to open the door wider for small business companies. Yet the fact is that the General Accounting Office reported to this body in 1972 that, if competitive bidding were opened up wider, small business companies would have a greater opportunity to participate in military procurement.

One of the matters that was not mentioned in the response—or at least that did not catch my ear—of the distinguished Senator from South Carolina had to do with the question of availability and procurement of medical supplies. The dollar value of medical supplies just about equals the dollar value of medicines and drugs procured in recent years.

Mr. President, when you are talking about medical supplies, you are talking about beds, wheelchairs, bandages, gauze, and a host of other items. The fact is that in the year 1974, according to the Department of Defense figures, out of $73.6 million of medical supplies obtained so far this year, only 5.8 percent of that total was procured on an advertised basis. There is no reason or logic for that.

If there is any contention that it would be difficult to spell out specifications for medical items, I would respond that the procedure used by other hospitals and medical facilities around the country is to provide in the specifications that either a particular item be obtained or that a hospital-approved, equivalent item be obtained.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. METZENBAUM. I yield myself an additional 3 minutes.

Just this morning I checked with a major hospital in the Cleveland community. That hospital is a public hopsital, owned by Cuyahoga County. It procures approximately $1 million worth of medical supplies each year, and $1 million is spent for medicine—a total of around $2 million. It is interesting to compare what this hospital purchases on a competitive basis with what the Department of Defense procures on a competitive basis. Ninety percent, according to the report I received this morning, both in medicines and supplies, is procured on a competitive basis by the Cleveland hospital. The Defense Department procures only around 7 percent of its medicine competitively, and 5.8 percent of its medical supplies competitively, as I mentioned.

We hear lots of speeches around the Senate, around the Congress, and around Washington about economy in Government. But if we really are going to take some action, some first step, in this direction—and I do not mean to suggest that this would solve all of the problems of procurement in the military area—then I think it important that this amendment be adopted as a sort of congressional message to the Department of Defense that the Senate believes in economy with respect to military procurement. This amendment is one way of saying that economies can be effected, and that no reason exists why the Department of Defense should consider itself totally different from the rest of the Federal Government, as well as different from all the other governments that operate throughout this great Nation of ours on a fully competitive basis.

I urge the adoption of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time do the opponents of the amendment have left?

The PRESIDING OFFICER. The opponents have 16 minutes remaining.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, on this amendment, the opponents' case has been fully presented by the Senator from South Carolina. I did not hear the first part of the debate on the amendment, but I am generally familiar with the subject and have a copy of the present law before me now.

I did not hear of the Senator's amendment or the substance of it until the printed copy of the amendment was filed yesterday, I believe. It is another of those instances of old, settled law that is time tested. It may not be perfect, but at least it is time tested, and there must be some virtue in it or it would not have survived this long.

All of us have learned that hearings can develop the problems and show the practice and help to develop the operation of the present law. Then we could argue and calculate the prospective operation, should the committee see fit to recommend a change. That method has proved to be invaluable in all legislative bodies. That is true in this case as it is in virtually all others.

Regardless of the good intentions and the fine motives of this amendment offered from the floor, without any study by the staff or by members of the committee who are charged with the responsibility and, as far as I know, without much study by any other Members of the Senate except the able author of the amendment—we are called on to set aside old established law and substitute something else.

I am not experienced in the field of medicine, except that I worked in a drugstore when I was a boy, up until I was grown, and I know that many times you have to buy Vicks salve from people who make Vicks salve. It is one of the old remedies that has survived, and very few of them have survived. The majority leader knows what I am talking about. I can tell that from the expression on his face. That is true of a great many medicines.

According to the information given to us, I understand that some 2,500 patented remedies or trade-name remedies—whatever one may want to call them—are bought and, more or less, have to be bought by the services directly from those that supply them—the manufacturers.

Also, it should be emphasized it merely requires advertising and strike out altogether the law about negotiation, it can virtually leave the so-called little man out. He is permitted to come in on some of this business now, and he has to have his price right, of course. But when it comes to bidding for the supplies, in large wholesale lots—even if it is nothing but aspirin tablets—the small operator, the small wholesaler, and the small drug firm would be left out.

I know the fine motives of the author of the amendment; I know his fine capacity, too, and there is no lack of clarity in what his explanations are. But I think this is another instance where good intentions are not enough. Certainly the intentions are not a substitute for the facts of life. If we had this matter presented to us, we could at least have had a chance to have the staff go into it in our committee.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STENNIS. I yield myself 2 additional minutes.

We would at least have had a chance to explore it by means of the staff work and get information from the Secretaries of the services. We would not take their formal reports on it as final, but we cross-examine them and bring to this body a firm recommendation.

We are not able to do that today except merely to say that we do not think the law ought to be changed on such short notice; that we are firm in recommending that the amendment is not agreed to.

Section 2304, on general military law, that the Senator proposes to amend, does require formal advertising. So let us not get the idea that there are not requirements for formal advertising. A great many purchases are made in that manner. But in its wisdom—and I think it is wise—the law provides now:

> However, the head of an agency may negotiate such a purchase or contract if, * * *

And 17 exceptions are enumerated. This amendment applies only to one—No. 7:

> (7) the purchase or contract is for medicine or medical supplies.

Mr. President, that is a matter that is——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. One minute more and I will be through.

That is a subject that is peculiar by nature. It is personal so far as the patient is concerned. I strongly suggest that the law not be changed in such a far-reaching way without more knowledge, without more examination of what the facts are.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I yield myself 3 minutes.

In response to the distinguished Senator from Mississippi, let me say I agree. I think it would have been preferable if this matter could have been considered in committee. But the fact is that I do not think that the failure to consider it in committee makes it any the less desirable.

I think it is a step in the right direction. I do not think it is a panacea that is going to answer all the problems with respect to military procurement, but I think it is a message that we will be sending to the Department of Defense.

With respect to the question of whether this is a new or novel idea, I do not think it really is. I chose this issue because I did not want to get into some complicated kind of military system that might involve sophisticated research and development. I wanted to take something that would be somewhat of an indication that this body was economy-minded enough that we would be saying to the Department of Defense:

> Look, there is no reason under the sun for you not to advertise for competitive bids for beds, for wheelchairs, for bandages, for bandaids, and for all of the other things you buy; we are talking about the fact that half of the dollars you spend are for medical supplies.

With respect to the question of both medicine and medical supplies, I did check with the hospital in Cleveland this morning which, as I said, is bidding competitively for 90 percent of its medicine as well as for 90 percent of its medical supplies. I wish to say to the Senator from Mississippi that this is not a new or novel idea for me. I served for 6 years as the treasurer of a major hospital in the Cleveland community, and it was our policy that we insisted upon competitive bidding, and competitive bidding was simply the way we routinely proceeded. If there was a company whose product did not come up to snuff, that company was eliminated by a review process. But we opened competitive bidding hospital-wide simply in order to save on the patient-care dollar.

This is nothing new and nothing radical; it is the same procedure used by States and municipal bodies throughout the entire country, and by other arms of the Federal Government. And I believe so strongly that competitive bidding provides for a businesslike approach to military procurement that I believe this would be a great first step in that direction. For that reason I must say to the distinguished chairman of the committee that I had hoped this amendment would be acceptable, because I did not want it to create any special problems for the Department of Defense, but rather wanted to make it workable, so that they could live with it, and at the same time, out of the $180 million a year spent in this area, save perhaps $5, $10, $15, or $20 million, which I still believe is money.

Mr. STENNIS. I thank the Senator. Mr. President, if no one else wishes to speak, I yield back the remainder of our time, if the Senator is prepared to yield back his.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. METZENBAUM. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Hatfield). All remaining time have been yielded back, the question is on agreeing to the amendment (No. 1394) of the Senator from Ohio (Mr. Metzenbaum). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Nevada (Mr. Cannon), the Senator from Idaho (Mr. Church), the Senator from Missouri Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Michigan (Mr. Hart), the Senator from South Carolina (Mr. Hollings), the Senator from Iowa (Mr. Hughes), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Utah (Mr. Moss), the Senator from Connecticut (Mr. Ribicoff), the Senator from Alabama (Mr. Sparkman), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I also announce that the Senator from Wyoming (Mr. McGee) is on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey) and the Senator from Connecticut (Mr. Ribicoff) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bartlett), the Senator from Maryland (Mr. Beall), the Senator from Oklahoma (Mr. Bellmon), the Senator from Tennessee (Mr. Brock), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from New Hampshire (Mr. Cotton), the Senator from Kansas (Mr. Dole), the Senator from Colorado (Mr. Dominick), the Senator from Wyoming (Mr. Hansen), the Senator from Maryland (Mr. Mathias), the Senator from Oregon (Mr. Packwood), the Senator from Kansas (Mr. Pearson), the Senator from Alaska (Mr. Stevens), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that the Senator from North Carolina (Mr. Helms) and the Senator from North Dakota (Mr. Young) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) would vote "yea."

The result was announced—yeas 38, nays 23, as follows:

[No. 236 Leg.]

YEAS—38

Abourezk
Allen
Bible
Brooke
Burdick
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Gravel
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Jackson
Javits
Long
Magnuson
Mansfield
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Stevenson
Taft
Tunney
Williams

NAYS—23

Aiken
Bennett
Bentsen
Byrd, Harry F., Jr.
Curtis
Domenici
Fannin
Fong
Goldwater
Griffin
Gurney
Hruska
McClellan
McClure
McIntyre
Nunn
Pastore
Scott, Hugh
Scott, William L.
Stafford
Stennis
Thurmond
Tower

NOT VOTING—39

Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Cannon
Church
Cook
Cotton
Dole
Dominick
Eagleton
Eastland
Ervin
Fulbright
Hansen
Hart
Helms
Hollings
Hughes
Humphrey
Inouye
Johnston
Kennedy
Mathias
McGee
Moss
Packwood
Pearson
Ribicoff
Sparkman
Stevens
Symington
Talmadge
Weicker
Young

So Mr. METZENBAUM's amendment (No. 1394) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1393

Mr. METZENBAUM. Mr. President, I call up my amendment No. 1393.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 17, between lines 20 and 21, insert a new section, as follows:

"Sec.   . (a)(1) Section 2304(e) of title 10, United States Code, is amended to read as follows:

"'(e) A report shall be made to Congress, within fifteen days after the end of each quarter of each fiscal year, of the purchases and contracts made under each of the clauses of subsection (a), other than clause (3), during the quarter immediately preceding the quarter in which the report is submitted. Such report shall include, with respect to each such purchase or contract, the specific authority under subsection (a) relied upon by the Department of Defense for not using formal advertising and a detailed explanation and justification why formal advertising was not used. Such report shall also include—

"'(1) the name of each contractor;

"'(2) the amount of each contract, and changes in the amount of each contract;

"'(3) a description of the property and services covered by each contract unless the Secretary of Defense determines that such description would jeopardize the national security and reports such determination in writing to the Armed Services Committees of the Congress; and

"'(4) the name of the Government contracting officer in the case of each contract.'.

"(2) The first quarterly report under section 2304 of title 10, United States Code, as amended by paragraph (1) of this subsection, shall be submitted to the Congress within fifteen days after the end of the quarter in which this Act is enacted.

"(b)(1) The Comptroller General of the United States shall conduct a comprehensive study and investigation, covering the period since the end of World War II, of the system under which property and services are procured by the Department of Defense with a view to determining how competitive bidding through formal advertising can be substantially increased. In carrying out such study and investigation the Comptroller General shall—

"(A) determine whether the actual procurement practices of the Department of Defense are in conformity with applicable laws and regulations;

"(B) compile a statistical summary and analysis of the legal justification for recent procurement procedures of the Department of Defense in which formal advertising is not used;

"(C) conduct a review of cases in which procurement of property and services through formal advertising has replaced procurement methods in which formal advertising was not used, with resultant cost reductions, in order to determine whether procurement decisions made in such cases have wider applicability;

"(D) include an analysis of the criteria utilized by the Department of Defense in awarding contracts;

"(E) include a discussion of any apparent abuses by the Department of Defense of existing procurement laws and regulations;

"(F) recommend changes in applicable laws and regulations and in procedures followed by the Department of Defense, which in his judgment would tend to increase the total portion of contracts awarded through formal advertising; and

"(G) consider such other matters as he determines appropriate to achieve the purpose of the study and investigation.

"(2) The Comptroller General of the United States shall also consider and discuss in his study (A) the desirability and feasibility of establishing an independent commission or agency with power to review and disapprove any decision of the Department of Defense to exempt any procurement activity from the requirement of formal advertising, and (B) changes to improve the review and monitoring procedures of the Congress with regard to procurement activities of the Department of Defense.

"(3) The Comptroller General of the United States shall submit a written report to the Congress on the results of such study and investigation within ninety days after the date of enactment of this section.

"(4) As used in this subsection (A) the term "Department of Defense' includes the Departments of the Army, Navy, and Air Force, the Coast Guard, and the National Aeronautics and Space Administration; and (B) the term 'formal advertising' has the same meaning as prescribed for such term in section 2302 of title 10, United States Code."

The PRESIDING OFFICER. On this amendment, there is a limitation of 1 hour—30 minutes to a side.

Who yields time?

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. STENNIS. Mr. President, for the information of Senators, we have considered this matter, and it is probable that we can reduce the time. I am not proposing that we do it now. The Senator from Florida will have a statement in opposition, and perhaps then we can reduce the time somewhat.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. METZENBAUM. I yield myself 8 minutes.

Mr. President, the amendment I proposed earlier to S. 3000 was designed to increase competition in one clearly defined area of defense procurement, the purchase of medicine and medical supplies for the military services. I was pleased to note that the Senate adopted that amendment by a substantial margin.

As I mentioned in my earlier remarks, present law lists 17 exemptions which permit Pentagon officials to let contracts without formal advertising. Some of these exemptions seem clearly necessary or logical. Others are so broad that they invite misapplication, if not outright abuse.

In considering ways to increase competitive bidding, my strong inclination at first was to propose the elimination of virtually all exemptions to the requirement for formal advertising. I have concluded, however, that before moving in this direction, further information and analysis is needed.

It is clear to me that Congress presently lacks full, current, and reliable data on Defense contracting practices—and especially on the reasons why only one-tenth of Defense contracts are awarded through free and open competition.

Therefore, I ask the support of Senators for a second amendment to S. 3000. This amendment is designed to provide Congress with the necessary information on Pentagon procurement practices to make intelligent judgments in the future on the validity of these 17 exemptions from competitive bidding requirements contained in the Armed Forces Procurement Act.

The amendment has two parts:

Part 1 would require the Defense Department to make quarterly reports to Congress justifying the contracts the Pentagon awards without open and competitive bidding.

Part 2 would authorize the General Accounting Office to conduct a full study of Defense procurement, and recommend ways that competitive bidding through formal advertising can be substantially increased.

Not only do great economies result from formal advertising for competitive bids, but there are other advantages as well.

For example, the GAO's 1972 report on the acquisition of major weapons systems said that open competition would tend to permit entry to the procurement process of small companies with innovative ideas. Even if a small company is limited in its production capability, these new ideas should be encouraged so that larger, integrated companies can put them into production.

So far, I have talked about the general recommendations of authoritative governmental bodies. These, alone, are strong reasons for the Senate to consider this amendment favorably.

But we have more evidence—specific case studies showing that substantial savings were achieved when Pentagon procurement officers switched from sole source, noncomeptitive, contracting to formally advertised competitive bidding.

These case studies come from a report entitled "The General Advantages of Competitive Procurement Over Sole Source Negotiation in the Defense Department," which was prepared for the Joint Economic Committee and published in November 1973.

I cite a few examples:

In 1958, Aerojet General Corp. received the initial contract, sole source, to build the motor and metal parts for the Hawk missile. In 1964, the procurement method was switched from sole source to competitive bidding. The unit price charged by the winner of that competition was $678, or almost one-half of Aerojet's lowest previous unit price of $1,224.

Bendix was awarded the initial Talos missile contract on a sole source basis in 1964.

Five years later, the Pentagon shifted to competitive bidding, and Bendix won that competition. The winning bid was significantly lower than the company's own previously lowest sole source price—$80,356 after competition, compared to $135,658 before competition.

The Bullpup "A" missile was purchased initially on a sole source basis in 1961. Two years later, the Pentagon shifted to a winner-take-all competition. The switch from sole source to winner-take-all reduced the unit price from $3,802 to $1,227.

The first production contract for the Shillelagh missile was awarded to Philco on a sole source basis in January 1966. Later that year, the Pentagon turned to competitive bidding, dividing the contract award between Philco and a second company. Philco's unit price fell from $12,318, sole source, to $4,036 in competition. The second company's competitive unit price was $2,649.

Overall, the Joint Economic Committee study determined that the change from sole source to competitive bidding resulted in "an average price reduction of 51.9 percent" in the cost of 17 sophisticated weapons systems and electronic communication or control systems purchased by the Department of Defense during the past 10 years. In no case did competitive bidding raise the cost of a Pentagon purchase.

Unfortunately, at the same time that competitive bidding was proving its merit again and again, the Pentagon was using it less and less.

In 1965, formally advertised contracts constituted only 17.5 percent of the value of all Defense contracts let that year. In 1973, the last year for which information is available, formally advertised contracts declined to only 10.8 percent of the value of all Defense contracts awarded.

This neglect by the Pentagon of competitive bidding, in the face of mounting evidence of its obvious benefits, is what I find particularly disturbing. I hope to reverse the trend, and my amendment is the necessary first step toward that goal.

With the information provided by the new Defense Department quarterly reports and the GAO study to be completed within 90 days, Congress would be better able to assess the validity of the 17 exemptions to competitive bidding requirements now contained in the Armed Forces Procurement Act.

Members of this body have always served as a watchdog of spending by the executive branch. Pentagon contracting officers must be answerable to the Congress elected by the American people, just as corporate contracting officers are answerable to a board of directors elected by shareholders.

I believe the logic for this amendment is sound. I ask Senators for their support.

Mr. STENNIS. Mr. President, I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I listened with interest to the arguments of the distinguished junior Senator from Ohio. I applaud his purpose in submitting this amendment. I listened also to the arguments he made in connection with the previous amendment. I felt there was merit in that amendment, which the Senate adopted. I think that by showing that the military services only procure 4 percent of their medicine by competitive bidding, the amendment is meritorious.

As I study the Senator's amendment I think there are certain things that perhaps he is not aware of, and perhaps certain things his amendment would not do.

His amendment refers to the necessity for formal advertisement. What we are talking about in that regard is the sealed bid. I think we really should be talking about whether we can get competition, and we have to determine how we can get competition. It is not just in a sealed bid. We cannot buy an F–14 in a sealed bid. We would not be able to put in a major system in a sealed bid, and we would not be able to get tanks, lasers, or anything of that kind in sealed bids. Yet, by the adoption of this amendment and by the arguments made that because there is not a sealed bid in the purchase of this equipment, it is stated it is bad and that there is no competition.

We get competition in three ways. The first way is by formal advertising, and that is the sealed bid. Of course that can be done if we are buying .50-caliber bullets because they are all for common guns and we can go into the marketplace and everyone knows the specification for .50-caliber bullets. The Army can buy some of its food and many other things that they buy in that way. But when we start getting into systems and buying anything new, we have to find another source of competition and there we get into negotiation, or competition through negotiation. That is not to say it is not fierce competition. When a figure is cited of only 10 percent, that refers to only 10.3 percent with formal advertising. But that does not cover the 5.3 percent that is done through small business and labor surplus set-asides. I do not think the Senator wants to discount that. It is a set-aside we are allowing small business. The Senator is not counting the 18.6 percent that is negotiated price competition, or the 17.3 percent that is decided on technical competition. These are figures for 1971 and 1972.

Again, competition is taking place. When we get down to sole source there is 39.6 percent purchased by DOD, and that figure may be too high. I tend to place myself on the side of the Senator from Ohio in saying that we must continue to look at that.

Then, we are talking about the need for a study, and this amendment provides for a study and additional data. We have had quite a few studies. We have had one Procurement Commission study and, in two and a half years, we spent $9 million of taxpayer money, with Members of Congress taking part in that study, members of the executive branch of Government, members of the GAO, the GSA, and also members who compete and try to sell to the Government—private contractors—and people who have been in charge of Government systems before. They completed a four-volume study, much of which went to this matter of competition.

What has happened since they filed the report? I urge the Senator to read the report. They talk about competition and formal advertising, and other kinds of competition. They state:

> In competitive negotiations involving cost-type contracts, the offerer submitted cost estimates rather than fixed prices. The fact that a cost-type approach is used generally indicates that the primary interests of both the competitors and the contracting agency will focus on relative technical competence, not price "guess-timates."

If we are trying to buy a weapons system we want to be sure it will work. We are not asking for just a low bidder, a bid by anyone on the street who is able to make a low bid. If we are going to send men to fly in space, a determination has to be made as to who is most technically competent.

So what we are seeking is competition. As a result of the Procurement Commission report we have set up in the Senate a Subcommittee on Procurement. That committee has reported to the Senate, and the Senate has passed, a bill for a central Office of Federal Procurement Policy. That central office is to coordinate procurement practices in DOD, HEW, and everywhere else. That bill is now residing in the House. Hopefully it is going to go to the floor soon. That bill would start to go exactly to what the Senator is talking about, including trying to determine why there is so much sole source of competition.

Let us look at sole source situations. There has to be some justification. The Senator was reading many of those matters in his report. I applaud the DOD change from sole source to competition, but how can they do that? In the Hawk missile, the original decision was trying to determine what is the technical competence of the companies. Then, later you can have recompetition in the Hawk missile, so even in the selection there was competition. But once they let the company have the contract for 3 years or 5 years, and they have a chance to get their research and development back and original capital outlay back, then they can recompete when they go to the next bid for that contract, and that is what the DOD was doing.

I applaud them for that. In most of the instances the Senator talks about, that is what they were doing. There are other sole source situations where there is only one company set up to procure a certain object. Even after they have a contract for one of these major items, the award was based on technical competition. Then, generally, there is only one company that is keyed up and tooled up to rationally provide that item, so they are locked into that source.

However, I think it is inherent in the policy authority of the Office of Federal Procurement Policy that they will have something to do with reducing that over a period of time.

Another bill reported by the Procurement Subcommittee, which passed the Senate yesterday, calls for cutting all red tape on contracts up to $10,000 to increase competition. We find much of this material the Senator is looking at now; many of these figures are contracts under $10,000. That bill can promote competition among small contractors and allow them to compete on a more equal basis. But just to adopt this amendment and require again that the Defense Department fill out a form every time they do not have formal advertising, I do not think is going to get us much.

If the Senator wants the particular information he is talking about, about how much business they are doing without formal advertising, the military is required right now to fill out DD Form 360, Individual Procurement Action Report. This action report is filled out every time there is a government contract. So these reports can be made available to the Congress right now, and would give the information the Senator is seeking.

However, the concern that the Senator from Florida has is that there will be given to the Comptroller General the duty to make yet another study, when he sat for 2½ years on the Procurement Commission, listening to experts making the study, and when we have four volumes of the study that we have not done enough about yet. Yet the Senator is requiring that he make another study. To say or imply we must go to formal advertising that goes into a sealed bid I do not think is going to get anything.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **STENNIS**. I yield 4 minutes to the Senator.

Mr. **CHILES**. What we are trying to find is effective competition. Right now the subcommittee is drafting a new procurement statute that will cover the DOD, seeking to find effective competition, and effective competition is what we are seeking, not just formal advertising which goes into a sealed bid that one is not always going to be able to use.

Mr. **STENNIS**. Mr. President, will the Senator yield?

Mr. **CHILES**. I yield.

Mr. **STENNIS**. As I understand the Senator from Florida, his statement indicates that this proposed study, beginning on page 3, is similar to one that has just been conducted for some 2½ years, in which the Comptroller General took part, he or his representatives——

Mr. **CHILES**. The study covered not just the DOD; it covered the total Federal procurement procedure.

Mr. **STENNIS**. But it included DOD?

Mr. **CHILES**. Yes; and we spent $9 million of the taxpayers' money on it.

Mr. **STENNIS**. How much was that, $9 million?

Mr. **CHILES**. Yes.

Mr. **STENNIS**. And the Senator says that, in printed form, that is before his committee now?

Mr. **CHILES**. Yes.

Mr. **STENNIS**. One more question. Does the Senator think what has already been done covers substantially what is required in section (d)?

Mr. **CHILES**. In that study some 149 recommendations were made. Many of those recommendations can be implemented by the executive branch, and some 40 percent would require legislation. I think if we could pass the legislation that has been recommended by the study, the Senator from Ohio would find many of the things concerning him would be taken care of, plus the fact that if we could have oversight over the executive to see that they completed all the actions required by that study.

Mr. **STENNIS**. I thank the Senator. I think our time has run out.

Mr. **PROXMIRE**. Mr. President, will the Senator yield me 10 minutes?

Mr. **METZENBAUM**. I yield 10 minutes to the Senator from Wisconsin.

Mr. **PROXMIRE**. First, Mr. President, I ask unanimous consent that Richard Kaufman, of the staff of the Joint Economic Committee, be allowed to remain on the floor during the course of the debate on this measure

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **PROXMIRE**. Mr. President, I have listened with great interest to the argument of the Senator from Florida. All we are seeking in this amendment is that we have some sunshine let in on competitive bidding, and I point out to my good friend from Florida that if the four-volume study he talked about had more than 1 percent of its material on competitive bidding, I would be astonished. I have gone through it carefully. It was a study of procurement generally, covering the entire spectrum of the Government. It was not a study of competitive bidding by the Defense Department. There were no specific analyses on particular procurements or contracts or programs. There was not any attempt to show whether or not competitive bidding or negotiated bidding or some other kind of bidding would be superior. This is the purpose of the amendment of the Senator from Ohio (Mr. METZENBAUM). This would be a study that has not been made by the GAO or anybody else.

Furthermore, if the Senator will look at the amendment, on page 4, lines 18 to 20, the action part of the amendment, it provides that the Comptroller General shall study changes to improve the review and monitoring procedures of the Congress with regard to procurement activities of the Department of Defense.

That means a great deal more than just advertised competitive bids or sole-source procurement. The Senator from Florida is absolutely right in pointing out that sole-source procurement covers only part of this matter, and that part of the procurement is in so-called negotiated-competitive bidding, and there is an element of competition in it.

But I would like to point out to the Senate that this is an amendment which was worked on by the distinguished author of the amendment, and the Joint Economic Committee staff cooperated with him. We have been studying this matter for a number of years.

While this is a mild, moderate, and limited amendment, primarily calling for a study, it is something that is vital. It does require comprehensive quarterly reports to Congress showing the reasons for contract awards on a noncompetitive basis.

What is wrong with having the basis on which we can make an analysis of this problem? Yes, it is a great deal of material, but it would give an opportunity for some staff to make a spot check to see what we could arrive at to determine whether competitive bidding we have had in the past years——

Mr. **CHILES**. Mr. President, will the Senator yield?

Mr. **PROXMIRE**. I will not yield at this time, but I will yield as soon as I complete my statement, which will be in a few moments.

Admiral Rickover, whom we all admire as one who is deeply interested in a strong defense force, and who has asked us to do what we can to provide more funds for defense, has argued there should be and must be more competitive bidding, that we have not provided procedures for more effective competitive bidding. In doing so, he has said we can save from 25 to 30 percent or more in procurement on the basis of his experience.

It seems to me that is logical, because with negotiated bidding there is not much incentive to hold down costs, because so many of these contractors have a great deal of other business, and Government business is usually only part of their business, and they find ways to shift a great deal of their costs into defense projects if they can get away with it. We need all the discipline and control we can possibly get. Competitive bidding is one way to get it.

I think we should consider the statistics. The trend toward less use of formal advertising for competitive bids and heavy reliance on sole-source procurement requires greater use of competition in DOD procurement. In fiscal 1973, 56.8 percent of the value of all DOD contract awards was sole-source procurement, substantially more than half. The percentage of formally advertised awards has been declining since 1957, when it reached 17.4 percent. In 1964, 14.8 percent were formally advertised. The figure was down to 10.8 percent in fiscal 1973.

Government procurement through formal advertising for competitive bids has been the historical American practice, not only by the Federal Government but by State governments. We have found that this is the most efficient way to operate, to let everybody who can qualify get into it, and it opens it up in a much fairer way, not only from the standpoint of the consumer but also from the standpoint of business.

The settled procurement policy established by Congress for years has been that we should use competitive bidding, and yet more than half is sole-source procurement, and formal advertised awards have gone down to 10.8 percent in fiscal 1973.

I would agree that there is a degree of competition in procurements which are not formally advertised. DOD defines one category as "competitive negotiation" if two or more responsive offers are received as a result of invitations for proposals. However, in these cases the Department of Defense selects the contractors who are allowed to make bids, and the award may be made to other than the lowest bid. DOD often takes design and other factors into account in competitive negotiations. The result, aside from eliminating firms that might have been able to satisfy the Government's needs, is to allow contracting officials to make their judgments and decisions on the basis of objective criteria. Price competition forces officials to use objective criteria—namely, price.

Prior to 1968, the Department of Defense was classifying contracts as competitive-negotiation even though it was receiving only one response from its select list of bidders. It was our disclosure of this fact, which forced DOD to change its policy so that at least two or more responsive bids were received before calling a procurement competitive-negotiation.

So this competitive-negotiation is frequently not a very accurate description of the kind of competition we get. Also, there may be reasons justifying an exception to the general rule.

The amendments do not forbid negotiation. They are intended only to narrow their usage by obtaining information about possible abuses of the loophole-ridden law. For example, there is only one shipyard in the United States that has the capacity to build aircraft carriers. DOD would not be expected to shift to formal advertising for aircraft carriers under the amendments.

However, it is possible to obtain greater competition by breaking out subsystems and components from major weapon contracts.

This is something that Admiral Rickover and other defense experts have stressed repeatedly.

And it is also possible to successfully compete missiles and other advanced technology weapons, although DOD believes otherwise. Data obtained by the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, and presented in last November's hearings on "The Acquisition of Weapons Systems" show conclusively that advanced technology systems can be competed and that substantial savings will result. An analysis of 17 contracts for sophisticated weapons awarded first on a sole source basis and subsequently competed through formal advertising revealed an average price reduction of more than 50 percent. Data obtained on a handful of other weapons obtained since the November hearings reinforce the finding that substantial savings are possible.

Mr. President, there is bound to be great pressure from the defense contractors, perhaps to some extent from the labor unions, to avoid competitive bidding, and certainly from those in the Defense Department who are used to the buddy-buddy system they have been working on for so many years.

But it would seem to me that if we are going to serve the taxpayer best, we should do so by at least opening our eyes and agreeing to have competition studied. It has not been studied in the past. There is no way that the four-volume report on procurement in general, 1 percent of which is devoted to competition, and no contracts having been specifically studied on a case-by-case basis, can be regarded as a satisfactory study of procurement.

But continued research on the part of the JEC shows a great paucity of cases where the competition was obtained. This is the significance of the 10.8-percent figure for formal advertising.

In conclusion, we are not saying that formal advertising ought to be used all the time or that negotiation should never be employed. But we want to encourage greater use of competition.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Mississippi has 17 minutes remaining; the Senator from Ohio has 12 minutes remaining.

Mr. STENNIS. Mr. President, I yield 10 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, in my estimation, this amendment should not be accepted in conference and become law, because if it were it would impose an intolerable administrative burden on DOD. It will bring over 2 million procurement actions annually into the category. The statistics on the number of procurement actions of DOD and the extent of competition, both in terms of dollars and actions and other procurement data, are already a matter of record and are readily available to Congress.

A reporting requirement such as is called for in the amendment would rather severely impact the procurement manpower situation; therefore, I think it should not be adopted without considerable deliberation and hearing.

This is a complex and important subject. Here we are, with something like 39 absentees from the Senate today, passing on an important amendment. I hope that the amendment will not be agreed to.

I have every confidence that my chairman of the Armed Services Committee and the other members of the committee will get their teeth into this subject of procurement. Indeed, we have been trying to do so for a long time. I think there is an inherent suggestion here that we have been somewhat derelict in our oversight responsibilities. If there is such a suggestion, I reject it because we are constantly grappling with the problem of procurement. Certainly this is no way to solve the problem because we have no concept of what is involved and what tremendous, enormous, administrative burdens would be imposed on DOD.

We have to understand that we are dealing with very, very complicated, increasingly sophisticated systems, and we are not bidding or we are not submitting to the general marketplace for items off the shelf because it is increasingly more difficult to buy the kind of subsystems that we need off the shelf.

Some contractors are the sole producers of some of the vital components that are required in our complicated weapons systems.

I hope that the amendment will be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 3 minutes.

I am not in any way complaining, but I think I ought to report to the Senate that it is impossible for us to consider an amendment like this sufficiently to give a comprehensive, firm recommendation to the Senate on such short notice.

These are far-reaching matters. I have some sympathy, of course, for getting whatever studies and reports are necessary. But having just received notice of the amendment yesterday afternoon, our staff has been able to do very little work on it during that time, and I have been able to do even less.

I think that the language on page 2, which states: "Reports shall be made to the Congress within 15 days after the end of each quarter of each fiscal year of the purchasing contracts made under each of the clauses," would result in a great volume of work to be done every 90 days with hundreds and hundreds and hundreds of reports as to purchases and contracts. There would be a great volume of work which would be largely lost. There are so many reports that there would be time for very few to be examined.

I think one thing we should understand is that since World War II there has been a steady reduction in the technique of formal advertising and an increase in competitive negotiation. That is because, as our military hardware becomes more and more sophisticated and more and more specialized, there are fewer and fewer items that can be bought off the shelf.

When we look into the subsystems that form the components for major weapon systems, we have to understand that there are not, very often, many sources. Some companies or corporations, by virtue of their experience and their research and development, their production background, are the only ones capable of being involved in potential production in some of the things that the Department needs.

In view of this, I think it would be wise to defeat this amendment. We can all laud the motivation behind it, the thrust of it, and what it seeks to do. But it seems to me that it would be most unwise to adopt the amendment without having had any hearings and without there having been a considerable amount of deliberation

Over here on page 3, it says:

> The Comptroller General of the United States shall conduct a comprehensive study and investigation, covering the period since the end of World War II.

This is 29 years, Mr. President. There has been so much change that if we are going to have such a comprehensive study and investigation, it seems to me that it would serve the purposes better to have it for a length of time much shorter, so that it deal more with up-to-date conditions.

I am not trying to pick flaws in this proposal; we have some reports that are made up now. I understand from conferring with the Senator from New Hampshire, the chairman of our Subcommittee on Research and Development, that he has some need for further reports, but he has not had time—or at least he had not requested the committee—to supplement his information.

So I believe that this is comprehensive reporting beyond what is needed and beyond what should be mandated, especially in view of what the Senator from Florida has said here. He certainly has made a beginning. He and the Commission may not have gone far enough on DOD, as our friend from Ohio suggests, but he has made a beginning. He has made a start. He says what he wants now is implementation. Mr. President, that impresses me.

Mr. METZENBAUM. Mr. President, will the chairman yield for a question?

Mr. STENNIS. I yield myself 2 additional minutes, and am glad to yield to the Senator from Ohio.

Mr. METZENBAUM. With the changes as indicated by the distinguished Senator from Mississippi, the suggestion made with respect to page 2 and that on page 3, as well as an additional one that was discussed with the distinguished chairman, with those amendments would the committee then find this legislation acceptable?

The third one, the chairman will recall, had to do with the dollar volume, to provide that the Department of Defense would not have to report with respect to each contract, but only those in excess of a million dollars.

Mr. STENNIS. Mr. President, I was looking around for the Senator from Texas, because he has been helping with this. The Senator from Ohio had mentioned a million-dollar value to me. I did not mention it in my remarks, because I did not know how firmly he felt on that.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** On whose time?

Mr. STENNIS. The time to be divided.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Florida. May I say, Mr. President, that I believe we are about to the end of the debate on his matter.

Mr. CHILES. Mr. President, I have listened to the arguments, and I want to say that I associate myself with the motives behind this proposal, both those of the Senator from Ohio and those of the Senator from Wisconsin.

I think what we are talking about is trying to get competition, and trying to get the most effective buy for the Government for its dollars.

The only thing I am trying to say is, Do not just study it again. We have studied it. We have the basis for going forward. We have implementing legislation that will bring some of these results either pending in the committee, pending on the calendar, or pending in the House of Representatives. All we really need now is some help in adopting that and our new legislation yet to come.

I say to the Senate, do not send it back for another study. Do not require another form to be completed. Just give us some help in passing our legislative program from the Procurement Subcommittee, and I think we can get the results. If we can begin by passing into law the Office of Procurement Policy legislation, we are going to get a handle on the military and get some kind of coordinated policy for them. If we can get a new law to rewrite the procurement statutes, we can speak, through that legislation and that procurement statute, about sole source and, most important, effective competition.

That is the kind of thing we need. Let us not take up the time of the Comptroller General in requiring them to make another study. We can pass this, but what we need is the help of the Senators who are sponsoring this proposal just to help us implement some of the legislation we have, and we can show you results.

We have studied it enough. Many times we think we need one more study; I am just saying we do not need any more studies here. We just need to follow the recommendations made in the Federal Procurement Commission report, and such legislation is now being written, pending in the committee, on the calendar, and in the House of Representatives.

Mr. NUNN. Mr. President, if the Senator from Mississippi will yield about 2 minutes, I would like to follow up what the Senator from Florida has said.

Mr. STENNIS. I yield the Senator 2 minutes.

Mr. NUNN. Mr. President, in looking at this amendment at the outset, I did not see any harm that could be done by the amendment, but I am on the subcommittee with the Senator from Florida, and I know he has devoted hundreds of hours to this subject. I know the Senator has sent enough information to me that if the Senators who are cosponsoring this bill would just sit down and read the Federal procurement information he already has available, it would take 3 months of their time.

The information is available. The action is lacking. I think the Senator from Florida has made an excellent point. I do not see any need for further study. I do see a need for Senators who are interested in this very complex subject to look at the information that is already available, and to help pursue meaningful hearings on that legislation and push it through to fruition.

Mr. METZENBAUM. Mr. President, I yield 1 minute to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the difference between the report we have so far and the report that the Metzenbaum amendment would require is that the Metzenbaum amendment calls for a study of competitive bidding all the way through. That is what the study would be all about.

These other matters to which Senator Childs regards calls for studying everything else, but we really have no significant study on competitive bidding.

What is more important, the Metzenbaum amendment would call upon the GAO to study ways to obtain better competitive bidding. I believe that is the kind of information that would be most helpful to the Congress, and I suggest it is something that would help all of us. Every Member of the Senate, I feel sure, would like to get such information if we could.

I thank the distinguished Senator.

Mr. METZENBAUM. Mr. President, I should like to thank the staff of the Joint Economic Committee as well as the distinguished chairman of the committee.

If the distinguished Senator from Mississippi, the chairman of the committee, is prepared to yield back the remainder of his time, I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. METZENBAUM. Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER** (Mr. Curtis). All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Ohio (Mr. Metzenbaum), No. 1393.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Nevada (Mr. Cannon), the Senator from Idaho (Mr. Church), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from North Carolina (Mr. Ervin), the Senator from Arkansas (Mr. Fulbright), the Senator from Michigan (Mr. Hart), the Senator from South Carolina (Mr. Hollings), the Senator from Iowa (Mr. Hughes), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Montana (Mr. Metcalf), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), the Senator from Connecticut (Mr. Ribicoff), the Senator from Alabama (Mr. Sparkman), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I also announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) and the Senator from Rhode Island (Mr. Pastore) would also vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bartlett), the Senator from Maryland (Mr. Beall), the Senator from Oklahoma (Mr. Bellmon), the Senator from Tennessee (Mr. Brock), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from New Hampshire (Mr. Cotton), the Senator from Kansas (Mr. Dole), the Senator from Colorado (Mr. Dominick), the Senator from Alaska (Mr. Stevens), the Senator from South Carolina (Mr. Thurmond), the Senator from Florida (Mr. Gurney), the Senator from Wyoming (Mr. Hansen), the Senator from Maryland (Mr. Mathias), the Senator from Oregon (Mr. Packwood), the Senator from Kansas (Mr. Pearson), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that the Senator from North Carolina (Mr. Helms) and the Senator from North Dakota (Mr. Young) are absent on official business.

On this vote, the Senator from Kentucky (Mr. Cook) is paired with the Senator from South Carolina (Mr. Thurmond).

If present and voting, the Senator from Kentucky would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 28, nays 30, as follows:

[No. 237 Leg.]

YEAS—28

Abourezk
Aiken
Allen
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cranston
Gravel
Hartke
Hatfield
Hathaway
Mansfield
McGovern
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Pell
Proxmire
Randolph
Schweiker
Stafford
Stevenson
Tunney
Williams

NAYS—30

Bennett
Bentsen
Bible
Byrd,
Harry F., Jr.
Chiles
Curtis
Domenici
Fannin
Fong
Goldwater
Griffin
Haskell
Hruska
Huddleston
Jackson
Javits
Kennedy
Long
Magnuson
McClellan
McClure
McIntyre
Nunn
Percy
Roth
Scott, Hugh
Scott,
William L.
Stennis
Taft
Tower

NOT VOTING—42

Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Cannon
Church
Cook
Cotton
Dole
Dominick
Eagleton
Eastland
Ervin
Fulbright
Gurney
Hansen
Hart
Helms
Hollings
Hughes
Humphrey
Inouye
Johnston
Mathias
McGee
Metcalf
Moss
Packwood
Pastore
Pearson
Ribicoff
Sparkman
Stevens
Symington
Talmadge
Thurmond
Weicker
Young

So Mr. Metzenbaum's amendment was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STENNIS. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table is agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii (Mr. Fong) is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. MANSFIELD. Mr. President, it is my understanding that the amendment which will be offered shortly by the distinguished Senator from Hawaii and the amendment to be offered by the distinguished Senator from Maine (Mr. Muskie) will be acceptable to the committee. Therefore, to the best of the joint leadership's knowledge, there will be no further votes this afternoon.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. TOWER. Can the distinguished majority leader assure us that there will be no further votes?

Mr. MANSFIELD. No. That is the best I can say at this time, because anybody can ask for a rollcall vote. But it appears that with the committee accepting these two amendments, the road is fairly clear.

Mr. TOWER. Does the distinguished majority leader know of any other amendments that are likely to be offered this afternoon?

Mr. MANSFIELD. No, I do not know of any other amendments. I hope that if any Senator does desire a rollcall vote, he will keep the pledge in effect that the joint leadership has given to the Senate, but no promise can be 100 percent perfect.

Mr. TOWER. Could we get a unanimous-consent agreement that any further rollcall votes would be carried over until Monday?

Mr. MANSFIELD. I do not know whether we should.

Mr. STENNIS. Mr. President, could the majority leader ask that the bill be carried over until Monday?

Mr. MANSFIELD. It will be carried over until Monday, after these two amendments are disposed of.

Mr. STENNIS. Yes, after these two amendments are disposed of.

Mr. TOWER. That will take care of it.

Mr. FONG. Mr. President, I sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. FONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 17, between lines 20 and 21 insert a new section as follows:

Sec. —. The Secretary of Defense is authorized and directed to conduct a comprehensive study and investigation for the purpose of locating an uninhabited island other than the Island of Kahoolawe or of constructing alternative target areas away from inhabited islands, within the boundaries of the State of Hawaii and the waters adjacent thereto, which would be available and suitable for the purpose of carrying out target bombings, strafing, and shelling practice by units of the Armed Forces of the United States (including units of the National Guard). The Secretary of Defense shall submit a full report on his findings along with its recommendations to the Armed Services Committees of the Senate and House of Representatives on or before January 31, 1975.".

The PRESIDING OFFICER. May the Chair have the attention of the majority leader? Is it the intention of the majority leader to ask unanimous consent that after the two amendments referred to by the majority leader have been disposed of, the bill be carried over until Monday?

Mr. MANSFIELD. I have to make an exception, because the distinguished Senator from New Hampshire wanted to speak this afternoon on a proposal. As soon as he concludes, that would be my request—but no amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, I have discussed my amendment with the distinguished chairman of the Armed Services Committee and he has expressed no opposition to it.

Basically, my amendment would direct the Secretary of Defense to conduct a detailed and comprehensive study on the continued use of the Island of Kahoolawe in the State of Hawaii as a practice target site for bombing, strafing and shelling by various units of our Armed Forces, with a view toward finding alternative sites or to construct alternative target areas away from inhabited islands for such practices.

Mr. President, on Wednesday of this week the Senate unanimously voted by 82 to 0 to incorporate Senator Humphrey's amendment No. 1382 to S. 3000 which is designed to prevent the Department of the Navy from using the Culebra complex for the "firing of any shells, missiles, or other projectiles from ships or the dropping of any bombs, strafing, firing of rockets or missiles, or the launching of any other projectiles from aircraft at Culebra or at any keys within 3 nautical miles thereof after December 31, 1975."

On September 29, 1970, I attempted to amend a similar provision dealing with Culebra by adding the phrase "and on the Island of Kahoolawe, State of Hawaii." I did this because Kahoolawe is also the site of an aerial bombing target and a shore bombardment area. In many respects, it is very similar to Culebra, including the fact that Kahoolawe is located only 8 miles from a populated area—the Island of Maui, Hawaii's second largest island.

By Executive Order 10436, Kahoolawe was set aside as a bombing and targeting range by President Eisenhower in 1953. This Executive order contemplated that Kahoolawe should be returned to civilian use and that certain conservation measures should be taken on the island; namely, to protect it from erosion, to see that the cloven hoof animals not exceed 200, and to maintain the island so that at the time it is restored to Hawaii, it be a habitable island.

In view of the Senate's unanimous action on Wednesday, I believe it only appropriate that this body request the Secretary of Defense to study the situation in Hawaii with a view toward treating Kahoolawe the same as Culebra.

More importantly, the reason I bring this matter to the attention of the Senate is that I have received numerous complaints and requests from the people on the Island of Maui relative to the cessation of the bombing of Kahoolawe. The people of Maui are very fearful that the bombs dropped on that island by U.S. warships, and Navy and Air Force planes, may some day hit them. This fear is real and not hypothetical because a 500-pound live bomb did, in fact, fall on the Island of Maui. In September 1969, an unexploded bomb was discovered buried in the pasture of the mayor of the county of Maui. After an investigation, the Navy determined that the bomb had been accidentally dropped in 1966.

The above example has not been the only adverse incident experienced by the citizens of Maui. The bombs that have landed on Kahoolawe have constantly shaken the people and their homes on Maui. Cracks in buildings and homes resulting from some of the bombings have been experienced.

Apropos of this, in 1965 two Navy planes were trying to bomb Kaula, just 19 miles from the inhabited island of Niihau in Hawaii, and they dropped eight 250-pound bombs on that island. Needless to say, if the Navy navigators and Navy aviators can make a mistake 19 miles away from an inhabited island, they could certainly make a mistake and bomb the island of Maui, only 8 miles from the target range on Kahoolawe.

Mr. President, the people of Maui are asking, "When will we be spared the fear and inconveniences of continued bombing practice on an island that is only a few miles from our homes?"

With the above thought in mind, I sincerely hope the Secretary of Defense will come up with a suitable alternative to Kahoolawe as a target range.

Mr. President, I ask unanimous consent that Executive Order 10436 be printed in the RECORD at this time. I also ask that the resolution passed by the county of Maui asking that Kahoolawe be spared from future bombings be included in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 1

EXECUTIVE ORDER 10436

RESERVING KAHOOLAWE ISLAND, TERRITORY OF HAWAII, FOR THE USE OF THE UNITED STATES FOR NAVAL PURPOSES AND PLACING IT UNDER THE JURISDICTION OF THE SECRETARY OF THE NAVY

Whereas it appears necessary and in the public interest that the Island of Kahoolawe, Territory of Hawaii, which comprises an area of approximately forty-five square miles, and which forms a part of the public lands ceded and transferred to the United States by the Republic of Hawaii under the joint resolution of annexation of July 7, 1898, 30 Stat. 750, be taken and reserved for the use of the United States for naval purposes, except that portion comprising an area of 23.3 acres, more or less, heretofore taken for lighthouse purposes by Proclamation No. 1827 of the President of the United States dated February 3, 1928 (45 Stat. 2937); and

Whereas it is deemed desirable and in the public interest that provision be made for the conducting of a program of soil conservation on the island while the reservation made hereby is in force, and that the area within such reservation be restored to a condition reasonably safe for human habitation when it is no longer needed for naval purposes:

Now, Therefore, by virtue of the authority vested in me by section 91 of the act of April 30, 1900, 31 Stat. 159, as amended by section 7 of the act of May 27, 1910, 36 Stat. 447, it is ordered as follows:

1. The Island of Kahoolawe, Territory of Hawaii, except that portion taken by the United States for lighthouse purposes by proclamation No. 1827 of February 3, 1928, is hereby taken and reserved for the use of the United States for naval purposes, and is placed under the jurisdiction of the Secretary of the Navy.

2. The Secretary of the Navy shall, within a reasonable period following the date of this order, eradicate from the island all cloven-hooved animals, or shall within such period and at all times thereafter while the area hereby reserved or any portion thereof is under his jurisdiction take such steps as may be necessary to assure that the number of such animals on the island at any given time shall not exceed two hundred.

3. The Territory of Hawaii shall have the right, at its expense and risk, at reasonable intervals to enter and inspect the island to ascertain the extent of forest cover, erosion, and animal life thereon, and to sow or plant suitable grasses and plants under a program of soil conservation: *Provided*, That such entrance and inspection shall not interfere unreasonably with activities of the Department of the Navy or of the United States Coast Guard.

4. When there is no longer a need for the use of the area hereby reserved, or any portion thereof, for naval purposes of the United States, the Department of the Navy shall so notify the Territory of Hawaii, and shall, upon reasonable request of the Territory, render such area, or such portion thereof, reasonably safe for human habitation, without cost to the Territory.

EXHIBIT NO. 2

RESOLUTION OF MAUI COUNTY COUNCIL

Whereas, Sec. 1-2 of the Charter of the County of Maui states that the County of Maui includes the island of Kahoolawe; and

Whereas, the recent bombing practice held by the United States Navy on the island of Kahoolawe created concussions which affected residents in various areas of the island of Maui; and

Whereas, there is serious danger that stray bombs from these bombing practices could destroy life and property on the island of Maui; and

Whereas, there are other unpopulated islands in the Pacific Ocean which could be used for such bombing practices; now, therefore, Be it

Resolved, by the Council of the County of Maui that it does hereby respectfully request the United States Navy to seriously consider selecting an isolated island in the Pacific Ocean for bombing practices and to return Kahoolawe to productive use such as cattle raising and to provide fishing grounds for local fishermen; and Be it further

Resolved, that a certified copy of this resolution be transmitted to the United States Navy, Pearl Harbor, Hawaii.

Mr. STENNIS. Mr. President, this amendment calls for and authorizes a comprehensive study and investigation for the purpose of locating an uninhabited island in the State of Hawaii as a suitable place for bombing. I think the amendment not only is acceptable but also it is very timely.

Mr. President, I am prepared to accept the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. FONG. I yield back my time.

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, I call up an amendment that I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 7, lines 16 and 17, strike out "Committees of Armed Services of the Senate and the House of Representatives" and insert in lieu thereof the following: "Speaker of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate".

On page 7, lines 20 and 21, strike out "Committees of Armed Services of the Senate and the House of Representatives" and insert in lieu thereof the following: "Speaker of the House of Representatives and the Committees on Armed Services and Foreign Relations of the Senate".

Mr. MUSKIE. Mr. President, on page 7 of the bill there appears the following provision;

> The Secretary of Defense shall study the overall concept for use of tactical nuclear weapons in Europe; how the use of such weapons relates to deterrence and to a strong conventional defense; reductions in the number and type of nuclear warheads which are not essential for the defense structure for Western Europe; and the steps that can be taken to develop a rational and coordinated nuclear posture by the North Atlantic Treaty Organization Alliance that is consistent with proper emphasis on conventional defense forces.

Mr. President, as I understand it, this provision was sponsored by the distinguished Senator from Georgia (Mr. NUNN). I compliment him for the provision. I think it is a very useful addition to the bill.

The one change my amendment would make is this. The bill provides that the report shall go to the Committee on Armed Services of the Senate and the House of Representatives. My amendment would provide that the report also shall go to the Committee on Foreign Relations of the Senate and the Foreign Affairs Committee of the House of Representatives. Both committees have subcommittees working in the area covered by the Secretary of Defense's report. I think it makes sense that the report be made available to them. I understand the amendment is acceptable to the Senator from Georgia (Mr. NUNN) and the manager of the bill (Mr. STENNIS).

Mr. NUNN. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. NUNN. Mr. President, I not only have no objection, but also I think the Senator makes an excellent point in providing that this important report be made available to the Committee on Foreign Relations. There are many duplications and overlaps between subject matter considered by the Committee on Foreign Relations and the Committee on Armed Services. I think a spirit of cooperation in this important area will be beneficial to the Senate, the Department of Defense, and the national security.

I congratulate my colleague and friend from Maine for making this addition.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. GOLDWATER. Mr. President, I think the Senator from Maine has brought up a very vital subject. The responsibility of the Committee on Foreign Relations and the Committee on Armed Services to me almost go hand in glove. I would suggest that both committees meet to determine what areas we both should be interested in.

I note properly that the Committee on Foreign Relations is more and more interested in weaponry, and it would be to our advantage on the Committee on Armed Services to be exposed a little more to the philosophy of foreign policy so we can consider the weaponry and the force which is to apply.

I think both the Senator from Georgia and the Senator from Maine have made useful additions to the bill by this language.

Mr. STENNIS. Mr. President, I join in saying that the amendment to the bill by the Senator from Georgia (Mr. NUNN) certainly is of value and I think fruits will come from it. I think it is very timely. I want to assure the Senator from Maine that we did not consciously leave out the Committee on Foreign Relations; not in the least, but we did not think about it, either. The Senator has rendered a service.

Mr. MUSKIE. I thank the Senator. As the Senator from Arizona said, there are mutual areas that we should explore. I am grateful to the Senator from Mississippi and the Senator from Georgia.

I wish to add that the Senator from New Jersey (Mr. CASE), who is not on the floor, is a cosponsor of the amendment.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. STENNIS. With respect to all these allegations about lack of uniformity between the Committee on Foreign Relations and the Committee on Armed Services, there is no basis for those allegations whatever. There is an overlapping of their jurisdiction which grew up, mainly, since World War II because of the change in conditions since World War II. I am glad that I was able to work with the committee and I think all members are, as well as the members of the Committee on Foreign Relations.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. STENNIS. Mr. President, as I understand it, there are no further amendments on the bill to be offered this afternoon. I want to yield to the Senator from New Hampshire, and I ask that he be recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a correction I think should be made in connection with the whip notice?

Mr. STENNIS. I yield.

CORRECTION OF THE WHIP NOTICE

Mr. ROBERT C. BYRD. Mr. President, the whip notice which went out earlier today inadvertently omitted reference to the energy appropriation bill which will be taken up first thing Monday. The Senate will come in at 10 a.m. and very shortly thereafter, as soon as the leaders have made their statements under the standing order, the Senate will proceed to the consideration of the energy bill, and it will be under a time limitation. I make that correction so that Senators will be apprised of the inadvertency.

Also the whip notice states that at 1 p.m. the amendment by Mr. MCINTYRE will be called up. I would like to correct that statement to make it read "at 12:45 p.m."

With those two corrections, the record will stand.

ORDER OF BUSINESS

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLELLAN. Mr. President, what time is the energy appropriation bill on Monday?

Mr. ROBERT C. BYRD. About 10 minutes after 10 on Monday morning.

Mr. McCLELLAN. First thing Monday morning, and to be disposed of, and the others are subject to the disposition of that bill?

Mr. ROBERT C. BYRD. There is a time limitation on that bill.

Mr. McCLELLAN. What is the time?

Mr. ROBERT C. BYRD. Two hours.

Mr. McCLELLAN. Two hours. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, if the Senator from New Hampshire will yield briefly, I wish to ask the distinguished chairman of the Committee on Appropriations (Mr. McCLELLAN) in the event a rollcall vote is ordered on the passage of the energy appropriation bill, and an amendment thereto, would it be agreeable with him if such votes were to occur not earlier than, say, 4 p.m. on Monday?

Mr. GRIFFIN. Mr. President, will the distinguished majority whip yield?

Mr. ROBERT C. BYRD. Yes, with the indulgence of the Senator from New Hampshire.

Mr. GRIFFIN. I should indicate something that has just come to my attention. Apparently there are several amendments to be offered to the appropriation bill and it is conceivable that there could be votes on those amendments, as well as on final passage.

Mr. McCLELLAN. I will agree to any time, as far as I am concerned, that will accommodate the convenience of Members of the Senate. I have no special request to make or any opposition to interpose to any reasonable time for amendments.

Mr. GRIFFIN. If there were such amendments, I suppose the votes on them should occur on a back-to-back basis with final passage.

Mr. McCLELLAN. May I inquire what is the unanimous consent agreement now with respect to the bill? Two hours on the bill?

Mr. ROBERT C. BYRD. Two hours on the bill.

Mr. McCLELLAN. And how much time on amendments?

Mr. ROBERT C. BYRD. One hour on any amendment. The Senator may wish to change that to a half-hour on any amendment, or he may not. The agreement is in the usual form, so the managers may yield time from the bill to any Senator on an amendment.

Mr. McCLELLAN. I doubt if we can set any definite time, then, under those circumstances, if there are going to be a number of amendments, for a vote on the bill.

Mr. ROBERT C. BYRD. Except we could say no earlier than 4 o'clock.

Mr. McCLELLAN. No earlier than 4 o'clock.

Mr. ROBERT C. BYRD. Yes, it being a Monday, which will accommodate Senators who may have to travel from distant places.

Mr. President, I make the unanimous consent that no rollcall votes occur prior to 4 o'clock.

Mr. McCLELLAN. Is that on any amendment?

Mr. ROBERT C. BYRD. Any rollcall at all.

Mr. McCLELLAN. On any rollcall, before 4 o'clock?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF ENERGY APPROPRIATION BILL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, immediately after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of the energy appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from New Hampshire for his usual courtesy.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. McINTYRE. Mr. President, on Monday next, at 12:45, it is my understanding that the amendment No. 1380, which was cosponsored initially by the distinguished Senator from Massachusetts (Mr. Brooke), and now has 12 or 14 additional cosponsors, will become the pending business, and so it seems appropriate at this time to lay a little groundwork for the benefit of our colleagues as to what this amendment seeks to do.

Mr. President, we have had a week of thorough and important debate on many aspects of the pending bill. We have analyzed and discussed major weapons systems and manpower policies and their relation to other national priorities. Much of the debate has centered on economic arguments. This is understandable and wise, considering the current economic situation.

However, I would now like to focus the attention of my colleagues on a question which does not involve large sums of money in the pending bill, but which I believe to be the most important issue raised in this bill and perhaps the most crucial question before the Senate this year. I do not use these words lightly. Buried in the complex provisions of this bill are three programs, which if approved, would drastically and dangerously alter our national strategic policy—a policy which has given us nuclear peace and stability for two decades.

The three programs to which I refer are the proposals to greatly increase the accuracy of our Minuteman III intercontinental ballistic missiles, greatly increase their yield, and develop a terminally guided MARV—maneuverable reentry vehicle) which would give our submarine-launched ballistic missiles (SLBMS), as well as our Minutemen, nearly perfect accuracy. The net effect of these counterforce programs would be to give us the ability to destroy efficiently large numbers of Soviet missiles in their hardened silos.

I question the wisdom of these proposals and have, therefore, introduced, along with the distinguished Senator from Massachusetts (Mr. Brooke) amendment No. 1380 to S. 3000. Our amendment would delay the spending of any funds for these programs until it was clear that our negotiations at SALT II had failed to reach an agreement containing substantial controls over offensive missiles. Thus our amendment would not only forestall development of several dangerous programs. It would also take a carrot and stick approach to SALT by sending a clear message to the Soviets that they should agree to full and fair arms control at SALT II.

In the last year, and in previous Congresses, the Armed Services Research and Development Subcommittee, which I chair, has held exhaustive and comprehensive hearings on the full range of R. & D. programs. This year alone our subcommittee has met more than 30 times. Much of our study was devoted to these counterforce proposals and their implications. I have not arrived at any conclusion frivolously or arbitrarily. Whenever our subcommittee had doubts about marginal R. & D. programs, we resolved these doubts in favor of the program and thereby tried to keep all options open for as long a time as feasible. However, the three programs mentioned earlier, which should be considered as a package since they all have the same ultimate purpose, raise too many questions and have little or no justification. Their potential danger makes it imperative, in my mind, that we delay development at this time.

I have opposed these counterforce programs in the Armed Services Committee, and continue to do so here on the Senate floor for the following reasons:

First. They represent a drastic change in our nuclear strategy;

Second. They will put a hair trigger on nuclear war;

Third. The ultimate costs of development and deployment will be in the billions; and

Fourth. There is no need nor military requirement for these counterforce programs.

I note the presence on the floor of my distinguished colleague, the senior Senator from Maine (Mr. Muskie), who is a cosponsor of this amendment, and to whom I shall be happy to yield now so he may add his views to this debate.

Mr. MUSKIE. Mr. President, may I, first of all, compliment my good friend the distinguished Senator from New Hampshire (Mr. McIntyre) for raising this counterforce issue on the floor this afternoon. I could not agree more as to his evaluation of its importance as we face the years immediately ahead.

It is not an easy issue to explain or to understand. Hence, I think it is highly appropriate that the debate should begin this afternoon, even in the absence of so many of our colleagues, so that a record could be made which, hopefully, will be enlightening to us all.

I have joined in cosponsoring this amendment with the distinguished Senator from New Hampshire and the distinguished Senator from Massachusetts (Mr. Brooke). I have done so on the basis of hearings that were held in the Foreign Relations Committee earlier this year on this subject, hearings which were conducted by the distinguished Senator from Missouri (Mr. Symington), who is a member of both the Armed Services and Foreign Relations Committees, and myself as chairman of the Arms Control Subcommittee of the Foreign Relations Committee.

We will on Monday, I suppose, get involved in much greater detail than we will this afternoon on the implications of this issue. I would like to take this opportunity, though, to outline briefly some of my concerns about Secretary Schlesinger's proposed changes.

Mr. President, for many years, the declared strategic doctrine of the United States has been deterrence—a policy which seeks to persuade a potential aggressor not to initiate nuclear war by confronting him with the certainty of unacceptable destruction in return. It has been generally assumed that such a policy is most effective when our retaliatory forces are targeted against the civilian population and industrial centers of the adversary.

During this same period, our strategic nuclear forces have developed the capacity to fulfill other roles. For over 10 years we have had, in addition to the deterrent forces, weapons capable of destroying military targets or capable of damaging our adversary's missile reserves so that they could not be used against us. With progress in technology—such as MIRV, improved command and control, smaller warhead size and the like—the ability of our forces to perform these secondary functions has advanced to a very sophisticated level, while we still maintain an overwhelming deterrent capability.

In recent months, Secretary Schlesinger has initiated a national debate on counterforce strategy, or more specifically, on the question of whether this country can improve the character of its deterrent by improving and stressing what have heretofore been deemphasized as secondary characteristics of our nuclear forces. He has proposed, among other things, changes in our targeting policies, improvements in our command and control structures, improvements in the power and accuracy of our Minuteman III ICBM warheads and development of a terminal guidance MARV program.

As the Senate debates these issues today and Monday I hope that my colleagues will not lose sight of the primary purpose of our nuclear forces—to deter aggressors from initiating hostilities. What causes concern about the proposed new doctrine are the proposed simultaneous improvements in yield and accuracy of our land-based forces. And here I would like to recall the previous and emphatic statements of this administration, both President Nixon and former Defense Secretary Laird, that the United States would resist any initiative that gave even the appearance of going for a first-strike or silo-smashing nuclear force, because it would be destabilizing and provocative. Accuracy and yield improvements, of course, would seem to give precisely this appearance.

In this connection, I think we must examine the implications of accuracy and yield improvements for the stability of our deterrent relationship, particularly at the upper end of the spectrum and during crises. We cannot be sure that the Soviets will see these improvements merely as enhancing deterrence at the lower, or limited nuclear, level of the spectrum. They may, indeed, be less likely to listen to our declared intentions about limiting nuclear war and more likely to make their judgments based on our capabilities, which will include weapons capable of destroying silos in a first strike if we go ahead with accuracy and yield improvements. While a disarming first strike may indeed be impossible in theory, our possession of weapons capable of damaging Soviet land-based missiles may nevertheless cause them grave concern about the survivability of these missiles. It may prompt them, in time of crisis, to use them rather than lose them. In sum, then, there can be a real question about the ambiguity of our aims and motives in seeking these improvements.

Mr. President, I believe we must do everything possible to enhance the survivability of our deterrent forces and to lessen tensions with any potential aggressors. I have serious doubts whether Secretary Schlesinger's proposed changes in our strategic forces will help achieve these goals. They may, in fact, lead to an escalation of the arms race, with the Soviets taking countermeasures which could increase the threat to our land-based forces and heighten tensions between the world's two major nuclear powers.

Mr. President, these considerations underlie my concern about this new proposed doctrine. I look forward to an opportunity to discuss my concerns in greater detail on Monday. In the meantime, I would again like to commend the distinguished Senator from New Hampshire for raising this most important and vital issue to the level of Senate debate in these closing days of consideration of the defense procurement bill.

Mr. McINTYRE. Mr. President, I want to thank my good friend from the neighboring State of Maine. It is always helpful to have his strong arm and strong intelligence as a supporting Senator in one of these debates, particularly on an issue, as he has said, of this importance.

I would like to ask the distinguished Senator from Maine—I realize this is speculative—how does he think a conservative Soviet military planner, or one who is concerned about the security of his own country—and I understand in the Soviet Union they have the conservatives and they have those who are more philosophical—how does he suppose a conservative Soviet military planner would view these three programs?

Mr. MUSKIE. I think Soviet Marshal Grechko has already told us. Earlier today, I read a story in the press reporting the remarks made by Marshal Grechko in his election campaign in Moscow. He is apparently electioneering despite the fact he is the only candidate on the ticket, not unlike some constituencies in this country, I might say. But, in any case, commenting upon the Soviet military posture, Grechko emphasized the need to go forward with the expanded Soviet nuclear program, which is so visible now in the new missiles developed recently.

His argument was that the United States is embarking upon a refinement of its enormous nuclear warmaking machine. That refinement could have had reference to nothing but the very items that the Senator has pinpointed with his amendment.

It is conceivable, of course, that Marshal Grechko is propagandizing against the Department of Defense budget proposals. But, on his record, I think not. I think he is making use of this argument to make the case in which he believes—the case to maximize the Soviet nuclear posture and to achieve superiority, if possible. And I think he will use developments such as this to fuel his arguments.

I ask unanimous consent that the article concerning Marshal Grechko's remarks be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, June 6, 1974]

SOVIET DEFENSE CHIEF SAYS WEST PURSUES ARMS RACE

Moscow, June 5.—Marshal Andrei A. Grechko, the Soviet Defense Minister, has told a Moscow election rally that the West is pursuing the arms race and the Soviet Union is "doing everything necessary" to modernize its defense system.

The 70-year-old military leader, quoted at length in this morning's Communist party newspaper, Pravda, did not specifically mention recent tests of multiple-warhead missiles or the expansion of the Soviet strategic arsenal of land missiles and submarine-based missiles.

But his election speech, to a rally on Tuesday in the Kiev Borough of Moscow, sought to justify pushing ahead with the Soviet build-up. It combined routine endorsement of the Soviet policy of coexistence with a warning against complacency because "the danger of war remains a stern reality of our time."

U.S. WAR BUILD-UP SEEN

"Imperialism even now carries on material preparation for war, builds up production of military hardware and weaponry, relentlessly perfects the giant military machine it has created," Marshal Grechko said.

"The party and the people are doing everything necessary to maintain the country's defenses on the level of modern requirements", he said. The marshall is a candidate in the single-slate election to the Supreme Soviet, the nominal legislature, on June 16.

Since becoming a member of the party's ruling Politburo in April, 1973, Marshal Grechko has been gaining more publicity, and some Western analysts have interpreted his speeches as pressure on the Soviet leadership to push ahead with the build-up of its strategic arsenal rather than be drawn prematurely into another arms limitations agreement with the United States.

To these analysts, Marshal Grechko is the visible advocate of the Soviet military-industrial complex, exercising the same kinds of influence on Kremlin policy that the Joint Chiefs of Staff exercise in the American political arena.

According to this view, the Marshal's speeches to military audiences, his March article in the Communist party's ideological journal, Kommunist, and his election speech contain more warnings about military preparedness than the public statements of the party leader, Leonid I. Brezhnev.

Some Western diplomats have heard rumors that the military establishment objected to the soft tone of a speech that Mr. Brezhnev had planned to deliver on May Day and the speech was therefore canceled. They noted that in the May Day slogans a phrase describing the Soviet armed forces as a "reliable defender of the motherland" had been dropped, and speculated that this might signify a behind-the-screen debate over the defense budget.

A contrary view among Western diplomats and military specialists is that Marshal Grechko's speeches reflect his natural concerns as Defense Minister. These analysts are skeptical that any essential differences exist between the defense establishment and the party.

"This is a military state," one Western diplomat said. "The economy is set up to serve military needs. Defense costs are not some form of social overhead to be cut to the bone. Military output is an end-product, a basic objective of the Soviet economy. Grechko and Brezhnev are in league with each other."

Some analysts concede that Premier Aleksei N. Kosygin and other members of the leadership with responsibility for the civilian sector may seek to constrain defense spending to gain funds for their branches of the economy. In private talks with Westerners, Mr. Kosygin has emphasized the need to cut arms spending on both sides.

Mr. McINTYRE. May I ask the Senator from Maine, does he not think that the people of this country would like to see a limitation on arms rather than this escalation where, as you say, the Russians look at us and say, "They are refining their accuracy; therefore, we must make bigger missiles." It is the feeling of this Senator that if we do not push for arms limitations, and particularly at this point, that the answer some day is going to be that we are going to blow up the world and all in it.

Mr. MUSKIE. The Senator from New Hampshire, is absolutely correct. But I must say I find people confused. They have been told that we have signed one agreement with the Russians, yet all the evidence is that both sides have escalated the arms race, and these budget proposals are the latest evidence.

I think people are ready to lighten the burden of arms they have carried on their shoulders, every taxpayer of this country. I just think that like MIRV before it and other developments, these proposals will simply mean escalating the race to a higher level. The race will not go downward. There is nothing in the history of the SALT negotiations up to now to suggest that a rollback of arms of any kind at any level is in prospect. The MIRV tests in this country were completed before the SALT talks started. Deployment was commenced after they had started; but now we are not talking about a SALT agreement at a pre-MIRV level. Any SALT agreement that we negotiate now is going to fix in place a MIRV capability on both sides.

So the very SALT talks that were designed to stabilize arms have resulted in escalating the arms race to a higher plateau, and I am afraid that this new proposal will escalate it to a still higher plateau. I think that is what the American people see. They do not really believe we mean what we say when we say we are going to try to stabilize the arms race.

Mr. McINTYRE. Does the Senator recall, that at the time that Secretary Laird, the then Secretary of Defense, returned with the SALT agreements about to be signed, there was also supplemental budget request of $120 million, and that the Armed Services Committee, on which I serve, and the full Senate, rejected a claim of $20 million for a new reentry vehicle?

Mr. MUSKIE. That is right.

Mr. McINTYRE. And that was in 1972.

Mr. MUSKIE. That is right. Secretary Laird attempted to trigger the nuclear arms race qualitatively as soon as the SALT accords had been signed.

Mr. McINTYRE. I thank the Senator from Maine.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. McINTYRE. I am pleased to yield to the Senator from California.

Mr. CRANSTON. The Senator from

New Hampshire has stated the two most important questions about this amendment and about these counterforce proposals, and the answers given by the Senator from Maine were the most important answers that must be considered by this body, as we consider this amendment and what it is proposed be done in terms of developing counterforce weapons.

I thank the Senator from New Hampshire for the careful, thoughtful effort he has put into this issue as he speaks to us in connection with the very important responsibilities he carries. I am delighted that the Senator from Massachusetts (Mr. BROOKE), who made such a valiant effort a few years ago to prevent MIRV from developing, is once again involved in this effort, and, as usual, once again the Senator from Maine is providing for important leadership hearings.

I think we should consider one other matter as well as the grave danger of escalating the arms race, and that is the grave danger of escalating inflation as we spend so much in developing these very costly weapons.

As we go to deployment if, God forbid, we do, we get into the most inflationary way we can spend on these military matters, that have so much to do with the runaway prices causing such sickness to our economy and such hardship to so many families in our country.

I ask unanimous consent to have printed in the RECORD at this point a brief outline of the issues in regard to this counter force amendment.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

COUNTERFORCE—THE MCINTYRE-BROOKE AMENDMENT NO. 1380

WHAT IT DOES

Amendment delays development of counterforce capability—increased accuracy and yield of MINUTEMAN missiles—until the President reports that SALT II has *failed* to control MIRVs.

MAIN ARGUMENTS

1. *Counterforce is premature.* By greatly increasing Soviet vulnerability, counterforce programs give the Soviets an incentive—

To strike first,

To proceed with MIRV deployment in order to increase the firepower of their surviving missiles.

Only if efforts to curb MIRVs fail should U.S. consider counterforce.

2. *Counterforce has no military justification.* Counterforce programs do nothing to meet the Soviet threat to our MINUTEMEN, nor do they enhance the survivability of our deterrent.

Our large and varied arsenal, including bombers and submarines, already permits a flexible response.

Counterforce programs can make our missiles *less* secure by attracting Soviet fire.

3. *Counterforce is expensive.* Although the initial request is for only $77 million, total development costs will be about $1.5 billion—and billions more for deployment.

4. *"Flexibility" and "avoiding collateral civilian casualties" are false issues.* Pentagon says we need improved accuracy so we won't be forced to retaliate against cities. But:

DOD witnesses say U.S. can destroy a whole range of targets, including military and industrial ones. U.S. already has flexible response capability. Our present posture does not lock us into aiming at cities.

5. Counterforce capability really boils down to hitting targets more *efficiently.* Counterforce would give us a *little* more efficiency in return for a *lot* more danger to nuclear stability.

6. *Counterforce will not reassure allies.* Secretary Schlesinger says we need counterforce because our allies fear we are weak. But:

Counterforce is a highly inappropriate response.

Many of our allies doubt that the U.S. would use any kind of nuclear weapon on their behalf. Counterforce doesn't help.

7. *Counterforce is destabilizing and stimulates the arms race.*

Ambassador Gerard Smith, chief U.S. negotiator at SALT I, says: "The logic arguing for a greater counterforce potential may well drive the nation towards a launch-on-warning doctrine, hardsite ABM defense of ICBMs, and eventually to a nationwide fallout shelter program.

Secretary of Defense Melvin Laird said in 1970: "The President has made it perfectly clear that we do not intend to develop counterforce capabilities which the Soviets could construe as having a first-strike potential."

Counterforce is a new and dangerous posture that threatens nuclear stability and does not enhance the survivability of our deterrent.

Senator McIntyre has requested a secret executive session of the Senate Monday afternoon, June 10, to discuss highly classified information relevant to counterforce.

Mr. McINTYRE. Mr. President, I thank my good friend from California. I am delighted to have him as a cosponsor of the amendment.

Mr. President, I would like to add a few more words on this subject.

Our nuclear policy since the 1950's has been premised on our ability to retaliate after any enemy first-strike. The stable nuclear peace that the world has enjoyed has been secured by the confidence each side has had in the survivability of its retaliatory force even after an all-out attack. The stability would be undermined by greater counterforce capabilities on either side.

The counterforce programs proposed by Secretary of Defense Schlesinger give the appearance that we may obtain the potential to destroy hardened Soviet missile silos. This threat to Soviet ICBM's might motivate them to strike first in a period of international tension. These programs would, therefore, produce an international wild-west filled with the fears and dangers of a nuclear "fast gun."

The destabilizing effect of a first-strike capability has been clearly understood by our defense planners of many years. In 1971, DOD statements on increased missile accuracy—one of the important components of counterforce—were as follows:

> It is the position of the United States not to develop a weapons system whose deployment could reasonably be construed by the Soviets as having a first strike capability. Such a deployment might provide an incentive for the Soviets to strike first.

DOD understood then that the question was not whether we could actually achieve first strike but whether conservative Soviet military analysis could reasonably construe greater accuracy as leading to a first strike capability. The counterforce proposals currently in dispute certainly could be so construed.

In 1971, the Senate, led by Senator STENNIS, rejected a Buckley amendment for improved Minuteman accuracy by a vote of 66 to 17. In 1972, the Senate conferences insisted that a $20 million DOD request for silo kill accuracy in the post-SALT supplemental be deleted in conference. In both cases, there was a full appreciation that such R. & D. programs would break new ground and set dangerous new policy.

The threat of a runaway arms race which has been raised during the last year by Soviet development of MIRV's and our frustrations at SALT II make it all the more necessary that we not develop increased counterforce capabilities which would only further fuel the R. & D. arms race.

Even this year, in his annual Defense Department report for fiscal year 1975, Secretary Schlesinger enumerated, as one of the principal features of our strategic posture:

> The avoidance of any combination of forces that could be taken as an effort to acquire the ability to execute a first strike disarming attack against the USSR.

But, Mr. President, to the Soviet defense analysts, actions may speak louder than words. Thus, the development of technologies which could be construed as a first strike capability may send the wrong signal.

As one commenator on the arms race, John C. Baker, editor of "Arms Control Today," has written:

> Moving to a counterforce doctrine would represent a major policy shift since in the past President Nixon and other top officials have frequently assured the Congress and American public that the U.S. would neither develop a counterforce capability nor any weapons "which the Soviets could construe as having a first strike potential." While it is possible to argue that "technically" a hard-target counterforce capability does not constitute a *disarming* first strike potential since both sides will maintain relatively invulnerable sea-based missiles and bombers, the fact remains that both nations will *perceive* such a capability as an attempt to achieve such a capability and therefore *highly provocative*, regardless of what is "technically" correct. It is difficult to believe that those Americans who for years have been most concerned about the vulnerability of the U.S. ICBM force to a Soviet MIRV attack will not be able to comprehend that even a "limited" U.S. counterforce potential can generate uncertainties in Soviet eyes about our intentions, create instabilities in the strategic balance, and foster suspicions between the two nations.

It is these suspicions and perceptions that make the development of a counterforce program so dangerous. We truly may be putting a hair trigger on nuclear war.

Secretary Schlesinger put it succinctly and accurately when he stated in his annual Defense Department report:

> All wars since 1945 have been non-nuclear wars shadowed by the nuclear presence. The threat to use nuclear weapons has remained, for the most part, in the background, but belligerents and neutrals alike have known that, like the big stick in the closet, it was there.

I am afraid, Mr. President, that the Secretary's desire for "flexible response" might make it more tempting for one side or the other to take the big stick out of the closet. The results, needless to say, would be catastrophic.

The preliminary costs of these counterforce programs are not great. Total spending for the three programs in fiscal year 1975 would be about $77 million. However, the total cost to develop these systems would run about $1.5 billion. Deployment would add billions more. Clearly, this is not a program that should be begun without adequate justification. We know all too well that military programs, once begun, can develop a life of their own and can frustrate and thwart all attempts to stop them, even after their usefulness has been brought into doubt. The military justification for these counterforce programs simply does not exist.

In discussing the military need, some background and comment on our other defense programs is in order.

Our critical task in strategic arms is to assure the survivability of our deterrent on which nuclear peace and our national security depends.

Our R. & D. programs in the past have produced superior technologies which are at the heart of this survivability—the hardness of our missiles and their silos; MIRV's; the quietness of our submarines; and the penetration of our bombers. These technologies together with the redundancy of our Triad and the size of each of its component forces insure, as Secretary Schlesinger has often stated, that the Soviets cannot achieve a preemptive first strike.

The survivability of our deterrent, which is already secure into the practical future, will be dramatically increased in the 1930's and beyond, through massive improvements in the force currently being deployed or developed. We continue to MIRV our SLBM's thus increasing the retaliating threat of any single missile. Even though there is no conceivable Soviet ASW threat which could endanger our Poseidon fleet in this decade, we will compound their ASW problem tenfold with our new Trident submarine and will triple the range of 10 Poseidon boats beginning in the late 1970's by equipping them with the Trident (C-4) missile.

Even though the B-52, itself, is highly survivable, well into the 1980's, the B-1 promises quick escape and sure penetration which will counter any known Soviet threat even under development. We are increasing the survivability of our Minuteman by further hardening our silos, by continuing to deploy more MIRV's on Minuteman III, and by completing Safeguard.

Even the worst case projections of the unexpectedly rich and varied Soviet MIRV testing program do not threaten the survivability of our deterrent. Even if we assume that the Soviets successfully deploy their MIRVs; that they can develop and deploy new guidance technology; that they will be willing and able to spend the $30 billion Secretary Schlesinger estimates it will cost to replace their SS-11 with SS-19's; that SALT II fails to produce a secure agreement to inhibiting such deployment; and that paper extrapolations mean a high confidence counterforce threat against a large portion of our Minuteman—they will still be faced with an increasingly invulnerable submarine fleet, a much more survivable bomber force, and would, therefore, be taking an irrational risk in attacking one part of our Triad.

Nevertheless, continued intense Soviet activity pointed toward putting part of our deterrent at risk is itself destabilizing. It might breed miscalculation by the Soviets or misapprehensions among our allies. It raises doubts about whether the Soviets are willing to accept a stable nuclear balance. And it compounds the task of our SALT II negotiations.

Finally, concentrated support of those R. & D. programs which would enhance the survivability of our deterrent speaks with unmistakable clarity and force to the Soviets that we will never let them put a substantial part of our strategic force at risk. We, thereby, give them the most compelling motive to restrain their destabilizing MIRV technologies and come to a secure agreement at SALT. If they refuse, we will have technologically prepared ourselves to take whatever practical steps are necessary to assure the survivability of our deterrent.

The survivability of our deterrent is the key to our military and diplomatic needs. Whatever the threat to our Minutemen, these counterforce programs would add nothing to their survivability. In fact, they would actually reduce the security of our deterrent by giving the Soviets a motive to continue to develop a counterforce capability and in a period of international tension even to strike first. There is no military requirement for these programs. We can now confidently destroy all Soviet civilian targets, all soft military targets, and a number of hard military targets. The only thing we cannot now do is confidently destroy a large number of very hard military targets—hardened silos—efficiently and such a capability is not necessary to our deterrent even as defined by the new flexible response doctrine. As I have said, these programs, which propose to improve yield and increase accuracy would reverse previously stated DOD policy and overwhelming congressional opposition in past years.

The R. & D. subcommittee made a special effort to discriminate among the various DOD requests. The subcommittee recommended support of all programs which will enhance survivability of our deterrent.

In sum, these counterforce proposals have the potential of dangerously destabilizing the strategic environment. Most disputes about R. & D. are in essence about money or management, important considerations to be sure. But the debate on these counterforce requests concerns issues affecting the future survivability of the human race.

I therefore hope that the Senate will act to defer final action on funding these programs until such time as a clearer understanding exists as to their potential implication and until such time as alternatives to the "counterforce" initiative have been fully explored.

QUORUM CALL

Mr. McINTYRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 336—PROVIDING FOR THE TRANSMITTAL OF CERTAIN MATTERS RELATING TO A HEARING BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

Mr. McCLELLAN. Mr. President, I send to the desk a resolution which has been ordered reported by the Committee on Appropriations, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read the resolution.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. McCLELLAN. I understand that the resolution has been cleared with the leadership on both sides of the aisle.

This resolution is in response to a request from Special Prosecutor Leon Jaworski for copies of hearings and other material relating to the inquiry conducted by the Appropriations Subcommittee on Intelligence Operations into the purported role of the Central Intelligence Agency in the Pentagon papers case and the Watergate affair. The request of Mr. Jaworski was made to me as chairman of the Committee on Appropriations by latter of April 19, 1974, and I ask unanimous consent that his letter be inserted in the RECORD as a note of my remarks, and also his letter to me of May 7, 1974.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WATERGATE SPECIAL PROSECUTION FORCE,
United States Department of Justice
Washington, D.C., April 19, 1974.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations,
Suite 1235, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This office is presently conducting the prosecution of the case of *United States* v. *John D. Ehrlichman, et al.*, Criminal No. 74-116 (D.D.C.), which relates to the break-in of the offices of Dr. Lewis J. Fielding in September of 1971. At the present time, we wish to determine whether any of the defendants and/or prospective witnesses whose names appear in the attached list have appeared before your committee or subcommittee thereof and testified in Executive Session or have been interviewed by members of the committee staff.

In this connection would you advise us of the dates of such appearances, the manner in which the statement was memorialized and the general subject matter of the statement.

If such materials exist, we wish to be advised of your position concerning their availability for use in the trial of this case.

Inasmuch as this matter is set for trial for June 17, 1974, we would very much appreciate an early response to this inquiry. Mr. Charles R. Breyer of this office can provide you with any further information which may be of assistance to you.

Thank you for your cooperation.

Sincerely,

Leon Jaworski,
Special Prosecutor.

Watergate Special
Prosecution Force,
Washington, D.C., May 7, 1974.

Hon. John L. McClellan,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In the course of various prosecutions by this Office, the government may be required to produce at trial certain prior statements of government witnesses. In addition, we may be interested in acquiring prior statements of defendants under prosecution. This may include testimony and witness interviews by Congressional Committees and their staffs.

As we analyze our possible needs, we have noted relevant testimony and possible staff interviews by the Subcommittee on Intelligence Operations (CIA oversight) and the Subcommittee on HUD, Space, Science and Veterans (SEC-Vesco).

From time to time, various of our task forces may be requesting copies of executive session testimony and perhaps staff interviews as to our witnesses and defendants. I would appreciate learning from you if such materials will be available to us in the inquiry areas mentioned above. In addition, since we will have continuing requests to make in all probability, please indicate to me whom we should contact on your staff so that we need not bother you with specific details.

As you know, we have previously contacted you as to the availability of certain materials for the trial of *U.S.* v. *Ehrlichman* (the Fielding break-in). This is a more comprehensive request in the hope that we can discover if there will be any problems of access to your material in other trials that we shall be having in the future.

I very much appreciate your consideration of these important matters and we look forward to your cooperation.

Sincerely,

Leon Jaworski,
Special Prosecutor.

Mr. McCLELLAN. Mr. President, the committee obviously wants to cooperate with Mr. Jaworski and it was felt that a general authority to furnish pertinent information such as contained in the resolution was the appropriate way to handle the problem.

I urge the adoption of the resolution.

Mr. GRIFFIN. Mr. President, the Senator from Arkansas, the distinguished chairman of the Appropriations Committee, is correct; this matter has been cleared with the leadership on both sides, and it is my understanding, as he has recited, that this matter did come up in a meeting of the Appropriations Committee, and that the action he is now taking is with the unanimous approval of the committee. There is no objection.

Mr. McCLELLAN. I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 336) was considered and agreed to.

The resolution, with its preamble, is as follows:

Whereas Special Prosecutor Leon Jaworski has requested that certain matters relating to a hearing before a subcommittee of the Committee on Appropriations be transmitted to him: Now, therefore, be it

Resolved, That the President pro tempore of the Senate is authorized to transmit to Special Prosecutor Leon Jaworski, under the seal of the United States Senate and applicable national security classification procedures, a copy of the transcript of the hearings, and related materials, of the Subcommittee on Intelligence Operations, Committee on Appropriations, which began on May 9, 1973, with respect to its inquiry into the purported role of the Central Intelligence Agency in the Pentagon Papers Case and the Watergate Affair.

AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL SCIENCE FOUNDATION

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13999.

The PRESIDING OFFICER (Mr. William L. Scott) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 13999) to authorize appropriations for activities of the National Science Foundation, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Kennedy, Mr. Pell, Mr. Eagleton, Mr. Cranston, Mr. Mondale, Mr. Dominick, and Mr. Stafford conferees on the part of the Senate.

AUTHORIZATION FOR VETERANS' AFFAIRS COMMITTEE TO HAVE UNTIL MIDNIGHT SATURDAY TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs have until midnight Saturday to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent at such time as the bill (S. 3523), to establish a temporary National Commission on Supplies and Shortages, is called up and made the pending business before the Senate, that there be a time limitation on the bill of 2 hours, to be equally divided between the distinguished majority and minority leaders or their designees; that there be a time limitation on any amendment thereto of 1 hour, with the exception of an amendment by the distinguished Senator from Wisconsin (Mr. Nelson) on which there be a time limitation of 3 hours; that there be a time limitation on any amendment to an amendment of one-half hour; that there be a time limitation on any debatable motion or appeal of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER (Mr. William L. Scott). Is there objection to the request of the Senator from West Virginia?

Mr. GRIFFIN. Mr. President, reserving the right to object, this amendment I know is satisfactory to the distinguished ranking minority member of the Commerce Committee from which this measure was reported, the Senator from New Hampshire (Mr. Cotton). I know that it is also satisfactory to the distinguished Senator from Illinois (Mr. Percy) who has an amendment that he will offer and the 1-hour time limitation, it is my understanding, would be adequate.

It is my understanding that this would be satisfactory to the distinguished Senator from Ohio (Mr. Taft) who may also have an amendment.

With respect to the amendment to be offered by the distinguished Senator from Wisconsin (Mr. Nelson) on which there would be a 3-hour limitation, I am not familiar with the contents of the amendment, and I would hope and assume it would be germane to the measure coming before the Senate.

Would the distinguished majority whip be able to enlighten me on that?

Mr. ROBERT C. BYRD. I am not familiar with the subject matter of the amendment.

Mr. GRIFFIN. As the majority whip can understand, that assumption is rather important. We would not want some entirely unrelated matter to come before the Senate with a 3-hour time limitation; but perhaps we could enter into the agreement with that understanding, and, if it has to be reconsidered, then it could be.

Mr. ROBERT C. BYRD. Yes; I think that is a reasonable suggestion by the distinguished Republican whip.

Mr. GRIFFIN. I assume it probably is related and is germane.

Mr. ROBERT C. BYRD. Yes; I think it is. I condition my request, Mr. President, on the germaneness of Mr. Nelson's amendment. As does the assistant Republican leader, I assume that the amendment is germane. The Senator from Wisconsin spoke to me about it earlier today, but I do not recall whether he revealed the subject matter. If he did, I have forgotten what the subject matter is. But suppose I condition the request on the germaneness of the Nelson amendment; and if it is not germane and if Mr. Nelson wishes to have the agreement vitiated on that basis, it will be agreeable all the way around.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. on Monday next.

After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of H.R. 14434, an act making appropriations for energy research and development. There is a time agreement on that bill. The time for debate on the bill is 2 hours. There is a time limitation on any amendment thereto of 1 hour, with a time limitation on amendments in the second degree of 30 minutes. Undoubtedly, there will be rollcall votes on the bill, inasmuch as I understand that some amendments will be offered which will require rollcall votes.

At 12:45 p.m. on Monday, the amendment by Mr. McINTYRE to the military procurement authorization bill will be called up. There is a time limitation on the McIntyre amendment of 4 hours, during which time the distinguished Senator from New Hampshire (Mr. McINTYRE) may ask for a closed session. If that request is seconded, as undoubtedly it will be, the time for the closed session with come out of the 4 hours on the amendment.

There is a time limitation on a substitute for the McIntyre amendment, a substitute to be offered by Mr. CHILES, the limitation being 1 hour.

No rollcall votes will occur on Monday prior to 4 p.m.

After the McIntyre amendment and the Chiles substitute have been disposed of on Monday, the Senate will proceed to take up an amendment by Mr. MATHIAS on which there is a 1-hour limitation.

Also, it will be in order for Mr. HUGHES to call up an amendment on Monday, and for Mr. JAVITS to call up an amendment on Monday, following the disposition of the McIntyre and Chiles amendments.

Mr. President, on Tuesday, the Senate will meet at 9:30 a.m., and I ask unanimous consent to that effect.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Immediately after the two leaders or their designees have been recognized under the standing order, Mr. CRANSTON or Mr. KENNEDY will call up an amendment which has been discussed with Mr. STENNIS and on which Mr. STENNIS has agreed on a limitation of 1 hour.

I do not like to make consent requests subject to the approval of any Senator; but in this instance, in view of the fact that the matter was cleared with Mr. STENNIS—I do not know whether it was cleared with Mr. THURMOND or Mr. TOWER—in view of the fact that there is a finalization of action on the bill which will occur circa 2:30 p.m. on Tuesday, and in order to provide an opportunity for the Cranston-Kennedy amendment to come in, I ask unanimous consent, subject to approval of Mr. THURMOND, who is the ranking Member on the other side, that there be a limitation on the Kennedy-Cranston amendment of 1 hour and that the time begin running immediately after the two leaders have been recognized on Tuesday morning.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Reserving the right to object, Mr. President, would it be the intention, then, if there were rollcall votes on Tuesday, that the vote would come after the expiration of the 1 hour?

Mr. ROBERT C. BYRD. Yes. It would occur at that time because at 11 a.m., under the order previously entered, the Senate is to proceed to the further consideration of the amendment by Mr. JACKSON, on which there is an 80-minute limitation, with a vote to occur no later than 12:20 p.m.

Mr. GRIFFIN. Is the majority whip able at this time to give any indication or enlightenment as to the subject or purpose of the Kennedy-Cranston amendment?

Mr. ROBERT C. BYRD. I am not familiar with its contents, other than that it was represented to me as a Vietnam amendment. The manager of the bill, Mr. STENNIS, is aware of what it contains, because I have asked him if it is agreeable with him that it come up the first thing on Tuesday and whether it is agreeable to him that there be a limitation of 1 hour thereon; and he indicated in both instances in the affirmative.

It will possibly be the better thing to agree at this time that the vote occur on that amendment immediately following the vote on the Jackson amendment. The vote on the Jackson amendment is to occur at 12:20 p.m., and this would allow Senators to come to the Chamber and to understand what they are voting on, and it would allow a vote on both of those amendments before the amendment by Mr. HUMPHREY comes up, which is scheduled for 1 o'clock on Tuesday.

Mr. GRIFFIN. I appreciate that. I think that would be wise. I assume that it is likely to be a controversial amendment, and we would want Senators to have the opportunity to be heard. I think it would be more accommodating, particularly for those who have committee sessions that morning, if we could set the vote at least back to back with the Jackson amendment.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. On that basis, with the understanding that it is subject to the agreement of the ranking minority member of the committee, Senator THURMOND, I would not object. I wanted to make sure that it was not a troop-cut amendment, because there has been an understanding that there will be no more.

Mr. ROBERT C. BYRD. The Senator is correct.

May I add this further condition: That in the event Mr. THURMOND would have an objection to this particular order, I feel confident that Mr. THURMOND would allow the Kennedy-Cranston amendment to come in on Monday. If he has some objection to its coming in on Tuesday, he would allow it at least to come in on Monday, provided it is not a troop-withdrawal or a troop-reduction amendment; so that Senators KENNEDY and CRANSTON would not be shut out from the opportunity of offering it.

Would the distinguished assistant Republican leader agree with me that that is a fair assumption?

Mr. GRIFFIN. I would think so, yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, to begin again, on Monday the Senate will convene at the hour of 10 o'clock a.m. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of H.R. 14434, an act making appropriations for energy research and development. There is a time limitation on that bill. Within the last hour, it has been revealed to me by Senators PASTORE and BAKER that several amendments are expected to be offered to the bill. In view of the fact that many Senators were unaware until recently that the various energy requests were incorporated into a single new appropriation bill, this has complicated the situation, so it is quite possible that the Senate will not be able to complete its action on the energy appropriation bill on Monday morning within the time limit allotted.

There is a time limitation on the bill of 2 hours, with 1 hour on any amendment thereto.

S. 3000

At the hour of 12:45 p.m. on Monday the distinguished Senator from New Hampshire (Mr. McINTYRE) will call up his amendment and action will be resumed thereon. There is a time limitation thereon of 4 hours, during which period the Senator from New Hampshire (Mr. McINTYRE) will ask for a closed session. That request being seconded, the time for the closed session will come out of the 4 hours.

There is a time limitation on the substitute by Mr. CHILES, the time limitation being 1 hour.

Upon disposition of the McIntyre amendment and the Chiles substitute, the Senate will take up the Mathias amendment under a 1-hour limitation; an amendment by Mr. HUGHES will be called up Monday, as well as an amendment by Mr. JAVITS.

So several yea-and-nay votes will occur on Monday, none of which will occur prior to the hour of 4 p.m.

In the event—and it is a likely event—that action cannot be finished on the energy appropriation bill in the limited time allotted on Monday, then the final action on that bill will be put over until after deposition of the amendments to the military procurement bill that have been lined up for Monday or until the final action is taken on the military procurement bill, which should occur around 2:30 p.m. on Tuesday.

Of course, this will have to be with the approval of the distinguished chairman of the Committee on Appropriations (Mr. McCLELLAN), but I am sure Mr. McCLELLAN will be understanding, as always, in the event such extreme circumstances arise.

Then, on Tuesday the Senate will meet at 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, subject to the approval of Mr. THURMOND, an amendment by Mr. KENNEDY and Mr. CRANSTON will be called up, under a 1-hour time limitation. There undoubtedly will be a rollcall vote ordered on that amendment.

However, at the hour of 11 Tuesday morning, action wil be resumed on the amendment by Mr. JACKSON under a time limitation of 80 minutes, with a vote to occur on the Jackson amendment at 12:20 p.m.

Upon the disposition of the Jackson amendment, any rollcall votes ordered on the Kennedy-Cranston amendment would occur.

At the hour of 1 o'clock p.m. on Tuesday, the so-called ceiling amendment will be called up by Mr. HUMPHREY, on which there is a time limitation of 1 hour and 15 minutes.

Upon the disposition of the Humphrey amendment the Senate will proceed to vote on the final passage of the military procurement bill. That will also be a rollcall vote.

Upon the disposition of that bill, in the event action has not been completed on the energy appropriation bill action would then be resumed thereon.

Other bills which may be called up on Tuesday and subsequent thereto are—but not necessarily in that order—S. 3523, a bill to establish a temporary national commission on supplies and shortages; S. 585, a bill to amend section 303 of the Communications Act of 1934; H.R. 8217, an act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States—a so-called tax bill. Of course, there are other measures on the calendar which will be cleared for action by next week. Conference reports may be called up at any time and yea-and-nay votes can occur thereon.

The debt limit bill will come along before the end of June. The House is expected to complete action on at least eight appropriation bills, plus perhaps a continuing resolution by the end of June, so Senators are informed that several appropriation bills will be cleared for action by the Senate Committee on Appropriations and will be on the calendar and ready for floor action by the end of June.

Friday sessions may be expected from now on. Rollcall votes can be expected to occur daily.

That is about it.

ADJOURNMENT TO 10 A.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. Monday next.

The motion was agreed to; and at 4:30 p.m. the Senate adjourned until Monday, June 10, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 7, 1974:

IN THE COAST GUARD

The following officer of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

John S. Calhoun

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant commander

James F. Brodie, Jr.
Garran C. Crow

Lieutenant

William G. Fisher
Larry J. Balok
Robert W. Cathey
James C. Arritt
Charles E. Hughes
Michael F. McCormack
Hal W. Cohoon
Peter B. Fontneau
Johnnie L. Johnson
Roger D. Chvalier
Carl D. Main
Peter T. Isaksen
David L. Crede

Lieutenant (junior grade)

Daniel L. Farr

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W2:

Milton D. Moore, Jr.
William A. Dickerson, III
Charles W. Belsky
Frederick R. Hill
Robert E. Drake
James E. Andrews

The following temporary chief warrant officers, W2 of the U.S. Coast Guard to be permanent chief warrant officers, W2:

Howard F. Wirt
Richard E. D'Entremont
William M. Roney
John W. Warren, Jr.
Desmond B. Connolly
Robert L. Joubert
Gary E. Hodge
Milton H. Meekins
John W. Massey
John R. Cotter
Walter D. Moulton
George C. Tureman
Charlie C. Brogdon
Chris M. Percival
Fred Dombek, Jr.
John W. Littleton, Jr.
Robert D. Tate
David K. Winchester
Victor H. Henkel, Jr.
John M. Terrell
Llewellyn D. Midgatt
Richard F. Edwards, Sr.
Ralph Skonieczny
Roland M. Bowen
Jeremiah J. Donahue
Kenneth F. Dalton
Dale W. Croteau
Thomas J. Jozwiak
Donald E. Sapp
Charles R. Blanar
William W. Arrington
Eugene Lister
Robert C. Jacobson
Robert L. Ferguson
Dennis G. Johnson
Junius S. Clemmons
William J. Gural
Robert S. Tekesky
Donald A. Perillo
Kenneth R. Land
Jack E. Voss
Phillip R. Mell
Richard A. Eppley
John W. Mullaney, Jr.
Richard W. Collins
Clarence W. Parker
Elson C. Brittle
Jesse O. Rowe
Gerald D. Kerns
Carl W. Feil
Joseph A. Petit
Frederick M. Harrison
Charles E. Kelly
Leonard J. Antoszewski
Victor H. Huck, Jr.
Charles J. Cannon, Jr.
James P. Contratto
David E. Clark
Robert L. Sturgis
Donald J. Dokken
William R. Garinger
Angel M. Lopez
Charles A. Brinson
Grodon L. Pierce
Dale R. Wilkins
Jose G. Jimenez
Charles E. Isgett
Thomas J. Hickey
Demetrio F. Aspiras
Carl D. Maddy
Howard E. Hall
Norman L. M. Peleholani
Lonnie L. Hyatt
Richard E. Rainville
James A. Irwin
John C. Leith III
Larry H. Oliszewski
Thurman G. Fogelstrom
Denis J. Mayberry
Ronald E. Curtis
Norvie S. Gillikin
Gary L. Perry
Carl L. Ditmars
Samuel G. Cottrell, Jr.
Darold W. Smith
Larry M. Conard
Walter J. Hanson
Kent W. Kramer
Ronnie L. Kunz
Dennis C. Dougherty
James R. Stith
Jack B. West
Henry L. Riebel
William E. Richardson
Robert G. Hunter
Norman A. Swanson
Edward F. Nuzman
Nich V. Swanson
Marion C. Parker
Noel E. Crowley
Patrick J. O'Hara
Frank H. Legate
James J. O'Brien
Alice T. Jefferson
Russell R. Griffin
Robert T. McLaughlin
Librado Torres
William Heelan
Michael J. Monroe
Bernard A. Kincaid
Terry O. Gallaher
Harry R. Bishop

CONFIRMATION

Executive nomination confirmed by the Senate June 6, 1974, not listed in RECORD of June 6:

DEPARTMENT OF DEFENSE

J. William Middendorf II, of Connecticut, to be Secretary of the Navy.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

HERB HOFFMAN—A DEDICATED PUBLIC SERVANT—RETIRES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RODINO. Mr. Speaker, after 30 years of public service, Herb Hoffman, counsel to the Subcommittee on Criminal Justice of the House Judiciary Committee, is retiring.

I first came to know Herb when he headed the Legislative Office in the Department of Justice, and through the years came to respect his legal judgments, boundless energy, and dedication to the public interest.

When my predecessor as the chairman of the Judiciary Committee enticed Herb to join the committee staff 3 years ago, I joined hundreds of others who bade him farewell at a reception in the Deputy Attorney General's office.

Now, Herb is leaving the committee staff and retiring from Government service. However, I am pleased that the American Bar Association has seen fit to avail itself of Herb's talents as director of its newly created governmental relations office. I congratulate the ABA on its choice, and wish Herb every success in his new career.

The ABA release which announced the appointment follows:

AMERICAN BAR ASSOCIATION NAMES HOFFMAN DIRECTOR OF GOVERNMENTAL RELATIONS OFFICE

WASHINGTON, D.C., May 28.—The American Bar Association today appointed Herbert E. Hoffman, of Arlington, Va., as director of its newly named Governmental Relations Office here.

Hoffman, who is counsel to the House Committee on the Judiciary, succeeds Donald E. Channell, who for the past 17 years served as director of the Association's Washington office. Channell, who recently resigned to enter private practice in Washington, will serve as a legislative consultant to the ABA.

Hoffman's appointment was announced here by Bert H. Early, ABA executive director. Under Hoffman's leadership, Early said the American Bar Association will expand its public service efforts with the Congress and with the federal agencies. He added that the ABA's office here also will provide a wider range of governmental information services to state and local bar associations and to other affiliated bar groups.

As the ABA's highest staff officer in Washington, Hoffman will direct the Association's liaison with the three branches of the federal government. The headquarters of the 180,000-member ABA is in Chicago.

Hoffman, a native of New York City, was graduated from New York University with a bachelor of science degree in 1937 and received his law degree there in 1939. He prac-

> ticed law in New York City for two years before World War II and for two years after.
>
> During that war, he served as a chief warrant officer and for two years as an assistant division judge advocate, 11th Airborne Division. His work took him to the South Pacific and Japan.
>
> Hoffman joined the legislative section, Office of the Deputy Attorney General, in 1948 and was named its chief in 1961. He has served the House Judiciary Committee since 1971.
>
> Hoffman since 1967 also has served as adjunct professor of law at Georgetown University Law Center. His teaching specialty has been legislation. He also has lectured on legislation for the U.S. Department of Justice and the U.S. Civil Service Commission.
>
> He and his wife, Beth, who is principal of the Drew Model Elementary School in Arlington, are the parents of three children. Their son, David, is an attorney in Tucson. Their daughter, Joan, teaches in Arlington, and their daughter, Barbara, studies at Johns Hopkins University.

AMERICANISM AT FRANCIS A. LOMBARDO AMERICAN LEGION POST 1031

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DULSKI. Mr. Speaker, on May 25, 1974, I had the great pleasure of attending the seventh annual dinner-dance festival of the Francis L. Lombardo American Legion Post 1031, of Buffalo, N.Y.

In addition to being a pleasant social event, it was also an inspiring occasion during which the annual Americanism Award was presented to Mr. James M. Hooker, director, Buffalo regional office, U.S. Veterans' Administration, and I had the honor of presenting Mr. Hooker with an American flag which had been flown over our U.S. Capitol for him.

Post 1031's commander, Samuel C. Nicosia, had warm greetings for those in attendance, and I join in congratulating Chairman Vito Andriaccio and Cochairman Charles J. Monteleone:

> As Commander of the Francis A. Lombardo, American Legion Post No. 1031, this past year has been a challenging opportunity to service my fellow comrades.
>
> This evening highlights for all good Legionnaires the activities which a cooperative organization can accomplish with able assistance of the Ladies Auxiliary. The attendance conveys the friendship and support we receive from not only Legionnaires but from the local community. I invite all veterans who are not members of veterans organizations to close ranks and be counted again.
>
> This years committee headed by Vito Andriaccio, chairman and Charles J. Monteleone, co-chairman are to be congratulated for the success of tonight's affair.

The toastmaster, New York State Senator John La Falce, did an excellent job, and the program was impressive, with a particularly fine speech by Buffalo City Court Judge Carmelo Parlato.

Post 1031 is named in honor of Cpl. Francis A. Lombardo, who died in action during the invasion of Italy in World War II. His brother Joseph was reported missing in action at that time, but was fortunately spared and returned to Buffalo. Another brother, Michael, was wounded in the Philippines, but refused to allow a recommendation for a Purple Heart for fear of further distressing his mother. In April 1973, our office was able to assist in research medical records, and Michael received his medal 27 years late—but, sadly, only 2 months later he died.

I had the privilege of serving in the Buffalo Common Council with a fourth brother, the late Anthony Lombardo. The gallant mother of these men, Mrs. Catherine Lombardo, was one of the distinguished guests at the festival.

James Hooker is certainly a most deserving recipient of the Americanism Award this year. His biography follows:

> James M. Hooker, a native of Western New York, is Director of the Buffalo Regional Office of the United States Veterans Administration and also Chairman of the Federal Executive Board.
>
> After pursuing his education locally, he joined the United States Air Force in December 1942. He saw thirty-six months service with the Twelfth Air Force in Africa, Sicily and Italy, receiving an honorable discharge in December 1945. Shortly thereafter he was accepted into membership of Troop I American Legion Post No. 665 in Buffalo.
>
> A career employee, he joined the Veterans Administration when offices were opened in Buffalo in March 1946, serving in various responsible capacities until June 1966 when he was transferred to the Baltimore Regional Office of the Veterans Administration as Assistant Director. In September 1970, he returned to the Buffalo Office serving as Assistant Director until receiving his current appointment.
>
> As Director of the Veterans Administration Regional Office, he has jurisdiction over and responsibility for the integrated program of veterans' benefits consisting of compensation, pension, education, loan guarantee and veterans assistance activities in the 31-counties of Western and Central New York. He has been recognized on numerous occasions by the Veterans Administration for sustained and outstanding performance rendered in providing service to veterans and their families.
>
> While assigned to the Veterans Administration Regional Office in Baltimore, Maryland, he was actively involved in establishing one of the initial Federal Executive Boards in the nation, as directed by the President. Upon return to the Buffalo area he continued his involvement, currently serving as Chairman of the organization of Federal executives dedicated to improving delivery of Government services in the Niagara Frontier. On June 19, 1973, he was awarded the John E. Foley Memorial Award by the Federal Executive Board of Buffalo for outstanding service within the community and for an exemplary record of integrity and devotion to public service.
>
> Although a member of a number of veterans' organizations, he has been most active as a Legionnaire, currently serving as Commander of Troop I American Legion Post No. 665.

It was a great pleasure for me to present the flag to Mr. Hooker, and I would like to insert my statement:

> "Americanism"—an endless quest for something new—to make our country and our community a better place to live in. It is almost a religion—it is a thing of spirit. It is a goal, not only for a free life—but a better life.
>
> To achieve this goal, Jim Hooker not only carries out his Federal functions in a fair, humane, and understanding way, but has expanded his talents to the community in the field of youth activities, the West Side Boys Club, the Front Park Hockey Club, to mention a few, and all of these added efforts directed at making better citizens and a better community and a better life.
>
> I would like to join your post in honoring this man by presenting to him a flag that flew over the Capitol, specifically for him.

All in all, it was a memorable event—a refreshing display of patriotism and recognition of service to our country. With people like these respecting our honorable, hard-won traditions, we can feel the future of our Nation is secure.

DR. BURNS SPEAKS ON INFLATION

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BROWN of Michigan. Mr. Speaker, on May 26 the distinguished Chairman of the Federal Reserve Board, Dr. Arthur F. Burns, addressed the graduating class at Illinois College. He patriotically and perceptively spoke on a subject of vital importance to the young people in his audience, because he identified a problem that threatens their life styles, their economic opportunity, and their freedom. But, Mr. Speaker, his message is a message that should be heeded not just by the recent graduates of Illinois College but by every citizen of our country, because the problem he discussed threatens us all with the same debilitating consequences.

Dr. Burns discussed the problem of inflation—its causes, effects, and remedy. In defining the seriousness of the problem of inflation, Dr. Burns stated:

> The gravity of our current inflationary problem can hardly be over-estimated . . . If past experience is any guide, the future of our country is in jeopardy. No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

Dr. Burns listed the following among special causal factors contributing to the inflationary pressures that abound in the land:

> With production rising rapidly across the world, prices of labor, materials, and finished products were bid up everywhere. To make matters worse, disappointing crop harvests in a number of countries in 1972 forced a sharp run-up in the prices of food last year. The manipulation of petroleum supplies and prices by oil-exporting countries gave another dramatic push to the general price level last autumn and early this year. . . . Recently, our price level has also reacted strongly to the removal of wage and price controls—a painful, but essential adjustment in the return of free markets.

But Dr. Burns went on to identify the more basic causes of inflation as being increased dependence on Government enterprise and less on individual initiative in the attainment of economic objectives. He properly pointed out that while Government endeavors to foster prosperity and to mitigate economic adversity are laudable objectives, they have resulted in the governmental budgetary affairs getting sorely and dangerously out of hand. He termed the inflation that ensued from this loss of budgetary restraint as "the most dangerous economic ailment of our time."

Dr. Burns told his audience what we must do as a nation and as individual citizens to cope with this crucial problem. He stated we must resist swift expansion in money and credit. Our Federal budgetary affairs must be handled more responsibly. We must improve our industrial efficiency and individual productivity. We must strengthen competition in our private enterprise system. Augmented incentives to produce should be adopted. As consumers, we should adopt more careful spending habits.

This distinguished American concluded his remarks by observing that while there is no easy way out of our inflationary morass, the elimination of inflation is essential to our Nation's future.

Mr. Speaker, I include the full text of Dr. Burns' remarks to the graduating class at Illinois College at this point in the Record:

Address of Federal Reserve Board Chairman Arthur F. Burns

It is a pleasure to be with you today here in the heartland of America. As graduates of this College, you are launching your careers at a challenging but troubled time. Confidence in established institutions, particularly in our government, is at a low ebb. And hopes for the future of our economy have been shaken by the debilitating effects of inflation on the nation's businesses, workers, and consumers.

Inflation is not a new problem for the United States, nor is it confined to our country. Inflationary forces are now rampant in every major industrial nation of the world. Inflation is raging also in the less developed countries, and apparently in socialist countries as well as in those that practice free enterprise.

The gravity of our current inflationary problem can hardly be overestimated. Except for a brief period at the end of World War II, prices in the United States have of late been rising faster than in any other peacetime period of our history. If past experience is any guide, the future of our country is in jeopardy. No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

I want to discuss briefly with you today the sources of our inflationary problem, the havoc being wrought in the economy, and the steps that must be taken to regain general price stability and thus strengthen confidence in our nation's future.

A large part of the recent upsurge in prices has been due to special factors. In most years, economic trends of individual nations tend to diverge. But during 1973 a business-cycle boom occurred simultaneously in the United States and in every other major industrial country. With production rising rapidly across the world, prices of labor, materials, and finished products were bid up everywhere.

To make matters worse, disappointing crop harvests in a number of countries in 1972 forced a sharp run-up in the prices of food last year. The manipulation of petroleum supplies and prices by oil-exporting countries gave another dramatic push to the general price level last autumn and early this year. The influence of these factors is still being felt in consumer markets.

Recently, our price level has also reacted strongly to the removal of wage and price controls—a painful, but essential adjustment in the return of free markets.

These special factors, however, do not account for all of our inflation. For many years, our economy and that of other nations has had a serious underlying bias toward inflation which has simply been magnified by the special influences that I have mentioned.

Ironically, the roots of that bias lie chiefly in the rising aspirations of people everywhere. We are a nation in a hurry for more and more of what we consider the good things of life. I do not question that yearning. Properly directed, it can be a powerful force for human betterment. Difficulties arise, however, when people in general seek to reach their goals by means of short cuts; and that is what has happened.

Of late, individuals have come to depend less and less on their own initiative, and more on government, to achieve their economic objectives. The public nowadays expects the government to maintain prosperous economic conditions, to limit such declines in employment as may occasionally occur, to ease the burden of job loss or illness or retirement, to sustain the incomes of farmers, homebuilders, and so on. These are laudable objectives, and we and other nations have moved a considerable distance toward their realization. Unfortunately, in the process of doing so, governmental budgets have gotten out of control, wages and prices have become less responsive to the discipline of market forces, and inflation has emerged as the most dangerous economic ailment of our time.

The awesome imbalance of the Federal budget is probably the contributory factor to inflation that you have heard the most about. In the past five years, total Federal expenditures have increased about 50 per cent. In that time span, the cumulative budget deficit of the Federal government, including government-sponsored enterprises, has totaled more than $100 billion. In financing this deficit and also in meeting huge demands for credit by businesses and consumers, tremendous pressures have been placed on our credit mechanisms and the supply of money has grown at a rate inconsistent with price stability.

I am sure that each of you in this graduating class is aware of some of the troublesome consequences of inflation. The prices of virtually everything you buy have been rising and are still going up. For the typical American worker, the increase in weekly earnings during the past year, while sizable in dollars, has been wiped out by inflation. In fact, the real weekly take-home pay of the average worker is now below what it was a year ago. Moreover, the real value of accumulated savings deposits has also declined, and the pressure of rising prices on family budgets has led to a worrisome increase in delinquency rates on home mortgages and consumer loans.

Many consumers have responded to these developments by postponing or cancelling plans for buying homes, autos, and other big-ticket items. Sales of new autos began to decline in the spring of 1973, and so too did sales of furniture and appliances, mobile homes, and newly built dwellings. The weakness in consumer markets, largely engendered by inflation, slowed our economic growth rate last year some months before the effects of the oil shortage began to be felt.

Actually, the sales of some of our nation's leading business firms have been on the wane for a year or more. Their costs, meanwhile, have continued to soar with increasing wage rates and sharply rising prices of materials.

The effect on business profits was ignored for a time because accountants typically reckon the value of inventories—and also the value of machinery and equipment used up in production—at original cost, rather than at current inflated prices. These accounting practices create an illusory element in profits—an element that is not available for distribution to stockholders in view of the need to replace inventories, plant, and equipment at appreciably higher prices. Worse still, the illusory part of profits is subject to the income tax, thus aggravating the deterioration in profits. This result is especially unfortunate because of the shortage of industrial capacity that now exists in key sectors of our economy—particularly in the basic materials area.

By early this year, a confrontation with economic reality could no longer be put off. Major business corporations found that the volume of investible funds generated internally was not increasing fast enough to finance the rising costs of new plant and equipment, or of the materials and supplies needed to rebuild inventories. Businesses began to scramble for borrowed funds at commercial banks and in the public markets for money and capital. Our financial markets have therefore come under severe strain. Interest rates have risen sharply; savings flows have been diverted from mortgage lending institutions; security dealers have experienced losses; prices of common stocks have declined; the liquidity of some enterprises has been called into question; and tensions of a financial nature have spilled over into international markets.

Concerned as we all are about the economic consequences of inflation, there is even greater reason for concern about the impact on our social and political institutions. We must not risk the social stresses that persistent inflation breeds. Because of its capricious effects on the income and wealth of a nation's families and businesses, inflation inevitably cause disillusionment and discontent. It robs millions of citizens who in their desire to be self-reliant have set aside funds for the education of their children or their own retirement, and it hits many of the poor and elderly especially hard.

In recent weeks, governments have fallen in several major countries, in part because the citizens of those countries had lost confidence in the ability of their leaders to cope with the problem of inflation. Among our own people, the distortions and injustices wrought by inflation have contributed materially to distrust of government policies, and even to some loss of confidence in our free enterprise system. Discontent bred by inflation can provoke profoundly disturbing social and political change, as the history of other nations teaches. I do not believe I exaggerate in saying that the ultimate consequence of inflation could well be a significant decline of economic and political freedom for the American people.

There are those who believe that the struggle to curb inflation will not succeed and who conclude that it would be better to adjust to inflation rather than to fight it. On this view, contractual payments of all sorts—wages, salaries, social security benefits, interest on bank loans and deposits, and so on—should be written with escalator clauses so as to minimize the distortions and injustices that inflation normally causes.

This is a well-meaning proposal, but it is neither sound nor practical. For one thing, there are hundreds of billions of dollars of outstanding contracts—on mortgages, public and private bonds, insurance policies, and the like—that as a practical matter could not be renegotiated. Even with regard to new undertakings, the obstacles to achieving satisfactory escalator arrangements in our free and complex economy, where people differ so much in financial sophistication, seem insuperable. More important still, by making it easier for many people to live with inflation, escalator arrangements would gravely weaken the discipline that is needed to conduct business and government affairs prudently and efficiently. Universal escalation, I am therefore convinced, is an illusory and dangerous quest. The responsible course is to fight inflation with all the energy we can muster and with all the weapons at our command.

One essential ingredient in this struggle is continued resistance to swift growth in money and credit. The Federal Reserve System, I assure you, is firmly committed to this task. We intend to encourage sufficient growth in supplies of money and credit to finance orderly economic expansion. But we are not going to be a willing party to the accommodation of rampant inflation.

As this year's experience has again indicated, a serious effort to moderate the growth of money and credit during a period of burgeoning credit demand results in higher interest rates—particularly on short-term loans. Troublesome though this rise in interest rates may be, it must for a time be tolerated. For, if monetary policy sought to prevent a rise in interest rates when credit demands were booming, money and credit would expand explosively, with devastating effects on the price level. Any such policy would in the end be futile, even as far as interest rates are concerned, because these rates would soon reflect the rise in the price level and therefore go up all the more. We must not let that happen.

But I cannot emphasize too strongly that monetary policy alone cannot solve our stubborn inflationary problem. We must work simultaneously at lessening the powerful underlying bias toward inflation that stems from excessive total demands on our limited resources. This means, among other things, that the Federal budget has to be handled more responsibly than it has been in the past.

Incredible though it may seem, the Congress has been operating over the years without any semblance of a rational budget plan. The committees that consider spending operate independently of the committees that consider taxes, and appropriations themselves are treated in more than a dozen different bills annually. All of this means that the Federal budget never really gets considered as a whole—a fact which helps explain it is so often in deficit.

Fortunately, after many years of advocacy by concerned citizens and legislators, this glaring deficiency in the Congressional budget process is about to be remedied. Bills that would integrate spending and taxing decisions have passed both the House and the Senate. This is a most encouraging development, and we may confidently expect final action soon by the Congress on this landmark legislation.

Procedural changes, however, will mean little unless the political will exists to exploit the changes fully. And this can happen only if the American people understand the nature of the inflation we have been experiencing and demand appropriate action by their elected representatives.

As you leave this hall today, I urge you to give continuing thought and study to the problem of inflation. If it persists, it will affect your personal lives profoundly. Where possible, I urge you to assume a leadership role in getting people everywhere interested in understanding inflation and in doing something about it. In the great "town hall" tradition of America, much can be accomplished if people organize themselves—in their offices, trade unions, factories, social clubs, and churches—to probe beneath the superficial explanations of inflation that are the gossip of everyday life. Productivity councils in local communities and enterprises, established for the purpose of improving efficiency and cutting costs, can be directly helpful in restraining inflation.

While I am on the subject of what individuals can do to be helpful, let me note the need for rediscovery of the art of careful budgeting of family expenditures. In some of our businesses, price competition has atrophied as a mode of economic behavior, in part because many of our families no longer exercise much discipline in their spending. We have become a nation of impulse shoppers, of gadget buyers. We give less thought than we should to choosing among the thousands of commodities and services available in our markets. And many of us no longer practice comparative price shopping—not even for big-ticket items. Careful spending habits are not only in the best interest of every family; they could contribute powerfully to a new emphasis on price competition in consumer markets.

I do not expect that the path back to reasonable price stability can be traveled quickly. Indeed, our government will need to take numerous steps to reduce the inflationary bias of our economy besides those I have emphasized. The forces of competition in labor and product markets need to be strengthened—perhaps by establishing wage and price review boards to minimize abuses of economic power certainly through more vigorous enforcement of the anti-trust laws, besides elimination of barriers to entry in skilled occupations, reduction of barriers to imports from abroad, and modification of minimum wage laws to improve job opportunities for teenagers. Impediments to increased production that still remain in farming, construction work, and other industries need to be removed. And greater incentives should be provided for enlarging our capacity to produce industrial materials, energy, and other products in short supply.

But if inflation cannot be ended quickly, neither can it be eliminated without cost. Some industries will inevitably operate for a time at lower rates of production than they would prefer. Government cannot—and should not—try to compensate fully for all such occurrences. Such a policy would involve negating with one hand what was being attempted with the other.

But government does have a proper ameliorative role to play in areas, such as housing, where the incidence of credit restraint has been disproportionately heavy. The special burden that has fallen on homebuilding should be lightened, as is the intent of the housing aids which the Administration recently announced. And my personal judgment is that it would be advisable, too, for government to be prepared, if need be, to expand the roster of public-service jobs. This particular means of easing especially troublesome situations of unemployment will not add permanently to governmental costs. And in any event, it would conflict much less with basic anti-inflation objectives than would the conventional alternative of general monetary or fiscal stimulus. A cut in personal income taxes, for instance, would serve to perpetuate budget deficits. Not only that, it might prove of little aid to the particular industries or localities that are now experiencing economic difficulty. Much the same would be true of a monetary policy that permitted rapid growth of money and credit. There is no justification for such fateful steps at this time.

In concluding, I would simply repeat my central message: there is no easy way out of the inflationary morass into which we have allowed ourselves to sink through negligence and imperfect vision. But I am confident that we will succeed if the American people become more alert to the challenge. I hope that the members of this graduating class will join with other citizens across the country in a great national crusade to put an end to inflation and restore the conditions essential to a stable prosperity—a prosperity whose benefits can be enjoyed by all our people. This objective is within our means and is essential to our nation's future.

JUDICIARY COMMITTEE SHOULD ENFORCE ITS SUBPENAS IN COURT

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. FROEHLICH. Mr. Speaker, I have spoken out on several occasions about the desirability of the Judiciary Committee seeking to enforce its Presidential subpenas in court. Certainly, the President does not have the authority to reject in toto the committee's legitimate demands for information; but I am equally certain that the committee's authority to demand evidence from the President is not unlimited. Regrettably, the latter view, up to this point, has not found much favor among my colleagues on the committee.

On Wednesday, June 5, 1974, the Wall Street Journal published an outstanding editorial on this very issue; and I am happy to report that the Journal's editors have taken a position similar to my own. This cogent editorial may cause many of the members of the committee to rethink their positions on the role of the courts in the impeachment. The editorial appears below:

IMPEACHMENT AND THE COURTS

We do not see how Congress can vote on the substance of a case for impeachment unless it first encourages the courts to handle questions of evidence and executive privilege, which otherwise will be intractable procedural snarls. While the House Judiciary Committee has so far refused to seek adjudication, we hope and trust the matter is not yet closed.

As one straw in the wind, we note that Senate Majority Leader Mansfield has asked the Supreme Court to forego its usual summer recess, holding itself ready to decide questions affecting Watergate. In allowing Special Prosecutor Leon Jaworski to skip the usual appellate level and scheduling a July hearing on his subpoena of Oval Office tapes, the Court not only took the majority leader's advice but expressed its own willingness to involve itself in Watergate proceedings.

We are at a bit of a loss to understand the Rodino committee's adamant opposition to invoking the court. But we have been increasingly impressed by its general handling of the impeachment probe, and we would be far from surprised if it yet decided to go to court in the face of presidential refusals to yield more evidence. Surely the committee can understand that the nation deserves a vote on the substance of alleged presidential wrongdoings, not on the prerogatives of Congress versus the prerogatives of the Executive.

The committee's refusal to go to court would be easier to understand if it had been less careful generally, for the quickest explanation is that it feels it needs the procedural issue to make a case against the President. The House could find no grounds on which to impeach Andrew Johnson, for example, until it forced him into an impasse on prerogatives. Similarly, we now learn, when Tammany Hall Democrats impeached and removed a threatening New York governor, the grounds were campaign fund violations and refusing to cooperate with the impeachment panel.

As we have said before, we think the committee's demand for further evidence is entirely justified by the ambiguity of the transcripts so far released; we think the President ought to accede or at least ask the courts to rule and accept the outcome. But it is also true that by demanding more and more the committee can keep the procedural issue alive forever, regardless of any issue of substance. It can unilaterally create its own grounds for impeachment.

If the committee allowed the courts to arbitrate, procedural issues would be grounds for impeachment only if the President decided to defy both branches. In that case they would be good grounds indeed. But by allowing the courts to impose limits on its demands, the committee would lose the one option through which it can assure itself of grounds for impeachment. No doubt a fear that the substantive case alone will not be enough is the reason some partisans paint the whole idea of adjudicating as something of a Nixon plot, but the committee itself ought to be above that kind of thinking.

There are of course more solid fears about involving the court, as the discussion nearby shows. To rule on evidence, the courts would have to decide in their own minds what constitutes an impeachable offense. But surely the argument that they cannot do this without asserting the power to overrule Congress' eventual decision strains at gnats and swallows elephants.

We also doubt that the Congress really wants to argue that the courts have no place because impeachment is a purely political matter anyway. It is of course true that public opinion will eventually be decisive, but the public is too sensible to see the impeachment issue as one of prerogatives of the branches of government. We should think that all branches should try to meet the real issue, which is whether or not the President is guilty of wrongdoing.

Obviously a great many people have already made up their minds, both pro and con, on the President's guilt. But there are also those of us who find the current evidence quite ambiguous and are interested in trying to establish the truth about so serious a matter. The truth will not be established by impeaching the President for refusing subpoenas or citing him for contempt of Congress. Going to the courts is the best route for forcing out the relevant evidence; Congress' function is to then render its judgment on where the truth lies.

In accepting the Jaworski appeal, the Supreme Court has moved some way towards accepting its part of those tasks, though the issues in that case will still be far from those that would arise in the full context of an impeachment probe. Congress' next step ought to be a suit putting the issue squarely, even at the risk of giving up sweeping but ultimately empty claims of unilateral jurisdiction. In deciding whether to take that course, Congress needs to ask which is more important, rhetorically defending its prerogatives, or arriving at the truth about Watergate.

FINANCIAL STATEMENT

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. O'HARA. Mr. Speaker, in the interests of more fully acquainting the American people with the financial affairs of their elected officials, I recently made public information with respect to my income during 1973, and the taxes paid by me to the Federal Government and to State and local governments.

To augment that information, I am at this time publishing details concerning the assets which Mrs. O'Hara and I have accrued over the years.

Mr. Speaker, my wife and I and our seven children have a home in Utica, Mich. We purchased that home in 1958 for $17,000, and paid off the mortgage in April 1974. We also have a residence in the Washington area which we purchased in 1967 at a cost of $50,000. The mortgage balance on this house is $34,348.94.

We have two family cars—a 1970 Dodge Dart and a 1972 Dodge Sportsvan on which we owe $1,507.09. We have a sailboat which we purchased last year for $1,500.

In addition, we have $9,296.13 in savings in the Congressional Employees Federal Credit Union, and approximately $524.23 in my checking account. I also own one share of A.T. & T. stock which presently has a market value of $46.50.

I am one-third owner of three pieces of investment real estate which I purchased jointly with my brother and a friend. They are an unimproved lot which we acquired for $9,500; a house which we purchased for $6,500 with the intention of renovating and then renting it; and another house for which we paid $15,400 and on which we have a mortgage balance of $12,400.

Looking toward the future, I am contributing to the Federal employees retirement plan into which I now pay 8 percent of my congressional salary each year and in which I have an equity of $37,160.05.

Mr. Speaker, I am publishing this information, not because of any requirement of law or regulation, but solely in the public interest. In so doing, I recognize there are conflicting rights involved. On the one hand, there is the right to privacy, which, I submit, public officials possess just as much as do private citizens. On the other hand, there is the people's right to know.

By releasing our financial information in this instance, Mrs. O'Hara and I are giving up some of our right to privacy. But if it helps in a small way to restore public confidence in those who the people elect to represent them, our doing so will have served a useful purpose.

STATE DEPARTMENT GOES HIGHRISE IN TOKYO

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RARICK. Mr. Speaker, a new U.S. embassy building in Tokyo may not seem of great importance since all indications are that the State Department and foreign aid crowd are running the United States for the benefit of foreigners.

But a 12-story reinforced concrete structure, covering 3.2 acres, a garage for 72 cars and housing about 700 employees at an estimated cost of $12,253,529 may cause some Americans to wonder if we are providing a mission to Japan or if we are planning on turning it into a colony.

The fact that the State Department experts claim that the cost of the new chancery may be paid for through Japanese land deals will also be little solace to the American taxpayer. He may wonder why if the State Department is making profitable deals on his overseas investment, the money is not returned to the public treasury like a portion of the taxpayers' is.

Some people still remember the lavish State Department complex in India at a cost of $6 million, to separate the State Department personnel who lived like kings from the average poor Indian, and then was given to the Indian Government. Some may wonder if this may be the fate of our new "Empire" State Department building in Tokyo, when we Americans are ousted from there. I insert related news clippings to follow my remarks at this point:

[From the Washington Post, June 2, 1974]

U.S. READIES TOKYO SITE FOR EMBASSY

(By Ian Mackenzie)

TOKYO.—The wrecker's ball is tearing the innards out of the sedate white-walled chancery of the United States mission in central Tokyo to make way for a 12-story reinforced concrete structure.

The new office building, due for completion in mid-1976, will be the largest U.S. embassy building in the world, housing about 700 employees now scattered in seven area buildings.

An embassy pamphlet describes the old chancery and two adjacent apartment buildings turned into offices as "two story structures . . . built in an eclectic style with Oriental, Spanish and American colonial overtones."

"The exterior was stucco with extensive use of wrought iron, copper and decorative pillars. Inside, many of the walls were panelled in American walnut and the floors were primarily of Vermont marble," it adds.

Whatever the style, the old chancery added a touch of serenity to a busy corner of Tokyo, and many are sad to see it go.

The ambassador's residence, built in the same style, will remain just behind the new building.

A document recovered from the cornerstone of the old chancery says the American mission has been on the same site since 1888.

The land originally was a graveyard when purchased by Baron Okura in 1888. He erected a building on the site for the American minister and in 1889, the Japanese government bought the land from the baron and leased it to the American government.

The original buildings, including the ambassador's residence, chancery, office buildings and stables, stood until September 1, 1923, when they—along with much of the rest of Tokyo—were destroyed in an earthquake.

Ground was broken for the new building in 1929, and it was completed in 1931 at a cost of $553,005. President Herbert Hoover was criticized at the time for the projected cost.

During World War II, the embassy building was cared for by the Swiss legation.

But a postwar acquisition by the U.S. government has more than covered the cost of the new chancery—$12,253,529.

The allied occupation forces took over the nearby offices of the South Manchurian Railways Co. in 1945.

The U.S. government in turn bought the brick office building from the Japanese government in 1952 and turned it into an annex for the overcrowded embassy. Now the U.S. has sold the annex to a development company.

The new chancery, covering 3.2 acres, will consist of a 12-story high-rise tower, a three-story rise portion and a basement. It will include a garage for 72 cars, auditorium and cafeteria as well as embassy offices.

[From the Washington Post, July 16, 1973]

U.S. TO END AID PROGRAM IN INDIA

(By Lewis M. Simons)

NEW DELHI, July 15.—In the next couple of days, as soon as Prime Minister Indira Gandhi gets over a case of flu, U.S. Ambassador Daniel Patrick Moynihan will call on her and close out an era.

The ambassador will inform the prime minister that the much-maligned U.S. aid program to India is officially ended, at her government's insistence, after 22 years and an expenditure of $10 billion.

Moynihan will also present Mrs. Gandhi with a proposal for disposing of $840 million in Indian rupees held by the United States as a result of Indian payments for American grain supplied during the famine years of the 1960s under the Food for Peace program.

Finally, Moynihan will turn over to the prime minister a $6 million complex of luxury buildings occupied by the U.S. Agency for International Development (AID) in New Delhi. The complex was completed just two years ago.

So far as the Indians are concerned, the most important of the three components of the package will be Moynihan's proposition regarding the U.S. rupee holdings.

These rupees are held in the Reserve Bank of India and they represent a drain on the Indian economy because of the enormous interest the account commands—interest that is piling up faster than the rupees themselves can possibly be spent.

The ambassador, who recently returned from consultations with President Nixon, refuses to reveal details of the plan until he has seen Mrs. Gandhi. He said only that the proposal falls "somewhere between zero and infinity." In other words, it will not insist that the mammoth account remain in the Indian bank, nor will it write off the entire matter, as the Indians would like.

Sources familiar with the proposal say it is a good one, from India's viewpoint and that Mrs. Gandhi is likely to accept it. Her only reason for rejecting it, the sources speculate, would be political, not economic.

The prime minister and members of her government periodically trot out the "rupee problem" when they want to accuse the United States of worming its way into the Indian economy. But the United States may not spend any of its rupee holdings without India's express consent.

Moynihan hopes his plan will be the first important step toward putting Indian-American relations on a normal nation-to-nation basis.

As much an ideological variants and military alliances, the donor-debtor relationship has helped sour India on the United States and vice versa.

The prime minister's attitude makes clear that there is no point to the old kind of relationship for either side. Knowing this, Moynihan is eager to clear the decks before his stewardship moves into full gear.

He views the transfer of the U.S. AID complex of buildings to the government of India as symbolizing an end to one era and the start of another.

The collection of white brick buildings sticks up from the desert on the south edge of New Delhi like a sore thumb. And like a sore thumb, it has been an irritant ever since it was built.

The south block complex, as it is known to AID staff members, was living proof that the United States owned more of India's rupees than was good for either currency.

The decision to build the complex, with food for peace rupees, was made in 1969, when AID had 260 Americans working in India and the United States was spending what considered "funny money" on anything it could think of, just to get rid of some of it.

As one AID insider put it, "The way we were buying and spending in those days would make your hair curl. Anything, anybody wanted was okay."

The south block concept fit in perfectly with that kind of mentality. After all, the reasoning went, India is a hard place for Americans to live in. The weather is miserably hot at least half the year, and all year-round in some parts; You cannot drink the water without boiling it; you cannot buy a steak; outside the big cities there's no place to swim, etc., etc. In short, wouldn't it be nice to have a place where we could get away from India, even for just a little while.

The south block is just such a place, "An ostentatious American ghetto, but the best damned oasis in the Indian desert" as one AID staffer put it. The complex consists of a clustered six-story building containing 30 roomy two-and three-bedroom apartments; a hotel with 18 double rooms as well as a dining room, cocktail lounge, reception room, library, four-lane bowling alley and swimming pool. The whole thing is swathed in tinted glass, lined with wall-to-wall carpeting, cooled with central air conditioning, sweetened with piped-in stereo music and lubricated with pure drinking water right from the taps.

In addition to these living and playing facilities, the complex has a sprawling, low-slung office block, a giant warehouse and a covered garage. These buildings have already been turned over to India which has installed members of its science and technology ministry in them.

The rest of the buildings will be turned over by the end of September. Such a transfer was envisaged in 1969. The agreement signed by AID and the Indian government then said India would receive the complex "when no longer required for the support of the United States assistance program in India."

Barely a year after the construction ended, Mrs. Gandhi said India had had enough of U.S. AID and the staff was quickly run down to its present 12 Americans.

A major unknown is how the Indian government is going to cope with the huge cost and expertise needed to run the modern complex. Electricity alone costs $67,000 a year. Total annual operating costs are $160,000.

An American engineer who just completed an overall inspection of the plumbing and water purification plant told AID staffers he expected the whole system would cease functioning in six months after the Indians take over.

Cyril Peters, an Indian national who has been manager of the complex since its completion, says it will take even less time.

"The government won't be able to run it," said Peters. "I'd hate to see it three months after they move in. Under my management, everyone does whatever is required of him. The government will have to worry about caste. Higher caste people won't help with low-level jobs. It will be a mess."

The end of the south block complex does not mean that the American community in New Delhi will no longer have a refuge from India.

There is still the American Community Support Association, where Americans can taste such joys of home as hamburgers, hot dogs, American beer, cokes and soft ice cream and relax in the swimming pool and on the baseball diamond.

The handful of AID staffers and their families who will remain in New Delhi to oversee outstanding loans, the large school lunch program and a few other extant projects are being transferred to rented houses or embassy compound apartments.

Ironically, just as the south block is being given up, the U.S. embassy finds itself needing at least 20 new apartments for staff members. A 12-unit building was recently completed and plans for others are on the drawing boards.

HEROIN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. GILMAN. Mr. Speaker, I am pleased to join my distinguished colleague from New York (Mr. WOLFF) in introducing a resolution calling upon the Turkish Government to halt its efforts at lifting the ban on opium production.

With over 200,000 heroin addicts in the United States, we cannot be complacent in combating this deadly plague. The critically serious problem of heroin addiction calls for immediate and massive attention; this crime and health problem taking its heaviest toll on our young people.

Heroin traffic is a lucrative business for drug peddlers throughout the world necessitating international cooperation if we are ever to rid ourselves of this growing scourge.

The Turkish Government has recently indicated that it is considering lifting the ban on poppy cultivation. Our Nation pressed hard for the institution of the ban, and expended over $35 million in assistance to Turkey to provide relief to those poppy growers who were adversely affected by the ban.

Reports from our drug enforcement officials indicate that the ban was effective, drying up opium trade in Turkey, substantially diminishing heroin traffic here at home. Prior to the poppy ban, it was reported that there were over 500,000 heroin addicts in our Nation. The ban, combined with effective rehabilitation programs, reduced this figure to 200,000 over the past 2 years.

We cannot quarrel with that kind of success. We must forcefully convince the Turkish Government that we are committed to ending the drug plague in our own Nation and need their cooperation in doing so. Accordingly, our resolution calls upon our diplomatic leaders to step up negotiations with Turkey, urging that nation to subsist in any further poppy cultivation.

If we are unsuccessful in our negotiations, we must certainly take action in the form of cutting off U.S. assistance to internal Turkey. While I am reluctant to impose upon the policies of another country, opium growth in other nations threatens the lives of all Americans. Without wholehearted global cooperation we solely cannot prevent the onslaught of the drug epidemic.

Accordingly, I am pleased that so many of our Members have joined in this important effort. A bipartisan majority of House Members, including a majority of Foreign Affairs Committee members, have joined us in sponsoring this legislation. Such an impressive deluge of support from the Congress, should help our negotiators to forcefully convey to the Turkish Government that we do, indeed, mean business, and that we will not drag our feet in combating the plague of drug addiction in the United States. The seriousness of the heroin problem cries out for an exhaustive effort at containment. We must remain firm in our commitment to stamping out the deadly flow of drug traffic. Wherever it may emanate and whoever it may involve.

SCARE TACTICS ON STRIP MINE BILL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mrs. MINK. Mr. Speaker, on May 29, John C. Sawhill, Administrator of the Federal Energy Office directed a letter to Representative Craig Hosmer in which he has distorted the impact and the purpose of H.R. 11500, the Surface Mining Control and Reclamation Act of 1973. This bill, reported out of the Committee on Interior and Insular Affairs on May 30, has been endorsed by both the United Mine Workers of America and the Wall Street Journal.

Mr. Sawhill is trying to scuttle H.R. 11500 with a completely unsubstantiated charge that "it would seriously cut existing coal production and also remove vast amounts of coal reserves from future production." I have carefully examined the various points at issue raised in Mr. Sawhill's letter, comparing them with the final report of the Bureau of Mines which analyzes the possible and probable effects of H.R. 11500 on coal production through 1980, and I must say, Mr. Speaker, that I can find little or no justification for such a statement. On the contrary, it would appear that Mr. Sawhill was chosen to serve—perhaps unwittingly—as a spokesman for industrial groups which have decided that strong effective Federal-State regulation of coal surface mining cannot be tolerated.

Let me review the points raised in Mr. Sawhill's letter.

First. Designation of areas unsuitable for surface coal mining—section 206.

Mr. Sawhill's notion that a nationwide ban on the surface mining of coal is implied by the bill, constitutes a complete misreading of the section which requires States to establish a planning process enabling objective decisions as to which areas of land—if any—are unsuited for all or certain types of surface coal mining operations. It should be clear from any reasonable interpretation of the language of this section that the planning process within a State would be based on the premise that areas must be designated unsuitable for surface mining only if they are demonstrably not reclaimable. The burden of proof is upon the petitioner in each case to show that reclamation as required in the bill, is neither physically nor economically feasible in a given area. Until such proof is provided, it is assumed that all areas may be open to surface mining for coal.

Indeed, it is quite conceivable that no State will choose to so designate areas, even after setting up the required planning process. This provision in the bill is entirely discretionary, both as to State and Federal lands. The actual designation of State areas as unsuitable for surface mining must be triggered by persons who come forward with documented evidence as to the character of the land involved and the feasibility of reclamation. Mr. Sawhill's conjuring up a "nationwide ban on new mining," with coal production losses upwards to 350 million tons per year by 1985, makes sense only to those who choose to misinterpret the whole intent of the bill.

Second. Prohibition of mining in national forests—section 209.

Mr. Sawhill's statement that the foreclosure of the surface mining of coal on national forests lands will eliminate 15 percent of the Nation's recoverable surface minable reserves is grossly overstated. It is particularly so because he has provided no indication of what proportion of the 7 billion tons of coal reserves underlying national forest lands are recoverable by deep mining methods. The Bureau of Mines' analysis simply states that:

> Prohibition of surface mining on national forests would sterilize some 7 billion tons of reserves, an amount that must be recognized as having a sizeable impact on the total near surface, easily minable reserves.

To proceed from that general statement to the Sawhill claim that 15 percent of the Nation's recoverable surface mine reserves of coal would be precluded by this section is to strain one's credulity. In another example of his cavalier treatment of facts, the Administrator goes on to state that:

> We cannot, within any reasonable degree of accuracy, at this time calculate the effect on immediate production.

This statement, while implying the effect might be severe, actually ignores the committee's excepting from the national forest lands ban all existing operations, or those having substantial legal and financial commitments as of September 1, 1973. All such operations would continue under the bill; therefore there would be no decrease in coal production from this category.

Third. Approximately original contour and steep slope provisions—section 211.

The figures presented by Mr. Sawhill for estimated coal production losses due to certain provisions restricting the placement of spoil on steep slopes and requiring return of the mine site to its approximate original contour, upon comparison with the Bureau of Mines analysis reveal a further disregard for reality. Up to 2.5 billion tons of coal would be permanently lost to mining, with an immediate annual loss in production of up to 67 million tons, according to the Federal Energy Office Administrator.

Referring to tables in the Bureau of Mines analysis on which this assertion appears to be based, it seems that the maximum possible loss which could result from no spoil on steep slopes has been set at 16 million tons, while the maximum probable loss is set at 4 million tons, both regarding 1975. In the case of estimated losses from the return to approximate original contour provisions, the comparable figures are 26.9 million tons and 3.5 million tons respectively. Now, even if the two highest estimates are totaled—16 plus 26.9—it is difficult to comprehend how the immediate annual loss in production of 67 million tons was reached by the Federal Energy Office.

Considering that some of the assumptions underlying estimates are highly questionable, there is all the more reason to doubt the validity of these Federal Energy Office allegations.

For example, one assumption is that for maximum possible losses due the steep slope requirements, all projected coal production from slopes of 20 degrees or more would be lost. In other words, it is assumed that under the steep slope provisions of the bill, no coal surface mining would be feasible. This assumption is not supportable. As the committee report for H.R. 11500 makes clear in considerable detail (p. 102), experience with surface mine operators in both Pennsylvania and West Virginia shows conclusively that new techniques such as the "haulback" method or the "modified block cut" method are being developed successfully to restore the site to the approximate original contour on steep slopes by retaining the spoil on the bench.

A study conducted jointly by two consulting firms, Mathematica, Princeton, N.J., and Ford, Bacon & David, New York, N.Y., for the Kentucky Department of Natural Resources and Environmental Protection and for the Appalachian Regional Commission, and published last January, concluded that:

> Complete contour restoration methods are generally desirable and feasible using existing equipment, and also that such methods are roughly comparable in profitability to existing conventional contour methods and can be practiced using existing equipment.

There is thus every reason to believe that as long as the market for coal is strong from all indications—and this is bound to be the case—the industry can and will find ways of producing coal within the limitations established in the bill for steep slopes.

Regardless of all this, Federal Energy Office has chosen to adopt the "maximum possible loss" figure predicated on a total shutdown of surface mining on steep slopes. Nor does he attempt to explain in what matter it was concluded that surface mine operators, despite the evidence to the contrary which is readily available in Pennsylvania and West Virginia, will be unable to adapt to these requirements in the bill.

Until he comes forth with data which refutes the conclusions of the mathematica study and minesite evidence in the Appalachian Mountains, Mr. Sawhill's estimates of coal production losses in these two categories will not be taken seriously by those who value truth.

Fourth. Minimize hydrologic balance disturbance—section 211.

The statement that provisions in the bill requiring minimization of disturbance to the hydrologic balance on the minesite and on surrounding areas will mean "19 million tons per year of near term production could be precluded, and 12.5 billion tons of coal could be precluded from future mining" also appears to have no foundation in fact whatsoever. The Bureau of Mines analysis confines itself to commenting that these provisions in the bill are too general but made no estimate of losses of coal production which might theoretically result. How Mr. Sawhill arrived at that horrendous loss of 12.5 billion tons of coal is a complete mystery.

Fifth. Federal lands—section 225.

Another tenuous assumption underlies the estimate of 20 million tons lost through the supposed moratorium on new surface mining starts on Federal lands and on Indian lands. Mr. Sawhill's presumed 12- to 18-month moratorium is a dubious assumption at best because of the 2-year leadtime which is generally required for starting up the large operations which are the rule on Federal and Indian lands. The existing backlog of orders for large equipment is well-known in the industry—and is, in fact, the inspiration for a provision which the committee inserted into the bill which would allow exceptions to the approximate original contour and spoil placement provisions during the interim period, in cases where there is a documented lack of appropriate equipment. There is no indication as to how either Mr. Sawhill or the Bureau of Mines arrived at their respective estimates of the outcome of this hypothetical moratorium on new surface mines on Federal and Indian lands. It is therefore difficult to know how much credence should be accorded this nebulous prediction.

Sixth. Protection of the surface owner—section 710.

According to the Sawhill letter, between 14 and 18 billion tons of federally owned coal could be precluded where the surface ownership is non-Federal. Which figure you prefer depends on whether you lean toward the Department of the Interior or toward the National Coal Association, representing as they do the full amount of coal reserves underlying non-Federal lands and in Federal ownership. Again, there appears to be no way of verifying these estimates. No discernible attempt has been made to determine what proportion of the surface mine operators who are prepared to dig coal on these highly productive lands would gain the surface owner's consent, as required by the bill, or what proportion would relinquish their Federal coal leases rather than pay what might be necessary to get that consent.

The economic priorities report published recently by the Council on Economic Priorities—a study of public and Indian coal leasing in the West—has this illuminating review of the costs involved.

> 247 of the 474 leases have been issued by the Department (of Interior) at competitive lease sales, but 171 of those were granted without competition since one or no bidders appeared. The average winning bid at these 171 lease sales was only $2.87 an acre. Another 210 leases were granted by the preference right method which returns no revenue to the lessor (Federal Government) besides the $10 filing charge.

In view of the vast tonnages of coal contained in these leases, and the miniscule payments which the Department of Interior requires, it appears highly unlikely that surface mine operators will abandon their lucrative operations simply because the bill requires that they dicker with the surface owner for his consent before stripping the coal. Certainly, if surface owners elsewhere in the Nation—with the melancholy exception of Kentucky—enjoy the right of consent prior to entry upon their land for surface mining of coal, there is no justification for withholding that same right from the owner of land acquired under a Federal patent.

Seventh. Subsidence from Underground Mining—Section 212.

The only way to characterize the Federal Energy Office estimate of 100 million tons of coal production to be lost from 1977 onward because of the bill's provisions for controlling surface subsidence from underground coal mining is that it is a complete stab in the dark. Under the bill no regulations or requirements would come into effect for 2 years after date of enactment, pending the outcome of a study to be conducted by the Secretary of Interior. It would appear that the Federal Energy Office has made no effort to assess what type of regulations might result, nor what probable impact might be had by those regulations on the productive capacity of the underground coal mining industry.

Once again, Mr. Speaker, how can we take such estimates seriously? How can we be expected to accept these specious predictions of coal production losses, or accept the unspoken implication that all over America the lights, the air-conditioners, and the TV sets will begin going off if this bill is enacted? There are scare tactics, pure and simple. They should be dismissed as being of little consequence.

Instead, I would urge my colleagues to heed the sensible and sane admonitions of Business Week magazine, which in its issue of May 25 offered the following calm appraisal of H.R. 11500:

> Environmentalists oppose the strip mining bill reported last week by the House Interior Committee because they think it is too permissive. The coal companies oppose it because they think it is too tough. Actually, it is a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment. The House should adopt it, and a conference committee should reconcile it with a bill already passed by the Senate to give the Nation its first effective regulation of a practice that is chewing up 12,000 acres of land a week."

WATERGATE DÉJÀ VU

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BROWN of California. Mr. Speaker, I recently came across an article which appeared in the April 1924 edition of the Teamster, the official publication of the Teamsters Union. I believe it is amazingly appropriate to current events, in light of the fact that it was written half a century ago, and I call it to the attention of our colleagues. The item reads as follows:

> WILL TEAPOT DOME PROBE BE BLOCKED BY ANCIENT TRICK?
>
> The expected has happened—out from nowhere comes the news that "the people are weary of Teapot Dome."
>
> When a probe gets "hot"; when it strikes pay dirt, then the cry is heard, "The people are tired of the mess; let us stop; this hurts government."
>
> The rogues in high places do not think of government until they fear exposure.
>
> The daily press quotes one well-known steel manufacturer that "Teapot Dome is hurting business."
>
> This manufacturer, who sold defective armor plate to the government, does not explain how publicity of wrong can injure business.
>
> The people are merely told that it does. No reason is given. They are expected to take up the cry.
>
> They are supposed to believe that their jobs will be affected, or that the public will spend less money if a group of brave senators expose crookedness, graft, purchased influence and private exploitation of natural resources.
>
> To be classed with the "somebodies" of the moment is to repeat, parrot-like, a weariness of congressional probes.
>
> In the circle affected, ridicule and boredom is quite the proper attitude today.
>
> This is carried along by the waterboys of privilege—its press, its moralists, its editorial writers, its cartoonists, its movie films, its devotees, its secret agents and its open defenders.
>
> In time a hostile public atmosphere is created. The populace unconsciously accepts this cheap cynicism, this disloyalty to country, and the champions of the people are shoved aside while the thieves escape with the loot.
>
> This is the psychology that privilege is now attempting to "put over" on the people. The trick has been worked time and again.
>
> The present situation recalls this statement by a magazine writer, several years ago:
>
> "Every time I have followed the crooked politician it has led me to the back door of a respectable business man."
>
> Organized labor insists on the widest publicity and the most complete probe where it is hinted that wrong exists.
>
> This policy injures no honest man and it strengthens our government.
>
> Publicity will not harm honest business, though stock jugglers, exploiters of the people's resources and "sure-thing" financiers may be affected.
>
> No man will eat less food, or build less houses, or harvest less wheat, or manufacture less shoes because thieves in high places have been uncovered.

INTEGRATION: WE MUST CONTINUE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RANGEL. Mr. Speaker, the 20th anniversary of Brown against Board of Education has inspired widespread awareness of just how much and how little progress we have made in the past two decades. Many Southern schools are now desegregated. Many Northern ones are now all-black. We continue to strive toward true integration: the way is hard, and has been getting harder recently, but we cannot turn back from our goal. As the following radio editorial by New York's WWRL indicates, segregation threatens the long-run viability of this society:

> AND WE KNOW WE DO
>
> Twenty years after the famous U.S. Supreme Court decision which opened the way to desegregation of the nation's public schools, segregation is now a growing fact of life in New York and other northern cities. This sad truth is pointed up by Dr. Kenneth B. Clark, Distinguished Professor of Psychology at City College of the City University of New York. Dr. Clark said that segregation in such public schools is greater today than it was in 1954.
>
> He writes (in an article in the New York Times) that segregation does irreparable damage to human beings. It dehumanizes black and other minority-group youngsters by making them feel rejected and stigmatized. It creates deep feelings of guilt within white children.
>
> As Dr. Clark puts it, we cannot use the excuse of the Germans in World War II who claimed not to know about their extermination camps. We know what we're doing.
>
> We must turn ourselves around and face up to the fact that segregation damages us all—black or white—and it must be faced up to.

TIME FOR A FRESH LOOK AT OUR SCHOOLS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BADILLO. Mr. Speaker, it has become fashionable in certain academic circles to disparage inner-city schools and to dismiss out of hand the education of the poor as an exericse in futility. I refer not only to such putative authorities as Coleman and Jencks but also, regrettably, to colleagues in the House who were once in the vanguard of the Federal drive for equal educational opportunity but have now raised their voices for an end to compensatory instruction for children with learning disadvantages.

It is my view that these skeptics are reacting prematurely to spurious evidence drawn from less than adequate documentation. It is one thing to find no gains in achievement after several years of injection of title I funds into a school, and quite another thing to find out why there is no improvement and what can be done.

A recent study of two New York City elementary schools by the Office of Education Performance Review, an investigative arm of the New York State Legislature, has convinced me that there are approaches to educational evaluation being overlooked which could lead to new conclusions about the educability of the children of the poor. The study results are embodied in a report entitled "School Factors Influencing Reading Achievement: A Case Study of Two Inner City Schools."

For the study, two ghetto schools were chosen, each with more than 50 percent of its students from families on AFDC and situated in a neighborhood dominated by low-income public housing. The students of both schools are characterized by high mobility, low mastery of basic skills, and a wide range of motivational levels. In addition, both are title I schools. These two schools were selected for the study because one shows a markedly higher level of reading achievement over the other year after year despite the close parallels in student body composition and neighborhood demography.

The high achieving school, identified only as school A, has an enrollment that is 98 percent black and Hispanic, 99 percent eligible for free lunch, a pupil/teacher ratio of 33/1, and a school utilization of 103 percent. School B—with a consistent record of low reading achievement on standardized tests—is 88 percent black and Hispanic, and has 90 percent of its students receiving free lunches, a 76-percent utilization of plant, and a 28/1 student-teacher ratio.

A panel of experienced New York City educators from various universities and academic disciplines was chosen for the review. In their 2½-month study they found many additional parallels between the two schools. Techniques of teaching reading were similar, both had equal access to the same teaching resources, and teacher competency seemed fairly equivalent. Teachers in both schools had problems teaching reading, and in fact, the panel found a rather general lack of knowledge about effective reading teaching in a cross-section of the staffs of both schools.

To ascertain the relative success of one school over the other, the panel had to look further. They found that school A has a principal who has been there 12 years and who has not only selected three assistant principals with strong elementary education backgrounds for his staff, but has also assigned overall responsibility for reading improvement in the school to one of them. The panel found a stable atmosphere in the school, with low teacher turnover and only one teacher grievance filed in 12 years. Parents are welcome in the school and have a special room set aside for their use. Residents of the neighborhood studying for high school equivalency also have a separate room. Interviews in the community ascertained that parents are generally satisfied with the job the school is doing. And teachers expressed satisfaction with the teaching atmosphere and general working conditions.

School B on the other hand has a principal of short tenure and an administrative staff drawn from secondary schools. There is no parents' room and little community involvement. There is also noticeably more vandalism as evidenced by broken windows. In 1 month alone, 11 teacher grievances were filed. Unlike school A, teachers are generally unhappy teaching in school B and complain of the violence and new discipline problems which divert much of their energy.

More significantly, school A has special classes for learning problems, inservice classes in reading techniques for teachers, a schoolwide reading plan, and sequential reading materials on a daily basis and from year to year. Regular teachers stay with their classes in reading labs, and 71 percent of the faculty are assigned to classrooms.

In school B there is no schoolwide plan for the teaching of reading and no administrative leadership to that end. Regular teachers do not stay in reading labs with their students and thus have less familiarity with their total performance. Only 59 percent of the faculty have regular classroom assignments.

Despite higher pupil/teacher ratios and similar instructional resources, school A is characterized by good staff morale, effective leadership, good community relations, almost no violence, and a minimum of discipline problems.

School B is described as having low teacher morale, more vandalism, fragile ties to the community, constant student fights and parent-teacher confrontations, and is characterized by "divisiveness, disorder, and disillusionment."

Not surprisingly, interviews with teachers revealed that those in school B are pessimistic about their impact on their students, and those in school A, while not entertaining remarkably higher expectations for their students, express less skepticism than those in school B.

At the end of the investigation period, 90 children were selected from the 2d, 4th, and 6th grades of each school for informal textbook reading tests to ascertain functional reading levels. Despite all the similarities in student backgrounds, teachers and teaching techniques, physical plant, instructional resources, and neighborhood makeup, the panel found that 40 percent of the students in school A read at or above grade level compared to 20 percent for school B. School A also has a lower percentage of its pupils reading 2 or more years below grade level. These findings bore out the results of the State's pupil evaluation program and city metropolitan achievement tests which had also placed school A consistently higher than school B and provided a major reason for the selection of the two for further analysis.

The implications of this report cannot be ignored. To quote from its own concluding summary:

> This study has demonstrated that schools with comparable student populations and resources can produce students with significantly different reading skills. This finding demonstrates that although nonschool factors cannot be ignored, school factors can be much more significant than generally acknowledged. The stress on nonschool factors too often leads to a justification for failure which then leads educators to act as if the children cannot learn, which in turn produces the atmosphere in which the children in fact do not learn.

The last sentence is crucial and, in fact, describes what all too often happens in the inner-city schools in a cyclical progress that foreordains so many urban children to failure in school and diminution of their potential for successful endeavor in the larger society.

I believe that the New York State Office of Education Performance Review has done a signal service with this investigation and report. It holds out special promise for those of us who are concerned over the generally poor performance of our metropolitan school. In New York City, for example, only about one-third of all elementary and secondary students are reading at or above grade level. That would be a discouraging statistic but for the fact that the scores turned slightly upward this past year for the first time in nearly a decade of decline. Clearly, despair and retreat are not called for, as they never are when the education of our young people is the issue.

The National Center for Health Statistics recently reported that tests conducted with 6,768 youngsters from 1966 to 1970 reveal that there are 1 million Americans in the 12 to 17 age bracket who cannot read at the fourth-grade level. Minorities and children of the poor stand generally lower in achievement, but the Center found illiteracy extending through all strata of our society, including children from families with more than $15,000 income annually.

The time has come to find out why our schools are failing, and put those lessons to work. The New York City study shows that one factor—strong administrative leadership and planning—can prove to be a major difference in the performance of students in a school comparable in every observable way with a school lacking such superintendency and establishing a record of consistently low achievement.

The U.S. Office of Education has begun evaluating its programs under a congressional mandate to do so, but its findings are tentative and incomplete to date. I am therefore turning over the New York report to USOE, with an urgent request for an assimilation of its techniques and departures for more meaningful and useful evaluation of Federal programs in the Nation's schools.

Schools can and do make a difference. Teachers' job satisfaction, parents' regard for their school, and childrens' willingness to participate in the school were all measures of the relative effectiveness of the two New York schools studied. Other conclusions, including the need for intensive training for the teaching of reading, deserve the scrutiny of the educational community.

No reasonable person in this country wants to see the schools fail. There is no acceptable reason that they should. Though money helps in certain ways, the emphasis must be taken off evaluating whether Federal funds have an impact by themselves. It is what happens within the classroom and emanates from the administrative policies of the school that in the end determines how much its students learn. There is a valuable lesson here if we will but put it to use.

NORTHERN IRELAND RESOLUTION

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RONCALLO of New York. Mr. Speaker, the recent tragedies and general unrest in Northern Ireland continue to point up the urgent need for restoration of civil rights in that corner of the world. With this in mind, I warmly endorse a unanimous resolution of the New York City Council calling upon the United Nations to:

> (1) Request the Government of Great Britain to cease and desist its barbaric practice of force-feeding Irish political prisoners;
>
> (2) Of keeping them confined in institutions far removed from their homes, contrary to recognized practices and rules of civilized society;
>
> (3) To restore civil rights to its minorities in north-east Ireland and particularly the writ of habeas corpus;
>
> (4) To restore the right of its minority to be openly confronted by their accusers;
>
> (5) To restore trial by jury;
>
> (6) To inquire into the prison conditions in England and Northern Ireland and particularly the women's prisons in both countries;
>
> (7) To require the Government of Great Britain to immediately release all political internees and prisoners whether in Northern Ireland or Great Britain.

I further believe that the time has come for the House to act on House Resolution 766, which expresses the sense of this body that—

> The Irish people ought to be permitted to exercise the right of national self-determination, thus returning the disputed six counties to the Irish Republic, unless a clear majority of all the people of Ireland, in a free and open plebiscite, determine to the contrary.

IN MEMORY OF CHESTER E. MERROW

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ZABLOCKI. Mr. Speaker, one of my truest privileges in my years in Congress has been to serve as a friend and colleague of Chester E. Merrow.

Chet was already a well-established and respected Member of the House when I came to this body as a freshman in the 81st Congress. After I was appointed to the Foreign Affairs Committee, my association with and admiration for him grew.

Merrow brought to Congress the quiet humor of a New Englander and the close attention to facts of a good schoolteacher, which he was before entering politics. As a senior Republican on the Foreign Affairs Committee, he was an outstanding practitioner of bipartisanship in foreign affairs.

His accomplishments in this field are notable. He was a delegate to the United Nations international conference on educational and cultural relations in London in 1945. He was a congressional adviser to the 1946 UNESCO conference in Paris and a member of the U.S. delegation to UNESCO from 1946 to 1949. He was a major contributor on our committee in shaping economic development assistance legislation. He is particularly well remembered for his effective support of the United Nations and peaceful solutions to international problems.

Mr. Speaker, I remember Chet Merrow above all for what he was as a human being, as a kindly and gentle and generous friend. We miss him, and extend deepest sympathy to his wife Nellie and son Daniel.

REMARKS OF CONGRESSMAN CRANE FOR AMA CONVENTION ANAHEIM, CALIF.

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ROUSSELOT. Mr. Speaker, my colleague from Illinois, Congressman PHIL CRANE, on December 5, 1973, addressed the American Medical Association convention, morning session of the House of Delegates, Anaheim, Calif.

Mr. Speaker, because this address by my colleague (Mr. CRANE) was a culmination of long discussions that had occured within the framework of the American Medical Association and has subsequently triggered other events of interest to this body, I felt that my colleagues would wish to be aware of these comments regarding the Professional Standards Review Organizations.

As a result of our colleague, Mr. CRANE's speech to the American Medical Association, the position recommended by Mr. CRANE has been sustained by the Association of American Physicians and Surgeons, which has filed suit to have the PSRO law declared unconstitutional.

A substantial number of practicing physicians and other professional people from the medical field have been most interested in the general concepts developed in Mr. CRANE's remarks:

SPEECH BY CONGRESSMAN PHILIP CRANE

> Thank you very much Dr. Shields . . . I deem it a great privilege to have this opportunity to come before you today in this capacity. I am one of a number of members who were instrumental in getting Dr. Heard to come to Washington to talk to us. He gave of his time and energy at our request to present an evaluation of how we in Congress might most effectively deal with the question of the possibility of repeal of the Professional Standards Review Organizations.

PASSAGE OF PSRO

> I think, to give you a brief history of the House action, it's important for you to know that the House hadn't the vaguest idea of what it voted on when the PSRO legislation went through the House. We did *not* introduce it in the House. It was introduced in the Senate and tacked onto a complex, lengthy social security bill. The Senate has no rules with respect to germaneness. This clearly would have been ruled a non-germane amendment to that legislation had it been introduced in the House. This was the deceptive way PSRO slipped through and I can assure you that probably 90% of the members of the United States Congress today haven't the fuzziest idea what a PSRO is. They don't understand the concept—they don't even know that they cast a vote on it.

SIGNATURES ON PETITION FOR REPEAL OF PSRO

> I say that advisedly because I had the opportunity to talk to any number of my colleagues on the subject in attempting to recruit signatures on that letter that we sent to you. I'm confident I could have pro-

duced, as Dr. Shields indicated, easily a hundred signatures on that letter, based on the principle involved in this issue, if members had had the chance to evaluate the merits or demerits of PSROs. However, in talking to members I asked them first the question, "Do you know what a PSRO is?" If they answered in the negative, I didn't proceed any further. Secondly, those who indicated some vague understanding, but uncertainty as to where their constituents in the medical profession stood, I said, "Don't sign this until you talk to your physicians back home." One of the ways I've managed to achieve some degree of credibility with my colleagues is by attempting conscientiously to avoid getting them into a situation where they may have political problems back home. I think it's important for you to know as well that there are a number of bills that have been dropped in the hopper in the House calling for the outright repeal of PSRO by members whose names were not on the letters. Further, there are members on the other side of the aisle who have indicated their opposition to PSROs, but whose names do not appear. The only one of those whom I talked to personally as I was leaving the floor was Congressman Rarick. This was because John has been in the vanguard of this fight from the beginning, submitted the first repeal bill, and has the greatest number of co-sponsors on his bill.

MY OWN CONCERN ABOUT PSRO

Now let me briefly explain some of my reasons for concern. First of all, as Dr. Shields noted, I come from a family of physicians. I was the black sheep, having gone into the history profession, because I had too many sympathetic pains to suffer the rigors of medical school. But on the other hand, I do have an appreciation of what the American medical practice is all about and I think I have probably as great a respect for it as any member you'll find in the Congress of the United States.

MY CONCERN ABOUT OTHER PROPOSED MEDICAL LEGISLATION

As some of you know, I have not co-sponsored your particular legislative alternative to Senator Kennedy's National Health Insurance Bill. When I was approached to be a co-sponsor of that legislation, I indicated that I would not because in my judgment it did not best serve the interest of American medicine. I still hold that point of view. I have not co-sponsored the administration's approach; I have not co-sponsored the health industry's approach; I have not co-sponsored the hospital association approach. By producing an alternative, you have given away half the battle at the outset. And I can't put enough emphasis on that point. With respect to PSRO, the question is one of options available to you people in the medical profession.

NO HEALTH CARE CRISIS

In debating, the worst approach you can take is to concede your opponent's premise. In my judgment, that's what the administration has done, that's what the medical profession has done, the health insurance people have done it, hospital associations have done it. You have implicitly accepted Kennedy's analysis of the problem; viz., that there is, indeed, a health care crisis in America. Your response to this claim is you have a better approach to deal with that alleged crisis. I totally reject the premise and I would be more than happy to spend any time with you back in your home states defending my position. I think the evidence is abundantly available to one and all to prove the point, that we have the best medical care here in the United States of any comparable country or collection of countries in the world. And I don't care if you want to get into the discussion of infant mortality rates, maldistribution of doctors, doctor-patient ratios, medical costs, what-have-you. If you make a comparison because what we have done without government intervention in medicine in this country and what they have done with varying degrees of government intrusion in the delivery of health care in countries that have gone that path, our performance is without peer. This is not to suggest that we are without problems. But we are closing the gap on those problems more effectively under our approach than are countries which have turned to government for solutions. Getting in bed with people in my profession is the most disastrous possible course you can take. As physicians, I know you are committed to providing the best possible health care, and certainly as a potential patient, I have a vested interest.

PRINCIPLES INVOLVED

But beyond that, I have a vested interest in certain overriding principles that are at stake in this great battle. Those principles don't touch physicians alone because there is virtually no business or profession today that is not under the threat of governmental intervention. We have a collective fight on our hands, gentlemen, and that fight is not confined to the battles that preoccupy your attention today. That's just a part of it. But that, too, is a part of my reason for being here. My work involves battles across the broad spectrum of all our business-professional interests in the effort to preserve a free society. And it is for that reason, perhaps far more than any other, that I am here with you today.

OBJECTIONS TO PSRO

Now it seems to me in talking to physicians that there is no one who will defend the concept of PSRO in principle. The objections to PSROs are abundantly plain to you, but there are two critical ones that strike me as overriding. One is the idea that you can have laymen impinging their judgments on the best professional judgment of physicians.

ESTEEM OF THE MEDICAL PROFESSION

Do you really think that the average patient in this country is going to repose greater confidence in government or in bureaucracy than he will in his physician? I can guarantee you he won't. You're in a unique position. The recent Gallup poll, as you que position. The recent Gallup poll, as you know, revealed the fact—out time and time again—that the physician is the most respected man in our society. By contrast, the people in my profession have just slipped below the used car salesman. The used car salesman is at least providing a service in the private sector. I would raise the question as to how much positive good people in my profession are doing for anyone. And I don't mean because we're consciously malicious. We fall into the category Justice Brandeis described in the Olmstead case when he said, "Americans should be most on guard against encroachments against their liberties when government's intentions are beneficient . . . when its policies are initiated by men of zeal, well-intentioned but without understanding." That's precisely the situation we're in today with respect to PSROs.

INVASION OF PRIVACY

Now in addition to this, the potentials for invasion of patients' privacy is a clear violation of the Hippocratic Oath and your professional ethics. In the Ellsberg case, burglars had to break into a psychiatrist's office to get files. With this law the bureaucrats can simply walk into a psychiatrist's office and review any patient's records. I can assure you that if you brought this point home to politicians, you've got a sensitive issue for getting politicians to understand the inadvisability of this legislation.

PRAGMATIC APPROACH

I can understand why you've taken some of the actions you have. I fought the battle with you in '65 on the Medicare question. I know a lot of physicians after that decided it was hopeless to fight the Federal leviathan on principle, that "pragmatism" or "realism" dictated attempting to control and direct from within as the only chance of preserving a semblance of private practice. But one must be careful when he succumbs to this reasoning that he does not give away more than he has to. In looking over some of the recommendations that you've come up with, the first one says, "at this time—and this is substantiated by ranking members of the House Ways and Means Committee—attempts to repeal PSRO would be fruitless." Let me assure you first that the Ways and Means Committee is not the exclusive committee to talk to on this. Secondly, there is potentially a whale of a lot of support in that Congress for outright repeal. Thirdly, what support is not there is primarily the result of a lack of understanding of what's happened, and that even includes members of the Ways and Means Committee. As a Congressman, I'm telling you that this is not a lost battle. Moreover there is no reason why you cannot explore a variety of options simultaneously. They are not mutually exclusive. You don't have to give up the effort to repeal only because you think a more likely alternative is to attempt to clean up a bad law. In addition to this you can at the same time contemplate working for repeal through the courts. I would certainly be willing to stand beside any physician or any association of physicians that refuses to comply with this law on the grounds that it does violence to the ethics of the medical profession.

PRINCIPLES AT STAKE

It is important for all of us to keep in mind, as I said earlier, that there are precious principles at stake here. I was the only member who testified before the Ways and Means Committee in opposition to *any* governmental intrusion in the so-called health care field. I was the only member. And at the time I testified, the man chairing the committee, Mr. Burleson, observed that this was certainly a "novel" point of view, that it had never been presented to that committee. I got into all the alleged shortcomings of health care here in the United States and pointed out that when you make comparisons with other countries, you'll see we're closing the gap on the remaining problems we have faster through free medicine than any other countries that have opted in favor of socialized medicine and that any effort to suggest we have a health care "crisis" in America is pure hokum.

NOT MUTUALLY EXCLUSIVE POSITIONS

But to go on here with another recommendation, it's suggested that a position of non-participation would tend to make Association efforts to seek amendments to PSRO or to modify similar regulations, similarly fruitless. That is absolutely not true. If anything, the more vigorous the opposition, the greater the willingness of politicians to seek a compromise. You can go on record as a national body, condemning on principle what you know in your hearts to be wrong and simultaneously work for other alternatives behind the scenes in the event we can't win on the question of outright repeal. This is a part of what I mean about these positions not being mutually exclusive.

EFFECT ON OTHER HEALTH LEGISLATION

Another position stated here says that "noncompliance or non-participation would also weaken Association efforts to affect other pending and future health legislation." Again, I would differ. In fact it indicates a lack of understanding of how the political process works. Each one of you has input. And if you don't think you have input on the politicians, I can guarantee you, you have input on their constituents. If Senator Kennedy attempts to ride that hobby horse of national health insurance into the White

House, he's not going to make his major thrust until 1975. It's a political issue and I don't think any one of us should be deceived about that point. In the meantime, between now and 1975, you have an opportunity collectively to talk individually to patients. Patients are voters. And if you alert them to the danger, then you can generate a massive political influence. Another statement claims that "Repeal of PSRO would leave the medical profession still subject to other legislative controls which already exist, perhaps more distasteful." Well, to be sure, that's a possibility.

COMPLIANCE DESTROYS YOUR PROFESSION

But let me just tell you one other thing. If we are going to draw the battle lines on principle—and in my judgment, that's how they should be drawn—the best way calculated to permit the government intrusion that could ultimately destroy your profession, is to get compliance. If you draw the battle lines on the basis of the professional judgment of the physician versus the gun that's being pointed at his head by government, and I can assure you beyond that, that once they identify the politicans as the enemy, the politicians will back off in a hurry. This kind of legislation cannot survive without your consent and your compliance. It's a total impossibility. This is more "foot-in-the-door" legislation as you know. The supporters of Medicare back in 1965 were candid enough to acknowledge that it was foot-in-the-door legislation ultimately for a government take-over of the medical field. And I submit to you that this is just another part of it.

RECOMMENDATIONS

I have probably exceeded my time constraints but let me, if I may, continue for just a couple more moments to pass on some recommendations. One: Don't despair. I think the most pernicious doctrine in Washington today, and I see it in business associations, I see it in the professional associations, is a certain feeling of despair over the inevitability of legislation. Well, that doctrine of inevitability is the rankest superstition that Karl Marx ever advanced. I had a student who came up to me some years ago when I was teaching, and he said, "Dr. Crane, I believe in your philosophy and your principles and your values and your ideals, but let's face it, the United States is finished. Western civilization is down the drain. We're inevitably moving on to some kind of bland socialism. So, in effect, why fight it; eat drink and be merry for tomorrow we die."

And I said, "Young man, I can appreciate your feelings because at one point in my undergraduate career I almost bought that vicious concept. But think for a moment, if you and I refuse to give in and we fight. And in turn we win two converts each tomorrow and in turn we enjoin them to win two converts each. Before long we'd be a majority. And if a majority of Americans believe as we believe then can you tell me that the United States is finished and western civilization is down the drain?" He said, "I never thought of it that way." I added, "You have been removed from the battle because you bought a false premise. And that is the doctrine of inevitability. And because you did, you have been as effectively removed from the battle as if they had put you up against the wall and blown your brains out. But they managed to do it more economically, they saved a bullet, because they did it with a false idea."

Now, gentlemen, I'm telling you there are good ideas and right principles and if you people, who are most immediately affected, will not be in the vanguard of fighting for those principles, then to be sure, we may lose the battle in Washington; it will simply be a matter of time. They'll take us salami-style—a slice today and a slice tomorrow and a slice the next day. But I think that everyone of us believes that there are principles involved in this issue that are worth defending. And there are members down there who will go to bat for you. Even if you don't come out for repeal, I and a number of my colleagues will continue to wage the battle because patients are going to be concerned about this, even if the physicians will not lead the fight. Secondly: *Speak up* to your patients. Get the patients involved in this battle. You command their respect and they trust you. Let your impact be felt. Thirdly: *Influence your local politicians*. Don't necessarily depend upon speaking as a voice from the House of Delegates. Communicate individually with your own Representatives and Senators. Speaking to us personally does have political effect. And fourthly: As Abraham Lincoln said, *"Let us have faith that right makes might."* I mean, we've *got* to have faith in free institutions and we've got to be willing to stand up and be counted on the side that we know to be right. We must be aware of compromises with evil. As Pope said: "Vice is a creature of such frightful mien, that to be hated means but to be seen; but seen too oft, familiar with her face, we first endure, then pity, then embrace." I would hope and pray, gentlemen, that you will not be guilty of that and I would hope and pray that we might join in a common effort here in behalf of private practice. We may not win all of our objectives, but if you come out forthrightly in behalf of right principles, you've got the opposition on the defensive immediately. We may have to settle for something less than what we want. But a position of principled opposition to government intervention gives us the best political leverage in terms of dealing with people who view politics as the art of compromise. You don't start with a half-way house position to begin your negotiations unless you're prepared to lose your position altogether. Finally, I would only remind you of a quotation by Woodrow Wilson, who was a student of history before being elected President. Wilson made the observation that the history of liberty is a history of limitation of governmental power—never the increase of it. "When we resist concentration of power," Wilson said, "we are resisting the powers of death. For the destruction of human liberty has ever been preceded by concentration of governmental power."

I thank you gentlemen.

THE NATURAL RESOURCES COUNCIL CASE AGAINST DICKEY-LINCOLN

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. CLEVELAND. Mr. Speaker, today's House vote on public works appropriations included an expenditure of $800,000 for preconstruction planning for the Dickey-Lincoln hydroelectric project in northern Maine. This appropriation, which includes $150,000 for preparation of the environmental impact statement required by NEPA, represents an effort to examine the project further in light of recent arguments citing significant changes in favor of construction.

While I am not yet convinced that construction is warranted, I did support appropriating this $800,000 in order to provide some badly needed facts, not the least of which involve the very serious environmental concerns. A good case in point is the following article prepared by the Natural Resources Council indicating that the environmental impact will be very destructive and will destroy valuable and irreplaceable wildlife habitats while not producing a significant amount of energy—an estimated 1 percent of New England's total electricity supply. Hopefully, the environmental impact statement along with the additional study made possible by today's appropriation will set the record straight and provide a factual basis whereby we can then decide on the feasibility of constructing Dickey-Lincoln. I commend to my colleagues the Natural Resources Council's article which follows:

The National Resources Council Case Against Dickey-Lincoln

Since 1968 the Natural Resources Council has opposed the flooding of the Upper St. John River for the purpose of producing electricity. Once again the Dickey-Lincoln Hydro-electric project is being proposed and again we are opposed to it because our studies show that it will be environmentally very destructive, will destroy valuable and irreplaceable wildlife habitats, will not produce a significant amount of energy, will be an economic boondoggle, and will destroy a valuable renewable forest resource. In short, the NRC believes that the proposed Dickey-Lincoln project to be an ill conceived and unjustifiable waste of Maine's valuable natural resources.

ENVIRONMENTAL IMPACT

If the Dickey-Lincoln project were ever completed it would flood and permanently destroy 88,600 acres of Maine's wilderness forest lands with the Dickey dam and an additional 2,200 acres with the smaller Lincoln dam. An additional area would be destroyed by the transmission line right-of-way which would traverse at least 150 miles of this highly productive and scenic wilderness portion of our state. The total area flooded would be substantially larger than Moosehead Lake but would not even begin to approach the environmental value of Moosehead. The level of this new lake will rise and fall 40 feet every year and sometimes will drop 4 feet a day. This fluctuation would annually produce a useless set of mud flats of 33,600 acres after the lake has been drawn down for energy production. The lake would be full only during the spring shortly after the snow has melted. In 1955, the Federal Inter-Agency Committee recommended that—because of its "unique upland wilderness character, its outstanding scenic and geological features, mountain peaks, lakes, forest and marshlands"—the reach of the upper St. John River Basin should be set aside to preserve the unspoiled wilderness character of the Great Maine Woods. The construction of Dickey-Lincoln in the middle of these woods would result in a level of intrusion and ecological disturbance throughout the entire region that would forever destroy its wilderness quality.

In addition to all the flooding, the Deboulie Mountain region's outstanding scenic and recreational attributes would be defaced to provide concrete aggregate and facing stone for the dams. Actually, construction would have to take place not only at the two dam sites, but also at five other sites where dikes would have to be built at the headwaters of other watersheds such as the Allagash Wilderness Waterway.

WILDLIFE HABITATS

The NRC is also opposed to the destruction of one of Maine's finest and most productive wildlife habitats. If this project were ever completed, Maine fishermen, in addition to having lost about 57 miles of the St. John, would also lose some of the best brook trout fishing streams in the eastern United States, including 23 miles of the Big Black River, 25 miles of the Little Black, 7 miles of the Pocwock, 4 miles of the Chimenticook, and 65 miles of other less well-known streams.

Hunters would lose 17,600 acres of deer yard, supporting 2200 white-tailed deer, a population that could support up to 30,000 hunter-days each year. In addition, about 2800 acres of duck-breeding habitat and some of the best woodlands producing warblers and woodland birds would be lost. In the past, this part of the Maine woods has served as a wildlife reservoir from which other areas have been re-populated—by moose, for example. The area is also an important black bear habitat.

ENERGY

The primary justification for this proposed giant dam—340 feet high and 9,260 feet long—is that it will be an important source of cheap electric energy. The facts, however, demonstrate that this is not true. Even by Maine standards, Dickey-Lincoln will produce only an insignificant amount of energy for Maine and New England.

First of all it needs to be understood that the project will be producing mostly peaking power for only a few hours each day such as in the early evening hours when there is the greatest demand for electric power. In contrast to this is the atomic Maine Yankee plant at Wiscasset and the Central Maine Power Company's new oil-fired plant on Cousins Island in Yarmouth. Dickey would produce less than 25% of the capacity of these plants individually and both of them are capable of operating 24 hours a day.

Secondly, using the numbers game, proponents imply that Dickey-Lincoln would have made "all the difference" in the energy crisis. They cite the 1.1 billion kw-hr per year electrical output, which sounds like a lot until you realize that a small oil fired plant supplemented with some gas turbine peaking generators would produce the same electrical output as Dickey-Lincoln's two dams. Whether Dickey's peaking power is needed at all depends on other peaking facilities already built or which are planned to be built such as hydro pumped storage systems. There are alternatives to peaking power plants, such as peak demand pricing which would tend to reduce peaks, and thus eliminate the need. Boston Edison is also considering new storage systems including batteries, compressed air underground, and fuel cells for peaking.

Another important problem arises if New England peaks are materially broadened by peak demand pricing. This is likely to occur to alleviate the needs for expensive peaking units. It is a goal of both consumer and environmental groups to force rate structures to reflect the costs of supplying additional energy and demand. If as a result of revised rate schedules the demands are broadened, then Dickey-Lincoln will become less important because it can operate only 2½ hours per day (due to inadequate flow of water in the St. John River). Cycling units, operating a larger fraction of the week, will then assume a larger fraction of the generating load. At the moment of course no one knows what will happen to demand because of higher fuel costs and energy conservation measures.

Looking at the proposal generally one sees that the Dickey-Lincoln project would consist of two dams. One of 760,000 Kw capacity at Dickey; one of 70,000 Kw at Lincoln School. Thus, total capacity would be 830,000 Kw.

According to the Zinder Report on NE electricity supply: "The power from Dickey-Lincoln School will be marketed by the Department of Interior. The plan is to sell 105 MW at 50% capacity factor to preference customers, municipals and REA cooperatives in Maine, and the remaining 725 MW at peaking power to preference customers throughout New England. Agreement has been reached by the Department of Interior to market essentially all the output of Dickey-Lincoln School to preference customers and none will be sold to private utilities."

Thus, 33% of the 1.1 billion Kw hours generated by Dickey-Lincoln would be essentially base loaded for Maine. The remaining 66% would be peaking power for New England. All the power would be distributed to public authorities. Consumers served by the private utilities would receive no benefits.

The two Dickey-Lincoln dams would provide about 1.1 billion kilowatt-hours of electricity per year. For reference, New England's electricity consumption in 1972 was 64 billion Kw hours. In 1980, if the present trends continue, consumption will be about 100 billion Kw hours. Thus, *if* the project were to be completed by 1980, it would contribute about 1% of supply. By 1990, assuming the same growth rates, it would supply ½% of supply. Clearly, Dickey-Lincoln could not make any substantive contribution to New England's electricity supply.

Although Dickey-Lincoln would have a negligible effect on electricity supply, it could in fact somewhat alleviate the peak demands on New England with its power. As now proposed, 725 MW of Dickey-Lincoln would supply about 690 million Kw hours of peaking electricity per year. This means about 2½ hours of operation per day (or as they say this 725 MW would have a plant factor of 11%=2½/24). Typically, 20% of installed capacity has been for peaking. By 1983 it is estimated there will be 35,000 MW of installed capacity. Thus 20% of this would be about 7000 MW of peaking power. Consequently, Dickey-Lincoln could supply about 10% of needed peaking capacity. The need for this peaking capacity and alternative sources has already been discussed above.

In summary, Dickey-Lincoln would supply about 1% of New England's energy need by 1980 and only ½% by 1990. We believe that burden of destruction which Maine would bear does not justify this insignificant contribution to New England's electricity supply.

ECONOMICS

An evaluation of this project requires an examination of the complex economics of the project. How much will it cost? The trouble here is that there are today only proponents who tend to understate the costs and opponents who probably overstate them. The following have made the following estimates. Rep. T. P. O'Neill, Jr.: $500 million; Sen. William Hathaway (D. Maine, a proponent): $273 million; Boston Edison: $1 billion; and the Corps of Engineers: $356 million. The Corps estimate neglects about $50 million in transmission lines and inflation. If costs inflate at a modest 6% per year then the project cost would double in ten years when it is possible it might be completed. Cost could then be as high as $800 million. Currently the cost estimates appear to vary by 300%.

For the amount of money involved the amount of electricity supplied is small. This fact is the principal problem with Dickey-Lincoln: it just isn't going to make any difference in supply. As a consequence, even if the electricity were free, it couldn't reduce prices by more than about 1% (recall that peaking power electricity costs more than off-peak power). According to the Corps of Engineers annual savings to New Englanders would amount to $11 billion. Since last year New Englanders paid about $1.7 billion for electricity, one can see that the reduction would amount to only .6%, a very small amount.

In fact, the economics of Dickey-Lincoln, are the most commonly misrepresented and misunderstood feature of the Dickey-Lincoln project. In particular, the Benefit/Cost ratio is generally (mis) understood to somehow represent the ratio of economic return to investment. Nothing could be further from the truth. The B/C ratio of 2.6 cited for Dickey-Lincoln has literally nothing to do with the benefits derived from it or, more surprisingly, the cost of building it.

Here is how that number (B/C) is derived. First, it is clear that the dams will generate electricity of some economic value. What is the value of that electricity (i.e. what are the *benefits*)? The answer, according to the Federal prescription, is found by going to the alternative *private* project that would be needed to exactly simulate the electrical output of Dickey-Lincoln. Thus a private project composed of gas turbines and oil fired power plants is imagined which would, 1) pay Federal and local taxes, 2) borrow at an interest rate of 8¾%, and 3) be based on plants separately located in Maine and southern New England. The current price of that power ($44 million)—as determined by the Federal Power Commission by a formula which no one seems to know or understand—constitutes 96% of the benefits of Dickey-Lincoln. There are additional $2.1 million worth of annual benefits derived from flood control (.1% of all benefits), redevelopment (1.7% of benefits) and recreation (a dubious 2.7% of benefits). Thus total benefits (annual) amount to $46.5 million.

Strangely enough, the *costs* of Dickey-Lincoln are not in any way related to the cost of building the project. To determine the cost (for the B/C ratio only) the Corps estimates the current cost of building the project and then determines the annual income needed to pay back an imaginary 3¼% loan over 100 years for constructing it. However, the Corps deletes from the construction costs $60 million of transmission costs (about 12% of total costs) because it *thinks* that the private utilities *may* let them use the lines from Maine to Boston. These purely imaginary pay back costs amount to $17.7 million per year, and when divided into $46.5 million above yield a B/C ratio of 2.6.

Now, several points need to be made. First, the Corps would actually build the dams at an interest rate of 5 and ⅞%, to be paid back over 50 years. The 3¼% interest rate is a totally academic exercise, a fiction authorized by the Congress to make pork barrel projects look attractive. According to the Corps, the actual annual costs of paying back the loan would amount to $35.6 million, including full transmission costs. This would yield a B/C ratio of only 1.3. At an interest rate of 6 and ⅞% the B/C ratio drops to 1.1. And at the going market rate of 8 and ¾%, annual pay back costs rise to $50 million and the B/C ratio drops to .95. Taking into account the lost taxes that would otherwise be paid by the utilities would drop the B/C ratio even further.

It is clearly misleading to cite Dickey-Lincoln as any kind of a yardstick against which to compare New England utilities. What does a yardstick mean in this case? Dickey-Lincoln shows a B/C greater than 1 only if money is given away at less than its true value and if the taxes paid by the utilities are used against it. (We have not yet begun to calculate the environmental costs not quantified or included in any of the B/C calculations.)

FOREST RESOURCES

Maine's forest provides the state with an economic backbone which is threatened by development pressures. The value of this continuously renewable resource will continue to increase if it is not unreasonably disturbed. The NRC believes that the Dickey-Lincoln project would be a major and unreasonable disruption of Maine's forest resources.

The forest lands to be flooded are currently owned by private land holders and several large corporations. Sixty-one percent is in private ownership and 39% is in corporate ownership. In addition, this state owns 2867.11 acres of the land through its public lots. The Dickey-Lincoln project would forever remove from forest production at least 70,000 acres which are currently growing timber. It would adversely effect the production on thousands of additional acres. Currently, an average acre of productive forest land adds about $200 yearly to Maine's economy. Using the conservative figures of 70,000 acres at $200 produces a negative economic impact to Maine's economy of $14,000,000 yearly. These figures do not include the additional acreage taken out of production by the transmission lines, roads, construction, and the generating facilities. Nor does it even begin to consider the forest area which will be lost to the development which the project would attract.

One of the most important elements of Maine's unique enviroment is its forest and especially its wild forest. Dickey-Lincoln would be a major set back to our forest at a time when they are explosively increasing in their economic and recreational value.

STATE CONTROL

The Dickey-Lincoln project is a federal project. Because of this the NRC wrote to Senator William D. Hathaway on March 21, 1974, posing this following issue:

"We are obviously very concerned about the environmental impact of every major industrial development within the State of Maine. You are obviously well aware that Maine has several licensing laws which are intended to reduce the impact of industrial development and to make it as compatible as possible with the environment. These state laws are considered to be of a landmark nature nationally. In particular, Maine's Site Location Law, which is administered by the Department of Environmental Protection, and the laws creating the Land Use Regulation Commission have particular relevance to the Dickey-Lincoln proposal in that the dam construction, generating facilities and flooded areas, if permitted to be built, will be in LURC's jurisdiction as will also be some of the transmission facilities. In the organized areas of the state the transmission facilities will be covered by the Site Location Law. We would like to know if your office and other Congressional members plan to provide for Maine's right to review the Dickey-Lincoln proposals at the proper time in terms of our state laws or do you propose to have the project completely pre-empted from state review through the federal preemption clause of the U.S. Constitution. It would appear that since Maine will be bearing the major impact of this project if it is ever completed then we should have a major say in how extensive that impact is."

On April 1, 1974 Senator Hathaway answered our inquiry by stating:

"I would like to assure you that the project will be subject to all of the provisions of State law that apply to the project. In addition the Corps of Engineers will have to prepare an acceptable environmental impact statement."

It is, therefore, not clear as to whether the residents of Maine and their state government agencies would have any control over the project.

It also needs to be noted that there have been any public hearings concerning this project in the state which would have to absorb the negative impact and resulting costs.

SOURCES

This paper was prepared by NRC's staff attorney and executive director, Clifford H. Goodall. The NRC is Maine's largest private environmental organization. Sources of information for this paper include the NRC's library; *A Study of the Dickey-Lincoln Hydroelectric Project* by Rosemary H. Manning for the Sierra Club, New England Chapter; and material supplied by "The Friends of the St. John", 14 Beacon Street, Boston, Mass. Additional sources include individuals who were interviewed by the author.

The Natural Resources Council offices are located at 20 Willow Street in Augusta, Maine. The NRC has a special committee which will continue to study the Dickey-Lincoln project.

THE 250TH BIRTHDAY OF ADAM SMITH: THE TRUE LIBERTARIAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. KEMP. Mr. Speaker, the true lover of liberty loves freedom for its own sake, whereas he who supports freedom only because it will have consequences of which he approves is not so committed. Adam Smith was the "true libertarian."

To Adam Smith, political liberty was as important as economic liberty; in fact, he believed they were indivisible. It is no coincidence that the world's two greatest "libertarian" documents were published in 1776—Thomas Jefferson's Declaration of Independence and Adam Smith's Wealth of Nations.

Mr. Speaker, today marks the birthdate—June 5, 1974—of that great champion of economic truths.

In an age—like ours—when the fundamentals of economic laws are being subsumed to apparent political expediencies, it is important to note both the life of this great Scottish economist and moral philosopher and the profound teachings which he gave to the world. It is indeed ironic that the principles he espoused and which led to such great progress for so many are today held in such low esteem. It behooves us to better understand those principles of freedom.

It would be in error to call Adam Smith the "father of free market economics." Quite to the contrary, Smith never held himself out as a theorizer of a new school of economics. He was—and with great force of intellect—simply revealing economic truths which emerged from his extensive studies of the histories of nations and civilizations.

That the market economy—allocating resources by the free play of supply and demand—is the single economic system compatible with the requirements of personal freedom is not a theory. It is a fact.

That the market economy is at the same time the most productive supplier of human needs is not a theory. It is a fact that the only real way to raise the standard of living of the people is to increase the amount of capital invested per capita, thus leading to better tools and more productivity and the result—higher real wages. It is a fact.

That when government interferes with the work of the free market economy, it tends to reduce the moral and physical strength of the Nation, is not theory. It is fact.

That when monopolistic, unfair restraints on trade go unchecked by consumer choice, it leads to destructive economic concentration, is not a theory. It is a fact.

That when government takes—by taxation or erosion of purchasing power—one man to bestow upon another, it diminishes the incentive of the first, the integrity of the second, and the autonomy of both, is not a theory. It too, is a fact.

Adam Smith's teachings contributed much to the thought of the framers of our own system of government. Smith shared the constitutionally limited government instincts reflected in 1776. He argued strongly for liberty. He campaigned hard for freedom to trade. And his voice was heard. Constitutional government in its modern sense was born as a concomitant of the free market economy.

Would he not be distressed, if he knew what course this Nation of ours is following today in its economic, fiscal, and monetary policies—policies designed and executed for the moment, not for the strength of our future?

We should—we must—heed Adam Smith's teachings, for it is an adage as old as man's study of history that the quickest way to destroy a free society is to destroy its money first.

Mr. Speaker, Adam Smith was also a professor of moral philosophy at the University of Glasgow in Scotland.

The world remembers him as the author of "The Wealth of Nations." Because of the fame justly accorded that classic, few remember that Smith was also the author of an earlier book, "The Theory of Moral Sentiments."

In his biography of Adam Smith, Dr. E. G. West writes that:

> If The Wealth of Nations had never been written, this previous work would have earned for him a prominent place in intellectual history.

West explains that:

> In The Wealth of Nations (Smith) deals primarily with the strong motives; in The Moral Sentiments with the higher ones. What is it, he asks in the latter work, that prompts ordinary people to be benevolent as well as self-interested? To be virtuous as well as mundane? To be humane as well as human?

West also explains why Karl Marx's interpretations of Adam Smith were a "serious misrepresentation." And, "whereas Karl Marx was later to admonish Smithian capitalism for causing people to lose their identities in the pursuit of wealth, it was Smith's claim that it was only within its province that men could successfully discover themselves."

Mr. Speaker, I hope we will heed the lessons of history and advance forward on the principles of liberty, economic and political, as taught to us by both Adam Smith and Thomas Jefferson.

QUESTIONNAIRE RESULTS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MINISH. Mr. Speaker, I am today placing in the CONGRESSIONAL RECORD the results of a questionnaire which was mailed to my 11th District constituents in late March of this year. The results are based on approximately 20,000 replies from every community in the 11th Congressional District of New Jersey.

Details of the returns follow:

[In percent]

	Yes	No	Undecided
1. Extending the President's authority to impose wage and price controls beyond their April 30, 1974, expiration date?	43.3	42.1	14.6
2. A constitutional amendment to prohibit abortion?	23.5	68.6	7.9
3. The President's impeachment (i.e., to bring to trial before the Senate) by the House of Representatives?	57.7	32.0	10.3
4. Increasing the $750 tax exemption rate?	86.8	7.7	5.5
5. Termination of tax benefits to the oil industry such as the depletion allowance?	75.7	14.2	10.1
6. Imposition of export controls on scarce agricultural commodities such as wheat in order to hold down prices for Americans?	87.2	7.9	4.9
7. Stiffer antitrust laws to limit ownership of multiple energy resources (for example, oil companies owning coal, oil shale, and geothermal power sources)?	81.6	11.7	6.7
8. A Government corporation to develop and produce energy resources in competition with the private oil companies?	53.0	36.0	11.0
9. Federal operating subsidies for the Nation's mass transit systems?	69.1	21.1	9.8
10. Relaxing auto emission standards and pollution controls in view of the present energy situation?	42.0	48.0	10.0
11. A national health insurance system financed in a manner similar to social security and covering virtually all medical bills?	68.9	21.5	9.6
12. Financing Federal political campaigns with public tax funds rather than private contributors?	52.1	33.7	14.2
13. Continuation of year round daylight saving time?	51.5	34.7	13.8

The 11th Congressional District includes the following municipalities.

Belleville, Bloomfield, Caldwell, Cedar Grove, Essex Fells, Fairfield, Irvington, Maplewood, Montclair.

North Caldwell, Nutley, Orange, Roseland,, South Orange, Upper Montclair, Verona, West Caldwell, West Orange.

North Arlington, Little Falls, West Paterson, and Hillside.

FINANCIAL STATEMENT OF CONGRESSMAN AND MRS. GEORGE M. O'BRIEN

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. O'BRIEN. Mr. Speaker, while I have serious concerns about protection of the individual against invasion of privacy, the times in which we live dictate that those who seek election to public office must disclose information about their personal finances or be subject to criticism, if not mistrust.

Therefore, Mr. Speaker, further implementing the action taken by the House in requiring its Members to report sources of income to the Committee on Standards of Official Conduct, I include the following additional information on the finances of my wife and myself:

FINANCIAL STATEMENT OF CONGRESSMAN AND MRS. GEORGE M. O'BRIEN

A. TAX INFORMATION

Congressional salary	$42,500
Adjusted gross income including salary, law practice, interest and dividends	51,461
Federal income taxes	10,681
State income taxes	1,242

B. UNSECURED INDEBTEDNESS

None.

C. SECURITIES—VALUE JUNE 1, 1974

Burlington Industries (132 shares)	2,904
Carrier Corporation (114 shares)	1,254
Commonwealth Edison Co. (bonds)	25,000
First National Bank of Joliet (955 shares)	53,480
Illinois Securities Co. (350 shares)	17,500
Keystone Fund (128 shares)	384
Marcor (20 shares)	500
Niagara Mohawk Power Co. (30 shares)	300
Pan American World Airways (40 shares)	160

D. OTHER BUSINESS ENTITIES WITH SERVICE AS MANAGER, DIRECTOR OR PARTNER

Partner in law firm of O'Brien, Garrison, Berard & Kusta, Joliet, Ill. with no practice in Federal courts or before Federal agencies).

E. REIMBURSEMENT FOR EXPENDITURES (OTHER THAN FROM U.S. GOVERNMENT) EXCEEDING $1,000

Republican National Congressional Committee (contribution made to all Republican first-term Congressmen for public relations expenses)	$3,000

F. OTHER FINANCIAL REPORTS

Report of financial interests filed with Clerk of the House pursuant to rule XLIV for the House of Representatives for each year.

TRIBUTE TO DR. HENRY PAOLUCCI, "MAN OF THE YEAR"

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BIAGGI. Mr. Speaker, on June 14, an esteemed friend and colleague, Dr. Henry Paolucci, vice chairman of the New York State Conservative Party, will be awarded the distinguished "Man of the Year Award" by the Flushing Conservative Club. It is a fitting honor to this great man, and I will have the distinct honor of being the honorary chairman of this event. At this time, I would like to pay a special tribute to the distinguished career and work of Dr. Henry Paolucci.

When we speak of Henry Paolucci, we are referring to one of the foremost spokesmen for the ideals of conservatism in this Nation. Henry Paolucci has dedicated much of his life to the New York State Conservative Party, and his most significant contribution came in 1964 when he ran under the Conservative banner for the U.S. Senate. His articulate manner and wealth of knowledge on issues made him one of the most memorable candidates for public office in the history of New York State.

Yet, Henry Paolucci's work has extended far beyond the campaign arena. He has ably served the Conservative cause as a lecturer, teacher, and author. His most outstanding literary contribution was "War, Peace, and the Presidency," which was published in 1968.

Since then, Henry Paolucci has been expressing his timely views through his monthly newsletter, entitled "State of the Nation." It has been through his work on this publication that Henry Paolucci has gained national prominence and acclaim for his uncanny prophecies about the great issues which confront this Nation today. One prime example has been Dr. Paolucci's views on our present pursuit of détente with the Soviet. The concern and caution he raised back in 1969 represented a mere voice in the wilderness, yet today his views are shared by many responsible Americans who have grown apprehensive and alarmed at the problems which have ensued with détente.

Professor Paolucci, as he is also known, is actively involved in the Walter Bagehot Council on National Sovereignty, an organization which he founded and is dedicated to scholarly research, lecturing, and publishing to the end of securing our Nation's sovereign values.

Personally, I have known Henry Paolucci to be a warm and loyal friend. He is a man both knowledgeable in his views and steadfast in his convictions. He is not afraid to articulate unpopular views, and throughout his career he has been able to command the highest levels of respect and acclaim from all those who deal with him, whether they agree with him or not. He is a true intellectual, who has never lost grips with the views of the common man.

The Flushing Conservative Club in awarding Henry Paolucci their prestigious Man of the Year award described Henry Paolucci as all should know him:

> An inspiring lecturer, teacher, and writer, author of hundreds of articles and books on every subject from ancient history, to the history of science, philosophy, government and political affairs—a self effacing helper to all who call upon him. Professor Paolucci serves as a constant model to us all. But especially as a truly dedicated American. He readily deserves our friendship and affectionate respect.

Mr. Speaker, there is little I can add to that tribute except to say that it is indeed a high privilege for me to have a man the caliber of Dr. Paolucci as a friend. I wish him continued success in the coming years.

ELECTION REFORM AND THE POST CARD REGISTRATION BILL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, in a recent newsletter to his constituents, our colleague from New York (Mr. HORTON) was precisely on target when he referred to the post card registration bill as having been "developed with the best of intentions, but not rooted in reason or fact." Congressman HORTON goes on to recite in very concise and convincing terms the reasons that many of us felt strongly compelled to oppose that measure: it would have resulted in an administrative nightmare; it would have encouraged an increase in election fraud at a time when we are desperately trying to clean up the election process; and it may well have led to a decline rather than an increase in voter turnout—thus undermining the very goal purported by the bill.

Mr. Speaker, especially at this time when the siren call of "reform" fills these Chambers, it is important that our actions be tempered with a firm sense of realism and a prudent ability to distinguish between the trappings of reform and the substance of constructive change. Our colleague from New York has displayed this ability time and again in the past, most recently in his approach to the post card bill. I therefore include the full text of his newsletter at this point in the RECORD:

Post Card Registration: A Faulty Answer to Election Reform

(By Congressman FRANK HORTON)

The figures are disquieting. Barely half of the voting age population participated in the 1972 Presidential Election, down from 64 percent in 1960. The drop has been a steady one, and worry over the trend has prompted several of my House colleagues to push for adoption of a new plan—voter registration by mail—in an attempt to beef up the number of Americans who go to the polls every four years to select a President.

On its face, efforts to increase the numbers of people voting for President would seem an "apple pie" issue—assuring the bill of easy passage. But the House of Representatives voted 197 to 204 to defeat the bill. Having voted against the measure, I support that decision.

The bill may have been developed with the best of intentions, but it is not rooted in reason and fact.

Succinctly stated, the plan would have established a Voter Registration Administration within the General Accounting Office (GAO) to direct a massive effort to register qualified voters for Federal elections. The potential voter could register in any state to vote simply by filling out and returning a post card to the appropriate State official. He would then be entitled to vote in Federal election contests but not necessarily in State and local contests unless the State system was coordinated with the Federal system.

Because of the strong opposition to the postcard plan by many elections officials around the country, it is unlikely that many states could be persuaded to revamp their systems along the lines of the new Federal program. Therefore, in some states one would be required to register twice in order to vote in both Federal and State elections.

This would create an administrator's nightmare. States which do not adapt their systems to the new plan would have a dual system, one for Federal and one for state and local and would be required to maintain dual records and ballots, causing unnecessary confusion among elections officials and voters. Thus, each citizen in those states would have to understand (1) whether he is, in fact, already registered for Federal and State elections and no card return is necessary, (2) whether the card he fills out and mails to his State official entitles him to vote in Federal and State elections, and (3) whether the card he fills out entitles him to vote in Federal elections only and he must still go to the polling place to register to vote in State elections. Experts fear that the complications may result in a decrease in participation in State and local elections because some voters believe themselves to be registered for both elections.

There is also ample evidence that election fraud will be made easier under a postcard system because there are not adequate checks within the system to determine if a voter has registered in another area. In fact with millions of postcards circulating through the mails, it is easy to see how election fraud could be accomplished.

A brief check of the handful of areas around the country which have already embraced the postcard registration system reveals little evidence that the money and effort spent in organizing the system has had any discernible effect on increasing the percentage of voters. In fact, it can do just the opposite. The experience with postcard registration in Los Angeles, Philadelphia, Washington, Hawaii, Montana and Minnesota reveals that as many as one-third of the postcards returned are illegible or incomplete.

There is reason to be concerned that only 55 percent of those old enough to vote did, in fact, do so in 1972. There is simply no evidence, however, that this costly, confusing, and disorganized plan is the way to increase voter participation. We do want to make voter registration as simple as possible. Many states, including New York, have made great progress in this direction through such devices as permanent personal registration, extended registration hours and dates, convenient locations for voter registration booths. However, the answer to voter apathy does not lie in postcard registration systems, but in a deeper examination of our political processes.

MISSING IN ACTION IN SOUTHEAST ASIA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ZABLOCKI. Mr. Speaker, on Monday of this week, June 4, the House of Representatives resoundingly reflected its support for a solution of the MIA problem when it voted 273 to 0 for House Concurrent Resolution 271.

The tragic failure to obtain from North Vietnam and the Vietcong a full and accurate accounting of more than 1,000 Americans who remain missing in Southeast Asia is certainly one of the bitterest aftermaths of the Vietnam conflict. To their families and loved ones it remains a deep and hurting agony.

The stubborn insensitiveness of the North Vietnamese and Vietcong in failing to live up to the pledges it made in signing the Paris cease-fire agreement amply reflect their inhumane attitude. As my distinguished colleague from Iowa, the Honorable H. R. GROSS, noted on the floor Monday, they have now suspended further talks of the four party joint military team.

That fact and other pertinent observations were noted in a statement issued by the U.S. Mission in Saigon on June 4, a copy of which I am placing in the RECORD and recommend to the careful reading of my colleagues.

As chairman of the House Foreign Affairs Subcommittee on National Security Policy which considered House Concurrent Resolution 271, I sincerely hope the North Vietnamese and Vietcong will note its provisions carefully. I hope, too, that they recognize the firm determination of the Congress in fully implementing the provisions of the resolution.

The statement follows:

SAIGON, June 4.—The US Mission spokesman issued the following statement today.

The delegations of the United States and the Republic of Vietnam to the Four Party Joint Military Team (FPJMT) met today at the FPJMT's regularly scheduled plenary session. The DRV and PRG delegations were not at the meeting. We have no indication when they plan to return, but we earnestly hope it will be very soon.

The sole function of the FPJMT is to provide a forum for the Four Parties to help each other get information on the missing in action and to locate, care for, and assist in the return of the remains of the dead. These responsibilities provided for in Article 8(b) of the Paris Accords are humanitarian and not political. The obligation to carry them out is unconditional and is in no way linked to any of the other provisions of the Accords.

The United States and the Republic of Vietnam feel compelled to continue their efforts to resolve all cases of those still missing in action. They will continue to meet at the regularly scheduled times each week to carry forward that portion of the FPJMT's task which concerns only the Republic of Vietnam and the United States. Until the other side return to their places at the conference table, which we strongly hope they will soon do.

The absence of the communist delegations is the latest in a serious of similar interruptions of the work of the FPJMT since its formation over one year ago. Their obvious intent has been to turn the clearly humanitarian tasks defined in Article 8(b) and the uncertainty of over 1400 American MIA families to their own political purposes. The United States can only regard such cynicism with deep regret. The dead are past the cares of the world. There is no honor in bartering with their bones.

The largest portion of the crash and grave sites about which we have information are in North Vietnam or in remote areas of South Vietnam where control is disputed by the Vietnamese parties. In the implementation of Article 8(b), the primary aim of the United States since the signing of the Paris Accords has been to obtain information on these sites and to obtain the return of the remains of the Americans who died in communist captivity. The names of these Americans were contained in lists provided us by the other parties in Paris at the time of the signing of the Accords. To date, after more than one year's effort, we have received the remains of only 23 Americans from the DRV. The DRV refused to return the remains of a twenty-fourth American buried along side his comrades in Hanoi because he allegedly died before he could be captured and became thereby technically "missing in action" rather than "died in captivity."

Since the signing of the Paris Accords the United States and the Republic of Vietnam have been cooperating in attempting to resolve the cases of the MIA's of concern only to them. The ambush and murder of Captain Rees and his comrades at Binh Chanh on December 15, 1973 and subsequent statements by the other side, made clear that this portion of the work of the FPJMT would have to be given even greater emphasis if we were to keep faith with the families of our missing in action.

Since that time, we have undertaken a variety of efforts involving all categories of Vietnamese society, official and unofficial. From all these elements, including also RVNAF units, government agencies and private individuals, we have always received full and effective cooperation. The Vietnamese people know so well the anguish and heartbreak arising from lack of knowledge of the fate of their missing husbands, brothers and sons. They have determined to do whatever they possibly can to help alleviate the anguish of the families of their American allies who still confront the same uncertainties."

TOCKS ISLAND DAM

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. FORSYTHE. Mr. Speaker, today I voted with the majority of my colleagues in favor of H.R. 15155, the Public Works/AEC appropriations bill, which contained a provisional appropriation for the Tocks Island Dam in New Jersey.

I say provisional because while the bill provides funds for construction, the money is not to be obligated until the various governmental parties involved can resolve the matter and bring it before the House and Senate for a final decision.

This provision is a direct result of the expressions of concern that were forthcoming from New Jersey Governor Byrne and others, indicating that further environmental impact studies need to be made.

I share this deep concern that every reasonable effort must be made to assure that this project, sweeping in nature as it is, will be a sound one from an environmental point of view.

But, Mr. Speaker, I represent a constituency which lives along the Delaware River in south central New Jersey. I feel a profound obligation to work in their behalf, and to support projects which I believe are in their best interests.

I have concluded that the Tocks Island project—the dam—is of extreme importance to my constituency for two reasons: First, water supply; and second, flood protection.

Some of the waterfront communities draw their water from the river and many, like Camden, collect their supplies from groundwater wells. Like the supply of our neighbor across the river, the city of Philadelphia, the intrusion of high concentrations of saltwater from the ocean, in event of another drought of the 1960's or worst, would threaten to make our fresh water brackish and therefore unusable, including well water and also future use of the wells. The guaranteed minimum flow of fresh water into the estuary at Trenton from Tocks Island would keep the saltwater front down below the mouth of the Schuylkill River, thus protecting these supplies from contamination.

As for floods, my district fortunately is not threatened like the areas upstream. I know that great advances have been made in terms of progressive thinking for activities on control of future development of flood plains and that Tocks Island is not a necessity for protecting those sections still in their virgin state. However, only an impoundment on the river can succeed in protecting those who already have residential, farm, business, or industrial property on the land that does get flooded. Tocks Island also would protect Delaware River bridges upstream and many publicly owned facilities along the river that stand to be damaged or destroyed if we have another flood like 1955 or worse.

As I said in the beginning, I fully recognize the need for a complete environmental review. I am hopeful that this will be completed forthwith, and that the various governmental entities can once and for all resolve this very important matter.

THE RUSSIAN OIL DEAL

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RARICK. Mr. Speaker, while most of the world still smarts from the reaction to the Russian wheat deal and then the Russian butter deal, we now learn that the Soviets reaped nearly $1 billion in windfall profits from their world oil deal.

Interestingly enough, while the Arab oil states were boycotting the Netherlands, their Soviet friends used the boycott by increasing their oil exports to the Dutch by one-third and increasing the charge by 3½ times over the price in 1972.

Apparently, the profit motive at the exploitation of the "industrialized nations" is no longer considered criminal.

I ask that a related newsclipping follow.

[From the Washington Star-News, June 5, 1974]

RUSSIA HAS WINDFALL PROFIT ON INCREASED OIL PRICES

(By Christopher S. Wren)

MOSCOW.—The jump in world oil prices enabled the Soviet Union last year to reap nearly a billion dollars more in oil revenue with only a modest increase in exports.

Windfall profits were taken at the expense of a number of countries in the west hit hard by the Arab oil boycott, according to newly released Soviet foreign trade statistics.

By contrast, the Communist countries were generally confronted with a negligible rise in Soviet oil prices.

The figures in the 1973 Soviet foreign trade handbook indicated that the Soviet Union has prospered from the higher world market prices spurred by the Arab oil embargo which Moscow consistently supported.

Last year, the Soviet Union increased its exports of oil and oil products slightly more than 10 percent but boosted their overall earnings more than 44 percent.

The export revenue rose from nearly 1.7 billion rubles in 1972 to just over 2.4 billion rubles last year. This is a dollar increase of more than $900 million, based upon the prevailing 1973 exchange rate of $1.34 to the ruble.

In the same period, oil exports went from 107 million metric tons to 118.3 million metric tons. The majority of the increase went to the socialist countries at well below the spiraling market price, meaning that the profits came entirely from non-Communist customers. A metric ton is roughly equivalent to seven barrels.

While the Soviet trade statistics spanned all of 1973 without further breakdown, they clearly reflected the price rises that accompanied the Arab oil embargo.

Soviet oil prices were not increased for the Communist countries because the five-year plans allow for only minor fluctuation in the current contracts.

The Soviet Union has been encouraging its allies to look elsewhere to meet their growing oil needs, and it is believed likely that Soviet oil prices for the socialist bloc will be adjusted upwards when the new five-year plans for 1976–1980 are negotiated.

The Soviet Union was not hesitant to peg its Western orders to the new market prices. Last year for example, while Denmark bought 41 million fewer tons of Soviet oil, it paid out two and a half times what it had in 1972. West Germany and Belgium were confronted with increases approximately as steep. Austria, Britain, Sweden and Italy paid slightly lesser increases for Soviet oil.

Last fall, the Soviet press denounced as a "canard" Swedish radio reports that Soviet tankers were carrying oil to the Netherlands during the oil embargo. The Soviet press agency Tass, alleged that the reports were launched to "poison the atmosphere of trust" between Moscow and the Arab countries that had made the Netherlands a specific target of the embargo.

But the current figures show that the Soviet Union last year boosted oil exports to the Dutch by a third, to over 3.2 million tons, and charged them nearly three and a half times what they had paid in 1972.

Western economic observers here point out that Moscow was honoring export commitments made with the West before the embargo, but they do not dispute that the Soviets moved swiftly to take advantage of the prime oil prices.

PRESIDENTIAL HOMES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. PICKLE. Mr. Speaker, there has been much discussion about the expenditure of public funds on Presidential homes, particularly with reference to President Nixon. The Subcommittee on Government Activities of the Government Operations Committee recently published a report on this matter, and it should be noted that it received a unanimous vote of 36 to 0. In that report the committee agrees on the sum expended on Presidential homes, not only on President Nixon but on President Johnson.

Some of the critics have contended that our colleague JACK BROOKS might have been a bit partisan because of his close friendship with President Johnson. The report does show that the Federal Government spent less than one-third the amount spent on President Nixon's home but it is good to know that the entire committee has agreed unanimously on this report, and points out the good job performed by Congressman BROOKS. I think an editorial from the Beaumont Enterprise is of particular interest and I insert it in the RECORD at this point.

[From the Beaumont (Texas) Enterprise, May 28, 1974]

PRESIDENTIAL HOMES

Critics of U.S. Rep. Jack Brooks' probe of government spending on President Nixon's private homes have wondered aloud why a similar investigation hasn't been done into expenditures on the late President Johnson's private property.

There now has been such a study.

In compiling its report on the $17.1 million in public funds spent in connection with Nixon's retreats at San Clemente and Key Biscayne, Brooks' House government activities subcommittee also looked into how much the government spent on LBJ's private property.

The subcommittee found that about $5.9 million was spent in connection with two of his ranches near Johnson City and an office he maintained in the Federal Office Building in Austin.

The total spent on or in support of LBJ's properties is nearly one-third the amount spent in connection with Nixon's retreats.

Some will contend, of course, that since Brooks was very close to the late President Johnson, the subcommittee's finding may not be the whole story.

It should be noted, however, that the report containing both the Nixon and Johnson investigations was approved by a 36–0 vote of the entire House Government Operations Committee. Two of the 16 Republicans abstained.

After release of the report, Brooks said that the "taxpayers deserve greater consideration when public funds are being used to finance new heating systems, a sewer line, a shuffleboard, den furniture and lawn and shrub maintenance in the name of providing security."

The investigation found public funds had been spent on those items at Nixon's residences.

The study accused the Secret Service of abusing the discretion Congress has traditionally given it concerning the use of government funds and personnel, and also criticized the General Services Administration for letting non-government personnel—such as Nixon's personal lawyer, Herbert Kalmbach—initiate government expenditures and then soliciting after-the-fact requests from the Secret Service in an effort to legitimize such expenditures.

We agree with the committee recommendation that future expenditures of public money should be limited to no more than one principal privately-owned residence at a time, but that the Secret Service be free to seek whatever aid might be needed in an emergency or temporary situation.

As Brooks has noted in the past, if some multimillionaire—like Nelson Rockefeller—were to become president, the taxpayers could end up footing the bills for improvements at dozens of private homes around the world.

A TIME FOR TUNA

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. VAN DEERLIN. Mr. Speaker, ship launchings are an increasingly familiar sight in my congressional district. Vessels produced there range from tuna boats to big oil tankers.

A San Diego ship launching is a sight to behold. Earlier this year the Maritime Administrator, the Honorable Robert J. Blackwell, said he never had seen a larger crowd for a launching than when National Steel & Shipbuilding Corp. sent the 38,300-ton tanker *Cherry Valley* down the ways. The company had made a "family day" of the occasion, and nearly 15,000 happy people were on hand.

Last Saturday afternoon, a smaller but equally appreciative gathering of wives and children of workers turned out at San Diego Marine Construction, Inc., for launching of the third in a series of four modern fishing craft built for Trident Industries. This was the *Katherine Lisa*, which, like those before her, will fish for the Del Monte Corp.

Del Monte's president, R. G. Landis, used the occasion to relate some of the things the tuna industry has been doing to help meet the dilemma of most housewives—how to get the best food bargain in the face of runaway prices.

Mr. Landis' remarks contained good news not only for the bargain shopper, but for workers dependent on continuing a healthy fishing industry.

His address follows:

LAUNCHING OF THE "KATHERINE LISA"

(Address by R. G. Landis, President and Chief Operations Officer, Del Monte Corporation)

For the second time in only seven months, Del Monte Corporation has had the pleasure of having a part in the launching of a tuna boat in this yard. Last October, two of our executives were here to witness the launching of the "Patricia Lee" and the "Theresa Ann"—the first of four seiners being built for Trident Industries. When the "Katherine Lisa" slides down the ways in a few minutes, it'll be three down and one to go.

I'm pleased to say that the "Katherine Lisa"—like the other two before her—will be fishing for Del Monte. She'll bring to nine the number of tuna seiners fishing for my company. That's a far cry from the fleet size of only a few years ago.

A lot has happened in the marketplace over the past few years, and tuna has "caught on" with consumers like never before. Of the 45 per cent increase in domestic tuna consumption recorded in the 12 years beginning in 1960, a little more than half occurred in 1972 alone. Then, in 1973, demand for tuna reached record levels in this country. U.S. tuna retail sales last year totaled 670 million dollars—up 20 per cent from 1972, and 63 per cent from 1971. Last year's sales made tuna one of the leaders in supermarket sales in this, the world's largest tuna-consuming country.

Why the rising popularity of this fish? We'd like to think promotion by the industry and its individual members has had a favorable impact on the consumer's awareness of tuna. . . . through recipes and other communications to home economists, school teachers, food editors, and consumers. These efforts have been supported by advertising and other promotional techniques. Industry-wide promotional efforts are conducted through the Tuna Research Foundation.

But the inflationary squeeze on consumer pocketbooks also played an important role in the rising consumption of tuna. I refer specifically to the relatively higher price of beef and pork that caused consumers to look for alternate sources of meat protein. Budget-stretching dishes are in vogue—and what works better in a casserole than tuna?

And when the average consumer comes to fully appreciate the nutritional value of tuna, we could see an even greater rise in consumption. Nutritional labels on canned products initiated last year, tell quite a story for tuna.

A 6½ ounce can of tuna provides 100 per cent of the U.S. recommended daily allowance of protein. It contains 110 per cent of the R.D.A. for niacin, 80 percent for vitamin B12, 35 per cent for phosphorus, 15 per cent for magnesium, 10 percent for iron, and 6 per cent for vitamin B2. Think about it!

1974 is shaping up as a good fishing year, and we can expect to see continued growth of the market if tuna remains economically attractive to the housewife. Maintaining the competitive edge over other meat proteins will require vigilant efforts to improve efficiency at all levels of production and distribution.

Catching more tuna won't be easy in the years ahead. The U.S. tuna industry can't sustain itself in the long term solely on the catches of our historic fishing grounds off North and South America. We must find new fishing grounds, and this will require greater scientific knowledge of fish populations and sustainable catch levels.

The U.S. tuna industry must have asurances that our boats will have access to waters within a reasonable distance of foreign shores. Quotas on catches must be kept at acceptable levels. And we'll have to develop new fishing techniques and gear to allow us to operate in new fishing grounds.

These challenges *can* be met. We can do so by demonstrating the aggressiveness and imagination which has made tuna people the innovators and modernizers of the U.S. fishing industry. Tuna is a growth business with bright prospects for the future.

In closing, I want to wish a happy and successful future for the "Katherine Lisa," Captain Joseph and his crew. Bon voyage!

TRIBUTE TO AMOS LYNCH

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. STOKES. Mr. Speaker, I would like to bring to the attention of my colleagues the long and distinguished career of Mr. Amos Lynch, general manager of the Columbus Call & Post, and the tribute which will soon highlight his most outstanding achievements.

The Call & Post has performed a vital service to the black community, as well as the community-at-large, and its success and fine service is due in large measure to the efforts of Mr. Amos Lynch.

An Appreciation Day banquet will be held Wednesday, June 12, 1974, in Columbus, Ohio, to honor Amos Lynch for more than 30 years of journalistic contributions to the community.

The sentiments of the Lynch Appreciation Committee expresses, I am certain, the feelings of many citizens of the community that has so greatly benefited from Amos Lynch's many years of meritorious service:

> We in Columbus feel that Amos Lynch has consistently demonstrated a rare sensitivity to vital community issues and has worked diligently to bring about solutions to the difficult problems this community has faced. He stands out prominently in the state of Ohio for the high editorial benchmarks he has established. He has clearly demonstrated that a newspaper has the responsibility to go beyond educating, informing, and entertaining, but most often be out *in front*, representing the interests of its readers and working for a better quality of life.

Accordingly I am submitting to the Record a brief biographical sketch which gives only a few of Amos Lynch's contributions and achievements throughout his outstanding journalistic and civic career. I urge my colleagues to join me and the citizens of Columbus in this tribute to Amos Lynch:

Biographical Sketch

The son of Mrs. Beadie A. Lynch and the late Dr. Herston H. Lynch, Amos Lynch was born in Columbus, Ohio, July 5, 1925.

He began his professional career as a sports writer with the Ohio State News in 1943. When World War II began, Amos Lynch entered the United States Navy where he served as a medical corpsman. After the War, he returned to his former position and within a few years became the Managing Editor of the Ohio Sentinel. Subsequently, he held a variety of challenging positions that included work in public relations, advertising, and marketing. In 1962, he joined the staff of the Columbus Call and Post where he is still General Manager.

His civic career is as distinguished as his professional service. He was among the organizers of the Mt. Vernon Avenue District Improvement Association and currently holds offices in or is director of the following organizations:

Mt. Vernon Avenue District Improvement Association.

Columbus Area Chamber of Commerce.

Columbus Business League.

Merry Makers Club, Inc.

Columbus Town Meeting.

Junior Achievement.

His past activities include work with the Spring Street YMCA and many other social agencies serving the Near Eastside. He has coordinated recreational and community activities for many civic organizations, and has held offices in the South Side Settlement House and the Isabelle Ridgeway Home for the Aged.

Amos Lynch has been actively involved in the field of civil rights, having served as chairman of the Columbus Urban League from 1966 to 1973. He has consistently demonstrated a concern for those in need, and has served as chairman of many charitable activities, including once serving as the director of the United Appeal. Currently, he is the director of the Columbus Business League which he helped organize in the mid-Sixties.

His many achievements have earned him a great number of honors and awards. He has been named "Man of the Year" for 1974 by the Columbus Metropolitan Area Community Action Organization, as well as by the East High School Students and Faculty.

The following are but a few of the awards he has received for outstanding community service:

HONORS FROM TRADE ASSOCIATIONS

Merit Awards for "Best Examples of Promoting The Negro Newspaper," 1952, 1953, and 1957–59 from the National Newspaper Publishers Association (NNPA).

Merit Awards for "Public Service," 1956, 1959, and 1971 from the NNPA.

Meritorious Service Awards, 1957 and 1968, from the Mt. Vernon Avenue District Improvement Association.

OTHER HONORS

"Young Man Of The Year," Spring Street YMCA, 1947.

Jaycee nominee "Young Man Of The Year, 1957.

Special Award for "Helping Ohio Sentinel Readers Live Better Electrically," Columbus & Southern Ohio Electric Company, 1957.

Outstanding Service Awards, 1965–69, East High School Distributive Education Clubs of America (DECCA).

Outstanding Service Award, 1966, Ohio DECCA.

Honorary Life Membership, 1968, East High School DECCA.

One of "Ten Men Of The Year," 1968, by the Columbus Citizen-Journal.

"Outstanding Achievement in Journalism," 1967, Second Community Church.

"Man Of The Year," 1974, Columbus Metropolitan Area Community Action Organization.

"Man Of The Year," 1974, East High School Student and Faculty Community Award.

"Oscar Gill Community Service Award," 1974, Sideliners, Incorporated.

SERVICE AWARDS

Columbus Recreation Department.

Neighborhood House.

National Foundation (March of Dimes).

Franklin County Society for Crippled Children.

Boy Scouts of America.

Tuberculosis Society of Franklin County.

Big Brother's Association of Columbus.

Central Ohio Heart Association.

United Negro College Fund Columbus Campaign.

Columbus Urban League.

Columbus Branch NACCP.

Modroes Club of Columbus.

U.S. Navy Recruiting Command.

Eta Phi Beta Sorority.

Asbury Methodist Church.

Ohio School for the Blind.

Linden Eagles' Athletic Association.

Sigma Tau Lambda Sorority.

Columbus Golden Gloves Tournament Committee.

Douglas House Management Group.

A graduate of South High School in Columbus, he attended Ohio State University. He is an active member of the Shiloh Baptist Church, and he and his wife, Gerri, are the parents of two sons, David and Amos, Jr.

A MESSAGE FOR GRADUATES

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ROBINSON of Virginia. Mr. Speaker, on June 2, 1974, a distinguished Member of the other body, the Honorable Hugh Scott of Pennsylvania, was the commencement speaker at Randolph-Macon College, Ashland, Va., in my congressional district.

Although Virginia has a fully accredited Senator Scott of its own, we continue to claim a share of the achievements and affections of Senator Scott of Pennsylvania, because of his family associations in Virginia, his earned degrees from Randolph-Macon College and, in law, from the University of Virginia, and his valued service as a member of the Board of Visitors of the University of Virginia.

As a matter of interest to the Members of the House, I include, under leave to extend my remarks, the text of the address of the distinguished minority leader of the other body on the occasion of the commencement exercises of Randolph-Macon College, as follows:

Speech by U.S. Senator Hugh Scott

I understand that the graduating class asked that I speak this year. As we know this is a break with graduations of the recent past when the ceremonies were kept short and to the point.

No greater honor can be extended to a graduate.

I hope my remarks will get a passing grade and that I will not exhaust your attentive faculties.

Fifty-five years ago I wore the traditional cap and gown for the first time at my graduation. And since leaving this beautiful campus pursuing a career in law and then in public service, I have many times over observed that the foundation received at Randolph-Macon was broad and sustaining. This foundation was built on strong principles, grounded on the life experiences of those who had gone before.

This is a good country.

Yes, we are going through some troubled times; but, of the more than 90 countries I have visited, I haven't found one where I would like to take up permanent residency.

Mr. Jefferson said it best when he offered the thought that democracy can only survive if the people have faith in their government.

There is something in the ancient precepts. There are verities, truly eternal. There are things for which one must stand and fight and deliver in unpopular times and during the occasions where one is caught up in dealing with unpopular causes.

Some of you, in your own life's progress have found yourselves veterans of lost causes—like myself, a son of Confederate veterans: My grandfather and my great-grandfather Confederates. I have fought in lost causes all my life.

Look at who I am and where I am. But I plead—as one who is a veteran of lost causes—for adherence to the eternal verities and I hope that that's what will be taught above everything else: that there are certain fundamental rights which endure and which are inherent in the concept of humanity which one must forever and forever believe in and fight for—for the dignity of humankind and for the right of every human being to be judged equally and fairly by his peers, and for the obligation of every human being to respect those judgments founded upon our sacred traditions and our sacred doctrines.

Never before has the wisdom of our forefathers been put to such a test as today.

"Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositories," Mr. Jefferson also said.

Not too long ago, on a hillside in Pennsylvania prior to speaking to several hundreds of people, I was asked by a college student: "Senator, how can I have confidence in our government?" He, obviously, was anguished because of the drumbeat of events which have since become known as "Watergate."

I hope my answer was not received as a simplistic solution to a heavy and burdensome problem. I said: "The system is working. We will be justified in placing our faith in the system."

That was nearly a year ago. And I stand on that statement today. The system *is* working. And it will continue to work.

Other countries have fallen for less.

Over the last six months the governments of at least eight nations have been overturned. Some of our warmest allies are among them: Great Britain and Canada . . . France and Iceland . . . Portugal and Denmark . . . West Germany . . . even Luxembourg.

Those governments did not possess the built-in protectiveness of our system.

It is this balance which makes it all work.

The Congress is facing up to its responsibilities.

The Judicial system has found some to be guilty, has discharged some from indictments and has freed others.

The Executive continues to run the nation, despite the pressing problems caused by the wrongful acts of employees who never were elected to public office.

These wrongs hurt all who are charged with helping our political system to work. Because each of us who holds in trust the public's faith has been stung by the venom of zealots and amateurs and by persons who don't know what it is to run as a candidate for public office . . . to experience the exaltation of winning and have the grace of losing—in fair contests.

Three weeks ago I challenged law school

graduates of the University of Virginia to remember always that a presumption of innocence exists in this country.

If this cherished liberty is to be lost, my friends, then we will have become a banana republic. And, as one who has read the law for more than 50 years, I don't see this happening.

An orderly process is underway. A House Committee—38 members, including two women, and everyone of them a lawyer, each elected by the constituencies of 22 states—is sifting the evidence to determine whether the President should be impeached, which is to say, charged with offenses against the Constitution.

This is our system.

If this committee votes on articles of impeachment, 435 men and women will hear the evidence and debate what's at issue. If the Senate becomes the forum for trial, it will do its duty in full consciousness of the special oath each Senator will take.

This is the way it will work.

This chain of events was ordained nearly 200 years ago. It has built-in checks and balances to ensure the innocence of the innocent and find the guilt of the guilty.

Again I say this is a good country; in fact, it's a great country.

When the seas become rough we should reflect on the accomplishments.

Many can remember the difficult times of this nation. We have lived through them all—and have become stronger for it.

In this year of 1974, the nation is at peace.

Not an American soldier is being drafted to raise his weapon in defense of liberty and of this country, and we thank God for that.

We are talking to the Russians.

We are talking to the Chinese.

We have negotiated a peace settlement in the Middle East, a vital disengagement signed only this week.

We are negotiating trade agreements throughout the world.

Over the five years Richard Nixon has been President the focus of federal spending has been turned completely around: forty-nine cents of every dollar for human services in comparison with twenty-nine cents of every dollar for defense.

We have the lowest peacetime unemployment.

While inflation continues upward, the rate of climb and prices at the consumer level is not as high as in other countries. While not that comforting, economists predict an improvement this year.

But the significance is we are at peace.

Campuses are quiet.

Schools have been integrated.

More people than ever before are working.

And the country is strong enough to stand the functioning of its own Constitution.

To get involved is a privilege and a challenge. Work within the system. Make changes to improve it; but don't run away from full involvement in our working system in this, the greatest country in this world.

I leave you with a verse which has remained with me since I listened to our Commencement speaker in 1919:

"Four things a man must learn to do
If he would keep his record true:
To think, without confusion, clearly
To love his fellow man sincerely
To act from honest motives purely
To trust in God and heaven securely."

ESCH AMENDMENT TO H.R. 69

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. TRAXLER. Mr. Speaker, yesterday I voted in favor of a motion to instruct the House conferees to uphold the Esch amendment to H.R. 69, the Elementary and Secondary Education Act. This action was intended to reaffirm the commitment of the House of Representatives to strictly limit cross-district school busing. It is my hope that the overwhelming vote by which this measure passed will convince our colleagues in the Senate that our opposition to busing is firm and resolute. As the newest Member of the House, I want to make clear my position of this issue.

Let me state at the outset that the commitment to save the neighborhood school must be matched by an equally strong commitment to educationally productive schools. If we seek to guarantee the right of the student to attend the school nearest his or her home, should we not seek to guarantee that the neighborhood school will provide a sound, quality education? Many schools do not provide a quality education. Indeed, there would be no discussion of busing had we done a better job of providing each neighborhood school with the necessary tools to educate effectively.

The evidence points further to the fact that black neighborhoods, ethnic neighborhoods, and poor neighborhoods—the neighborhoods with the geratest need for a quality education—are the same areas that suffer most from discrimination in educational facilities. This House, therefore, must move to erase this discrimination. This House must carry its commitment to the neighborhood school further. This House must act to insure that all of our children are provided with the basic educational tools necessary for a happy and productive life.

Additionally, we must move to erase the discrimination that has led to this problem. I support the elimination of discrimination in any form. I believe that the elected leaders of our Nation have an obligation to see that laws are enacted and enforced to erase the last vestiges of legal and illegal discrimination, as well as the economic and social scars that past discrimination has produced.

We must work to promote racial harmony. My record has always been one of supporting and fighting for civil rights legislation. I will continue to work toward those goals. But cross-district busing does nothing to promote racial harmony and understanding.

Cross-district busing in pursuit of racial balance is a bad policy. Such schemes are shortsighted, highly divisive, and generally lacking in educational, legal, and political good sense.

When black students were, in many parts of the country, bused past schools near their homes to predominantly black schools, that was wrong. To now bus whites and blacks past the schools nearest their homes to various more distant schools, on the basis of race, is a mistake.

Widescale busing will not, in my judgment, improve the quality of education. Indeed, such busing, if it is for the purpose of pursuing racial quotas, is certain to arouse antagonism and divert public attention from the essentials of good education: Good teachers, good facilities, and financial support by Federal, State, and local governments.

Equitable distribution of public resources, not an investment in fleets of buses, is the way to improve education for all, black and white.

What is wrong with the schools so many poor blacks are forced to attend is not the absence of white children. What is wrong is official unconcern, inadequate expenditures of public money, and pervading ignorance as to how best to teach children who come to school profoundly disadvantaged in almost every way.

If we are to achieve quality education for all, it is essential that the precarious amity and good will between the races not be further eroded. It is essential that a higher priority be given to education on our national list of priorities.

We must not allow this issue to erode public support for better education. Support for improved educational facilities is a fragile commodity, depending on the personal and political commitment of parents, teachers, students, and legislators. Busing for racial balance would tear apart this support, causing irreparable damage to education in America.

A policy of massive busing, based on a misplaced emphasis on race, would simply exacerbate the growing attitude that says, "What in the world is going on?" We would wind up with a net loss, rather than a net gain, in our school systems. Federal financial aid to schools would be bogged down in controversy, resistance to school millages would increase, and racial antagonisms would be accentuated.

If it were only a question of political risk, that risk might be taken. But the concept of widespread busing to pursue racial balance rests on a faulty, race conscious premise. It is presumptuous and patronizing to suppose that black children, in whose interest the concept is advanced, can only be educated if a certain percentage of white faces is produced in the same school, by transport if necessary.

Moreover, many of the proposed busing plans that some courts are now considering, with their preoccupation with social engineering, would make blacks a permanent minority in each and every school, even in predominantly black neighborhoods. The unfairness of such a design, and the loss of community voice in school matters, should be obvious. Black parents want more say, not less, in how their schools are operated and how their *children* are educated. This cannot be accomplished by creating "super school districts" and sending off our children in all directions.

It must be recognized that the developing controversy involves at least two essential elements: Education and race relations. The element of race relations is many-faceted and is intertwined with such problems as job opportunities, crime and the fear of crime, economic disadvantage, housing, and family environment and motivation. Extensive busing will not solve any of these problems.

Sound public policy should seek to maximize good will and public support for quality schools. It should avoid the creation of questionable formulas and dogmas which would wrench apart the delicate fabric of our American society and which might convulse, year after year, the emotions and the politics of our beloved land. I trust that our Nation will choose wisely and act wisely in the times ahead.

NATIONAL REALTY COMMITTEE DISPUTES "NO GROWTH" UNDER THE LAND USE PLANNING ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. UDALL. Mr. Speaker, allegations that the Land Use Planning Act, H.R. 10294, will lend to "no growth" have been raised recently by opponents of this legislation. I think it is a totally false argument and have said so repeatedly. I am now joined in that analysis by the National Realty Committee, Inc. In the letter that follows, this organization—not known for supporting legislation that would be detrimental to their economic interests—endorses H.R. 10294 and very explicitly poo-pooh's the "no growth" myth as "more emotion than substance." As the letter makes clear, those areas where "no growth" moratoriums and the like have occurred are examples of the kind of frustrations that results from the lack of rational planning.

I include the letter and urge all Members to give this responsible and rational analysis their close attention:

NATIONAL REALTY COMMITTEE, INC.,
New York, N.Y., June 5, 1974.

Hon. MORRIS K. UDALL,
Chairman, House Subcommittee on Environment of the Committee on Interior and Insular Affairs, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN UDALL: The National Realty Committee, Inc., which has long been interested in comprehensive land use legislation, has considered the claim made by critics of the Land Use Planning Act of 1974 (H.R. 10294) that the legislation will create a "no-growth" atmosphere. It is our firm conviction that this criticism is groundless, and we anticipate the real effect of the bill will be just the opposite. That is, it will offer both a cure and a preventative for the kinds of problems that give rise to a "no-growth" atmosphere. These problems can be viewed from two perspectives, from the point of view of the states and localities and from the point of view of the real estate industry.

STATES AND LOCALITIES

States and localities develop no-growth attitudes because of an inability to cope with the complexities of the diverse pressures on their land resource and because of the resulting adverse impact on environmental amenities and on the economic and social structure of the community. The sole intent of H.R. 10294 is to provide grant monies to encourage the states and localities to develop planning processes that will enable them to deal effectively with the complexities of land use decision making. To the extent that they accept the challenge, and develop effective planning processes, the basis for state and local no-growth attitudes should be mitigated.

In a recent speech, David E. Stahl, Executive Vice President of the Urban Land Institute, stressed the importance of federal financial assistance to states and localities and the beneficial impact that this could have in countering the tendency to develop no-growth policies:

"Federal grant assistance to the states, to be made possible under a national land use bill, will enable the states and their constituent regional and local jurisdictions to prepare and implement badly needed land use plans which provide for a balance between environmental protection and the attainment of economic and social objectives. Without adequate financial assistance these agencies will be hard pressed to deal effectively with the disturbing trend of no-growth policies that have been emerging in many communities across the country."

THE REAL ESTATE INDUSTRY

Undue burdens on the real estate industry due to unreasonable regulations or inconsistent public policy can also lead to a no-growth atmosphere because developers will hesitate to sponsor and finance new projects. H.R. 10294 should be a strong aid in reducing these burdens.

The focus of H.R. 10294 is on a comprehensive approach to land use planning. The bill provides for consideration and balancing of a full range of environmental, economic and social needs. Some have criticized the bill because it contains a detailed listing of the elements of the planning process. This criticism is unjust for two reasons: first, a comprehensive approach to land use planning is just that, comprehensive, and a failure to address any of the elements of the planning process will not make them any less necessary; second, states may use the bill as a guide in enacting state land use enabling legislation, and the listing of elements of the planning process will help alert the state legislatures to the broad range of responsibilities that should properly be assigned to the state and local planning agencies.

Others have criticized the bill for inclusion of environmental considerations as part of the planning process. In response to that, we can only point out that development of all kinds is subject to a growing host of environmental regulations. Such regulations inevitably impose restrictions on development, but to expect that one can engage in meaningful land use planning without considering environmental constraints is folly.

The National Realty Committee has consistently advocated a comprehensive land use planning approach through which, in a single process, environmental factors are considered along with economic and social factors. There are four reasons for advocating this approach. First, it allows policy makers to find a balance between environmental, economic and social needs. Second, it encourages consistency in the land use programs. Third, it brings regulations and standards together in one place and makes it easier for developers to assess, in advance, the prospects for approval of proposed developments which are subject to regulation. Fourth, it allows for a simplification of pre-construction review processess.

We feel that these four aspects of a comprehensive approach favor rather than impede the real estate industry. Both the detailing of the elements of the planning process and the inclusion of environmental considerations in H.R. 10294 will encourage the states to establish land use planning processes that exhibit these favorable aspects.

Much of the criticism of H.R. 10294 seems to be more emotion than substance, and the "no-growth" criticism is an example. In our judgment, the principal benefit of H.R. 10294 is that it provides states and localities with both opportunity and resources for comprehensive land use planning. The responsibility for action rests with the states and the localities. Therefore, whether one tends to oppose or support the goals of H.R. 10294 is a reflection of some degree of one's confidence that the states and localities will use the opportunity and the resources in a responsible and effective manner. We feel, as you must, that the majority of the states will act responsibly, and it is up to the Congress to give them that opportunity. Failure to do so either will result in an increase in the trend toward no-growth, as more and more communities reach the limits of their ability to cope with land use decision making or, as Senator Jackson has often pointed out, will inevitably lead to increasing federal usurpation of land use planning functions. Neither appears to be a very attractive alternative.

Very truly yours,
ALBERT A. WALSH,
President.

BIBLIOGRAPHY: SOUTH VIETNAM'S POLITICAL PRISONERS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Ms. ABZUG. Mr. Speaker, the administration claims that "only a handful" of prisoners in South Vietnam are being held because of their opposition to the Thieu regime. Those who challenge this claim are accused of getting their information from Hanoi. On the contrary, respected individuals and organizations all over the world have described in vivid detail the detainment of thousands of Thieu's opponents, and the barbaric conditions under which they are confined and often tortured. I would like to insert in the RECORD a partial list of scources from which my colleagues can obtain further information:

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ASSESSING THE WAR ON POVERTY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RANGEL. Mr. Speaker, 1974 is a year for recording milestones of progress toward racial equality in this country. The 20th anniversary of Brown against Board of Education has inspired analysis of and comment on the efficacy of desegregation in equalizing public education for all schoolchildren. Another important anniversary has virtually escaped notice: 1974 marks OEO's 10th birthday and its death.

To become full-fledged, equal participants in all levels and aspects of American life, blacks need education and economic power. Brown confronted the former requirement. Ten years ago, President Johnson declared a war on poverty to achieve the latter. The recently abolished Office of Economic Opportunity won several skirmishes in spite of the complexity of the problems it faced. In addition to substantive programs, OEO achieved an intangible but important psychological change in the attitudes of and toward poor people. As Roger Wilkins indicates in the following article from June 4 New York Times, the poor are no longer invisible, and they are no longer powerless:

THE WAR ON POVERTY: 10 YEARS LATER

(By Roger Wilkins)

The House of Representatives voted the other day to repeal the Economic Opportunity Act of 1964 and to let the Office of Economic Opportunity die next month. The Senate is likely to follow suit. The Times reported that "few members . . . rose to mourn the end of the agency," which had been intended by President Johnson to bring "total victory" in the war against poverty.

The mind ran back ten years to the spring of 1964 when Bill Moyers turned from a visitor in his White House office, punched his telephone console with the heel of his shoe and took a call from a Congressman who wasn't sure what he thought about the poverty proposals. There was Texas oil in Mr. Moyers' voice but steel in the political turkey he was talking. When he was through, the man's vote was firm.

The White House heat was on. Though incubated under John F. Kennedy, the poverty program was to be Lyndon B. Johnson's first major legislative effort. He wanted a win badly, and he got it.

The field was brand new, and idealists, visionaries, politicians, hustlers—bureaucratic and otherwise—and, ultimately, the poor all rushed in. Sargent Shriver donned a new hat and soon his intense driving brand of structured chaos turned O.E.O. into the hottest shop in Washington. In the countryside, the booklet of community action guidelines became, for a itme, a new Bible. An instant body of Talmudic scholarship sprang up around the words "maximum feasible participation of the poor."

Congressmen and mayors quickly became leery. The voiceless poor were becoming a loud unmanageable rabble—containing, incidentally, the seedbeds of viable new power rivalries—with which they had to contend. Horror stories about mismanagement, discourtesy, radicalism and thievery were soon being fed back to gleeful conservatives in Congress. Beneath all the clamor, however, real change began to occur. New programs were developed out of community action. Among them: Headstart, Legal Services, innovative manpower efforts and new health-delivery programs. But the main development was that groups of hitherto powerless people had, for the first time, the opportunity to handle sufficient amounts of money to generate for themselves the beginnings of some power. They also developed government management skills and new community services opportunities for people who needed jobs.

It was not a neat and tidy process, and hostility grew. President Johnson became disenchanted and left office without fully comprehending the real accomplishments of the program. Over time, Richard M. Nixon became a determined foe of O.E.O. He succeeded in dismantling it and in scattering the programs all over the domestic side of the Government. The idea of a focal point for poverty in the Government—a place where advocacy, evaluation planning and governmental oversight could come together—is dead.

But the legacy is real. Legal Services—thought by many to be the most effective and economical tool in the effort to empower the poor—seems fairly sure to win its perilous two-year fight for survival. Headstart appears to be a permanent $500-million Federal effort. Community action—supported by a broad coalition of governors and mayors, including George C. Wallace—seems destined to continue in some form or another as a kind of ombudsman for those who need governmental services. The House bill would send it to Health, Education and Welfare. Senator Jacob K. Javits intends to try to set up a new independent Community Action—Community Development Administration. Whichever form finally emerges, barring a veto, Mr. Nixon seems to have lost his fight to destroy the heart of the anti-poverty effort.

The principal legacy is that the poor are a little stronger, considerably more self-aware and somewhat more self-sufficient. In many instances, their vision of their own potential has been enlarged. There is around the country a network of poor people and their advocates who know something about manipulating the system in order to alleviate poverty. That network did not exist in 1964. Citizen participation has become a part of our legislative landscape. The "invisible poor" have become visible and have entered the nation's consciousness. A foundation has been laid to await the next cycle of legislative creativity.

It wasn't "total victory" but it was a good beginning. And it was far from the total failure and the unmitigated mess its detractors claimed it to be.

REMARKS BY DR. BETSY ANCKER-JOHNSON

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DAVIS of Georgia. Mr. Speaker, on Monday, May 20, I had the pleasure of addressing the annual convention of the National Fire Protection Association in Miami, Fla. Adding to that pleasure was the fact that the Fire Prevention and Control Act of 1974, which had already passed the Senate by a vote of 62 to 7, had just passed the House of Representatives by a vote of 352 to 12.

Appearing on the same program was my good friend and the much admired Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology. I was so impressed with her remarks that I wanted to share the following comments with my colleagues:

REMARKS BY DR. BETSY ANCKER-JOHNSON

I am delighted to be here today to discuss the role of the Federal government in reducing our nation's appalling losses from fire.

The distinguished Congressman from Georgia, Mr. Davis, has described the legislation he has done so much to bring into being—legislation whose purpose is to make a concerted attack on our dreadful fire problem. He has articulated horrifying statistics, and I shall not repeat them. Nevertheless, I cannot begin without re-emphasizing the human dimension of this national tragedy.

Fatalities are our primary concern. But those who survive injury by fire endure indescribable pain. Severe burns cause damage to vital organs, necessitating prolonged and complex medical treatment. Victims and their families are drained financially and psychologically and society pays indirectly through loss of productive working time.

Those who fight fires work in the most dangerous occupation in the country. Many pay with their lives, sacrifices that must be swiftly reduced.

Clearly, America's losses from fire, the worst in the industrial world, must be radically reduced. Our commitment is to see that a national fire prevention program is established as quickly and effectively as is humanly possible.

In August 1973, I testified before the Science, Research and Commerce Subcommittee of the House Committee on Science and Astronautics (Mr. Davis' subcommittee) on the pressing need for fire legislation. During testimony, I especially stressed the need for a systems management approach to a national fire prevention program.

I told the Committee, and the Senate Commerce Committee a month later, that a three-pronged attack is an essential base for fire legislation. This attack must include an education and training program, a fire data system, and a research and development program, united by a single, integrated systems management approach.

Both Houses of Congress and the Executive Branch have used "America Burning," the report of the National Commission on Fire Prevention and Control, as a starting point, and both Houses have passed legislation calling for the crucial base I just outlined in the battle to reduce our fire losses.

Each bill calls for a national fire training and education system—a fire academy system—a national fire data system, research and development on fire problems, and programs to help burn victims. Each bill places responsibility for a new Federal agency in the Department of Commerce. Since these elements are common to both bills, we can expect them to be included in the final Act.

Although some aspects of the final version of the legislation are as yet undetermined, I would like to describe how the Department of Commerce regards its forthcoming assignment of the steps we are taking toward the formation of the new Bureau.

First: we will form a fire Advisory Committee composed of representatives from all parts of the fire community. This Committee will include persons representing the following interest and expertise:

Fire Prevention Experts.

Fire Fighting and Training Experts.

Fire Data Specialists.

Public Information and Media Professionals.

Building Code and Design Officials.

Experts in Insurance Matters.

Consumer Representatives.

Physicians.

Manufacturers.

Consumer Representatives.

And Others as Appropriate.

Members of the Joint Council of Fire Service Organizations will be central on the Committee. Our goal is to have not only these stalwarts on the Commitee, but to have representatives from every facet of the complex "fire community" as well. The Committee must be carefully composed of advisers who are informed on every aspect of this issue that touches upon *the life of* every American. The importance of this Advisory Committee cannot be overemphasized. It will be helping to establish a government agency to accomplish our national goal of cutting in half our fire losses in one generation.

Steps have been taken already to draw up a charter and select the sorts of members I'm describing. We are looking not only for highly experienced, qualified people, but for people who are dedicated, who will donate at least two days per month for a year for Committee meetings, and who will serve on associated subcommittees. It will be a very demanding term of public service to assist in what I believe to be a very important task.

The Committee will offer advice regarding the organizational framework of the new Bureau. The Committee will carefully monitor the early development of the new Bureau including its practices and policies. We expect it to make major contributions to the new Bureau's long term strength.

The Director, in keeping with the legislation, will be selected and appointed by the President. Secretary Dent and I have been giving consideration to the advice which we may suggest to the President regarding the qualifications of the new Director for Presidential consideration. These qualifications may include:

Should be a prominent figure in the fire community;

Should have experience with firefighting and prevention;

Should be familiar with the national fire problem;

Philosophically, should have the view that the national fire program is to supplement local programs, and not supplant them;

Should be skillful in working with people who hold different views, with the ability to bring them to concensus;

Should have demonstrated management skills;

Another priority of the Committee will be to advise us on the detailed organization of the new Bureau. We now see the Bureau as being composed of the following units:

National Fire Data System.
National Academy System.
Research and Development Program.
Public Awareness Program.

Let me emphasize again the goal proposed by the National Commission, namely the reduction by 50 percent of the Nation's fire losses in one generation. We believe this is a difficult but attainable objective. We shall focus on saving lives but expect economic losses to be reduced dramatically also. The fire problem is complex. Attacking it successfully necessitates marshaling a host of different talents and integrating them into a team able to work together toward our common objective.

Now I'd like to describe briefly this team, namely the four units of the new Bureau as we see them at this time.

NATIONAL FIRE DATA SYSTEM

We must collect more and better data on fire incidents to gain a more detailed understanding of what we are up against. The ongoing systems such as your Uniform Fire Incident Reporting System (UFIRS), the Consumer Product Safety Commission's National Electronic Injury Surveillance System, the various state reporting systems from coroners and fire marshals, the National Bureau of Standards' Flammable Fabrics Accident Cases Testing System (FFACTS) and their National Fire Loss Survey being done in conjunction with the Bureau of Census—all these and others must be fed into a central data bank within an integrated system.

The central data bank will become the heart of the National Fire Data System. It is already being pilot-tested at the National Bureau of Standards. We plan to transfer it to the new fire Bureau as soon as the Bureau is formed. Data specialists will be recruited to implement the program.

PUBLIC AWARENESS

The collection of data is essential to all aspects of the formation of a fire prevention bureau—with one exception. We don't need to gather data in order to recognize one job which has been long ignored. This is the task of educating the public. We must increase public awareness of fire prevention. This will require specialists in psychology, public opinion, and public education through the media.

RESEARCH AND DEVELOPMENT

One of the most important tasks we face is the elimination of unreasonable fire hazards in our environment. A fire hazard typically arises not from the presence of a particular material, but from the combination of a particular material used in a specific way, exposed to a certain probability of ignition. Consider the total system. It is not very helpful to condemn wholesale, say, the use of cellular plastics. It may be very much to the point, however, to consider controlling the use of certain such plastics as insulation in living areas.

Each situation must be viewed in its broadest context. To do so effectively requires combining the talents of many—manufacturers of materials, ranging from plastics to wood furniture; fire prevention experts; firefighting and training experts; fire data specialists; educators and public information experts; building code and design officials; insurance experts; consumer representatives; medical doctors, and others. Through everyday experience, firefighters contribute to the vast amount of knowledge that must be accumulated and organized effectively. They notice, for example, the color of smoke, a transient phenomenon, which aids in the analysis of fire. The experiences and impressions of those who risk their lives to fight fire must be gathered systematically and utilized to prevent future fires.

If all these experts work together we can effectively control fire hazards. We'll need the expertise of architects, construction engineers, applied technologists, and scientists. We'll need the help of building code officials and the voluntary standards groups such as NFPA. As the Nation's fire services turn more and more to prevention activities—inspections, public education, and the like—they will add a new dimension to the effort to remove unreasonable fire risks from our surroundings.

There will always be unexpected carelessness and accidents that start fires. Protection from these requires an ever-vigilant well-equipped fire service. The firefighter's job is dangerous, demanding work; we all know that. Some two hundred firemen die in the line of duty each year, making theirs the most hazardous job in the country. We owe the firefighters a great deal. Certainly there must be a major effort to improve the technology they use, such as protective equipment. The fire services need the most modern procedures and facilities. The technology necessary for the firefighter will be the responsibility of the new Bureau. Its development will require a close partnership between fire technologists and experienced firefighters.

NATIONAL FIRE ACADEMY SYSTEM

The Fire Academy System, headed by a superintendent, will provide training for firefighters across the Nation. A major effort to provide better training must be provided.

The U.S. already has many existing training establishments. Large urban fire departments typically have their own training divisions which handle recruits and specialist training. Smaller and volunteer departments are often served by State vocational training offices, or by State university or community colleges. This informal system is not uniform in quality and varies from region to region. The education and training program we propose would help improve the existing State and local fire education and training capability.

Several existing state training schools will be upgraded to provide regional centers for training middle-level firemen in techniques of strategy and tactics not available locally.

Certain of these centers will undoubtedly specialize in areas of interest to a certain region. For example, wildfires might be a top priority in western regions. In Texas and Oklahoma, fires at the oil well-head are a special problem. In densely populated areas, high-rise fires must be addressed, and so on.

Prevention programs will be emphasized as well as inspection programs and public education. Among other things the Academy System would provide course material for specialized and advanced training programs. Such courses might cover prevention of tank car fires, chemical, and other special hazards. There is also a need to develop advanced training materials and new types of courses at the management or command level in cooperation with State universities. For example, areas such as examination structure and promotion policy, resource deployment, use of computers, and municipal budgeting and finance should be strengthened.

The training program will have a function broader than firefighter training. There will be courses for other persons needing fire safety information, such as code officials, building inspectors, equipment manufacturers, and industrial fire safety managers. Moreover, the program will develop material for public educators. Here the approach will be to develop specific information for specific audiences. Statistical data will be used to identify problem areas and appropriate audiences.

A central program will be established for command courses and courses in public administration for senior officers. This will be the Headquarters, the hub of the National Academy System.

The participation of the fire services themselves will be essential to the success of the Fire Academy. By both advising us on how to proceed and in providing capable, experienced personnel to help staff the Academy, the fire services will prove integral to a smooth-working system. We'll also need specialists in education for the development of education and training materials, and people experienced in operating training institutions.

In summary, the formation of a National Bureau of Fire Prevention is the central focus of both the Legislative and Executive Branches' effort to fight fire. It is clear we need a multi-disciplinary approach. Our challenge is to assemble all these talents and forge them into a solid front. We must find a balanced leadership capable of doing this with a minimum of delay. I am confident it can be done, with the advise and participation of those with expertise to offer. Your help and the help of the entire fire community will be essential if we are indeed to reduce our Nation's terrible losses from fire.

CLARKE-McNARY ACT OF 1924

HON. JULIA BUTLER HANSEN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mrs. HANSEN of Washington. Mr. Speaker, June 7, 1974, is the 50th anniversary of an extremely significant piece of forestry legislation—the Clarke-McNary Act of 1924. This legislation set the stage for Federal-State cooperation over the years in carrying out key activities to help insure the protection and perpetuation of our Nation's forestry resources. Congress, in passing the Clarke-McNary Act, recognized the need for a new approach in meeting the tremendous problems then existing on the Nation's privately owned forest lands.

For several years forest fires had been rampant throughout the land. Much of the Nation's forest resource was going up in smoke. In addition, millions of acres were badly in need of reforestation to both reclaim and protect the land devastated by fire, and to restock depleted lands.

The Clarke-McNary Act established the concept of a Federal-State partnership in meeting the needs of private forestry in fire protection, procurement, production and distribution of trees, and improved forest management. The act recognized the importance of establishing strong forestry organizations at the State level. It recognized that such State forestry organizations would play the key role in bringing adequate protection and improved management to privately-owned forest land.

These were the concerns, and the hopes, when President Coolidge signed the act on June 7, 1924. Following enactment of the Clarke-McNary Act, forestry within the United States took on a new life. The 25 participating States representing close to half of the privately owned forest lands in America moved quickly to set up State forestry organizations to work cooperatively with forestry agencies at the Federal level, and with individuals and associations at the State and local level.

Under one provision of the act the Federal Government set up a fund, to be matched by the States, to assist in the critical area of fire protection. In 1925, when the first $200,000 was appropriated for this effort it seemed like a great deal of money, but the funds allocated by the States not only matched, but exceeded the Federal contribution.

Today, 73 percent of our Nation's commercial forest lands, approximately 363 million acres, are in private ownership. The protection and management of these and other forest and related rural lands is vital to our Nation's economic, social, and environmental health.

As a result of Federal-State cooperation authorized under Clarke-McNary, fire protection is now provided on more than 626 million acres of privately owned forested and related lands. The tremendous significance of this effort is reflected in the great reduction in acres devastated by fires and in the number of fires. In 1924 92,000 fires were reported in 25 States, burning over 29 million acres of private forest lands. Last year, with all 50 States reporting, the area of privately owned forest land burned was under 2 million acres, the number of fires reported was 118,000. Considering that the number of fires reported represents all 50 States, and that the population and use of these areas has dramatically increased the possibility of man-caused fires, it is apparent that both prevention and control efforts have been exceedingly effective.

The success of these efforts in limiting massive destruction of our Nation's timber, water, wildlife, and other critical forest resources is due in large part to efficient, progressive, and modern State forestry organizations. Their efforts in this area have been directed at working toward a fully coordinated, unified fire control system, with effective protection organizations set up at major fire hazard areas throughout the country. Additional protection by these organizations have the potential in the future to reduce fire damage to farm properties and rural communities throughout the Nation. These activities in fire control, coupled with a massive program of education in fire prevention, are a credit to the concept of Federal-State cooperative efforts in meeting the needs of our Nation.

Another major aspect of the act was cooperation in the procurement, production, and distribution of forest planting stock and tree seeds to be used for establishing forest, windbreaks, shelterbelts and, woodlots on denuded or nonforested lands.

Over the past 50 years, 14½ billion trees have been distributed under this authority. When this act was passed, approximately 80 million acres were in need of planting. During the past 50 years, this has been reduced to approximately 40 million acres. Such efforts have helped to avert potential timber shortages, reclaimed thousands of acres of land, and provided new income-producing opportunities in rural America.

Other sections of the act dealt with enlargement of the National Forest System. They provided for the addition of suitable lands in public ownership to the national forests, and for enlargement by purchase, gift or exchange of certain private owned land. Over the years, 580,000 acres have been added through purchase for the production of timber, protection of navigable streams, or irrigation, and 355,000 acres have been acquired through donation. Another 17 million acres of cutover of denuded forest lands have been added to the national forests within authorities granted under the act.

The foresight of our colleagues, Representative Clarke of New York, and Senator McNary of Oregon, deserves to be brought to the attention of this body and to all Americans on this 50th anniversary of the act. It is an outstanding example of successful congressional and executive responsiveness to the needs of the people, and to our Nation's natural heritage. It is of special significance since it also stands as an outstanding example of successful Federal-State partnership in getting a job done.

PERSPECTIVE ON U.S. AID TO ISRAEL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DRINAN. Mr. Speaker, I reproduce here an excellent letter entitled "Perspective on U.S. Aid to Israel" from the Washington Post on Thursday, June 6, 1974. This letter is written by the extraordinarily well informed Mr. I. L. Kenen, the chairman of the American Israel Public Affairs Committee of Washington, D.C.

The basic facts in this letter should be kept in mind by all of us during the forthcoming debate concerning proposals to give assistance to the nations of the Middle East.

Mr. Kenen's letter follows:

PERSPECTIVE ON U.S. AID TO ISRAEL

There has always been a tendency to exaggerate the amount of American assistance which has been extended to Israel by the United States government because most articles fail to distinguish between grants and loans.

Typical of this distortion was the UPI report published in The Washington Post a week ago and, we assume, in many other papers around the world. In that story the author not only indiscriminately lumped grants with loans but also confused yearly allocations.

The record of U.S. aid to Israel shows that the largest part of this assistance was in the form of loans rather than grants and that these loans have been repaid as they fell due. Between 1946 and 1973 the United States gave $58 billion in military grants to many countries, but Israel never received any grant military assistance from the United States until last October, when she was confronted by overwhelming Soviet-supplied firepower on her northerrn and southern frontiers.

The administration then recommended an emergency assistance program of $2.2 billion for Israel, but of this amount only $1 billion was in the form of grants to pay for the arms that were rushed to Israel last October; the balance is to be in loans, spanning a three-year period. As a result, the Israel taxpayer has carried a huge foreign currency debt burden for many years, by far the largest in the world.

It is largely for this reason that the American Israel Public Affairs Committee, speaking for many major American Jewish organizations, has proposed that the foreign assistance program now pending before Congress be revised in order to increase the amount of grant assistance for Israel from $50 million, the figure proposed by the administration, to $250 million. In addition, our Committee has urged that $100 million of the $300 million in military credits for Israel be transformed into a grant.

We urge this not solely because the administration has proposed to send $427.5 million in grant military and support assistance to Egypt and Jordan, and possibly an additional $100 million to Syria. We submit the case for a more equitable program for Israel partly because her people are the highest taxed in the world, partly because the Arab attack last October dealt a severe blow to Israel's economomy, and partly because the arms balance may now be shifting dangerously against Israel because of the reckless proliferation of sophisticated weapons, both by the Soviet bloc and by Western countries, to the Arab states in Israel's immediate neighborhood and to the Persian Gulf.

I. L. KENEN,
Chairman,
American Israel Public Affairs Committee.
WASHINGTON.

B-1 BOMBER IS AN IDEA WHOSE TIME HAS GONE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ASPIN. Mr. Speaker, an editorial in the Akron, Ohio, Beacon Journal on June 4, 1974, succinctly outlines the case for a careful examination of the B-1 program. Members of this body who have followed the progress of this enormously expensive project know very well that many questions remain unanswered, but the B-1 charges on. It is time to slow down what is more an ornament inspired by Air Force traditions than a proven strategic need.

What the editorial says is what the distinguished gentlemen from Ohio (Mr. SEIBERLING) and South Dakota (Mr. MCGOVERN) have so well detailed in their recent study on the B-1 issued by Members of Congress for peace through law.

The editorial follows:

B-1 BOMBER IS AN IDEA WHOSE TIME HAS GONE

Look, up in the defense budget: more expensive than six new B-52s but no more capable of penetrating Soviet air defenses, with a price tag that grows like cancer. It's a bomber; it's a bomb; it's a fiscal nightmare: It's a B-1!

The B-1, pushed by the Air Force as the "only answer" to updating the aging B-52 manned bomber fleet, is buzzing Congress right now. It hopes to grab another $499 million so a fourth prototype can be built and the B-1 program can press on.

Akron Rep. John Seiberling and South Dakota Sen. George McGovern have been leading efforts to shoot down the B-1, so far to no avail. The plane survived its budget fight through House flak, but we hope for better aim in the Senate, which still has to consider the military budget.

In an era of nuclear warheads and multiheaded missiles, and of small tactical wars which require high-performance fighter-bombers, the B–1 doesn't fit. This military program makes about as much sense as sinking billions into battlehips when the real muscle now belongs to aircraft carriers and missile cruisers.

So far, all this rather humdrum machine has shown is the ability to soak up tax money. In 1970, the Air Force said the B–1 would cost $30 million a plane. Now it is at $61.5 million, and one critic, Rep. Atis Pike of New York, insists the cost is really closer to $75 million a plane. That's without armaments and sophisticated electronics equipment.

Now the General Accounting Office reveals that in the last year alone, the B–1 fiasco has ballooned into a $1.67 billion cost overrun, draining tax dollars from important national needs.

Rep. Seiberling is right that the B–1 is "marginal" and offers only "slight advantages" over the existing B–52. Not only that, the earlier estimated $9.4 billion price tag for the fleet will hit $15 billion, and Seiberling and McGovern estimate that an $8.5 billion air refueling fleet would have to be built to give the bombers long range capability.

And long range capability for what? To head for Moscow to be blasted to shredded aluminum and titanium before crossing the Soviet border? Why put men in a cumbersome airborne target to do what a submarine with Poseidon missiles can accomplish with greater efficiency?

Somehow, the entire B–1 project smacks of one more chrome-plated gadget for the Air Force to use to employ its swollen officer ranks, rather than the result of cool, analytical study of current techonology and weaponry, and U.S. policy directions.

It is time to look objectively at the argument that we must have long-range manned heavy bombers because "we've always had them."

A heavy bomber, built primarily to deliver nuclear payloads, has only limited use in brushfire wars. B–52s were used in Vietnam, but it is debatable how effective they were and whether they would be as effective now, with recent developments in surface-to-air missiles.

And in a full-blown nuclear war, it is hard to imagine relying on the relatively slow manned bomber to deliver the U.S. strike force.

We have nearly 8,000 strategic nuclear warheads in our arsenal, compared to only 2,600 for the Soviet Union. Each can destroy a city, Sanford Gottlieb, executive director of SANE, notes that we will soon have 36 warheads for each of the Soviet Union's 219 major cities, plus thousands of tactical nuclear weapons, and the missiles to deliver them.

Where does the B–1 fit in this picture of modern warfare? As a constant deterrent to a sneak attack? Not likely. Mr. Gottlieb points out that even if the Russians destroyed every American ICBM in every silo. "A single hard-to-locate Poseidon submarine could devastate 160 separate major targets in the Soviet Union. Instead of emulating the Soviets in meaningless buildups, the United States should try to negotiate reductions in overkill capacity."

Rep. Seillberling made a ringing indictment of the B–1 when he said: "If nuclear war occurred . . . there could be eight successive nuclear missile salvos—four on each side and answering the one before—before the B–1 would be in a position to do any damage. The war would be over before it could get into action."

At a time when military spending tops $100 billion, there is no sense in shoveling billions of dollars into a modernized flying dinosaur like the B–1.

MICHAEL ZONE, CHAMPION OF THE PUBLIC INTEREST

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. JAMES V. STANTON. Mr. Speaker, with a great deal of regret I announce Cleveland's loss by death of Michael Zone, veteran of 14 years as a city councilman and of nearly 25 years in service to the community for the public good.

Michael Zone worked hard for his city and was respected and admired by all those who knew him. Even before his appointment to the city council he served his community in other ways, most notably by helping immigrants to establish themselves in the city. Those of us who knew him will sorely miss him.

At this time I would like to insert into the Record these newspaper articles from the Cleveland Plain Dealer which describe the type of man that Michael Zone was:

Michael Zone

The cause of good government for Cleveland has suffered a setback with the death of Councilman Michael Zone at the age of 54.

Zone was more than a trusted and conscientious representative of the West Side constituency he served for nearly a quarter century. His field of interest in civic matters, and his vision, extended well beyond his Ward 3 base.

Zone made himself knowledgeable of citywide problems and worked toward their solution. He was a vigorous champion of the public's interest in transit service, urban renewal, parks and lakefront uses. In recent years he earned especially high marks for vigilance as chairman of council's Finance Committee, the overseer of city spending.

In sum, Zone was diligent in his duty in his city as well as to his ward, which is what good councilmanic service is all about.

Funeral Thursday for City Council's Michael Zone, 54

Cleveland City Council paid its respects yesterday to Councilman Michael Zone, D–3, who had been one of council's most powerful and popular members.

Zone, a councilman 14 years and chairman of the finance committee, died early yesterday morning, apparently of a heart attack. He was 54.

Several councilmen helped draft a resolution passed at last night's meeting saluting Zone as "one of the city's finest legislators . . . whose sage advice was sought by the politician and treasured by the newest immigrant."

But the most telling tribute was Zone's own legacy: Of the 27 pieces of legislation passed by council committees yesterday, 25 bore Zone's name as sponsor or cosponsor.

Council President George L. Forbes said he relied more on Zone than any other council member.

"He was an expert on finance," Forbes said. "If Mike said we were oversold on bonds, I took his word for it.'

Mary Rose Oakar, D–8, a freshman councilman, said Zone had been tolerant of the new councilmen's demand to be heard and spent time helping educate them.

Mayor Ralph J. Perk, who had served in council with Zone, recalled he and Zone had met last Thursday to talk about cooperation between the executive and legislative branches. He said Zone should be remembered as a councilman who put the good of Cleveland first.

Zone's wife, Mary, had been his secretary when he was selling life insurance and his partner in a neighborhood grocery store and, later, a travel agency. The travel agency grew out of Zone's helping immigrants to establish themselves.

When Zone was appointed to council in 1960, he handled City Hall matters while Mrs. Zone fielded complaints from the ward.

Mrs. Zone or one of his two oldest daughters is expected to succeed him in council.

Zone suffered a heart attack in 1958 and has had heart problems since then. Despite doctors' warnings to take it easy. Zone kept up a rigorous schedule. This year's budget hearings sometimes lasted 12 hours a day. After coming home, Zone would stay up late preparing for the next day.

"I was always after him to slow down," Mrs. Zone said. "He would say, 'OK, but first I have some things to do. Then I'll take it easy.' But there were always new things he wanted to get done."

All day yesterday, W. 61st St., a short, shady street lined with big double houses with manicured lawns was clogged with cars as judges, councilmen and plain people stopped to visit the Zone family.

Zone was born, raised, married and went into business within a few blocks of the house at 1367 W. 61st St., where the family has lived for 14 years.

The Zones were married in 1944, two weeks before he went overseas during World War II. He was captured after the Battle of the Bulge and spent more than three months in a German prison camp.

After the war, he worked in a factory and as a juvenile probation officer while attending John Carroll University and Fenn College.

He awoke early yesterday complaining of chest pains. Then he collapsed. A fire emergency squad rushed him to St. John Hospital, where he was pronounced dead at 2:55 a.m.

Zone was active in many political, civic and church organizations.

In 1961, the Italian government awarded him the Star of Solidarity for his work in Italian-American relations. Last year, he was named man of the year by the Cleveland Holy Name Society.

Besides his wife, he is survived by his mother, Elizabeth Barone Zone, and seven children; Mary Beth, 25; Michael, 23, Margaret Rose, 21; Martin, 16; Madelyn, 14; Matthew, 10, and Melissa, 8. Another son, Mark is deceased.

The family will receive friends at the Craciun funeral home, 6204 Detroit Ave. NW, from 2 to 5 p.m. and 7 to 10 p.m. today and tomorrow.

DR. DONALD B. RICE, JR.

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BYRON. Mr. Speaker, recently, Dr. Donald B. Rice, Jr., of Frederick, Md., was installed as president of the Rand Corp. in Santa Monica, Calif. I want to congratulate Dr. Rice on his latest achievement following a distinguished career in Government.

Dr. Rice is the son of Mr. and Mrs. Donald B. Rice of Frederick. Don Rice is a local businessman and former alderman and mayor of the city of Frederick. I share their pride in their son's achievement.

Dr. Donald B. Rice, Jr., graduated from St. John's High School in Frederick, received a degree in chemical engineering from Notre Dame University, and served in the U.S. Army. Following his Army service, he worked in the Defense Department as director of cost analysis. After that he became assistant director of the Office of Management and Budget. At the age of 32 he was named president of the Rand Corp.

DEMOCRATIC RESPONSE TO PRESIDENT'S MEMORIAL DAY ADDRESS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. KOCH. Mr. Speaker, on June 3, our distinguished colleague from New York, Mr. JONATHAN BINGHAM, responded to the Memorial Day address delivered by President Nixon. Mr. BINGHAM's remarks were carried on WCBS radio in New York, and I am sure they will be of interest to all of us. Charging the President with making misleading, highly political, and inappropriate remarks on Memorial Day, Mr. BINGHAM explained in some detail the recent congressional debate on military spending and Democratic attempts to cut it. The text of his remarks follows:

SPEECH OF REPRESENTATIVE JONATHAN B. BINGHAM, RESPONDING ON BEHALF OF THE DEMOCRATIC PARTY TO PRESIDENT NIXON'S MEMORIAL DAY ADDRESS

President Nixon began his Memorial Day address to the nation with appropriate comments on the need to remember and to honor those Americans who gave their lives in America's wars.

He said nothing, however, about the need to remember, and to treat decently, those Americans who served in, and survived, America's wars. The fact is that our veterans are not being properly remembered. Those who are on veterans' pensions find their benefits reduced when Social Security payments go up, so that in fact they are discriminated against as compared with other Social Security recipients. And the veterans of our most recent and unpopular war, the tragic struggle in Vietnam, are not receiving the same kind of educational benefits their World War II and Korean War predecessors did. The necessity of correcting these injustices should have been recognized on Memorial Day.

Most of Mr. Nixon's address was concerned with America's military expenditures, and as such was most unfortunate. It was unfortunate, not so much for what Mr. Nixon actually said, as for its innuendoes and, most of all, its omissions. The net effect of these innuendoes and omissions was a misleading and highly political speech, inappropriate for Memorial Day.

Mr. Nixon praised as patriotic Americans those members of the Congress who have supported his demands for a sharply increased military budget, and he implied that those members who want to see the military budget cut are not for a strong America.

This is nonsense. The issue is not whether America should be strong—every Member of Congress believes that—rather the issue is whether America must also be threatening, provocative, and wasteful. I think not, yet the military budget proposed by President Nixon is all of these things.

Let's get down to specifics, especially about those omissions I spoke of in Mr. Nixon's address.

Mr. Nixon spoke disparagingly of an amendment proposed in the House by Congressman Les Aspin of Wisconsin who serves on the Armed Services Committee. Mr. Nixon described the amendment as an effort "to slash $700 million across the board from necessary defense spending."

What the President failed to say was that this amendment was an effort to keep the upcoming military budget from going any higher than this year's budget, after making allowances for pay increases and inflation.

In fact, Mr. Nixon never mentioned in his speech the total amount of his military budget for the fiscal year starting July 1st: the figure is a staggering $98 billion, taking account of related items such as the A.E.C.'s weapons program. This is $13 billion more than the comparable budget for the current year. That's an increase of 15.4%. Even after deducting the amount of the increase that is accounted for by pay increases and inflation, the increase is $8 billion or 9.4%.

No where in his Memorial Day address did Mr. Nixon even mention these increases, much less did he explain why they were necessary in a time of peace and improved relationships with the great communist powers. Mr. Nixon did say "in 1974 our hopes for a lasting peace are brighter than at any time in living memory", and he also said "We have developed a new relationship with the leaders of the Soviet Union, after a long and costly period of confrontation that began more than a quarter of a century ago."

If these things are true, and I believe they are, why then do we have to increase our military spending? Why do we have a military budget far larger than ever before in peacetime?

At this time in our national history, our military expenditures should be going down, not up. By 1948, three years after the end of World War II, our defense budget was less than 10% of the wartime high. Two years after the Korean war, defense spending fell to less than half of the 1952 peak. Yet today, two years after the end of American involvement in the Vietnam war, the military budget Mr. Nixon is asking for is substantially higher than it was at any time during that tragic war.

Congressman Aspin's proposal for a cut of $700 million to keep the military budget from rising was actually a very modest proposal. In a report to the Congress, a distinguished group of former Defense Department and other government officials has recommended that *$11-billion* be cut from the defense budget without in any way impairing our national security.

That such a large cut is not outlandish can be seen from the fact that the Secretary of Defense admitted to a Congressional Committee last February that the proposed military budget includes $6-billion for the purpose of stimulating the economy.

Why, you may well ask, do we need to stimulate the economy with additional government spending? As Mr. Nixon pointed out in his most recent economic message, inflation is the gravest problem we face, and extra government spending is generally regarded as inflationary.

But let's assume that, because of rising unemployment, some additional government spending is a good idea. The fact remains that upping defense outlays is the poorest way to spend the money, for several reasons: first, its impact is slow; second, defense spending cannot be targeted to particular geographic depressed areas; third, military spending goes largely to industries employing skilled, well-paid workers, whereas unemployment is most severe among unskilled, low-income people; fourth, military spending as a stimulus to the economy is particularly wasteful, because, instead of providing services vitally needed to our states, cities, and rural communities, it creates only superfluous military hardware.

It is shocking to compare this $6 billion item injected into the military budget for non-military reasons with the level of federal funding for some of our most vital programs: for example, $¾ of a billion for drug abuse enforcement and prevention programs, $2 billion for energy research, $700 million for pollution control; and $7.5 billion for all the federal education programs.

Or consider that the Administration has impounded nearly twice that $6 billion figure from programs in such critical areas as housing, health, education, water treatment and mass transportation. Is it not outrageous to pump money into an already bloated defense budget to help stimulate the economy while refusing to spend funds authorized by Congress for essential domestic programs?

In his Memorial Day address, President Nixon also spoke disparagingly of an effort made in the House of Representatives to eliminate funds for the further development of a new generation of bomber, the so-called B–1 bomber. This amendment was offered by my colleague from New York, Congressman Pike, who has had many years of experience as a member of the Armed Services Committee.

We already have a strategic bomber fleet composed of 496 aircraft. This is four times larger than the Soviet bomber fleet, and the Soviet bombers have such liimted capabilities that they are hardly considered a factor so far as the relative strategic nuclear capabilities of the two superpowers are concerned.

The proposed B–1 is supposed to have capabilities superior to those of the B–52, but even so there is serious question as to whether even the B–1 would be able to reach targets in the Soviet Union in view of the Soviets' highly sophisticated ground-to-air defensive missiles.

And the cost of this B–1 bomber program is astronomical. In the last four years the estimated cost of the B–1 program has gone up from $9.4 billion to $15 billion. When such costs as armaments, avionics, decoy missiles, a compatible fleet of new tankers and operation and maintenance are added, the estimated cost rises to $35.5 billion, making this marginal weapons system the most costly in our history.

And why do we need a new bomber fleet anyway?

Without bombers, even without our force of land-based intercontinental missiles, we have in our nuclear-armed submarine fleet more than enough capability to destroy the Soviet Union even after a nuclear attack upon us. It is this capability which provides us with an effective deterrent to any Soviet attack, because the Russians know that, if they were to start a nuclear war, they would be destroyed. And there is nothing to be gained, in terms of our national security, by developing the capability of destroying the Soviet Union's cities three or four or ten times over. This is what is known as "overkill." For us to develop this capability is not only wasteful of our resources, but it is bound to be regarded by the Soviets as threatening.

In spite of the alarmist statements that emerge from the Pentagon about the danger of our becoming a second-rate power, the fact is that we are already far ahead of the Soviets in terms of deliverable strategic weapons. According to the Center for Defense Information, an organization headed by a retired Admiral with a fine record in the Navy, the U.S. has three times as many strategic nuclear warheads as the Soviet, 7940 as against 2600, and is continuing to produce them at a rate of four a day, as against one a day for the Soviets.

It is true that the Soviet Union has more land-based intercontinental missiles than we do, but ours are equipped with multiple warheads which can be independently targeted, so-called MIRVs, which greatly increases their capabilities. The Soviets have only recently begun to test such weapons and hence are years behind the United States in the deployment of these fearsome MIRV-ed missiles.

Another area where th U.S. is almost out-of-sight ahead of the Soviets is in large attack aircraft carriers. The U.S. has 18, including those under construction. The Soviet Union has exactly zero. It is building one or two relatively small carriers with very limited capabilities. And yet the Navy is constantly trying to tell us that the U.S. is in danger of becoming a second-rate naval power. Even the office of the Secretary of Defense recently characterized some of these Navy press releases as unduly alarmist.

In his Memorial Day address, President Nixon also attacked an amendment that would have called for the withdrawal of 100,000 American troops from overseas within eighteen months, an amendment proposed by the Democratic Majority Leader, Representative Thomas O'Neill of Boston.

Mr. Nixon made it sound as if this amendment would have required a unilateral cut in our forces in Western Europe. While such a step is favored by some distinguished members of Congress, notably Senator Mansfield, there are many others in both parties who believe that force reductions in Western Europe should if possible be achieved through negotiation and agreement with our NATO allies and the members of the Soviet bloc.

But the amendment proposed by Congressman O'Neill would have left open the question of where the troop reductions would be made. If some could be made in Europe through the process of negotiation and agreement, fine. If not, then the entire 100,000 could be withdrawn from the Far East where they are no longer needed. The group of former Defense Department officials I mentioned earlier has concluded that the withdrawal of 125,000 of our military personnel from Asia would be "a minimal first step Congress could take this year."

President Nixon has vetoed many bills for essential home-front purposes—bills for veterans, for schoolchildren, for older people—but he has never vetoed a bill for a military purpose, no matter how wasteful or how dangerous. He seems to have the same priorities as the Pentagon brass-hats.

Isn't it time the American people demanded those priorities be turned around?

VETERANS' ADMINISTRATION ESTABLISHES THE ANNUAL SAMUEL ROSE AWARDS

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DORN. Mr. Speaker, as chairman of the Committee on Veterans' Affairs I am personally pleased to announce that the Veterans' Administration has established awards to honor the late Samuel Rose, known to many in Congress, the press, and veterans groups as "Mister VA."

As a member of the Committee on Veterans' Affairs, I was privileged to work with Sam Rose during many of his 27 years as chief of the contact division in VA's central office. He was highly respected by his colleagues and, more importantly, by the people he served—veterans and their families. With compassion and understanding, he individualized the daily work of a huge Government agency, setting an example for all and bringing meaning to VA's motto—"To care for him who shall have borne the battle and for his widow and his orphan."

Two Sam Rose Awards will be given annually—one for a specific accomplishment and one for general accomplishments in helping veterans and their beneficiaries to obtain benefits.

The specific accomplishment award will be given for an achievement resulting in material improvement in service to veterans and their dependents. The award for general accomplishments will recognize consistent high standards of performance to give compassionate timely and beneficial service.

Sam Rose joined VA's predecessor agency, the Bureau of War Risk Insurance, as an insurance expert in October 1917. He returned to VA in 1919 following World War I military service.

In 1938 he was named chief of the contact division at central office and served in that position until his retirement from VA in 1965. He then joined the Washington headquarters staff of the Fleet Reserve Association where he served until his death on May 13, 1973.

The idea to perpetuate the memory of Mr. Rose through creation of the new service awards was proposed by Washington correspondent Sarah McClendon who had frequently sought information and assistance for veterans through Mr. Rose. It was quickly endorsed by his colleagues in VA.

VA officials who served with Sam Rose agree that his near half-century career with the agency was one of uninterrupted outstanding performance.

STOP NEW SPENDING PROGRAMS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. ARCHER. Mr. Speaker, all of us share a desire for peace in the Middle East and it is our sincere hope that peace will come soon to this troubled area.

We must look at the proposals for the Middle East very carefully. Secretary of State Henry Kissinger testified before the House Foreign Affairs Committee that the United States is considering providing $100 million in aid funds for rebuilding the Quneitra area of the Syrian Golan Heights if the cease-fire is maintained. This aid would be in addition to the $250 million which the United States plans to grant to Egypt.

I have very serious reservations on these aid proposals. Our foreign policy mistakes in the past should have taught us the lesson that we cannot "buy" friends and that we cannot "buy" peace. This aid proposal comes at a time when the Federal Government is running a deficit and the American people are suffering from the problems of inflation. It is time for us to realize that large new spending programs—abroad and at home—strike at the very foundation on which we must depend—the strength of the U.S. dollar. We must get back to a balanced budget if we are to stop inflation.

THE WAR ON POVERTY: 10 YEARS LATER

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BOLLING. Mr. Speaker, Roger Wilkins' perceptive piece "The War on Poverty: 10 Years Later" puts in perspective the most controversial piece of legislation of the 1960's. May "the next cycle of legislative creativity" come soon and do more and better faster for the poor.

I include the following article from the New York Times, June 4, 1974:

THE WAR ON POVERTY: 10 YEARS LATER

(By Roger Wilkins)

The House of Representatives voted the other day to repeal the Economic Opportunity Act of 1964 and to let the Office of Economic Opportunity die next month. The Senate is likely to follow suit. The Times reported that "few members . . . rose to mourn the end of the agency," which had been intended by President Johnson to bring "total victory" in the war against poverty.

The mind ran back ten years to the spring of 1964 when Bill Moyers turned from a visitor in his White House office, punched his telephone console with the heel of his shoe and took a call from a Congressman who wasn't sure what he thought about the poverty proposals. There was Texas oil in Mr. Moyers' voice but steel in the political turkey he was talking. When he was through, the man's vote was firm.

The White House heat was on. Though incubated under John F. Kennedy, the poverty program was to be Lyndon B. Johnson's first major legislative effort. He wanted a win badly and he got it.

The field was brand new, and idealists, visionaries, politicians, hustlers—bureaucratic and otherwise—and, ultimately, the poor all rushed in. Sargent Shriver donned a new hat and soon his intense driving brand of structured chaos turned O.E.O. into the hottest shop in Washington. In the countryside, the booklet of community action guidelines became, for a time, a new Bible. An instant body of Talmudic scholarship sprang up around the words "maximum feasible participation of the poor."

Congressmen and mayors quickly became leery. The voiceless poor were becoming a loud unmanageable rabble—containing, incidentally, the seedbeds of viable new power rivalries—with which they had to contend. Horror stories about mismanagement, discourtesy, radicalism and thievery were soon being fed back to gleeful conservatives in Congress. Beneath all the clamor, however, real change began to occur. New programs were developed out of community action. Among them: Headstart, Legal Services, innovative manpower efforts and new health-delivery programs. But the main development was that groups of hiterto powerless people had, for the first time, the opportunity to handle sufficient amounts of money to generate for themselves the beginnings of some power. They also developed government management skills and new community services opportunities for people who needed jobs.

It was not a neat and tidy process, and hostility grew. President Johnson became disenchanted and left office without fully comprehending the real accomplishments of the program. Over time, Richard M. Nixon became a determined foe of O.E.O. He succeeded in dismantling it and in scattering the programs all over the domestic side of the Government. The idea of a focal point for poverty in the Government—a place where advocacy, evaluation, planning and governmental oversight could come together—is dead.

But the legacy is real. Legal Services—thought by many to be the most effective and economical tool in the effort to empower the poor—seems fairly sure to win its perilous two-year fight for survival. Headstart appears to be a permanent $500 million Federal effort. Community action—supported by a broad coalition of governors and mayors, including George C. Wallace—seems destined to continue in some form or another as a kind of ombudsman for those who need governmental services. The House bill would send it to Health, Educaton and Welfare. Senator Jacob K. Javits intends to try to set up a new independent Community Action—Community Development Administration. Whichever form finally emerges, barring a veto, Mr. Nixon seems to have lost his fight to destroy the heart of the anti-poverty effort.

The principal legacy is that the poor are a little stronger, considerably more self-aware and somewhat more self-sufficient. In many instances, their vision of their own potential has been enlarged. There is around the country a network of poor people and their advocates who know something about manipulating the system in order to alleviate poverty. That network did not exist in 1964. Citizen participation has become a part of our legislative landscape. The "invisible poor" have become visible and have entered the nation's consciousness. A foundation has been laid to await the next cycle of legislative creativity.

It wasn't "total victory" but it was a good beginning. And it was far from the total failure and the unmitigated mess its detractors claimed it to be.

FREEDOM OF EMIGRATION

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RONCALLO of New York. Mr. Speaker, as an ardent cosponsor of House Resolution 791, I was dismayed to learn upon my return to my duties some days ago that the Committee on Banking and Currency had ordered an identical bill, House Resolution 774, reported with the recommendation that it not be adopted. This legislation expresses the sense of the House that the Export-Import Bank and other Government agencies take no action on applications of ineligible nonmarket economy countries until the Senate acts on the Trade Reform Act. That act, of course, contains the Vanik amendment, which I also cosponsored, and strikes a powerful blow for freedom which is sure to be heard in the Kremlin and other capitals of repressive countries throughout the world.

The Vanik amendment precludes credits to such countries which deny their citizens the right to freely emigrate. Although it is aimed primarily at the Soviet Union for its repressive treatment of its Jews, the legislation has a broader ethical application not restricted to any one country or any one persecuted minority. For the Export-Import Bank to extend such credits at this time would be an insult to the House and a move to undercut the careful deliberation which the other body must give to this far-reaching legislation.

House Resolution 774, therefore, is necessary to put the Export-Import Bank on notice that we will not back down in our support for persecuted religious and ethnic groups who demand their right to emigrate. Had I been able to be present, I would have voted in committee to report the resolution out favorably, but I am gratified at least that it has been allowed to come to the floor, even in this back-handed manner. I urge its adoption at the earliest possible date.

SOCIAL SECURITY INCREASE FAILS TO KEEP PACE WITH INCREASED COSTS OF ELDERLY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. RANGEL. Mr. Speaker, thousands of elderly citizens in New York City did not receive any benefits from the 7 percent increase in social security benefits which went into effect on April 1. As a result of Congress' failure to pass legislation which would have enabled senior citizens receiving SSI payments to receive the social security increase without a corresponding reduction of their SSI benefits, a great many of our elderly poor are being denied the financial assistance they require in order to cope with the ever-increasing rise in the cost of living.

I am taking the liberty of placing in the CONGRESSIONAL RECORD an editorial which was recently aired on WINS radio in New York regarding the failure of Congress to act on this important matter:

SOCIAL SECURITY INCREASES FOR THE ELDERLY POOR

(By Robert W. Dickey)

The social security increase which went into effect on April 1st represents no increase at all for more than 100,000 elderly New Yorkers in the new supplemental security income program.

They will have their S.S.I. payments reduced by the amount of the 7% increase in social security benefits, which adds up to a net gain of zero. That's because when Congress voted the social security increase last December, it did not provide any provision that would permit people to receive their full S.S.I. benefits and the full amount of the cost of living increase as well.

Thus any increase in social security benefits must be offset by a corresponding cut in S.S.I. payments. And, as a result, the people who most need help wind up getting no help at all. This is completely unfair.

The cost of living, which is going up everywhere is particularly high in New York and presents a severe hardship for the elderly poor. The purpose of the new supplemental security income program was to replace Welfare as a means of providing needed financial aid to the elderly poor, the blind and handicapped.

The fact that people receive such assistance does not cancel out the need to provide cost of living increases to help them cope with unchecked inflation.

We think that extending aid with one hand and taking it away with the other is an injustice which Congress should correct promptly. The elderly poor need both the S.S.I. increase and the social security increase.

MAINLAND CHINA'S REAL INTENTIONS

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HUNT. Mr. Speaker, recently some interesting information came to my attention regarding the real motives of mainland China's détente policy with the United States and Japan. The source of the information is the China Letter and I recommend this report to my colleagues:

THE CHINA LETTER

Don't pooh-pooh all those reports that the Nationalist Chinese on Taiwan publish from time to time about developments in China.

The Nationalists do have some *excellent intelligence sources* and increasingly have a proven track record of being *right on the mark* about major developments in the mainland.

The first detailed report, for example, on the late Defense Minister LIN PIAO's plot to stage a coup d'etat against MAO TSE-TUNG came from the Nationalists.

Only much later did Peking reveal a document outlining the plot, *a document identical to the one issued months earlier by Taipei.*

Now the Nationalists have come up with another extraordinary set of Chinese Communist documents that spell out in *candid detail* the reasons for Peking's efforts to expand relations with the U.S., Japan and other nations.

The set of three documents was prepared about a year ago by the Kunming Military Region for use in lectures on China's current foreign policy.

Because the documents provide *a useful insight* into Chinese foreign policy thinking, we are summarizing for you the main points contained in them.

In the first document, three things stand out:

1. *China considers the Soviet Union its most dangerous and important enemy.* It sees Moscow as by far the most aggressive nation in the world and the one that is most actively seeking to expand its influence over other nations, especially in Asia.

2. *Because of the trauma of Vietnam, the Chinese now consider the United States less dangerous.* But while China views the U.S. as being weaker, it considers it necessary to maintain attacks on certain American policies.

3. *One of the primary objects of denouncing the Soviet Union and the United States is to improve China's image in the eyes of the so-called Third World countries.*

The second document consists of a detailed analysis of why China considers the Soviet Union its greatest danger.

But the third document, which explains with surprising frankness the Chinese leadership's thinking on the reasons for seeking rapprochement with the U.S. and Japan, *is most telling.*

For one thing, it reflects continuing problems within the Chinese leadership over the move to improve relations with the United States and to invite RICHARD NIXON to Peking.

More important, it spells out the objectives China is pursuing in establishing closer ties with the U.S. Those objectives are:

1. *To create problems between the United States and the Soviet Union to slow down their detente.* This has long been assumed by outsiders to have been one of Peking's primary objectives.

2. *To drive a wedge between the U.S. and the Nationalist Chinese on Taiwan* as part of the preparation for the eventual return of Taiwan to Peking's control.

3. *To open the way for an improvement of relations between China and America's allies and friends throughout the world* but especially in Southeast Asia.

4. *To provide an opening for China to begin exerting an influence on the people of the United States.* Gleefully, the documents refer to the China-mania that hit the U.S. in the wake of Nixon's visit.

These same four objectives are cited with reference to the establishment of diplomatic ties between Peking and Tokyo.

And there also is *a significant revelation* that one reason Peking is giving Japan a much harder time than the U.S. on the Taiwan question is that a deteriorating relationship between Japan and Taiwan will influence other Asian nations in their attitude towards China.

All in all the documents reveal *a well-conceived foreign policy strategy* and one that adds a slightly sinister note to the "smiles diplomacy" the Chinese recently have been pursuing.

DUKE ELLINGTON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BIAGGI. Mr. Speaker, it is my distinct honor to join with many of my colleagues in this special order paying tribute to the memory of the great Duke Ellington.

Last week, the Nation and the world mourned the announcement of Ellington's death. Tributes flowed in from all corners of the world, and from people of all walks of life. From President Nixon, to the schoolchildren of the Soviet Union who were treated to his music, fond reflections and high praises for this great man were received.

Duke Ellington was unquestionably the most dominant force in the field of jazz. For more than a half a century, Ellington's work in jazz had gained him unparalleled international acclaim. Such classics as "Sophisticated Lady," "Mood Indigo," and "Take the 'A' Train" catapulted Ellington into his paramount position, and in turn brought jazz from its infant stages to the point today where it ranks as one of the paramount aspects of the American cultural scene.

Equal to his contributions to the world of jazz were his contributions to the world at large. Duke Ellington was fondly referred to as America's "Ambassador of Good Will." He brought his array of talents to as far away as the Soviet Union, yet no matter where he visited, he brought with him excitement and enjoyment, and served to enhance this Nation's image around the world.

Mr. Speaker, this Nation has lost a giant of a man, a man who reigned at the top of his profession through several generations. His loss leaves the music world without one of its most powerful influences, and deprives the world of one of her foremost statesmen. Yet, it is because of his works, that his memory will linger on for years. This is the sign of a great man we honor today, a great man, Duke Ellington.

IMPEACHMENT PERSPECTIVE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BOB WILSON. Mr. Speaker, I have recently shared with my colleagues in the House several noteworthy commentaries by Mr. O. R. Strackbein and am pleased to include an additional brief essay as a portion of my remarks:

IMPEACHMENT PERSPECTIVE: LOOKING IN THE MIRROR OF HISTORY

(By O. R. Strackbein)

From time to time statistics on crimes committed throughout the country, sometimes classified by cities, States or regions, are given to the public. The trend seems unfortunately to be upward.

However else crime may be classified there seem to be no statistics that classify crimes on a political basis or a religious basis. To be sure, we do have classifications according to race and color. That fact, however, is irrelevant to the question of criminality according to political partisanship. Do Democrats, Republicans or independents commit more crimes per a hundred thousand people? It seems safe to say, we have no idea; and no allegation in any such direction would be tenable.

Why ask the question? What difference does it make?

That the question is not wholly irrelevant may be deduced from the historical fact that so-called political crimes have borne a close correlation to the accidents of political power (the word "accident" being used in the sense of something not being caused by the element under consideration).

Burnings at the stake, committals to dungeons, beheadings, have seemingly always been associated with political or religious accidents of power. Whoever was in power dispensed the sentences.

When an overthrow occurred the victims also changed. The question of justice, even though it was the subject of much pious profession, was, as we see it today, a colossal, transparent hypocrisy. Otherwise why was it that it was always the "ins" who meted out "justice", and the "outs" who suffered the punishment?

The two daughters of Henry VIII, Mary and Elizabeth, were caught in a web spun of the strands of religious differences (Catholic and Protestant). It was to be a question of time and the turn of political fortunes that was to determine who was to have whom beheaded. Elizabeth had greatly feared for her own life from her sister. When she (Elizabeth) became queen, however, it was the Catholic head of Mary that was severed by the axe in the Tower. The two sisters had professed much love of each other. Elizabeth wept when Mary lost her head; but, "politics is politics"! It (politics) is still the source of a not inconsiderable degree of bitterness.

In France it was not Bourbons or Capetians who guillotined Bourbons or Capetians. It was the Jacobins (during the Revolution). They also took off the head of Marie Antoinette rather than eat cake. It was not to a Stuart rival that Charles I of England lost his head, but to Parliament over which he had lost control. He could not very well behead Parliament even while he was still in power.

Napoleon did not hate the Duke d'Enghien in person or as such. He feared his political rivalry. Napoleon was in power. The Duke was not. It was the Duke who was executed.

Exceptions to this rule are, of course, found in assassinations; but these do not proceed under the color of administration of justice. The practice of self-righteous justification exhibited by man in his dispensation of "justice" from a seat of power has always been a shuttlecock batted back and forth. Not only church history, including in particular the post-Reformation era, but the history of the British monarchy, with which as Americans we have some acquaintance, runs over with the shuttlecock of political "justice", alternating with who it was that wielded power. It goes without saying that the outs alternately were justified by outrage over the "inhuman" and cruel acts and atrocities of the ins. To us of today it is quite clear that there was little to choose on this score between this side or that. It was the cruelty of the times that was inflicted indifferently, whether this side or that was in power. Justice was a word to which homage must be rendered.

Unquestionably some progress has been made; but let us not be too self-congratulatory! Our own history, as we read it a century or two or three after the facts, is not without its flaws, for, we after all, were the heirs of our progenitors, and we, too, were products, in our conflicts, in our harmonies and our interests, of emotions and passions. In our earlier history as a nation our conflicts and our alignments, were no less than today in response to what we at that time perceived as our interests. How different is it today?

Why were Hamilton and Jefferson at odds? Did not each believe himself right and the other one wrong? They came from diverse backgrounds, but they would hardly have explained their differences on that basis. It would have seemed too shallow! When it came to a very close personal question, Hamilton threw his influence behind Jefferson to give him the presidency when the choice fell to the House of Representatives because of a tie vote in the election of 1800. Why? Hamilton hated Jefferson from partisan motives, but he hated Aaron Burr yet more. The latter in turn had his revenge when he killed Hamilton in a duel.

Burr himself was tried for treason during the Jefferson Administration. John Marshall, Chief Justice of the United States, presided at the trial. He bore a deep hatred, reportedly, of Jefferson. Burr was acquitted. Did Marshall's hatred of Jefferson have a bearing on the outcome?

Andrew Johnson was impeached in 1868. He had been badly beaten at the polls in the Congressional election. The Radical Republicans were overwhelmingly victorious. Had his party prevailed in the house would he have been impeached?

Do Democrats impeach Democrats? Do Republicans impeach Republicans? Had the 1972 victory of Nixon also swept a majority of Republicans into the House and Senate, would he face impeachment today?

History seems to answer that question unmistakably, the exceptions being assassinations; and, of course, many of these were also politically motivated. They represented direct action rather than self-styled judicial processes.

Is impartiality humanly possible, and therefore justice itself, when the political victor brings the vanquished to trial before the bar of justice controlled by the victor? Political impartiality as a repository of the cause of justice is probably a contradiction in terms.

The duel has been abolished. As an arbiter, it became too obvious to our growing sensibilities, that it was superior marksmanship rather than justice that prevailed. How much better is the accident of the political upper-hand? Political rivalry, partisan vehemence and intemperance, popular emotions, centered in a political majority exercising the upper hand, are not the constituents of justice. Quite the opposite.

Is there not a better way of dispensing justice? Will history simply write: In the year 1974 a heavily Democratic Congress impeached a Republican President who had been re-elected in 1972 with all the electoral votes except those of one State and the District of Columbia, as in 1868 a heavily Radical Republican Congress impeached a President who had lost control of the House (much as Charles I had lost control of the House of Commons) as a result of a Congressional election?

Can we move from beheading as a remedy for settling political conflicts, on to impeachment by a partisanly divided body, on to something a little closer to the classical demands of justice, as the centuries pass?

How is progress to be achieved in the refinement of justice if it is not made when the occasion for it arises?

Partisan judgments spit against the very face of justice. Is the fiber of our sense of justice yet so gross that we cannot perceive the mockery of a partisan proceeding (so roundly condemned by history as injudicious) in which the party in power sits in judgment on those in a minority position? No doubt we shall see.

Did our Constitution-makers contemplate that a President might be tried by a Congress of a different political complexion from his? We have had only one experience of the kind and it was very nearly disastrous!

FLORIDA LEGISLATURE ASKS PSRO REPEAL

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. YOUNG of Florida. Mr. Speaker, on May 23 the Florida Legislature enacted House Memorial 2792, requesting the Congress to approve H.R. 11394, which would repeal the professional standards review portion of title XI of the Social Security Act.

For the information of my colleagues, the text of the memorial is herewith appended:

Whereas, the Legislature of the State of Florida is concerned about the standard of medical care given to citizens of the state who are recipients of social security, and

Whereas, HR 11394 which is now pending in the Congress of the United States would repeal Part B of Title XI of the Social Security Act, and

Whereas, Part B of Title XI of the Social Security Act creates Professional Standard Review Organizations, and

Whereas, the system created therein removes a physician's individual professional judgment as to the best care for a patient by the imposition upon such physician of regional standards of care, and

Whereas, this system provides for a withholding of payment by the Social Security Administration if the method of treatment used has not been authorized by a Professional Standards Review Organization, and

Whereas, this system provides little reasonable recourse for a physician or patient in disagreement with a ruling by a Professional Standard Review Organization, and

Whereas, this system advocates that a physician give the last expensive care to a patient rather than that of the best quality, and

Whereas, this system creates situations in which the confidentiality of a patient-physician relationship may be compromised, and

Whereas, this system places hospital administrative staff in the position of determining admissions on the basis of whether the care to be given meets regional standards, and

Whereas, this system, in general, dehumanizes the practice of medicine, and

Whereas, this system creates another expensive bureaucracy without adding any new or improved health services to recipients of social security, now, therefore, be it

Resolved by the Legislature of the State of Florida: That the Congress of the United States is requested to adopt HR 11394 which would repeal Part B of Title XI of the Social Security Act and appearing as 42 U.S.C. § 1320c–§ 1320c-19, relating to Professional Standards Review, be it further

Resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

INDIA'S DECEITFUL NUCLEAR SUCCESS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. GAYDOS. Mr. Speaker, I should like to add my voice to those of others in Congress who have condemned the duplicity of India in accepting our handouts while secretly spending her money and efforts on perfecting and exploding a nuclear device.

Despite Prime Minister India Gandhi's assurances that the Indian accomplishments will be used only for peaceful purposes, the fact remains that her country has added immeasurably to the world problem of keeping the nuclear menace under control.

The Gandhi arguments that India, being a nation of great population, deserves to be a nuclear power, that China's possession of the bomb makes it mandatory for India to have it in order to remain competitive, and that membership in the "Nuclear Club" is essential to India's status in the world, all fail to hold water.

India obtained the nuclear power by deceit. While hunger stalked the land, India took aid funds from abroad and then, in secret, spent her scientific efforts and resources on nuclear research. It is as simple as that. And as reprehensible. What might India have accomplished for her people if this effort and money had been used, say, on agricultural development?

No other nuclear power achieved the dubious status of having "the bomb" while being sustained by handouts from abroad. Certainly, we did not. Neither did the Soviet Union or China. Britain became such a power as a part of our own accomplishment. The French achievement came after France left our aid list.

Thus, the unique case of India raises the question of how much her nuclear breakthrough cost us and the other countries which have poured funds into her economy, supposedly to keep it from going through a condition of constant crisis. Certainly, without outside help, India could not have afforded the money and the effort demanded for nuclear research. So the conclusion is plain enough. India accepted aid while spending her own resources on a hidden project, deplorable to the extreme in judgment of this country and others which furnished the aid.

Now we learn from a Time magazine report that India is planning to spend $316 million over the next 5 years on atomic energy development while 25 percent of her people subsist on subpoverty incomes. Meanwhile, the World Bank reports that India will need some $12 billion in aid over the next decade. Right now a proposed $75 million Indian aid project is awaiting approval here. Are we going to continue giving our funds away in circumstances such as these?

There is nothing that India can gain in a peaceful and progressive way from her nuclear achievement that was not already available to her through the cooperation of this country, the Soviet Union, Britain, and the other nuclear powers, except, perhaps, China. Yet India, in a sense of pride which seems strange in the light of the handouts and the nuclear secrecy, elected to go it alone. She should be given this option in other matters too. I, for one, have had enough of this kind of doubledealing at the expense of the American taxpayers and in defiance of this country's purposes in the world.

BISHOP WELSH TO HEAD NEW ARLINGTON DIOCESE

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, the northern Virginia area in which many of our Government employees live has been established as a new Roman Catholic diocese by Pope Paul VI. It is an honor for us to have the new diocese of Arlington, Va., in our ever-growing metropolitan area.

The Most Reverend Thomas J. Welsh has been appointed as the first bishop of the Arlington diocese. His assignment to the new diocese will meet a real spiritual need of northern Virginia Catholics.

Bishop Welsh was born in Weatherly, Pa., on December 20, 1921. He attended St. Nicholas Parochial School, Weatherly; the Weatherly High School; and St. Charles Seminary, Philadelphia. Father Welsh was ordained to the priesthood on May 30, 1946. After his ordination he continued his studies at the Catholic University, Washington, D.C.

During his priestly career he served as teacher at Bishop Newman High School and associate pastor at Holy Child Parish, both in Philadelphia. He also served in the Archdiocesan Curia, and became rector of his Alma Mater, St. Charles Seminary. On April 2, 1970, he was ordained as auxiliary bishop of Philadelphia.

Bishop Thomas J. Welsh has also been active over the years, in the Washington area; primarily at the National Catholic Conference where he served as a member of the priestly formation committee and the education committee.

I extend a welcome on behalf of northern Virginia residents to Bishop Welsh.

QUESTIONNAIRE RESULTS

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. WYATT. Mr. Speaker, I would like to share with my colleagues and all who are interested, the results of my 1974 congressional questionnaire. It should be emphasized that I mailed my questionnaire to my constituents, First District, Oregon, in late February of this year and as volunteers were used for the tabulation the results have just been completed. Therefore, the results are not actually current; 226,000 questionnaires were mailed and approximately 31,000 were returned.

1974 QUESTIONNAIRE RESULTS FOR CONGRESSMAN WENDELL WYATT, FIRST DISTRICT, OREGON

[By percentage]

1. Do you think that President Nixon:

a. Should be impeached by the House of Representatives? (12.7).

b. If impeached by the House, should be convicted by the Senate (and thus removed from office)? (30.1).

c. Resign from office? (16.2).

d. Remain in office and complete his elected term? (37.5).

e. No opinion (3.5).

2. Should the Congress enact legislation to provide for public (i.e., tax-supported) financing of federal election campaigns?

a. Yes, but only Presidential campaigns, (13.5).

b. Yes, for both presidential and congressional campaigns, (39.8).

c. No. (39.6).

d. No opinion. (7.1)

3. Should newsmen (radio, TV, newspapers, magazines) be protected by law from being forced to disclose confidential sources of information to courts, congressional committees, and other investigatory bodies?

a. Yes, in all cases. (30.4).

b. Yes, except in cases involving national security. (31.4).

c. Yes, except in response to a specific court order. (20.0).

d. No. (15.4).

e. No opinion. (2.8).

4. Should the Congress require that each of the States establish a "no-fault" automobile insurance program?

a. Yes. (50.0).

b. No, the matter should be left to the individual states. (39.7).

c. No opinion. (10.3).

5. Should the Congress establish a Federal Consumer Protection Agency empowered to represent consumer interests before federal agencies and in the courts and to enforce federal consumer protection programs?

a. Yes. (61.7).

b. No. (27.6).

c. No opinion. (10.7).

6. Should the Congress propose a constitutional amendment to prohibit the busing of public school students in order to achieve racial balance?

a. Yes. (59.3).

b. No. (31.5).

c. No opinion. (9.2).

7. Should various policies designed to upgrade the environment (e.g., controls of automobile exhaust emissions, restrictions on industrial use of so-called "dirty" fuels, etc.) be modified in order to combat the current energy crisis?

a. Yes. (50.1).

b. No. (45.5).

c. No opinion. (4.4).

8. Should the Congress enact a national health insurance program (which would, in effect, be an extension of the Medicare Program to cover the entire population)?

a. Yes. (49.9).

b. No. (41.0).

c. No opinion. (9.1).

If yes, how should it be financed?

a. Increased Social Security taxes? (25.1).

b. General tax revenues? (51.7).

c. Otherwise? (23.2).

9. Should access to and use of marijuana be treated in the law much the same as alcohol is now?

a. Yes. (42.7).

b. No. (49.9).

c. No opinion. (7.4).

10. Should those persons who deserted from the armed forces or evaded the draft during the Vietnam War be granted some form of amnesty?

a. Yes, now. (21.3).

b. Yes, but at some time in the future. (1.7).

c. Yes, but only upon completion of some form of equivalent service. (39.7)

d. No. (36).

e. No opinion. (1.3).

11. In what areas of domestic concern do the most important problems now facing the United States lie? (In order of importance.)

1. Inflation. (44.9).

2. Honesty, credibility in government. (29.2).

3. Energy resources. (10.8).

4. Law and order. (4.4).

5. Responsiveness of the political system. (3.8).

6. Environmental pollution. (3.2).

7. Unemployment. (2.1).

8. Welfare programs. (0.7).

9. Drug abuse. (0.4).

10. Civil rights. (0.3).

11. Housing. (0.2).

12. Should all candidates for Federal Office (President and Congress) be required to make public the details of their financial status. (i.e., disclose their sources of income, investment holdings and other relevant personal information?)

a. Yes. (79.1).

b. No. (15.9).

c. No opinion. (5.0).

13. Would you favor Government ownership and operation of the oil industry?

a. Yes. (26.9).

b. No. (65.6).

c. No opinion. (7.5).

14. Would you favor legislation requiring oil companies on a regular and continuing basis to disclose their profits, reserves, and supplies?

a. Yes. (87.2).

b. No. (9.9).

c. No opinion. (2.9).

15. Would you favor tax on excess profits of oil companies?

a. Yes. (78.4).

b. No. (15.8).

c. No opinion. (5.8).

THE ARMENIAN GENOCIDE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HELSTOSKI. Mr. Speaker, at the March 6, 1974, discussions of the United Nations Human Rights Commission which considered the Report on Genocide of the Subcommission on the Prevention of Discrimination and Protection of Minorities, the Representative of the United States, Mr. Philip Hoffman, spoke in support of a move by the Turkish Permanent Representative, Mr. Osman Olcay, to remove from the report a brief reference to the 1915 genocide of the Armenians by the Turks.

This acquiescence of our U.N. Representative to delete reference to the first genocide in the 20th century is an affront to civilized people everywhere.

Archives and libraries around the world abound with the history of the horrible slaughter of 2 million Armenians by barbaric Ottoman Turks. Lengthy and innumerable accounts concerning this genocide were written by our Ambassador to Turkey, Henry Morgenthau, Sr., other diplomats, missionaries, journalists, travelers, and eyewitnesses, and carried by newspapers around the world. Speeches were delivered in the U.S. Congress at the time, and resolutions introduced condemning the Turks for their official policy of genocide. President Woodrow Wilson, as well as other heads of state, reported on this sordid episode, and proclaimed a policy of seeking an independent homeland for Armenians. The American military mission's report to the U.S. Congress revealed the massacre of Armenians as the "most colossal crime of all ages."

Minister of War, Enver Pasha, leader of the young Turk movement which came to power in 1909, along with codictators Djemal Pasha, minister for marine, and Talaat Bay, Turkish minister of the interior, authorized the plan to exterminate the Armenians. This was the first time in modern history that such high officials of a legally constituted government planned the systematic destruction of an entire people on ethnic and religious grounds. The leaders of Nazi Germany came later.

The plan of genocide was conveyed to the internal authorities by a series of telegrams from Interior Minister Talaat beginning in February 1915 and continuing for about a half year thereafter. On the nights of April 24–25, the leaders of the Armenian community were rounded up with such completeness that there was not even internal leadership to plead for the defenseless Armenians scattered throughout Turkey and concentrated in the east. Thus began the wholesale slaughter of 2 million innocent Armenians.

Ambassador Morgenthau recounted the satanic horror visited upon the Armenians in many books and articles. In the "Secrets of the Bosphorus," he stated:

> I am confident that the whole history of the human race contains no such horrible

> episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

A historical account of this black period in history can be found in the excellent book, "Armenia: The Case for a Forgotten Genocide," by Dickran H. Boyajian. The book contains a collection of diplomatic and other documents of the time, along with many eyewitness accounts, of man's inhumanity to man.

In his article, "The Greatest Horror in History," which appeared in the Red Cross magazine, March 1918, Ambassador Morgenthau stated:

> The final and the worst measure used against the Armenians was the wholesale deportation of the entire population from their homes and their exile to the deserts, with all the accompanying horrors on the way. No means were provided for their transportation or nourishment. The victims, which included educated men and women of standing, had to walk on foot, exposed to the attacks of bands of criminals especially organized for that purpose. Homes were literally uprooted; families were separated; men killed, women and girls violated daily on the way or taken to harems. Children were thrown into the rivers or sold to strangers by their mothers to save them from starvation. The facts contained in the reports received at the Embassy from absolutely trustworthy eyewitnesses surpass the most beastly and diabolical cruelties ever before perpetrated or imagined in the history of the world. The Turkish authorities had stopped all communication between the provinces and the capital in the naive belief that they could consummate this crime of the ages before the outside world could hear of it. But the information filtered through the Consuls, missionaries, foreign travellers, and even Turks. We soon learned that orders had been issued to the governors of the provinces to send into exile the entire Armenian population in their jurisdictions, irrespective of age and sex. The local officers, with a few exceptions, carried out literally those instructions. All the able-bodied men had either been drafted into the Army or been disarmed. The remaining people, old men, women and children, were subjected to the most cruel and outrageous treatment.

In his book, "The Murder of a Nation," Ambassador Morgenthau described in gruesome details how the extermination of the Armenian people was perpetrated ruthlessly and with beastly savagery:

> And thus, as the exiles moved, they left behind them another caravan—that of dead and unburied bodies, of old men and women in the last stages of typhus, dysentery, and cholera, of little children lying on their backs and setting up their last piteous wails for food and water. There were women who held up their babies to strangers begging them to take them and save them from their tormentors, and failing this, they would throw them into wells or leave them behind bushes, that at least they might die undisturbed. Behind was left a small army of girls who had been sold as slaves—frequently for a medjidie, or about eighty cents—and who, after serving the brutal purposes of their purchases, were forced to lead lives of prostitution. A string of encampments filled with the sick and the dying, mingled with the unburied or half-buried bodies of the dead, marked the course of the advancing throngs. Flocks of vultures followed them in the air, and ravenous dogs, fighting one another for the bodies of the dead, constantly pursued them. The most terrible scenes took place at the river, especially the Euphrates. Sometimes, when crossing this stream, the gendarmes would push the women into the water, shooting all who attempted to save themselves by swimming. Frequently the women themselves would save their honour by jumping into the river, their children in their arms. . . . It is absurd for the Turkish government to assert that it ever seriously intended to deport the Armenians to new homes; the treatment which was given the convoys clearly shows that extermination was the real purpose of Enver and Talaat.

The New York Times reported in its issue of September 21, 1915, that Mehmed Cherif Pasha, former Turkish Minister to Sweden, who had fled from Turkey, wrote a letter to the editor of Journal de Geneve, in which he branded "the Armenian atrocities perpetrated under the present regime as surpassing the savagery of Genghis Khan and Tamerlane." The letter continued:

> To be sure, the state of mind of the Unionists was not revealed to the civilized world until they had openly taken sides with Germany; but for more than six years I have been exposing them in the *Mecheroufiette* (his newspaper, published first in Constantinople, then in Paris) and in different journals and reviews warning France and England of the plot against them and against certain nationalities within the Ottoman borders, notably the Armenians, that was being hatched. If there is a race which has been closely connected with the Turks by its fidelity, by its services to the country, by the statesmen and functionaries of talent it has furnished, by the intelligence which it has manifested in all domains—commerce, industry, science, and the arts—it is certainly the Armenians. . . . Alas! At the thought that a people so gifted, which has served as the fructifying soil for the renovation of the Ottoman Empire, is on the point of disappearing from history—not enslaved, as were the Jews by the Assyrians, but annihilated—even the most hardened heart must bleed; and I desire, through the medium of your estimable journal, to express to this race which is being assassinated, my anger toward the butchers and my immense pity for the victims.

On December 21, 1918, the Turkish Minister of Foreign Affairs, Mustafa Resahad Pasha, stated to the Turkish Parliament:

> A pallid light extends on the atrocities committed against the Armenians, atrocities which raised the indignation of humanity; it gave us land (Armenian land) transformed into a gigantic slaughter house.

Recapitulating some of the events during the period of the Ottoman Empire, from 1822–1909, 1 million Armenians, Greeks, Bulgarians, Kurds, and Assyrians were murdered by Ottoman Turks. History records the senseless hecatomb of 2 million Armenians in 1915 and nearly 200,000 Greeks from 1918–23. Not until Nazy Germany has there been anything comparable in world history.

President Woodrow Wilson, the U.S. Congress and the American people actively supported Armenian independence and claims for a homeland. Similar efforts came from other governments. The origins of the Armenian people may be traced back to 2350 B.C., and biblical history records that the ancient kingdom of Armenia was the first nation to embrace Christianity.

An independent Armenia was declared on May 28, 1918. This new nation, a fitting monument to the victims of 1915 and earlier, survived as an independent nation only a few years. Threatened by armed attack by Turkish nationalists, the weakened Armenians accepted a cease-fire imposed by Soviet Russia and were forced to submit to the incorporation of Armenia into the U.S.S.R. To this day, the heroic Armenians struggle for national identity and independence.

Today, monuments to the Armenian martyrs can be found in Los Angeles, Beirut, Marseille, Yerevan, the capital of Armenia, and at the Armenian home in Emerson, Bergen County, N.J., a dedication at which I was privileged to appear.

Mr. Speaker, in order that the victims of this genocide are not forgotten, I have introduced the following joint resolution:

H.J. Res. 1048

To designate April 24 of each year as "National Day of Remembrance of Man's Inhumanity to Man"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 24 of each year is hereby designated as "National Day of Remembrance of Man's Inhumanity to Man", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day as a day of remembrance for all the victims, especially those of Armenian ancestry, of the genocide perpetrated in 1915 in Turkey.

NO-FAULT INSURANCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MOAKLEY. Mr. Speaker, I would like to submit the conclusion of a report on no-fault auto insurance for my colleagues to consider. The experience with no-fault insurance in Massachusetts can help us to draft better Federal legislation.

The report follows:

No-Fault Property Protection—Chapters 978 and 1079 of the Acts of 1971

In 1971 the Legislature turned its attention toward the area of automobile property damage and collision insurance and applied the no-fault principle to it, which resulted in Chapters 978 and 1079 of the Acts of 1971. No other facet of insurance has caused such discontent and aggravation amongst the public as has property damage. In 1971 the Commissioner of Insurance estimated that of all the complaints received by his department covering all fields of insurance approximately 80 per cent of these complaints pertained to problems in the automobile property damage area.

To understand the problem under the old system of property damage it is again necessary to remember that it was based on fault. If A was involved in a motor vehicle accident with B and A incurred damage to his car he could only recover if B was at fault and A was free from fault. Experience under the fault system indicated that in many instances the company's response would be to deny the claim because their insured either did not report the accident or delayed for too long a period of time before reporting the accident. Other instances have shown companies offering inadequate amounts or even completely denying liability and refusing to pay an amount. All of these methods resulted in prolonged delays to the Massachusetts motorist. He was then left with the following alternatives:

1. Hire an attorney and be forced to pay legal fees out of the amount he recovered to repair his car and then only after considerable time has elapsed in awaiting court action.

2. Collect from his own collision policy if he had this coverage, yet having to deduct whatever deductible he had chosen from the amount he recovered which might be substantially less then the actual damage sustained to the vehicle. All of which amounted to a profession of negligence in the accident and risked non-renewal by the company and ineligibility for merit-rating discounts.

3. Accept an inadequate amount from the company and pay the remainder out of his own pocket if he was in fact offered any amount at all by the company.

Throughout these deliberations there were considerable delays which the motorist could not cope with if he needed his car repaired before he could put it back on the road. Being a typical motorist, he would have to use his car daily which put him in a pathetically weak bargaining position with an insurance company that could wait forever and invest any money it had set aside in its loss reserve for that case.

In order to rectify these inequities in the former system, no-fault property protection legislation was developed which complements the existing landmark no-fault bodily injury law. Under Chapter 978, Property Protection Insurance is now compulsory in Massachusetts, and it is on a no-fault basis. Formerly, a motorist would buy property damage insurance to protect himself in case he damaged another car and was at fault. This necessitated a motorist to purchase insurance that would cover him in case he collided with a new and expensive car (Cadillac). However, under the No-Fault Property Protection Law, a person buys insurance to protect his own car, and the rates are dependent on the type of car and its age. Now, a person with a 1964 Chevrolet buys insurance to cover that car and not the other person's car.

Basically, the No-Fault Property Protection law allows a motorist to select the type of coverage which will sufficiently protect his own vehicle in case of damage, grant him a tort exemption for damage he may cause to other vehicles, and provides compensation to repair his car within 15 days after submitting an itemized estimate.

Although property protection insurance is compulsory, it offers three options to a motorist which allows him to choose the coverage which best protects the type of car he drives. Basically, the plan can be best understood by analyzing the three options, all of which grant the motorist an exemption in tort for any damage he may be liable for.

OPTION I. ALL RISK COVERAGE

This option provides for the insurance company of the insured to pay for all direct or accidental damage to his motor vehicle regardless of his fault or negligence up to a limit equal to the actual cash value of the vehicle minus any deductible. This coverage is in essence that of a motorist who carried both property damage and collision coverage under the old system. It should be noted that this coverage is provided with a $100 deductible common in many collision policies under the former system. There is also a provision allowing motorists to buy back $50 of the deductible from the insurance company; and legislation has been filed in 1973 which would offer option I with no deductible. Motorists who will select this coverage will be those who formerly carried property damage and collision coverage—motorists with late model cars and more expensive vehicles who want to protect their investment.

OPTION II. RESTRICTED COVERAGE

This option provides coverage whereby a motorist can recover for damage to his car from his own insurance company only under the following conditions:

a. Cases where the motorist either is or would have been entitled to recover in tort against the other party. Thus, where the insured is able to demonstrate reasonable proof of negligence on the part of the other party, he can recover under this option.

b. Cases where the motorist's vehicle is struck while lawfully parked.

c. Cases where the motorist's vehicle is struck in the rear by another vehicle moving in the same direction.

d. Cases where the other party is convicted of (1) operating under the influence of alcohol or narcotic drugs, (2) driving the wrong way on a one-way street, or (3) operating at an excessive rate of speed.

Those motorists who would select this coverage would probably be those who carried just property damage coverage under the old system and feel that their car is not worth protecting against all damage—just damage caused by another motorist. Thus those motorists with older cars would tend to select this option. Again this option is provided with a mandatory $100 deductible with the $50 buy-back provision, and legislation has been filed in 1973 which offers the option with no deductible.

OPTION III. NO COVERAGE FOR OWN CAR

Under this option the motorist is not entitled to recover damages for his own vehicle even if he is free from fault and the other party is negligent, so that the election of this option bars all claims for loss or damage to his vehicle which he might otherwise have had. He does, however, retain his tort exemption up to $5,000 so that he is exempt from any liability for property damage which he might cause: i.e., out of state cars, and any other personal or real property that he may hit such as a telephone pole or a building. On the surface it might appear that the motorist who selects this option does not have adequate coverage but it should be borne in mind that this option is the lowest in cost of all three options and might be advantageous for a motorist with an older and inexpensive automobile who would not have any large repair bills if his car were damaged particularly in light of the fact that property protection insurance is only paid up to the limit of the actual cash value of the vehicle.

SERVICE FEATURE

The main intent of this legislation is to provide better service through the 15 day service feature of the plan. As we previously mentioned, the greatest problem facing the Massachusetts motorist is that of recovering the amount owed to him within a period of time to allow the motorist to use this compensation to repair his vehicle so that he can have his car back on the road without lengthy delays.

Thus, payments under option I, the All Risk Coverage, are to be made within fifteen days after receipt by the insurance company of proof of insurance, accident, and the amount of the loss or damage claimed. In order to prevent the insurance company from delaying making payment or denying liability, a penalty provision has been inserted into the law which would allow a motorist who has not been compensated within this fifteen day period to commence an action of contract in court and recover double the amount of damages claimed if the court determines that the insurer was unreasonable in refusing to pay the claim. This is the key to the no-fault property protection concept, for if the legislation is to be successful, motorists must be compensated for their losses within this amount of time in order to put their car back on the road and not leave it deteriorating for any length of time awaiting a decision by the insurance company.

There would seem to be a great deal of misunderstanding as to Option II. Many have asked: "if the property protection plan is no-fault, why is it necessary to prove that the other party was at fault in order to recover under Option II?"

The plan is still no-fault; the insured will still recover from his own insurance company and does not have to file a claim against the other party's insurance company, as was done in the past. Since the plan is compulsory and the limit to which a person may recover is the book value of his car, the options are designed to give the motorist three choices which would best fit his needs. Obviously, since the coverage is different, the rates will vary with the coverage a person would buy. It was felt by the drafters of the legislation that basing Option II on the showing of fault was the logical median between the All Risk Coverage of Option I, and the No-Coverage Tort Exemption of Option III.

In determining what option he should take, the motorist should take into consideration the premium he would have to pay plus the deductible he is taking, either $50 or $100, and then compare that figure to the book value of his car. If that figure comes close to the book value of his car, then he should seriously consider taking a lower option.

RESULT OF NO-FAULT BODILY INJURY INSURANCE PRIVATE PASSENGER VEHICLES

I. The state wide rates on compulsory no-fault bodily injury have decreased approximately 37% since the inception of no-fault in 1971. In some communities the decrease has been even greater, for example, the average rate decrease for Boston has been 48%. This result is surprisingly greater than most people had expected. Indeed, it is interesting to note that according to figures supplied by the Department of Insurance, had it not been for no-fault the rates for 1972 would have been approximately 70–80% higher than the 1970 pre-no-fault rates.

Since there is no longer any need to prove fault in an accident, where the injury to the motorist, passenger or pedestrian is less than $2,000 for medical, hospital, funeral expenses and loss of wages; and also recovery for pain and suffering has been denied for under $500, the reduction of this costly litigation has resulted in a cost savings to the premium payer.

Secondly, the amount of claims filed has decreased tremendously, especially in the higher territories. When no-fault was passed, it was expected that it would effectively eliminate nuisance claims, and it has, especially in those areas that experienced an inordinately high number of them.

Upon the enactment of no-fault, the Legislature provided for a 15% decrease on all motor vehicle insurance rates for 1971; however the Supreme Judicial Court ruled that unconstitutional and decreed that the Legislature could only cut rates 15% for the compulsory bodily injury insurance, to which the no-fault law pertained. As a result, all motorists enjoyed a 15% decrease in their compulsory bodily injury premiums in 1971, regardless of what territory they garaged their car.

The rates for 1971 were further reduced 25.9% in 1972 as a result of Chapter 977 of the Acts of 1971, the so called "Rebate Act", which required the insurance companies to grant a partial rebate of the 1971 rates, which was upheld by the courts. This resulted from the unexpected success of no-fault in 1971. It was discovered that the claim frequency for 1971 had decreased significantly and the total loss and expenses of the companies was overestimated, resulting in an unfair profit or windfall of $35,030,143. The fair profit which the companies were entitled to was

$1,339,377 or 1% of their earned premiums. As a result of the Rebate Law, the insurance companies were required to return this unfair profit to the consuming motorist which was 25.9% of the premium paid on compulsory bodily injury insurance for 1971. Thus, the total savings in 1971 was approximately 37%.

In 1972 the rates were further reduced by 27.6%, resulting in a total rate reduction under no-fault of 38.5% state wide.

In 1973 the Insurance Department was able to use the actual experience of the first year of no-fault, 1971. The experience was based on a pure premium basis (premium loss and expenses). It was found that the experience on the state-wide level warranted a 2.5% increase in the rates, which suggests a leveling of the rates. When the over-all state rate level factor and experience factor was applied to the experience of the fifteen territories, it was discovered that in 1971 the pure loss cost increased in the lower territories (7 through 15), while it decreased in the higher territories (1 through 6).

The high rates for the lower territories in 1973 reflect their experience under no-fault. What happened was the rates of the lower territories were reduced too much in 1971 and 1972. In 1973, the pure premium loss, as based on the 1971 No-Fault experience, did not go down enough to justify a rate decrease. As a result, the rates were increased in these territories to reflect their actual experience in 1971 under no-fault.

II. What does the future have in store for no-fault bodily injury in Massachusetts? It would seem that rates will continue to level off to a point which will show a differentiation based on true claim frequency, minus the so-called nuisance claims. Indeed, the consolidation of the fifteen territories into six rating territories exemplifies this result.

Also, the data from 1971 suggests the possibility of the creation of a new class for over 65 drivers. There is evidence to show that these drivers may have better experience than younger drivers. If the statistics gathered in 1973 show that to be so, the Commissioner of Insurance has indicated that drivers over 65 can expect lower rates in future years.

Chapter 451 of the Acts of 1972 has created a new class for drivers who have wage continuation plans. It was felt by the drafters of this legislation that it would be unfair for those motorists who have a wage continuation plan to pay the same rates for compulsory no-fault bodily injury insurance, since they must deduct from their loss of wages any payment they would get under their own wage continuation plan. A flat $1.00 discount is being given to people with a wage-continuation plan so that statistical data on their losses can be separately collected in 1973 for the possible reudction in rates starting in 1974.

RESULTS OF NO-FAULT PROPERTY PROTECTION

No-Fault advocates predicted savings across the state for approximately 85–90 per cent of the Massachusetts motorists for two reasons; first, motorists would be able to buy insurance up to the book value of their own car rather than the value on the vehicle they might damage; second, the new system would decrease the number and costs of nuisance claims. Today, after two years of no-fault property protection, statistical rate comparisons show that those advocates were somewhat correct in their estimates. Hopefully, after examination of the following sampling of rate comparisons, a better understanding of the results can be achieved.

In regard to Option I coverage, it was predicted that in the most expensive territory—Boston—81% of the motorists would pay less for Option I than they would pay for property damage and collision coverage in 1971. It should be remembered that approximately 53% of the motorists drive cars four years old or older, and these people will be the ones who substantially benefit under the plan. Today, two years after the system, the predicted reductions have become evident by dollar and cent savings.

In regard to Option II coverage, the same estimates apply, 85–90% of the motorists would pay less for Option II coverage than they would pay for property damage in 1971. The coverage provides a tort exemption plus the ability to recover damages if the other party is negligent and identifiable. Today, the no-fault system of savings has become a reality by reducing rates for this coverage in most cases.

In regard to Option III it was predicted motorists would be paying between $60.50 and $14.00 for an exemption from tort for any damage for which they might be liable. Today, that range has been lowered considerably.

In conclusion, before making any decision as to the results of no-fault in the area of property protection as a whole, it is important to remember certain determinables. Any rates which may not have decreased as predicted can only be explained by the skyrocketing costs of auto repairs within the past two years and the sudden jump of some cities to higher priced territories due to increased claims frequency.

DUKE ELLINGTON

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. METCALFE. Mr. Speaker, when Duke Ellington died on May 24, a musical era died with him. He was without question the greatest composer in America's history. As a composer, as a pianist, as an orchestra leader, and as a gentleman, Duke Ellington had no peer.

People started calling Edward Kennedy Ellington "Duke" when he was a youngster and no man deserved the title more. He was the personification of royalty—he was urbane, he was sophisticated, he was debonair, he was elegant. Duke Ellington had one other attribute that had nothing to do with his "peerage", he was a genius.

Ellington's work transcended any labels. He wrote rags, blues, tin pan alley dance tunes, extended jazz compositions, suites, Broadway musicals, ballets, movie scores, and sacred music. He performed his music everywhere from the Poodle Dog Lounge to Westminister Abbey and every major jazz club and concert hall in between.

In all he wrote over 1,500 tunes, some say as many as 5,000. Most of what he did people liked to call jazz but early on Duke Ellington saw how restricting labels could be on his music. If his work had to be given any label, Duke always preferred that it be called Negro music because he recognized, years before many of his critics ever did, that his music was uniquely black music.

His work graphically portrayed the black experience in urban America. "Harlem Airshaft", "Black and Tan Fantasy", "Black, Brown and Beige", were all Ellington tributes to his heritage. For white audiences, whether at the Cotton Club or Carnegie Hall, these early Ellington works were their only real insights into black America.

Duke Ellington came to realize, however, that even the label of "Negro music" was too restricting a definition of his genius. The work he did, especially in his later years, transcended all definition. He took what were essentially European structures, such as the suite, and built around them a web of African rhythms, American blues melodies, and his own unique and magnificent harmonies to create what could only be called Ellingtonia.

The Duke made jazz a legitimate art form for many who refused to take it seriously. Though it took many years for critics to listen seriously to jazz, it did not take so long for "classical" composers to begin to listen. Duke Ellington's effect on them has made him, along with Stravinsky and Ravel, among the most influential composers of the 20th century.

It will probably be as a composer that he will be most remembered, but ironically, Duke always thought of himself as primarily a pianist, and an underrated one at that. His piano style was, like everything about him, uniquely Ellington and even the most casual jazz listener could pick it out of a dozen other styles.

Duke really played two instruments however, the piano and the orchestra. Perhaps one of the integral parts of his genius was his belief that the band, and the styles of the men who played in it, were a vital force in his music. Much of what he wrote, he wrote specifically for that band. He used to say that he kept the band around all year long because he liked to write *something* at night and have somebody to play it for him the next day. In fact, what he did was to create a musical extension of his genius while at the same time making himself an extension of the varied and talented musicians who played with him. Duke created an atmosphere where he and the band inspired each other and through this technique created some of the best music the world has ever heard.

For all his musical accomplishments, it is important that Duke Ellington the man is not forgotten by future generations. With enormous talent and great pride in his heritage and ability, Duke Ellington overcame the indescribably difficult life of a black musician in America. It is a difficult enough life for an average man to even survive. Edward Kennedy Ellington did more than survive however. He inspired countless other musicians both by personal and professional example. He created his own special brand of marvelous music which could both entertain and inspire.

Duke Ellington was a genius and a gentleman. We will not see his like again for many years to come.

PUBLIC WORKS APPROPRIATIONS FOR FISCAL YEAR 1975

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. PATTEN. Mr. Speaker, for over a decade, I have worked on and followed the progress of the proposed Tocks Island

Dam project. This plan is of great importance, not only to the people of New Jersey and my district, but to those of neighboring States.

In the full Appropriations Committee we adopted an amendment that no money for construction of the Tocks Island Dam shall proceed for 1 year until the environmental and conservation reservations are resolved by the parties involved.

The public should understand that almost eveyone has always been in favor of saving this wonderful area for the people. Almost everyone agrees that the recreational facilities, the flood control, the fresh water supply, and the power source are needed.

TORTURE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. EDWARDS of California. Mr. Speaker, as Anthony Lewis pointed out in The New York Times last week, it is extremely difficult to arouse public concern about the use of torture as a political instrument, especially when our administration operates as if the views of the United States would have no influence on the abuse of human rights practiced by governments receiving our financial support.

The current situation in Chile is a prime example of our Government's policy. The stories of murder and torture are as well documented as they are appalling. Yet Congress continues to authorize military assistance for Chile, and President Nixon and Secretary of State Kissinger continue to remain silent.

With Greece the lack of moral leadership by the United States is even more reprehensible because it is so longstanding. The hallmark of the new regime was the reopening of the prison camp on the island of Yaros. Still the American military clings to the myth that Greek military facilities are necessary to the defense of the Mediterranean, and American policy toward Greece remains one of silence on the vital issues of human rights and a return to democratic government.

There are those of us who cannot remain silent and who will continue to remind our colleagues and constituents of our total disapproval of a U.S. foreign policy which contributes substantially to the well-being of the juntas in Chile and Greece without raising a word of restraint against excesses of political vindictiveness.

To this end, I commend to my colleagues Mr. Lewis' article, as well as this morning's Washington Post editorial:

THE MEANING OF TORTURE

(By Anthony Lewis)

BOSTON, May 29.—The use of torture as a political instrument is an evil beyond justification of compromise, a practice officially condemned by every civilized society. Yet it goes on, in many places around the world, and arousing people's interest in the subject is singularly difficult. Perhaps we find the reality so unbearable that we turn away rather than contemplate it.

Such thoughts are provoked by fresh reports on the savagery practiced by the military junta in Chile. Evidence of torture in Chile has been published by, among many others, Amnesty International, the highly-respected group that favors no ideology except humanity. Amnesty's findings are summarized with telling simplicity in an article by Rose Styron in The New York Review of Books.

Victor Jara, a folk singer, was held with thousands of others in a Santiago sports stadium. He was given a guitar and ordered to play. As he did, the guards broke his fingers, then cut them off. He began to sing, and they beat and then shot him. Several witneses have described that death. It is a relatively mild example of what Mrs. Styron relates.

Many reports tell of the use of electric shock to make prisoners "confess" to what their captors desire. Sexual assault is a common theme. Mrs. Styron mentions a women's prison, Casa de Mujeres el Buen Pastor, where young girls are sent from prison camps, pregnant, "with their hair pulled out and their nipples and genitals badly burned."

At least one complaint of such treatment has been made officially in the Chilean courts. Mrs. Virginia Ayress complained that her daughter, Luz de las Nieves Ayress, had been beaten, sexually abused, tortured with electric currents and—in a scene right out of "Nineteen Eighty-four"—had rats and spiders put on and into her body. The courts forwarded the complaint to the armed forces.

People are arrested, tortured and summarily killed in Chile for any reason or no reason. Large numbers of doctors have been arrested, some because they did not join in a strike last summer against the leftist Government of Dr. Salvador Allende. Amnesty has an appeal from Chilean doctors saying that 85 of their profession are in prison, held without any charges; another 65 are said to have been shot or died of torture or untreated wounds.

Last month the 28 Roman Catholic bishops of Chile, in an unusual public statement, condemned the practice of torture and arbitrary arrest. The junta routinely denies torture reports or, in the words of its Interior Minister, Gen. Oscar Bonilla, dismisses them as "damaging to the national interest."

But what has all this to do with the United States? Secretary of State Kissinger has told us that this country cannot reform the internal policies of other governments. As a generality that is fair enough. But it is not enough when we have a share of responsibility.

However much the Allende Government contributed to its own downfall, the United States made things worse by cutting essential economic assistance—except to the Chilean military. Since the coup, Washington has given strong support to the military regime. Unlike other Western countries, we have offered no asylum to Chilean refugees. And we have said nothing, officially, about the murder and savagery.

Words would matter in this instance. If the United States spoke out against the torture, if our Embassy in Santiago was active in watching the trials and other visible manifestations of oppression, if more American lawyers joined international legal groups in protesting the junta's lawlessness, if Congress moved to attach conditions to aid, those who rule Chile would almost certainly listen.

But the present Government of the United States shows no concern for human rights. Henry Kissinger and his President were silent for months while their allies in Pakistan slaughtered the Bengalis. Washington has nothing to say about a Greek Government that rules by terror. Or about the Government of South Korea, whose kidnappings and brutalities make Communist regimes look almost decorous by comparison. (For a student to refuse to attend class in South Korea "without plausible reasons" is a crime punishable by death.)

Some of the nastiest governments in the world today were born or grew with American aid. That being the case, the most modest view of our responsibility would require us to say a restraining word to them occasionally. But we say nothing, we hear nothing, we see nothing.

There was a wonderful example the other day—funny if it did not involve so much suffering. The State Department said it knew of no political prisoners in South Vietnam, because Saigon's stated policy "does not permit the arrest of anyone for mere political dissent." Thus the thousands of non-Communists in South Vietnamese jails were made to vanish, the twisted creatures in tiger cages waved away. Thus the idealism that once marked America's place in the world has become indifference in the face of inhumanity.

WASHINGTON'S GREEK PROBLEM

Greece presents the extraordinary spectacle of a government whose worth and staying power are questioned, at least privately, by virtually all of its allies. This is the result of the flailing performance of Brig. Gen. Dimitrios Ioannides, chief of the military police. He ousted the former military dictator George Papadopoulous last fall and installed a new junta of his own. But where the Papadopoulous regime conveyed—while it lasted—a certain impression of harsh stability, the rule of Gen. Ioannides gives off a contrary impression of weakness and impermanence. The Greek economy nourishes the highest inflation rate in Europe. Practically no figure of prominence has joined the new regime. Purges and disaffection have weakened the armed forces. Just about the only area of "achievement" lies in repression. The regime has reopened the prison camp on the island of Yaros.

If Greece were Lower Slobovia, all this might be of no great consequence to Americans. But Greece is a traditional friend and a NATO ally and, in some measure, an American dependency. This country has sentimental, moral, political and strategic reasons to be concerned about the continued despoilation of Greek public life by a small cilque of military men and police officers. During the six Papadopoulous years it was feasible—if, finally, fruitless—for the United States to expect that the regime would move slowly back toward representative government. Gen. Ioannides, however, has not even gone through the motions of pledging to restore democracy. The sterility and narrowness of his leadership make it unrealistic for the United States to keep on believing that time will mellow his rule. This removes, in our view, an important reason for deferring to the junta, as Washington did in earlier years. Now, if not formerly, American deference is likely only to be exploited by the dictators in Athens to solidify their own power.

The new junta's not so subtle threat is, if the United States cools, to quit NATO and thereby to dump upon Washington a whole range of geopolitical troubles. Some Greeks in the junta seem to think they could adopt a kind of neutralism on the model of Libya's dictator Qaddafi; others do not appear to have thought out their country's choices. The junta has declined to let an American aircraft carrier join the six destroyers already "homeported" in Athens, until a substantial amount of new military hardware is forthcoming. Some American military men, eager to use Greek military facilities, are prepared to swallow this treatment in the name of

Mediterranean strategic requirements. It becomes increasingly a question, however, whether grand strategy compels the United States to follow a policy which many democratically minded Greeks identify with an strategy in the long term may well require uncritical embrace of the junta. Grand the United States to ensure its position with the Greek people by stepping back a pace from the current regime now.

At the very least it is time to stop the flow of high-level visitors and salutations and to start strongly asserting the American interest—the moral interests as well as the political interests—in Greece's return to liberty.

ENERGY TODAY: A COMPLEX OF PROBLEMS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mrs. SCHROEDER. Mr. Speaker, many independent oil and gas producers are headquartered in my district, Denver, Colo. Although they and I are sometimes at odds, I very much respect their views and often seek their counsel.

In this spirit, I would like to share with my colleagues a speech given by Mr. Caswell Silver, an oil producer, geologist, and constituent of mine, in January at Albuquerque, N. Mex. Mr. Silver is an "oilman," but he is also a man concerned with the energy future of this Nation. His speech is as follows:

Energy Today or a Few Glints From a Multifaceted Complex of Problems

(By Caswell Silver)

Energy is the essence of life. When we talk about the standard of living of nations we use either food or energy consumption as the standard of comparison. Actually they are closely interwoven because in a highly mechanized, agricultural industry, as found in the U.S., it takes 5 calories of fossil to produce one calorie of food.

We are all aware of the worldwide population explosion, but the explosion of energy consumption compounds this rate many times, due to the aspirations of the developing nations. Energy consumption is advancing at staggering rates. The world has used up one-half of all the oil previously consumed in the last 11 years, and one-half the coal previously used in the last 33 years.

The supply of fossil fuels (i.e., hydrocarbons) is limited and therefore the hydrocarbon age, the age in which we live and in which we depend on oil, gas, and coal to fuel our economies is finite in time. We have no immediate substitutes for hydrocarbons. The kinds of energy we can draw upon after the hydrocarbon age ends are not at hand. We are therefore bound to hydrocarbons for the next 30–40 years, until alternate sources of energy are available.

Recent international events such as the Arab embargo on oil to unfriendly nations have shown that we cannot separate the problems of energy supply as being the U.S. versus the rest of the world. Unless we assure the flow of vital energy to all nations, the seeds of discord already sown by the Arab embargo could result in bitter and disputatious events to make all previous world conflicts pall.

Tonight I'd like to talk about a few aspects of the problem as seen by a geologist and an explorationist, i.e., one who explores for oil and gas.

The major deposits of hydrocarbons are concentrated in a few relatively underdeveloped nations. The large industrialized nations whose life depends upon a flow of hydrocarbons generally do not have sources of supply within their borders. The U.S. is fortunate to be one of these exceptions. And because of this and being one of the principal users as well as suppliers our actions in the field of energy have for years set the tone of world supply and pricing.

Americans and American oil companies control 70 percent or more of the world's petroleum activity—in exploration, production, refining and distribution. The U.S. with six percent of the world's population uses 33 percent of the world's oil. Until the early 1960's we were net exporters of oil and because of this we set world prices. Oil the world around was sold at the U.S. Gulf Coast price less the cost of transportation from Gulf Coast ports to the point of use.

This price was artifically held low by events in the U.S. and for years the Arab oil ministers said that oil would be low in price only so long as the U.S. did not need foreign oil. These statements seem now to have been realistic.

Now that the U.S. is short of oil and using more oil than it produces and can no longer control world prices, a monopolistic combine of oil producing countries known as OPEC (for Oil Producing and Exporting Countries) is not only setting prices but is controlling the flow. This control threatens the economies of all of the world's industrial nations and reaches into the life of every nation.

Developing nations aspiring for the better life will soon realize, as they apparently have not yet realized, that any dreams for betterment will founder or rise on the availability of energy. But more importantly, availability to the developing nations is as much a matter of a price they can afford as it is of supply.

Now let us go back and see whether there is a possible solution to the price and supply dilemma posed by the monopolists. The definition of monopoly is the concentration of supply in the hands of a few. The breaking of a monopoly comes about when there is a distribution of supply excess to demand.

If we disregard for a moment the wider world problem, which cannot be divorced from that of the U.S., and examine our own situation in detail we may find a suggestion as to what we can do and where we can go.

First, the U.S. is blessed with the world's greatest national fossil fuel resources in terms of energy, when we include coal, oil, gas, oil shale and heavy oil-impregnated rocks. One-half of the potential oil area in the U.S. has never been explored; by that I mean that a drill has never penetrated these vast areas of potential oil-bearing rocks. The reasons are political, not physical, and they involve emotional elements outside rational considerations. Let us examine a few of them.

PRICE

The price of oil and gas has been legislated in the U.S. by various means, ranging from special tax considerations (called loopholes by some), the depletion allowance, and intangible write-offs—to the direct ruling of the Federal Power Commission backed up by the courts, as to the well-head price of natural gas. All of these methods have tended to hold the price of oil and gas down, thus stimulating consumption. For this reason, consumption of energy ran away from a declining domestic supply resulting from less incentive to explore.

However, with the ability to apply the same tax considerations to foreign exploration when domestic exploration became less rewarding, American companies went abroad, carrying domestic pricing with them. Oil producing and exporting nations had little choice but to accept the price schedules the American companies brought with them—and thus continued to encourage the overuse of energy in relation to supply.

EXPLORATION

Let's look at a typical, established oil-producing area. Geologists often call such areas basins because they are centralized areas for the deposits of the sand and mud that when compacted form sedimentary rocks.

When a discovery of oil and gas is made, and it is deemed potentially rewarding enough to develop, a rush of recognition of the new basin follows. Wildcatters, financed by industry and by speculators, pour into the area. Then comes an intensive search. Starting with the first well, we can, in a time sense, graph the exploration history of a typical basin, coming up with a distribution curve that depicts the results of the exploratory surge—a kind of productive score-card which records a peak period of exploratory drilling and, presumably, the development of new reserves. Thereafter, as the search continues, the quantity of drilled wells declines yearly. Eventually it sinks to zero.

We can also graph the oil produced on an annual basis. Putting both curves into a common graph shows how the year of peak production lags behind the year of peak discovery.

These curves remain uncomplicated only when the two main factors affecting them—"Cost of Exploration and Development" and "Reward or Price for the Product"—stay the same. With these factors constant, once a basin and the discovery rate have matured, only a change in these two factors can change the direction of the curve. That's because any grouping of discrete things awaiting discovery tends to respond to the intensity of the search for them.

Consider an Easter egg hunt. Most of the eggs are found fast—until the obvious places are denuded; thereafter the search gets tougher, the number of finds smaller. Discouragement eventually stops the search; a few eggs may remain undiscovered.

This analogy suggests a point important to exploration: (1) to find the more carefully hidden treasures takes much time and effort; (2) people lose interest as the search becomes less rewarding. Still, it is not quite so simple when you're hunting for a natural resource. In oil and gas deposits, for example, we have no inventory; who knows how many eggs originally were hidden by Mother Nature? What's more, the obvious places under one state of knowledge are not the same as the obvious places under improved technology.

Now we are prepared to consider the possibility of increasing our supplies from known, older areas. With increased incentive we can for a time step up the current discovery rate in the older areas, but the advance in techniques is not so great as to assure restoring these areas to their earlier peaks of discovery and production, except in unusual circumstances.

Such circumstances would be the discovery of heretofore overlooked giant or super-giant fields. Of the thousands of oil fields in the world found up to 1971, 85 percent of the oil was in less than five percent of the fields (238 fields). More remarkable: 65 percent of the petroleum (oil and gas) occurs in slightly more than one percent of oil fields—the 55 "Super-giants". (Super-giants: a billion barrels of oil or 3.5 trillion cubic feet of natural gas or more; Halbouty et al, 1970).

Prudhoe Bay, a super-giant field in Alaska, with at least 10 billion barrels of recoverable primary oil, ranks approximately 20th in size in the world. The Greater Ghawar field of Saudi Arabia ranks number one with 75 billion barrels. Kuwait, second in size, has 65 billion barrels. Such super-giant fields can meet the production rates that would enable the U.S. to attain rapid self-sufficiency. But they are decidedly rare. Even giant fields of just 500 million to one billion barrels of oil reserves would help to change significantly the production rate of an older producing area.

Old areas explored more intensely can help to arrest the decline in domestic production from the presently daily 9.8 million barrels of oil and 66 billion cubic feet of natural gas. But this would provide only a brief respite. For even improved cost factors—more sophisticated technology and higher prices—could not avert the inevitable decline in the rate of finds.

If the old areas will not do enough, then we must turn to new areas to satisfy the demands of our advanced industrial society. Only these can provide the required fresh, flush production. These areas exist in the U.S. mainly in the unexplored offshore sectors. Denied these areas (offshore Atlantic Coast, Gulf of Alaska, etc.), the U.S. oil industry understandably has moved abroad.

Now having discussed price and exploration, you can see that we are leading up to the proposition that the U.S. can be self-sufficient in fossil fuels for an interim period until supplies run out—given an unprecedented effort, because geologically the supplies are available.

But becoming self-sufficient in fossil fuels for a short term of 30–40 years does not take into account three gaps: the gap between now and when self-sufficiency becomes a fact; the post-hydrocarbon self-sufficiency gap; and, far more important and dangerous, the gap in usage between the U.S. and the rest of the world. World peace cannot long survive an energy gap between the have and have-not nations. Let us look at the three gaps.

FIRST GAP

The first gap can only be relieved by conservation efforts. These involve price considerations as well as voluntary cuts in usage. The nations of the world, as well as our Federal Energy Office under William Simon, are reluctantly recognizing that higher prices bring on lessing demand. Higher prices also provide the only source of funds for a more intensive exploratory effort domestically.

We may get a temporary respite from the ending of the Arab Embargo, but this will not last because the Arabs have already indirected that at the most they will not go beyond a resumption of previous amounts of oil supplied. Only the fear of military takeover will change this posture, for oil in the ground is worth more than galloping world currencies. Therefore the first gap requires recognition of two things: (1) that the immediate crisis of supply can only be solved by conservation; (2) that we have to relieve this immediate crisis of supply by rapidly increasing our domestically available energy supplies.

THE SECOND GAP

The second gap can only be filled by long term relief from our dependence on fossil fuels which in turn can only be provided by major research and development on alternate sources of energy. And here we are already running into trouble by our one-sided approach to the problem. There seems to be complete capitulation to the use of nuclear fission as the solution, and 90 percent of the research so far authorized by the Congress is in that direction. I, for one, see Dixy Lee Ray and her cohorts at the Atomic Energy Commission as least qualified to determine the direction of energy research because of their open disregard for the problems of pollution and environmental contamination posed by reactors. The containment of plutonium formed in breeder reactors is a frightening problem that has not been squarely faced by the A.E.C. Many nuclear physicisists form a body of opinion that differs with the A.E.C. as to the needed areas of research.

I would like to see a far greater portion of research going into other sources of energy, especially solar, wind, geothermal, coal research and nuclear fusion, which avoid the danger of a polluted world.

THE THIRD GAP

An unresolved energy problem contains the seeds of conflict among nations unsurpassed by any of the so-called causes of conflict of the past. Rivalry between nations for future supplies of oil has already destroyed the international monetary conference. Gold and silver prices are on a runaway spree, having increased 25 percent in the past few days. There is no medium of exchange capable of supplying payment for oil at present world prices of $11 to $17 a barrel and on-the-cuff promises of payment are no good in the face of inflation at unprecedented rates in great part induced by increasing energy costs. Many of the OPEC countries feel that oil left in the ground can only increase in value and are disinclined to increase production rates.

Three Arab nations, Saudi Arabia, Kuwait, and Libya, control 65 percent of the presently known proven oil reserves. They have a combined population of less than 10 million people. Industrial nations dependent upon them, with all the armament capabilities of modern warfare, and not including the U.S. and Russia, exceed 500 million people. Can anyone imagine a cold, heatless European population because they cannot afford the prices demanded by the Arabs?

Among the principal nations capable of self-sufficiency or a large measure thereof are the U.S., Canada, Russia, Great Britain and the Netherlands. By a rapid achievement of self-sufficiency they could eliminate their own competitive pressure for world supplies and might even contribute an excess of supply.

France and Great Britain have already made overtures of direct barter of armaments for guaranteed future oil supplies. Iran, Saudi Arabia, Kuwait and Libya are arming to meet possible take-over attempts from within and without. How much unauthorized take-over messing around by the autonomous CIA (already rumored in Libya) is now in progress?

The situation is a tinderbox. Possible solutions are

(1) Reduction in demand.

(2) Increase in supply.

(3) Self-control on prices by the OPEC.

(4) Major research efforts on alternative energy sources unfettered by special interest considerations now controlling the U.S. effort.

Let us consider briefly each of the above.

(1) Reduction in demand will come automatically with high prices. But prices which are too high may bring on the world debacle we are trying to avoid.

(2) Increase in supply can come about if higher prices are used to increase the exploratory effort. But most U.S. congressmen spend more time looking for scapegoats and ways to prevent increased profits which would normally because of taxes flow into increased exploration.

(3) Self-control on prices has already been attempted by the Shah of Iran and King Faisal of Saudi Arabia. Whether their voices will be heard or whether they can withstand the alternative political demands of their masses remains to be seen. Self-control on prices from the oil-rich developing nations may be politically untenable.

(4) The U.S. research effort has yet to be finally determined. If it can be wrested from special interest groups within the A.E.C., there is hope.

And finally, we have touched on only a few of the thousand-and-one ramifications of the world-wide energy crunch, which you can see in the short term is more political than physical.

As fossil energy declines, are we coming to the nuclear fission age which will destroy us with uncontrollable pollutants? Or, will we be able to plan for a better future—with wind, water, solar, geothermal and nuclear fusion as energy sources?

FAMILY WITH $22,000 A YEAR IS SQUEEZED BY COLLEGE EXPENSES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HANRAHAN. Mr. Speaker, inflation and the high cost of living is making it more and more difficult for Americans to make ends meet. College tuitions and residential fees are soon to reach the out-of-sight level. I believe an article in the Wall Street Journal of May 28, 1974, by Terry P. Brown, which expresses the way of life for one American family, will be very interesting to my colleagues:

FAMILY WITH $22,000 A YEAR IS SQUEEZED BY COLLEGE EXPENSES

(By Terry P. Brown)

WINNETKA, ILL.—"We used to think that if we could get the first two kids through college we could relax a little," says Marty Douds, mother of three. "Now, we aren't so sure."

With a total family income of about $22,000 a year, Mrs. Douds and her husband, Prof. Charles (Chuck) F. Douds, aren't poor by any means. But with one son in college and two daughters approaching college age, the Douds family is currently in the throes of what is coming to be called "the middle-class crisis"—the situation of having to finance the higher education of children in the face of rampant inflation.

"Things weren't so bad when you could count on 3% to 4% inflation a year and a salary raise greater than that," says Mr. Douds, who teaches business courses at Chicago's DePaul University. "The prospect of inflation in double figures and two children in college at the same time in a couple of years is frightening. It's obvious the pinch will get worse."

And so the Doudses are scrimping and saving, making sacrifices, stashing away what they can—and wondering what continued inflation will do to increase future college costs and erode a budget that is in many respects already austere. Certainly the prospects aren't encouraging. "In the not-too-distant future, we could see average yearly college costs of between $6,000 and $7,000," says Byron L. Himelick of the Illinois Scholarship Commission, a state financial-aid agency.

Mr. Himelick adds that "many people are beside themselves now when they think of paying $5,000 a year for college, but most of the prestigious private schools are already well above that."

The major problem, educators say, is that skyrocketing college costs are coincidental with shrinking financial-aid funds. "The crucial issue is finding enough money to award to everyone who needs it," says Alexander G. Sidar Jr., executive director of the College Scholarship Service, an arm of the College Entrance Examination Board. "And these days more people than ever from all income levels need help."

TIGHT SQUEEZE

The prevailing concept, however, is that most of the limited aid available should go to the neediest families. Consequently, it is the middle-income family, like the Douds family, that is often being squeezed the tightest. The Doudses, for example, applied for an Illinois state scholarship for their son, Bryn, but were turned down. "We didn't think we would have much of a chance because of our total income," Mr. Douds says.

In some ways, however, the Doudses (he is 43, she 41) are luckier than many families of similar means, since they learned to scrimp even before inflation turned yesterday's amenities into today's luxuries. In 1965, after working 11 years for a Singer Co. subsidiary as a senior research physicist, Mr. Douds decided to give up what was then a "decent" $13,000-a-year salary to study for his doctorate at Northwestern University. (He had previously earned both a bachelor's degree and a master's degree in physics from Penn State.) From 1965 to 1968, while Mr. Douds completed his course work in the department of industrial engineering and management sciences, the family income consisted of a $3,400-a-year grant from the National Aeronautics and Space Administration. A grant for the same amount of money came from the National Science Foundation in 1969. (Mr. Douds received his doctorate in 1970.)

CUTTING OUT THE FRILLS

During those lean years of study, Marty Douds says, "we were forced to cut the frills out of our budget . . . and we've never put them back." She adds: "We bought most of our clothes at the church rummage sale, and we never went to a movie or ate out. To this day, we may spend $15 a year on liquor and $50 on entertainment." For their own amusement, the Doudses say, they enjoy short spins around the neighborhood on their bicycles (each family member has one) or an occasional trip to an outdoor concert in a nearby park. "We wait for the movies to come on TV," says Mrs. Douds. Adds her husband: "Money and material things have never been major goals for us."

That being said, though, the Doudses have never had any doubts about saving and spending money on a college education for their children, and 15% to 20% of this annual income is put aside toward that end. "We've always felt the kids shouldn't have to live at home when they went to college," says Mr. Douds, "but we all agreed that if they didn't go to DePaul, where tuition would be free, or if they didn't go to one of the state universities, they'd have to work to make up whatever we couldn't provide."

The Doudses' son, 18-year-old Bryn, decided on Knox College, a small, private, liberal-arts college in Galesburg, Ill. Last fall, when Bryn enrolled as a freshman, a year at Knox, including tuition, room and board, and other educational and living expenses, cost $4,800; next fall, it will be about $200 more.

Of the total cost, the Doudes contribute one-third, Bryn himself one-third (he worked last summer as a computer programmer and also took a part-time job at Knox grading calculus papers), and Bryn's paternal grandparents, Charles T. and Ella Douds, supplied the remaining one-third under a policy of matching the funds that their grandchildren earn and save toward their education. (Ella Douds, her son says, inherited "the money that gives them the freedom to do these things.")

Susan Douds, a 17-year-old junior at Winnetka's New Trier East High School, wants to study either architecture or engineering in college but hasn't yet decided where this study will take place. Should she decide on a private school, the cost could well be $5,000 a year. Therefore, during the two-year period when Susan's college career will overlap with that of her brother, the Doudses could well be faced with an educational tab of $10,000 a year; assuming that the children pay one-third and that Mr. Doudses' parents pay another third, this means a balance of some $3,300 for Chuck and Marty. The Doudses' third child, Laurie, an 11-year-old fifth grader, will be in college in the early 1980s.

Bracing for the impending financial drain, Marty Douds, who has a bachelor's degree in political science, went back to work last fall for the first time since the early days of the Doudses' 21-year marriage. She too has a job as a research assistant at Northwestern University, working 20 to 30 hours a week. "I'm not much of a housewife, and I probably would have gone to work when Laurie was older anyway," she says.

The combined salaries of Chuck and Marty Douds total about $21,000 a year; in addition, they receive about $1,000 in interest from savings and from stock dividends. "We haven't been very sophisticated with our money," Mr. Douds says. "We just take a good chunk of the checks every month and put it into savings. We haven't tried to increase our financial leverage, but we haven't been foolish with our money either."

They really can't afford to be foolish. Indeed, the Doudses have found that their commitment to the education of their children—coupled with the rising cost of this family—is causing them to adopt a more austere spending plan than they had envisioned several years ago. Each of their children has a savings account earmarked for college expenses; and, Mrs. Douds says, "a good deal more money (is being put) into the kids' savings accounts" than ever before.

MORE FORTUNATE THAN OTHERS

In one very important sense, the Doudses are more fortunate than other families in similar situations. When the family first arrived in Chicago, Mr. Douds's parents bought them a nine-room, white frame house, turning the title over to their son after he received his doctorate. "Because they did that, we were able to get through those lean years without touching our savings," Mr. Douds says. "This has made the major difference now in our ability to provide for our children."

It also has meant that no money has been necessary for rent or mortgage payments, two outlays that saddle many another family. But even with that major asset, the family has been faced with rising costs attendant to their home ownership—their electric bill, for example, recently went up 11%, and their property taxes have been accelerating by about 7% a year. As a consequence of these and other price hikes, the family has been forced to postpone some purchases and projects and, in general, to take an increasingly restrictive attitude toward nonnecessities. Their house, for example, is over 50 years old and is badly in need of interior refurbishing. Mrs. Douds would like to have the drab, smudged walls painted or wallpapered. She would also like to have carpeting laid upstairs. The project, however, is being put off indefinitely.

"We'd like to fix up our home or buy a new car," Marty Douds says, "But you only have so much money coming in, and you have to put priorities on what you have." She adds: "Right now, education comes first."

The Doudses drive a 1968 Pontiac station wagon, also a gift from Mr. Douds's parents. The body is rusting out and the car goes only about nine miles on a gallon of gasoline; but rather than buying a new car, the family is relying more on public transportation. What's more, Mrs. Douds took a 12-week evening course in automotive maintenance at the local high school last fall and has since turned to tuning the car herself when it's needed. She says she saves $60 to $65 dollars each time through her do-it-yourself efforts, although the payoff won't be realized for several tunings because of an $80 outlay for the necessary tools.

Mrs. Douds says the family hasn't had a "strict budget" for several years, "although I keep a tight eye on our food budget." Every week, she says, she takes on what she calls her "Thursday night assignment"—searching the newspaper food ads for the latest sales, clipping coupons and making out her shopping list. Friday mornings, she goes to six stores, buying only the weekly bargains at each establishment.

"I cash a check for $70 before I leave and never spend more than that," she says. "I stick to my list and avoid any impulse buying." Because of inflation, she says, her weekly food budget has stayed about the same despite one less mouth to feed (with Bryn away at school) and fewer luxury foods like steaks and roasts on the menu.

Although they get less for the same amount of money, "the way we spend our money hasn't changed appreciably since we started a substantial savings program for the kids' education," Mrs. Douds says. The family, she adds, tries to avoid credit purchases and has "no monthly payments on installment purchases or loans." Nevertheless, they do permit themselves the use of an American Express card and gasoline credit cards for what they term their "only luxury": travel. "If we have money left over," Marty Douds says, "we'd rather set it aside for a yearly trip" than for any other extravagance.

POSTPONED LUXURY

This year, however, that luxury is being postponed. The Doudses have canceled a planned summer vacation trip to San Diego because of "gasoline shortages and rising prices." They still have hopes, however, of one day getting to Scotland, a plan that has taken priority over a new car but that is still very much below the cause of education.

"When Bryn was a junior in high school it became a goal to have $5,000 saved up for him before he entered college," Mrs. Douds says. "Susan will have the same thing before she is a freshman, and so will Laurie—although her need isn't as pressing now."

In the final analysis, the Douds family's existence is an illustration of how an income that only a few years ago was more than comfortable has become a bare minimum for a couple oriented toward the value of higher education for the children. It is not—at least not yet—a story of true hardship. Nor do the Doudses see their lives as being lives of hardship.

Says Chuck Douds: "We've purchased very little furniture in the house. But the old furniture, the cracks in the walls and the fingerprints on the woodwork don't disturb me at all—although sometimes we worry because people may misunderstand why we live the way we do."

REDD FOXX LANE IN ST. LOUIS, MO.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MITCHELL of Maryland. Mr. Speaker, it is my pleasure to insert in today's RECORD a copy of an article by Mickey McTague on the commemoration of Redd Foxx Lane in St. Louis, Mo.:

A RED LETTER DAY FOR ST. LOUIS AND REDD

(By Mickey McTague, Jr.)

His real name is John Elroy Sanford. He was born in St. Louis many years ago. And John Sanford—proprieter of "Sanford & Son" on NBC–TV returned to his hometown, April 20th, 1974 to have a street named in his honor, and to perform a fund-raising show at the famed Powell Symphony Hall for his friends, Congressman William L. Clay, License Collector Ben Goins and City Comptroller, John F. Bass.

The day was almost marred by tragedy when one of the workers bringing the signs—"Redd Foxx Lane" suffered a severe heart ailment and died on the spot, just prior to the festivities.

In fact, this instance sort of summed up the struggle Redd Foxx had and other Blacks who attempted to achieve recognition and fame: just as the "festivities" were to begin, something drastic "drags us back."

But the show at Powell Symphony Hall was a sell-out, with Foxx's friends, comedian Slappy White and other performers.

Congressman William L. (Bill) Clay, Democrat of Missouri, brought his Washington friends, Honorable Charles B. Rangel, 19th District of New York and Congressman Louis Stokes, 22nd District of Ohio.

Comedian Foxx reminded all of them that there would be "no streaking on Redd Foxx Lane."

"We were so poor," said Redd to the crowd of adults and teenagers, "I was born on a vacant lot—and then the city made us move."

There were genuine tears in John E. Sanford's eyes as License Collector Benjamin Goins presented a special street plaque to Foxx declaring West Spring Avenue, "Redd Foxx Lane."

West Spring Avenue is a street running in a north-south direction between Finney Avenue on the south and Page Blvd. on the north. It's an area of Saint Louis that once represented at least to some degree respectability and middle-income families, but then came the 20's, the 30's, the Depression and all of the other woes that beset major cities, and the decline began.

Congressman William L. (Bill) Clay placed the ceremony in perspective.

"I can see by this throng of well-wishers," said the First District Congressman from Missouri, "who your real heroes are. They are not the pimps and the black morons who are portrayed on the motion picture screens of today. This is not, nor has it ever been, the true and realistic image of the Black citizen of this country; the so-called Black heroes of Hollywood are as ridiculous as was the shufflin' feet of Stephin Fetchit."

The Congressman went on to say that it was a Red Letter Day for Saint Louis and Redd Foxx; and, particularly for the Black community, which had banded together for unity and community betterment.

Congressman Charles Rangel of the 19th District of New York said ". . . it was good to come and laugh and party and get away from Washington—where half the White House is in prison—and the other half is going."

The Congressman said, "I congratulate your political leaders in this community, and you—the voters—you have superb leaders in John Bass, Ben Goins and Bill Clay. United—we can take and make many stands—and together, there is very little we cannot do in a host of new, different ways."

Redd Foxx's old high school band began to play. The Vashon High School Band marchers strutted up and down Redd Foxx Lane, singing, "We Shall Overcome" and "Glory, Glory Allelulia"—

National press, radio and TV converged on the gathering as John Elroy Sanford, who grew up in the shadows of West Spring Avenue, and hustled the streets to survive a society that would not accept him on his basis as a youth, proudly accepted the street plaque: "Redd Foxx Lane," and said, "The people of Saint Louis have saw fit to honor me with a street bearing my famous TV name. I hope this avenue opens up a two-way thoroughfare of progress and peaceful evolution for this city and this country."

Appearing with Congressman Clay were Comptroller John Bass and Benjamin Goins. Collector Goins saw the occasion as one of joy and hope. "Let this be an unforgetable gathering—where we can look back and say to our children, and their children . . . that the Black Community has assumed its rightful position in politics as a functioning and free body, independent of outside forces and manipulation. We have not only taken the FIRST step together; we are walking TOGETHER into the sunlight of a new dawn of awakening."

When the sun sank over Redd Foxx Lane and the thousands of well-wishers and supporters arrived at Powell Symphony Hall for the fund-raising ceremonies and star-studded show, the ringing phrases of John Bass, Ben Goins and Bill Clay were in the ears for all to hear:

"More than anything, your efforts speak loudly and clearly that we are all stepping to the tune of the same drummer, as we face the grave issues of the community. We believe the people are weary of disunity and are serious in their search for political unity."

That they were.

In the 1973 Comptroller's race, for example, the Saint Louis American Newspaper pointed out on April 26, 1973—

"Although the black wards were outvoted, the pluralities they gave Poelker (Mayor John H.) and Comptroller Bass were enough to overcome the advantages Republicans Joseph L. Badaracco and Fred Whaley (Bass' opponent) achieved in the wards outside the black belt. Although the Black wards only produced about 30 per cent of the vote, Poelker got 84 per cent of it and Bass took 90 per cent."

The article went on to say that the black political leaders were together and the vote they amassed for their candidates brought them victory. This is black power in action and it underscores a theme that we have advocated in this newspaper—to be politically potent doesn't mean that you have to support a black candidate for every office. But it does mean that you support the candidate of your choice; the one who will do us the most good."

Certainly, April 20th, 1974 was a Red Letter Day for Red Foxx, and Bass, Goins and Clay and the citizens of the community.

U.S. CHEMICAL WARFARE POLICIES

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. OWENS. Mr. Speaker, as a part of my attempt to keep the other Members informed of developments relevant to the House examination of U.S. chemical warfare policies, I have on past occasions asked to have certain articles inserted in the RECORD. I think that the enclosed report from Nature magazine, an international scientific journal, summarizes quite accurately the issues which have evolved over the past several months. Without objection, I would like to have this article included in the RECORD for the purpose of informing the other Members of the international view of our activities on this issue. The article follows:

UNITED STATES AT CHEMICAL WAR CROSSROADS

The prospects for international control of chemical weapons could well hang on the results of an intensive review of the United States chemical warfare policy now being conducted by the Nixon administration. It is the first such review for nearly five years.

Begun quietly by the National Security Council (NSC) in December last year, the review is a two-pronged study, first of an impasse which for four years, has prevented the United States from ratifying the most important chemical weapons treaty ever negotiated—the so-called Geneva Protocol of 1925, which bans the first use of chemical weapons in war. And, at the same time, the NSC is taking a close look at the Pentagon's plans to modernize its existing nerve gas stockpiles by replacing them with a new generation of chemical weapons called binaries. According to Administration spokesmen who testified on nerve gas policies before a congressional subcommittee earlier this month, the review should be completed in the next few months.

Meanwhile, Congress is also faced with an important decision in the chemical warfare area, for the Pentagon has already requested approval of funds to begin producing binary weapons at the Pine Bluff arsenal in Arkansas. A decision must be made this summer on whether or not those funds will be approved.

These reviews and decisions are taking place against a backdrop of international negotiations being conducted in Geneva under the auspices of the 26-nation conference of the Committee on Disarmament (CCD), the ultimate aim of which is to negotiate a treaty banning not only the use of chemical weapons in war but also their production and stockpiling. In other words, the goal is complete worldwide disarmament. What happens in Washington in the next few months will be crucial to the outcome of those negotiations.

At present, the official Administration policy on chemical warfare, as outlined by President Nixon in a statement in November 1969, is that the United States will never be the first to use chemical weapons in a war, and that it has renounced entirely the use, production and stockpiling of bacteriological weapons. Coupled with the no-first-use policy, however, is the understanding that in the absence of worldwide chemical disarmament, the United States army needs to maintain extensive stockpiles of nerve gas to deter other countries from initiating chemical warfare or, if deterrence fails, so that the United States can retaliate in kind. For those reasons, some 45 million pounds of nerve gases are now stockpiled in bases throughout the United States, in Johnston Island in the Pacific, and at one location in Germany.

Unfortunately, however, since the United States has never ratified the Geneva Protocol the policy of no first use of chemical weapons is nothing more than a promise, and until the protocol is ratified, United States intentions will never have the force of international law. At present, ratification is bogged down in a dispute between the Administration and the Senate Foreign Relations Committee over the Administration's interpretation of the terms of the protocol. It will be crucial to the outcome of the CCD talks that this impasse be broken.

The nub of the matter is that when President Nixon submitted the protocol to the Senate for approval in 1970, he did so with the express understanding that riot control agents and herbicides are not included in its provisions. In other words, even if the United States government formally ratifies the protocol it would still consider itself free to use those agents in warfare—in fact the United States army was doing just that in Vietnam at the time Nixon submitted the protocol to the Senate. The Senate Foreign Relations Committee argued, however, that the protocol should include all chemical weapons and it is refusing to put the matter to a vote in the full Senate until the Administration backs down from its interpretation.

There the issue has rested for the past four years, but at least the NSC is now taking a close look at the Administration's position. Whether a complete change of mind will ensue from the review is, however, doubtful to judge by statements made by Administration officials who testified before a subcommittee of the House Foreign Affairs Committee earlier this month. Mr. Amos A. Jordan, Assistant Secretary for Defense for International Security, argued that herbicides and riot control agents played a valuable and "humane" role in the Vietnam war, for example, and he said that the Administration's position has not changed.

Failure to ratify the Geneva Protocol is understandably viewed within the CCD talks as a severe stumbling block in the path of efforts to secure a more extensive treaty which would outlaw chemical weapons entirely. Furthermore, a treaty outlawing the production, use and stockpiling of biological weapons, which was negotiated at the CCD talks a couple of years ago, is also held in the Senate Foreign Relations Committee awaiting a final resolution of the Geneva Protocol dispute.

That is bad enough, but according to a number of observers, the Pentagon's plans to develop binary weapons could eventually kill the CCD talks entirely. Binary weapons have been under development by the United States army for the past ten years or more, but they are now coming up for a number of crucial decisions. In short, the weapons consist of two "relatively non-toxic" chemical components which form a lethal nerve gas when they are mixed together. The idea is that they would be kept apart until they are required for use, and they would then be fed into separate compartments in a shell and allowed to mix only when the shell is safely on its way to the target.

The Pentagon's argument for binaries is simple enough. Since the weapons are safe to store, produce and transport, they form ideal replacements for the existing ageing stockpiles of nerve gases. According to official army statements, nerve gas munitions have shelf life of only 15 years, and thus existing stock of filled weapons will have to be replaced by about 1985. Consequently, in September last year, the army began to tout the advantages of binary weapons in public statements and in congressional testimony, and it has now asked Congress to approve a request for $5.8 million to begin production of 155-mm binary-equipped artillery shells. That request is now under consideration—in secret—by a Congressional Appropriations Committee: it is being hinted that the request is running into some trouble.

The binary programme is being opposed by a small number of congressmen concerned chiefly over the possibly damaging effects of a massive new chemical weapons programme on the Geneva CCD talks, and they seem to be picking up some influential support from a few conservatives connected with military affairs—a sign, perhaps, of the way the wind is blowing, is that the House Armed Services Committee recently voted to cut about $1.9 million from the Pentagon's request for research and development related to binaries (this, it should be noted, would be an entirely separate demand from the demand for production funds).

One particularly effective argument, which surfaced during the House Foreign Affairs Committee hearing earlier this month, is that the Administration is now conducting an "urgent review" of the binary programme itself, and that Congress should therefore delay approving the Pentagon's request for production funding, at least until the National Security Council has decided whether or not the Administration is actually in favor of the programme. At present the Congress is placed in the position of deciding whether or not to provide money for a programme which may be killed off by executive fiat at some future date—a situation that would arise only in the highly sensitive region of defense spending, and which gives substance to the view that there is little executive scrutiny of the Pentagon's annual demands before their submission to the Congress.

Although that argument may ultimately carry most weight in the Congress, it became clear during the House hearings that the binary programme could well be in trouble for a variety of other reasons, and that there is a division of opinion actually within the Administration on the merits of pushing ahead with a chemical weapons programme of any varety at the current stage of the Geneva talks. The NSC review of the binary programme will inevitably be subjected to some critical "input" from the Arms Control and Disarmament Agency, which has admitted serious disquiet over the possibility of a probinary decision damaging—perhaps fatally—the CCD discussions. Dr. Fred Ikle, Director of ACDA for the past year, said, under heavy questioning from the committee chairman last week that: "It is my judgment, based on arms control considerations—and this is a personal view—that at this time the pros and cons come out in favour of not going into production (of binaries)".

The military view, as expressed by Mr. Jordan, is that present nerve gas stockpiles "do not fully provide the capability we believe is necessary to adequately support all United States forces in case chemical warfare is used against us. "Binaries," he said, "provide significant operational and safety advantages over any other known approach which could have been selected for modernization."

The situation is therefore the familiar one of the official United States negotiating position being in favour of disarmament, yet at the same time the Pentagon is pushing for a new weapons programme. According to Representative Patricia Schroeder, who attended the CCD talks last year as an official United States observer, "Where many nations last summer simply regarded the United States as having assigned a rather low priority to CCD activities, by mid-March, as the 26 reconvened, one of the more influential western delegates, Dr. Alfonso Garcia Robles, leader of the Mexican delegation, went so far as to suggest that we plan to trigger a chemical arms race."

Another factor which has recently been injected into the binary debate—and one which could ultimately prove decisive—is the potential opposition of Western European governments to the programme. In fact, Mr. Leon Sloss, Assistant Secretary of State for Political-military Affairs, admitted under questioning by the House Foreign Affairs Committee that the binary programme is running into some diplomatic difficulties.

The reason is simple. Binary weapons make sense only if they are deployed in forward positions, ready to retaliate against an aggressor who initiates chemical warfare. In other words, nerve gases stored in depots in the United States would be of little use as quick response weapons against the Soviet Union, and the only place it makes sense to keep the weapons is in Europe. Sloss refused to discuss the subject in open session, but admitted that any attempt to expand nerve gas stocks in Western Europe would run into difficulty.

Some British observers feel that the outcome of all this will be that the Administration will decide that the programme is not worth the diplomatic storm that it may cause and that it will eventually be stopped. But sources on Capitol Hill, while remaining moderately optimistic, believe that the issue is far from decided.

DUKE ELLINGTON

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 29, 1974

Mr. HELSTOSKI. Mr. Speaker, Edward Kennedy "Duke" Ellington, one of the world's greatest musicians and a cornerstone of the American cultural experience, died May 24 at the age of 75. Known throughout the world for the style and the substance of his music, Mr. Ellington made the magic of music come alive for millions.

Incredible as it may sound, Mr. Ellington composed over 6,000 pieces of music in his lifetime, including such American classics as "Mood Indigo," "Don't Get Around Much Anymore," "Satin Doll," and "Solitude." Ralph Gleason, a noted jazz critic and historian, once called him "America's most important composer," and described him as a "master musician, master psychologist, and master choreographer."

Duke Ellington's resourcefulness as a composer was only matched by his brilliance as a conductor. Widely acclaimed as one of the greatest bandleaders of all time, he led an orchestra which played continually for 56 years. In his lifetime, he received countless awards and tributes for his musical excellence, including the Presidential Medal of Freedom.

Mr. Speaker, words really cannot describe the essence of the Ellington experience; for he dedicated his life to creating his own special language—the universal language of one man's music. I would like to take this opportunity however, to salute this man, and thank him for the many fine contributions he made to America.

REALTORS SUPPORT H.R. 10294

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1974

Mr. UDALL. Mr. Speaker, a number of important business and development-oriented associations support the Land Use Planning Act of 1974, including the National Realty Committee, the Mortgage Bankers Association, and the International Council of Shopping Centers.

Today I received a letter of support from the National Association of Realtors adding their support to this legislation. The National Association of Realtors represents some 500,000 real estate licensees and 50 State associations and I am extremely pleased to add their support for this legislation. I think this support reflects the growing realization by responsible elements of the business community of our need for planned, orderly growth. The letter follows:

NATIONAL ASSOCIATION OF REALTORS,
Washington, D.C., June 6, 1974.

DEAR REPRESENTATIVE: The National Association of Realtors, an organization of 500,000 real estate licensees holding membership in 1,630 local boards of realtors and 50 State Associations, is deeply committed to the intelligent use of the land with which we are so intimately involved.

To that end, we have sought the development of sound and reasonable land use legislation, but we have never been blind to the inherent dangers of seeking such an approach. Accordingly, we have expressed, both to the Senate and to the House of Representatives, our overriding concern to preserve the authority of state and local governments to develop land utilization procedures. Accordingly, we have opposed any effort on the part of the federal government to become directly involved in planning the use of private land. Furthermore, we encourage the participation of the public, particularly including representatives from the real estate industry and the business community, in the development of land use procedures at state and local levels.

Last year, the Senate passed S. 268. We believe that S. 268 violates the principle of federal non-involvement in land use decision-making. We also believe that the bill which emerged from the Environment Subcommittee of the House Committee on Interior and Insular Affairs lacked those safeguards.

We are encouraged by Congressman Udall's acceptance of a number of amendments to his original bill. These amendments seem to us to be more consistent with the stated policy on land utilization promulgated by the National Association of Realtors in 1973 and 1974.

We have pursued a course of reasonable compromise in our discussions with Mr. Udall and Mr. Ruppe. As a consequence of these discussions, we support H.R. 10294. We are further encouraged that, when the House considers land use legislation, key sponsors of H.R. 10294 are willing to accept even clearer definitions of the proper roles of the different levels of government and stronger safeguards to protect private property rights.

We are hopeful that the bill will pass and recognize that the acceptance of its key provisions by the House and Senate conferees is essential to the maintenance of the balance which we seek.

Sincerely yours,

Joseph B. Doherty,
President.

DISSOLVING THE SUGAR ACT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DRINAN. Mr. Speaker, 40 years ago, the United States was in throes of an economic crisis. American farmers were destroying their crops in the fields because the cost of harvesting exceeded the value of the crops on the open market. To help alleviate this pressing problem, Congress provided subsidies to farmers and established market quotas in a variety of important domestic agricultural commodities, including sugar.

Today, in 1974, we face a different economic crisis—the skyrocketing cost of living. The Consumer Price Index has risen a shocking 10.2 percent in the past 12 months. To help meet this problem, the outdated network of quotas, subsidies, and price supports, which has benefited domestic sugar producers at public expense for the past four decades, should be dissolved.

Supporters of the Sugar Act claim that the program aids the consumer by insuring low prices. They point out that the world price of raw sugar averaged $9.31 per pound in 1973 while the regulated American price averaged $8.65 per pound. Yet these 1973 statistics are an exception to the economic rule of the past 20 years. In 9 of the past 10 years and 18 of the past 20, the American price of sugar has been higher than the world price.

If foreign producers had free access to the American market in those years, American consumers would have paid less for sugar and the many food products containing sugar. Economic experts expect the world sugar price to resume its customary place below the protected American price in the immediate future. Unless the sugar program is terminated, Americans will again be paying more for sugar than they would in a free market economy.

Another argument frequently advanced in support of this program is that the Government pays nothing to maintain it since money paid out in subsidies to growers is offset by tariff and duty revenues collected on imported sugar. The fallacy of this assertion is that both subsidies and import duties are ultimately paid for by the American consumer. The $90 million doled out to domestic sugar producers each year come out of public tax revenues. Import duties are passed along to the public in the form of higher prices for foreign sugar and sugar products. If we abandon this wasteful program, consumers could buy sugar produced overseas at the lower world price.

The bill reported out by the Committee on Agriculture did provide for changes which would improve the present Sugar Act by reducing subsidies and strengthening the protection of the poverty-stricken workers in this industry. Yet the committee bill retained the structure of import quotas and grower subsidies which keeps the price of sugar at artificially inflated heights.

In addition, H.R. 14747 perpetuated inflationary price objectives bound by a floor without a corresponding ceiling. Finally, the bill eliminated the present excise tax on domestically manufactured sugar while raising the price objective, further augmenting grower income while bringing about an inevitable increase in price to be borne by the American consumer.

Some labor groups have expressed fears that if the Sugar Act is allowed to lapse, the few existing protections for sugar workers will disappear. I strongly support legislation to provide workers in our sugar fields with a fair living wage, decent working conditions, and adequate protection against mistreatment or accident. Such legislation, however, can be enacted on its own merits, without continuing to subsidize sugar growers at public expense. It is time that Congress began living up to its responsibility to stem the spiraling cost of living by giving millions of dollars in sugar subsidies back to the people and restoring the free market in this vital commodity.

HEALTH SERVICES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. STOKES. Mr. Speaker, one of the most important areas of legislative and national concern centers around our system for the delivery of and payment for health services. This is, and ought to be, a matter of the greatest public interest, and attention has increasingly focused upon some form of national health insurance as the best remedy for the defects of the current system.

Many Members of Congress, and citizens who are concerned in this area, are trying to probe the complex professional and economic factors involved in the various national health insurance proposals. Therefore, I am very pleased to be able to submit for the Record the following excellent analysis of the goals and factors which ought to be carefully considered in any national health insurance plan. This analysis was presented by Belle Likover on behalf of the Cleveland Chapter of the National Association of Social Workers at the Northeast Ohio Congressional Council hearings:

Nattional Association of Social
Workers, Inc., Cleveland Area
Chapter

Cleveland, Ohio, May 17, 1974.

Hon. Louis Stokes,
U.S. Representative,
Washington, D.C.

Dear Congressman Stokes: We appreciated the opportunity to be heard at the Northeast Ohio Congressional Hearings on May 10 on the subject of a national health insurance plan.

This letter follows up on your request at the meeting for material comparing the Kennedy-Mills Bill and the Nixon plan. We are sending you a comparative statement, prepared by the Committee for National Health Insurance and distributed by the Americans for Democratic Action, regarding the three major proposals now under consideration. This is the clearest statement we know of the major differences.

As you know from our enclosed testimony, we approve the major thrust of Kennedy-Mills (H.R. 13870), but have reservations about the regressive features of the contributions base, the hardships which the deductibles and co-insurance features will have upon the working poor and lower middle class, the lack of consumer controls, and the free hand given the drug companies and medical care providers in price and fee setting.

At the same time, Kennedy-Mills has more progressive features than the Nixon Bill. In brief these are:

1. The deductibles and co-insurance features are less harsh and costly;

2. The role of the private insurance companies is reduced to that of fiscal intermediaries as in Medicare. However, since their track record is dubious in the latter case, there should be strict controls against profiteering;

3. A single system for all Americans as against the Nixon plan of separate systems for rich and poor;

4. More equitable insurance payments according to income;

5. Somewhat better cost and quality controls (these are actually absent in the Nixon plan);

6. Steps to assure basic reform of the health care system, notably a Health Resources Development Board, which would address itself to issues of health manpower development, geographic distribution of physicians, etc.;

7. Most significant of all perhaps is the fact that unlike the Nixon plan, which is voluntary, the Kennedy-Mills Bill is compulsory.

We urge your support and attention to the issues in our testimony which, if translated into appropriate amendments, could for the first time in history produce a bill capable of beginning to meet the health care needs of all Americans.

Sincerely,

Belle Likover.

Testimony for the Northeast Ohio Congressional Council Hearings

(Prepared for the Social Policy and Action Division of the Cleveland Chapter of the National Association of Social Workers by Ruth Ellen Lindenberg, presented by Belle Likover and Members of the division)

Since the House Ways and Means Committee of which Congressman Vanik is a member, is currently giving attention to the Kennedy-Mills Bill, we would like to address ourselves to this bill today.

We affirm the basic purposes of the Act (1) creation of national health insurance benefits aiming at comprehensive health care for all Americans, (2) modification of the present health care delivery system by adding new provisions for cost and quality control, (3) the development of new health care service capability utilizing national, state and area-wide planning. We are gratified that coverage is mandatory *not* voluntary, and universal *not* categorical. We note also that there is cognizance, unlike in the prior Medicare and Medicaid Acts, that existing facilities and manpower are inadequate to accomplish its purposes and can, indeed, lead to serious inflation of medical care costs unless resource development keeps pace with need and tight fiscal and quality controls are established.

While affirming the basic thrust of Kennedy-Mills, we have serious reservations on several counts:

1. Inadequacy of coverage of the working poor and lower middle class.

While we deplore a means test in principle, we find the proposed means test to be particularly harsh on the lower income person. If one is on public assistance or supplemental security income, he may make out reasonably well. Even the elderly under Medicare will benefit by the addition of unlimited hospital days and out-patient drug benefits. These are gains.

But, what about the family whose income lies between the legislated means test eligibility level ($4800 for a family of four) and the modest but adequate budget standard of the Bureau of Labor Statistics (as of February 1974, $13,190 for a family of four). Can such families handle deductibles and co-insurances up to 25% of the amount by which their income exceeds the means test? $8800 is the cut-off point for any reduction in these deductibles and co-insurances for a family of four. Deductibles and co-insurance for this family would be $1000 if illness is incurred. This is nearly 9% of the family's annual income. (The Bureau of Labor Statistics budgets allows roughly 5.3% for medical expenses for its modest but adequate budget family!)

Or, for example, the $7000 income family. Can it manage the required deductible/co-insurance payments of $550 or 8% of its income? We do not believe they can without serious inroads on food and other essentials or without foregoing medical care.

Let us remember too, that the low income family is generally the family with young children, prone to childhood diseases, sore throats, earaches and the sundry illnesses prevalent in children under 12. While well-child care is provided without deductibles or co-insurance for children under 6, this does not extend to sick-child care nor is well-child care available for the 6–12 year old. If we are truly concerned about the health of our children, this is intolerable. A recent study in Boston of 618 youth examined for a summer work program showed 47% with physical abnormalities, 16% severe. Half of the group with major disabilities and 84% with minor disabilities were found to have had inadequate medical care. Other studies, including the draft rejection figures from the last war, support the conclusion that children in our affluent society do not get the care they need and in fact grow to adulthood with serious correctable but uncorrected defects.

We urge amendments to the Kennedy-Mills Bill to correct the inequities that discriminate against the working poor and lower income family.

II. Cost Controls:

Review of the bill reveals that service fee-setting will be done by "the medical societies or equivalent organizations" subject to specified controls (section 2046). Supervision of drug costing falls under a Formulary Committee composed mostly of physicians. According to the Act prices are listed at the figure at which proprietary drugs are generally sold by suppliers, taking into consideration "reasonable allowances with respect to out-patient drugs and biologicals" (Section 2047). Note particularly that the bill contains no requirement that generic drugs be substituted for expensive proprietary drugs. Indeed, the door looks not ajar but wide open for abuses!

While we can hardly claim to be medical economists, we are keen observers of the many flagrant practices that have arisen in fee charging for services and drugs (gang visits in nursing homes, kick-backs on drugs, etc.) under Medicare. We believe that the bill may fail to provide adequate measures to prevent such abuses.

We also question the role of the private insurance companies under the Kennedy-Mills Act. Past experience substantiates that the "Blues" and other private insurance companies have done little to monitor fees or to institute measures to hold the cost in line. We believe that stringent cost controls, water tight regulations, and severe penalties for violations must be mandated if huge sums of money poured into the medical care system are to be converted to "people" services, not to padding the incomes of medical care providers and insurance carriers.

III. Consumer Representation:

The Act provides for several presumably high level advisory bodies. While the National Health Insurance Resources Advisory Board (Section 1401, 1421) requires a majority of members representative of consumer interests, it appears that physicians and service providers may dominate the influential Health Insurance Benefits Advisory Council (Section 2046) and the Formulary Committee (Section 2047). Lack of consumer representation would seem to be a serious lack. Health care as a social utility should be subject to public priorities, standards, and accountability. Consumer participation can no longer be a gesture, it should be mandated. We urge that the bill be amended to insure this at all levels.

IV. Long Term Care:

While we are heartened by the provision of long term care benefits emphasizing ambulatory and health maintenance services, we are concerned that enrollment is on a voluntary basis. The premium of $6 per month is modest. Yet we have only to remind ourselves that one out of four persons over 65 have an income below the poverty level to realize that this premium prices out individuals who may need coverage the most. We urge that long term care be made available without this unrealistic premium.

V. Role of Social Service in a National Health Insurance:

Medical social services are an integral part of comprehensive health care, directly related to appropriate utilization of medical care at all levels. While the humanitarian concern for helping individuals and families to deal with the economic and social dislocations associated with illness is the primary reason for social services in health programs, these services make a distinct contribution to the economics of medical care. Older persons denied social service planning by default end up in costly long term care facilities. Medical care costs for neglected children mount when contributory social problems are not attended. Hospital days are extended when lack of planning does not prepare patients of all ages for discharge from the hospital.

Contemporary social work with its community organizing, advocacy, and planning skills also has a critical role to play in the planning and monitoring of health care. Social workers speak for a public which they have intimate connections with at times of greatest stress and crisis.

The Kennedy-Mills Bill is silent on the inclusion of social services as a required component in the medical care service spectrum. We recommend that medical social services be included by name in the various benefit packages and defined separately in the list of definitions for all care components. We also ask for provision for payment for services rendered on both agency based and independent practice. In addition, we ask that social workers be represented at all levels of policy making.

VI. Health Manpower:

Section 1417 gives the Health Insurance Resources Development Board the mandate "to provide education for health personnel where there is the greatest need". Physicians rate a high priority and are identified by profession in the bill. We believe that social work manpower also falls into the category of greatest need. We therefore request that the bill be amended to provide for the training for social work manpower and that appropriations be provided for training and student stipends.

We appreciate the opportunity to testify, thank the congressmen of Northeast Ohio for their patience, and urge their help in the passage of a comprehensive, well-rounded health bill.

Dr. Russell Roth, President of the prestigious American Medical Association says (TV News, April 26) there is no medical care crisis. This may well be for physicians' families whose medical care can be secured via professional courtesy, for the drug companies whose profits have ballooned to unconscionable proportions in the last few years, and for doctors who in increasing numbers practice in the lucrative specialties instead of family medicine.

Ask the blue collar worker if there is a medical care crisis. The worker whose family cannot get day to day maintenance medical care because its employment-related private insurance, often as high as $65 per month, does not pay for the out-of-hospital care most families with small children need most. Ask the poverty level family in the inner city whose neighborhood no longer has a doctor and who must utilize our crowded clinics, if such are even accessible by public transportation. Ask the Senior Citizen at this point in time when Medicare currently defrays only 42% of the medical bills of the aged.

The Division on Social Policy and Action of the Cleveland Chapter of the National Association of Social Workers believes there is a medical care crisis and that large numbers of people do not get needed medical care because of cost, inaccessibility, and the insufficiency of physicians interested in general medicine. The Division urges support for the passage of a comprehensive national health insurance program financed by Social Security and general revenue which will provide comprehensive equity, pre-paid medical benefits for all Americans, guarantee cost controls, and assure appropriate professional standards. Its criteria for such a bill are included in today's testimony. We urge that the merit of any proposed bill be judged by these.

Appendix: Position Statement on a National Health Insurance Plan

The Social Policy and Action Division of the Cleveland Area Chapter of the National Association of Social Workers, representing 900 professional social workers, wishes to go on record as supporting a national health insurance program.

To provide for the medical care needs of all Americans, such a plan should:

1. Establish a national health insurance fund, pooling risks and financed by social security taxes and general revenue, without reliance on private insurance.

2. Provide a single track program (a program that does not separate medically indigent from those who can afford to pay for care) of pre-paid benefits without deductibles or co-insurance features to assure comprehensive care for all; health maintenance service, emergency care, diagnostic service, ambulatory care, hospitalization, supportive social services (including transportation), mental health care, home health services, rehabilitation, and medications and appliances.

3. Insure consumer participation at all levels of policy making and monitoring of care.

4. Establish quality of care standards enforced by well-defined procedures.

5. Establish and monitor cost controls through the budgetary process to restrain the mounting cost of medical care.

6. Encourage collaboration among private individual fee for service system, group delivery systems, and public programs.

7. Provide strong incentives for group practice and support for the development of a variety of health maintenance organizations.

8. Establish manpower and education and training programs to insure the availability of health care personnel of all kinds, and the equitable distribution of health personnel among the population in need.

THE MAJOR DIFFERENCES

	NATIONAL HEALTH SECURITY PROGRAM *Kennedy-Griffiths (S-3) (H.R. 22-23)*	COMPREHENSIVE HEALTH INSURANCE PLAN *The Nixon plan (S. 2970) (H.R. 12684)*	COMPREHENSIVE HEALTH INSURANCE ACT *Mills-Kennedy bill (S. 3268) (H.R. 13870)*
Concept	Access to full health services as a right under one program. Universal comprehensive health insurance for all U.S. residents regardless of age or income, including built-in cost and quality controls. Guarantees that all Americans receive the same high-level benefit coverage. Abolishes Medicare, most of Medicaid, and some 19 other governmental programs which provide personal health services and integrates them into the universal plan.	Three programs: (1) Employer Health Insurance Plan (EHIP) requires all employers to offer a basic insurance package for their employees. (Employees may elect not to participate). (2) Assisted Health Insurance Plan (AHIP) requires States to contract with insurance carriers for coverage of low-income persons and high-risk individuals. (Voluntary participation by individuals.) (3) Continuation of Medicare Plan covering those 65 and over with certain modifications. All three plans use private insurance carriers as intermediaries.	Health Insurance as part of the national system of Social Security, similar in structure to Medicare: Two programs: (1) Persons under 65 to be covered by a basic insurance plan financed with increased Social Security taxes. (2) Medicare retained for the aged and disabled with expanded benefits. Both plans use private insurance carriers as fiscal intermediaries.
Financing	Health Security Trust Fund derived as follows: 50% from general tax revenues; the balance from a 3.5% Health Security tax on the employer payroll; a 1% employee tax on the first $15,000 of individual income; a 2.5% tax on the first $15,000 of self-employment income.	EHIP—Employer must pay 65%, 75% later. Employee pays 35%, 25% in three years. AHIP—General revenues subsidize private insurance coverage for low-income and high medical risk persons. Premiums, deductibles and co-insurance adjustment based on income. Medicare Plan—Uses present Social Security tax system and current 1.8% of payroll to $13,200. (.9% employer and .9% employee). Also requires $90 annual premium. Medicaid—Certain state medicaid programs continue. Additional $1 billion annually required in state payments for new AHIP program.	Basic Plan—Individuals pay a tax of 1% on the first $20,000 of income from any source (including welfare benefits). The self-employed pay a 2.5% tax on the same $20,000 income base. Employers pay a 3% payroll tax. Federal and state contributions subsidized cost of covering low-income persons. Medicare—Financed through a continuation of the .8% payroll tax on employer and employee. A new "Part C" benefit package for long-term care to be financed by voluntary individual premiums of $6 a month. Additional subsidy of the long-term care package from state revenues now committed to Medicaid programs and federal revenues. Medicaid abolished.
Administration	Publicly administered program in Department of HEW, five-member, full-time Health Security Board appointed by the President. Ten HEW regions, 100 sub-regions. Advisory councils at all levels with majority of members representing consumer.	Private insurance companies. Medicare retained, Medicaid abolished except for long-term care benefits.	Independent Social Security Administration responsible for collection of taxes and administration of Trust Fund. Contracts with private insurance companies to handle benefit payments as fiscal intermediates. (as in the Medicare program).
Benefits	Benefits cover the entire range of personal health care services including prevention and early detection of disease. There are no cutoff dates, no co-insurance, no co-deductibles, no waiting period. Some limitations on adult dental care, psychiatric care, nursing home care and drugs. Provides pilot project benefit for the chronically ill and aged.	Benefits offered by all three plans for hospitalization and outpatient care would be identical but require extensive co-insurance and deductibles. Only those participating in program covered. Limitations on dental care, drugs, psychiatric care, preventive care, home health services, eye care, nursing home care. Deductibles in EHIP of $150 for all services except drugs with family maximum of $450. EHIP co-insurance of 25% after paying deductible. Maximum family deductibles and co-insurance, $1,500. Deductibles and co-insurance also under AHIP and Medicare.	Present Medicare benefits are retained but expanded to include a limited drug benefit, unlimited hospitalization and a voluntary long-term care program. Basic plan, after deductibles are met, includes inpatient hospital services, physician services, 30 days hospitalization for mental illness, certain preventative services, home health and skilled nursing. No cost sharing for families of four with incomes under $4,800. Reduced cost sharing for families with incomes between $4,800 and $8,800. Families with income in excess of $8,800 pay a per person deductible of $150. Families with incomes in excess of $8,800 pay a co-insurance of 25% on all services until the total of family expenditures for deductibles and *co-insurance* reach $1,000. After that, no further cost sharing is required.
Quality Control	Establishes quality control commission and national standards for participating professional and institutional providers. Regulation of major surgery and certain other specialist services; national licensure standards and requirements for continuing education.	Relies on physician-controlled peer review organizations, i.e., Professional Standards Review Organizations.	Relies on physician peer review organizations. Includes all services not just institutional services. Regulation of major surgery and certain other specialist services. National standards for participating institutional providers.

THE MAJOR DIFFERENCES—Continued

NATIONAL HEALTH SECURITY PROGRAM *Kennedy-Griffiths* (*S-3*) (*H.R. 22-23*)	COMPREHENSIVE HEALTH INSURANCE PLAN *The Nixon plan* (*S. 2970*) (*H.R. 12684*)	COMPREHENSIVE HEALTH INSURANCE ACT *Mills-Kennedy bill* (*S. 3268*) (*H.R. 13870*)
Cost Control	Cost Control	Cost Control
Operates on annual national budget, regional budget, negotiated prospective budgets for hospitals and other institutions, negotiated budgets for HMO's and prepaid group practices and negotiated budgets of physicians in solo practice charging on a fee-for-service basis.	Insurance company premiums to be controlled as they are at present—by "competition" and state insurance commission regulation. Physicians to be paid on fee schedules but may charge patients above fee schedules. Deductibles and coinsurance designed to make consumers increasingly "cost-conscious" so they will not "over-utilize" service and would seek least costly medical services when they need them.	Contains some incentives to improve the delivery system although the effectiveness of cost and quality controls will be substantially weakened by the private fiscal intermediaries.

Source: Committee for National Health Insurance.

NCOA AWARD TO SENATOR JOHN TOWER

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE SUNITED STATES

Friday, June 7, 1974

Mr. THURMOND. Mr. President, recently, the senior Senator from Texas, the Honorable JOHN TOWER, was recognized by the Noncommissioned Officers Association of the United States of America—NCOA—for his outstanding contributions to the legislative affairs of this great Nation.

The 160,000-plus member organization of noncommissioned and petty officers of the U.S. Armed Forces presented their third annual L. Mendel Rivers Award for Legislative Action to Senator TOWER, who is a full-fledged member of that group, the world's largest enlisted military association.

Three years ago, I had the honor of accepting the first award from the NCOA. Two years ago, the Honorable F. EDWARD HÉBERT, chairman of the House Armed Services Committee, received the second award, and I know that Senator TOWER is as proud as Mr. HÉBERT and I to have been a recipient of such a handsome and meaningful trophy.

Mr. President, I ask unanimous consent that Senator TOWER's acceptance speech be printed in the Extensions of Remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH MADE BY SENATOR JOHN TOWER UPON INTRODUCTION AND PRESENTATION OF THE L. MENDEL RIVERS AWARD FOR LEGISLATIVE ACTION AT THE ANNUAL NCOA BANQUET/BALL, APRIL 19, 1974; INTRODUCTION BY MR. C. A. "MACK" MCKINNEY, DIRECTOR OF LEGISLATIVE AFFAIRS; PRESENTATION BY MR. JAMES O. DUNCAN, PRESIDENT, NCOA

Thank you Mack, thank you Jim and thank you my fellow Non Commissioned Officers. I'm of course moved and highly honored that you should present this award to me and I'm sure I must feel pretty much like Bob Barker does. We crossed the paths of Bob Hope in Monterey and VietNam and other parts of this world many times, and I think that it is a singular honor that you pay us both tonight. Long having been associated with Strom Thurmond, Eddy Hebert, and the work of the armed services committees of our respective offices, and having been associated with the man for whom the award is named, L. Mendel Rivers, one of the great patriots of this country, I am highly honored and I really think that I don't deserve it because it occurs to me that you are honoring me for what I consider to be my duty. I have had some rather strong instructions on that by an old chief boatswain who gave me a great deal of advice that I will not relate to you here this evening. I started out in the Navy the way that Bob Barker did, I was a naval aviation cadet. After a period of eight or nine months, the Navy in its infinite wisdom decided they did not want to entrust any of their expensive airborne hardware to my tender care. I washed out ending up as a deck hand on an amphibious gun boat and I have not regretted a minute of it since. I feel particularly honored that you would give this award to a Texan . . . because if my service experience is any guide certainly some of you must think that flaws exist in the credibility of most Texans. . . .

So I know that I have some credibility problems simply by virtue of my native state; however, all these stories about Texans are hypercritical as we are tremendously honest people. A Texan never lies unless it is absolutely necessary. I am really proud to be a part of this organization and to know it is not just concerned with the welfare of its own constituency but is concerned about many things including the defense of the Untied States. We hear a great deal of talk about priorities these days, and we hear enough people suggest that we can't produce both guns and butter, this is erroneous to begin with because we have an economy that can produce both. There are those who say that our priorities should be for human need, that we must lavish federal monies on trying to help the underprivileged and disadvantaged of this country, and indeed my friends we should help those who, due to circumstances beyond their control, cannot help themselves.

We would be inhuman if we thought otherwise. But we should note that as a percentage of our national budget and as a percentage of our gross national products our outlays on defense has gone down steadily over the past few years. Indeed only 30 percent of your tax dollar now goes to defend your country. Some 47 percent goes to what is called human resources. So now that has been established as a priority from the spending standpoint but I must suggest strongly to you, my friends, that the defense of the United States, the security of the United States is, and must be, our number one national priority. You cannot have a free society, you cannot have an influential society and you certainly cannot have a society that is capable of looking to the needs of those less privileged among its citizens . . . if you do not first have a secure flag . . . we have no design on the territories or the people of the areas of the world.

We want to defend ourselves, to deter anyone who might have aggressive designs on the United States, and further, we want to create a climate in the world in which all people can aspire to self determination . . . and then have some reasonable hope of realizing that aspiration. It is essential that we maintain a military strength that is at least at parity with that of the other great super power, the Soviet Union. If we allow ourselves to slide into a position of military inferiority to the Soviets, this is what would happen.

Other nations of the world no longer are confident that the United States can provide a strategic umbrella to protect them. That the United States in a position of military weakness can no longer honor its commitments, when the United States can no longer maintain a credible military presence in other parts of the world then they will seek to make their own accommodation with the Soviets and ultimately there will not be two super powers of this world, there will be only one and it will be able to impose its will on this earth without ever firing a shot. They won't need to, because they can and will embark on political and economic adventures. They can intimidate and they can threaten because there is no one to stop them. We would eventually find ourselves isolated and we are not a self sufficient nation any more. We are dependent on others and we must maintain some political and economic influence in this world, in our own national interest.

Once having been isolated and seeing the economy of the world dominated by what is hardly a benevolent super bomb, we would find ourselves steadily deteriorating in the terms of the possession of resources necessary to elevate the condition of our people to bring up those who are low on the socio-economic scale or to maintain the high standard that most of us have come to enjoy. This very subject of why the security of the United States is our number one priority must also equate with the security of the free world. I am so glad that there is an organization like us that is dedicated to that proposition. I am proud to be a part of you; you honor me too much and I thank you so very much for allownig me to sit at your table.

THE 50TH ANNIVERSARY OF THE CLARKE-McNARY ACT

HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. GOODLING. Mr. Speaker, I take pleasure in joining with my colleagues of the House Subcommittee on Forestry in recognizing June 7, 1974, as the 50th anniversary of the Clarke-McNary Act.

A very important but little known provision of this act permitted private owners to donate forested lands to the Federal Government. These donations were added to various National Forests.

Under this provision, 355,000 acres of forested lands have been dedicated by public-spirited individuals for multiple use purposes to be enjoyed by all people.

NEW YORK STATE SUPREME COURT JUSTICE CHARLES J. GAUGHAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. KEMP. Mr. Speaker, Supreme Court Justice Charles J. Gaughan, a good friend, distinguished jurist, and highly respected State leader died recently.

His long and accomplished career spanned more than 30 years, having served as Hamburg supervisor and assistant district attorney before becoming a county judge. His 11 years as a county and supreme court judge earned him a reputation as a diligent worker and fairminded adjudicator.

His passion for work and devotion to the community led him to help organize a committee of town officials in 1961 which accomplished the first major revision in the State's town law since 1933. As an innovator, Judge Gaughan also played a major role in organization of the pioneering traffic violators school for Erie County.

While the death of Justice Gaughan will leave a very real void in the hearts of all New Yorkers who knew him, it is indeed all of New York State that will miss him.

One indication of the Gaughan legacy rests in the fitting tributes paid him by all New Yorkers. Bob Curran, writing in the Buffalo Evening News, spoke eloquently about the Gaughan legacy—a family imbued with innate class—show in the tender and thoughtful way they chose to say goodby for now to their beloved brother.

Bob Curran's eulogy follows:

THE GAUGHAN LEGACY: LOVE, HONOR, CLASS

(By Bob Curran)

On more than a few occasions when the talk has turned to the Kennedys as being the first American-Irish family, I dissented and said: "My vote would go to some bunch like the Gaughans right here in Western New York."

Then I would add something like: "Look at the record. Frank made deputy police commissioner, Vince is one of the influential Western New Yorkers on the Washington scene and is responsible for the Father Baker Bridge being so named, Charley's a State Supreme Court justice and Larry's a successful oral surgeon. Of course, Marie deserves a medal for just being the only girl in that family.

"Keep in mind that their father, Joseph Gaughan, was a scooper on the waterfront, not a multi-millionaire. And every one of the kids were raised in the First Ward. I rest my case."

I was mulling over that declaration Wednesday when five words jumped from Judge Gaughan's obituary. They were, "foster brother James V. Speciale."

Perhaps the story of why James V. Speciale was on that list tells more about the atmosphere in which the Gaughans were brought up than any other story I have heard. The last time I was with Charley and Vince Gaughan was the night in January when Vince threw a party at the Buffalo Club for Democratic Majority Leader Tip O'Neill.

Among the other guests there was Jim Speciale. When I asked about his link to the family, I was told: "Oh, he was another nonrelative raised in the house. He was about 9 when his mother and father died and he just came to live with us." That kind act of Mary and Joseph Gaughan was made to sound like something everyone would do in a similar situation.

The other man in our group that moment was Dr. Herb Lee, who came to live with the Gaughans after his father died and his mother was obliged to move away from the area. Not too long after he joined the family, he and Vince became members of the Buffalo Police Department. It wasn't until after W.W. II that they could afford college.

When the police department was mentioned, both Vince and Herb broke up and it was minutes before Vince could tell what the joke was about. It seems that one time Vince told his mother that he couldn't pay his weekly board as the mayor had neglected to sign the officers' checks. Vince then neglected to tell Herb, who produced his board money as he did every week.

As they began talking about the old days, I began to get homesick for my big family. It seems that throwing water on friends and strangers alike was the big gag among the boys, and more than once Marie answered the door to find that her date of the evening was completely drenched, although there was no rain anywhere else on the street.

Another time Vince set what he thought was the perfect ambush for Herb. But just as he let the water—a pail's worth—fly, he saw that his victim was dressed in his (Vince's) new tuxedo, "my pride and joy." Somehow it reminded me of the time an older brother said, "Take my new belt off." My answer was: "If I do, your pants will fall down."

Among American-Irish, one of the finest compliments you can give a man is to say, "He is one of us." I've had it said to me by men whom I didn't want to be one of and vice versa. But I knew from the first that the Gaughans were people I wanted to know better.

Our first meeting came on the night before Independence Day in 1967. The former Mary Sullivan had come here to help shop for a house and arrived as the riots of that summer were at their peak. At that moment she would have made Glenn Dickey come on as a Buffalo booster.

Then Herb Lee, whom I had gotten to know in the month I had lived here alone, told us he wanted us to come to a Fourth of July bash at some friends' house. The friends were Marge and Vince and at different points during the night, we met the other members of the family.

After that I would run into Vince and Charley a lot. Whenever I did, my day was a little better for it. Just the mention of the name had made me chuckle, and I am sure it was because of their warm outlook on life.

Of course neither I nor anyone else saw Charley during the moments that he told Vince about one day. "Whenever I am faced with a difficult decision on the bench on sentencing day," he said, "I kneel down alone in my chambers and ask God to guide me on the right course. I can't tell you how many times I have gotten out of bed at night to kneel and pray that God would direct me to a just decision."

On the Mass cards distributed at the funeral Mass this morning were these words, "O Lord, God, who judges all men, remember your servant Charles, who constantly appeals to you for guidance.

"Remember also his mother and father whom he loved so dearly."

And who left him and the others raised by them a priceless legacy—an abundance of innate class which they showed in the tender and thoughtful way they chose to say "goodbye for now" to their beloved brother today.

The Buffalo Evening News also conveyed a part of Judge Gaughan's life in the following eulogy:

CHARLES GAUGHAN IS DEAD; A JURIST HERE FOR 11 YEARS

Supreme Court Justice Charles J. Gaughan, 52, died early today in Buffalo General Hospital after suffering a heart attack Tuesday in his Hamburg home.

A native of Buffalo's old First Ward, Justice Gaughan was a self-made man who worked in steel mills and put in a World War II hitch in the Army before embarking on a legal career.

He was a Town of Hamburg supervisor and justice of the peace and an assistant district attorney for 4½ years before he became a county judge in 1952.

During his nearly 11 years on the County Court and State Supreme Court bench, he built a reputation as a hard-working jurist who could trim down overloaded court calendars in a hurry.

He frequently left his own Courtroom to help out in critical judicial areas. He was detached for duty in the New York City area at times in other Western New York counties.

He also helped out with the welter of litigation stemming from the 1971 Attica Prison uprising.

He currently had been under serious consideration by Republicans as a running mate for Gov. Malcolm Wilson in his bid for reelection in this year's state election.

Justice Gaughan was born Sept. 28, 1921. His father, the late Joseph P. Gaughan, was a waterfront grain scooper.

"I grew up in a realistic neighborhood," Justice Gaughan later recalled. "In the First, Second and Third Wards in South Buffalo, you faced reality and you had to battle a lot."

He and his three brothers worked their way to distinguished careers in different fields. A brother, Dr. Lawrence A. Gaughan, is a dentist, Vincent M. Gaughan, an attorney, has risen to a high place in national political circles. He gained wide recognition as a top trouble-shooter for the late President John F. Kennedy.

A third brother, Francis P., became a deputy commissioner in the Buffalo Police Department, retiring in January, 1971.

Charles Gaughan was a bantamweight football player and trackman at South Park High School and also became a top-notch debater before his graduation in 1940.

He then went to work as a timekeeper at Worthington Pump Corp., and became a laborer for Bethlehem Steel Corp. in 1941.

"I weighed 155 pounds when I went to work in the mills," he recalled, "and I hit 159 before I left and there was no fat."

As a steelworker, he was part of the construction gang for building of Memorial Auditorium. He also started work for a degree as a part-time Canisius College student.

He was thinking about a medical career when he entered the World War II Army in 1943. He was discharged as a sergeant in 1946 after service in the Medical Corps. He said his experience as a medical corpsman turned his interest away from medicine and toward law.

He enrolled in the University of Buffalo and in a whirlwind scholastic career earned his bachelor of arts degree in a year and 8 months.

He was graduated from the UB Law School in 1950 and admitted to the bar in 1951.

Throughout his college career, he worked to pay his expenses.

Meanwhile, he had taken on the responsibilities of a married man, marrying the former Mary Louise Bauer in 1943.

In private practice, he specialized in criminal law. Between 1952 and 1958, he put in a 4½-year stint as an assistant district attorney.

He was a busy assistant DA, doing much of the City Court and town justice court criminal trial work.

He was elected a Hamburg justice of the peace in 1963. Two years later he won election as Hamburg supervisor, at a time when a supervisor was a county legislator as well as an administrative officer.

In 1961, he helped organize a committee of town officials which drafted the Suburban Town Law passed by the 1973 Legislature, the first major revision of the state's town law since 1933.

He also helped organize and headed a committee of town and municipal representatives which settled tax equalization disputes in the county.

He also was an innovator as a judge, playing a major role in organization of the pioneering Traffic Violators School for Erie County.

On May 1, 1963, Gov. Rockefeller named him County Court judge. When he failed to win Republican organization endorsement for election to the court post that fall, he ran as an independent, winning the GOP nomination and later the election.

On Nov. 25, 1968, Gov. Rockefeller named him to the State Supreme Court. He won election the next year to a full 14-year term.

On both the County and Supreme Court benches, he was known as "a worker." He handled many difficult cases, including a drawn-out litigation over reapportionment of Chautauqua County. It ended last March when Justice Gaughan accepted a final apportionment plan for the county.

Last January, Justice Gaughan was named administrative judge of the 8-county Eighth Judicial District. The job entailed assignment of judges, even though he continued his duties as a trial judge.

Justice Gaughan was affiliated with a long line of fraternal, civic and professional organizations, many of them related to the legal profession and judiciary.

Among his favorite outside activities were as a trustee of Kencore Mercy Hospital and a member of the Men's Club of Emergency Hospital. He was on the Advisory Board of the Columbian Sisters.

Justice Gaughan described himself as "a very sentimental man" and on special occasions he often showed his emotions.

He said his hardest judicial role was passing sentence. He made this comment on that duty:

"No more awesome responsibility can fall to any human being than to sit in judgment of his fellow man. Scriptures admonish us: 'Judge not, lest you be judged.'

"To the members of the judiciary, it might be better said: 'Judge well, lest you be judged harshly.' "

FIGHTING FOREST FIRES

HON. JOHN MELCHER

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. MELCHER. Mr. Speaker, I would like to remind my colleagues that while the mills of the gods grind slowly they are very effective.

For example, the Clarke-McNary Act of June 7, 1924, had its genesis in a speech made in 1873 in Portland, Maine, by a physician, a Dr. Hough. He spoke on "the duty of governments in forests." His plea did not receive recognition until passage of the Clarke-McNary Act 51 years later.

Since that date in 1924, fire protection has been extended to more than 600 million acres, a great achievement, but we must not rest on our oars. There still are some 40 million acres scattered in a dozen States that do not receive fire protection of any kind and we are not at all liberal in Federal cost sharing for it. Costs are being shared 86 to 14 percent—with States and local communities carrying the 86 percent.

We need to get on with the task of protecting the remainder of the Nation's forest lands and sharing expense liberally enough to provide efficient, modern firefighting equipment, and manpower.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 41

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. HARRINGTON. Mr. Speaker, the American Enterprise Institute for Public Policy Research's legislative analysis of the Federal Oil and Gas Corporation is an excellent contribution to the growing amount of literature on the subject.

The analysis includes some instructive comments about the role the Federal Oil and Gas Corporation would play in determining actual energy production costs and in making information about the energy industries available to the consumer.

I would like to bring to the attention of the Congress an excerpt from the institute's analysis, the text of which follows:

ISSUE OF THE COSTS OF EXPLORATION

Industry economists, government sources, and academicians do not always agree on the cost of natural gas and oil exploration, development, and production. Proponents of the FOGCO argue that this situation is the result of unwillingness—for business reasons—on the part of the petroleum companies to share information with their competitors and with agencies of the government. Lee White of the Energy Policy Task Force stated, however, that the "public's need to know what is going on . . . is paramount to private business requirements." Critics of the petroleum industry argue that the cloud of secrecy under which the industry operates limits competition. However, according to Senator Abourezk, the FOGCO would provide a much-needed independent yardstick by which to measure profits, costs, and production techniques. Instead of relying upon the artifically-based posted price, the consumers of this nation would be able to look at *true cost figures*. The provisions of this bill make such disclosure mandatory. No longer will the oil companies be able to hide behind their secret cost figures. No longer will the Administration reproduce company data. An opportunity for exact measurement of the cost of oil and gas production would be created by this legislation.

In an effort to compile accurate records with respect to the actual cost of the wide range of activities involved in natural gas and oil development and production, the FOGCO proposal provides that the corporation would be subject to full regulation by the FPC and FPC pricing techniques.

PROPOSED AMENDMENTS TC THE LAND USE PLANNING ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. UDALL. Mr. Speaker, the sponsors of H.R. 10294, the Land Use Planning Act, plan to offer a package of amendments to the bill on the floor this week. These amendments are the result of various concerns expressed both at the recent hearings in April and by various organizations and Members who, while supporting the basic concepts in H.R. 10294, felt the need for clarification of the legislation in certain respects. These amendments are the result of various concerns expressed both at the recent hearings in April and by various organizations and Members who, while supporting the basic concepts in H.R. 10294, felt the need for clarification of the legislation in certain respects. These amendments are an effort by the bi-partisan sponsors and other Members to meet the legitimate concerns expressed and to clarify the intent of this legislation.

The amendments deal with the issues of first, Federal control, second, State and local government involvement, and third, private property rights.

FEDERAL CONTROL

A number of amendments clarify the intent of the sponsors that the Federal Government will not exercise any authority over State and local land use decisions. An amendment to section 106(d) (2) makes this crystal clear. Also, any possibility of such Federal control will be removed by deleting the provisions which would allow the Secretary to deny grants if a State failed to designate areas of critical environmental concern of more than statewide significance.

LOCAL GOVERNMENT

A number of amendments will clarify the relationship between State and local government in the land use planning process. It is not the intent of this bill to change in any way existing State law and to mandate any particular allocation of authority in this area; any changes the people of a State desire will be a matter for State, and not Federal, legislation. Another amendment to be offered will clarify the intent of the legislation that matters of merely local concern will continue to be dealt with by local government.

PROPERTY RIGHTS

While the bill's sponsors are perplexed that this continues to be controversial, an amendment will further clarify the fact that nothing in this legislation can in any way affect property rights as defined by the United States and State constitutions and laws.

OTHERS

Several amendments will be offered which: clarify the extent of regulation required in areas impacted by key facilities, affecting large scale developments and which encourage States to streamline their permit procedures affecting such developments. These amendments are constructive efforts to deal with problems raised by various business and real estate interests.

The amendment follows:

AMENDMENTS TO H.R. 10294, AS REPORTED

Page 27, strike out line 2 and insert in lieu thereof the following:

cost of shelter for people of all income levels; and

(c) the authority to manage or regulate non-Federal lands rests with the several States and their political subdivisions, and that general purpose local governments should continue to have the responsibility for making land use decisions which have no significant effect outside their jurisdictions.

TECHNICAL AMENDMENT

Page 24, line 20, immediately after "environment;" strike out "and".

Page 27, strike out lines 12 through 19 and insert in lieu thereof the following:

and future generations of Americans can be met, to use all practical means to encourage and support the establishment by the States—

(a) effective land use planning and decisionmaking processes that assure informed consideration, in advance, of the environmental, social, and economic implications of major decisions as to the use of the Nation's land and that provide for public education and involvement in such processes; and

(b) simplified and expedient decisionmaking with respect to review and approval of proposed development of land subject to a State's comprehensive land use planning process.

Page 28, after line 25, insert the following:

(d) The Secretary also is authorized to make additional annual grants to any State for the purpose of developing under its comprehensive land use planning process a procedure to simplify and expedite the processing of permits, licenses, and other governmental decisions that serve as prerequisites to proposed development activities.

Page 30, strike out line 19 and insert in lieu thereof the following:

relevant factors, each given such weight as the State may determine:

Page 32, strike out lines 20 and 21 and insert in lieu thereof the following:

land use decisions in such areas, which policies and criteria shall take into consideration (and be given such weight as the State deems appropriate) at least—

Page 34, strike out line 7 and insert in lieu thereof the following:

use, and storage of energy and energy resources; and

(j) development (to the extent States elect to regulate), of explicit substantive State policies to guide the use of land in areas which are or may be impacted by key facilities and for large-scale development, and explicit standards for applying the States' policies to land use decisions with respect to such key facilities and large-scale development.

TECHNICAL AMENDMENT

Page 32, line 16, strike out "and".

Page 35, strike out lines 8 through 11 and insert in lieu thereof:

(d) control the location of key facilities and major improvements and access factors of key facilities, and consider the use of land in areas which are or may be impacted by key facilities;

Page 35, line 12, strike out "control" and insert in lieu thereof "consider the impact of".

Page 37, strike out line 16 and insert in lieu thereof the following:

portunities within the State; and

(l) assure that all administrative processes, by the State and by local governments, for the consideration of proposals for development, shall be conducted and decisions shall be arrived at in a fair and reasonably uniform and expeditious manner, and shall include requirements to assure—

(1) the establishment of rules of procedure and practice to promote fair hearings and the disclosure of the precise reasons for decisions based on the record made only at such hearings or upon other public records,

(2) the maintenance of records sufficient to provide complete public information on the policies and procedures governing land use development, and

(3) the establishment of a system designed to—

(A) avoid, to the maximum extent feasible, multiple or duplicative hearings by, and multiple or duplicative permits from, State and local agencies on a single proposal for developments;

(B) assure that deadlines imposed by such agencies for the preparation and submission of permit applications and related materials are reasonable; and

(C) assure that decisions are rendered by such agencies as promptly as possible consistent with an adequate review of the record.

TECHNICAL AMENDMENT

Page 37, line 13, strike out "and".

Page 37, line 25, immediately after "(b)" insert "The allocation of responsibility between the State government and its political subdivisions for the development and implementation of the State land use planning process shall be determined by State law."

Page 39, strike out line 11 and all that follows down through and including line 2 on page 40 and insert in lieu thereof the following:

(b) Nothing in this Act shall be construed to—

(1) permit a Federal agency to intercede in management or regulatory decisions within the framework of a comprehensive land use planning process;

(2) authorize or permit the Secretary to manage or regulate non-Federal lands, through the issuance, approval, or disapproval of substantive State land use policies, standards, or criteria, or as a condition of eligibility for grants under this Act;

(3) enlarge or decrease the authority of a State to control the use of any land owned by the Federal Government within the State, or of any land located outside the State;

(4) enhance or diminish the rights of owners of property as provided by the Constitution of the United States and the constitution and laws of the State in which the property is located;

(5) require or encourage States to intercede in land use decisions of purely local concern; or

(6) Present a State land use planning agency from adopting a land use control plan that uses methods other than zoning for any area under its jurisdiction, and the use of such methods shall not in themselves prevent approval for purposes of eligibility for a grant by the Secretary.

Page 41, strike out lines 12 through 21 and insert in lieu thereof the following:

(d) Prior to making any further grants after the five complete fiscal year period following the enactment of this Act, the Secretary shall be satisfied that the State has established a comprehensive land use planning process and is implementing it under the provisions of this Act.

Page 87, line 18, strike out "title I" and insert in lieu thereof "section 103(a)".

Page 87, immediately after line 21 insert the following and renumber the succeeding paragraphs accordingly:

(2) for grants to the States under section 103(d) not more than $5,000,000 for each of the three complete fiscal years occurring immediately after the date of enactment of this Act;

Page 92, strike out line 17 and insert in lieu thereof the following:

and intertidal areas, salt marshes, wet lands, or beaches; or

(g) as preventing or delaying any State or local government from receiving any Federal financial assistance to which it otherwise would be entitled prior to a finding, pursuant to section 108 of this Act, that the State has established and is implementing a comprehensive land use planning process.

TECHNICAL AMENDMENT

Page 91, line 15, strike out "or".

Page 93, line 2, strike out "shall" and insert "may".

Page 94, strike out lines 14 through 19 and insert in lieu thereof the following:

(d) The term "general purpose local government" means any general unit of local government as defined by the Bureau of the Census.

SOUTH AFRICA'S SUGAR QUOTA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. DRINAN. Mr. Speaker, in 1911 the Congress abrogated a commercial treaty with Russia because of its oppressive treatment of its Jewish minority. Last December this body voted overwhelmingly, 319 to 80, to deny favorable trade conditions to the Soviet Union unless it allows free and uninhibited emigration for Soviet Jews.

The animus underlying those two actions is rooted in a common concern: that the United States must not place its power and prestige behind those regimes which maintain discriminatory policies toward their ethnic minorities. The amendment to the extension of the Sugar Act, presented by the gentleman from Maryland, raised those same considerations. I ardently supported it.

It was proposed that the sugar quota assigned to South Africa under H.R. 14747 be eliminated. The thrust of the amendment was to deny economic benefits to a country which practices the most malignant form of racial discrimination in the world, and unspeakably enforces minority rule against that black majority. Support for this amendment would have prevented the imprimatur of the United States from being placed upon those policies, which are well known to each of us and need not be recited. I doubt if there is anyone in this Chamber who would defend them.

What then was the nature of the opposition to the Mitchell amendment? It was said that its adoption would harm the black sugar owners and workers of South Africa. After all, the argument ran, the profits from sugar sales of the

United States would be distributed among blacks as well as whites.

If the facts showed that blacks would receive substantial benefits from continuing South Africa's sugar quota, I might have been persuaded to vote for it. Or if I thought that a more limited restriction, such as allowing sugar imports only from South African companies which treat their employees fairly and without discrimination, would hasten the end of apartheid, I might have considered supporting that proposal.

But the facts are otherwise. Black ownership of sugar plantations in South Africa represents a fraction of the industry. Black workers of white owned plantations are paid outrageously low wages, and labor under deplorable conditions. Additionally, South African sugar exports to the United States are a small part of their total sugar exports. Nor would our domestic sugar market be adversely affected because many other sources are available to us. In short, there were no significant economic interests at stake, either to the American consumer or to South Africa.

Consequently the issue came down simply to whether this House, by approving a sugar quota for South Africa, would lend its weight to the egregious policy of apartheid. Rarely is the moral question so sharply drawn. I was greatly disappointed that before the House voted down final passage of the Sugar Act amendments, it refused to take this positive stand against South African racism.

WATERGATE TAPES

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. OWENS. Mr. Speaker, editorial comments on the President's refusal to turn over any more Watergate tapes or transcripts have appeared throughout the country. KSL, a television and radio station in Salt Lake City, recently carried a comment on this topic. It expresses so well the feelings of so many, that I would like to share it with the other Members.

The editorial follows:

[KSL AM–FM–TV EDITORIAL]

PRESIDENT NIXON, THE TRANSCRIPTS AND THE FUTURE

The White House has indicated that no more Watergate tapes or transcripts will be released. The President says the House Judiciary Committee has all the material it needs to conclude its inquiry and that it is time to put Watergate behind us.

KSL is among those who wish Watergate were behind us now—today. But it will be with us until the reasonable doubts about gross misconduct in high places have been resolved. Such doubts are now expressed in persons or institutions traditionally close to the President.

The best and quickest way to put Watergate behind us is for the President to do what he has promised to do but not yet done—cooperate fully with the House Judiciary Committee. Until he does so there will be a reasonable doubt that he has something to hide.

It is not fitting that the President should dictate which of the documents in his possession dealing with the public's business may be used in determining his guilt or innocence of the potential charges against him. Watergate must be resolved in the American way and American law calls for the best evidence available. If justice is to continue to demand respect in our society, we cannot have the example of the chief executive inventing a legal system to clear himself.

KSL believes the American public will, and perhaps should, forgive this or any other President for indiscretions or even minor excesses of office. What is alleged in Watergate is far larger than that.

CIVIL LIBERTIES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. STOKES. Mr. Speaker, I wish to take this opportunity to bring to the attention of my colleagues an event that reflects a growing attempt by some to suspend the rights guaranteed all Americans by the fourth amendment.

The dangerous "stop-and-frisk" tactic used against black citizens by the San Francisco Police Department in its effort to apprehend the so-called Zebra killer(s) was illegal and has been deplored by civil libertarians throughout the country.

The recent scandals within the executive branch of Government have shown that corruption within a society eventually emerges at its highest levels. The immorality of a political system has brought the Nation to the brink of dictatorship.

Fortunately, the conscience of many Americans was awakened before it became to late. If we are blind to these new threats and ignore this further attempt to bend the rules of justice because Americans are apathetic toward the rights of minorities, we will one day awaken to a police state, and, certainly, then it will be too late.

Mr. John Robinson, a Boston Globe staff writer, has written a most perceptive article addressing the frightening meaning of this law enforcement policy. Accordingly, I submit it to the RECORD and urge its closest consideration by all concerned Members of Congress:

SAN FRANCISCO SETS DANGEROUS PRECEDENT IN STOP-FRISK POLICY

(By John Robinson)

Twelve white persons have been killed and six others wounded in the last five months in San Francisco. The crimes appear to be random attacks. There is evidence that the assaults are connected and that they are the work of one man, possibly more. Survivors have described a black man in the 20–30 age range as the assailant. City officials have ordered police to stop and search black male citizens on the streets and have asked for cooperation and understanding. The city has a problem and is attempting to solve it at the expense of men's civil liberties, as if these rights were things to suspend and reinstate according to whim and circumstance.

San Francisco has established in this policy a very dangerous precedent, one that other police departments across the country may find irresistible—and much easier to get away with because the ice has been broken in the Golden Gate City.

San Francisco's stop and search policy is the result of political pressure to do something about the so-called "Zebra" murders. When faced with wanton and brutalizing crime, citizens don't want reason or respect for rights; they want action and they will settle for the appearance of action in the absence of arrest.

They do not prescribe the specific means of law enforcement in special cases such as the Zebra slayings. They leave the prescriptions to their elected and appointed officials and they will tolerate many unwise practices as long as the majority is not affected by them. It is usually, but not always, the liberties of minority groups that suffer under this arrangement but everyone's rights are jeopardized when governments begin to respond to troublesome matters in the way San Francisco is doing.

The Zebra crime stopper technique may seem remote to us in New England and perhaps none of our business. But Boston and San Francisco are thought to be close in civility, respect for one another's rights and thoughtful public policy (let's leave the nasty little busing squabble aside for the time being) and California is often the crucible from which mores, styles and methods emerge to serve the nation.

America is becoming a Pacific culture. The winds are from Sausalito, Nobody, except maybe Bostonians, care how society moves in Boston, or what directions society here takes because Boston represents the past. The West, however, is the future. California has pointed the way toward the drug revolution (Haight-Ashbury), black rebellion (Watts, Black Panthers), student protest (Berkeley) and sexual freedom (topless, bottomless lads and lassies serving tequila sunrise cocktails and abalone). We are always in danger of being seduced by what has been tried in the Golden state and the suspension of liberties to fight crime is no different.

The Zebra-inspired stop and frisk policy is not unfamiliar to black people whose rights, after all, have often been considered expendable. Nor is the San Francisco dragnet new. It does, however, introduce a new element which makes it particularly dangerous: official sanction in the name of law and order.

That the victims of the current suspension of liberties are black makes the San Francisco affair a sorry exercise in racist dictatorship. If men are willing to die for their rights, and many are, then it seems an irony that guaranteed rights are being set aside because men are being killed. The Zebra killings are damnable but so too is the flogging of black men's rights.

THE LATE HONORABLE CHESTER A. MERROW

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1974

Mr. FISHER. Mr. Speaker, I join with my colleagues in paying deserved tribute to the memory of the late Chester Merrow of the State of New Hampshire. Chester came to Congress when I did, in the 78th. He served with much distinction until he voluntarily retired in 1962.

Always affable, friendly, and a perfect gentleman, Chester Merrow gained a host of friends and admirers while serving here. I entertained the highest respect for him, his vast storehouse of knowledge, his patriotism, and his leadership. Behind him he left a record of outstanding achievements. It is too bad there are not more men of his capacity elected to the Congress.

To surviving members of Chester's family I extend my profound sympathy in their bereavement.

SENATE—*Monday, June 10, 1974*

The Senate met at 10 a.m. and was called to order by Hon. Floyd K. Haskell, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, may Thy spirit move upon this land and its people to redeem and renew it according to Thy will. Unite us around common values of what is right and good and true. Restore our reliance upon Thy word made known in the Scriptures. As our fathers trusted in Thee and made us a nation, so may we ever walk in the ways of their pilgrimage to preserve the Nation.

Give wisdom and strength, O Lord, to all who serve in all branches and at every level of the Government. May the journey of the President yield increased peace and fraternity among the nations of the Earth and hasten the coming of Thy kingdom.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 10, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Floyd K. Haskell, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, June 7, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I desire to talk on two subjects during the time allocated to me today.

NATIONAL HEALTH INSURANCE

Mr. MANSFIELD. Mr. President, on March 28, 1974, the Senate Democratic policy committee adopted a resolution urging the passage in this session of Congress of legislation which would create a national system of health insurance that minimizes the high cost of administrative overlapping and duplication in the current multiplicity of fiscal systems. Our objective was, and is, a health insurance system which guarantees all Americans adequate health services.

As directed by the resolution, I communicated the text to the chairman of the Finance Committee and brought the matter up with the House Democratic leadership for consideration as a possible joint request to the President urging cooperation in the design of a national health insurance program of this kind.

The House-Senate joint Democratic leadership endorsed this proposal and on April 10, 1974, the Speaker and I sent a letter to the President expressing a renewed determination to enact national health insurance legislation and soliciting the active cooperation of the appropriate administration officials with the appropriate committees of Congress toward this goal.

Mr. President, recently I received a response to the letter of the joint leadership to the President which sets forth the views of this administration on this matter. I ask unanimous consent that the joint leadership's letter and the President's response, as well as a copy of the Democratic policy committee's resolution, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

April 10, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: At a meeting today of the House-Senate Democratic Leadership, discussion involved the urgent need to find means of meeting the mounting expenses of Americans for health care. The Leadership concluded that there should be renewed effort this year to enact national health insurance legislation.

It would be our hope that out of the various proposals on this subject, there will be forthcoming a compromise which takes into consideration the views of the Administration and of Members of Congress. To this end, we solicit the active cooperation of the appropriate Administration officials with the Committees of Congress that are involved in consideration of health insurance legislation. Hopefully, in this fashion, we can act to end the constant threat of financial disaster to tens of millions of Americans which is posed by the astronomical cost of medical care.

Hearings on national health insurance have been set for April 24 in the House Ways and Means Committee in order to pursue the search for a viable compromise. Your support in achieving such a compromise would be greatly appreciated by us and the millions of Americans in urgent need of health insurance coverage at an affordable price.

With best personal wishes, we are

Sincerely yours,

Mike Mansfield,
Senate Majority Leader.
Carl Albert,
Speaker of the House.

P.S. Enclosed herewith is a copy of a resolution adopted by the Senate Majority Policy Committee which has the concurrence of the House Leadership.

The White House,
Washington, D.C., June 4, 1974.

Hon. Mike Mansfield,
Senate Majority Leader, U.S. Senate, Washington, D.C.

Dear Senator Mansfield: Thank you for your recent letter supporting the enactment of health insurance legislation this year and urging the cooperation of the Administration with the Congress in reconciling differences among various bills.

As Secretary Weinberger testified on April 24 before the House Ways and Means Committee on behalf of the Administration, I believe strongly the time has come to enact sound and comprehensive health insurance legislation. The broad principles outlined in the attachment to your letter appear consistent with the legislation which we have submitted to the Congress on February 6. Further, Secretary Weinberger's testimony and his response to questions on April 24 make clear the Administration's willingness to seek compromises on important matters of substantive detail where we are in agreement on basic principle.

All of these considerations indicate the Administration's desire to reach mutually satisfactory health insurance legislation. This spirit of compromise should not, however, mask some fundamentally important issues that distinguish various proposals from each other. Among the different proposals are specifically different approaches to the roles of the Federal government, State governments and the private sector plus associated financing mechanisms. While the merits of these differences will and should be debated, they are issues about which we feel very strongly. It would be our hope that after careful consideration, the advantages of our approach will be understood and accepted. Within that framework, I believe we can move quickly toward legislation.

Sincerely,

Richard Nixon.

National Health Insurance

Whereas, an urgent need exists to find better means of meeting the mounting expenses of Americans for health care;

Whereas, the high cost of medical care stands as a constant threat of financial disaster to tens of millions of Americans; and

Whereas, adequate health service, regardless of ability to pay, is the right of all Americans;

The Senate Democratic Policy Committee urges the passage in this session of legislation which will

(1) create a national system of health insurance that minimizes the high cost of administrative overlapping and duplication in the current multiplicity of fiscal systems;

(2) provides financing by contributions from employers, employees and general tax revenue;

(3) allows for all varieties of medical practice ranging from fee-for-service to prepaid group practice;

(4) guarantees all Americans, regardless of ability to pay, adequate health services.

The Leadership is directed to communicate this resolution to the Chairman of the Finance Committee and to consider, with the House Leadership a joint request to the President urging cooperation in the design of a National Health Insurance Program.

PRESIDENT NIXON'S TRIP TO THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, at this moment, President Nixon and Secretary Kissinger are on their way to visit Israel and four Arab countries.

I am very much in favor of the journey being undertaken by the President of the United States at this time, because I think it is vital to do what we can to cement the fragile armistice which now exists in the Middle East between Israel and her neighbors.

We should not be taken in by euphoria with the fact that Secretary Kissinger has been able to bring about a cease-fire and lines of demarcation between Egypt and Israel on the one hand and Israel and Syria on the other.

These steps were difficult but the most difficult steps lie ahead. Those steps have to do with the question of the Palestinians and the question of the Holy City of Jerusalem.

Secretary Kissinger has reached a plateau but he has a long, a high, and a most difficult mountain to climb before there is the enduring peace and stability in the Middle East which we all desire, hope for, and pray for.

We should keep in mind also that there is little if any connection between the President's trip to the Middle East, which is confined solely to developing a sound foreign policy in a fragile area, and Watergate and related matters which happen to be domestic affairs.

The armistice in the Middle East is just that. Because the agreements made are fragile and are contingent on more difficult negotiations in the future, this is a trip very much, in my opinion, in this Nation's interest.

The significance lies in the fact that, for the first time, a Chief of State of this country or, for that matter, any country, will be able to visit on the basis of good relations with both Israel and the Arab countries in the area.

This trip should be very useful in assisting Secretary Kissinger in the future and I applaud the President for undertaking it. He goes with our hopes and our prayers. I hope that something out of it will come which will be fruitful and which will be of assistance in achieving some degree of success and stability in the future.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that I may yield first to the distinguished Senator from Vermont (Mr. Aiken).

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized.

Mr. MANSFIELD. If I have any extra time I gladly yield it to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, I am delighted with the remarks I have just listened to by the distinguished majority leader.

President Nixon is leaving this morning for a visit with the leadership of the countries of the Middle East, both Israel and the Arab States.

There are those who say that he should not make the trip at this time—that it will aggravate Russia and this is no time to aggravate the U.S.S.R.

I thoroughly believe that Russia does not want a renewal of the "cold war" any more than most of the people of the United States do.

And, if President Nixon can create a better feeling among the countries of the Middle East, not only among themselves, but among the larger countries including both the United States and Russia, then he will have performed a yeoman service for the world.

I have heard it said that he is making this trip to the Middle East now and to Moscow later in the month to divert attention from the charges which have been made against him here at home.

May I point out that in the interest of insuring the peace of the world, he visited both China and Moscow before Watergate became anything more than an apartment house.

The attitude of those who would increase tension between Russia and the United States or between Russia and the People's Republic of China is simply incomprehensible.

The future of humanity and civilization in the world is at stake.

I trust and believe that President Nixon's visits to the Middle East and to Moscow will give hope and encouragement and that his missions may be highly successful.

Mr. HUGH SCOTT. Mr. President, the President's visit to the Middle East carries with it the fervent hopes of all Americans for success in extending the gains which have already been made in disengagement and in the cease-fire.

What we hope will eventuate from this and subsequent meetings will be, ultimately, a peace agreement, a final cease-fire, and a laying down of arms.

All of us extend to the President our thanks, first, for what has been done, and our warm good wishes for success in this area.

It is a near miracle that we have moved in the short time since last October from a position where the nations in the Middle East, with the exception of Israel, would not have tolerated any form of U.S. intervention which now has indeed eventuated.

It has come about, I think, because of the good will and the good, high-purposeness of the United States having been recognized by all the parties. They are war-weary. They do realize that we have no ax to grind; that we are not seeking any advantage for the United States; that we wish no man's territory and no person's possessions, and that our appearance is that of a mediator of good will and good intent.

The President deserves the applause of the country for having worked out this happy situation upon which we hope to build the foundations of a permanent peace.

It is not yet time for the prophecy in the Book of Isaiah to have come entirely true, but it is now foreseeable that among these nations who live and must forever live as neighbors, close unto each other, there must someday come a recognition that nothing is to be gained by warfare, and everything is to be gained by peaceful negotiation and a better understanding by each of the problems of the other. We hope that sometime in the future they will indeed come to the prophecy of Isaiah, chapter 19, verse 25, where it is said:

> Whom the Lord of hosts shall bless, saying, Blessed be Egypt my people, and Assyria the work of my hands, and Israel mine inheritance.

Mr. President, I ask unanimous consent to have printed in the Record an editorial published in the Miami Herald of Thursday, June 6, 1974.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

President Nixon Has Earned Triumphal Tour of Mideast

Often, and many times with justification, Richard Nixon has proclaimed a "first" for his presidency. Another one is his visit, begining next Wednesday, to countries of the Middle East which are at peace, or anyway in a state of non-war, also for the first time in a generation.

No American President has ever undertaken the grand tour of Egypt, Israel, Syria, Jordan, Saudi Arabia and perhaps Iran, as Mr. Nixon will do. In a real sense it will be a triumph. The Middle East peace, such as it was, was negotiated under his administration.

Henry Kissinger, who labored there 33 days in achieving a diplomatic prodigy, has gotten most of the credit. Yet brilliantly as he performed, he did so as the instrument of the President of the United States.

Warren G. Harding, who had no grasp of or interest in the niceties of diplomacy, was asked as President-elect to define his foreign policy. Mr. Harding replied: "You must ask Mr. Hughes about that." His Secretary of State, Charles Evans Hughes, ran the whole show.

The relations between Secretary of State Kissinger and President Nixon are quite the opposite. They are close and coordinated. As a private citizen in 1963 Mr. Nixon visited Egypt. It is no accident that his first invitation came from President Sadat, today an admirer and only yesterday a critic if not an enemy.

Mr. Nixon will also visit Syria and probably re-establish diplomatic relations with that country which has been the puppet of the Soviet Union. Today all is sweetness and light, and Syria is chortling over a victory, which it is not—but let that pass. In Jordan he will find a friend and frequent Stateside visitor in King Hussein. The Persian Gulf stop or stops will deal with the Arab oil weapon, spiked or at least inoperative for the time.

Israel is the locus of the oldest and most consistent U.S. partnership in the Middle East. It is some sort of miracle that the Arab world is perfectly content with the President's attentions to what had been a sworn foe.

It could be argued that all of this is a calculated diversion from Watergate. If so, so be it. The President's long suit, as we have always said, is foreign policy. In this instance he has earned his passage and deserves the plaudits. With Henry Kissinger he has brought at least an approach to peace in the most contentious part of the world. Just as he could not escape the responsibility if Dr. Kissinger's furiously busy mission had aborted, so he cannot be denied the credit.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I will be glad to yield.

Mr. MANSFIELD. If I may add to that another quotation from Isaiah which I hope will apply to all relations involved in the Middle East, it is to say:

> Come, let us reason together.

Mr. HUGH SCOTT. And a very fitting contribution it is. We hope that the time will come when these adjurations from the Great Book will be heeded by all.

QUORUM CALL

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business before the Senate?

The **PRESIDING OFFICER.** There is nothing pending, but under the previous order the next order of business will be the consideration of H.R. 14434.

Mr. MANSFIELD. Is that the energy appropriation bill?

The **PRESIDING OFFICER.** That is correct.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

Mr. MANSFIELD. Mr. President, I ask that the Senate proceed to the consideration of H.R. 14434.

The **PRESIDING OFFICER.** The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill, which had been reported by the Committee on Appropriations.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** (Mr. MANSFIELD). Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. McCLELLAN. Mr. President, what is the pending business?

The **PRESIDING OFFICER.** The pending business is H.R. 14434, and there is a time limit on the bill of 2 hours and 1 hour on each amendment.

Mr. McCLELLAN. Mr. President, I yield myself 10 minutes.

The **PRESIDING OFFICER.** The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, in recognition of and in response to the energy crisis, the two Committees on Appropriations have extracted from the budgets of the various departments and agencies of Government estimates for energy research and development activities and assembled them into a single special appropriation bill for fiscal year 1975. The committee considers that it is imperative to have these appropriations enacted into law by the first day of the new fiscal year so that planning and administration of critical energy research and development programs can progress expeditiously and efficient. Furthermore, by providing these appropriations in a single bill, rather than in seven bills as would normally be the case, it is possible to gain a better perspective and overview of the thrust of the Federal energy research and development effort.

In developing this bill, the committee has utilized its existing subcommittee structure in the conduct of hearings, the review of budget estimates, and the recommendation of funding levels. The bill and report are organized and presented by chapters reflecting subcommittee jurisdiction. While the bill largely represents the energy programs contained in the budget of the U.S. Government for fiscal year 1975, as amended, the committee has identified certain additional amounts and activities for inclusion and has adjusted and modified others to identify those progams which should properly be included in this special bill.

In several instances it has been necessary to split appropriation accounts in order to separate energy research and development programs from other activities for which appropriations will be made at a later date. In such cases, it is the intent of the committee that amounts subsequently appropriated under these various specific hearings be merged with amounts made available in this bill in order to obviate accounting and administrative problems that would otherwise arise.

The committee recommends a grand total of $2,209,216,000 in new budget—obligational—authority for energy research and development activities for the fiscal year 1975. This represents a net increase of $5,488,000 over the related budget estimates which the committee considered in making its recommendations and is $60,612,000 below the amount pased by the House. The amount recommended is $862,792,000 greater than the amounts appropriated for these purposes for the current fiscal year, an increase of 64 percent.

The $2.2 billion which is recommended will significantly accelerate the Federal program of energy research and development, particularly in the fields of atomic energy and coal gasificatiaon and liquefaction. These funds will help move the Nation toward the objective of energy independence.

Major items recommended in the bill include the following:

The sum of $1,456,160,000 for energy research and development efforts of the Atomic Energy Commission, including funds for accelerated research for the liquid metal fast breeder reactor, nuclear reactor safety research, development of nuclear materials, space nuclear systems, nuclear fusion, biomedical and environmental research and safety, and plant and capital equipment.

The sum of $549,264,000 for the Interior Department which includes significantly expanded coal research activities including gasification and liquefaction and mining research efforts and $69,590,000 for the Office of Petroleum Allocation and Office of Oil and Gas.

The sum of $101,800,000 for the National Science Foundation which includes major funding for solar and geothermal energy research and also basic research involving energy conservation, automotive propulsion, and oil, gas, and coal resources.

The sum of $54,000,000 for the Environmental Protection Agency to develop methods to control pollutants associated with energy extraction, transmission, production, conversion, and use.

The sum of $19,157,000 for the National Oceanic and Atmospheric Administration to provide ship facilities and operating expenses to support environmental assessments which are required for development of oil and gas resources on the Continental Shelf.

The sum of $18,000,000 for the Federal Energy Office for the overall management of national energy policy.

The sum of $4,435,000 for the National Aeroautics and Space Administration for energy research and development projects which utilize capabilities developed in the space program.

Mr. President, if U.S. energy growth continued at its preoil embargo rate and domestic production does not significantly change, it is estimated that by 1980 the United States would be required to import 19 million barrels of oil per day and the equivalent of 2 million barrels per day of natural gas in liquefied form.

Such dependence on foreign energy is untenable for two reasons.

First, the United States would be forced to rely on the volatile Middle East for a very large portion of its energy requirement, and second, the price for this imported energy would represent a very serious balance-of-payments problem. Estimates in October of 1973 showed the United States paying by 1980 $25 to

$35 billion a year for imported energy. Later estimates suggest an imbalance as high as $45 billion a year.

These deficits are clearly unacceptable, particularly when the United States possesses the resources to develop domestically much greater amounts of energy that would make these large import requirements unnecessary.

Between now and the mid and late 1980's, energy shortages and dependence on energy imports will still be a problem of significant degree. The severity of the problem will depend on conservation measures practiced by the American people and the degree to which oil and gas production is increased and coal can be used at an acceptable environmental cost.

The success of the energy research and development recommended in this bill is inextricably linked with other factors in the energy industry such as environmental policy, tax policy, and the overall political climate.

To achieve the goal of energy independence, more than Federal efforts will be necessary. In fact, a rich mixture of public and private research and development efforts must exist. Some assurance of economic stability in this area will be necessary to enable the energy industry to make the required investment in research and development.

I now yield to the distinguished Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, the distinguished chairman of the committee (Mr. McCLELLAN) has done an excellent job of explaining the contents of the bill. I commend him, as well as the six chairmen of the subcommittees and the ranking minority members and all their committee members, for their input into the formulation of this legislation.

The special energy research and development appropriations bill provides $2,209,216,000 in new budget authority. This is $862,792,000 more than we appropriated for these purposes in fiscal year 1974, or an increase of 64 percent. This will greatly accelerate the Federal program of energy research and development, with an emphasis on atomic energy and coal liquefaction and gasification. The Appropriations Committee has provided $1,456,160,000 for the Atomic Energy Commission, $535,266,000 for the Department of the Interior, and $101,800,000 for the National Science Foundation. The balance of the appropriation, $115,990,000 will go to seven other Federal agencies, including the Environmental Protection Agency and the Federal Energy Office. The total amount in this bill is only $5,488,000 over the budget.

Mr. President, included in the appropriation for the Atomic Energy Commission are large increases for the liquid metal fast breeder reactor and for controlled thermonuclear fusion. Both of these items, when developed, will go a long way in helping to solve our energy crisis. The LMFBR will utilize uranium from 30 to 40 times more efficiently than presently operating nuclear reactors. Controlled thermonuclear fusion, which uses a form of hydrogen found in sea water, if proven successful, would provide mankind with an inexhaustible supply of energy.

Nearly half of the appropriation for the Department of the Interior is for the Office of Coal Research, and nearly half of the Office of Coal Research appropriations is for research on coal liquefaction and high-B.t.u. gasification. The funds provided for the Bureau of Mines also have a large amount for research on coal liquefaction and high-B.t.u. gasification.

The research that will be done on solar and geothermal energy is funded for the most part in the appropriation for the National Science Foundation. While these two approaches to solving our energy problems are more applicable to long range solutions, their potential is great and it is important to accelerate research on them as soon as possible.

Mr. President, before concluding my remarks, I think it should be pointed out that passage of this bill will not solve our energy problems overnight. There is a long leadtime on many of the research projects, and many may not show usable results for sometime. We still must urge the American people to conserve their use of energy as much as possible.

By placing all energy research and development appropriations in one bill we are giving emphasis to the energy problem and creating a vehicle that will help us to have an overview of the total Federal energy R. & D. program.

Mr. President, I support the bill and urge that the Senate give it favorable consideration.

Mr. HASKELL. Mr. President, I send to the desk an amendment and ask that it be read and made the pending question.

The PRESIDING OFFICER. The amendment will not be in order until the committee amendments have been agreed to. Does the Senator from Arkansas wish to make that request at this time?

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, the committee amendments will be agreed to en bloc and the bill as thus amended will be considered as original text for the purpose of amendment.

The committee amendments agreed to en bloc are as follows:

On page 2, line 5, after the word "activities", insert a comma and "including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft"; and, in line 15 after the word "expended", insert a colon and "*Provided*, That the Environmental Protection Agency may transfer so much of the funds as it seems appropriate to other Federal agencies for energy research and development activities that it may be in a position to supply, or to render or to obtain by contract."

On page 3, line 2, after "5 U.S.C. 3109", strike out "$8,935,000" and insert "$4,435,000"; and, in line 3, after the word "expended", strike out the colon and "*Provided*, That $4,500,000 of the foregoing amount shall be available only upon the enactment of H.R. 11864 or similar legislation.".

On page 4, line 9, after the word "available", insert "for the acquisition of one additonal aircraft and".

On page 4, line 21, after the word "law", strike out "$144,308,000" and insert "$137,298,000"; and, at the beginning of line 22, strike out "$100,500,000" and insert "$103,500,000".

On page 5, line 17, after "(30 U.S.C. 661–668)", strike out "$283,400,000" and insert "$258,378,000"; and, at the beginning of line 19, strike out "$6,563,000" and insert "$6,541,000".

On page 6, line 3, after the word "gas", insert a comma and "and not to exceed $2,000 for official reception and representation expenses,"; and, in line 4, after the amendment just stated, strike out "$59,700,000" and insert "$69,590,000, of which $10,000,000, to remain available until expended, shall be available for reimbursement of State and local public agencies as authorized by Public Law 93–275, section 7(d).".

On page 6, line 11, after the word "analysis", strike out "$27,400,000" and insert "$26,875,000".

On page 8, line 1, after the word "vehicles", strike out "$1,043,790,000" and insert "$1,023,690"; and, in line 11, after the word "transferred", insert a colon and "Provided further, That no part of the sum herein appropriated shall be used for the field testing of nuclear explosives in the recovery of oil and gas."

On page 8, line 23, after the word "expansion", strike out "$463,970,000" and insert "$432,470,000".

On page 9, line 11, after the word "transmission", strike out "$8,500,000" and insert "$8,498,000".

On page 9, after line 12, insert a new chapter, as follows:

CHAPTER V

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

SURVEYS, INVESTIGATIONS, AND RESEARCH

For necessary expenses of the National Oceanic and Atmospheric Administration to reactivate, equip, and operate certain oceanographic research vessels, to extend the operating season and research capability of vessels currently in operation, and to support scientific environmental research for the purpose of conducting assessment of energy-related offshore environmental problems associated with the development of oil and gas leases on the outer continental shelf, $19,157,000, to remain available until expended.

On page 10, line 1, change the Chapter number from "V" to "VI".

On page 10, line 10, change the Chapter number from "VI" to "VII".

On page 10, at the beginning of line 20, strike out "$19,000,000" and insert "$18,000,000".

On page 11, line 2, after the word "General", strike out "Provision" and insert "Provisions".

On page 11, after line 5, insert a new section, as follows:

> SEC. 202. No part of any appropriation contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.

The PRESIDING OFFICER. The clerk will read the amendment offered by the Senator from Colorado.

The assistant legislative clerk proceeded to read the amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,020,765,000"; on line 14 deleted "." and insert in lieu thereof ": *Provided further*, That none of the funds herein appropriated shall be used to further research and development efforts for nuclear stimulation technology, except those funds required to complete the technical and economic assessment of Project Rio Blanco, detonated May 17, 1973."; on line 23 delete "$432,470,000" and insert in lieu thereof "$432,160,000".

Mr. HASKELL. Mr. President, this amendment is comparable to an amendment which I proposed on Friday, and it has been discussed with the members and staff of the Appropriations Committee. The difference in the amendment which is now at the desk and the amendment proposed Friday is a matter of amounts of money to complete the evaluation of the Project Rio Blanco tests.

The testimony before the Appropriations Committee by the AEC in March of this year indicated a figure of $375,000 was necessary to complete that evaluation. That figure was raised in late May to $1,475,000, and my office was informed of the new cost figure late Friday night. For that reason I have changed the amendment.

The pending amendment makes it very specific that no funds will be expended for nuclear research on stimulation of natural resources until the technical and economic assessment of Project Rio Blanco, a nuclear device detonated May 17, 1973, is completed and evaluated in full. The question is whether or not we should proceed with nuclear stimulation prior to the evaluation of massive hydraulic fracturing of these tight sands.

We must note that the bill before us, H.R. 14434, contains an appropriation to the Department of the Interior of $17 million for oil and gas stimulation without using nuclear explosives. The report on the bill indicates that the Appropriations Committee deleted $8 million for oil and gas stimulation, which was included in the appropriations bill passed by the House.

The committee makes special note that the budget estimate more than tripled the funds for this program, and that witnesses from the Bureau of Mines indicated during the committee's hearings that this $17 million was the maximum that could be wisely obligated.

We should also take note of the fact that the Atomic Energy Commission recently contracted with a private corporation to fund a large-scale hydraulic fracturing experiment. The AEC will pay approximately $1 million of the $2.5 million project cost.

The site for this experiment is in Colorado and is within 1 mile of the project Rio Blanco nuclear experiment site.

There is much debate as to whether it is necessary to use nuclear explosive devices to fracture these particularly tight sand formations or whether hydraulic fracturing will be successful.

To date the Federal Government has spent over $33 million in developing nuclear stimulation techniques. Prior to this most recent contract no Federal funds had been spent to investigate massive hydraulic fracturing. In my opinion, it is premature and inappropriate for us to commit ourselves still further in support of nuclear stimulation techniques until we have examined the Rio Blanco experiment thoroughly and until we have examined the efficacy of hydraulic fracturing techniques.

I fully recognize that the natural gas resources in the Rocky Mountain States are tremendous and important in our energy development picture. I am not opposing development of our natural gas resources. But I do propose that we must use the best means available for that development; one that will not interfere with development of other valuable resources which are also located in the same area such as oil shale, coal, uranium, nahcolite, and dawnsonite.

A recent report by the General Accounting Office entitled "Progress and Problems in Developing Nuclear and Other Experimental Techniques for Recovering Natural Gas in the Rocky Mountain Area" stresses the view held by the Department of the Interior that:

> Commercial programs to recover natural gas in the Rocky Mountain area might not be compatible with development of the other mineral resources in the area.

The Department of the Interior stated in a letter to the GAO dated February 11, 1974:

> The apparent incompatibility of nuclear fracturing techniques with concurrent or subsequent mining of oil shale and other mineral resources in the same area is viewed as a most unfavorable feature of fracturing techniques which use nuclear explosives.

Mr. President, no one questions that vast resources trapped in the Rocky Mountain area will aid us in our search for additional energy sources. Nor does anyone question the desirability of making those resources available for use by the people of the United States.

A 1973 Federal Power Commission task force report estimated that up to 300 trillion cubic feet of this gas could be recovered with either of the two techniques—nuclear stimulation or massive hydraulic fracturing—currently under study. The report also indicated that conventional stimulation, without utilizing nuclear explosive devices, would likely result in making the gas available more cheaply.

In order to recover that much gas—300 trillion cubic feet or 50 percent of the resource—using nuclear stimulation the program would involve drilling 5,680 wells and detonating 29,680 nuclear explosive devices each with a 100 kiloton yield over a period ranging from about 35 to 65 years.

For massive hydraulic fracturing the task force report indicated the program would involve about 22,720 wells over a period of about 60 to 115 years.

With anywhere from 400 to 1,000 nuclear devices being detonated annually for a period of up to 65 years considerable risk would be involved.

Just recently, for example, as the result of the Rio Blanco experiment, tritium leaks were detected from a disposal well in close proximity to the Rio Blanco project.

Admittedly, these leaks were small—very small indeed. But my point, Mr. President, is that they were not meant to happen, and, in fact, prior to the May 1973 detonation the Atomic Energy Commission said that this could not happen.

The risk associated with one test may well be negligible. But all of those associated with nuclear stimulation realize that significant quantities of long-lived radioactive nuclides are left buried far beneath the Earth's surface after each explosion. Clearly if we develop this technology to its logical conclusion with thousands of nuclear stimulations, the likelihood of something going wrong—a large leak instead of a small leak of tritiated water—will be far greater and may well occur.

Furthermore, if we leave large amounts of long-lived radioactive material far below the Earth's surface, the possibility of these materials migrating into water sources or otherwise coming to the Earth's surface is increased.

The likelihood of these materials migrating into the water table has been hotly debated in the past and need not be reiterated here. Suffice it to say that no one has ever attempted a series of nuclear explosions anywhere near the magnitude contemplated for the Rocky Mountain area should full field development take place, and the consequences are unknown.

Perhaps the best source I can cite for evidence of the risk involved in a massive nuclear stimulated project is the AEC's own General Advisory Committee—a nine-member body established by the 1954 Atomic Energy Act. In a May, 1972, report they stated:

> Although the safety of the underground nuclear weapons testing program has been impressive with no nuclear accidents and only a few cases of venting in more than 300 announced underground tests, the risks are probably larger for the 1900 explosives required for—a limited commercial development program—and certainly larger for the 30,000 explosives required for the release of the 300 trillion cubic feet of gas.

Many uncertainties shroud nuclear stimulation and the Congress must insure that such developments are investigated and resolved before further development takes place.

The Joint Committee on Atomic Energy has recognized that the 1973 Rio Blanco experiment has not been entirely satisfactory. In their report on legislation authorizing appropriations for the Atomic Energy Commission for fiscal year 1975 it was stated:

> The committee notes . . . that satisfactory results have not been forthcoming from the fiscal year 1974 Rio Blanco event. The committee considers that the Commission must place strong emphasis on resolving the uncertainties in results from that experiment before proceeding with other major experiments. Further, the joint committee believes it important that the AEC complete the conventional hydrofracturing experiment it started near the Rio Blanco site during fiscal year 1974. (Report 93-969.)

Mr. President, I know that some Senators may be concerned that by limiting the funds available for research and development by the AEC of nuclear stimulation technology we are limiting our options and impeding our energy development progress.

The bill before us today provides an unprecedented level for support for energy research and development. The $2.2 billion contained in H.R. 14434 is evidence of the commitment by Congress to achieve energy independence as soon as possible.

The committee has already tripled the funds available for oil and gas stimulation in the Department of the Interior. I congratulate them for doing so and support that commitment wholeheartedly.

We may be limiting our options by waiting for an evaluation of Rio Blanco until we fund further nuclear stimulation experiments. In fact, I believe we have an obligation to do so. I personally believe that we must thoroughly investigate the conventional methods of stimulating this gas before we even consider the more hazardous methods of nuclear research.

Our decision to proceed must be based on the fact, not on bureaucratic inertia.

Mr. President, I appeal to Senators to support this amendment. I hope that we can agree to evaluate Project Rio Blanco and the current AEC-CER Geonuclear hydraulic fracturing test before proceeding with further development of nuclear stimulation technology for natural gas or oil shale.

By deleting $2,925,000 of the funds contained in today's appropriation measure—all of which are earmarked for nuclear projects in the budget request—we will be acting wisely and in the best interest of those who elected us to office.

Mr. President, I ask unanimous consent that the text of the original budget request submitted by the AEC be printed at this point in the RECORD.

There being no objection, the budget request was ordered to be printed in the RECORD, as follows:

OPERATING EXPENSES

[Dollars in thousands, except whole dollars in narrative materials]

	Fiscal year—		
	1973 actual	1974 estimate	1975 estimate
3. Applications of underground explosions			$4,400
(a) Technology development:			
Nuclear	$4,508	$3,100	2,800
Conventional	0	600	0
(b) Explosive, research, development, and testing	1,732	700	1,600
(c) Underground experiments:			
Nuclear	536	0	0
Conventional	0	200	0
Total applications of underground explosions	6,776	4,600	4,400

Energy and natural resources development has been and is a major goal of the program. Marked progress has been made in bringing nuclear gas stimualtion technology to the point where it may be used to augment natural gas supplies to help relieve short-term shortages. Emphasis is being shifted to technology for in-place recovery techniques for oil shale and a small effort in chemical leaching of copper.

TECHNOLOGY DEVELOPMENT—NUCLEAR

Fiscal year 1973—$4,508.
Fiscal year 1974—$3,100.
Fiscal year 1975—$2,800.

Funds in this activity are used (1) to investigate nuclear explosion effects by theoretical analysis and laboratory scale experiments; (2) for applied research, development, and planning activities associated with particular applications; and (3) for development of operational systems for conducting full-scale nuclear tests of the applications being developed.

In FY 1975 a realignment of program priorities will increase the proportion of effort devoted to developing *in situ* processes which have the potential for adding significantly to the recoverable reserve of natural resources, e.g., in-place recovery techniques for oil shale.

In addition to explosion effects work (FY 1974—$400,000; FY 1975—$300,000) and operational systems development (FY 1974—$350,000; FY 1975—$0), specific tasks planned for FY 1975 on each of the major applications are described in the following paragraphs;

Gas Stimulation (FY 1974—$850,000; FY 1975—$375,000).—Long-range assessment of economic and technical viability of nuclear gas stimulation will continue at a reduced level. Also, it is anticipated that technical and economic assessment of Project Rio Blanco, successfully detonated on May 17, 1973, will continue in FY 1975.

In Situ Oil Shale Recovery (FY 1974—$1,075,000; FY 1975—$1,925,000.—The widening recognition of the projected energy crisis and reliance on oil imports and the announced Federal Government pilot leasing program of oil shale tracts has led to increased industrial interest in recovery of oil from oil shale using explosives for *in situ* recovery. Presently, a group of independent oil companies is considering *in situ* development of oil shale and desires to formally cooperate with AEC in its study. Also planned will be an economic analysis of the technology in light of a clearer definition of total resource, size of chimneys, spacing of chimneys, the retort process, and radioactivity in the end product.

In situ Chemical Mining (FY 1974—$425,000; FY 1975—$200,000.—Laboratory experimentation on development of a method for *in situ* chemical mining of primary sulfide ores will continue. Considerable industrial interest has been expressed in this new process. Effort will focus on (1) determining the sensitivity of the overall leaching chemistry to variations in several physical and chemical parameters for a representative ore body, and (2) theoretical and experimental investigations to develop large ore bodies which will require multiple nuclear chimneys.

TECHNOLOGY DEVELOPMENT—CONVENTIONAL

Fiscal year 1973, $0.
Fiscal year 1974, $600.
Fiscal year 1975 $0.

Advanced hydraulic fracturing, accomplished by pressurizing with fluid a section of the wellbore until the rock breaks in tension, holds much promise for the recovery of large quantities of natural gas from tight formations.

In mid-FY 1974 the status of the development of the advanced hydraulic fracturing technology will be fully evaluated and calculational effort and laboratory studies will begin in order to develop appropriate models. Laboratory research will proceed in the areas of equation of state measurements, rock fracture characteristics, fracturing fluids, propping agents, and sonic detection of crack dimensions. An existing 5,000-ton press will be equipped with a servo-system for controlled hydraulic pressurization and with a confinement system for triaxial loading of large rock specimens and will be used for hydraulic fracturing laboratory experiments. This will be followed by project definitions, including site studies, and the start of field effort toward the conduct of field experiments in cooperation with industry. FY 1975 follow-on effort will be supported by the Department of the Interior.

EXPLOSIVE RESEARCH, DEVELOPMENT, AND TESTING

Fiscal year 1973, $1,732.
Fiscal year 1974, $700.
Fiscal year 1975, $1,600.

This category deals with research and development directed toward providing appropriate nuclear explosive designs for use in applications for recovery of natural resources. In FY 1975, the requested funds will permit improvements in the simultaneously fired DIAMOND explosive used for contained applications such as adding a positive self-destruct system, improving the arming and firing components, simplifying or eliminating the cooling system and improvement of electronics and other systems to withstand higher ambient temperatures and pressures.

UNDERGROUND EXPERIMENTS—NUCLEAR

Fiscal year 1973, $536.
Fiscal year 1974, $0.
Fiscal year 1975, $0.

In FY 1975 the program plans no effort in this category.

UNDERGROUND EXPERIMENTS—CONVENTIONAL

Fiscal year 1973, $0.
Fiscal year 1974, $200.
Fiscal year 1975, $0.

In FY 1974 one field experiment using conventional hydrofracturing will be planned in the vicinity of Project Rio Blanco in order to begin a good comparison between advanced hydraulic fracturing and nuclear stimulation. Monitoring holes would be planned near the site of the large hydraulic fracture to define the actual geometry of the fracture. Actual execution will be in the succeeding fiscal year and supported by the Department of the Interior and an industrial sponsor.

3. Applications of Underground Explosions, $310. The amount requested allows primarily for procurement of new equipment for field experiments and for normal upgrading of existing simplified field system equipment.

Laboratory equipment is also required to support product contamination studies.

Laboratory equipment is also needed to determine pre- and post-detonation properties of rocks, such as grain density, mineral composition, permeability, and solubility so as to evaluate the effects of underground experimental resource recovery techniques, both nuclear and non-nuclear; and for conducting laboratory analyses and measurement support activities. This equipment includes precision instruments such as cameras, oscilloscopes, counters and amplifiers, ultrasonic units, and other similar electronic items and mechanical items such as vessels for maintaining controlled temperatures and pressures for use primarily in studying and analyzing the response of differing rock types containing or associated with natural resources under simulated experimental resource recovery conditions.

Also in FY 1975, an existing 5,000-ton press will be equipped with a servo system for triaxial loading of large rock specimens and will be used for laboratory experiments related to explosive fracturing.

Mr. HASKELL. Mr. President, I reserve the remainder of my time.

Mr. President, I ask unanimous consent that Betsy Moler, of my staff, be accorded the privileges of the floor during the debate on this bill and the amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

How much time does the Senator from Maine desire, and who will allocate it to him?

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. Is it in order for me to make a point of order at this time?

The PRESIDING OFFICER. If the Senator will have someone yield time to him, it would be in order.

Mr. HASKELL. Mr. President, I yield to the Senator such time as he may need to make a point of order.

Mr. McCLELLAN. Mr. President, will the Senator withhold until the Senator from Hawaii (Mr. FONG) arrives? He is the one who is interested in it, representing the subcommittee.

Mr. MUSKIE. I shall be glad to do so. I have suspended a hearing on which I am the only member present.

Mr. McCLELLAN. I am advised that the Senator is on his way to the Chamber.

Mr. MUSKIE. Of course I am willing.

Mr. McCLELLAN. I would ask that action be deferred until he arrives. He is in charge of that section of the bill.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. McCLELLAN. I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator. It may be that I shall ask for a little more time for colloquy with the Senator from Nevada (Mr. BIBLE), who is familiar with this subject.

Mr. President, I address my remarks regarding the Haskell amendment, first, by pointing out what the committee put in the bill. So far as field testing or nuclear testing out in the field, with reference to this entire matter, the committee amendment on page 8, beginning at the end of line 12 would prohibit any further field testing, so far as money in this bill is concerned, of nuclear explosives in the recovery of oil and gas.

As I understand, the Senator from Colorado approves that position. He would go further, though; through his amendment he asks, really, that they be required to stop all the work, even in the laboratories, and he would cut the money for that purpose, except with reference to further work on the Rio Blanco project that has already been started.

In other words, Mr. President, he would cut out, through his amendment, what I call the conventional chemical explosions, and the massive hydrofracturing, and the non-nuclear and nuclear laboratory work would all be stopped, which we think, Mr. President, is out of keeping with the purposes of the energy research and development. It is totally unnecessary to stop that important work.

To get the benefits of basic research and development and what we have done in testing so far, we have got to know the effect of it and the results of it. We should be able to tell what steps should be taken next, should it be the pleasure of Congress. We have to continue the basic laboratory efforts on all approaches and not shut the door.

But so far as the money in this bill is concerned, we would absolutely hold up, cut off, and make impossible anything in the way of field testing of nuclear explosives in the recovery of oil and gas.

I want to yield some of my time, if I may, to the Senator from Nevada (Mr. BIBLE), who is a member of the subcommittee. Also, last year, he handled this bill in the hearings, and was present at a part of the hearings and present at the discussion of these matters during the markup. I yield him the remainder of my time, and hope the Senator from Arkansas will yield him more if he desires. He is very knowledgeable in this field.

Mr. BIBLE. Mr. President, I am sorry I did not hear all of the argument advanced by the distinguished Senator from Colorado. However, he was kind enough to furnish me with a copy of his amendment, together with his views on the subject, and I have examined them.

I did have the privilege, a year ago, of presiding at the hearing in the absence of the distinguished Senator from Mississippi. Though I did not hear the testimony on this particular phase of the AEC problem this year, however, as a member of the Joint Committee on Atomic Energy and as a member of the subcommittee on the AEC portion of the bill now in question, I do have some familiarity with the problem to which the Senator from Colorado is directing his attention.

This question was rather thoroughly discussed, as the Senator from Mississippi will recall, at the time of our subcommittee markup. As a matter of fact, the senior Senator from Wyoming is a member of the subcommittee, and we had almost a full attendance of the subcommittee on the day of the markup, and spent considerable time in discussing the problem raised by the Senator from Colorado.

As the Senator from Mississippi has indicated, I thought that we took care of the problem by providing the language that there should be no nuclear testing, and this was written into two sections of the bill, first in the section of the bill dealing with the Bureau of Mines, and second in the section of the bill now before us for consideration involving the Atomic Energy Commission.

We took the identical language out of the Bureau of Mines portion:

> Provided, that no part of the sum herein appropriated shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

We took the proviso and wrote it into the bill—not into the report but into the bill—under the Atomic Energy Commission. It is just word for word the same. So it was my thought, if not actually the thought of the subcommittee, that this amply took care of the problems of testing nuclear explosives in the recovery of natural resources.

I understand some of the concerns of the distinguished Senator from Colorado. I am not entirely unfamiliar with the problems of underground testing, having represented the State of Nevada for many years in the U.S. Senate. We have had much underground testing, so we have become somewhat familiar, if not technical experts, in the field of underground testing and the dangers that arise from the explosion of nuclear weapons underground.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The five minutes allotted by the Senator from Mississippi has expired.

Mr. STENNIS. I yield the Senator 3 additional minutes.

Mr. BIBLE. I appreciate the additional time. I may not use it all, but I appreciate it.

So we have some background and some familiarity, and understand the justifiable concerns of those who are concerned with the contamination of the atmosphere with testing above ground, and likewise those who are concerned with the contamination of our underground water supply. We have had both concerns expressed at the Nevada test site. So we have that thought in mind, to lay at rest concerns in this area. We have the same concerns, as the Senator from Colorado well knows, in the Rio Blanco experiment. But as nearly as we can determine, there have not been these adverse effects.

The language that was discussed by the subcommittee was discussed with the Senator from Wyoming (Mr. McGEE), who has, I think, almost identically the same concerns as the Senator from Colorado, but they are also interested in the fracturing of the oil shale formations, the *in situ* oil shale recovery, not only in Wyoming but in Colorado, in Utah, or wherever oil shale might be available, subject to further exploration and study.

This may well end up being recovered only by conventional means. I do not know whether the Senator from Colorado objects to doing this by conventional means or not. I did not hear his argument on that point.

Mr. HASKELL. Not, I will say to my friend from Nevada, by any manner or means. I am very anxious that it be done by conventional means, so that we may see how it works out.

Mr. BIBLE. Well, my understanding is that the dollars that are in this program will go largely to research, for laboratory analysis and study for nuclear and nonnuclear methods. There would be no field testing that in any way should raise the concerns of the Senator from Colorado. We have spent about all this year in this one study on just this one problem. The Senator from Wyoming (Mr. McGEE), who shares the concerns of the Senator from Colorado, was completely satisfied that the language we have written, not into the report but into the bill itself, would be a sufficient safeguard and satisfy his concern.

I hope the Senator from Colorado will withdraw his amendment, with the assurances that we have given that there will be no nuclear testing, because it is absolutely prohibited under this bill.

I do not know what the oil companies are going to find. They may find that the only way this rock can be fractured is through nuclear explosion. If that is the ultimate finding as the result of laboratory research, then, of course, we can do nothing under this bill until they come back to the Congress. That should be adequate assurance and safeguard to satisfy my good friend from Colorado. I hope that that will be the case. There is no intention, certainly, on my part, to attempt to set off nuclear explosions underground for the purpose of gas stimulation and exploring or recovering the oil shale from deposits in his State or in any other State that has any possible economic chance of making oil shale a sound and economic source of energy.

Mr. HASKELL. Mr. President, may I respond to my good friends from Nevada and Mississippi—on my time, obviously—by saying first, that my amendment says there will be no "research and development efforts for nuclear stimulation technology, except those funds required to complete the technical and economic assessment of Project Rio Blanco."

So, in response to my friend from Mississippi, we must obviously assess Rio Blanco. I am very much aware and I appreciate the consideration of the committee in putting in the bill a proviso that there will be no field tests. As I read the bill, my concern is that the AEC can continue to do research on nuclear stimulation. The Joint Committee on Atomic Energy itself has stated nuclear stimulation has doubtful validity until the conventional technology now underway is assessed.

I say to my friend from Nevada that as I look at the AEC's budget request, as submitted in testimony before the Appropriations Committee, that under "Applications of Underground Explosions," technology development is broken down into a request of $2,800,000 for nuclear technology development and zero for conventional technology development. The way I read the budget, I say to my friend, is that the laboratory work on general nuclear stimulation will go forward. It is my position that it should not stop until two things have happened; that Rio Blanco is evaluated, No. 1. No. 2, that the conventional stimulation has taken place and has been evaluated.

These are my points and I reserve the remainder of my time.

Mr. STEVENS. Mr. President, I ask unanimous consent that Robert Lane and John Hussey of the staff of the Committee on Commerce be allowed the privileges of the floor.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the administration has proposed that 10 million acres of land on the Outer Continental Shelf be leased for oil and gas development within the next few years in order to help meet the goals established by "project independence." The administration asked the Council on Environmental Quality to assess the environmental implications of this decision and to report its findings. Completed last month, this report recommended the following guidelines for developing OCS resources:

> Exploration and development of the OCS must take place under a policy which puts very high priority on environmental protection.
>
> The location and phasing of OCS leasing should be designed to achieve the energy supply objectives of the leasing program at minimum environmental risk.
>
> Regulatory authorities available to Federal agencies must be fully implemented and requirements strictly enforced to minimize environmental risks in new OCS areas.
>
> Planning at all phases of OCS oil and gas operations must respect the dynamic relationship between initial Federal leasing decisions and subsequent state and local action. The States and the communities affected must be given complete information as early as possible so that planning can precede and channel the inevitable development pressures.

Testimony before recent hearings by the national ocean policy study, established pursuant to Senate Resolution 222, of which I am the ranking member, has confirmed the need for collecting environmental data well in advance of the final decisions to lease sites for development. To collect such data requires the implementation of survey and research ships suitably equipped to make biological, physical, geophysical, and chemical measurements of area under consideration. Since these ships must operate in difficult ocean environments, such as the Gulf of Alaska and the Northwest Atlantic, they must be capable of extended open ocean operation in difficult weather and sea conditions.

The amendment which was added to the special energy research and development appropriations bill (H.R. 14434) now being considered by the Senate, will make the necessary appropriations available for the use of ships and facilities of the National Oceanic and Atmospheric Administration to accomplish environmental baseline studies as needed.

Hearings recently conducted by the national ocean policy study on impacts of OCS development revealed a conviction on the part of many who testified that current knowledge of the environment of the Outer Continental Shelf is insufficient and that the Government's environmental assessment effort on the eve of development is woefully uncoordinated and inadequate.

Dr. William J. Hargis, who is the present Vice Chairman of the presidentially appointed National Advisory Committee on Oceans and Atmosphere, testified that critical gaps exist in much of the biological, geological, and hydrographical data, and that "much additional information is needed to make really tight and detailed evaluations—natural and economic." Dr. Hargis noted that those in the ocean community had urged acquisition of this data several years ago, but those arguments "were lost in the din." Because of our lack of foresight, Hargis warned, quick action is needed to meet this complex and demanding task.

Former Gov. Philip H. Hoff, of Vermont, speaking on behalf of the New England Natural Resource Center, echoed Dr. Hargis' concerns when he told the study:

> (T)here is a critical need for baseline data—for biological and other information—on the conditions that now exist on the Geoges Bank and other areas of the OCS before development takes place . . . We must establish a solid base of information on which to base estimates of changes that take place as a result of development before we proceed with drilling if we are to monitor adequately environmental impacts. I believe it is imperative that we establish a crash program of marine biological research on the OCS before we accept any crash program of OCS oil and gas development.

It is my conviction, based on this and other testimony, that the Congress must move immediately to provide funds for an OCS environmental assessment effort. To ignore the role of environmental considerations in the final leasing decision could have disasterous consequences for the proposed leasing schedule, and consequently, the future energy situation in this country. The data should precede the leasing decision; but while most observers acknowledge this fact, few preparations to facilitate its collection have been made.

In passing Senate Resolution 222 the Senate took upon itself the responsibility to improve the coordination and the effectiveness of our national ocean policy. The accelerated development of the Outer Continental Shelf represents our first test of this goal. The environmental baseline research problem presents an opportunity for the Senate to take the initiative by providing the necessary funds to support this ocean research effort. NOAA presently has the legal mandate, the vessels, and the capability—but not the necessary funding—to perform environmental baseline studies on OCS target areas. NOAA's ocean research capability can be augmented to cope with OCS research responsibilities by, first, reactivating three mothballed vessels; second, by increasing the operating season, personnel and research facilities on five vessels currently in operation; and, third, by providing for additional scientists to do proper analyses and evaluations of the environmental data as it relates to the proposed drilling areas. In all, NOAA estimates that $19.2 million would be required to supplement its operation.

The type of data that is needed to perform an adequate environmental assessment of a drilling site is of three broad types:

First. Marine biological surveys: Surveys would be conducted to determine the nature of the marine ecosystem in the lease area, and would include a determination of all species of fish, shellfish, and crustaceans in the area, their concentration, information about their migration and spawning habits, and studies of the potential damage to these stocks from offshore oil and gas development operations. This data is essential to gaging the impacts of oil spills on the food chain and the fisheries industry.

Second. Physical oceanographic surveys: These surveys would provide information about the location, intensity, and variability of ocean current systems, wave heights, and the temperature, salinity, and other chemical characteristics of the ocean. Such data would be required to assess the consequences of an oil spill or blowout in terms of the dispersion and concentration of oil as it might affect the living resources of the sea and adjacent coastal areas. Complementary measurements of meteorological conditions, especially wind, would also be made.

Third. Geological and geophysical surveys: Geophysical surveys would be made to provide information on sediment characteristics, bottom topography, and subseafloor structure—including fault zones, and other geophysical characteristics. At the present time this data is collected primarily by the U.S. Geological Survey and private industry; however, as development activity increases it is expected that NOAA will bear a greater share of the burden. Potential for earthquake-generated tsunamis also would be assessed in areas of high seismicity. This data is of immense importance to the coastal States and to the future of the recreational, tourist, and shellfish industries that are so dependent on a pollution-free coastal zone.

Environmental baseline data is recognized by representatives of industry, the Bureau of Land Management, USGS, CEQ, and the coastal States as being an absolutely essential ingredient in the final leasing decision. The data is needed to formulate environmental impact statements, which is the principal vehicle for assessing whether a tract can be developed safely. It is in the best interest of the oil companies and the Federal Government that these statements be based on the best possible data to prevent any delays that litigation over a poorly documented, uncomprehensive study would surely bring.

The data is needed by the Bureau of Land Management to assist in determining where the "high risks" areas are located and for establishing priority drilling sites.

The data is needed by the coastal States so that they might gage the impact of offshore drilling on the coastal economy and environment and so that they will be prepared through their coastal zone management programs to meet the secondary impacts of offshore development that will certainly be generated.

Finally, this data is needed by the oil companies, so that they will know that development in certain OCS areas will have adverse environmental effects that may prove costly once drilling has begun. The data would also be useful from an engineering standpoint to determine appropriate types of drilling structures, platforms, pipelines, and storage tanks would be suitable for certain areas.

These surveys would be carried out in accordance with priorities established by the Department of the Interior as required to meet the target leasing schedules. They would be conducted jointly with the U.S. Geological Survey, which has the scientific expertise and capability in key areas of geological and geophysical measurement and analysis, thus bringing to bear on the environmental assessment problems the full capability of both organizations. It is my understanding that NOAA and the U.S. Geological Survey have a good working relationship in the data collection effort and have coordinated their efforts in the past to prevent overlap. It is expected that this would continue unabated.

The amendment approved by the committee added a new chapter to H.R. 14434 to augment NOAA's energy-related marine environmental research operations in three areas:

First. It would reactivate and staff three mothballed research vessels—the *Discoverer*, the *Surveyor*, and the *Miller Freeman;*

Second. It would increase the personnel, supplies, and facilities aboard five NOAA vessels currently in operation to reflect an increased at-sea operating schedule of from 180 to 250 days; and

Third. It would provide for additional scientists to analyze and interpret the data as it is compiled.

The total cost of accomplishing the above for fiscal year 1975 would be $19,157,000.

The Council on Environmental Quality has recommended that an effective environmental assessment effort be undertaken immediately in conjunction with the administration's accelerated Outer Continental Shelf leasing program. Testimony in 5 days of hearings before the Senate ocean policy study has confirmed that current Federal data-gathering efforts on the OCS are inadequate and insufficient to cope with the stepped-up leasing effort. Additional scientists, ships, and equipment are going to be needed to get the job done. These needs have not been adequately reflected in recent administration budget requests to Congress.

What type of data is needed for an adequate environmental assessment? Surveys are needed to determine the extent of the fisheries in a given area, their concentration, migration and spawning habits, and the potential damage to ocean and coastal zone marine life from offshore oil and gas development. In addition, surveys would be required on the nature of ocean currents, wave heights, water temperature, salinity, wind frequency, and other meteorological factors. Finally a determination must be made of the nature of the subseafloor and the location of faults.

Why is this data necessary? Environmental baseline data is recognized by the Department of the Interior, CEQ, and the coastal States as being an essential ingredient in determining potential drilling sites. More specifically, the data is needed, first, to develop well-documented enviromental impact statements, required of each block of leases; second, to determine high- and low-risk leasing areas; third, to alert the coastal States as to possible environmental impacts on the coastal zone; and fourth, to alert the oil companies of oceanographic and seismic factors that might hinder the development of a drilling site.

NOAA has the proper legal authority to conduct oceanographic research on the Outer Continental Shelf. It has the expertise and the capability to support such an effort. The environmental baseline studies provided by the amendment would be conducted in cooperation with the U.S. Geological Survey, thus bringing to bear full capacity of both organizations in conducting the necessary research.

I ask unanimous consent that statements prepared in support of these activities, for use of the Appropriations Committee, be inserted in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

National Oceanic and Atmospheric Administration—NOAA: General Authorities for Environmental Assessments on the Outer Continental Shelf

A. Among the authorities of NOAA for environmental assessments on the outer continental shelf are those included in 33 U.S.C. §§ 883a–888 and the Fish and Wildlife Act of 1956, as amended (16 U.S.C. §§ 742a–742d and 742e–742k).

Under 33 U.S.C. § 883a, NOAA is authorized to conduct (1) hydographic and topographic surveys, (2) tide and current observations, (3) geodetic control surveys, (4) field surveys for aeronautical charts, and (5) geomagnetic, seismological, gravity and related geophysical measurements and investigations. 33 U.S.C. § 883b authorizes the distribution of such information gathered pursuant to the above statute. 33 U.S.C. § 883d authorizes NOAA to conduct developmental work for the improvement of surveying and cartographic methods, instruments and equipment and to conduct investigations and research in geophysical sciences.

Under 16 U.S.C. § 742d, NOAA is authorized to conduct investigations and other activities regarding, among other things, the availability and abundance and the biological requirements of the fish and wildlife resources. 16 U.S.C. § 742f(a)(4) authorizes NOAA to take such steps as may be required for the development, advancement, management, conservation, and protection of the fisheries resources.

B. There is no dollar limitation contained in the appropriation authorizations which pertain to the above statutory authorities.

33 U.S.C. §883i authorizes to be appropriated "such funds as may be necessary to acquire, construct, maintain, and operate ships, stations, equipment, and facilities and for such other expenditures, including personal services . . ." to carry out the above functions under title 33.

16 U.S.C. § 742j authorizes the appropriation of "such sums as may be necessary to carry out the provisions of sections 742a to 742d, and 742e to 742j of this title."

C. Vessels from NOAA's fleet have been constructed or acquired pursuant to the above authorities, and are operated for the purpose of carrying out NOAA's responsibilities thereunder. For instance, the vessels DISCOVERER and SURVEYOR are operated pursuant to the authorities under 33 U.S.C. §§ 883a–888, and the vessel MILLER FREEMAN is operated pursuant to the authorities under the Fish and Wildlife Act of 1956.

D. Included below is budget information for fiscal years 1973, 1974, and 1975 pertaining to the above functions of NOAA, which reflects the amount requested of Congress, the amount appropriated, the amount spent for the indicated program by NOAA and the amount of funds impounded.

	Request	Approximate [1]	Program	Impounded
Mapping, charting, surveying services:				
Operations, research and facilities:				
1973	67,087,000	56,149,000	47,493,000	2,270,000
1974	39,803,000	40,003,000	38,661,000	
1975	51,666,000			
Ocean fish and living marine resources:				
Operations, research and facilities:				
1973	52,454,000	51,702,000	40,500,000	8,502,000
1974	40,535,000	44,832,000	44,832,000	
1975	51,666,000			
Pribilof:				
1973	3,138,000	3,232,000	3,032,000	
1974	3,604,000	3,598,000	3,598,000	
1975	3,937,000			
Fish guaranty:				
1973	61,000	61,000	61,000	
1974	101,000	101,000	101,000	
1975	125,000			
Offshore shrimp: 1974	325,000			
Promote and development:				
1973	7,553,000	7,053,000	7,053,000	
1974	7,053,000	7,288,000	7,288,000	
1975	7,428,000			
Total:				
1973	63,531,000	62,048,000	50,646,000	8,502,000
1974	51,293,000	55,819,000	55,819,000	
1975	55,728,000			

[1] Includes supplementals in fiscal year 1974 passed by Congress but, to date, not signed by President June 6, 1974.

GEOLOGICAL SURVEY: STATEMENT IN SUPPORT OF THE GEOLOGICAL SURVEY'S PROPOSED FISCAL YEAR 1975 BUDGET AMENDMENT FOR ASSESSMENT OF ENERGY RELATED OFFSHORE ENVIRONMENTAL PROBLEMS

Environmental studies offshore involve the development of an understanding of, and a capability to predict, geological, biological, and oceanographic phenomena. The Geological Survey, by prior agreement with NOAA, concentrates its efforts on geological phenomena in offshore areas, and it is for this type of work that the amendment of $2.625 million is being requested. NOAA on the other hand, has the expertise in the biological and oceanographic work which also needs to be accomplished.

The geologic work includes the identification and delineation of earthquake zones, the physical and chemical properties and engineering characteristics of sediments and rocks and their distribution, and studies of the effects of associated physical processes on foundation conditions for offshore installations.

The mission of the Geological Survey, basically is to search for and achieve understanding of physical phenomena and behavior potential of the ocean floor that might endanger offshore activities and installations. To do this, we will take both direct and remote sensing (high-resolution seismic, side-scan sonar, and deep penetrating seismic) measurements and analyse those results in context with our general framework understanding of the geology of the region.

To accomplish this work, the Geological Survey has a staff of marine geologists and geophysicists with a broad range of experience. The necessary onshore geology coordination is likewise available within the ranks of the Geological Survey, as well as expertise in earthquake studies.

The Geological Survey also has all of the necessary equipment to accomplish these investigations, including the oceangoing platforms and sampling and geophysical gear.

In the past several months extensive coordination efforts with NOAA have resulted in a clear delineation of responsibilities and interests in OCS environmental work. The program efforts of the two agencies can and should be complementary and mutually supportive in offshore environmental investigations.

The program of work for this amendment has been discussed with the Associate Administrator of NOAA and he is in agreement that it falls within the responsibility and capabiltiy of the Geological Survey.

Mr. HATFIELD. Mr. President, the administration has designated the Atomic Energy Commission as the lead agency in the field of energy research and development, a position that is reflected in the special energy research and development appropriations bill for fiscal year 1975.

The bill as reported by the Senate Appropriations Committee provides $1,456,160,000 for the AEC's energy R. & D. program, an amount that is almost three-fourths of the funds provided in the bill.

The Commission's highest priority project is the liquid metal fast breeder reactor. It has been estimated that when operational the LMFBR will utilize uranium 30 to 40 times more efficiently than presently operating nuclear reactors. Most of the $396,710,000 provided for civilian reactor research and development will be used for this project.

The research program for controlled thermonuclear fusion, for which the committee has recommended $82 million, could have a very significant impact on our energy picture if proven feasible. This process uses a form of hydrogen found in sea water, providing man with an unlimited source of energy.

Mr. President, there has been a great deal of discussion about the safety of nuclear reactors. While I believe much of the criticism is unfounded, I can understand why our people are concerned. In this bill we are recommending an appropriation of $52,940,000 for reactor safety research.

Some of the other programs for which we are providing funds are biomedical and environmental research and safety, $127,015,000; nuclear materials, $40,750,000; applied energy technology, $33,020,000; and physical research, $42,900,000.

Mr. President, the distinguished chairman of the subcommittee, Mr. STENNIS, was back at the helm this year after his miraculous recovery from gunshot wounds. He chaired most of the hearings, and as usual did a commendable job.

Mr. President, I urge the Senate to pass the bill as reported by the committee.

Mr. STEVENS. Mr. President, chapter III of the special energy research and development appropriations bill contains the appropriation for the Department of Interior's energy research and development program. The Appropriations Committee is recommending an appropriation of $535,266,000; this is $324,772,000 more than appropriated in fiscal year 1974—more than doubled—$26,367,000 under the budget estimate and $22,667,000 under the House bill. Interior's position in energy research and development is second to the Atomic Energy Commission, and accounts for about one-fourth of the funds provided in this bill.

The largest appropriation in Interior's section of this bill, $258,378,000, is provided for the Office of Coal Research. The need for such a large amount for OCR is obvious in light of our desire to get away from wasteful consumption of oil and our desire to become more independent of foreign energy. OCR's energy research and development program will emphasize research on coal liquefaction and high-B.t.u. gasification. The Bureau of Mines energy research and development program also places an emphasis on coal liquefaction and high-B.t.u. gasification, accounting for $49,588,000 of the $137,298,000 provided for the Bureau. As well, the committee recommends $46,200,000 for improved coal mining technology and $17 million for oil and gas stimulation.

The funds provided for the U.S. Geological Survey will greatly increase geothermal investigations and the program for location of coal, oil and gas, oil shale, and uranium, and increased funding for research on environmental problems.

Mr. President, the chairman of our subcommittee, Mr. BIBLE, handled this appropriation in his usual efficient and thorough manner. From the beginning of our hearings through the full committee markup he did an outstanding job, and he was very considerate to me and the rest of the members of the subcommittee.

Mr. President, I join our chairman in support of this bill.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Maine (Mr. MUSKIE) to make a point of order. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN. Will that come out of the time on the bill or, in order to make a point of order, is that taken care of by an unanimous consent agreement?

The PRESIDING OFFICER. The time would have to be yielded unless unanimous consent is given.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to yield to the Senator from Maine to make a point of order, and that he make his point of order without the time being charged to either side on the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. FONG. Mr. President, may I ask that I be allowed to answer the Senator from Maine on his point of order and that the time not be taken away for a discussion of the point of order?

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the time not be charged to either side on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Karl Braithwaite of the Public Works Committee be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I appreciate the courtesy of my good friend from Arkansas for making it possible for me to raise a point of order in this discussion.

I should like to discuss the point of order first. The point of order which I plan to make against the legislative language placed in this appropriation bill is on page 2, lines 15 to 19. Let me read it so that Senators who are in the Chamber will understand it.

The PRESIDING OFFICER. Will the Senator please repeat his citation of where the language is in the bill.

Mr. MUSKIE. On page 2 of the bill, the italicized words on lines 15 through 19, which language appears in chapter 1 of the title on the Environmental Protection Agency energy research and development.

The language reads:

Provided, That the Environmental Protection Agency may transfer so much of the funds as it seems appropriate to other Federal agencies for energy research and development activities that it may be in a position to supply, or to render or to obtain by contract.

Mr. President, the reason I raise this point of order is that this very issue has been before the Government Operations Committee, described in the markup of ERDA, the legislation which would create the Energy Research Department Administration, and has been specifically discussed in the subcommittee and the full committee. The issue has been resolved by that committee in a different way than this legislation seeks to resolve it.

So what we have is a direct conflict between the legislative committee which has the jurisdiction and which has acted specifically in legislation that will be reported to the floor of the Senate sometime this week, and the Appropriations Committee which has not had the benefit of such consideration and which seeks to resolve it in a different way.

The issue that is raised in this: Whether all research programs dealing with the responsibilities of the Environmental Protection Agency and the regulation of pollution activities shall be transferred from the Environmental Protection Agency to an agency concerned primarily with the development of technology in the energy field.

What we are talking about is the distinction between regulatory research and developmental research. The Government Operations Committee resolved the issue by determining that regulatory research should remain in the Environmental Protection Agency and that new developmental research shall be the nature of ERDA's responsibility.

Why my concern, Mr. President?

The research programs that could be transferred away from the Environmental Protection Agency under this language include programs to clean coal, programs to add controls to powerplants, to reduce nitrogen oxide, sulfur oxide, and other cleanup programs associated with energy production. When the agency needs work jointly with other agencies, that can be done and should be done under current law and appropriate intergency agreements, not under such a broad grant of authority as given here.

The House included $54 million in this bill for the Environmental Protection Agency. The Senate bill has the same figure. The House did not include the language on transfer of funds.

As I said a minute ago, the Senate Government Operations Committee has completed its markup of S. 2744, a bill to create an Energy Research and Development Administration. The bill will be reported and placed on the calendar in the next few days. Senator JAVITS and I proposed an amendment which was agreed to by a 7-to-1 vote. The amendment struck out language in the bill that would have transferred EPA's research program to the new Agency. The committee agreed that EPA's research program was vital to establishing sound environmental regulations, and must not be transferred from the Agency.

The language in the appropriation bill now before the Senate could have the effect of nullifying the action of the Senate Government Operations Committee.

I understand the language at issue may have been requested by the Environmental Protection Agency to allow more flexible use of its funds. If this is the case, then the agency has asked for much broader language than could possibly be necessary, and which matches the language which the Government Operations Committee modified and struck out because of its broad implications against our clean-up program.

It seems just as plausible that the request for this language is an attempt by the Office of Management and Budget to bring about a transfer of the Environmental Protection Agency's pollution control technology research program to other agencies and eventually to the Energy Research and Development Administration once it is established. In short, I see it as an attempt to circumvent the normal legislative process.

Mr. President, as evidence of the thorough and comprehensive consideration which this issue received in the Government Operations Committee, I ask unanimous consent to have printed in the RECORD a letter dated May 9, 1974, from Senator JAVITS and me to the chairman of the Government Operations Committee, Senator ERVIN; a letter dated May 17, 1974, from Senator JACKSON to me, conceding the validity of my point on the regulatory research of EPA and asking only that the development research responsibilities of ERDA be identified; and my letter of May 25, 1974, which is in response to Senator JACKSON'S letter and which concedes his point on ERDA.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IGR/ERDA (COMMITTEE LETTER TO MEMBERS)
MAY 9, 1974.

Hon. SAM J. ERVIN, Jr.,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR SAM: In the near future the Government Operations Committee will mark up legislation to create a new Energy Research and Development Administration (S. 2744). At that time, we will propose an amendment to the provision which would transfer certain Environmental Protection Agency research and demonstration activities to the new Agency.

We do not believe it is sound public policy to separate pollution control technology from pollution control regulations. Enforcement policies should be based on good research and adequate demonstrated techniques so that the Agency can make sound decisions as to actual pollution control requirements. To transfer an important part of the Agency's program could harm the public interest and lead to less well-based enforcement decisions.

We do not question the importance of the proposed Agency having a strong environmental component but it should not replace or duplicate EPA's activities. Instead of removing this function from EPA, full coordination between EPA and ERDA should be required to assure that EPA's research capability is utilized.

It is not enough for EPA to maintain an ability to "assess" pollution control developments; the Agency must be able to stimulate such developments and to participate actively in that process in order to understand the problems with particular technologies.

Further, a transfer of this sort could delay the development of essential pollution control technology for one to two years. Much of the clean-up technology for energy sources is similar to that required for steel, smelters, chemical plants and other industrial sources. Separation would simply lead to expensive duplication. EPA needs a substantial research and development program because of the requirements of the Clean Air Act, Federal Water Pollution Control Act, and other environmental laws.

The course we will propose should be an acceptable alternative. We will propose that ERDA have the technical capacity to coordinate with EPA, the in-house capabilities to develop new energy technologies which are environmentally acceptable, and a mandate to assimilate the pollution control technologies developed for existing sources.

We hope you will join with us in this effort to improve the capabilities of the new Energy Research and Development Administration while maintaining the technical capabilities of the Environmental Protection Agency.

Sincerely,

Edmund S. Muskie,
U.S. Senator.
Jacob K. Javits,
U.S. Senator.

U.S. Senate,
Committee on Interior
and Insular Affairs,
Washington, D.C., May 17, 1974.

Hon. Edmund S. Muskie,
U.S. Senate,
Washington, D.C.

Dear Ed: Thank you for the letter from you and Senator Javits advising me of your proposal to amend the pending ERDA measures (S. 2744) regarding the transfer of energy research functions presently administered by the Environmental Protection Agency.

I agree with your objectives to insure that EPA will continue to have the confirmatory research capability to back up its regulatory responsibilities regarding the Clean Air Act. I also appreciate the need for EPA to have "in-house" technical competence in the pollution control technologies which are associated with automotive and stationary powerplant emissions.

One aspect of this matter does disturb me, however.

As you know, the two principal R & D programs involved—alternatives to existing automotive engine technologies and emission control in stationary powerplant combustion cycles—are perhaps the two most critical areas of energy concern for the immediate future. Automotive uses now amount to about 40 percent of our consumption of scarce petroleum resources, and the use of the vast American coal resource for electric power production represents our most promising hope for near-term energy independence.

Obviously, R & D associated with automotive engines and stationary powerplants must constitute a major part of ERDA's effort. Furthermore, the environmental factors are among the most difficult technical problems of energy production and should be major concerns of ERDA in these and every other technology it approaches.

I feel strongly, therefore, that whatever action the Committee may take on the EPA programs must clearly indicate:

(1) that the EPA program alone is not considered to be an adequate Federal research effort in these two major energy technologies; and

(2) that the proposed ERDA would be expected to pursue whatever R & D into automotive engines and stationary combustion cycles appears to be needed, *including environmental aspects of each.*

If these areas of R & D were removed from ERDA's authority, I believe there would be serious question whether the agency could fulfill its responsibility to develop a comprehensive Federal R & D program.

I hope you can accommodate my concerns in the specific recommendations you will make to the Committee.

Sincerely,

Henry M. Jackson, *Chairman.*

U.S. Senate,
Committee on Public Works,
Washington, D.C., May 25, 1974.

Hon. Henry M. Jackson,
U. S. Senate,
Washington, D.C.

Dear Scoop: Your letter of May 17 discusses important points regarding the concerns Senator Javits and I raised questioning the transfer of the Environmental Protection Agency's pollution control research and development functions to the proposed Energy Research and Development Administration (S. 2744). I am sure that our amendment is consistent with the philosophy behind the proposal to create the Energy Research and Development Administration, and I believe your concerns can be satisfied.

S. 2744 specifically divides regulatory research from developmental research, with the latter being transferred from existing agencies to the Energy Research and Development Administration. The former remains in the parent agency.

In fact, in the case of atomic energy, a new regulatory research activity is created through the establishment of the Office of Nuclear Safety (Sec. 203) within the new Nuclear Safety and Licensing Commission, which is to be a regulatory body. That research function is *not* transferred to Energy Research and Development Administration, and it should not be.

But in the case of the Environmental Protection Agency, virtually all energy related pollution control research and development is transferred under S. 2744. This research and development is primarily related to regulatory programs. In fact, the Environmental Protection Agency has never had significant funding for purely developmental research.

The Office of Management and Budget has announced that $105 million of the $112 million pollution control budget in the Environmental Protection Agency for FY '75 is to be transferred to the Energy Research and Development Administration. This is not developmental research for energy systems. It is intended for near-term research aimed at emission control related to the regulatory responsibilities of the agency.

Your letter mentions alternatives to existing automobile engines. If the Environmental Protection Agency had a significant effort to develop a new propulsion system designed to achieve high *full economy,* transfer might be appropriate. But it does not. The Advanced Automotive Power Systems effort is to develop a *low emission* vehicle. Environmental Protection Agency personnel in this area have concentrated substantial effort on low emission characteristics of retrofit technology and modification of present engine systems. The little development work done on systems such as the electric car have principally been contract work, and have been small efforts.

Also many of the people in the Environmental Protection Agency involved in the Advanced Automotive Power Systems program provide technical back-up to the regulatory program. Transfer of these personnel would take an important part of the technical base of the automobile emission's regulatory program from the agency.

In addition, it should be pointed out that the approach Senator Javits and I propose is consistent with S. 2176, the National Fuels and Energy Conservation Act of 1973 which you sponsored, and which passed the Senate last December. Section 13 or S. 2176 created a new program for the development of an energy efficient and environmentally sound automobile, but it maintained and recognized the Environmental Protection Agency's program for low emission research.

That precedent should be the model for the Energy Research and Development Administration as well. The development of better automobile fuel economy should be a high priority for the Energy Research and Development Administration and is clearly authorized under S. 2744, but it need not be at the expense of the Environmental Protection Agency's regulatory research program.

Your letter also raises concern over stationery power plant combustion cycles. I certainly agree that the Environmental Protection Agency's program should not constitute the entire federal effort in this area. The Environmental Protection Agency has clear and precise regulatory responsibilities to control the pollutants associated with such energy system—primarily existing sources and new sources which rely on existing energy technologies. Their research effort is directly related to those responsibilities, and should remain in the agency.

This should in no way interfere with the Energy Research and Development Administration's efforts to establish a much-needed developmental effort in combustion cycles. The Energy Research and Development Administration's developmental efforts should include detailed attention to limiting environmental by-products of new technologies. But the capability should be built into the Energy Research and Development Agency, not acquired at the expense of our efforts to clean up existing sources of pollution. Our amendment emphasizes the need for such cooperation. But the principal responsibility for research supporting environmental regulations must remain in the Environmental Protection Agency.

In summary, I believe it is possible to create a viable and strong Energy Research and Development Administration. I do not believe it is necessary or desirable to damage the Environmental Protection Agency's regulatory research program in the process. I believe our recommendation will be consistent wtih those objectives and with your concerns.

Sincerely,

Edmund S. Muskie,
U.S. Senator, Chairman, Subcommittee on Environmental Pollution.

Mr. MUSKIE. Mr. President, here is a clear conflict with a legislative committee which has given full and comprehensive consideration to an issue over weeks of time, whose decisions are being challenged by legislation on an appropriations bill. The Senate Government Operations Committee consideration was made by Senators who are qualified from experience in the program, writing legislation for it over the years, to deal with the issue.

It has been considered and refined in a way that eliminates potential conflicts between EPA and ERDA.

Now this bill comes on the Senate floor and undertakes to throw it overboard.

It is for that reason, Mr. President, that I raise a point of order with respect to the language under rule XVI of the Senate rules, to which I have referred.

The **PRESIDING OFFICER.** The Chair recognizes the distinguished Senator from Hawaii.

Mr. **FONG.** Mr. President, before a ruling is made on the point of order raised by the Senator from Maine (Mr. Muskie), I should like to explain to the Senate that the language contained in the bill to which a point of order is directed was put into the bill by the Appropriations Subcommittee on Agriculture, Environmental, and Consumer Protection at the specific request of the Environmental Protection Agency.

I ask unanimous consent to have printed in the Record at the conclusion of my remarks a letter directed to Senator McGee, chairman of the subcommittee, from the Environmental Protection Agency, requesting this specific language.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. **FONG.** Mr. President, the total request by the Environmental Protection Agency was for $191 million. The House allowed $54 million of this and our subcommittee likewise agreed to the amount of $54 million. So in this bill there is only an appropriation of $54 million for this particular phase of the energy problem. Another $137 million still needs to be appropriated, and that will be considered in the regular appropriations bill for EPA for fiscal year 1975.

Mr. President, the pending bill is an emergency measure. It is an urgent bill. The bill should be effected and passed because we need to speed up our various energy research and development programs. We are trying to move ahead on these programs. We need all the help we can get to have the energy program proceed. That is one of the reasons why these words were added to the appropriations bill.

The Agency requested this language, and the subcommittee recommended it because it is felt that, without this authority, the Agency might not be in a position to utilize the funds appropriated in this bill and to proceed with the necessary work and programs to insure that environmental factors are properly considered and protected as we strive to develop an over-all energy policy and energy program.

As the Senator from Maine is fully aware, while the Environmental Protection Agency was allowed a considerable increase in funding in the energy activities in 1975 as compared with its budget in 1974, the budget estimate contained no provisions for increased personnel to the Agency. The Senator from Maine has expressed his concern over this situation, and I can assure all Senators that it is a matter of due concern to the members of the subcommittee. As a matter of fact, we have included language in the committee report on the bill which is directed specifically toward the personnel situation. While we certainly hope that this problem will be alleviated in the very near future, we have no assurance as of this date that any increased personnel allowances will be forthcoming to the Environmental Protection Agency from the Office of Management and Budget.

Even if additional personnel slots are forthcoming, however, in order to obtain the greatest benefit from the funds appropriated herein, the Agency should have some flexibility and be given the option to utilize the expertise and services of other agencies as may be required. The Agency wants that flexibility and the committee felt that it should be granted that flexibility, and that is the purpose of the language which is now being challenged by means of a point of order which has been raised against it by the distinguished Senator from Maine.

I would point out to my colleagues, also, that this language is not mandatory in anyway whatsoever. It is permissive and simply gives the Environmental Protection Agency the option to transfer some of the appropriated funds if and when it is deemed to be appropriate.

It appeared to the committee that by following this course of action the environmental factors, which certainly have to be considered as we develop an overall energy policy, would be adequately protected and at the same time the Agency would be given some discretion and flexibility and an opportunity to cooperate and coordinate its activities with other Federal agencies.

While I am not certain at this time what ruling will be made on the point of order raised by the Senator from Maine, I do hope it will be overruled. The committee feels that this language is most beneficial and it is important that it be retained in the bill if we are to proceed in an orderly fashion in developing an overall energy research and development program within the Federal Government. If this language is stricken from the bill and if the Environmental Protection Agency is denied the authority which it specifically requested, it could well serve to delay the development of energy and research development in the environmental field at a time when we all are trying desperately to proceed in an orderly manner on all fronts in attacking the most troublesome energy problems.

This is an emergency bill. For this reason, as I have indicated, I do hope that the point of order will be overruled and that this language will be retained in the bill.

But further, Mr. President, if it is determined that this is legislation in an appropriation bill, I suggest that the rule of germaneness would apply and that the subject language can be retained notwithstanding the fact that it is legislation.

The pending bill, as enacted by the House of Representatives and as presented to the Senate Appropriations Committee, contained language which is similar and indeed almost identical to the language which is being challenged here by the point of order.

On page 8 of the bill at line 6 there is a provision which reads:

> *Provided*, That from this appropriation transfers of sums may be made to other agencies of the government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

Again, on line 20, page 10, there is the following provision:

> *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

So, Mr. President, we have here a situation in which the House of Representatives in considering this bill has provided similar language to accomplish the precise purpose which our committee was attempting to do for the Environmental Protection Agency. By including these matters in the bill, this area has been opened up for Senate action. I repeat my assertion that, even if it is determined that the language in question would be subject to point of order as legislation in an appropriation bill, it is most certainly germane to the bill and therefore should not be stricken under the rules of the Senate.

Exhibit 1

U.S. Environmental
Protection Agency,
Washington, D.C. May 15, 1974.

Hon. Gale W. McGee,
Chairman, Subcommittee on Agriculture-Environmental and Consumer Protection Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: We would appreciate your consideration in making two important language changes when your committee reports out on the proposed Energy Research and Development appropriation for fiscal year 1975.

The first proposal, to make the language consistent with that of our regular Research and Development appropriation, is the addition of the following which we believe was inadvertently omitted in the House bill:

For energy reserach and development activities, *including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft;*

The second language addition requested would clarify our Agency's authority to transfer procurement activity to other agencies as needed, to complete research and development projects. Section 601 of the Economy Act (31 U.S.C. 686) essentially prohibits funding of contract under interagency agreements except where the agency is the—Army, Navy, Treasury Department, Federal Aviation Agency, or the Maritime Commission.

As an example, we propose to transfer $3 million to TVA for the construction and operation of a pilot scale fluidized bed test unit. Design construction of the test unit must be accomplished by TVA under a contract with an industrial firm. The transfer of funds to TVA to enter into such a contract would violate Section 601 of the Economy Act.

To permit the transfer of funds to another agency for contracting purposes and to comply with Section 601 of the Economy Act, we request the addition of the following at the end of the language after the word "expended":

Provided that the Environmental Protection Agency may transfer so much of the funds as it seems appropriate to other Federal agencies for energy research and development activities that it may be in a position to supply, or to render or to obtain by contract.

We also request the addition of the language above to our regular 1975 Research and Development appropriations account.

Sincerely yours,

ALVIN L. ALMA,
Assistant Administrator for Planning and Management.

Mr. FONG. Mr. President, I ask for a determination by the Senate of the germaneness issue at this time. I understand that this motion is not debatable.

The PRESIDING OFFICER. The question of germaneness would take precedence over the point of order. Unless the distinguished Senator from Hawaii withholds his point of germaneness, that question would be submitted to the Senate.

Mr. FONG. Mr. President, I withhold only if I may be permitted to bring it up before a ruling is made by the Chair on the point of order.

The PRESIDING OFFICER. That is understood, and with that understanding will the Senator withhold raising the point of germaneness?

Mr. FONG. Yes, I withhold with that understanding.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Mr. President, even though the question of germaneness may be raised under the previous unanimous-consent agreement, I understand that no vote can be had on it before 4 o'clock this afternoon.

The PRESIDING OFFICER. No rollcall votes are to occur before 4 p.m. However, that would not prevent a voice vote.

Mr. FONG. Mr. President, I will ask for a rollcall vote on this question.

The PRESIDING OFFICER. Very well.

Mr. FONG. Under those circumstances, it would occur after 4 p.m.

Mr. McCLELLAN. Yes.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. Mr. President, I request that prior to the vote, sometime after 4 o'clock, there may be a period for a further discussion on this point. We have a half dozen Senators in the Chamber. There is no way to enlighten Senators who are not present as to the issues involved between now and 4 o'clock, with so few Senators present.

I suggest that if there is to be a vote late in the afternoon, perhaps there should be a time of one-half hour of discussion before that vote so that Senators then present may have the opportunity to understand the issue. The issue is complicated.

Mr. McCLELLAN. Mr. President, if I may be heard on that point, I have no objection. I think it is quite proper that some time be set aside. I have not conferred with the leadership, but I see no objection to the request.

Mr. STENNIS. Mr. President, does the unanimous-consent request prevail now?

Mr. MUSKIE. Yes.

Mr. STENNIS. Mr. President, reserving the right to object, and I am agreeable to the idea of having time on this point, the Senate already has agreed to a closed session concerning the matter to be taken up on the military procurement bill. The time has been agreed to.

Subject to something being worked out consistent with the debate on this matter, I should think that an agreement could be worked out with the leadership.

Mr. MUSKIE. Yes. I think we should work out the matter in connection with the amendment to be debated this afternoon and voted on at 4 o'clock.

Mr. President, may I make a unanimous-consent request subject to that understanding?

The PRESIDING OFFICER. What period of time does the Senator suggest?

Mr. MUSKIE. I suggest 30 minutes.

Mr. FONG. Ten minutes on each side?

Mr. MUSKIE. Thirty minutes with 15 minutes on each side.

Mr. FONG. Thirty minutes with 15 minutes on each side? Very well.

The PRESIDING OFFICER. At what juncture in the proceedings?

Mr. MUSKIE. Following the vote on the McIntyre amendment this afternoon.

The PRESIDING OFFICER. Is there objection to the request that after the McIntyre amendment has been disposed of a period of 30 minutes be set aside for debate on the point of order raised by the distinguished Senator from Maine to the last 5 lines of chapter 1 of the bill; and that a vote be taken immediately after such 30 minutes of debate? Is there objection?

Mr. FONG. I understand the vote is on the question of germaneness.

The PRESIDING OFFICER. The question would be submitted on the question of germaneness, and the Chair understands the Senator from Hawaii to request a yea-and-nay vote.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. Mr. President, if there is a vote on germaneness, would it subsequently be in order to have a vote on the point of order whenever the vote on germaneness is completed?

The PRESIDING OFFICER. That would depend on the outcome of the vote on germaneness. If the language is held to be germane, it would wipe out the point of order.

Mr. MUSKIE. One other question, in order to be sure. I rose before making the unanimous-consent request in order to respond to the points made by the Senator from Hawaii. I still would like to do that this morning. I want to make clear that I intend to take a few minutes in order to do that.

The PRESIDING OFFICER. That would have to be by unanimous consent because the raising of the point of germaneness wiped out further consideration of the point of order until the germaneness point has been decided.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I may have 10 minutes to respond to the distinguished Senator from Hawaii.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Mr. President, will the distinguished Senator from Maine withhold for just a moment while I find out the status of my amendment?

Mr. MUSKIE. I yield.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL Mr. President, I had an amendment pending, and I would like to find its status.

The PRESIDING OFFICER. The amendment is the pending question. By unanimous consent consideration was set aside pending the raising of the point of order and as soon as that matter has been disposed of temporarily we will revert to the amendment of the Senator from Colorado.

Mr. HASKELL. I have one other parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. It is possible that the distinguished Senator from Nevada (Mr. BIBLE) and the Senator from Colorado would be able to work out an agreement on my amendment. Are further amendments pending so that I might postpone consideration of my amendment beyond that?

The PRESIDING OFFICER. That would take unanimous consent to postpone it further.

Mr. HASKELL. Would the Chair be so kind as to instruct me how to obtain unanimous consent to delay consideration of my amendment to a time certain following the discussion of the Senator from Maine and any other amendments pending? Would that be a proper request?

The PRESIDING OFFICER. There is a limitation on the Senator's amendment at this time However, he can withdraw the amendment, if he feels an accommodation could later be reached.

Mr. HASKELL. If I should withdraw the amendment would I be able to reoffer it again?

The PRESIDING OFFICER. Yes. There would be no objection.

Mr. STENNIS. Mr. President, may I be heard on that point? I do not object; instead I commend the Senator from Colorado for his fine interest in this subject and for his conferring with the Senator from Nevada (Mr. BIBLE), who is highly conversant with the problem and who has had this matter on the floor of the Senate before. I believe they will work out something. They are very close neighbors, and I am sure they will be able to get together on some satisfactory solution.

Mr. **HASKELL.** I thank the distinguished Senator from Mississippi.

Mr. President, under those circumstances, I ask that I may withdraw my amendment, with the understanding that if I am unable to work out an agreement with the distinguished Senator from Nevada, I may re-offer it.

The **PRESIDING OFFICER.** The Senator has a right to withdraw his amendment, and the Senator takes that action. The amendment is withdrawn.

Under the unanimous-consent agreement, the Chair now recognizes the Senator from Maine.

Mr. **McCLELLAN.** Mr. President, I ask unanimous consent that each side may have 10 minutes for a further consideration of the point of germaneness.

Mr. **ROBERT C. BYRD.** Mr. President, reserving the right to object, I wonder if we could have a brief quorum call. I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on June 7, 1974, the President had approved and signed the bill (S. 2844) to amend the Land and Water Conservation Fund Act, as amended, to provide for collection of special recreation use fees at additional campgrounds, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

UNANIMOUS-CONSENT AGREEMENT—GERMANENESS

Mr. **ROBERT C. BYRD.** Mr. President, in view of the unforeseen problems that have developed in connection with the point of order and the raising of the germaneness question, the timetable with bill (S. 3000) would be greatly upset if we were to proceed with the vote on germaneness and the debate in connection with that question, and if we were to attempt to proceed to complete action on this bill today or to proceed beyond the hour of 12:45 p.m. today in connection with this bill.

So, the matter has been discussed with all parties, and the distinguished Senator from Arkansas (Mr. McCLELLAN), who is the chairman of the Appropriations Committee, has consented to forego until Wednesday further action in connection with the point of order and the question of germaneness. This is agreeable also to the distinguished Senator from Maine (Mr. MUSKIE).

In view of the fact that most of tomorrow is going to be consumed with further action on the military procurement authorization bill (S. 3000), I ask unanimous consent that there now be a period of 30 minutes for debate, to be equally divided between Mr. MUSKIE, and Mr. FONG; that upon the termination of that 30 minutes the energy appropriation bill be set aside until the hour of 1 p.m. on Wednesday next; and that the time that bill is set aside today, the Senate resume the consideration of S. 3000 without the time beginning to run on the McIntyre amendment until the hour of 12:45 p.m. today.

Mr. **YOUNG.** Mr. President, reserving the right to object, how much time is left on the bill and amendments?

Mr. **ROBERT C. BYRD.** I am glad the Senator raised that question.

Mr. President, I ask unanimous consent that the 30 minutes run and be charged against Mr. MUSKIE and Mr. FONG, but that no time be charged against the bill or any other amendments thereto today.

Mr. **YOUNG.** The full time, the full 2 hours, are left for the bill?

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the full 2 hours that were allotted for debate on the bill at the beginning be reallocated to the bill upon the Senate's resuming action thereon on Wednesday.

Mr. **MUSKIE.** Reserving the right to object—and I will not object—on the germaneness question, has the Senator decided at what time the debate will begin on Wednesday?

Mr. **ROBERT C. BYRD.** Could we decide that later? We will work out an agreement whereby all Senators will know the hour at which a vote will occur on the germaneness question. But for now, I think this will get us out of the problem in which we find ourselves immediately.

Mr. President, I ask unanimous consent that the time agreement begin ab initio on Wednesday next when the Senate resumes consideration of the energy appropriation bill.

I thank all Senators.

Mr. **FONG.** Mr. President, reserving the right to object, and I will not object, the vote will be on the question of germaneness; is that correct?

Mr. **ROBERT C. BYRD.** The vote will be on the question of germaneness in accordance with the rule.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none and it is so ordered.

Mr. **ROBERT C. BYRD.** Mr. President, I may say to the distinguished Senator that we will agree on a time.

Mr. **FONG.** Yes.

The **PRESIDING OFFICER.** At this time, there will be a period of not to exceed 30 minutes during which time the point of order will be debated, with 15 minutes allotted to the distinguished Senator from Hawaii and 15 minutes to the distinguished Senator from Maine. Who yields time?

Mr. **MUSKIE.** Mr. President, just to respond—and I may not take the full 15 minutes, since we will have further time to discuss the issue on Wednesday—I shall take just a few minutes to discuss some of the points raised by the distinguished Senator from Hawaii.

First of all, as chairman of the Subcommittee on Environmental Protection, it has been my effort in the last 2 years to work closely with the Appropriations Subcommittee on the Environment in order that we can avoid disagreements on the floor of the Senate as to our environmental objectives.

I regret that this issue has arisen, by surprise to me, under the circumstances that confront me on the floor of the Senate this morning.

With respect to the point of order on the germaneness question, I understand, of course, that the Senate as a whole will decide that question and that the Parliamentarian or the Chair will not rule on it. But, surely, there must be some limitations, some parameters, within which the Senate as a whole ought to judge this question.

If legislation is put on an appropriation bill by the House of Representatives and it them comes to the Senate, we cannot reach that by point of order, so the germaneness question is simply a device to use something that the House did which is beyond our reach to attach legislation on the Senate bill.

If we were to use that practice loosely and without any self-discipline whatsoever, then our rule against legislation on an appropriations bill would be meaningless.

What is the Senator's argument on germaneness, looked at in that light?

My point of order addressed itself to page 2 of the bill, which has to do with an appropriation for the Environmental Protection Agency. There is no legislation in that part of the bill which originated in the House—none whatsoever. So with respect to that provision of the bill, the language to which I addressed my point of order is not germane, but rather the Senator from Hawaii would argue that House legislative language on another provision of the bill, chapter 4, which covers the Atomic Energy Commission, is legislation to which his amendment is germane because the provisions for the Atomic Energy Commission are phrased similarly to those for the Environmental Protection Agency.

If we are to accept that test of germaneness, then all we would need is some obscure piece of legislation tucked away in some corner to justify any legislation that the Senate Appropriations Committee wanted to attach to an appropriation bill covering any subject that is conceivably within the four corners of the bill. If we adopt that test of germaneness, then the germaneness test is meaningless.

Mr. President, I now address myself to the point made by the distinguished Senator from Hawaii to the effect that the EPA requested this language.

On that point, the EPA has been under pressure constantly, for months, from the Federal Energy Administration and from the Office of Management and Budget to compromise the objectives of the Clean Air Act and the Clean Water Act, and the Administrator of EPA, Mr. Russell Train, has fought valiantly; but in order to win some victories in the cause of clean air and clean water, he has had to surrender in other struggles, and one of those struggles is this one. When the Senator from Hawaii tells me that EPA requests this language, I say to him I do not believe that EPA really wants this language.

The original language in the ERDA bill, requested by OMB and FEO and supported by EPA, would have transferred out of EPA all of its regulatory research activities, programs, functions, and personnel, completely undermining its ability to regulate those industries which are subject to regulation under the Clean Air Act.

You cannot tell me, Mr. President—not even the persuasion of the Senator from Hawaii can tell me in a convincing way—that EPA really wants this. This is one of the points which EPA is willing to surrender to get peace in the family and to turn back other more vigorous and vicious attempts to undermine the Clean Air Act.

I say, Mr. President, to the distinguished Senator from Hawaii, I think that the Environmental Subcommittee of the Appropriations Committee has as strong a mandate as the Subcommittee on Environmental pollution to be aware of these attacks on this bill and on this legislation.

This is an attack on the Clean Air Act. The appropriations bills have been used by the House for 2 years in an effort to undercut the Clean Air Act. The efforts will continue, and it is only by being alert to the directions from which the attacks come that we can turn them back. So this is an important issue that that is before us.

I emphasize, Mr. President, that it is an issue that is before the Committee on Government Operations; it has been before the Committee on Government Operations for weeks. It has been thoroughly considered there and resolved there, and the resolution makes sure that EPA will continue to have its regulatory research programs and that ERDA will create its own developmental research programs.

I think that resolution makes sense, Mr. President. I do not think this one makes any sense at all unless one is desirous of undercutting the Clean Air Act.

The Senator says this is an emergency. Mr. President, I have been working on emergency bills connected with the energy crisis since last December, and we have yet to enact an emergency energy bill.

I say, second, that I do not believe there is an energy emergency that justifies gutting the Clean Air Act. This language that I am talking about is a part of the language insisted upon by OMB and insisted upon by FEO to deprive EPA entirely of its research functions. I just do not believe we should meddle with it in this appropriations bills.

There are legislative vehicles coming along which are going to reach the floor of the Senate this week. If there is disagreement with the compromise worked out in the Government Operations Committee by Senator JACKSON, Senator ERVIN, Senator JAVITS, and myself, there is ample opportunity to raise it with full debate, not the kind of debate limited by this appropriations measure. I urge, Mr. President, that the germaneness issue be turned down by the Senate and the point of order be supported, so that we can do what the Senator from Hawaii has been urging: Follow orderly processes for raising and resolving these issues.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, there was no attempt by the Subcommittee on Agriculture, Environmental, and Consumer Protection of the Appropriations Committee, to subvert the Clean Air Act. In fact, we have specifically stated in our report as follows:

> It is the expectation of the Committee that an appropriate amount of funds for initiating chemical coal cleaning technology, in any event no less than 10 percent of the funds appropriated for this purpose, shall be used in demonstrating the most efficient available technology which can be incorporated in new electric generating facilities now in the design and or construction stages.

We all know that if we are going to have sufficient energy, we have got to depend on our coal supply. We have got to improve technology on coal so that we can have clean air.

Here is the committee report which specifically states, "no less than 10 percent" of the funds appropriated for EPA research is for demonstrating the most efficient available technology to incorporate in new electric generating facilities so that we could have clean air.

The distinguished Senator from Maine says that he does not think EPA really wants this language in the bill.

Let me read from their letter of May 15, 1974:

> The second language addition requested would clarify our Agency's authority to transfer procurement activity to other agencies as needed, to complete research and development projects. Section 601 of the Economy Act (31 U.S.C. 686) essentially prohibits funding of contracts under interagency agreements except where the agency is the—Army, Navy, Treasury Department, Federal Aviation Agency, or the Maritime Commission.
>
> As an example, we propose to transfer $3 million to TVA for the construction and operation of a pilot scale fluidized bed test unit. Design construction of the test unit must be accomplished by TVA under a contract with an industrial firm. The transfer of funds to TVA to enter into such a contract would violate Section 601 of the Economy Act.
>
> To permit the transfer of funds to another agency for contracting purposes and to comply with Section 601 of the Economy Act, we request the addition of the following at the end of the language after the word "expended":
>
> "Provided that the Environmental Protection Agency may transfer so much of the funds as it seems appropriate to other Federal agencies for energy research and development activities that it may be in a position to supply, or to render or to obtain by contract."

Now, Mr. President, there is no agency now coordinating all the energy research and development programs. This fact that there is no coordinating agency at the present time is important.

At least 14 or 15 agencies are involved in the pending new energy appropriations bill which we are trying to expedite and which has for its purpose, really, getting the energy research and development programs going.

The purpose of the pending bill is to provide funding to get the programs going as expeditiously as possible.

Let me read the various agencies involved.

Chapter I, EPA. Chapter II, NASA and the National Science Foundation. Chapter III, the Department of Interior. Chapter IV, Atomic Energy Commission; Bonneville Power Administration, Underground and Other Electric Power Transmission Research. Chapter V, Department of Commerce. Chapter VI, Department of Transportation. Chapter VIII, Federal Energy Office.

These are all the various agencies that are involved in this energy research and development appropriations bill. There is no one agency coordinating the energy research and development programs.

Now the language our committee added to the bill gives flexibility to the EPA so that it will not be duplicating a program, so that other agencies will not duplicate the program, and so that it can transfer the funds to other agencies that may be working on some of the EPA programs if they are interested.

On the question of germaneness, the whole theme of the pending bill is energy.

Let me read the title of the bill:

> Making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

Mr. President, the subject of the bill is energy—energy research and development activities.

What do we have in the bill?

On page 8—the Atomic Energy Commission—we have these very words which are in substance the very same as we are trying to provide for EPA in our wording. That is, on page 8, the way the House has approved the bill insofar as the Atomic Energy Commission is concerned:

> *Provided*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred:

Again, on page 10—Federal Energy Office—we find these words:

> *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

So, Mr. President, the question of germaneness is really a proper one. I would say that the words we have included in the EPA appropriation title are germane to the whole issue of energy research and development activities.

The EPA Agency asked for $191 million. The House gave it $54 million. We agreed with the House to give it $54 million for this emergency program, so we still have $137 million to go. We are only appropriating approximately 28 percent of the request for $191 million. We are appropriating $54 million.

I submit that the words we have incorporated in the EPA title are germane to the whole question.

The reason why the House did not include it, as I have been told, is that the matter was never presented to it.

I understand that the House Appropriations Committee did not have a request for the EPA transfer language when they wrote H.R. 14434. So, Mr. President, it is not a case of the House committee's having rejected the language.

This matter, if approved by the Senate, will be in conference. On this particular item, if the House conferees feel it should not stay in the bill, they will have a chance to throw it out.

I say that this provision will not be detrimental to the bill if we put it in. It will be a great benefit to the bill. It will be a great benefit to the Government. It will be a great benefit to EPA to have these words incorporated, because this is a program which we are trying to have the Government initiate, and we need to have some flexibility.

Mr. MUSKIE. Mr. President, the point the Senator from Hawaii has just made appears to suggest that objection to legislation in appropriation bills of the Senate has to do with the failure of the House Appropriations Committee to act.

The point is, his argument seems to be that the reason legislation had not been attached to appropriation bills was that there are legislative committees who have the responsibility and the jurisdiction to act.

Whether the House has attached legislation to an appropriations bill is simply a loophole which has the effect of bypassing Senate legislative committees. So if the Senate endorses the point of view of the Senator from Hawaii, what the Senate will do is to endorse the House's prerogative to legislate on an appropriation bill in ways the Senate cannot do. That is the meaning of this proposal; because if we open the germaneness issue as broadly as he asks us to do, then the House can attach legislation to appropriations bills covering the whole range of issues considered by Senate legislative committees. We cannot attack them on the floor of the House. Then the Senate Appropriations Committee can use that House legislation to further broaden the attack on the legislative committees of the Senate. That is the nature of the position. To justify a breach of the Senate's will against legislation on an appropriation bill by prerogatives of the House committee seems to represent an attempted surrender to the House of Senate prerogatives. That is what the Senator from Hawaii is arguing for.

He is arguing that we should let the House dictate to us on the question of whether or not we should permit legislation on an appropriation bill. And he does it how? He does it by arguing that because the House did it in one chapter of the bill dealing with the Atomic Energy Commision, that makes similar language on the Senate side germane for the Environmental Protection Agency which comes under a separate chapter of the bill.

That is to stretch the argument of germaneness beyond any reason.

Mr. President, I know that EPA wrote the Senator a letter asking for this. They also wrote a statement asking me to completely gut their regulatory research programs, and I refused to do so. Without the regulatory research programs, they cannot do the job of regulation.

If EPA wrote the Senator that letter, they should not have done so if they are really concerned with preserving the integrity of the Clean Air Act.

I can believe they wrote it, just as they wrote their letter to me, under pressure of the Office of Management and Budget, under the pressure of the Federal Energy Administrator, just as those two agencies undertook to pressure Mr. Train into endorsing amendments to the Clean Air Act, which he could not swallow.

He brought them up here, he delivered them, and he was man enough to tell us he was not for them. But he also said that because of the pressures brought upon him, he had to agree to other amendments about which he was not too enthusiastic.

Does the Senator wish me to believe that that letter was the free act of Mr. Train and the Environmental Protection Agency? I regret to say to the Senator I have been too close to the picture for too long to buy any such arguments or any such letter. I have to judge this in terms of my own understanding of the Clean Air Act, the clean air program, the attacks upon it, and the indirect routes that have been taken by its enemies in both Houses of this Congress to gut it. That is what this language does.

It is part of an attack that has been concerted and persisted in for months, to gut the research programs of the Environmental Protection Agency.

I hope no Senator will misread it as being anything but that. Understanding it, if Senators think the Clean Air Act ought to be weakened, then they should vote with the Senator from Hawaii. Understanding it, if Senators want to protect the Clean Air Act, then they should vote with the Senator from Maine.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, how many minutes do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. FONG. Mr. President, I cannot see how these words in the appropriation bill under the EPA title can gut the Clean Air Act. As I pointed out earlier, the committee in its report stated that not less than 10 percent of the amount which we have appropriated is to go to technology so that the coal may be clean in the production of energy. If that is not helping the Clean Air Act, I do not know what is helping the Clean Air Act.

Mr. MUSKIE. Mr. President, will the Senator yield for a question?

Mr. FONG. I will yield for a question.

Mr. MUSKIE. If the objective of the research is to clean up coal, which agency would be more concerned, if that be the true goal, the Environmental Protection Agency or the energy agency whose mission is different, to expand the use of coal?

Mr. FONG. I believe EPA could put restrictions in its transfer of funds so that EPA would be protecting the Clean Air Act. I cannot see EPA trying to do away with the Clean Air Act. I cannot see EPA transferring money to other agencies so that they could do away with certain parts of the Clean Air Act.

Mr. MUSKIE. May I ask another question?

Mr. FONG. Yes.

Mr. MUSKIE. Does the Senator believe that EPA would get involved with such contracts or transfers without the direct supervision of the Office of Management and Budget?

Is the Senator aware of the previous position of OMB to pursue not environmental goals but energy goals in that kind of transfer? There is a fox in the chicken coop, may I say to the Senator? I have seen it there. The Senator ought to look a little closer to make sure he does not see it, too

Mr. FONG. The EPA Administrator should be an independent administrator. He should not let OMB tell him what to do. If he feels that this transfer is going to denigrate the Clean Air Act, he should not transfer the funds.

What we are asking for here is not a mandatory transfer; we are asking for a permissive transfer. He may do it. He need not do it if he does not want to do it.

Mr. MUSKIE. Will the Senator yield for a further question?

Mr. FONG. I yield.

Mr. MUSKIE. I commend the Senator's attention to our oversight hearings on EPA's budget. I asked EPA:

> Do you ever evaluate what it would cost to meet the goals of the Clean Air Act in terms of personnel and funding? Do you ever make that independent evaluation to submit to OMB?

The answer was "No." OMB gives us the figure, a ceiling, and we have to live within that. There never was an opportunity to tell OMB whether that is adequate or inadequate, whether it ought to be more or less.

With that kind of subservient relationship between OMB and EPA and other agencies of the Government, does the Senator really believe that the language in this bill is going to be used in ways that EPA freely and in an uninhibited, unrestricted, and unrestrained way would determine?

I do not believe that, though the Senator may. If the Senator does believe that, I say the Senator is being a little naive.

Mr. FONG. We have increased the appropriation of EPA very substantially.

They have not been allowed additional personnel, however. We have given them much more money than we did last year, but so far EPA has not received clearance from OMB for additional personnel.

Without that personnel, they will not be able to carry out their fuctions, those which we wish them to perform under this bill.

We should give them that flexibility so that if they feel they should have some help from other agencies, there is no reason why they should not get it.

Mr. MUSKIE. My one question in the debate boils down to this: I know that this language will be used by OMB—because their intentions are clearly on the record of the hearings before our committee—that it will be used by OMB to move all research funds out of EPA into other agencies.

The language is flexible enough to permit that. There are no safeguards here. If the Senator is relying on EPA's backbone to prevent it, then the Senator is asking for something that has not been visible on this subject in this Congress.

Mr. FONG. Since I have only a few minutes, may I say, Mr. President, we are not going to let the House tell us what to do. We are not lettting the House dictate to us.

Mr. President, on the question of germaneness, the entire Senate, 100 Members, will have a chance to express an opinion as to whether or not the question of germaneness is correct. So we are not asking the House of Representatives, by the question of germaneness, to dictate to us. In asking for a vote on the question of germaneness, I am asking that the Senate, 100 Members, decide if the question is germane or not. This question is left to the dictates of the conscience of this body and not the House.

Mr. President, I wish to read from the report of the House. It states on page 11:

> The Committee recommends that the $54,000,000 be distributed by program as follows:
>
> Complete pilot scale evaluation of fine particulate control technology on combustion sources, $4,000,000.
>
> Demonstrate advanced waste heat control and utilization technology including dry cooling towers and closed loop systems, $3,000,000.
>
> Develop commercially practicable fuel cell designs for both stationary and mobile energy storage and transmission application, $6,000,000.
>
> Demonstrate the commercial application of municipal waste as an energy source for industrial combustion, $1,000,000.
>
> Initiate commercial demonstration of chemical coal cleaning technology, $34,000,000.
>
> Improve stationary combustion techniques for the control of nitrogen oxide emissions, $6,000,000.

All of this adds up to $54 million. Here we are appropriating $54 million, most for clean air technology in the field of energy. How can EPA go very much wrong if we give them this flexibility?

We are not dictating to the House and the House is not dictating to us by telling us what to do in this bill. We are asking that the whole Senate vote on it so that each Senator by his own conscience will show what he believes to be right by voting on the question of germaneness.

The PRESIDING OFFICER. Who yields time

Mr. ROBERT C. BYRD. Mr. President, is there any more time?

The PRESIDING OFFICER. All time on the point of order has expired.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS ETC.

The ACTING PRESIDENT pro tempore (Mr. HASKELL) laid before the Senate the following communication which was referred as indicated:

PROPOSED AMENDMENT TO BUDGET, 1975, FOR THE SUPREME COURT (S. DOC. NO. 93–85)

A communication from the President of the United States, transmitting a proposed amendment to the 1975 budget, totaling $18,000, for the Judiciary, Supreme Court of the United States (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HARTKE, from the Committee on Veterans' Affairs, with an amendment:

S. 2784. A Bill To amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans' education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes (Rpt. No. 93–907).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, with an amendment:

S. 2687: A bill to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes (Rept. No. 93–908).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TAFT:

S. 3607. A bill for the relief of Elizabeth Anne Noble; and

S. 3608. A bill for the relief of Lana Shi-Lai Lau. Referred to the Committee on the Judiciary.

By Mr. MOSS (for himself and Mr. MANSFIELD):

S. 3609. A bill to amend section 127 of title 23 of the United States Code relating to vehicle weights. Referred to the Committee on Public Works.

By Mr. HATHAWAY:

S. 3610. A bill to provide for the establishment of regional small contract claims boards for small claims relating to Government contracts. Referred to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 3611. A bill to amend the Act authorizing the Trans-Alaska Pipeline in order to provide for an improved vessel traffic control system for Prince William Sound and Valdez, Alaska. Referred to the Committee on Commerce.

By Mr. HATHAWAY (by request):

S. 3612. A bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder and for other purposes. Referred jointly, by unanimous consent, to the Committee on Labor and Public Welfare and the Committee on Finance.

By Mr. MAGNUSON:

S. 3613. A bill to amend the Rail Passenger Service Act of 1970 and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. JACKSON) (by request):

S. 3614. A bill to amend certain provisions of the Act of July 24, 1956, relating to the restoration of tribal ownership of certain lands upon the Colville Indian Reservation, Washington. Referred to the Committee on Interior and Insular Affairs.

By Mr. HASKELL:

S. 3615. A bill to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3616. A bill to amend section 905(c) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3617. A bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years. Referred to the Committee on Commerce.

By Mr. CURTIS:

S.J. Res. 213. A joint resolution authorizing the establishment of the Construction Industry Task Force to expedite the construction of energy producing facilities. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS (for himself and Mr. MANSFIELD):

S. 3609. A bill to amend section 127 of title 23 of the Unite States Code relating to vehicle weights. Referred to the Committee on Public Works.

Mr. MOSS. Mr. President, I introduce, for myself and Senator MANSFIELD, a bill to increase and further standardize weight limits for trucks on interstate highways. The bill is identical with the one introduced in the House of Representatives by Congressman JOHN MELCHER of Montana (H.R. 12964).

The severe energy problems which developed last winter, and the predictable reaction of the Nations' truckers when the price of diesel fuel was increased and the supply drastically limited, brought to attention two aspects of our national life to which many of us had never given much thought before—first, the extent to which we rely on the trucking industry and the Nation's highways to serve our transportation needs, and second, the inequities which many truckers, particularly independent truckers, face constantly in bringing to us in an efficient and economic manner many of the products upon which we depend in our day-to-day existence.

The bill I am introducing is designed to help the trucking industry operate more efficiently so it may transport the freight—both the raw and finished products it is accustomed to carry—at the most reasonable possible costs.

The bill would increase from 18,000 to 20,000 pounds the limit a motor vehicle can carry on one axle; from 32,000 to 36,000 pounds the limit on tandem axles, and the gross limit from 73,280 to 81,000 pounds. The increase would remain in effect until further revision of the law by Congress.

Limits such as those proposed by this bill, and even higher ones, are already permitted in a considerable number of States under provisions of the Federal Highway Act. That act "grandfathered-in" higher limits which the States had enacted prior to 1956, and those higher limits would be continued.

Nor would enactment of the bill mean larger and longer trucks on the highways—larger and longer trucks behind which passenger vehicles could stack up, and which could make such driving more hazardous. The length of trucks is decided solely by State law and this bill would merely allow trucks of the size now permitted in each State to carry heavier loads, and thus to transport more goods on each trip. The economic benefits to the larger number of industries and customers to be served is obvious.

There may be some question on whether the impact of increased weight on interstate highways would require greater maintenance of the highway surface, and greater strain on existing bridges. This naturally must be considered, and hearings would develop more information than is now available. So far, however, there is no evidence available that increased weights have had any detrimental effects on highways or bridges in those States where they have been allowed. In fact, with the improvements made in the last two decades in highway design and other aspects of road building, an increase in truck weight limits appears long overdue.

Enactment of this legislation would have a particularly favorable impact on western States. Geography and topography have greatly limited our mobility, and the advent of the motor vehicle allowed this region to expand far beyond the limits which would otherwise have been set and fixed were we confined to the corridors of other methods of transport.

In the western States, agriculture, livestock, mining, lumbering, petroleum, and other extractive industries of great economic consequence have all been promoted by the extensive use of motor vehicle transportation. The products of these industries, in the first instance, at least, almost always move on highways. Our wealth has not made our highways possible, but our highways have made our wealth possible.

The dynamic growth of the economy of the West in the last quarter of a century has been paralled by the growth in motor vehicle transportation. Therefore, any move which makes such transportation more efficient, and therefore less costly, would be especially beneficial to the West.

But this is not a western bill, nor a sectional bill in any sense. The whole Nation is dependent in a large degree to motor vehicle transportation, and the enactment of this bill, I am convinced, would be beneficial to all of our people in all corners of the country.

Mr. President, I send to the desk, for appropriate reference, a bill to amend section 127 of title 23 of the United States Code relating to vehicle weights, and ask that the full text of the bill be printed in the RECORD at the close of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 127 of title 23 of the United States Code is amended by striking out "eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of seventy-three thousand two hundred and eighty pounds," and inserting in lieu thereof the following: "twenty thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-six thousand pounds, or with an overall gross weight in excess of eighty-one thousand pounds,".

By Mr. HATHAWAY:

S. 3610. A bill to provide for the establishment of regional small contract claims relating to Government contracts. Referred to the Committee on the Judiciary.

Mr. HATHAWAY. Mr. President, I introduce for appropriate reference a bill for the establishment of regional boards of contract appeals concerning claims under Government contracts. This would primarily assist small business contractors, nationwide, who have claims not exceeding $25,000 on their contracts with the Federal procuring agencies. The purpose of this bill is to provide expeditious, as well as convenient, resolution of the smaller contract claims.

As chairman of the Small Business Committee's Subcommittee on Government Procurement, I have been seeking to learn what are the current problems that the small business contractors are facing. These small contractors play a very substantial role in the annual $50-billion Federal Government procurement program. To be exact, within the Department of Defense alone, they received 20 percent of the contract dollars and 70 percent of the contract actions in fiscal year 1973. It is the concern of our subcommittee that these small businesses will continue to receive a fair proportion of Government contracts in accordance with the Small Business Act.

The proposal of regional boards of contract claims was set forth by the Commission on Government Procurement in its report to the Congress on December 31, 1972. The report recommended that boards of this nature should be established to provide an accelerated procedure in lieu of the present procedures of the boards. The benefits of the creation of regional boards would chiefly come to the small business contractors.

Boards of contract appeals are established to consider and rule on claims arising under a Government contract. Under the terms of the contract, a contractor agrees first to submit the claim to the contracting officer who is to render a decision on it. If the decision is adverse to the contractor, he may appeal it to the board as established by most of the contracting agencies in the executive branch. The decision of the board is final as to matters of law except for fraud and other identified circumstances.

It is not uncommon for a contractor to need to submit a claim. For instance, in fiscal year 1972, 1,092 appeals were filed with the Armed Services Board of Contract Appeals alone, according to the Commission on Government Procurement's report.

Predominantly there are small claims. From data developed by the Commission, it was shown that some 63 percent of the present appeals handled by the boards would at least be eligible for consideration by these regional small claims boards as proposed in the bill I am introducing today.

The advantage of having a regional small claims board would be the close proximity of the board to the contractor-claimant, as well as the emphasis on informality and expeditious procedures. It was surprising to learn in the Commission's report that, of the cases studied, 30 percent appealed to the board were resolved within 6 months; 27 percent within 6 to 12 months; and a full 15 percent took longer than 24 months to bring to a conclusion. This delay is not solely due to the boards' administration. Both the Government and the claimant may deliberately continue the case for further negotiation and other reasons. Smaller cases may move more quickly through the process; however, it is still a problem that needs corrective action.

It is my understanding that the boards of contract appeals have generally taken the position in the past that they provide accelerated procedures to the contractor with a smaller claim. They maintain that this optional procedure, although abbreviated, is fully responsive and protective of the needs of the contractor. Furthermore, they will, upon a request of a contractor, hold a hearing of the board outside of Washington, D.C. It is, therefore, their position that there is little need for regional boards.

The small business contractor community feels otherwise. In a survey the Government Procurement Subcommittee recently made, 81 percent of the answers to this question indicated support for the regional boards of contract appeals. This questionnaire was circulated to small business contractors around the country and covered a wide variety of procurement subjects. The findings of this questionnaire survey were buttressed in hearings of the subcommittee on May 21, 1974. One small businessman from the State of Maine testified:

> The establishment of regional boards of contract appeals for claims of $25,000 or less would be another big step forward. We are very much in favor of this change. The trip to Boston is far less expensive than one to Washington, D.C.

I feel that this is substantial evidence of a need to rectify a longstanding problem. It is a problem more for the small business contractor than the large contractor. With far less resources available to him, the small business contractor generally cannot wait long periods of time or spend the $5,000, which it can easily cost to appeal a case to the board. Such costs may be tolerable to the contractor who has a really large claim in dispute, but when the amount is small, the attendant costs and time involved in the present system discourage the use of this appeal procedure. The small contractor simply cannot afford to seek this remedy even though his claim may be wholly valid and compensable. This defeats the initial purpose of providing an administrative review and results in gross unfairness.

Mr. President, I ask unanimous consent to have the text of my bill printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any determination of a dispute concerning a question of fact arising under a contract between a contractor and any department or agency of the Federal Government involving an amount not exceeding $25,000 shall be made by the contracting officer or procuring agent of that department or agency who is responsible for that contract prior to the conclusion of the 60 days period beginning on the date of notification by the contractor of the dispute, unless such period is extended at the request of the contractor.

Sec. 2. The head of each department and agency of the Federal Government shall establish regional small contract claims boards of that department or agency for the consideration of final decisions of contracting officers and procuring agents under the first section of this Act.

Sec. 3. A small contract claims board should, if possible, decide each dispute not later than 30 days following the conclusion of hearings with respect to any dispute, and whenever possible, the presiding hearing officer should issue a verbal decision followed by a written memorandum.

Sec. 4. The head of each department and agency of the Federal Government is authorized to prescribe such rules and regulations relating to the establishment, operation, and procedures of small contract claims boards as may be necessary or appropriate to assure the prompt and informal resolution of small contract claims disputes.

Sec. 5. A decision of a small contract claims board shall not be subject to judicial review, except that a contractor may seek a trial de novo in court after an adverse board decision. Any decision of a small contract claims board adverse to the government shall be final, except in a case of fraud.

By Mr. GRAVEL:

S. 3611. A bill to amend the act authorizing the Trans-Alaska pipeline in order to provide for an improved vessel traffic control system for Prince William Sound and Valdez, Alaska. Referred to the Committee on Commerce.

Mr. GRAVEL. Mr. President, I am today introducing legislation to amend the act which authorized construction of the trans-Alaska oil pipeline in my State. Basically, my bill would assure an optimum ship vessel control system in Valdez Harbor, where the pipeline from the North Slope will terminate.

Modern navigational technology has meant a sharp reduction in the number of harbor accidents. This measure simply strengthens current provisions in order to further assist the Coast Guard in its efforts to control traffic in Prince William Sound, from 20 miles beyond the Cape Hinchinbrook entrance to the sound to the actual pipeline terminus at the Port of Valdez, located 70 miles from the Hinchinbrook entrance. This bill is, in a very real sense, an example of preventive legislation; it would include a number of extra features to further reduce the possibility of human error.

Mr. President, I have discussed these authorizations with the Coast Guard, and I am confident that the installation of the additional equipment will mean an all-weather navigational system that should serve as an example to other ports in the lower 48.

The sheer magnitude of providing about 2 million barrels per day justifies the need for this system.

Among the major provisions is a positive vessel control system, with complete radar coverage from beyond the Hinchinbrook entrance through Prince William Sound to the Port of Valdez. It would include a computerized control center and installation of display consoles which will provide ship captains with pictorial displays of the harbor and approaches to nearby hazards.

It would also allow use of the Navy's navigational satellites to chart courses and locations in any type weather, enabling a ship to fix its position within 200 yards of its actual location as it journeys from Valdez to California or any other State.

The initial cost would require a $23 million investment; another $3 million annually would be authorized for operation and upkeep. I propose the establishment of a Federal navigational system fund in the U.S. Department of the Treasury to cover this annual operation and maintenance cost.

I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Act entitled "An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes." approved November 16, 1973 (87 Stat. 576), is amended to read as follows:

"VESSEL TRAFFIC CONTROL

"Sec. 402. (a)(1) The Secretary of the Department in which the Coast Guard is operating is hereby directed to establish, operate, and maintain to the extent deemed necessary, a positive vessel traffic control system for Prince William Sound and Valdez, Alaska, beginning twenty miles to sea from Cape Hinchinbrook, pursuant to authority contained in title I of the Ports and Waterways Safety Act of 1972 (86 Stat. 424, Public Law 92–340).

"(2) Such positive vessel traffic control system shall, to the extent deemed necessary by the Secretary, include, but is not limited to, the following features:

"(A) VHF–FM communications network;
"(B) mandatory charted traffic lanes;
"(C) augmented navigation aids;
"(D) complete radar coverage;
"(E) compulsory pilotage;
"(F) positive control of vessel transit; and
"(G) computerized control center.

"(b) No tanker engaged in the transporting of crude oil from the North Slope area of the State of Alaska to the other States of the United States shall operate in any of the navigable waters of the United States unless such tanker is equipped with a collision avoidance system which, by the use of digital computers and display consoles, will be sufficient to provide affected personnel on such tanker with pictorial displays of harbor approaches and other dangers, and which meets the requirements of the Secretary as contained in regulations issued by him pursuant to subsection (c) of this section.

"(c) The Secretary shall issue such regulations as he may determine necessary to carry out the purposes of this section. Such regulations shall contain, among others, provisions setting forth the requirements which must be met with respect to any collision avoidance system referred to in subsection (b) of this section.

"(d) No tanker shall engage in the transporting of North Slope crude oil resources in any of the navigable waters of the United States except in compliance with the provisions of this section and regulations issued pursuant thereto.

"(e)(1) There is authorized to be appropriated the sum of $23,000,000 for the establishment of the positive vessel traffic control system authorized by subsection (a) of this section.

"(2) There is authorized to be appropriated the sum of $3,000,000 for the purpose of operating and maintaining such navigational facility system authorized by subsection (a) of this section.

"(f) For the purpose of reimbursing the United States for all amounts appropriated pursuant to subsection (e) of this section and for providing funds necessary for the operation and maintenance of such navigational system authorized by subsection (a) of this section, the Secretary of the Interior shall, with respect to any application for a right-of-way or other permit under this Act involving or relating to the construction of the Trans-Alaska Pipeline, issue such permits subject to the condition that the applicant or applicants for such permit or permits shall enter into an agreement with the Secretary of the Interior pursuant to which such applicant or applicants, during the twenty-year period beginning on the date on which oil is first commenced to be transported throughout the Trans-Alaska Pipeline, shall pay to the United States, in such manner and at such time as the Secretary of the Interior shall require, an amount equal to ½ cent for each barrel of oil so transported. Moneys received by the Secretary of the Interior pursuant to such agreement during each calendar year shall be deposited in the fund established by subsection (g) of this section, except that to the extent that such moneys so received exceed, in any one calendar year, the sum of $3,000,000, such amounts in excess thereof shall be deposited in the general fund of the Treasury until the establishment costs are repaid.

"(g) There is hereby established in the Treasury of the United States the Federal Navigational System Fund (referred to in this section as the 'fund'). Moneys deposited in the fund pursuant to this section are hereby made available for expenditure by the Secretary of the department within which the United States Coast Guard is operating for the purpose of operating and maintaining the navigational facility system authorized by subsection (a) of this section, and shall be so available without fiscal year .

By Mr. HATHAWAY (by request):

S. 3612. A bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder and for other purposes. Referred jointly, by unanimous consent, to the Committee on Labor and Public Welfare and the Committee on Finance.)

Mr. HATHAWAY. Mr. President, I am introducing today a bill to amend and revise the Railroad Retirement Act of 1937. This bill is the product of negotiations between representatives of both the rail carriers and the major rail unions. The negotiations were the result of Public Law 93–69, the Railroad Retirement amendments of 1973, wherein the parties were instructed to meet together to frame recommendations on a restructuring of the railroad retirement system so as to put it on a more firm financial basis.

As I am sure, my colleagues are aware, the railroad retirement system is, at the present time, in grave financial difficulty. Estimates vary, but most projections indicate that the retirement fund will reach bankruptcy within the next 8 to 10 years. For this reason, action to reverse this trend becomes a matter of urgency in this session of Congress. I am hopeful that the bill I am introducing today will provide a vehicle for this much-needed reform.

For the information of my colleagues, I should point out that because provisions of this bill involve the social security system, it must be considered by the Committee on Ways and Means in the House, and Finance in the Senate as well as House Interstate and Foreign Commerce and the Senate Committee on Labor and Public Welfare. I am sure that all of these committees will move as expeditiously as possible on this complex and important matter.

Mr. President, I ask unanimous consent that this bill be jointly referred to the Committee on Labor and Public Welfare and Finance, respectively, for consideration of those sections of the bill falling within their respective jurisdictions.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the text of the bill as well as the memorandum of the parties upon which the bill is based be printed in the RECORD at the conclusion of my remarks. The actuarial estimates contained in the memorandum are preliminary estimates only and are subject to revision as more reliable data becomes available. I will make available a complete analysis of the bill as soon as its preparation is completed by staff.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 10, 1974.

HON. HARRISON A. WILLIAMS,
U.S. Senate Old Senate Office Building,
Washington, D.C.

DEAR SENATOR WILLIAMS: The Joint Labor-Management Railroad Retirement Negotiating Committee, established pursuant to Section 107 of Public Law 93–69, has now completed its consideration of the issues relating to the Railroad Retirement System that were the subject of the Report of the Commission on Railroad Retirement. As we advised you last week, we reached tentative agreement on April 1st. Approval by Union Presidents was obtained on April 10th.

We regret our inability to transmit at this time draft legislation reflecting our recommendations. The preparation of such a draft is underway. The complexity of the issues, however, prevented the parties from reaching accord, despite intensive efforts, sufficiently in advance of April 1st to permit a bill to be drafted by that date.

Accordingly, so that you may know promptly the character of the Negotiating Committee's principal recommendations we are attaching a three page "Brief Summary of Fundamental Principles" upon which the parties have agreed, and we will in this letter outline our major conclusions and indicate briefly the reasons underlying those conclusions.

In that connection, we wish to state at the outset that, as in any negotiation of this sort, concessions were made by each side in recognition of concessions made by the other side. The resulting group of recommendations, therefore, are interrelated in the sense that, taken together, they represent the parties' view of the most reasonable accommodation of all relevant interests. The parties strongly urge the enactment of these recommendations into law.

We now turn to discussion of the most significant of our recommendations. Our charge, as we understood it, was to formulate, through mutual agreement, a set of recommendations that would, first, place the Railroad Retirement fund on a sound financial basis, and, second, remedy existing inequities in the Railroad Retirement System—the two general areas explored by the Commission on Railroad Retirement. Our approach to these problems is as follows:

1. **Dual Benefits.** Resolution of the so-called "dual benefit" problem is central both to insuring the fiscal soundness of the fund and to establishing equitable retirement benefits for all railroad employees. Alone among workers in the private sector of the American economy, railroad employees have been permitted by law to qualify for, in substance, two social security benefits—one as a component of their railroad retirement benefit and another as a result of employment in another industry.

Moreover, as the Commission on Railroad Retirement pointed out, this results in a "windfall" to those workers who qualify under both systems. In the case of non-railroad employees, a single social security benefit is calculated on the basis of all service with all employers. In the case of a duel beneficiary, the total of his two social security benefits is larger than would be a single benefit based upon combined railroad and non-railroad employment, because the social security benefit formula has been weighted to afford proportionately larger benefits to low-wage and short-service workers. Even thought they basically are social security benefits, the costs of those windfall benefits have been charged to the Railroad Retirement System, and this burden has played a major role in the projected financial crisis of the system.

The Commission on Railroad Retirement concluded that these windfall dual benefits are inequitable in the sense that a minority of railroad employees receive an advantage not available either to the majority of career railroad employees or to employees in other industries. The Commission was of the view, however, that any plan to eliminate windfall dual benefits should include protection of the equities of existing employees with claims upon such benefits.

We are in accord with these basic findings of the Commission. At the same time, we wish to make it clear that our recommendations on this subject—and we believe the Commission's recommendations—imply no criticism of dual beneficiaries, as opposed to windfall dual benefits. Dual beneficiaries were perfectly entitled to secure benefits provided under existing law. That is why their equities should be preserved.

But agreement in principle, while essential, does not provide a sure answer as to how the principle is to be applied to the facts of particular situations. The Negotiating Committee struggled for months over the question of how dual benefits could be phased out an equitable basis. Our conclusions in the main, though not in all respects, accord with those of the Commission. Our recommendations are these:

First, the dual benefits of beneficiaries retired as of January 1, 1975, would continue to be paid in full. However, the so-called "windfall" part of those dual benefits—the part a beneficiary would not receive were a single social security benefit calculated on the basis of his combined railroad and non-railroad service and earnings—would not be subject to future social security increases. This is the approach recommended by the Commission.

Second, employees without sufficient railroad and non-railroad service by January 1, 1975, to have fully qualified under both systems would not be entitled to windfall dual benefits. All such employees, upon retirement, would receive a single benefit calculated on the basis of their railroad and non-railroad service. Again, this is what the Commission recommended.

Our views differ from the Commission's only with regard to employees who have sufficient service to be fully qualified under both systems but who have not yet retired. Under our recommendations, this group would be divided into two classes. The first would be those employees with a "current connection" to the railroad industry—12 months of service out of the previous 30 months, as defined in existing law—and those with 25 years or more of railroad service even though without a "current connection." The Negotiating Committee feels that this group is entitled to be in the same situation as were the retired dual beneficiaries during their period of active service. Accordingly, those non-retired employees would receive future social security cost-of-living increases on their dual benefit until they retire. Upon retirement, however, the "windfall" part of the dual benefit would be frozen, as in the case of dual beneficiaries retired as of January 1, 1975.

The second group would be employees without a current connection to the railroad industry and without 25 years or more of railroad service. Such employees, the Negotiating Committee believes, have a less strong equitable claim than those who have remained with the industry. Accordingly, the Committee recommends that they not receive windfall dual benefits unless they had fully qualified under both systems by the close of the year in which they left railroad service. If they had so qualified at that point, then the Committee recommends that their windfall dual benefit, calculated as of the time they left railroad service, be subject to cost-of-living social security increases after 1974 and prior to retirement. Such windfall benefit would be frozen upon retirement, as is the case of the other beneficiaries covered above.

An employee who does not qualify for such a dual benefit will be entitled upon retirement (or his survivors if he should die before retirement) to a refund of employment taxes paid prior to January 1, 1975 in excess of what he would have paid if all his employment had come under the Railroad Retirement Act.

We have been advised by the Railroad Retirement Board that the projected deficiency of the Railroad Retirement fund, under the existing law, is 9.06% of taxable payroll annually, calculated on a level basis. Based on data supplied by the Board, it is estimated that these measures, if put into effect, would reduce that projected deficiency by about 2.5% of taxable payroll annually, calculated on a level basis.

2. *A New Benefit Formula and the "Two Tier System."* The Commission on Railroad Retirement recommended that a new benefit formula be adopted. It believed that the existing formula was unduly complex and also that, projecting results over the next 30 years or so, the formula would produce benefits that would bear an unrealistic relation to wage levels. The Commmission also recommended that a so-called "two tier" system be adopted, under which railroad employees would be brought directly under the Social Security System—the first "tier"—and would receive in addition a supplemental retirement benefit calculated on a different basis—the second "tier."

The Negotiating Committee does not disagree in theory with the "two-tier" recommendation of the Commission. If the Railroad Retirement System had first been establised in 1975, such an approach might very very well have merit. However, railroad employees have lived for almost four decades under a different system. In such circumstances, it is our judgment that sharp changes in the form of the retirement structure should be avoided if posssible. In particular, we consider it important, in terms of the confidence that employees repose in the system, that all the retirement benefits be administered by the Railroad Retirement Board. Accordingly, the Committee does not recommend adoption of a two-tier system in the sense visualized by the Commission.

On the other hand, the Committee does agree with many of the principles underlying the Commission's "two-tier" recommendation, as well as with its general observations about need for a revised benefit formula to replace the current railroad retirement formula. The Negotiating Committee believes that the basic goals set by the Commission can be met within the framework of the existing structure of the Railroad Retirement System.

The new Railroad Retirement formula, as recommended by the Negotiating Committee, would have as one major component a benefit calculated on the basis of the Social Security formula as applied to all of the employee's wages and service, non-railroad as well as railroad. All future increases in social security benefits would be applied, not only through this component of the new formula to people who retire after the increases, but also to people on the retirement rolls in the same way as if they were Social Security beneficiaries. Any new classes of Social Security benefits would be passed through to the Railroad Retirement System.

Under the financial interchange with Social Security, which we recommend retaining in place of direct Social Security payment and administration of this phase of the Railroad Retirement program, this Social Security component would be financed by Social Security as at present, and railroad employer and employee Social Security equivalent taxes would be transmitted to Social Security as at present. Therefore, these changes in the Railroad Retirement System would have no effect, one way or another, on the Railroad Retirement fund.

However, when taken together with the phase-out of dual benefits, we believe that these changes would accomplish the principal goal of the Commission's "two-tier" recommendation—a clear and permanent isolation of a Social Security component of Railroad Retirement benefits, from the additional component riding on top of Social Security and financed by the railroad industry. While the approach we recommend to attain that goal is different from the Commission's, we concluded, after prolonged consideration, that a large value should be placed upon preserving the long-established basic structure of the Railroad Retirement System.

This brings us to our recommendation with respect to the second part of the Railroad Retirement formula—that part that would ride above the Social Security level of benefits and that is commonly called a "staff" level of benefits.

We agree, as noted above, with many of the Commission's criticisms of the existing formula, which is based strictly on career earnings, which is unduly complex, and which suffers from various anomalies. At the same time, we believe that, as a practical matter, the problem cannot be approached in disregard of the fact that the Railroad Retirement formula has been in existence for decades.

Accordingly, we have recommended as the second component of the new Railroad Retirement formula—the "staff" part—a future service formula under which this additional benefit would be calculated upon two factors, career railroad earnings and a flat dollar amount per year of service. In the Negotiating Committee's judgment, this formula would combine the advantages of the existing formula with the advantages of retirement benefit formulas prevalent in other industries, and in addition would not represent too sharp a break with the past.

Devising an appropriate transition from the old formula to the new formula was a formidable problem. The Committee was quite aware of the desirability of insuring that present employees would not be disadvantaged. Accordingly, the recommended formula first provides that benefits based on service prior to the changeover date will be computed under the old formula, so that the new formula will apply to future service only. The recommended formula also contains two transition elements—a special credit for service prior to January 1, 1975, and an 8-year "grandfather clause" applicable to all retirement benefits except dual benefits. Taken together, these features will insure that no employee retiring in the next eight years will receive less than he would under the formula as it exists today computed under the current limit on creditable compensation, and that, indeed, most career railroad employees retiring in the next several years will receive somewhat more benefits than under the old formula as so computed.

In addition, the new formula contains a cost-of-living escalation both for employees on the rolls and for active employees. As to the Social Security component of the formula, as noted above, the Social Security automatic cost-of-living increases, as well as any other Social Security improvements would be passed through to railroad employees. As to the railroad benefit supplemental to Social Security—the "staff" benefit—there would be four cost-of-living adjustments during the six year period commencing January 1, 1975. For employees on the retirement rolls, the first of such increases would become effective for the month of June 1977 (payable as of July 1, 1977), and would be calculated on the basis of 32.5% of the preceding year's increase in the Consumer Price Index. There would then be similar adjustments payable July 1 of each of the following three years. For employees in active service, the staff part of the benefit formula would first be adjusted on January 1, 1978, and the adjustment would be calculated on the basis of 65% of the preceding year's increase in the Consumer Price Index, with an offset for increases in maximum creditable taxable compensation. There would then be three similar adjustments in the following three years.

This introduction of a cost-of-living escalator is a recent innovation so far as major private industry pension plans are concerned. It is similar to the approach taken in the recent Aluminum Industry settlement, which was precedent-setting. After lengthy deliberation, the parties agreed that it would be appropriate to adopt the proposed cost-of-living escalator for a limited period. The new formula, together with the four cost-of-living increases for the six year period, represents on the one hand recognition of the fact that, under the basically new approach to the system the parties have recommended, the staff benefit program is closely analogous to private industry supplemental pension programs, and on the other hand the desirability of maintaining reasonable continuity in a federally mandated program.

Insofar as the deficiency is concerned, while of course the cost-of-living adjustments will entail costs in the future that, under the parties' recommendations, the railroad industry will have to assume at that time, at the present time the substitution of the new formula, even with its transition protective features, would reduce the deficiency by about 5% of taxable payroll per year on a level basis. The reason essentially has to do with certain features of the actuarial model used by the Railroad Retirement Board to project the financial state of the fund.

3. Benefit inequities. The Negotiating Committee recommends three benefit improvements designed to rectify inequities in the existing benefit structure.

The first two such improvements are aimed at making fully effective the early retirement provision of last year's legislation. Under that provision, an employee is entitled to retire with his full basic benefit upon attaining age 60, provided the employee has 30 years of service. However, the employee does not receive the so-called supplemental benefit—which ranges in net terms between $23 and $43—until the employee reaches 65, nor may the spouse receive any spouse benefit until the employee reaches age 65. This is a significant deterrent to early retirement. Accordingly, the Negotiating Committee proposes that effective July 1, 1974 an employee retiring at age 60 or thereafter with 30 years of railroad service would become eligible for the supplemental benefit, and spouses of such employees would be eligible for spouses' annuities upon reaching age 60. The cost of these changes would be approximately 1% of taxable payroll per year on a level basis.

The third change would increase the benefits received by widows and other survivors. At present, the vast majority of such beneficiaries receive benefits calculated upon the basis of 110% of the comparable Social Security benefit. The Commission on Railroad Retirement believed these benefits should be increased. The Negotiating Committee recommends that these benefits be calculated on the basis of 130% of Social Security rather than 110%. The increase would go to widows and other survivors now on the retirement rolls as well as to future beneficiaries. The cost of this increase in these benefits would be approximately 2% of taxable payroll per year on a level basis.

4. *Phase-out Costs of Windfall Dual Benefits.* The Joint Negotiating Committee, having recommended that windfall dual benefits be phased out in a way consistent with protecting equities of existing employees, also recommends that the financial interchange with Social Security be adjusted so that the Social Security fund, rather than the Railroad Retirement fund, will bear these phase-out costs of windfall dual benefits.

The Negotiating Committee regards this matter as bearing in an important way upon the question of equitable adjustments of the retirement system. The Committee, having examined this matter intensively for many months, believes that the existing financial interchange arrangement with Social Security, under which the costs of windfall dual benefits are charged to the Railroad Retirement account, has worked a grave injustice to the railroads and to their employees, who depend for retirement security upon the adequacy of the Railroad Retirement fund. Unless a proper allocation of these costs is now established, the Railroad Retirement fund will be jeopardized notwithstanding the economies that would be generated by the Negotiating Committee's other recommendations.

The background of the problem is this: In 1951, legislation was enacted that was designed to integrate, in a financial sense, the Social Security and the Railroad Retirement systems. Under that legislation, basically, an interchange of taxes and benefits between the two systems was established. Social Security was to receive from the Railroad Retirement system all employer and employee taxes calculated on the Social Security tax level. At the same time, Social Security was to reimburse Railroad Retirement for the cost of railroad retirement benefits to the extent that the beneficiaries, under the Social Security benefit formula, would have received Social Security benefits. In other words, the notion was that neither the Railroad Retirement System—by way of benefit costs—nor the Social Security System—by way of loss of tax income—would suffer by virtue of the fact that railroad employees were not formally under the Social Security System.

The only flaw in this interchange system—and it has now turned out to be a large flaw indeed—has to do with dual benefits. Consider the matter in terms of the following example: A railroad employee with 15 years of railroad service leaves the industry and works for another 15 years in an industry directly covered by Social Security. His and his railroad's Social Security taxes, and his and his new employer's Social Security taxes, are all transmitted to the Social Security fund. Upon retirement, he receives a Railroad Retirement benefit that includes a Social Security component of, say, $125.00. He also receives a "dual" benefit by virtue of his non-railroad employment of, say again, $125.00. And, under the Social Security formula, the sum of these two benefits is greater than it would be if a Social Security benefit were calculated on the basis of combined railroad and non-railroad service. This "windfall" element might be, say again, $50.00.

Since all of the Social Security taxes on both his railroad and his non-railroad employment have gone to the Social Security fund, one might suppose that both the Social Security component of his Railroad Retirement benefit and his outside industry "dual" benefit would be paid for by Social Security. But that is not the way the 1951 legislation has been construed. Rather, though the Railroad Retirement fund receives none of the tax income, it has been charged with the windfall portion of those dual benefit costs. In reimbursing the Railroad Retirement fund, Social Security deducts the Social Security benefits that it has paid, so that the "windfall" element of those benefits serves to reduce the amount of the reimbursement to the Railroad Retirement fund that otherwise would have been made.

When the financial interchange was enacted in 1951, the Congress did not focus upon this matter. The cost of windfall dual benefits at that time was relatively small because of the previous state of Social Security legislation and of restrictions (since repealed) upon dual benefits. But in the intervening years the problem has grown dramatically, so that the result of this inequitable, in our view, distribution of costs has shorn the Railroad Retirement fund of some 4 billion dollars. To put it differently, the fund would be almost twice as large as it is today, and there would be no "crisis," had the Railroad Retirement System not absorbed the cost of the windfall dual Social Security benefits. It is plainly, we suggest, time for a change.

It is true that, if our recommendation were accepted, the Social Security System would pay to protected dual beneficiaries, during the phase-out period, more than it would pay to other employees with the same service and earnings. But, unless dual benefits were terminated immediately on January 1, 1975, in all respects, someone will have to pay for the phaseout costs. And no one, we're sure, would suggest immediate termination of dual benefits. Accordingly, the question becomes one of selection of the most equitable alternative.

Since the windfall dual benefit basically is a Social Security benefit and derives from Social Security service rather than railroad service, it scarcely would be appropriate to charge the costs against the railroads who have not benefitted from that Social Security service. And since, as the Commission observed, if employees are charged with part of the costs, the burden would fall in large measure upon long-term railroad employees—and all future employees—who are not advantaged by dual benefits, that alternative also seems thoroughly unattractive. The last, and most reasonable, alternative is to adjust the financial interchange so that the Social Security fund will bear these remaining dual benefit costs. At root, the dual benefit problem arises from a defect in the Social Security law. As with other such defects, it is appropriate that the expense of correction be carried by the Social Security fund. Moreover, there is persuasive precedent. Under the Federal Civil Service retirement program, as well as under certain state and local government employee retirement programs, employees can qualify for Social Security dual benefits. The full cost of such dual Social Security benefits is assumed by Social Security.

5. Placing financial interchange on a current basis. At present, the financial interchange is on a cash basis rather than an accrual basis. This results in an 18-month lag in transmittal to the Railroad Retirement fund of monies to which it is entitled. We perceive no just basis for this situation, and accordingly recommend that the interchange be placed on an accrual basis. This accords with the Commission's recommendation.

6. Incorporating the existing temporary features of the System. Beginning in 1970, and pending final resolution by the Congress of the problems besetting the Railroad Retirement System, benefit increases have been put into effect on a temporary, rather than permanent, basis. Those increases, three in number, aggregated 45%. On a cumulative basis, they aggregate about 52%. In addition, under last year's legislation, the carriers assumed, on a temporary rather than permanent basis, the Railroad Retirement taxes that the employees had therefore paid above the level of Social Security taxes. Accordingly, the carrier's taxes went to a 15.35% level, and the employees' taxes dropped to a 5.85% level.

The Negotiating Committee recommends, as part of its overall program, that these temporary arrangements, both as to benefit levels and as to tax levels, to be incorporated into the new law.

7. Interim changes in Social Security Benefits. As noted in paragraph 2 above, the Committee proposes a pass-through of Social Security changes subsequent to December 31, 1974. The Negotiating Committee also recommends that the currently applicable Railroad Retirement Act be revised to provide that the dollar amount of any increases in Social Security benefits which may be made effective subsequent to June 30, 1974 and prior to January 1, 1975 will be passed through to railroad employees and beneficiaries subject to an offset for dual benefits, and that any other changes in Social Security benefits during this period will be extended to railroad employees and beneficiaries.

8. Summary. These are principal recommendations of the Negotiating Committee. There are a number of other recommendations, mostly of a technical nature and all of considerably lesser importance. Since one of our two main charges was to treat with the projected deficiency of the fund we recapitulate at this point what the results in those terms would be were our recommendations accepted.

The recapitulation, based upon data supplied by the Railroad Retirement Board, is as follows: Coupling the existing deficiency of about 9% of taxable payroll, on a level basis, with the additional costs of rectifying the existing inequities respecting widows, spouses, and supplemental benefits, the deficiency would be about 12%. However, the restrictions on dual benefits (about 2.5%), the new formula (about 5%), and the adjustment of the financial interchange respecting phase-out dual benefit costs (about 4%), together with a few other economies relating to other of our recommendations, should put the fund into a situation of long-term balance for the present. Under the recommended plan, additional costs would come into play in the future when cost-of-living increases are granted. Moreover, the next periodic valuation by the Railroad Retirement Board would of course be important. But the short of it is that, if the Negotiating Committee's recommended plan is put into effect, in the Committee's judgment the fund would be placed on a sound financial basis, and existing inequities would have been eliminated. Moreover, we wish to advise you that the parties have agreed that neither the railroads nor the unions will propose any future changes in the Railroad Retirement Act to become effective prior to January 1, 1978.

Conclusion. The Negotiating Committee is confident that its recommendations will be carefully considered by your Committee and the Congress, and is hopeful that such deliberation will demonstrate the soundness of the recommendations with respect to the merits of the issues involved. The Negotiating Committee is fully aware that, on one or another issue, positions contrary to the recommendations can be advanced. We are aware of that because, important and controversial as these issues are, such contrary arguments have in fact been forcefully advanced by the parties during the many months of our discussions. Our principal hope, in that respect, is that due recognition will be given to the fact that the final test of the legislation will be whether, taking all issues into account, it represents a fair and sound approach to a permanent reformation of the Railroad Retirement System.

Finally, we would be remiss, in both a personal way and in terms of our obligation to advise Congress of the nature of our discussions, if we omitted reference to the expert assistance that has guided us in our work.

As you are fully aware, the problems we have dealt with are exceedingly complex. It is one thing for labor and management representatives to negotiate the staple ingredients of collective bargaining contracts—wages and the like. It is quite another thing for them to attempt to accommodate their respective interests in connection with matters as baffling as the intricacies of the Railroad Retirement and Social Security Systems.

We are frank to say that, without the expert assistance we have received, it would have been extremely difficult for us to discharge the obligation placed upon us by last year's legislation. But we have had in full measure the expert assistance that was necessary.

To begin with, the Railroad Retirement Board, and its staff, has dedicated itself in a most extraordinary way to assisting us in the resolution of our problems. Beyond that, we have been graced by the assistance of two outside consultants—for the unions, Dr. Robert J. Myers, for twenty-three years Chief Actuary of the Social Security Administration, and for the railroads, Mr. John W. Fisher, of Towers, Perrin, Forster & Crosby. They guided us through the intricacies of these issues and were able at crucial stages to suggest ways in which basic policy differences could equitably be compromised.

We look forward, with the assistance of those who have helped us forge our recommendations, to discussing these recommendations in detail with you, the Committee, and Congress.

Yours very truly,

WILLIAM H. DEMPSEY,
Chairman, National Railway Labor Conference.
HUGH E. GREER,
Vice Chairman, National Railway Labor Conference.
AL H. CHESSER,
Chairman, C.R.U. President, U.T.U.
C. J. CHAMBERLAIN,
Chairman, R.L.E.A., President, B of R.S.
J. R. JONES,
Vice President—Personnel, the Atchison, Topeka and Santa Fe Railway.
C. E. MERVIN, Jr.,
Senior Vice President—Personnel and Labor Relations, Seaboard Coast Line Railroad.
G. S. PAUL,
Executive Vice President-Administration, Southern Railway System.
B. G. UPTON,
Assistant to Vice President-Labor Relations, Personnel and Organization Planning, Chessie System.
H. C. CROTTY,
President, B.M.W.E.
A.T. OTTO, Jr.,
President, R.Y.A.
C. L. DENNIS,
President, B.R.A.C.
JAMES E. YOST,
President, R.E.D.
C. J. COUGHLIN,
President, B. of L.E.

S. 3612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—THE RAILROAD RETIREMENT ACT OF 1974

That the Railroad Retirement Act of 1937 is amended to read as follows:

"DEFINITIONS

"SECTION 1. For the purposes of this Act—

"(a)(1) The term 'employer" shall include—

"(i) Any express company, sleeping-car company, and carrier by railroad, subject to part I of the Interstate Commerce Act;

"(ii) any company which is directly or indirectly owned or controlled by, or under common control with, one or more employers as defined in paragraph (i) of this subdivision, and which operates any equipment or facility or performs any service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad;

"(iii) any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the property or operating all or any part of the business of any employer as defined in paragraph (i) or (ii) of this subdivision;

"(iv) any railroad association, traffic association, tariff bureau, demurrage bureau, weighing and inspection bureau, collection agency, and any other association, bureau, agency, or organization which is controlled and maintained wholly or principally by two or more employers as defined in paragraph (i), (ii), or (iii) of this subdivision and which is engaged in the performance of services in connection with or incidental to railroad transportation; and

"(v) any railway labor organization, national in scope, which has been or may be organized in accordance with the provisions of the Railway Labor Act, as amended, and its State and National legislative committee, general committees, insurance departments, and local lodges and divisions, established pursuant to the constitution or bylaws of such organization.

"(2) Notwithstanding the provisions of subdivision (1) of this subsection, the term 'employer' shall not include—

"(i) any company by reason of its being engaged in the mining of coal, the supplying of coal to an employer where delivery is not beyond the mine tipple, and the operation of equipment or facilities therefor, or in any of such activities; and

"(ii) any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general diesel-railroad system of transportation, but shall not exclude any part of the general diesel-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board, or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this paragraph.

"(b)(1) The term 'employee' means (i) any individual in the service of one or more employers for compensation, (ii) any individual who is in the employment relation to one or more employers, and (iii) an employee representative: *Provided, however,* That the term 'employee' shall include an employee of a local lodge or division defined as an employer in subsection (a) *only* if he was in the service of or in the employment relation to an employer as defined in paragraph (i) of subsection (a)(1) on or after August 29, 1935.

"(2) The term 'employee' shall not include any individual while such individual is engaged in the physical operations consisting of the mining of coal, the preparation of coal, the handling (other than movement by rail with standard railroad locomotives) of coal not beyond the mine tipple, or the loading of coal at the tipple.

"(c) The term 'employee representative' means any officer or official representative of a railway labor organization other than a labor organization included in the term employer as defined in subsection (a) who before or after August 29, 1935, was in the service of an employer as defined in subsection (a) and who is duly authorized and designated to represent employees in accordance with the Railway Labor Act, as amended, and any individual who is regularly assigned to or regularly employed by such officer or official representative in connection with the duties of his office.

"(d)(1) An individual is in the service of an employer whether his service is rendered within or without the United States if—

"(i)(A) he is subject to the continuing authority of the employer to supervise and direct the manner of rendition of his service, or (B) he is rendering professional or technical services and is integrated into the staff of the employer, or (C) he is rendering, on the property used in the employer's operations, personal services the rendition of which is integrated into the employer's operations; and

"(ii) he renders such service for compensation or a method of computing the monthly compensation for such service is provided in section 3(j).

"(2) Notwithstanding the provisions of subdivision (1) of this subsection—

"(i) an individual shall be deemed to be in the service of an employer, other than a local lodge or division or a general committee of a railway-labor-organization employer, not conducting the principal part of its business in the United States only when he is rendering service to it in the United States;

"(ii) an individual shall be deemed to be in the service of a local lodge or division of a railway-labor-organization employer not conducting the principal part of its business in the United States only if (A) all, or substantially all, the individuals constituting the membership of such local lodge or division are employees of an employer conducting the principal part of its business in the United States; or (B) the headquarters of such local lodge or division is located in the United States; and

"(iii) an individual shall be deemed to be in the service of a general committee of a railway-labor-organization employer not conducting the principal part of its business in the United States only if (A) he is representing a local lodge or division described in clause (A) or (B) of paragraph (ii); (B) all, or substantially all, the individuals represented by such general committee are employees of an employer conducting the principal part of its business in the United States; or (C) he acts in the capacity of a general chairman or an assistant general chairman of a general committee which represents individuals rendering service in the United States to an employer, but in such case if his office or headquarters is not located in the United States and the indviduals represented by such general committee are employees of an employer not conducting the principal part of its business in the United States, only such proportion of the remuneration for such service shall be regarded as compensation as the proportion which the mileage in the United States under the jurisdiction of such general committee bears to the total mileage under its jurisdiction, unless such mileage formula is inapplicable, in which case the Board may prescribe such other formula as it finds to be equitable, and if the application of such mileage formula, or such other formula as the Board may prescribe, would result in the compensation of the individual being less than 10 per centum of his remuneration for such service no part of such remuneration shall be regarded as compensation.

"(3) Notwithstanding the provisions of subdivisions (1) and (2) of this subsection, an individual not a citizen or resident of the United States shall not be deemed to be in the service of an employer when rendering service outside the United States to an employer who is required under the laws applicable in the place where the service is rendered to employ therein, in whole or in part, citizens or residents thereof. For purposes of this subdivision, the laws applicable on August 29, 1935, in the place where the service is rendered shall be deemed to have been applicable there at all times prior to that date.

"(e)(1) An individual shall be deemed to have been in the employment relation to an employer on August 29, 1935, if—

"(i) he was on that date on leave of absence from his employment, expressly granted to him by the employer by whom he was employed, or by a duly authorized representative of such employer, and the grant of such leave of absence will have been established to the satisfaction of the Board before July 1974;

"(ii) he was in the service of an employer after August 29, 1935, and before January 1946 in each of six calendar months, whether or not consecutive;

"(iii) before August 29, 1935, he did not retire and was not retired or discharged from the service of the last employer by whom he was employed or its corporate or operating successor, but (A) solely by reason of his physical or mental disability he ceased before August 29, 1935, to be in the service of such employer and thereafter remained continuously disabled until he attained age sixty-five or until August 1945, or (B) solely for such last stated reason an employer by whom he was employed before August 29, 1935, or an employer who is its successor did on or after August 29, 1935, and before August 1945 call him to return to service, or (C) if he was so called he was solely for such reason unable to render service in six calendar months as provided in paragraph (ii); or

"(iv) he was on August 29, 1935, absent from the service of an employer by reason of a discharge which, within one year after the effective date thereof, was protested, to an appropriate labor representative or to the employer, as wrongful, and which was followed within ten years of the effective date thereof by his reinstatement in good faith to his former service with all his seniority rights.

"(2) Notwithstanding the provisions of subdivision (1) of this subsection, an individual shall not be deemed to have been in the employment relation to an employer on August 29, 1935, if before that date he was granted a pension or gratuity on the basis of which a pension was awarded to him pursuant to section 6 of the Railroad Retirement Act of 1937, or if during the last payroll period before August 29, 1935, in which he rendered service to an employer he was not in the service of an employer, in accordance with subsection (d), with respect to any service in such payroll period, or if he could have been in the employment relation to an employer only by reason of his having been, either before or after August 29, 1935, in the service of a local lodge or division defined as an employer in subsection (a).

"(f)(1) The term 'years of service' shall mean the number of years an individual as an employee shall have rendered service to one or more employers for compensation or received remuneration for time lost, and shall be computed in accordance with the provisions of section 3(i). Twelve calendar months, consecutive or otherwise, in each of which an employee has rendered such service or received such wages for time lost, shall constitute a year of service. Ultimate fractions shall be taken at their actual value, except that if the individual will have had not less than one hundred twenty-six months of service, an ultimate fraction of six months or more shall be taken as one year.

"(2) Where service prior to August 29, 1935, may be included in the computation of years of service as provided in subdivision (3) of section 3(i), it may be included as to—

"(i) service rendered to a person which was an employer on August 29, 1935, irrespective of whether such person was an employer at the time such service was rendered;

"(ii) service rendered to any express company, sleeping-car company, or carrier by railroad which was a predecessor of a company which, on August 29, 1935, was an employer as defined in paragraph (i) of subsection (a)(1), irrespective of whether such predecessor was an employer at the time such service was rendered; and

"(iii) service rendered to a person not an employer in the performance of operations involving the use of standard railroad equipment if such operations were performed by an employer on August 29, 1935.

"(g)(1) For purposes of section 3(i)(2) of this Act, an individual shall be deemed to have been in 'military service' when commissioned or enrolled in the active service of the land or naval forces of the United States and until resignation or discharge therefrom; and the service of any individual in any reserve component of the land or naval forces of the United States, while serving in the land or naval force of the United States for any period, even though less than thirty days, shall be deemed to have been active service in such force during such period.

"(2) For purposes of section 3(i)(2) of this Act, a 'war service period' shall mean (A) any war period, or (B) with respect to any particular individual, any period during which such individual (i) having been in military service at the end of a war period, was required to continue in military service, or (ii) was required by call of the President, or by any Act of Congress or regulation, order, or proclamation pursuant thereto, to enter and continue in military service, or (C) any period after September 7, 1939, with respect to which a state of national emergency was duly declared to exist which requires a strengthening of the national defense.

"(3) For purposes of section 3(i)(2) of this Act, a 'war period' shall be deemed to have begun on whichever of the following dates is the earliest: (A) the date on which the Congress of the United States declared war; or (B) the date as of which the Congress of the United States declared that a state of war has existed; or (C) the date on which war was declared by one or more foreign states against the United States; or (D) the date on which any part of the United States or any territory under its jurisdiction was invaded or attacked by any armed force of one or more foreign states; or (E) the date on which the United States engaged in armed hostilities for the purpose of preserving the Union or of maintaining in any State of the Union a republican form of government.

"(4) For purposes of section 3(i)(2) of this Act, a 'war period' shall be deemed to have ended on the date on which hostilities ceased.

"(h)(1) The term 'compensation' means any form of money remuneration paid to an individual for services rendered as an employee to one or more employers, or as an employee to one or more employers, or as an employee representative, including remuneration paid for time lost as an employee, but remuneration paid for time lost shall be deemed earned in the month in which such time is lost. A payment made by an employer to an individual through the employer's payroll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made. Compensation earned in any calendar month before 1947 shall be deemed paid in such month regardless of whether or when payment will have been in fact made, and compensation earned in any calendar year after 1946 but paid after the end of such calendar year shall be deemed to be compensation paid in the calendar year in which it will have been earned if it is so reported by the employer before February 1 of the next succeeding calendar year or if the employee establishes, subject to the provisions of section 9, the period during which such compensation will have been earned.

"(2) An employee shall be deemed to be paid by an employer with respect to an identifiable period of absence from the active service of the employer, including absence on account of personal injury, and the amount he is paid by the employer for loss of earnings resulting from his displacement to a less remunerative position or occupation. If a payment is made by an employer with respect to a personal injury and includes pay for time lost, the total payment shall be deemed to be paid for time lost unless, at the time of payment, a part of such payment is specifically apportioned to factors other than time lost, in which event only such part of the payment as is not so apportioned shall be deemed to be paid for time lost.

"(3) Solely for purposes of determining amounts to be included in the compensation of an employee, the term 'compensation' shall also include cash tips received by an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is less than $20.

"(4) Tips included as compensation by reason of the provisions of subdivision (3) shall be deemed to be paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) of the Internal Revenue Code of 1954 or, if no statement including such tips is so furnished, at the time received. Tips so deemed to be paid in any month shall be deemed paid for services rendered in such month.

"(5) In determining compensation, there shall be attributable as compensation paid to an employee in calendar months in which he is in military service creditable under section 3(i)(2), in addition to any other compensation paid to him with respect to such months, $160 for each such calendar month prior to 1968 and $260 for each such calendar month after 1967.

"(6) Notwithstanding the provisions of the preceding subdivisions of this subsection, the term 'compensation' shall not include—

"(i) tips, except as is provided under subdivision (3) of this subsection;

"(ii) the voluntary payment by an employer, without deduction from the remuneration of the employee, of any tax now or hereafter imposed with respect to the compensation of such employee;

"(iii) remuneration for service which is performed by a nonresident alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F) or (J), as the case may be;

"(iv) remuneration earned in the service of a local lodge or division of a railway-labor-organization employer with respect to any calendar month in which the amount of such remuneration is less than $25; and

"(v) remuneration for service as a delegate to a national or international convention of a railway-labor-organization employer if the individual rendering such service has not previously rendered service, other than as such a delegate, which may be included in his 'years of service'.

"(i) The term 'Board' means the Railroad Retirement Board.

"(j) The term 'company' includes corporations, associations, and joint-stock companies.

"(k) The term 'employee' includes an officer of an employer.

"(l) The term 'person' means an individual, a partnership, an association, a joint-stock company, a corporation, or the United States or any other governmental body.

"(m) The term 'United States', when used in a geographical sense, means the States and the District of Columbia.

"(n) The term 'Social Security Act' means the Social Security Act as amended from time to time.

"(o) An individual shall be deemed to have 'a current connection with the railroad industry' at the time an annuity begins to accrue to him and at death if, in any thirty consecutive calendar months before the month in which an annuity under this Act begins to accrue to him, or the month in which he dies if that first occurs, he will have been in service as an employee in not less than twelve calendar months and, if such thirty calendar months do not immediately precede such month, he will not have been engaged in any regular employment other than employment for an employer or employment with the Department of Transportation, the Interstate Commerce Commission, the National Mediation Board, or the Railroad Retirement Board in the period before such month and after the end of such thirty months. For the purposes of section 2(d) only, an individual shall be deemed also to have a 'current connection with the railroad industry' if he will have completed ten years of service and (A) he would be neitheir fully nor currently insured under the Social Security Act if his service as an employee after December 31, 1936, were included in the term 'employment' as defined in that Act, or (B) he has no quarters of coverage under the Social Security Act.

"(p) The term 'annuity' means a monthly sum which is payable on the first day of each calendar month for the accrual during the preceding calendar month.

"(q) The terms 'quarter' and 'calendar quarter' shall mean a period of three calendar months ending on March 31, June 30, September 30, or December 31.

"(r) For purposes of this Act, a person shall be considered to be permanently insured under the Social Security Act on December 31, 1974, if he or she would be fully insured within the meaning of section 214(a) of that Act when he or she attains age 62 solely on the basis of his or her quarters of coverage under that Act acquired prior to January 1, 1975.

"ANNUITY ELIGIBILITY REQUIREMENTS

"SEC. 2. (a)(1) The following-described individuals, if they shall have completed ten years of service and shall have filed application for annuities, shall, subject to the conditions set forth in subsections (e), (f), and (h), be entitled to annuities in the amounts provided under section 3 of this Act—

"(i) individuals who have attained the age of sixty-five;

"(ii) individuals who have attained the age of sixty and have completed thirty years of service;

"(iii) individuals who have attained the age of sixty-two and have completed less than thirty years of service, but the annuity of such individuals shall be reduced by 1/180 for each calendar month that he or she is under age sixty-five when the annuity begins to accrue;

"(iv) individuals who have a current connection with the railroad industry, whose permanent physical or mental condition is such as to be disabling for work in their regular occupation, and who (A) have completed twenty years of service or (B) have attained the age of sixty; and

"(v) individuals whose permanent physical or mental condition is such that they are unable to engage in any regular employment.

"(2) For the purposes of paragraph (iv) of subdivision (1), the Board, with the cooperation of employers and employees, shall secure the establishment of standards determining the physical and mental conditions which permanently disqualify employees for work in the several occupations in the railroad industry, and the Board, employers, and employees shall cooperate in the promotion of the greatest practicable degree of uniformity in the standards applied by the several employers. An individual's condition shall be deemed to be disabling for work in his regular occupation if he will have been disqualified by his employer for service in his regular occupation in accordance with the applicable standards so established; if the employee will not have been so disqualified by his employer, the Board shall determine whether his condition is disabling for work in his regular occupation in accordance with the standards generally established; and, if the employee's regular occupation is not one with respect to which standards will have been established, the standards relating to a reasonably comparable occupation shall be used. If there is no such comparable occupation, the Board shall determine whether the employee's condition is disabling for work in his regular occupation by determining whether under the practices generally prevailing in industries in which such occupation exists such condition is a permanent disqualification for work in such occupation. For purposes of this subdivision and paragraph (iv) of subdivision (1), an employee's 'regular occupation' shall be deemed to be the occupation in which he will have been engaged in more calendar months than the calendar months in which he will have been engaged in any other occupation during the last preceding five calendar years, whether or not consecutive, in each of which years he will have earned wages or salary, except that, if an employee establishes that during the last fifteen consecutive calendar years he will have been engaged in another occupation in one-half or more of all the months in which he will have earned wages or salary, he may claim such other occupation as his regular occupation.

"(3) Such satisfactory proof shall be made from time to time as prescribed by the Board, of the disability provided for in paragraph (iv) or (v) of subdivision (1) and of the continuance of such disability (according to the standards applied in the establishment of such disability) until the employee attains the age of sixty-five. If the individual fails to comply with the requirements prescribed by the Board as to proof of the continuance of the disability until he attains the age of sixty-five years, his right to an annuity by reason of such disability shall, except for good cause shown to the Board, cease, but without prejudice to his rights to any subsequent annuity to which he may be entitled.

"(b)(1) An individual who—

"(i) has attained age 60 and completed thirty years of service or attained age 65;

"(ii) has completed twenty-five years of service;

"(iii) is entitled to the payment of an annuity under subsection (a)(1); and

"(iv) had a current connection with the railroad industry at the time such annuity began to accrue,

shall, subject to the conditions set forth in subdivision (2) of this subsection and in subsections (e) and (h), be entitled to a supplemental annuity in the amount provided under section 3 of this Act: *Provided, however*, That in cases where an individual's annuity under subsection (a)(1) begins to accrue on other than the first day of the month, the amount of any supplemental annuity to which he is entitled for that month shall be reduced by one-thirtieth for each day with respect to which he is not entitled to an annuity under subsection (a)(1).

"(2) No individual shall be entitled to a supplemental annuity provided by this subsection for any period after he renders any service as an employee for compensation after his supplemental annuity closing date, which is the last day of the month following the month in which he attains age 65: *Provided, however*, That the supplemental annuity closing date of an individual who attained age 65 prior to January 1, 1975, shall be determined under section 3(j)(4) of the Railroad Retirement Act of 1937: *Provided further*, That for an employee whose supplemental annuity closing date occurs after he has completed at least 23 years of service but before he has completed 25 years of service and before he would have been entitled (upon filing an application therefor) to monthly insurance benefits under section 202(a) of the Social Security Act if he had no service as an employee under this Act, such closing date shall be extended to the earlier of (A) the day before the first day of the first month for which he would (on application) be entitled to monthly insurance benefits under section 202(a) of the Social Security Act if he had no service as an employee under this Act, or (B) the last day of the first month for which he qualifies for a supplemental annuity under this subsection.

"(3) The provisions of subdivision (2) shall not supersede the provisions of any agreement reached through collective bargaining which provides for mandatory retirement at an age less than the applicable supplemental annuity closing date determined under such subdivision.

"(c) (1) The spouse of an individual, if—

"(i) such individual (A) is entitled to an annuity under subsection (a) (1) and (B) has attained the age of 60 and has completed thirty years of service or has attained the age of 62, and

"(ii) such spouse (A) has attained the age of 65, or (B) has attained the age of 60 and such individual has completed thirty years of service, or (C), in the case of a wife, has in her care (individually or jointly with her husband) a child who meets the qualifications prescribed in paragraph (iii) of subsection (d) (1) (without regard to the provisions of clause (B) of such paragraph),

shall, subject to the conditions set forth in subsections (e), (f), and (h), be entitled to a spouse's annuity, if he or she has filed application therefor, in the amount provided under section 4 of this Act.

"(2) A spouse who would be entitled to an annuity under subdivision (1) if he or she had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by 1/180 for each calendar month that the spouse is under age 65 when the annuity begins to accrue.

"(3) For the purposes of this Act, the term 'spouse' shall mean the wife or husband of an annuitant under subsection (a) (1) who (i) was married to such annuitant for a period of not less than one year immediately preceding the day on which the application for a spouse's annuity is filed, or in the month prior to his or her marriage to such annuitant was eligible for an annuity under paragraph (i) or (iv) of subsection (d) (1) or, on the basis of disability, under paragraph (iii) thereof, or is the parent of such annuitant's son or daughter, if, as of the day on which the application for a spouse's annuity is filed, such wife or husband and such annuitant were members of the same household, or such wife or husband was receiving regular contributions from such annuitant toward her or his support, or such annuitant has been ordered by any court to contribute to the support of such wife or husband; and (ii) in the case of a husband, was receiving at least one-half of his support from his wife at the time his wife's annuity under subsection (a) (1) began.

"(d) (1) The following described survivors of a deceased employee who will have completed ten years of service and will have had a current connection with the railroad industry at the time of his death shall, subject to the conditions set forth in subsections (g) and (h), be entitled to annuities, if they have filed application therefor, in the amounts provided under section 4 of this Act—

"(i) a widow (as defined in section 216(c) and (k) of the Social Security Act) or widower (as defined in section 216 (g) and (k) of the Social Security Act) of such a deceased employee who has not remarried and who (A) will have attained the age of sixty or (B) will have attained the age of fifty but will not have attained age sixty and is under a disability which began before the end of the period prescribed in subdivision (2), and who, in the case of a widower, was receiving at least one-half of his support from the deceased employee at the time of her death or at the time her annuity under subsection (a) (1) began;

"(ii) a widow (as defined in section 216 (c) and (k) of the Social Security Act) of such a deceased employee who has not remarried and who (A) is not entitled to an annuity under paragraph (i), and (B) at the time of filing an application for an annuity under this paragraph, will have in her care a child of such deceased employee, which child is entitled to an annuity under paragraph (iii) (other than an annuity payable to a child who has attained age 18 and is not under a disability);

"(iii) a child (as defined in section 216 (e) and (k) of the Social Security Act) of such a deceased employee who (A) will be less than eighteen years of age, or (B) will be less than twenty-two years of age and a full-time student at an educational institution, or (C) will, without regard to his age, be under a disability which began before he attained age twenty-two or before the close of the eighty-fourth month following the month in which his most recent entitlement to an annuity under this paragraph terminated because he ceased to be under a disability, and who is unmarried and was dependent upon the employee at the time of the employee's death; and

"(iv) a parent (as defined in section 202 (h) (3) of the Social Security Act) of such a deceased employee who (A) will have attained the age of sixty and (B) will have received at least one-half of his or her support from such deceased employee at the time of the employee's death and (C) will not have remarried after the employee's death: *Provided, however,* That no parent will be entitled to an annuity under this paragraph on the basis of the deceased employee's compensation and years of service in any case where such employee died leaving a widow or widower or a child who is, or who might in the future become, entitled to an annuity under this subsection.

"(2) The period referred to in clause (B) of subdivision (1) (i) is the period (i) beginning with the latest of (A) the month of the employee's death, (B) in the case of a widow, the last month for which she was entitled to an annuity under paragraph (ii) of subdivision (1) as the widow of the deceased employee, or (C) the month in which the widow's or widower's previous entitlement to an annuity as the widow or widower of the deceased employee terminated because her or his disability had ceased and (ii) ending with the month before the month in which she or he attains age sixty, or, if earlier, with the close of the eighty-fourth month following the month with which such period began.

"(3) For purposes of paragraph (i) or (iii) of subdivision (1), a widow, widower, or child shall be under a disability if her or his permanent physical or mental condition is such that she or he is unable to engage in any regular employment. The provisions of subsection (a) (3) of this section as to the proof of disability shall apply with regard to determinations with respect to disability under subdivision (1).

"(4) In determining for purposes of this subsection and subdivision (3) of subsection (c) whether an applicant is the wife, husband, widow, widower, child, or parent of a deceased employee as claimed, the rules set forth in section 216(h) of the Social Security Act shall be applied deeming, for this purpose, individuals entitled to an annuity under subsection (c) to be entitled to benefits under subsection (b) or (c) of section 202 of the Social Security Act and individuals entitled to an annuity under paragraph (i) or (ii) of subsection (d) (1) to be entitled to a benefit under subsection (e), (f), or (g) of section 202 of the Social Security Act. For purposes of paragraph (iii) of subdivision (1), a child shall be deemed to have been dependent upon his parent employee if the conditions set forth in section 202(d) (3), (4), or (9) of the Social Security Act are fulfilled. The provisions of paragraph (7) of section 202(d) of the Social Security Act (defining the terms 'full-time student' and 'educational institution') shall be applied by the Board in the administration of this subsection as if the references therein to the Secretary were references to the Board. A child who attains age twenty-two at a time when he is a full-time student (as defined in subparagraph (A) of paragraph (7) of section 202(d) of the Social Security Act and without the application of subparagraph (B) of such paragraph) but has not (at such time) completed the requirements for, or received, a degree from a four-year college or university shall be deemed (for purposes of determining his continuing or initial entitlement to an annuity under this subsection) not to have attained such age until the first day of the first month following the end of the quarter or semester in which he is enrolled at such time (or, if the educational institution in which he is enrolled is not operated on a quarter or semester system, until the first day of the first month following the completion of the course in which he is enrolled or until the first day of the third month beginning after such time, whichever first occurs).

"(e) (1) No individual shall be entitled to an annuity under subsection (a) (1) until he shall have ceased to render compensated service to any person, whether or not an employer as defined in section 1(a) (but with the right to engage in other employment to the extent not prohibited by subdivision (3) or (4) of this subsection or by subsection (f)).

"(2) An annuity under subsection (a) (1) shall be paid only if the applicant shall have relinquished such rights as he may have to return to the service of an employer and of the person, or persons, by whom he was last employed: *Provided, however* That this requirement shall not apply to individuals mentioned in paragraphs (iv) and (v) of subsection (a) (1) prior to attaining age sixty-five: *Provided further,* That, notwithstanding the provisions of the preceding proviso and of clause (i) of subsection (c) (1) of this section, an annuity shall be paid to the spouse of an individual only if such individual shall have satisfied the requirements of this subdivision without regard to the preceding proviso: *And provided further,* That, notwithstanding the provisions of the first proviso of this subdivision and of clause (iii) of subsection (b) (1) of this section, a supplemental annuity shall be paid to an individual only if such individual shall have satisfied the requirements of this subdivision without regard to the first proviso thereof.

"(3) No annuity under subsection (a) (1) or supplemental annuity under subsection (b) (1) shall be paid with respect to any month in which an individual in receipt of an annuity or supplemental annuity thereunder shall render compensated service to an employer or to the last person, or persons, by whom he was employed prior to the date on which the annuity under subsection (a) (1) began to accrue. Individuals receiving annuities under subsection (a) (1) shall report to the Board immediately all such compensated service.

"(4) No annuity under paragraph (iv) or (v) of subsection (a) (1) shall be paid to an individual with respect to any month in which the individual is under age sixty-five and is paid more than $200 in earnings from employment or self-employment of any form: *Provided, however,* That for purposes of this subdivision, if a payment in any one calendar month is for accruals in more than one calendar month, such payment shall be deemed to have been paid in each of the months in which accrued to the extent accrued in such month. Any such individual under the age of sixty-five shall report to the Board any such payment of earnings for such employment or self-employment before receipt and acceptance of an annuity for the second month following the month of such payment. A deduction shall be imposed, with respect to any such individual who fails to make such report, in the annuity or annuities otherwise due the individual, in an amount equal to the amount of the annuity for each month in which he is paid such earnings in such employment or self-employment, except that the first deduction imposed pursuant to this sentence shall in no case exceed an amount equal to the amount of the annuity otherwise due for the first month with respect to which the deduction is imposed. If pursuant to the first sentence of this subdivision an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in subdivision (3)) did not exceed $2400, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the third sentence of this subdivision, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in subdivision (3)) is in excess of $2400, the number of months in such year with respect to which an annuity is not payable by reason of such first and third sentences shall not exceed one month for each $200 of such excess, treating the last $100 or more of such excess as $200; and if the amount of the annuity has changed during such year, any payments of annuities which become payable solely by reason of the limitations contained in this sentence shall be made first with respect to the month or months for which the annuity is larger.

"(5) The annuity of a spouse under subsection (c) shall, with respect to any month, be subject to the same provisions of this subsection as the individual's annuity. In addition, the annuity of a spouse under subsection (c) shall not be payable for any month if the individual's annuity under subsection (a)(1) is not payable for such month by reason of the provisions of this subsection.

"(f)(1) That portion of the individual's annuity as is computed under section 3(a) of this Act on the basis of (A) his compensation and years of service subsequent to December 31, 1974, and (B) his wages and self-employment income derived from employment and self-employment under the Social Security Act and that portion of the individual's annuity as is computed under section 3(h) of this Act shall be subject to deductions on account of work pursuant to the provisions of section 203 of the Social Security Act in the same manner as if such portion of such annuity were a monthly insurance benefit under that Act: *Provided, however,* That the provisions of this subdivision shall be applicable to the annuity of an individual only if such individual would be fully insured under the Social Security Act on the basis of wages and self-employment income derived from employment and self-employment under that Act and on the basis of compensation derived from service as an employee after December 31, 1974, if such service as an employee had been included in the term employment as defined in that Act. Any person in receipt of an annuity subject to deduction under this subsection shall report to the Board the receipt of excess earnings as defined in paragraph (3) of section 203(f) of the Social Security Act.

"(2) That portion of the spouse's annuity under subsection (c) which is derived from the portion of the individual's annuity subject to deductions under subdivision (1) and that portion of the spouse's annuity as is computed under section 4(e) of this Act shall be subject to deductions on account of work pursuant to the provisions of section 203 of the Social Security Act in the same manner as if such portion of such spouse's annuity were a monthly insurance benefit under that Act. In addition, such portion of the spouse's annuity shall be subject to deductions if the individual's annuity is subject to deductions under subdivision (1) in the same manner as if such portion of such spouse's annuity were a monthly insurance benefit under the Social Security Act.

"(g)(1) No annuity shall be paid to a survivor under subsection (d) with respect to any month in which such survivor renders service for compensation as an employee of an employer. Survivors receiving annuities under subsection (d) shall report to the Board immediately all such service for compensation.

"(2) Deductions, in amounts and at such time or times as the Board shall determine, shall be made from any payments to which a survivor is entitled under subsection (d) until the total of such deductions equals such survivor's annuity under that subsection for any month, if for such month such survivor is under the age of seventy-two and is charged with excess earnings under section 203(f) of the Social Security Act or, having engaged in any activity outside the United States, would be charged under such section 203(f) with any excess earnings derived from such activity if it had been an activity within the United States. For purposes of this subdivision the Board shall have the authority to take such actions and to make such determinations and such suspensions of payment of benefits in the manner and to the extent that the Secretary of Health, Education, and Welfare would be authorized to take or to make under section 203(h)(3) of the Social Security Act if the survivors were receiving the annuities to which this subdivision applies under section 202 of such Act: *Provided, however,* That in determining a survivor's excess earnings for a year for the purposes of this subdivision there shall not be included his income from employment or self-employment during months beginning with the month with respect to which he ceases to be qualified for an annuity. Survivors receiving annuities under subsection (d) shall report to the Board the receipt of excess earnings described in this subdivision.

"(h)(1) In the event military service credited under section 3(i)(2) of this Act is or has been used as the basis or as a partial basis for a pension, disability compensation, or any other gratuitous benefits payable on a periodic basis under any other Act of Congress, any annuity of an individual under subsection (a)(1) which is based in part on such military service shall be reduced, with respect to a calendar month for all or part of which such other benefit is also payable, by (i) the proportion which the number of years of service by which such military service increases the years of service bears to the total years of service, or (ii) the aggregate amount of such pensions or other benefit with respect to that month, whichever would result in the smaller reduction: *Provided, however,* That in no case shall the reduction under this subdivision operate to reduce the annuity of an individual under subsection (a)(1) below the amount it would have been if military service had not been included in the individual's years of service. If the annuity of an individual under subsection (a)(1) is reduced for any month by reason of this subdivision, any annuity payable to the spouse of such individual for such month under subsection (c) shall be reduced proportionately.

"(2) The supplemental annuity provided an individual by subsection (b) shall, with respect to any month, be reduced by the amount of the supplemental pension, attributable to the employer's contribution, that such individual is entitled to receive for that month under any other supplemental pension plan: *Provided, however,* That the maximum of such reduction shall be equal to the amount of the supplemental annuity less any amount by which the supplemental pension is reduced by reason of the supplemental annuity.

"(3) If a spouse entitled to an annuity under subsection (c) or a survivor entitled to an annuity under subsection (d) for any month is also entitled to an annuity under subsection (a)(1) for such month, the annuity under subsection (c) or (d) shall be reduced, but not below zero, by an amount equal to the annuity under subsection (a)(1): *Provided, however,* That the provisions of this subdivision shall not apply if either the spouse or survivor or the individual upon whose earnings record the spouse's or survivor's annuity under subsection (c) or (d) is based rendered service as an employee to an employer, or as an employee representative, prior to January 1, 1975.

"(4) If an annuitant is entitled to more than one annuity under subsections (c) and (d) for a month, such annuitant shall be entitled to only the larger of such annuities for such month, except that, if such annuitant so elects, he shall instead be entitled to only the smaller of such annuities for such month.

"COMPUTATION OF EMPLOYEE ANNUITIES

"SEC. 3. (a)(1) The annuity of an individual under section 2(a)(1) of this Act shall be in an amount equal to the amount (before any reduction on account of age and before any deductions on account of work) of the old-age insurance benefit or disability insurance benefit to which such individual would have been entitled under the Social Security Act if all of his or her service as an employee after December 31, 1936, had been included in the term employment as defined in that Act.

"(2) For purposes of this subsection, individuals entitled to an annuity under paragraph (ii) of section 2(a)(1) of this Act shall, except for purposes of recomputations in accordance with the provisions of section 215(f) of the Social Security Act, be deemed to have attained age 65, and individuals entitled to an annuity under paragraph (iv) or (v) of such section 2(a)(1) shall be deemed to be entitled to a disability insurance benefit under section 223 of the Social Security Act.

"(b)(1) The amount of the annuity of an individual provided under subsection (a) of this section shall be increased by an amount equal to (A) the amount of the annuity to which such individual would have been entitled (without regard to the requirement that an individual's years of service be ten or more) under section 2(a)(1) of the Railroad Retirement Act of 1937 as in effect on December 31, 1974, on the basis of his compensation and years of service prior to January 1, 1975, deeming such individual (i) to be eligible for such an annuity and (ii) to be entitled to no other benefit under either that Act or the Social Security Act except a benefit under the Social Security Act in the amount computed in accordance with the provisions of subclause (ii) of clause (C) of subsection (h)(1) or (h)(2) of this section, minus (B) the amount of the old-age insurance benefit to which such individual would have been entitled (before any deductions on account of work and subject to the last sentence of this subdivision) under the Social Security Act as in effect on December 31, 1974, if all his service as an employee after December 31, 1936, and before January 1, 1975, were included in the term 'employment' as defined in that Act, and if such individual (i) were age 65 and otherwise eligible for such a benefit and (ii) had no wages or self-employment income under that Act other than wages derived from service as an employee after December 31, 1936, and before January 1, 1975. For purposes of computing amounts under clause (A) of this subdivision, the Board shall have the authority to approximate the effect of the reductions prescribed by sections 3(a)(2) and 3(a)(3) of the Railroad Retirement Act of 1937 in cases where the individual is entitled to a benefit under subsection (h)(1) or (h)(2) of this section. For purposes of this subdivision, 18 'benefit computation years' shall be used in calculating an individual's 'average monthly wage', except in computing increases in amounts determined under clause (A) of this subdivision pursuant to section 3(a)(6) of the Railroad Retirement Act of 1937.

"(2) The amount computed under subdivision (1) of this subsection shall be increased by 65 per centum of the percentage increase obtained by comparing the unadjusted Consumer Price Index for the month of September 1976 with the unadjusted Consumer Price Index for the September immediately preceding the earlier of (A) the calendar year in which the individual's annuity under section 2(a)(1) of this Act begins to accrue or (B) the calendar year 1981.

"(c) If an individual entitled to an annuity under section 2(a)(1) of this Act will have rendered service as an employee to an employer, or as an employee representative, subsequent to December 31, 1974, the amount of the annuity of such individual provided under the preceding subsections of this section shall be increased by $1.50 for each of the first ten years of service that the individual has prior to January 1, 1975, and by $1.00 for each year of service prior to January 1, 1975, that the individual has in excess of 10 years.

"(d)(1) The amount of the annuity of an individual provided under the preceding subsections of this section shall be increased by an amount equal to the sum of (A) the product obtained by multiplying such individual's years of service subsequent to December 31, 1974, by .5 per centum of his average monthly compensation for such years of service and (B) $4.00 for each of such years of service.

"(2) The amount computed under subdivision (1) of this subsection shall be increased (but subject to the reduction prescribed by the following sentence) by an amount equal to (A) the sum of (i) .5 per centum of the individual's average monthly compensation for his years of service subsequent to December 31, 1974, disregarding, for this purpose, compensation for any month after December 31, 1980, in excess of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year 1980, and (ii) $4.00, multiplied by (B) the product of (i) the individual's years of service subsequent to December 31, 1974, and (ii) 65 per centum of the percentage increase obtained by comparing the unadjusted Consumer Price Index for the month of September 1976 with the unadjusted Consumer Price Index for the September immediately preceding the earlier of the calendar year in which the individual's annuity under section 2(a)(1) of this Act begins to accrue or the calendar year 1981. The amount determined under the provisions of the first sentence of this subdivision shall be reduced by the amount by which (C) the product of (i) .5 per centum of the individual's average monthly compensation for his years of service subsequent to December 31, 1974, disregarding, for this purpose, compensation for any month after December 31, 1980, in excess of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year 1980, times (ii) the individual's years of service subsequent to December 31, 1974, exceeds (D) the product of (i) .5 per centum of the individual's average monthly compensation for his years of service subsequent to December 31, 1974, disregarding, for this purpose, compensation for any month after December 31, 1976, in excess of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year 1976, times (ii) the individual's years of service subsequent to December 31, 1974: *Provided, however,* That the provisions of this sentence shall not operate to reduce the amount determined under the preceding sentence below an amount equal to $4.00 multiplied by the amount computed under clause (B) of the preceding sentence.

"(e) The supplemental annuity of an individual under section 2(b) of this Act shall be $23 plus an additional amount of $4 for each year of service that the individual has in excess of 25 years, but in no case shall the supplemental annuity exceed $43.

"(f)(1) If the total amount of an individual's annuity and supplemental annuity computed under the preceding subsections of this section would, before any reductions on account of age and disregarding any increases in such total amount which become effective after the date on which such individual's annuity under section 2(a)(1) of this Act begins to accrue, exceed an amount equal to the sum of (A) 100 per centum of his 'final average monthly compensation' up to an amount equal to 50 per centum of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year in which such individual's annuity under section 2(a)(1) of this Act begins to accrue, plus (B) 80 per centum of so much of his 'final average monthly compensation' as exceeds 50 per centum of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year in which such individual's annuity under section 2(a)(1) of this Act begins to accrue, the supplemental annuity of such individual first, and then, if necessary, the annuity amount of such individual as computed under subsections (b), (c), and (d) of this section, shall be reduced until such total amount of such individual's annuity and supplemental annuity equals such sum or until such supplemental annuity and such annuity amount computed under subsections (b), (c), and (d) of this section are reduced to zero, whichever occurs first: *Provided, however,* That the provisions of this subdivision shall not operate to reduce the total amount of an individual's annuity and supplemental annuity computed under the preceding subsections of this section below $1,200. For purposes of this subdivision, the 'final average monthly compensation' of an individual shall be determined by dividing the total compensation received by such individual in the two calendar years, consecutive or otherwise, in which he was credited with the highest total compensation during the ten-year period ending with December 31 of the year in which such individual's annuity under section 2(a)(1) of this Act begins to accrue by 24. For purposes of this subdivision, the term 'compensation' shall include 'compensation' as defined in section 1(h) of this Act, 'wages' as defined in section 209 of the Social Security Act, 'self-employment income' as defined in section 211(b) of the Social Security Act, and wages deemed to have been paid under section 217 or 229 of the Social Security Act on account of military service: *Provided, however,* That in no case shall the compensation with respect to any calendar month exceed the limitation on the compensation for such month prescribed in subsection (j) of this section. Wages and self-employment income included as compensation for purposes of this subdivision shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the calendar quarter in which credited, in the case of wages, or in equal proportions with respect to all months in the calendar year in which credited, in the case of self-employment income.

"(2) If, in the case of an individual whose annuity under section 2(a)(1) of this Act began to accrue prior to January 1, 1983, the annuity (disregarding any amount provided by subsection (h) of this section) plus the supplemental annuity to which such individual is entitled for any month under this Act, together with the annuity, if any, of the spouse of such individual (disregarding any amount provided by section 4(e) of this Act), before any reductions under the provisions of section 2(f) of this Act, is less than the total amount which would have been payable to such individual and his spouse for such month, on the basis of the individual's compensation and years of service, under the provisions of the Railroad Retirement Act of 1937 as in effect on December 31, 1974, disregarding, for purposes of the computations under such Railroad Retirement Act of 1937, compensation for any month after December 31, 1974, in excess of one-twelfth of the maximum annual taxable 'wages' (as defined in section 3121 of the Internal Revenue Code of 1954) for the calendar year 1974, the annuity of such individual and the annuity of such spouse, if any, shall be increased, without regard to the provisions of subdivision (1) of this subsection, proportionately so as to equal such total amount. For the purpose of computing amounts under this subdivision, the Board shall have the authority to approximate the effect of the reductions prescribed by sections 3(a)(2) and 3(a)(3) of the Railroad Retirement Act of 1937. For purposes of computing amounts payable under the Railroad Retirement Act of 1937, any increases in the amounts determined under the first proviso of section 3(e) of such Act which would have become effective after December 31, 1974, shall be disregarded.

"(3) If for any month in which an annuity accrues and is payable under this Act the annuity to which an individual is entitled under this Act (or would have been entitled except for a reduction pursuant to a joint and survivor election), together with the annuity, if any, of the spouse of such individual, is less than the total amount, or the additional amount, which would have been payable to all persons for such month under the Social Security Act if such individual's service as an employee after December 31, 1936, were included in the term 'employment' as defined in that Act, such annuity or annuities shall be increased proportionately to such total amount, or such additional amount: *Provided, however,* That if an annuity accrues to an individual or a spouse for a part of a month, the amount payable for such part of a month under this subdivision shall be one-thirtieth of the amount payable under this subdivision for an entire month, multiplied by the number of days in such part of a month. For purposes of this subdivision, (i) persons not entitled to an annuity under section 2 of this Act shall not be included in the computation under this subdivision except a spouse who could qualify for an annuity under section 2(c) of this Act if the individual from whom the spouse's annuity under this Act would derive had attained age 60 or 62, as the case may be, and such individual's children who meet the definition as such contained in section 216(e) of the Social Security Act; (ii) after an annuity has been certified for payment and this subdivision was inapplicable after allowing for any waiting period under section 223(c)(2) of the Social Security Act, and after having considered the inclusion of all persons who were then eligible for inclusion in the computation under this subdivision, or was then applicable but later became inapplicable, any recertification in such annuity under this subdivision shall not take into account persons not entitled to an annuity under section 2 of this Act except a spouse who could qualify for an annuity under section 2(c) of this Act when she attains age 60 or 62, as the case may be, if the individual from whom the spouse's annuity would derive had attained age 60 or 62, as the case may be, and who was married to such individual at the time he applied for his annuity; and (iii) in computing the amount to be paid under this subdivision the only benefits under title II of the Social Security Act which shall be considered shall be those to which the persons included in the computation are entitled.

"(g) Those portions of the annuity of an individual as are computed under subsections (b) and (d) of this section shall, if such individual's annuity under section 2 (a)(1) of this Act began to accrue on or before the date on which the applicable increase under this subsection becomes effective, be increased by 32.5 per centum of the percentage increase, if any, (rounded to the nearest one-tenth of 1 percent) obtained by comparing (A) the unadjusted Consumer Price Index for the calendar quarter ending March 31, 1977, with such Index for the calendar quarter ending March 31, 1976, (B) the unadjusted Consumer Price Index for the calendar quarter ending March 31, 1978, with the higher of (i) such Index for the calendar quarter ending March 31, 1977, or (ii) such Index for the calendar quarter ending March 31, 1976, (C) the unadjusted Consumer Price Index for the calendar quarter ending March 31, 1979, with the highest of (i) such Index for the calendar quarter ending March 31, 1978, (ii) such Index for the calendar quarter ending March 31, 1977, or (iii) such Index for the calendar quarter ending March 31, 1976, and (D) the unadjusted Consumer Price Index for the calendar quarter ending March 31, 1980, with the highest of (i) such Index for the calendar quarter ending March 31, 1979, (ii) such Index for the calendar quarter ending March 31, 1978, (iii) such Index for the calendar quarter ending March 31, 1977, or (iv) such Index for the calendar quarter ending March 31, 1976. The unadjusted Consumer Price Index for any calendar quarter shall be the arithmetical mean of such Index for the three months in such quarter. The increases provided under clauses (A), (B), (C), and (D) of this subsection shall be effective on June 1, 1977, June 1, 1978, June 1, 1979, and June 1, 1980, respectively.

"(h)(1) The amount of the annuity provided under subsections (a) through (d) of this section of an individual who (A) will have (i) rendered service as an employee to an employer, or as an employee representative, during the calendar year 1974, or (ii) had a current connection with the railroad industry on December 31, 1974, or at the time his annuity under section 2(a)(1) of this Act began to accrue, or (iii) completed twenty-five years of service prior to January 1, 1975, and (B) will have (i) completed ten years of service prior to January 1, 1975, and (ii) been permanently insured under the Social Security Act on December 31, 1974, shall be increased by an amount equal to the amount by which (C) the sum of (i) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, if his service as an employee after December 31, 1936, and prior to January 1, 1975, were included in the term employment as defined in that Act and if he had no wages or self-employment income under that Act other than wages derived from such service as an employee, and (ii) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of his wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, exceeds (D) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of his wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, and on the basis of compensation derived from service as an employee after December 31, 1936, and prior to January 1, 1975, if such service as an employee had been included in the term employment as defined in that Act.

"(2) The amount of the annuity provided under subsections (a) through (d) of this section to an individual who (A) will not have met the conditions set forth in subclause (i), (ii), or (iii) of clause (A) of subdivision (1) of this subsection, but (B) will have (i) completed ten years of service prior to January 1, 1975, and (ii) been permanently insured under the Social Security Act as of December 31 of the calendar year in which he last rendered service as an employee to an employer, or as an employee representative, shall be increased by an amount equal to the amount by which (C) the sum of (i) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, if his service as an employee after December 31, 1936, and prior to January 1, 1975, were included in the term employment as defined in that Act and if he had no wages or self-employment income under that Act other than wages derived from such service as an employee, and (ii) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of his wages and self-employment income derived from employment and self-employment under that Act as of December 31 of the calendar year in which he last performed service as an employee under this Act, exceeds (D) the primary insurance amount to which such individual would have been entitled, upon the attainment of age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of his wages and self-employment income derived from employment and self-employment under that Act as of December 31 of the calendar year in which he last performed service as an employee under this Act and on the basis of compensation derived from service as an employee after December 31, 1936, and prior to January 1, 1975, if such service as an employee had been included in the term employment as defined in that Act.

"(3) The amount of the annuity provided under subsections (a) through (d) of this section of an individual who (A) will have (i) rendered service as an employee to an employer, or as an employee representative, during the calendar year 1974, or (ii) had a current connection with the railroad industry on December 31, 1974, or at the time his annuity under section 2(a)(1) of this Act began to accrue, or (iii) completed twenty-five years of service prior to January 1, 1975, and (B) will have completed ten years of service prior to January 1, 1975, and is the wife, husband, widow, or widower of a person who will have been permanently insured under the Social Security Act on December 31, 1974, shall be increased by an amount equal to the smaller of (C) the wife's, husband's, widow's, or widower's insurance benefit to which such individual would have been entitled, upon attaining age 65 (or), if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974 on the basis of such person's wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, or (D) the primary insurance amount to which such individual would have been entitled upon attaining age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of such individual's wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, and on the basis of compensation derived from service as an employee after December 31, 1936, and prior to January 1, 1975, if such service as an employee had been included in the term employment as defined in that Act.

"(4) The amount of the annuity provided under subsections (a) through (d) of this section of an individual who (A) will not have met the conditions set forth in subclause (i), (ii), or (iii) or clause (A) of subdivision (3) of this subsection, but (B) will have completed ten years of service prior to January 1, 1975, and is the wife, husband, widow, or widower of a person who will have been permanently insured under the Social Security Act as of December 31 of the calendar year in which such individual last rendered service as an employee to an employer, or as an employee representative, shall be increased by an amount equal to the smaller of (C) the wife's, husband's, widow's, or widower's insurance benefit to which such individual would have been entitled, upon attaining age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of such person's wages and self-employment income derived from employment and self-employment under that Act as of December 31 of the calendar year in which such individual last performed service as an employee under this Act or (D) the primary insurance amount to which such individual would have been entitled upon attaining age 65 (or, if later, for January 1975), under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of such individual's wages and self-employment income derived from employment and self-employment under that Act as of December 31 of the calendar year in which such individual last performed service as an employee under this Act and on the basis of compensation derived from service as an employee after December 31, 1936, and prior to January 1, 1975, if such service as an employee had been included in the term employment as defined in that Act.

"(5) The amount computed under subdivision (1) or (2) of this subsection shall be increased by the same percentage, or percentages, as primary insurance amounts under section 202 of the Social Security Act are increased during the period from January 1, 1975, to the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue.

"(6) The amount computed under subdivision (3) or (4) of this subsection shall be increased by the same percentage, or percentages, as wife's, husband's, widow's, or widower's insurance benefits, whichever is pertinent, are increased during the period from January 1, 1975, to the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue.

"(i)(1) The 'years of service' of an individual shall include all his service subsequent to December 31, 1936.

"(2) The 'years of service' of an individual shall also include his voluntary or involuntary military service, within or without the United States, during any war service period: *Provided, however,* That such military service shall be included only if, prior to the beginning of his military service and in the same calendar year in which such military service began, or in the next preceding calendar year, the individual rendered service for compensation to an employer or to a person service to which is otherwise creditable under this Act, or lost time as an employee for which he received remuneration, or was serving as an employee representative: *Provided further,* That such military service shall be included only subject to and in accordance with the provisions of subdivision (1) and (3) of this subsection in the same manner as though military service were service rendered as an employee: *And provided further,* That an individual who entered military service prior to a war service in a war service period with respect to any part of the period for which he entered such military service.

"(3) The 'years of service' of an individual who was an employee on August 29, 1935, shall, if the total number of his 'years of service' as determined under subdivisions (1) and (2) is less than thirty, also include his service prior to January 1, 1937, but not so as to make his total years of service exceed thirty: *Provided, however,* That with respect to any such individual who rendered service to any employer subsequent to December 31, 1936, and who on August 29, 1935, was not an employee of an employer conducting the principal part of its business in the United States, no greater proportion of his service rendered prior to January 1, 1937, shall be included in his 'years of service' than the proportion which his total compensation (without regard to any limitation on the amount of compensation otherwise provided in this Act) for service subsequent to December 31, 1936, rendered anywhere to an employer conducting the principal part of its business in the United States or rendered in the United States to any other employer bears to his total compensation (without regard to any limitation on the amount of compensation otherwise provided in this Act) for service rendered anywhere to an employer subsequent to December 31, 1936. Where the 'years of service' include only part of the service prior to January 1, 1937, the part included shall be taken in reverse order beginning with the last calendar month of such service.

"(j) The 'average monthly compensation' shall be the average compensation paid to an employee with respect to calendar months included in his 'years of service', except (1) that with respect to service prior to January 1, 1937, the monthly compensation shall be the average compensation paid to an employee with respect to calendar months included in his years of service in the years 1924–1931, and (2) the amount of compensation paid or attributable as paid to him with respect to each month of service before September 1941 as a station employee whose duties consisted of or included the carrying of passengers' hand baggage and otherwise assisting passengers at passenger stations and whose remuneration for service to the employer was, in whole or in substantial part, in the forms of tips, shall be the monthly average of the compensation paid to him as a station employee in his months of service in the period September 1940–August 1941: *Provided, however,* That where service in the period 1924–31 in the one case, or in the period September 1940—August 1941 in the other case, is, in the judgment of the Board, insufficient to constitute a fair and equitable basis for determining the amount of compensation paid or attributable as paid to him in each month of service before 1937, or September 1941, respectively, the Board shall determine the amount of such compensation for each such month in such manner as in its judgment shall be fair and equitable. In computing the monthly compensation, no part of any month's compensation in excess of $300 for any month before July 1, 1954, or in excess of $350 for any month after June 30, 1954, and before June 1, 1959, or in excess of $400 for any month after May 31, 1959, and before November 1, 1963, or in excess of $450 for any month after October 31, 1963, and before October 1, 1965, or in excess of (i) $450, or (ii) an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 of the Internal Revenue Code of 1954, whichever is greater, for any month after September 30, 1965, shall be recognized. If the employee earned compensation in service after June 30, 1937, and after the last day of the calendar year in which he attained age sixty-five, such compensation and service shall be disregarded in computing the average monthly compensation if the result of taking such compensation into account in such computation would be to diminish his annuity. If the 'average monthly compensation' computed under this subsection is not a multiple of $1, it shall be rounded to the next lower multiple of $1. Where an employee claims credit for months of service rendered within two years prior to his retirement from the service of an employer, with respect to which the employer's return pursuant to section 9 of this Act has not been entered on the records of the Board before the employee's annuity could otherwise be certified for payment, the Board may, in its discretion (subject to subsequent adjustment at the request of the employee) include such months in the computation of the annuity without further vertification and may consider the compensation for such months to the average of the compensation for months in the last period for which the employer has filed a return of the compensation of such employee and such return has been entered on the records of the Board.

"(k) The annuity of an individual who shall have been an employee representative shall be determined in the same manner and with the same effect as if the employee organization by which he shall have been employed were an employer.

"(1) In cases where an annuity awarded under paragraph (iii) of section 2(a)(1) or under section 2(c)(2) of this Act is increased either by a change in the law or by a recomputation the reduction for the increase in the annuity shall be determined separately and the period with respect to which the reduction applies shall be determined as if such increase were a separate annuity payable for and after the first month for which such increase is effective.

"COMPUTATION OF SPOUSE AND SURVIVOR ANNUITIES

"SEC. 4. (a)(1) The annuity of a spouse of an individual under section 2(c) of this Act shall be in an amount equal to the amount (before any reduction on account of age and before any deductions on account of work) of the wife's insurance benefit or the husband's insurance benefit to which such spouse would have been entitled under the Social Security Act if such individual's service as an employee after December 31, 1936, had been included in the term employment as defined in that Act.

"(2) For purposes of this subsection, spouses entitled to an annuity under clause (B) of paragraph (ii) of section 2(c)(1) of this Act shall be deemed to have attained age 65.

"(b) The amount of the annuity of a spouse of an individual provided under subsection (a) of this section shall be increased by an amount equal to 50 per centum of that portion of the individual's annuity as is computed under subsections (b), (c), and (d) of section 3 of this Act: *Provided, however,* That if the spouse is entitled to an annuity amount provided by subsection (e)(1) or (e)(2) of this section, the amount of such spouse's annuity provided by the preceding provisions of this subsection shall be reduced by the amount of which the amount computed in accordance with the provisions of clause (C) of subsection (e)(1) or (e)(2) of this section was increased by the Social Security Amendments of 1965, 1967, and 1969, disregarding (A) the amount of any such increase resulting from the Social Security Amendments of 1967 equal to, or less than, the excess of $5 over 5.8 per centum of the lesser of (i) the amount computed under clause (C) of subsection (e)(1) or (e)(2) of this section before any increases derived from legislation enacted after the Social Security Amendments of 1967 or (ii) the amount of the spouse's annuity to which such spouse would have been entitled under section 2(e) of the Railroad Retirement Act of 1937, without regard to section 3(a)(2) of that Act or to increases derived from legislation enacted after 1968 and before any reduction on account of age, on the basis of the individual's compensation and years of service prior to January 1, 1975, and (B) the amount of any such increase resulting from the Social Security Amendments of 1969 equal to, or less than, $5: *Provided further,* That if the total of (A) the amount of the spouse's annuity provided under subsection (a) of this section, or, in the case of a spouse entitled to an annuity under section 2(a)(1) of this Act or to an old-age insurance benefit or a disability insurance benefit under section 202 or 223 of the Social Security Act, the amount to which such spouse would be entitled under subsection (a) if she or he were not entitled to an annuity under section 2(a)(1) of this Act or to an old-age insurance benefit or a disability insurance benefit under section 202 or 223 of the Social Security Act, plus (B) the amount of her or his annuity under this subsection would, with respect to any month, before any reductions on account of age, exceed 110 per centum of an amount equal to the maximum amount which could be paid to anyone, with respect to such month, as a wife's insurance benefit under section 202 (b) of the Social Security Act, the amount of the annuity of such spouse under this subsection shall be reduced until the total of such annuity amounts equals 110 per centum of such amount. The Board shall have the authority to approximate the amount of any reduction prescribed by the first proviso of this subsection.

"(c) If (A) the total amount of the annuity of a spouse of an individual as computed under the preceding subsections of this section as of the date on which the annuity of such individual under section 2 (a)(1) of this Act began to accrue plus (B) the total amount of the annuity and supplemental annuity of the individual subject to the provisions of section 3(f)(1) of this Act, would, before any reductions in the amounts specified in clauses (A) and (B) on account of age and disregarding any increases in such amounts which become effective after the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue, exceed the amount determined under clauses (A) and (B) of section 3(f)(1) of this Act, the portion of the annuity of such spouse determined under subsection (b) of this section of the date on which the individual's annuity under section 2(a)(1) began to accrue shall be reduced until the sum of the amounts specified in clauses (A) and (B) of this subsection equals the amount determined under clauses (A) and (B) of section 3(f)(1) or until such amount under subsection (b) is reduced to zero, whichever occurs first. If, after such amount under subsection (b) is reduced to zero, the sum of the remaining amounts specified in clauses (A) and (B) of this subsection still exceeds the amount determined under clauses (A) and (B) of section 3(f)(1), the supplemental annuity of the individual first, and then, if necessary, the annuity amount of the individual computed under subsections (b), (c), and (d) of section 3 as of the date on which the individual's annuity under section 2(a)(1) began to accrue, shall be reduced until the amounts specified in clauses (A) and (B) of this subsection equals the amount determined under clauses (A) and (B) of section 3(f)(1) or until such supplemental annuity and such annuity amount are reduced to zero, which ever occurs first. Notwithstanding the preceding provisions of this subsection, the provisions of this subsection shall not operate to reduce the total of the amounts specified in clauses (A) and (B) of this subsection below $1,200.

"(d) That portion of the annuity of the spouse of an individual as is determined under subsections (b) and (c) of this section shall be increased by the same percentage, or percentages, as the individual's annuity is, or has been, increased pursuant to the provisions of section 3(g) of this Act.

"(e)(1) The amount of the annuity of the spouse of an individual determined under subsections (a) and (b) of this section, if (A) such individual will have (i) rendered service as an employee to an employer, or as an employee representative, during the calendar year 1974, or (ii) had a current connection with the railroad industry on December 31, 1974, or at the time his annuity under section 2(a)(1) of this Act began to accrue, or (iii) completed twenty-five years of service prior to January 1, 1975, and (B) such individual will have completed ten years of service prior to January 1, 1975, and such spouse will have been permanently insured under the Social Security Act on December 31, 1974, shall be increased by an amount equal to the smaller of (C) the primary insurance amount to which such spouse would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of her or his wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, or (D) the wife's or husband's insurance benefit to which such spouse would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, if such individual's service as an employee after December 31, 1936, and prior to January 1, 1975, were included in the term employment as defined in that Act, if such individual had no wages or self-employment income under that Act other than wages derived from such service as an employee, and if such spouse were entitled to no other benefit under that Act: *Provided, however*, That the increase under the provisions of this subdivision shall not be less than 50 per centum of the portion of the annuity, if any, of such individual determined under the provisions of section 3(h)(1) of this Act prior to any increases under the provisions of section 3(h)(5) of this Act.

"(2) The amount of the annuity of the spouse of an individual determined under subsections (a) and (b) of this section, if (A) such individual will not have met the conditions set forth in subclause (i), (ii), or (iii) of clause (A) of subdivision (1) of this subsection, but (B) such individual will have completed ten years of service prior to January 1, 1975, and such spouse will have been permanently insured under the Social Security Act as of December 31 of the calendar year in which such individual last rendered service as an employee, shall be increased by an amount equal to the smaller of (C) the primary insurance amount to which such spouse would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of his or her wages and self-employment income derived from employment and self-employment under that Act as of December 31 of the calendar year in which such individual last rendered service as an employee or (D) the wife's or husband's insurance benefit to which such spouse would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, if such individual's service as an employee after December 31, 1936, and prior to January 1, 1975, were included in the term employment as defined in that Act, if such individual had no wages or self-employment income under that Act other than wages derived from such service as an employee, and if such spouse were entitled to no other benefit under that Act: *Provided, however*, That the increase under the provisions of this subdivision shall not be less than 50 per centum of the portion of the annuity, if any, of such individual determined under the provisions of section 3(h)(2) of this Act prior to any increases under the provisions of section 3(h)(5) of this Act.

"(3) The amount of the annuity of the spouse of an individual determined under subsections (a) and (b) of this section, if (A) such individual is entitled to an amount determined under the provisions of section 3(h)(1) or 3(h)(2) of this Act and (B) such spouse is not entitled to an amount determined under the provisions of subdivision (1) or (2) of this subsection, shall be increased by an amount equal to 50 per centum of the portion of the annuity of such individual determined under the provisions of section 3(h)(1) or 3(h)(2) of this Act prior to any increases under the provisions of section 3(h)(5) of this Act.

"(4) The amount determined under the provisions of subdivision (1), (2), or (3) of this subsection shall be increased by the same percentage, or percentages, as wife's and husband's insurance benefits under section 202 of the Social Security Act are increased during the period from January 1, 1975, to the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue.

"(f)(1) The annuity of a survivor of a deceased employee under section 2(d) of this Act shall be in an amount equal to the amount (before any deductions on account of work) of the widow's insurance benefit, widower's insurance benefit, mother's insurance benefit, parent's insurance benefit, or child's insurance benefit, whichever is applicable, to which he or she would have been entitled under the Social Security Act if such deceased employee's service as an employee after December 31, 1936, had been included in the term employment as defined in that Act.

"(2) For purposes of this subsection—

"(i) a widow or widower or a parent who is entitled to an annuity based on age under section 2(d)(1) of this Act and who has not attained age 62 shall be deemed to be age 62: *Provided, however*, That the provisions of this paragraph shall not apply in the case of a widow or widower who was entitled to an annuity under section 2(d)(1) on the basis of disability for the month before the month in which he or she attained age 60, and

"(ii) a widow or widower or a child who is entitled to an annuity under section 2(d)(1) of this Act on the basis of disability shall be deemed to be entitled to a widow's insurance benefit, a widower's insurance benefit, or a child's insurance benefit under the Social Security Act on the basis of disability.

"(g) The annuity of a survivor of a deceased employee determined under subsection (f) of this section shall, with respect to any month, be increased by an amount equal to 30 per centum of the amount of the annuity (before any deductions on account of work) to which such survivor is entitled for such month under the provisions of subsection (f) of this section, or to which such survivor would have been entitled for such month under such subsection if such survivor were entitled to no other monthly benefit under section 2 of this Act or under the Social Security Act: *Provided, however*, That if (A)(i) the amount of the annuity to which a widow or widower of a deceased employee is entitled under subsection (f) of this section, or the annuity to which such widow or widower would be entitled under such subsection if such widow or widower were entitled to no other monthly benefit under section 2 of this Act or under the Social Security Act, plus (ii) the amount of annunity to which such widow or widower is entitled under this subsection is (before any deductions on account of work) less than (B) the total of the annuity amounts to which such widow or widower was entitled (or would have been entitled except for the provisions of sections 2(e) and 2(f) or 2(h) of this Act or of section 202(k) or 202(q) of the Social Security Act) as a spouse under subsections (a) and (b) of this section (after any reduction on account of age) in the month preceding the employee's death, the annuity amount of such widow or widower under this subsection shall be increased until the total of the annuity amounts described in cluase (A) of this proviso equals the total of the annuity amounts described in clause (B).

"(d)(1) The amount of the annuity of the widow or widower of a decreased employee determined under subsections (f) and (g) of this section, if such deceased employee will have completed ten years of service prior to January 1, 1975, and such widow or widower will have been permanently insured under the Social Security Act on December 31, 1974, shall be increased by an amount equal to the amount, if any, by which (A) the sum of (i) the widow's or widower's insurance annuity to which such widow or widower would have been entitled, upon attaining age 65, under section 5(a) of the Railroad Retirement Act of 1937 as in effect on December 31, 1974 (without regard to the proviso of that section or the first proviso of section 3(e) of that Act), on the basis of the deceased employee's remuneration and service prior to January 1, 1975, and (ii) the primary insurance amount to which such widow or widower would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of her or his wages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, exceeds (B) 130 per centum of the amount of the widow's or widower's insurance benefit to which such widow or widower would have been entitled, upon attaining age 65, under the provisions of the Social Security Act as in effect on December 31, 1974, on the basis of the deceased employee's ages and self-employment income derived from employment and self-employment under that Act prior to January 1, 1975, and on the basis of compensation derived from service as an employee after December 31 1936, and before January 1, 1975, if the deceased employee's service as an employee after December 31, 1936, and before January 1, 1975, had been included in such employment and if such widow or widower were entitled to no other monthly benefit under section 2 of this Act or under the Social Security Act.

"(2) The amount determined under the provisions of subdivision (1) of this subsection shall be increased by the same percentage, or percentages, as widow's and widower's insurance benefits under section 202 of the Social Security Act are increased during the period from January 1, 1975, to the earlier of the date of the deceased employee's death or the date on which the deceased employee's annuity under section 2(a)(1) of this Act began to accrue.

"ANNUITY BEGINNING AND ENDING DATES

"SEC. 5. (a) An annuity under section 2 of this Act shall begin with the month in which eligibility therefor was otherwise acquired, but—

"(i) not earlier than the date specified in the application therefor;

"(ii) not earlier than the first day of the twelfth month before the month in which the application therefor was filed; and

"(iii) in the case of an applicant otherwise eligible for an annuity under section 2(a)(1) or 2(c) not earlier than the date following the last day of compensated service of the applicant.

"(b) An application for any payment under this Act shall be made and filed in such manner and form as the Board may prescribe. An application filed with the Board for an annuity under this Act shall, unless the applicant specifies otherwise, be deemed to be an application for any benefit to which such applicant may be entitled under this Act or the Social Security Act. An individual who was entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act for the month preceding the month in which he attained the age of 65, shall be deemed to have filed an application for an annuity under paragraph (i) of section 2 (a)(1) on the date on which he attained age 65, and a widow or widower who was entitled to an annuity under section 2(d)(1) of this Act on the basis of disability for the month preceding the month in which she or he attained age 60, shall be deemed to have filed an application for an annuity under such section 2(d)(1) on the basis of age on the date on which she or he attained age 60.

"(c)(1) An individual's entitlement to an annuity under paragraph (i), (ii), or (iii) or section 2(a)(1) or to a supplemental annuity under section 2(b) shall end with the month preceding the month in which he dies.

"(2) An individual's entitlement to an annuity under paragraph (iv) or (v) of section 2(a)(1) shall end on (A) the last day of the second month following the month in which he ceases to be disabled as provided for purposes of such paragraphs, (B) the last day of the month preceding the month in which he attains age 65, or (C) the last day of the month preceding the month in which he dies, whichever first occurs.

"(3) The entitlement of a spouse of an individual to an annuity under section 2(c) shall end on the last day of the month preceding the month in which (A) the spouse or the individual dies, (B) the spouse and the individual are absolutely divorced, or (C), in the case of a wife who does not satisfy the requirements of clause (ii)(A) or (ii)(B) of section 2(c)(1) (other than a wife who is receiving such annuity by reason of an election under section 2(c)(2)), such wife no longer has in her care a child described in clause (ii)(C) of section 2(c)(1), whichever first occurs.

"(4) The entitlement of a widow or widower of a deceased employee to an annuity under paragraph (i) of section 2(d)(1) on the basis of age shall end on (A) the last day of the month preceding the month in which she or he dies or (B) the last day of the month preceding the month in which she or he remarries after the employee's death, whichever first occurs.

"(5) The entitlement of a widow or widower of a deceased employee to an annuity under paragraph (i) of section 2(d)(1) on the basis of disability shall end on (A) the last day of the month preceding the month in which she or he dies, (B) the last day of the month preceding the month in which she or he remarries after the employee's death, (C) the last day of the second month following the month in which she or he ceases to be disabled as provided for purposes of such paragraph, or (D) the last day of the month preceding the month in which she or he attains age 60, whichever first occurs.

"(6) the entitlement of a widow of a deceased employee to an annuity under paragraph (ii) of section 2(d)(1) shall end on (A) the last day of the month preceding the month in which she remarries after the employee's death, or (C) the last day of the month preceding the month in which she no longer has in her care a child described in clause (B) of such paragraph (ii), whichever first occurs.

"(7) The entitlement of a child of a deceased employee to an annuity under paragraph (iii) of section 2(d)(1) shall end on (A) the last day of the month preceding the month in which he or she dies, (B) the last day of the month preceding the month in which he or she marries, (C) the last day of the month preceding the month in which he or she attains age 18 and does not meet the qualifications set forth in clause (B) or (C) of such paragraph (iii), (D) the last day of the month preceding (i) the month during no part of which he or she is a full-time student or (ii) the month in which he or she attains age 22, and does not meet the qualifications set forth in clause (A) or (C) of such paragraph (iii), or (E) the last day of the second month following the month in which he or she ceases to be disabled for purposes of such paragraph (iii) and does not meet the qualifications set forth in clause (A) or (B) of such paragraph (iii), whichever first occurs. A child whose entitlement to an annuity under paragraph (iii) of section 2(d)(1) terminated by reason of clause (E) of this subdivision because he or she ceased to be disabled and who again becomes disabled as provided in clause (C) of such paragraph (iii), may become reentitled to an annuity on the basis of such disability upon his application for such reentitlement. A child whose entitlement to an annuity under paragraph (iii) of section 2(d)(1) terminated with the month preceding the month in which he or she attained age 18, or with a subsequent month, may again become entitled to such an annuity (providing no event to disqualify the child has occurred) beginning with the first month thereafter in which he or she meets the qualifications set forth in clause (B) or (C) of such paragraph (iii), if he or she has filed an application for such reentitlement.

"(8) The entitlement of a parent of a deceased employee to an annuity under paragraph (iv) of section 2(d)(1) shall end on the last day of the month preceding the month in which (A) such parent dies or (B) such parent remarries after the employee's death, whichever first occurs.

"LUMP SUM PAYMENTS

"SEC. 6. (a)(1) Annuities under section 2 (a)(1) and supplemental annuities under section 2(b) which will have become due an individual but will not have been paid at the time of such individual's death shall be payable to the person, if any, who is determined by the Board to be such individual's widow or widower and to have been living with such individual at the time of such individual's death and who will not have died before receiving payments of such annuities. If there be no such widow or widower, such annuities shall be payable to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such individual, and to the extent that he or they will not have been reimbursed under subsection (b) of this section for having paid such expenses. If there be no person or persons so entitled, or if the total of such annuities exceeds the amount payable under this subdivision to such person or persons, such total, or the remainder thereof, as the case may be, shall be paid to the children, grandchildren, parents, or brothers and sisters of the deceased individual in the same manner as if such annuities and benefits were a lump sum payable under subsection (c)(1) of this section.

"(2) Annuities under section 2(d) which will have become due a survivor of an employee but will not have been paid at the time of such survivor's death shall be payable to the person, if any, who is determined by the Board to be such employee's widow or widower and to have been living with such employee at the time of the employee's death and who will not have died before receiving payment of such annuities. If there be no such widow or widower, such annuities and benefits shall be payable to the children, grandchildren, parents, or brothers and sisters of the deceased employee in the same manner as if such unpaid annuities and benefits were a lump sum payable under subsection (c)(1) of this section.

"(3) Annuities under section 2(c) which will have become due a spouse of an individual but which will not have been paid at the time of such spouse's death shall be payable to the individual from whose employment such annuities derived and who will not have died before receiving payment of such annuities. If there be no such individual, such annuities shall be paid as provided in the last two sentences of subdivision (1) of this subsection as if such annuities were annuities due to an individual but unpaid at the time of such individual's death.

"(4) Applications for accrued and unpaid annuities provided for in the preceding subdivisions of this subsection shall be filed prior to the expiration of two years after the death of the person to whom such annuities were originally due.

"(5) If there is no person to whom all or any part of the payments described in subdivision (1), (2), or (3) can be made, such payment or part thereof shall escheat to the credit of the Railroad Retirement Account.

"(6) For the purposes of this subsection and subsection (c) of this section, a widow or widower of an individual shall be deemed to have been living with the individual at the time of the individual's death if the applicable conditions set forth in section 216(h) (2) or (3) of the Social Security Act, as in effect before 1957, are fulfilled.

"(7) In determining for purposes of this subsection and subsections (c) and (d) of this section whether an applicant is the widow, widower, child, or parent of an employer as claimed, the rules set forth in section 216(h) of the Social Security Act shall be applied. In determining for purposes of this subsection and subsections (c) and (d) of this section whether an applicant is the grandchild, brother, or sister of an employee as claimed, the Board shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such employee was domiciled at the time of his death, or if such employee was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking personal property as a grandchild, brother, or sister shall be deemed such.

"(b) (1) Upon the death of an individual who will have completed ten years of service prior to January 1, 1975, and will have had a current connection with the railroad industry at the time of his death, a lump-sum payment shall be made in accordance with the provisions of section 5(f) (1) of the Railroad Retirement Act of 1937 as in effect on December 31, 1974, in an amount, if any, which would have been payable under such section 5(f) (1) on the basis of (A) the individual's compensation after December 31, 1936, and prior to January 1, 1975, and (B) the individual's wages (as defined in section 209 of the Social Security Act) prior to January 1, 1975. Any lump sum payable under this subdivision shall be in an amount computed as if the individual had died on January 1, 1975.

"(2) Upon the death of an individual who will not have completed ten years of service prior to January 1, 1975, but who (i) will have completed ten years service at the time of his death, (ii) will have had a current connection with the railroad industry at the time of his death, and (iii) will have died leaving no widow, widower, child, or parent who would on proper application therefor be entitled to receive an annuity under section 2(d) of this Act for the month in which such death occurred, a lump-sum death payment shall be made in accordance with the provisions of section 202(i) of the Social Security Act in an amount equal to the amount which would have been payable under such section 202(i) if such individual's service as an employee after December 31, 1936, were included in the term employment as defined in that Act. If a lump sum would be payable to a widow or widower under this subdivision except for the fact that a survivor will have been entitled to receive an annuity for the month in which the individual will have died, but within one year after the individual's death there will not have accrued to survivors of the individual, by reason of his death, annuities which, after all deductions pursuant to sections 2(g) and 2(h) of this Act, are equal to such lump sum, a payment equal to the amount by which such lump sum exceeds such annuities so accrued after such deductions shall then nevertheless be made under this subdivision to the widow or widower to whom a lump sum would have been payable under this subdivision except for the fact that a monthly benefit under section 2(d) of this Act was payable for the month in which the individual died, if such widow or widower will not have died before receiving payment of such lump sum.

"(c) (1) Whenever it shall appear, with respect to the death of an employee, that no benefits, or no further benefits (other than benefits payable to a widow, widower, or parent under either this Act or the Social Security Act upon attaining the age of eligibility therefor at a future date) will be payable under this Act or under the Social Security Act, a lump sum in an amount computed under subdivision (2) of this subsection shall be paid to such person or persons as the deceased employee may have designated by a writing filed with the Board prior to his or her death, or if there be no designation, to the following person (or, if more than one, in equal shares to the persons) whose relationship to the deceased employee will have been determined by the Board and who will not have died before receiving payment of the lump sum provided for in this subdivision—

"(i) the widow or widower of the deceased employee who was living with such employee at the time of such employee's death; or

"(ii) if there be on such widow or widower, to any child or children of such employee; or

"(iii) if there be no such widow, widower, or child, to any grandchild or grandchildren of such employee; or

"(iv) if there be no such widow, widower, child, or grandchild, to any parent or parents of such employee; or

"(v) if there be no such widow, widower, child, grandchild, or parent, to any brother or sister of such employee; or

"(vi) if there be no such widow, widower, child, grandchild, parent, brother, or sister, to the estate of such employee:

Provided however, That if the employee is survived by a widow, widower, or parent who may upon attaining the age of eligibility be entitled to benefits under this Act or under the Social Security Act, such lump sum shall not be paid unless such widow, widower, or parent makes and files with the Board an irrevocable election, in such form as the Board may prescribe, to have such lump sum be paid in lieu of all benefits to which such widow, widower, or parent might otherwise become entitled under this Act on the basis of the deceased employee's compensation and years of service or under the Social Security Act on the basis of the deceased employee's wages from (A) employment with an employer as defined in section 1(a) of this Act or (B) service as an employee representative as defined in section 1(c) of this Act. Any election made and filed by a widow, widower, or parent pursuant to this subdivision shall be legally effective according to its terms.

"(2) The lump sum provided under subdivision (1) of this subsection shall be in an amount equal to (A) the sum of 4 per centum of the deceased employee's compensation paid after December 31, 1936, and prior to January 1, 1947, plus 7 per centum of such employee's compensation paid after December 31, 1946, and before January 1, 1959, plus 7½ per centum of such employee's compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of such employee's compensation paid after December 31, 1961, and before January 1, 1966, plus an amount equal to the total of all employee taxes payable by such employee after December 31, 1965, and before January 1, 1975, under the provisions of section 3201 of the Railroad Retirement Tax Act (excluding, for this purpose, the amount of the employee tax attributable to that portion of the tax rate derived from section 3101(b) of the Internal Revenue Code of 1954), plus one-half of 1 per centum of the compensation on which such taxes were payable, deeming the compensation attributable to creditable military service after June 30, 1963, and before January 1, 1975, to be taxable compensation, and one-half of the taxes payable by an employee representative under section 3211 of the Railroad Retirement Tax Act to be employee taxes under section 3201 of such Act, minus (B) the sum of all benefits paid to such employee, and to others deriving from such employee, during his or her life, or to others by reason of his or her death, under this Act, the Railroad Retirement Act of 1937, or the Social Security Act (excluding, for this purpose, payments to providers of services under section 7(d) of this Act or section 21 of the Railroad Retirement Act of 1937, any amounts by which that portion of the annuities provided the employee under section 3(a) of this Act or his spouse under section 4(a) of this Act were increased by reason of the employee's wages and self-employment income derived from employment and self-employment under the Social Security Act, that portion of the annuities provided the employee under section 3(h) of this Act or his spouse under section 4(e) of this Act, and so much of the benefits paid to the employee and to others deriving from him or her under the Social Security Act during his or her lifetime as would have been payable under that Act if such employee had not rendered service as an employee as defined in section 1(b) of this Act). In computing compensation for purposes of this subdivision there shall be excluded compensation in excess of $300 for any month before July 1, 1954; compensation in excess of $350 for any month after June 30, 1954, and before June 1, 1959; compensation in excess of $400 for any month after May 31, 1959, and before November 1, 1963; compensation in excess of $450 for any month after October 31, 1963, and before October 1, 1965; and compensation in excess of (i) $450 or (ii) an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 of the Internal Revenue Code of 1954, whichever is greater, for any month after September 30, 1965.

"(d) (1) Every individual who will have completed ten years of service at the time of his retirement or death, but does not meet the qualifications for an annuity amount determined under the provisions of section 3 (h) (1) or (h) (2) of this Act, shall, at the time his annuity under section 2(a) (1) begins to accrue, be entitled to a lump sum in the amount provided under subdivision (2) of this subsection. If an individual otherwise eligible for a lump sum under this section dies before he becomes entitled to an annuity under section 2(a) (1) of this Act, or before he receives payment of such lump sum, such lump sum shall be payable to the person, if any, who is determined by the Board to be such individual's widow or widower and who will not have died before receiving payment of such lump sum. If there be no such widow or widower, such lump sum shall be payable to the children, grandchildren, parents, brothers and sisters, or the estate of the deceased individual in the same manner as if such lump sum were a lump sum payable under subsection (c) (1) of this section.

"(2) The lump sum provided under subdivision (1) of this subsection shall be in an amount equal to the sum of (A) 1.5 per centum of so much of such individual's combined earnings for any calendar year after 1950 and before 1954 as is in excess of $3600, plus (B) 2 per centum of so much of such individual's combined earnings for any calendar year after 1953 and before 1957 as is in excess of $4200, plus (C) 2.25 per centum of so much of such individual's combined earnings for any calendar year after 1956 and before 1959 as is in excess of $4200, plus (D) 2.5 per centum of so much of such individual's combined earnings for the calendar year 1959 as is in excess of $4800, plus (E) 3 per centum of so much of such individual's combined earnings for each of the calendar years 1960 and 1961 as is in excess of $4800, plus (F) 3.125 per centum of so much of such individual's combined earnings for the calendar year 1962 as is in excess of $4800, plus (G) 3.625 per centum of so much of such individual's combined earnings for any calendar year after 1962 and before 1966 as is in excess of $5400, plus (H) 4.2 per centum of so much of such individual's combined earnings for the calendar year 1966 as is in excess of $6600, plus (I) 4.4 per centum of so much of such individual's combined earnings for the calendar year 1967 as is in excess of $6600, plus (J) 3.8 per centum of so much of such individual's combined earnings for the calendar year 1968 as is in excess of $7800, plus (K) 4.2 per centum of so much of such individual's combined earnings for each of the calendar years 1969 and 1970 as is in excess of $7800, plus (L) 4.6 per centum of so much of such individual's combined earnings for the calendar year 1971 as is in excess of $7800, plus (M) 4.6 per centum of so much of such individual's combined earnings for the calendar year 1972 as is in excess of $9000, plus (N) 4.85 per centum of so much of such individual's combined earnings for the calendar year 1973 as is in excess of $10,800, plus (O) 4.95 per centum of so much of such individual's combined earnings for the calendar year 1974 as is in excess of $13,200. For purposes of this subsection, the term 'combined earnings' shall include 'compensation' as defined in section 1(h) of the Railroad Retirement Act of 1937, 'wages' as defined in section 209 of the Social Security Act, and 'self-employment' income as defined in section 211(b) of the Social Security Act.

"POWERS AND DUTIES OF THE BOARD

"SEC. 7. (a) This Act shall be administered by the Railroad Retirement Board established by the Railroad Retirement Act of 1937 as an independent agency in the executive branch of the Government and composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and any member holding office pursuant to appointment under the Railroad Retirement Act of 1937 when this Act becomes effective shall hold office until the term for which he was appointed under such Railroad Retirement Act of 1937 expires. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of employers as defined in paragraph (i) of section 1(a)(1) of this Act, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and employers concerned. One member, who shall be the chairman of the Board, shall be appointed without recommendation by either employers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any employer or organization of employees. Vacancies in the Board shall not impair the powers or affect the duties of the Board or of the remaining members of the Board, of whom a majority of those in office shall constitute a quorum for the transaction of business. Upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

"(b)(1) The Board shall have and exercise all the duties and powers necessary to administer this Act. The Board shall take such steps as may be necessary to enforce such Act and make awards and certify payments. Decisions by the Board upon issues of law and fact relating to annuities or death benefits shall not be subject to review by any other administrative or accounting officer, agent, or employee of the United States.

"(2) In addition to administering this Act, the Board shall have all the duties and powers necessary to determine entitlement to (in accordance with the rules and regulations established by the Secretary of Health, Education, and Welfare), make awards of, and certify payments of, any monthly insurance benefits and any lump-sum death benefits payable under section 202 or 203 of the Social Security Act to (A) an individual who will have completed ten years of service creditable under this Act, (B) the wife or husband of such an individual, (C) any survivor of such an individual if such survivor is entitled, or could upon application become entitled, to an annuity under section 2 of this Act, and (D) any other person entitled to benefits under section 202 of the Social Security Act on the basis of the wages and self-employment income of such an individual, except a survivor of such an individual if such individual did not have a current connection with the railroad industry at the time of his death. Decisions by the Board upon issues of law and fact relating to such monthly insurance benefits or lump-sum death benefits shall not be subject to review by any other administrative or accounting officer, agent, or employee of the United States.

"(3) If the Board finds that an applicant is entitled to an annuity or death benefit under the provisions of this Act or, pursuant to the provisions of subdivision (2), to a benefit under the Social Security Act then the Board shall make an award fixing the amount of the annuity or benefit, as the case may be, and shall certify the payment thereof as hereinafter provided; otherwise the application shall be denied. For purposes of this section, the Board shall have an exercise such of the powers, duties, and remedies provided in subsection (a), (b), (d), and (n) of section 12 of the Railroad Unemployment Insurance Act as are not inconsistent with the express provisions of this Act. The Board is authorized to delegate to any member, officer, or employee of the Board any of the powers conferred upon the Board by this Act, excluding only the power to prescribe rules and regulations, including the power to make decisions on applications for annuities or other benefits: *Provided, however,* That any person aggrieved by a decision on his application for an annuity or other benefit shall have the right to appeal to the Board. Notice of a decision of the Board, or of an employee, thereof, shall be communicated to the applicant in writing within thirty days after such decision shall have been made.

"(4) The Board shall from time to time certify to the Secretary of the Treasury the name and address of each individual entitled to receive a payment, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursements of the Treasury Department, and prior to audit by the General Accounting Office, shall make payment in accordance with the certification by the Board.

"(5) The Board shall establish and promulgate rules and regulations to provide for the adjustment of all controversial matters arising in the administration of this Act. All rules, regulations, or decisions of the Board shall require the approval of at least two members, and they shall be entered upon the records of the Board, which shall be a public record.

"(6) The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary to assure proper administration of this Act, including subdivision (2) of this subsection. The Board shall have power to require all employers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this Act, including subdivision (2) of this subsection. The several district courts of the United States and the District Court of the United States for the District of Columbia shall have jurisdiction upon suit by the Board to compel obedience to any order of the Board issued pursuant to this section. The orders, writs, and processes of the District Court of the United States for the District of Columbia in such suits may run and be served anywhere in the United States. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. The Board shall make an annual report to the President of the United States to be submitted to Congress.

"(7) The Secretary of Health, Education, and Welfare shall furnish the Board certified reports of wages, self-employment income, and periods of service and of other records in his possession, or which he may secure, pertinent to the administration of this Act. The Board shall furnish the Secretary of Health, Education, and Welfare certified reports of records of compensation and periods of service reported to it pursuant to section 9 of this Act, of determinations under subdivision (2) of this subsection and section 2 of this Act, and of other records in its possession, or which it may secure, pertinent to subsection (c) of this section or to the administration of the Social Security Act as affected by section 18 of this Act. Such certified reports shall be conclusive in adjudication as to the matters covered therein: *Provided, however,* That if the Board or the Secretary of Health, Education, and Welfare receives evidence inconsistent with a certified report and the application involved is still in course of adjudication or otherwise open for such evidence, such recertification of such report shall be made as, in the judgment of the Board or the Secretary of Health, Education, and Welfare, whichever made the original certification, the evidence warrants. Such recertification and any subsequent recertification shall be treated in the same manner and be subject to the same conditions as an original certification.

"(8) Any department or agency of the United States maintaining records of military service, at the request of the Board, shall certify to the Board, with respect to any individual, the number of months of military service which such department or agency finds the individual to have had during any period or periods with respect to which the Board's request is made, the date and manner of entry into such military service, and the conditions under which such service was continued. Any department or agency of the United States which is authorized to make awards of pensions, disability compensation, or any other gratuitous benefits or allowances payable, on a periodic basis or otherwise, under any other Act of Congress on the basis of military service, at the request of the Board, shall certify to the Board, with respect ot any individual, the calendar months for all or part of which any such pension, compensation, benefit, or allowance is payable to, or with respect to, the individual, the amounts of any such pension, compensation, benefit, or allowance, and the military service on which such pension, compensation, benefit, or allowance is based. Any certification made pursuant to the provisions of this subdivision shall be conclusive on the Board: *Provided, however,* That if evidence inconsistent with any such certification is submitted, and the claim is in the course of adjudication or is otherwise open for such evidence, the Board shall refer such evidence to the department or agency which made the original certification and such department or agency shall make such recertification as in its judgment the evidence warrants. Such recertification, and any subsequent recertification, shall be conclusive, made in the same manner, and subject to the same conditions as an original certification.

"(9) The Board shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such individuals and provide for their compensation and expenses as may be necessary for the proper discharge of its functions. All positions to which such individuals are appointed, except one administrative assistant to each member of the Board, shall be in and under the competitive civil service and shall not be removed or excepted therefrom. In the employment of such individuals under the Civil service laws and rules the Board shall give preference over all others to individuals who have had experience in railroad service, if, in the judgment of the Board, they possess the qualifications necessary for the proper discharge of the duties of the positions to which they are to be appointed. For purposes of its administration of this Act or the Railroad Unemployment Insurance Act, or both, the Board may place, without regard to the numerical limitations contained in section 505 of the Classification Act of 1949, as amended, four positions in grade GS–16 of the General Schedule established by that Act, four positions in grade GS–17 of such schedule, and one position in grade GS–18 of such schedule.

"(c) (1) Benefit payments determined by the Board to be payable under this Act or, pursuant to subdivision (2) of section 7(b), under section 202 or 223 of the Social Security Act shall be made from the Railroad Retirement Account, except that payments of supplemental annuities under section 2(b) of this Act shall be made from the Railroad Retirement Supplemental Account.

"(2) Prior to the close of the fiscal year ending June 30, 1975, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amounts, if any, which if added to or subtracted from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund would, as of the end of each month of the following fiscal year, place each such Trust Fund in the same position in which it would have been if (A) service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act and (B) this Act had not been enacted. Such determination with respect to each such Trust Fund shall be made, on an estimated basis subject to later adjustment (on the basis of actual experience), by the close of the fiscal year ending prior to the fiscal year to which it relates. If for any month any amount is to be added to any such Trust Fund, the Board shall, within ten days after the end of the month, certify such amount to the Secretary of the Treasury for transfer from the Railroad Retirement Account to such Trust Fund. If for any month any amount is to be subtracted from any such Trust Fund, the Secretary of Health, Education, and Welfare shall, within ten days after the end of the month, certify such amount to the Secretary of the Treasury for transfer from such Trust Fund to the Railroad Retirement Account. Any amount so certified shall further include interest (at the rate determined in subdivision (3) for the month under consideration) payable from the close of such month until the date of certification. The Secretary of the Treasury is authorized and directed to transfer to the Railroad Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund or to any such Trust Fund from the Railroad Retirement Account, as the case may be, such amounts as, from time to time, may be determined by the Board and the Secretary of Health, Education, and Welfare pursuant to the provisions of this subdivision and certified by the Board or the Secretary of Health, Education, and Welfare for transfer from any such Trust Fund or from the Railroad Retirement Account.

"(3) For purposes of subdivision (2) for any month, the rate of interest to be used shall be equal to the average rate of interest, computed as of the end of the month preceding the close of such month, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

"(4) For purposes of this subsection, the amounts of the annuities provided any person under the provisions of section 3(h), 4(e), or 4(h) of this Act or under the provisions of section 204(a) (3), 204(a) (4), 206(a) (3), or 207(3) of title II of this Act shall be deemed to be monthly insurance benefits which would have been payable to such person under the Social Security Act if (A) service as an employee after December 31, 1936, had been included in the term "employment" as defined in that Act and in the Federal Insurance Contributions Act and (B) this Act had not been enacted. The provisions of this subdivision shall be effective notwithstanding clause (B) of subdivision (2) of this subsection.

"(d) (1) The Board shall, for purposes of this subsection, have the same authority to determine the rights of individuals described in subdivision (2) to have payments made on their behalf for hospital insurance benefits consisting of inpatient hospital services, post-hospital extended care services, post-hospital home health services, and outpatient hospital diagnostic services (all hereinafter referred to as "services") under section 226, and parts A and C of title XVIII, of the Social Security Act as the Secretary of Health, Education, and Welfare has under such section and such parts with respect to individuals to whom such sections and such parts apply. For purposes of section 8, a determination with respect to the rights of an individual under this subsection shall, except in the case of a provider of services, be considered to be a decision with respect to an annuity.

"(2) Except as otherwise provided in this subsection, every person who—

"(i) has attained age 65 and (A) is entitled to an annuity under this Act or (B) would be entitled to such an annuity had he ceased compensated service and, in the case of a spouse, had such spouse's husband or wife ceased compensated service; or

"(ii) has not attained age 65 and (A) has been entitled to an annuity under section 2 of this Act, or under the Railroad Retirement Act of 1937 and section 2 of this Act, or could have been includible in the computation of an annuity under section 3(f) (3) of this Act, for not less than 24 consecutive months and (B) could have been entitled for 24 consecutive calendar months, and could currently be entitled, to monthly insurance benefits under section 223 of the Social Security Act or under section 202 of that Act on the basis of disability of service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act and if an application for disability benefits had been filed, shall be certified to the Secretary of Health, Education, and Welfare as a qualified railroad retirement beneficiary under section 226 of the Social Security Act.

"(3) If an individual entitled to an annuity under paragraph (iv) or (v) of section 2(a) (1) of this Act would have been insured for disability insurance benefits as determined under section 223(c) (1) of the Social Security Act at the time such annuity began, he shall be deemed, solely for purposes of paragraph (ii) of subdivision (2), to be entitled to a disability insurance benefit under section 223 of the Social Security Act for each month, and beginning with the first month, in which he would meet the requirements for entitlement to such a benefit, other than the requirement of being insured for disability insurance benefits, if service as an employee after December 31, 1936, has been included in the term 'employment' as defined in the Social Security Act and if an application for disability benefits had been filed.

"(4) The rights of individuals described in subdivision (2) of this subsection to have payment made on their behalf for the services referred to in subdivision (1) but provided in Canada shall be the same as those of individuals to whom section 226 and part A of title XVIII of the Social Security Act apply, and this subdivision shall be administered by the Board as if the provisions of section 226 and part A of title XVIII of the Social Security Act were applicable, as if references to the Secretary of Health, Education, and Welfare were to the Board, as if references to the Federal Hospital Insurance Trust Fund were to the railroad retirement account, as if references to the United States or a State included Canada or a subdivision thereof, and as if the provisions of sections 1862(a) (4), 1863, 1864, 1867, 1868, 1869, 1874 (b), and 1875 were not included in such title. The payments for services herein provided for in Canada shall be made from the railroad retirement account (in accordance with, and subject to, the conditions applicable under section 7(b), in making payment of other benefits) to the hospital, extended care facility, or home health agency providing such services in Canada to individuals to whom subdivision (2) of this subsection applies, but only to the extent that the amount of payments for services otherwise hereunder provided for an individual exceeds the amount payable for like services provided pursuant to the law in effect in the place in Canada where such services are furnished. For the purposes of section 10 of this Act, any overpayment under this subdivision shall be treated as if it were an overpayment of an annuity.

"(5) The Board and the Secretary of Health, Education, and Welfare shall furnish each other with such information, records, and documents as may be considered necessary to the administration of this subsection or section 226, and part A of title XVIII, of the Social Security Act.

"(e) The Board is authorized to accept on behalf of the United States money gifts and bequests made unconditionally to the railroad retirement account, to the railroad retirement supplemental account, or to the railroad unemployment insurance account, or to the Board, or any member, officer, or employee thereof, for the benefit of such accounts or any activity financed through such accounts. Any such gift accepted pursuant to the authority granted in this subsection shall be deposited in the specific account designated by the donor or, if the donor has made no such specific designation, in the railroad retirement account.

"COURT JURISDICTION

"SEC. 8. Decisions of the Board determining the rights or liabilities of any person under this Act or, pursuant to the authority granted by subdivision (2) of section 7(b), under the Social Security Act shall be subject to judicial review in the same manner, subject to the same limitations, and all provisions of law shall apply in the same manner as though the decision were a determination of corresponding rights or liabilities under the Railroad Unemployment Insurance Act except that the time within which proceedings for the review of a decision with respect to an annuity, monthly insurance benefit, supplemental annuity, or lump-sum benefit may be commenced shall be one year after the decision will have been entered upon the records of the Board and communicated to the claimant.

"RETURNS OF COMPENSATION

"SEC. 9. Employers shall file with the Board, in such manner and form and at such times as the Board by rules and regulations may prescribe, returns of compensation of employees, and, if the Board shall so require, shall furnish employees with statements of their compensation as reported to the Board. The Board's record of the compensation so returned shall be conclusive as to the amount of compensation paid to an employee during each period covered by the return, and the fact that the Board's records show that no return was made of the compensation claimed to have been paid to an employee during a particular period shall be taken as conclusive that no compensation was paid to such employee during that period, unless the error in the amount of compensation returned in the one case, or the failure to make return of the compensation in the other case, is called to the attention of the Board within four years after the last day on which return of the compensation was required to be made.

"ERRONEOUS PAYMENTS

"SEC. 10. (a) If the Board finds that at any time more than the correct amount of annuities or other benefits has been paid to any individual under this Act or, in the case of benefits determined to be payable pursuant to the authority granted by section 7(b)(2) of this Act, under the Social Security Act or payment has been made to an individual not entitled thereto, recovery by adjustment in subsequent payments to which such individual, or any other individual on the basis of the same compensation, wages, or self-employment income, is entitled under this Act, the Social Security Act, or the Railroad Unemployment Insurance Act may, except as otherwise provided in this section, be made under regulations prescribed by the Board. If the individual to whom more than the correct amount has been paid dies before recovery is completed, recovery may be made by set-off or adjustments, under regulations prescribed by the Board, in subsequent payments due, under this Act, the Social Security Act, or the Railroad Unemployment Insurance Act, to the estate of such individual or to any person on the basis of the compensation, wages, or self-employment income of such individual.

"(b) Adjustments under this section may be made either by deductions from subsequent payments or, with respect to payments which are to be made during a lifetime or lifetimes, by subtracting the total amount of annuities or other benefits paid in excess of the proper amount from the actuarial value, as determined by the Board, of such payments to be made during a lifetime or lifetimes and recertifying such payments on the basis of the reduced actuarial value. In the latter case, recovery shall be deemed to have been completed upon such recertification.

"(c) There shall be no recovery in any case in which more than the correct amount of annuities or other benefits has been paid under this Act or, in the case of benefits determined to be payable pursuant to the authority granted by section 7(b)(2) of this Act, under the Social Security Act to an individual or payment has been made to an individual not entitled thereto who, in the judgment of the Board, is without fault when, in the judgment of the Board, recovery would be contrary to the purpose of the Acts or would be against equity or good conscience.

"(d) No certifying or disbursing officer shall be held liable for any amount certified or paid by him in good faith to any person where the recovery of such amount is waived under subsection (c) of this section or has been begun but cannot be completed under subsection (a) of this section.

"WAIVER OF ANNUITIES

"SEC. 11. Any person awarded an annuity under this Act may decline to accept all or any part of such annuity by a waiver signed and filed with the Board. Such a waiver may be revoked in writing at any time, but no payment of the annuity waived shall be made covering the period during which such waiver was in effect. Such a waiver will have no effect on entitlement to, or the amount of, any other annuity or benefit.

"INCOMPETENCE

"SEC. 12. (a) Every individual receiving or claiming benefits, or to whom any right or privilege is extended, under this Act or any other Act of Congress now or hereafter administered, in whole or in part, by the Board shall be conclusively presumed to have been competent until the date on which the Board receives written notice, in a form and manner acceptable to the Board, that he is an incompetent, or a minor, for whom a guardian or other person legally vested with the care of his person or estate has been appointed: *Provided, however*, That, regardless of the legal competency or incompetency of an individual entitled to a benefit administered by the Board, the Board may, if it finds the interest of such individual to be served thereby, recognize actions by, and conduct transactions with, and make payments to, such individual, or recognize actions by, and conduct transactions with, and make payments to, a relative or some other person for such individual's use and benefit.

"(b) Every guardian or other person legally vested with the care of the person or estate of an incompetent or minor who is receiving or claiming benefits, or to whom any right or privilege is extended, under this Act or any other Act of Congress now or hereafter administered, in whole or in part, by the Board shall have power everywhere, in the manner and to the extent prescribed by the Board, but subject to the provisions of the preceding subsection, to take any action necessary or appropriate to perfect any right or exercise any privilege of the incompetent or minor and to conduct all transactions on his behalf under this or any other Act of Congress now or hereafter administered, in whole or in part, by the Board. Any payment made pursuant to the provisions of this section shall be a complete settlement and satisfaction of any claim, right, or interest in and to such payment.

"PENALTIES

"SEC. 13. (a) Any person who shall knowingly fail or refuse to make any report or furnish any information required by the Board in the administration of this Act, including the provisions of section 7(b)(2) thereof, or who shall knowingly make or cause to be made any false or fraudulent statement or report when a statement or report is required to be made for the purpose of this Act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of causing an award or payment to be made, shall be punished by a fine of not more than $10,000 or by imprisonment not exceeding one year, or both.

"(b) All fines and penalties imposed by a court pursuant to this Act shall be paid to the court and be remitted from time to time by order of the judge to the Treasury of the United States to be credited to the Railroad Retirement Account.

"EXEMPTION FROM LEGAL PROCESS

"SEC. 14. Notwithstanding any other law of the United States, or of any State, Territory, or the District of Columbia, no annuity or supplemental annuity shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever, nor shall the payment thereof be anticipated: *Provided, however*, That the provisions of this section shall not operate to exclude the amount of any supplemental annuity paid to an individual under section 2(b) of this Act from income taxable pursuant to the Federal income tax provisions of the Internal Revenue Code of 1954.

"RAILROAD RETIREMENT ACCOUNT

"SEC. 15. (a) The Railroad Retirement Account established by section 15(a) of the Railroad Retirement Act of 1937 shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of benefits to be made from such Account in accordance with the provisions of section 7(c)(1) of this Act, and to provide for expenses necessary for the Board in the administration of all provisions of this Act, an amount equal to amounts covered into the Treasury (minus refunds) during each fiscal year under the Railroad Retirement Tax Act, except those portions of the amounts covered into the Treasury under sections 3211(b), 3221(c), and 3221(d) of such Tax Act as are necessary to provide sufficient funds to meet the obligation to pay supplemental annuities at the level provided under section 3(e) of this Act and, with respect to those entitled to supplemental annuities under section 205(a) of title II of this Act, at the level provided under section 205(a). The Board is directed to determine what portion of the taxes collected under sections 3211(b), 3221(c), and 3221(d) of the Railroad Retirement Tax Act is to be credited to the Railroad Retirement Account pursuant to the preceding provisions of this subsection and what portion of such taxes is to be credited to the Railroad Retirement Supplemental Account pursuant to the provisions of subsection (c) of this section. The Board shall make such a determination with respect to each calendar quarter commencing with the quarter beginning January 1, 1975, shall make each such determination not later than fifteen days before each calendar quarter, and shall, as soon as practicable after each such determination, advise the Secretary of the Treasury of the determination made. The Secretary of the Treasury shall credit the amounts covered into the Treasury under section 3211(b), 3221(c), and 3221(d) of the Railroad Retirement Tax Act to the Railroad Retirement Account and the Railroad Retirement Supplemental Account in such proportions as is determined by the Board pursuant to the provisions of this subsection.

"(b) In addition to the amount authorized to be appropriated in subsection (a) of this section, there is hereby authorized to be appropriated to the Railroad Retirement Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, such amount as the Board determines to be necessary to meet (A) the additional costs, resulting from the crediting of military service under this Act, of benefits payable under section 2 of this Act, but only to the extent that such Account is not reimbursed for such costs under section 7(c)(2), (B) the additional administrative expenses resulting from the crediting of military service under this Act, and (C) any loss in interest to such Account resulting from the payment of additional benefits based on military service credited under this Act: *Provided, however*, That, in determining the amount to be appropriated to the Railroad Retirement Account for any fiscal year pursuant to the provisions of this subsection, there shall not be considered any costs resulting from the crediting of military service under this Act for which appropriations to such Account have already been made pursuant to section 4(1) of the Railroad Retirement Act of 1937. Any determination as to loss in interest to the Railroad Retirement Account pursuant to clause (C) of the first sentence of this subsection shall take into account interest from the date each annuity based, in part, on military service began to accrue or was increased to the date or dates on which the amount appropriated is credited to the Account. The cost resulting from the payment of additional benefits under this Act based on military service determined pursuant to the preceding provisions of this subsection shall be adjusted by applying thereto the ratio of the total net level cost of all benefits under this Act to the portion of such net level cost remaining after the exclusion of administrative expenses and interest charges on the unfunded accrued liability as determined under the last completed actuarial valuation pursuant to the provisions of subsection (f) of this section. At the close of the fiscal year ending June 30, 1975, and each fiscal year thereafter, the Board shall, as promptly as practicable, determine the amount to be appropriated to the Account pursuant to the provisions of this subsection, and shall certify such amount to the Secretary of the Treasury for transfer from the general fund in the Treasury to the Railroad Retirement Account. The Secretary of the Treasury is authorized and directed to transfer to the Railroad Retirement Account from the general fund in the Treasury such amounts as, from time to time, may be determined by the Board pursuant to the provisions of this subsection and certified by the Board for transfer to such Account. In any determination made pursuant to section 7(c)(2) of this Act, no further charges shall be made against the Trust Funds established by title II of the Social Security Act for military service rendered before January 1, 1957, and with respect to which appropriations authorized by clause (2) of the first sentence of section 4(1) of the Railroad Retirement Act of 1937 shall have been credited to the Railroad Retirement Account, but the additional benefit payments incurred by such Trust Funds by reason of such military service shall be taken into account in making any such determination.

"(c) The Railroad Retirement Supplemental Account established by section 15(b) of the Railroad Retirement Act of 1937 shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of supplemental annuities under section 2(b) of this Act, and to provide for the expenses necessary for the Board in the administration of the payment of such supplemental annuities, an amount equal to such portions of the amounts covered into the Treasury (minus refunds) during each fiscal year under sections 3211(b), 3221(c), and 3221(d) of the Railroad Retirement Tax Act as are not appropriated to the Railroad Retirement Account pursuant to the provisions of subsection (a) of this section.

"(d) At the request and direction of the Board, it shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Railroad Retirement Account and the Railroad Retirement Supplemental Account as, in the judgment of the Board, is not immediately required for the payment of annuities, supplemental annuities, and death benefits. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (A) on original issue at the issue price; or (B) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Accounts. Such obligations issued for purchase by the Accounts shall have maturities fixed with due regard for the needs of the Accounts, and shall bear interest at a rate equal to the average market yield, computed as of the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing notes of the United States then forming a part of the public debt that are not due or callable until after the expiration of three years from the end of such calendar month, except that where such rate is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such rate: *Provided,* That the rate of interest on such obligations shall in no case be less than 3 per centum per annum. The Secretary of the Treasury may purchase other interest-bearing obligations of the United States, or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price only if he determines that such purchases are in the public interest, provided that the investment yield of such obligations shall not be less than the interest rate determined in accordance with the preceding sentence. If it is in the interest of the Accounts so to do, the Secretary of the Treasury may sell and dispose of obligations in the Accounts and he may sell obligations acquired by the Accounts (other than special obligations issued exclusively to the Accounts) at the market price. Special obligations issued exclusively to the Accounts shall, at the request of the Board, be redeemed at par plus accrued interest. All amounts credited to the Accounts shall be available for all purposes of the Accounts.

"(e) The Board is hereby authorized and directed to select two actuaries, one from recommendations made by representatives of employees and the other from recommendations made by representatives of employers as defined in paragraph (i) of section 1(a)(1) of this Act. These actuaries, along with a third who shall be designated by the Secretary of the Treasury, shall be known as the Actuarial Advisory Committee with respect to the Railroad Retirement Account. The actuaries so selected shall hold membership in the American Academy of Actuaries and shall be qualified in the evaluation of pension plans: *Provided, however,* That these requirements shall not apply to any actuary who served as a member of the Committee prior to January 1, 1975. The Committee shall examine the actuarial reports and estimates made by the Board and shall have authority to recommend to the Board such changes in actuarial methods as they may deem necessary. The compensation of the members of the Committee, exclusive of the member designated by the Secretary, shall be fixed by the Board on a per diem basis.

"(f) The Board shall include in its annual report a statement of the status and the operations of the Railroad Retirement and Railroad Retirement Supplemental Accounts. At intervals not longer than three years the Board shall make an estimate of the liabilities created by this Act and shall include such estimate in its annual report.

"PRIVATE PENSIONS

"SEC. 16. Nothing in this Act shall be taken as restricting or discouraging payment by employers to retired employees of pensions or gratuities in addition to the annuities paid to such employees under this Act, nor shall this Act be taken as terminating any trust heretofore created for the payment of such pensions or gratuities. The annuity, except a supplemental annuity under section 2(b), of an individual shall not be reduced on account of any pension or gratuity paid by an employer to such individual.

"FREE TRANSPORTATION

"SEC. 17. It shall not be unlawful for carriers by railroad subject to this Act to furnish free transportation to individuals receiving annuities under this Act in the same manner as such transportation is furnished to employees in their service.

"CREDITING SERVICE UNDER THE SOCIAL SECURITY ACT

"SEC. 18. (1) Except as provided in subdivision (2), the term 'employment' as defined in section 210 of the Social Security Act shall not include service performed by an individual as an employee as defined in section 1(b) of this Act.

"(2) For the purpose of determining (i) monthly insurance benefits under the Social Security Act to an employee who will have completed less than ten years of service and to others deriving from him or her during his or her life and (ii) monthly insurance benefits and lump-sum death benefits under such Act with respect to the death of an employee who (A) will have completed less than ten years of service or (B) will have completed ten or more years of service but will not have had a current connection with the railroad industry at the time of his death, and for the purposes of section 203 of that Act, section 210(a)(9) of the Social Security Act and subdivision (1) of this subsection shall not operate to exclude from 'employment' under the Social Security Act service which would otherwise be included in such 'employment' but for such sections. For such purpose, compensation paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employee will have been in service as an employee. In the application of the Social Security Act pursuant to this subdivision to service as an employee, all service as defined in section 1(d) of this Act shall be deemed to have been performed within the United States.

"AUTOMATIC BENEFIT ELIGIBILITY REQUIREMENT ADJUSTMENTS

"SEC. 19. (a) If title II of the Social Security Act is amended at any time after December 31, 1974, to reduce the eligibility requirements for old-age insurance benefits, disability insurance benefits, wife's insurance benefits payable to a wife, husband's insurance benefits, child's insurance benefits payable to a child of a deceased individual, widow's insurance benefits payable to a widow, widower's insurance benefits, mother's insurance benefits payable to a widow, or parent's insurance benefits, such reduced eligibility requirements shall be applicable, in accordance with regulations prescribed by the Board, to individuals, spouses, or survivors, as the case may be, under section 2 of this Act to the extent that such reduced eligibility requirements would provide such individuals, spouses, or survivors with entitlement to annuities under such section 2 to which they would not be entitled except for such reduced eligibility requirements: *Provided, however,* That no annuity shall be paid to any person pursuant to the provisions of this subsection if that person does not satisfy an eligibility requirement imposed by section 2 of this Act of a kind not imposed by the Social Security Act on December 31, 1974, or an eligibility requirement imposed by section 2 of this Act of a kind which was imposed by the Social Security Act on December 31, 1974, but which was not reduced by the amendment to that Act: *Provided further,* That the annuity amounts to which such individuals, spouses, or survivors will be entitled under this Act by reason of the provisions of this subsection shall be only such amounts as are determined under the provisions of section 3(a), 4(a), or 4(f), respectively, of this Act.

"(b) If title II of the Social Security Act is amended at any time after December 31, 1974, to provide monthly insurance benefits under that Act to a class of beneficiaries not entitled to such benefits thereunder prior to January 1, 1975, every person who is a member of such class of beneficiaries shall be entitled to annuities under section 2 of this Act, in accordance with regulations prescribed by the Board, in an amount equal to the amount of the monthly insurance benefit to which such person would have been entitled under the Social Security Act if service as an employee after December 31, 1936, had been included in the term employment as defined in that Act.

"(c) If section 226 or title XVIII of the Social Security Act is amended at any time after December 31, 1974, to reduce the conditions of entitlement to, or to expand the nature of, the benefits payable thereunder, or if health care benefits in addition to, or in lieu of, the benefits payable under such section 226 or such title XVIII are provided by any provision of law which becomes effective at any time after December 31, 1974, such reductions in the conditions of entitlement to benefits, such expanded benefits, or such additional, or substituted, health care benefits shall be available to every employee (as defined in this Act), and those deriving from him, in the same manner, and to the same extent, as if his service as an employee after December 31, 1936, had been included in the term employment as defined in the Social Security Act. The Board shall have the same authority, in accordance with regulations prescribed by it, to determine the rights of employees who will have completed ten years of service, and of those deriving from such employees, to benefits provided by reason of the provisions of this subsection as the Secretary of Health, Education, and Welfare has with respect to individuals insured under the Social Security Act.

"(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section—

"(1) No annuity or other benefit shall be payable to any person on the basis of the compensation and years of service of an individual by reason of the provisions of subsection (a), (b), or (c) of this section if, and to the extent that, such annuity or other benefit would duplicate a benefit payable to such person on the basis of such compensation and years of service under a provision of the Social Security Act, or any other Act of Congress, which becomes effective after December 31, 1974.

"(2) No annuity shall be payable to a person by reason of subsection (a) or (b) of this section unless the individual upon whose compensation and years of service such annuity would be based will have (A) completed ten years of service and (B), in the case of a survivor, had a current connection with the railroad industry at the time of his death.

"(3) If the Social Security Act is amended after December 31, 1974, to remove any, or all, restriction on the receipt of more than one monthly insurance benefit thereunder, annuity amounts provided a person under section 3(h), 4(e), or 4(h) of this Act, or under section 204(a)(3), 204(a)(4), 206(a)(3), or 207(3) of title II of this Act, shall be reduced (but not below zero) by the amount of any annuity provide such person under this Act by reason of such amendment.

"(4) If and to the extent that an annuity or other benefit payable to a person by reason of the provisions of subsection (a), (b), or (c) of this section duplicates an annuity or other benefit then payable to such person under other provisions of this Act, such annuity or other benefit then payable under other provisions of this Act shall be reduced (but not below zero) by the amount of the annuity or other benefit payable by reason of subsection (a), (b), or (c).

"SEPARABILITY

"SEC. 20. If any provision of this Act, or the application thereof to any person or circumstance, should be held invalid, the remainder of such Act, or the application of such provision to other persons or circumstances, shall not be affected thereby.

"SHORT TITLE

"SEC. 21. This Act may be cited as the 'Railroad Retirement Act of 1974'."

TITLE II—TRANSITIONAL PROVISIONS

SEC. 201. The claims of individuals who, prior to the effective date of title I of this Act, became eligible for annuities, supplemental annuities, or death benefits under section 2, 3(j) or 5 of the Railroad Retirement Act of 1937 shall be adjudicated by the Board under that Act in the same manner and with the same effect as if title I of this Act had not been enacted: *Provided, however,* That no annuity, supplemental annuity, or death benefit shall be awarded under the Railroad Retirement Act of 1937 on the basis of an application therefor filed with the Board on or after the effective date of title I of this Act: *Provided further,* That no annuity under the Railroad Retirement Act of 1935, no annuity or supplemental annuity under the Railroad Retirement Act of 1937, and no pension under section 6 of the Railroad Retirement Act of 1937 shall be payable for any month after December 31, 1974.

SEC. 202. (a) Every individual who would have been entitled to an annuity under the Railroad Retirement Act of 1935 for the month of January 1975, if this Act had not been enacted, shall be entitled to an annuity under paragraph (i) of section 2(a)(1) of the Railroad Retirement Act of 1974, beginning January 1, 1975, in an amount determined under the provisions of section 3(a) of such Act, which amount shall initially be equal to the amount determined under clause (i) of section 3(a)(6) of the Railroad Retirement Act of 1937 for the purpose of computing the last increase in such individual's annuity under the Railroad Retirement Act of 1935 pursuant to the provisions of section 105 of Public Law 93–69.

(b) The amount of the annuity of an individual under subsection (a) of this section shall be increased by an amount, if any, equal to the amount by which (i) his annuity under the Railroad Retirement Act of 1935 plus his monthly insurance benefit under the Social Security Act for the month of December 1974 exceeds (ii) his annuity under subsection (a) of this section for the month of January 1975.

SEC. 203. (a) Every individual who would have been entitled to a pension under section 6 of the Railroad Retirement Act of 1937 for the month of January 1975, if this Act had not been enacted, shall be entitled to an annuity under paragraph (i) of section 2(a)(1) of the Railroad Retirement Act of 1974 in an amount determined under the provisions of section 3(a) of such Act, which amount shall initially be equal to the amount determined under this clause (i) of section 3(a)(6) of the Railroad Retirement Act of 1937 for the purpose of computing the last increase in such individual's pension under section 6 of the Railroad Retirement Act of 1937 pursuant to the provisions of section 105 Public Law 93–69.

(b) The amount of the annuity of an individual under subsection (a) of this section shall be increased by an amount, if any, equal to the amount by which (i) his pension under section 6 of the Railroad Retirement Act of 1937 plus his monthly insurance benefit under the Social Security Act for the month of December 1974, exceeds (ii) his annuity under subsection (a) of this section for the month of January 1975.

(c) The annuities of each individual under the preceding subsections of this section shall be paid on January 1, 1975, and on the first day of each calendar month thereafter during his life.

SEC. 204. (a) Every individual who was entitled to an annuity under section 2(a)1, 2(a)2, 2(a)3, 2(a)4, or 2(a)5 of the Railroad Retirement Act of 1937 for the month of December 1974, or who would have been entitled to such an annuity for such month except for the provisions of section 2(d) of such Act, and who would have been entitled to such an annuity for the month of January 1975, if this Act had not been enacted, shall be entitled to an annuity under paragraph (i), (ii), (iii), (iv), or (v), respectively, of section 2(a)(1) of the Railroad Retirement Act of 1974, beginning January 1, 1975: *Provided, however,* That if an individual who was entitled to an annuity under section 2(a)4 or 2(a)5 of the Railroad Retirement Act of 1974 is age 65 or older, on January 1, 1975, such individual shall be entitled to an annuity under paragraph (i) of section 2(a)(1) of the Railroad Retirement Act of 1974. For purposes of this subsection—

(1) that portion of the individual's annuity as is provided under section 3(a) of the Railroad Retirement Act of 1974 shall be in an amount equal to the amount determined under clause (i) of section 3(a)(6) of the Railroad Retirement Act of 1937 for the purpose of computing the last increase in the amount of such individual's annuity as computed under the provisions of section 3(a), and that part of section 3(e) which preceded the first proviso, of the Railroad Retirement Act of 1937;

(2) that portion of the individual's annuity as is provided under section 3(b)(1) of the Railroad Retirement Act of 1974 shall be in an amount, if any, equal to the amount by which (A) his annuity under section 2(a) of the Railroad Retirement Act of 1937 for the month of December 1974 (before any reduction on account of age and without regard to section 2(d) of such Act) exceeds (B) the amount of his annuity provided under paragraph (1) of this subsection for the month of January 1975: *Provided, however,* That if the annuity of any individual under the Railroad Retirement Act of 1937 for the month of December 1974, was computed under the first proviso of section 3(e) of such Act, the annuity of such individual for purposes of clause (A) of this paragraph shall be the annuity which such individual would have received under such Act for the month of December 1974, if no other person had been included in the computation of the annuity of such individual; and

(3) if the individual was entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act on December 31, 1974, or was fully insured under that Act on that date, the annuity amounts provided under paragraphs (1) and (2) of this subsection shall be increased by an amount determined under the provisions of section 3(h)(1) of the Railroad Retirement Act of 1974: *Provided, however,* That, if the individual was entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act on December 31, 1974, such amount shall not be less nor more than an amount which would cause the total of the annuity amounts provided the individual by the provisions of this subsection for the month of January 1975 to equal the total of the annuity under the Railroad Retirement Act of 1937 (prior to any reduction on account of age and without regard to section 2(d) of that Act) plus the old-age or disability insurance bene-

fit under the Social Security Act (before any reduction on account of age and deductions on account of work) which such individual would have received for such month if this Act had not been enacted.

(4) if the individual was entitled to a wife's, husband's, widow's, or widower's insurance benefit under the Social Security Act on December 31, 1974, or is the wife, husband, widow, or widower of a person who was fully insured under that Act on that date, the annuity amounts provided under paragraphs (1) and (2) of this subsection shall be increased by an amount determined under the provisions of section 3(h)(3) of the Railroad Retirement Act of 1974.

(b) The annuity provided an individual by subsection (a) of this section shall be in lieu of any old-age insurance benefit or disability insurance benefit otherwise payable to such individual under the Social Security Act.

(c) An individual who was awarded an annuity under section 2(a) of the Railroad Retirement Act of 1937, but who could not have become eligible for an annuity under paragraph 2 of such section, shall not be eligible for an annuity under paragraph (ii) of section 2(a)(1) of the Railroad Retirement Act of 1974.

Sec. 205 (a) Every individual who was entitled to a supplemental annuity under section 3(j) of the Railroad Retirement Act of 1937 for the month of December 1974, or who would have been entitled to such a supplemental annuity for such month except for the provisions of section 2(d) of such Act, and who would have been entitled to such a supplemental annuity for the month of January 1975, if this Act had not been enacted, shall be entitled to a supplemental annuity under section 2(b)(1) of the Railroad Retirement Act of 1974, beginning January 1, 1975, in an amount, the provisions of section 3(a) of such Act notwithstanding, equal to the amount of the supplemental annuity to which such individual was entitled under section 3(j) of the Railroad Retirement Act of 1937 for the month of December 1974, or to which such individual would have been entitled for such month under such section 3(j) except for the provisions of section 2(d) of such Act.

(b) An individual who was awarded an annuity under section 2(a) of the Railroad Retirement Act of 1937, but who could not have become eligible for a supplemental annuity under section 3(j) of such Act if this Act had not been enacted, shall not be eligible for a supplemental annuity under section 2(b) of the Railroad Retirement Act of 1974.

Sec. 206. (a) Every spouse who was entitled to an annuity under section 2(e) or 2(h) of the Railroad Retirement Act of 1937 for the month of December 1974, or who would have been entitled to such an annuity for such month except for the provisions of section 2(d) of such Act, and who would have been entitled to such an annuity for the month of January 1975, if this Act had not been enacted, shall be entitled to an annuity under section 2(c) of the Railroad Retirement Act of 1974, beginning January 1, 1975. For purposes of this subsection—

(1) that portion of the spouse's annuity as is provided under section 4(a) of the Railroad Retirement Act of 1974 shall be in an amount equal to the amount determined under clause (i) of section 3(a)(6) of the Railroad Retirement Act of 1937 for the purpose of computing the last increase in the amount of such spouse's annuity as computed under the provisions of section 2 of the Railroad Retirement Act of 1937: *Provided, however,* That the amount of such annuity shall be subject to reduction in accordance with the provisions of section 202(k) or 202(q) of the Social Security Act, other than a reduction on account of age, in the same manner as any wife's insurance benefit or husband's insurance benefit payable under section 202 of the Social Security Act;

(2) that portion of the spouse's annuity as is provided under section 4(b) of the Railroad Retirement Act of 1974 shall be in an amount, if any, equal to 50 per centum of the individual's annuity as computed in accordance with the provisions of paragraph (2) of section 204(a) of this title: *Provided, however,* That if (A) the amounts of the annuity provided a spouse for the month of January 1975 by the provisions of paragraph (1) and the preceding provisions of this paragraph exceed (B) the amount of the annuity to which such spouse was entitled (before any reduction on account of age) for the month of December 1974 under section 2(e) or 2(h) of the Railroad Retirement Act of 1937 (deeming, for this purpose, any increase in the amount of such annuity which, had this Act not been enacted, would have become effective January 1, 1975, by reason of an increase in the maximum amount payable as a wife's insurance benefit under the Social Security Act to have been effective for the month of December 1974), or to which such spouse would have been entitled for such month under such section 2(e) or 2(h) except for the provisions of section 2(d) of such Act, the amount of the annuity provided such spouse for the month of January 1975 by the preceding provisions of this paragraph shall be reduced until the total of the amounts described in clause (A) of this proviso equals the amount described in clause (B); and

(3) if the spouse was entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act on December 31, 1974, or was fully insured under that Act on that date, or was entitled to a wife's or a husband's insurance benefit under that Act on that date, the annuity amounts provided under paragraphs (1) and (2) of this subsection shall be increased by an amount determined under the provisions of section 4(e)(1) or, if the spouse was entitled only to a wife's or husband's insurance benefit, 4(e)(3) of the Railroad Retirement Act of 1974: *Provided, however,* That, if the spouse was entitled to a monthly insurance benefit under the Social Security Act on December 31, 1974, such amount shall not be less nor more than an amount which would cause (A) the total of (i) the annuity amounts provided the spouse by the provisions of this subsection for the month of January 1975 plus (ii) the monthly insurance benefit to which such spouse is entitled for that month under the Social Security Act (before any reductions on account of age and deductions on account of work) to equal (B) the total of (i) the spouse's annuity under the Railroad Retirement Act of 1937 (prior to any reduction on account of age and without regard to section 2(d) of that Act) plus (ii) the monthly insurance benefit under the Social Security Act (before any reduction on account of age and deductions on account of work) which such spouse would have received for such month if this Act had not been enacted.

(b) The annuity provided a spouse by subsection (a) of this section shall be in lieu of any wife's insurance benefit or husband's insurance benefit otherwise payable to such spouse under the Social Security Act.

Sec. 207. Every survivor who was entitled to an annuity under section 5 of the Railroad Retirement Act of 1937 for the month of December 1974, or who would have been entitled to such an annuity for such month except for the provisions of section 5(i) of such Act, and who would have been entitled to such an annuity for the month of January 1975, if this Act had not been enacted, shall be entitled to an annuity under section 2(d) of the Railroad Retirement Act of 1974 beginning January 1, 1975. For purposes of this section—

(1) that portion of the survivor's annuity as is provided under section 4(f) of the Railroad Retirement Act of 1974 shall be in an amount equal to the amount determined under clause (i) of section 3(a)(6) of the Railroad Retirement Act of 1937 for the purpose of computing the last increase in the amount of such survivor's annuity as computed under the provisions of section 5(q) of the Railroad Retirement Act of 1937: *Provided, however,* That the amount of such annuity shall be subject to reduction in accordance with the provisions the same manner as any widow's insurance benefit, mother's insurance benefit, widower's insurance benefit, parent's insurance benefit, or child's insurance benefit payable under section 202 of the Social Security Act;

(2) that portion of the survivor's annuity as is provided under section 4(g) of the Railroad Retirement Act of 1974 shall be in an amount equal to 30 per centum of the amount computed in accordance with the provisions of paragraph (1) of this section prior to any reductions, other than reductions on account of age, in accordance with the provisions of section 202(k) or 202(q) of the Social Security Act; and

(3) if the survivor is a widow or widower who was entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act on December 31, 1974, or was fully insured under that Act on that date, the annuity amounts provided under paragraphs (1) and (2) of this section shall be increased by an amount determined under the provisions of 4(h)(1) of the Railroad Retirement Act of 1974: *Provided, however,* That, if the widow or widower was entitled to a monthly insurance benefit under the Social Security Act on December 31, 1974, such amount shall not be less nor more than an amount which would cause (A) the total of (i) the annuity amounts provided the widow or widower by the provisions of this section for the month of January 1975 plus (ii) the monthly insurance benefit to which such widow or widower is entitled for that month under the Social Security Act (before any deductions on account of work) to equal (B) the total of (i) the widow's or widower's annuity under the Railroad Retirement Act of 1937 (without regard to section 5(i) of that act) plus (ii) the monthly insurance benefit under the Social Security Act (before any deductions on account of work) which such widow or widower would have received for such month if this Act had not been enacted.

Sec. 208. For purposes of paragraph (1) of section 204(a), paragraph (1) of section 206 (a), and paragraph (1) of section 207, the fact that the amount of the annuity payable to an individual, spouse, or survivor under the Railroad Retirement Act of 1937 for the month of December 1974 may not (i) in the case of an individual have been computed under the provisions of section 3(a) of such Act or that part of section 3(e) of such Act which precedes the first provisio; (ii) in the case of a spouse, have been computed under the provisions of section 2 of such Act; or (iii) in the case of a survivor, have been computed under the provisions of section 5 of such Act, shall be disregarded, and the amount determined under clause (i) of section 3(a)(6) of such Act with respect to such individual, spouse, or survivor shall, for purposes of such paragraphs, be the amount which would have been determined under such clause (i) if the annuity of such individual had been computed under the provisions of section 3(a), and that part of section 3(e) which preceded the first proviso, of such Act; the annuity of such spouse had been computed under the provisions of section 2 of such Act; or the annuity of such survivor had been computed under the provisions of section 5 of such Act.

SEC. 209. (a) Whenever monthly insurance benefits under section 202 of the Social Security Act are increased, the amount of each annuity provided by section 202(a), section 203(a), paragraph (1) of section 204 (a), paragraph (1) of section 206(a), and paragraphs (1) and (2) of section 207 shall be increased in the same manner, and effective the same date, as other annuities of the same type payable under section 2 of the Railroad Retirement Act of 1974 are increased.

(b) The annuity amounts provided by section 202(b), section 203(b), paragraph (2) of section 204(a), and paragraph (2) of section 206(a) shall be increased by the same percentage, or percentages, and effective the same date, or dates, as other annuity amounts of the same type are increased pursuant to the provisions of section 3(g) of the Railroad Retirement Act of 1974.

SEC. 210. The election of a joint and survivor annuity made before July 31, 1946, by an individual to whom an annuity accrues under the Railroad Retirement Act of 1937 before January 1, 1975, shall be given effect as though the provisions of law under which the election was made had continued to be operative unless such election had been revoked prior to the time the annuity of such individual began to accrue.

TITLE III—AMENDMENTS TO THE SOCIAL SECURITY ACT

SEC. 301. (a) Section 202(1) of the Social Security Act is amended by striking out all that appears therein and inserting in lieu thereof the following:

"(1) If any person is entitled, or would upon application be entitled, to an annuity under section 2 of the Railroad Retirement Act of 1974, without regard to sections 2(e), 2(f), and 2(g) of the Act, or to a lump-sum payment under section 6(b) of such Act, on the basis of the earnings record of an individual who will have completed ten years of service creditable under that Act, no monthly benefit, and no lump-sum death payment, shall be paid to such person under this section or section 223 on the basis of the wages and self-employment income of such individual."

(b) Section 202(q) of such Act is amended by adding at the end thereof the following new paragraph:

"(10) For purposes of this subsection and subsection (k), the terms 'old-age insurance benefit' and 'disability insurance benefit' shall include an annuity under section 2(a) (1) of the Railroad Retirement Act of 1974 in the amount determined under section 3 (a) of that Act and section 204(a)(1) of title II of that Act."

SEC. 302. Section 205(o) of the Social Security Act is amended—

(1) by striking out "(o)" at the beginning thereof and inserting in lieu thereof "(o) (1)";

(2) by striking out "section 5 of the Railroad Retirement Act of 1937" and inserting in lieu thereof "section 2 of the Railroad Retirement Act of 1974";

(3) by striking out "subsection (f)(1) of such section" and inserting in lieu thereof "section 6(b) of such Act";

(4) by striking out "section 4 of such Act" and inserting in lieu thereof "section 3(i) of such Act"; and

(5) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provisions of this section, the Secretary shall not determine entitlement to, make awards of, or certify payments of, any monthly insurance benefits or lump-sum death benefits payable under this title to (A) an individual who will have completed ten years of service creditable under the Railroad Retirement Act of 1974, (B) the wife or husband of such an individual, (C) any survivor of such an individual if such survivor is entitled, or could upon application become entitled, to benefits under section 2 of the Railroad Retirement Act of 1974, and (D) any other person entitled to benefits under section 202 of this Act on the basis of the wages and self-employment income of such an individual, except a survivor of such an individual if such individual did not have a current connection with the railroad industry at the time of his death, but shall accept the determinations with respect thereto made by the Railroad Retirement Board in accordance with section 7(b)(2) of the Railroad Retirement Act of 1974."

SEC. 303. Sections 216(b), 216(c), 216(f), and 216(g) of the Social Security Act are each amended by striking out "section 5 of the Railroad Retirement Act of 1937" and inserting in lieu thereof "section 2 of the Railroad Retirement Act of 1974".

SEC. 304. (a) Section 226(b) of the Social Security Act is amended by striking out "section 22 of the Railroad Retirement Act of 1937" from paragraph (2) and inserting in lieu thereof "section 7(d) of the Railroad Retirement Act of 1974".

(b) Section 226(d) of such Act is amended by striking out "section 21 or section 22 of the Railroad Retirement Act of 1937" each time it appears therein and inserting in lieu thereof "section 7(d) of the Railroad Retirement Act of 1974".

SEC. 305. Section 1840(b) of the Social Security Act is amended by striking out "or pension under the Railroad Retirement Act of 1937" from paragraph (1) and inserting in lieu thereof "under the Railroad Retirement Act of 1974".

SEC. 306. Section 1842(g) of the Social Security Act is amended by striking out "section 21(b) of the Railroad Retirement Act of 1937" and inserting in lieu thereof "section 7(d) of the Railroad Retirement Act of 1974".

SEC. 307. Section 1843(b) of the Social Security Act is amended by striking out "or pension under the Railroad Retirement Act of 1937" and inserting in lieu thereof "under the Railroad Retirement Act of 1974".

SEC. 308. Section 1870(b) of the Social Security Act is amended by striking out "Railroad Retirement Act of 1937" each time it appears therein and inserting in lieu thereof "Railroad Retirement Act of 1974".

SEC. 309. Section 1874(a) of the Social Security Act is amended by striking out "Railroad Retirement Act of 1937" and inserting in lieu thereof "Railroad Retirement Act of 1974".

TITLE IV—AMENDMENT TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

SEC. 401(a) Section 2(c) of the Railroad Unemployment Insurance Act is amended by striking out "Railroad Retirement Act of 1937" and inserting in lieu thereof "Railroad Retirement Act of 1974".

(b) Section 2(g) of such Act is amended by striking out "section 3(f)(1) of the Railroad Retirement Act of 1937" each time it appears therein and inserting in lieu thereof "section 6(a)(1) of the Railroad Retirement Act of 1974".

SEC. 402. Section 4(a-1) of the Railroad Unemployment Insurance Act is amended by striking out "or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937" from paragraph (ii) and inserting in lieu thereof "under the Railroad Retirement Act of 1974".

SEC. 403. Section 10 of the Railroad Unemployment Insurance Act is amended by striking out subsection (h) and all that appears therein.

SEC. 404. Section 11(c) of the Railroad Unemployment Insurance Act is amended—

(a) by striking out "Railroad Retirement Act of 1937 and the Railroad Retirement Act of 1955" and inserting in lieu thereof "Railroad Retirement Act of 1974"; and

(b) by striking out "such Acts" and inserting in lieu thereof "such Act".

SEC. 405. Section 12(1) of the Railroad Unemployment Insurance Act is amended by striking out "section 10(b)(4) of the Railroad Retirement Act of 1937" and inserting in lieu thereof "subdivisions (5), (6), and (9) of section 7(b) of the Railroad Retirement Act of 1974".

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 501. (a) Section 3221(c) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "for appropriation to the Railroad Retirement Supplemental Account provided for in section 15(b) of the Railroad Retirement Act of 1937";

(2) by striking out "under section 3(j) of such Act" and inserting in lieu thereof "at the level provided under section 3(j) of the Railroad Retirement Act of 1937 as in effect on December 31, 1974"; and

(3) by inserting after "section 3(j)(2) of the Railroad Retirement Act of 1937" "or section 2(h)(2) of the Railroad Retirement Act of 1974".

(b) Section 3221(d) of such Code is amended—

(1) by striking out "section 3(j) of the Railroad Retirement Act of 1937" and inserting in lieu thereof "section 2(b) of the Railroad Retirement Act of 1974"; and

(2) by striking out "section 3(j) of such Act" and inserting in lieu thereof "section 2(b) of such Act".

SEC. 502. Section 6413(c) of the Internal Revenue Code of 1954 is amended—

(a) by inserting "or section 3201, or by both such sections," after "section 3101" in paragraph (1) thereof; and

(b) by adding at the end of paragraph (1) the following new sentence:

"The term 'wages' as used in this paragraph shall, for purposes of this paragraph, include 'compensation' as defined in section 231(e)."

TITLE VI—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

SEC. 601. Section 3(a)(6) of the Railroad Retirement Act of 1937 is amended by adding at the end thereof the following new sentences:

"If the individual entitled to an increase determined under the preceding provisions of this paragraph is also entitled to a benefit for the same month under title II of the Social Security Act, there shall, any provisions to the contrary notwithstanding, be offset against the total of the increase, or increases, of such individual determined under the preceding provisions of this paragraph, any amount by which such individual's social security benefit was increased during the period July 1, 1974, through December 31, 1974. For purposes of approximating any such offsets, the Railroad Retirement Board is authorized to determine the percentage figure which, when applied against current social security benefits, will produce approximately the amount of the increase, or increases, in social security benefits during the period July 1, 1974, through December 31, 1974. The amount produced by applying such percentage figure to the current social security benefit of an individual shall be the amount utilized in making the offset prescribed by the provisions of this paragraph."

SEC. 602. (a) The provisions of title I of this Act shall become effective on January 1, 1975, except as otherwise provided herein: *Provided, however*, That annuities awarded under section 2 of the Railroad Retirement Act of 1974 on the basis of an application therefor filed with the Board on or after such date may, subject to the limitations prescribed in section 5(a) of such Act, begin prior to such date, except that no annuity under paragraph (ii) of section 2(a)(1) of such Act shall begin to accrue to a man prior to July 1, 1974.

(b) The provision of section 1(o) of the Railroad Retirement Act of 1974 which provides that a "current connection with the railroad industry" will not be broken by "employment with the Department of Transportation, the Interstate Commerce Commission, the National Mediation Board, or the Railroad Retirement Board" shall not be applicable (A), for purposes of paragraph (iv) of section 2(a)(1) of such Act, to an individual who became disabled, as provided for purposes of such paragraph, prior to January 1, 1975, (B), for purposes of section 2(b)(1) of such Act, to an individual whose annuity under section 2(a) of the Railroad Retirement Act of 1937 or section 2(a)(1) of the Railroad Retirement Act of 1974 first began to accrue prior to January 1, 1975, and (C), for purposes of section 2(d)(1) of such Act, to a survivor of a deceased employee if such employee died prior to January 1, 1975.

(c) The provisions of clause (i)(B) and clause (ii)(B) of section 2(c)(1) of the Railroad Retirement Act of 1974 shall not be applicable to the spouse of an individual if (A) such individual will have completed thirty years of service and will have been awarded an annuity under section 2(a) of the Railroad Retirement Act of 1937 or section 2(a)(1) of the Railroad Retirement Act of 1974 which first began to accrue prior to July 1, 1974, or (B) such individual will have completed less than thirty years of service and will have been awarded an annuity under section 2(a) of the Railroad Retirement Act of 1937 or section 2(a)(1) of the Railroad Retirement Act of 1974 which first began to accrue prior to January 1, 1975. For purposes of the entitlement of the spouse of an individual described in clause (A) or (B) of the preceding sentence to an annuity under such section 2(c)(1), the provisions of clause (i)(B) of such section 2(c)(1) shall be deemed to read: "(B) has attained the age of 65".

(d) The provisions of section 2(b)(1) of the Railroad Retirement Act of 1974 which permit an individual to become entitled to a supplemental annuity thereunder if he "has attained age 60 and completed thirty years of service" shall not be applicable to an individual who was awarded an annuity under section 2(a) of the Railroad Retirement Act of 1974 or section 2(a)(1) of the Railroad Retirement Act of 1974 which first begun to accrue prior to July 1, 1974.

(e) The provisions of section 7(e) of the Railroad Retirement Act of 1974 shall be effective on the enactment date of this Act and shall apply with respect to all gifts and bequests covered thereunder, regardless of the date on which such gifts or bequests were made.

Sec. 603. The provisions of title II of this Act and the amendments made by title III and title IV of this Act shall become effective on January 1, 1975.

Sec. 604. The amendments made by the provisions of title V of this Act shall become effective on January 1, 1975, and shall apply only with respect to compensation paid for services rendered on or after that date.

Sec. 605. The amendment made by section 601 of this Act shall be effective on the enactment date of this Act and shall apply with respect to any increase in annuities under the Railroad Retirement Act of 1937 which becomes effective after June 30, 1974.

By Mr. MAGNUSON:

S. 3613. A bill to amend the Rail Passenger Service Act of 1970 and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Rail Passenger Service Act of 1970 and ask unanimous consent that the letter of transmittal, and text of the bill be printed in the Record.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

The Secretary of Transportation,
Washington, D.C., May 9, 1974.

Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a bill to amend the Rail Passenger Service Act of 1970 (the "Act") and for other purposes. The amendments would correct certain technical deficiencies in the Act, provide for additional authorization for appropriations in Fiscal Year 1975, increase by $200,000,000 the maximum amount of loans and other obligations that may be guaranteed pursuant to the Act, revise section 601 of the Act to provide that payments to the National Railroad Passenger Corporation (Amtrak) would be subject to terms and conditions prescribed by the Secretary of Transportation and to remove certain direct budget submittal features presently contained in that section, and amend section 801 of the Act to provide that the Commission shall annually recommend measures to assure an adequate level of service.

The "Amtrak Improvement Act of 1973" amended section 601 of the Act by removing the authority of the Secretary of Transportation to attach terms and conditions to grants to Amtrak. It also provided for the concurrent transmittal to Congress of any budget requests or estimates submitted to various elements of the Executive Branch and prohibited any agency of the Government from requiring Amtrak to submit legislative matters to it prior to submission to Congress.

These amendments to section 601 of the Act substantially decreased the stewardship role of the Executive Branch over the expenditure of funds by Amtrak. As the President indicated in his statement of November 3, 1973, on the occasion of his signing the Amtrak Improvement Act, the 1973 amendments deprive the Executive Branch of any meaningful authority to review in advance the spending plans of Amtrak or to exercise sensible budgetary and legislative control. The imposition of the restrictions upon Executive Branch control was most unfortunate, because it has become increasingly clear that the Amtrak program is becoming more expensive for many reasons, such as increases in railroad operating cost and the cost of capital equipment necessary for the continued operation of the Amtrak program. Consequently, fiscal responsibility within the Executive Branch over Amtrak's programs in light of these escalating costs is imperative.

A further consequence of the restrictions was to remove the Executive Branch from effective participation in the long-term intercity rail passenger service planning process.

The Amtrak Improvement Act permitted Amtrak to propose long-term programs with major impacts to the Congress without prior review by the Executive Branch. We are therefore recommending that section 601 be amended to provide appropriate control by the Executive Branch of the Amtrak budget and legislative program.

The Amtrak Improvement Act of 1973 amended section 801 of the Act and directed the Interstate Commerce Commission to issue regulations necessary to provide "adequate service, equipment, tracks, and other facilities for quality intercity passenger service." On December 27, 1973, the Commission issued Ex Parte 277 (Sub. No. 1), Adequacy of Intercity Rail Passenger Regulations. While those regulations may contribute to the continued improvement of rail passenger service the Department pointed out in its Petition for Reconsideration "that we would be remiss in our duty if we failed to express our forebodings about the impact of some of the regulations upon Amtrak's operations and finances."

We strongly support the need for quality rail passenger service, but such service should be provided at a cost which is reasonable to the Corporation and to the public. The imposition of mandatory regulations by the Commission will not accomplish these twin objectives. Ordinarily, the regulatory process operates within the framework of a profit motivated sector of the economy. That framework provides the necessary constructive tension and diversity of views necessary to assure that the regulations are reasonable. Amtrak does not operate in that environment. Amtrak does not have the economic incentives to question and oppose where necessary, the Commission's proposed regulations since historically Amtrak's increased deficits have been underwritten by increased subsidies from the Federal Government. In addition to the question of unnecessary costs, the Commission's control could stifle Amtrak's introduction of new, better, and more innovative services than those required by the Commission. We, therefore, recommend deleting the present section 801, and substitute a provision authorizing that the Commission shall recommend such changes, but not have authority to order them.

The bill would amend section 602(d) to increase the maximum amount of loans and other obligations that might be guaranteed by the Secretary of Transportation from the present limit of $500,000,000 to $700,000,000. Increasing the limit is necessary to allow Amtrak to make needed capital acquisitions and improvements, vital to the successful and efficient operation of Amtrak.

Section 304(b) of the Act would be amended to remove the restriction that no more than one-third of Amtrak's common stock may be owned by a single railroad or by a person controlling one or more railroads, after the initial issue of common stock is completed. The initial issuance of common stock was completed on May 1, 1974, and two of Amtrak's four common shareholder railroads now each have more than one-third of the common stock. The situation has developed principally because most railroads that joined the Amtrak system took the tax deductions available under section 901 of the Act, rather than accept common stock in exchange for their payments. The Department believes that no harm will be done by eliminating this ownership restriction. The proposed amendments to section 304(b) would also limit any one railroad or person controlling one or more railroads from voting more than one-third of the Amtrak common stock and thus preserve the existing limitation on the number of directors that can be elected by any one railroad.

The Office of Management and Budget has advised that this proposed legislation is in accord with the Administration's objectives.

Sincerely,

Claude S. Brinegar.

S. 3613

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Rail Passenger Service Act of 1970, as amended (45 U.S.C. 502) is amended by—

(1) deleting the word "owned" in section 304(b) and substituting the word "voted" in lieu thereof, and adding the following sentence at the end of section 304(b): "If any railroad or any person controlling one or more railroads, as defined in this subsection, owns, in any manner referred to in this subsection, a number of shares in excess of 33⅓ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding.";

(2) deleting section 601 and substituting in lieu thereof the following: "There is authorized to be appropriated to the Secretary in fiscal year 1975 for payment to the Corporation pursuant to terms and conditions prescribed by the Secretary such amounts as are necessary to carry out the purposes of this Act.";

(3) deleting "$500,000,000" in section 602 (d) and substituting "$700,000,000" in lieu thereof; and

(4) deleting section 801 and substituting in lieu thereof the following: "The Commission shall recommend to the Secretary, the Corporation, and the Congress in its annual report, such measures as it considers necessary to provide adequate service, equipment, and other facilities for quality intercity rail passenger service and shall report on the effectiveness of its prior recommendations.

By Mr. MAGNUSON (for himself and Mr. JACKSON) (by request):

S. 3614. A bill to amend certain provisions of the act of July 24, 1956, relating to the restoration of tribal ownership of certain lands upon the Colville Indian Reservation, Washington. Referred to the Committee on Interior and Insular Affairs.

Mr. MAGNUSON. Mr. President, at the request of the Colville Business Council, Senator JACKSON and I are today introducing legislation that proposes to repeal three provisions of Public Law 84–772, "An act restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes."

Specifically, this bill would repeal sections 4 and 5 of Public Law 84–772 altogether and would delete from section 2 of the law the following provision:

> In carrying out the provisions of this Act, if non-Indian lands are involved the board of county commissioners of counties in which land is located shall by proper resolution consent before such non-Indian land is acquired for the tribe or an individual Indian.

Each of these changes in Public Law 84–772 has been unanimously recommended by the Colville Business Council in its Resolution 1973–835 and I ask unanimous consent that the resolution be printed in full in the RECORD at the conclusion of my remarks.

Mr. President, the issues involved in this legislation are quite complicated and would take far too long to adequately explain here on the floor. Ultimately, they will have to be resolved by the Senate and House Interior Committees after consultation with the Colvilles, appropriate non-Indian local officials in Okanogan and Ferry Counties, Wash., and all other affected parties. Our purpose in introducing this legislation at the Business Council's request is to bring these issues formally before the Congress so they may be dealt with through the normal legislative process. I am, of course, hopeful that the Congress will be able to act expeditiously to work out these problems.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the resolution and bill were ordered to be printed in the RECORD, as follows:

RESOLUTION 1973–835

Whereas, the Act of July 24, 1956, PL 84–722, authorized the restoration of certain lands to the Colville Tribes, in trust, and for other purposes; and

Whereas, Section two of the Act authorized the Tribe to purchase, sell and exchange lands within the Reservation boundary for the purpose of consolidation, and further authorized the Tribes to purchase fee lands and bring same into trust with the consent of the County Commissioners in which the land is located; and

Whereas, Section three of the Act provided that title to land purchased by the Tribes or individual Indians shall be taken in the name of the United States in trust for the owner; and

Whereas, Section four of the Act ratified and approved of an Agreement dated April 24, 1954 between the Colville Tribes and Okanogan and Ferry Counties; and

Whereas, said Agreement provided that the Colville Tribes pay a certain amount annually to the two counties in lieu of taxes; and

Whereas, Section five of the Act required the Colville Tribes to submit proposed legislation to Congress within 5 years for the termination of the Colville Indian Reservation within a reasonable time; and

Whereas, the Tribe takes the legal position that the consent of the Counties to approve the taking of fee lands into trust is illegal, as the authority to buy land comes under Federal Law; and

Whereas, the Tribe takes the legal position that the Agreement dated April 21, 1954 with the two Countries is illegal as trust land owners under Federal Law and treaties are exempt from paying taxes; and

Whereas, One or more Bills for proposed Legislation have been introduced annually without success and we are of the opinion that the Tribe has fully complied with Section five of the Act.

Therefore, be it resolved, that the Business Council requests the Secretary of the Interior and the Congress of the United States to take necessary action to repeal certain portions of the Act as follows:

(1) Section 2—*Delete* "In carrying out the provisions of this Act, if non-Indian Lands are involved, the Board of County Commissioners or counties in which land is located shall by proper resolution consent before such non-Indian land is acquired for the Tribe or an individual Indian."

(2) Section 4—*Delete entire section*—"The agreement entered into by the Confederated Tribes of the Colville Reservation and Okanogan and Ferry Counties of the State of Washington on April 21, 1954, is hereby ratified and approved."

(3) Section 5—*Delete entire section*—"The Business Council of the Confederated Tribes of the Colville Reservation shall, in accordance, with resolution numbered 1955–33, dated April 8, 1955, of the Colville Business Council, submit to the Secretary of the Interior within five years from the date of enactment of this Act proposed legislation providing for the termination of Federal supervision over the property and affairs of the Confederated Tribes and their numbers within a reasonable time after the submission of such proposed legislation."

The foregoing was duly enacted by the Colville Business Council by a vote of 10 FOR; 0 AGAINST, under authority contained in Article V, Section 1(a) of the Constitution of the Confederated Tribes of the Colville Reservation, ratified by the Colville Indians on February 26, 1938, and approved by the Commissioner of Indian Affairs on April 19, 1938.

S. 3614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Act entitled "An Act restoring to tribal ownership certain lands upon the Colville Inidan Reservation, Washington, and for other purposes", approved July 24, 1956 (70 Stat. 626), is amended by deleting "In carrying out the provisions of this Act, if non-Indian lands are involved the board of county commissioners of counties in which land is located shall by proper resolution consent before such non-Indian land is acquired for the tribe or an individual Indian.".

(b) Sections 4 and 5 of such Act of July 24, 1956 are hereby repealed.

By Mr. HASKELL:

S. 3615. A bill to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Secretary of Agriculture for inclusion in the boundaries of the Arapaho National Forest, Colo. Referred to the Committee on Interior and Insular Affairs.

Mr. HASKELL. Mr. President, I am introducing legislation today which authorizes the transfer of 17,000 acres of land currently administered by the Bureau of Land Management in the Department of the Interior to the Forest Service in the Department of Agriculture.

The land, located in Summit County, Colo., will be added to the Arapaho National Forest. The legislation is supported by the BLM and the Forest Service. The Board of County Commissioners of Summit County, the Colorado Cattlemen's Association, the Summit Citizens Association, and the State of Colorado Division of Wildlife are all on record in favor of the bill.

Dr. Alfred T. Whatley, chairman of the Summit Citizens Association, has characterized the need for the land transfer as "of significant importance to the future of Summit County." In a letter to me, Dr. Whatley set forth the background of the situation. He stated, in part:

> All the land in the southern half of the county is now under Forest Service supervision. This bill was passed around under the 1964 sponsorship of Congressman Aspinall. Since the Forest Service has a station at Dillon in Summit County, staff with excellent personnel who have a first hand knowledge of the conditions and problems in the County and close liaison with the citizens and local governments, we feel this is where the management of Federal lands should be located. There are no BLM officers or personnel in our County.

Mr. President, because some of the Federal land in Summit County is under BLM jurisdiction, while other land is under Forest Service jurisdiction, it cannot be managed either adequately or efficiently. I can find no objection to the transfer and am pleased to be able to introduce this bill on behalf of the citizens of Summit County.

A companion bill has already been introduced in the House of Representatives by the Hon. JAMES JOHNSON, who is the Congressman representing the area. His bill, H.R. 11402, has been pending before the House Interior Committee since last session.

Mr. President, I ask unanimous consent that a resolution of the Board of County Commissioners of Summit County in support of H.R. 11402 be printed at this point in the RECORD, along with a copy of the bill I am introducing.

There being no objection, the resolution and bill were ordered to be printed in the Record, as follows:

RESOLUTION No. 74–9

Whereas, Summit County, Colorado contains 290,476 acres of federally owned land, and

Whereas, management of federal lands is presently divided between the United States Forest Service, the Bureau of Land Management, and the Bureau of Reclamation, and

Whereas, this diversity of management responsibility inhibits proper, appropriate and uniform management principles, and

Whereas, Summit County, the Colorado State Forest Service, and the United States Forest Service have entered into a mutual planning program, and

Whereas, a portion of the planning program anticipates preservation of portions of the Blue River for public access and scenic value, and

Whereas, the United States Forest Service has capabilities of acquiring said land through land trades within the forest boundary, and

Whereas, the boundary of the Arapahoe National Forest does not include areas desirable for preservation, and

Whereas, there has been introduced House Bill No. 11402 in the United States Congress for the purpose of extending the boundary of the Arapahoe National Forest to include areas desirable for public access and scenic preservation,

Now therefore be it resolved that the Board of County Commissioners of Summit County has reviewed House Bill No. 11402 and do hereby find and declare that it is in the best interest of Summit County residents and taxpayers that said bill be passed and approved by the Congress of the United States, and

Further be it resolved that a copy of this resolution be forwarded to the Colorado Congressional Delegation and to such other Congressional members as are designated to expedite the purposes and intent of House Bill No. 11402.

S. 3615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, To insure consolidation of lands in the Arapaho National Forest, Colorado, and to afford the opportunity for better management of those lands, the Secretary of the Interior is hereby authorized and directed to transfer certain lands under his jurisdiction and adjacent to the existing boundary of said National Forest to the Secretary of Agriculture. Pursuant to this Act, the exterior boundaries of the Arapaho National Forest, Colorado, shall be extended to include all of the lands not presently within such boundaries lying in township 3 south, range 78 west, township 4 south, range 78 west, township 2 south, range 79 west, township 3 south, range 79 west, and township 2 south range 80 west, sections 7 through 18, and sections 20 through 28, all of the sixth principal meridian.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3616. A bill to amend section 905(c) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend section 905(c) of the Merchant Marine Act, 1936, and ask unanimous consent that the letter of transmittal, statement of need, and text of the bill be printed in the Record.

There being no objection, the letter, statement, and bill were ordered to be printed in the Record, as follows:

The Secretary of Commerce,
Washington, D.C., May 10, 1974.

Hon. Gerald R. Ford,
President of the Senate,
U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed are six copies of a draft bill To amend section 905(c) of the Merchant Marine Act, 1936, together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our proposed legislation to the Congress from the standpoint of the Administration's program.

Sincerely,

Frederick B. Dent,
Secretary of Commerce.

Statement of the Purposes and Need of the Draft Bill "To Amend Section 905(c) of the Merchant Marine Act, 1936"

Prior to the enactment of Public Law 86–327, approved September 21, 1959, section 2 of the Shipping Act, 1916, provided in part that a corporation is not a citizen of the United States "unless its President and managing directors are citizens of the United States." This definition was incorporated by reference in section 905(c) of the Merchant Marine Act, 1936, and in section 37 of the Merchant Marine Act, 1920 (including the Ship Mortgage Act, 1920) for the respective purposes of those statutes. Section 4132 of the Revised Statutes (the ship registry statute) contained independent language that vessels are entitled to be registered if owned by "corporations organized and chartered under the laws of the United States or of any State thereof, the President and managing directors of which shall be citizens of the United States."

The United States Customs Service, which administers the coastwise laws under the Merchant Marine Act, 1920, and the statutes providing for registry and recordation, took the view that if a corporation had an alien on its Board of Directors and the bylaws of the corporation designated managing directors who were all citizens, the corporation was a citizen for the purpose of the foregoing statutes.

The Maritime Administration, on the other hand, which administers the laws with respect to operating-differential subsidy, construction-differential subsidy, title XI mortgage insurance, the charter of vessels to aliens, the transfer of vessels to foreign ownership and registry, war risk insurance and construction reserve funds, took the view that all directors of a corporation were managers of the corporation and, if a corporatin had an alien director, it was an alien for the purposes for the foregoing programs.

Requiring all directors of a corporation to be United States citizens if the corporation was to be considered a citizen caused problems. Metropolitan Life Insurance Company, for example, had a Canadian director and, therefore, could not be mortgagee of a preferred ship mortgage. This means that the company could not engage in financing the construction of American-flag ships, though it was engaged in financing the construction of foreign-flag ships. Gulf Oil Co. in 1958 acquired a Canadian director, and the Maritime Administration thereupon notified the company that it had ceased to be a United States citizen corporation for purposes of the programs administered by the Maritime Administration. Standard Oil of New Jersey had no alien on its Board of Directors and was a United States citizen corporation. It wanted, however, to place an alien executive of one of its affiliated companies on its Board of Directors because he showed promise of being able to make a major contribution to the corporation as a director. This could not be done, since the company would have lost its status as a United States citizen corporation. The Life Insurance Association of America stated that a number of domestic insurance companies could not participate in financing the construction of American-flag ships because they had aliens on their Boards of Directors. In addition to their inability to participate in such financing, these companies did not want the reputation of being considered alien corporations.

Congress, therefore, in 1959 enacted Public Law 86–327 which amended these statutes to provide that except for purposes of title IV of the Merchant Marine Act, 1936, a corporation is a United States citizen corporation, so far as the composition of its Board of Directors is concerned, if no more members of the Board than the minority of a quorum are aliens. Thus, if the Board is composed of fifteen members and a quorum is eight, there can be three aliens on the Board. Clearly there can be no alien control of the Board under this limitation. Under section 2 of the Shipping Act, 1916, the majority of the stock must be owned by citizens, but the rest can be owned by aliens so long as this does not constitute a controlling interest.

The Maritime Administration recommended that the operating-differential subsidy program be excepted from the provisions of Public Law 86–327, but it gave no reason for the exemption and neither do the Committee reports. The probable reason is that at that time there was no practical problem under this program so far as alien directors were concerned. It was as a result of this recommendation that Public Law 86–327 provided that all directors of corporations must continue to be citizens of the United States for purposes of title VI of the Merchant Marine Act, 1936.

The Merchant Marine Act of 1970, however, amended title VI to authorize for the first time, the payment of operating-differential subsidy to bulk carriers. Many bulk carriers are owned and operated by industrial companies, such as oil companies, which have an alien director, and the Maritime Administration is once again in the position of having to tell these companies that they are alien corporations and therefore cannot participate in this program.

In addition, when Public Law 86–327 was enacted, the tax deferred fund provisions of title VI were avaliable only to operators who were paid operating-differential subsidy. The Merchant Marine Act of 1970 amended title VI to permit all American-flag United States citizen operators in foreign trade, in the fisheries, on the Great Lakes or in the non-contiguous domestic trade to create tax deferred funds (capital construction funds.) Though the legislative history of Public Law 86–327 indicates that its purpose in providing a more restrictive corporate citizenship definition for title VI purposes was only to affect operating-differential subsidy contractors, the literal language of the provision applies as well to the new capital construction program that is intended to aid operators, whether or not subsidized, in meeting the heavy capital requirements of ship construction.

Requiring all directors of a corporation to be United States citizens if the corporation is to be eligible for operating-differential subsidy or for a capital construction fund serves no useful purpose and interferes with the maritime program as well. The draft bill would delete this requirement, and the citizenship provision would then permit a minority of a quorum to be aliens, by reference to section 2 of the Shipping Act, 1916.

S. 3616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 905(c) of the Merchant Marine Act, 1936, (46 U.S.C. 1244(c)), is amended by striking out the words "and with respect to a corporation under title VI of this Act, all directors of the corporation are citizens of the United States" and the comma which immediately precedes those words.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3617. A bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, on behalf of Senator Cotton and myself, by request, I introduce a bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years. I ask unanimous consent that the text of the bill together with a letter from the Environmental Protection Agency be printed at this point in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3617

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection Research, and Sanctuaries Act is amended by striking "fiscal year 1974," and inserting in lieu thereof "fiscal years 1974, 1975, and 1976,".

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., May 24, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are the drafts of three proposed bills. They are identified as follows:

1. A bill "To extend the Solid Waste Disposal Act, as amended, for one year."

2. A bill "To extend provisions of the Federal Water Pollution Control Act, as amended, for two years.

3. A bill "To extend the Marine Protection, Research, and Sanctuaries Act for two years."

We recommend that these bills be referred to the appropriate Committees for consideration, and we recommend that they be enacted.

The enclosed draft bill to amend the Solid Waste Disposal Act would extend our authorities under section 216(a)(2) of the Act for one more year at the funding level authorized for the last fiscal year. We are not requesting an extension of authority under section 216(a)(3).

We have suggested this extension to cover the interim period preceding enactment of the Hazardous Waste Management Act now before the Congress.

The enclosed draft bill to amend the Federal Water Pollution Control Act, as amended, would extend our authorities for two years at the funding levels authorized for the last fiscal year. It would amend section 104(u)(1)(2)(4)(5)(6), section 105(h), section 106(a)(2), and section 112(c).

We have suggested these extensions to enable us to continue the programs envisioned by the Act.

The enclosed draft bill to amend the Marine Protection, Research, and Sanctuaries Act would extend our authorities for two years at the funding level authorized for the last fiscal year. It would amend section 111 of the Act.

We have suggested this extension to enable us to continue our ocean dumping programs.

The Office of Management and Budget has advised that these legislative proposals are consistent with the program of the President.

Sincerely,

RUSSELL E. TRAIN.

By Mr. CURTIS:

S.J. Res. 213. A joint resolution authorizing the establishment of the Construction Industry Task Force to expedite the construction of energy producing facilities. Referred to the Committee on Government Operations.

Mr. CURTIS. Mr. President, I am presenting today a joint resolution to authorize the establishment of the Construction Industry Task Force for the purpose of expediting the construction of energy-producing facilities.

I think it is time to make sure all the machinery we have set up legislatively and administratively functions efficiently to meet our national energy needs—our goal of independence by 1980. We in the Senate have debated a large amount of energy legislation within a relatively short period of time. We are quite familiar with the consequences of an energy shortage.

But our action with regard to energy legislation leaves me critical of our efforts. I deplore the many instances of lack of coordinated solutions to our energy problem.

Energy legislation is vital, but its purpose may be negated if we fail to provide a means of cooperative effort towards constructing new energy-producing facilities. This cooperative effort must be established between utilities, manufacturers, contractors, environmentalists—in short, between institutions highly involved in energy research and production.

This joint resolution provides an effective, material means of establishing the necessary cooperative effort between these institutions.

The Construction Industry Task Force established by this resolution will be composed of members from associations representing general, electrical, and mechanical contractors, from associations representing construction equipment manufacturers and material suppliers, from energy, transportation and utility industries, from unions representing the various contracting specialties, and from environmentalists and other groups having an interest in its operations.

The primary aim of the task force will be to expedite the construction of energy-producing facilities. This task is an enormous one, and it can be neglected no longer.

The construction of energy-producing facilities is now being delayed by the myopia, or in pleasant terms, the lack of interaction of the concerned interests I mentioned.

A nuclear energy plant may be nearly completed when someone discovers that it does not meet even the minimum safety standards for a certain area; a fossil fuel plant may be delayed by an environmental lawsuit based on misunderstanding rather than actual environmental hazards.

We can all think of instances in which this sort of uncoordinated activity—accompanied by a lot of floundering—has resulted in accusations against contractors for noncompliance with environmental regulations, or against environmentalists for blocking essential energy construction projects. We can no longer afford this kind of bickering and distrust.

This task force will supervise the construction of energy-producing facilities to insure their completion and their ultimate acceptability to all those concerned with their operation. I think that the two means of energy production with which the task force will primarily deal are nuclear power and fossil fuel plant development.

Nuclear power presently supplies only 5 percent of our country's energy; within 10 years it will supply at least 30 percent.

If nuclear power is encouraged to develop to its full potential, 45 percent of our energy might be supplied by nuclear power in 10 years.

Such a development might eventually insure the U.S. energy self-sufficiency.

Nuclear power production is not yet endangered by depletion of uranium reserves. The Atomic Energy Commission advises me that within this country, 42 nuclear powerplants are licensed to operate. Fifty-six are being built, and another 101 are ordered.

The Construction Industry Task Force must encourage the expansion and the construction of nuclear powerplants while insuring that these facilities are both safe and nonpolluting.

Coal cannot be abandoned as an energy source. I would like to quote from the December 1972 summary report of the National Petroleum Council:

> Coal is abundant. The U.S. Geological Survey estimates the nation's coal resources at 3.2 trillion tons. Of this total about 150 billion tons of recoverable coal are presently known to be located in formations of comparable thickness and depth to those being mined by present technology. Maximum projected production in the next 15 years would use less than 10 percent of the 150 billion tons. This modest utilization of total coal reserves includes the output of coal for making synthetic fuels.

If this is the case, then we should naturally rely on coal-produced energy as a primary factor in our attainment of energy self-sufficiency. But environmental problems exist here: the majority of coal reserves must be desulfurized if they are to be converted into energy without the byproduct of air pollution. The construction of powerplants that utilize coal in an environmentally safe manner is a further area in need of the task force's attention.

I am sure that the task force, once formed, will recognize the ubiquity of construction hindrances. I must sympathetically throw the greatest immediate problem in any energy-producing facility's construction to the task force.

I have thus far presupposed the availability of the necessary capital for powerplant construction, fuel reserves, and construction manpower. But the very construction materials are lacking.

Steel and all forms of construction alloys are in short supply, a fact which is enough to severely deter the purpose of the Construction Industry Task Force.

S. 3267, the Standby Energy Emergency Authorities Act, contains provisions authorizing allocation of material and equipment supplies to the construction of energy-producing facilities. This construction could thus be given priority allocations of materials. In that case, the problem would be lessened, but such construction would still be limited. A Construction Industry Task Force investigation of this matter could provide a much-demanded realistic means of coping with this limitation.

I challenge the task force to provide, in some measure, feasible, eminently workable solutions to several of the questions we now face in the construction of energy-producing facilities.

Mr. President, I ask unanimous consent that the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 213

Whereas, our national goal is to make the United States self-sufficient in energy requirements by 1980, and the solution of electrical requirements depends upon the operating capacity of all energy-producing facilities; and

Whereas, a massive construction effort is needed to speed completion of nuclear powerplants currently under construction as well as those announced or planned, and all other proposed energy-producing facilities, including both fossil fuel and hydroelectric power plants; and

Whereas, it is desirable for this massive construction effort to be undertaken as efficiently as possible with the right mix of labor, materials, equipment and techniques of construction; and

Whereas, to this point, there has been little or no effort made to communicate with, or benefit from the experience of contractors, subcontractors, unions, environmentalists, manufacturers, and utilities, with a view toward eliminating or minimizing problems; and

Whereas, speed is of the essence in channeling the efforts of these various groups, all of whom are actively involved in some way with the construction of energy-producing facilities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall establish a special task force to be known as the Construction Industry Task Force (hereinafter in this joint resolution referred to as the "Task Force"). The membership of the Task Force shall be composed of not more than twenty members appointed by the President from associations representing general, electrical, and mechanical contractors, from associations, representing construction equipment manufacturers and material suppliers, from energy, transportation, and utiltiy industries, from unions representing the various contracting specialties, and from environmentalists and other interested groups having a legitimate interest.

Sec. 2. (a) Within the thirty-day period following the date on which a majority of the members of the Task Force are appointed, the President shall call the first meeting of the Task Force.

(b) The members of the Task Force shall elect therefrom one member to serve as chairman and one member to serve as vice chairman. Any vacancy in the Task Force shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

Sec. 3. (a) The Task Force shall have the power to appoint and fix the compensation of an Executive Director, and such additional staff personnel as it deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $125 a day for individuals.

(b) Members of the Task Force shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Task Force.

(c) Each department, agency, and instrumentality of the executive branch of the government, including independent agencies, is authorized to furnish to the Task Force, upon request made by the Chairman, such data, reports, and other information as the Task Force deems necessary to carry out its functions under this Act.

Sec. 4. It shall be the purpose of the Task Force to help expedite the construction of energy producing facilities. In carrying out such purpose, the Task Force shall deal with specific construction problems presented to it by representatives of such associations, industries, unions, environmentalists and other groups referred to in the first section of this joint resolution by reviewing information from the planners concerned, defining the scope of the problem as it relates to the construction industry engaged in the construction of energy producing facilities, and communicating national energy requirements to local energy sources. It shall further be the function of the Task Force to make recommendations to interested parties aimed at minimizing the amount of construction time needed for the establishment of energy producing facilities without disrupting the resources of the construction industry.

Sec. 5. The Task Force shall, from time to time, submit such interim reports to the President and the Congress as the Task Force determines necessary to keep the President and the Congress apprised of the Task Force's activities under this joint resolution. On or before the expiration of the forty-eight month period following the date of the enactment of this joint resolution, the Task Force shall submit its final report to the President and the Congress concerning the activities of the Task Force under this joint resolution and its views and recommendations with respect thereto. Upon the expiration of the sixty-day period following the submission of its final report, the Task Force shall cease to exist.

Sec. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2022

At the request, of Mr. Tunney, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 2022, a bill to provide increased employment opportunity by Executive Agencies of the United States for persons unable to work standard working hours, and for other purposes.

S. 2581

At the request of Mr. Randolph, the Senator from Colorado (Mr. Dominick) was added as a cosponsor of S. 2581, a bill to amend the Randolph-Sheppard Act.

S. 3096

At the request of Mr. Cranston, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 3096, a bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage.

S. 3357

At the request of Mr. Burdick, the Senator from Nevada (Mr. Cannon), and the Senator from California (Mr. Tunney) were added as cosponsors of S. 3357, a bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, and for other purposes.

S. 3516

At the request of Mr. Brock, the Senator from North Carolina (Mr. Helms), the Senator from North Dakota (Mr. Young), the Senator from New Hampshire (Mr. McIntyre), the Senator from Kansas (Mr. Dole), the Senator from New York (Mr. Javits), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of S. 3516, a bill to provide for the issuance of special series of postage stamps, in conjunction with the Bicentennial celebration of the United States, depicting the flags of each of the 50 States, Guam, the District of Columbia, Puerto Rico, and the Virgin Islands.

S. 3517

At the request of Mr. Brock, the Senator from North Carolina (Mr. Helms), the Senator from North Dakota (Mr. Young), the Senator from New Hampshire (Mr. McIntyre), the Senator from Kansas (Mr. Dole), the Senator from New York (Mr. Javits), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of S. 3517, a bill to provide for the issuance of special series of postage stamps for the Bicentennial celebration depicting a historical event or individual from each of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

S. 3606

At the request of Mr. McGovern, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 3606, a bill to establish a loan insurance program for producers of livestock.

EXEMPTION FROM DUTY EQUIPMENT REPAIRS FOR CERTAIN VESSELS—AMENDMENT

AMENDMENT NO. 1424

(Ordered to be printed and to lie on the table.)

Mr. MOSS (for himself and Mr. Cranston) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

AMENDMENT NO. 1427

(Ordered to be printed and to lie on the table.)

AMENDMENT TO CLOSE THE LOOPHOLE FOR SYNDICATED TAX SHELTERS

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 8217, the vessel repair tariff bill, and I ask that it may lay on the table and be printed.

The purpose of the amendment is to deal with the massive tax avoidance problem that now exists through syndicated tax shelters, by which weathly investors use limited partnerships to reap enormous tax benefits, far in excess of their own personal stake in the partnership. It is through this technique that large numbers of tax shelters are now packaged and sold around the country as a tax avoidance device.

In effect, the amendment would apply to limited partnerships the tax rule now applicable to subchapter S corporations under the Internal Revenue Code. Thus, the deductions available to a limited partner could be no greater than his own investment in the partnership. According to the best available estimate, the amendment would produce a revenue gain of about $1 billion in its first full year of operation.

The tax-avoidance problem and the proposed amendment are described in detail in the testimony I delivered this morning to the committee on Finance as part of the committee's current hearings on the tax laws.

Mr. President, I ask unanimous consent that the text of the amendment may be printed at this point in the RECORD. I also ask unanimous consent that my testimony today on tax reform before the Committee on Finance may be printed in the RECORD.

There being no objection, the amendment and testimony were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1427

At the end of the bill insert the following:

SEC. . (a) Section 752 of the Internal Revenue Code of 1954 (relating to treatment of certain liabilities) is amended by adding at the end thereof the following new subsection:

"(e) Certain Liabilities of Limited Partnerships.—For purposes of this section, a limited partner shall be treated as sharing a partnership liability only to the extent that he has individual liability with respect to such partnership liability."

(b) The amendment made by subsection (a) shall apply with respect to partnership liabiilties incurred on or after June 10, 1974.

TAX REFORM

(Testimony of Senator EDWARD M. KENNEDY, hearing before Committee on Finance, U.S. Senate, June 10, 1974)

I am pleased to join in these hearings this morning as a timely symbol and demonstration of the commitment of many of us in the Senate to tax reform.

We have a crisis over taxation today, since countless ordinary men and women now realize that their taxes are too large because others pay too little.

Year after year, Congress after Congress, we have allowed the loopholes and special benefits in the tax laws to accumulate, virtually without end. As a result, we allow tens of billions of dollars of income and profits to escape taxation every year. Those "loophole losses" have to be made up somehow, and we know the way they are made up—by higher taxes for every ordinary citizen.

In fact, the Internal Revenue Code is America's biggest welfare bill of all. But it is the sort of welfare that only Alice in Wonderland can understand, because the greatest benefits of tax welfare go entirely to the richest individuals and the nation's largest corporations.

Only those of substantial means are able to play the loopholes well. Middle and lower income Americans simply cannot afford the substantial sums that are necessary to take advantages of the tax level of income for effective use of tax shelters is in the neighborhood of $50,000 a year, far beyond the reach of any ordinary citizen.

To paraphrase a famous aphorism, our tax laws in their majestic equality allow the poor as well as the rich to invest in State and local bonds, to reap long-term capital gains, to drill for oil, to enjoy the fantastic benefits of owning real estate, and to hire lawyers and accountants skilled at the latest techniques of tax shelters and tax avoidance.

Wherever we look, we find the tax base being eroded by unjustified deductions and exemptions, by windfall subsidies, by questionable incentives for various industries, by benefits that have long since outlived whatever justification they had when first enacted, and even by loopholes quietly written into law for the benefit of particular individuals or corporations—"tax fingerprints" that dot the Revenue Code in silent tribute to the political muscle of the wealthy and the powerful in the nation.

And meanwhile, the taxes paid by ordinary citizens are always on the rise.

The time has come to end all that. The time has come for Congress to take the lead. We can act this session. There is still enough time to guarantee that one of the major landmarks of the 93rd Congress is legislation on comprehenive tax reform.

I see a three-part strategy.

IMMEDIATE TAX RELIEF

First, we need immediate tax relief for every citizen. Congress should act now to provide an across-the-board anti-recession tax cut for every citizen. Through such tax relief, we can provide an urgently needed shot-in-the-arm to prevent the economy from sinking deeper into the current recession, and to prevent unemployment from soaring higher.

Such tax relief would also provide a welcome and well-deserved respite from the continuing inflation and high interest rates now impose on every citizen.

Now about to come before the Senate is a proposal that I have joined in introducing with Senator Long and Senator Mondale, to provide $6.5 billon in anti-recession tax relief. The proposal contains three principal provisions:

It will raise the personal exemption for individuals under the Federal income tax laws from its current level of $750 to a new level of $825.

It will provide an optional tax credit of $190 in lieu of the exemption.

It will refund a portion of the Social Security payroll taxes paid by low-income workers with children, through a refundable tax credit—Senator Long's "work bonus"—equal to 10% of wages up to $4,000 in income. For incomes over $4,000, the credit is phased out at the rate of 25c per dollar, so that the credit disappears when income reaches $5,600. Because the credit is refundable, it will be paid as an income tax refund, even if the recipient has no income tax liability.

This tax relief proposal is now awaiting action by the full Senate on either the Vessel Repair Tariff Act or the Debt Ceiling Act.

My hope is that Congress will act quickly to adopt it. The health of the American economy for the remainder of 1974 and on into 1975 may well hang on the outcome of our action.

DOWNPAYMENT ON TAX REFORM

Second, both as a downpayment on comprehensive tax reform this year and as an offset to the revenue loss from tax relief, we need to enact some basic tax reforms on the tariff bill or the Debt Ceiling Act. With Senator Bayh and five other Senators, I have joined in proposing. four reforms which we think are capable of immediate enactment. I am attaching a detailed explanation to each of these reforms. Briefly, they would accomplish the following:

Repeal the oil depletion allowance, effective January 1, 1974 ($2.0 billion revenue gain in first year; $2.6 billion in third year; $3.3 billion in fifth year).

Repeal the Asset Depreciation Range (ADR) system of accelerated depreciation, effective for plant and equipment placed in service as of May 8, the date our amendment was proposed ($250 million revenue gain in first year; $1.5 billion in third year; $2.0 billion in fifth year).

Repeal the Domestic International Sales Corporation (DISC) system of tax incentives for exports, effective January 1, 1974 ($815 million revenue gain).

Strengthen the minimum tax by reducing the current exclusion from $30,000 to $10,000, and by eliminating the current deduction for taxes paid, effective January 1, 1974. This provision was passed 47–32 by the Senate on January 24, 1974 ($860 million revenue gain).

These four proposed reforms will generate new revenues totaling $4 billion in 1974, and $7 billion by 1978.

Again and again in recent years, the Senate has considered and debated and voted on these proposals. The time for final action has come. The people of America are fed up with rising taxes for themselves, soaring profits out of oil, and gaping loopholes for many others among the favored few. It is time for Congress to begin to redeem its pledge of equal tax justice for every citizen under the Internal Revenue Code. The place to start is here, with the four most flagrant loopholes in the law—oil depletion, ADR, DISC, and the minimum tax.

COMPREHENSIVE TAX REFORM

Third, we must work for final action in this Congress on comprehensive tax reform. The vehicle is in sight—the pending measure now being considered in the Ways and Means Committee in the House. Clearly, the goal of enacting such reform before adjournment is within our reach, and I urge both this committee and the Ways and Means Committee to give it the high priority it deserves.

My own view is that Congress ought to be able to enact loophole-closing tax reforms amounting to net revenue savings of at least $10 billion a year.

The list of areas that need reform is long, but there is growing agreement on what some of the major elements should be. In addition to the four immediate reforms I have already proposed, the highlights of my own agenda go as follows:

PACKAGED TAX SHELTERS

First, and most important, is a reform which, like the minimum tax, cuts across many specific areas and which will eliminate some of the worst abuses of the tax laws. We must call a holt to the increasing proliferation of tax shelter transactions now being packaged and marketed around the country on a massive assembly-line basis for the benefit of wealthy individuals anxious to keep their taxes low.

These packaged tax shelters have now become one of the most notorious abuses in our tax history, a flagrant vehicle by which high bracket taxpayers eliminate their taxes altogether or reduce them to levels that are unacceptably low. At present, such transactions are costing the American taxpayer over $1 billion a year, and the revenue loss is obviously escalating as the techniques become more familiar and more widely used. If Congress is serious about tax reform, immediate action is required.

Tax shelter transactions now run through our entire economy. The ingenuity of wealthy tax avoiders and their advisers knows no bounds. What I might call the Victorian generation of tax shelters are those widely used in real estate, and oil and gas—the two types of shelters still most widely used today.

More recently, newer generations of shelters have sprung up in areas like cattle farming, orange and apple orchards, movie production, and in jet airplanes and railroad cars and river barges and oil tankers—even including tankers that by virtue of their size cannot dock in U.S. ports.

There are also shelters in more exotic areas, such as rose and azalea bushes, pistachio nuts, thoroughbred racing stables, or masterpiece-in-the-home clubs for famous works of art, and even in chinchilla farms and cattle sperm banks and pornographic films.

Whatever the arguments for federal tax subsidies for building homes or drilling for oil or raising cattle, it can hardly be contented that investments in pornography, chinchillas, azalea bushes, and exotic fruits and nuts constitute a national priority worthy of encouragement by our tax laws.

And even in those areas like real estate and oil exploration and cattle ranching, where some form of tax subsidy may be an appropriate national priority, I have grave doubts about the propriety of allowing the tax laws to be distorted in a way that serves a purely tax-avoidance purpose of a handful of wealthy citizens.

Vast amounts of funds are flowing into these activities today—not because the nation wants them; not because Congress or State or local governments want them, but because the richest percentile of the nation wants them for their tax avoidance value.

The sudden proliferation of these and other tax shelters in recent years is indicated by the rising workload of the S.E.C. In February 1972, for the first time in its history, the S.E.C. was obliged to create a specialized branch, to handle public offerings of tax shelter transactions. In July 1973, a second special branch was added in the S.E.C. Today there are three S.E.C. branches working essentially full time on tax shelters: one branch on oil and gas, a second branch on condominiums and cattle and agriculture, and a third branch on real estate and other shelters.

But the S.E.C. sees only the tip of the iceberg, the roof of the shelter. It deals only with shelters whose registration is required under the securities laws—in effect, those involving public offerings sold across state lines.

A more accurate measure of the proliferation of tax shelters can be found in the figures of the National Association of Securities Dealers. These figures cover tax shelters sold by members of the Association, whether the shelters are interstate or intrastate transactions.

As the accompanying table indicates, the number of offerings of tax shelters nearly quadrupled between 1970 and 1972, and the dollar value of the offerings more than tripled, reaching the astonishing level of $3.2 billion in 1972. Although the figures for 1973 have been cut in half, the reduction is obviously caused by the nosedive of the national economy in general and the plunging stock market in particular. No one doubts that the tax shelter entrepreneurs are waiting in the wings, their vast wares ready for the first hint that the economy is coming back to health.

TAX SHELTERS OFFERED BY NASD BROKER DEALERS 1970-73—NUMBER OF FILINGS AND GROSS DOLLAR AMOUNT OF FILINGS[1]

	1970		1971		1972		1973	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Oil and gas	62	$664, 337, 000	155	$740, 094, 000	226	$1, 027, 500, 000	120	$514, 000, 000
Real estate	54	256, 485, 000	139	523, 534, 000	243	1, 910, 000, 000	74	467, 564, 000
Vintage and farming	3	10, 742, 000	7	30, 266, 000	21	43, 284, 000	5	13, 950, 000
Cattle farming and breeding	13	26, 764, 00	22	244, 636, 000	30	192, 012, 000	22	181, 167, 000
Miscellaneous	13	26, 336, 000	11	29, 915, 000	19	55, 256, 000	14	143, 815, 000
Total	145	984, 664, 000	334	1, 568, 405, 000	539	3, 228, 667, 000	235	1, 320, 340, 000

[1] Items may not add to totals because of rounding.

Even the NASD figure, however, fail to tell the whole story. The Association estimates that its figures cover only about one-tenth of the dollar volume of all the tax shelters offered and an even smaller fraction of the number of shelters offered, since the vast majority are sold through private placement and not through securities dealers. The best estimate therefore, is that in 1972, upward of $30 billion in tax shelters were packaged and sold around the country.

Enormous waste is involved in the nationwide syndication of these tax shelters that is taking place today.

A significant portion of the benefits are siphoned off in fees for the promoters, underwriters, lawyers, and accountants whose business is the sale of these federal tax advantages.

These transactions also constitute artificial and unfair competition for legitimate business operations. They encourage high risk and extremely speculative adventures that will not stand up to serious economic analysis. They spawn bad business practices that plague the legitimate farmer, the professional oilman, and the ordinary real estate developer. Investors in tax shelters don't need to make an economic profit on their shelters. They don't have to meet a payroll or feed a child or clothe a family or make a monthly mortgage payment out of the income from their operations. The only thing these wealthy investors want is the large deductions and other tax advantages that the shelters can produce for high bracket lawyers, physicians, investment bankers, corporate executives, and the like.

The principles of a tax shelter are fairly simple. There are a handful of basic elements that may exist alone or in overlapping combinations:

Deferral of current tax, which allows income to be realized in a year chosen by the taxpayers;

Leverage, which allows borrowed funds to be used to create tax benefits far in excess of the taxpayer's own personal stake in the property;

The shelter itself, which allows deductions from one activity to offset income from another; and

The capital gain available on disposition of the property, even though the shelter has provided deductions against ordinary income in the past.

Different tax shelters use these elements in different ways. It may be appropriate as Congress studies the problem more intently to establish rules to deal with each transaction.

It is also possible, however, to fashion an overall approach. The Administration, for example, has proposed a "Limitation on Artifical Accounting Losses," the so-called LAAL method, which would deal with shelters through their deferral aspects, by matching deductions with the income generated by the shelter project. The LAAL approach, however, is extremely complicated, and would impose heavy burdens of accounting and record-keeping on such operations. Many tax experts who have studied LAAL believe that it may well be unworkable in practice.

There is, however, one very simple approach that Congress could now take. It would deal with shelters through the leverage aspect. It would effectively end the syndication and mass marketing of such shelters, thereby eliminating most of the worst abuses.

The essence of the reform is to limit the tax advantages of a shelter to an investor's own personal stake in the project, the actual amount of his own investment. This purpose would be accomplished by requiring that limited partnerships, the most widespread form of syndicated tax shelters, must be taxed in accord with the pass-through rules now applicable to Subchapter S corporations. I am today introducing an amendment to H.R. 8217, the tariff bill now on the Senate calendar, to carry out this reform.

Under Subchapter S in present law, certain corporations are entitled to be taxed as partnerships in some respects. For present purposes, the central point is that shareholders are entitled to deductions generated by the corporation only to the extent of their actual stock investment in the corporation. The amendment I propose would apply this same principle to limited partnerships.

The effect of this amendment, as applied to a real estate transaction or other leveraged shelter, would be as follows: (1) Assume that ten wealthy individuals put up $100,000 each for a limited partnership—limited in the sense that their liability is limited to their $1 million investment, so that the partners themselves are not individually liable for the debts, work claims, negligence or other tort obligations, or other charges against the partnership;

(2) Assume also that the partnership borrows $9,000,000 to develop a luxury apartment complex, thereby producing a total capitalization of $10 million for the partnership.

(3) Assume further that the project generates $2.1 million in accelerated depreciation interest, operating expenses, and other deductions in the first year.

On these facts, under present law, each individual partner would receive a deduction of $210,000, based on his share of the $2.1 million deduction generated by the full $10 million in operating funds available to the partnership. Thus, a $210,000 deduction would be available to each partner, even though his own individual liability on the project is limited to his actual $100,000 investment.

The proposed amendment, by contrast, would allow each partner a deduction of only $100,000. The remaining $110,000 of his $210,000 share of the partnership deduction would go into his "suspense" account, to be available only as an offset against future income from the project; it would not be available as a current deduction from his other income.

By itself, this amendment should succeed in ending the insidious practice of syndicated tax shelters, without any substantial effect on legitimate business operations. It is extremely unlikely that the busy doctors, lawyers, corporate presidents, and others who enjoy the benefits of such shelters will want to be involved in the active operations of the businesses in which they have invested, even to the extent of becoming personally liable for the transactions of the shelters They only want their passive investments and handsome tax deductions, not the headaches and liabilities of the actual operations.

The more we learn about these syndicated tax shelter transactions, the more concerned we are. The practice is destroying the integrity of our tax laws. In no other area is the revenue code so dangerously eroded or the vitality of our self-assessment tax system so seriously threatened. Indeed, some tax experts have already predicted that such tax shelters will become the Achilles heel of the Federal income tax if Congress does not bring them under control.

So far, we have been too slow in awakening to the abuses that have sprung up in these dark but heavily sheltered recesses of the Revenue Code. Now is the time for Congress to tackle the issue, and end the unfair tactics being used to subvert the tax laws and distort the American economy.

TAX CREDITS VERSUS TAX DEDUCTIONS

The second major area of comprehensive tax reform I favor is also one that cuts across many other areas—the need to overhaul the relationship between tax credits and tax deductions. In the past, as part of overall tax reform, I have urged Congress to allow credits instead of deductions in a number of major areas, including the personal exemption, the homeowner's mortgage interest deduction, the deduction for medical expenses, and the deductions for State and local income and property taxes.

Our tax laws are clearly out of joint today, and nowhere is the disparity clearer than in the case of some of the most popular tax deductions:

It make no sense to me that, because of the rate structure of our revenue laws, the $750 personal exemption means a child in a wealthy family is worth a tax savings of $525 to his parents, while a ghetto child is worth a saving of only $105.

It makes no sense to me that the tax law saves the wealthy family 70 cents on every dollar in mortgage interest payments on its Scarsdale home, but only 14 cents on the dollar for the family home in Harlem.

It makes no sense to me that, through the tax laws, the United States Treasury pays 70% of the cost of a wealthy citizen's visit to his Beverly Hills physician, but only 14% of the medical bills for the family in East Los Angeles.

By allowing the use of credits instead of deductions in these and other areas of the tax laws, either on an optional or mandatory basis, we can make the income tax system far more progressive, and provide a substantial new measure of equity for millions of our taxpayers.

TAX SIMPLIFICATION

The third broad area in the drive for tax reform is the subject of tax simplication. Above and beyond the effort to close unjustified loopholes, we must also reduce the needless complexity and paperwork that now plague the ordinary taxpayer. Too often, tax reform bills become a type of public service employment for lawyers and accountants and well-meaning reforms become lost in the fog of contortions and complexities in the Code, beyond the comprehension of the average citizen.

OTHER SPECIFIC REFORMS

In addition, I also favor a number of reforms in specific areas of the tax laws. In an appendix to this statement, I have provided a more detailed summary of some of these proposals. In brief, they are as follows:

Capital gains. In the area of capital gains, I would propose four changes:

(1) increase the inclusion percentage from 50% to 60%.

(2) repeal the 25% alternative rate for the first $50,000 of capital gains;

(3) Increase the holding period for capital gains from six months to one year; and

(4) tax the accrued gain on transfers at death or by gift.

At the present time, capital gains represent one of the most significant preferences in the tax laws, yet they are available almost exclusively to the nation's richest individuals. According to recent statistics, the top three percent of taxpayers enjoy 55 percent of all capital gains, and the top one-tenth of one percent of all taxpayers enjoy 30% of all capital gains. The enormous tax advantages that now apply to capital gains are thus the special province of an extremely wealthy elite among the nation's taxpayers.

I do not support efforts to close the gap altogether between the tax on ordinary income and the tax on capital gains, but we must go part way. The changes I propose in capital gains would not substantially impair the flow of capital in the nation. A major tax preference would still exist for capital gains in the Revenue Code. And by ending the gains at death, Congress would actually free up billions of future dollars for investment, dollars that would otherwise be frozen because of the tax advantage that now occurs when property is held until death.

At the same time, I believe that Congress should resist proposals now being circulated to relax even further the current low rate of tax on capital gains, depending on the length of time a capital asset is held. Such a change would seriously increase the existing "lock-in" effect of the capital gains tax, since it would encourage investors to hold assets for longer periods of time in order to obtain the progressively more favorable tax rates that would become available. To me, the answer to the problem of the sagging stock market is a sound economy, not a further dose of special tax preferences for the wealthy few who have the wherewithal to enjoy capital gains.

Oil. In the area of oil, in addition to the repeal of percentage depletion for both foreign and domestic production described above, Congress should take two other steps to deal with the excessive tax advantages now available for foreign oil operations:

First, we should repeal the deduction currently allowed for intangible drilling costs on foreign wells. In virtually every other industry, taxpayers are required to recover these expenses through annual depreciation over the lifetime of the asset; only in the case of oil is an immediate deduction allowed for the full amount of this intangible expense, such as labor, equipment rentals, fuel and similar costs, which make up about 75% of the investment in a well.

Second, we should repeal the foreign tax credit for oil operations, and thereby end the current travesty of our tax laws, which allows foreign royalties to be treated as foreign taxes for the purpose of the credit. Under this reform, the expenses will be taken as a tax deduction, as they should; they will no longer be available as a credit against U.S. taxes.

These oil reforms are especially appropriate in these times of focus on America's energy independence. For too long our tax laws have subsidized exploration and drilling and development overseas for oil. It is time to close this loophole and bring our far flung oil corporations back to American soil.

State and local bonds. In the area of state and local bonds, we should provide an optional federal subsidy for taxable bonds issued by state and local governments, equal to 50% of the interest on the bonds.

Interest. On the interest deduction, we should do four things. (1) We should strengthen the present limitation on the deduction of investment interest by eliminating the $25,000 exemption, which serves to exempt, at present interest rates, the interest on as much as $300,000 of debt. (2) We should apply the limitation to corporations. (3) We should require net investment income to be computed on the same basis as taxable income; that is, by using accelerated depreciation, percentage depletion and other similar preferences. (4) And, the current deductions for interest on property should be limited to the taxpayer's principal residence, and should not be available for interest paid on vacation homes and similar property.

Personal deductions. On personal deductions, we should require the allocation of personal itemized deductions between taxable and tax exempt income. Obviously, an individual makes these expenditures out of both types of income, and the tax benefit of the deduction should be limited to the proportion of his total income that is taxed.

Investment credit. On the investment credit, a number of changes are desirable. The credit should be allowed only for increased investment over an average base-period level. In addition, the amount of the credit should be included in the income of the taxpayer; the credit should be limited to the actual user of the property for which the credit is granted; and the credit should be made refundable, so that a positive tax refund can be given to a taxpayer who has no other tax liability.

Other foreign income. Finally, in the area of other foreign income, we should repeal the $25,000 exemption for income earned abroad. We should repeal the Western Hemisphere Trade Corporation provisions. We should repeal the provision that allows double-counting of the foreign tax credit in the case of U.S. subsidiaries. And, we should repeal the tax deferral provisions by which the United States encourages multinational corporations to build plants in foreign lands, in order to enjoy the benefits of such "tax havens".

In closing, let me repeat my hope that in the coming weeks, Congress will make its intention clear to give tax reform the same high priority already reserved for other basic issues. Only in this way can we bring real tax justice to every citizen, and end the unjust reign of King Loophole in our revenue laws.

Whatever the final outcome of the debate over President Nixon's tax returns, the most important lesson of the disclosure of the President's tax data is that tax reform must move back to center stage as an issue for Congress and the American people.

The picture that emerges from the voluminous recent disclosures of the Joint Committee on Internal Revenue Taxation is not a pretty one, because it demonstrates the extraordinary ease with which wealthy individuals maneuver their financial affairs to avoid their fair share of taxes and take advantage of our loophole-ridden revenue laws.

Just as Watergate helped to generate important new legislative momentum in Congress for comprehensive reform of the nation's election laws, including the landmark bill for public financing of elections that passed the Senate earlier this year, so the President's tax disclosure should generate a similar momentum in Congress for comprehensive reform of the nation's tax laws.

Tax reform belongs at the top of our agenda for 1974. The country needed a spark to ignite the fire of tax reform, and the President's disclosures have provided it. It is up to us in Congress to meet the challenge, to meet our obligation as representatives of every ordinary taxpayer. And if we succeed, then in years to come, the 93rd Congress will be remembered as the Congress that at least brought tax justice to America.

DETAILED EXPLANATION OF CERTAIN TAX REFORM PROPOSALS

STATE AND LOCAL BONDS

Proposal: Provide a federal subsidy for taxable bonds issued by state and local governments, equal to 50% of the interest on the bonds.

Problem: Interest on bonds issued by state and local governments is currently exempt from the Federal income tax. This exemption creates an obvious tax inequity and is a favorite loophole of wealthy individuals and corporations.

In addition, it has been demonstrated that the exemption is a highly inefficient means of providing federal financial aid to state and local governments. The federal revenue loss under the exemption is currently estimated at $2.8 billion per year, but this federal expenditure results in only a $1.8 billion interest saving to state and local governments. The other $1 billion ends up as a kind of "commission" in the hands of high bracket individuals and corporate investors in the bonds.

For example, assume that a 70% bracket individual invests $—— in a taxable bond at an interest rate of 9%. The individual would pay a tax of $6.30, leaving a net gain of $2.70. Instead, if this 70% bracket taxpayer invested in a tax-exempt bond paying 6% interest, he would have a net gain of $3.30 (the difference between the $2.70 after-tax yield on the taxable bonds and the $6.00 tax exempt interest). The state and local government has saved $3.00, the difference between $9.00 and $6.00, but the Federal Government has lost, in revenue, $3.30. In other words, the Treasury has paid the 70% bracket individual $3.30, so that a state or city could save $3.00.

Reasons for proposal: The proposal will eliminate the wastage in the present system of providing federal financial aid to state and local governments. The state and local governments, at their option, can issue taxable bonds and the Treasury will provide an automatic 50% subsidy for the interest payable on such bonds. Thus, if a local government issues a taxable bond bearing 10% interest, the federal government will pay 5% of the interest. Since most bond investors are high bracket taxpayers, the Treasury will not suffer any revenue loss, because it will be collecting taxes on the interest received by the investors. As a result, the "commissions" currently paid to high bracket taxpayers will be eliminated, and all of the Federal expenditure will go to intended beneficiaries, state and local governments.

This proposal has now been approved by the National League of Cities, the National Governors Conference, the National Association of Counties, the Municipal Finance Officers Association, and the U.S. Conference of Mayors.

CAPITAL GAINS

Proposals

1. Increase the inclusion percentage from 50% to 60%.
2. Repeal 25% rate for first $50,000 of capital gain.
3. Increase the holding period from six months to one year.
4. Tax accrued gain on transfers at death or by gift.

Problems: Present tax rules provide several important benefits for income that is denominated as "capital gain" income.

First, the tax on the accrued gain each year is deferred, and is not required to be paid until the taxpayer disposes of the property by a taxable sale or exchange. If the individual dies, present tax rules completely exempt the gain from tax.

Second, even when gains are realized, only one-half of those gains are subject to tax. At the present time, these tax benefits represent $9 billion in Federal subsidies each year. One half of the $9 billion in tax benefits goes to only 200,000 of the 80 million taxpayers, or less than three-tenths of one percent of the taxpayers in the country. In effect, this constitutes a Federal subsidy of $22,500 per year per family to the richest families in the country.

Third, the failure to tax gains at death permits wealthy individuals to pass on to their heirs the entire appreciation in value of their assets, free of income tax. By contrast, a wage earner who has his funds in a savings account, can pass on his estate to his heirs only after having paid income taxes in full on the amount that the heirs receive.

Fourth, even assuming that a favorable tax rate should be given to capital gains, the holding period to qualify for capital gains should be lengthened in order to distinguish speculation from true investment. Under the present six-month holding period one who invests in stock can turn over his "inventory" twice a year at capital gains rates. By contrast, the furniture dealer who turns over his inventory twice a year must pay tax at the full rates applicable to ordinary income.

Recommended solutions

1. The 50% exclusion accorded capital gains should be reduced to 40%, i.e., 60% of the gains would be subject to tax. This would mean that the tax rate paid on capital gains by 70% bracket taxpayers would be increased from the present 35% to 42%. This increase may be compared to that of 1969 when the tax rate on capital gains was increased from 25% to 35%. No deterrent to investment has resulted from the increase in capital gains rates in 1969.
2. The holding period would be lengthened to one year to insure that the favorable capital gains rate is given to persons who have invested, rather than to those who are speculating.
3. Taxation of accrued capital gains at death or by gift will insure that the property of the wealthiest passes on to their heirs after paying income taxes, just as is true in the case of the wage earner. Appropriate exemptions can be provided to phase in the change and to provide for transfers to a wife, transfers to charity, transfers to orphaned children, etc. A special program of Federal financial assistance can be provided to those estates which are composed of assets not easily marketed, notably farms and small businesses.

INTEREST DEDUCTION

Proposals

1. Strengthen the present limitation on the deduction of investment interest.
2. The current deductions for interest should be limited to the taxpayer's principal residence and not be available for interest and taxes incurred on vacation homes and the like.

Problems

In 1969, Congress imposed a limitation on the interest deduction, where the interest was incurred to invest in assets that would only be taxed at capital gains rates. The difficulty existed because taxpayers borrowed money to invest in capital assets; the interest deduction would offset ordinary income in full; but when the property was sold, only one half of the gain would be included in the tax base. In 1969, Congress moved to limit the obvious inequity that resulted from this situation, by providing that one half of the interest in excess of $25,000 plus the taxpayer's investment income would be disallowed until such future year as the taxpayer had additional investment income which was taxable in full. The theory of the Congressional action was that if the gain on the property was only going to be taxed to the extent of one half, then the interest deduction incurred to carry that property should be allowed only to the extent of one half.

2. The deduction for interest on home mortgages is presumably intended as a federal program to provide financial assistance in encouraging home ownership. However, the federal program was never intended to provide financial assistance to persons who wish to buy second or even third homes as vacation homes. Nonetheless, present rules permit the deduction of interest on mortgages incurred to purchase these homes.

Recommendations

1. The present investment interest limitation should be strengthened by eliminating the $25,000 exemption (which serves to exempt, at present interest rates, interest on as much as $250,000 of debt); by applying the limitation to corporations; and by requiring that net investment income should be computed on the same basis as taxable income, i.e., by using accelerated depreciation and percentage depletion.
2. To prevent the use of the interest deduction to help finance vacation homes, the deduction for interest should be limited to the taxpayer's principal residence.

PERSONAL DEDUCTIONS

Proposal: Require allocation of personal itemized deductions between taxable and tax-exempt income.

Problem: Present tax rules permit special deductions for certain personal expenditures—medical expenses, charitable contributions, interest, taxes, casualty losses, child care expenses, and contributions to political campaigns. Despite the fact that an individual can pay these expenditures out of either taxable or tax-exempt income, present rules permit the deductions to be taken in full against taxable income. In other words, present tax rules unrealistically assume that all of the itemized personal expenditures are paid out of taxable income. Tax-exempt income—notably the excluded one-half of capital gains, interest on state and local bonds, and income from percentage depletion, from accelerated depreciation, and from intangible drilling and development expenses—is equally available to pay these personal expenditures. Therefore, the much fairer and more logical rule is to allocate the itemized personal expenditures between taxable and tax-exempt income.

Operation of proposal: The proposed rule would require that itemized personal deductions be allocated between the taxpayer's taxable and tax-exempt income. Thus, if an individual had $50,000 of taxable income and $50,000 of tax-exempt income, and spent $20,000 for interest and medical expenses, only $10,000 of the expenditures would be allowed as deductions against the taxable one half of the individuals' income. Presumably, the other $10,000 in expenses could have been paid out of the individual's tax-exempt income, and it is appropriate to disallow the deduction, since the income is not included in the tax base. This proposal was adopted by the House of Representatives in the 1969 Tax Reform Act, but was dropped by the Senate.

INVESTMENT CREDIT

Proposal: (1) The amount of the investment credit should be included in the income of the taxpayer; it should be limited to the actual user of the property for which the credit is granted; and the credit should be made refundable, i.e., a positive tax refund can be given to a taxpayer who has no tax liability.

(2) The credit should be allowed only for increased investment over an average base-period investment level.

Problem

(1) Under present rules the taxpayer who invests $100 in equipment and machinery gets a $7 credit for that investment. However, the taxypayer is permitted to depreciate the property on the full $100, although the out-of-pocket cost is only $93. Normal rules permit a taxpayer to depreciate only its own net cost in an asset. This double tax benefit from the investment credit is unwarranted. The amount of the credit itself should be included in income, and then the taxpayer can deduct depreciation on the full $100 of investment.

The credit should also be limited to the actual user of the property. Failure to so restrict the credit at the present time has resulted in tax shelter operations in which the investment credit is used by a "lessor", notably banks. As a result of these tax shelter operations, large banks have now reduced their U.S. income tax liability to near zero, thus completely negating the reform of 1969 that was intended to place banks more on a parity with other corporations.

Finally, the investment credit, is of no benefit to a taxpayer that has no tax liability. Thus, railroads, airlines, and other industries that have no tax liability cannot use the investment credit unless they engage in tax shelter operations. Making the credit available only to the user, and making the credit refundable, would enable the government, through the investment credit, to provide assistance to taxpayers who make investments in new machinery and equipment regardless of whether these taxpayers show a federal tax liability or not. Thus, Penn Central could either lease or purchase railroad cars and it would get the benefits of the credit under this proposal, even though it might not have any positive tax liability.

Adoption of this proposal would also make it possible to provide the credit, if it is so desirable, to tax-exempt institutions. For example, the credit could be made available to hospitals which are required to invest in very costly equipment. However, since hospitals are tax-exempt, the present investment credit is of no benefit or incentive to them to invest in modern hospital equipment.

(2) There is substantial agreement that the present investment credit simply constitutes a windfall to certain corporations for making investments that they planned to make in any event. As such, it is simply a cost-sharing by the federal government in situations in which no cost-sharing is required.

Presumably the credit was intended to operate as an incentive for industry to make investments in new plant machinery and equipment, which they would have been unable to make in the absence of federal financial aid. To insure that the credit achieves the desired purpose, and does not operate as a windfall, the credit should be restructed so that it is available only for increased investments over a taxpayer's average base period.

Thus, for example, if the taxpayer's investment in new plant machinery and equipment had averaged $10 million per year over the preceding five years, the credit would be available only for investment in plant machinery and equipment in the current year in excess of ten million dollars. Such a change would greatly improve the equities of the investment credit and would target the federal financial assistance to situations where it is most needed.

OTHER FOREIGN INCOME

Proposals

1. Repeal earned income exemption.
2. Repeal Western Hemisphere trade corporation provisions.
3. Repeal the deferral provisions that encourage foreign tax havens.
4. Repeal the provision that allows double-counting of the foreign tax credit in the case of U.S. subsidiaries.
5. Revise the loss carry-over aspect of the foreign tax credit.

Problems

1. Present rules provide an exemption of $20,000 a year for a person who is living abroad for at least a year ($25,000 for a three-year resident). Presumably, the exemption is intended to reduce the costs for U.S. employers where they utilize U.S. employees in foreign businesses. There is no justification for the rule, since the foreign tax credit is entirely adequate to prevent double taxation.

2. Present tax laws provide a special 34% tax rate for Western Hemisphere Trade Corporations, instead of the normal 48% tax paid by U.S. companies. Again, companies simply set up subsidiaries to do their exporting in the Western Hemisphere, exporting products that the parent companies would have exported in any event. The Treasury has never been able to find that the special rate has produced any increased exports.

3. Various provisions permit U.S. corporations to set up wholly-owned foreign subsidiaries until the profits are returned to the U.S. If the profits are continually re-invested overseas, the tax is avoided indefinitely.

This benefit produces a marked incentive for U.S. companies to invest in foreign activity, as opposed to domestic activity, and is one of the principal "foreign tax haven" provisions in the Internal Revenue Code. There is no reason for the U.S. to subsidize multinational corporations in their decisions to build plants overseas. The tax system should be neutral between a businessman's decision to invest abroad or in the United States, rather than provide tax preferences to export U.S. jobs. This reform is one of the principal tax provisions of the Hartke-Burke trade bill.

4. Under present rules, a parent corporation with a subsidiary in a less developed country is not required to include in income ("gross up") the foreign tax on dividends paid by the subsidiary to the U.S. parent. As a result, the parent gets a double tax benefit. The foreign tax counts both as a deduction for the subsidiary in calculating the dividend reported to the parent, and as a credit for the parent against its own taxes.

In 1962, Congress ended this unjustified benefit for such subsidiaries in developed nations by requiring that the foreign tax be counted in the dividends paid by the subsidiary to the U.S. parent. In other words, the parent is required to "gross up" the dividends it receives from its foreign subsidiaries.

However, the change was not applied to subsidiaries in less developed countries. Although the present treatment is defended on the theory that it assists less developed countries, there is no evidence to indicate that the present tax windfall encourages investment in less developed countries. The rule should be made the same for all foreign subsidiaries, regardless of where they are located.

5. The foreign tax credit should also be revised to correct some technical defects. One notable problem has to do with losses incurred by a company in a foreign country which are deducted currently against U.S. income. In subsequent years, when foreign activity produces income, a foreign tax credit is allowed in full for the taxes paid on such income, because many foreign countries do not allow an operating loss carryover, as does the U.S. The result is to obtain a double tax benefit, which primarily operates to provide a financial windfall to companies involved in the natural resources area. This defect should be cured by providing that the foreign tax credit in the subsequent year should be computed as if the loss had been allowed as a deduction in the foreign country. Such a provision was approved by the House in the Tax Reform Act of 1969.

Background of the asset depreciation range system

The ADR system permits a corporate taxpayer to depreciate capital assets within a range of up to 20 percent faster than the useful lives of these assets as defined by Treasury guidelines on useful lives in 1971. Many people believed that the Treasury was exceeding its statutory authority in administratively changing the depreciation system. In part due to public and Congressional protest, the administration submitted a modified version of ADR to Congress in the Revenue Act of 1971. On November 12, 1971, the Senate came within two votes of rejecting ADR.

ADR abandons a concept which had been an integral part of the tax laws for 40 years—namely, that deductions for depreciation of capital assets must be based on the actual useful life of the asset. Once we depart from this concept and allow tax depreciation to exceed economic depreciation, the owners of property producing taxable income are in effect receiving subsidy payments from the Treasury. There is no mathematical difference between giving an individual or business a direct handout and for giving him a like amount in taxes due.

In announcing the ADR in January of 1971, President Nixon stated that "a liberalization of depreciation allowances is essentially a change in the timing of a tax liability." This statement is mistaken and represents a confusion between the consequences of a liberalization in depreciation allowances for a single asset or assets of a single year or even a limited number of years and the permanent liberalization established by ADR. Experts in this field have estimated that by 1980 the ADR system will have resulted in up to a $30 billion permanent revenue loss to the Treasury. Thus ADR is not simply a change in the timing of tax payments or reducing payments now in return for a tax liability in the future. It represents a repeating and accumulating loss in tax revenues year after year, a loss which will ultimately grow along with the general rate of growth of the economy and in particular the rate of growth in equipment subject to the tax depreciation.

The major rationale which has been put forward to justify ADR is that it will stimulate investment and therefore the economy generally. Many experts in this area, however, do not agree that this is the case. Professor Robert Eisner of Northwestern University who has spent many years studying the subject of asset depreciation earlier this year testified before the House Ways and Means Committee that "there is little evidence that 'liberalization' of depreciation allowances of this type will have much effect on investment." He went on to note that "if the objective were to increase investment spending, economic analysis makes clear that a far more effective device, dollar for dollar of tax loss to the Treasury, would be some form of direct investment subsidy or tax credit." It should be noted that an investment tax credit to stimulate capital investment was also adopted as part of the Revenue Act of 1971 providing ample tax relief and investment incentives for corporations.

The other argument of the ADR proponents revolved around the competitive position of U.S. producers. As nearly all economists will agree, this is a spurious argument. There is no empirical evidence that those countries with the lowest taxes on capital have higher rates of economic growth. In fact, among the major industrial countries the converse appears to be true. If the goal were to stimulate capital formation, ADR is a very ineffective and costly stimulus. In part, this is reflected by the current data which show that business has moved very slowly in adopting ADR. If ADR has a strong investment incentive, why have firms not moved more quickly to adopt the new proposals? Its complexity also appears to be discriminating against the smaller business firms. The current Treasury data indicate that the system is being adopted by the large conglomerates but not the smaller proprietorships and partnerships. Apparently the complex provisions can only be interpreted by the larger firms. Major improvements in the U.S. balance of payments has come from the devaluation of the dollar rather than tax giveaways to business. The future history of ADR is likely to follow that of accelerated depreciation after 1954—a very gradual adoption with no noticeable investment stimuli, but considerable hidden long-run revenue costs.

Estimated revenue loss due to ADR

1971: $300 million.
1972: $900 million.
1973: $1.2 billion.
1974: $1.4 billion.

Estimated revenue gains if ADR is repealed

1974: $400 million.
1975: $1.0 billion.
1976: $1.5 billion.
1977: $1.7 billion.
1978: $2.0 billion.

FACT SHEET ON DISC

DISC provisions of the Tax Code allow specially organized export corporations to defer indefinitely the tax on one-half of their income. There is no evidence that DISC provisions provide an extra stimulus to exports. But they will cost the U.S. Treasury $740 million in 1974, primarily in the form of subsidies to large corporations. Our amendment would terminate the unjustified DISC subsidy.

How DISC provisions work

Under existing law, a corporation may elect to be a DISC (a Domestic International Sales Corporation) if at least 95% of its gross receipts, and at least 95% of its assets, are export-related. DISCs are completely free from normal income taxes. Shareholders, however, are taxable on one-half of the DISC's income each year, or the amount distributed as dividends, whichever is greater.

Thus, DISCs in effect allow indefinite tax deferral on one-half of export income.

In practice, DISCs are most often paper corporations established by other large corporations merely for the purpose of receiving tax benefits for exports. A DISC need not satisfy normal requirements of corporate capitalization, but need have only $2500 in assets. In 1972, 22% of the income received by all DISCs was earned by eight DISCs with gross receipts over $100 million, and over 80% of the 2,249 DISCs were owned by corporations with assets of over $100 million. These large corporations can channel their exports on either a sale or commission basis, through DISCs they have created, and thus receive substantial tax benefits.

Revenue gain from termination of DISC benefits

Terminating DISC benefits under our amendment would gain an estimated $815 million in 1974. $740 million of this amount comes from revenue which would otherwise have been lost in 1974 under the DISC provisions. And $75 million comes from the estimated tax revenue which would be payable in 1974 on DISC income deferred in prior years.

DISC provisions have had no demonstrable effect on increasing our export trade

The U.S. in 1973 enjoyed a $700 million trade surplus, with an unprecedented $70 billion in exports. But when the DISC provisions were originally enacted in 1971, the nation was facing a serious balance of payments deficit, including for the first time in recent years a deficit in trade of goods and services. According to the International Economic Report of the President, the turnaround in the U.S. trade balance was caused primarily by increased world-wide demand for our agricultural and manufactured exports, and the 15% devaluation of the dollar over the past two years. During 1971 and the first half of 1972 our demand for foreign products was strong, and economic slowdowns abroad reduced demand for exports, producing a negative trade balance. Since then, however, export demand has increased, the prices of our exports have become more competitive, and higher relative prices abroad have reduced our demand for imports.

There is no evidence that any part of this trade turn-around is due to the tax benefits provided under DISC. In fact, the GAO has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition." And a recent Treasury Department report prepared pursuant to the DISC statute gives no convincing evidence that the tax subsidy under DISC is having an effect on our exports or balance of trade. Although the Treasury analysis, which covers data from calendar year 1972, shows that selected firms utilizing DISCs increased their exports 14.1%, slightly more than the total U.S. export growth by 12.4% in that year, the Treasury makes no claim that these figures are statistically significant and admits that their conclusion is "highly tentative." The Treasury Report did show, however, that the 15% profit rate for exporters using DISCs has been about twice the 8% rate of return for those industries in which DISCs predominate, and that the revenue loss has been much higher than Congress expected when it enacted DISC in 1971. The revenue loss was an estimated $250 million in 1972 and $500 million in 1973, instead of the originally predicted $100 million in 1972 and $170 million in 1973.

Effective date

Our amendment would make DISC benefits unavailable for any taxable year beginning after December 31, 1973. Since DISCs are largely an accounting device, utilized by corporations at the end of their taxable years when export receipts, assets, and income are accounted for, terminating the DISC provisions as of this tax year would work no unfairness. Taxes on income previously deferred would be payable in equal assessments over ten years.

Relationship to the ways and means bill

The Ways and Means bill repeals depletion in gradual steps from 1975 through 1978. Its provision on depletion would have virtually no effect in 1974. Our proposal would return significant revenues to the public treasury from ballooning oil profits beginning this year. Oil industry profits in 1973 rose some 55 percent over 1972, according to *Business Week*. Company reports for the first quarter of 1974 indicate another very large jump for this year. After their accountants had done everything possible to minimize below-the-line profits, Texaco reported after-tax earnings up again by 123 percent; SoCal, 92 percent; Standard of Indiana, 81 percent; Gulf, 76 percent; Mobile, 66 percent; Shell, 51 percent; and Exxon, 39 percent.

This proposal separates the repeal of percentage depletion from the other provisions of the Ways and Means Energy Tax Package, because depletion has been the subject of hearings and public debate for many years and the issue is familiar to everyone. Action should be taken now to close this major loophole as the first step toward satisfying public demand for fair taxation of oil income. The other provisions of the Ways and Means package are sufficiently new and complex to warrant more deliberate procedures. This proposal is not intended to detract in any way from the need to consider these other measures in due course.

FACT SHEET ON PROPOSED REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS

This provision would abolish the percentage depletion allowance as of January 1, 1974, for all oil extraction and for natural gas not under Federal price control or already committed under fixed-price contracts. The annual revenue gain over five years would be as follows:

[In billions of dollars]

Calendar year	This proposal	Revenue gain, ways and means bill	Difference
1974	2.0	0	2.0
1975	2.2	.6	1.6
1976	2.6	1.3	1.3
1977	2.9	2.1	.8
1978	3.3	2.4	.9
5-year average	2.6	1.3	1.3

Of the revenue gain from abolition, all but about $0.2 billion is traceable to the elimination of percentage depletion on domestic oil. The estimates for domestic oil are based on an average price of crude increasing gradually from $6.50 per barrel in 1974 to a world price of $9 in 1978, as assumed by the Joint Committee on Internal Revenue Taxation.

How depletion works

The percentage depletion option now permits 22 percent of the gross revenues from oil and gas extraction to go entirely free of Federal income tax, up to half of the producer's before-tax profits. For a successful well, percentage depletion can provide a total tax deduction much larger than the alternative of depreciating the investment in the well, as would be done by investors in other businesses. As a result of this and other tax preferences, major oil companies paid only about 6 percent of their income in U.S. income taxes in 1972. For instance, Gulf paid 1.2 percent; Mobil, 1.3 percent; Texaco, 1.7 percent; SoCal, 2 percent; Arco, 3.7 percent; Exxon, 6.5 percent; and Standard of Indiana, 10.2 percent.

Percentage depletion has been defended in the past as an incentive to exploration and drilling. For this purpose, it always has been a very costly form of subsidy, and it is less effective per dollar than a subsidy or tax credit applied directly to the desired activities.

The new high prices of oil render percentage depletion much more expensive than before and, at the same time, remove any justification for it, because today's oil prices provide ample incentive for oil development without any subsidy. Development activity now is constrained not by any lack of incentive but by the physical capacity of the industry and its equipment suppliers.

The recent increase in oil prices indeed presents an opportunity to abolish this aspect of undue favoritism in the tax system without reducing the incomes of oil investors from last year's levels. On the contrary, oil incomes will go up anyway. Depletion should be abolished now before it again becomes embedded in the new income levels, the asset values, and the cost structure of the oil business.

STRENGTHEN THE MINIMUM TAX

Purpose

1. Repeal the step in the calculation of the minimum tax which currently allows a deduction for other taxes paid.
2. Reduce the current $30,000 exclusion from the minimum tax to $10,000.

The proposed amendment makes no change in the list of tax preferences subject to the minimum tax, and no change in the current 10% rate of the minimum tax. It affects only the deduction for taxes paid and the $30,000 exclusion, the most obvious loopholes in the current minimum tax. The combined revenue gain from both provisions would be $860 million.

Current law

The minimum tax was enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that persons with substantial amounts of untaxed income would pay at least a modest tax on such income. Under the present minimum tax, a person is taxed at the flat rate of 10% on the sum of his income from certain tax preferences, which include most, but not all, of the major preferences in the tax code: accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of certified pollution control facilities, amortization of railroad rolling stock, stock options, reserves for losses on bad debts of financial institutions, depletion, capital gains, and amortization of on-the-job training and child care facilities.

Before the minimum tax is applied, however, a taxpayer gets two important deductions from his preference income: *First*, an automatic $30,000 exclusion; *Second*, a deduction for the regular income tax he pays. These two deductions are largely responsible for the failure of the minimum tax to fulfill its promise.

Deduction for taxes paid

This deduction allows substantial numbers of taxpayers to avoid the minimum tax completely, even though they have large amounts of income from tax preferences. In practice, the deduction is an "Executive Suite" loophole, since one of its principal effects is to allow highly paid executives to use the large amount of regular taxes they pay on their salaries as an offset against income they receive from tax preferences. The following example illustrates the point:

Preference income	$100,000	$100,000
Regular tax on salary	100,000	
Base for minimum tax	0	100,000
Minimum tax	0	10,000

Individual A, who has $100,000 in income from tax preferences but who pays $100,000 in regular taxes on his salary, owes no minimum tax. Individual B, who has $100,000 in income from the same tax preferences, but who pays no regular taxes, owes a minimum of $10,000. The minimum tax should operate equally on individuals A and B, yet the deduction for taxes paid lets A escape the minimum tax altogether.

Contrary to arguments raised in the past against the proposal to repeal the deduction for taxes paid, this reform would have only a marginal impact on capital gains. For individuals, the change would increase the effective tax rate on capital gains in the highest bracket from its present level of 36.5% to 40%. But the top 40% rate would apply only to that portion of capital gains over $460,000, and it is still a bargain rate compared to the 70% tax rate on ordinary income at such levels. In the Tax Reform Act of 1969, the maximum effective tax rate on capital gains was increased from 25% to 36.5%, with no measurable effect on the investment community or the flow of capital to business. For corporations, the change would increase the effective tax rate on capital gains from 30.75% to 33.75%. The Tax Reform Act of 1969 increased the rate from 25% to 30%. For all but the smallest corporations, the tax rate on ordinary income is 48%.

The $30,000 exclusion

The second part of the amendment would reduce the existing $30,000 exclusion to $10,000. The present level was set far too high by the 1969 Act. It enables wealthy taxpayers to enjoy their first $30,000 in tax loophole income, completely free of the minimum tax. This was the provision used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near-zero in 1970.

By reducing the level to $10,000, substantial amounts of income that are currently tax-free will become subject to the minimum tax. At the same time, the $10,000 level will be high enough to prevent any substantial deleterious impact on low and middle-income taxpayers with modest tax preference income such as a capital gain on the sale of a home. In addition, the $10,000 level will avoid any unnecessary inconvenience in the administration of the minimum tax, since it will not require the forms to be filed or the tax to be paid on modest amounts of tax preference income.

Effect of current loopholes

Individuals.—In 1971, 100,000 individuals with tax preferences totaling $6.3 billion paid $169 million in minimum tax, for an effective tax rate of only 2.7% compared to the statutory rate of 10%. Of this group, 75,000 individuals, reporting preference income of $2.3 billion, paid no minimum tax at all.

Corporations.—In 1970, 81,000 corporations paid $280 million in minimum tax on loophole income of $5.7 billion, for an effective rate of 4.8%. Of this group, 75,000 corporations, reporting preference income of $1.6 billion, paid no minimum tax at all.

REVENUE GAIN (MILLIONS) FROM PROPOSED AMENDMENT (1972 INCOME LEVELS)

	Repeal deduction for taxes paid	Reduce exclusion to $10,000	Combined changes
Individuals	$330	$131	[1] $585
Corporations	250	20	275
Total	580	151	860

[1] 80 percent from individuals with adjusted gross incomes over $100,000.

AMENDMENT NO. 1429

(Ordered to be printed and to lie on the table.)

SINGLE TAXPAYER EQUITY AMENDMENT

Mr. HUMPHREY. Mr. President, more than 35 million unmarried Americans, widows and widowers, divorced persons, and single persons, are unfairly discriminated against by our current Federal income tax laws.

These unmarried citizens are forced to pay as much as 20 percent more income taxes than married persons with identical incomes simply because they are single. This injustice has cost our single taxpayers an estimated $1.7 billion in the past year—a huge and unfair burden on those who are unmarried.

Prior to the Tax Reform Act of 1969, the discrimination was even more onerous. Until its passage, the differential between the single taxpayer and the married taxpayer on the same income was a staggering 41 percent.

But cutting this injustice in half is not enough, equity demands that this unfair tax treatment of single persons be totally abolished.

Mr. President, I find it particularly hard to believe that under current tax law a single head of a household, bringing up children, must pay at a higher rate of tax than a married couple with no children.

Certainly, there should be some means of providing tax relief for families. Raising a family in these days of "double digit" inflation, particularly when the wife does not work, is extremely difficult. However, the proper way to work this factor into the tax equation is through personal exemptions that are realistic. It is for this reason that I have offered with several other Senators, a tax cut amendment to H.R. 8217.

Mr. President, there is much to do in achieving a truly progressive and equitable tax structure in our country. However, right now we can begin by removing this obvious inequity.

For this reason I am introducing, today, the "Single Taxpayer Equity Amendment" to H.R. 8217.

This amendment is virtually identical to a bill which I introduced in 1971, and to an amendment passed by the Senate on October 13, 1972 by an overwhelming vote of 53 to 19, but dropped, regrettably, in conference.

My amendment would result in single persons paying taxes according to the same schedule of rates as married persons with the same income. If enacted, this provision for fair treatment will become effective for the current tax year.

Mr. President, I ask unanimous consent that the full text of my "Single Taxpayer Equity Amendment" be printed in the RECORD.

I also ask unanimous consent that a recent article in Newsweek by Kitty Kelley, entitled "Singled Out for Discrimination," be printed in the RECORD.

There being no objection, the amendment and article were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1429

At the end of the bill add section 4. Section 1 of the Internal Revenue Code of 1954 (relating to rates of tax on individuals) is amended—

(1) by striking out subsections (b) and (c);

(2) by redesignating subsection (d) as (b); and

(3) by striking out so much of subsection (a) as precedes the table therein and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income of every individual, other than an individual to whom subsection (b) applies, a tax determined in accordance with the following table:".

(b) Section 2 of such Code (relating to definitions and special rules) is amended—

(1) by striking out subsections (a) and (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (a), (b), and (c), respectively.

(c) Sections 511(b)(1) and 641 of such Code are each amended by striking out "section 1(d)" and inserting in lieu thereof "section 1(b)".

(d) Section 6015(a)(1) of such Code is amended to read as follows:

"(1) the gross income for the taxable year can reasonably be expected to exceed $10,000 ($5,000, in the case of an individual subject to the tax imposed by section 1(b) for the taxable year); or".

(e) The amendments made by this section shall apply to taxable years beginning after December 31, 1973

SEC. 2. The Secretary of the Treasury or his delegate shall prescribe and publish tables reflecting the amendments made by this Act which shall apply, in lieu of the tables set forth in section 3402(a) of the Internal Revenue Code of 1954 (relating to percentage methods of withholding), with respect to wages paid on or after January 1, 1974.

SINGLED OUT FOR DISCRIMINATION

Income-tax day is April 15 which, logically, should make this week the biggest of the year for marriage proposals. Roping a spouse is the only way a single taxpayer can beat the system and escape the gouge of the Internal Revenue Service, which graciously subsidizes marriage to the tune of $10 billion a year while slapping single taxpayers with a annual $1.7 billion penalty. The 38 million second-class citizens in this country who are single by choice, death or divorce must either play house or pay through the unringed nose. There is no other option.

Our Federal tax laws protect the poor, the elderly and the handicapped and provide generous loopholes for the very rich. There even used to be a well-publicized cushion for a civil servant who tried to deduct a half million dollars for a passel of papers collected during his days as second banana to President Eisenhower. Special privileges are also accorded to married individuals, who pay much lower taxes than their single counterparts. As the IRS states: "Filing a joint return often means tax savings . . . because the joint-return rates are lower than other rates." Even if only one spouse works, the IRS code permits married couples to pretend while computing taxes that half their income is earned by the other partner, and so the marrieds get the tax break.

For example, a $12,000-a-year bachelor coughs up $2,630 in taxes for 1973 while his married friend in the same income bracket pays $2,260. The senseless $370 penalty worsens as the bachelor and his married friend continue to make more money. At 1973 tax rates, by the time they reach the $20,000 bracket the penalty is $850, and at $50,000 the difference in their taxes is a whopping $3,130!

NO FRILLS

Justification for joint-return rates rests largely on the assumption that it costs married couples substantially more to live than unmarrieds. However, this is not true. Government statistics from 1970 show that a married couple without children on a no-frills budget spent $5,250 to maintain a basic standard of living whereas two single people living separately spent $7,760 to maintain the same standard of living.

Because single, widowed and divorced taxpayers do not have the option of filing jointly, they pay considerably more in taxes than marrieds in the same taxable-income bracket. Men and women accustomed to this split-income provision experience a sudden financial jolt when they lose their spouses through death or divorce. For instance, a woman who must find a job to support herself after losing her husband usually finds she must pay more taxes on less income than she and her husband previously reported together. Meanwhile, she has to pay the same mortgage payments, the same property taxes, the same car payments and the same tuition on her children's education. And if she is an unliberated soul who relied on her husband to take care of odd jobs around the house, she must now pay a plumber or electrician or painter to do what her mate did for free. Since she is not entitled to deduct these expenses, she is penalized a second time for being single.

The Sixteenth Amendment to the Constitution stipulates a tax on income, but the connubial type in Congress apparently forgot to read the instructions on the package. Instead of taxing the income, they decided to tax the individual by designating a system that forces singles to shoulder the greatest burden of government revenue. For the past 60 years, unmarried pigeons have been feathering the Federal nest with 40 per cent more in taxes than married people.

RIPPED OFF

When singles began computing the thousands of dollars in a lifetime of earning that would be ripped off by the government, outrage mounted, and by 1968 thousands of people refused to send in their tax payments. The mutiny on this and other issues, combined with heavy lobbying in Washington, finally forced Congress to pass the 1969 Tax Reform Act, which reduced the 40 per cent inequity to 20 per cent.

The protest worked to reduce grand larceny to manageable dimensions, but there were still complaints. However, faced with the prospect of a grueling IRS audit, most singles paid up. They had no other recourse.

"They have been doing it for so long, it is now a habit," declared Robert Keith Gray, former secretary to President Eisenhower's Cabinet. "But it is an outrageously bad national habit and one that should be broken immediately." Mr. Gray, himself a Washington bachelor, finally got fed up paying higher taxes than his married friends and decided in 1971 to fight the discrimination by forming CO$T—the Committee of Single Taxpayers, a nonprofit, nonpartisan lobby to influence Congress.

Putting his money where his mouth was, Mr. Gray contributed $10,000 to finance the organization and enlisted the support of two former senators who have never agreed on anything except the Ten Commandments. With Eugene McCarthy, the liberal poet from Minnesota, and George Murphy, the conservative song-and-dance man from California, the crusade for the single taxpayer began in earnest.

BOMBARDMENT

The odd couple stalked the halls of Congress, buttonholing former colleagues to support the bills introduced by Democrats Rep. Edward Goch of New York and Sen. Abraham Ribicoff of Connecticut to give singles the same tax schedule as marrieds filing jointly. Unmarried citizens began bombarding their congressmen with letters and telegrams that helped push the bill through the House of Representatives. And it was passed in the Senate even though retrogrades like Democrat Russell Long of Louisiana and Republican Wallace Bennett of Utah interpreted the legislation as a license for living in sin. Their insistence that you must marry and multiply to get a fair shake from the IRS eventually succeeded in killing the bill in conference between the two chambers. So single taxpayers are paying their unfair share of taxes again this year.

But there is still hope for next year. CO$T is confident that with continued lobbying by the odd couple and the help of concerned singles, Congress will see its way clear to admitting the unmarried to the human race. "We're on the right track now," says Gray. "We have professional people involved. We have viable representation in Congress, and the legislators are interested because we keep pushing."

If the bills pass, the government would lose an estimated $1.7 billion in revenue collected each year from single taxpayers. But Congress should be reminded of what it cost to desegregate the South. Civil rights are always expensive. Still, the cost of righting the wrongs of discrimination is the best investment a democratic society can make.

AMENDMENTS NOS. 1431, 1432, AND 1433

(Ordered to be printed and to lie on the table.)

Mr. HARTKE. Mr. President, I introduce three amendments to H.R. 8217 and ask that the text of my amendments be printed in the RECORD following my remarks.

Mr. President, the American working man and woman needs both tax relief and tax equity. The amendments I introduce today will meet both of these goals.

The first amendment increases the personal exemption on Federal tax returns from $750 to $1000. The second amendment reduces social security payroll taxes for both employers and employees. The result will be more than $15.7 billion in tax relief for Americans beginning this year.

The third amendment plugs two gaping loopholes in our tax laws. It would change the credit which U.S. corporations can take for the foreign tax liability of their subsidiaries into a deduction and would repeal the privilege which permits U.S. corporations to pay no income taxes on the profits of their foreign subsidiaries until such profits are brought back home. The result would be more than $5 billion in new revenues.

Mr. President, when these amendments are considered alongside other proposals for tax equity which have been offered by other Senators, it is clear that we can have a major tax cut for most working Americans without increasing inflation. The administration would have us believe otherwise. Earlier this week, Secretary of the Treasury William Simon warned that a tax cut would only increase inflation.

Mr. President, I believe the administration is guilty of misplaced priorities. Our tax structure is supposed to be a progressive one—that is, people are supposed to pay taxes in relation to their income and profits. But the actual result of all the loopholes is that many wealthy individuals and big corporations pay far less than their fair share of taxes. If this glaring inequity were corrected, we could afford to cut the taxes of working Americans and shift some of that burden to those who have not been paying their fair share. That is the essence of my amendments.

Those who work for a living are plagued by the twin evils of recession and inflation. The administration says to pay attention to inflation, but not to worry about recession, with its devastating effect on employment. They would have us concentrate on holding down prices while they would also hold back expansion in the economy. That is a no-win policy which will only result in higher unemployment.

I want to see our economy expand. More production and more money in the hands of consumers to buy products means more jobs and, eventually, lower prices. My amendments put billions of new dollars into the hands of consumers so that money can be pumped into the economy, the economy can expand, and new jobs will be created.

Mr. President, I believe in our free enterprise system, and I believe that we should encourage it to operate free from artificial restraints. We have tampered with it too much, imposing wage and price controls that simply did not work. Now is the time to give the economy a chance to give taxpayers justice.

Mr. President, I ask unanimous consent that fact sheets which I have prepared in support of my amendments together with *three articles* which appeared recently in Washington newspapers describing the difficulties being experienced by the social security system be printed following my remarks and following the text of my amendments.

There being no objection, the amendments and material were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1431

At the end of the bill, insert the following new section:

SEC. . Increase in Personal Exemption

(a) Effective with respect to taxable years beginning after December 31, 1974—

(1) section 151 of the Internal Revenue Code of 1954 (relating to allowance of personal exemptions) is amended by striking out $$750" wherever it appears therein and inserting in lieu thereof "($1,000)";

(2) section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by—

(A) striking out "$750" wherever it appears therein and inserting in lieu thereof "$1,000";

(B) striking out "$2,050" wherever it appears therein and inserting in lieu thereof "$2,300"; and

(C) striking out "$2,800" wherever it appears therein and inserting in lieu thereof "$3,300"; and

(3) section 6013(b)(3)(A) of such Code (relating to assessment and collection in case of certain return of husband and wife) is amended by striking out "$750" wherever it appears therein and inserting in lieu thereof "$1,000", and by striking out "$1,500" wherever it appears therein and inserting in lieu thereof "$2,000".

(b) Effective with respect to wages paid after December 31, 1974, the table contained in section 3402(b)(1) or the Internal Revenue Code of 1954 is amended to read as follows:

"Percentage Method Withholding Table

"Payroll period	Amount of one withholding exemption:
Weekly	$19.20
Biweekly	38.50
Semimonthly	41.70
Monthly	83.30
Quarterly	250.00
Semiannually	500.00
Annually	1,000.00
Daily or miscellaneous (per day of such period)	2.70".

Amendment No. 1432

At the end of the bill, insert the following new section:

Sec. Payroll Tax for Low-Income Individuals.

(a) (1) Section 3101 of the Internal Revenue Code of 1954 (relating to tax on employees) is amended by adding at the end thereof the following new subsection:

"(c) Alternate Tax on Low-Income Individuals.

"(1) In general.—In the case of a taxpayer who is married (as determined under section 143) whose adjusted social security income for the calendar year is less than $850, there is hereby imposed on the income of such individual (in lieu of the taxes imposed by subsections (a) and (b)) a tax determined under the following table:

"If the adjusted social security income is:	The tax is the following percentage of the taxes imposed by subsections (a) and (b):
Less than 0	10 percent.
0 to $49	15 percent.
$50 to $99	20 percent.
$100 to $149	25 percent.
$150 to $199	30 percent.
$200 to $249	35 percent.
$250 to $299	40 percent.
$300 to $349	45 percent.
$350 to $399	50 percent.
$400 to $449	55 percent.
$450 to $499	60 percent.
$500 to $549	65 percent.
$550 to $599	70 percent.
$600 to $649	75 percent.
$650 to $699	80 percent.
$700 to $749	85 percent.
$750 to $799	90 percent.
$800 to $849	95 percent.

"(2) Adjusted social security income.—For purposes of this subsection, the adjusted social security income of an individual for any calendar year in his income of an individual for any calendar year is his such calendar year (determined under section 62), minus the sum of—

"(A) $1,300, and

"(B) the amount of personal exemptions to which he is entiled under section 151.

In the case of a married individual whose spouse receives wages or self-employment income during such year, his adjusted gross income and the number of excemptions to which he is entitled shall, for purposes of this paragraph, be determined as if he were not married."

(2) Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end thereof the following new subsection:

"(d) Withholding on Wages of Low-Income Individuals.—

"(1) In general.—In the case of an individual whose adjusted wages are less than $850 (computed at an annual rate), the employer of such individual shall deduct from the wages paid (in lieu of the amount required to be deducted under subsection (a)) an amount of the tax imposed by section 3101 determined under the following table:

"If the adjusted wages (computed at an annual rate) are:	The amount to be deducted is the following percentage of the amount required to be deducted under subsection (a):
Less than 0	10 percent.
0 to $49	15 percent.
$50 to $99	20 percent.
$100 to $149	25 percent.
$150 to $199	30 percent.
$200 to $249	35 percent.
$250 to $299	40 percent.
$300 to $349	45 percent.
$350 to $399	50 percent.
$400 to $449	55 percent.
$450 to $499	60 percent.
$500 to $549	65 percent.
$550 to $599	70 percent.
$600 to $649	75 percent.
$650 to $699	80 percent.
$700 to $749	85 percent.
$750 to $799	90 percent.
$800 to $849	95 percent.

"(2) Adjusted Wages.—For purposes of this subsection, the adjusted wages of an individual for any period is the amount of wages (adjusted to an annual rate), minus the sum of—

"(A) $1,300, and

"(B) the amount of personal exemptions to which he is entitled under section 151.

In the case of a married individual whose spouse receives wages during such period, the number of exemptions to which he is entitled shall be determined as if he were not married.

"(3) Credit against tax.—Amounts deducted from the wages of an employee under this subsection shall be allowed as a credit against the tax imposed on the employee under section 3101.

"(4) Withholding certificates.—Each employee shall furnish his employer with a signed certificate setting forth such information as is necessary to enable the employer to determine whether this subsection is applicable to him, and the amount of tax to be deducted under this subsection. Such certificate shall be in such form, shall be furnished at such time or times, and shall remain in effect for such period as the Secretary or his delegate prescribes by regulations.

"(5) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and section 3101(c).".

(b) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) Alternate Tax on Low-Income Individuals.—

"(1) In general.—In the case of an individual whose adjusted social security income for the taxable year is less than $850, there is hereby imposed on the self-employment income of such individual (in lieu of the taxes imposed by subsections (a) and (b)) a tax determined under the following table:

"If the adjusted social security income is:	The tax is the following percentage of the taxes imposed by subsections (a) and (b):
Less than 0	10 percent
0 to $49	15 percent
$50 to $99	20 percent
$100 to $149	25 percent
$150 to $199	30 percent
$200 to $249	35 percent
$250 to $299	40 percent
$300 to $349	45 percent
$350 to $399	50 percent
$400 to $449	55 percent
$450 to $499	60 percent
$500 to $549	65 percent
$550 to $599	70 percent
$600 to $649	75 percent
$650 to $699	80 percent
$700 to $749	85 percent
$750 to $799	90 percent
$800 to $849	95 percent

"(2) Adjusted social security income.—For purposes of this subsection, the adjusted social security income of an individual for any taxable year is his adjusted gross income for such year (determined under section 62), minus the sum of—

"(A) $1,300, and

"(B) the amount of the personal exemptions to which he is entitled under section 151.

In the case of a married individual whose spouse receives wages or self-employment income during each year, his adjusted gross income and the number of exemptions to which he is entitled shall, for purposes of this paragraph, be determined as if he were not married.".

(c) Section 31(b) of the Internal Revenue Code of 1954 (relating to credit for special refunds of social security tax) is amended by striking out the heading and paragraph (1) and inserting in lieu thereof the following:

"(b) Credit for Excess Withholding of Social Security Tax.—

"(1) In general.—The Secretary or his delegate may prescribe regulations providing for the crediting against the tax imposed by this subtitle of amounts deducted under section 3102 from the wages paid to the taxpayer in excess of the tax imposed on such wages by section 3101, including the amount determined by the taxpayer or the Secretary or his delegate to be allowable under section 6413 (c) as a special refund of such tax. The amount allowable as a credit under such regulations shall, for purposes of this subtitle, be considered an amount withheld at source as tax under section 3402."

(d) There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Health Insurance Trust Fund amounts (as determined by the Secretary of the Treasury) equal to losses of revenues to such trust funds resulting from the application of sections 3101(c) and 1401(c) of the Internal Revenue Code of 1954. The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the respective trust funds on the basis of estimates by the Secretary of the Treasury. Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the amounts which should have been transferred.

PARTIAL GENERAL FINANCING OF RETIREMENT BENEFITS

Sec. . (a) In addition to any other funds appropriated or authorized to be appropriated pursuant to other provisions of law for any fiscal year to the Federal Old-Age and Survivors Insurance Trust Fund, and in addition to any other funds authorized by other provisions of law to be appropriated to or deposited in the Federal Disability Insurance Trust Fund for any fiscal year, there are authorized to be appropriated to each of such funds the following amounts:

(1) For the fiscal year ending June 30, 1975, an amount equal to one twenty-fifth of the expenditures from such fund for such year;

(2) For the fiscal year ending June 30, 1976, an amount equal to three-fiftieths of the expenditures from such fund for such year;

(3) For the fiscal year ending June 30, 1977, an amount equal to two twenty-fifths of the expenditures from such fund for such year;

(4) For the fiscal year ending June 30, 1978, an amount equal to one-tenth of the expenditures from such fund for such year;

(5) For the fiscal year ending June 30, 1979, an amount equal to three twenty-fifths of the expenditures from such fund for such year;

(6) For the fiscal year ending June 30, 1980, an amount equal to seven-fiftieths of the expenditures from such fund for such year;

(7) For the fiscal year ending June 30, 1981, an amount equal to four twenty-fifths of the expenditures from such fund for such year;

(8) For the fiscal year ending June 30, 1982, an amount equal to nine-fiftieths of the expenditures from such fund for such year; and

(9) For any fiscal year ending after June 30, 1982, an amount equal to one-fifth of the expenditures from such fund for such year.

(b)(1) Funds authorized to be appropriated under subsection (a) shall be appropriated for any fiscal year on the basis of estimates by the Congress of the amounts which will be expended for such year from the trust fund to which funds are being appropriated, reduced, or increased to the extent of any overappropriation or underappropriation under this section to such fund for any preceding year with respect to which adjustment has not already been made.

(2) The Secretary of Health, Education, and Welfare shall furnish to the Congress such information, data, and actuarial studies as may be appropriate to enable the Congress to make estimates referred to in paragraph (1).

PARTIAL FINANCING FROM GENERAL REVENUES OF COMBINED HOSPITAL AND MEDICAL INSURANCE PROGRAM UNDER TITLE XVII

Sec. (a) In addition to any other funds appropriated or authorized to be appropriated pursuant to other provisions of law for any fiscal year to the Federal Health Insurance Trust Fund (as redesignated by section 4(a) of this Act), there are authorized to be appropriated to such fund the following amounts:

(1) for the fiscal year ending June 30, 1975, an amount equal to one-fifth of the expenditures from such fund for such year;

(2) for the fiscal year ending June 30, 1976, an amount equal to one-fifth of the expenditures from such fund for such year;

(3) for the fiscal year ending June 30, 1977, an amount equal to one-fourth of the expenditures from such fund for such year; and

(4) for any fiscal year ending after June 30, 1977, an amount equal to one-third of the expenditures from such fund for such year.

(b)(1) Funds authorized to be appropriated under subsection (a) shall be appropriated for any fiscal year on the basis of estimates by the Congress of the amount which will be expended for such year from the Federal Health Insurance Trust Fund, reduced or increased to the extent of any overappropriation or underappropriation under this section to such fund with respect to which adjustment has not already been made.

(2) The Secretary of Health, Education, and Welfare shall furnish to the Congress such information, data, and actuarial studies as may be appropriated to enable the Congress to make the estimates referred to in paragraph (1).

CHANGES IN TAX SCHEDULE

Sec. (a)(1) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) with respect to wages paid during the calendar years 1975 through 2019, the rate shall be 4.75 percent; and

"(6) with respect to wages paid after December 31, 2079, the rate shall be 5.4 percent.".

(2) Section 3111(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employers for purposes of old-age, survivors and disability insurance) is amended by striking out paragraphs (1) through (6) and inserting in lieu of such paragraphs the following:

"(1) with respect to wages paid during the calendar years 1975 through 2019, the rate shall be 4.75 percent; and

"(2) with respect to wages paid after December 31, 2019, the rate shall be 5.4 percent."

(b)(1) Section 1401(b) of such Code (relating to rate of tax on self-employment income for purposes of hospital insurance) is amended—

(A) by striking out "and before January 1, 1978" in paragraph (3) and inserting in lieu thereof "and before January 1, 1975"; and

(B) by striking out paragraphs (4), (5), and (6) and inserting in lieu thereof the following:

"(4) in the case of any taxable year beginning after December 31, 1974 and before January 1, 1978, the tax shall be equal to .80 percent of the amount of the self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1977, and before January 1, 1981, the tax shall be equal to 1.0 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1980, and before January 1, 1986, the tax shall be equal to 1.25 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1985, the tax shall be equal to 1.35 percent of the amount of the self-employment income for such taxable year".

(3) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended—

(A) by striking out "calendar years 1971 through 1977" in paragraph (3) and inserting in lieu thereof "calendar year 1974"; and

(B) by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) with respect to wages received during the calendar years 1975, 1976, and 1977, the rate shall be 0.80 percent;

"(5) with respect to wages received during the calendar years 1978, 1979, and 1980, the rate shall be 1.0 percent;

"(6) with respect to wages received during the calendar years 1980, 1981, 1982, 1983, 1984, and 1985, the rate shall be 1.25 percent;

"(7) with respect to wages received after December 31, 1985, the rate shall be 1.35 percent.".

(4) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended—

(A) by striking out "calendar years 1974 through 1977" in paragraph (3) and inserting in lieu thereof "calendar year 1974"; and

(B) by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) with respect to wages paid during the calendar years 1975, 1976, and 1977, the rate shall be 0.80 percent;

"(5) with respect to wages paid during the calendar years 1978, 1979, and 1980, the rate shall be 1.0 percent;

"(6) with respect to wages paid during the calendar years 1981 through 1985, the rate shall be 1.25 percent;

"(7) with respect to wages paid after December 31, 1985, the rate shall be 1.35 percent."

(c) The effective date of all amendments in this section shall be January 1, 1975.

Sec. Effective June 1, 1975, the Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions of the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act, and shall be in lieu of any previously made modifications and extensions of such tables) as may be necessary to reflect the amendments made by this Act; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

Amendment No. 1433

At the end of the bill, insert the following new section:

Sec. . Repeal of Foreign Tax Credit Allowed Corporations.

(a) In General.—Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended—

(1) by revising subsection (a) to read as follows:

"(a) Allowance of Credit.—In the case of a taxpayer other than a corporation, who chooses to have the benefits of this subpart, the tax imposed by this chapter shall, subject to the applicable limitation of section 904, be credited with the amounts provided in the applicable paragraph of subsection (b). Such choice for any taxable year may be made or changed at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter for such taxable year. The credit shall not be allowed against the tax imposed by section 56 (relating to minimum tax for tax preferences).";

(2) by revising subsection (b)(1) to read as follows:

"(1) Citizens.—In the case of a citizen of the United States, the amount of any income, war profits, and excess profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; and";

(3) by revising subsection (b)(4) to read as follows:

"(4) Nonresident alien individuals.—In the case of any nonresident alien individual not described in section 876, the amount determined pursuant to section 906; and"; and

(4) by striking out subsections (d) and (e).

(b) Technical and Conforming Amendments.—

(1) Section 78 is repealed.

(2) Section 535(b)(1) is amended by striking out "and income, war profits, and excess profits taxes of foreign countries and possessions of the United States (to the extent not allowable as a deduction under section 275(a)(4)), accrued during the taxable year or deemed to be paid by a domestic corporation under section 902(a)(1) or 960(a)(1)(C) for the taxable year," and by inserting in lieu thereof "accrued during the taxable year,".

(3) Section 545(b)(1) is amended by striking out "and income, war profits, and excess profits taxes of foreign countries and possessions of the United States (to the extent not allowable as a deduction under section 275(a)(4)), accrued during the taxable year or deemed to be paid by a domestic corporation under section 902(a)(1) or 960(a)(1)(C) for the taxable year," and by inserting in lieu thereof "accrued during the taxable year,".

(4) Section 841 is repealed.

(5) Section 882(c) is amended by striking out paragraph (3).

(6) Section 884 is amended by striking out paragraph (4).

(7) Section 902 is repealed.

(8) Section 906 is amended—

(A) by striking out "and foreign corporations" in the heading thereof;

(B) by striking out in subsection (a) "or a foreign corporation" and "(or deemed, under section 902, paid or accrued during the taxable year)";

(C) by striking out in subsection (b)(3) "or 881 (relating to income of foreign corporations not connected with United States business)"; and

(D) by striking out subsection (b)(4).

(9) Section 904(g) is repealed.

(10) Section 960 is repealed.

(11) Section 1503 is amended to read as follows:

"Sec. 1503. Computation and Payment of Tax.

"In any case in which a consolidated return is made or is required to be made, the tax shall be determined, computed, assessed, collected, and adjusted in accordance with the regulations under section 1502 prescribed before the last day prescribed by law for the filing of such return."

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning on or after the date of the enactment of this Act.

Sec. Taxation of Earnings and Profits of Controlled Foreign Corporations

(a) In General.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by inserting after subpart H thereof the following:

"Subpart I—Controlled Foreign Corporations

"Sec. 983. Amounts included in gross income of United States shareholders.
"Sec. 984. Definitions.
"Sec. 985. Rules for determining stock ownership.
"Sec. 986. Exclusion from gross income of previously taxed earnings and profits.
"Sec. 987. Adjustments to basis of stock in controlled foreign corporations and of other property.
"Sec. 988. Records and accounts of United States sharcholders.

"Sec. 983. Amounts Included in Gross Income of United States Shareholders

"(a) Amounts Included.—

"(1) In General.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation who owns (within the meaning of section 985(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) Pro rata share of earnings and profits.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 985(a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 985(a)) such stock bears to the entire year.

"(b) Earnings and Profits.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning on the date of the enactment of this Act,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) Coordination With Election of a Foreign Investment Company To Distribute Income.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) Coordination With Foreign Personal Holding Company Provisions.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"Sec. 984. Definitions

"(a) United States Shareholder Defined.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a domestic corporation which owns (within the meaning of section 985(a)), or is considered as owning by applying the rules of ownership of section 985(b), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) Controlled Foreign Corporation Defined.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 985(a)), or is considered as owned by applying the rules of ownership of section 985(b), by United States shareholders on any day during the taxable year of such foreign corporation.

"Sec. 985. Rules for Determining Stock Ownership.

"(a) Direct and Indirect Ownership.

"(1) General rule.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) Stock ownership through foreign entities.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly or indirectly, by or for a foreign corporation or foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) Constructive Ownership.—For purposes of section 984, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any domestic corporation as a United States shareholder within the meaning of section 984(a), or to treat a foreign corporation as a controlled foreign corporation under section 984(b), except that—

"(1) In applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote.

"(2) In applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C).

"Sec. 986. Exclusion From Gross Income of Previously Taxed Earnings and Profits.

"(a) Exclusion From Gross Income.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 983(a) shall not, when such amounts are distributed directly, or indirectly, through a chain of ownership described under section 985(a), to—

"(1) such shareholder (or any domestic corporation which acquires from any person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary or his delegate may by regulations prescribe), or

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary, be again included in the gross income of such United States shareholder (or of such domestic corporation or of such trust).

"(b) Exclusion From Gross Income of Certain Foreign Subsidiaries.—For purposes of section 983(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 983(a), shall not, when distributed through a chain of ownership described under section 985(a), be also included in the gross income of another controlled foreign corporation in such chain for purposes of the application of section 983(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary or his delegate may prescribe by regulations).

"(c) Allocation of Distributions.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 983(a), and

"(2) then to other earnings and profits.

"(d) Distributions Excluded From Gross Income Not To Be Treated as Dividends.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"Sec. 987. Adjustments to Basis of Stock in Controlled Foreign Corporations and of Other Property.

"(a) Increase in Basis.—Under regulations prescribed by the Secretary or his delegate, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 985(a)(2) as owning stock of a controlled foreign corporation, shall be increased by the amount required to be included in its gross income under section 983(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) Reduction in Basis.—

"(1) In general.—Under regulations prescribed by the Secretary or his delegate, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 986(a) shall be reduced by the amount so excluded.

"(2) Amount in excess of basis.—To the extent that an amount excluded from gross income under section 986(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"Sec. 988. Records and Accounts of United States Shareholders.

"(a) Records and Accounts To Be Maintained.—The Secretary or his delegate may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) Two or More Persons Required To Maintain or Furnish the Same Records and Accounts With Respect to the Same Foreign Corporation.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary or his delegate may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons.".

(b) Technical and Conforming Amendments.—

(1) Section 864(c)(4)(D) is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958(b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote."

(2) Section 951 is amended by adding at the end thereof the following:

"(e) Taxable Years Beginning on Enactment of This Act.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning on the date of the enactment of this Act.".

(3) Section 1016(a)(20) is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 987".

(4) Section 1246(a)(2)(B) is amended by inserting "or 983" after "section 951" and by inserting "or 986" after "section 959".

(5) Section 1248 is amended—

(A) by striking out subsection (b);

(B) by revising subsection (d)(1) to read as follows:

"(1) Amounts included in gross income under section 951 or 983.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 983, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 986.";

(C) by striking out in subsection (d)(3) "section 902(d)" and inserting in lieu thereof "subsection (h)", and by adding at the end of such subsection "No amount shall be excluded from the earnings and profits of a foreign corporation under this paragraph with respect to any United States person which is a domestic corporation for any taxable year of such foreign corporation beginning on the date of enactment of this Act."; and

(D) by adding at the end thereof the following:

"(h) Less Developed Country Corporation Defined.—For purposes of this section, the term 'less developed country corporation' means—

"(1) a foreign corporation which, for its taxable year, is a less developed country corporation within the meaning of section 955(c)(1) or (2), and

"(2) a foreign corporation which owns 10 percent or more of the total combined voting power of all classes of stock entitled to vote of a foreign corporation which is a less developed country corporation within the meaning of section 955(c)(1), and—

"(A) 80 percent or more of the gross income of which for its taxable year meets the requirement of section 955(c)(1)(A); and

"(B) 80 percent or more in value of the assets of which on each day of such year consists of property described in section 955(c)(1)(B)."

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning with the date of enactment of this Act, and to taxable years of United States shareholders which end within or with such taxable years of such foreign corporations.

Increase Personal Exemption

By raising the personal exemption from $750 to $1,000, the proposed amendment offers across-the-board relief to taxpayers at every income level, while concentrating the relief in low and middle income groups as well as those on fixed incomes. It provides immediate tax relief to those hit hardest by inflation.

Thus, 62 percent of the $8.5 billion in tax relief will go to taxpayers earning $15,000 a year or less, and 80% will go to those earning $20,000 a year or less. Below is a table prepared by the Treasury Department which provides a detailed breakdown of the tax relief by income levels.

Support of economists. Proposals for an anti-recession tax cut have the strong support of economic experts, including Walter Heller; Arthur M. Okun, past Chairman of the Council of Economic Advisors; and Paul Samuelson, Nobel laureate.

Prior Senate action. The Senate has already strongly endorsed an anti-recession tax cut. Last January, by a vote of 53–27, the Senate approved an anti-recession tax cut amendment, but the vote was nullified by later action recommitting the underlying legislation. Obviously, in light of the drastic first quarter slump, the case for a tax break is stronger today than it was in January.

REVENUE COST IF PERSONAL EXEMPTION IS RAISED FROM $750 TO $1,000

[Based on 1972 income levels]

Adjusted gross income	Decrease in tax liability (millions)	Distribution of tax decrease	
		Percent	Cumulative percent
0 to $3,000	$95	1.1	1.1
$3,000 to $5,000	418	4.8	5.9
$5,000 to $7,000	717	8.3	14.2
$7,000 to $10,000	1,485	17.3	31.5
$10,000 to $15,000	2,608	30.4	61.9
$15,000 to $20,000	1,541	17.9	79.8
$20,000 to $50,000	1,440	16.8	96.6
$50,000 to $100,000	220	2.5	99.1
$100,000 and over	56	.7	99.8
Total	8,580	99.8	99.8

Social Security Tax: Background Information

The social security tax takes a big bite out of the already inflation-eaten paychecks of working men and women. It is America's fastest growing tax, and its most inequitable. All of the "reform" efforts of Congress have been directed at improving social security's inadequate benefits. It is time we turned our attention to those who must pay the cost of the benefits.

FACTS

1. The social security payroll tax in 1974 is 11.7% of wages and salaries up to a maximum of $13,200, with half of that tax being paid by employers and half by employees (see Table 1).

2. In 1974, 86 percent of all wages and salaries are subject to the payroll tax (see Table 1).

3. Social security taxes were $64.6 billion in 1973—32 times their level in 1949.

4. In terms of total revenue, the payroll tax now brings in almost 25 percent of all Federal revenues.

5. Social security taxes are now the second largest source of Federal revenues (see Table 2).

6. While the revenue from personal income taxes (as a percent of national income) has remained stable, and the revenue from corporate taxes has declined, revenues from the payroll tax have increased dramatically (see Table 3). In effect, there has been a shift from taxes on corporations to taxes on individuals.

7. While the proportionate amount of revenue from the personal income tax has remained stable over the past decade, the bite of this tax is actually less in 1973 than it was in 1960. For a family of 3, filing a joint return on an adjusted gross income of $12,000, the personal income tax consumed 16.1% of that income in 1960, and only 15.0% in 1973 (see Table 4). At the same time, the employee's average social security tax rose from $144 in 1960 to $632 in 1973, with employers paying an equal sum.

8. While the personal income tax exempts the first $650 of income and has provided beginning in 1972 for a liberalized standard deduction (see Internal Revenue Code Section 141), the payroll tax is a first dollar tax. It has no exemptions or deductions.

9. Under the personal income tax, the higher the income the higher the rate of tax. Under social security, the rate of tax remains the same. But, because the tax is not applied to earnings above $13,200, the rate actually drops on incomes above that level.

10. The payroll tax does not apply to property income, which is a major source of income for the high-income brackets most heavily assessed under the personal income tax.

11. Studies have concluded that both the employer and the employee portions of the payroll tax are borne by the employee. (See, for example, Brittain, John A., *The Payroll Tax for Social Security*, The Brookings Institution, Washington, D.C. 1972).

12. The combined effect of points 8 through 11 above, is a payroll tax which falls hardest on lower income workers. For example, a married worker, filing a joint return, with two dependent children, would pay no personal taxes on $4300 of income, while he would pay $251.55 in social security taxes (see Figure 1).

13. While a worker with an income of $5,000 has an effective payroll tax rate of 5.85%, a worker with $25,000 income has an effective rate of only 3.08% (see Table 5). The Brittain study referred to in point 11 above, also concludes that the combined personal and social security tax rates are regressive not only at the lower income levels but also in the middle income levels as well (i.e. $11,000 to $15,000).

14. At least one half of all workers who file tax returns pay more social security tax than personal income tax.

THE HARTKE PROPOSAL FOR SOCIAL SECURITY TAX REFORM

1. Provide graduated payroll tax rate for all wage-earners with Federal personal income tax liability of less than $850. Cost in 1975: $2.2 billion.

2. Provide partial general revenue financing of social security benefits:

a. Over a period of 9 years, phase in a ⅓ general revenue contribution to retirement benefits. Cost in 1975: $2 billion.

b. Over a period of 4 years, phase in a ⅓ general revenue contribution to health (parts A and B of Medicare) benefits. Cost in 1975: $3 billion.

3. Reduce the payroll tax on employers and employees in 1975 from 5.85% (each) to 5.55%.

TABLE 1.—BASIC DATA FOR THE PAYROLL TAX, 1969-74, EARNINGS IN COVERED EMPLOYMENT

Calendar year	Total OASDHI [1] contributions (billions of dollars)	Maximum taxable earnings	OASDHI [1] tax rate (percent)	Billions of dollars		Taxable total (percent)
				Total	Taxable	
1969	$36.1	$7,800	4.8	$508	$406	80
1970	39.5	7,800	4.8	536	418	78
1971	43.9	7,800	5.2	564	428	76
1972	50.1	9,000	5.2	620	483	78
1973	64.4	10,800	5.85	684	564	82
1974	71.0	13,200	5.85	737	632	86

[1] OASDHI stands for Old Age, Survivors' Disability and Health Insurance.

Source: Actual data from Social Security Bulletin, vol. 36, No. 3 (March 1973) table Q-3, p. 76; 1973 and 1974 estimates from Social Security Administration.

TABLE 2.—FEDERAL RECEIPTS, CALENDAR 1950-74

[Billions of dollars]

	1950	1960	1970	1973	1974 (est.)
Personal income tax	$18.1	$43.6	$92.2	$114.5	$129.5
Corporation income tax	17.0	21.7	31.1	49.8	50.2
Payroll tax	5.9	17.7	49.5	80.1	87.5
Social security (OASDHI)	2.7	11.9	39.7	64.6	71.0
Other [1]	3.2	5.8	9.8	15.5	16.5
Indirect business and nontax receipts	8.9	13.5	19.3	21.0	25.4
Total	49.9	96.5	192.0	265.4	292.6

[1] Includes unemployment insurance, contributions to the railroad retirement system and civil service retirement.

Source: "Economic Report of the President 1974," table C-68, p. 309; "Social Security Bulletin," Annual Statistical Supplement, 1971 and "Social Security Bulletin," vol. 36, No. 9, September 1973.

TABLE 3.—PERCENT OF NATIONAL [1] INCOME RAISED BY FEDERAL TAXES

	Personal income tax	Social security tax	Corporate income tax	Sales and excise taxes	Total Federal taxes
1961	8.7	3.9	4.6	2.7	19.9
1972	8.6	6.0	3.6	1.8	20.0

[1] National income at full employment.

TABLE 4.—IMPACT OF PERSONAL INCOME TAX ON FAMILY OF 3 WITH AN ADJUSTED GROSS INCOME OF $12,000 IN 1960 [1]

	1960	1970	1973
Adjusted gross income	$12,000	$15,734	$18,007
Standard deductions	1,000	1,100	2,000
Exemptions	1,800	1,925	2,250
Taxable	9,200	12,709	13,757
Tax	1,928	2,437	2,699
Percent of adjusted gross income	16.1	15.5	15.0

[1] Income in 1970 and 1973 is adjusted by the Consumer Price Index.

TABLE 5.—INDIVIDUAL INCOME AND SOCIAL SECURITY (OASDHI) TAXES FOR A FAMILY OF 4 WITH 1 WAGE EARNER BY INCOME LEVELS UNDER CURRENT LAW

Adjusted gross income	Personal income tax	Percent of income	Social security tax	Percent of income	Total taxes	Percent of income
$3,000	0	0	$175.50	5.85	$175.50	5.85
$5,000	$102	2.4	292.50	5.85	394.50	7.89
$7,000	406	5.8	409.50	5.85	815.50	11.65
$10,000	905	9.5	585.00	5.85	1,490.00	14.90
$15,000	1,820	12.1	771.20	5.14	2,591.20	17.80
$25,000	3,890	15.5	771.20	3.08	4,661.20	18.64

SHIFT OF THE FOREIGN TAX CREDIT TO A DEDUCTION

Present tax laws provide that foreign subsidiaries of U.S. corporations may credit their foreign taxes paid against the income tax liability of the parent corporation on foreign source income.

Over $4 billion were claimed in foreign tax credits in 1970 and that figure is far greater today.

Foreign tax credits supposedly create tax neutrality with respect to the choice between domestic and foreign investment. Our crediting provisions, however, far overshoot the mark because the foreign tax credit applies to local as well as central taxes, whereas state business income taxes in the United States may only be deducted.

Moreover, any excess foreign tax credits claimed may be carried forward for five years or back for two years.

The following chart shows how foreign tax credit works:

	U.S. plant in nation with 11 percent corporate tax rate	U.S. plant in Pennsylvania	U.S. plant in nation with 48 percent corporate tax rate
Net profits	$1,000	$1,000	$1,000
Deduction for Pennsylvania tax		−110	
Federal income tax before credits for foreign tax	480	427	480
Foreign tax credit	−110	0	−480
Total Federal income tax	370	427	0
Total income taxes received in United States	370	537	0
Total income taxes paid by corporation	480	537	480
Effective rate (percent)	48	53.7	48

My proposal would plug this gaping loophole and save the United States Treasury over $4 billion annually. The termination of the foreign tax credit would put domestic production in a more competitive position with foreign development and create jobs for American workers.

ELIMINATION OF TAX DEFERRAL

The deferral privilege permits U.S. corporations to pay no income taxes on the profits of their foreign subsidiaries until such profits are brought back home—which may be never.

At face value tax deferral amounts to an interest free government loan to these companies. But, the tax advantages of the deferral privilege can go beyond the interest free loan aspect. Substantial amounts of corporate profits are continually invested and reinvested abroad. They do not come home. To that extent, deferral amounts to a total tax immunity for the individual corporation and continuing tax losses to the U.S. Treasury.

The following graph shows how deferral reduces corporate tax rates:

(Graph not printed in RECORD.)

Example. If $100 profit is taxed in the year it's earned at the 48 percent corporate tax rate, the tax is $48 and the company's net income after tax is $52. But if the tax is deferred, say for seven years, and the $100 profit is re-invested at a 10 percent rate of return, another $100 will be earned. If the entire $200 is then repatriated and taxed at the 48 percent corporate rate, the company's tax is $96 and its net profit after taxes on the $100 is $104. Since the profit during deferral pays the whole tax bill, the tax rate on the original $100 is zero. This total tax forgiveness, or zero tax rate, can be achieved on any amount according to the number of years deferred and rate of investment return.

Because of deferral, the Treasury is losing over $1 billion in revenues annually. My proposal to eliminate deferral would put a stop to the loss in revenues and eliminate yet another incentive for American enterprise to invest abroad rather than at home where the capital is critically needed.

[From the Washington Post, June 5, 1974]

SOCIAL SECURITY TRUSTEES WARN OF TAX INCREASE

(By Peter Milius)

The Social Security system cannot keep paying out benefits the way it has been without an additional tax increase in the next 10 years or so, the trustees of the insurance plan warned Congress yesterday.

The reason is the nation's declining birth rate, which means that there will be relatively fewer workers in the future paying taxes to support the aged and other beneficiaries of the system.

The trustees—the secretaries of the Treasury, Labor, and Health, Education, and Welfare—said there is no need to increase Social Security taxes this year or next. But five or 10 years from now, they said, unless the birth rate unexpectedly turns upward again, "it is certain" that additional income will be necessary.

The only alternatives to raising Social Security taxes would be to hold down the level of the benefits or start financing the system partly out of general revenues.

The trustees added that the need for extra income will be even greater if inflation fails to subside as much as anticipated. Under present law, benefits are automatically increased as prices rise. The system's actuaries are assuming that by 1978 the inflation rate will be down to 3.0 per cent, and will remain there. It has been 10.2 per cent in the past 12 months.

The Social Security tax rate is now 5.85 per cent for both employer and employee on a worker's first $13,200 of earnings each year.

The tax is often criticized because it is regressive; it falls heavier on poorer families than on the better-off. It has also been dramatically increased over the past few years, to meet the cost of increased benefits. Many families now pay more in Social Security taxes than income taxes.

The law tying benefits to rising prices also ties the Social Security wage base—the amount of earnings each year subject to Social Security taxes—to rising wages. The wage base was only $7,800 three years ago. The expectation is that it will be over $14,000 next year, over $15,000 in 1976, and close to $18,000 by 1978.

A rising wage base is the same thing as a tax increase for many workers. Until this year, however, the Social Security actuaries thought it would be possible to keep the actual tax rate at 5.85 per cent.

They knew that it would have to go up then because the country's aged population would go up; the "baby boom" generation, born just after World War II, would reach the age of retirement.

Now they are suggesting that it may have to go up earlier, because of the declining birth rate.

Other factors putting pressure on the system, the trustees said yesterday, are a tendency toward earlier retirement and steadily increasing claims for benefits from workers who have been disabled.

The 5.85 per cent Social Security tax covers disability as well as old-age and survivors' payments. It also covers medical payments under Medicare. The trustees said that, Medicare aside, 29.1 million Americans, or roughly one in seven, are now receiving checks each month from Social Security.

There is no need to raise Social Security taxes right away, the trustee said, because Medicare payments are not using up as much of the 5.85 per cent tax right now as it was thought they would. The extra Medicare money can be reallocated to old-age and other payments for the short run. But this will not last, they said, and "after the next five to 10 years, a tax increase or constraints in the growth of benefits will nonetheless be needed."

The trustees did not estimate how much of a tax increase the system might need. One specialist put it at 0.5 per cent for both employer and employee.

The trustees, who report to Congress every year, said their revenue projections changed this year because they used 1970 Census data for the first time. The new projection is based on a long-run fertility rate of 2.1 babies per woman, close to the rate for zero population growth. The old projections were based on fertility rates of 2.3 to 2.8.

[From the Washington Star, May 30, 1974]

The "Time Bomb" Facing Social Security: Will Inflation Outstrip Ability to Pay?

(By Ned Scharff)

Beginning in 2010—less than 40 years from now—the babies born in the post-World War II boom will reach retirement age. All of a sudden, the number of people living on pensions will have gone from 29 million to 45 million—an increase of 55 percent.

And the gap between older and younger generations will be widest in the pocketbook.

The younger will be forced to support their elders, as they have done under Social Security since 1937. But at that future date, the price of support may be out of all proportion to the ability of workers to pay.

That is the way the Social Security system is beginning to look at its apparently growing number of critics. It takes only a little assumption—that today's inflation is likely to continue, more or less—to convince the critics that a crisis is on the way.

If it comes, they say, it will be an actuarial crisis, a financial crisis, and, most of all, a human crisis. Social Security will have become a monster—devouring wages as never before, and possibly killing workers' initiative.

These are some of the consequences foreseen:

Caring for the nation's aged and disabled, now a $67.7 billion undertaking, could in the early years of the 21st century outstrip also-rising defense as the single largest item in the federal budget.

It could even herald the ultimate Welfare State as the worker is taxed to the limit to pay for public benefits for his elders. With more senior citizens and relatively fewer workers (the ratio of workers to retirees will have fallen from 3.2 to 2.2 by 2030), society would take large amounts from the young in order to fulfill promises to the old.

Barring a sudden change in population trends, the sheer numbers of elderly people in the coming century almost surely would transform America from a youth culture to one of geriatric dominance.

Easy credit and free spending—now characteristic of the nation's youth-oriented ways—could become privileges enjoyed primarily by senior citizens no longer responsible for making a living. Such privileges are not subsidized by the current level of benefits.

The grim predictions of the system's critics may reflect elements of exaggeration and overextended trend lines but do represent increasing concern that Social Security, lumbering into the future, will seriously disrupt the financial and social bases of American society.

Part of the forlorn outlook is due to a simple reality of politics: It is very popular—well-nigh irresistible—to increase Social Security benefits, time after time.

Sen. Barry Goldwater found out just how popular an ever-growing pension system was during his 1964 presidential campaign. Citing what he considered to be abuses in Social Security, he warned that the system was "in danger of collapsing." That remark was used against him over and over, effectively.

Another Republican, Nebraska's Sen. Carl T. Curtis, estimates that he lost 10 percent of the vote in his state two years ago by arguing that a 20 percent hike in benefits, the largest in Social Security history, was too much for the system to bear.

In past years, Congress has managed Social Security in a way that has pleased nearly everyone—declaring frequent benefit increases without any sharp increase in taxes.

At the same time, the Social Security tax remained partly disguised. Since employers pay half of it without any notation on the workers' check stub, increases in the tax appear to be only half as large as they really are.

Since 1937, the real tax burden has risen from 2 percent of the workers first $3,000 in earnings to 11.7 percent of the worker's first $13,200.

Still, until 1972, Congress was able to declare frequent benefit raises without comparable tax increases by using an overly conservative accounting method which assumed that a man's wages would remain the same throughout his career.

Of course, wages did rise, and so did Social Security tax revenues. Congress simply disposed of the surpluses by increasing benefits. Then the tax schedule was recalculated and Congress began saving up surpluses for the next big increases.

By changing accounting methods to assume rising wages, Congress was able to declare the whopping 20 percent benefits increase in 1972, capping a five-year period in which benefits rose 60 percent.

But the change to the more realistic accounting procedure also assured that any future benefit increases would necessitate immediate tax hikes. That guaranteed that future benefit hikes would generate more opposition from taxpayers.

Even if no more benefit increases were approved in the next 40 years except for automatic cost-of-living increases, taxes would have to rise dramatically to meet the population shift.

For example, William G., 22, is a clerical employe earning $7,681 a year. Last year, G. and his employer paid a combined Social Security tax of $898, or 11.7 percent of G.'s earnings. In the year 2010, if G.'s earnings have increased only with inflation, his tax will have to be increased to about $998 in 1974 dollars, or 13 percent of earnings.

And if G. still were working 20 years later, his tax would have to be raised to 16.8 percent of earnings, or $1,270 in 1974 dollars.

That would be the average tax rate for workers in the future if Congress did no more than guarantee old people benefits similar to those they get under Social Security now. But in the view of some there is a *serious* gap already between benefits and those envisioned by the program's founders.

Created during the Depression, the program was designed originally to provide small benefits to protect the elderly amid widespread poverty and unemployment. For all the increases in benefits, the original view—that the elderly should neither get rich from the program nor be allowed to starve without it—has essentially been maintained.

There are approximately 20 million people over 65 in the United States, and half of them are estimated to be living on Social Security alone. Their average monthly check is only $181.

Whether in its present state or in its potential future state, the system of Social Security has developed increasingly harsh critics. They focus heavily upon the highly conservative economic notions used by Congress two years ago in enacting otherwise sweeping changes in the system.

Most importantly, Congress chose to assume that for the next 75 years, inflation would average only 3 percent a year—an assumption which seems doubtful in light of last year's 8 percent inflation and this year's 14 percent.

Inflation simply means the rate at which the cost of living rises. In figuring its tax and benefit tables for the long term, the Social Security Administration by order of Congress assumed the cost of living would rise 3 percent a year, while wages continued to rise 5 percent a year.

In other words, workers' wages would be a net 2 percent greater than their added costs of getting by each year.

That is central to the idea, long nutured by Social Security supporters, that each generation will be able to afford still more generous support for its old people.

Viewed that way, Social Security is not a way of buying insurance for one's own old age. Rather, it is a simple income transfer plan—from the younger to the older.

But, the spiraling inflation of the past two years suggests that all the income needed to pay the benefits might not be there to be transferred in the future. To put it in economic language, "productivity" as a base for future Social Security is apparently not rising as fast as it once did.

And if that base continues to grow ever more slowly, Social Security could develop serious income deficiencies even before the "baby boom" workers go into retirement.

The retirees of the "baby boom" era will have the most dramatic numerical impact on the program, but the phenomenon of extraordinarily large number of survivors should drop off just as dramatically when the "zero growth" individuals reach retirement age.

Defenders of the system, such as Social Security Commissioner James B. Cardwell, argue that Social Security could never get so deficient that it alone would bankrupt the country.

"If you reach that point," said Cardwell, ". . . the whole system will have collapsed.

If this population cannot sustain itself, other parts of the system will be badly damaged. I don't think this generation can or should go into the future believing this could happen."

Conservative economist Milton Friedman does not feel that way about it. He and other critics charge that Social Security, while it is not the only burden on the economy, is one of the heaviest.

"If I were in Social Security, I'd say it could never bankrupt the country, too," said Friedman. "I'd say it's a simple income transfer program that does not use up any real resources, that simply redistributes the money.

"The fact is, though, that it already has had a significant effect. Already the faction of workers between 65 and 70 has been virtually eliminated because of the program's disincentive effect, but that effect can be felt in every age group."

But Cardwel and Friedman agree on the dangers which lie ahead for Social Security as America turns into an aging society. Cardwell calls the population phenomenon "the big question of the moment." Friedman calls it "a time bomb."

A long-overdue Social Security trustees report, now scheduled for publication in late June or early July, will take 1970 Census data into account for the first time.

Social Security actuaries long have known about the existence of the baby boom, but what they have not known is that those babies, now married and in the workforce, are not bearing children at the usual rate. For the time being at least, the country has fallen below the point of zero population growth. That simply means there will be fewer workers in future generations to pay future Social Security taxes to support those then on pensions. However, following the passing of the "boom" survivors, the fewer "no growth" retirees will need less workers to maintain their support.

Last year's report, also late, contained a single critical indicator of Social Security's financial strength—it was a percentage showing how far the tax schedule was out of kilter with the system's projected expenses.

Last year's deficit, which did not take new population factors into account, was 0.38 percent—well within the 0.5 percent margin of error permitted by Congress.

This year's deficit will be close to 3 percent—many times larger than any SSA deficit in history—according to chief actuary Francisco Bayo.

The report will not lead to any cutoff of the 33 million monthly checks that Social Security mails to the nation's elderly and disabled. Nor will it halt the automatic increases in taxes and benefits brought by inflation.

What the report will indicate, though, is that in the next few decades, taxes must soar to keep Social Security going.

Payroll Bite Acceptance Is "Wearing Thin"

(By Duncan Spencer)

It was when Dick Rung, a 26-year-old architectural assistant, was filling out his income tax form 1040 two months ago that he noticed it. He was paying almost as much Social Security as income tax.

It was a reflection that perhaps crossed millions of harried minded this year as payroll taxes for the Federal Insurance Contributions Act (FICA) reached an historic high. Rung met his calculations resentfully.

"Before that," he said recently, "I paid no attention to Social Security at all. It's just something you accept."

But for him as for many other workers across the country, the attitude of acceptance of Social Security's bite each week is now wearing thin. This year, for the first time, over half of the country's taxpayers paid more for these "retirement benefits" than for income tax.

"Social security is a deception," Rung asserted. He sat in his cool white drafting room at Harry Weese Associates in downtown Washington where he earns $12,000 a year as assistant to a project architect working on Metro.

"There are only two types of people who really benefit from Social Security—the people who got in early and the bureaucracy. You're told you're paying money into an account that's for your own retirement, when in fact, I'm paying for my parents' retirement, and I'll have to depend on a generation yet to come."

Rung's jaundiced view may be inaccurate, at least in part, but his attitude is widespread and growing. It seems that the tax levied in the name of "contributions" to Social Security has crossed a real pain threshold for young workers.

Is Social Security a good investment? Rung thinks not, and there are calculations that would seem to bear him out. Most people have not thought at all about the question. What will they get from the system over their working lives and after retirement?

Social Security officials answer these questions by pointing out there is no private insurance plan on the market that offers a combination of old-age pension, disability insurance, health insurance after retirement, benefits to widows and dependent children.

Created during the Depression's widespread poverty and unemployment, Social Security was not envisioned as an investment program but rather as a system of limited benefits to protect the nation's elderly from problems against which they were essentially defenseless.

Some 10 million people in the United States today are estimated to live on Social Security benefits alone. The average monthly payment is only $181 a month.

The officials also argue that the strength of the system is what Rung dislikes most about it—that it is compulsory, and it is based on an unwritten pact between one generation and the next, with the older generation retiring on part of the income of the younger.

The Social Security Administration bases its predictions for the future on two key assumptions—that wages will outstrip inflation by a small percentage, and that the system itself will remain in the same basic form. Both of these assumptions are subject to challenge. But even under the predictions SSA confidently expects, the system is now uneven and seems likely to become considerably more uneven.

For example, a 22-year-old, making the U.S. median wage ($7,681), perhaps a laborer, paid $449 in payroll tax this year. When he retires in 2017, his monthly benefit will be about $2,400 in almost unrecognizably inflated dollars. In constant dollars, about $295. If he's married, the benefit will be 50 percent more.

A 22-year-old making maximum taxable earnings ($13,200) will get a monthly benefit of about $3,000 a month—in constant dollars, about $376.

A low-wage 22-year-old now making $3,200 a year will get about $1,600 a month in 2017, a sum equal to about $197 in today's dollars.

A 40-year-old making median earnings will retire in 1999 at $939 a month, worth about $277 in 1974 dollars.

A 49-year-old making maximum taxable earnings will retire in 1990 at $748 a month, the equivalent of $343 in today's dollars.

A man retiring this year at maximum taxable earnings gets a benefit of $304, while a poorer man, also 65, who is only a minimum wage earner ($3,200), will get $157 a month.

These examples show that it's a great advantage to be married; that benefits have only a slight relationship to the amount paid in; and that, in general, the future benefits for middle-income workers in constant dollars are going to decline in most cases, not increase.

There is considerable variation in the benefits paid under the system. People who pay the same amount of payroll tax may get different benefits, depending on whether they are married or not or on the year in which they retire. People who pay in different amounts of payroll tax may end up getting the same amount of benefits.

The system has been weighted throughout its history to benefit the low-wage earner, yet there are those who argue that the poor and unskilled start work younger, and die sooner, and thus get less out of the system.

"You need the money now, not when you're older," grumbled Rung. Retirement is not something he often contemplates. "I'll work until I drop," he said.

Rung's personal financial picture is bright. He earns much more than $7,681—the amount on which the average American worker pays Social Security taxes.

And his wife pulls in another $9,200 as a librarian.

The couple, with no children and no debts, lives in Arlington in a $220-a-month apartment. Their principal possessions are a $2,000 stereo set and $2,000 worth of records, some furniture and a bicycle. They have no car. "It's a matter of economics," he says. They spend about $30 per month on a big dinner in town, and they spent $1,700 on a European vacation last year.

Ironically, the reason the Rungs live this way is because of their fears of the future, related in an oblique way to Social Security.

Rung tries to put 20 percent of his take-home salary into common stocks, in spite of the fact that in the last two years he has been losing ground steadily. The fact is, he simply doesn't have any faith that Social Security will be able to provide for his own retirement, he sees savings being constantly eroded by inflation, and the stock market seems to him the last reasonable hedge.

He may be right. The changes that are coming to the U.S. population due to zero population growth will not greatly affect Rung. He will have passed out of the earnings picture to join the huge group of "baby boom" retirees in time. But inflation, according to the conservative estimates of Social Security actuaries, will just about decimate the U.S. dollar.

Inflation has been going on for a long time, but now, for the first time, the Social Secuity system is actually pegged to it.

Rung's present wages of $12,000 are close to the present Social Security wage base of $13,200—the amount on which FICA tax is based. As a college graduate with high chances for advancement in his profession, he is likely to earn more than the base for the rest of his career.

But counting on inflation of 3 percent a year (the current rate is 8 percent) an annual 5 percent rise in wages (below the Cost of Living Council's 5.5 percent guideline), Rung's base wage on which Social Security tax would be computed in his last working year—2012, when he will be 64—would be $84,600.

The $84,000, of course, could be mere play money compared to today's currency. It's exactly the old $13,200 blown up by steady inflation. But the percentage of Social Security tax will march steadily upward, too. By 2013 the payroll tax, SSA estimates, will have risen to the region of 7 percent—and that is a real percentage, not an inflated one.

What do the system's current assumptions mean for the Rungs? Assuming they both retire in 2013, he at age 65 and she at 62, they will have put about $111,000 into the system, according to calculations by SSA's acting chief beneficiary Francisco Bayo.

But this is by no means the true value of their compulsory "contribution" to the system, Bayo concedes.

At a moderate compound interest rate of

6.35 percent, which Bayo named as a reasonable figure, their "contribution" is actually $319,000—the amount their payroll taxes would have earned if invested outside the system.

And the "contribution" should be doubled, since the Rungs' respective employers have paid equal amounts to Social Security over the years. So the total they "gave" to the kitty is really $638,000 plus the sum paid over the years toward Medicare. This would add about 15 percent to the total, but Social Security can't estimate a dollar sum accurately because medical costs are expected to rise abruptly. The approximately total contribution grows to $731,400.

After Rung retires, he still gets no benefit out of his "contribution" to the system. Since the money is gone—paid out to others—it has earned no interest.

That represents what Social Security experts concede is a loss to him of 6.35 percent a year during his retirement years—in other words, the interest income he would have continued to receive in retirement if he had had the money to invest when he was working.

Here's how it works out in Rung's case:

He is expected to live 13 years after retiring, according to mortality tables supplied by SSA. During that time, he and his wife will receive benefits of $50,400 per year, or $4,200 per month.

Over the 13 years, he and she will be paid $655,200 in benefits. But from that, there should be subtracted the 6.35 percent loss or discount. The sum left to the Rungs is $613,495—their return on a lifetime FICA "contribution" of $731,400.

One of the most persistent criticisms of Social Security now is that it moves across every layer of society with its flat tax of 5.85 percent on the first $13,200 of wages. For the Rungs, it means: they are paying about 10 percent of their joint wages, since neither yet earns up to the maximum base.

Most economists put the tax burden on young coupls much higher—part of it, they argue, is hidden, because the employer also pays 5.85 percent towards the employe's Social Security.

"The employer couldn't care less," said Prof. Milton Friedman of the University of Chicago, one of the loudest critics of the Social Security system. "The employer's portion of Social Security is wage cost just as wages are." He calls the Social Security Administration's policy of calling the payroll tax a "contribution" and counting only the employe part of the tax burden "absolutely disgraceful and misleading."

Taking into account the employer's tax payment, too, it works out to about 20 percent of the Rung's wages. In their earning lifetime, it will rise to over 30 percent.

In 1972, the Brookings Institution published a study of the payroll tax—before the accelerating factors of fast-paced inflation and declining population were as clearly visible and before the biggest-in-history 20 percent hike in benefits was in force.

"Most taxpayers complain about the income tax, but their wrath is blunted by the general belief that it is a fair tax overall despite some inequities," wrote Brookings senior fellow John A. Brittain. "There is little visible wrath against the payroll tax because most of those who pay it do not realize how heavy and inequitable its burden actually is."

The study pointed out that the payroll tax is negligible on high incomes, that persons with income only from stocks and bonds are not taxed at all.

Clearly, however, the emphasis in the public's mind on Social Security has not been on its long-range or future problems. Rather, it has been on how good the system is.

One of the apparent reasons Social Security has had such an affirmative look about it is that Congress has never bothered to spell out specific goals or definitions so that potential problems might become more visible.

James Cardwell, the current chief of Social Security, would like Congress to do some long-term planning. But few observers expect it to do so.

And young workers also seem unlikely to do much toward planning about retirement, either. Rung, with his stocks, is an exception. A way around the system does not seem a major worry for most.

Life Is Lean on Social Security

(By Duncan Spencer and Ned Scharff)

She was a large woman of 73, sitting at mid-afternoon in Hecht's cafeteria downtown. Her bill was 64 cents, for a chocolate ripple sundae; it was finished. She sat alone and talked about her $180-per-month existence on Social Security. "What's the use worrying," she said, "who knows. . . ."

Sixty-four cents is more than twice what she usually spends for lunch. It's quite close to her average daily expenditure for food, in fact, and gives something of an idea of the way life is lived by thousands of elderly Social Security annuitants here.

Another insight into her life is the monthly equation of rent and income. Her rent, moderate by most Washington standards, is $112.50. That's 62 percent of her check gone at the first of the month, with the days stretching emptily until the next official envelope pops into her mailbox.

Downtown Washington is filled, any workday, with retired people, many of them on Social Security. Most, for some reason, are women, termed "blue hairs" by irreverent waiters and sales persons.

They come to cafeterias at the big department stores with shopping bags that once contained merchandise, but now usually carry a newspaper or a sandwich. But the bag, bearing the name of one of the top downtown stores, makes it one of the little decencies and part of the game.

They ride buses and wander the streets looking for bargains like the summer dress she wears. "Do you know what this dress cost?" she asked with a quick smile of pleasure. "$5.50."

That day she had found nothing she could afford; the trip downtown in one sense was for nothing, but in another way was exciting. Even under the highest priced income-guarantee system in the world, life for today's annuitant is a race likely to be won by the quick witted and resourceful.

She had been 35 years old, a working mother with a son, when Social Security came into being. She took part-time sales jobs, lived in a city apartment as she and her husband, a shoe salesman, struggled to make ends meet at the tail end of the country's worst economic slump.

Set up during the Depression, Social Security was intended to assist the elderly in a time of an impossibly crowded job market, and it was sold on the ideal of giving them dignity besides.

The philosophy behind the system was to make it appear like an insurance plan—a fund in which the worker builds equity during working years and then draws upon it during retirement. Unlike a welfare handout, the Social Security benefit was advertised as an earned benefit—a workers deserved stake in the future of the nation's economy.

NO GUARANTEE

Experts feel the system has been remarkably successful on one count. It has encouraged old people to retire—so much so that after age 65, people are actually penalized in payments if they continue to work more than a day or two a week.

On the other hand, the system provides no guarantee of dignity in old age.

The lady at Hecht's was in no way pathetic. She carefully charted each day's course with a change purse and economies learned from life in the city. Abler than many, she nonetheless is symbolic of millions living on a Social Security check in a society increasingly geared to free spending and easy credit.

She was one of the victors, relatively independent and a burden to nobody; the sundae as a celebration represented a lifestyle that might seem incredible to wage earners or the young.

In fact, she was slightly better off than the average Social Security recipient and she is getting out of the system far more than she or her husband put into it.

Her husband died 15 years ago. At that time she had a part-time sales job at a specialty shop. She had some savings, and she wanted to continue to work. Social Security was coming.

CORNER TABLE

She did not think then it would be like this, not the shuttle between afternoon cafeterias where the waiters and waitresses are idling in the corner table, where across empty stools, another old woman reminds her of her own circumstances.

Memory of those earlier times does little now to make it easier to accept the slow loss of ground. The 1972 rise in benefits, a fat 20 percent, was eaten almost immediately by inflation. She now can find few employers who want a part-time worker whose earnings couldn't rise higher than $1,600 a year—the point at which she would start to lose benfits. The store she worked in for many years changed hands, and there were unfamiliar faces.

She went to Florida, using a good part of her savings to get established, but came back to Washington out of fear of hurricanes, and moved into a Northwest apartment building seven years ago when the rent was $74.50 a month. It is now almost twice that.

The idea that Social Security will somehow take care of the aged is lost in the lives of men and women like these, yet government experts say that more and more people because of inflation and high prices, are tending now to rely on the system as their only guardian in retirement.

POVERTY LEVEL

According to estimates by the National Council of Senior Citizens, half of the elderly have no income but Social Security. Some 3.5 million senior citizens have incomes below the poverty level, and another 2.5 million to 3.5 million have incomes just above.

Even with the new federal Supplemental Security Income program, which recently has replaced state welfare programs for the elderly, NCSC President Nelson Cruikshank does not believe income levels for older people will become adequate for another 15 to 20 years, when new maximum Social Security payments approved by Congress finally will begin to reach most retired workers.

At that point, Cruikshank said, Social Security will provide a "not bad protection system" for those who also have an industrial pension system, home ownership, or a modest savings account.

Estimates for future benefit levels, however, are pinned to hopes for a moderate amount of inflation in the national economy. If those hopes should fail over the next 20 years, elderly people dependent on Social Security will find themselves as far behind as ever.

The labor unions, increasingly concerned with fringe benefits as opposed to large salary boosts, also are exerting strong pressure on Congress to increase Social Security benefits.

"We think benefits should be increased in tune with the standard of American living—not just the cost of living," said Lawrence T. Smedley of the AFL–CIO.

Smedley, like most union officials and spokesmen for the elderly, agree that the payroll tax is now near the saturation point. Minor increases in the tax may be possible, he thinks, but not major ones.

Instead, the proponents of higher Social

Security payments are eyeing the government's general revenues as an alternative source. In its history, Social Security has never depended on any revenue besides that generated by its own special tax.

PAYROLL TAX

Now, there is building pressure to abandon the notion of self-sufficiency for the program. One argument being made for a shift is that the Social Security payroll tax is "regressive," claiming a larger part of a poorer man's paycheck than of a richer man's, while the federal income tax—the source of general revenues—is more progressive.

Theoretically, the move to general revenue financing would cost no more than increasing the payroll tax.

In practice, however, Social Security officials and lawmakers like House Ways and Means Committee Chairman Wilbur Mills, D-Ark., believe that a shift to general revenue financing would open a Pandora's box and ultimately destroy Social Security in its present form.

When politicians no longer are forced to specify the exact source of revenue, argues Social Security Commissioner James B. Cardwell, the temptation to grant wholesale benefit increases will not be resisted.

Moreover, Cardwell believes, the strength of the Social Security system rests in its independence from the rest of the federal budget and in the faith it has inspired among middle-class Americans.

Cardwell believes that the country no longer can put off deciding what it wants specifically from Social Security, a question which has never been answered finally.

MINIMUM INCOME

Is it to be a form of welfare for the elderly, guaranteeing everyone a minimum income in old age regardless of work record, or should it adhere to some idea of insurance, with retirees reaping benefits in strict proportion to the amount paid into the system?

At present, the system has a dual personality. Like the welfare concept, it weighs its payments in favor of the low-wage earner, who gets somewhat more for his investment in the system than the higher wage earner. At the same time, the system taxes a larger percentage of the low-wage earner's income.

Like an insurance plan, Social Security encourages middle-class participation by promising contributors a return. "It isn't just another tax," notes one congressman. "People don't seem to mind it like other taxes because they feel they get something in return."

Shifting to general revenue financing, perhaps the only practical way to greatly increase old-age benefits, would inevitably herald a shift away from the insurance concept, Cardwell argues. It would disenchant middle-class wage earners, and the entire system would become subject to the same public attacks as welfare now is.

To date, Congress has not made up its mind on what an old person needs for a life of simple dignity. Is it half or two-thirds of what he earned in his peak income years, or is it the full amount. That issue, if ever settled, would leave still tougher questions: Can the nation, with its aging society and uncertain economic future, afford to support the elderly at a high standard of living? If so, how strong is the commitment to be?

HUGE APPARATUS

Politicians have made policy on a short-term basis and the huge apparatus of the Social Security Administration provides the mechanics. As a result, 33 million checks a month tumble into the U.S. mails and people like the lady who had her sundae in downtown Washington count the days.

In her world, there is one morning near the beginning of the month that is the best. That's when the green check arrives at the little apartment near Walter Reed. She immediately pays the rent of $112.50 and faces the mounds of other expense that at times overwhelm her. The phone bill averages about $7 per month. She can't make long-distance calls, but the phone, like the television set, is one of the things she says she couldn't do without. Like many of the city's elderly, she has children who live here.

With her, it is a point of pride not to transfer her financial problems to her 39-year-old son, whose small business is itself the beneficiary of another government program run by the Small Business Administration. She depends on her own resources.

Among her aids in this battle are Medicare, which appears to have solved one of the worst worries of aging. Old people can now keep their teeth, for instance. Before the program came into effect, it was cheaper over the long run to have them removed and replaced by dentures.

But she does go without supper, sometimes breakfast. And she stopped smoking because she simply couldn't afford it. "Sure I'd like to live better," she said, "but I can get by on $10 a week, just like I could get by on $50 a week.

FOOD STAMPS

"I get food stamps, you know," she said with conspiracy in her tone. "My son says every day plenty of people—well-dressed people—come in to get the stamps, so he says why don't you take advantage."

The stamps are the bulwark of her budget. For $18 she gets stamps worth $44, and that is usually her total monthly grocery bill. With the month barely begun, she usually has paid out $127 of $180. "The rest of the money I can play with," as she puts it.

The problem of lunch calls forth a masterly scheme. There are eight churches and synagogues downtown that provide low-cost lunches for the elderly, and she shuttles between them four times a week. The lunches vary in price—she usually pays a quarter for a three-course meal and the added benefit of being able to take home unfinished food.

The bus fare for the long ride down from her apartment costs 25 cents, each way, thanks to a discount for those over 65. In the summer, she'll skip from one store to the next, pleasantly reminding sales persons that she's just looking. Boldly, she tries on dresses and puts them back, moving down the rows of clothes she'd like to have.

SHORT DISTANCES

One of the problems of living on $180 is that it allows for very few changes. One must be careful to walk short distances, avoid staining clothes, find newspapers on park benches, know the menus at the cafeterias by heart, not lose anything.

When calamity does occur, it's grim. Last April she was pleased to find the apartment house door opened for her by a young boy of 12, but 20 minutes later, she heard a noise from the kitchen and turned to find him in the living room holding a small knife. She says she wasn't frightened or even angry as he told her to lie on the floor. She thought of the book of food stamps, she remembered.

The youth didn't use the knife or harm her. But he found the food stamps, and to her near-despair, he also found the jar with $90 earmarked for a vacation, put by over good weeks and bad for an outing of a few days at Atlantic City, including the bus ride there and back. "I guess he took that vacation," she said. When the police came she told them she didn't care, except she wanted the money back. "They came. There were so many police, and they promised they'd find it." But they didn't. It was a lean April.

"My financial problem is this," she said. "If I needed a new television, I don't know what I could do. Without the food program (stamps), I'd be really stuck. If a single woman had $300 she would pretty well get by, but the result is I'm here, and often I don't know what I shall do."

She hesitated for a minute and went on: "A man once told me we're all getting to the same place, hitched to the same wagon, and riding on the same wheels," the old face split in a wide smile. "He was a very square man."

[From the Washington Star-News, May 31, 1974]

CARDWELL: SYSTEM'S GOAL UNCLEAR

Social Security has a lot of critics—more now, apparently, than in many years. And one of the critics these days is the man who runs the system—James B. Cardwell.

A career civil servant, he was appointed a year and a half ago to the post of commissioner of the Social Security Administration.

Cardwell argues that the system has reached a critical size without a firm decision by policymakers on what it is meant to achieve.

In his view, Social Security is an enormous economic machine without direction:

"You assume that we already know what we want of the system," he said in a recent interview. "I'm just saying that we don't.

"The theory of the system, as I've always viewed it, is that it was intended to provide insurance against lost earnings in later life, when people were expected to lose their earning capacity. The original concept was that it would never provide the full level of benefit insurance or protection that one would need at that stage, but that there would be some augmentation by a second tier—a private pension, personal savings. But there is no longer a strong consensus that that is what is expected of the system."

Instead, Cardwell continued. Social Security is continually tempting people with the thought that it will provide for them—which it won't—while continually battering the pocketbooks of the younger generation who must support it.

"The pressure from the beneficiaries is to raise benefits as they're struck by the cost of living, and you have to be sympathetic with them . . . we all develop lifestyles and standards of living . . . the poorer you are the more difficult it is. Retired people are obviously feeling that pinch.

"But this rapid rise in the wage base has created a new pressure in the other direction. It's a pressure that is heard in the voice of the middle-income worker, the man who's making 13, 14, 15 thousand a year. He sees himself paying a higher and higher tax. He feels uncertain whether he's going to continue to be taxed on a higher and higher amount and he's still young enough that he doesn't think about his old age. And that group, I think, is beginning to grumble."

Cardwell also feels that the last big hike in benefits, of 20 percent, the full impact of which will be welcomed by 29.3 million retirees in July, was a hastily researched measure.

"I thought it was an awfully big bite at one time. I think the Congress may have rationalized it as a combination of things. There had been an unattended absolute rise in the cost of living, and they thought they were patching that up, and perhaps they thought they were buying a little bit of the next round in advance. They may have felt they were correcting the base, trying to increase the replacement rate. But there's no evidence they were that analytical.

"No one has been willing to stand up and be counted on what would be an acceptable replacement rate for fear he would crystallize at either too low or too high a level. But that's where the public policy should be centered."

The picture for the taxpayer is gloomy and getting gloomier. Even with automatic increases geared to a 3 percent rise in the cost of living, it appears, from past performance, that Congress will rely on increases in benefits to help incumbents in election years.

"This is the way Congress has managed the system since beginning," Cardwell said, "liberalizing benefits throughout, and at the same time raising the tax rate and the wage base . . . and if you looked at it three or four years ago, the same provision that escalates benefits apace with the cost of living does the same thing with the wage base. They will both go up and up and up, even if there are no ad hoc increases. That's the question, whether the political system will be patient long enough to test this theory of an even movement indexed to the cost of living."

The system is under stress as never before by the change of age in the population and from inflation. But, Cardwell points out, applying fresh thinking to an established program that has become politically invulnerable is more difficult than ever.

"That's one thing our political system does very poorly, if it does it at all, is to substitute one thing for another, and discharge the marginal to make way for a new idea. We don't do this very well. It may put me in a very uncomfortable corner, but I think there are some things we should look at. We could look at the minimum benefit."

The minimum benefit, Cardwell revealed, was established as a matter of administrative convenience. Years back, the calculations revealed that the first minimum benefit would have been something like 75 cents a month. That was considered an embarrassment hardly worth sending through the mail, so it was raised to $10. It has since grown to over $90, and is paid out mostly to persons who have worked the bare minimum of time necessary to gain coverage, and who as a result reap far more benefits than they put in.

Another reform Cardwell backs is a redistribution of the load of payroll taxes throughout the year, simply to spread the individual's payroll tax over 52 equal amounts.

But these are details. He sees the system as viable—for the present, but issues a strong warning against the trends that have come with constant liberalization of benefits.

"I think it would be a terrible mistake," Cardwell said, "for the society to condition its current generation now coming into the labor market not to worry about its old age or have the attitude 'the government will take care of you.' That in itself is a fantasy. The government is not going to take care of you. It's still taxes."

DEPARTMENT OF DEFENSE APPROPRIATIONS AUTHORIZATION ACT, 1975—AMENDMENT

AMENDMENT NO. 1425

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Symington, Mr. Cranston, and Mr. Humphrey) submitted an amendment intended to be proposed by them jointly to the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

AMENDMENT NO. 1430

(Ordered to be printed and to lie on the table).

Mr. MONDALE submitted an amendment intended to be proposed by him to the bill (S. 3000), supra.

FULL DEPOSIT INSURANCE FOR PUBLIC UNITS—AMENDMENT

AMENDMENT NO. 1426

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

AMENDMENT OF THE RURAL ELECTRIFICATION ACT—AMENDMENT

AMENDMENT NO. 1428

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. BELLMON submitted an amendment intended to be proposed by him to the bill (H.R. 12526) to amend sections 306 and 308 of the Rural Electrification Act of 1936.

TEMPORARY INCREASE IN THE PUBLIC DEBT—AMENDMENTS

AMENDMENTS NOS. 1434 AND 1435

(Ordered to be printed and referred to the Committee on Finance.)

TAX RELIEF—REFORM AMENDMENT

Mr. HASKELL. Mr. President, on May 2 of this year, I introduced, along with Senator Chiles, amendment No. 1247 intended to be proposed to H.R. 8217. Since that time, other amendments have been proposed, some of which are generally along the same lines as the amendment originally proposed by Senator Chiles and me. We remain convinced of the desirability of the tax relief—tax reform package we introduced and, for that reason, Senator Chiles and I are resubmitting our proposal in the form of two separate amendments to be added to H.R. 14832, the debt ceiling bill soon to be taken up in the Senate.

These amendments are designed to accomplish several objectives. The first provides tax relief to some 55 million taxpayers—nearly 90 percent of all taxpayers by replacing the present $750 personal exemption income deduction with a nonoptional $200 personal exemption tax credit. This is a proposal originally made some time ago by the very able gentleman from Minnesota (Mr. Mondale) and I warmly applaud him for originating what I view as an essential of tax reform.

This relief is essential, Mr. President, for the millions of middle- and low-income families presently hard hit by a galloping rate of inflation. I do want to emphasize, though, that I regard as essential to true tax reform the mandatory character of my amendment. I am aware, or course, that some of my distinguished colleagues prefer to simply add the tax credit device to the existing structure and allow taxpayers the choice of a personal exemption in the form of either a deduction or a tax credit, whichever might be the more advantageous for a particular taxpayer.

In my judgment, the optional credit-deduction mechanism is unwise and ill-advised for one very simple reason. It would create a two-tier system of tax benefits from the personal exemption. On one level would be the vast majority of American taxpayers, all of whom would benefit equally by taking the tax credit. On the second level would be the small number of wealthier taxpayers—some 6 million people—who would take the present income deduction because for them the deduction would be more valuable than the tax credit. This is not the direction of tax reform. Such a system would not be true tax equity. For this reason, I propose that we make the tax credit—a highly desirable change—a nonoptional benefit.

The second amendment is designed to insure against the dangers of further inflation that might be threatened by the revenue loss caused by the proposed tax relief. The only hope we have of insuring against more inflation is, I think, to couple with tax relief—tax reform. Senator Chiles and I propose three revenue-raising tax reform measures designed to accomplish this: first, repeal of the so-called DISC provisions; second, repeal of the asset depreciation range system; and, third, sharp limitation on the availability of the investment tax credit.

Mr. President, I ask unanimous consent that my statement of May 2, 1974, explaining the amendment further and the amendments themselves be printed at this point in the Record.

There being no objection, the statement and amendments were ordered to be printed in the Record, as follows:

Exemption From Duty Certain Equipment and Repairs for Vessels—Amendment

AMENDMENT NO. 1247

(Ordered to be printed, and to lie on the table.)

AN INCOME TAX REALLOCATION AMENDMENT

Mr. Haskell. Mr. President, there has been much discussion recently about the advisability of a substantial income tax cut. Today, I am submitting for myself and the Senator from Florida (Mr. Chiles) tax relief—tax reform amendment that we shall propose when H.R. 8217 is before the Senate. Senator Nelson is also introducing a tax relief—tax reform bill today. I applaud his efforts and look forward to supporting him as we pursue the goal of tax fairness.

I am convinced that some form of relief or cutback is an essential element of much needed tax reform. But we must be cautious of the manner in which such relief is provided.

Some form of reallocation of the Federal income tax burden is a wise and desirable manner in which to help millions of inflation-pressed American families to cope with which we now find ourselves. I believe, though, that we should achieve this goal without even arguably jeopardizing the economic postion of the American people as a whole.

I further believe that we have before us a unique opportunity to not only provide economic relief to the vast majority of American taxpayers, but also to do so in a way that provides them a significant measure of fair play in the operation of their Federal tax system. We should, in my judgment, seize this opportunity to reallocate, on the principle of fairness, some of the overall income tax burden.

I would like first to explain my concern over the proposals that have been made by some of a blanket tax cut without any offsetting revenue raising features. Although many things about the present state of our economy are unclear. Mr. President, there are some things that should be abundantly obvious to all of us.

One is that inflation has not been halted.

Another is that inflation has hit hardest those Americans with middle and lower incomes. Americans are today trapped in the vise of higher prices, concurrently shrinking real wages and the unrelenting pressure of Federal taxes. It is sensible to propose that they should have the pressure of that vise loosened by having less of their wages withheld through the Federal tax system.

But taxes are not the only important variable in any income-enhancing plan. Inflation, which affects middle- and low-income taxpayers the most, also plays a decisive role in income distribution and growth. Therefore, it seems that any tax proposal must in reality have twin objectives. The first should be to place the burden of such a tax proposal more squarely on the shoulders of those who can pay; the second, to minimize any adverse price effects on the economy.

A brief perusal of recent economic reports quickly underlines the serious strains already being placed on the average American. Statistics just released by the Labor Department reveal that while the net income of the average American worker increased by 5.2 percent in the first quarter of 1974, real compensation declined by almost 5.6 percent at an annual rate. Inflation has simply more than offset any surface increase in income.

At the same time as the rate of inflation approached 14.5 percent computed annually, something quite unorthodox by traditional economic standards occurred. Both total output of goods and services in the private sector and productivity declined at annual rates of more than 5.5 percent. Such behavior is normally characteristic of economies undergoing periods of low inflation.

This anomalous behavior seems to indicate that the output recession is finding its origins not in decreasing demand at all—as has traditionally been the case—but rather in shortage of supply. Conversely, increases in inflation appear to be originating in the attempts of producers to compensate for falling production due to raw materials shortages—especially energy—by raising prices.

This rapid escalation of inflation concomitant with productivity and output "recession" presents a difficult dilemma, for forces normally working against one another to restore equilibrium now appear to be acting temporarily in concert. Thus, strategies designed to decrease inflationary pressure are likely to further aggravate high unemployment and lower output while strategies designed to spur growth in productivity and output and lower unemployment are likely to encourage higher rates of inflation.

It is in this context of "stagflation" that we must view any tax cut proposal. If we agree that any such cut should be designed to improve the plight of those Americans most seriously affected by inflation—the lower- and middle-income groups—then any such cut must be judged by reference to the income effects it will have on these individuals.

In the case of any tax cut, there is an immediate and obvious income effect: that is to increase the amount of money readily available to any wage earner. But, any such increase in the amount of money available for immediate expenditure by consumers eventually translates itself through the demand mechanism into increased inflation. Thus, one must subtract the decline in real income lost to inflation as a result of the tax cut from the addition to earnings accruing from the tax cut to determine the true income effects.

For example, if a family's income was $10,000 and the increase in inflation due to the tax cut was 2 percent, then the family's income in real terms suffered a loss of over $200. Therefore, any tax cut, to make sense, must increase this family's income by more than $200. If it does not, the tax cut is self-defeating, and any income gains are quickly erased by price losses—that is, growing inflation.

With the economy already undergoing severe strain from inflation, induced by shortages of supply, a simple tax cut is very likely to result in even higher rates of inflation, and hence, less real value to the average consumer. This is particularly true when the cut is considered in light of a deficit in the Federal budget of $5.4 billion this year and an anticipated deficit of almost $10 billion in fiscal year 1975. Any tax cut would only further aggravate fiscal problems by cutting Federal revenues in the face of increasing Federal expenditures. The logical result of this would seem to be a further erosion in the buying power of the average consumer—an effect quite opposite to that intended by the proposal to simply cut taxes.

As Prof. Otto Eskstein of Harvard University, stated in testimony before the Senate Finance Committee in March: "My feeling against a tax-cut is mainly based on the longer term needs for resources by the Federal government. We have cut taxes too much in the last four years, and we will need the tax base to meet the future social goals."

Profs. John Kenneth Galbraith and Murray Wiedenbaum echoed this concern when they also concluded, respectively:

"I am very doubtful about a tax reduction. Inflation is still a major problem. It's a tough fact that tax reduction is the wrong medicine for that, and I am concerned that the $6.5 billion estimated revenue loss (to the Federal government) would add to inflationary pressures which remain so very strong."

Thus, for many reasons, Mr. President, I am opposed to a simple tax cut. I believe the best way to accomplish the twin objectives of tax reform and price stability is to couple any tax cut with reforms designed to offset any losses of Federal revenue, thereby minimizing the danger of added inflation.

With this in mind I have proposed an amendment to H.R. 8217. I firmly believe that our proposal will provide the much-needed tax relief without posing the threat to middle- and lower-income persons of having that relief eaten away by yet more exaggerated rates of inflation. At the same time, it addresses itself to several of the most inequitable, unjustifiable, and unnecessary tax breaks presently built into the Internal Revenue Code.

Our amendment will propose to—

First, replace the present personal exemption in the form of a deduction with a non-optional tax credit of $200.

Second, repeal the code provision allowing the deferral of certain export income—DISC; terminate, with an exception, the investment tax credit; and eliminate the asset depreciation range system.

Step No. 1 in our proposal will provide tax relief for nearly 55 million taxpayers this represents nearly 90 percent of all the tax returns that are filed each year. The bulk of this relief will go to taxpayers with annual income of $20,000 per year and less.

Step No. 2 of our proposal is designed to offset the loss in tax revenues caused by step No. 1—about 6.1 billion—by repealing some of the least justifiable tax breaks presently in the Code.

First, the so-called DISC provisions of the code would be repealed. These provisions allow certain businesses engaged in exporting to defer half of their overseas income and, in the end, this deferral can be so extended as to amount to the equivalent of an initial exemption from taxation for the part of the exporter's income.

A Treasury report released just last week informs the Congress that DISC cost the Federal Government 2½ times as much as was anticipated in 1972. When enacted, the Congress was told that DISC would mean a loss of about $100 million in Federal revenues. Instead, DISC has meant a subsidization of the exporting business to the tune of $250 million. Moreover, the report states that—

"On balance, it seems likely that the 1973 income figures, and hence revenue loss, will exceed the estimated 1972 loss."

There are two disturbing elements of the tax subsidization of exporters. One is the high uncertainty of the need for the DISC provisions. We just do not know how much of the increased exporting activity in 1972 would have occurred without the help of DISC.

We know, for example, that devaluation and other general economic influences have inevitably spurred on exporting: we know, hence, that, to some extent DISC has been an utter, unjustified waste.

The other disturbing element of DISC is the fact that its incentive features all too often may result in American manufacturers exporting items that American consumers find they are unable to obtain here at home. This is an unnecessary business incentive and an unnatural tax policy. Repeal of this provision will result in a revenue gain of $250 million.

The second part of this amendment that will bring in new revenue will be a termination of the investment tax credit, subject to a limited exception. We propose to limit the credit to assets with a cost basis of $100,000 or less. The credit would be fully applicable up to a cost basis of $50,000, and would then be incrementally phased out from $50,000 to $100,000.

I seriously doubt, Mr. President, that this investment tax credit is much of a stimulus to the economy at all. If the board of directors of a corporation is convinced of the profitability of further investment, then marginal benefits accruing from a tax credit will play a very small role in their decision to invest. If the venture is inherently nonprofitable, then it should not be further subsidized by an investment tax credit. The credit is, in my opinion, a classic example of the use of the tax system to induce certain economic behavior, whether that behavior needs to be induced or not.

The effect of the tax credit is very nearly to completely offset the interest costs an investor must pay to borrow the funds to be invested. Thus, borrowing is largely at the expense, not of the investor, but of taxpayers in general. The extraction of those dollars from the average taxpayer in order to subsidize the borrowing of corporate investors ought to require a showing of compelling need if it is to be justified at all. Such a showing has not, to my satisfaction, been made. Thus, the burden ought to be shifted back to those presently benefiting to come to the Congress and demonstrate their individual need for economic subsidization by the Federal Government. The Joint Committee on Internal Revenue Taxation estimates that the change proposed by Senator CHILES and me will yield from $3.5 to $4 billion in additional Federal revenues.

The third revenue-raising element of our proposal is a repeal of the asset depreciation range system. ADR allows rapid tax depreciation of machinery and equipment, and is defended as an incentive for the purchase of new assets, much like the investment tax credit. The system is essentially a fiction, since financial accounting in shareholders' and creditors' reports uses far less rapid depreciation methods. Rapid depreciation amounts to a deferral of taxes: this deferral is a highly valuable tax reduction device. Like the investment credit, we have been shown no current evidence of the need for this tax preference. Fifty percent of the benefits of ADR, it is estimated, go to the largest 103 corporations. Eighty percent of the benefits will go to the largest 2,500 corporations—just one-twentieth of 1 percent of all U.S. businesses. What ADR, in reality, means, is that the Federal Government, at the taxpayers' expense provides these corporate giants interest-free loans of taxes otherwise due each year.

Senator CHILES and I propose to eliminate the ADR concept—a move I view as one more step in the direction of eliminating Federal Government interference through the tax system in the decision-making processes of the free-enterprise system. This repeal will net the Treasury approximately $1.5 billion.

The new revenue raised by my proposals is to be used to finance tax relief for nearly 90 percent of all Federal income taxpayers. The method by which this is to be accomplished is replacement of the deduction for personal exemptions with a tax credit for those exemptions. The credit will not be on an optional basis, although I acknowledge the attractiveness of the option, that feature would simply be unfair.

Tax reform, if to be true to the implication of equity inherent in that appealing phase must face a fundamental reality: we cannot reform the tax system by giving something to everyone. Tax relief for the many must come from those presently paying less than their fair share. The American people recognize this fact of life. So, too, should the Senate. Moreover, equity knows no qualification. True equity should not mean that some are to be treated "more fairly" than others or that some taxpayers are "more equal" than others under the law.

The present personal exemption system is backward simply because it provides tax assistance to taxpayers in proportion to their marginal tax bracket.

Thus, for the very wealthiest of taxpayers, the $750 exemption means that $750 of their income will not be taxed at the otherwise applicable 70 percent tax rate. For the wealthiest taxpayer, then, the exemption is worth about $525 in real dollars saved. For the lowest marginal bracket taxpayers, however, the exemption is worth only about $105—this notwithstanding the fact that their basic living expenses for the minimum essentials of life do not cost them less simply because they are less affluent than other taxpayers. For a family of four with an income of $15,000 a year, the exemption is worth about $185.

But, since the exemption is designed to provide tax recognition to the expenses that one incurs for the basic essentials of life, it should not be valuable to a taxpayer only in so far as he is wealthy. Thus, in my opinion, the credit that is available in lieu of a deduction for personal exemptions should not be provided on an optional basis. It would be available to all taxpayers, rich, poor, or in the middle, on an equal basis.

In the end, Mr. President, one thing must be always kept in mind regarding our tax system: every time one taxpayer does not have to pay some or all of his taxes, the rest of the American people must take up the slack.

It is the presence in the Federal tax "budget" of some $65 or $70 billion of tax subsidization like those I propose we repeal which has for years stood in the way of any meaningful tax relief. Many of these items sharply distort the progressiveness of the tax system.

Thus, there exists this independent justification for our amendment: it is never too soon to close off the most unjustifiable of the tax loopholes. And that is precisely what we proposed.

I hope that my colleagues on both sides of the aisle will be able to join in proposing tax relief for millions of the hardest pressed American taxpayers, and a noninflationary reallocation of the Federal tax burden to some who have for too long not been paying their fair share of Federal taxes.

AMENDMENT No. 1434

Insert the following:

SEC. 3. AMENDMENT OF THE INTERNAL REVENUE CODE.

Except as otherwise expressly provided, whenever in section 4, 5, or 6 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

SEC. 4. LIMITATION OF INVESTMENT CREDIT.

(a) IN GENERAL.—Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended to read as follows:

"(1) GENERAL RULE.—The amount of the credit allowed by section 38 for the taxable year shall be equal to a percentage (determined under the following table) of the qualified investment (as defined in subsection (c)).

"If the basis of the section 38 property is—	The applicable percentage is—
$50,000 or less	7
More than $50,000 but not more than $58,000	6
More than $58,000 but not more than $66,000	5
More than $66,000 but not more than $74,000	4
More than $74,000 but not more than $82,000	3
More than $82,000 but not more than $90,000	2
$100,000	1
More than $90,000 but not more than	
More than $100,000	0".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property—

(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974; or

(2) which is acquired by the taxpayer on or after that date.

(c) Subpart B of part IV of subchapter A of chapter 1 (relating to rules for computing credit for investment in certain depreciable property) is amended by adding at the end thereof the following new section:

"SEC. 50–1. SECOND TERMINATION OF CREDIT.

"(a) GENERAL RULE.—For purposes of this subpart, the term 'section 38 property' does not include property the cost basis of which exceeds $100,000 and—

"(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974, or

"(2) which is acquired by the taxpayer on or after such date,

other than second pretermination property.

"(b) SECOND PRETERMINATION PROPERTY.—The Secretary or his delegate shall prescribe regulations describing property which is treated as pretermination property for purposes of subsection (a). Such regulations shall prescribe rules similar to and consistent with the provisions of section 49(b).

"(c) LEASED PROPERTY.—In the case of property which is leased on or after January 1, 1974 (other than pursuant to a binding contract to lease entered into before such date), which is section 38 property with respect to the lessor but is property which would not be section 38 property because of the application of subsection (a) if acquired by the lessee, and which is property of the same kind which the lessor ordinarily sold to customers before such date, or ordinarily leased before such date and made an election under section 48(d), such property shall not be section 38 property with respect to either the lessor or the lessee.

"(d) PROPERTY PLACED IN SERVICE AFTER 1980.—For purposes of this subpart, the term 'section 38 property' does not include any property placed in service after December 31, 1980."

(d) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 50–1. Second termination of credit."

SEC. 5. REPEAL OF THE TAX EXEMPTION FOR A DISC.

(a) IN GENERAL.—Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1974.".

(b) TECHNICAL AMENDMENT.—Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No corporation shall be treated as a DISC for any taxable year beginning after December 31, 1973."

SEC. 6. REPEAL OF ASSET DEPRECIATION RANGE SYSTEM.

(a) Section 167(m) (relating to the Asset Depreciation Range System) is repealed.

(b) Section 167(a) (relating to a reasonable allowance for depreciation) is amended by adding at the end thereof the following: "Such reasonable allowance shall be computed, subject to the provisions of Revenue Procedure 62–21 (including the provisions for the reserve ratio test) as in effect on December 31, 1970, on the basis of the expected useful life of property in the hands of the taxpayer.".

(c) The amendment made by subsection (a) shall apply to property placed in service after December 31, 1973. The amendment made by subsection (b) shall apply to taxable years ending after December 31, 1974, but it shall not apply to property placed in service by the taxpayer during the calendar years 1971, 1972, 1973, or 1974 if an election has been made to have the provisions of section 167(m) applicable to such property.

AMENDMENT No. 1435

Insert the following:

SEC. 3. AMENDMENT OF THE INTERNATIONAL REVENUE CODE.

Except as otherwise expressly provided, whenever in section 4 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

SEC. 4. CREDIT AGAINST TAX, IN LIEU OF DEDUCTION, FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by renumbering section 42 as section 43 and by inserting after section 41 the following new section:

"SEC. 42. PERSONAL EXEMPTIONS.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) CONFORMING AMENDMENT.—So much of section 151 of such Code (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"SEC. 151. CREDIT FOR PERSONAL EXEMPTIONS.

"(a) AMOUNT OF CREDIT.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be $200 for each exemption allowed to the taxpayer under this section for the taxable year.".

(c) CONFORMING AMENDMENT.—Section 151 is further amended by striking out "of $750" wherever it appears therein.

(d) TECHNICAL AMENDMENTS.—

(1) Sections 2(a)(1)(B), 2(b)(1), 143(b)(1), 214(b)(1)(A), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(2) Section 37(a) (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(5) Section 50A(a)(3) (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

(F) section 42 (relating to personal exemptions)."

(6) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(7) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(8) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(9) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) ESTATES AND TRUSTS.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b)."

(10) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and) any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(11) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions).".

(12) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(13) Section 873(b)(3) (relating to nonresident aliens) is amended to read as follows:

"(3) CREDIT FOR PERSONAL EXEMPTION.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151.".

(14) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(15) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(16) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(17) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

AMENDMENT NO. 1436

(Ordered to be printed and referred to the Committee on Finance.)

FOREIGN TAX CREDIT AMENDMENT TO H.R. 14832—DEBT CEILING BILL

Mr. HASKELL. Mr. President, on March 1, 1974, I introduced S. 3095, a bill designed to deny tax credit treatment to any payment to a foreign government which is in reality, not an income tax but a royalty payment. S. 3095 is cosponsored by Senators MCINTYRE, CRANSTON, CASE, CHURCH, CANNON, TUNNEY, AND HUMPHREY.

This matter is a clear-cut one: royalties ordinarily are deduction business expenses and are not creditable against Federal tax liability. The amendment I introduce today will extend that principle to multinational petroleum companies which too long have been encouraged by the foreign tax credit provisions of the tax code to engage in operations abroad rather than there at home.

Recently, I proposed S. 3095 as an amendment to H.R. 8217. Since it now appears that the debt ceiling bill will be taken up by the Senate first, I think it appropriate to reintroduce the amendment.

I do not object to the allowance of a tax credit for bona fide income tax payments to foreign governments. To administer our tax laws otherwise would, in effect, cause a double income taxation of foreign-source income and would thereby put American businesses operating abroad at a distinct disadvantage relative to foreign corporations.

The dangers of those disadvantages, however, must be balanced against the inequities caused here at home by fundamentally unfair advantages that are afforded multinational corporations alone. It is not an overstatement of fact to suggest that the abuse of the foreign tax credit provisions of the Internal Revenue Code—an abuse for which the Internal Revenue Service must claim a part of the blame since its interpretation alone allows royalties to be credited against taxes—is one reason that the oil and gas giants often pay little or no Federal income taxes.

Under this amendment, royalty payments will not be creditable against taxes due the Federal Government. Only true income taxes will be creditable against taxes; any so-called taxes that are imposed on a per-volume basis, including per-barrel taxes, must, of course, be treated as royalties and not as income taxes paid to foreign governments.

I ask unanimous consent, Mr. President, that my proposed amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1436

At the end of the bill insert the following:

That (a) section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) ROYALTIES.

"(1) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) DETERMINATION BY SECRETARY OR HIS DELEGATE.—The Secretary or his delegate shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) BASIC RULES.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(b) Section 904(f)(4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) Carryovers to years beginning after December 31, 1973—

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973.".

SEC. 2. The amendments made by this Act apply with respect to taxable years beginning after December 31, 1973.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1335

At the request of Mr. BROCK, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of amendment No. 1335, intended to be proposed to the bill (S. 1486) to authorize the Secretary of Commerce to engage in certain export expansion activities, and for related purposes.

AMENDMENT NO. 1371

At the request of Mr. HUDDLESTON, the Senator from South Dakota (Mr. McGOVERN), the Senator from Wyoming (Mr. McGEE), the Senator from North Dakota (Mr. YOUNG), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Washington (Mr. JACKSON), the Senator from Michigan (Mr. HART), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Amendment No. 1371, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1972.

AMENDMENT NO. 1375

At the request of Mr. HATHAWAY, the Senator from Tennessee (Mr. BROCK), the Senator from New Jersey (Mr. CASE), the Senator from Iowa (Mr. CLARK), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Ohio Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. NUNN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of amendment No. 1375, intended to be proposed to the bill (S. 2351) to prohibit sex discrimination by education institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine.

AMENDMENT NO. 1405

At his own request, Mr. SCHWEIKER was added as a cosponsor of amendment No. 1405, intended to be proposed by Mr. JACKSON to the bill (S. 3000), Defense Department of Defense Appropriation Authorization Act of 1975.

AMENDMENT NO. 1418

At the request of Mr. McGOVERN, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of amendment No. 1418, intended to be proposed to the bill (H.R. 8217), supra.

NOTICE OF HEARINGS ON NOMINATIONS

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate and other interested parties that the Committee on Interior and Insular Affairs has scheduled an open hearing for June 17, 1974, on the nomination by President Nixon of Mr. Marmaduke Robert Ligon, Mr. Leonard B. Pouliot, Mr. John W. Weber, and Mr. Eric Roger Zausner, to be Assistant Administrators of the Federal Energy Administration. The hearing will begin at 10 a.m. and will be held in room 3110 of the Dirksen Senate Office Building.

Persons wishing to testify or submit statements for the hearing record should so advise the staff of the Interior Committee.

Mr. President, I ask unanimous consent that a brief biographical sketch of each of these gentlemen be included in the RECORD at this point in my remarks.

There being no objection, the sketches were ordered to be printed in the RECORD, as follows:

BENJAMIN FRANKLIN STATION,
Washington, D.C.

BIOGRAPHY OF LEONARD B. POULIOT, ASSISTANT ADMINISTRATOR FOR MANAGEMENT AND ADMINISTRATION

Leonard B. Pouliot joined the Federal Energy Office on April 14, 1974, as Assistant Administrator for Management. In this role, Mr. Pouliot serves as the senior adviser to the Administrator and principal manager on all aspects of management and administration for the Agency.

Prior to this appointment, Mr. Pouliot served as the Associate Assistant Secretary for Administration (Organization, Management and Personnel) at the Department of Labor. Before that, he was the Deputy Administrator for Management with the Food and Nutrition Service, a 4½ billion dollar program at the U.S. Department of Agriculture.

A career professional, his 26 years of Federal Service include the Smithsonian Institution, where he was the Director of Management and Personnel Resources; the Department of State, where he served in the Assistant Secretary for Administration's office with responsibility for overseas administration; and later as First Secretary at the U.S. Embassy in Bonn, Germany. He has also held responsible positions with the Department of the Army.

Mr. Pouliot is currently completing a Ph.D. program with the University of Cincinnati. He receved an M.A. degree from the George Washington University and a B.A. degree from the University of the Americas (U.S. Mexico City College). He also completed the U.S. Navy V-5 Education and Training program at Middlebury College Vermont, the University of North Carolina and Naval Aviation Schools.

Born in Worcester, Massachusetts, December 22, 1923, he is married to the former Marguerite Dormieres of France and resides in Arlington, Virginia.

BIOGRAPHY OF DUKE R. LIGON, NOMINATED TO BE ASSISTANT ADMINISTRATOR FOR ENERGY RESOURCES DEVELOPMENT, FEDERAL ENERGY ADMINISTRATION

Since December 1973, Mr. Ligon has served as Assistant Administrator for Policy, Planning and Regulation at the Federal Energy Office. In that role, he was responsible for the formulation and development of all price, allocation and rationing regulations promulgated by the agency.

From March to December 1973, Mr. Ligon served as Director of the Office of Oil and Gas, Department of the Interior, where he directed the development of basic data and analysis used by the Energy Policy Office of the White House and the Oil Policy Committee in making national decisions on energy. Mr. Ligon was also Executive Secretary of the Oil Policy Committee, a cabinet-level, interagency group responsible for the Nation's oil import policies.

Before becoming oil and gas advisor to Treasury Secretaries John B. Connally and George P. Shultz, Mr. Ligon served as an administrative assistant in the Continental Oil Company. A native of Oklahoma, Mr. Ligon was on General C. B. Abrams' briefing staff in Viet Nam in 1969 and 1970.

Mr. Ligon earned a doctorate degree in jurisprudence from the University of Texas Law School (1969), has completed graduate work in business and finance at the University of Texas (1966), and holds a B.A. in chemistry.

Mr. Ligon is 33 and is married to the former Linda Griffin.

As Assistant Administrator for Energy Resources Development, Mr. Ligon would develop and implement national policies and programs to increase the production of domestic energy sources, including coal, petroleum, natural gas, synthetic fuels, nuclear, shale, geothermal and solar energy.

The Energy Resources Development division, under Mr. Ligon's leadership, would also be responsible for formulating and implementing policies and programs to facilitate the siting, construction and operational regulation of facilities required for the production, conversion and distribution of energy in ways consistent with environmental standards.

In addition, Mr. Ligon would initiate, direct and coordinate policies and programs to provide an appropriate combination of financial, tax, regulatory and other measures to encourage expanded production of domestic energy supplies consistent with the public interest.

BIOGRAPICAL SKETCH OF JOHN W. WEBER

John W. Weber, Assistant Administrator for Operations and Compliance, Federal Energy Office, and Acting Director, Office of Petroleum Allocation, Department of the Interior, has the principal responsibility in FEO to operate and manage the fuel allocation program. This includes overseeing field operations, compliance activities, relations with State and local governments, as well as directing the application and interpretation of the regulations to industry and the public.

Since 1971 Weber has served as President of Chayes Virginia, Inc., a Connecticut-based manufacturing company. From 1960 to 1971 he was a principal of the management consulting firm McKinsey and Company, in Chicago. He has been a consultant to the energy industry in the United States and abroad, working with petroleum companies and electric and gas utilities.

An Ohio native, Weber graduated from Yale with a bachelor's degree in industrial engineering and later earned a Master of Business Administration degree at Harvard.

Weber holds an Ohio certificate as a Registered Professional Engineer. He is a past member of the American Institute of Industrial Engineers, a Certified Management Consultant, and the author of several scientific and technical publications.

Weber is married to the former Nancy Tieken. They have three children: Lisa, 15; Bruce, 12; and Zeff, 8.

ERIC R. ZAUSNER—ASSISTANT ADMINISTRATOR FOR ECONOMIC AND DATA ANALYSIS AND STRATEGIC PLANNING; AND ACTING ASSISTANT ADMINISTRATOR FOR ENERGY CONSERVATION AND ENVIRONMENT

Eric R. Zausner serves as Assistant Administrator for Data Analysis and Strategic Planning for the agency, and Acting Assistant Administrator for Energy Conservation and Environment. His most immediate responsibilities are to oversee the analysis of data on energy supplies and consumption; the analysis of effects on the economy and to direct formulation and evaluation of strategic plans and policy based on these analyses. In addition, Mr. Zausner directs transportation, residential, commercial and industrial energy conservation policy; coordinates Federal, state and local energy conservation programs, energy conservation studies; and assessments of environmental impact.

Prior to this appointment Mr. Zausner served as Deputy Assistant Secretary of the Interior for Energy. His responsibilities included the development and direction of three new energy staff offices—the Office of Energy Conservation, the Office of Energy Data and Analysis and the Office of Energy Research and Development. Other line agencies under his supervision were the Office of Oil and Gas, the Office of Coal Research and the energy-related activities of the Bureau of Mines and the Geological Survey. In addition to this, Mr. Zausner assisted the Assistant Secretary for Energy and Minerals in overall energy policy matters.

Previously he was a Senior Staff Member on the Council on Environmental Quality, Executive Office of the President. His responsibilities included the direction of all economic and quantitative analyses and policy development in solid waste and energy. Prior to his position with the Council, Mr. Zausner was Chief of the Management Sciences Section, Bureau of Solid Waste Management, now the Office of Solid Waste Management Programs of the Environmental Protection Agency.

Mr. Zausner received his Master of Business Administration degree in Finance from the Wharton School, University of Pennsylvania, and a Bachelor of Science degree in Electrical Engineering from Lehigh University.

POSTPONEMENT OF HEARINGS ON S. 2755

Mr. GOLDWATER. Mr. President, on behalf of the chairman, I wish to announce that the hearings on S. 2755, to require the Administrator of the National Aeronautics and Space Administration to study the feasibility of entering into certain international cooperative programs involving the utilization of space technology and application, previously scheduled by the Committee on Aeronautical and Space Sciences for Wednesday, June 12 at 9:30 a.m., have been postponed.

ADDITIONAL STATEMENTS

THE PRESIDENT'S TRIP TO MOSCOW

Mr. ROTH. Mr. President, it was announced on Friday that President Nixon is scheduled to depart on June 27 for the summit meeting in Moscow. Prior to this announcement, there had been considerable debate as to whether or not the President should make the visit to the Soviet Union in light of the impeachment investigation being conducted by the House Judiciary Committee. The purpose of the summit is to continue the momentum of détente and, hopefully, to reach some agreement helping to restrain the arms race.

I frankly have had reservations about the President making this trip, but have decided that so long as there are no impeachment proceedings in the full House, we should not cripple our foreign policy or jeopardize the steps we have already made in our relations with the Soviet Union. While the House investigation is going on the President must be permitted to act as the Chief Executive. I do not believe that domestic difficulties will cause the President to be less likely to make a good agreement in Moscow. On the contrary, the President will be much more constrained now than if he were riding the crest of popularity. He knows that he must bargain tough and that if an agreement can be made, it must be a good agreement because it will be examined with utmost care by Congress, the media, and the public, as indeed it should be.

However, in order to dispel some of the doubt that has surrounded the trip, I think the President would be wise to invite a member of each party from both the House and the Senate to accompany him on this important mission.

As the Christian Science Monitor pointed out in a recent editorial, bipartisanship of this nature has had great benefits to U.S. foreign policy in the past.

The policy of containment, constructed in the late 1940's and early 1950's around NATO and the Marshall plan, was rooted in strong bipartisan support in the Congress.

The chances of a successful policy of détente will be strengthened if it too is given a broad bipartisan base. Détente is not a straight or easy road. There will be many disappointments along the way, and it will require great patience and maturity on the part of the American people. It will require strong and responsible leadership from America's chief executives and Members of Congress.

In a case of the proposed summit meeting in Moscow, a bipartisan congressional delegation would help impress upon the Soviet that both the executive and the legislative branches share powers and responsibilities in foreign policy. I also believe such a delegation would show that there is a broad consensus in both parties on such issues as the importance of mutual restraints on the arms race and the need for greater Soviet attention to individual liberties.

It is imperative that the Soviets be disabused of any notions they may have that they can play off the President against the Congress or the Republicans against the Democrats on issues of such great importance to all Americans.

Finally, I think such a delegation could be very helpful in helping Congress evaluate any agreement which is made.

Mr. President, I ask unanimous consent that the editorial from the Christian Science Monitor be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Who Goes to Moscow?

Sen. Edward Brooke of Massachusetts thinks that President Nixon should call off his prospective trip to Moscow in June. The Senator doubts that the Soviets will want to make any agreements with a beleaguered President. Hence the meeting in Moscow could be a "hollow shell."

We are reluctant to see any trip by anyone postponed which just might help to put a lid on the nuclear arms race and thereby improve the defenses of the human race against disaster. And we do not for a moment believe that Mr. Nixon, as some other senators have suggested might be inclined to give away too much to the Soviets for the sake of a temporary political advantage at home. That is: we don't think that there is anything to lose from Mr. Nixon making the trip even though there may be some doubt as to what may be gained. Any possible gain for peace is worth the trip.

But we would suggest that the White House could improve the chance of gain from the trip and remove the anxiety of his critics if Mr. Nixon would borrow from the past experience of his predecessors and make this a bipartisan expedition. Specifically, we suggest that he invite to join his delegation and go with him two senators and two members of the House of Representatives—from opposite sides of the political aisle, of course.

The biggest thing which could possibly come out of the Moscow visit would be a ceiling on offensive nuclear weapons. The most urgent task, if the arms race is to be curbed at all, would be a cutoff, at once, on deployment of Soviet MIRVs. There would of course have to be a compensating American contribution. The desirability is bipartisan. The responsibility should be shared. The security of the human race is too important for partisanship.

American diplomatic experience is clear on the value of bipartisan delegations. Woodrow Wilson's failure with the League of Nations stemmed from his refusal to take Republicans with him to Versailles. The enormous success of Truman-Acheson foreign policy was solidly built on Republican Sen. Arthur Vandenberg of Michigan and Republican foreign policy expert John Foster Dulles.

President Eisenhower used a different formula, but one equally bipartisan. Every foreign policy move he made was carefully coordinated in advance with the leadership of both parties of the Congress.

So far President Nixon has played foreign policy without help from Democrats. His great spectaculars—the trips to Peking and Moscow—were made without Democrats, indeed without anyone from the Congress.

Of course to take senators and congressmen of both parties along means forgoing a personal political advantage. But it would also be a protection to Mr. Nixon against the suspicion that he might give too much away. We recommend that he make it a bipartisan expedition.

NATIONAL AND INTERNATIONAL IMPLICATIONS OF PRODUCTIVITY

Mr. BIBLE. Mr. President, our colleague from Utah, Senator Moss, who has a great deal of expertise in the area of minerals and materials, gave a very succinct speech at the University of Missouri in May which bears repeating.

I ask unanimous consent that it be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record as follows:

National and International Implications of Productivity

(Speech of Senator Frank E. Moss)

The subject assigned to me is the national and international implications of productivity. After such a delicious dinner, I would like to simply tell you that the average annual rate of growth is "x". Productivity equals "y" and the trend is so and so, and let you all go home. But the script calls for a full fledged speech, so bear with me.

In less than ten years time we have run the gamut from too much to too little. Ten years ago we trumpeted of "the affluent society" in books and papers. Today we are shaking our heads and murmuring dolefully of "the scarcity society." Hopefully, one side effect of the, (expletive deleted) energy crisis has been to sharpen our awareness of other possible shortages and to cause us to do a great deal of introspection into our collective national souls about our national selves, and what we are doing with the mineral wealth which has made this country great. I believe this introspection has been particularly true of the Congress. All agree that for almost two hundred years the American system has served us well. Despite the imbalances that have occurred from time to time. The average person, let alone the impersonal corporation, has not felt constrained to examine the system and all of its intricate philosophical and moral underpinnings. Heretofore, we have not had to look inward at our value system . . . nor outward at the planet earth. Now we are beginning to do that—and it is slightly traumatic.

Our current national introspection reminds me of the story of the six-year-old boy who in all the years of his life had never been known to utter a word. His parents were distressed and had resigned themselves to the fact that their son would never talk. But, one morning, over breakfast, he looked up and declared in perfectly clear English, "My oatmeal is cold."

The parents were overjoyed, but at the same time dismayed. They asked if he could speak so well, why had he never said a word?

The son replied, "up until now, things have been going pretty well."

Our society and our national standard of living are based upon our rich resource availability, and superb utilization of American know-how. Things have been going pretty well. But now this may no longer be true. During the next few minutes I would like to discuss the following points:

First—A strong mineral position is a valued asset in our economy.

Second—We have been profligate in our depletion of the world's supply of various metals and minerals.

Third—We face world-wide socio-economic realignment which could affect our lifestyles and patterns of consumption, and

Fourth—It is essential that we increase our productivity both domestic and international and keep open lines of international trade.

A STRONG MINERAL POSITION

Let's begin with the value of a strong mineral position. There is no need with this group to dwell upon the value of minerals. According to data assembled by the Bureau of Mines, U.S. Department of Interior, during 1972, the U.S. required about four-point-four billion tons of new basic mineral and nonfood organic materials. This is equivalent to about 42 thousand 500 pounds per person. The total value of such materials to the United States in 1972 was approximately $50 billion or $237 per person. An examination of the impact of the metal industry on the United States shows that the mining industry plays a critical part in the national economy. After processing and refining, the raw materials are worth over $150 billion to American industry.

At this point the materials are still recognized as raw resource products which will provide the basis for a large portion of the U.S. gross national product. Even in the simple processed state these metals, in addition to 6 billion in imports, account for approximately 15 percent of the gross national product.

DEPLETION OF SUPPLY

Second, we have been profligate in our depletion of the world supply of metals and minerals. We Americans have been using our own minerals in a rather cavalier manner and we have also been gobbling up minerals from around the world to satisfy our industrial needs in the same way. We are, of course, not self-sufficient in all the basic minerals.

Other growing industrial areas of the world are increasing their demands for essential raw materials. The final report of the National Commission of Materials Policy released in June of 1973, indicated that U.S. and World requirements for the ferrous and nonferrous metals will rise steeply during the balance of the century. According to a research project prepared by Dr. W. Malinbaum for the Wharton School, University of Pennsylvania (March, 1973) the demand for raw materials will be particularly heavy for the four major industrialized areas—Western Europe, Japan, USSR and the United States. It is obvious that competition among the developed countries for the basic minerals will intensify. It is also obvious that developing countries will scramble to acquire their share. They have seen the United States in its 200 year history create from its materials system the highest standard of living in the world. The Congress officially recognized and adopted a National Policy for Minerals and Materials. That policy, written in such glowing terms in 1970, calls for an economically sound and stable domestic mining and metal industries and the orderly and economic development of domestic mining resources. At the same time Congress recognized that our prodigious use of raw materials and energy excessively taxed our environmental resources. We now face the associated problems of increased consumption requirements in an atmosphere of a deteriorating environment. So far we have done very little to carry forward the policy expressed in the 1970 Act.

It is high time that we realistically examine our needs in light of those of the rest of the world. Because the rest of the world supplies us with many items we are unable to supply ourselves, and rest of the world has needs which must be weighed with ours.

CHANGING LIFESTYLES AND PATTERNS OF CONSUMPTION

My Third point concerns world-wide socio-economic changes which may affect our lifestyle and patterns of consumption. The simple formula of applying economics to a raw minerals situation to determine whether it is economically feasible for a company to proceed in a mining venture is called "Minerals Economics." The problems of mineral economics are no longer confined to the individual firm but to the nation and the international community. The Arab embargo has focused our attention upon resources and man's use of them. No study or efforts of academic or business groups had succeeded in doing this before. We are being told that we have been living in an age of abnormal abundance. William Orphus, writing in the April issue of Harper's says: "All the philosophies, values and institutions typical of modern capitalist society—for example, the legitimacy of self-interest, the primary of the individual, economic laissez-faire and democracy as we know of, cannot continue in their present form when we reach the normal condition of scarcity."

In a society where there is scarcity the traditional response has been conflict to acquire needed resources from others. When we look at the energy crisis we see not only a problem of resource supply and demand, but a money crisis. The oil importing countries will end up this year owing the oil producing countries something like 50 billion dollars. That $50 billion is net after subtracting the costs of everything we can sell to the oil producers from fertilizer to bombers in a valiant effort to obtain balance of payments.

James P. Grant, in a council report entitled "Energy Shock, the Development process." said: "Paradoxically, to most Americans, the United States may be the only major industrialized country currently able to take a lead in a cooperative global effort to counteract the effect of these recent price changes. The United States is least dependent upon oil imports and is benefitting by about $6 billion in FY 1974 from higher prices for its food exports. Its balance of payments in 1974 and 1975 should be strongly favorable despite a possible trade deficit, reflecting the fact that the United States will provide the most attractive investment opportunity for the oil exporting countries with their potential $50 billion to $66 billion annual capital surplus. However, the moral and logical position of the United States in urging essential OPEC action to ease the world crisis would be greatly strengthened by an initiative to use our dominance (together with that of Canada and Australia) of the world food supply to work together with the OPEC countries who dominate the world's energy."

The energy crisis was the beginning.

In steel and aluminum the U.S. production rate is falling in relation to the rest of the world. In twenty years we have gone from a producer of 47 percent of the world's steel to a producer of 19 percent of the world's steel in 1972. Exploration is down. Building of refineries and smelters is down. Our dependence on foreign imports is up. Senator Mansfield in a Senate speech of April 11, 1974, cited from a survey of the Morgan Guarantee Trust Company, under date of March 1974, a list of U.S. import dependence as a percent of consumption in 1973. We import bauxite for 84 percent of our aluminum. We do not have bauxite domestically. Sixteen percent is reclaimed scrap. For chromiu, our dependence is 100 percent; cobalt, 100 percent; copper, 8 percent; iron ore, 29 percent; lead, 19 percent; manganese, 100 percent; mercury, 82 percent; nickel, 92 percent; tin, 100 percent; tungsten, 56 percent; zinc, 50 percent. With respect to three-quarters of these critical materials, the United States depends far more than half its needed supplies on sources outside of our country. In many cases, we are 100 percent dependent.

In this atmosphere, nonaligned countries are meeting together and organizing to form a development fund, banks and other organizations. They are learning to use their natural resources with the greatest benefit for their own independent growth. The Arabs taught an invaluable lesson to them and to us. The trick is to refrain from becoming nationalistic. At long last we may be on the verge of development of a movement for a world economy and hopefully for world market stability. As Henry Kissinger said at the Sixth special session of the United Nations General Assembly in New York, last month: "Whatever our ideological belief or social structure, we are part of a single international economic system on which all our national economic objectives depend . . . The contemporary world can no longer be encompassed in traditional sterotype. The notion of the northern rich and the southern poor has been shattered. The world is composed not of two sets of interest, but many developed nations which are energy suppliers and developing nations which are energy consumers; market economies and nonmarket economies; capital providers and capital recipients.

"The world economy is a sensitive set of relationships in which nations can easily set off a vicious spiral of counteractions deeply affecting all countries, developing as well as technologically advanced."

INCREASED PRODUCTION AND INTERNATIONAL TRADE

My fourth point is the necessity for increased production, both domestic and international, and for open lines of international trade. It is no secret that production of minerals, mining and refining in the United States has been at a decline. According to the latest minerals yearbook, published by the Department of Interior, the most recent data on labor productivity in the mineral industry generally showed declines in output per employee, output per production worker and output per production worker man hour.

Mining developments in the United States have been influenced by mine health and safety requirements. By mine disasters and by environmental considerations. There is a constant need for re-examination of mining technology, and for meeting the challenges of our new awareness of environmental and pollution problems. In addition to all of this we must look to the fact that the laws which govern the broad area of mineral resources are in a period of a major change. There is legislation pending on:

1. Mined Land Reclamation;
2. Reorganization of the Executive branch Energy Research and Development Agency and a new Department of Natural Resources.
3. Federal Land Use.
4. Revision of Federal Mining Laws.
5. Revision of Federal Laws.
6. Designation of Wilderness areas.
7. Tariff and Trade Regulations, and
8. Taxation of Mineral Industries.

The uncertainty of all these matters contributes to the reluctance of investment houses and corporations to commit risk capital to new production facilities. Without these investments, production and exploration falter. And around and around we go. For example, look at the U.S. position in zinc.

During the past four years, seven out of fourteen U.S. zinc smelters have closed; the eighth smelter is scheduled to close in mid-1975. There has been a steady decline in U.S. zinc metal production; from 1.1 million tons in 1969 to 575 thousand tons last year if reprocessed stockpile metal is excluded from the production figures. The decline in U.S. production has been the principal cause of a world-wide shortage of zinc. The shortage in the United States has been severe for two years. The diminished U.S. industry has been unable to meet the strong domestic demand for zinc. Imports and stockpile releases have only partially filled the gap.

And this is only one of our basic minerals. Increasing productivity requires more than simply finding more minerals.

As David Rose suggested in a recent edition of Scientific American our present energy difficulties were largely caused not by ignorance, but by irresponsibility. I suggest that it is our responsibility now to better prepare for the next crisis.—because the energy crisis will not be our last crisis. In reality, the term energy crisis is a catch-all phrase for many shortages and problems we face.

Just as we must work harder to sort out and predict these problems, we need to do a better job of planning the utilization of our vast national scientific and technological resources. The ups and downs, the stops and starts, that have plagued federal research and development efforts ever since we embarked on federal support for R & D have created a continuing state of chaos and uncertainty. Facilities are built and closed, scientists and engineers are trained, employed and laid off, all with little apparent foresight. A few short years ago we were simultaneouly rushing headlong toward an energy crisis and laying off engineers and scientists by the thousands.

It is time for us to bring these two shortcomings—poor planning and poor use of resources—into focus together, to examine them, and to do something about them.

We need within the Executive Branch of the government an improved mechanism, an improved climate, and improved funding for making projections of critical domestic problems. Many of these problems may be solved, in whole or in part, by science and technology. We need to bring into that process careful consideration of the projected availability of the necessary scientific and technological resources. Those resources can be applied to the problems before they reach crisis proportion. This country needs to begin to recognize science and technology as one of our most valuable natural resources. The scientific and engineering professions should be the leaders of a new American technological era. And that technology should be shared with the world.

The chaos of the Arab embargo is an example of the chaos the world community could suffer in other minerals as well. Look at the statistics. 142 countries import a substantial part of their energy requirements, only 18 nations export most of their output. If that isn't a situation to force world understanding and accommodation, nothing is. But what do we do first? We decide, of course, that we must increase domestic capacity. That's good. We must. During the embargo, our neighbors started careening around the world looking for oil and deals and scrambling to outbid each other.

Some also set out a protective screen—Canada taxed oil to the U.S. to balance its cost across the country. The United States—in a similar move with an export product—foresaw a shortage of soybeans. So we broke contracts and stopped soybean exports. There are examples all around us.

The major problem of international economic relations is how to realize the benefits of an international economic system while operating in a political system governed by strong national interest. One thing for sure—trade must be with, and consist of, all Nations. It is a matter of necessity for all Nations, and the Arab embargo proves it.

In summary, we are at a cross-road of decision making. That decision making must involve not only the public sector, but the private sector as well. Forward movement by lateral consultation, if you will, because the decisions at which we must arrive, require all of us—government, academic community and private sector. Strong control must be exercised which will require national and international decision making. The political actions, or the failure to make such action, will affect other men and women in other fields of policy. Referring again to my first point, Achievement of a strong mineral position, we must find ways to implement the mining and minerals policy act, to train more engineers and technicians, and to create a climate for the use of new technology. As to my second point, depletion of the world's supply of various metals and minerals we must take strong measures worldwide to reverse the profligate use of our mineral supplies. We can do this through conservation, reclamation, and the development of substitutes. As to point three, the threat of world-wide socioeconomic realignment, we have the expertise and the know-how to avert a scarcity society if we plan now to take appropriate and carefully considered action. As to point four, the problem of increasing productivity both domestic and international: It is a simple economic rule that inflation can be stopped with greater productivity. The productivity of the United States and the world can be increased and the benefits of such productivity applied worldwide to achieve a stable world economy and a better standard of living for more of the world's inhabitants.

The United States must provide appropriate leadership if a world economy is to be achieved.

TRIBUTE TO JAMES CRAWFORD WINDHAM

Mr. STENNIS. Mr. President, in a time when many of the eternal values of our beloved country are being challenged by some, it is refreshing to think of the many instances of service to humanity and to our country that is being rendered by many of our people. We get strength from this and also get strength from the fact that this is the land of opportunity.

A fine illustration of both this unselfish service as well as a life of success and attainment is the record of Mr. James Crawford Windham, who was awarded an honorary degree of doctor of laws by Marquette University on May 19, 1974. Mr. Windham was born in Alabama and spent part of his young adult life in Mississippi, where he graduated from East Mississippi Junior College and showed every promise as a man of dedication with a strong will to serve.

I am proud of the outstanding record of this fine patriot, whom I am privileged to call my friend, and want to share with Senators as well as all others who read the Record, some parts of the story of his life and his attainments. I, therefore, ask unanimous consent that the article about the conferring of the degree on Mr. Windham be printed in the Record.

I present him as representing those who constitute much of the foundation strength of our great Nation. We are glad to have him again as a resident citizen of Mississippi, where he is highly esteemed, and where he is noted for his philanthropic nature, as he was in Milwaukee.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Macon (Miss.) Beacon,
May 23, 1974]

Doctor of Law Conferred

An honorary doctor of laws degree was conferred upon James Crawford Windham at Marquette University, Milwaukee, Wisconsin on May 19.

The candidate was presented by the Rev. Richard F. Ryan, S.J., assistant to the president, with the following remarks:

"James Crawford Windham is a southern gentleman who has demonstrated conclusively for northern gentlemen the tactic of a commanding general, the finesse of an honest politician, and the dedication and service of a consummate martyr, who happened to be your older brother!

"He was born in Alabama where he grew up as a lad until, as a young man, he gravitated to Washington, D.C. for his college experience and his first government service with the Reconstruction Finance Corporation. Before he was thirty years old, he had demonstrated an extraordinary capacity for executive management, business acumen, and leadership within several departments of the federal government.

In 1942, he left Washington for Duke University and Officers' Candidate School, to prepare for the function he had in 1943–45 for doing the fiscal planning and budget administration for the First Army of the United States. In 1945 he was called to the White House for duty in fiscal planning. Major Windham was honorably discharged from the United States Army in 1946.

"Subsequently he proved, in private enterprise, to be a natural specialist in marketing . . . auto parts, or men and women's clothing, or beer; and an effective leader with institutions he loves . . . the Domocratic party, the City of Milwaukee, Marquette University, and more. It is little wonder James Windham was invited to serve as National Chairman of the Pere Marquette Tercentenary Commission, for this extraordinary civil leader had catalyzed Marquette University itself as an institution of dovic leadership.

"Because of his service as a Trustee of Marquette University, as a first citizen of Milwaukee and the State of Wisconsin, as a loyal patriot in national life, as a leader of business and industry, as an energized friend of youth, and as a respectful son of God, I hereby recommend, Reverend President, this man of high principle, strong ideals, consummate courage, indomitable will, and a heart that could easily break for his fellowmen . . . James Crawford Windham . . . for the Marquette University degree Doctor of Law—honorois causa."

PRESIDENT'S PROPOSED TRIP TO RUSSIA

Mr. ERVIN. Mr. President, I am in receipt of a letter from Dr. Edward W. Phifer of Morganton, N.C. Dr. Phifer is a great physician who is interested in public affairs and all things that concern men. I am sure that the opinion he expresses in this letter is shared by countless other Americans. For this reason, I ask unanimous consent that a copy of the letter was ordered to be printed in the Record, as follows:

There being no objection, the copy of the letter was ordered to be printed in the Record, as follows:

Edward W. Phifer, Jr., M.D.,
Morganton, N.C., June 3, 1974.

Senator Sam J. Ervin, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Ervin: Everyone I talk to seem to be ill at ease about Nixon going to Russia and possibly making binding commitments. He can't possibly be in the proper emotional or mental condition to negotiate any agreements during the impeachment proceedings. It seems to me that the Senate should take a firm and open position immediately about agreements made with Russia or any other foreign power until the impeachment process has been completed.

Best wishes to you in the fine work you are doing. Please do not reply to this letter.

Very cordially yours,
E. W. Phifer, Jr., M.D.

P.S.—I have written several members of the foreign relations committee about this.

THE ENERGY CRISIS

Mr. McCLELLAN. Mr. President, no challenge facing our Nation in recent years has been more serious than the energy crisis. At stake is the American way of life as we have known it.

To find a solution to this crisis will require hard and unremitting labor, individual sacrifice, and the mobilization of large amounts of capital from both the public and private sector.

I am confident that the American people will exhibit the same resolution and determination in meeting this challenge as they have in the past.

I have no doubt of the willingness of individual Americans to make any sacrifice, to meet any demands, to take any step required and found necessary to assure our country of independence in the field of energy resources.

But, Mr. President, we need not only to discover and develop new and cheaper sources of energy. We must also find a prudent way to finance these efforts so that energy may be made available to consumers at realistic and acceptable prices.

As we legislate and appropriate in this area, we must be mindful of the alarming situation that has recently risen throughout our privately owned utility industry.

For example, Consolidated Edison of New York recently failed to pay a quarterly dividend for the first time in 89 years. Faced with rising costs and shrinking returns, Board Chairman Charles F. Luce has suggested that the State of New York might purchase two uncompleted generating plants at a price of $450 million.

The debilitating effects of Con Ed's difficulties has already spread across the land. Stocks in privately owned utilities have been battered and their bond ratings have been driven downward. Individual investors depending on their dividends from these utilities have suffered.

It has been reliably estimated that investor-owned utilities might have wished to spend $99 billion on construction by 1978. But at least two-thirds of this sum would have to be raised by the sale of stocks and bonds to a public whose faith has been severely shaken by the Con Ed difficulties.

The shares of Boston Edison fell from 25⅜ on April 22 to 15⅛ on May 14. Toledo Edison cut a stock sale in half. Detroit Edison was obliged to postpone an issue of $150 million of bonds, and eventually cut the issue by $50 million to get it sold. And the fallout was not confined to the urban companies. Duke Power's stock dropped 12½ percent, and the fall was directly attributed to the Con Ed dividend cut.

So, Mr. President, the dilemma is not just developing new energy sources. We also are confronted with the equally difficult task of providing the capital to exploit and transmit the energy that we can develop.

We must provide the confidence and the capital that will permit our privately owned utilities to provide the service and the power that we require to maintain America's industrial greatness.

Mr. President, I wish to call to the attention of my colleagues recent articles in the Wall Street Journal and Business Week which highlight this problem. I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, May 17, 1974]

The Mugging of Con Ed

(By Irvng Kristol)

New York City is an interesting place to visit, and there are those of us who even find it a desirable place to live in. But is it a safe place to do business in? The question has assumed some urgency in view of the fact that the city's largest taxpayer. Consolidated Edison, has just been mugged and robbed in broad daylight. Moreover, this sensational deed was done, not by ordinary criminals, but by elected public officials—who had previously prepared themselves for self-exculpation by giving the victim a bad name.

The event has not passed unnoticed, of course; but neither has it caused the kind of public outcry and commotion one might have expected. Most of the excitement has been limited to the confines of the financial community, where Con Ed's passing its dividend—the first time since 1885—and the subsequent 66% decline in its stock resulted in a fierce devaluation of the securities of all utilities. But even here, there seems to have been very little appreciation of the fact that what happened to Con Ed was no mere transient economic disaster but a political phenomenon of some significance. I notice, for instance, that neither Moody's nor Standard and Poor's seem to be aware that what occurred could have some bearing on New York City's own credit-worthiness, not simply on Consolidated Edison's or any other utility's. There is almost no public recognition that the mugging of Con Ed marks another step in New York City's faltering progress toward the condition of a banana republic.

In truth, for many years now there has been a growing body of evidence that New York City aspired to become the Uruguay of North America. One-third of all New Yorkers are now on the public payroll—one-sixth on welfare, one-sixth working for government. Ever since World War II, rent control has gradually expropriated a substantial portion of the city's landlords—most of them middle-class people who owned one or two modest multi-family dwellings. In more recent years, the city has negotiated pension schemes with its employes which all actuaries agree are self-bankrupting. All the golden geese inherited from our industrious forefathers are being killed off, one by one. The port becomes less competitive, and shrinks in significance, with every passing year, as politically powerful unions pile corruption upon inefficiency. The garment industry—still the city's largest—is dying from an overdose of taxes and petty regulations. Consolidated Edison, with its 21,500 employes is now on its way to being expropriated and socialized. And so on and so forth.

A FAMILIAR PROCESS

The political dynamics of this process are familiar to all those who have studied the history of republican decay, whether it be in ancient Rome or modern Latin America. The dominant political tone of New York is set by a segment of the upper-middle-class who, bored with the idea of making money and thirsting for political distinction, comes forward as "tribunes of the people." Assembling a populist program, and employing all the resources of populist demagogy, these political "activists" offer a whole spectrum of liberal programs while exhausting the economic resources of the city to pay for them. In New York, most of these ambitious tribunes are successful lawyers, though some are prosperous businessmen and others are the beneficiaries of inherited wealth. Perhaps because of this—because it is hard to believe that such people are "really" up to anything radical—the business and financial communities are never wildly alarmed, and prefer to regard each offensive action as a passing, isolated incident. Adjustment is quick and easy, on the assumption that "business as usual" will continue for the survivors.

What has saved New York from economic disaster so far has been financial aid from the state and federal government. It is widely believed that such aid is a matter of right and that, if enough political noise and pressure are generated, it will be forthcoming indefinitely and on an ever more generous scale. Nothing else could explain the bland—even smug—statement of The New York Times editorialist that it really might be a good idea for the state to own all the power plants, with Cond Ed acting simply as a distributor. The merit of this idea is less than obvious. No one has even suggested that any economies of operation would be effected. And the state will surely not continue to pay out the $250 million in property taxes which Con Ed now contributes annually to the city and adjoining counties. Since the Times is not about to call for either an increase in taxes or a cut in spending to cope with this sudden deficit, and since Con Ed will need another $3 billion for capital expenditures in the years immediately ahead, one can be certain that arguments will soon be forthcoming to the effect that the provision of urban energy—like the provision of urban mass transport—is really a federal responsibility, and that it is Washington's duty to subsidize a socialized Con Ed, after harassment by local government has successfully brought it to the brink of bankruptcy.

The sad and simple story of Con Ed is easily told. The provision of energy in New York City is an extremely difficult operation. Not only do most of the power lines have to be buried beneath the crowded streets, not only are construction and maintenance costs much higher than elsewhere, not only does New York's "rush hour" economy produce a wildly fluctuating (and therefore very expensive) demand for electricity—but approximately one-third of Con Ed's billings represent a tax on the consumer which the company surreptitiously collects for the city. (This is distinct from, and in addition to, the taxes Con Ed pays on its own property.) This consumer tax is not specified as such on one's electric bill—it is simply hidden in the total. That practice, of permitting the city to tax its citizens while making it appear that Con Ed was charging them for service, was instituted by the company long ago, as part of its strategy to pacify revenue-hungry politicians by quietly appeasing them. The strategy did not work. Those high electricity bills naturally caused Con Ed to be unpopular with its customers, and consequently made it a target of opportunity for every political candidate who wished to posture as a defender of "the people" against "the interests."

Just how vulnerable Con Ed had become was revealed by the way the "environmentalist" movement succeeded in frustrating it at every turn. This movement, in New York City, is not nearly so much pro-environment as it is antibusiness. Just as anti-Semitism has been called the "socialism of foots," so New York's version of "environmentalism" can be fairly characterized as the socialism of upper-middle-class malcontents. They have transformed the environmentalist idea into an antibusiness crusade, refusing ever to weigh costs and benefits, but fanatically insisting that business not contribute one jot or tittle to air pollution, noise pollution, traffic pollution, population pollution, and just about any other kind of "pollution" a man of ingenuity can contrive.

The upshot has been that Con Ed has been unable to build generating plants—whether for coal, oil, or nuclear energy—in or around New York. Moreover, it is required by law to use the most expensive (i.e., lowest sulphur content) fuel, regardless of price. Furthermore, and incredibly, even as the city has delayed for months on end the paying of its own bills to Con Ed, so the politicians have encouraged Con Ed's individual customers not to pay their bills, as a way of protesting service which the politicians had made both inadequate and expensive; and these same politicians have also made it practically impossible for Con Ed to cut off service to those who do not pay—or who calmly delay the paying of—their bills. Add to this the fact that these very politicians—at the head of various "consumer groups"—fiercely resist any increase in rates as a form of "exploitation." Is it then any wonder that the company is in deep financial trouble?

As I have already said, Con Ed's general strategy in the face of this situation has been one of quiet accommodation, and the avoidance at all costs of anything resembling confrontation. It has relied heavily on tacit agreements with the city's political leaders—permitting them to denounce the company in public so long as they quietly refrained from emasculating it in fact. It has also supported a corps of lobbyists in Albany whose job it was to persuade upstate legislators to prevent the city from actually ruining the company—a situation which the city's politicians rather liked, since it permitted them to be infinitely irresponsible in their rhetoric. One did not have to be a prophet to foresee that, eventually, this strategy would fail and a major crisis would erupt.

IMPORTANT FORESHADOWINGS

In fact, the crisis did not erupt as suddenly as all that. There were important foreshadowings. Con Ed did pay its dividend last year—but its earnings did not actually cover the payment. What happened was that Con Ed and the regulatory authorities came up with an "accounting change" which significantly inflated its earnings, and permitted it to bleed itself to death to meet its dividend payments. One can understand the regulatory authorities conniving in such an arrangement—they are political creatures, after all. One can even, though with difficulty, understand how Con Ed's management participated in this little deception. They were desperately trying to buy time, in the hope that the politicians would give them a rate increase, or do *something*, which would enable them to survive. One does, not, however, understand how all those eagleeyed security analysts on Wall Street permitted this conspiracy—not too strong a word, I think—to pass without fuss or uproar. Perhaps they just couldn't believe that New York City would really dare to travel the Latin American route to the end.

Meanwhile, the 308,000 stockholders of Con Ed have been fleeced. In the state legislature, New York City's representatives are actually insisting that, whatever financial aid Con Ed receives, none of it should go to the restoration of dividends. This leaves the stockholders forever out in the cold. Almost all of these stockholders are individuals of modest means; 40% are women, elderly widows for the most part. Who is speaking up for them? Not the financial or business community, which seems indifferent to any event that does not immediately affect its pocketbook. Not the media, which has no compassion to waste on stockholders. Not any of those "public interest" law firms, who do not regard stockholders of any kind as part of their constituency. Not even the stockholders themselves—unorganized as they are and utterly unaccustomed to the arts of political warfare.

So no one speaks up for them. More and more, with every passing day, the mugging of Con Ed begins to look like the perfect crime.

[From Business Week, May 25, 1974]

CON EDISON: ARCHETYPE OF THE AILING UTILITY

"Con Ed is out of the equity market, and New York State is in the power business—forever," says Donald C. Cook, chairman of the American Electric Power Co. The senior statesman of the power industry makes that judgment unhesitatingly in the wake of Consolidated Edison Co.'s decision to omit, for the first time in 89 years, its quarterly dividend, and to raise cash by persuading New York State to purchase two uncompleted generating plants for $450 million.

The waves that those decisions generated are battering the stocks and driving down the bond ratings of most other power companies. This week, too, they were pounding the Con Edison management at one of the most boisterous annual meetings on record. There, management faced irate stockholders protesting the loss of their dividends and angry customers furious about steep increases in Con Ed rates.

Most Wall Streeters and power company people think that Con Ed Chairman Charles F. Luce had no idea of the furor his decision would produce. Says one analyst: "Luce is a power man, not an investment man. He just didn't realize that big utilities don't cut their dividends." Others, like Cook, believe that Con Ed and some other urban power companies that are under their cost pressures must face up to a wholly different future. Says one: "Con Ed lost the institutions long ago, but its dividend allowed it to count on the little old lady in tennis shoes. Now it has lost her, too. And lost her for a lot of other utilities."

Basic questions. The early effects of the Con Ed debacle are spreading rapidly through the industry, prompting many utility managements to reexamine ambitious construction plans. Questions are also being asked about the difficulties under which Con Ed is obliged to work—for instance, the high tax load that it must pay in New York City—and about the quality of the company's management. And there will be some fundamental questions raised about the turn-of-the-century methods by which the utilities—and some other industries—are regulated.

THE PROBLEMS OF RAISING CAPITAL

Charles A. Benore, a vice-president at brokers Mitchell, Hutchins, Inc., who is regarded by financial institutions as Wall Street, top utility expert believes that investor-owned utilities will want to spend $99-billion on construction by 1978. But roughly 66% of this staggering sum would have to be raised from the public. And the Con Edison debacle has made it most unlikely that the public will pay.

A pall of doubt hangs over the stocks, bonds, and financing prospects of every utility in the U.S. Most of them, particularly the exurban utilities whose difficulties are much different from Con Ed's, should eventually be able to get much of the money they need. But the most prudent of their managers, such as American Electric Power's Cook, are already slashing construction budgets. "We're thinking of drastic cutbacks," says Cook, and AEP will hack at least $250 million out of its planned spending through 1976.

For many utilities, the effect of Con Ed's action was immediate, direct, and cataclysmic. The shares of Boston Edison fell from 25 on Apr. 22 to 15 on May 14. Toledo Edison cut a stock sale in half. Detroit Edison was obligated to postpone an issue of $150-million of bonds, and eventually cut the issue by $50-million to get it sold. And the fallout was not confined to the urban companies. Duke Power's stock dropped 12½%, and Vice-President Robert F. Frazer attributed the fall directly to Con Edison's dividend cut. At Florida Power & Light Co., President McDonald told Business Week: "It really clobbered the utilities. They have long been considered the best stocks for widows and orphans, and now we have the largest of them in trouble and passing its dividend. This throws the viability of the entire industry in doubt. It makes it more difficult for us to sell securities at a time when we need to sell them more than ever."

Range of problems. While the managements of most major utilities agree with McDonald's assessment of the "Con Ed syndrome," many hasten to emphasize the wide differences between their problems and those of the New York company. Pacific Gas & Electric's vice-president for finance, Donald L. Bell, stresses that while Con Ed hurts all utilities, "it hurts them in varying degrees."

Nonetheless, Con Ed's difficulties in the financing area, at least, are common to most of its counterparts. Morgan Stanley & Co. is the investment banking firm that has managed more utility underwriting than any other, and partner Roger T. Gilmartin, who handles utility financing, says unequivocally: "The Con Ed thing has had an immense effect. Until—or if—it is forgotten, it will be very serious."

As long ago as Dec. 27 last year, Con Ed approached the New York Public Service Commission with the disquieting news that it faced a serious financial crisis. Had the

PSC not authorized a change in the company's accounting methods. Con Ed would have been obligated to show a loss of $10.5-million for December alone. Even more serious from the long-term viewpoint, its "interest coverage" would have fallen so low that it could not have sold more debt securities to raise capital.

Key ratio. Interest coverage (gross income, plus federal taxes, divided by total interest) is the bugbear of the utility industry: This key ratio plunged from 4.8 in 1967 to 3.1 in 1973, and analyst Benore estimates that this year it will drop to 2.5. This, he warns, indicates that more and more utility bonds will be downgraded by the rating services.

Utilities fear this fate with good reason. In the first place, downgrading cuts them off the "approved buy" lists of many of the stodgier institutions. Detroit Edison cut back its offering to $100-million partly because its Standard & Poor's bond rating was reduced from AA to A, thus eliminating a number of potential buyers. Downgrading also drives up interest costs. When Detroit Edison, as an A rating, sold its issue at 9.95%, the estimated rate on AA's was 9.25%—70 basis points lower.

When a utility's interest coverage falls below a certain level (for most utilities, below 2), it produces another unwanted effect: The utility's bond indenture then prohibits further capital-raising via debt. Last November, subpar interest coverage prohibited a Georgia Power bond offering of $150-million, just as sub-par interest coverage nearly stopped Con Ed from making the $150-million issue that kept it going in March.

WHERE UTILITIES PLAN TO GET CONSTRUCTION MONEY

[Billions of dollars]

	Total	Internal cash generation	Sale of common stock	Sale of bonds and preferred stock
1974	$18.0	$5.4	$2.6	$10.0
1975	18.9	6.3	3.0	9.6
1976	19.9	7.1	3.3	9.5
1977	21.8	8.0	3.6	10.2
1978	24.5	9.0	3.9	11.6

Data: Mitchell, Hutchins, Inc.

Given their continuing needs for fresh capital, utilities just cannot afford to be cut off from the debt market which gives them nearly 60% of external financing. But neither can they afford to allow their debt-equity ratios to deteriorate, because a declining debt-equity ratio also rapidly gets a utility's bonds downgraded. Utilities are forced, therefore, to sell common stock in quantities surpassed only by the quantities in which they sell debt—and for most utilities today, this is the crunch.

Equity role. In the mid-Sixties, utilities were selling around $200 million worth of new common stock a year. From now through 1978, in Benore's estimate, they will be asking the markets to buy an average of $3.3 billion. But in the aftermath of Con Ed's downfall, their chances of getting this amount appear slim.

Although there is a glut of new bond offerings this year, and although the bond markets are bordering on chaos (BW-May 18), there are always buyers for respectable bonds—at a price. For equity securities, however, price does not necessarily guarantee a sale. There just may not be any buyers, at almost any price.

To get stocks sold, utilities are accepting the hitherto unthinkable as commonplace: They are offering it way below book value. "As recently as last fall," says Morgan Stanley's Gilmartin, "it was a dramatic decision for a utility to sell below book value." Today, with the average utility stock selling at 80% of book value, most utilities have no option, even though they are well aware that selling below book doubles the difficulty of improving earnings per share and dilutes new stockholders' real ownership—thus compounding the problem of selling equity in the future.

In a sense, Con Ed's problems did not altogether surprise the stock market, even though Luce's solution—omitting the dividend—amazed it. The market has been steadily discounting utility securities for years. While the Dow-Jones utility average plummeted nearly 15% on Con Ed's news, it had fallen before that to half of its 1965 high. What Con Ed did was make a bad situation worse. According to John H. Gutfreund, a partner of Salomon Bros., it caused "a harsh reassessment" of utility securities, and this has driven stocks down and interest up.

General malaise. While the utility stock index reached a level it last saw in March, 1958, utility stocks and bonds are by no means the only securities looking sick today. The capital markets in general are in disarray, and they appear singularly unprepared to provide all the money that business needs.

In today's circumstances, suggests analyst Benore, it is improbable that investors will ante up for the common stock of utility companies. He points out that 10 years ago, with U.S. government bonds yielding 4.1%, there was a difference between their yield and the utilities' return on common equity of 8.5%. Last year the difference in favor of the utility had dropped to 3.6%. And this year, with the latest government bond yielding 8.5% and the utility common only 9.5%, the difference is down to 1%.

Investors might be tempted to ignore the greater risk and take this miserly extra reward if the utilities, from an earnings growth viewpoint, were a growth business. Unfortunately, they are anything but.

Nobody is trying to guess Con Ed's future carryings, but prospects for the industry as a whole are somewhat less than rosy. Benore looks for an over-all per-share earnings growth of 2.3%, a year over the next five years. And he expects that, while industrial company profits in 1974 will be up 9% those of utilities will be down 10%, making the immediate outlook for new utility issues particularly unattractive.

Profit outlook. Immediately after the dividend cut, Walter R. Grant, Con Ed's executive vice-president for finance, blithely told Business Week that "once our cash shortage is alleviated, we will go back to normal financing." But it is generally felt on the Street that Con Ed has burned its bridges in the capital market. And the overall profit outlook enhances the feeling that capital raising prospects are bleak for other utilities, too. Some, like American Electric Power, are sensibly responding by cutting back. Boston Edison, for instance, is cutting its construction plans 25% this year, and Detroit Edison will reduce planned spending $650-million in the next five.

It seems probable, moreover, that market forces will also work to reduce the amount of capital required. Some recent studies (BW-Feb. 2) suggest that there is a substantial elasticity in demand for electric power—perhaps an elasticity of 10 or more, meaning that a 10% increase in price causes a decline of 10% or more in usage. Rate increases totaled $526-million in the first quarter, and if rates continue to rise at this pace, they will cut deeply into the growth of demand. Con Ed believes that conservation by its customers will cut sales by $100-million this year and although it sees the sales reduction as a contributor to its cash shortage, the fact is that a drop in incremental demand would do the rest of the industry a favor in disguise: it would cut down and stretch out a desire for capital that the markets, in the aftermath of Con Ed's debacle, cannot meet.

WHY CON ED IS IN SUCH DEEP TROUBLE

"People don't realize the cost of doing business in New York," says Joseph R. Crespo, director of utility rate services for Ebasco Services, Inc., an engineering and consulting firm based in New York. "Con Ed's situation is pretty damned unique." The utility charges more for electricity than just about anyone else in the world, but the geography, political climate, and economics of New York City make the company's operating costs far higher, too.

Last year, for example, Con Ed paid $360.4-million in state and local taxes, which gobbled up more than 24% of its electricity operating revenues. Nationwide, only about 10% of the industry's electricity revenues go to state and local taxes. On a per-kilowatt-hour basis, Con Ed pays more than three times as much as other metropolitan utilities. The company accounts for a surprising 8% of New York City's real estate taxes because the city considers Con Ed's generators real property, along with the plants that house them.

Labor is more costly, too, and rising faster than the national average. The average pay of Con Ed's weekly employees last year was $260.27, up from $157.31 in 1968. During the same period, the company's construction payroll leaped from $53-million to $117-million. Con Ed has more buried cable than the rest of the industry combined, and each mile of it costs perhaps 20 times as much to install and maintain as overhead wiring. But because of this underground network, New Yorkers enjoy one of the best records of uninterrupted service in the country.

Low load factor. An even greater problem inherent to New York is the heavy commercial load. "Everybody works from 9 to 5," says Crespo. "So from 3 p.m. to 4 p.m., there's a terrible peak crunch." Then the commuters go home to Long Island, New Jersey, and Connecticut, and Con Ed's generators are idle much of the night. The company's load factor—its ratio of average output to installed capacity—is only about 50%. Even Boston Edison, which as an older metropolitan utility faces many of the same problems as Con Ed, has a load factor of 59%. Detroit Edison, which has a hefty industrial load—much of it from two-shift and three-shift operations—achieves 62%.

And there is no way for Con Ed to escape. Unlike any other metropolitan utility, the company is completely hemmed in by major power companies. Its service area, the five boroughs of New York plus Westchester County, is a mere 660 sq. mi. Chicago's Commonwealth Edison, for example, covers 1,800 sq. mi. "Everybody thinks of Commonwealth as serving the city of Chicago," says Abraham Gerber, vice-president of National Economic Research Associates (NERA). "Actually, it has a very large area outside the city with a subtsantial industrial lead." Manufacturers and residents have migrated from the city, and Con Ed has not had the opportunity to pick up new industrial parks and subdivisions.

As a result, the company has been stagnating along with its service area. Though Con Ed still serves more customers and has greater operating revenues than any other utility, it is only eighth in terms of peak generating capacity. Even Texas Utilities ranks higher. Thus Con Ed has not retired its aging equipment as fast as other big U.S. power companies.

Pollution problems. What increase in demand the company does see each year comes in a densely populated service area that makes new plant siting a nightmare. Even with the very best pollution control equipment, coal-area power stations are out of the question. The company has run into such bitter opposition over nuclear plants that Chairman Luce, practically alone among utility executives, has given up on this route out of the energy crisis. Local groups have delayed for a decade the pumped storage plant that the company is now building at the foot of Storm King Mountain to ease its peaking problems.

Such opposition has left Con Ed 85% dependent on oil when most utilities are moving to coal and nuclear fuel. And local regulations have for some time limited the sulfur content of the oil to 0.3% Philadelphia Electric must meet a 0.5% limit within the city, but 95% of PE's service area lies outside Philedelphia, where the company has coal-fired plans that account for nearly one-third of its output.

With its generators gulping nearly 160,000 bbl. of low-sulfur oil daily—most of which had to be imported—Con Ed was defenseless during the recent onslaught of oil price increases. Fuel now accounts for about half the cost of every kilowatt Con Ed sells, and some observers blame the sharp hike in oil prices following the Arab embargo for the company's present predicament "Con Ed certainly had problems before October," says Lester M. Stuzin, chief of power rates and valuation for the New York State Public Service Commission. "But since then they've been aggravated in ways that seriously affected the company's cash flow." First, when the Arabs ratcheted the cost of oil skyward, Con Ed suppliers insisted that the company pay its bills in five days instead of 30. At the same time, Con Ed's customers, who normally take a cash-draining 50 days to pay these bills, started holding back even longer.

All electric howl. The most vocal were the owners of all-electric homes in Staten Island and Westchester. In the mid-1960s, when it seemed that more and more of Con Ed's power would come from nuclear plants, the company decided that electric heat would be a smart way to make use of the generating capacity during the winter. But last year's three-fold increase in the price of oil brought backbreaking bills for these luckless customers. Con Ed says its typical bill for residential electric heat this March was about $250, up from around $135 in March, 1973.

Dramatic as their case seems, residents of all-electric homes are a small portion of Con Ed's collectibles problem. "Con Ed's ratio of unpaid bills to revenues is the highest in the industry," says NERA's Gerber. "And the problem is not just in poverty areas. There are substantial losses from the business community, as well."

Gerber points out that in New York small businesses routinely open, run up big electricity bills for two or three months, then fold without ever paying. Last year, Con Ed had to write off $28.8-million in bad accounts. By contrast, Detroit Edison lost only $2.2-million on roughly half the billings. For the 12 months ended Mar. 31, Con Ed's receivables stood at $367-million on revenues of $1.9-billion.

New regime. Critics maintain that Con Ed has brought its customer-relations problems on itself. Indeed, for many years the company had an arrogant, overstaffed management. Then in 1967, Luce took over and swept in an entirely new top management team. Some critics said these men were as limited in their qualifications as their predecessors had been in their attitude. Several of the executives had no background whatever in the power business. Luce even gave a public relations man operational responsibilities.

In 1969, Luce added Louis H. Roddis, Jr., a former executive with General Public Utilities Corp. who had been an associate of Admiral Hyman Rickover, the Navy's crusty nuclear chief. Outsiders say Roddis was hired to help tighten the ship, and they note that six of the original Luce team have left as Roddis has climbed through the ranks. He is new vice-chairman. "It's difficult to say whether they have people off all their fat," says consultant Gerber, "but Con Ed is a far different company than it was 10 years ago."

Some observers are not impressed, however. "Our experience is that Con Ed is still very uncooperative," says Martin A. Lauterbach, vice-president of National Utility Service, Inc., a consulting firm that tells business clients how to get cheaper rates from their utilities. When NUS recommends a change from one service classification to another, it advises its client to ask the utility for comparison billing over the past 12 months. "Every utility anywhere else will provide the information eventually," says Lauterbach. "Con Ed out and out refuses."

Commission study. Stuzin of the Public Service Commission notes that while Con Ed's performance last summer was "better than anticipated," the utility has regularly lagged behind others in preventive maintenance. And Con Ed's customers, he adds, account for 85% of the complaints brought before the commission, even though they represent only 50% of the state's electricity users. The commission is now starting a full-scale study of Con Ed's management. "The rate payer," says Stuzin, "deserves a better explanation than just being told about the difficulties of doing business in New York City."

Executives of other investor-owned utilities are also unsure of Con Ed's management, though for an entirely different reason. Luce once headed Bonneville Power Administration, the giant federal power system that serves the Northwest. When he arrived in New York, he horrified the industry by suggesting that he would be willing to sell Con Ed's power plants to the state, and many feel that last week's decision by the legislature to bail Con Ed out is the beginning of a state takeover. "Luce has always felt that public power is better than private power," says one executive. "And the chairman of the state commission is a public power man. What they seem to want is a TVA system in New York."

THE FINANCIAL DANGERS OF RICKETY REGULATION

While the search for the cause of Con Ed's problems will range all the way from Arab oil fields to the utility's own management, a fundamental cause could lie in a regulatory policy that has long been accepted without question by both utilities and regulators. Signs of similar trouble have come to light recently in other utilities and regulated industries.

At the top of the list is the failure of the Eastern railroads, which went down in a similar vicious spiral of rising expenses, taxes, and cost of capital. And although American Telephone & Telegraph's powerful Bell System may tend to mask the problem, capital shortages loom in the telecommunications industry, and some of its weaker elements are troubled. Western Union Telegraph Co. is in financial straits, with its stock at a low and its commercial paper rating rescinded. The recent government takeover of Puerto Rico Telephone Co., a subsidiary of International Telephone & Telegraph, shows that even telephone utilities can founder in the midst of rapid growth and great potential.

Part of the fault can be found in the regulatory framework under which these industries operate. There is evidence that these rules are obsolete.

While regulation of nearly all utilities is balkanized in state or sometimes a combination of federal and state jurisdictions, it retains one common thread: Utility profits are both measured and regulated solely on the basis of return on investment. It is a singularly one-dimensional measure, often resulting in the paradox of capital-short companies reporting pretax profits of 20% to 30% on revenues.

The bind. Regulatory policy forces management to charge everything possible to capital, to buy instead of lease, and to minimize depreciation charges in order to maximize permissible profits under the return-on-investment formula. Utilities and regulatory agencies alike have always scorned the use of rapid—some would say realistic—depreciation of plant for book purposes to generate funds internally for plant expansion. The net effect is not only misapplication of capital to uses that other businesses usually charge off to expenses, but also a cumulative distortion of the true value of utility plant.

The "rate base' method works well for utilities in times of stable interest rates, deflation, and during periods when technology or economies of seals lead to declining unit costs. Then, regulatory agencies tend to lag in ordering downward adjustments in rates, and utilities' profits tend to be higher than statutory limits. In such times, dividends have increased. But utilities get in a bind when the situation is reversed and both operating costs and interest rates are rising. They need more outside money than ever for new plant and to cover maturing debt.

Equity as debt. Totally dependent on outside capital, utilities are forced to go to the market, diluting their stock and obligating themselves to ever larger dividend payments to protect the price of their shares. In effect, the sacrosanct dividend turns equity into a kind of subordinated senior debt. When profits do not cover the dividend, utilities are almost forced to milk themselves, as Con Ed did last year. Ultimately, the cow runs dry.

Unfortunately, neither regulators nor elected officials are willing to challenge the conventional wisdom, and they resist the suggestion that regulatory policy needs reexamination. None wants to fight the fundamental battle over regulated monopolies again—even though old regulatory laws may be the greatest threat to the financial viability of the nation's power and communication networks.

ERTS SEMINAR IN UTAH

Mr. MOSS. Mr. President, a conference on the practical uses of the Earth Resources Technology Satellite (ERTS) System was held recently at the University of Utah. The meeting showed clearly that ERTS and other satellite-obtained images have broad application in mineral exploration, water resources, forestry, agriculture, land use and planning and that experts in these areas can benefit greatly by exchanging views and information on ERTS.

I believe it is imperative that users of such information analyze their needs and work directly with NASA in making the data as relevant as possible to their practical concerns. User involvement is necessary if the taxpayer is to receive full value from the dollars spent on ERTS, and the Utah conference was right on the mark in accomplishing this goal.

This conference brought together over a hundred Federal, State, and local officials, educators, and representatives of the private sector from a wide variety of disciplines. Cosponsors of the 2-day session were the University of Utah, the Utah State Department of Natural Resources, the U.S. Department of Agriculture's Western Aerial Photographic Laboratory, State offices of the U.S. Geological Survey, Bureau of Land Management and Bureau of Mines, as well as the National Aeronautics and Space Administration. I especially want to salute the cochairmen who were most directly responsible for the success of the conference: Dr. M. L. Jensen, professor of geology, and Dr. Roger McCoy, professor of geography, both of the University of Utah, and Dr. Stanley C. Freden, ERTS project scientist at NASA's Goddard Space Flight Center.

This conference demonstrated that Utah is in the forefront in using ERTS data today and in planning for even greater use of the system in the future. Approaching ERTS as a source of information, instead of only a picture-taking satellite, places a burden on users to understand the kinds of data available, analyze their needs and work with developers of the system to achieve maximum value. All three of these requirements were amply met at this meeting.

An important next step in the ERTS program, in addition to the need for more launchings to assure continuously available data, is the development of better ways to convert raw data into information directly needed by users. Emphasis needs to be placed on careful definition and analysis of various user requirements, and attention given to providing the combination of satellite, computer system and communications necessary to meet those requirements.

I am proud of the initiative taken by the people of Utah in holding this conference and appreciative of the assistance provided by NASA in making it a success. Meetings such as this are vitally important not only to the future of ERTS, but also to the overall success of our Nation's space program and to the public's understanding of its benefits.

CARL T. DURHAM—AN AUTHORITY ON ATOMIC ENERGY

Mr. ERVIN. Mr. President, all of his acquaintances in the Senate and the House of Representatives were saddened recently by the passing of Carl T. Durham, who served for many years with great ability and distinction as a Representative from North Carolina in the House of Representatives. He was particularly distinguished for his study and work in the atomic energy plan.

The Winston-Salem, N.C., Journal for May 6, 1974, carried an editorial concerning him which was entitled "Atomic Energy Authority." I ask unanimous consent that a copy of this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Atomic Energy Authority

Carl T. Durham's lamented death last week recalls an era of powerful North Carolina influence in the national House of Representatives. He himself served as ranking member and chairman of the Joint Atomic Energy Committee. Among his contemporaries, Robert L. Doughton, of the old Ninth District, was chairman of the Ways and Means Committee; Harold Cooley, of the old Fourth, chairman of the Agriculture Committee; Graham A. Barden, of the Third, chairman of the Education and Labor Committee; and Hebert C. Bonner, of the First, chairman of the Merchant Marine and Fisheries Committee.

An outstanding example of the legislator who mastered the intricacies of technical legislation through hard study, Mr. Durham was regarded as a leading congressional authority on atomic energy. One of the original members of the committee, he was chosen because of his deep interest in what was then a fresh and frightening problem. To the work of this committee, Carl Durham brought not only the fruits of intensive study, but also a perspective consistent with the national tradition and with the public interest. He was a staunch advocate of civilian control of atomic energy.

Mr. Durham was instrumental in establishing the International Atomic Energy office in Vienna and in securing American participation. His friend and colleague, W. Sterling Cole, was named first director of the International agency. Friends recall that one of Mr. Durham's opponents in a congressional race undertook to misrepresent his advocacy of the international agency as favoring the surrender of atomic secrets to the Soviets, an unfair charge which Mr. Durham's constituents in the old Sixth District happily refused to accept.

His distinguished work in atomic energy legislation alone entitles Carl Durham to rank as a statesman. Though vitally concerned about this matter of national and international consequence, Mr. Durham never neglected his district. He kept his home fences in good repair, and he terminated his notable congressional career by declining to seek reelection in 1960. An unpretentious, unassuming man, Carl Durham was never too busy for a constituent and he never lost his love for his native Orange County. National fame did not spoil him.

INFLATION

Mr. ROTH. Mr. President, the current economic policies of the administration and the Congress are based on a policy of wishful thinking and political ploys.

The President's recent statement concerning inflation that "the worst is behind us" can best be described as wishful thinking.

The quickie gimmicks and increased spending plans proposed by some Members of Congress will only stimulate inflationary pressures and further retard consumer purchasing power.

Inflation is this country's most serious problem, and it is high time that the President and Members of Congress recognize that there are no easy solutions.

I do not believe that the worst of the inflation is behind us just because the increase in the most recent Consumer Price Index did not break another record.

And, two of the most knowledgeable economic advisers to the President—Federal Reserve Board Chairman Arthur Burns and Cost of Living Council Director John Dunlop—do not believe that the worst of inflation is behind us.

Dr. Burns said in a recent speech that "the gravity of our current inflation problem can hardly be overestimated." And, both he and Dr. Dunlop have disputed the President's claim that the two primary causes of inflation are food and fuel.

Higher health, construction, and automobile prices can be expected. The critical shortages of raw materials will inevitably lead to increased industrial prices. Inflationary expectations will lead to further price increases by business and could erode the commendable wage restraints labor has shown over the past year.

But, the greatest danger is the continuing Federal deficit. If we adopt policies to "prime the pump" or head off a recession we will only increase inflationary pressures without increasing employment or industrial capacity.

A huge Federal deficit will not increase the supply of copper or steel or automobiles. It will not produce jobs or improve the housing industry.

Strong stimulation would only bring a substantial increase in the potential for higher prices this year and for years to come.

A large Federal deficit this year would increase Federal borrowing, further increase interest rates, and help destroy the housing industry.

The higher costs of inflation could produce wage demands that would wind through the economy for years to come. And consumer confidence, destroyed by the fear of increasing inflation, will be further eroded.

For these reasons, I am appalled and dismayed at the President's fiscal 1975 budget. The administration received an overwhelming mandate from the voters in 1972 partly on its pledge to put an end to excessive Federal spending.

Yet, this year's budget calls for a Federal deficit of $11.4 billion under the unified budget concept, and a deficit of nearly $20 billion on the Federal funds basis.

A year ago, the Congress was under intense pressure from the President to put a stop to wasteful and futile spending programs.

I, along with many other Members of Congress, supported his efforts to persuade the Congress that economic and social problems would not go away simply by "throwing money at them."

For the first time in this country's history, a budget proposes spending in excess of $300 billion. Only 4 years ago we had our first $200 billion budget.

The proposed budget outlays for fiscal 1975 represent an 11 percent increase over fiscal 1974 outlays, which in turn is estimated to show an 11 percent increase over fiscal 1973.

Last year's budget message included a detailed listing of inefficient and wasteful Federal programs and agencies recommended for termination or reduction.

But this year that list has disappeared, and we are told by the President and his budget director that all of the spending increases are necessary.

We are kidding ourselves and the American people if we believe that such rapid increases are all "uncontrollable" or "unavoidable."

Is it necessary to increase civilian employment in the executive branch by 58,500 persons in 1974 and an additional 22,200 in 1975?

Is it necessary to pay $41.8 billion for civilian personnel in 1974 and another $44.6 billion in 1975?

I am a strong supporter of a solid defense budget, but I am absolutely opposed to using defense funds to "prime the pump."

I cannot believe that there is no room in the Federal budget for belt-tightening.

We are going to have to learn to live without an expansion of every Federal program every year.

The administration has said that spending cuts in the fiscal year 1975 budget are not possible, but that it will aim for a balanced budget in fiscal 1976.

I believe that if we are going to be successful in balancing the budget in fiscal 1976, we have to take the first steps right now. Both the administration and the Congress have to make a concerted effort to cut Federal spending this year.

Therefore, I will shortly introduce legislation to require the Director of the Office of Management and Budget to reexamine the fiscal 1975 budget and submit to the Congress within 30 days a report setting forth proposed reductions of total budget outlays to the maximum extent possible.

A 2-percent reduction would reduce total outlays to $299.3 billion. A 3-percent reduction would reduce total outlays to $296.3 billion.

Neither figure would be too restrictive, but the reductions would reduce inflationary pressures. And most importantly, it will signal the American people that the Federal Government is willing to make sacrifices to hold the line against inflation.

But even a 2- or 3-percent reduction in Federal spending will not be enough to slow the disturbing growth in Federal spending.

A little over 2 years ago, in November 1971, I proposed a spending ceiling of $229 billion. Four short months later, in March 1972, I proposed a spending ceiling of $246 billion. By October 1972, the projected level of spending was estimated at $260 billion, and the administration began a national campaign to limit Federal spending to $250 billion. By June 1973, I was calling for a spending ceiling of $268 billion.

These spending ceiling campaigns ultimately led to the development of the Congressional Budget Act, but we should not delude ourselves into believing that this legislation will in itself be a cure-all.

First of all, it will not go into effect until 1977. And, second, the budget legislation will not force the Congress to set airtight spending ceilings.

Deficit spending and inflation are self-perpetuating under our present tax system. One of the main reasons that the administration and the Congress have been able to continue this spending spree is the inflation-induced growth in Federal revenues.

In fiscal 1973, the Federal Government collected over $232 billion from the American people. In fiscal 1975, it is estimated that the Federal Government will collect $294 billion.

Yet, no tax increase was ever proposed by the President, or voted by the Congress. In fact, the President and many Members of the Congress ran in 1972 on a campaign pledge not to raise taxes.

But, despite these political pledges not to raise taxes, the Federal Government has subjected each and every consumer with a hidden tax—an inflation tax. This inflation tax is one that none of us here in the Congress ever has to vote on but it is one that every consumer feels. The tax is a result of the effect that inflation has on a tax system which is based on a progressive tax rate. Under this progressive system, a person must pay a greater percentage of his income in taxes as his income increases.

Although this system appears to be conceptually sound and fair, it has no way of determining whether or not an individual's income is real, or the result of inflation and as long as inflation continues to rise, the Federal Government is assured of receiving more and more money each year to spend.

For this reason, I, along with a number of other Senators, have called for the consideration of proposals to reduce future tax rates by the rates of inflation. These proposals would insure that a person will no longer be forced to pay more taxes simply because inflation has pushed him or her into a higher tax bracket. Most importantly, the proposal would reduce the amount of inflated revenues that the Federal Government collects and spends each year.

Perhaps such a system would finally break the Federal Government of its habit of throwing money at every single problem our society encounters. Rather than relying on increased revenues each year to finance these programs, the Congress would be forced to vote for every spending and tax increase.

These proposals would apply to the future, when the Federal budget can be planned accordingly.

The Federal tax laws are too complex and interrelated to make quickie changes to achieve instant results. Any changes that are made should take into account the full effects on the Federal budget and inflation.

The Senate Finance Committee, of which I am a member, began hearings last week on tax reform. The House Ways and Means Committee is also holding hearings on tax reform. Inflation is a cruel burden on every American citizen and we should take a long, hard look at our tax laws to formulate changes to reduce that inflation burden.

In conclusion, we must all recognize that inflation is a serious problem that will not go away through wishful thinking or simple gimmicks. The Federal Government, business, labor, and every consumer must be willing to show self-restraint. The Federal Government must slow the alarming growth in spending, and should consider changing the tax laws to remove the Federal Government's built-in incentive to cause inflation.

We should work for meaningful tax reform, and we should encourage an increase in the supply of goods to help combat the shortages and capacity problems that lead to higher prices.

The fight against inflation is not an easy fight, and there are no easy solutions. But, that is no excuse for turning our backs and giving up the fight.

FREEDOM OF EXPRESSION IN SOUTH VIETNAM

Mr. GOLDWATER. Mr. President, in the fifth of his reports to me about his investigations in Vietnam from May 26 to June 1, my legal assistant, Mr. Terry Emerson, describes in detail the extensive evidence of freedom of expression and thought which he observed in South Vietnam.

I am particularly impressed by the fact that the day-to-day schedule of Mr. Emerson's fact-finding trip to Vietnam was built around the persons and locations which he and his visiting group of Americans requested to see. In other words, the Government of South Vietnam permitted my legal assistant to go anywhere and meet with anyone, to explore any subject, which he wished.

As his report on the subject indicates, this itinerary included several meetings with oppositionists. Mr. Emerson points out, however, that these antigovernment figures were united in their rejection of communism. From this fact, Mr. Emerson raises an interesting analogy between the origin of this country as a self-governing Republic, buffeted by foreign intrigues and conflagrations that threatened to split apart our new unity, and the present struggle of the people of South Vietnam to establish the right of their Republic to govern.

As Americans of the Federalist period united in agreement that the central government headed by George Washington was the only force capable of binding the people together in safety, so the great majority of the South Vietnamese people are united today in a belief that the present administration of their Republic must continue to govern or the country will face certain anarchy and ruin.

Mr. Emerson concludes that the ability of the Thieu administration to govern rests therefore not only on the natural support which its programs have built with the population, but also upon the underlying decision of the people not to risk any other presently available alternative, which may lead down the road to communism, a future they clearly reject.

Mr. President, I ask unanimous consent that the fifth report from Vietnam, by Mr. Terry Emerson, on the subject of political freedom in South Vietnam, be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

REPORT FROM VIETNAM: V

(By J. Terry Emerson)

POLITICAL FREEDOM

One American participant in the free press seminar held in Saigon May 27 through May 31 was overheard to remark: "I don't know about censorship in Vietnam, but there is one thing I am very sure about and that is there is plenty of freedom of speech in this country." The five day series of events at which press freedom was thoroughly dissected coincided with the fact-finding visit to Vietnam of our group of ten staff members from U.S. Congressional offices.

The occasion of the media seminar was symbolic of the great extent of freedom of thought and expression which clearly exists in South Vietnam. The event was sponsored by the U.S. Information Service and held at the Vietnam-American Association Little Theater. All sessions were in both Vietnamese and English; posters announcing the seminar were distributed in various Saigon schools about two weeks ahead of the event. Journalist students and journalists themselves were fully alerted to the event at least a week ahead of time. The interested Vietnamese public was adequately informed about the schedule beforehand.

By the third day of the sessions, three hundred people attended, mostly Vietnamese students of journalism and newspapermen. At the seminar, the audience and panelists engaged in a free exchange of questions and ideas. Students were not afraid to complain about the situation of the press in South Vietnam and many Vietnamese newspapermen voiced complaints about difficulties they felt they encountered in their profession.

No one was locked up who complained. No one was thrown out of a job who criticized. No troops stormed the doors of schools or newspapers whose representatives challenged the government. In fact, the seminar was given extensive coverage in the fifteen Vietnamese language newspapers published daily in Saigon.

The press seminar reflects most of the elements about the press situation in South Vietnam. The sessions were made known to the public. Anyone could attend who wanted to do so. Reporters could write freely about what went on at the meetings. The local press widely covered the sessions. Reporters took the opportunity to demand more freedom than they now have.

In other words, the Saigon media seminar revealed the presence of an active and diverse press in South Vietnam. Of the fifteen daily newspapers published in the Vietnamese language at least three are oppositionist, five are generally independent, one is allied with the Catholic Church, three might be styled as sensationalist, and only the three remaining are pro-Government.

Do these papers have total, unbridled discretion to print whatever they choose? No, apparently not. But the Government does tolerate criticism. The Government does allow the printing and distribution of positions critical of its own administration. Government scandals, if and when they occur, and news about opposition political activities can be and are printed. Journalists can make a living who question the Government policies.

There are some wartime restrictions. I was told by one opposition columnist, who apparently is a follower of General "Big" Minh, that the Government does confiscate particular issues of papers. He even contended this might happen as often as once a week. He further charged that publishers or reporters who persist in diseminating the wrong kind of news can be taken to court, where they are subject to a possible fine or "tax."

But, when I asked him if the fines were so severe that they endangered the continued existence of a newspaper, he did not contend that this was a device for extinguishing unfriendly papers. The presence of fifteen Vietnamese daily newspapers of a wide variety of positions alone would refute this argument. Moreover, there is a special immunity granted to publishers or journalists who are Deputies or Senators in the Parliament, as my associate is. Nor did I learn of any documented instances in which opposition journalists are being jailed for the views they print.

Given wartime conditions, it is not unexpected that temporary restrictions are set concerning reports about the military defense effort and protecting the fundamental survival of the Republic. The significant factor is that an opposition can exist; the critic is not removed from his job or dispatched to a mental institution; and the opposition can pressure for improvements in the system. The Vietnamese public is highly literate and supports a variety of publications.

Newsstands are proliferate with papers, magazines, and books of all descriptions. The contrast between being in Saigon and in Moscow or Leningrad, the showcase of Communism, as this writer has been, is dramatic. Where one is starved for outside news in the Soviet Union and cannot find Free World publications in any language, not even in the major tourist hotels, the visitor to Saigon easily and quickly can purchase printed materials with which he is familiar, many of which will be critical of the Government of South Vietnam.

One of our group was able to locate for purchase a copy of the Paris Peace Accord, which some American politicians who have never visited Saigon charge is not available there, and the same individual even found some Communist writings for sale.

If the American critics of South Vietnam would only visit the country for themselves, and, in particular, compare the situation in the Republic of Vietnam with that in a Communist-governed society, which is the alternative that must be considered, he would readily see extensive and healthy signs of a strong, free press competing for the attention of an educated and inquisitive public.

When our Congressional staff delegation was in South Vietnam, we saw at least six opposition personalities. I wonder how many "opposition" persons one would be allowed to meet in a Communist society? Among the non-Government aligned individuals our group met, and enjoyed a long and free conversation with, are Senators Nguyen-Duy Tai and Tran Quang Thuan, both connected with the Buddhist faction; Duong Minh Kinh, a Catholic Independent Deputy of Parliament; Nguyen Huu Chung, a Deputy supporter of "Big" Minh, a former editor, and now a columnist for the Vietnamese newspapers, Dai Dan Toc and Dien Tin; Professor Nguyen Ngoc Huy, Chairman of the Progressive Party, allied with the Vietnamese Labor Union; and Tran Cuoc Buu, President of the Vietnamese "AFL–CIO," the Vietnam Labor Union.

One member of our party, who requested it, was able to arrange independent interviews with Madame Ngo Ba Than, a spokeswoman for the radical "Third Force," and Father Chan Tin, the anti-Government activist who has publicized the political prisoner attack against the Thieu Government.

The fact that our group was allowed to arrange visits with anybody in the country whom we desired to see, and to travel to any facility or location throughout the Government-controlled territory of South Vietnam that we wished, is proof in itself that South Vietnam is an open society. The Government does not hide the fact that it has its doubters. It is willing to meet them on the ground of on honest presentation of the truth.

Men and women of intelligence and good will differ in their interpretations of Government actions and the priorities they would set upon different goals. The opposition leaders in South Vietnam do want to change the position of the Government in many areas. But, one theme that comes through intensely from the varied message of the oppositionists in South Vietnam is their universal agreement that the Republic must survive against the challenge of the Communist invaders.

The oppositionists know of the terror and calamity that follow Communist rule. They are aware that over a million and a half refugees have fled from Communist tyranny either in the North or in Communist-occupied territory of the South. They know there would be no room for doubters such as themselves in a Communist ruled society. They know the press situation in South Vietnam today is a paradise compared with the stiffling censorship that would accompany a Communist regime.

Opposition does exist today in South Vietnam and not only in the newspapers. I have mentioned some oppositionist or independent figures with whom our group met. In all, there are nineteen Anti-Administration members in the Senate of Parliament, out of a total membership of sixty. In the Lower House, there are 58 oppositionists, and seven independents, among the 158 Members of the entire Chamber. These Deputies and Senators who oppose the Government are granted parliamentary immunity.

But the South Vietnamese Government claims that the convincing proof of its reliance upon, and acceptance by the general citizenry, is demonstrated by its action in dispensing arms to half a million local militiamen and a million members of the People's Self Defense Force, in addition to the 500,000 man regular Army. The Government asks, if it was widely unpopular with its own people, would it put into the hands of these same people the guns and ammunition which could be turned against it? Obviously, the Government trusts the people and the people, regardless of any disagreements they may have with individual Government policies, support the Government against the Communist alternative and are making a deliberate choice to defend the Republic and regime which governs it from the disaster that would surely follow its collapse.

To understand the Vietnamese situation, Americans need only remember their own history, when in the aftermath of the War of Independence and the internal turmoil accompanying the French Revolution, the political followers of the most diametrically opposed philosophies, led by Thomas Jefferson and Alexander Hamilton, could agree among themselves that George Washington must remain at the helm or the Government would founder. The good sense of the American people caused them to fear that a total and irresponsible opposition to the new central Government headed by Washington would bring ruin to the American political experiment in popular self-rule.

As Americans of the Federalist period feared to cross the brink to the extreme opposition that would pull apart the solidarity of the central Government, so the divisive forces in South Vietnam recognize that the Government of their Republic is not yet so firmly established that they can risk attempting to topple the Government, or so weaken it that it could not govern. The opponents know that the greatest evil that could befall their country at the present time is the disappearance of the general Government without an acceptable alternative.

The oppositionists believe their country will stay together if they have the present Government, giving time for what they see as wise changes in policy to be made over future years. Indeed, much of the country, probably the majority, accepts the present Administration as their first choice, but what Americans must realize is that the failure of the opposition to muster enough strength to defeat the Thieu Government in elections or in the Parliament does not mean the people are prevented from doing so by a dictatorial military regime, but by their own sensible judgment that the destruction of the Present Government would be critically hazardous to the safety of the Republic.

Herein, the analogy with the history of our own birthpangs as a young Republic, lies the secret of comprehending the political situation in South Vietnam. Where our emerging nation was threatened by Indian warfare incited by the British and Spanish within our borders, by the continued British occupation of forts inside the American Northwest contrary to the peace settlement ending the Revolutionary War, by the Spanish blockade of American trade on the Mississippi River, and by the intrigues of European nations to draw the United States into their wars, the Republic of Vietnam faces similar external threats that endanger the stability of self-government before the population has had time to solidify its unity as a free Republic.

The Thieu Administration continues in office not because it is a dictatorship, but because it is the choice of the people not to risk the anarchy and eventual tragedy that would follow any other presently available alternative and because it is responsive enough to the basic needs of the people to hold onto their support. The issue in South Vietnam is whether tyranny from outside will prevail or whether a republican government shall be granted the right to govern.

THE CENTER FOR DEVELOPMENTALLY DISABLED

Mr. HUMPHREY. Mr. President. I wish to call to the attention of the Senate an article that appeared in the St. Paul Pioneer Press, St. Paul, Minn., of Monday, June 10, entited "For People in Need A Friend Indeed."

This article refers to the work of the Center for Developmentally Disabled. It pays proper commendation to the director, Mr. Spencer Lonetree, and his assistant, Mrs. Nokomis Swan. The work of this center merits careful study and evaluation. It can well serve as a model for other communities. I congratulate Mr. Lonetree and Mrs. Swan, and I take pride in noting that the Center for Developmentally Disabled is in St. Paul, Minn.

I ask unanimous consent that the artiicle to which I refer be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR PEOPLE IN NEED A FRIEND INDEED

(By Ann Baker)

For three years a small office on Selby Avenue has been trying to find special answers for the people who fall into the very special circumstances of being poor, handicapped and black.

The Center for Developmentally Disabled helps people find medical care, counseling, special schools, sometimes even food and shelter. It makes appointments, gives rides, befriends and follows through. It speaks for those who tend not to speak well for themselves, the retarded, epileptic and those with cerebral palsy in particular.

What the center wants to do most of all is help its adult clients find jobs they can perform in sheltered workshops.

"We have placed a number with existing facilities," says the center's director Spencer Lonetree. "The success rate is zero. That's because there's a lack of sensitivity in dealing with minority people."

Services for the handicapped, he says. "are all administered by whites—with their PhDs I imagine—who try to pound their philosophy into the minorities without understanding their culture or background."

Not understanding, says Lonetree and his assistant Mrs. Nokomis Swan, means a variety of minor and major tragedies:

It means the young overweight black retarded man who was heavily criticized at a sheltered workshop for being badly shaven and wearing torn clothes and whose fellow workers called him "something other than his name."

It means the retarded Indian and white youths who learned how to get by bus to a sheltered workshop west of Minneapolis, then at break time came home, thinking it was quitting time.

It means the little girl from a large, poor family who was switched from speech therapy to a class for the retarded because she had an "odor."

It means the black retarded man who a few years ago was employed by a sheltered shop where he was frequently harassed by co-workers and supervisors till one day he went home, got a gun, returned and killed his boss.

Many black, Indian and Chicano handicapped people are further frustrated, says Mrs. Swan, when their own families are hostile to whites. They experience racial tension coming from both sides. "And in the meantime the programs are not trained to cope with these kinds of things."

Black herself, she says she knows what it means to learn to cope with name-calling. But when you're singled out as black, handicapped and maybe overweight or badly groomed too, then "you've got so many things you've got to deal with."

Minorities have always tended to keep their handicapped children home with them, says Lonetree, who is an Indian. They didn't have to wait for the top sociologists of the 1870s to tell them "normalization" is better than "institutionalization," that home provides a warmth and security and loving family that no institution can.

Mrs. Swan agrees. But, she says, the very attitudes that have kept the children home—protective attitudes that often include suspicion and sometimes downright resentment of outsiders—makes it doubly difficult for them to venture out to school or job.

"People aren't told about alternatives," says Mrs. Swan. "I know that from personal experience." She cites difficulties in finding care for her son, who lived seven years "as a vegetable" after an auto accident as one example.

Another example is herself; on welfare following an accident, it was only by an acquaintance's chance remark that she heard of the Division of Vocational Rehabilitation, which got her the college training as a counselor that led to her present job.

"My reason for getting involved in this work is I know there are services available that people don't know about. Restrictive, binding policies are set up that make it impossible to get the services you need. I feel there are families who need an advocate, someone to look up and see what's available."

The center, originally under the wing of Model Cities, has been serving people of all races from the entire metropolitan area. It is currently working with 30 families.

In September the Center for Developmentally Disabled hopes to open a work activities center of its own somewhere in the Summit University neighborhood, as a stepping stone to sheltered workshop jobs.

"We want to train these people in an environment that would enable their unique qualities to surface," says Lonetree. "They should be able to work like anyone; they can't without training."

A small residence would be attached, for those needing to ease themselves away from home.

Federal authorities, who last year provided a $45,000 budget for the center, have agreed to double the grant for this fiscal year, which starts Sunday, so the center can enlarge its staff and establish its own workshop.

Funds come from the Department of Health, Education and Welfare.

THE VICE PRESIDENT PRESENTS ADDRESS AT UTAH STATE UNIVERSITY COMMENCEMENT EXERCISES

Mr. BENNETT. Mr. President, this past weekend Vice President FORD spoke at the graduation exercises of Utah State University. While his remarks were directed to the students of that fine institution I feel that they have meaning for everyone who has faith in this great country of ours. For this reason I ask unanimous consent that the Vice President's remarks be printed in the RECORD for my colleagues to read.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VICE PRESIDENT GERALD R. FORD

You have every reason to be proud of reaching this academic milestone and of the splendid institution which honors you with its degree. In less than 90 years Utah State, along with other beneficiaries of the far-sighted Land Grant Act of 1862, has become one of the nation's most advanced and diversified institutions of higher learning and has contributed in countless ways to the betterment of our society and the world. Your Exceptional Child Center is a model for such enlightened endeavors. And your possession of the Beehive Boot has earned you considerable renown on the sports pages.

I have already spoken this year with the graduates of my own Alma Mater, the University of Michigan, and of Eastern Illinois, Texas A & M, and the Air Force Academy. These are all great schools, and they are all different, just as Utah State is different. Diversity in education is one of the basic strengths of America. One of the differences I sense about Utah State is that here you can still feel the exicting challenge of the American West, the magnificent harmony between God and Man, between Nature and Civilization, which exists amid your rugged mountains and fertile valleys and between your bustling cities and your silent skies.

When I first saw this wonderful part of our country I was about your age. Whenever I return—as often as I can—I am reminded that it was a birthright member of the Eastern Establishment, Horace Greeley, who popularized the phrase "Go West, Young Man." But it was Brigham Young who knew where to stop.

I suppose that is a roundabout way of telling you that you will get a lot of advice about how to run your lives from a lot of well-meaning people, and it is well to listen to it politely and even take some of it so long as you keep your own eyes and ears and minds open and do what you think is right.

As a matter of fact, I have been getting quite a bit of free advice myself lately, so I know how you feel.

The people who offer me advice are mostly my friends, whether we have met formally or not. Some of them whisper to me at receptions, or shout in hotel lobbies. Some write me long, earnest letters or wire or telephone me late at night. Some share their concerns with millions on television or radio or print them in editorials or columns.

Whatever means they use I'm sure they wish me well and I am grateful for their counsels. Nobody in public office can have too many conscientious critics and candid counselors.

After six months in my new job, the kind of advice I get runs along two main lines. First, why don't I stop flying around the country meeting people and making speeches and stay in Washington doing my job? And second, if I must make speeches and permit press questions wherever I go, why do I uphold the President one day and the next day side with the Congress which is deliberating his impeachment?

In short, why don't I sit down and shut up like a good Vice President should.

As I say, I really do appreciate these well-meaning warnings by my friends—I even get them from my family. But I happen to think that what I am doing is my job, that it flows directly from the solemn oath I took to support as well as to defend the Constitution of the United States, and that it is both necessary and right at this time in our nation's history. As for what I say, it is what I believe to be true.

I have always enjoyed and benefited from visiting various parts of this great land of ours and talking with, as well as to, Americans of all kinds and of all shades of opinion. I like to listen to Americans—and would hope to do so in every one of our 50 States. I categorically reject the demand that I listen only to the strident words on the banks of the Potomac. I am not going to barricade myself in Washington just because I suddenly find myself bearing heavier burdens of official duties and potential responsibilities.

On the contrary, I am simply going to work a little harder—a few more hours every day—and do both. I happen to like work, and that is not so unusual as some cynics think. I also like people, and I like to listen to their problems—or I wouldn't have been doing it for 25 years. So I'm going right on meeting my fellow citizens around the country as I have already done in 34 of the 50 States.

It is not so much what I am telling the American people that matters, but what they are telling me. After 13 elections I can modestly claim a fairly good ear for the so-called voice of the people. And what I hear from Hawaii to New Hampshire and from Utah to Georgia and from Michigan to Oklahoma—yes, even in Massachusetts—is a lot different from what I hear in Washington, D.C. And I like it a lot better.

Americans are telling me that ours is a great and good country, but one that can become greater and better if we all work hard at it. Our people are stout of heart and decent in demeanor. Our institutions are strong and sound and they are not crumbling around us—rather they are dealing daily with great firmness of purpose with both domestic and foreign difficulties.

Like our ancestors who crossed unknown oceans and deserts in search of peace and freedom, like your fathers and grandfathers and like some you who recrossed the seas to fight for peace and the freedom of others, we are not today without fears and failures. We have our share of discouragement and tragedy, as have Americans before us.

But we also have faith—faith not only in our religious traditions and the basic moral values common to all of them—but faith also in our Constitution and the unique political and economic system it sustains.

We have faith in a heritage of law and equal justice which holds every person innocent until proven guilty beyond reasonable doubt, but places none above the law. We have faith that determination and shared purpose can unite us as a people more than differences of race, religion, politics or partisanship can ever divide us.

How well our Constitutional system works was demonstrated during the past year when after a saddening series of events I was picked by President Nixon to fill a vacancy in the Vice Presidency under a new, untried procedure. After exhaustive inquiry the Congress, with only a few dissenting votes, confirmed my nomination. At that time I pledged my best efforts to be "a ready conciliator and calm communicator between the White House and Capitol Hill," between the Republican President and the Democratic Congress, in the controversial climate of Washington.

So I ask my friends and counselors, why is it so surprising that I sometimes voice the viewpoint of the Legislative Branch of which I was a part for a quarter-century, and at other times see things much the same way as the Chief Executive who chose me, my friend for the same span of years?

In all those years I have never seen a controversy in which one side was all wrong and the other 100 percent right; nor have I seen a human being who was totally good or altogether bad. Truth is the glue that holds government together, and compromise the oil that makes government go. Our three separate branches of government were designed to check and balance each other's abuses and excesses, but not to produce stalemate and paralysis. So I consider it my duty to try and head off deadlock and seek a reasonable and prompt resolution of the nagging Watergate issue that is sapping the valuable time of our elected leaders and the political strength of our nation.

So long as I have the physical capability and so long as I can contribute to the climate of reason and truth in this country. I will remain my own man and fly my own course and speak my own convictions. Put yourself in my boots—what would you do? I know you would be fair, candid and constructive. That is my objective.

Having confided to you some of the difficulties I have in taking the best-intentioned advice, and having used up most of my time doing it, let me leave you with a final counsel. Nothing that has happened in your college years is more significant than the first steps President Nixon and Secretary Kissinger have made toward a just and durable peace. The shadow of war has hung over each of you since you were born. In my own lifetime—and I don't feel too ancient—more than 600,000 Americans have died in four wars.

The President leaves Monday on a mission of peace to nail down the tremendous accomplishment of his Secretary of State in bringing about a cease-fire in the Middle East. Everybody thought this impossible, just as a few years ago everybody thought it impossible to end the American involvement in Vietnam. Both of these giant steps on the long road to permanent peace make this Commencement Day of yours an extra joyous occasion.

All Americans are proud of the diplomatic skill and success of our great Secretary of State Henry Kissinger but I trust, in all fairness, that we recognize the guiding role of President Nixon. We pray for our President's safety and success in the Middle East and on his forthcoming trip to Moscow. Just as neither Lincoln nor Grant could have won the Civil War without the other, we cannot divide the peacemaking achievements of Richard Nixon and Henry Kissinger that began with the historic initiative to reopen communications with China's mainland.

Building a new structure of peace in this nuclear-armed world on realistic terms is going to be a long and difficult task that will demand the best efforts of your generation, and of mine. But I believe you have the determination, the patience and the understanding to complete the work we have begun. You are starting the greatest of earthly adventures—an adult life in the service of God and your fellow man. May you also know the greatest blessing—a life of peace.

COMMENCEMENT ADDRESS AT COLBY COLLEGE

Mr. NELSON. Mr. President, I commend to my colleagues the reading of the commencement address of the junior Senator from Maine (Mr. HATHAWAY) given at Colby College in Waterville, Maine, on June 2. Also, worthy of attention is the editorial from the Lewiston, Maine, Daily Sun immediately following Mr. Hathaway's speech.

I ask unanimous consent that the address and the editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS AT COLBY COLLEGE

President Strider, distinguished members of the faculty, guests, members of the graduating class and families: It is a great honor to be invited to speak to you here this morning and a pleasure for me to join with you in the marking of this occasion. I am especially honored by the Degree the College has chosen to bestow on me and appreciate being made a part of the Colby family. I have always felt a special closeness to this place, having attended conventions in your field house and political caucuses in your classrooms as well as having met with students and faculty on numerous non-political occasions. It is always nice to be back among good friends.

When thinking back over the events of the past 18 months since I was sworn in as a member of the Senate, I am constantly reminded of the ancient Chinese curse: "May you live in interesting times." Never in such a short period have so many things happened to generate serious questions about the viability and future of our government system.

Obviously, I refer to Watergate and its many subsidiary issues: the influence of big money on politics, the relationship between government and business; the use of governmental agencies toward political ends, and other facets now under study in the House impeachment inquiry. But Watergate has also obscured other issues which were beginning to surface in early 1973, issues which raise equally serious questions about the functioning of the system.

When I started work in the Senate, the major preoccupation of official Washington was the looming "battle of the budget," which was being billed as a fight to the death between the President and Congress over the fundamental question of who would determine national priorities. This problem had been smoldering for many years, but had usually been resolved through grudging compromise—or occasionally, amicable agreement when Congress and the President found themselves on the same side of the fence. But by resurrecting and inflating beyond all precedent—the doctrine of impoundment, the President in 1973 escalated the confrontation to a much more serious level. The President was saying to the Congress, in effect, "regardless of the fact that you authorize a program, override my veto, and appropriate money for it. I simply won't spend the money if I don't like the program."

Had Congress failed to respond to this challenge, its role in making national policy would surely have been at an end. Fortunately, Congress did respond, and with the help of watergate and the courageous decisions of about 20 Federal Courts, has, for the time being, turned back the challenge.

But the questions raised by these events still persist and are made more pressing by a succession of events that did *not* occur during this period. We have *not* been able to develop and implement an effective—or even coherent—policy with regard to two problems of profound importance to our citizens—inflation and the energy shortage.

Despite demonstrated need and widespread demand, we have *not* been able to move in the areas of health care, tax reform, aid to education, or reform of campaign finances. And, obviously, we have not been able to move swiftly to get to the bottom of Watergate and begin the slow and difficult process of restoring public confidence in the institutions of government.

What are the problems of our government which the events—and non-events—of the past year have so dramatically pointed up?

First, and I believe of utmost importance, what we have seen are the fruits of hopelessly fragmented authority. Without clear lines of responsibility and authority, the government is precluded from acting as a unit, in all but the most unusual circumstances. Instead of coherent national policy in the face of serious national needs, we get, at best, policy strongly influenced by special interests, regional interests and a non-productive rivalry between the executive and legislative branches. At worst, of course, we get no policy at all.

I should point out in this regard that the problem does not simply involve two or three branches of government. Rather, it involves institutions which over the last fifty years have developed into sub-governments unto themselves.

There is, of course, the Supreme Court which through the unique doctrine of judicial review has established itself as the arbiter of the system as well as a maker of policy in many significant areas of our national life. Then comes the Congress, whose rigid committee structure, rules of seniority and close ties with parochial interests, produce a system of feudal baronies which can act with unity and dispatch only in the most unusual of circumstances and even then only when near unanimity exists on the course to be followed. The Executive, in turn, constitutes at least three governments: the White House, the cabinet departments—which take on a life of their own through the professional bureaucracy, and the ubiquitous Office of Management and Budget.

This latter, I should note, the now famous OMB, comes the closest to being the actual source of Federal policy of any of the branches I have mentioned. And ironically, it is the least known to the public as well as being the least responsible and accountable to anyone. It is truly a tail which wags the dog.

Finally, there are the so-called independent agencies—the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Trade Commission, and others, which are not really independent—they read the election results like everyone else—but are not really accountable to the public, either.

A second problem, and one related to this bewildering multiplicity of responsibility, is a lack of accountability for what decisions *are* made.

If responsibility is unclear, then holding someone to account when things don't work is almost impossible. No wonder the voters are frustrated and becoming alienated: they elect new candidates in an effort to "throw the rascals out" but nothing much changes and things continue to go down hill. Meanwhile, Congress, the President and the heads of the various agencies spend much of their time blaming each other for what is actually a collective failure. Of course, compounding the difficulty of determining responsibility are the widespread practices of official secrecy, and the invocation of the doctrines of "national security" or our old favorite, "executive privilege."

But there are similar problems beyond these well-publicized and high level efforts to frustrate accountability. I refer, to the difficulty an ordinary citizen has in finding out exactly who has the power to make a specific decision affecting his life and then in finding out what the basis was for the decision in question. This problem is rarely the result of anything so majestic as "executive privilege", but is usually simply a case of bureaucratic fuzziness. You would be amazed at the time and effort expended by my office—and the offices of all of my colleagues—on simply tracking down the elusive bureaucratic responsibility. Perhaps this is just a function of human nature and the nature of any large organization, but I am convinced that increased accountability at the top, with cabinet members responsible to someone beside just the President, would have a positive influence all the way down.

I should conclude my comments on these problems with the observation that they are not entirely the making of one Richard M. Nixon. They stem, instead, from evolutionary changes which have taken place in our government in response to the pressures and needs of 20th Century life in a country of over 200 million people. Even those most critical of the present administration concede that its actions are consistent with a pattern which has been developing since the turn of the century.

And it is this pattern, these fundamental changes in the way our government actually works, that should concern us, not just the actions of a particular President. Indeed, by pushing the authority of the executive beyond its tolerable limits, the President may have inadvertantly rendered his most significant service to the country. As one commentator put it, "he finally inflated the authority of the Presidency until it burst," thereby liberating us from an unhealthy dependance on executive leadership.

The problems I have mentioned are serious ones which will not be solved by the simple expedient of removing the President (or the present members of Congress). Thus, the question of necessary changes in the present structure must be faced. And when such change is contemplated, a basic decision is in order on whether to tinker with existing institutions or make more radical alterations in institutional relationships themselves.

While I feel that short-term improvements are certainly in order, I believe it is also time to begin a public re-examination of some of the premises upon which our system is based, with an eye toward more far reaching change.

In the short-run, measures are already being taken to remedy some of the more obvious deficiencies. Congress has enacted, over the President's veto, a clear definition of the power of the executive to embroil this nation in war. Legislation has passed the Senate and is pending in the House which would define and narrow the scope of executive privilege. The Freedom of Information Act, which was strengthened by the Senate just this week, is beginning to open the closed files of the bureaucracy. Through the combined action of Congress and the courts, the practice of impoundment has been severely curtailed.

Other moves in this direction are contemplated, but have not yet been acted upon. Among these is a limitation on the size of the White House staff, the creation of a Congressional equivalent of the O.M.B., and increased Congressional attention to its oversight function—that is, seeing how the agencies are actually carrying out their legislative mandate. On the point of the size of the White House staff, it is interesting to note that Franklin Roosevelt managed the New Deal and World War II with a personal staff of 11, compared with the five or six hundred we have today. It doesn't take a Ph.D. in public administration to realize that that many people are going to find themselves something to do—and when they do, what ever it is will suck authority out of the cabinet departments and the Congress and further muddy the prescribed lines of authority.

Finally, it is clear that before Watergate is all over, the Courts also will be involved in defining and narrowing the prerogatives of the executive.

But in spite of all this movement, I feel it is not enough. The frightening aspect of all we have seen over the past year is not what happened but that they almost got away with it. Many have commented on the ineptitude of the administration in perpetrating its misdeeds and then trying to cover them up. But what if they had not been so inept? What if they had been competent? What was attempted was nothing less than a systematic take-over of the entire United States Government by a small group of men, and it might have been successful except for an alert night watchman, two persistent reporters and a determined Federal judge. That such an event could happen and, at the same time, that the government could fail to deal with problems such as inflation, makes me think that something more than definitions of executive privilege is in order.

I start with the premise that the demands and needs of a modren technological state can only be met by a "positive government"—one that can formulate coherent policy in a reasonable amount of time and act decisively. My second premise is that such a government should be responsive to the wishes of the people and accountable in a direct, practical way for its actions. It seems to me that the current situation raises doubts about the ability of our present system to satisfy adequately either of these goals. And it is for this reason that I think we should give serious consideration to moving toward a system more parliamentary in form.

What we are getting now is an attempt at positive government through a vehicle expressly designed to thwart such a development. And the result is the worst of all worlds—a kind of stumbling, patchwork autocracy. What the framers of the Constitution had in mind was the antithesis of positive government: As Jefferson put it, "That government governs best which governs least" and they designed a structure whose express purpose was to insure the fulfillment of this goal. Thus, the division of power and responsibility, the checks and balances, the invitation to interest group politics all contributed to the creation of an institution whose natural state was inaction and which could move positively only under circumstances of national emergency.

It can be argued that the framers were right in 1787, or even in 1850. But the changes in society in the last hundred years have made this argument moot. The question is no longer whether we (or any other developed country) will have an active or status quo government, but, rather, how our active government will be structured. When viewed in this way, and with the realization that we seem to be moving perilously close to a kind of 8 year monarchy, suggesting serious consideration of the parliamentary approach seems a little less radical.

Under this system, the chief executive and the members of his cabinet are also members of the legislature and derive their authority from the legislative majority. The members of the legislature are elected by the people, of course, on their own merits, but also on the basis of their public support for an identifiable government program. If the program proves unsatisfactory to the people, a new government can be elected with some assurance that a new approach will ensue. By unifying the executive and legislative functions in this way, the recurring paralysis to which our system is so subject can be eliminated, while actually increasing the accountability of the government to the people. And this higher level of accountability would inevitably filter down, even into the ever-present bureaucracy.

Richard Goodwin, one of the most thoughtful commentators on the modern scene summed it up in the single phrase: "structure is policy". In the present case, this means that a fragmented, cumbersome system is going to produce, if anything, fragmented policy. I believe that the challenge is for us to come to grips with this fact and to begin to design governmental structures which will allow positive action while retaining democratic control and a protection of minority interests. Government, inevitably, will be involved in all of our lives; the choice left to us, then, is between acquiescence in the development of an "imperial presidency" or the creation of more humane and responsive institutions.

But all this discussion about forms and structures is worthless unless the people involve themselves in the process with vigor and imagination. I think that you will find that to do so will be important to you personally as well as important to us as a nation. For it is only through active participation in all aspects of life—not the least of which is our continuing effort to discover the secret of self-government—that you will find a true sense of satisfaction. I am convinced that part of the key to happiness lies in being active in pursuit of our goals—and thereby risking failure—rather than passively accepting what appears to be our lot.

In the last analysis, there is very little satisfaction in a "safe" life, a life free of failure which is also, inevitably free of real achievement. By continually playing it safe, we doom ourselves to mediocrity and to an old age filled with thoughts of what might have been.

President Teddy Roosevelt was a man identified with the life of participation; he once explained it in this way:

"The credit belongs to the man who is actually in the arena—whose face is marred by dust and sweat and blood . . . who knows the great enthusiams, the great devotions—and spends himself in a worthy cause—who at best if he wins knows the thrills of high achievement—and if he fails, at least fails while daring greatly . . . his place shall never be with those cold and timid souls who know neither victory nor defeat."

But simple involvement is not enough: the quality of your participation is equally important. For in a democratic society, we only get the kind of government we deserve; a perfect structure can become an engine of evil if its control is in the wrong hands. And it is easy to be misled in the realm of politics—to be pushed into choices of emotion rather than reason, prejudice rather than concern. There will always be those prepared to turn whatever institutions we create to their own ends; it is our responsibility to keep this from happening.

Of course, these decisions must be our own, on one can prescribe the answers for his fellows. I believe with Thoreau that each should be allowed to "step to the music which he hears, however measured or far away" and not be compelled to march to the drum of his companions. As long as the goal is a society of justice achieved in an atmosphere of respect for our fellow man, there is plenty of room for differences on the course that should be followed.

Making decisions and taking action on the basis of principle is not easy; it can often affect our material, social or political standing. And, even then, our efforts can seem small or futile. But the fundamental tone of the nation's life is set by the aggregate of these individual moral decisions. In the end, each of us does have an influence.

Shortly before he died, Bob Kennedy said something along these lines to a group such as yourselves; his words offer us a fitting conclusion:

"Each time a man stands for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope. And crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightest walls of oppression and resistance.

Few are willing to brave the disapproval of their fellows, the censure of their colleagues, the wrath of their society. Moral courage is a rarer commodity than bravery in battle or great intelligence. Yet it is the one essential vital quality for those who seek to change a world that yields most painfully to change.

And I believe that in this generation those with the courage to enter the moral conflict will find themselves with companions in every corner of the globe."

[From the Lewiston (Me.) Daily Sun, June 6, 1974]

PARLIAMENTARY GOVERNMENT

The recommendation by our junior United States senator, William D. Hathaway, that serious consideration should be given to adopting a parliamentary form of government is meritorious. The fact that the proposal comes from a member of the Senate, who has had experience as a member of the House, makes it even more worthy.

In a commencement address at Colby College, Sen. Hathaway said that the current situation in Washington raises doubts about our system's ability to satisfy the goal of a positive, responsive and accountable government. It is for that reason, he added, that he feels the parliamentary form of government should be considered.

The system which has been in effect in this country since the Constitution was adopted has led to "hopelessly fragmented authority," he contended, pointing out that the parliamentary form of government could reverse the "50 year pattern of concentrated authority in the presidency."

Under a parliamentary form of government the legislative and executive branches would be under the control of the same political party. Moreover, if the government could not command a vote of confidence in Congress, it would mean new elections.

One of the basic weaknesses of our current form of government is that it allows one party to control one or both houses of Congress, while the other major political party controls the presidency. The net result is confrontation followed by frustrating delay or inaction.

The principal weakness of the parliamentary system, in other countries, has been the development of splinter parties. France has suffered the most from that malady. It may be possible, however, to adopt a parliamentary system which would preserve the benefits of the two party system.

If ever the American people needed persuasive evidence, it is to be found in the Watergate Affair, which has all but stalled the federal government, and the experience in Israel, France, Britain and West Germany, where crises of equal proportions, although not necessarily of the same nature, have been dealt with effectively.

Instead of more than a year of agonizing and divisive turmoil, such as has gone on in Washington and America, there were orderly and prompt transitions in the governments of the countries named. The vacancies created by resignations, loss of confidence in parliament, or, in the case of France, death, did not put the government and the people on the rack of doubt and disenchantment.

The need for changes in our federal government never has been more pressing nor more evident. Public antagonism to current office holders obscures the fact that it is the system which has allowed the bad apples to contaminate the barrel. Sorting out the bad ones is not enough. There must be a new system if the barrel is to be kept clean.

Sen. Hathaway's proposal should awaken some soul searching in Washington and even more so among the American people. The change would not come easily, but it could mean the salvation of a free United States.

THE STRENGTH AND VITALITY OF THE FREE ENTERPRISE SYSTEM

Mr. BROCK. Mr. President, today I would like to share with my colleagues two letters I have received on the energy crisis.

The first, written by Mr. Andrew Hines the president of the Florida Power Corp., describes the effects that the energy crisis has had on the Florida Power Corp., and its customers. The second, from Mr. Harry Daugherty, president of General Oils of Chattanooga, Tenn., details the problems that the small businessman in the oil industry has faced in dealing with the Federal bureaucracy.

Mr. President, taken together these two letters show the strength and vitality of the free enterprise system and its ability to respond to all kinds of demands. They also show the folly of governmental controls on the economy.

Mr. President, I ask unanimous consent that these two letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

GENERAL OILS INC.,
Chattanooga, Tenn., April 29, 1974.

Hon. BILL BROCK,
U.S. Senate,
Washington, D.C.

DEAR BILL: The time has come when we feel that our representatives in Congress make a concerted effort to get the Federal Government out of not only the oil business, but all businesses.

We have encountered, over the past several months, most trying times, in attempting to deal with the various regulations, and attempting to be in compliance, when from day to day, the regulations would change.

We, as a small oil distributor, are under the same rules and guidelines as the large major oil companies. We are subject to the same audits by the Internal Revenue, except that it is considerably easier to audit a small company, such as ours, than it would be to audit say, Exxon, or Shell, or Texaco, or Gulf. We find it a continual hassle in attempting to just keep up with the various and sundry regulations, whether it be Coast Guard regulations or pollution control, or the Environmental Protection Agency, or OSHA, or the wage and hour law, or you name it.

The small business man is going to find himself out of business, simply because he cannot keep up with the various bureaucracies and their changing moods and regulations.

Under the present regulations, within the oil industry, which I understand are to remain in effect through at least February, 1975, we are told, who we can sell to, how much we can sell, to that particular customer, and what price we can charge; nor, are we allowed to take on any additional business, even though we are in a position to supply the product, without prior approval of the Federal Energy Office. This leaves us nothing to do but keep records for the government.

We find ourselves, as a small business, with the largest inventory of petroleum products that we have ever had in our life, but we are afraid to make a move in one direction or the other, since we are not sure we are in compliance, as the rules are so ambiguous and difficult to understand. We cannot afford to have an attorney and an accountant on either side of us each day, as we make these decisions.

Maybe it's the little things that bug you most, but we have a regulation whereby we are to report our inventory to the Federal Energy Office, weekly. This regulation was unknown to us until possibly two months ago, at which time we were advised that we were to report our inventory to the Federal Energy Office in Atlanta, which we did concientiously and regularly. We were then advised, possibly a month later, that this was wrong, that we were supposed to report our inventory to the Federal Energy Office in Washington, D.C. We began doing this by simply mailing them a copy of our inventory, each Friday morning, so that they would have it on Monday morning, as was their request. We were then called by the Federal Energy Office in Washington, and advised that this must be done by Mailgram, and for the last three weeks, we have done it by Mailgram; however, each time, we get a call from Washington, telling us they received it by telegram instead of Mailgram, which was improper. This, of course, we cannot understand, since we have actual copies of the Mailgrams.

In the last instance, this past week, a lady called and wouldn't believe us when we told her we had actually sent it by Mailgram. We mentioned the fact to her that reporting our inventory as such, was costing us $10 a week, by mailgram, which comes to over $500 a year. She said, "Well, would you prefer to spend $10 a week, or be fined $5,000 a week for not complying?" Naturally, we would prefer to spend the $10, but we don't feel that it is right that we should have to spend any amount of money to report our inventory to the Federal Government. We are not Exxon or Texaco, with their profits.

We also must call the Coast Guard, long distance, 24 hours in advance of transferring fuel from barges to our shore facilities. If we do not do this, we are also subject to a fine. Since the barges do not operate on a timetable, such as buses or airplanes, but are many times fog bound, or lock bound, for days, we find ourselves reporting daily to the U.S. Coast Guard. The whole thing has become rediculous.

For the past three weeks, or more, we have had two to three representatives of the Internal Revenue, checking our prices, to see if we were in compliance. None of these people had any idea as to how the oil business is run, or any knowledge as to the oil industry and it's complicated method of operation. We, as honest business people, who have been in business for over 50 years, attempted to understand and read all of the various and sundry regulations and remain in compliance.

They now tell us that part of the inventory we had was illegally acquired, which is of course an absurdity; consequently, by throwing out this particular quantity of inventory, they contend that we were not in compliance. We, of course, are not going to sit back and take this, because we feel that we have made an honest effort to do the right thing; however, it is going to be a continuous battle of harassment, and it certainly doesn't help your ulcers or your heart condition. It is difficult enough to run a business, with the everyday problems that you have with personnel, equipment, etc., without having to be constantly concerned with some arm of the Federal Government checking your every move.

The thing that concerns us most is the fact that America, as it has developed over the years, is fast approaching Socialism, whereby the Federal Government dictates and runs the affairs of most all Americans. The free enterprise system, competition, supply and demand, and the incentive to make a profit, have been really the success of this country.

What we are trying to say is, please, do whatever you can to get the Federal Government out of business. We don't need anymore Federal Energy Laws, and we would like to see controls removed from the oil industry, at the earliest possible date. We feel that if we had the money and the time, and wanted to exert the effort, we could bring about a lawsuit, contending that most of the present regulations were unconstitutional, particularly, since all industry, with less than 60 employees, have been out from under strict controls for sometime. All except the oil industry. In other words, the fellow who runs the service station and has one or two employees is under the same rules and regulations as the large integrated oil companies who have thousands of employees. If, at least, controls were removed from those of us in the oil industry with 60 or less employees, as they have been for sometime in all other industries, then the small businesman, such as ourself, could operate with some degree of efficiency.

We have had three or four people, in our office, for the past several months, spending all of their time making up reports, filling out forms, in an attempt to stay in compliance with the Federal Energy Office's maize of ambiguous regulations.

The time is fast approaching when the American people are going to rebel and will not care who runs our government, when election time comes, as long as those in office are no longer there, regardless of whether they have done a conscientious job or not. This, we would hate to see come about, since you have done a commendable job, to our way of thinking, since you have been in office.

We could go on and on, relating various experiences and incidents, where we have contacted the Federal Energy Office, sent them forms, written them letters, only to be ignored. Plus the fact that they didn't know what they were doing and couldn't give you an answer, and if they did give you an answer, the rules of the game were changed with the next publication of the Federal Register. Really and truly the only thing that saved our nation from a severe shortage, this past winter, was the conscientious conservation by the American public, and Mother Nature, who had a hand in it with a mild winter. We, in the oil business, are unable to make any accurate projections, because we never know when natural gas will be curtailed, and we are indeed sorry that the Federal Government has designated this as the Federal Energy Office, since it should be the Federal Petroleum Office, and Mr. Simon was not Czar of the energy problem, but Czar of the petroleum industry. If controls are going to be placed on one type of energy, they should be placed on all types of energy, whether it be electricity, gas, oil, or coal.

We find ourselves with a poor image, within the oil industry, trying to compete with the gas and electric utilities. We hear daily about an oil shortage, but actually it's a natural gas shortage. We find the utilities giving lip service to conservation of energy, while out promoting the additional use of natural gas or electricity, particularly where the revenue is the highest, in the home or small commercial user, and in turn, curtailing that shrinking supply of natural gas to the interruptible users, putting a greater load on the oil industry to take up the slack; consequently, causing what has been termed an oil shortage.

Our representatives need to remove controls from the natural gas industry, then you would see prices rise, and additional gas become available, and then let competition determine who gets the business, not the Federal Government.

Your very truly,
GENERAL OILS, INC.,
HARRY M. DAUGHERTY, Jr.,
President.

FLORIDA POWER CORP.,
St. Petersburg, Fla., March 15, 1974.
Mr. HARRISON FOX,
First Federal Savings & Loan,
St. Petersburg, Fla.

DEAR MR. FOX: The energy crisis has become a pressing concern for every one of us today. While capturing public attention, this issue has become extremely confusing due to conflicting reports and statements made by many well-known people. In order to clarify the energy crisis, as it affects Florida Power Corporation and our consumers, I have taken this means of sending some important facts to you and other community leaders. After you have digested these facts, I hope you will respond to my request for action at the end of this letter.

For the sake of clarity, I have broken the subject down into several categories:

OIL FOR ELECTRIC POWER PLANTS

Florida Power Corporation used an average of 45,000 barrels of oil per day to produce electricity in 1973. This oil is primarily a type known as residual or Bunker "C". The Company purchases residual oil from Exxon and Amerada Hess, two of the major American petroleum companies.

OIL PRICES

During 1972, the Company paid a contract price of $1.68 per barrel for residual oil. In late 1972, the world market began to reflect the coming fuel shortage and the market was averaging approximately $2.50 per barrel at the time our contract expired at the end of 1972. New contracts with the above suppliers provide for a firm supply of residual oil, but no oil company would contract for oil at a fixed price; rather, the oil companies would only agree to supply oil at a price that was to be determined for each shipment, based upon market conditions. Thus, in January of 1973, we had an immediate increase of almost $1.00 per barrel, and the price has been increasing monthly since that time. Our most recent cost of residual oil is $9.41 per barrel. Further increases may occur; however, we are somewhat encouraged by the recent announcement of the possible lifting of the oil embargo by Arab countries and the fact that we have not been notified of an increase so far this month.

These increases are the result of taxes and royalties levied by foreign governments who have taken advantage of the world-wide oil shortage. It is a small consolation, but the price that Florida Power Corporation pays for residual oil is one of the lower prices paid by the Nation's electric utilities. Many utilities have been paying between $12 and $24 per barrel for residual fuel oil. If we can locate a supply of residual oil at a more favorable price, the terms of our contracts permit us to puchase such oil. Unfortunately, the hard fact of the matter is that we simply can't find any, except for a small quantity in domestic refineries, which is kept by those refineries for their own use.

OIL AND THE ADJUSTMENT CLAUSE

Florida Power relies on oil to generate 85% of its electricity. The price of oil has increased tremendously and, therefore, a substantial increase in electric bills has to follow. This has been happening. Basic electric rates have remained virtually constant throughout this situation. We have recovered the increased costs of fuel through a provision approved many years ago by the regulatory agencies and the courts. This is known as the fuel adjustment clause. Our rates have included this clause for over twenty years. Basically, this allows increases as well as decreases in the cost of fuel to be applied to the consumer's monthly bill. Consequently, increases in residual oil prices will result in increases in the consumer's bill. As a consumer, I don't like to see this any more than you do.

COMPARATIVE ELECTRIC BILLS

You might ask—if Florida Power Corporation has one of the better oil prices in the Country, why are their rates so high? First, you must understand that the rates of all electric utilities have increased and will continue to increase. Our rates are not out of line with other utilities. For example, 1,000 kilowatt hours for the month of March would cost you these amounts if you were a customer of the following companies: Tampa Electric Company—$26.45; Florida Power & Light Company—$27.01; and Florida Power Corporation—$27.27. I do not consider this differential out of line. Secondly, even though we are paying less per barrel for oil than most companies, we are almost completely dependent upon oil at the present time. Therefore, our rates are more sensitive to oil-price increases. Tampa Electric Company uses coal almost exclusively and Florida Power & Light Company has two nuclear generating units.

I want you to know that the stockholders of Florida Power Corporation receive no economic benefit from the increased bills resulting from higher residual oil costs. As a matter of fact, because of the way in which the fuel adjustment clause is applied, last year the Company's stockholders suffered a severe financial loss from operation of the fuel clause. This has been reflected in a drastic drop in the price of the Company's stock, which is now selling below book value.

OIL AND THE FEDERAL ENERGY OFFICE

While our price of residual oil has been subject to market conditions, we considered our supply firm. However, the mandatory fuel allocation program of FEO which went into effect the first of this year has resulted in monthly allocations below our projected needs. Since there is a severe national deficit of residual oil, the FEO has found it necessary to allocate lesser quantities than the projected needs for most companies, requiring them to reduce their inventories to meet consumer demands. Electric utilities have traditionally carried thirty to forty days' supply of oil in inventory. These inventories assure continuous electric service. They are especially important for Florida companies, where hurricanes might interrupt shipments or unseasonable demands cause heavy oil usage. In February, the FEO directed our suppliers to deliver only 62% of our projected need. We filed strong objections with the FEO and advised them that this condition was threatening the electric supply of Florida. We also advised that, if the lights went out in Florida, waiting in line for gasoline would seem very unimportant. Our March allocation, just received, is much more in line with our projected need. We hope that this is indicative of an improvement in the supply problem.

WHY NOT CONVERT TO COAL OR NUCLEAR

We plan to convert two of our residual oil-fired units at Crystal River to coal as soon as a reliable supply can be found and the necessary plant changes can be made. These are the two largest generators on our system at the present time. These units were originally built to burn coal, and did for several years. We utilized a low-cost, high-sulphur coal. Our experience resulted in a considerable amount of down-time on the units to remove slag from the boilers, which was detrimental to our system reliability. We then converted one unit to oil in 1969. In view of changing environmental standards and high maintenance costs, we decided to convert the second unit in 1971. There was no feasible way for us to meet the Environmental Protection Agency standards at Crystal River burning high-sulphur coal.

All of this, of course, transpired prior to the oil shortage. While some environmental standards involving the burning of coal have been suspended during the current oil shortage, we know these suspensions to be temporary. Unfortunately, a supply of low-sulphur coal is almost non-existent at the present time. Most coal companies, in fact, are very reluctant to invest large sums of capital to reopen mines or to establish new mines. Their obvious fear is that an easing of the oil shortage will renew strong, active environmental standards and again place coal in a secondary role. Their reluctance is certainly understandable. When we convert back to coal, we will have to do so in a manner which will let us meet the EPA standards, for they are certain to be reinstated.

Early next year, we will begin operation of our first nuclear unit at Crystal River. This will help ease our heavy reliance on oil, since it will provide generating capacity almost equal the generating capability of the two units now existing at Crystal River. This nuclear unit is almost three years late. This has generally been the experience throughout the United States in constructing facilities of this type. The normal complexities of massive construction in a new technology have been intensified by the regulations and procedures of the Atomic Energy Commission. No one can contest the intent, but the implementation makes engineering and construction a tangled process.

You should know that the requirements of the Environmental Protection Agency and the Florida Department of Pollution Control are continuing to impose unreasonable and costly burdens upon the Company. We have under construction at our Anclote Plant in Pasco County two 515,000 KW generators, the first of which is scheduled for service this summer and the second to follow in 1975. They were designed and are being constructed within the terms of the permits we obtained from the agencies through normal procedures in 1971 and 1972. In November of last year, the Environmental Protection Agency advised us that we would have to install cooling towers for off-stream cooling. We can find no scientific, biological or engineering foundation for this decision. It completely ignores the benefit cost analysis principles envisioned by Congress when they enacted legislation creating the Environmental Protection Agency. If EPA is successful in this matter, the Company will be required to invest approximately 15 million dollars for unproven, salt water cooling towers.

The fixed charges and operating costs on these cooling towers will amount to approximately 3 million dollars a year, which the consumer must pay for no additional service. In addition, approximately 100,000 barrels of oil each year will be required to produce electricity just to drive the auxiliary equipment associated with these cooling towers and overcome the poorer efficiency of the plant. We consider this the heavy hand of Government not serving the public interest. We will vigorously oppose this action and you may receive a plea from us later to express yourself in this matter.

COMPANY SEEKING RATE RELIEF

As I have stated earlier, dollars generated through the fuel adjustment clause do not in any way benefit the Company's net income.

We filed a rate case in mid 1971, upon which the Florida Public Service Commission issued an order in December of 1972, granting us approximately 10% of what we requested. This was totally inadequate and it has contributed to our earnings decline. We are currently asking the Commission for approximately a 12.3 million dollar increase in base rates, which will permit us to earn the rate of return which they approved in 1972. We plan a further request later in the year. The proposed increase amounts to a little less than a 6% across-the-board increase to all customers in our base rates, or about $1.24 in the base rates of a customer using 1,000 kilowatthours. Without this relief, our ability to finance our construction program this year is seriously threatened. We must maintain high quality service. When you consider the huge sums going directly to foreign nations, our requested increase is a small sum that *will* benefit the consumer. You may well have heard of opposition developing to this increase. Any citizen is free to oppose a utility rate increase, one of the few areas of the economy where he is permitted to be directly involved. In my judgment, this opposition is based on a lack of understanding of the basic issues.

WHAT CAN YOU DO TO HELP?

The first thing you can do is continue your fine effort towards energy conservation. We have asked your effort in this regard and the results have been outstanding. For the months of February and March, the actual fuel clause factor on your bill has been considerably less than projected and directly related to your conservation efforts. By that I mean, your efforts at conservation have permitted us to minimize the use of our peaking generation. These units use home heating-type oil, which is considerably more expensive than the residual oil.

The solution to high fuel prices lies in some firm leadership on the part of our Federal Government. The Federal Government has made *no known efforts* to persuade opportunistic foreign governments to lower their unconscionable taxes and royalties on oil. Therefore, I am asking you to join in a concerted telegram and letterwriting campaign addressed to President Nixon and Secretary of State Kissinger urging both of them to direct their energies toward lowering these foreign taxes and royalties. It is my opinion that this Nation has maintained an international policy of economic assistance and fairness to foreign countries for many years and we are continuing to do this at the same time that they are imposing heavy and unfair burdens on us. Our economy, which is already in serious difficulty, cannot stand continued stress from this type of action on the part of foreign governments. While we may never go back to the oil prices of early 1973, we certainly should have susbtantially lower prices than those now prevailing. I would sincerely appreciate any assistance you can render in this regard by way of public reaction.

I appreciate your indulgence and patience in reading through this lengthy letter. It is a complex matter and I simply had many things which needed to be said and I wanted people of your stature to hear them. I am ready to discuss this matter with you at any time, to any extent, and would welcome your reaction to my request.

Sincerely yours,

Florida Power Corp.,
Andrew H. Hines, Jr.,
President.

FOLLY OF "CONVERGENCE" NOTION

Mr. THURMOND. Mr. President, an editorial entitled, "Folly of 'Convergence' Notion" by Anthony Harrigan appeared in the May 30 issue of the Aiken Standard newspaper, Aiken, S.C. The author correctly points out in his editorial that convergence, when considered in the context of the Soviet and American systems, is not a historical inevitability.

Apparently a number of so-called thinkers in our society are promoting the belief that great historical forces will eventually bring the United States and Soviet systems reasonably close together.

Mr. President, I ask unanimous consent that this editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Folly of "Convergence" Notion

(By Anthony Harrigan)

For more than a decade, it has been fashionable in liberal intellectual circles to say that the Soviet and American systems are converging. The notion behind this is that Americans are adopting more collectivist policies while the Soviets are edging towards freedom.

Unquestionably, our free market system is being eroded as Congress institutes more controls leading to an authoritarian economy. But it is absurd to say that there are any signs of emerging freedom inside the Soviet Union. The recent case of Alexander Solzhenitzen, the Soviet writer banished to Western Europe, illustrates again that tyranny is the fixed character of the Soviet system.

Nevertheless, there are those who continue to insist that the USSR is mellowing and thus on the path of convergence. Those who persist in describing Soviet realities as rosy would do well to note the remarks of Suzanne Labin, the brilliant French writer, at the recent World Anti-Communist League Conference in Washington.

Miss Labin is a distinguished author and social analyst who helped draft the French Consitution and whose writings have been published in the U.S. since the early 1960's. In a superbly witty address, Miss Labin exposed the rationale for "convergence" as an intellectual sham. She pointed out that the prophets of convergence pass over the question of what form "convergence" would take.

"If we had to figure out a regime located truly halfway between our democracy and their communism," she said, "then we ought to imagine—that they reduce their concentration camps to a half, while we build the same number; that they tear down their Iron Curtains along one half of their borders, while we erect an Iron Curtain long half of our own borders; that they suppress their rationing cards for bread, and we introduce them for cars; that dissenting writers will be confined no more in lunatic asylums, but, on both sides, in nice farms for nervous people, etc.

"In one sector, I must confess, a true midway convergence would be advantageous for the free world. The Soviets and Red Chinese maintain 600,000 professional revolutionaries in our world, while we have none in theirs. It would be a good bargain for us, to have them reduce to 300,000 the number of their activists spreading Leninism on our side and to have us maintaining 300,000 activists to spread Goldwaterism on their side. Unfortunately, the convergence in political warfare is one that our leftists never mention."

This exercise in gallic wit illustrates the folly of the "convergence" notion. The free and unfree worlds cannot converge except at the cost of freedom. We need to remind ourselves of that truth when the apologists for communism seek to give it an acceptable image in the West.

For their part, the Soviets won't accept convergence, though their rigidly controlled economy is a failure. The mistakes made by Soviet economic planners should cause them to turn to capitalist economics, but ideology prevents any such turning. Ironically, as Miss Labin pointed out in her Washington talk, "no economic failure is invoked to explain the trend in the free world towards more state controls." This trend results only from the pressure of the left ideologues in Western societies.

Therefore, as Miss Labin rightly explained it, "convergence is not an historical inevitability; it is only the secret dream of our leftist intellingentsia."

THE NATIONAL BROTHERHOOD AWARD

Mr. **HUMPHREY**. Mr. President, on the occasion of the 18th annual brotherhood banquet of the Minnesota-Dakotas Region of the National Conference of Christians and Jews, a prominent and very respected citizen of Minneapolis, Minn., Mr. Cecil E. Newman, was honored by being designated the recipient of the National Brotherhood Award.

The guest speaker for the occasion was the Reverend Father Colman J. Barry, O.S.B., who served as president of St. John's University, Collegeville, Minn., from 1964 to 1971, and is now dean of religious studies at the Catholic University of America, Washington, D.C.

Born in Lake City, Minn., Father Barry graduated from St. John's University and received his M.A. and Ph. D. from the Catholic University of America. He became a faculty member of St. John's University in 1953.

Long interested in ecumenical developments, he was instrumental in establishing the Jay Phillips Chair of Jewish Studies at St. John's University. This was a great assist in bettering interreligious understanding in our State.

Father Barry has received honorary doctorates from Gustavus Adolphus College, St. Martin's College, University of Portland, and Belmont College. Just a few days before addressing this banquet, he was honored by St. Olaf's College, Northfield, Minn., where he was the first Catholic to give the commencement address at this prestigious college of Lutheran sponsorship and heritage.

The chairman of the evening's proceedings and the banquet committee was Mr. Bruce G. Schwartz, president of Northwestern Bell Telephone Co. Community leaders covering the upper Midwest were present at this gathering. It was the largest dinner ever to be held in the Minnesota-Dakotas region under the auspices of the National Conference of Christians and Jews.

The recipient of the National Brotherhood Award, as I have indicated, was Mr. Cecil E. Newman. It was my privilege to present the award to him. He has been a long-time personal friend and one who has helped and inspired me throughout the years.

I ask unanimous consent that a copy of my remarks of introduction and certain biographical data on Cecil Earl Newman be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Address of Senator Hubert H. Humphrey

It is an understatement to say that it warms my heart to be able to present the National Brotherhood Award of the National Conference of Christians and Jews to a brother in the struggle for human rights, Cecil Earl Newman.

Cecil Newman's role as editor, publisher, businessman, and community leader in Minneapolis-St. Paul and Minnesota has been a constant source of inspiration to me and to countless other citizens, community leaders, and government officials.

Cecil Newman is my very close personal friend so I must admit that I am very biased in my opinion of him, but my bias is obviously the general feeling of this group and those who know Cecil Newman's work in our community and State.

Cecil Newman has been a stalwart and brave figure in the struggle for authentic equality in American life.

Cecil Newman gave this community a new meaning for "equality."

Equality is the greatest of all doctrines but it is the most difficult to understand. Cecil Newman has helped Minneapolis and Minnesota understand the meaning of equal rights, of equal opportunity, of equal justice.

As editor and publisher of the Minneapolis Spokesman and the St. Paul Recorder since 1934, Cecil Newman has reminded this community that we are all one and that in order to survive we must trust one another.

Cecil has been a constant reminder of the meaning of equality in the terms of William Saroyan:

"Be the inferior of no man, nor of any man be the superior. Remember that every man is a variation of yourself. No man's guilt is not yours, nor is any man's innocence a thing apart."

Cecil Newman is a builder of understanding in our community.

For five decades he has written of equal opportunity, human dignity, and mutual respect and he has helped us all to understand in our hearts and spirits what is meant by equal rights and equal justice.

Cecil has built understanding between blacks and whites in Minneapolis-St. Paul and our state by always speaking firmly and responsibly through five very dramatic decades of the human rights struggle.

Cecil has not only written about human rights but has been an active force in the struggle for human dignity.

He has openly attacked the unjust and the powerful through his papers, in the courts, through boycotts, through political action and he has won.

Cecil Newman's role has not only been one of editor and newspaperman but one of educator and political activist.

He has been successful in quiet and undramatic ways from his early days in Minneapolis, but Cecil is not one to boast of his accomplishments.

As is said in the Midrash (Genesis Rabbah 16:3):

They say to Fruit Bearing trees, "Why do you not make any noise?" And the trees reply, "Our fruits are sufficient advertisement."

We need to make some noise for Cecil tonight.

All of us in Minneapolis and Minnesota know Cecil's fine virtues and his great accomplishments and tonight we honor him.

Cecil Earl Newman

Born: Kansas City, Missouri, July 25, 1903.

Editor, Twin City Herald, 1927–34.

Editor and Publisher, Timely Digest (magazine), 1931–32.

Editor and Publisher, Minneapolis Spokesman and St. Paul Recorder, 1934 to date.

Board of Directors, Glanton Construction Company.

Board of Director, Midwest Savings and Loan Association.

Chairman, Midwest Improvement Association.

Member of the Board, Minnesota Guthrie Theatre Company Foundation.

Honorary Member of the Board, Minneapolis Urban League.

Honorary Member of the Board, St. Paul Urban League.

Honorary Member of the Board, North Star Research and Development Institute.

Trustee, and Founder Minnesota United Negro College.

Fund Recipient Citation of Merit for Outstanding performance in Journalism, Lincoln University.

Member of the following: National Newspaper Publishing Association, Minneapolis Board of the NAACP, Minnesota Press Council, Minneapolis Civic and Commerce Association, Minnesota Newspaper Association.

Minnesota Newspaper Association.

Past President and Director, Minnesota Press Club.

Sigma Delta Chi (Press).

Vice-Chairman, Minnesota Advisory Commission of Civil Rights Commission.

Cecil Earl Newman

Born in Kansas City, Mo., July 25, 1903 to Horatio O. and Cora Lee Newman. Education public schools of Kansas City Mo. Settled in Minneapolis, Minn., May 22, 1922. Worked as dining car waiter, bellman and pullman car porter.

As high school student worked as reporter and school editor on the weekly Kansas City Call, of Kansas City, Mo. In Minneapolis he joined the staff of the N.W. Bulletin-Appeal on a part-time basis in 1924 selling subscriptions, making collections and selling advertising space.

While in the employment of the Pullman Co., he along with J. E. Perry, a printing firm owner organized a company to publish a weekly paper which was the Twin City Herald.

Mr. Newman edited that paper from 1927 until 1934 leaving it to establish the Minneapolis Spokesman of Minneapolis and the St. Paul Recorder of St. Paul, of which he is still editor and publisher and president of the firm which publishes the two papers.

During his career in Minnesota Mr. Newman has been involved fully in the cause of advancing the American Negro in all progressive areas of American life locally, regionally and nationally. In addition he has worked always to build interracial rapport and cooperation at all levels of society.

His activity involved race discrimination by insurance companies, especially auto risk firms, attack on Gov. Harold Stassen's refusal to allow enlistment of Negroes in state militia, attack on violations of: Minnesota public accommodations laws; agitation against job discrimination in private industry and government employment, organized boycott on local brewing industry for lack of Negro employee; initiated court cases against police brutality against minorities; campaigned actively to build interest of black community in political activity at precinct, ward, county, state, and national levels; regularly urged black support of organized churches, the fraternal groups, and civic organizations.

He was the first Minneapolis black to serve as president of a local community chest (United Fund Agency), the Minneapolis Urban League.

Awards: Named in statewide poll as one of "The One Hundred Living Great of Minnesota", Lincoln University of Missouri's "Citation of Merit for Outstanding Performance in Journalism" in 1957. Honorary Dr. of Laws Degree, Allen University, 1965. U.S. Commission on Civil Rights 1960, Accolade of Appreciation Shriners, Palestine Lodge of Masonic Lodge, WLOL Mike Award, St. Paul Urban League Outstanding Service Award, WCCO Good Neighbor Award. Citation of Minneapolis Urban League 1972. Citation by B'nai B'rith Foundation of America 1973.

Was the first American black elected president of a recognized press club, the Minnesota Press Club of Minneapolis. Was a founder of the United Negro College Fund in Minnesota and is still a trustee.

In 1967 became first Negro elected to the board of directors of a major U.S. financial institution, the Midwest Federal Savings and Loan Association. Was subject of book "Cecil E. Newman Newspaper Publisher" written by L. E. Leipold in 1969.

Was a co-founder and first chairman of the board of Twin Cities Opportunities Industrialization, Inc.

During World War II he engineered a program for Charles L. Horn of the Federal Cartridge Corp., which brought wide praise for full integration and equal opportunity for minority workers at the New Brighton Arms Plant.

Has served as a member, officer of 42 odd organizations in the past 40 years.

Has been long time close personal friend of former Vice-President Hubert H. Humphrey from the early days of his political career.

He is currently vice-chairman of the Minnesota Advisory Commission of the Civil Rights Commission.

Chief recent interest was in development of three low income housing redevelopments. Two of which were built and are now serving the needs of 200 families. Newman served as the Board Chairman of the non-profit group developing the project.

Partial list of Organizational Affiliations: Urban Leagues of both cities (honorary board member); Life Member NAACP; member Minnesota Press Council; Minnesota United Nations Association; Minneapolis War Memorial Blood Bank; Minnesota United Negro College Fund Board of Trustees; Minneapolis Club; Sterling Club; TSTC Club; Sigma Delta Chi Fraternity; Minnesota Newspaper Association; National Newspaper Association; North Star Research and Development Institute; Masons, Elks, and others.

Mr. HUMPHREY. It is appropriate to make note of the truly constructive and significant work of the National Conference of Christians and Jews. The National Conference of Christians and Jews is a civic and educational organization. It seeks the support of all religiously motivated people to help promote justice, amity, mutual understanding, and civic cooperation among all men.

NCCJ was founded in 1928 by a group of eminent Americans, including Charles Evans Hughes, Newton D. Baker, S. Parkes Cadman, Roger W. Straus, and Carlton J. H. Hayes, following the vicious anti-Catholic Presidential campaign against Al Smith. They recognized an urgent need for an organization to combat all forms of bigotry and ignorance which would turn one group of Americans against another, thereby undermining the great promise of democracy.

NCCJ's purpose is positive: to approach more closely the national ideal of "one nation, under God, indivisible, with liberty and justice for all." It is concerned with all areas of conflict based on race, socioeconomic interests, and political belief, as well as those of religious differences. It does not serve any area of vested interest, but rather the interests of all Americans of every race, creed, and national background.

The NCCJ program is educational. Solutions to difficult intergroup problems require continuing conference and confrontation, opportunities for exchange of ideas and feelings. The program method of the conference is to stimulate and contribute to this much-needed communication across group lines.

The NCCJ program is however, a profoundly important and basic form of action. By promoting the fundamental religious and democratic traditions of civility, it is helping citizens in a plural society to arrive at consensus through which they can act humanely and wisely in dealing with the complex problems of human relations.

We are especially proud that three of Minnesota's leading citizens—Mr. Robert G. Cerny, Mr. Neil R. Messick, Jr., and Mr. George J. Rutman serve as the regional cochairmen.

LAND USE LEGISLATION MUST PASS

Mr. JACKSON. Mr. President tomorrow the House of Representatives will be voting on H.R. 10294, a critically important measure—as the New York Times terms it: the "bill of the year." H.R. 10294, the Land Use Planning Act of 1974, is similar to S. 268 which passed the Senate by a vote of 64 to 21 on June 21, 1973, and to S. 632, which passed the Senate by a similar 3-to-1 vote—60 to 18—in the 92d Congress. H.R. 10294 is also similar to the Coastal Zone Management Act which was enacted into law last Congress. With this background, the bill would normally be expected to receive a very favorable House vote.

Unfortunately, Mr. President, this bill has been the target of an unprecedented campaign of misrepresentation and outright falsehood. In addition, it has become a principal pawn in what some have characterized as "impeachment politics."

As my colleagues know, H.R. 10294 is one of the finest examples of a major policy initiative by the Congress. The first land use policy measure was introduced in the Congress in January 1970. That measure was reported by the Senate Committee on Interior and Insular Affairs later that same year. It was not until over a year later that the President proposed his own bill. Since then, the Senate version has been reported and passed by the Senate on two occasions by two votes of better than 3 to 1. The latest version of the administration's proposal, submitted this Congress, was virtually identical to the measure reported out of the Interior Committee and passed by the Senate by an overwhelming vote in 1972.

This initiative justly deserves and enjoys widespread support. The near unanimous support of the Governors, the labor movement, and the environmentalists is well known. However, the last minute campaign of obfuscation by the opponents of H.R. 10294 has obscured the fact that the measure also enjoys strong business support. Business Week and the Wall Street Journal have editorialized in the bill's favor and a number of trade associations, including the National Association of Realtors, the Mortgage Bankers Association, the League of New Community Developers, the International Council of Shopping Centers, the National Association of Industrial Parks, and the National Realty Committee have voiced strong support for the measure.

Mr. President, until very recently land use legislation enjoyed the strong support of the President, as well. I deeply regret the President's recent retreat and reversal on this issue. His repeated statements on the need for land use legislation—most notably in his three environmental messages to Congress and his second state of the Union message last year—are apparently being traded away for support on other matters which may be before the House and Senate in the months ahead. Contrary to arguments of the opponents, the President did not just support his own bill, nor was his bill weaker. In fact, the administration's bill is much stronger in some respects than H.R. 10294 or S. 268. The administration's bill has the so-called cross-over sanctions, absent from the two bills. Furthermore, the President has specifically endorsed land use legislation sponsored in the Senate. In his second state of the Union message last year he listed S. 268, as it passed the Senate, among the 40 "must" bills in this Congress and said:

> I am pleased * * * that the Senate has passed legislation incorporating many of the policies I have proposed. This legislation properly delineates the respective roles of the Federal, State and local governments in land use legislation.

Mr. President, I ask unanimous consent that my letter to the President of

March 8, 1974 quoting some of his favorable comments on the land use legislation be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. I would note that I did not receive a response, except for a letter of acknowledgement, until the Secretary of the Interior Rogers C. B. Morton wrote me on May 7. He states that the President asked him to reply and he then speaks in favor of land use legislation generally. Seven days later, a different official, Kenneth Cole, director of the Domestic Council, spoke on behalf of the President in a letter to Rhodes, supporting the very weak Steiger-Rhodes bill. The implications of the two statements conflict completely.

The Steiger-Rhodes bill—the alternative bill which enjoys the support of those who are opposed to effective land use policy legislation—is an insult to the efforts of all who have worked on this legislation. This alternative proposal has not been through the lengthy hearing process over the last three Congresses and the regimen of committee markups. It was drafted after the first Rules Committee hearing on H.R. 10294 in March. It is very close to the earlier Steiger bill which was drafted by the Chamber of Commerce and introduced at the last second in the House Interior Committee markup. The House Interior Committee specifically rejected a motion to substitute the earlier Steiger bill in markup. This measure cannot be presented as a wise congressional initiative in that it provides almost a complete delegation of legislative authority to the regulation writers in the executive branch.

This administration, more than anyone else, has proposed planning legislation which call for heavy Federal intervention in State and local land use decisions. The numerous drafts of the yet-to-be-submitted energy facility siting bill all call for an extraordinary amount of Federal preemption of land use decisionmaking. The President's powerplant siting bill and deepwater port measure provide for Federal preemption if the States do not act. Finally, the President's surface mining proposal would establish a complete Federal control program in any State which fails to come up with a program of its own which meets Federal standards.

Mr. President, the bill scheduled for House action tomorrow calls for much less Federal intervention than the several administration proposals and less than the Coastal Zone Management Act which we enacted into law last year. Those who wish to avoid increasing Federal intervention in State and local land use decisionmaking should vote for this "States rights" bill. This legislation is the Nation's best and probably last chance to preserve and to invigorate State and local land-use decisionmaking and to insure that basic property rights are not infringed by faceless Washington bureaucrats, far removed from the sites of land-use problems.

The bill is an affirmation of States rights. It provides grants to the States to assist them to develop their own innovative land use policies and procedures to meet the land-use crisis. It is a statement of belief that, if urged an aided, State and local government, working together, can provide a better design for tomorrow—a design which embodies all legitimate values and goals, local, regional, and national.

If State and local governments do not accept this challenge and do not implement this bill, the only solution will likely be the usual solution for national problems: Federal control. No one wants national zoning; but, unfortunately, I believe that, if we turn our backs on the opportunity and shirk our responsibility to improve land use decisionmaking, that is what we will have by the end of the decade.

In addition, the bill contains specific provisions which guarantee constitutionally protected property rights and access to courts for those who feel their rights have been denied. These provisions are stronger than language in other Federal land-use legislation already enacted into law: the Coastal Zone Management Act; the House Act of 1954, as amended; and so forth.

Again, if the Land Use Planning Act is not enacted and if the challenges it provides are not met—if, instead, in a crisis atmosphere we turn to national zoning—then many property rights may not survive.

Mr. President, I believe the many naysayers of this bill do a real disservice to their own constituency. This bill constitutes the best protection possible for basic property rights and against Federal intervention in State and local land use decisionmaking. It is too important a bill to become a pawn in impeachment politics. The product of countless days of hearings—26 days in three Committees over three Congresses in the Senate alone—this bill should not be lost to a campaign of obfuscation and misrepresentation.

Mr. President, I hope that my colleagues in the House will join the Senate in endorsing effective land use legislation—in taking the basic step to insure that the present generation will not bequeath an unsightly, productive, and rerewarding land resource to our children and our children's children.

Exhibit 1 follows:

EXHIBIT 1

U.S. SENATE,
March 8, 1974.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: As you are aware, on February 26, 1974, the House Rules Committee voted to defer consideration of a rule for H.R. 10294, the Land Use Planning Act. As one who has devoted over four and one-half years to the development of land use legislation, I was extremely disappointed to learn that testimony was given at the Rules Committee hearing to the effect that you personally had withdrawn the Administration's support for this measure. In light of your Administration's past support of land use legislation, I am, quite frankly, concerned and confused as to why, if the reports are true, you have changed the Administration's position on this critically important bill.

The nation is and has been faced with a national land use crisis. Our advanced technology and our expanding population are placing uprecedented demands on our limited land base. We are not making any more land, yet we are demanding more and more of it to house, feed, school, transport, and supply the material and recreational needs of our people. Between now and the end of the century, urban sprawl will consume an area of land approximately equal to all the urbanized land now within the Standard Metropolitan Statistical Areas—the equivalent of the total area of the States of New Hampshire, Vermont, Massachusetts, and Rhode Island. Each decade, new urban growth will absorb an area greater than the entire State of New Jersey. The equivalent of two and one-half times the housing in the Oakland-San Francisco metropolitan region must be built each year to meet the nation's housing goals.

By 1990, an additional 18,000 miles of freeways and expressways will be required within the boundaries of just the urbanized areas—two and one-fourth times the total mileage existing in 1968. In short, between now and the year 2000, we must build again all that we have built before.

Your Administration, under the leadership of Secretary Morton and then-Chairman Train of the Council on Environmental Quality, recognized this land use crisis by submitting not only national land use proposals very similar to S. 268 and H.R. 10294, but other important land use measures—bills on surface mining and reclamation, deepwater ports, power plant siting, and national resource lands planning.

National land use legislation designed to meet this crisis has now been carefully considered through the last three Congresses. The original bill was a Congressional initiative which I introduced in January 1970. The measure was reported by the Senate Interior Committee late that year but was not considered by the Senate.

I again introduced this measure early in the 92nd Congress. In your 1971 Environmental Message to the Congress, you endorsed national land use legislation and transmitted an Administration bill to the Congress. The Senate Interior Committee again reported a measure, incorporating many of the provisions of the Administration's 1971 bill, and, on September 19, 1972, it passed the Senate by a vote of 60 to 18.

As the House failed to act on a similar measure in the 92nd Congress, I introduced the Senate-passed bill again last year and you transmitted a virtually identical Administration bill. After you had endorsed the legislation again in your 1972 and 1973 Environmental Messages to Congress and in a letter to me, the Interior Committee again reported a bill, very similar to the Administration's and my 1973 proposals. On June 21, 1973, by a vote of 64 to 21, the bill passed the Senate.

You identified the legislation in the State of the Union Message as one of the high priority matters before the 93rd Congress. When the House Interior Committee, by a 26 to 11 vote, favorably reported a complementary bill, H.R. 10294, those of us who have long supported national land use legislation believed that our four and one-half years of efforts would be successful and that such legislation would be enacted.

As you know, the legislation's purpose is to provide grants to State and local governments to assist them to improve land use decision-making and make planning more democratic. A few points about this legislation should be emphasized:

"Neither S. 268 nor H.R. 10294 requires a whole new set of land use controls. They contain specific language which insures that no land use controls can be applied in violation of constitutional guarantees of property rights.

"Both bills encourage changes in the zoning and other land use controls, not necessarily to place greater restrictions on land, but to insure that the controls we already have consider and balance social, economic, and environmental needs—that they provide a middle road between the equally untenable paths of "no-growth" and "growth at all costs".

"Both bills are an affirmation of States rights. The grants they provide are to assist the States to develop their own innovative land use policies and procedures to meet the land use crisis at the local and State level. Neither bill provides for Federal second-guessing of State and local land use decision-making."

If the Congress does not pass this legislation and if the States and local governments do not accept the challenge to improve land use decision-making and implement the legislation, then, I am afraid, the only solution will be the usual solution for national problems: Federal control. If press reports (copies enclosed) are correct concerning the controversy surrounding the various drafts of the Administration's proposed energy facility siting measure, your Administration, in the absence of comprehensive land use planning legislation, has already felt the pressure to call for such a Federal solution which overrides States' rights in the land use planning area.

I and other Members of Congress believed that the land use legislation deserved and had the support of your Administration. Your letter to me of April 24, 1972, for example, was an important factor in securing Senate passage of the legislation. In that letter you stated unequivocally:

"As a Nation we have taken our land resources for granted too long. We have allowed ill-planned or unwise development practices to destroy the beauty and productivity of our American earth. Priceless and irreplaceable natural resources have been squandered . . . The country needs this [legislation] urgently."

As I have noted, you also personally expressed your support in your Environmental Messages to Congress in 1971, 1972, and 1973. In the 1973 message, you said:

"Our greatest need is for comprehensive new legislation to stimulate State land use controls. We especially need a National Land Use Policy Act authorizing Federal assistance to encourage the States, in cooperation with local governments, to protect lands of critical environmental concern and to regulate the siting of key facilities such as airports, highways and major private developments. Appropriate Federal funds should be withheld from States that fail to act."

Finally, in your second State of the Union Message last year, you placed land use legislation among the bills which you stated must receive Congressional approval this Congress. Also, in your message, "National Legislative Goals", you specifically endorsed S. 268:

"We first transmitted the proposed National Land Use Policy Act to the Congress in 1971, but there has been no law enacted since then. I am pleased, however, that the Senate has passed legislation incorporating many of the policies I have proposed. This legislation properly delineates the respective roles of the Federal, State and local governments in land use legislation."

During the four and one-half years in which we have considered this legislation, Rogers C. B. Morton, George Romney, Russell Train, John Quarles and other members of your Administration reiterated support for the legislation in numerous hearings before the Senate Interior Committee and other committees in the House and Senate.

In light of these many statements and the land use crisis we are facing, I would appreciate it if you would furnish the Congress with a clear and unequivocal statement of your current position on this important matter.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

REFORM OF PRESIDENTIAL SUCCESSION SYSTEM

Mr. **HATHAWAY**. Mr. President, on November 9 of last year I introduced a bill to provide for a special election in the event that the offices of President and Vice President were simultaneously vacant. While that proposal was aimed at the specific situation facing us upon the resignation of Spiro Agnew, the general principles underlying the bill are applicable now. For the first time in our history we face the possibility that both the President and the Vice President could be appointed, rather than elected, officials. Clearly that is not in keeping with our democratic traditions, nor, I would argue, is it in keeping with the spirit of the Constitution.

Arthur Schlesinger, Jr., noted historian and currently Schweitzer Professor of the Humanities at the City University of New York, recently published an article in the Atlantic wherein he convincingly argues the case for reform of the Presidential succession system, and presents a number of interesting reform proposals.

I would like to share Professor Schlesinger's article with my colleagues, and I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THE VICE-PRESIDENCY NECESSARY?

(By Arthur Schlesinger, Jr.)

We have a Vice President again, and Mr. Ford deserves all our sympathy. He enters into a job of spectacular and, I believe, incurable frustration. He, like his predecessors, will receive those soothing presidential assurances that he, unlike his predecessors, will be given tasks of substance and responsibility. One can be absolutely certain that these shining prospects will disappear whenever he reaches out to grasp them. Mr. Nixon, even in his present feeble shape, will no more yield power to Mr. Ford than he yielded power to Mr. Agnew or than President Eisenhower yielded power to him ("What major decisions of your Administration has the Vice President participated in?" "If you give me a week, I might think of one"—Dwight D. Eisenhower, August 24, 1960) or than any President has ever yielded power to his Vice President.

It is a doomed office. No President and Vice President have trusted each other since Jackson and Van Buren. Mistrust is inherent in the relationship. The Vice President has only one serious thing to do: that is, to wait around for the President to die. This is hardly the basis for cordial and enduring friendships. Presidents see Vice Presidents as death's-heads at the feast, intolerable reminders of their own mortality. Vice Presidents, when they are men of ambition, suffer, consciously or unconsciously, the obverse emotion. Elbridge Gerry spoke with concern in the Constitutional Convention of the "close intimacy that must subsist between the President & Vice President." Gouverneur Morris commented acidly, "The vice president then will be the first heir apparent that ever loved his father."

At the Constitutional Convention, Roger Sherman noted that if the Vice President did not preside over the Senate, "he would be without employment." Sherman's observation was prophetics, except that the Vice President's constitutional employment is a farce. Mr. Agnew as Vice President, for example, never went near the Senate if he could help it. Early Vice Presidents of a philosophical bent filled their days by writing attacks on the power of the national government. Jefferson wrote the Kentucky Resolution as Vice President, Calhoun the South Carolina Exposition. Their successors have lacked a taste for political philosophy. Richard M. Johnson ran a tavern as Vice President. Thomas R. Marshall and Alben Barkley made jokes. But most Vice Presidents, especially in recent times, have lacked a taste for humor too.

But cannot Presidents give the Vice President serious work to do? Until rather recently they thought themselves constitutionally forbidden to do so. Most Presidents and most Vice Presidents have believed with Truman (in 1955) that the Vice President "is not an officer of the executive branch" and with Eisenhower (in 1963) that the Vice President "is not legally a part of the Executive branch and is not subject to direction by the President."

The notion of having the Vice President at Cabinet meetings, for example, is relatively new. In 1896 Theodore Roosevelt wrote that it would be desirable "to increase the power of the Vice-President. . . . It would be very well if he were given a seat in the Cabinet." But, when he became President himself after a brief interlude as Vice President, he did not give his own Vice President, Charles W. Fairbanks, a seat in the Cabinet or anywhere else. Vice President Thomas R. Marshall presided at Cabinet meetings when Wilson was at Versailles. But, since he regarded himself as a "member of the legislative branch." he questioned the propriety of doing so and carefully explained to the Cabinet that he was acting "in obedience to a request" and "in an unofficial and informal way." Harding was the first President to make his Vice-President, Calvin Coolidge, a regular at Cabinet meetings, Coolidge expected his own Vice President to follow this example; but Charles G. Dawes rejected any such entanglement with the executive as a "wrong principle" and in due course supported from his office on Capitol Hill farm legislation that his President opposed and eventually vetoed. Franklin D. Roosevelt, who from the time of his own vice presidential candidacy in 1920 had cherished the hope of making something of the office, re-established the idea of attendance at Cabinet meetings, and it became routine thereafter. Truman got Congress in 1949 to make the Vice President a member of the National Security Council by statute. But Vice Presidents continued to operate out of an office at the Hill. It was not till Kennedy became President that a Vice President was given space in the Executive Office Building.

Nor, despite ritualistic pledges at the start of each new term, have Presidents ever given real power to Vice Presidents. FDR did make Henry Wallace head of the Board of Economic Warfare—the only big job handed a Vice President in the 185 years of the American presidency—but this merely proved the embarrassment bound to arise when an agency chief who happened to be Vice President got into fights with powerful members of the President's Cabinet. Mr. Nixon as Vice President appointed himself the campaign hit man of the Eisenhower Administration and subsequently as President assigned the same delicate responsibility to Mr. Agnew, thereby making him, as Eugene McCarthy wittily said, "Nixon's Nixon." Mr. Nixon is evidently trying to stuff Mr. Ford into that slot today. This is hardly a promising development. If there is anything certain to ruin the vice presidency forever, it is the theory that the Vice President is the mandatory instrument for an administration's partisan rancor.

For the rest, the vice presidency is make-work. Presidents spend time that might be put to far better use trying to figure out ways of keeping their Vice Presidents busy and especially of getting them out of town. The vice presidency remains, as John N. Garner said, "a spare tire on the automobile of government." As Gertrude Stein said of Oakland, California, there is no there there.

But what of Theodore Roosevelt's suggestion that the power of the Vice President might be increased? Carl Kaysen, director of the Institute for Advanced Study, has made the ingenious proposal that the presidential nominee promise the convention that he will appoint his Vice President to one of the four great Cabinet offices, State, Treasury, Defense, or Justice, and specify the particular one. This would provide a there there. But it would create problems if the Vice President turned out to disagree with the policy or to fail at the job and, unlike other dissidents or incompetents, could not be easily dismissed. Also this would have to be an informal, and hence unstable, arrangement; for any formal allocation of power to the Vice President would violate the clause in the Constitution vesting "the executive power" in the President.

Ben Cohen, that wise old New Dealer, has a different approach. He would frankly recognize that there is no there there and have presidential and vice presidential candidates separately voted upon in the general election. This would have meant in 1968, for example, that Nixon would have been elected President and Muskie Vice President. The fact that Muskie could not have taken part in a Nixon Administration would have made no difference, since the Vice President has nothing to do anyway; and Muskie would have been an infinitely more attractive heir apparent. But this proposal raises the possibility of a shift in party control of the White House without the intervention of a new election.

Neither of these ideas goes to the heart of the matter. Nor certainly do the flurry of reform proposals generated by the Agnew and Eagleton fiascoes. In 1973 the Democrats appointed a Vice Presidential Selection Committee under the chairmanship of Hubert Humphrey, whose own vice presidential wounds had hardly healed. Its recommendation was that the parties slow up the process of nominating the second man by prolonging the convention and even offering the presidential nominee the option of turning the choice over to a later meeting of the party's National Committee. This procedure, it need hardly be said, would not have saved the Republicans from twice anointing the late Spiro T. Agnew. Senator Robert Griffin of Michigan, the Republican whip, in what he calls, presumably as a recommendation, "a small step in the direction of the parliamentary system," would do away altogether with party participation in the nomination and have the new President submit his choice to Congress in the manner Mr. Nixon chose Mr. Ford under the Twenty-fifth Amendment. This would be another formula for Agnews.

Fiddling with the way vice presidential nominees are chosen is totally beside the point. The real question is why have a Vice President at all? "His importance," as Woodrow Wilson said, "consists in the fact that he may cease to be Vice-President." The only conceivable argument for the office is that it provides an automatic solution to the problem of succession. No doubt it does, but does it provide the *best* solution?

It is said in political science departments that the vice presidency justifies itself as a "learning" office where men train themselves for the great responsibility that may one day be theirs. Even if the Vice President has nothing to do, at least—we are assured—he can watch what others are doing and prepare himself to take over if calamity strikes. This implies, I fear, an unduly romantic view of Presidents.

Presidents, whatever they may say, do not choose their running mates because they want to train them as successors. All Presidents see themselves, if not as immortal, as good for two terms at least. They pick a running mate not because he is the second citizen of the republic and fully qualified for the presidency but because of intricate and generally mistaken calculations about the contribution he will make to victory at the polls. "Whether they should or not," Congressman James G. O'Hara, Democrat of Michigan, has well said, "they will not, in the final analysis, choose their Vice-Presidential candidate to succeed them. They will choose them to help them succeed." Such calculations, I say, are generally mistaken. It is an exceedingly rare case when the vice presidential candidate makes a difference. Very likely Johnson made a difference in 1960. But much more typical is the outcome in 1948. Earl Warren was the most popular governor California had had in a generation, but Truman carried California against the Dewey-Warren ticket. The "balanced ticket" is in any case a fraud on the public. It pretends that the Vice President's views "balance" the views of the President when all our history testifies that they have no impact at all on the President.

Moreover, the way Presidents treat their Vice Presidents steadily erodes their capability to succeed to the presidency. A Vice President will learn only as much as a President is willing to have him learn—which, given presidential dislike of Vice Presidents, is not ordinarily very much. Truman, recalling how little he had been told as Vice President, tried harder than most Presidents to clue in his second man. His conclusion about the learning process was not encouraging. "No Vice-President," he wrote three years after he left the White House "is ever properly prepared to take over the presidency because of the nature of our presidential, or executive, office." In the nature of things, "it is very difficult for a President to take the Vice-President completely into his confidence." The President "by necessity" builds his own staff and makes his own decisions, "and the Vice-President remains an outsider."

Moreover, seeing things as an ill-informed, impotent, and often sullen outsider, the Vice President will very likely "learn" the wrong things. Lyndon Johnson thought Kennedy too cautious at the time of the Cuban missile crisis and in Vietnam. What Johnson "learned" as Vice President led him on to policies of overkill in the Dominican Republic and Indochina. In any case, where does a successor's responsibility lie? "A Vice-President might make a poor President," said Thomas R. Marshall, who was Wilson's Vice President and had to reflect on this question in Wilson's season of disability, "but he would make a much poorer one if he attempted to subordinate his own mind and views to carry out the ideas of a dead man."

A learning office? With Presidents less generous than Truman—and that in this context is most Presidents, however generous they may be in other relationships—the vice presidency is much less a making than a maiming experience. McKinley, wrote Theodore Roosevelt as Vice President, "does not intend that I shall have any influence of any kind, sort or description in the administration from the top to the bottom. This he has made evident again and again." Fortunately for T.R., he had to endure only six months of frustration. When he acquired a Vice President of his own, he could not have been more destructive of poor Charley Fairbanks. He used to regale Washington with Finley Peter Dunne's crack after the President told him he was thinking of going down in a submarine: "You really shouldn't do it—unless you take Fairbanks with you." Tom Marshall, who at least extracted a good deal of shrewd humor out of his predicament, concluded that the Vice President "is like a man in a cataleptic state: he cannot speak; he cannot move; he suffers no pain; and yet he is perfectly conscious of everything that is going on about him."

In recent years, as men of larger aspirations and capacities have responded to the actuarial attractions of the office, the damage to Vice Presidents has increased. The more gifted and ambitious the Vice President, the more acute his frustration—and the less his President is inclined to do to alleviate it. Everyone knows the humiliation that Eisenhower repeatedly visited on Nixon. Only a man who has the overpowering ego of a Lyndon Johnson and is treated by his President, as Johnson was, with relative consideration can survive the vice presidency; and even Johnson was a subdued and shrunken man by 1963. "It's like being naked in the middle of a blizzard with no one to even offer you a match to keep you warm—that's the vice presidency," said Hubert Humphrey in 1969, eight months after he had been released from confinement. "You are trapped, vulnerable and alone, and it does not matter who happens to be President."

There is no escape, it seems to me, from the conclusion that the vice presidency is not only a meaningless but a hopeless office. Truman said, and many have repeated, that "there is no officer in our system of government besides the President and Vice President who has been elected by all the voters of the country," as if this somehow sanctified the vice presidency. Truman's proposition, advanced nine weeks after Roosevelt's death, was natural enough to a man interested in legitimating his own recent succession to the presidency. But it is an amiable myth. No one votes for a Vice President. He is a tie-in sale, an inseparable part of a package, "a sort of appendage to the Presidency" (Truman's own phrase), not an independent choice. And, once carried to the vice presidency as second rider on the presidential horse, where is he? If he is a first-rate man, his abilities will be wasted, turn sour, and deteriorate. If he is not first-rate, he should not be in a position to inherit the presidency. Why not therefore abolish the vice presidency and work out a more sensible mode of succession?

Such a revision of the Constitution would not be a serious affront to the Founding Fathers. They had no great belief in the vice presidency. Though they had had considerable experience with governors and lieutenant governors in the colonies, and though ten states maintained this system after independence, the Constitutional Convention did not turn automatically to the vice presidential idea. It slipped in as an afterthought. The August 6 draft of the Committee of Detail had proposed that, in case of a vacancy in the presidency, "the President of the Senate shall exercise those powers and duties, *until another President of the United States be chosen*" (my emphasis). Gouverneur Morris objected that this gave too much power to the legislative branch but then curiously proposed the Chief Justice as the provisional successor. Madison for a moment suggested that executive power during a vacancy be administered by a Council of State. All these proposals were regarded as interim schemes to tide things over until the voters could choose a new President. Then a fortnight before adjournment a new drafting committee invented the vice presidency over a weekend and submitted the idea to the Convention. There was no great enthusiasm. Elbridge Gerry said he was "agst. having any vice President." He was the only member of the Convention who ever became Vice President. Edmund Randolph was opposed. But no one could think of anything better, and the clause went into the Constitution. Hamilton later noted in the 68th Federalist that the office "has been objected to as superfluous, if not mischievous" but defended it in perfunctory fashion because the Vice President's tie-breaking vote could prevent deadlocks in the Senate and because the Vice President himself would provide a "constitutional substitute" for the President. There was even a dispute in the First Congress as to whether the Vice President should receive an annual salary.

The vice presidency was put into the Constitution for one reason, and one reason alone. Hugh Williamson of North Carolina, a member of the committee that originated the idea, conceded in the Convention that "such an office as vice-President was not wanted. He was introduced only for the sake of a valuable mode of election which required two to be chosen at the same time." This is an essential but neglected point. The theory of presidential elections embodied in the Constitution was that if electors had to vote for two men without designating which was to be President and which Vice President, and if one of these men had, as the Constitution required, to be from another state, then both men who topped the poll would be of the highest quality, and the republic would be safe in the hands of either.

This ingenious scheme did produce Adams and Jefferson as the first two Vice Presidents. But the rise of the party system, a development unanticipated by the Founding Fathers, quickly put the "valuable mode of election" under severe strain. As early as 1796 the Federalists gave their second ballots to Thomas Pinckney, who was manifestly not the second citizen of the country. Adams himself, the top Federalist candidate, would have preferred, if defeated, to lose to Jefferson rather than to his fellow Federalist. In 1800 the Republicans gave the same number of electoral votes to Jefferson, their presidential choice, as they gave to Aaron Burr, a man of undoubted talents who, however, was trusted by no one in the long course of American history, except his daughter Theodosia and Gore Vidal. Burr was nearly chosen President, though the voters never intended him for the presidency. The fear of comparable slipups in 1804 led to the adoption of the Twelfth Amendment requiring the electoral college to vote separately for President and Vice President.

The abolition of the "valuable mode of election" canceled the purpose of the Founding Fathers in having a Vice President at all. Separate voting ended any prospect that the Vice President would be the second man in the country. The office could no longer be counted on to attract men of the highest quality. It would become, as was immediately noted, a bargaining counter in the presidential contest—"a bait to catch state gudgeons," in Gouverneur Morris' contemptuous phrase. Samuel White, a senator from Delaware, summed up with admirable prescience the consequences of the Twelfth Amendment: "Charter, talents, virtue, and merits will not be sought after in the candidate. The question will not be asked, is he capable? is he honest? But can he by his name, by his connections, by his wealth, by his local situation, by his influence, or his intrigues, best promote the election of a President?" Roger Griswold of Connecticut said that the vice presidency would thereafter be "useless, worse than useless." A number of political leaders, Republicans and Federalists—John Randolph of Roanoke, former Speaker of the House, now Senator; Jonathan Dayton; Matthew Griswold; Samuel W. Dana—drew the logical conclusion. The vice presidency was an organic part of a particular mode of election, and that mode of election had now been constitutionally abolished; therefore let us abolish the vice presidency too. Unfortunately for the republic this effort failed.

But the dismal predictions were correct. The Twelfth Amendment sent the vice presidency into prompt decline. The first two Vice Presidents had moved on directly to the presidency. After the amendment was enacted, the vice presidency became a resting place for mediocrities. Who can remember Burr's successors—George Clinton, Elbridge Gerry, Daniel D. Tompkins? For a generation the office of Secretary of State became the stepping-stone to the presidency; thereafter Presidents were elected from anywhere except the vice presidency. In the 170 years since the Twelfth Amendment only one Vice President—Martin Van Buren—has advanced directly to the presidency by election. More than half our Vice Presidents in the nineteenth century were actually *older* than their Presidents. William R. King, when selected as Vice President with Franklin Pierce, was known to have an incurable disease and died six weeks after inauguration. Nor was King the only Vice President to die in office. Apart from their families, few cared or even noticed. The vice presidency was nothing. "It is not a stepping stone to anything except oblivion," said Theodore Roosevelt when Boss Platt conned him into accepting the vice presidential nomination in 1900. "I fear my bolt is shot." For thirty-eight years—almost a quarter of the time that has passed since the ratification of the Twelfth Amendment—the republic has been without any Vice President at all. No catastrophe has resulted.

T.R. described the vice presidency as an utterly anomalous office (one which I think ought to be abolished)." He was plainly right. But what would the alternative mode of succession be? Here it would seem appropriate to return to the principles of the Founding Fathers. That principle was accurately stated by the constitutional historian Lucius Wilmerding, Jr., in a letter to Walter Lippmann in 1946: "A man who has not been voted on for the Presidency [as, of course, Vice Presidents were till the ratification of the Twelfth Amendment] ought not to hold the office for longer than it takes to choose a new President."

The Constitutional Convention, having agreed on the idea of a vice presidency, decided to empower Congress to designate the next in line of succession in the event that the elected President and Vice President were no longer available. The first proposal was that the successor designated by Congress should act as President "until the time of electing a President shall arrive." Madison promptly observed that "this, as worded, would prevent a supply of the vacancy by an intermediate election of the President" and offered the language now in the Constitution—that the designated officer "shall then act as President . . . until the Disability be removed, or *a President shall be elected*" (my emphasis). The new wording was plainly intended to authorize special presidential elections in the event of a double vacancy—a double vacancy because, according to the original theory of the electoral process, the Vice President had also been voted on for the presidency.

Madison's idea of an "intermediate election" was quickly enacted into law. In 1792 the Second Congress, containing men who had served in the Constitutional Convention five years before and were therefore well versed in the intentions of the Founding Fathers, passed the first Presidential Succession Act. This act provided that, in the case of a double vacancy, the president *pro tempore* of the Senate would become Acting President "until a President be elected" and that a special election would be called to elect a new President unless the vacancy occurred in the last months of the presidential term.

Then came the Twelfth Amendment and the decline in vice presidential quality. By retaining the vice presidency, as Wilmerding pointed out in a trenchant piece in this magazine in May, 1947, the amendment achieved precisely what it was designed to prevent—that is, it made it possible for persons who had not been voted on for the presidency to become President. After 1804 Vice Presidents were not men chosen by the electors for the presidency except in a highly metaphysical sense. But the retention of the office and the ambiguity of the Constitution enabled Vice Presidents to make themselves President.

The Founding Fathers, so far as we can tell, assumed that if a President died, the Vice President would inherit the powers and duties of the President but not the office itself; he would only be Acting President. The constitutional language was a cryptic condensation by the drafting committee of two resolutions adopted by the Convention. One had said, "The Vice President shall exercise those powers and duties [of the President] *until another be chosen* or until the inability of the President be removed" (my emphasis). The other spoke of the authority of the President to "perform the duties of the office of the President"; it did not say that he would hold that office. The Constitution, in a rare lapse from precision, now said that, if the President could not "discharge the Powers and Duties" of his office, "the same shall devolve on the Vice President." Did "same" mean powers and duties or the office as well? E. S. Corwin, the great constitutional scholar, judged it "clearly the expectation of the Framers that [if there were a vacancy in the presidency] the Vice-President should remain Vice-President, a stopgap, a locum tenens, whatever the occasion of his succession, and should become President only if and when he was elected as such." The Twelfth Amendment said specifically that if a presidential choice went to the House and could not be completed before inauguration day, "the Vice-President shall *act* as President, *as in the case of the death or other constitutional disability of the President*" (my emphasis). This reaffirmed the assumption that a Vice President could only become Acting President.

Then, in 1841, William Henry Harrison died a month after his inauguration. Now there was brought to test, as John Quincy Adams noted, "that provision of the Constitution which places in the Executive chair a man never thought of for that place by any body." Vice President John Tyler in effect staged a constitutional coup by successfully insisting—"in direct violation," Adams said, "both of the grammar and content of the Constitution"—that, when a Vice President took over the powers and duties of the presidential office, he took over the office too and became not Acting President but President in his own right—a view that finally received constitutional blessing in the Twenty-fifth Amendment.

The United States lived under the Succession Act of 1792 for ninety-four years. Since a double vacancy never occurred, however, the intermediate-election feature, evidently intended by the Founding Fathers as a routine part of the process, never came into play. In 1881 the shooting and lingering death of Garfield renewed public interest in the problem of succession. Four years later, with the Republicans in control of the Senate, Grover Cleveland's Vice President died in the first year of the administration. This meant under the 1792 law that the Republican president *pro tempore* of the Senate would take over if anything happened to Cleveland. There had also been occasions when the country had been not only without a Vice President but without a President *pro tem* of the Senate and a Speaker of the House as well; in which case, had anything happened to the President, the presidency would have been in limbo.

The cry for reform produced the Presidential Succession Act of 1886. The new law put the line of descent through the Cabinet, thereby making succession *automatic* and preventing the mechanics of succession from transferring the presidency from one party to the other without an election. The 1886 law did not, however, eliminate the idea of intermediate elections. It provided that the Cabinet successor should "act as President until the disability of the President or Vice-President is removed, or *a President shall be elected*" (my emphasis). It was "the powers and duties of the office of President," and apparently not the office itself, that developed upon the Cabinet successor, and "it shall be the duty of the person upon whom said powers and duties shall devolve" to convene Congress within twenty days, presumably in order to provide for special election.

The republic operated under this law for another sixty years. Again no occasion arose to call the provision for intermediate elections into play. Then in 1945 Harry S. Truman, abruptly translated to the presidency, faced the prospect of serving the balance of Roosevelt's term—nearly four years—without a Vice President. The law of 1886 put the Secretary of State next in line. But Truman thought it undemocratic for a President to have the power to name his successor—a scruple discarded by Congress twenty-six years later when it acquiesced in Mr. Nixon's interpretation of the Twenty-fifth Amendment as making a Vice President chosen in case of a vacancy not a choice shared with Congress but a presidential appointment subject to congressional confirmation. This ill-considered amendment contains further prizes. If Mr. Nixon should be removed, then Mr. Ford, who was not elected by the people to the office, would appoint his own successor. "For the first time in the history of this great Nation," Senator Pastore has observed with pardonable senatorial grandiloquence, "the President and Vice President will both be appointed—not elected by the people . . . the Nation will no longer be democratically governed."

Truman thought that the Vice President should always be what he called an "elective officer." So he proposed a reversion to the principle of the Succession Act of 1792, though with the Speaker of the House first in the batting order and the president *pro tem* of the Senate second. There were objections to this scheme. The Speaker of the House, for example, does not even have to be a member of the House and therefore may not be an elective officer. If he is, his speakership is partly the result of seniority, which means long tenure in a safe and therefore unrepresentative district. James F. Byrnes and George C. Marshall, Truman's second and third Secretaries of State, were far more national figures and far better equipped for the presidency than Joseph Martin of Massachusetts, who, as Speaker of the House, was heir apparent under the Truman reform when it was enacted two years later.

Truman, however, saw this succession scheme as provisional. Reaffirming the conviction of the Founding Fathers, he said, "No matter who succeeds to the Presidency after the death of the elected President and Vice President, it is my opinion he should not serve longer than until the next congressional election or until a special election called . . . to fill the unexpired term of the deceased President." As Walter Lippmann put it in 1946, the Founding Fathers "thought the country should never for more than a few months have a President who had not been elected. They did not believe, as we now assume, that there could never be a Presidential election except once every four years." If the country was without an elected President, it should proceed as expeditiously as possible to elect a new one. There was nothing sacrosanct about the four-year election system.

Truman's proposal that the intermediate election fill the unexpired term has latterly given some trouble to constitutional scholars who read the language on the presidency in Article II, Section 1, of the Constitution—"He shall hold his Office during the Term of four Years"—as guaranteeing every new President four years in the White House. The Succession Acts of 1792 and 1886, both providing for intermediate elections, were both mute on how long intermediately elected Presidents were to serve. But it is far from self-evident that the Constitution forbids elections to fill unexpired terms. We have such elections every day for senators and representatives, though they, no less than Presidents, serve for terms specified in the Constitution. The House Judiciary Committee, under the chairmanship of that rugged old Texan strict constructionist Hatton W. Sumners, went into this question at length in 1945 and saw no constitutional problem in the case of the presidency.

The Constitution, the House Judiciary Committee said, "does not provide that the term of each incumbent shall be 4 years, but that the President shall hold his office 'during the term of 4 years.' This language appears to have reference to a fixed quadrennial term, permitting the filling of an unexpired portion thereof by elections. The tradition of special elections for unexpired terms of other officers also supports the provision." "During" often means "in the time of"; it does not necessarily mean "throughout the entire course of." Had the Constitution said "*for* a Term of four years," this would assure a four-year term to every new President. But the Constitution does not say this.

And if John Tyler was correct in saying that a Vice President became President, not just Acting President, and if it is correct to construe the Constitution as assuring every President a four-year term, then this reading must surely apply to Presidents who gain the office by inheritance quite as much as to those who gain it by election. This would mean that when a President dies, the Vice President who succeeds him is entitled to a four-year-term of his own. Ben Butler made this point during the impeachment trial of Andrew Johnson. "Whose presidential term is the respondent now serving out?" he asked. "His own or Mr. Lincoln's? If his own, he is entitled to four years up to the anniversary of the murder, because each presidential term is four years by the Constitution." But no one has argued, not even John Tyler, that a Vice President has any right to do more than serve out his President's unexpired term. Why, if there is no Vice President, should a specially elected "constitutional substitute" be in a different legal position?

The House unfortunately deleted the provision for special elections before passing the bill in 1945, and the Senate took no action. In 1947 Congress fell under Republican control. The Republican leadership, seizing its opportunity, decided to make Joe Martin Truman's absolute and not provisional successor and confirmed the deletion of intermediate elections from the bill. The law as finally enacted therefore departed from Truman's original purpose, though he signed it in order to shift the line of succession back to elective officers.

The deletion of intermediate elections was a bad mistake. It is not beyond repair. The thing to do is to adopt a constitutional amendment abolishing the vice presidency, an office that has become both more superfluous and more mischievous than Hamilton could have imagined when he wrote the 68th Federalist, and provide for the succession in the spirit of Founding Fathers through a congressional statute restoring the principle of special elections. This principle, announced by Madison in the Constitutional Convention, authorized by the Constitution, applied by the Second Congress in 1792 to the prospect of a double vacancy, reaffirmed in this context by the Forty-eighth Congress in 1886, reaffirmed again by Truman in 1954 (and actually again by Eisenhower in 1965), would, if the vice presidency were abolished, work fully as well for a single vacancy. More than this: it would repair the fatal error of the Twelfth Amendment and make it certain that the republic would never have to suffer, except for a limited period, a chief executive who, in the words of J. Q. Adams, was never thought of for that office by anybody.

It may be objected that special elections in a time of national disarray—as, for example, a presidential assassination or a successful impeachment—might only deepen popular confusions. This could happen. But the special election would necessarily be held after an interval, and it might equally help the country to resolve its confusions and recover its nerve. At the very least it would result in placing in the White House a man chosen by the people to be President.

It would take three or four months to hold a special election. In the meantime the show must go on. If the vice presidency were abolished, who would serve as Acting President?

One proposal is to make the Speaker of the House Acting President for thirty days while Congress chooses a President to fill out the remainder of the term. This proposal has the disadvantage, given the number of times in recent years that one party has controlled the legislative branch and the other the executive, of risking an unvoted changed in party control of the White House and in the direction of government—a change that might itself be quickly reversed in the special election, thereby compounding the confusion in Washington. The confusion would be even greater in the event of temporary presidential disability, in which case the presidency might shuttle back and forth between the two parties in a period of a few months.

The argument is overriding, it seems to me, for keeping the Acting President within the executive branch for the few weeks before the people have a chance to speak. A convenient way would be simply to make the Secretary of State, if qualified, the first successor. If the Secretary of State is foreign-born or under thirty-five or has some other disqualifying eccentricity, then the Secretary of the Treasury could be the automatic successor, and so on down the 1886–1947 line of succession. But this first succession would be momentary until an Acting President is selected to run things during the, say, ninety days to the special election. This Acting President, in order to assure continuity of policy until the people speak, should come from the Cabinet. Congress might select an Acting President from the Cabinet—a device that would preserve continuity, spread responsibility, afford a choice of sorts, and perhaps stimulate Presidents to choose better Cabinets. Or the Acting President might be selected by the Cabinet itself using the corporate authority already bestowed on it to some degree by the Twenty-fifth Amendment, which gives a majority of the Cabinet, plus the Vice President, power to declare the President *non compos mentis*. However chosen, the Acting President would be declared ineligible as a candidate in the special election, this in order to avoid the advantage created by the inevitable rush of sympathy to the new person in the White House.

Then, as soon as possible, let the people make their choice. If the President vanishes in his last year in office, it would be simpler to let the Acting President serve out the term and await the next regular election. If it be said that three or four months is not time enough to prepare an election, the answer is that this is only an election to fill out a term and thus does not require the elaborate preliminaries of the quadrennial orgy. Let the national committees, which have become increasingly representative bodies under the new party rules, canvass opinion and make the nominations. Short campaigns, federally financed, would be a blessing, infinitely appreciated by the electorate. Perhaps short intermediate elections might have a salutary impact on the quadrennial elections, which in recent years have stretched out to intolerable length.

In doing this, we would not be departing from the spirit of the Founding Fathers: quite the contrary. "We have only to operate the Constitution as the men who wrote it thought it should operate," Walter Lippmann wrote a quarter of a century ago on the question of intermediate elections. "If we are the prisoners of a rigid system to-day, the fault lies not in the Constitution but in our own habits which have only rather recently become so hard and so fixed."

DROUGHT IN THE SAHEL

Mr. HUMPHREY. Mr. President, I wish to point out an article, "Drought," in the June 9 issue of the New York Times Magazine by Martin Walker.

The author, who has spent some 5 weeks in the Sahel, describes the serious struggle and how the drought has changed the way of life for people in the area.

These adjustments are painful, and many people will have to migrate. Food shipments from the outside, including by airplane, will again be sorely needed.

Nonetheless, an estimated 5 million people may perish because of the famine. This is a bitter story of changes in the climate combined with overpopulation of people and animals on a fragile ecological system.

Mr. President, I have spoken many times on this disaster and its serious nature.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DROUGHT

(By Martin Walker)

BOUTILIMIT, Mauritania.—"We are living in a catastrophe," said Dr. Moustapha Siddatt. "Last year, the babies started to die in May when the measles came. This year, they started to die in March, with the flu. We are all that much weaker this year."

Above us on a hill brooded the curiously squat shape of an old French fort. It had once been three stories high, but now the two lower floors were filled with drifting sand. This part of the dry season was always windy, but years of drought had killed off what little vegetation held down the sand. The sandstorms had never been so bad.

Boutilimit—a garbled phrase of the Legionnaires' that means "the end of the line"—was home last year to 4,000 people. This year, there are 12,000, and more arrive every day from the desert that has finally proven too much for them. They arrive without their animals. Mauritania had some 11 million head of cattle last year, and a million people. This year, says the Minister of Health, there are perhaps two million cattle left. Even the camels have died. In Boutilimit, they saved five camels to haul up the water from the wells. The water level has fallen so far—it is now more than 200 feet deep—that the men are too weak to haul up the buckets.

It was 140 degrees Fahrenheit in Boutilimit, and it had taken us a day to drive the 160 miles from the Mauritanian capital of Nouakchott in a four-wheel-drive Land-Rover. Much of the time was spent digging the truck free from drifting sand, and it had become horribly clear to us why no food trucks had reached this place since the week before Christmas, why the food ration for the 12,000 people had been cut to less than 200 grams per person per day, why the French doctor who came here went back to the capital and told the Ministry of Health: "There is nothing to be done. These people are lost."

Dr. Siddatt led me through the crowded tents that made up his hospital. One hundred and thirty-four families had trekked in from the desert in the last week. Their tents surrounded the little mud building where the dwindling supplies of drugs were kept, sprawled across what had been the main street, and crept up the hill to the old fort. "Here is where we keep those with TB. There are the typhoid patients. They all have anemia, and soon they will all have jaundice. There is not very much I can do. I write to doctors who were at medical school with me in France, asking for the free samples. But what they really need is protein—meat and milk from the animals that died last year."

The flu came to Boutilimit in March and killed more than 400. Nobody had the time or the strength to keep exact figures. Now chicken pox was racing through the tents. We stopped at one tent, where three children had died recently of chicken pox. The other four children were still sick. Dr. Siddatt thought that two would live.

We walked through the tents, looking at feet that had swollen, like footballs, from protein deficiency, at eyelids chalk-white from anemia, at limbs so like sticks that the knee joints looked gross and deformed. Something seemed to be missing, and it suddenly occurred to me that there were no children following us. In most villages in Africa, a white man strolling around bears a long train of giggling, thumb-sucking children. But here, not one child had the strength to play or to follow or even to wave away the flies that crawled on his sores.

The drought that afflicts Boutilimit stretches across the African continent, all the way to Mecca. As well as Mauritania, its dry hand has touched the adjoining countries of Mali, Niger, Chad, the Central African Republic, the Sudan and Ethiopia. It has crept down to Kenya and it has killed the animals in the game park outside Nairobi. It has divided huge Lake Chad into four ponds. (The fishing village of Bol once stood on the lake's shore but now is stranded 18 miles from water.) Right across the waist of Africa, the belt of drought stretches 4,000 miles long and 1,000 miles wide. And beyond the Indian Ocean, in a similar latitude, the drought continues through India's Maharashtra province, into China's Yangtze Valley and right on around the world into Central America.

It is such a vast calamity that our statistical machinery is unable to measure it meaningfully. In the African drought belt, observers think there are about 50 million people, of whom one-third have been severely affected. Bill Price, the British Overseas Development Minister who has just returned from West Africa, reckons that five million now face starvation. Kurt Waldheim, the Secretary General of the United Nations, says that up to 10 million may face starvation across Africa. Nobody really knows for sure.

It is perhaps easier to comprehend in geographic terms: As a result of the ongoing drought, the Sahara Desert has been creeping south, reclaiming huge sections of the marginal land between the desert and the great River Niger, an area known as the Sahel, from the Arabic word meaning shore. The Sahel supports the herds—cattle, camels and the ubiquitous goats—of such desert-dwelling nomads as the Fulani and the Tuareg in the dry season, as well as thousands and thousands of tiny villages and hamlets that exist on subsistence crops of millet and sorghum. Last year, the desert advanced about 60 miles, leaving behind village after village where only sand blows through abandoned huts, where the desert has already covered the stubble of millet.

Thus, in addition to causing widespread physical suffering and death, the drought has incalculable social consequences. The scarcity of food and other resources has aggravated existing tensions in the underdeveloped societies of the Sahel—in recent months, the Governments of Niger and Ethiopia have fallen, and in both countries the drought has contributed to unrest.

The ancient nomadic and peasant cultures of the Sahel were already under considerable pressure as the national boundaries of new African nations cut across their traditional paths of migration and as modern cash economies disrupted their normal way of making a living. The drought has proved a final blow in many places, and some observers of the Sahel have come to believe that the traditional cultures are no longer viable. Meanwhile, Sahel governments must cope with the problem of feeding and caring for settlements of refugees that begin to look more and more permanent.

Rain still falls in the Sahel—enough each summer, in fact, to wash out fragile roads necessary to transport food stores—but in recent years these rains have been sharply diminished. In normal times, 200 millimeters of rain would fall on Boutilimit between July and September, but last year only 41.6 millimeters fell. That was typical—it was a lucky Sahel zone that received even half its normal rainfall last year, and any area that received that much was immediately deluged with refugees. Rosso, on the Senegal River, gets 350 millimeters in a normal year. Last year, 164.5 millimeters fell, and the town exploded from 8,000 to 35,000 people in eight weeks.

It is becoming increasingly clear, furthermore, that this drought is no temporary meteorological aberration, but a basic shift in weather patterns that is causing a progressive reduction in Sahel rainfall. For centuries, weather in the Sahel had been governed by the shifting of a body of cold polar air. In spring and early summer, it would begin to recede to the north. As it did so, temperate air masses would follow, and so, in turn, would moist air belts that carry monsoon rains. Then in October, the polar air would begin moving south again, bringing the dry season to the Sahel. Now, however, an increasing number of climatologists believe the polar air mass is not receding so much with summer, and so the temperate air, and the monsoon bearing moist air, cannot move so far north. No one knows for sure why this has happened, although some scientists believe it has to do with the recently observed fact that the temperature of the earth has dropped gradually over the past few decades. This has resulted in an expansion of polar air masses, in a way that keeps monsoon rains below a line that corresponds closely to areas now experiencing drought.

If the theory of the polar air mass is valid, however, the implications are dire for the Sahel, for there is little man can do to deal with it. Thus, the British meteorologist Derek Winstanley argues that massive reforestation projects in the Sahel will have little effect on the southward march of the Sahara. For the rain will still not fall.

The effects of the drought are compounded by an ironic factor: Well-meaning aid projects over the last decade or so have resulted in an over-population of men and livestock that makes the current reduced ability of the land to support them far more disastrous in terms of lives than it might have been before. In the Sahel, the good years began shortly after 1961. There were six years of unusually high rainfall, which improved the thin and scraggly desert pasture. Then came the aid projects—U.S.A.I.D. built more than 1,400 wells where people seemed to need them most, which meant where there were most people and most cattle. In a desert society, which exists in a subtle ecological balance, one of the key restraints upon the size of herds has been the amount of water the tribe can haul up for its cattle by hand. The new power wells were soon surrounded by too many cattle for the available pasture.

And with the vaccination programs, fewer cattle died prematurely. The human population explosion, fueled by the beginnings of health care, needed the extra cattle, and the frail ecology of the Sahel began to crumble. Even in 1968, a relatively mild drought led to the desertification of vast areas, as the herdsmen cut down trees so their cattle could eat the foliage, as the hungry and numerous goats ate the very roots in the ground. Nineteen-sixty-nine was an almost normal year for rains, and the crisis was avoided, but the diminished rains of 1970, '71 and '72 condemned the bulk of the Sahel herds to death in 1973, and brought the Sahara into thousands of square miles of hitherto fertile land. The sheer scale of the human population increase terrifies local aid officials. Achim Kratz, the director of the European Development Fund mission in Niger, last year produced an authoritative report that concluded that even with good rains for the next 10 years, the food-population ratio will be worse in 1982 than in disastrous 1973.

There are a handful of towns scattered through the Sahel, most of them, like Agadez and Timbuktu, centuries old—the only reminder of the great and prosperous civilizations that flourished here six centuries ago when the desert was fertile. When the nomads and the peasants, their traditional way of life shattered by the drought, decide to flee, they move to these towns and to the modern cities on the Niger. There they live in pathetic and disease-riddled shantytowns. Fewer and fewer people remain on the land to plant next year's harvest, to tend what cattle are left. Food production has thus declined and can be expected to continue at reduced levels, but the uprooted nomads and peasants gathered in the towns must still be fed. And though the crisis that has left them starving is awesome in magnitude, organized attempts to help them have shown an appalling lack of urgency and competence.

The major food donors and local officials have agreed that about seven million people in the Sahel will need emergency food aid this year, and an investigating committee of donors decided after a factfinding tour last September that some 650,000 tons of food would be required. The food itself was not a problem—in fact, almost 600,000 tons were pledged by various donors (in particular, the U.S. and the European Economic Community) by January of this year. But the food is useless unless it can be shipped to northern areas where the hungry people are.

Roads are few in the Sahel. When they exist, they are simple dirt tracks that are covered by drifting sand in the dry season and washed away by the rains. On the average, a Land-Rover can cover 100 miles a day. The normal life of a truck, in these conditions, with few servicing facilities, is about 1,000 hours. There are also four old and frail railroads that go from the ports on the coast up to the southern part of the marginal zone. The capacity of these road and rail links is about 100,000 tons of food per month, and so if the required 600,000 tons of food is to be moved into place by the time the rains come in July, the shipments should have begun in January.

That should have been possible. Last year, when an emergency program was hastily patched together to deliver 400,000 tons, so little time was left to deliver before the rains came that aircraft were being used from May. But the airlift was so cumbersome and expensive that local aid officials hoped to avoid it this year. They worked out a plan for transporting food by land and forwarded it to Brussels, Rome and Washington last October. That left more than three months for the bureaucratic work and for the shipments to be arranged.

But on Jan. 31, the Food and Agricultural Organization's Sahel Relief Office (OSRO) issued report No. 8. Clause 6 reads: "The timely shipment of donated commodities is of considerable importance. OSRO has prepared tentative shipping schedules for each country by month and by port, taking into account port and internal transport capacities. These schedules will be discussed at a meeting of major donors called by the E.E.C. in Brussels on 12 February 1974."

In other words, by the time that meeting began, six vital weeks of delivery time had been wasted. And it was not until mid-March that the Council of Ministers in Brussels gave the full and final agreement for the deliveries. Only in April did the food begin to arrive in any real quantity. In Niger, for example, a steady supply of 23,000 tons a month was needed. Anything less meant transport capacity wasted. Anything more meant transport capacity swamped and food stockpiled on the wharfs at the mercy of rats and weather. But the monthly arrivals at the ports for Niger look like this:

[All figures are in tons]

February	10,438
March	7,662
April	49,102
May	20,252
June	11,017

It takes five weeks to get the food from the ports to the distribution points, so anything delivered after June will be blocked by the rains, which close the roads. The transport plan was never put into effect.

So another airlift will have to be undertaken this year, a fact that amounts to an indictment of the international aid community. President Hamani Diori of Niger pointed out to me shortly before he was ousted in a military coup that "the international community spent over $40 million on transporting food to Niger last year. Most of that money went on the airlift. For that kind of money we could have irrigated 11,000 hectares of land near the Niger River, which would have produced 110,000 tons of food. That is not far from our total needs—the economics of airlifts simply does not make sense."

Moreover, aircraft need fuel. The Belgian Air Force Hercules planes were using 19 tons of aviation fuel to deliver one ton of medical supplies to northern Chad last year. The U.S. Air Force used a ton of fuel for every ton of grain it flew from the railhead at Bamako to the refugee camps at Gao. That aviation fuel has to compete with food for limited rail space on the long slog from the ports.

The delay in approving food shipments was not the only administrative mistake. The multidonor mission that visited the Sahel last September to ascertain the total food needs agreed with the Mauritanian Government that Mauritania needed 100,000 tons in 1974, in addition to the 40,000 tons already in the pipeline for the country. Once back in the F.A.O. office in Rome, that 100,000 ton requirement was cut to 60,000 tons, to the horror of the Mauritanians.

To quote from a confidential World Food Program report dated Dec. 8, 1973, the reduced F.A.O. estimates were "based on either a misinterpretation of the recommendation made by the members who visited Mauritania or on a misunderstanding of the situation by the latter. It had been agreed between the mission and the Government that 100,000 tons of cereal would be required in 1974 in addition to the 40,000 tons in the pipeline at the beginning of October, 1973."

In other words, somebody had put a minus sign where there should have been a plus sign. The immediate result was that the Mauritanian Government cut the food ration to below 300 grams per head per day—a level of slow starvation.

The confidential report goes on: "In a report of the proceedings of the multidonor mission in Rome it is claimed that Mauritanian Government indicated that it could only handle the distribution of 58,000 tons of food aid or relief supplies. This is absolutely inaccurate. No such statement was ever made, nor is it contained in any report originating in Mauritania." In fact, the report went on, Mauritania could distribute about 120,000 tons a year. Although this mistake was uncovered last December, Dr. Abdallahi Ould Bah, the minister in charge of the Mauritanian relief program, told me at the end of March that he had still not been promised the extra 40,000 tons. Belatedly, this food is now on it ways.

The organization that should have detected this error was the Sahel nations' own emergency committee, which was established more than a year ago. Based in the Upper Volta capital of Ouagadougou, it was meant to coordinate food deliveries and provide the link between the bulk deliveries of the donor nations and the local transport of the individual nations. In fact, it has done little, largely because the various nations of the Hahel, each jealous of its own authority, have given the committee no real executive authority. Its major action so far has been to undermine its own credibility in Western eyes by presenting last year an unrealistic shipping list of unrelated and ambitious aid projects, with a price tag of $1-billion. According to one American soil expert, the committee's estimate of fertilizer needs would have poisoned every river and every acre of the Sahel for a decade.

We should not forget that the bureaucratic standards of the West are not applicable in the Sahel. These nations are among the poorest in the world. Insofar as the figures mean anything, Upper Volta has an annual G.N.P. per capita of about $60. Niger's is about $80. Independence 14 years ago found these countries with but a tiny band of educated leaders. Niger had but one high school. Education facilities, civil administrations and the accouterments of statehood had to be assembled from scratch. In "normal" years, about 40 per cent of Tuareg children die before the age of 5. The fragile administrative structures of the Sahel nations were barely adequate to cope with the strains of underdevelopment, let alone with a drought that made half the population into refugees.

This fundamental economic and administrative incapacity to handle a crisis of this scale was aggravated by the prickly pride of these newly independent nations. It is never easy for a government to announce to the world that it is incapable of saving its own citizens, and this kind of confession can be politically dangerous in countries where traditional tribal hostilities and jealousies are in an uneasy state of truce. Nowhere was this official reluctance to face up to the problems as marked as in Ethiopia. In November, 1972, its Ministry of Agriculture circulated a confidential report on the failure of the rains and crops, which would necessitate "major food imports" in 1973. The Cabinet chose to suppress and virtually ignore this report. And then in February, 1973 the first batch of starving refugees approached the capital and the tourists of Addis Ababa. They were swiftly turned away by the police and the alarmed Government was soothed by the report of the Governor of Wallo Province that there was "a problem of drought," but all was under control.

This official complacency meant that the local U.N. aid agencies, whose charter forbids them to work in anything but close association with the host Government, were not able to mobilize any effective relief. A stormy meeting took place in Addis Ababa on Aug. 14 last year, when an ex-Peace Corps UNICEF official presented a report saying that 60,000 people had already died in Wallo Province and the area was devastated. The Minister of Health suppressed this report, and said that such events could not occur in the great Empire of Ethiopia. But a copy of this report found its way to Britain, and journalists and TV crews went to Ethiopia and reported the crisis to an alarmed world. Then the Government, with incompetence and corruption, began to handle its "problem of drought." Terrified that adverse news would ruin the tourist trade, the Government refused to admit that Wallo Province was raging with cholera. The Government insisted that the ailment be called "gastroenteritis C." But the Government was only too happy to accept doses of free cholera vaccine—and then to sell them for the equivalent of two American dollars a shot. The people who had to pay were the desperate, starving, impoverished victims of Wallo.

These were the events that led to the student and military outrage which erupted early this year and led Emperor Haile Selassie to dismiss the Government of Premier Aklilou Wold and install the avowedly reformist regime of Endalkachew Makonnen. That old and discredited Government is gone, but the inflation and the national trauma that drought has brought have injected a basic instability into a system that has preserved Ethiopia in feudal stasis for centuries. For the drought's effects are all the more vicious in the context of that archaic system. Drought or no drought, the church, owning one-third of all the land, has demanded its rents from the impoverished peasants. And so has the aristocracy. The peasant farmers of Ethiopia have paid about 90 per cent of their crops in rents and taxes. Corrupt officials have abused their power to enrich themselves at the expense of drought victims.

The results have often been violent. In April, I drove deep into southern Ethiopia, towards the Kenyan border, where the drought of last year had left the inhabitants desperate. Encouraged by the political unrest in the capital, peasants who had been docile for generations exploded into a sudden rural revolt. All down the fertile Rift Valley the sky was trailed by the smoke from the burning farms. In the town of Arba Minch, we had barely crossed the only bridge before the local people tried to blow it up. Fifteen people were shot dead in the town that day, three by the nervous police, and the rest by landlords defending their farms against angry mobs of peasants. The provincial Governor had fled back to Addis Ababa, leaving his home in flames behind him. He was no great loss—he had persistently refused to distribute any of the aid food until every last bushel of his own harvest had been sold at three times the normal price. The local priest fled with him. The Governor had been donating $500 a month to the church, and the priest had threatened the townsfolk with mass excommunication if they attacked the Governor. They attacked anyway. The local Mayor was in hiding from a lynch mob.

In Ethiopia, whether the Emperor lives or dies, whether the rains come or not, life will never be the same again. The new Government has already begun to draw up more radical programs of land reform, because its first timid proposals were howled down by an outraged National Assembly. The peasants have shaken off the apathy of centuries. The Emperor has been forced to name an heir. The armed forces have come of political age.

Besides contributing to political unrest, the drought has cut savagely into Government revenues. In Mali, almost 20 per cent of the tax revenues came from poll taxes on cattle. And in Niger, the relatively mild drought of 1968 cost $20-million in lost agricultural production and $14-million in lost livestock—this in a country with a budget of $65-million. The oil crisis served to twist the economic knife inside the wound. The third world as a whole faces an oil bill that is $11-billion higher than last year, and yet total financial aid to the third world is only $8.5-billion. Even in relatively wealthy Senegal, this year's higher oil bill is costing over $70-million, which is slightly more than a quarter of the national budget. And one cannot relieve a famine without gasoline. In Senegal, the Government even has to take water in trucks to the people who live along the shores of the mighty Senegal River, because its flow is now so weak that the water is salt 80 miles from the sea. It has not passed unnoticed in the Sahel Governments that their fellow Moslems control the oil and have some say in the final gasoline prices, but the desperate Sahel governments are still paying the full commercial cost.

The prostration of the Sahel countries by the drought has undermined their economic negotiating position, particularly since the oil price rise has emphasized oil-rich Nigeria's role as Africa's new superstate. Diplomats and aid officials are already suggesting that the Sahel's future lies in much closer economic and political links with the stronger nations that surround them. Traditionally, these nations have been firmly tied to the apron strings of France, the original colonial power. But at the end of March, France agreed to withdraw her last troops from Senegal, and to hand over the key naval base of Dakar. The death of President Pompidou has simply accelerated an established trend of diminishing French influence. The oil-rich neighbors, Libya, Algeria and Nigeria, are increasingly concerned about who governs the nations in their rear. And the trans-Sahara road, from Algeria down through Niger to Nigeria, is arguably the single most strategic road in Africa. Although the social problems and dislocation of the drought were the underlying reasons for the recent coup against Niger's President Diori, its immediate cause was the defense treaty he had just signed with Libya, a move that upset the delicate new balance in the area and alarmed the neighboring Nigerians. Power politics has come to the Sahel, and the impact of the drought has left the Sahel nations with pitifully few cards to play.

If these countries are to stand on their own at all, they will need to solve the basic problems of underdevelopment that the drought has masked. They will need an agricultural revolution, producing cash crops with adequate roads to move the harvest to the markets. And yet, any change in the economic structure of the Sahel will need the agreement and cooperation of the markets for their cattle and manpower in the south. In addition, the Sahel nations argue that they need guaranteed prices for their primary produce from Europe, which will give their farmers incentives to increase production for export. But after the Arabs' use of the oil weapon and the explosion of commodity prices in general, Europe is wary of guaranteed price structures; the third world countries seem quite capable of getting better prices for themselves.

More profoundly, any attempt to modernize agriculture in these countries will require massive adjustments in attitude on the part of the people. Mauritania, a nation that is perhaps 90 per cent nomad, has already decided that the desert has become too much for the old way of life to continue. The Minister of Health, in charge of drought relief, openly suggests that the future of his country lies in having the vast majority of the population settle down to a static, peasant life in the fertile strips along the coast and along the Senegal. "There will be oases inland, and no doubt many of the older people will return to the desert if they can. But if this drought has given us the opportunity to modernize our society, we must not ignore it," he argues. In Niger, the only country which had a Minister for Nomads (who was himself a Taureg), the future is seen to lie in irrigated farming along the banks of the Niger, with non-nomadic stock-raising in the marginal zones. Man has endorsed the verdict of nature.

A massive re-education project will be needed to turn the nomads into settled farmers, and to take the peasant refugees from the shanty-towns and out to new, irrigated areas near the fertile river. In Mauritania, this is beginning to happen; a network of local radio stations to focus on agricultural education is being established. But there is little sign of such prescience elsewhere. This drought, and its social effects, has come as a tarumatic psychological shock to the people of the Sahel. When a peasant loses faith in his land, and when a nomad loses his trust in the fertility of the desert, the effect is a kind of psychological castration.

Aid officials, too, are despondent, having seen the drought's brutal negation of a decade of development. In northern Senegal, the rice plantations and sugar-cane groves, all developed in the last 10 years, are dead poisoned by the salt water that has crept up the river from the sea. In Mauritania, the famous gum trees of Medera, whose gum arabic was a key source of foreign exchange, are dead. Small market-gardening projects, stock improvement programs—so many are now wasted by drought. The panic of the last two years and the overriding need to keep people alive have left little time for the planning of long-term reconstruction. The World Bank is looking at a $70-million dam project on the Senegal, but there are fears that the reduced water flow may make such a dam superfluous.

Meanwhile, to the frustration of those who hope for rural development, many of the refugees are digging in to become a permanent feature of urban life. In Nouakchott, for example, whose population swelled, from 40,000 to 120,000 last year, walls of mud brick are beginning to appear around the tents in the shantytowns.

Inevitably, the old ways will pass, and the passage may not be very smooth. What few nomads the desert will support will have to give up their goats, the basis of their old way of life, for goats eat the bark from trees, the roots from the ground and, in terms of erosion, are the advance guard of the Sahara. The Governments of Mauritania, Mali and Niger have already—with reluctance—decided to follow the example of Tunisia and declare war on the goat. The few remaining herdsmen will also have to learn to sell their beloved cattle for slaughter when they are 5 years old, rather than cherish them until they die, for reasons of custom and prestige, as they still do. The herds will be rebuilt, up to a point, but they will never be allowed to overpopulate again. This can and will be attacked as cultural rape, but the Sahel governments have little choice but to try and absorb the nomads into the developing economy.

And so there is a deeper sadness about the drought, beyond the immediate despair and suffering. The archaic feudal system of Ethiopia can pass unmourned, perhaps, but the nomad way of life in the Sahara, the style of the Tuareg, has probably contributed something utterly intangible but rather valuable the human experience. It was a strikingly effective way of using limited resources to the best effect, and more than that, it generated an ethic of freedom and eternal challenge against the most hostile environment in the world. In that sense, it was always in some indefinable manner inspiring, and in a particular way the human race may never see again.

TO CURE INFLATION

Mr. NELSON. Mr. President, I was encouraged to read an editorial in yesday's New York Times entitled "To Cure Inflation." It makes a recommendation very similar to the one which I proposed in Concurrent Resolution No. 88, and introduced on Wednesday, June 5, along with Senators HART, JAVITS, and HUMPHREY. The Times calls on Congress to take the reins and provide leadership to combat our Nation's economic problems. Specifically, the editors recommend drawing on "the best economic business and political minds available" to help formulate policies which deal more successfully with our current economic crisis.

I ask unanimous consent that this editorial be reprinted in today's Record. In addition, I am pleased to announce that Senators Johnston, McGovern, McGee, Clark, Stevenson, and Hathaway have joined us in cosponsoring this important measure.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

To Cure Inflation

Here in the United States and throughout the world, inflation has become a problem of unexpected intensity and baffling complexity.

Some economists consider it a purely monetary phenomenon caused by the excessive creation of money and credit. Others regard inflation as mainly the result of misguided government fiscal policy—too much spending, too little taxing, too great use of deficit financing. Still others stress concentrated market power in the hands of great corporations and labor unions or, in this time of worldwide commodity inflation, in the hands of international cartels.

Neo-Malthusians see inflation as a symptom of uncontrolled economic and population growth, depleting the natural resources on which life itself depends. And all these only begin the list of asserted causes—a list that includes the wastage of resources on wars and preparations for wars, the heightened competition among social groups for larger shares of an economic pie that cannot grow fast enough to satisfy all demands, the weakness of governments and the breakdown of the world monetary system.

Admittedly, the general disease called inflation could be quickly wiped out if Government were to crack down hard enough by cutting off the supply of money and credit or by chopping Federal expenditures or raising taxes. But policies tough enough to eliminate inflation quickly could throw the economy into deep depression—a cure most people would regard as worse than the disease. Nevertheless, inflation at anything like its present rate is no minor ailment; it cannot be tolerated long without lasting damage to the social structure and danger to world economic and political stability.

The need for the best possible policies for dealing with inflation is urgent. In the absence of any discernible will in the White House to provide leadership in that direction, the most promising approach lies in a thoroughgoing Congressional investigation of the causes and cures of inflation. Such a study should draw upon the best economic, business and political minds available, as did the Temporary National Economic Committee studies of the concentration of economic power in the late nineteen-thirties and the Joint Economic Committee studies in the early sixties.

The great value of such investigations is that they concentrate the public mind, telescope (rather than lengthen) the learning process for Congress and the Administration, and help establish a firmer base for essential changes in national policies.

The present inflationary crisis calls for just such a broad-ranging effort to increase public understanding of inflation and to improve national policy on a wide range of issues from the sources of excess demand to the inhibitions on adequate supply, productivity and jobs for a growing labor force. Congress is the appropriate vehicle for launching such an inquiry into ways of improving the economic well-being of the American people.

KEEPING THE RECORD STRAIGHT IN RESPECT TO THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. ERVIN. Mr. President, the printed press has reported on several occasions that Mr. Robert Bennett of the Mullen Co. in Washington, D.C., made the following report to the officials of the CIA on or about March 1, 1973:

> . . . Mr. Bennett mentioned the 12 February, 1973 meeting among himself, Mullen and Lukoskie when he stated his opinion that the Ervin Committee investigating the Watergate incident would not involve the Company. He said that, if necessary he could intercede with Senator Ervin. His conclusion then was that he could handle the Ervin Committee if the Agency can handle Howard Hunt.
>
> Mr. Bennett reported that he is well acquainted with a Charlotte, N.C. attorney named McConnell to whom Senator Ervin offered the position of Chief Investigator of the Congressional Committee investigating the Watergate incident. Mr. McConnell, according to Bennett, declined the offer because he is a millionaire in his own right and doesn't need to put up with all the grief associated with such a position. Mr. Bennett said he asked McConnell to inform Senator Ervin that Mullen, Bennett, and the Company are 100% clean of any involvement in the Watergate. Bennett is certain that Senator Ervin has no desire for revelation of legitimate arrangements or to harm the Agency and would avoid questions concerning our overseas cover placements. Mr. McConnell subsequently told Bennett that he and Senator Ervin were the only passengers on a private plane recently and he discussed Bennett, et. al., as requested by Bennett. Mr. McConnell believes Senator Ervin accepted his comments and will not attempt to further involve the Mullen Company people. Bennett believes he and his Agency affiliations will not be raised again. He has the Ervin Committee shut off and feels the Agency has the responsibility to persuade Howard Hunt to avoid revealing what he knows of the history of such arrangements with the Company . . . .

The Mr. McConnell mentioned in this statement was obviously my good friend of long standing, David M. McConnell of Charlotte. Merely for the purpose of keeping the record straight, I wish to say that I never had any conversation of the nature of that set forth above with Mr. McConnell at any time or in any place, and that Mr. McConnell has made statements to the press in complete harmony with the statement which I now make.

COMMUNIST VIOLATIONS OF THE PEACE AGREEMENT IN SOUTH VIETNAM

Mr. GOLDWATER. Mr. President, my legal assistant, Mr. Terry Emerson, has returned from South Vietnam with documented evidence of widespread violations of the January, 1973, Paris Peace Agreement by the North Vietnamese and Vietcong.

These violations include: The sabotage of U.S. efforts to account for the remaining 1,100 American MIA's.

The cold-blooded killing of an unarmed American team leader of a U.S. MIA search unit on December 15, 1973.

The mass murder of over 50 Vietnamese schoolchildren by Communist mortar attacks at Cai Lay and Song Phu.

Communist terrorist activities against villagers and refugees averaging almost 1,000 cases a month.

Several Communist attacks against military bases of the Republic of Vietnam.

The infiltration by the Communists of tremendous quantities of war materials far exceeding the amounts possessed by them in the South before the ceasefire.

The introduction of at least 50,000 more troops into the South than were present before the ceasefire.

Mr. President, the report by Mr. Emerson of wholesale Communist violations is particularly relevant in light of present congressional consideration of continued American military assistance to South Vietnam, and I ask unanimous consent that it be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report From Vietnam: VI

(By J. Terry Emerson)

COMMUNIST CEASE-FIRE VIOLATIONS

The cruelest violation of the Paris Cease-Fire Agreement by the North Vietnamese and Viet Cong from the American standpoint is probably the blatant sabotage of United States efforts to account for the remaining United States military personnel and civilians who are listed as missing in action. Article 8(b) of the Vietnam Peace Agreement unequivocally provides that:

"(b) The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

Despite this clear language, carefully separated from being conditioned on any other of the provisions of the Peace Agreement, the Communists have refused American requests to enter Communist-controlled territory to conduct searches of probable crash or grave sites. Most tragic of all, the Communists committed a cold-blooded attack on the last, unarmed American MIA search team that investigated a known crash site in territory of the Republic of Vietnam.

On December 15, 1973, a United States unit of the four party joint military team, which has the single responsibility of implementing the MIA article of the Peace Accord, was attacked immediately upon landing at a site where the team had conducted a publicized operations for the preceding two days. The American team leader raised his hands in the international sign of surrender and shouted in Vietnamese that the group was unarmed. He was killed almost instantly by the attackers. One of the South Vietnamese assisting in the search was also killed. Four other Americans and three Vietnamese were wounded.

The Communist attack on an openly announced, peaceful mission was a precursor of Communist shellings of innocent school children lined up for classes at Cai Lay on March 9, 1974, and Song Phu on May 4, 1974. These massacres, which resulted in the killing of more than 50 young school children and the wounding of over an additional 100 children, are discussed in detail in my Report from Vietnam: III. The Communists have even been so flagrant as to shoot down a helicopter operated for the International Commission of Control and Supervision, causing the death of 9 passengers and crew members, including 4 ICCS delegation members.

Returning to the subject of Article 8(b) violations, the North Vietnamese and Viet Cong have not allowed official United States' teams to enter areas they control. Yet it is in these areas that some 95% of the known crash and grave sites are located. At the time of the signing of the Peace Agreement, the United States had listed more than 1900 Americans as being captured or missing. Since the signing, this list has been reduced to 1100. If these remaining Americans are to be accounted for, our Government must find some means for pressuring compliance by the Communist side with the terms of the Peace Accord.

One technique guaranteed to end all hope for American efforts to search for our missing in action, in this writer's opinion, is to walk away from South Vietnam entirely. By continuing to some extent American financial assistance to the economy and military capability of South Vietnam, the United States will visibly demonstrate its continued interest in the situation. So long as there is some American identity in South Vietnam, the Communists must be uncertain as to how great this aid will continue to be or how sudden it might be enlarged. This uncertainty will bring at least some influence to bear upon the Communists which they must reckon with in calculating how much they shall comply with the Paris Peace Agreement.

Except for one or two possibilities, I must regretfully report of learning of no new information that indicates that any of the listed MIA's are known to be still alive; but the possibility always exists and the United States government would not live up to its humanitarian heritage of caring for each individual as a valued creation of the Divine Being unless we persisted in our efforts to be certain what happened in the case of each and every one of these MIA's.

Continuing my report of the Communist violations of the Paris Agreement, it cannot go unnoticed that Communist terrorist actions against villagers and refugees have averaged almost 1,000 instances a month since the signing of the Agreement. If elementary principles of civilized society are not adequate to condemn these practices, Article 3(c) of the Paris Agreement provides that:

"(c) The regular forces of all services and arms and the irregular forces of the parties in South Vietnam shall stop all offensive activities against each other and shall strictly abide by the following stipulations:

"All acts of force on the ground, in the air, and on the sea shall be prohibited.

"All hostile acts, terrorism and reprisals by both sides will be banned."

In the face of this provision, the Communists have conducted a regular program of violence against civilians in government-held areas of South Vietnam. While in Vietnam for a one-week investigation, from May 26 to June 1, I visited a temporary refugee camp where villagers were awaiting the recovery of their homes by the South Vietnamese forces. Communist attackers had already been repulsed from the Village, but they were still bombarding it from a distance with artillery in order to prevent the population from returning and resuming normal lives. The sounds of the firings were distinctly heard at the refugee camp.

The Communists have violated the Cease-Fire Agreement by numerous military activities. Major Communist attacks have occurred against several South Vietnamese defense posts. Swollen with military aid from Communist nations, the enemy is firing mortars and artillery like fireworks against the South Vietnamese bases. On the other hand, I learned from the Commanders in three military regions of South Vietnam about the strict rationing of fuel and ammunition which is forced upon the armies of the Republic.

Since the Cease-Fire, there have been drastic reductions in materials, weapons, and ammunition for troops of the Republic of Vietnam. Even C-rations are in poor supply which causes losses to the enemy because the army cannot avoid ambushes by the Communists when its troops must stop at known water spots for the nourishment which could have been supplied by the absent C-rations. In sharp contrast with the stringent rationing and shortage of supplies by the South Vietnamese defenders, since the Cease-Fire, with no bombing, the Communists are now able to reinforce their armies in ten days instead of three to four months. Formerly at least half or these Communist reinforcements were lost in bombing.

American intelligence confirms Vietnamese reports that the Communists have brought in enormous quantities of ammunition, weapons and troops since the signing of the Cease-Fire. For example, the Communists now have at lease two SAM missile sites located within the Republic of South Vietnam. At least fifteen SAM-2 and SAM-3 missile launchers have been installed below the 17th parallel after the Cease-Fire. Related to these sites are two Communist air fields which have been built since the Cease Fire, one of which is suitable for Communist MIG aircraft.

In MR I alone, the Communists have infiltrated after the Paris Agreement, some 87 tanks and 570 artillery pieces. In all, American intelligence evidence shows that the North Vietnamese have tripled the strength of their armor in the South since the Agreement by moving in, by various means, 400 new armored vehicles, mostly Soviet and Chinese built T-54, T-55, and PT-76 tanks. These tanks have been used in battle by Communist armies against the South Vietnamese troops in at least two military regions, MR I and MR III.

The Communists have also added numerous light artillery pieces, plus well over 100 heavy artillery, mostly Soviet and Chinese built 130mm and 122mm field guns. I was shown photographs of these field guns openly being pulled down the Communist supply route into the South.

I was also told by both United States and South Vietnamese experts of a very serious build-up in anti-aircraft artillery and devices by the North Vietnamese. The Communists have sent South more than 1,000 field artillery and anti-aircraft pieces. These include hand-held devices which radically change the picture in some areas of the South and create a situation which did not exist at the time of the 1972 offense by the Communists.

Moreover, the Communists have brought into the South new troops on the order of 120,000 men after the Cease Fire. These deployments have not only replaced the sick and wounded who were incapable of fighting, but resulted in a net increase of North Vietnamese forces in the South by approximately 50,000 troops. At the same time, the North Vietnamese have significantly improved their logistic system, especially the road network leading into the South and have replenished their depleted armament stock piles.

The ironic development to this observor is that the more the Communists violate the Cease-Fire Agreement, even to the extent of staging an attack on an American MIA recovery team, the more vocal becomes the resistance in the United States Congress to continuing the military and economic assistance which is required in order to fulfill our past commitments to enable the South Vietnamese to have a serious chance of defending their own homeland and building a new Republic.

This writer returned from a week's visit to South Vietnam convinced of the will and capacity of the people to establish their own style of freedom closely aligned with the American model. It would be a human tragedy of gigantic proportions if America would abandon the people who admire and seek to follow in our footsteps at the moment when they are so close to self-sufficiency, but still need infusions of financial assistance to bridge the gap between the previous major United States involvement and a self-reliant capability on the part of the South Vietnamese people alone in their quest for freedom.

CONSUMERS AND THE DEPARTMENT OF AGRICULTURE

Mr. HUMPHREY. Mr. President, I wish to call to the attention of the Senate a report by the U.S. Department of Agriculture's Young Executive Committee, entitled "Consumers: A Restless Constitutency."

The Young Executive Committee is selected annually to give broad experience to promising young Department of Agriculture employees. This group has been an outstanding success, and it is an idea which other agencies should adopt.

The report basically suggests that the Department is not as responsive to consumers as it should be. Its orientation has been to serve farmers and the agriculture community.

With consumer interest on the increase, the young executives assert that the Department must make a greater effort to acquaint consumers with its programs and how decisions are made.

I find the conclusions of this study very interesting and worth serious consideration.

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONSUMERS: A RESTLESS CONSTITUENCY

The public has discovered the U.S. Department of Agriculture. Many people, other than farmers, find that activities of the Department of Agriculture have a direct bearing on their well-being. Since they hold this notion, they want to know what is going on in the Department, and they want to be able to influence the outcome.

A prominent concern is inflation, which is largely centered on food prices. Other matters that draw attention to the Department include food safety, consumer information, the needs of the poor, environmental quality, economic concentration, and government-industry relationships.

This sudden interest in the Department of Agriculture is welcomed in some quarters of USDA while it is viewed with alarm and hostility in other quarters. This is a strange development. When the Department was formed over a hundred years ago, President Lincoln termed it the "People's Department." And to a large extent it has been just that. Many farmers have risen from subsistence to affluence, school children and the poor are being fed, our supermarkets display abundance and variety unimagined at earlier times or in other places, we no longer fear food-borne diseases, and rural residents enjoy the convenience of electrical power and telephone communication. Many of these things have come about through the efforts of the

Department of Agriculture. With this record of accomplishment, it is reasonable to ask, "What more can the public want?"

Times have changed and the American people have changed. Yesterday our fathers or grandfathers were farmers. Today our children find us in the cities. We depend no less on agriculture now than we did a century ago, but we are no longer intimately associated with the land nor the man who tills the land. We view agriculture as an amorphous system that delivers food to our table, and we expect it to function continuously, efficiently, and honestly.

Such things as volatile supermarket prices, beef shortages, rumors of monopoly, suspected carcinogens in food, and a host of issues alarm the public, and the public reasonably expects an accounting from agriculture as an industry and from the Government agencies that serve it. The public feels that an adequate accounting has not been given.

Many consumers feel the Department of Agriculture has a credibility problem. Large numbers of people feel the Department represents only the special interests of agriculture and not the general public. They feel that little information relevant to public issues has been forthcoming from the Department and that the information that has been made available is meant to be persuasive rather than informative. The public prefers to influence the policy choices of the Department rather than be persuaded that the correct choices are being made on their behalf.

These feelings have serious implications for the Department of Agriculture and for the industry it serves. Three-fourths of the American people live in urban areas. Urban people are represented by urban congressmen. As their constituents lose confidence in the Department of Agriculture, these congressmen can be expected to give greater attention to agricultural issues and agricultural legislation. For good or for evil, these views are likely to reflect the biases and beliefs of the urban population in general. The results may be new impediments to the passage of agricultural legislation and attempts to undermine the authority now vested in the Department of Agriculture. Unless public confidence is enhanced, the Department of Agriculture can be expected to fade as an instrument of public policy.

The above observations arise from the efforts of the Young Executives Committee to gain a perspective on the relationship of the public, especially the consumer, to the Department of Agriculture. We interviewed the Secretary of Agriculture, the Under Secretary, assistant secretaries, administrators, directors, and other members of the Department who could comment on consumer issues. We also visited with members of Congress and representatives of public interest groups and consumers throughout the Nation to record their views.

We found general agreement that little is being done to involve the general public in USDA decisions. Differences arose over whether there should be a great deal of public involvement. Comments received from some members of the Department were genuinely hostile to public involvement:

"The movement is kind of an offshot of the antiprogress, environmental, extremist groups,"

"Agricultural policy questions are complex, it is doubtful that outside advocate groups can contribute,"

"Their interests are shortterm."

Many representatives of consumer groups, on the other hand, exhibited a measure of naivete about the Department of Agriculture and decisionmaking processes employed in the Department. They complained that efforts to become better informed and to make contacts with the Department were frustrated. Some mentioned that they had to resort to picketing, in their view an extreme measure, to gain a hearing with the Secretary of Agriculture.

As a result of our interviews with people within and outside the Department of Agriculture, we identified two broad areas of concern. The first of these is communication, the second deals with the nature of the decisionmaking process.

COMMUNICATIONS

Historically, the U.S. Department of Agriculture has operated a massive information delivery system aimed at farmers and rural residents. Only recently, have efforts been made to serve urban residents. An important step in this direction was the appointment of a special Assistant to the Secretary for Consumer Affairs. These efforts, however, are modest in comparison to the magnitude of the problem and not well known among the people meant to be served.

The Department of Agriculture also employs a large variety of media for communicating with the public. Numerous mailing lists are maintained for distributing publications, news releases, and ideas for better farming and living. Information sent out of the Department can be designated for whatever group a particular mailing list represents. It is significant, however, that only now is a mailing list for consumer leaders being established.

The great volume of information emanating from the Department is used by farm editors, city food editors, farm organizations, industry groups, and some individual members of the public. However, most of the effort to inform has been oriented to the needs of the individual farm or the individual home rather than to issues confronting farmers as a group or households as a group. Helpful home and farm hints have a great deal of value, and continued dissemination of such information deserves support. But questions on national food policy or economic policy have at least as much value to individual economic units, and it is this area that the information services of the Department of Agriculture have been reluctant to tread. Furthermore, when these issues are discussed in the public forum, the intent is often to persuade rather than inform and the public reacts with skepticism.

In spite of massive efforts to inform the public, albeit on noncontroversial issues, many people seek more information about particular problems than is normally available. The typical approach used to obtain information is to write a letter (to the Secretary of Agriculture—who else?) Another approach is to make a phone call (to the "Department of Agriculture" as listed in the local telephone directory). Both of these approaches lead to frustration. Letters are answered, often with some delay, but the replies are sometimes not satisfactory. A phone call leads to the General Services Communication Center (in Washington) or to an agency field office that only coincidentally may deal with the problem.

We found that much of the public, represented by consumer spokesmen, simply does not know how to get information from the Department, even if it is noncontroversial. A few members of the Department argue that a person can get the information he needs if he perseverses. We question whether success is securing information should depend on the stamina or native ingenuity of the inquirer.

Requests for information on sensitive issues may not be well received. However, if the inquirer has credible political resources, delays are reduced and replies are more responsive. Some parties have resorted to court action to get such information.

The basic problems we see in the communications area are:

1. Little urban access to USDA information.

2. Reluctance on the part of USDA to inform on sensitive issues.

3. Poor knowledge on the part of the public of the structure, activities, and goals of USDA.

4. Limited efforts to facilitate public inquiries.

DECISIONMAKING PROCESS

Problems in the communications area relate to the difficulty in getting information from USDA. Problems with the decisionmaking process relate to getting information to USDA.

Decisionmaking processes in USDA are not well understood by the public, and are therefore suspect. To many persons it appears that Department policies are established behind closed doors by government officials and representatives of industries with vested interests. This is an exaggeration, but it leaves a citizen with the feeling of helplessness and despair. It is easy, then, to reject any and all proposals of the Department of Agriculture as serving the selfish interests of agribusiness. Greater consumer involvement in the decision process will result in better understanding and commitment to final decisions.

Most significant farm program decisions remain the prerogative of the Secretary of Agriculture. These include the establishment of price-support levels, acreage restrictions, commodity purchases, and export subsidies. In some cases, public comment is solicited, but there is no requirement to make use of it. Consumer representatives feel their views are systematically excluded from these decisions, because they are made in private by officials with suspected industry bias.

Problems associated with the decisionmaking process can be dealt with more specifically in the several areas where USDA employs formal means for getting public input into government decisions. These form means include *Federal Register* procedures, advisory committees, and public hearings.

The most commonly used vehicle for securing public comment on USDA proposals is the *Federal Register*. This process is very formal and includes a specific sequence of events. A tentative proposal is published with a statement of considerations, and a limited amount of time is allowed for the filing of views and comments. At the close of the filing period the proposal is reevaluated in light of the comments received, and ultimately the final decision is published, with a review of the comments, and incorporated in the Federal Regulations.

Consumer representatives expressed dissatisfaction with current *Federal Register* procedures. In the first place, few individuals are aware of the *Federal Register* or proposals made in it. Second, for those who know about and use the *Federal Register*, several problems exist. Aside from concern about the origin of proposals, consumer representatives feel that the statement of considerations does not identify the broad context of the proposed change and that little effort is made to describe the impact of the proposed change on any group other than the regulated group. Federal regulations administered by the Department of Agriculture are complex, and unless a reader is generally familiar with a particular regulation, it becomes difficult to place a proposed change in its full context. Without an appreciation for the context of the proposed change, it becomes even more difficult to project the impact on one's own interest. Frequently, the statement of considerations placed in the *Federal Register* puts a heavy burden of understanding on the reader. Without this understanding, much of what is presented is not clear.

Another complaint from the consumer groups who offer comments on *Federal Register* proposals is that their views are not adequately considered. Such complaints may arise because there is often no evidence that consumer views were considered.

USDA uses official advisory committees

which are established to provide public input and make recommendations in specific policy areas. We would add to this list the Federal marketing order administrative committees.

By law, advisory committees must be representative of the interests related to the policy area under review. Our cursory examination of the membership of advisory committees turned up only one member representing any well-known consumer organization. In the eyes of the Department we are all consumers; therefore, the consumer has unanimous representation on advisory committees. We prefer the narrower definition that a person be classified by the economic interest of his organizational affiliation.

It is argued that representatives of consumer groups lack the expertise or sophistication to contribute much of a technical nature to an advisory committee. But many committees that deal with questions of food prices and supplies, grades and standards, research priorities, food safety, or environmental quality could benefit from the addition of a consumer member. He represents the ultimate user. He can keep the committee constantly abreast of the up-to-date concerns, attitudes, and interests of the consuming public. Furthermore, some consumer groups have access to technical experts.

The hearing process is an extension of the *Federal Register* procedure and is used mainly for making changes in Federal milk, fruit, and vegetable marketing orders. It adds several preliminary steps before a formal proposal is made in the *Federal Register*. From time to time interested parties recommend particular changes for marketing orders. If the proposal is legal, and if it is deemed substantive, the Department announces its intention to hold a hearing and solicits additional proposals from other interested parties. After the time for filing proposals has passed, a "notice of hearing" is published in the *Federal Register* listing the proposals and designating the time and place for hearing.

A hearing is usually held in a local area and is presided over by an administrative law judge. Any member of the public can attend and give testimony on the proposals being considered. In practice, participation is usually by Department specialists and industry representatives. The proceedings are rather informal and are designed to develop an official record on which the decision is based. After the hearing, USDA specialists study the record and formulate a recommended decision for publication in the *Federal Register*.

The structure of the hearing process does not seem to present formal barriers to participation by individual members of the public, whether they be producers or consumers. However, it is a rare occasion when a consumer representative or an interested citizen is present and offers his views. Public participation is probably restricted because the notice of hearing is written in technical jargon, unintelligible to all but the specialist. Failure to appear means that his views are excluded from the hearing record and consequently are not explicitly taken into account when a decision is made.

In addition to the formal methods, USDA also utilizes informal relationships between employees and industry groups to obtain comments. In the area of regulatory activity, formal proposals often come about as a result of unsolicited advice from an interested industry group. Over a long period of time, these groups, organized mainly to work with government, have identified decisionmakers in the Department, and have developed close working relationships with them. We see no evil in this approach but we did find that consumer groups seek to form the same sort of relationship with the Department. To date they have had less than satisfactory results. Consumer representatives are convinced that they have valid recommendations to offer, and want their suggestions entered into the decision process. They especially want to enter the formative stage before proposals are drafted and published in the *Federal Register*.

GENERAL RECOMMENDATIONS

The Young Executives Committee recommends two long-run objectives for the Department of Agriculture.

1. Broaden the constituency of the Department of Agriculture. Our interviews with Department officials made it clear that most of them believe the constituent of the Department of Agriculture is the commercial farmer. In practice, however, agricultural business, whether they be cooperatives or proprietary firms, also receive substantial attention.

Concentration on the interests of farmers and agricultural businesses narrows the vision and potential for service by the Department of Agriculture. American consumers represent a vital client group for the Department of Agriculture. This is the group that buys most of the food in the United States. Consumers must see themselves as beneficiaries, and not the victims, of agricultural programs. Otherwise, other institutions will arise and eclipse the authority now held in the Department as agriculture's political base declines. In fact as well as in principle, the actions of the Department must reflect the interests of consumers and producers.

The Department must broaden its working relationships with Congress. Currently, the Department of Agriculture maintains its closest working relationships with rural-oriented congressmen and agricultural committees of the Senate and the House of Representatives. This is fine, but the same set of relationships should be cultivated with other congressmen and committees that are concerned with the impact of agricultural programs on their urban constituents.

2. Develop a national food policy which would include farm policy. This national food policy would be set with the interests of the consuming public in the forefront. With such an approach, farm programs would be derived from national food goals relating to nutrition, food supplies and prices, foreign food aid, and agricultural trade, as well as from the needs of farmers. Then farm programs would be established to contribute to these goals. However, the primary responsibility for the development and administration of the national food policy should remain where the information and expertise is in the Department of Agriculture.

A well considered national food policy must reflect the longrun interests of consumers. Consumer needs are fundamental, and only by satisfying these needs can farmers maximize their returns in the long run.

It is frequently argued that the best way to assure plentiful food supplies and reasonable prices is to maintain a prosperous agriculture. If this argument holds, then agriculture will fare better under a national food policy than under a separate farm policy.

SPECIFIC RECOMMENDATIONS

Apart from the general recommendations, a number of measures can be adopted in the short run by the Department of Agriculture that would improve understandings between agricultural policymakers and much of the public. We urge the following actions.

I. Initiate and fully support effort to facilitate public access to USDA:

(A) List a special USDA consumer information number in each major metropolitan telephone directory. Then man the phone with a well-trained professional who can direct inquirers to the proper person in the department. This would reduce the time and frustration often experienced as inquirers are shuffled from person to person before a satisfactory answer is given, or the question is given up. It would also reduce the number of irrelevant calls handled by members of the Department.

(B) Prepare and widely distribute a brief up-to-date popularized publication to aid the public, including consumers, in communicating with USDA. This publication should describe the Department's goals and general organizational structure. It should list the managers of major programs along with their phone numbers. These managers could be identified from the Department's program elements.

(C) Publish a list of USDA experts to serve as a speakers bureau. These experts should be identified by specific subject area and the list contain persons from throughout USDA. A separate list should be made for different localities or regions. Members of the bureau will be made available to consumer groups or other interested parties to give the Department's view on pertinent issues. This activity will allow consumer groups, as well as others, an opportunity to get the facts.

(D) Launch a national campaign on how to get information from USDA. Using mass media channels, a nationwide public service campaign should be conducted to inform people on the proper procedures for making inquiries of the Department. The theme, "It's a People's Department," or "It's Your Department," should be stressed, but the campaign must not be a platform for a "look how good we are" operation. Instead it should, actively solicit questions and explain procedures for best getting them answered—such as using complete addresses, asking for only one type of information per inquiry, etc. This campaign should take advantage of all types of mass media:

1. Radio-TV Spots. A series of these, taking advantage of public service time, could advertise phone numbers and addresses to which people could direct inquiries on specific topics. The organizational outline publication could be advertised. The fact that USDA has speakers available for groups could be announced.

2. Newspaper and magazine articles could be generated around inputs from the radio-TV spots. For instance, a story could say the Department received x number of letters objecting to y last week, or that mail is running 4 to 1 in favor of the decision on z. Stress that the Department wants public comment and how to make it.

3. Popular Publications should all contain a statement saying: "For more information on this subject—or other selected topics—here's where to write or call."

II. Incorporate consumer views in the decisionmaking process. This could be accomplished by:

(A) Forming a consumer advisory committee with members also serving on program advisory committees. We feel at least 24 advisory committees could benefit from the inclusion of a consumer spokesman. Appendix A lists these committees. Such a structure will assure consumer representation and input into the advisory committee system. These representatives can be a part of the individual advisory committees and still have a forum of the full consumer committee to exert influence. National, State, and local consumer organizations should recommend individuals to serve on the consumer advisory committee.

(B) Placing the Assistant to the Secretary for Consumer Affairs on the Commodity Credit Corporation Board of Directors. The CCC Board plays a central role in the policy and decisionmaking role of the Department's farm income programs. The Board also is used extensively by the Secretary to obtain advice on other issues of concern to the Department. Greater consideration of the consumer viewpoint by this body, given the close and necessary relationship between the consumer and the farmer, would prove beneficial to both parties.

(C) Actively soliciting consumer views on program decisions.

1. Encourage the advance publication of program options to solicit comments from interested parties before recommended decisions are made. Decisions can be improved by allowing a wider and diverse group to examine the options.

2. Press releases should spell out the impact of proposals and upcoming hearings on consumers. The release should be distributed through a consumer mailing list. Language should be understandable to the layman. This could be done by adding to or rewriting the releases that currently go out. Most releases are now issued in a form that lends support to charges that they are intended only to inform industry interests.

3. Expand the use of public briefings, such as the briefings on the net weight proposal, to inform the public of proposals and to obtain comments. These meetings afford consumers as well as industry representatives an opportunity for open discussion with Departmental specialists. Such briefings could be valuable to the Department in getting input on issues of consumer interest prior to the drafting of proposals.

III. Establish an Office of Consumer Affairs as a staff office of the Secretary. The present position and staff of the Special Assistant to the Secretary for Consumer Affairs could be the nucleus of this office. The function of the Special Assistant is to explain what the Department of Agriculture is and does, provide information and coordinate briefings on policy issues, and assist the public in making comments on policy proposals. The Office we propose would expand the capability of the Department to undertake these activities. The director of this office should also be a member of the consumer advisory committee.

CONCLUDING REMARKS

The Department of Agriculture has not adequately considered or involved the consuming public in its programs and decision-making processes. Consumers are dissatisfied and vocal in expressing this dissatisfaction. Increasingly consumers are urban oriented and are represented by urban Congressmen without expertise in agricultural issues. Unless the Department increases its consideration of consumer needs we fear both agriculture and the consumer will be adversely affected. We believe the need for a broader constituency for the Department is indicative of the need to establish a national food policy. The Department should take bold steps towards improving communications with consumers and specifically represent their interests.

Recently the Department has moved in this direction. The establishment of a special assistant to the Secretary for Consumer Affairs is an effort to recognize, inform and involve consumers. The Food Editor's conference held in January, the public briefings on the net weight issue and individual agency efforts to inform and involve the public are positive steps. However, current efforts are not consistent with the magnitude of the problem facing the Department. Therefore a need clearly exists for the enactment of our recommendations.

HERNÁNDEZ COLÓN CALLS FOR STRENGTHENED TIES BETWEEN PUERTO RICO AND THE UNITED STATES

Mr. McGOVERN. Mr. President, the unique character of the relationship between Puerto Rico and the United States has been of considerable interest to me as an historian and as a long-time friend of the Commonwealth. I was, therefore, gratified to read the thoughtful and sensitive statement made by the Governor of Puerto Rico, Rafael Hernández Colón to the Ad Hoc Advisory Group on Puerto Rico, describing his concept of this compact between two freely associated people—the people of the United States and the people of Puerto Rico. The statement was reprinted in the CONGRESSIONAL RECORD of May 2, 1974, and I commend it to my colleagues' attention.

In a world torn by violence, Puerto Rico seeks a larger share of self-government and self-determination through peaceful and constitutional means, within the context of the established relationship between the two signatòrs to the compact. Puerto Rico has demonstrated repeatedly that it does not want statehood nor does it wish to sever its ties with the United States. It wants permanent union with maximum self-government—a unique experiment in Commonwealth. And the dynamic young Governor of Puerto Rico, Mr. Hernández Colón has eloquently articulated these principles and hopes in his statement before the Ad Hoc Advisory Group on Puerto Rico which is now deliberating on improvements in the status of Puerto Rico.

An excellent editorial on this question appeared in the May 27, 1974, issue of the Washington Star News and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUERTO RICAN FREEDOM

It is almost 22 years since Puerto Rico, a spoil of the Spanish-American War, became a commonwealth in free association with the United States. The arrangement should be overdue for revision, if not a basic overhaul, in the light of two decades of trial and error and the hectic pace at which the island has been transformed.

So it is surprising, at the outset of an official review of Puerto Rico's status, that the changes sought by the island's political leadership are rather modest. This is a tribute, mostly, to the soundness of the commonwealth idea and the fact it has served the welfare of the great majority of Puerto Ricans.

In initial testimony before the recently created Ad Hoc Advisory Group on Puerto Rico, Governor Rafael Hernandez Colon has stressed the goal of "maximum self-government" along with "permanent union" with the United States. His principal proposal would make it less automatic for acts of Congress (in which Puerto Rico has a delegate but no vote) to be applicable to the island; laws would have to include Puerto Rico specifically in order to apply, rather than be applicable in the absence of a specific exclusion. This makes sense, although we would like to see debate on two examples of areas where Hernandez would like Puerto Rico to be free of national legislation: environmental law, and the jurisdiction of the Federal Communications Commission over radio and television.

The important point in the present review of Puerto Rico's legal standing is that it can demonstrate the voluntary nature of the link between island and mainland, to the consternation of Cuban propagandists seeking to label Puerto Rico a colony. The Ad Hoc Group, co-chaired by former Governor Luis Munoz Marin and Senator Marlow Cook, was named by both Hernandez and President Nixon to recommend improvements of the commonwealth arrangements, preferred by most islanders as it was in 1952. With statehood the goal of a sizable minority (though this would bring the federal tax man and much more control from Washington), Hernandez noted that "more than 95 percent of Puerto Ricans want to continue close, permanent ties with their fellow-citizens in the United States."

The lonely independence movement, of course, could grow in time, but not if the commonwealth with its large measure of economic interdependence with the United States works as well as it has since 1952.

THE FOURTH OF JULY REVISITED

Mr. ERVIN. Mr. President, Dr. Bower Aly, who was a distinguished professor of speech at the University of Oregon, wrote an excellent article entitled "The Fourth of July Revisited" which was published by the Speech Association of America, New York, N.Y., in 1970, in the volume entitled "Essays in Honor of Claude M. Wise." Acting for the editors of the copyright of this book, Arthur J. Bronstein has given me permission to have this article inserted in the CONGRESSIONAL RECORD with this statement: "Reprinted from 'Essays in Honor of C. M. Wise,' edited by A. Bronstein, C. L. Shaver, and C. J. Stevens, the Speech Communication Association, New York, 1970."

Pursuant to this permission, I ask unanimous consent that Dr. Aly's article be printed in the RECORD in order that it may have the widest dissemination.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FOURTH OF JULY REVISITED

(By Bower Aly,* University of Oregon)

THE SPIRIT OF '76

On July 4, 1793, John Quincy Adams, scion of the famous Massachusetts family, fulfilled his obligation as orator for the Town Authorities of Boston with an oration deemed by his hearers to be a veritable model of eloquence. In a burst of fervor, the orator exclaimed, "Americans! let us pause for a moment to consider the situation of our country at that eventful day when our national existence commenced."[1] In his exhortation Adams adopted the view held generally in 1973, and for a century thereafter, concerning the observance of the Fourth of July. Of all the holidays, saints' days, and days of celebration, none has been observed throughout the United States of America with more enthusiasm or with greater consistency than Independence Day. The Fourth of July, celebrating, somewhat incongruously, an event that occurred on July 2, 1776, thus tended to unite Americans and to provide them with the occasion for their most characteristic epideictic oratory.[2]

In the nineteenth century, who delivered the Fourth of July orations? Who heard them? What was said? What were the circumstances? The answers to these and comparable questions provide an avenue to understanding the development of nationhood in the United States and the uniting of her people.

In some degree the Fourth of July oratory doubtless became the conscious instrument of nation-makers. Ebullient oratory, extolling Americans and viewing with disdain the effete nations of Europe, could and did on occasion make the judicious grieve; but it also served to voice the pride and to build the confidence of popular audiences in their

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Footnotes at end of article.

institutions and in their destiny. To praise the Americans in America was not more difficult than to praise the Athenians in Athens. The Missouri editor admonishing his fellow-citizens may thus have written more shrewdly than he knew when he complained that a Fourth of July "passed off rather more silently than might have been expected. . . . we should think that in a town like ours the public spirit would speak from the mouth of a tolerable sized cannon on the anniversary day of our country's independence." [3] Surely the Missouri editor would have applauded the sentiments expressed in Wisconsin when, since the Fourth of July fell on a Sunday, no provision was made for its celebration:

It should be taught to our youth as a part of their duty to themselves and posterity, to keep alive the "vestal fires" of liberty—to revive [the] spark which burned so steadily and strongly in the days that tried men's souls,—and it is a solemn duty, by orations, by reading the declaration—by patriotic speeches and toasts—to vivify and refresh the memory of all, of the great event it commemorates.[4]

THE FESTIVITIES

During the nineteenth century, Independence Day—almost invariably referred to as "The Fourth of July"—occasioned celebration in cities, towns, and countryside. Someone, perhaps the local schoolmaster or some exceptionally favored youngster, read the Declaration of Independence. Normally an invited orator spoke at length to a great public gathering; additional speeches were often scheduled throughout the day. Frequently the festivities took place in a grove, and in the early days of the republic the orator might literally speak from a stump. The militia were sometimes in evidence; parades, with floats and banners, appeared in the towns; and firecrackers and cannon fire were not unknown. In the countryside the people gathered to consume quantities of food served at rude tables in "brush arbors"; in the towns and cities the celebrating patriots were more likely to resort to a hotel or tavern. In either case, the toasts drunk in any available beverage were not likely to be perfunctory. The toasts of two sorts—regular (or announced) and voluntary (ostensibly on the spur of the moment) were sometimes in such number as to place in question the ability of the celebrants, after the thirteenth libation, to give thoughtful attention to any speaker. The voluntary toasts varied from year to year and from place to place; but for a hundred years or more the regular toasts conformed so fully to type as to be predictable. They are exemplified by some of those offered at a foregathering of Americans in Montreal on July 4, 1811:

Our country—May she never doubt the fidelity of her absent sons in the hour of danger.

Patriots of '76—Your children best know your worth when bore down by overbearing spirits.

Sojourning Americans—May you all be ready at your country's call.

Brother Jonathan—May his great gun be loaded with true American principles, wadded with traitors, and pointed at the enemies of liberty. Yankee doodle.

* * * * *

Many in one (*epluribus Unum*) the motto of the United States.

The American Constitution—The greatest piece of human ingenuity, the safeguard of our union, and the shield of our liberty.

Our native country—May she have a speedy and amicable adjustment with all nations.

Yankee doodle—More powerful than the shouts of rams' horns, which brought down the walls of ancient Jericho.[5]

THE ORATIONS

For the most part the Fourth of July orations might well have taken their cue from the toasts. In varying degrees of sophistication, the orators expressed pride in the past, satisfaction in the present, and confidence in the future of their country. These expressions of pride, satisfaction, and confidence permeated American oratory when the United States was a loose alignment of commonwealths along the Atlantic seaboard; they continued to characterize Fourth of July speeches of the continental nation emerging into the twentieth century. Moreover, certain phrases recurred so consistently as to become well-nigh ritualistic. They were heard eventually in Springfield, Oregon, as they had been heard in Springfield, Massachusetts; and in the state of Washington as well as in Washington, D.C. The language, the rhythms, the prosody can be observed to vary in time and place, but the views expressed by John B. Henderson on July 4, 1847, will be found over and over again in the Fourth of July orations:

"Though all former governments have fallen and yielded to the corroding influences of time, and shared the fate of all other human concerns, yet there are principles, firm as the unchangeable rocks of Adamant, upon which the fabric of government will stand, until human affairs shall have ceased and Heaven's Messiah shall fill the throne of peace. Those principles are founded upon the equality of mankind, upon truth, reason and justice; and the government whose foundations rest upon these, and whose strength is dependent upon the free will of a vigorous people, will only fail when time shall grow hoary with age, and nature herself shall decay." [6]

IV. THE EXCEPTIONS

Not all the Fourth of July orations conformed to the pattern. As sometimes happens the variant speeches may prove more interesting, if less instructive about the general practice, than those conforming to custom. The sober discourse that Henry James (the elder) delivered in Newport, Rhode Island, although patriotic enough in its Jamesian way, could hardly be confused with the fustian of the backwoods orator whose sublimest art consisted in twisting the British lion's tail and making the American eagle scream. In distinctive phrases Henry James expressed on that fateful Fourth of July following Abraham Lincoln's first inauguration and the firing on Fort Sumpter the perturbations that he shared with many of his countrymen:

"No doubt many men, whose consciences have been drugged by our past political prosperity, do fancy some such inevitable destiny as this before us,—do fancy that we may become so besotted with the lust of gain as to permit the greatest rapacity on the part of our public servants, the most undisguised and persistent corruption on the part of our municipal and private agents, without forfeiting the Providential favor. From that sort of spread-eagle-ism I told my friend that I hoped we were now undergoing a timely and permanent deliverance.

* * * * *

"As Americans, we love our country, it is true, but not because it is ours simply; on the contrary, we are proud to belong to it, because it is the country of all mankind, because she opens her teeming lap to the exile of every land, and bares her hospitable breast to whatsoever wears the human form.

* * * * *

"For my part, if I thought that our rules were going to betray in this agonizing hour the deathless interest confided to them,—if I thought that Mr. Lincoln and Mr. Seward were going at last to palter with the sublime instincts of peace and righteousness that elevated them to power and give them all their personal prestige, by making the least conceivable further concession to the obscene demon of Slavery—then I could joyfully see Mr. Lincoln and Mr. Seward scourged from the scared eminence they defile, yea more, could joyfully see our boasted political house itself laid low in the dust forever, because in that case its stainless stars and stripes would have sunk from a banner of freemen into a dishonored badge of the most contemptible people on earth; a people that bartered away the fairest spiritual birthright any people ever yet were born to, for the foulest mess of material pottage ever concocted of shameless lust and triumphant fraud." [7]

The Fourth of July orations of Henry David Thoreau are likewise atypical. In his speech delivered at Framingham, Massachusetts, on July 4, 1854, Thoreau, endeavoring to demonstrate the superiority of private conscience over public law, reported his discovery: "I did *not know* at first what ailed me. At last it occurred to me that what I had lost was a country." Six years later, on July 4, 1860, he was called to North Elba, Ohio, to deliver an address commemorating "Old John Brown of Osawatomie." There he spoke not for John Brown's life, for the old man had been hanged on December 2, 1859, but for John Brown's character, his immortality [8]

Surely no fourth of July oration—at least during the nineteenth century—could have run more directly counter to the prevailing lines of discourse than that delivered in Rochester, New York, by Frederick Douglass, a slave escaped from bondage, a black man of unconquerable spirit, who told to his white audience the story as it was in 1852:

"This Fourth July is *yours* not *mine*. *You* may rejoice, *I* must mourn. To drag a man in fetters into the grand illuminated temple of liberty, and call upon him to join you in joyous anthems, were inhuman mockery and sacrilegious irony.

* * * * *

"What, to the American slave, is your 4th of July? I answer; a day that reveals to him, more than all other days in the year, the gross injustice and cruelty to which he is the constant victim.

* * * * *

"Go where you may, search where you will, roam through all the monarchies and despotisms of the old world, travel through South America, search out every abuse, and when you have found the last, lay your facts by the side of the every day practices of this nation, and you will say with me, that, for revolting barbarity and shameless hypocrisy, America reigns without a rival." [9]

THE OCCASIONS

To suppose that the speeches of Henry James, Henry David Thoreau, and Frederick Douglass truly represent Fourth of July oratory would be delusive. They do not. Almost equally delusive would be the supposition that the celebration of Independence Day was given over entirely to the celebration of independence. The expectation of throngs of citizens suggested to many enterprisers of varying degrees of private interest and public spirit that the Fourth of July could be a good day for events somewhat extraneous to commemorating the birth of the United States of America.

The Fourth of July thus became an occasion for laying cornerstones. In 1795 Massachusetts combined the celebartion of Independence Day with the laying of the cornerstone of the State House on Beacon Hill.[10] In 1815 the city of Baltimore found "the Fourth" a convenient day for laying the cornerstone of a monument to George Washington.[11] With such good precedent, the citizens of Missouri did not hesitate to lay the cornerstone of the new University of Missouri on July 4, 1840; [12] and six years later the citizens of Springfield, Missouri, thought it well to lay the cornerstone of the Southwest Missouri High School on July Fourth.[13] The precedent established in 1795 and 1815 was further confirmed in Washington, D.C., on July 4, 1851, with the laying of the cornerstone of the enlargement of the Capitol.[14]

Doubtless the expectation of good summer

Footnotes at end of article.

weather in an era when auditoriums, if available at all, could hardly accommodate throngs of citizens, suggested the expediency of holding great public events out of doors on the Fourth of July. The Fourth thus became the great gathering day, and not only for the laying of cornerstones. In 1817, the chief stockholders in a super bridge "now erecting over the Susquehannah river at a place called *Rock Run*" met to observe the work in progress and to celebrate the day with "an elegant entertainment." [15] In the years to follow, great crowds gathered on "the Fourth" to witness the breaking of ground for the new Erie Canal; [16] the commencement of the Cumberland Road westward of the Ohio; [17] the opening of the Croton Aqueduct into New York City; [18] the breaking of ground for the new railroad out of St. Louis to the West; [19] and the opening of navigation between Lake Erie and the Great Hydraulic Canal at Niagara Falls.[20]

The passing years saw the Fourth of July employed as an occasion to denounce the British and their high-handed actions at sea; [21] to aid the ladies of the Methodist church,[22] to promote the building of a railroad and telegraph to San Francisco; [23] to celebrate at Marquette, Michigan, the completion of the St. Mary Canal; [24] to dedicate before 20,000 spectators, in New York, the equestrian statue of George Washington in Union Square; [25] to organize a pioneer society for all who had lived in Greene County, Missouri, since 1838; [26] and eventually, in 1892, to plead on behalf of a Woman Suffrage Club that women be given the same rights as those accorded to four million slaves.[27]

As the years passed, the Fourth of July seemed to become more and more available to causes or private concerns even less related to Independence Day than the laying of a cornerstone or the breaking of ground for a new railroad. Temperance societies, seeing the temptations present even on the very grounds provided for the Fourth of July celebration, found the time and place auspicious for temperance sermons.[28] Candidates for public office, from Sheriff to Congressman, endeavored if not to speak then at least to see and be seen. The great day tended to become tainted, in the opinion of some dedicated patriots, by party politics. In Philadelphia, on July 4, 1838, John J. McCahen thus employed the national birthday to attack the "activities of the Federal Party." [29] In Augusta, Georgia, a year later, Elijah Anglin sought to celebrate the day with a partisan toast:

"*Gen. Jackson*—He has whipped the British, he has out Generalled the French, he has choaked down the Bank, and gutted nullification." [30]

Perhaps less partisan and certainly more acceptable, the Fourth of July and Grief Meeting held six years later in Springfield, Missouri, permitted the delivery of not one but two lengthy orations "especially descanting upon the virtues . . . of the Hero of Orleans who had recently died." [31] The celebration held on July 4, 1849, in Orangeburgh, South Carolina, at which secessionist toasts were offered, could hardly qualify as a commemoration of the spirit of 1776; [32] and in Charleston on the same day the toast offered by T. S. Blanding might well have been

"Sacred to the memory of Thomas Hart Benton, who, in a feeble attempt to injure our right arm, has been crushed by our Foote." [33]

Despite all the causes served by the Fourth of July, however, great numbers of Americans doubtless attended the celebrations for the same reason that prompted Fisher Ames in 1794 not only to go hear the oration but also, as he said, "to see the bustle of the Boston frolic." [34] Often, as inveterate participants could report, "A good time was had by all."

Yet not every one had a good time at all of the many thousands of observances. Sometimes, as with the magnificent celebration planned by the Pilot Grove and Pisgah Rangers for July 4, 1844, the rains descended and the floods came to abort all plans.[35] Sometimes untoward accident occurred on the Great Day, as at Geneva and Auburn, in 1835;[36] and at Portsmouth, New Hampshire, in 1840, when a large pavilion erected in the form of an amphitheatre gave way and came tumbling down with a horrible crash, so that nearly a thousand persons were thrown to the ground amid "screams of affright, and . . . groans of pain." [37] Even when no untoward event occurred, the day was sometimes solemn, as it may well have been at Old Fort Schuyler, when on July 4, 1796, General Philip Schuyler chose to announce his retirement:

"The last sands of my political life, as one of your representatives, are nearly run out; but whilst I continue in that honourable station, be assured that my best abilities will be exerted to promote the interest and happiness of the community at large, and that of my Fellow-Citizens of the Western Counties in particular; by whose industry a howling wilderness is reducing to smiling and fertile fields." [38]

Thirty years later both John Adams and Thomas Jefferson, with a felicity that did not go unobserved, died on Independence Day and thus gave themselves and the anniversary a certain unanticipated dignity.[39] The observances of the Fourth before, during, and after the Civil War often proved to be sobering and sometimes sombre. In Detroit, on Independence day, 1857, a fight occurred in which Deputy Sheriff Small was fatally injured.[40] In 1861, Captain Howell of the Canton Guards was shot and the troops were called out.[41] On the same day Ex-Senator Green, after reading the Declaration of Independence, was pursued and captured by Col. Palmer's troops.[42] Two years later the Fourth of July address delivered by Brigadier General Bartholow inveighed against the rebels and their sympathizers.[43] In 1866, the Civil War having been concluded, General John A. Logan delivering the Fourth of July oration at Salem, Illinois, asserted that Independence Day belongs to loyal men and not to traitors, who have no civil rights except those specifically granted to them by the victors;[44] and at Hibernia, Missouri, in 1868, the people announced a Fourth of July meeting to raise funds for the widows and orphans of the Confederate dead.[45]

THE HEARERS

In Pontiac, Michigan, on the Fourth of July, 1854, Mrs. T. J. Drake declared, "Everybody has gone to the grove to hear the speeches." [46] Her assertion could stand with but slight modification for innumerable communities throughout the United States for more than a hundred years. The audiences for the speeches on the Fourth of July included, as some of the old folks could say with slight exaggeration, "Everybody who *is* anybody."

Even in sparsely settled areas, the audiences often numbered thousands of persons, eager for sociability, amusement, and speechmaking of the kind that came to be expected on July Fourth. In days when men and women walked, rode horseback, or came in horse and buggy, the pioneers traveled from miles around on the Fourth of July to watch Adam Cobb walk to and fro on the platform, flourish his bandanna, and occasionally weep, as he gave his famous oration. Happily a text of his speech has been preserved and inasmuch as some understanding of the hearers can be developed from a knowledge of the speeches they enjoyed, a portion of the text of Adam Cobb's oration is reproduced:

"I appear before you, at this time, in behalf of our beloved Washington and our forefathers. I have come to speak their praises, for it was them that bore the *brunt* of our sorrows and made us a free and a happy people.

"Yes, my friends and enemies, it was my forefathers and anchestors as well as yours that fit with our beloved Washington when he whipped the great battle of the cow pens in the State of old North Carolina. When the Red Jackets came to beguile us from our homes, besides the Red Man of our native land. Our forefathers and our *anchestors* had to work their *craps* the best they could, with the rifle in one hand and the Brazin seikle in the other, and the hot broiling sun shining down on their backs.

"But our glorious, beloved Washington is no more, for he is buried way down on old Faginia shore. Whar the willows wave over his grave, and we see him no more, for he is buried way down on old *Faginia* shore, where willows wave over his grave, and we see him no more. So *Sweet-Li* let him Lye, and sleep for ever more." [47]

Presumably the Wisconsin pioneers never heard Adam Cobb's oration; but Mrs. Gratiot's description of a Fourth of July audience in the early settlement of Wisconsin suggests that he might have been well received:

"The first insight I had in border society was at the Fourth of July celebration, of the same year . . . Several very polished persons, of course, were present; but it was the contrast that made it original: Capt. Comstock, Maj. Farnsworth, Dr. Newhall, Capt. Hardy, Mr. Meeker and others. Col. Strode delivered the oration. But of miners with uncut hair, red flannel shirts, and heavy boots drawn over their pants, there was a great number, all eager to dance and enjoy themselves to the worth of their money; but I must say to their praise, that they all behaved like gentlemen. The ladies were few." [48]

In 1825, in the new Marion County, Missouri, an estimated 500 persons assembled "with all that enthusiasm which the remembrance of our birth-day as a nation so justly inspires" to hear the reading of the Declaration of Independence and the delivery of an oration.[49] On the same day in Licking Summit, Ohio, eight to ten thousand spectators heard "with universal satisfaction" an oration pronounced by Thomas Ewing, Esq.[50] At Springfield, Illinois, the "young men's convention and old soldier's meeting" held on July 4, 1840, attracted 5,000 delegates and 5,000 spectators.[51] On the same day at the Buttonwoods, Rhode Island, 10,000 people met for the Harrison celebration in conjunction with the Fourth; [52] at Concord, Massachusetts, 6,000 delegates attended a similar meeting; [53] and at Salisbury, North Carolina, 12,000 persons assembled in "the most immense crowd of people that ever was congregated in North Carolina." [54]

On July 4, 1851, 500 people met in Marysville, Oregon Territory, to celebrate the Fourth, with an appropriate anthem, a national prayer, the reading of the Declaration of Independence, an oration, a dinner, and numerous toasts.[55] On July 4, 1859, a crowd estimated at 4,500 people met at Syracuse, Missouri, in circumstances described in the following account:

"By noon, the place seemed to be one living, moving mass of human beings, composed of old, young, middle aged,—grave and venerable sires and matrons, the young men, rigged out in their Sunday best—the handsome young ladies, *spreading* themselves, (we mean their hoops) arrayed in gaudy attire, their smiling and lovely faces beaming with pleasurable emotions—the young juveniles, intent upon the full enjoyment of the great day, with rosy cheeks and curly hair—and lastly a host of Africa's sable race, all looking sleek and happy; making up such a mass of human beings as is seldom seen on occasions of the kind, in country towns." [56]

The responsibility for celebrating the anniversary was normally placed with a com-

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mittee whose members exerted themselves to accommodate different types of hearers. During the celebration held at Lucas Spring in St. Louis, Missouri, on July 4, 1819, the principal chiefs of the Osage Indians were in evidence, as was a "native American eagle in full life." [57] At Danby, Michigan, a generation later, whites and Indians joined in a celebration at which short addresses delivered by speakers of both races were interpreted for mutual edification.[58] At Atoka, Indian Territory, on July 4, 1875, some 3,000 Indians celebrated the anniversary for the first time. They heard, among others, their Chief, who spoke in the Choctaw language.[59]

A year later, at the centennial of American independence, Carl Schurz, the eminent Missouri stateman of German birth, spoke in Lafayette Park to a huge audience of Germans who throughout the day had celebrated the centennial with a procession that included marching bands, household illuminations, a liberal display of flags, banners, union lanterns, the bursting of rockets, and the glare of thousands of torches.[60]

Usually the audiences gathered for the Fourth of July could expect a meeting on dry land, a speech by a man to whom women were permitted to listen, and a season of merriment unclouded by sorrow. Anticipating the occasion at Carterville, Illinois, James A. Washburn described the circumstances, composition, and mood of a fairly typical Fourth of July audience:

"Our folks are preparing to celebrate the 4th hugely. At Marion 'the old folks' have a big meeting, and at Carterville they propose to have ebullition of Patriotism and spread Eagle Oratory, and possibly of beer and ice-cold lemonade with a spike in it—accompanied by a regular "Hoe down" or Barn-dance. They make things lively on the glorious Fourth, those Cartervillians do—even if it requires a regular "Knock-down" and Drag-out or so.[61]

Sometimes unexpected events intervened to defeat expectations and thus to create an unusual audience or unusual conditions. In 1875, General Sherman, in a party that included members of his staff as well as dignitaries from Iowa, Illinois, and Missouri, denied the force of custom. The party celebrated the Fourth not on dry land but aboard the excursion steamer *J. H. Johnson* on the Mississippi River near Quincy, Illinois, and heard a speech in which General Sherman complimented the young men of Iowa, Illinois, and Missouri.[62]

In Augusta, Maine, on July 4, 1834, Miss Green turned the world upside down when she did the speaking to an audience including men who were permitted to listen—and cheer:

"If I shall have been so happy as to gain the approbation of those for whose sake I have so far departed from the strict limit which ancient prejudices have too long prescribed to our sex, I shall be amply repaid for all the sneers of whitlings and fools. [Cheers] I have been only desirous of winning the approving smile of the nobler sex for my sentiments, not for myself. And I say unto you, lords of creation, as you call yourselves, if you doubt my sincerity, I proclaim it here in the face of all Augusta, now assembled around me, and you may believe me or not as you please—but there is not one among you, Tom, Dick, or Harry, that I would give a brass thimble to call 'husband,' tomorrow." [63]

On July 4, 1881, many Americans who had expected to celebrate a day of joy were subdued to learn that on July 2 Charles J. Guiteau had shot their President, James A. Garfield. When Samuel Odell in his Fourth of July oration, paid tribute "to the President and his dear, despairing wife, his aged mother and the loving kiss she gave to her beloved son on the 4th of March last, it was easy to see how earnestly the speaker felt what he was saying, and the tears that filled the eyes of young and old told how sincerely the vast audience felt and appreciated the dreadful calamity that now hangs over our republic." [64]

The 30,000 people gathered in Richmond, Virginia, in 1896, formed an audience with little reason for the usual merriment. They listened to General Stephen D. Lee deliver a eulogy on Jefferson Davis, late President of the Confederacy; [65] and some of them heard General John B. Gordon, addressing the United Confederate Veterans in their National Encampment, praise the state of Virginia and its people.[66]

THE CRITICISM

As Wichelns observed in 1925, "Histories of criticism, in whole or in part, we now have, and histories of orators. But that section of the history of criticism which deals with judging of orators is still unwritten." [67]

In 1969, the history of the criticism of oratory remains unwritten. Even so, the annalists and some of the newspapers of the nineteenth century took oratory seriously and endeavored to pass judgment on it. If the judgments disclosed an imperfect knowledge of rhetoric and a limited range of concepts, they nevertheless formed a body of folk-criticism revealing, as criticism so often does, as much of the prejudices of the critic as of the abilities of the criticized.

The popular critics of oratory tended to deal with delivery rather than with invention, except as the orator was observed to inculcate principles of morality. Although notable exceptions can be found, the folk-criticism tended toward generalized praise, particularly for moralistic or patriotic themes, rather than caustic comment. The critic of O. H. Travers' oration thus observed that it was "in all its essentials of the high character, and such as should be impressed upon the minds of the youth of the present age." [68] The oration of Prof. D. DeMott Woodmansee was "spoken of by those who heard it, and are competent to judge, as an effort worthy of a scholar, a deep thinker, and a true orator." [69] On one anniversary Champ Clark was expected to "jerk tail feathers from the American eagle;" [70] but on another he delivered to the Law Class of the University of Missouri an address stressing that young lawyers should not feel that they must be atheists to be successful." [71]

In an age that did not know microphones and yet sometimes required the voice of the orator to compete with the wails of children and the barking of dogs, not to mention occasional outbursts from convivial cronies on the outskirts of a crowd, the most elementary of critiques—"I could hear every word"—might represent a triumph not lightly to be regarded. Even some practiced orators did not always attain it. When Dr. Pope Yeaman delivered a Fouth of July oration in 1892, he succeeded with a good-natured audience, even though one scrap occurred "and the police gathered in the combatants." [72] But when Dr. Yeaman spoke four years later, the hum of conversation was so loud that it finally forced him to stop speaking.[73] Even though the oration delivered by Hon. W. W. Thayer on July 4, 1892, was adjudged to be a brilliant effort, "which contained a large amount of deeply interesting food for thought for all," great dissatisfaction was expressed "because the greater part of the audience was unable to hear it." [74]

The folk critic was much concerned with diction, voice, and delivery generally. Of Dr. Pope Yeaman one critic observed that his "words are each distinctly uttered, dropping from his lips like coins from the mint. His sentences are polished and rounded and full of thought. . . . It was thought by some that he approached perilously close to politics in certain parts of his speech, but as he left his hearers to make their own applications of the doctrine he preached on that occasion, each political party may apply the remarks to the other and no harm done." [75]

However, not every critic concerned himself exclusively with diction. For example, one country editor reported of a speaker (referred to as "colored") that—

"He raised himself above prejudice and above malice. Indeed, his speech was remarkable, and shows that Mr. Tandy has a well balanced head, a fine education, an excellent character and a pure heart."

Concerning a second speaker the editor opined that he "is not as pleasant a speaker as Tandy but a closer and better reasoner." [76]

The editor-critic of *The Oregon Oracle* found the oration of G. M. Miller to be not of the usual "spread eagle" style but one *full* of facts and practical suggestions.[77] The flamboyance that came to be expected of the Fourth of July orator appears to have been both enjoyed and deprecated. It could hardly have persisted without approval of some sort; yet deprecatory references to the "spread eagle" style abound. One account has it that "the Eagle was spread by so many orators (?) the 4th, that his birdship is as flat as a leather apron, and it will take him the rest of the season to organize himself into a rounded form again." [78]

Apparently fervent speeches for the Fourth of July were less objectionable prior to the Civil War. The oration delivered by John L. Blair at Madison, Wisconsin, on July 4, 1850, was adjudged to be "a beautiful and spirited composition, creditable alike to the head and heart of the author, and was listened to with intense interest by an immense audience." [79] At the Fourth of July celebration in Madison nine years later the "oration was attentively listened to, and abounded with apt references to the history of the day and congratulatory allusions to the comparatively prosperous condition of the country. It was delivered in the forcible and attractive style that characterizes Hon. Arthur McArthur's oratory." [80]

For comprehensive criticism of Fourth of July oratory one must turn to *The Hundred Boston Orators,* a volume published before the Civil War. Unavoidably parochial, admittedly not without error, and couched in the phrases of another day, the work of James Spear Loring nevertheless takes oratory seriously. It provides texts and criticism of Fourth of July orations delivered in Boston from 1783 to 1851, together with an account of the orator and the occasion. The judgments rendered reveal a respect for oratory as a form of intelligence engaged in the expression and the forming of opinion.[81]

Although a noteworthy earlier work, perhaps by William Cullen Bryant, is not limited to Fourth of July speeches, it does formulate views applicable to their criticism. Some of these views are colored by an optimism to which a present-day critic of oratory might not subscribe:

However people may be captivated with prettily turned speeches and holyday orations, and delight in the play they give to the fancy and taste, they will not be led by them to responsible action on important emergencies. There is an instinct, as it were, among the ignorant and vulgar, as well as those of better taste and sounder judgment, which prevents them from being imposed upon by these superficial and heartless speech makers. There is an earnestness and naturalness of manner in all those who speak from feeling and from just views of their subject, and who themselves participate in the passions they would communicate, which cannot be put on. Such persons rarely fail to find forcible, if not elegant expressions, and to arrest the attention and influence the minds of their hearers. It is such oratory we wish to see encouraged in this country, and such only we believe is likely to succeed.[82]

Footnotes at end of article.

THE APOGEE

On July 4, 1917, the Fourth of July and its observance came full circle; for on that memorable day, in London, by order of King George V, the British joined unreservedly in the celebration of the 141st anniversary of American independence. The Stars and Stripes flew from the Victoria Tower of the Houses of Parliament. The Welsh Guards played American airs at the Palace of St. James. Distinguished Englishmen, including the Rt. Hon. Arthur James Balfour, the British Foreign Secretary, attended the reception held by Walter Hines Page, the American Ambassador and the Secretary made Fourth of July speeches. Ambassador Page said:

"This kingdom is the stedfast friend of freedom. In the celebration of this birthday we therefore dedicate ourselves not only to our own ideals but likewise to the additional task of strengthening our close friendship with this other great branch of the English-speaking world."

To this speech, Secretary Balfour replied:

"Are we not bound together for ever? Will not our descendants, when they come to look back upon this unique episode in the history of the world, say that among the incalculable circumstances which it produces the most beneficient and the most permanent is, perhaps, that we are brought together and united for one common purpose in one common understanding—the two great branches of the English-speaking race?"[83]

Perhaps the Englishman and the American alike were bearing witness to the prescience of Otto von Bismarck, who—it is said—on being asked, "What is the most important fact for the twentieth century?" replied, "That North America speaks the English language."

On July 4, 1917, the Fourth of July may be said to have reached its apogee. Thereafter the Americans, as they became perhaps more sophisticated and certainly more urban in their civilization and its accompanying commitments, tended less and less to observe the Fourth of July at all; or if they observed it to do so not with the reading of the Declaration of Independence, which had become to many of them an antique relic of the long ago, nor with speeches in praise of their forebears and in recollection of their nationhood, but in frolics at the beaches or other playgrounds. It seemed that as the Americans became more and more involved in saving the world, they tended to become less and less appreciative of their own heritage and consequently, as they thought, had less need to be reminded of it. In gaining the world perhaps the Americans, like Henry David Thoreau, lost a country.

FOOTNOTES

*Bower Aly (Ph.D., Columbia University, 1941), Professor of Speech, The University of Oregon, is the author of *The Rhetoric of Alexander Hamilton* and other works. He wishes here to express his indebtedness to the Huntington Library, and to the State Historical Society of Missouri, for courtesies extended during the preparation of "The Fourth of July Revisited"; and to innumerable students who have contributed to his understanding of the history of American public address.

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[3] *Missouri Register* [Boonville], July 9, 1844.

[4] *The Argus* [Madison, Wisconsin], July 10, 1849.

[5] *Niles Weekly Register* [Baltimore, Maryland], October 12, 1811, p. 103.

[6] *Democratic Banner* [Louisiana, Missouri], August 16, 1847.

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[9] Frederick Douglass, *Oration, Delivered in Corinthian Hall, Rochester, by Frederick Douglass, July 5th, 1852* (Rochester: Lee, Mann & Co., 1852), *passim.*

[10] Loring, *The Hundred Boston Orators*, p. 254.

[11] *Niles Weekly Register*, July 8, 1815, p. 329.

[12] *Columbia Herald* [Missouri], February 11, 1892.

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[14] *The Oregon Statesman*, August 12, 1851.

[15] *Niles Weekly Register*, July 19, 1817, p. 336.

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[17] *Missouri Republican* [St. Louis], August 15, 1825.

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[19] Walter B. Stevens, *Missouri—The Center State:* 1821–1915 (Chicago: The S. J. Clarke Publishing Company, 1915), I, pp. 132–133.

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[21] "Political Portraits with Pen and Pencil . . . ," *Democratic Review*, IX (October, 1841), 388.

[22] *Missouri Register*, June 11, 1844.

[23] *Fulton Telegraph* [Missouri], July 27, 1849.

[24] *Report of the Pioneer and Historical Society of the State of Michigan* (Lansing: Thorp and Godfrey, 1886), VIII, p. 156.

[25] *Tri-Weekly Messenger* [Hannibal, Missouri], July 17, 1856.

[26] *Tri-Weekly Patriot* [Springfield, Missouri], June 15, 1867.

[27] *The Express* [Springfield, Missouri], July 22, 1892.

[28] *Oregon Argus* [Oregon City], July 4, 1857.

[29] *The Southern Missouri Advocate* [Jackson], September 1, 1838.

[30] *Jeffersonian Republican* [Jefferson City, Missouri], August 3, 1839.

[31] *The Advertiser*, July 5, 1845.

[32] *Jefferson Inquirer* [Jefferson City, Missouri], August 11, 1849.

[33] *Fulton Telegraph*, July 27, 1849.

[34] Seth Ames, ed., *Works of Fisher Ames with a Selection From His Speeches and Correspondence* (Boston: Little, Brown and Company, 1854), I, p. 146.

[35] *Missouri Register*, June 11, 1844; July 9, 1844.

[36] *Jeffersonian Republican*, August 15, 1835.

[37] *Niles National Register* [Baltimore, Maryland], July 18, 1840, p. 307.

[38] *The Minerva, & Mercantile Evening Advertiser* [New York], July 30, 1796.

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[40] *New York Tribune*, July 7, 1857.

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[42] *The Liberty Tribune* [Missouri], July 26, 1861.

[43] *The Macon Gazette* [Missouri], July 26, 1863.

[44] *The Loyal Missourian* [California], July 12, 1866.

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[50] *Independent Patriot* [Jackson, Missouri], August 13, 1825.

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[68] *Springfield Express*, July 8, 1881.

[69] *The Press* [Carthage, Missouri], August 24, 1882.

[70] *Missouri Statesman* [Columbia], July 1, 1898.

[71] *The Paris Mercury* [Missouri], June 12, 1896.

[72] *The Brookfield Gazette* [Missouri], July 8, 1896.

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[74] *Corvallis Gazette* [Oregon], July 8, 1892.

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THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a perennial criticism of international agreements on human rights in general and of the Genocide Convention in particular is that such accords lack adequate constitutional foundations. However, this clearly is not the case with respect to the Genocide Convention.

The Supreme Court in Geofroy against Riggs (1889) described the rather broad power to enact a treaty in the following expansive language:

> It would not be contended that it (the treaty-making power) extends so far as to authorize what the constitution forbids, or a change in the character of the government or in that of one of the states, or a cession of any portion of the territory of the latter, without its consent. But with these exceptions it is not perceived that there is any limit to the questions which can be adjusted touching on any matter which is properly the subject of negotiations with a foreign country.

The major substantive provisions of the Genocide Convention—those establishing the crime defining the crime, prescribing the punishment, calling upon the United States to execute the treaty by appropriate legislation, providing for the settlement of disputes, providing for concurrent jurisdiction and asking for extradition in accordance with the laws and treaties in force—are not violative of the Constitution and have been included in principle in many of the treaties to which the United States is a party—some of them going back to the 18th century. These provisions have not only not denied our citizens any of their constitutional rights but have, in many cases enhanced them.

Further, Mr. President, even if the articles of the Genocide Convention were, on their face, violative of the Constitution, the Supreme Court has consistently recognized that a treaty cannot authorize what the Constitution forbids—Reid against Covert; see also Missouri against Holland and Geofroy against Riggs. Thus, the Genocide Convention provisions will not and cannot violate the Constitution.

THE APPROACHING DEPRESSION

Mr. JAVITS. Mr. President, I wish to draw the attention of my colleagues to a very important article from the Economist, entitled "The Approaching Depression." Although there is great public concern with the rate of inflation, and warnings from such leaders as Arthur Burns that a continuation of inflation at present levels could undermine the very framework of this society, insufficient attention has yet been paid to the grave danger of worldwide recession.

In fact, as the Economist article points out, fears of a world recession have receded as the oil embargo was lifted and fuel became relatively plentiful once again. However, higher oil prices are exacting a huge toll on the economies of both developed and developing countries. The reduction in demand caused by the higher oil prices is not being offset by reflationary steps by national governments, with the possible result a demand-induced depression.

It is also becoming clearer that the recycling of oil revenues back into investment in oil importing countries will not be the easy task. The Eurodollar market is showing severe strains. The oil producers have tended to put their new money into short-term deposits, while borrowers need credits on much longer terms. The process is creating increasing strains for the banks and other lending institutions could strain the limits of permissible risk.

For example, David Rockefeller, Chairman of Chase Manhattan Bank, said recently:

> My own view is that the process of recycling through the banking system may already be close to the end for some countries, and in general it is doubtful that this technique can bridge the (payments) gap for more than a year or at the most 18 months.

Yet today's New York Times reports that Italy is urgently seeking a loan of more than $1 billion from the United States or West Germany, even while Italy has pushed her borrowings on the Eurodollar market to the limit.

Peter L. Bernstein in an article in Sunday's New York Times on the whole recommending the purchase of U.S. stocks at present levels but pointing out that there is an outside grave danger of disaster listed in the existing conditions that could produce a 1929 style crash:

> A banking system with a thin capital structure and many illiquid assets, an explosion in debt by most businesses (including many of the largest and most prestigious), a complex Eurodollar credit system without any lender of last resort, a simmering financial crisis in the real estate area, a multinational scramble to accumulate inventories at swollen prices and the balance-of-payments crisis for many nations in the wake of the oil embargo of last winter.

To which catalog of disastrous conditions must be added the continuing and extremely serious inflation now raging around the world.

Mr. President, I ask unanimous consent that the articles from the Economist of June 1, 1974, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Economist, June 1, 1974]

THE APPROACHING DEPRESSION

The rich world's economic troubles are very much the rich world's fault. The Arabs' quadrupling of oil prices was an unfriendly act, but a self-righting one. Ministers from the member countries of the Organisation for Economic Cooperation and Development were wasting their time when they spent the greater part of this week in Paris talking about how to tackle oil prices, and then signed a pledge not to make trade war upon each other for at least another year. They might just as well have promised to jump out of a window without breaking any bones. They do not want a trade war and the slump it would produce, but that is where the steps they have severally taken can collectively lead them.

There has never been a problem about how to set about neutralising the effect of higher oil prices and the huge Arab trade surplus they produce. If the Arabs do not choose to use their extra revenue to buy goods and services from the rest of the world, there is no transfer of real resources from it to them. There is therefore no need for real incomes elsewhere to be cut in order to release resources that will not be called upon. The cost of oil puts up prices and reduces real demand, leaving the Arabs' customers all the poorer. But that can be offset by roughly equal cuts in indirect taxes, which put down prices and increase real demand and bring each country's growth prospects back to as-you-were. The tax cuts should preferably stimulate forms of consumption that do not involve the use of much oil, but that is a detail.

This would still leave most non-Arab countries with large balance-of-payments deficits on current account, since the Arabs' surplus has got to be balanced by someone's deficit somewhere. But this would be automatically financed by an equal outflow of oil money on capital account, invested in the rest of the world. The problem is to recycle this money from the strongest economies, where it will be invested, to the weakest, where it will be needed. The figures for oil imports are readily available for most countries, so nothing could be easier than for the strong to set up an exchange equalisation account to lend money to the weak.

Why has none of this been done? No major country has deflated demand with indirect tax cuts to offset the effect of higher oil prices. There has been no general agreement on recycling. Most countries have allowed oil costs to push up consumer prices, so deflating demand. They have compounded this by increased monetary stringency and higher interest rates. Instead of living with oil deficits, many countries are hoping to do the contrary. Almost every finance minister is emulating Mr. Denis Healey in trusting that export-led growth will help to keep up output and incomes, while making it easier to limit inflation; none seems perturbed by the thought that one country's export-led growth must be another country's import-led recession, and that attempts to pass on this dirtier end of the stick will soon start. The rich are almost doing everything possible to ensure a trade war and a slump.

What has caused this? The fear of an oil crisis started in October when the Arabs threatened to reduce supplies drastically, although at that time they were talking of putting prices up by less than they have done. For a time output in the oil-importing countries was physically constrained by all sorts of emergency regulations designed to ward off the expected shortage, by dislocations in distribution and a general panic seen at its worst in Japan. This led to an absolute fall in gross world product in the early months of this year. Most big industrial countries thought in November that oil supplies were likely to be cut by anything up to 20 per cent in 1974; they deemed that with 20 per cent less oil they would have to allow total output to fall by at least 2 or 3 per cent. There therefore seemed no point in taking reflationary steps to offset the drop in output which the shortage of oil caused. Thus far, the world behaved rationally enough.

When oil started moving with increasing freedom after about January, many people were lulled into thinking that the danger of a world slump had passed. They were right to think that there need no longer be a supply-induced recession. But they did not see that (1) the danger of a demand-induced recession is now very much bigger because, on top of last autumn's already weak trend in demand, there has now been added the huge check to consumption caused by the quadrupling of oil prices since that autumn; (2) this is being disguised for a time because of a rebuilding of stocks after they were run down in the brief supply-induced recession in the first quarter of 1974. Because they are blinding themselves to these facts, almost all governments are now cheerfully discarding most of the more alarming forecasts of falling output in 1974, which they adopted during the disruption to oil supplies. Most finance ministries' official forecasts for growth in the world's largest economies are reassuring. Some people are even forecasting the start of a boom in 1975.

But the truth is that consumer and investment demand (not of stockbuilding) in most industrial countries has been slowing down ever since the short and sharp 1972–73 boom blew its top early in 1973. Naturally, when the oil was turned on again, output rebounded to make good the deficiency of stocks. But nothing has happened meanwhile to reverse the steady slide in demand. Instead, the failure to neutralise the effect of higher oil prices must have done much to hasten the slide.

This need not show up immediately. In economic storms the time-lag between lightning and thunder is often quite long. The build-up of oil producers' revenue from higher prices is a slow process. Real incomes are not immediately squeezed to the full extent. None of this means that higher oil prices will not hurt, it simply means that the industrial countries have a breathing space to prepare for what is coming.

This breathing space is in danger of being thrown away by a generation of economic Winnie the Poohs following their own footsteps round and round a bush, convinced by the discovery of each new set of tracks that they are on the heels of countless woozles and wizzles. Forecasters in each country begin from a universal belief in the continued growth of the volume of world trade and a fast growth in manufactured exports at inflated current prices. Each country then assumes that it will increase its own share of world trade, and thus be able to reduce its national trade deficit. On the back of these trade forecasts, all countries predict for themselves a high domestic growth rate.

Other forecasters then take these domestic growth estimates to confirm their own predictions about growing world trade and Winnie the Pooh takes another turn round the bush. By these means, the forecasters convince themselves there is nothing to worry about.

As long as these rich countries believe that nothing awful can happen to them, they will not take action to avert their approaching domestic recessions. Nearly all of them are worried by domestic wage-push inflation (sometimes without realising that, in countries with progressive income tax systems, this in itself will intensify demand deflation). This wage-push inflation is making them reluctant to neutralise the demand deflation (and cost inflation) caused by the new oil prices. Wage and price controls have generally become unfashionable or are considered impractical. Governments therefore see no alternative but to use fiscal and monetary restraint to deflate domestic demand, rather than face the internal and external collapse of their currencies. Any country which stepped out of line and dared to reflate demand would see its balance of trade plunge and its exchange rate collapse.

All countries are playing this game because all are suffering from cost-push inflation. But if there are winners there must also be losers. The winners will be the countries with the lowest rate of wage and price inflation for any given rate of growth or level of unemployment, the countries with the greatest competitive edge at present exchange rates, and those best able to capture export orders because the general slide in world demand (after the present stock-building spree) does not hit their sorts of manufacturers. The fewer problems a country has, the more easily it can solve them at others' expense. The strongest will set the pace, and the weakest will then have to protect their currencies from collapse by deflating more savagely or staving off imported unemployment by trade restrictions. Italy has already been forced into this. France or Japan could be next. The disease is contagious.

It does not stop with the rich. Any slump will accelerate the fall in commodity prices and hit the poorer countries of the world. For some of them a world recession would not be a matter so much of belt-tightening, as of near-starvation. The developed world would not escape the backlash. Some developing countries have borrowed heavily on the Eurodollar market on the strength of their earnings from high commodity prices. If these disappear, there could be major defaults among some big banks and the world's financial markets would rock. This may sound spine-chilling. It is. Every rich country should look again at its own economic forecasts and eliminate from them the growth which it is assuming from a supposed rise in net exports to other countries, whose own high forecasts of gnp spring from an assumption that they will instead be increasing their net exports back to it. They should then start on a campaign for large-scale cuts in indirect taxation round the world.

SQUEEZE YOUR NEIGHBOUR

The economic policy followed by each industrial country in 1974–75 will depend mainly on four factors: its inflation record, its growth rate and pressure of demand for labour, its balance of payments, and its governability. The last decides what sorts of controls could be introduced, if they have to be introduced. It becomes crucial whenever a wage freeze is under consideration.

Guess who's top country

Herr Helmut Schmidt, the new German Chancellor, claims that:

"There is no other country which has performed as well as we have, either on the prices front or on employment."

He could also claim balance of payments success, in the sense that Germany, the world's second largest economy, is likely to be just about the only non-oil-producing country to run a large trade surplus in 1974, thus further beggaring all other non-oil-producing countries.

The economic gloom caused in Bonn by last autumn's oil disruption evaporated as soon as it was realised that Germany could get all the oil it wanted by paying for it. The Germans paid up, over the odds where necessary, and their economic forecasts cheered up. The talk of zero growth or worse in 1974 was rapidly discounted; now the pundits are tipping growth at 2–2½ per cent this year, accelerating in the second half, aided by those booming exports. Germany has the lowest inflation rate of any industrial country. Consumer prices in the year to March rose a modest 7¼ per cent, half of the British rate. This relative stability owes much to the appreciation of the D-mark, which has risen 20 per cent against other currencies since the Smithsonian agreement in December, 1971, but without putting off German exports. The OECD expects Germany to run a current balance of payments surplus of around £2 billion in 1974. The surplus would be even larger if all the orders already on German exporters' books were actually eventually paid for.

With this sort of surplus at this sort of time, Germany has a clear duty to expand its domestic demand by cutting indirect tax rates and cheapening its interest rates. It should hold inflation in check by direct wage controls if necessary. Instead, Herr Schmidt has reiterated his opposition to wage and price controls, and indicated that any relaxation of Germany's tight money policy will be cautious.

America's catching up

Huff, puff, in America, the world's largest economy, inflation is running at an annual 12 per cent. America suffered one of the sharpest cuts in output when the Arabs embargoed oil shipments to it. In the first quarter of 1974, its real gnp was falling at an annual rate of 6 percent. Optimists say that the setback was concentrated on the motor industry and on building; that American businesses remain confident; that borrowing to finance expansion continues apace; and that there should be a recovery in the second half of this year, with output rising by the last quarter at an annual 6 percent. Even so, for 1974 as a whole, the optimists are not expecting more than 1 per cent growth. Pessimists say that, since the rebuilding of inventories is over, there is little reason why output should continue to recover.

The Administration hopes that by the end of 1974 prices will be rising at only an annual 7 per cent, because this summer's explosion of some prices should moderate once the steam from the end of controls has dispersed. The expected good harvest and a probable fall in world commodity prices should help. So will the moderation shown by unions, who have not built a wage explosion on top of the price explosion despite declining, real incomes. But President Nixon, in a breather from Watergate, has said that restrictive monetary policies will continue because of inflation. Dr. Arthur Burns, at the Federal Reserve Board, certainly intends to keep the pressure on the money supply, which has carried interest rates to record levels. The OECD is expecting America's external payments to be more or less in balance.

Jog-along Canada

Next door neighbour, Canada, with its own oil, kept up 5 per cent annual growth even in the first quarter of 1974, and thinks it should maintain that rate in the year as a whole. But prices are now rising almost as fast as in America. The government tried to meet this with a mildly anti-big business budget, but has been defeated on its budget proposals. The general election has been set for July 8th. If the Conservatives win, a wage freeze has been promised. But it seems more likely that Mr. Trudeau will come back for another spell of minority rule, and continue with a policy of jog-along. On overseas trade Canada expects to break even in 1974.

France faces a freeze

France is still going for growth. It is one of the few countries, which has kept output growing since the middle of 1973, while most other countries have slowed down. It needs growth of roughly 5 per cent a year to absorb its rising labour supply without increased unemployment. The official price index shows a rise of 13¼ per cent on a year ago. Last year France cut its indirect taxes. The right policy later this year would be a repetition of this treatment, but the new finance minister may feel that what happened to the balance of payments forbids this. In the first four months of 1974 France's balance of payments was running on course for a $1.8 billion deficit this year; but the April figure suggests something over $3 billion. This is much worse than the £1½ billion deficit M. Giscard d'Estaing was predicting earlier in the year. France wil be especially hard hit by the Italian measures to limit imports.

The deficit can be financed for a while. France has some £3½ billion of reserves and has already borrowed over £1 billion abroad this year. But M. Francois Mitterrand's narrow defeat by M. Giscard d'Estaing in the election has left the unions in a sour mood. Up to now wage controls have been ruled out as unworkable, politically and administratively. Price controls are already applied and could be tightened, but only at the expense of limiting the investment needed to continue 5 per cent annual growth. Even so, a total wage-price-dividends freeze for 4–5 months is on the cards. Unfortunately, it seems very likely that France will precipitate another round in the international trade war by new measures to restrict imports. The tax system might be tipped against imports, particularly by pushing up value-added tax on oil and oil products. But direct import controls are an alternative being considered.

Europe's mixed bag

All of the smaller European economies are vulnerable to outside pressures because of their dependence upon overseas trade. Belgium says its order books, especially for exports, are full; prices showed a 10½ per cent rise in the year to April, which counts as a modest inflation these days. It had a small current account surplus in the first four months of 1974, but this is now being whittled away.

The Netherlands had less than 10 per cent inflation to March, and expects a continuing balance of payments surplus. But growth this year is expected to be only 2½ per cent, half the rate achieved in 1973.

In Norway, the oil scare had limited effect as 75 per cent of industry uses hydro-electric power. Two upvaluations last year, each by 5 per cent, have helped to keep inflation down to 9 per cent. The government expects growth to be maintained in the region of 3½–4 per cent, despite a large balance of payments deficit; much of this deficit reflects the cost of developing North Sea Oil, and is therefore not a cause for worry. The agreement negotiated between the government and unions promises industrial peace for two years. Sweden has slightly faster inflation, at 11 per cent, and is also expecting a balance of payments deficit. Denmark is in much bigger trouble. Price inflation is almost as bad as in Britain: with a rise in the last three months of 14 per cent on a year ago, and a 2 per cent jump in April alone. Wages are index-linked with increases payable in September, so price inflation is built into the system. In the first quarter of 1974 Denmark's current balance of payments deficit may have been running at an annual rate of over £500m. The minority government has met this crisis with precisely the wrong policy. Indirect taxes have been sharply increased to cut back both imports and domestic demand.

Whitlam's worries

Outside Europe, demand in Australia is still buoyant and raw materials are scarce. Inflation is in double figures, and the current balance of payments was in deficit in the first quarter of 1974. Mr. Gough Whitlam, with his small majority, will have difficulty in keeping growth going and holding wages in check. Already the country is suffering an epidemic of strikes.

Japan looks for another miracle

The world's third largest economy seems in greater trouble. Consumer prices in Japan are up a record 24 per cent on a year ago. In the first quarter of 1974 output dropped 1½ per cent because of energy shortages, and Japan ran a current account deficit of nearly £1½ billion. The unions' spring offensive has led to wage increases of over 30 per cent, and this alone will add at least another 8 per cent to prices.

The Japanese are meeting these crises with their usual policy of tight money and high interest rates (which have already led to bankruptcies, including that of Nihon Netsugaka Kogyo) and are delighted at the signs that the old medicine is working its usual magic by rapidly expanding Japanese exports. The government now believes that export-led growth will sustain output and productivity, and help to restore a degree of price stability as well as reducing the payments deficit to manageable proportions. It is not made clear who is to run the import-led recession to allow Japan's export-led growth to proceed.

Britain needs one

Britain is also hoping for salvation by export-led growth, and starts with the two advantages of competitive export prices and depressed home demand. The latest trade figures are good. But the retail price index in April soared to more than 15 per cent above a year ago, and added £1.20 a week to 6–7m workers' before-tax pay under the threshold agreements. If nothing is done to control wages, British inflation is bound to accelerate. This may not immediately hit the trade balance, but will increase domestic stagnation as company profits are squeezed and as Britain's now very tough income tax cuts the increase in pay to well below the increase in prices.

Italy needs one most of all

The rise in oil prices hit Italy just as the Italians were expanding out of their difficulties after two years of slow growth. The original hope was that last year's 6 per cent growth would be repeated. That hope has gone. Italy's current balance of payments was in deficit by over £1½ billion in the first four months of this year, and inflation accelerated to an annual 16–18 per cent this spring. Wage escalator clauses threatened to keep it going, by further raising employers' wage bills which have already had to absorb a rise of 22 per cent in minimum industrial wage rates over the past year.

Italy's borrowing on the Eurodollar market has been pushed to the limit, with loans of over £3 billion since the beginning of last year. So the government felt it had no alternative to a quickening collapse of its currency except to cut both imports and home demand. It has forced importers of many products to deposit 50 per cent of their cost, interest free, for six months, and has cracked down on bank credit and raised the banks' base rate to 14½ per cent. But the latest signs are that the crisis is likely to persist for some time.

DR. THEODORE C. MARRS, A DISTINGUISHED AMERICAN

Mr. THURMOND. Mr. President, a distinguished American, Dr. Theodore C. Marrs, recently concluded 12 years of service in the Pentagon, most of which was involved in connection with Reserve and Guard forces.

Dr. Marrs has served for the last 4 years as Deputy Assistant Secretary of Defense for Reserve Affairs. Just recently he has accepted a position as counsel to the President but will continue to work in the policy area involving national defense.

Dr. Marrs rendered an outstanding service during his years in the Pentagon and is especially proud of his successful efforts in connection with improving the readiness of our Reserve forces. His service deserves recognition of the Congress.

Mr. President, on the occasion of Dr. Marrs' departure from the Pentagon he authored a brief article which appeared in the June issue of the Air Reserve magazine. I ask unanimous consent that this article entitled, "Insight" be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSIGHT

(By Hon. Theodore C. Marrs)

For 12 years my efforts have been dedicated to one objective . . . increasing the readiness of Reserve Forces.

During this 12 years, a variety of attitudes toward the Guard and Reserves have been present. Some of this opposition to the development of Reserves has been subtle and sophisticated—some has been crude and callous.

Despite or because of this milieu of conflicting attitudes or prejudices—the basic objective of readiness of Reserve Forces has become more clearly defined in the past few years. And the ability to develop timely responsiveness has been demonstrated—particularly with Air Force fighter, tanker and airlift units. The simplistic but reliable parameters of readiness have become evident—equipping, manning and training.

The importance of moving administrative actions, training and testing, into pre- rather than post-mobilization is now increasingly recognized.

The inherent economy of lower people cost in the Reserve Forces has become more widely understood.

Airlift plans and capability make early deployment increasingly feasible for Guard and Reserve as well as Active Forces. These facts have led logically to the conclusion that Reserve Forces can be a major national security bargain as we approach 1976 just as truly as was the case in 1776.

They have also led logically to the essentiality of supporting Reserve Forces to the level of readiness and responsiveness called for to meet national security requirements.

And, finally, these facts coupled with termination of the draft have forced acceptance of the role of the Reserve Forces as the initial and primary augmentation for Regular Forces. Even the most tradition bound and protective holdouts have begun to realize that the survival of our nation's military forces and our nation itself is dependent on how well we equip, man, train and deliver in theatre a combined force of Active, Guard and Reserve Americans.

Equipping for the Guard and Reserve has been a continual challenge. The war in Southeast Asia took place following what was for the most part a period of inadequacy of planning and providing for combat serviceable Reserve Force equipment. The resources funded for Reserve and Guard were repeatedly diverted, As a result, many units of the Guard and Reserve were bled of equipment to the point of not being a viable alternative in 1965 when additional forces were needed in Vietnam.

Readiness involves the ability of the forces on hand to carry out operations with equipment in working order and adequate supplies of ammunition, fuel, spare parts, etc. Our principal readiness problems, in the Active Force, remain centered upon the maldistribution of assets and personnel turbulence engendered by the Southeast Asian conflict.

With the increased reliance on the Guard and Reserve, there has been increased emphasis on upgrading the readiness capability of the Reserve components. This has been accomplished primarily by increasing modernization, mission changes, and unit conversions. Presently, the Secretary of Defense directed study of the Guard and Reserve in the Total Force is underway. It is including in its study efforts: the availability, force mix, limitations and potential of the selected Reserve in a national emergency. Now initiatives to improve the readiness of the Guard and Reserve hopefully will result from this effort, which is scheduled to terminate this year.

The Secretary's policy of being able to get there first with the most—and getting there with peacetime economical and wartime effective forces—can determine the future of this nation and the world.

It is a fact that combat ready Reserve Forces have been produced in some areas and can be produced in others at a lesser cost in the Reserve Force. It is imperative that DOD and the Congress take full advantage of the corollary that we can through judicious development and use of Reserve Forces get more forces—ready forces—for the same money or equal (ready) force structure for less money.

To some extent we can jointly move in the directions I have indicated in FY 75. In FY 76 we have to equip, man and train Reserve Forces or we fail to profit from the built-in potential for economy in time of peace and effectiveness in time of war.

CONFLICT OF INTEREST ON VITAMIN RECOMMENDED DIETARY ALLOWANCES

Mr. PROXMIRE. Mr. President, the Food and Drug Administration proposal to regulate safe vitamins and minerals as dangerous drugs if they exceed 150 percent of the so-called recommended daily allowance or recommended dietary allowance (RDA) of vitamins and minerals, is based on an arbitrary, unscientific, and tainted standard. The RDA standard is established by the Food and Nutrition Board of the National Research Council which is influenced, dominated, and financed in part by the food industry. It represents one of the most scandalous conflicts of interest in the Federal Government.

As author of a bill, S. 2801, which has 38 Senate cosponsors which would prevent the FDA from putting its regulations into effect next January I am particularly interested in this matter.

There are a dozen or more reasons why the so-called recommended daily allowance (RDA) is a capricious, unscientific, and illogical standard.

CONFLICTS OF INTEREST

First and foremost is the unconscionable conflict of interest of those on the Food and Nutrition Board which establishes it. The board is both the creature of the food industry and heavily financed by the food industry. It is the narrow economic interest of the industry to establish low official RDA's because the lower the RDA's the more nutritional their food products appear.

The board's industry liaison panels include breakfast food companies, candy makers, soft-drink producers, baking firms, and chemical corporations.

The present chairman of the Food and Nutrition Board, for example, occupies an academic chair funded by the Mead-Johnson baby food company. He appeared at the FDA vitamin hearings not only as an FDA-Government witness but also on behalf of such firms and groups as Mead-Johnson and Abbott Laboratories.

He was also scheduled to appear on behalf of the Pet Milk Co. and Distillation Products. His research was funded to the tune of about $40,000 by the FDA and he had additional Government grants of about $90,000 in the year he appeared for the FDA.

In the latest—1974—edition of the Food and Nutrition Board's recommended daily allowances, most values that were changed were lowered from previous standards. There is a very simple and quite unscientific reason for this.

With low RDA's the food companies which advise the Food and Nutrition Board can then print tables on their food packages making their products appear to contain a higher level of nutrients than if higher or optimum levels were established. When milk and fruit together provide as much nutritional value as the breakfast food they are eaten with, one can see how ridiculously low and self-serving the new low RDA standards really are.

VALUES FLUCTUATE CAPRICIOUSLY

A second reason why the RDA standards are suspect is that they have fluctuated capriciously from year to year both in the nutrients listed and in the recommended daily allowance. For example, in the recommendations by the board for pantothenic acid, a B complex vitamin, in the period 1964–74, it was not on the 1964 list, was listed at 5 milligrams on the next list, was not on the third list, was back at 5 milligrams on the fourth list, was doubled to 10 milligrams on the fifth list, and was removed completely from the latest 1974 edition.

Is it a drug? Is it not a drug? Under the proposed FDA regulations, 10 milligram capsules would have been regulated as a drug after the second and fourth editions of the RDA's, as a food or a food supplement under the fifth change, and ignored after the 1974 list.

In the 1968 RDA list, there were 55 changes in value from the 1964 list, varying from 20 to 700 percent. The latest—1974—list shows similar subjective and unscientific variations. In the 1964–74 period the RDA's recommendad by the Food and Nutrition Board for a child of 4 have varied by 100 percent for vitamin A, 230 percent for vitamin E, 700 percent for folacin, 150 percent for vitamin B-1, 122 percent for vitamin B-6, and 300 percent for vitamin B-12.

How can such an unstable standard be used to regulate vitamins? The RDA's are not scientific standards. They are little more than subjective, off-the-cuff and, in many cases, prejudiced values.

Mr. President, I ask unanimous consent that a table giving the RDA's for 16 nutrients as recommended by the Food and Nutrition Board since 1964, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—RDA VALUES SINCE 1964 FOR 16 SELECTED NUTRIENTS

Nutrient and individual	A	B	C	D	E	F	Minimum to maximum variation of RDA (percent)	Latest variation and direction (percent)
Vitamin A, I.U.:								
Child of 4	2,500.0	3,500.0	2,500.0	3,500.0	5,000.0	2,500.0	100	50
Pregnancy	6,000.0	8,000.0	6,000.0	8,000.0	8,000.0	5,000.0	60	38
Vitamin E, I.U.:								
Child	None	15.0	10.0	15.0	30.0	9.0	230	70
Pregnancy	None	30.0	30.0	30.0	30.0	15.0	100	50
Vitamin C, mg.:								
Child	50.0	60.0	40.0	40.0	60.0	40.0	50	33
Pregnancy	100.0	100.0	60.0	60.0	60.0	60.0	67	---------------
Folate/folacin, mcg.:								
Child	None	50.0	200.0	300.0	400.0	200.0	700	50
Pregnancy	None	100.0	800.0	800.0	800.0	800.0	700	---------------
Vitamin B_1, mg.:								
Child	.6	.8	.8	1.1	1.5	.9	150	40
Pregnancy	1.0	1.2	1.1	1.7	1.7	1.4	70	18
Vitamin B_2, mg.:								
Child	1.0	1.3	.9	1.2	1.7	1.1	67	35
Pregnancy	1.5	1.9	1.8	2.0	2.0	1.5	33	25
Niacin, mg.:								
Child	11.0	14.0	11.0	15.0	20.0	12.0	82	40
Pregnancy	16.0	21.0	15.0	20.0	20.0	16.0	25	20
Vitamin B_6, mg.:								
Child	None	1.0	.9	1.2	2.0	.9	122	55
Pregnancy	None	2.0	2.5	2.5	2.5	2.5	25	---------------
Vitamin B_{12}, mcg.:								
Child	None	2.5	4.0	5.0	6.0	1.5	300	75
Pregnancy	None	5.0	8.0	8.0	8.0	4.0	100	50
Pantothenic acid, mg.: Child	None	5.0	None	5.0	10.0	None	100	0
Biotin, mg.: Child	None	None	None	None	.3	None	0	0
Iodine, mcg.:								
Child	None	80.0	80.0	110.0	150.0	80.0	87	47
Pregnancy	None	150.0	125.0	150.0	150.0	125.0	20	17
Magnesium, mg.:								
Child	None	200.0	200.6	250.0	400.0	200.0	100	50
Pregnancy	None	300.0	450.0	450.0	450.0	450.0	50	---------------
Iron, mg.: Child	10.0	12.0	10.0	10.0	18.0	10.0	80	45
Copper, mg.: child	None	1.0	None	2.0	2.0	None	100	0
Zinc, mg.: Child	None	None	None	None	15.0	10.0	50	33

A: 1964 FNB's RDA's Exh. 0-14-1863.
B: 1966 FDA's RDA's in stayed regulations.
C: 1968 FNB's RDA's Exh. P-651.
D: 1970 FNB's RDA's introduced by Sebrell Exh. 0-391-3A.
E: 1973 FDA's RDA's in final regulations.
F: 1973/74 FNB's RDA's, published 1974.

Mr. PROXMIRE. Mr. President, third, not only do the RDA's fluctuate capriciously and are established by those with overwhelming economic conflicts and self-serving interests, but there is a very considerable body of scientific evidence that the RDA's are ridiculously low. For example:

EXAMPLES OF LOW VALUES

Folacin. The RDA for folacin for some categories of individuals has varied by 700 percent in the last 10 years. It is now 400 micrograms for mature adults. The latest pronouncement cut the RDA for children in half. This has come at the very time the Canadian Government's nutritional survey found that half of all Canadians had "moderate deficiency" levels of folacin in their blood and that 10 percent of all Canadians were in the range of "high risk" deficiency.

There is strong evidence that the lack of folacin produces congenital deformities and increases the danger of accidental hemorrhage by fivefold. It is considered by some authorities as the most widespread deficiency in the United States, especially among pregnant women.

In light of such evidence, the RDA established for folacin by the Food and Nutrition Board appears to be dangerously low.

Vitamin B–6. The 1974 RDA for vitamin B–6 in 23–50-year-old females is 2 milligrams. But Dr. Paul Gyorgy, the eminent scientist who discovered vitamin B–6 recommended in 1971 that the general RDA for B–6 should be 25 milligrams a day or 12.5 times the present RDA. Women on the pill are especially subject to vitamin B–6 deficiency. Yet millions of women in the 23–50-year-old age group are told by the FDA and the Food and Nutrition Board that they can get a sufficient amount of B–6 at one-eighth the level which its discoverer recommends.

Vitamin C. There is now a very wide body of scientific evidence, in addition to the recommendation of Dr. Linus Pauling, the Nobel laureate, that the daily requirement for vitamin C is many times the 45 milligrams RDA now recommended by the Food and Nutrition Board.

The double blind test performed at the University of Toronto by Professors Anderson, Reid, and Beaton in which half the subjects got 1 gram—1,000 milligrams a day—or 22 times the present RDA—and the other half a placebo, for 90 to 120 days—Canadian Medical Association Journal, September 1972—showed some amazing results. The number of illnesses, the duration of illnesses, the days confined at home, the days lost at work, and so forth, were all "statistically significantly" lower for the vitamin C as opposed to the placebo group.

The 45 milligrams RDA level now proposed by the Food and Nutrition Board is actually less than the traditional 50 milligram level said to be needed merely to prevent scurvy. But after next January, vitamin C in 100, 250, or 500 milligram tablets will be called a drug and regulated accordingly.

UNSCIENTIFIC STANDARD

The proposal to subject safe vitamins and minerals to regulation as drugs by the FDA if they are sold in quantities of 150 percent or more of the so-called RDA is a biased, unscientific, and capricious standard. At best the RDA's are only a "recommended" allowance at antediluvian levels designed to prevent some terrible disease. At worst they are based on the conflicts of interest and self-serving views of certain portions of the food industry. Almost never are they provided at levels to provide for optimum health and nutrition.

UNJUSTIFIED OIL PRICE INCREASES GRANTED IN DECEMBER BY COLC

Mr. JACKSON. Mr. President, on Friday of last week, the Interior Committee held hearings on the confirmation of Mr. John C. Sawhill as Administrator of the Federal Energy Administration. In the course of these hearings, we explored various facets of the energy problem. One of the most important matters addressed at the hearings was the Administration's policy on petroleum pricing.

In the course of the hearing, certain internal documents of the Cost of Living Council were made available to the committee by Mr. Ralph Nader, which indicate that there was no justification for the December 1973 $1 increase in the controlled price of domestic crude oil. In fact, these memoranda show that the COLC in granting this increase, did so with the understanding that "no additional costs were involved," that this increase would not elicit new supplies, and would only result in short term increased profits for producers. These memos further indicate that the $1 price increase granted in December would have a serious adverse impact on the independent sector of the industry and would result in windfall profits to producers. One memorandum points out that the $1 increase in crude prices would constitute a shock of extraordinary magnitude to the economy that could not be offset, and would provide an upward push to world oil prices.

Let me cite a few of the more astounding quotes from these memorandum.

From a December 7, 1973, Issue Paper: "Old Oil Ceiling Prices" prepared by the Energy Division, Cost of Living Council:

> Increasing the price ceiling of domestic crude may trigger additional price increases by countries exporting crude to the United States. Apparently these countries are not reluctant to increase prices without a corresponding U.S. increase but would be even more likely to do so with a domestic increase. A higher base for ceiling crude will probably also mean a higher price for new and released oil.
>
> As no additional costs are involved and a ceiling increase in the price of crude would be based on other factors such as world market prices and the desire to increase domestic prices of products to deter demand, this is an arbitrary decision.
>
> A substantial increase in crude prices which is not based on cost increases would mean increased profits for producers. Oil companies with crude resources would show even higher profits than have already been so highly publicized. Oil companies lacking crude resources will object to paying the higher crude price unless costs can be passed on to the consumer.
>
> Gross profit at each stage of price increases listed above, based on 256 million barrels per month of ceiling crude production would be $89.6 million per month at 35 cents per barrel; $256 million per month, at $1.00 per barrel; and $512 million per month at $2.00 per barrel.

From a December 18, memorandum "Notes on the 9 a.m. Meeting, Tuesday, December 18 Concerning the Price of Domestic Crude Oil" prepared by William Walker, General Counsel, Cost of Living Council:

> It was agreed that about 200,000 barrels per day of additional oil would be obtained through secondary and tertiary recovery during the first six months or so of next year. This increase would result even absent a rise in the price of domestic crude through operation of the existing two-tier system limitations on additional crude production result from supply limitations on such commodities as rigs, drilling bits, steel tubing, etc. The long-run concern expressed about the two-tier system was that as the spread increases between the price of new oil and the price of old oil, there is increasing incentive to cheat."
>
> Herb Stein pointed out that the higher the initial price increase for domestic crude the sooner we will reach the point of equilibrium. He opted for $12.00 per barrel, stating that "it's big enough to avoid the need for rationing.

From a December 19, 1973, memorandum "The Pricing of Domestic Crude Oil" prepared by John T. Dunlop for George P. Shultz:

> Such a large jump would further escalate the bidding in the international markets and raise the price still further that the producing countries could expect to get.
>
> The economic system confronts major uncertainties. A shock of this magnitude is likely to help set off a number of inflationary reactions which will preclude any further orderly withdrawal from controls. Decontrol would become a rout.
>
> It is recommended that the price of domestic crude be raised now to $5.00 by the Cost of Living Council (with a tax announcement at the White House) and that a further increase of about the same amount be considered in several months (not to be announced now). The $5.00 old oil price (and $8.00 new oil) would yield an immediate average price of $5.75.

From a December 18, 1973, issue paper: "Crude Oil" prepared by Stanford Research Institute consultants to the Energy Division, Cost of Living Council:

> Increase ceiling prices for old crude oil:
>
> *Impact:* The size of the impact is directly related to the amount of price rise allowed and is covered in Part II. Other potential impacts are seen primarily as:
>
> 1. Possible world price response of still further increases.
>
> 2. Creation of sizeable windfall profits to producers which would be hard to justify unless some means were found to either recapture these through taxes or by a requirement that the profits be used for exploration and development.
>
> 3. Uneven consequences of such price rises as between the integrated refiners (who would benefit from the increased crude prices received as producers) versus the independ-

ent refiners (who could merely pass on the costs they actually incurred).

Magnitude of price increases:

Impact: An increase to $5.00 per barrel from the present $4.17 per barrel would increase total costs on the order of $2.5 billion per year (based September 1973 volumes of old crude). These would, of course, be passed on to the consumer in product price increases. An increase to $6.00 per barrel would cost an additional $3 billion.

All of these increased prices will be reflected as larger profits to independent producers.

A more direct and more palatable solution seems to be possible in terms of effecting price rises through a public mechanism such as taxation and pricing rules which could be designed to deal appropriately with refinery yield mixes and safeguarding of downstream levels of distribution.

In view of this information, it is difficult to argue against the merits of reducing the price of domestic crude oil.

Mr. President, I ask unanimous consent that these documents together with Ralph Nader's letter of transmittal to me be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

June 7, 1974.

Hon. Henry M. Jackson,
U.S. Senate,
Washington, D.C.

Dear Senator Jackson: Enclosed are copies of several memoranda and issue papers provided to my office by John Dunlop of the Cost of Living Council in response to a request, under the Freedom of Information Act, for data and analyses supporting the CLC decision of December 19, 1973 to raise the ceiling price for domestic old oil by $1.00 per barrel. These documents contain no economic data or analyses that justify the decision to increase the ceiling price for old oil. On the contrary, they contain conclusions which provide arguments against the price increase. For example, a paper prepared by CLC's Energy Division concedes that a price increase for old oil could not be justified as eliciting increased production because old oil fields were already producing at maximum levels (Tab B, p. 5). Another document admits that any increase in production of old oil due to increased secondary and tertiary recovery would have occurred without any increase in the price of old oil (Tab D, p. 1).

A report prepared for the CLC by the Stanford Research Institute (SRI) concluded that a price increase for old oil would not increase production because the bottleneck on domestic production was an equipment shortage, not the price ceiling on old oil (Tab E, p. 4). The SRI report also predicted that no significant decline in demand for refined products would result from a moderate increase in the price for old oil and argued that the incentive for domestic producers to export crude oil to the higher priced international market could be constrained by export regulations and taxes (Tab E, p. 5). As one of the CLC papers says, the increase in the price ceiling of old oil was an "arbitrary decision" (Tab B, p. 6).

This "arbitrary decision" will transfer from 2.5 to 3 billion dollars from consumers to oil producers in 1974. Authority to maintain or alter the price ceiling on old oil was transferred from CLC to the Federal Energy Office late in December of 1973. Despite the lack of justification for the price increase and the repeated complaints of Congressmen and consumer groups, FEO has maintained the price increase for almost six months. During the confirmation hearings which you are beginning today on Mr. Sawhill's nomination as Administrator of the Federal Energy Administration, he should be required to explain his maintenance of this unjustified gouging of consumers in order to provide a handout to oil producers.

Sincerely,

Ralph Nader.

Cost of Living Council,
Economic Stabilization Program,
Washington, D.C., April 15, 1974.

MEMORANDUM

Subject: CLC Staff Papers Regarding the Decision Made December 19, 1973, to Raise the Ceiling Price for Domestic Crude (Old) Oil.

The material attached to this memorandum includes all CLC staff papers prepared and sent to me prior to December 19, 1973, which have a direct bearing on the decision made and announced that day to raise by one dollar the ceiling price for domestic crude petroleum. A memorandum prepared by me and handed to Secretary George Shultz at 8:00 a.m. on December 19, 1973, including my own recommendations on this subject is also included.

Tab A—Undated Memorandum prepared by the Energy Division, Cost of Living Council and sent to the Director around the middle of December on the long-run supply price for petroleum.

Tab B—December 7, 1973, Issue Paper: "Old Oil Ceiling Prices" prepared by the Energy Division, cost of Living Council.

Tab C—December 18, 1973, Memorandum prepared by the Energy Division, Cost of Living Council, on petroleum supply and demand elasticities.

Tab D—December 18, 1973, Memorandum "Notes on the 9:00 a.m. Meeting, Tuesday, December 18 Concerning the Price of Domestic Crude Oil" prepared by William Walker, General Counsel, Cost of Living Council.

Tab E—December 18, 1973, Issue Paper: "Crude Oil" prepared by Stanford Research Institute consultants to the Energy Division, Cost of Living Council.

Tab F—December 19, 1973, Memorandum "The Pricing of Domestic Crude Oil" prepared by John T. Dunlop for George P. Shultz.

The December 19 decision to raise the ceiling price for "old" oil was made by the Secretary of the Treasury as Chairman of the Cost of Living Council after consultation with several administration officials including Mr. William Simon, Mr. Herbert Stein, myself and others. The critical discussion preceding this decision took place in Mr. Shultz's office at 7:00 p.m., on December 18, 1973, where the long-run supply price for petroleum and appropriate tax policies, including an excess profits tax on the oil companies was discussed. The staff papers presented to this meeting were prepared largely by the tax staff of the Department of the Treasury and by the Federal Energy Office and provided the basic data and analysis for the decision. Mr. Shultz, Mr. Simon, Mr. Stein and I participated in this discussion as well as members of the Treasury Department and Federal Energy Office staff.

My December 19 memorandum to Secretary Shultz (Tab F) was written after this meeting. It was based on the staff papers presented at this meeting, and includes my own recommendations concerning what the decision should be.

John T. Dunlop.

Memorandum Prepared by the Energy Division, Cost of Living Council

The "long-run supply price" for petroleum is that price which would return to investors in the petroleum industry about the same rate of return as it would earn in other lines of enterprise. The time required to achieve this condition is believed to be as little as 3 years by some and as much as 8 or 10 years by others. The lower end of the time range is supported by the fact that the Alaska pipeline is expected to be completed at the end of 1976, and it alone will add more than one billion barrels annually to U.S. production.

Obviously, the "long-run supply price" depends upon:

a. The degree of self-sufficiency to be achieved (foreign oil is cheaper).

b. The elasticity of U.S. demand for petroleum.

Given the degree of self-sufficiency, say 80–90 percent of consumption, which is the pre-embargo state of affairs less Arab-bloc imports, the long-run supply price for U.S. crude is thus that price which will elicit an annual production of 80–90 percent of consumption, at that price.

"Consensus" estimates of the long-run supply elasticity for petroleum suggests that it is at least one. H. Houthakker, of Harvard University, stated in a telephone conversation that he has surveyed the opinions of industry experts and that their estimates of the supply elasticity clustered around one. Professor Phil Gramm, Texas A&M University, stated in a telephone conversation that the supply elasticity is at least one. If these estimates are correct, a one percent increase in the price received by oil producers will result in approximately a one percent increase in the quantity of petroleum supplied. With domestic production at about 4 billion barrels per year and a price of about $3.50 per barrel (the situation prevailing at the end of 1972), output would be about 8 billion barrels if producers expected the price to be maintained at $7.50.

This quantity is in excess of the total amounts which would be consumed at the prices for petroleum products implied by a $7.00 per barrel price for crude petroleum. Consumption for the first quarter of 1973—before any "short fall"—was running at the annual rate of about 6 billion barrels.

The sources of expansion in the supply of crude petroleum which will limit price rises include (1) primary recovery from new wells, (2) deep drilling (including that on the continental shelf), (3) secondary and tertiary recovery, (4) extraction of oil from oil shale and tar sands and (5) gasification and liquidation of coal. It is generally believed that one ceiling on the price to which crude petroleum obtained from conventional sources may rise is imposed by the price at which a substantial volume of production would be forthcoming from the processing oil shale. While only pilot plant data are available on which one can base cost estimates, they suggest that at a price per barrel of $6 to $8 for crude petroleum, it would be profitable to process sufficient oil shale to eliminate any petroleum shortages. (See "Supply Elasticity and Parametric Study—Phase II" (July 31, 1972), by the Oil Shale Task Group of the Other Energy Resources Committee, of the National Petroleum Council's Committee on U.S. Energy Outlook.)

The long-run elasticity of demand for petroleum products may be sufficiently large so that the price will continue below the level at which shale would become economically feasible for a considerable period of time in the future. William Nordhaus of Yale University, in a paper to be published in the next issue of *Brookings Papers on Economic Activity*, estimates that crude oil from oil shale in the U.S. can be produced at $5.60 per barrel, whereas sufficient petroleum from conventional sources to clear the U.S. market can be produced at about $6.00 per barrel (1973 prices).

Thus, the evidence from almost all sources indicates that from $6 to $8 represents the range of prices which could be called long-run supply price of oil from domestic sources.

There is no danger in establishing a price larger than this as a ceiling, since the price can always fall below the maximum imposed. However, there is danger in imposing a ceiling which is lower than the long-run price because the supply will not be forthcoming to permit the removal of this ceiling.

OLD OIL CEILING PRICES

Issue I. Should old oil price ceilings be raised?

Issue II. If they should be raised, by what amount should the ceiling be increased and should there be requirements or limitations associated with the increase?

Issue I.

Pro. 1. When Phase IV was initiated it was stated that the ceiling price for old oil would be reexamined periodically and adjusted upward, if necessary, to approach world prices. It was indicated in press conferences that this would be done probably to approach world prices. It was indicated in press conferences that this would be done probably on a quarterly basis which would be by the first of the year.

2. PIMS statistics for November, based on October sales, indicate new and released oil was commanding a price of $6.17 a barrel or roughly $2.00 over the average ceiling price for old oil at $4.17 a barrel (Table I). Volume of new oil is more difficult to calculate but a combination of new and released oil amounted to approximately 30 million barrels in September, or 10.87% of total domestic production of 276 million barrels of crude for the month.

In the rising crude market, there is good reason to believe that current new oil prices are roughly at least a dollar higher than the $6.17 figure. A press report in *The Oil Daily* of December 3, 1973, states that new and released old oil prices for U.S. crude have "surged as much as $4.19 a barrel over 'old oil' prices in Wyoming" reaching $8.50 a barrel at the lease. Also, the *Daily* cited a published report to the effect that Mid-American Pipe Line was paying a "new Oil" margin of $2.71 a barrel but quoted a crude buyer as saying "Nobody knows exactly what prices are being negotiated."

* * * * *

The new oil price increases reported to PIMS have been reinforced by a telephone survey by Policy of the Department of Interior's field offices which have charge of Federal royalty oil sales. The attached memorandum shows that new oil is bringing as much as $7 a barrel with the average for new oil at around or just over $6 a barrel.

3. The near east situation is still sufficiently confused to prevent an accurate reading of the price and volume of crude imported from that area. There are reports, however, that indicate companies are swapping embargoed crude for nonembargoed crude which can be used in the United States so that price increases in all near east countries have at least an indirect bearing on U.S. costs. Near east posted prices can be misleading as most importers actually have been paying well below those prices under long term agreements. A number of countries, however, have arbitrarily increased prices under old agreements and the gap between actual and posted prices is narrowing. Posted prices for near east crude ranged from $4.95 to $9.25 a barrel (Table II) on November 1, 1973. Press reports in *Petroleum Intelligence Weekly* indicate the changeability of the near east situation. The November 12 issue reports bids for non-embargoed oil at Tunisia of $12.64 per barrel. The December 3 issue reports bids of up to $16.80 a barrel in Nigeria and bidding as high as $15.50 a barrel for crude in Tunisia. These bids are described as "survival" bids by the *Weekly* and are considered by many experts to be in the nature of panic buying. There is also speculation that the countries are encouraging these bids to exert pressure on companies purchasing under long term agreements.

* * * * *

Crude imported from Canada, which accounts for a third of U.S. imports, was priced at an average of $6.17 a barrel on November 1, 1973, including a 20¢ per barrel pipeline charge.

The Canadian government had earlier this year requested that the oil industry voluntarily freeze prices at the levels then prevailing through January, 1974, presumable to protect the Canadian consumer from inflation. As some U.S. oil prices continued to rise and Canadian oil prices were frozen, Canadian oil was being sold in the U.S. market at prices lower than the prevailing market. The Canadian Federal government then placed a 40¢ a barrel export tax on the oil. The Province of Alberta, where most of the country's oil and gas is produced, protested and announced its oil and gas laws would be changed to provide for higher royalty percentages and to require that the province, which owns most of the mineral rights in the province, be paid for royalty oil at world market prices regardless of the actual price received on selling the oil. The Canadian Federal government then increased the export tax to $1.90 per barrel. Canadian oil producers have requested that world market prices be allowed to prevail in Canada after January.

The cost of imported crude, therefore, varies greatly from spot purchases approaching $17 per barrel to regular imports as low as $5.17 (if not embargoed) and Canadian imports currently, with tax and transportation, are at $6.14 a barrel. It is fairly safe to say that very little, if any, imported oil is reaching the United States at the $4.17 domestic crude ceiling price.

4. Exports of crude petroleum from the United States are minuscule at this time but rumors presist that at least some crude is going abroad.

* * * * *

With the widening relative price of domestic ceiling crude and foreign crude, though, the temptation to export must increase. Export controls or export prohibitions could prevent legal loss of crude but would also probably disrupt international trade and bring reprisals with other countries restricting U.S. imports of other commodities. Placing U.S. crude prices closer to world prices would decrease the advantage of exporting.

5. The U.S. oil industry has consistently maintained that low domestic crude prices have depressed exploration for crude petroleum. An increase in the ceiling price would stimulate, following this line of reasoning, attempts to find new supplies of crude. (Other factors which will be discussed under the "Con" section may diminish this advantage.)

6. The allowance of additional price increases will provide resources which may result in accelerated use of secondary and higher priced recovery methods thus improving the longer run supply position. Reopening of some wells would be probable although there is disagreement on the technical ability to do so on any large scale.

7. Higher prices for crude when passed on in cost of products can have an effect on depressing demand.

8. Higher prices for crude could make production from other sources more feasible economically.

Con 1. The increased cost to the consumer would vary with the amount of the increase granted. Very generally, a $1.00 increase in crude would increase all petroleum products on the order of .024c per gallon. It could be expected to increase the WPI by * * * and the CPI * * * by * * *. This of course would be in addition to other costs which refiners can pass through. In view of this month's petroleum increase of * * * in the WPI, a large additional increase may bring an adverse public reaction.

2. The increased price would not materially increase production, at least in the immediate future. Although higher crude prices would encourage increased production and stimulate additional recovery methods, production is already at the maximum in almost all domestic fields and recovery methods require time to install. Stripper wells usually benefit most from crude increases as they are economically marginal to operate but they have already been exempted from controls. Increased production from new fields is also exempt. Some wells, however, on which production has been dead to allow qualification as strippers may increase production.

3. A substantial increase in crude prices which is not based on cost increases would mean increased profits for producers. Oil companies with crude resources would show even higher profits than have already been so highly publicized. Oil companies lacking crude resources will object to paying the higher crude price unless costs can be passed on to the consumer.

4. Increasing the price of ceiling domestic crude may trigger additional price increases by countries exporting crude to the United States. Apparently these countries are not reluctant to increase prices without a corresponding U.S. increase but would be even more likely to do so with a domestic increase. A new base for ceiling crude will probably also mean a higher price for new and released oil.

TABLE I.—COMPOSITE COST OF AVERAGE BARREL OF CRUDE OIL CONSUMED IN THE UNITED STATES

Country of origin	Consumption (percent)	Jan. 1, 1973		Aug. 1, 1973		Oct. 16, 1973		Nov. 1, 1973	
		Actual cost	Weighted cost	Actual cost	Weighted cost	Actual cost	Weighted cost	Actual cost	Weighted cost
Domestic (old)	56.62	$3.40	$2.53	$3.86	$2.88	$4.17	$2.36	$4.17	$2
Domestic (new)	17.88					6.17	1.10	16.7	1
Percent total domestic	74.50								
Imports plus WS 100									
Canada	8.32	3.58	.30	4.23	.35	4.64	.39	6.14	
Middle East:									
Iraq	.02	3.93	.00	4.48	.00	5.23	.00	5.27	
Kuwait	.34	3.32	.01	3.70	.01	5.14	.02	5.17	
Qatar	.02	3.46	.00	3.86	.00	5.70	.00	5.74	
Saudia Arabia	3.42	3.37	.12	3.75	.13	5.25	.18	5.25	
United Arab emirates	.60	3.42	.02	3.82	.02	5.83	.03	5.87	

Country of origin	Consumption (percent)	Jan. 1, 1973		Aug. 1, 1973		Oct. 16, 1973		Nov. 1, 1973	
		Actual cost	Weighted cost	Actual cost	Weighted cost	Actual cost	Weighted cost	Actual cost	Weighted cost
Mediterranean:									
Algeria	1.19	$2.55	$0.03	$2.65	$0.03	$4.20	$0.05	$6.90	
Libya	1.12	3.44	.04	4.02	.05	6.82	.08	6.98	
Non-Arab countries:									
Indonesia	1.54	3.14	.05	3.58	.06	4.44	.07	5.19	
Iran	1.46	3.37	.05	3.75	.05	5.39	.08	5.43	
Nigeria	3.51	3.19	.11	3.91	.14	6.42	.23	6.47	
Venezuela	2.47	2.58	.06	3.78	.09	4.58	.11	5.67	
Other	1.49	3.55	.05	3.95	.06	5.10	.08	5.60	
Percent equals total imports	25.50								
Composite cost per barrel of crude consumed in United States			3.37		3.87		4.78		$4

TABLE II.—PRESENT POSTED CRUDE PRICES PER BARREL

	Nov. 1	+WS 100
Domestic:		
Old	$4.17	
New	6.17	
Canada	6.14	
Iraq	5.12	+$1.50
Kuwait	4.95	+1.50
Qatak	5.89	+1.50
Saudi Arabia	5.12	+1.50
United Arab Emirate	6.11	+1.50
Algeria	9.25	+.60
Libya	9.05	+.60
Indonesia	6.00	+.91
Iran	5.40	+1.50
Nigeria	8.40	+.60
Venezuela	7.80	+.25

ISSUE II

A. If crude price ceilings are raised, by what amount should the price be increased?

As no additional costs are involved and a ceiling increase in the price of crude would be based on other factors such as world market prices and the desire to increase domestic prices of products to deter demand, this is an arbitrary decision.

Assuming it is decided to increase prices of ceiling crude, several stages may be considered.

An increase of 35¢ a barrel would be somewhat in the nature of a traditional increase. It was the amount that CLC authorized as an addition to May 15, 1973 prices.

An increase of $1.00 a barrel would bring domestic ceiling crude up to the lowest of mideast prices but leave it below Canada and almost all other exporters to the U.S.

An increase of $2.00 a barrel would bring domestic ceiling crude up to the Canadian imported crude (including tax) and to about the midlevel of other exporters to the U.S.

Gross profit at each stage of price increases listed above, based on 256 million barrels per month of ceiling crude production would be $89.6 million per month at 35¢ per barrel; $256 million per month at $1.00 per barrel; and $512 million per month at $2.00 per barrel.

B. Should there be any requirements or restraints on profits associated with the price increase?

Option 1. Allow producers to reap the additional profit.

Pro. This would well be received by the producers and can stimulate investment.

Con. The general public would object.

Option 2. Require that only a portion of the additional costs can be passed through by he refiner to the consumer.

Pro. This would be popular with the public.

Con. Oil refiners will say they can not absorb the costs. Those with crude reserves will not be effected as much as those without crude reserves (mainly independents).

Option 3. Require that profits in whole or in part be used for exploration, secondary recovery investment, additional refinery capacity or research and development of other energy sources.

Pro. Would lead to additional long term supplies.

Con. Would be difficult to supervise to prevent unnecessary expenditures. Lack of additional drilling rigs, and other supplies and labor may physically prevent exploration activities.

Option 4. Recoup profits by an excess profits tax or decreased depletion allowance.

Pro. Would prevent windfall profits.

Con. Would require Congressional action which may not be forthcoming. Would remove profits which can be reinvested in exploration or other supply activities.

Presently, we may take as a benchmark the following facts: at the beginning of the embargo, our consumption was at a rate of 6.2 billion barrels per year. Domestic production covered roughly 4 billion of that consumption, and was paid prices less than $4.

Such evidence as is available indicates that domestic supply responds to price with an elasticity of unity:

(1) The 4 billion barrels of domestic output could be increased to 6 billion barrels by a price increase of 50 percent (1973 prices).

(2) This increase would begin to take place immediately. Additional output would be extracted from existing reserves. But the greater response, that resulting from exploration and development, would occur in the 3–5 year period after the price increase.

(3) In any event, Alaskan oil (which would have been forthcoming under pre-existing conditions) would begin to add 1 billion barrels per year.

On the demand side, a $6 per barrel price represents a 30 percent increase in price. (Free domestic and imported oil yielded an average of $4.60.) This could be expected to reduce amounts consumed by 6 percent, so that, allowing for an annual rate of growth of 5 percent, 1977 consumption would equal approximately 7 billion barrels at (1973) prices of $6 per barrel of crude.

85 percent of this is about 6 billion barrels, which is about equal to the expected domestic supply of crude in 1977.

ECONOMIC STABILIZATION PROGRAM,
COST OF LIVING COUNCIL,
Washington, D.C.

Memorandum for John T. Dunlop.

Subject: Notes on the 9:00 a.m. Meeting, Tuesday, December 18 Concerning the Price of Domestic Crude Oil.

Attendees: Chairman Stein, Bill Johnson of Treasury, Oz Brownlee of Treasury and McLane, Kosters, Owens and Walker of Cost of Living Council.

SUPPLY ELASTICITY

It was agreed that about 200,000 barrels per day of additional oil would be obtained through secondary and tertiary recovery during the first six months or so of next year. This increase would result even absent a rise in the price of domestic crude through operation of the existing two-tier system. Limitations on additional crude production result from supply limitations on such commodities as rigs, drilling bits, steel tubing, etc. The long-run concern expressed about the two-tier system was that as the spread increases between the price of new oil and the price of old oil, there is increasing incentive to cheat.

DEMAND ELASTICITY

The Treasury group estimated .2 demand elasticity, or an estimate that for the first dollar increase in crude, demand would be reduced about 4%.

PRICE SPREAD

It was generally agreed that the spread between new oil and old oil is increasing rapidly. There are some confirmed quotations in the neighborhood of more than $8 per barrel for new oil. It was agreed that the average price of new oil is now about $6.25, or $2.00 over old oil prices.

HOLD-BACK

It was generally agreed that while there is some obvious incentive to hold back production of refined product and to hoard product, there is no evidence to suggest that this phenomenon is occurring in any widespread way. Bill Johnson cited statistics which show a continuing slightly downward trend in crude production and stated that there has been no acceleration in this downturn in recent months.

LONG-RUN EQUILIBRIUM PRICES

Herb Stein pointed out that the higher the initial price increase for domestic crude the sooner we will reach the point of equilibrium. He opted for $12.00 per barrel, stating that it's big enough to avoid the need for rationing." He said that there are two stopping points for a crude price increase: the first would be a long-run equilibrium price which he was not prepared to identify. The second is a short-run equilibrium price which he is prepared to say is $12.00, with knowledge that if it is too high, the price will come down. Stein couples the $12.00 price with a windfall profits tax which will yield the companies at least $6.50 per barrel, and he would do away with the two-tier system except for the stripper well exemption. Stein concedes that there is no short-term supply elasticity.

Johnson is in general agreement. He stated that an increase to $10 would, over a period of three or four years, bring out additional supplies and, in eight or nine years would produce very significant increased supplies. He believes that $6.50 is a long-term equilibrium prices, as that is the price at which shale oil becomes economical to produce in commercial quantities. (Both Johnson and Stein dismissed Houttakher's figure of $5.50.) Brownlee strongly favors decontrol, but would settle for $12.00 per barrel. He uses the soybean analogy (i.e., what goes up must come down, though he is prepared to concede that there is no oil harvest immediately ahead.) Brownlee feels that after three months or thereabout the price would settle back at about $8.00 per barrel, though he had no data to support this figure.

I pointed out that the Allocation Act prohibits price decontrol of any petroleum product except upon a finding by the President that regulation of prices for the product in question is not necessary to carry out the Act, that there is no shortage of the product and that exempting the product from the regulation will not have an adverse effect upon the supply of any other oil or refined petroleum product. Such a finding and proposed exemption must be submitted to the Congress and both Houses given at least five days to disapprove it.

William N. Walker,
General Counsel.

Issue Paper—Crude Oil

ISSUE

What should be the near term pricing policy for domestic crude oil.

BACKGROUND INFORMATION

At the time the petroleum price control regulations were revised to establish the two-tier price structure for domestically produced crude oil a ceiling was placed on old oil while new oil was decontrolled. It was recognized, and publicly stated, that it was intended to reconsider ceiling prices for old oil periodically and to adjust them at intervals so that ultimate price parity between domestic and foreign oil would be achieved. Initially an upward adjustment of 35¢ per barrel was allowed to prices prevailing on the base date of May 15, 1973. There has since been no further adjustment to the ceiling price for old oil.

New oil has begun to appear and on November 1, 1973, was priced at $6.17 per barrel as compared to $4.17 per barrel for oil oil. Though approximately 20,000,000 barrels (667,000 barrels per day) of new oil were produced in September, the latest month for which data are available, it is still too early to assess the effectiveness of the two-tier system in increasing total production. Prices for imported crude oil have risen to an average of $5.84 per barrel as of November 1, 1973 (range of price is from $5.19 to $6.98 per barrel). Indications are that further increases can be expected. There have been reports of individual transaction prices as high as $15 per barrel for Tunisian oil.

It would appear appropriate to consider the need for, and the effects of, continuing or adjusting the price of domestically produced old oil for a number of reasons outlined below.

A ceiling adjustment would follow through on the announced policy to consider readjustment to achieve ultimate parity between domestic and foreign crude oil prices.

The rise in both new domestic and foreign crude due in part to the Arab embargo has widened rather than narrowed the gap between these crudes and old oil.

The exemptions of stripper wells from price control will free a portion of old oil and may actually create disincentives to increase or even maintain production from oil wells that are only marginally above the stripper level of production.

The allowance of additional price increases will provide resources which may result in accelerated exploration and both primary and secondary development, thus improving the longer run supply position.

In the shorter run, the higher prices for crude when passed on to product costs can have some effect on depressing demand.

Domestic oil crude prices have not kept up to the same rates of increase as were experienced by refinery products.

Following sections of this paper deal with a number of the above points in greater detail. Also discussed are alternative means of addressing the price adjustment problem, their implications and their advantages and disadvantages.

PRICE AND MARGIN TRENDS

Prices in the petroleum industry were generally comparable with those in overall wholesale and consumer markets through 1972. Since that time, there has been significant divergence in their rates of increases. To the degree that data are available, Chart 1 illustrates these trends.

Prices for domestic and imported crude oil rose in parallel between January and August 1973. At that point, the domestic old oil price continues its gradual increase under the two-tier system. By November, domestic new oil prices were established at about $2.00 higher than old oil, as import prices had risen rapidly, averaging just under $6.00 in November, with substantial increases projected when the full effect of the Arabian production cutback and embargo takes hold.

Refinery realization on petroleum products rose at a more rapid rate then crude oil between January and the beginning of the freeze in June, resuming its rise in August at a higher rate of increase which reflected the pass-through of imported refinery feedstocks at ever increasing prices.

The rate of price increases on wholesale gasoline roughly paralleled that of domestic crude in 1973 until August. Retail gasoline prices are relatively flat until September. Thereafter, at both levels the effect of expensive crude imports is evident.

The trend lines for WPI industrial commodities and WPI overall have a noticeably lower rate of increase than the rates of petroleum crude and products.

Chart 1 also includes the trend lines for refiner and retailer gross margins, both of which have risen substantially in 1973, especially beginning in November. No data are available on crude margins.

OBJECTIVES

These are four possible desirable effects of an increase to the domestic crude price:

(1) To reduce the demand for crude oil or its products.

(2) To increase the supply, by providing an incentive which would encourage additional production and additional exploration and development.

(3) To discourage exports by pricing nearer the world price.

(4) To provide oil producers with a more equitable share of petroleum profits.

The desirability of raising the oil price is discussed below in terms of these factors.

INCREASE SUPPLY

It has been suggested that increasing the price of crude oil will encourage (1) increased development and (2) maximum efforts toward secondary and tertiary recovery.

CLC contacts indicate that the current two-tier system, which provides for a free-market price for increased production over 1972, has generated substantial new activity which indicates that it is adequate incentive for increasing the supply. The real bottleneck now is not the lack of incentive prices, but the lack of availability of drilling tools and equipment.

Even with appropriate incentives and equipment, our discussions indicate that it will take many months to affect the supply to any degree. However, one advantage of increasing the old oil price is that the rise may counteract the tendency of producers to reduce production of wells producing just over 10 barrels, so as to qualify them for exemption as strippers.

Reduce Demand.—The demand problem is at the product level, not the crude level. An increase in the domestic crude oil price of $6.00 would generate a price rise in petroleum oil and fuel products of approximately 5c per gallon. Under most elasticity assumptions we have seen, an increase of this size would not in itself be large enough to effect a significant reduction in demand. Larger rises would generate windfall profits to producers.

A more effective method, one which could be applied in greater depth and more precisely, would be a tax on the products.

Discourage Exports.—A price rise would effectively meet the export problem, which is currently small but will probably rise. So would export controls or export taxes, provided their use is consistent with our foreign trade policy.

Provide Producers More Equitable Share of Petroleum Profits.—The record in 1973 indicates that crude oil prices have lagged behind refinery product prices. There are no comparable data with regard to profits, largely because much of the production is by integrated companies. However, since the Phase IV price adjustment there has been no strong pressure by oil companies to raise crude prices, under the rationale of an imbalance in profits. There has been such pressure at the product wholesale/retail level.

Rather than to generate profits at the producer level, it would seem more equitable to channel such a rise in profits into the levels which will be hardest hit by petroleum shortages (the refiner, wholesale and retail levels) so as to offset the losses attendant to these shortages.

ALTERNATIVES

(1) Provide for an increase in the ceiling price of old oil but continue the two-tier price system so as to allow increases for new and released old oil.

(a) *Impact.* This would maintain some restraint on the upward movement of the price of petroleum products to the consumer. The producer could only earn price increases as a given property. It is still too early to assess affects of the two-tier policy on crude oil production. Informal information from industry indicates that is looking well and that there is no evidence of disatisfaction.

(b) *Advantages and Disadvantages:*

Pro

1. Maintains a posture of continued interest in controlling upward price movements.

Con

1. Does not provide for the promised gradual attainment of ultimate price parity between domestic and imported crude.

Pro

2. Use the price mechanism as a means of stimulating production.

Con

2. Would be viewed as adverse discrimination by the producers since price rises of refinery products have been significantly greater than for old domestic crude oil.

Pro

3. Avoids windfall profits to producers which a significant price increase would generate.

Con

3. May cause some producers of old oil to reduce production (especially those only marginal above the stripper well category.

Con

4. Could lead to increased export of crude oil because of price differentials between domestic and world market prices.

(2) Increase ceiling prices for old crude oil.

This alternative is discussed in two parts. Part I addresses the issue of whether or not there should be a price rise. Part II addresses options as to how much of an increase is to be allowed if an increase is to be permitted.

Part I—Should there be a price rise?

(a) *Impact:* The size of the impact is directly related to the amount of price rise allowed and is covered in Part II. Other potential impacts are seen primarily as:

1. Possible world price response of still further increases.

2. Creation of sizeable windfall profits to producers which would be hard to justify unless some means were found to either recapture these through taxes or by a requirement that the profits be used for exploration and development.

3. Uneven consequences of such price rises as between the integrated refiners (who would benefit from the increased crude prices received as producers) versus the independent refiners (who could merely pass on the costs they actually incurred).

(b) *Advantages disadvantages—*

Pro

1. Consistency with commitments to achieve ultimate parity between domestic and foreign crude.

Cons

1. Possible tendency to further U.S. price increases to cause further world price increases.

Pro

2. Provision of added revenue to producers which may in the longer run result in increased production.

Con

2. Windfall profits to the producers.

Pro

3. Reduction of risk of diversion of crude through expert channels.

Con

3. Differing severity impact on integrated versus independent refiners.

Pro

4. Increased prices could to some degree have the effect of reducing product demand.

Con

4. Could be viewed as discriminatory against independent refiners who by the Emergency Petroleum Allocation Act of 1973, are accorded preferential treatment.

Cons

5. Other methods (taxable) refinery yield adjustment could be used to reduce product demand.

6. Probable adverse public reactions

Part II.—Magnitude of price increases. The magnitude of price increase to be allowed can be determined in a number of ways, none of which can be identified as more "right" than another except perhaps in terms of severity of impact or effectiveness in achieving overall objection.

Two possibilities are suggested:

An old oil price at a point intermediate between the current level and the average landed cost of foreign crude (Say $5.00 per barrel).

An old oil price roughly equivalent to the average landed cost of foreign crude (Say $6.00 per barrel).

(a) *Impact:* An increase to $5.00 per barrel from the present $4.17 per barrel would increase total costs on the order of $2.5 billion per year (based September 1973 volumes of old crude). These would, of course, be passed on to the consumer in product price increases. An increase to $6.00 per barrel would cost an additional $3 billion.

(b) *Advantages and disadvantages*

In addition to the general pros and cons enumerated for the concept of a price rise, the specifics for the levels of rise mentioned above are:

Pro

1. Would cause substantial upward product prices and thereby tend to reduce demand.

Con

1. Given the uncertain regarding demand elasticity for petroleum products it is uncertain that demand will fall sufficiently to adjust to reduced supplies under embargo conditions.

2. Profit enhancement to the degrees cited would be subject to considerable criticism because of the repressive nature of price increase on the major products (gasoline and heating oil.

CONCLUSION

While the objective of reducing demand would be supported by significant increases in ceiling price it is not clear that such increases are sufficient or even necessary to accomplish this end.

Though it would be reasonable to allow some increases in the light of earlier commitments to move toward domestic/foreign crude price parity it is likely that more modest allowances would suffice, and avoid windfalls, excess profits and other attendant problems. Since informal industry opinions indicate satisfaction with the two tier system it is by no means certain that substantially higher prices will stimulate substantially more new production in the short and long run. Equipment shortages will in any case limit short run potential.

A more direct and more palatable solution seems to be possible in terms of effecting price rises through a public mechanism such as taxation and pricing rules which could be designed to deal appropriately with refinery yield mixes and safeguarding of downstream levels of distribution.

ECONOMIC STABILIZATION PROGRAM,
COST OF LIVING COUNCIL,
December 19, 1973.

THE PRICING OF DOMESTIC CRUDE OIL

At the present time the price of "old oil" is approximately $4.20 and the price of new oil (and stripper well oil) is about $7.00. This makes for an average price of about $4.90.

The proposal to try to move now in one step to something called the "long run supply price for domestic oil that would create approximate independence" by an increase of $2.30 or $3.30 per barrel is subject to many objections:

a. An increase of so large amount in the price of old oil could not stop at the range of $6.50 to $7.50 since new oil prices (and stripper well oil) would be above this level and would continue to rise tending to put pressure for still higher prices of old oil.

b. Such a large jump would further escalate the bidding in the international markets and raise the price still further that the producing countries could expect to get.

*c. The effects of such a large jump in my view could not be absorbed under the prenotification procedures we have with a 30-day lag. In a great many industries such as petrochems, carbon black and tires the pressures of a further 70 to 80 percent price increase in a large component of costs would destroy "spreading out of the price bulge". Instant cost pass through could not be resisted. In hospitals, for instance, the proposed regulations we have could not resist instant pass through above our proposed 7.5 percent budget ceiling. It would be impossible in my view to maintain the cost of absorption system due to the lag that we now have in place.

d. At the retail gasoline level a 70 to 80 percent jump in crude prices would be perceived as warranting upping margins from about 8 cents to 12–15 cents. "They are getting theirs".

e. The only practical way to approach a price of $6.50 to $7.50 and maintain other controls in place is in several steps.

2. The economic system confronts major uncertainties. A shock of this magnitude is likely to help set off a number of inflationary reactions which will preclude any further orderly withdrawal from controls. Decontrol would become a rout.

a) The Teamsters and the airline employees have already served notice that they intend to reopen their collective bargaining agreements. This could well lead to a general wave, as in Britain, with strikes for "voluntary" increases to offset employment effects or cost of living effects.

b) It is agreed that there are no short run supply increases likely in the next few months.

It is recommended that the price of domestic crude be raised now to $5.00 by the Cost of Living Council (with a tax announcement at the White House) and that a further increase of about the same amount be considered in several months (not to be announced now). The $5.00 old oil price (and $8.00 new oil) would yield an immediate average price of $5.75.

If a price of $7.00 to $8.00 is now established. I recommend full decontrol of the economy immediately because even orderly phasing out of a controls system cannot be viable under such a shock.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business. If not, morning business is concluded.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3000, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from New Hampshire (Mr. McINTYRE). Time for debate on the amendment is limited to 4 hours, to start at 12:45 p.m., to be equally divided and controlled by the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Mississippi (Mr. STENNIS).

Mr. ROBERT C. BYRD. Mr. President, if there should be recess until 12:45 p.m., the time would not run against anyone. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 12:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12:45 p.m. today.

The motion was agreed to; and at 12:25 p.m. the Senate took a recess until 12:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CLARK).

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1380

Mr. McINTYRE. Mr. President, I believe at this time, in accordance with the previous order, my amendment, cosponsored by the Senator from Massachusetts (Mr. BROOKE), becomes the pending business.

The PRESIDING OFFICER. It is the pending business.

Mr. McINTYRE. Mr. President, this amendment is a very important amendment because we find that our Nation quietly, without too much fanfare, is about to change a national policy that has been in effect for a generation.

I would like to read into the RECORD this amendment. It states:

> On page 4, between lines 18 and 19, insert a new section as follows:
>
> SEC. 202. No funds authorized pursuant to this or any other Act may be expended for the purpose of enhancing the United States counterforce capability by developing, testing, or procuring improved guidance technology for the Minuteman III missile, the Mark 12A reentry vehicle and warhead for the Minuteman III missile, or a terminally guided MARV (maneuverable reentry vehicle) until after a report has been submitted to the Congress by the President stating that the strategic arms limitations talks between the Soviet Union and the United States have been unable to achieve substantial controls over multiple independently targetable reentry vehicles (MIRV).

This amendment, Mr. President, involves this year only a $77-milion outlay but, Mr. President, if we should go ahead and develop these three programs the present-day estimate of the total cost would be $1.5 billion for a program that, as I will argue extensively today, particularly during the executive session, we do not need.

I would like to read into the RECORD an editorial of the New York Times this morning which states the case very well. The title of the editorial is "Missile Danger." It goes on to say:

MISSILE DANGER

> Almost unnoticed by the country and little debated in the Congress, a dangerous and drastic tranformation of American nuclear strategy is in the making. From a long-standing policy of deterrence—based on a stable, second-strike, retalitory force—the Pentagon is now seeking a silo-killing capability that the Soviet Union may perceive as a first-strike force.
>
> In past years, President Nixon has made firm commitments against weapons development in the direction of a first-strike capability. The Defense Department itself, in 1971, opposed a Senate proposal favoring a counterforce strategy, saying "It is the position of the United States not to develop a weapons system whose deployment could reasonably be construed by the Soviets as having a first strike capability. Such a deployment might provide an incentive for the Soviets to strike first."
>
> Nevertheless, the $21.9 billion military procurement bill now on the floor of the Senate contains three new nuclear weapons programs that can provide a capability for destroying large numbers of Soviet missiles in their hardened underground silos. These programs would greatly increase the accuracy of American landbased Minuteman III ICBMs, double their yield and develop a terminally-guided MARV (maneuverable reentry vehicle) which would give submarine-launched missiles, as well as Minuteman, nearly perfect accuracy.
>
> There are other potentially destabilizing missile-development plans in the pending defense budget, but these three are clearly the most dangerous, although only $77 million is being asked to get them started. An attempt to block these funds and force a serious debate on the Administration's counterforce strategy is being made by Senator Thomas McIntyre of New Hampshire. His amendment would tie up these funds until the President notifies Congress that efforts to place adequate limits on Soviet MIRV multiple warhead missiles in the strategic arms limitation talks (SALT II) have failed.
>
> The Pentagon has sought to justify its strategic initatives as a warning to Moscow that it will "match" the current Soviet missile buildup unless it is curbed by a SALT agreement. But the new American programs are more likely to confirm the argument of the Soviet military leadership that Russia must overtake the American effort to maintain qualitative superiority.
>
> There are safer ways to "match" the Soviet missile buildup, if that should become necessary, and there is no need to hurry to start. Present programs already assure American nuclear superiority until the mid-1980s. Instead of spurring a SALT II agreement, the new missile programs are more likely to block it and stimulate a qualitative arms race that may make significant arms limitation virtually impossible.

Mr. President, I submit that presenting this case for the distinguished Senator from Massachusetts and myself and our cosponsors involves a difficult and complicated set of facts. So for that reason, at the appropriate time, so that I may talk freely and be able to talk in terms of feet, yields, and accuracy, I shall move for an executive or secret session, and I would want to have as good attention as I possibly can receive; so I shall ask, probably simultaneously with the request for an executive session, for a live quorum call.

At this time, Mr. President, I suggest the absence of a quorum, to be charged to my time.

The PRESIDING OFFICER. On whose time?

Mr. McINTYRE. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUGHES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. McINTYRE. I yield 10 minutes to the distinguished Senator from Iowa.

Mr. HUGHES. Mr. President, I am pleased to be a cosponsor of this amendment offered by the distinguished Senators from New Hampshire and Massachusetts (Mr. MCINTYRE and Mr. BROOKE).

The issue we face today is not really one of money, for the amounts involved are small. Nor is it one of management, or ideology.

Rather, the question before us is whether or not to go ahead immediately with new, dangerous, and destabilizing programs which will provoke another round in the nuclear arms race.

Until now we have talked about the defense budget. Today the issue is the offense budget, for these improved yield and accuracy programs add nothing to our ability to survive an attack, but rather make it easier for us to strike first against an enemy.

If these programs go ahead unimpeded it will mark a sudden reversal in the policy several times declared by the Senate and every recent Secretary of Defense.

In 1971, the Senate rejected a proposal for improved accuracy of our Minuteman missiles by a 66 to 17 vote.

In 1972, the Senate insisted on deleting a hard-target kill program from the package of programs proposed just after the first SALT agreements.

That same year, in approving the interim agreement on offensive weapons, the Congress wrote into law a provision first offered by myself and Senator BROOKE which declared that the success of that and future agreements was "dependent upon the preservation of longstanding U.S. policy that neither the Soviet Union nor the United States should seek unilateral advantage by developing a first strike potential."

Defense Secretary Laird had assured the Congress that we would not develop weapons which might be construed as having a first strike capability.

When Secretary Richardson came before the Armed Services Committee for his confirmation hearing, I asked him whether he also supported that policy, and he gave an affirmative reply.

Secretary Schlesinger, in his confirmation hearing, responded to a similar question from me by saying:

> I share the views of previous Secretaries of Defense that we do not have and are not seeking a disarming or first strike capability.

When I asked Secretary Schlesinger this year how he could reconcile that statement with his new hard target kill programs, he sidestepped the issued by arguing that no nation could ever achieve a first-strike capability so long as nuclear submarines remain invulnerable.

This position ignores the many previous arguments that we could not tolerate a Soviet capability to destroy at one blow any component or our strategic forces. In particular our ICBM's.

By Mr. Schlesinger's logic, we should not worry about current Soviet missile programs because our subs remain invulnerable. I think we should worry—not by overreacting but rather by pressing more quickly for a permanent arms control agreement.

The Russians should worry even more about our hard target kill programs, since they rely on ICBM's for the bulk of their strategic force. We at least have intercontinental bombers which help to give us a 3-to-1 superiority in deliverable warheads. But if Soviet ICBM's were subject to attack by U.S. missiles with increased yield and accuracy, Soviet leaders would surely consider that threat dangerous and destabilizing.

Why should we reverse our policy now? One reason given is that we need flexibility to destroy a few silos rather than attacking cities. But Secretary Schlesinger himself has testified.

> We can devise selective, flexible strikes with our existing array of weaponry.

In other words, we do not need these hard target programs in order to have a flexible response to the full range of hypothetical nuclear exchanges. These new programs merely increase the efficiency and probable effectiveness of our existing weapons.

Nor do we need these programs to "catch up" with the Russians. Secretary Schlesinger has testified:

> We now have greater operational counterforce capabilities than they have.

Therefore, we have flexibility now and we are ahead in counterforce capability. Why should we rush ahead with these new programs?

What about the future? Clearly, the Soviet Union is engaged in a vigorous missile development program. After all, they are inferior to the United States in technology and capability.

But the costs for them to complete all of these programs would be enormous, and probably prohibitive. Secretary Schlesinger has estimated that it would require a Soviet willingness to spend the equivalent of $30 billion to replace the current SS–11 force with SS–19's, and $12 to $15 billion to replace the SS–9's with the SS–18.

To avoid or limit those costs, the Russians surely have an incentive to reach a new SALT agreement.

Even if they went ahead, even if the current round of SALT failed, we would still have plenty of time to respond with these or other programs.

Current national intelligence estimates indicate that the Soviets could not have the capability for a disarming strike against Minuteman before several years in the future. Research and Development chief, Dr. Currie, places that time period at when "we approach the mid-1980's."

To hedge against that development a decade hence, the Air Force is developing the advanced ICBM which could provide a new missile, less vulnerable than Minuteman, in time to counter the hypothetical threat.

In other words, we are already proceeding with other programs to overcome this threat to Minuteman survivability. We do not need increased yield and accuracy at this time.

So what are we talking about? Three new programs, costing $77 million this year and possibly several billions of dollars in the next few years. Such huge expenditures would leave us poorer in resources, less secure because of a less stable military balance, and only slightly more capable to make selective nuclear attacks.

And if we proceed now, we jeopardize our current SALT negotiations. Suppose that we planned to deploy only limited numbers of new hard target weapons. How could we assure the Russians that we were not going all-out for a first strike potential? We could not. In fact, the Pentagon admits, even boasts, that "such assurances would be extremely difficult, if not impossible, to give or obtain, particularly if verification were limited to national technical means."

In other words, we would let the genie out of the bottle and would never be able to confine it again.

Already our land-based missiles have an accuracy of less than a quarter of a mile, which is sufficient to destroy aboveground structures and, to some degree, even hardened missiles. Further improvements, by reducing the current uncertainty about the effects of an attack, actually increase the likelihood of war.

A nation threatened by a high probability of a one-shot obliteration of its ICBM's would prudently adopt a hair-trigger launch on warning strategy in order to use its missiles before they were destroyed in their silos. In a crisis, ambiguous evidence from early warning systems could thus prompt a kill-or-be-killed decision.

And once one nation has successfully demonstrated a hard-target system, no other nation could verify or be sure that that capability had been extended to enough of the force to provide a disarming first-strike potential.

Furthermore, if national leaders think that they can get away with limited, selective strikes, they may be more willing to try them. And such strikes would have substantial collateral damage, killing millions of civilians.

To avoid this, we must preserve the clear line between conventional and nuclear war.

The time to stop is now—before we are caught in another costly round of the arms race, before we go beyond what we can control by international agreements and until we know for sure whether SALT has succeeded or failed.

This amendment would give us breathing space and would give both sides a powerful incentive to limit strategic arms as soon as possible.

Mr. President, I believe that this proposed amendment is a reasonable offer by the chairman of the subcommittee and the cosponsors, after a total study of the situation, that would show that what we are doing is minimal in the overall defense position of the United States of America.

It would place us in a better position in the SALT talks, in a better position to avoid an international nuclear exchange, and a more reasonable position for the hopeful and eventual defanging of totally destructive weapons systems.

For all these reasons, Mr. President, I wholeheartedly support the amendment of the distinguished Senator from New Hampshire (Mr. McIntyre) and the distinguished Senator from Massachusetts (Mr. Brooke).

Mr. McINTYRE. Mr. President, I want to thank my distinguished colleague from Iowa not only for his fine statement but also for the good work he does on the Subcommittee on Research and Development. We work on things behind closed doors, with policemen on guard outside, as we take a look at the facts.

I should like to ask him what his reaction is to the flexible response theory.

Does the Senator from Iowa agree with me that there is a great deal of danger in getting involved in discussions like—say they shoot a limited number, three missiles, into our silos and we say, "I tell you what we will do, we will do the same and shoot three back at you," and we knock out their radar centers guarding their air defense.

Then they retaliate with a limited attack on, say, a command center on some of our silos at Maelstrom.

What is the opinion of the Senator from Iowa of that sort of nuclear exchange? Does he think that would be viable or academic?

Mr. HUGHES. As the distinguished Senator knows, the Senator from Iowa believes that this sort of theoretical thinking is totally out of line with the realities of an exchange once it begins. Once an exchange begins, so far as I am concerned, the capacity to limit it is very remote, because the danger is always there that the opposing force would take advantage of preempting by a first strike. Once the potential enemy believes that we have that potential capacity for a first strike, then they will develop a hair-trigger which will give them the capacity to respond totally before their missiles could be killed in the silos. So I believe that the flexible reaction theory would be nil, for all practical purposes, in that sort of warfare.

Mr. McINTYRE. Has the Senator ever seen pictures of the destruction at Hiroshima and Nagasaki?

Mr. HUGHES. This Senator has not only see the pictures but he has been there and viewed the local photography of the aftermath and the destruction. When I first visited Nagasaki at the site of the shrine commemorating where the bomb had dropped, the only thing I could do, with tears streaming down my face, was silently to pay,

> God forgive us for what we have done in developing this potential for destroying civilization, for making possible the total destruction of all humanity.

It is almost impossible for anyone to conceive of the death-dealing capacity of modern nuclear warfare in comparison to what would now be called primitive bombs.

Mr. McINTYRE. Does the Senator from Iowa know what the yield was on the Hiroshima and Nagasaki bombs?

Mr. HUGHES. I am sorry to say that I cannot recall it at this moment.

Mr. McINTYRE. They were 20 kiloton—20,000 tons. Our present Minuteman yields many times that figure. So that is a pretty lethal weapon that we have in the present force—and the Senator has seen the results of what a 20 kiloton bomb can do. So I want to thank my good friend from Iowa.

I think that in the closed session, where we will talk about the actual accuracy that the Secretary of Defense seeks, and we show our colleagues what they are striving for, they will realize that this is not a just question of launch on warning where we see a few blips—our potential foes—a few blips on the radar and decide that we will not take a chance as to whether a group of bombs are coming. This is a situation where we get into the hair-trigger period of international tension and the prospect of thinking that we have the power to knock out his silos and destroy his counterforce, so that there will not be a prelaunch, but he will take no chances and fire first. Does the Senator agree?

Mr. HUGHES. I agree that this step, which would give us that capacity, in my opinion, would develop hair-trigger international nuclear warfare such as never existed before in our history and which would be a threat to the survival of the human family itself, in my opinion.

Mr. McINTYRE. Mr. President, I thank my good friend from Iowa.

Mr. President, I suggest the absence of a quorum, on my time.

The PRESIDING OFFICER (Mr. MONTOYA). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the amendment offered by the Senator from New Hampshire.

Mr. STENNIS. How much time do I have, Mr. President, in opposition to the amendment?

The PRESIDING OFFICER. The time on the amendment is limited to 4 hours, equally divided, 2 hours to each side.

Mr. STENNIS. I thank the Chair, and I yield myself 10 minutes.

Mr. President, I understand that the Senator from New Hampshire, in his good judgment, will request—and I will second the motion—a closed session on this amendment, but there are some matters that we can bring out for the record, even if some matters are repeated.

Mr. President, this debate is about a provision in the bill, authorizing a certain sum of money, $77 million in round numbers, to cover research, and only research, that concerns the question of improving the accuracy and yield for missiles, both land based and sea based, that we already have and that are already in operation.

Reference has been made to the fact that this matter has been before the Senate before in one form or another.

I recall when the matter was before the Senate on an amendment from the floor by the Senator from New York (Mr. BUCKLEY). It came before the Senate then without a recommendation or testimony from the administration, from the Department of Defense, or any branch of the administration.

It was proposed near the end of the debate. At the time I have in mind, the war was still in progress in South Vietnam and amendments were being offered to terminate the war by cutting off funds. That was the atmosphere and background.

I did not think this matter ought to be raised at that stage of the proceedings on that bill, without a budget estimate, and without testimony directly on the matter.

I believe I voted in more than 1 year against amendments that were proposed to put similar items in the bill.

At that time, too, or near that time, the SALT talks were in progress.

Mr. President, the issue of the capability for a first strike—which, with all deference, I think has always been overemphasized—has already been raised by the administration in requesting the money. Hearings have already been had, even though in closed session.

Editorials have already appeared in the newspapers, and that is entirely all right, too. But one can tell from those editorials that the writers have a great deal of information about this matter that I had understood was classified.

Since this matter was last before the Senate, the Soviets have moved forward considerably, greatly one might say, in this field of weaponry. So this is a new day and certainly a different day and a new start with reference to the consideration of these R. & D. funds. This question goes solely to the accuracy and the volume or yield for weapons we have already.

I think accuracy is always desired in weaponry. I do not know of any case where it is not. I am not a good quail shot, but I hunt quail some. I do not want to oversimplify the matter, but, Mr. President, you do not get very far just shooting into the covey; you do not kill many birds that way. The hunter has to swing with the moving target; he has to have the gun on the moving target; it increases his potential.

Mr. President, even thinking about firing one of those weapons is serious business. It is unpleasant even to think of, having a weapon that is so destructive.

But we start with the fact that we already have these weapons. They are in being and we think we know what they will do approximately. We know, too, that our possible adversaries have these weapons, and they know approximately what their weapons will do and we think we know approximately what they will do; and I refer to the weapons of our possible adversaries.

That brings us to the proposition here: What are we going to do about improving the effectiveness of weapons we already have? This is not going to change our minds one bit about not making a first strike. We have said that from the beginning, and I am not sure we are fully believed by our possible, potential adversaries.

At the same time I think it is infinitesimal, almost, what difference this will make—whether or not we sharpen our accuracy some and our effectiveness in this field.

It seems to me, and I have been in on this matter for a few years, that contrary to logic, the good that may come out of the SALT talks is not based upon what is being done toward stopping arms but what has been done already, and I am thinking now about the ABM.

We had a very fine debate, and on one occasion I remember that there was a tie vote and an amendment failed for the lack of a majority, even though it got as many votes as the opposition. One of the arguments in favor of the ABM was that we should start and then time will make it more likely that we can get an agreement. That is what happened. I do not know if it is because of what we did or not, but I do know that until we started to build the ABM we had not been able to get an agreement and after we started we got an agreement, when we got the agreement everyone accepted the fact that nonprohibited improvements would move forward.

MIRV was the outstanding example. I know I assumed the Soviets were going to have a capacity in the future for MIRV-ing their missiles, and they were developing that capacity. I knew that already we were developing, and that we would utilize the advantages obtained from MIRV, and that is what happened. Since the agreement we have gone into MIRV-ing and they have, too.

So when we move into this field of accuracy more pointedly—we have been in it all the time, bringing this matter down to as fine a point as we could—but in the field under debate this matter of pinpointing the accuracy has become a political question.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, if I may have the attention of Senators who are present, this is not just another field in which we are improving our weaponry. If we do not need improvement in weaponry, one can argue that we do not need Trident. Why add to our sea-based ballistic missiles, because that certainly makes it more probable we would have a capacity to make a first strike with increased range, and the increased concealment for submarines.

The matter at issue here today pertains to the Trident II of the future with increased accuracy. Now, unfortunately, I think we are going to be in this missile business a long, long time, even assuming we get more agreements from year to year. I assume they will, and assuming they are carried out, We are going to be in this business for a long, long time.

No one has any finer respect for and greater appreciation for the work of the Senator from New Hampshire, for his outstanding honor and outstanding ability in any situation he handles, than I. But when his amendment requires the President of the United States to certify certain things before this research can go forward, the President's certification is a signal that things have gotten beyond hope, almost.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield myself 1 additional minute then I shall yield the floor. I think we must improve the accuracy and yield of the weapons we have. We shall get into the details of all that later. But the Executive head of this Nation should not be pinned down too severely, as this amendment would do, in my judgment. We should give him such running room as we can in order to get some agreements that might lead inch by inch to a solution or part solution for the situation we are in with respect to nuclear weapons, not only with the Soviets but also with other nations coming into this family of nuclear powers.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. I yield 5 minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I believe very firmly that amendment No. 1380, offered by the distinguished Senators from New Hampshire and Massachusetts, should receive the clear-cut support of the Senate.

By adopting this important amendment, the Senate would delay development of counterforce capability until such time as the President of the United States reports that the SALT II negotiations have failed to achieve substantial controls over multiple independently targeted reentry vehicles.

We all deeply hope that the SALT negotiations will be successful. We all hope that an agreement to control MIRV's will be reached—and reached soon.

The great importance of these sensitive negotiations is beyond question. They represent an attempt to bring a dangerous and potentially disastrous arms race under the control of reasoned agreement. Nothing must be allowed to jeopardize these vital talks.

Mr. President, I believe that development of an American counterforce capability would threaten the success of these negotiations.

It would do so by introducing a new, dangerous, and destabilizing element on to the scene—a risky new posture which would seriously undermine the presently existing level of nuclear stability.

I want to outline why I so strongly believe that development of a counterforce capability would be a serious—and perhaps—disastrous mistake.

To begin, Mr. President, circumstances do not yet justify development of a counterforce capability. We have yet to exhaust the full possibilities of the present SALT II negotiations.

Negotiations are a painfully slow, and often frustrating, process. And we might indeed wish that tangible results were forthcoming much more quickly. But until such time as the SALT II negotiations have clearly broken down—until it is apparent that they have failed to control MIRV development—then I maintain that counterforce capability is premature.

Why is it premature? How would counterforce capability jeopardize the present negotiations?

It would do so, Mr. President, by improving the efficiency with which the United States can successfully attack "hardened" targets within the Soviet Union. It would increase our ability to knock out protected Soviet missile silos.

We already have that ability—but only to a limited extent. Secretary Schlesinger would have us do it more efficiently, by developing the capacity to fire fewer, more accurate missiles.

Very clearly, Mr. President, this would greatly increase the vulnerability of the Soviet Union to an American nuclear attack.

What would be the ramifications of such increased Soviet vulnerability? How could the Soviets be reasonably expected to view this new development?

It seems to me, Mr. President, that such a development might well increase the likelihood of a Soviet first strike—something we very plainly want to avoid if we can.

The Soviets, knowing full well that their own capacity for a retaliatory strike would be severely diminished by an American attack, would indeed be given a greater incentive to strike the first blow.

Moreover, an American counterforce capability would give the Soviets a clear incentive to proceed as rapidly as possible with deployment of their own MIRV's, so as to increase the firepower of their own surviving missiles, should they be the victim of an attack.

We Americans accept as self-evident the maxim that the United States would never launch a first-strike attack. And I firmly believe that is indeed the case.

But in the sphere of international relations, we must consider the perceptions of others. What might seem self-evident to us may indeed seem highly questionable to decisionmakers in another country. And in thinking about counterforce, we must make a realistic effort to understand Soviet perceptions of the situation.

I fail to see how a Soviet leader could view American development of a counterforce capability as anything but a dangerous new threat. And certainly no reasonable decisionmaker, entrusted with the survivability and well-being of his or her own nation, could be expected to stand idly by as such a threat took shape. The Soviets can be expected to react firmly to development of an American counterforce capability.

And it is equally clear that their efforts would be met by even more stringent efforts in the United States.

A new—and potentially devastating—phase of the arms race would be under way.

America's resources would be further drained off to buy more and more expensive new weapons of war, and the many problems which cry out for solution within our country would starve for both attention and funds.

In a word, Mr. President, that is why it is so crucial that the SALT II negotiations be given a full and fair chance to succeed.

That is why counterforce capability should be delayed until it becomes evident that a negotiated settlement cannot be reached.

And that is why this amendment must be passed.

But there are a number of other reasons, Mr. President, why the counterforce proposals of Secretary Schlesinger are unwise. And I think we should examine each of these reasons very carefully. Without going into minute detail, let me outline my own further reasons for opposing counterforce development.

Let us examine the military justification for counterforce. Quite simply I believe it is virtually nonexistent.

To begin with, counterforce does nothing to reduce the vulnerability of our own Minuteman missiles to Soviet attack. Nor does it in any way enhance the survivability of our own deterrent.

In fact, it can be plausibly argued that counterforce even weakens our deterrent by giving the Soviets greater incentive to knock out our own missiles as quickly as possible in any potential attack.

Second, I think it can be shown that the question of flexibility, raised by Secretary Schlesinger, is a false one.

Our present American strategic arsenal is a large and varied one. With that vast arsenal, we already have the capacity for a flexible response.

Secretary Schlesinger has admitted that we indeed already target Soviet military targets as well as Soviet cities.

Moreover, our present strategic triad clearly gives us the capacity to assure the destruction of those targets. The criteria set down by former Secretary of Defense Robert McNamara are still relevant today. He defined an adequate deterrent as the ability to destroy one-fifth to one-fourth of the population, and the ability to destroy one-half of the industrial capacity of a potential enemy.

It is beyond dispute that our present nuclear arsenal is quite capable of inflicting that—and even higher levels of destruction—upon the Soviet Union.

Barry Carter, formerly of NATO and the Department of Defense, writes in the Scientific American of May of this year, that the delivered warheads of 220 Minuteman III ICBM's could kill about 21 percent of the Soviet population and destroy about 72 percent of Soviet industrial capacity.

We have over a thousand ICBM's, including 550 Minuteman III's.

On top of this, we have our submarine fleet and our strategic bombers. The delivered warheads from 170 Poseidon missiles—and that is fewer than the total carried by a dozen submarines—could inflict a similar degree of damage.

And that still leaves our strategic bombers, of which it is agreed by most experts that enough could get through to satisfy the assured destruction criteria.

We have, then, the ability to attack both Soviet cities, as well as Soviet military and industrial installations. Why must we develop the ability to destroy Soviet hardened missile silos with greater efficiency? What do we gain? How is our security enhanced? I would argue that we gain little. And that our security would, in fact, be diminished.

Counterforce seeks to make nuclear war a more "thinkable" option—by moving away from the mutual assured destruction concept—which is basically a euphemistic way of talking about the deaths of million of human beings.

The Secretary of Defense says we must avoid such policy—and that we must develop the flexibility to respond more selectively.

But do we not already have a significant degree of flexibility? I would argue that we do.

Experts from the Department of Defense itself have testified that the United States does indeed have the capacity to destroy a whole range of targets, including military and industrial ones. We are not locked into a policy of aiming only at Soviet cities—and of inflicting maximum human casualties.

Moreover, it should be obvious that when we are talking about warheads with 3 to 11 times the explosive power of the Hiroshima bomb, improved accuracy of 800 to 1,000 feet really is not going to reduce substantially what the Secretary has called "unintended collateral damage." Only if we picked targets well away from cities could we possibly avoid massive civilian casualties.

So what is the point, Mr. President, of adding marginally to our efficiency in employing our present flexibility by introducing what is widely regarded as a destabilizing new development?

We lose more than we gain. A small increase in missile accuracy hardly balances the much larger increase in danger to nuclear stability.

In what other ways is counterforce unwise?

Secretary Schlesinger has advanced the notion that an American counterforce would somehow enhance the credibility of the American deterrant among our European allies. But this argument also seems dubious.

Many in Europe do indeed doubt that the United States would resort to nuclear war to defend the European continent. But how does counterforce change that? The question is one of political will—and of broad European-American relations—not of missile accuracy.

Moreover, it should be remembered that present American forces in Europe can already respond in a variety of ways to a Soviet attack. Our conventional forces—and tactical nuclear weapons backed up by our strategic force—already provide Europe with a credible defense—one that seems likely to deter a Soviet attack. Counterforce adds little—if anything to that deterrent.

Finally, Mr. President, a word needs to be said about the cost of counterforce. The initial request is for a relatively modest $77 million, but total development costs would run to at least $1.5 billion. Barry Carter estimates that conversion of the 550 Minutemen into Minutemen III would cost between $5–$6 billion, and says that the full cost of counterforce, while still uncertain, is clearly quite high. We have an obligation to ask ourselves if counterforce is worth such vast sums.

When we consider the other crying needs for money and the need to balance the President's budget, I think the answer should be a resounding "no" to counterforce.

I say "no" to counterforce because of cost, and for all the other reasons I have outlined, Mr. President.

To summarize: Counterforce gives us a marginal increase in missile accuracy and efficiency while injecting a major new destabilizing element into the nuclear scene. It would not add significantly to our existing flexibility, nor would it guarantee that major civilian casualties could be avoided.

It would not really serve to reassure our present friends—but it would seriously alarm our potential foes.

By giving the Soviets the incentive to take out our missiles and to strike first in any nuclear exchange, counterforce weakens our own security and severely damages existing nuclear stability.

It would endanger—perhaps destroy—the SALT negotiations—and it could once again send the United States and the Soviet Union down the unending road of a vicious, spiraling, draining arms race.

That is a course we simply must avoid, for it leads only to disaster. We should adopt the McIntyre-Brooke amendment and we should do so by a firm and clear-cut margin.

Mr. President, I have much more to say, but I will now yield to the Senator whose magnificent work has led to this amendment.

Mr. McINTYRE. Mr. President, let me congratulate my distinguished colleague, the Senator from California, who is always a strong ally in matters of this type.

I noticed that in his remarks he mentioned the fact that we now have the ability to destroy medium Soviet hardened targets.

Mr. CRANSTON. We plainly have that capacity now, but we have not developed it to the fine, far-reaching point that counterforce would do.

Mr. McINTYRE. In the closed session we will get into some detail about the type of accuracy they are seeking, but I just wanted to ask the Senator: Is it not true, in regard to the policy of flexible response the Secretary of Defense has enunciated at our posture hearings, we have at the present time the full ability, the clear ability, to respond flexibility toward limited attacks upon us?

Mr. CRANSTON. We plainly have a flexible stance now, and I think the proposal by Secretary Schlesinger has the exact opposite effect of reducing flexibility, because it is quite likely to lead to a situation where any potential foe equipped with mighty missiles might feel it would have no alternative but to strike an all-out blow at us before we decided to strike an all-out blow against them. I think this has the potential of not only increasing the arms race but increasing the speed with which we would move toward nuclear war, rather than decrease the speed with which we would move toward nuclear war, as Secretary Schlesinger said.

Mr. McINTYRE. I want to affirm to the Senator that the Secretary, in his appearance in February before the Armed Services Committee, and then subsequently in his appearance before the Foreign Relations Committee—I think a subcommittee chaired by the Senator from Maine (Mr. MUSKIE)—affirmed and stated that we had sufficient ability to follow a doctrine of flexible response today and we did not need any improved accuracy to fulfill that particular mission.

Mr. CRANSTON. It is really difficult to understand the real reasons. I wonder if there are other reasons that have not been stated that have led the Secretary to propose this move.

Mr. McINTYRE. I want to thank my colleague from California.

Mr. CRANSTON. I thank my colleague.

Mr. McINTYRE. Mr. President, I yield 5 minutes to my distinguished colleague from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, I thank my friend from New Hampshire, and I compliment him for the effectiveness and the persistence of his fight on this issue, which I think is the key issue on the pending legislation.

To amplify what he has said about Secretary Schlesinger's testimony earlier this year, may I make the point that in response to the Secretary's call for a national debate on his new strategic doctrine, Senator SYMINGTON—as chairman of the Foreign Relations Subcommittee on Security Agreements and Commitments Abroad—and I—in my capacity as chairman of the Foreign Relations Subcommittee on Arms Control—held a series of joint hearings on U.S. nuclear strategy. In the course of the hearings, we held both a closed and an open session with Secretary Schlesinger, who was kind enough to agree to sanitize and release the transcript from the closed session.

In the context of today's debate on authorizations to significantly improve the accuracy and yield of our land-based ICBM's, I would like to emphasize three points that Secretary Schlesinger made in his testimony before the Foreign Relations Committee earlier this year.

First, the Secretary of Defense made it quite clear that improvement of the yield and accuracy of our warheads is not "essential" for the implementation of a targeting doctrine of selective and flexible response. And he has pointed out on several occasions since those session that with our present arsenal of nuclear weapons and our present targeting capability, we can now launch selective, small-scale strikes if we choose to do so.

A recent issue of Defense Monitor, which is published by the Center for Defense Information, carries two tables of interest in identifying the accuracy and hard target kill capability of U.S. strategic missiles and Soviet strategic missiles, and I ask unanimous consent that those two tables, and additional material relating thereto, be included in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. STRATEGIC MISSILES—1974

Name	Number	Accuracy [1] (miles)	Yield	Hard target kill capability [2]
ICBM's:				
Minuteman I	100 (will be none by mid-1975).	0.75	1.0 megatons	PK=18 percent.
Minuteman II	500 (will be 450 by mid-1975).	.35	1.5 megatons	PK=60 percent
Minuteman III (3 MIRV's)	400 (will be 550 by mid-1975).	.20	160 kilotons per RV (reentry vehicle).	SSKP=56 percent; PK=92 percent.
Titan II	54	.75	10 megatons	PK=58 percent.
SLBM's:				
Polaris A-2	272 (will be 160A3's by 1977).	1.00	800 kilotons	PK=9 percent.
Polaris A-3 (3 MRV's)		.70	200 kilotons per RV.	SSKP=7 percent; PK=20 percent.
Poseidon C-3 (10 MIRV's)	384 (will be 496 by 1977).	.30	40 kilotons per RV.	SSKP=13 percent; PK=76 percent.

[1] Accuracy is measured according to circular error probable (CEP) in nautical miles. CEP is a statistical estimate that on the average 50 percent of the missiles will land within a circle with a radius from the target of the CEP value.

[2] Hard target kill capability is measured in terms of the probability of kill (PK) of single shot kill probability (SSKP) in the case of MIRV's of a missile against a 300 PSI target (the approximate hardness of most U.S. ICBM silos). The General Electric missile effectiveness calculator was used to make these estimates. The values are very approximate and the relative capabilities between various missiles are probably more accurate than the absolute values. Reliability factors make such estimates even more complicated. A PK or SSKP of above 90 percent is considered a good hard target kill capability.

U.S.S.R. STRATEGIC MISSILES—1974

Name	Number	Accuracy[1] (miles)	Yield	Hard target kill capability[2]
ICBM's				
SS-7	100	2.00	5 megatons	PK=8 percent.
SS-8	109	1.50	do	PK=13 percent.
SS-9	288	.50	20 to 25 megatons	PK=96-97 percent.
SS-11 Mod 1	970	1.00	1 megaton	PK=10 percent.
SS-11 Mod 3 (3 MRV's)	40	1.00	500 kilotons per RV (reentry vehicle).	SSKP=7 percent. PK=20 percent.
SS-13	60	.75	1 megaton	PK=18 percent.
SLBM's				
SS-N-6	528	1.00	do	PK=10 percent.
SS-N-8	108	.75	do	PK=18 percent.

[1] Accuracy is measured according to circular error probable (CEP) in nautical miles. CEP is a statistical estimate that on the average 50 percent of the missiles will land within a circle with a radius from the target of the CEP value.

[2] Hard target kill capability is measured in terms of the probability of kill (PK) or single shot kill probability (SSKP) in the case of MIRV's of a missile against a 300 PSI target (the approximate hardness of most U.S. ICBM silos). The General Electric Missile effectiveness calculator was used to make these estimates. The values are very approximate and the relative capabilities between various missiles are probably more accurate than the absolute values. Reliability factors make such estimates even more complicated. A PK or SSKP of above 90 percent is considered a good hard target kill capability.

STUDYING AND MEASURING DENSITY OF THE AIR

"Because density of the air has a great influence over the inaccuracies of a reentry vehicle. By these tests we hope to get some standard patterns so we might even be able to forecast density in target areas under hot war conditions, thus by using this data improve the accuracies of our ICBMs."

Major General P. T. Cooper,
Air Force Systems Command. 1971.

GEOPHYSICAL MOTION STUDIES

"Sophisticated testing of advanced inertial subsystems for the evaluation of geophysical and environmental effects in order to reduce missile CEP . . . Initiate a geographical motion study of an entire operational guidance system at a missile site in support of missile circular error probability (CEP) reductions." Air Force environment R&D Program, 1972.

EXTRA-GALACTIC RADIO SOURCES

"A series of very long baseline interferometry experiments have been conducted using extra-galacitc radio sources as a means of determining the distance between sites several thousand miles apart. . . This achievement should have an immediate impact on improvement of the earth-centered world geodetic system serving the requirements of the ballistic missile systems, and aerospace defense."

Advanced Research Projects Agency. 1973.

PRECISE GEODETIC LOCATIONS AND GRAVITY DATA

"Defense Mapping Agency provides all the precise geodetic locations and gravity data required to build the missile trajectories for U.S. strategic missile systems . . . Missile systems are provided precise launch positions, target positions and the variations in the pull of gravity on the missile from the time they leave the launch silo until they arrive at the target. This data is provided for strategic missiles such as Minuteman, Polaris. and Poseidon."

Liutenant General H. W. Penney,
Director,
Defense Mapping Agency. 1973.

THE U.S. FOURTH STRATEGIC FORCE: FORWARD BASED AIRCRAFT

In Europe: 72 F–111Es in the United Kingdom; 244 F–4Cs and Ds in the United Kingdom, Spain, and Germany; 72 A–7s, on board 2 aircraft carriers in the Mediterranean; 24 A–6s, total 412.

In Asia: 72 F–4Ds in Korea; 36 F–4Ds in Taiwan; 108 A–7s on board 3 aircraft carriers in the Western Pacific 36. A–6s, total 252.

Grand total 664 tactical aircraft capable of carrying nuclear weapons against the Soviet Union and China.

EFFECTS OF RAIN AND ICE

Air Force requested $6.6 million in fiscal 1974 to study the effects of rain and ice on ballistic missiles to improve the reliability and accuracy of reentry vehicles.

CAN U.S. DEFENSE SECRETARIES COUNT NUMBER OF STRATEGIC WEAPONS?

In 1972 then-Defense Secretary Melvin Laird said in his Posture statement that the Soviet Union would have 2,500 strategic nuclear weapons in mid-1972. In 1973 then-Defense Secretary Elliot Richardson said that the Russians had 2,500 strategic nuclear weapons in mid-1972 and would have 3,600 strategic nuclear weapons in mid-1973. The latter figure may have been a misprint for 2,600. At his nomination hearing in June 1973, Defense Secretary James Schlesinger said that in mid-1972 the Russians had 2,200 strategic nuclear weapons (300 less than what both Laird and Richardson had said) and that in mid-1973 the Russians had 2,300 strategic nuclear weapons (still less than what Laird and Richardson said the Russians had in mid-1972). In 1974 Defense Secretary Schlesinger said that in mid-1973 the Russians had 2,200 strategic nuclear weapons (100 less than he said the Russians had a year ago and the same number he had said they had in mid-1972). Secretary Schlesinger said that the Russians would have 2,600 strategic nuclear weapons by mid-1974 (only 100 more than Laird and Richardson had said the Russians had in mid-1972).

SOVIET STRATEGIC NUCLEAR WEAPONS

Laird (1972), mid-1972: 2,500.

Richardson (1973), mid-1972: 2,500, mid-1973: 3,600 (2,600?).

Schlesinger (1973), mid-1972: 2,200, mid-1973: 2,300.

Schlesinger (1974), mid-1973: 2,200, mid-1974: 2,600.

Conclusion: the jump of 400 Soviet strategic weapons alleged by Secretary Schlesinger between mid-1973 and 1974 is suspect, particularly as the Soviets have not yet begun to deploy MIRVed missles. Are numbers juggled to exaggerate Soviet "strategic momentum"?

NEW UNITED STATES AND SOVIET STRATEGIC MISSILES AND NUCLEAR WEAPONS SINCE 1970

	United States		Soviet Union	
	Missiles	Nuclear weapons	Missiles	Nuclear weapons
ICBM's:				
Fiscal 1971	100	300	40	40
Fiscal 1972	100	300	0	0
Fiscal 1973	100	300	20	[1] 60
Fiscal 1974	90	270	20	[1] 60
Total	390	1,170	80	160
SLBM's:				
Fiscal 1971	112	1,120	112	112
Fiscal 1972	96	960	108	108
Fiscal 1973	96	960	120	120
Fiscal 1974	64	640	72	72
Total	368	3,680	412	412
Grand total	758	4,850	492	572

[1] MRV.

Note: During this period since 1970 the United States has also deployed about 1,000 SRAM missiles on its strategic bombers. The Soviets have deployed no new bomber-carried missiles.

STRATEGIC COMPARISONS

Perceptions of relative military capability are perhaps as important as actual relative military capabilities between the United States and the Soviet Union, says Defense Secretary Schlesinger. Paradoxically, however, it is representatives of the Defense Department who are most eloquent in exaggerating the Soviet threat and in running down and belittling U.S. strategic capabilities. The Center for Defense Information has prepared a list of strategic comparison between the U.S. and the U.S.S.R. which indicates important U.S. advantages. These are all areas of real U.S. strength but which the Defense Department often overlooks or fails to highlight in its efforts to sell the American people and the U.S. Congress on buying new weapons systems by creating doubts about U.S. power.

NUCLEAR WEAPONS

1. The U.S. has three times as many strategic nuclear weapons as the Soviet Union (7940 versus 2600). In 1971 the U.S. had 4700; the Soviets had 2100. The U.S. lead has increased since the SALT I agreement in 1972.

2. The U.S. is producing new strategic nuclear weapons at a rate of about 4 per day; the Soviets at a rate of probably less than 1 per day.

3. All new U.S. strategic missiles deployed since 1970 have been MIRVed. Continued U.S. MIRV deployments will mean that the U.S. lead will continue to grow at least through 1977.

4. The U.S. is superior to the Soviet Union in nuclear weapons technology. Our weapons are more efficient; we get more explosive power (bank) for the size and weight. This fact makes "throw weight" calculations almost meaningless.

MIRV

5. The U.S. has more than 750 operational MIRVed missiles; the Soviets do not have any. They have just begun to test the complex MIRV technology.

6. The U.S., having mastered and deployed MIRV, is moving to MaRV (maneuverable nuclear warheads) and other new advances in strategic weaponry.

ICBM'S

7. The U.S. has fewer land-based missiles (1054 versus 1575) but Admiral Moorer, Chairman of the Joint Chiefs of Staff, estimates that over the next few years the number of Soviet ICBMs will decline toward 1400 as about 200 old Soviet ICBMs are retired. Soviet practice in the past has been to hang on to old missiles; U.S. practice has been to trade in the old missiles for better ones.

8. The U.S. has 1000 modern solid-propel-

lant ICBMs with penetration aids and on-board computers. The Soviets have only 60 solid propellant missiles and no operational missiles with penetration aids and on-board computers.

9. U.S. missiles are much more accurate than Soviet missiles; we can destroy all kinds of targets, including Soviet missiles, with smaller weapons. U.S. advantages in accuracy will probably be retained for a long period because of the very advanced technology required to improve accuracy, particularly below about a quarter of a mile CEP.

STRATEGIC SUBMARINES

10. The U.S. has 41 submarines that carry 16 missiles each; the Soviets have only 33 submarines that carry 16 missiles each. The U.S. has 24 submarines with MIRVed missiles; the Soviets have none. The Soviets usually have far fewer submarines actually on-station.

11. U.S. strategic submarines are quieter and less vulnerable to anti-submarine warfare than are Soviet submarines. U.S. underwater technology for protecting its submarines and finding Soviet submarines is much superior to Soviet technology.

12. The U.S. has forward deployed bases for its submarines (in Scotland, Spain and Guam). The Soviets have no forward bases for submarines.

13. U.S. allies Britain and France have strategic submarines. The Soviet Union has no allies with strategic weapons.

14. The U.S. has submarine detection networks such as SOSUS for locating Soviet submarines; the Soviet Union has no such network and is at a severe geographic disadvantage for establishing such networks.

BOMBERS

15. The U.S. has almost four times as many strategic bombers as the Soviet Union (496 versus 140) and is testing a new model, the B–1. In fact, it is possible that none of the alleged Soviet strategic bombers have been configured as strategic bombers for the past 5 to 10 years.

ABM

16. When the U.S. ABM site in North Dakota is completed in about a year the U.S. will probably have more antiballistic missiles than the Soviet Union. U.S. ABM technology is far advanced over the Soviet Union.

FORWARD BASED SYSTEMS

17. The U.S. has about 650 aircraft in Europe and Asia and on aircraft carriers that can deliver nuclear weapons on the Soviet Union (and China). The Soviet Union has no such "4th strategic force" for threatening the United States.

EQUIVALENT MEGATONNAGE

18. The Defense Department makes much of the Soviet lead in megatonnage. The Soviet Union has in 1974 more than a 2 to 1 advantage in "raw megatons". However, when measured in equivalent megatons, which takes account of the fact that much of the explosive energy of very large weapons is wasted, the U.S. has about 4,100 equivalent megatons in its strategic forces versus about 4,300 equivalent megatons in the Soviet strategic forces.

U.S. STRATEGIC MOMENTUM: ASTONISHING BREADTH AND DEPTH

Contrary to impressions created by the Defense Department, the U.S. has not dropped out of the strategic arms race. The U.S. has not reached a technological plateau in searching for new ways to spend billions on strategic weapons. On the contrary, the U.S. is rushing forward into new realms of strategic weaponry that apparently far outstrip current Soviet efforts. In recent years, particularly since SALT I in 1972, the U.S. has been deploying new strategic weapons at a pace far in excess of that of the Soviet Union. The future holds more of the same if the DOD momentum continues. Programs that are proposed in the fiscal 1975 defense budget add up to an extraordinary variety of continuing and new strategic innovations that include the following:

1. Continued installation of MIRVed Minuteman III ICBMs to reach 550 missiles and 1650 nuclear warheads by mid-1975.

2. Continued deployment of MIRVed Poseidon submarine-launched missiles to reach 31 submarines, 496 missiles, and 4960 nuclear warheads by 1977.

3. Preparation for installing up to 1,000 MIRVed Minuteman III missiles.

4. Improving the accuracy and reliability of U.S. missiles through extensive and sophisticated testing programs.

5. Improvements in the existing guidance system for Minuteman III to increase its accuracy and hard-target kill capability.

6. Development of terminal guidance maneuverable reentry vehicles (MaRV) for Minuteman III and other missiles to achieve extremely precise delivery of nuclear weapons with almost no margin of error. Could mean U.S. knock out capability against all Soviet fixed strategic systems.

7. Development of an entirely new strategic system, the air-launched cruise missile.

8. Development of an entirely new strategic system, the submarine-launched cruise missile.

9. Development of an entirely new strategic system, the land-mobile ICBM.

10. Development of an entirely new strategic system, the air-mobile ICBM.

11. Development of a new large throw weight ICBM to fit in Minuteman silo.

12. A new high-yield warhead for the Minuteman III and other advances in packing more explosive power into small packages (improved yield to weight ratios). These and other advances in miniaturizing make conventional conceptions of missile throw weight measurement almost meaningless.

13. Testing of Minuteman missiles from operational sites in order, among other objectives, to explore the possible multiple launch capability for Minuteman launchers. Exploration also of "cold launch" or "pop-up" launch techniques for attaining refire capability. This "MIRVing" of missile launchers would severely complicate efforts to control strategic weapons deployments through SALT.

14. Development of more than 3 MIRVs (possibly up to 10 warheads) for the Minuteman III missile.

15. Improvements in rocket motor technology to increase the amount of missile throw weight per pound of propellant (increased propulsion efficiency). This advancement also renders alleged Soviet throw weight "advantages" almost meaningless.

16. Improved Poseidon missiles (exact nature of improvements is classified but probably includes better accuracy and throw weight).

17. Continued deployment of the SRAM missile on U.S. strategic bombers to have 1140 operational by the mid-1970s. The SRAM missile significantly increases the capability of U.S. strategic bombers to attack Soviet military targets.

18. Development of an entirely new strategic bomber, the B–1.

19. Development of an entirely new strategic submarine, the Trident.

20. Procurement of the Trident I missile for 10 Poseidon submarines.

21. Development of an efficient counterforce SLBM, the Trident missile.

22. Improved guidance systems for SLBMs to increase their accuracy.

23. Development of an entirely new strategic submarine that will be smaller than Trident, the SSBN–X, using a Narwhal-type propulsion plant.

24. Increased emphasis on civil defense, including plans for rapid evacuation of U.S. cities and "high risk" areas in case of crisis. This will make it possible for U.S. leaders to more "credibly" threaten the use of nuclear weapons.

25. An operational ABM system in North Dakota by mid-1975.

26. Development of new ABM systems, including Site Defense, light area defense systems, maneuverable ABMs, and ABMs using lasers. Under SALT restrictions the U.S. is permitted to do anything except actually begin to deploy new operational systems beyond a total of 200 launchers.

27. A vast array of sophisticated ASW systems for locating and being able to destroy Soviet strategic submarines. These include sensor systems at points where Soviet submarines must transit, satellite sensors, and the Captor mine for bottling up Soviet submarines in or near their homeports.

28. Development of new strategic *tanker* armed with cruise missiles.

Mr. MUSKIE. It may be that classified information would indicate even more reassuring information to those who are concerned about the accuracy of our missiles, but these public tables disclose clearly, on the point of accuracy and hard target kill, we have a superiority over that of the Soviet Union at the present time without the implementation of the programs which are touched by Senator McINTYRE's amendment.

The second point the Secretary made, Mr. President, in our hearings earlier this year was this:

Secretary Schlesinger pointed out that neither side can achieve "a high confidence disarming first strike," because both sides possess invulnerable sea-based missile forces. So no matter how we or the Soviets improve accuracy or otherwise improve ICBM warheads, the possibility of carrying out a first strike that would leave the opponent defenseless is foreclosed.

Third, Secretary Schlesinger as well as Secretary Kissinger has indicated that the accumulation of efficient counterforce weapons—that is, ICBM's with multiple, accurate, high-yield warheads—contributes to instability of the nuclear balance. The reason for this is that in a crisis, it puts both sides in a position of fearing that the other will be tempted to make the best of a threatening situation by launching its own missiles before they are destroyed in their silos. This is the condition that Senator McINTYRE aptly describes as "putting a hair-trigger on the launch console." And this is presumably what was on the minds of President Nixon and former Defense Secretary Laird when they stated a few years ago that the United States would resist any initiative that gave even the appearance of going for a first-strike or silo-smashing nuclear force, because it would be destabilizing and provocative.

In view of these three points made by the Secretary of Defense, I see no compelling reason to invite these risks by embarking on programs to improve the accuracy and yield of our land-based ICBM's. Accordingly, I intend to vote for the amendment before us today to defer approval of the requested $77 million in authorizations until the President reaches the conclusion publicly that the effort to negotiate with the Russians new limits on MIRV's has failed.

The argument is made that we need to spend money on these programs for the express purpose of enhancing the possibilities for agreement on MIRV's at SALT. I am concerned about the reverse possibility—that such new programs are more likely to weaken, rather than enhance, our national security. For if our goal is to encourage Soviet restraint in their ICBM development—and I agree that this should be our goal—we can hardly expect to accomplish it by showing no restraint ourselves. Indeed, plunging into these programs will more likely have the reverse effect of stimulating the Soviets to increase their own efforts. And if an arms control agreement is subsequently reached, it will be concluded at a higher plateau of arms spending, with each side enjoying less security.

Mr. President, I think it is of concern to us to understand the reaction of the Soviets to these developments.

On Friday, when discussion of the pending amendment began, the distinguished Senator from New Hampshire asked me in a colloquy how I thought a Soviet military planner would view our going ahead with these three programs. In response, I cited a press report on a speech by Soviet Marshal Grechko at a rally in Moscow last week. He warned that the United States is beginning an arms buildup by embarking upon a refinement of its enormous nuclear warmaking machine. That refinement could have had reference to nothing but the very items pinpointed by this amendment.

It is conceivable, of course, that Marshal Grechko was propagandizing against the Department of Defense budget proposal. But, on his record, I think this unlikely. I think he is making use of the argument to make the case in which he believes—the case to maximize the Soviet nuclear posture and to achieve superiority, if possible. I, for one, think he will use developments such as those under consideration today to fuel his arguments and enhance his bargaining power.

If I am correct, and if he had his way, what we will be doing by approving these programs is approving a further escalation of the nuclear arms race, in my judgment.

As the Senate debates the amendment under consideration, I hope that my colleagues will not lose sight of the primary purpose of our nuclear forces—to deter aggressors from initiating hostilities. In this regard, I believe we must do everything possible to enhance the survivability of our deterrent forces and to lessen tensions with such potential aggressors. As my remarks indicate, I have serious doubts whether Secretary Schlesinger's proposed changes in our strategic forces will help achieve these goals. On the contrary, improvements in the accuracy and yield of our land-based missiles and the development of a terminal guidance MARV program run the very real risk of escalating the arms race with the Soviets taking countermeasures which could both increase the threat to our land-based missiles and heighten tensions between the world's two major nuclear powers.

So in terms of adding to our security, I have serious doubts about going ahead with these improved warhead programs. I have no doubts, though, about the importance of going ahead with the strategic arms limitation talks on MIRV's. Indeed, it would be inconsistent, perhaps even self-defeating, if we were to proceed simultaneously with talks aimed at reducing nuclear war risks and with weapons programs which, by Secretary Schlesinger's own admission, may well increase those risks in future years by increasing instability. We must put these things in their proper sequence.

The amendment before us today does that. It emphasizes in unequivocal terms our primary interest in achieving limits on weapons which increase the instability of the nuclear balance. But it leaves open the option of our going ahead with the proposed warhead improvements if the SALT talks do not produce an effective MIRV limitation—one which will reduce doubts and fears about first-strike counterforce attacks.

Mr. President, it seems to me that to proceed on any other course will but serve to undermine the SALT negotiations by making it appear that we are bargaining in bad faith. Any other course will also give aid to Soviet military hardliners. And any other course will be but the first step down an even more destabilizing path that will likely see both sides afflicted with first-strike jitters. If we want to send a message to Moscow demonstrating this country's interest in its own defense and underlining our mutual interest in reducing nuclear war risks, the amendment before us today is the proper vehicle.

In October of 1971, the Senate rejected an amendment offered by the junior Senator from New York (Mr. BUCKLEY) to improve the accuracy of our Minuteman missiles by a vote of 66 to 17. In 1972, the Senate conferees were firm in insisting that a $20 million Pentagon request for silo kill accuracy be dropped in a post-SALT supplemental authorization bill. In both instances, there was an appreciation on the part of the Senate that the proposed programs would set this country on a new course, a course laden with so many military, political and economic uncertainties that the requisite expenditures were not in the national security interest of the country.

I am hopeful the Senate's action today will reflect a similar appreciation. For I am hopeful that the Senate will again have the good sense not to approve increased accuracy and yield warhead programs while there is still hope for a MIRV agreement with the Soviets and that it will support the McIntyre-Brooke amendment.

Mr. HELMS. Mr. President, the question put before us by the distinguished Senator from New Hampshire (Mr. MCINTYRE) and the distinguished Senator from Massachusetts (Mr. BROOKE) raises painful ambiguities and contradictions.

A basic premise of their amendment is that our strategic missile forces will become "provocative" if their accuracy is increased to the maximum within the current state of the art. Since the Soviets have already developed high-yield strategic missiles, and with the addition of the Soviet MIRV will have a capability for a counterforce "first strike," then the U.S. strategic forces will be useless as a deterrent, and useful only for a first strike. If we boil down this reasoning, it maintains that our weapons have become provocative because the Soviets have us outgunned. And if we take steps to rectify the balance, then we will become even more provocative.

But the truth is, the Soviets have never been affected by U.S. restraint. Their planning appears to have been independent of U.S. activity in the arms field.

The SALT I agreement with the Soviet Union concluded and signed in May 1972 provided for Soviet numerical superiority in offensive missiles with the understanding that the United States will offset this quantitative superiority of the Soviet Union by the qualitative characteristics of the U.S. missiles. This qualitative advantage of the U.S. missiles consisted in the U.S. capability and deployment of the multitarget warheads (MIRV), and the reliability and better accuracy of the U.S. missiles.

In the 2 years since May 1972, the Soviet Union has succeeded in developing, testing and partially deploying MIRV systems on their mssiles. In addition, the Soviet Union continued to develop and produce new and larger offensive missiles—the SS–17, the SS–18 and recently the SS–19. All these new systems can be accommodated to use the MIRV principle and thus multiply the number of launches by the factor of four or even six. All these outstanding Soviet developments are bringing the SALT I's expected "adequacy" and "equivalency" of the U.S.-Soviet offensive missile ratio completely out of balance in favor of the Soviet Union. The U.S. research and development program must be not only maintained on the level previously approved, but has to be definitely expanded and broadened in qualitative characteristics to assure a level of equivalency necessary for our national security. The leadtime for weapon development is such that it is completely essential to maintain a permanent research and development capability to assure a response level preventing the United States from staying behind in matters of security. The decisions made in 1974 will affect our comparable defense posture vis-a-vis the Soviet Union in 6 to 8 years from now. It would be a high degree of irresponsibility to permit the matter now to become an item of political bargaining or trade-off deals only to find out in 2 years that our neglect of concentrating the necessary resources this calendar year has irrevocably dislodged the balance of forces to the point of no return.

The growth of Soviet strategic forces in relation to our strategic capabilities has been unabated since 1960. That was the year when the Soviet Union created a new independent force—the strategic missile troops—under a separate commander elevated to the position of Deputy Minister of Defense of a level comparable to other forces—air force, navy, and ground forces. The Soviet strategic missile forces were constantly expanding since that time without any regard to the comparable U.S. strength in the strategic force area. The U.S. Minuteman missile program initiated about the same time was completed by 1969 with about 1,000 missiles deployed and without any addition to it since. The Soviet missile program was not deterred by the U.S. restraint in missile production and deployment since 1969. There was no "provocative" expansion of the U.S. missile program since that time but the Soviets continued maximizing their effort in this area to the detriment of their economic development in many other areas (including in particular agriculture and transportation). There are no reasons to believe that the U.S.'s "non-provocative" policies now will affect the Soviet defense posture one way or the other, just as they did not change them in the past. There are all sorts of reasons to conclude on the basis of the Soviet developments since 1945 and in particular since 1964, after the present power group took over the control of Soviet policies, that the Soviet Union will take all possible steps in economic and military areas to maximize its military-economic capabilities, notwithstanding the U.S. position or reaction now or in the future.

In fact, the "Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms" signed by President Nixon and General Secretary Brezhnev on June 18, 1973, stated as follows:

> Fifth. The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

Better accuracy is only one sort of improvement that could be expected. Others include improved trajectory control, more flexible targeting through the command data buffer, and replacement of all Minuteman I's and II's with MIRVed III's. If it is anticipated that SALT II will allow modernization, then surely modernization is appropriate even during the negotiation period.

Senator McINTYRE's amendment purports to set up a bargaining chip to force the Soviets to agree on MIRV limitations at SALT II. It says, in effect, that we will improve accuracy unless the Soviets agree to MIRV restraints.

But it is not at all clear that we, ourselves, should want MIRV restraints. With most qualitative improvements, including accuracy, MIRV is virtually impossible to detect by the national technical means of verification. Therefore we would only have the Soviets' word that they are keeping to the agreement. It is much easier for a totalitarian society to keep its military planning secret than for an open society like ours to do so. I should think the Soviets would be happy to give us an agreement on MIRV, knowing that to do so would blunt our accuracy program. They could secretly break the treaty and we would be none the wiser until nuclear war broke out. They could even go ahead with their own accuracy program.

The problem is that SALT I left a dangerous asymmetry in the opposing nuclear forces. The tremendous Soviet advantage in numbers and throwweight was balanced only by our qualitative advantages. Yet this proposal asks us to bargain away our two most important qualitative advantages, MIRV and accuracy. Even supposing that the Soviets did keep to the agreement, an equivalent restraint on quality on both sides would leave us naked to the Soviet advantage in numbers and throweight we would be reducing the one area where we are ahead, leaving the asymmetry in the Soviet favor. If one pile has three blocks and the other pile has two, removing one equally from both sides increases the disproportion from 3–2 to 2–1.

It is clear then that quality should not be in the forefront of negotiations at SALT II. What we should be doing is to try to restore the balance in numbers and throwweight. We should negotiate agreement only on those things which can be detected plainly by the national technical means of verification. The leverage of the McIntyre amendment is in the reverse direction. It pressures the Soviets to make empty concessions on MIRV in order to stop our accuracy program. For the Soviets, it is a sweetheart deal. If this amendment becomes law, they will be blinking their eyes and congratulating each other.

To put it succinctly, this amendment is a strange bargain: It forces the Soviets to give us something we do not want in exchange for something they want very much. It forces them to give us meaningless MIRV restraints in exchange for our pledge to do the one thing—improved accuracy—which could be our main avenue of deterrence. Normally, the custom is to use bargaining leverage to force the other side to give up something they want to hang on to. But here the leverage works doubly to our disadvantage: We are giving up our accuracy program for the right to give up our MIRV. We lose on both counts, and I hope the Senate will reject the proposal.

Mr. President, I have in my hand two perceptive articles on nuclear strategy which pertain to this debate and I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks. The first is by Gen. Bruce K. Halloway, USAF (ret.), former Commander-in-Chief of the Strategic Air Command, and the second is by the distinguished physicist, Dr. Arthur G. B. Metcalf, who is chairman of the board of the U.S. Strategic Institute. Both articles were published in the quarterly journal Strategic Review.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SALT II—Some Principles

(By Arthur G. B. Metcalf)

An analysis of the elements crucial to the outcome of the second round of strategic arms limitation negotiations, SALT II, already initiated pursuant to the Moscow accords of May 26, 1972, must begin with an assessment of the SALT I accords—both the ABM treaty and the interim agreement on offensive strategic nuclear launchers.

At the outset it is worth noting that the strategic arms limitations talks curiously have become increasingly sacrosanct as a subject for debate, enjoying something like the exemption from critical examination heretofore accorded only religious dogma or enshrined national legend. This is dangerous. No issue which can hold the national future in the balance should be barred from discussion unless couched in terms of unquestioning reverence.

The 1972 accords

Since this paper is addressed to SALT II, it suffices to say that the net result of the SALT Treaty was to halt, at a moment when the Soviets lacked comparable technology, construction of all U.S. ABM systems but one silo-defending installation, with the option to construct an ABM system in the Washington, D.C. area, each limited to 100 defensive missiles. The Washington-sited installation will most probably never be built, since to deploy such a system there would be unsound. It, no doubt, was included in the agreement because the Soviets had already "used up" one of the two ABM systems allowed, by the deployment of the Galosh ABM installation located, reasonably enough, around Moscow, the largest Soviet city, their nerve center, one of their ICBM sites, and on incidentally their capital. Thus a strategy to which the Soviets were already committed, but unreasonable for us, was accepted and ratified by the U.S.

At all events, a single token ABM installation requiring only 100 missiles at most to saturate the system is meaningless from the point of view of insuring survivability of land-based U.S. retaliatory strike forces, consisting of 1,054 ICBMs confronted with 2,359 offensive nuclear launchers, the maximum ceiling allowed the Soviets. The SALT Treaty, by forcing an apparently "symmetrical" deployment of ABM installations, achieved the fullest measure of advantage of all existing asymmetries favoring the Soviet Union: the geostrategic asymmetry and, most important of all, the overriding asymmetry of the Soviet 313 SS–9 "go-first" missiles, which alone possess a nuclear yield many times that of all U.S. nuclear strike forces, land-and-sea-based, and roughly the same numerical advantage in warheads whenever the Soviets are ready to MIRV them. By reason of the 25 megaton yield each, the softer-siloed giant SS–9's can only be purposed as a first-strike counterforce missile, a weapon without counterpart in the U.S. inventory. The numerical advantage granted the Soviets by the Moscow accords, about 40% superiority for both ICBMs and SLBMs (a ceiling of 2,359 versus 1,710 U.S. total launchers), thus permits the Soviets a disarming first-strike capability *and* the credible threat of destruction of U.S. cities, were we to retaliate with our seaborne strategic strike force after a Soviet first-strike had wipe out our ICBM force. This is an ominous scenario for which the arms control strategists offer no saving solution.

Moreover, we have given up the right to develop large missiles of our own having comparable yield and consequent counterforce capability. Thus, the SALT I accords freeze the United States in a position of strategic nuclear inferiority to the extent of a 4 to 1 disadvantage in missile payload and at a 3 to 2 disadvantage in numbers of launchers. This massive distortion of the strategic balance, uncorrected, can only reduce the chances for peace.

In general, far from "putting the brakes" on Soviet strategic arms deployment, we settled for halting the only weapon system we had under construction, the ABM Safeguard, in return for only a ceiling on Soviet nuclear ballistic strategic submarines to continue at current rates of construction, as if Soviet ability to maintain peak production rates of such weapon systems at about a ¼ billion dollars per boat was without limit. It was this argument which was used to justify the U.S. being frozen into an inferior SLBM position. The overall SALT I result was that we scrapped all but one system of our ABM Safeguard program already underway; the Soviets were assured a 40% numerical ICBM edge having a 6 to 8 preponderance of nuclear yield as compared with U.S. land-based strike forces, and were allowed to continue for at least five years at their current rate of Yankee-class and/or Delta-class missile submarine construction also to reach 40% margin of numerical superiority. The Soviets did not even have to tear up a blueprint.

But that is not all. The 1972 Moscow accords appears to have left the U.S. arms control community and more importantly, our own negotiating team convinced that the Soviets have bought the concept of minimal deterrence. Doing the thinking for both sides, they "reason" that the Soviets have accepted the notion of mutual vulnerability, or population hostages, as the basis for deterrence. This theory called "mutually assured destruction" (MAD) presupposes that each side is willingly defenseless—Dr. Kissinger's "free ride"—so that almost any degree of nuclear retaliatory capability surviving an aggressive first strike threatens the aggressor with national devastation unacceptable to him, and in this way provides deterrence.

In this, our opponents, as with other substantive matters relating to arms limitations, are quite willing to listen to us do the reasoning for both sides but are silent and make no commitment, beyond acknowledging the date, as to the numbers of Soviet strategic systems frozen by the agreement.

Under the SALT Treaty we have, in the light of existing Soviet strike force levels, abandoned a defensive system which could be the only guarantee of the basic prerequisite to deterrence: the certain survivability of a portion of our retaliatory strike forces. Moreover, by projection of parallelism of thought sufficient to suspend our own critical faculties, we have ascribed to our adversary full participation in a mutual suicide pact. The most rudimentary knowledge of Soviet military doctrine as well as long experience with the Russian pattern should rule out such a fancy. Indeed, the feverish Soviet build-up and provision for waging nuclear war—both offensively and defensively—belie any such unlikely preoccupation.

Hazards of SALT II

Nevertheless, it is this implausible supposition which is the aftermath of SALT I. To approach SALT II with such a premise could endanger the security requirements of the U.S. and the maintenance of the traditional extension of our nuclear umbrella to our allies—NATO and other—which has been the rationale for discouraging nuclear proliferation.

Thus, in SALT II there is need to caution against misinterpretation as to Soviet purpose, self-delusion as to Soviet strategic doctrine, and, most of all, doing the reasoning for both sides.

The Jackson Amendment was a valiant and wholly admirable attempt to signal to our adversaries that, however they may be pinching themselves to see if they were not dreaming with regard to our SALT I commitment, or however accommodating its terms, we had not left our senses entirely; that we looked to future negotiations to restore that balance essential to stability and peace.

I fear that the Soviets will not look at it that way. What is past is settled—not prologue. Indeed, it would be a character for them to charge bad faith on our part were we to suggest that accords solemnly signed with such summit ceremony were to be regarded merely as the basis for further negotiations to recapture what it was our duty to preserve in the first place and which, for whatever reasons, we had let slip through our fingers.

The announced rationale for accepting so disparte an arrangement in matters closely affecting our national survival was that we had reason to believe that the technological quality of our strategic strike forces, in terms of warhead guidance accuracy, MIRV capability and yield/weight factors, provided enough margin to offset the impressive advantage in numbers and overall thermonuclear yield of Soviet nuclear delivery systems, deployed and projected. As we open negotiations for SALT II, one hears that this *quality*, which is all that stands between the U.S. and engulfment by overwhelming Soviet superiority of strategic weaponry, is proposed as a basis for SALT II bargaining. What there is to bargain about in the only balancing element possessed by the weaker side (it is hard to get used to the term) is difficult to envision. We hear of new weapon systems, the B–1 bomber, the Trident submarine, ASW, warhead accuracy terminal trajectory control, etc., as having utility as bargaining chips in SALT II. They may, in fact, be all that we have to parry overwhelming raw nuclear strategic power in the hands of a ruthless and implacable foe. We characterize our strategic posture as "the triad"—land, sea and air strategic forces—and stress that we have not put all our eggs in one basket. The fact is that our opponent has (or will have) more eggs in every basket.

Casting about for SALT II "bargaining chips," it is already being articulated by the arms control specialists that U.S. land-based strike forces are worthless as a deterrent because their MIRVed warheads, with such accuracy as they presently possess, could provide a capability somewhat better than that of simple area or city devastation and thus are a limited threat to Soviet ICBMs, and therefore provocative. Moreover, their credibility to provide a U.S. second-strike retaliatory capability will disappear with the MIRVing of Soviet high-yield missiles, which will then have certain capability in a first-strike to destroy the entire U.S. ICBM force. The argument runs that our ICBMs will then contribute nothing to deterrence since they can only be fired in an aggressive first-strike; thus, they will be destabilizing and useless, and should be dismantled in favor of SLBM systems, which are thought to be "ideal" for deterrence by reason of the fact that strategic submarines are believed to be untargetable and threaten only populations—not ICBMs. This is another fallacious article of faith of the arms control community. Polaris-Poseidon strategic submarines may be untargetable by land-based missiles, but they are vulnerable to attack piecemeal or *in toto* by Soviet surface vessels and attack submarines, both nuclear and diesel-powered, of which the Soviets have an overall decisive superiority. The possibility that this attack force could destroy or immobilize all U.S. ballistic missile submarines at sea, in concert with an ICBM attack on U.S. land-based strike forces is quite real. The proposition that our ICBMs face a future in which, by reason of Soviet qualitative improvements, they cannot be used except in a pre-emptive first-strike and thus are "provocative" may be expected to find shrill advocacy on the part of those who—however intentioned—seek to disarm the United States. That whatever validity such a theorem may possess would apply with even more force to the fact of even longer Soviet possession of "provocative" and "destabilizing" counterforce first-strike forces seems not to signify.

There is more. However grotesque, it has been seriously proposed that ICBM's costing billions of dollars to deploy are only useful as a deterrent (not destabilizing) when they are useless as target weapons, this to be accomplished by limiting or degrading their quality (accuracy or MIRV) to a counter-people targeting capability. In this vein, cries of "uselessness" can be combined with a solemn concern for "cost effectiveness" to the end that the U.S. is impelled yet another step along the road of military inferiority and political impotence; unilateral withdrawal from the most effective weapon of the strategic "triad" and very symbol of nuclear power. As we move into the SALT II negotiations, there is evidence that arguments will be put forward proposing that our land-based strategic strike forces be castrated by blunting their accuracy, or perhaps be altogether eliminated. This being so, those concerned with the security of the nation must guard against the degradation or dismantlement of U.S. nuclear strike forces on the basis of word-game logic or preoccupation with deterrence to the point of overlooking the minimum requirements of survival. In this connection, it is worth noting that qualitative factors are not possible of detection by satellite surveillance or any other "national means," so that it is difficult to understand what is meant by SALT II "proposals" directed toward limitation of quality of weapons.

Furthermore, a restriction in SALT II on MIRV and/or accuracy would be in the direction of throwing away the ability to upgrade enormously the effectiveness of our strategic deterrent at relatively negligible cost as compared with any other means. Failure to provide for continuity in modification of Minuteman beyond "the target of 550 Minuteman III" [1] to the full Minuteman inventory of 1,000, with the attendant dismantling of costly production lines, could well be regarded as the most financially extravagant, if not irresponsible, move in the history of funding of nuclear weapons. Matching Soviet high-yield missile counterforce capability by modifying our Minuteman inventory to the recommended "absolute limits of achievable targeting accuracy" [2] can be accomplished in no other way at so low a cost. To discard this opportunity would throw into question the sincerity of any concern as to the cost of nuclear deterrence.

The Soviets have contempt for countervalue capability (Minuteman I and II) but look very soberly at our counterforce capability (Minuteman III), which they manage to have interpreted as being provocative. Word has come out [3] that Congressional fear is being openly expressed that the Administration "may have made MIRV concessions already—in [its] eagerness to get a firm treaty on offensive missiles." Congressman Floyd Spence of the House Armed Services Committee is reported to have said on June 7th that "preparations were so far advanced toward the limitation of multiple warhead missiles that the armed services are reportedly investigating the means whereby existing production contracts (for installing MIRVs) can be cancelled on the Minuteman III programme." [4] If this is the fact, it should receive critical re-examination and study, since such action at this time would, as a practical matter, foreclose the option of continuing Minuteman III production and mean the disbanding of scientific and testing teams. Also, operational testing of Minuteman III would have to cease in mid-1978 unless test assets were taken from deployed systems. Thus we would have a missile system which we could not test or one that would have to undergo steady degradation from the quantities specified in SALT I. The dangers of such a policy are so clear as to hardly necessitate warning.

At the root of all this appears to be a determined effort to prevent us from improving the accuracy of our strategic offensive systems. Minuteman III's significantly increased targeting flexibility against military targets and potential counterforce capability, which is generally believed can be bettered, makes them anathema to the assured destructionists. It would be inconceivable for the United States to foreclose irreversibly the ability to maintain and extend this capability without the widest possible informed discussion and debate, since to do so would greatly weaken American security and contribute to instability, thus endangering the peace. To do so as a precondition to SALT II negotiations would be

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Footnotes at end of article.

to abandon *a priori* the substance of our bargaining position as well.

Moreover, small, accurate, ballistic-missile warheads have a clear military function. With these available, discrete targets can be engaged without needlessly killing people . . . . Without some changes in international relations, highly accurate guidance should be expected. It alone should not and cannot be prevented by treaty. As it arrives, however, it could allow a dramatic reduction in the size of individual warheads. If war starts, it could allow the humane alternative to deliberate actual strike against cities but still preserve the deterring threat. It could give the military and political leaders more choice of action, more selectivity in choice of discrete military targets, more freedom and incentive to avoid massive killing, and more possibilities for war-termination action.[5]

If the static pattern is one of weapon imbalance, the dynamic picture is one of unmatched Soviet momentum. The Moscow accords, failing their abrogation by either party, contemplate five years of Soviet crash production of nuclear submarines and sea-launched ballistic missiles. MIRV technology and improved accuracy guidance programs must, of course, be expected. The Backfire bomber, already flying, is the Soviet answer to the U.S. B–1 six years before we test-fly it, if it is ever built. For the five year period of the interim offensive agreement, the U.S. has programed nothing like the new production of strategic weapons allowed the Soviets. And at the end of that time, the Soviet armament industry will be completing scheduled weaponry, while ours will have been long since dismantled and dispersed beyond economic recall, a vital military consideration that seems to have been overlooked.

Guidelines for SALT II

So much for SALT I and its consequences.

We approach SALT II with Ambassador Gerard C. Smith gone and Dr. Kissinger perhaps involved with other matters. Nevertheless the principles underlying the first SALT accords, which reflect the idea that diplomatic propensity can substitute for understanding the military and technical aspects of weaponry, have not been discarded or deemed unserviceable and may well find their way to shaping the second round of strategic arms limitation negotiations unless their weaknesses are revealed and a fresh approach taken.

In this connection a new SALT negotiating team is essential to a recasting of SALT terms along lines responsive to the Jackson Amendment. Strategic reality requires a new team to break new ground and discard postures of tacit agreements on issues already covered, as well as to present new negotiating patterns to our opponents. Mr. Smith's replacement by Mr. U. Alexis Johnson does not alter the fact that the present team has been overridden and upstaged by presidential intervention in the last-minute, hastily concluded Moscow accords. The effect of this must necessarily be to diminish the team's influence in Soviet eyes and to render its own perception of authority and accountability unclear.

Arms limitation or disarmament is at best an uncertain and hazardous undertaking, to be entered upon with caution rather than faith; with skepticism rather than trust. Capabilities should always outweigh intentions. And intentions should always be taken at their worst. Contracts would not be worth negotiating if their letter—strictly construed—were not governing.

If a mandate were to be given to the U.S. delegation, delineating SALT II objectives, postures to be rejected, and negotiating procedures to be adopted, it would be so wordy as to quite engulf the elements essential to the interests of the United States and its allies. Consequently, a charge in the form of a check list is offered: incomplete, perhaps, but inclusive of many of the views expressed in Congressional hearings[6] and elsewhere. It is at least, is a reminder of the pitfalls which shaped the SALT I accords, and points to the lessons to be learned from them.

Senator Jackson[7] suggests that these lessons comprise three general needs:

a. for an up-dated U.S. nuclear strategy

b. to discontinue basing U.S. proposals on our perception of what is acceptable to our opponents, i.e. "stop negotiating with ourselves"

c. to stand firm on essential objectives.

SALT II CHECK LIST

(under *a.* For the Joint Chiefs of Staff)

First of all, it should be emphasized that in generating military strategic doctrine vital to the security of the United States, only the Department of Defense is charged by law with this responsibility and possesses the credentials and the competence as well. Vital security determinations should not be overshadowed by presidential assistants nor compromised by short-term political objectives.

1. Develop a joint U.S.-NATO strategic doctrine based upon the existing massively reversed strategic asymmetry, as a yardstick against which to measure realistic military objectives, formulated and made known. Lacking this, SALT II at best will be a waste of public money and at worst the prelude to national catasthrophe.

2. Examine inconsistencies of "assured destruction—minimum deterrence" philosophy against the longstanding U.S. "nuclear umbrella" guarantee to our NATO allies, in the light of the declining U.S. strategic posture *vis-a-vis* the Soviet Union.

3. Quite apart from SALT II, it is necessary that the U.S. and its allies jointly review their present strategic posture in the light of the shifted strategic balance and the continuing momentum of Soviet weapons build-up conceded by the Moscow accords.

SALT II CHECK LIST

(under *b.* For the U.S. SALT II Delegation)

1. As a principle of procedure, it is basic to understand clearly that it is the *condition of balance*—a state of stable equilibrium of forces—that is to be negotiated. To negotiate proposals on weapons or weapon technology a detail at a time, such as MIRV, accuracy, numbers of missiles, numbers of submarines, nuclear yield or throw weight, etc., *per se*, can lead to arguments that can be quite irrational. An example is offered from testimony before the U.S. Senate Armed Services Committee in connection with the 1972 Defense budget[8] relative to Minuteman MIRVing:

Expenditure of $5 billion to put three warheads on each missile on the ground that 95 percent of them may be destroyed hardly seems a good investment.

Furthermore, by such unnecessary deployments, we are making it impossible to achieve a MIRV limitation at SALT and are fueling an arms race which, because of the larger Russian missile payload capacity, could, in the long run, be a much greater threat to the United States than the U.S. MIRV is to the Soviet Union.

Of course. There exists no technological means to compensate U.S. strike forces when outnumbered and outgunned, which, if applied to massively superior Soviet forces, would not "be a much greater threat to the United States." All this argues for is permanent U.S. strategic inferiority—a condition of unstable equilibrium, soon exploited, for which there is no answer but nuclear war or surrender. It is worth noting that the proper SALT proposal, a move to restore the condition of balance by reducing Soviet forces to the U.S. level, is not even considered. Consequently, one must seriously question the motives or the understanding which prompts such proposals.

Our opponents are becoming increasing skillful in using U.S. public opinion to put pressure on our government to respond to proposals reflecting Soviet interests. Senator Jackson noted that in the course of SALT I negotiations "interested Americans purported to have information on proposals put forward by the Russians and the supposed U.S. 'non-response' to those proposals. Naturally enough, pressures developed on the American government to demonstrate its 'sincerity,' even though the 'flexibility' supposedly shown by the other side was in fact nonexistent.

"If we persist in seeing SALT II as a forum for the exchange of elaborate intellectual constructs, rather than as an arena of political competition," he said, "we will delude ourselves about what we are accomplishing in the talks and our strategic position will deteriorate even further."[9]

Curiously, some newspapers, with sedulous follow-up, print editorials and pieces attributed to non-technical writers and ordinary columnists urging highly technical arms limitation concepts (MIRV, accuracy, etc.) consistent with ideas being put forward by the disarmament lobby and reflecting current Soviet objectives. These are described as "opportunities to control a run-away arms race," with the saving of billions of dollars as the goal. Mention is made of Pentagon fears so that their dismissal in the name of a higher purpose—putting an end to "the cost of the arms race"—cannot incur the charge of failing to take such fears into account. Reference to the U.S. as being "the stronger of the two" in MIRVs, accuracy, or whatever U.S. qualitative element the Soviets want to get on the block at the moment, introduces a note of fairness. And, finally, there is included a carefully balanced exhortation to Washington and Moscow both to accede to the pressures of economy and common sense, as if Moscow had at any time to contend with anything remotely resembling pressure in matters of major politico-military policy.

A ploy often used is to warn darkly against upsetting the strategic balance. The strategic balance has long since been "upset" by the massive Soviet build-up during the two and one half years of SALT I negotiations. It was further distorted by the terms of the five-year interim agreement on offensive weapons. Negotiation of MIRV or any other technological weapon characteristics can only preserve or further distort the existing imbalance. That such imbalance threatens peace is the reality of SALT I, not the prospect for SALT II.

Negotiations begun under conditions of gross imbalance can only further weaken the weaker side if addressed to *things* or *technologies* rather than to the *condition of balance.*

Thus, equal or balanced force concessions can only amplify initial force disparities. A form of this game is "give-away" checkers: the initially weaker side becomes increasingly weaker with each "equal" exchange and, in the end, loses willy-nilly. If negotiations in SALT II address the *condition of balance,* the achievement of that objective is simple: if not, we should decline to participate in a stupid game in which we cannot but lose. The overriding objective of SALT II must be to find out if the economically-distressed Soviets seriously seek strategic arms limitations or if SALT II is regarded as an opportunity to expand the principle of Soviet superiority by further imposing upon U.S. eagerness to institutionalize, on almost any basis, the idea of arms limitation.

2. Stop projecting *our* logic and *our* interpretations in assessing what motivates the other side. Such a course can be full of

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Footnotes at end of article.

surprises, and permits the Soviets to exploit the advantages which inhere in a military situation where an adversary is trapped in the error of doing the reasoning for both sides.

3. Realize that there is no basis for believing that the Soviets have lent themselves to a participatory role in word-game, "mutual assured destruction" philosophies or the mistaken notion of population hostages. The Soviet massive build-up of nuclear strategic power, with the attendant strain upon their ailing economy, contradicts on its face the suggestion that the Soviets have any belief in minimum deterrence, or the twin orthodoxies of the arms control specialists: that there is no such thing as nuclear superiority and that nuclear power confers no political advantage.

4. Senator Jackson has stated, "minimum deterrence is the orthodoxy of the arms control community that planned and negotiated the American side of the Moscow accords." [10] If that statement is true, it must be asked to what degree it is possible for any special-interest faction to find itself in a position to make fateful decisions for the American people.

Minimum deterrence philosophy is not credible and is therefore not serviceable as a nuclear strategy or as a basis for arms limitation. If deterrence is to be the *sine qua non* of arms limitation agreements, then it is useful to define deterrence with more precision than a general expression of dissuasion:

The minimum and sufficient condition for deterrence of nuclear assault is satisfied only if an aggressor knows that he cannot with certainty, by a first-strike, exact surrender from his victim, and is impressed with the degree of probability that he may, by the victim's retaliation, incur unacceptable damage or surrender.

This definition is offered as serviceably precise and one which distinguishes from aggregations of words seeming to define deterrence but which often do not. The expression "mutual deterrence" is a misnomer to the extent that it suggests a static, omnidirectional design. The concept of mutual deterrence involves, terrifyingly enough, the double calculus of the triple asymmetries of capabilities, intentions and geostrategic factors as perceived from opposing sides. Thus, any SALT result looking toward superficial "parity" is simplistic and can be wholly inequitable. Deterrence envisions an *aggressor—victim* equilibrium. Unless one of the adversaries wishes to duplicate the entire panoply of nuclear weaponry for both roles (as the Soviets seem to be doing), with the attendant instability encouraging an arms race, deterrence or stability dictates a strategic posture determined by section of the victim role, assessment of the aggressor threat capability, and deployment of strategic weaponry—offensive and defensive—such that there exists no scenario where the victim is prevented from retaliating with full targeting flexibility.

Thus, as measured by the Soviet (*aggressor*) counterforce first-strike capability, adequate defensive ABMs should be deployed by the U.S. (*victim*) to counter the weight of the offensive counterforce threat; or, alternatively, Soviet counterforce capability must be reduced below the level where a disarming first-strike is possible using only a fraction of the offensive force, with the remainder sufficient "to threaten the destruction of American cities should the United States actually launch a retaliatory strike in response to the initial Soviet attack." [11]

5. The strategic *condition of balance* may be more nearly restored by:

a. Reducing the number of Soviet launchers, land-based and sea-based, in existence or permitted by the SALT I accords, or,

b. Reducing the throw weight or total nuclear yield of Soviet weapons, especially destabilizing systems such as the SS-9 and its even larger successor, or

c. Increasing the warhead accuracy of U.S. strategic missiles;

d. Increasing the number of U.S. silo-defending ABMs (forclosed by the SALT I Treaty) and, of course,

e. Increasing the number of U.S. launchers;

f. Increasing the throw weight or total nuclear yield of U.S. weapons.

Neither *e*. nor *f*. is permitted the United States under the interim agreement although the Soviets are accorded the right to MIRV and improve the accuracy of their missiles.

At all events, arms control orthodoxy which ignores geostrategic asymmetries, which does not counter offense with defense, and is blind to nuclear blackmail and the reality that a retaliatory strike has to be credible, should not be allowed to influence U.S.-NATO nuclear strategic planning, much less determine the outcome of SALT II.

6. Any deterrent equation proposed must face up to the reality that a counter-cities retaliation to a counterforce strike has a built-in humanistic restraint, whatever the initial provocation. Here a weighing up of the moral asymmetries of the parties—on the record—is useful.

7. Arms control proposals should be based on essential objectives unilaterally assessed, not based upon Soviet "acceptability" or their "negotiability."

"I am hopeful that enough people involved in the SALT deliberations have become aware of the foolishness of filtering our own positions before presenting them and that this will be remedied in SALT II" [12] was the way Senator Jackson put it.

SALT II CHECK LIST

(under c. For the U.S. SALT II Delegation)

1. Define U.S. objectives based on a U.S.-NATO strategic doctrine.
2. Avoid the haste of the Moscow accords.
3. Hold firm on key issues.
4. Seek NATO counsel and use all resources of the Western Alliance.

The specter of Soviet assault on Western Europe, possible by reason of vastly superior conventional forces backed up by some 600 Soviet intermediate range nuclear missiles targeted on its cities, will increasingly overshadow European and Middle Eastern policy, with the withdrawal of the restraining influence of U.S. strategic superiority, and adjustment to the new realities of the strategic balance.

The Jackson Amendment looks toward seeking "rough parity" (an illusion) in strategic offensive weapons, not, as Senator Jackson has stated,[13] by building up to the Russian level, but by bringing their numerical strategic capability down to something more nearly like what we have, thus stopping the arms race. Apart from the difficulty, if not impossibility, of determining just what "parity" is, by reason of lack of any standard of measurement and the existence of a multiplicity of variables both as to weapon characteristics and whether launched in the first-strike of retaliatory mode, the Soviets, up until now, have never evidenced a willingness to scrap or dismantle weapons which they have produced at the cost of great strain on their meager resources. It has been suggested that SALT II might provide an exception by reason of what the U.S. can do to help the Soviet economy. It is submitted that any assistance the United States can render the Soviet economy in the dimension of the massive Soviet margin of strategic superiority would necessarily take the form of a strain upon our own economy in the shape of financial tribute to "purchase" a more equitable strategic balance. The Soviet Union has always had the option of building up its economy at the expense of its military budget. Their choice, then and now, has always been one of building up a superior military capability, both conventional and nuclear. On the other hand, U.S. defense budgets are the lowest, in equivalent dollars, since 1950 and in considerable measure fail even minimally to exploit the one U.S. advantage of a broad scientific and technological base.

In this connection, it is hard to see how, in the strategic arms limitation accords, we have, up until now, turned to the account of world peace the central facts of the Soviet Union's desperate need for U.S. goods and technology, on the one hand, and, on the other, the ominous and present danger which the People's Republic of China poses on her border, as much by the threat of engulfing hordes of Chinese manpower as by a newly found, if crude, nuclear capability. The high probability Soviet planners must assign to the prospects for war in the East must necessarily exert an overriding influence upon Soviet strategy and world policy.

This stark reality and its grim presage of even a single-front war with China dictate the stern necessity for the Soviet Union to be completely free of concern from attack from the West while employing her land armies and, in the event, the greater part of her weapons, in the East.

In these circumstances, while the Soviet Union must seek U.S. industrial and trade assistance, it must, for reasons equally compelling, accept accommodation with the West—and especially the U.S.—on any terms she can get. This is indeed an "era of negotiation," not by any *tour de force* of U.S. diplomacy but by a fortuitous concatenation of circumstances. It is an opportunity which should not be missed in making SALT II proposals equitable and meaningful.

While our intelligence as to Soviet military *capability* has never been the best we would hope for, their *intentions* have always, necessarily, been more obscure. Reports of new Soviet "blockbuster" missiles, believed to have twice the SS-9 nuclear yield (50 megatons) as compared with the U.S. Minuteman yield of 1 to 2 megatons, should shed some light on the direction of Soviet strategic purposes, as well as be cause for concern. That this and the massive SLBM effort heavily burden the clanking Soviet economy appears to be secondary to the attainment of clear nuclear superiority, a goal we are told by the arms control specialists is without meaning.

Soviet hostility to the West has undergone no perceptible change from its long range Marxist-Leninist goal of enslavement of the peoples of the world through a dynamic strategy of "proletarian internationalism" conducted under the protective shield of "peaceful coexistence," code words known throughout the length and breadth of the Communist world signifying the Communist strategy of protracted conflict to subvert free governments without fear of reprisal.

Although a U.S. Secretary of State on a national television network has referred to the Soviets as "our former adversaries," only one who would discard entirely a belief in experience as a guide to the future would much rely on Soviet good faith to achieve mutually fair and enforceable disarmament. A more realistic assessment of the hazards of SALT II is contained in the following, written by members of the President's own Blue Ribbon Panel in connection with the negotiations of SALT I:

> It is possible that the Soviet Union sees SALT as an opportunity to assure indefinitely for itself, by agreement, a position of military superiority. This would be accomplished if we were foolhardy enough to agree to an arms limitation which left the U.S. vulnerable to a Soviet first-strike capability or which otherwise undermines the credibility of our capacity effectively to retaliate. But one may as-

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Footnotes at end of article.

sume that U.S. negotiators will not commit such egregious folly.

and

There is always the danger of fatal concessions or even of a deliberate trap.[14]

It is hardly a prospect upon which to hazard the national substance.

In all fairness, one must allow for the fact that the Soviets in company with all Communists, in negotiations since World War II, have openly demonstrated a conception of negotiation that is radically different from our own.[15] "They view it as a component of conflict, with the objective of gaining an advantage without conceding anything." [16]

Notwithstanding the foregoing, it is the considered judgment of many respected leaders of our time that the U.S. should seriously continue with strategic arms limitation talks and that SALT II may hold promise not only of redressing the gross inequities regularized by the ratification of SALT I, but of initiating a real halt to future arms production by both sides, with the ultimate goal of true disarmament not beyond the bounds of human aspiration. That is all very well. But in the final analysis, SALT, at best, can only result in possible annual dollar savings which in no circumstances could exceed two or three percent of our GNP—a tiny fraction of the productivity of our people. SALT negotiations, at worst, can be at the cost of the lives and freedom of all our people. There is no parallel in rational human experience for the hazarding of so much for so little. Such is the temper of our times, a caveat directed toward making sure of preserving the gains of the past risks the censure of obstructing the future. But times change and so do circumstances. In easier times much that was mutable, now is irreversible. In an age of ultimate weapons, a single fatal mistake could spell the loss for all time of our life and liberty.

In SALT I, the achieving of some kind of strategic arms limitation agreement clearly impressed the U.S. side as so desirable as to negate the fact that the accords were, on their face, counter to U.S. interests. That a more equitable balance will result from SALT II may be unrealistic.

And finally, whatever the argument for substituting paper for power as the guarantee of peace, it is the lesson of history that such a course does not reduce but multiplies the chances for war. Agreement with the enemy beforehand is an ancient folly that can endanger the peace by further distortion of the power asymmetries which exist between a peaceful *status quo* nation and the state seeking political transformation.

We live in a time of detached, if chastened, examination *post-mortem*, of grievious politico-military miscalculation, as General Maxwell Taylor's recent book, *Swords and Plowshares*, bears witness. Such acknowledgement of well-intentioned error on the highest level of government may well be commendable in all but immutable national catastrophe.

Dr. Fred Iklé, the new Director of the Arms Control and Disarmament Agency, recently revealed cause for concern by his statement in *The New York Times* for July 11, 1973, "that the most recent stage of the strategic-arms talks was negotiated secretly by Mr. Kissinger and Soviet officials in Washington and Moscow, therefore the American negotiator at the talks was not responsible for 'essential parts' of the agreement, anyway."

Apart from the danger of perpetuating earlier fallacies, secret undertakings by trusted presidential aides is a flawed procedure presently in the process of being thoroughly discredited.

Understandings vital to the national interest, it is submitted, should be formulated by duly constituted agencies of Government possessing the necessary technical expertise and accountable in some way or another to the American people.

The grave and perhaps irreversible consequences of SALT negotiations merit the most sober public attention and governmental caution.

FOOTNOTES

[1] The *Military Balance 1972–1973*, International Institute for Strategic Studies, London.

[2] General Bruce K. Holloway, USAF (Ret.), "Reflections on Nuclear Strategy and the Nixon Doctrine," *Strategic Review*, Spring, 1973, p. 13.

[3] *Foreign Report*, The Economist Newspaper Limited, No. 1299, June 20, 1973.

[4] Ibid.

[5] D. G. Hoag, "Ballistic-missile Guidance," *Impact of New Technologies on the Arms Race*, The MIT Press, Cambridge, Mass., 1971, pp. 104–105.

[6] International Negotiation—"Hearings before the Subcommittee on National Security and International Operations," with William R. Van Cleave, Part 7, July 25, 1972.

[7, 10, 11, 12] Senator Henry M. Jackson, *Credible Deterrence in a SALT II Environment*, an address, Bonn, Germany, November 1972.

The writer has drawn extensively upon this address for many of the ideas expressed in this paper.

[8] "Hearings—Committee on Armed Services, U.S. Senate, Fiscal Year 1972, Authorization for Military Procurement, Research and Development, Construction and Real Estate Acquisition for the Safeguard ABM, and Reserve Strengths," Part 2 of 5 Parts, page 1759.

[9] "Washington Roundup," *Aviation Week & Space Technology*, March 5, 1973.

[13] Senator Henry M. Jackson, "Face the Nation," February 4, 1972.

[14, 15] "Supplemental Statement to Report of Blue Ribbon Defense Panel Submitted to The President and The Secretary of Defense on The Shifting Balance of Military Power," September 30, 1970.

[16] Admiral C. Turner Joy, USN (Ret.), *How Communists Negotiate*, Fidelis Publishers, Inc., Santa Monica, Calif., 1970.

BASIC PRINCIPLES OF NEGOTIATIONS ON THE FURTHER LIMITATION OF STRATEGIC OFFENSIVE ARMS

The following texts of agreements signed during the week of June 18 by President Nixon and General Secretary Brezhnev, by Secretary of Agriculture Earl L. Butz and Foreign Minister A. A. Gromyko, by Secretary of the Treasury George P. Shultz and Minister of Foreign Trade N. S. Patolichev, and by Secretary of Transportation Claude S. Brinegar and Minister of Civil Aviation B. P. Buyagev are excerpted from The Department of State (weekly) Bulletin, July 23, 1973.

The President of the United States of America, Richard Nixon, and the General Secretary of the Central Committee of the CPSU, L. I. Brezhnev,

Having thoroughly considered the question of the further limitation of strategic arms, and the progress already achieved in the current negotiations,

Reaffirming their conviction that the earliest adoption of further limitations of strategic arms would be a major contribution in reducing the danger of an outbreak of nuclear war and in strengthening international peace and security,

Have agreed as follows:

First. The two sides will continue active negotiations in order to work out a permanent agreement on more complete measures on the limitation of strategic offensive arms, as well as their subsequent reduction, proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972, and from the Interim Agreement between the United States of America and the Union of Soviet Socialist Republics of May 26, 1972 on Certain Measures with Respect to the Limitation of Strategic Offensive Arms.

Over the course of the next year the two Sides will make serious efforts to work out the provisions of the permanent agreement on more complete measures on the limitation of strategic offensive arms with the objective of signing it in 1974.

Second. New agreements on the limitation of strategic offensive armaments will be based on the principles of the American-Soviet documents adopted in Moscow in May 1972 and the agreements reached in Washington in June 1973; and in particular, both Sides will be guided by the recognition of each other's equal security interests and by the recognition that efforts to obtain unilateral advantage, directly or indirectly, would be inconsistent with the strengthening of peaceful relations between the United States of America and the Union of Soviet Socialist Republics.

Third. The limitations placed on strategic offensive weapons can apply both to their quantitative aspects as well as to their qualitative improvement.

Fourth. Limitations on strategic offensive arms must be subject to adequate verification by national technical means.

Fifth. The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

Sixth. Pending the completion of a permanent agreement on more complete measures of strategic offensive arms limitation, both Sides are prepared to reach agreements on separate measures to supplement the existing Interim Agreement of May 26, 1972.

Seventh. Each Side will continue to take necessary organizational and technical measures for preventing accidental or unauthorized use of nuclear weapons under its control in accordance with the Agreement of September 30, 1971 between the United States of America and the Union of Soviet Socialist Republics.

Washington, June 21, 1973

For the United States of America:

RICHARD NIXON,
President of the United States of America.

For the Union of Soviet Socialist Republics:

L. I. BREZHNEV,
General Secretary of the Central Committee, CPSU.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE PREVENTION OF NUCLEAR WAR

The United States of America and the Union of Soviet Socialist Republics, hereinafter referred to as the Parties,

Guided by the objectives of strengthening world peace and international security,

Conscious that nuclear war would have devastating consequences for mankind,

Proceeding from the desire to bring about conditions in which the danger of an outbreak of nuclear war anywhere in the world would be reduced and ultimately eliminated,

Proceeding from their obligations under the Charter of the United Nations regarding the maintenance of peace, refraining from the threat or use of force, and the avoidance of war, and in conformity with the agreements to which either Party has subscribed,

Proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972,

Reaffirming that the development of relations between the United States of America and the Union of Soviet Socialist Republics is not directed against other countries and their interests,

Have agreed as follows:

ARTICLE I

The United States and the Soviet Union agree that an objective of their policies is to remove the danger of nuclear war and of the use of nuclear weapons.

Accordingly, the Parties agree that they will act in such a manner as to prevent the development of situations capable of causing a dangerous exacerbation of their relations, as to avoid military confrontations, and as to exclude the outbreak of nuclear war between them and between either of the Parties and other countries.

ARTICLE II

The Parties agree, in accordance with Article I and to realize the objective stated in that Article, to proceed from the premise that each Party will refrain from the threat or use of force against the other Party, against the allies of the other Party and against other countries, in circumstances which may endanger international peace and security. The Parties agree that they will be guided by these considerations in the formulation of the foreign policies and in their actions in the field of international relations.

ARTICLE III

The Parties undertake to develop their relations with each other and with other countries in a way consistent with the purposes of this Agreement.

ARTICLE IV

If at any time relations between the Parties or between either Party and other countries appear to involve the risk of a nuclear conflict, or if relations between countries not parties to this Agreement appear to involve the risk of nuclear war between the United States of America and the Union of Soviet Socialist Republics or between either Party and other countries, the United States and the Soviet Union, acting in accordance with the provisions of this Agreement, shall immediately enter into urgent consultations with each other and make every effort to avert this risk.

ARTICLE V

Each Party shall be free to inform the Security Council of the United Nations, the Secretary General of the United Nations and the Government of allied or other countries of the progress and outcome of consultations initiated in accordance with Article IV of this Agreement.

ARTICLE VI

Nothing in this Agreement shall affect or impair:

(a) the inherent right of individual or collective self-defense as envisaged by Article 51 of the Charter of the United Nations.

(b) the provisions of the Charter of the United Nations, including those relating to the maintenance or restoration of international peace and security, and

(c) the obligations undertaken by either Party towards its allies or other countries in treaties, agreements, and other appropriate documents.

ARTICLE VII

This Agreement shall be of unlimited duration.

ARTICLE VIII

This Agreement shall enter into force upon signature.

Done at Washington on June 22, 1973, in two copies, each in the English and Russian languages, both texts being equally authentic.

For the United States of America:

Richard Nixon,
President of the United States of America.

For the Union of Soviet Socialist Republics:

L. I. Brezhnev,
General Secretary of the Central Committee, CPSU.

Reflections on Nuclear Strategy and the Nixon Doctrine

(By Gen. Bruce K. Holloway, USAF (Ret.))

The United States of America is indeed a land of contrasts. Its passions and indifferences seems to stretch endlessly and restlessly onward in an ever-undulating and often frightening pattern, and if they have a common denominator, it probably is *vigor*. Even those who endorse our being Number Two amongst world nationalities—or some number other than One—do so with vigorous argument and strongly-declared convictions.

This common denominator is one of the uncommon things in the order and character of my country today that give me hope for a recognizable future. It is one of the few things with which we started two hundred years past—so very strongly and courageously—that have not changed. I do not believe it *will* change, and it is priceless.

As we turned into 1973, there seemed little doubt that our current center-stage passion was football. I am not an addict but merely a fan, and thus found myself a member of a minority group. Those who were not on the scene at packed stadia too numerous to count were bonded to a television set as games went on in marathon succession. Whether there was too much of this is reasonably debatable, but of minor importance. The important point is that it was clean, and that these majority participatrons reflected a genuine and powerful will to win.

Bob Devaney, a great coach, declared during the undefeated 1971 season of his Nebraska Cornhuskers: "It is everything to be Number One." He reflected the views of virtually the entire population of Nebraska, and an attitude typical of the great majority of all Americans. An outsider with no background knowledge suddenly thrust into the living room of a typical American home on New Year's day could not help but be convinced of this attitude, from the players, from the coaches, from the viewing audience—all Americans.

Jumping back twenty-seven years to another American scene, I shall never forget the headlines on August 5, 1945. My first reaction was that somebody had grossly erred in describing the energy release of our first atomic weapon on Japan. As I gradually realized there had not been an error, the next thought was of the sweeping strategic implications, and closely on its heels the fleeting and comforting mental flash that at last there was, in the affairs of men, an absolute weapon—and we had it!

A lot of other people seemed to think so too, and said so in vigorous and prophetic terms. They were scientists, politicians, journalists, armchair strategists and other taxpayers of every description. Books appeared almost overnight, and the initial beliefs were that everything was now much simpler; that so long as we could maintain the secret and custody of this gigantic stick, the chances for world peace and accord were very high, and that even tribal arguments would be inhibited by its existence and sole ownership.

Things did not work out exactly that way. Although the massive restoration of Western Europe through the Marshall Plan and the sword-and-shield strategy of SHAPE did succeed with magnificent results, nationalist uprisings soon appeared everywhere. There was great fear of the might of American air power with atomic armaments, but unlike the era of British sea power a century before, there was great fear of its use on the part of the *owners* as well as the smaller nations, states, and colonial governments who were, for various reasons, disenchanted with their lot. Accordingly, the water was tested everywhere. Nationalist uprisings became very much in vogue, and local violence seemed to be encouraged by the realization that nobody—great or small—wanted ever to see atomic warfare. Those outside the Soviet embrace who were unhappy with colonialism—protective or otherwise—knew that the time had come to arise. They knew that the situation was vastly different from that of the 1850s when a major part of the British Eighth Army went from Karachi to the central highlands of Ethiopia to rescue a handful of minor diplomats, and, in the process, deposed the Emperor Theodore.

By the mid-1950s it was quite clear that the atomic weapon did not simplify anything; that it was not an absolute weapon in any sense of the word; and that the American strategy for external security of protective oceans, a balance of power in Europe and a weak Asia (which served so well from 1898 to 1948) was knocked into a cocked hat.

Our strategic power since August of 1945 has gone from monopoly to supremacy to comfortable superiority to inferiority. This inferiority is apparently comfortable to some Americans, even though the statistic realities are available for everyone to see, and the long-term consequences of remaining this way are suicidal. The grim facts of international negotiation from a position of relative weakness are appallingly misunderstood in spite of the good and articulate efforts of the President, the Secretary of Defense, and a great many other concerned citizens in and out of government service to explain them. One of the best expressions of the facts of modern strategy and its weapons—which everyone should read and respectfully ponder—is a report by seven members of the President's Blue Ribbon Defense Panel in 1970. These men were bankers, industrialists, editors, lawyers and business executives of the highest caliber. A slightly condensed version of the report was published in the July 1971 issue of *Reader's Digest*.

Throughout the 1950s, we wisely built up our strategic forces. Their strengthening and maintenance took priority over all other defense programs, and since most of the money and resources initially went into the Strategic Air Command, a considerable bitterness developed within the other military services and, to a lesser degree, within other parts of the Air Force. The priorities were indeed overwhelming. Personnel stability was so strong as to be essentially static. Wholesale spot promotions were authorized; manning documents were generous in the extreme; new weapons enjoyed prolific funding and accelerated procurement; people, money, logistic support—everything that was needed was available. It was one of our greatest all-time investments. It made possible a successful rebirth of a devastated free Europe; it prevented Communist take-over in Greece, Iran, Lebanon, Taiwan and probably Italy; and it prevented major war, even though it did not prevent lesser wars and smaller insurgencies and uprisings under the banner of nationalism too numerous to recount.

It did one other thing that should serve as a great history lesson: it made the USSR back down—at great loss of prestige and control in the Communist world—and take their offensive nuclear missiles out of Cuba.

Now—and until some other major change in the nature of total military power occurs—the possession of relative superiority in strategic forces is an absolute prerequisite for successful international negotiation.

Ironically, at the same time we experienced this confrontation in Cuba and were reminded of a cardinal lesson in power diplomacy, we slacked off in improving our strategic forces. The priorities shifted rather drastically to tactical or general purpose forces. President Kennedy started that ball rolling by announcing that in the year succeeding his inauguration at least $500 million would be spent on tactical aircraft and munitions. This was done—and more, and tactical air has enjoyed high priority in defense budgeting ever since.

This would have been all to the good were it not for the relative neglect of strategic forces, the adequacy of which gives credence to all other types of military endeavor. Without strategic power, general purpose forces—no matter how good—have very little meaning. The strategic situation today is precarious in the extreme, and the need for vigorous action is vital and immediate.

Since 1962, the United States has deployed Minuteman III and Poseidon ballistic missiles—both with multiple warheads. These are, in very important respects, improvements in the effectiveness of our strategic weaponry. Concurrently, however, we have steadily decreased bomber forces, and, since 1967, have held the total number of ballistic missile vehicles constant (1,000 Minuteman, 54 Titan, 41 submarines of Polaris/Poseidon missiles). We have introduced no new bombers, and have practically eliminated our air defense forces.

The Russian story is precisely the opposite. Since the Cuban confrontation, the Soviets have relentlessly built up their armed forces in every department without constraints other than the natural ones of manpower and brainpower availability. There have been no budgetary constraints, no minority group pressures, no "voices crying in the wilderness," no conscientious objectors, religious leagues, welfare lobbies, or any other kind of constraint. The steady strengthening of their military machinery—and particularly its nuclear and strategic elements—has taken precedence amounting to absolutism over all other national actions. It has gone much beyond what even our most radical experts feel they should need for external defense. And yet there are many people—vigorous Americans—who are not worried.

From 1948 to 1963, our grand strategy was to maintain unmistakable strategic superiority. It was not articulated with emphasis, nor did it need to be so long as this unquestioned superiority existed. But the situation began to change after this period, somewhat gradually at first, then more and more rapidly through the double indemnity of our cutback and level-offs and the giant strides forward of the USSR. We accommodated to this with budget-inspired rationalizing. We invented a new strategy, and called it "assured destruction." It was not a product of the military leadership.

In either the simplest or most complex terms, "assured destruction" is a simple strategy simply explained. Perhaps this can be claimed as a virture, but only in a sense comparable to the argument that the best automobile is one without wheels, because it is the safest and does not cause highway congestion.

"Assured destruction" is a proposition for deterring nuclear attack upon the United States through fear of reprisal. The reprisal would consist of atomic destruction of the economy of the attacking nation—people and things—of sufficient magnitude to be unacceptable to the government of that nation. This reprisal would be accomplished with U.S. forecs which would survive the enemy attack in sufficient quantities to inflict this unacceptable demographic and industrial destruction; and the extent or threshold of destruction wherein it became unacceptable would be a matter of judgment on our part. Thus it can be seen that whether or not the strategy has real-world merit for external security, the determination of this unacceptable level of destruction could have a direct and near-term effect in establishing budgetary levels of defense programming.

It is dangerous, and fortunately is being seriously questioned by many people in positions of high responsibility. President Nixon in his last three year-end messages to Congress questioned it, and in January, 1972, said: "No President should be left with only one strategic course of action, particularly that of ordering the mass destruction of enemy civilians and facilities. We must be able to respond at levels appropriate to the situation."

"Assured destruction" is also unconvincing. Who believes we would do it? What would it accomplish? Since when has the United States been obsessed with revengefulness? Why would we indulge in such monstrous immortality?

The United States is the most compassionate nation of all time, and we have become more and more so, not less and less so. There has been such extreme concern in the recent past for noncombatants in Viet Nam that we have conducted operations counter to almost every rule in the book designed for decisive action. Our record is not one to lend credibility to a big-war strategy of mass killing and wholesale economic eradication. In World Wars I and II, casualties and destruction of the general economy were high, but this was so because in reducing the wherewithal for waging war, people and things happened to be in the way. The closest we have ever come to laying waste people and their possessions as a major objective in war was what we did to ourselves when General Sherman and his forces went through Georgia.

But suppose those who differ with us—those whose ideologies are so diametric to ours—were to consider attacking the United States with nuclear weapons, and they did believe that we would retaliate with a targeting scheme which ensured maximum death and general destruction. Would this deter them? It might, but a better question to ask first is: "What are we trying to deter?"

Surely our strategic policy should be designed to deter more than just attack—a first strike with atomic weapons. It seems to me it should address deterrence of the loss of our way of life—all that we believe in and have vowed over and over that we would fight to defend. We have fought to defend it many times, and we will do it again, if necessary and as necessary. This, to me, is what we are trying to deter; an inflexible strategy with inflexible forces for monstrous revenge will not suffice.

We could lose our way of life—the freedoms, particularly—by being outnegotiated. Prudence, patience, dispassion, insight, and interpretative skill are premium requirements for international negotiation, but the ingredient for success that completely overshadows these is *strength*. Whether or not this is distasteful or expensive is begging the question, because it is the essence of the contest, and should be indelibly remembered by those who ask: "Can we afford to remain as strong as the other side?" or those who declare: "It is just too expensive to maintain Number One status."

Extension of power is as dogmatic for the Communists as preservation of freedom is for ourselves. It is not a "sometime" tactic, but rather a doctrinal objective which all tactics serve. War as a tactic is just as undesirable to them as it is to us, but the wherewithal for waging war successfully at any level is regarded as imperative.

Every American should know this. He should also know that a massively inhumanitarian strategy with forces geared accordingly might not worry the leadership of a materialistic orthodoxy the way it would worry those who believe in the rights and divinities of the individual. People and things have a common set of values in the Communist world, and are categorized according to how much they contribute or are thought to contribute to the welfare or security of the state. So, even if those whose ideologies and methodologies are in opposition to our own should believe we would carry through with our "assured destruction," I am not at all confident they would be deterred thereby from their multifrontal efforts against the Free World nearly so much as they would by a flexible strategy which more credibly threatened their means for waging war.

Let us suppose that the conditions of 1962 were switched end for end in favor of the USSR so that their relative military strength were four times ours. Then let's suppose they declared that the Montreux Convention of 1936 affecting the Dardanelles had run its course and that, in the interests of world peace all shipping proceeding east of 15° East longitude would henceforth check through a control point established thereabouts by them. What would we do? Would we, after failing through all negotiating courts, run the blockade? If we then had a few ships sunk, would we start shooting? If the war escalated, would we stay in the game? How far would we go? If this should happen, the need for a more flexible strategy, and associated versatility and effectiveness of weaponry, would probably become more apparent. Certainly the need for not being Number Two would become more apparent.

President Nixon's doctrine accepts the changing nature of power in the world. It calls, *inter alia*, for a disengagement of American troops from limited conflicts on foreign soil; for increased stature of United States strategic forces; for increased assistance for our allies; for technological improvement; and for more versatile, higher quality, and more mobile non-nuclear American forces. As to the President's foreign policy statement to the Congress, previously quoted, it would be proper for anyone to ask: "What does he mean?"

I think he means, first, that we need more realism in our nuclear strategy. I think he has misgivings about its inflexibility, which stem from the shortcomings mentioned above. I think, further, that he means:

a. We must not ever, under any circumstance, either knowingly or through neglect, sacrifice qualitative superiority. The greatest advantage the United States has and can continue to have in maintaining adequate defenses for minimum expenditure is our technological know-how and initiative.

b. We must spend our defense money more wisely and get more convertibility and adaptation out of carefully chosen and tested weapons. Strategic weapons, especially, must have greater effectiveness against all types of military targets, and not be just people- and merchandise-killers.

c. We will never have all that the military planners feel is needed. Reflectively, this underscores more than ever the wisdom of points *a* and *b* as we face the demands for broader weapons effectiveness and narrower budgetary margins.

Many times in the last four years I have been asked what I felt was most needed for keeping our strategic forces strong and adequate. My answer has been: "A better understanding of what they are for; less worry about whether we can afford them; and more worry about whether we can afford not to afford them." Usually this answer has invoked surprise, and sometimes a rejoinder of, "Yes, but I mean *weapons* and associated things." I will review my response to the rejoinder, and then return to the basic question.

Strategic force improvements fall generally under the headings of people, resource management, control apparatus, and weaponry. Great strides have been made in the care and handling of military people. Somewhat lesser but nevertheless significant strides have been made in overall resource management; fair progress in control—against rapidly escalating and increasingly complicated demands; and relatively poor progress in weapons improvement. Since the latter two pertain most directly to strategy and its credibility and since they seem to be the least understood, only these will receive further discussion here.

"Command and Control" is a hackneyed and often misleading label. The two words are lumped together like coal and coke, but they usually refer only to the control apparatus which enables a commander to exercise command of military forces. This is a small point to belabor, but perhaps important to make clear since the following remarks apply to the control apparatus, or man-made system, and not to the commander or command organization—a subject unto itself, which needs improvement and, so long as people are involved, always will.

The military operational control apparatus includes essentially all elements for conducting war except the weapons themselves, their vehicles and logistic support. Intelligence, intelligence processing, distillation and presentation of essential information therefrom for decisionmaking, the communication system for running things, relaying decisions, and reporting, the action nerves for firing weapons and security for the whole works are all part of it. It is a large subject, difficult to manage and plan, where the problems change rapidly and long lead times are involved. This applies too, of course, for weapons development and production but the intermeshing of their determinants is not quite so complex.

The two big variables, which seem to get mercilessly tougher from day to day in planning a viable nuclear war control system, are time for decision and target complication. If one regards the extreme case for nuclear action—that of a massive surprise attack on the United States, which, of course, we must continue to regard with topmost priority because it would be the most disastrous—the big decision which has to be made by the President will have to be made ultrafast. Former command decisions involving weapons of war have been easier in comparison by exponential orders of magnitude. Will the intelligence and its analysis be rapid enough? (Tactical warning times get ever shorter.) Will it be reliable and accurate enough? If so, it is a big order, and requires modernization of warning systems.

Perhaps a massive surprise attack on the United States is the least likely way in which nuclear weapons would first be used. I think it is the least likely possibility but certainly not out of the question. Therefore it must be the beginning point in testing our strategy and our strategic programs for adequacy, but certainly not the end-point, as has principally been the case under "assured destruction." Suppose, as the next least likely case, that the President were confronted with information regarded as unequivocal that a limited number of ICBMs were headed our way toward military targets. What would he do? First, he would probably want to know exactly where they are headed, and we should be able to tell him that. Next, he would want all evidence of what might be coming along in the second section. This would probably, at best, be an estimate conditioned largely by the first answer and by recent relationships with the country from which the missiles were launched or, in shorter terminology, strategic warning.

He would then have to do something—immediately.

I believe this hypothetical situation demonstrates the vital need for a greater flexibility than that of a spasm-like response against people and things. If such a response were the only possible choice—if we did not have fast-reacting controls for optional targeting at optional levels—and weaponry to match—he would indeed be faced with the decision of either grabbing the hot-line to ask what the ultimatum was, or shooting the works. I cannot believe any President would choose the latter. If he did, it would certainly be assured destruction for everybody.

Working these thoughts in reverse is, to me, the central reality of sound strategic planning. We want to deter all incursions against America—and against our allies of the Free World. If we have the flexibility of planning and application of nuclear weapons for meeting the pressures from the lowest to highest levels of intensity against any type or system of targets, instantly and effectively, then the President will probably never have to face up to such an awesome decision.

Here are the principal things that are needed.

For system control:

Better warning systems. The submarine-borne ballistic missile gives only half (at most) of the warning time of that of an enroute ICBM. Advanced development is under way on much-improved warning systems. These must continue to enjoy high priority support because the problem will continue to get tougher and the premium for reliability greater.

Improved targeting flexibility for our ICBM force. This means instant aiming or re-aiming without sacrifice of effectiveness. What we have now is good, but to meet the situations postulated above, improvements to the limit of technological possibility are of first importance.

Improved communications with Polaris/Poseidon submarines.

Improved secure control systems. The new airborne command post addresses this need.

For weaponry:

A new bomber. Much has been written and stated about the versatility, on-board intelligence, and accuracy of the bomber and of its ground-alert and penetration security problems. This is why we need a bomber and especially why we need a new one.

It is the only one of our three principal weapons systems that can be recalled after launch and, by virtue of being essentially immune to attack when airborne over friendly territory, is a vital and essential element of deterrence. An airborne alert of a sizable bomber force might be the deciding input for a would-be attacker to ponder.

We need a *new* bomber principally because it will become increasingly expensive for old ones to penetrate ever-improving defenses and because faster reaction times and lower escape distances are needed for ground alert.

The Trident Undersea Missile System. The requirement for our TRIAD of bombers, ICBMs and SLBMs will become greater, not less, and they all need qualitative regeneration.

The absolute limits of achievable targeting accuracy for our ICBMs and SLBMs. There is no reason to duplicate the Russian SS–9 as a behemoth weapon if we can approach bull's-eye reliability with the Minuteman. It would then destroy or seriously impair any kind of target and would also minimize undesirable collateral or inhumane damage. Damage effectiveness increases exponentially with improved accuracy, and the wisdom of seeking the best possible pin-pointing capability stems from axiomatic truths even more elemental, fundamental, and universal than the principles of war themselves. Why would we not want to?

The objections are, if not emotional, obscure. There is considerable opposition at high levels of budgeting control to seeking further accuracy in our strategic missiles, and the reasons which surface concern "first-strike"—arguing that our policy is never to strike first with nuclear weapons, that a more accurate weapon would be a more suitable first strike weapon because it would do more damage to military or counterforce targets, that this would be more provocative and unsettling—and so on.

The "so on" part is the most baffling. Is it because the military are not trusted, and that a man on horseback could grab control at any time? If so, I cannot imagine it happening. There are too many details involving too many people at widely-spread places. This is almost incomprehensible in our country of checks and balances, of military loyalty and dedication to civilian leadership.

It is also argued that qualitative improvement would provoke acceleration or intensification of the arms race. How could it be more intensified or accelerated than it already is in the USSR? Why doesn't the unabated Soviet build-up provoke those who worry about these things from our point of view?

I am a dedicated believer in putting all the talent and vigor and patience and persistence that our storehouse has to offer into controlling the arms race. If it is not somehow brought under control, atomic arms will sooner or later be used—or else we will disappear in more degrading ways. It must be brought under control, but it cannot be done in a fashion suitable to us unless we negotiate from strength—and it cannot be done in short order. It will take a long time—perhaps forever, if one thinks in terms of achieving Utopia.

Almost as many times as I have been asked, "What do you think we need most?", I have heard the self-serving remark: "What I don't understand is why we need any more, when each side already has enough to kill each other X times over." X usually falls somewhere between five and twenty-five. Some very prominent and influential people have said this publicly, and it always leaves me chilled and weak. I believe this feeling comes not so much from my amazement at how anyone could reason so simply and didactically, but rather from the realization that they do not question the foundations and basic immoralities of a strategy of "assured destruction"; that this is it: we can kill Y million people, and would do it if struck first—and that the requirements for doing it are static so that we don't have to "keep up with the Joneses" to maintain adequate strength.

My responses vary according to the estimated intelligence and sincerity of the questioner, but one argument frequently used is that we could probably kill all of the potential enemy—no matter which one is named—without spending another penny, provided there was complete accommodation and organized cooperation by the enemy: that they offered no defense; that everyone stood out in designated open spaces in concentrated masses; and that they provided us with local air mass patterns so that we could target our weapons to achieve maximum fallout. In this way we could probably kill everyone X times over—with weapons which survived after we were struck—or better yet, kill everybody one time over with a fraction of our force. This is a pretty facetious answer, but it is given to an appallingly naive question, if asked seriously. Moreover, the most disturbing thing about the whole interchange is that the questioner has either been conditioned to believe that he has a rational challenge with an easy way out, or is unable to think rationally for himself, or both.

There are over 200 million people who are supposed to govern the United States. This excludes all those under 18, but even they have influence, rights, and freedom of speech. In spite of this, one of the most often heard expressions is, "Why don't they do such and such?" "They" are *us:* the doers and the watchers; the voters and those who are too busy; the readers and the talkers; the thinkers and the unquestioning; the leaders and the followers—the whole lot—all with blessings never before paralleled in human experience. The vigor and productivity of these 200 million has also been unparalleled and for those who would question it, I offer the record of 1942–45. It was incredible, beyond the forecasts of even the most optimistic, and possible only because almost everyone was convinced that we were in deep trouble and knew why we were. They supported a seven-day work week, with no steaks and limited gas and a 35-mile-per-hour speed limit, and became quite upset with anyone who complained or tried to beat the system.

We are in even more danger now, but many people do not believe that we are, or know why we are. There is just as much vigor, and I believe just as much will to defend our way of life, but understanding and attention are lacking. There is too much egregious opinion and innuendo constantly bombarding the average citizen and not enough hard information to stimulate his interest to think for himself and come to proper and balanced judgments. What does it take to correct this? There is no single or simple impellent like Pearl Harbor, but it would help if every American stopped to think about who "they" are, when parroting the old complaint of "Why don't they . . .?"

It would also help if the silent majority changed their tactics and remembered that in the United States the squeaking wheel gets the grease and that the most powerful tool of government, next to the vote, is constituent mail. The vigor and the potential for action—the majority support for our problems—is all there, but it needs the facts and the meaning of the facts for activation.

These are not harsh words. The harshness is in the consequences of misconception—what will happen if we don't strip away the obfuscations and misunderstandings—however generated—and make all people realize that bargaining cannot be successful except from a position of strength; that weapons improvement leads to more meaningful deterrence; that it also leads to a better negotiating position for mutual arms reduction without getting the short end of the stick; that adequate defense is not a static thing; and that worrying about provoking somebody because we want to be prepared is not one of the qualities that made the United States of America great.

These are the things that need simple understanding and remembrance by those who would have peace at any price. The United States is strong, but not strong enough. It will not become strong enough unless communication of these truths improves, and unless it does, we will indeed be Number Two, or Number Last—for there is very little difference in the long haul.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I yield 5 minutes to the Senator from——

Mr. MANSFIELD. Mr. President, if I can have the attention of the Senator from New Hampshire, did the Senator intend to make a motion at a quarter of two?

Mr. McINTYRE. The Senator from New Hampshire chooses to make a motion at the present time.

Mr. MANSFIELD. The Senator from Massachusetts has been recognized for 5 minutes.

Mr. McINTYRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. McINTYRE. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities, in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 10701) to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain post facilities, was read twice by its title and referred to the Committee on Public Works.

CLOSED SESSION

Mr. McINTYRE. Mr. President, pursuant to rule XXXV, I move that the Senate go into closed session to discuss matters that require secrecy.

Mr. CRANSTON. I second that motion.

(At 1:46 p.m. the doors of the Chamber were closed.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to open session.

At 4:35 p.m. the doors of the Chamber were opened, and the open session of the Senate was resumed.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Florida, under the order already agreed to, be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I call up my substitute

The PRESIDING OFFICER. Will the Senator from Florida send up a copy.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. How much time is there on this amendment?

Mr. MANSFIELD. One hour altogether.

The PRESIDING OFFICER. One hour, to be equally divided.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Chiles amendment.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that during this debate Lester Feddig and Colin Bradford, of my staff be given permission of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I suggest the absence of a quorum?

The PRESIDING OFFICER. On whose time?

Mr. CHILES. I ask unanimous consent that the time not be charged.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The Secretary proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on the amendment by Mr. Chiles at the hour of 5:20 p.m. today, with the time between now and 5:20 p.m. to be equally divided between Mr. Chiles and Mr. McIntyre, and with a vote to occur on the McIntyre amendment immediately thereafter.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment of the Senator from Florida will be stated.

The assistant legislative clerk read as follows:

> In lieu of the language contained in amendment No. 1380 to Senate bill 3000, insert the following:
>
> Sec. 202. Funds authorized pursuant to this or any other Act to be expended for the purpose of enhancing the United States' counterforce capability by developing, or testing improved guidance technology for the Minuteman III missile, the Mark 12A reentry vehicle and warhead for the Minuteman III missile, or a terminally guided MARV (maneuverable reentry vehicle) shall be expended until a report has been submitted to the Congress by the President stating that the Strategic Arms Limitations Talks between the Soviet Union and the United States have been able to achieve substantial arms controls, including limitations on MIRVs and throw-weight, to insure equivalence in strategic offensive capability after which time no such funds shall be expended for these purposes.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself 5 minutes.

Let me first spend a moment to make sure that my colleagues understand what my substitute would do.

First. The substitute would authorize counterforce R. & D. to go forward until SALT results in comprehensive arms control agreements.

The McIntyre-Brooke amendment does not permit counterforce R. & D. to go forward until SALT has failed to reach results.

Second. The substitute seeks to insure strategic equivalence by linking the halting of R. & D. expenditures to substantial arms controls, including limitations of MIRV's and overall throw-weight. The substitute specifically includes throw-weight, where the U.S. is at a disadvantage.

The McIntyre-Brooke amendment is narrower, covering only agreement on MIRV, where we have an advantage.

I believe the substitute has some essential advantages over the McIntyre-Brooke amendment:

First. Because of the advantage the Russians now have in throw-weight, we need to proceed with R. & D. on accuracy to offset them now.

Second. We need to proceed with R. & D. as a bargaining chip. It is better to tell the Russians that we have got the MIRV technology but will agree not to produce and deploy it than it is to say we will only proceed with R. & D. if they do not agree to negotiate limitations on MIRV.

Third. The incentive in the substitute would be for the Soviets to seek agreement with us in order to get us to stop our R. & D. This way we will find out if counterforce R. & D. is really a threat to them or not. If it is, rather than having the destabilizing effect that people fear, it will motivate them to talk seriously with us at SALT II.

Finally, the incentive is greater in the substitute for the President to report to Congress a successful agreement, whereas in the McIntyre-Brooke amendment there is a disincentive for the President to report to Congress that the SALT talks have failed.

I wish now to now address some points to demonstrate why Senators should vote to support the policy position in my amendment.

First, to those who would support the McIntyre-Brooke amendment, the argument of the distinguished Senator from New Hampshire (Mr. McIntyre), the distinguished Senator from Maine (Mr. Muskie), and the distinguished Senator from Massachusetts (Mr. Brooke) is very sound. Their arguments reflect far more than an intimate knowledge and understanding of our defense program, and I think the chairman, the distinguished Senator from Mississippi, has agreed that there is no Member of the Senate who has devoted more time and effort to the R. & D. efforts than the chairman of the R. & D. Subcommittee.

But my point is that the Senator's arguments reflect more than just knowledge—they reflect a sense of conscience; a sense of foresight; and a sense of concern for the greatest danger this world has faced and will face, the threat of nuclear war.

So I certainly sympathize with the motives behind the McIntyre-Brooke amendment.

That is why I sympathize with my colleagues who favor the amendment because we, as the world's strongest power must show our determination to stabilize the nuclear balance and to exert our leadership in bringing meaningful controls over strategic arms.

But to these Senators I say this: We will not accomplish these ends by a unilateral fasting in strategic R. & D. programs.

We will not bring pressure to reach effective arms control by foreclosing our options on R. & D.

We will not strengthen our bargaining position at SALT by requiring the President to come here to report failure in negotiations.

We will not be serving this Nation's security by legislating a pressure to limit MIRV's, one of our advantages, and not exerting pressure to adjust throwweights where SALT I has left us deficient.

And finally—and I make this my strongest appeal to those Members who would support the McIntyre-Brooke amendment—we will not serve the cause of nuclear stability if we leave this chamber today with only a vote to reject the McIntyre amendment. I repeat, if the sentiment of this body is to simply reject a unilateral halt in counterforce R. & D., we have left the wrong signal.

That is why I appeal to Senators to support and vote for my substitute in place of the McIntyre-Brooke amendment.

Mr. McINTYRE. Mr. President, I yield myself such time as I may require to state my opposition to the amendment.

Mr. President, I oppose the amendment offered by the distinguished junior Senator from Florida. This amendment, as the Senator has said, is being offered as a substitute for amendment No. 1380 introduced by the Senator from Massachusetts (Mr. Brooke) and myself.

As I have stated throughout the debate on S. 3000, the counterforce proposals put forward by the Pentagon this year are a drastic and dangerous change in long-established policies, and I believe it would be particularly unwise, given the present state of the SALT negotiations, to enact such changes.

I believe that the amendment of the Senator from Florida is ill-advised for three reasons. First, there is little difference between the approach of the distinguished Senator from Florida and that of the Pentagon. The substitute amendment would allow the Pentagon to spend money on dangerous counterforce programs until substantial agreements have been reached at SALT. This stands the amendment I have offered with the junior Senator from Massachusetts on its head, and defeats its purpose.

Second, it is most important, Mr. President, to prevent the development of counterforce programs before they are begun. Once the Pandora's box of counterforce is opened, we will never be able to restrain it. One thing those of us on the subcommittee have learned is that once an R. & D. program comes into being, whether it happens to be on accuracy, additional yield, or on a new type of submarine, once that R. & D. program starts, it is a major problem to try to arrest it or bring it to a close.

The amendment offered by the Senator from Florida would retain the nuclear hair-trigger environment of which I spoke earlier. Even if we in good faith stop deployment after a SALT agreement, the Soviet Union would have no means—and this is a very important point—no means of independently verifying that fact. Thus, they would never be sure we were not building a first strike or going for a first-strike capability. Even though I agree with the Secretary of Defense that a preemptive first strike is beyond us at the present time—and let us hope forever, the uncertainties and the tension created by counterforce would still exist. So I urge the rejection of the amendment.

Mr. TAFT. Mr. President, I want to make very clear that I am unalterably opposed to the McIntyre amendment, as I have indicated in a prior statement today. I am also opposed to the Chiles amendment. I would like to point out that one thing in the Chiles amendment that seems to me to be conclusive is that it is so vague. The question of what will happen seems to me to be capable of raising some very great difficulties. There is no obligation on the part of the President to send his report as discussed here, or to believe, as the President does at this time, that we should proceed with the initiatives, as I believe we should, so that there would be every incentive for the President never to send such a report.

Mr. CHILES. It would seem to me that every argument I have heard anyone make as to why we need to go forward with this, is that we are afraid the Russians will have an advantage in throw weight and we are afraid that we will not be able to conclude a successful agreement at SALT II. If we do conclude a successfull agreement at SALT II, which includes throw weight under the language of my amendment, so that we could not go off without it, do you not think that the President would be very happy and send us a little note——

Mr. TAFT. I certainly think this: That if we have an agreement there, it should cover the area the Senator is talking about. If the Senator does not think we should try to cover it here, but if we do cover it here, then the President will still be under the same duty to make a decision whether to send a report. There is no obligation, no standards are prescribed, and there are no findings of any kind. At least the McIntyre amendment is in good order to that effect. It seems to me there is a feasible standard involved here. I do not think the standard of the Senator from Florida in his amendment is a feasible standard, because I do not see how the President knows whether he is or is not to send a report. There is no obligation for him to do so. I think we are terribly complicating the negotiations.

Mr. CHILES. Would we not be sending a signal, loud and clear to the Russians? If they are concerned about our counterforce initiatives, if they are concerned about research and development that we are conducting, then we give them the signal that if they are concerned, all they have to do is come to the table.

Mr. TAFT. I agree, but I do not believe the Senator's amendment will have that effect at all. It will unalterably confuse us.

Mr. President, I would like to correct the record in a statement the Senator from Florida made where he referred to MIRV's. Apparently he indicated that the McIntyre amendment had some effect on going ahead with MIRV. It does not; I believe the distinguished Senator meant the effect of going ahead with MARV. The record should stand clear that we are not in any way intending to limit ourselves as to our present deployment with regard to MIRV.

Mr. STENNIS. Mr. President, let us look at this proposal here. We are proposing to authorize appropriations to start three programs in research and development: improved guidance for Minuteman III, improved yield, and the terminally guided MARV. These three programs would be in motion.

It is proposed here that the President of the United States, in the SALT talks, would have all this amendment wrapped around him, in that he is going to stop this research program the way Congress has set it up unless he can come back and make three certificates to the Congress: First, that he has been able to achieve substantial arms control; second, including limitations on MIRV's and, third, throw weight limitations, and even fourth, to insure equivalence—what ourselves free to go either way we want is equivalence in strategic offensive capability?

Now unless he does that, those funds are cut off. Congress is supposed to be passing on SALT agreements, if any come back, and we are supposed to leave ourselves free to go either way we want to. So we are tying up, as I see it, the President of the United States if he goes to that conference, with all kinds of cobwebs and all kinds of conditions around him as to a research program. It puts us in the position of saying that we do not know what we want.

We will just pass the thing around here, pass the buck to the President, and let him go to the SALT talks. It might be, as I have said, that when he comes back he has got to make certification to us that all these things have been done, otherwise we lose this research and development.

What kind of legislative action would that be? I think we should put this program in or put it out, and stay out of the Executive's business, and make him stay out of our business in making these decisions. Then go as we see fit when the SALT talk programs, if any, come back in.

So I hope that we can reject this amendment because of its uncertainty and ambiguity, leaving ourselves free to act as we may see fit to act when the SALT agreements, if any, come back. Then I hope we will reject the McIntyre amendment and start this research program in the way it should be started without anyone else having any strings on it except the ones who should have the strings on it; that is, the Congress.

If we live up to that responsibility, it is, of course, a matter of judgment whether we should put in the McIntyre matter or not; but I think tie up the President and the Congress if we put in this uncertain equivalence language that does not have a sharp, positive, or definite meaning, without knowing where we are. The President would not know where he was with respect to the SALT talks, nor would those representing us. But those on the other side would certainly know they had an advantage if the Congress passes such an amendment as this. So I hope that this proposed substitute will be rejected. Of course, I am still opposed to the amendment of the Senator from New Hampshire (Mr. McIntyre).

I yield back such time as I may have left.

Mr. McINTYRE. Mr. President, how much time remains to me?

The PRESIDING OFFICER (Mr. Nunn). Four minutes.

Mr. McINTYRE. Mr. President, I yield 4 minutes to the distinguished Senator from Massachusetts (Mr. Brooke).

Mr. BROOKE. Mr. President, I thank the Senator from New Hampshire for giving me this time. I have several points I should like to make on the proposed amendment. One has to do with the throw-weight.

Throw-weight: Missile throw-weight by itself is a meaningless asset. As Secretary Kissinger has noted:

> It is not throw-weight, that kills people, it is warheads.

In order to harm the large and well-hardened American ICBM force, throw-weight must be combined with uniformly reliable, highly accurate warheads or reentry vehicles (RV's). The United States has a minimum 5-year lead in this technology. Focusing on missile throw-weight is like comparing the size of battleships without addressing the amount and accuracy of their guns, their speed, or their range. Multiple warheads are the crucial issue, not throw-weight. The Brooke-McIntyre amendment focuses on this crucial issue. The Chiles amendment complicates an already complex negotiation by gratuitously adding a secondary concern.

Accuracy and reliability. U.S. strategic forces have long possessed a counterforce capability. The Chiles amendment ignores this fact. Moreover, the greater reliability and accuracy of U.S. missiles already offsets any Soviet edge in mere carrying capacity or throw-weight.

Former Defense Department official and National Security Council staff member Morton Halperin, formerly an advocate of increased warhead accuracy, has said that U.S. missiles no longer need more accuracy and that to obtain it would destabilize the nuclear balance. What the Brooke-McIntyre amendment would do is forestall the development of efficient hard-target killers until all possibilities in SALT are exhausted.

Leadtime: Both Secretary Schlesinger and Director of Defense Research and Engineering, Dr. Malcolm Currie, have estimated that the U.S.S.R. will not have the advanced weapons that could create an imbalance favorable to them until about 1985—See Schlesinger testimony before Muskie subcommittee, page 34, and Currie testimony before Senate Armed Services Committee. With its 5-year lead in MIRV deployment, the United States has time to seek mutual limits on counterforce weapons—limits which are in the interest of both parties. ACDA Director Fred C. Ikle has estimated that the United States has at least 2 years before a final decision on counterforce would be required.

Essential equivalence: Secretary Schlesinger has stated that the possession of efficient counterforce capability by both sides increases instability and should be limited or controlled through SALT. The intention is to forgo the capability mutually, achieving strategic parity without efficient counterforce weapons on either side. The Chiles amendment misses this key point. The Brooke-McIntyre amendment, conversely, addresses itself to this objective of attaining equivalence without destabilizing weapons. It will convey American intentions unambiguously without committing the United States to first strike weapons or to a renewed arms rivalry in this field.

Bargaining chips: The United States needs no further bargaining chips for SALT, since it has a number of strategic weapons programs which the Soviet Union does not have—B-1 bomber, Trident submarine, advanced strategic air-launched missile (ASALM), submarine-launched cruise missile (SLCM), air-launched cruise missile (ALCM) to name but a few. More importantly, strategic arms experts, such as former SALT Ambassador Gerard C. Smith, have criticized bargaining chips as unproductive and bargaining chip theories as bankrupt.

Verification: If a SALT bargaining chip is needed, warhead improvement programs make a very poor choice, since these qualitative advances can never be verified except by onsite inspection of the missiles. Once developed, these efficient warheads escape surveillance by national means of detection and will plague current or future efforts to forgo or control them.

Mr. President, this really has not been emphasized today. It was raised earlier by the Senator from Washington, in the closed session, but it has not been discussed.

Once R. & D. on them is begun, no adversary can ever be quite certain that they have not also been deployed. The overwhelming likelihood is that, if the United States proceeds with these destabilizing warheads, it will have to live with the first-strike fears that they create as well as the possibility that their existence will be the trigger for nuclear war. This is the crucial point about warhead improvements that separates them from other weapons programs. The Chiles amendment overlooks this serious problem; it fails to recognize that a counterforce commitment will likely be irreversible. The Brooke-McIntyre amendment does not.

Incentives: R. & D. programs in progress made notoriously bad bargaining incentives because they are ambiguous signals of U.S. intent. They are likely to be counterproductive, causing an already suspicious and hostile adversary, and especially hardline elements in the Soviet defense ministry, to redouble their efforts rather than to curtail their own strategic offensive weapons programs. The new Soviet ICBM programs are a case in point. They are the Soviet response to our MIRV which was once claimed to be a negotiating incentive for SALT I. The best incentive for the Soviets, as Secretary Schlesinger has pointed out, is the recognition now that, with efficient counterforce weapons, both sides will be losers. The Brooke-McIntyre amendment sends this message unequivocally. The Chiles amendment does not and is based on a naive appreciation of negotiations with the Soviet Union.

Regarding incentives for the President to make reports, this is quite beside the point. In any case, the Chiles amendment provides no incentive at all but rather a disincentive to act in SALT.

Arms control: The purpose of mutual arms limits is to reduce the risk of nuclear war. Efficient counterforce weapons increase this risk by creating fears and uncertainties about a first strike. It is necessary to put the cart before the horse, exhausting the possibility of agreed limits before committing resources to irreversible and destabilizing weapons programs. The Brooke-McIntyre amendment recognizes this proper sequence and makes it into national policy. The Chiles amendment, by putting the weapons ahead of negotiations, has the wrong perspective. Because it communicates an intention to build first-strike weapons, it sends the wrong signal, it undermines the SALT, and it is a gamble with the national security.

Mr. CHILES. Mr. President, the McIntyre amendment, I believe, makes a very good point, and that point is that if we start this research and development, or counterforce, we may, if nothing else, scare some of the Russian hawks, and they might well use that in their arguments against détente, against a further reduction of arms limitation, about accelerating military expenses. That argument could even be carried to the extent that they have to make a first strike because it looks as though we are seeking that kind of capability. That argument makes some sense, and it cannot be dismissed.

It seems to me that the Committee on Armed Services and its chairman, the Senator from Mississippi (Mr. Stennis), have an equally compelling argument. That argument is that we cannot sit back and just dismiss the fact that the Russians are going forward with their counterforce, that the Russians are trying to develop accuracy, that they already have a weight advantage, that they already have a numerical advantage that they are not sitting back and waiting, worrying about whether we are concerned that they are doing something else. They are going forward as fast as they can.

We are going to lose the advantage we have enjoyed to date, our technological advantage, because we are going to sit back and not develop the research and development. That is a compelling argument. It makes all kinds of sense. It is the kind of argument as to why I cannot support the McIntyre amendment.

It seems to me that if we reach the proposition that both sides have a compelling argument, we try to find some way to put the two together, and that is what I have tried to do.

If the Russian generals are afraid, if we are worried about the forces of detente and being able to reach a meaningful arms limitation, it seems to me that we give a positive signal to the Russians and we do not take away anything from the President. We arm the President as he goes into the SALT talks by saying, "Yes, we are going forward, and we are going to do something with R. & D., but only until you give us a meaningful agreement at SALT; second, only if you will do something about weights, and if you will do something about quantitative arms. The minute you do that, we will stop. We don't have any great feeling that we have to develop these things. We are only doing it because we don't have a meaningful agreement for you."

It seems to me that we are arming the President. We are not taking away any of his options. He is being given more options. The way the amendment is drawn, it does not narrow his limitations in any way. He has to be satisfied that he has an agreement on weight and all these features before he gives us notification.

It seems to me that there is every reason he would like to give us that signal, if he gets a meaningful agreement, if he gets one that he knows is good, because then he can say, "We have succeeded."

At the same time, we do not lose the one advantage we have, which the distinguished chairman of the Armed Services Committee is so worried about, that we are going to sit back and lose the time on research and development; that every day that is gone forever; that we wake up and find that the Russians have been dragging their feet at SALT II; that they have not been trying to conclude a meaningful agreement; that they are going to sit back and take advantage of their weight requirements and numerical requirements and develop their technology as fast as they can; that we are going to be sitting back, because we are the good guys, trying not to give a false signal, and we do not develop.

It seems to me that if we can adopt the substitute, we really end up being able to do both things. We go forward with the research and development, which we believe we almost have to do because the Russians are going forward with theirs and because we have not concluded a meaningful agreement and do not know whether they will come to the table in good faith. But, at the same time, we give a strong signal that we are not doing it because we are seeking a first-strike capability; that we are not doing it because we want to escalate the arms race for its own sake; that we are really doing it only because we are trying to conclude a meaningful arms limitation agreement; that as soon as we get that arms limitation agreement, we will stop everything we are doing.

It seems to me that if one buys the logic of the most pressing argument that each side has, then that logic would dictate that we would be much better off if we went ahead and adopted the substitute.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida (Mr. Chiles). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Hawaii (Mr. Inouye), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen), the Senator from Maryland (Mr. Mathias), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Arizona (Mr. Fannin) and the Senator from Nebraska (Mr. Hruska) are absent on official business.

I further announce that, if present and voting, the Senator from Maryland (Mr. Mathias) would vote "nay."

The result was announced—yeas 10, nays 76, as follows:

[No. 239 Leg.]

YEAS—10

Beall
Byrd, Robert C.
Chiles
Domenici
Dominick
Huddleston
Mansfield
McClellan
Nunn
Weicker

NAYS—76

Abourezk
Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Clark
Cook
Cotton
Cranston
Curtis
Dole
Eagleton
Eastland
Ervin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
McClure
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NOT VOTING—14

Bayh
Bentsen
Church
Fannin
Hansen
Hruska
Inouye
Mathias
McGee
Metcalf
Percy
Ribicoff
Sparkman
Symington

So Mr. Chiles' substitute was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McINTYRE and Mr. MOSS moved to lay the motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question now recurs on the McIntyre amendment.

Mr. STENNIS. Mr. President, what is the pending question before the Senate?

The VICE PRESIDENT. The pending question is on agreeing to the McIntyre amendment (No. 1380). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr.

Church), the Senator from Hawaii (Mr. Inouye), the Senator from Montana (Mr. Metcalf), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen), the Senator from Maryland (Mr. Mathias), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Arizona (Mr. Fannin) and the Senator from Nebraska (Mr. Hruska) are absent on official business.

I further announce that, if present and voting, the Senator from Maryland (Mr. Mathias) would vote "yea."

The result was announced—yeas 37, nays 49, as follows:

[No. 240 Leg.]

YEAS—37

Abourezk
Biden
Brooke
Burdick
Case
Clark
Cranston
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Javits
Kennedy
Mansfield
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Randolph
Schweiker
Stevenson
Tunney
Williams

NAYS—49

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fong
Goldwater
Griffin
Gurney
Helms
Hollings
Jackson
Johnston
Long
Magnuson
McClellan
McClure
Nunn
Pearson
Proxmire
Roth
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—14

Bayh
Bentsen
Church
Fannin
Hansen
Hruska
Inouye
Mathias
McGee
Metcalf
Percy
Ribicoff
Sparkman
Symington

So Mr. McIntyre's amendment (No. 1380) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote whereby the amendment was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. HUGH SCOTT. Mr. President, I rise to ask the distinguished majority leader the order of business for the rest of the day and for tomorrow, because my hopes do not extend beyond then.

Mr. MANSFIELD. Mr. President, the distinguished assistant majority leader will be making a unanimous consent request on that part which I hope the Senate, in its understanding, will agree to; but in the meantime, following the disposition of the pending business tomorrow, the next order of business will be Calendar No. 876, S. 3523, a bill to establish a temporary National Commission on Supplies and Shortages.

Following that, on Wednesday morning or sometime Wednesday, it is anticipated that we will return to the consideration of Calendar No. 875, H.R. 14434, an act making appropriations for energy research and development activities of certain departments, and so forth.

Following that, we will take up Calendar No. 868, S. 585, a bill to amend section 303 of the Communications Act.

It is anticipated that beginning this week, we will hopefully get a majority of the appropriation bills from the House of Representatives; and now that the distinguished Chairman of the Committee on Finance is in the Chamber, I would like to ask him if it would be possible to get the debt limit legislation to the Senate floor this week, so that we will not go up against a deadline, as we usually do, with little opportunity to debate it or amend it.

Mr. LONG. Mr. President, if the Senator will yield, I have been discussing the problem about the tax-cut amendments and the various so-called tax reform amendments, which, generally speaking, would remove some tax advantage or some tax consideration that one group or another receives under the tax laws for the purpose of raising revenue. It is clear that while we have kept the commitment in putting H.R. 8217, a minor tariff measure for repair of vessels, on the calendar, if they are to fight a battle with tax cuts and tax reform on that bill, there is a distinct possibility that that bill might not even reach the President's desk, and those who feel strongly about these issues have already indicated to me and to others and for the record that they would not be satisfied with this, and that they would propose to offer those same amendments, if they think they could muster a majority vote for them, on the debt limit bill.

I cannot feel very strongly about a Senator wanting to offer such an amendment in a bill, he feels, is going to the President's desk. That being the case, it seems to me it is a complete waste of time for us to fight the same battle over the same amendments twice, and make the same speeches twice, and I think we would be well advised simply to let the vehicle on which those amendments will be considered be the debt limit bill itself. Otherwise, as I say, we will simply fight the same battle twice. If one feels strongly enough about the matter to want to offer his amendments on the debt limit bill, he is going to do it anyway, if he has the votes to do so, and there will not be much difference between the number of votes he would get offering them to the debt limit bill and offering them to some less consequential measure.

So I think we would be well advised to let the committee turn immediately to the consideration of the debt limit bill, try to conclude our hearings and deliberations this week, and let it be available to the Senate next week, if that is what the leadership has in mind. I believe that is the way to move for the expeditious consideration of some important votes and, for that matter, a confrontation between the Executive and Congress. If that is in the offing, I think we may as well face it rather than go through the motions one time and then again the second time, on an important issue which must be debated and voted on in any event.

I have discussed this matter with the sponsors of some of the major amendments, and they seem to think that would be the appropriate procedure. If we do that, I think it should be done before the debt limit expires, so that if possible the bill will reach the President's desk in time so that if, as he has indicated he has every intention to do, he is going to veto any bill with those amendments on it, he would have the opportunity to do so, and give Congress the opportunity to vote on it before the debt limit expires. I think he should have the privilege of doing so.

So I think it would be the major part of valor for the Senate to act on that basis, and regardless of how it finally works out, after we have concluded that fight, we will then go on and let the other tax measures be considered on their own later.

Mr. MANSFIELD. Then, Mr. President, I take it we can look forward, barring exceptional developments, if not this week, to having the bill taken up on Monday next.

In addition to the legislation already mentioned, there will be other legislation beyond Wednesday, which we will discuss tomorrow in greater detail, and I take this occasion to thank the Senate for the cooperation it has shown the leadership in helping keep the calendar as clear as possible up to this point in the session.

Mr. HUGH SCOTT. May I inquire whether the distinguished majority leader expects any additional votes tonight?

Mr. MANSFIELD. At this point, I turn to the distinguished assistant majority leader, so that he can propound a unanimous consent request which he has worked out with the interested parties, which hopefully will be concurred in by the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

I ask unanimous consent that if there are any further rollcall votes ordered on additional amendments today, they go over until tomorrow, in accordance with the following request:

I ask unanimous consent that the Humphrey amendment—the so-called ceiling amendment—which was to be called up by Mr. Humphrey tomorrow at 1 o'clock, may be called up at 2 p.m. tomorrow instead, and that upon the disposition of that amendment, the vote on final passage of the bill occur immediately thereafter.

That would mean that the final vote would be about 3:30 p.m. tomorrow, and that the Mathias amendment, which was ordered to come up at this time, but which cannot be called up because Mr. Mathias is not present at the moment, go over until tomorrow and be called up immediately upon the disposition of the vote on the Kennedy-Cranston-Symington amendment; and that there be a limitation of 30 minutes instead of 1 hour on the Mathias amendment; and that upon the disposition of the Mondale-Mathias amendment tomorrow, the votes, if such there be, which are ordered on further amendments tonight, then occur.

The PRESIDING OFFICER (Mr. NUNN). Is there objection to the request of the Senator from West Virginia?

Mr. STENNIS. Mr. President, reserving the right to object—and I am not wanting to object at all, understand—how much time are we going to have for the Mathias amendment?

Mr. ROBERT C. BYRD. Thirty minutes.

Mr. STENNIS. That is the submarine amendment. That will start off the program costing $1 billion plus. The committee unanimously left that out of the bill. It seems to me that that is worth more than 30 minutes.

Mr. ROBERT C. BYRD. I am sorrry, but——

Mr. STENNIS. That is in addition to the Trident which will be an ongoing submarine. We may get the other before we let the contract for the Trident.

Mr. ROBERT C. BYRD. Let me say to the distinguished Senator from Mississippi that if we stretch it beyond 30 minutes, we will have some problems tomorrow with our time situation.

Mr. STENNIS. I want to cooperate, of course, but we are up against it. The matter of aid for South Vietnam is coming up. That is a matter that anyone can bring up who wants to, but the committee was unanimous on that. Then we have the Jackson amendment. That is a far-reaching matter. Then we have the Mathias amendment which we had set for tonight. Then there is another one somewhere, the so-called ceiling amendment—and then final passage.

Mr. ROBERT C. BYRD. Those are already locked in. I was just trying to flesh out the work schedule for tomorrow.

Mr. HUGH SCOTT. I would suggest to the Senator from Mississippi that it is already late enough for the demolition charges to take care of tomorrow.

Mr. STENNIS. We have three more amendments tonight, then?

Mr. HUGH SCOTT. If so, the votes will go over until tomorrow, I understand.

Mr. STENNIS. These are for tomorrow. I am complaining mainly about the 30 minutes, with 15 minutes to a side, on the submarine amendment. I believe it should have more time than that.

Mr. ROBERT C. BYRD. Mr. President, I revise my request as follows: I ask unanimous consent that the so-called ceiling amendment by Senator HUMPHREY be called up tomorrow at 2:30 p.m.; that there be a limitation thereon of 1 hour and 15 minutes, as previously agreed to; with the vote on final passage to come upon disposition of the Humphrey amendment. That will allow the additional 30 minutes the distinguished chairman would like to have on the Mathias amendment.

Mr. STENNIS. If the Senator will yield further, what time do we have for vote on final passage of the bill?

Mr. ROBERT C. BYRD. That would mean that the vote on the Humphrey amendment would occur at 3:45 p.m., with a vote on final passage to come at 4 p.m.

Mr. STENNIS. Well, three amendments are up for consideration tonight. What is the suggestion as to them?

Mr. ROBERT C. BYRD. My understanding is that the amendment by the Senator from Iowa (Mr. HUGHES) may be accepted; that the amendment by the Senator from Ohio (Mr. METZENBAUM) will not take long to discuss, and the vote would go over until tomorrow; and the amendment by the Senator from New York (Mr. JAVITS) would not require long. Whether there is to be a rollcall vote on his amendment remains to be seen. Those three amendments should not take too long.

Mr. STENNIS. I have not seen the Hughes amendment. It was not offered in committee. The Metzenbaum amendment has been voted on once before.

Mr. ROBERT C. BYRD. Here is the situation. We already have an agreement that we are going to have to live up to. If we cannot change it, we are going to live up to that agreement, and we will vote tomorrow on final passage at 2:30 p.m. This would mean that if we are going to call up other amendments tonight, we will have to vote on them tonight because we cannot carry them over until tomorrow. We are faced with the clock situation. I was trying to accommodate Senators all the way around, let me say to my distinguished chairman.

Mr. STENNIS. I see that we have got to have more time here. I could not object to extending it 1 day longer. I just want more time on that submarine amendment—30 minutes to a side would be sufficient.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. THURMOND. Mr. President, reserving the right to object, there is one amendment, the MASF amendment, which has 1 hour to be considered. That is a very important matter. That should be made 45 minutes to a side.

Mr. ROBERT C. BYRD. Which amendment is that?

Mr. THURMOND. The MASF amendment concerning South Vietnam.

Mr. STENNIS. Aid to South Vietnam.

Mr. KENNEDY. Is there any objection to my amendment's going over into the afternoon? I would be glad to be here, but we have already moved our witnesses to come in earlier on the Health Committee, to bring us to a quarter to 10. We have many out-of-town witnesses who are coming in. I would be glad to adjust and accommodate Senators. It seems to me that as this is a quarter to 10, and we have already moved it back earlier, it seems to me—although I am prepared to come in at any time—I want to have a full house here—this deals with cutting back on military aid to South Vietnam. That is an important amendment. I would like to have my colleagues around here as well, and I am prepared at any time tomorrow, but at 9 a.m. I do not think we will have the kind of attention to this amendment that it deserves.

Mr. ROBERT C. BYRD. The amendment is presently scheduled to go at 9:30. The Senator's attendance will be about as good at 9 a.m. as at 9:30.

Mr. KENNEDY. I am not objecting to having it considered earlier but I would like to have it taken up later in the day.

Mr. MANSFIELD. Mr. President, I hope the Senators from Massachusetts, Mississippi, and South Carolina would recognize the difficulties in which the joint leadership some times finds itself when we reach what we think is a bona fide agreement, an agreement reached in good faith, and then one Senator, when he found out that there would be other amendments to be offered tonight as of a certain time, raised an objection and felt that he was being put upon. He was not. But I cite this only to indicate that the joint leadership does have difficulties and that what we need is more understanding from the membership if we are going to keep the calendar as clear as possible. So far as 9 or 9:30 is concerned. I do not think it will make any difference.

Mr. KENNEDY. I will be glad to have my amendment called up at 9 o'clock.

Mr. THURMOND, Mr. President——

Mr. MANSFIELD. The Senator has got it. Leave it alone.

Mr. THURMOND. Mr. President, I felt it was important but if there is any serious objection to it, we will leave it as it is.

Mr. MANSFIELD. All right—all right. Leave it as it was.

Mr. THURMOND. I just want to accommodate the Senator.

Mr. KENNEDY. I thank the Senator.

Mr. MANSFIELD. 9:30.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, if I may synthesize what has been said here, there will be no further votes tonight—no further rollcall votes to be taken tonight. As agreed to, the votes will be put off until tomorrow.

Mr. JAVITS. Mr. President, in view of the fact that Senators may be late tomorrow, I would like to ask unanimous consent that it may be in order to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, may I ask the Senator one question? Does he have his amendment worked out?

Mr. JAVITS. Yes; I do.

Mr. STENNIS. I wish the Senator would supply it.

Mr. ROBERT C. BYRD. Mr. President, I ask whether the distinguished manager of the bill and the distinguished ranking minority member will agree to cutting the time on the Humphrey amendment, so that it would be 1 hour on that amendment, rather than 1 hour and 15 minutes.

Mr. STENNIS. Which amendment is that?

Mr. ROBERT C. BYRD. That is the ceiling amendment.

Mr. STENNIS. I think so.

Mr. THURMOND. Mr. President, reserving the right to object, what is the amendment?

Mr. ROBERT C. BYRD. The so-called ceiling amendment.

Mr. THURMOND. I have not seen the amendment. I do not know what it contains. I would like to see a copy of it.

Mr. ROBERT C. BYRD. I am sorry; I cannot produce it.

Mr. THURMOND. I have been trying to get it, and I have not been able to do so.

Mr. STENNIS. Is anything in it besides dollar figures—any conditions, limitations, things of that sort?

Mr. ROBERT C. BYRD. May I ask the clerk of the committee? Perhaps he knows. He indicates in the negative.

Mr. STENNIS. We have not seen any amendment.

Mr. THURMOND. We have not seen it. We cannot get it.

Mr. STENNIS. We have been agreeing to time limitations and everything, and they will not turn in the amendments.

Mr. ROBERT C. BYRD. Mr. President, there comes a time when I just have to sit down.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to call up an amendment at the desk, for the purpose of asking for the yeas and nays while sufficient Members are present.

The PRESIDING OFFICER. Will the Senator just ask unanimous consent that it be in order to order the yeas and nays?

Mr. METZENBAUM. I so request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. METZENBAUM. I ask for the yeas and nays.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HUGHES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUGHES. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

SEC. . (a) Chapter 401 of title 10, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"4314. United States Army Command and General Staff College degree

"Under regulations prescribed by the Secretary of the Army, and with the approval of a nationally recognized civilian accrediting association approved by the Commissioner of Education, Department of Health, Education, and Welfare, the Commandant of the United States Army Command and General Staff College may upon recommendation by the faculty confer the degree of master of military art and science upon graduates of the college who have fulfilled the following degree requirements: a minimum of thirty semester hours of graduate credit, including a masters thesis of six to eight semester hours, and a demonstration of competence in the discipline of military art and science as evidenced by satisfactory performance on a general comprehensive examination. These requirements may be altered only with the approval of such association. The Secretary of the Army shall report annually to the Committees on Armed Services of the Senate and House of Representatives the following information: (1) the criteria which must be met to entitle a student to award of the degree, (2) whether such criteria have changed in any respect during the reporting year, (3) the number of students in the most recent resident course graduating class, (4) the number of such students who were enrolled in the master of military art and science program, and (5) the number of students successfully completing the master of military art and science program."; and

(2) by adding the following new item at the end of the analysis of such chapter:

"4314. United States Army Command and General Staff College degree."

(b) The Commandant of the United States Army Command and General Staff College may confer the degree of master of military art and science upon graduates of the college who have completed the requirements for that degree since 1964 but prior to the enactment of this Act; but the number of such degrees awarded for such period may not exceed 200.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. HUGHES. I yield to the distinguished Senator from Massachusetts.

AMENDMENT OF FREEDOM OF INFORMATION ACT

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 12471.

The PRESIDING OFFICER (Mr. NUNN) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KENNEDY. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. HART, Mr. BAYH, Mr. BURDICK, Mr. TUNNEY, Mr. MCCLELLAN, Mr. THURMOND, Mr. MATHIAS, Mr. GURNEY, and Mr. HRUSKA conferees on the part of the Senate.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HUGHES. I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, for the Senator from West Virginia, the assistant majority leader, I ask unanimous consent that the time on the so-called ceiling amendment be reduced to 1 hour rather than 1 hour and 15 minutes. I believe the Senator from Minnesota and the Senator from South Carolina join me in that request.

Mr. THURMOND. I have not expressed myself on that, Mr. President, but I will agree to it.

The PRESIDING OFFICER. Is there objection?

Mr. HUGHES. Mr. President, reserving the right to object, I would like to know what was said. May I inquire what the request is?

Mr. STENNIS. That the time for debate on the Humphrey amendment, which is to put a ceiling on the dollars in the bill, be limited to 1 hour, equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished chairman.

Mr. HUGHES. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUGHES. Mr. President, will the chairman give me his attention? He is about the only one I am interested in speaking to at present.

Mr. STENNIS. I have just turned over my duties to the Senator from Nevada.

Mr. HUGHES. Mr. President, the amendment I am offering, together with Senators EASTLAND, MCGOVERN, DOLE, and GOLDWATER, is a rather simple one. It is to authorize the Commandant of the U.S. Army Command and General Staff College to award the degree of master of military art and science.

The amendment:

First. Lists the specific requirements to obtain the degree of master of military art and science.

Second. Provides that the requirements may be altered only with the approval of a nationally recognized civilian accrediting association approved by the U.S. Commissioner of Education.

Third. Provides that the Secretary of

the Army shall report annually to the Committees on Armed Services the criteria which must be met to entitle a student to award of the degree, whether such criteria have changed in any respect during the reporting year, the number of students in the most recent resident course graduating class, the number of such students who were enrolled in the master of military art and science program, and the number of students successfully completing the master of military art and science program.

The U.S. Army Command and General Staff College, Fort Leavenworth, Kans., is the Senior Tactical School of the Army educational system. The stated purpose of the college is:

> To prepare selected officers for duty as commanders and as principal staff officers with the Army in the field from division through Army group and at field Army support command and theater Army support command; to provide these officers with an understanding of the functions of the Army command staff and of major Army, joint and combined commands; and to develop their intellectual depth and analytical ability.

Commencing in 1963, the college has conducted a graduate program accredited by the North Central Association of Colleges and Secondary Schools. This program, participated in voluntarily and after rigorous screening, has been appraised as highly successful by competent civilian authority. By accrediting the program, the North Central Association recognized military art and science as a distinct academic discipline, and certified the college as an educational institution meeting customary standards for awarding a master's degree. The association withdrew its accreditation of the college's graduate program on June 30, 1966, solely for the reason that the college did not have degree granting authority.

Enactment of this amendment will recognize the rigorous academic endeavor of those graduates who fulfill the specific requirements for the degree, encourage the further development of the discipline—military art and science, and provide a stimulating incentive to the entire officer corps. There are no facilities or existing institutions that could be used for the purpose of which the bill proposes for the reason that there are no civilian colleges or universities that specifically offer a program directed to this unique degree. However, I want to emphasize that instruction is provided in a significant part by civilian professors from participating universities. The curriculum is not solely military subject oriented.

Mr. President, there are several specific points relative to this amendment which I should like to discuss briefly.

First. If it is adopted, it will not require an appropriation. It merely authorizes a degree to be granted to outstanding students.

Second. The positions of professors of military science and tactics at the various colleges and universities throughout the country which have Army ROTC units are being filled only with individuals who possess advanced degrees. What more logical advanced degree could a professor of military science and tactics have than one in his chosen field—military art and science. Current professors received their advanced degrees from civilian institutions at a far greater cost in terms of time and money than would be the case if they had received a master's degree from the Army's Command and General Staff College.

Third. I would like to emphasize that the master's degree program I am advocating is a highly selective one. Less than 2 percent of the students at the college have completed the very strict requirements for a master's degree. As a matter of fact, there have been on an average only 17 students per year during the last 11 years to meet the exacting standards and it is contemplated that the percentage of future classes to receive a master's degree will not be appreciably increased.

Fourth. Both the Navy and Air Force currently are permitted by statute to award advanced degrees. The Army lacks that authority.

Finally, the legislation I am proposing passed the House of Representatives in a similar form in 1968. I assume that the press of other business that year made consideration of the House bill by the Senate Armed Services Committee impossible. However, it now seems appropriate to address this issue in fairness to those who have worked so long and hard to earn this degree.

Recognition of the rather small number of the college's students who will be granted a master's degree if my amendment passes is, in my judgment, but a slight token of compensation for the efforts they are required to expend.

I hope the distinguished manager of the bill will see fit to accept the amendment for consideration in conference.

Mr. President, I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I rise to support the amendment. I would hope that the chairman of the committee would accept it. This amendment is similar to legislation which the Senator from Kansas (Mr. DOLE) and I introduced in 1971. Hearings were never held on that legislation. Why, I do not know.

The course offered by the Army War College I think certainly demands the necessary respect to call for a master's degree. If this is a successful venture, I hope that sometime in the future we might extend the same honors to the Air Force College and the Industrial College. They also provide a very high standard curriculum.

Mr. President, I am pleased to join today with the senior Senator from Iowa (Mr. HUGHES), in proposing an amendment which will provide long overdue recognition for the outstanding graduate level program offered by the Department of Army at its Command and General Staff College. The amendment is similar to legislation, S. 1105, which I introduced in 1971.

It will authorize the college to award a formal master's degree to the select number of officers who successfully complete the graduate program at the institution. The degree will be designated as the discipline of military art and science, and the program leading to its award will meet all the standards of professional discipline required by our civilian graduate system.

Mr. President, the Army's Command and General Staff College, which is located at Fort Leavenworth, Kans., has been offering a graduate degree course of study for the past several years. By July of 1974, the college will have graduated 182 officers in its degree program. These individuals have undergone a rigorous 10-month course of study and an extensive personal research project. And yet their only recognition has been limited to a notation on their personnel records.

This is entirely inequitable when viewed against the great efforts these officers have made and the important qualities they have developed which will benefit the public good. For if the American public wishes its military services to be lead by officers who are influenced and guided by habits of the highest rational, ordered thought processes, then we should encourage and reward in every way possible participation by qualified officers in a disciplined educational program designed to develop a corps of military scholars. And if we want our military leaders to be skilled in critical, analytical, thoughtful decisionmaking, then we should promote the military's efforts to stimulate the growth of military scholarship.

The military profession itself is striving mightily to provide a greater and wider range of intellectual challenges for its higher officers, and a society that rejects the idea of rigid conformity and anti-intellectualism among its officer corps should give every ounce of support and recognition it can to the cause of advanced military education. In this way Americans can be confident U.S. military commanders and planners will make sound, ethical decisions based on a large range of considered courses of action.

Let me review the Army's educational program at its Fort Leavenworth College and demonstrate how deep its degree granting mission is. The Army Command and General Staff College is the senior tactical school of the Army's educational system. It prepares highly qualified officers for duty as commanders and as principal staff officers with the Army in the field. In addition, officers from other U.S. military services may be admitted to the college.

The Army selects only about half of its officer corps to attend the regular course at its command college. These men are hand-picked between their 8th and 16th years of service. The regular course extends for 39 weeks over a 10-month period. Officers spend an average of 7½ hours per day in classroom instruction and 3 and 4 hours in homework. There are also special briefings, a speaking and writing program, and other extra duties. In addition, students must submit a written treatise of at least 3,000 words in length. Remember this is only the regular course I am talking about.

When we examine the master's degree program, we will find all the same requirements included in the regular course plus the additional assignment of extensive individual research. Degree candidates must prepare a thesis of at least 15,000 words compared to the much shorter 3,000-word research paper for nondegree officers.

What is more, entry into the degree program is limited to officers in the regular course who hold an accredited baccalaureate degree. Even then, candidates must take and score well on the graduate record examination aptitude test before they can be admitted to the program. And, once they enter the program, they have to maintain a class standing within the upper half of their class.

In addition, the degree candidate, but not the regular course officer, is required to pass a 6-hour comprehensive written examination covering the entire range of the curriculum and successfully defend his research thesis in an oral examination. In order to accomplish this, the officers are retained for an additional month beyond the graduation of the regular college class. To make it doubly tough, outside examiners from the civilian higher education field participate in reviewing each officer's thesis and in conducting the final oral examinations. Furthermore, an advisory committee consisting of distinguished civilian educators monitors the entire degree program.

Mr. President, these high standards have won for the Army College the solid approval of the academic community. Indeed, in 1963, the North Central Association of Colleges and Secondary Schools granted preliminary accreditation to the college and its degree program. This was the first time that the academic community has accredited a military educational institution which offers courses solely in military art and science. Although this accreditation was withdrawn 3 years later, it was only because of the failure of Congress to grant the college the necessary legislative authority.

As further indication of the college's measure of acceptance by the civilian academic community, I am pleased to mention the American Council on Education has expressly informed the House and Senate Armed Services Committees that it has no objection to passage of the college's degree granting legislation.

Not only is the proposal backed by the civilian sector of the educational field, but the U.S. Office of Education has examined this program inside out, upside down, and every other way before reaching its own independent decision endorsing the Army's requested legislation. Incidentially, the Federal agency's approval was founded on a report prepared by a panel of civilian educators.

Within the military establishment itself, the bill is solidly based on support from the Joint Chiefs of Staff and a general Departmentwide policy. As recently as April of 1970, the Department of Defense reaffirmed its unequivocal support of the Army's request in a letter presented to the Senate Armed Services Committee.

Frankly, I do not know where the opposition is coming from that has prevented the bill's enactment before this. Maybe it is just plain inertia, because I have not heard a single criticism made of this proposal. A similar bill was once approved by the House of Representatives in 1968, but for some reason the measure never budged in the Senate.

Mr. President, the enactment of this proposal will not cost the American taxpayer one extra cent. The degree program is already being funded under the Army's present budget and the only difference is that degree candidates would receive a formal certificate once my bill passes. In other words, the enactment of this legislation will not lead to the construction of any new buildings or facilities, or the hiring of additional faculty members, or even the expansion of a library. All these needs are presently satisfied by the staff, equipment, and facilities of the existing Army College.

The only conceivable roadblock might be the question of a precedent. But this can be easily answered.

First, the Army has no plans to award a Ph. D. degree.

Second, I can report both the Department of the Navy and the Department of the Air Force have indicated their satisfaction with their current degree granting programs in cooperation with civilian colleges and do not contemplate granting degrees at their own schools in the foreseeable future.

In this connection, we might remember the degree program at the Army College is open to officers from other services. Thirteen Air Force and Marine officers have successfully completed the master's program to date, and there is no quota limiting officers from other branches. Also, it is interesting to observe the faculty of the Army College includes six officers of the Air Force, three officers of the Navy, and three officers of the Marine Corps.

Furthermore, we must consider that it would be impossible for any other military service to award graduate degrees until it had a program which met the strict criteria laid down by the overriding Federal policy. Under this policy, a service college—its staff, its facilities, its courses of instruction—must be reviewed in depth and approved by a committee of educators appointed by the U.S. Commissioner of Education. The committee must find the need for the degree clearly exists and cannot be met at non-Federal institutions. Further, the committee must conclude the program's standards are at least equal to those of civilian outside institutions and assure itself the program is conducted in an atmosphere of freedom of inquiry comparable to that of civilian colleges.

Since no other military service has any such program in existence, nor plans to establish one, there is no reason for concern about establishing a precedent by passage of the Army's degree granting authority. If the idea should ever occur in the future, we can examine its need and quality on its own merits. Certainly nothing in our proposal would encourage the creation, expressly or by implication, of degree awarding programs by any other military service or even by the Army itself than the one now ongoing at the Army Command and General Staff College.

Mr. President, everyone who supports the military profession as an honorable and dignified career should support this legislation as a means of affording the military with the full recognition it is due as one of the learned professions. In a like manner, every citizen across the political spectrum who cherishes the principle of having the defense of his liberties and country provided by truly educated soldiers, who are founded in a rational and ethical approach to solving military issues, should endorse, advocate, and strive for the success of this proposal. All Americans, of whatever philosophical persuasion, should be eager to advance the goal of expanded military scholarship. This is a purpose which will serve us all well.

Mr. HUGHES. Mr. President, I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I thank the Senator for yielding.

Mr. President, the U.S. Army Command and General Staff College at Fort Leavenworth, Kan., has a distinguished record in the preparation of Army officers to assume the responsibilities and burdens of career leadership. The college is widely known and highly regarded for the quality and rigor of its curriculum. Its course of instruction is considered to be academically equivalent to a collegiate masters program, but presently a graduate receives no degree for his efforts in completing the course.

Each candidate for graduation must demonstrate academic achievement and suitability for entrance into the program, including a satisfactory score on the graduate record examination, which is employed by most civilian colleges and universities as an admissions measuring device. In addition to regular course work, student officers must undertake independent research and submit a thesis by the completion of the year.

Some time ago a special review committee of the U.S. Office of Education thoroughly examined the college's entrance procedures, curriculum offerings and graduation criteria and concluded the Command and General Staff College meets the high standards set for the granting of degrees by Federal agencies and institution.

Also, the North Central Association of Colleges and Secondary Schools has indicated its willingness to accredit the college's program should it be given authority to issue degrees.

A proposal was submitted to the 90th Congress which would have granted the commandant of the Command and General Staff College authority to issue the degree of master of military art and science to graduates of the program. This bill passed the House of Representatives, but was not considered by the Senate. Subsequently, in 1969, I introduced with the distinguished Senator from Arizona (Mr. GOLDWATER) a Senate bill, S. 3148, to provide this degree-granting authority. And in the 92d Congress Senator GOLDWATER introduced S. 1105, which I joined in sponsoring.

This proposal had the support of the Department of the Army and of the commandant of the Command and General Staff College.

This support was indicated in a report by the Department of the Army on the Goldwater-Dole bill in the 92d Congress, and I ask unanimous consent that this correspondence be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Armed Services,
Washington, D.C., October 5, 1971.
Hon. Robert Dole,
U.S. Senate,
Washington, D.C.

Dear Senator Dole: Enclosed is a copy of the report by the Department of the Army on S. 1105, your bill to authorize the Commandant of the United States Army Command and General Staff College to award the degree of master of military art and science.

No other reports have been requested.

Sincerely,

T. Edward Braswell, Jr.,
Chief Counsel.

Department of the Army,
Washington, D.C., September 30, 1971.
Hon. John C. Stennis,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense on S. 1105, 92d Congress, a bill "To authorize the Commandant of the United States Army Command and General Staff College to award the degree of master of military art and science." The Department of the Army has been assigned responsibility for expressing the views of the Department of Defense on this bill.

The title of the bill states its purpose.

The Department of the Army on behalf of the Department of Defense favors the bill.

Legislation on this subject has been previously proposed by the Department. H.R. 15231, 90th Congress, and S. 3148, 91st Congress, were introduced but failed of enactment. The bill now being considered, S. 1105, differs from that previously submitted by the Department in that it:

Lists the specific requirements to obtain the degree of master of military art and science.

Provides that the requirements may be altered only with the approval of a nationally recognized civilian accrediting association approved by the United States Commissioner of Education.

Provides that the Secretary of the Army shall report annually to the Committees on Armed Services the criteria which must be met to entitle a student to award of the degree, whether such criteria have changed in any respect during the reporting year, the number of students in the most recent resident course graduating class, the number of such students who were enrolled in the Master of Military Art and Science program, and the number of students successfully completing the Master of Military Art and Science program.

Lists of the names of the individuals who have completed the specific requirements for the degree from 1964 but prior to enactment of the bill. The Department of the Army on behalf of the Department of Defense will continue to support statutory authority for the Army Command and General Staff College degree granting authority.

The Department of the Army on behalf of the Department of Defense will support applications of other senior professional schools to grant graduate level degrees provided the application meets the following criteria:

1. The degree to be awarded shall not be attainable from within the civilian academic community.

2. The American Council on Education interposes no objection to the degree granting authority.

3. The program shall meet the requirements of the appropriate academic accreditation association.

4. The program shall be reviewed by the Commissioner of Education in accordance with Federal policy governing the granting of academic degrees by Federal agencies and institutions.

5. Minimum standards for entry into and successful completion of the program are clearly delineated.

6. Provision has been made for adequate continuity of faculty. At least 15% of the faculty shall have been teaching at the institution for three years or more.

7. Provision has been made for an adequate system of evaluating the student's work.

8. Adequate library services have been provided.

The United States Army Command and General Staff College, Fort Leavenworth, Kansas, is the senior tactical school of the Army educational system. The stated purpose of the College is:

"To prepare selected officers for duty as commanders and as principal staff officers with the Army in the field from division through Army group and at field Army support command and theater Army support command; to provide these officers with an understanding of the functions of the Army General Staff and of major Army, joint and combined commands; and to develop their intellectual depth and analytical ability."

Commencing in 1963 the College has conducted a graduate program accredited by the North Central Association of Colleges and Secondary Schools. This program, participated in voluntarily and after rigorous screening, has been appraised as highly successful by competent authority, both military and civilian. By accrediting the program, the North Central Association recognized military art and science as a distinct academic discipline, and certified the College as an educational institution meeting customary standards for awarding a master's degree. The Association withdrew its accreditation of the College's graduate program on June 30, 1966, solely for the reason that the College did not have degree granting authority.

Enactment of S. 1105 will recognize the rigorous academic endeavor of those graduates who fulfill the specific requirements for the degree, encourage the further development of the discipline—military art and science, and provide a stimulating incentive to the entire officer corps. There are no facilities of existing institutions that could be used for the purpose for which the bill proposes for the reason that there are no civilian colleges or universities either desiring or having a capability within this discipline.

Similar authority for the Superintendents of the Military Academies to confer bachelor of science degrees is contained in sections 4353, 6967, and 9353 of title 10, United States Code. In addition, section 7047 of title 10, United States Code, authorizes the Superintendent of the Naval Postgraduate School to confer a bachelor's, master's, or doctor's degree in engineering or a related field, and section 9314 of title 10, United States Code, authorizes the Commander of the Air University to confer appropriate degrees upon graduates of the Resident College of the United States Air Force Institute of Technology.

In view of the foregoing, the Department of the Army on behalf of the Department of Defense recommends that S. 1105, 92d Congress, be enacted. However, since we now have the names of the graduates of 1971 who have completed the requirements for the degree of master of military art and science, the Department of the Army on behalf of the Department of Defense recommends that these names be added to the Section 2, S. 1105. Proposed amendment is attached as inclosure 1. S. 1105, if enacted, will cause no apparent increase in the budgetary requirements of the Department of Defense.

This report has been coordinated in the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

Robert F. Froehlke,
Secretary of the Army.

Amendment

To amend Section 2; S. 1105, to include officers who were members of the class of 1971, United States Army Command and General Staff College who have been certified as having completed all requirements for the award of the master of military art and science degree

Section 2 of S. 1105 is amended by adding at the end thereof the following—

1971

Arbogast, William R., Backus, Richard J., Conrad, Hawkins M., Cothran, James M., Daley, John M., Dilworth, Robert L., Gamino, John M., Griffiths, William R., Hines, Charles A., Hocker, John R., Ingman, John F.

Jones, Julius E., Malmberg, James E., Mauk, Gerald F., Mills, Frank L., Ramsden, James H., Siegal, David L., Snowden, Edgar, IV, Starsman, Raymond E., Thiede, Alfred J., Wilhelm, Edmund A., Wilson, Bruce E.

Mr. DOLE. Mr. President, I believe a masters degree would be a most appropriate form of recognition for the graduates of the U.S. Army Combined Arms Center/U.S.A. Command and General Staff College. I am pleased to join with the Senator from Iowa (Mr. Hughes) in offering this amendment and urge its adoption.

Mr. President, as the Senator from Arizona stated, this matter has been around for some time. I hope the amendment is accepted. I think the Senator from Iowa correctly outlined the objectives and the fact that there would be no additional cost. This is a degree that could not be acquired in any other place.

Mr. President, I strongly urge the adoption of the amendment.

Mr. HUGHES. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I am pleased to support this amendment. I was a student at the college for a short course several years ago. I am familiar with the courses there. In my opinion they thoroughly warrant a master's degree. I think the Senator is rendering a fine service in offering this amendment. I am pleased to join him as a cosponsor. I hope the amendment will be accepted.

Mr. HUGHES. Mr. President, in order to prevent any doubt with respect to the college being accredited, this amendment provides future degrees may be continued only if the program is accredited. We expect accreditation to come immediately.

I ask that the distinguished chairman of the committee accept the amendment, or we could have a voice vote on the amendment.

Mr. CANNON. Mr. President, I see no

particular objection to this amendment. I think the question might arise as to whether or not there will be requests from all the other military schools for this type authority granting master's degress. If so we might find we have most of our military people assigned to that type duty, participating in an educational program rather than the basic program for which they have signed on.

Does the Senator have any idea as to whether or not we will be receiving additional requests if this is approved from the other schools and the various services?

Mr. HUGHES. I have had no indication from any of them that they will make a similar request. The Army finds itself in a unique position in that both the Navy and the Air Force are able to award advanced degrees. The Army lacks that authority and as far as I know it is the only branch that does. For that reason I doubt that the other services would consider this, although I cannot give any guarantee that it will not happen.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. GOLDWATER. Mr. President, I wish to say to the acting chairman of the committee that when the Senator from Kansas and I introduced this amendment some years ago, I discussed it with the other services and there was no inclination on their part at all to ask for the awarding of master's degrees. I have always understood that the other colleges do provide the necessary requirements for a master's degree but they have never made the request. Only the Army War College, which might be called the grand-daddy of all these war schools, and which has a more intensified, longer course, has even thought about it. I would resist any of the others being granted this authority until after we have had adequate hearings.

Mr. CANNON. Mr. President, I wish to ask the Senator this question. Is it the purpose of this amendment that it would not be the intent to expand the number of people in the school, the number of officers in the program?

Mr. HUGHES. No; the purpose of the amendment is it would not expand the number of students in the program. They are there already and, as a matter of fact, already doing the work.

At a previous time it was an accredited school but it was withdrawn in 1966 because the authority to award the degrees did not exist. There have been only an average of 17 students a year in the last 11 years to meet these standards and it is contemplated that future classes would not appreciably increase.

Mr. CANNON. It is the intent that granting this authority would not impact other jobs? In other words, is it the intent that those assignments would take priority over other assignments?

Mr. HUGHES. It is not intended to impact anything or have any effect on the assignment capacity.

Mr. CANNON. The assignment to combat Army jobs and other jobs would still have priority over the program?

Mr. HUGHES. As far as I am concerned.

Mr. CANNON. With that representation I am willing to acept the amendment and take it to conference.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. THURMOND. Mr. President, I just wanted to state we are not talking about the Army War College, but rather the Command and General Staff College at Fort Leavenworth, Kans. This is a special course which many want. It was shortened but now it is a longer course, and the work there is equivalent if not superior to other schools for a master's degree. I understand they have been giving this degree. The accrediting agency found out they did not have the authority to do it by law. Now they are asking authority so they can resume giving the degree again.

Mr. GOLDWATER. Mr. President, if the Senator will yield. I referred to it as the Army War College, Of course, it is the Command and General Staff College at Fort Leavenworth.

Mr. CANNON. I am prepared to accept the amendment. I yield back the remainder of my time.

Mr. HUGHES. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I call up an amendment on behalf of myself and Senators Abourezk, Brooke, Cranston, Pell, Hughes, McGee, Metzenbaum, and Proxmire and I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 14, between lines 4 and 5, insert a new section as follows:

Sec. 602. In carrying out any scholarship or similar program under which financial assistance is provided to persons pursuing an educational program, other than persons enrolled in a Reserve Officer Training Corps program, the Department of Defense shall not prohibit or otherwise deny such assistance to any person solely on the grounds that such person is enrolled in, or expects to enroll in, a college or university that has terminated the Reserve Officer Training Corps program previously offered at such college or university.

Mr. JAVITS. Mr. President, the amendment provides that financial assistance to persons pursuing an educational program under authority of the Department of Defense, which means military officers, and so forth, and does not include GI's or anything like that, shall not be denied such assistance solely on the ground that such person is enrolled in or expected to enroll in a college or university that terminated the Reserve Officer Training Corps program previously offered at such college or university.

There was no such authority in law to authorize the Defense Department to proceed in this way, but the Defense Department is doing it nonetheless on the ground that back in 1971, in connection with a report of the House Committee on Armed Services, the House Committee said in its report that is what it ought to do so it is doing it. This involves cutting off the attendance at a considerable number of prestigious universities, 14 in number—Brown, Colgate, Columbia, Dartmouth, Harvard, Hobart, Pratt Institute, Stanford, the State University of New York at Buffalo, Tufts, and Yale.

The matter was originally called to my attention, Mr. President, by New York University, which is my alma mater and hence I took it up. Since that time New York University and Boston College—two of those I did not mention—have installed ROTC programs.

I might say that I favor such programs very much, and have always favored them and will always vote that way; but without any provision in law, just to prevent officers from taking courses which may be very desirable courses and may not be available at other places, at such distinguished universities as those I have read, because of our beloved friend in the House and the committee report—and I do not extrapolate this, because it is very well known that it represents the view of the distinguished chairman of that committee—is something which I think the Senate has to really try out and decide upon.

The Defense Department was obviously embarrassed by this, itself, and it issued a memorandum on April 17, in which it stated:

The following statement supersedes the policy set forth in the reference memorandum.

That is the policy I just referred to.

According to this new statement, on April 17, 1974, the Department made the following policy:

Department of Defense policy concerning attendance at schools which unilaterally withdraw from ROTC will be to reduce our educational commitments to them by refraining from their use except in justifiable instances and upon the concurrence of the Deputy Assistant Secretary of Defense on a case by case basis. We will continue to send personnel to these schools on a full-funded basis only if the institution offers a course which is in the best interest of national security, the military service, and the individual.

Mr. President, one would think it is really trying to see the matter on a case-by-case basis.

Mr. President, I ask unanimous consent that that memorandum be made a part of the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Assistant Secretary of Defense,
Washington, D.C., April 17, 1974.

Memorandum for Assistant Secretaries of the Military Departments (Manpower and Reserve Affairs).

Subject: Educational policy pertaining to schools which have withdrawn from ROTC.

REFERENCES

(a) OASD(M&RA) Memo dated June 5, 1973, Subj.: Educational Policy Pertaining to Schools Which Withdrew from ROTC

(b) OASD(M&RA) Memo dated August 7, 1973, Subj.: Educational Policy Pertaining to Schools Which Have Withdrawn from ROTC.

The following statement supersedes the policy set forth in the referenced memoranda:

"Department of Defense policy concerning attendance at schools which unilaterally withdraw from ROTC will be to reduce our educational commitments to them by refraining from their use except in justifiable instances and upon the concurrence of the Deputy Assistant Secretary of Defense (Education) on a case-by-case basis. We will continue to send personnel to these schools on a fully-funded basis only if the institution offers a course which is in the best interest of national security, the Military Service, and the individual. Should one of these schools reapply for an ROTC unit, the policy will no longer be applicable to that institution. Additionally, the policy does not apply to health and medical professional education."

A list of the schools which have unilaterally withdrawn from ROTC and have not reapplied for a unit are shown in the attachment.

William K. Brehm.

Mr. JAVITS. Along came a letter to me dated May 22, 1974, about this matter that I raised for NYU, my own alma mater, which took the old view—that is, the view before this memorandum—and the letter stated that they simply were not going to do it. Howard H. Callaway, Secretary of the Army said:

> Our policy thus prohibits the payment of tuition or provision of tuition assistance for matriculation of students at these schools, except in programs to procure officers in the health professions.

That was exactly what they had been doing before this program came down. So although the Department ostensibly changed its policy, at least to be selective, where one could not get those courses in other institutions, or something like that, the letter of May 22 was simply a regression right back to the old policy.

I ask unanimous consent that that letter may be made a part of the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Secretary of The Army,
Washington, D.C., May 22, 1974.

Hon. Jacob K. Javits,
U.S. Senate.

Dear Senator Javits: This is in further reply to your inquiry on behalf of Mr. James Hester, President of New York University, concerning Department of the Army policy on attendance of Army students at colleges and universities which have withdrawn unilaterally from the ROTC Program.

I regret that some would take the view that our policy is an act of retribution toward the schools involved. We have no such motive. Rather, the Department of Defense and the Department of the Army are complying with the position of the House Armed Services Committee which was expressed in its July 1971 hearings on HR 4729, a bill to provide additional ROTC scholarships, the May 1973 hearings on the FY 74 Military Manpower Training Report, and in numerous letters from the Chairman. Our policy thus prohibits the payment of tuition or provision of tuition assistance for matriculation of students at these schools, except in programs to procure officers in the health professions. As Mr. Hester points out, *the law is permissive in this respect* and, although the issue continues to receive considerable attention, I cannot, at this time, report any encouraging developments.

I understand your concern and appreciate the opportunity to elaborate upon our position.

Sincerely,

Howard H. Callaway.

Mr. JAVITS. Mr. President, the number of people involved here is only about 200 students, but the principle is a very profound one, and that is: Do we operate by law, or do we operate because the Defense Department does not wish to run counter to the view of an estimable, distinguished—I used the word beloved; I think that is true—colleague, and I think, as this took place in the other body, it is only fitting that we give our opinion about it, especially as such distinguished institutions are involved, and especially as there are accusations, and they have been used many times, that the Defense Department uses its muscle, the enormous amounts of funds for research, education, and many other things, for the purpose of directly affecting policy.

An institution of this character has a right to have or not to have an ROTC program. I like them, and I want an ROTC program, but that does not mean the law requires them to have it. It does not. Nevertheless, they are being denied what they consider to be an important participation in the education of U.S. military officers, because they do not have an ROTC program.

With all modesty and humility, I think the Senate ought to decide whether it wants to go this way. At least, it should have the dignity of its being done by a considered judgment here. I think such a decision would be unwise and unworthy of us; nevertheless, that is our privilege.

For all those reasons, and without any feeling that anything is being done except that which is open and laid on the table, and that, therefore, the Senate should act on it, I have proposed this amendment.

Indeed, I had hoped—I do not know whether that hope is justified or not—that the managers of the bill might take the amendment to conference, at least to give an opportunity for discussion between the Senate and the House of this question in the conference. I think it is the least a matter like this is entitled to, as it is not at all in the American tradition to approach the matter in this way. I have not any idea as to what the managers will do, but I express that hope.

Mr. GOLDWATER. Mr. President, I do not think this is a question of whether a college wanted ROTC or had ROTC. To me it was a question of their attitude toward ROTC during a very trying time in the life of this country and the life of our armed services; namely, the Vietnam war.

My belief is, like that of the Senator from New York, that ROTC is one of the best programs we have. I got my commission in the Army as a result of ROTC training. In fact, during World War II, about 95 percent of our officers came from ROTC. But if the Senate will recall, back in the days of the Vietnam war, many of these colleges, although they were not trying ROTC, were abusive toward ROTC. Many of them forbade the uniform's being worn on the campus. Many of the campuses put up with violence when people came on the campuses to enlist—to enlist not only for the armed services, but to enlist for companies that were engaged in the manufacture of certain weapons.

I do not think this is a reprisal at all. I do not think you can have it both ways. If you do not want ROTC, if you are not going to defend ROTC, I see no reason why the U.S. Government should support any of those colleges that got rid of ROTC in any way at all, although I recognize that they are among the finest colleges in the United States. I suggest that we have many other colleges that offer the same types of courses and are perhaps of just as good quality, but I do not see any reason why our money should go to colleges that allowed abuses to occur, that talked down the idea of ROTC.

I might say to the Senate this was at a time when 140 different colleges wanted ROTC, in the Army alone, and about 120 wanted the Air Force ROTC, but the Pentagon was very reluctant to take on more at that time, as they are now, because our demands are being met.

So I hope the chairman of the committee will not take this amendment. I can assure the Senator from New York, as he well recognizes, the vehemence on this subject does not exist in this body. It comes from a rather important person in the other body, who has been adamant on this subject in any discussions I have had with him or listened to during the course of conferences.

I hate to find myself in disagreement on a fundamental issue of principle with the Senator from New York, but I have to disagree in this case.

Mr. JAVITS. Mr. President, I respect Senator Goldwater's disagreement, but I do think the issue is one of academic freedom. I do not think it is an issue of freedom of that character for the individual university. It is tied to a matter which is not a matter of law. Therefore, it is quite appropriate, whatever may be the result, to at least have the Senate vote it up or down and at least let the Congress give its view of what the policy shall be, in a considered way. That is my purpose.

That is my purpose. Whatever we decide we will decide. But when one weighs separate issues of the strong feeling which the Senator has, and which others have, that the colleges ought to have ROTC—and, as I say, I favor ROTC in the colleges and universities myself, and always have taken that position, and I do now—I believe that one must balance that with the issue of the freedom of the individual university or college to determine its own policy in what it considers to be the highest interests of the academic community which it represents.

It is that proposition which I am seeking to preserve and for which I contend; I do not believe that it is desirable to decide that issue except upon the considered judgment of Congress itself and, hence, the amendment and the vote which we will take tomorrow.

Mr. CANNON. Mr. President, I want to associate myself with the remarks of the distinguished Senator from Arizona (Mr. Goldwater) in his response to the Senator from New York (Mr. Javits).

I do not think this is a question of academic freedom at all. The colleges certainly have the widest latitude and academic freedom. It is a question of whether or not the Federal Government is going to spend money to send military people or other people to schools at these universities and pay the bills for them. If they are not going to do it, it does not impinge on academic freedom. It merely says that those people will go to colleges that do have, do support, an ROTC program. Uncle Sam is picking up the tab. That is really what it amounts to. Colleges that do not think enough of having ROTC should not be heard to complain that they cannot be the beneficiaries of the military programs that send students on to higher degrees or to other types of educational programs for which Uncle Sam is footing the bill.

I think that is the basic issue. Again I say I disagree with my distinguished colleague from New York, and I associate myself with the remarks of the Senator from Arizona.

I am a firm believer myself in the ROTC program. I think that the Government-supported people who are involved in the military program through the Department of Defense should train their work in the direction they are being supported on a reasonable basis.

Mr. JAVITS. Mr. President, may I say that I do believe in the initial academic freedom, because anything that represents a coercive effort to direct the policy of an institution, which is not related to the particular subject which is before that institution, to wit, the teaching of given subjects, represents an effort to compromise academic freedom through the coercive medium. It can be done through research grants; it can be done through dormitory loans; it can be done with an enormous range of supports. This is a very tiny cloud on the horizon, but it can be done in many, many ways.

It can be done very effectively and, therefore, when we see evidence of it which is as clear as this, it seems to me that at the very least the issue should be argued, presented, and voted on, and that is what I have proposed.

It certainly should not be done—it is too serious to be done—in a nonlegal way; that is, merely by kind of common acceptance, a respective legislator feels strongly on the subject, I believe, this way we will have the issue before the Senate, and the Senate will decide precisely what it wishes to do about it.

I think it is bad policy not to open the door to utilizing the opportunity which an individual in the military forces may have to study at a given place which he chooses. Remember there is no coercion that makes him go to any of these universities. But if he does choose to go to one which does not have the ROTC program, because it gave it up in the 1969 imbroglio, that does not mean that he is to be boycotted from the opportunity for an education in the higher levels which the Defense Department affords to selected officers.

I think the principle is one of academic freedom. It can be extended making for a very, very much more serious encroachment, and we could easily, if we allow this to stand unchallenged, find ourselves debating and fighting on the same issue where informally there are boycotts for very much greater sources of support and income for particular colleges and universities as a sanction for not falling in line. For all of those reasons, Mr. President, I hope the amendment will be agreed to.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. JAVITS. Of course; I yield.

Mr. THURMOND. I am just wondering whether the distinguished Senator would give us the names of the institutions that are involved here.

Mr. JAVITS. I have listed them, but I will give them to the Senator again. I shall read them.

Mr. THURMOND. Are they published?

Mr. JAVITS. They will be in the RECORD.

Mr. THURMOND. Does the Senator give them in his address?

Mr. JAVITS. Yes, I gave them in my original presentation. I shall be glad to read them again.

Mr. THURMOND. How many are there?

Mr. JAVITS. There are some 14.

Mr. THURMOND. It is all right; the Senator need not read them again, if they will be published in the RECORD.

Mr. JAVITS. Well, they will be. I just read them into the RECORD. I will give them to the Senator.

Mr. THURMOND. Mr. President, I have listened very attentively.

Mr. JAVITS. I think they took it. I am sorry, but I think the clerk took it away with him when I read it and offered it for the RECORD.

Mr. THURMOND. Just so it will be published in the Senator's address.

Mr. JAVITS. Here it is. Boston College—no, strike out Boston.

Mr. THURMOND. The Senator need not read them all. I wondered about how many there were.

Mr. JAVITS. Let me see; I will count them.

Mr. THURMOND. I would like them to be published in the RECORD, if the Senator will do that.

Mr. JAVITS. Eleven. There was a list of 13. Two were eliminated, I am very pleased to say, including my own alma mater, NYU, which restored the ROTC program.

I might as well read them: Brown, Colgate, Columbia, Dartmouth, Harvard, Hobart, Pratt Institute—that is in New York—Stanford University, State University of New York at Buffalo, Tufts, and Yale.

Mr. THURMOND. I wish to thank the distinguished Senator.

Mr. JAVITS. I thank my colleague.

Mr. THURMOND. Mr. President, I have listened to the distinguished Senator and the strong plea he makes in this matter.

However, I cannot agree with his position. I wish to associate myself with the remarks of the distinguished Senator from Arizona (Mr. GOLDWATER) and the distinguished Senator from Nevada (Mr. CANNON).

I think the action that has been taken here is the correct action. If these schools voluntarily chose to terminate the ROTC program, it seems to me there is no obligation on the part of our Government to send students there to be trained in what our Government may consider partially to be an environment that might not be available for a military student.

Mr. JAVITS. Mr. President, just one observation. There is nothing to compel—I am not trying to compel—the United States to send anybody anywhere. What we are trying to do is to prevent discrimination against given institutions, because they will not comply with some other policy, to wit, ROTC, to institute this sanction on them which has no basis in law and simply discriminates against them. That is why I label it under the heading of academic freedom.

Mr. President, just to correct the list, Boston College remains on the proscribed list. Boston University went off, and that is not one of the institutions in question.

The PRESIDING OFFICER (Mr. NUNN). The yeas and nays have been ordered on this amendment. Subject to the previous order, the vote will be deferred until tomorrow.

The bill is open to further amendment.

Mr. METZENBAUM. Mr. President, I call up an unnumbered amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. METZENBAUM's amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

SEC. —. (a)(1) Section 2304 of title 10, United States Code, is amended by redesignating subsection (f) as subsection (g) and adding after subsection (e) a new subsection (f) as follows:

"(f) In addition to the reports required under subsection (e), the head of an agency shall submit to the Congress for each fiscal year, within 90 days after the end of the fiscal year, a report describing each purchase or contract made under the authority of subsection (a) in which the value amounted to $1,000,000 or more. Such report shall include, with respect to each such purchase or contract, the specific authority under subsection (a) relied upon by the head of an agency for not using formal advertising and a detailed explanation and justification why formal advertising was not used. Such report shall also include—

"(1) the name of each contractor;

"(2) the amount of each contract;

"(3) a description of the property and services covered by each contract unless the head of an agency determines that such description would jeopardize the national security and reports such determination in writing to the Armed Services Committees of the Congress; and

"(4) the name of the Government contracting officer in the case of each contract."

(2) The first report under section 2304(f) of title 10, United States Code, as added by paragraph (1) of this subsection, shall be submitted to the Congress within 90 days after the date of enactment of this Act for the fiscal year ending June 30, 1974.

(b)(1) The Comptroller General of the United States shall conduct a comprehensive study and investigation of the system under which property and services are procured by the Department of Defense with a view to determining how competitive bidding through formal advertising can be substantially increased. In carrying out such study and investigation the Comptroller General shall—

(A) determine whether the actual procurement practices of the Department of Defense are in conformity with applicable laws and regulations;

(B) compile a statistical summary and analysis of the legal justification for recent procurement procedures of the Department of Defense in which formal advertising is not used;

(C) conduct a review of cases in which procurement of property and services through formal advertising has replaced procurement methods in which formal advertising was not used, with resultant cost reductions, in order to determine whether procurement decisions made in such cases have wider applicability;

(D) include an analysis of the criteria utilized by the Department of Defense in awarding contracts;

(E) include a discussion of any apparent abuses by the Department of Defense of existing procurement laws and regulations;

(F) recommend changes in applicable laws and regulations and in procedures followed by the Department of Defense, which in his judgment would tend to increase the total portion of contracts awarded through formal advertising; and

(G) consider such other matters as he determines appropriate to achieve the purpose of the study and investigation.

(2) The Comptroller General of the United States shall also consider and discuss in his study (A) the desirability and feasibility of establishing an independent commission or agency with power to review and disapprove any decision of the Department of Defense to exempt any procurement activity from the requirement of formal advertising, and (B) changes to improve the review and monitoring procedures of the Congress with regard to procurement activities of the Department of Defense.

(3) The Comptroller General of the United States shall submit a written report to the Congress on the results of such study and investigation within ninety days after the date of enactment of this section.

(4) As used in this subsection (A) the term "Department of Defense" includes the Departments of the Army, Navy, and Air Force, the Coast Guard, and the National Aeronautics and Space Administration; and (B) the term "formal advertising" has the same meaning as prescribed for such term in section 2302 of title 10, United States Code.

Mr. METZENBAUM. Mr. President, last Friday the Senate acted on two amendments which I had proposed to S. 3000. One, which was adopted, would have the effect of increasing competition in a clearly defined area of Defense procurement—that of medicine and medical supplies. A second amendment was designed to increase the availability of knowledge regarding military procurement procedures in the Pentagon, and to encourage the use of competitive bidding techniques, by requiring disclosure in cases where it is not used. This measure was defeated by a very narrow margin, 30–28, 42 Members not voting.

Today, I submitted an amendment directed at the same goal—increasing competitive military procurement.

I am pleased to report that the distinguished junior Senator from Florida, who opposed my amendment on Friday has indicated that he will not oppose this amendment, as presently drafted, today.

The Pentagon has lost sight of the stated objectives of Congress. In 1957, the percentage of formally advertised contracts was 17.4 percent—a scant figure in and of itself. Since then, however, the level has steadily declined. In 1964, the Pentagon formally advertised for 14.8 percent of the total dollar value of its contracts. By fiscal year 1973, this figure fell to about 10.8 percent. In the same year, 56.8 percent of the value of all defense contract awards were awarded by sole source procurement, the method which affords the greatest opportunities for misuse of public funds.

In short, at the same time that competitive bidding was proving its merit again and again, the Pentagon was using it less and less. This neglect by the Pentagon of competitive bidding, in the face of mounting evidence of its obvious benefits, is what I find particularly disturbing.

I hope to reverse the trend, and my amendment is a necessary first step toward this goal.

Indeed, it is a first step very much attuned to the recommendations of the Commission on Governmental Procurement, upon which sat both Senators from Florida. On Friday, the distinguished junior Senator from Florida, spoke with lucidity and great insight about the military procurement process. I believe that every Member of this body admires the breadth of knowledge that my honorable colleague has gained in this complex and undramatic field—both as a member of the Commission on Government Procurement and as chairman of the Subcommittee on Procurement. I applaud his efforts in steering S. 2510, a bill to establish a Central Office of Federal Procurement Policy, through this body without opposition. It is my hope that by the time the 93d Congress adjourns, the OFPP will be a viable institution, offering leadership to all Federal agencies.

At the same time, we must recognize that the report of the Commission on Government Procurement only touches briefly upon the question before us today: Competitive bidding in the military procurement process. Certainly, the recommendations proposed by the report in this field are valid. They deserve immediate implementation.

But, beyond their recommendations, I think that documentation and an explanation as to why competitive bidding is not used on contracts of substantial value should be provided to Congress on an annual basis.

Let me reiterate the fact that these reporting requirements will not impose any hardship on the Pentagon. With the million dollar cutoff the number of contracts involved is less than 1 percent of the total contracts let by the Defense Department. Nevertheless, it would provide information on more than 75 percent of the dollar value involved in all Pentagon contracts, according to a spokesman for the DOD.

Thus, Congress would be made aware, on an annual basis, of each major instance in which competitive bidding techniques were not used by the Pentagon. It is this sort of information, at present unconsolidated and often unavailable, that will be highly useful both to Congress and to the OFPP.

Armed with such information, which would first become available for fiscal 1974, Congress would be better able to assess the validity of the 17 exemptions to competitive bidding requirements now contained in the Armed Forces Procurement Act.

I believe the logic for this amendment is sound. I ask that Senators support it.

Mr. CANNON. Mr. President, this amendment, while I do not think it is a particularly good one, has been modified now to a point that would make it much more acceptable, so far as I am concerned. The limitation of $2,500 per contract in the amendment originally proposed was completely unrealistic. I think making it a contract of a million dollars or more, as this amendment does, is much more reasonable.

The added fact that it requires reporting on the basis of a period of 1 year, rather than quarterly, I think is also good. I do not know whether it will achieve the objective that the Senator desires for it, but in the light of the amended form that it is now couched in, I would have no objection to accepting the amendment and taking it to conference. If the Senator will withdraw his request for the yeas and nays, we could vote on it right now, so far as I am concerned.

Mr. METZENBAUM. Under the circumstances, I ask unanimous consent to withdraw the request for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object—and I do not object—at this time I would like to propound a question to the distinguished Senator from Ohio.

The changes that have been made in the amendment, as stated by the distinguished Senator from Nevada, have certainly taken from it the fangs to which so many objected. I would like to ask this question about the GAO study mandated by the amendment, which would be an investigation of current procurement practices and bidding, and the criteria utilized in awarding contracts:

Can the distinguished Senator tell us the nature of the investigation, about how long it would take, and how much it would cost? There have been a number of investigations on procurement since I have come to the Senate; there has been one study after another on this subject, and I just wonder what the Senator has in mind, particularly, in this instance.

Mr. METZENBAUM. I am pleased to respond to the distinguished Senator from South Carolina. The amendment provides that the study would be made within a 90-day period after the day of settlement, and, although I do not have any specific figures, I can tell from other GAO reports that the cost would probably be quite modest in nature.

Mr. THURMOND. Did the Senator say the investigation would be made within 90 days?

Mr. METZENBAUM. Yes, I did.

Mr. THURMOND. How long would it take to make the investigation? It would be completed within 90 days after the bill was signed?

Mr. METZENBAUM. That is correct; to report back to Congress at the conclusion of the 90-day period.

The PRESIDING OFFICER. Is there objection to the request to withdraw the order for the yeas and nays? Without objection, the order for the yeas and nays is withdrawn.

Mr. THURMOND. Mr. President, in view of the changes that have been made in the amendment, as the Senator has pointed out in his special letter to his colleagues, and the statements he has made at this time, I do not object to accepting the amendment and talking it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. METZENBAUM.

The amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it has long been clear that the most important goal of American foreign policy is to prevent a nuclear war with the Soviet Union—a war which would mean the destruction of our two nations and a significant part of the rest of the world.

In securing that goal, we have long recognized the importance of imposing real limits on the nuclear arms race. For a decade now, we have made slow but steady progresss in this direction—notably with the Partial Test-Ban Treaty, the Non-Proliferation Treaty, the agreements of May 1972, and the SALT talks themselves.

In less than 3 weeks' time, President Nixon will go to Moscow, partly to try advancing work on arms control, by however little, in an effort to end the arms race once and for all.

Today, we are considering an issue that could have a profound effect on the possible success or failure of President Nixon's mission. This is the issue raised by the distinguished Senator from New Hampshire (Mr. McINTYRE): Should the United States proceed with development of three weapons systems that will increase the accuracy and yield of our land-based missiles, giving them the ability to destroy Soviet missiles in their silos?

The negotiating in Moscow must be done by President Nixon and his representatives. But it is the responsibility of Congress to provide guidance for him, in order to shape the best American positions possible, and to demonstrate congressional support for the President's actions. This is a constitutional—and time-honored—duty for the Congress, and we must discharge it soberly and effectively.

Mr. President, Senators have discussed the strategic merits and demerits of proceeding with development of these three weapons systems. I believe that this debate argues conclusively for postponing any further efforts on these weapons systems at least until we have clearer evidence of the possibilities for an effective agreement to limit multiple, independently targetable reentry vehicles (MIRV's).

But there are two further arguments for following this course. First, there is the doctrine of so-called "bargaining chips" for use in the SALT negotiations, and at the summit. I have serious doubts about this doctrine. There is little evidence that it has been effective in helping us to secure those agreements on arms control already reached with the Soviet Union. And it is now abundantly clear that "bargaining chips" are not "traded away." Rather they provide a new, higher level of nuclear armory, that drives the arms race up in the process of trying to limit it. Bargaining chips on each side merely stimulate new advances on the other.

This is, of course, a debatable conclusion. Yet even if it is wrong—even if "bargaining chips" are essential to reaching a SALT agreement—we have these chips in abundance. There is our MIRV program; there is the Trident submarine; there is the B-1 bomber; and there is the new cruise missile. All of these are far more important programs, in terms of demonstrating U.S. commitment to build weapons if there is no arms agreement, than the three weapons systems we are considering today. If the major weapons systems will not fulfill the role of "bargaining chips"—and I repeat my doubts about this doctrine—then nothing will fulfill that role.

Furthermore, the three weapons systems considered here, today—to increase missile accuracy—cannot be "traded away" in any event. Unlike the building of new missiles or bombers or submarines, it is not possible to tell by independent national means whether the new weapons have been deployed or not. The Soviet Union will have to assume that they have been deployed. And it is certain to make some response that will drive the arms race up yet another notch.

Therefore, in terms of Soviet calculations about our nuclear forces, there is no middle ground of "partial" development, or development completed without deployment. And if the strategic arguments are such that we do not need these weapons—and might even reduce our security if they are developed—then it is imprudent to proceed with their development, certainly at this time, and perhaps at any time in the future, as well.

By developing these new weapons, we will only be "muddying the waters" of mutual deterrence, at a time when these waters need to be crystal clear if a further arms control agreement is to be reached. At the very least the Soviet Union will need time to calculate the effects of these new developments—and that is time robbed from the process of reaching the next arms control agreement.

To be sure, the Soviet Union is proceeding with development of new missile systems; and so are we. But if we wish to stop their efforts, it does little good to embark on an irreversible course of weapons development, with the added liability of increasing the threat—by however little—to Soviet deterrent capabilities.

We have only to realize the reaction here if the Soviet Union were building these same weapons, to understand why we must now refrain from doing so.

Mr. President, there is a further reason for supporting the amendment offered by the distinguished Senator from New Hampshire. It is now clear to us that we can survive any attack by the Soviet Union, and devastate it in return—many times over. The Soviet Union has a similar capability with regard to us. And there is no reasonable possibility in the near future for these two certainties to be called into question.

Yet the arms race goes on, even though it no longer makes any real strategic sense. To be sure, there is political sense to the arms race—to prevent either side from gaining such an apparent advantage in nuclear striking power that third parties would judge the superpowers' relative national power in terms of these disparities. This is a psychological problem, a problem of perception, rather than a true strategic problem.

For this reason, I have joined several of my colleagues in endorsing the concept of "substantial overall equality" as between the United States and the Soviet Union in nuclear striking power. The administration uses a roughly similar concept, called "essential equivalence." But for several years that situation has existed. As a result, there is no reason for continuing to pile arms upon arms.

Mr. President, if we go through the narrow calculus of each new weapons system, pretending—erroneously—that tiny shifts in the balance will have important strategic effects, then we will never get off the treadmill of the arms race. We will be "experted" to death, figuratively speaking. Rather, we need merely to account for the political balance in our nuclear arms, and then call a halt to the constant tinkering with marginal factors in the overall strategic balance.

For this reason, again, developing high-accuracy weapons will "muddy the waters" of discussion and agreement, by distracting attention from the fundamental facts of nuclear stability, and from the fundamental facts of substantial overall equality.

Mr. President, I have recently returned from the Soviet Union, where I discussed issues of the arms race and arms control with top Soviet officials, and with experts of the Institute of the U.S.A.

I come back convinced that this is a critical time in United States-Soviet relations, and particularly in trying to halt the arms race. Despite the historic agreements of 2 years ago, the nuclear clouds are still on the horizon. In fact there is a danger that we will be lulled by a false sense of accomplishment into failing to take decisive steps in the search for further, more lasting, agreements.

In Moscow, I gained some insight into the thinking of Soviet leaders on these issues. They have indicated a willingness to move forward in the near future in this area—and particularly with regard to a comprehensive test ban treaty. This expressed commitment may not be deep—or even sincere. But if it is, it cannot be sustained if we fail to give it our support. Soviet suspicions of our motives will grow, paralleling the growth of suspicions here every time that the Soviet Union develops or deploys a new weapon.

This will be particularly so if we begin work on weapons that will threaten Soviet land-based missiles. The Russians are likely to interpret this action as part of a long-run U.S. policy threatening their deterrent posture. And to understand this point, we only have to think of the reaction here if the Russians were developing the same weapons that we are being asked to fund, here, today.

I believe that it is critical at this time to strengthen those forces in the Soviet Union that are prepared to work seriously for a halt to the arms race, as opposed to those forces that would just as soon see the arms race go on. And we should, of course, expect similar support for efforts in this country to limit the growth of nuclear arms.

We are still a long way from basing our relations with the Soviet Union on trust. That trust must be earned by Soviet leaders. But in the process, it would be a grave mistake for us to work against the development of Soviet trust in our intentions by developing weapons that can only raise the level of the arms race, and raise questions—however small—about the survivability of their land-based missile force.

We have found it possible to work with the Soviet Union in many areas in the past few years—step by careful step. Each accomplishment—in arms control, scientific cooperation, European security—has been based on an effort to reach agreements in our mutual interest, without seeking significant advantages. Agreements have emerged only where there has been a mutual forbearance and restraint. Such forbearance and restraint is needed in the Senate today, if we are to move forward in this crucial area.

It is time to go beyond the numbers game in nuclear strategy. It is time to break the hold of the weapons developers in both the United States and the Soviet Union. It is time for us here to encourage the forces of restraint in the Soviet Union, and expect similar support in return. And it is time for us to take decisive steps towards restraint that will help limit the spread of nuclear weapons to other countries.

Mr. President, I submit that the McIntyre amendment represents a fundamental commitment to sanity—and to helping break the dynamics of the strategic nuclear arms race once and for all. Adopting this amendment will give President Nixon support at Moscow in the truest sense—support for a genuine halt in the nuclear spiral, and for a real arms agreement.

Mr. MONDALE. Mr. President, we face today a profound and fateful decision for the security of the United States. On the surface, the issue is whether to develop programs to improve the accuracy and power of our strategic missile forces. But underneath, there are far deeper issues. Are we in control of our own strategic decisions? Are we in control of the most lethal technology known to man? And finally, are we to continue with the policy of deterrence which has safeguarded the peace through more than 25 years of the nuclear age?

The question of control over our own strategic decisions is a very important one. One of the major arguments advanced in favor of these first strike hard target programs is that the Soviets seem to be moving in this direction. The Secretary of Defense has said that the Soviets must not be allowed to have an option that we do not have.

I believe it does not make sense to ape the strategy and weapons systems of potential enemies.

What option is it that the Soviets will have with their new missiles? They could attack our ICBM forces with only a fraction of their own. The President has said that faced with such an attack he would be concerned that he might be deterred from retaliation because our cities would still be held hostage. Is this the kind of attack that we are to concern ourselves with?

I believe that scenario is nonsense. The Soviets could not carry out such an attack and inflict less than 10 million prompt U.S. fatalities. Would they really feel safe from retaliation?

But more important, is this an option that we want? To be able to attack all of the Soviet Union's ICBM's with a fraction of our own forces in the hopes that we can somehow deter them from retaliating? I shudder to think that such an option is seriously considered and believed to be a realistic one for the United States. If so, the madness that lies behind pursuing these programs is deeper than any of us may have believed.

Certainly there is no need for these programs if one aims for flexibility, for a capability to destroy only a handful of Soviet ICBM silos. This can be done with the forces we have today. No, the only purpose of these programs is to destroy efficiently with only a fraction of our own ICBM forces the full ICBM deployment of the Soviet Union.

This raises the second issue. Can we exert political control over lethal technology? Some argue one cannot control technology. That may be true. But we can control the application of technology. We can today decide whether we want a bigger warhead for Minuteman III. Whether we want more accuracy for the Minuteman forces. Whether we want a terminally guarded maneuvering reentry vehicle that can find its way down right on top of a Soviet ICBM silo.

First, let us take accuracy. The existing accuracy of the Minuteman III is such that the miss distance of Minuteman warheads is no greater than the distance from this Chamber to most of our offices. Now it is argued we must cut that distance in half. The reason advanced is that we want to reduce unintended collateral damage.

I am sure that all of us have seen the photographs of Hiroshima and Nagasaki. The weapons we are talking about are 8 to 10 times more powerful than those weapons. Are we really to believe that an improvement in accuracy of a few hundred feet is going to radically alter the amount of damage we would inflict using such weapons? If the Nagasaki bomb struck 400 feet north or south of where it did, would it really have made much difference to the people of that city?

In considering limited options, the Secretary of Defense has said he has in mind situations in which only a handful of weapons might be used. It is obviously clear that in such situations the key to unintended damage is the target selected and not the accuracy of the weapon involved.

Second, let us look at the reason to increase Minuteman yield. Doubling the power of Minuteman's warheads with the MK 12A to something approaching 20 times that of the Hiroshima bomb will not reduce unintended collateral damage and provide a more discrete attack capability. Rather the purpose is to develop the capability to attack Soviet ICBM silos efficiently and with only a fraction of our own ICBM force.

The facts are this: If the improvements in Minuteman accuracy and increases in the power of the Minuteman warhead are put into practice, only half of our Minuteman force will be able to destroy 80–90 percent of the present Soviet ICBM force. I ask you all in this chamber to contemplate how you would regard Soviet intentions, how you would measure the risk of nuclear war, how you would feel about proceeding with detente if the Soviet Union had that kind of capability against the Minuteman ICBM force.

This is where we come full circle. The Soviet Union does appear to be developing such forces. So the question is, what should be our response? I consider the Soviet developments dangerous, wrong-headed, and foolhardy. But I also consider that two wrongs do not make a right. We will be just as foolhardy and just as wrong-headed if we pursue the same kinds of programs.

At issue here is whether we want to sustain the policy of deterrence which has served us so well for more than a quarter of a century, or whether we want to go off on the dangerous tangent of thinking that we can develop what are often called true warfighting capabilities.

There are those who would like to be able to fight a nuclear war. And these programs are the result of the endless search for some kind of capability that is supposed to make sense in doing so. But if we can destroy all of the Soviet ICBMs that will not prevent us from suffering the most awful retaliation in return. And the same goes for the Soviet Union.

The best posture is one in which the retaliatory and deterrent forces of both sides are secure from attack. It is the responsibility of the United States in the face of Soviet counterforce developments, to protect and improve the ability of our forces to survive a Soviet attack. It is nothing short of nonsensical to make Minuteman a more urgent target.

Putting a first strike capability into our ICBM's is like leading with our right. It invites the counterpunch. It places a premium on preemptive strikes. It forces both sides into a launch on warning posture, a hair-trigger in which during a crisis both sides are under enormous pressure to use their forces before they are lost to the other side.

DESTROY OUR MISSILES

The appropriate response then to the threat we face from the Soviet hard target counterforce is not hard target counterforce on our part. The proper response is to increase the survivability of our forces, through mobility, through putting more forces at sea, through land or air mobile ICBM's, and diversification of our forces such as land- and sea-based cruise missile forces. Through information all of these programs are underway and can assure that we can hit any target we want, any time we want, that we can retaliate massively, that we can retaliate selectively.

The only option we will have foregone is the option of inviting an attack upon ourselves. That is the option that the Secretary of Defense wishes us to have, and which we today must reject.

My amendment to the defense appropriations authorization bill is aimed prethe Secretary of Defense, in spending funds for research and development, must make a determination that this expenditure is for increasing the ability of our ICBM forces to withstand a Soviet attack or to otherwise improve the effectiveness of these forces, but that the funds are not for the purpose of increasing our already significant capability to attack Soviet ICBM silos.

I want to point out that this requirement is not a categoric one. We must not ignore the fact that certain survivability measures, which may be very important to us, might also marginally increase our counterforce capability. I do not believe we should exclude such developments. For this reason, my bill would not rule out research and development on new higher thrust propellants, even though in the far distant future this might lead to larger, more counterforce capable throw weight. The reason is that this same technology can be applied to smaller, lighter ballistic missiles which might be carried in a mobile mode.

We must recognize that a rule of reason is required, a sense of proportion is required. What is frightening is that this sense of proportion no longer seems to exist in the Pentagon. We must make the position of the Senate quite clear that we want our ICBM forces to survive, that we do not want our ICBM forces threatening the deterrent of the Soviet Union, for the net result will only be to undermine our own deterrent.

I have spoken at length on the strategic implications of these programs and I have not mentioned SALT. SALT is important and I hope it can bring these kinds of developments under control. But considerations of these programs must not fall into the category of a meaningless debate over how to negotiate in SALT. They are not bargaining chips. They are far too dangerous for that. One does not play poker with lighted dynamite.

The relationship between these programs and SALT is this: I hope SALT can control them. But if SALT cannot control them, if the Soviets proceed to develop and deploy such a capability on their side, we should not compound their foolishness by doing so ourselves. Even if SALT fails, we should not go forward with these first strike programs. They will only raise the premium on a Soviet first strike. We should go forward with survivability programs that will make a Soviet first strike impossible.

Finally, Mr. President, I would like to address myself to those colleagues for whom all of my arguments may have had little effect. For those who believe it is important to have a hard target counterforce capability, let me say this: The last place that one should place such a capability is in a potentially vulnerable system like Minuteman. If one wants an effective counterforce capability and still have some modicum of stability, the best place to pursue such an option is with our submarine based missile forces. They are relatively secure from a preemptive attack, and the throw weight of our submarine launched missiles is double that of the Minuteman and so the system itself inherently has a greater capability for the kind of hard target counterforce options some may wish to have.

So by any measure, Mr. President, these programs make no sense. They do not enhance stability. They do not make us more secure. They deny us only one option—the option of making ourselves a more tempting target for Soviet attack in a crisis. SALT should control these programs. But if not, then our own Government should control them.

These programs will not protect our deterrent. These programs will provoke deeper anxiety in any crisis. They will place a premium on striking first in a nuclear war. They run diametrically opposed to the idea of dampening down world tensions and avoiding nuclear war. They are, in short, the wrong programs being pursued at the wrong time for the wrong purposes.

Mr. TAFT. Mr. President, it is of vital importance that we keep fully in mind, as we debate this question, the rapid pace of Soviet developments in the strategic weapons area.

The Soviet Union is currently developing and deploying a vast array of new strategic weapons systems. By mid-1974, the Soviet inventory of operational ICBM launchers will be 1,575, up 25 since 1 year ago; their submarine missiles have increased from 550 to 660 in the same period. In contrast, our own forces have remained steady at 1,054 ICBM's and 656 SLBM's.

The current array of Soviet strategic weapons is sufficiently frightening. They have 288 huge SS–9 missiles, which carry a sufficiently large warhead to be usable in attacking hard targets such as our Minuteman. They are now deploying the new Delta class ballistic missile submarine, which carries a 4,200-mile-range missile—a range which our SLBM's will not have until Trident is deployed.

But on top of this existing force, the Soviets are engaged in a great number of new projects:

Four new Soviet ICBM's are currently completing flight testing. At least three of these carry MIRV'ed warheads—designed to nullify the overall strategic balance established by SALT I. Of even more critical importance, two of these missiles appear to have a cold launch capability, which permits the reusing of the silo for another missile in a very short time—just as one reloads a cannon. This is of great importance because it would mean we could no longer calculate Soviet strength on the basis of number of missile silos, for each silo could launch many missiles.

There is evidence to suggest strongly that the Soviets have no less than 12 new offensive ballistic missile systems in the research and development stage.

The new Soviet supersonic strategic bomber, the "Backfire", is now in production, and the first squadron should be operational this year. Air Force magazine reports that:

> American and British design engineers are unanimous in their opinion that Backfire has intercontinental range and that the new aircraft's high-altitude range is greater than that of the Soviet Union's Bison bomber, traditionally classified as an intercontinental weapon.

Though the Soviets currently lack tanker aircraft for air-to-air refueling of bombers, there are indications that the new IL–76 transport is being developed as a tanker for the Backfire.

The new Soviet missile program represents a quantum jump in throw-weight. The SS–19, which appears to be the replacement for the SS–11—the standard Soviet ICBM, more than 1,000 of which are now deployed—has 2 to 3 times the throw-weight of the SS–11. Secretary Schlesinger has stated that,

> With the deployment of these new missiles, the Soviets "can have something in the order of ten to twelve million pounds of ICBM throw-weight, as compared to our ICBM force of approximately two million pounds.

Air Force magazine further notes that:

> The four new Soviet ICBM's incorporate what for the USSR constitutes a technological breakthrough, a post-boost vehicle similar to those of Minuteman III and the U.S. Navy's SLBM's, which serve to dispense multiple independently targeted RV's (MIRV's) . . . in addition, all four systems have digital computers aboard their post-boost vehicles. The "staggering and surprising breadth and depth" of the Soviet ICBM modernization program, according to Secretary Schlesinger, is further manifested by "new guidance concepts, two different types of post-boost vehicle propulsion, and two different types of launch techniques."

Hand in glove with the ICBM development programs is what the chairman of the Joint

> Chiefs of Staff, Admiral Moorer, has described as "the parallel construction and modification of hardened silos, capable of surviving appreciably higher overpressure and ground shocks." Some U.S. analysts believe that some Soviet hardening levels exceed 3,000 PSI overpressures, or triple the hardness of the older Soviet missile silos.

I suggest to my colleagues that we dare not remain idle in the face of these developments. The Soviets rely on ever-greater throw-weight, hence megatonnage, in building their counterforce capability, instead of the increased accuracy which we prefer; but the effect is largely the same.

If we fail to respond to these Soviet initiatives, it will be a clear sign to Moscow that they can proceed with impunity to acquire worldwide strategic superiority. Mr. Victor Zorza, the well-known commentator on Soviet affairs, reports in the Post on June 4 that:

> In a new contribution to the Kremlin debate on the summit meeting which is to be held at the end of this month, Soviet Defense Minister Andrei Grechko argues forcefully for a "qualitative leap" in Soviet arms development . . . Grechko's argument is evidently designed to convince the Kremlin that the Soviet arms program is so well advanced that it would be a pity to abandon it half-way . . . the "necessary prerequisites," he says, "are now being created for this new arms leap—scientific and technical, economic and military. The Soviet Union now has considerable experience in making new weapons. Measures are now being taken to perfect the defense production base.

We cannot permit Marshal Grechko to argue to the central committee that the United States will not respond to this arms program. We must make it clear that we will respond, that the choice is either arms control or an arms race—not a one-sided build-up of Soviet power. The development of increased accuracy for our missile warheads is a critical part of the message we must send to Moscow. I urge my colleagues to make the clarity of that message unmistakable, and vote against the amendment of the distinguished Senator from New Hampshire.

Mr. SCHWEIKER. Mr. President, I have joined in cosponsoring Senator JACKSON's amendment No. 1405, which would give the Secretary of Defense an important new role in protecting our national interest in connection with technology transfers to certain "controlled countries," as defined in the amendment.

In last Friday's debate on this proposal, there was some suggestion that the President already has the type of review authority which this amendment would give the Secretary of Defense, and that therefore the amendment is unnecessary. Frankly, I did not find this suggestion very reassuring, because the President is also presently required by law to make individual national interest determinations for each Eximbank Communist country transaction, and yet the administration has resisted this requirement like the plague.

After the administration refused to obey the Comptroller General's ruling requiring such individual national interest determinations for Eximbank transactions, I offered an amendment, which was accepted by the Senate, restating existing law. When my amendment was considered in conference, the administration produced a document entitled, "Problems Created by the Schweiker Amendment to H.R. 14013," which presumably represented the administration's position on my amendment. This document contained the following statement:

> If the Conference Committee accepts the Schweiker Amendment, it will be necessary for us to obtain over 280 individual findings of national interest from the President. This is clearly an undue and unnecessary burden on the President.

Mr. President, even though amendment No. 1405 will be considered at length tomorrow, I wanted to bring this to the attention of my colleagues today, as background for tomorrow's debate. On the one hand, we have the administration contending that review of 280 Eximbank transactions would be "an undue and unnecessary burden on the President;" on the other hand it is suggested that the President is already carefully reviewing every individual technology transfer proposal, so amendment No. 1405 is unnecessary. I understand there are over 200 proposed technology transfers in the computer area alone, and so I cannot help but wonder why this review burden is so much less onerous today than a similar requirement was 2 weeks ago when my Eximbank amendment was considered.

I suspect the answer is that many technology transfers are simply not getting very close scrutiny, anywhere in the Federal bureaucracy, and I believe amendment No. 1405 would remedy this situation.

Mr. ABOUREZK. Mr. President, ever since the birth of the atom bomb the military has been deeply troubled. For the first time—they had weapons which they could never use. And even if the weapons could be used, the military had more than it needed to destroy all Russian cities. Former Secretary of Defense, Robert McNamara stated that with 200 warheads we could wipe out every major Soviet city. And here the military has sat with over 6,000.

This was obviously an unnatural situation for military men reared on a notion that weapons are obtained to fight with as well as to deter wars. For years, the DOD think tanks have been casting around for rationale that would make nuclear war thinkable and in the process find a mission for surplus nuclear warheads.

It must have tried the patience and imaginations of scores of DOD thinkers to determine how many warheads can balance on top of a missile. In fact, with the advent of ABM, it is likely that they all rejoiced. McNamara said in 1965,

> We really don't know *how* many warheads we would need to penetrate an effective Soviet defense.

There was now cause to keep manufacturing warheads, and even a new theory called counterforce.

THE DETERRENCE DECISION

It is significant to note the evolution of thinking—very briefly—before and after the atom bomb.

Until recently in our national history, Americans believed that when wars were thrust upon us, the United States could win them. Our history through 1945 confirmed this belief, since the United States had won every one of its wars, demanding and receiving either an unconditional surrender or a favorable negotiated peace. Thus until 1945 American military policy was built on the assumption that at least an adequate defense and most likely, victory, could be attained if this Nation had to go to war.

Since 1945, this assumption has been more doubtful. The impact of the atom bomb and its successors have gradually persuaded most military strategists that modern war could not be won and that in such a war even defense of American interests might well be impossible.

As this view has become popularized, policymakers asked themselves what goal there would be for American military power if victory and defense were outmoded. The answer they worked out was that our military power should be so disposed as to prevent wars from the beginning. In a word—deterrence.

Out of deterrence came two distinct schools of thought: Counterforce and massive retaliation, or mutual assured destruction—MAD—that has prevailed for 15 years. MAD was based on the premise that it was best to make nuclear war unthinkable. One side was deterred from attacking because it knew that its cities and economy would be destroyed in a retaliatory attack.

This was the theory most accepted by U.S. planners. DOD publicly stated so, many times. On October 5, 1971, the DOD position on this was made amply clear. Here is what the Defense Department said in their position paper on proposed amendments No. 448 and 449 to the military procurement bill that year:

> The Defense Department cannot support the proposed amendments. It is the position of the United States to not develop a weapon system whose deployment could reasonably be construed by the Soviets as having a first-strike capability. Such a deployment might provide an incentive for the Soviets to strike first . . .
>
> I stand squarely on that ground. It is not often that the Department of Defense comes out against an amendment that would put more money in a bill.
>
> We do not need this type of improvements in payload and guidance now, the type of improvements that are proposed, in order to have the option of attacking military targets other than cities. Our accuracy is already sufficiently good to enable us to attack any kind of target we want, and to avoid collateral damage to cities. The only reason to undertake the type of program the amendment suggests is to be able to destroy enemy missiles in their silos before they are launched. This means a U.S. strike first, unless the adversary should be so stupid as to partially attack us, and leave many of his ICBM's in their silos for us to attack in a second strike.

In contrast, counterforce is conceived on the premise that one side or the other might be tempted to conduct a limited nuclear war, attacking not cities but military installations.

U.S.—Nixon—thinking to this concept has slowly evolved. Evidence that the

United States would be taking a turn to counterforce dates back to 1970 and President Nixon's State of the World message. He asked, "Should a President, in the event of a nuclear attack, be left with the single option of ordering mass destruction of enemy civilians, in the face of the certainty that it would be followed by mass slaughter of Americans?"

Now, in recent months, Secretary of Defense Schlesinger, in his budget reports to Congress and in his press conferences has explained and amplified the new, Nixon counterforce theory and its rationale. Meanwhile, in a computer age when warheads can be programed to hit several targets, the Air Force has targeted large numbers of its missiles to strike Soviet military installations.

"Strategic flexibility" is what Schlesinger calls it. The closest that he has come to a definition was when he explained it last year in congressional testimony when he described it as "having the plans, procedures, forces and command to enable the United States to select and carry out the response appropriate to the nature and level of provocation."

SCHLESINGER'S FALLACIOUS ARGUMENT

This statement implies—erroneously—that the previous American doctrine of assured destruction lacked the capacity for flexible options. The implication that new types and numbers of strategic weapons are required is similarly groundless. Wolfgang Panofsky, in a recent article in Foreign Affairs, pointed out that there is no inherent technical reason that prevents existing American retaliatory forces from being employed in a limited manner. Similarly, as Schlesinger himself recently confirmed, the United States does have strategic weapons which could be used in a "limited counterforce role."

What neither the United States nor the Soviet Union has today is an efficient counterforce capability against hard targets or hardened missile silos. For example, the United States could presently destroy some of the Soviet missile silos with a high degree of confidence, but only inefficiently—by means of targeting three or four missiles on each silo. With an efficient counterforce capability the number of missiles targeted at each silo might be reduced.

In sum, the doctrine of MAD characterized as inflexible by Nixon and Schlesinger is not inflexible at all.

The development of such a capability would not only be unwarranted but also dangerous. Moving to a counterforce doctrine would also represent a major policy shift since in the past Nixon and DOD officials have frequently assured Congress that the United States would neither develop a counterforce capability nor any weapons "which the Soviets could construe as having a first strike potential." While it is possible to argue that technically a hard-target counterforce capability does not constitute a disarming first strike potential since both sides will maintain relatively invulnerable sea-based missiles and bombers, the fact remains that both nations will perceive such a capability as an attempt to achieve such a potential and therefore highly provocative, regardless of what is technically correct. It is difficult to believe that those Americans who for years have been most concerned about the vulnerability of U.S. ICBM's to a Soviet attack will not be able to comprehend that even a limited U.S. counterforce potential can generate uncertainties in Soviet minds about our intentions.

Second, the acquisition of such counterforce capabilities would increase the likelihood of nuclear war and the potential for crisis instability. The likelihood of nuclear war will be increased since a counterforce doctrine and related capabilities will make nuclear weapons more usable in addition to making their attractiveness as a viable policy option superficially greater. Crisis stability will be decreased since with hard-target counterforce capabilities and vulnerable land-based forces each side will perceive the incentive of even a limited first-strike capability upon the enemy's missile force in a crisis situation.

Even though there would be an attractiveness to use it as a first strike, however, any benefits gained from such a strike would be short-sighted and illusory since each nation will still retain more than enough weapons to ultimately destroy the cities of the other. In addition, the development of the hard-target counterforce capability will only promote further strategic arms competition between the United States and the Soviet Union, while impeding if not stopping altogether any progress in arms control in SALT or elsewhere.

THE REAL QUESTION

The question, however, of whether to employ a strategy of counterforce or mutual assured destruction should not be the issue. Bilateral disarmament should be the issue.

As long as we continue nuclear deterrence, we shall be prolonging the fantastic paradox in which the fundamental instrument for preventing war means that war, if it comes, must be quicker and more dreadful than the imagination can conceive. So long as we continue nuclear deterrence, we shall be pretending that we have so completely mastered the subtle balances of military technology and infinite variations in human behavior that control these balances that we are willing to wager our own lives and the fate of millions on the absolute perfection of the system.

The elimination of all weapons and armed forces from national arsenals should be the ultimate objective of bilateral disarmament. It is the professed objective of both the Soviet Union and the United States—so why are we not making any headway? It is the imminent possibility of nuclear war that has made peace so urgent. A world without nuclear armaments is not Utopia. History provides ample evidence of the hells wrought by evil, ambitious men; the potentials for destruction that science has created will in any event remain in men's minds. But as long as the concept of deterrence monopolizes the strategies of the United States and Soviet Union, there can be no real nuclear disarmament by anyone.

While bilateral nuclear disarmament is not the whole answer, what it can do is change the human situation from one which man cannot handle to one he can. If an aggressive tyranny plans war, there will be weeks, months or years in which the prospective victims can take action, instead of mere minutes. The danger of uncontrollable escalation into thermonuclear war in hours will be gone. If mental breakdown or failures in equipment occur, the consequences will not include the immediate death of millions. The defects in the systems to be used to keep peace can be discovered and handled in a process of gradual evolution, instead of in the universal cataclism inherent in a breakdown of mutually assured destruction or counterforce.

No amount of effort or resources devoted to nuclear deterrence of any kind is any substitute for a hard and honest look at the real nature of the problem. It may give us a certain satisfaction to do things that are not directed to the point; we may cling to the false notion that in the end our only protection is our weapons, when today the one thing our weapons cannot do is protect us; we may find the products of our technological ingenuity fascinating and vastly impressive; our national economy may benefit from all the military spending; mass action, rather than attention to the individual, may be the norm of our society. But better paths are open to us, toward our goals of national security, freedom and world peace.

Mr. President, in recent months a great deal has been written and discussed on the issue of counterforce. Two of the most commendable articles have been written by Mr. Michael T. Klare in the April 13 issue of Nation and by Dr. Herbert Scoville, Jr. in the spring issue of Foreign Policy.

I ask unanimous consent that they be inserted in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

THE COUNTERFORCE STRATEGY: MAKING NUCLEAR WAR "THINKABLE"

(By Michael T. Klare)

With none of the fanfare that greeted John Foster Dulles' famous "Massive Retaliation" speech of January 1954, Secretary of Defense James R. Schlesinger on January 10, 1974 announced an equally momentous shift in U.S. defense policy. While Massive Retaliation assumes that U.S. security can be assured by maintaining an invulnerable "second-strike" capability that would level an aggressor's cities and factories in case of an attack on the United States, Schlesinger's new "Counterforce" doctrine holds that we must have a partial first-strike capability to destroy enemy missile silos and other retaliatory systems in the event of a future superpower confrontation. Noting that both sides now have more than enough weapons to "bash" each other's cities in a future conflict, Schlesinger argued that a President may balk at ordering such a "suicidal" course in the face of hypothetical Soviet provocations, and that it is necessary therefore to seek more "credible" options. "The range of circumstances in which an all-out strike against an opponent's cities can be contemplated has narrowed considerably," and thus the Pentagon has formulated "targeting options which are more selective and which do not necessarily involve major mass destruction on the other side."

Although some strategists have lauded the new arms system as a "humane" alternative to Massive Retaliation, many experts believe that the Schlesinger doctrine increases rather than lowers the risk that future conflicts will result in thermonuclear devastation. By providing "intermediate" steps short of all-out attack on enemy cities, it is argued, the new strategy makes a first-strike nuclear attack more practical and attractive than ever before. Thus if both sides possess a counterforce capability, *only* the side which strikes first can be assured that its second-strike retaliatory forces will survive. Further, by stressing the increased *usability* of nuclear weapons in "non-cataclysmic" scenarios, the new doctrine expands (at least theoretically) the range of situations in which nuclear weapons could "rationally" be used.

The adoption of a Counterforce doctrine, according to Schlesinger, is a *fait accompli*—U.S. Minuteman ICBMs have already been "retargeted" to provide a "set of selective options against different sets of targets," including military targets. But the future safety of the U.S. nuclear force can be assured, he added, only if the United States deploys new strategic weapons to offset anticipated advances in Soviet missile development. These weapons programs are expensive: in the fiscal year 1975 Defense budget, the Pentagon has allocated $7.6 billion for procurement of strategic weapons and $8.4 billion for research and development (much of it devoted to strategic programs), a combined increase of $2.1 billion over 1974. This "surge" in defense spending will be used to develop a series of new strategic systems—including larger warheads, a mobile ICBM, a new ballistic missile submarine, aircraft-launched "cruise" missiles—that will *each* cost many billions of dollars if a decision is made to acquire them in quantity. Thus, the survival of the Counterforce doctrine now rests with Congress, which must decide on the validity of the overall concept as well as its many component systems. Before discussing these strategic options, it is necessary to review the evolution and structure of the U.S. nuclear capability.

Until 1974, U.S. strategy was based on the principle of "Assured Destruction"—i.e., the maintenance of a retaliatory capability secure enough to survive an enemy's first-strike attack and *then* cause unacceptable damage to his industries and urban centers. (During the first Nixon Administration, this principle was sometimes expressed as maintenance of sufficiency in strategic power.) With both sides in possession of such a capability, the nuclear arms race was stabilized in a condition of Mutual Assured Destruction (MAD)—the contemporary equivalent of Churchill's "balance of terror" concept—that has discouraged the initiation of nuclear war for more than two decades.

As its share of MAD, America's strategic nuclear capability currently consists of a "Triad" system of manned bombers, land-based missiles and submarine-launched missiles, each of which is intended to provide a reliable second-strike capability independently of the others. This "redundancy" of strategic weaponry is designed to provide a hedge against future Soviet technological advances that might neutralize the effectiveness of one or two U.S. retaliatory systems.

Although no scientist or informed layman would doubt that military technology will continue to develop, both here and in Russia, one premise that has not been questioned is that for at least the next ten to fifteen years America's missile submarine fleet will provide a retaliatory system able to survive a Soviet first-strike attack and still cause unacceptable damage to the Russian heartland. Former CIA official Herbert Scoville, Jr. asserted in 1972: "No evidence has yet been presented that the Russian ASW [anti-submarine warfare] program could present a threat to the Polaris deterrent in the next decade. . . . The U.S. has spent tens of billions of dollars on ASW efforts over the past twenty years and still does not have any system that could even begin to approach the kind of capabilty that would be needed to eliminate twenty to thirty missile submarines almost simultaneously." The Russians, moreover, "are far behind the United States in this area, and they have the serious geographical disadvantage of remoteness from and unavailability of land areas contiguous to the oceans in which their ASW systems would have to operate."

Although some Defense officials argue that the USSR *might*, given a crash research program of $10 billion to $20 billion lasting a decade or so, develop an advanced ASW system capable of posing some threat to U.S. missile submarines, no one has suggested that such a system could conceivably locate and destroy all forty-one Polaris suns *simultaneously*. And, as noted by Dr. Scoville, "Even one missile submarine can launch 160 warheads at separate industrial centers in the USSR, an attack that the Russians could not afford even if the United States had been annihilated." Thus, if Assured Destruction were the sole rationale for America's strategic arsenal, the missile submarine fleet alone would provide a more than adequate deterrent capability, and the deployment of other nuclear systems must be attributed to other considerations.

Military strategists and foreign policy analysts have long recognized that the possession of nuclear weapons provides certain diplomatic and political benefits beyond their purely military function. This added leverage accrues from predominantly psychological factors—the awe and fear that are inspired by such potent weapons—and so in assessing their effectiveness one cannot use precise technical standards. Even though one superpower may have sufficient ICBMs to insure destruction of any enemy which has ten times as many (thus satisfying the requirement for assured retaliation), the two powers are not considered "equal" by either policy maker or private citizen. "Outside the narrow circle of the technical experts," Edward Luttwak wrote in 1972, "the balance of power is not measured in operational terms. Gross numbers and crude qualitative factors provide the only indices of strategic power which are widely recognized. . . ." By possessing "more"—however irrelevant to deterrent capabilities—a superpower is considered to have leverage in international relations over the power having "less." Thus, Moscow's "retreat" in the Cuban missile crisis of 1962 is widely attributed to U.S. overall superiority in nuclear arms.

During most of the post-World War II era, the United States has possessed "more" by every measurable standard of comparison—more bombers, more missiles, more warheads. This fact largely explains the confidence with which American policy makers entered into overseas defense commitments (the United States is now pledged to provide at least some assistance in the event of war to more than seventy-five foreign nations) and committed U.S. forces to combat roles abroad. By 1968, however, America's nuclear advantage was beginning to fade, and consequently its leadership in the global arena came into question for the first time since World War II.

After the Cuban missile crisis, and throughout the build-up for the war in Vietnam, Russia poured tremendous resources into the expansion of its strategic missile inventory. The Soviet pace was impressive: whereas the United States had an approximate four-to-one advantage in ICBMs between 1962 and 1966, its superiority was cut in half in 1967 and had dropped to equality by 1969, when both sides had about 1,050 launchers. Since 1970, the Soviet Union has had a clear advantage in the number of ICBM launchers (though not in warheads), and Defense Department analysts believe that this lead would have reached a two-to-one superiority by 1975 if the build-up hadn't been halted by SALT I.

Although the Soviet missile build-up never threatened the survival of the U.S. deterrent capability, it did threaten U.S. dominance in the global political arena, and thus was regarded as a grave threat to overall U.S. security. In a passage characteristic of the pre-SALT hysteria, James D. Hessman provided this assessment of the strategic balance in *Armed Forces Journal:*

"[Since 1945] the U.S. nuclear arsenal has been greatly expanded and refined, but what was then a monopoly has been reduced in gradual stages to overwhelming superiority, to marginal superiority, to "parity" and finally to the current "sufficiency." By 1975, moreover, according to present estimates . . . the USSR will have reversed a once-formidable U.S. advantage and will enjoy an almost two-to-one margin in strategic nuclear missiles. Whether U.S. "sufficiency" at that time will be sufficient to deter Soviet nuclear blackmail—is a speculative question at best."

The notion that an unfavorable strategic balance would somehow render the United States vulnerable to Soviet "blackmail" was based on the premise that America's failure to maintain its thermonuclear lead was a sign of the weakening of our "national will." "If we allow our *superior strength* to become *second best*," Richard Nixon asserted during his 1968 Presidential campaign, "in time we will generate tensions which could lead to war; first, *by our display of physical weakness and flabby will*, and, second, by tempting an aggressor to take risks that would compel us to respond." (Emphasis added.)

For Nixon, always alert to the shifting calculus of power, "second best" status in strategic power (i.e., in the world's *perception* of that power) was unacceptable. Thus, in discussing the Cuban missile crisis of 1962, he remarked, "We saw what it meant to the Soviets when they were second."

The political implications of strategic superiority are equally clear to Secretary of State Kissinger, who has made no secret of the fact that U.S. willingness to negotiate a "stable structure of peace" with the USSR is contingent upon continued U.S. superiority in strategic weaponry. Nixon and Kissinger are determined to enhance America's strategic position vis-a-vis the USSR and thence to exploit the political leverage afforded by that nuclear superiority. This determination has materialized in two major thrusts: the strategic arms limitation talks in Helsinki and Vienna which culminated in the SALT agreements of 1972, and the development of new offensive strategic weapons leading to the acquisition of a Counterforce capability.

When signed in Moscow on May 26, 1972, the SALT agreements were hailed by President Nixon as "tangible evidence that mankind need not live forever in the dark shadow of nuclear war"; subsequent events have shown, however, that the content of the accords was dictated more by U.S. diplomatic and military objectives than by a desire for disarmament and peace. The agreements themselves consist of two separate, but linked, accords: the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty), and the Interim Agreements on Certain Measures with Respect of the Limitation of Strategic Offensive Arms (the Interim Agreement).

Although some critics of the SALT agreements, notably Sen. Henry M. Jackson of Washington, contend that the Interim Agreement grants "superiority" to the Soviets by permitting them a numerical advantage in missile launchers, most military analysts agree that SALT I has improved the U.S. strategic position by halting the growth in Soviet missile force while placing no restrictions on key U.S. modernization programs like MIRV (multiple warhead) technology and the Trident missile submarine. This evaluation was confirmed in 1973 by the chairman of the Joint Chiefs of Staff, Adm. Thomas Moorer, who told the Senate Armed Services Committee that the SALT accords "clearly constitute a major step in our efforts to slow the momentum of the USSR strategic build-up." Moorer noted the Soviet advantage in numbers of launchers and in missile "throw weight" (warhead payload), but added: "The United States still has a substantial advantage in other areas of key importance to the overall strategic balance—e.g., missile accuracy, MIRVs, submarine quietness, sonars and numbers of bombers and bomber payload." This estimate is not immediately affected by the recent Soviet tests of MIRVed missiles: according to Secretary Schlesinger, Moscow is not expected to have a fully operational MIRV missile force *in place* before 1980. In fact, most experts agree that, because of its lead in MIRV, America will enjoy a relative strategic advantage throughout the life of the accords and long thereafter.

SALT I was initially viewed as a preliminary agreement, to be followed by a second round of talks, SALT II, that would lead to more comprehensive controls on strategic nuclear forces. When the 1972 accords were signed in Moscow, there was considerable optimism among arms control experts that the "good will" thus generated would expedite progress on a more advanced agreement under SALT II. Such hopes were short-lived, however, for President Nixon quickly ordered an acceleration of key strategic programs, particularly Trident, and disbanded the team of arms control experts that had worker out the SALT I accords. (Nixon's choice for the new head of the Arms Control and Disarmament Agency, Fred C. Iklé, is known to favor the acquisition of new strategic weapons.) At the same time, Moscow initiated tests of new ICBMs—including MIRVed missiles—thus supporting the arguments of some alarmists who feared a Soviet bid for true parity in the nuclear arms race. By the beginning of 1974, any lingering hopes that SALT II—now under way—would be followed by meaningful negotiations were extinguished when the Nixon Administration announced the adoption of a Counterforce strategy.

The new defense doctrine adopts the premise that Mutual Assured Destruction provides a false security, that the very "unthinkability" of all-out nuclear war might induce an aggressor to launch a *limited* nuclear strike, using only a small fraction of its weapons and hitting military targets only, in the belief that the victim would not retaliate, lest a second, *full-scale* attack destroy its cities. In order to deter a limited attack, Schlesinger argues, we must have a capability to launch just such an attack ourselves. "In the pursuit of symmetry," he told the Overseas Writers Association on January 10, "we cannot allow the Soviets unilaterally to obtain a counterforce option which we ourselves lack. We must have a symmetrical balancing of the strategic forces on both sides."

Along with this argument goes the belief that, given the increased plausibility of limited nuclear strikes, we must be prepared to accept the increased *usability* of thermonuclear weapons as an instrument of national policy. This assumption, which can be traced to the early strategic writings of Henry Kissinger (see *Nuclear Weapons and Foreign Policy*, 1957), has become established Administration doctrine. Thus Iklé told the Joint Harvard-M.I.T. Arms Control Seminar in February that Americans have acquiesced in the "genocidal" nature of Massive Retaliation for so long "only by thinking that the weapons will never be used." Yet, he noted, "we have to keep in mind that the usability of nuclear weapons is built into them. *Our moral conscience*, therefore, *ought to be concerned with this fact of usability*." (Emphasis added.) Iklé then proposed a flexible Counterforce capability to provide a "last chance" option before resort to mutual devastation in future nuclear wars.

Although these arguments have only recently been voiced, the decision to proceed with Counterforce capability had been made by mid-1972, when the Administration decided to develop new warheads capable of destroying hardened Soviet ICBM sites. This "historic shift" in U.S. strategic planning was initiated, according to William Beecher, within months or even weeks of the signing of the SALT accords. It followed an intensive policy review by a "top level interdepartment group" formed by Henry Kissinger (then Nixon's adviser on National Security Affairs) to "come up with additional nuclear war options." (The adoption of a Counterforce strategy was in fact first proposed by former Secretary of Defense Robert S. McNamara in June 1962—but no decision was made at that time on development of new weapons.) In his "State of the World" address of May 1973, Nixon stated that "to deal with a wide range of possible hostile actions, the President must maintain a broad choice of options." No details of the new "choice of options" were provided, however, and it was not until Schlesinger's press conference of January 10 of this year that the public learned that a strategic shift had already taken place.

At explained by Schlesinger in subsequent statements, the new strategy is to go forward in two stages. In the first, already under way, some U.S. ICBMs are being "retargeted" to strike at Soviet missile sites and other strategic systems rather than civilian targets. In the second stage, set for the late 1970s and early 1980, the United States will deploy new strategic weapons designed specifically to attack "hardened" military targets like missile silos and underground command centers. Since existing U.S. weapons are intended primarily for "soft" targets (cities, factories, troop concentrations, shipyards, etc.), considerable modification of the U.S. nuclear arsenal is imperative.

A "hard target" strike capability, as envisioned by Schlesinger, can be achieved by three basic methods: first, by improving missile accuracy so as to assure a direct hit (which would knock out the launchers no matter how strong the shielding); second, by raising missile yield sufficiently to assure incapacitation even if accuracy is low; and third, by increasing the number of incoming warheads to the point where missile defenses are overwhelmed. The United States, it now appears, will pursue all three techniques; according to military trade journals, the Pentagon will acquire a Counterforce capability through all or most of the following steps:

U.S. Minuteman ICBMs will be fitted with new warheads providing much greater yield than existing warheads.

Some ICBMs will be equipped with a maneuverable re-entry vehicle (MaRV) that can alter course after re-entry into the earth's atmosphere in order to elude enemy ABM missiles, and to provide enhanced accuracy.

All Minuteman and Trident missiles will be equipped with a "stellar inertial guidance system" (SIG) and other improvements to achieve the required accuracy. (Submerged submarines cannot determine their location with complete certainty, and thus existing missiles cannot be used for Counterforce purposes: the SIG warheads, however, can correct their trajectory by taking a "fix" on the stars once outside the earth's atmosphere.)

Work has begun on a nuclear-tipped "cruise missile" that can be fired by conventional submarines or jumbo planes. Such missiles (in effect, unmanned jet planes like the German V-1) could fly 1,000 to 1,500 miles in very low trajectories that would be virtually invisible to standard anti-missile radars.

The Air Force will develop mobile ICBMs that could be moved frequently to prevent their being "fixed" by enemy reconnaissance satellites. (The United States publicly "outlawed" mobile ICBMs in its unilateral appendix to the SALT accords; this has not, however, deterred the Air Force from requesting funds to develop such weapons.)

The Navy will begin work on a small, fast submarine powered by the quiet "Narwhal" reactor. It will carry Trident missiles, but in smaller quantities than the larger Trident submarine.

Administration officials insist that most of these programs are still in the conceptual stage and can be scrapped if the United States and the Soviet Union agree on a new arms pact at SALT II; by the same token, however, these programs can be accelerated if the talks fail to produce that new agreement. "If [the SALT] negotiations fail," Nixon told Congress recently, "the United States must be prepared to increase its forces quickly and effectively."

Since Soviet defense planners must—like their American brethren—prepare for "worst case" contingencies, the announcement of new U.S. strategic programs is certain to induct the USSR to expand its own strategic forces, thereby "justifying" the planned U.S. build-up. All this will almost certainly guarantee the failure of SALT II and precipitate a costly and dangerous new round in the nuclear arms race.

Military supremacy, in an era of growing technological sophistication and increased arms spending on the part of potential adversaries, does not come cheaply. On February 4, the President asked Congress for a record $92.6 billion in new military funds, and a supplemental appropriation of $6.2 billion to cover excess 1973-74 spending. In approving the new budget, Secretary Schlesinger reportedly told aides that he welcomes the harsh debate that is certain to be launched in Congress when the budget is presented. "Mr. Schlesinger's aim," *The New York Times* reported, "is said to be to stir sustained debate on America's military needs now that 'the Vietnam war is behind us.' "

Since, in this period of price increases, fuel shortages and growing unemployment, most Americans are concerned more with domestic issues than with the global balance of power, the Pentagon can stir up interest in greater U.S. arms spending only by generating a "missile-gap" hysteria similar to that of the 1950s and early 1960s. Undoubtedly nothing would be more attractive to Nixon than such a debate, which could easily be nourished with "leaks" and scare stories in order to detract public attention from political scandals and mounting economic problems. (With respect to the latter, Administration officials are already hinting to selected Congressmen that increased defense spending will mean more jobs and income for the hard-pressed aerospace industry.)

Such a debate is certain, however, to increase rivalry between superpowers and thus end any hope for meaningful negotiation on strategic arms limitations or force reductions in Europe. And unless Congress can effectively resist the Pentagon's scare campaign, the new strategic build-up will inescapably launch a costly new cycle in the nuclear arms race and ultimately undermine the principle of deterrence which until now has prevented the outbreak of thermonuclear war.

FLEXIBLE MADNESS?

(By Herbert Scoville, Jr.)

On January 10, 1974, Secretary of Defense James R. Schlesinger announced that "there has taken place . . . a change in the strategies of the U.S. with regard to the hypothetical employment of central strategic forces." A goal voiced since 1970 in President Nixon's annual foreign policy statements is now apparently an accomplished fact: "flexible response" has replaced "deterrence of nuclear war by assured destruction" as the cornerstone of our strategic policy. We now propose to respond to Soviet nuclear aggression by attacking a variety of military targets instead of by massive retaliation against cities. As Schlesinger makes clear, this flexibility can be obtained by revised targeting doctrine and improved command and control procedures, and does not necessarily require additional weapons; on the other hand, new specialized weapons with higher accuracies, greater explosive powers, and more warheads will also increase our efficiency for destroying military targets. However, the repercussions on our security and on the arms race from these approaches toward increased flexibility can be quite different. The consequences of this move away from mutual assured destruction (known as MAD by detractors)—by which nuclear war has so far been avoided—are profound, and vitally affect our survival. The new strategy and the alternate ways it can be implemented should be carefully examined before we are irretrievably launched on this new path.

The catastrophic effects of the explosion of even a few nuclear weapons on this country have made the avoidance of strategic war the overriding objective of our strategic policies for 20 years. Since defense was impossible against an all-out Soviet nuclear attack, we have been forced to rely on deterrence based on an ability to produce unacceptable damage in retaliation.

THE ABM TREATY

The ABM Treaty signed in Moscow on May 26, 1972, formally established deterrence as the basic strategic policy of both the United States and the Soviet Union. Both countries agreed to forego the acquisition of a capability for defending their territories and thus guaranteed, for the foreseeable future, a state of mutual deterrence. With all missile warheads, once launched, having an assured arrival on target, even the most exaggerated fears over the security of our retaliatory capability of thousands of warheads became groundless. The basic goal of our strategic policy for 20 years finally had a stable, more permanent foundation.

With this success, our strategic policies might have been expected to remain fixed for at least a short time, but the ink was hardly dry on the Treaty before the Administration raised questions about the desirability of a strategic policy based solely on deterrence. It sought to achieve the additional strategic objective of "flexibility" when Secretary Laird, with White House support, requested funds for the development of a "hard target" MIRV, i.e., multiple warheads with sufficient accuracy and yield for each warhead to have a high probability of destroying enemy missile sites and command centers. These weapons were supposed to provide a "flexible response" in the event of a limited Soviet nuclear attack. That this would look to the Russians like an attempt to develop a first strike capability on our part, and would erode the mutual deterrent posture so recently agreed to by the Treaty, was ignored. However, the Senate, which even during the SALT negotiations had expressed concern over the destabilizing nature of such weapons, refused to authorize funds for this development in the aftermath of SALT. Thus, the program was driven underground. In all probability it was continued under the program for the development of advanced ballistic reentry systems (ABRES). Now Schlesinger admits this and openly endorses proceeding with attempts to improve the accuracy of our MIRV—and giving it a more efficient silo-destroying capability. A confrontation between Congress and the Executive could come when specific funds are sought for missiles with new and potentially more accurate guidance systems.

The concept of flexible response in which military installations, not cities, would be the targets of a retaliatory attack, did not of course arise full blown in the immediate aftermath of the SALT I agreements. Secretary McNamara proclaimed a "city avoiding" strategy in 1962 at a NATO conference, but this strategy was rapidly discarded. On February 18, 1970, President Nixon, in his first report to the Congress on U.S. foreign policy for the 1970's, posed the question: "Should a President, in the event of a nuclear attack, be left with the single option of ordering the mass destruction of enemy civilians, in the face of the certainty that it would be followed by the mass slaughter of Americans?" It is from these questions that the concept of flexible response flows. In the immediate years following, there was little public elaboration of what the President had in mind, but he repeated these generalities in later foreign policy reports. It was not until after Moscow that we saw a specific weapons program defended on the basis of this policy goal.

Since May 1972, many national security analysts have publicly questioned the desirability of our deterrent policy. Some, such as Donald Brennan, had long felt that a defense-oriented strategy—i.e., one that relied on extensive defenses to protect populations and to permit a nation to survive—was far superior to one relying on deterrence through offense, and used the occasion of the Moscow summit to restate their views. They decried the current state of mutual assured destruction, sanctified by the ABM Treaty, as MAD. These arguments, which have not been widely accepted by either the military or arms controllers, do not provide support for a policy of flexible response and should be differentiated therefrom. A defense-oriented policy does not provide flexibility; quite the contrary, extensive defenses on both sides preclude a flexible response because large-scale retaliation is needed to overwhelm enemy defenses in order to achieve even a limited goal. Thus, the restrictions on ABM's agreed to in Moscow in May 1972 provided opportunities for increased flexibility previously unavailable. Paradoxically, those most opposed to ABM limitations are the strongest supporters of increased flexibility.

DETERRENCE UNDER ATTACK

The deterrent policy has, however, come under fire on a number of other counts which have been persuasive to some on all sides of the strategic debate. Fred Iklé,[1] who was later appointed the head of the Arms Control and Disarmament Agency, attacked the "balance of terror" approach as a morally repugnant national policy. Instead, retaliation should be aimed at the assured destruction of military, industrial, and transportation assets. Iklé also condemns deterrence as directed entirely to the rational mind, and points out that nuclear war will only occur as a result of accident or an irrational decision. Other writers have argued that a wider range of retaliatory options is needed in response to military or political provocations more limited than an all-out first strike. They argue that massive retaliation may be a less effective deterrent than a selective one because its implementation lacks credibility.

Certainly the strategic policy of deterrence under which peace is maintained by holding hostage tens or even hundreds of millions of people, and by putting modern civilization in jeopardy, is psychologically unsatisfying. According to this concept, the more inevitable the devastation, the more stable the peace. We are right to seek some alternative, but we must not discard a policy that has worked until all the implications are evaluated.

To be successful, any alternative must decrease the risks of a nuclear conflagration. If, in the process of moving out from under the umbrella of mutual deterrence, we were to increase significantly the probability that nuclear warfare, no matter how limited, will start, then the new policy will be self-defeating. Therefore, the primary criterion for any new strategic policy must be *the assurance that it will in no way increase the likelihood that nuclear warfare will be unleashed*. A limited nuclear conflict presents a major risk of uncontrollable escalation to widespread nuclear devastation so that almost no gain is worth risking an increase in the probability that it will occur.

The ideal goal for a flexible response would be to have the weapons, together with their command and control, which could provide an appropriate response or variety of responses to any potential provocation. A small attack could be followed by a limited response. A purely military conflict could involve a retaliation against military targets alone. Ideally, one might like to be able to destroy a missile launcher, a command post, or even an artillery piece without causing any damage to the civilian sector. In practice, however, such surgical nuclear strikes would be hard or impossible to achieve. The controlling factor in determining civil destruction is the distance from the target, not the accuracy of the missile.

Because we have adopted a policy of deterence through assured destruction and because in evaluating the effectiveness of our deterrent force we normally test it in the extreme case of all-out retaliation following a massive Soviet first strike, it is often assumed that we have no flexibility today and have no recourse in the event of aggression but to retaliate with our entire strategic force. The plaintive note in President Nixon's statements and the tenor of Schlesinger's remarks would seem to support this. Of course, this is not true, as Wolfank Panofsky has shown in his response to Iklé.[2] We are not limited to the single option of full-scale strategy retaliation to deter any aggression; we never have been. We have large conventional forces in both Europe and the Far East; escalation to nuclear weapons is not required as an early response to a conventional attack.

On the other hand, the deployment in exposed locations near frontiers of many of our nuclear weapons could needlessly lead to nuclear conflict. This decreases our flexibility to deal with the situation at the non-nuclear level and greatly enhances the risk of nuclear war. The 7,000 tactical weapons in Europe and appreciable numbers in Korea should, even if moved to rear areas, be a sufficient deterrent against the introduction of nuclear weapons by the other side. We need not rely on our strategic stockpile for this purpose.

Even at the strategic level, President Nixon is not forced, with the weapons now available, to launch an all-out attack against Soviet cities knowing that our society might be similarly destroyed in response. A variety of less cataclysmic stragteic retaliatory options has always been available provided that appropriate command and control procedures were adopted. The United States now has the weapons to respond at lower levels if it so desires, although not always with optimum effectiveness. Although it is not obvious why such a capability is needed, some—but by no means all—Russian ICBM sites can with high confidence be put out of action. We can destroy military command centers, but as long as they are located near population centers, not without collateral damage to the civilian sector. Even if we improve the accuracy of our nuclear weapons, there will always be serious side effects.

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[1] Fred Charles Iklé, "Can Nuclear Deterrence Last Out The Century?" Foreign Affairs, January 1973.

[2] *Wolfgang K. H. Panofsky, "The Mutual-Hostage Relationship Between America And Russia,"* Foreign Affairs, *October 1973.*

INCREASED DETERRENCE OR RISK?

The topical question, therefore, is not whether one wishes to have a flexible response, but whether additional capabiltiies will increase deterrence or instead increase the risk that nuclear war will actually break out. Enhanced flexibility from improved command and control is probably on balance a positive step since it does not threaten a significant portion of the deterrent force and could reduce the risk of accidents. Furthermore, it provides more flexibility *not* to be forced to undertake certain responses. Deterrence provided by fear of possible massive retaliation would remain unaffected. On the other hand, the desire for more flexible weapons can become an open-ended justification for new, expensive programs and will certainly push the arms race further along the road.

No matter how often we disclaim it, the development of improved silo-killing missiles must inevitably look to the Russians like an attempt to acquire a first-strike counterforce capability against their ICBM's. Similar Soviet programs for getting high-yield MIRV's have been viewed here in exactly such alarming terms. One response to the increased threat to military forces provided by improved counterforce capabilities could be expensive programs by the other side to reduce their vulnerability. New missiles in superhardened silos or mobile ICBM's are two that have been proposed in the United States. The Russians will almost certainly react to our moves in some manner. A cheaper way is to shorten the time fuse on the nuclear missiles by adopting "launch on warning" operational procedures with all the increased risks of accidental war that this would provide. False alarms are difficult to completely rule out. While we may not wish to give up the option for an early response to an attack, we certainly do not wish to be in a position where we have no other choice than retaliation before any weapons have been exploded. Nor do we wish to force the Soviet Union, China, or any other nuclear power to place their missiles on a hair trigger alert. Thus, weapons programs designed for improved flexibility have the potentiality to greatly increase the risk of nuclear war.

An extreme, albeit much discussed, scenario in which increased flexibility is considered desirable has been put forth by leading military planners. It involves a Russian attack on our land-based ICBM's and intercontinental bombers after which they would dictate terms of our surrender. A U.S. response which required devastation of Soviet populations is, according to this scenario, not credible since it, in turn, could trigger Russian annihilation of urban centers in the United States. We might have a greater deterrent against such a Soviet action if we had the alternative of knocking out those Soviet missiles which had not yet been launched.

Is this scenario at all credible, and if so, what would increased flexible response buy? In order to have high confidence of knocking out the U.S. force of more than 1,000 ICBM launchers, the Russians would have to fire, at a minimum, two to three megaton warheads at each launcher. In order to have a high probability of destroying hard targets such as missile silos, the weapons would have to be detonated very close to the surface of the earth, producing heavy radioactive fallout directly downwind. A single 15 megaton explosion at Eniwetok in 1954 covered an area of 5,000 square miles, extending 200 miles downwind, with fallout which would have been lethal to exposed populations.

Even larger areas were covered with very serious contamination. Yet in this scenario an attack would produce fallout two hundred or more times as great. If an attack against our bombers is added to that against the missiles, the devastation would be still worse. Millions of people would be killed and large sectors of our society completely disorganized, even though the attack was directed with surgical precision at military targets.

Even if completely successful, what would the Russians have accomplished? True, they might have destroyed a large part of the land-based missile and bomber elements of our deterrent Triad; but our submarine missile force of 41 Polaris-Poseidon submarines, with more than 5,000 nuclear warheads and yields several times that of the Hiroshima bomb, would still be untouched. We would still have an overwhelming strategic force which would not only be a threat to the survival of the Soviet Union as a civilized society, but which would have a capability of destroying hundreds of military targets as well. Without the necessity of overpowering a large ABM, now foreclosed by the ABM Treaty, command centers and an appreciable number of (but not all) missile silos can be destroyed by Poseidon with its present accuracy by allocating sufficient warheads to each target. Does such an attack, even if completely successful, leave the Soviet Union in a position to dictate terms to the U.S. government? Are any possible gains commensurate with the risks that any U.S. government might retaliate against Soviet population centers and devastate the Soviet Union, even though such an action might mean a similar devastation in the United States from those Soviet weapons not used in the first strike? Any Soviet leader in contemplating such a "limited attack" would have to take into consideration that even with the firmest intentions of exercising restraint, the U.S. leaders might be stampeded into a retaliation which would kill millions of Russians in exchange for the millions of American already killed. Democratic leaders have more difficulty than dictators in remaining wholly rational since they must frequently respond to popular passions.

Moreover, would an improved capability for a flexible response have any important effect under such a scenario? Procuring ICBM's with greater accuracy and, consequently, a higher single-shot probability for destroying an ICBM silo would be of little value and a waste of money, since most of our ICBM's, according to this scenario, would have been destroyed. Giving a larger payload to some Minuteman missiles would be similarly ineffective.

Increased accuracy for our invulnerable submarine missiles might more effectively destroy any Soviet ICBM's that had not been used in the initial salvo, and the collateral damage in areas surrounding the Soviet missile sites would be reduced. But even if we destroyed all leftover ICBM's, the Russians would still have hundreds of submarine-launched ballistic missiles with which to threaten our undefended cities. How would the existence of such an improved hard-target capability affect a Soviet decision to launch such an attack in the first place? It is hard to see why they would be more deterred because the United States could retaliate in a limited way. If the Russians were willing to launch an attack of this scale, they would certainly be prepared to have all their remaining land-based missiles destroyed. They would be thankful that they had gotten off so cheaply. If any aggressor were so irrational as to contemplate such an extreme action, he might be more prone to risk it if he thought that the United States would be more likely to respond in a limited way than with a devastating attack. In sum, aggression on this scale provides no gains even marginally commensurate with the risks; greater potential flexibility in response would probably not improve deterrence and might instead increase the danger that such an attack would occur.

A SECOND EXAMPLE

Since this extreme case is so unreal, some less extensive form of nuclear aggression should be examined. Suppose, for example, the Soviet Union decided to destroy one Minuteman complex of 100 missiles as a muscle-flexing exercise and a demonstration of the superiority of its missiles. Under such circumstances, it could be argued that the United States might wish to respond with less than massive destruction; we might want a capability for a retaliation in kind. In the absence of a Soviet ABM, we could do this today with our present forces by expending several of the undamaged Minuteman warheads per Soviet silo. An improved U.S. hard-target capability would make such graduated retaliation easier but is unlikely to affect a Soviet decision to adopt such a strategy in the first place. The political gains from such a conflict even for the winner are hard to imagine and are certainly out of all proportion to the risks.

This is not the kind of contest which we should wish to enter or even encourage. This limited scenario is one which is probably considered only by players of war games who have lost touch with the meaning of nuclear war. Such irrational leaders would more likely be deterred by the consequences of all-out retaliation than by the thought that we might try to play in this game—a game in which they might always hope to come out ahead.

The gains from being able to fight this type of battle more effectively are far outweighed by increased risks that it might actually be fought.

A central question which arises in any scenario is whether a better capability to respond to aggression at a variety of levels enhances deterrence through greater credibility of a response, or whether the possibility that retaliation will be limited in scope reduces the inhibitions against aggression through decreased fear of the consequences. A second and perhaps more critical question is whether the improved ability to respond at lower levels of violence increases the risk that nuclear war will erupt. The latter cannot be tolerated.

The deterrent must be made credible to rational and, insofar as possible, to irrational decision-makers alike. Since nuclear aggression on any scale is today almost always irrational, greater attention should probably be directed toward the less rational leaders and toward those situations where rational decision-making might be more difficult. Deterrence would probably be more effective if fewer opportunities were provided in which a leader might believe, or be led to believe, that he could fight a nuclear war, survive, and perhaps even win.

The initiation of nuclear war at any level is a disaster that is more likely to occur if national leaders can fool themselves into believing that it might be kept small and that they might come out the victors. This is less likely to occur in any specific crisis if the military have not prepared plans long in advance and acquired specially designed weapons to fight a limited nuclear war.

Nuclear war might be made less likely if the decision to initiate it can be made more difficult rather than easier. Over the past 25 years, strong firebreaks have been built between conventional and nuclear war. Even when overwhelming nuclear superiority existed, no nation seriously contemplated using nuclear weapons in even the most limited way. Korea and Vietnam, both large-scale conventional conflicts, have passed without their use. Despite many rumors of their intention, the Russians have never initiated a nuclear strike to eliminate the emerging Chinese nuclear force. The soundest and most moral policy would maintain, and if possible strengthen, all the firebreaks that exist, not only between conventional and nuclear weapons, but also between tactical and strategic weapons. The development of improved capabilities for fighting strategic nuclear war at a lower level thereby fusing tactical and strategic nuclear conflict, is only a step in the wrong direction. It is misguided thinking to believe that deterrence against nuclear war can be improved by increasing the likelihood that strategic nuclear weapons will be used.

SAFETY AND CONTROL

Instead of procuring new weapons with improved nuclear war-fighting characteristics, efforts should be directed toward improving the safety and the command and control over the weapons now available. The several agreements with the Soviet Union designed to improve communication and to prevent nuclear warfare are useful steps. Tremendous advances have been made over the past 10 years with the incorporation of devices in many nuclear weapons to prevent unauthorized firing. However, there is still a long way to go. Particular attention should be paid to control procedures for our missile submarines. Operationally-oriented officers have inordinate fears that more rigid safety and control procedures would make it more difficult to use nuclear weapons in the event that war breaks out. Such inverted thinking must be rooted out; the overriding objective is to prevent nuclear wars, not fight them. Our deterrent is not improved by looser controls; no nation will risk a holocaust on the slim hope that our command system will break down.

The dangers of inadvertent nuclear war do not arise solely from a U.S.-Soviet confrontation. The smaller Chinese force presents even more explosive potentialities than do the much larger U.S. and Russian forces. Because of its limited size, it could be vulnerable to a U.S. or Soviet first strike since concealment or hardening can never be relied on completely. As a consequence, its leaders could feel forced to place a hair trigger on their weapons and adopt a launch-on-warning operational tactic. Thus, it is in our national interest to try to insure that the Chinese have a deterrent in which they can be confident without requiring rapid response. Such confidence may be difficult to attain as long as the Soviet Union and the United States have their present overwhelmingly superiority. When the Chinese acquire their first ICBM's we should not, at the very least, take any steps which might look like an attempt to maintain a first strike threat against them.

Does increased flexibility alleviate the understandable concerns of those who find a peace maintained by threats of annihilation morally repugnant? Making it easier to fight nuclear wars, even on a limited scale is hardly a psychologically more attractive policy. It is probably more moral to prevent slaughter by threatening disaster than to facilitate limited death and destruction. True moral satisfaction will come only when we succeed in moving away from nuclear conflict as a means of settling international differences.

In conclusion, the objective of improving the flexibility of our strategic weapons to provide the President with additional strategic options beyond those now available is a goal which sounds superficially attractive, but which, in practice, can only decrease our security. Making it easier to fight strategic nuclear war does not truly enhance deterrence and only increases the risk that fears of nuclear devastation will turn into reality. Instead of buying new weapons with more sophisticated war-fighting capabilities, efforts should be concentrated on increasing the control over, and the safety of, the weapons we now have.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senate will resume consideration of the unfinished business, S. 3000.

The pending question at that time will be on adoption of the amendment of Senators CRANSTON and KENNEDY, to reduce the amount for Vietnam from $900 million to $750 million. There is a 1-hour limitation on the Cranston-Kennedy amendment.

At the hour of 11 a.m., the Senate will resume consideration of the amendment by the Senator from Washington (Mr. JACKSON) on which there was some debate on last Friday. There is an 80-minute time limitation on the Jackson amendment. Upon the expiration of that time, a vote will occur on the Jackson amendment. Presumably that will be a yea and nay vote.

Upon disposition of the Jackson amendment, the vote will then occur on the Cranston-Kennedy amendment and, likewise, presumably that will be a rollcall vote.

Upon disposition of the Cranston-Kennedy amendment, an amendment by the Senator from Maryland (Mr. MATHIAS) will be called up on which there is a 1-hour time limitation. The vote on that amendment will then occur. Following that, a rollcall vote will occur on the amendment by Mr. JAVITS, on which the yeas and nays have been ordered.

At 2:30 p.m., the so-called ceiling amendment of the Senator from Minnesota (Mr. HUMPHREY) will be called up, on which there is a 1-hour limitation. Under the previous agreement, amendments to the Humphrey amendment will be limited to 30 minutes each.

Upon disposition of the Humphrey amendment, no further amendments will be in order. The Senate will proceed to vote on final passage of the military procurement authorization bill.

That about lines it up, so far as amendments are concerned.

Conceivably, an amendment can be offered at any one of two or three points tomorrow, but the time would be quite limited for debate thereon. But there are a few loose areas in which brief debate could be had on an amendment.

I understand, for example, that the Senator from Minnesota (Mr. MONDALE) has an amendment on which he thinks 10 minutes would be sufficient for both sides. No agreement to that effect has been entered into but, conceivably, that could come up tomorrow.

Upon final passage of the military procurement authorization bill tomorrow, the Senate will proceed to the consideration of S. 3523, a bill to establish a temporary National Commission on Supplies and Shortages. If that order has not been entered, Mr. President, I ask unanimous consent at this time that that be the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be several rollcall votes tomorrow. I would suggest that there would be at least five or six rollcall votes tomorrow.

Mr. GRIFFIN. Mr. President, I wonder whether, when two or more votes are on a back-to-back basis, we might not want to indicate to Senators that the votes following the first vote might be 10-minute rollcall votes rather than 15 minutes.

Mr. ROBERT C. BYRD. I think that is a very good suggestion. I will put that in the form of a unanimous-consent request at this time.

Mr. President, I ask unanimous consent that following the vote on the Jackson amendment tomorrow—which will be a 15-minute rollcall vote—that on any subsequent votes that follow consecutively behind that vote tomorrow, each such vote be a 10-minute rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and, at 7:05 p.m., the Senate adjourned until tomorrow, Tuesday, June 11, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 10, 1974:

FEDERAL ENERGY ADMINISTRATION

The following-named persons to be Assistant Administrators of the Federal Energy Administration (new positions):

Marmaduke Roberts Ligon, of Oklahoma.
Leonard B. Pouliot, of Virginia.
John W. Weber, of Connecticut.
Eric Roger Zausner, of Virginia.

U.S. TAX COURT

Richard C. Wilbur, of Maryland, to be a judge of the U.S. Tax Court for a term 15 years after he takes office, vice Austin Hoyt, retired.

IN THE ARMY

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Walter Edward Lotz, Jr., [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. Walter Philip Leber, [redacted] Army of the United States (major general, U.S. Army).

Lt. Gen. Raymond Leroy Shoemaker, [redacted], Army of the United States (major general. U.S. Army).

The following-named Army Medical Department officer for temporary appointment to the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general, Medical Corps

Brig. Gen. William A. Boyson, [redacted] Army of the United States (colonel, Medical Corps, U.S. Army).

The following-named officer for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general, Medical Corps

Brig. Gen. William A. Boyson, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

The U.S. Army Reserve officers named herein for promotion as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3384:

To be major general

Brig. Gen. William Stanford Smith, Jr., [redacted]

Brig. Gen. Edwin Burgess Taylor, [redacted]

To be brigadier general

Col. Donald Jordon Brown, SN [redacted], Infantry.

Col. James Carroll Crutcher, SSN [redacted] Medical Corps.

Col. John Sheldon Doud Eisenhower, SSN [redacted] Infantry.

Col. Leo Joseph Golash, Jr., [redacted], Infantry.

Col. George E. McGovern, Jr., [redacted], Field Artillery.

Col. Paul Leonard O'Brien, [redacted], Military Intelligence.

Col. Konald Arthur Prem, [redacted] Medical Corps.

Col. Frederick John Scheer, SSN [redacted] Civil Affairs.

I nominate the Army National Guard of the U.S. officers named herein for promotion as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3385:

To be major general

Brig. Gen. Thomas K. Turnage, SSN [redacted]

To be brigadier general

Col. Willard Keith Carey, [redacted] Armor.

Col. James Clay Daugherty, [redacted] Infantry.

Col. Curney Joseph Dronet, [redacted], Infantry.

Col. Harold Lloyd Gwatney, SSN [redacted], Infantry.

Col. George Robert Harper, [redacted], Armor.

Col. Francis Joseph Kelly, [redacted], Infantry.

Col. Collin McKinne, SSN [redacted] Field Artillery.

Col. Gillespie V. Montgomery, [redacted], Transportation Corps.

Col. William Jesse Mullins, Jr., [redacted], Infantry.

Col. Delmer Hilton Nichols, SSN [redacted] Armor.

Col. Salvador Monserrate Padilla, SSN [redacted] Infantry.

Col. Lawson McKinney Safley, SSN [redacted] Armor.

Col. Robert George Walker, [redacted] Infantry.

The Army National Guard of the U.S. officers named herein for appointment as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, section 293(a) and 3392:

To be major general

Col. John Richard Carson, [redacted], Ordnance Corps.

Brig. Gen. Wilfred Charles Menard, Jr., [redacted]

Brig. Gen. John James Womack, [redacted]

To be brigadier general

Col. William Kern Holoman, [redacted] Adjutant General's Corps.

Col. Reynold Lee Lopez, [redacted], Infantry.

Col. Franklin Everett Miles, [redacted], Air Defense Artillery.

Col. William John Sharrow, [redacted], Infantry.

Col. Charles Rhea Willis, [redacted], Armor.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be brigadier general

Col. Belisario D. J. Flores, [redacted] FG, Air National Guard.

Col. Charles J. Sullivan, [redacted] FG, Air National Guard.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

Ronald M. Abshire
Richard J. Ahlers
Thomas H. Aiken
Robert B. Alexander
Dwight R. Allen, Jr.
Rodney H. Alley, Jr.
Myrl W. Allinder, Jr.
Lewie E. Amick, Jr.
Donald E. Andersen
Ralph J. Appezzato
Curtis G. Arnold
Randall W. Austin
Horace W. Baker
William D. Bauer
Richard W. Beason
Frank S. Bell
Gene E. Berbaum
Daniel F. Bergen
James L. Blake
Robert D. Blanton
Harper L. Bohr, Jr.
Bruce B. Boman
Francis D. Booth
Ray W. Bowles
Curtis R. Brabec
James T. Brackman II
Glenn D. Bratcher
Arthur P. Brill, Jr.
Richard L. Brinegar
Oscar W. Britton
Edward W. Brown III
Larry K. Brown
Peter C. Brown
John H. Buchanan
Howard V. Bucknam
Joseph C. Burger, Jr.
John P. Burke
Arthur E. Burkhart
Eugene B. Burleson, Jr.
Robert D. Burnette
Frank H. Butler, Jr.
Charles E. Cannon
Frederick A. Carolan
John J. Carty
Christopher Catoe
James R. Caton
Ross C. Chaimson
Robert S. Charles
John C. Chambliss
Darcy L. Clasen
Ralph L. Close
Walter N. Collison, Jr.
Matthew T. Cooper
Donald H. Cormack
Matthew P. Caulfield
George W. Cumpston
Dennis M. Cunningham
James H. Curd
James R. Curl
John J. Czerwinski
Charles L. Daugherty, Jr.
Ronald K. Davia
Charles E. Davis III
Jay M. Davis, Jr.
William G. Davis
Bernard C. Day
Bennett R. Dean
Barrie O. Delp
Pasquale W. Demartino
Ruel O. Depoali
John H. Ditto
Charles A. Dixon
Dale D. Dorman
George H. Douse
Robert F. Edwards
John M. Eichelberger
Duane E. Eley
Gary E. Elliott
Philip C. English
Robert J. Esposito
Thomas J. Faleskie
Philip J. Fehlen
Billy M. Floyd
William C. Floyd
Edward B. Foster
Joseph G. Foti
Anthony J. Fraioli
Ray A. Fugate
Benjamin W. Gardner
James R. Gentry
Hal J. Gibson
Richard H. Glass
Charles J. Goode, Jr.
Francis L. Gould
Robert J. Graham
Joseph M. Gratto
John S. Grinalds
Donald D. Hall
Robert F. Hallett
William L. Hammack
William W. Harding, Jr.
John E. Harms
Gene B. Harrison
James E. Hayes
John A. Hellriegel
James E. Herlocker
John J. Hilgers W.
William P. Hillsman
Donald A. Hodgen
Pieter L. Hogaboom
James A. Honse
Samuel M. Horton
John J. Houtchens
Walter R. Huf
Edwin L. Huff
William H. Huffcut II
Donald R. Huffman
Richard D. Hughes
Jacob E. Iles
James D. Ingram
William R. Irwin
Jerry H. Jenkins
Stephen J. Jennings
Duane S. Jensen
Keller F. Johnson, Jr.
Robert M. Jordan
Paul G. Judkins
Francis M. Kauffman
Michael F. Keane, Jr.
Noel J. Keller
Leo J. Kelly
Richard A Kerr
Kenneth W. King, Sr.
James H. Kirkham
Roger E. Knapper
Robert C. Knowles, Jr.
Zane V. Lamascus
Robert F. Lang
Robert E. Langton
Joseph F. Lavin
Emanuel S. Lawbaugh, Jr.
Robert W. Layer
Willis D. Ledeboer
George T. Lengauer, Jr.
William H. Leonard
Floyd C. Lewis
Jerry D. Lindauer
John A. Linnemann
William E. Loftus
James S. Loop
William B. Ludwick
John M. Mahoney
David W. Mailler
Harrison A. Makeever
Charles H. Manazir
Richard W. Marsden
Franklin H. Marsh
Warren L. Martin
James D. Mattingly
Royal N. Moore, Jr.
Michael R. McDonough
Theodore R. McElroy
David L. McEvoy
Robert C. McFarlane
George D. McLaughlin, Jr.
John F. McNelly
Curtis D. McCraney
Howard W. Meissner
Ronald E. Merrihew
William C. Miesch
Anthony D. Miller
Donald E. Miller
Harl J. Miller
Richard A. Miller
Miles E. Mixson
Jesse G. Mulkey
Edward M. Mockler
Richard H Moore
Calvin M. Morris
John R. Murphy
Louis T. Nappi
George D. Navadel
Jay B. Nichols
James M. Nolan
Cledith E. Oakley
John F. O'Brien
Robert E. Odare
Glenn A. Olson
Jack L. Omer
Robert M. Ondrick
Joseph J. Oravits
Eugene L. Osmondson
Harold M. Owens
Charles R. Patton
Luther L. Payton, Jr.
Richard J. Pederson
Roy C. Peterson
Billy G. Phillips
William M. Pettigrew I
Harry F. Philson
Antonio F. Piracci
Ross S. Plasterer
Richard T. Poore
Donald A. Powell
Thomas M. Pratt III
Robert C. Prewitt
Richard S. Pyne
Richard C. Raines
John R. Rasavage
Jesse T. Randall
Werner F. Rebstock
Gerald F. Reczek
William A. Renner
Richard C. Reynolds
David L. Ross
James W. Ross
Joseph D. Ruane
Clifton L. Rushing, Jr.
Bobby G. Rutledge
Herbert F. Saeger
Francisco U. Salas
Michael D. Salmon
Ralph J. Salvati
James W. Sanders
Joseph P. Schultz
Richard J. Seed III
Phillip E. Shaw
James F. Sherry, Jr.
Robert D. Shoptaw
Robert E. Short
David K. Shroyer, Jr.
Patrick S. Simpson
William T. Sinnott
Ronald A. Smaldone
Joseph J. Smartz
Jerry R. Smiley
Karl S. Smith
Walter G. Smith, Jr.
James E. Sniffen
John F. Spangler
Henry C. Stackpole III
William L. Stein
Samuel H. Stevenson
Michael R. Stiavelli
Robert E. Stoffey
Doyle E. Stout
Jon A. Stuebe
Thomas A. Stumpf
Anthony W. Stremic
George J. Stremlow
Louis W. Sullivan
Billy M. Summerlin
Verl D. Sutton
Smith Sweeney
Merrill A. Sweitzer, Jr.
Wayne R. Swenson
Madison L. Taylor
Dale R. Thibault
Robert L. Thien
Daryl W. Thompson
Robert R. Thrasher
Russell B. Tiffany
James E. Toth
Paul B. Tubach
Henry W. Tutterow, Jr.
James H. Tutterrow
Richard H. Ulm
Robert J. Ulses
James L. Underwood
Richard L. Upchurch
George R. Vanhorn
John H. Vanniman
David G. Vest
David E. Vowell
Melvin N. Wall
Gerald E. Walsh
Warren S. Walters
William H. Walters
Kenneth D. Waters
David C. Watkins
Michael F. Welty
Paul E. Westphal, Jr.
Oliver M. Whipple, Jr.
Edward R. Whiting
John M. Willmarth
Robert B. Wilson
Abraham W. Wolson
Howard C. Wood
Leonard A. Wunderlich
Michael J. Zachodni

The following-named officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel:

Christopher J. Curran
William C. Ryan III
Calvin F. Simerly

HOUSE OF REPRESENTATIVES—*Monday, June 10, 1974*

The House met at 12 o'clock noon.

Rev. William Pryor, First Presbyterian Church, Victoria, Tex., offered the following prayer:

Let us speak to this Living and Eternal One.

We pray: Lord God, before whom the nations are born, rise, and pass away; we give You grateful thanks for this country of ours; for the noble heritage and the rich traditions in which we stand. You have blessed us in the past, and Your promises are the hope of our future.

Be strongly present with this group of men and women. They face momentous and critical decisions, and we pray that they might have the wisdom to seek Your guidance. Grant to them a vision of Your own divine will, that they might see the problems not as overwhelming—rather as opportunities for a better and finer tomorrow for each of the world's children.

Let us experience true peace, the calmness of heart and mind which comes from lives lived in Your presence and committed to Your service.

In Christ's own name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 14291. An act to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 13999) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. PELL, Mr. EAGLETON, Mr. CRANSTON, Mr. MONDALE, Mr. DOMINICK, and Mr. STAFFORD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 649. An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes; and

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

RECREATION SUPPORT PROGRAM FUNDS

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Speaker, it has come to my attention that the Department of Labor plans to distribute summer recreation support program funds in a manner wholly unlike past practice and unlike what the Congress intended when it provided for the program's continuation in the second supplemental appropriations bill.

I have now learned that the Department of Labor intends to distribute recreation support money this summer to 500 cities, over four times the number of communities normally receiving these funds. Obviously, a program expansion of this magnitude will necessitate a substantial reduction in funding for the cities having the greatest need and, I might add, for those cities Congress intended to receive RSP money. When Congress funded recreation support at essentially last year's funding level, it did not envision an expansion of the program as is planned by Labor. Congressional intent in this regard is made amply clear by the language in the House Appropriations Committee reports accompanying the second supplemental appropriations bill:

> The Committee strongly urges the continued support of the summer youth recreation programs, including the hiring of recreation aides and cost of youth transportation, *similar to the way this program has operated in the past* (emphasis added).

Recreation support is a big city program, originally designed to help "keep the cities cool" during the long, hot summer months when large numbers of youth are out of school and idle. Since 1970, recreation support funds have gone to approximately 120 of the Nation's largest cities—those having the largest concentrations of inner-city, disadvantaged youth who are too young to obtain employment—Chicago received $913,000 for operation of RSP last summer. Over the years the program has been operated so that basically the same cities have received basically the same amounts of money. The funding level has remained relatively stable, fluctuating between $12 and $15 million. This year's appropriation of $17 million—a slight increase over last year's appropriation—underscores the congressional intent in having the program operated in the same fashion as in previous years.

Mr. Speaker, it is evident to me the Department of Labor needs a stiff reminder of congressional intent as regards operation of this important program.

THE ROLLCALL CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I painfully point out to everyone in this Chamber that due to circumstances beyond our control, major league baseball has been plucked from the hands of Washington area residents once again.

Although I grieve this continued absence, I am pleased to announce that baseball in its purest form will again be played this year for the enjoyment of congressional baseball buffs. That annual struggle between political powerhouses—the rollcall congressional baseball game—will be played the night of July 30 at Memorial Stadium in Baltimore. The Baltimore Orioles have graciously consented to play an anticlimactic game against the Cleveland Indians following our contest.

Mr. Speaker, I call upon my Republican colleagues to stand up and meet the challenge offered by our Democratic counterparts. Yes, our side has won 10 games in a row, but this only means that we have a tradition to uphold. Even if you cannot belt one out of the park or strike out the entire Democrat team, we still need your support. Muster your staffs on July 30 for the charge up the Baltimore-Washington Parkway and lead them in cheering on to victory the great Republican baseball team.

Let us make this year a memorable one for Republican fans by outshouting, outhitting, and outscoring our mule-ish foes in that classic of congressional confrontations—the annual roll call congressional baseball game.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day.

The chair recognizes the gentleman from California (Mr. REES).

DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM ACT

Mr. REES. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, there is no one from the minority side here to object, or not object, to considering the bill in the House as in the Committee of the Whole.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 283]

Abdnor
Abzug
Addabbo
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Badillo
Bell
Biaggi
Bingham
Blatnik
Boland
Bolling
Brademas
Brinkley
Broyhill, N.C.
Burke, Calif.
Butler
Carey, N.Y.
Chisholm
Clark
Clay
Cleveland
Cochran
Collier
Conyers
Cotter
Crane
Davis, Ga.
Davis, S.C.
Denholm
Derwinski
Dickinson
Diggs
Donohue
Dorn
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Fish
Flowers
Fountain
Frelinghuysen
Giaimo
Gonzalez
Grasso
Gray
Green, Oreg.
Griffiths
Gubser
Gude
Gunter
Hammerschmidt
Hanley
Hansen, Wash.
Harrington
Hastings
Hébert
Hogan
Holifield
Holtzman
Howard
Huber
Hunt
Jones, Tenn.
Ketchum
Kluczynski
Kyros
Lagomarsino
Landgrebe
Landrum
Leggett
Lehman
McEwen
McKinney
McSpadden
Mann
Maraziti
Matsunaga
Meeds
Mink
Moss
Murphy, Ill.
Murphy, N.Y.
Nichols
Nix
O'Hara
Patten
Podell
Quie
Quillen
Railsback
Regula
Reid
Robison, N.Y.
Roe
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
Ryan
Sebelius
Seiberling
Skubitz
Spence
St Germain
Steed
Steele
Steiger, Wis.
Stratton
Stuckey
Studds
Thompson, N.J.
Treen
Udall
Waldie
Walsh
Ware
Whitten
Wyatt
Wydler
Wyman
Young, Alaska
Young, S.C.
Zwach

The SPEAKER. On this rollcall 302 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN REPORTS

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM ACT

The SPEAKER. Does the gentleman from California renew his request?

Mr. REES. Mr. Speaker, I do; by direction of the Committee on the District of Columbia, I call up the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 15074

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE DEFINITIONS

Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than $250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

Sec. 301. Establishment of the Office of Director.
Sec. 302. Powers of the Director.
Sec. 303. Duties of the Director.
Sec. 304. General Accounting Office to assist Board and Director.

TITLE IV—FINANCE LIMITATIONS

Sec. 401. General limitations.
Sec. 402. Limitation on expenditures.

TITLE V—LOBBYING

Sec. 501. Definitions.
Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.
Sec. 503. Receipts for contributions.
Sec. 504. Statements of accounts filed with Director.
Sec. 505. Preservation of statements.
Sec. 506. Persons to whom title is applicable.
Sec. 507. Registration of lobbyists with Director; compilation of information.
Sec. 508. Reports and statements under oath.
Sec. 509. Penalties and prohibitions.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

Sec. 601. Penalties and enforcement.
Sec. 602. Tax credit for campaign contributions.
Sec. 603. Use of surplus campaign funds.
Sec. 604. Voters' information pamphlets.
Sec. 605. A study of 1974 election and report by Council.
Sec. 606. Effective dates.
Sec. 607. Amendments to District of Columbia Election Act.
Sec. 608. Authority of Council.
Sec. 609. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

Sec. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform Act".

DEFINITIONS

Sec. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election to office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) obtained or authorized any other person to obtain nominating petitions to qualify himself for nomination for election, or election, to office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to office. A person who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal law.

(c) The term "office" means the office of Mayor of the District of Columbia, Chairman or member of the Council of the District of Columbia, member of the Board of Election of the District of Columbia, or an official of a political party.

(d) The term "official of a political party" means—

(1) national committeemen and national committeewomen;

(2) delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;

(3) alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and

(4) such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District of Columbia.

(e) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office. Such term shall include any committee, association, political fund, or other organization sponsored by or affiliated with a corporation or labor organization that is engaged in permissible activities under section 401(g) of this Act.

(f) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees;

(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose; and

(5) Notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include services provided without compensation, by individuals volunteering a portion or all of their time on behalf of a candidate or political committee.

(g) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether not legally enforceable, to make an expenditure;

(3) a transfer of funds between political committees; and

(4) notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include the incidental expenses (as defined by the Board) made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee.

(h) The term "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

(i) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections created by title III.

(j) The definitions of "contribution" and "expenditure" (provided in subsections (f) and (g) of this section) shall not be construed to include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 401(f), would not constitute a contribution or a contribution by that corporation or labor organization.

(k) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(l) The term "Board" means the District of Columbia Board of Elections established under the District of Columbia Election Act (D.C. Code, sec 1–1101 et seq.).

TITLE II—FINANCIAL DISCLOSURES

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other person has been designated and has agreed to perform the functions of treasurer. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution of $10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) Except for accounts of expenditures made out of the petty cash fund provided for under section 201(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of $10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) The treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections.".

PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate, except a principal campaign committee supporting the nomination or election of a candidate as an official of a political party may support the nomination or election of more than one such candidate, but may not support the nomination or election of a candidate for any public office.

(b) Each statement (including the statement of an organization required under section 204) or report that a political committee is required to file with or furnish to the Director under the provisions of this Act shall also be furnished, if that political committee is not a principal campaign committee, to the campaign committee for the candidate on whose behalf that political committee is accepting or making, or intends to accept or make, contributions or expenditures.

(c) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by other political committees, consolidate, and furnish the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidates. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board and such statements and reports thereof shall be furnished to the Director as it may require. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe.

(b) The statement of organization shall include—

(1) the name and address of the political committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the political committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the political committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(10) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall so notify the Director.

REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which he, or any person authorized by him (pursuant to section 401(g)) to do so, has received a contribution or made an expenditure in connection with his campaign or for the purposes of preparing to undertake his campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committee supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, and August, in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of $200 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value of $50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of $10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and offices sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe and a continuous reporting of its debts and obligations after the election at such periods as the Director may require until such debts and obligations are extinguished; and

(12) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of $50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

EXEMPTION FOR CANDIDATES WHO ANTICIPATE SPENDING LESS THAN $250

SEC. 209. Except for the provisions of subsections (c), (d), and (f) of section 202 and subsection (a) of section 205, the provisions of this title shall not apply to any candidate who anticipates spending or spends less than $250 in any one election and who has not designated a principal campaign committee. On the fifteenth day prior to the date of the election in which such candidate is entered, and on the thirtieth day after the date of such election, such candidate shall certify to the Director that he has not spent more than $250 in such election.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 210. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots, and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 211. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the Board of Elections for the District of Columbia the office of Director of Campaign Finance (hereinafter referred to as the "Director"). The Board shall appoint the Director without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 10 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director of the Board and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) To require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to adminster oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept gifts voluntary and uncompensated services.

Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

SEC. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as he may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director may, in the performance of its functions under this Act, request the assistance of the Comptroller General of the United States, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree.

TITLE IV—FINANCE LIMITATIONS

GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $1,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council $750;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $500;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, $200, and in the case of a runoff election, an additional $200; and

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $100, and in case of a runoff election, an additional $100.

(b) No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution which, and no person shall receive any contribution from any person (other than such an individual) which when aggregated with all other contributions received from that person, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $2,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, $1,500;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $1,000;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward $400, and in the case of a runoff election, an additional $400; and

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $200, and in the case of a runoff election, an additional $200.

For the purposes of this subsection, the term "person" shall include a candidate making contributions relating to his candidacy for nomination of election, or election, to office. Notwithstanding the preceding provisions of this subsection, a candidate for member of the Council elected from a ward may contribute $1,000 to his own campaign.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds $2,000.

(d)(1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purposes of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1.000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

(i) the candidate name appears,

(ii) a photograph or drawing of the candidate appears, or

(iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation, bank, or labor organization which, under the provisions of section 401(g) would not constitute an expenditure by that corporation, bank, or labor organization.

(4) Every candidate shall file a statement with the Board, in such manner and form and at such times as the Board may prescribe, authorizing any person or any political committee organized primarily to support the candidacy of such candidate to either directly or indirectly, receive contributions, or make expenditures in behalf of, such candidate. No person and no committee organized primarily to support a single candidate may, either directly or indirectly, receive contributions or make expenditures in behalf of, such candidate without the written authorization of such candidate as required by this paragraph.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of $50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) No corporation or labor organization may make any contribution or expenditure for the purpose of promoting or opposing any political party, political committee, or candidate for the nomination or election to office in the District of Columbia. No person may accept from a corporation, bank, or labor organization any contribution for an election in the District of Columbia. This section does not prohibit communications by a corporation to its stockholders and their families or by a labor organization to its members and their families on any subject; nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and their families, or by a labor organization aimed at its members and their families; the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization. In addition, the provisions of this subsection shall not apply to any principal campaign committee or political party which is incorporated.

(h) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

LIMITATION ON EXPENDITURES

Sec. 402. (a)(1) No principal campaign committee shall expend any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed in any single campaign $150,000 for a candidate for Mayor, $100,000 for a candidate for Chairman of the Council, $75,000 for a candidate for member of the Council elected at large, or $20,000 for a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, or $10,000 for a candidate for member of the Board of Education elected from a ward, or in support of any candidate for officer of a political party.

(2) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Board and the Board shall publish in the District of Columbia Register the per centum difference between the price index for the twelve months preceding the beginning of calendar year and the price index for 1974. Each amount determined under paragraph (1) shall be changed by such per centum difference. Each amount so changed shall be the amount in effect for such calendar year.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expending funds or which would cause such principal campaign committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

TITLE V—LOBBYING

DEFINITION

Sec. 501. When used in this title—

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expediture.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the District of Columbia Council and includes any other matter which may be the subject of action by the District of Columbia Council.

DETAILED ACCOUNTS OF CONTRIBUTIONS; RETENTION OF RECEIPTED BILLS OF EXPENDITURES

Sec. 502. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) all contributions of any amount or of any value whatsoever;

(2) the name and address of every person making any such contribution of $200 or more and the date thereof;

(3) all expenditures made by or on behalf of such organization or fund; and

(4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding $10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

RECEIPTS FOR CONTRIBUTIONS

Sec. 503. Every individual who receives a contribution of $200 or more or any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution and the date on which recevied.

STATEMENT OF ACCOUNTS FILED WITH DIRECTOR

Sec. 504. (a; Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 506 of this title shall file with the Director between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of $200 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $200 or more to such person since January 2, 1975;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1) of this subsection;

(3) the total sum of all contributions made to or for such person during the calender year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4) of this subsection;

(6) the total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

PRESERVATION OF STATEMENTS

Sec. 505. A statement required by this title to be filed with the Director—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Director, Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Director of its nonreceipt;

(b) shall be preserved by the Director for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

PERSONS TO WHOM TITLE IS APPLICABLE

Sec. 506. The provisions of this title shall apply to any person (except a political committee) who, by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the District of Columbia Council.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the District of Columbia Council.

REGISTRATION OF LOBBYISTS WITH DIRECTOR; COMPILATION OF INFORMATION

Sec. 507. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the District of Columbia Council shall, before doing anything in furtherance of such object, register with the Director and shall give to him in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Director a detailed report under oath of all money received and extended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this action shall not apply to any person who merely appears before a committee of the District of Columbia Council in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the District of Columbia Council in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Director shall be compiled by the Director as soon as practical after the close of the calendar quarter with respect to which such information is filed and shall be printed in the district of Columbia Register.

REPORTS AND STATEMENTS UNDER OATH

Sec. 508. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES AND PROHIBITIONS

Sec. 509. (a) Any person who violates any of the provisions of this title, shall be guilty of a misdemeanor, and shall be punished by a fine of not more than $5,000 or imprisonment for not more than twelve months, or both.

(b) In addition to the penalties provided for in subsection (a) of this section, any person convicted of the misdemeanor specified therein is prohibited, for a period of three years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the District of Columbia Council in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall be guilty of a felony, and shall be punished by a fine of not more than $10,000, or imprisonment for not more than five years, or both.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

SEC. 601. (a) Any person or political committee who violates any of the provisions of this Act shall be fined not more than $5,000, or shall be imprisoned for not longer than six months, or both.

(b) The penalties provided in subsection (a) shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calendar year 1974.

(c) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

SEC. 602. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47-1567—47-1567e) is amended by adding at the end of that title the following:

"SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBUTIONS.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of $12.50, or $25 in the case of married persons filing a joint return.

"(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following: "Sec. 7. Credit for campaign contributions.".

USE OF SURPLUS CAMPAIGN FUNDS

SEC. 603. Within the limitations specified in this Act, any surplus or unexpended campaign funds may be contributed to a political party for political purposes, or may be used to retire the proper debts of the political committee which received such funds. In addition, such funds may be contributed to educational or charitable organizations, or may be preserved for use in future campaigns of that candidate for whom the funds were contributed for the same office.

VOTERS' INFORMATION PAMPHLETS

SEC. 604. (a) Not sooner than thirty five days nor later than twenty days prior to each election (except a runoff election), the Board shall mail to each registered qualified elector a voters' information pamphlet containing campaign statements and photographs of candidates in that election who submit such information, as provided in this section.

(b) Not later than forty-five days before each election, any qualified candidate (as determined by the Board) seeking nomination or election in that election may file with the Board a photograph of the candidate and a typewritten statement (which shall include no drawings or other illustrative material) setting forth the—

(1) full name of the candiate, the office sought, and his party affiliation, if any; and include

(2) reasons why the candidate believes he should be nominated or elected to office. No such statement or photograph of any person who is the sole candidate for election for any office shall be included in the pamphlet.

(c) Each candidate for nomination or election to an office elected at large may submit statements not to exceed two hundred and fifty words and such a candidate for office elected from a ward may submit statements not to exceed one hundred and fifty words.

(d) Each candidate for nomination or election to an office elected at large shall be allowed no more than one-half of a page of space, and each candidate for nomination or election to any other office shall be allowed no more than one-quarter of a page of space, in the voters' pamphlet.

(e) Each candidate who submits a statement and portrait cut for inclusion in the voters' information pamphlet shall pay to the Board a fee as follows:

(1) Candidates for an office elected at large shall pay a fee of $100.

(2) Candidates for office elected from a ward shall pay a fee of $75.

(f) No statement submitted by any candidate shall contain any obscene, profane, libelous or defamatory matter, as determined by the Board. The Board shall, within three days after receipt, notify a candidate that a statement or portion of such statement contains such matter. Within five days after a candidate has been so notified by the Board, he may request and shall be granted a hearing by the Board. A decision by the Board shall be final upon the acceptance or rejection of the matter in controversy.

(g) The Board may include in the voters' information pamphlets information regarding voter registration, polling places, election districts, and other similar matter.

(h) For the purposes of this section, the term "photograph" means a conventional photograph, not more than three years old, of the face or face and bust of a candidate (which shall not include more than the head, neck and shoulders of the candidate), and not a cartoon, caricature, or similar representation, suitably prepared and processed for printing as prescribed by the Board. A portrait cut shall not show the candidate wearing a military, police or other uniform, or a judicial robe. The background shown in the portrait cut shall be plain.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

SEC. 605. (a) The District of Columbia Council shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of the District of Columbia Campaign Finance Reform Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of those Acts so as to improve electoral machinery and to insure open, fair, and effective election campaigns in the District of Columbia. Such hearings and investigations shall consider, but not be limited to, the following:

(A) The provision of partial or complete public financing of elections in the District of Columbia.

(B) The assurance of fair and impartial administration and enforement of campaign finance laws in the District of Columbia, through the creation of an independent commission, the restructuring of the Board of Elections, or other appropriate means.

(C) The modification of the election laws in the District of Columbia to require comparative signature books at voting places, voting machines, frequent purging of ineligible voters, and other means to prevent voting fraud.

(D) The regulation of lobbying activities.

(E) The modification of expenditure and contribution limitations specified in this Act in order that campaign costs can be maintained at the lowest level at which full and fair election campaigns can be waged.

(F) The advisability of an act for the District of Columbia relating to the question of conflict of interest, and requiring the disclosure of the financial interests of candidates for public office, public officials, and of certain government employees.

(G) The regulation of campaign practices (including campaign finance matters) of political party officials and politial parties.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this section shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

SEC. 606. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that informaion required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1-1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles, I, III, and VI of this Act shall take effect on the date of enactment of this Act.

(c) Title V of this Act shall take effect January 2, 1975.

AMENDMENTS OF DISTRICT OF COLUMBIA ELECTION ACT

SEC. 607. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1-1113) is amended to read as follows:

"AUTHORIZATION

"SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act".

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1-1104) is amended to read as follows:

"(b) Each members of the Board shall be paid compensation at the rate of $75 per day, with a limit of $11,250 per annum, while performing duties under this Act, except during 1974 such compensation shall be paid without regard to such annual limitation.".

(c) The last sentence of section 3 of such Act (D.C. Code, sec. 1-1103) is amended by inserting ", who shall serve in a full-time capacity" immediately after "Board".

(d) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

AUTHORITY OF COUNCIL

SEC. 608. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 609. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

With the following committee amendments:

On page 18, beginning in line 24, strike out "(c), (d), and (f) of information pamphlets," and renumber items 605, 606, 607, 608, and 609, as 604, 605, 606, 607, and 608, respectively.

On page 18, beginning in line 24, strike out "(c), (d), and (f) of section 202" and insert in lieu thereof "(c) and (d) of section 201".

On page 32, line 1, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 32, line 3, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, line 16, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, beginning on line 18, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, line 25, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 36, line 19, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 37, beginning on line 5, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 38, line 3, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 38, line 11, insert "ELECTION" immediately after "1974".

On page 40, strike out line 19 and all that follows down through line 3 on page 43.

On page 43, strike out line 5 and insert in lieu thereof "Sec. 604.(a) The Council of the District of Columbia shall,".

On page 44, line 24, strike out "606" and insert in lieu thereof "605".

On page 45, line 13, strike out "607" and insert in lieu thereof "606".

On page 45, line 24, strike out "members" and insert in lieu thereof "member".

On page 45, insert a comma immediately following "day".

On page 46, line 14, strike out "608" and insert in lieu thereof "607".

On page 46, line 2, strike out "609" and insert in lieu thereof "608".

The committee amendments were agreed to.

Mr. REES. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of the bill before us, H.R. 15074, is to regulate campaign finance practices in the District of Columbia. The bill is necessary because the voters of the District of Columbia approved home rule, and we will be having an elected mayor and an elected city council in the District of Columbia.

The primary election is in September, and the final election is in November.

The bill that we have before us was developed by the Government Operations Subcommittee chaired by the gentleman from Washington (Mr. Adams) was voted out unanimously by that subcommittee and also voted out unanimously by the full Committee on District of Columbia.

The major provisions of the bill provide, one, for the requiring of financial disclosure of all contributions of $50 or more to a political campaign by candidates and committees; two, the creation of an Office of Director of Campaign Finance within the Board of Elections to administer the program of reporting and enforcement of limitations; three, limiting individual contributions to a candidate for mayor during the entire primary and general election span to $1,000, and limiting organization and group contributions to $2,000, with lower dollar limits for members of the Council at Large and members of the Council from wards. We also limit unauthorized expenditure in support of or in opposition to a candidate of $1,000 a year.

The cash contributions are limited to less than $50. We put a prohibition on both labor and corporate contributions. It is the same language that limits corporate and labor contributions in Federal campaigns. We set a ceiling for a candidate's committee and all other supporting committees of $150,000 in the primary and $150,000 in the general election for the mayor's race, and we also have limitations for the race, again, for a member of the City Council at Large and a member of the City Council of wards, and also members of the School Board.

There is also language that will require registration of lobbyists, and it provides for a detailed system of accounts and payments made.

We establish penalties, to require the City Council to make a study of the campaign law next year to see if it worked or not. We also authorize under the concept of home rule the City Council to amend this bill.

I think that the bill does represent a good system of campaign financing for the District of Columbia. It was worked on very diligently. Hearings were held, and members of the community were heard from.

Mr. Speaker, I ask for approval of the bill.

Mr. NELSEN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I favor the passage of H.R. 15074 for the reasons stated in my additional views in the report accompanying this bill. I take this opportunity to insert in the Record those views so that they may be available as part of the legislative history of this legislation.

Additional Views of Congressman Ancher Nelsen

INTRODUCTION

I generally support this bill because there is a definite need for the regulation of certain political campaign finance practices in the District during the first elections this fall. Indeed, there is a need for prompt action on this bill now, inasmuch as the primary filing date has passed, and over 120 candidates for local office are scheduled to be on the primary ballot.

DOES NOT SUPPORT PARTISAN ELECTIONS

I wish to make clear that while I generally support this bill, I do not wish to have my support construed in any way as supportive of partisan elections in the District of Columbia. I am not a co-sponsor of this bill.

There are those who may say that this should have been part of the home rule bill, which was brought to the Floor by the Committee last fall in the First Session. However, the urgency of the need for such legislation was lacking at that time. The home rule bill when it was presented on the Floor by the Committee did not contain provisions for partisan elections in the District. It was only in the House-Senate Conference where that particular provision was reversed so that partisan elections were provided for in the bill's final enactment. I refused to sign the Conference Report on that bill because the Report provided for partisan elections in the District. Because a large number of Federal and local employees who are voters are covered by the Hatch Act in the District, I viewed partisan elections as a denial of true home rule and self-government as it had been traditionally discussed in the Committee and debated on the Floor of the House.

Moreover, this is the second time we come to the House Floor with a bill that is the result of the D.C. Self-Government Act calling for partisan elections. The first instance had to do with an amendment to a relatively simple insurance bill that provided that the mayor and the members of the City Council be permitted to run for election without having mass resignations because they were covered by the Hatch Act. This bill, in turn, largely stems from the partisan election provisions in the Home Rule Act. It is true that there perhaps would be some need for future regulation of campaign financing practices in the District, even with non-partisan elections. However, the partisan election aspects of home rule, in my opinion, greatly accentuate the need for this type of bill, and the seriousness of certain practices which could occur during the forthcoming election in the District of Columbia if there are not certain amendments to the existing campaign finance practices.

PENDING FEDERAL LEGISLATION

I am mindful that the House Administration Committee is currently working on a bill that would regulate certain political campaign finance practices in Federal elections. However, I believe that time and circumstances dictate that we move on this local election bill at this time. Differing circumstances, views and facts and different conclusions based thereon, as they relate to any Federal legislation which may be submitted to this Body, may result in different positions being taken on a bill that will apply nationwide in contrast to one that will apply within the relatively small geographic area of the District of Columbia with some 250,000 registered voters.

LOBBYING

I introduced an amendment before the Full Committee that now comprises Title 5 of this bill. It regulates lobbying in the District of Columbia as it may be conducted before or with the District of Columbia Council. It tracks very closely with the Federal lobbying law with some minor adjustments that recognize the local aspects of this bill. Under the Home Rule Act all acts passed by the District of Columbia Council will lay over in one fashion or another to the Congress before becoming law. It appears to me to be entirely rational and consistent that individuals who lobby the local Council should be identified in the same way as they are in the Congress. The same rationale for the need for a Federal lobbying act can be said to exist for the local lobbying provisions now that the Congress has delegated certain legislative authority to the Council.

NOT IN FAVOR OF PUBLIC FINANCING OF POLITICAL CAMPAIGNS

I opposed the public financing of local provisions (either partial or complete) contained in the bills considered in the Full Committee. However, the thrust of this bill, it is my understanding, is to give broader participation in the form of contributions by the general public to the political campaigns of individuals seeking elective office. It seems to me that every effort should be made to broaden this voluntary citizen participation. A provision in the bill giving a tax credit under the D.C. income tax laws for campaign contributions moves in this direction.

Certainly other avenues to increase the citizens' participation in political campaigns by way of financial contributions, including services in kind, can and should be encouraged. There is considerable effort that can be taken along these lines that have not yet, in my opinion, been fully explored. A major effort along these lines is much preferable, in my opinion, than abruptly turning to public financing of local elections. For instance, if the airwaves are considered to be in the public domain, as evidenced by the Federal regulation of radio and television, then certainly some additional exploration of public service announcements urging broader public participation in elections and some consideration of free or low cost time on radio and television to air the political views of candidates should be closely examined in the interest of serving the public as far as political campaigns are concerned.

Direct public financing of elections, in my opinion, would bureaucratize and institutionalize the financing of elections. They would institutionalize the financing and participation in elections by inserting a third party—in this case the government—between the voter-contributor and his candidate. The voter-contributor would tend to be isolated from the decisions made with respect to those programs or tasks undertaken by the government bureau assigned the function of regulating and financing political campaigns. During my service with the government in elective office, I have seen a tremendous growth in the burdens of the government that have been shifted from the private sector to the government. Inevitably, when those shifts have occurred, that burden or function assumed by the government has been swallowed up and in some cases smothered by policymakers and government functionaires, who eagerly embrace procrastination, appraisal and reappraisal, compromise, and unending legalistic rules and regulations. In my opinion, public financing will lead to countless Constitutional issues involving an individual's right to support a particular candidate, as well as those involving the governmental selection, regulation, and financing of particular candidates to the possible detriment of (or involving discrimination with respect to) other candidates. My experience has led me to conclude that that government governs best which governs least, and I deplore the rate and extent to which we have transferred responsibility from the private sector (and even the family in some instances) to the government, both Federal and local. Public financing of political campaigns is yet another step in this same direction, a step which I feel would be a mistake and do not endorse. It is particularly unwarranted, in my opinion, as it relates to public financing of political campaigns, because other alternatives for fuller participation on the part of the voters and the citizens have not nearly begun to be fully explored or utilized.

I fear that under public financing of political campaigns the unqualified, the insincere and non-serious seeker of public office will be treated the same as the individual who is highly qualified, hard working, and very serious. Yet, the taxpayers would have to bear the cost of non-serious candidates who may only seek personal publicity. It is my opinion that in the course of a general campaign as it is now, the voter-contributor makes his own decision as to which candidate he prefers and which one he will support, not only with his vote but with his contribution. Under public financing, some committee, some bureau will be making these decisions in a manner which could very well be substantially adverse to the public good.

I wish to make it very plain and clear that the inclusion of Section 605(a)(A) calling for the Council to study public financing of elections is in no way an expression of my approval or endorsement of that method. On the contrary, I disapprove of that method of financing political campaigns.

ANCHER NELSEN.

There is an urgency about this legislation which exists, in my opinion, because in the home rule legislation we provided for partisan elections in the District of Columbia. If we had gone the nonpartisan election route, certainly the urgency for this legislation would be not nearly as acute as it is today. I know that the House did not favor partisan elections in the District, and, therefore, the home rule bill, when it was considered on the floor of the House, did not contain such a provision—but rather contained nonpartisan elections. Unfortunately, the partisan elections crept into the home rule legislation in the course of the conference.

With the partisan elections and certain gaps in the existing election campaign legislation in the District, I feel compelled to strongly urge you to vote for this piece of legislation.

As I stated in my additional views in the report accompanying the bill, I believe that the positions taken in this particular piece of legislation need not necessarily be binding to the membership when, as, and if it later taken up Federal legislation regarding campaign reform. This is basically a local bill, which will be in effect for this election, and if in 1975 the locally elected council wishes to alter, revise, repeal, and so forth, certainly they have the authority in the home rule legislation to do that.

I do strongly favor the lobbying provisions contained in title V of this bill. It was my amendment that placed these particular provisions in the bill. Title V tracks very closely with Federal legislation having to do with lobbying in the Congress, and I do not believe that compliance with its provisions will be in any way burdensome—on the other hand, will be very much in the public interest—if enacted into law.

There are a number of provisions in this bill on disclosures and on the controversial. However, I think in the circumstances since the bill will only apply to the first election and may be amended subsequently by the City Council, perfecting amendments can be taken up by the local government at a future date.

In conclusion, I urge your support of this legislation.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 43, line 19 after the period, strike out all that follows down through and including line 20 on page 44.

Mr. FRENZEL. Mr. Speaker, when I circulated a Dear Colleague letter on H.R. 15074 last week, I indicated that my amendment would strike only the subsection directing the District of Columbia Council to hold hearings on partial and public financing of elections.

The amendment which I am now offering strikes all of the items, (A) through (G), on pages 43 and 44 which direct the Council to consider specific aspects of election, registration, lobbying and disclosure.

It was public financing which called my attention to this section, and I do hope that this House will pass no legislation which indicates in any way that it is supportive of public financing, particularly in non-Federal elections.

However, because I have such strong feelings about home rule and about the rights of local people to make local decisions, I have expanded my amendment to strike all of the things that the committee would like the Council to study.

I strongly believe that the local Council will study those things which are important to local people. This House, and this Congress, has no business telling the local Council how it should handle its election laws, especially after we have just voted the District a form of home rule.

Some of the things that the committee bill asks the Council to study are features I like, such as creation of an independent commission and a study of the need to require comparative signature books at voting places. Nevertheless, I think the overriding consideration should be that when we voted for home rule for the District, though it may not have been complete home rule, we really meant it. I do not think we should be put in a position where we are literally repudiating that home rule which only became law last Christmas eve.

Even though my amendment is much broader and rests on much broader philosophic choice than the objection on public financing, I would like to point out some of the problems of public financing within the District. Unless special tax were laid on residents or district property to carry election costs, it could be said that public financing would be provided by all the taxpayers of this country, at least up to 40 percent through the Federal payment to the District. I do not think my constituents would be interested in making that contribution.

Another interesting statistic is that over 120 candidates for the local election are running in the September primary. The District residents may wish to finance that many candidates, but again, I suspect that people from the State of Minnesota would not have any enthusiasm for such a project. The cost of financing a flock of mayoralty and chairman candidates at $150,000 a copy is staggering, and it illustrates one of the real arguments against public financing. If we have 120 candidates willing to run under the old rules, if public financing ever becomes law we will have twice that many interested in running.

I urge the adoption of my amendment by all those people who believe that we really meant it when we established home rule within the District and suggest those people who, as I do, oppose public financing will certainly want to vote for the amendment, least the House be taking a tacit position in favor of public financing.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. Is there anything in the bill as it now stands, without the gentleman's amendment, that requires Federal financing of an election in the District of Columbia?

Mr. FRENZEL. Insofar as I am aware, this is the only reference.

Mr. GROSS. This is the only reference?

Mr. FRENZEL. Yes.

Mr. GROSS. And the gentleman's amendment would strike that provision that would in any way make it possible to use Federal funds?

Mr. FRENZEL. That is correct.

Mr. GROSS. I agree with the gentleman's amendment.

Mr. ADAMS. Mr. Speaker, I rise in opposition to the amendment.

I appreciate very much the feeling of the gentleman from Minnesota and his belief in home rule and that the local City Council should decide its own decisions, make its own decisions on whether or not it wants certain types of campaign financing in the District of Columbia and campaign regulations. I believe the same thing.

I want to echo again the comments of the gentleman from Minnesota (Mr. NELSEN) and those of the gentleman from California (Mr. REES) that this bill is simply for this election, that we certainly expect the City Council once it is elected to decide how it wants to have elections for the positions in this area conducted, as is done in every other jurisdiction in the United States.

However, at the subcommittee level, and I chaired the subcommittee on this matter, we had many proposals before us. We had at least three separate bills. We had a number of witnesses who testified on specific items that they believed in. Those recommendations are included in this section that starts on page 43.

There was a strong recommendation for public financing of campaigns. I happen to believe that this is where the elections in the United States are going and I happen to believe in public financing; but we have not tried to put it in this bill because it would make this bill controversial. None of us wanted to come on this floor and attempt to defend an election disclosure bill as a public financing of campaigns bill, because we felt that would not pass the House; so it is not in this bill, to answer the gentleman from Iowa; but we did feel we should state to the City Council that this was considered, that the witnesses before our subcommittee which held most of the hearings indicated strongly it should be done.

I think public financing should be done first in the final elections. I think in primary elections, as the gentleman points out, with 140 or 160 candidates, whatever it might be in any election, that primary must be handled in a different fashion than final elections.

Notice also there is a regulation of lobbying activities. We requested that the Council study that and other specific items. These were all brought up by members of the subcommittee or by members of the full committee and strongly supported by witnesses; but we felt these were more controversial and we felt this should be a bare-bones bill that will easily pass the House. We have got to say that local candidates must disclose and they must have a single campaign depository. Limits have also been put on the campaigns. All the things the gentleman wants to strike are simply things we are trying to give the local City Council the benefit of the experience the Congress has had in going through this process. We are only saying to them, "Look at these things, make your own decision," so that the election process here builds on itself thus they will not start with little knowledge as to what we have studied in the Congress, what was recommended to the subcommittee and what we felt was too controversial to try to pass.

So I hope that this amendment will be defeated. These are simply directions to the City Council, when they are elected, to study these things. I hope they will study them and then either accept or reject them; but we are trying to give to them the benefit of the days of hearings that we had and all the witnesses that were before us. So I urge the Members to defeat this amendment and leave it in the bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I am curious to know where, in the language of the bill, appears the limitation which is expressed on page 5 of the report, under title IV, which says:

> Organizations and groups—in contrast to individuals—may make contributions totaling $2,000 for the Mayor's campaign and lessor amounts for other candidates. These limits are twice the amounts set for contributions by individuals.

Mr. Speaker, I have difficulty finding it in the language of the bill.

Mr. REES. Mr. Speaker, will the gentleman yield to me?

Mr. ADAMS. Mr. Speaker, I yield to the gentleman from California.

Mr. REES. Mr. Speaker, the limitation language in the bill is title IV on page 24. The limitations start on page 25, line 3.

Mr. BROWN of Ohio. I am still curious as to where the specific language is.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

(At the request of Mr. REES and by unanimous consent Mr. ADAMS was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield further, my question is, in the report appears this language:

> Organizations and groups—in contrast to individuals—may make contributions totaling $2,000 for the Mayor's campaign and lessor amounts for other candidates. These limits are twice the amounts set for contributions by individuals.

My difficulty is in finding the language in the bill to which that specific reference refers.

Mr. ADAMS. If the gentleman will look on page 25, line 19, it starts at section (b):

> No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution.

And so forth.

The "person" in the definitional section is defined as groups or as organizations. In other words, the term "person" covers a broader definition than the term "individual."

Then, if the gentleman will turn to the next page, he will notice where it says that they may not contribute more than——

Mr. BROWN of Ohio. Let me ask how that would be applied with reference to an individual, and then this odd definition of "person," which apparently means more than one individual.

Suppose I chose to give my $1,000 limit under section 401(a) to a candidate, and then wanted to combine with the gentleman from Washington to give additional funds to another candidate or to that same candidate. Could I then do that and fall both within the definitions of 401(a) and 401(b), and wind up giving an aggregate of $1,000 on my own and apparently participate in an aggregate amount of $2,000 with one or more other people?

Mr. ADAMS. No, that could not be done. As an individual, he is limited to the amount he can give directly or through an organization to a candidate. He cannot give it directly to an organization if there is anything in that organization or in that group which indicates the contribution to be earmarked.

For example, he could give a general contribution to the Republican party for $1,000, and he could give $1,000 to a candidate. Then, if the Republican party in its wisdom, out of its total funds, decided to give money to that same candidate, the gentleman would not be bound. However, he cannot go through a subterfuge of, say, giving $1,000 to the campaign committee for a particular candidate and then going to another group which says, "We have formed a campaign group called the XYZ group, which is going to contribute money to this candidate, and we will funnel the money through." That is known as a third party contribution.

Mr. REES. Mr. Speaker, will the gentleman yield further?

Mr. ADAMS. I yield to the gentleman from California.

Mr. REES. Mr. Speaker, in addressing myself to the question of the gentleman from Ohio, on page 26, line 25, it says:

> (c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by the individual in that election exceeds $2,000.

So, for a primary and a final it would be $4,000 limitation on all candidates and all offices.

Mr. BROWN of Ohio. Mr. Speaker, I would like to pursue this because I want to understand whether the gentleman is closing loopholes or creating additional loopholes.

Suppose I belong to an organization made up of 10 people. Each one of those people wants to give $1,000. Can we then combine into five committees and have each committee give $2,000?

In other words, the gentleman mentioned the Republican Party. I assume this applies to the Democratic Party, or to a local union of some kind. Can that union give Clean Government Committee, 1, Honest Government Committee, 2, Good Government Committee, 3, and so forth, $2,000 in the name of each of those groups?

Mr. ADAMS. In my opinion, they could not form, in effect, dummy committees which solicit funds in excess of the individual's $2,000 maximum contribution.

Mr. BROWN of Ohio. Can you cite for me the place where that is prohibited?

Mr. ADAMS. This comes in the monetary part. It shows how difficult these campaign disclosure and limitation laws are. We said in here that each candidate has to have just one committee. In other words, he cannot form dummy committees.

Mr. BROWN of Ohio. But that is a receipt committee, is it not?

The SPEAKER pro tempore. The time of the gentleman has again expired.

(On request of Mr. REES, and by unanimous consent, Mr. ADAMS was allowed to proceed for 5 additional minutes.)

Mr. ADAMS. Mr. Speaker, I want to add that everything that goes in or out of the candidate's control must go to the principal campaign committee in one campaign, so he must list these various groups that the gentleman referred to.

The limit stated by the gentleman from California on pages 25 and 27 limits one's total participations as an individual in the election, no matter how many groups anyone may want to contribute to. That is the purpose of that section. It does not permit, within that total limit, the joining of several groups and the contribution of parts of one's limit to each one of them.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ADAMS. Yes, I yield.

Mr. BROWN of Ohio. Mr. Speaker, is there, then, a provision whereby Good Government Committee A, Clean Government Committee B, and Honest Government Committee C make full disclosure of the individuals who contribute to their various organizations?

Mr. ADAMS. Yes.

Mr. BROWN of Ohio. So that, in fact, the individual donation can be monitored?

Mr. ADAMS. Yes. They are required to report if they are going to contribute in this election, what they put in and what they get out, so that within the reporting system you know who has contributed into the committee, and who has contributed out. The candidate, as an individual, knows where what he gets comes from, and the candidate is responsible for seeing that his limits are not violated.

Mr. BROWN of Ohio. Mr. Speaker, let me be clear. Let us say that I as an individual want to give the maximum of $1,000 that I am allowed to give under this law in a campaign. That is the limit.

Mr. ADAMS. As an individual, you may contribute $2,000 in all of the races.

Mr. BROWN of Ohio. All right. Let us make that $2,000, then. There is this section under the law providing that if I give $1,000 to the Republican Party, $1,000 to the Boilermakers Union, and $1,000 to these Good Government Committee A, Good Government Committee B, and Good Government Committee C, I will be caught; is that correct?

Mr. ADAMS. One may not do that because that is in excess of $2,000.

Mr. BROWN of Ohio. How will I be caught?

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. ADAMS. Yes, I will yield to the gentleman from California.

Mr. REES. Mr. Speaker, if the gentleman will yield, on page 29, section (h), it says:

> All contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

Also, on page 5 we have a definition of a contribution being a transfer of funds between political committees, so I think that with these two, you zero in on that.

Mr. BROWN of Ohio. If the gentleman will yield, I will not earmark those funds. I will just give them to somebody I know who is going to give them to the candidate I favor, but I will be identified, is that correct?

This is one of the things that I would like to have this local committee study because I think that has been the traditional loophole, what I describe here, where one individual or organizations which wish is to contribute massively to individual campaigns has been doing it.

I just want to be sure that the Republican Party, the Democratic Party, the labor unions, the chamber of commerce, or the hotel operators or whoever it is, do not divide up into a lot of different committees and thereby put their money into all of these different committees and still try to buy elections.

I might further thank the gentleman in the well and my colleague from the 89th Congress for assuring me that this has been prohibited under the language of this legislation.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, there is a definition contained on page 21, and it is, of course, defined on page 3 of the bill.

As I understand the law further, it is true, is it not, when we are talking about a limitation of $1,000 or $2,000 per person, that means $1,000 for an individual for an election, an election being one candidate in one race?

Mr. REES. No. Mr. Speaker, if the gentleman will yield further, the law allows no individual to make any contribution in any one election—and that could be the primary, say, coming up in September—of more than $2,000, so an individual is absolutely limited, although he might be for two candidates for council and one candidate for mayor. He would more or less have to figure out in advance how he could give these contributions so that the amount would not go over $2,000 for a primary.

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield further, I do not think the bill says that, but it is nice to know what the committee intended, that in any one campaign he can only give $1,000 or $2,000.

Mr. BROWN of Ohio. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I would like to ask for one further comment from the gentleman from California (Mr. REES), who, I gather, is the author of the legislation, or at least he must be the chairman of the subcommittee.

Mr. REES. No. I was just here on Monday.

Mr. BROWN of Ohio. The gentleman, however, does support the committee's legislation?

Mr. REES. Yes. Mr. Speaker, if the gentleman will yield, I will state that I do support the legislation.

Mr. BROWN of Ohio. And the gentleman is here to respond to my questions, and my first question is this: Can I accept what the gentleman from California and the gentleman from Washington have assured me in the previous colloquy under the time of the gentleman from Washington (Mr. ADAMS) as to their understanding of the effect of the language of the legislation? Or can I assume that I have the assurance of the gentleman from California and of the gentleman from Washington that we will have the opportunity to have this matter further studied and modifying legislation prepared that would accomplish the purposes which the gentleman stated, in case the technical language in the legislation does not do that?

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. REES. Mr. Speaker, this is the intent of the Committee on the District of Columbia. We wanted to put in absolute restrictions as to how much money can be put into a campaign by an individual.

We think that within this bill we have this properly structured. Every candidate has to have a principal campaign committee, also subsidiary committees must make reports to the principal campaign committee, and they are limited in the restrictions on the principal committee as to how much a candidate can spend. All other separate committees, let us say, a central committee, for example, would have to register with the elections board and would have to use the same type of reporting that an actual campaign committee would be required to use, for example, a contribution of $50 or more would require that the name and address of the donor, et cetera, would have to be listed. They also must report as to where they spent their money, listed under campaign A, B, C, or D.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman assures me that this applies to individuals. I would like the gentleman's assurance also as to groups as this relates to the $2,000.

Incidentally, the gentleman may perhaps be straining the credulity of the House to use, for example, the example of the Republican Committee in the politics of the District of Columbia.

Perhaps he might choose some other more realistic example.

Nevertheless, the objective is to limit groups to $2,000 and not to allow groups to sort of fold and collapse into other groups so that in effect the same group is putting in more than $2,000, is that not correct?

Mr. REES. Mr. Speaker, if the gentleman will yield, again any transfer of funds would be classified as a contribution, and that would have to be reported again. I would come under another limitation, which is the overall limitation as to how much money can be spent by a candidate.

Mr. BROWN of Ohio. I just do not want a single group or individual—and I am sure that the gentleman also feels this way—to be able to put up the total limit of $150,000 for the mayor or whatever. I gather we are prohibiting groups from putting in more than $2,000.

Mr. REES. No. There is no prohibition as to how much a group can put into all campaigns. The prohibition is $2,000 for a committee on any one election, but there is no prohibition as to a top limit on a group's contributions to all campaigns. For example, again on a partisan election, the central committee of the party might wish to give a candidate 50 percent of their funds because that is the way of operation of that central committee, but again it limits it on the overall as to how much can be spent in the specific campaign.

Mr. BROWN of Ohio. Let us take the hotel operators or the union of waiters and bartenders for our example. Is there a limit on how much they can give to the campaign, or can they put up the whole $150,000? I was under the impression from what the gentleman from Washington said a moment ago when he was in the well that the limit for groups was written into the legislation in section 401(b).

Mr. REES. As I say, there is a limit on the candidate. The candidate can only spend X amount of dollars. There is another limitation, and that is on individuals and on groups, in that a group cannot spend more than $2,000 on the election. So you take one of your groups you were talking about, and all they are permitted to do is spend $2,000 and no more for their candidate mayor.

Mr. BROWN of Ohio. But the group is limited, and I have your assurance that the group is limited?

Mr. REES. Yes. This limit is on groups.

Mr. BROWN of Ohio. The hotel owners on the one hand, or the bartenders and waiters on the other, cannot put in more than $2,000 through their organization?

Mr REES. No, they cannot, because that is taken care of under section (b) which very specifically limits it.

Mr. FRASER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I just want to say that I think the amendment offered by the gentleman from Minnesota makes no real contribution to the bill. We call for a study of a number of important election problems, and he wants to strike the reference to the study of the specific problems and simply have a general study.

There is nothing wrong with enumerating some of the problems we have to look at. While it is true he objects to public financing, it does not seem to me we should translate his opposition to public financing into an amendment which by implication would suggest that they should not even study the question at the city level.

I happen to be quite supportive of some form of public financing, either partial or complete, but I am not suggesting that we impose it on them. I do think they should study it just as we should study it in the Congress.

Since all this provision deals with is a study, striking some of the items that ought to be studied seems to me to be useless. Therefore, I feel the amendment ought to be defeated and I hope it will be defeated.

Mr. DU PONT. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I am going to oppose the gentleman's amendment for a somewhat different reason, that is, the study proposed in this bill may be easily the only study of campaign reform legislation we ever get.

I would note that the Committee on House Administration has taken 16 months to progress seven pages into its campaign spending reform bill. If on projects from that, one discovers that it will take 53 more months to complete the bill, and that is October 1978. I am sure the District of Columbia city council can complete their study well before the Committee on House Administration gets anything done.

Therefore, I feel we ought to leave the language as it is.

Mr. FRENZEL. Will the gentleman yield?

Mr. DU PONT. I yield to the gentleman.

Mr. FRENZEL. I thank the gentleman for yielding.

I would say I am not in charge of the Committee on House Administration and I like many other Members, have been trying to move that bill along, and I hope it does move along.

However, I think the gentleman raises an interesting point, but it does not take away, I think, from my initial point that it is silly to give a city home rule and then tell it what it should do under that home rule provision.

Mr. DU PONT. Mr. Speaker, I would say to the gentleman I know very well that he is in no way responsible for the blockage by the House Committee on Administration, and that that responsibility rests elsewhere but, nevertheless, I still feel that I must oppose the amendment offered by the gentleman from Minnesota.

Mr. BROWN of Ohio. Mr. Speaker, I would say to the gentleman that to the contrary, that the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) would not prohibit any study of the question of the public financing of political campaigns, but rather it just does not designate that study. It seems to me that if they get into the study far enough that there may be many other things, including those that are raised by this legislation to that stated study before they study the responsibility of the public for financing political campaigns.

Mr. REES. Mr. Speaker, if the gentleman will yield, I might suggest we have a recommendation to cover the Bolling committee report if it ever comes to the floor of the House.

Mr. DU PONT. Is the gentleman from California suggesting that we will be able to get the Bolling report to the floor?

Mr. REES. Oh, yes, I am sure, I know that they are working very diligently on it.

Mr. DU PONT. I might say that hope springs eternal in the breast of the gentleman from California, but I certainly doubt that it will be done.

Mr. BROWN of Ohio. Mr. Speaker, I might suggest to the gentleman that, so far as the Bolling report is concerned, that the Bolling report is probably in the same category as the report of the Committee on House Administration insofar as the financing of political campaigns is concerned.

Mr. NELSEN. Mr. Speaker, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

Mr. Speaker, when we enacted the home rule legislation the proponents of home rule at least professed to believe that a city council would be competent to direct the destiny of the city, and in my opinion the home rule legislation gives to the locally elected District of Columbia Council the right to study anything they want to.

They have the right to make any recommendations they wish to.

In this bill we have several items that protect the public, but the major one in my judgment that protects the public is the one not in the bill, in that there is no public financing of political compaigns. I personally am not in support of public financing, but it would seem to me that in this legislation we do not ask them; we direct them to study such public financing. This may be interpreted as an implicit approval of Congress of public financing.

The same advocates of home rule that believed that they could make these decisions, are telling them now in this bill what they should decide, how they should study, and what they should do.

I do not believe this Congress believes in or endorses public financing, and certainly that has not been decided in pending Federal legislation as to what direction we are going to move on that issue. So I do not believe that we should be involved in telling the city council, the first one, what they should do or what they should not do.

I am sure, and I believe, that this House will turn down any proposed public financing of political campaigns.

So I support the amendment, because I believe this would be contrary to the very directive for "real home rule" in the home rule legislation that we previously enacted in this body.

Mr. Speaker, I support Mr. FRENZEL's amendment to H.R. 15074 which would strike subsection 605(a)(A), so as to delete this provision from the District of Columbia campaign finance reform bill, which directs the first elected City Council to investigate and study the possibility of partial or full public financing of elections in the District of Columbia.

When we passed the home rule bill last fall and the President signed it into law on December 24, 1973, I assumed that we were doing so fully confident that the locally elected officials; for example, the mayor, the chairman, and other members of the City Council, were to be fully trusted to exercise their discretion in what type of legislation they wished to submit to the Congress under the oversight provision contained in the home rule enactment.

Now we find in this District of Columbia campaign reform bill provisions directing the locally elected City Council to investigate and study a number of different subjects and presumably come up legislation itself. Now, it seems to me that we trust the individuals who make up the local government or we do not. Directions in legislation falling on the heels of a home rule enactment, even before the first locally elected City Council takes office, mandating and directing what the local officials will do would appear to me to be somewhat inappropriate in dealing with something so local and parochial as local campaign reform.

For the reasons, among others, which I state in my additional views in the report accompanying this bill, I do not favor public financing of political campaigns and, therefore, I object to a provision in this bill directing the newly elected City Council in 1975 to investigate and study the public financing of political campaigns. In my view, this can be taken as the implicit approval of Congress of the public financing of political campaigns. I think such a provision is again inappropriate when our own House Administration Committee has not reported out a bill, and we do not know which direction the Federal legislation will take with regard to public financing.

Furthermore, I feel it is inappropriate in this case, inasmuch as I do not believe that public financing for the local elections could have survived the full committee, let alone the floor, and, therefore, the indirect examination and study of this issue by the locally elected Council is one which I favor to see deleted.

I recognize that my own amendment, title V, calling for registration and reporting of lobbyists can certainly be amended by the locally elected Council when they take office in 1975. If I correctly interpret the home rule bill, the locally elected Council will be able to amend any and all portions incorporated in this campaign reform bill; and they would have the authority to conduct the kind of study that is provided for in subsection 605(a)(A)—if they wish. However, I see no reason why we should direct them to do so and, therefore, I object to this provision.

The SPEAKER pro tempore (Mr. ROUSH). The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The amendment was agreed to.

Mr. GROSS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, earlier I raised the question of Federal funds being used to finance elections in the District of Columbia.

I note on page 45 of the bill, section 13, this proviso:

> "SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.".

Others have said that there is no Federal money in this bill for the election of officials in the District of Columbia. I wonder how they can say that with this provision in the bill?

I wonder if the gentleman could answer the question of why section 13 is in the bill if no Federal money is to be used for elections in the District of Columbia?

Mr. REES. I am told by counsel that the purpose of the overall amendment, starting on line 17, is to repeal existing law, but that the authorization language in section 13 is already in the Code; that this is nothing new; and that this is a blanket authorization to be appropriated.

Mr. GROSS. Whether it is in the Code or whether it is in this bill, either way there is intent to use Federal funds if they are not otherwise appropriated. There is the intent to use Federal funds; is that not true?

Mr. REES. This is District of Columbia money that we are talking about.

Mr. GROSS. Made available by the taxpayers of the country and in proportion to the percentage of the Federal funds appropriated each year for the use of the District of Columbia. It seems to me that it is hardly within the realm of reason to say the Federal funds are not going to be used in the District of Columbia.

Mr. REES. Again, I am told that this is District of Columbia revenue money, collected through the District of Columbia tax system, which by law is deposited in the Federal Treasury. All this does is authorize them to use their money that they raise in their own tax system to finance their elections. If any money is coming to the District of Columbia through the Committee on Appropriations, it is going to have to be specifically appropriated.

Mr. GROSS. The gentleman is saying that even though the Federal Government contribution to the District of Columbia goes to the Federal Treasury and may well be commingled with revenues raised through the process of taxation in the District of Columbia, that this is going to be segregated, and that no part of the Federal funds will be used? Is that what the gentleman is saying?

Mr. REES. Yes, but it is my understanding that these are revenues raised in the District of Columbia, and that the money we are talking about in section 13 is to finance the Election Board, not to finance the election but the Election Board, which is an ongoing board.

In the home rule bill we have more or less the same language, which is an authorization by the authorizing District of Columbia Committee, authorizing certain limits as to how much money can be appropriated on a blanket authorization, how much money can be appropriated by the Committee on Appropriation.

Mr. GROSS. Is it the intent of this committee that any moneys used to finance elections in the District of Columbia come exclusively from revenues raised by the District of Columbia, not commingled money with Federal funds that are appropirated for the support of the District but from revenues produced directly by the District of Columbia?

Mr. REES. No. The money is commingled, as the gentleman well knows, in the Treasury. But, again, section 13 does not finance the election; it finances the election commission, which is an ongoing commission, a body which once a year oversee elections in the District of Columbia. It is like any other agency in the District of Columbia.

Mr. GROSS. On page 26 of the report there is a list of expenses, estimated District of Columbia election costs. Does this apply to one individual—it is not clear to me—or to all candidates, in the total sum of $147,765.80?

The SPEAKER pro tempore (Mr. ROUSH). The time of the gentleman has expired.

(By unanimous content, Mr. GROSS was allowed to proceed for 3 additional minutes.)

Mr. REES. If the gentleman will yield further, what is in the report is testimony from the representative of the AFL–CIO of the estimated District of Columbia election costs.

This is what the cost would be for a candidate if a candidate were running for office. It has nothing to do with public financing. This is what a candidate and his committee would have to pay and this is merely an estimate by a witness testifying before the subcommittee.

Mr. GROSS. That is what it would cost for the Mayor or Vice Mayor?

Mr. REES. Yes; they are talking about a mayoralty election.

Mr. GROSS. All right, a mayoralty election, but could this be applied to a member of the Council seeking relection?

Mr. REES. We have limits in the bill, a limit for the Mayor with a total limit of $300,000 for the primary and final.

Mr. GROSS. That is $300,000 for election of a Mayor in the District of Columbia?

Mr. REES. Yes.

Mr. GROSS. The population of which is 740,000?

Mr. REES. Yes.

Mr. GROSS. And some congressional districts have populations of 450,000, I believe. Is the gentleman saying that this bill provides $300,000 for the election of a candidate for Mayor in the District of Columbia—not provide but makes it possible for the candidate to spend $300,000?

Mr. REES. It says they cannot spend more than $300,000 for the total election year which includes the primary and the final election, and frankly I think it is a reasonable cost. Further, if we make it $100,000, the only way a nonincumbent can ever get his name out in the community is to spend money. I do not spend much money in my election because people know my name but if I had an opponent he would have to spend $150,000 to give me a reasonable race.

Mr. GROSS. The gentleman thinks it is reasonable?

Mr. REES. Yes, I do.

Mr. GROSS. And on the next page is some $60,000 for radio and TV.

Mr. REES. As I say, this is one person's estimate of what that person thinks the election would cost. Every candidate for office has a different idea as to how much the election will cost.

Mr. GROSS. It appears the District of Columbia may have a gold-plated Mayor and a gold-plated City Council on the basis of those figures.

Mr. REES. A Councilman cannot spend more than $40,000 in election expenses for Council and that is for the entire year, $20,000 in the primary and $20,000 in the final election.

Mr. SMITH of New York. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of this legislation. One of the most important features of H.R. 15074 is title II which requires full public disclosure of campaign contributions and campaign expenditures.

The bill, of course, carefully sets out the requirements for setting up political committees, for their recordkeeping, and for periodic reporting to the public. The Director of Campaign Finance must make easily available to the public all reports filed. Facilities for copying the reports are required. Lists of reports filed, statistics and summaries must be prepared by the Director of Campaign Finance throughout the campaign so that the public will be aware of the financial side of the campaigns.

Full disclosure will do more than any other one thing to give the public confidence that the election campaigns are honest and above board. Suspicion of secret slush funds will be removed and the voter will feel that all things are out in the open to prepare for an honest decision and again in November in the final election.

Present District of Columbia law does not require any reporting until 5 days before the election. That is too late to help the public understand the sources of support for the various candidates. The reporting dates in this bill, which are similar to the Federal election campaign bill we passed in 1971, start 21 days after passage of this legislation and including August 10, a month before the primary, are more reasonable if we really want public disclosure.

Mr. Speaker, I do rise in support of this legislation.

Mr. FAUNTROY. Mr. Speaker, I move to strike the last word.

I rise to support H.R. 15074. I voted for the bill in committee, even though it has extremely important shortcomings. The bill makes a modest step in the right direction, and for that reason deserves support. Others will describe some of the strengths of the bill. I should like to spell out some of its weaknesses.

When I introduced my campaign reform bill earlier this year, it seemed that the committee and Congress were ready for a meaningful restructuring of the way we run campaigns. My bill proposed partial public financing of campaigns, effective campaign spending limitations, and an independent enforcement mechanism. The measure passed by the committee does impose some contribution controls, but in virtually every other respect it falls far short of the mark. Most importantly, it contains no provisions to improve with the way in which we finance our elections. Big money will still prevail, and most extraordinarily special interest groups are given a special status by the bill in being allowed to spend an unlimited aggregate amount in the campaign. I continue to believe that rigorous expenditure limitations and public financing of campaigns are vitally necessary. I regret that the committee did not respond more fully to the problem.

The events of the last several years should have brought home the corrosive effect of big money on the political process. Just 2 years after Watergate, which was financed in large part by corporate funds, a substantial number of the members of the committee voted in favor of eliminating the prohibition in the bill against contribution from corporate funds. Fortunately, the measure failed by a slim margin.

The shortcomings of the bill are many:

First. The campaign expenditure "ceiling" set by the bill is excessively high. In the Mayors' race, $300,000 can be spent. Where is this money to be raised? We can be sure that it is not going to be raised with $25 and $30 contributions. This $300,000 limit does not really set a "limitation"; it sets a goal for special interest fundraisers to grease the wheels of government.

Second. Even with the excessively high expenditure limits on candidates, the committee bill makes possible widespread evasion of even those high limits. It would allow the "unauthorized" expenditure of up to $1,000 on behalf of a candidate without charging that amount against the candidate's ceiling. The loophole makes a mockery of the concept of campaign spending limitations. When a candidate approaches his legal campaign spending limitation, monied special interests may continue to solicit and spend money in his behalf by getting an unlimited number of people to say that their spending for a candidate should not be applied to his limitation, because it was an unauthorized expenditure.

Third. The bill fails to establish an independent means for enforcement of the act. The ultimate responsibility for enforcement rests with appointees of the Mayor. It is difficult to see rigorous enforcement under these circumstances, and the law in the final analysis is only as good as its enforcement potential.

Fourth. The bill effectively removes any controls on aggregate giving by special interest groups. While contributions to a given candidate are limited, monied interests can assure access to elected officials by making contributions to several candidates in every race. Thus, the so-called "safe money" can be spread around to guarantee influence with whomever is elected. This is especially unfortunate in view of the fact that the substantial executive and legislative authority of the District will reside with only 14 people.

There is, therefore, no effective limit on the amount of money that may be raised and spent for a candidate in our elections.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 30, section 402(a)(1), strike out lines 3 and 4 and insert in lieu thereof the following:

"Exceed in any single campaign $75,000 for a candidate for Mayor, $75,000 for a candidate for Chairman of the . . ."

Mr. FRENZEL. Mr. Speaker, my second amendment would lower the spending limit for Mayor from $150,000 to $75,000 and the spending limit for chairman of the City Council from $100,000 to $75,000. The figure I have selected is, of course, absurdly low. Many local groups and individuals regard the $150,000 figure as being far too restrictive to cover the high prices of a citywide campaign. Even with the $150,000 limitation, candidates will not be able to spend enough to wage effective campaigns and present their veiws and ideas to the people. The electorate will than be forced to base its vote on fragmented impressions and incomplete information.

My belief is further bolstered by a recent study by the Citizen's Research Foundation. Voters get most of their information about candidates from advertisements and campaign literature. Television news may actually be an obstacle to communicating issue information. The brevity of its stories causes the average voter to base his decision more on the candidate's charisma and personal appearance than on his views on the issues. If we severely limit the amount a candidate can spend, then the average voter may be deprived of the primary source of information about the candidate and his stands on the issues. Without high spending limits, the people will not be able to make rational, well-thought out decisions at the polls.

The intent of my amendment, as by now I'm sure you suspect, is not really to lower the spending limit. My point is that $75,000 is precisely the limitation that the House Administration Committee would have us spend on our own elections. Congressional districts have approximately the same number of people and, generally, a larger geographical area than the District of Columbia. If even the $150,000 figure is too low, how are Members and their opponents to wage effective campaigns with a limitation of only $75,000? How will congressional candidates be able to reach the voters if they can spend only this amount? How will voters learn about candidates and their stands on the issues? Since television and other media news may be all but useless, how will they make the important decisions on who should run the country and who should represent them in this body?

It should be obvious to all concerned that the $75,000 figure will not pose as great a burden on incumbents as it will on challengers. Incumbents have many advantages that enable them to attain name recognition and popularity among their constituents. They have the frank and a large staff. They perform many constituent services as part of their job as legislator. They often have their own television or radio programs—a far more effective means of communicating with constituents than regular television news programs. They have office space, a stationary account, free telephone privileges and so on. The challenger has none of these advantages and must start from scratch. He is at a huge disadvantage. Thus, it is not surprising that incumbents won over 96 percent of the time in the 1972 elections.

Supporters of low spending limits claim that challengers have the greatest weapon of all: the incumbents' record. However, this weapon will be of little or no use if challengers are allowed to spend only $75,000. Challengers will not even be able to communicate effectively to the voters even the most rudimental aspects of the incumbents' record. What weapon will the challenger then be left with?

Challengers have a very small constituency in this body. Few people are willing to recognize and voice their problems and concerns. However, before we vote for an absurdly low spending ceiling such as $75,000, maybe we should ask the dozens or so Members of this body who beat incumbents in the 1972 elections why they had to spend $125,000 on the average to win.

I believe that the District of Columbia Committee has come closer to reality than the House Administration Committee. I made this amendment more to criticize the latter committee than the former.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished delegate from the District of Columbia.

Mr. FAUNTROY. I had hoped that the gentleman was serious in offering this amendment, for the reason that I think such an amendment would afford this House the opportunity to vote on the question of meaningful campaign reform.

The Subcommittee on Government Operations of the District of Columbia Committee looked very carefully at this campaign spending limitation question and did come up with a limitation per election which was admittedly higher than the $75,000 which the gentleman suggests, but which was for the primary and general elections, some $100,000 lower than the present formulation of the bill, $300,000.

I would hope that the gentleman would give this House an opportunity to vote today on whether or not it is for serious campaign reform.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his contribution. I can assure him I am deadly serious in making my amendment and I am deadly serious in my support for campaign reform.

I am not, however, interested in passing this amendment.

Mr. Speaker, I ask unanimous consent to withdraw the amendment.

Mr. GROSS. Mr. Speaker, reserving the right to object, does not this amendment have the endorsement of the AFL–CIO?

Mr. FRENZEL. I did not discuss it with the AFL–CIO. I doubt whether it has their endorsement.

Mr. GROSS. I think I should like to vote on this amendment, Mr. Speaker, and, therefore, I object.

The SPEAKER. Under the rules of the House, the gentleman can withdraw his amendment and it does not require unanimous consent to do so.

Mr. FRENZEL. Mr. Speaker, I withdraw my amendment.

AMENDMENT OFFERED BY MR. FAUNTROY

Mr. FAUNTROY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FAUNTROY: On page 29, strike out line 24 and all that follows down through and including line 10 on page 30, and insert in lieu thereof the following:

SEC. 402. (a)(1) No principal campaign committee shall expend any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed in any single campaign $100,000 for a candidate for Mayor, $75,000 for a candidate for Chairman of the Council, $50,000 for a candidate for member of the Council elected at large, or $20,000 for a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, or $10,000 for a candidate for member of the Board of Education elected from a ward, or in support of any candidate for officer of a political party.

Mr. FAUNTROY. Mr. Speaker, the purpose of this amendment is simply to restore to the bill the provisions contained. Subcommittee approved bill, which sought to balance the concern for meaningful campaign reform in the District of Columbia as we face our first municipal elections in this century, and the effort to assure that every candidate has sufficient funds to make known his views and the issues upon which he would be running.

The subcommittee went through a process of assessing the projected costs of local elections, not only on the basis of previous elections on a citywide basis, but also in consultation with experts who, in our judgment, gave us figures which justified at most, for the at-large race for mayor, a limitation of $100,000 per election, or a limitation of $200,000 overall.

The events of the last several years, I think, should have brought home the corrosive effect of big money on a political process. It is our hope in the District of Columbia that the Congress will provide us a model of campaign spending limitations of which not only we in the city can be proud, but of which I think this Congress can be proud. A vote for this amendment places before this House the opportunity to say to the Nation that it is for meaningful campaign reform and campaign limitations which will allow public officials to be free to do the business of the people and not that of the monied special interests whose activities across this Nation in recent years have certainly threatened the integrity and the viability of our system of government.

Therefore, Mr. Speaker, I urge the Members of the House support and pass this amendment, which would restore to the bill the best judgment of those of us who have worked hardest on this very sensitive question of campaign limitations.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. Mr. Speaker, I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, coming from a district which I have represented for six terms and intend to represent again never having spent over $25,000 in any campaign, the figure of $300,000 in a campaign for a city mayor strikes me as rather unusual and rather high.

Be that as it may, what does the gentleman do with unexpended funds under this piece of legislation?

Mr. FAUNTROY. When the gentleman says unexpended funds, does he mean funds which have not been spent?

Mr. SKUBITZ. Unexpended, that is right. Funds that have been raised which have not been spent in the primary election. What does a candidate do with such funds?

Mr. REES. Mr. Speaker, will the gentleman yield to me?

Mr. FAUNTROY. Mr. Speaker, I yield to the gentleman from California.

Mr. REES. Mr. Speaker, on page 40, line 12, there is a section entitled, "Use of Surplus Campaign Funds."

They can be contributed to a political party or they can be used to retire proper debts of a campaign. In addition, the funds may be contributed to educational or charitable organizations. So, it does provide a way to get rid of surplus funds.

Mr. SKUBITZ. Mr. Speaker, there are things the candidate could do but is not required by law to do. The funds may be used for those purposes.

Suppose a candidate decides that he does not want to contribute them to a political committee or does not want to contribute them to a school or charitable organization? Suppose he decides that he does not want to run 2 years hence or 4 years hence; what does he do with the money?

Mr. REES. He could not use the funds for personal purposes. They stay in the bank account, and the bank account is then reported to the Election Committee.

Mr. SKUBITZ. Where does it say that

the funds cannot be used for personal purposes?

Mr. REES. This is a 47-page bill. This might take me a few minutes.

Mr. SKUBITZ. Mr. Speaker, I thought the gentleman had the information right at his fingertips.

Mr. REES. Yes. If the gentleman was a candidate, he would have to have a campaign chairman and a campaign treasurer, and only the campaign treasurer can expend the money, and that has to be for campaign purposes. Any expenditure of $10 has to be put down on a report and the name and address of the contributor has to be given.

Mr. SKUBITZ. I know all those things. We have gone through them. The gentleman has gone through them, and I have gone through them. I am talking about a surplus. What do you do with the surplus?

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. FAUNTROY was allowed to proceed for 3 additional minutes.)

Mr. FAUNTROY. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, the answer to the question of the gentleman from Kansas is found on page 40, section 603. If the gentleman will look at that, funds can be transferred to another political committee, another political party, or they can be used for charitable or educational purposes, or they can be retained in the account and used for campaign purposes later.

Mr. FAUNTROY. Mr. Speaker, I take it that the gentleman's remarks are directed to the wisdom of the amendment, reducing the spending limitation to $100,000?

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I will be happy to yield to the gentleman.

Mr. SKUBITZ. Section 603 simply says that the money may be used to pay off expenses, and it may be given to a charitable organization.

I presume that the treasurer and the other officials could decide, "We worked for nothing, so now let us take the surplus and split it up three ways."

Mr. SMITH of New York. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I will be happy to yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Speaker, I should like to say that I pointed out to the gentleman in private conversation before that if that interpretation was made, that the candidate could take any surplus funds, keep them, put them in his own pocket, or split them up, he would still have to make it known to the Internal Revenue Service.

Mr. SKUBITZ. If that is what happens, would he declare the balance of the money as his own and pay the income tax on it? Would it become his property?

Mr. REES. To answer the gentleman, I say yes, but if the candidate splits it up among the party, that still has to be reported to the Election Committee as money expended from the fund.

Mr. FAUNTROY. Mr. Speaker, I will yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, perhaps these unexpended funds are donated to the church and the church endorses the candidate, so you get the political effects of the outgo and the political effects the other way. I do not know.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, the purpose of this section, I will say to the gentleman from Kansas, was to keep the law as close as possible to where it is now. This is a bare bones bill. It is patterned on what happens in the Federal elections throughout the country. However, there have been laws passed now where one talks about campaign funds and contributes them back to the Treasury or to a national party, and this is the closest the subcommittee could come to determining what the trend was as to what to do with surplus money, because otherwise, I might say to the gentleman, if a person did something else with this money than is authorized, a far different thing might happen.

And then he could be charged a gift tax which could be given over to someone else. So it is an authorization section.

The SPEAKER pro tempore. The time of the gentleman from the District of Columbia (Mr. FAUNTROY) has expired.

(On request of Mr. SKUBITZ, and by unanimous consent, Mr. FAUNTROY was allowed to proceed for 2 additional minutes.)

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, what disturbs me is the number of candidates who are getting into the District races. Is it true that a candidate could collect the funds, if he did not spend them, he could put them into his own private funds by paying income tax on them, and the rest of the procedure is valid? Is that correct?

Mr. ADAMS. Mr. Speaker, if the gentleman from the District of Columbia will yield, I will say to the gentleman that that is precisely correct. That is exactly what, as has been pointed out, everybody else does now, but as the gentleman from New York said, that is not exactly true, and this is what happens:

What happens is that the moment one puts funds in under this procedure where they become one's own personal account and they become income to him, he has to pay income tax on them. And under this law, he must disclose that he has closed his account by doing this. If a candidate determines to do that, we have left the law exactly where it is in the United States at the present time.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. Mr. Speaker, I would hope that I could yield to the gentleman from Kansas for the purpose of obtaining support for the amendment to lower the campaign limitation to the level indicated in the amendment. I would be happy to yield to the gentleman for his support of that amendment.

Mr. SKUBITZ. Mr. Speaker, I thank the gentleman for yielding.

Mr. REES. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I am strongly opposed to this amendment.

When we are talking about the District of Columbia, we are talking about a community of around 750,000 people; we are talking about a community that is structured in terms of its media. All the major media stations are right here.

In order to run a campaign in a metropolitan community such as this, a person would tend to go heavily into media, and media is very expensive. I think that limiting candidates any further would amount to nothing more than a boon to incumbents.

There has been all this talk about money being spent in campaigns, but we must remember that our names as Members of Congress that are continually before the public in our districts. I can get elected on $20,000 spent for the whole year in the 23d Congressional District of California, which is smack-dab in a metropolitan area in Los Angeles. However, if someone had to run against me for Congress, and if he was to have any kind of a chance in the 23d Congressional District, he would have to spend around $200,000 in the primary, because he would have to go heavily into mailing, and he would have to buy a media market of 10 million people just to get into that little old congressional district of 425,000 people.

If we look at the elections in the District of Columbia today, we will find that candidates such as the mayor are running. Everybody knows Walter Washington's name, but how many people know the names of the other candidates for mayor? There are about five of them.

Of course, for these people who do not have the advantage of holding public office and of sending out franked mail and doing everything else that we do as incumbents, it is almost impossible for them to challenge a successful incumbent in office.

Mr. Speaker, I think if we vote for an amendment of this kind, we would be saying, "OK, incumbents, you have got the whole thing, and to anyone who wants to run for office, goodbye, friend. You are limited to your spending."

If we do this, we can nickel-and-dime any candidate to death who tries to run as a councilman, as a mayor, or for whatever office it may be.

Mr. Speaker, I ask for a no vote on the amendment. It is pro-incumbent, and it is anti anyone who wants to challenge an incumbent.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, I thank the gentleman. I appreciate his illustration of the situation in the District of Columbia, that it would tend to favor the incumbent.

It seems to me that the incumbents—and I say this in the plural—the incumbents seem to be opting for the higher limitations, and those who are not incumbents are concerned about what seems to be an excessively high ceiling.

Second, the gentleman also knows this

legislation does not extend beyond January of 1975, after which time the issue would have to be considered again.

Mr. REES. No; this legislation would be law until it is changed by the city council, and they will be composed of incumbents until they are sworn in.

Mr. FRENZEL. I think the gentleman has made a most marvelous speech; it is one that I endorse wholeheartedly and one that I mean to use regularly, and I hope the gentleman himself will remember it when we sometimes come to vote for limitations on ourselves. I think the amendment should be defeated.

Mr. NELSEN. Will the gentleman yield?

Mr. REES. I yield to the gentleman.

Mr. NELSEN. Mr. Speaker, I have been in opposition to the proposed amendment and primarily because I feel the committee did a very careful job on this whole bill and spent many weeks and weeks.

The statement I made before the committee was that I think the important thing was reporting where funds came from and how they are spent. At this point I could not tamper to that extent with the bill as proposed by the committee.

Mr. SNYDER. Will the gentleman yield?

Mr. REES. I yield to the gentleman.

Mr. SNYDER. The gentleman addressed himself to the question of how much money it would take for someone to run against him in his district where he is so well known. Would the gentleman want to address himself to who would have the capability of raising these high limits to run against an incumbent?

Mr. REES. I find that a reasonably well organized campaign that has good basic support can raise $300,000 for a mayoral campaign or $40,000 for a city council campaign. I find as a Member of Congress I must raise about $80,000 at least every 2 years.

Mr. SNYDER. Do you not find as an incumbent that you have a little easier time to raise your $80,000 to $85,000 than a challenger?

Mr. REES. In general incumbents have a lot easier time raising money than nonincumbents.

Mr. SNYDER. I think that, too. I think by putting in the lower limits you might be helping those who are challengers who could not raise as much as an incumbent could raise.

Mr. REES. A challenger must have name recognition in order to conduct a successful campaign. In the California election last week the person who ran first in the campaign was the one who had the greatest recognition as an incumbent State officeholder. Second in the number of votes was the one who had the second greatest recognition as mayor of San Francisco, and the gentleman who had the third highest number of votes had the third highest recognition as speaker of the assembly. Recognition and winning were tied in directly. The fifth candidate, as a matter of fact, was a nonofficeholder, one who spent about $1 million of his own funds, and he was a very capable person, but the people said they had never heard of him. That is what happens when a so-called nonincumbent has to run.

Mr. GROSS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, about a year ago I poined with others in opposing and defeating a resolution which would have provided money for the District of Columbia Committee to travel the highways and by ways of foreign countries seeking I do not know what. As a result of that defeat I may have helped save the delegate from the District of Columbia from the temptations of the fleshpots of foreign countries.

On this occasion I want to do him another favor by saying that I think his amendment is a good one and I intend to support it.

Mr. DELLUMS. Mr. Speaker, at the least, the District of Columbia Committee should be congratulated for the speed with which it has been able to get this critical bill before the House.

Yet, I am troubled by many of the provisions contained in the version of the bill approved by the committee. Specifically, I am appalled at what appears to be the prevailing notion that the political offices contested in this city's first elections under home rule are more or less for sale to the highest bidders.

I do not consider sacrosanct the concept that the right to give unlimited campaign contributions is basic to our democratic system. To me, claims that the $10 donor is treated the same as the $1,000 donor are hypocritical. The large contributor invariably obtains access to the officeholder—and, in many cases, these large contributions are the cement of a quid pro quo relationship. In contrast, the small contributor receives a form letter reply.

Whenever the double standard prevails, the majority of citizens are not represented; rather—through this political auction, the wealthy, elite, and rich special interests are well catered. Studies of past elections have shown clearly that candidates able to raise the most money not only stand the best chance of winning, but in a vast majority of cases do win.

Is that the system we want to impose on the citizens of the District of Columbia? I, for one, hope not.

Nevertheless, given the spending ceilings called for in this bill, that indeed is what we are writing into law. Those ceilings are much too high, and should be brought back to some reasonable level. My own preference woud be a total ceiling for Mayor—for both primary and general election—of from $100,000 to $125,000—and still, that seems high to me. And I would scale down the ceilings for the other positions accordingly.

I am also troubled by the dual contributions systems, by which organizations are given the right to double their contributions over what individual citizens can give. I see no justification at all for such distinction—except that it is a boon to special interest groups.

Finally, I would have preferred the original subcommittee proposal that the functions established in this bill be administered by a separate bureaucratic entity instead of by the board of elections. The record of the board has been spotty at best, and to burden them with additional duties is questionable.

Mr. Speaker, I realize that the District's elections are almost upon us. It is critical that some form of campaign finance controls be enacted. But I fear that the controls in this bill may cause serious problems in the future.

The SPEAKER. The question is on the amendment offered by the Delegate from the District of Columbia (Mr. FAUNTROY).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. FAUNTROY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 273, nays 56, not voting 104, as follows:

[Roll No. 284]

YEAS—273

Adams
Alexander
Anderson, Calif.
Archer
Ashbrook
Ashley
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bevill
Biester
Boggs
Bolling
Bowen
Brasco
Bray
Breaux
Brooks
Broomfield
Brotzman
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byron
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Devine
Dingell
Downing
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evins, Tenn.
Findley
Fisher
Flynt
Foley
Ford
Forsythe
Fountain
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Ginn
Goldwater
Goodling
Gray
Green, Pa.
Gross
Grover
Guyer
Haley
Hamilton
Hanrahan
Hansen, Wash.
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
King
Koch
Kuykendall
Kyros
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Mahon
Mallary
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mayne
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murphy, Ill.
Murtha
Nedzi
Nichols
Obey
O'Hara
Passman
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rarick
Reuss
Riegle
Rinaldo

Roberts
Robinson, Va.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Staggers
J. William
Stanton,
Stanton,
James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Wampler
White
Whitehurst
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Wyman
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Zion

NAYS—56

Anderson, Ill.
Bergland
Blackburn
Breckinridge
Brown, Calif.
Brown, Ohio
Broyhill, Va.
Camp
Carter
Clawson, Del
Cohen
Daniel, Dan
Danielson
Evans, Colo.
Fascell
Flood
Fraser
Frenzel
Froehlich
Gibbons
Gilman
Hanna
Hansen, Idaho
Heinz
Holifield
Hosmer
Johnson, Colo.
Kemp
Martin, N.C.
Mazzoli
Morgan
Myers
Natcher
Nelsen
O'Brien
O'Neill
Parris
Pickle
Powell, Ohio
Rees
Rostenkowski
Roybal
Ruppe
Shuster
Sisk
Smith, N.Y.
Stratton
Symms
Treen
Waldie
Whalen
Wiggins
Yates
Young, S.C.
Young, Tex.
Zablocki

NOT VOTING—104

Abdnor
Abzug
Addabbo
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Aspin
Badillo
Bell
Biaggi
Bingham
Blatnik
Boland
Brademas
Brinkley
Broyhill, N.C.
Butler
Carey, N.Y.
Chisholm
Clay
Cleveland
Cochran
Collier
Cotter
Crane
Davis, Ga.
Davis, S.C.
Denholm
Derwinski
Dickinson
Diggs
Donohue
Dorn
Drinan
Dulski
Eckhardt
Eshleman
Fish
Flowers
Frelinghuysen
Gonzalez
Grasso
Green, Oreg.
Griffiths
Gubser
Gude
Gunter
Hammerschmidt
Hanley
Harrington
Hastings
Hébert
Howard
Huber
Hunt
Jones, Tenn.
Ketchum
Kluczynski
Lagomarsino
Landgrebe
Landrum
Lehman
McEwen
McKinney
McSpadden
Mann
Maraziti
Matsunaga
Meeds
Michel
Mink
Moss
Murphy, N.Y.
Nix
Owens
Patman
Patten
Pepper
Podell
Quie
Quillen
Regula
Reid
Rhodes
Robison, N.Y.
Roe
Roncallo, N.Y.
Rooney, N.Y.
Roy
St Germain
Sebelius
Spence
Steele
Steiger, Wis.
Stuckey
Walsh
Ware
Whitten
Wyatt
Wydler
Young, Alaska
Zwach

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Rhodes.

Mr. Brademas with Mr. Arends.

Mr. Harrington with Mr. Gubser.

Mr. Biaggi with Mr. Quie.

Mr. Diggs with Mr. Eshleman.

Mr. Drinan with Mr. Hunt.

Mr. Gunter with Mr. McEwen.

Mr. Patten with Mr. Wydler.

Mr. Addabbo with Mr. Steiger of Wisconsin.

Mr. Carey of New York with Mr. Zwach.

Mr. Davis of Georgia with Mr. Michel.

Mr. Dorn with Mr. Quillen.

Mr. Flowers with Cleveland.

Mrs. Griffiths with Mr. Dickinson.

Mr. Howard with Mr. Collier.

Mr. Lehman with Mr. McKinney.

Mr. Matsunaga with Mr. Andrews of North Dakota.

Mrs. Mink with Mr. Butler.

Mr. Murphy of New York with Mr. Hastings.

Mr. Owens with Mr. Frelinghuysen.

Mr. Reid with Mr. Roncallo of New York.

Mr. Rooney of New York with Mr. Spence.

Mr. St Germain with Mr. Wyatt.

Mr. Whitten with Mr. Crane.

Ms. Abzug with Mr. Derwinski.

Mr. Badillo with Mr. Broyhill of North Carolina.

Mr. Brinkley with Mr. Abdnor.

Mrs. Chisholm with Mr. Fish.

Mr. Cotter with Mr. Gude.

Mr. Denholm with Mr. Bell.

Mr. Davis of South Carolina with Mr. Armstrong.

Mr. Dulski with Mr. Landgrebe.

Mrs. Grasso with Mr. Ketchum.

Mr. Hébert with Mr. Hammerschmidt.

Mr. Kluczynski with Mr. Huber.

Mr. Landrum with Mr. Sebelius.

Mr. Andrews of North Carolina with Mr. Ware.

Mr. Clay with Mr. Robison of New York.

Mr. Aspin with Mr. Steele.

Mr. Boland with Mr. Maraziti.

Mr. Blatnik with Mr. Cochran.

Mr. Bingham with Mr. Walsh.

Mr. Donohue with Mr. Regula.

Mr. Eckhardt with Mr. Young of Alaska.

Mr. Gonzalez with Mr. Pepper.

Mrs. Green of Oregon with Mr. Moss.

Mr. Hanley with Mr. Roe.

Mr. Jones of Tennessee with Mr. Mann.

Mr. Meeds with Mr. Lagomarsino.

Mr. McSpadden with Mr. Stuckey.

Mr. Nix with Mr. Podell.

Mr. Patman with Mr. Roy.

The result of the vote was announced as above recorded.

Mr. DIGGS. Mr. Speaker, the purpose of the reported bill—H.R. 15074—as set forth in House Report 93–1080, is to require full and complete disclosure of contributions and expenditures made by and on behalf of candidates engaged in local political campaigns in the District. The legislation would also establish reasonable and realistic limitations on the amounts that may be contributed and expended in connection with a candidacy for elective office. In the latter regard, the bill would establish, for the first time, limits on unauthorized expenditures made to advance or oppose a candidate for such elective office.

The citizens of the District, on May 7, 1974, approved the new charter established in the District of Columbia Self-Determination and Governmental Reorganization Act—Public Law 93–198—by an overwhelming vote of 85,530 to 18,037—40 percent of the registered voters voting.

The powers and responsibilities granted by the proposed charter to locally elected public officials will affect numerous aspects of the lives of the citizens of the District of Columbia. These elected officials will shape vast areas of public policy; for example, systems of transportation, housing, education, delivery of public services, delivery of social services, maintenance of penal systems, consumer protection, the environment, taxation, budgeting and spending, land use, zoning, and urban renewal.

The committee gave considerable thought as to whether it should first, legislate some kind of comprehensive and long-range election reform, which would require substantial redrafting of existing law, or second, draft the necessary provisions to meet the needs of the upcoming 1974 local elections and defer long-range plans and revisions to the newly elected local government taking office in January 1975.

The large majority of the witnesses and the preponderance of the testimony, including the General Accounting Office of the United States, favored the second approach adopted in the reported bill.

For these reasons, the committee rejected proposals to—

First, enlarge the membership of the Board of Elections;

Second, create a new and independent election commission;

Third, turn the monitoring of the campaign finance and disclosure provisions over to the General Accounting Office of the United States;

Fourth, create a new and entirely independent Division on Campaign Finance within the Board of Elections.

The committee found merit in all of these proposals. However, in the interests of expediting action on this necessary legislation and in order to benefit and protect the candidates—over 120 of whom have announced their candidacies to date—the committee adopted what it believes to be the only reasonable approach to the elections taking place in September and November of this year. This approach is also strongly supported by the General Accounting Office of the U.S. Government as the best possible way of achieving the objectives of the committee in expediting consideration of this legislation.

NEED FOR LEGISLATION

The elections next September and November for Mayor and City Council will be watched closely as the vital beginning of local home rule for the Nation's Capital. Action by this Congress is needed to insure that these elections are free from secret financing and free from the heavy hand of overly-large contributions, slush funds, and bundles of cash. If these practices can be prevented, it will mean a great boost in public confidence in the newly elected officials. If we fail to act, home rule in the District may be launched in a sea of distrust and recrimination.

It is imperative, therefore, that the voters of Washington, D.C., in these coming elections, be afforded the fullest practicable opportunity to know the candidates for whom they are asked to vote, and where such candidates stand on the vitally important issues confronting our city today. To assure this result, ample funds must be provided to the competing candidates to furnish them with the wherewithal requisite to an open and full public discussion of the pertinent issues, and the voters with a free choice among competing candidates. (See appendix.)

Hence, in the judgment of the committee, any new election legislation adopted should not be so restrictive dollarwise, nor so restraining campaignwise, as to impede the holding of a vigorous and unimpaired election prcedure, in the best of the American tradition; and due care, in any proposed election legislation, should be exercised to see to it that the regulatory controls imposed on the electoral process are not more restrictive in nature and scope than is actually required to assure the achievement of a fair and proper election.

HISTORY

Hearings on earlier proposed legislation (H.R. 13539 and H.R. 12038) were held by the Subcommittee on Government Operations on April 3 and 4, 1974, which reported a clean bill, H.R. 14754, embodying amendments to the foregoing bills. The full committee held further hearings on May 20 and 21, 1974.

Testimony in support of various aspects of campaign financing legislation was presented by representatives on behalf of the District of Columbia government executive and legislative branches. Numerous public witnesses, many of them declared candidates for this fall's elections in the District, urged the enactment of such legislation in some form, from few limitations and restrictions on contributions and expenditures to very rigid prohibitions on fund raising, spending, and disclosure.

The reported bill (H.R. 15074) is a composite of the varying views and represents the unanimous judgment of the committee members who heard the evidence and voted to report the bill.

VOTE

The bill, H.R. 15074, as amended, was ordered reported to the House on May 30, 1974, by a committee vote of 15 ayes, 0 nays.

CONCLUSION

By this legislation, the committee has endeavored to rectify the major inadequacies of the existing D.C. election law and thus assure its adequate workability insofar as the first local elections in 100 years for Mayor and Council are concerned.

The committee believes the provisions of H.R. 15074 will assure fair play and as full disclosure of contributions and expenditures in the election procedures as is possible in such legislation. For the reasons indicated in the "Purpose Section," the committee has adopted proposals to assure fair and clean elections in this first elections. The new Council may make such changes to achieve long-range reform in our electoral process.

COST

Following is an estimate of costs of the proposed legislation, as calculated by the board of elections for the District.

The first estimate ($92,268) assumes the addition of two other board members to the present board, which the committee did not approve. However, the committee added a director of campaign finance, as a full-time employee, so his salary would almost approximate that of the two part-time board members not included in H.R. 15074 but shown below.

The second estimate ($203,715) was predicated upon the committee's establishment of a new commission, which the committee disapproved.

Of course, the major expenditures presently faced by the District government are occasioned by the elections themselves for the positions provided in the Home Rule Act, which itself included an authorization of $750,000 therefor. It is understood that the board of elections is presently hiring additional personnel, pursuant thereto, to assist in the conduct of these 1974 elections.

SUMMARY OF MAJOR PROVISIONS OF THE BILL

TITLE I—SHORT TITLE, DEFINITIONS

This title contains the short title of the bill, the District of Columbia Campaign Finance Reform Act, and definitions.

The bill, by its definitions, is intended to apply campaign finance regulations to the offices of Mayor and members of the D.C. Council as established by the District of Columbia Self-Government and Governmental Reorganization Act. The provisions of this bill do not apply to the office of Delegate to the House of Representatives, since that office is a Federal one governed by Federal, rather than local, statute.

The provisions of this act remain in force and effect unless later amended by the Congress, or by the D.C. Council under powers granted to the local government by the Self-Government Act. The City Council, however, by the specific terms of section 605 of this act, is required to conduct hearings and investigations on the operation and effect of this act and to issue a public report on its finding and recommendations.

TITLE II—FINANCIAL DISCLOSURES

Title II requires candidates and committees to keep certain financial information, to report to the board of elections and to the public specified information regarding contributions and expenditures; to designate one principal campaign committee and one campaign depository; to file registration or organization statements with the board; and to limit expenditures from petty cash funds to a specified amount per person per transaction.

Title II also requires persons making contributions or expenditures, other than to a political committee or candidate, in an aggregate amount of $50 or more, to file financial reports. It specifies that all campaign literature be identified by the words "paid for by", followed by the name and address of the payer. Finally, it exempts from specified provisions of the title candidates who anticipate spending or who spend less than $250 in any one election.

The majority of financial reporting and disclosure requirements contained in this title have been taken or modified from the Federal Election Campaign Act of 1971 (Public Law 92-225, approved February 7, 1972; 86 Stat. 3), or prior existing District of Columbia law. Newer ideas or concepts, not incorporated into prior statutes, were adopted from pending national legislative proposals, bills before the committee, or recommendations made by agencies with enforcement experience, such as the General Accounting Office.

The overwhelming majority of witnesses before the committee supported or recommended strict financial disclosure requirements, campaign organization monitoring and effective recordkeeping and other aids to full auditing.

The requirement that candidates designate a single, principal campaign committee (section 202) is one strongly recommended by the General Accounting Office and supported by every witness who commented on the proposal. By centralizing bookkeping, accounting, and financial management under one campaign entity, the administering-enforcing agency can better perform its responsibility. In the words of one witness, the "audit trail" will be clearer if the majority of contributions and expenditures are funneled through one principal committee. In addition, candidates should be able to more effectively manage their own campaigns through this mechanism.

Another proposal which received unanimous approval by all witnesses who discussed the issue was that calling for a campaign depository. By the terms of section 203, each political committee and each candidate must designate one national bank in the District of Columbia as the campaign depository of that political committee or candidate. Checking accounts must be maintained at such depository, and all expenditures must be by check drawn from that account. Again, the audit trail is easier to follow and enforcement of the law made simpler and less costly.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

To administer the program of reporting and enforcement of limitations, the bill creates the Office of Director of Campaign Finance. This is a suggestion from the Office of Federal Elections within the General Accounting Office. They administer the present Federal law and urge that a single Director be given the responsibility for the day-to-day filing and enforcement.

Rulemaking power stays with the board of elections, as under present law.

The Director will provide the forms, develop a filing system, make reports available for public inspection and copying, compile a current list of all statements on file, make audits and field investigations. The Director will issue subpenas upon the approval of the Board.

The Board may appoint a General Counsel who may initiate civil actions, including petitioning the courts for injunctive relief to enforce the law.

These broad new powers to act quickly to enforce the reporting and expenditure requirements—by petitioning the court immediately for injunctive relief if necessary—are a vital part of this bill.

TITLE IV—FINANCE LIMITATIONS

CONTRIBUTIONS TO A CANDIDATE

The bill provides in section 401 that an individual may contribute up to $1,000 to a candidate for mayor during the entire campaign, which includes the primary and general election.

Lower dollar limits are set for contributions to other candidates.

Organizations and groups—in contrast to individuals—may make contributions totaling $2,000 for the mayor's campaign and lesser amounts for other candidates. These limits are twice the amounts set for contributions by individuals.

Individuals are also limited to a maximum of $2,000 in contributions for all the campaigns for office. Organizations and groups do not have an aggregate ceiling, but are limited by the ceiling set for each candidate. Thus if a group donated the maximum to a candidate in each of the 14 election contests, it would contribute $10,700.

INDEPENDENT EXPENDITURE NOT AUTHORIZED BY CANDIDATE

An individual or group which wishes to make direct expenditures (rather than contributions through a committee) and does not consult the candidate or his representatives, may spend no more than $1,000 in a year to support or oppose a candidate. This provision is necessary to prevent unlimited spending outside a candidate's campaign. Independent expenditures cannot be prohibited altogether because the first amendment permits free expression of a person's views. However, this section of the bill (401(d)) sets a reasonable limit of $1,000 on that expression.

No abuse of this section is likely because a candidate is responsible for keeping expenditures "by or on behalf of the candidate" and his agents within the ceilings on expenditures set in the bill. Only genuinely independent expenditures in no way authorized or suggested or requested by the candidate, his committees or agents, are permitted under the $1,000 limitation of section 401(d).

CASH CONTRIBUTIONS NO LARGER THAN $50

Contributions "in legal tender" are limited to $50 or less.

NO CONTRIBUTION IN THE NAME OF ANOTHER PERSON

To make certain that identification of contributors is not avoided, the bill prohibits a person from making a contribution in the name of another.

CORPORATIONS AND LABOR ORGANIZATIONS PROHIBITED FROM CONTRIBUTING DIRECTLY

The same type of limitation, as exits in Federal elections, is set up in the bill for District of Columbia elections.

Corporations and labor organizations may establish segregated funds for voluntary contributions. They may also conduct nonpartisan registration and get-out-the-vote campaigns aimed at their own stockholders and members.

Several States have this prohibition of treasury funds of labor unions being used in local and State elections, and all States, except 19, prohibit corporate contributions.

States which do not corporate campaign contributions:

Alaska, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Maine, Nevada, New Mexico, Rhode Island, South Carolina, Utah, Vermont, Virginia, Washington, and Wyoming.

States which do not prohibit labor union campaign contributions:

Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, and Kentucky.

Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, and North Dakota.

Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, West Virginia, and Wyoming.

EARMARK FUNDS AND CONTRIBUTIONS THROUGH A CONDUIT ARE IDENTIFIED

A provision of the bill prevents a loss of identification of the source or intended recipient of contributions. The actual contributor and the candidate for whom the contribution is intended must be identified.

LIMITATIONS ON EXPENDITURES

Ceilings are placed on the amounts that can be spent in a primary campaign and the same amount is the expenditure limit for a general campaign.

In the mayors' race, a candidate's committe and all other committees supporting him and reporting to him, may spend no more than $150,000 in the primary and $150,000 in the general election. Lesser limits are set for other offices.

TITLE V

LOBBYING

This title deals with the subject of the regulation of lobbying, which is deemed needed in the District of Columbia in view of the delegation of legislative authority provided in the District of Columbia Self-Goverment and Governmental Reorganization Act, Public Law 93–198 (see D.C. Code Supp. I, 1974), to the Council of the District of Columbia (hereinafter referred to as the Council) established as of January 2, 1975.

The effective date of this title is January 2, 1971, the date the members of the elected Council will take office.

Section 501(c) of title V "tracks" or follows the Federal enactment, except that it also accommodates the delegation of legislative authority as contained in the D.C. Self-Government Act. In addition, section 502 sets the standard of $200 or more (rather than $500 or more as set in the Federal legislation) for maintaining a detailed account of the names and addresses of persons making contributions and including such information in a report to the Director of Campaign Finance of the District of Columbia Board of Elections. Inasmuch as many State statutes treat lobbying activity legislation as a part of campaign finance legislation, it was considered that the lobby activity should be regulated and controlled by the D.C. Board of Elections and that the Director of Campaign Finance serving the Board should receive reports and generally administer the program of regulating lobbying activities. It may be that the Board will, and should, require that copies of filings and reports also be filed with the secretary of the Council.

TITLE VI

TAX INCENTIVE FOR CAMPAIGN CONTRIBUTIONS

In the D.C. individual tax law, there is no allowance for itemized deduction or tax credit for political contributions. The Federal law permits both. H.R. 14754 (section 602) provides a $12.50 credit per person on the individual income tax.

Mr. REES. Mr. Speaker, if there are no more amendments at the desk, I move the previous question on the bill and the amendments.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 314, nays 17, not voting 102, as follows:

[Roll No. 285]

YEAS—314

Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Archer
Ashley
Bafalis
Baker
Barrett
Beard
Bennett
Bergland
Bevill
Biester
Boggs
Bolling
Bowen
Brasco
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del.
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Devine
Dingell
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gray
Green, Pa.
Grover
Guyer
Haley
Hamilton
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Koch
Kuykendall
Kyros
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Mahon
Mallary
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Railsback
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Schneebeli

Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Wampler
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—17

Ashbrook
Bauman
Blackburn
Camp
Collins, Tex.
Flynt
Gross
Hosmer
King
Rarick
Rousselot
Satterfield
Scherle
Steiger, Ariz.
Symms
Waggonner
Young, Fla.

NOT VOTING—102

Abdnor
Abzug
Addabbo
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Aspin
Badillo
Bell
Biaggi
Bingham
Blatnik
Boland
Brademas
Brinkley
Broyhill, N.C.
Butler
Carey, N.Y.
Chisholm
Clay
Cleveland
Cochran
Collier
Cotter
Crane
Davis, Ga.
Davis, S.C.
Denholm
Derwinski
Dickinson
Diggs
Donohue
Dorn
Dulski
Eckhardt
Eshleman
Fish
Flowers
Frelinghuysen
Gonzalez
Grasso
Green, Oreg.
Griffiths
Gubser
Gude
Gunter
Hammerschmidt
Hanley
Harrington
Hastings
Hébert
Howard
Huber
Hunt
Jones, Tenn.
Ketchum
Kluczynski
Lagomarsino
Landgrebe
Landrum
Lehman
McEwen
McKinney
McSpadden
Mann
Maraziti
Matsunaga
Meeds
Michel
Mink
Minshall, Ohio
Moss
Murphy, N.Y.
Nix
Patten
Podell
Pritchard
Quie
Quillen
Regula
Rhodes
Robison, N.Y.
Roe
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
St Germain
Sebelius
Spence
Steele
Steiger, Wis.
Stuckey
Walsh
Ware
Whitten
Wyatt
Wydler
Young, Alaska
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Rhodes.
Mr. Annunzio with Mr. Arends.
Mr. Brademas with Mr. Michel.
Mr. Dulski with Mr. Andrews of North Dakota.
Mr. Diggs with Mr. Quie.
Mr. Addabbo with Mr. Frelinghuysen.
Mrs. Chisholm with Mr. Gubser.
Mrs. Grasso with Mr. Bell.
Mr. Gunter with Mr. Ruppe.
Mr. Howard with Mr. Quillen.
Mr. Harrington with Mr. Minshall of Ohio.
Mr. Landrum with Mr. Wydler.
Mr. Matsunaga with Mr. Zwach.
Mrs. Mink with Mr. McEwen.
Mr. Nix with Mr. Dickinson.
Mr. Patten with Mr. Crane.
Mr. Rooney of New York with Mr. Cleveland.
Mr. St Germain with Mr. Broyhill of North Carolina.
Mr. Whitten with Mr. Fish.
Mr. Aspin with Mr. Hunt.
Mr. Dorn with Mr. Robison of New York.
Mr. Cotter with Mr. Spence.
Mr. Clay with Mr. Wyatt.
Mr. Donahue with Mr. Hastings.
Mr. Eckhardt with Mr. McKinney.
Mr. Flowers with Mr. Landgrebe.
Mrs. Griffiths with Mr. Collier.
Mr. Jones of Tennessee with Mr. Derwinski.
Mr. Kluczynski with Mr. Abdnor.
Mr. Mann with Mr. Armstrong.
Mr. Meeds with Mr. Butler.
Mr. Podell with Mr. Cochran.
Mr. Roe with Mr. Eshleman.
Mr. Moss with Mr. Gude.
Mr. Stuckey with Mr. Hammerschmidt.
Mr. Hanley with Mr. Huber.
Mr. Boland with Mr. Ketchum.
Mr. Biaggi with Mr. Lagomarsino.
Mr. Brinkley with Mr. Maraziti.
Mrs. Green with Mr. Pritchard.
Mr. McSpadden with Mr. Steiger of Wisconsin.
Mr. Davis of Georgia with Mr. Ware.
Mr. Badillo with Mr. Steele.
Mr. Gonzalez with Mr. Walsh.
Mr. Andrews of North Carolina with Mr. Sebelius.
Mr. Carey of New York with Mr. Regula.
Mr. Blatnik with Mr. Roncallo of New York.
Mr. Davis of South Carolina with Mr. Young of Alaska.
Ms. Abzug with Mr. Denholm.
Mr. Bingham with Mr. Roy.
Mr. Lehman with Mr. Murphy of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I have taken this time, first, to notify the Members that the gentleman with whom I came to Congress 22 years ago, the gentleman from Massachusetts, EDWARD P. BOLAND, today at 12:25 a.m. became the proud father of a beautiful 8-pound 2-ounce baby girl. I am delighted to report that both mother and child are doing fine. The little beauty is a strong, healthy baby, and the father reports that she has black hair. I know that all the Members join me in extending to EDDIE and his lovely wife, Mary, our heartiest congratulations on the birth of their first child, and we all wish both parents and baby much success and happiness together.

Mr. Speaker, I also take this time to announce a change in the legislative program for the latter part of the week.

On tomorrow, we are adding, for consideration, the conference report on H.R. 14368, the Energy Supply and Environmental Coordination Act. That will be the first item for consideration on the calendar tomorrow.

We are postponing consideration of H.R. 14462, the Oil and Gas Energy Tax Act, at the request of the Committee on Ways and Means. In place of consideration of that bill, we are adding, for Wednesday and the balance of the week, the following bills:

House Joint Resolution 876, admission of a Laotian citizen to West Point; open rule, 1 hour of debate;

Senate Joint Resolution 202, Vice President's Residence, open rule, 1 hour of debate; and

H.R. 13839. International Economic Policy Act Authorization, open rule, 1 hour of debate.

AMERICAN CATTLEMEN FACE BANKRUPTCY

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, a combination of administration policies and world events threatens to destroy our U.S. cattle industry as prices for beef on the hoof have dropped to about half of what they were a few months ago while production costs have risen a minimum of 50 percent and for some items 100 percent or more. No industry can withstand such a severe cost-price squeeze and the cattle industry faces disaster unless prompt action is taken.

WORLD MEAT PRODUCTION RISES—CONSUMPTION DROPS

Throughout the world, livestock producers responded to high meat prices of last year by increasing their herds, but the increased meat prices resulted in decreased consumption here and abroad. This tended to create a world oversupply of meat and a sharp drop in the market value of livestock. This is a problem that U.S. producers share with producers in other nations, but there is one major difference. Other nations have moved to protect their livestock producers but here in the United States the Federal Government has not only failed to assist its livestock producers—we have adopted import policies that have made the United States a dumping ground for beef products from throughout the world. If administration officials were consciously trying to destroy our domestic cattle industry, they could not have devised a more effective formula for economic ruin.

ADMINISTRATION SHOULD FEEL RESPONSIBILITY FOR BEEF CRISIS

Mr. Speaker, it would seem that the administration would be working hard to help U.S. cattlemen since the present beef crisis stems largely from administration policies. First, the administration engaged in a hastily conceived and poorly executed program to export wheat and other U.S. grains. This led not only to the sale of grain products at a fraction of their true worth but also pushed up the cost of feed grains adding heavily to the cost of producing finished beef. When beef prices did rise to compensate for higher grain costs, the administration then singled out meat products for price ceilings at a time when production costs were still soaring upward. This put cattlemen in an impossible situation and led many of them, hoping for an equitable adjustment, to hold beef off the market which added to the oversupply problem. Finally, the administration moved to exercise its authority under the Meat Import Act of 1964 to remove all import controls on foreign beef, flooding America with beef produced in countries where land, taxes, labor, and other production costs are only a fraction of U.S. costs and where both hidden and open subsidies create a situation in which American ranchers, without their knowledge or consent, are actually being used as expendable skirmishers in an international beef war, without any help from their own Government.

CONSUMERS HAVE A STAKE IN A HEALTHY U.S. CATTLE INDUSTRY

The effect of the administration's policies has been to reduce beef prices and while consumers may feel that all is well as the price of meat in the supermarket is going down, a longer view of the situation will reveal that we all stand to lose if American beef production drops substantially. Everyone should be familiar with the cycles which occur in agricultural production. When prices are up, production increases until the market is saturated and then prices come down. But a big drop in prices cuts production and then we find ourselves in a shortage situation which leads to prices higher than before. Looking ahead, therefore, we can see that the present oversupply of meat will not last and in a matter of months livestock supplies will decline. When that occurs, we do not want to be in a position where we have to depend on foreign producers for meat; if we do, we may well experience serious shortages—shortages that will be difficult to fill without a strong domestic beef industry.

ACTION NEEDED NOW TO REVIVE AMERICAN BEEF INDUSTRY

Mr. Speaker, there are at least three steps which should be taken now to protect our domestic beef industry. First, the President should exercise his authority under the Meat Import Act of 1964 to reestablish proper controls on beef imports. This could be accomplished by a stroke of the President's pen and would provide immediate relief to U.S. cattlemen. Second, the administration should move to make cattlemen eligible for assistance under the emergency loan program administered by the Farmers Home Administration. Clearly, beef producers have been hit by a disaster as real as any drought or flood—an economic disaster. If immediate action is not forthcoming from the administration, the Congress should act to establish an emergency loan program, especially for cattlemen, similar to that proposed in H.R. 15079.

There is substantial precedent for such action and we should not delay in making loan funds available at reasonable rates of interest to soften the financial blow that cattlemen have suffered in recent months. Finally, we should move to expand Government purchases of beef for military meals and for the national school lunch program. This would be a real bargain for the Government and would help to eliminate the oversupply problem.

Mr. Speaker, I hope the Congress fully appreciates the severity of the present beef crisis and that my colleagues will join in working to protect U.S. cattle producers. I wrote the President on May 22 urging reimposition of proper meat import controls and have recently asked the Secretary of Agriculture and the Secretary of Defense to expand U.S. beef purchases. Concerned Members should make their views known to administration officials on these and related issues. The problems U.S. cattlemen face are not of their own making and they deserve immediate assistance. For the convenience of my colleagues from metropolitan areas, I am asking that there be printed at this point in the Record three of the hundreds of letters I have received from cattlemen explaining firsthand what they are up against. These Americans are looking to us for leadership. I hope we will not let them down.

Key Ranch,
Trinidad, Tex., June 6, 1974.

Congressman Wright Patman,
House Office Building,
Washington, D.C.

Dear Wright: I am soliciting your help in putting a stop to foreign beef being shipped and dumped into the United States.

We cattlemen in the United States are losing from $75.00 to $175.00 per head on each steer and heifer that we feed out. I was caught with 2,000 head of cattle in the feed lot on January 1st, 1974. My loss is around $200,000.00 to date, and I have another 450 head that will be ready for sale this month.

There is no way that U.S. cattlemen can compete with foreign beef.

Will you please give the cattlemen a break before we are all bankrupt?

Best personal regards,

Jno. W. Key, Sr.,
Owner.

Avery, Tex., *June 5, 1974.*

Mr. Wright Patman,
House of Representatives,
Washington, D.C.

Dear Mr. Patman: As you know the outlook for the cattlemen of this country has reached disaster proportions. I feel its time that our government should consider giving some type of aid or attention to the problem since the plight of the cattlemen was set in motion by the Russian grain deal and by Mr. Nixon's freeze on beef prices but not on grains for feed.

Last year, before the freeze, cattlemen were receiving an average of 50c to 60c per pound for calves weighing from 375 to 550 pounds. This year those same calves are now averaging from 27c to 32c per pound.

Let me quote some prices of last year for the production of these calves compared to this year's prices.

Gas, 1973, 25.9 to 31.9 per gal., 1974, 48.9 to 53.9 per gal.

Hay hauling, 1973, 12c per bale, 1974, 15 to 20c per bale.

Hay baling, 1973, 25c per bale, 1974, 45c per bale.

Fertilizer, 1973, $65.00 to $79.00 per ton, 1974, $128.00 to $160.00 per ton.

Baler twine, 1973, $8.95 per bundle, 1974, $30.00 per bundle.

All farm equipment up 30 to 50%.

As you know the cattle market has never been under any kind of government control. I am thankful for this; however, with the market facing such a bad economic situation I feel that there are some things that could be done to relieve the situation.

1. Stop the importation of all beef immediately.

2. Subsidize the many feed lots that have gone broke because of the situation brought about by the federal government. Does not the government subsidize the railroads, airlines, etc., of this country when the need arises?

If you have any suggestions or support for the cause of the cattlemen, we need to hear your voice where it counts now.

Sincerely,

John Oce Williams.

De Kalb, Bowie County, Tex.,
June 6, 1974.

Hon. Wright Patman,
U.S. Representative, House Office Building,
Washington, D.C.

Dear Mr. Patman: I feel sure that you do not need to be reminded of the depressed prices of cattle at this time; however I do feel that I should write to let you know that as a owner of a small herd of cattle in East Texas I would like to see the government take action to help the cattle industry.

I believe that one thing which can help most quickly is to get beef import quotas reinstated now. The U.S. is now the only major beefeating nation in the world with its borders wide open to beef imports. All other countries have restricted beef imports in order to protect their own livestock industries. Unless beef import quotas are reimposed our nation will be flooded with more beef. This will destroy the cattle industry of our country.

As I understand the Meat Import Act, the President has the authority to reimpose meat import quotas; therefore I urge that you help see that the President reimposes quotas. Let's put "Watergate" aside and get on with the business of our nation.

Yours very truly,

Don E. Hodges,

P.S. I own over a 100 head of cows that I would lose over a $100 a head on todays market. We must have help if the cattle industry of East Texas is to survive.

CATTLE INDUSTRY THREATENED

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO of Wyoming. Mr. Speaker, I would like to add my support to the statement just given by the eminent chairman of the committee, the gentleman from Texas (Mr. Patman).

I hope that these actions can be taken for the good of the cattle industry.

TOWARD FULL DISCLOSURE ON CONGRESSIONAL TRAVEL

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, as a strong advocate of "Government in the sunshine," I believe that all of our activities here in the House should be open to public scrutiny, and nothing more so than congressional travel. There have been abuses of the privilege to travel for official business in the past, and I have introduced legislation which would prohibit any travel at taxpayer expense by Members of Congress who have retired, or left office by way of defeat or resignation.

Since 1961, Federal law has required publication in the Congressional Record of reports on both tax dollars and the dollar equivalents of foreign currency spent oversea by each taveling Member of Congress. In recent years, these sums have totaled in the area of $1 million annually, and therefore it has been especially important that the public be able to see where these sums of money were being spent, and by whom.

Last year, however, the Congress approved a State Department authorization bill which repealed the requirement for annual reports and disclosure in the Congressional Record. I voted against this bill (H.R. 7645) when it first came before the House last June and again when the conference report was approved last October, because the provision repealing public disclosure undid two decades of efforts aimed at reforming congressional travel procedures. Moreover, another provision granted Members of Congress a 50-percent increase in their daily travel allowance—from $50 to $75 per day. I felt this increase to be wholly unnecessary at a time when the dollar was in serious trouble abroad and there was considerable emphasis on the need to reduce spending overseas.

The only information now available to the public—with much effort—on congressional travel is a State Department report on the dollar equivalent of foreign currency spent by each Member and committee employee. However, this report contains only the dollar value of the currency issued, the month of the transaction, and the purpose of the transaction. Details on the purpose of the travel, length of travel, or even confirmation that the money was spent is missing.

In the absence of a specific reporting requirement, only 16 House committees and 12 Senate committees made final detailed disclosures in the Congressional Record for 1973. This appalling lack of public accountability cannot be allowed to continue, and I am therefore today introducing legislation which will restore the old provisions of law for a full accounting of foreign travel and public disclosure of these records.

Mr. Speaker, one of the chief requirements which an informed electorate places on its representatives and its government is full disclosure and accountability, and this has never been more paramount than today. Last year the Congress took an unfortunate step away from this principle, and the consequences must inevitably be a further decline in our reputation. I therefore urge my colleagues to support my bill to restore full disclosure on congressional travel, and I request the House Administration Committee to take early action on it, as well as on my bill to prohibit lameduck junketing.

The text of my bill is as follows:

A bill To amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for the publication thereof

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)), relating to the use of foreign currency, is amended by striking out the last two sentences and inserting in lieu thereof the following: "Each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member or employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate Committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration or the Committee on Appropriations of the Senate."

STEADY DECLINE IN MAIL SERVICE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, many of us have observed with increasing frustration the steady decline in mail service to the American people accompanied by a steady increase in postage rates ever since Congress abdicated its authority over the Post Office Department and turned this vital service over to a semiprivate corporation.

We have watched the rates for first-class mail rise by 66 percent, which is easily double the rate of inflation over the period involved, and we have observed a concomitant slowing of service to the people.

Now the Washington Post in a series of investigative reports tells us that the policy of slowing down the handling of first-class mail was a deliberate one undertaken surreptitiously by the Postal Corporation in an abundance of secrecy to keep Congress from learning of this deliberate design.

The Post also quotes the U.S. Postal Rate Commission to the effect that first-class mail users are being overcharged by approximately $1 billion a year, or about 2 cents per letter, above the amount that it actually costs to handle first-class mail.

And still Congress is required to raise huge sums from the taxpayers to meet the annual operating deficit of the Postal Service.

In addition, of course, the Postal Corporation has deliberately depersonalized the service, wantonly destroying the identity of American communities from the postmark, and in other ways has demonstrated its thorough contempt for the wishes of the American people.

One of the biggest mistakes Congress has made in recent years was surrendering its authority over the Postal Service and turning this vital public function over to a semisecret private group. Several of us have bills pending to abolish the Postal Corporation and return this public function to public control, where it belongs. I invite all Members who have had enough of this cavalier disdain for the public's wishes to join in sponsoring this legislation and actively supporting its enactment.

Under leave to extend my remarks, I include at this point in the Record the first of two articles in the series which began yesterday in the Washington Post. The second article appears later in this issue in the body of the Record:

The first article follows:

First-Class Letter Writers Pay Junk Mail Users' Deficit

(By Ronald Kessler)

The new U.S. Postal Service has deliberately slowed delivery of first class mail and has overcharged first class mail users by an apparent $1 billion a year while undercharging commercial mail users, a Washington Post investigation has found.

Delivery of first class mail—the class used by most Americans for letters—has been slowed by a Postal Service policy of putting aside mail arriving from out of town during the night for sorting during the day.

The policy, which delays mail by a full day, was put into effect largely to avoid paying extra salary for night work. But the total cost of extra night salary is about 1 per cent of the postal budget, and the new policy has saved only a fraction of this cost.

While the Postal Service saves night salary by allowing sacks of first class mail pile up in post offices throughout the country, it continues to pay the extra salary for sorting non-priority mail carrying less postage than first class letters. This includes slow-moving fourth class parcel post and commercially oriented, junk mail and second class newspapers and magazines.

A transcript of a high-level meeting of postal officials in 1969, when the new policy for first class mail was begun, shows a decision was made to no longer strive for overnight mail delivery and to keep this a secret from Congress and the public.

The transcript shows that Frank J. Nunlist, then an assistant postmaster general, told regional postal officials:

"Now if we announce that we are going to do this (lower overnight standards) there are 700,000 guys (postal workers) that are going to run to their congressmen and say, 'You can't have a postal corporation; these guys are not going to serve the American people.'

"So," Nunlist continued, "we have got to be a little tight about this, and you can't even say to your employees in the post office, 'Don't promise prompt service.' We have to play this game pretty carefully."

While the Postal Service has slowed first class delivery, the agency also has overcharged those classes generally used by special commercial interests, six postal cost studies, including two by the Postal Service, show.

One study by the U.S. Postal Rate Commission staff that represents the public, shows an over-charge to first class mail users in fiscal 1972 of about $1 billion, or 2 cents per letter. (The figure does not include the overall postal deficit for which no particular class of mail pays).

The study shows undercharges to third class, so-called junk mail, second class newspapers and magazines, and fourth class parcel post.

The Postal Service is required by law to avoid favoring or discriminating against any mail user and to charge rates that cover all costs reasonably assigned to each class of mail.

The Postal Service denies it overcharges, and it cites as evidence a seventh study it has performed, which shows that third class junk mail pays for itself. This study has been rejected as failing to show true postal costs by both the chief administrative law judge of the separate U.S. Postal Rate Commission, which helps set postal rates, and by the General Accounting Office, the audit arm of Congress.

Some postal officials who have publicly defended the official Postal Service cost study say privately it was designed to cover-up losses run up by cheaper classes of mail generally used by commercial interests. The reason, they say, is that users of more expensive first class mail, who include both individuals and businesses, do not have the political clout of the special interests.

The Washington Post investigation has also found that:

Since the new policies of the Postal Service were established in 1969, first class mail has been slowed 14 per cent to 23 per cent, according to the agency's own mail sampling system. During about the same time, the price for first class service has risen 68 per cent, or about double the rate of inflation.

A $1 billion parcel sorting network being built by the Postal Service to try to stop loss of business to its private industry competitor, United Parcel Service (UPS), promises to offer slower service than UPS. The Postal Service has acknowledged internally that a chief reason for the success of UPS is a package damage rate a fifth that of the Postal Service. But sorting equipment in the new parcel network will, in the course of processing parcels, drop them a foot, compared with what UPS says is no drop during its processing.

A mechanized letter sorting system said by the Postal Service to produce savings of billions of dollars has been found by the GAO to be more costly than the existing, old-fashioned system. The Postal Service's internal auditors have reported confidentially that the new system sorts letters at a rate slower than the system used by Benjamin Franklin, the first postmaster general, who placed letters, one by one, in pigeon holes.

The Postal Service has spent more than $140 million on contract cost overruns since the assertedly cost conscious policies of the new agency were established in 1969. About half the contracts for $5,000 or more awarded by the Postal Service in 1973 were let without competitive bidding involving formal advertising. Although competitive bidding is not required by law, it is the method considered cheapest and fairest by the GAO and the Postal Service itself.

These and other findings resulted from a four-month Washington Post investigation of the Postal Service. The investigation included visits to five of the six largest post offices in the country; interviews with hundreds of present and former postal officials, technical experts, mail users, and postal oversight officials; and examination of hundreds of internal Postal Service memos, reports, studies, and letters, as well as congressional and rate hearings, government audit reports, and private consultants' reports.

What emerges is a portrait of how one of the largest government agencies works—or doesn't work—for the tax and postage-paying citizens it is supposed to serve.

Asked for a comment on The Post's findings, Postmaster General Elmer T. Klassen said he would defer to comments made by his deputies on specific matters because he is not familiar with all the details of postal operations.

E. V. Dorsey, senior assistant postmaster general for operations, acknowledged that first class mail arriving from distant points at night is not sorted until daytime. He disputed, however, that this delayed mail.

"We have priorities," he said. "We have other things to do." He said the policy saves the 10 per cent extra night pay and some equipment costs.

Arthur Eden, director of rates and classification, denied first class mail users are overcharged. He said rates are set in accordance with law, and cited a Columbia University professor who agrees with the agency's method of determining costs of various classes of mail.

Asked to cite improvements since the Postal Service was created, Klassen said in a letter it has "improved the speed and reliability of service." He said productivity has increased, field managers have been made accountable for service and costs, and postmasters are no longer selected because of their political connections.

"In short," Klassen said in the letter, "we've come a long way. We have made some mistakes, but they are far outnumbered by the things we have done right. Through the diligence of a great number of dedicated men and women, we are well on the road to making the Postal Service an organization of which every American can be proud."

To most Americans, the Postal Service is the only branch of federal government that touches them directly each day. The mailman walking his route on a tree-lined residential street, as depicted by Norman Rockwell on covers of the old Saturday Evening Post, has become a symbol of America.

To the nation's businesses, the Postal Service is essential. Without it, the economy would quickly become paralyzed. Recognizing this, the Founding Fathers specifically provided in the Constitution for operation of a national postal service.

The present Postal Service is a big business. Its $9.8 billion budget would rank it among the nation's 10 largest industrial firms. Its 700,000 employees make it second only to the Defense Department as the federal goverment's largest employer.

Although the Postal Service is a big business, it has never had the same incentives to achieve efficiency that a business has. If its service was slow and customers complained, there was no reason to think they would turn to a competitor. Congress historically had prohibited private companies from competing with the Postal Service for first class mail delivery.

If the postal agency wasted money, its employees did not fear losing their jobs in a bankruptcy proceeding. Congress would always bail the agency out with more subsidies.

Public dissatisfaction with this method of doing business reached a head in 1966, when the Chicago post office became so glutted with mail that it closed down.

Lawrence F. O'Brien, then postmaster general, proposed that a presidential commission study reform of the old Post Office Department. In 1968, the panel, headed by former American Telephone & Telegraph Co. chairman Frederick R. Kappel, recommended reorganization of the department as an independent branch of government.

The idea, the commission's report said, was that the agency could use modern business methods to move the mail if it were insulated from politics and given independent control over its funds. Such methods would save at least 20 per cent of the agency's costs, the commission estimated.

The agency that evolved from this recommendation is a branch of government with certain special privileges. Unlike other government departments, it does have control of its own funds and may raise additional money by selling bonds to the public. It is prohibited from making appointments based on political considerations.

Finally, it is required to become financially self-sufficient—free of subsidy from Congress—in 1984.

The agency does not report to the President. Instead, it is run by a board of governors whose members are appointed by the President with the consent of the Senate, much as the Federal Trade Commission is run.

Although Congress enacted the Kappel Commission proposals into law in 1970, and the new agency chose to change its name in 1971, most of the new policies followed today by the Postal Service did not require legislation and were implemented in 1969 by Winston M. Blount, President Nixon's appointee as postmaster general.

But five years later, a key finding of the Kappel Commission remains true:

"The commission has found a pattern of public concern over the quality of mail service. Delayed letters, erroneous deliveries, damaged parcels, and lost magazines and newspapers are everyday experiences."

Rep. Thaddeus J. Dulski, chairman of the House Post Office Committee, wrote to Postmaster General Klassen last December, "No one expected the transition from the Post Office Department to the U.S. Postal Service to be easy, but on the other hand, neither did anyone expect it to be catastrophic."

Dulski and others have charged that rather than improving mail service, the new agency has spent millions of dollars on advertising and public relations efforts to make the public think it is getting better service.

This approach was illustrated by an internal Postal Service memorandum written last year by James L. Schorr, director of advertising.

Schorr, whose department spent $2.5 million on advertising last year, argued in the memo that advertising being tested in St. Louis should be extended nationally.

The reason, Schorr wrote, was that although the advertising promoted such special postal products as money orders and stamp collecting supplies, it had the effect in St. Louis of improving the public's overall view of the Postal Service.

"This is particularly significant," he wrote, "in that the actual level of (mail) service in St. Louis fell off worse during Christmastime than in the rest of the country . . ."

Indeed, Schorr wrote, favorable opinions of the Postal Service were found to be *higher* in St. Louis than in cities with better service that had not been exposed to the advertising.

Like a number of other postal officials, Schorr declined to be interviewed by this reporter.

Instead, Schorr said questions would be answered by the agency's public relations department. But one can learn little about the Postal Service and why the mail is so slow by going through official channels.

Klassen, in testimony before the Senate postal committee last year, said service was actually "somewhat better than on July 1, 1971, when the Postal Service came into being."

What Klassen did not tell the committee was that nearly all the mail processing policies followed by the new agency were started in 1969, and the 1971 date he used for comparison represented little more than a change in the name of the department.

He did not say that when compared with the last year of the old Post Office policies, service had deteriorated.

"The method of presenting statistics is highly selective," said a former postal official who helped write some of Klassen's speeches and congressional testimony.

"We're always desperate to find something good to say about service," said a current postal official who has gathered information for Klassen's statements in agency annual reports.

The difficulty is not surprising. The agency's internal mail sampling system confirms what thousands of complaints to the agency and Congress have charged; that rather than improving service, the new Postal Service has made it worse.

Nor does the sampling system, known as Origin-Destination Information System (ODIS), necessarily portray the full extent of the deterioration.

The system records postmarks before letters are given to carriers for delivery to homes and businesses.

This means it does not measure delays that occur before letters are postmarked—when they are picked up from collection boxes, trucked to post offices, and initially sorted. It also means the system does not measure delays after letters are received by letter carriers.

In one test, the GAO found the ODIS figures would show a 10 per cent longer delivery span if it measured time from deposit of letters to delivery.

The postmarks used in the ODIS system are recorded by clerks who work for local postmasters. Since the postmasters' performance is being measured by the system, the arrangement does not necessarily provide incentives for doing an accurate job.

"The standard procedure is to disregard late mail," says Melvin Wilson, a Los Angeles postal clerk who recorded ODIS mail until 1970.

If late mail were included in daily reports, Wilson said, "They'd call you down and say, 'Do they (the figures) look right to you?' That means change it."

Carolynne M. Seeman, the statistician in charge of ODIS, acknowledged that cheating occurred. "We've seen information erased (from reports) to make the service look better," she said.

She said she does not have the staff to question the accuracy of the reports, and she said she does not believe cheating is a "major problem."

Despite the opportunities for cheating, the ODIS figures show a 23 per cent increase in average first class mail delivery time from the last three quarters of fiscal 1969—the last year of the old Post Office—to the same quarters in fiscal 1973. (The first quarter was not tabulated.)

The figures show service improved slightly in fiscal 1974 but remained 14 per cent slower than under the old Post Office.

The agency handled 89.7 billion pieces of mail in fiscal 1973, compared with 82 billion pieces in fiscal 1969.

What the figures mean to the average user of the mails is that there is no assurance that a letter will be delivered overnight anywhere in the country.

The changes of overnight delivery of out-of-town mail in the most recent fiscal quarter were only two in five. For local mail, the chances were about nine in 10.

There is, of course, no way of knowing whether a particular letter will be one of those delivered overnight, and the chances of getting overnight delivery are slimmer when letters are addressed to cities in distant states.

ODIS figures show that in the postal fiscal quarter ended March 29, first class letters mailed from Washington, D.C., and from Manhattan, N.Y., received overnight delivery to specific cities in these proportions:

NOTE.—Column "A" from Washington; column "B" from Manhattan.)

[In percent]

	A	*B*
Akron	9	4
Boston	19	14
Brooklyn, N.Y	17	60
Chicago	9	6
Cincinnati	17	2
Detroit	17	6
Los Angeles	10	2
Miami	5	1
Richmond	74	7
San Francisco	15	2
Manhattan, N.Y	44	73
Washington, D.C	90	21

Despite this performance, the Postal Service periodically tells Congress and the public that it is meeting, or nearly meeting, its overnight delivery standards. What the Postal Service defines as overnight delivery is often quite different from what one would expect.

Overnight delivery of air mail is promised only if it meets certain tests. It must be deposited in special, white-topped collection boxes; it must be zip coded; it must be mailed before 4 p.m.; and it must be addressed to certain cities generally not farther away than 600 miles.

Since the identity of these cities is known only to the Postal Service and is constantly changing, a mail user has little chance of knowing whether his letter will be delivered the next day.

Indeed, says Miss Seeman of the ODIS system, only about 2 per cent of total air mail volume meets the overnight standard of the Postal Service.

For first class mail, the Postal Service has established a standard for local delivery that represents an erosion of service when compared with the standard of the old Post Office Department.

The old standard promised overnight delivery within a state. The new one promises it only within local delivery areas, only if letters are mailed before 5 p.m., and only for 95 per cent of the mail.

A substantial portion of business mail is deposited after 5 p.m., postal officials said, and some question whether a 95 per cent standard is good enough for the mailer who wants to know his letter will get there the next day.

For out-of-town mail, the Postal Service standard allows as many as three days for delivery. In part because of this generous time span, the agency was able to claim that a historic subpoena requesting President Nixon's appearance in a Los Angeles courtroom arrived only a day late—although it took six days to make the trip from Los Angeles to the D.C. Superior Court.

The Postal Service did not count two of the days because they were holidays.

Despite the leniency of the standards, the ODIS figures show they often are not met. This has not deterred the Postal Service from claiming they are.

The basis for the claims is often a different measuring system that uses specially prepared envelopes sent through the mails by postal employees. These envelopes—called test letters—generally portray service in a more favorable light than the ODIS system.

The GAO has reported that air mail test letters bore markings that made them readily identifiable as test letters to the clerks who sorted the mail. The clerks singled them out and gave them speedy treatment, including dispatching them in specially marked pouches.

On the basis of these purported tests, Klassen claimed in the fiscal 1971 report the agency was "close to the attainment of its performance standards for air mail . . ." Postal officials made similar claims in 1972 Senate hearings.

The unreliability of the tests is no secret. Marie D. Eldridge, former statistical director of the Postal Service, said internal auditors periodically reported that clerks ran across workroom floors carrying the special letters.

Nevertheless, the Postal Service spent $4 million in a little over a year to send air mail test letters, GAO reported. Although these tests have been stopped, local post offices continue to send test letters to measure the service they provide local residents.

The D.C. post office sends about 600 of the letters a week. They are small, prestamped envelopes that bear the notation, "MAS," which stands for Methods and Standards, the department that sends them out.

Robert H. Brown Sr., a clerk in the D.C. post office, said supervisors instruct employes to look for the letters and speed them on their way. "It is a farce," he said.

A supervisor whose suburban Washington home is a recipient of the letters said they have never taken more than a day to be delivered.

L. A. Hasbrouck, who sends the letters from the D.C. post office, said, "I don't deny that the mailings could be identified as test letters."

Asked why taxpayer money is being spent to send them, Hasbrouck did not reply directly. Instead, he said the "MAS" notation is gradually being removed from plates used to print addresses on the letters.

If the test letters appear to be a dubious expenditure, the $200 million spent by Americans last year on air mail represent, in the view of Rep. Lester L. Wolff (D-N.Y.), a "fraud."

When air mail was first flown in 1918, paying the extra postage for an air mail stamp was the only way to get air service. Today, nearly all mail sent outside local delivery areas goes by air.

The Postal Service claims the extra 3 cents for an air mail stamp buys the fastest possible service to any point. Special, white-topped air mail collection boxes bear stickers promising overnight service even in local delivery areas.

But the ODIS figures show the extra air mail postage generally buys slower service. Air mail was delivered overnight 21 per cent of the time in the most recent postal fiscal quarter, or about a third as often as first class.

Even local mail that carries air mail postage—as suggested by air mail collection boxes—gets there far slower than first class, the ODIS figures show.

The figures also show that air mail has a slight advantage over first class if it goes more than about 400 miles, but the Postal Service promises speedy air mail service over any distance.

The answer to the mystery of slow air mail service, according to postal experts, is that the special, costlier treatment given air mail has the effect of slowing it.

"You divert air mail to a separate center, and in the meantime the first class is running like hell through the system," says M. Lile Stover, who was director of distribution and delivery until 1969.

In addition, Stover and others said air mail addressed to nearby cities with no air service is sent back to the first class section for delivery.

Indeed, said Mrs. Eldridge, the former statistical director, "Air mail often goes back and forth several times."

Terming air mail a "fraud on the American consumer," Rep. Wolff of New York last year asked the Federal Trade Commission to investigate the Postal Service for possible violation of deceptive advertising laws.

The FTC declined on the grounds it cannot investigate another government agency.

"A government agency should be more responsible than companies in the private sector," Wolff said. "It seems to me incredible that a government agency is allowed to get away with defrauding the American public."

Those who pay 60 cents extra for special delivery service also might not get what they pay for.

Clerks in the special delivery section of the D.C. post office said special delivery for downtown businesses is delivered with regular mail, and special delivery for residences is specially delivered only if the regular carrier has already left.

In New York, only 35 per cent of special delivery mail received special service on a typical Tuesday, a House postal subcommittee was told in 1970. Most of the special deliveries were of packages.

"If a private company charged extra for special delivery and didn't specially deliver, it would be referred to the Attorney General for investigation," said Rep. Edward I. Koch (D-N.Y.). "As far as I'm concerned, it's fraud."

INFLATION

The SPEAKER. Under a previous order of the House, the gentleman from

Arkansas (Mr. MILLS) is recognized for 1 hour.

Mr. MILLS. Mr. Speaker, let me advise first that I will not take that time in my statement. I wanted to talk today about what I think is a very, very critical matter, and that opinion I believe is shared by most of our constituents.

We have reached a critical stage in our general economic policy insofar as the Nation is concerned. For months now, we have been drifting virtually leaderless in this area.

The result has been the United States has experienced what is probably the worse peacetime inflation in its history. During 1973, the Consumer Price Index rose by 9 percent and the Wholesale Price Index by 18 percent. In the first 4 months of this year, conditions have grown much worse. Inflation has accelerated with consumer prices rising at an annual rate of 12 percent and wholesale prices rising at the still much higher rate of 21 percent. The size of a consumer price increase has resulted in the economists coining a new expression—"double-digit inflation" to indicate the severity of our condition. The double-digit inflation refers to the fact that our consumer prices are rising at an annual rate in excess of 10 percent.

The 21 percent rate of increase in wholesale prices suggests still worse conditions in the period ahead when these prices are reflected in prices paid by the consumer.

The President's Council of Economic Advisers has suggested that before long things will get better and we will be down to an inflation rate of 7 percent by the end of the year.

It is, of course, true that the inflation during the first 3 months of this year was primarily in food and energy prices. Prices in these areas may level off or perhaps come down some in the period ahead—in any event let us hope so. However, the April price statistics—the most recent ones we have—indicate that inflation is spreading to other sectors. In April, increases of 4 percent or more—which translate into 48 percent on an annual rate basis—were recorded in the chemical, rubber, lumber, paper and metal industries. What makes these April increases worse is the fact that they occurred at a time when some vestiges of price control were still in effect.

Moreover, we know that in the past year and a half, wages have lagged behind prices with the result that large catch-up wage demands would seem inevitable.

We have never really successfully controlled inflation since early in 1965. The long economic expansion that occurred in the early 1960's was remarkably free of inflation.

In 1965, the economy was producing at virtually its maximum possible level and unemployment had fallen close to the so-called 4 percent frictional level.

The House will recall that at that time instead of practicing the monetary and fiscal restraint that we should have, there was instead a large increase in expenditures associated with the buildup in the Vietnam War which we were unaware of until much too late. This caused us to run a budget deficit in fiscal 1966 of $4 billion when we should have had a surplus. We followed the policy of guns and butter rather than a policy of restraint. At the same time, the Federal Reserve let the money supply rise by 9 percent in 1965. As a direct result, the rate of inflation began to rise too—from slightly over 1 percent in early 1961 to 1965 to 3 percent in 1966.

I do not intend to try and outline all of the ups and downs in our economy since 1965. We certainly made efforts from time to time to control inflation. On several occasions, the Federal Reserve responded to the inflation by cutting back sharply on the money supply with the result that credit crunches followed. Their principal effect seemed to be in cutting back the housing market. And each time to forestall this and other aspects of the credit restraint, we fell back to a relatively easier monetary policy.

On occasion, we had also followed the policy of fiscal restraint. In 1968, the Federal Government was running a whopping $25 billion deficit. We tried to meet this by imposing expenditure restraints and a tax surcharge.

I think our policy of fiscal restraint had some salutary effects but another kind of inflation arose to take its place, what economists call cost-push inflation.

Workers, who had signed contracts in the 1960's which did not take inflation into account, demanded large "catch-up" wage increases. People who had seen inflation at a 4- or 5-percent rate for several years began to consider these rates as normal and to take rates of increase of this size into account in their contracts and pricing decisions. Similarly, interest charges were set on the assumption that there must be a recovery through interest for the value lost in the loan through inflation.

Even though the economy was sluggish in the early 1970's, people looking back on the prosperous decade of the 1960's tended to take inflation into account in establishing their price and wage demands as a general rule.

This persistent inflation, even during the sluggish period of the early 1970's, combined with the insistence of the Congress, forced the hand of the Administration into imposing wage and price controls in August 1971. During the period of the initial wage price freeze and phase II, these controls were successful in reducing the rate of inflation. In fact, the rate of inflation declined from over 6 percent in early 1971 to 3.5 percent in 1972. Certainly the price controls were a major factor in this decline in the rate of inflation.

Unfortunately, as successful as the phase II operation was, our economic policy lenders in the administration were conceptually opposed to price controls. While most of us prefer to let the market determine prices in normal times, this certainly was not normal times. In any event, phase III which was begun in January of 1973 began the scuttling of our price control system which was more or less completed by June of 1973. Our second price freeze and the so-called phase IV, which were never a really satisfactory price control procedure, was in effect approximately the last half of 1973.

Certainly the elimination of effective price controls in January of 1973 has been a major factor in the resurgence of inflation in the last 18 months.

The nature of our inflation today, however, has changed somewhat from what it has been in the past. Certainly one continuing cause of inflation has been the devaluation of the dollar. The dollar declined by 10 percent in 1971, stayed relatively level in 1972, and has fallen about 5 percent since that time. The devaluation is both the cause and effort of inflation. Devaluation raises the price of imports which directly affects consumer prices. Prices of domestically produced goods which are in competition with the imports also tend to rise as a result. Devaluation by reducing the price of U.S. exports abroad has also raised world demand for U.S. goods which also raises their prices domestically unless there is a fall-off in domestic demand. Since the principal area where there has been an increase in world demands for U.S. goods was in our food products, this certainly has been a major factor in our rising prices in this area.

At the same time, the high rate of inflation in the United States was a major contributing factor to the fall in the dollar. For example, the dollar was stable in 1972 when our inflationary problem seemed to be under control but it fell sharply again in early 1973 when we lost ground to inflation.

When the U.S. inflation rate is high, the dollar sooner or later must fall to maintain equilibrium in the foreign exchange market. Indeed, the recent change from a fixed exchange rate system to a system of floating rates has important implications for our inflation problem. The floating system by automatically adjusting foreign exchange rates tends to prevent us from exporting our inflation, but on the other hand, also means that we are now not as likely to import inflation from others. The implication of this is that now if we can solve our own inflationary problems, the failure of our neighbors to solve theirs really will not hurt us. However, if we fail to deal with our own problem, we will get little, if any, help from them.

The inflation we face today contains still another new element. The problem of scarcity both in the United States and throughout the rest of the world has become a critical determinant of inflation. Unfortunately, this has occurred at the very time when on a worldwide basis we seem to be faced with a rising demand for more and more goods of all types.

Some economists have referred to this last aspect as an "explosion of expectations." These expectations which seem to be worldwide include expectations of a more rapid rise in the real standard of living than our resource-scarce world can reasonably supply

In this country, these expectations are compounded by a belief, supported by many years of expansionary policy by the Federal Government, that there will not be a depression or serious recession, or any other interruption, of what has come to be regarded as the normal annual increases in income and living standards.

The immediate cause of the most recent inflationary surge seems to have been principally a matter of excess demand plus shortages in food, fuel, and other raw materials. While to some extent some of these factors may ease somewhat in the period ahead, unless action is taken now inflation will continue as workers, employers, loaners of funds and others attempt to realize their expectations of an improved standard of living—or at least not a decrease in their standard of living in the face of rising prices—by demanding larger wage or price increases or higher interest rates for the use of their money.

Expectations are also playing a critical role in this inflation by encouraging people to spend now rather than later because they believe prices will be significantly higher in the not too distant future.

The incredibly high interest rates that we are now experiencing are a clear indication of this inflationary expectation. The "inflation premium" that lenders are charging indicates that they expect inflation to continue at an unacceptably high rate.

With the prime rate in the neighborhood of 11.5 percent and other rates not far behind, the housing industry has taken a substantial nosedive. If prospects of future inflation are not dampened, the housing industry may be in for still more serious declines. The high interest rates that lenders must charge, of course, discourage both buyers and builders. But of still more significance is the fact that savings institutions, which supply most of the mortgage funds, are limited by law as to the interest rate they can pay their depositors. As inflation continues, and people expect it to continue, depositors tend to move their money out of savings institutions into other financial institutions which pay significantly higher rates of interest. This so-called disintermediation is currently serious for the housing industry but could become devastating if inflation continues and interest rates continue to rise.

We cannot allow this double digit inflation rate of 12 percent or more to continue. It, of course, presents terribly difficult problems for the poor, for the elderly, and for those on fixed incomes. No tax program that we could devise would be as regressive and cruel in application as is inflation itself.

As important as this is, still more important is the effect that unbridled inflation will have on us in the future. We all know that serious deflation is the counteraction which results from continued and ever-increasing inflationary periods. Deflation can have still more serious consequences for all of us. It can mean still higher unemployment and a major loss of real output for our economy. This is something that we must do everything possible to avoid.

Our difficulty, of course, is that we have been in a period of drift—a period of no leadership. We all recognize the reasons for this absence of leadership on the part of the administration, but that does not excuse us here in the Congress from responsibility for the consequences. Congress must act in this void of leadership or assume the blame. I challenge both the Democratic and Republican leaders in the Congress to assume the responsibility which truly rests with all of us to do something about this terrible rate of inflation. While I shall not attempt to outline any full program, nevertheless, in my opinion, there are several actions that we must take if we are to stem what I fear is this rising tide of inflation.

We must follow a consistent policy—and here I emphasize the notion of consistency—of restraint both in the areas of our fiscal and our monetary policy.

I well recognize the popularity of the various tax measures which are being offered in recent weeks to reduce our revenues by some $6 to $8 billion.

I recognize the well-meaning effort to relieve those in the lower income bracket, who are clearly the ones who have suffered the most from the cruel inroads which inflation makes on our standard of living.

What I fear is that a decrease in taxes of this size will do more to aggravate the present inflationary pressures than it will to reduce inflation's burden on the low-income taxpayer who is supposed to benefit from the tax reduction. The difficulty, of course, is that the additional spending which will be generated on the part of taxpayers, as consumers, will have some impact on the rate of price increases. More important, however, it will product profound inflationary effects indirectly through its impact on the availability and demand for money.

I certainly do not say that we should not have a reduction in the tax burdens of those in the lower income groups, but to the extent—and probably more than to the extent—of any such tax reduction, it is my opinion that it should be offset by carefully well thought out increases in other areas of our tax system. This is one of the reasons why the Ways and Means Committee is presently engaged in a broad-scale reexamination of our tax system with the intent, on our part, to develop a series of carefully thought out tax reform measures. We anticipate that these will more than offset any reductions that may be provided. In this manner, we hope that it will be possible to provide for some easing of the burdens of those in the lower income groups arising from inflationary pressures but prevent this from having an adverse effect on our fiscal policy as a whole.

In addition, however, we must also show more restraint in our expenditure policy. We must, for the welfare of our economy itself, restrain spending at this time.

In the past we have exercised expenditure restraint by imposing congressionally ordered limits on spending. I am, of course, referring here primarily to the Revenue and Expenditure Control Act of 1968. I doubt whether expenditure limitations of this type, however, are the way to approach the problem today. We need, instead, an overall coordinated effort at the congressional level to establish spending limitations. I am glad to see that the conferees on the Congressional Budgetary Control Act have recently completed their action on this bill. I believe that enactment of this congressional budgetary control is an essential means of helping us, on a planned basis, to determine the appropriate expenditure limits for the future. I hope, however, that we will not rest on our oars in this respect, but instead, until it is possible to implement this act, do all that we can as individual members of the House, to restrain the level of Federal spending.

Monetary policy also needs to be restrictive in the period ahead. Fortunately, I believe Arthur Burns, Chairman of the Federal Reserve Board, fully recognizes this and can be expected to follow a policy of monetary restraint in the period ahead. There are, of course, disadvantages in such a policy because of its effect on interest rates, and particularly on housing. But for the period immediately ahead, I see no other alternative but to follow a restrictive policy in this area.

It is this notion that is becoming imbedded in our thinking process which somehow or other must be reversed—I am referring to this expectation of ever-increasing income levels and ever-rising prices. Such notions can only be overcome if we, for an extended period of time, follow a general policy of fiscal and monetary restraint.

I do not believe, however, that we can overcome this expectation of inflation by fiscal and monetary policy alone. I believe that the Congress needs to reenact a wage and price control program patterned after the Phase II program, with no termination date. I can well understand why Congress refused to extend the wage and price controls when the President indicated intent to use such controls only in the area of medical and health prices.

But the fact that the President has made a mistake and is unwilling to use price controls as broadly as they need to be, is no reason why the Congress itself should make an equally bad mistake.

I recognize, also, that labor has opposed wage and price controls because of the disparity between the price increases permitted and the wage increases permitted. We can, however, develop means of compensating for these problems in the most crucial areas.

My preference, of course, would be to let the marketplace control our price structure and, in normal times, I would not be advocating any other course of action. To overcome this feeling of the inevitability of a continuation of inflation, however, requires positive action. Proper fiscal and monetary policies may, over a long period of time, result in a gradual banking of the fires of inflation. But with the present inflationary psychology, we must find better remedies in the near term. Otherwise, there is the danger that inflation, in the meanwhile, will grow to such proportions that it will take drastic deflationary measures to stop it, with the resultant chaos in the economy.

Some private economists would have

us start on a new fad—indexing the entire economy to secure adjustments for everyone when prices rise. This, in my mind, is advocating a policy of defeat since, instead of controlling inflation, it tries to come up with a way for us all to ride the roller coaster together. I do not think we can do that.

I recognize that wage and price controls are anathema to many on ideological grounds. I believe, however, that given our present situation, any real economic analysis will suggest that under present conditions, at least, we need such controls. Let us examine some of these arguments.

It is frequently argued that wage and price controls are artificial and that as an economic tool to control inflation they are inferior to appropriate fiscal and monetary measures. The fallacy in this line of argument, as I see it, is that I am not suggesting it as an alternative to responsible fiscal and monetary actions, but as a supplement to such actions. The plain fact is that in the present emergency situation, monetary and fiscal measures, while essential, are not sufficient in and of themselves to do the job. They need help if we are to rid ourselves of this expectation of rising prices.

It is also suggested that the inflation problem is caused by shortages and by special situations. As a matter of fact, as I have outlined in my statement, I believe there is much truth in this, but this does not mean that wage and price controls, properly handled, will not help us overcome the shortage problems. I do not propose a gigantic system of rolling back prices. I fear we must accept the damage that has already been done to prices in the past. Our job is to prevent future damage, and in this respect, wage and price control can help us straighten it.

Finally, the claim is made that price controls have been tried recently and have not worked. I do not see how anyone who looks at this proposition with an open mind and really analyzes the situation can agree with this conclusion. The administration has applied these controls so reluctantly and has changed its mind so often, that its policies in this connection have been little more than a phased disaster. No sooner were there signs that phase II was working, then the administration withdrew the controls. Wage and price controls just have not been given a proper chance to operate.

The wage and price controls, in my opinion, should not be the type over which the administration has the right to say whether they are to continue in effect or not. At the same time, there must be flexibility to adjust for rising costs of materials entering into the prices of the products being controlled, there must also be flexibility to be sure that essential products are not driven out of the marketplace. At the same time, we must also see to it that our wage-earners are treated fairly in how the wage and price controls are operated.

While the objective I seek should be a temporary one, to last only as long as the emergency conditions continue, I believe that no date for the termination of the program should be specified. Specified termination dates inevitably reduce the effectiveness of a controlled program by encouraging economic distortions in the form of accelerated purchase and deferment of sales as the termination date approaches.

The task that I have outlined for you of controlling inflation through appropriate fiscal and monetary restraints, coupled with an effective program of wage and price controls, is no easy matter. Nor can we look to the executive departments downtown to help us out in this regard. This must be a responsibility which we here in the Congress—both Democrat and Republicans alike—shoulder. I will try and do my part in the formation of such a policy of controlling inflation through the development of a tax program which is consistent with these objectives. I challenge the leaders in the Congress, in the other fields to similarly shoulder their responsibility and help us gain control over this terrible inflationary problem. If we do not, our country will suffer terribly.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I will be glad to yield to the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's yielding. I appreciate the comments of the chairman of the Ways and Means Committee that the trouble begins right here with this Congress because the House refuses to restrain expenditures. The gentleman is correct on that important point.

Unfortunately, we have not done it. We just talk about it.

Aside from that, I was interested in the comment of the chairman of the Ways and Means Committee that wage and price controls could be effectively handled under the three criteria the gentleman has mentioned. Then, again, the gentleman says, by the same token, that those powers should not be given to the administration or the executive branch because they have proven they do not know how to use them.

Mr. MILLS. No, I did not say that.

Mr. ROUSSELOT. Who would basically handle that management problem?

Mr. MILLS. It would of course have to be handled downtown.

Mr. ROUSSELOT. Yes, but the gentleman already said that the administration could not do it, or have proven that they could not do it very well.

Mr. MILLS. No. It has to be administered downtown. What I was trying to refer to was the passage of general authority by the Congress allowing the President to do this. If the President would say, "If I were given authority by Congress, I would reinstate phase 2," I would be for it in the morning.

Mr. ROUSSELOT. Mr. Speaker, the problem, as I see it, is that this Congress is presently complaining, especially the Democratic leadership, that we have: First, given too much power to the executive branch; second, that we constantly delegate away power; third, that we should exercise responsibility. On these points I agree. How are we going to give him all that kind of power again under your recommendation for wage and price controls?

Mr. MILLS. Mr. Speaker, what I am talking about is that Congress should set up the program with appropriate criteria. The program will have to be administered downtown. We of course cannot administer it.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will allow me a comment, these laws generally emanate from the Committee on Banking and Currency, and on the basis of our previous record on this subject, I do not have quite as much confidence as the gentleman has on this subject.

Mr. MILLS. Mr. Speaker, I will say this, and I suppose I am bragging when I say it: I have spent more than half of my lifetime in this Congress, and I have known of no group of men—Democrats, Republicans, elder statesmen, and freshmen—for whom I have had any greater respect, or perhaps for whom I have had even as much respect, as I have had for my colleagues with whom I have served over these years. I do not believe, when it understands the situation, I have ever failed to see Congress stand up to its responsibility and act in an affirmative way in order to handle a crisis.

May I recall for the benefit of the Members a little history? I will never forget a meeting which I had with President Kennedy before Congress reconvened in 1962. I think it was on the first or second day of January 1962.

The President told me that he wanted to do some things which related to matters that came to our committee, but that he had been told by his own advisers not to ask for a continuation of the Reciprocal Trade Agreements program, because the Congress in an election year would not pass such a program.

I said:

> Mr. President, they do not know as much about the Congress as you and I do. You served in both the House and the Senate. You send to the Congress your program involving a continuation of the Reciprocal Trade Agreements program. Let the Committee on Ways and Means consider it. Maybe you could change its dress or just put a little rouge on its face, but I know one thing: the House of Representatives will pass it.

Mr. Speaker, in that election year, 1962, the House of Representatives passed a program allowing the President to lower all of our duties by as much as 50 percent—and that was in an election year—by the largest vote this House ever gave to the continuation of the Reciprocal Trade Agreements program.

I have that confidence in the membership of this House when the Members are aware of a crisis and are called upon to act.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, that is one of the worst things we ever did.

Mr. MILLS. In the opinion of the gentleman from Iowa, perhaps it was. I was not passing judgment on it; I was merely pointing out what the *House* did.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I am still a little amazed, not only on the basis of our own experience with wage and price controls, but also on the basis of the experience of many European countries, especially when we consider on the whole world record what an absolute failure controls have been. I am speaking of the inability of a central power to try to manage an intricate system of wage and price controls in a free market system or in what is supposed to be a free market system.

Mr. MILLS. Mr. Speaker, I would not argue with my friend, the gentleman from California, whatsoever about staying with the free market system under normal circumstances. However, my friend, the gentleman from California, knows that when we have inflation taking place at an annual rate of 12 percent, we are not operating under normal conditions.

Mr. ROUSSELOT. Mr. Speaker, I will gladly agree with the gentleman in that respect, but I think the major cause of that situation occurs when the nation undertakes programs and spends more dollars than it has in its treasury. The gentleman will recall that he and I discussed that matter a couple of weeks ago during the debate on the debt ceiling increase.

Mr. MILLS. Mr. Speaker, I agree with the gentleman.

However, I will try to point out that if we use the ordinary methods of fiscal control and market control, we accomplish our objectives only way down the road.

In the meanwhile, what are we going to do with those who are on fixed income and those who are in low-income brackets, those who are suffering the most from this 12-percent inflation rate?

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I suggest we cut the unnecessary spending. That is the best medicine we can give them.

Mr. MILLS. I agree that should be done, but that will not stop our inflation this year and the next year.

Mr. ROUSSELOT. Mr. Speaker, the gentleman and I have an honest disagreement. The inflation problem now ravishing our country is the prime result of congressional and administrative overexpenditure. Inflation is a long range as well as a short-term problem. We should have learned by now that wage and price controls will not solve that problem.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to compliment the gentleman from Arkansas, the chairman of the Committee on Ways and Means, for his very provocative remarks which he has just made in the House. Coming from such a source, I do not see how the gentleman's remarks can fail to trigger a national debate on this particular issue.

I am not one of those Members who feels that wage and price controls have resulted in a happy economic experience for this country and that it would be a particularly constructive thing to reimpose them at this point. However, I have a couple of very specific concerns which I would like to voice to the distinguished chairman, and there are questions implicit in these concerns.

First of all, I wonder if the gentleman from Arkansas does not believe that a call for wage and price controls at this point will cause a major rush to establish higher bases for both wages and prices during the pendency of such legislation?

Mr. MILLS. The gentleman knows on our committee when we plug a loophole we dot it as of today, and we date it as of the day we take the action. I think we could do the same thing here.

Mr. CONABLE. Then the gentleman is suggesting that we move on such a crash basis that we accept this moment as the time——

Mr. MILLS. Not this moment but when the committee considers it, if it does, and I hope it does. My friend from New York knows my feeling about all of this. I as much as anyone in this chamber would like to see the market place operate and operate freely. You know that ordinarily I would oppose wage and price controls, but I do not see anything that can happen in the next 12 months or perhaps even in the next 24 months that gives us any degree of complacency in regard to this inflationary expectation that presently exists, which is to a large extent fixing the high rate of interest, which is to a large extent determining the much higher prices people are paying for whatever they buy week by week.

Mr. CONABLE. May I ask my friend from Arkansas if he would also impose embargoes on exports at this point?

Mr. MILLS. I would not.

Mr. CONABLE. Does he not have some concern, if we put a limitation on prices, for instance, that such limitation will continue to contribute in a major way both through a failure of investment and through exported basic goods to shortages and the same kind of chronic shortages which is one of the major exacerbations of our inflation today?

Mr. MILLS It is entirely possible that would become necessary, but I am saying I would not do it as a part of this program. It might have to follow in 60 or 90 days or even in 30 days.

Mr. CONABLE. I would like to express my very grave concern about this kind of a proposal at this time. It seems to me it is bound to be a further unsettling factor in the very unstable price situation which we now have, and I hope the Members of this body will consider it very carefully before we embark once again on what has proved to be a comparatively disastrous economic experiment.

Mr. MILLS. My good friend knows that I have to take issue with that last statement. What I am talking about is phase II, which did work and which worked reasonably well because the rate of inflation was only about 3.5 percent when it was in effect. That is compared with 12 percent as of today.

Mr. CONABLE. I think the chairman will agree that the state of the economy was quite different then.

Mr. MILLS. Oh, I pointed that out, and my friend heard me point that out. There are different factors in existence today.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BROWN of Ohio. I am impressed, as I am sure we all are, by the very interesting remarks that the gentleman from Arkansas, the distinguished chairman of the Committee on Ways and Means, is making in his proposal. I am also impressed with the run around the block that he gave, however briefly, of some of the other alternatives.

I would like to ask first if this business of controlling wages and prices and adjusting the wages and prices to allow for profit margins and so forth that would stimulate expansion in shortage areas is not just about as complex and impossible and difficult as the question of indexing inflationary increases. The gentleman himself said that indexing inflationary increases was not an appealing prospect to him, and it is not to me. However, neither is wage and price control, because what you do is freeze in the inequities in the situation. We have had examples of that for years. In the steel industry, for instance, now one of our problems in the United States is that we cannot get enough steel and we cannot get it because we have had prices and profits of steel in this country held down. We are going to have to have some kind of stimulation for investment, or else we will have to depend on foreign steel.

Mr. MILLS. I agree with the gentleman, and that is one of those aspects that the Committee on Ways and Means is looking into with respect to the tax bill.

Mr. BROWN of Ohio. But if we reimpose a freeze——

Mr. MILLS. I am talking about phase II, which is much more manageable and will take care of some of the inequities that were not provided for or taken care of in phase I.

I am not suggesting a return to the price levels in effect at the time of phase II.

Mr. BROWN of Ohio. Mr. Speaker, let me ask the gentleman from Arkansas whether the gentleman might not be willing to consider the prospects of tax cuts that would stimulate industrial expansion so that we could have an opportunity to meet some of these shortages that we now face, and thereby reduce the prices of some of the raw materials and commodities such as steel.

Mr. MILLS. It does not always work out that way that if we increase production we automatically reduce prices.

Mr. BROWN of Ohio. But if we increase production we would at least hold down prices.

Mr. MILLS. Let me call the attention of the Members to some of the things that might be worth considering. I have talked to various elements of the business sector and, for example, one of the large steel companies intends to spend, over a period of some 6 to 10 years, about $800 million a year in the expansion of its facilities, and other corporations are also intending to do the same thing.

But, one of the major problems that they face is where would they go to get the money guarantees?

Mr. BROWN of Ohio. May I make a suggestion in that regard?

Mr. MILLS. I would suggest that the gentleman make it to these people who want to invest their money.

Mr. BROWN of Ohio. I think that most of these announcements of increased expansion came after the lifting of wage and price controls.

Mr. MILLS. Most of these were planned last year.

Mr. BROWN of Ohio. They may have been planned last year, but nobody made any commitments until after we got rid of the wage and price controls, and that they were made finally only after operating on a free and open market.

Mr. MILLS. In phase IV they could do whatever they wanted to do.

Mr. BROWN of Ohio. I think we still had a limitation on that in the steel price situation during that period of time.

Mr. MILLS. That was being phased out.

Mr. BROWN of Ohio. If the gentleman will yield for one more comment—and that is that it seems to me that if we could provide for some kind of a tax credit that would stimulate industrial expansion, that that is the solution that is necessary for some of these industries where such expansion might mean a great deal.

At the same time, do something about fiscal responsibility and holding down spending, that this would be most appropriate, because it would help reduce our taxes that would be needed and, at the same time if, as I say, we could increase our production and maintain a lower price level by having additional commodities being produced.

Mr. MILLS. I might point out to the gentleman from Ohio that I have made several speeches and the gentleman probably has not actually been aware of them because I did not make them on the floor of the House, and I did not send out any advance notices of them, either, but I have made many speeches about the possibility of using our tax laws to bring about an increase in the production of about 25 to 35 industries where we are in short supply. We are studying that in our committee, and the people in the Treasury are studying it, and the people in the Federal Reserve Board are studying it, to see whether we can get back what we need through that type of a procedure.

Mr. BROWN of Ohio. I certainly agree with that statement.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the distinguished gentleman and very able chairman of the Ways and Means Committee yielding.

Let me say first that I applaud the gentleman from Arkansas on the statement he has made here today, and for focusing the Nation's attention on the role of Congress in fighting inflation, because its my view that it is here that the war against inflation will be won or lost.

I also wish to rise in support of the statement made by the gentleman from Arkansas that fiscal and monetary restraint are very much needed, and I further agree that reliance on the mechanism of a free market is needed to cope with shortages. Finally, I agree that at this time, a tax cut without a commensurate cut in spending would be devastating in terms of halting inflation as it would require additional borrowing to finance the even greater deficits than we have today.

I do want to respectfully disagree however with the statement made by the gentleman from Arkansas over his suggestion of returning to wage and price controls and about phase 2 being a success. As I understand it, in looking back on the years of 1969, 1970, and 1971, that we had the type of fiscal and monetary restraints so needed in those years and that is what brought down the rate of inflation, not the controls per se.

My view is that I think the chairman gives too much credit to the wage and price controls, and not enough credit to the classical tools of fiscal and monetary discipline as approaches to fighting inflation.

Mr. MILLS. The gentleman from New York should realize that at that time the rate of inflation was 3.5 percent, whereas it is now 12 percent. We can argue about which had the most effect, but the three things worked together, and they worked together to a greater advantage for the American people than we are working the two things together now.

Mr. KEMP. If the gentleman will yield still further, I have another idea to express.

The gentleman from Arkansas made mention of the fact that demand has sometimes lowered rather than increased prices.

Mr. MILLS. There is no doubt about it.

Mr. KEMP. We have had the experience recently through phase I, phase II, phase III, and phase IV, of artificial prices increasing demand and thus causing shortages. The gentleman from New York was on record as voting against the Economic Stabilization Act because I believed at that time as I do now that every time we set prices shortages occur which in the long run drive up prices even further.

When the President put on those price freezes and price controls on the different products being manufactured and produced in this country, that in itself artificially created a price below that which the market would set. This in turn stimulated demand without correspondingly giving rise to production which was needed to increase the supply. So on one level we were increasing demand, and on the other level we were not increasing production and supply, thus the Government, Congress, and the administration must be held accountable for many of the dislocations and shortages that took place.

It seems to me that the gentleman's suggestion for reinstituting controls at this point is going to further exacerbate the problem that we have with shortages in this country today and I for one want no part of it.

Mr. MILLS. The gentleman is missing my point. I would use price controls in combination with restrictive monetary and fiscal policies. They did work in the past for a limited period of time and they can work together in the future. We must do something about the expectations of inflation and do it now.

Mr. STEELMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. STEELMAN. I thank the gentleman for yielding.

I was listening to the distinguished chairman's statement, and I want to say at the outset that I have the highest respect, not only for the gentleman's ability but also for his sincerity. The gentleman made several thoughtful comments, and this is an extremely complex area. I thought the heart of the whole statement had to do with the conditions the gentleman places upon the sort of controls program he outlines, and that is a properly administered controls system.

The simple fact is, I would say respectfully to the chairman, that controls cannot be properly administered. That is the point. One can make a fine academic argument, and it looks good on paper.

I was very active in the early part of the year in trying to move the Congress toward the view that we should chuck the controls system and encourage the administration to take that view. In doing so, I did a little bit of research about controls.

Controls were tried by the French; they were tried in 13th century England; they were tried four times by the early colonists; they were tried several times during this century. They have never worked.

The gentleman cited phase II as something that worked. Phase II was simply a lid on the pressure-cooker. It was a lot, in my judgment, like giving a pain killer for a cancer cure. It is not a cure.

Mr. MILLS. I am not disagreeing with a thing that my friend, the gentleman from Texas, is saying. I do not suggest that price controls should be permanent, but just remember that most of the countries which failed to do something about inflation went down the drain.

Mr. STEELMAN. I want to say to the gentleman in every case the various heads of state and heads of government made exactly the comments the gentleman made today. They preferred to go forward on the basis of supply and demand and the free marketplace. In their frustration they said: We have got to try controls. In every case controls were scrapped after failure, after the kind of shortages we have seen in this country.

If we are going to go controls, we are going to have further shortages, meaning higher prices and further inflation. I think the most honest thing we can do as Members of Congress is to tell our constituents back home that the fiscal policy that this Congress and the administration made in 1965, 1966, and 1967 which the gentleman referred to as better fiscal policy is the reason, and that we cannot do anything in the next 12 months to deal with this situation. We are going to have to take the longer term approach on fiscal and monetary restraint with regard to trying to increase supplies.

Mr. MILLS. That is something that I said started in 1965. It went along in the latter part of the sixties at a very much less rate of increase. It mushroomed in the seventies because of what we did in 1965 and 1966. We have continued to do what we should not have done. That is the whole point.

If I have not done anything today except try to stimulate my colleagues into thinking of something that can be done, even if they do not like wage and price controls in the short term, I will have accomplished something, if I can rouse their concern about taking positive action. I think the very best fiscal and monetary policy can only have an affect in the long run. Let us save this country from this inflation expectation before we begin a depression.

Mr. STEELMAN. Will the gentleman yield for just one final comment?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. STEELMAN I thank the gentleman. The simple point is, it seems to me, we cannot do anything in the next 12 months that is going to reduce this, because of 5- or 6-percent annual rate. What we had better do is take the constructive, long-term approach, the 5-year view, which I think is the most honest approach. Then we can deal with inflation over the long haul.

Mr. MILLS. What worries me is if we consider it on a 5-year basis, by the time we get there, we are going to be trying to figure out how to get out of a depression.

Mr. BURLESON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. Mr. Speaker, I appreciate my chairman yielding.

I am sure there is not a Member of this body who does not share the concern with the gentleman over the problem of inflation which is eating away, as the gentleman mentioned, the buying power of the American people. Especially is it true regarding those on fixed income and our older people where it hits the hardest. In fact it is eating away at our very system.

The gentleman mentioned tax reform efforts now being conducted by our Ways and Means Committee—and I would like to put that "tax reform" in quotation marks. I get the feel, some of it by osmosis and some of it otherwise, that a great many of our associates here have the idea that the way to cure some of the problems is to get more taxes into the Treasury. I am not sure what it will cure but it will not cure inflation. Some of our experts, many of whom we highly respect, feel we are short of capital in this country. Obviously we are not in a classic inflation, as my chairman has indicated. There are numerous factors contributing to this situation.

The classic type of inflation, as I have understood it historically, is the case of too much money chasing too few goods. We have this in some places, but we are lacking more productive capacity in this country and until there are dependable sources of capital to produce more goods, the classic type of inflation will grow.

Seemingly there is thinking that if we take away further incentives for expansion we somehow meet the present appalling conditions of accommodating consumers. The excess profits tax bill on oil and gas now pending in this House is an example.

It is self-defeating because we are taking out of the domestic economy something like $11 billion-plus, which would otherwise, in very large measure, go into the search of new production and lower prices. I just do not believe we can beat the law of supply and demand in this country nor can we do it in this Congress. No one yet has repealed this law but it seems some think they can.

Mr. MILLS. We cannot repeal it, and I mentioned shortages of supply as one of the problems, but we normally make more supplies available by encouraging those who are producing things in short supply to produce more and we can do that through the device of reducing taxation.

Mr. BURLESON of Texas. But I am not sure we are heading in that direction when we take away incentives, and I am not just speaking alone for the oil and gas industry at all, but this is the direction I fear we are headed. Capital investment is needed in all industry and the higher they risk, the more incentive needed.

Mr. MILLS. I think all of our constituents want us to do something and do it now. I think if we try to depend upon increased supply we are looking at too long a period. The period of time we must consider is right now. I think these things are certainly true, they are the economic tools I would use if I had a longer time to use them, if they wish to do something, but I am concerned that we are now approaching the time when inflation has brought us to the point of some kind of deflation or recession. We cannot have the housing industry in the nose dive it is in and we cannot have the automobile industry saying they can produce only so many cars, so many less than last year, and on down the road, and have everything different and less being produced without having troubles ahead.

Mr. BURLESON of Texas. Let me think further with my chairman just on this. If we gave stability to the economy in this country, which it does not now have because they do not know what we are going to do in the next 6 months or year, I believe there would be a quick upturn in business activity which would not contribute to inflation. Rather, it seems with more production, more goods and a stability on which the business community could depend, these other pieces would fall in place in due time without artificial remedies.

If they knew we were not going to pull away some of these tax incentives, whether the investment credit or the tax on capital gains or whatever it may be, if we could get some stability that would give, I think, an immediate rise to production and it would not feed the inflationary process.

Mr. MILLS. I thank the gentleman for his comments. I would not argue against that if we had the time.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Washington.

Mr. ADAMS. I would commend the gentleman that he has established the three main factors here. We have to have fiscal monetary responsibility and we have to have some kind of control in the free market area.

Our problem is, and I agree with the gentleman from California, we do have to set an example in the Federal Government by controlling our spending. We are trying to understand why that level rises each time, even though we cut appropriations each year; but we also have to understand there is no free market economy in the major sections of the American economy. The amount we set in those areas is going to be set by basically monopoly conditions and that is what the gentleman talks about when he says we have to have some kind of basic control, such as in phase II.

I agree with the gentleman. We discussed this in the mid 60's, the argument that we have to have a war to keep up the economy.

The record of the gentleman has been consistent.

We are appearing now trying to establish a policy and the committee chairman has stated the key word on that, that each one must have a policy to produce a definiteness in the economy. I agree with the gentleman.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Florida.

Mr. CHAPPELL. I, too, Mr. Chairman, feel that the No. 1 problem in America is inflation.

I would ask the chairman of the Committee on Ways and Means if the committee has given any consideration in this matter of balancing supply and demand, to what effect there would be on legislation which would require down payments on more of the goods in short demand for a period of time; that is to say, a cutting back of the credit which we might have in the hands of the consumer today.

Mr. MILLS. One of the arguments against that is that we strike at the very poorest of our people. There is authority on the part of the Federal Reserve to extend or limit the time for obligations on automobiles and many other things. The Federal Reserve can cut back on the time limit in which those payments have to be made.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman yielding and also the benevolence of the Chair as to the time remaining.

It seems to me what we need a freeze on today is on Government spending. No. 1, we should freeze Government spending, and No. 2, require restraint on the part of the Federal Reserve.

Mr. MILLS. I agree with the gentleman that we need a freeze on Government spending.

Mr. KEMP. I am glad to hear the gentleman agrees. I think when the gentleman talks about the gap in this country between promise and the performance, and the ideal and the real, we would be further stretching the gap to tell people that controls are the answer. It seems to me by putting back the controls on our economy we are telling the American people that the answer to inflation is something other than fiscal and monetary responsibility here in Washington. The answer is not controls. The gentleman has exercised great leadership in his long career and in his comments on the floor today—I am grateful for this exchange and look forward to working with him to help stop this ruinous tax on our people.

Mr. MILLS. Let me say that if what I have suggested is not the answer, I hope somebody comes up with something so that we do not have a 12-percent inflation per year as we do now.

Mr. KEMP. As the gentleman has said, the answer is a sound fiscal policy and restraint.

INSURANCE FOR CATTLEMEN

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, the American cattle industry has always taken justifiable pride in its ability to compete successfully in the free market. For many years, this Nation has led the world in overall beef production and quality. Of course, the American consumer was one of the beneficiaries of this thriving U.S. industry—an industry based upon expertise, prudence, innovation, as well as a healthy share of hard work and sheer luck. Americans lead the world in per capital beef consumption. Obviously, the reason for this high consumption level lies in reliable supply, reasonable prices, and high quality—all of which the American cattle industry has been able to provide.

It is now apparent that a set of unfortunate circumstances, over which the American cattle industry had little or no control, is causing severe financial hardship in this once thriving industry. Feedlot operators are now losing in excess of $125 a head on fed cattle. Ranchers, farmers, and even banks in cattle country are now beginning to be affected by this economic downturn. Some experienced cattlemen have already lost everything they ever invested in their ranches and stock. One of the most perplexing aspects of this problem is the persistent farm-retail price disparity—which sees at one end the cattle producer losing money at an ever increasing rate, and at the other end, the American consumer getting little or no relief from decreasing cattle prices. I recently submitted testimony on this complex problem to the House Agriculture Committee, along with a number of my colleagues. Additionally, I asked the Federal Trade Commission to investigate this price disparity. Thus far, there has been no relief—either for the cattle producer or for the beleaguered consumer. And because this problem has not been corrected, a $20 billion American industry stands at the edge of financial disaster. The American cattle industry cannot continue to sustain losses that are currently running at over a quarter of a billion dollars per month. These losses initially impacted most heavily on feedlot operators. However, now cattle producers and even their banks are feeling the severe impact of this serious situation.

Normal credit channels are drying up for cattlemen who are fighting for their economic survival. If these cattlemen cannot secure the needed capital to stay in business, the American consumer will ultimately pay the price for our inaction. Can we afford to let the American cattle-industry go under? The answer is a resounding "No." Capital must be generated, feedlots must be restocked and cattlemen must be given a fighting chance. If this does not happen, the American cattle industry will simply not be able to continue to supply beef to America's dinner tables in either quality, quantity, or reliable supply.

The inevitable result of a lack of action at this time will be reduced beef production as cattle numbers decline and producers are forced out of business. Obviously, this situation will lead to beef shortages and higher prices for the consumer, and a likelihood for the buildup of pressure for Government imposed ceiling prices. This sort of Government intervention last year had disastrous results and contributed to our present difficulties by badly distorting normal marketing patterns.

The Nation's consumers have a large stake in maintaining a health, stable domestic livestock industry.

There are, of course, other steps we can take to retain the viability of our domestic beef industry. I have introduced legislation to amend the Federal Meat Inspection Act to prevent the importation of diseased, contaminated, or otherwise unwholesome meat and meat products. The cost of this program would be underwritten by charges levied on imported meat by the Secretary of Agriculture. Additionally, I have introduced legislation to prohibit the importation of meat slaughtered under inhumane conditions. I believe that foreign beef producers who export their products to our country should abide by the same laws to which our domestic producers are subject.

Additionally, this Congress could take steps to limit imports of beef, particularly in view of the action taken by some other countries to exclude our products from their markets.

The American cattle industry is not asking for a handout, but it could definitely use a helping hand in the form of an insured loan fund to enable qualified cattlemen to secure funds at Government guaranteed or insured levels. The legislation I am introducing today provides for such a fund, to be administered by the Farmers Home Administration. The fund ceiling would be $3 billion. Under this proposed program, qualified beef producers who are now, and were previously in the cattle business, could apply for emergency 5-years loans at an interest rate of 5½ percent. My colleague (Mr. PRICE of Texas) has introduced similar legislation. I believe this $3 billion fund is the minimum amount necessary to help this $20 billion industry. These funds will be a good investment in a responsible industry that has already and repeatedly demonstrated its ability in the American market system.

For the further information of my colleagues, the text of my bill, H.R. 15295 is as follows:

H.R. 15295

A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for cattlemen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by striking out "Subtitle D" in the center heading immediately preceding section 331 and inserting in lieu thereof "Subtitle E", and by inserting immediately after subtitle C the following new subtitle:

"SUBTITLE D—LOAN INSURANCE FOR CATTLEMEN

"SEC. 331. (a) The Secretary shall insure loans made by a lender other than the United States, or made by the Secretary and sold to such lender, to a borrower in the United States who—

"(1) is a citizen of the United States;

"(2) is or has been engaged in beef cattle producing operations to an extent and in a manner determined by the Secretary as necessary to assure reasonable prospects of success in cattle producing endeavors financed by loans insured under this subtitle;

"(3) is unable to obtain sufficient credit to finance his actual needs in the beef cattle producing business at reasonable rates and terms, as determined by the Secretary after considering prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans similar purposes and periods of time; and

"(4) has, if he has received previously a loan insured under this subtitle, performed successfully the terms of such loan.

"(b) Loans insured under this subtitle must be expended for the purpose of financing the normal operations of buying, raising, and selling beef cattle by the borrower whose loan is being insured.

"SEC. 332. (a) Subject to the approval of the county committee, appointed under section 352, the amount of any loan insured under this subtitle shall be determined by the lender.

"(b) The period of repayment of any loan insured under this subtitle shall not exceed five years.

"SEC. 333. (a) The Secretary shall from time to time establish the interest rate which may be paid by borrowers on loans insured under this subtitle, but such rate shall not exceed 5.5 per centum per annum.

"(b) Whenever the Secretary determines it necessary that a lender be paid a higher interest rate on a loan than is to be paid by the borrower on such loan in order for the Secretary to be able to enter into a contract of insurance with a lender with respect to such loan, the Secretary may contract to pay the difference between the interest rate to be paid by the borrower and the interest rate to which the lender is to be entitled under such contract.

"SEC. 334. (a) The Secretary shall determine whatever security he deems necessary for the obligations entered into by him in connection with loans insured under this subtitle.

"(b) The Secretary may enter into any security instrument in connection with loans insured under this subtitle; whenever practicable he shall provide that such instrument constitutes a lien running to the United States even though the notes are held by lenders other than the United States.

"SEC. 335. In any case in which the borrower receives the loan insured under this subtitle in installment payments, the Secretary shall specify in any contract made in connection with such loan that such borrower shall receive no such payments after failure by the borrower to perform successfully the terms of such loan.

"Sec. 336. The Secretary is authorized—

"(1) to make agreements with respect to the servicing of loans insured under this subtitle and to purchase any such loan on conditions and terms as he may prescribe; and

"(2) to retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan.

"Sec. 337. Any contract of insurance executed by the Secretary under this subtitle shall be an obligation supported by the full faith and credit of the United States and incontestible except for fraud or misrepresentation of which the holder has actual knowledge.

"Sec. 338. (a) The borrower of any loan insured under this subtitle shall pay such fees and other charges as the Secretary may require.

"(b) Such borrower shall prepay to the Secretary as escrow agent such taxes and insurance as the Secretary may require and on such terms and conditions as he may prescribe.

"Sec. 339. (a) There is hereby created the Cattleman's Insurance Fund (hereinafter in this subtitle referred to as the 'fund') which shall be used by the Secretary as a revolving fund for the discharge of obligations of the Secretary under this subtitle.

"(b) The Secretary is authorized to transfer, no later than twelve months after the date of enactment of this subtitle, assets from the Agricultural Credit Insurance Fund, described in section 309, to the fund if he determines that such transfer is necessary to establish the insurance program created by this subtitle.

"(c) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary, for the purposes of obtaining money for the fund, to the Secretary of the Treasury.

"(d) The Secretary shall make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this subtitle, and he may make and issue such notes for the purpose of establishing the insurance program created by this subtitle. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the average maturities of loans insured under this subtitle. The Secretary of the Treasury shall purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which such securities may be issued under such Act are extended to include the purchase of notes issued by the Secretary hereunder. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(e) Notes and security acquired by the Secretary in connection with loans insured under this substitle shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time, All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

"(f) The Secretary shall deposit in the fund any charges collected for loan insurance services provided by the Secretary under this subtitle as well as charges assessed for losses and costs of administration in connection with insuring loans under this subtitle.

"(g) The Secretary shall utilize the fund—

"(1) to make loans which can be insured under this subtitle whenever he has reasonable assurance that they can be sold without undue delay, and he may sell and insure such loans;

"(2) to pay amounts to which the holder of insured notes is entitled on loans insured accruing between the date of any payments by the borrower and the date of transmittal of any such payments to the holder; in the discretion of the Secretary, payments other than final payments need not be remitted to the holder until due or until the next agreed remittance date;

"(3) to pay to the holder of insured notes any defaulted installment, or upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

"(4) to purchase notes in accordance with contracts of insurance entered into by the Secretary;

"(5) to purchase notes in accordance with the Secretary's obligations under contracts of insurance entered into by him;

"(6) to pay taxes, insurance, prior liens, and expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, plus expenses for necessary services, including commercial appraisals and loan servicing and consulting fees, and other expenses and advances authorized in section 355(a) of this Act in connection with loans insured under this subtitle; such items may be paid in connection with guaranteed loans after or in connection with acquisition by the Secretary of such loans, or of the security of such loans after default, to an extent determined by the Secretary to be necessary to protect the interest of the United States;

"(7) to pay the difference between interest payments by borrowers and interest to which insured lenders are entitled under contracts of insurance entered into by the Secretary under section 333(b);

"(8) to pay the Secretary's cost of administration of the program authorized under this subtitle, including costs of the Secretary incidental to insuring loans under this subtitle; and

"(9) to perform any other act authorized by this subtitle.

"Sec. 340. The aggregate amount of the obligations insured under this subtitle and outstanding at any one time shall not exceed $3,000,000,000.

"Sec. 341. For purposes of this subtitle—

"(1) the term 'cattle producing operations' means a beef cow-calf rancher, an individual who raises beef cattle in his normal ranching operations, a feedlot operator who feeds beef cattle for hiselm and others, a partnership that feeds beef cattle or an operator who feeds beef cattle for himself; and

"(2) the term 'beef cattle' means cattle raised to to be sold and slaughtered for beef producing purposes.".

(b) Sections 331 through 344 of the Consolidated Farm and Rural Development Act, and all references thereto, are redesignated as sections 351 through 364, respectively.

CAMPAIGN FUNDS REFORM

The SPEAKER pro tempore (Mr. Thornton). Under a previous order of the House, the gentleman from Delaware, Mr. du Pont is recognized for 30 minutes.

Mr. du PONT. Mr. Speaker, 6 months ago on the floor of the House of Representatives, I suggested to my colleagues that if the leadership of the House was not going to allow us to consider campaign spending reform, if the Democrat leadership was going to tread water on the question, then we, as individual Members of the Congress, must impose our own reforms in raising our campaign funds.

I believed then, as I believe today, that no single reform is more important to the future of the political process than campaign spending reform. Nowhere are the abuses more obvious, nowhere is the influence of special interest groups more sordidly documented.

Since it seemed unlikely that the leopard would change his spots this close to the day of the hunt, I became the first Member of Congress to set a self-imposed $100 limitation on all contributions to my campaign—a limit that applied to everyone—myself and members of my family as well. I pledged not to accept one dime from special interest groups—only from individuals.

Six months ago in my floor speech I promised my congressional colleagues that when I had raised my campaign funds within these limits, I would be back—hopefully as a source of embarrassment to those Members of Congress who continue to raise their money from the political holy trinity of big business, big labor, and special interest groups.

Today I am back to say with great relief and a certain degree of pride that we have been successful. "Pete's 3000" was formed to find at least 3,000 persons willing to give $5 and $10 even to help make campaign spending reform a reality. We not only achieved this goal—we have exceeded it.

When the reporting period closed on May 31, we had raised $76,708.55 from 4,793 contributions. The average contribution was $16. After expenses we have netted $62,812.74 for use in the fall campaign.

The task was not easy; it took months of effort by scores of volunteers. Sometimes our direct mail solitication resulted in empty envelopes with "I do not want to pay to elect anyone. If you want to run, be my guest. Use your own money," scribbled across the inside.

But for every barb there seemed to be three times as many letters that encouraged us:

> As a good party Democrat I ache at the thought of contributing to the opposition party—even a small sum. However—Pete's 3000—deserves strong grassroots support; and
>
> I am 46-years old. This is the 2nd contribution I have ever made to a political campaign. Does this say how I feel about the way American politics are financed? Good show.

The people of Delaware agreed and I am deeply grateful to them for standing up when it was time to be counted. One woman wrote me:

I find it impossible to mail this contribution without admitting that it gives a native of Wilmington . . . a peculiar feeling to give to a du Pont . . . (but) it (is) imperative upon me and those of my kind who talk often and loudly about the necessity for good government to put up or shut up.

In setting about to raise my campaign money in this manner, I was not, and am not, suggesting that I have found the solution to campaign spending reform. My purpose was to highlight the desperate need for reform and to show that even with the strictist of limitations a reasonable amount of money can be raised.

"Pete's 3000" is my response to a Democrat leadership in the House that has the best opportunity for campaign spending reform in years but which appears determined that meaningful, effective reform never see the light of day. Already it's 16 months since the Clean Elections Act was referred to the House Administration Committee and they have somehow managed to cover seven pages out of 30.

America is crying for campaign spending reform—for an end to the corruption of the political process.

"Pete's 3000" proves it is possible. The bills are in Congress to make it possible. It is now up to the Democrat leadership in the Congress to allow it to happen.

PERSONAL ANNOUNCEMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I was absent for several rollcall votes last week due to my primary election in California. Therefore I would like to go on record briefly in support of the legislation that is of such vital importance:

On rollcall No. 260, I would like to be recorded as strongly supporting the legislation. This is of tremendous importance to hundreds of thousands of workers, and passage of this bill marks an important step for organized labor.

On rollcall No. 261, a concurrent resolution concerning the missing in action in Southeast Asia, I would like to add my support to this most serious concern. Had I been able to be present I would certainly have voiced my support for the resolution by voting "yea", and I express my appreciation to the gentleman from Wisconsin (Mr. ZABLOCKI) for reporting it out of his subcommittee.

On rollcall No. 262, the Renegotiation Amendments of 1974, I would have voted "yea".

On rollcall No. 266, I would have voted "yea".

On rollcall No. 267, Coast Guard Authorization, I would have voted "yea". While I have consistently voted against expenditures for our armed services which I feel are unnecessary, the Coast Guard performs a vital and valuable service that must be fully funded. I strongly support this legislation and hope that the Coast Guard will continue to enjoy the successes it has in the past.

Finally, on rollcall No. 268, Land and Water Conservation Act Amendments, I want to be on record strongly in favor of increasing the fund in any way possible. I support this bill and hope that we will take actions in the future to strengthen the fund so that in turn more money can be channeled into preserving our unspoiled lands.

I was unfortunately unable to be present last week for rollcall No. 279, Public Works-AEC appropriations bill for fiscal year 1975. Had I been present I would have voted "aye". This bill contains funds for programs and projects that are vitally needed, including a Corps of Engineers project for the Port of Oakland in my own district. As with the project for widening the outer harbor in Oakland, these are urgently needed improvements and I am pleased that funding was so widely approved by this body.

McFALL RESPONDS TO PRESIDENT'S ECONOMIC MESSAGE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, on Saturday last our colleague, JOHN McFALL, the majority whip, made a nationwide radio address on behalf of the Democratic majority in Congress in response to President Nixon's message on the economy.

In his address, Congressman McFALL outlined some of the actions we must take to combat inflation without forcing an unfair share of the burden on the lower- and middle-income groups. He also asked the administration to "join with the Congress in looking for positive approaches to economic recovery."

I insert the entire text of Mr. McFALL's address into the RECORD:

STATEMENT OF CONGRESSMAN JOHN J. McFALL

I am speaking to you today on behalf of your Congress about our nation's economy and the inflation that attacks us all so ruthlessly.

In his recent radio message, President Nixon told us that the worst is behind us in terms of inflation. But on the very next day, the Chairman of the Federal Reserve Board, Dr. Burns, said that inflation at the present rate could threaten the very foundations of our society.

Such inconsistency within the Administration gives the average American good reason to be confused.

However, inconsistent and inept economic policies are not new for this Administration. Five years of progressively deteriorating economic management have fueled the inflationary forces which now rage throughout our economy.

It was this Administration that adopted a policy of scarcity that drove food prices up—and then scrambled for a program to increase food production. It was this Administration that delayed in facing up to impending fuel shortages and left us at the mercy of the Arab boycott. It was this Administration that destroyed the effectiveness of wage-price controls—starting too late, turning them on again and off again in a very unsettling fashion and generally managing the entire program so that big business could take advantage of it at the expense of the working people.

Let us take stock briefly of the situation today and what we can expect in the future.

Food and fuel prices today appear to be leveling off. But altogether, prices of these critical commodities remain at very high levels. Furthermore, inflationary factors are now appearing in other sectors of the economy, such as manufacturing. Thus we are faced with the prospect of another severe round of inflation late this year—a fact overlooked by Mr. Nixon in his recent speech.

Credit costs remain very high. The prime rate is up near twelve percent, the highest rate since the Civil War, and that means the average citizen pays more—in some cities, fourteen percent for a loan to buy a used car. People are now using credit to keep up with inflation. In April, consumer debt jumped $1.5 billion. Even more disturbing is the fact that in the same month people fell behind more than $180 million on their installment payments. In fact, mortgage and installment loan delinquencies are at their highest levels in twenty years.

Food harvests look good, if the weather holds up. Farmers have responded magnificently, and our best projections now are that they will produce more than 350 million tons of grains and soybeans this year—an increase of fourteen percent from 1973.

However, the problem of shortages in all kinds of materials will become more serious. It will be up to the American *people to see* that scarce resources are used wisely and not wastefully.

Indisputably, those already well off have done very well under the Administration's policies. Wealth at the rate of $10 billion annually is now being transferred from the lowest three-fifths of our income groups to the richest one-fifth.

Fewer than one percent of the people own half of all the corporate stock in America, and corporate profits went up thirty-six percent from 1971 to 1973. Meanwhile, the family trying to make ends meet on $12,600 a year had to pay an additional $1,200 in 1973 just to maintain its living standards of 1972. That family had to spend $402 more for food, $165 more for housing and $57 for clothing.

Inflation today is running at a fantastic twelve percent, and real income has declined by six percent in the past year. Just the other day, the man who reads the gas meter complained about how this Administration's policies always hit the little guy in the neck. He said he needs a big hourly increase to make up for it. Quite clearly, it is the middle and lower income people who have borne the brunt of inflation. The working man and woman can certainly be expected to seek a more equitable share of the national income.

What is needed in this process is communication and cooperation on behalf of the well being of the nation. Among other things, there should be a public presence in the critical economic interplay that we can expect in the future.

It may be that labor or management—perhaps both—are wary of government interference. I think it is possible to take a multilateral approach to economic matters without direct government involvement.

In his radio message, President Nixon spoke of the desirability of a small, flexible organization within the Executive Office to monitor the economy. The President already has the authority and staff to handle that function. But he could do more, and he could do it in a way that would not require legislation or any formal government process at all.

The President should invite labor and management to form, on their own, a Wage-Price Voluntary Committee. This committee would be in a position to advise the Congress and the President on policies to contain inflation. Members of the public should also be invited to participate. This would bring together a high level of concerned citizen opinion and it would appeal to public opinion.

In this way all parties would be talking together and working together to solve a big problem that no one can handle alone—working together to beat inflation.

Management of the old wage-price control system was slanted toward big business. By contrast this new program would be designed to treat all parties fairly and even-handedly.

Let us take a look at some of the other things that we can do about our economic problems.

The House next week will consider a special windfall profits tax aimed at exorbitant oil profits. The tax would range up to eighty-five percent. The bill would also encourage oil production by exempting from tax that portion which an oil company plows back into exploration and new drilling. The oil depletion allowance would be phased out. The bill would bring in an additional $13 billion in tax revenues during the next five years.

Additional tax reform bills will follow close behind. They include proposals to increase taxes on foreign income, to eliminate tax shelters used by the wealthy and to close other loopholes. The revenues thus gained would be directed to more equity for single persons, working spouses and lower and middle income people.

Federal spending plays an important part in our economic and in our social well being. Congress to this day has maintained a continuing and unceasing effort to channel that spending toward the furtherance of both those objectives. Repeatedly, this Administration has sent us budgets whose priorities are distorted, whose proportions are out of balance in terms of human needs. It has been up to Congress to redress the balance.

Congress has done that, and it has done it without over-spending. In fiscal 1974, Congress significantly reshaped the federal budget, and in doing so Congress still hit President Nixon's spending target almost exactly on the nose. We came within a fraction of the $274 billion spending total he recommended.

Over the past five years, the Congress has trimmed more than $19 billion from President Nixon's appropriations requests. We have taken this and applied it to programs for the people, shifting priorities from military spending to such programs as social security, veterans assistance, education, health and consumer aid.

Now Congress is near final passage of a bill to facilitate this work. The budget reform act is scheduled to come to the House for a final vote the week after next. This is a far-reaching bill which provides a formal mechanism for review of budget priorities and spending. It provides an impoundment control procedure by which the Congress can prevent the President from withholding appropriated funds and arbitrarily choking off those programs with which he disagrees.

This will mean better control of decisions that vitally affect our economy. For example, we need more production if we are to reduce unemployment and increase supplies of finishing goods. But this year President Nixon impounded $3 billion in sewer construction funds, and sewer construction is essential to new production. Industry and housing in many places have been stymied by sewer moratoriums. If the government fails to help, it feeds the fires of inflation by permitting the cost of housing to increase.

We can't just talk about a better environment and reduced inflation. The government must invest in it.

Congress by July 15 will consider an expansion of the economic development act. Programs would continue to be targeted for areas of six percent unemployment or higher. These programs have provided almost half a million jobs since 1965, fostering industrial expansion and plant capacity growth. Some $552 million in economic development funds would be authorized in each of the next two years. The program supports such projects as water lines to industrial parks or a new road to a potential plant site. The economic development act has been continued by Congress despite Administration opposition.

Still other legislative measures deal with the critical problem of supply. Two days ago, the House passed an important and far-reaching deepwater ports bill. In the coming weeks we shall be considering a strip mining control bill. The House has already passed a bill to create an Energy Research and Development Administration around the nucleus of the Atomic Energy Commission, and the Senate is now working on it. A $2 billion energy appropriations bill will be passed this month.

Congress has already enacted into law the Alaska pipeline bill, the mandatory fuel allocation program, the Federal Energy Administration.

The people are ready to respond and to cooperate with wise leadership to conserve resources and promote the kind of economic stability that all Americans desire. I hope the President will ask them.

Further, the Administration should join with the Congress in looking for positive approaches to economic recovery.

The uncompromising tight money policy of the Federal Reserve ought to be reviewed and re-evaluated. Besides imposing a major penalty on every borrower, exorbitant interest rates dry up funds for the housing industry and for construction jobs. We should not let ourselves be trapped into one-dimensional economics. We must beware that in seeking to throttle inflation we do not also choke off economic recovery.

In the Congress, the Joint Economic Committee has maintained a continuing effort to find economic solutions. In the House, the Democratic Policy Committee under the chairmanship of Speaker Carl Albert, is seeking to bring in opinions and recommendations from economists outside of the Congress. The leadership of the Congress in both parties has been working with the Administration in a joint effort to create a government agency that would focus on supply problems.

The Congress pledges its continuing efforts to upgrade the economy. We will work with the President on behalf of all the people toward the economic well-being of this nation.

NATIONAL EMPLOYMENT PRIORITIES ACT

The SPEAKER pro tempore. Under a previous order of the Senate, the gentleman from Michigan (Mr. Ford), is recognized for 10 minutes.

Mr. FORD. Mr. Speaker, on March 18, I introduced the National Employment Priorities Act—NEPA. Since then I have been contacted by several of my colleagues who wish to join me in cosponsoring this legislation, so today I am reintroducing it with 19 additional cosponsors, bringing the total number of cosponsors to 42. The legislation has been referred to the Education and Labor Committee, and to the General Subcommittee on Labor which is chaired by my good friend and colleague, the distinguished gentleman from Pennsylvania (Mr. Dent). Similar legislation has been introduced in the other body by the senior Senator from Minnesota (Mr. Mondale) and cosponsored by Senators Hart, Schweiker, and Kennedy.

The National Employment Priorities Act is designed to provide assistance to workers, businesses, and communities that are adversely affected by the arbitrary and unnecessary closings or relocations of industrial plants and other business enterprises.

The legislation is based on the premise that such closings and transfers may cause irreparable harm—both economic and social—to workers, communities, and the Nation.

My own State of Michigan has been particularly hard hit by this "runaway plant" phenomena. During the past two decades, hundreds, if not thousands, of plants have shut their doors and moved away from Michigan leaving behind hundreds of thousands of unemployed workers.

Using data provided to them by the Michigan Department of Commerce, the United Auto Workers estimates that over 3,000 plants have either closed down or moved out of Michigan since 1967, and that almost 200,000 workers—representing approximately 5 percent of Michigan's total work force—have been affected.

My own congressional district suffered the effects of the runaway plant in 1972 when the Garwood plant in Wayne moved and left 600 unemployed workers behind. Detroit experienced similar problems when plants operated by Federal Mogul, the Huck Co., and Detroit Macoid—just to name a few—closed their doors.

Mr. Speaker, the reason these firms are moving away is not economic necessity but economic greed. For instance, the Federal Mogul Co. in Detroit signed a contract in 1971 with the United Auto Workers and 6 months later announced it would be moving to Alabama. A spokesman for the company was quoted as saying they were moving "not because we are not making money in Detroit, but because we can make more money in Alabama."

Last year, the John Bean Co. in Lansing announced that it would be moving to Arkansas. The effect of this move would mean instant unemployment for 230 production workers and 87 salaried workers. The reason? Cheaper wages. By moving to Arkansas, it was estimated that the company could get away with paying their new workers poverty wages—from $1.75 to $2.25 an hour. This would mean that their new employees would be receiving average annual salaries of $3,640 to $4,680 per year.

Michigan is not the only State facing this problem. Many other States are suffering similarly. In Virginia, one-fifth of the town of Tazewell—population 5,000—lost their jobs when a company producing television components moved to Portugal. We have had reports of a tractor plant in Minnesota moving to Iowa leaving behind 2,000 workers, and the Maendler-Bauer paint brush company moving from Minnesota to Louisiana. Still another example is the Mead Co., which last year moved from Alabama to Texas and left 1,300 to 1,400 jobless workers behind.

The Subcommittee on Agricultural Labor, which I chair, recently observed the catastrophic problems which the State of Hawaii is experiencing because of a runaway pineapple industry. Hawaii is now faced with the shutdown of almost its entire pineapple industry because the corporate giants, such as Dole and Del Monte, have decided that it would be more profitable to grow and process pineapples elsewhere, such as Taiwan and the Philippines. The number of workers expected to lose their jobs because of corporate greed in the pineapple industry has been estimated to be as high as 15,000—and thousands more are expected to be affected by these moves indirectly.

Mr. Speaker, again, these are mere illustrations of the kinds of problems which can be found in nearly every State in the country. The National Employment Priorities Act is designed both to prevent these problems and to aid the victims when the problems cannot be solved.

Briefly, the bill would establish a National Employment Relocation Administration—UERA—to investigate and report on the economic justification for a plant closing or the transfer of an agricultural or business enterprise upon request of 10 percent of the employees or a collective bargaining representative. Based upon the recommendation of the NERA, the bill would authorize adjustment assistance to employees affected by relocations; assistance through grants and loans to communities that suffer substantial unemployment as the result of plant closings or relocations, or technical and financial assistance to business and agricultural concerns in order to prevent their closing or relocation. It would also authorize the denial of certain Federal tax benefits to businesses which relocate contrary to the will of the NERA.

The legislation we are proposing is intended to be a starting point—a proposal for discussion and further consideration.

Those of us who are supporting it are not completely wedded to any specific approach, but we are committed to the goal of providing some form of assistance to workers and communities forced to suffer because of the arbitrary closings and transfers of business and agricultural enterprises.

Mr. Speaker, Federal legislation affecting relocation of industry is not a new or revolutionary phenomena. In fact, many of the major culprits—the multinational corporation—are well aware of the fact that several modern industrial countries already have laws which regulate plant relocation.

For instance, Sweden has a labor market board which must be informed when a company desires to move. Should the company be given permission to move, substantial payments must be made to any employee who is losing work as a result of the movement and the company is required to move any employees who desire to do so to the new location and pay them a travel allowance. The employees who are left behind and are jobless as a result of the plant relocation are to be paid from 2 to 6 months full pay. Furthermore, Sweden provides comprehensive training and retraining programs for employees left behind and, during the retraining period, the employee is paid enough to cover all expenses including care of his or her family and other obligations. I might also add that many American companies have located in Sweden and have accepted the application of these Swedish laws.

If a company wishes to move in England, it must receive a certificate from the Industrial Development Division of the British Government. Before issuing such a certificate, the division takes into consideration factors such as the rate of unemployment, housing facilities, school facilities, and other considerations. England also has a law which requires a company to pay substantial amounts to displaced employees who are left jobless as a result of any move. Once again, American companies operating in England have accepted the application of these laws. Similar laws exist in Germany and France also.

Mr. Speaker, the Congress has recently acted very responsibly in passing legislation to provide pension protection for workers who have been left behind as a result of companies moving or going out of business. Our next goal should be to provide job protection for workers and economic protection for communities.

We can do so by enacting legislation such as the National Employment Priorities Act.

At this point, I would like to briefly summarize the provisions of this proposal.

SUMMARY

The National Employment Priorities Act of 1974 would amend the Fair Labor Standards Act of 1938 by adding a new chapter containing the following provisions:

TITLE I—GENERAL PROVISIONS

Title I contains the general provisions including a declaration of policy and purpose and the definitions.

TITLE II—ESTABLISHMENT OF THE NATIONAL EMPLOYMENT RELOCATION ADMINISTRATION

Title II authorizes the establishment of the National Employment Relocation Administration within the Department of Labor. The Administration would be headed by an Administrator appointed by the President with the advice and consent of the Senate. Title II also provides for the establishment of a National Employment Relocation Advisory Council consisting of 18 members, which would include the Secretaries of Labor and Commerce, the Administrator of the Environmental Protection Agency, four members representing the general public, three members representing organized labor, and three members representing management or the business community. The Council would advise and assist the Secretary and Administrator with respect to the activities of the NERA.

TITLE III—NOTICE, INVESTIGATIONS, HEARINGS, AND REPORTS, IN CLOSING AN ESTABLISHMENT OR TRANSFERRING OPERATIONS

Title III contains provisions requiring notice by a business or agricultural concern of not less than 2 years of its intent to close down or transfer its operations. This title also provides that, within 30 days after receipt of notice of intent to close an establishment, or whenever the Secretary of Labor determines that it would serve the purposes of the act, the Secretary shall conduct a thorough investigation which would include public hearings.

Title III provides further that at the conclusion of the investigation the Secretary is directed to prepare and publish a report containing the findings with respect to, first, the economic necessity or justification for the proposed closing or transfer; second, the potential economic and social loss to affected employees; third, the potential economic, social, and environmental loss to the affected community; and fourth, recommendations of actions to be taken.

TITLE IV—ASSISTANCE TO EMPLOYEES WHO SUFFER AN ELIGIBLE EMPLOYMENT LOSS

Title IV provides for assistance to employees who suffer employment loss due to the relocation or closing of a business or agricultural establishment. The adjustment assistance under part A of this title would include, but would not be limited to, income and maintenance payments; maintenance of pension and health benefits; job placement and retraining benefits; relocation allowances; early retirement benefits; emergency mortgage and rent payments; and food stamps and surplus commodities for persons suffering an employment loss who have incomes below the poverty level.

Part B of title IV provides a program for job placement and retraining benefits for affected employees.

TITLE V—ASSISTANCE TO AFFECTED COMMUNITIES AND TO BUSINESSES LOCATED IN SUCH COMMUNITIES

Title V provides for assistance to affected communities and to businesses located in such communities. Eligible units of local government would be designated by the Secretary upon the determination made by the Secretary that the closing or transfer of operations of one or more business or agricultural concerns has contributed substantially to an unemployment rate within the jurisdiction which exceeds 8 percent.

Part B of title V provides that a unit of general local government meeting the unemployment requirements would be eligible for direct grants not to exceed 85 percent of the revenue loss which results from a closing or transfer.

Part C of title V provides for assistance to business and agricultural concerns in dislocated communities. Assistance under part C would be available to businesses which the Secretary determines, first, would have a capacity to expand and offer additional employment opportunities to persons residing within the jurisdiction or in the same labor market in which the general local government is located; second, have the potential to continue to provide such employment opportunities over a substantial period of time; and, third, that the assistance available is not readily available from other sources. The assistance would be in the form of direct or guaranteed loans.

TITLE VI—ASSISTANCE TO BUSINESSES THREATENED WITH DISLOCATION

Title VI provides for assistance to establishments planning to close or transfer operations. Agricultural and business concerns would be eligible for assistance under this title if the Secretary finds that such a closing or transfer of operations would result in a substantial employment loss and is justifiable on economic grounds; that assistance is necessary in order to obviate the necessity for the proposed closing or transfer of operations and enable the establishment to operate on an improved economic basis within a reasonable period of time; and that the establishment will make all reasonable efforts to use its own resources, but that such resources are inadequate.

TITLE VII—WITHDRAWAL OF CERTAIN BENEFITS ON ACCOUNT OF UNJUSTIFIED RELOCATIONS, AND MISCELLANEOUS PROVISIONS

Title VII provides for the withdrawal of certain Federal tax benefits because of unjustified relocations.

Under this title, whenever the Secretary determines after an investigation that the closing or transfer of operations of an agricultural or business concern was not justified; or that if such closing or transfer of operations was justified, the transfer or closing could have been avoided if the business concern had accepted assistance under this act; or that the employment loss resulting to the employees of the business concern could have been avoided except for its failure to file a notice of intent to close or transfer, as required under title III; or because of some other unreasonable delay, bad faith, or misrepresentation; or that the transfer of operations is to a new location outside the United States while other economically justifiable alternatives exist, then such agricultural or business concern shall be ineligible for several benefits, authorized by the Internal Revenue Code, for a period not to exceed 10 years. Such benefits which could be denied include the investment credit, the accelerated depreciation range and the foreign tax credit, deferral of tax on income earned outside the United States, and deductions for ordinary and necessary expenses to the extent such expenses are related to the transfer of operations.

CREATING A CONGRESSIONAL PRICE-SUPPLY OMBUDSMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, I introduce today for appropriate reference, H.R. 15299, to create a congressional price-supply ombudsman.

With consumer prices leaping at an annual rate close to 13 percent, with commodity shortages springing up in one sector after another—first food, then oil, most recently bauxite—with many corporate profits at record highs, with the administration pursuing baffling and contradictory supply policies, the need for a congressional watchdog on inflation to keep tab on the actions of governmental agencies and the private sector which affect price and supply is self-evident.

Under H.R. 15299, the ombudsman would have the power to hire expert staff, hold hearings, subpena witnesses and documents, find out what is going on and recommend changes to increase supply or restrain prices.

The ombudsman would stand up to Secretary of Agriculture Butz when the Secretary hurts the consumer, as when he recently urged turkey farmers to grow fewer turkeys and charge more for them, or when he contributed to the beef price increase by refusing to let beef cattle graze on farmlands idled at taxpayers' expense.

He would blow the whistle on Secretary of the Treasury Simon, who through the DISC program is giving tax bonanzas to increase exports of scarce scrap, lumber, and fertilizer.

He would take issue with the Export-Import Bank over those current low-interest, subsidized loans to Japan to buy up scarce American cotton we need at home, or to Iran to buy oil-drilling equipment that we need to drill for oil right here in the United States.

As to the private sector, the ombudsman would have the power to focus the spotlight of public opinion on unconscionable price increases and profit margins.

The administration has abdicated its responsibility to fight inflation; it is up to the Congress to fill the gap.

The full text of H.R. 15299 follows:

H.R. 15299

A bill to create a congressional price ombudsman

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF PRICE-SUPPLY OMBUDSMAN.—There is established in the legislative branch the Price-Supply Ombudsman. He shall be appointed for a term of two years by a majority of a committee composed of the Speaker of the House of Representatives, the President of the Senate, the Chairman of the House Banking and Currency Committee, and the Chairman of the Senate Banking, Housing and Urban Affairs Committee.

SEC. 2. RATE OF COMPENSATION.—The Price-Supply Ombudsman shall be compensated at the rate of basic pay for level III of the Executive Schedule in section 5314 of title 5, United States Code.

SEC. 3. STAFF.—The Price-Supply Ombudsman may appoint such employees at such salaries as are necessary to carry out the provisions of this section. The Price-Supply Ombudsman may also utilize staff of the Joint Economic Committee, and may request appropriate committees of Congress for additional staff assistance.

SEC. 4. DUTIES.—The Price-Supply Ombudsman shall be responsible for reviewing programs and activities of both the governmental and the private sector which may have adverse effects on supply or cause increases in prices, and for making recommendations for changes to increase supply and restraint prices.

SEC. 5. POWERS.—The Price-Supply Ombudsman shall have authority, for any purpose related to his official duties, to issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents; to administer oaths; and to conduct hearings. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served on any person under this subsection, the Price-Supply Ombudsman may apply to the district court for any district in which such person is found for appropriate relief to compel such person to obey such subpena.

BALTIC STATES FREEDOM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, in June of 1940 the Russians overran Lithuania, Latvia, and Estonia, and conducted a mass deportation to Siberia which caused the death of thousands of innocent people. All over the world on June 15 the peoples of the Baltic States will be commemorating the 34th anniversary of this tragic event.

The unfortunate plight of the Baltic States Republic has long been a matter of profound concern to me. It was for this reason that I introduced House Concurrent Resolution 431 on February 14, 1974, urging the U.S. delegation to the European Security Conference not to recognize the forcible conquest of these nations by the Soviet Union. The text of that resolution follows:

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain the recognition by the European Security Conference of its annexation of these nations; and

Whereas the United States delegation to the European Security Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

We in the free world enjoy all the benefits of political and economic liberty—yet how can we fully enjoy our liberties while millions of our fellow men are brutally deprived of the most fundamental human rights? Because we ourselves are free, we have a compelling obligation to our brothers trapped behind the Iron Curtain. It seems to me that this obligation lies particularly heavily on our own country, for as a leader in the free world, the United States must help to keep the light of liberty burning brightly in order to remind those who look to the West for inspiration that they are not forgotten.

Thirty-four years have passed since the Baltic States were overrun by the Communists and thousands of these innocent people were inhumanly exiled, deported, and murdered. The sad fate and memory of these victims are very much alive today, and on the observance of Baltic States Freedom Day we pay due tribute to their blessed memory, while praying for the freedom of the Baltic peoples from Communist totalitarian tyranny.

On the 34th anniversary of Baltic States Freedom Day, it is particularly fitting that we remember the courageous Estonians, Latvians, and Lithuanians. I urge, therefore, that my colleagues join in support of my resolution in order that our belief in the fundamental rights and inherent dignity of mankind may be reaffirmed to all nations.

WATCHING OVER GOVERNMENT SPENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Hamilton) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, to the average taxpayer, the Federal Government's ability to spend tax dollars must appear limitless. The Federal budget grows year after year and is now over the $300 billion mark. Congressmen and taxpayers seem to adapt themselves to the Government's use of their money too easily, because of continued assurances that the money is being used for essential, worthwhile purposes.

You can imagine the taxpayers' reaction, then, to a recent article by James Dale Davidson of the National Taxpayer's Union. The article appeared in the Indianapolis Star on March 31, 1974, and left a number of my constituents indignant, and rightly so. Mr. Davidson exposed the following examples of the Government's use of Federal funds for projects of questionable value: $159,000 to teach mothers how to play with their babies; $121,000 to find out why people say "ain't"; $70,000 to study the smell of perspiration given off by the Australian aborigines; $37,314 to Morocco for a potato chip machine; $2 million to Yugoslavia's Marshal Tito to purchase a luxury yacht; $250,000 to the Interdepartmental Screw Thread Committee, established as a temporary agency to speed the end of World War I; $19,300 to find out why children fall off tricycles; $20,324 to study the mating calls of Central American toads; $375,000 to the Pentagon to study the frisbee: $80,000 to develop the zero gravity toilet, and $230,000 for environmental testing of that toilet.

These highlights of tax spending prompted a letter from my office to the Office of Management and Budget. I received the following reply from OMB:

Executive Office of the President, Office of Management Budget,
Washington, D.C., April 18, 1974.

Hon. Lee H. Hamilton,
House of Representatives,
Washington, D.C.

Dear Congressman Hamilton: This is in response to your recent letter on behalf of Mrs. Mick who inquired about an article written by Mr. James Davidson of the National Taxpayer's Union.

Articles like Mr. Davidson's are valuable because they encourage people to watch more closely how their tax dollars are spent. The size of the Federal budget today makes it all too easy for questionable expenditures to be approved as part of otherwise laudable congressional programs. President Nixon, as you know, has come under enormous pressure from coalitions of special interest to continue enlarging the budget regardless of how effectively our funds are being spent. But he continues pressing for sensible spending levels.

Since the Office of Management and Budget does not monitor or audit Federal programs on a project by project basis, if you are interested in pursuing the question further, I suggest you contact the National Taxpayer's Union, get the specific information needed to track the expenditures, which agency spent the money, what year, who the grant or contract was awarded to, etc., and then ask the agencies or individual who approved them to justify the action. Alternatively you may want to ask the General Accounting Office to examine these uses of tax money.

I hope this information will be helpful to you.

Best regards,
Sincerely,

Harold F. Eberle,
Congressional Relations.

In an effort to check into this matter further, I recently wrote President Nixon. My letter follows:

May 30, 1974.

President Richard M. Nixon,
The White House,
Washington, D.C.

Dear President: I have been contacted by many of my constituents from the Ninth District of Indiana regarding an article which appeared in the *Indianapolis Star* on March 31, 1974. I am enclosing a copy of that news article for your information.

I share my constituents' distress over this particular account of projects sponsored by the federal government. In an effort to look into this matter in detail, I contacted the Office of Management and Budget for their comments on the points raised in the article. I received a response from OMB, a copy of which is enclosed. I feel that the response is most unsatisfactory and, thus, am writing to obtain your comments on it.

Thank you for your assistance in this regard and I look forward to hearing from you.

Sincerely,

Lee H. Hamilton,
Member of Congress.

The White House replied on June 3, 1974. That letter follows:

The White House,
Washington, D.C., June 3, 1974.

Hon. Lee H. Hamilton,
House of Representatives,
Washington, D.C.

Dear Lee: I wish to acknowledge receipt of your May 30 letter to the President concerning an article appearing in the *Indianapolis Star* written by Mr. James Davidson of the National Taxpayers Union.

I note that Mr. Davidson does not cite the year of the alleged expenditure nor the department or agency of government under which the project was implemented. As was noted in Mr. Harold Eberle's letter to you, the Office of Management and Budget does not monitor or audit Federal programs on a project basis. Without essential information, it would not be possible to track each of these charges to the proper department or agency. If this data can be obtained, we will be pleased to endeavor to obtain responsive information for your constituents.

With kind regards,
Sincerely,

Max L. Friedersdorf,
Deputy Assistant to the President.

The responses made by OMB and the White House to the points raised in Mr. Davidson's article are far from satisfactory. The executive branch, the branch that spends Federal money, appears unwilling to take the lead in weeding out unwarranted expenditures from the budget.

On the whole, of course, the Government is spending Federal money for programs which are in the public interest. But the preceding examples illustrate the need for much more rigorous scrutiny of all spending. To eliminate mismanagement and to trim wasteful expenditures, the budget must be continuously examined.

I have long been an advocate of improving the congressional method of reviewing the budget. The Congress deals with the budget without a coherent vision of where the Nation stands and where it is going and without a clear understanding of the relationship of competing Federal programs, both to each other and to the whole. Instead, Congress dismembers the budget and sends pieces of it to a number of committees. No committee has an overview of the economic conditions or a concept of the overall budget.

If the Congress is to make prudent decisions in light of expenditures and the revenue-outlook, economic conditions, the provisions of existing laws, and other conditions, budgetary reforms are necessary. Principal among them are these:

SPENDING SCRUTINY

All spending must be scrutinized, and especially military spending. A 1974 analysis of defense costs showed that 55 new weapon systems have cost overruns of $26.3 billion. In the past, Congress has concentrated on exceptional items in the defense budget, such as the AMB system, the strategic bomber, and the nuclear aircraft carrier. These large items are significant, but we should focus even more on fundamental questions, such as the effectiveness of our forces, how they are to be supported, and the long-range consequences of spending decisions, rather than the present fiscal year.

Subsidy programs should be given the most careful and continuing scrutiny to eliminate waste and unfair and outmoded fiscal favoritism to special interests.

SPENDING CEILINGS

A rigid expenditure ceiling to assure the public that the Federal budgetary process is not out of control is necessary. It would have the dual effect of keeping the budget within projected revenue receipts and dampening inflationary pressures. This type of budgetary perspective also would force attention to alternative or substitute measures when pressure is exerted on the spending ceiling.

LONG-RANGE VIEW

Since most important budget decisions do not have an immediate impact on the budget, the Congress should deal each year with a 5-year budget outlook. Congress, through budget committees, should hold hearings on this outlook and report its evaluations. Appropriations, where possible, should be made a year in advance to permit better planning, while other programs should be shifted to appropriations on a 3-year basis.

ZERO-BASED BUDGET

Spending programs should be evaluated from the ground up at least once every 3 years. This approach would require that agency appropriations be justified on the basis of its program's proven worth. Too often, Congress simply looks at the agency's appropriation last year, then adds a little more for the current year.

CONGRESSIONAL OVERSIGHT

The awesome size and complexity of the budget demands that budget committees, one in the House and one in the Senate, be created to assign spending priorities and make a comprehensive review of the fiscal and monetary ramifications of the President's annual budget request.

The Budget and Impoundment Control Act of 1974, H.R. 7130, which I supported, would provide the kind of close congressional inspection of the budget we need. The bill has been passed by both Houses and the House-Senate conference report should be voted on in the near future.

The bill would provide a mechanism for Congress to regain control over the budget by establishing a procedure for looking at the budget as a whole and determining the desired levels of spending, revenues, deficit or surplus, and debt in order to affect the economy in the most advantageous way. It would allow Congress to determine spending priorities.

By establishing a Legislative Budget Office with the power to obtain data directly from executive agencies, the bill would provide Congress with an independent source of information on a par with the Executive's Office of Management and Budget. The amount of uncontrollable spending would be diminished by giving the Appropriations Committee authority to rescind appropriations and jurisdiction over backdoor spending.

The bill would allow Congress to decide on competing claims on the budget in some comprehensive manner, rather than in isolation from one another as is the case now when Congress acts on various appropriations bills separately and over a number of months.

I believe this measure will provide a needed check on unrestrained Government spending. Hopefully, the legislation will also assure the taxpaying public that Federal spending is responsibly handled and not out of control.

STAR-NEWS ARTICLE PRESENTS ACCURATE PICTURE OF ST. CROIX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands (Mr. de Lugo) is recognized for 5 minutes.

Mr. de LUGO. Mr. Speaker, I am frequently questioned by my colleagues concerning conditions on St. Croix in the Virgin Islands. Therefore, I am pleased to place the following article from the Washington Star-News of June 9, 1974, in the Record. This account tells of the progress which has been made on this beautiful island and the optimism which is building for its future. The article notes that those found guilty of the violent acts almost 2 years ago, which triggered the negative publicity St. Croix has received in the recent past, are in jail with eight successive life imprisonment terms. The police department has more than doubled, and has received greatly improved equipment and training in modern law enforcement technique. In addition, no acts of violence against tourists have taken place since 1972.

The daughter of one of our colleagues has been teaching school on St. Croix for over a year, and many others report constituent interest in opportunities on the island. I urge all of the Members of this House to read this article, and I hope as many as possible will visit St. Croix in the coming months.

The article follows:

St. Croix Fights Image

(By Betty Ross)

St. Croix, U.S. Virgin Islands.—"St. Croix is going to be booming in about a year. It has a bigger future than any other island in the Caribbean. And I know them all, from Cuba to Trinidad."

This optimistic comment comes from Erik Lawaetz, hotel owner and member of one of the oldest Danish families on St. Croix.

The unfavorable publicity following the murder of eight tourists at Fountain Valley Golf Course in September, 1972, has hit the island in its collective pocketbook. Some shopowners have shortsightedly sold their businesses and returned to the mainland. Hotels that normally operate at capacity from Christmas to Easter now have occupancy rates ranging between 10 percent and 30 percent.

Although most hotel owners aren't cutting their rates, they are upgrading accommodations so you get a better room for less money than before.

After a week on the island, a visitor begins to wonder whether some of the stories of racial tension and unrest are exaggerated.

Consider the following examples: A local resident never locks her door and, in fact, admits that she doesn't even know where her house key is. And she's not bothering to look for it.

The owner of a condominium apartment overlooking the Caribbean says she feels perfectly safe at all times and echoes the "open door" policy.

A black bartender is sure St. Croix will come out of its economic doldrums stronger than ever. "We must all put our hands together," he says.

And the same upbeat theme is repeated by a black taxi driver as he says "We're going to make it."

So far, this U.S. territory has successfully resisted efforts to bring gambling to the island. And some people think gambling interests are behind the bad publicity. A young graduate student disagrees, however, and says simply "Sensationalism sells newspapers."

According to Lawaetz, St. Croix's economic troubles coincided with sensational press reports of the Fountain Valley trials last August. The five defendants, all now behind bars, were sentenced to eight successive life imprisonment terms each. Lawaetz's hotel, St. Croix by the Sea, received 900 cancellations in two weeks and other hotels were similarly hard hit.

Today the island's police force is larger—up from 60 three years ago to 140 now—and better trained.

Gov. Melvin Evans and other officials point out that there have been no incidents of violence affecting tourists in two years. They say St. Croix is safe and they're hoping a series of familiarization tours for travel agents and journalists will help to stimulate travel to the Virgin Islands again.

True, this island paradise has its share of social and economic problems. Discontented young Viet Nam veterans—including members of the island's leading families—have sparked some of the trouble. Faint stirrings of black consciousness echo similar rumblings on other Caribbean islands.

Mainland problems, such as drug addiction and burglaries, have filtered into the island culture. But the average vacationer sees no signs of trouble—other than the mute testimony of uncrowded beaches and half-empty hotels and restaurants.

Local residents are friendly and courteous. Whether in giving directions or in solving more complicated problems, they go out of their way to be helpful.

For example, I bought a painting by Roy Lawaetz, Erik's talented young artist son. At departure time, we discovered the paintting was too large to fit in the car taking us to the airport. Another driver nearby volunteered to take the picture, at no charge, in his station wagon. When we reached the airport, my painting was already there, safely enclosed behind the Eastern Airlines ticket counter.

St. Croix has faced adversity before and Cruzans believe they're on the verge of making a comeback once again. Seven flags—Spanish, British, Dutch, French, Maltese, Danish and American—have flown over St. Croix, largest of the Virgin Islands, since its discovery by Christopher Columbus in 1493.

The United States bought the Virgin Islands, which include St. Thomas and St. John as well as St. Croix, from Denmark in 1917.

Mostly, St. Croix is an informal sort of place with a relaxed attitude toward the clock and mainland pressures.

One can browse in duty-free shops in Christiansted and Frederiksted. There's Whim Greathouse, a restored 18th-century plantation and museum. And there's snorkeling at Buck Island Reef, plus sailing, deep-sea fishing and swimming in turquoise Caribbean waters. The tennis craze is catching on and several hotels now boast brand-new courts.

During most of the island's history, sugar was king. Now tourism is the king, queen and crown prince of St. Croix.

St. Croix has become increasingly popular with retirees, drawn by the mild climate, spectacular scenery and friendliness of the natives. As a result, within the last decade, scores of condominiums and strikingly modern homes—many of which can be rented—have mushroomed.

According to a local guidebook, "Sunburn is the greatest single threat to your well-being in the Virgin Islands." If the optimism of Erik Lawaetz and others is correct, that sentence will soon sum up the perils of St. Croix again.

H.R. 12004 AND S. 3399—BILLS TO ESTABLISH A STATUTORY SYSTEM TO GOVERN THE NATION'S SECURITY CLASSIFICATION ACTIVITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 10 minutes.

Mr. ALEXANDER. Mr. Speaker, the distinguished chairman of the Foreign Operations and Government Information Subcommittee on which I serve, the gentleman from Pennsylvania (Mr. Moorhead), testified before the Senate Intergovernmental Relations Subcommittee in support of legislation to improve the operation of our security classification system within the executive branch.

The Moorhead bill is cosponsored in the Senate by Senator Lee Metcalf of Montana (S. 3399) and here in the House by myself and 23 other Members (H.R. 12004).

Our subcommittee has spent years in intense study of the security classification system and has held several weeks of hearings during the past two Congresses on this important subject, resulting in the unanimous issuance of House Report 93-221 by the House Government Operations Committee in May 1973. This legislation carries out the major recommendation of that report, the need for replacing the present Executive Order 11652 with a statute that will provide a workable, secure, and enforceable classification system that will safeguard our truly vital national defense secrets.

Mr. Speaker, I include at this point in the Record the full text of Chairman Moorhead's statement:

STATEMENT BY HON. WILLIAM S. MOORHEAD

Mr. Chairman, Members of the Committee, I welcome this opportunity to discuss with you the important legislation you are considering at these hearings.

HISTORICAL BACKGROUND

As you know, the House Subcommittee on Foreign Operations and Government Information and its predecessor units under the chairmanship of Representative John E. Moss of California first began investigations of the operation of the Nation's security classification system in 1956. Public hearings by the Moss Subcommittee spanned a two-year period, centering on the Defense Department. In June 1958, the Committee issued H. Rept. 1884 (85th Congress, 2d Session) setting forth extensive findings and conclusions of its investigations and hearings on the classification system. It made a number of sweeping recommendations, which—if they had been fully implemented by Executive branch officials—might well have brought about enough administrative reforms to have avoided the "security classification mess," belatedly addressed by President Nixon in March 1972, when he issued Executive Order 11652. Followup investigations, hearings, and studies by our Subcommittee during the late 1950's and early 1960's produced additional evidence of widespread abuse of the security classification system then operating under Executive Order 10501 and resulted in still more strongly worded criticisms of the system in Committee reports and additional strong recommendations for reforms.

As a result of our Committee activity, DoD regulations were amended during the Eisenhower and Kennedy Administrations. Both Presidents amended the basic Executive Order 10501 in an attempt to bring some order out of the classification chaos. Unfortunately, these efforts did little in the long run to bring about any effective reforms in the system. Hundreds of thousands of stamp-happy bureaucrats in dozens of Federal agencies—often with little regard for classification criteria—continued to apply TOP SECRET, SECRET, and CONFIDENTIAL markings to millions of pieces of paper. Lock files bulged to the breaking point and the increased use of photocopy machines in government during the 1960's made it difficult for GSA to keep an adequate inventory of security filing cabinets to meet the demands for more and more storage space. Nobody really knows just how many hundreds of millions or even billions of government documents were classified over this 10 or 15 year span, how much it cost the taxpayers, and what the overall consequences might have been. Obviously, the more indiscriminate the use of the classification stamp becomes—the more difficult it becomes to provide the degree of protection needed to safeguard those relatively few truly vital national defense secrets on which our well-being (and perhaps survival as a nation) may ultimately depend.

Mr. Chairman, for purposes of this historical perspective in the Committee's consideration of legislation in this field, I feel that it is important to review some of the key findings and recommendations of our House Subcommittee's hearings reports during the 1950's. Some of these statements apply so clearly to our present situation in 1974 that they could have been written yesterday. For example, our Committee said in its 1958 report:

"Never before in our democratic form of government has the need for candor been so great. The Nation can no longer afford the danger of withholding information merely because the facts fail to fit a predetermined 'policy.' Withholding for any reason other than true military security inevitably results in the loss of public confidence—or a greater tragedy. Unfortunately, in no other part of our Government has it been so easy to substitute secrecy for candor and to equate suppression with security."

In that same report, the Committee also observed:

"* * * In a conflict between the right to know and the need to protect true military secrets from a potential enemy, there can be no valid argument against secrecy. The right to know has suffered, however, in the confusion over the demarcation between secrecy for true security reasons and secrecy for 'policy' reasons. The proper imposition of secrecy in some situations is a matter of judgment. Although an official faces disciplinary action for the failure to classify information which should be secret, no instance has been found of an official being disciplined for classifying material which should have been made public. The tendency to 'play it safe' and use the secrecy stamp, has, therefore, been virtually inevitable . . ."

In November 1957, testimony before our Subcommittee, Vice Admiral John N. Hoskins, then the Department of Defense's Director of Declassification Policy, said:

"* * * When you overclassify, you weaken the whole security system. * * * Throughout the 180 years of our Government, however, I have never known a man to be court-martialed for overclassifying a paper, and that is the reason, I am afraid, we are in the mess we are in today. * * *"

A number of important and far-reaching recommendations were made to the Executive branch in its 1958 report. Among them were the following:

"1. The President should make effective the classification appeals procedure under section 16 of Executive Order 10501 and provide for a realistic, independent appraisal of complaints against overclassification and unjustified withholding of information.

"2. The President should make mandatory the marking of each classified document with the future date or event after which it will be reviewed or automatically downgraded or declassified.

"3. The Secretary of Defense should set a reasonable date for the declassification of the huge backlog of classified information, with a minimum of exceptions.

"4. The Secretary of Defense should direct that disciplinary action be taken in cases of overclassification.

"5. The Secretary of Defense should completely divorce from the Office of Security Review the function of censorship for policy reasons and should require that all changes made or suggested in speeches, articles and other informational material be in writing and state clearly whether the changes are for security or policy reasons.

"6. The Secretary of Defense should establish more adequate procedures for airing differences of opinion among responsible leaders of the military services before a final policy decision is made.

"7. The Congress should reaffirm and strengthen provisions in the National Security Act giving positive assurance to the Secretaries and the military leaders of the services that they will not be penalized in any way if, on their own initiative, they inform the Congress of differences of opinion after a policy decision has been made."

The report likewise pointed out:

"* * * Despite some improvements, the Defense Department's security classification still is geared to a policy under which an official faces stern punishment for failure to use a secrecy stamp but faces no such punishment for abusing the privilege of secrecy, even to hide controversy, error, or dishonesty."

The so-called Coolidge Committee established by Defense Secretary Wilson in August 1956, to study the causes of DOD "leaks" and their relationship to the security classification system made similar findings in its November 1956, report:

"* * * The two major shortcomings in the operation of the classification system are overclassification and deliberate unauthorized disclosures. We further conclude that little, if any progress can be made without a successful attack on these major shortcomings."

The report said that it had found "a tendency on the part of Pentagon officials to 'play it safe' and overclassify; an abuse of security to classify administrative matters; attempts to classify the unclassifiable; confusion from basing security on shifting foreign policy; and a failure to declassify material which no longer requires a secrecy label."

The Coolidge Committee informed Secretary Wilson that unnecessary and improper secrecy had reached such "serious proportions" that it was undermining confidence in the entire security system and leading to the very "leaks" that Secretary Wilson sought to prevent. The report stated:

"For all these reasons overclassification has reached serious proportions. The result is not only that the system fails to supply to the public information which its proper operation would supply, but the system has become so overloaded that proper protection of information which should be protected has suffered. The press regards the stamp of classification with feelings which vary from indifference to active contempt. Within the Department of Defense itself the mass of classified papers has inevitably resulted in a casual attitude toward classified information, at least on the part of many."

In its 1962 report on the status of Executive Order 10501 (H. Rept. 2456, 87th Congress, 2d Session) our Committee stated:

" . . . two of the most important security problems which the committee has discussed over the years still remain to be solved. There are strict penalties for failure to protect a document which may have an effect upon the Nation's security, but there are no penalties for those secrecy minded Government officials who abuse the classification system by withholding, in the name of security, all sorts of administrative documents. A security system which carries no penalties for using secrecy stamps to hide errors in judgment, waste, inefficiency, or worse, is perversion of true security. The praise-worthy slogan of Defense Secretary McNamara—'when in doubt, underclassify'—has little effect when there is absolutely no penalty to prevent secrecy from being used to insure individual job security rather than national military security.

"The committee strongly urges, therefore, that the Defense Department establish administrative penalties for misuse of the security system, for until the generalizations about the public's right to know are backed up by specific rules and regulations—until set penalties are established for abuse of the classification system—fine promises and friendly phrases cannot dispel the fear that information which has no effect on the Nation's security is being hidden by secrecy stamps."

Such administrative penalties were subsequently established by the Department of Defense in regulations and were reasserted in President Nixon's Executive Order 11652 in 1972. Our studies show, however, that—to this very day—not one penalty, reprimand, or other administrative action has ever been taken against an official of the Federal Government for overclassification abuses. It thus appears that the old adage "when in doubt, overclassify" still is the order of the day.

The Subcommittee's repeated indictments of the security classification system as administered under Presidential Executive Order 11501 were also concurred in by President Nixon in his March 8, 1972 statement that accompanied the text of his new Executive Order 11652. He said:

"Unfortunately, the system of classification which has evolved in the United States has failed to meet the standards of an open and democratic society, allowing too many papers to be classified for too long a time. The controls which have been imposed on classification authority have proved unworkable, and classification has frequently served to conceal bureaucratic mistakes or to prevent embarrassment to officials and administrations."

RECENT HOUSE COMMITTEE INVESTIGATIONS

The publication of the so-called "Pentagon Papers" in June 1971, triggered a new series of hearings and investigations by the Foreign Operations and Government Information Subcommittee into the operation of the Nation's security classification system. We held seven days of hearings in June and July of that year, taking testimony from Executive branch officials responsible for operation of the system, from media representatives, legal scholars, and other experts on classification.

These hearings were followed by another six days of testimony in May 1972, in which our Subcommittee explored every facet of classification procedure, regulations, operational details, and also probed into the provisions of the new Executive Order 11652, which had been issued in March 1972, but which had not yet taken effect. Again, witnesses from key Executive agencies most heavily involved in security classifications activities testified, along with well-informed outside experts in this field.

The results of these 1971–1972 hearings are contained in our unanimous Committee report of May 22, 1973, (H. Rept. 93–221). This comprehensive 113 page document deals with every aspect of the security classification system. It traces the historical development of the present system and documents in great detail its major shortcomings. It also calls attention to structural deficiencies of the new Executive Order 11652, most of which have been borne out by our Subcommittee's oversight of its operation during the past two years. Since copies of this report are available to Senators and staff, I will only briefly comment on its conclusions, but commend to you a careful reading of pages 100–103 of the report. Let me quote a few of the major points we made:

"Over the years, the committee's findings and conclusions have documented widespread overclassification, abuses in the use of the classification stamps, and other serious defects in the operation of the security classification system. These committee documents have revealed dangerous shortcomings of a system that has been administratively loose and uncoordinated, unenforced and perhaps unenforceable. It has functioned in a way to deny public access to essential information. It has spawned a strangling mass of classified documents that finally weakened and threatened a breakdown of the entire system.

"These same committee reports have repeatedly made constructive recommendations to executive agencies to help correct the administrative and judgmental deficiencies of the security classification system. Unfortunately for the integrity of the system and for the taxpayers who must pay millions of dollars annually to keep the classification machine running, many of these recommendations have gone unheeded."

The report also states:

"The committee believes that there is an unquestioned need for Federal agencies to avoid the release or dissemination to the public of certain sensitive types of information, the safeguarding of which is truly vital to protecting the national defense and to maintain necessary confidentiality of dealings between our country and foreign nations.

"The committee also believes, however, that the Nation is strengthened when the American public is informed on matters involving our international commitments and defense posture to the maximum extent possible, consistent with our overriding security requirements. Our fundamental liberties are endangered whenever abuses in the security system occur. Within these constraints, when information that should be made available to the people is unnecessarily withheld by Government—for whatever the reason—our representative system is undermined and our people become less able to judge for themselves the stewardship of Government officials. Information is essential to knowledge—and knowledge is the basis for political power. Under our governmental system, maximum access to information must, therefore, always reside firmly in the hands of the American people."

Based on more than a decade of careful investigation, months of public hearings, staff studies, and many dozens of reports, the House Committee on Government Operations unanimously recommended in this 1973 report as follows:

"The committee therefore strongly recommends that legislation providing for a statutory security classification system should be considered and enacted by the Congress. It should apply to all executive departments and agencies responsible for the classification, protection, and ultimate declassification of sensitive information vital to our Nation's defense and foreign policy interests. Such a law should clearly reaffirm the right of committees of Congress to obtain all classified information held by the executive branch when, in the judgment of the committee, such information is relevant to its legislative or investigative jurisdiction. The law should also make certain that committees of Congress will not be impeded in the full exercise of their oversight responsibilities over the administration and operation of the classification system."

CLASSIFICATION REFORM LEGISLATION

To carry out the mandate of our Committee, I introduced H.R. 12004 with 24 House co-sponsors last December. It is drafted as an amendment to the Freedom of Information Act (5 U.S.C. 552). President Nixon—in issuing Executive Order 11652—directly linked his authority for its issuance to that Act. I am also convinced that this is the appropriate part of the present law for any statutory security classification program. A Member of this Subcommittee, Senator Lee Metcalf, was kind enough to introduce an identical measure—S. 3399—so that it could be considered by this Subcommittee during these hearings. Our Subcommittee has also planned hearings on H.R. 12004 next month.

Of course, you are presently considering several other bills that would deal in various ways with the overall security classification problem. They are reprinted and analyzed in your excellent Committee Print so I will limit my comments to the legislative direction taken in H.R. 12004 and S. 3399. It goes without saying that I am totally persuaded by the overwhelming preponderance of evidence produced during our exhaustive studies of this problem that Congress must enact a statutory security classification mechanism to effectively bring order and rationality out of the present chaotic system. I feel that this is absolutely essential, not only from an efficient administrative or operational need, but more importantly, from the critical public policy requirements inherent in the effective functioning of a classification system. It must provide maximum protection to our Nation's truly vital defense secrets, affording sufficient levels of selectivity to maintain the overall integrity of the entire system. At the same time, it must provide sufficient declassification flexibility to permit the Federal government to share—as fully as possible—with the American public who foots the bill those marginal types of information about our defense and foreign policy commitments that will enable all citizens to better understand governmental policies in these vital areas. This is an absolute essential if any representative system is to retain that degree of public acceptance and support for its policies on which its survival ultimately depends. The need to protect and reassert public's "right to know" cannot be over emphasized in these troubled times when domestic crises have seriously undermined the credibility of our highest governmental leaders and the very institution of government in the United States. Polls, these days, clearly show that governmental officials rank well below garbage collectors on the public confidence scale.

Mr. Chairman, I do not believe that there is any serious Constitutional argument that Congress—if it so determines—does not have the authority to enact a security classification statute to supersede any Executive Order system to govern the activities of Executive agencies in this area. There was considerable testimony in our hearings from outstanding legal authorities and other witnesses to support this view, including a present and former Supreme Court Justice—Justice Rehinquist and former Justice Goldberg. Moreover, we have carefully studied the operation of the Atomic Energy Commission's own internal statutory classification procedure—Section 142 of the Atomic Energy Act of 1954 (42 U.S.C. 2162)—and have commented favorably in our report on its operational effectiveness, (see pp. 96–99 of H. Rept. 93–221).

The point I am making here is that I believe that it is absolutely essential that Congress take the bull by the horns and proceed, as expeditiously as possible, to enact a workable, effective, and comprehensive law to govern the operation of the security classification system within the Executive branch. I am not totally wedded to the unique approach to this objective contained in H.R. 12004 and S. 3399, although I feel that it has many advantages. There are excellent approaches contained in other measures which you have before you. I could enthusiastically support and actively work for passage in the House of any reasonable bill that would make the needed reforms in the present Executive Order system. This is because I am convinced that no Executive Order, lacking the full authority of law and vigorous oversight by the Congress, can cope with the vast classification bureaucracy that has spawned the present classification mess.

This is the clear message of some 18 years of oversight work by our Subcommittee.

Whatever form such legislation may take, I firmly believe that it should provide for full judicial review of Executive classification decisions. Hopefully, Congress will take an important step in this direction by enacting pending amendments to the Freedom of Information Act (H.R. 12471—S. 2543), providing authority to the courts to review in camera classified documents claimed to be exempt from public disclosure under subsection (b)(1) of Section 552, U.S. Code. In addition, it is of the utmost importance that such judicial review in classification matters also be extended to certain decisions of the Classification Review Commission established by H.R. 12004 and S. 3399 and by other similar entities that would be created under other pending bills before this Committee. Only in this way can we hope to correct the pitfalls in the present situation, described by Justice Potter Stewart in the Mink case, where there is "no means to question an Executive decision to stamp a document 'secret', however cynical, myopic, or even corrupt that decision might have been."

PROVISIONS OF H.R. 12004—S. 3399

Mr. Chairman, I will limit the remainder of my testimony to a discussion of the approach to a security classification system taken in H.R. 12004 and S. 3399. The present measure is actually a refined version of a "discussion" bill, H.R. 15172, which I introduced in May 1972. Helpful comments on that measure received from a number of experts in the classification field, have been incorporated into H.R. 12004. Since last December when it was introduced, still more valuable suggestions for improving the bill have been forthcoming. These and certain technical defects in the measure will also be corrected and incorporated into a clean bill after our Subcommittee hearings have been completed.

Briefly summarizing the key provisions of H.R. 12004—S. 3399, they follow the basic criteria for any effective security classification system, set forth at pages 100–101 of H. Rept. 93–221. The bill:

Strictly confines classification of national defense information to "Top Secret", "Secret", and "Confidential", depending on the level of damage to the national defense that would be caused by its unauthorized disclosure;

Limits original "Top Secret" classification to only the Department of State, Defense—including the Army, Navy, and Air Force—the Central Intelligence Agency, the Atomic Energy Commission, and designated offices within the Executive Office of the President;

Limits original "Secret" classification to only Departments and agencies listed above and the Department of Justice, Treasury, and Transportation;

Limits original "Confidential" classification to the Departments and agencies listed above and the Department of Commerce and the National Aeronautics and Space Administration;

Provides for a strict limitation upon those top officials in each of the Department and agencies listed above as to who can exercise the authority to classify information. Such officials shall be held fully accountable and shall be subject to reprimand and other disciplinary action for overclassification or other violations of regulations;

Requires a 3-year downgrading procedure for most types of classified national defense information—1 year from "Top Secret" to "Secret," 1 year from "Secret" to "Confidential," and 1 year from "Confidential" to a declassified state, and transfer to the National Archives, where it would then be subject to disclosure provisions of the Freedom of Information Act.

It authorizes a procedural "savings clause" that could be applied narrowly to certain types of highly sensitive national defense information when invoked by the executive department or the President, subject to the approval of the independent Classification Review Commission created under the legislation;

National defense information previously classified is subject to an automatic declassification procedure after a period of 15 years, except for highly sensitive data subject to an automatic declassification procedure after a period of 15 years, except for highly sensitive data subject to the "savings clause" procedure.

Mr. Chairman, perhaps the most unique feature of this legislation is the creation of and broad authority conferred upon an independent regulatory body called the Classification Review Commission (CRC).

The specific provisions I refer to are on pages 14–27 of the bill (subsections (f) and (g) of Section 3). Other duties of the CRC are spelled out on pages 11–14 of the measure.

Briefly, the CRC would be delegated wide regulatory and quasi-adjudicatory powers over the day-to-day operation of the security classification system as it functions within the various Executive agencies having such classification authority. It would consist of nine members, appointed by the President by and with the advice and consent of the Senate. Initial terms would be staggered at 3, 5, and 7 years. No member of the Commission could serve more than one term nor actively engage in any other field of endeavor. Of the members first appointed, in the three classes terms, three members would be appointed from a list recommended by the Speaker of the House, three from a list recommended by the President pro tempore of the Senate, and three as chosen by the President. The Commission would select its own Chairman and Vice Chairman for a two year term, appoint an Executive Secretary, General Counsel, and employ other necessary staff to carry out its duties.

The Commission would prescribe regulations to be adhered to by all Executive agencies having security classification authority, would police these regulations, prescribing administrative reprimand and other penalties for violations (including overclassification), and would adjudicate requests from agencies for exemptions from automatic downgrading and declassification schedules for certain sensitive types of classified information. It would also investigate, upon complaint, allegations of improper classification by Executive agencies, initiated by private citizens (including the news media), officers or employees of the Federal government, and others.

It would be empowered to hold hearings and issue decisions to settle disputes between Congress and the Executive over access to classified information requested by the Congress or the Comptroller General of the United States.

Such decisions, however, would be subject to judicial review by either party at interest in the dispute. In carrying out its overall responsibilities, the CRC would have full subpena powers and the right to seek enforcement in the Federal courts.

The CRS would in no way interfere or supersede any independent investigative or oversight responsibilities in the operation of the statutory security classification system by the appropriate Congressional committees. The CRC would also be empowered to conduct ongoing appraisal of the policies, standards, and operations of the statutory system within the various Executive agencies affected by it. It would also publish annual reports of its activities.

Mr. Chairman, our Subcommittee's long investigative experience in this field convinces me that we cannot depend on individual Executive agencies having classification authority to police themselves against massive abuses of the system. It has not happened during the past two decades under two major presidential Executive Orders. I seriously doubt that it would be much different if such agencies were operating under a statute because of our collateral experience in exercising oversight of the Freedom of Information Act. In this instance, many Executive agencies have been guilty of widespread abuses in denying information from the public to which they are entitled under the Freedom of Information Act. It is for precisely this reason that I feel we need a completely independent, hard-nosed, powerful and dedicated regulatory body to make any security classification law really work the way Congress intends—and work in such a way to control the vast administrative wasteland that now exists in the classification field.

Mr. Chairman, in this connection I was greatly encouraged by the support expressed for this regulatory commission approach contained in H.R. 12004—S. 3399 by the General Accounting Office in its letter report on this legislation dated February 28, 1974. I quote from that report:

"In view of mounting interest and concern regarding the problem of excessive use in classification and secrecy, and the desirable objective of assuring the widest dissemination of information consistent with national security, we agree that general policies governing the classification of national defense information should be established by the Congress. We also agree that the overall administration of such policies should be entrusted to an essentially independent authority. For these reasons we favor the purposes and approach of the bill as it relates to the classification of national defense information."

In summary, this legislation strikes that delicate balance between the conflicting needs of the Congress and the Executive, and the public as a whole in this vital area. But it also requires as rapid disclosure of information as possible, consistent with the national interest. It would replace the unworkable and unmanageable Executive order approach to the security classification system and would provide a practical, enforceable, meaningful administrative mechanism to safeguard the Nation's truly vital defense secrets, while preserving the constitutional need of Congress for information to investigate and to legislate, and maintaining the public's "right to know" that is essential in our representative system of Government.

Mr. Chairman, I appreciated the chance to appear before your distinguished Subcommittee today and will be pleased to discuss any of the provisions of my bill or any other facet of this most complex and important subject.

A FREE MARKET REQUIRES COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. Owens) is recognized for 15 minutes.

Mr. OWENS. Mr. Speaker, the people of this country cannot tolerate high inflation and high interest rates for sustained periods. When they seek leadership and guidance from the executive branch of the Federal Government, they are given the empty promise that "this quarter will be less worse than the last is" that someone or something else is responsible for the highest inflation and interest rates we have ever experienced, or that the President is mysteriously confident in the future of our economy.

Meanwhile, people lose their jobs, the cruel tax of uncontrolled inflation shrinks individual buying power, many citizens remain in poverty, misallocation of wealth to the rich continues and accelerates, small businessmen are forced out of business, the tax system remains unjust and unfair, and our economy becomes less free and more regulated day by day.

When one examines the world economy, the economic future becomes even more clouded. Inflation is a worldwide phenomena, complicated by real and manufactured shortages of raw materials and the dangerous prospect of a worldwide food shortage. Drought in the Southern Sahara in Africa has brought terrible famine to millions of our fellow human beings, and many are predicting that the horrible suffering now taking place there is but a harbinger of things to come in other areas of the world. A serious drought in any of the world's major food producing areas could trigger widespread famine.

Ameircan consumers need not be told the costs of raw material shortages. Oil is only the most conspicuous, although that shortage appears to be more manufactured than real. A selling cartel by the oil producing countries and a buying cartel by the major international oil companies has pushed the price of oil based products to exorbitant new highs at the expense of consumers. Rationing of fuel oil and gasoline in the United States has happened in fact; it is hiding out in the form of high prices limiting the availability of fuel to those wiling and able to pay for it and forcing those who cannot afford high prices to do without. Meanwhile, the profits of oil companies and the oil producing nations continue to jump hundreds of percentage points each reporting period.

We in Congress must assume leadership and begin the complex and tedious task of finding the causes and cures of the ills which beset our economy and that of the world. We need to become forward looking and not just a body which reacts to disasters after they occur. We need to resolve problems with creative solutions before they become so great and overwhelming that we must act in haste, without reflection and with patchwork remedies which only aggravate the problem in the long run. We must be prepared to undertake fundamental reforms in a wise manner and provide the leadership so sorely needed by the people of this country and the world before our present economic difficulties become even greater national and international calamities. While economists and Government bureaucrats measure and discuss these matters in confusing jargon and dry statistics, we must never lose sight of the impact of the growing economic calamity upon the individual in human terms.

In my judgment, the time is long past due where the Congress must assert its responsibility to creatively and constructively resolve the economic difficulties of the people we serve. Congress can no longer await for leadership from an administration which seems to be intellectually bankrupt. We must act. To do so, we must begin action on several fronts:

First. The internal structure of Congress must be reformed and streamlined to efficiently meet the problems of the future rather than perpetuate the constituencies of the past. Congress is presently a cumbersome body, badly crippled to respond with creative solutions to our growing economic plight. Before wise and quick responses can take place, Congress must be reformed.

Part of this reform must include the speedy passage of the Bolling Commission reform proposals and the House passage of the Senate campaign reform bill. Unless we change our antiquated committee structure and procedures, Congress will continue to face the issues and constituencies of the past and be incompetent to resolve the issues of the future. Congress will not be structurally prepared to assume the mantle of creative and responsible leadership to resolve our pressing economic woes. Moreover, without reform of campaign funding, special interests will continue to have the power to riddle the United States Code with special privilege and the vast bulk of our citizens will be economically foreclosed from ever considering the honor of serving their fellow citizens in this body because of the prohibitive costs of political campaigns.

In addition, economic reforms which trench upon the toes of vested interests will remain beyond reach so long as our legislative branch creaks along with an outmoded structure that is manned by representatives compromised by the campaign contributing of special interests. Any creative reforms will be painful and difficult. They may well remain out of reach as well, unless Congress is made more responsive and responsible.

Second. We must reform our tax system to make it both equitable and understandable. Tax reform has long been needed—but continual pleas are not heeded. I have dealt with this issue in detail in another speech which appeared in the CONGRESSIONAL RECORD on April 11, 1974.

Third. Competition must be restored as the basic principle governing the allocation of our resources and the regulation of prices, and to insure the economic freedom and mobility of our citizens. Two principal developments have greatly circumscribed competition as the governor of our economy. The first is unwise or outmoded government interference in the marketplace and the second is the rise of undue economic concentration on a national and international scale.

We must begin to sort out the essential government regulation for public health and safety or economic necessity from that which is not essential or which exacts a price far in excess of the public benefit received. For example, few would dispute the necessity for wise government regulation of airline and airport safety. On the other hand, however, the wisdom of CAB rate and route regulation seems to be increasingly illusory as the CAB seems bent upon stamping out every vestige of competition in the industry. If a subsidy is necessary to sustain nontrunk service in the airline industry, Congress should vote the subsidy directly rather than see the CAB pursue a course of hidden subsidies by destroying competition that can only encourage more inefficiency and ever-climbing rates.

The same economic myopia occurs on the local level. For example, many cities have interfered with competition in surface transportation serving airports by restricting taxicabs to taking people from the airport but forbidding the same airport taxi from taking people to the airport. It does not require a Ph. D. in economics, just commonsense, to understand that this local government policy causes an inefficient use of taxicabs and increases the fare consumers must pay for ground transportation services. Waste occurs, resources are misallocated, prices are higher and the consumer is left holding the bag.

Examples of unwise government interference in the marketplace may be multiplied. For example, we need tough and effective regulation of the safety and efficacy of drugs. Many lives are lost each year because of a failure to do so. Regulation by government is an imperative necessity. Many millions of dollars of excess consumer costs are incurred each year by bad government regulation, however, because many States require prescriptions to be written by brand name and forbid the use of generic names on prescriptions. Drug companies, in turn, advertise excessively to encourage doctors to adopt their brand of a generic drug at an inflated cost. Consumers end up paying a higher price for medicine they could have purchased at a much cheaper price if it were prescribed generically.

Other forms of government regulation seem to have outlived their usefulness. For example, ICC regulation of surface transportation has become a bewildering maze of redtape, a major impediment to innovation, and a substantial barrier to entry by new competitors. The Congress should be carefully examining the entire regulatory scheme of the ICC, excising the unnecessary, tearing down outmoded entry barriers, and isolating the essentials for the protection of consumers and the maintenance of a competitive, sound, efficient, and flexible surface transportation system.

Our patent system has been stumbling along on standards and procedures designed for 1836, becoming more dated and inefficient with each passing year. It now seems doubtful that it serves the constitutional objectives intended—that of encouraging the advancement of science by obtaining full disclosure of new ideas. Neither the public nor the true inventor are served by a system where patentability seems to be decided on a piece-work basis in the patent office, litigation abounds, and legal complexities generate fees for attorneys but little progress of science and even less protection for a truly creative inventor.

Informed and worthwhile reform proposals, like the bill I introduced in the House win few friends and fewer votes. Interests which profit from the status quo have little sympathy for reform and voters find the subject complex and arcane. Yet the costs in economic misallocation, the loss of scientific progress by the imposition of illegitimate patents, and the loss of new technology by those unwilling to run the gauntlet of the present system are huge and incalculable. It may be much easier to ignore the issue, hope that someone else will take up the cudgel, or pretend it does not exist. But the costs to our economic system and to the ordinary citizen can simply no longer be tolerated. Congress must act and Members must seek out creative reform even though few votes are won and the carping criticism of vested interests and the uninformed must be withstood.

Unwise and outmoded regulatory intrusions upon the competitive system abound at all levels of government. Some result in relatively minor economic distortions; others create major economic inefficiencies or misallocations. In sum, however, they contribute substantially to economic waste, excess consumer costs, and insuperable entry barriers for the creative entrepreneur.

I do not condemn government regulation qua government regulation. It is often needed for the protection of health and safety, the protection of the environment, the economic imperatives of a natural monopoly industry, or to curb the excesses of extreme competition bordering on the survival of the vicious. Yet, regulation displaces competition, the best device we have found for efficiently allocating our resources at the best price to the consumer in a manner consistent with the social and political ideals of our society. Where regulation is found to be essential, regulation must be continually reassessed to insure that its benefits exceed its costs, to insure that it has not become a tool of the regulated, and to guarantee that the public interest—not some special interest—is served thereby.

The second major factor which has led to the decline of competition as the central tool for regulating our economy has been the growth of undue concentration of economic power in several lines of the economy. In many ways, the assumption of governmental power by private monopolies and private combinations in restraint of trade is even worse than undue Government interference in the marketplace. At least the latter is subject to some degree of control through the ballot box while the former is often beyond public control. This is particularly so when the Government agencies charged with preventing private monopolies and combinations in restraint of trade fail to effectively enforce the antitrust laws.

In my judgment, the Antitrust Division of the Department of Justice has not fulfilled its mandate to preserve, foster, and restore competition. When the major oil companies engage in joint and interlocking activity at every level of the oil industry, the Justice Department can see no wrong and brings a price fixing case against a small group of independent retailers in Jackson Hole, Wyo. When the steel industry engages in another round of follow the leader oligopoly price increases, the antitrust division takes little notice and pursues a price fixing conspiracy among sellers of bull semen. While undue concentration persists year after year in the automobile manufacturing, bus manufacturing and diesel locomotive manufacturing businesses, the antitrust division chases after small town bank mergers around the country.

This is not to suggest that gasoline retailer conspiracies, fixing the price of bull semen, or small town bank mergers are not important. What I am suggesting, however, is that the antitrust division has failed to come to grips with significant economic concentration in our society and has expended its resources in attacking relatively minor antitrust transgressions. The cost of undue economic concentration is far greater on a political and social basis, as well as an economic basis, than the penny ante cases pursued by the antitrust division.

Some economists see evidence that undue economic concentration is a factor contributing to inflation. They detect an unresponsiveness to price competition and an ability to raise or maintain high prices even in the face of declining demand in highly concentrated industries. Undoubtedly, a major factor in our present inflation trend is excess demand—too few goods to meet demand, both nationally and internationally. The traditional Republican explanation of wage-pull inflation—blaming inflation on the wage demands of unions—cannot explain our recent inflation since wage agreements have been held at a low and constant level by the incumbent administration despite soaring corporate profits.

Thus, I suspect there is merit to the claim that undue economic concentration has been a significant force in creating and maintaining the existing level of inflation and in preventing a downward push of prices in the concentrated industries. It does so because concentrated inindustries are immune from traditional price competition and many of them are so highly integrated vertically that they are even immune from the threat of new entry. Thus, they are able to raise prices and maintain inflated prices even in the face of falling demand. In the face of this kind of economic power, traditional monetary and fiscal controls have little effect, and we witness a simultaneous high rate of inflation, growing unemployment, and a recession all at the same time.

There are also good grounds to suspect that undue economic concentration is a dead hand on innovation, a heavy toll on efficiency, and the source of undue political and social power. The major innovations in steelmaking in the past three decades have come largely from relatively small firms outside the United States; innovation in size, safety, and new motor development in the auto industry have come from small foreign competitors of the U.S. auto industry; and a spreading sense of loss of control over one's destiny and economic future is growing among millions of our citizens who find themselves locked into giant firms they cannot effect or control.

We must come to grips with economic concentration and make a clearcut decision whether the present drift toward giant firms is desirable, or whether the principle of competition as the regulator of our economic destiny must be reinvigorated. The choice is a crucial one, dictating whether we will continue the drift toward a government-managed economy or one where government interference will be limited and our economic activity will be governed by the result of a multiplicity of free choices made by a free people.

At present that choice is being made by default as the failure to enforce antitrust policy against undue economic concentration is creating ever larger centers of economic and political power, and government responds to the symptoms thereof with ad hoc and superficial regulatory responses. The time has come to stop the drift by default, reassert our commitment to a free competitive economy, and vigorously enforce our antitrust policy. The task will be difficult and painful, but we may well remove an important contributing force to inflation, restore the discipline of efficiency and innovation to our economy, remove barriers to new entrants, and restore a sense of control and participation to individuals submerged by large economic institutions they cannot now effect. We in Congress must resolutely commit our energies to this program, particularly in light of the absence of any such commitment by the present administration.

Fourth. The American consumer is paying record high prices for food and many people in the world are unable to obtain food at any price. The world reserves of food have dropped to dangerous levels and many are predicting a decade of food shortages and famine. The U.N. has recently estimated that 800 million people, one-fourth of the world's population, suffers from malnutrition. Malnutrition may well be growing in the United States as inflation shrinks consumer buying power and the number of those living in real poverty continues to grow. Perhaps no economic problem facing Congress is so important and so grave as this, since food shortages raise international tensions and raise the level of human misery beyond the acceptance of even the most callous. The utter horror of famine in Africa and malnutrition in most of the world, standing alone, warrant Congress making the question of food shortages its priority economic and human question in need of action.

The United States is apparently reaching full capacity in food production. Increased efficiencies may be realized by an examination of Government intrusions in the marketplace like milk marketing practices, raising prices and limiting production, and tax incentives encouraging inefficient investment of capital in agricultural endeavors aimed at obtaining tax deductions, rather than increased production of agricultural necessities, for people like the present Governor of California.

We should give serious consideration to the creation of an agency, independent of the Department of Agriculture, to regulate the Nation's commodities markets in line with GAO's interim report on commodities regulation issued May 3 of this year. A fair and free market is essential if farmers are to obtain equitable prices in the face of powerful buyers and fragmented sellers. Some segments of agriculture may also be operating in noncompetitive terms due to the presence of large-scale corporate farming by so-called agribusinesses and conglomerates like ITT.

At the very least, the Antitrust Division and the Federal Trade Commission should establish special task forces to recommend to the Congress which Government policies intruding into agriculture ought to be modified, terminated, or retained and to determine whether undue economic concentration is having adverse competitive effects in agriculture and the marketing of agricultural products; thereby artificially raising consumer prices and limiting the efficiency of production.

Without doubt, some agricultural products may be underpriced. For example, the price of several lines of fruits and vegetables is subsidized by the economic exploitation of migrant farmworkers and small farmers. American consumers, at least those with a minimal concern for their fellow human beings, do not wish to live off the misery of others. Thus, to the extent that some products are underpriced because of economic exploitation of farmworkers or small farmers, price increases to pay equitable wages are not only necessary, but just. The overall food index, however, should more accurately reflect true cost and just profits if the basic principle of free and workable competition is given its maximum rein.

Apparently international food shortages cannot be remedied by increased American food production, since we are apparently reaching full capacity. The United States, however, does have a significant asset which may substantially mitigate worldwide food shortages and potential famine. For over 100 years, the United States has been investing in and creating the most advanced agricultural technology and expertise in the world. Through a system of land-grant colleges and extensive research support, the United States has developed farming expertise and agricultural technology that should be made more available to the nations of the world. The agricultural base of many nations suffer from a failure to adequately utilize land with the appropriate farming techniques and the modern technology of agronomy and animal husbandry. If a substantial increase in the use and the efficiency of potential farming land of many of the world's underdeveloped nations could be made, the growing potential of worldwide food shortages may be substantially mitigated.

Thus, it is my intention to introduce legislation establishing a U.S. Food Commission, an independent Commission charged with administering the export of American farm technology. Funds will be provided to establish an agricultural peace corps to be recruited from students in our agricultural colleges and retired farmers who have practical experience in working on, managing, and operating a farm. By providing knowledgeable persons, unafraid to get dirt on their hands, to nations with under-utilized farming land and inefficient farming practices, we may help upgrade and increase world food production in relatively rapid order.

CONCLUSION

Economic trends are always risky to predict. I profess no special expertise and I have no crystal ball which projects the economic future. Present facts, however, should sober at least the most optimistic economic propagandist of the administration or the existing order. One need only listen to the growing plight of the average wage earner to predict that disaster is around the corner unless inflation is checked and the tax system is made equitable and just. Only a single picture of the spindly legs and swollen bellies of the victims of famine is necessary to know that simple human decency requires a substantial effort must be made to increase world food production. The growth of giant firms and the loss of individual ability to cope with huge institutions that seem to charge ever higher prices for lower quality goods cannot help but impress one with the necessity for reestablishing a vigorous antitrust policy. Simple commonsense suggests we must come to terms with the growth of multinational firms escaping the check and control of every nation-state.

Each of these issues and our fundamental responsibility to the public requires that we lay aside special and regional interests; that we provide the leadership that has not and cannot come from an administration unconcerned with the needs and values of the vast majority of our citizens; and that we eschew hollow rhetoric and individual hypocrisy and take action. The time has come to end politics as usual; we no longer can afford that dubious luxury and the people of the United States should not and will not stand for it. We have had a paralysis of leadership that our national and world economies cannot withstand much longer. The time has come for Congress to reassert its historic role of leadership in developing responsible, creative, and beneficial economic policies—else economic troubles soon become a general economic disaster.

IMPLICATIONS OF COCONSPIRATOR CHARGE

(Mr. FISHER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FISHER. Mr. Speaker, the June 6 newsstory announcing that a Watergate grand jury had secretly charged the President of the United States as an "unindicted" coconspirator in the coverup indictments of seven men, raises some rather serious questions which the public is entitled to have thoroughly examined.

According to the press, the charge against Mr. Nixon serves three purposes:

First. It can adversely affect the President's efforts to avoid impeachment. While the Washington Post in covering the coconspirator story admitted the charge "is not expected to have any legal effect on the contests in court and in the House Judiciary Committee," the story concludes that the attendant publicity could "make it politically more difficult for some Representatives and Senators to vote for Mr. Nixon on impeachment issues."

That identifies one of the three purposes served by charging the President.

Second. A second purpose to be served by the charge was to limit and narrow the President's legal right to withhold subpenaed tapes and documents on the grounds on executive privilege. According to the Post:

> An informed legal source speculated that the special prosecutor's office could argue before the U.S. Supreme Court (as indeed was done) that no person named as a participant, including the President of the United States, has any right to withhold exidence on grounds of executive privilege."

Third. A third purpose served by the coconspirator charge, according to the Post, is to make evidence against those indicted for coverup activities admissible, which except for the charge against the President would not be admissible.

In the forthcoming trial of the seven who were indicted, the Special Prosecutor evidently decided he would like to be able to use certain taped conversations in which the President participated, which would be hearsay. And that desire could include some subpenaed White House documents. But the rules of evidence barring hearsay could be obliterated in one fell swoop by the simple maneuver of naming the President as an unindicted coconspirator.

This example is cited by the Post:

> Thus, prosecution could use the President's status as a means for letting former counsel John W. Dean testify about what the President told him. Ordinarily such testimony is excluded as hearsay—secondhand evidence. But *the utterances of co-conspirators* are admissible as an exception to the rule prohibiting hearsay evidence. . . . Once the linkup is made the utterances of one conspirator may be used against the others as well.

Following approval by the grand jury of the charge naming the President, the Special Prosecutor proceeded to call that to the attention of Judge John Sirica who had been asked by Jaworski to order delivery of certain additional tapes and documents by the President. The Post article states:

> Jaworski privately disclosed the grand jury's naming of the President as an unindicted coconspirator to . . . Judge Sirica early last month in an effort to secure compliance with the subpoena.

From all of this we are made to wonder if the President's name is being used primarily for the purpose of bailing the Special Prosecutor out of a dilemma regarding admissibility of hearsay evidence and enhancing Jaworski's right to alter the principle of executive privilege as related to Jaworski's subpena of White House tapes and documents.

In addition to the procedural advantages referred to, by naming the President as an unindicted coconspirator, with or without adequate evidence to support the charge, the clamor for impeachment is enhanced. That is the expressed view of the Washington Post.

The fact is, and I think generally admitted, that positive and credible evidence to link the President with the alleged coverup conspiracy is very skimpy and inconclusive. Grand jury leaks have revealed no such quantum of proof. The exhaustive Senate committee hearings found no such proof. Neither has the House Judiciary Committee, according to revelations thus far made.

The Washington Post, which appears to enjoy a close rapport with the office of Special Prosecutor, could in its lengthy coverage of the President's alleged involvement point to but one source to justify the grand jury's action. The Post reports:

> One part of the evidence that led the grand jury to the conclusion that Mr. Nixon participated in the conspiracy, the sources said, is the tape recording of the March 21, 1973, meeting the President had with his White House counsel, John W. Dean.

It stands to reason that had there been other pertinent evidence it would also have been leaked to the Post. The leaking obviously came from an inside source, which knew all. As the matter now stands it would appear that the grand jury was obliged to rely upon the March 21 tape as the sole basis for naming the President as an unindicted coconspirator.

Yet, those who have heard the contents of that particular tape, including members of the Judiciary Committee, apparently do not share the grand jury's analysis of it. At least many of the committee members have so expressed themselves, particularly when that one conversation is considered along with all other pertinent taped conversations that have been provided, plus evidence developed by the Senate committee.

In the first place, John Dean is very definitely not a credible witness. By now that fact should be clear to all. That was evidently the view of jurors in the Mitchell-Stans trial in New York. And it is made clear by many contradictions and self-serving efforts by John Dean in his admitted desire to curry the favor of Judge Sirica and hopefully avoid prison for his admitted criminality. Thus far Sirica has succeeded in holding this star witness hostage until he testifies against his alleged coconspirators.

The Washington Post's leak source from inside the grand jury room fails to indicate whether the grand jury was told by the prosecutors that Dean was a discredited witness, or warned them about his veracity. If the jurors were not so informed, then why were they kept in the dark?

The big mystery is why John Dean has not been indicted for perjury. Can it be that the reason for thus protecting Dean has been to bolster his image as a future witness? There can be no doubt there is ample evidence, fully documented, to justify indictments against the former White House counsel.

IS THERE A LINE TO BE DRAWN?

Mr. Speaker, all of this raises the question of how far should the prosecution go in pursuit of their moves to achieve any one or all of the three objectives previously referred to? Considering the evidence in hand, can it be said that holding the President of the United States up to public ridicule, as the coconspiracy charge does, is a justified price to pay for these goals; or any of them?

After all, charging a person, particularly a President, as a coconspirator is an awesome and most serious step to take. To be sure, such a charge is not an indictment, but in many ways it is even worse. It leaves the one charged with no forum where he can defend himself, except in the court of public opinion. He is allowed no opportunity to prove his innocence. There are no accusers he can confront. The rules prevent that. In this instance the President is left vulnerable to the most venomous attacks by the news media and by the Nixon haters. It is not difficult to reconcile our cherished concept of presumption of innocence with an unindicted coconspiracy charge, based upon what must be recognized as dubious evidence?

To those who may be apologetic about the employment of such extreme tactics and who may blame it all on the grand jury, that is really no answer at all. It is well known in Washington that the Watergate grand juries are all but totally subservient to Judge Sirica—who in fact has acted in the dual role of judge and prosecutor—and the office of Special Prosecutor.

Those who have worked with grand juries, as many of us have, know that grand jurors rely upon prosecutors to provide leadership and direction in their deliberations. That is particularly true in this instance, with all the tangled legal complexities that are involved.

It goes without saying that it is the prosecutor, not the grand jury, who prepares indictments and decides what evidence justifies conspiracy charges. We can be assured that every word contained in the coconspirator charge was written in Leon Jaworski's office, then rubber-stamped, if you please, by the foreman. Is anyone so naive as to think for a single moment that the grand jury would have charged the President as a coconspirator had that not been the will and desire of the Special Prosecutor?

Now, that relationship between the prosecutors and the grand jury is not necessarily bad. It depends upon circumstances and largely upon how far the conscience of the Special Prosecutor permits him to go. As previously indicated, when sufficiency of evidence is an issue, and when other legal complexities are faced, the grand jury must of necessity obtain counsel and advice from the prosecutor. Moreover, is it likely the grand jurors in this instance actually knew about the behind-the-scenes purposes the prosecution was evidently using the grand jury to accomplish?

There are those who must wonder about the propriety and the legality of the repeated leaks of secret grand jury proceedings, often damaging to the President, necessarily coming either from members of the jury or from the office of the Special Prosecutor. In one instance the Post article cited precisely what Jaworski had told grand jurors inside locked doors. Yet, the United States Code makes it illegal to disclose grand jury secrets.

Mr. Speaker, efforts to link the President with alleged Watergate coverup has been investigated by some 40 prosecutors and an equal number of investigators under the direction of the Special Prosecutor. The Senate committee, armed with scores of prosecutors, has duplicated the inquiries. And, of course, the House Judiciary Committee, aided by 42 special prosecutors of its own, has been deeply involved in the repetitious search. All of this has already cost the taxpayers some $7 million to investigate the aftermath of a midnight burglary case.

The army of highly motivated prosecutors, numbering altogether more than 100, is quite obviously determined to get results. If, indeed, the President is guilty of criminal complicity in the Watergate coverup, that is one thing; but the required proof to sustain such a charge has thus far been conspicuously absent. The sheer magnitude and weight of the pressure that has been generated causes one to examine very carefully all aspects of the rather extreme and often circuitous measures that have been employed in the multimillion-dollar drive to make a case.

DISMAL STATE OF THE POSTAL SERVICE

(Mr. WRIGHT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the second in a series of investigative articles published on yesterday and today in the Washington Post, dealing with the dismal state of the Postal Service.

Any Member of Congress who was not already convinced from his own observations should be convinced after reading these articles that the act of Congress in turning the operation of the Post Office over to a semiprivate corporation was a monumental error.

Decisions have been made in secret, and they have been bad decisions. Managers of the Postal Service quite obviously have been unconcerned with the wishes of the public. From the beginning of the Republic, the delivery of mail was considered public business of the highest order. The Postal Corporation should be abolished, and this extremely vital public function should be returned to the status of a fully public Department of Government, as it always was before the congressional abdication of this responsibility.

The article follows:

FORTY-SEVEN CHANCES FOR DELAY: DELIVERY OF MAIL DEPENDS LARGELY ON LUCK

(By Ronald Kessler)

If you get a sinking feeling that the letter you deposit in a mail box might not reach its destination the next day or even the next week, your apprehension is well founded.

When your letter will be delivered will depend largely on luck as it goes through 47 processing steps, each capable of delaying it. During its journey, your letter will be sacked, dumped, culled, sorted, flown, unloaded, sorted and sorted again.

It could get chewed by machines. It could get missent. Or it could get lost.

If it reaches its destination, the arrival date could be a day, a week or even a month or more after it is sent.

It is uncertainty about when a letter will be delivered that was identified by the Kappel Commission, which recommended postal reform, as the public's primary concern about mail service.

A businessman or housewife who needs overnight delivery but cannot feel assured he or she will get it from the Postal Service must turn to more costly alternatives—telephones, telegrams, private messengers and special delivery systems.

In recent years, the use of these alternatives has grown rapidly while the letter mail volume has risen an average of 2 per cent a year.

At the same time, the cost of delivering a letter has risen 66 per cent faster than the increase in inflation. This has been caused largely by a second problem identified by the Kappel Commission—the Postal Service's almost total reliance on human labor, rather than machines, to move the mail.

In a comment that could be made today, the Kappel Commission observed in 1968:

"The Post Office's inefficiency is starkly apparent to anyone who walks across a workroom floor. In most offices, men and women lift, haul, and push mail sacks and boxes with little more mechanical assistance than the handcart available centuries ago. In this electronic era, the basic sorting device remains the pigeonhole case, into which letters are placed, by hand, one by one."

In contrast to the Postal Service, the telephone company has automated so that all local calls, and more than 80 per cent of long distance calls, are dialed by customers without assistance from operators.

This saves customers' time and the telephone company's money. Indeed, American Telephone & Telegraph Co. estimated it would need a million operators if it had not introduced dial telephones.

Each letter handled by the Postal Service, on the other hand, is sorted by humans as many as seven times before it is delivered.

The Postal Service has installed an increasing number of machines for sorting letters, but they still generally require humans to read addresses.

Jacob Rabinow, chief of invention and innovation for the National Bureau of Standards, said Postal Service mechanization is still in the Dark Ages. Rabinow, who has testified before the Postal Rate Commission on what he calls his personal views, said the agency uses "stupid, horrible equipment."

"If you can collect, clean, and inspect eggs by machine, there is no excuse for not being able to sort mail entirely by machine," Rabinow charged. "It's just that private manufacturers care, and the Postal Service doesn't."

The agency's machines have had little effect on its degree of labor intensiveness. Rather than decreasing, the proportion of the postal budget devoted to salaries and benefits—a measure of labor intensiveness—has increased under the new postal management from 82 per cent to 85 per cent.

To find out why costs are high and service slow, your letter can be followed from its deposit in a D.C. mail box to a destinaation on the West Coast.

Your letter faces an immediate delay of a day if it is mailed after the last collection for the day.

Residential mail boxes were generally collected three times a day under the old Post Office, according to a report by the General Accounting Office, the audit branch of government. The new Postal Service has reduced most pickups to one a day, the GAO said.

Since these pickups are generally in the morning, your letter will be delayed a day if it is mailed in the afternoon.

It will be delayed if it is mailed after the 5 p.m. or 6 p.m. pickup from business collection boxes. The GAO found the old Post Office generally picked up as late as 9 p.m. from business areas.

When it is picked up, your letter is stuffed in a canvas bag or sack, a container that a number of industry experts said increases costs and delays letters.

Coleman W. Hoyt, distribution manager of Reader's Digest, said that while industry generally transports goods on wooden pallets that can be loaded by fork-lift trucks, Postal Service bags must be lifted by hand.

Hoyt said letters sometimes become lost in the folds of the sacks for weeks at a time and often become damaged so they cannot be handled by labor-savings machines. "Letters should never go in bags," Hoyt said in an interview.

The problem is exacerbated by a Postal Service policy requiring that empty mail sacks be shipped in tightly-rolled wads. Each sack is individually rolled, and 19 of the rolled sacks are stuffed into a 20th sack. The Postal Service said the policy keeps bags from going astray, but the number of jobs created by the need to roll and unroll the sacks each day can easily be imagined.

The sack with your letter is trucked in the early evening to the columned D.C. Post Office at Massachusetts Avenue and North Capitol Street, where mail is sorted for D.C., Bethesda, and Chevy Chase.

To anyone who has visited an automated manufacturing plant, where ingredients go in raw one end and come out the other as finished products, a postal sorting operation comes as a shock. "I was appalled," said James E. Josendale, a businessman who was deputy assistant postmaster general for operations from 1969 to 1971, of his first visit to a post office. "Everything was done by hand."

Four or five men drag the sack containing your letter from the back of a truck and throw it on a hand cart. Another crew of men throws the sack from the cart down a chute in the loading platform at the back of the D.C. Post Office.

The process continues on the main floor, where the sack emerges. Crews of men lift, throw, push, and dump the sacks until your letter ends up on a conveyor belt.

By installing equipment used by industry to move mail within post offices, productivity of many post offices could be raised 50 per cent, the Kappel Commission estimated in 1968.

The conveyor belt on which your letter is thrown is tended by some eight employees, who sift the mail to pick out special rate classes such as air mail, special delivery, and third class, so-called junk mail. The special classes are thrown in bins for separate handling.

The Postal Service has some 40 rate categories, each with its own regulations and requirements, often requiring extra labor to verify that the regulations are met and the proper service given. The Kappel Commission recommended reducing the number of classes to four, but the Postal Service has plans to complicate the system further by adding more classes.

The rates charged for each of the classes have little to do with the cost of handling the mail. A magazine may be charged rates varying by 100 per cent and more depending on how much advertising it carries, whether it goes over a county line, what type of subscription list it has, and whether its publisher makes profits.

Letters are charged according to their weight, even though weight has little or nothing to do with the cost of delivering mail.

What does affect costs is whether a piece of mail is too large, bulky, or irregular in shape to be handled by machines. An internal Postal Service study showed last year, for example, that the cost of handling a large envelope, which cannot be handled by a machine, is about double the cost of handling an ordinary letter, which goes through machines. Yet the charge is the same for both. (The agency proposed charging extra for large envelopes, but the request has not yet been approved by the Postal Rate Commission.)

The emphasis on weight makes it easy for postal customers to cheat, since the cost of weighing each letter would probably wipe out any extra postage collected. As a result, the Postal Service has no regular procedure for weighing letters.

Indeed, letters with no postage at all are not returned to the sender. Instead, they are stamped "postage due" and forwarded to the person to whom they are addressed. Whether the postage is collected depends largely on whether the recipient is at home and the mood of the letter carrier.

In a test, the GAO found postage due was not collected by letter carriers on half the letters it mailed with no postage or insufficient postage. By contrast, the telephone company will not complete a pay telephone call unless a customer first pays for it.

The GAO has also found abuses of the complicated rules governing rates for other mail classes. For example, the Postal Service lost $1.5 million in postage because 115 mailers improperly claimed they were nonprofit organizations, GAO reported.

After the special rate classes are removed from the mail stream in the D.C. post office, your letter is piled on a hand cart and pushed to another conveyor.

Unlike production lines in manufacturing plants, postal sorting operations generally are not physically connected, and the capacity of the machines is not necessarily the same as others in the sorting process.

As a result, mail often is delayed or machines are not operated at full capacity, increasing costs as much as 20 per cent. Communications & Systems Inc., a private consulting firm, told the Postal Service in 1969.

The second conveyor where your letter is dumped is manned by additional workers, who pick out mail too bulky to go through the canceling machine. These items, which include bank statements, tissue-thin air mail envelopes, and circulars, must be canceled on slower machines or by hand with rubber stamps.

The canceling machine imprints postmarks on letters faster than the eye can see, but in visits to post offices from Boston to Chicago and New York to Los Angeles, these machines were observed to jam on an average of every 10 minutes to 15 minutes. When the machines jam, a handful of letters are ripped, and these letters must be mended by hand in a separate section.

"It was a beautiful machine when it was invented over 30 years ago," said Rabinow, the National Bureau of Standards official, of the canceling machine. "It's now obsolete."

For one thing, noted Rabinow, the machines cannot tell if a stamp has previously been canceled. This means stamps can be re-used, he said. Some say that canceling stamps is obsolete and could be replaced with a variety of more efficient procedures.

After being canceled, your letter is sent to be sorted by clerks who place letters in pigeon holes according to zip codes. Those letters without zip codes—about 7 per cent of the total handled in D.C. last year—are sorted by special clerk who have memorized the postal distribution system.

An Associated Press mail test last year found using zip codes does not speed your mail. However, postal experts say that if a significant portion of the population stopped using them, the mail system would collapse, since most clerks do not know the distribution system and rely on the codes when sorting mail.

In D.C., your letter has a one in three chance of being sorted by machine. The letter sorting machine is described by the Postal Service as "the equipment of the future."

The 91-foot-long sorting device is far from being automated, however. It is manned by 20 employees, most of whom read zip codes on each envelope and punch the codes into keyboards. The machine shunts letters to appropriate bins.

Nor is the principle behind the machines new. The Postal Service experimented with a keyboard device in 1918 and installed such devices in a Providence, R.I., post office in 1960. The Providence post office, which was characterized by the postal officials as a "mechanized" operation, did not work because of mechanical failures.

Postal Service figures show that the present machines handle slightly more mail per man hour than hand sorting. The machines sort to more bins, and this can save subsequent sorting.

But the GAO said the machines also are an important cause of erratic mail delivery. The reason is that they have an error rate as high as 17 per cent, which means that letters are routed to the wrong place 17 per cent of the time.

Each time a letter is missent—say, to Chicago instead of Miami—it can be delayed as many as five days while being re-routed, in addition to regular delivery time, GAO said. In addition, missorting adds to costs by requiring nearly twice as many handlings in the process of routing letters back to their proper destinations, GAO said.

The GAO found that in recent six-month periods, 13 million letters were missorted by the machines in a New York City post office, 56 million letters were missorted by the Boston post office, and 8 million letters were missorted by two Florida post offices.

Dr. James C. Armstrong a former postal official who is manager of corporate planning for AT&T, said this and other problems of the Postal Service would be eliminated if the agency required mail users to write zip codes in boxes printed on standard-size envelopes.

Dr. Armstrong said the envelopes could be made by commercial envelope manufacturers and sold in stores just as envelopes are sold now. Similar systems are used by Japan and Russia, he said.

Those persons who wanted to use conventional envelopes without zip code boxes would be charged extra, Dr. Armstrong added.

Because the envelopes would come in a standard size easily handled by machines and would show zip codes in the same place on each envelope, the letters could be sorted by relatively inexpensive machines, Dr. Armstrong said. These machines would read the zip codes through optical scanners without need of human operators.

Rabinow estimated each such machine would cost $350,000 compared with $300,000 for the current machines that require 20 operators. He said another machine that the Postal Service has been testing for sorting costs $3 million. This machine handles about twice the mail as one of the conventional machines.

Rabinow, who invented the current letter sorting machine in 1956, said that in addition to reducing the Postal Service's labor intensiveness, preprinted zip code boxes would eliminate missent letters. Because human operators would not read zip codes, he said, there would be no errors.

These and other experts said further savings would occur if zip codes had 10 digits so that each residence would have a number.

Although most of the technical experts interviewed for this series agreed such a system would be the best solution to rising costs and declining service, the Postal Service said it does not believe the method would work.

J. T. Ellington Jr., assistant postmaster general for planning, said he doubted the public would accept the constraint of using special envelopes.

Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971, contended the public would accept zip code boxes as easily as it accepted direct long distance dialing.

"People soon learned to dial direct on telephones because of the extreme saving in cost and time," Hayden said. "The present mechanization (in the Postal Service) is so costly because of the lack of standardization."

Josendale, the former deputy assistant postmaster general, who is chairman of Wire Rope Corp. of America in St. Joseph, Mo., said use of zip code envelopes would mean "all the mail could be delivered overnight."

Many postal experts, such as M. Lile Stover, who was director of distribution and delivery until 1969, believe nearly all the mail could be delivered overnight—if the Postal Service had the will to do it.

But a Postal Service policy begun in 1969 dictated that first class mail arriving in post offices during the night from distant points should not be sorted until daytime to save extra night pay and some equipment costs.

As a result, your letter from D.C., although it generally arrives in California during the early morning hours, is not delivered until the third day after it is mailed—assuming it is not missent or encounters other delays.

"It hurts me," said Stover, "that I spent 30 years trying to get the mail to move the fastest way, and now they're slowing the mail."

A transcript of a meeting of postal officials in 1969, when the new policy was established, shows they were not unaware that the idea of slowing the mail would not sit well with the American public.

Although the purpose of the new Postal Service was to speed rather than slow the mail, Winton M. Blount, President Nixon's appointee as postmaster general, told the officials at the meeting:

"I don't give a damn if 90 per cent of my mail doesn't get there for a week or three or four days, anyway, but that other 10 per cent, I want to know it is getting there."

Blount then cautioned the others, according to the transcript: "We have been talking about that enough around here . . . Anything you talk about around this area gets in the paper."

The discussion was continued by Blount's deputy, Frank J. Nunlist, a former president of Studebaker-Worthington Inc., which once made Studebaker cars. The transcript shows that Nunlist, who died recently, made it clear there were no plans to establish a fast and a slow service for first class mail. Instead, he said, the idea was to cut costs by educating the public not to expect "prompt" service.

"I must point out to you," Nunlist said, "that there is an area here where, whether we like it or not, we are not yet a postal corporation. And we want to get that bill passed. And then we can do a lot of other things. So you tread a little bit diplomatically to get the Congress to vote for your reorganization bill."

He added, "I am afraid that we probably have got to be careful and not publicly announce that we are not going to be striving for perfection."

Two months after the meeting, Postmaster General Blount testified before a House postal subcommittee:

"I have been asked whether the new U.S. Postal Service would jeopardize the level of postal services existing today. Let me make it clear that nothing could be further from the truth . . ."

THE TRUE NEED FOR A PRIVATE BILL

(Mr. RONCALIO of Wyoming asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, today I have introduced legislation for the relief of John Bruce Dodds. An identical bill has been introduced by Senators McGee, Hansen, Haskell, Kennedy, and Cranston.

Cadet Second Class Dodds was appointed to the U.S. Air Force Academy by the senior Senator from Wyoming and his family have a summer home in Wyoming. He is the son of an Air Force colonel and has looked forward to graduation from the Academy and to an Air Force career.

This spring a malignant tumor was discovered in his thigh requiring removal of his leg. The operation was apparently successful and Cadet Dodds is currently being fitted with a prosthesis. He was able to return to the Academy following surgery, catch up with his academic work, and win recognition on the dean's list.

With his artificial limb, he will be able to do nearly everything he could before but run. Without an exception, though, the Air Force has determined that they have no authority to let a cadet continue at the Academy if he is not fully qualified to become an officer in the Air Force upon graduation.

Cadet Dodds realizes that he could not receive a commission, but he would like to complete his education and remaining year at the Academy graduating with his class. It is my understanding that the Air Force will not oppose this legislation which would allow the cadet to finish his last year at the Academy. If ever an exception could be made, this case certainly has the merits deserving such consideration. It is obvious that prompt action is required if effective relief is to be granted before classes resume this fall. I would hope that such consideration can and will be given.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Mann (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Drinan (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Matsunaga (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Howard (at the request of Mr. O'Neill), for week of June 10, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Mills, for 60 minutes, today, and to include extraneous material.

(The following Members (at the request of Mr. Hudnut) to revise and extend their remarks and include extraneous matter:)

Mr. Hansen of Idaho, for 5 minutes, today.

Mr. du Pont, for 30 minutes, today.

(The following Members (at the request of Mr. Breaux), to revise and extend their remarks, and to include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Stark, for 5 minutes, today.

Mr. O'Neill, for 10 minutes, today.

Mr. Ford, for 10 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Hamilton, for 5 minutes, today.

Mr. de Lugo, for 5 minutes, today.

Mr. Alexander, for 10 minutes, today.

Mr. Owens (at the request of Mr. Ginn), to address the House today, for 15 minutes, and to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Dellums to revise and extend his remarks prior to vote on the amendment offered by Mr. Fauntroy.

(The following Members (at the request of Mr. Hudnut) and to include extraneous matter:)

Mr. Hanrahan in two instances.

Mr. Kemp in five instances.

Mr. Gilman.

Mr. Parris in five instances.

Mr. Martin of North Carolina in three instances.

Mr. Cleveland.

Mr. Sarasin.

Mr. Archer in three instances.

Mr. Sandman.

Mr. Young of Florida in five instances.

Mr. Conte.

Mr. Bray in three instances.

Mr. Buchanan in two instances.

Mr. Wyman in two instances.

Mr. Ruppe.

Mr. Brown of Ohio in three instances.

Mr. Bob Wilson.

Mr. Broyhill of Virginia.

(The following Members (at the request of Mr. Breaux) and to include extraneous matter:)

Mr. Annunzio in six instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Murphy of New York.

Mrs. Boggs in three instances.

Mr. Vander Veen.

Mr. Rangel in 10 instances.

Mr. Traxler.

Mr. Gaydos in 10 instances.

Mr. Kyros.

Mr. Davis of Georgia in five instances.

Mr. Podell.

Mr. James V. Stanton in two instances.

Mr. Vanik in three instances.

Mr. Diggs.

Mr. Leggett.

Mr. Anderson of California in two instances.

Mr. Koch (at the request of Mr. Ginn), in 10 instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 649. An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, to the committee on foreign affairs.

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000; to the Committee on Government Operation.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 11, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2427. A letter from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1975 for the Department of Agriculture (H. Doc. No. 93–317); to the Committee on Appropriations and ordered to be printed.

2428. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1974 for the Veterans' Administration (H. Doc. No. 93–318); to the Committee on Appropriations and ordered to be printed.

2429. A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 8d(2) of the Agricultural Adjustment Act of 1933, reenacted, amended and supplemented by the Agricultural Marketing Agreement Act of 1937, as amended, to provide authority to grant certified public accountants access to confidential records for purposes of making an audit; to the Committee on Agriculture.

2430. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various facilities projects proposed to be undertaken for the Army Reserve, pursuant to 10 United States Code 2233a(1); to the Committee on Armed Services.

2431. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Seymour Weiss, Robert A. Stevenson, and Pierre Robert Graham, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2432. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

2433. A letter from the Chairman, U.S. Advisory Commission on International Educational and Cultural Affairs, transmitting the 10th annual report of the Advisory Commission, pursuant to section 107 of Public Law 87–256 (H. Doc. No. 93–204); to the Committee on Foreign Affairs and ordered to be printed.

2434. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the criteria to be used for designation of medically underserved areas and population groups, pursuant to section 5 of the Health Maintenance Organization Act of 1973 (Public Law 93–222): to the Committee on Interstate and Foreign Commerce.

2435. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "All Electric Homes, Annual Bills, 1973"; to the Committee on Interstate and Foreign Commerce.

2436. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13 (b) of the act of September 11, 1957, pursuant to section 13(c) of the act [8 U.S.C. 1255b(c)]; to the Committee on the Judiciary.

2437. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend for 3 years the requirement of increased payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions; to the Committee on Ways and Means.

Received From the Comptroller General

2438. A letter from the Comptroller General of the United States, transmitting a report that the legislative ceiling on expenditures in Laos reduced costs, but the ceiling was exceeded; to the Committee on Government Operations.

2439. A letter from the Acting Comptroller General of the United States, transmitting a report on plans and proposals for the Department of Defense to avoid unnecessary duplication in developing new military equipment; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Ways and Means. H.R. 14462. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of oil and gas production (Rept. No. 93–1028 (part 2)). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. S. 1803. An act to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to certain officers and employees of the legislative branch; with amendment (Rept. No. 93–1095). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 1166. Resolution providing for the consideration of H.R. 12165. A bill to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico. (Rept. No. 93–1096). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1167. Resolution providing for the consideration of H.R. 13839. A bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended. (Rept. No. 93–1097). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1168. A resolution providing for the consideration of H.J. Res. 876. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos (Rept. No. 93–1098). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1169. Resolution providing for the consideration of S.J. Res. 202. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations (Rept. No. 93–1099). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts (for himself and Mr. Carey of New York):

H.R. 15288. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. Grover, Mr. Roe, Mr. Goodling, Mr. Cotter, Mr. Rees, Mr. Sarbanes, Mr. Lent, Mr. Drinan, Mr. Edwards of California, Mr. Frenzel, Mr. Cochran, Mr. Studds, Mr. Shoup, Mr. Harrington, Mr. Pickle, Mr. Bennett, Mr. Hicks, Mr. Young of Florida, and Mr. Young of Alaska):

H.R. 15289. A bill to amend the Fishermen's Protective Act of 1967 in order to strengthen the import restrictions which may be imposed to deter foreign countries from conducting fishing operations which adversely affect international fishery conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL (for himself, Mr. Grover, Mr. Ashley, Mr. Martin of North Carolina, Mr. Addabbo, Mr. Quie, Mr. Pepper, Mr. Rosenthal, Mr. Whitehurst, Mr. Biaggi, Mr. Robison of New York, Mr. O'Brien, Mr. Schneebeli, Mr. Pritchard, Mr. Nedzi, Mr. McCloskey, Mr. du Pont, Mr. Forsythe, Mr. Lott, Mr. Steele, and Mr. Breaux):

H.R. 15290. A bill to amend the Fishermen's Protective Act of 1967 in order to strengthen the import restrictions which may be imposed to deter foreign countries from conducting fishing operations which adversely affect international fishery conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. DORN (for himself and Mr. Teague):

H.R. 15291. A bill to amend title 38, United States Code, to authorize compensated work therapy for patients of Veterans' Administration hospitals and outpatient clinics and members of VA domiciliaries; to the Committee on Veterans' Affairs.

H.R. 15292. A bill to amend title 38 of the United States Code to establish a priority for the furnishing of outpatient medical treatment to veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 15293. A bill to amend title 38, United States Code, to increase the maximum amount of the grant payable for specially adapted housing for disabled veterans; to the Committee on Veterans' Affairs.

By Mr. FORD (for himself, Ms. Abzug, Mr. Brasco, Mr. Brown of California, Mr. Carney of Ohio, Mr. Fraser, Mr. Harrington, Mr. Murtha, Mr. Rees, Mr. Riegle, Mr. Roe, Mr. Rooney of Pennsylvania, Mr. Roybal, Mr. Sarbanes, Ms. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Studds, Mr. Traxler, and Mr. Wolff):

H.R. 15294. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; to the Committee on Education and Labor.

By Mr. HANSEN of Idaho:

H.R. 15295. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for cattlemen; to the Committee on Agriculture.

By Mr. O'HARA (for himself and Mr. Dellenback):

H.R. 15296. A bill to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession; to the Committee on Education and Labor.

By Mr. PRITCHARD:

H.R. 15297: A bill to amend the National Trails System Act to authorize a feasibility study of a Pacific Coast Bike Trail; to the Committee on Interior and Insular Affairs.

H.R. 15298. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Pacific Northwest Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 15299. A bill to create a Congressional Price Ombudsman; to the Committee on House Administration.

By Mr. SHRIVER:

H.R. 15300. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 15301. A bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15302. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, to raise the contribution base, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. Anderson of Illinois, Mr. Badillo, Mr. Biester, Mr. Brown of California, Mrs. Burke of California, Mr. Conyers, Mr. Edwards of California, Mr. Esch, Mr. Forsythe, Mr. Hamilton, Mr. Harrington, Mr. Horton, Ms. Jordan, Mr. Meeds, Mrs. Mink, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Smith of New York, Mr. Stokes, Mr. Bolling, Mr. Kastenmeier, and Mrs. Schroeder):

H.R. 15303. A bill to provide for increased participation by the United States in the International Development Association; to the Committee on Banking and Currency.

By Mr. YOUNG of Florida:

H.R. 15304. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for the publication thereof; to the Committee on Foreign Affairs.

By Mr. BROWN of Michigan (for himself, Mr. Wydler, Mr. Martin of North Carolina, Mr. Broomfield, Mr. Eshleman, Mr. Eilberg, Mr. Bauman, Mr. Burgener, Mr. Duncan, Mr. Young of South Carolina, Mr. Montgomery, Mr. Milford, Mr. Mitchell of New York, Mr. Winn, Mr. Kemp, Mr. Shoup, Mr. Walsh, Mr. Baker, Mrs. Holt, and Mr. Lagomarsino):

H. Res. 1165. Resolution amending rule XIII of the rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

498. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to condemning the action of terrorists in Israel; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RONCALIO of Wyoming:

H.R. 15305. A bill for the relief of John Bruce Dodds; to the Committee on Armed Services.

H.R. 15306. A bill for the relief of Willard H. Allen, Jr. and Nicole J. Allen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

444. By the SPEAKER: Petition of the Suffolk County Legislature, New York, relative to appropriations to carry out a Cooley's Anemia program; to the Committee on Appropriations.

445. Also, petition of the City Council, San Diego, Calif., relative to the U.S. fishery zone; to the Committee on Merchant Marine and Fisheries.

446. Also, petition of the Broome County Legislature, New York, relative to the completion of certain highway projects in New York State; to the Committee on Public Works.

447. Also, petition of Ferdinand Segarra, New York, N.Y., relative to the social security system; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

PROCLAMATION OF EQUAL RIGHTS FOR THE HANDICAPPED

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, June 10, 1974

Mr. JAVITS. Mr. President, Dr. Andrew S. Adams, the recently installed U.S. Commissioner of Rehabilitation, in a June 5 speech at the New York City Mayor's Conference on Consumer Issues and Actions Affecting the Handicapped, issued a Proclamation of Equal Rights for the Handicapped. Dr. Adams quite properly stressed that the litany against discrimination on account of race, creed, color, or sex must now include also physical or mental handicap. It merits reading. I ask unanimous consent that the proclamation be printed in the Extensions of Remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION OF EQUAL RIGHTS FOR THE HANDICAPPED

(By Dr. Andrew S. Adams)

The day of ignorance is past in matters related to the daily activities of physically and mentally handicapped people. Throughout the United States, we must guarantee equal opportunities under the Constitution to employment, housing, health care, transportation, education, use of public accommodations, recreation, and access to cast an election ballot regardless of their physical and mental condition.

These are the eight freedoms I seek for my fellow disabled citizens. Rehabilitation is a vital part of our lives, as it provides a path for our return to dignified and productive pursuits. But, it is not enough to prepare us to return to communities that perpetuate institutional, and individual, attitudes that restrict our inherent rights.

We must continue to expand opportunities for all disabled people. Discrimination works in subtle ways, often beyond the noble concepts of our Constitution, and too often beyond the consciousness of our fellow citizens. Discrimination may or may not be a matter of intention. Either way, I look for the day when discrimination for physical or mental handicap, like poliomyelitis, is basically a disease of the past in America. I look for the day when men no longer judge their fellows on the irrational basis of physical or mental handicap.

Recognizing the need for a restatement of our fundamental rights under the Constitution, I call for a nationwide proclamation of eight freedoms for all physically and mentally handicapped people.

These basic freedoms are:

1. The right to Employment.
2. The right to Education.
3. The right to Housing.
4. The right to Transportation.
5. The right to use Public Accommodations.
6. The right to Recreation.
7. The right to Health Care.
8. The right to access to cast an Election Ballot.

As other segments of our population have petitioned for recognition, let us do the same for disabled Americans as legislated in the Rehabilitation Act of 1973. Indeed, let it be know that henceforth, there shall be no discrimination based on race, creed, age ethnic orgin, gender . . . and physical or mental handicap.

H. R. GROSS: HAIL AND FAREWELL

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BRAY. Mr. Speaker, when the final bells sound adjournment of the 2d session of the 93d Congress, later this year, they will also sound the close of one of the most unusual and outstanding congressional careers this Chamber has ever known. The bells will mean many things; they will also mean that H. R. GROSS, our friend and beloved colleague from Iowa, will be with us no longer, as he has announced his retirement.

The American taxpayer is losing one of their best friends in the Congress. As the following article from Nation's Business, June 1974, points out:

> As a self-appointed guardian of the public purse, it is conservatively estimated he has saved the taxpayer hundreds of millions of dollars. The total may even run into billions.

It is a fitting tribute to a man whom we all admire, respect, and will miss very, very much.

The article follows:

THE HOUSE IS LOSING ITS "CONSCIENCE"

(By Vernon Louviere)

Some years ago, when a bill creating the National Foundation of Arts and Humanities came up for debate on the floor of the House of Representatives, a somber H. R. Gross listened impassively to the preliminary discussion.

The bill, among other things, called for federal subsidies to promote such art forms as painting, creative writing and dancing.

Finally, Mr. Gross rose and spoke:

"Mr. Chairman, I regret that I did not anticipate this bill would come up this afternoon or else I would have tried to appear in my tuxedo and my dancing shoes to be properly equipped for this further going-away party for the Treasury of the United States."

Then, Rep. Gross offered an amendment which he had drafted with the help of a fellow Congressman, a physician.

After the word "dance" in the bill he wanted these words inserted: "Including, but not limited to, the irregular jactiations and/or rhythmic contraction and coordinated relaxations of the serrati, obliques and abdominis recit group of muscles, accompanied by rotary undulations, tilts and turns, timed with and attuned to the titillating and blended tones of synchronous woodwinds."

He let the words sink in, waited for maximum effect, and spoke again: "That means belly dancing." The House broke up.

With such wit, the diminutive Iowa Republican has for 25 years sought to scuttle legislation whose purpose he feels is to spend for the sake of spending or for some other unnecessary reason. On this day he lost. Still, his record of saving taxpayer money has been phenomenal.

As a self-appointed guardian of the public purse, it is conservatively estimated he has saved the taxpayer hundreds of millions of dollars. The total may even run into billions.

Now, Harold Royce Gross, the "Conscience of the House," is retiring at age 75.

Nothing is sacred to Mr. Gross if it calls for spending federal money. He has even questioned the taxpayers' picking up the tab for maintaining the eternal flame over the grave of President John F. Kennedy.

"FT. FUMBLE" CATCHES IT

In his folksy, blunt newsletter to constituents, "Uncle Sam" often becomes "Uncle Sucker" or "Uncle Handout." He dismisses the Pentagon as "Ft. Fumble."

He has consistently fought pay raises for members of Congress—including, of course, himself. Mr. Gross has voted against every proposed boost in Congressional salaries since they were at the $12,500 level. (The lawmakers now are paid $42,000 a year, plus extras.) He is not above embarrassing his colleagues, twitting their consciences, on the subject. Last February, attacking an abortive move to jump the Congressional salary level to $52,800, he told the House:

"At a time when many segments of our nation and its people are faced with unemployment and belt-tightening, it is inconceivable that fattening the payroll of upper echelon federal executives, federal judges and members of Congress would even be proposed."

Mr. Gross has never accepted the advice of the late Speaker Sam Rayburn of Texas, usually offered to rookie Congressmen: "To get along, you go along."

He has always functioned in the House as though every federal dollar spent is his own, or at least his neighbor's. He'll take on a President with no less relish than a middle-level bureaucrat. More often than not, he votes against Presidential money requests and he doesn't care which party the President belongs to.

A Western Republican Congressman discovered how this kind of Gross bipartisanship works. One day he praised "good old H.R." for ripping into a Democratic bill. The next day he was overheard complaining about that "old s.o.b., H. R. Gross" after the latter had torpedoed one of the Westerner's bills.

"How much will this boondoggle cost?" is the way Mr. Gross generally kicks off his questioning on the House floor when he suspects a bill's sponsor is trying to put something over on the taxpayer.

READING THE FINE PRINT

Nothing seems to elude his hawk-eyed attention to fine print in the myriad of bills and resolutions which come up for House action. Few members of Congress will read every bill, as he does.

Take the time, for example, when Mr. Gross focused on a Foreign Service retirement benefits bill that emerged from the Foreign Affairs Committee. He seized on a phrase, "other purposes," and bore in. The "other purposes," it turned out, cleverly concealed the fact that the bill also would jump Congressional retirement benefits a whopping 33⅓ per cent. When H. R. Gross was finished with his attack, so was the bill. It was killed.

Anyone less skilled in the workings of the House, or who failed to do his legislative homework, would not long survive in the role of Treasury watchdog in which Mr. Gross has cast himself. Even his detractors concede that few, if any, Congressmen know House procedure as well as he. If Mr. Gross has not memorized those documents which determine how all House business is conducted—the Constitution, the House rules, Thomas Jefferson's Manual and the 11 volumes of Precedents of the House of Representatives—he can put his finger on an applicable section in moments.

He has introduced relatively little legislation, has never been a committee chairman and serves in no other leadership role.

However, his influence is strongly felt, especially when it can be anticipated that the Gross scalpel will be drawn.

"I attend many committee hearings in which the chairman will study a bill to make sure we can answer the knotty questions Gross will ask," one Congressman relates. "Many times, items will be dropped before the bill hits the floor because of him."

Except for party leaders, none of the 435 members of the House have assigned seats. But over the years no other member has tried to occupy the "Gross seat" located strategically in the third row, under the nose of the Speaker of the House, on the middle aisle which separates Republicans from the Democrats. Rarely absent, the Iowa Congressman arrives on the floor before the daily session starts, sits through the chaplain's prayer and the reading of the journal of the previous day's proceedings. Then the House starts to come alive. H.R. Gross sits and waits. Some days his questions come fast and furious. Some days he says nothnig. But he's always ready to spring into action.

EYES ON CONSENTS

To appreciate Mr. Gross' dedication to his job one would have to be in the House gallery on the two days each month when the House takes up the Consent Calendar. On these occasions flocks of bills, sometimes numbering in the hundreds, are called up and passed, without debate, by "unanimous consent."

All the bills are presumed to be noncontroversial—none involves expenditures of more than $1 million—and attendance on the House floor is sparse. But H.R. Gross is there.

A single objection stalls action on a bill, scheduling it for a second Consent Calendar appearance. Then, objections by three Congressmen can force it into the regular order of House business where it will get more attention, and from a more representative group of lawmakers.

Over the years, Mr. Gross has torpedoed countless bills on the Consent Calendar. If his first objection doesn't lead a measure's sponsor to abandon it, Mr. Gross is sure to find two allies for the second round. And the sponsor had better be prepared to defend the bill when it comes up in the regular order of business.

The peppery Iowan will fight to save a few thousand dollars with no less vigor than he will challenge a multibillion-dollar appropriation to run a super federal agency.

Some years ago, a fellow Congressman introduced a bill to create a special flag for House members—it could be used on their autos. Not much money was involved and no one opposed the idea. Except H. A. Gross, that is. Delving into the matter, he discovered that the bill's sponsor really wanted the flag so it could be flown on a yacht he owned. Revealing this didn't do the bill much good on the House floor, but a single question from Mr. Gross about the flag's use on cars was probably what killed the measure:

"Where would you fly the House flag, above or below the coon tail on the radiator cap?"

Mr. Gross has been an implacable foe of foreign aid. Once, he told the House:

"I swear I think that what we ought to do is pass a bill to remove the torch from the hand of the Statue of Liberty and insert a tin cup."

One day in September, 1967, he offered a series of amendments to that year's foreign aid bill. A total of $588.8 million was slashed as a direct consequence.

TV'S IN THE JUNGLE

Mr. Gross wrote a March, 1968, Nation's Business article entitled, "We Certainly See Some Silly Spending." Here's an excerpt showing his use of wit to attack a federal program:

"Over at the Agency for International Development, which is skilled in getting rid of taxpayers' money on so-called foreign aid, somebody discovered that $400,000 had been overlooked in the agency's customary spending sprees.

"What to do?

"Why, run out and buy 1,000 TV sets so that the natives in some jungle could be educated, a bureaucrat suggested. So AID bought 1,000 TV's.

"When the House Government Operations Committee looked into it, foreign aid officials had to admit they hadn't even bothered to find out which natives were suffering from a lack of television, how they were going to get the sets to operate in the jungle (the one they bought wouldn't work on batteries) or what they were going to show the natives if they managed to get the sets operating.

"More recently, these same AID dispensers rushed around in a crash program to set up a TV propaganda network for South Viet Nam. As a sop, they told American taxpayers that our GI's would also benefit because the network would have two channels—one for domestic propaganda, the other for "Gunsmoke' and 'I Love Lucy.'

"You can imagine what happened. The Vietnamese took one look at the stuff on their channel and promptly switched over to 'Gunsmoke.'

"Why not? Marshal Matt Dillon has been around a lot longer than Marshal Ky."

Rep. Bo Ginn (D.-Ga.) says of his colleagues: "Mr. Gross is more than a Congressman. He is a one-man investigating force dedicated to protecting the taxpayer's pocketbook. He is scrupulous, untiring, uncompromising and dedicated to the public good."

And from another House Democrat, Louisiana's Rep. Otto Passman, this appraisal: "Gross has slowed down the trend to socialism from a run to a walk."

SINKING OF "FISH POND"

For years, the late Rep. Mike Kirwan of Ohio, a powerful Democrat, sought Congressional approval to build a $10 million national aquarium on the banks of the Potomac. Every time it came up for House consideration H.R. Gross poked fun at the "glorified fish pond. It was never built.

In the twilight of his Congressional career, Mr. Gross is deeply concerned about the fiscal posture of the country.

"I've seen the budget pass the $100 billion mark, then the $200 billion mark," he says. "Now we have a $304 billion budget with a $10 billion built-in deficit. Can we ever turn this thing around?"

The White House alone is not responsible, he points out: "Congress shares the blame for this. No President can spend money that's not made available to him by Congress."

Few things rankle Mr. Gross more than supplemental appropriation bills—measures which come up near the end of each session to enlarge funds previously appropriated to operate government agencies. He comments:

They [the Executive branch] bring in a bill at the beginning of the year and swear on a stack of Bibles, 'This is it.' They know better, because they invariably come back in a few months and ask for more."

DOLEFUL ABOUT THE DEBT

The Congressman is doleful about the federal debt, now $500 billion (interest alone is $30 billion a year) and going up. Where, he is asked, will it all end?

His reply: "It ends in a takeover and repudiation of some form or another—revaluation, devaluation or outright repudiation."

He adds: "We've been financing this government off the printing presses at the Bureau of Engraving and Printing. This is printing press money and there is no productivity behind that kind of money."

Mr. Gross estimates the combined total of public and private debt in the United States at between $2 trillion $200 billion and $2 trillion $400 billion.

"We are the most debt-ridden country in the world," he asserts. "Our federal debt alone is more than the combined governmental debts of the rest of the world.

"What a paradox: Here is the most developed country in the world in debt up to its ears!"

Few people in or out of Congress remember a piece of legislation—no matter how important or historic—by its designated number. But mention H.R. 144 to any member of Congress and he is familiar with it. Since his early days in the House, Mr. Gross has introduced House of Representatives bill 144 (the number is keyed to his name—a gross equals 12 dozen, or 144) at the start of each session.

It has a simple objective: Balance the budget and gradually retire the national debt. Year after year, it is shunted off to the Ways and Means Committee and promptly forgotten.

Now, H.R. 144 probably will be retired—like Red Grange's legendary football jersey number, 77, at the University of Illinois—unless some other member of the House, with the same zeal for economy, takes up the Gross cause.

"DUTCH" WAS A COLLEAGUE

Born on a southern Iowa farm, H. R. Gross started out as a reporter with the old United Press after World War I service in France, moved over to the editorship of a National Farmers Union newspaper and, in 1934, signed on as news director and newscaster with radio station WHO in Des Moines. A young sportscaster and announcer on the staff was Ronald "Dutch" Reagan, now Governor of California.

During his six years with WHO, Mr. Gross was a frequent defender of the Iowa farmer. His name became a household word across the state.

In 1940, he decided to run for Governor against an incumbent Republican. But party leaders, whom he had not consulted, opposed him and he lost in the primary.

He went back to radio, this time in Cincinnati. In 1948, now living in Waterloo, Iowa, he got the political itch again and ran for Congress. And again Republican leaders opposed him in the primary, even branding him a "radical leftist." But he won the primary and went on to win the general election by 20,000 votes. Except for 1964, in the landslide Lyndon Johnson election (he was the only one of six Iowa Republican Congressmen to survive it), Mr. Gross has easily won reelection to 12 terms in the House.

He regrets only one of the votes he's cast in his quarter-century in Congress.

"That was on the Gulf of Tonkin resolution," he says. "I thought I smelled something. I didn't like to vote against the President of the United States so I voted present."

Mr. Gross says the resolution, which paved the way for President Johnson to broaden the war in Viet Nam was "contrived."

"We were very badly misled," he adds. "Mr. Johnson said Asian boys would fight for Asian soil and later McNamara [former Defense Secretary Robert McNamara] promised to bring our boys back by Christmas in 1965."

THE SIMPLE LIFE

Mr. Gross and his wife, Hazel, live a simple life in Washington. They avoid the capital's social scene—"I've never owned a tuxedo and my wife has no ball gown," he says. "We don't need them." Mrs. Gross often reads government documents, marking sections she feels her husband will want to read.

Perhaps, in a retirement for which he has no definite plans, Mr. Gross will travel abroad. But if he does, it won't be in the fashion of some of his colleagues. He has long fought, unsuccessfully, to curb what he and other critics call Congressional "junketing." Once, an Ohio Congressman facetiously sponsored a resolution to create a committee, consisting only of H.R. Gross, to inspect American foreign aid programs overseas.

The resolution, of course, went nowhere—and neither did Mr. Gross.

"I just might take a trip one of these days, but it'll be at my own expense," the Congressman explains.

Two signs in the Capitol Hill office of this man who has won many battles, but never the war, in an unrelenting campaign to eliminate wasteful government spending, succinctly spell out a message he has been trying to put across for 25 years:

"Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody."

"There is always free cheese in a mousetrap."

SUPREME ARROGANCE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 10, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the June 2 edition of the Richmond Times-Dispatch included an excellent editorial concerning the stand taken by the Governor of Virginia against an effort by the U.S. Department of Health, Education and Welfare to force him to relinquish part of his statutory responsibility.

Under cover of an effort to insure against alleged racial discrimination in Virginia's institutions of higher education, HEW sought to require that the Governor make a commitment to appoint to the colleges' board of supervisors any blacks recommended by the presidents of the institutions.

Gov. Mills E. Godwin rightly refused to make any such commitment, pointing out that it would amount to a surrender of his legal responsibility for appointments.

As the Times-Dispatch states in its editorial, there are "frightening implications" in the demand by HEW. If a Federal agency should succeed in nullifying Virginia laws, it could take similar action in other States.

I ask unanimous consent that the text of the editorial, "Supreme Arrogance," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SUPREME ARROGANCE

The most recent exchange of correspondence between Gov. Mills E. Godwin, Jr. and the federal Department of Health, Education and Welfare on the desegregation of Virginia colleges contains a shocking illustration of the extreme lengths to which HEW is willing to go to impose its supremely arrogant views. In effect, HEW has asked the governor to violate his oath of office, violate the Virginia Constitution and violate the statutes of this state to satisfy the department's demands for racial quotas. It will come as no surprise to most Virginians that Governor Godwin has told HEW that he has no intention of complying with its incredibly imperious edict.

HEW stated its demand in a letter from Peter E. Holmes, director of its Office of Civil Rights. As partial proof that Virginia's state-supported colleges and universities are racially unbiased, Mr. Holmes sought from Governor Godwin a "commitment" that he would appoint to these institutions' boards of visitors any blacks recommended by the institutions' presidents.

Under Virginia law, the power to appoint members of boards of visitors is vested in the governor. The State Constitution commands the governor to "take care that the laws be faithfully executed." Governor Godwin could not surrender any part of his appointive powers and responsibilities without violating the statutes, the Constitution and his solemn oath of office. He is free to receive recommendations from any source, including college and university presidents, but he cannot legally commit himself to follow such advice. Virginia's laws on this matter have not been invalidated by any court, and as long as they remain in force the governor *must* observe them. This fact Governor Godwin made absolutely clear in his response to Mr. Holmes last week.

"The appointment of members of public boards is a statutory responsibility vested in this state's chief executive and I cannot bind myself in advance to accept recommendations from whatever source they may come," the governor wrote "In short, I cannot abdicate this responsibility. As governor, I make appointments to boards based upon the qualifications of the individuals appointed. To do otherwise would be contrary to my oath of office and compromise my own conscience."

Governor Godwin noted that "substantial progress has been made in the last several years in the appointments of blacks to the boards of visitors of the predominantly white institutions. I made the first such appointment as governor in 1966."

In the Senate, Virginia Sen. Harry F. Byrd Jr. took the floor to inform his colleagues of HEW efforts to invalidate, by bureaucratic decree, the state laws involved.

"No responsible governor could acquiesce in such a demand," Senator Byrd said. "I commend the governor for his sound and forthright position. And I condemn HEW for its demand that Virginia's governor surrender his legal responsibility for appointments."

The frightening implications of HEW's demand should be clearly understood. Should a bureaucratic agency succeed in nullifying Virginia laws, it could nullify laws in all other states. If HEW is permitted to exercise such awesome power, it will have usurped the functions of the judiciary; and the possible consequences, for the entire nation, are horrendous.

DEFENSE COSTS OVERRUNS AMOUNT TO $26 BILLION—A "DOUBLE WHAMMY" FOR TAXPAYERS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the General Accounting Office recently reported that 55 new weapons systems have created more than $26 billion in cost overruns.

Senator WILLIAM PROXMIRE, Democrat of Wisconsin, who released the GAO report, said:

> The result is a double-whammy for the taxpayer—who pays higher taxes and receives less defense for the dollars spent.

The Tennessean in a recent article to the Nashville Banner in a recent editorial discussed these overruns. The Banner in its editorial called for a careful study, "line by line" of these costs, their cause and cure.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial and article in the RECORD herewith:

[From the Tennessean, June 3, 1974]

BILLIONS IN RUNAWAY DEFENSE COSTS—DOUBLE WHAMMY ON JOHN Q.

(By Lawrence L. Knutson)

WASHINGTON.—The General Accounting Office says the development of 55 new weapons systems has brought on cost overruns totaling $26.3 billion so far.

The new estimate represents a $7 billion increase during the last half of 1973 alone.

According to the GAO figures, the original estimates to develop the new weapons totaled $111.6 billion, but the cost is now seen as $134.2 billion.

Sen. William Proxmire, D-Wis., who released the congressional agency's report yesterday, said that 13 of the 55 systems showed significant dropoffs in anticipated performance, while only four showed improvement.

According to the GAO figures, costs of the B-1 bomber rose by $1.67 billion.

Other large overruns noted were $1.43 billion for the F-15 and $756 million for the Minuteman III missile.

Also included were $417.9 million for the SAM-D missile, $349.9 million for the UTTAS helicopter, $394.1 million for the XM-1 tank, and $189.7 million and $91.6 million for parts of the Airborne Warning and Central System.

Proxmire said the costs of building the DD 963 destroyer have risen from the original planning estimates of $1.8 billion to a current $3.1 billion estimate.

"That is an increase of more than 70% and not a single ship has been completed," Proxmire said.

He said the unit cost of each ship has risen from an estimate of $60 million to $102.6 million.

Costs also have risen sharply for development of the Safeguard antiballistic missile system, he noted.

The original planning estimate called for spending $4.2 billion for two sites. The new estimate is $5.4 billion for one site.

Proxmire released the GAO survey in a speech prepared for delivery today in the Senate.

"In any other agency heads would roll and drastic changes would be made to halt the runaway costs and program failures occurring daily in the Pentagon," Proxmire said.

One of the most distressing facts is that the quantity cutbacks have usually been made because of the cost over-runs," he said. "The Pentagon is being forced to buy less while spending more because of its inability to control costs.

"The result is a double whammy for the taxpayer," Proxmire said. "He pays higher taxes and receives less defense for the dollars spent."

[From the Nashville Banner, June 3, 1974]

COST OVERRUNS: OUT THE ROOF

There once was a movie entitled, "Who's Minding The Mint"— a comedy about someone stealing $1 million.

There is today a real-life drama, which

could be entitled, "Who's Minding The Money"—a tragedy about someone letting weapons systems overruns pile up to a staggering $26.3 billion.

At least, that's the case if the Pentagon watchdog, U.S. Sen. William Proxmire, D-Wis., is correct in figures he released.

Sen. Proxmire says the figures are from the General Accounting office and include rundowns on 55 new weapons systems.

The original estimates were in the neighborhood of $111.6 billion. Now the estimates have hit the $134.2 billion plateau and are still climbing.

Not only are there monumental cost overruns, Sen. Proxmire said, but 13 of the systems have shown significant performance dropoffs and only four showed any performance improvement.

In one instance the DD 963 destroyer program costs have risen from planning estimates of $1.8 billion to a current $3.1 billion, an increase of 70 per cent. The unit cost has gone from $60 million to $102.6 million.

The B–1 bomber rose by $1.67 billion; the F–15 aircraft by $1.43 billion; the Minuteman III missile by $756 million; the SAM–D missile by $417.9 million; the UTTAS helicopter by $349.9 million; the XM–1 tank by $394.1 million; and parts of the Airborne Warning and Central System by $189.7 million and $91.6 million.

And costs for developing the Safeguard antiballistic missile system have skyrocketed from $4.2 billion for two sites to $5.4 billion for one site.

"In any other agency," said Sen. Proxmire in releasing the figures in a speech on the floor of the U.S. Senate today, "heads would roll and drastic changes would be made to halt the runaway costs and program failures occurring daily in the Pentagon.

"One of the most distressing facts is that the quantity cutbacks have usually been made because of the cost overruns. The Pentagon is being forced to buy less while spending more because of its inability to control costs.

"The result is a double-whammy for the taxpayer. He pays higher taxes and receives less defense for the dollars spent."

It is pretty good proof that, in the name of national defense, any cost is justified, even if it means exorbitant expense to the taxpayer. A close look at the figures revealed by Sen. Proxmire is in order, to say the least. In fact, it is no less than imperative for the Senate to study, line-by-line, these costs, their cause and cure.

ASMT PROVIDES VALUABLE SERVICE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ARCHER. Mr. Speaker, "Pro Bono Publico"—for the good of the public—is a most apt description of the services rendered by those engaged in the practice of medical technology. Therefore, it is appropriate that this theme should be selected for the American Society for Medical Technology's 42d year of professional activity to be commemorated at its annual meeting in New Orleans, June 23–28.

The American Society for Medical Technology—ASMT—the only national professional organization located in Bellaire, a suburb of Houston, Tex., has over 20,000 members engaged in the practice of clinical laboratory science. ASMT is dedicated to establishing the highest standards of clinical laboratory methods and research; creating mutual understanding and cooperation between laboratory professionals and other health professionals working in the interests of individual and public health; promoting programs of continuing education; research and development; and advancing the ideals and principles of the medical technology profession.

The laboratory professional of today is an important member of the health care team. The time has passed when his findings were routinely reported to the physician, and increasingly the laboratory professional is expected to understand the clinical significance of his findings and correlate them with other sections of the laboratory. In short, many laboratory professionals are rapidly moving away from the benchworker concept of yesterday and actively participating in decision and policymaking within the clinical laboratory.

Clinical laboratory science has expanded tremendouslly during the last few years, and the number of clinical laboratory tests and resultant findings will greatly increase during the coming decade. Today's laboratory professionals hold the key to quality performance in the modern clinical laboratory. They must be prepared, through both intensive academic education and clinical training, to carry out responsibilities which involve the very preservation of human life itself. Additionally, in order to maintain the necessary competence that assures quality patient care, ongoing professional involvement and continuing education are vital.

With a broad background in basic science the laboratory professional must be fully prepared to carry out sophisticated laboratory procedures which involve microbiology, chemistry, serology, hematology, and parasitology. The age of automation has brought to the clinical laboratory both speed and precision which were unheard of just a few short years ago. To the laboratory professional, the advent of automation in the laboratory has required the learning of new skills involving sophisticated instrumentation, including the use of computers. Because modern laboratory professionals may work in any number of different laboratory settings, ranging from a hospital or public health laboratory to a pharmaceutical company, they are always at the center of the problem and fully prepared to contribute to its resolution.

As ASMT members participate in their annual meeting, it is well to recall that the strength of any profession rests with individual members who become astute and active participants in the development of professional standards and practice "Pro Bono Publico."

FAIRNESS FOR THE CONSUMER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ROSENTHAL. Mr. Speaker, the Washington Post, in an editorial June 6, 1974, criticized the business community's inability to reconcile its actions with its words in relation to consumerism.

Agreeing with Esther Peterson of Giant Foods, who stated that "business has failed to realize that consumerism can be used effectively as a marketing tool," the editors were specifically dismayed by the extensive lobbying conducted by businesses against the proposed consumer protection agency. They declared that the time has come for trade associations, corporations and others in the business world to recognize that the proposed agency "will not be giving the consumer a club to hit business with, but rather a voice to protest and seek an end to whatever shoddiness, deceits or injuries he has been inflicted with."

The need for fairness in the marketplace is clearly expressed in this editorial and I commend it to all our colleagues.

The editorial follows:

FAIRNESS FOR THE CONSUMER

Barring a presidential veto or a filibuster, it now appears as if the five year legislative struggle on behalf of the proposed consumer protection agency will soon be ended. The Senate Government Operations Committee recently appproved a version of the bill by a vote of 9 to 3, and earlier it passed the House by 293 to 94. The general purpose of the consumer protection agency would be to act as the consumer advocate before other federal agencies. It would have no direct regulatory powers over industry. In effect, the agency would be a way of achieving the kind of fairness that has long been absent from the marketplace and that parts of the business community have been unwilling to assert voluntarily. The agency will not be giving the consumer a club to hit business with, but rather a voice to protest and seek an end to whatever shoddiness, deceits or injuries he has been inflicted with.

What is noteworthy about this legislation—aside from the strong congressional support it enjoys—is the continued opposition from a number of business lobbies. Several trade associations, as well as corporations, see the agency as one more horror that beleaguered businessmen must endure. Such an attitude is not new, but in light of recent pro-consumer statements from the heart of the business community itself it takes on a new layer of stubbornness. In the current Harvard Business Review, for example, Esther Peterson of Giant Foods writes in "Consumerism as a Retailer's Asset": "Since the emergence of the present-day form of public advocacy that we know as 'consumerism,' the business community has tended to regard it as an irritant. But my experience in the White House and on Capitol Hill showed me that business has failed to realize that consumerism can be used effectively as a marketing tool." Mrs. Peterson goes on to say that during the first full year of Giant's consumer program the company set records in both sales and earnings and that "the impact of the new consumer program is thought to have played a substantial part in achieving those results."

The point Mr. Peterson makes is not that businessmen should suddenly turn pro-consumer because such a stance will be a profit-making gimmick—the substance of a commitment must be present also, as Giant has shown in many areas—but that disaster does not automatically befall a company that seeks to level with consumers. This was much the thought last September when Edward B. Rust, president of the U.S. Chamber of Commerce, said in a speech that Ralph Nader and his style of consumerism were not the enemy. "If we look at the record, I think we will see a clean community of interest that

Nader has with American business. The whole point of Nader—so obvious that it is often overlooked—in his single-minded dedication to making the free-enterprise system work as it's supposed to—to make marketplace realities of the very virtues that businessmen ascribe to the system."

Lobbying against the proposed consumer protection agency will no doubt persist until final enactment. But it is a lobbying effort that no longer moves with a solid front. Too many voices of reason—such as that of Esther Peterson, who strongly supports the bill even though her own company has reservations about it—are speaking out to explain that marketplace fairness should not be feared but embraced.

SANDMAN TO OPPOSE BAN ON NONRETURNABLES

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. SANDMAN. Mr. Speaker, I rise to emphasize my vehement opposition to proposed legislation that would ban interstate shipment of nonreturnable beverage containers, require a deposit on all bottles and canned beverages, and outlaw the sale of cans with detachable openers.

Specifically, I refer to S. 2062, a measure introduced in the other House of Congress by the distinguished Senator from Oregon (Mr. HATFIELD). Hearings were held recently before the Senate Commerce Subcommittee on Environment.

First of all, Mr. Speaker, we can all agree that the goal of eliminating litter and pollution is a desirable one. I do not like to see cans and bottles and other refuse strewn along highways and dumped in our rivers and waterways anymore than anyone else

But the problem is not with the nonreturnable products, it is with the people who litter them. The real solution to litter is education, and stricter enforcement of antilitter laws.

Sure, litter is a problem. But so is arson. Nobody suggests that the solution to the arson problem is to ban matches.

One of the biggest single items of litter along America's streets and highways is the newspaper, but nobody is suggesting that we pass a law to require a 10-cent deposit on every newspaper.

The fuzzy thinking behind this bill (S. 2062) is the same as was in evidence in 1972 when a similar measure appeared in the New Jersey Legislature. I led the opposition to that measure as public hearings at the State capitol in Trenton. The bill was defeated.

My interest in this legislation, I must admit, is more than ordinary, since my congressional district is the location of some of the major glass products industries in the Nation.

The nonreturnable bottle accounts for a tremendous amount of employment in southern New Jersey, so the Hatfield bill would have a disastrous effect on my district.

But more than that, Mr. Speaker, this bill approaches the litter problem from the wrong end. Let us enforce laws against littering, not ban the things that are littered.

Let us build on the excellent progress being made in the field of recycling and reuse of glass products.

My purpose today is simply to alert the promoters of this type of "ban the bottle" thinking that even if the measure referred to passes the other body, it faces the toughest opposition here in the House of Representatives where I, for one, am determined it will never pass.

PUBLIC WORKS COMMITTEE TO BE COMMENDED BUT MORE PROTECTION NEEDED FOR LOUISIANA AND MISSISSIPPI RIVER VALLEY

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mrs. BOGGS. Mr. Speaker, I am pleased to have this opportunity to commend the Public Works Committee for their diligent efforts in formulating the fiscal 1975 appropriations bill that was so overwhelmingly supported by the full House on June 6. I think the highly favorable vote reflects the desire of Congress to assume an active role in providing needed services for the people of our country, while also helping to bolster the economy of the Nation.

In particular, I would like to single out those sections of the bill pertaining to Mississippi River flood control projects and activities. As indicated by the committee report, an estimated $15 billion in flood damages have recently been averted due to projects completed by the Army Corps of Engineers in the Mississippi Valley. Numbers alone, however, will never reflect the importance of these projects to area residents.

At this time, I would like to request that an additional recommendation be made by the Public Works Committee in order to better protect and serve the Louisiana and Mississippi River Valley. As the committee report suggests, the committee will reconsider its decision to maintain a moratorium previously imposed upon the modification and upgrading of "hopper" dredges upon completion of a dredge study currently in progress. I hope that the moratorium can be lifted as expeditiously as possible. This machinery is urgently needed today by the Corps of Engineers if the waterways of the Mississippi River are to be maintained.

As we all know, we, at the very mouth of the river, have the problem of taking care of the water and silt that comes down the Mississippi from the heart of America but, without the proper facilities, we cannot meet our responsibilities. To heighten the difficulty, unusually severe flood levels and other environmental conditions have been such that, unless more thorough dredging can be accomplished, large oceangoing vessels will be prevented from traveling the estuaries leading to the ports upstream and, therefore, resulting in a serious financial loss to our economy.

Explicitly, to begin with, there have been no improvements made to the Army Corps of Engineers fleet of 16 oceangoing hopper dredges since a congressional constraint was imposed on the acquisition and modernization of such equipment in 1968. This situation, in turn, has had a serious impact on shipping and trading, both in my home area and nationwide. "Southwest" and "South" Passes are the gateways to the Ports of New Orleans and Baton Rouge, the Nation's No. 2 and No. 4 ports, respectively, and both ports are entirely dependent upon timely and adequate dredging of these passes to provide access to the gulf. However, in only 1 year, 1972, out of the past 5, has full project depth been maintained by the Corps of Engineers at Southwest Pass for the entire high-water season. In other years, the ports upstream depended upon dredging activity to insure vessel passage. Statistics indicate, however, that they were not always successful.

During the period of restricted channel depth in 1973, for instance, a study was made of 46 grain-carrying vessels which were capable of loading to 40 feet or more, but were limited by pass conditions. This study revealed that, as a result, approximately 470,000 tons of grain were shortloaded—470,000 tons that were detained from the world market and valued at some $82 million.

These figures indicate that the shoaling difficulty at the mouth of the Mississippi is not simply a local problem with local ramifications. Indeed, it is a problem whose deleterious effects reach around the world when you consider these facts about the Port of New Orleans; it is the No. 1 grain export port in the world, thereby handling some 40 percent of the Nation's grain; it is the No. 2 port in the United States; and the No. 3 port in the world with a value of foreign commerce totaling over $5 billion a year.

It should also be noted that the ratio of exports to imports for foreign trade at the Port of New Orleans is 1½ to 1, thereby providing a boost to the Nation's balance of payments.

However, if the hopper dredge construction moratorium is not lifted immediately, and the Army Corps of Engineers is not allowed modern and efficient hopper dredges in the afflicted areas, the Ports of New Orleans and Baton Rouge will no longer be able to maintain their current levels of activity. In turn, the U.S. position in world commerce will be adversely affected.

In light of the foregoing, it is my fervent hope that the comprehensive dredge study report can be expedited and the moratorium restricting the upgrading and modernization of hopper dredges lifted as soon as possible. The continued vitality of two of our country's major ports, as well as the economy of both the State of Louisiana and the Nation, depends upon such action.

DESEGREGATION ENDANGERED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. RANGEL. Mr. Speaker, on Wednesday, June 5, in an act of political appeasement, the House instructed its conferees to defend the language of the Esch amendment to the Elementary and Secondary Education Act. I deplore this action, for I believe the amendment is unconstitutional. Certainly, if enacted, it will encourage defiance of the Constitution.

Schools must be desegregated, and busing is a means to that constitutionally mandated end. I regret that many politicians, including the President of the United States, have chosen to manipulate public feeling on the misunderstood busing issue. For busing is not the issue, except insofar as the opponents of desegregation make it the battleground.

I am determined to fight for integration. Many of the opponents of busing are opponents of true racial and educational equality. But for those of my colleagues who support antibusing measures for purely political reasons, or because they mistakenly believe that a majority of blacks, teachers, or concerned educators oppose busing to achieve desegregation, I would like to call their attention to the following letter from the June 5 Washington Post. It indicates that a significant sector of the educational community believes busing is necessary to achieve the constitutionally defined goal of equal education for all American citizens:

ANTIBUSING AMENDMENTS

As the executive secretaries of the American Association of School Administrators, comprising 21,000 of the nation's school administrators, and the Counsel of Chief State School Officers, the state superintendents and commissioners of education, we believe that the anti-busing amendments to the pending House-Senate elementary and secondary education legislation interfere with state constitutional responsibilities and local control of schools. We urge the conferees to adopt the more moderate Senate version.

One House provision, the Esch Amendment, would make the maintenance of an undefined "neighborhood school" national policy, thus interfering with local control and hampering the efforts of almost every state to establish school districts and for modern programs. Local school officials require flexibility in the assignment and transportation of students to schools of different types to maximize opportunity. Specialized curriculum programs and equalization of community support for school facilities across neighborhood lines has historically required reassignment and transportation of pupils; more than 40% of all U.S. public school children ride buses daily. The amendment's encouragement for the reopening of desegregation court orders would create chaos in thousands of districts which have completed a painful process of desegregation in accordance with national policy.

We also believe that this amendment would subvert the existing policy of the United States to desegregate schools by (1) trying to limit desegregation action by the legalistic use of the terms "dual school systems" and "unitary school systems," and (2) placing additional burden of proof on school officials by requiring evidence that children are "excluded" from any school because of race (effectively legitimating voluntary open enrollment policies as desegregation.)

The House bill also contains an Ashbrook Amendment, prohibiting use of any federal funds for busing for desegregation. This would further hamper state and local school administration by preventing localities from voluntarily requesting federal Emergency School Aid funds for this purpose.

The Senate bill does not contain the court-order-reopening and the "exclusion" provisions, and includes a disclaimer recognizing the authority of U.S. Courts to enforce the Fifth and Fourteenth Amendments to the U.S. Constitution. While we regret that the Senate adopted any additional anti-busing amendments, these are at least explicitly designed to allow states and local school districts recourse to Constitutional remedies.

State and local school officials would be unduly hampered in their ability to provide equal educational opportunity under the House anti-busing provisions, and we urge the Conferees to adopt the more moderate Senate language.

BYRON W. HANSFORD,
Executive Secretary, Council of Chief State School Officers.
PAUL B. SALMON,
Executive Secretary, American Association of School Administrators.

OUR BELEAGUERED CHESAPEAKE BAY—PART I

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BAUMAN. Mr. Speaker, it has been my privilege to spend nearly all of my life in the Cheaspeake Bay country, and today I am proud to represent a congressional district which contains the greater share of the bay itself. I have expressed concern, as many have, over the future of the bay and the many threats posed to it by both man and nature and earlier I introduced House Joint Resolution 979 to create an interstate compact to deal with these problems, together with 16 cosponsors from Maryland, Virginia, and Delaware.

But it is not always easy to create a general awareness of the need for such action, and thus I was pleased to see an excellent four-part series on the bay and its problems published last week in the Washington Star-News, authored by staff writer Woody West.

Today, I offer for the RECORD part I of this series, in which Mr. West details some of the man-made problems which plague the bay. He notes that "the bay today is, by and large, a healthy body." But he goes on to quote several prominent scientists from Maryland and Virginia as believing that "the demands which an elbow-to-elbow urban mass is making upon parts of the bay and its tributaries are creating dangerous pressures."

I commend Mr. West's detailed recitation of threats to the bay's health to the Members of this House, and hope that it will help inspire prompt action by the Judiciary Committee in the near future on House Joint Resolution 979 which I have introduced to deal with the situation.

Part I follows:

THE BAY BEGINS TO FEEL MAN'S PRESSURES

(By Woody West)

(NOTE.—This is the first of a four-part series on the Chesapeake Bay, the forces which threaten it and its future relative to the millions of people in this area who depend upon it for work and pleasure. Today: The mounting human and natural pressures on the Bay.)

"Heaven and earth never agreed better to frame a place for man's habitation," wrote Capt. John Smith after his explorations of the Chesapeake Bay in 1607 and 1608.

"Here are mountains, hills, plaines, valleys, rivers and brookes, all running most pleasantly into a faire Bay," wrote Smith, "compassed but for the mouth, with fruitful and delightsome land."

More than 350 years after Capt. Smith and his few companions pushed out from Jamestown to learn what they could of this entrancing new land, his description yet applies.

It is a "faire Bay" and a "delightsome land," though the millions who followed Smith have gouged and fashioned the land and water to their own purposes, as to those of us—more than 8 million people—who have settled around the Bay and along its twisting tributaries.

The Chesapeake and its land have, in the main, tolerated man's intrusions and perturbations. Even more, the Bay has lent itself to man's diverse purposes and visions.

But it cannot continue to do so indefinitely. The Chesapeake Bay is not a fragile system, but it is sensitive.

It is time now—critically so, say those who study the Bay and its awesome sweep—for the decisions to be made that will determine how this massive resource will be used—or abused—in future decades.

Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute and a leading scientist in Bay affairs, in an interview called the Chesapeake the "crown jewel" of estuaries.

He and other prominent scientists are in agreement that the Bay today is, by and large, a healthy body. But it is increasingly apparent, they emphasize, that the demands which an elbow-to-elbow urban mass is making upon parts of the Bay and its tributaries are creating dangerous pressures.

These, if unchecked, sloppily managed or ill understood, have the potential to inflict major environmental damage on the Chesapeake and its well watered lands.

"These are sick spots, indications of trouble for the future," said Cronin, "but the Bay is very productive, still enormously valuable for all its principal users. All of it, in general, is in good shape today."

Dr. Donald W. Pritchard, for a quarter of a century the director of the respected Johns Hopkins University's Chesapeake Bay Institute, concurs. "Man's impact so far has been on the peripheral reaches of the Bay for the most part," he said. "The effected areas are small compared to the large expanses of the Bay."

Dr. William J. Hargis Jr., director of the Virginia Institute of Marine Science in Gloucester, observed, "The Bay proper, from Annapolis down, is not in bad shape and, even above, it's still in fairly recent shape. But there are significant problems in certain areas. The tributaries are in the worst condition."

Cronin, Pritchard and Hargis, considered to be among the most knowledgeable scientists and observers of the Bay, are not sanguine. There must be better management, based on more precise scientific data, and it must be put to work by those with responsibilities for controlling the widely diverse uses. And both these functions must be supported by a public concern far more sophisticated than at present.

"Science and management,"said Hargis, "are not keeping pace with the increase in pressures. Management is not supported adequately and just isn't able to respond to changing needs."

An intense man now in his 11th year as head of the Marine Science Institute, Hargis, like his colleagues, foresees a brighter chance for the Bay.

"There is more specific information about the Bay than ever before," he said. "There is probably more scientific effort under way than on any comparable body of water."

But Hargis wonders about what sort of headway he and his colleagues are making.

"We're farther upstream than we were," he said, "but we aren't gaining."

Both man and nature make formidable demands on the Chesapeake and its tributaries. It is a relationship of intricate interdependence, one far from fully understood. What is known, however, is that each benefit poses a compensatory difficulty.

Each day, 1,260 million gallons of water are taken from the system to provide a huge daily gulp of some 100 gallons per person.

The disposal of domestic wastes—by consensus, the most critical problem in the Bay area—requires extraordinary investment for treatment facilities that even in their technology produce changes that can affect the biota—the body of plant and animal life.

It takes no special alertness to see, and to smell, the noxious mats of blue-green algae that spread dismally across portions of the Potomac River and other Upper Bay tributaries during the blistering months of summer. The exotic aquatic growths are abetted in their unnatural proliferation by high concentrations of nutrients in effluent.

The algae, in insidious progression, can smother other forms of life by monopolizing the supply of oxygen, leading, in extreme cases, to fish kills, for example. High bacterial counts, from inefficiently treated wastes, can have devastating effects on the harvest of shellfish. Thousands of acres in the bay tributaries now are barred for oyster and clam harvests.

Sedimentation illustrates a natural pressure that is heightened by man's activities. The runoff from the land is a wholly natural phenomenon, surface matter carried by rains and by winds to the water. Indeed, say geologists, even though men had never perched along the Bay, sedimentation and siltation from runoff would, in a matter of some centuries, have filled in the Chesapeake.

But man, bravely raising his proud structures with beaver energy, vastly aggravates the process. The Maryland Department of Natural Resources estimates that forested lands lose up to 100 tons of sediment per square mile each year. It is not uncommon the agency goes on, for a typical suburban construction site to contribute as much as 200 tons of silt per year.

There are two results: Streams and inlets are constricted, often blocked. Witness Bladensburg and Port Tobacco in Maryland, which, in colonial years, were bustling seaports. Today, their channels, filled with silt from lands hardly disturbed by man two centuries ago, are barely ports for small pleasure boats.

In addition, the runoff now includes baleful materials—pesticides from agricultural methods that have significantly increased yields per acre but that in concentration can be toxic to the environment. And the runoff from storm drainage in urban areas carries varieties of other chemicals and such high-bacteria elements as animal feces.

Add another complication: Seaborne commerce on the Bay, with the ports of Baltimore and Norfolk accounting for the bulk, is worth well over $100 million a year in iron and coal, petroleum and manufactured goods.

Clogging of shipping channels and of marinas must be combatted constantly if commerce is to be maintained at its high levels. What then is to be done with the spoilage and debris from dredging, containing as it does concentrations of heavy metals—copper and lead, zinc and mercury?

For years, much of the dredged waste was dumped promiscuously in nearby tidal areas—the vital wetlands. There, it would destroy the essential nursery and spawning areas for many species of fish and shellfish and destroy the vegetation that is a key link in the Bay's food chain.

Interest conflicts with interest, use with use.

Choices must be made, choices which will invariably infringe on others, each of which will be considered as the most necessary by one group or another.

There is a human tendency to look at a phenomenon as imposing as the Chesapeake Bay with a pinched perspective, reflecting the narrow vision of each individual's special interest.

To the boater, the Chesapeake represents one of the finest cruising grounds in this country. To the waterman, the Bay is a bountiful, if often perverse, treasure, supporting the second largest fishing industry in the country. To the suburban dweller, it is an opportunity to stretch his concrete-cramped soul.

To the industrialist, it is a highway of matchless convenience and strategic location, and to the sports fisherman—a boomingly popular species, spawned by the increase in leisure and the growth of affluence the Chesapeake is a bonanza of striped bass and perch and bluefish, croaker and spot and flounder. To the developer, it is sites for waterfront villages and second-home communities.

These limited, if understandable, perspectives will not in insulation lend themselves to careful management of the Bay—on this there is unanimous agreement among scientists, conservationists, administrators, and specialists who seldom can find unanimity Dr. Frank S. L. Williamson, director of the Smithsonian Institution's Chesapeake Bay Center for Environmental Studies in Edgewater, Md., gives a graphic possibility if the irrational overwhelms the reasoned.

"It's conceivable," be said, "that over the years the Bay could be reduced to a mono culture but still be as good as a major ship channel and a sink for wastes as it is now. And it might look as charming as it now does.

"People still haven't recognized that there's such a thing as a non-renewable resource."

AMENDMENTS TO H.R. 10294

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, when H.R. 10294, the Land Use Planning Act of 1974, is considered by the House of Representatives, I will offer a series of five amendments to strengthen the role of local governments in the planning and decisionmaking process.

The amendments are supported by the national associations of local governments: the National League of Cities-U.S. Conference of Mayors, the National Association of Counties, and the National Association of Regional Councils. They are printed below, along with explanations.

In addition, there will be offered an amendment seeking to strike section 108(d)(2) which could be read as authorizing the Secretary of the Interior to impose on a State a Federal determination that an area is one of critical environmental concern of more than statewide significance.

The "local government amendments" are as follows:

AMENDMENT NO. 1

Page 27, after line 2, add the following new subsection (c):

"The authority to manage and regulate the use of non-Federal land rests with the several states and their political subdivisions, and that general purpose local governments should continue to have the responsibility for land use decisions which have no significant effect outside their jurisdictions."

EXPLANATION

To clarify the Congress' findings that this bill does not require nor encourage federal zoning or land use on non-federal lands, and further that general purpose local governments should continue to make land use decisions that have no significant affect outside their jurisdictions. This is consistent with the premise of the legislation that all land uses are presumed to be of local significance unless explicitly determined, through the land use planning process, to be of more than local significance; in other words, all land uses are excluded unless specifically included.

This amendment is a new Sec. 101(c). It goes to both the issue of federal control and state-local government relations.

AMENDMENT NO. 2

Section 106(b), page 37, line 25, insert before the word "states" the following sentence:

"The allocation of responsibility between the state government and its political subdivisions for the development and implementation of the state land use planning process shall be determined by state law."

EXPLANATION

Since it is assumed that in most if not all cases it will require state legislation to implement this Act, this sentence clarifies the fact that each state, through its legislature, will decide what balance will be struck with local government. The remaining language of 106(b) encourages states to utilize general purpose local governments to implement.

AMENDMENT NO. 3

Page 39, line 20, delete "or".

Page 40, line 2, delete the "," and insert "; or" and add the following new paragraph:

"(5) require or encourage States to intercede in land use decisions of purely local concern."

EXPLANATION

This amendment would make explicit that nothing in title I, Assistance to States, requires or encourages the states to review all land use decisions nor intercede in local government land use actions that are of purely local concern. This amendment reiterates that the purpose of the bill is to affect only those land uses and critical areas of more than local significance.

This amendment has been incorporated in Sec. 105(d).

AMENDMENT NO. 4

Page 92 after line 17, add a new subsection (g) to Sec. 411:

"(g) as preventing or delaying any State or local government from receiving any federal financial assistance to which it otherwise would be entitled prior to a finding, pursuant to Section 108 of this Act, that the State has established and is implementing a comprehensive land use planning process."

EXPLANATION

This amendment would make explicit that nothing in the act shall be construed to prevent or delay a state or local government from continuing to receive federal funding pending the completion of the land use planning process. A state has three years in which to establish and administer a comprehensive land use planning process, during which time the normal governmental process should not grind to a halt. Neither a federal agency or a state should use the incomplete land use planning process as an excuse to impede otherwise eligible projects.

AMENDMENT No. 5

Page 94, lines 14–19, strike out lines 14 through 19 inclusive and insert in lieu thereof the following:

"(d) The term "general purpose local government" means any general unit of local government as defined by the Bureau of the Census."

EXPLANATION

The primary purpose of this amendment would be to bring the definition of "general purpose local government" into conformity with the terms used by the Bureau of the Census, the Office of Revenue Sharing, and the OMB Circular A–95. The definition used in the bill would cause confusion over a widely used term requiring precise and uniform definition.

The Bureau of the Census classified local governments by the following five types: Counties, townships, municipalities, special districts and school districts. Of these, only counties, townships, and municipalities are included as "general units of local government."

The term "general purpose local government" is used for identifying implementation authority (shared with the State) for eligibility on the Intergovernmental Advisory Council. These are basic governmental functions and should be exercised by elected local officials. "Local governments, including general purpose local governments, are provided for throughout the bill, requiring their substantial and meaningful involvement." Furthermore, the State could chose to delegate its implementation authority to a special district or other agency of the State.

THE FAILURE OF THE NEWS MEDIA

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. LEGGETT. Mr. Speaker, the news media have taken a considerable amount of criticism on the Watergate and related scandals. Most of this has taken the form of self-serving attempts to distract attention by blaming the bearer of evil tidings, and does not deserve serious consideration.

However, as columnist Mary McGrory pointed out in the Washington Star-News of July 2, 1973, there are many occasions when the press simply does not do its job, when famous and eminent reporters are more concerned with being on comfortable terms with power than with serving truth. Ms. McGrory suggests the reason the now-famous team of Woodward and Bernstein were so successful is that, at the time they did their serious work, they were nobodies. They had not experienced the pleasures of association with the powerful; therefore, they felt no need to avoid ruffling feathers. Where more eminent reporters would have accepted comfortable evasions to comfortable questions, Woodward and Bernstein persisted—and found answers that astonished everyone, including themselves.

I suggest there is a lesson for the Congress as well as for the press here: a question deserves a straight answer. If we do not get one from an administration official, we can presume he is hiding something, and if we let him get away with it, we are not doing our job.

I insert Ms. McGrory's column, titled "Don't Be Nice to Power," in the RECORD at this point:

DON'T BE NICE TO POWER

(By Mary McGrory)

My favorite passage in "All the President's Men" (Simon & Schuster; $8.95) by Carl Bernstein and Bob Woodward is a little off the theme—which is how a pair of engaging young Washington Post reporters, who didn't know their place, uncovered a president.

It is an account of Woodward's encounter, by phone, with Henry Kissinger and it illustrates as well as anything else why they got the Watergate story while older, presumably wiser, heads flunked out.

Armed with information from the FBI that Kissinger, then in the White House, had personally authorized several wiretaps, Woodward simply asked him.

"I don't believe that it was true," Kissinger replied guardedly.

"Almost never," he said a sentence later.

Woodward pointed out that "almost never" could mean "sometime" and inquired if Kissinger was confirming the story.

"I don't have to submit to police interrogation," sputtered the darling of the rest of the Washington press corps.

Did you do it? Woodward asked.

When Kissinger discovered that Woodward intended to quote him, Kissinger blew up. "In five years in Washington I've never been trapped into talking like this."

Of course he hadn't. Inevitably, Kissinger called the Post's diplomatic reporter and executive editor to complain bitterly. The story was not run, and the Post the next day was, for once, beaten on a Watergate affair. But the point is not that the Post deferred to Kissinger, because it was lionhearted in its support of its two young tigers. The point is that officials get away with murder because so many reporters would rather call Kissinger "Henry" than find out what he is up to.

Woodward and Bernstein, thank heaven, didn't know the rules. They should not even have been on Watergate, which turned out, thanks to their efforts, to be the political saga of the century. Woodward, 29, was a local reporter, Bernstein, 28, on Virginia politics. But the June 17, 1972, break-in was, at first blush, a police story, and they were hungry—and available.

When John Mitchell quit July 1, Woodward respectfully sought expert counsel. National reporters assured him the resignation was "unconnected with Watergate." But the metropolitan editor, another stranger to the stratosphere, said, "A man like John Mitchell doesn't give up all that power for his wife."

What the two-man Viet Cong did to Richard Nixon is visibly cosmic. They have wrought almost equal havoc on their trade. They have smashed the comfortable notion of Capital journalism, with its heavy stress on contacts, confidences and membership in the Gridiron Club. Properly practiced, it's shoeleather, sweat and scramble.

For them it was knocking on doors of frightened Nixon campaign nobodies in the middle of the night, jumping into cabs with crooked lawyers, badgering the FBI.

They had one highly placed source, in the executive branch, a curious cryptic fellow dubbed "Deep Throat." Woodward set great store by him, met him in an underground garage at 3 in the morning. But he sounds like one of their editors. "Go back," he says to the hollow-eyed Woodward. "Dig deeper."

They dug, like day-laborers. The early leads were wispy: A whispered "CIA" from burglar James McCord in a courtroom; an entry in another burglar's notebook about "Whse—Howard Hunt." Woodward tracks him down. "Good God," says Hunt, and they are off.

Bernstein finds a check in a Florida state's attorney office that puts them on the trail of vast caches of tainted political money. The White House lies, denies, fulminates. The reporters make mistakes. They press and guess too hard, play games and write a bummer about H. R. Haldeman. They get desperate—and dirty—and try to quiz grand jury members. But they "hang tough" and when the dam begins to burst and the field gets crowded, they jump out front again with the first story that the prosecutors are sniffing around the Oval Office.

It's a great story, even now suspenseful, lively, fast-paced, and profane. It isn't over, yet, but here we see how it all began. And as Watergate brought us back to the first principles of democracy, "All the President's Men" brings us back to the first principles of journalism: Ask, go back, be nice to people, but not to power.

Even those colleagues most discountenanced by their feats will have to admit that Woodward and Bernstein have brought back to the "writing press" a full measure of power and glory. It is an honorable calling.

SAFETY AT SUMMER CAMP

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ROSENTHAL. Mr. Speaker, this week my colleagues on the Select Labor Subcommittee will conclude hearings on youth camp safety. The testimony offered has been informative and at times heart rending; for parents sending their children off to camp this season it has been important.

Witnesses such as Dr. Glenn Haughie and Mrs. Mitchell Kurman, who testified in Bear Mountain, N.Y., last Friday, retold their tragic stories of personal loss once more, in an effort to persuade Congress and the public that there is a very definite need for Federal camp safety regulations. The deaths of their children in camping accidents attest to that need.

As a parent and a concerned member of Congress, I feel strongly that the "Youth Camp Safety Act," H.R. 1486, must be passed this year. The legislation has been the subject of deliberation for 8 years—any further delay would not only be pointless but tragic.

A 1972 HEW survey, which covered

less than a third of the Nation's 10,000-plus camps, revealed 25 deaths, 1,223 serious illnesses, and 1,448 injuries associated with camping that summer. The survey adds that effective data gathering would reveal considerably higher figures. It also revealed that a quarter of a million children are involved in serious camping accidents each season.

Most camps have the hidden capacity for enormous danger, and parents are in no position to monitor safety conditions after they leave their children at camp.

It is of little reassurance to parents that only six States have adequate youth camp safety regulations. The Youth Camp Safety Act would not only help establish effective standards but also provide the States with the financial and technical assistance to see that they are enforced.

The need for this legislation is made abundantly clear in an article in today's New York Times under the headline "Summer Camp Safety: Voices of Concern." The article follows:

Summer Camp Safety: Voices of Concern

(By Richard Flaste)

A year ago Dr. Glenn Haughie, a physician in Rochester, N.Y., sent his 8-year-old son to a summer camp run by a friend of the family. Five days later his son was taken on an overnight hike. While the other campers slept, the boy walked to the edge of a nearby cliff and fell more than 100 feet to his death. The conjecture is that he was sleepwalking.

Now, with another summer camp season just weeks away, and the grief he, his wife and their three surviving children felt still fresh, Dr. Haughie is trying to do something about the kind of accident that killed his son.

He is a public health official in Monroe County and has been conferring with New York State on the efficacy of its camp safety laws, many of which have been in force for only a year or so. And he traveled down to the Bear Mountain Inn on Friday to testify at Congressional field hearings on safety.

The hearings, held by Representative Dominick V. Daniels, Democrat of New Jersey, and Representative Peter A. Peyser, the New York Republican, were part of a series on their bill to encourage the states to set camp safety standards and, where the states fail to do so, to impose Federal regulations. The regulations will be drawn up by the Department of Health, Education and Welfare.

At the moment, Mr. Daniels says that only six states have comprehensive youth camp safety laws—California, Colorado, Connecticut, Michigan, New York, and New Jersey. Only 26 states have any laws at all specifically affecting camps, he said.

Dr. Haughie's recounting of how his son died was important in that it added to the list of what Mr. Daniels calls "verifiable horror stories" that have convinced him there is a need for standards to govern all of the nations 10,000 summer camps.

This summer there will be camps with unlicensed drivers who transport children on camp grounds, camps with untrained waterfront personnel, with crowded, hazardous or unsanitary conditions and with counselors who lack camping experience.

However, despite a lack of regulation, the camping industry and others in the field often point out that camps are really not so very dangerous. The figures frequently quoted are 250,000 annual injuries, many of them minor, and 92 annual fatalities—out of a total number of campers estimated to be as high as 10-million.

Although the percentage of total injuries may be small—and many camps have deservedly high reputations for safety—it is little consolation to Dr. Haughie, who wonders how the camp entrusted with the care of his child could have been so misguided as to use that campsite by the cliff and why his child's counselor wasn't trained better.

He thinks that additional legislation, even if it cannot outlaw all accidents or all ignorance, will at least make camps and counselors more safety conscious.

THORN IN INDUSTRY'S SIDE

Another father who lost a son is Mitchell Kurman, a traveling furniture salesman who lives in Westport, Conn. In 1955, as he tells it, his son David, 15 years old, was permitted by his Y.M.C.A. counselor to canoe in a Maine river that was known to be treacherous. His counselor's canoe overturned. So did David's. A boy in David's canoe was pinned against a rock and survived, as did the counselor. But David drowned.

Mr. Kurman has since become a thorn in the camping industry's side, continually telling the story of his boy's death, and of other accidents while calling for Federal legislation.

In fact he was instrumental in getting Mr. Daniels interested in camp safety. Mr. Kurman testified on the Daniels bill in Washington last month, as he has every time the bill has come up for consideration, in 1968, 1969 and 1971. (He missed the Bear Mountain meeting, sending his wife instead because he was in Albany talking about safety on a television show.)

For his testimony this year, Mr. Kurman carried to Washington a letter he had just received from Gary Lack, the other boy in his son's canoe.

Now grown, Mr. Lack writes: "I, Gary Lack, was there with David Kurman when he died. I as a young kid found myself in a canoe shooting down the rapids of a savage river which no local adult would dare to do—and this thanks to the wrong planning, ignorance and carelessness of a public organization. The YMCA afterwards tried to put the blame on the children and accuse us of wrong-doing when we only followed orders."

Six years after David's death, Mr. Kurman received an out-of-court settlement of $30,000.

Mr. Kurman and the Congressmen sponsoring the Federal bill say there is real hope that it will be passed this year (not, of course, in time for the current season). It was narrowly defeated in 1971, when Congress passed instead a bill that called for a study of camp safety by the Department of Health, Education, and Welfare.

STUDY A WASTE OF MONEY

That study was recently completed. To Mr. Daniels, Mr. Peyser and the parents pushing for legislation, it was no more than a delaying tactic accomplished through the power of a camp lobby in the Southwest. It cost $300,000 and was, in Representative Daniel's words "a waste of the taxpayer's money."

The study came under fire primarily for its methods. It relied heavily on mailed questionnaires, with only limited on-site inspection of camps.

Mr. Peyser was especially displeased with H.E.W.'s interpretation of the study. Although the researchers found that most state legislation was "grossly inadequate." H.E.W. nevertheless recommended that camp safety standards be left to the states and not the Federal Government.

In asserting that there is indeed a need for Federal legislation, Representative Peyser points to Federal laws that protect wild animals. And Mr. Daniels points to the recent Occupational Safety and Health Act, which orders camps to make working conditions safe for counselors and other employes. They are both dismayed by the fact that while animals and workers are protected, children are not.

Meanwhile, what can a parent do to be reasonably sure that his child is attending a safe camp? Conversations with Government officials, the Kurmans and others lead to the following recommendations.

It makes sense to visit the camp (frequently parents do not, relying on brochures and ads—and Mr. Daniels charges that there is "often a credibility gap between camp literature and the actual facts").

A visit allows a parent to see first-hand, where the swimming area is situated (is it too close to rocky areas or boating lanes?) and whether the camp vehicles and other equipment seem in good repair. It allows an examination of cabins to see if there is potential overcrowding (a rule of thumb is that there should be at least 30 inches between beds and there should be at least two exits in case of fire (an accessible, easily opened window is acceptible as a second exit).

PRECAUTIONS MAY BE LAX

Whether they visit or not, parents should inquire about the qualifications of a camp's staff (generally counselors should be 18 or over—that's law in New York—and waterfront directors should hold advanced Red Cross certificates). It's important to know if a doctor or registered nurse is always on call.

And a parent should determine how safety oriented the camp's director is. Does he speak freely about safety procedures at the camp? Does he keep records of injuries?

Even at well-run camps not all recommended safety precautions are taken. After the hearings the other day, the Congressmen took a quick tour of a camp maintained by the Palisades Interstate Park Commission and observed that the cabins had doors that opened inward—they are supposed to open outward to allow rapid escape during a fire. They also noticed a live electrical wire that extended over a lake near the camp's swimming area.

In both cases, John Rand, a commission official, said he was considering corrective action.

Perhaps one measure of a camp's safety is whether it is accredited by the American Camping Association, which includes nearly half the country's camps and has an extensive safety code. However, the association routinely inspects its camps only once every five years and says it doesn't have the money or manpower to make more frequent investigations.

The State of New York, which has annual inspections, concedes that it, too, is having problems. Howard B. Gates, 3d, a state official, says the state is having "some difficulty in providing adequate number of trained personnel to conduct this program," and expresses the hope that Federal activity might help provide the people to enforce the regulations.

But will the Federal Government do any better? Mr. Daniels, as he sat down to a hurried lunch with his staff and others interested in the legislation, was complaining about poor enforcement of the occupational safety act. Pressed on whether he thought a camp safety law would fare any better, he was equivocal.

But to Mitchell Kurman, even if the regulations aren't enforced, they would represent an improvement. At least there would be "something," he said. "Right now there's anarchy."

THE BUDGET BILL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. PICKLE. Mr. Speaker, it has taken months and months of urging, discussion, research, debate, and compromise, but the Congress is now nearing one of the most important steps it can take even in these crisis-charged times. I am speaking of the conference approval of the proposed budget reform and impoundment control bill.

On July 26, 1972, I was joined by several colleagues in a special order concerning our budget and impoundment problems. The debate has continued virtually unabated ever since. The debate, importantly, has not centered on whether the Congress did not have sufficient control over the Federal budget but rather on how Congress could establish control over the budget.

The conference bill follows no one person's or group's blueprint exactly, but it shows well the marks of the many who have labored with this issue. I hope that we will be able to see this measure through to a speedy and overwhelming conclusion—and get the congressional budget reins in operation before the year is out.

I would like to reprint the two articles which appeared in the Washington Post a few days ago concerning the conference bill.

[From the Washington Post, June 4, 1974]

CONFEREES AGREE ON BUDGET BILL

(By Spencer Rich)

A compromise bill laying out a revolutionary new congressional procedure for handling the government's $304 billion annual budget has been drafted for final consideration by a House-Senate conference committee.

The budget bill is aimed at recapturing the power of the purse from the White House by giving Congress, for the first time, a mechanism to consider the entire federal budget as a whole. For lack of such a mechanism, sponsors of the bill contend, Congress has in practice lost control to the White House Office of Management and Budget.

The initial House version was passed 386 to 23 Dec. 5. The Senate followed March 22 with its own version, 80 to 0. For the last three months—under the close supervision of key conferees like Reps. Richard Bolling (D-Mo.) and Dave Martin (R-Neb.) and Sens. Sam J. Ervin Jr. (D-N.C.), Edmund S. Muskie (D-Maine) and Charles H. Percy (R-Ill.)—staff aides have been drafting a compromise. It includes language, put together yesterday to curb presidential impoundment of funds appropriated by Congress.

The compromise creates separate budget committees in the House and the Senate to look over all proposals for federal spending, to fix an overall target federal surplus or deficit, to set a ceiling on federal outlays as a whole and to assign program priorities by dividing the total among 14 broad categories such as defense, health and agriculture.

The bill would move the start of the fiscal year from July 1 to Oct. 1, giving Congress three extra months to complete action on all authorizations and appropriations, as well as overall spending ceilings. A congressional budget office with its own staff would provide technical expertise for the new budget committees.

The budget committee in each chamber would report a concurrent resolution by April 15 setting out taregt spending figures for the government as a whole and for each of the 14 major categories.

These would have to be passed in both chambers and cleared through conference by May 15. The figures in this initial target resolution would then serve as a guide for passage of appropriations bills during the rest of the spring and summer.

On Sept. 15, another concurrent resolution would adjust the overall totals and 14 program ceilings in accord with developments in the economy since May 15. If the individual appropriations bills total more than the second concurrent resolution, Congress would have to pass, by Sept. 25, a "reconciliation bill" making any cutbacks needed to comply with the target figures in the Sept. 15 concurrent resolution.

In effect, Congress would set out broad budget totals and priorities twice a season (May 15 and Sept. 15) and then in the final "reconciliation bill" would make sure that these targets were complied with.

In the House, the budget committee would consist of five members from the Appropriations Committee, five from Ways and Means, 11 from other standing committees and one each from the Democratic and Republican leadership. In the Senate, the committee would have 15 members.

The compromise bill further provides that if the President wants to impound appropriated funds for policy reasons, he must obtain congressional permission by means of a rescission (cutback) bill. However, if he wants merely to delay an outlay, or to hold it up for technical rather than broad policy reasons, he simply has to notify Congress. Unless one or the other chamber vetoes his plan, he can go ahead.

The new congressional budget office would be something like a miniature OMB, with its own nonpartisan director appointed for four years by House and Senate leaders, and removable by either chamber.

The new budget procedure is one of the keystones of the congressional effort to reclaim powers that critics say have been surrendered to the White House through congressional sloth and disorganization. They say that Congress, lacking any mechanism for controlling the budget as a whole, has consistently passed individual spending bills whose total far exceeds amounts dictated by economic prudence, with disastrous inflationary effects.

This has made it necessary for the President, who has a large bureaucracy to help him, to make the hard decisions on which programs to cut or abolish to avert economic damage; Congress then complains that the President is "usurping" the power of the purse.

[From the Washington Post, June 6, 1974]

CONFEREES AGREE ON BUDGET PLAN

(By Spencer Rich)

House-Senate conferees agreed without dissent yesterday on a compromise bill establishing a revolutionary congressional procedure for handling the government's budget.

Aimed at recapturing the power of the purse from the White House, the bill creates a system for Congress to consider the federal budget as a whole. Lacking any such system, the legislative branch has allowed the White House to make virtually all key budgetary decisions in recent years, proponents of the new procedure say.

The measure, which also includes provisions to curb presidential impoundment of funds voted by Congress, is considered one of the most important in the drive to reassert congressional powers against alleged "presidential usurpation." The compromise bill now goes back to the House and the Senate for routine final approval before being sent to the White House.

For the first time, budget committees in the House and the Senate would look over all proposals for federal spending, fix an overall target federal surplus or deficit figure, set a ceiling on federal outlays as a whole, and divide up the overall spending total among 14 broad categories like defense, natural resources, health and agriculture.

By May 15 each year Congress would have to complete action on an initial concurrent resolution setting out the target spending figures. During the rest of the spring and summer, the appropriations committees would report out spending bills for individual federal departments. By Sept. 15, Congress would pass a second concurrent resolution adjusting overall spending targets in accord with economic and policy developments since May 15.

If the amounts in the individual appropriations bills added up to more than the totals in the Sept. 15 concurrent resolution, then Congress by Sept. 25 would have to pass a "reconciliation bill" making cutbacks to stay within the Sept. 15 guidelines.

SOME HARD TRUTHS ABOUT THE VIETNAM WAR

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. CRANE. Mr. Speaker, there are many Americans, and many in the Congress, who tell us that the Vietnam war is over and that American aid and assistance to the government in Saigon should come to an end.

The war, however, is not considered to be over by the North Vietnamese or by their allies in the Soviet Union and Communist China.

Discussing the illusions under which many in Washington seem to be operating, Philip C. Clarke, in his Washington Report of the Air for the American Security Council, notes that—

> The world is being treated these days to a strange, Alice-in-Wonderland like spectacle. As the U.S. Congress is busy slashing away at aid to embattled South Vietnam, Soviet and Chinese leaders are assuring Communist North Vietnam of greater than ever support for their objective of total conquest in Indochina.

How tragic it would be if those thousands of young Americans who died fighting Communist aggression in Vietnam have died in vain, a situation which would surely be the case were we to abandon the South Vietnamese to the Communist takeover which the aggressors were unable to achieve in the field of battle.

In a telegram to Secretary of State Kissinger, Ambassador Graham Martin, the distinguished U.S. envoy in Saigon, warned of a decision taken last fall in Hanoi to mount an all-out campaign this winter and spring to persuade the Congress to drastically reduce the magnitude of both economic and military aid to the Government of South Vietnam.

Mr. Clarke declares that—

> As Congress votes to cut deeper and deeper into U.S. aid for South Vietnam one can almost hear the Communists cheering. It is as if the U.S. Congress is following Hanoi's script to the letter .

I wish to share with my colleagues the texts of two recent radio broadcasts by Philip C. Clarke, one with Ambassador Elbridge Dubrow (retired), which were broadcast April 12, 1974 and April 18, 1974, and insert them into the RECORD at this time:

VIETNAM: NEW RETREAT

The world is being treated these days to a strange, Alice-in-Wonderland-like spectacle. As the U.S. Congress is busy slashing away at aid to embattled South Vietnam, Soviet and Chinese leaders are assuring Communist North Vietnam of greater than ever support for their objective of total conquest in Indonesia. As some U.S. Senators call for the total abandonment of Saigon, Cuba's Fidel Castro wines and dines the visiting Premier of North Vietnam, Pham Van Dong, and dispatches another 351 Cuban construction workers to Hanoi to help rebuild that Communist ally. And as two of the most influential newspapaers in the U.S., the *New York Times* and *Washington Post*, furiously denounce the U.S. Ambassador to Saigon, Graham Martin, for his outspoken defense of U.S. commitments to South Vietnam, the celebrated American actress-activist, Jane Fonda, and her equally activist husband, Tom Hayden, are toasted in Hanoi as they prepare to do a motion picture extolling the virtues of that Communist society. Amid such reversed values, one can be excused for wondering: What goes on here? It is particularly hard to understand how the Congress of the United States, despite its preoccupation with Watergate, the economy and the fuel shortage, can so soon forget the heavy investment this country has made in the freedom and independence of South Vietnam—namely 55,000 American lives and 130 billion dollars. Nor is it easy to comprehend how responsible American political leaders, much less the media, can so easily ignore the reality of what our abandonment of South Vietnam would mean, namely, a Communist takeover and enslavement of 19 million people who have placed their trust in the U.S. and the ensuing Communist conquest of all remaining free nations in strategic Southeast Asia.

In a recent telegram to Secretary of State Kissinger, Ambassador Martin warned of a decision taken last fall in Hanoi to mount an all-out campaign this winter and spring to persuade the Congress to drastically reduce the magnitude of both economic and military aid to the government of South Vietnam. The Ambassador said that the Communists' so-called Provisional Revolutionary Government in Paris was to be the principal channel, using remnants of the American "peace movement" to bring influence to bear on selective, susceptible, but influential elements of the American communications media, and, particularly, on susceptible Congressional staffers. As Congress votes to cut deeper and deeper into U.S. aid for South Vietnam, one can hear the Communists cheering. It is as if the U.S. Congress is following Hanoi's script to the letter. All thoughtful Americans, especially the more than two and a half million who served with the armed forces in Vietnam, should demand of Congress a full explanation of its retreat from responsibility—before it's too late. On the eve of the Bicentennial, Americans should also ask what might have happened had *our* ally, France, turned *its* back as we struggled for freedom and independence two hundred years ago.

IN DEFENSE OF AMBASSADOR MARTIN

Every once in a while, the United States comes up with an Ambassador who "tells it like it is"—straight from the shoulder. Such a man is Graham Anderson Martin, U.S. Ambassador to South Vietnam, veteran of 27 years of distinguished diplomatic service, World War II Army Colonel and one-time newsman in his native North Carolina. Ever since his arrival in Saigon last July, Ambassador Martin has been "telling it like it is," that South Vietnam is worth helping. Ambassador Martin's refreshing candor has, inevitably, drawn the ire of such perennial Vietnam critics as the *New York Times*, *Washington Post*. More recently, Senator Edward Kennedy, questioned Martin's objectivity and impartiality on Vietnam. Among those who know Ambassador Martin best is a former colleague, retired Ambassador Elbridge Durbrow.

Ambassador DURBROW: "Ambassador Martin told us that when he was assigned to South Vietnam, he decided to do all in his power to put the record straight and try to eliminate these continued distortions. He has courageously done just that by, for instance, his scathing exposé of a most distorted dispatch by a *New York Times* correspondent last February which badly misrepresented U.S. aid goals. He has also been most forthright in briefing diverse groups by giving them unvarnished facts.

"Given Ambassador Martin's determination to eliminate distortions, I fully support his telegraphed recommendations to the State Department not to give substantive answers to a series of what the Ambassador correctly called cleverly drawn, mixed-up questions on very important foreign policy problems posed by Senator Edward Kennedy. Ambassador Martin quite rightly felt that any answers to these questions could lead to still further distortions by Kennedy's Subcommittee on Refugees. Martin urged that answers to such important questions should be given, instead, to forthcoming public hearings of the main committees on Foreign Affairs. Mysteriously, Ambassador Martin's confidential recommendations were leaked to Senator Kennedy who promptly gave them to the press. That the Ambassador's concern was justified is clear from press reports quoting Kennedy as being 'outraged' that he should not be given answers about U.S. Indochina policy, and quoting Kennedy's attacks on Martin's alleged 'cover-up and deception.' It should be pointed out that Martin's telegram specifically stated that Kennedy had the right to raise the questions, but at the same time suggested that the full answers be reserved for the proper congressional committees charged with substantive foreign affairs problems—not just refugees as in the case of Kennedy's Subcommittee. Significantly, both the Senator and the news accounts ignored the Ambassador's well-founded reasons for urging that these vital questions be answered only in the proper forums."

Ambassador Elbridge Durbrow.

WATERFRONT EDITORIAL

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. PARRIS. Mr. Speaker, the Alexandria Journal is a prize-winning weekly newspaper in the Eighth Congressional District of Virginia noted for its consistently solid news coverage and an editorial policy dedicated to the interests of northern Virginia and the city of Alexandria. The Journal recently published an editorial commenting on the complex and confusing problem which has surrounded proposals to develop the Alexandria waterfront. I have, as you know Mr. Speaker, been involved in this effort for sometime and I believe I can say without fear of contradiction that the Journal's editorial fairly and adequately describes the waterfront situation as it stands today. With compliments to Journal Editor Tom Wuriu, I insert the editorial in the RECORD:

[From the Alexandria Journal, June 6, 1974]

WASTING WATERFRONT

It is fortunate that visitors usually do not arrive in Alexandria by water. For those travelling on the Potomac, the first view of this historic city is a succession of ugly eyesores that line the waterfront for 16 blocks.

Nobody likes the dreary waterfront. Yet at a time when the city is busy with ambitious plans to attract visitors in the upcoming bicentennial years, a tiny handful of conservationists has effectively stalled efforts to settle the ownership snarls which, for years, have made it impossible to launch a comprehensive waterfront rehabilitation program.

Nearly moribund in the House of Representatives is a bill introduced by Rep. Stanford Parris (R-8th Dist.). The proposed legislation, the fruit of joint efforts by the city of Alexandria, current owners and area conservationist leaders, would provide the city with the tools to settle the legal problems and proceed with plans to revitalize the 48 acres of waterfront land.

Private development of the area would be limited to 10 acres, with the rest earmarked for parkland, a 50-foot walkway along the river and just open water. The bill contains specific restrictions as to height of buildings, distance from the waterline, etc. There are also some exceptions for present land owners.

Nearly everyone accepted the proposal, which appeared to adequately protect both public and private interests. It seemed only a matter of time before the waterfront eyesore would be wiped out.

But this was not to be. A few conservationists, not involved in the discussion, decided they really didn't approve of the compromise plan even though the attorney for the Northern Virginia Conservation Council helped draft it, and the president of that organization supported it as did many other council members and area residents.

Those who oppose the Parris plan claim the bill gives away too much to developers in terms of density and river fill rights. They don't trust the city to keep private firms from over-developing to the detriment of the community. The right course, they maintain, is to allow present federal court litigation to decide the tangled waterfront title question. Confident that the courts will find for the federal government, the conservationists want the entire disputed area turned into a park.

This tiny group of people, representing no constituency but with good connections in national conservation groups and the Department of Interior, used its influence with deadly effectiveness. As a result, the national and the Interior Department has so far declined to support it.

We do not question the sincerity of those attempting to torpedo the current waterfront legislation. We know they are highly motivated. But we do question the wisdom of their actions in terms of the greatest good for the greatest number of people.

Certainly, the Parris bill is not perfect. There are admittedly some concessions to waterfront land owners we wish did not have to be made. And, some of the density limitations may be overly generous. But, considering the many difficult problems involved, we feel that the final package represents a reasonable compromise. And, most important, it would end the impasse which has blocked waterfront rehabilitation for so long.

As to the current court fight, which could be extended for years by appeals, there is no guarantee that the federal government will win. And, even assuming that Uncle Sam does eventually gain title to all 48 acres of disputed land (chances of that are rated poor by most experts), the possibility of federal funding for a park is remote. Department of Interior spokesmen told the Journal this week that they have no "active plans" for the waterfront.

Meanwhile, the waterfront bill remains in committee since its backers know they can't make it on the House floor without support from the conservationist camp.

All is not lost, of course. New waterfront proposals will emerge some day although Alexandria Vice Mayor Wiley Mitchell says this is the last go-around for him after more than five years of wrestling with the complex problem.

But the real losers, as we see it, will be the citizens of Alexandria and Northern Virginia who, for the foreseeable future, will be denied the obvious benefits of a waterfront renaissance.

TYREE GLENN, JAZZMAN

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. HELSTOSKI. Mr. Speaker, as we all know, one of the world's greatest musicians, the incomparable Duke Ellington, passed away recently. However, another well-known jazzman, Trombonist Tyree Glenn of Englewood, N.J., who at one time played with Mr. Ellington's band, also died a short while ago.

Throughout the world jazz fans and musicians were familiar with the style and the substance of Tyree Glenn's music. During his 40-year career, he played with such other greats as Lionel Hampton, Louis Armstrong, and Cab Calloway.

As prominent and talented as he was, however, Mr. Glenn still retained a sense of dedication to his community. He had appeared at Fairleigh Dickinson University and Dwight Morrow High School, in addition to donating his time to a Teaneck art workshop.

Mr. Speaker, an interesting article concerning Mr. Glenn's career appeared recently in the RECORD, a Bergen County newspaper. In view of the fact that both the jazz world and the people of the Ninth Congressional District have lost a friend, I would like to take this opportunity to insert this article in the RECORD:

TYREE GLENN, JAZZMAN

(By Bob Freeley)

ENGLEWOOD.—Tyree Glenn, noted jazz trombonist, died Saturday in Englewood Hospital. He was 61.

Mr. Glenn, a resident of Englewood for 21 years, started playing as a boy in Corsicana, Tex., where he was born. An only child whose father was a cook, Glenn started his musical career as a drummer. He later taught himself to play banjo and through the years also became skillful at the piano, the trombone, and the vibes.

Mr. Glenn played with such jazz greats as Lionel Hampton, who taught him to play the vibes, and Louis "Satchmo" Armstrong, with whom he played lead trombone for eight years. After Armstrong died, Glenn formed his own group.

During a 40-year career which started in the swing era, Glenn played "sweet" trombone with Benny Carter and Cab Calloway, and later with Duke Ellington. He joined CBS Radio in 1953 as a musician, and worked on the station for 10 years.

Although Glenn was seriously ill, and had a kidney removed last year, he and his combo played major engagements at the Royal Box of the Americana Hotel in New York during the summer and at Christmas which were credited with saving the Royal Box from closing.

Mr. Glenn was active in the Englewood community. He appeared at Dwight Morrow High School, at Fairleigh Dickinson University, and at a Teaneck art workshop.

Mr. Glenn is survived by his wife, the former Gloria Alicia; his mother, Christina Jenkins of Los Angeles; and two sons, Tyree Jr. and Roger, both musicians. Young Tyree is currently appearing with his own combo at The Riverboat in New York.

Funeral arrangements are by Walter B. Cook, Third Avenue and 85th Street in New York. Services will be Thursday at 7:30 p.m. in Central Presbyterian Church, Park Avenue at 64th Street. The Rev. John Garcia Gensel, the "Jazz Priest," will officiate.

Burial will be in George Washington Memorial Park, Paramus on Friday at 11 a.m.

DUKE ELLINGTON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. RANGEL. Mr. Speaker, there is no greater name in American music than that of Duke Ellington who, over several decades innovated, created and dignified jazz with such skill and devotion that his name became synonymous with the best of that art form. On May 24 Edward Kennedy Ellington died, leaving a musical legacy which will probably never be equaled.

Duke Ellington was born in Washington in 1899 and grew up surrounded by a musically oriented family. In 1918 he formed his own band, first called the Duke's Serenaders and later the Washingtonians, and in 1923 they permanently moved to New York. The Band's national reputation was established during their 1927–1932 stint at Harlem's Cotton Club. During his stay there he expanded his knowledge of orchestration, orchestral color and composition; he learned from the classical composers of the time, modifying, assimilating and transforming what they offered him into a unique and original Afro-American musical idiom.

In a professional career spanning more than 50 years, Ellington was a major jazz figure of the age, not only as a composer-arranger but also as leader and pianist. As composer he covered an amazingly wide spectrum, ranging from pop tunes to orchestral tone poems and symphonic suites, with almost every type of jazz expression in between. During his highly prolific career he composed more than 5,000 tunes, among them such classics as "Mood Indigo," "Sophisticated Lady," "Satin Doll," "Solitude," and "Blue Harlem."

The transition from the streets of Washington and the Cotton Club, to command performances for royalty was a long and arduous journey full of ineffable joy and quiet sorrow. In May 1965 the Pulitzer Prize advisory board voted that either a long-term achievement award be presented or no prize be given at all for that year. Ellington's characteristically modest comment when the board finally decided against him was quoted around the world:

> Fate's being kind to me. Fate doesn't want me to be famous too young.

In 1969 President Nixon hosted a gala 70th birthday party in the Duke's honor, the highlight of which was the presentation of the Nation's highest civilian award, the Presidential Medal of Freedom.

Although he won even conceivable musical honor during his lifetime, he always bore his fame with grace and dignity, never losing sight of his roots and heritage. Duke Ellington was a truly great American. We will all miss him dearly.

WHAT MAKES MR. NIXON RUN?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Ms. ABZUG. Mr. Speaker, there is a good deal of scepticism in this country about the purpose of Mr. Nixon's trips abroad and their potential results. In an article in the Wall Street Journal for May 31, Arthur Schlesinger notes that the Nixon-Kissinger foreign policy, while accomplishing several good things, also has had some undesirable results:

> The besetting sin of the Nixon-Kissinger policy is that it expends for more concern on our enemies than on our friends, on dictatorships than on democracies. . . . This policy, by tying the United States to detested local tyrannies, also intensifies American unpopularity among peoples struggling to get on the democratic path.

Dr. Schlesinger does not believe that Mr. Nixon's personal touch, while his impeachment is pending, will add much to U.S. popularity. I would like to insert this persuasive article into the RECORD:

MR. NIXON'S MAGICAL MYSTERY TOURS

(By Arthur Schlesinger, Jr.)

President Nixon has often claimed that foreign policy is his strongest suit. In his moment of extremity, he is evidently determined to play that suit for all it is worth. His plan to visit the Middle East and the Soviet Union while the House Judiciary Committee is weighing his fate therefore confronts Congress and the American people with grave and curious questions.

The only possible justification for the presidential trips must be that through his physical presence Mr. Nixon will win advantages for the United States that are not to be won otherwise. Congress is entitled to know what these advantages might be. They are certainly not self-evident. In the Middle East Mr. Nixon would do no more than bless a settlement already worked out by Dr. Kissinger. In Moscow, if he tries to go beyond deals already completed, he would enter into negotiations from the unpromising situation of a President who, not being able to afford a failure, may be tempted to pay too high a price for an appearance of success.

Until we are told what added benefits Mr. Nixon's personal touch will bring, his magical mystery tours must be regarded as part not of the defense policy of the United States but of his own defense policy against impeachment. And if Congress, without question or objection, permits a President in almost unprecedented disrepute to wander about the world in a transparent effort to shore up a crumbling political position at home, it will quite deserve the contempt with which Mr. Nixon has been treating it.

Mr. Nixon's current strategy is to present himself, as he did in his recent seance with James J. Kilpatrick, as America's indispensable man in world affairs. If his steady hand should ever leave the tiller, this argument implies, American foreign policy will run aground or crash into the rocks. The argument hardly puts the man he recently chose as his Vice President in a flattering light. But then Mr. Nixon in the same interview indicated his opinion of Vice Presidents, especially in connection with foreign policy. Mr. Kilpatrick asked him whether he had told his Vice President of 1971 about the diplomatic opening to China. "Agnew?" Mr. Nixon replied in what Mr. Kilpatrick describes as an "incredulous" tone. "Agnew? Oh, of course not."

Mr. Nixon seems genuinely persuaded that no other American can deal as well with foreign leaders. In fact, many of the foreign leaders he has dealt with are in trouble too or are no longer around (England, France, West Germany, Israel, Egypt, Portugal, Canada, even perhaps Chou En-lai in China). And one wonders whether any realistic foreign leader these days will not be embarrassed by Mr. Nixon's drowning embrace and prefer to talk to an American President who commands a modicum of respect from his own people.

Nor, for that matter, does Mr. Nixon's argument for his personal indispensability cast a flattering light on his Secretary of State, who, there is every reason to suppose, would also be President Ford's Secretary of State. The White House story is that all Dr. Kissinger does is to execute Mr. Nixon's instructions. Without the guiding presidential hand, we are given to understand, the Secretary of State would only make a mess of things. Thus presidential spokesmen claim that Dr. Kissinger's Middle East negotiations have been subject to Mr. Nixon's constant "direction"—though reporters covering the White House, as this newspaper disclosed last week, regard this as a fiction and resent it.

WHO'S IN CHARGE?

Is Mr. Nixon really in daily charge of foreign affairs? Has he ever been? When he refused to meet last winter with the Senate Watergate Committee, Sen. Weicker of Connecticut sent him a list of written questions. One question noted that Mr. Nixon had said he had been too busy with foreign affairs to find out about Watergate and the cover-up; "yet your daily logs for June and July 1972 show literally hundreds of minutes for meetings with principal Watergate figures while only minutes were spent with individuals such as Dr. Kissinger." (Mr. Nixon did not respond to Sen. Weicker's observation.) The tapes have pretty well laid to rest the carefully cultivated myth of Mr. Nixon as a forceful, well-organized, decisive executive. One imagines that he can be quite as rambling and deferential in discussing what to do about foreign affairs with Dr. Kissinger as he was in discussing what to do about Watergate with Messrs. Haldeman, Ehrlichman, and Dean.

No doubt the President has intervened personally from time to time, as in ordering the invasion of Cambodia in 1970 and the Christmas bombings of 1972, and in so doing may even have rejected the advice of Dr. Kissinger. But the main line of the Nixon foreign policy bears less the imprint of the pre-1969 Nixon than of the pre-1969 Kissinger. The foreign policy of a Ford administration would doubtless bear the same imprint.

Even supposing that American foreign policy might change under Mr. Ford, has it been so wise and effective under Mr. Nixon that the American people should sacrifice domestic values in order to insure its continuation? No one can doubt that as a negotiator Dr. Kissinger is an invaluable national resource. His work in the Middle East in recent months has been extraordinary. His ability to enter into the viewpoints of others, his instinct for areas where compromise might be possible, his penetrating intelligence and imperturbable good cheer, his combination of tact, patience and sheer physical stamina—all these qualities make him one of the exceptional diplomats of the century.

Whether his conceptions are as impressive as his skills is another question. He sees the world essentially in terms of the political and military relations among the great powers. He is everlastingly right, of course, in his view that national interest is far more decisive than ideology in shaping a great power's policy. This view made it easier for the United States to embark on relations with Peking. But that development was not in itself any great feat of diplomatic prestidigitation. By 1969 the Chinese leaders were desperate to break out of isolation and determined to block the consolidation of a Soviet-American combine against themselves. The Chinese connection was ripe for the plucking. It did, however, require maladroit diplomacy to pluck it at such unnecessary cost for the United States in Japan and India.

The besetting sin of the Nixon-Kissinger policy is that it expends far more concern on our enemies than on our friends, on dictatorships than on democracies. It is easier to deal with leaders who can deliver their countries than with leaders who must take account of a restless internal opinion. Dr. Kissinger's impatience with the democratic governments of Western Europe, for example, has hardly been concealed. He has even questioned their legitimacy—a singular observation by the representative of a government whose own legitimacy is in doubt. But this concern for enemies, for dictatorships, for political and strategic issues may obscure other factors on the world scene. In consequence of Dr. Kissinger's preoccupations, our foreign economic policy has been a shambles, our Latin American policy dismal, our African policy largely non-existent, our European policy a failure, our United Nations policy a scandal.

THE TIMES' HEADLINE

Even in the countries themselves, preference for authoritarian regimes will only cause trouble for the United States in the longer run. On May 6 The New York Times had an arresting headline: "Communist Party Emerges as Strongest in Portugal." Our policy in Portugal had been to give fervent support to an authoritarian government. That government, by repressing its constitutional opponents, had predictably placed the opposition under the command of the Communists, who alone were proficient at underground organization and survival. Portugal may end up with a Communist government in another year. It may be predicted that, so long as we pursue in Greece, Spain, Chile and elsewhere the same policy we pursued in Portugal, that policy will eventually produce the same result—and the same headline.

This policy, by tying the United States to detested local tryrannies, also intensifies American unpopularity among peoples struggling to get on the democratic path. Nor does the Nixon administration apparently find it easy to identify the United States with democratic developments. In the case of Portugal we kept our enthusiasm for the overthrow of the dictatorship under stern control. On May 3, the European Economic Community hailed the emergence of "a democratic Portugal." But the United States, so far as I have been able to discover, maintained a gloomy silence until May 22 when the American ambassador finally gave the new government a goodwill message from President Nixon.

The time may well be arriving for a reorientation of our foreign policy. Dr. Kissinger's skills and preoccupations may have defined our international agenda long enough. He has done remarkable things, and he remains our best negotiator. We must build on his successes in detente with the Soviet Union, in opening relations with China, in the stabilization of the Middle East. But we need more than ever to pay attention to the things Dr. Kissinger has ignored: to our own hemisphere; to food, energy trade, aid, the monetary system and other international economic problems; to the United Nations.

In short, the preservation of President Nixon and his foreign policy is not necessarily what the United States most needs today. Even if it were, however, that should not be the overriding issue brought up by the movement for Mr. Nixon's impeachment. Professor Hugh Trevor-Roper, the English historian, has explained Watergate to his fellow countrymen by drawing a parallel between Watergate and Hampden's refusal to pay ship-money to Charles I, "No doubt, in the 1630s," Mr. Trevor-Roper writes, "foreigners thought the English very foolish to make such a fuss about ship-money when a firm and unhampered English government might have been effective in Europe. But the English thought first of their own liberties; and who shall say that they were wrong?"

BONUS MARCH OF 1974

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. RANGEL. Mr. Speaker, this past Memorial Day weekend was filled with many speeches honoring our veterans and those who paid the supreme sacrifice in previous wars to help preserve our freedom. Unfortunately, the veterans of the Vietnam war have been more honored by words than by any action by our Government to provide them with even adequate benefits to enable them to return to civilian life. The great frustration of Vietnam veterans has erupted with increasing frequency leading last month to the resignation of Donald Johnson, Administrator of the Veterans' Administration. Despite these eruptions the Administration appears to be taking no positive action toward providing increased benefits to meet the skyrocketing cost of living which is making the existing level of veterans' benefits totally inadequate.

A new group, the American Veterans Movement, is sponsoring a nationwide pilgrimage to Washington on July 4 to remind us of the sacrifice made by veterans and the great debt that we owe to those who served in the most unpopular war in our history.

I am hoping that by the time of this march on July 4 we in the Congress will have acted to provide a more realistic level of veterans benefits.

The article follows:

BONUS MARCH OF 1974

(By James A. Wechsler)

Ron Kovic, a 28-year-old paraplegic Vietnam veteran with a fighting heart and unbroken spirit, never made Richard Nixon's "enemies list." But he may play a large role in climactic summer scenes of the Nixon era.

Kovic is a major leader and voice of the new American Veterans Movement sponsoring a nationwide pilgrimage to Washington. July 4 is the date on which organizers of the march now confidently predict that "many thousands" of veterans—of Vietnam and other wars—will assemble in the capital to protest "the national veterans crisis."

"We'll stay there until the Administration has decisively acted—whether we have to stay until Christmas or 1976," Kovic said when we talked the other day.

"This will be a peaceful occupation—at least we're doing everything we can to make it peaceful and we're asking the Administration to help us keep it that way by working out arrangements with us. But it won't be a one-day outing."

I first met and wrote about Kovic last March, shortly after he and a group of other AVM members had won national notice by staging a hunger strike in Sen. Alan Cranston's Los Angeles office. They were a small band then—10 of them, like Kovic, disabled—but their protest over the treatment being accorded veterans in VA hospitals and on other fronts had swift repercussions in Washington.

It was an important measure as a result of his ineptness in dealing with the group that VA chief Donald E. Johnson found himself announcing a little more than a month later that he would leave his post in early June.

Johnson's departure announcement followed widespread outcry over President Nixon's "Vietnam Veterans Day" address in which he announced, among other things, that he had named Johnson to head a "study" of conditions in VA hospitals and other grievances. On Capitol Hill and elsewhere, the prospect of Johnson in effect investigating his own regime quickly backfired, and he became expendable.

So far no successor has been designated. But Kovic, emphasizing that the identity of Johnson's successor would not alter plans for the Washington "occupation," said: "One man resigning doesn't end the abuses we're fighting."

In its call for participation in the drive, the AVM specifically urges "larger and better equipped hospitals . . . A workable GI bill . . . Adequate veterans compensation . . . Humane homes for disabled vets . . . More jobs for veterans."

Although discontent over the VA administration had surfaced at Congressional hearings and in other areas for some time, the old-line veterans organizations remained largely undemonstrative. Their passivity created a vacuum into which Kovic and his associates have moved. But in doing so the AVM has endeavored to avoid combat with the other groups and believes its march will evoke broad sympathy if not official endorsement from diverse contingents.

Kovic, a 1964 Massapequa HS graduate who enlisted in the Marines three months after finishing school, spoke recently to the Massapequa Veterans of Foreign Wars.

Meanwhile there have been other very tangible expressions of support. In Las Vegas, for example, 836 members of the American Legion have signed up to board the train that will leave Los Angeles June 14, pausing at numerous cities along the way to pick up recruits. In Portland, Ore., an 89-year-old World War I veteran is joining his Vietnam vet grandson for the journey. Another train will start out from Boston July 3, stopping in New York en route.

Kovic said AVM spokesmen have been in contact with Amtrak officials and are hopeful they will provide trains.

"But one way or another we'll get the transportation," he added. Committees in charge of "logistics and food" have already been set up in 11 major cities.

In Washington the veterans are planning to set up a large encampment in the area where the Southern Christian Leadership Conference built "Resurrection City." While a White House aide—James Cavanaugh—met with AVM leaders on March 31, attempts to arrange further conferences with him have been unsuccessful.

Kovic is deeply conscious of both the tradition and stormy history of the Bonus March of 1932. His stress on the "nonviolent" character of the coming demonstration is no doubt influenced by reading of the tragic MacArthur military operation that finally dispersed the Bonus Expeditionary Force" in that last summer of Hooverism.

There are both similarities and disparities between that pilgrimage and the one now taking shape. The BEF concentrated almost entirely on a vain fight for the immediate payment of "adjusted compensation" Congress had authorized to be paid in 1945. This year's marchers will be seeking more than fiscal redress, as their preoccupation with the state of VA hospitals indicates.

But one parallel is hauntingly inescapable. Then, as now, a U.S. President faced the steady, deadly disintegration of his Administration. While the circumstances differed in some essential respects from the present, the jobless, dispossessed veterans who were ultimately driven out dramatized the aloof impotence of national leadership. The symbolism of the 1974 march cannot be missed at the White House.

PROPERTY RIGHTS AMENDMENTS TO H.R. 10294

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, at the appropriate time during consideration of H.R. 10294, I intend to offer the following amendment:

PROPERTY RIGHTS AMENDMENTS TO H.R. 10294

Amendment No. 1 (Findings Section—101):

Page 26, line 18: After the semicolon strike the word "and".

Page 27, line 2: Strike the period at the end of paragraph (11) and add the following: "; and".

"(12) Uncoordinated, widely varying and frequently inconsistent efforts to deal with land use problems through the application of traditional zoning controls, special area protection and enhancement methods and other land use control programs have created substantial uncertainties and imposed significant burdens on property owners, which the courts have not resolved in a consistent and predictable manner, regarding the rights, dispositions and future uses of private lands affected by such controls; efforts to expand the scope and reach of such controls will only magnify these problems."

Amendment No. 2 (Policy Section—102):

Page 27, line 17: Add a comma immediately after the word "land".

Page 27, line 18: Strike the word "and" where it first appears.

Page 27, line 19: Strike the period and add the following immediately after the word "processes": ", and that provide more explicit guidance for the equitable resolutions of conflicts between property ownership rights and public and community interests, needs and benefits."

Amendment No. 3: (State planning process Section—104):

Page 32, line 16: Strike the word "and".

Page 34, line 7: At the end of paragraph (i) add the following:

"(j) development of explicit substantive State policies to deal with legal conflicts between private property interests and public and community interests furthered by implementation of the comprehensive state land use planning process, including—

"(1) specification of the planning, control and regulatory techniques, other than payment of compensation to property owners, to be utilized in the furtherance of land use planning objectives;

"(2) review and compilation of relevant state laws, administrative regulations and practices, and case-law and other judicial determinations that may tend to encourage, sanction, restrain, limit or prohibit the utilization of such techniques; and

"(3) to the extent practicable and feasible, development of the general policies to be applied by the state land use agency for providing compensation to land-owners, or for utilizing a combination of compensation and regulation, in these instances where the findings of the review pursuant to paragraph (2) indicate that land use planning policies and objectives may not be appropriately or constitutionally implemented by means of regulatory techniques alone."

Amendment No. 4 (Implementation Section—106):

Page 38, line 4: Strike the word "and".

Page 39, line 10: Strike the period and add the following: "; and".

"(3) An appeal procedure affording any affected property owner the opportunity to challenge or contest policies adopted pursuant to Sec. 104(j)(3) to the extent that they are deemed incompatible with the findings of Sec. 101(j)(2); *Provided that*, the state land use agency shall bear the responsibility to demonstrate that such policies are not inconsistent, incompatible or otherwise at variance with State law, including any judicial interpretation thereof, as defined pursuant to Sec. 104(j)(2)."

THE COST OF LIVING

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. HANRAHAN. Mr. Speaker, the rising cost of living seems to be the most difficult for those persons over 65. Their pensions and social security together are not enough to make ends meet. The proposed social security increase will curtail the problem somewhat, but it will not be enough.

The following article expresses the concern and required lifestyle of a couple in Pennsylvania. I hope this will be interesting to my colleagues:

With $5,684 a Year, Retired Couple's Life Is Test of Endurance

(By Roy J. Harris, Jr.)

McKeesport, Pa.—Reflecting on the 23 years that he spent as a pipe fitter's helper at U.S. Steel Corp.'s Duquesne Works, Henry Harff matter-of-factly says the experience tested the limits of his endurance.

"It was hard and it was hot and you sweated until you were soaking wet from head to foot," recalls Mr. Harff, who is 72 years old and has been retired for seven years now. If his assignment happened to be repairing the pipes under a massive open-hearth furnace, he says, "you couldn't hardly stay long enough to fit the wrench. You had to get out because you couldn't breathe. In the open, you could have done the job in an hour. But in that hell it was a different thing."

There was danger, too: "If that furnace would break, you'd be a puff of smoke."

The danger and the discomfort of the Duquesne open hearths (all of which have since been replaced by more modern equipment) are just distant, if distinct, memories for Henry Harff. But his endurance is still being tested. Now, he and his 70-year-old wife, Gertrude, like millions of other Americans living on retirement incomes, are laboring hard to keep inflation from destroying their pride, if not their very lives. As Mr. Harff puts it: "You have to keep alert to keep alive."

MAKING ENDS MEET

So far, the Harffs have been able to make ends meet and keep destitution from the doorstep of the yellow and green bungalow built 33 years ago by Mr. Harff in this industrial town a few miles up the Monongahela River from Pittsburgh. Indeed, because the couple receive a monthly pension check of $132 in addition to their $341.70 monthly Social Security payment—a total of $5,684.40 a year—they are more fortunate than those couples who are 65 and older and who live on Social Security alone. (There are currently two million couples aged 65 and over who are receiving Social Security payments. Of this total, 80% receive no additional pension benefits—although they may have income from other sources.)

Henry Harff, however, doesn't view himself as fortunate at all. Rather, he sees himself as the victim of a cruel joke, the irony lying in his current monetary plight after a lifetime of, as he puts it, "going through the mill." Looking back, he says, "If I had it all to do over again, this little 130-pounder wouldn't have gone hunting all the hard work I did. I worked like a jackass all my life."

If Mr. Harff isn't filled with pride about the fruits of his labor, he and Mrs. Harff nevertheless are proud when they consider that they have managed to survive without going into debt. "I'm clean and respected in the community," Mr. Harff says. "I owe no man anything."

INDEPENDENT SPIRIT

The Harffs' almost puritanical concern with cleanliness, respect and financial independence is evident after only a few minutes in their house, which stands at the foot of an eroded hill on the outskirts of McKeesport, just across the Monongahela from the Duquesne works. The bungalow's Spartan kitchen and living room are spotless. And conversation with a recent visitor quickly turns to a worrisome subject: the cost of living.

"It seems the older you get, the more you're punished for being old," Mr. Harff muses. "If you find a retiree older than I am, you'll find a beggar."

In their early retirement years, the Harffs countered the shock of losing their $550-a-month working income by restricting—and finally eliminating—such pleasantries as travel and occasional restaurant eating. They also soon discovered that they were unable to save any money at all on their first monthly retirement benefits, which amounted to about $185 in Social Security and $115 in private pension benefits.

KEEPING UP

From 1966 through 1973, the government's consumer price index jumped 36.9%. The Harffs' income, like that of numerous retired Americans, rose at more than twice that rate, largely due to Social Security increases. Mr. Harff's private pension, however, climbed by only 10%. And because their Social Security benefits were so small to begin with, the Harffs' income, even with the increases, is still only slightly more than the median annual income for elderly couples, last figured in 1972 by the Bureau of Labor Statistics at $5,513.

Mr. Harff and his wife have adopted a routine of cashing the pension check, which comes on the 28th of each month, and then combining it with the cash from the Social Security check, which arrives on the 3rd. From this modest kitty, they make their payments and hope to be even by the next time the 28th rolls around.

Since they own their house outright, the Harffs have no rent or mortgage payments to worry about. And while Mr. Harff says that there are school-district, borough and county property taxes totaling "several hundred dollars" a year to be paid, he adds that the couple's chief source of concern is the price of food.

Henry Harff considers fresh fruits and vegetables a necessity for good health. He was therefore elated when a friendly market manager recently offered to sell him spotted apples, bruised tomatoes and other damaged but edible items at a discount. A recent jump in the price of tomatoes to 59 cents a pound—more than double the 25 cents a pound Mr. Harff remembers paying only a few years ago—forced him to look for the special deal, he says.

Some food items have been completely eliminated from the Harff's shopping list. These include two of Mr. Harff's favorite meats—ham and pork chops. When center-cut chops reached $1.39 a pound last year, he says, the couple started to buy link sausage as a substitute. When that product also climbed to $1.39 a pound, they switched to fattier rolled sausage at 79 cents a pound. The Harffs also buy only day-old bakery items now, since the price of bread jumped to 56 cents for a big loaf, up from 25 cents 18 months ago. The day-old variety sells for half price.

A typical midday meal in the Harff household consists of Braunschweiger sandwiches and a canned vegetable, the latter usually purchased at a discount with the aid of newspaper coupons that are kept stacked under a centerpiece of the kitchen table. Their granddaughter, Trudy Vandervort, visiting with her son, David, observes that "if I ate as much as they did, I'd starve." Gertrude Harff, however, serenely assures her that "we're used to this."

The Harff's economizing has also involved clothing, and their purchases in this area are currently contingent upon what bargains can be found at a local flea market. Last year, they bought a winter coat for Mrs. Harff for $4, but Mr. Harff points out that the total cost was actually somewhat higher because some alterations were needed. (Even so, Mrs. Vandervort is impressed. "I can't find bargains like that," she tells her grandmother. "They must feel sorry for you.")

Occasionally, the Harffs drive to a nearby shopping center, but it isn't always to shop. "They go up to Zayre's and just watch the people," Mrs. Vandervort says. And even their people-watching isn't a free pleasure, as Mr. Harff reminds his granddaughter, since gasoline now is 56 cents a gallon. Accordingly, Mr. Harff normally only uses his 1966 Chevrolet for short drives to pickup a newspaper or a few grocery items.

Among Mr. Harff's other activities are such physical activities as cutting his own lawn and doing his own gardening, both of which he sees as investments in fitness as well as thrift measures. Both he and his wife enjoy reading and like to have the house filled with books, many of which they purchase for a dime each at a local flea market. And Mr. Harff also sees to it that he gets to attend 10 wrestling matches a year in Pittsburgh—a little luxury (a ticket costs $2.50), but one that he isn't inclined to forgo.

HOW MUCH DOES IT COST?

Almost everything the Harffs do is seen in terms of the money it costs, and this extends to such seemingly inexpensive pursuits as watching over the birds that frequent the couple's backyard. "You know it costs money to feed them," Mr. Harff declares, and with pencil and paper he arrives at a $4-a-month estimate for bread and seed.

This attention to financial detail doesn't extend to all areas of the Harff's expenditures. As a general rule, they simply accept the fact that their total outflow equals their total income. Mr. Harff, however, can cite such specifics as the $480 a year that goes for medicine to treat such infirmities as Mrs. Harff's circulatory problems. The specter of even larger medical expenses—such as a hospital stay that might not be completely covered by insurance—hangs over the couple as a major worry, albeit one they prefer not to ponder too much. (The Harffs are covered by Medicare and Blue Cross insurance, the latter tied into the steelworkers' union retirement system. Together, the two kinds of insurance are supposed to pay full medical costs, but Mr. Harff complains that once when he smashed his finger he had to pay $15 of the $35 bill from the doctor.)

To take their minds off any morbid speculation about the future, the Harffs have a major source of present enjoyment: their family. Indeed, it is readily apparent that their daughter, three grandchildren and two great-grandchildren add a measure of vicarious youth and an abundance of happiness to the elderly couple's days—so much so that all thoughts of budgeting seem to disappear when the youngsters come to call. "If this woman finds out the grandchildren don't have shoes, she'll take money and buy shoes," Mr. Harff says of his wife. And any visit from a family member is likely to prompt a token gift, such as some rhubarb from the yard, some soap powder, or perhaps an item that the Harffs purchased on sale. The great-grandchildren rarely leave the Harffs' house without a few coins clutched in their fists.

"When you've got children, you love them," Mr. Harff explains. "But when you've got grandchildren, you lose your mind."

A BIT OF RELIEF

The Harffs' financial situation will improve to some extent in July, when a Social Security increase will go into effect, and again in August 1975 when Mr. Harff's monthly pension will be boosted by $26.40 (the result of a recent labor contract addendum affecting past retirees). But even so, he is skeptical about whether he will be able to do more than keep up with the price of food, taxes and other costs.

Today, Mr. Harff wishes that he had had more years of service with U.S. Steel, which would have brought him a heftier pension, or that he had thought more about saving money for his retirement. He sighs when he talks about a friend of his, a recently retired steelworkers who is receiving far higher benefits from a newer contract and was therefore able to take a vacation trip to Hawaii. "It didn't cost a million," Mr. Harff says, "but it cost quite a bit."

If he and his wife could afford a trip, Henry Harff says, they would go to Europe so that he could visit a cousin in Germany and she could see Holland. If they could save $10 or $20 a week, he muses, they might go. But then he returns to reality: "I can't even dream about that," he says, noting that in seven years they haven't saved a dime.

INHUMAN TORTURES AT THE SECURITY OFFICES AND ESA

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Ms. ABZUG. Mr. Speaker, a representative of the American Committee for Democracy in Greece has sent me a translation of an article which appeared in the London-based Greek-language newspaper Eleftheria Patrido on May 2. The newspaper story details charges of torture and atrocities committed against political prisoners held by the military dictatorship that rules Greece. Unfortunately, torture of political prisoners remains a widespread practice and it must be condemned wherever it appears. I hope that the State Department will look into these charges and, if it finds they are true, that it will issue a public protest against such violations of human decency.

The article follows:

INHUMAN TORTURES AT THE SECURITY OFFICES AND ESA

ATHENS, April 25.—It is now known that the 50 patriots who disappeared on Good Thursday morning, April 11, from the Security Building where they had been held since February 19, are in the Boyati prison (a few miles outside Athens–NS). They are being subjected to inhuman, medieval tortures.

Among the 50 are Nicos Kaloudis, who has had three heart attacks; Nicos Koutroumbas, who had had one heart attack, and serious war injuries; Antonis Ambatielos, over 60 and in poor health; Yiannis Palavas, also very ill; and many more with equally serious health problems.

According to verified information, groups of specialized torturers have been formed and moved to the Boyati prison where they work steadily 24 hours a day torturing the political prisoners to force them to admit to the preposterous accusations that Mallios and Paulos have concocted. The prisoners are passed from one group of torturers to the next. In addition to the questioning, threats, loss of sleep, and forced standing, each "group" beats the prisoners with brass knuckles and clubs. If a prisoner faints he is doused with buckets of water. On regaining consciousness, he is moved to the next group.

Mallios and Mihelis have told some prisoners' families that their people are in Boyati but as prisoners of the General Security of Athens and not of ESA (military police). Paulos said on Good Thursday that the prisoners "were moved to Boyati so they could fare better." It is now evident that this transfer was made with the understanding that Ioannides' ESA torturers would take over. Authorities are now trying to build up a case in order to start a spectacular trial which they hope will conceal the mass murder of students last November as well as their other crimes.

On April 3, wives of political prisoners and exiles, and of those held at the Security stations, visited the Minister of Public Order Tsoumani. They asked for freedom for their people, or to allow visiting privileges. His answer was: "I can do nothing. It is a government matter. You are right. But you must be patient." They told him that he is the one who signs the rejection papers so he cannot contend that he can do nothing. He gave no answer. They gave him two resolutions—applications in the cases of the prisoners Papariga and Tsiokos. He promised to study the matter, repeating that it was just a governmental problem.

Tsoumani then called an agency for information and told the prisoners' wives that the Court Martial will decide their fate. He was shown the bloody clothes of the prisoner Gontika, and could only shake his head sadly.

Tsoumani receives people in audience with two persons in attendance who apparently follow his discussions and replies. The prisoners' families then visited the foreign press agencies and told them about the plight of the political prisoners.

Gontika's wife received her husband's bloodstained underwear on April 2. She too saw Tsoumanis and then went to the Red Cross, whose representative tried unsuccessfully to see the prisoners. The Security promised, however, to allow Gontika to see his wife. Instead, on April 7, they gave her three changes of his clothes. They were bloody, smeared with excrement and hair. They also returned, half-eaten, the food she brought for him.

On April 10, they showed prisoners, in groups of five, to their relatives. Among them was Gontikas who was supported by his comrades. He had no fingernails or toenails. He is only 27 years old and looked 60; only his eyes shone like two suns. His young wife wept. Their 1½ year old daughter gave him a flower but he couldn't hold it in his broken hands.

Other prisoners are similarly maltreated and in spite of their guards' warnings, some managed to show their families their torn and swollen feet—the result of the "falanga." A girl student whose name and age were not available was kept in a cell at the Security building for two months, with five sex deviates whose behavior caused her to suffer severe nervous shock.

The military court sentenced Maria Hadjinicalaou and Panos Papadopoulos to 2 years in prison even though the prosecutor had asked for 1 year. During the trial both prisoners exhibited scars and wounds from their tortures. Papadopoulos had been tortured in the genitals. They had wrapped him in newspapers, ignited the paper, and at the same time shocked his body with electricity. They placed a gadget in his mouth that causes asphyxia and which they call "wolf." For both prisoners, the well-known torturer Karapanayotis was the witness for the prosecution.

In Perissos (a village–NS) at the Cendarme building, many students have been held for 2 and 3 months. The student Niakis Balaouras was released in April and Grivas and Damigos were sent to Youra.

Topoulian, a civil engineer, was arrested in the beginning of April by 8 military police and is being held incommunicado at the ESA of Agia Pataskeui. His family is not allowed to visit him.

On Good Friday, parents of prisoners and those being tortured, asked to see the Archbishop Serafim. Serafim answered through his secretary that, "Today is Good Friday and he is totally absorbed with the Crucified One." At that moment, torturers were crucifying dozens of patriots, apparently with his knowledge and blessing.

FUEL CELLS—ANOTHER SPACE SPINOFF MAKES GOOD

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. TEAGUE. Mr. Speaker, the May 1974 edition of Government Executive magazine carried a significant article on the application of fuel cells developed in our national program to provide power for our homes and industry. This important development, as the article points out, is being readied today for use. It represents another example of the direct benefits our space program is providing to the quality of life of the people of this Nation. The article follows:

FUEL CELLS—ANOTHER SPACE SPINOFF MAKES GOOD

For the very distant future—say the third decade of the 21st Century—the space buffs talk of wondrous satellite systems capable of collecting solar energy and transmitting it by microwave to earthbound power plants.

But, at the moment, another space program spinoff benefit—the fuel cell—seems a good bet to contribute significantly toward the easing of the Nation's energy pinch in the relatively near term—which is to say, in the early 1980s.

First practical application of the fuel cell for producing electricity and water occurred in the U.S. manned space program. The National Aeronautics and Space Administration used the power conversion devices in its *Gemini*, *Apollo* and *Skylab* programs. Fuel cells built by Pratt & Whitney Aircraft powered *Apollo* and *Skylab* spacecraft, and supplying fuel cells for the *Space Shuttle* program.

To critics who claim the free enterprise system has been apathetic about developing technology needed to ease the energy pinch, the cooperative private sector program to develop fuel cells for commercial use is instructive.

Soon after Pratt & Whitney won the *Apollo* fuel cell contract, it moved to open up the commercial market for the devices.

The first commercial breakthrough occurred in the gas industry in 1962 at a time gas companies were steadily losing customers to electric utilities.

That year, a P&W team headed by William H. Podolny provided a 500-watt experimental unit for a Columbia Gas Systems pumping station at Stanton, Ky.

In 1966, P&W set up a 3.75-kilowatt fuel cell unit for Columbia Gas, and, in January 1967, 28 gas utilities formed a nonprofit corporation called TARGET (Team to Advance Research for Gas Energy Transformation) to work with P&W in developing natural gas fuel cells to generate economic electric power at onsite locations such as apartment buildings and shopping centers. More than three dozen experimental gas units now are operating in the United States and Japan.

Throughout the 1960s, electric utilities remained cool to the potential of the fuel cell. But when four utilities that supply both gas and electricity joined the Target effort in 1971, Podolny's team took a closer look at electric power fuel cell applications.

In November 1971, 10 electric utility companies and the Edison Electric Institute underwrote a $3 million P&W study program, and last year another $9 million was pumped into the program by the Electric Power Research Institute.

A few months ago, Pratt & Whitney announced a program with an expected eventual price tag of $250 million to develop a 26-megawatt fuel cell for electric utilities to supplement traditional steam, nuclear, gas turbine and hydro-generation methods.

Funding arrangements for the program are unprecedented in the industry. P&W is putting up $14 million, and nine utilities are contributing $7 million for a prior demonstration unit during the first phase. And the electric companies are providing $28 million as down payments on 56 fuel cell plants, some targeted for as early as 1978.

Each 26-megawatt plant will be capable of serving electrical needs of 20,000 people. While the plants will not be large enough to meet base-load power demands, they are viewed as important complementary sources for existing generation systems during intermediate and peak-load periods and are expected to supply as much as 15% of the yearly add-on in industry capacity.

Fuel cells have many advantages over traditional generation methods. Among these:

They chemically convert fossil fuel to processed fuel rich in hydrogen, which then is converted to electricity, without combustion or moving parts. Air, water, thermal and noise pollution are all but eliminated—an important plus for electric utilities which have been favorite targets of environmentalists.

The devices are highly efficient.

Any liquid or gaseous hydrocarbon fuel can be used in the conversion process. For the future, synthetic natural gas made from coal is a possibility. New units, however, will use distillate fuel at first and perhaps heavier oils later.

Because a fuel cell can draw more energy from a fuel source than conventional stations can, limited fuel supplies can be conserved. "When there are limited supplies of distillate fuel," Podolny says, "it is important that we get the maximum amount of energy out of what is available."

Plant siting problems are reduced. Units can be deployed either individually or in multiples, according to demands of an individual electric company. They do not intrude on the landscape, and can be located in congested urban areas, suburbs or rural areas. A 26-megawatt unit can be sited on half an acre.

Participating with P & W in the privately-financed endeavor are Boston Edison, Consolidated Edison of New York, Consumers Power Co. of Michigan, New England Electric, Niagara Mohawk of New York, Northeast Utilities of Connecticut, Philadelphia Electric, Public Service Electric and Gas of New Jersey and Southern California Edison.

The program got under way without Government support. While justifiably proud of the private sector's accomplishments, however, Pratt & Whitney, noting the new interest in Washington, D.C., in advanced energy-related technologies, has let it be known that "we would welcome Government participation in our program."

ELIZABETH WACHS

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. JAMES V. STANTON. Mr. Speaker, on May 24, Elizabeth Wachs, a distinguished member of the Brooklyn, Ohio, City Council, passed away. She gave 27 years of her life to serving her people and her magnificent community. She was the type of person who went beyond what was required of her to insure that those who needed help were given it. She never failed her city in tasks both big and small and will be greatly missed by many people.

I would like at this time to insert this editorial concerning her, from the Parma Sun Post, into the RECORD:

THEY CARED

They cared. They were there when help was needed. They served their communities with dedication and honor.

Councilman Elizabeth Wachs died May 24. For 27 years she served with great distinction as a legislator in Brooklyn.

Cleveland councilman Michael Zone, a city legislator since 1960, died June 2. Few have ever matched him as a concerned public official.

Both will be missed. Not only by those who knew them on council or by those who they aided in times of distress, but by anyone who took the time to really view them as "people oriented" legislators—councilmen with the quality to go beyond their normal duties.

Cleveland Council President George Forbes described Zone as "a patient and understanding father without any generation gap, a devoted son and a friend of all—a friend whose sage advice was sought by the politician and treasured by the newest immigrant."

Brooklyn Mayor John Coyne said Mrs. Wachs was not only an excellent councilman "but a friend to all, one who was concerned enough to do more than anyone could expect of her." She always found time, he continued, to lend a hand in any difficult situation—whether it was a small problem a resident faced or the creation of a major city project.

They left an endless list of accomplishments to their credit. And there were always the smaller difficulties they helped solve that only their constituents will know about.

We mourn the deaths of both public officials.

But they left behind some things to believe in, some things to cherish.

Honestly. Loyalty. Dependability. Respectability. Dedication. That's what Michael Zone and Elizabeth Wachs stood for.

But most of all they cared.

IMPEACHMENT SHOULD BE THE FIRST PRIORITY OF BUSINESS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BROWN of California. Mr. Speaker, the subject of the impeachment of President Richard M. Nixon has received the attention it deserves in the news media of this country. This subject is the most important question facing the Nation and it cannot remain unresolved. Yet the House and the Senate appear to be insensitive to the need to resolve this question as soon as possible. It is only natural that the President would attempt to delay any congressional decision, but his actions should only strengthen the will of the Congress to move ahead.

We now know that a Federal grand jury unanimously found the President to be a coconspirator in the Watergate coverup. In addition to those charges, which are contained in the pending resolutions of impeachment, the President is charged with other high crimes and misdemeanors. The President's most recent refusal to comply with subpenas are still more grounds for impeachment. The fact of the matter is, the President is charged with impeachable offenses that can only be resolved by a trial in the Senate.

Mr. Speaker, it is not the duty nor the responsibility of the House to conduct a trial on the charges against the President. The President's counsel can claim what he wishes, but we need only find merit in the charges. My own determination is that the President has violated his oath of office and committed impeachable offenses.

Only a Senate trial can now determine if the President is innocent of all charges against him. It is the responsibility of the House to be the people's advocate, the prosecutor if you will. It is only the Senate's duty to be a jury.

The President is charged with crimes against the people of the United States. Yet we carry on business as usual, and the President is leaving the country while still under serious unresolved charges. This is a subject that should and must have the utmost attention of the Congress.

The impeachment of President Nixon must be the first priority of this Congress. I urge the House Judiciary Committee to bring this matter to a quick vote in the House and a speedy trial in the Senate.

SAUNDRA TAYLOR NAMED MISS BLACK JOLIET

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. O'BRIEN. Mr. Speaker, recently Saundra Taylor of my hometown was selected as Miss Black Joliet. I want to take this opportunity to congratulate Ms. Taylor on her achievement and wish her similar success when she competes for the title of Miss Black Illinois in Chicago.

I am submitting for the RECORD an account of her victory that appeared in the Joliet Herald-News.

JJC STUDENT SINGER SELECTED MISS BLACK JOLIET

Saundra Taylor is Miss Black Joliet 1974.

The 18-year-old Ms. Taylor is the daughter of Mr. and Mrs. Lewis Taylor of 1912 South Chicago St. A graduate of Joliet East High School and now in her second year at Joliet Junior College, where she has been preparing for a career in special education, Ms. Taylor will head next for the Miss Black Illinois Contest in Chicago.

Ms. Taylor was selected Saturday evening from among six finalists in the fourth annual event. Mary Alice Banks, 18, of 2217 Fairmont Ave. in Lockport was first runner-up. Gina Rutledge, also 18, of 1511 Cutter Ave. was second runner-up.

All girls were judged in talent, swimsuit and evening gown competition at the Joliet Central High School Auditorium. The contest was sponsored by the Women's Auxiliary for Concerned Veterans of Vietnam and the Freedom Club of Joliet.

No stranger to the contest, Ms. Taylor has viewed the proceedings for the last two years, but not as a contestant. A member of the "Stylesetters" entertainers, she participated in the contest shows during the last two years.

This year, Ms. Taylor sang "My Imagination" in the talent competition.

FORT WADSWORTH COMMITTEE FOR A LIVING NATIONAL PARK MEMORIAL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. WOLFF. Mr. Speaker, Leo A. Boller, chairman of the Fort Wadsworth Committee for a Living National Park Memorial, has been active in trying to help our POW's and MIA's. He has obtained signatures of many students of the New York area, and he, the students, and members of the committee have taken their message to the United Nations.

In hope that further recognition will help Mr. Boller in his worthy efforts, I would like to insert a letter from Mr. Boller and a list of the members of the Fort Wadsworth Committee for a Living National Park Memorial in the RECORD for the attention of my colleagues:

MAY 28, 1974.

Hon. LESTER L. WOLFF,
House of Representaitves, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN WOLFF: As a member of this Committee,* Congress Wolff, you will be pleased to know that we held a "Students' Petition Day at the United Nations for our MIAs and POWs" on May 24, 1974 at 11:00 A.M. The honorable Bradford Morse, Under-Secretary-General of the United Nations most graciously received the students, educators and members of this Committee in his boardroom on the thirty-eighth floor of the United Nations. Mr. Morse assured us that he would set this humanitarian endeavor in motion for our MIAs and POWs. The five Borough Presidents of New York City and Nassau and Suffolk County Executives kindly proclaimed this day. After the presentation we were given a private tour of the United Nations. The students' enthusiasm in being instrumental in saving our mens' lives is inspiring and they were pleased to know that the President was aware of what they were trying to accomplish. Many plan to continue to obtain signatures from their schoolmates and if this could be read into the Congressional Record, it may encourage more to join in this patriotic endeavor for our servicemen and their families. On or about July 4, 1974 a subsequent delivery to the United Nations will be made . . . for our men's independence on our Independence Day!!!

(Student petitions were received from Metropolitan New York, Rochester, N.Y., New Jersey, and New Mexico.)

With very best wishes,

Sincerely,

LEO A. BOLLER,
Chairman.

FORT WADSWORTH COMMITTEE FOR A LIVING NATIONAL PARK MEMORIAL

Leo A. Boller, Chairman, Retired, N.Y.C. Police Department, Member of Honor Legion of Police Dept.

Ann J. Boller, Vice Chairman and Secretary.

*Loring McMillen, Committee's Historian, Director, S.I. Historical Society, Richmondtown, NY, ARBC.

**Oliver Jensen, Editor, American Heritage Publishing Co., Inc., Fifth Avenue, New York.

William E. Milacek, Commander, Catholic War Veterans, Department of New York State.

Raymond C. Fingado, Administrative Assistant, S.I., N.Y. Historical Society Richmondtown.

Nathan L. Wolfson, Commander, Jewish War Veterans, Department of New York State.

Frank F. DiSogra, Commander, Veterans of Foreign Wars, Richmond County Council, S.I., N.Y.

*Karl B. Justus, Executive Director, Military Chaplains Association of U.S.A., Washington, D.C.

Robert W. Garlinger, Commander, The American Legion, Department of New York State.

Warren S. Woodward, Exec. Sec., National Society Sons American Revolution, Natl. Hdqrs, Washington, D.C.

Frank J. Schira, Exec. Director, National Police Officers Assoc. American, Natl. Headquarters, Florida.

Kenneth T. Jackson, Sec-Treas., Society of American Historians, Columbia University, New York.

James H. Driscoll, Secretary, National Democratic Club, Madison Avenue, New York.

Robert D. Carter, Acting Executive Director, Blinded Veterans Association, Washington, D.C.

Edward S. Malone, Past National Executive Committeeman, Disabled American Veterans, New York.

J. B. Koch, Commander, Veterans of World War I of USA, National Headquarters, Alexandria, Virginia.

Edward J. Kiernan, President, Patrolmen's Benevolent Association of N.Y.C. Police Department.

Thomas J. Mooney, Vice President, United States National Student Association, Washington, D.C.

Frank C. Fini, Executive Director, Air Force Sergeants Association, Washington, D.C.

Margaret S. Cirbus, Corresp. Secretary, Soroptimist Club of S.I., N.Y. (Professional & Business Women).

*Louis R. Bruce, Commissioner, Bureau of Indian Affairs, U.S. Dept. of Interior, Washington, D.C.

John M. York, Commander, Veterans of Foreign Wars, Department of New York State.

Howard H. Spooner, Commander, Veterans of World War I of USA, S.I. Barracks #2524, S.I., N.Y.

Vicent A. Tabano, President, The Honor Legion of the Police Department of the City of New York.

*Colonel Harold G. Barry, The Chief Secretary, The Salvation Army, Territorial Headquarters, N.Y.

** Henry Allen Moe, President and Board Chairman, New York State Historical Association, New York.

Francis L. Butt, National Commander, The Boys' Brigade of America, Baltimore, Maryland.

*Floyd B. Taylor, National Park Service Landmarks Specialist, U.S. Dept. of Interior, N.P. Service, NY.

William B. Flynn, President, Retired Patrolmens Association, Inc., N.Y. Police Department, N.Y.

Steve Hallock, National Adjutant, Army and Navy Union, U.S.A., National Headquarters, Niles, Ohio.

Salvatore Violante, Commander, Disabled American Veterans, Astoria Chapter #29, Long Island City, N.Y.

**John M. Murphy, Member of Congress, Congress of the U.S., House of Representatives, Wash., DC. (S.I.)

*James A. McDivitt, BG–USAF, Apollo Spacecraft Mgr., Natl. Aeronautics & Space Administration, Houston, Texas.

Hallett D. Edson, BG-Ret, Exec. Vice Pres., National Association for Uniformed Services, Arlington, Va.

William C. LaMorte, President, Kiwanis Club of North Shore Staten Island, York Avenue, S.I., N.Y.

*John T. Satriale, Esq., Former N.Y.S. Assemblyman, New York, New York; ARBC.

*Rabbi William Berkowitz, President, The New York Board of Rabbis, Inc., New York, New York.

J. Joseph Smith, Past County Commander, Chairman Life Membership Committee, Dept. of New York, Vets. of Foreign Wars.

Alfrend M. Francia, Chef De Gare, Societe 40 Hommes, 8 Chevaux (The Forty & Eight) The American Legion, Loc. 595, S.I.

**August Heckscher, Administrator, Commissioner of Parks, The City of New York, Parks, Rec. & Cultural Affairs.

Charles Phillips Sturges, Governor General, General Society of Colonial Wars, Chicago, Illinois.

Bernard Berggren, Area Vice President, Area II, American Association of Retired Persons, S.I., N.Y.

*Dr. James J. Flynn, Chairman, History & Political Science Dept., St. Francis College, Bklyn; Historian of Queens, AREC.

** Lester L. Wolff, Member of Congress, Congress of the U.S., House of Representatives, Wash. D.C. (Queens)

*Rev. Edward Lodge Curran, Ph. D., Pastor, St. Sebastian's Roman Catholic Church, Woodside, N.Y.; AREC.

**George Meany, President, American Federation of Labor & Congress of Industrial Organizations, Wash., D.C.

*Harold B. Say, Editor, The Stars and Stripes, The National Tribune, Washington, D.C.

*Matthew J. Troy, Jr., Councilman, The City of New York, 16th District, Queens, N.Y.; ARBC.

*George O. Pratt, Jr., Director, Staten Island Institute of Arts and Sciences, S.I., N.Y.

*Alexander B. Lyon, Jr., Vice President of Corporation Trust Dept. of Chemical Bank, N.Y.; Treasurer of ARBC.

*Rabbi I. Usher Kirshblum, Jewish Center of Kew Gdns. Hills & Vice Pres. of Queens Interfaith Clergy Council; ARBC.

*Edward Whitney, President, The Citizens Committee of Brooklyn, Inc., Brooklyn, N.Y.; ARBC.

**Barry Goldwater, United States Senator, Arizona, United States Senate, Washington, D.C.

ARBC–Members of N.Y.C. American Revolution Bicentennal Citizens Committee.

Joseph J. Richie, Adjutant, Staten Island Detachment #1, Marine Corps League, Staten Island, NY.

*Orval A. Taylor, Lt. Colonel, Commander, Greater N.Y. Unified Command, The Salvation Army, NY.

Peter Holowecki, Commander, The American Legion, Williston Post #144, Williston Park, LI, NY.

John P. Tipping, County Commander, The American Legion, Nassau County, Long Island, New York.

**Stanley K. Hathaway, Governor, State of Wyoming, Executive Department, Cheyenne, Wyoming.

**Jacob K. Javits, United States Senator, New York, United States Senate, Washington, D.C.

**Ralph G. Caso, Nassau County Executive, Mineola, N.Y.; Chairman of Metropolitan Regional Council.

**Robert B. Docking, Governor, State of Kansas, Office of the Governor, Topeka, Kansas.

Neil G. Knowles, National Commander, Catholic War Veterans of USA, Natl. Hdqrs., Washington, D.C.

*Dr. Joseph J. Palisi, Borough Historian of Brooklyn, Borough Hall, Brooklyn, New York.

Joseph Jastry, Department Commander, AMVETS Department of New York, Hamburg, New York.

Donald R. Sloane, President, Sons of the Revolution in State of New York, Fraunces Tavern Museum, NYC.

Amadeo F. Rodriquez, Commandant, Greater N.Y. Detachment #1, Marine Corps League, New York County.

Gordon V. Greve, Commander, Military Order of the Purple Heart of USA, Greater N.Y. Chapter 126.

Dorothy Frooks, National Commander, Women World War Veterans, Inc.—Army, Navy, Marines, Coast Guard, Air Force.

**Abraham D. Beame, Mayor of the City of New York, Office of the Mayor, City Hall, New York City.

Elliott S. Farbstein, Commander, The American Legion, East Side Post 868, New York, New York.

**Bruce King, Governor, State of New Mexico, Office of the Governor, Santa Fe, New Mexico.

M. H. Wiggins, Regent, Natl. Society, Daughters of Amer. Revolution, Major Thomas Wickes Chap., Douglaston, NY.

*John R. Ray, Director, Nassau County Veterans Service Agency, Carle Place, New York.

**George C. Wallace, Governor, State of Alabama, Governor's Office, Montgomery, Alabama.

*Honored Committee Members.

**Honorary Committee Members.

BUSING—A LOCAL OPTION FOR QUALITY EDUCATION

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. VANDER VEEN. Mr. Speaker, busing should neither be prohibited in nor forced upon local communities by the U.S. Congress in the pursuit of equalizing educational opportunities for all children. It is not the answer to the larger problem of raising the economic status of minorities and inner city neighborhoods, a condition precedent to improved education.

I am in favor of local solutions to the problem of providing equal educational opportunities for all children. In some areas and under some circumstances, school systems may choose to use busing in pursuit of educational excellence, while in other places and other situations, busing may be wholly inappropriate. I am against a legislative prohibition of busing because it reduces flexibility at the local level. I am equally against a congressional requirement of busing for the same reason. I believe that the use of busing should be an option available to, but not forced upon, local communities.

Furthermore, our democratic process rests upon a vigorous checks and balances system which has always included a strong and independent judicial branch. In our system it is the responsibility of the courts to interpret the Constitution, and for the Congress to involve itself in this process by telling the courts what they cannot do is clearly unconstitutional. If the Congress wishes to abolish busing, then under our Constitution the only way this can be done is through a constitutional amendment.

I am opposed to the Esch amendment to the ESEA because it is unconstitutional and even if it were not, it takes away from each school district the necessary flexibility needed to obtain educational excellence for our students. We must not lose sight of the fact that the critical issue is educational excellence for all of our children. As the Grand Rapids Press stated in an April 15 editorial:

> The first [point to be stressed] is that busing is one of those semi-spurious issues which is debated and thrust before the public not so much to solve a problem as it is to trip up or embarrass a political opponent. Such issues . . . are guaranteed to excite emotions to such an extent that a lawmaker who feels compelled to cling to what he considers high principle or constitutional theory sometimes finds himself in the minority and is buried by popular opinion.

AMERICAN JOBS AND RHODESIAN CHROME

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ARCHER. Mr. Speaker, our country has been faced with critical shortages of vital materials needed for American industry. We need to be alert to any present shortages and any shortages which may develop in the future. This has been one of the major reasons why I have been concerned with the attempt of some Members of Congress to have the United States impose an embargo again on Rhodesian chrome. As we all know, Rhodesian chrome is vital to the production of specialty steel products—especially stainless steel. If we reestablish this embargo, it would seriously harm a critical industry in the United States and it would result in the loss of jobs for the American worker.

My recent concern has been with the attempts of proponents of this embargo to rely on inaccurate and misleading information in order to promote their case. An example of this type of distortion appeared in the April 7, 1974, issue of Steel Labor, a magazine of the United Steelworkers of America. This article was inserted in the CONGRESSIONAL RECORD of May 30, 1974 (16932–16934). The article claims that Rhodesian chrome caused a reduction of American jobs and that proponents of importing Rhodesian chrome have large financial interests in Rhodesia. Both of these charges are inaccurate. The article from Steel Labor states:

> The pressure of low-cost imports of ferrochrome from Rhodesia began to be felt only months after passage of the Byrd Amendment, which "sanctioned" the U.S. to violate our international obligations and deal with the rump government created by Rhodesian racists. Today seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina and Alabama now have a work force almost 30 per cent smaller—directly attributed to ferrochrome imports of which Rhodesia is the largest source.

The facts reveal that the very opposite has been the case During the period the United States had its embargo on Rhodesian chrome (1966–1971), U.S. ferrochrome production decreased steadily. It was only after the United States lifted this embargo that Rhodesian chromite became available to the American ferrochrome industry again, production increased dramatically. It was in 1973 that U.S. ferrochrome producers regained most of the ground they had lost during the embargo period. The real problem regarding a loss of jobs was due to the imposition of the embargo and not the repeal of the embargo. In fact, a reimposition of this embargo would cause a job loss for the American worker.

The article also stated:

> When dealing with Members of Congress, company spokesmen never documented possible job loss due to any adherence to the Rhodesian boycott.

The opposite has been true. Steel company spokesmen and members of the United Steelworkers Union have provided facts and figures time and time again on the impact of the embargo on jobs. A strong and effective case has been made by concerned steelworkers and company representatives that repeal of the Byrd amendment with the reimposition of the boycott would have disastrous consequences for the specialty steel industry.

Another distortion which occurs in the article concerns financial interests of certain companies. It states:

> Union Carbide and Foote Mineral are not coincidentally the most prominent lobbyists for Rhodesia—for they have multimillion dollar investments in that country and seek to protect their holdings.

An examination of the record reveals that Union Carbide has not had operational control of any Rhodesian facilities for more than 7 years and receives no income from Rhodesian sources while Foote Mineral Corp. does not own any property in Rhodesia.

The need for Rhodesian chrome for the specialty steel industry is vital. I respectfully suggest that the opponents of the Byrd amendment take time to review their statements for accuracy before they put them forth as part of the debate on this vital issue.

WHERE DOES IT HURT?

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ROSENTHAL. Mr. Speaker, the state of health care is one of the most important social issues facing the Nation today. Americans are spending $94.1 billion a year on health care—$441 for each man, woman, and child—yet this Nation ranks worse than 11 other countries in life expectancy and 26 nations in infant mortality. The only category in which we rank first is cost. Americans pay more per person for health care than citizens of any other industrialized nation.

There is no conceivable reason why the wealthiest, most technically and scientifically advanced nation on Earth cannot also be the healthiest.

Nearly everyone agrees that "something ought to be done." With the addition of President Nixon's proposal Congress has accumulated for consideration 48 separate "health reform" bills.

The New Leader recently devoted an entire issue to the medical crisis in America. Titled "Where Does it Hurt?" the report was written by Richard J. Margolis.

I commend this issue to all my colleagues and will insert portions of it in the RECORD this week.

The first excerpt, "The Politics of Health Reform," compares the principal competing health reform bills now before the Congress: The Health Security Act (H.R. 22), the Long-Ribicoff catastrophic insurance proposal, the Kennedy-Mills bill, and the administration plan.

The article follows:

THE POLITICS OF HEALTH REFORM

No one in Washington nowadays, except for an occasional AMA lobbyist, worries about Federal intrusions into our private health care system. It is at least eight years and $80 billion too late for such misgivings. What many people do worry about, and endlessly debate, is the precise nature of future Federal involvement: How much will it cost, who will pay for it and what groups, ultimately, will benefit?

In addition, there is much fretting over the question of *control,* because everybody in Washington knows that having a hand on the administrative steering wheel often entitles one to have the other hand in the Federal pocketbook. Thus, the desks of our Congressmen, and maybe their wastebaskets as well, are overflowing with measures that purport to have the right answers. Most of these schemes will die in committee; a privileged few, though not invariably the worthiest, will reach the floor of Congress.

What is a good, comprehensive health care proposal? No one is certain—at least no one ought to be—but there is little mystery about the goals toward which any sensible bill should point. These include: (1) full insurance coverage opportunities for every American; (2) a reasonable price tag, equitably shared; (3) more primary care physicians and fewer surgeons; (4) guarantees of health care *when* and *where* the patient needs it—at night and on weekends, in ghettos and in rural areas; (5) a shift of emphasis from hospital-sponsored crisis medicine to preventive medicine; and (6) a strong, continuing consumer voice in health care arrangements and policies.

Self-evident as such goals may be, not all the principal disputants can agree even on these; and when the debate shifts from goals to ways and means, the citizen's ear is assailed by a Babel of tongues. Every bill has its lobby, and every major lobby has its pet bill.

There now are about 600 registered health care lobbyists in Washington, more than half of whom work for the insurance industry. The growth of the insurance presence since Truman's time is proof of the proposition that today's vested interests are the products of yesterday's inadequate reforms. Unlike the AMA, which is forever emoting and verging on tantrum politics, the insurance lobby keeps a low profile. "They're very smooth, and they have a lot of money," says Allen Zack of the AFL–CIO. "It was mainly the insurance people and not the AMA who won all those concessions in Medicare and Medicaid. They've also got a lot of clout at HEW and the White House."

Insurance companies and their executives have been big Nixon contributors. Clement Stone, president of Combined Insurance, topped the list in 1972 with a $2 million gift to the Committee to Reelect the President. Nixon has shown his appreciation in the kinds of health reforms he has proposed to Congress and in the way his HEW administrators have conducted their end of the health care business. HEW, as we demonstrated earlier, has suppressed its own auditors' reports of Medicare and Medicaid abuses by "fiscal intermediaries." It has also displayed a reluctance to air data that might make the commercial insurance industry look bad.

Not long ago Blue Cross sent out a news release based on an HEW research study showing how its customers got back in benefits a higher percentage of their premiums than did commercial insurance customers (*Social Security Bulletin,* February 1973). The very next day Blue Cross' information director, Joseph S. Nagelschmidt, received a call from an HEW official asking him to withdraw the release. According to Nagelschmidt, the official claimed to be acting on instructions from the White House. "They got a complaint from Clement Stone," Nagelschmidt says he was told. The release was withdrawn.

The nation's second most effective health care lobby is the AMA. Its political arm, the American Medical Political Action Committee (AMPAC), spent more than $3 million on Congressional elections in 1972, distributing largesse to all candidates willing to sponsor "Medicredit," the AMA-backed bill that was submitted to Congress in 1970. The measure at present has more than 180 sponsors, including a sprinkling of northern Democrats.

Money accounts for much but not all of the AMA's political effectiveness. The association enjoys an inner strength as well because it believes its own mythology. While the rest of us despair of discovering a sensible path through the health care maze, the AMA remains serenely certain it knows the right answers. Yet it is risky to present an AMA official with a fact; you may put him out of sorts.

At a hearing before Senator Edward M. Kennedy's subcommittee two years ago, four AMA spokesmen denied there was a health care crisis. Even the President had said there was a "crisis," responded Kennedy, who went on to point out that the number of tonsillectomies in California was four times the national rate, suggesting that the distribution of surgeons around the country might be uneven. "Where does that statistic come from?" asked Harry Peterson, the AMA's chief lobbyist. The Senator replied that the figure was part of the Nixon health message. He then asked about the high rate of infant mortality in the U.S. Weren't there a dozen or so nations with lower rates? "Those figures are wrong!", cried Dr. Max Parrott, chairman of the AMA Board of Trustees. "They are absolutely wrong. They are used dishonestly." The statistics came from the United Nations.

This spectacle of a temperamental giant flailing in the dark would merely be funny if the AMA was not so adept at keeping the rest of us in the dark, too. Each week, for example, about 40 million Americans watch the television series, *Marcus Welby, M.D.,* a portrayal of fee-for-service Nirvana whose wise, kind and handsome protagonist is the very model of a model general practitioner. The AMA serves as a technical consultant to the program, and last fall reporters learned that it was instrumental in having two scenes from a single show left on the cutting room floor.

In the expurgated scenes a surgeon, Dr. Jeliff, remarked to Welby that 80 per cent of the cost of an operation he had scheduled the next day would be paid by the patient's group medical insurance. Welby asked if that "isn't true in most of your cases?" Jeliff replied, "No. I'm sorry to say many of those who need insurance the most don't have it." Questioned about the cuts, the producers conceded that certain changes had been made "during editing."

Besides the AMA and the private insurance industry, lobbies like Blue Cross and the American Hospital Association (AHA) carry some weight on the Hill, though Blue Cross observes a nominal neutrality toward bills under consideration. ("We support certain principles," says George Kelley, its chief lobbyist, "but we don't take stands on legislation.") Since the health care community is a loose coalition of interest groups, each scrambling for the dollar, the lobbying organizations do not always agree. For instance, during last fall's Congressional debate over the Emergency Medical Service bill, a measure that would have pumped Federal funds into hospital emergency units if the President had not vetoed it, the AHA found itself arrayed against the AMA. (The AMA won when the House, by four votes, failed to override the veto.)

Nevertheless, at this stage of the game the private lobbies recognize that they have much in common and frequently they synchronize their ad hoc campaigns. Late last year, all the big-letter lobbies—AHA, HIAA and AHA—got together in strategy sessions intended to make the impending HMO bill conform more nearly to their interests. Among other things, they agreed to press for "dual choice," a provision putting private insurance plans on at least an equal competitive footing with HMOs (at the same time, they opposed requiring employers to include HMOs in the choice of insurance packages offered to employes). Blue Cross representatives attended some of these sessions, despite their insistence that they could take no position on proposed legislation.

THE LIBERAL LOBBY

The lobbying scales are thus tipped heavily on the side of private interest groups. The only counterweight of any note is the AFL–CIO and its embattled offspring, the Committee for National Health Insurance (CNHI), which is also called "The Committee of 100." On its roster can be found such distinguished names as Arthur Goldberg, John Kenneth Galbraith, Dr. Charles H. Mayo II, and Mrs. Martin Luther King Jr., plus a curious trio of former Senators—Paul H. Douglas, Ralph W. Yarborough and William B. Saxbe. In philosophy and spirit the committee is the natural descendant of two organizations mentioned earlier for their attempts to bring about enactment of universal national health insurance, the American Association of Labor Legislation (1912) and the Committee on the Costs of Medical Care (1927–32). The continuity is more than symbolic: Among the "100" is I. S. Falk, a CCMC founder who sought to get national health insurance written into the New Deal's Social Security Act.

CNHI is working in support of the "Health Security" program, S. 3, introduced four years ago by Senator Kennedy and Congresswoman Martha W. Griffiths (D.-Mich.). Although Kennedy on April 2 announced he was joining in a substitute bill, S. 2 remains a touchstone for all those who view themselves as keepers of the 60-year-old dream of universal health insurance.

Most of the other bills are narrow-gauge proposals calling for new institutional subsidies, while permitting the overall system to lurch forward unattended and unaltered. To begin with, there is Medicredit, a gimmick the AMA whipped up in 1968 and has wistfully promoted ever since, with the help of that tireless champion of social reform, Senator Vance Hartke (D.-Ind.). It would leave fee-for-service practice unscathed, and provide every possible incentive for doctors, hospitals and insurers to raise their rates.

In brief, Medicredit would distribute health insurance vouchers to all citizens, in amounts varying in inverse proportion to the size of their income tax bills—the less one pays, the more vouchers one receives. Theoretically, the poor would gain the most from this arrangement, but it would also reward millionaires like J. Paul Getty who by slipping through loopholes each year manage to pay little or no taxes. Most important, the plan would be virtually useless to a majority of middle-income Americans, because their tax bracket would render them ineligible for more than a token quantity of vouchers.

Few people in Washington take this proposal seriously. One must wonder whether many of the Congressmen who signed this bill did so out of conviction or out of gratitude to AMPAC. Even the commercial insurers, who stand to benefit from the measure—in effect, it would convert Federal agents into insurance salesmen and underwriters—prefer to ignore Medicredit and concentrate instead on the industry's own entry, the "National Health Care Act," introduced a year ago by Senator Thomas J. McIntyre (D.-N.H.).

"Healthcare," rhapsodizes a recent Health Insurance Association of America pamphlet, "seeks to contain health costs, improve organization and delivery of health services, and make comprehensive health insurance—including a $250,000 catastrophe benefit—available to all. Under Healthcare no family need ever impoverish itself because of ill health." All this is to be accomplished through a complex system of state and Federal subsidies to insurance companies (HIAA graciously includes the "Blues" in its patronage plans) that would enable insurers to offer more benefits to more Americans, even the "high risks." This is the industry's latest attempt to persuade taxpayers to underwrite "clunkers."

In fairness, Healthcare does make a casual stab at revising the system, and that puts it light years ahead of Medicredit. For example, the plan would set up minimum Federal standards for benefits, which might widen coverage beyond hospitalization and raise the ceiling on "catastrophic" insurance, but it lacks specific machinery to enforce these guidelines. Healthcare does recommend machinery to review charges submitted by health care providers under Federal programs, yet the review powers are to be vested not in Washington but in 50 separate "State Healthcare Institutions Cost Commissions" to be appointed by the governors. Both the notion and the name are so awkward that a hospital might double its charges before anyone in a state capitol could find tongue or title.

The AHA favorite—the National Health Care Services Reorganization and Financing Act (H.R. 1)—is not thought to have much chance of passing either. The bill, introduced by Congressman Al Ullman (D.-Ore.), is better than most, albeit Byzantine in structure. It mandates creation of a network of local health care corporations to which citizens may subscribe in advance for services. "All persons," Ullman has said, ". . . would be entitled to the same broad package of benefits," with employers paying three-fourths of the cost for their workers, and the Federal government picking up the tab for the poor and the elderly.

Apparently these corporations could function as HMOs, though the wording on that score is not entirely clear. What is clear is that hospitals would play a central role in this system, since in most places they are the only institutions capable of administering so complicated a plan. The hospitals, in turn, would be regulated by state health commissions appointed by the governors—an unpromising arrangement, to judge from the Medicaid experience, where so many states have failed to enforce sensible standards of quality and cost.

The strength of Ullman's bill lies in its attempt to "rationalize" the health care system rather than merely subsidize it, and in its provision for a new Cabinet-level Department of Health to preside over the entire mélange. Yet for all its detailed exegesis—the measure, in close type, fills 34 pages of the *Congressional Record*—H.R. 1 remains distressingly vague about who will control what. One is left with the impression that the hospitals will be in charge, and that these state health commissions will represent institutions instead of consumers.

VIABLE PROPOSALS

Perhaps what weighs most heavily against Medicredit, Healthcare and H.R. 1 is that none is a "politically viable proposal." A politically viable proposal is one made by the President, or else sponsored by somebody on the Hill capable of getting it on the agenda of an appropriate committee. In the Senate, the man to watch is Russell B. Long (D.-La.), chairman of the Finance Committee. And sure enough, his committee is slated to consider a new health bill—drawn up in collaboration with former HEW Secretary Abraham Ribicoff (D.-Conn.)—the Long-Ribicoff Catastrophic Health Insurance and Medical Assistance Reform Act.

Before Nixon introduced his latest health plan, the Long-Ribicoff bill enjoyed considerable support among reformers on the Hill. The names of its sponsors—such lustrous liberals as Senators Gaylord Nelson (D-Wis.), James Abourezk D.-S.D.), George McGovern (D.-S.D.), and Quentin Burdick (D.-N.D.)—remain on the measure, but their ardor has cooled somewhat in the face of the President's program. For to the embarrassment of these Senators, the Administration's proposal actually offers more health insurance coverage to the public than does the "liberal" Long-Ribicoff package. As a result, Chairman Long will probably feel compelled to hold hearings later this spring that will also take up the President's bill, sponsored by Senator Robert Packwood (R.-Ore.) and Congressman Herman Schneebeli (R.-Pa.).

In the House, the man who counts most is Wilbur D. Mills (D.-Ark.), chairman of the Ways and Means Committee. And sure enough, he has in hand a freshly minted bill sponsored by himself and Senator Kennedy for which he has scheduled hearings to begin after the Easter recess. "I think the bill has a good chance of passing this year," Mills said at a recent press conference.

The Kennedy-Griffiths proposal, therefore, remains just a gleam in the CNHI. Since it has been abandoned by one of its authors, what little chance it had of passing this year is completely gone. For liberals, this raises difficult tactical questions: Should they, like Kennedy, give up on S. 3 and settle for half a loaf from Mills, Nixon, or Long? Or should they hold out for their own full loaf and thereby risk—indeed, guarantee—getting nothing this session? Before exploring this dilemma, we ought first to compare the three competing bills in the light of those six basic goals listed earlier.

1. Full insurance coverage opportunities for every American. Under Kennedy-Griffiths everyone is eligible for benefits that cover the entire range of health services. There are no means tests and no strings—no deductibles, no coinsurance clauses, no limits on preventive care.

The other three bills offer protection to nearly every American, too, but the extent depends upon age and income. They would keep Medicare, replace Medicaid and introduce plans for the heretofore neglected middle class. In general, they would pay some benefits to some of the people some of the time. Long-Ribicoff emphasizes catastrophic insurance, for which 95 per cent of the population is eligible, and a Federal subsidy system for the poor; Kennedy-Mills and Nixon both proposed benefits for the middle class—the former through a compulsory Federal plan, the latter through voluntary private insurance plans.

The President's employe group package carries a $150 deductible on out-patient drugs. Further, a family must pay one-fourth of all charges, up to $1,500 each year. Such "copayments" are also a feature of Long-Ribicoff and Kennedy-Mills. Long-Ribicoff would charge a middle-income patient $17.50 for each day of hospitalization and 20 per cent of all medical bills (up to $1,000)—after the patient has absorbed the first $2,000 of medical expenses and 60 days' worth of hospital costs. Under Kennedy-Mills, the patient would pay a $150 deductible and then one-fourth of the total medical bill up to $1,000 per family per year. However, preventive care like prenatal examinations and family planning would get "first-dollar coverage" (no deductibles or copayments).

2. A reasonable price tag, equitably shared. S. 3 is the most expensive—$67 billion. The program envisions a Health Security Trust Fund fed by a Social Security tax of 3.5 per cent on employers, and 1 per cent on the first $15,000 of a worker's annual wages. This money would be supplemented by Federal general revenues.

Kennedy-Mills supporters say their measure would cost $40 billion a year, the funds to be raised along S. 3 lines. The slight difference is that a minimum of 3 per cent would be charged to employers and a maximum of 1 per cent to workers.

A similar price of $40 billion is estimated for the Nixon proposal, though the Administration claims it would require only $13 billion a year from the Federal treasury. That is because the White House is relying largely on private insurance coverage privately financed—by employers and employees—and as the New York Times has observed, "Mr. Nixon's premiums must be paid just as if they were called taxes." Worse, it treats as taxable income for individuals the premium contributions made by employers, and then turns around and treats employe contributions as nondeductible expenses. The taxpaying worker is thus put in double jeopardy.

By contrast, Long-Ribicoff backers claim their bill would cost about $10 billion. It adds only 0.3 per cent to the Social Security tax, the burden to be shared by employers and employes, yet its system of co-payments and deductibles constitutes cruel (though not unusual) punishment of the poor, and in effect forces low-income families to subsidize the Federal program. Under its replacement for Medicaid, a family of four earning $6,000 a year would have to spend $1,200 on health care before becoming eligible for spotty and incomplete Long-Ribicoff assistance.

The real dollar difference between Kennedy-Griffiths and the other three proposals can be found not in their total cost estimates, which are in any case likely to change as the debate progresses, but in their varying approaches to cost control. There is nothing in the other programs to suggest that the upward spiral of health care prices will be checked. All three plans retain Medicare, the chief inflationary villain of the past decade. Kennedy-Mills further repeats the Medicare mistake of designating insurance companies "fiscal intermediaries," thus virtually guaranteeing an open season on prices.

Kennedy-Griffiths, on the other hand, has provisions for long-range budgeting procedures, region by region, that may compel hospitals and physicians to set their prices in advance and stick to them. Only institutions meeting Federal standards of cost and quality will be allowed to participate in the program, and wasteful duplication of services is gradually to be eliminated through threatened withdrawal of Federal funding. Such measures, it is true, hardly guarantee effective cost controls, but they point in the right direction, while the other three bills simply feed the inflationary monster.

3,4,5. More "primary care" physicians and fewer surgeons; guarantees of health care when and where the patient needs it; and a shift of emphasis from hospital-sponsored crisis medicine to prevent medicine. Long-Ribicoff and Nixon are silent on all these issues. The Kennedy-Mills bill calls for planning grants that may help small towns to attract medical workers and facilities, and it gives financing preference to HMOs as well as to other forms of group medicine. None of its provisions, though, measures up to those in Kennedy-Griffiths. That includes a "manpower support" program for the training of primary care physicians and of other types of health care generalists (public health nurses, community health workers, etc.).

It also offers financial incentives to doctors and health workers prepared to work in ghettos and rural areas, and imposes "disincentives" for the disproportionate clustering of doctors in affluent neighborhoods.

In addition, by spreading and in some measure equalizing purchasing power for health care, Kennedy-Griffiths gives Harlem and Appalachia a chance to compete for doctors with Scarsdale and Gramercy Park. Finally, the Health Security bill is the only one of the three to offer special subsidies to HMOs, encouraging the practice of preventive medicine and of comprehensive, 24-hour health care.

6. A strong, continuing consumer voice in health care arrangements and policies. This is another area where Nixon, Long-Ribicoff and Kennedy-Mills are largely silent. The groups that would oversee the Kennedy-Mills planning grants, it is true, are to have a majority of consumer members; but the makeup of the three-man "Social Security Board" that would run the national program is not specified, and a spokesman for the bill has said off the record that it is not likely to include consumers.

The Kennedy-Griffiths measure does pay lip service to consumer participation, but nothing in the proposal spells out how the consumer's voice is to be heard over the institutional chorus. The faint hope here is something called a "National Advisory Council," which is to have a majority of consumer representatives.

In sum, then, while Kennedy-Griffiths is less than perfect, it outscores the others on nearly all counts. In a single administrative package it offers universal coverage, full benefits, sensible cost controls and a variety of devices designed gradually to reshape our health care system—to redistribute manpower, establish more HMOs and encourage preventive medicine. It is therefore the only measure now in the hopper that begins to correct the historic despoliations of fee-for-service medicine and to break up the thriving but unwholesome trade triangle of physicians, hospitals and insurers.

PROSPECTS

CNHI officials, in pondering whether to "go for broke" this year with Kennedy-Griffiths or to support the passage of one or another weaker measure, would like most of all to delay a decision on this question. "We don't have enough votes in this Congress," explains Max Fine, the CNHI's director. "So we're hoping there'll be no action in '74. Then we can make health reform an issue in the November campaigns and come back with a Medicare-type mandate"—that is, with an overwhelmingly liberal majority of the kind that rammed home Medicare in 1965. The strategy will strike some as cynical. After all, even Nixon's program would afford at least some succor to millions of Americans not now protected. Surely any plan that reduces the incidence of family bankruptcies can't be all bad.

And yet, as we have seen, the history of health care reform is strewn with compromises that have tended to shore up the system without necessarily making things easier for the patient, and each new compromise has spawned new lobbies determined to delay fundamental reform. Are we, then, in retribution for past failures and current casuistries, condemned to play Sisyphus forever? Or can we find a way to break the old pattern—those long uphill struggles, those painful downhill slides—and at last attain the top (or at least a reasonable height)? The question will doubtless be answered by the American voter, a frequently confused citizen, careless of distinctions and neglectful of his own interests.

At bottom, the prospects for health care reform depend upon our ability to mobilize the democratic process in the service of institutional change. That is an old challenge in America, going back at least as far as Andrew Jackson, who regretted "that the rich and powerful too often bend the acts of government to their selfish purposes." But it has a particular urgency today in Washington, where private lobbies make public policy, and where government is more that ever an instrument of corporate plunder.

Some of the signs suggest that the American voter may be prepared to act, if he can find a leader. Never before have so many citizens mistrusted the health care system and its friends; never before have the lobbies been forced to run so hard simply to stay in one place; and never before has there been such broad agreement on the need for strenuous Federal action.

When word filtered back to North Dakota that Senator Burdick had affixed his name to the Long-Ribicoff bill, the Farmers' Union sent him 5,000 protesting telegrams. The Senator was stunned. "I didn't know they cared," he is reported to have said. Quite a few organizations are beginning to care. In recent months the CNHI has put together a coalition that embraces such groups as the National Education Association and the American Federation of Teachers, the United Methodist Church, the National Council of Senior Citizens, the Urban League, Common Cause, the National Jewish Welfare Association, and the Mennonite Central Committee. Even the League of Women Voters is sending a representative to the meetings. "It's a massive lobbying effort," says a spokesman for the coalition. "We're telling our friends on the Hill that we'd rather have nothing than have a weak bill."

The coalition, informal and disorganized as it is, represents an entirely new stage in the country's long struggle for reform of the health care system. It is precisely what was missing in those earlier battles of 1912, 1934 and 1947. Curiously, in its efforts to put together a grass-roots health lobby the CNHI is being unwittingly assisted by Nixon, who for obvious political reasons of his own is now diligently pushing a health program in Congress. "Health reform," notes Susan Stoiber of CNHI, "is usually everybody's fourth or fifth concern. This year it may be number two."

For the public, the challenge is plain enough: There is the goal and there is the stone; it is everyone's turn to push.

GOLDEN DEEDS AWARD

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. FUQUA. Mr. Speaker, I know it will interest the Members of the Congress who remember our great and good friend, D. R. (Billy) Matthews, to know that he has been named the recipient of the annual Golden Deeds Award of the Gainesville, Fla., Exchange Club.

The club selects one person annually for the award for contributions to the community and "responses to need that go beyond the call of duty."

Mr. Billy served in the U.S. Congress from 1952 to 1967 and prior to that time, he served in the State legislature.

Since leaving the Congress, he has been a professor of political science and social studies at Santa Fe Community College in Gainesville.

I saw him recently and can relate to my colleagues that he is in good health, good spirits, is enjoying life to the fullest, and continues to make a tremendous contribution to mankind.

He is my friend and I am proud of that fact.

MICHAEL RELLIS HONORED

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. RUPPE. Mr. Speaker, there appeared last week in the Detroit Free Press, an item which relates how Michael Rellis, a native of Sault Ste. Marie, Mich., in my congressional district, was decorated by Jordan for his outstanding work there for 2 years as director of CARE. I believe this honor merits the attention of my colleagues, both for the distinction of the award, and for the fine expression of sentiment which was given along with it. The article follows:

MIDEAST-STYLE GRATITUDE HEAPED ON SOO NATIVE

Highly unlikely that a native of the Soo in the Upper Peninsula of Our State should earn the right to be addressed as Excellency in Jordan, or, for that matter, anywhere else he cares to present the credentials that came to him by way of King Hussein.

After serving as director of CARE for two years in Jordan, Michael Rellis is now on his way to a similar post in Vietnam. He is entitled to wear the Independence of Jordan Grade II decoration presented to him by Dr. Younif Dihni, minister of social affairs.

The decoration is fine, but Rellis treasures even more this wonderfully warm note in Arabic from Sheik Nimer Oudeh, "a notable of Al Taamreh in Bethlehem District."

Translated, it reads: "I would like here to thank you very much for your deeds while you are the Director of the Organization in Jordan.

"I thank you for the humanity that you offered all the refugees and all those who need help in Jordan, and here I admit that you are one of the best benevolent persons, because you suffered much during your work in our country, in doing the best you can and in offering your benevolence and kindness to everybody.

"I would like here to thank you and congratulate all the people in the United States because you are one of them, and you were known during your work here as an active, honourable and charitable person, so we will miss you when you leave us.

"We are thankful for everything you offered us with our children, and we are trustful that you will never forget us and try to help us even if you are far away of us.

"Our best regards and I wish you all the happiness, and ask God to keep you always in good health, and give you whatever you need."

AN OPEN LETTER TO THE AMERICAN PEOPLE

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, under unanimous consent to extend my remarks, I am inserting into the Congressional Record an article entitled "Open Letter to the American People," written by one of my constitutents, Dr. Joseph D. Casolaro, an outstanding physician in my congressional district. I feel his views in this matter should be of interest to my colleagues and the American people.

The article follows:

An Open Letter to the American People

I do not justify the Watergate burglary; nor the buying of ambassadorships; nor the acceptance of money from corporations expecting favors in return; nor the use of IRS to audit returns of political enemies; nor of many other acts of political expedience.

Nor do I justify freeing Daniel Ellsberg; or redeeming Alger Hiss; or condoning the Rosenbergs; or supporting Fidel Castro; or the assassination of President Diem; or suppressing aid to South Vietnam; or opposing the bombing of Cambodia; or complaining about the money spent in making rain over the Ho Chi Minh trail.

There are, however, in our midst, those who would make high crimes of the alleged acts of "the President's men", and justify the perversities of ideological and actual treason, in the name and guise of civil liberty and the new morality.

Wake up, America! This coalition of free thinkers, angry dissidents, well intended Pharisees, self serving politicians, and Kremlin "engineers" are directing the fickle crowd to tell America to take off the old morality and put on the new.

Compare with me, the old and the new morality:

The old morality verbalizes the deleted expletive; the new morality does it, with consenting adults, of course.

The old morality dies for its country; the new morality objects, conscientiously, of course.

The old morality salutes the flag; the new morality steps on it, perhaps even burns it.

The old morality respects; the new morality disdains.

The old morality looks clean; the new morality looks dirty.

The old morality gives; the new morality takes.

The old morality forbears; the new morality complains.

The old morality works; the new morality loafs.

The old morality believes; the new morality rejects.

The old morality makes mistakes; the new morality is never wrong.

The old morality has saints and sinners; the new morality has only saints.

Listen, America! Our country is on trial. None of the alleged acts of political expedience are crimes of serious enough nature to emasculate the President, who has been tried and convicted by a mob of Americans who know not what they do.

Turn on the light, America! You're being raped by wolves wearing the cloak of the new morality.

Get tough, America! They'll run, because they're cowards.

Memorial Day/May 30, 1974; with a pledge that I serve no political party or cause.

JOSEPH D. CASOLARO, M.D.
ARLINGTON, VA.

CONGRESSIONAL DEMOCRATS' POLICY VACUUM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. HARRINGTON. Mr. Speaker, an article by David W. Secrest entitled, "Congressional Democrats' Policy Vacuum," appeared in the May 31 edition of the New York Times.

We have heard a great deal in recent weeks about a "veto-proof Congress" in 1975, about "congressional dictatorship," and about a rebirth of the legislative branch of Government. Such prospects are generally received with rejoicing on my side of the aisle—and gloom on the other.

But what have we, as Democrats, done over the past decade, or more, to demonstrate an ability to lead this Nation through the difficult days ahead; what even have we done in the last 12 months despite nearly unprecedented national problems?

What planning are we now undertaking; what new policies are we now developing; what new leaders are we putting forth to provide this Nation with the kind of leadership it has a right to expect?

Ask yourself, as I have asked myself, and you may find considerable wisdom in Mr. Secrest's column—and then, perhaps, we had better take his admonition seriously and start thinking in bigger terms.

The text of Mr. Secrest's column follows:

[From the New York Times, May 31, 1974]

CONGRESSIONAL DEMOCRATS' POLICY VACUUM

(By David W. Secrest)

WASHINGTON.—Republicans are sounding alarms about a vetoproof Congress, and the Democrats may indeed win the two-to-one House margin they are hoping for in November if things keep up the way they are. But whether they would know what to do with it is something else. If present performance is any indication, there is no reason to think that policymaking will shift from the White House to Capitol Hill.

The Democrats would no doubt have an easier time passing some bills like a big health-insurance package. But there is only so much distance they could travel down Great Society Lane, given the inflation constraints that everyone would recognize. As for fashioning new answers to problems ailing the country, there is neither the capability nor the will among Congressional Democrats to do so.

In the five and a half years since the Democrats lost control of the White House, they have developed very little in the way of either policy initiatives or real alternatives in such areas as the economy, welfare reform, housing, health care, or revitalization of the cities. A petition with 64 signatures gotten up by Representative Donald M. Fraser of Minnesota, which plaintively asks the Democratic Steering and Policy Committee to "draft a program to deal with the current economic crisis," symbolized the frustration of the rank and file over lack of leadership on issues.

There is no structure around the leadership that can even try to deal with problems as broad as the combination of stagnation and inflation, poverty, and reconciling energy needs with environmental needs. These issues cut across Congressional committee lines. They call for policy committees and study-and-action groups with direct lines to the leadership to pull the pieces together. Otherwise, Congress is just enacting a tax cut here while ending controls there, increasing food stamps with one hand while cutting low-cost housing with another.

It is symptomatic that Speaker Carl Albert has only two staff aides working on substantive issues. On policy questions he operates out of his hip pocket. The closest thing to a policy-development group supported by staff is the liberal Democratic Study Group—and that is organized outside the leadership and often in opposition to it.

The Senate Democrats do a little better, with Majority Leader Mike Mansfield leading real discussions of issues in the Democratic Policy Committee. The effort to preserve some kind of wage-price monitoring after controls ended came out of such a discussion.

But in the House, Democratic policymaking consists of the leaders taking whatever comes out of each committee, however fragmentary or inadequate, and stamping it "policy." The signs are that Mr. Albert chooses to keep it that way. If there were a real policy operation it would threaten the hegemony of committee chairmen, and that would not be his style. He did not become Speaker by being out in front on issues. He, like most others who emerge as legislative leaders in a coalition party made up of warring factions, got there by being a compromiser.

There is no certainty that any Speaker could exercise a leading policy voice, given the diversity of the party and the increasing democratization of the House. But most Democrats in Congress hunger for stronger leadership, and it's a shame the effort isn't really made. The leaders are too busy just taking care of daily business and putting out brush fires to devote much energy to high policy.

It doesn't have to be that way. Lyndon B. Johnson as Senate leader had a high-powered staff of fifteen doing solid work on issues. After the 1958 election, with a big new majority, he followed President Eisenhower's State of the Union address with one of his own.

House Republicans mounted a similar operation after the Johnson landslide of 1964. With their ranks decimated, they organized and staffed a dozen task forces and brought in outside experts. The task forces developed into position papers such concepts as revenue-sharing, lump-sum grants to give local government increases discretion in broad areas of spending, new approaches to law enforcement and manpower, and published a book on Congressional reform. When the Republicans captured the White House in 1968, they had policy programs ready. Even today, with their own party controlling the Administration, they maintain a well-staffed House policy operation.

If Democrats expect to step into the vacuum from a power base in Congress, their elected leaders had better start thinking in bigger terms.

TRIBUTE TO JAMES A. FARLEY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. MURPHY of New York. Mr. Speaker, I am delighted that my good friend James A. Farley has been awarded the 1974 Laetare Medal, the University of Notre Dame's highest honor. Mr. Farley's distinguished career has included his appointment by Franklin Roosevelt as Postmaster General of the United States, his designation as honorary chairman of the Coca-Cola Export Corp., and his chairmanship of the Democratic National Committee.

Mr. Farley who is known to many as "Gentleman Jim," and "Genial Jim," has stood throughout his life, for all the values, spiritual and political, which have made America great. In politics and in business, in the home and in the church, Mr. Farley is truly an outstanding man.

I would like to submit the following material on Mr. Farley's award for the Record.

The University of Notre Dame to Hon. James A. Farley

Sir: The strength and vitality of our country can be attributed in large measure to the genius of our political system, to the vigor of our free economy and, above all, to the spiritual values which we as a nation espouse. To a remarkable degree, in your life and your work, you, perhaps more than any other man of our time, symbolize our national commitment to these values and to the proposition that honorable competition, whether in politics or business, best serves the American people.

Who could foretell that the lad of twelve who stood trackside to hear Williams Jennings Bryan would become Chairman of the Democratic National Committee? Who would have predicted that the Town Clerk of Stony Point, New York, would become the mentor of the President of the United States and the Postmaster General in his Cabinet? Who could have foreseen that the young bookkeeping student at Packard Commercial School would some day be Board Chairman of an American corporation operating in every corner of the world? Who, indeed, had the prescience to predict that this affable Irishman would become as familiar a figure at the Papal apartments as he was at the White House?

In retrospect, Sir, it is easier to see how your own character and Providence have combined to bring you to this day. Throughout your life, you have honored the God-given dignity of every man and woman, and because of this no American has more friends. Yours has been the world of precinct committeemen and prelates, of salesmen and presidents, but you have neither been awed by the powerful nor unmindful of the powerless. You have enver forgotten your friends. Your opponents and competitors hold you in the highest regard.

In politics and in business, where it is often easier to do the expedient thing, you have been a man of principle. Without losing Franklin Roosevelt's friendship or lessening your allegiance to your political party, you opposed more than two four-year presidential terms because you believed such was not in the national interest. Today, when America's faith in its political institutions and personalities is challenged as never before, you stand as a beacon of integrity.

Your public life, as well as your business career, are on record for all to see. Not so well-known is your edifying private life which you cherished with your beloved Elizabeth, your son and daughters, and now with your grandchildren. The geniality, the courage, the compassion which we have admired at a distance have been theirs to cherish close up. Yours, Sir, is the special charisma of the Catholic layman. Your influence in secular society was great at a time when the impact of Catholics generally was small. A man of faith in a world of fact, born closer to the First Vatican Council than to Vatican Council II, you anticipated by several decades the role of the layman in a church which is ever old and yet ever new.

For what you have achieved, then, but even more for what you are, the University of Notre Dame presents to you its most prized symbol of esteem and affection. As we seek to honor you, you surely honor the Medal and the University in accepting it. For your lifelong dedication to your family, to your country, and to your Church, for the decency and integrity which you have always exemplified, for the leadership you have given in countless good causes, it is my honor, as President of the University of Notre Dame, to confer upon you its Laetare Medal.

AMERICANS FOR SIMAS LETTER TO MEMBERS OF U.S. CONGRESS

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. HANRAHAN. Mr. Speaker, in January of this year, I introduced a concurrent resolution regarding the Lithuanian seaman, Simas Kudirka. Since that time several events have occurred. "Americans for Simas" and "Seamen's Education Federation" wish to update the Congress on these events. For my colleagues' information, I submit the following letter:

Americans for Simas and
Seaman's Education Federation,
Middle Village, N.Y., June 1, 1974.

An Urgent Appeal to All Members of the U.S. Congress

On May 17th Mrs. Marija Kudirka Sulskiene was officially registered as an American citizen and issued a U.S. passport at the American embassy in Moscow. Mrs. Sulskiene is the mother of Simas Kudirka, the Lithuanian seaman, who was shamefully denied political asylum in this country in 1970 and returned to a Soviet ship to be subsequently sentenced to a 10 year term in a Soviet labor camp. Mrs. Sulskiene has expressed a desire to come to the U.S., but must yet obtain a Soviet exit visa, (NYT May 22, 1974).

Through his mother Simas Kudirka has derived a right to American citizenship. Since he was born out of wedlock in 1929 in the Republic of Lithuania, his case is covered by Section 205 of the Nationality Act approved October 14, 1940.

President Nixon's upcoming trip to the Soviet Union is being viewed by the world community as a reaffirmation of "détente" between the United States and the Soviet Union. True "détente" can prosper only in an atmosphere of balanced cooperation. If the Soviets desire concessions from us in fields such as trade, they should be prepared to yield on certain issues of great concern to the average American. One of these issues is the release of American citizens in the USSR, who have expressed a desire to repatriate.

On Nov. 23, 1970 Simas Kudirka risked his life in an effort to reach American soil, when he leaped from a Soviet ship to the deck of the U.S. Coast Guard cutter "Vigilant". Though he may not have been fully aware of his rights at the time, his brave attempt to reach American territory is in itself one of the strongest applications for U.S. citizenship. A tragic mistake in judgment on the part of our government officials resulted in his present unjust imprisonment. Now more than ever our government's moral obligation is to rectify this grievous error.

The "Americans for Simas" committee, the "Seamen's Education Federation", and the "Lithuanian-American Community of the USA" as well as other organizations have appealed to President Nixon to bring up the Kudirka case during his summit talks with Soviet leader Leonid I. Brezhnev and request the release of Simas Kudirka, and allow him and his family to emigrate to the U.S.

We respectfully request all members of the U.S. Congress, who support our appeal, to contact the White House and convey their views to the President before his departure. A courageous man's freedom may depend on it.

GALLAUDET COLLEGE HONORS CONGRESSMAN ALBERT H. QUIE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BRADEMAS. Mr. Speaker, I am sure that my colleagues will be pleased to learn that Gallaudet College for the Deaf, recently honored one of the outstanding champions in Congress of aid for the handicapped, the distinguished gentleman from Minnesota, Hon. Albert H. Quie, by awarding him the degree of doctor of laws at its May commencement.

Also receiving an honorary doctor of laws degree on this occasion was Craig Mills, director of the division of vocational rehabilitation of the State of Florida, and a past president of the State Administrators of Vocational Rehabilitation.

Mr. Speaker, our colleague from Minnesota also delivered the commencement address at Gallaudet, and because I know it will be of interest to the Members of the House, I insert it at this point in the Record.

Commencement Address

(By Hon. Albert H. Quie)

Thank you Mr. President, honored platform guests, graduates 1974, families, and friends.

Recently I saw this line in the newspaper: "President Nixon is the only head of a major Western, Democratic nation who has been in office longer than two and one-half months." With all the problems facing our nation which we read about constantly and hear about from the media, that sentence makes us realize that this nation is not the only one with problems. But when one thinks that the head of the nation of West Germany left office because of a spy serving under him, when we think that the government of our neighbor Canada toppled because of an economic crisis, we think of Great Britain whose government toppled and now the Labor government headed by Prime Minister Wilson is a minority government, we think of the head of government of France passing away and just an election now to replace him, the Israeli nation not knowing exactly how its government will be made up, we can see the Western world is in turmoil.

ENERGY AND ECONOMIC PROBLEMS

Our problems are not limited to a crisis in confidence over our government, however. We just finished a winter, and in the colder parts of our nation we wondered if there would be enough fuel to keep the people warm, energy to keep our business in operation. This crisis just followed a deep concern of the American people of whether we were polluting ourselves to where we could no longer live on this globe in the way we have been able to enjoy for more than two decades. Problems, nothing but problems. And you are wondering as graduates now when you leave, will there be a job available for you. Will we be going into a recession as a nation? What really does the future have in store for us?

One only has to think a little bit of history and realize that mankind has constantly had problems. Our forefathers left a nation where their needs could not be satisfied and came to this nation mostly to a life of privation at first and finally working themselves to the position where you and your parents are now.

THE SYSTEM IS WORKING

How did this all happen? It must be our economic and governmental system. And I can say to you that our system is working despite the fact that some individuals close to the President have been indicted, some convicted. The very fact people on top are being indicted and convicted shows our system is working. The fact that we do not feel as great a crisis of the need of energy now as we did during the winter shows our system is working. The fact that the American people are aware of their environmental needs and are making corrections shows that the system is working. One can take hope in the fact that as slow as it moves, the system is working. And therefore I ask you to face these future years with that hope—that the system is working.

Now if that is the case, *how* is the system working for the individual who is classified as handicapped—those of you who are considered deaf? For a long period of time any help for you was looked on as charity or a moral obligation, but that is changing. The system is working. Now it is becoming a matter of right for a person to receive an opportunity through education and training to develop to their full potential. First, state laws began to be enacted. Later the Federal Government became involved and as each year passes, the legislation provides just a little bit more help.

The most significant of all help for the handicapped, however, has been recent decisions by the courts. In Pennsylvania and the District of Columbia, the courts decreed it is a matter of right for any individual, handicapped or not, to be able through our education system to develop to their full potential.

What does that mean for you? That means that you no longer need to depend on someone else out of charity or a moral obligation to help you, but that you who do have a handicap of deafness, have a responsibility yourselves to make certain that all who share in that same handicap can avail themselves of the opportunity to develop to their full potential as you have had the opportunity as you attended Gallaudet College.

It is not possible for a person like myself to fully understand what it is like to be deaf. To me it is like a person on the Equator trying to understand what snow is like. I can come from Minnesota and tell them, but they can never fully understand snow until they come to Minnesota and see it—and feel it. Therefore, I believe that there is a great challenge for you as you play a part in society with our system working with leadership in order that people might enjoy a life in which the pressures that now are witnessed in our society are no longer there.

EDUCATION NOT THE TOTAL ANSWER

Now that cannot come just from the system, even though I have assured you the system is working. Because it's interesting that the people who have had primary responsibility in the areas where our nation is faced with severe crises have been well educated individuals. The people in responsibility are college graduates. Some of the greatest educational institutions in our land have produced individuals who have caused many of the problems that have affected us.

Those implicated in recent wrongdoings in government are college graduates. Those who produced nuclear weapons that can devastate the entire globe graduated from our most prestigious institutions. Also the ones who produced the technology that could leave us in a polluted state. Well-educated people increased demands to the extent that we do not have enough energy to fulfill those demands. So what is the answer? More education? That's not the total answer.

FAITH THE PURPOSE OF LIFE

What is the total answer? The answer comes from people's ability to live in grace with their fellowman. Now there was a person who lived on this earth, who lived a life of love, who was a pattern and an example for people who came after Him. Now it is practically 2,000 years since He lived on this earth. What did He teach us? He taught us to love each other. Now it's easy for us to understand that word "love" for anyone who shares a relationship with a person of the other sex. Most of the songs that we hear talk about that kind of love. It's easy to love each other if you have the same philosophy, the same politics, the same religion, or even share in the same handicap. But the most difficult task of all expressed by Jesus Christ was loving your enemy. As one develops the ability to love one's enemy as one's self, there comes the power that can enable people to live in grace with each other. We will never live in a utopia because we will never be intelligent enough to do it. We will never all be alike. We'll all be different. But in our differences God gave us an infinite worth and that worth can be developed to its full potential if we truly love God and each other. That is really the message that I would like to leave with you. It came to me with vivid realization in 1957 when I spoke to the graduating class at the Faribault School for the Deaf when their motto was taken from Russian author Leo Tolstoy—"Faith is the purpose of life." And in that motto one can realize by studying the life of Tolstoy, his desire to try and find national renown, which he found—without satisfaction, wealth, which he received—without satisfaction. The acclaim and the wealth was not enough for him. So he looked around and saw the people who were happy were those who gave of themselves to other people—which he tried and it worked for awhile. Until finally in his later years he realized that faith—faith in his God—was what gave purpose to his life and that faith enables a person to love another human being even though that human being is different.

Let me remind you again. We'll always have differences of nationality and nations. We'll always have the racial differences. We'll always have the political differences. We'll worship our Almighty God in different ways. No matter how we integrate, we'll have the differences of the sexes. Then how can mankind with those differences live in grace with each other? Our Lord gave us the answer when he asked us to love the Lord with all our heart, with all our soul, with all our mind, with all our strength, and our neighbor as ourselves.

I leave these last words with you for your thoughts and your meditation and with full understanding to make it a part of your life when Christ said, "I am the Way, the Truth, and the Life."

PSRO IS BAD MEDICINE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ARCHER. Mr. Speaker, I was very pleased to hear of the recent action of the Texas doctors, through the Texas Medical Association, to take legal and legislative action against the professional standards review organizations. These PSRO's, adopted at part of the 1972 Social Security Amendments, establish a dangerous precedent—Government intrusion into the field of medicine. They must be repealed. The PSRO's are now limited to medicaid and medicare patients. If a national health care program is adopted, these PSRO's would be extended to every physician in the country. I wish to enter into the CONGRESSIONAL RECORD an editorial entitled "Bad Medicine" from the May 27, 1974, edition of the Dallas Morning News on the action of the Texas doctors:

BAD MEDICINE

Texas doctors have made it official: They are going to fight against Professional Standards Review Organizations. Power to them, for PSROs, unknown as they are to the general public, are bureaucratic excrescences of really dangerous caliber.

They came into being with the 1972 Social Security amendments. Congress motive in creating them was simon-pure—to make sure doctors gave only "medically necessary" treatment to Medicare and Medicaid patients. To that end, Congress ordained that PSROs be set up on a regional basis by Jan. 1, 1974. After a 2-year trial run, the secretary of HEW will institutionalize them.

So far it all sounds removed from the normal concerns of taxpaying Americans. But the truth is otherwise. A PRSO is to consist of doctors; but lay groups may be designated to give advice. The committees will set standards for health care, prescribing what is appropriate treatment and what is not. All treatment must then accord with PSRO standards, or some hospital, some doctor is in a heap of trouble. Naturally, to police their standards, the PSROs may commandeer the medical histories of individual patients.

All this represents a disturbing use of government power, and never mind that the PSROs are doctor-constituted: They are adjuncts nevertheless of the Department of Health, Education and Welfare. Never before has government intruded so far into the practice of medicine.

As a matter of abstract justice, there ought to be some way to keep Medicaid and Medicare patients' doctors from prescribing unnecessary treatment. This much is easy to admit. But PSROs are likely to do far more harm than good.

They are the entering wedge for government medicine—for Washington's take-over of the whole profession. If government can prescribe treatment standards for Medicare and Medicaid patients, why not for all patients?

Good question. For government may soon be doing just that. President Nixon's health insurance proposal would put all health care under PSRO supervision. So much, in that case, for your doctor's freedom to exercise his own judgment. He would treat his patients the way the PSRO told him to treat them. No better, no worse.

But Texas doctors, through the Texas Medical Assocation, are going to take legal and legislative action against the PSRO concept. And so are the doctors of other states. They want PSROs wiped off the statute books. They should fight as hard as they can; for this is one battle they cannot afford to lose.

FARMERS STAND TO LOSE MUCH UNDER LAND-USE BILL

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BAUMAN. Mr. Speaker, late this week the House will consider H.R. 10294, the Federal land-use bill, reported from the Committee on the Interior. As one of those who opposed this legislation in committee, one of my particular concerns was the impact that this will have on our farm families and those who own farms across the Nation.

I am pleased to see that the American Farm Bureau has announced their opposition to H.R. 10294, and I include at this point in my remarks an article from the June 10 issue of Farm Bureau News which details their position.

FB FIGHTS FOR SUBSTITUTE BILL ON LAND-USE PLANNING

Land use planning legislation, once considered dead for this Congressional session, is expected to reach the floor of the House of Representatives on June 11.

The House Rules Committee on May 14 voted 8 to 7 to send H.R. 10294, known as the Udall bill, to the House floor. This was a reversal of a February 26 vote which was to delay action on the bill indefinitely.

Farm Bureau leaders at the national, state, and county levels are coordinating a major effort to change the bill or defeat it.

In a June 3 letter to all members of the House, the American Farm Bureau Federation urged them to support a substitute bill (H.R. 13790) to be offered by Representative Sam Steiger (R., Ariz.). This bill eliminates the controversial federal control features by simply providing for federal grants to the states to help them establish land use planning programs.

In the event the Steiger substitute bill fails, FB called for a vote against passage of the Udall bill. This bill provides for detailed federal guidelines on state land use plans and no grants to states until such guidelines are met.

FB seeks to keep land use planning at local levels where it says consideration can be given to the needs of the people in the area. It consistently has opposed federal assistance to states for land use planning except under a grant-in-aid program. Another major FB point is that "funds available to a state should not be withheld as a weapon to enforce compliance with such a program."

Members of the House Interior and Insular Affairs Committee who voted against reporting the Udall bill said in their minority report that it was "merely the first step on the road toward more public control over the use of private property."

TRICENTENNIAL CELEBRATION FOR CITY OF WATERBURY, CONN.

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. SARASIN. Mr. Speaker, the city of Waterbury, Conn., has just completed the celebration of its 300th birthday with a parade that may very well have been the largest and longest parade ever held on the east coast of the United States. The parade took over 5 hours to pass and review with 25,000 marchers, 210 units, 81 floats, and 40 bands and was witnessed by more than 200,000 people.

Activities were held in many locations throughout the city with the green in the center of town serving as the focal point for historical and cultural displays.

The Waterbury Historical Spectacular Pageant held at the municipal stadium was a huge success and had a cast of over 1,000 Waterbury citizens.

When so many people work so hard on a project of this nature, it is always impossible to list and thank each and every one. To all of these unnamed, hard-working individuals, I want to offer my personal congratulations and thanks for a job well done.

I was pleased to be able to participate in many of the events that were held during the weeklong celebration of the Brass City's tercentennial anniversary and was impressed by the community spirit and enthusiasm displayed by the citizens of this great city.

I am enclosing at this point in my remarks, statements of both myself and the Honorable Victor A. Mambruno, mayor of Waterbury, Conn., as they appeared in the commemorative book.

The HONORABLE VICTOR A. MAMBRUNO,
Mayor, and the Citizens of Waterbury:

It is with great pride that my family and I extend our warmest best wishes on the occasion of the celebration of the Three Hundredth Anniversary of the City of Waterbury. This marks an important milestone in the continuing journey from proud history to promising future.

From its earliest days as an outpost on the frontier of the New World, with all the challenges that entailed, to its earning of the proud title of "Brass City" as an industrial hub of the world, from the agony of the disastrous flood of 1955 to the present era of rebirth, rebuilding and renewal, the people of Waterbury have persevered.

Waterbury has always played a significant role in my life. As a youth growing up in Beacon Falls, Waterbury was "The City," the urban center of our world. Later, on returning from four years service in the United States Navy, it was at the Waterbury Branch of the University of Connecticut that I was able to begin the educational program which eventually led to a degree in law and the challenge of public service. And it is Waterbury that is the largest of the twenty-six communities I am so honored to serve in the Congress of the United States.

While a tercentennial is by its very nature a celebration of the past, it should also be a rededication by all of us to the principles that have made this city, this state, and this nation great. Knowing the people of Waterbury, I am confident they view this occasion in that light and that the future will hold even greater achievements. I am grateful for the role I have been allowed to play in this celebration and in the public life of Waterbury.

Looking forward confidently to the future, I remain,

Yours truly,

RONALD A. SARASIN.

TO THE CITIZENS OF WATERBURY, CONN.

Greetings on the observance of the 300th anniversary of the founding of our City.

No anniversary celebrating the birth of a City is meaningful unless its citizens can reflect with pride on the happenings of the years gone by. And since we, the citizens of Waterbury, can boast of an honorable and prosperous past, we must be generous in our gratitude to those who preceded us and established and sustained a community which has been widely respected for its humanistic social principles and its industrial ingenuity. We are indeed indebted to the multitude of citizens who attained eminence in their profession through the years and chose to remain here to devote their knowledge and skills toward the advancement of our municipality.

Waterbury has been long famous for the variety of its manufactured products. There is a saying that no home exists in the United States in which there cannot be found at least one item manufactured in Waterbury. The saying is not an exaggerated claim to prominence. It is an accurate appraisal of our City's industrial progress since its founding—progress for which we have just cause for rejoicing during this anniversary year.

Because of the expert and diligent planning by the various committees of "Waterbury 300", I am certain that all of us, participants and spectators, Waterburians and visitors, will enjoy to the fullest the many activities scheduled for presentation during our Tercentennial celebration.

I would like to express my deep appreciation to all of those citizens who have contributed so much of their time and effort toward making our anniversary observance a success. I offer special thanks to those who worked on the preparation of this commemorative book, and to the individuals and firms whose financial assistance as sponsors made possible its publication.

BEST OF LUCK—HERB HOFFMAN

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. EILBERG. Mr. Speaker, when I came to Congress 8 years ago, among the careerists in the executive branch with whom I first came in contact was Herb Hoffman, the legislative liaison for the Department of Justice. The manner in which he approached his job, the competence and diligence with which he discharged his responsibilities, and the ever-present cheery disposition he displayed impressed me then and continue to impress me now.

At the request of Manny Celler, then chairman of the House Judiciary Committee, Herb joined the committee staff 3 years ago. Since then the committee has had the benefit of his keen legal counsel, and has been the beneficiary of his loyalties, efforts, and accomplishments.

Now, after 30 years of distinguished

service in Government service, Herb is retiring to try his wings in a new and challenging job as director of the Government Relations Office of the American Bar Association. We, in Congress, are indeed fortunate to have this able, energetic "young" man appointed as the highest staff officer of the prestigious American Bar Association. In his new capacity he will be our Washington link with the 180,000 member association of lawyers from coast to coast, acting as a two-way street to assist in the solving of the perplexing problems of our time.

I congratulate the ABA on its astute appointment; I wish Herb much success in his new venture.

BAN THE GROWING OF OPIUM POPPIES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. WOLFF. Mr. Speaker, last Thursday, June 6, 1974, Congressmen Rangel, Derwinski, and Murphy of Illinois joined with me in a press conference to announce that our resolution, House Concurrent Resolution 507, concerning the possibility to Turkey lifting its present ban on the growing of opium poppies, had achieved cosponsorship of 227 Representatives, more than half of the Members of the House. At this point in the Record, I would like to insert my remarks at the press conference, as well as a complete list of cosponsors of the resolution:

Statement by Representative Lester L. Wolff

I have called this press conference today to announce that 237 Members of the House, a clear majority, have joined as cosponsors of House Concurrent Resolution 507. This resolution urges the President to negotiate with the Turkish government to prevent a dissolution of the Turkey poppy growing ban. It also directs the President to exercise his authority to cut off all U.S. aid to Turkey should these negotiations fail and Turkey resume poppy production.

House cosponsorship of this resolution is broad and bi-partisan. It includes Speaker Carl Albert, Minority Leader John Rhodes and Majority Leader Tip O'Neill. The overwhelming support it has received indicates that the U.S. House of Representatives is sending an unequivocal message to the Turkish government that our commitment to rid this Nation of the drug menace will not be eroded for any reason.

This resolution should not be considered as a threat against the Turkish government, but rather as a tool to deal with the realities of a situation which carries the gravest implications for this Nation's wellbeing. Should Turkey's present efforts to resume poppy cultivation succeed, we may expect to lose an additional 250,000 young Americans to the ravishes of drug addiction.

Prior to the institution of the Turkish opium ban two years ago, there were approximately 500,000 heroin addicts in the United States. The effect of the opium ban has been to cut that number virtually in half. I quote from Jerome Hornblass, Commissioner of the New York City Addiction Agency: "Since 1972, when the Turkish government in return for compensation from the United States agreed to suppress the growth of opium poppy, there has been a dramatic decrease in the amount of heroin available in the streets of New York. Data compiled by our agency indicates not only that heroin is relatively unavailable in our streets but that this scarcity reflects the national situation. According to one Congressional study, the number of heroin addicts has decreased nationally from at least ½ million to no more than 200,000 in the last two years."

I also quote from John Bartels, Jr., Administrator of the U.S. Drug Enforcement Administration: ". . . overall traffic in heroin to the United States is decreasing largely as the result of the Turkish opium ban"; and from Francois Le Moel, Director of the French Police Central Narcotics Office: ". . . during the last year, the opium ban in Turkey has created a severe shortage of morphine base in Western Europe and traffickers found it increasingly difficult to manufacture heroin. Traffic to North America has been drastically reduced."

Let us look even further at the realities of the situation to which H. Con. Res. 507 addresses itself. Prior to the opium ban, the majority, up to 80%, of the heroin destined for our eastern shores came from Turkish poppies via the now nearly defunct French Connection. Over half a million Americans were enslaved by the drug menace. $27 billion worth of property in the U.S. was stolen each year in connection with heroin addiction. From our point of view, the drug problem prior to the opium ban had reached near epidemic proportions.

Now let us weigh these statistics and the extent of our drug problem with the stakes involved as far as Turkey is concerned should the ban be lifted. The licit production of opium in Turkey from 1969 until the ban was imposed brought the Turks only $5 million a year. Less than 1% of the population of Turkey was engaged in opium production at the time the ban was instituted, and less than 1% of Turkey's gross national product is derived from poppy cultivation. In other words, 99% of the Turkish population is not jeopardized by the opium ban, and in reality, those who will profit most from resumption of opium production will be the illicit drug traffickers.

When we balance the scales of implication and consider the stakes involved for both Turkey and the United States if the opium ban is lifted, we have no choice but to take every step possible to prevent resumption of poppy cultivation. The House does not wish to impose its will upon the Turkish people, but it should seem obvious that it is not the majority of the Turkish people who are involved in opium production. It would seem, rather, that there are those in the political scene who would exploit the Turkish people by insisting that the ban is harmful to their people's well-being.

The Turkish government claims that there was no definite agreement with our government to end poppy cultivation. And yet, Turkey has been quite willing to accept the fruits of that agreement, namely the $36 million in U.S. subsidies to prevent opium production. The Turkish government also claims that any agreement that was made was done so with a military government not duly elected by the people, and is thus invalid. Are we then to assume that all previous agreements that have been made between the U.S. and Turkey are now inoperative? I seriously doubt that the Turks would want to nullify the mutual defense treaty we have with them, or give back the more than $3 billion in military assistance we have provided.

The point is, the present Turkish government continues to ignore the basic reality of the situation involved here—that our country is literally involved in an all-out war on heroin addiction, and that Turkey has a responsibility to come to our assistance, just as we have in the past come to their defense. At the first meeting of the Cabinet Committee on International Narcotics Control, President Nixon stated that "winning the battle against drug abuse is one of the most important, the most urgent national priorities confronting the United States today. I consider keeping dangerous drugs out of the United States just as important as keeping armed enemy forces from landing in the United States." It is not an exaggeration to use the metaphors of war in talking about the drug menace. A full-scale, comprehensive battle, involving full international cooperation is urgently needed if we are every to destroy this enemy, and this is the message which the House is sending to the Turkish government.

President Nixon also said: "Any government whose leaders participate in or protect the activities of those who contribute to our drug problem should know that the President of the United States is required by statute to suspend all American economic and military assistance to such a regime and I shall not hesitate to comply with that law where there are any violations." The Administration has requested $215 million in military assistance for Turkey and almost $20 million in economic aid. While the House is considering this request, we are also asking the President to consider his past statements on drug abuse and the impact which the resumption of Turkish opium production will have on our drug problem.

Cosponsors of H. Con. Res. 507

Wolff, Rangel, Rodino, Abzug, Addabbo, Albert, Alexander, Annuzio, Aspin, Badillo, Barrett, Beard, Bell, Benitez, Bergland, Bevill, Biaggi, Bingham, Blatnik, Boland, Bowen, Brademas, Brasco, Breaux, Brotzman, Broyhill, George Brown, Clarence Brown, Buchanan, Burke (Calif.), Burke (Mass.), Burke (Fla.), Carey, Carney, Casey, Chamberlain, Chisholm, Clark, Clawson, Clay, Collins (Ill.), Conte, Conyers, Corman, Cotter, Crane, Dominick Daniels, Danielson, John Davis, Mendel Davis, Delaney, Dellums, de Lugo, Denholm, Dent, Derwinski, Diggs.

Dingell, Donohue, Downing, Drinan, Dulski, Duncan, du Pont, Edwards (Calif.), Eilberg, Esch, Frank Evans, Joe Evins, Fascell, Fish, Flood, Flowers, Ford, Frenzel, Fulton, Fuqua, Gaydos, Gettys, Gilman, Goldwater, Gonzalez, Grasso, Gray, William Green, Griffiths, Grover, Gubser, Gunter, Haley, Hammerschmidt, Hanna, Hanley, Harrington, Hawkins, Mrs. Heckler (Mass.), Hechler (W. Va.), Heinz, Henderson, Hicks, Hogan, Holtzman, Huber, Hungate, Hunt, Ichord, Johnson (Pa.), Bob Jones, Jones (Okla.), Jordan, Karth, Kastenmeier.

Kazen, Kemp, King, Kluczynski, Koch, Kyros, Lagomarsino, Landgrebe, Latta, Leggett, Lehman, Lent, Long (Md.), Long (La.), Lujan, Luken, McCormack, McDade, McFall, McKay, Madden, Maraziti, Martin (N.C.), Mathias, Matsunaga, Mazzoli, Metcalfe, Mezvinsky, Miller, Mills, Mink, Minshall, Mitchell (N.Y.), Mitchell (Md.), Mizell, Moakley, Montgomery, Moorhead (Pa.), Moss, Murphy (N.Y.), Murphy (Ill.), Murtha, Myers, Nix, O'Brien, O'Hara, O'Neill, Owens, Patten, Pepper, Perkins, Peyser, Podell, Bob Price (Tex.), Price (Ill.).

Quie, Railsback, Rarick, Regula, Rhodes, Riegle, Roberts, Roe, Roncalio (Wyo.), Roncallo (N.Y.), Rosenthal, Rostenkowski, Roush, Rousselot, Roy, Roybal, Ryan, St Germain, Sarasin, Sarbanes, Scherle, Schroeder, Seiberling, Shuster, Sikes, Sisk, Skubitz, Henry P. Smith, Neal Smith, Snyder, Spence, James V. Stanton, Stark, Steed, Steele, Stephens, Stokes, Studds, Roy A. Taylor, Thornton, Tiernan, Traxler, Udall, Vander Veen, Vanik, Vigorito, Waggonner, Waldie, Walsh, Whalen, White, Chas. Wilson (Calif.), Chas. Wilson (Tex.), Bob Wilson (Calif.), Yates, Yatron, Young (Ga.), Young (S.C.), Zion.

ETHNIC STUDIES: A NEW PRIDE IN THE OLD COUNTRY

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. JAMES V. STANTON. Mr. Speaker, as a Congressman from Cleveland, one of the ethnic capitals of America, and home of over 500,000 men and women of foreign stock, I am vitally concerned about the future of the ethnic studies program, title IX of the Elementary and Secondary Education Act.

The program symbolizes a new thought in America's life, that one's ethnic background is something he should take pride in; that it is a valuable heritage, to be passed on from generation to generation. Not long ago, it was considered to be unfashionable to speak in terms of one's nationality. There was a belief that to become a "true American," one had to foresake the history, customs, and traditions of his ancestors.

Fortunately, this snobbish notion that we must somehow be ashamed of our ethnic background has now been rejected. We have come to realize that America became a great nation not by rejecting all that the Old World had to offer, but by accepting and nourishing the best of each nationality and culture. We realize that America will continue to be great only so long as it lives up to the promise of tolerance and respect for diversity that makes it unique.

This is an important time for the ethnic heritage movement, Mr. Speaker, for under the ethnic heritage studies program, the first major Federal effort in this area, grants of over $2 million will be made for study projects across the country.

Ethnic leaders of the Cleveland area are seizing the opportunity offered by the act. Their application combines the resources of the Cleveland Board of Education, the area colleges, and the ethnic organizations. It provides for a gathering of the study materials now existing in the community, as well as for further research. The study project will formulate elementary and secondary school courses in ethnic studies based on these materials, and the courses will be taught by instructors trained in the use of the material.

The comprehensive approach taken by the Cleveland area is excellent, making the fullest possible use of the vast resources in the community. This program could even include having older people with special skills or knowledge come into the classroom to teach the children the music, the history, the cooking, the language of the old country.

I regret that, despite the promise of projects such as this, the outlook for the ethnic heritage studies program is not good. The major reason for this dim outlook, Mr. Speaker, is the attitude of the Nixon administration. The record of the administration on the ethnic studies program shows these officials to have distinguished themselves as "election-year ethnics."

In 1972, the year the ethnic studies program was enacted into law, Mr. Nixon courted ethnic voters assiduously. But in January 1973, when he submitted his budget, the President requested absolutely nothing in funding for ethnic studies. Now, in 1974, the President included $2 million in his budget for program funding, but he did this only after Congress prodded him by passing a funding bill. While this amount will get the program off the ground, it is a mere pittance compared to the $15 million which Congress has authorized for the program. Furthermore, the President's budget specifically states that he wants no funding in 1975.

Both the House and Senate have this year passed comprehensive education bills, and the legislation is now in conference. The Senate approved, as part of this bill, H.R. 69, a provision extending the ethnic heritage studies program for 5 years, with an authorization of $15 million per year. The House bill includes no provision on ethnic heritage. I strongly urge my colleagues on the Conference Committee to accept the Senate position.

BUILDING SOVIET AIR POWER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ASHBROOK. Mr. Speaker, Boeing Aircraft Co. and the Soviet Union have signed a protocol in Moscow to formalize discussions on joint aviation projects. These projects may include the construction of an aircraft plant in the Soviet Union and development of new passenger aircraft and helicopters. While these projects are only in the discussion stage, there is an exchange of scientific and technical information in "the civil aviation field." In other words, the Soviets are gaining information on American aircraft technology at this time.

While reports of the protocol are careful to make mention of civil aviation, it is important to remember that the various technologies used for civilian aircraft can often be easily adapted for military use. Some examples of Boeing civilian aircraft that have been adapted for military purposes and presently used by the U.S. Air Force are the E-3A based on the 747B, the KC-135 Stratotanker and the C-135 Stratolifter based on the 707, and the T-43A based on the 737-200.

In addition to the aircraft that I have just mentioned, Boeing has a number of other aircraft and missiles in use by the U.S. Air Force. These include the B-52, KC-97L, C-97G, LGM-30 F/G Minuteman ICBM, AGM-69A supersonic air-to-surface nuclear missiles, and the Burner II and Burner IIA booster missiles.

The Boeing Aircraft Co. also is involved in contractual work for the Air Force in the development of advanced medium short take-off and landing transport. The Air Force awarded Boeing a contract for remotely piloted vehicles. Boeing has been developing the YQM-94A, a long-range high-altitude model to be used primarily for signal intelligence collection.

Boeing has an important role in American civil aviation—the 707, 727, 737, 747—and, as I have shown, it also has an important role in American military aviation. It is easy to understand why the Soviets are interested in gaining American technology in this field. As an aside, it is interesting to note that Aeroflot, the Soviet airline completely dependent on Soviet aircraft, has been described as "the world's most dangerous and inefficient airline." What is difficult to understand is why the U.S. Government should allow firms to help the Soviets out of their aircraft problems, particularly when much "civil" aircraft technology is readily adaptable for military purposes.

Soviet aircraft technology is not in the interests of the United States. It must be stopped.

At this point I include in the RECORD the article "Boeing Signs Air Protocol With Soviets" from the Washington Post of June 6, 1974:

BOEING SIGNS AIR PROTOCOL WITH SOVIETS

The Boeing Aircraft Co. and the Soviet Union signed, a protocol in Moscow yesterday on formalizing discussions on joint civil aviation projects—perhaps including the construction of an American-designed aircraft plant in Russia.

Besides the plant, the Soviet news agency Tass said the cooperative agreement could result eventually in the joint design and development of new passenger aircraft and helicopters.

But Boeing discouraged speculation that any big project was imminent. The company said discussions with Soviet officials have been going on since 1971 and the protocol "allows these discussions to proceed in a more formal manner."

Boeing said further that the discussions with the Russians to date "are limited to the exchange of scientific and technical information in the civil aviation field."

Before any aircraft agreements could be made, Boeing would have to receive the approval of the State and Defense departments. One obvious concern of the American military would be whether the Soviet Union would gain valuable technology for its bombers and fighters.

One company official stressed that these and other questions would take considerable time to resolve—meaning the protocol is just one of the early steps towards a significant cooperative agreement.

STILL OPPOSED TO SCHOOLBUSING

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. DAVIS of Georgia. Mr. Speaker, I was recorded as voting in the negative on the motion by Congressman MARVIN L. ESCH which appears on page 17882 of the June 5 CONGRESSIONAL RECORD.

This is in diametric opposition to my views and I wish to take this opportunity to make my views on this matter clear. I have been and remain opposed to forced schoolbusing.

WHY IS IT OUR RESPONSIBILITY?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. GAYDOS. Mr. Speaker, I ask a question which has not been satisfactorily answered despite its pertinence over the last quarter century. When and by what means were the American people made financially responsible for the supposed well-being of the rest of the world?

The question arises once more in the contention of John M. Hennessy, Assistant Secretary of the Treasury, that U.S. tax dollars in the amount of another billion should be contributed during the coming year to International Development Banks for Latin America, Asia, and Africa.

Mr. Hennessy, of course, speaks for the administration. And his arguments in favor of this billion-dollar contribution reflect, I take it, the White House attitude which obviously has not been changed one bit by the present plight of our dollar abroad, the inflation at home, and the immense new cost burdens grinding down upon our people.

Mr. Hennessy contends that the increase in the crude oil price, plus the increases in the costs of food and fertilizers, has placed a heavy burden on the "least developed" countries and thus demands that we Americans continue our generosities from now until at least 1980.

And why us? Mr. Hennessy has a ready answer. Unless we keep ladling out our tax dollars to loan funds for development projects, we may aggravate the problems of these other countries and also undermine our efforts to get the new oil-rich nations to contribute more than they are doing now to alleviate world poverty.

Put another way, this debt-troubled, deficit-financed Nation, now facing internal economic problems of great magnitude, must, in Mr. Hennessy's and the administration's view, borrow more money at staggering interest rates in order to contribute this money to International Development Banks to be loaned at low interest rates—1 percent for example—to other countries.

And we are to undertake this—worsening of our own fiscal situation—so that we might convince the oil blackmailing Arab States to do more to help, in large part, their neighbors in Africa and in Asia. Has there ever been a more absurd reading of a Nation's international responsibility.

We have given away more billions to date than even the Washington computers can calculate, the methods of giving being so varied and complex. We have more debt already upon us than the debt of all the rest of the world combined. We are functioning on a deficit greater than the spending budgets of most other nations. And still, according to Mr. Hennessy we somehow are responsible too for easing the effects of the Arab price boost and the higher costs of food and fertilizers on others when we have not eased them here at home.

As for me, I am against adding 1 U.S. tax dollar to the giveaways, whether they be in the form of loans or outright grants. And I cannot, and shall not, accept the specious premise of this administration that we must use our scarce tax dollars to convince the rich Arab oil states that they should do more for the less fortunate countries. Let world opinion apply the pressure on the Arabs. At least, let us give it a try. It cannot assert itself as long as Uncle Sam keeps playing the sucker as willingly as Mr. Hennessy insists he should.

MARINES LAND TO SUPPORT HISC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. ASHBROOK. Mr. Speaker, the Marines have landed on the legislative beaches and are prepared to join the engagement precipitated by the House Select Committee on Committees' proposal to abolish the House Committee on Internal Security and "transfer its functions" to the Committee on Government Operations.

The Marine Corps League unequivocally opposes any effort to transfer, to curtail, or to delete HISC's present authority, according to the magnanimous message sent to selected Members of the House by Mr. C. A. McKinney, the league's legislative officer, on behalf of the National Commandant.

Noting that the committee "has earned its battle streamers" and "stands tall" as a bastion of democracy, the league's letter of June 5, cites HISC's role as a check or warning device against those who would attack this Nation from within as the corps itself acts as a deterrent to outside aggression. The league's letter, which follows and which is deeply appreciated I am sure, by all members who have, over the years, supported the committee, offers HISC its "vote and confidence."

The letter follows:

NATIONAL HEADQUARTERS,
MARINE CORPS LEAGUE,
June 5, 1974.

HON. JOHN M. ASHBROOK,
Ranking Minority Member, House Committee on Internal Security, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: It is our understanding that the House Committee on Select Committees' recommendation for restructuring has been referred for further study to a special subcommittee of the Democratic Caucus chaired by the Honorable Julia B. Hansen, Congresswoman from Washington.

The Marine Corps League has reviewed the restructing proposal with concern. It noted that the Committee recommends the transfer of the House Committee on Internal Security to the Committee on Government Operations.

As we interpret the provision, the transfer will not include the composite movement of the HISC staff or files, nor provides for the continuity of the Committee's necessary work in investigating organizations that threaten the very existence of this Nation.

This being the case, the League, a congressionally-chartered association, composed entirely of Marines and veteran Marines, unequivocally opposes any efforts by the House Members to transfer the Internal Security Committee, or curtail or delete any of its present authority as a separate committee of the House of Representatives.

The history of the HISC has been one of dedication and duty to Country and the American public. It has brought to the attention of one and all the elements within the United States that advocate the downfall of our Nation, or who threaten its principles as bequeathed to us by our Founding Fathers.

These elements have and are continuing to infiltrate every conceivable activity that may, can, or will influence the American citizenry. Subversive groups have placed their members in the Nation's schools, public offices, governmental positions, and even in our Armed Forces. Consequently, they have been somewhat successful in contributing to the recession of many of our American ideals and practices.

Only the House Committee on Internal Security "stands tall" as a bastion of democracy. It has served the Congress and the American public as a "warning device" against those who would tear down this great Republic.

Although the Committee has not been in existence as long as the United States Marine Corps, it certainly has earned its battle streamers as a defender of the Nation within. Where the Corps stands as a deterrent to outside aggression, the HISC continues to maintain a check against those who would attack us from the inside.

The House Committee on Internal Security has the vote and confidence of the Marine Corps League and, as our Marines, has through dedication, loyalty, and service to Country further earned the right to use the Marine Corps League's motto, "Semper Fidelis"—("always faithful").

To "sink" the Committee at this time when our Nation stands in peril is the worst that could happen to the internal defenses of our Nation's security.

Semper Fidelis,
C. A. MCKINNEY,
National Legislative Officer for the National Commandant.

AMENDMENT TO H.R. 10294

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. GUNTER. Mr. Speaker, tomorrow when the House considers H.R. 10294 I plan to offer an amendment which I believe will help fulfill the purpose of public participation in the land use process.

In order to give timely notice the text of the amendment follows:

Amendment to H.R. 10294, as reported, offered by Mr. GUNTER:

Page 29, line 16, immediately before "substantial" insert the following: "public hearings in sufficient numbers and places within the State so as to assure easy accessibility by all local governmental officials, and the public generally, to such public hearings, as well as other methods of".

"GEMUETLICHKEIT"

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. TRAXLER. Mr. Speaker, this week, June 9–15, the citizens of Frankenmuth, Mich., are celebrating their 18th annual Bavarian Festival. The week-long celebration is a time when over 200,000 festival-goers are expected to join in the spirit of Bavarian fellowship, a time when the charm and excitement of the "Old World" come to life again.

Located in the green rural heartland of Michigan, Frankenmuth is an oasis of beauty and charm, healthful, and relaxing living. The 1.3 million people who visit Frankenmuth every year find a cordial unassuming atmosphere, a suggestion of the bountiful farm dinners and cheerful way of life many of them enjoyed in their youth.

Frankenmuth is a place where one can still find the "gemuetlichkeit" of old Bavaria. Never translated the same way by any two Germans, "gemuetlichkeit" is a comfortable way of life, a life that tastes the flavor of good food, good homes, good business and good fellowship.

The 129-year-old city of Frankenmuth was conceived in 1845 as an unique experiment. A Bavarian Lutheran missionary society interested in bringing the Gospel to the Chippewa Indians decided that a pastor with a small group of believers would illustrate Christianity better than a single missionary. So on April 20, 1945, a company of 15 German Lutheran emigrants embarked from Bremerhaven, arriving in Frankenmuth 3 months later.

It was a large and unpopulated country that received the group of settlers. Their only connections with the outside world were the navigable Cass River and the Indian trails which wound their way through the dense forests. Yet those 15 people, far from Germany with its fortified cities and its sense of history that stretched back to the Middle Ages, eagerly embraced the new land—cleared the soil, grew crops and made it their home. Through sound agricultural practices, the Frankenmuth settlers carved out and have kept for almost 130 years fertile and productive fields and fruitful gardens.

True to their calling, the first building the settlers erected in the New World was their church. The present St. Lorenz Lutheran Church, built across the street from where the original log church once stood, is one of Michigan's oldest and largest Lutheran congregations. Since its founding in 1845, the church has remained a center for the spreading of the Lutheran faith, sending out more than 200 men and women into the Lutheran ministry and teaching profession. The St. Lorenz School is the largest Protestant parochial school in the Nation, with over 700 students enrolled.

In its pioneer days Frankenmuth was not only a missionary colony, it was a lumbering town as well, filled with men of courage and gusto, skilled at their hazardous work. A sawmill became the nucleus of the early Frankenmuth.

Because the railroads never penetrated the boundaries of the town, the Bavarian traditions and culture of the community have remained. One of the major Bavarian attractions of the city is the Frankenmuth style chicken dinners served at two large restaurants—Zehnder's and, directly across the street, the Bavarian Inn, both operated by the Zehnder family. Together these restaurants often serve 20,000 meals a week and as many as 8,000 on a Sunday and employ over 500 people. Bronner's Christmas Showrooms and Tannenbaum Shop feature the country's largest display of indoor and outdoor decorations; many of the decorations are the firm's own designs and are made to order by European and Oriental glass artisans. For over 100 years, Frankenmuth has produced its own brand of beer. Carling established a plant in the city around the turn of the century and is now recognized as operating Michigan's most modern brewery. The town also boasts the Frankenmuth Cheese Haus—the town gave its name to Frankenmuth cheese, a whipped curd-type developed here—Rupprecht's Sausage Haus, a woodworking shop, metalworking and machine building shops, the Frankenmuth Mutual Insurance Co., and the Frankenmuth State Bank. The Frankenmuth News has been a voice rallying Frankenmuth citizens to innumerable achievements since 1906.

Frankenmuth is constantly reaching into the past and yet it does not forget the future. Modern life graciously fuses with the tradition of history, inexhaustible vitality with age. Today, a growing town of 4,000 people, a city with the capacity to adapt to change, as its many modern schools, parks, homes, insurance company and banks testify, Frankenmuth's significant achievements and progress are a result of quiet evolution, a blending of past with present.

Pre-Bavarian festival activities began Saturday with the "Festival of Bugles and Drums" competition featuring corps from surrounding States and Canada. On Sunday the festival officially opened with a parade of marching bands and colorful floats. The "Spas Platz" is open every day from noon to midnight featuring top name polka bands, arts, and crafts exhibits from all over the United States, children's activities and the "jungvievhhof"—small animal farm. Bavarian "mädchens" in traditional German attire will be on hand to dish up plenty of the Frankenmuth food—delicious barbecued chicken plate dinners, bratwurst and other Bavarian specialties—topped with foamy steins of Frankenmuth's own favorite beverage—beer.

Many Michigan towns have an underlying European culture; a few like Holland—Dutch—and Posen—Polish—commemorate it with festivals. But Frankenmuth and its Bavarian Festival are uniquely entertaining and exciting. I would like to extend an invitation to my colleagues and all Americans who may be traveling or vacationing in Michigan this week to spend a day enjoying the Old World flavor of this nationally known festival. To them, on behalf of the people of Frankenmuth, I extend the traditional greeting of Germans everywhere—"Willkommen."

THE DEFENSE CONFIDENCE GAME

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. DELLUMS. Mr. Speaker, as a member of the Armed Services Committee and a participant of the debates on military spending in this body, I sometimes feel an air of unreality about our doctrines and the official "missions" for the various proposed weapons systems, but somehow, I do not think we are arguing about what is really important, as far as military decisionmaking is concerned. I fact, if we look at the story of military spending since World War II as a whole, we see very clearly that doctrine follows the weapon system, and not vice versa. Indeed, I do not think I am overly suspicious when I think that our arguments about strategic doctrines are a distraction from the real issues.

For one thing, the strategic doctrines all seem to go in one direction—toward greater technological complexity—as one replaces another. As Mary Kaldor and Alexander Cockburn, the authors of an excellent recent article in the New York Review of Books put it:

> Arguments of this kind can never be resolved. They escape the objective test of war, and in peacetime one strategic policy can succeed another with no ultimately convincing criterion of its superiority. The tendency, of course, is for the strategies to spiral upward in expense and baroque elaboration, rather than downward to a cheap simple system to destroy the world . . . Such debates and forward perspectives err to the extent that they are conducted in a political vacuum.

Could it be that the reason for this mounting complexity has something to do with the capacities and needs of the research and development bureaucracy, both in the Pentagon and in so-called "private industry?"

> The first wave of weapons production after the Second World War began to subside in the late Fifties. In the resulting trough a plethora of new projects was introduced . . . A decade later large cuts in the space budget coincided with recession in civil aviation and merchant shipping. The second great wave of postwar military boondoggles was subsiding: the time was propitious for a new set of decisions.

I invite my colleagues to read this well-researched and well-presented article, and to introduce some reality into our debates. I believe the article convincingly shows that the Pentagon claim that the budget is not going up is a result of juggling with figures and some very generous assumptions. Another excuse for the present building program—the "aggressive Soviet modernization program"—is also put into context, the context of overwhelming Sovet inferiority. We should not let the Pentagon set the terms for our debates, and look beyond their spurious issues to the real dynamics of military spending.

The first half of the article follows:

THE DEFENSE CONFIDENCE GAME

(By Mary Kaldor and Alexander Cockburn)

Report of the Secretary of Defense, James R. Schlesinger, to the Congress on the FY 1975 Defense Budget and FY 1975–1979 Defense Program, U.S. Government Printing Office, $2.60.

I

Although it would be frivolous to devote extensive space to the purely stylistic aspects of James Schlesinger's 1975 defense budget we should note at the outset that his prose is that of a man visibly animated by strong and eccentric emotions. One would not expect someone who spends his hours of relaxation listening to tape recordings of bird song, and his hours of worship at the Lutheran church making careful notes on the sermon, to produce merely humdrum requests for money.[1]

On the very first page of the budget he is quoting the psalmist to the effect that "where there is no vision the people perish," and after sixteen pages he has taken wings: "Eli Whitney belongs to us, not to our competitors. He rather than the medieval craftsmen of Mont-Saint-Michel and Chartre—however magnificent and unique their art—must once again become our model. The startling invocation of Eli Whitney follows immediately after sentiments less exalted, but more to the point: "We can and must become increasingly competitive with potential adversaries in a more fundamental sense. We must not be forced out of the market—on land, at sea or in the air."

This is by way of introduction to Schlesinger's main theme: "This is our first peacetime defense budget in a decade. It is therefore an appropriate time to consider best how to settle down for the long haul." In a reflex action, familiar to those who have immersed themselves in Pentagonese, this becomes "a long haul posture." But Schlesinger is not a stupid man and his budget is adroitly presented. It demands the closest scrutiny, for his vision of "the long haul posture" raises profound and gloomy questions about the nature of the arms race in the Seventies; about the real intentions of this peacetime budget and what it portends.

The most conspicuous feature of the FY (fiscal year) 1975 defense budget is its colossal size. "A policy," Schlesinger remarks, "requiring us to maintain our military strength and alliances while we are actively pursuing détente with the Soviet Union and the People's Republic of China may appear to some as incongruous." The incongruity, expressed in round figures, amounts to this: the DOD has requested budgetary authority to spend $99.1 billion (the largest ever, with the exception of 1942 when the figure was $99.5 billion) and the DOD's estimated outlay is $85.8 billion, the largest sum ever to be spent by the Defense Department. This, despite DOD claims to the contrary, represents an 8 percent real increase on the outlays for FY 1942.[2]

To adjust ourselves to the atmospheric conditions required to maintain life and sanity on the DOD's budgetary planet we should begin by slowly breathing in the strange terminology of defense jargon. Unfamiliar flora and fauna abound: Worst Case Analysis (consideration of the worst things that could possibly happen, and consequent response to them as though they were true) and adjacent to this concept its half brother, Higher Than Expected Threat. Penaids (penetration aids) move through the somber heavens.

Strange sets of initials, too cumbersome even to be acronyms, come sliding out of the swamp, unrecognizable to all but the most expert of zoologists. Here comes AABNCP (E–4).

The AABNCP program, as currently planned, would be pursued in several stages geared to our growing understanding of the command and control problem in a nuclear war environment, and to the further development of applicable technology. . . .

What is this? Actually it's the Advanced Airborne National Command Post: converted Boeing 747s stuffed with electronic equipment and high brass which can fly about for up to sixteen hours without refueling in the event of nuclear attack. The NEACP or National Emergency Airborne Command Post will carry the President himself, always assuming that he has survived the perilous transition between White House and Andrews Air Force Base.[3] A computer terminal aboard the E–4, connected directly to the "WWMCCS ground-based ADP system," will furnish the airborne commander in chief with progress reports on nuclear destruction for as long as the ground-based system continues to function. Thereafter, says Schlesinger bleakly, "it would have to operate in a manual mode." Unfortunately we do not yet know the cost and timing of the actual computer terminal, as opposed to the aircraft, since "it has yet to be fully defined."

This budget, with its "long haul posture," represents a significant increase in real expenditure—a Great Leap Forward of the kind that has occurred about every ten years. Each leap forward comes equipped with a new strategic doctrine: for example, in the early Fifties it was the doctrine of "massive retaliation," which justified the maintenance of high post-Korean War budgets. In the early Sixties it was the strategy of "flexible response." And now, in the dawn of the "long haul posture," we have Flexible Targeting Options which have come to be known as Counterforce. The announcement of a proposed new doctrine is not necessarily directly linked to huge budgetary appropriations (Schlesinger requests only $310 million for Counterforce this year), but debate has developed conveniently about it, leaving such items as $26.5 billion for operation and maintenance of existing forces under relatively less intense scrutiny. Counterforce, in short, has become this year's fashionable topic—an excellent lightning conductor.

Since 1967 the official strategic doctrine of the U.S. has been Assured Destruction, or—in its more companionable form—Mutual Assured Destruction (MAD). The essence of this strategy is simple enough. The enemy will be deterred from attempting a first strike by the prospect of instant destruction of its cities and industry. The Assured Destruction doctrine allows Schlesinger to say in this year's budget that even after a more brilliantly executed and devastating attack than we believe our potential adversaries could deliver, the United States would retain the capability to kill more than 30 percent of the Soviet population and destroy more than 75 percent of Soviet industry. At the same time we could hold in reserve a major capability against the PRC.

(It is reckoned by DOD strategists who exclude the capricious tyrant contingency from their calculations that the Soviet Union would regard as "unacceptable" the loss of 25 percent of its population and 50 percent of its industrial capacity. As Schlesinger remarks, these figures were arrived at in the Sixties because "beyond those levels very rapidly diminishing increments of damage would be achieved for each additional dollar invested.")

To achieve assured destruction the U.S. can count on approximately 6,000 deliverable warheads excluding those carried by strategic bombers and by tactical launchers based overseas. The first set of SALT agreements were acknowledgments of the fact that both the USA and the USSR can inflict intolerable damage upon each other, and this mutual knowledge was assumed to be "stabilizing," a word much favored in such strategic debate.

What Schlesinger is now proposing as a topic for national debate is the doctrine of Flexible and Selective Targeting Options, popularly called Counterforce, although Schlesinger is careful to distinguish between the two. Counterforce means the ability to hit the other side's missile silos. It has been opposed by SALT strategists lest it should undermine the MAD doctrine and establish what is known in the business as a Disarming First Strike Incentive. Flexible Targeting Options means providing the President with the choice between *Counterforce* (missile silos) or *Countervalue* (people). Schlesinger makes great play with the essentially humanitarian features of his new doctrine in this regard, asking why "the terrible retribution" of MAD should be visited on the Russian people for "some ill-defined transgression of ther leaders." He also argues that if one makes the idea of limited nuclear war credible (by lowering the nuclear threshold, so to speak), one enhances deterrence. An adversary is more likely to believe in nuclear retaliation for an act of aggression if retaliation does not entail general holocaust.

In effect FTO means acquiring a limited Counterforce "capability," or rather improving the efficiency of a Counterforce capability already possessed by present US missiles, which can now be retargeted to hit Soviet missile silos or indeed any other specific military objective. In any case a limited Counterforce capability does not fit the two arguments which might justify it. It cannot provide a disarming first strike so long as submarine-based missiles cannot be detected. On the other hand it is not sufficiently limited to avert massive retaliation. Schlesinger may feel the tenderest emotions toward the Russian people but he cannot really expect that nuclear explosions will not damage cities or industry, and that the Russians will not be prepared to reply in kind.

One of Schlesinger's rationales for this seemingly otiose "improvement" is based on the development of new heavy ICBMs by the Soviet Union and its testing for the first time last year of a MIRVed warhead (a missile which in flight releases several individually targetable warheads. The US tested its first MIRVs in 1968 and deployed them in 1970). Those developments in the Soviet strategic arsenal—still in the testing stage—could, according to Schlesinger, enable the Russians to destroy US missile silos.

The word used to frighten people about Russian ICBMs is their "throw-weight," that is to say, the size of the warhead they are capable of releasing. Russian missiles are not nearly as accurate as their American counterparts and thus need copious throwweight to produce sufficiently large explosions to compensate. This also means that Russian ICBMs will inevitably slaughter a large number of American citizens as well as accounting for missile silos. So why is Schlesinger suggesting that the USSR has a limited Counter-force capacity when his own theology of Counterforce implies "limited collateral damage"?

The "bargaining chip" rationale also makes its predictable appearance. Schlesinger says he needs to develop new strategic systems as bargaining counters in negotiations with the Russians and as a hedge against failure to reach agreement in strategic arms limitation. In the Senate Armed Services Committee hearings on the budget Senator Symington had some sour reflections, in this regard, on just how much the arms control disarmament discussion generally called SALT is costing our tax payers. The ABM was sold as a bargaining chip. Trident was sold as a bargaining chip and this new Counterforce targeting is being sold as a bargaining chip . . . I am worried about

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Footnotes at end of article.

still more bargaining chips that pop up regularly and so heavily increase our costs.

Liberal arms controllers argue that although Counterforce demands small sums of money—$310.7 million—it could provoke a new round in the arms race with enormously "destabilizing" consequences for the East-West relationship. They may be right. But Counterforce may justify an arms build-up quite apart from any Soviet arms increase and quite apart from the presumed merits of the new strategy. To see why we must first concentrate on the reasons why the US government spends over $90 billion on defense, and what this expenditure actually means. Critics of the Pentagon, in this context, constantly refer to the "military-industrial complex" with rather rare inspection of what the complex actually implies.

FOOTNOTES

[1] One assumes that the flourishes belong to Schlesinger. The budget was drafted by Professor William Kaufman of MIT. He was one of the defense intellectuals brought into the government by McNamara in 1960.

[2] Anyone who takes too literally Schlesinger's lamentation that the US has a long tradition of arming with great haste when war comes upon us, and disarming with even greater haste when war is over" can take comfort from the fact that even using DOD figures we find that the "peace dividend"—the amount by which the defense budget falls after a war—is smaller than the amount spent annually fighting the war in Vietnam. In 1968 the total defense budget, excluding Vietnam running costs, was $51.5 billion. The 1975 budget, in questionable DOD 1968 prices, is $53.3 billion.

The claim that the 1975 budget is no larger in real terms than the 1974 one is not persuasive. This year the Pentagon presented not one budget, but two: fiscal year 1974 supplemental, in addition to fiscal year 1975. Generally such supplementals are for unexpected cost increases and emergencies of one sort or another. This year, in the supplemental budget. $2.8 billion is required for "augmented force readiness." (Among such augmentations we find, for example, $25 million needed to speed up the construction schedule for Trident submarines, slowed down by Congress last year. This is a task for which contractors have yet to be selected.) In addition the $2.2 billion in emergency aid for Israel is shoved back into the 1974 base line defense costs. The net result is that a $5 billion difference between FY 1975 and FY 1974 disappears.

There are further hazards, beyond efforts to retrieve this migrant $5 billion. All the DOD figures of increase or decrease in real outlay are of course based on its methods of computation. Naturally the higher DOD's estimate of inflation, the lower the "real costs" become. Hence all pay increases are counted as inflation. But the shift to a volunteer army, with consequent higher pay rates, implies a real increase in performance. "Grade Creep"—the increase in the number of senior officers—and "top to tail"—the increase in the number of officers—are countered as inflation, and so are the increased salaries attendant on the shift from military to civilian employment.

But it does not require enormous wit to see that such pay increases represent increases in the real resources available to the Pentagon and therefore are not purely inflationary. Finally, for its price deflator the DOD uses an index of federal purchases which rises faster than the consumer price index. Federal purchases include weapons systems whose costs escalate rapidly. There is a tendency to count such costs as inflation rather than an increase in the real resources needed to produce an individual weapons system. In sum, any DOD boasts about the slim dimensions of the budget should be treated with the gravest suspicion.

[3] Should he miss the plane, all is not lost: the WWMCCS (Worldwide Military Control and Command System) will keep him in touch, "no matter where he may be—in the White House, Camp David, San Clemente, Key Biscayne, or airborne."

II

The substantial increases in this year's budget are not due to a sudden change of heart toward the Soviet Union, or to a striking shift in strategic thinking. They are, rather, consequences of past decisions. The jumps in the Procurement and the Research, Development, Test and Evaluation (R&D) budgets of 6 percent and 12 percent respectively are logical outcomes of hasty projects started within the last five years to compensate for the collapse of the Vietnam war boom. The rise in the R&D budget is particularly significant, for it represents additions to military know-how. All of it goes toward the *enhancement* rather than the *maintenance* of military capacity. Since the early Sixties the R&D budget has been constant or falling in real terms.

Its rise this year, just as in the early Sixties—and indeed in the early Fifties—represents a new phase in the arms race, a quantum leap in future arms spending consequent upon decisions taken to solve the industrial difficulties of 1968–1972. The R&D appropriation reverberates throughout the entire budget of which it seems merely one small part. An increase in R&D of 12 percent this year implies a much larger increase in total spending in the future. Schlesinger told the Senate Armed Services Committee that if there is a favorable SALT agreement and if the force structure is kept constant the budget will increase by five or six billion dollars a year. But the expansion implied by the increase in the R&D budget suggests that the growth will be at least twice that size.

These increases flow from the decision to preserve a capacity to make armaments; such a decision is also a decision to expand that capacity indefinitely. A capacity to produce, and above all to develop a modern weapons system involves scientists, specialized equipment, plant, machinery, and skilled workers who have to be continuously employed. But continuous employment also means continuous expansion. Employment of scientists produces technological advances. More importantly these advances are actually applied since corporations can only continue to sell their weapons if they possess attractive improvements over old weapons. They must offer something better than their competitors, something the military can justify to Congress.

But such improvements cost more money. Each new weapons system takes more people and materials to build than its predecessor. And although the number of weapons may be narrowed, this rarely compensates for the increase in cost to the Pentagon. This year's budget, for example, includes $2.043 billion for the acquisition of Trident submarines as part of the $13.5 billion program for ten submarines. The total acquisition cost of forty-one Polaris submarines, Trident's predecessor in the period 1959–1967, was only $13.9 billion. The budget also includes provision for an alternative successor to Polaris, the Narwhal submarine.

What has come into being is the system known as the follow-on. The system started in the late Forties when new procurement decisions were taken to prevent the total collapse of specialized defense companies such as Boeing, Raytheon, and Bath Iron Works of Maine. Boeing began to develop the B–47 bomber and Raytheon the Sparrow and Hawk missiles which have kept it going to this day. ($100 million is included in this year's budget for Hawks.) The full impact of these decisions was obscured by the Korean War. After the peak of that war the defense budget has never fallen below $40 billion. (In 1950 it was $14 billion.)

These projects were followed by others in expensive succession. For Boeing, the Minuteman followed the B–52 strategic bomber, which followed the B–47. Between 1952 and 1973 Newport News's yards have produced no fewer than seven carriers, each bigger and better than the last, bow to stern, in the best follow-on tradition. Lockheed developed a notorious (for cost over-runs and allied misfortunes) series of heavy transport planes; the most recent being the C–5A.

The idea that each weapons system must have a follow-on has become self-perpetuating. Each corporation has a planning group whose sole function is to choose suitable successors for weapons currently being produced and which maintains close contact with consorts in the military. The planning procedure is supposed to be an exercise in prediction. In actual fact, because of the intimate relationship with the armed services it becomes a self-fulfilling prophecy. Even so the system has not worked smoothly, and it has taken periodic industrial crises to initiate the full range of new projects.

The first wave of weapons production after the Second World War began to subside in the late Fifties. In the resulting trough a plethora of new projects was introduced, hence promoting the difficulties experienced by Kennedy and McNamara when they made some efforts to control defense spending in the early Sixties.

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To soothe those appalled by such expenditure the Pentagon applies a salve called the High-Low Mix: the addition to many expensive projects of many relatively "cheap" projects. This satisfies defeated competitors for the big contracts and gives congressmen a saucy whiff of military parsimony. The Narwhal submarine and the Strategic cruise missile fit this category as does the A–10 close air support aircraft, which costs $270 million.

Of course the Procurement and the R&D appropriations are not the only items in the budget. They jointly account for 30 percent of it. But a weapons system means much more than just its acquisition cost. It takes fifty men, for instance, to make up a field organization to repair and service a single military aircraft. The cost of a submarine will be multiplied several times over in repair and overhaul costs during its lifetime. Every new generation of weapons costs more and more to maintain. This is the reason why the Operation and Maintenance budget increased 10 percent this year. And then we must not forget the sailors and the pilots and the planners. For the air force and navy "force structures"—the term used to indicate the composition, size, and hierarchy of various sections of the armed forces—are built around particular weapons systems. (The army presents a different case since numbers of men or numbers of combat troops determine the size of the Procurement budget. But naturally the army has to keep in step with navy and air force budgetary victories. So this year it gets an extra third of a division.)

Students of bureaucratic politics, it should be noted, are not happy with the argument for the potency of industrial requirements. The B–1, they say, was ordered to maintain strategic bombing missions for the air force: the air force's manifest destiny is to bomb. But such an answer fails to take into account the requirements of the defense industry—the fact that arms companies must go on producing bigger and better weapons if they are to survive. It fails to explain why the useful life of a weapons system should correspond so aptly to the manufacturing cycle of weapons systems, or why armed services should prefer fewer and larger weapons when more weapons would maintain a larger force structure.

Bureaucratic politics is merely the medium through which industrial competition reaches the highest levels of government. The intense battle to maintain force structures is in fact an industrial battle, since the maintenance of a particular military function—such as strategic bombing—supports a whole host of weapons systems, which in turn keep the industry alive. Grumman is a navy corporation; Boeing is an air force corporation. Competition between them, based on different "capabilities," gets translated into interservice rivalry ostensibly about differing weapons specifications. This in turn appears before the public as arguments about strategic doctrine.

Another way to see the irrelevancy of strategic doctrine is to note that supposedly gigantic changes is world politics have little or no influence on the habits of the military bureaucracy. What greater change than from cold war to détente—from "the era of confrontation to the era of negotiation?" And yet no one's job is threatened—changes should not be allowed to go that far. To quote Ms. Kaldor and Mr. Cockburn again:

> The SALT agreements are being negotiated to institutionalize the arms race. So far as military expenditure is concerned SALT is a prop rather than an axe. Indeed SALT opens up an immense vista of bargaining chips to be acquired. The public is supposed to believe—in so far as it can bring itself to read about SALT at all—that the Administration is making progress toward a safer world (or that, per contra, only the vigilance of Scoop Jackson is saving the country from unprotected prostration). Such illusions and disputes do not inflict any damage on the $90 billion defense budget. "Advances" or "setbacks" in political detente have no effect on the growth of the world military arsenals. These have a momentum of their own and keep on growing.

But the best way to understand the real causes of military spending decisions is to stand back for a second from current arguments over specific weapon systems and observe the overall pattern of military spending in historical perspective. If we take the trouble to do this, we note a remarkable coincidence between new weapons systems and the times when large military industries are looking for something to do. This is the real meaning of the "follow-on." To quote again:

> The idea that each weapons system must have a follow-on has become self-perpetuating. Each corporation has a planning group whose soul function is to choose suitable successors for weapons currently being produced and which maintains close contact with consorts in the military. The planning procedure is supposed to be an exercise in prediction. In actual fact, because of the intimate relationship with the armed services it becomes a self-fulfilling prophecy. Even so the system has not worked smoothly, and it has taken periodic industrial crises to initiate the full range of new projects.

HON. JIM MARTIN'S OPINION QUESTIONNAIRE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, I am happy to report that I have received a record 22,860 responses from my 1974 opinion questionnaire mailed to Ninth District constituents in April. That tops the previous record of 21,479 returns as well as the 20,644 responses to my 1973 questionnaire.

The questionnaire covered 10 specific topics of national concern, and one general question allowing respondents to list the major national issues as they see them.

Of nearly 23,000 responses to the questionnaire, 25 percent listed inflation and the cost of living as the No. 1 national issue. That was followed by the energy crisis and fuel shortages.

Watergate and impeachment were listed as the No. 3 national issue by questionnaire respondents, including both supporters and critics of the President.

Busing was listed as the fourth ranked national issue, followed by honesty in government—other than Watergate—crime and drug abuse, and concern with Federal spending and big government.

The No. 1 discussion topic today is the question of impeaching President Nixon. I have taken the position that Members of Congress should wait until all the evidence is presented on the floor of the House before making any judgment about the President's guilt or innocence. This position would seem to be reflected in the questionnaire returns, with 55 percent of the people saying the President should not be impeached based on the accusations against him and his responses to them; 32 percent said they favor impeachment and 12 percent said they were undecided on the issue. While my mail has predominately favored impeachment, responses to the questionnaire are almost 2-to-1 against it.

The question regarding wage-price controls also generated a mixed reaction, with 50 percent calling for an end to controls, and 33 percent in favor of retaining them.

On questions covering reduction of the Federal Budget to curb deficit spending, respondents said they want to see social programs cut. The margin on this issue was better than 3-to-1. As for defense programs, 41 percent of the people favored spending reductions in this sector, while 35 percent opposed defense budget cuts. A clear majority—55 percent—said they were flatly opposed to any tax increase to balance the budget. However, 28 percent said they were undecided on this issue.

We had several very timely questions on fuel and energy subjects. Seventy-six percent of the respondents said they believe fuel supplies can be increased to meet our needs without further price increases, and they said they favor legislation requiring oil companies to make disclosures about their profits, reserves, and stockpiles. The only other measure favored against the oil companies, however, was an "excess profits" tax. Overall, there seemed to be a general skepticism about the authenticity of the gasoline shortages. My own study, as I have reported before, convinces me the shortage is real and will affect us for decades to come.

A sizable majority of respondents—better than 2 to 1—were opposed to Federal tax funds being used to help finance Presidential and congressional elections. By a margin of 5 to 1, those returning the questionnaires said they were opposed to Government employee strikes.

One question on busing was identical in wording to the 1973 questionnaire. Of those responding, 76 percent favor the constitutional amendment to prohibit forced busing, essentially repeating the 78 percent support of 1973.

Another subject repeated from 1973 was amnesty, but with a changed context. A year ago, only one respondent in five favored unconditional amnesty for draft dodgers. Now, two out of five will support amnesty, conditional upon some alternate public service.

This questionnaire has been very valuable, keeping me abreast of the thinking of the people of the Ninth District. It has been a valid way to gage the opinions of constituents, offering everyone a chance to register his or her attitudes without having to be represented by a small random sample.

While I must personally weigh the merits and demerits of each bill in deciding how to vote on it, taking into account any amendments accompanying the measure to the floor, it is helpful to have the thinking of the people I represent. So I thank all those who took the time to share their views with me on these key issues.

The questionnaire follows:

CONGRESSMAN JIM MARTIN'S OPINION QUESTIONNAIRE

[In percent]

	Yes	No	Undecided
1 Impeachment: On the basis of accusations against President Nixon and his responses to them, do you favor his impeachment?	32	55	12
2. Wage-price controls: Do you believe that wage-price controls should be continued?	33	50	18
3. Fuel supply: Do you believe that fuel supplies can be increased to meet our needs without further price increases?	78	11	12
4. Energy information: Do you favor legislation requiring oil companies to disclose their profits, reserves and stockpiles?	76	11	12
5. Energy controls: In dealing with the energy crisis, do you favor—			
Less Government controls?	37	29	34
More Government controls?	32	33	35
Nationalizing oil and gas?	16	45	39
Gasoline rationing (coupons)?	13	53	34
An excess profits tax?	51	21	28
6. Federal budget: The new Federal budget shows a deficit of $9,000,000,000. To cut this deficit spending, do you favor—Reducing defense programs?	41	35	24
Reducing social programs?	60	21	19
Increasing taxes if budget cuts are insufficient?	16	55	28
7. Campaign funding: Should Presidential and congressional campaigns be financed by Federal tax funds?	26	59	15
8. Government strikes: Do you favor legislation that would give Government employees the right to strike?	14	72	14
9. Amnesty: Should those men who left the country to avoid military service be granted amnesty if they perform public service jobs for 2 years?	38	54	8
10. Busing: Do you favor a constitutional amendment which would prohibit the busing of schoolchildren to achieve a racial balance?	76	14	10

PAUL DUKE JOINS PUBLIC TELEVISION

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BRADEMAS. Mr. Speaker, Paul Duke, former NBS News congressional correspondent, recently joined the National Public Affairs Center for Television as its Washington correspondent.

Paul Duke has long been a familiar and highly respected journalist on Capitol Hill, and I know that public television will benefit enormously from his wide experience and demonstrated ability.

Mr. Speaker, I include at this point in the Record a statement issued by the National Public Affairs Center for Television on the occasion of Mr. Duke's appointment.

The statement follows:

Paul Duke: NPACT Correspondent

Paul Duke is the new correspondent for public television in Washington. He assumed his new position earlier this year after 17 years of monitoring the federal government and its activities.

A seasoned political reporter, Duke first came to the capital in 1957 as a reporter with the Associated Press. He joined the staff of the Wall Street Journal in 1959, covering Congress, and in 1966 became Congressional correspondent for NBC news.

While with NBC, Mr. Duke appeared frequently on "Today," "Meet the Press," "NBC Nightly News," and various NBC news specials. He has taken an active part in election coverage every year since 1960, and was a member of the NBC reporting team at the national political conventions in 1964, 1968, and 1972.

As correspondent for the National Public Affairs Center for Television, Duke is moderator of NPACT's critically acclaimed weekly news analysis series Washington Week in Review and interviews leading government figures and other newsmakers on the weekly Washington Straight Talk series.

He also reports regularly on major issues for Washington Connection, a new series designed to emphasize the impact of the federal government on the everyday lives of Americans.

His many contacts on Capitol Hill have enabled him to score a number of beats on important stories. He was the first reporter to predict that L. Patrick Gray 3d, acting director of the FBI, was in trouble in the Senate and might not be confirmed as FBI chief. He was the first to report that George McGovern was ready to drop Thomas Eagleton as his running mate in 1972, and first to report that McGovern had decided on Sargent Shriver as the new Vice Presidential nominee.

Paul Duke's understanding of the American political system and his concise, revealing reporting have earned him the esteem of political figures, fellow journalists, and the American public. He was honored last year by Virginia's Governor Linwood Holton at a state dinner for 34 distinguished Virginians who have achieved success in the arts, theatre, music, and scholarship. In May of 1973, he was presented with an honorary Doctor of Letters degree from the University of Richmond.

Mr. Duke was cited as among the most respected television journalists for fairness and objectivity in a 1970 poll on fairness in television news conducted at the University of Missouri School of Journalism.

Duke, 47, is a graduate of the University of Richmond, where he received a B.A. in English in 1948. He lives with his wife, the former Janet Johnston, and their 11-year-old son in Bethesda, Md.

EULOGY OF DUKE ELLINGTON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. MOAKLEY. Mr. Speaker, I would call to the attention of the House the death of the world-renowned musician, composer and arranger, Edward Kennedy "Duke" Ellington, whose talents rendered him a giant in the popular music world over a period of almost half a century.

There are many things to say in behalf of Duke Ellington's kind of music. But one was simply its unique quality. He was truly one of a kind, with that special sound which nobody else could master. In passing on, he leaves a legacy of beauty unmatched in the rich traditions of American culture.

The history of American jazz music goes back a mite further than the life of Duke Ellington, but not by very much. The first New Orleans jazz band to be so designated was that of the legendary coronetist Buddy Bolden, who did not attract attention outside his own neighborhood until about 12 years preceding Ellington's birth in Washington, D.C., in 1899.

By the time Duke Ellington was 20 he was a bandleader in Washington, looking for a chance at the big time in New York. In 1923 he arranged the first New York job for his band and was soon on his way to prominence as a broadcasting and recording artist, during extended engagements at Barron's, in Harlem, and the Kentucky Club at Broadway and 49th. Late in 1927 he was signed for what became a successful 5-year run at Harlem's famed Cotton Club.

The growing popularity of radio in the thirties worked to Ellington's advantage during his association with the Cotton Club, and the influence of the phonograph rendered him a star in England and Europe, as well as in America. His first European tour, in 1933, was a thunderous success, and upon his return he and his band were signed to perform in several moving pictures.

The coming of the swing music era of the midthirties permitted others such as Benny Goodman, Count Basie, Artie Shaw, and Tommy Dorsey to challenge Ellington as the outstanding dance band leader in the country. But when the swing craze faded in the early forties, to the disadvantage of the others, Ellington survived, even surging to new heights, once again attracting international attention.

It was the nature of Duke Ellington to elicit the loyalty of his musicians, and to maintain the same personnel, with only slight variation, over many, many years. Such great jazz names as Johnny Hodges, Ben Webster, Joe Nanton, Harry Carney, Rex Stewart, Lawrence Brown, and Sonny Greer were associated with Ellington through most of the 1920's, the 30's, the 40's, the 50's, and the 60's. Charles "Cootie" Williams, who rose to fame with Ellington in the 1930's, had his own band for quite a spell, but 12 years ago returned to the Ellington corral, and was there at the finish. Harry Carney, the greatest baritone saxophone player in jazz history, was the mainstay of the Ellington reed section all the way, from 1926 to 1974. The loyalty of leadership to personnel and personnel to leadership was a matter of the greatest musical significance.

As he had capitalized on the radio for publicity purposes, in the early days of its existence, Ellington also was to capitalize on the phonograph record, above and beyond all other jazz musicians. Signed always to play for one of the several major recording companies, he permitted and encouraged his talented sidemen to record on their own, for whatever company was interested. As a result, the hundreds of records released under Ellington's name are matched in brilliance and musical importance by those released under the names of Johnny Hodges, Cootie Williams, Rex Stewart, and Barney Bigard, accompanied by Ellington personnel.

Throughout the course of his career, Duke Ellington performed in recording studios more than 300 times and produced nearly 1,500 record sides or tracks, not counting alternate masters, unissued sides and the recordings of his sideman—in which the Duke was frequently engaged, on piano—and not counting hundreds of records and tapes made at concerts or dances. What is even more astonishing is that a large majority of these recordings comprised his own compositions. In terms of mere numbers, Ellington rates alongside two other prolific musical creators, Johann Sebastian Bach and Heitor Villa-Lobos.

Mere quantity is hardly the distinguishing factor, however. It is the quality that matters—the quality of these thousands of Ellington recordings; the countless musical innovations embodied in them; the music that remains, indelibly imbedded in our memories.

Perhaps no recording artist associated with the jazz music tradition was responsible for so many unique musical cameos and vignettes, defying imitation and repetition. Each Ellington recording has a way of creating its own musical universe, never to be duplicated. For the jazz musician, the release of the phonograph record is tantamount to publication. And as the most published musician of his time, in this sense, Ellington fulfilled his heart's purpose to the hilt.

In the area of live performance, Ellington was to encounter the same problems as his fellow big-band leaders in the entertainment world—the demise of vaudeville and the theater stage-show, the rise of the vocal soloist as the main staple of nightclub entertainment, the long success of small-band rock and roll, and the virtual disappearance of the fox-trot from the dance hall scene.

In the 1950's, when popular interest in big dance bands dropped so low that all but a handful gave up completely, or took to working on a part-time basis, Ellington kept going, despite the financial gamble involved.

From 1956 to 1971 he and his band toured the four corners of the world, performing in the Middle East, the Far East, and the Soviet Union under the auspices of the U.S. State Department, as well as Africa, South America, and Europe. In many engagements on these various foreign ventures the orchestra was booked in the great concert halls, exactly the same as if it were a 15-piece innovation of the symphony orchestra, which in a sense it was.

As a composer, Ellington was responsible for more than 1,500 pieces of music, ranging from popular standards such as "Do Nothing Till You Hear From Me," "Sophisticated Lady," "Don't Get Around Much Any More," and "Satin Doll," to moving-picture themes, ballet, classical, and sacred music.

Name your musical category, Duke Ellington was its leader. In the words of composer and conductor Leonard Bernstein:

> The Duke was not only a remarkable composer and performer, but was in himself a significant chapter in the history of American music.

Because of its beginning in the world of saloons, and slums, jazz music took a long time acquiring respectability and acceptance, as did also jazz musicians and composers.

Final acceptance came late in life to Duke Ellington, but not too late for him to enjoy it. He was awarded the Presidential Medal of Freedom in 1969 and the French Legion of Honor in 1973.

He is gone now, and will do no more creating. The vibrant genius of his life is stilled at least. Unlike most of us, however, he has been able to leave a portion of his genius for posterity—the vastness of his recorded works and his published songs which will charm and thrill the music lovers of the world for centuries to come.

NATIONAL HEALTH INSURANCE AND HEALTH CARE DELIVERY

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. OWENS. Mr. Speaker, the Congress is presently conducting hearings on national health insurance. The debate which is taking place is of crucial importance for all Americans.

In fiscal 1973, this Nation spent $94.1 billion for health and medical care—3½ times the amount spent in 1960 and almost 8 times the amount spent in 1950. The average health bill for each American increased 300 percent over the average health bill in 1960 and increased more than 500 percent over the amount in 1950.

Although there has been a significant growth in voluntary health insurance in the United States since World War II, only about four-fifths of the population under age 65 had either hospital or surgical health insurance or both at the end of 1972. The percentages were lower for nonhospital-associated health care—176 percent were covered for X-ray and laboratory examinations, 51 percent for office and home visits, 58 percent for out-of-hospital prescription drugs, 21.5 percent for nursing home care, and 9.5 percent for dental care.

In fact, about 20 percent of the civilian population under age 65—representing some 38 million persons—were still wholly unprotected in 1972. Disproportionate numbers of these were children and the poor. The lower a person's family income, the less likely he is to have health insurance.

Finally, even those persons with insurance coverage incur significant out-of-pocket health expenses. Although such expenses vary substantially by age, when all ages are summarized together, the average personal health care bill in fiscal 1973 was $375 per person. Individuals paid directly $132 or 35 percent of this amount. The remainder was paid by private health insurance, $96 or 26 percent; philanthropy and industry, $5 or 1 percent; and the Government, $142 or 38 percent.

In light of these facts, it is apparent that any national health program enacted by the Congress and signed into law must satisfy certain goals. Accordingly, such a program should:

Insure the availability and accessibility of high quality, comprehensive health care;

Protect the traditional rights of free choice of patient and physician;

Provide for universal financial access to health care;

Establish a uniform standard of benefits;

Provide effective measures to control the quality and cost of health care;

Insure against an unnecessarily large and cumbersome bureaucracy; and

Make provision for the reform of the health care delivery system.

The full cooperation of the administration, the Congress, persons, and organizations directly involved in the provision of health care, and other interested parties will be required to insure that these ends are achieved. Moreover, in order to accomplish this, I believe that an effort must be made to preserve that which is good in our present health care delivery system. But, at the same time, we must not be afraid to modify that system to insure the satisfaction of these goals.

THE PROPOSALS

Twelve major health insurance proposals have been introduced thus far. All of them incorporate varying degrees of coverage; some set up new mechanisms or bureaucracies for administration, others offer only an extension of ongoing health programs. Of the 12, the administration's bill, the Kennedy-Griffiths bill, the Kennedy-Mills compromise, and the Long-Ribicoff catastrophic measure have received primary attention.

THE ADMINISTRATION'S BILL—CHIP

The comprehensive health insurance program, CHIP, developed and supported by the Nixon administration, will not accomplish the goals I outlined above. Under CHIP, with the exception of medicare, eligibility would change with changes in employment status, income, health risk, and State residence. There would be no uniform program providing the same benefits for all persons. As a result, it is likely that, because of the complexity of the program, less-educated, low-income persons would "fall through the cracks" and end up with no health insurance coverage.

CHIP incorporates three separate plans to provide for comprehensive coverage: a modified medicare plan, covering the aged; a mandated employee health insurance plan—EHIP—covering the majority of the Nation's population, and offered through the place of employment; and the assisted health insurance plan—AHIP—designed for lower-income persons and those not covered under EHIP.

Under the modified medicare program, cost sharing or out-of-pocket expenses would increase—particularly for hospital coverage. In addition, coverage under medicare for low-income persons would be income related.

The requirements of the employer health insurance program, which would mandate the purchase of health insurance by employers, would result in a significant increase in costs for small, marginal, and low-wage employers, despite a Federal subsidy, which would decline in amount over the first 5 years. The burden upon employers would be such that they would make it more difficult for low-income heads of families to obtain regular full-time employment. Employers would prefer employees who would elect to do without health insurance coverage; ineligible part-time rather than full-time workers; single persons rather than heads of families; and temporary rather than full-time help.

Under the assisted health insurance program, there would not be one uniform, Federal program. Instead, a series of State programs would be established under Federal standards and guidelines. In addition, although AHIP would replace medicaid, it would reduce benefits for some and would increase cost sharing, which would serve as a deterrent, for others.

Finally, of critical concern, is the fact that CHIP would rely heavily upon private health insurance carriers—an industry whose track record certainly leaves much to be desired. The private insurance industry's administrative costs and profits have increased by 120 percent over the last 4 years, but the Nixon administration's proposal makes no specific provision for the regulation of the industry. Indeed, under CHIP, responsibility for the administration and regulation of the program—including private health insurance carriers—would fall to the States.

THE KENNEDY-GRIFFITHS BILL

The Health Security Act, introduced by Senator KENNEDY and Congresswoman GRIFFITHS, is the most comprehensive of the various measures being considered. Virtually everyone would be eligible for benefits, which cover the entire range of health services offered today. A major plus for the Kennedy-Griffiths bill is that it would provide a manpower support program, as well as financial incentives for physicians and other health care practitioners, for practicing in rural or ghetto areas. This is a provision which is sorely lacking in the other major proposals but which should be a primary consideration.

The very scope of the Kennedy-Griffiths legislation, however, prevents it from being seriously considered at present. The universal coverage of the bill provides that rich and poor alike are eligible for the identical care, without basis of financial need. Yet no provision is included for coinsurance or deductibles. Such features are necessary cost controllers and help guard against overutilization; they should be part of any comprehensive national health program.

One basic problem is its exorbitant cost. This would be approximately $67 billion, controlled in a health security trust fund and funded by a social security tax of 3.5 percent on the employer and a 1-percent tax on the first $15,000 income of the employee. With projections of an increasing social security tax burden, we ought to move cautiously in considering an additional tax of this nature.

Lastly, coupled with this cost factor is the administrative problem inherent in this bill. The Health Security Act proposes a multilevel bureaucracy, housed within HEW, to administer the program. One needs only to look at the present social security system, with its constant administrative problems, to see what roadblocks could be encountered. I do not think this is a realistic approach.

THE COMPREHENSIVE NATIONAL HEALTH INSURANCE ACT OF 1974

This national health insurance program was recently introduced jointly by Senator EDWARD KENNEDY and Congressman WILBUR MILLS in the spirit of a compromise. It is an attempt to incorporate what they consider the best aspects of all of the proposals presently before the Congress, and is designed to avoid many of the problems which would be created by the adoption of the Nixon administration proposal.

There are two major, controversial portions of this legislation which will require careful consideration, however. First, it places the primary responsibility for the administration and regulation of national health insurance upon the shoulders of the Federal Government. This could prove to be the least effective and efficient of the proposals for administration, and should be thoroughly scrutinized. And second, the proposed financing mechanism is a 3-percent tax on employers' payrolls, 1 percent on employees earnings, 2.5 percent on income of the self-employed, and a 2.5 percent tax on unearned income. The tax base for all individuals and employers, as proposed, would be $20,000. With the majority of the American population already heavily burdened by the ever-increasing social security tax, we should move cautiously when considering this additional tax.

THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT

Better known as the Long-Ribicoff proposal, this would offer protection against the biggest of all health care costs, the catastrophe. It also would make available a standardized private health insurance policy for the poor. Unfortunately, this measure offers little relief for the widest spectra of health care recipients, and should be viewed, therefore, as only a first step to a comprehensive national health insurance program.

ADEQUATE HEALTH CARE DELIVERY RESOURCES

The focus on national health insurance has diverted attention away from the further development of our health care delivery system. It must be made clear to the American people, however, that ensuring that all persons will be able to afford health care through the enactment of national health insurance does not necessarily mean that high quality, comprehensive health care services will be available and accessible throughout the Nation.

The Nixon administration recently has announced a cutback in support for Federal manpower programs. This is being done, it is explained, because of the rapid increase in the numbers of trained physicians. However, although this may be true in some specialized fields, it is most certainly not true generally, and the Federal Government must continue to support the existing health manpower programs, and increase them.

This need is evidenced by the ever-increasing reliance upon foreign physicians. In 1972, there were nearly 70,000 foreign medical graduates practicing in the United States, comprising 20 percent of our active physician population. One out of every five active physicians was a graduate of a foreign medical school, and for interns the proportion was considerably higher.

Since 1950, the total number of professionally active physicians has increased by more than 100,000, or approximately 54 percent. In terms of doctors per 100,000 persons, the rate has risen from 140 in 1950 to 156 in 1972. But, the proportion of all active physicians providing patient care in office-based practice has been decreasing in recent years, from 109 per 100,000 population in 1950 to 95 in 1972.

In addition, the number of physicians per population unit providing patient care varies enormously throughout the country. For every 100,000 persons in South Dakota, for example, there are only 71 physicians providing family care. In other words, each physican there serves nearly 1,200 people. In New York, the rate per 100,000 is 198 or only 500 persons per physican. Even within States with high physician population ratios, many areas suffer from a physician shortage. Persons in low income and rural areas find the number of physicians much lower than the State average, and are most seriously affected by the maldistribution of health care practitioners.

Clearly, further emphasis, and support, must be provided, to encourage young doctors to enter the practice of family medicine. Likewise, further emphasis and support is required for the encouragement of participation of other primary health care practitioners and allied health professionals in rural health care delivery. In addition, there is an ongoing need for the training of physicians assistants, such as the MEDEX program and the nurse-practioners' programs at the University of Utah, where physican's assistants are trained in the delivery of primary medical care in rural areas. And we must begin to set priorities for the funding of health research and outreach programs, to insure that adequate funds are made available for comprehensive outreach work and research in rural areas.

Finally, new concepts and mechanisms must be developed to increase the efficiency and effectiveness of the delivery of health care services. In this regard, the Congress recently passed the Health Maintenance Organization Act of 1973. I was extremely pleased, of course, when the Congress, recognizing a growing need for the development of prepaid health care plans, took action to formalize the Federal Government's support of this relatively new approach to health care delivery.

Unfortunately, the act, as finally approved by the Congress and signed into law, includes several aspects which raise significant problems for organizations interested in forming or aiding in the formation of HMOs. Thus, although drafted with the intent of insuring the availability of high quality, comprehensive health care services, there is substantial doubt as to the impact it will have on the development and operation of HMOs. Aside from the overall limitations on Federal funding, the minimum health services, and open enrollment requirements alone will make it extremely difficult, in many circumstances, for qualified HMOs to compete with private insurance carriers and Blue Cross-Blue Shield.

Nevertheless, the act was the result of an effort, which must continue, aimed at improving the delivery of health care services. It is a step forward in committing the Federal Government to a more orderly health care system designed to serve all Americans.

Over the next several years, it can be expected that the Federal Government will take the next step forward through the enactment of some form of national health insurance. The impact which such a program will have on those individuals who do not have access to health care services remains unclear. The challenge which is now presented—both to the Federal Government as well as the private sector—is how best to deal with the rush of events in the health care field so as to insure the development of both meaningful information and institutional structures that will be useful in the evolutionary process of developing more orderly health care delivery systems.

NEW LIVER CANCER CASES WIDEN FEARS ON VINYL CHLORIDE HAZARD

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. OBEY. Mr. Speaker, it is becoming uncomfortably evident that the first frightening reports about cancer caused by exposure to vinyl chloride may have underestimated the seriousness of the problem.

What is especially terrifying is that we are becoming aware of the effects this chemical has on human health only after it has been in production in this country for nearly 30 years and only because it causes, among other things, an extremely rare form of liver cancer.

Had this chemical been responsible for a more common disease, such as lung cancer, its effects, in all probability, would not have been recognized for a number of years to come.

How many of the 3,000 new chemicals which will be synthesized in the United States this year will have a similar effect on human health?

Will it be 20 or 30 years before we learn which are deadly?

Will those chemicals that are toxic be ones to which only a small portion of the population is exposed or will they be chemicals that have found their way into the bloodstreams of all Americans?

These are questions which no one can answer.

The following article from the New York Times indicates the growing fear of researchers that the vinyl chloride danger may extend beyond those workers involved in the manufacture of plastic resin to the hundreds of thousands of workers who turn the resin into consumer products, and even to individuals who live in the vicinity of vinyl chloride plants.

NEW LIVER CANCER CASES WIDEN FEARS ON VINYL CHLORIDE HAZARD

(By Jane E. Brody)

Four new cases of angiosarcoma of the liver have just been uncovered. They raise for the first time the possibility in the minds of public health officials that this fatal cancer hazard that has been linked to vinyl chloride may extend to hundreds of thousands of workers and to members of the general public.

Heretofore, the cancer risk associated with vinyl chloride, a basic chemical in the plastics industry, has been confined to the approximately 6,500 American workers who make vinyl chloride or convert the chemical to its polymer, polyvinyl chloride. Since January, when the hazard was first revealed, 19 cases of this invariably fatal cancer, which is extremely rare in the general population, have been uncovered among vinyl chloride workers here and abroad.

Among the newly revealed cases of angiosarcoma of the liver—three in New York State and one in Connecticut—are a worker who for 30 years made electrical wire insulation from polyvinyl chloride resin and a woman who for nearly 30 years lived four blocks downwind from a polyvinyl chloride manufacturing plant.

Public health officials are currently intensively investigating these cases because of their potential implication of a much more widespread hazard than previously suspected.

WORKING FORCE

Although precise numbers are not known, informed sources estimated that hundreds of thousands of workers are engaged in the processing of polyvinyl chloride, generally known as PVC, into countless consumer and industrial products, including paints, furniture, floor tiles, clothing, food packages, dentures, garden hoses, pharmaceutical products, construction pipes and insulation.

In addition, countless individuals with no occupational exposure to vinyl chloride or its polymer live in the vicinity of the 14 plants that make vinyl chloride and the 35 plants that make PVC.

The Environmental Protection Agency estimates that 300 million pounds of vinyl chloride escape into the environment each year as a result of this manufacture. Yesterday, the agency asked the 27 manufacturers involved to submit "process, emission and air quality data" to help it develop air pollution control standards for vinyl chloride in accordance with the Clean Air Act of 1970.

The agency has detected vinyl chloride up to half a mile from a PVC plant, as well as along a highway in Pasadena, the heart of the largest vinyl chloride producing region in the United States.

Other potential sources of exposure to this chemical have been the dozens of aerosol consumer products, including hair sprays and households pesticides, in which for years vinyl chloride was used as a propellant. Nearly all such products have been recalled in the last month.

OTHER POTENTIAL SOURCES

The new cases of angiosarcoma of the liver turned up in a search of records of cancer registeries in New York State and Connecticut.

The New York registry contains a total of six cases of this disease, all six having lived in the Buffalo area, near where a large Goodyear plant has been making PVC since 1946. There is also a preliminary report of a seventh case in the Buffalo area. Three of the New York cases are men who worked at the Goodyear plant in Niagara Falls, but the other three are all women who had no known occupational exposure.

According to officers at the Center for Disease Control, one of the New York women, who died in January at the age of 62, had lived four blocks southeast of the Goodyear plant since the end of World War II. She also had her hair done each week for at least 20 years, although the beauty salon she patronized told officials they did not use vinyl chloride-containing hair sprays.

CASE IN CONNECTICUT

The Connecticut registry has accumulated a total of eight cases of angiosarcoma of the liver since 1935, Dr. Barbara Christine, director of the registry, told The New York Times. One of those, a man who died last July at the age of 60, had worked for 39 years at the General Electric plant in Bridgeport.

According to a company spokesman, for the first 30 years of the man's employment, he operated machines that processed plastic ("quite probably PVC"), rubber and other materials into insulation.

The company, which this week notified the National Institute for Occupational Safety and Health about the case, has begun medical tests, including liver function studies, of all employes exposed to any known level of vinyl chloride, the spokesman said.

The institute said it was consulting with the company about further studies, and the Center for Disease Control is investigating the other cases in the cancer registry.

Dr. Irving J. Selikoff, director of the Environmental Science Laboratory at Mount Sinai Hospital here, commented that "any one case could be a coincidence and more information is needed to define the precise risk. However, the new cases point to the urgent need for research to clarify the situation."

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. MAZZOLI. Mr. Speaker, I was hospitalized at Bethesda Naval Hospital from June 2 through June 7 for knee surgery. Because of my hospitalization I was not able to vote on any of the rollcalls which came before the House during that period. However, had I been present, I would have cast my votes as follows:

On rollcall No. 261, House Concurrent Resolution 271, expressing the sense of the Congress with respect to those missing in action in Southeast Asia, I would have voted "aye."

On rollcall No. 262, H.R. 14833, to extend the renegotiation Act of 1951 for 18 months, I would have voted "aye."

On rollcall No. 266, Senate Joint Resolution 40, to authorize a White House Conference on Library and Information Services in 1976, I would have voted "aye."

On rollcall No. 267, H.R. 13595, to authorize appropriations for the Coast Guard for fiscal year 1975, I would have voted "aye."

On rollcall No. 268, S. 2844, to provide for the collection of special use fees at additional Federal recreational areas, I would have voted "aye."

On rollcall No. 269, the conference report on H.R. 12565, the Department of Defense Supplemental Authorization for fiscal year 1974, I would have voted "aye."

On rollcall No. 270, the conference report on H.R. 14013, making supplemental appropriations for fiscal year 1974, I would have voted "aye."

On rollcall No. 271, House Resolution 1152, the rule providing for the consideration of H.R. 14747, Sugar Act Amendments, I would have voted "aye."

On rollcall No. 272, an amendment to H.R. 14747 deleting South Africa from the sugar quota by 1976, I would have voted "no."

On rollcall No. 273, an amendment to H.R. 14747, adding additional criteria for the Secretary of Agriculture's determination of the minimum wage rates for sugar workers, I would have voted "aye."

On rollcall No. 274, an amendment to H.R. 14747, requiring sugar fieldworkers paid at piece rates to receive at least the hourly minimum wage determined by the Secretary of Labor, I would have voted "aye."

On rollcall No. 275, on final passage of H.R. 14747, the Sugar Act of 1948, as amended, I would have voted "no."

On rollcall No. 276, a motion to instruct House conferees on H.R. 69, the Elementary and Secondary Education Act Amendments of 1974, to insist on the House position on busing of students as embodied in title II of H.R. 69, I would have voted "aye."

On rollcall No. 278, an amendment to H.R. 15155, Public Works appropriations, to delete $800,000 appropriated for the Dickey-Lincoln Dam project, I would have voted "aye."

On rollcall No. 279, on passage of H.R. 15155, appropriations for public works and the Atomic Energy Commission for fiscal year 1975, I would have voted "aye."

On rollcall No. 280, an amendment to the Sullivan substitute to H.R. 10701, Public Works appropriations—port facilities, restoring the section on liability funds for damage, I would have voted "aye."

On rollcall No. 281, the Sullivan substitute as amended to H.R. 10701, I would have voted "aye."

On rollcall No. 282, on final passage of H.R. 10701, relating to public works on rivers and harbors, I would have voted "aye."

URBAN DWELLERS SIT BELOW THE SALT

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BRASCO. Mr. Speaker, recently the House was preoccupied with a series of reforms, aimed at restructuring our committee system. There has been much debate on the subject, both pro and con. Numbers of my colleagues have applauded the recent moves of the Democratic caucus in referring the proposal to a committee for more study. Others have condemned the move as antireform. I wish to address myself to one aspect of the proposal with which I take vigorous issue.

Every vested interest in the Nation has a permanent representative in Washington. Lobbyists swarm about Capitol Hill like flies about a discarded bone. You cannot turn anywhere up here on a given measure without bumping into a smooth-talking representative of some special interest or other, often with a laudable goal.

Within the structure of Congress itself, there is an accurate reflection of this situation in the makeup of the committee structure. Virtually every special segment of the Nation has a committee which specializes in their problems. Agriculture, for example, possesses a special committee which deals with rural problems, even though rural people represent approximately 10 percent of the Nation's population. And I find this to be a laudable manner of structuring matters here.

Some interests command committees which constitute a very modest segment of our electorate. But one massive interest, constituting 90 percent of the Nation's people, lacks any special committee in the House of Representatives; I refer of course to urban and suburban dwellers.

America's suburbs are inextricably intertwined with America's inner cities, especially through interlocking housing, transportation, and other social problems. These growing masses of people, however, have no way of specifically presenting their problems, as urban difficulties, to the Congress. They have no way of taking their problems, packaging them as legislation, and taking them to the floor of the House of Representatives. In effect, they are stilled voices, even though they produce the lion's share of America's wealth and pay by far the largest share of our taxes. To a Member from an entirely urban district, such as my own in Brooklyn and Queens, this is the ultimate frustrating experience.

What is compounding the difficulty is the fact that these problems, because they have not been addressed over the years by government on all levels, have grown from sores on the body politic to cancers. Urban frustration and anger is steadily rising and is being focused on Congress. This is as true of suburban America as it is of urban America. Further, tens of millions of citizens are well aware of the fact that the Congress has stifled their calls for initiatives, and has, such as in the case of special attention to their interests, been more than a bit lacking.

We desperately require a standing committee on urban affairs. In this way, the existing fragmentation of responsibility could be eased. By addressing itself to urban problems, congressional attention could be focused on the realities of these growing problems. It could aid the House in updating itself on these questions and the needs of the overwhelming majority of Americans.

Such a committee on urban affairs could have jurisdiction over urban development, housing, urban mass transportation, relocation assistance, and regional planning. Presently, these areas of responsibility are divided up among many different committees, none of which do justice to them, in spite of sincere attempts to do so on the part of all those involved.

Our distinguished colleague from New York (Mr. BADILLO) has stated his intention of offering an amendment to any reform bill which would create such a standing committee on urban affairs. I support that endeavor, and shall do all I can to see to it that the measure is adopted, either as an amendment or as a separate bill.

Certainly we are long past due for some specific attention to city needs, and the urban and suburban bloc of Members of both parties should make the attempt to bring such a committee into being.

LAND-USE BILL: IMPLICATIONS FOR LOCAL HOME RULE

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. CLEVELAND. Mr. Speaker, this week we will take up the land use bill, which is a most profound and far-reaching piece of legislation.

On one hand, it has been characterized as a moderate and well-intentioned effort to assist and encourage improvement of the decisionmaking process in respect to land use, largely from an environmental standpoint.

GROUNDS FOR CONCERN

On the other, it has been damned as a sinister assault on States' rights and the principle of private ownership of property. This can be attributed in some measure to the language before us, and also to predecessor versions in both this and the other body providing, among other things, sanctions in the form of withholding of highway and other funds to bludgeon the States into compliance, and requirements that States be prepared to ban outright any use of some land. Certainly some of the fears expressed will become a reality if the crossover sanctions are imposed by amendment on the floor this week or at some time in the future.

Given the history to date of H.R. 10294, there are legitimate grounds for all manner of interpretations. My own view is that the merits of the legislation's objectives are beyond question; indeed, they coincide with a number of objectives I have pursued in a less comprehensive—and more practical—way for some time. The bill's means of achieving those objectives, however, are very much open to question.

DANGER TO LOCAL OPTION

What concerns me most is the failure of proponents and opponents alike to confront directly the obvious fact that this bill requires, as a condition for eligibility for assistance provided, that States establish a mechanism empowered to override local government decisions in conflict with State land-use determinations. And not merely in the interests of the environment alone. In decisions affecting economic needs, social needs, energy needs, as well as environmental imperatives, the States must be prepared to override local decisions as either excessively permissive or excessively restrictive. Language in the bill, language in the report, and the representations of groups supporting the bill to the effect that adequate safeguards are provided are totally unpersuasive.

Thus this measure is repugnant to the people of New Hampshire, to a solid majority of my constituents in the Second Congressional District and to my own principles.

TEST CASE ON RECORD

I doubt that the people of New Hampshire want their land-use decisions made in Concord, N.H., or Washington, D.C. But in any event, the decision should be left to them.

My position grows out of New Hampshire's strong home rule tradition, repeatedly reaffirmed as recently as this year.

Item: Olympic Refineries, Inc., an Onassis subsidiary, proposed to locate an oil refinery on the New Hampshire coast at Durham, a college town where the University of New Hampshire is located. Local opposition was overwhelming. Yet, in view of New Hampshire's disturbing dependency on oil, there was strong support for creating refining capacity in the State, and support specifically for the Durham location, that being the one concrete proposal at hand. And there were proposals to subject the matter, not to the discretion of Durham, but the entire State by referendum.

In an action rightly regarded as reaffirmation of the home rule principle, the New Hampshire House rejected, on March 7, by a vote of 233–109, a measure to vest the decisionmaking authority in a State energy facilities committee.

Local option clearly was the issue. The general court later went on to pass a refinery siting bill specifically requiring that any location selected be approved by regular or special town meeting in the jurisdiction involved.

CONSTITUENT POLL FINDINGS

These experiences also suggest that had this bill before us been in effect, and had New Hampshire established the State-level mechanism to comply, it would at least theoretically have been possible for that agency to have ignored Durham's rejection. This is a clear case, if you will, of a trial run of this bill before us, because on its environmental thrust, this bill cuts both ways.

Item: More recently, in my 12th annual questionnaire to constituents I posed the following question: "Land Use: Do you favor Federal legislation encouraging States to establish overall development policy involving environmental, economic and energy matters, and to override local government decisions which conflict with such policy?"

A systematic sampling of more than 9,000 replies by late last week showed sentiment opposed by nearly 2 to 1. And although the Durham case was not mentioned in my questionnaire, it was cited in the responses.

EARLY BACKER REVERSES STAND

Item: An early supporter of the approach embodied in H.R. 10294 was Dr. Gordon J. F. MacDonald, who worked on the administration's version as a member of the President's Council on Environmental Quality from 1970 to 1972. A distinguished environmentalist of undisputed credentials, he since has become Henry R. Luce, third century professor of environmental studies and policy at Dartmouth. Not confining his activities to academic contemplation, however, he has involved himself in land-use efforts at the State and local level in both New Hampshire and Vermont.

He has just written me that, based on his experience, he has become disillusioned with the federally-inspired regulatory approach, with its excessive concentration of power in State government as the locus of decisionmaking. Alternatively, citing the Durham case and other developments, he sees great potential in local units of government in a town meeting, local option State like New Hampshire. Thus, he not only opposed H.R. 10294 in its present form, but has sought to dissuade me from offering home rule amendments as totally insufficient to resolve the problems in the bill. This, I believe, reflects the fact that the entire bill rests on the assumption that localities are unwilling or unable to make balanced and informed land-use decisions.

WALL-TO-WALL DESIGNATION

Consider the bill's practical application to a State like New Hampshire. It would require the State to exercise paramount jurisdiction in decisionmaking concerning major developments and areas of so-called "critical environmental concern." Yet the definitions are so broad, so inclusive, as to embrace virtually the entire State with its areas of farms, timberland and rivers. Note: these are requirements for State assertion of authority.

But the bill also requires that the Secretary of the Interior review designations of critical areas to assure that they include areas considered in his judgment to be of more than statewide concern. With much of the State of New Hampshire adjacent to Federal lands like the White Mountain National Forest or an interstate boundary waterway—the Connecticut River running from the Canadian border to the Massachusetts line and separating Vermont and New Hampshire, a substantial area would be subject to this federally imposed requirement.

This brings me to the assertion of proponents that the American Law Institute, on whose work this bill is partially based, has estimated that only 10 percent of land-use decisions would be subject to the bill's provision as being of more than local concern. This is utterly misleading in New Hampshire's case. The Secretary could mandate more than that even aside from the State's own determination.

SAFEGUARDS INADEQUATE

Proponents of this bill may well cite the so-called home rule provisions covering consultation, participation, involvement, comment, and review. They are that and only that and do not alter the locus of final decisionmaking power. To be sure, section 106(c)(2) would permit an appeals procedure for the resolution of conflicts between the State and locality over development or application of the State planning process—a euphemism for a State plan. And it provides that the State must bear the burden of proof. But as to what? That the local actions or decisions are inconsistent with what the State has developed in the first place.

All this, of course, being subject to the Secretary's review and determination that a State, in the words of the Committee report, "has established a comprehensive land-use planning process and is adequately and expeditiously administering it" to remain eligible for Federal support.

The bill, under these provisions, requires all the States to be poured into the same mold, jump through the same hoops, and dance to the same tune, the score for which is laid out in its pages which to me resemble less legislation than prescriptions in the Federal Register. Moreover, I think I know what to expect when CEQ uncorks its guidelines. Frankly, I am anticipating a repeat of our experience with OSHA, or EPA's construction grant guidelines, which the agency admits to having made a hash of.

NEW HAMPSHIRE ACHIEVEMENTS

What is disturbing to me is that this is all so contrary to the evolution of guides to growth in New Hampshire. Along with its home rule tradition, we have a genuine concern for the environment. We have a most active and aggressive program in water pollution control. There is a continuing effort by State government and private organizations to preserve and protect New Hampshire's forests. In recognition of development pressures, I have been working for years to assure protection of the scenic and historic values of the Sandwich Notch area. And land use is very much on the public agenda.

Land-use legislation embodying a critical areas approach has been considered by the general court, and a modest initiative passed the Senate last year. A scaled down version failed to pass the House this year. It would be a mistake, however, to gage New Hampshire's desire to improve land-use decision solely by action at the State level—New Hampshire being a home rule State. Individual localities have instituted growth moratoria to afford themselves breathing room to devise sensible and rational criteria for accommodation of growth pressures. Local planning is on the increase, as is establishment and mobilization of increasing numbers of conservation commissions which have both regulatory powers over dredge-and-fill matters and an advisory role in more general land-use questions.

In Plainfield, local government took the initiative in securing a comprehensive soils and resource inventory and then established its moratorium on construction of multifamily dwellings pending preparation of a town land-use plan approved at town meeting.

Citizens in Enfield took advantage of their zoning authority to establish a 10-acre minimum-lot-size conservation district comprising more than one-quarter of the community's area. Many landowners in the affected area supported the measure as an added protection from development which might otherwise detract from the value of their property.

I mentioned conservtion commissions earlier. More than 180 New Hampshire towns have adopted provisions under State enabling legislation to establish volunteer agencies of local government specializing in protection of the towns' natural resource base.

I do not suggest for an instant that New Hampshire is coping successfully with all land-use problems. There have been successes and failures. But that is not the real issue. From my perspective in Washington, I would not presume to suggest what arrangements may or should evolve in the State as the decisionmaking process matures. But from my perspective in Washington I am adamant in my insistence that those decisions be ultimately left to the people of the State. The principle problem with this bill is that it seeks to impose one type of solution, one regime for the allocation of critical decisionmaking power, by the numbers.

Not the least of the reasons for being mindful of local prerogatives is the fact that such decisions relating to land use underlie the entire system whereby our communities levy taxes to raise funds for public services and facilities.

CONFLICT WITH OTHER PROGRAMS

I am convinced that I am not alone in my concern, particularly when one considers practical effects. The work of the Transportation and Economic Development Subcommittees of the committee is instructive in this respect. No public programs are more decisive in determining land use than development and transportation programs. Yet, in these subcommittees, I have detected a strong reservation on the part of some local governments, multi-jurisdiction substate agencies and Members of this body to vest in State government an excessive degree of control over administration of transportation and economic development decisions as affecting the localities. If this bill passes in its current form, I can well imagine the reactions once these widely misunderstood realities sink in. Moreover, we would find a chaotic inconsistency in recognizing local option in some specific programs while insisting on an altogether different state role across the board by this legislation.

Many States apparently are moving toward this type of approach absent Federal incentive. That is and should be the prerogative of all States, including New Hampshire.

The bill provides for funding and performance specifications. It would be far preferable to allow States with wishing to do so to continue their delegation of land-use decisions to the localities and strengthen local capabilities to make informed judgments.

In an unprecedented appeal for legislative restraint and scrupulous regard for the consequences of our actions the Washington Post commented recently on a piece of legislation whose objectives the newspaper endorsed. But the Post questioned the means and the ultimate product of its progress through the legislative mill.

Something which starts out as a good bill, said the editorial, "can emerge as very bad law; good laws, once passed, can be amended; and even sound legislation can create bad precedents."

The subject was not land use, but a question issue which strikes very close to home with our friends in the press: newsmen's shield laws. I think we would do well to take a cue for this caveat and be similarly solicitous of the impact of this bill, which from the standpoint of local government in our constituencies indeed strikes very close to home.

PRESIDENT SPEAKS AT NAVAL ACADEMY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. BOB WILSON. Mr. Speaker, last Wednesday my wife and I were privileged to attend the annual commencement exercises at the Naval Academy in Annapolis.

President Nixon was well received as he gave an outstanding address dealing with foreign policy problems. I include the President's speech as a portion of my remarks:

Address by the President at the 124th Commencement Ceremony, U.S. Naval Academy

Admiral Mack, members of the graduating class of 1974, and all of our very distinguished guests:

As one who served in World War II with great pride in the United States Navy, it is a special honor and privilege for me to participate in this 124th commencement ceremony of the United States Naval Academy. The class of 1974 will face challenges as unique and demanding as any in the long and proud history of the Academy.

In a letter to LaFayette in November of 1781, George Washington wrote, "Without a decisive Naval force, we can do nothing definitive; and with it, everything honorable and glorious."

As Washington well knew, it was the Navy that meant the difference between victory and defeat in America's struggle for independence. It was the Navy that meant the difference in the birth of a Nation.

Today, in a nuclear age, the Navy's role is just as important as it was two centuries ago. For now, when the American continent is no longer an isolated fortress but instead an integral part of a shrinking and a troubled world, a strong American Navy is an indispensible factor in maintaining global peace and global stability.

You are embarking on your careers at a time when America's Armed Forces are making a vital contribution to achieving a goal of fundamental importance to each of us here today, to all Americans, and to all nations of the world: the goal of a lasting peace. This is the goal to which I have personally pledged this Administration since the first day of my Presidency. It is a goal to which American diplomacy is totally committed. And it is a goal that can only be reached when it is backed by American strength and American resolve.

As you set out in your noble voyage as new leaders in the defense of peace, I would like to sketch for you the outline of America's strategy for peace and the important role you will now play in advancing that strategy.

Let us look back a moment to the world in which you have grown to manhood.

When the war ended in Europe and Asia in 1945, America was the only economic and military superpower in the world. Most of Europe and Japan were in ruin—economically exhausted, politically demoralized. Leadership of the whole free world fell on our shoulders, whether we wanted it or not.

Hard as it was, our task at the outset was made easier by our overwhelming material strength and by a strong, unified sense of national purpose.

Around the globe, we, as Americans, committed ourselves to halting the advance of communism, to promoting economic development, and even to encouraging other countries to adopt our economic, political and social ideals.

Simplistic and occasionally misguided as this goal may have been, it was a noble and unselfish goal in its enthusiasm. And despite some mistakes which we came to correct, we in our hearts know—and millions in Europe and Japan and in the developing world know—that America's contribution to mankind in the quarter century after the war was of historic and unprecedented dimensions.

And we can be proud that America was as generous in helping our former enemies as we were in aiding our friends.

During this same period, the face of the world changed more rapidly and dramatically than ever before in the world's history. Fifty-eight newly independent nations joined the world community. The once monolithic Communistic bloc was splintered. New centers of power emerged in Europe and in Asia.

American zeal and innocence were tempered during these years, also. The war in Korea, followed by the long war in Vietnam, sapped too much of our national self-confidence and sense of purpose. Our own domestic needs commanded greater attention. And by the late 1960's, our policy of trying to solve everyone's problems all over the world was no longer realistic, nor was it necessary.

America was no longer a giant, towering over the rest of the world with seemingly inexhaustible resources and a nuclear monopoly.

As our overwhelming superiority in power receded, there was a growing threat that we might turn inward, that we might retreat into isolation from our world responsibilities, ignoring the fact that we were, and are still, the greatest force for peace anywhere in the world today.

This threat of a new wave of isolationism, blind to both the lessons of the past and the perils of the future, was, and remains today, one of the greatest potential dangers facing our country.

Because in our era, American isolation could easily lead to global desolution. Whether we like it or not, the alternative to detente is a runaway nuclear arms race, a return to constant confrontation, and a shattering setback to our hopes for building a new structure of peace in the world.

When we came into office in 1969, this Administration faced a more complex, a more challenging and yet in some ways a more promising world situation than that which existed in the post-World War II era.

While we could not and will not abdicate our responsibilities as the most powerful nation in the free world, it was apparent that the time had come to reassess those responsibilities. This was the guiding purpose of the Nixon doctrine, a doctrine which says that those we help to enjoy the benefits of freedom should bear a fair share of the burden of its defense as well.

It was also clear that both pragmatism and moral force had to be the double prongs of any American foreign policy in the new era. A sense of moral purpose is part of our heritage and it is part of the tradition of our foreign policy. Pragmatism, realism and technical efficiency must not be the sole touchstone of our foreign policy. Such a policy would have no roots or inspiration, and could not long elicit positive support from the American people and the Congress, and more important, it would not deserve the respect of the world.

We had to remember, however, that unrealistic idealism could be impractical and potentially dangerous. It could tempt us to forego results that were good because we insisted upon results that were perfect.

A blend of the ideal and the pragmatic in our foreign policy has been especially critical in our approach to the Soviet Union.

The differences between our two systems of life and government are sharp and fundamental. But even as we oppose totalitarianism, we must also keep sight of the hard, cold facts of life in the nuclear age.

Ever since the Soviet Union achieved equality in strategic weapons systems, each confrontation has meant a brush with potential nuclear devastation to all civilized nations. Reductions of tensions, therefore, between us has become the foremost requirement of American foreign policy.

The United States will not retreat from its principles. The leaders of the Soviet Union will not sacrifice theirs. But as we have the valor to defend those principles which divide us as nations, we must have the vision to seek out those things which unite us as human beings.

Together, we share the capacity to destroy forever our common heritage of four thousand years of civilization. Together, we are moving to ensure that this will not—because it must not—happen.

Slowly and carefully over the past five years, we have worked with the Soviet Union to resolve concrete problems that could deteriorate into military confrontations. And upon these bridges, we are erecting a series of tangible economic and cultural exchanges that will bind us more closely together.

The American people are a great people, the Russian people are a great people. These two great people who work together in war are now learning to work together in peace. Ultimately, we hope, that the United States and the Soviet Union will share equally high stakes in preserving a stable international environment.

The results of this policy have been heartening. The problem of Berlin, where our nations were at sword's point for a quarter of a century, has now been resolved by negotiation. Our two countries have concluded an historic agreement to limit strategic nuclear arms.

We and our allies have engaged the Soviet Union in negotiations on major issues of European security, including a reduction of military forces in Central Europe. We have substantially reduced the risk of direct U.S.-Soviet confrontation in crisis areas. We have reached a series of bilateral cooperative agreements in such areas as health, environment, space, science and technology, as well as trade.

At the Moscow Summit in 1972, our Secretary of the Navy, the Commander-in-Chief of the Soviet Navy, signed an agreement on the prevention of incidents on and over the high seas—a code of conduct aimed at eliminating dangerous actions of the cold war era and a code of conduct which has already proved a success.

Over the past five years, we have reached more agreements with the Soviet Union than in the entire postwar period preceding that, and this is a record in which all Americans can take pride.

In keeping with our efforts to bring America's foreign policy into line with modern realities, we have also sought to normalize our relations with the People's Republic of China, where one-fourth of all of the people in the world live, a country with which we shared nothing but confrontation and distrust during a quarter century of cold war.

Beginning with an official dialogue opened in 1971, we have negotiated constructive agreements in the areas of trade and scientific and cultural exchanges. We established liaison offices in our respective capitals last year. We expect further progress in the years ahead.

We have also succeeded, as Admiral Mack has indicated, in ending our military involvement in Vietnam in a manner which gave meaning to the heavy sacrifices we had made and which greatly enhanced the preservation of freedom and stability in Southeast Asia.

One result is that today, the 20 million people of South Vietnam are free to govern themselves, and they are able to defend themselves. An even more important result is that we have proved again that America's word is America's bond.

We have preserved the trust of our allies around the world by demonstrating that we are a reliable partner in the defense of liberty; we have earned the respect of our potential adversaries by demonstrating that we are a reliable partner in the search for peace.

America's unique and essential contribution to peace is nowhere better demonstrated than in the Middle East. The hate and distrust that has for so long poisoned the relationship between Arabs and Israelis has led to war four times in the last 40 years, and the toll of death and human suffering was immense, while the tension made the Middle East a world tinderbox that could easily draw the United States and the Soviet Union into military confrontation.

The need for a stable solution among the regional parties as well as between the great powers was overwhelmingly urgent.

The October War of last year, while tragic, also presented a unique opportunity. Because for the first time, it was clear to us and clear to the moderate leaders of the Arab world, that a positive American role was indispensible to achieving a permanent settlement in the Middle East. And it was for this reason that I sent Secretary of State Kissinger to the Middle East to offer our good offices in the process of negotiation.

The results, which reflect more than anything else the vision and statesmanship of the leaders of both sides, have been encouraging. An agreement to separate military forces has been implemented on the Egyptian-Israeli front and now a similar accord has been negotiated between Israel and Syria. For the first time in a generation, we are witnessing the beginning of a dialogue between the Arab States and Israel.

Now, the road to a just and lasting and permanent peace in the Mideast is still long and difficult and lies before us. But what seemed to be an insurmountable roadblock on that road has now been removed and we are determined to stay on course until we have reached our goal of a permanent peace in that area. The role of Secretary Kissinger in this process has presented a testament to both his remarkable diplomatic capabilities and to the soundness and integrity of our belief that a lasting structure of peace can—and must—be created.

In surveying the results of our foreign policy, it is ironic to observe that its achievements now threaten to make us victims of our success. In particular, a dangerous misunderstanding has arisen as to just what detente is and what it is not.

Until very recently, the pursuit of detente was not a problem for us in America. We were so engaged in trying to shift international tides away from confrontation toward negotiation that people were generally agreed that the overriding consideration was the establishment of a pattern of peaceful international conduct. But now that so much progress has been made, some take it for granted.

Eloquent appeals are now being made for the United States, through its foreign policy to transform the internal as well as the international behavior of other countries, and especially that of the Soviet Union. This issue sharply poses the dilemma I outlined at the outset. It affects not only our relation with the Soviet Union, but also, our posture toward many nations whose internal systems we totally disagree with, as they do with ours.

Our foreign policy, therefore, must reflect our ideals and it must reflect our purposes. We can never, as Americans, acquiesce in the suppression of human liberties. We must do all that we reasonably can to promote justice and for this reason, we continue to adhere firmly to certain humane principles, not only in appropriate international forums, but also in our private exchanges with other governments—where this can be effective. But we must recognize that we are more faithful to our ideals by being concerned with results and we achieve more results through diplomatic action than through hundreds of eloquent speeches.

But there are limits to what we can do, and we must ask ourselves some very hard questions, questions which I know members of this class have asked themselves many times. What is our capability to change the domestic structure of other nations? Would a slowdown or reversal of detente help or hurt the position evolution of other social systems? What price—in terms of renewed conflict—are we willing to pay to bring pressure to bear for humane causes?

Not by our choice, but by our capability, our primary concern in foreign policy must be to help influence the international conduct of nations in the world arena. We would not welcome the intervention of other countries in our domestic affairs, and we cannot expect them to be cooperative when we seek to intervene directly in theirs.

We cannot gear our foreign policy to transformation of other societies. In the nuclear age, our first responsibility must be the prevention of a war that could destroy all societies.

We must never lose sight of this fundamental truth of modern, international life. Peace between nations with totally different systems is also a high moral objective.

The concepts of national security, partnership and negotiation with adversaries are the central pillars of the "struture of peace" that this Administration has outlined as its objective.

If a structure of peace is to endure, it must reflect the contributions and reconcile the aspirations of nations. It must be cemented by the shared goal of coexistence and the shared practice of accommodation. It must liberate every nation to realize its destiny free from the threat of war, and it must promote social justice and human dignity.

The structure of peace of which I speak will make possible an era of cooperation in which all nations will apply their separate talents and resources to the solution of problems that beset all mankind—the problems of energy and famine, disease and suffering—problems as old as human history, itself.

It was with this thought in mind that in February we launched an effort to bring together the principal consumer countries to begin working on the problem of equitably meeting the needs of people throughout the world who are faced with the prospect of increasingly scarce resources—in this case, energy.

Out of recognition of the tragedy of human hunger and of the urgent need to apply man's technology cooperatively to its solution, the United States has also called for a United Nations World Food Conference to take place in Rome this fall.

My trip to the Middle East next week will provide an opportunity to explore with the leaders of the nations I shall visit ways in which we can continue our progress toward permanent peace in that area.

And then later this month, on June 27th, I will again journey to Moscow to meet with General Secretary Brezhnev to explore further avenues, further prospects for a lasting peace, not only between the Soviet Union and the United States, but among all nations.

Each of these missions, in a way, is a reflection of America's broader hopes and responsibilities. And I say to you gentlemen, these are hopes and responsibilities each of you will be helping to meet as you journey to your first duty stations.

As long as you do your duty, as long as the people and the Government support you, the America, the country you love and serve will survive.

Today, each one of you become a custodian of a noble tradition of service. As the first class to have begun its studies in the post-Vietnam era, it falls to you to serve in such a way that the graduates who follow you in the years to come will enter a United States Navy that is strong, that is prepared, and is respected, and above all, a Navy and a Nation at honorable peace with all nations in the world.

One hundred seventy years ago, after Nelson's great victory at Trafalgar, Prime Minister William Pitt was honored at a dinner at London's historic Guild Hall. He was hailed as the savior of Europe. He responded to that toast with a brief speech that has been named by Lord Curzon as one of the three masterpieces of English eloquence.

Listen to his words: "I return you many thanks for the honor you have done me. But no single man will save Europe. England has saved herself by her exertions and will, I trust, save Europe by her example."

Today, 170 years later, we can say, no single nation can save the world, but America can, and will, save herself by her exertions and will, we trust, by our example, save the cause of peace and freedom for the world.

NEW YORK CITY UNITED HOSPITAL FUND OR NATIONAL HEALTH INSURANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. KOCH. Mr. Speaker, Joseph V. Terenzio is newly elected president of the United Hospital Fund of New York. Mr. Terenzio was formerly commissioner of hospitals in New York City responsible for administering the Nation's second largest hospital system. Because of his significant exposure to the problems confronting urban hospitals and extensive hospital management experience, I thought his testimony last month before the Committee on Ways and Means on pending national health insurance legislation to be of particular interest and am appending it for the interest of our colleagues.

STATEMENT OF JOSEPH V. TERENZIO

I am Joseph V. Terenzio, President of the United Hospital Fund, 3 East 54th Street, New York City. The Fund is a non-profit organization which for nearly 100 years has been a source of financial assistance and leadership in promoting constructive change and improvement in the financing and delivery of hospital care to fifty-five voluntary hospitals in New York City.

Though I appear here today on behalf of the United Hospital Fund, as a former Commissioner of Hospitals of the City of New York, having responsibility for the operation of the largest non-federal hospital system in the United States, I am sure that what I have to say reflects the views and the interests of those concerned with the delivery of health care and more particularly the operation of hospitals in the metropolitan centers throughout the country.

I do not propose to undertake a detailed commentary on the various bills before the Committee. I intend rather to direct my remarks to three areas which I believe should be given consideration in any legislation finally passed by the Congress. Before I move to these areas however, I want to make a few general comments on certain matters.

The final detremination as to the sources of tax funds involved, whether from general revenues or special tax sources, is most important but it can only be decided by the Congress. I would like to make two points with respect to this.

FINANCING OF CARE FOR THE POOR SHOULD BE DRAWN FROM GENERAL REVENUES

First, as a matter of principle I would hope that the financing of benefits for the poor and the near poor would be drawn from general revenues, but placed in a special trust fund. It would be patently unfair to expect the working population to finance such costs through contributory social security taxes for health insurance.

NONTAX DOLLARS ARE ESSENTIAL TO A VIABLE HEALTH SYSTEM

Second, I strongly believe that it would be a mistake to enact a program which totally relies upon tax dollars. A method to insure a continued flow of non-tax dollars into the health system is essential because underfinancing is an ever present threat. If the government promises more than can be delivered with the tax dollars available, it is unlikely to reverse itself and the result will inevitably be a reduction in the quantity and quality of care.

Experience abroad has shown that government financed health programs faced with continued increases in costs invariably attempt to bring back a substantial amount of the non-tax dollars into the system. Total reliance on tax dollars alone just will not work.

BROAD BASIC BENEFIT COVERAGE IS A FIRST PRIORITY

It is said that four out of five persons have basic protection in the event of common illnesses or injury. That figure is very misleading. The more meaningful statistic is that only 26 percent of the public's total personal health costs are covered by insurance or prepayment. I urge, therefore, as a matter of highest priority, the enactment of a program of broad basic benefits for all. Catastrophic illness benefits should take a lesser priority. They should be built on top of a broad basic benefit program. The hazards facing most of us of a catastrophic illness not covered by broad basic benefits is comparatively small. The enactment of a program of catastrophic illness insurance protection would meet the extraordinary needs of a few, but they would fail completely to meet the needs of the many.

BENEFITS MUST ENCOMPASS PREVENTIVE SERVICES AND HEALTH EDUCATION

In addition to broad basic benefits, any benefit package must include provision for health education and preventive health services. If we are to have a health delivery service which we can afford, we must assist individuals to do their utmost to take proper steps, themselves, for preservation of their health. We must provide counseling and other educational activities on nutrition and lead poisoning, on drug abuse and venereal disease. If we are to achieve effective use of our health resources and an efficient health care delivery system, as well as maintain a healthy productive population, we must also provide financing for early screening and diagnosis, preventive dental care and periodic eye and ear examinations.

The Metropolitan Life Insurance Company estimates that approximately 600 million man-days are lost annually by American workers due to illness and injury. The company estimates the value of these lost man-days at $12 billion. Provision of health education and coverage of preventive health services will not, obviously, eliminate illness and injury, but they would likely result in less illness and fewer injuries and less expensive treatment when treatment is needed. Additionally, health education and preventive services would encourage many to be more sensitive to their health needs and take better care of themselves.

ONE HEALTH CARE SYSTEM: ONE CLASS OF CARE FOR ALL

Several of the bills before the Committee which I have looked at give great promise of a single nation-wide system of health care guaranteeing one class of care to all Americans: for example the introductory statement accompanying one bill states "the concept of one uniform system for all Americans has been incorporated. It (the Bill) proposes universal coverage. It provides one system for all." Such a promise is really unfounded since under the terms of all bills under consideration several different nationally financed systems will remain, for example, the V.A. hospital system, the U.S. Public Health Service Hospitals, the Indian Health Service, to name but three.

It can hardly be said that we are moving towards a single nation-wide system when we perpetuate different federal systems with different financing, perhaps with different benefits, perhaps with varied political implications and perhaps with different sources of income. It is unlikely that we can tolerate major variances from one system and the duplication and waste that would result. It is imperative that our goal be to move to one system with one class of care for all Americans. Therefore, I would urge the Congress really "bite this bullet" and undertake to provide for a study with a directive that the advantages and the ways and means of incorporating all such federal systems into one nation-wide health care system providing one class of care for all. However, enactment of National Health Insurance should not be delayed pending this study.

I would like, now, to move, as I indicated previously, to those matters which are of primary concern to all hospitals and especially to those hospitals in the metropolitan centers. These concerns are:

I. The delivery of care

II. Adequacy of Provider Reimbursement

III. The administration of a national health insurance program

I. THE DELIVERY OF CARE

Now is the time for the country to really look at its delivery system. It is my belief that the problems of bringing about changes in the system will be very great but regardless of the difficulties, this is the time to face them. I can think of no more unfortunate result than for the Congress to undertake to provide substantial sources of new funds which will be simply channeled into the present system——or non-system as some prefer to call it—which at its best is excellent, but which in too many instances is marginal in what it provides, how it provides it and to whom and at what cost.

NHI should serve to revitalize the American Health Care System

The system developed should give assurances that services of equal quality will be made available to those who live in the ghetto areas, to individuals who live in outlying areas and in small communities where obtaining services at all is often very difficult, and to those who need it whenever they live, regardless of their ability to pay.

The system must assure that covered health services will be of consistently high quality, be cost effective, be delivered in a humane, efficient and timely manner.

In New York City we have:

A proliferation of expensive and underutilized open heart units;

Utilization review mechanisms which do not offer sufficiently positive incentive for controlling admissions and length of stays of patients;

Virtually no centralized direction in terms of new program planning;

Comprehensive planning which has largely failed of its desired purpose to date; and

A lack of positive incentives for shared services of all kinds, particularly shared professional services which have such great promise.

New York isn't unique. These are problems encountered in every metropolitan area of the country. Any program of national health insurance enacted by the Congress can and should make a beginning at correcting these inadequacies and inefficiencies in order that high quality cost effective care be achieved.

Too, any legislation enacted must assure that every possible use will be made of outpatient services and that we guard against perpetuating a program whereby our only solution is to add more hospital beds or more costly inpatient services of all kinds. We have had ample demonstration of the advantages of minimizing, to the fullest extent possible, the use of inpatient facilities and maximizing, as far as we can, the use of other forms of treatment. To sum up—improvements in the delivery of care must lead to:

Care of equal quality for all—regardless of place of residence or economic status;

Care of consistently high quality, which is cost effective and delivered in a humane, efficient and timely manner; and

Care which takes maximum advantage of forms of treatment other than inpatient care.

Standards for Health Care Should Be Established and Enforced

To achieve these goals, establishment of standards, and of compliance thereto, as a condition precedent to receiving payment should be made a part of health insurance legislation.

Standards to be established in a national health insurance program might require for example, that hospitals:

Submit plans to local comprehensive health planning agencies for approval in order to be eligible for reimbursement for all services they propose to initiate, and those which they wish to continue beyond a certain date, and for all new physical facilities which they propose to build;

Maintain careful control of bed occupancy;

Establish procedures for pre-admission testing to ensure the earliest possible discharge;

Develop and implement staffing mixes which assure economic utilization of manpower;

Offer essential primary care services at times and places convenient and accessible to the public; and

Establish alternative forms of care such as increased amounts of self care, care provided by physicians' assistants in appropriate circumstances, and home care.

Also, to assure the delivery of high quality care in sufficient quantity, it is my belief that the PSRO legislation, already passed by the Congress, should be put into effect as rapidly as possible. Though there is much controversy with respect to PSRO, I believe it provides an enormous opportunity and a great responsibility to the physicians of the country to regulate themselves. I would hope that the PSRO program would be organized so that major attention is paid to the necessity of having well functioning PSRO programs within individual institutions so that the role of the community or area-wide PSRO is largely related to collecting information, to overseeing the efforts made within individual institutions and to assuring that the desired goals are fulfilled. No doubt, as we move along, such review procedures will have to be related to the services offered by physicians in their offices as well.

I have talked about the need to impose standards and controls on the *quality* of the the delivery of care. I want to talk, also, about controlling the *costs* of health care delivery.

NHI should work to control hospital costs

There should be a continuing effort to assure that services are provided in the most economical manner. I strongly believe that if major savings are to be developed in the cost of operating health facilities, they will surely come about by improving the manner in which facilities are utilized. To help eliminate avoidable costs and reduce or contain unavoidable costs, any national health insurance legislation, as I suggested earlier, ought to provide coverage for those ambulatory services which often obviate the need for more elaborate and costly inpatient services later on. Much more attention must be paid also, to providing increasingly complex diagnostic procedures and minor surgical procedures on an ambulatory basis and more extensive use must be made of home health care services.

Though the government has devoted much attention to controlling hospital costs, no doubt equal concern in the future will have to be directed to the control of the costs of professional services.

All such requirements would have a great effect on the total and overall cost of health services to be provided.

A properly designed and administered prospective reimbursement system would provide effective cost containment mechanism

There has been much question and criticism of the present prevailing method of reimbursing hospitals the "reasonable cost" of such services. This is the mechanism prescribed by law to be used in the Medicare program. To arrive at what has been accepted by the government as "reasonable" has involved complicated and protracted discussions with everyone and has resulted in very costly auditing procedures, and expensive administration. Additionally, this basis of reimbursement has been attacked as being "too open ended" and not sufficiently conducive to the economic administration of hospitals.

In view of these problems, it has been strongly urged for the past several years that government move from retrospectively determined reasonable cost, "to prospective cost reimbursement" whereby a given institution would be reimbursed either on a cost projection or established budget basis deemed necessary to underwriting the cost of its services for a given period of time.

Prospective reimbursement has distinct advantages if administered properly. For example, it can provide incentives for hospitals to voluntarily live within predetermined revenue projections. This may well force hospitals in urban areas to work together to arrive at a more rational distribution of services and facilities through service mergers or consolidations—particularly professional services—and increased emphasis on shared services.

On the other hand, if administered improperly, if used to impose reimbursement levels which fail to take into account the provider's realistic financial needs in the face of an inflationary economy, prospective reimbursement may lead to medical mediocrity and force many voluntary non-profit hospitals into financial insolvency.

As a minimum, therefore, any reimbursement procedure must provide for reimbursement of unexpected escalating costs—for example, increases which result from changes in federal or state laws and regulations, and increased labor and other costs caused by the pressure of an inflationary economy.

II. ADEQUACY OF PROVIDER REIMBURSEMENT

In determining the adequacy of provider reimbursement, it would be misguided not to assure that the providers of care are adequately reimbursed, and if such assurances are not given, it will definitely prove to be a disservice to the public in the long run.

Adequate reimbursement is essential

In New York City, demand for ambulatory and emergency services has increased 25 percent since 1967. Yet because 50 percent of the patients seeking hospital outpatient care are ineligible for medicaid and have no insurance coverage for outpatient care the absolute loss to the City's voluntary hospitals alone this year will approach 60 million dollars—an amount far beyond the reach of these hospitals even with private philanthropy or currently available state and local funds. As a result I am sure that you are aware, in New York City several hospitals are currently faced with receivership.

Hospitals must be reimbursed fairly and adequately to assure their continued ability to serve the public.

III. ADMINISTRATION OF A NATIONAL HEALTH INSURANCE PROGRAM

One has only to have even a faint familiarity with the organization and delivery of health care or with the experience of the nation-wide Medicare program to have some comprehension of what is involved in administering a program uniformly and fairly throughout this vast nation.

NHI administration should be a responsibility shared by the Federal Government and by appropriate profit and non-profit organizations

We have in existence already a large network of administrative talents and experience in the prepayment organizations and certain of the private insurance companies. It should be possible to involve this network of experienced organizations and companies in the administration of a nationwide health program, if the necessary federal standards are established and adequate monitoring is provided. The cost of administration under such a program would surely be less than that likely to result from one nationwide federal program of administration. Furthermore, from an administrator's viewpoint, I would surely have great concern and uncertainty in having to deal exclusively with one enormous federal government bureaucracy.

In Illinois, an artificial kidney program which has been under complete U.S. Medicare financial control for nine months is six to nine months and $2 million behind in reimbursement of 45 kidney dialysis centers. Some are in danger of closing and the rest have had to borrow.

There are legitimate concerns expressed that if voluntary pyepayment organizations and private insurance companies are used in the administration of the basic health care program that the government would in essence be establishing a mechanism which promises to provide very large profits to private enterprise. I am not suggesting such a program at all, but I do believe that such organizations could operate as intermediaries under federal standards which would carefully monitor and limit any profits to be realized.

Earlier I expressed my strong belief in the necessity of a continuing flow of non-tax dollars into the nation's health system. It is also my feeling that deductibles and co-insurance should be a necessary part of the health insurance program so that middle and upper income beneficiaries would be required to support in part their costs for health care. It is possible that a good many individuals in higher income brackets faced with the necessity of such "out of pocket" payments may be unable to finance them and therefore it would seem that the development of insurance programs to cover such costs would be most desirable. Here, in my judgment, is another way to involve further the prepayment organizations and private insurance companies who would, in effect, be adding non-tax dollars into the system.

CONCLUSION

I believe you will find the hospitals of the nation ready and willing to participate in the development of new systems and approaches which will assure the public receiving the best possible care at the lowest possible cost. A system which envisions the sort of changes needed cannot be made effective immediately or with the passage of national health legislation. Therefore I would hope that the Congress would think through a carefully phased program whereby the health field will be enabled to move step by step to the attainment of goals which we all desire.

With the experience hospitals have had under the Medicare program and the constant frustrations they have faced in the implementation of that program, it is understandable that they may be concerned about committing themselves formally to participate as partners with the government in any national health program that does not give reasonable assurance that they will be paid fully for the services they provide.

Voluntary hospitals are an indispensable component of our health care system

A substantial majority of the hospitals throughout this nation are voluntary hospitals which since the founding of our country have provided quality care for all citizens regardless of their social or economic status. They are, today, an invaluable health resource. The continued voluntary support of those who believe in their importance to the community have made this possible. A pluralistic health care system comprised of providers with different sources of support and different ways of meeting common health objectives, in my judgment, is indispensable to serving the health needs of Americans both efficiently and humanely in the future. The great voluntary hospitals are an indispensable component of such a system. Their continued viability must, therefore, be assured. Enactment of national health insurance legislation will contribute significantly to attainment of that goal.

I have appreciated the opportunity of meeting with this Committee today and to be able to speak to you with respect to the concerns and interests particularly of the hospitals in the large metropolitan centers of the country.

Mr. Chairman and members of the Committee I am deeply aware of the extent of the responsibility imposed upon this Committee and I hope that I have in my remarks contributed helpfully to your deliberations.

HADASSAH PRESIDENT DEPLORES MOTHER'S DAY FAILED PURPOSE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Ms. ABZUG. Mr. Speaker, in the 60 years since Congress passed a resolution designating the second Sunday of May as Mother's Day, "to work for the well-being of the home as the fountain-head of the State," this has become one of the Nation's most widely celebrated holidays. It has also, according to the head of the largest women's voluntary organization in the U.S. "degenerated into a celebration of crass comercialism far from the original intent."

Rose E. Matzkin, national president of the 325,000-member Hadassah suggests that Mother's Day is a time to review the condition of mothers in respect to their needs, those of their children and their families. She pinpointed there particular areas:

Sound national health—studies show that the nutrition of the mother influences the genetic development of the children to the third generation. Retardation in infants, caused by malnutrition is irreversible. The United States, the wealthiest nation in the world, does not have the healthiest, best-fed children.

Development of alternatives to the extended family—to provide the mother the support she and her children need throughout the year. This includes day-care centers, multiservice centers and cooperative living arrangements in new kinds of housing.

Increased education for family planning—so that women may be mothers by choice not by chance and to reduce the number of children born at high risk—birth defects.

The life-giving force is a miracle.

Mrs. Matzkin said:

But what happens to the human product from birth onwards is—for a large part of the world's population—one extended nightmare of rejection, staravtion, disease and violence.

I believe that if the women's movement has any meaning, and as the position of women in the world is elevated, they will have to become the effective force for a better society. As the giver of life, that is woman's continuing responsibility.

She concluded:

Perhaps it is time for the women to take over Mother's Day so that next year in Congress a legislative package implementing the 1914 pledge "to work for the well-being of the home" will be presented to America's mothers instead of the bromides and flowers which pass as tribute.

Mrs. Matzkin said that Hadassah, through the Hadassah-Hebrew University Medical Center in Israel, the largest medical complex in the Middle East, has pioneered in public health, mother-and-child care, and social medicine through its support of an extensive network of medical facilities providing healing, teaching and research.

JOHN F. KENNEDY PEACE FOREST IN ISRAEL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. HARRINGTON. Mr. Speaker, an article appeared in the Lynn Sunday Post on May 26, 1974, by a constituent. Anthony Cama. It is concerned with the celebration of Memorial Day and because of its worthwhile nature, I would like to insert it in the Record at this time.

The text follows:

John F. Kennedy Peace Forest in Israel

(By Anthony Cama)

This is a rather unique story to come forth in the pages of the Sunday Post. It has to do with the creation of a Freedom Forest in Israel to honor the memory of the late President John F. Kennedy. American Jewry associated itself with the government and the people of Israel to pay tribute to the memory of the late beloved President Kennedy, forever linking his name with the land of Israel.

On the hallowed ground where Bar Kochba waged his last gallant battle for Judea's freedom 2000 years ago, the John F. Kennedy Peace Forest has risen within the confines of the America-Israel Freedom Forest, planted by the Jewish National Fund and dedicated to peace and the bonds of friendship that link the two nations.

For the Jews of America, no tribute to our martyred President could be more fitting and enduring than this living symbol of his greatness as a champion of peace throughout the world.

The John F. Kennedy Peace Forest epitomizes the hope and inspiration for peace of the people of the United States and Israel, and consists of several million trees that encircle an obelisk similar in design to the Washington Monument, flanked by 50 pylons representing the 50 states of the Union.

Said Levi Eshkol, prime minister of Israel: "The People and the government of Israel will be honored to render tribute to his memory through the establishment of the John F. Kennedy Peace Forest."

In a letter to Max Bressler, president of the Jewish National Fund of America, Prime Minister Eshkol said: "The President John F. Kennedy Peace Forest in Israel's Freedom Forest will serve as a notable tribute to the memory of a great American and a world statesman. With this project you are forging still another link in the chain of projects symbolizing the friendship between the peoples of the United States and Israel.

"As a valiant seeker for peace and the rights of men, your late president was an outstanding example of this enduring friendship. The people and the government will be singularly honored to be associated with this tribute to his everlasting memory."

President Kennedy had stated, "The Jewish National Fund represents one of Zionism's most constructive achievements in human welfare and social development."

NOTABLE CAREER

John F. Kennedy, 35th President of the U.S., was born May 29, 1917, in Brookline, Mass. He was the second of nine children of Joseph P. Kennedy, a financier, who later became ambassador to Great Britain, and Rose Fitzgerald Kennedy. He entered the Harvard University, attended the London School of Economics briefly in 1935, received a B.S. cum laude from Harvard in 1940.

He served in the U.S. Navy in 1941–1945, commanded a P. T. boat in the Solomons and won the Navy Cross and the Marine Corps Medal and Purple Heart. He covered the Potsdam Conference and the start of the U.N. at San Francisco for International News Service. He served as a representative in Congress from Mass. '47 to '53, defeated Henry Cabot Lodge for the Senate in 1952, and was reelected in 1958. He nearly won the vice presidential nomination in 1956, and went on to receive the Democratic nomination for President at Los Angeles, July 14, 1960. Kennedy defeated Richard M. Nixon, Republican by the slim margin of 118,550 popular votes and an electoral vote of 303 to 219. He was the first Roman Catholic to be elected president.

On Nov. 22, 1963, Kennedy was assassinated in Dallas, Texas. On Nov. 25th, a national day of mourning, he was buried in Arlington National Cemetery, Va. He died at the age of 46, the youngest age of any other President.

The splendid story of the J. F. Kennedy Peace Forest in Israel is being retold in the pages of the Sunday Post in honor and tribute to the late President Kennedy, and in remembrance of his birthday on May 29. It also shows the immense admiration and respect the people of Israel held for President Kennedy.

This story is also of immense historical value for the people of this nation and for the veterans of all wars, since the late President was a heroic patriot, who loved and fought for his country and to maintain and preserve the American Way of Life. He was a martyr to the cause of Civil Rights and a defender of the rights of millions of American Negroes as well as the rights of the people of Israel to have a national homeland of their own where they could live in peace and in the observance of the faith of their fathers.

IN MEMORIAM

(By Anthony Cama)

(A lyrical poem to the late martyred and beloved, first Catholic President of the United States of America)

O, Valiant dream, so beautiful, so great,
at rest in sweet repose, a sacred sleep.
O, martyred heart that kissed the hand of fate
and gently smiled where mortals grieve and weep.
To you, they passed the cup of love divine
and so you gave of love so much, too much,
and out of Ireland's green you drew The Sign
that all the earth be fragrant at your touch.
We kneel and mourn, this 29th of May—
upon this land, so close the stoic flame
of stars and petals of the Rosary we say
in sad symphonic calling of your name.
O, President! O, President, your nation cries
with splintered sunbeams and the rainbow's rain
that spider-webs the teardrops in our eyes
and scales the mountain tops and hills of pain!
O President! O, President, at rest in hollowed grave,
among the thousands, veterans like you.
You fought the tyrants and you helped the slave,
For God and man your faith was bright and true.
To heaven we shall lift your deathless light,
eternal flame of glory on this sod,
You gave this nation star lanes in the night
and now your spirit leads us . . . straight to God.

FREE ENTERPRISE AND INDIAN AMERICANS

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. CONLAN. Mr. Speaker, many people unfortunately have the mistaken impression that Indian Americans living on reservations are all poverty-stricken wards of the Government with no means of self-support. As the Congressman with more Indian constituents than any other, I can say with pride that this is simply not true.

Free enterprise is flourishing on Indian reservations. Thousands of American Indians are working on and off tribal lands for Indian-owned businesses and for companies employing large numbers of Indians.

Peabody Coal, General Dynamics, Fairchild Industries, and other large companies employ reservation Indians in Arizona and New Mexico. And tribally owned companies have likewise provided many Indian jobs and helped raise living standards for Indian Americans.

Marvin L. Franklin, assistant to the Interior Secretary for Indian Affairs, himself an Indian, has written a heartening report on growing economic opportunities for Indians in the current issue of Nation's Business. Mr. Franklin is a former Iowa tribal official and petroleum company executive, and knows well what economic partnership between private industry and government has done to better the lives of native Americans.

I share with my colleagues Franklin's article and the accompanying feature story about Cochise's great-grandson, who is helping get Indians into private industry.

[From Nation's Business, June 1974]

PAYROLLS: AN ANSWER TO THE INDIAN MILITANTS

(By Marvin L. Franklin)

Out in the heart of the sprawling Navajo Indian reservation in eastern Arizona is a huge sawmill. From the reservation forests of stately ponderosa pine, trucks haul enormous logs to the mill, where roaring band saws slice them into lumber—about 350,000 board feet a day.

The sawmill is wholly owned by the Navajo Tribe, and is operated by Navajo Forest Products Industries, organized in 1958. About 400 members of the tribe are employed in the operation, with payroll of around $3 million. The trees are "harvested" to ensure an unfailing supply of logs for the future.

"Forty years ago I was living in a hogan trying to raise sheep, when the government came out and killed our sheep to make prosperity," a grizzled Navajo logger relates, recalling a New Deal effort to bolster Depression farm prices by reducing production. He adds, with a grin: "This is a better way!"

At Stilwell, Okla., Cherokee Nation Industries makes electrical switches and relays for Western Electric Co. Western Electric loaned the Indians a company manager, who selected the first employees and put them through job training. The enterprise, entirely owned by the Cherokees, started with eight workers and now has 192.

Recently, Cherokee Nation Industries completed a second plant, at Talequah, Okla. It produces calculators for the Corvus Corp., of Dallas, Texas, and assembles components for IBM. Leo Walkingstick, general manager of Cherokee Nation Industries, notes happily that its contracts with Corvus call for production of 1,500 desk model and 4,000 hand model calculators weekly.

These are typical examples of how a program of bringing industrial plants to Indian communities is creating jobs and lifting standards of living for the "original Americans."

The Indian industrial program has enlisted the hearty support of American businessmen, who believe that employment under free enterprise is better than paternalistic handouts.

I also find that it is the best possible answer to the militant Indians who seized the Bureau of Indian Affairs building in Washington and did such senseless damage to facilities, equipment and records in November, 1972; and who later seized the community of Wounded Knee on the Sioux Reservation in South Dakota with destruction of homes, a church and other buildings.

TRAINING AND LOANS

The industrial program began in 1953, when Glenn L. Emmons, a Gallup, N. Mex., banker, became Indian commissioner. It was obvious to Mr. Emmons and his associates that the biggest difficulty in such a program was the Indians' lack of training for skilled trades. To remedy this situation. Congress in 1956 passed legislation authorizing the Bureau of Indian Affairs to give Indians, chiefly between the ages of 18 and 25, vocational and apprenticeship instruction, with special provision for on-the-job training.

Loans to tribes, to be used to build industrial plants, also were authorized. In 1957, a Branch of Industrial Development was established in the Bureau of Indian Affairs, to help sell American businessmen the idea of hiring Indian workers. The program has had the enthusiastic support of every Administration, of Congress and of Indian Bureau officials, since it began.

My experience in my native Oklahoma convinced me that bringing industrial plants to the reservation areas is the best solution to the problem of Indian unemployment. In the early 1960s, I was made director of "cooperative projects" for Phillips Petroleum Co., my employer for many years. My task was to work with federal and state governments, and with businessmen, to create jobs for disadvantaged people, especially Indians.

I began to encourage the organization of Indian companies and their employment of Indian workers, all within the framework of the free enterprise system. In the years that followed, I assisted at the beginning of about 75 companies, some with as few as five employees and some with 500 or more. By and large, these companies have proved successful, with profitable distribution and sale of their products.

A similar success story is being written by the Bureau of Indian Affairs.

As of this point, a total of 250 companies have taken advantage of the BIA industrialization program to establish plants in Indian communities. In addition, during the last five years, more than a hundred major commercial projects, Indian owned and managed, have ben set up. Combined annual payrolls have grown to about $35 million, with a potential employment capacity of more than 15,000 jobs.

A good example of the program's success can be found among the Choctaw Indians of Mississippi. In the 1830s, President Andrew Jackson decided upon a harsh policy—to compel the transfer of the major tribes living east of the Mississippi River to an area set aside as the "Indian Territory." It was west of the Louisiana Purchase, "where the white man will never want to live," said he President. He ordered soldiers to round up the Choctaws, along with the Creeks of Alabama and Florida, the Cherokees of North Carolina, the Seminoles of Georgia and the Chicasaws of Tennessee, and the long "trail of tears" began for these so-called "civilized tribes."

About half of the 2,500 Choctaws refused to be rounded up. They simply fled to the woods and the marshes, and there they stayed. Today, descendants of these hardy people live on farms and in villages near Philadelphia, Miss. Many of their families have been living in poverty for generations, trying to scratch out a living as sharecroppers.

Now that is changing. In March, 1967, through the joint effort of the local Indian Bureau agency and Emmett York, Choctaw tribal chief, the Garan Co., of New York, established a plant in Philadelphia to manufacture boys' wear. It agreed to employ Indian workmen.

"Given proper training, these Choctaws make as proficient operators as any in the land," says Claud Kuykendall, plant superintendent.

WORKING WOMEN

Go out to the broad tableland near Shiprock, N. Mex., on the Navajo reservation, and you'll find a big plant of the Fairchild Camera and Instrument Co., of Syosett, N.Y. Here about 800 Navajos, 80 per cent of them women, assemble transistors and integrated circuits essential to the functioning of radio and television sets, computers, and electronic devices in planes, missiles and spacecraft. The firm's building, equipped with every modern convenience, covers 33,600 square feet, and cost $1.2 million, paid for by the Navajo Tribe with a big low-interest loan from the Economic Development Administration. Fairchild has approximately $1.8 million invested in machinery and equipment.

The workers peer through microscopes, performing such exacting tasks as soldering wires smaller than human hair.

"Not more than 5 per cent of our employees ever had a steady job before," says Paul W. Driscoll, plant manager. "Yet our Indian people have unmatched skill and patience."

On the Seminole Indian reservation near Hollywood, Fla., an electronic-connector plant, leased by the tribe to the Amphenol industrial division of Bunker-Ramo Corp., of Chicago, employs 18 members of the tribe. These Seminoles are descendants of Indians who, under the famed Chief Osceola, fled from U.S. Army troops in the 1830s. They only recently made "peace" with the government by cooperating in Bureau programs, including industrial development. One Seminole declares:

"Some so-called 'friend of Indians' wanted us to keep making little Indian curios to sell to tourists, so we wouldn't lose our native culture. But now our workers earn many times what they did in that sort of thing"

Underwear, hosiery, pants and many more items of clothing are manufactured by established companies branching into the Indian communities. Western Superior Mills, a division of the BVD Co., of New York, operates a plant near Winslow, Ariz., making, packaging and distributing men's and boys' underwear. The plant was built by the Hopi Tribe at a cost of $1.5 million on a 200-acre site donated by citizens of Winslow. The building covers 120,000 square feet, making it the largest in northern Arizona.

Indians of both the Hopi and Navajo Tribes, traditional rivals, work side by side at the machines. The women earn from $2 to $3.30 an hour. The plant manager, Della Pecore, wro refers to herself as a "refugee from the Seventh Ave. New York garment district," says: "The Navajo and Hopi are not rivals in this plant, because they're all making a good living!"

Among many other long-established firms migrating by branch plant to Indian country is The Harry Winston Minerals Co., of New York. This firm located a plant near Chadler, Ariz., and employs a score of Gila River Indians cutting and polishing diamonds.

Many of the workers have had long experience fashioning native stone jewelry.

FURNITURE IN THE FOREFRONT

Furniture making is now in the forefront of new jobs for Indian families. In early 1966 a survey diclosed that of 772 male Yakima Tribe members, at Wapato, Wash., only about 100 had anything like regular jobs, and 62 of these were common laborers. Aided by federal loans, the Yakima tribal council built a $772,000 plant for White Swan Industries, Los Angeles furniture manufacturers. Today this company employs 200 Indians, and pays the tribe a monthly rental of $6,500.

Members of the Warm Springs Tribe in Oregon entered the jet age in 1969 when the Tektronic Co., of Beaverton, Oregon, set up a plant on their reservation. About 40 Indians are employed, assembling oscilloscopes—highly sophisticated instruments that plot electrical graphs.

Millions of dollars of annual income flow into Indian communities through development of resources on the reservations, such as the majestic stands of timber, and deposits of coal, oil, gas, copper and uranium—buried treasures of the ages. Timber and wood products lead this type of industrial development.

Among many other new industries in Indian areas are:

A meat-pocking plant established at Yankton, S. Dak., by the Yankton Sioux Industries, which processes carcasses from nearby cattle feeders; The Lummi Acquaculture Co., located on the Lummi Reservation near Bellingham, Wash., which raises fish to market size; Great Western Industries at Browning, Mont., which makes pens, pencils and felt markers, primarly for sale to government agencies, and which employs 83 Indians out of 89 workers; and for the Chickasaw Tribe of Oklahoma, creation of a modern recreation area which includes a motel at Sulphur, Okla.

Essential to the success of the plan for Indian employment has been establishment of industrial parks on or near reservations, to attract new plants. An outstanding example is the Pima-Chandler Industrial Park in the Gila River Indian community near Coolidge, Ariz. It covers 543 acres developed with good roads, water mains, power lines and sewerage. A Southern Pacific Railroad spur runs through the park.

Since December, 1968, five plants have located in this area, in which as many as 70 per cent of the Indian workers had been unemployed. The plants' products include metal shipping containers, brass valves for marine use, and spider-thin wire for the electronics industry. About 800 formerly unemployed Pima and Maricopa Indians work in these plants.

Every industry's arrival at an Indian reservation signals the development of numerous other new jobs. Families must have housing, furniture, food, utilities and many other items for daily living. Employment creates its own chain reaction of prosperity.

The industrial employment program has spurred the biggest homebuilding boom in Indian history. While the plants are usually located near good highways, and some Indian workmen commute in car pools, many families—once on steady payrolls near a town with modern facilities—decide to move to town.

Apartment houses and other housing projects dot the industrial parks and local residential areas, as Indian families begin to enjoy the conveniences of modern living.

TEAMWORK PROVIDES WORK

Locating plants for Indian employment is a team project for federal and state agencies, business firms and the Indians themselves. Tribal councils on every reservation have been consulted about their resources and potential labor supplies. Indian Bureau officials, cooperating with commissions for Indian employment in every state with a large Indian population, advise firms as to available sites for buildings, and supplies of water, gas, power and fuel. They furnish information on motor, rail and air carriers to provide marketing access.

The usual procedure calls for the Indian tribe to erect the building for the plant according to specifications of the firm that agrees to lease it. Funds for the plant's cost are generally loaned by BIA or the Economic Development Administration, and often there are generous donations from nearby communities, too. The company furnishes the equipment and management, and lease payments to the tribe usually are sufficient to retire the government agency's loan.

The firm agrees to give hiring preference to tribe members.

"Thus, everybody involved benefits," Secretary of the Interior Rogers C. B. Morton points out. "Business firms tap a new labor pool, with workers capable of the most exacting operations. The Indians find steady jobs and new prosperity. The public helps a minority group to help itself, and is repaid by reduced welfare rolls and higher standards of living for Indian families."

Cochise's Great-Grandson: Triumphs in Two Worlds

Some Indians toss off Sam Kinsolving as a *bellacana*, which is an Indian lingua franca equivalent of the black activists' "Uncle Tom." The word literally means apple, and militants use it for fellow Indians who accept and thrive in the white man's world. Its broad meaning is: "Red on the outside, white on the inside."

But Sam is something else.

True, he is a success in the white man's world. He is a planner, and recruiter of Indian employees, for the Ingalls Shipbuilding division of Litton Industries, in Pascagoula, Miss. Ingalls is carrying out two sizable U.S. Navy contracts there, for 30 destroyers of the Spruance class and for five general purpose amphibious assault craft.

But above all, he is an Apache. Sam, 42, is a great-grandson of the famous chieftain, Cochise, and intensely proud of it. And he believes that traits which spell success in the white man's world belong to the Indian's world, too.

No easy task, this undertaking of Sam Kinsolving in recruiting. He has so far talked with men of 47 tribes west of the Mississippi about accepting employment in the Pascagoula area, especially with Ingalls.

The result? The U.S. Bureau of Indian Affairs reports a "rapid influx" of Indians to Pascagoula in the last two years, with more than 600 now working in the area, most of them for Ingalls.

From the beginning of the recruiting effort, which was spurred by Ingalls' need for good workers as well as by a desire to make a contribution to Indian welfare, Sam knew the scrutiny he would get from all sides would put a microscope to shame.

After all, he has a white man's surname. It comes from his mother's side of the family (she is white; her father was an Episcopal bishop in Arizona). Sam's father adopted it—Apaches traditionally had no surnames—to avoid modern-day legal problems.

Apaches are an extremely proud tribe, and unless one can prove he's at least half Apache, they put him beyond the pale in contrast to, say, the Cherokees, who will accept as Indian a person claiming only one sixteenth Indian blood. But Sam is inside the pale. On his father's side, he is all-Apache.

How does Sam go about recruiting?

"When I go in the reservations," he says, "the first thing I have to do is get the 'moccasin telegraph' working. It's one of the most efficient communications systems in the world. Word gets around that I'm there, and that I'll be in certain places. First one, and then more, drop in on me and we talk.

"They ask all kinds of questions. Whether we have an Indian center in Pascagoula—and we do. Whether other Indians find it agreeable, not only the work, but living so far away from home grounds. What kind of schools for their kids, and how do other kids accept Indian children? That last one is easy, as Indian youngsters are not racially conscious—they play easily with blacks, whites, Mexicans, Chinese—and by doing so they often set the good example."

The Indian center is a place where Indians can gather, sing their old songs, have the trappings of their special cultures. "It's sort of an oxygen source," as Sam appraises it, "where they can go to be replenished. It gives them a comforting whiff of the reservation."

Sam also tells potential recruits about other benefits—relocation allowances which they get from BIA, and money BIA provides for them to buy tools they need.

"Mostly, though," he says, "I emphasize that we want people with honesty, resolve, pride, courage, responsibility to themselves and their families. These are traditional Indian values, tightly bound in their culture. I tell them that exhibiting these characteristics is a way to prove that the white man didn't invent them."

The biggest bloc of Indian workmen at Ingalls are welders—more than 30 as Sam totals them up. The others range from shipfitters and carpenters to mechanics, junior draftsmen, production managers and planners, he says—"a rather good cross section of what we have to have here to build ships."

Ingalls President Ned Marandino is a hard-driving executive who focuses on production schedules and is far from the type who would take kindly to employees who didn't pull their weight.

He is one of Sam Kinsolving's champions.

"I couldn't do it without that feeling at the top," Sam says, "because if the Indians ever thought for one minute they were not respected employees, the whole program would fall flat and they would vanish back into the reservations from which they came."

SENATE—*Tuesday, June 11, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. Edmund S. Muskie, a Senator from the State of Maine.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, as the day opens before us, we open our hearts to Thee. May our prayers be the channels of Thy grace through which shall come to us a calm, restoring stillness at the very center of our being. With our spirits reinforced send us to our tasks with kind hearts, clear thoughts, and a sure faith. Help us to build the Nation on whatever is good and beautiful and true, that our greatness may be in character and our ultimate security rest in the things of the spirit. And at the end grant us the blessing of Thy peace.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 11, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Edmund S. Muskie, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. MUSKIE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, June 10, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PLAN FOR INDIAN OCEAN BASE OPPOSED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an article entitled "Plan for Indian Ocean Base Opposed," written by Crocker Snow, Jr., which appeared in the Boston Globe of Sunday, June 9, 1974, be printed at an appropriate point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Plan for Indian Ocean Base Opposed

(By Crocker Snow, Jr.)

Tehran.—A little, uninhabited Indian Ocean atoll near the Equator which measures just three feet above sea level at its highest point has become a major cause celebre in this part of the world.

The atoll, Diego Garcia of the Chagos archipelago in a distant point of the Indian Ocean, is administered by the British and populated by 200 American and English servicemen working a communications facility.

But Pentagon plans to spend $29 million to expand the facility in a significant way have triggered skepticism and suspicions in much of Asia—and have seriously undermined congressional willingness to allocate the funds.

With little overt sign of a US military presence in the Indian Ocean area, as compared to many parts of the world, the called-for expansion of Diego Garcia has taken on a symbolic significance far beyond its projected military one.

Governments stretching from New Zealand and Australia to the Middle East, and ranging in political persuasion from staunchly anti-Communists to proudly nonaligned, have expressed opposition to the plan.

Only Pakistan openly, and Iran more quietly, have indicated that the base might be desirable under certain circumstances.

The two major Communist powers outside the immediate area have divergent but discreetly low-key views about the affair. The Soviets see a new, improved Diego Garcia as a challenge to their own Indian Ocean expansion plans, and have indicated their opposition to their foremost allies. The Chinese are said to quietly favor the base—for just these reasons.

Meanwhile, a US Senate committee has delayed action on the Administration's request for new Diego Garcia funds.

The rationale of the expansion plan—one originally agreed to by a British Labor government in 1966, but subject to reconsideration by the new Labor government today—is that supplying US task forces operating in the Indian Ocean from Subic Bay in The Philippines 5,000 miles away, as is the case now, is downright impractical.

More than this, the US military from Joint Chiefs Chairman Adm. Thomas Moorer down feel the gradual buildup of the Russian fleet in the Indian Ocean to its present average of about 30 ships at any one time necessitates a US response.

Adm. Elmo Zumwalt, the departing Chief of Naval Operations, has made the case:

"The Indian Ocean has become the area with the potential to produce major shifts in the global power balance over the next decade," he stated recently. "It follows that we must have the ability to influence events in that area, and the capability to deploy our military power in that area is an essential element of such influence."

"That in my judgment is the crux of the rationale for what we are planning to do at Diego Garcia."

The Pentagon's plans, if ultimately underwritten by the Congress, call for the base improvement to be completed by 1977.

The atoll's 8000-foot runway, which now can handle aircraft to the size of the Air Force's prop-driven C130 cargo plane, would be extended to 12,000 feet.

This would allow the operation of C135 and C141 jet cargo planes, and, in a squeeze, a B52. It would also mean that the Navy's P3 patrol plane could use Diego Garcia for long range antisubmarine picket work and surveillance of distant Soviet naval task forces.

The expansion plan for the atoll, a V-shaped affair measuring 11 square miles in all, would also mean dredging the deep water port to the point that it could harbor a full carrier task force of up to 12 ships and Poseidon missile-carrying submarines.

In Asia, however, the announced plans for Diego Garcia have already triggered rumors of its becoming not a commodious bathroom, but something more akin to a major strategic base for nuclear armed B52s.

This prospect, says the Pentagon, is belied by both the projected length of the runway, which could handle combat armed B52s only in tight circumstances, and by the ground facilities which could handle just 600 men maximum.

As for the nuclear argument, the Pentagon has long had a hard-and-fast policy to neither confirm nor deny the presence of nuclear weapons at any military facility or plans to put them there.

Nonetheless, persistent references in the Asian press to Diego Garcia becoming a stockpiling point for nuclear arms led one official American source in Asia to remark: "Though we're officially prohibited from commenting, this stuff in the press happens to be a long way from the fact."

For the record, U.S. military spokesmen insist that the modest "mothership" plan for Diego Garcia is necessary because of the inadequacy of substantial naval facilities accessible to American ships elsewhere in the area.

Presently the Navy's formal Indian Ocean Command consists of three World War II vintage ships that rarely venture far from their Persian Gulf headquarters at Bahrain.

The Soviet fleet, which averages about 30 at a given moment, now is expected to increase significantly with the imminent reopening of the Suez Canal.

To handle this traffic, the Soviets have standing port call rights in the littoral nations of Bangladesh, Somalia, South Yemen and Iraq already. The Russian fleet has no actual bases in these places as yet, but American military analysts see that day as not far off.

The government of India has led the chorus against the base, arguing for a neutral "zone of peace" in the Indian Ocean consistent with a UN General Assembly resolution of December 1971.

Incessant Indian attacks on the base improvement plan last winter prompted Daniel P. Moynihan, US ambassador in New Delhi, to suggest coyly that the atoll's distance 1000 miles from the southern tip of India meant that the body of water surrounding it might just as well be called the Sea of Madagascar.

Predictably, Moynihan's offhand remark triggered a storm of protest in India and a rebuke from Foreign Minister Swaran Singh. The ambassador felt compelled to offer a quiet apology for his malapropism.

The only Asian government known to have offered any public support so far for the proposed Diego Garcia buildup has been that of Pakistan.

This is partly explained by realistic American observers on the scene as Pakistan's tendency to take the opposite view of India whenever possible.

Moreover the Chinese are said by top American sources to favor the improvement of Diego Garcia as a counterfoil to Russian expansionism in the Indian Ocean—and the Pakistanis maintain close relations with Peking.

Senior statesman Chester Bowles, who was one of Moynihan's predecessors as US ambassador to India, has been the most recent to express opposition to the plan.

"Whatever America's rationalization, Diego Garcia has come to symbolize the most recent example of needless American interference in Asia," Bowles wrote recently in the New York Times. "For Asians, Diego Garcia is not a minor upgrading of a remote military base for passive purposes. It is a new incursion by America into waters it does not need and cannot protect, a move whose cost-benefit ratio is negligible in an area where its armed forces have become even more unwelcome."

Supporters of the plan counter by saying that the United States cannot afford a Fortress America posture about the increasingly important Indian Ocean area.

The case and ultimate verdict is now before the Congress.

"GIANT PATRIOT" OUT OF PLACE

Mr. MANSFIELD. Mr. President, I also ask unanimous consent to have printed in the Record an editorial entitled "'Giant Patriot' Out of Place," which appeared in the Philadelphia Inquirer of Saturday, June 8, 1974.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

"GIANT PATRIOT" OUT OF PLACE

The Pentagon has come up with another of its bright ideas with a brightly chosen name attached to it.

The idea is for the Air Force to test-fire Minutemen intercontinental ballistic missiles, not over the ocean but over several Western states. The Pentagon wants Congress to put up $26.9 million for the first four of these launches, dubbed "Giant Patriot."

Any red-blooded Americans want to go on record against "Giant Patriot"? Well, a number of people have, nervously. "Chicken Little should be so lucky," says Idaho's Gov. Cecil Andrus. The ICBMs won't be loaded with their nuclear warheads. They will, though, drop off a couple of tons of debris, in two stages, on their way to wherever they're going.

And where that may be no man can be certain. The Air Force's Strategic Air Command estimates that the chance of humans getting hit is only one in 5,000. Rather short odds, when you come to think of it.

Some years ago, the Wall Street Journal recalls, the Air Force aimed a missile down the Atlantic and the thing hit somewhere in Brazil. In 1970, another missile, aimed to land in the White Sands proving range in New Mexico, strayed 400 miles and crashed in the Mexican desert.

Accidents will happen. We are not opposed, in principle, to testing weapons where necessary, but it seems to us that weapons should be tested where necessary, and that isn't where a couple of tons of metal can land on citizens' heads.

SEPARATION OF POWERS

Mr. GRIFFIN. Mr. President, with delivery of a letter dated June 9 from the President of the United States, addressed to the chairman of the House Committee on the Judiciary, wherein the President has refused to comply with certain subpenas, the lines have been drawn for an historic confrontation with respect to a fundamental issue that could soon come before the Senate. I refer to the issue of the existence and scope of executive privilege.

Certainly, the document submitted by the President will be an important part of the body of materials which Members of Congress will be required to study. The letter concisely sets forth the case that can be made for the President.

At this point, I would not presume to pass judgment. But it is important, I suggest, to recognize the grave nature of the constitutional question that is raised—a question that reaches to the very foundations of our system of government.

In his letter, the President has appropriately pointed out that it is not only the Executive who from time to time has claimed privilege under the doctrine of separation of powers; that, indeed, each of the two Houses of Congress has consistently refused—except by consent—to honor subpenas issued by the judicial branch of the Government. Although that consent usually has been granted, in some instances it has not.

The letter focuses also on the fact that the judicial branch of Government has insisted upon confidentiality and privacy with respect to its deliberations, and has refused on occasion to honor demands by other branches of Government. For example, there is reference to an instance in 1953, when Justice Tom C. Clark refused to respond to a subpena from the House Committee on Un-American Activities; and there is reference to the words of Chief Justice Burger who, in 1971, said:

> No statute gives this Court express power to establish and enforce the utmost security measures for the secrecy of our deliberations and records. Yet I have little doubt as to the inherent power of the Court to protect the confidentiality of its internal operations by whatever judicial means may be required.

Of course, it can be said that in the other situations referred to, the impeachment process was not involved. Perhaps the basic question can be put in a better perspective, however, if one were to assume the existence of a slightly different set of circumstances. Instead of the President, suppose the House Judiciary Committee were investigating the possible impeachment of a Justice of the Supreme Court. Suppose further that the House committee were to issue a similar subpena calling upon the Supreme Court to deliver up the minutes or other records of the secret deliberations conducted by the Justices in arriving at their decisions with respect to various cases.

I wonder what the response of the Supreme Court would be to the House Judiciary Committee under such circumstances.

I shall not presume to provide an answer to that question today. But perhaps by posing it, there can be a better understanding of the nature of the debate that lies ahead.

Mr. President, I ask unanimous consent that the letter of the President be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE WHITE HOUSE,
Washington, June 9, 1974.

Hon. PETER W. RODINO, JR.,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of May 30, you describe as "a grave matter" my refusal to comply with the Committee's subpoenas of May 15. You state that "under the Constitution it is not within the power of the President to conduct an inquiry into his own impeachment," and add that "Committee members will be free to consider whether your refusals warrant the drawing of adverse inferences concerning the substance of the materials. . ."

The question of the respective rights and responsibilities of the Executive and Legislative branches is one of the cardinal questions raised by a proceeding such as the one the Committee is now conducting. I believe, therefore, that I should point out certain considerations which I believe are compelling.

First, it is quite clear that this is not a case of "the President conduct(ing) an inquiry into his own impeachment." The Committee is conducting its inquiry; the Committee has had extensive and unprecedented cooperation from the White House. The question at issue is not who conducts the inquiry, but where the line is to be drawn on an apparently endlessly escalating spiral of demands for confidential Presidental tapes and documents. The Committee asserts that it should be the sole judge of Presidential confidentiality. I cannot accept such a doctrine; no President could accept such a doctrine, which has never before been seriously asserted.

What is commonly referred to now as "executive privilege" is part and parcel of the basic doctrine of separation of powers—the establishment, by the Constitution, of three separate and co-equal branches of Government. While many functions of Government require the concurrence or interaction of two or more branches, each branch historically has been steadfast in maintaining its own independence by turning back attempts of the others, whenever made, to assert an authority to invade, without consent, the privacy of its own deliberations.

Thus each house of the Congress has always maintained that it alone shall decide what should be provided, if anything, and in what form, in response to a judicial subpoena. This standing doctrine was summed up in a resolution adopted by the Senate on March 8, 1962, in connection with subpoenas issued by a Federal court in the trial of James Hoffa, which read: "Resolved, that by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from the control or possession, but by its permission . . ." More recently, in the case of Lt. William Calley, the chairman of the House Armed Services subcommittee refused to make available for the court-martial proceeding testimony that had been given before the subcommittee in executive session—testimony which Lt. Calley claimed would be exculpatory. In refusing, the subcommittee chairman, Representative Hébert, explained that the Congress is "an independent branch of the Government, separate from but equal to the Executive and Judicial branches," and that accordingly only Congress can direct the disclosure of legislative records.

Equally, the Judicial branch has always held sacrosanct the privacy of judicial deliberations, and has always held that neither of the other branches may invade Judicial privacy or encroach on Judicial independence. In 1953, in refusing to respond to a subpoena from the House Un-American Activities Committee, Justice Tom C. Clark cited the fact that "the independence of the three branches of our Government is the cardinal principle on which our Constitutional system is founded. This complete independence of the judiciary is necessary to the proper administration of justice." In 1971, Chief Justice Burger analogized the confidentiality of the Court to that of the Executive, and said: "No statute gives this Court express power to establish and enforce the utmost security measures for the secrecy of our deliberations and records. Yet I have little doubt as to the inherent power of the Court to protect the confidentiality of its internal operations by whatever judicial means may be required."

These positions of the Courts and the Congress are not lightly taken; they are essential to maintaining the balances among the three branches of Government. Equal firmness by the Executive is no less essential to maintaining that balance.

The general applicability of the basic principle was summed up in 1962 by Senator Stennis, in a ruling upholding President Kennedy's refusal to provide information sought by a Senate subcommittee. Senator Stennis held: "We are now come face to face and are in direct conflict with the established doctrine of separation of powers. . . . I know of no case where the Court has ever made the Senate or the House surrender records from its files, or where the Executive has made the Legislative Branch surrender records from its files—and I do not think either one of them could. So the rule works three ways. Each is supreme within its field, and each is responsible within its field."

If the institution of an impeachment inquiry against a President were permitted to override all restraints of separation of powers, this would spell the end of the doctrine of separation of powers; it would be an open invitation to future Congresses to use an impeachment inquiry, however frivolously, as a device to assert their own supremacy over the Executive, and to reduce Executive confidentiality to a nullity.

My refusal to comply with further subpoenas with respect to Watergate is based, essentially, on two considerations.

First, preserving the principle of separation of powers—and of the Executive as a co-equal branch—requires that the Executive, no less than the Legislative or Judicial branches, must be immune from unlimited search and seizure by the other co-equal branches.

Second, the voluminous body of materials that the Committee already has—and which I have voluntarily provided, partly in response to Committee requests and partly in an effort to round out the record—does give the full story of Watergate, insofar as it relates to Presidential knowledge and Presidential actions. The way to resolve whatever ambiguities the Committee may feel still exist is not to pursue the chimera of additional evidence from additional tapes, but rather to call live witnesses who can place the existing evidence in perspective, and subject them to cross-examination under oath. Simply multiplying the tapes and transcripts would extend the proceedings interminably, while adding nothing substantial to the evidence the Committee already has.

Once embarked on a process of continually demanding additional tapes whenever those the Committee already has failed to turn up evidence of guilt, there would be no end unless a line were drawn somewhere by someone. Since it is clear that the Committee will not draw such a line, I have done so.

One example should serve to illustrate my point. In issuing its subpoena of May 15, the Committee rested its argument for the necessity of these additional tapes most heavily on the first of the additional conversations subpoenaed. This was a meeting that I held on April 4, 1972, in the Oval Office, with then Attorney General Mitchell and H. R. Haldeman. The Committee insisted that this was necessary because it was the first meeting following the one in Key Biscayne between Mr. Mitchell and his aides, in which, according to testimony, he allegedly approved the intelligence plan that led to the Watergate break-in; and because, according to other testimony, an intelligence plan was mentioned in a briefing paper prepared for Mr. Haldeman for the April 4 meeting. Committee members made clear their belief that the record of this meeting, therefore, would be crucial to a determination of whether the President had advance information of the intelligence activities that included the break-in.

At it happens, there also was testimony that the ITT matter had been discussed at that April 4 meeting, and the Committee therefore also requested the April 4 conversation in connection with its ITT investigation. On June 5, 1974, a complete transcript was provided to the Committee for the purposes of the ITT probe, together with an invitation to verify the transcript against the actual tape. This transcript shows that not a word was spoken in that meeting about intelligence plans, or about anything remotely related to Watergate—as the Committee can verify.

I cite this instance because it illustrates clearly—on the basis of material the Committee already has—the insubstantiality of the claims being made for additional tapes; and the fact that a Committee demand for material does not automatically thereby convert the requested material into "evidence."

As for your declaration that an adverse inference could be drawn from my assertion of Executive privilege with regard to these additional materials, such a declaration flies in the face of established law on the assertion of valid claims of privilege. The Supreme Court has pointed out that even allowing comment by a judge or prosecutor on a valid Constitutional claim is "a penalty imposed by courts for exercising a Constitutional privilege," and that "it cuts down on the privilege by making its assertion costly." In its deliberations on the Proposed Federal Rules of Evidence, the House of Representatives—in its version—substituted for specific language on the various forms of privilege a blanket rule that these should "be governed by the principles of the Common law as they may be interpreted by the courts of the United States in light of reason and experience . . . ." But as adopted in 1972 by the Supreme Court—the final arbiter of "the principles of the Common law as . . . interpreted by the courts," and as codification of those principles—the Proposed Federal Rules clearly state: "The claim of a privilege, whether in the present proceeding or in a prior occasion, is not the proper subject of comment by judge or counsel. No inference may be drawn therefrom."

Those are legal arguments. The commonsense argument is that a claim of privilege, which is valid under the doctrine of separation of powers and is designed to protect the principle of separation of powers, must be accepted without adverse inference—or else the privilege itself is undermined, and the separation of powers nullified.

A proceeding such as the present one places a great strain on our Constitutional system, and on the pattern of practice of self-restraint by the three branches that has maintained the balances of that system for nearly two centuries. Whenever one branch attempts to press too hard in intruding on the Constitutional prerogatives of another, that balance is threatened. From the start of these proceedings, I have tried to cooperate as far as I reasonably could in order to avert a Constitutional confrontation. But I am determined to do nothing which, by the precedents it set, would render the Executive branch henceforth and forevermore subservient to the Legislative branch, and would thereby destroy the Constitutional balance. This is the key issue in my insistence that the Executive must remain the final arbiter of demands on its confidentiality, just as the Legislative and Judicial branches must remain the final arbiters of demands on their confidentiality.

Sincerely,

RICHARD NIXON.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 3000, which the clerk will state by title.

The legislative clerk read the bill by title, as follows:

A bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize training student loads, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the Kennedy-Cranston-Symington-Humphrey-Cook amendment reducing aid to Vietnam, on which there shall be 1 hour of debate.

The amendment is as follows:

On page 14, line 25, and on page 15, line 1, strike out "$900,000,000" and insert in lieu thereof "$750,000,000".

On page 16, line 2, strike out "$900,000,000" and insert in lieu thereof "$750,000,000".

Mr. STENNIS. Mr. President, I yield myself 1 minute. This is not with reference to any particular amendment, any more than it is to the entire sheaf of amendments.

Just let me observe, Mr. President, as floor manager of the bill, that we have had a good debate and some good votes, including some close ones, which I think is a healthy matter. We have a very full day, however, on these last amendments, some of which are highly important.

If I may just say a word of caution: After all, this bill is a military hardware bill, providing what Congress may think necessary in the way of military equipment. There are a great number of amendments here about relatively small matters, matters of administration, matters relating to the ROTC. Really, this bill is not designed to carry those kinds of amendments. I hope we will not load it down with a great many amendments of that kind.

The bill relates to ships, submarines, manpower. As I say, I welcome debate on all amendments, but we have agreed now to lock up this bill today, including all amendments. So we will have to move along.

That is all the time I will use. Thank you.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CRANSTON. How much time do I have? A half hour?

The ACTING PRESIDENT pro tempore. Thirty minutes on each side.

Mr. CRANSTON. I yield myself 10 minutes.

Mr. President, the amendment is offered by Senator KENNEDY. Senator SYMINGTON and I are cosponsors, together with a number of other Senators.

The amendment would lower the ceiling on military aid for Vietnam from $900 million as proposed by the committee to $750 million.

The amendment does not, however, cut the actual level of aid to South Vietnam. The Kennedy amendment would permit the funding of military aid to Saigon at approximately the same level as was actually available for expenditure in fiscal year 1974. Actually it would allow $6.5 million more than in the current year.

Of the $1,126,000,000 ceiling on military assistance service-funded MASF, $1,009,500,000 was available for South Vietnam. The rest was for Laos, which will no longer be funded by the Defense Department, beginning in fiscal year 1975.

From this $1,009,500,000 should be subtracted the $266 million which the Pentagon says was spent in prior fiscal years. The remainder is $743.5 million, roughly the same as the level permitted by the Kennedy amendment.

It is true that this $750 million will buy less for South Vietnam than it would have last year. The reason is simple—roaring, galloping inflation in South Vietnam, which has reached a rate well over 50 percent a year. That is why the committee has, in effect, made more dollars available.

We should note, however, that just as the Vienam war is partly responsible for inflation in our country, it is largely responsible for inflation in Vietnam. As long as we continue to pump money into Vietnam, there will be more and more inflation. This creates a vicious circle, draining more and more money from American taxpayers.

I believe that U.S. military aid to Saigon should be phased out. Instead, the committee's proposed ceiling is clearly intended to sustain last year's level of combat—perhaps indefinitely. One does not have to look very far to prove the point. On page 1896 of the hearings, for example, in a written response to Senator STENNIS, the Defense Department indicated that—

> The level of hostilities in fiscal year 1975 will be comparable to those in fiscal year 1974.

Apparently, the committee chose to accept this statement and to pay for its consequences, for on page 163 of the committee report, is this revealing sentence:

> The recommended authorization should be sufficient to sustain operations at only slightly below the actual levels of last year.

That is what is at stake, Mr. President—funding an ongoing war indefinitely, or taking firm constructive steps to wind it down, as this amendment proposes to do.

Those of us who have been unhappy with U.S. policy in Indochina find it easy to be critical. But today I want to strike a positive theme: What Congress has done and can do now.

Heading the list are the genuinely meaningful reforms in accounting procedures insisted upon by the committee, and I laud the committee for them.

First, the bill requires a regular, separate appropriation for military assistance to Vietnam. This step will permit regular accounting and monitoring, including a GAO audit.

Second, the committee bill requires that the Secretary of Defense approve all obligations in this account, and that obligations be charged and reported when provided. This should go far toward clearing up the muddled, confusing crisscross of figures.

Third, the bill mandates a clear definition of the value of the various types of assistance in this account. Once again, this is a highly responsible step which should clear up some longstanding abuses.

Finally, Senator STENNIS has suggested that a "highly competent individual of top reputation" be given full authority to take charge of the military assistance program to Vietnam. We need a first-rate administrator—someone who is not afraid to crack down on sloppy standards.

It is incredible that this was not done long ago by the DOD without waiting for Congress to make the suggestion. I trust that this suggestion will be carried out at once, and that adequate staff will be provided.

Another reform which I am looking forward to is the transfer of the military assistance program to South Vietnam back to where it belongs—with the rest of our military aid programs. The agency in charge should be AID, not the Pentagon.

In his summary statement on the bill, Senator STENNIS noted that the bookkeeping reforms which I have just mentioned will help to move the program back to AID in fiscal year 1976. Unfortunately, as yet there is no clear commitment to this effect from the Pentagon. I strongly urge the committee to push for this change.

Also in the "positive" category are steps which Congress has taken against the administration's will. In each case we were told that if we put a stop to this or that military activity, all kinds of disastrous things would happen. But I would argue that all of these steps promoted peace, or at least that they facilitated U.S. disengagement from combat in the war that, unfortunately, we still finance.

These steps have included:

Placing strict limits on U.S. involvement in Laos and Cambodia;

Prohibiting the funding of third-country mercenaries;

Legislating a prohibition, beginning in fiscal year 1975, on the use of "food for peace" currencies for military purposes;

Vociferously opposing the "Christmas bombing" of Hanoi, and thus propelling the administration toward negotiating the peaceful settlement the following month; and

Denying the supplemental request for this fiscal year, and hence sending Thieu a clear signal that he cannot count on unlimited American subsidies forever.

This is hardly the record of a "do-nothing Congress," but of a Congress which does a lot that the administration does not like.

With these achievements behind us, and in the same constructive spirit of promoting peace, where should we go from here?

The distinguished Senator from Iowa (Mr. HUGHES), who cares so deeply about peace, has summed up the answer in one sentence. In individual views accompanying the committee's report, he wrote:

> Our aid should be structured so as to encourage the transition from a military to a political struggle.

Precisely.

The first fact to be faced head on is the question of Communist violations of the cease-fire. There is no question that they have occurred on a large scale. Just because many of us have no use for Thieu does not mean we should whitewash the other side.

The question should be: Given massive violations of the cease-fire on both sides, how can we best encourage peaceful behavior?

Mr. President, I shall have more to say later. But I will wait until after the statement of the principal sponsor of the amendment, the Senator from Massachusetts (Mr. KENNEDY).

Mr. President, on December 28, 1973, President Thieu announced that Saigon would not agree to hold elections despite article 9(b) of the Paris agreements. I cannot help but think back 20 years, when the promise of elections contained in the Geneva agreements of 1954 was also betrayed.

If the other side is not allowed to participate in the political process, they have no incentive for peace. It is that simple.

So if we want the Communist forces to stop violating the cease-fire, we must put pressure on Thieu to permit elections and to grant the basic freedoms envisaged by the Paris accords.

The committee's report makes it clear that no reduction in combat activity is expected. Eighteen months after the cease-fire, massive amounts of U.S. aid have not brought the peace envisaged by the Paris agreements.

There is a reason for that lack of progress. It is that U.S. aid is overwhelmingly military or military-related in nature. No wonder President Thieu has taken the military offensive and spurned political compromise.

The most effective way we can put pressure on Thieu is to make clear our intention to wind down our funding of the war. As I pointed out, we sent Thieu a clear signal in denying the supplemental request for this fiscal year.

We can back up that signal—we can put teeth into our action—by cutting MASF to $750 million. That is the kind of pressure Thieu respects and understands.

Opponents of this amendment argue that we must continue to ship millions of dollars worth of arms to Saigon to help the government resist aggression. Listening to this, you would think that Thieu was entirely on the defensive.

The report of a study mission to South Vietnam, issued by Representative PETER FRELINGHUYSEN, indicates quite the opposite:

> The Government of Vietnam has fared well during post-ceasefire maneuvering. Since January 1973 it has added 770 hamlets to the list of those over which it has dominant control, and it has reportedly reduced the number of disputed hamlets by well over a third. The Communists meanwhile have lost over 90 hamlets that were under their firm control at the time of the cease-fire, and 300 more that they seized temporarily in its immediate aftermath.

Mr. President, how can we square this report with article 3 of the Paris agreements? That article states:

> The armed forces of the two South Vietnamese parties shall remain in place. . . . The regular forces of all services and arms and the irregular forces of the parties in South Vietnam shall stop all offensive activities against each other.

It would be one thing if Saigon's military forays were defensive in nature. But President Thieu has abandoned that pretense, and we should, too.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. CRANSTON. Mr. President, I am delighted that the distinguished Senator from Masachusetts (Mr. KENNEDY), who offered the amendment, is now present. He now has the floor.

The ACTING PRESIDENT pro tempore. How much time does the Senator yield himself?

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. KENNEDY. As I understand, there is a limitation agreement of 1 hour; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. KENNEDY. How much time remains to the proponents of the amendment?

The ACTING PRESIDENT pro tempore. Twenty minutes to the proponents of the amendment; 30 minutes to the opposition.

Mr. KENNEDY. I yield myself 8 minutes.

Mr. President, I would first like to offer my commendation to the distinguished chairman of the Armed Services Committee, and to his colleagues on the committee, for the very important and substantive changes they have made in the authorizing language for the MASF program. The revision in accounting requirements in the bill, and the committee's insistence that the Department of Defense tighten up its administrative procedures for military aid to South Vietnam, serve to eliminate some of the abuses, as well as some of the misunderstandings, which have surrounded the MASF program in the past. And, hopefully, the committee's action will also promote the transfer of this foreign military assistance program back to the Foreign Military Assistance Act, where it belongs.

But more importantly, I would like to commend the committee for the basic policy guidelines it established in its report concerning military aid to South Vietnam. First, the committee agreed that although some military aid was necessary for South Vietnam, our aid "should be governed by fiscal stringency." This, of course, should be our guide in all Federal spending programs, but never more so than for those programs which deal with the weapons of war, rather than with the tools for peace or people's welfare.

Second, in rejecting the Pentagon's massive calculations on the projected need for ammunition and military equipment in South Vietnam, the committee has acted in support of the view that the United States must be extremely cautious and circumspect in shipping more weapons to Vietnam—weapons that may serve to escalate the conflict or fan the flames of violence, rather than reduce the fighting and reinforce the ceasefire. Surely we must err on the conservative side when providing military aid anywhere, but particularly so when there are indications that—and I quote the committee's report—

> Many items of equipment (requested by the Department of Defense) appear to be in excess of what may be reasonably expected to be required.

I fully support this assessment of the Pentagon's budget proposal.

Our estimation of military aid requirements in Saigon should be guided by the anticipation that the ceasefire agreements can be implemented—that they can be made to work—not that the fighting will go on as before. Our military aid must be conditioned on the fact that the Saigon Government, as we, should do everything in our power to abide by the Paris agreements, and to implement the provisions that set the stage for a political settlement of the conflict.

Clearly, new requests for more military aid this year cannot be made in a vacuum, as if nothing had changed in Vietnam—as though American troops were still there—as if the United States were still directly involved in the conflict. Moreover, we cannot permit the level of our military aid to prolong the "cease-fire war," or to perpetuate old policies and relationships as if the cease-fire agreement did not exist.

Every dollar we spend in Indochina should be spent to help strengthen the cease-fire agreements; to help foster accommodation and reconciliation in support of a political settlement; and to help reduce America's further involvement in the area—not to prolong or sustain it at the level it is today. And these objectives should be supported by taking our diplomatic activities off the back burner, and giving peace in Indochina the priority it deserves.

Let me review, for the record, what this amendment will not do. First, this amendment will not cut off all aid to South Vietnam. The question before us is not whether we are proposing to "abandon" an ally. The question, once again, is what the level and character of our continuing aid should be. The issue is not the end of American assistance to South Vietnam, but how to encourage a transition in our continuing relationship—from a master-client aid relationship, to a more balanced one that encourages self-reliance, rather than dependence. Two to four billion dollars a year from the pockets of American taxpayers hardly constitutes abandonment.

Second, this amendment does not seriously affect our national interest—let alone our national security. There is not now—and there really never has been—a relationship between the funds we authorize for our national defense and the funds we give for military aid to South Vietnam. This has been clearly stated by Secretary of Defense James Schlesinger, most recently in a meeting with the press on May 21. The Secretary said:

> I would not describe South Vietnam as an area of the world, or Southeast Asia as an area of the world, in which our national interests are high.

And in testimony—justifying the MASF program—before the Armed Services Committee, Deputy Assistant Secretary of Defense Dennis Doolin said this, in responding to a question by Senator SYMINGTON:

> Speaking absolutely candidly, I would not justify our assistance to South Vietnam per se in terms of the immediate security of the United States.

Third, contrary to suggestions from some quarters, lowering the MASF ceiling would apparently not upset any balance between what we give to Saigon, and what Moscow and Peking give to Hanoi. A U.S. Embassy memorandum from Saigon—on conversations held by Ambassador Martin in January—states that the Ambassador—

> Would completely agree that our intention all alone was to balance the aid being given by the Soviet Union and the People's Republic of China to North Vietnam. He thought we should give material and training (to Saigon) to match that being given to North Vietnam by the Soviets and Chinese.

By that measure, Congress should probably lower the MASF ceiling even more than the sum suggested in the pending amendment. According to information recently made available by the Defense Intelligence Agency, in 1972, Moscow and Peking provided Hanoi with some $605,000,000 worth of military aid. MASF aid to Saigon was nearly $2 billion—or more than 3 times the aid provided Hanoi. In 1973, the Hanoi figure was some $290,000,000. MASF aid to Saigon was more than $2.2 billion. And presumably this imbalance, and pattern of military aid, continues.

Fourth, this amendment will not prevent the procurement of military essentials by the Saigon army. What this amendment will do is to continue the orderly and progressive phasedown of American military aid, which everyone says they support. It will continue the process of "Vietnamization" and fulfill the pledge that, at long last, America is disengaging from the conflict in Vietnam with peace and honor.

The Pentagon has cried wolf too long, and too often, for us to give credence to the dark predictions uttered every year before a vote on military aid. For example, just last month, when the Senate considered a $265 million bookkeeping error to increase military aid to South Vietnam, we all saw a Pentagon "fact sheet" declaring—and I quote—

> Denial of the $266 million adjustment—would certainly create grave problems for South Vietnam.

The Senate rightly rejected that backdoor financing proposal. And, rather than the sky falling in, the next day we heard from the Pentagon press spokesmen that the vote was not that significant. He said that it would result in "no dramatic, immediate effect" in Saigon. He said it would only cause—

> At some point, a bubble in the pipeline and some reduction in the rate of deliveries.

As Secretary of Defense Schlesinger later said:

> We can get by stringently . . . we have to readjust deliveries . . . presumably you can get it by just scrunching down.

In an era of inflation and competing demands on our resources abroad, who does not have to "scrunch down?" And what is wrong with letting Saigon "get by stringently?"

Also, after weeks of predicting an imminent North Vietnamese offensive, we are now told that those reports are exaggerated. By the Pentagon's own account, there are contradictory reports from the field as to the actual level of military activity now, much less whether there is any basis to reports of massive North Vietnamese aggression. In his testimony before the Armed Services Committee, Maj. Gen. William Caldwell indicated that North Vietnamese combat troops in South Vietnam remain at approximately the same level they were at the time of the cease-fire—about 150,000 troops. And rather than losing territory to North Vietnamese aggression, General Caldwell testified that, except for immediate post-ceasefire "land grabs," the "overall change in land territory—has not changed adversely to the South Vietnamese." In fact, he indicated that Saigon forces have increased their territorial and population control since the ceasefire. And last week, in testimony before the House Foreign Affairs Committee, Secretary Schlesinger officially ended the imminent threat of an "offensive," saying he "no longer expects a major communist offensive in South Vietnam."

Finally, this amendment does not violate our true obligations to the people of South Vietnam. We are told by the administration that we have a "moral commitment" to South Vietnam. And the Pentagon says, that if Congress does not provide the ammunition requested—this "will be a violation of the clear understandings—the South Vietnamese—had from us at the time of the cease-fire."

What "understandings?" And who made them? And why are they hidden from Congress and the American people?

And what about our "moral commitment?" What is so moral about providing vast quantities of ammunition for Indochina? What is so moral about fueling a needless conflict in an area of the world which high officials in our Government suggest is not vital to our national interest or security?

We have no moral commitment to any army in Indochina. We have no moral commitment to this or that Government—to this or that official.

Our only true remaining moral obligations are with the American people and their hope for peace—and with the millions of war victims in Indochina who cry out for relief and rehabilitation. We also have a moral obligation to help accomplish the political goals of the ceasefire agreements. For these agreements are more than a one-to-one replacement program for military hardware.

We are told by the Pentagon that if we pass this amendment, "ammunition provided at this level will not sustain the fiscal year 1974 level of combat." That is as it should be. We should reject the notion that we must plan for war and more war—rather than anticipate that some greater diplomatic effort will be made to strengthen the cease-fire agreements.

To do otherwise, I submit, would be a self-defeating policy. If conditions do deteriorate in Vietnam, as the Pentagon so frequently predicts, and there is justification for further military assistance, the Congress can, as it has for Israel and Vietnam in the past, vote a supplemental military appropriation. As the committee report clearly states it:

> Should a serious change occur in the military situation, of course, the Committee would give prompt consideration to a request to change the law in order to meet these unforeseen needs.

I fully support this position. But this is a position which is a last resort. What we should expect, and what we should insist upon, is renewed diplomatic initiatives to strengthen the ceasefire, to make it work, and to achieve progress toward a political settlement. To approve vast quantities of military hardware now—at a level of $900 million, which is effectively the same as this past year—risks more war without encouraging a political settlement or a reduction in American involvement.

In this regard, I would like to read a news dispatch on what the reported effect congressional action has had to date on Saigon's military planning. According to a Chicago Daily News, wire story:

> South Vietnamese generals have been ordered to reduce their personal staffs sharply in government austerity move believed tied to Saigon fears that Congress will slash aid to South Vietnam.
>
> The generals have been told that they must cut from 36 to 11 the number of chauffeurs, servants and bodyguards on their personal staffs. They have also been ordered to turn back two of the four personal vehicles now allotted to them.
>
> A wide range of other economies also are being imposed, sources said, because Congress rejected an administration request to raise the annual military aid appropriation from $1.12 billion to $1.6 billion.
>
> In another development, a military court has sentenced 19 officers to prison terms of one to eight years for accepting bribes from so-called "flower" soldiers. These are men who paid money to the senior officers to list them as present for duty when actually they were somewhere else working at more lucrative civilian jobs.
>
> There are estimates that as much as 15 per cent of South Vietnam's claimed military strength of 1 million men may consist of "flower" soldiers or of "phantom" soldiers. The latter are false names maintained on unit rosters so that the commanders can pad their payroll.

I believe that Congress acted responsibly last year in limiting our funding of military supplies to the South Vietnamese Army. That wise decision—that our military aid should go down, not up—must not be reversed now. The issue was clearly stated by Secretary Schlesinger when he told the press:

> The real issues here are the kinds of signals that we are giving to both North Vietnam and South Vietnam.

I say we should not send a message to Vietnam that says America will continue to pay for more war. What we should be saying is that America believes its remaining obligations in Indochina are toward strengthening the peace, and to the people who need help.

Congress can no longer allow our Vietnam policy to remain bogged down in a cycle of recrimination and violence, which prevents new initiatives necessary to strengthen the cease-fire agreement and achieve a political settlement. This administration's policy of negotiation, accommodation, and détente—so notable and praiseworthy in our recent approach to other areas of the world—should be extended again to Vietnam.

In the absence of any new or meaningful diplomatic initiatives by the administration to reduce the level of conflict in Indochina, the Congress must act to chart some new directions, and to lower the level of our involvement. By accepting this amendment, the Senate will reaffirm that this is the new road we should follow—a road away from more money for more war.

Mr. President, I think it is also important to recognize what the statistics and the figures are in terms of the massive military assistance program we are discussing.

In the last fiscal year, the ceiling was $1.126 billion. Subtracting $116 million, which was for Laos, gives $1.009 billion for South Vietnam. Then we take away from that, $266 million, most of which was spent in prior years and was said to have been charged to fiscal year 1974, after the amendment that I offered in May; so we can take that out of what actually was spent. As we heard previously from the Defense Department, that was allocated in a previous year; so if we subtract the $266 million from the $1.009 billion, we come up with approximately $743 million for last year.

That was what was prescribed last year, and all we are trying to do is hold the line at what was provided last year, or about $750 million. Anyone who supports this amendment is supporting the kind of military assistance that we provided last year for Vietnam.

Beyond that, Mr. President, we know that the allegations or suggestions that were made by the Defense Department about various offensives and build-ups that were supposedly to take place in South Vietnam by North Vietnam have not materialized.

Anyone who supports this amendment this morning says he does not want to be spending any more than was expended last year. We want to see at some time a termination of military assistance. We have been spending hundreds of millions of dollars—in fact billions of dollars—in South Vietnam, and we do not want to spend additional money over an indefinite period in the future. We are glad to hold the line at this level, but we do not want to spend billions of dollars of the American taxpayers' money, ad infinitum, on into the future.

We have heard from the Defense Department that the North Vietnamese are building up an offensive, although we hear contradictory testimony from the military leaders in the field that this is not so. We hear about violations of the Paris Peace Treaty, and obviously there have been some, by the North Vietnamese. This is not defensible; there is no question about that. But violations by the South Vietnamese are equally indefensible. Any study of changes of territory controlled by either North or South shows that the changes have amounted to virtually a standoff in terms of land control. The South Vietnamese probably control more land today than was controlled by them at the time of the cease-fire, and more people are under the control of the South Vietnamese Government than at the time of the cease-fire as well.

I want to give assurance, Mr. President, to those who may support this amendment that should there be some kind of dire military need in South Vietnam, should there be such obvious violations of the Paris peace agreement and military buildups as some have alleged—as I am sure we will hear about in the development of the opposition to this amendment—there is nothing to prohibit the Senate or Congress from passing a supplemental appropriation—nothing. We can, as I stated earlier, move ahead on that. We can move ahead rapidly and expeditiously to meet any kind of military threat.

But for Congress, the Senate, and the American taxpayer simply to say we are opening up the pocketbook of the American taxpayer, and are prepared to go in and support whatever kind of military judgments or decisions are being made by the generals in South Vietnam, I think, really runs contrary not only to the spirit of the Paris peace agreements, but also to our responsibility to see that we are going to make the Paris peace treaty something that will be meaningful in terms of bringing peace to South Vietnam.

We hear much about our moral responsibilities to the Armed Forces in South Vietnam. I think we have two moral responsibilities. One is to see that the Paris peace treaty is actually implemented, and to exercise every kind of diplomatic means we possibly can to see that the treaty is implemented by the South as well as the North; and I am not satisfied that we have done everything within our diplomatic means to achieve that.

Our second and more important moral responsibility is to the ravished people of South Vietnam, the hundreds of thousands, even millions, of refugees, the more than one million orphans in South Vietnam, the thousands of people, the majority under 14 years of age, who have lost arms and legs. We have a responsibility to those individuals, yes. But that is not what we have been talking about in the debate. We say we do not want to implement a program to look after ravaged people but that we have an open-ended responsibility based on the Paris Treaty to provide military aid. I ask Senators who are asking us to spend millions of dollars for military aid, to give us the Paris Treaty and tell us if anyone of us who are representatives of the people actually voted to provide an open-ended commitment by the Senate and the American people to provide hundreds of millions and billions of dollars of taxpayers' funds to be used for the perpetuation of the military regime in South Vietnam.

I have not seen those agreements. I have not seen spelled out to the American people what "commitments" we made to the South Vietnamese Government that require, every appropriation time, that we have to go ahead and "ante up" and increase our aid time and time again, as we have been doing, increasing by hundreds of millions of dollars the amount of money we are actually appropriating and spending.

Finally, it is rather interesting to listen to the statements of the military. When we talked about maintaining the ceiling last year, where the ceiling voted was $1.126 billion, and deny a $266 million payback scheme, we heard from the military about how this would be an absolute disaster. But after the Senate voted to reaffirm what we have indicated, that the figure would be $1.126 billion and prohibit the $266 million, right after we voted for that, the Defense Department were asked for an explanation and they said this is only going to be a little ripple in the pipeline, that it wasn't that serious.

This is what we are faced with. We will hear the prophets of gloom and doom speaking on the floor of the Senate this morning, but, quite frankly, the adoption of this amendment would provide all that is necessary in the immediate situation. It would provide the kind of flexibility to us to increase, should there be a dramatic need and should we make a decision that there is a dramatic need for any increase in the future. Therefore, I hope that this amendment will be agreed to. I reserve the remainder of my time.

Mr. STENNIS. Mr. President, how much time remains to me?

The PRESIDING OFFICER (Mr. METZENBAUM). Twenty-seven minutes.

Mr. STENNIS. I yield myself 5 minutes.

Mr. President, we are in the Chamber with just 3 or 4 Senators present, and we have an item in the bill of $900 million for South Vietnam to help them carry on the war which we fought for so many years and in which we lost 54,000 men besides billions of dollars.

In my humble opinion, no one can say with exactitude how much is actually needed for this purpose. I will start with myself. I cannot say with certainty that $900 million is needed. I do not believe that the Senator from Massachusetts with all deference to him, can say that only $750 million is needed. No one knows.

But this is what happened. Fifteen Senators charged with the special responsibility of making a recommendation—and all we can do is recommend—after digging and prying into this matter, and sitting around the table and talking about it back and forth more than once during several days of the markup of the bill, reached a common ground that unanimously recommended—I am not certain in my mind whether the Senator from Missouri was there—I cannot be certain—but all that were there were active—I believe the Senator from Missouri had to look at other matters during a part of that time—unanimously agreed on the $900 million. Those present included the Senator from Iowa (Mr. HUGHES) who will speak this morning in support of the $900 million. Of course, we do not have to say he always means what he says; everyone already knows that he does. But this is the sentiment, so far as the committee is concerned, of a unanimous recommendation, with no dissent. As I have said, I cannot be certain that the Senator from Missouri was there.

We also have done what we could to be sure there were no side pockets or caches of funds of various kinds to be used for this purpose. The Senator from Massachusetts has made a contribution in this field. He had a very good amendment. We supported his amendment. He made a real contribution.

I can say further to the Senate that we will have actual hearings and will dig into the whole picture and find out about funds, if any, that are in some other categories. That is as far as we can go. We worried about this matter, dug into it, and found out the best we could about it.

When the war was still going on and men were being sent into battle every day, with some of them dying in the jungles, not so close an accounting was made of the money as is now to be made for fiscal year 1975. We do not have to give a reason for that. Blood reasons for it.

But we put language in the bill that will tighten it up and make the Department of Defense give us a strict accounting for all this money. There will be a separate line item in the appropriation bill. Further, I have gone to Secretary of Defense Schlesinger and asked him to put someone in charge, someone directly responsible to him, to be in charge of this money at this end of the line and at that end of the line.

We are not talking about theories. This money is to buy gasoline, oil, fuel of all kinds for the war, cartridges for rifles, ammunition for artillery, bombs—everything that goes to make war. Otherwise, those people will not have a chance; they will not have a chance to withstand the political pressure of North Vietnam without some aid. I do not believe there is a Senator who would want to walk off, turn his back, and leave them. So that is the spirit in which we present this.

Mr. President, I am glad now to yield to the distinguished Senator from Iowa (Mr. HUGHES) who is very much concerned about the matter.

If I may add one figure, we in the committee cut the request from $1.6 billion to $900 million, which a quick calculation shows is a 43-percent reduction.

Mr. President, I yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HUGHES. Mr. President, I thank the distinguished chairman of the Armed Services Committee for yielding me this time. As he has already pointed out, there is little need for me to repeat my continuous position and pressure both within and out of the committee for reductions in fundings going to South Vietnam, but I have asked for a few minutes today to support the Armed Services Committee's recommendation on military aid to South Vietnam.

The committee reached a significant consensus—and it is significant—after long discussion and debate within the committee to limit U.S. military assistance to $900 million in fiscal year 1975. As the chairman has just pointed out, this figure is $700 million below the administration's request, over $200 million below that approved by the House of Representatives, and slightly more than $100 million below the Vietnam ceiling for fiscal year 1974.

Mr. President, to be quite direct with the Senate, I proposed an amendment in committee to reduce the amount to $800 million in the hope that we could further reduce this. In the process of discussion within the committee, I may say, I was pleased with the cooperation of the committee, because I am not sure whether I could have carried my amendment for $800 million. If I had been sure, I would have pressed it.

But in the discussion, as the chairman has already pointed out, none of us was absolutely certain as to the precise dollar need. We concurred in the general area of what that need was. I believe that the majority of the committee wanted to maintain the request at about $100 million higher than that finally agreed to. There was a compromise, and it was agreed to reduce the amount to $900 million. we also agreed that we could keep a continuous pressure and a continuous watch on what has been happening to the funds that have been going to Vietnam for these purposes.

The committee position, representing a wide spectrum of views toward our past and present involvement in Vietnam, is a clear signal to Saigon that, from now on, the South Vietnamese Government no longer has a blank check to draw on our treasury.

I appreciate the arguments for further reductions in the $900 million amount, but I believe that this figure represents a carefully considered judgment, item by item, of what seems appropriate for South Vietnam under present circumstances. I can say that this question was examined item by item; that we very carefully considered every item that went into this amount, as well as it is possible to consider it in close examination.

At a time when the North Vietnamese Government has received drastically reduced military assistance from its allies, the committee did not believe that we should increase our own aid to Saigon.

The committee also questioned the Pentagon's assumptions about equipment needs and usage rates for air and ground munitions, and then made reasonable cuts in the level of funding.

One could challenge the assumptions underlying our actions, but the basic one was that the level of violence would probably remain at about the same reduced level of recent months. On that basis, the committee figure would provide the equipment and supplies to replace those items consumed at slightly less than the current rates. These reductions should impose greater stringency on the South Vietnamese forces and should prevent a lot of the reported wastage of ammunition and supplies.

I hope and expect, of course, that the Appropriations Committee will examine these requests on the basis of later evidence in order to consider further sensible reductions, if at that point it is necessary. I have discussed the matter with the chairman of the committee, and I am sure that he would want to maintain the same pressure in that process.

But the current figure, $900 million, is convincing proof that the Armed Services Committee and the Senate are moving to phase out our massive commitment to South Vietnam. I think that is also convincing proof that the Committee on Armed Services has taken a hardheaded look, item by item, at precisely what we are still doing in that area. I believe that the committee's position will also promote a transition from a military to a political struggle in that country—which most of us are praying for, and which is the primary goal sought by those who favor a reduced amount.

Therefore, Mr. President, I support the committee's recommendation.

I believe that the wide diversity of opinion and philosophy and disagreement within the committee itself, when we arrived at this figure, certainly represented an honest attempt by the committee to examine the hardware, item by item, to make the reductions they thought essential, without leaving the South Vietnamese unable to continue in their own defense.

I thank the distinguished chairman for his cooperation on this particular item in the committee, because it was a strong bone of contention among us. We finally arrived at a unanimous vote of the committee members who were present as to the amount decided upon. Although I had hoped for a further reduction, I believe it was an honest attempt by the committee and an honest attempt by the Senate to support the $900 million, and I believe it would be the best approach at this time.

Mr. STENNIS. I thank the Senator for his remarks. They are unanswerable, in my opinion.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 6 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, first I wish to advise the Senate of the action by our committee on this issue. The committee has tried to reshape the MASF program in a constructive way. We took the following steps:

First. Reduced the $1.6 billion request for a ceiling on this Vietnam aid to $900 million—a level the committee considered reasonable for fiscal 1975. Some on the committee felt that it should have been larger.

Second. Set up a regular, separate appropriation for this assistance—a step which will permit regular accounting procedures and follow-up, including GAO audit.

Third. Require that the Secretary of Defense approve all obligations in this account and that obligations be charged when provided.

Fourth. Clearly define the authentication procedures for obligations of assistance in this account.

Mr. President, one can see that the committee has done its work well. The distinguished Senator from Iowa (Mr. HUGHES), who has been considered a critic of aid to South Vietnam, supported this amendment. In fact, it was he, I believe, who offered the amendment to fix it at this amount. He realizes the importance of this amount and has spoken today in the Senate in opposition to any further reduction.

There is nothing to indicate a decline in military operations in South Vietnam. In fact, on June 3 a Communist rocket attack at Bien Hoa air base near Saigon killed and wounded more than 100 people. On the same day, Communist sappers sank an 1,178-ton South Korean merchant vessel moored 6 miles southeast of Saigon and four crewmen were lost. Also, on the same day, shells hit a prison near Saigon, killing 31 civilians and prisoners and wounding 82 others. Out from Saigon on the same day, less than a week ago, 300 artillery and mortar shells were dropped on Ben Cat, another government position. Thus, we can see the war is continued by North Vietnam.

Mr. President, there is no question in my mind that we should provide the $900 million provided for in the bill, because it is essential if South Vietnam is to survive. I wish to cite a few reasons why I am so strongly in favor of aid to South Vietnam.

First. North Vietnam continues to receive large-scale Soviet and Chinese assistance.

Second. U.S. assistance is essential to preserve the military balance in South Vietnam and, if reduced below current levels, will seriously weaken South Vietnam's ability to defend itself.

Third. U.S. abandonment of its military assistance program to South Vietnam would undoubtedly encourage Hanoi to launch large-scale offensives.

Fourth. Communist violations of the ceasefire are running 12 times higher than ceasefire violations by South Vietnam. So we can see who the aggressors are. The aggressors are North Vietnam, not South Vietnam.

Fifth. Militarily the South Vietnamese Army is performing quite well and showing a high degree of competence in managing its assets.

Sixth. While the United States does not have a treaty obligation to supply military assistance, it certainly does have a moral obligation. The essence of the Vietnamization doctrine was that South Vietnam would do the fighting and the United States would provide the equipment. Mr. President, that is exactly what has been happening. South Vietnam has taken over defense of their territory; they are doing the fighting. Now it is up to us to provide the equipment, if we want them to remain free. It is important that they remain free, because the national interests of this country could be affected.

Seventh. The current level of U.S. assistance to South Vietnam is considered to be the minimum to assure the military capability of the South Vietnamese forces. The current level is also substantially below the one-for-one replacement level provided in the Paris agreement.

Mr. President, in the Paris agreement, we provided one for one. That means that if they lost one tank, we would let them have a tank. If they lost an artillery piece, they would get another artillery piece. If they lost a gun, they would get another gun.

This amount will not come up to the level that was promised in the Paris agreement.

Mr. President, I wish to follow up with a statement by Dr. Kissinger which substantiates what I have said. First, I will refer to other comments made by him. Dr. Kissinger has done a fine job in this matter, and these are his words with respect to South Vietnam:

> With regard to South Vietnam, I have a very personal sense of obligation to do everything I can to make good on our moral commitment to assist that nation in its survival as an independent state. The Administration's request for $1.6 billion in military assistance was made because of our conviction that the survival of South Vietnam is indispensable to the creation of an enduring structure of peace in Southeast Asia. Without our military assistance South Vietnam's ability to resist communist military pressures, fueled by an extensive flow of arms and supplies from the North, would be critically endangered.

Mr. President, these are Dr. Kissinger's words. He goes further and states:

> I recognize that the House has already substantially reduced the Administration's request and that some members of the Senate would favor even a larger reduction. But I would be remiss in my duty as Secretary of State if I did not *urge* upon you the *essentiality* of supporting the Administration's request. Here, as in Europe, we must not lose sight of our longer range objective, and that is not just a reduction in the level of hostilities but more importantly the creation in Southeast Asia of an environment conducive to enduring peace and reconstruction. This fundamental humanitarian goal not only deserves the wholehearted support of all the people in the area, but also of the American people whose devotion to peace and progress throughout the world has been convincingly demonstrated over the years. In South Vietnam we have made an enormous investment in lives and dollars on behalf of the survival of that country and an enduring peace in Southeast Asia. We have made marked progress toward these goals. I am convinced that our willingness to contribute a substantial level of military assistance to South Vietnam in the coming fiscal year will bring stable peace closer and enable us to reduce our assistance progressively over the following years.

The **PRESIDING OFFICER**. The Senator's time has expired.

Mr. **STENNIS**. Mr. President, how much time have I remaining? I yield 1 minute to the Senator from South Carolina.

Mr. **THURMOND**. Mr. President, I wish to say that President Nixon favors this appropriation; the Secretary of State favors this appropriation; the Secretary of Defense favors this appropriation; and the Committee on Armed Services favors this appropriation.

I hope the Senate will reject the amendment.

Mr. **KENNEDY**. Mr. President, I yield myself 4 minutes.

The **PRESIDING OFFICER**. The Senator from Massachusetts is recognized.

Mr. **KENNEDY**. Mr. President, first of all, I again wish to commend the chairman of the Committee on Armed Services and the committee itself for the revised procedures they are following to review in very careful detail the actual amounts being authorized and appropriated to MASF, and reviewing every possible loophole that has existed heretofore to make sure we are closing loopholes and to make sure that the ceiling established in the Senate is being lived up to. As one who has been critical of these procedures in the past, I wish to indicate again my firm support for the steps that have been taken by the Committee on Armed Services.

Mr. President, I think it is probably appropriate, as we are opening up the taxpayers' pockets this morning, to consider what has been the stated policy of the administration about the United States matching the kind of help and assistance that the Soviet Union and the Chinese have been providing North Vietnam.

Our Ambassador to Saigon, Mr. Graham Martin, stated that our intention all along was to balance aid being given by Russia and the Chinese to North Vietnam. He thought we should give funds to Saigon to match that aid.

Mr. President, in 1972 the Russians and the Chinese gave $605 million in military support to the North Vietnamese; we gave $2 billion. In 1973, they went from $605 million down to $290 million. They cut theirs more than one-half and we went up to $2.2 billion. While they were cutting theirs by more than one-half, we were increasing ours.

Military intelligence suggests a continuing decline in the support provided by the Russians and the Chinese. On the one side they are supplying less and we are being asked to appropriate more than we did last year.

All we are saying is that Senators should recognize that the House has appropiated $1.126 billion, so if Senators support our amendment for $750 million and we go to conference, we will end up just about where the Committee on Armed Services said it should be at—the $900 million mark. If Senators support this amendment, the actual result will probably be what our Committee on Armed Services thought the amount should be, and that is about $900 million. So Senators really would be supporting the judgment of the Committee on Armed Services.

Second, if Senators support our amendment, actually we would be appropriating more than was expended last year or at least charged against last year.

Third, and most important, if this amendment is supported, we always have the opportunity to come back to the Senate should the North Vietnamese begin an offensive, and should there be a requirement for additional military assistance. We can always do that.

I wish to quote what General Caldwell said before the Committee on Armed Services when asked by Senator GOLDWATER about the military expansion of North Vietnam:

> Within South Vietnam itself there has been on the South Vietnamese side an increase in population control of roughly 6 percent. And while there have been certain land grabs by the North Vietnamese, overall the change in land territory from where we stood on January 27, 1973, has not changed adversely to the South Vietnam point of view.

So, giving more military aid is not justified from a security position, or on the loss of control by South Vietnam of land or people. And it is not justified on a comparison of aid and assistance that North Vietnamese are getting from Russia and China. They are not opening up the pockets of the people of Russia and the Chinese for billions of dollars. Yet, we seem to be willing to do so.

Mr. President, for all these reasons, as well as the reason I suggested that if the Senate accepts the amendment, our conferees will go to conference and split the difference, which is generally the case, so we will wind up with the figure the committee suggested.

I urge the adoption of the amendment.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CRANSTON. As the Senator knows, Secretary Schlesinger stated that U.S. national security would not be damaged by what happens in Vietnam. He said:

> I would not describe Southeast Asia as an area of the world in which our national interests are high.

How in the world could there be any reason for increasing our aid which already has cost the American people so much, in view of this statement by the Secretary?

Mr. KENNEDY. I find it difficult to justify. I think our whole direction should be for a gradual reduction and a continued effort at the diplomatic level so that we can phase out our assistance, other than humanitarian assistance.

Given that statement of the Secretary of Defense and the fact that we will be spending hundreds of millions of dollars, I find that to be further evidence for supporting the amendment.

Mr. CRANSTON. Representative Aspin of Wisconsin stated yesterday that the Defense Department's budget request includes items for fighter and cargo plane replacements that would modernize and upgrade South Vietnam's airpower, violating the stipulation that aircraft be replaced on a one-for-one basis with new equipment "of the same characteristics and properties."

Unless this amendment is successful, and unless we have a successful conference with the House, we will not only end up increasing MASF funds. In addition, the Defense Department apparently submitted a request which violates the peace agreements. The Pentagon is alleged to be using this money to upgrade South Vietnamese military capacity rather than to maintain it at a stable level.

Mr. KENNEDY. I hope the Committee on Armed Services focuses attention on that particular matter. We might hear comment from them on that.

Mr. President, I ask unanimous consent to have printed in the Record a statement by the Senator from Missouri (Mr. Symington).

There being no objection, Senator Symington's statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR SYMINGTON

As has often been stated, but should be re-stated whenever possible, true national security depends not only upon adequate modern weaponry, but also upon a sound economy, with a sound dollar; and the faith of the people in this system of government.

Those of us who have visited the countries of Indochina many times, realize it is just not possible to continue to maintain such heavy support to that part of the world—$1.6 billion requested for MASF alone in FY 1975—and at the same time carry out other increasingly important needs of this Federal Government.

In addition to the billions of dollars the American people are asked to continue to pour into Southeast Asia, we also expend annually many more billions to protect Europe, not only with our fleet, but also with hundreds of thousands of ground soldiers and their dependents, stationed on that continent.

No one yet knows the true total bill for maintaining peace in the Middle East, but we do know that many billions of dollars in aid and equipment have already been sent by the United States to that part of the world; and much more has been promised.

We know, too, that there is now a major effort developing designed to turn the so-called "Ocean of Peace"—the Indian Ocean—into one of the great military arsenals of the world.

And additional billions of American dollars are exported to that general area in order to obtain the energy required to operate our economy at home.

Under all these circumstances, it would appear incredible that, years after we were told the Vietnam war was over, we are now being asked for many hundreds of million dollars more to continue war in that area.

One of the arguments used by the Administration in support of increased aid to South Vietnam is the threat of an imminent North Vietnamese invasion; but a cable dated May 28 sent from Saigon by Messrs. Moose and Meissner of the Foreign Relations Committee staff would appear to completely negate that argument.

This cable states: "No responsible American authority with whom we spoke believes the NVA/VC has launched a 'general' or major offensive. The current upsurge in fighting is considered a 'highpoint' and U.S. authorities do not expect it to affect the overall strategic postures of the opposing forces.

"Many observers in Saigon believe the South Vietnamese are deliberately exaggerating the scale and seriousness of enemy activities in an effort to influence the action of the U.S. Congress on pending aid legislation."

For these reasons, backed up by the steadily mounting economic pressures, I heartily endorse the position taken by Senator Kennedy to reduce to $750 million the funds requested for the MASF program.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. deHaan and Mr. Tinker may have the privilege of the floor during the remainder of the discussion on this amendment and the vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, the Senator from Massachusetts, whose leadership was so very successful on a recent Senate vote relating to the same matter, had an interesting experience involving the Ambassador of the United States in Saigon, Ambassador Martin.

I think most Senators are familiar with the Ambassador's desire to withhold information from the Senator from Massachusetts (Mr. Kennedy), from the Senate, and the public. Now we have another example of how Ambassador Martin's remarks have apparently been misleading.

Ambassador Martin recently told visitors that "our intention all along was to balance the aid given by the Soviet Union and the People's Republic of China to North Vietnam."

The Senator from Massachusetts has already cited figures supplied by the Defense Intellifence Agency. He pointed out that in 1973 we provided eight times the amount of military aid provided by the Soviet Union and China and 29 times the amount since 1966. Following Ambassador Martin's arguments, we might logically suggest that we should cut our aid to one-eighth of the proposed level in order to get it down to the same level as China and the Soviet Union. However, that is not what the Senator and I propose.

Let us not forget that Ambassador Martin is the same man who cabled that it would be the "height of folly" to give Senator Kennedy an honest and detailed answer with respect to our so-called "commitment" to South Vietnam. In a subsequent interview given to U.S. News & World Report, Ambassador Martin asserted that he did not have "the slightest apology" for this recommendation.

That is a rather astounding statement by a man who is supposed to be representing our interests, a man whose nomination as Ambassador was confirmed by the Senate, and who is now refusing to level with the Senate and the American people on exactly what is occurring in Vietnam.

To summarize, Mr. President, this amendment deserves support because it represents an effort to wind down our funding of the war.

As I earlier pointed out, it actually permits a funding level roughly equivalent to that of last year. It will not—nor is it intended—to cripple the defensive capabilities of South Vietnam. The Pentagon is off-base on this argument.

If we are to wind down our financial support of Thieu—and it is absolutely clear that we must—this amendment represents a judicious and sensible way to go about it.

The Congress has taken a number of important steps to facilitate the achievement of peace. This amendment is one more important step in the right direction. It deserves the Senate's clear-cut support.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KENNEDY. Mr. President, I withhold that time. I am prepared to yield it back.

Mr. STENNIS. Mr. President, how much time remains in opposition?

The PRESIDING OFFICER. The Senator from Mississippi has 7 minutes and the Senator from Massachusetts has 2 minutes.

Mr. HUGHES. Mr. President, will the distinguished chairman of the committee yield for a question, on his time?

Mr. STENNIS. Yes, I am glad to yield, but I did not understand how much time I had.

The PRESIDING OFFICER. The Senator from Mississippi has 7 minutes.

Mr. STENNIS. I thank the Chair. I yield myself 5 minutes.

Mr. HUGHES. I should like to ask the distinguished chairman of the committee—and also to state—whether it is true that we discussed in committee the matter of negotiations with the House when we go to conference. That was a part of the discussion when I agreed to $900 million—that our conference committee members would go there and hang hard on the $900 million when we got to conference, knowing full well that when we get stuck in such matters we usually split the difference. Although there was a decided giving in on what I considered to be the majority position of the committee, in order to prevent a split in the committee, the chairman did agree, if I understood him correctly; and I want to ask him, for the record, whether he will do the best he can to hang hard on that $900 million when he goes to conference. Is that correct?

Mr. STENNIS. That is correct, Mr. President. I am glad the point was raised. Although we give assurances always to the Senate that we contend stoutly for the Senate's position, especially on the major amendments, at the same time, I am not going to say anything that will harm the conference. We have to have the proper respect for the other body. They have a say on matters the same as we do; but I believe the $900 million figure we reached is right near the rock bottom.

I said in the beginning that I do not know where the rock bottom is, but I think that we ought to, and we will hold out as long as we can for this figure, and anything above it would have to be strongly justified in more than just words. We will make another review of the actual situation.

I have conferred with the chairman of the Appropriations Committee, the Senator from Arkansas (Mr. McClellan). He is not too happy about this kind of aid, either. He said it was his duty in this, and in the other matters, to give it a microscopic examination when the same question comes before his committee.

So those matters all add up with respect to this question. This total has been squeezed about to the limit, and we are near a figure which is absolutely essential.

The Senator from Masachusetts is always a reserved man. He argued that the way to deal with the committee is simply to hit them in the head with a hatchet, and we will bring them closer to whatever the conference may agree on. We appreciate that solicitude, but this is a matter we have already been through, and we will have another committee to go through again. I think this has brought us down to rock bottom.

It will be remembered that Mr. Kissinger said the purpose was to replace these essential items one for one; that is, as one went out, another would come in. That applies to planes, for instance—one for one; no more. That applies to ammunition. I asked for a memorandum just to see how it stands. I knew they knew more than I did about it in the Pentagon. The Department of Defense says that under the $750 million, petroleum products—POL, they call it—will be reduced more than 20 percent below——

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. STENNIS. I yield myself 1 additional minute.

Such essential matters as gasoline will be reduced 20 percent below last year's use. A similar situation applies to communications. We even get down to radio batteries and repair parts for communications. There would not be enough here to make them feel there would be enough for those items. Ground ammunition would have to be reduced 62 percent from the program recommended. And on and on and on with respect to the basic, fundamental essentials.

I do not believe any Senator wants the South Vietnamese military to collapse. We shall have to live with this thing a little longer. I want to bring the level of assistance down as fast as I can.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. STENNIS. Mr. President, I yield the floor.

The PRESIDING OFFICER. What is the pleasure of the Senate?

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the Jackson amendment, Mr. Mathias may be recognized to call up his amendment; and that upon the expiration of the time for debate on the Mathias amendment, the vote then occur on the Kennedy-Cranston amendment, to be followed by the votes on the Javits amendment and the Mathias amendment.

Mr. KENNEDY. Mr. President, is the understanding that these will be yea-and-nay votes?

Mr. ROBERT C. BYRD. Yes, the understanding is to have yea-and-nay votes.

Mr. KENNEDY. I have no objection.

Mr. STENNIS. Mr. President, will the Senator repeat his request? I was conferring.

Mr. ROBERT C. BYRD. My request was to this effect: that upon the disposition of the Jackson amendment, the Senator from Maryland (Mr. Mathias) be recognized to call up his amendment, on which there is a 1-hour limitation; that upon the expiration of the time on the Mathias amendment, the three votes occur back-to-back on the Cranston-Kennedy amendment, the Javits amendment, and the Mathias amendment.

Mr. STENNIS. Mr. President, reserving the right to object, I think, for the information of the membership, there ought to be a statement from the Chair as to what the issue is or what the parliamentary situation is. The debate has been had, and the question is on agreeing to the amendment up or down, or on a motion to table—just a statement, so that we will know what it is. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, obviously, I am glad to comply with the wishes of the chairman of the Armed Services Committee.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, we have 20 minutes before the time on the Jackson amendment will begin to run. If the Senators from Massachusetts and California and the chairman and the ranking member would like to discuss this amendment further, 20 minutes remain in which that can be done.

Mr. STENNIS. Mr. President, I have a little matter to take up. It is just to make a correction in the bill and will take about 3 minutes. It relates to Trident.

Mr. President, if the Senator from West Virginia (Mr. Robert C. Byrd) will permit, I send to the desk an amendment of the Senator from South Carolina (Mr. Thurmond) and myself.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

On page 3, line 11, strike out "$2,881,000,000" and insert in lieu thereof "$2,856,200,000".

Mr. STENNIS. Mr. President, this is merely to make a correction in the bill. It refers to the $28.8 million in Trident leadtime funds, which were included in the supplemental bill for fiscal 1974 after we placed this 1975 authorization in this pending bill. The amendment would strike it from the bill we are considering now for fiscal 1975.

After we placed the item in this bill by a unanimous vote, the question was settled in the supplemental authorization bill and in the supplemental appropriations bill for fiscal 1974. Therefore, to avoid duplication, this correction has to be made.

We offer this amendment to delete $24.8 million from this bill under the title of Navy Shipbuilding and Conversion Account.

I yield to the Senator from South Carolina to make a statement about it.

Mr. THURMOND. Mr. President, I am in accord with the request made by the distinguished Senator from Mississippi, and I have no objection to it. In fact, I believe I am a coauthor of the amendment.

Mr. HUGHES. Mr. President, will the Senator yield for a question in relation to this item? Does the amendment strike the entire amount of the authorization bill in relation to the Trident?

Mr. STENNIS. It strikes the $24.8 million for Trident long leadtime funds.

Mr. HUGHES. Is that the precise amount in the supplemental authorization bill?

Mr. STENNIS. Exactly.

Mr. HUGHES. So the Senator is eliminating from this bill what has already been authorized in the previous bill?

Mr. STENNIS. That is absolutely correct.

Mr. HUGHES. It does not alter the total expenditure one way or the other?

Mr. STENNIS. Correct.

Mr. HUGHES. I thank the distinguished chairman.

Mr. STENNIS. It does not add to nor does it take from.

I shall make a brief further statement in this regard.

This committee amendment would delete $24.8 million from the Navy shipbuilding and conversion account for Trident long-lead funds. I have previously identified the need to make this adjustment to the fiscal year 1975 authorization bill.

This $24.8 million for Trident long-lead funds was requested by the administration in the fiscal year 1974 supplemental authorization bill. The committee recommended denial of the $24.8 million in the supplemental request. However, in subsequent action on the regular fiscal year 1975 authorization bill, the committee recommended approval of the request for construction of the second and third Trident submarines in the fiscal year 1975 bill. To be consistent with the previous action on the supplemental request, the committee added the $24.8 million to the regular fiscal year 1975 bill.

Conference action on the fiscal year 1974 supplemental authorization bill took place after the committee had made its recommendation on the regular fiscal year 1975 bill, and in that conference action the $24.8 million was authorized.

We are now in the position of having the $24.8 million in both the fiscal year 1974 supplemental bill and the Senate version of the regular fiscal year 1975 authorization bill. This amendment deletes the $24.8 million from this bill.

Mr. President, I urge the acceptance of this amendment.

Mr. President, I expect that a voice vote will be fully applicable in this case.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi. Is there objection? There being no objection, the amendment is agreed to.

Mr. STENNIS. Let us have a voice vote, Mr. President, yes or no.

The PRESIDING OFFICER. The amendment has been agreed to.

Mr. ROBERT C. BYRD. The Senator wants a voice vote on this amendment. Those in favor say, "aye."

The amendment was agreed to.

MESSAGE FROM THE HOUSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 10701, messaged over by the House yesterday, be jointly referred to the Committees on Public Works, Commerce, and the Interior and Insular Affairs. This bill is a companion bill to S. 1751, which was referred to those committees jointly.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

ORDER FOR YEAS AND NAYS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the Jackson amendment, the Cranston amendment, and the Mathias amendment at any time and with one show of a second.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour for the conduct of morning business not to exceed beyond the hour of 11 o'clock, with a limitation on statements of 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

INFLATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an article by Mr. Richard L. Strout, in the Christian Science Monitor of June 7, 1974, entitled "Inflation the Thief."

With the rampant inflation raging not only through his country but throughout the world at the present time; with Congress, at least a majority of it, doing nothing to face up to its responsibility in that respect; with the administration doing nothing to face up to the factor of inflation, with the difficulties confronting us and the world today in this area, with the rate of inflation at about 14.2 percent for the first 3 months of this year, and from April 1973 through April 1974, at a rate of about 12 percent; with the stock market going up and down like a yo-yo; with the cost of living increasing beyond the possibilities by means of which the ordinary folk can keep up with it, I think this is a most excellent article by a man who has the ability to write simply, understandingly, and knowingly.

I ask unanimous consent that that Strout article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Inflation the Thief

(By Richard L. Strout)

Washington.—Inflation is worldwide. Governments are toppling. Individual citizens don't understand inflation and blame their leaders. Their leaders may indeed be at fault, but beyond domestic transgressions there is the worldwide problem. It would be sad if the same citizens who see only their own local problem followed the same provincialism in seeking nationalistic remedies—quotas, tariffs, and beggar-my-neighbor restrictions. These could turn global inflation into global recession.

Inflation is the thief that steals purchasing power. It is the mouse that nibbles at old folks' pensions: "We thought we had saved for retirement!" they say pathetically. Inflation leaves young people without money for schooling which their frugal parents have saved all their lives. Inflation pours wealth on the affluent who have their fortunes in real property, but it may devour them, too. Look at today's value of stocks. The average stood at 1,051 on Wall Street at the beginning of 1973, but today it has lost a fifth.

Industrial countries enjoyed a business-cycle boom in 1973, and the prosperity of one nation encouraged the next in an increasingly interdependent world. But the boom turned into inflation and was ready for sharp readjustment when, suddenly, the Arab oil embargo struck. In a short time the cost of a basic commodity increased fourfold. Short of war, nothing like it has happened in modern times.

There was also the food crunch, triggered immediately by bad weather. "History records more acute shortages in individual countries," says a United Nations report just published in Rome, "but it is doubtful whether such a critical food situation has ever been so worldwide." Perhaps 800 million people, almost a quarter of the world's population, suffer from malnutrition. This has been preparing for a long time as global population grew. Many think it has come to stay. Meanwhile, other shortages send prices up; commodities are harder to find.

Again, various factors intertwine. Japan imports oil, some of which goes to make fertilizer; fertilizer goes to India. Up goes the price of oil; Japan ends fertilizer exports to India; India sees the threat of starvation deepen.

A new book spells this out in simple language, "In the Human Interest," by Lester Brown (Norton). We may be, he thinks, on the verge of "one of the great discontinuities of human history." Possibly what it comes down to is, in short, that the present 4 billion passengers on Spaceship Earth aren't going to "double" in 25 years, as some demographers casually forecast; Mr. Brown thinks that before then the cost of things will limit population expansion, either by planning or by calamity.

Today's inflation is an immediate, urgent problem in which tomorrow's overpopulation is still only a remote factor. Inflation in the United States is at an extraordinary 12 percent. The rate is beginning to decline. President Nixon and top economist Herbert Stein hope it will drop sharply (leaders of all countries suffering inflation are invariably optimists). Unfortunately, the past

Nixon-Stein forecasts have been overhopeful, and incorrect.

One man thoroughly alarmed is Arthur Burns, head of the Federal Reserve Board, America's central bank. He is a formidable figure. It is hard to recall when such urgent warnings came from such a source.

"Inflationary forces are now rampant in every major industrial nation of the world," Dr. Burns said recently. Special factors are at work, he said, but there is something else: "For many years our economy and that of other nations has had a serious underlying bias toward inflation."

Inflation breeds fear, he says. It saps public confidence in a more personal way than almost any other threat; it produces generalized anxiety likely to thrash out against politicians, institutions, foreigners, social classes—against any handy target.

"The gravity of our (American) current inflationary problem," he says, "can hardly be overestimated." He chooses words carefully. After surveying present double-digit inflation Dr. Burns says, "If past experience is any guide, the future of our country is in jeopardy. If continued, inflation at anything like the present rate would threaten the very foundations of our society."

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METEZENBAUM). Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. MUSKIE) laid before the Senate the following communications and letters, which were referred as indicated:

Reorganization Within Department of the Army

A communication from the President of the United States, transmitting a communication from the Secretary of Defense together with a Defense Reorganization Ordered issued pursuant to law (with accompanying papers). Referred to the Committee on Armed Services.

Report of Aeronautics and Space Administration

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on proposed use of funds for construction of facilities (with an accompanying report). Referred to the Committee on Aeronautical and Space Sciences.

Proposed Legislation by Department of Agriculture

A letter from the Deputy Under Secretary, Department of Agriculture, transmitting a draft of proposed legislation to amend Section 8d(2) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 608d(2)), to provide specific authority to grant Certified Public Accountants access to confidential records for purposes of making audits of the operations of Federal Milk market orders (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

Report of Department of Defense Procurement From Small and Other Business Firms

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for the period July 1973 through March 1974 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Report of Export-Import Bank of the United States

A letter from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on actions taken by the Bank during the quarter ended March 31, 1974 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Reports of National Railroad Passenger Corporation

A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on revenues and expenses for the month of February 1974 (with an accompanying report). Referred to the Committee on Commerce.

A letter from the Director of Federal Affairs, transmitting, pursuant to law, a report on the number of passengers carried and the on-time performance of each train for the month of April, 1974 (with an accompanying report). Referred to the Committee on Commerce.

Proposed Legislation by District of Columbia

A letter from the Mayor-Commissioner, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Teachers' Salary Act of 1955, and for other purposes (with accompanying papers). Referred to the Committee on the District of Columbia.

Report on Services to AFDC Families

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on services to AFDC families (with an accompanying report). Referred to the Committee on Finance.

Proposed Legislation by Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education and Welfare, transmitting a draft of proposed legislation to extend for three years the requirement of increased payments to States under Medicaid plans for compensation or training of inspectors of long-term care institutions (with an accompanying paper). Referred to the Committee on Finance.

Reports of Department of State on International Agreements

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, an agreement between the United States and the Khmer Republic (with accompanying papers). Referred to the Committee on Foreign Relations.

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, an agreement between the United States and Japan (with accompanying papers). Referred to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential report entitled, "Restrictions on U.S. Procurement Activities in Thailand," (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential report entitled "Plans and Proposals for Avoiding Unnecessary Duplication in Developing New Military Equipment," (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Benefits and Drawbacks of U.S. Participation in Military Cooperative Research and Development Programs With Allied Countries," Department of Commerce, dated June 4, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Tools and Techniques for Improving the Efficiency of Federal Automatic Data Processing Operations," dated June 3, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Government National Mortgage Association for Fiscal Year 1973," Department of Housing and Urban Development, dated June 3, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Pacific Northwest Hydro Thermal Power Program A Regional Approach to Meeting Electric Power Requirements," Department of the Interior, Department of the Army, dated June 5, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Proposed Legislation by General Services Administration

A letter from the Deputy Administrator, General Services Administration, transmitting a draft of proposed legislation to increase the maximum per diem allowance and maximum statutory mileage allowance for the use of a privately owned automobile or airplane for employees of the Federal Government while traveling on official business, and for other purposes (with an accompanying paper). Referred to the Committee on Government Operations.

Report of Atomic Energy Commission

A letter from the General Manager, Atomic Energy Commission, transmitting, pursuant to law, a report on equipment titled in nonprofit educational institutions and other nonprofit organizations (with an accompanying report). Referred to the Committee on Government Operations.

Temporary Admission Into the United States of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting temporary admission into the United States of certain aliens (with accompany papers). Referred to the Committee on the Judiciary.

Admission Into the United States of Certain Defector Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers). Referred to the Committee on the Judiciary.

Report of National Labor Relations Board

A letter from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Report of the American Legion

A letter from the Director, National Legislative Commission, The American Legion, transmitting, pursuant to law, a report of that organization, as of December 31, 1973 (with accompanying papers). Referred to the Committee on Veterans' Affairs.

Proposed Legislation From Department of the Army

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to modify Section 2 of the River and Harbor Act of March 2, 1945 (59 Stat. 22) as amended, to authorize the Secretary of the Army to improve certain Indian fishing sites in the States of Oregon and Washington and to acquire and to develop additional fishing sites in those States (with an accompanying paper). Referred to the Committee on Public Works.

Prospectus Relating to Construction of Federal Office Building at Huron, S. Dak.

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposed construction of a Federal Office Building at Huron, S. Dak. (with accompanying papers). Referred to the Committee on Public Works.

Report of United States Water Resources Council

A letter from the Chairman, United States Water Resources Council, transmitting, pursuant to law, a report of that Council, for the year 1973 (with an accompanying report). Referred to the Committee on Public Works.

The Constitutional Immunity of Members of Congress

A letter from the chairman and vice chairman of the Joint Committee on Congressional Operations transmitting the report of the committee entitled "The Constitutional Immunity of Members of Congress" (with an accompanying report). Ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1412. A bill to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota (Rept. No. 93-909).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 2840. A bill to authorize the Secretary of Commerce to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes (Rept. No. 93-911).

REPORT ENTITLED "THE CONSTITUTIONAL IMMUNITY OF MEMBERS OF CONGRESS"—REPORT OF JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS (S. REPT. NO. 93-910)

Mr. METCALF, from the Joint Committee on Congressional Operations, submitted a report entitled "The Constitutional Immunity of Members of Congress," together with additional and individual views, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Deane R. Hinton, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Zaire;

Robert P. Paganelli, of New York, a Foreign Service officer of class 4, to be Ambassador Extraordinary and Plenipotentiary to the State of Qatar;

Seymour Weiss, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to the Commonwealth of the Bahamas;

Gustave M. Hauser, of New York, and James A. Suffridge, of Florida, to be members of the Board of Directors of the Overseas Private Investment Corporation;

Harold Melvin Agnew, of New Mexico, Gordon Allott, of Colorado, Edward Clark, of Texas, Lane Kirkland, of Maryland, Carl M. Marcy, of Virginia, Joseph Martin, Jr., of California, John A. McCone, of California, and Gerard C. Smith, of the District of Columbia, to be members of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency;

William D. Wolle, of Iowa, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary to the Sultanage of Oman;

Pierre R. Graham, of Illinois, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Upper Volta;

Robert A. Stevenson, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Malawi; and

William E. Simon, of New Jersey, to be U.S. Governor of the International Monetary Fund and U.S. Governor of the International Bank for Reconstruction and Development; A Governor of the Inter-American Development Bank; and U.S. Governor of the Asian Development Bank.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. FULBRIGHT. Mr. President, as in executive session, I also report favorably sundry nominations in the Diplomatic and Foreign Service which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

James E. Akins, of Ohio, and sundry other Foreign service officers, for promotion in the Foreign Service; and

William K. Payeff, of South Carolina, and sundry other Foreign Service officers, for promotion in the Foreign Service.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HRUSKA (by request):

S. 3618. A bill to establish a Working Capital Fund in the Department of Justice. Referred to the Committee on the Judiciary.

By Mr. HATHAWAY (for himself, Mr. Bible, Mr. Javits, and Mr. William L. Scott):

S. 3619. A bill to provide for emergency relief for small business concerns in connection with fixed price government contracts. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3620. A bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes. Referred to the Committee on Commerce.

By Mr. ABOUREZK:

S. 3621. A bill to amend section 3732 of the Revised Statutes relating to contracts and purchases on behalf of the United States in the absence of authorization by law or appropriations therefor, and for other purposes. Referred to the Committee on Armed Services.

By Mr. BENNETT:

S. 3622. A bill to extend for three years the requirement of increased payments to States under Medicaid plans for compensation or training of inspectors of long-term care institutions. Referred to the Committee on Finance.

By Mr. MOSS:

S. 3623. A bill to amend title 5, United States Code, to guarantee to each employee in the competitive service who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and all relevant evidence prior to a final decision of an agency to take certain action against such an employee, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. DOLE:

S. 3624. A bill to provide for emergency financing for livestock producers. Referred to the Committee on Agriculture and Forestry.

By Mr. DOMENICI (for himself, Mr. Stafford, Mr. McClure, Mr. Randolph, and Mr. Baker):

S. 3625. A bill to provide for the recycling of used oil, and for other purposes. Referred to the Committee on Public Works and then to the Committee on Finance, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HRUSKA (by request):

S. 3618. A bill to establish a Working Capital Fund in the Department of Justice. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, I am today introducing a bill, at the request of the Department of Justice, to establish within that Department a working capital fund. Request is made that it be suitably referred.

A working capital fund would provide a means by which centrally provided administrative services would be fully financed by the component units of the Department of Justice. Such funds are presently being used by a number of other departments of Government, including the Departments of Agriculture, Commerce, HEW, Interior, Labor, State, Transportation, and Treasury.

Presently the Department centrally provides such services as printing, graphics, telecommunications, data processing, and payroll services to various of its component divisions, bureaus, and agencies. A working capital fund would facilitate an equipment depreciation and replacement factor to be built into the amount charged for the services. The funds received from the component units would be permitted to accumulate for purchase of new equipment as required.

Should the fund be authorized, the Department would be required to seek an appropriation to provide for its initial establishment. Thereafter, the fund would function on the reuse of receipts generated by charges for the administrative services.

While I am not necessarily wed to the exact structure and detail of this proposal, I am introducing this bill with the expectation that it will serve as focal point of congressional discussion and consideration of methods of improving the financing and accounting for certain administrative services provided centrally by the Department of Justice to its constitutent organizations.

Mr. President, I ask unanimous consent that the text of the bill, the Attorney General letter of transmittal and his Department's explanation of the bill be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 31 of title 28, United States Code, is amended by inserting the following new section at the end thereof:

"§ 527. Establishment of Working Capital Fund.

There is hereby established a working capital fund for the Department of Justice, which shall be available, without fiscal year limitation, for expenses and equipment necessary for maintenance and operations of such administrative services as the Attorney General determines may be performed more advantageously as central services. The capital of the fund shall consist of the amount of the fair and reasonable value of such inventories, equipment, and other assets and inventories on order pertaining to the services to be carried on by the fund as the Attorney General may transfer to the fund less related liabilities and unpaid obligations together with any appropriations made for the purpose of providing capital. The fund shall be reimbursed or credited with advance payments from applicable appropriations and funds of the Department of Justice, other Federal agencies and other sources authorized by law for supplies, materials, and services at rates which will recover the expenses of operations including accrual of annual leave and depreciation. The fund shall also be credited with other receipts from sale or exchange of property or in payment for loss or damage to property held by the fund. There shall be transferred into the Treasury as miscellaneous receipts, as of the close of each fiscal year, earnings which the Attorney General determines to be in excess to the needs of the funds. There are hereby authorized to be appropriated such amounts as may be necessary to provide capital for the fund."

(2) the section analysis of chapter 31 of title 28, United States Code, is amended by inserting the following item at the end thereof:

"527. Establishment of Working Capital Fund."

PROPOSAL TO ESTABLISH A WORKING CAPITAL FUND IN THE DEPARTMENT OF JUSTICE

The proposal is to establish a Working Capital Fund to provide an improved method of financing, managing and accounting for certain administrative operations provided centrally by the Department of Justice to its constituent organizations.

WORKING CAPITAL FUND

Definition

A Working Capital Fund as an intra-governmental revolving fund of working capital authorized by law to finance a cycle of operations in which the expenditures generate receipts which are available for continuing reuse without annual reauthorization from Congress.

Need for fund in Department of Justice

A Working Capital Fund provides for consumer financing by the user organizations of services performed centrally. This permits the identification of costs of the various service activities to the organizations while at the same time allowing economies of scale by performing the functions on a consolidated basis. It removes distortions from annual accounts caused by the periodic need to buy major equipment items for service functions. It provides for unforeseeable increases in workloads and for an orderly replacement of equipment through depreciation charges.

For some time the Department has been faced with the problem of effectively meeting the increasing demands of its component parts for central administrative support services. The use of a working capital fund would alleviate many of the difficulties now experienced by the Department in meeting these growing demands by permitting the reuse of receipts generated without annual appropriation from Congress.

The fund would provide the manpower, equipment and materials necessary for the operation of such administrative services as the Attorney General determines may be performed more advantageously under such a fund.

Organizations serviced

Service would be provided to all organizations included in the General Administration appropriation and the Legal Activities appropriation group as well as to the Bureaus of the Department in instances where services are presently provided, the bureaus request a new service or the Attorney General determines that a service is to be performed centrally.

Services to be included initially

The services currently planned for inclusion within the funds are printing and reproduction, graphics, automatic data processing, telecommunications, and payroll. These are traditional general service functions which have been commonly performed under Working Capital Funds in many agencies.

These are services which are now being performed centrally to a substantial degree and for which reimbursements are now being made to the General Administration appropriation. These activities offer the most obvious benefits and will be most readily adoptable to fund operations.

Capitalization of the fund

The fund would require an initial appropriation of $500,000. This would provide for the initial period of financing—approximately 30 calendar days of funding assuming the initial years billings to be in the vicinity of $6,000,000. The estimate of billings, based on currently estimated reimbursements for the area to be covered by the fund is $6,000,000.

In addition to the capitalization to be provided through the initial appropriation, the capital of the fund would include such assets pertaining to the services to be carried on by the Fund as the Attorney General may transfer to the fund.

Accounting for fund operations

Customers serviced by the Fund will be charged on the basis of actual costs including depreciation as reflected in an accounting system approved by the General Accounting Office. Costs would be subject to audit by the Office of Internal Audit and the General Accounting Office. These charges will be fully detailed and justified in the regular appropriations for the customer organizations. The buyer-seller relationship established by the fund method of operation encourages good management and cost consciousness, and fixes responsibility for costs and for utilization of resources such as manpower and appropriated funds. The fund would also assure that the organizations and appropriations that receive the benefits from the central service are charged the proper amount. No services would be provided on a "free" basis.

Management of the fund

The management responsibilities of the fund are to be vested in the Assistant Attorney General for Administration subject to policy direction from the Attorney General.

To advise and assist the Assistant Attorney General for Administration in exercising his responsibilities in this area, the Department plans to establish a Working Capital Fund Advisory Board composed of representatives of clients or users of the Fund.

Use of working capital funds by other agencies

The Working Capital Fund method for funding and administering central services has been authorized for and is being used by a number of other departments of the government. These include the Departments of Agriculture, Commerce, HEW, Interior, Labor, State, Transportation and Treasury, as well as other major agencies such as the General Services Administration.

The Fund is an effective method of accommodating financial requirements for interfund activities.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C.

THE VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to establish a Working Capital Fund in the Department of Justice to provide certain service functions on a consolidated basis.

The use of a Working Capital Fund provides for consumer financing by the user organizations while the services are performed centrally. This permits the identification of costs of the various service activities in the organizations being served. It removes distortions from annual accounts caused by the periodic need to buy major equipment items for service functions. It provides for unforeseeable increases in workloads and for an orderly replacement of equipment through depreciation charges.

The working capital fund concept is a convenient and effective method of accommodating financial requirements for interfund activities. It is widely used throughout the Federal government, including all the other cabinet level departments, as well as many other major agencies such as the Civil Service Commission and the General Services Administration.

The proposed Working Capital Fund for the Department of Justice would include the following services:

1. Printing and reproduction services.
2. Graphic and exhibit services.
3. Telecommunications services.
4. Data processing services.
5. Payroll services.

The fund would require an initial appropriation of $500,000. This would provide for the initial period of financing—approximately 45 days; afterwards the fund would function on the reuse of receipts generated by the services.

The Office of Management and Budget has advised that there is no objection to the enactment of this legislation from the standpoint of the Administration.

Sincerely,

ATTORNEY GENERAL.

By Mr. HATHAWAY (for himself, Mr. BIBLE, Mr. JAVITS, and Mr. WILLIAM L. SCOTT):

S. 3619. A bill to provide for emergency relief for small business concerns in connection with fixed-price Government contracts. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HATHAWAY. Mr. President, I introduce for myself and for Mr. BIBLE, Mr. JAVITS, and Mr. WILLIAM L. SCOTT, for appropriate reference, a bill to give expeditious relief to small business contractors who are currently experiencing the effects of the energy crisis and the very rapid rate of inflation. Entitled the "Small Business Emergency Relief Bill," it would allow the Government agencies having contracts with small businesses to modify the fixed-price terms of those contracts to permit additional compensation commensurate with the unanticipated recent enormous jump in the rate of inflation and give additional time in the performance of the contract where the energy crisis caused problems for the contractor. In addition, this bill would require greater use of the economic price adjustment clause in contracts with small businesses to protect both the Government and the small business contractor in the future.

The need for this bill has become remarkably evident from the present work of the Government Procurement Subcommittee of the Small Business Committee. As chairman of this subcommittee, I have sought to document the current problems that small businesses are having in the Government procurement field. In this $50 billion of annual contracting, of which 21 percent or $9.397 billion, went to small businesses last fiscal year, inflation and material availability are clearly the foremost difficulties which are dragging many small companies to the brink of bankruptcy.

In March, the subcommittee sent a questionnaire to small businesses around the country. We polled companies in the manufacturing, research and development, service, construction, and other fields. The questionnaire was designed to cover their response to all phases of the Government procurement process—from the advertising of the contracting opportunity to the payment on the completed contract or the claim for additional money.

The results of this survey have been most interesting. In questionnaires from 135 small businesses having 1,349 Government contracts with a total value of nearly $91 million, 83 percent of the answers indicated higher than anticipated prices for supplies. Ninety percent of the answers complained of late or delayed deliveries of supplies. These statistics bore out what we had been hearing on a daily basis—that the availability of supplies to perform a contract were in many cases becoming critically short. Instead of receiving delivery on ordered components and other supplies in days and weeks, the waiting time has gone to months and literally years.

Likewise, the prices for these needed supplies have skyrocketed beyond any expectation. The result is that the contractor is left not only without any profit on his contract, but he performs a losing contract, if he can perform it at all.

It is thus not surprising that 71 percent of the answers to the questionnaire indicated that these small firms are bidding for fewer Government contracts. They are turning away from Government procurement opportunities for contracts with other commercial establishments when this is possible.

To look more closely at these problems, the Government Procurement Subcommittee held hearings on May 21, 1974, at which several of these small business subcontractors testified. The evidence they brought of their problems with inflation and obtaining supplies was most impressive. For instance, a Government supplier of wax and cleaning supplies documented his statement with a showing that his raw material costs had risen between the date of contract award last year and today's prices all the way from 16 percent to 387 percent for carnauba wax. The average percentage increase on nine different supplies was 52 percent.

In another case, a supplier of barbed wire described how his cost for galvanized wire had climbed from $10.615 per spool when he bid on the contract to $18.301 per spool effective May 1, 1974. Even if his Government contract had contained an escalation clause with the usual 10-percent limit, the contractor would still be operating at a substantial loss.

Still another witness described how his supplier of castings for 20 years turned down all future orders. Alternative sources for castings were virtually impossible to find. The supplier simply indicated that his backlog on orders was from 30 to 84 weeks depending on the molding unit, and he was reducing the number of his customers from 213 to 35.

These witnesses were representative of many, many others experiencing the same difficulties.

The principal reason these small businesses are in such a bind is because they have fixed-priced contracts which they obtained as a result of competition. The competition for the contract means that they cut their profit to a minimum. The fixed-priced contract means that the contractor has nowhere to turn if his costs are not what he expected. In case after case, the subcommittee has copies of letters sent by contracting officers to these firms, many times expressing sympathy but in all cases denying any relief. The Government position consistently has been that it has no authority to give additional money to the contractor.

This, of course, is consistent with our traditional sense of contracting. The entrepreneur accepts the risk when he bids on a fixed-price contract. He knows, or should know, what his costs of performance of that contract will be. He is able to look at price indexes as well as his own supplier costs and determine what to expect. Generally, he bids a price which he believes will bring a profit yet will be low enough to obtain the contract over his competitors. Both the Government and the company benefits from this procedure.

However, of late, this has not been the case. Where the annual change in the wholesale price index for industrial commodities remained at a steady rate of increase of 2.4 in 1970, 2.7 in 1971, and 2.7 in 1972, the last quarter of 1973 saw an enormous jump causing the annual change in 1973 to be 12.4. For the first quarter of 1974, there was an astounding rise of 31.2. You can well see then that a contractor who received a fixed-priced contract just prior to this uncontrolled and enormous inflationary spiral can be caught in desperate circumstances. We cannot blame this on poor business judgment when it is on such a broad scale. The fault lies with our national economic conditions. Small businesses *do* not generally have the economic resiliency to withstand losses on their Government contracts like the larger businesses. They do not have the capital backing nor the borrowing capacity to ride out these storms. Hence, one or two losing contracts may bring the small business to a complete halt, and this, unfortunately, is occurring repeatedly these days.

As I have indicated, small businesses are in need of help now, and I believe that we must act to provide relief. We, the Congress, established a policy in the Small Business Act of 1958 which requires the procuring agencies of the executive department to give a fair proportion of the contracts and purchases to small businesses. We, through the procuring agencies, have encouraged small businesses to seek Government contracts through various means—set-asides of contracts for small businesses only, certificates of competency which give a small business extra consideration in determining his worthiness for receiving a Government contract, special management assistance in his business operations, meetings, and conferences designed for the small businessman interested in Government contracting opportunities, and so forth. In short, the Government has had an ongoing and successful program of promoting Government contracts as a means of assisting small businesses to grow.

It has been our belief, often repeated on this floor, that small business is essential to our way of life. In the words of the Small Business Act, section 2(a):

> The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation.

These are stirring words, but they are hollow words if we are not prepared to back them up with action when the small business is calling for our help.

Mr. President, I can state, based on documented evidence that, there are many small businesses today in deep trouble to the point of bankruptcy because of the Government contracts they are trying to honor. The Government has unwittingly set a trap, which has snared the very businesses we thought we were helping.

The procuring agencies are saying that they are powerless in providing the means of rescue. They claim that they do not have the authority to allow additional money on these fixed-priced contracts regardless of the effect of inflation on the contractor. It is my impression that there are officials in these agencies who are sincerely worried about this problem and would gladly provide assistance if they were capable.

The small business emergency relief bill would provide the authority these officials need. It has essentially three parts: First, authority to amend the contract price commensurate with the inflation of costs the contractor has actually experienced; second, recognition that the effects of the energy crisis can be an excusable delay rather than a cause of defaulting the contractor; and third, the requirement that Government contracts with small business have a realistic economic price adjustment clause to obviate this problem in the future.

In these remarks, I have not concentrated on what the effect of the energy crisis has been on the small business contractors. I believe that it is evident to all of us that the energy crisis had some exceedingly broad implications to the business world. The shortages of petroleum products and byproducts, reduction of electrical power, and the many other ramifications means unusual hardships for the small businessman. In some cases, it has delayed his performance on Government contracts. This further complicated his financial dilemma and exaggerated the effects of inflation on his operations. As a further means of recognizing the hardship brought on by the energy crisis, it would seem to me appropriate that we legislatively provide that this is an excusable cause for delay, if that did in fact occur. The Government should not be adding to the difficulties of the contractor by declaring him in default of his contract for a cause which was clearly beyond his control.

Mr. President, I urge the support of my colleagues for this bill and ask unanimous consent to have the text of the bill printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Small Business Emergency Relief Act."

POLICY

Sec. 2. It is the policy of Congress to provide equitable relief to small business concerns which have fixed price government contracts in cases where such concerns encounter significant and unavoidable difficulties during performance because of the energy crisis or rapid and unexpected escalations of contract costs.

AUTHORITY

Sec. 3. (a) The head of any agency of the Federal Government or his delegate shall make appropriate modification in the terms of an existing fixed price contract or a fixed priced contract completed after Dec. 31, 1972, with a small business concern which demonstrates that (1) during the performance of the contract, it has experienced significant unanticipated cost increases directly related to the contract, and (2) the conditions which caused such increases were not peculiar to that particular small business concern but were generally experienced by other small business concerns in the market at that time.

(b) If a small business concern in performance of a fixed price government contract experiences or has experienced shortages of petroleum products or other products in short supply, or products or components manufactured or derived therefrom or impacted thereby, and such shortages result in a delay in the performance of a contract, the delay shall be deemed to be an excusable delay under the terms of any default clause in the contract.

(c) To protect the interests of both the Federal Government and small business concerns, each agency of the Federal Government shall include in any fixed price contract with a small business concern an economic price adjustment clause which provides for upward or downward adjustments in the contract price based on cost increases or decreases experienced by the small business concern in the performance of the contract.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3620. A bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Natural Gas Pipeline Safety Act of 1966, as amended, to authorize additional appropriations, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the Record with the text of the bill.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

The Secretary of Transportation,
Washington, D.C., May 16, 1974.

Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a proposed bill "To amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes."

The Natural Gas Pipeline Safety Act of 1968 (the Act) was last amended in 1972, at which time appropriations were authorized through fiscal year 1974. Our draft bill would amend the Act to permanently authorize appropriations to the Secretary of Transportation to administer the Act. Also, it would authorize separate annual appropriations specifically for grants-in-aid to the States for the conduct of pipeline safety programs.

The 1972 amendments to the Act authorized annual appropriations for each of the fiscal years 1972, 1973, and 1974. The amounts authorized for each year covered both the costs of administering the program and grants to States to conduct pipeline safety programs. In view of the Secretary of Transportation's continuing responsibilities in administering the Act, we are proposing that appropriations be permanently authorized for the administrative costs of the program. With respect to authorization of appropriations for grants-in-aid to the States, we will continue to propose annual legislative authorizations. These proposals would make the authorizations for the gas pipeline program consistent in form with the statutory authorizations for other programs conducted by the Department.

Administrative expenses may vary from year to year because of pay raises, personnel changes, and other unforeseen program requirements. The authorization language we are proposing for such expenses is customarily used for programs of this kind and will provide flexibility necessary to accommodate changing needs without diminishing Congress' control of program levels through the normal appropriation process.

Also, we believe it will be helpful to the States if grant-in-aid funds are separately identified in the authorizing legislation. The States would thereby be apprised as much as 3 years in advance of the maximum amounts of grant-in-aid funds which will be available to them. This will enable States to plan their programs more effectively and allow time for them to adopt any necessary conforming legislation.

A similar letter is being sent to the Speaker of the House of Representatives.

The Office of Management and Budget advices that from the standpoint of the Administration's program, there is no objection to the submission of this proposed bill to the Congress.

Sincerely,

Claude S. Brinegar.

S. 3620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1974".

Sec. 2. Subsection 5(c) of the Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671) is amended by renumbering paragraphs (2) and (3) as (3) and (4) respectively, and by inserting a new paragraph (2) as follows:

"(2) Funds authorized to be appropriated by section 15(b) of this Act shall be allocated among the several States to aid in the conduct of pipeline safety programs approved in accordance with paragraph (c)(1) of this section."

Sec. 3. The text of section 15 of the Act is amended to read as follows:

"Sec. 15. (a) There are authorized to be appropriated such sums as are necessary for the purpose of carrying out the provisions of this Act, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

(b) For the purpose of carrying out the provisions of subsection 5(c) of this Act, there is authorized to be appropriated for Federal grants-in-aid, the sum of $1,200,000 for the fiscal year ending June 30, 1975; the sum of $1,450,000 for the fiscal year ending June 30, 1976; the sum of $1,700,000 for the fiscal year ending June 30, 1977; and the sum of $1,950,000 for the fiscal year ending June 30, 1978."

By Mr. ABOUREZK:

S. 3621. A bill to amend section 3732 of the Revised Statutes relating to contracts and purchases on behalf of the United States in the absence of authorization by law or appropriations therefor, and for other purposes. Referred to the Committee on Armed Services.

Mr. ABOUREZK. Mr. President, I am today introducing a bill to limit deficiency spending by the Defense Department. Present law allows the Departments of the Army, Navy, and Air Force to make contracts or purchases in advance of appropriations for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies (41 U.S.C. 11). Once the Pentagon obligates funds for those purposes, Members of Congress must appropriate whatever funds are necessary to liquidate the obligations. Close to $2 billion has been obligated in recent years through this backdoor device.

This extraordinary authority dates back to the so-called "feed and forage" law which evolved during the 1820 to 1861 period. This law originated under conditions and circumstances that have no bearing today. It was needed a century ago to protect our soldiers located in remote frontier outposts, living a precarious existence and forced to disband in the event that Congress failed to appropriate funds on time. No one could make that argument today. Congress is in session almost year-round, protecting agencies with continuing resolutions when appropriations are late and providing additional funds through supplemental appropriations as the year progresses.

A century ago executive agencies were being stripped of their authority to transfer funds between accounts, to use balances on hand from prior years, and other forms of discretionary spending authority. Today the Pentagon has ample use of multiyear funds, transfers, reprograming, contingency funds, stock funds, and other means of adjusting to new and unexpected demands as the year unfolds. The feed-and-forage law served a useful purpose a century ago; it does not today.

In fact, it serves only to downgrade Congress power of the purse, to turn us into a perfunctory agency instead of a vital instrument for determining national priorities. Nothing is more basic than reserving to Congress, and to Congress alone, the decision where to commit public funds—to decide where our resources should be used. We can no longer delegate such a fundamental responsibility to nonelected agency officials. The whole thrust of budget reform legislation, now in conference, is to place spending and budget priorities back under the control of Congress. It is completely inconsistent with that legislation to allow an agency authority to commit national resources on such a vast scale without congressional participation.

The leadership of the Senate Armed Services Committee has recognized the serious need to consider this outdated provision of the law. I commend them for that, and I look forward to the upcoming hearings on this issue.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3732 of the Revised Statutes (41 U.S.C. 11) is amended by—

(1) striking out in subsection (a) the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year";

(2) striking out the subsection designation "(a)" at the beginning of such section; and

(3) striking out subsection (b) of such section.

Sec. 2. The first proviso contained in the paragraph entitled "Medical and Hospital Department", under the heading "MEDICAL DEPARTMENT", in the Act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and seven" approved June 12, 1906 (34 Stat. 240), is amended by striking out the following: ", except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which however, shall not exceed the necessities of the current year".

By Mr. BENNETT:

S. 3622. A bill to extend for 3 years the requirement of increased payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions. Referred to the Committee on Finance.

EXTENSION OF FULL FUNDING FOR NURSING HOME SURVEYORS

Mr. BENNETT. Mr. President, I am introducing a bill today to extend full Federal funding for title XIX nursing home surveyors for an additional 3 years. This bill is necessary to allow States to continue their efforts to comply with the explicit and demanding inspection and monitoring guidelines for long-term medical care institutions under the new ICF program. In most cases, the surveying expertise required to implement ICF standards lies in the States rather than in the Federal regional office. In the remaining cases, full Federal funding would allow the States to increase their expertise. At this time, however, State survey agencies are faced with the dilemma of increased requirements to be met in the face of major reductions in funding. Small States, particularly, would find it impossible to continue their efforts to implement the new standards without full Federal funding, as they do not have legislatures in session that could authorize the expenditure of State funds for that purpose.

It would not be right for the Congress to adopt necessary guidelines to insure the proper functioning of long-term care institutions and then fail to provide the means for these guidelines to be implemented. Inasmuch as the States have acted expeditiously and in good faith to implement this program as designed by Congress, I think it only fair to allow them to continue to do so by extending full funding through June 30, 1977.

By Mr. MOSS:

S. 3623. A bill to amend title 5, United States Code, to guarantee to each employee in the competitive service who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and all relevant evidence prior to a final decision of an agency to take certain action against such an employee, and for other purposes. Referred to the Committee on Post Office and Civil Service.

DUE PROCESS FOR FEDERAL EMPLOYEES

Mr. MOSS. Mr. President, I am introducing today a bill that will guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Legislation to establish this fundamental right is long overdue. In fact, it is somewhat surprising that there is still a need for such legislation. Some agencies have already established the right to a pretermination hearing under their own regulations and procedures, and one would think that by now, the right to a hearing would be firmly established throughout the Federal service.

Unfortunately, this is not the case. Many agencies still do not recognize the right of their employees to hear the evidence against them before termination or suspension. The seriousness of this situation has been brought to my attention by the National Treasury Employees Union.

When employees have brought suit, claiming the right to a hearing, the courts have left the matter up in the air. The recent Supreme Court decision in Arnett against Kennedy addressed the question of pretermination rights of Federal employees, but did not speak directly on the question of the right to a hearing.

The courts have not acted decisively to delineate the pretermination rights of Federal employees, mainly because they have not had clear statutory guidelines. There presently is no statute that clearly mandates executive agencies to promulgate uniform regulations in this area.

The purpose of this bill is to provide such a mandate. The bill states that every Civil Service employee who has completed the trial period is entitled to: First, 30-day written notice of suspension or termination action; second, access to all evidence relevant to the action; third, a hearing before a hearing examiner at which the employee may be represented by counsel, present evidence, and cross-examine witnesses; fourth, a copy of the verbatim transcripts of the hearing, and fifth, a written decision by the hearing examiner.

These procedures would provide Federal employees with at least a minimum of due process, and would go a long way to insure that they are not removed arbitrarily or capriciously.

Mr. President, the main argument for this legislation is one of the simple human rights. But we should also note that it would have the effect of strengthening our Federal Service.

This past week we learned that the Senate Watergate Committee has found evidence that during the 1972 election campaign administration officials attempted to subvert the regular work of various Government agencies and to use these agencies to further blatantly political ends. When Federal employees are faced with such pressures and blandishments, they obviously need some protection under the law.

We must make certain that the men and women in the civil service are devoted to the public good and service of their country, and not to the occasional arbitrary whims or misguided judgments of their superiors. It obviously will be easier for them to speak out, to criticize, to devote themselves to the public good, if they do not face the threat of arbitrary dismissal.

By Mr. DOLE:

S. 3624. A bill to provide for emergency financing for livestock producers. Referred to the Committee on Agriculture and Forestry.

LIVESTOCK PRODUCER AND CONSUMER PROTECTION ACT OF 1974

Mr. DOLE. Mr. President, I offer this bill today to protect livestock producers from economic disaster and to protect consumers from exorbitant meat prices in coming months and years due to a potential loss of our meat producing capacity. Cattlemen and other livestock producers do not want a handout from the Federal Government. They do need protection from financial disaster. Consumers do not want subsidized food, paid for with tax dollars. They do need protection from exorbitant meat prices and they need a steady and reliable supply of meat. This bill would help achieve those objectives.

SEVERE DEPRESSION IN LIVESTOCK INDUSTRY

A great deal has been said recently on the Senate floor about the tremendous financial losses being suffered by the livestock industry. The livestock producers in Kansas and in numerous other States are on the verge of bankruptcy. Some of them have already been forced out of business. This is why I have met with the President and administration officials, have introduced legislation to embargo meat imports, and have taken other actions in the Senate and with the administration.

Prices for meat-producing animals have plummeted to new lows in recent days. Experts indicate that the prices being paid for cattle now have not been seen for more than 10 years. At the same time, prices for feed, baling wire, fuel, machinery, and other essential materials have continued to climb steadily upward to reach levels double and triple the prices on the same goods of only a year ago.

CONSUMER STANDS TO LOSE MOST

The story of repeated $150 to $300 loses on choice steers has been told many times before this legislative body. Those of us from livestock producing States know and understand the situation well, as should those of us who represent predominantly urban and consumer States.

Those Senators from consumer areas should be as concerned about these developments as the rest of us. With cattlemen selling off their cowherds, liquidating their breeding stock, cashing in their land and feeding facilities and sometimes going completly out of business, the future supply of choice beef is seriously threatened. Once our producing herds have been slaughtered and our livestock facilities have been sold, it becomes a long road back to our present level of production. That road is never traveled as cheaply as the road we have just been over to reach the existing level of production.

It would cost more to rebuild cowherds. It would cost more for cattlemen to get back in business—if they come back at all. These increased costs would have to be passed on to consumers through the price of retail meat.

So to avoid these higher costs to consumers, we need to hold our present livestock industry together until this crisis is over. My bill is designed to accomplish that—for the benefit of producers and consumers.

HANDOUTS NOT WANTED

Mr. President, several bills have been introduced in the Senate to provide loans to cattlemen, and hog and other livestock producers, at reduced interest rates. I have not given my support to these measures.

I have met and talked to a large number of cattlemen, their representatives, and their organizations. I have also talked with their bankers. Almost to a man, they have opposed Government-subsidized loans.

The cattle business and other livestock industries have traditionally been independent of Government assistance. They are proud of their tradition of self-sufficiency.

Cattlemen understand the problems of consumers. They do not want to saddle consumers with higher meat prices through a loan program subsidized by tax dollars.

Cattlemen do want to supply choice, abundant, and reasonably priced beef. To do this, they must stay in business until this depression in the market is over. The depressed market will end, but until it does, this measure is needed to keep livestock producers in business.

GOVERNMENT INTERFERENCE OPPOSED

Men in the livestock business also oppose Government interference in their operations. They are concerned, and properly so, that a subsidized loan program would invite Federal involvement.

As bankers have pointed out, subsidized loan programs already exist under the Farmers Home Administration. For all these reasons, a subsidized loan program is not needed or wanted.

LOAN GUARANTEE PROVIDES PROTECTION

What is needed is a loan guarantee program at market interest rates, as my bill provides. This measure would permit banks to stay with cattlemen on their existing operating loans and provide the necessary additional funds to purchase livestock and feed to stay in the business. Through this protection, we would not lose our meat producing capacity.

Since these loans would be made by commercial enterprises at the normal market interest rate, the cost of the Government would be minimal. Loans would be guaranteed at not more than 90 percent of the loan volue. With the customary reliability of cattlemen and other livestock producers in repaying debts, the expense to the Federal Government could be expected to be essentially nothing. At the same time, we can prevent the possible collapse of the livestock industry.

Mr. President, I believe this is the best measure to insure consumers of an adequate, reasonable priced supply of beef, protect livestock producers, from bankruptcy, and prevent additional strains on the economy, without putting large additional costs on the Government. I urge every Senator to support this measure, whether his constituents be producers or consumers.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. That this Act may be cited as the "Livestock Producer and Consumer Protection Act of 1974".

Sec. 2. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921) is amended by adding at the end thereof a new section as follows:

"Sec. 345. (a) The Secretary is authorized and directed to provide financial assistance to individuals who are primarily engaged in farming, ranching, or livestock feeding for the purpose of breeding, raising, fattening, or marketing livestock by guaranteeing loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other approved lender: *Provided,* That no contract guaranteeing any such loan by such lender shall require the Secretary to participate in more than 90 per centum of any loss sustained thereon.

"(b) Loans guaranteed under this section may be made for the financing or refinancing of livestock breeding, raising, fattening, or marketing operations when the applicant's usual credit source is unable or unwilling to provide additional credit without the guarantee provided herein.

"(c) The Secretary shall make all loan guarantees under this subtitle upon the full personal liability of the borrower and upon such security and terms as the Secretary may prescribe.

"(d) Loan guarantees outstanding under this section shall not exceed $3,000,000,000 at any one time: *Provided,* That the Secretary may use the funds created in section 309 of the subtitle to pay to the holder of any notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request the entire balance due on the loan.

"(e) Guarantees under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.".

By Mr. DOMENICI (for himself, Mr. Stafford, Mr. McClure, Mr. Randolph, and Mr. Baker):

S. 3625. A bill to provide for the recycling of used oil, and for other purposes. Referred to the Committee on Public Works and then to the Committee on Finance, by unanimous consent.

Mr. DOMENICI. Mr. President, I am introducing today, on behalf of myself and Senators Randolph, Baker, Stafford, and McClure, a bill to create a National Oil Recycling Act.

Mr. President, more and more, in recent years, we have been becoming a throwaway society. It was revulsion at the degradation of our land by the wastes which we so carelessly discarded which led to strong pressure to protect and rehabilitate our environment and the environmental laws which the Congress had the wisdom to enact. Still, the habits of decades combined with the cost of cleaning up have made responses to environmental needs less than wholehearted in many cases.

The recent energy crunch rubbed our noses in the dirt again. It was made vividly clear to us that the world's resources are limited, that we have been going through them as if there were no tomorrow and that we could not continue in that way for long without getting ourselves into serious trouble, let alone our children. From a parochial concern of foresters, farmers, and environmentalists, conservation has taken on a broader and more personal meaning for all Americans.

There are some situations where it appears that solutions to our energy problems work at cross purposes to our plans to clean up our environment. More generally, though, reducing energy use also reduces pollution. The same thing is true of materials which are in increasingly short supply, from paper to platinum. We gain both ways if we can cut down on the amount of waste which we have to burn, bury, or flush into our waterways.

One way to do that is to recycle waste materials. I have previously introduced a bill, S. 3277, to encourage full recovery of energy and other resources from solid waste and to protect health and the environment from the adverse effects of solid waste disposal. I am pleased to report that 15 of my colleagues have joined in cosponsoring that bill, and that it will soon be taken up by the Public Works Committee.

The bill I am introducing today is aimed at another aspect of the waste problem. This is the recycling of used oil.

Mr. President, each year in this country we generate more than 1 billion gallons of waste oil. That is nearly 100,000 barrels per day. Less than 40 percent of it is processed for reuse, either as lube oil or for fuel. The rest is dumped on the ground or in sewers; a little is used for oiling roads and hogs. This is a waste of a precious resource and an insult to the environment which we can no longer tolerate.

The business of collecting and reprocessing waste oil has never been a lucrative one. Much of the oil that is recovered is treated in very cursory fashion and burned as fuel oil, releasing the lead that accumulates in crankcase oil into the atmosphere. The serious and reputable rerefiner is a fast disappearing breed. In 1965, there were 160 such companies; now fewer than 40 remain. Their refining capacity has fallen to 100 million gallons per year, a small fraction of the total waste oil generated. The economics of careful reprocessing has simply been unfavorable.

The thrust of this bill is to help reestablish a more favorable economic climate for the recovery and rerefining of waste oil. Several approaches are taken, none of which is a major policy change in itself, but the sum of which should provide incentive for competent operators to expand existing capacity or to enter the industry in areas where no rerefining capacity exists now.

Quality standards for recycled oil will ensure that it is as good as, or better than, new oil for the same purposes, and the EPA will see to it that labels on recycled oil reflect its quality. This should go a long way toward removing the stigma which has been attached to recycled oil, in part as a result of poor products turned out in the past by operators interested in making a fast buck instead of a quality product.

As an example for other consumers, the Federal and State governments would be encouraged to use recycled oil, and EPA would oversee State programs to license and monitor collectors and recyclers. Contracts discouraging the use of recycled oil would be prohibited.

Research on new processes and technology for recycling of waste oil would be promoted through funds authorized to be appropriated to EPA. In addition, funds would be provided to the Department of Commerce for the development of standards and test methods for recycled oil quality.

Finally, changes would be made in the existing excise tax structure to reestablish the situation which existed 10 years ago, when the rerefining industry was able to compete with producers of new oil.

Mr. President, this bill fills an important gap in the current legislative effort to deal with our energy and environmental problems. I invite my fellow Senators to join me again in cosponsoring this bill. I ask unanimous consent that the bill be printed in its entirety in the Record at the conclusion of my remarks.

Mr. President, I have conferred with the Parliamentarian and with the leaders on both sides, and I ask unanimous consent that the bill be referred to the Committee on Public Works and then the Committee on Finance to consider that portion of the bill which falls within its jurisdiction.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Oil Recycling Act."

PURPOSES

Sec. 2. In view of the purposes of the Solid Waste Disposal Act to promote resource recovery systems which preserve and enhance the quality of air, water, and land resources it is the purpose of this Act to establish an effective program to promote the recycling of used oil.

DEFINITIONS

Sec. 3. For the purposes of this Act—

(1) the term "used oil" means all oil which has through use been contaminated by physical or chemical impurities which have not been removed by subsequent re-refining or other processing;

(2) the term "recycled oil" means used oil which has been re-refined or otherwise processed to remove the physical and chemical contaminants acquired through use, which by itself or when blended with new oil or additives is substantially identical or superior to new oil intended for the same purposes;

(3) the term "new oil" means all oil which has been refined from virgin oil and may or may not contain additives, but has never been used, and does not include used oil or recycled oil;

(4) the term "lubricating oil" means all oil regardless of origin, which—

(A) is suitable for use as a lubricant, or

(B) is sold for use as a lubricant;

(5) the term "hydraulic oil" means all oil which is used primarily to transmit power or pressure, but which may also serve lubricating and other functions;

(6) the term "cutting oil" means all oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also serve lubricating and other functions;

(7) the term "fuel oil" means all oil which has been refined, re-refined, or otherwise processed for the purpose of being burned to produce heat;

(8) the term "automotive oil" means all oil, including lubricating oil and hydraulic oil, which is used in automobiles, trucks, buses, motorcycles, and all other motor vehicles which travel on roads and highways;

(9) the term "industrial oil" means all oil exclusive of virgin oil, fuel oil, oils used for cooking and medicinal purposes, and automobile oil, and includes, but is not limited to, lubricating oil, hydraulic oil, and cutting oil when such oils are not automotive oils;

(10) the term "used oil collector" means any person who controls a system which functions to retrieve or collect used oil for sale or transfer to oil recycling facilities, or for other methods of disposal; and

(11) the term "used *oil recycler*" *means* any person who re-refines or otherwise processes used oil to remove its physical and chemical contaminants.

FEDERAL ENCOURAGEMENT OF THE USE OF RECYCLED OIL

Sec. 4. All Federal officials shall act within their authority to encourage the use of recycled oil. Such action includes, but is not limited to—

(1) procuring recycled automotive and industrial oils for all military and nonmilitary Federal uses, whenever such recycled oils are available at prices competitive with those of new oil produced for the same purposes;

(2) requiring all persons contracting with the Federal Government to use recycled oil in performing such contracts, whenever recycled oils are available at prices competitive wtih those of new oil produced for the same purposes;

(3) educating the Government and private sectors of the economy as to the merits of recycled oil, and the need for its use in order to reduce the drain on the Nation's oil reserves and minimize the disposal of used oil in ways harmful to the environment; and

(4) where necessary, assisting and encouraging the development of performance standards and specifications, and systematic and economical testing procedures to facilitate the comparison of recycled oil with new oil.

STATE REGULATION AND ENCOURAGEMENT

Sec. 5. (a) This Act shall in no way preempt State regulation of recycled oil or used oil disposal whenever such regulation provides for stricter control of recycled oil or used oil than provided for by Federal law.

(b) The States should encourage the use of recycled oil in order to accomplish the purposes of this Act. In order to qualify for Federal grants under section 11 of this Act, a State shall adopt laws, regulations, and administrative machinery which shall provide for, but not be limited to—

(1) requiring that used oil collectors obtain a State permit prior to engaging in used oil collecting activities, and such permits shall require, as a minimum, information pertaining to methods for collecting, storing, transferring, and disposing of used oil, as well as the identity of used oil sources, purchasers, transferees, and disposal sites;

(2) requiring that used oil recyclers obtain a State permit prior to engaging in recycling operations and such permits shall require, as a minimum, information identifying—

(A) the sources and quantities of used oil to be acquired for recycling;

(B) the recycling facility's plant size and operating capacity;

(C) the specific recycling technologies to be utilized;

(D) the quantities and grades of recycled oil to be produced; and

(E) the methods of disposing of the waste byproducts;

(3) when recycled oil is available at prices competitive with new oil produced for the same purpose, using recycled oil for all automotive and industrial uses of the State government, and requiring all parties contracting with the State to use recycled oil in the performance of such contracts;

(4) regulating the retail sales of automobile oil so as to encourage the recycling of used oil;

(5) prohibiting the use of used oil as fuel oil or for the oiling of State roads, unless such oil has been processed to meet the minimum standards for such uses established by Federal and State pollution control laws; and

(6) educating the public and private sectors of the State as to the merits of recycled oil, and the need for its use in order to reduce the drain on the Nation's oil reserves and minimize the disposal of used oil in ways harmful to the environment.

LABELING OF RECYCLED OIL

Sec. 6. (a) The Administrator of the Environmental Protection Agency shall promulgate regulations with respect to the labeling of recycled oil in order to carry out the purpose of this Act. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Administrator be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(b) The Administrator shall also promulgate regulations requiring all containers of automotive and industrial oil, both new and recycled, to bear labels relating to the proper disposal of such oils after use.

RESTRICTIVE CONTRACTS PROHIBITED

Sec. 7. (a) It shall be unlawful for any person to enter into any contract or agreement where the intent of such contract or agreement is to discourage the recycling of used oil.

(b) Violations of subsection (a) are subject to a fine of $50,000 for each violation thereof, or imprisonment for a term not to exceed one year, or both.

RECORDS

Sec. 8. (a) Users of more than 100 gallons of industrial oil per year shall maintain complete records of—

(1) the quantities and types of all oils purchased for industrial use;

(2) the quantities and types of all industrial oils consumed during use; and

(3) the quantities and types of all industrial oils disposed of after use—

(A) by in-house recycling;

(B) by delivery to or pickup by used oil collectors or used oil recyclers; or

(C) by any other method of disposal.

(b) Used oil recyclers shall maintain complete records of—

(1) the quantities and types of all used oil acquired;

(2) the quantities and types of all new oil acquired for use in blending recycled oil;

(3) the qualities, types, and sources of sale or other disposal of all recycled oil produced; and

(4) the quantities, types, and places of disposal of all waste byproduct generated in the recycling process.

(c) Used oil collectors shall maintain complete records of—

(1) the quantities and types of used oil collected; and

(2) the quantities and types of used oil—

(A) delivered to recyclers; and

(B) otherwise disposed (including the place of disposal).

(d) Records required to be kept by this section or any other provision of this Act shall be kept in accordance with regulations promulgated by the Secretary of the Treasury, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency acting jointly.

REPORTS

Sec. 8. The Administrator of the Environmental Protection Agency shall make reports to Congress not later than March 31 of each year, containing, but not limited to, the following information—

(1) the amount of automotive and industrial oil sold throughout the United States each year;

(2) the amount of used oil recycled each year;

(3) the significance of used oil as a contributor to water pollution and other environmental problems; and

(4) the problems of the oil recycling industry (including new technological requirements and necessity for tax incentives).

MANDATORY LICENSING

Sec. 9. Whenever the Administrator of the Environmental Protection Agency determines that—

(1) in implementing the provisions of this Act, a United States patent right not otherwise available is necessary to enable any person to comply with this Act;

(2) there are no reasonable alternative methods to accomplish this Act's purposes; and

(3) the unavailability of such patent right may result in a substantial lessening of competition or a tendency to create a monopoly in any line of the Nation's commerce;

the Administrator, through the Attorney General, may so certify to a district court of the United States, which may order the person owning the patent to license it on such reasonable terms as the court, after hearing, may determine.

PENALTIES AND ENFORCEMENT

Sec. 10. Any person violating any provision of this Act which does not provide for specific penalties or punishment thereunder shall upon conviction thereof be guilty of a misdemeanor which shall be punishable by a term of six months in prison for each violation, or a fine of not to exceed $25,000, or both.

(b) It shall be the duty of the Attorney General to prosecute violations of this Act.

GRANTS AND APPROPRIATIONS

Sec. 11. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1974, and for each succeeding fiscal year, $25,000,000 for grants to the States to assist them in fulfilling the purposes and provisions of this Act. The Administrator of the Environmental Protection Agency shall make allotments to the States, not to exceed 10 cents per capita for any State based on the latest national census, when he has determined that they are in compliance with this Act. The Administrator may prescribe regulations, pursuant to this Act, governing the expenditure of the allotments.

(b) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1974, and for each succeeding fiscal year through the fiscal year ending June 30, 1977, $10,000,000 for the development of new processes and technology to be used in the economical and ecological recycling of used oil. The Administrator of the Environmental Protection Agency may make grants of this money, pursuant to regulations and requirements he shall adopt, to private parties, or use this money within the Environmental Protection Agency for the above purposes.

(c) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1974, and for each succeeding fiscal year, through the fiscal year ending June 30, 1977, $5,000,000 for the development of standards and testing methods to facilitate the comparison of recycled oil with new oil. The Secretary of Commerce may make grants of this money, pursuant to regulations and requirements he shall adopt, to private parties, or use this money within the Department of Commerce for the above purposes.

AMENDMENTS TO INTERNAL REVENUE CODE

Sec. 12. (a) Subpart B of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to lubricating oil) is amended to read as follows:

"SUBPART B—LUBRICATING, HYDRAULIC, AND CUTTING OILS

"Sec. 4091. Imposition of tax.
"Sec. 4092. Definitions.
"Sec. 4093. Exemption of sales to producers.

"Sec. 4091. Imposition of Tax.

"There is imposed on lubricating, hydraulic, and cutting oils (other than recycled oils) which are sold in the United States by the manufacturer or producer a tax of 6 cents per gallon, to be paid by the manufacturer or producer.

"Sec. 4092. Definitions.

"(a) Certain Vendees Considered Manufacturers or Producers.—For the purposes of this subpart, a vendee who purchases lubricating, hydraulic, or cutting oils exempt from tax under section 4093 is considered to be the manufacturer or producer of such oils.

"(b) Lubricating Oil.—The term 'lubricating oil' means all oil regardless of origin, which—

"(1) is suitable for use as a lubricant, or

"(2) is sold for use as a lubricant.

"(c) Hydraulic Oil.—The term 'hydraulic oil' means all oil which is used primarily to transmit power or pressure, but which may also serve lubricating and other functions.

"(d) Cutting Oil.—The term 'cutting oil' means all oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also serve lubricating and other functions.

"(e) Recycled Oil.—The term 'recycled oil' means used oil which has been re-refined, or otherwise processed to remove the physical and chemical contaminants acquired through use, which by itself or when blended with new oil or additives is substantially identical or superior to new oil intended for the same purposes.

"Sec. 4093. Exemption of Sales to Producers.

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this subpart upon lubricating, hydraulic, or cutting oils sold to a manufacturer or producer of such oils for resale by him.".

(b)(1) Section 6424 of such Code (relating to lubricating oil not used in highway motor vehicles) is repealed.

(2) The item relating to section 6424 in the table of sections for subchapter B of chapter 65 of such Code is repealed.

(3)(A) Section 6675(a) is amended by striking out "6424 (relating to highway oil not used in highway motor vehicles),"; and

(B) Section 7603, 7604, and 7605 are amended by striking out "6424(d)(2)," each place it appears therein.

(c) Section 39 of such Code (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended—

(1) by inserting at the end of subsection (a)(2) the word "and";

(2) by striking out subsection (a)(3);

(3) by redesignating subsection (a)(4) as (a)(3): and

(4) by striking out "6424," and "6424(g)," in subsection (c).

(d) The amendments made by this section apply to lubricating, hydraulic, and cutting oils sold on and after the first day of the first calendar quarter beginning more than thirty days after the date of enactment of this Act.

EFFECTIVE DATE

SEC. 13. The provisions of this Act, except as otherwise provided, shall be effective after ninety days following the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS

S. 2848

At the request of Mr. HUGHES, the Senator from Missouri (Mr. EAGLETON), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. STAFFORD), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of S. 2848, to extend and improve the Drug Abuse Education Act of 1970.

S. 3480

At the request of Mr. TUNNEY, the Senator from West Virginia (Mr. RANDOLPH), the Senators from Iowa (Mr. HUGHES and Mr. CLARK), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Maryland (Mr. BEALL), the Senator from Michigan (Mr. HART), and the Senator from Kansas (Mr. PEARSON) were added as cosponsors of S. 3480, to authorize a national summer youth sports program.

S. 3492

At the request of Mr. BROCK, the Senator from Maryland (Mr. BEALL), the Senator from Nevada (Mr. CANNON), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Illinois (Mr. PERCY), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 3492, to prohibit discrimination on the basis of sex or marital status in the granting of credit.

S. 3582

At the request of Mr. RIBICOFF, the Senator from South Dakota (Mr. McGOVERN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 3582, to extend eligibility for food stamps for SSI recipients.

S. 3583

At the request of Mr. ABOUREZK, the Senator from Michigan (Mr. HART) was added as a cosponsor of S. 3583, the Petroleum Price Rollback and Control Act of 1974.

S. 3597

Mr. HRUSKA. Mr. President, recently in the Senate, a number of my fellow Senators have called attention to the increasingly desperate situation facing our domestic beef feeders and ranchers. Due to inventory dislocations generated by beef controls and general inflation, the industry is experiencing a "glut" of live beef that is currently entering the market via feeders or is in transit from ranchers.

Specifically, beef prices to feeders have fallen 25 percent since last September. Ranchers, however, have experienced a 33-percent decline since last August. When compared with an average rise in costs of fuel, feed and interest charges, the cost pinch has already driven some feeders to bankruptcy and threatens to drive many more out of business in the next 60 to 90 days. Ranchers face a similar catastrophe although they will not feel the most dramatic setbacks until late summer or early fall.

If cattle feeders and ranchers experience increased financial strain that either ruins them entirely or seriously erodes their remaining equity, they will be incapable of purchasing feed grains. This will further depress a late summer grain market that is already projected to be one of generally low prices due to record harvests.

This combination of a depressed cattle and feed grain markets will wreak economic havoc on such States as Nebraska, Kansas, Wyoming, Colorado, Montana, Oklahoma, Texas, and the Dakotas. Not only will there be widespread bankruptcy but also many small, regional banks may be forced to close.

Mr. President, the cattle industry has long been a champion of free enterprise and has historically disavowed direct subsidies and controls. These men are extremely industrious and courageous in continually expressing and demonstrating their enormous abilities to manage their own affairs. The problems that now confront them are not of their invention.

For example, the United States now remains the only major consuming nation or market in the free world which has not imposed explicit or implicit beef import embargoes as has Japan—February 1, 1974—and the EEC—April 1, 1974. Therefore, the United States will likely become a "dumping" ground for cheap foreign beef from Australia, New Zealand, and Argentina and veal from Ireland and the United Kingdom.

Beef imports are now projected to be, according to the Department of Agriculture's Foreign Agriculture Service, approximately 9½ percent of domestic production of beef. This amounts to a projected imported level of 1,575,000,000 pounds, which is 444,300,000 pounds above the import quota trigger of 1,130,700,000 pounds. In other words, we have projected an almost 40 percent increase over what was regarded as a critical level by the Congress in 1964.

It is simply not equitable to ask the livestock industry to bear the brunt of the costs for the oil crisis which has caused Japan and the EEC to close their borders to beef due to fears of excess currency losses due to high oil prices.

Unfortunately, however, even with the immediate introduction of beef import quotas, the major problem of excessive bankruptcies actual or imminent will not be completely solved. To help remedy this financial situation, Senator CURTIS has introduced a bill, S. 3597, to provide guaranteed loans to those legitimately and primarily engaged in farming, ranching and livestock breeding. The loans would be administered by the Farmers Home Administration which will underwrite 90 percent of the loan only when the farmer or rancher's usual source of credit has turned him down.

Certainly this is a reasonable and much needed step. This is not charity. It is not a handout. It is a sound financial solution to a catastrophic situation. If not enacted, this country will see massive bankruptcies on the part of ranchers and feeders. Many will be forced to leave the industry, probably forever. For those remaining, they will be very reluctant to ever expand their herds again.

The result of all this will be a significant decline in the size of the beef industry. This means less beef at higher prices for everyone.

We need Senator CURTIS' bill to restore the confidence of bankers who support the livestock industry.

Mr. President, I join my fellow Senator from Nebraska on the sponsorship of this bill and urge the Committee on Agriculture to give the measure its prompt attention. I ask unanimous consent that my name be added as a cosponsor to the bill, S. 3597.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT—AMENDMENT

AMENDMENT NO. 1437

(Ordered to be printed, and referred to the Committee on Finance.)

Mr. RIBICOFF (for himself, Mr. MAGNUSON, Mr. CRANSTON, Mr. JAVITS, Mr. PELL, Mr. MUSKIE, Mr. TUNNEY, Mr. KENNEDY, Mr. HUGH SCOTT, Mr. JACKSON, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. HART, Mr. CASE, Mr. PASTORE, Mr. STAFFORD, Mr. BROOKE, Mr. HUMPHREY, Mr. MONDALE, Mr. HATHAWAY, and Mr. HATFIELD) submitted an amendment intended to be proposed to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

EXTENDED UNEMPLOYMENT BENEFITS

Mr. RIBICOFF. Mr. President, today I am submitting an amendment to H.R. 14832 to extend the life of the extended benefits unemployment insurance program. This program provides an additional 13 weeks of unemployment benefits over and above the 26 weeks of benefits paid under the regular program.

When the extended benefits program was enacted into law back in 1970, there were two requirements for eligibility. First, the State's insured unemployment had to be at 4 percent. And, second, unemployment had to be rising at 20 percent over the previous 2 years. At a time of increasing unemployment, most States could participate because their unemployment was rising at the required 20 percent.

In the last year, however, unemployment has leveled off—often, as in the case of Connecticut, at a relatively high level.

In order to allow States to continue to participate in the extended benefits program, Congress has temporarily waived the 20-percent requirement, most recently in March of 1974 for a 3-month period. As of June 30, 1974, however, no State will be allowed to continue in the extended program unless it meets the 20-percent requirement. My proposal permanently waives the 20-percent requirement.

At the present time the States of California, Delaware, Maine, Massachusetts, Michigan, Minnesota, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington are paying benefits under the extended program. Connecticut has been eligible to pay extended benefits since late February, but the State legislature has failed to enact the enabling legislation necessary to permit an additional 13 weeks of benefits.

If my proposal is adopted, the following States will become eligible for an additional 13 weeks of benefits:

Alaska, California, Connecticut, Delaware, Hawaii, Idaho, Maine, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Vermont, Washington, and West Virginia.

It is time to eliminate—once and for all—the requirement that unemployment be rising at 20 percent. My bill allows States to change their laws so that unemployed workers can receive the additional 13 weeks of benefits without regard to any 20-percent provision.

In Connecticut it is imperative that additional assistance to unemployed workers be provided. In mid-April Connecticut unemployment was estimated at 82,000 or 5.8 percent as compared with 79,100 or 5.7 percent in March. While many of these unemployed workers are receiving unemployment benefits, over 10,000 of them exhausted their 26 weeks of benefits between November of 1973 and February of 1974.

Workers who exhaust their 26 weeks of benefits and still have no jobs will have no place to go except on welfare unless my legislation is enacted. We must provide help for workers and their families who are temporarily out of work. My bill provides that help.

A second provision in my amendment is designed to alleviate a problem unique to the States of Washington and Connecticut. Because of increasing Connecticut unemployment, the State's unemployment fund in the last 2 years has had to borrow $53.5 million from the Federal Government to pay benefits to unemployed Connecticut workers. Connecticut will be unable to make full payment of that loan when it falls due in November of 1974 because of increased demands on its unemployment fund. As a result the law requires the Federal Government to impose steadily increasing unemployment taxes on Connecticut businesses.

An increased tax burden on these firms at this time is unfair. Many marginal employers may be forced to close if the Federal Government increases its tax load.

The Ribicoff proposal provides a 1-year delay for Connecticut and Washington in its loan repayment schedule. This will give Connecticut and Washington an opportunity to strengthen their unemployment reserves without suffering Federal tax penalties.

Both of these measures have passed the Senate on previous occasions. The permanent waiver of the 20-percent provision was adopted as an amendment to H.R. 3153 which has been bogged down in conference since December. The 1-year delay in repayment of Connecticut and Washington unemployment obligations was adopted by the Senate this March but deleted by the House.

I ask unanimous consent that a table and letter be inserted at this point in the RECORD.

There being no objection, the table and letter were ordered to be printed in the RECORD, as follows:

ESTIMATED EXTENDED BENEFITS, FISCAL YEAR 1975

[Assumptions: (1) Drop 120 percent trigger requirement. (2) Insured unemployment rate 3.8 percent. (3) All States affected will adopt enabling legislation.]

State	Number of beneficiaries	Total cost (millions)
Alaska	2,000	$1.1
Arkansas	2,800	1.4
California [1]	244,100	136.2
Connecticut	75,000	52.4
Hawaii	3,000	2.1
Idaho	3,000	1.0
Maine [1]	19,200	7.0
Massachusetts [1]	122,500	79.6
Michigan [1]	143,200	85.9
Minnesota [1]	12,500	4.9
Missouri	15,000	5.7
Montana	2,500	.7
Nevada	7,800	4.5
New Jersey [1]	167,400	101.0
New Mexico	2,900	.9
New York [1]	270,000	164.7
North Dakota	1,600	.6
Oregon [1]	21,400	10.9
Pennsylvania [1]	55,600	35.0
Puerto Rico	106,400	26.8
Rhode Island [1]	21,200	12.0
Utah	1,500	.5
Vermont [1]	4,700	3.0
Washington [1]	108,800	60.7
West Virginia	3,700	1.4
Total	1,417,900	800.0

[1] States which have enacted necessary enabling legislation and are currently paying extended unemployment compensation benefits (Delaware is also currently paying benefits, but is expected to trigger out within the next few weeks).

U.S. SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
Washington, D.C., June 10, 1974.

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR CHAIRMAN LONG: As you will recall, last December the Senate adopted for the third time an amendment to the Federal-State Extended Unemployment Insurance Law that permitted the States to ignore the 120% trigger requirement in determining their eligibility under the extended benefits program. The amendment will expire on June 30, 1974. It is our understanding that Senator Ribicoff will be offering an amendment, which your Committee will be considering shortly, that would make the amendment eliminating the 120% trigger requirement of the extended benefits program permanent. We urge you and the other members of the Finance Committee to approve Senator Ribicoff's amendment. If the amendment is enacted, it would permit thirteen States to continue paying benefits under the extended benefits program. An additional eleven States would also be eligible to participate in the program if and when their State legislatures enact appropriate enabling legislation.

According to the most recent Department of Labor estimates furnished to us, if this amendment is enacted about 1,418,000 workers who would otherwise exhaust their benefits during fiscal year 1975 would potentially become eligible to receive thirteen additional weeks of compensation. The actual number of beneficiaries would, of course, depend on the number of States choosing to take advantage of this legislation and to participate in the extended benefits program.

If Senator Ribicoff's amendment is adopted, the following twenty-four States would be eligible to take advantage of the program:

Alaska, California, Connecticut, Delaware, Hawaii, Idaho, Maine, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Vermont, Washington, and West Virginia.

It is our belief that modification of the trigger requirements is essential in order to provide relief for unemployed workers in these States. Unless something is done now, all but two of these States will be barred from participating in this program and hundreds of workers who have exhausted their unemployment benefits will be forced to seek public welfare assistance or prematurely take jobs far beneath their earning potential and job capabilities.

The Committee has recognized the necessity of modifying the trigger requirements of the 1970 Extended Benefits Program on several previous occasions. We hope it will now take this opportunity to eliminate the 120% trigger requirement permanently.

With best wishes,

Sincerely,

Jacob K. Javits, John V. Tunney, Warren G. Magnuson, Edward S. Muskie, Harrison A. Williams, Alan Cranston, John O. Pastore, Henry M. Jackson, Walter F. Mondale, Edward W. Brooke, Edward M. Kennedy, Robert T. Stafford, Hubert H. Humphrey, William D. Hathaway, Philip A. Hart, Claiborne Pell, Hugh Scott, Clifford P. Case, Mark O. Hatfield, and Richard S. Schweiker.

Mr. JAVITS. Mr. President, I am pleased to join with my colleague, the senior Senator from Connecticut in cosponsoring this amendment which would permanently amend the 1970 Federal-State extended unemployment compensation benefits program by eliminating certain of the unrealistic trigger requirements which are now contained in the law. It is similar to amendments that the Senator from Connecticut and I have introduced several times before, and which have been enacted into law on a temporary basis four times in the past 2 years.

This matter first came before the Senate in the fall of 1972. At that time, the Senate passed an amendment similar to the provisions of the amendment we are introducing today. That provision was weakened and made temporary by the

House-Senate conference. When that conference report was brought to the floor of the Senate, the Senator from California (Mr. Tunney) and I expressed our concern about the need for enacting legislation to aid the States which had triggered out of the extended benefits program. At that time, the chairman of the House Ways and Means Committee, and the chairman of the Senate Finance Committee assured us on the floor of the House and Senate, respectively, that if, during the winter of 1972–73 the insured unemployment rate was over the 4-percent level in those States that would have benefited from the amendment we were then offering, but were not helped by the amendment adopted by the conferees, they would sympathetically consider legislation along the lines of our amendment.

Mr. President, I ask unanimous consent that excerpts from the Congressional Record of October 18, 1972 containing those statements which I have referred to by the chairman of the House Ways and Means Committee and the chairman of the Senate Finance Committee be printed in the Record at this point in my remarks: Congressional Record—House page 37098; Congressional Record—Senate page 37319.

There being no objection, the statements were ordered to be printed in the Record, as follows:

FUTURE REVIEW OF UNEMPLOYMENT SITUATION

Mr. Mills of Arkansas. Mr. Speaker, we are in the closing hours, we hope, of a sine die adjournment, but there is a problem existing in the other body, and I am in hopes that I can clarify the situation to the satisfaction of those who see a problem existing and want to do something about it at this time. I just discussed the matter with two of our very distinguished friends from the other body, Senator Javits from the State of New York and Senator Tunney from the State of California. They are very concerned that there will be a greater degree of unemployment within their States some time during the early part of next year, and that if the House had accepted the Senate amendment on unemployment compensation, their States would have been protected, should that situation develop.

Now they will not be protected, as they know, in the event that there is a rise in unemployment in their States under the language that the House has agreed to that is pending before the Senate.

Naturally, fulfilling their responsibilities as Senators to their constituents, they are most anxious that something be done about it. I want to say this about unemployment in New York State and California, or anywhere else.

If we do have a rise in the rate of unemployment within these States or any other States, I want them to know and I want the Speaker to know and I want the public to know that I would be as much interested in trying to do something for the benefit of those people who are unemployed as they or any other Senators would be interested.

If this situation comes about, I think the proper way to do it is to go back to the temporary unemployment compensation program, as my good friend, the gentleman from Wisconsin, earlier suggested, and determine some more satisfactory method of triggering this program into existence and triggering it off, so that we do not have the anomalous situation existing of high levels of unemployment within a State for 3 or 4 years, but because the unemployment rate is not 120 percent greater than it was in the 2 preceding years, even though it may be at an 8-percent rate, because it was at an 8-percent rate in those years, this program triggers off. To me that is not right.

I would want to assure them that if they have any fears about my own position, they need not have any fears about my desire to take care of the situation.

I wanted to say that while they were present here on the floor.

Mr. Pickle. Mr. Speaker, will the gentleman yield?

Mr. Mills of Arkansas. I yield to the gentleman from Texas.

Mr. Pickle. The gentleman is mindful of the colloquy we had earlier today. I was not here when the bill, H.R. 16810, was presented to the House. If I had been I would have objected to the manner in which it was presented.

I will say to the gentleman, since I see two of our distinguished colleagues from the other body here in the Chamber, I want the gentleman from Arkansas to know if the bill, H.R. 16810, comes back in a different form from what it was when it passed this House, I will make it quite plain I will object.

Mr. Mills of Arkansas. I understand the gentleman's position. He has made it clear before. I am not talking about that. I am talking about the situation next year. I know the gentleman from Texas would be as sympathetic in that case as I am.

Mr. Pickle. Yes. The present Magnuson bill for States with chronic unemployment will not expire until actually the end of the year, and with the benefits we have been able to give they will go to early spring. But unless we include some other States, some 15 more than we did this afternoon, I will object.

Mr. Mills of Arkansas. What we are talking about is the situation the Ways and Means Committee will look into and try to provide a remedy that will take care of that, and I am satisfied my friend, the gentleman from Texas, would want to do that next year if this develops.

I am sorry my friend, the gentleman from Wisconsin, will not be here with us, but what we are talking about is exactly in line with what he suggested earlier in the day: Let us go back and review the formula we have and make it work more satisfactorily than the present formula works.

REVIEW OF UEMPLOYMENT

Mr. Mills of Arkansas. Mr. Speaker, I ask unanimous consent for 1 additional minute.

The Speaker. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. Mills of Arkansas. One point which I overlooked in connection with my statement of a few moments ago: It is not 4 percent within the State that I am suggesting the change in, but 4 percent of covered employees made unemployed. If that figure is reached in a State or exceeded in a State, but I say at the same time it must be qualified by the 120-percent, then the program is not working properly.

Then the formula is not working.

Mr. Byrnes of Wisconsin. The insured unemployed?

Mr. Mills of Arkansas. That is correct, 4 percent of the insured who are unemployed is what I am talking about.

Whenever that figure happens to be reached by a State, I want that State to get the benefit of this rule.

PUBLIC DEBT LIMITATION—CONFERENCE REPORT

Mr. Long. Mr. President, I ask that the Chair lay before the Senate the conference report on H.R. 16810.

The Presiding Officer (Mr. Fannin) laid before the Senate and the Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16810) to provide for a temporary increase in the public debt limitation, and to place a limitation on expenditures and net lending for the fiscal year ending June 1973.

Mr. Long. Mr. President, during the period that has elapsed, while other matters were transpiring, conferences have been held and the situation has been discussed with regard to unemployment insurance. I am aware of the fact that the chairman of the House Ways and Means Committee has assured the Senators from New York and California that in the event the uninsured unemployment rate in January 1973 in those States should exceed 4 percent—and I would assume the same thing would be true of other urbanized States—and this becomes a problem, the chairman of that committee would propose to offer and support legislation to bring them under the Federal extended unemployment provisions contained on this debt ceiling conference report.

The Senate position, of course, would have brought them into it under the legislation that we sent them, and as far as the Senator from Louisiana is concerned, assuming that he is appointed chairman of the committee at that time, or even if he is not and is the ranking member, he would expect to use his best efforts to see to it that if that type of eventuality should develop, and some feel that it might, those States will receive prompt consideration.

Such a resolution must originate in the House of Representatives. They must send us a bill to afford us an opportunity to act. But I want to assure the Senators from those two States that if this situation should develop, and the House should send us legislation so that we would have the opportunity to act, they would have complete cooperation from the Senator from Louisiana in seeing that it was acted upon promptly.

Mr. Javits. Mr. President, will the Senator yield?

Mr. Long. I yield.

Mr. Javits. Mr. President, I greatly appreciate that. I have every feeling that if we are in that situation, relief will be available to us.

I would bear in mind the injunction of the chairman of the Finance Committee that if such a bill comes over here, I would hope a lot of nongermane amendments are not hung on it, and we would certainly expect to cooperate with him on that, as would, I know, the majority leader. The minority leader has given the same assurance, as has the distinguished chairman of the Committee on Commerce (Mr. Magnuson).

May I say, too, that in discussing the matter in the House of Representatives, which Representative Mills did publicly while the Senator from California and I were there, making, generally speaking, in his own words the same statement Representative Mills emphasized the fact that under these circumstances, with 4 percent uninsured unemployment, he would consider the so-called 120 percent figure unduly restrictive and would look with great sympathy upon such legislation.

May I have an expression of opinion from the Senator from Louisiana about these things?

Mr. Long. Mr. President, as far as the Senator from Louisiana is concerned, our bill so indicated. I supported our bill, and if I had the opportunity to bring in a conference report that included New York, I would certainly have asked that this 120-percent trigger should be deleted, or at least modified so that it would not prevent benefits in the fashion it does. If the House will help to solve that problem, the Senator can be sure that, so far as the Senator from Louisiana is concerned, I will help to work it out.

Mr. Bennett. Mr. President, will the Senator yield?

Mr. Long. I yield.

Mr. Bennett. The Senator from Utah just wants to make the record clear that while the chairman has referred to New York and California, this will apply to any State in the Union if the system adopted should trigger the benefits for that State, and it will not be legislation intended chiefly for the big States.

Mr. Long. Yes.

The reason why the record might appear to indicate that such a measure is intended for the good of two States is that New York and California would have the greatest number of people involved. But other States are also involved.

Mr. President, I ask unanimous consent to have printed in the Record a chart showing the numbers of people and the cost of the Senate bill. This is what we will look at again next year if the situation should require.

There being no objection, the chart was ordered to be printed in the Record, as follows:

TABLE 1.—STATES AFFECTED BY SENATE BILL

State	Number of beneficiaries	Costs (Federal and State share in thousands)
Alaska	1,100- 1,500	$600- $800
Arkansas	2,750	1,000
California	140,000-150,000	80,000- 90,000
Hawaii [1]	1,500- 2,500	1,000- 1,500
Idaho	1,500	350- 400
Kentucky	5,000	2,000
Louisiana	6,000- 6,500	2,400- 2,700
Maine	7,000- 8,000	3,000- 3,500
Massachusetts	49,000	30,000
Michigan	71,400- 97,300	40,700- 55,400
Minnesota	11,000- 13,000	4,900- 5,500
Montana	1,700	435
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000- 72,000
New Mexico	400- 600	200- 300
New York	170,000-200,000	80,000-120,000
North Dakota	1,200	860
Ohio	12,000- 20,000	3,000- 10,000
Oregon	11,000- 14,000	4,000- 5,000
Pennsylvania [1]	22,000- 37,600	11,000- 18,800
Rhode Island	8,000- 9,000	5,000
Utah	1,900	860
Vermont [1]	3,600	2,000- 3,000
Washington	42,000	17,000
West Virginia	1,500	460
Total (about)	650,000-800,000	350,000-450,000

[1] Currently paying (these are costs after State drops below 120 percent).

Note: Assumes some economic improvement between Oct. 1, 1972, and July 1, 1973, and does not take account of emergency benefits payable under Public Law 91-373. Estimates prepared in consultation with the States. Federal share of cost would be half of total shown.

Mr. Magnusion. Mr. President, will the Senator yield?

Mr. Long. I yield.

Mr. Magnuson. What the Senator from Utah has said is correct. This whole problem has to be a piece of permanent legislation. I think that is what we are shaping up to next year, so that it will apply to any State where there is serious unemployment; because it does not make any difference what State you are in—if you are out of work, you are out of work.

I appreciate the problem, and I want to reiterate that I appreciate the problem that the members of the committee had on this matter with the House. I must say to the Senator from New York and the Senator from California that no one will be stronger in cosponsoring some legislation of this type and helping out than will the Senator from Washington next year.

Mr. Javits. If the Senator will yield, I appreciate that. I want to say again that, notwithstanding that the Senator from Washington was included and we were excluded, he fought very hard for us, without any reservation whatever, and that the Senator from Louisiana was willing to exclude his own State, which is going pretty far. I certainly do not think that is necessary.

Mr. President, just to complete the record, I ask unanimous consent to have printed in the Record a list showing the States which are covered and those which are not covered.

There being no objection, the list was ordered to be printed in the Record, as follows:

STATES AFFECTED, OCT. 1, 1972-JUNE 30, 1973 (THESE COSTS ARE ONLY THE COSTS OF THIS AMENDMENT AND DO NOT INCLUDE THE COSTS OF THE EB PROGRAM UNDER PUBLIC LAW 91-373 AS CURRENTLY OPERATIVE.)

[States not included in the conference report are in parentheses]

State	Number of beneficiaries	Costs (Federal and State share in thousands)
Alaska	1,100-1,500	$600-$800
(Arkansas)	2,750	1,000
(California)	140,000-150,000	80,000-90,000
(Hawaii) [1]	1,500-2,500	1,000-1,500
(Idaho)	1,500	350-400
(Kentucky)	5,000	2,000
(Louisiana)	6,000-6,500	2,400-2,700
Maine	7,000-8,000	3,000-3,500
Massachusetts	49,300	30,000
Michigan	71,400-97,300	40,700-55,400
(Minnesota)	11,000-13,000	4,900-5,500
(Montana)	1,70	435
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000-72,000
(New Mexico)	400-600	200-300
(New York)	170,000-200,000	80,000-120,000
(Ohio)	12,000-20,000	8,000-10,000
(Oregon)	11,000-14,000	4,000-5,000
(Pennsylvania) [1]	22,000-37,600	11,000-18,800
Puerto Rico	[2]	[2]
Rhode Island	8,000-9,000	5,000
(Utah)	1,900	850
Vermont [1]	3,600	2,000-3,000
Washington	42,000	17,000
(West Virginia)	1,500	450
(North Dakota)	1,200	860
(Connecticut)	[2]	[2]
Total	658,550-797,150	347,345-450,095

[1] Currently paying (these are costs after State drops below 120 percent).

[2] Not available.

Note: Assumes some economic improvement between Oct. 1, 1972, and July 1, 1973. Estimates prepared in consultation with the States. Federal share of cost would be half of total shown.

Mr. Javits. I point out that the list of States not covered includes such sparsely populated States as Montana and Louisiana, which happen to be the States of the majority leader and the chairman, as well as Hawaii, Idaho, Arkansas, North Dakota, and so forth. I thank the Senator from Utah for making that clear. There is no exclusivity about this.

Mr. Long. Mr. President, I ask unanimous consent to have printed in the Record a list of the States that would benefit under what we were able to work out with the House.

There being no objection, the list was ordered to be printed in the Record, as follows:

States	Estimated maximum number of beneficiaries	Estimated maximum total additional costs (thousands)
Alaska	1,100-1,500	$600-$800
Maine	7,000-8,000	3,000-3,500
Massachusetts	49,300	30,000
Michigan	71,400-97,300	40,700-55,400
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000-72,000
Puerto Rico	33,000-42,000	9,000-11,000
Rhode Island	8,000-9,000	5,000
Vermont	3,600	2,000-3,000
Washington	42,000	17,000
Total	300,000-380,000	160,900-202,100
Federal share		80,000-101,000

The Presiding Officer. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. Long. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. Bennett. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, that commitment was given to myself and the Senator from California (Mr. Tunney) in October of 1972. Since that time, it has become clear that remedial action must be taken in order to permit the Federal-State extended unemployment compensation program to function as Congress intended. That need is highlighted by the string of temporary amendments to which Congress agreed in an attempt to remedy the defects in the trigger mechanism on a temporary basis in June 1973, December 1973, and March 1974.

These amendments will again lapse on July 1 of this year unless further action is taken. It is time that we sought a permanent solution to the inadequacy of those trigger requirements so that we can offer some measure of assurance to those workers who are unemployed that there will be an adequate program of benefits available to them.

The amendment that I am privileged to cosponsor would provide for the extended benefits program to trigger on in any State in which the insured unemployment rate equaled or exceeded 4 percent for any 13-week period. The off trigger would be activated when the insured unemployment rate in that State dropped below 4 percent for any 13-week period. The thrust of this amendment is to eliminate the requirement that the insured unemployment rate exceed the rate for the corresponding period of the previous 2 years by at least 20 percent. If any State is experiencing a severe unemployment problem, it is of little relevance, particularly to the individual unemployed worker seeking a job, whether that State has experienced such similar periods of high unemployment previously.

Under this amendment the following 24 States are currently eligible to pay extended unemployment benefits:

Alaska, California, Connecticut, Delaware, Hawaii, Idaho, Maine, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Vermont, Washington, and West Virginia.

Only two States, Michigan and Delaware, would be eligible to continue paying those benefits after July 1 if this amendment is not agreed to. The continuation of this amendment would provide for the payment of extended benefits for up to 1,400,000 workers either currently receiving, or potentially eligible to receive benefits during ficsal year 1975.

I hasten to point out to the Senators that this amendment simply permits the States to trigger into the extended benefits program. It is still left to the discretion of the various States as to whether or not they wish to participate in the program. In addition, this amendment involves no increased general fund expenditures on the part of the Federal Government since the extended benefits program is financed in equal part from the various State unemployment accounts, and from the Federal extended benefits account, both of which are financed by an employer payroll tax.

Mr. President, I ask unanimous consent that a table showing the number of potential beneficiaries of this amendment supplied by the Department of Labor be inserted into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTIMATED EXTENDED BENEFITS, FISCAL YEAR 1975

[Assumptions: (1) Drop 120 percent Trigger Criteria; (2) Insured unemployment rate—3.8 percent; (3) All States affected will pass conforming legislation]

	Number of beneficiaries	Total costs (millions)
Alabama		
Alaska	2,000	$1.1
Arizona		
Arkansas	2,800	1.4
California	244,100	136.2
Colorado		
Connecticut	75,000	52.4
Delaware		
District of Columbia		
Florida		
Georgia		
Guam		
Hawaii	3,000	2.1
Idaho	3,100	1.0
Illinois		
Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana		
Maine	19,200	7.0
Maryland		
Massachusetts	122,500	79.6
Michigan	143,200	85.9
Minnesota	12,500	4.9
Mississippi		
Missouri	15,000	$5.7
Montana	2,500	.7
Nebraska		
Nevada	7,800	4.5
New Hampshire		
New Jersey	167,400	101.0
New Mexico	2,900	.9
New York	270,000	164.7
North Carolina		
North Dakota	1,600	.6
Ohio		
Oklahoma		
Oregon	21,400	10.9
Pennsylvania	55,600	35.0
Puerto Rico	106,400	26.8
Rhode Island	21,200	12.0
South Carolina		
South Dakota		
Tennessee		
Texas		
Utah	1,500	.5
Vermont	4,700	3.0
Virginia		
Virgin Islands		
Washington	108,800	60.7
West Virginia	3,700	1.4
Wisconsin		
Wyoming		
United States total	1,417,900	800.0

Note: Costs would be shared 50-50 by States and Federal Government.

AMENDMENT NO. 1439

(Ordered to be printed, and referred to the Committee on Finance.)

TAX REFORM AMENDMENT TO THE DEBT CEILING ACT—SYNDICATED TAX SHELTERS

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 14832, the Debt Ceiling Act, and I ask that it may be printed.

The purpose of the amendment is to end the major tax loophole that now encourages the formation of tax shelter syndicates—the transactions by which various loopholes in the Internal Revenue Code are packaged on an assembly-line basis by investment advisers and then marketed around the country for the benefit of wealthy individuals bent on keeping their taxes low.

These tax shelters are America's newest breed of tax avoidance animal, spawned in recent years by the unremitting pressure of wealthy doctors, dentists, lawyers, and corporate executives for increasingly sophisticated means of tax avoidance.

Typically, such syndicates operate through the shell of a "limited" partnership, a device that allows a handful of partners to invest a relatively modest stake in an operation such as a suburban shopping center and then enjoy the immense tax deductions and other benefits that "flow through" from the partnership to the individual partners. Typically, the tax benefits are far in excess of the partner's own stake in the transaction.

In effect, the promoters of these tax shelter syndicates are selling tax loopholes to the wealthy. And the tax advantages are enormous. It is not uncommon, for example, for an investment of, say, $100,000 in a real estate syndicate to be rewarded with upwards of $200,000 in tax deductions a year—deductions used to offset the six-figure income from the investor's medical practice or his corporate salary.

The amendment I am proposing to the Debt Ceiling Act would prevent the worst abuses of these tax syndicates. It would eliminate the "flow-through" tax feature of limited partnerships, to the extent that tax benefits of the partnership exceed the actual investment of the partners.

These packaged tax shelters have now become one of the most notorious abuses in our tax history, a flagrant vehicle by which high bracket taxpayers eliminate their taxes altogether or reduce them to levels that are unacceptably low. At present, such transactions are costing the American taxpayer over $1 billion a year, and the revenue loss is obviously escalating as the techniques become more familiar and more widely used.

This $1 billion goes solely to the upper 1 percent of the people in the country in terms of incomes; indeed, the tax shelter promoters blatantly state that tax shelters are only for those who are in tax brackets of 50 percent or higher and who have a net worth in excess of $250,000. By definition, such tax shelter operations are closed to middle- and lower-income individuals. They are used only by the wealthy, to escape paying their fair share of the Federal income tax.

Tax shelter transactions now run through our entire economy. The ingenuity of wealthy tax avoiders and their advisers knows no bounds. The oldest generations of tax shelters are those widely used in real estate, and oil and gas—the two types of shelters still most widely used today.

More recently, newer generations of shelters have sprung up in areas like cattle farming, orange and apple orchards, movie production, and in jet airplanes and railroad cars and river barges and oiltankers—even including tankers that by virtue of their size cannot dock in U.S. ports.

There are also shelters in more exotic areas, such as rose and azalea bushes, almonds and pistachio nuts, thoroughbred racing stables, or masterpiece-in-the-home clubs for famous works of art, and even in chinchilla farms and cattle sperm banks and pornographic films.

In a particularly startling example presented by a Los Angeles tax attorney, the House Ways and Means Committee was told last year of one movie tax shelter operation in which an investor who put $32,000 into the transaction received $120,000 in tax benefits in the first year alone. That tax shelter was not for low-income housing or energy development, but for a pornographic movie.

Whatever the arguments for Federal tax subsidies for building homes or drilling for oil or raising cattle, it can hardly be contended that investments in pornography, chinchillas, azalea bushes, and exotic fruits and nuts constitute a national priority worthy of encouragement by our tax laws.

And even in those areas like real estate and oil exploration and cattle ranching, where some form of tax subsidy may be an appropriate national priority, I have grave doubts about the propriety of allowing the tax laws to be distorted in a way that serves a purely tax-avoidance purpose of a handful of wealthy citizens.

In real estate, for example, the focus of tax shelter syndicates is on luxury apartments for the rich, high rise office buildings, motels, and shopping centers, not into low- and middle-income housing, which are the Nation's real priority.

Vast amounts of funds are flowing into these activities today—not because the Nation wants them, not because Congress or State or local governments want them, but because the richest percentile of the Nation wants them for their tax avoidance value.

The sudden proliferation of these and other tax shelters in recent years is demonstrated by the figures of the National Association of Securities Dealers, covering tax shelters sold by members of the association, whether the shelters are interstate or intrastate transactions. The number of offerings of tax shelters nearly quadrupled between 1970 and 1972, and the dollar value of the offerings more than tripled, reaching the astonishing level of $3.2 billion in 1972:

[In millions]

	No.	*Amount*
Oil and gas	226	$1,028
Real estate	243	1,910
Vintage and farming	21	43
Cattle farming and breeding	30	192
Miscellaneous	19	55
	539	3,228

Even the NASD figures, however, fail to tell the whole story. The association estimates that its figures cover only about one-tenth of the dollar volume of all the tax shelters offered and an even smaller fraction of the number of shelters offered, since the vast majority are sold through private placement and not through securities dealers. The best estimate therefore, is that in 1972, upwards of $30 billion in tax shelters were packaged and sold around the country.

Enormous waste is involved in the nationwide syndication of these tax shelters that is taking place today. A significant portion of the benefits are siphoned off in fees for the promoters, underwriters, lawyers, salesmen and accountants in transactions whose only business purpose is the sale of these Federal tax advantages to high bracket investors.

These transactions also constitute artificial and unfair competition for legitimate business operations. They encourage high risk and extremely speculative adventures that will not stand up to serious economic analysis. They spawn bad business practices that plague the legitimate farmer, the professional oilman, and the ordinary real estate developer. Investors in tax shelters do not need to make an economic profit on their shelters. They do not have to meet a payroll or feed a child or clothe a family or make a monthly mortgage payment out of the income from their operations. The only thing these wealthy investors want is the large deductions and other tax advantages that the shelters can produce for high bracket lawyers, physicians, investment bankers, corporate executives, and the like.

As I have indicated, the legal mechanism by which the marketing of tax shelters is effective is the so-called limited partnership. The reason this vehicle is utilized is that under a longstanding but erroneous Treasury regulation, investors who are limited partners are able to obtain tax benefits far in excess of the actual amount that they have invested in the project.

Basic partnership tax rules provide that income and deductions of a partnership flow through to individual partners in proportion to their share of the partnership. Where a partnership has tax losses, individual partners are permitted to take these losses as deductions against other income. However, a partner is limited by the amount of deductions he can take through his "basis" in his partnership interest.

Ordinarily, a taxpayer's basis in an asset is the amount he actually paid for it. If he has borrowed funds to purchase the asset, then the borrowed funds constitute a part of his cost for tax purposes.

The difficulty in the limited partnership area is that the Treasury promulgated a regulation, section 1.752-1(e), which permits the basis of a limited partner to include borrowing by the partnership, even though the limited partner has no personal liability. This so-called nonrecourse financing by the partnership permits investors in limited partnerships to take deductions far in excess of the amount they have actually invested in the partnership, or that they will ever invest in the partnership.

For example, assume an investor in a tax shelter operation paid $50,000 for a one-tenth interest in a limited partnership. Under ordinary rules, he would only be permitted to take $50,000 of deductions that flow through from the partnership. However, if the partnership borrows a million dollars, as to which the limited partner will never have any personal liability, the Treasury regulations permit the limited partner to increase his $50,000 cost basis in the partnership by his share of the loan—for another $100,000 increase in his basis. In this way, the deductions which he can take to shelter other income are tripled—from $50,000 to $150,000, even though the most he will ever have at stake in the operation is $50,000.

This treatment of limited partners is totally unjustified. It is not permitted in the case of subchapter S corporations—typically, a small corporation in which the shareholders have elected to be taxed in a manner similar to a partnership. There, deductions flow through from the corporation to the stockholders only to the extent of each stockholder's own actual investment in his stock. His tax deductions are not increased by any nonrecourse borrowing done by the corporation.

The amendment I am introducing reverses the position taken in the Treasury regulations. It provides that in calculating the basis of his partnership interest, a limited partner may not include any borrowing by the partnership as to which he is not personally liable.

The amendment will not terminate all tax shelter transactions, but it will end their syndication, the most flagrant aspect of the tax shelter transactions. It is extremely unlikely that the busy doctors, lawyers, corporate presidents, and others who enjoy the benefits of such shelters will want to be involved in the active operations of the businesses in which they have invested, even to the extent of becoming personally liable for the transactions of the shelters. They only want their passive investments and handsome tax deductions, not the headaches and liabilities of the actual operations.

At the same time, the amendment will have no impact on individuals who are actually engaged in the businesses that have become the subject of tax shelter transactions. Thus, the developer who is actually in the real estate business, and who is therefore personally liable on any loans of the business, will not be affected by the amendment. The same is true of oil well drillers, farmers, movie producers, and the like. The only individuals affected by the amendment are those who seek to invest in these transactions solely for the purpose of obtaining tax benefits.

The more we learn about these syndicated tax shelter transactions, the more concerned we are. The practice is destroying the integrity of our tax laws. In no other area is the revenue code so dangerously eroded or the vitality of our self-assessment tax system so seriously threatened. Indeed, some tax experts have already predicted that such tax shelters will become the Achilles heel of the Federal income tax if Congress does not bring them under control.

So far, we have been too slow in awakening to the abuses that have sprung up in these dark but heavily sheltered recesses of the Revenue Code. Now is the time for Congress to tackle the issue, and end the unfair tactics being used to subvert the tax laws and distort the American economy.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1439

At the end of the bill insert the following:

SEC.—(a) Section 752 of the Internal Revenue Code 1954 (relating to treatment of certain liabilities) is amended by adding at the end thereof the following new subsection:

"(e) Certain Liabilities of Limited Partnerships.—For purposes of this section, a limited partner shall be treated as sharing a partnership liability only to the extent that he has individual liability with respect to such partnership liability."

(b) The amendment made by subsection (a) shall apply with respect to partnership liabilities incurred on or after June 10, 1974.

FAIR CREDIT BILLING ACT—AMENDMENT

AMENDMENT NO. 1438

(Ordered to be printed, and to lie on the table.)

Mr. PROXMIRE (for himself and Mr. BROCK) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

INCREASE OF ALLOWANCES TO VETERANS—AMENDMENT

AMENDMENT NO. 1440

(Ordered to be printed, and to lie on the table.)

Mr. BELLMON. Mr. President, S. 2784 has recently been reported out of the Senate Veterans' Affairs Committee and placed on the Senate calendar. During consideration of this most important measure it is my intent to offer an amendment calling for an escalator subsistence and educational allowances similar to present provisions of the social security programs.

Mr. President, I ask unanimous consent that the full text of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1440

On page 105, line —, insert the following new section:

Title VI. Sec. 601. Chapter 36 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1796. COST-OF-LIVING INCREASE IN EDUCATIONAL ASSISTANCE AND SUBSISTENCE ALLOWANCES.

"(a) As soon as possible after the beginning of each calendar quarter, the Administrator shall determine the extent by which the price index in the preceding calendar quarter was different than the price index the applicable base period (as those terms are defined in subsection (e)). If he determines that the price index had changed by a percentage (of its level in the base period) equal to 3 per centum or more, the amount of the educational assistance or subsistence allowance payable to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be changed by the same percentage (adjusted to the nearest one-tenth of 1 per centum), effective with respect to such allowances for months after the quarter in which the determination is made.

"(b) In the case of any individual who first becomes entitled to an educational assistance or subsistence allowance in or after the month in which a change becomes effective under subsection (a), the amount of such allowances payable to or with respect to him on the basis of such entitlement shall be determined by applying such change (or, if more than one change has become effective under subsection (a), by applying all such changes successively) to the amount of such allowances which would be payable under the provisions of chapter 31, 34, or 35, as the case may be, without regard to this section.

"(c) Any change under subsection (a) shall apply with respect to all educational assistance or subsistence allowances payable under chapters 31, 34, and 35 of this title during the period in which such change is effective regardless of the provisions under which such allowances are payable or the manner in which the amounts payable are determined, but shall be applied with respect to the allowances payable to or with respect to any particular individual only after all of the other applicable provisions of this title which relate to eligibility for and the amount of such allowances, and all prior changes made in such allowances under this section, have been applied.

"(d) If the amount of the change in any educational assistance or subsistence allowance under subsection (a) is not a multiple of $0.10 it shall be raised to the next higher multiple of $0.10 in the case of a multiple of $0.05 or adjusted to the nearest multiple of $0.10 in any other case.

"(e) For purposes of this section—

"(1) the term 'price index' means the Consumer Price Index (all items, United States city average) published monthly by the Bureau of Labor Statistics; and the average level of the price index for the three months in any calendar quarter shall be deemed to be the level of the price index in such quarter; and

"(2) the term 'base period' means—

"(A) the calendar quarter commencing July 1, 1974, with respect to the first change under subsection (a), and

"(B) the calendar quarter immediately preceding the quarter in which the determination constituting the basis of the most recent change under subsection (a) was made, with respect to any change under subsection (a) after the first such change."

(b) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following:

"1796. Cost-of-living changes in educational assistance and subsistence allowances."

(c) The amendment made by subsection (a) of this section shall apply only with respect to changes in educational assistance and subsistence allowances under chapters 31, 34, and 35 of title 38, United States Code, for months in and after the second calendar quarter beginning after the date of the enactment of this section on the basis of determinations made (under section 1796 of such title, as added by subsection (a) of this section) in and after the first calendar quarter beginning after the date of the enactment of this section.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974—AMENDMENTS

AMENDMENTS NOS. 1441 AND 1442

(Ordered to be printed, and to lie on the table.)

Mr. HUMPHREY submitted two amendments, intended to be proposed by him, to the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1348

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Iowa (Mr. HUGHES), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Amendment No. 1348 to the bill (S. 2005) to provide adequate reserves of certain agricultural commodities, and for other commodities.

AMENDMENT NO. 1426

At the request of Mr. PROXMIRE, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of Amendment No. 1426 to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

NOTICE OF JOINT LEGISLATIVE HEARINGS ON PRIVACY AND GOVERNMENT INFORMATION SYSTEMS

Mr. ERVIN. Mr. President, hearings on bills relating to privacy and Government information systems will be held before an ad hoc subcommittee of the Senate Government Operations Committee and the Judiciary Subcommittee on Constitutional Rights on June 18, 19, and 20. The joint hearings will be held in room 3302 of the Dirksen Senate Office Building at 10 a.m.

The legislation before the Government Operations Committee is S. 3418, which I have cosponsored with Senators PERCY and MUSKIE, to establish an administrative structure to oversee rules for the gathering and disclosure of information concerning individuals, and to provide management systems in Federal agencies, State and local governments and other organizations concerning such information, and for other purposes.

Bills pending before the Constitutional Rights Subcommittee of which I am also chairman, are: S. 2810, introduced by Senator GOLDWATER, to protect the constitutional right of privacy of individuals concerning whom identifying numbers or identifiable information is recorded by enacting principles of information practice in furtherance of amendments I, III, IV, V, IX, X, and XIV of the U.S. Constitution;

S. 2542, introduced by Senator BAYH to protect the constitutional right of privacy of those individuals concerning whom certain records are maintained; and

S. 3116, introduced by Senator HATFIELD, to protect the individual's right to privacy by prohibiting the sale or distribution of certain information.

With these legislative hearings, the Government Operations Committee will continue its oversight of the development and uses of automatic data processing in the Federal Government. The intergovernmental nature of nationwide systems involving electronic and manual transmission, sharing and distribution of data about citizens has significant implications for our federal system. In its attempt to respond to citizens' demands for quality and quantity in services, government and the private sector have turned to the large data banks, computerized information systems and management techniques which will help them get the job done. Where these practices and systems neglect the administrative and technical concern for privacy, due process, and surveillance over the individual, they are taking a toll, which is yet unmeasured, on constitutional principles of accountability, responsibility and limited government. The cost to the taxpayer in dollars and cents concerns avery American, for in the interest of promoting efficient government, the taxpayer may also be paying for loss of his privacy. That may be the price of insufficient monitoring by the public and Congress of the haphazard, ad hoc, ways modern government has found to meet its information needs, and which public officials use to meet their political needs.

Two Subcommittees of the Government Operations Committee are presently conducting oversight into major aspects of this problem. For instance, the Permanent Subcommittee on Investigations, chaired by Senator JACKSON, is presently conducting an inquiry into surveillance practices in and out of government, including government wiretapping, eavesdropping, recording, industrial espionage and bugging of labor negotiations, and other monitoring practices.

The Intergovernment Relations Subcommittee chaired by Senator MUSKIE, who is also a sponsor of the pending bill, is considering legislation concerning electronic surveillance and the need to reorganize departments and agencies engaging in such practices. That subcommittee is also studying a major aspect of Federal administration which affects individual privacy; this is the classification of Federal records and the laws and rules governing access, release and withholding of information which government collects about people.

The sponsors have introduced S. 3418 for purposes of discussion on the issues of what standards Congress should set for the protection of privacy in the development and management of Federal information systems, especially those which have been computerized with capacity for the sharing of records among departments and governments and across State boundaries. I expect hearings to produce expert advice not only on the standards to be set, but on the scope of the bill and how far the law should affect State, local, and private data banks. The hearings will also help us determine what kind of Federal structure should be established to enforce or advise on standards.

Congress is now considering a number of legislative proposals directed to specific problem areas of the law governing the privacy of the individual such as criminal justice data banks, military surveillance of civilian politics, wiretapping and eavesdropping, private credit data banks, employee privacy, behavior modification, lie detectors, and computer technology. These are some of the techniques and governmental programs which have concerned Congress and the public.

In contrast to such special legislation, the proposals considered in the June hearings represent general legislation to protect the privacy of all citizens and to build into the structure and practices of government a strengthened respect for the privacy and other freedoms guaranteed by the Bill of Rights.

S. 3418 is similar, but not identical, to omnibus legislation introduced by Representatives EDWARD KOCH and BARRY GOLDWATER, JR., which is being considered by the House Government Operations Subcommittee on Foreign Operations and Government Information chaired by Representative WILLIAM MOORHEAD. Their joint efforts are contributing greatly to the chances for enactment of major privacy protections this year. Individually, many Members of the House of Representatives have for a number of years sponsored bills reflecting sections of this proposal relating to mailing lists, a Federal privacy board, Federal questionnaires, and changes in the freedom of information law.

Portions of S. 3418 are similar to the measures pending before the Constitutional Rights Subcommittee. Another portion is comparable to my bill S. 1791 of the 91st Congress, which was to limit the threats to privacy from burdensome, overly personal questionnaires by which Government agencies sought statistical information through coercive collection techniques.

S. 3418 and the related bills deal with requirements to reveal one's social security number to government and private organizations, with personal statistical questionnaires, mailing lists, and remedies for official information programs which may pass constitutional boundaries.

In addition to the thousands of complaints which people have sent to Congress, we now have for guidance on this subject the investigative hearings, reports, and findings of a number of congressional committees, private organizations and Government departments. One of these studies, "Records, Computers and Rights of Citizens," was ordered by the former Secretary of Health, Education, and Welfare, Elliot Richardson, who will testify on June 18 on the findings of his study and the need for congressional and administrative action.

Another influential and comprehensive report entitled "Privacy and Freedom" by the Association of the Bar of the City of New York was directed by Prof. Alan F. Westin of Columbia University. Recently, Dr. Westin conducted another study with Michael F. Baker for the National Academy of Sciences entitled "Databanks in a Free Society." I am pleased to announce that in addition to presenting testimony on the pending legislation, Dr. Westin has agreed to serve as a consultant to our hearings and to give us the benefits of his considerable research and analysis in this area of the law.

With the establishment of the new Domestic Council Committee on Right to Privacy chaired by the Vice President, Congress now has additional resources and assistance in its efforts to protect privacy, and we look forward to their cooperation in our studies.

Vice President FORD has accepted an invitation to present a statement on June 19 which will be delivered by the committee's Executive Director, Mr. Philip Buchan.

Other witnesses with special knowledge in this area of the law and administration will include Members of Congress who have sponsored privacy legislation, representatives of the National Governors Conference, the National Legislative Conference, the National Association for State Information Systems, Government Management Information Sciences, the National League of Cities, the U.S. Conference of Mayors, the American Civil Liberties Union, Liberty Lobby, public administration specialists, and other interested organizations and individuals.

The Subcommittee on Constitutional Rights conducted excellent hearings in March of this year on criminal justice data bank legislation, in 1971 on "Federal Data Banks, Computers and the Bill of Rights," and in 1969 on "Privacy, the Census and Federal Questionnaires." These hearings elicited for Congress a wealth of information about public complaints and attitudes concerning the establishment and the management of Federal programs to investigate citizens in order to store, distribute, and exchange information about them. We found that some of these programs were none of the business of the Government and infringed totally or in part on constitutional freedoms. Other programs were meant to obtain the great amount of information which Congress must have to legislate wisely and which the executive branch must have in order to administer the laws properly. In some instances, however, it was charged that lawful programs went beyond their purpose in scope, and in some cases, that the lack of adequate control permitted unauthorized access to this Government information, or allowed its transfer and distribution to unauthorized persons and those who had no need for it in the performance of their duties.

It is a rare person who has escaped the quest of modern government for information. Complaints which have come to the Constitutional Rights Subcommittee and to Congress over the course of several administrations show that this is a bipartisan issue which effects people in all walks of life. The complaints have shown that despite our reverence for the constitutional principles of limited Government and freedom of the individual, Government is in danger of tilting the scales against those concepts by means of its information-gathering tactics and its technical capacity to store and distribute information. When this quite natural tendency of Government to acquire and keep and share information about citizens is enhanced by computer technology and when it is subjected to the unrestrained motives of countless political administrators, the resulting threat to individual privacy make it necessary for Congress to reaffirm the principle of limited Government on behalf of freedom.

The complaints show that many Americans are more concerned than ever before about what might be in their records because Government has abused, and may abuse, its power to investigate and store information.

They are concerned about the transfer of information from data bank to data bank and black list to black list because they have seen instances of it.

They are concerned about intrusive statistical questionnaires backed by the sanctions of criminal law or the threat of it because they have been subject to these practices over a number of years.

The pending legislation represents a partial solution to these concerns. There are alternatives to some of the provisions. For instance, enforcement of the act and the advisory functions which are located in an independent privacy board might be relocated or distributed to the General Accounting Office and the courts. Furthermore, after receiving testimony the committee may want to alter the scope of the legislation.

I want to commend Senator PERCY for his interest in this subject and his initiative in working with House sponsors to bring the legislation before the Government Operations Committee in connection with its oversight of the use of governmental data banks and computer technology, and its monitoring of surveillance practices throughout government which may threaten freedom.

I hope the joint efforts of the Senate Government Operations Committee and the Constitutional Rights Subcommittee, whose members and staff have great expertise in this area of the law, will result in enactment of the basic legislative guarantees which are needed if America is to face up to the computer age.

It should be noted that these pending bills follow patterns and raise issues similar to those in criminal justice legislation, S. 2963 and S. 2964, which I have cosponsored with the following Senators who include members of the Judiciary and Government Operations Committees: Senators HRUSKA, MATHIAS, KENNEDY, BAYH, TUNNEY, YOUNG, BROOKE, MANSFIELD, ROBERT BYRD, BURDICK, ROTH, HUGH SCOTT, THURMOND, FONG, and GURNEY.

We welcome suggestions and comments from Members of Congress and others with an interest in and knowledge about these matters. Those wishing to submit statements for the record should communicate with the Government Operations Committee, room 3306 of the Dirksen Office Building, Washington, D. C. 20510, telephone 225–7469.

In an article entitled "The First Amendment—A Living Thought in the Computer Age," from volume 4 of the Columbia Human Rights Review, 1972, I have described some of the many complaints which people have registered to the Constitutional Rights Subcommittee and to Members of Congress about attitudes and program of government which threaten the privacy guaranteed under the first amendment. At the conclusion of the article, there is suggested a seven-part legislative program to remedy these complaints, part of which is reflected in the pending legislation. Additional examples of questionable data banks have been revealed, many of them documented in the forthcoming report of the subcommittee's comprehensive survey of the laws and rules affecting individual privacy in Federal data banks and computerized information systems. These new revelations to Congress merely serve to reaffirm my conviction that early congressional action is needed to implement the Constitution.

I ask unanimous consent that the articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia Human Rights Review, Volume 4, No. 1 (1972)]

THE FIRST AMENDMENT: A LIVING THOUGHT IN THE COMPUTER AGE[1]

(By SAM J. ERVIN, Jr.[*])

Sherwood Anderson wrote words about America as true today as they were in the third decade of this century:

"America ain't cemented and plastered yet. They're still building it. . . . All America asks is to look at it and listen to it and understand it if you can. Only the understanding ain't important either; the important thing is to believe in it even if you don't understand it, and then try to tell it, put it down. Because tomorrow America is going to be something different, something more and new to watch and listen to and try to understand; and, even if you can't understand, believe."

Anyone seeking to understand contemporary America must deal with our national experience with computer technology. They must understand that it has become an essential tool in the "cementing and plastering" of our nation. They must understand that it has at once presented our country its greatest hope and its greatest challenge; keeping faith with our historical heritage and commitment to freedom, while enjoying the fruits of a rich industrialized society under a democratic constitution.

Throughout our nation the people involved with computer technology have charge of a great national resource which will affect the course of our economic and social progress. More important, insofar as it affects the exercise of governmental power and the power of large special interest groups, the new technology may help determine the course of freedom and human rights in our land.

In the process, I believe Americans could find wisdom in Sherwood Anderson's advice "to believe" in America. I say this because, as we grasp for the new computer technology and seek theories of systems analysis for our social problems, Americans may tend to forget to look to their own history. Some, in their haste to solve today's problems, may fear to translate America's promise of freedom into the program language of the computer age.

Those whose are initiated into the technological mysteries of computer hardware and software may take great pride. Through their deeds and genius they have helped people go to the moon, produce music, create art, conduct off-track betting, run railroads, and administer welfare systems. They help maintain our national defense and they keep our economy running. They aid in catching criminals and they establish instant credit. They locate marriage-mates for people and they prejudge elections almost before the votes are cast.

A tape storage system has been described which will make it possible to store a dossier on every living person in the United States and to retrieve any one of them in a maximum of 28 seconds. With such feats to their credit, these people know better than anybody that in the application of their knowledge, they plan a major role in the economic and social well-being of our society. They are responsible for bringing to our nation all the wondrous blessing of computer technology, especially scientific methods of processing information.

They can bend these machines to their will and make them perform feats undreamed of ten or even five years ago.

They have a special understanding of the new information flow charts for the vast data systems in our government.

They hold the access code to control over the technology as it affects the individual in our society.

They may hold the key to the final achievement of the rule of law which is the promise of our constitution.

With this body of knowledge, therefore, they bear special responsibility for the preservation of liberty in our country. That they have accepted this responsibility is clear from the *Privacy* themes of many recent conferences of computer professionals, equipment manufacturers, and computer users in the governmental and private sectors.

Their power is not limited to their technical expertise, but is augmented by the sheer numbers in the computer-related professions.

Advertisements on TV, radio, in newspapers, and even on buses daily remind the public of the inducements and rewards of a career in computer and data processing fields.

In the Federal Government, their numbers are growing. An inventory of automatic data processing equipment shows that in 1952 there were probably two computers in government. In 1971, there were 5,961.[2]

In 1960, there were 48,700 man-years used in federal automated data processing functions. This includes systems analysis and design, programming, equipment selection and operation, key punching, equipment maintenance and administrative support. In 1970, there were about 136,504 man-years used in direct ADP work.

A recent illuminating report by the National Association for State Information Systems shows that in 35 states in 1971, over twenty-four and a half thousand people were engaged in ADP. Twenty-eight states together spent 181 million dollars of their budgets on such personnel.[3]

To glance through their professional journals, newspapers and bulletins each month is to be constantly amazed at the breadth and reach of the theories and accomplishments.[4] It also deepens a layman's wonder at the complex language which sometimes defies translation into ordinary English.

For all of these reasons, the general public stands in superstitious awe of the skills and knowledge, the machines and instruments, and the products derived and transmitted by them. For the uninitiated, the computer print-out bears a mystique and an aura of scientific rationality which makes it appear infallible. This is true for most lawyers and probably for most people in political life.

There is a theory abroad today in academic circles that America is divided into two worlds. One of them is the world of science and technology,[5] inhabited by people who are part of a technological and electronic revolution. In the other world are said to live all the rest of the people whose ideas and values are based on an earlier age.

In accordance with their theory, some have tried to stamp the scientist with motives and values different from those of other Americans; with goals oriented only toward efficiency or shorn of compassion, or, alternatively, with exclusive ability to determine social priorities. I cannot agree with this analysis, for I believe there is a yearning in every human heart for liberty, and for the freedom to express oneself according to the dictates of conscience. Despite a man's commitment to a chosen profession, he wants the freedom to fulfill himself as an individual and to use his God-given faculties free from the coercion of government.

So I do not believe Americans dwell in two worlds. Regardless of our origins, I believe we share a common heritage and a common destiny in that we are all engaged in searching for freedom. We share, according to the mandates of the Constitution, a common understanding that the best protection for that freedom rests on the limitations on the power of government and on the division of that power.

I cannot agree with such an analysis for another reason. Since the Senate Constitutional Rights Subcommittee began its study of computers, data banks and the Bill of Rights, I have received many letters from computer specialists, systems designers, engineers, programmers, professors and others in the scientific community which prove that despite, and perhaps because of their professions, they share the same concern about invasion of privacy as all other Americans, the same apprehensions about excesses of governmental surveillance and inquiries. Above all, they realize, perhaps better than others, that while the information technology they deal with can extend the intellect of man for the betterment of society, it also extends the power of government a millionfold.[6]

It makes it possible for government to administer more efficiently and to offer vastly better services to the taxpayers.

At the same time, it extends and unifies official power to make inquiries, conduct investigations, and to take note of the thoughts, habits and behavior of individuals. Of course, government has always had such power, but on a much smaller scale than today. Similarly, men possessing the power of government have always had the capacity for bad motives, simple errors or misguided purpose. There have always been problems with errors in the manual files. Now, computers may broadcast the image of these errors throughtout a national information system.

What the electronic revolution has done is to magnify any adverse affects flowing from these influences on the life of the individual and on his proper enjoyment of the rights, benefits and privileges due a free man in a free society.

I reject the notion of division of Americans on the basis of scientific and technological values. If I had the unhappy and well-nigh impossible task of distinguishing

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Footnotes at end of article.

two types of Americans, I believe I would distinguish between those who understand the proper limits and uses of governmental power and those who do not.

However much we try to rationalize decisions through the use of machines, there is one factor for which the machine can never allow. That is the insatiable curiosity of government to know everything about those it governs. Nor can it predict the ingenuity applied by government officials to find out what they think they must know to achieve their ends.

It is this curiosity, combined with the technological and electronic means of satisfying it, which has recently intensified governmental surveillance and official inquiries that I believe infringe on the constitutional rights of individuals.

Congress received so many complaints about unauthorized government data banks and information programs that the Subcommittee undertook a survey to discover what computerized and mechanized data banks government agencies maintain on people, especially about their personal habits, attitudes, and political behavior. We have also sought to learn what government-wide or nation-wide information systems have been created by integrating or sharing the separate data bases. Through our questionnaire, we have sought to learn what laws and regulations govern the creation, access and use of the major data banks in government.[7]

The replies we are receiving are astounding, not only for the information they are disclosing, but for the attitudes displayed toward the right of Congress and the American people to know what Government is doing.

In some cases, the departments were willing to tell the Subcommittee what they were doing, but classified it so no one else could know.[8] In one case, they were willing to tell all, but classified the legal authority on which they relied for their information power.[9]

Some reports are evasive and misleading. Some agencies take the attitude that the information belongs to them and that the last person who should see it is the individual whom it is about.[10] A few departments and agencies effectively deny the information by not responding until urged to do so.[11]

They reflect the attitude of the Army captain who knew Congress was investigating the Army data banks and issued a directive stating:

"The Army General Counsel has re-emphasized the long-standing policy of the Executive Branch of the Government . . . that all files, records and information in the possession of the Executive Branch is privileged and is not releasable to any part of the Legislative Branch of the Government without specific direction of the President."[12]

So, on the basis of this study, and on the withholdings of information from the American people which the Subcommittee has experienced, [13] I have concluded that the claim of the Government departments to their own privacy is greatly overstated. The truth is that they have too much privacy in some of their information activities. They may cite the Freedom of Information Act [14] as authority for keeping files secret from the individual as well as from the Congress. They then turn around and cite "inherent power"[15] or "housekeeping authority"[16] as a reason for maintaining data banks and computerized files on certain individuals; or they may cite the conclusions of independent Presidential factfinding commissions.[17]

So far the survey results show a very wide-ranging use of such technology to process and store the information and to exchange it with other federal agencies, with state and local governments and, sometimes, with private agencies.

Most of this is done in connection with administration of Government's service programs. However, a number of these data banks and information programs may partake of the nature of largescale blacklists. This is so because they may encompass masses of irrelevant, outdated or even incorrect investigative information based on personalities, behavior and beliefs. Unwisely applied or loosely supervised, they can operate to deprive a person of some basic right.

For instance, a Federal Communications Commission response [18] shows that the FCC uses computers to aid it in keeping track of political broadcast time, in monitoring and assigning spectrums, and in helping it make prompt checks on people who apply for licenses. The Commission reported that it also maintains a Check List, which now has about 10,900 names. This Check List, in the form of a computer print-out, is circulated to the various Bureaus within the Commission. It contains the names and addresses of organizations and individuals whose qualifications are believed to require close examination in the event they apply for a license. A name may be put on the list by Commission personnel for a variety of reasons, such as a refusal to pay an outstanding forfeiture, unlicensed operation, license suspension, the issuance of a bad check to the Commission or stopping payment on a fee check after failing a Commission examination.

In addition, this list incorporates the names and addresses of individuals and organizations appearing in several lists prepared by the Department of Justice, other Government agencies, and Congressional committees. For example, the list contains information from the "FBI Withhold List," which contains the names of individuals or organizations which are allegedly subversive, and from the Department of Justice's "Organized Crime and Racketeering List," which contains the names of individuals who are or have been subjects of investigation in connection with activities identified with organized crime. Also included in the list are names obtained from other Government sources, such as the Internal Revenue Service, the Central Intelligence Agency, and the House Committee on Internal Security. According to the Commission, the use of the data arose in 1964 because during the course of Senate Hearings chaired by Senator McClellan, it was discovered that a reputed racketeering boss in New Orleans, Louisiana, held a Commission license. In order that such licensing not take place in the future, the Commission established liaison with the responsible divisions within the Department of Justice to be kept current on persons who might have such affiliations.

The Civil Service Commission maintains a "security file" in electrically powered rotary cabinets containing 2,120,000 index cards.[19] According to the Commission, these bear lead information relating to possible questions of suitability involving loyalty and subversive activity. The lead information contained in these files has been developed from published hearings of Congressional committees, State legislative committees, public investigative bodies, reports of investigation, publications of subversive organizations, and various other newspapers and periodicals. This file is not new, but has been growing since World War II.

The Commission chairman reported:

"Investigative and intelligence officials of the various departments and agencies of the Federal Government make extensive official use of the file through their requests for searches relating to investigations they are conducting."

In another "security investigations index" the Commission maintains 10,250,000 index cards filed alphabetically covering personnel investigations made by the Civil Service Commission and other agencies since 1939. Records in this index relate to incumbents of Federal positions, former employees, and applicants on whom investigations were made or are in process of being made.

Then, the Commission keeps an "investigative file" of approximately 625,000 file folders containing reports of investigation on cases investigated by the Commission. In addition, about 2,100,000 earlier investigative files are maintained at the Washington National Records Center in security storage. These are kept to avoid duplication of investigations or for updating previous investigations.

The Housing and Urban Development Department in considering automation of a departmental system which would integrate records now included in FHA's Sponsor Identification File, Department of Justice's Organized Crime and Rackets File, and HUD's Adverse Information File[20] A data bank consisting of approximately 325,000 3 x 5 index cards has been prepared covering any individual or firm which was subject of or mentioned prominently in, any investigations dating from 1954 to the present. This includes all FBI investigations of housing matters as well.

In the area of law enforcement, the Bureau of Customs has installed a central automated data processing intelligence network which is a comprehensive data bank of suspect information available on a 24-hour-a-day basis to Customs terminals throughout the country.[21]

According to the Secretary of the Treasury:

"These records include current information from our informer, fugitive and suspect lists that have been maintained throughout the Bureau's history as an enforcement tool and which have been available at all major ports of entry, though in much less accessible and unable form. With the coordinated efforts of the Agency Service's intelligence activities, steady growth of the suspect files is expected."

There is the "Lookout File" of the Passport Office and the Bureau of Security and Consular Affairs.[22] This computerized file illustrates the "good neighbor" policy agencies observe by exchanging information in order to keep individuals under surveillance for intelligence and law enforcement purposes. Maintained apart from the twenty million other passport files, its basic purpose is to assist in screening passport applicants to make certain they are citizens of the United States and that they are eligible to receive passports. Requests for entry into this system are received from component agencies of the Department, from other government agencies, or in the limited category of child custory, from an interested parent or guardian.

The Department assured the Subcommittee that data recorded in this "Lookout File" is not disseminated. Rather, it serves as a "flag" which, if a "hit" or suspect is recorded, is furnished to the original source of the lookout and consists of the name of the individual and the fact that he has applied for a passport. The individual is not told that he is in the file until the information is used adversely against him. Then, according to the report, "he is fully informed and given an opportunity to explain or rebut the information on which the adverse action is based."

Among some of the reasons listed for people being in the Lookout File are the following:

If the individual's actions do not reflect to the credit of U.S. abroad;

If he is wanted by a law enforcement agency in connection with criminal activity;

If a court order restricting travel is outstanding or the individual is involved in a custody or desertion case;

"If he is a known or suspected Communist or subversive;

"If he is on the Organized Crime and Rackets List or is a suspected delinquent in military obligations."

Footnotes at end of article.

The Defense Industrial Security Clearance Office is preparing to computerize its card files on over one and a half million private citizens who are employees of businesses doing classified contract work for the Federal Government.[23]

The Federal Deposit Insurance Corporation maintains information on people now associated with banks insured by the FDIC or who have been associated with such banks in the past.[24] It keeps a file on the names of individuals gained from newspapers and other public sources if they are characterized as having an unsatisfactory relationship with any insured bank or any closed insured bank. This also includes information supplied to the Corporation by other investigative or regulatory agencies on persons connected with an insured bank.

The Army maintains the U.S. Army Investigative Records Repository (USAIRR) which contains about 7,000,000 files relating principally to security and criminal investigations of former and present members of the Army, civilian employees and employees of private contractors doing business with the Army. The other services maintain similar investigative files.[25]

There is a Defense Central Index of Investigation operated by the Army for the entire Defense Department. The Index is designed to locate any security or criminal investigative file for any Defense agency and will be computerized shortly. It contains identifying data such as name, date of birth and social security number on people who have ever been the subject of investigations.[26]

There are all the data banks and computers in the Department of Justice [27] for intelligence, for civil disturbance prevention; for "bad checks passers;" for organized crime surveillance; and for federal-state law enforcement cooperation through the computerized National Crime Information Center.

On the basis of our investigation of complaints reviewed by Congress,[28] I am convinced that people throughout the country are more fearful than ever before about those applications of computer technology and scientific information processing which may adversely affect their constitutional rights. Furthermore, my study of the Constitution convinces me that their fears are well founded.

First, they are concerned that through a computer error they may be denied basic fairness and due process of law with respect to benefits and privileges for which they have applied.

Secondly, they are concerned about illegal access and violation of confidentiality of personal information which is obtained about them by government or industry.

These are actions which for any one individual or for entire groups may lead to a loss of the ability to exercise that "pursuit of happiness" which the Declaration of Independence declares is one of the unalienable rights of man.

These are actions which, by producing erroneous reports, may limit or deny a person's economic prospects and thereby impair that liberty which under the 5th and 14th amendments government may not impair without due process of law.

ARREST RECORDS

This possibility is illustrated by a letter [29] I received from a man who describes the effect on his life of an incident which occurred when he was fifteen years of age. In connection with a locker theft, he was taken to the police station, finger-printed, questioned and then he left, cleared of charges. He was not involved in any incident subsequently except a few minor traffic violations. He served 11 years in the armed services and held the highest security clearances. After gaining employment with a city government, he discovered that the youthful incident was, 15 years later, part of an FBI file and distributed to employers on request. He was asked to explain the incident for personnel records and to state why he withheld the information. Although he was unaware of the record, he believes the failure to list the incident was a factor in not gaining employment in several instances, and he was told he would have to institute court action to have the record expunged.

The problem he and millions of others face with respect to their records is illustrated by a regulation issued by the Attorney General last year restating the goal of the Federal Bureau of Investigation "to conduct the acquisition, collection, exchange, classification, and preservation of identification records . . . on a mutually beneficial basis." [30] Among the agencies listed as eligible to receive and supply information were railroad police, banking institutions and insurance companies.

In Washington, D.C., a young man who was an innocent bystander during a campus demonstration was arrested by police and then released. Knowing that the FBI could distribute such records to employers, he hired a lawyer and spent large sums of money in a suit to have his arrest record expunged. The lawer court denied his request, but the Court of Appeals ruled that, in the District of Columbia at least, arrest records should be expunged for innocent bystanders caught up in mass police arrests.[31]

In another case, a young man was arrested on probable cause and fingerprinted in California. When the police could not connect him with the case, he was released. He sought to have his arrest record expunged, or alternatively, to have strict limitations placed on its dissemination to prospective employers and others by the Federal Bureau of Investigation. While the U.S. District Court denied his request for expungement, it did say that his arrest record may not be revealed to prospective employers except in the case of any Federal agency when he seeks employment with that agency. However, it could be distributed for law enforcement purposes. Congress later restored this power to the FBI temporarily in an annual appropriation bill.

Judge Gesell's comments in this case of *Menard* v. *Mitchell* [32] are significant for the issue of arrest records, but also for the Army's computer surveillance program and for many other government intelligence systems now being designed. He stated that while "conduct against the state may properly subject an individual to limitations upon his future freedom within tolerant limits, accusations not proven, charges made without supporting evidence when tested by the judicial process, ancient or juvenile transgressions long since expiated by responsible conduct, should not be indiscriminately broadcast under governmental auspices." He also said:

"The increasing complexity of our society and technological advances which facilitate massive accumulation and ready regurgitation of farflung data have presented more problems in this area, certainly problems not contemplated by the framers of the Constitution. These developments emphasize a pressing need to preserve and to redefine aspects of the right of privacy to insure the basic freedoms guaranteed by this democracy.

"A heavy burden is placed on all branches of Government to maintain a proper equilibrium between the acquisition of information and the necessity to safeguard privacy. Systematic recordation and dissemination of information about individual citizens in a form of surveillance and control which may easily inhibit freedom to speak, to work, and to move about in this land. If information available to Government is misused to publicize past incidents in the lives of its citizens the pressures for conformity will be irresistible. Initiative and individuality can be suffocated and a resulting dullness of mind and conduct will become the norm. We are far from having reached this condition today, but surely history teaches that inroads are most likely to occur during unsettled times like these where fear or the passions of the moment can lead to excesses."

There are many similar cases pending throughout the states. Present laws are not sufficient to assure that an individual will be judged on his merit and not by inacurrate arrests records distributed by a national law enforcement computer.[33]

LAW ENFORCEMENT INTELLIGENCE RECORDS

Such threats to privacy and liberty arise with special force in the area of intelligence records. The Subcommittee study reveals two serious problems which have acquired national urgency through the introduction of computer technology. First, the problem of safeguarding intelligence information from improper release by government itself, and secondly, the problem of confining its collection to appropriate areas and subjects.

Government has, and should have, power to collect information, even raw, univerified intelligence information, in fields in which government has a lawful, legitimate interest. But this great power imposes a solemn responsibility to see that no one is given access to that information, except the Government itself for some legitimate purpose. There could never, for instance, be justification for Government to disclose intelligence gathered about citizens pursuant to its powers, to other citizens for their own personal or financial aggrandizement. Nor should Government through disclosure of confidential documents aid and abet the writing of sensational articles in private journals operated for commercial profit.

Nevertheless, the Subcommittee received testimony and evidence about two cases, which illustrate the misuse of confidential intelligence information for such purposes.

One involved a man in political life, the mayor of San Francisco, who was the subject of an article in Look Magazine purporting to establish that he associated with persons involved in organized crime. When the Mayor sued the magazine for libel, he undertook through subpoena power to learn the basis for such charges and where and how the authors obtained their information. He learned that they had received confidential information and documents from intelligence data banks. The information came from files and computer printouts of a number of major Federal, state and local government law enforcement agencies. They involved the U.S. Attorney General's Office, the Federal Bureau of Investigation, Internal Revenue Service, Federal Bureau of Narcotics, the Customs Bureau, the Immigration and Naturalization Service, the California Criminal Identification and Investigation Bureau, the California State Department of Justice, and the Intelligence Unit of the Los Angeles Police Department. By their own testimony for the case, the authors of the article admitted that they examined, obtained or borrowed originals or copies of such law enforcement records containing much raw unevaluated intelligence information on numerous people including the names of three U.S. Presidents, the state Governor, a number of Senators, and many private law-abiding citizens, not accused of any crime. These documents were obtainable despite the fact that many of them were stamped "Confidential" or—

Property of U.S. Government For official use only. May not be disseminated or contents disclosed without permission. . . ."

There is more about these and other disclosures in the hearing record, but I believe the Mayor's testimony [34] illustrates many of of the dangers to privacy in this age of large investigative networks and instant compu-

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terized dossiers. It also illustrates the lack of sufficient criminal, civil, or administrative sanctions against unwarranted sharing and disclosure of such confidential information. To my knowledge, no punitive action was taken except for a disciplinary personnel action filed against an agent of the Federal Bureau of Investigation, who was then allowed to retire.

The weakness of any applicable regulations is demonstrated by the report of the Bureau of Narcotics and Dangerous Drugs that its current disclosure order "would not cover the release of collateral intelligence information, information contained in dead files, or information on nondefendants, such as that disclosed in the Alioto testimony." The Bureau further stated that under the provisions of its new Agents Manual it is only a "breach of integrity" to make unauthorized disclosure of files which are restricted to official use.[35]

MISUSE OF MILITARY INTELLIGENCE RECORDS

Another case[36] illustrates how the Army's investigative intelligence services and files were put to private use to obtain the dismissal of an employee of a private business. In this instance an Army intelligence agent whose routine duties involved security investigations and surveillance for the Army's civil disturbance prevention program described to the Subcommittee how he was ordered by his superiors to conduct an investigation of the bank loan records, police and court records of the private citizen and was told to give the resulting information to the employee's supervisor. He later learned that the investigation had been ordered by an intelligence officer as a personal favor for an official of the company. When the agent reported this to his superiors, he was told in a classified letter that the matter involved "national security." A year later, following his separation from the service, the agent reported the incident to the Inspector General of the Assistant Chief of Staff for the Pentagon, who began an investigation. All of his allegations were confirmed and firm disciplinary actions were taken against the guilty officers. It was too late, however, for the subject of the Army investigative report, who had already been dismissed.

These cases illustrate the concerns over political administrative and technical problems of access, confidentiality and purging of erroneous or outdated records in computer systems. But these are issues which have long concerned legislatures, bar associations and others.

The major reason for public apprehension about computer technology and information sciences is the use of them to acquire, process, analyze and store information about activities and matters which are protected by the First Amendment.

What people writing to Congress fear most is the uses to which this technology may be put by men of little understanding but great zeal. They know that, applied to unlawful or unwise programs, computers merely absorb the follies and foibles of misguided politically-minded administrators.

In Federal Government, the new technology, combined with extended Federal-state services and their spin-off information systems, have produced vast numbers of investigators, analysts, and programmers devoted to the study of people and society. With the zeal of dedicated civil servants, they are devoted to the building of data bases on the habits, attitudes and beliefs of law-abiding citizens. Much of what they gather is trivial; much of it goes far beyond the needs of government. Some of it is shared extensively and often unnecessarily by agencies who are components of these large information systems.

People seeking government jobs in some agencies are told to reply to personality tests asking:

I believe there is a God.

I believe in the second coming of Christ.

I believe in a life hereafter.

I am very religious (more than most people).

I go to church almost every week.

I am very strongly attracted by members of my own sex.

I love my father.

My sex life is satisfactory.

Once in a while I feel hate toward members of my family whom I usually love.

I wish I were not bothered by thoughts about sex.

When the Subcommittee held hearings on these practices, government officials explained that there was no right or wrong answer to the questions, that the responses were coded and analyzed by the computer.[37]

I asked whether they did not think such inquiries violated the privacy of the individual's thought about matters that were none of the business of government. The reply was that there was no Supreme Court decision holding that people who apply for federal employment have a constitutional right to privacy.

There was a Civil Service program telling employees to fill out computer punch cards stating their racial, ethnic or national origin along with their social security number.[38] In the land renowned for being the "melting pot" of the world, over 3 million individuals had to analyze their backgrounds and reduce them to one of four squares on an IBM card. If they protested that these matters were none of the business of government, they were blacklisted in their offices and harassed with computer-produced orders to return the completed questionnaire. The resemblances between this program and those of totalitarian governments in our recent history were all too obvious.

The Census Bureau makes more use of computer technology for personal inquiries than anyone.[39] It conducts surveys for its own uses backed by the criminal and civil sanctions. One of these, the decennial census, asked people such questions as:

Marital Status: Now married, divorced, widowed, separated, never married.

(If a woman) How many babies have you ever had, not counting stillbirths?

Do you have a flush toilet?

Have you been married more than once?

Did your first marriage end because of death of wife or husband?

What was your major activity 5 years ago?

What is your rent?

What is your monthly electric bill?

Did you work at any time last week?

Do you have a dishwasher? Built-in or portable?

How did you get to work last week? (Driver, private auto; passenger, private auto; subway; bus; taxi; walked only; other means).

How many bedrooms do you have?

Do you have a health condition or disability which limits the amount of work you can do at a job?

How long have you had this condition or disability?

Under even heavier sanctions, the Census Bureau puts questionnaires to farmers, lawyers, owners of businesses, and others, selected at random, about the way they handle their business and finances.[40]

The Census Bureau also makes surveys for many other departments and agencies.[41] For example, they put out statistical questionnaires which the Department of Health, Education, and Welfare wanted to send to retired people asking:

How often they call their parents;

What they spend on presents for grandchildren;

How many newspapers and magazines they buy a month;

If they wear artificial dentures;

"Taking things all together, would you say you're very happy, pretty happy, or not too happy these days?"

And many other questions about things on which government has no business demanding answers.

These people are not told that their answers are voluntary, but are harassed to reply and are given the impression they will be penalized if they do not answer.[42]

There are many other examples of inquiring social and economic data that are backed by the psychological, economic, or penal sanction of government. Clearly, Government has great need for all kinds of information about people in order to govern efficiently and administer the laws well; similarly, Congress must have large amounts of meaningful information in order to legislate wisely.

However, I believe these examples of governmental data collection illustrate my contention that the First Amendment wraps up the principle of free speech, which includes the right to speak one's thoughts and opinions as well as the right to be free of governmental coercion to speak them.

There are other examples of government programs which, well-meaning in purpose, are fraught with danger for the very freedoms which were designed to make the minds and spirits of all Americans free, and which work to keep America a free society. A number of these would be impractical, if not impossible, without the assistance of computer technology and scientific data processing.

It is those First Amendment freedoms which are the most precious rights conferred upon us by our Constitution: the freedom to assemble peaceably with others and petition government for a redress of grievances; the freedom to worship according to the dictates of one's own conscience free of government note-taking; the freedom to think one's own thoughts regardless of whether they are pleasing to government or not; the freedom to speak what one believes whether his speech is pleasing to the government or not; the freedom to associate with others of like mind to further ideas or policies which one believes beneficial to our country, whether such association is pleasing to government or not.

THE SECRET SERVICE

In the pursuit of its programs to protect high government officials from harm and federal buildings from damage,[43] the Secret Service has been pressured to create a computerized data bank. Their guidelines for inclusion of citizens in this data bank requested much legitimate information but also called for information on "professional gate crashers;" "civil disturbances;" "anti-American or anti-U.S. Government demonstrations in the United States or overseas;" pertaining to a threat, plan, or attempt by an individual or group to "embarrass persons protected by the Secret Service or any other high U.S. Government official at home or abroad;" "persons who insist upon personally contacting high government officials for the purpose of redress of imaginary grievances;" and "information on any person who makes oral or written statements about high government officials in the following categories: (1) threatening statements, (2) irrational statements, and (3) abusive statements."

Americans have always been proud of their First Amendment freedoms which enable them to speak their minds about the shortcomings of their elected officials. As one in political life, I have myself received letters I considered abusive. Similarly, I have uttered words which others have deemed abusive. While I am not a "professional gate crasher," I am a malcontent on many issues. I have written the President and other high government officials complaining of grievances which some may consider imaginary; and on occasion, I may also have "embarrassed" high government officials.

Footnotes at end of article.

One man wrote me his concern about this program and commented:

"The Secret Service ought to go after my mother-in-law, too. On her last visit she said that the Vice President doesn't seem to have too many brains. She also said that Senator —— has a face like a carbuncle. Should I report this to the Secret Service?[44]

There is no doubt that the physical protection of the President and high government officials is a legitimate government purpose and all reasonable means must be taken in pursuit of it. Nevertheless, such broad and vaguely worded standards for investigating and adversely reporting Americans to their government on the basis of their utterances could, at one time or another, include most members of Congress and most politically aware citizens. It could cover heated words exchanged in political debate and discussion anywhere in the country. Yet civil and military officials throughout the Federal government and in some local law enforcement agencies were requested to report people coming to their attention who were thought to fit these criteria.

The Subcommittee has not received complete answers to our questionnaire on the subject of this computer and the national reporting system it serves. However, we have indications that other broad and zealous information programs, including the Army civil disturbance system,[45] are sharing or feeding on entries which, if not carefully evaluated, may produce serious consequences for the rights and privileges of citizens. Illustrating the misunderstandings and misinterpretations possible is the fact that military doctors have expressed to me their concern about an allegedly "secret" agreement between the Defense Department and the Secret Service which they were told was a recent one and which required reporting of all servicemen receiving administrative discharges. One psychiatrist writes of his concern for the confidentiality of medical records in such action:

"I see very little reason for this. My impression of the individuals whom I recommended for such a discharge was that these were immature individuals who were not able to adapt to the service for one reason or another. Not by any stretch of the imagination were these individuals unpatriotic or a threat to the security of the nation."[46]

When I asked the Secretary of the Navy about this, the Subcommittee was informed that a person is not reported to the Secret Service merely because he received an administrative discharge from the Navy or Marine Corps.[47] However, we were informed that Pursuant to Naval regulations issued under a secret 1965 Agreement,[48] the Navy reports an average of 400 persons annually. We learned, for example, that among the many categories of people to be reported were not only servicemen but civilian employees of the Defense Department who were discharged on security or suitability grounds and who showed "evidence of emotional instability or irrational or suicidal behavior, expressed strong or violent sentiments against the United States," or who had "previous arrests, convictions, conduct or statements indicating a propensity for violence and antipathy for good order in Government."[49]

MILITARY SPYING

Another example of First Amendment information programs is the Army program for spying on Americans who exercised their First Amendment rights. Despite these rights, and despite the constitutional division of power between the federal and state governments, despite laws and decisions defining the legal role and duties of the Army, the Army was given the power to create an information system of data banks and computer programs which threatened to erode these restrictions on governmental power.[50]

Allegedly, for the purpose of predicting and preventing civil disturbances which might develop beyond the control of state and local officials, Army agents were sent throughout the country to keep surveillance over the way the civilian population expressed their sentiments about government policies. In churches, on campuses, in classrooms, in public meetings, they took notes, tape-recorded, and photographed people who dissented in thought, word or deed. This included clergymen, editors, public officials, and anyone who sympathized with the dissenters.

With very few, if any, directives[51] to guide their activities, they monitored the membership and policies of peaceful organizations who were concerned with the war in Southeast Asia, the draft, racial and labor problems, and community welfare. Out of this surveillance the Army created blacklists of organizations and personalities which were circulated to many federal, state and local agencies, who were all requested to supplement the data provided. Not only descriptions of the contents of speeches and political comments were included, but irrelevant entries about personal finances, such as the fact that a militant leader's credit card was withdrawn. In some cases, a psychiatric diagnosis taken from Army or other medical records was included.

This information on individuals was programmed into at least four computers according to their political beliefs, or their memberships, or their geographic residence.[52]

The Army did not just collect and share this information. Analysts were assigned the task of evaluating and labeling these people on the basis of reports on their attitudes, remarks and activities. They were then coded for entry into computers or microfilm data banks.[53]

The Army attempts to justify its surveillance of civilians by asserting that it was collecting information to enable the President to predict when and where civilians might engage in domestic violence, and that the President was empowered to assign this task to it by the statutes conferring upon him the power to use the armed forces to suppress domestic violence.

I challenge the validity of this assertion.

Under our system, the power to investigate to determine whether civilians are about to violate federal laws is committed to federal civil agencies, such as the FBI; and the power to investigate to determine whether civilians are about to violate state laws is reposed in state law enforcement officers.

If President Johnson believed he ought to have had information to enable him to predict when and where civilians might engage in future domestic violence, he ought to have called upon the FBI or appropriate state law enforcement officers for the information.

He had no power to convert the Army into a detective force and require it to spy on civilians.

This conclusion is made plain by the Constitution and every act of Congress relating to the subject. Sections 331, 332, 333 and 334 of Title 10 of the United States Code certainly did not confer any such power on the President. These statutes merely authorized him to use the armed forces to suppress domestic violence of the high degree specified in them, and conditioned their use for that purpose upon his issuing a proclamation immediately ordering the offenders "to disperse and retire peaceably to their abodes within a limited time."

The only other statute relevant to the subject is section 1385 of Title 18 of the Code, which prohibits the use of any part of the Army or Air Force "as a posse comitatus or otherwise to execute the law . . . except in cases and under circumstances expressly authorized by the Constitution or Act of Congress."

The legislative history of this statute is fully revealed in the opinion of United States District Judge Dooling in *Wrynn v. United States*, 200 F. Supp. 457 (E.D.N.Y. 1961). When the words of this statute are read in the light of its legislative history, it is obvious that the statute is not limited by the expression "as a posse comitatus or otherwise," but operates as a prohibition against the use of the Army to execute the laws without reference to whether it is employed as a posse comitatus or as a portion of the Army. Indeed, the statute embodies "the inherited antipathy of the American to the use of troops for civil purposes." [200 F. Supp. at 465].

President Johnson's use of the troops to spy on civilians, to build data banks and create computerized information systems, discloses that relevance of this statute to our day is sadly clear. Since neither the Constitution nor any Act of Congress expressly, or impliedly, authorized such use, the President was forbidden by section 1385 of Title 18 of the United States Code to use the Army to spy on civilians.

The Army's spying violated First Amendment freedoms of the civilians who became aware that they or the groups to which they belonged had been placed under surveillance. This is so because it undoubtedly stifled their willingness to exercise their freedom of speech, association and assembly.[54]

If any proof were needed of the logic and truth of this statement, it can be drawn from such testimony as the Subcommittee received from Dr. Jerome Wiesner who commented:

"Many, many students are afraid to participate in political activities of various kinds which might attract them because of their concern about the consequences of having a record of such activites in a central file. They fear that at some future date, it might possibly cost them a job or at least make their clearance for a job more difficult to obtain."[55]

The Subcommittee has heard no testimony yet that the Army's information program was useful to anyone. The only result of the testimony by the Defense Department was to confirm my belief that under the Constitution and under the laws, the Army had no business engaging in such data-gathering and that the scope and breadth of the surveillance was so broad as to be irrelevant to the purpose.

Congress has still to discover the complete truth about these Army computers. Apparently, even officials responsible for intelligence did not know of the existence of the computers for implementing the program. The Subcommittee has repeatedly requested the testimony of the Army Generals who would be most knowledgeable about the computers and what they contained. We have just as repeatedly been denied their testimony as well as delivery and declassification of pertinent documents demonstrating the scope and purpose of the program.[56] The Army said it would cut back on the data-gathering on lawabiding citizens and would defer to the Department of Justice. So I asked the Justice Department officials how many computers that Department had containing information on people who lawfully exercised their First Amendment freedoms."[57]

I had seen newspaper articles quoting the director of the Justice Department's Interdivisional Information Unit. He said there that the computer's list of thousands of names is not a register of "good guys" or "bad guys." "It is simply a list of who participated in demonstrations, rallies and the like." This would include non-violent people as well as violent, he said.[58] On the basis

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of these reports, I asked for the testimony of this official, but for some strange reason, he could not be located.

Despite questioning during the hearings and correspondence with the Justice Department, we have been unable to obtain an accurate description of the use of Justice Department computers for collecting, processing and analyzing information on lawful First Amendment activities of citizens. Nor have we been able to ascertain or obtain the standards followed by the Department in deciding what individuals should be the subjects in such files, or how they should be excluded from such files.

LEGISLATIVE REMEDIES

There has been much discussion of the need for new laws granting access to individual records. I believe a person should have the chance to expunge, update and correct his records. With the advent of systematic record-keeping, a man needs the chance which a businessman has to go into economic bankruptcy and obtain a discharge from his past.

I believe, however, that we must go beyond that relationship between the individual and his records. We must act to restore a healthy balance to the relationship between the citizen and his government, and necessarily between Congress and the Executive Branch. Mere access to and knowledge of his individual file is not enough. Remedial action must be addressed to the curbing of the power of government over the individual and to restricting its power to deny information about government programs. The claim to an inherent power to monitor, investigate and compile dossiers on law-abiding citizens on the off-chance that they might need to be investigated for a legitimate governmental purpose at some time in the future must also be opposed.

As a result of the Subcommittee's experience in playing hide-and-go-seek with the Federal Government's computers and with the people who plan and supervise them, I am convinced these computers have too much privacy today. The Congress, the press and the public should have available an *habeas corpus* action for entire computer systems and programs themselves. No department should be able to hide such broad-based data programs and information systems. If they are lawful, the American people then have a right to full knowledge about the operation of their government. If they are not lawful and relevant for some purpose, they should be exposed for what they are—attempts to intimidate citizens into silence and conformity.

First, we need to devise some judicial remedy for confronting and testing the nature, purpose, legality and constitutionality of governmental data banks and large-scale intelligence information systems which by their very existence may threaten the quality of our First Amendment freedoms or whose contents may affect economic prospects, reputations or rights. Now pending before the United States Supreme Court is just such a challenge to the Army surveillance program and the military data banks, including at least four computer systems for storing and processing information on Americans across the land. [*Tatum v. Laird,* no. 71–288 (1971) (argued March 27, 1972)]. The lower court has denied standing to sue to plaintiffs who were subjects of surveillance and computer dossiers on grounds that they have not shown injury. [44 F.2d 947 (D.C. Cir. 1971)].

Congress must strengthen and enforce reporting requirements for computer systems. Not even in the audit of computers which the present law requires the General Services Administration to conduct each year is it possible for Congress, the press, and the public to get minimum information about all of the management uses of computers in government.

Secondly, I believe we must devise legal means of assuring the reporting of large government data banks to a central office established independently of the executive branch. This would require the filing of policy statements describing exactly what agencies feed a particular information system and who would receive or access data routinely from a particular data bank. These policy statements should be public records. In this way, people would have due notice of possible sharing of information by other agencies or state or local governments.

Thirdly, out of these directives, a graphic national information-flow chart would be designed and made available for public inspection. An individual concerned about his record could then go to the respective agencies and exercise his rights under the Freedom of Information Law to inspect his files.

Fourth, there is a need to fully implement the principle of open government implicit in the Freedom of Information Law by reducing the number of exemptions in it which the Executive Branch may use to deny or withhold information. This would make the judicial remedies it contains more meaningful.

Fifth, I believe there must be established a new independent agency for setting and enforcing strict standards in software and hardware for the assurance of security, confidentiality and privacy of records. These would be applied to all phases of gathering, processing and transmitting information about people by government computer systems. This would include such problems as interception of electronic transmissions and tapping of systems.

Sixth, Congress must enact specific prohibitions on unconstitutional or unwise practices which unfairly augment government's power to invade individual privacy. Examples of such legislation would be: (1) a ban on use of military resources to conduct unwarranted surveillance over civilians and to create and share data banks on them, and (2) a ban on unconstitutional means of coercing citizens into revealing personal information about themselves.[59] Such a bill is S. 2156 which would prohibit requirements on applicants and employees to submit to lie detectors in order to work.[60] Another bill is S. 1438, designed to protect federal employees and applicants from unwarranted demands for information about such matters as their race, national origin, religious beliefs and practices, sexual attitudes and conduct, and personal family relationships.[61] Another necessary protection would be a prohibition on distribution of arrest records to private companies and severe restrictions on their availability within government.[62]

Seventh, is the need for America to take a stand on whether or not every person is to be numbered from cradle to grave, and if so whether or not that number is to be the social security number. Until now, the idea of a universal standard identifier has been merely discussed in philosophical terms, but the need to reduce people to digits for the computer age has prompted wide government use of the number for identifying individuals in government files. Private industries, businesses and organizations have followed suit to the dismay of many people who have registered strong complaints against this practice with the Subcommittee. They were supported by the findings of a Social Security Task Force which reported in 1971 that:

"The increasing universality of the Social Security Number in computer data collection and exchange presents both substantial benefits and potential dangers to society; and that in order to maximize the benefits and minimize the dangers, there needs to be developed a national policy on computer data exchange and personal identification in America, including a consideration of what safeguards are needed to protect individuals' rights of privacy and due process."[63]

In outlining the areas in which state legislatures and the Congress must make important judgments, this Task Force stated:

"Defining the proper role of the Social Security Number in society requires that broad social judgments be made first about the desirability of large-scale computer record-keeping in various settings; second, about the kinds of data necessary and appropriate to record about individuals within a given setting; third, about the safeguards needed to insure that the computer is being used within a given setting in ways that protect fundamental human rights; and fourth, about the desirability of *any* kind of universal identification system in terms of its psychological impact on the individual citizen."[64]

SUMMARY

From the Subcommittee study of privacy and government data banks one conclusion is undeniable. This is that the extensive use of computerized systems to classify and analyze men's thoughts, speech, attitudes, and lawful First Amendment behavior raises serious questions of denial of substantive due process to our entire society. To try to condense the truth about what men believe and why they believe is a futile exercise which can lead to that tyranny over the mind against which Thomas Jefferson swore eternal hostility. Without grave dangers to our constitutional system, we cannot permit government to reduce the realities of our political life and the healthy traffic in our marketplace of ideas to marks on magnetic tapes and data on a microfilm.

Professor Robert Boguslaw[65] eloquently described the dangers posed by this "technology-screened power" when he wrote that "the specification of future and current system states within this orientation characteristically requires an insistence upon a uniformity of perspective, a standardization of language, and a consensus of values that is characteristic of highly authoritarian social structures. Nonconforming perspectives, language, and values can be and, indeed, must be excluded as system elements."

He further points out certain engineering truths and certain human truths which face every politician, administrator, analyst and programmer who tries to use computers to convey either more or less than the straight facts about people. First is the truth that the strength of high-speed computers is precisely in their capacity to process binary choice data rapidly. But to process these data, the world of reality must at some point in time be reduced to binary form. Second is the truth "that the range of possibilities is ultimately set by the circuitry of the computer, which places finite limits on alternatives for data storage and processing." Third is the truth "that the structure of the language used to communicate with the computer restricts alternatives." Then there is the truth "that the programmer himself, through the specific sets of data he uses in his solution to a programming problem and the specific techniques he uses for his solution, places a final set of restrictions on action alternatives available within a computer-based system."

It is in this sense that computer programmers, the designers of computer equipment, and the developers of computer languages possess power in our society.

These limitations of men as well as machines are what I remembered as I listened to the young Army analyst describing his assignment to condense truth for the Army data systems by assigning numbers to people on the basis of their speech and thoughts.[66]

On the shoulders of technology experts who are aware citizens rests the responsibility for guiding those politicians who seek computer-based solutions to political prob-

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lems. At this point in our history, they, more than anyone, realize that computers have only those values which are designed and programmed into them.

If the attitude of the present Administration is any indication, Government will make increasing use of computer technology in pursuit of its current claim to an inherent power to investigate lawful activities and to label people on the basis of their thoughts. Municipal, state and federal agencies continue to plan, devise and build intelligence systems for many purposes. It devolves on those people involved in computer technology to make known the restrictions and the limitations of the machines as well as the alternatives for what is proposed. When the political managers ignore or abdicate their responsibility to assure the application of due process of law, they may have the final say over the constitutional uses of power.

What they say may not be popular with those who use their services, especially government departments. But I would suggest that when they advise on extending the power of government, they serve a higher law—the Constitution.

The technological forces which affect the quality of our freedoms come in many guises and under strange terminology. They are dreamers who would decry the advent of the computer as casting some sorcerer's shadow across an idyllic land. In their philosophical rejection or fear of this most intricate of machines, they would deny the spark of divinity which is the genius of man's mind; they would reject the progress of civilization itself. So there is no reason to condemn out of hand every governmental application of computers to the field of information processing or to systems study.

Our society has much to gain from computer technology. To assure against its political misuse, however, we need new laws restricting the power of government and implementing constitutional guarantees. We need increased political awareness of an independent nature by information specialists who understand the machines and the systems they constitute.

We do not, as some suggest, need new constitutional amendments to deal with these problems. The words of the original amendments will do, because they envelop our national concepts of personal freedom and I believe they can encompass anything which jeopardizes that freedom.

As Justice Oliver Wendell Holmes said:

"A word is not a crystal, transparent and unchanged; it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used." [67]

I believe that Americans will have to work harder than ever before in our history so that the First Amendment remains a living thought in this computer age.

Otherwise, we may find the individual in our society represented not by a binary form, but by one digit.

And that will be "zero."

Otherwise, America may lose its cherished reputation as "the land of the Second Chance."

FOOTNOTES

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* U.S. Senator, North Carolina.

[1] Based on an address before the Spring Joint Computer Conference of the Federation of Information Processing Societies, Atlantic City, N.J., May 20, 1971.

[2] Inventory of Automated Data Processing Equipment in the United States Fiscal Year 1971, General Services Administration, at 15. A report providing information on the digital electronic computers installed throughout the U.S. Government, which defines "computer" as a configuration of EDPE components which includes one central processing system concept which recognizes the growing importance of configurations with more than one central processing unit. This report responds to requirements of P.L. No. 89-306, Stat. (Oct. 30, 1965) and S. Doc. No. 15 (1965), Report to the President on the Management of Automatic Data Processing in the Federal Government.

[3] 1970 NASIS Report, Information Systems Technology in State Government at 18, developed by the State of Illinois and the National Association for State Information Systems, Council of State Governments.

[4] *See generally* Computerworld (a weekly periodical servicing the computer community): Datamation: Data Management; and Business Automation.

[5] *See, e.g.,* Brzezinksi, Between Two Ages, America's Role In the Technotronic Era, although all authors do not engage in such distinctions with the same judgments or purposes.

[6] *Hearings on Federal Data Banks, Computers and the Bill of Rights Before the Subcomm. on Constitutional Rights of the Senate Comm. on the Judiciary,* 92d Cong., 1st Sess. [Feb. 23–25 and Mar. 2–4, 9–11, 15 and 17 (1971)] [hereinafter cited as as *1971 Hearings.*] Testimony of Robert Bigelow, attorney, describing concern of professional computer organizations and press, *id.* at 680; Bibliography, lists of public discussions on privacy and computers in the United States and abroad, *id.* at 692 *et seq.;* Testimony of professor Caxton Foster, University of Mass., Department of Computer and Information Sciences, *id.* at 707.

[7] For a sample of questionnaire sent to all agencies and departments with slight alterations, see Letter to Secretary of Defense Melvin Laird, July 20, 1970 *1971 Hearings* at 1182, and to Attorney General Mitchell, June 9, 1970. *Id.* at 1212.

[8] *See, eg.,* State Department response to questionnaire, concerning its "Lookout File." *See* Letter of Sept. 9, 1970 to Subcommittee Chairman from Assistant Secretary of Defense Robert Moot, and list of classified enclosures, *1971 Hearings* at 1186.

[9] Navy Department response, Aug. 13, 1970, citing a Roosevelt Executive memorandum assigning responsibilities for intelligence activities. *Id.* at 1201.

[10] Department of Transportation response. Testimony of Secretary Volpe. *Id.* at 720. Many other agencies will inform the individual of the general contents of his file, if he is denied some right, benefit or privilege and regulations permit a hearing or right of confrontation or cross-examination—but not before.

[11] Department of Health, Education, and Welfare, series of letters over a two year period on file with Subcommittee, and as of March, 1972, no response has been received containing substantive answers.

[12] Directive, ICGP–G–S3, Jan. 9, 1971, *Release of Official Information to Legislative Branch of Government. 1971 Hearings,* at 1179.

[13] Ervin, *Secrecy in a Free Society,* 213 Nation 454 (1971). *See generally Hearings on Executive Privilege Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary,* 92d Cong., 1st Sess. (1971). Testimony by Senator Tunney at 381 and William Rehnquist at 420.

[14] 5 U.S.C. § 552 (1970).

[15] *See, e.g., 1971 Hearings,* at 375, 431, 385. Testimony of Assistant Secretary of Defense Froehlke. *Id.* at 602, 599; testimony of Assistant Attorney General Rehnquist, note 13, *supra.*

[16] *See, e.g.,* Justice Department response to Subcommittee questionnaire.

[17] For Defense Department reliance on the findings of the National Advisory Commission on Civil Disorders (Kerner Commission), see testimony of Assistant Secretary of Defense Froehlke, *1971 Hearings,* at 379; noting the Commission's finding that the "absence of accurate information, both before and during disorder, has created special control problems for police," and the recommendation that "Federal-State planning should ensure that Federal troops are prepared to provide aid to cities. . . ."

The Department also cited a report filed by Cyrus Vance following the Detroit 1967 disturbances. *1971 Hearings,* at 378.

For law enforcement reliance on the Kerner Commission and similar commissions, *see e.g.,* testimony of Richard Velde for the *Law Enforcement Assistance Administration. 1971, Hearings* at 608:

Several States also developing with LEAA funds information systems related to civil disorders. Most of these systems have as their objective either tension detection and forecasting or providing support to tactical units. It should be noted that the Kerner Commission studied this problem carefully and recommended that the police develop adequate intelligence for tension-detecting as well as on-the-scene information for tactical units. Many of the systems LEAA supports in the civil disorders area arose out of the recommendations of the Kerner Commission and similar commissions established by the States.

For reliance on Warren Commission finding of information gaps, *see* response to Subcommittee questionnaires by the Secret Service, Nov. 21, 1969, reprinted at 115 Cong. Rec. 39114 (1969), and by the State Department Jan. 4 and Mar. 10, 1970; both responses in Subcommittee file.

[18] Response to questionnaire, in Subcommittee files, Mar. 25, 1971.

[19] *Id.* Aug. 18, 1970.

[20] *Id.* June 22, 1970.

[21] Id. May 28, 1970.

[22] *Id.* Jan. 4, 1970.

[23] *Id.* Aug. 1970. *See also 1971 Hearings,* at 375, Froehlke testimony on this and other Defense Department records systems.

[24] Response to questionnaire, Feb. 22, 1972. *See also* 12 U.S.C. § 1811 *et seq.* (1964), Amendments to Federal Deposit Insurance Act, requiring bank recording and reporting to Internal Revenue Service transactions, S. Rep. 91–1139 and H.R. Rep. 91–975.

[25] *See* note 23 *supra.*

[26] Response to Subcommittee questionnaire, Aug. 1970. Also described in Froehlke testimony, note 23, *supra* and in Army Undersecretary Beal letter of Mar. 20, 1970, reprinted in *1971 Hearings, Part II* at 1051, and at 116 Cong. Rec. 26327–51 (1970).

[27] For descriptions and citations to supporting statutes and regulations, *see* response to Subcommittee questionnaires, *1971 Hearings, Part II* at 1312–68. *See also* discussion in testimony of Justice Department officials. *Id. Part I* at 597, 849.

[28] For descriptions and summaries of some of these complaints and concerns. Remarks of Senator Ervin, 116 Cong. Rec. 30797, 41751, 43944 and Cong. Rec., vol. 117, pt. 2, p. 2024. In particular, note opening statements by Subcommittee Chairman each day of *1971 Hearings* outlining issues of concern for the day. Of interest here is a Dec. 1971 report, *A National Survey of the Public's Attitute Toward Computers,* sponsored by the American Federation of Information Processing Societies and Time Magazine noting that:

There is major concern about the use of large computerized information files. Thirty-eight percent of those surveyed believe computers represent a real threat to people's privacy as opposed to fifty-four percent who disagreed. Sixty-two percent are concerned that some large organizations keep information about millions of people. In addition, fifty-three percent believe computerized information files might be used to destroy individual freedoms; fifty-eight percent feel computers will be used in the future to keep people under surveillance; and forty-two percent believe there is no way to find out if information about you stored in a computer is accurate. In general, the public believes government should make increased usage of computers in a number of areas, that such usage will make government more effective, and that there will, and should be, increasing governmental involvement in the way computers are used.

[29] Letter, identity withheld, in Subcommittee files with comment by the Director of the Federal Bureau of Investigation.

[30] 28 C.F.R. § 0.85 (b); codifying rulings by the Attorney General pursuant to 28 U.S.C. § 534 which provides:

(a) The Attorney General shall—

(1) acquire, collect, classify, and preserve identification, crime and other records; and exchange these records with, and for the official use of, authorized officials of the Federal Government, the States cities, and penal and other institutions.

(b) The exchange of records authorized by subsection (a)(2) of this section is subject to cancellation if dissemination is made outside the receiving departments or related agencies.

(c) The Attorney General may appoint officials to perform the functions authorized by this section.

[31] Morrow v. District of Columbia, 417 F. 2d 728 (D.C. Cir. 1969). For a summary of case law on this subject, *see* Longton, *Maintenance and Dissemination of Records of Arrest Versus the Right to Privacy,* 17 Wayne L. Rev. 995 (1971).

[32] Menard v. Mitchell, 430 F.2d 486 (D.C. Cir. 1970), *decision upon remand,* 328 F. Supp. 718 (D.D.C. 1971). The Court construed 28 U.S.C. § 534 narrowly to avoid the constitutional issues raised by *Menard* and found that:

It is abundantly clear that Congress never intended to, or in fact did, authorize dissemination of arrest records to any state or local agency for purposes of employment or licensing checks.

It found certain faults with the present system: (1) State and local agencies receive criminal record data for employment purposes whenever authorized by local enactment, and these vary state by state and locality by locality. (2) The Bureau cannot prevent improper dissemination and use of the material it supplies to hundreds of local agencies. These are no criminal or civil sanctions. Control of the data will be made more difficult and opportunities for improper use will increase with the development of centralized state information centers to be linked by computer to the Bureau. (3) The arrest record material is incomplete and hence often inaccurate, yet no procedure exists to enable individuals to obtain, correct or supplant the criminal record information used against them, nor indeed is there any assurance that the individual even knows his employment application is affected by an FBI fingerprint check.

The Court invited Congressional action, noting that: with the increasing availability of fingerprints, technological developments, and the enormous increase in population, the system is out of effective control. The Bureau needs legislative guidance and there must be a national policy developed in this area which will have built into it adequate sanctions and administrative safeguards.

[33] Congressional response to the District Court's invitation has taken several forms, among them, a bill, S. 2545, introduced, but not acted on, to authorize the Attorney General to exchange criminal record information with certain state and local agencies. Remarks by Senator Bible, Cong. Rec. vol. 117, pt. 25, p. 32464; and an amendment to the Department of Justice Appropriation Act of 1972 temporarily restoring the power over arrest records limited by the *Menard* decision, Cong. Rec. vol. 117, pt. 34, p. 44546. House Judiciary Subcommittee No. 4 on Mar. 16 began hearings on H.R. 13315, a bill introduced by Rep. Edwards, "to provide for the dissemination and use of criminal arrest records in a manner that insures security and privacy."

A related, but more comprehensive bill, S. 2546, was introduced by Senator Hruska on Sept. 20, 1971, 117 Cong. Rec. (daily ed.) to insure the security and privacy of criminal justice information systems. This is termed the Attorney General's response to an amendment to the Omnibus Crime Control Act of 1970, 18 U.S.C. §§ 351, 1752, 2516, 3731 (1964), requiring the Law Enforcement Assistance Administration to submit legislative recommendations to promote the integrity and accuracy of criminal justice data collection. LEAA demonstrated a prototype computerized system for exchange of criminal history information with the states, a project known as SEARCH—System for Electronic Analysis and Retrieval of Criminal Histories. In Dec. 1970, Project SEARCH was turned over to the FBI for the development of an operation system to be part of the National Crime Information System. The bill deals with criminal offender record information as well as criminal intelligence information.

A discussion of the philosophical, constitutional and legal issues and problems related to such a computerized system is found, with bibliographies, in *Security and Privacy Consideration* in *Criminal History Information Systems, Technical Rept. No. 2,* July, 1970, by Project SEARCH, California Crime Technological Research Foundation, funded by the Law Enforcement Assistance Administration, Department of Justice. Also pertinent is the testimony of LEAA officials on the use of information and intelligence systems by criminal justice agencies. *1971 Hearings,* on the National Crime Information Center. *Id.* at 914.

For a model state act proposed for criminal offender record information, *See generally Technical Memorandum No. 3,* May, 1971 by Project SEARCH.

As we have a highly mobile population, so we have a highly mobile criminal population, which requires that governments be able to share rapidly the information in their data banks in the interest of law enforcement. The problem is determining what agencies and what officials should control what information.

[34] *See 1971 Hearings* at 493–530. Testimony of Joseph Alioto, Mayor of San Francisco, and exhibits submitted. For response of Justice Department officials, see testimony of William Rehnquist, *id.* at 604, 878–88, and a series of memoranda from the Federal Bureau of Investigation, the Bureau of Narcotics and Dangerous Drugs, which memoranda were submitted by Assistant General Rehnquist with the caveat that.

Under the traditional notions of separation of powers, it seems to me probable that the Department could justifiably decline to furnish portions of this information . . . *Id.* at 1371.

[35] *1971 Hearings,* Part II at 1375. In his memorandum of Mar. 5, 1971, the Director of the Bureau of Narcotics and Dangerous Drugs noted" . . . it is possible that the documents or information in these four exhibits could have been passed to the LOOK reporters by a BNDD employee." He cites BNDD Order 0–98, May 27, 1970 as the Bureau's current public information policy and as essentially a restatement of 28 C.F.R. Pt. 50, § 50.2, which covers the dissemination of most types of information for the Department. However, he states that the strongest applicable regulations in this matter are found in 28 C.F.R. Pt. 45, § 45.735: "No employee shall use for financial gain for himself or for another person, or make any other improper use of, whether by direct action on his part or by counsel, recommendation, or suggestion to another person, information which comes to the employee by reason of his status as a Department of Justice employee and which has not become part of the body of public information."

Obviously, the disclosure of documents stamped "For official use only" would be contrary to this regulation if, in fact, the disclosures were made by Department of Justice employees.

[36] For statement submitted by a Special Agent of Military Intelligence and related correspondence, *see 1971 Hearings,* Part II at 1451–1457.

[37] *See generally Hearings on Psychological Tests and Constitutional Rights Before the Subcomm. on Constitutional Rights of the State Comm. on the Judiciary,* 89th Cong., 1st Sess. (1965) and *Hearings on S. 3779* on *Privacy and the Rights of Government Employees,* 89th Cong., 2d Sess. (1969).

[38] *See 1966 Hearings, supra* note 37. In connection with a proposal introduced to protect the constitutional rights of employees of the executive branch and to prevent unwarranted governmental invasion of their privacy, *see* Senate remarks of Senator Ervin including discussion of need for law prohibiting requirements to reveal information on race, religion, national origin, personal family relationships, sexual attitudes and conduct and religious beliefs and practices in 112 Cong. Rec. 16081, 18634 (1966), 113 Cong. Rec. 4039, 10663, 27994 (1967), 114 Cong. Rec. 11235, 17161, 19613 (1968), 115 Cong. Rec. 2343, 117 Cong. Rec. (daily ed. Apr. 1 and May 11, 1971). By such legislation, government may be prevented from intruding into protected First Amendment areas on subjects which should have nothing to do with the operation of a civil service merit system. By exclusion of such sensitive, subjective information from the computer systems, initially, government will be precluded from basing individual or general social judgments on outdated standards, changing mores, variants in ethnic, cultural or geographical backgrounds, or previous conditions of the individual's mind, heart, and personality. It will necessarily be confined to a consideration of current information relevant and pertinent to the problem at hand.

[39] *See generally Hearings on S. 1791 and Privacy, the Census and Federal Questionnaires Before the Subcomm. on Constitutional Rights of the Senate Judiciary Committee,* 91st Cong., 1st Sess. (1969) and hundreds of letters and complains about coercive statistical questionnaires. Appendix also contains judicial, legal and constitutional research materials as well as examples of many social and economic questionnaires. *See also* Pipe and Russell, *Privacy: Establishing Restrictions on Government Inquiry,* 18 Amer. Univ. L. Rev. 516 (1969). For a summary of the hearings, *see* Senate remarks of Senator Ervin, 115 Cong. Rec. 17718 (1969). For possible political uses of such information acquired as economic and social indicators, *see* Report by House Government Operations Committee, Subcommittee on Government Information, on Department of Labor briefings on economic statistics; and 23 Western Pol. Q. 235 (1970). *See also* the finding and recommendations on privacy and confidentiality of the President's Commission on Federal Statistics (1971).

[40] *See 1969 Hearings, supra* note 39, testimony on behalf of the National Federation of Independent Business at 199, of attorney and farm owner William Van Tillburg at 74, W. Schliestett, businessman at 66, J. Cannon, attorney at 7,263.

[41] *Id.* at 830. Table of Census surveys of population and households, conducted for other government agencies, with indication of penalties and compliance techniques. In many of these, the data is kept on tape or film by both the Census Bureau and the

sponsoring agency, and the confidentiality rules of the sponsoring agency apply.

[42] *Id.*, at 251. Assistant Secretary of Commerce Chartener:

Assistant Secretary of Commerce Chartener. The wording deliberately has been rather subtle in its form. We never use the word "mandatory" on a questionnaire. Instead, people will be told that "your answer is required by law." In other cases, they may be told that a survey is authorized by law or it is important to your government or something of that sort. Now, the followup procedure is used not for purposes of coercion but rather in order to verify the correctness of an address.

Senator Ervin. Do you not agree with me that such a procedure is designed to implant in the mind of the recipient of these questionnaires the impression that he is required by law to answer them?

Mr. Chartener. If it is a mandatory questionnaire that would be the case. In other instances, the repeated mailings which may go up to five or may involve telephone calls or even a personal call are simply a means of emphasizing the importance that the Government feels in getting this response . . .

The Department of Commerce opposed enactment of a simply-worded statute advising people that their responses to these statistical questionnaire were voluntary. *Id.* at 262.

Senator Ervin. Would the Department of Commerce and its Bureau of the Census be opposed to enactment of Federal statutes which would require that the Bureau of the Census advise every citizen on a questionnaire sent out by the Bureau that where it is not required by law, not mandatory, this is an effort to elicit information desired by the Government on a voluntary basis?

Mr. Chartener. Senator, I think we would oppose that. This is a matter of rather subtle psychology. I do not think, personally, and this is the position of the Department, that we ought to go out of our way to tell people they do not need to bother filling out this questionnaire. . . .

Senator Ervin. You think the statutes governing those questionnaires, which are mandatory and which are subject to the criminal penalty if not answered readily, are understandable by the average layman?

Mr. Chartener. I do not think any law is written to be readily understandable by the average layman. That is why we have lawyers.

But compare the testimony of the Secretary of the Department of Health, Education, and Welfare in the *1971 Hearings* at 788, opposing legislation, but favoring administrative notice of voluntariness for that Department's forms.

[43] 115 Cong. Rec. 3356 (1969) and guidelines printed there. *See also* note 17, *supra*, correspondence and guidelines printed at 1541, *1971 Hearings*, Part II. *See* remarks of Rep. Stanton, Cong. Rec. vol. 118, pt. 1, p. 791. [Complaints Against Secret Service].

[44] Letter in Subcommittee files.

[45] *See Department of the Army Civil Disturbance Information Collection Plan*, May 2, 1969, collection priorities and requirements and distribution list for government agencies. Printed in *1971 Hearings* at 1126, 1136. This plan also appears with remarks of Senator Bayh, 117 Cong. Rec. 2290 (daily ed., Mar. 2, 1971).

[46] Letters in Subcommittee files (identities withheld).

[47] Letter of inquiry from Subcommittee Chairman, July 6, 1971, citing the large number of reasons for which a person can receive an administrative discharge, ranging from family hardship to national security grounds, the inadequate procedures and safeguards surrounding such discharges, and the threat to individual freedom from unrestricted reporting of law-abiding citizens, who may become subjects of official surveillance through no fault of their own or of the Secret Service.

[48] This December 14, 1965 agreement between the Defense Department and the Secret Service was implemented within the Navy Department by SECNAV Instruction 5500.27, 18 March 1966, which contains a copy of the agreement. Administrative authority for this regulation is cited as Defense Dept. Directive 5030.34, dated 30 Dec. 1965; statutory authority for assistance to the Secret Service is cited as P.L. No. 90–331 (June 6, 1968) which provides for assistance to the Secret Service on request.

[49] Appendix B of Agreement. Under Appendix A, identification data, photograph, physical description, date and place of birth, employment, marital status and identifying numbers are to be furnished, together with summaries or excerpts from DOD files as applicable to an individual or group reported.

In a related exchange of correspondence, the Subcommittee Chairman, in response to complaints, directed an inquiry to the Secretary of the Navy, on April 22, 1970 about a Navy directive which required that in any case where enlisted personnel were to be separated under other than honorable conditions within the continental United States, local civil police authorities were to be notified in advance of the name, race, sex and place and date of birth of the person, and of the time and place such separation is to be effected. This regulation seemed to serve no useful function since the Army and the Air Force functioned without one. On May 7, 1970, the Navy Department notified the Subcommittee that they concurred in this view and would delete the reporting requirement. (Correspondence in Subcommittee files.)

[50] For legal and constitutional implications, as well as a comprehensive historical account, *see* testimony of Christopher Pyle, an attorney and former Captain in Army Intelligence. See 1971 Hearings at 147, and exhibits providing examples of nation-wide military surveillance.

[51] *See Ervin, Privacy and Governmental Investigations*, 1971 Univ. Ill. L. Forum 137 (1971) for an account of the various plans and their lack of relevance to the problem of putting down civil disturbances, and for analysis of the Defense and Justice Department's claims to constitutionality for the actions of the military. Texts of four "plans," *1971 Hearings* at 1123 1119, 1154, 1731; Memorandum at 1139, 1141, 1278–98, showing attempts by civilians to cut back on the program.

[52] The bulk of investigative activity by the Army's own personnel occurred at the field level. Agents collected information and filed "spot reports," "agents reports," and "summaries of investigation." Most of this data was forwarded up the chain of command but record copies were kept in data centers at every level of command. Manual files were maintained at every level. At least four and possibly more computer systems were employed to store, analyse and retrieve the information collected. Many files on lawful citizens were microfilmed and integrated with other files on persons who were suspected of violations of security and espionage laws. These computer systems were located in the headquarters of the Intelligence Command (Fort Holabird), the Continental Army (Fort Monroe), the Third Army Corps (Fort Hood), and in the Pentagon. More than one computer data bank was maintained in some of these locations. (Subcommittee investigation.)

[53] Testimony of Ralph Stein on the difficulty of labeling young people on the basis of their speech, when a difference of one digit was the difference between a communist and a non-communist. *1971 Hearings* at 248, 260.

[54] *See* Brief for Respondents filed in Tatum v. Laird in the Supreme Court of the United States, No. 71–288, challenging the Army's surveillance program, and arguing that plaintiffs' claims are justifiable and ripe for adjudication; that the present inhibiting effect on the exercise of First Amendment rights creates a justiciable controversy; that the justiciability of their claims is enhanced because the military exceeded its constitutional and statutory authority and intruded into civilian affairs; that they have standing to adjudicate these claims for themselves and the claims of others similarly situated; and finally, that they argue that their case cannot be mooted by the Army's assertion that its domestic surveillance activity has been reduced. The appendix contains an interesting and landmark study of the chilling effect of overbroad governmental programs on First Amendment activity from the social science view.

All of the plaintiffs named have been subjects of political surveillance, and all are believed to be subjects of reports, files, or dossiers maintained by the Army.

In an amici brief filed by Senator Ervin on behalf of the Unitarian Universalist Association, the Council for Christian Social Action, United Church of Christ, the American Friends Service Committee and the National Council of Churches of Christ, the question posed for review is framed as follows:

Do individuals and organizations not affiliated with the armed services present a justiciable issue under the First, Fourth, Fifth and Ninth Amendments when they allege that their rights of free expression, privacy and association have been infringed by unauthorized, unnecessary and indiscriminate military investigations of their political activities and personal lives? Brief for Respondents as amicus curiae at 7, Laird v. Tatum, No. 71–288 (1971).

Essential though the freedoms are, they are not easily exercised in a climate of fear, discord, and dissension, especially when the ideas being expressed are those which are displeasing to government and unsettling to the majority of citizens. . . . It is as such a time that the First Amendment is most necessary, most in danger, and most difficult to exercise. . . . The First Amendment however, was made for the timid as well as for the brave. While government cannot instill courage in the meek, it may not take advantage of a climate of fear to undertake a program which has the effect of restricting the First Amendment only to the very courageous, Government action, such as military surveillance, seemingly innocuous in the abstract, has the very real effect of suppressing the exercise of the First Amendment. The coercive power of this government action lies in the national climate of fear and doubt, and in the very real, tangible apprehension of some unknown form of retribution by government on those who it fears and therefore watches. That such apprehension exists in America today is manifest. *Id.* at 15.

[55] *1971 Hearings* at 765.

[56] *See* exchange of correspondence on this subject. *Id.* Part II at 1046 A, 1180 Indices to letters.

[57] *Id.* at 597, 849.

[58] *Id.* at 616–62.

[59] S. 1791, 91st Cong., 1st Sess. (1969).

[60] Senate remarks of Senator Ervin, 117 Cong. Rec. (daily ed. June 24, 1971.)

[61] See S. Rep. 92–554 for legislative history (Now pending before the House Post Office and Civil Service Committee with House versions).

[62] *1971 Hearings* at 782 (complaints read into the hearing record by the Chairman).

[63] Social Security Number Task Force Report to the Commissioner 17 (May, 1971).

[64] *Id.* at 15.

It is clear that if the SSN became the single number around which all or most of an individual's interactions with society were structured, and if practices of the sort we have been discussing were to continue, the individual's opportunity to control the circumstances under which information about himself is collected and disclosed would be greatly circumscribed.

[65] *See* Boguslaw, The New Utopians (1965), especially the chapter entitled *The Power of Systems and Systems of Power* at 181, 186, 190. I would dispute his observation of some years ago that people in the information-processing profession "are scientists and engineers—objective experts whose only concern is technical efficiency and scientific detachment." *Id.* at 198. It is indeed true, however, that: to the extent that customers (and this may include government agencies or private industry) abdicate their power prerogatives because of ignorance of the details of system operation, *de facto* system decisions are made by equipment manufacturers or information-processing specialists. *Id.* at 198.

Implicit in the various issues raised during the Subcommittee Hearings is the wise observation of Professor Boguslaw that:

> The paramount issues to be raised in connection with the design of our new computerized utopias are not technological—they are issues of values and the power through which these values become translated into action. *Id.* at 200.

In this case, I believe it is the constitutional value protected by the First Amendment.

[66] *See* note 53 *supra*.

[67] Towne v. Eisner, 245 U.S. 418, 425 (1918).

COMPUTERS AND PRIVACY: A PROPOSAL FOR SELF-REGULATION

(By Edward J. Grenier, Jr.*)

In framing the issues in its landmark Computer Inquiry, the Federal Communications Commission cited the critical importance of the preservation of information privacy:

> "Privacy, particularly in the area of communications, is a well established policy and objective of the Communications Act. Thus, any threatened or potential invasion of privacy is cause for concern by the Commission and the industry. In the past, the invasion of information privacy was rendered difficult by the scattered and random nature of individual data. Now the fragmentary nature of information is becoming a relic of the past. Data centers and common memory drums housing competitive sales, inventory and credit information and untold amounts of personal information, are becoming common. This personal and proprietary information must remain free from unauthorized invasion or disclosure, whether at the computer, the terminal station, or the interconnecting communication link." [1]

Congress, too, has demonstrated an increasing concern with the possible threats to individual privacy which might result from the establishment, by the federal government or by private industry, of a national data bank.[2] In fact Paul Baran of Rand Corporation, testifying several years ago before a congressional subcommittee, stated that the United States is unconsciously moving toward an integrated, nationwide, automated information system:

> "My thesis is this: Today we are already building the bits and pieces of separate automated information systems in both the private and government sectors that so closely follow the pattern to the present integrated communications structure that a de facto version of the system you are now pondering is already into the construction phase. It is in many ways more dangerous than the single data bank now being considered." [3]

Although the threat posed by automated information systems to the privacy of *individuals* is perhaps the most dramatic aspect of the "computer revolution," another very important aspect is the possibility of unauthorized disclosure of *proprietary data*. The "privacy problem" in both of these contexts is most acute where the separate proprietary data of a large number of businesses or sensitive personal information about thousands of individuals is stored or processed in multi-programmed, time-sharing data processing systems and transmitted to and from the processing and storage units over common communications lines. In such systems, there exists at numerous points a high potential for "information leakage," including leakage due to hardware and software failures and wire taps.[4]

In addition to examining both of these aspects of the privacy problem from the point of view of the computer system operator, this article proposes the establishment of a logical legal framework which would serve the public interest by assuring, first, that computer systems which handle sensitive individual or proprietary data will meet certain minimum standards established for the protection of privacy, and, second, that computer system operators will be able to continue to operate in a competitive economy unhindered by either overly restrictive governmental regulation or the fear of private legal liability. The analysis and suggestions herein set forth are relevant to all types of computer systems which store information or use computer programs belonging to persons or entities other than the computer system operator or which collect and store information about private individuals.[5]

The computer industry, which when viewed in its broadest significance extends from manufacturers of main frame hardware to computer service bureaus and computerized information services, should now cooperate with the communications industry to adopt and implement, under the auspices of the federal government, a comprehensive system of self-regulation to ensure the privacy and security of data. As a corollary of such a scheme, computer systems complying with the established standards [6] should be freed from certain types of civil legal liability for the unauthorized or accidental divulgence of individual or proprietary information.[7]

THE PRESENT LEGAL SITUATION: A STUDY IN UNCERTAINTY

For the purpose of analyzing the present legal controls pertinent to privacy and the computer, it will be helpful to consider a few illustrative situations:

"1. Computer service company A operates a multi-programmed, time-sharing, remote-access data processing system. It services 25 customers scattered over a wide area, each with at least one remote terminal device. Each of A's customers stores at least one proprietary program and a good deal of data in A's system. Companies X and Y are competitors and are both customers of A. Let us suppose that company X has been able to obtain confidential data belonging to Y at X's remote terminal.

"2. Assume the same basic set of facts with the exception that A has 500 customers, most of which are very small.

"3. Company A runs a computerized information service containing personal data about thousands of individuals, including credit data, medical data, employment data, and educational data. A offers this service to carefully selected classes of subscribers, each of whom promises to use the information for only circumscribed and legitimate purposes.[8] Company A's subscribers are linked to its computer system by remote terminal. Mr. X, a nonsubscriber, manages to tap into company A's system and connect an unauthorized remote terminal, thereby gathering information about a number of individuals. The information so obtained is used in an article which he publishes in a national magazine.

"4. Assume the same facts as in example 3, except that a programmer-employee of company A, without authority, extracts information about some individual from the system and sells such information to Mr. X."

Although the number of possible variations is almost without limit, these four examples are sufficient to illustrate some of the difficulties which computer service companies may face.

From the point of view of the computer service company, the first two examples present issues of contractual or, possibly, tort liability.[9] The customer whose *proprietary* data has been obtained without authority by some third party might well have a claim for breach of contract against the computer service company. However, the results in such a situation can be quite diverse. If the computer service company is dealing with large, sophisticated customers, service contacts are likely to be thorough and well-defined, specifying with detail the degree of privacy and security of data promised by the company and expected by its customer. On the other hand, if the computer service company's customers are small and perhaps less sophisticated, the contract between them may tend to be of the boiler plate variety and may not contain provisions adequate to protect the privacy and security of data. But uncertainty, rather than a complete absence of protection, is more likely to be the case.[10] Unfortunately, the outcome in any specific situation will depend upon the prevailing business practices and governing standards in the state involved.

Examples 3 and 4 squarely raise the issue of the extent to which an *individual's* "right of privacy" will be afforded legal protection.[11] Although most privacy cases involving the disclosure of *individual* information are likely to arise as tort actions, situations could arise in which an individual might have a claim based upon the law of contract. For example, assume that a computer service company enters into a contract with company X to store personal data concerning some one thousand employees of X and to furnish the data to X upon request. Assume further that the contract includes specific provisions for protecting the privacy of the individuals involved. If the computer company breaches the contract by allowing information to fall into the hands of a third person who uses it to the injury of the employees, the injured employee might seek recovery against the computer service company as a third party beneficiary of the computer service contract.[12]

In most situations, however, an individual's claim that his privacy had been violated would have to be founded upon the tort of invasion of or interference with privacy. Although of relatively recent judicial recognition,[13] this tort has developed to the point where one noted commentator has been able to discern the existence of four separate torts under the rubric "invasion of privacy": [14] (1) unreasonable intrusion upon the seclusion of another or into his private affairs;[15] (2) appropriation of an individual's name or likeness;[16] (3) unreasonable publicity given to another's private life, or public disclosure of a private fact about an individual;[17] and (4) publicity which places another in a false light in the public eye.[18]

The tort doctrine regarding the protection of privacy, in its present state of development, quite possibly would not provide a basis for a finding of liability against the computer service company in either example 3 or 4, where we have assumed that the computer company took no deliberate action to injure the plaintiff. However, the law of privacy has developed in response to the changing conditions of society, and the advent of the computer age is almost certain to result in a further judicial expansion of the doctrine—perhaps with legislative help.[19] Although four states apparently still reject the right of privacy in its entirety,[20] judicial expansion of the doctrine continues. In *Griswold v. Connecticut*,[21] for example, the Supreme Court seemed to find, in a context quite far removed from the fourth amendment prohibition against unreasonable

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Footnotes at end of article.

searches and seizures, a constitutionally protected right of privacy inherent in several amendments.[22]

Of special significance is the recent New York decision in *Nader v. General Motors Corp.*,[23] which extended the *Griswold* rationale prohibiting the violation of a constitutional right to privacy to invasions by a private corporations, not the state. The court implicitly found that state inaction—the refusal by the state court to entertain a lawsuit alleging a violation by the corporation of the plaintiff's constitutional right to privacy—constituted sufficient "state action" to invoke the protection of the fourteenth amendment.[24] If the holding in *Nader* survives, the implications for the computer industry could be far-reaching.[25]

There can be no doubt that the computer service industry, dealing as it does with personal data on hundreds or thousands of individuals, strongly affects the public interest.[26] Indeed, against the background of expanding computer services the need for a further extension of the doctrine of right of privacy has been vigorously asserted.[27] Thus, one commentator has recently noted that "[t]he concept of privacy held by most courts, considered revolutionary during the Warren-Brandeis era, seems more fitted for the 19th century rather than the 20th; a 'new privacy' must be formulated to protect the individual from the technological advances of the computer age."[28] Another commentator recently advanced the thesis that the fifth amendment prohibition against the taking of private property by the government without just compensation, applicable to the states through the fourteenth amendment, should be extended to a similar destruction or diminution of the right of individual privacy.[29] Furthermore, actions by large public corporations which result in a diminution of an individual's privacy should be regarded as equivalent to state action and therefore subject to the payment of "just compensation."[30] The growing tendency to extend the bounds of privacy protection is thus manifest.[31] If, because of their vast informational storage and ready access capabilities, computers and computer systems become generally regarded as great potential threats to the individual's right of privacy, it would not be surprising to find courts holding computer service companies liable for the unauthorized disclosure of information about an individual.[32] Moreover, the court might go beyond the traditional concept that the defendant must be guilty of an intentional or deliberate wrongdoing in order to be held liable under an invasion of privacy theory and hold computer companies liable for negligently permitting an unauthorized release of information. Indeed, if the information is sensitive enough and the damage from release is devastating enough, a court might be tempted to dispense even with the requirement of negligence and simply hold the computer company *absolutely* liable for the unauthorized release.[33] Whether the computer company's failure is technological[34] or human[35] should make no difference.

The law usually has evolved to keep pace with changing social, political, moral, and economic circumstances. For those who might dismiss as "mere speculations" the above thoughts about the possible evolution of the law of privacy in response to the computer revolution, it would be instructive to consider a statement by Professor Arthur Miller during a recent symposium on the computer and privacy:

"The computer is a many-splendored animal. It is myopic to think of it as little more than a high speed calculator with a gland condition. It's much more than that. Modern information transfer technology in time will prove to be the heart of a new communications network, a communications network that differs from many of the communication networks that we are familiar with, such as telephones, telegraph, radio, television and newspapers, only in technological and media terms. Accordingly, the computer must be dealt with as a communications network.

"In short, I am suggesting that we are dealing with a problem of immense importance . . . . [G]iven the large stakes, we should not think simply in terms of the ethical or moral implications of a National Data Center, or any other type of a data center. We must recognize that we are dealing with a new technology, whose applications are just beginning to be perceived and whose capacity to deprive us of our privacy simply cannot be measured in terms of existing systems or assumptions about the immutability of the technology.[36]

It is apparent that the legal protection given to the right of privacy is far from static and may, within the reasonably foreseeable future, undergo marked changes. However, except insofar as the changes may be founded upon federal constitutional doctrines, the developing principles may vary markedly from state to state because the basic law involved will be state, not federal, law.[37] For the computer service company, this could mean facing different standards of liability in fifty different jurisdictions for the unauthorized disclosure of information—an unhappy prospect for companies who do a national or regional business.

At present, there is no body of federal law governing privacy which might "preempt" state law as applied to computer systems. After receiving the many detailed and thoughtful comments in its Computer Inquiry and the analysis of the responses prepared by the Stanford Research Institute, as well as the Institute's own recommendations, the FCC has decided that it must await the collection of additional information before deciding whether to exercise its regulatory authority in the area of privacy and security of data during transmission and storage.[38]

Although it did take a significant step in the privacy area in Title III of the Omnibus Crime Control and Safe Streets Act of 1968,[39] Congress has not acted decisively in this area. In Title III, Congress (1) outlawed the interception and disclosure of wire or oral communications, except as specifically authorized in the statute pursuant to court order;[40] (2) amended section 605 of the Communications Act of 1934[41] to take into account the foregoing addition to the federal criminal code;[42] and (3) established a "National Commission for the Review of Federal and State Laws Relating to Wire Tapping and Electronic Surveillance," which is to study the entire wiretapping and electronic surveillance situation and make a final report within seven years.[43] One interesting feature of this act is that it gives a civil cause of action for damages to "any person whose wire or oral communication is intercepted, disclosed, or used in violation of this chapter. . . ."[44] Although this provision for civil damages in Title III will provide a new, and perhaps potent, remedy to the individual citizen in protecting his privacy, the remedy reaches only one aspect of the privacy problem in data processing, and it certainly does not in any way preempt the various provisions of state law dealing with invasions of privacy. First, the remedy is limited only to persons whose wire or oral *communications*[45] are intercepted, disclosed, or otherwise used in violation of the act. Thus, this remedy on its face does not reach the problem of the unauthorized disclosure of stored information about an individual, which is *not* "communicated" by the individual *himself* to someone else.[46] Secondly, it is not entirely clear whether the act's sanctions will even reach the problem of interception of data being transmitted to or from a data bank, or the disclosure of such data after interception. The term "intercept," as used in the act, means the "*aural* acquisition of the contents of any wire or oral communication through the use of any electronic, mechanical, or other device."[47] Query whether transmitted data is subject to such "aural acquisition," at least in the case of data sent over a special digital communications network using time division multiplexing techniques; query whether courts would reach different conclusions depending upon the technical nature of the communications network over which the data traveled.[48]

A Rational Solution: Self-Regulation by the Computer Industry Under Governmental Auspices

It is estimated that by the late 1970s, the traffic volume over the nation's telephone network will be about equally divided between voice and data transmission,[49] representing a far greater use of the telephone network for data transmission than at present. By 1975 more than 60 percent of the computer hardware used in the United States will be tied into the public communications system, and estimates for 1984 have run as high as 90 percent.[50] Thus, we are on the verge of an explosion in remote access data processing, including a great number of time-sharing, real-time systems. The trends in the law discussed above[51] may well be accelerated by the quickening pace of technological progress.

The choice lies with the computer industry. It can go along and let events unfold in an unstructed, haphazard manner and thereby permit others to fashion for it the basic standards and rules governing the conduct of its business, or it can itself initiate rational means to control its own destiny and at the same time serve the public interest by assuring privacy and security of data, in both transmission and storage. In an industry whose whole thrust is to bring rational order out of the potential chaos unleashed by the information explosion, the choice seems clear. Working from the foundations already laid, the computer industry should pull together, develop, and then enforce standards of construction and operation for computer systems which process data of such a nature that privacy or security are necessitated.

Before detailing the mechanics of this proposal it would be well to point out what is not being proposed. The regulation contemplated would not deal with such matters as the rates or prices to be charged by computer service companies, the rate of return they should earn, the terms and conditions of their sales to their customers, or other matters relating to traditional economic or rate regulation.[52] Rather, the industry, under federal governmental auspices, would develop standards to assure that computer systems will incorporate a reasonable degree of privacy protection and will be operated to achieve the desired degree of privacy and security of data necessary in any given circumstances.[53]

Any program of self-regulation should include at least the following features:

1. The program should be specifically authorized and established by federal statute, a prerequisite which would avoid the antitrust problems that inevitably arise where competitors or potential competitors associate to formulate industry standards.[54] Indeed, the statute should grant a specific antitrust exemption for activities within its scope.

2. Because the program is one of *self*-regulation, some statutory mechanism should be established to permit governmental administrative review of regulatory standards, upon the complaint of interested persons, before they become effective. Such a mechanism would provide customers and potential customers of the computer service industry, as well as private individuals, with

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Footnotes at end of article.

an opportunity to express their views on proposed standards.[55]

3. An organization composed of representatives of the computer industry should be established to promulgate and enforce the desired standards. Such an agency should be specifically recognized and granted authoritative powers by federal statute, and its decisions in promulgating standards and in supervising the operations of the computer service industry should be final, though subject to specific types of review by an appropriate government administrative agency[56] and, ultimately, limited judicial review.[57]

4. The industry agency charged with promulgation and enforcement should have the power of periodic inspection to assure compliance with standards regarding the privacy and security of data.

5. The agency should have specific power at least to conciliate disputes between customers and computer service companies and between individual citizens and computer service companies, arising from, or related to, the standards formulated by the industry agency.[58] Perhaps such conciliation can be made a condition precedent to the bringing of any lawsuit involving the standards or application of the standards.[59]

6. The industry agency should, under guidelines set forth in the federal statute, establish a licensing or certification system for computer systems which will handle information about individual citizens or proprietary data belonging to persons or companies other than the computer system operator. Before any such computer system is permitted to commence operation, it should be required to obtain a license certifying that the industry standards for the protection of privacy and security of data have been met. Such standards should cover not only the technical aspects of the computer system, but also the qualifications of key personnel having access to the system. In connection with the licensing procedure, the applicant should be required to show that it has developed, and will use, appropriate procedures to comply with the standards and to assure that its key employees comply with the industry's code of conduct. As noted above, after initial licensing the industry's agency should have continuing inspection powers to assure that the licensee complies with industry standards. Again, both in connection with initial licensing and any subsequent industry proceeding brought to enforce compliance with standards, there should be review by the concerned governmental agency and, ultimately, limited judicial review. In the event of proposed major alterations in the system, a system licensee should be required to go through a new licensing procedure.

7. The industry agency should have power to promulgate and enforce a code of conduct for programmers and other key personnel working with computer system to which industry standards apply. Sanctions would be imposed upon individuals violating the code of conduct, subject, of course, to administrative review by a government agency and, ultimately, limited judicial review. Such sanctions might include the imposition of fines, with the maximum fixed by statute, suspension from employment, and, in the case of the most flagrant violations, even complete expulsion from the computer service industry.[60]

8. The federal authorizing statute should specifically provide that industry standards will be recognized and given full force and effect in all judicial proceedings, both state and federal. In fact, the statute should provide that, in the absence of an express agreement to the contrary between a computer service company and its customer, the company will not be liable for any loss or destruction of data, or "leakage" of data to unauthorized persons, if the company's computer system has been duly licensed and certified to be in compliance with the industry association's standards, and if in fact the system was in compliance with such standards at the time of the loss, destruction, or unauthorized disclosure. This same exemption from liability should apply, in the case of a claim against the computer service company by an individual on account of unauthorized disclosure of data about such individual.[61]

The preceding framework is necessarily a very broad-brush treatment of a highy complex subject. However, if the idea of self-regulation is accepted and adopted by the computer industry, the foregoing guidelines can be a point of departure in constructing the system. What is needed is a broad consensus within the industry as to the route to be followed, which can then be translated into concrete legislation and a detailed plan of operation.

On the technical side, considerable effort over the past few years has been devoted to developing and improving hardware and software techniques for assuring privacy and security of data during both transmission and storage.[62] In addition, many of the comments filed in the FCC's Computer Inquiry described various techniques used to assure privacy in remote access data processing applications.[63] Thus there is a readily available body of recorded experience and thoughtful comment upon which the standards makers could draw in beginning their complex task.

One aspect of the foregoing proposal for self-regulation must be given special attention. In the case of remote access data processing the communications links between the remote terminals and the computers must be considered a part of the computer "system" to be licensed or certified if there is to be really effective privacy protection. Yet, in virtually all instances, the communications links will be furnished by common carriers *not related* to the computer service company seeking the license or certification.[64] Thus neither the computer company nor the industry agency proposed above will have control over the degree of privacy protection afforded by a very important link in the computer "system" to be licensed or certified.

The solution to this problem does not rest in making the communications common carriers subject to regulation by the industry agency proposed in this article. Any regulatory scheme which subjects a company to regulation directly by its customers must be viewed with at least a healthy skepticism. Thus the communications common carriers should not be subject to regulation by the computer industry agency insofar as these carriers provide communications service in connection with remote access data processing.[65] Moreover, any such attempted regulation of the communications activities of the communications common carriers by the computer industry agency might well conflict with existing regulation by the FCC on the national level and by public service commissions on the state level.

Rather, the solution to the problem would appear to lie in a well-organized system of cooperation between the communications carriers and the computer industry agency, with regulatory assistance from the FCC as required. There should be a continuing formalized liaison between the communications carriers and the computer industry agency, perhaps in the form of one or more representatives of the communications industry working full time in the liaison activity. Such liaison could function effectively in at least two types of situations: (1) when the industry association is formulating privacy protection standards, it should consult closely with the communications industry to assure that tariffed offerings affording the desired degrees of privacy protection in various situations will be available to the computer service industry; (2) if communications problems arise in connection with any particular licensing proceeding under the above proposal, the suggested liaison could help to resolve the problem, possibly through inducing the carrier involved to make a new tariff offering or to amend an existing tariff offering.

Of course, if the liaison activity should fail to resolve any really significant problem, recourse could be had to the FCC or the appropriate state public service commission. To ensure that the FCC will be able to act effectively and expeditiously, the federal statute authorizing the system of industry self-regulation should expressly give the FCC whatever additional power that may be necessary.[66]

There is presently one highly successful example of industry self-regulation under federal governmental supervision. For some thirty years, the National Association of Security Dealers [NASD] has created and enforced a thorough program of self-regulation for the securities industry, including member broker-dealer firms and individual registered representatives. Its principal activities include the administration of examinations to assure the qualifications of employees in the securities industry, the promulgation and enforcement of rules of conduct and fair practice for the securities industry, and the adjustment of grievances between members and between members and the public.[67] One of the most effective tools in NASD's program of self-regulation is its power to examine the books and records of member firms to ensure compliance with NASD rules as well as certain federal regulations. This is equivalent to the inspection program proposed above for the computer industry. In addition, NASD operates a program of voluntary arbitration, both for disputes among its members and for disputes between the public and its members. In the case of disputes of the latter variety, the arbitration panel consists of three members of the public and two representatives from the securities business. In a member versus member contest, the panel consists of from three to five representatives from securities industry.

Although there are obvious differences between the securities industry and its problems and the computer industry and its problems, NASD constitutes a valid precedent for the type of self-regulatory industry agency proposed herein. By adopting a NASD-type approach, the computer industry can assure the creation of a rational and orderly legal framework for resolving the increasingly pressing problem of privacy in the context of the computer revolution and, at the same time, assure that regulation will be in the hands of persons thoroughly cognizant of the complexities of the situation and the need for protection of individual rights and proprietary interests in data and programs—all to the benefit of the public interest.

FOOTNOTES

[*] Member, District of Columbia Bar, B.A. 1954, Manhattan College; LL.B. 1959, Harvard Law School.

[1] FCC Notice of Inquiry, Docket, No. 16979, 7 F.C.C.2d 11, 16–17, 8 P & F Radio Reg. 2d 1567, 1572 (Nov. 9, 1966) [hereinafter cited as *Computer Inquiry*].

[2] *See generally Hearings on the Computer and Invasion of Privacy Before a Subcomm. of the House Comm. on Gov't Operations,* 89th Cong., 2d Sess. (1966) [hereinafter cited as *Gallagher Hearings*]; Note, *Privacy and Efficient Government: Proposals for a National Data Center,* 82 Harv. L. Rev. 400 (1968); *Research Project—Computerization of Government Files, What Impact on the Individual?,* 15 U.C.L.A.L. Rev. 1371 (1968).

[3] *Gallagher Hearings* 122.

[4] *See* Ware, *Security and Privacy in Computer Systems,* Proceedings, 1967 Spring

Joint Computer Conference 279, 280 figure 1. Effective protection of both individual privacy and proprietary data also demands control over the amount and character of the data input entering the system. *See* Miller, *Personal Privacy in the Computer Age: The Challenge of a New Technology in an Information-Oriented Society*, 67 Mich. L. Rev. 1091, 1214–17, 1229–30 (1969) [hereinafter cited as Miller]. Regulation of data input is beyond the scope of this article which is directed solely to controls in the storage and utilization of the data previously collected.

[5] An obvious example of the latter is the automated credit bureau. Credit Data Corporation maintains a large scale, on-line computerized credit information system with data centers located in Los Angeles and New York City. Response of Credit Data Corp. to FCC Computer Inquiry, March 5, 1968. *See generally* Miller 1140–54.

[6] See notes 54–61 *infra* and accompanying text.

[7] This paper does not deal with the problems presented by the *voluntary* disclosure by the system operators of private information about individuals stored in computer systems or questions relating to the accuracy of information about individuals contained in such systems. For discussions of some of the problems involved in the storage of inaccurate information about individuals and the voluntary disclosure of information about individuals, whether accurate or inaccurate, by the custodians of such information, see Karst, *"The Files": Legal Controls Over the Accuracy and Accessibility of Stored Personnel Data*, 31 Law & Contemp. Prob. 342 (1966); Sills, *Automated Data Processing and the Issue of Privacy*, 1 Seton Hall L. Rev. 7 (1970); Note, *Credit Investigations and the Right to Privacy: Quest for a Remedy*, 57 Geo. L.J. 509 (1969).

[8] What constitutes "legitimate" voluntary disclosure of information by the information service company is beyond the scope of this paper. See not 7 *supra*.

[9] *See generally* Miller 1156–73.

[10] *See* Lickson, *Protection of the Privacy of Data Communications by Contract: Another Case Study on the Impact of Computer Technology on the Law*, Bus. Law, July 1968, at 979–80.

[11] Under certain variations of these examples, the contractual rights of the computer service company's customer may also be involved.

[12] *See generally* Restatement of Contracts §§ 133–47 (1932).

[13] The Supreme Court of Georgia is considered to have laid the foundation for recognition of a right to privacy as a fundamental, legally protectible interest in Pavesich v. New England Life Ins. Co., 122 Ga. 190, 50 S.E. 68, 69–70 (1905). Of course, the intellectual foundation for recognition of invasion of privacy as a separate tort had been laid in Warren & Brandeis, *The Right to Privacy*, 4 Harv. L. Rev. 193 (1890).

[14] Prosser, *Privacy*, 48 Calif. L. Law. 383, 389 (1960).

[15] *See e.g.*, Le Crone v. Ohio Bell Tel. Co., 120 Ohio App. 129, 201 N.E. 2d 533 (1963) (wiretapping of an individual's telephone).

[16] *See, e.g.*, Flake v. Greensboro News Co., 212 N.C. 780, 195 S.E. 55 (1938) (photograph of an actress used in a bread advertisement).

[17] *See, e.g.*, Brents v. Morgan, 221 Ky. 765, 299 S.W. 967 (1927) (sign in garage window stating that the plaintiff's account with the garage has been unpaid for a long time).

[18] *See, e.g.*, Peay v. Curtis Publishing Co., 78 F. Supp. 305 (D.D.C. 1948) (newspaper article on the alleged practices of Washington cab drivers in cheating the public on fares, making use of the plaintiff's photograph to illustrate the article).

[19] For example, Congress is now considering legislation which would regulate the activities of credit bureaus and credit investigating agencies, a field in which the computer has been playing an ever-increasing role. S. 823, 91st Cong., 1st Sess. (1969); H.R. 7874, 91st Cong., 1st Sess. (1969); H.R. 9150, 91st Cong., 1st Sess. (1969); H.R. 9888, 91st Cong., 1st Sess. (1969). The Senate passed S. 823 on Nov. 6, 1969, 115 Cong. Rec. 13,905–11 (daily ed. Nov. 6, 1969) and reported it to the House Committee on Banking and Currency on Nov. 12, 1969. Hearings have been held this spring before the House Committee.

[20] These states are Nebraska, Rhode Island, Texas, and Wisconsin. Restatement (Second) of Torts, ch. 28A, at 100 (Tent. Draft No. 13, 1967).

[21] 381 U.S. 479 (1965).

[22] *See also* Tehan v. Shott, 382 U.S. 406 (1966), where the Court pointed out that the fifth amendment guarantee against self-incrimination is really in part an extension of an individual's right to privacy and "our respect for the inviolability of the human personality and of the right of each individual 'to a private enclave where he may lead a private life.'" *Id.* at 414 n. 12.

[23] 57 Misc. 2d 301, 292 N.Y.S. 2d 514 (Sup. Ct. 1968), *aff'd* 298 N.Y.S. 2d 137 (App. Div. 1969).

[24] *Id*, at 305, 292 N.Y.S. 2d at 518.

[25] The Appellate Division, in affirming the trial court's refusal to discuss the case, held that it need not pass upon the constitutional grounds advanced by the trial court, 298 N.Y.S. 2d at 141. We shall have to await further litigation to test the implications of *Nader*.

[26] *See generally* A. Westin, Privacy and Freedom (1967); *Gallagher Hearings, supra* note 2; Pipe, *Privacy; Establishing Restrictions on Government Inquiry*, 18 Am. U.L. Rev. 516 (1969); Note, *Credit Investigations and the Right to Privacy; Quest for a Remedy*, 57 Geo. L.J. 509 (1969); *Research Project—Computerization of Government Files, What Impact on the Individual?* 15 U.C.L.A.L. Rev. 1371, 1375 (1968) (foreword by Mr. Justice Douglas).

[27] Note, *Credit Investigations and the Right to Privacy: Quest for a Remedy*, 57 Geo. L.J. 509 (1969).

[28] *Id.* at 532.

[29] Comment, *Privacy, Property, Public Use, and Just Compensation*, 41 S. Cal. L. Rev. 902, 909 (1968).

[30] *Id.* at 913. The author's main point is made in the following statements:

"It can be argued that all large public corporations, such as Time, Inc., whose activity has as great a societal impact as does most governmental action, should be subject to the same constitutional limitations as is the government. Their activity should be labelled 'public,' rather than 'private,' in contradistinction to an individual's activity. . . . In short, most corporations are, at least in part, fulfilling interests of the state, and no longer fulfilling the traditional justifications of private property. In these instances they ought to be subject to the same constitutional limitations as are imposed that private property cannot be taken for a public use without payment of just compensation." *Id.* at 913–14.

And, as noted, the author would equate the "right of privacy" to "private property" and would require the payment of just compensation for any action which results in a destruction or diminution of an individual's right of privacy.

[31] The American Law Institute, in a tentative draft of a portion of a new Restatement of Torts, commented that new forms of the tort of invasion of privacy in addition to the four basic types already generally recognized by the courts may emerge, especially in light of recent decisions by the United States Supreme Court. Restatement (Second) of Torts § 652A, comment c (Tent. Draft No. 13, 1967). *See also* Westin, *Science, Privacy, and Freedom: Issues and Proposals for the 1970's, Pt. II: Balancing the Conflicting Demands of Privacy, Disclosure, and Surveillance*, 66 Colum. L. Rev. 1205, 1232 (1966).

[32] This might prove true whether the companies are service bureaus, information services, or some other type of computer service company.

[33] Early manifestations of the theory of strict liability are shown in Huthringer v. Moore, 31 Cal. 2d 489, 190 P.2d 1 *(1948)*; Ball v. Nye, 99 Mass. 582 (1863) (percolation of filthy water); Cahill v. Eastman, 18 Minn. 324 (1872) (underground water tunnel). For an example of statutory extension of this principle, see the relevant portions of the Federal Safety Appliance Act, 45 U.S.C. §§ 1–60 (1964).

[34] See, for example, situations 1, 2, and 3, text at 497.

[35] See, for example, situation 4, text at 497–98.

[36] *Symposium: Computers, Data Banks, and Individual Privacy*, 53 Minn. L. Rev. 211, 225–27 (1967). The growing concern over protecting privacy in our era of technological explosion is evidenced by the fact that most of the May-June 1969 issue of Think, the very informative magazine published by IBM, is devoted to a special report on privacy. The articles include Miller, *Psychological Testing: Can We Minimize the Perils?*, Think, May-June 1969, at 24; Ruggles, *How a Data Bank Might Operate, id.* at 22; Westin, *Life, Liberty, and the Pursuit of Privacy, id.* at 12; Westin, *New Lines Will Protect Your Privacy, id.* at 27. Professor Westin's concluding remarks in his first article are especially illuminating: "American Society now seems ready to face the impact of science on privacy. Failure to do so would be to leave the foundations of our free society in peril." Westin, *Life, Liberty, and the Pursuit of Privacy, id.* at 21. In his second article, Professor Westin points out that many organizers of private data banks, in growing recognition of the privacy problem presented by the computer revolution, are establishing administrative controls to assure the protection of privacy. Westin, *New Laws Will Protect Your Privacy, id.* at 31.

[37] *See* Erie R.R. v. Tompkins, 304 U.S. 64 (1938), which laid to rest the notion that there is any generally applicable federal common law to be applied by the federal courts in considering "general" issues in diversity cases. For a more thorough discussion of the *Erie* line of cases, see 1 A. J. Moore, Federal Practice ¶ 0.318 (2d ed. 1965); Friendly, *In Praise of Erie—And of the New Federal Common Law*, 39 N.Y.U.L. Rev. 383 (1964).

[38] *Computer Inquiry*, Report and Further Notice of Inquiry, 17 F.C.C. 2d 587, 592, 16 P & F Radio Reg. 2d 1505, 1510 (1969); *Computer Inquiry*, Notice of Proposed Rule Making and Tentative Decision, 18 P & F Radio Reg. 2d 1713, 1718 (1970). The regulatory authority of the FCC in this area may, of course, be limited in the absence of additional legislation.

[39] 18 U.S.C. §§ 2510–20 (Supp. IV, 1969).

[40] *Id.* §§ 2511, 2515–19.

[41] 47 U.S.C. § 605 (Supp. IV, 1969).

[42] § 803, 82 Stat. 212, 223 (1968) (reprinted in full following 18 U.S.C. § 2510 (Supp. IV, 1969)).

[43] § 804, Stat. 212 223–25 (1968) (reprinted in full following 18 U.S.C. § 2510 (Supp. IV, 1969)).

[44] 18 U.S.C. § 2520 (Supp. IV, 1969).

[45] As used in the statute, "wire communication" means:

any communication made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable, or other like connection between the point of origin and the point of reception furnished or operated by any person engaged as a common carrier in providing or operating such facilities for the transmission of interstate or foreign communications. *Id.* § 2510(1).

An "oral communication" means: "any oral communication uttered by a person exhibiting an expectation that such communication is not subject to interception under circumstances justifying such expectation." *Id.* § 2510(2).

[46] *See* Miller 1201.

[47] 18 U.S.C. § 2510(4) (Supp. IV, 1969) (emphasis added). It remains to be seen how the definition will be interpreted. The legislative history of the Act shows clearly that Congress was preoccupied with the interception of voice communications, whether by wiretapping or other electronic devices. *See* S. Rep. No. 1097, 90th Cong., 2d Sess. 217–218 (1968). The few cases that have cited Title III of the Act have all been criminal cases or civil antitrust cases closely related to criminal cases and have all dealt with voice communications. *See, e.g.,* Alderman v. United States, 394 U.S. 165, 175 & nn. 8–9 (1969); United States v. McCarthy, 292 F. Supp. 937, 943 (S.D.N.Y. 1968); Philadelphia Housing Authority v. American Radiator & Standard Sanitary Corp., 291 F. Supp. 247, 249–50 (E.D. Pa. 1968); United States v. Schipani, 289 F. Supp. 43, 60 (E.D.N.Y. 1968); United States v. American Radiator & Standard Sanitary Corp., 288 F. Supp. 701, 706–07 (W.D. Pa. 1968).

[48] For example, the courts might arguably distinguished between interception of data transmitted by the regular analog telephone network and that carried over a special digital network. *See generally* Miller 1206.

[49] *See* Chaney, *Data Transmission Basics,* Communications, Mar. 1969, at 27; *cf.* Irwin, *Computers and Communications: The Economics of Interdependence,* 34 Law & Contemp. Prob. 360, 361 (1969).

[50] Note, *Computer Services and the Federal Regulation of Communications,* 116 U. Pa. L. Rev. 328 (1967).

[51] See notes 13–17 *supra* and accompanying text.

[52] The respondents to the FCC's Computer Inquiry, including the Department of Justice, generally agreed that the computer service industry should be permitted to develop in the free competitive economy, and not as a regulated utility. *See* L. Krause, *Analysis of Policy Issues in the Responses to the FCC Computer Inquiry,* Stanford Research Institute, Report No. 7379B–2, at 22–26 (1969). The author agrees. For a thorough discussion of the issues involved, see S. Mathison & P. Walker, Computers and Telecommunications: Issues in Public Policy 16–19 (1970). The FCC as of this time, agrees. *See Computer Inquiry,* Tentative Decision, 1718–22.

[53] These standards should be defined to the greatest extent possible.

[54] For a discussion of the limitation imposed by the federal antitrust laws on schemes of self-regulation within an industry, see Silver v. New York Stock Exchange, 373 U.S. 341 (1963), where the Court cautioned that such schemes will be closely scrutinized because of their potential effect on competition within the industry. *See generally* G. Lamb & S. Kittelle, Trade Association Law and Practice §§ 11.1-.9 (1956); Baum, *Self-Regulation and Antitrust: Suppression of Deceptive Advertising by the Publishing Media,* 12 Syracuse L. Rev. 289 (1961); Rockefeller, *Industry, Efforts at Self-regulation,* 10 antitrust Bull. 555 (1965); *Developments in the Law—Deceptive Advertising,* 80 Harv. L. Rev. 1005, 1159–63 (1967).

[55] Such a procedure would afford roughly the same right to comment as is now granted by section 4 of the Administrative Procedure Act, 5 U.S.C. § 553 (Supp. IV, 1969), which provides for the filing of written comments, after appropriate notice, in the case of administrative agency rule making.

[56] The author has deliberately refrained at this time from suggesting what government agency should undertake this function. The FCC, with its broad expertise in the communications field, might be the most logical candidate. Perhaps a new agency under the Department of Commerce might best do the job. In any event, the Congress, in selecting or creating the agency to do the job, should take meticulous care to assure that the agency and the whole regulatory scheme will work in tandem with a well defined national communications policy, as well as in furtherance of national policy in the privacy area. *See generally* Miller 1236–39.

[57] *Cf.* Silver v. New York Stock Exchange, 373 U.S. 341 (1963), where the Court utilized the federal antitrust laws as a basis for its review of the procedural integrity of a system of industrial self-regulation.

[58] It may be appropriate to provide for binding arbitration of such disputes instead of merely conciliation. This would be feasible, however, only if the industry agency were a truly independent authority and had such status and reputation for objectivity that nonmembers of the computer service industry would regard it as a fair tribunal.

[59] *See generally* W. Gellhorn & C. Byse, Administrative Law 649–51 (4th ed. 1960). For a discussion of the utility of the conciliation process in an analogous context, see 1968 Duke L.J. 1000 (conciliation procedure in an Equal Employment Opportunity Commission proceeding).

[60] Theft of a computer program might be ground for such expulsion. In at least one case, a court has held that computer programs are "property" subject to "theft" under state law, and an employee of a computer company who stole such programs was guilty of felony theft. Hancock v. State, 402 W.2d 906 (Tex. Crim. App. 1966).

[61] To reiterate, there should be no statutory exemption from liability in the case of voluntary and deliberate acts by the computer service company including companies offering computerized information services. At least as this author now envisions the proposed industry association, it would not deal with criteria for the voluntary release of information to "interested persons," government agencies, or other individuals, groups, or organizations. It may well be that, as the system develops and considerable experience is gained with the arrangement proposed in this article, it will eventually be appropriate for the industry association to promulgate standards governing the voluntary disclosure of information. Of course, to be really effective, especially against the federal government itself, the association should have specific federal statutory authority to promulgate and enforce such standards, and the statute should expressly make them applicable to government agencies.

[62] For example, three excellent papers summarizing some of the problems involved in achieving privacy and security of data in multi-programmed computer systems were presented at the 1967 Spring Joint Computer Conference. Proceedings, Spring Joint Computer Conference 279–90 (1967). The individual articles were Peters, *Security Considerations in a Multi-Programmed Computer System,* id. at 283; Ware, *Security and Privacy in Computer Systems, id.* at 279; Ware, *Security and Privacy: Similarities and Differences, id.* at 287. The terms "security" and "privacy" are used in special senses in those papers, as summarized by Willis Ware in the last-cited paper: "For the purposes of this paper we will use the term 'security' when speaking about computer systems which handle classified defense information which nonetheless must be protected because it is in some respect sensitive." *Id.* The term "security" has been used in a broader sense throughout this article.

[63] *See, e.g.,* Response of United States Department of Justice (Mar. 5, 1968), filed in Computer Inquiry, FCC Docket No. 16,979.

[64] *See* Irwin, *supra* note 49, at 360–61 (1969); Miller 1099–1103.

[65] However, if the carriers utilize separate subsidiaries to engage in computer service operations which would be subject to regulation by the industry association if performed by computer companies not related to communications common carriers, such carriers or their computer service subsidiaries should be subject to industry regulation in the privacy area.

[66] Even if the FCC might be able to act pursuant to its existing general powers under the Communications Act of 1934, 47 U.S.C. §§ 151–609 (1964), there may be considerable advantage in spelling out the FCC's jurisdiction in this situation and perhaps providing for special streamlined procedures.

If the FCC is to become involved in a significant way in this situation, perhaps it should be the agency to review actions of the computer industry agency although Congress might wish to consider other alternatives before determining whether to give such jurisdiction to the FCC. See note 56 *supra* and accompanying text.

[67] This description of the NASD and its activities is taken from the 1968 NASD President's Report. 1968 NASD Ann. President's Rep. Of interest to the computer industry in formulating its system of self-regulation might be the NASD's statement of purposes:

(1) To promote . . . the investment . . . and securities business, to standardize its principles and practices, to promote . . . high standards of commercial honor, and to . . . promote among members observance of Federal and State securities laws;

(2) To provide a medium through which its membership may . . . consult, and cooperate with governmental and other agencies in the solution of problems affecting investors, the public, and [this business] . . .;

(3) To adopt . . . and enforce rules of fair practice [in the securities business] . . . and in general to promote just and equitable principles of trade for the protection of investors;

(4) To promote self-discipline among members, and to investigate and adjust grievances between the public and members . . . CCH NASD Manual ¶ 1003.

With some slight change in terminology, many of these statements might be substantially adopted by the computer industry.

ANNOUNCEMENT OF HEARINGS ON S. 6, EDUCATION FOR ALL HANDICAPPED CHILDREN

Mr. RANDOLPH. Mr. President, as chairman of the Senate Subcommittee on the Handicapped, I announce that our subcommittee will conduct hearings on S. 6, a bill for the education of all handicapped children. The hearing will be held on Monday, June 17, 1974, at 9 a.m. in room 4232, Dirksen Senate Office Building. Persons wishing to present statements should contact Mrs. Patria Forsythe, professional staff member, or Miss Anne Hocutt, research assistant, Subcommittee on the Handicapped, at 202—225–9075.

NOTICE OF HEARING ON RURAL ENVIRONMENTAL ASSISTANCE PROGRAM AND RURAL ENVIRONMENTAL CONSERVATION PROGRAM

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry will hold a hearing Thursday, June 20, on implementation of the rural environmental assistance program—REAP, and the rural environmental conservation program—RECP, beginning at 10 a.m. in room 324, Russell Office Building. The subcommittee will review the operations of the Soil Conservation Service to determine the reasons for reports of inadequate technical assistance being given our farmers. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARING ON NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, June 19, 1974, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

William H. Orrick, Jr., of California, to be U.S. district judge, northern district of California, vice William T. Sweigert, retired

Henry F. Werker, of New York, to be U.S. district judge, southern district of New York, vice Sylvester J. Ryan, retired

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. Eastland) chairman; the Senator from Arkansas (Mr. McClellan), and the Senator from Nebraska (Mr. Hruska).

NOTICE OF HEARING ON PRESIDENT'S NOMINATION OF DR. JOHN C. SAWHILL TO BE ADMINISTRATOR OF FEA

Mr. JACKSON. Mr. President, a second day of hearings on the President's nomination of Dr. John C. Sawhill to be the Administrator of the Federal Energy Administration has been scheduled for Wednesday, June 12, at 2 p.m.

The purpose of this second day of hearings on this important position is to permit Members who were unable to be present at the hearings on Friday, June 7, to appear and propound questions to Mr. Sawhill.

Further information concerning the location of the hearings will be available tomorrow morning at the office of the Senate Committee on Interior and Insular Affairs.

NOTICE OF HEARINGS ON RADIATION HEALTH AND SAFETY ACT OF 1973

Mr. KENNEDY. Mr. President, I want to take this opportunity to announce Senate Health Subcommittee hearings on S. 667, the Radiation Health and Safety Act of 1973, which will be chaired by my good friend and colleague, Senator Jennings Randolph. These hearings will be conducted on June 19, 1974, and will begin at 10 a.m. Persons interested in testifying should contact Mr. Richard Grundy at 225-9894.

ADDITIONAL STATEMENTS

SENATOR CURTIS CALLS FOR FAIRNESS IN THE CONSIDERATION OF CHARGES AGAINST PRESIDENT

Mr. HELMS. Mr. President, this past Sunday the distinguished Senator from Nebraska (Mr. Curtis) addressed a meeting in Washington of the National Citizens' Committee for Fairness to the Presidency.

In his customary forthright fashion, Senator Curtis gave his analysis of the existing situation concerning charges leveled at the President of the United States by the major news media, various committees of the Congress, and others.

Senator Curtis calls for fairness, Mr. President, and I think all Senators, regardless of political affiliation, will be interested in the eloquent remarks by our distinguished colleague.

Therefore, Mr. President, I ask unanimous consent that the text of Senator Curtis' address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Speech of Senator Carl T. Curtis

Mr. Chairman, distinguished guests: My heart swells with gratitude for the dedicated work of the Committee created to defend the Presidency of the United States. I am grateful for their work and the like work of all others. I believe that they are fighting the cause not only of our country but of free men everywhere. To you, Rabbi Korff, I say thank you very much. Americans will always be grateful for what you are doing.

We have a tough fight on our hands but in my opinion, the "get Nixon crowd" including those who continue to conduct a trial by press are in for a big surprise. They are losing their case. As I travel up and down this country, I am convinced that the vast majority of the people who do the work of the country, who pay its taxes and who fight its wars, are with the President of the United States, Richard M. Nixon.

We are, however, in an all-out fight. We are opposing a loud and determined group. They are a powerful group and they have at their command tremendous propaganda weapons. We must take our message to the people.

The American people need to be reminded that they have a President who wants to get on with the business of strengthening the country. He wants to restore financial sanity to the Federal Government. He wants to curb inflation. And these things, I submit, are vital to the very survival of our nation. We will fail to do them at our peril.

The people of the entire free world look upon President Nixon as their leader. They do so with good cause. President Nixon is the world's foremost and most successful peacemaker.

I cannot forget that when Mr. Nixon was sworn in as President our casualties in Vietnam were running as high as 300 a week. They were gradually reduced and finally brought to zero. Our combat troops have been removed from Vietnam, prisoners of war have been brought home, and young men are no longer drafted into the Army.

Neither can I forget the cruel criticism, the unfounded charges, the shameful accusations that were heaped on President Nixon throughout the months that he was doing so much for our country to end the war which he didn't start. There were marches upon Washington and his critics missed no opportunity to hinder and thwart his actions.

Let us consider the Middle East. This is an area of the world which has been torn by war and strife for a long time now. The feelings and bitterness run very deep, yet it is all changing now. The fighting has stopped. There has been a withdrawal of troops. The killing has ended. There has been an exchange of prisoners of war and the parties are proceeding to negotiate a peace.

Oh, yes, we will forever be grateful for the skill, the dedication and the tenacity of our Secretary of State, Dr. Henry Kissinger. A Secretary of State can only accomplish those things which are in the plan of the President who appoints him and directs him. The power and the might of a country are essential weapons in all diplomatic dealings. In the United States there is only one person who speaks in matters of foreign affairs and who is Commander in Chief of our armed forces. That man is the President of the United States. Because we have a strong and wise President, and a President who has dedicated his life toward a generation of peace, it has been possible for this country of ours to benefit from the skill and talents of a great Secretary of State.

Most of us know of the joy that has come to the mothers, wives, fathers and children of the American servicemen when wars have ended for us. No doubt greater joy has come to the peoples on all sides in the Middle East now that they are experiencing peace and a justified hope that it will become permanent.

I have served in Congress throughout World War II, the Korean War, and the Vietnam War, and I am not going to turn my back on Richard Nixon, the peacemaker.

Few people can appreciate the burdens on the President of the United States. Every Congressman and every Senator must delegate matters to his staff that he would like to do himself. Our responsibilities and the size of our constituencies are such a small fraction of those of the President. There are always tremendous burdens falling on the President in reference to domestic matters.

1972 was a momentous year in President Nixon's accomplishments in world affairs. The Vietnam War was being wound down, leading to its total halt. This called for courageous and soul-searching decisions as to bombing and other actions. The President's visits to Mainland China and to the Soviet Union were handled by him with great expertise.

His 1972 campaign had to be managed by others. I am convinced that President Nixon not only was not involved but never condoned any wrongdoing and that the real facts were withheld from him far too long.

Most citizens are aware that the President of the United States has been ruthlessly subjected to a trial by press, that the American principle of presumption of innocence and that testimony should be taken under oath and subject to rigid cross-examination, have not been followed. What about the principle that an accused person must be found guilty beyond a reasonable doubt?

Congressional committees have been used to advance the publicity of aspiring politicians. These committees have provided forums for the spreading of hearsay and unsubstantiated charges.

A grand jury in Washington has been at work, the makeup of which can hardly be described as a cross-section of our country. The very atmosphere in Washington is not conducive to a fair trial.

A special prosecutor has worked with a staff selected by his predecessor. I think I am quite charitable when I say that Archibald Cox is not noted for being non-partisan nor for being objective.

During the 1960 Presidential campaign, Mr. Cox was described as the "informal dean of the Kennedy Brain Trust." In 1973 he proceeded to assemble a prosecutor's staff without any political balance whatever. His Deputy was Henry S. Ruth, who served under Robert Kennedy when he was Attorney General. One of his assistants, James Vorenberg, served on the McGovern staff when McGovern was running for President. He was a frequent critic of President Nixon's law and order pronouncements and had served under Attorney General Robert Kennedy.

Philip B. Heymann, who was on Cox's staff, was an assistant to the solicitor general during the Kennedy and Johnson Administrations. James Neal, another Cox associate, was special assistant to Bobby Kennedy in the Justice Department, as was Thomas F. McBride. William H. Merrill was Chairman of the Michigan Citizens for Robert Kennedy in 1968. He was on Cox's staff. Another member of Cox's staff was George T. Frampton, Jr., a researcher and speech writer for the Kennedy in-law, Sargent Shriver, McGovern's running mate. Another member of Cox's staff was Roger M. Witten who worked for Robert Kennedy in the Oregon primary campaign. Time will not permit me to discuss some of the others.

Many people might well feel that Archibald Cox is not interested in the enforcement of the law as they understand it. Back a few years ago, there was a riot at Columbia University by student revolutionaries during which no classes or final examinations were held the last seven weeks. The Chicago Daily Tribune on October 13, 1968, had this to say about the incident at Columbia University:

"The acting president expressed his 'indebtedness' to a five-man panel of 'liberal' professors and lawyers who reported a week ago that no one was particularly at fault except for the university administration and trustees, whose attitude of authoritarianism . . . invited mistrust. The chief author of this singular statement was the commission's chairman, Archibald Cox, a Harvard law professor and solicitor general of the United States during the administration of John F. Kennedy."

Mail arrives in my office from all over the country. The people are distressed with the endless day after day harassment of our President. Very often these letters speak of the writer's prayers that are offered asking God to preserve and protect our President and keep him strong.

Those prayers are being answered. We do have a strong President. He has a stamina and courage and strength that is a marvel to all that know him. He is carrying on the duties of the President of the United States both foreign and domestic in a successful manner. Some may not agree with his vetos but it cannot be said that his positions are not strong positions. His accomplishments in foreign affairs continue to make him the unquestioned leader of the free world. He has opened up avenues of trade that will bring great benefits to the economy of our country. He leads when most men would falter.

I question the motives of no man but I am thoroughly convinced that all this talk about resignation or impeachment is not good for our country nor the free world.

I happen to know something about the President's tax case. His tax problems were never investigated by the members of the Joint Committee on Internal Revenue Taxation where I serve. No witness was put under oath. The President's lawyers were not present when the material was assembled. It is a staff report. It abounds in unsubstantiated conclusions and error. No other taxpayer in our country has been treated with the harshness that was given to the President of the United States by that staff report.

The reporting of information by some of the media has been worse than the staff report itself. It was clearly intended to be a staff report and not a committee report. Yet, in driving from my office to my residence on the day of its issue, I was told by the media no less than twice that it was the committee report.

I began by saying that the people of the United States are with our President. This is true because the people have a sense of fairness.

We are a government of law and all citizens are entitled to equality before the law. The common criminal is accorded a presumption of innocence. Should this be denied to individuals in the public service?

It is time to call a halt. It is time to turn to our established court system to deal with the offenders. It is time to bring an end to the assassination of high public officials by hearsay, innuendo, unproven charges and trial by the press. Lynching hasn't stopped in the United States, it is just that different people are doing it.

Investigating committees, special prosecutors, broadcasters and newspapermen and women have a responsibility in pursuing their jobs to do justice. They have no obligation or right to malign and spread rumors and unproven charges. They do have a responsibility to be just. The Prophet Micah said it so well—"O man, what is good; and what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?"

THE FIRST AMENDMENT AND THE FAIRNESS DOCTRINE

Mr. ERVIN. Mr. President, as the Senate knows, I have been interested for many years in the guarantees of the first amendment to the Constitution with respect to freedom of the press.

On May 31, 1974, Mr. William S. Paley, chairman of CBS, Inc., spoke at the dedication ceremonies for Newhouse Communications Center—II, at Syracuse University. Mr. Paley's address, entitled "Broadcast Journalism: At the Crossroads of Freedom," provides an excellent analysis of the increasing problems associated with the implementation of the fairness doctrine, by the Federal Communications Commission.

Mr. President, I ask unanimous consent that Mr. Paley's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

BROADCAST JOURNALISM: AT THE CROSSROADS OF FREEDOM

I am delighted and honored to be here with you today. The completion and dedication of this impressive second unit of the Newhouse Communications Center has a significance that goes far beyond this moment and this campus. Thousands of young people will be going out of this building, as from its great sister building devoted to the print media, to become the architects and builders of the journalism of the future. To all of them, the name of Samuel I. Newhouse should be a constant reminder of a remarkable career in communications. It spans over half a century and embraces newspapers, magazines, radio and television stations. His achievement is eloquent testimony that one medium, to be strong, need not weaken another but can strengthen it—that a new medium, to be effective, need not destroy an old, but can constructively change it. This magnificent building is also a powerful reminder of a great revolution in communications—the use of broadcast signals to bring the events, personalities and issues of the outside world into the living room. And it seems to me wholly appropriate that Newhouse II (as, I am told, it has already become known) devoted to studies in broadcast and film communications, has been built in close proximity to Newhouse I, devoted to studies in the print media. For one of the great battles that broadcast journalism has been fighting in this country, since its beginning in the late 1920's, has been to establish the principle that a free press must be inclusive if it is to serve its common purpose in a free society. This means recognition that journalism transmitted over the air should not, for that reason, be inhibited by government, any more than the print media should be, from informing the people, from contributing and stimulating informed discussion among them and from helping to enable them to take the action essential to effective self-government.

The fight for this recognition—and it is a battle we in broadcasting are still fighting—has not been easy. In the first place, broadcast stations are licensed by the Federal government. Originally, this was for technical reasons—to avoid chaos in the use of the airwaves—a fact that has often been forgotten. There was also believed to be a quantitative factor involved—"the scarcity principle," which, as I shall point out later, has turned out to be more theoretical than real. This centered on the technical fact that there had to be, in the spectrum, some limit whereas there was no technical limit on the number of newspapers that could be printed. As it turned out, economic realities came to be more limiting in newspaper publishing than technical realities did in broadcasting.

In the actual evolution of broadcasting as an information medium, however, I think that most broadcasters were far less concerned with theoretical considerations than with a respect for its sheer strength as a medium. Consequently, we saw it as our clear responsibility to protect the public from the misuse of broadcasting as a result either of government interference or pressure or of possible selfish or biased interests of broadcasters themselves. At CBS—and I think generally throughout broadcasting—the principles of fairness in dealing with news and public affairs—as well as other guidelines to assure responsible broadcasting in this area—were voluntarily and painstakingly arrived at and put into practice. At the same time it was—and remains—our firm conviction that what constitutes fairness should be determined by those responsible for the operations of the media and not by a governmental agency policing them and imposing upon them its own definitions and its own arbitrary rulings.

The long and continuing struggle of broadcast journalism to assert and maintain its position as part of the free press has centered very largely on this issue: whether defining and resolving problems of fairness should be left, under the principles of the First Amendment, to broadcasters, who are answerable to their audiences, vulnerable to their competitors and exposed to constant public criticism, or whether it should be left to a government agency to determine these matters.

Historically, the Fairness Doctrine was not formally enunciated as a policy of the Federal Communications Commission until 1949, when it was adopted as part of an FCC report upholding the right of broadcast licensees to editorialize. The purpose of the Fairness Doctrine was to insure that the exercise of the right to editorialize did not lead to rampant bias on the air. The new policy was designed not to repress the expression of opinion but on the contrary to stimulate a multiplicity of opinions.

Despite its good intentions, however, the Fairness Doctrine had implicit dangers in that it conferred upon a government agency the power to judge a news organization's performance. In recent years, this danger has become real as the FCC began considering complaints on a broadcast-by-broadcast basis, almost line-by-line and minute-by-minute. One station, for example, was ruled unfair because the FCC found that, on one news program, "approximately 425 lines were devoted to expression of views opposing the legalization of casino gambling whereas approximately 115 lines were devoted to the proponent's views." Inevitably, such superediting by a government agency has become a vexing symbol of broadcasting's second-class citizenship in journalism. Misapplication of the principle became a springboard for attack on the media by various government officials for purposes unrelated to the original concept of fairness. Such attacks, if they had not been resisted, would long since have led to the weakening of broadcasting as an arm of the free press and have destroyed its ability to function as an effective tool of democratic life and growth. In recent years the symptoms of broadcast journalism's second-class status have become so clear as to reveal how the Fairness Doctrine can be used as a device to influence the content of news and public affairs broadcasting.

This is not a matter of seeing ghosts lurking in every corner. Consider some of the actions and trends emerging in just the past five years, to restrict or condition the freedom of broadcasting to operate fully and freely in the public interest—as the press always has—undirected by judicial commands, unhampered by bureaucratic reviews, unchallenged by administrative probings and unthreatened by executive reprisals.

In 1969 the Supreme Court decided that the FCC had the power under the Fairness Doctrine to promulgate its so-called "personal attack" rules, which require broadcasters to follow automatic notification and requirements for time to reply whenever the "honesty, character, integrity" of a person or group is questioned. While certain news broadcasts are exempt from the rules. First Amendment values are, nevertheless, comprised when a governmental commission becomes the final arbitrator of journalistic fairness and can prescribe the remedy. Recent events demonstrate the fundamental danger of lodging with a government commission—however well intentioned it may be—the power to review and penalize broadcasters as a result of a finding that a particular news broadcast was "unfair."

Already attempts have been made to extend the principle to entertainment and advertising. To cite a recent example in entertainment, perhaps one of the most distinguished dramas ever presented on television, "The Autobiography of Miss Jane Pittman," the story of a former slave, was the subject of a complaint demanding time on the grounds that it put whites in an unfavorable light—a complaint which the FCC wisely rejected. In commercials, some complaints under the Fairness Doctrine have assured the militant guise of "counteradvertising." Unsatisfied with broad-gauged existing restraints on deceptive advertising, they would demand that, under the Fairness Doctrine, free time be provided opponents of a company or a product or service on the vaguest grounds conceivable. The implications of this are clear: it could, by reducing broadcasting as an effective advertising medium, so endanger its economic viability as to reduce its effectiveness in all other respects, including its journalistic role.

No news medium can afford to turn the other cheek. Any notions that, in respect to enforced fairness, the free press is divisible, and that pressure could be applied to one medium while others are immune to it, got a serious jolt last year. The Florida Supreme Court held that a newspaper—in this case, *The Miami Herald*—under the personal attack principle in a state statute, can be compelled to print verbatim replies. An appeal of the decision is now pending before the Supreme Court of the United States. It is ironic and could be tragic, unless there is a reversal, that this shortsighted policy of fairness by government edict is extended to the print media just at the time that it is proving most menacing to the broadcast media. We all know it is no less an abridgment of freedom of the press to compel publication of material than to forbid it.

The intrusion of the government into the content and style of broadcast journalism has led to an open season of attacks upon the basic principle of the free press: namely, that what is published—whether on the printed page or over the air—is best left to those doing the publishing and any judgment as to its interest and value is best left to the people reading, hearing or seeing it.

Few Presidential administrations, in my experience, have been consistently pleased with the press: all want to be constantly approved and admired. But that is not the function of the press, and previous administrations, though often displeased with the press, did not seek to undermine or punish it. The startling fact of the present Administration is that, virtually from its inception, it has launched a systematic effort to discredit both the objectives and the conduct of those journalists whose treatment of the news it disapproves. None of the news media has been immune to verbal onslaughts from the White House; but broadcast journalism, in particular, has been subjected to unprecedented direct threat to inhibit, weaken and disable it. Even though not all these threats have been actually put into practice and none have succeeded in their motives, they are nevertheless shocking and frightening in their implications. They have been directed at impugning the integrity of able and respected reporters; at setting up monitoring systems, whose findings were to determine whether agencies of the Federal government could be used to investigate and intimidate the offending media; also at splitting networks from their affiliates by threatening non-renewal of the latter's licenses; and at weakening the economic basis of costly broadcast news operations by clumsy appeals to advertisers to boycott networks and stations which fail to report the news as the White House sees it.

As the history of this continuous campaign to undermine broadcast journalism has unfolded, the inescapable impression emerges that there are those in positions of power and trust who are, from all appearances, against a free press—and that they are against it, not just because they *think* it will distort some facts, but also because they *know* that it will disclose others.

So I say, with all the strength at my command, that the time has now come to eliminate entirely the Fairness Doctrine from government rulebooks or statutes. In spite of the fact that the FCC has shown moderation in putting it to use, the very fact that the Fairness Doctrine confers on a government agency the power to sit in judgment over news broadcasts makes it a tempting device for use by any administration in power to influence the content of broadcast journalism.

Meanwhile, broadcast journalism is continuing to carry out its mission of honest, thorough and responsible reporting. It continues to rate high in the public confidence. And there is surfacing a growing sense that the Fairness Doctrine has outlived its usefulness. Broadly recognized as the leading constitutional authority in the United States Senate, Sam Ervin has characterized the enforced fairness concept as "a fickle affront to the First Amendment" and strongly urged an inquiry "to consider how to move broadcasting out of the Government control. . . ." In a landmark 7–2 decision last year, the Supreme Court emphatically rejected the contentions of those who would impose even more restrictive obligations on broadcasters. It declared "The question here is not whether there is to be discussion of controversial issues of public importance on the broadcast media, but rather who shall determine what issues are to be discussed by whom, and when. . . . For better or worse, editing is what editors are for; and editing is selection and choice of materials," and it goes on "If we must choose whether editorial decisions are to be made in the free judgment of individual broadcasters, or imposed by bureaucratic fiat, the choice must be for freedom." The Chairman of the FCC, Richard Wiley, has indicated his receptiveness to studying the suspending of the Fairness Doctrine in areas where there are a sufficient number of licensees. And Senator Pastore, Chairman of the Senate Subcommittee on Communications, has taken an open-minded view in announcing his proposal to hold hearings to reexamine the policy.

In addition to the offense done the freedom of broadcast journalism by fairness enforced by government, the arithmetic of the communications field today offers convincing evidence that the scarcity principle has no validity as grounds for enforced fairness. On the contrary, it calls for clear and outright repeal of the Doctrine. A sparseness of broadcast outlets, as compared to daily newspapers, no longer exists. As a matter of fact, the situation is inverted. When the regulatory powers over broadcasting were first enacted in 1927, there were 677 broadcasting stations in the United States and 1,949 daily newspapers. Today there are 8,434 broadcasting stations and 1,774 daily newspapers. The multiplicity of voices heard over these stations—two-thirds of which have no network affiliation—far exceeds that provided by any mass medium at any time in our history. The vast majority of news and public affairs broadcasts originates with the thousands of local stations, whether or not they have network affiliations. Americans spend, in an average week, 555 million hours watching television news broadcasts. Of these hours, 394 million are spent on locally produced news and 161 million hours on network news broadcasts. In radio the ratio of locally produced to network produced news is overwhelming, all but a small fraction is local.

There is, furthermore, very little overlapping of control of broadcast stations by newspapers: 19 percent of the 934 television stations are owned by newspapers; and 7 percent of the 7,500 radio stations. And there are just as many national *television* networks as there are wire services or national general news weeklies. In addition, of course, broadcast journalism must compete for public confidence with all the newspapers, as well as monthly, quarterly, bi-weekly and weekly periodicals; also books and newsletters; and educational, civic, professional, and other meetings. All of these add to the giant mix that conveys, appraises or interprets information and presents and discusses issues.

The possibility of any major news source consistently distorting or misusing its function in the face of all these other competing forces for enlightenment is virtually nonexistent. This pluralism constitutes the strongest safeguard that a free society can have against abuses of freedom of the press.

A free people just does not tolerate persistent bias if it has such a wide range of free choices. And never in the history of communications has a medium been as wholly susceptible to watch-dogging by the entire population. A further check on the overall fairness of broadcast journalism is that it is consistently and universally subjected to review and criticism. Every major newspaper in the United States reports every day on how broadcasting is doing its job and who is doing it—often faulting us, occasionally praising us, but never ignoring us. Most general interest magazines add their comments and criticism every week and every month. A hundred and thirty-four publications—daily, weekly monthly and quarterly—deal exclusively or to a major extent with broadcasting; and their circulation runs into millions. Letters from private citizens, running into thousands every week, clearly indicate that the public consider themselves our real supervisors and do not hesitate to let us know how well or how fairly they think we're carrying out our job. at CBS News—as I am sure at other broadcast news organizations—we have carefully thought out guidelines, continuous reviews of our work and formal procedures to make certain that we are doing it responsibly. And the fact is that we seem to be doing it well. Independently run public opinion polls at regular intervals question the American people as to the degree of their confidence in broadcast journalism. The last such poll revealed that the largest number by far, 56 percent, considered broadcasting the most believeable news media of all.

In a free society, this pluralism, this watchfulness and this competition among literally hundreds of news sources for public confidence constitute the forces that are the true judges of broadcasting's fairness and should be the only ones. Government should simply—as a matter of asserted national policy consistent with what I believe to be the spirit of the First Amendment—repudiate the Fairness Doctrine and specifically immunize news and public affars broadcasting from any form of governmental oversight or supervision whatsoever.

Twenty years ago—almost to the day—I had occasion to address myself to the freedom and responsibility of broadcasters. I said then, "Some people may question the desirability of placing on the hands of the broadcaster this important element of control. To this point I would say that undoubtedly there may be abuses, as there are in other media. But I for one have enough faith in the vitality of the democratic process, in the intelligence of the American people and in the freshness of the competitive climate to believe that the good will and the determined intent of broadcasters to be fair, coupled with the powerful voice of the people, will provide far better protection against abuse than any other form of control."

Nothing during the past 20 years has led me to change my mind or to qualify those words.

If there is any risk—and there is—in this belief that, to quote Jefferson's words, ".... the people . . . may safely be trusted to hear everything true and false, and to form a correct judgment between them"—and there is a risk—then it is the risk basic and continuous in any free society. But it has been the verdict of our forebears and the experience of ourselves that a free society is not the safest way of life: it is only the best.

THE TRUTH

Mr. FANNIN. Mr. President, in Washington we are subjected to the sophistry used to alibi for irresponsible Federal fiscal policy. Last week I received a letter from a 12-year-old boy whose unfettered view of our responsibility is refreshingly clear. If the Congress were to face the simple truth as stated by my young constituent, we would not have the inflationary problem. I request unanimous consent that this letter be printed in the RECORD so that I may share it with my colleagues and allow them to ponder the question he has raised.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SAFFORD, ARIZ.,
June 1, 1974.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: I am a twelve year old boy scout studying about Citizenship in the Nation and our country. I have discovered that the legislative branch of our government is responsible for determining how the people's money is to be spent. I have been taught by my parents and in scouting to live within my means. It appears that the government is wasting millions of dollars that they don't have and are creating a debt that we of the future generation are going to have to pay back. It also appears to me that the members of the legislative branch are not willing to face up to the truth, but are trying to put all of the blame for inflation (overspending) on the executive branch.

Would you please tell me what plans are being made by the Senate in Washington or yourself to eliminate the nearly four-hundred billion dollar national debt.

Sincerely,

JAMES WILSON.

NOMINATION OF JOHN SAWHILL AS ADMINISTRATOR OF THE FEDERAL ENERGY ADMINISTRATION

Mr. ABOUREZK. Mr. President, President Nixon's refusal to roll back crude oil prices has resulted in enormous windfall profits for the major oil companies, has been a major contributor to rampant inflation and has caused severe economic hardship for most of the Nation's citizens.

How long can we allow this policy to continue? In a few days the Senate will be asked to vote for the confirmation of Dr. John Sawhill as Administrator of the Federal Energy Administration. I can think of no more important statement by the Senate at this time than to oppose Dr. Sawhill's nomination. Opposition to his nomination would be a message to President Nixon that the Senate strenuously objects to the President's refusal to roll back crude oil prices.

There are a number of cogent reasons why the Senate should reject Mr. Sawhill's nomination. Some of these are as follows:

First. In spite of the direct evidence contained in internal documents of the Cost of Living Council just released, which clearly show that the price increase of old crude to $5.25 on December 19, 1973, was unjustified for two reasons: Because old oil fields were already producing at maximum levels and—because the bottleneck on domestic production was a drilling equipment shortage, not the price ceiling on old oil, Dr. Sawhill flatly stated at the Interior Committee's hearing on June 7 that he would not roll back old crude oil prices.

Second. In spite of the fact that there is no free market in oil worldwide—since OPEC nations arbitrarily set prices—Dr. Sawhill insists that the price of domestic "new" oil ought to be tied to the price level of a fictitious international free market. This policy assures high profits for American oil companies and thus, as we have heard in recent days, encourages foreign nations to maintain or even increase high import oil prices.

Third. In spite of mandatory language in the Federal Energy Administration Act requiring the Administrator to roll back propane prices to May 15, 1973, levels, Dr. Sawhill has interpreted this language to be discretionary. His position is that he will not roll prices of propane back to the May 15, 1973, levels.

Fourth. Under the "released oil" concept for every barrel of new oil produced, an oil company is entitled to decontrol one barrel of old oil. This amounts to nothing more than another Government handout to the major oil companies. Dr. Sawhill's position is that he will maintain this policy despite a lack of economic justification for it.

In addition to the above, Dr. Sawhill conceded during his hearings that his office has done nothing beyond issuing press releases to promote real energy conservation. Although he vaguely talks about proposals which he will advance in his Project Independence Blueprint, supposedly to be forwarded to the President this fall, a sense of urgency to effect serious conservation measures is totally lacking.

To his credit, Dr. Sawhill was candid in making these positions known. He is to be respected for his candor and his integrity. But his policies add up to nothing more than continued severe economic dislocation for the consumers of this country.

I sincerely believe it is incumbent upon the Members of the Senate to reject these policies by voting against confirmation of Dr. Sawhill. The Senate must go on record against the unjustified price increases heaped on the public by the oil industry. A vote in opposition to Dr. Sawhill's nomination will be a clear signal to the administration that the Congress is fed up with fuel pricing policies that fleece the public for the benefit of the major oil companies.

The Wall Street Journal and the Washington Post published articles further highlighting Dr. Sawhill's refusal to roll back crude oil prices despite the fact that the Cost of Living Council's own documents argued that the December 19 price increase was unjustified.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SAWHILL DEFENDS RISE IN "OLD" OIL PRICE AGAINST CALLING BOOST "ARBITRARY"

WASHINGTON.—The controversy over oil prices continued as newly released documents showed that government staff experts believed last December's $1-a-barrel increase in the price of most crude oil was "arbitrary" and couldn't be justified on economic grounds.

The papers contained more arguments against than in favor of raising the price of "old" crude oil, produced at pre-1972 output levels, which currently accounts for 62% of domestic oil. The documents also said the price boost would sharply increase oil company profits.

At a hearing on the nomination of John Sawhill to be administrator of the Federal Energy Administration when it takes over for the temporary Federal Energy Office July 1, Sen. Henry Jackson (D., Wash.) sharply criticized the December price.

Mr. Sawhill said he was opposed to any rollback in the current $5.25-a-barrel ceiling price the government has set for old oil. The energy office late last year took over oil price controls from the Cost of Living Council, which last Dec. 19 boosted the ceiling for this oil from $4.25 a barrel. The price of other domestic crude oil isn't controlled by the government and has been about $10.25 a barrel, according to the energy office.

Sen. Jackson said at the hearing that "the documents aren't very complimentary" as far as the action taken by the Cost of Living Council. He criticized Mr. Sawhill for maintaining the higher price, and other Senators questioned the official about the matter. The documents were given by the cost council to consumer advocate Ralph Nader, who had requested them under the Freedom of Information Act.

SAWHILL DEFENDS PRICES

Mr. Sawhill defended the $5.25 price level, saying "circumstances have changed since" last December and the "price looks much smaller now relative to the world price of oil." The energy office said the average cost of foreign crude to oil companies is $9 to $9.50 a barrel, with some sales much higher.

The energy chief predicted that world oil prices would soon decline somewhat because there is a slight surplus on the world market. He attributed the surplus to a reduction in demand because of the higher prices in recent months. He said a world price reduction might also cause prices in the U.S. to soften somewhat.

The documents, some of them by energy price experts at the Cost of Living Council who have since transferred to the energy office, said a price increase for old oil couldn't be justified as eliciting increased domestic production because old oil fields already were producing at maximum levels. Another document said an increase in production of domestic oil due to increased secondary and tertiary recovery methods would have occurred without any price increase.

A report prepared for the government by the Stanford Research Institute said a price boost for old oil wouldn't increase production because the bottleneck on domestic production was an equipment shortage, not the price ceiling. That report also said there wouldn't be any significant decline in demand for petroleum products from a moderate increase in the old oil price.

Some of the documents also said the increased price might trigger additional price boosts by foreign oil producing countries exporting to the U.S.

EXPORTS ARE CITED

On the positive side, the government staff experts said the price boost might discourage oil exports by U.S. companies and result in additional investment in domestic oil exploration.

Mr. Nader called the price boost "unjustified gouging of consumers in order to provide a handout to oil producers."

The price control staff didn't go that far in its report but said that "as no additional costs are involved and a ceiling increase in the price of crude would be based on other factors such as world market prices and the desire to increase domestic prices of products to deter demand, this is an arbitrary decision." The staff report said that the "gross profit" to the oil industry from the $1-a-barrel increase would be $256 million a month.

A report of a Dec. 18 meeting between White House economic adviser Herbert Stein and energy price experts at the Treasury Department and the Cost of Living Council said Mr. Stein favored boosting the price to $12 a barrel of old oil to dampen demand. He said that kind of a boost would be "big enough to avoid the need for rationing," according to a memo on the meeting written to Cost Council Director John Dunlop by William Walker, currently general counsel of the energy office, who attended the discussion. He wrote that Mr. Stein wanted to couple a $12 domestic crude price with a windfall profits tax that would limit the yield to oil companies to $6.50.

MEMO FOR SHULTZ

In a memo prepared by Mr. Dunlop for George P. Shultz, then Treasury Secretary, the price control chief wrote that a big price boost for crude oil would "further escalate the bidding in the international markets and raise the price still further than the producing countries could expect to get."

Mr. Dunlop added that a "shock of this magnitude" in boosting the oil price is "likely to help set off a number of inflationary reactions which will preclude any further orderly withdrawal from controls" on prices in general, not just oil.

The Senate Interior Committee concluded the hearing on Mr. Sawhill's nomination Friday afternoon.

1973 INCREASE IN OIL PRICE IS DISPUTED

(By Thomas O'Toole and Bradley Graham)

The Cost of Living Council pushed through a $1-per-barrel price increase for oil last December over the objections of the council staff and an outside consultant commissioned to study the justification for a price rise, internal government documents show.

In the face of such objections, the $1 boost in the price of "old" domestic oil to $5.25 a barrel was settled on as a compromise by energy and economic advisers in the White House. Economic adviser Herbert Stein wanted oil to rise to $12 a barrel. Treasury Department aide William Johnson suggested $10 a barrel, while his colleague Oz Brownlee favored total decontrol on oil prices.

The $1 increase, which had the effect of raising prices to consumers by $2.5 billion, was apparently settled on because Cost of Living Council Director John T. Dunlop would not agree to a stiffer increase.

"If a price of $7 to $8 is now established," Dunlop wrote last Dec. 19 to Treasury Secretary George P. Shultz, "I recommended full decontrol of the economy immediately because even orderly phasing out of a controls system cannot be viable under such a shock."

Dunlop's comments to Shultz are in one of six hitherto unpublished Nixon Administration documents turned over yesterday by consumer advocate Ralph Nader to Sen. Henry M. Jackson, Chairman of the Senate Interior Committee. Nader was given the documents by Dunlop after seeking them under the Freedom of Information Act.

"During the confirmation hearings which you are beginning today of Mr. (John C.) Sawhill's nomination as administrator of the Federal Energy Administration," Nader said in a covering letter to Jackson, "he should be required to explain his maintenance of this unjustified gouging of consumers to provide a handout to oil producers."

Sawhill, under sharp questioning from Senate committee members, defended the price rise, contending that resulting profits will spur additional oil production.

But development of new fields takes time, Sawhill said, so the effects of the increase may not be felt for months. He noted that the supply of domestic crude oil was still decreasing, though the total supply has been increasing because of additional imports.

Sawhill stressed that the price increase had been a Cost of Living Council decision, not his own. The Federal Energy Office had just been created at the time the increase was announced.

Asked repeatedly whether he would consider decreasing the price of oil, Sawhill said he was definitely against a rollback. Any reduction now, he asserted, would prove unproductive by lessening the incentive to develop new fields.

Included in the six documents released by Nader were three prepared by the council's Energy Division and one by the Stanford Research Institute, which acted as consultant on oil prices to the council.

The Stanford document, dated Dec. 18 the day before the price increase was authorized—argued against the notion that a price increase for "old" oil will stimulate domestic production. It also argued that decontrol of "new" oil prices, which had been allowed long before the "old" oil price boost, was more than enough to raise production.

"New" domestic oil is oil found and produced since September, 1972. It now accounts for almost 30 per cent of the U.S. oil output of four billion barrels a year and sells for anywhere from $7 to $10 a barrel, averaging $2 more a barrel than the "old" oil.

"The real bottleneck is not the lack of incentive prices, but the lack of availability of drilling tools and equipment," the Stanford study states. "Even with appropriate incentives and equipment, our discussions indicate that it will take many months to affect the supply to any degree."

The Stanford study suggested also that a rise in crude oil prices would have little effect on consumer demand. At the time, the Nixon administration was saying that price increases were necessary to curb runaway American appetites for gasoline and other petroleum products.

"The demand problem is at the product level, not the crude level," the Stanford study went on. "An increase of this size would not in itself be large enough to effect a significant reduction in demand . . . A more effective method would be a tax on the products."

The Nixon administration was also urging higher U.S. crude oil prices to bring them more in line with world prices, but the Stanford study said that higher U.S. prices would encourage other producers to raise their prices again.

In three "issue papers" prepared for Dunlop, the Cost of Living Council's Energy Division argued that higher prices for old crude oil would do little to raise domestic output, a notion Nixon administration aides were pressing on Congress to justify higher prices.

"Increased prices would not materially increase production, at least not in the immediate future," one issue paper flatly stated. "Production is already at the maximum in almost all domestic fields."

The Energy Division also said (like the Stanford study) that higher domestic prices might trigger a new round of higher prices by countries exporting oil to the United States.

"Apparently these countries are not reluctant to increase prices without a corresponding U.S. increase but would be even more likely to do so with a domestic increase," the issue paper said.

The council staff also worried that higher crude prices would do little more than produce windfall profits for the producers. It said that a $1 increase in crude prices would mean higher profits for producers of $256 million a month, more than $3 billion a year.

"Oil companies with crude resources will show even higher profits than have already been so highly publicized," the staff said. "Oil companies lacking crude resources will object to paying the higher price unless costs can be passed on to the consumer."

One of the most interesting of the six documents made public by Nader was a two-page memo to Dunlop from Cost of Living Council general counsel William N. Walker. The memo was marked "Administratively Confidential."

The memo discussed a meeting Dec. 18 attended by Stein, Treasury aides Johnson and Brownlee and four members of the council. The meeting was held to discuss higher crude prices.

"Stein opted for $12 a barrel," Walker wrote, "stating that it's big enough to avoid the need for rationing."

FAMINE IN ASIA AND AFRICA: A WORLD CRISIS

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues two articles by Mr. John

H. Douglas which appeared in the May 11 and May 18 issues of Science News.

The first, "The Omens of Famine," describes the causes of the devastating famine which has afflicted the Third World, where millions of people are likely to die from starvation this year. The effects of the drought which has swept the Asian subcontinent and the African Sahel, evidence of the world's changing climate, have been further complicated by the energy crisis and the food shortage in the industrialized world.

With the price of fertilizer skyrocketing, there is little hope for expanded food production this year in the drought-stricken areas of the world. These starving people, who once could turn to our "food for peace" program, now find that they can not compete with more affluent countries like Russia and Japan for our food reserves, which are at an all-time low.

Although the picture Mr. Douglas paints is a rather bleak one, his second article, "Confronting Famine," offers some possible solutions to this mammoth problem. He first calls for "international cooperation and genuine philanthropy" in an effort to build a world food reserve now, and in devising a better system of emergency food distribution. If we wait for the World Food Conference in November, it may be too late for millions of people who are already starving.

Mr. Douglas proposes long-term goals as well, including population control, research in new ways to expand food production both here and in developing countries and, ultimately, modified life styles for the people in the world's affluent countries. In conclusion, he asks if we will "accept the necessary sacrifices when they come, or, as C. P. Snow predicted long ago, sit and watch on the evening news millions of people dying of starvation, somewhere else."

Mr. President, the problem is already at hand. We need to take specific actions and particularly in developing a national and international reserve program. I ask unanimous consent that the two articles by Mr. Douglas be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE OMENS OF FAMINE

(By John H. Douglas)

Like cancer, starvation seldom kills its victims directly. Rather, it weakens the whole fabric of life until the frailest part gives, then the rest disintegrates. For an individual, the end usually comes by disease; for a society, by anarchy. Famine, like cancer, is easiest stopped before it spreads, and now danger signals from many areas of the world have become unmistakable.

A walk, down any thoroughfare in Asia—whether on a worn village path or beside one of the many new highways—is not likely to reveal an overwhelming presence of starvation. Mechanization and the brimming productivity of "Green Revolution" crop hybrids have allowed developing countries to increase their food productivity by almost a third during the last decade, enough to offset population growth and slightly raise per capita consumption. One may still see families living under overturned wrecks beside a road in India, but even that hard-pressed country had hoped for self-sufficiency in grain, until recently.

Then the rains failed. On the other side of the world, half the wheat crop of the world's largest producer went to a nation able to pay a much higher price, the Soviet Union. Finally came another Middle Eastern war, and though siding with the Arabs, India's oil supplies dropped and prices rose like everybody else's. The foundations of development had proven extremely fragile.

That inherent fragility is what a walk down any thoroughfare in Asia does reveal: A few rich living among many poor, the two-thirds of the world's population that must scrape for a quarter of its protein; a few tractors, which, without fuel, cannot harvest the Green Revolution crops that depend on them; most important, only a few domestic sources of fertilizer, a petroleum product without which the new, productive grain hybrids cannot grow.

Development has brought dependence. Machinery, petroleum and fertilizer are, for most developing countries, import items. The economies of many small countries are narrowly based on some abundant local commodity, such as rubber or gold, and when population pressures outstrip the land's capacity for growing crops, limited foreign exchange capability must be used to buy food. Whereas before World War II Western Europe was the only grain deficit region on earth, now only North America and Australia remain as net grain exporters. The United States and Canada together have a greater stranglehold on the world's food exports than the Arabs have on petroleum.

That dominance developed gradually, the result of the same forces that have recently increased production in developing countries—mechanization, fertilizer and prolific hybrids. In the wave of development since the end of World War II, the United States has come to produce half the world's corn and two-thirds of its soybeans. Most of this increase was accomplished by raising productivity. Per acre corn production, for example, has grown 240 percent while the labor required has dropped 60 percent. Mechanization and increased use of fertilizers, of course, made farming more energy intensive, so that now roughly 80 gallons of gasoline are required directly to raise an acre of corn, with about twice that much energy involved in making the fertilizer and transporting and processing the various products off the farm.

At first, the increased productivity led to embarrassing surpluses—butter stored in Kentucky caves, millions of tons of grain left to rot in silos around the country, farmers paid for not raising crops on as much as one-seventh of the nation's farmland. Since prospective consumers in developing countries could not afford to pay American prices for the surpluses, a "Food for Peace" program was launched to sell the extra food for whatever commodities, local currency or political advantage could be traded in return. The American agricultural glut became a buffer, providing a measure of price and nutrition stability for the developing "Third World."

The surpluses would have ended even without bad weather and the energy crisis, though these events have precipitated the demise. "Food for Peace" assumed the absence of any viable market for the surplus goods, but now one has arisen: The world's poor must compete with the rising affluence of the world's rich. Food consumption does not increase linearly with wealth. On the contrary, as income rises, people eat less grain directly and begin to eat more meat, which requires as much as seven times the grain, as feed, to put an equivalent amount of protein on the table. Just at a time when the United States faced a humiliating dollar devaluation and rising balance of payments deficit, agricultural exports suddenly doubled, becoming the most important single item in the country's international trade picture. A bad harvest in Siberia led to the largest single agricultural sale in history, depleting the remaining U.S. stored grain reserves. Suddenly surpluses became too valuable to give away.

With malevolent coincidence, the world's climate almost simultaneously began to change (SN: 9/29/73, p. 197). The desert-creating high-pressure areas that lie between the monsoon rains to the south and the cold circumpolar winds to the north began to migrate toward the equator, bringing drought to regions of Africa, China, South Asia, India and Central America. Climatology is a young and inexact science, but the few specialists willing to speak up on the subject say the recent changes are the apparent result of a global cooling trend that has lowered the earth's temperature 2.7 degrees F. since 1945. The best evidence from ice and sediment records indicates that weather over the last half century has been the warmest in 1,000 years and that a cycle of colder temperatures can be expected. The effect would be a major shift of rain patterns and deserts, and a shorter growing season for northern latitudes.

The sub-Sahara row of six countries, known collectively as the Sahel region, presents a grim test case of what may happen in more populous areas if droughts spread. There, for the first time in living memory, people walk across the Niger River. The fabled desert outpost of Timbuktu has required airlifts of food. A quarter-million people are estimated to have died from the resulting famine, and 80 percent of the livestock in one country have been killed. Every year that the drought continues, the Sahara desert moves relentlessly southward some 30 miles.

The Indian sub-continent may be next, according to Lester R. Brown, a senior fellow at the Overseas Development Council in Washington and an outspoken observer in matters of world food supplies. Even before the energy crisis hit, the world appeared to be at the "bust end of a cycle" in world fertilizer industry. Brown told Sicence News, but now with massive fertilizer shortages, Asia may next year face "the largest food deficit of any area in history." If the monsoons should fail again, widespread famine would surely follow.

India appears most vulnerable. Even India's own National Council of Applied Economic Research admits: "Sometimes the very immensity of the problem numbs one's senses and impairs the capacity to deal with it." In some stores serving the poorest classes, rations were cut in half last year. Riots have already occurred in two states. Kerosene for cooking has risen beyond the price reach of many. Inflation gallops along at 25 percent a year, and half of India's total export earnings may have to go to buy oil. A Wall Street Journal article concluded "the next 12 months will make the past 12 look good."

China would be better off, except for the fertilizer problem. That country has, in many ways, worked an economic miracle, almost abolishing malnutrition without substantially raising per capita income. But much of China's foreign exchange goes for fertilizer; it is the world's largest importer, buying mostly from Japan, which has now been severely hit by the energy crisis. China is also the current number one U.S. wheat customer, even in good weather. With an intricate irrigation system, China is better prepared to meet drought than India, but should fertilizer continue scarce, China too could face severe difficulty.

No one knows when the crunch will come, but Lester Brown says that within a year, leaders of the world's developed countries may be faced with the agonizing decision of whether to "cut Asia adrift" or ration food at home to feed starving millions abroad.

On any street in Asia one can smell the pungent aroma of the local, highly spiced cuisine. How hard to believe that too is so terribly fragile.

Confronting Famine

(By John H. Douglas)

The world is about as ready to face a major famine now as when the Biblical Joseph warned Pharaoh to save grain for seven lean years ahead.

Global food reserves have hit their lowest level in two decades, though the number of hungry mouths has grown by half in that time. Spreading droughts and the energy crisis have conspired to negate the food production advances of the Green Revolution. New scientific and technological advances offer much promise of helping feed the world over the long run; but for the time being, only the closest sort of international cooperation and genuine philanthropy on the part of industrialized nations can possibly rebuild reserves enough to buffer shortages that are likely to develop throughout the Third World in the next couple of years. Judging from citizen reactions to other shortages, these are poor times to implore new sacrifices.

American agricultural wealth still holds the key. Out of some 1.2 billion tons of grain produced each year in the world (1972 figures), only about 90 million tons is free to move in international trade. Of that, 70 million tons comes from the United States. In the past, poorer nations have been able to draw upon American food resources in time of need; but rising affluence in Russia, Western Europe and Japan has steadily eroded this country's reserves of stored grain and now has boosted prices for new harvest surpluses above what developing nations can afford to pay. The energy crisis was the final straw. Faced with a balance-of-payments crisis over imported oil, America has pulled out all the stops—returning soil-bank land to active use, depleting reserves, removing planting restrictions—to increase production of the nation's most lucrative export item, food.

Indeed, the use of agricultural commodities as an instrument of foreign policy may become America's answer to the Arab "oil weapon." Already the "food weapon" has been wielded to show displeasure, if not open battle. Critical supplies of wheat were denied to the Chilean government under Marxist President Salvador Allende, even when it offered cash. Shipments were restored after Allende was overthrown. Foreign aid to India ended when that country fought the war with Pakistan that helped Bangladesh win independence. Meanwhile, what is left of the "Food for Peace," program, reduced to a fraction of its former levels, mainly benefits such militarily important countries as Vietnam, Cambodia, Korea and Pakistan.

Aside from the political implications, geographic concentration of excess grain production in the midwest regions of Canada and the United States holds another potential threat for Third World nutritional security. These "breadbasket" regions undergo regular cycles of drought—not related to the apparent overall change of global climate—and the next drought period, which might last five or six years, is due just about now. The last such period, during the 50's, wasn't so bad, but the one before that changed the region into the "Dust Bowl." Even a mild failure of the U.S. grain crop could spell disaster for millions of people on the other side of the globe.

Even if adequate international food reserves could be set up, however, evidence from the current famine regions of Africa suggests the present system of delivering emergency food aid is clumsy, at best, and that much more sophisticated understanding of basic human needs during a crisis is also required.

Too often, donating countries do not take into account local diet and tolerances when they send relief packages of food. Favorite items include cans of sweetened, condensed milk and mounds of powdered, skimmed milk. While such provisions might be appropriate for disaster relief involving Caucasians of Northern European descent, the majority of the world's people develop, early in life, an intolerance to the principal sugar in cow's milk, lactose. Not only does it do them no good, it can produce dehydration and diarrhea—the last thing one wants to happen to a person suffering from starvation. In many cultures, the only milk product consumed by adults is yogurt, which has a lower level of lactose, and to send massive shipments of whole milk to a famine-stricken people without first testing for lactose intolerance is a classic example of what one food expert calls "ethnic chauvinism."

As with so many other complex problems, early warning of famine is crucial, but governments are often reticent to admit the need for emergency provisions until a crisis can no longer be hidden. In Ethiopia, for example, where 90 percent of the 25 million inhabitants live by subsistence farming, rainfall and harvests have been failing for eight years. The first government call for help did not come until April 1973, with the start of international emergency aid delayed until October. By the beginning of this year relief teams from half a dozen nations were working in refugee camps, but these serve only an estimated one percent of the affected population. Meanwhile, in stricken rural areas, stock losses are estimated at 80 percent, and human deaths have been variously counted at 50,000 to 100,000.

In order to face the short-term developing crisis, some international substitute for the lost U.S. grain reserves must be found immediately. Just as the American dollar can no longer singlehandedly provide the basis of Western economic development, so can American agricultural surplus no longer remain the "granary of last resort." But new stocks will cost billions of dollars to purchase and hundreds of millions to store. A meeting to discuss these matters is scheduled for Rome in November, with full American support already pledged. But that would come too late to help if the monsoons fail again in Asia and Africa.

Long-term prospects are considerably more promising, assuming the eventual control of population, support for new research and a willingness to adopt somewhat modified lifestyles. The necessary goal, according to the United Nations Food and Agricultural Organization, is to increase the rate of food production growth from 2.6 percent a year to 3.7 percent. Otherwise, demand will continue to grow faster than supplies, with the projected "food gap" amounting to $43 billion (constant 1962 dollars) by 1985. Some new land can be opened—Brazil, for example, has the potential for becoming a major soybean exporter—but for the most part, the world's arable land is already being used for farming, and urbanization is slowly chewing up the available land in many areas. Damming and irrigation, too, have nearly reached their limits, with the accompanying ecological costs mounting in each new project. The sea has shown herself far frailer than originally expected, with many species of commercial fish already overcaught. If greater food productivity is to be found, qualitatively different ways of seeking it must be tried.

Several recent experiments have provided new ideas for increasing the supply of plant food. The almost magical ability of legumes (peas, beans, and so forth) to create their own fertilizer and enrich the surrounding soil as they grow comes from a symbiotic relationship with nitrogen-fixing bacteria. Now these bacteria have been successfully transferred to some nonlegume plants, and direct nitrogen fixation into soil has also apparently been tried successfully with other bacteria. Certain tropical grasses have been found that use a special type of photosynthesis to produce yields nearly three times greater than their temperate zone counterparts. Totally artificial, "test-tube" photosynthesis is also being tried and a couple of pilot plants to grow high protein microorganisms on oil are in operation.

Animals are more difficult to manipulate. No way has yet been found to increase cattle yield above one calf per cow, but cloning might someday enable farmers in remote parts of the world to implant embryos of the most productive beef strains into hardy, local cows. Several new animals are being considered for potential meat value. Local varieties of deer in Africa and a huge rodent, the capybara, of South America could supply good tasting meat.

Exploited in new, imaginative ways, the sea could still have vast untapped resources to offer. Fish farming goes back to Greek and Roman times, and Aristotle wrote about raising oysters. In its latest incarnation, harvesting the oceans involves raising nutrients that have settled to the bottom up to shallow lagoons to feed shellfish, while generating electricity using the bottom water's lower temperature (SN: 4/13/74, p. 242). Mussels can be grown on ropes, increasing their yield per acre and make harvesting easier. Inland, trout-ponds are becoming popular in some parts of the western United States, and catfish ponds, in the South.

Both the National Academy of Sciences and the National Science Foundation have launched major programs aimed at studying world food problems and establishing new technologies to meet expanding needs. The Academy is especially interested in finding new data to confirm or dispute the evidence that the global climate is changing. Both studies will investigate the associated problems of economics and population growth, as well as shortages of food and other vital commodities. The desirability of continuing to increase the energy intensity of agriculture must also eventually be considered.

But the issue is finally a moral one: Will the United States and other industrialized countries be willing to cut back on meat consumption to free grain for the world's poor? Famines in some areas, like the Sahel, have little direct effect on daily American life; but one in India would surely lead to some sort of armed confrontation, into which the United States seems always to be drawn. New Arab wealth must also be considered, for a rising standard of living in the Middle East will exert additional pressure on prices of food, particularly rice.

Already the national secretary of the National Farmers Union has told a Senate subcommittee, "Many farmers view permanent scarcity of food as a goal that would be appropriate to their self interest." We may soon find out whether this is also the attitude of the American people as a whole. Will the citizens of the Middle East and of the Western industrial countries accept the necessary sacrifices when they come, or will they, as C. P. Snow predicted long ago, sit and watch on the evening news million of people dying of starvation, somewhere else?

A NORTH CAROLINA SURVEY

Mr. BUCKLEY. Mr. President, there has been a great outpouring of criticism, especially in recent months, suggesting that public respect for Members of Congress has reached a nadir, and that we have lost the confidence of the people we represent because of the political scandals here in Washington.

A recent poll in North Carolina should give us pause to reflect upon these sweeping generalizations. When asked, "What living man or woman, now in political life or formerly in political life—Federal, State, or local—is in your opinion North Carolina's most honest political leader?" the people of North Carolina chose, in overwhelming numbers, Democratic Senator Sam J. Ervin, Jr., and Republican Senator Jesse Helms.

Mr. President, I applaud the citizens of the great State of North Carolina in their sound judgment, and I congratulate my esteemed colleagues from North Carolina. We are witness to their honesty and integrity, and we are privileged to serve with them.

AFL–CIO SUPPORTS PRUDENT DEFENSE PROGRAM

Mr. JACKSON. Mr. President, as the Senate continues its consideration of the military authorization legislation, I would like to call my colleagues' attention to a useful analysis of the question printed in the June 8, 1974 issue of the AFL–CIO News. The article, by President Meany of the AFL–CIO, stresses the need to maintain a credible defense posture in today's uncertain world. As President Meany points out:

> There are no good alternatives to a strong defense. We have already made considerable cutbacks in the size of our armed forces in the last five years. Cutting the fat out of the defense budget is one thing; cutting into the muscle is something else.

For many years, Mr. President, George Meany and the AFL–CIO have been strong and reliable supporters of enlightened, steady internationalist foreign policies. George Meany has recognized the relationship between a credible American defense posture on the one hand and international stability and a humane environment on the other. The cause of liberal internationalism has never had a firmer and more consistent friend than George Meany.

Mr. President, I ask unanimous consent that the full text of Mr. Meany's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the AFL–CIO News, June 8, 1974]

How Much Is Enough?—Further Defense Budget Cuts Imprudent in Uncertain World

(An article by President George Meany, AFL–CIO)

The war in Vietnam is over—at least for Americans. The guns have been stilled in the Middle East—at least for the moment. The President and his Secretary of State hop from continent to continent, mixing international diplomacy with domestic politics. Commissars and capitalists exchange bright smiles and drink vodka toasts to new vistas of trade. Detente is the order of the day.

Against this background, the nation enters another round in the perennial debate on national defense spending.

How much is enough? How much is too much?

For some critics of defense spending, the answers are easy. Enough is less than what we have. Let's lop 20 percent off the defense budget—or 10 percent or 40 percent.

The trouble with this meat-ax approach is that it merely reflects a feeling that we are spending too much; it does not tell us what our needs are. Most of the critics would not accept the same approach to education. They would want to know what was being cut—how many books, how many teachers, how many classes. Certainly, that's the way labor would look at it.

So it is with defense spending. We want to know the facts. How much are we spending? What are we getting for it? And what do we need?

The Secretary of Defense has presented a budget request to the Congress for the coming year that amounts to $96.2 billion. That's a pretty big budget, even allowing for the customary reductions that the Congress will almost certainly impose. Only one other department of the government has a bigger budget: the Department of Health, Education and Welfare, whose proposed budget for next year is over $110 billion.

But as any good trade unionist knows, especially at the collective bargaining table, dollars-and-cents figures can be misleading. You also need to know how the pie is being sliced.

The fact is that since 1968 we have greatly reduced the share of our resources going to national defense. And consequently, according to the Annual Report of the Secretary of Defense, we have fewer divisions, fewer ships and fewer aircraft than at any time since the Korean War.

Why, then, is the defense budget so high? After all, $96 billion is not peanuts—even after allowing for the likely Congressional whittling.

The answer is simple and comes as no surprise to working people: Inflation. And pay raises. These two things account for about all the increases in the defense budget since 1968.

Not much needs to be said here about inflation. The AFL–CIO has made clear its criticisms of the economic policies of the Nixon Administration, which we believe have contributed substantially to the problem of inflation. But we do not strike a blow against inflation by pretending it does not exist, particularly in figuring defense costs. We ought not to be playing bookkeeping games with national security.

As for the pay increases—no good trade unionist can object to this. Even less, it seems to us, can objections be raised by those who argued so vociferously for a volunteer army. Their opposition to the draft may well have been motivated, in part, by an opposition to our Vietnam policies or to the military itself. But the fact remains that if volunteers are to be attracted to our armed services, they must pay better wages—wages comparable to those in the civilian sector. And it does not seem likely that we will soon be returning to conscription.

The next question, then, is: what are we getting for our money?

A few years ago we had more than 16 Army and four Marine divisions, almost 1,000 ships, and 25 USAF air wings. Today we have 13 Army and three Marine divisions, only 500 ships, and 22 USAF air wings. We have also reduced the number of servicemen and women by more than 1 million from the peak of 3.6 million during the Vietnam War.

In other words, despite increasing dollars-and-cents spending, we have reduced the size of our conventional defense forces. Should we reduce them further?

Only if we want to increase our reliance on The Bomb. For without the flexibility of response afforded by conventional weapons, we would be pushed more and more into situations where we would have to chose between diplomatic capitulation or pressing the button. Ironically, therefore, defense spending cuts motivated by the most peaceful intentions could lead us back to the doctrine of massive retaliation.

Especially now that the Soviets have got a nuclear arsenal that is about equal to our own, we must make sure that our Army, Navy, Marine Corps, and Air Force have adequate means to defend our interests without necessarily relying on nuclear weapons. In particular, this means having adequate military forces in Western Europe to support our NATO Allies in the effort to deter any Soviet or Warsaw Pact military actions.

Some ask: why don't the Europeans carry the burden of defending Western Europe from the Soviets? Well, in fairness, they *do* carry much of the burden. Some of our European allies have increased their contribution to NATO. Our NATO Allies, for example, provide 90 percent of the personnel, 80 percent of the ships, and 75 percent of the airplanes deployed in Europe. And since 1970, the defense spending of our Allies has increased more than 40 percent—while the amount we spend for NATO has increased only one percent. So our friends are doing a lot more than they are often given credit for. While they could perhaps do more, it is wrong to say—as many have been saying—that the United States has been doing the job of defending Europe for 25 years by itself.

But this raises another question. Are the Soviets really a threat? As far as we in the AFL–CIO are concerned, the answer is an unequivocal yes.

The detente delirium which has seized so many American opinion-molders never stopped the Russians from rushing arms to the Arabs during the Yom Kippur war, or from urging other Arab nations to enter the fray, or from encouraging the Arab oil boycott. Nor did it stop Mr. Brezhnev from sending President Nixon a harsh note threatening to send Soviet troops to the Middle East.

Are these the actions of a government interested in achieving a stable world peace?

In the military field, despite their declared interest in better US-USSR relations, the Soviets continue a vigorous military effort. The facts are that Soviet defense budgets have been growing steadily year by year. New men have added to the Soviet armed forces, and Soviet forces now number about 3.8 million—a million-and-a-half more than we have.

We are also seeing considerable growth in Soviet strategic forces—ICBMs. Each of these is larger—three are a great deal larger—than the missiles the Russians now have. We stopped building new missiles some years ago, and already have considerably fewer ICBMs than the USSR. Overall, the Soviets now have a strategic force that is about equivalent to ours.

What are the Soviet Union's intentions? Are they seeking superiority?

The United States can never accept military inferiority to the Soviet Union. Yet this may be precisely what the Russians hope to achieve in the next round of SALT. The message in the Defense budget this year should set them straight. The budget includes a number of new missile research and development programs which, if carried out, would forestall any possibility of the Soviets achieving superiority.

To sum up, then, there are no good alternatives to a strong defense. We have already made considerable cut-backs in the size of our armed forces in the last five years. Cutting the fat out of the defense budget is one thing; cutting into the muscle is something else. Further cuts, in our opinion, would be imprudent.

There is no doubt that the best way to limit our future defense requirements is through equitable negotiations with our adversaries. But until these are achieved—and American military weakness will not bring them closer—we must continue to provide whatever is necessary to ensure a free world for our generation and all future generations of Americans.

President John F. Kennedy, in his inaugural address, said it well:

"Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

EXTENSION OF PRICE-ANDERSON SHOULD AWAIT REACTOR SAFETY STUDY CONCLUSIONS

Mr. HUMPHREY. Mr. President, along with Senator WALTER F. MONDALE and 19 of my colleagues, I am urging the Joint Committee on Atomic Energy to postpone consideration of the Price-Anderson Nuclear Indemnity Act, H.R. 14408, which is scheduled for consideration by the committee today at 2 p.m.

We want to delay action on the Price-Anderson Act until the release, later this year, of the Rasmussen report on reactor safety. According to the Atomic Energy Commission, this $2 billion study is the most complete exploration of nuclear safety to date. The Rasmussen analysis has a direct impact upon the damage limits set by the Price-Anderson Act for nuclear accidents.

Dr. Norman Rasmussen, the distinguished nuclear scientist from MIT and author of the report, testified on May 16 of this year that, "the reactor safety study may shed more light on this matter," that is, the question of the nuclear damage limit set in Price-Anderson.

The private nuclear power industry has asked the joint committee to extend the Price-Anderson Act now to avoid "unwarranted disruption" in the planning and development of new nuclear powerplants. It seems to me, and to my colleagues who have signed the letter, that the delay of a few months will not seriously hinder the nuclear power industry.

We have 3 years before the Price-Anderson Act expires and there is sufficient time to permit a thorough consideration of the act by the public and other governmental agencies. Because the Rasmussen report documents nuclear safety so completely, it seems only reasonable that the Joint Committee wait a few more months to use it in their revision of the Price-Anderson Act. Especially in this time of great concern over excessive secrecy in Government, the entire area of nuclear safety deserves extensive public consideration by all interested parties before the Price-Anderson Act is extended. We are urging the Joint Committee to hold off on its decision on extending the damage limit on nuclear accidents until the Rasmussen report is thoroughly reviewed by Congress.

Mr. President, in order that my colleagues in the Senate are able to know more of the background of this case, I ask unanimous consent that the letter to the chairman and members of the Joint Committee on Atomic Energy be printed at this point in the RECORD.

Mr. President, I also ask unanimous consent that a Washington-Post article by Mr. Austin Scott on the Price-Anderson Act extension also be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

JUNE 10, 1974.

DEAR CHAIRMAN AND MEMBERS OF THE JOINT COMMITTEE ON ATOMIC ENERGY: Recently, the Joint Committee on Atomic Energy completed hearings on the extension of the Price-Anderson Nuclear Indemnity Act and moved to mark up a bill that would extend the Act to 1987, with certain modifications. While it is entirely within the purview of the Committee to report this bill, we urge that you postpone consideration until after the release of the draft of the Rasmussen Report, which is scheduled for July, and until adequate time has been provided to study the results of this report. In light of the fact that the current Price-Anderson Act still has more than three years to run—until August, 1977—we do not think that such a postponement would be against the national interest, or detrimental to the nuclear power industry.

In announcing the existence of the Rasmussen study on June 27, 1973, the Atomic Energy Commission said that this study will provide a "realistic assessment" and "a more precise quantification of the probabilities and implications of nuclear accidents." As you know, this study, compiled at a cost of over $2 million, will look at the probabilities and consequences of potential accidents at nuclear power plants. Thus, it will examine the rationale behind any new Price-Anderson legislation. Indeed, witnesses for the AEC have referred to preliminary conclusions of the Report in testifying for a slightly modified extension of the Price-Anderson Act. This testimony, we feel, is not enough disclosure for the Congress to make an informed decision. There is a paucity of reliable information regarding the risks of nuclear accidents and the potential consequences of such accidents. Studies previously endorsed by the AEC are now repudiated by the Commission as technically naive, or based on incorrect assumptions. Although we do not necessarily agree with this conclusion, the imminent release of the Rasmussen Report is the most up-to-date attempt to provide a means by which the Congress can examine the potential damage from a catastrophic nuclear power plant accident and the probability of such an accident. It seems eminently reasonable that the results of this Report should be used in fashioning new legislation regulating nuclear insurance and indemnity.

It is for these reasons that we urge the Committee to postpone reporting out a renewal of the Price-Anderson Act. We feel that time should be allowed to consider the relationship between the results of the Rasmussen Report and new Price-Anderson legislation. A comment period of 60–90 days and new hearings on the results of the Report as they affect this legislation seem to be indicated. Such a delay can only further the protection of the public. It will provide a more informed analysis of the very questions the Price-Anderson Act attempts to address, and it may clear some of the mist clouding this very complex issue.

Much of the impetus for such an early renewal has come from those who fear that delay will cause uncertainty in the industry and may hinder some plans to go nuclear. However, we think that adequately protecting the public in the event of a nuclear accident is a paramount concern and that all available information should be studied before passing such important legislation.

For these reasons, then, we urge you *not* to report out at this time a bill which would extend the Price-Anderson Nuclear Indemnity Act.

Sincerely,

Hubert H. Humphrey, George McGovern, William D. Hathaway, Dick Clark, Mike Gravel, Lee Metcalf, Edward W. Brooke, Floyd K. Haskell, William Proxmire, Howard M. Metzenbaum, Walter F. Mondale, Richard S. Schweiker, Charles McC. Mathias, Jr., Mark O. Hatfield, Philip A. Hart, Frank E. Moss, Joseph R. Biden, William V. Roth, Jr., Jacob K. Javits, Abraham A. Ribicoff.

[From the WASHINGTON POST, June 11, 1974]

HILL UNIT TO TAKE UP A-PLANT SAFETY

(By Austin Scott)

In what looks to opponents like unseemly haste, the Joint Committee on Atomic Energy has scheduled a closed meeting today to consider a growing controversy in the future of nuclear power plants.

It's an unusual meeting because the committee wants to take a regulatory act that doesn't expire until 1977 and extend it until 1997. The nuclear power industry and the Atomic Energy Commission asked for the extension, but groups that question the safety of proliferating nuclear power plants are crying foul.

At issue is a bill that extends, in modified form, a limit on the damages paid to those hurt by a "catastrophic nuclear incident" in a power plant.

Congress set the limit at $560 million in 1957. It's still at that figure now, even though nuclear plants are larger, and located much closer to population centers.

"That sounds like a lot until it is placed against the potential multibillion-dollar losses which a nuclear accident could cause," said former Pennsylvania Insurance Commissioner Herbert Denenberg during hearings on the subject last August.

"Based on figures in the latest report of the AEC, if an individual lost a $25,000 home and it was a total loss, he might recover as little as $50 . . . so sharp are the limits imposed by Congress to protect the utilities."

The committee decision on extending the damage limit would come one month before scheduled completion of a $2 million AEC study on just how safe reactors are—what are the chances for a disaster, and what might be the probable consequences.

Dr. Norman Rasmussen, the MIT scientist in charge of the study, told the committee in May that his study "may shed more light" on the damage limit question.

Ann Roosevelt, legislative director of "Friends of the Earth," which opposes the bill, said she thinks the committee is rushing because five members favorable to the industry are retiring from Congress.

The present committee does strongly support an expanded nuclear power industry, while a probable restructuring next year may well leave it less oriented in that direction.

The $560 million ceiling on damages was instituted in 1957 to help a fledgling nuclear power industry get started at a time when no private insurance carrier would think of selling a power company nuclear disaster coverage.

The bill being considered by the joint committee would eventually raise that ceiling, although nobody knows exactly when or how much. The bill leaves those decisions up to the AEC through a complicated system of levying a $2 million to $5 million assessment on each nuclear plant, and placing those payments—on paper, not in cash—into an insurance pool for disaster payments.

The damage ceiling would stay at $560 million until enough nuclear plants had been built, and enough assessments levied, for the insurance pool to reach $560 million. At that point, more plants and more assessments would raise the ceiling.

There are 44 operating nuclear power plants in the country today. Experts hope for around 1,000 by the year 2000.

The insurance extension might not have become so controversial had not an energy crisis pushed nuclear power into the spotlight as an alternative to oil.

Denenberg said the result has been ". . . a rapid headlong plunge into the largely untested waters of nuclear electric power generation.

He estimated that nuclear power production in Pennsylvania alone will increase "an unbelievable 3,600 per cent over just the next two years.

"Once these first steps have been taken, we may be beyond the point of no return," he said. "Economics and momentum may move us beyond the point of rational discussion and decision. We may be forced to live with the risks without ever having given them full and open consideration."

The nuclear power industry asked for the extension to avoid what it called "unwarranted disruption" in planning new nuclear plants. It testified that it had to know what Congress intended to do about the damage limit.

MIT's Rasmussen testified in May that he saw "no reason for changing the current $560 million limit."

The kinds of reactor accidents most likely to occur would have consequences ". . . no worse than many other kinds of accidents such as fires and airplane crashes . . ." he said, adding:

"While it is possible there may be nuclear accidents with more severe consequences, so there are accidents possible in many other industries that go beyond the levels of insurance obtainable."

Rasmussen also commented, "It should thus be clear that even if a reactor accident were to occur that caused significant property damage, the savings in cost of electricity due to use of nuclear power combined with the low likelihood of such an accident indicates that the property damage costs would not represent a large burden on our economy."

Opponents of the bill argue that if power companies are convinced that nuclear plants are safe, they ought to back up their convictions by bearing the insurance burden themselves, with no ceilings, and no federal subsidies.

Their prime ammunition is an internal report the AEC completed last October, but would not make public until a copy leaked into the hands of the Union of Concerned Scientists.

In the version the AEC did make public, some of the findings had been toned down. The AEC, when challenged on reactor safety, points out that there has never been a major power plant disaster. The unexpurgated version of the AEC report notes, however:

"The paradox is, in some cases, freedom from accidents does not necessarily demonstrate a sufficiently low level of risk. This is especially true in an emerging technology where in a broad base of satisfactory operating history has not been established."

Another key section often cited by opponents notes a "large number" of abnormal occurrences," some 850, reported at 30 reactors between Jan. 1, 1972, and May 30, 1973.

Forty per cent of those, it said, were "traceable to some extent to design and/or fabrication-related deficiencies," while the rest were caused by human error, random failure, or both.

"The large number . . . coupled with the fact that many of them had real safety significance, were generic in nature, and were not identified during the normal design, fabrication, erection, and pre-operational testing phases, raises a serious question regarding the current review and inspection practices," the section says.

The AEC has said the probability of a major reactor disaster is less than one chance in a million.

The task force that put together the October report said, however, that while it thinks the chance of a major accident is "acceptably small," it does not think the recent operating history of reactors gives "the required confidence level that the probability . . . is one in a million or less . . ."

PROTECTING THE CHESAPEAKE BAY

Mr. MATHIAS. Mr. President, last year with the help and participation of many Marylanders, I undertook an inspection tour of the Chesapeake Bay. Further information on the bay was gathered through detailed questionnaires to public officials and private citizens concerned with the bay. My efforts were prompted by a deep concern that more needed to be done to safeguard this great natural resource. I plan to issue a detailed report on the bay in the near future and at that time I will detail the significant problem areas I see and propose changes in how we manage our bay resources.

One problem in the past has been the lack of meaningful communication and debate on bay issues. For this reason, I was very pleased that the Washington Star-News recently provided us with an excellent four part overview of the Chesapeake.

I ask unanimous consent that these articles by Woody West, appearing in the Star-News from June 3 to June 6, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Bay Fights for Life While We Just Fight—I

(This is the first of a four-part series on the Chesapeake Bay, the forces which threaten it and its future relative to the millions of people in this area who depend upon it for work and pleasure. Today: The mounting human and natural pressures on the Bay.)

(By Woody West)

"Heaven and earth never agreed better to frame a place for man's habitation," wrote Capt. John Smith after his explorations of the Chesapeake Bay in 1607 and 1608.

"Here are mountains, hills, plaines, valleys, rivers and brookes, all running most pleasantly into a faire Bay," wrote Smith, "compassed but for the mouth, with fruitful and delightsome land."

More than 350 years after Capt. Smith and his few companions pushed out from Jamestown to learn what they could of this entrancing new land, his description yet applies.

It is a "faire Bay" and a "delightsome land," though the millions who followed Smith have gouged and fashioned the land and water to their own purposes, as to those of us—more than 8 million people—who have settled around the Bay and along its twisting tributaries.

The Chesapeake and its land have, in the main, tolerated man's intrusions and perturbations. Even more, the Bay has lent itself to man's diverse purposes and visions. But it cannot continue to do so indefinitely. The Chesapeake Bay is not a fragile natural system, but it is sensitive.

It is time now—critically so, say those who study the Bay and its awesome sweep—for the decisions to be made that will determine how this massive resource will be used—or abused—in future decades.

Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute and a leading scientist in Bay affairs, in an interview called the Chesapeake the "crown jewel" of estuaries.

He and other prominent scientists are in agreement that the Bay today is, by and large, a healthy body. But it is increasingly apparent, they emphasize, that the demands which an elbow-to-elbow urban mass is making upon parts of the Bay and its tributaries are creating dangerous pressures.

These, if unchecked, sloppily managed or ill understood, have the potential to inflict major environmental damage on the Chesapeake and its well watered lands.

"There are sick spots, indications of trouble for the future," said Cronin, "but the Bay is very productive, still enormously valuable for all its principal users. All of it, in general, is in good shape today."

Dr. Donald W. Pritchard, for a quarter of a century the director of the respected Johns Hopkins University's Chesapeake Bay Institute, concurs. "Man's impact so far has been on the peripheral reaches of the Bay for the most part," he said. "The affected areas are small compared to the large expanses of the Bay."

Dr. William J. Hargis Jr., director of the Virginia Institute of Marine Science in Gloucester, observed, "The Bay proper, from Annapolis down, is not in bad shape and, even above, it's still in fairly decent shape. But there are significant problems in certain areas. The tributaries are in the worst condition."

Cronin, Pritchard and Hargis, considered to be among the most knowledgeable scientists and observers of the Bay, are not sanguine. There must be better management, based on more precise scientific data, and it must be put to work by those with responsibilities for controlling the wildly diverse uses. And both these functions must be supported by a public concern far more sophisticated than at present.

"Science and management," said Hargis, "are not keeping pace with the increase in pressures. Management is not supported adequately and just isn't able to respond to changing needs."

An intense man now in his 11th year as head of the Marine Science Institute, Hargis, like his colleagues, foresees a brighter chance for the Bay.

"There is more specific information about the Bay than ever before," he said. "There is probably more scientific effort under way than on any comparable body of water."

But Hargis wonders about what sort of headway he and his colleagues are making.

"We're farther upstream than we were," he said, "but we aren't gaining."

Both man and nature make formidable demands on the Chesapeake and its tributaries. It is a relationship of intricate interdependence, one far from fully understood. What is known, however, is that each benefit poses a compensatory difficulty.

Each day, 1,260 million gallons of water are taken from the system to provide a huge daily gulp of some 100 gallons per person.

The disposal of domestic wastes—by consensus, the most critical problem in the Bay area—requires extraordinary investment for treatment facilities that even in their technology produce changes that can affect the biota—the body of plant and animal life.

It takes no special alertness to see, and to smell, the noxious mats of blue-green algae that spread dismally across portions of the Potomac River and other Upper Bay tributaries during the blistering months of summer. The exotic aquatic growths are abetted in their unnatural proliferation by high concentrations of nutrients in effluent.

The algae, in insidious progression, can smother other forms of life by monopolizing the supply of oxygen, leading, in extreme cases, to fish kills, for example. High bacterial counts, from inefficiently treated wastes, can have devastating effects on the harvest of shellfish. Thousands of acres in the bay tributaries now are barred for oyster and clam harvests.

Sedimentation illustrates a natural pressure that is heightened by man's activities. The runoff from the land is a wholly natural phenomenon, surface matter carried by rains and by winds to the water. Indeed, say geologists, even though men had never perched along the Bay, sedimentation and siltation from runoff would, in a matter of some centuries, have filled in the Chesapeake.

But man, bravely raising his proud structures with beaver energy, vastly aggravates the process. The Maryland Department of Natural Resources estimates that forested lands lose up to 100 tons of sediment per square mile each year. It is not uncommon, the agency goes on, for a typical suburban construction site to contribute as much as 200 tons of silt per year.

There are two results: Streams and inlets are constricted, often blocked. Witness Bladensburg and Port Tobacco in Maryland, which in colonial years, were bustling seaports. Today, their channels, filled with silt from lands hardly disturbed by man two centuries ago, are barely ports from small pleasure boats.

In addition, the runoff now includes baleful materials—pesticides from agricultural methods that have significantly increased yields per acre but that in concentration can be toxic to the environment. And the runoff from storm drainage in urban areas carries varieties of other chemicals and such high-bacteria elements as animal feces.

Add another complication: Seaborne commerce on the Bay, with the ports of Baltimore and Norfolk accounting for the bulk, is worth well over $100 million a year in iron and coal, petroleum and manufactured goods.

Clogging of shipping channels and of marinas must be combatted constantly if commerce is to be maintained at its high levels. What then is to be done with the spoilage and debris from dredging, containing as it does concentrations of heavy metals—copper and lead, zinc and mercury?

For years, much of the dredged waste was dumped promiscuously in nearby tidal areas—the vital wetlands. There, it would destroy the essential nursery and spawning areas for many species of fish and shellfish and destroy the vegetation that is a key link in the Bay's food chain.

Interest conflicts with interest, use with use.

Choices must be made, choices which will invariably infringe on others, each of which will be considered as the most necessary by one group or another.

There is a human tendency to look at a phenomenon as imposing as the Chesapeake Bay with a pinched perspective, reflecting the narrow vision of each individual's special interest.

To the boater, the Chesapeake represents one of the finest cruising grounds in this country. To the waterman, the Bay is a bountiful, if often perverse, treasure, supporting the second largest fishing industry in the country. To the suburban dweller, it is an opportunity to stretch his concrete-cramped soul.

To the industrialist, it is a highway of matchless convenience and strategic location, and to the sports fisherman—a boomingly popular species, spawned by the increase in leisure and the growth of affluence—the Chesapeake is a bonanza of striped bass and perch and bluefish, croaker and spot and flounder. To the developer, it is sites for waterfront villages and second-home communities.

These limited, if understandable, perspectives will not in isolation lend themselves to careful management of the Bay—on this there is unanimous agreement among scientists, conservationists, administrators, and specialists who seldom can find unanimity. Dr. Frank S. L. Williamson, director of the Smithsonian Institution's Chesapeake Bay Center for Environmental Studies in Edgewater, Md., gives a graphic possibility if the irrational overwhelms the reasoned.

"It's conceivable," he said, "that over the years the Bay could be reduced to a monoculture but still be as good as a major ship channel and a sink for wastes as it is now. And it might look as charming as it now does.

"People still haven't recognized that there's such a thing as a non-renewable resource."

It Is Time for Decisions If Bay Is To Be Saved—II

(By Woody West)

Decade after decade, man has plumbed and fished, mined and farmed, used and consumed from the Chespeake Bay and its lands with hardly a hint that, at some distant day, a piper would require his wage.

Why has it been that only in the last few years that ecology and environmental integrity have become common topics for public discussion and debate? Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute and a respected Bay scientist, offered a perspective.

"Only within decades, increasingly since World War II with the coming of big industry, big population, occurring almost simultaneously," he said, "have people started coming to the realization of the necessity of weighing costs and benefits."

"Until the 1940s, the general English base of law was dominant—you were permited to use air and water quite freely to dispose of waste unless it directly harmed others' health. Only in a short time, have we begun to say, 'Wait a minute, you've gone beyond your own backyard when you dump waste.'"

Even this limited consciousness, however, did not become conspicuous until the mid- to late 1960s when ecology became a symbol and rallying cry.

"The rhetorical surge was helpful in initially raising interest." Cronin said. "But beyond this, it can be harmful. I think the future of the Bay has to leave the realm of careless overstatement very quickly and there must be a bringing together of science, management and legislation—with the important addition that a very broad base of people retain interest and concern."

Dr. Donald W. Pritchard, for a quarter of a century the head of Johns Hopkins University's Chesapeake Bay Institute and now its senior scientist, said:

"We've lived in an age when we've had our cake and been able to eat it, too. We won't have that in the future. We've got to make some hard choices. To keep the Bay within some acceptable state—that's the decision and the time is now. At present, I think, 'acceptable' would certainly mean that it become no worse than it is now and, hopefully, a lot better."

The ruggedness of the Bay, its tenacious ability to sustain man's intrusions, has given those of us dependent upon it a grace period. If correct choices based on sufficient information and adequate compromise are made, these scientists feel, the Bay will continue to function with its historic richness. The Smithsonian's Dr. Frank S. L. Williamson hazards an estimate of this grace period at from "10 to 20 years, as a ballpark estimate."

Why, it may be asked, if the Chesapeake has been so immune to man for centuries, should there be a developing sense of urgency now?

The Back River is today regarded as little more than a "holding lagoon" for much of the treated effluent from Baltimore. The river is a shallow body almost choked with seasonal growths of exotic plants that no other form of life grazes on.

The Back River, even if reduced to little more than an appendage to a sewage plant, serves to prevent much of the enriched effluent from immediately flowing into the Bay proper and increasing the level of nutrient. But, at the same time, the water has lost much of its aesthetic and recreational utility.

"Who is going to make the decisions concerning the number of sub-estuaries we should preserve?" Williamson has asked. "These are vital parts of the Bay, remarks concerning the usefulness of the Back River as a nutrient trap that protects 'the Bay' notwithstanding.

"Who is going to make the decision about the upper level of nutrients that the entire system can tolerate?" he asked. "Perhaps we can only wait and see. It should not take very long."

Other major tributaries, if not in so advanced a state of deterioration as Back River, are in trouble. The Rappahannock, particularly around Fredericksburg, is showing significant pollution problems. The York, though now in comparatively good shape, is worsening, according to Dr. William J. Hargis, Jr., director of the Virginia Institute of Marine Science. Pressures also are increasing in the lower reaches of the York due both to population growth and industrial concentration.

The James River, Hargis said, probably is under more of these pressures than any tributary except the Susquehanna. Industry is a prime contributor. Yet portions of the James are in appreciably better condition now than a decade ago Hargis said.

The Potomac, from Washington downstream to Quantico, is also under enormous pressures, and water quality remains a problem. However, intensive efforts to upgrade the technology of handling human waste—the Potomac's main pollutant—and a broad array of scientific energy offer hope for significant gains.

Dr. Donald Lear, a biologist with the Federal Environmental Protection Agency, sees the possibility for reversal of the eutrophication—aging of a body of water in a process not unlike senility in the human being—that is "fairly pronounced" in the river around Washington now.

The current expansion of the Blue Plains treatment plant with the addition of some of the most advanced technology now available, he said, will offer the prospect of "a major reversal of eutrophication by control, which may be the first time this has been done by control, rather than by diverting the pollutants into another channel.

"It's well under way now," he said, with completion anticipated for the sophisticated system in three years.

Most scientists agree that the efforts to control waste disposal into the upper Potomac estuary look, indeed, promising. But there is another unknown for the Potomac and other tributaries where intense efforts are under way to upgrade technology and control techniques: Can the scientific efforts and technology keep pace with the demands that ever-growing population will create?

"The population increase has been faster than the increase in treatment systems," Dr. Cronin said, "so we don't even catch up to where we were. That's always a problem."

Another extensive set of potential problems is just now becoming conspicuous—the imminent use of the offshore areas for intensive exploitation. Recommendations already have been made to the federal government to permit drilling for oil and exploration for other valuable minerals along the Eastern Seaboard.

A new generation of electrical generating plants may be sited in coastal waters. Huge offshore mooring points for ocean-going freighters also are being discussed widely.

The ramifications that such development could have for the Chesapeake Bay area are obvious.

"Maryland happens to own a very neat little cross-section off the coast and, if you extend it, it goes out to include the Baltimore Canyon, which is one of the sites for possible oil exploration," Cronin said. "But the uses we make of this area for intensive recreation, for very intensive preservation, for fisheries, for navigation, all need to be carefully assured."

"The scientific knowledge of the coastal region here is really primitive," he added. "We know general circulation, we know something about the commercial species because fishermen have been out there and we have data on what they've caught. The rest of the system is very, very poorly understood."

As scientists and administrators discuss the problems and pressures the Bay system faces, an inevitable term is "exponential"—increases by leaps and bounds, rather than a steady and consistent pace. It can be an intimidating process as graphically illustrated by Dr. Theodore Chamberlain of the Chesapeake Research Consortium.

"Take a lily pond," he says. "If you decided to increase the lilies, exponentially, it would take 30 days for the pond to be fully covered with lilies.

"But you might begin to ask what would be too many lilies for that pond. And this thought might occur to you on the day when the pond already has become half covered with lilies but that day on which it is half filled would, exponentially, be on the 29th day. In just one more day that pond would be totally covered. That's what exponential means," he says.

In many areas, such as waste-water treatment and population, that is the magnitude of the pressures on the Chesapeake. That "half-filled-with-lilies" point of decision is not clear, but it is approaching.

MAN AND NATURE IN A RACE AGAINST TIME—III

(By Woody West)

As the pressures from a frantically swelling urban population continue to multiply around the Chesapeake Bay and its tributaries, science has a focal role in determining the future of this extra-ordinary resource.

The present population of more than 8 million people—stretching from the Susquehanna River basin to Norfolk-Newport News—is projected to more than double, perhaps as soon as the end of the century.

There is apprehension among leading Bay scientists and administrators that the public, whose lethargy about environment has only begun to diminish in recent years, may decide to pass the word to the scientific community one of these days: Take care of the problem and do it on the double.

"If we can put a man on the moon, why can't we . . ." became a tedious chorus after the epochal Apollo flight.

But Dr. William J. Hargis Jr., director of the Virginia Institute of Marine Science, deflates that simplistic view as applied to the Bay.

"In the space program" he said, "they were dealing with hardware and predictables far beyond what can be done in the environment, in the Chesapeake.

"Public consciousness about the environment has not yet translated into providing the means to gain timely and essential data that is necessary to deal with many of these pressures on the Bay. And, remember, it always costs more to do studies under a deadline. In many of these areas you just can't rush. You're dealing with Mother Nature and, as the margarine ad says, she doesn't like to be trifled with." Hargis added.

A striking example of this complexity was provided in a key study for the National Science Foundation in 1972, which called for a mobilization and coalescence of research about the Chesapeake and its application to the needs of society.

Suppose, the study posited, that both Maryland and Virginia were to ban the use of selected pesticides. What could happen?

There would be gains: Cleaner water from reduced agricultural runoff, more sports fisheries, increased commercial fishing, and additional water recreation with related employment opportunities.

Then the study dropped the inevitable "on the other hand." There would be potential losses from the prohibition: Reduced agricultural yields, decline in vital poultry production caused by higher prices for feed grains, reduced employment in poultry processing, and increased consumer prices for poultry products.

So intricately interwoven are man and nature that the complexity of the problem grows. On the side of potential gains from the pesticide ban, the study reflected further, could come these questions: Given cleaner water, what would be the increased biological activity? If there were increased biological activity, what would be the effect on employment, on land values and use for sports and commercial fisheries, as well as for boating and recreation?

But the potential losses, too, would raise other questions: If the prohibition reduced agricultural yields, what new crop patterns might emerge and what effect could this have on employment? Given a reduced production of feed grains, would there follow a contraction of the poultry industry and in processing plants?

Finally, might these various potential changes, or a combination of them, have an impact on migration of people into or out of particular areas of Virginia and Maryland? Would potential gains require new schools, roads, hospitals or, on the contrary, stimulate pressures to abandon some of these facilities? Would changing employment create new demands for more skilled workers or more service workers?

The formidable chart of possibilities from one specific effect is a daunting example of what Johns Hopkins University's Dr. Donald W. Pritchard calls the fundamental precept of environmental research: "There are no simple answers."

Pritchard, Hargis and Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute, have for decades constituted an influential triumverate in Bay scientific affairs. They no longer are lonesome.

The magnitude of scientific scurrying becomes apparent in the "Chesapeake Technical Conference and Chowder and Marching Society," a whimsically labeled creation of Dr. Donald W. Lear Jr. one of the Annapolis field office of the Environmental Protection Agency.

A few years back, Lear decided it would be helpful if all the institutions, agencies and private firms engaged in Chesapeake-related research were to meet informally each year to find out who was doing what and when. Some 40 representatives turned out for the first get together, appropriately held at a Southern Maryland crab house.

This year's session had a roll call of 51 groups, which ranged from the obvious governmental agencies and academic contingents to the Ichthyological Association from Delaware, the Martin-Marietta Corps., the the Westinghouse Ocean Research Laboratory and a consultant in phytoplankton taxonomy.

One of the first collective efforts was the Chesapeake Research Council. It is composed basically of Hargis, Cronin and Pritchard. It is, as Cronin says, "almost unstructured—it was organized on my back porch one afternoon when we decided we needed a mechanism for cooperative programs, to approach the Bay as the unified.

A more recent grouping, and potentially the most significant development on Chesapeake Bay thus far, is the Chesapeake Research Consortium. Its incorporation in 1972, as an umbrella administrative unit for much Bay research and as a conduit for a sizable wad of federal research dollars, embodies a major policy direction for environmental investigation and seeks to include the "managers" of the Chesapeake—the local, state and federal agencies that have a daily jurisdiction in Bay affairs.

Essentially, it provided the marching orders for much of the scientific energies available around the Chesapeake. Increasingly, the emphasis is toward what Pritchard calls "the early application of research results to the needs of society."

The still-young consortium has not been without growing pains, which its director, Dr. Theodore Chamberlain, describes as "highly sensitive." However, there is agreement among Bay observers that the consortium is an essential beginning toward cooperation, scientific and managerial, even if it is not the final mechanism.

The motivation of many researchers has been that of "pure" science, committed to rigorously pursuing a ktural phenomenon wherever it might lead. However a more pragmatic dictate to solve the Bay's environmental problems has encountered a degree of resistance from some of these investigators.

Another criticism of the still-young consortium at this stage is that it is not sufficiently broad-based, both in academic participants and sources of financing. The consortium's board of directors has set up a committee to study ways to enlarge both areas.

For now, however, the consortium remains the broadest-based and dominant group of its kind. Its director, Dr. Chamberlain, puts its aim this way:

"We're going to have to put a social value on everything we do. It's no longer possible to make statements about aspects of the system without doing this. Right now, there's what might be called a dynamic equilibrium in this entire area—everything's changing in every way."

Maryland's Coulter, whose Natural Resources Department has major responsibilities for the state's portion of the Bay, feels the consortium "has the potential to be the best thing that has yet come down the pike. For the first time, the major institutions of science and government are talking, planning with each other. We're over the hump of bringing these competing organizations together."

It is coordinating, for instance, a massive study of waste-water disposal, the most critical development pressure on the Chesapeake and its tributaries. Another current study involves minute investigation of the fragile wetlands and shorelines of the Bay area—over 8,500 miles of sensitive shoreline buffeted both by man and weather.

Concurrently, the various institutions are continuing their own studies—on the life cycle and culture of the valuable oyster and marketing processes; on the effects of heavy metals—zinc and lead, copper and mercury—on studies of parasites and exotic forms of aquatic plant life; on spawning grounds and migratory patterns of Bay species; on nutrient loading, spoil disposal from dredging, tides and currents, sediment control, pesticides and biocides.

Much of this diverse scientific engineering information, as well as socio-economic aspects of the Bay area, now is being collated by the Army Corps of Engineers in what will be the first comprehensive inventory of such data. This "existing conditions" study will be followed by a "future conditions" report, projecting what can be expected to happen on the Bay in coming years.

The "existing conditions" study, a massive compilation, has taken nearly five years.

Part of the congressional directive under which the Corps is working is a sophiscated by hydraulic model of the Chesapeake, a 14-acre shelter for which is now being completed at Mattapeake on Kent Island just east of the twin Bay Bridge.

That model will duplicate in miniature the physical properties of the Bay, tides and currents, tributary flows, and salinity levels so that an event—the onslaught of a Tropical Storm Agnes, for instance—can be simulated in the device to indicate what results will follow. It will be able in three days to process a year's accumulation of data, Corps spokesmen say, and thus permit a speedy calculation of the effects of a major storm's effects.

But beyond the present mechanisms and those institutions attempting to act as catalysts to preserve the Bay, there should be some more formal, more potent structure, according to many scientists and administrators who are thinking of, perhaps, a semi-autonomous bi-state agency.

Maryland's Cronin said, "I've hoped for many years that the two states can find an effective way for bi-state action, based on aggressive and positive action and supplemented by the federal government, to approach and to manage the Bay as the single unit it is—the single physical, chemical, biological and environment entity that it obviously is."

He added, though, that he had seen no effective movement by Maryland and Virginia toward that concept."

Discussion of such a regional governing body has bobbed about the Bay for half a dozen years, inconclusively. A Chesapeake Bay Compact has been discussed but, so far, has met with reluctance at key points.

The most recent wave in this direction came in April when Rep. Robert E. Bauman, a Republican from Maryland's Eastern Shore, introduced legislation to permit formation of such an inter-state agency. Bauman was joined by 16 colleagues from the Bay states and Delaware.

So there it stands—a vast store of scientific energies and capabilities, a mountain of often conflicting interests, and a groping attempt to bring these vital functions into something approaching a unified whole. It is a race against time.

It's Not Too Late To Save Bay From Disaster—IV

(By Woody West)

Virginia and Maryland both look on the sweep of Chesapeake Bay with an intense proprietary gaze. Yet there is at least one philosophical difference in the perspectives of the two states that will be significant in the future of the massive waterway.

"For the longest time, the Virginia government's general philosophy has been to remove itself from a great deal of involvement in local affairs, very much the Jeffersonian concept," observed Robert S. DeMauri, chief of Virginia's office of environmental services.

One result of this, in the Old Dominion, was that Virginia was the last Middle Atlantic state, for example, to pass a law to protect vital wetlands and marshes, the spawning ground and nursery of so many species of the Bay country's animal and plant life.

When it was passed, in 1972, it was not without strong opposition from local officials, and the statute is generally held to be a less rigorous law than Maryland's or Delaware's.

Said DeMauri, "The traditional criterion was simply the dollar value. We used to look at wetlands as waste and the quicker you could fill them in the better. But we're turning now to thinking of their productive value and it is involving quite a process of change."

DeMauri notes that there still is a prevalent attitude in Tidewater Virginia and the more rural counties generally that profoundly resents governmental efforts to manage the environment. "There's still a lot of the feeling that 'I own my land, and I'll do what I please with it,'" he says.

That fierce possessiveness is not absent in Maryland but it has not posed as bumpy an obstacle to a flurry of environmental legislation in the last five years—"an impressive body of law," in the view of Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources institute and one of the most respected Bay scientists.

In 1970, the Maryland General Assembly enacted its wetlands law after an eruption of concern over the thousands of acres that were being filled in, bulk-headed, and destroyed for agricultural use as well as for recreation and development.

That was followed by laws to control sedimentation and erosion and a powerplant siting law that is considered one of the most progressive in the nation. This law, which will be a major influence on where nuclear-powered generating plants will be built around the Maryland portion of the Bay, also levies a surcharge on the utility companies that is earmarked for research in environmental effects.

Geography and history account in part for this disparity in state action. Dr. William J. Hargis Jr., director of the Virginia Institute of Marine Science in Gloucester, Va., notes that only about 30 of the state's 100 counties are intimately affected by the Bay and its tributaries.

"We're still more land than water-oriented," he says. "The thrust has continued toward the west in Virginia in that historical expansion that started in 1607."

There is ambiguity among scientists, conservationists and administrators around the Bay over the level of public consciousness.

"Mostly now," a government biologist said, "it's the 'bird and bunny' people, those active amateurs who join the groups and go to meetings and carry the brunt of the so-called citizen effort. They're good folks, but they're only a drop in the bucket of what's going to be essential for sound policy to come out of the legislatures."

A part of the difficulty in developing a sophisticated and effective public consciousness and action is one heard repeatedly: Mass urban living, high-rises obscuring horizon and concrete-blunting perception contribute to indifference or equanimity.

A sense of history and heritage is essential to develop the will to preserve and conserve.

There is a place, close to Washington, which is surpassingly conducive to this sense of time and place, past and present, man and Nature in a semblance of balance. Middleham Chapel sits on a gentle rise just off Route 4 in Calvert County about midway between Prince Frederick and Solomons.

"Founded in 1684 as a chapel of ease in Christ Church Parish and named for Middleham, Yorkshire, England," reads the gray historical marker at roadside.

"The site has been used for worship since the founding but the chapel was rebuilt in 1748. The bell, given by John Holdsworth, is dated 1699."

Dump trucks pound by the small chapel. Traffic is not heavy, by Washington standards, but Route 4 is the spinal column of the Southern Maryland county, and a stream of cars and pickups add their pistoned rumble to the flow of trucks.

Some of the headstones, small and unpretentious, that surround the steep-roofed chapel are as new as this decade. Others are nearly as old as the first tide of settlement in America. Wind, rain, the battering of years have obliterated inscription from many of the old markers but a finger still can trace 17th century memorials and many more from the 18th century. They are scattered among pines and some of the newer headstones are adorned with bouquets.

Family plots bear names synonymous with the history of Calvert County; Parran and Tall, Grover, Sollers, Somervell, Gray and Hunt and Tongue, a physical band across the generations.

Over the door of the chapel, inset in gray brick among the red, is the date of the "new" chapel—1748—the proud signature of long-dead artisans.

Inside, a marble plaque on the south wall reads: "Near this place lieth the body of Mr. Alexander Parran, son and heir of John Parran of Baynton in the County of Oxon in England, Esq., who departed this life ye 30th day of Mary 1729, aged 52 years."

Black-bound hymnals are in the pews, used last Sunday, to be used again by descendants of Mr. Alexander Parran, Esq. A meeting of the Young Episcopal Churchmen is announced in the Chapel bulletin on a recent day, as well as a note that the Rector's Aid Society will be sponsoring a card party, 7:30 to 10:30 p.m., bridge and canasta.

A few miles south of the small chapel, with its poignant mixture of yesterday and today, workmen are swarming around the towering structure that this fall will be generating, by nuclear power, streams of electricity from Calvert Cliffs.

It can be argued that our ability to comprehend the link from Capt. John Smith's "fruitful and delightsome" land to the fission at Calvert Cliffs may be essential for the future of Chesapeake Bay, that will avoid the extreme possibility that it becomes little more than a waste sink for society's detritus.

Dr. Donald W. Pritchard, for a quarter of a century the director of the Chesapeake Bay Institute at Johns Hopkins University and now the institute's senior scientist, says: "We've lived in a time when we've had our cake and been able to eat it, too. We won't have that in the future."

There remains time, scientists feel, for social, political and environmental decisions to be made that will help to insure that the diverse and valuable resources of Chespeake Bay can be protected from the avalanche of pressures that daily are growing around it. The Bay's resilience has provided that margin but, says one scientist, "We can be complacent only at our peril."

George Santayana, in "Character and Opinion in the United States," eloquently warned: "You may disregard your environment, you cannot escape it; and your disregard of it will bring you moral impoverishment and some day unpleasant surprises."

DIVESTITURE OF THE MEAT-PACKING INDUSTRY

Mr. ABOUREZK. Mr. President, the supporters of the major oil companies have espoused the argument that divesting these companies of their ownership of more than one sector of the oil industry and of their holdings in competitive energy resources, such as, coal oil shale, uranium, and geothermal steam, would be precipitous and would cause economic chaos. History, however, has proven these fears unfounded and consistently false. A famous case in antitrust law, the outcome of which is still in force today, illuminates how divestiture can make sick, anticompetitive industries healthy. This case has been reviewed below by Mr. Angus McDonald.

For many years, Mr. McDonald was legislative research director for the National Farmers Union and in connection with his work, became an expert in antitrust legislation and enforcement of the antitrust laws. Mr. McDonald, at my request, has prepared a review of the Federal Trade Commission's divestiture of the meat packing industry and the effect on the industry of that action.

I ask unanimous consent that this review be printed in the Record.

There being no objection, the review was ordered to be printed in the Record, as follows:

Divestiture of the Holdings of the Big Five Meat Packers in 1920

(By Angus McDonald)

In 1917 five meat packers which included Swift, Armour, Cudahy, Morris and Wilson were well on the way to controlling the entire food industry of the United States. The five big meat packers attained their position of dominance in the food industry not only by means of ownership and acquisition of stock in competing companies but by control of manufacturing and distribution. They were in a position similar to that of the oil companies today except that the farmers were their oil wells and their refrigerator cars were their pipe lines. The New York banks were in the same position that they are today. Men may come and men may go but the banks go on forever. Chase Manhattan, Guarantee Trust, Kuhn Loeb and William Salmon were up to their ears in meatpacking in 1917 when the Federal Trade Commission started its investigation.

By the end of World War I the Big Five dominated the hides and skins industry, owned a substantial part of the leather tanned in the U.S., 31.8% of the domestic production of cottonseed oil, 65% of the interstate commerce in dressed poultry and eggs and 50% or more of the interstate commerce in cheese.

At that time the Big Meat Packers either owned or controlled 89 poultry and egg plants and 222 buying stations in the chief producing areas of the U.S. Swift and Armour together controlled 60% of the oleomargarine business. Four of the big packers owned 56 creameries and controlled many others. They were important distributors of canned and cured fish, particularly salmon. All of the Big Five were distributors of canned vegetables and fruit and some handled canned milk. In 1917 Swift controlled ⅓ of the canned asparagus output. The Big packers dealt extensively in sugar, rice, beans, potatoes, coffee and cereals. Both Armour and Wilson were large distributors of coffee. Armour and Morris were actively engaged in the distribution of syrups and molasses and Armour sold nearly 200 different kinds of soda-fountain supplies.

In addition of the Big Five held stock in numerous banks and cattle loan companies and controlled trade papers carrying market reports, stockyards and transportation facilities. In 1917 the Big Five owned 91% of all the refrigerator cars in the U.S. that were equipped for the transportation of fresh meat as well as numerous icing stations and cold-storage facilities. They controlled a majority of the voting stock in 22 of the 50 stockyards of the U.S. 84% of all animals shipped to public stockyards passed through the yards controlled by these packers. These multifarious activities were carried on by hundreds of different companies all closely affiliated with the 5 parent organizations.

They controlled stockyards, terminal railways, cattle loan banks, market papers, private car lines, cold storage plants and branch houses and the maintenance of pools, agreements and combinations for the purpose of stifiing competition and influencing legislation. Among other factors may be mentioned the extortion of railroad rebates, price cutting for the purpose of crushing independent operators, wiring ahead, short weighing and similar illegal practices. The so-called peddler car service whereby the big packers could transport commodities they did not produce, enabled them to receive lower rates than their competitors in the grocery business. The Federal Trade Commission said of the Five Big Meat packers in 1919:

"As we have followed these five great corporations through their amazing and devious ramifications—followed them through important branches of industry, of commerce and of finance—we have been able to trace back to its source the great power which has made possible their growth. We have found that it is not so much the means of production and preparation, nor the sheer momentum of great wealth, but the advantage which is obtained through a monopolistic control of the market places and means of transportation and distribution.

"If these five great concerns owned no packing plants and killed no cattle and still retained control of the instruments of transportation, of marketing and of storage, their position would not be less strong than it is, The producer of livestock is at the mercy of these five companies because they control the market and the marketing facilities and to some extent the rolling stock which transports the product to the market.

"The competitors of these five concerns are at their mercy because of the control of the market places, storage facilities and the refrigerator cars for distribution.

"The consumer of meat products is at the mercy of these five because both producer and competitor are helpless to bring relief."

(Report of the Federal Trade Commission on the Meat Packing Industry, Part I, p. 24, June 1919)

As a result of the revelations of the Federal Trade Commission the Department of Justice moved to find the Big Five in violation of the antitrust laws. The evidence was so overwhelming that the Big Five executives to avoid jail sentences, fines and possible dissolution of their companies moved to avoid a court action. On May 2, 1920 they signed a consent decree. Under this decree which is still in effect Swift, Armour, Morris, Wilson and Cudahy were enjoined from:

a. owning any public stockyard markets;

b. owning any stockyard terminal railroads;

c. owning any stockyard newspaper joural;

d. using facilities for transporting and distributing food (except meat and certain other meat by-products);

e. manufacturing or jobbing (except meat);

f. owning 5% or more of voting stock of food companies;

g. owning retail meat markets or grocery stores.

Over the years the meat packers have tried to set aside the consent decree. But they have failed except for some modification. The decree is still in effect and has saved farmers and consumers many billions of dollars and has provided some measure of competition in the food industry. The trend over the years has been towards more economic concentration. In most industries, like the oil industry, only a handful of companies control. But, in meat packing there is competition and it is all because of the divestiture of the Big Five meat packers. The same thing might happen in the oil industry if bills introduced in the Senate become law.

FEDERAL TRADE COMMISSION ACTIONS ON DIVESTITURE

1. Jan. 24, 1974—Deltawn and Kraftco acquisition challenged.

2. Jan. 25—Pepsi Co. consent order must divest.

3. Jan. 31, 1974—consent order St. Joe Minerals Corp. divestiture agreed to.

4. Feb. 1, 1974—Arlen Realty & Development Corp. acquisition okayed.

5. Feb. 25, 1974—Gulf, Standard of Ind., Atlantic Ritchfield—staff recommendation of divesture of refining.

6. Feb. 27, 1974—Panacon Co. acquisition challenged.

7. Mar. 1, 1974—British Oxygen Co. acquisition—restraining order requested.

8. Mar. 5, 1974—ARA asks FTC to approve divestiture.

9. March 13, 1974—Fruehauf Corp. acquisition challenged.

10. March 25, 1974—Budd Co. must divest.

11. April 1, 1974—Amerada Hess, American Cyanamid, ARA Services, Golden Grain Macaroni Company—must divest.

12. April 8, 1974—Papercraft Corp.—petition denied on divestiture order.

13. April 15, 1974—RSR Corp. acquisition challenged.

14. April 25, 1974—consent order—Rockwell International Corp. must divest.

SOLAR ENERGY ASSESSMENT OUTLINED

Mr. HUMPHREY. Mr. President, as an advocate of increased Federal support of solar energy research—and the author of legislation in this field that soon will be the subject of extensive hearings before the Interior Committee—I am pleased to see the initiative taken by the Office of Technology Assessment (OTA) in this important energy field.

The Technology Assessment Board, on which I am pleased to serve, has recently approved the topic of "on-site production of electricity from solar energy," as one of the first assessment topics for the new OTA. It is very important that as we proceed with various solar energy applications we be well aware of the impact of the new technologies we develop.

Mr. President, I ask unanimous consent that the "Statement of Work," issued by OTA to potential contractors, be printed in the Record as an outline of what this project is designed to achieve.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Solar Energy Assessment: Statement of Work—OTA

I. INTRODUCTION

The purpose of this technology assessment is to investigate two questions. The first concerns technological and economic feasibility:

"Can solar energy be used for the economic and effective on-site production of electricity, so as to represent a significant additional alternative to other energy sources?"

The second question, integrally related to the first, concerns the impacts of this technology:

"What are the direct and indirect, near-term and long-term institutional, environmental, legal, social and other impacts of the introduction of an on-site electric power production capability?"

The study should focus on the on-site utilization of solar energy in such areas as: residential communities, military and other governmental applications, educational and health institutions and commercial-industrial sites. These might be as small as single family homes and as large as major industrial plants, or small cities (50,000 to 100,000 population), but excluding central power stations. Isolated systems are to be emphasized, but the option of tying into existing electrical power grids should be evaluated. The effects of geographical location are also to be considered in determing the economics of this type of solar energy utilization.

The assessment is to cover mainly the direct utilization of solar energy for electric power generation but must consider also energy conservation and auxiliary applications such as space heating and cooling. In addition to the technological and economic prospects, the study should assess the institutional, market, legal, environmental, and social impacts of the technology such as on ownership, land use, zoning, building codes and employment.

This assessment shall include, but not necessarily be limited to:

1. solar-thermal conversion in which solar energy heats a working fluid so that it can drive a thermal machine; and

2. photovoltaic conversion, in which the incident solar radiation is converted directly into electricity.

The technologies involved in this on-site use of solar energy are still at an exploratory stage, but the technological development problems which must be solved are beginning to be defined. This is not so concerning the economic and social issues surrounding the application of the technology, e.g., those involved with marketing, regulating, servicing, and using the eventual product. These problems cover a broad range of disciplines and have not yet been explored in an integrated inter-disciplinary study.

The assessment should address specifically those issues that the U.S. Congress can be expected to face in the future when considering this new technology. These might include, but not be limited to: method of funding R&D, avoidance of hazardous impacts, barriers to innovations and application, etc. It will be appropriate to suggest alternative courses of action.

II. STATEMENT OF WORK

A. Product

The principal product of this effort will be a final report in two volumes. The first volume will be a comprehensive summary document, with conclusions, written for a nontechnical audience. The second will be a complete report supporting and substantiating the statements and conclusions summarized in Volume I. Volume II should also document and evaluate: the analytical and assessment methodology used; details of the physical and social feasibility and impact data used; the findings of major related investigations of this type in progress or recently completed; and the institutional and industrial capability available for the development of this technology. It should include also an annotated bibliography critiquing source materials used.

If any of the contractor's inter-disciplinary team has views which diverge from the contractor's findings and conclusions, the final report should document these alternative views. The final report should also include a critique of the analytical methods employed in this assessment. Any insights gained during this assessment concerning the information gathering capabilities and needs of the U.S. Congress in the energy area should be included as well.

Verbal presentations and monthly highlight letters will also be required, as stipulated below under "Schedule of Reports". The letter shall include as a minimum a statement of progress, planned activities for the following month, a summary of resource expenditures to date, and significant milestones. The milestone portion of the monthly report should be presented in detail appropriate to explain issues of substantive significance.

B. Coverage

The report shall assess the feasibility and impacts of the technology needed for on-site utilization of solar energy. Consideration of auxiliary uses, such as using waste heat discharge for sewage treatment, process heat and space conditioning, must be included where appropriate. Optimum system sizes should be established by the analysis for each of several ranges covering the projected on-site applications outlined in the Introduction.

Major research problem areas and other barriers to application should be identified. Likely potential times required to develop systems should be evaluated at current and alternative future levels of funding and support. General policy options affecting the feasibility and adoption of such systems and regulation of impacts should be considered and identified. Identification of near-term, mid-term and long-term effects should be made for all impact categories considered in the assessment. Application to both new and existing communities or installations should be considered.

The contractor should, in the proposal, identify the specific tasks believed to be significant in each of the above areas, and should also specify the relative weight he plans to give each of the following factors in the assessment.

1. The feasibility factors should include;

a. Technology

Variations in the principal operating parameters of each configuration should be explored, as well as the principal power plant features. Examples of configuration changes which might be evaluated are point focus optical transmission, line-focus cylindrical trough, and flat plate collectors; energy storage options; dual fuel or "hybrid" systems; various methods of waste heat rejection and utilization; systems for dc/ac conversion; and various fluid system components (e.g. heat pipes). Illustrative parameter variations are: power output, peak temperature, insolation, peak-load and weekly/seasonal power requirements. Interfacing with existing utility systems and alternate power sources should be considered.

A key element in the assessment is the identification of any technological barriers or inhibitors which might become pacing factors in power plant implementation, and the identification of technological advances required to eliminate or minimize these barriers or inhibitors.

b. Economics

All system and auxiliary costs must be calculated, as well as projections of operating costs. As a minimum, these costs should be evaluated against the time required to develop the various power systems including research, developments, testing and evaluation (RDT & E), prototype, investment, and life cycle costs.

The economic conditions and incentives necessary to bring about the commercial use of solar energy for on-site electric power generation should be identified. In addition to identifying the above costs of the systems evaluated, other economic benefits and costs, such as with respect to land use, should be estimated (in terms of "present worth" using appropriate discount rates) for the various parameter variations.

In evaluating economic feasibility, present and forecast costs should be related to break-even costs for commercial application. Plant size, modularizations, distribution tradeoffs, potential for export markets, and time value of early availability (e.g., very high permissible interest rates) are factors which must be considered. Other related economic factors should be included, such as the effects upon concentration of ownership of energy resources.

Energy costs for systems selected for analysis should be compared to the costs of fossil fuels and alternative energy sources, both at current and anticipated prices through the end of the century. All economic studies should include near-term, mid-term and far-term projections.

2. The impact factors should include:

a. Impact on Society

Identification and evaluation of the social effects of the wide-scale use of solar energy for on-site electric power generation should be included; i.e., its impact upon where and how people work and live, and community organization, including the considerations involved in the development of "new towns". Community infrastructures needed to support growth potential should be identified, and projected community growth rates should be related to alternative power supply needs. Ownership considerations should be defined: will the plant create value at public expense? Methods of recognizing, defining and assessing external costs and benefits should be identified.

b. Legal Considerations

The impact of the various solar power plant concepts and alternatives on the formulation and enforcement of laws and regulations at all levels of government should be considered. These include, for example, building code formulation and enforcement, liability jurisdiction, and zoning requirements. Zoning concerns are particularly important; the concept of three-dimensional zoning and "'building priority" becomes critical where access to solar exposure is an essential feature of a building or a complex of buildings.

c. Institutional Jurisdictions

The activities of many different governmental and nongovernmental institutions will affect the development and use of the subject technology, and should be identified and evaluated in the assessment. Some of these institutions are: state, county, city and township governments; planning and public service commissions; zoning boards; utilities; industrial organizations involved in construction, operation and maintenance; trade associations and labor unions; banks and underwriters; and schools and training establishments.

d. Environmental Impact and Land Use

The environmental and land use consequences of using solar energy on a community scale should be identified and evaluated.

e. Educational and public information

The contractor should identify the public educational programs or methods needed to familiarize people with solar energy application, restrictions, advantages, and disadvantages. Methods for disseminating this information should be discussed.

f. Architectural and esthetic factors

Architectural and esthetic factors involved in the public acceptance of on-site solar energy for electric power generation should be considered and evaluated.

g. Marketability/incentives

For each system or alternative, the incentives necessary for private sector involvement and investment should be set forth. The possible availability of Federal government support in construction, power distribution, servicing, management, and part replacement should be considered in incentive evaluations. The availability of overseas markets should also be considered, along with the impact of technology transfer to the developing nations and impact on GNP and balance-of-payments.

h. Natural resources

The study should assess the materials (including minerals) needed for the introduction of this new technology, as well as the reduction or increase in demand for and use of other natural resources.

i. Others

The above list of impact factors should not be considered complete. The contractor is encouraged to address additional impact areas which are considered important to the assessment. Imaginative and innovative ideas are solicited.

3. Comparisons:

In order to provide the U.S. Congress with information to assess the technical feasibility and impacts of on-site generation of solar energy, each of the solar powered systems assessed should be compared with each other and with other competitive energy alternatives. These comparisons should take into consideration differences among regions, such as climate and the costs of and availability of alternative energy sources. An evaluation of the tradeoffs among alternatives should encompass all the impacts which have significance for the technology. It is most important that this evaluation be interdisciplinary as well as multidisciplinary.

III. REPORT SCHEDULE

The project's reports will be due in three phases, as follows:

Phase A: Problem Definition. Written report (30 copies) due forty-five (45) days after date of contract; verbal presentation to be made approximately two weeks thereafter.

Phase B: Preliminary Analysis. Written preliminary report (30 copies) due eight (8) months from date of contract; verbal presentation to follow within two weeks.

Phase C: Final Report. Final report draft due twelve (12) months from date of contract; final report (50 copies) due two months later.

Highlight letters will be due each month of the contract period.

The OTA has appointed an Advisory Panel to assist it in connection with this assessment. The contractor will be called upon to make oral and written presentations to this Panel.

THE GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, no-one has raised serious objections to the purposes of the United Nations Convention outlawing genocide. The primary objections which have been raised since the time the treaty was first considered for ratification by the U.S. Senate have been related to constitutional and legal issues.

An often heard criticism of the treaty is that its passage would adversely affect Federal-State relations by sapping the authority of States on criminal matters. However, this clearly is not the case. Congress has the power to enact such legislation pursuant to the treaty under article 1, section 8, clause 10 of the Constitution which provides:

> The Congress shall have the Power. . . . To Define and Punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations. . . .

Thus, making genocide a crime, providing for appropriate punishment, and so forth, are clearly on the checklist of Federal constitutional powers.

Moreover, as the ABA's section on individual rights and responsibilities said in its report:

> Ratification of the Convention will add no powers to those the Federal Government already possesses.

Further, the fact that the Congress enacts a statute pursuant to a treaty, such as the Genocide Convention, does not alter the fact that Congress could pass such legislation without a treaty.

In short, the Genocide Convention will not adversely affect the Constitutional division of powers between the Federal and State governments and, thus, the United States should go on record as opposing genocide, both legally and officially.

THE VIEW FROM MOUNT VERNON

Mr. **MATHIAS**. Mr. President, we fast approach the Bicentennial of our Revolution, but we approach that year with a very significant task yet undone. It is expected that Mount Vernon, the home of George and Martha Washington, will be among the most visited scenic or historic spots in the country. Our late friend and colleague, Representative John Saylor, recognized the importance of preserving George Washington's view from Mount Vernon for all time. The overwhelming support that this bill received in the House is a credit to his judgment and the esteem in which he was held by his colleagues. I believe it would be tragic to miss the opportunity his work has provided us. With the House action on H.R. 4861, the way is clear for us to complete the work and provide what truly was George Washington's view.

Concern for this area goes back many years. In 1955 another friend and congressional colleague, the Honorable Frances Bolton, saw the importance of preserving these lands in their natural state and took it upon herself to purchase 485 acres on the Potomac opposite Mount Vernon. Other important acquisitions followed. We first saw congressional action in 1961.

At that time, the Congress endeavored to insure the preservation of the scenic view from Mount Vernon and Fort Washington by creating a new unit of the National Park System to be known as Piscataway Park. The record is filled with acts of great beneficence. Over the years, some 180 property owners have given scenic easements. These are not, for the most part, people with large tracts of land or people of great financial means. But they are people who care deeply about the heritage of our country and wish to see it preserved for all time.

Members of the Senate are well aware how difficult, expensive, and time-consuming acquisition of a park can be. There are initial studies to identify the optimum size and shape of the proposed park. But in a great many cases, the optimum is never realized. This is not, however, a sign of failure. Even though the entire ecological system may not be protected, significant parts of it are, and this is all to the good. A scenic or historic view is very different. George Washington stood on his lawn and gazed across the Potomac. He did not see structures on the far bank. It is for this reason that protecting 80 percent of George Washington's view is not a significant improvement over protecting none of it. If development occurs within sight of Mount Vernon, we will have permitted a fundamental change in the character of the lands and waters that Washington knew. Stated simply, we will not have George Washington's view. What could be more tragic than to have made all the public efforts over the years, to have accepted all the private benefactions, and then to find our goals unrealized? George Washington did not stand on his lawn and see a marina, nor did he see an amusement park. Consequently, visitors to his home in the Bicentennial year should not see these intrusions upon the Potomac either. Those that oppose completion of Piscataway Park ask that visitors to Mount Vernon gaze across the river and blot man's intrusions on the far bank from their sight. That is more than any of us can do.

The Interior Department estimates it will take $4.9 million to complete the park. If we are truly concerned about our heritage, we will make this commitment. It will insure that the home of our first President maintains its integrity for future generations.

"THE LAWYERS' PROFESSION"—COMMENCEMENT ADDRESS BY PROF. ARCHIBALD COX AT THE UNIVERSITY OF VIRGINIA LAW SCHOOL

Mr. **KENNEDY**. Mr. President, at the end of May, Prof. Archibald Cox of Harvard Law School delivered the commencement address at the University of Virginia Law School.

I have recently had the opportunity to read the full address, which I found to be an inspiring celebration of America's great heritage of the rule of law and the role of lawyers.

In the course of his address, Professor Cox, who is the former Watergate Special Prosecutor, deals with two of the central issues in Watergate—whether the President may refuse to comply with a court order for the production of documents, and whether our system of government secures an opportunity for full and impartial investigation of wrongdoing at the highest level of the executive branch.

As Professor Cox indicates, these two questions were at the heart of the events that led to his dismissal as Special Prosecutor last October, and they are at the heart of the controversy that is unfolding today between the White House on one hand and Congress and the courts on the other.

I believe that Professor Cox's discussion of the issues provides an important contribution to our own understanding of the debate taking place today, and I ask unanimous consent that the text of his commencement address may be printed in the RECORD.

I also ask unanimous consent that a recent column by James Reston of the New York Times, discussing Professor Cox's address, may also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LAWYERS' PROFESSION

(By Archibald Cox)

Oliver Wendell Holmes, Jr., hesitated in entering the legal profession, and it was many years before he was satisfied that he could fulfill his strong wish to live greatly, within the law. Yet when Holmes was ninety he said to a friend that if the ceiling should open and a great voice speak summoning him to his Maker, he would reply "I am ready, Lord, but may I have ten more minutes."

And so I welcome you to a profession in

which one can aspire to live greatly, and thus enjoy the fulfillment of the effort.

I

What is it about the law that offers such fullness of life?

To Holmes as to most lawyers, it was of prime importance that central to the law is the life of the mind—perhaps I should say the life of the intellect. The way of the law is not the way of the artist or the poet, or even of the writer who would record the stream of consciousness without organization or elimination of the irrelevant. We are wordsmiths because words are the tools for expressing with the required exactness and consistency the concepts, the rules and forms of organization—for creating the institutions—that enable men to live together. The good one can accomplish by skilled legal craftsmanship never ceases to amaze me, but the words and concepts the skilled lawyer finds so delightful as tools must never become the master. The law's concern is men and women, their daily lives, their joys and sorrows, their fears and aspirations, their mean pursuits and high adventures. Without sympathetic understanding of life, perhaps without understanding the persons with whom he deals better than they understand themselves, a lawyer is not worthy of the name. This involvement with people touching every aspect of the panorama of human existence is a second, prime source of satisfaction in the lawyer's life.

Third, an infinite variety of pursuits falls within the boundaries of the profession. Some of you may find, as I have, that nothing engages and therefore satisfies one's whole being quite like argument of a public cause in a high appellate court. John G. Johnson, a great advocate 60 or 70 years ago, two or three times rejected appointment to the Supreme Court. Each time an intimate friend pressed him for the reason. At last Johnson replied—

"You finally want me to tell you the true reason? I'd rather talk to damn fools than listen to them!"

Others, with the capacity to recreate and relive human events and a flair for the dramatic, may find their forte in jury trials. Industry, both management and labor, and finance will attract more; still more become family advisers and trustees; still others will devote themselves to private associations serving disadvantaged groups and other segments of the public interest. Tens of thousands of lawyers become judges and government officials. Though we often speak of being a lawyer as if it were a single vocation, in fact there is a wide range of careers within the law.

All these things offer lawyers lives filled with unusual variety, challenge and satisfaction, but surely it is not these things alone that enable a man to live greatly in the law.

I

The lawyer's compass, the ideal that gives coherence to our profession, the scope that enables a man to live greatly in the law, is marked by our heritage. We inherit the tradition of seven or eight centuries of continuous concern for the institutions and aspirations—for the processes, standards, ideals and sense of right and justice—that make for a free and civilized society. It is not the age of the profession that matters, nor even the inspiration gained from knowing that we tread the path marked by Coke and Erskine, John Adams and Brandeis, Charles Houston and Thurgood Marshall. What matters most is that through the centuries the men of law have been persistently concerned with the resolution of disputes and the organization of human endeavors in ways that enable society to achieve its goals *with a minimum of force and a maximum of reason.* Every practicing lawyer, whether he deals in constitutional issues, advice to corporations, collective labor agreements or wills and domestic relations, is concerned with the rules and forms of human organization—to put it most simply, with helping people to live together—not by power, be it physical, economic or even political, but by what reason tells is just. Our commitment is to law and legal institutions as a substitute for force and therefore man's best hope of mutual respect for human dignity, liberty, change and progress.

II

Law in this sense depends upon voluntary compliance, and compliance upon the notion that the law binds all men equally, the judges no less than the judged, the governors no less than the governed, the highest officials equally with the lowliest citizens. Two questions of this kind were raised last October—at least as I saw the problem.

One was whether the President would be permitted to set himself above the law by refusing to comply with a court order for the production of documents. The refusal defied a constitutional tradition handed down from the Sunday in 1612 on which King James, taking offense at the independence of his judges, cried out—

"Then I am under the law—which it is treason to affirm."

And Chief Justice Coke replied—

"Non sub homine sed sub Deo et lege."

Justice Jackson expressed the constitutional tradition in the Steel Seizure case in 1952—

"With all its defects, delays and inconveniences men have discovered no technique for long preserving free government except that the Executive be under the law * * *"

And President Truman strengthened our constitutionalism by following the Supreme Court decision and returning the steel mills to the owners despite the exigencies of a labor dispute in time of war.

The second question raised in October was whether, on the one hand, our system of government secures opportunity for the full and impartial investigation of wrongdoing at the highest levels of the Executive Branch according to the usual processes of law or, on the other hand, a Chief Executive can thwart the search for facts by a personal fiat inescapably influenced by self-interest and concern for his friends. This question was raised by an order to the Special Prosecution Force not to pursue the usual course of law in seeking evidence from the White House even to the point of a judicial ruling.

Last October the people gave unmistakable answers to both questions. Within days the court was assured that the tapes and documents would be produced. Within weeks, the independence to the Watergate Special Prosecution Force was restored, the staff unimpaired, and a vigorous and independent Special Prosecutor was appointed. The sequence of events demonstrates better than any other occurrence within my memory the extent of this country's dedication to the principle that ours is a government of laws and not of men. It gave proof of the people's determination and ability to insist that the highest officials shall meet their obligations under the law as fully and faithfully as others.

I recall these events because it seems to me that we are near the point where the people have need to express themselves upon these points as clearly and forcibly as before.

The Special Prosecutor has subpoenaed additional materials in the Executive Offices in aid of the Prosecution of the alleged Watergate cover-up. The President has refused to produce the subpoenaed documents. When stripped of technical jargon, the question raised is very simple: Shall guilt or innocence in the criminal trials of White House aides be determined upon full consideration of all the evidence found relevant, competent and unprivileged by due process of law or shall the evidence from the White House be confined to what a single individual, highly interested in the outcome, is willing to make available? In the latter event, our system of government provides no way of assuring a full and impartial inquiry into wrongdoing at the highest levels of the Executive Branch.

I do not mean to slide over the claim of executive privilege. The claim—one must assume—is made in good faith. When made in court, judicial machinery exists for the ruling upon it according to law. In this context the claim of executive privilege rests entirely the notion that giving confidentiality to discussions of policy and other governmental problems within the executive branch will produce more candid advice and deliberation, and these are thought to be in the public interest. Most of us would agree, under normal circumstances and respect the privilege. But here there is a showing that criminality corrupted the same high levels of the executive branch, and that the evidence of what was said or written is material to ascertaining the truth of the charge and restoring integrity to government. The court must therefore balance the value of complete investigation of the prima facie wrongdoing against the harm, if any, done to the value of encouraging candor in executive deliberations by holding that the executive privilege of confidentiality is lifted upon a prima facie showing that it cloaks evidence of crime. On this question, perhaps, judgments may differ. I find it hard to believe that the courts will not follow the eloquent words of Justice Cardozo in holding that even the confidentiality of a jury's deliberations will yield once there is reason to believe that they were tainted by misconduct:

"The chance that now and then there may be found some timid soul who will take counsel of his fears and give way to their repressive power is too remote and shadowy to shape the course of justice. It must yield to the overmastering need, so vital in our polity, of preserving trial by jury in its purity against the inroads of corruption."

Whatever the outcome, submitting the issue to the court and complying with the judicial ruling would not attack the rule of the law. But should the courts order production, failure to comply would, in my judgment be the most serious of impeachable offenses. For although seeming to deal with a small point of evidence, the refusal would in truth defy the essential constitutional guaranty that the Executive be under the law. It would assert an arbitrary, executive power to block full and important inquiry into executive wrongdoing.

Submitting the claim of executive privilege for judicial determination, as I have said, does not challenge the rule of law. One cannot say as much for the contention of Counsel to the President that the Special Prosecutor has no standing to request a court order directing the President to produce relevant, competent and unprivileged evidence.

This is not an argument that the court should judge the public interest in confidentiality to outweigh the need for the evidence, nor even a claim that the former interest is so important that the courts should not review the President's determination. Rather, the contention seeks to forestall any decision according to law at the very threshold upon the theory that the Special Prosecutor may not invoke judicial intervention in a quarrel with the President, his superior in the Executive Branch.

The theory is not easily grasped. Professor Bickel says that there is no judicial jurisdiction because there is no "case or controversy," but the basis for the assertion that there is no "case or controversy" is not quite clear. Is it that the Chief Executive is to be treated not as a potential witness whose duty to produce evidence is at issue but as in charge of the prosecution, making his refusal to give the evidence to the Special Prosecutor a binding instruction that the prosecution is to be conducted without the evidence? But the President has not given such an instruction. He promised not to interfere with the Special Prosecutor and approved the Attorney General's Departmental Regulation giving the Special Prosecutor independence in this regard. Furthermore, the acts of Congress put the Attorney-General, not the President, in charge of criminal prosecutions and the Attorney General vested his responsibility in the Special Prosecutor insofar as Watergate is involved. These are reasons enough to conclude that the President is not in charge of the prosecution, either in law or in fact, unless the earlier act of Congress, the Departmental Regulation and the President's assurances are all unconstitutional nullities because Article II requires the President to have control over all criminal prosecutions even when the offense involves wrongdoing in which he has a disqualifying interest because he may be implicated as well as his immediate aides. Nothing said in Article II states this conclusion, and surely it will be a perverse bit of folly to interpolate when not required by the words.

Is there no "case or controversy" because the President has power to dismiss Attorneys General until he gets one who will rescind the regulations and dismiss the Special Prosecutor? The very statement of the proposition acknowledges a present controversy but says that it *may* not continue. It would seem that the existence of present controversy should be decisive, but if the question is to be decided by prediction, surely the Presidential promises not to dismiss the Special Prosecutor demonstrate sufficient likelihood that the existing case will survive to warrant its decision.

The only other ground that occurs to me for denying the existence of a case or controversy is the mystical idea that the Executive Branch has such unity as to bar one member from complaining that another member is acting contrary to law, and I suppose that the assertion might be added that it violates the separation of powers for the Judiciary to intervene in a controversy between members of the Executive Branch.

But the latter point is really an argument that the Judiciary lacks power to order the Executive to give testimony or produce evidence and should stand or fall regardless of whether the Special Prosecutor or the defendant seeks the subpoena. If a private defendant could secure judicial aid, there is no practical reason to deny the Special Prosecutor equal standing except to support the Chief Executive's actual or potential control over the prosecution; and this takes us back over grounds already rejected. Even more important is the untoward consequence of embracing any such theory of executive unity: it would deny the country any way of assuring itself that wrongdoing high in the executive branch will be investigated and prosecuted independently and according to law even though it reaches high enough in the Executive Branch to put part of the evidence within the control of the President.

The claim of Presidential power to thwart the prosecution of former White House aides upon evidence that the independent prosecutor deems material is accompanied by a parallel assertion of power to withhold from the House Judiciary Committee evidence that it determines material in ascertaining whether the President has been engaged in serious wrongdoing. The issue is easily confused by constitutional jargon and because a mass of evidence has been produced, but one hopes that the Bar and later the country will come to see it clearly for what it is. The President's lawyers say that he may not be indicted and that his guilt or innocence of wrongdoing must be decided by the processes of impeachment beginning in the Judiciary Committee of the House of Representatives. Plainly, any such investigation will usually depend upon inquiry into what happened in the Executive Offices and much of the evidence will be under the President's control. If impeachment is to be a viable method of inquiring into alleged executive misconduct, the House of Representatives—the grand inquest of the Nation—must have a right of access to whatever evidence it judges necessary. Here the House is the tribunal; no court can judge the question or enforce the subpoenas. Withholding from the House evidence it judges necessary to the inquiry is therefore a defiance of the only process the Constitution provides for dealing with substantial charges against a President.

If the President refused to supply any evidence in his possession, the defiance of constitutional process would be so plain that all would perceive it. The principle is exactly the same when he picks and chooses what he will supply. In view, the refusal to comply with the Judiciary Commitee's subpoenas denies Presidential accountability through a constitutional process the framers were careful to provide. Failure of the Committee to treat the refusal as a major ground for impeachment would go far to concede that executive wrongdoing is beyond the reach of any form of law.

III

I hope that I have not abused your good nature in dwelling at length upon what I see as a Presidential threat to the administration of justice and the ability of the government to purge and redeem itself by thorough, independent investigation, and prosecution if warranted, when there is reason to fear wrongdoing towards the top of the Executive Branch. I had planned a different address about the legal profession, but the events of last week moved me deeply.

Still, before I close, may I speak a word of confidence in the future of law, government, and the legal profession. If one's attention becomes transfixed only by the seamy side of Watergate, he is likely to conclude that passion, arrogant grasping for power, cynicism and distrust have eroded self-government, while the misdeeds of lawyers in high office are destroying confidence in the legal profession. But there is another side to Watergate. The response has proved the conscience of the Nation. It is more important to know that our idealism is alive than that some men have proved unfaithful.

My own college commencement was 40 years ago. When I look back over those four decades, I think I see reason, despite all the shortcomings, not to give up upon law or men. In that time two peaceful revolutions were accomplished within the rule of law. The New Deal revolutionized our theory of government, brought a measure of control over industry and finance and immeasurably increased both opportunity and protection availability to industrial workers. There was a tremendous transfer of economic and political power. The decision in Brown v. Board of Education 20 years ago launched the civil rights revolution—again within the framework of constitutionalism and the rule of law. You are also familiar with the extraordinary reforms in the protection of individual liberty, the opening of the political system, and the improvement of criminal justice worked by the Warren Court.

That the accomplishment is small compared to what needs to be done scarcely needs saying to a generation of men and women that measures things by the gap between what is and what ought to be. May you keep the honesty and courage to face our faults, our follies and our capacity for evil. I hope you will have the greater insight to perceive that your chosen profession holds unique opportunities little by little to improve man's lot, and also the greater courage to pursue that vision. You will not succeed entirely; no one does. But I wish you luck and promise joy in the endeavour.

[From the New York Times, May 29, 1974]

Archie Cox in Virginia

(By James Reston)

CHARLOTTESVILLE, VA., May 28.—When President Nixon dismissed Archibald Cox as his special prosecutor in the Watergate case, he not only misjudged the public outcry that followed but liberated Mr. Cox to speak out on the rules of law and impeachment. That may very well prove to be one of Mr. Nixon's fatal mistakes.

For there is confusion in the country and even in the Congress now about the rules of law and impeachment, and Mr. Cox is using his freedom to write and speak to clarify the issues as he sees them to the press, the television, and the Congress.

Many other men in his situation might have destroyed their influence by roaring around the country like a loose cannon, firing at the man who fired him, but not Mr. Cox. He appeared here to address the law graduates at the University of Virginia the other day and talked with the sweep of the centuries and the kindliness of a neighborly judge: No rancor. No vindictiveness. No pessimism about the law or the Republic. But on fidelity to the Constitution and the process of applying it to the President, as to any other citizen, he was unyielding.

On a personal note, he told the graduates that the ideal of their profession was precisely as Oliver Wendell Holmes Jr. had defined it: "To live greatly within the law." Central to the law was the life of the mind.

But the law was paramount, he insisted, for the President as for every other citizen. It was concerned with the rules and forms of human organization—to put it most simply, with helping people to live together.

In this sense, he said, law depends, upon voluntary compliance, and compliance upon the notion that the law binds all men equally, the judges no less than the judged, the governors no less than the governed, the highest officials equally with the lowest.

"We inherit the tradition of seven or eight centuries of continuous concern for the institutions and aspirations . . . that make for a free and civilized society. It is not the age of the profession that matters . . . what matters most is that through the centuries the men of law have been persistently concerned with the resolution of disputes . . . in ways that enable society to achieve its goals with a minimum of force and a maximum of reason. . . ."

Then, and only then, did he address the graduates on the application of these principles to Watergate and Mr. Nixon, whom he seldom mentioned.

The question raised now, he said, stripped of legal jargon, was very simple: "Shall guilt or innocence in the criminal trials of White House aides be determined upon full consideration of all the evidence found relevant, competent and unprivileged by due process of law; or shall the evidence from the White House be confined to what a single individual [the President] highly interested in the outcome, is willing to make available?"

Mr. Cox, with his mortar board back on his head talking quietly to this *company* of graduates and friends, seemed now to be back in his old role as Solicitor General addressing the Supreme Court. His language was decorous, his sentences long, but his meaning unmistakable: Should the President have the right to define what was an impeachable offense; should he have the power to decide what evidence the House of Representatives should have, and to refuse the evidence requested, and select, edit, and fiddle with the evidence he produced?

Mr. Cox took up the President's arguments one by one, and proceeded to argue against them. He rejected the argument that the President could avoid the jurisdiction of the courts or disobey their ruling if they made one.

"Should the courts order production [of the tapes], failure to comply would, in my judgment be the most serious of impeachable, offenses. . . . It would assert, an arbitrary, executive power to block full and impartial inquiry into executive wrongdoing. . . ."

And refusal to supply evidence to the House Judiciary Committee in its impeachment proceedings, Mr. Cox argued, would be even worse. "The President's lawyers say that he may not be indicted," Mr. Cox observed, "and that his guilt or innocence of wrongdoing must be decided by the process of impeachment. If impeachment is to be a viable method of inquiring into alleged executive misconduct, the House of Representatives—the grand inquest of the nation—must have the right of access of whatever evidence it judges necessary. . . ."

Here, Mr. Cox reached his conclusion: "In my view," he said, "the refusal to comply with the Judiciary Committee's subpoenas denies Presidential accountability . . . failure of the committee to treat the refusal as a major ground for impeachment would go far to concede that executive wrongdoing is beyond the reach of any form of law."

It would be easy to underestimate the effect of this quiet man with his courteous amiable manner, but Archibald Cox was something of a triumph here on commencement day.

The press brushed him off, but Fred Graham of CBS put him on the Cronkite show and the full text will be in The Congressional Record. So the Saturday night massacre of Archibald Cox and Elliot Richardson goes on. While the courts and the Congress loiter along, these quiet cannons keep talking and defining and adding evidence and historical perspective to the impeachment process.

DEVELOPMENT OF RAIL PASSENGER SERVICE AS AN ALTERNATIVE MEANS OF TRANSPORTATION

Mr. GURNEY. Mr. President, it is with pleasure that I note that the Commerce Committee's Subcommittee on Surface Transportation is currently holding Amtrak oversight hearings. These hearings have particular meaning for the State of Florida, as there is a keen interest throughout the entire State in the development of rail passenger service as an alternative means of transportation.

In view of Florida's exigent needs in this area, it was my privilege to testify this morning before the committee. At that time, I indicated that there were several programs of significant importance to the State. Among these were an implementation of a route between Jacksonville, Fla., and New Orleans, La.—a route that would link up the Eastern and Western United States by way of the South—implementation of service through the central corridor of the State, and along the Atlantic coast. In addition, I recommended that Amtrak seek an accord with the various agencies affected to develop an official nationwide transportation system for use as the Bicentennial's freedom trail.

I feel that this morning's discussion is not only of interest to my constituency, but also to my colleagues as most of the concepts discussed have more than mere regional significance.

I ask unanimous consent that a copy of my testimony before the Senate Commerce Committee's Subcommittee on Surface Transportation together with a letter from me to Secretary Brinegar be printed in the RECORD.

There being no objection, the testimony and letter were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GURNEY BEFORE THE SENATE COMMERCE COMMITTEE, SUBCOMMITTEE ON TRANSPORTATION

Mr. Chairman, I wish to thank the chairman for this opportunity to address the subcommittee on the vital issue of rail passenger service operations.

Amtrak operations in Florida amount to approximately 700 miles. Of this, 400 miles of route are between Jacksonville and Miami, and the remaining 300 miles are between Jacksonville and St. Petersburg.

This is in contrast to the published mileage of all railroads operating in the State of Florida of 4,157 miles. That figure includes, of course, freight carrying operations as well as those rendering passenger service.

Prior to the start of the energy crisis, Amtrak's ridership to Florida and the service offered showed substantial increases over 1972. In the first ten months of 1973, ridership to Florida was up 33% over 1972. In 1973, revenues in the entire Amtrak system appear to be up almost 23% over the previous year.

Amtrak's program for 1973 and 1974 had been keyed to expansion of traffic demand even before the energy crisis added impetus. As an example, in November 1973, available seat miles from the northeast to Florida was up 38% and the midwest to Florida was up 65%. January 1974 saw an increase over January 1973 in available seat miles from the northeast on four daily trains of 86%, and from the midwest of 15%.

While demand for available seats improved, on-time performance of Amtrak trains in the New York to Florida runs apparently have worsened recently. The 1973 annual report of the national railroad passenger corporation, which administers Amtrak, shows that on the one-time performance for New York-Florida trains in 1972 was 54.6 percent (not good by European passenger train standards), but that in 1973 this had dropped to 40.2 percent. The Chicago-Florida route (part of which operates over New York-Florida trackage) dropped even more. In 1972 it was reported at 56.8 percent, and in 1973 at 29.2 percent.

Passenger totals on the Seaboard Coast Line overall, serving the Eastern Seaboard, for the twelve-month period ending April 30, 1972, were reported at 697,749, and one year later at 753,224, or an increase of 8 percent. The bulk of this traffic was Florida-bound.

Amtrak facilities were improved in Jacksonville, Florida, in 1973. During the year, a new modern passenger station was constructed at Jacksonville. The new facility has been relocated, which eliminates the previous requirement that trains back into or out of the station. The station has two running tracks, each of which can accommodate a full 18-car train pulled by three locomotives, and a set-off track for holding mail or other cars added to or removed from the trains at Jacksonville. An adjacent lot can provide free parking for 117 cars and three buses. The station is designed to accommodate up to 150 patrons at any one time. The facility was put into revenue service on January 3, 1974.

THE TOURISM INDUSTRY IN FLORIDA

Tourism, as the largest source of income in Florida, is vital to the economy of the state. In 1973, Florida played host to more than 25 million out-of-State visitors, with total expenditures, estimated at over $5 billion. Tourism is said to provide employment for 760,000 residents, and many others depend, in part, for their income on this basic activity.

About three out of four tourists are motorists. The recent motor fuel crisis placed an alarming damper on this traffic which is so important to the economy of Florida. At one point, the Florida welcome stations reported a 22 percent decline in registrations, hotel-motel occupancy was down nearly as much, and some major attractions reported declines of much greater amounts.

If the energy and fuel shortage is to become a limiting factor in the American way of life in the future, it is reasonable to anticipate some decline in travel by automobile to Florida, especially from more distant States. This would logically create a transfer for some Florida tourist traffic to public commercial carriers. It would seem to be prudent, then, to anticipate such a surge in carrier patronage in the future and make adequate preparation for it to the extent feasible.

Florida State authorities recognize that the future demands on transportation, especially for intrastate travel, will be highly critical. While in no way wishing to diminish the importance of additional forms of alternative service such as the Nation's commercial airlines, I consider that the railroad is of vital importance in the future development of the State. The February 12, 1973, issue of Railway Age carried an article which emphasizes this problem of moving people throughout the State, and discusses the various alternative modes possible. The article points out that:

"As of now, only one thing seems certain: Central Florida is moving to resolve its people-moving problem, and the solution is not going to be more freeways. The basic problem is starkly told by any number of statistical projections. The important figures are these: (1) Right now 12 million passenger trips each year are being made in the central Florida corridor by automobile; only 29,000 are being made by rail, bus, or air. (2) Before Disney World, a 43 percent increase in traffic between 1970 and 1980 was projected; the post-Disney World projection is for an 80 percent increase."

While we certainly encourage this growth, we can ill afford to allow the paralysis and pollution which has plagued the greater Los Angeles area to take hold in central Florida. Just because we have Disney World does not mean we will accept a Mickey Mouse solution.

Amtrak itself—which estimates it will move between 600,000 and 650,000 people into and out of Florida in 1974—has just announced that it will inaugurate auto-train service between a point in Florida and the Midwest. Parenthetically, I am glad to note that Amtrak and Auto-Train have realized that they can both operate the Florida route. Such cooperation recognizes the advantages to all concerned.

THE OUTLOOK FOR FLORIDA

The Federal Reserve Bank of Atlanta monthly review for December 1973 gave this outlook for 1974 for Florida:

"The year of shortages and growing softness in residential construction has been complicated by yet another problem, the energy crisis. Because of its rapid growth, Florida has been faced with the problem of supplying enough power for its industry and population. The absence of a severe winter season in the sunshine State may help minimize the problem this winter.

"There are many unanswered questions facing Floridians. The sunshine State's economy continued to expand this year, but it is clear that the State can grow only so much, so fast. Even putting the current energy shortage aside, in the years ahead Florida will be faced with the questions of how and where to grow. Hopefully, it can respond by providing a steady, broad-based, and well-planned growth. Only in this way can Florida avoid a shortage economy in the future."

SPECIFIC FLORIDA PROBLEMS DEMANDING RESPONSES

I do not intend to go into the issues of the overall analysis of Amtrak—you have the statistical experts here and they are best equipped to supply that information to the committee. Rather, now is the time and place to ask both specific and philosophical questions of Amtrak representatives.

I will grant the fact that in the beginning Amtrak had a difficult task. It was required to spend considerable sums, yet watch every penny; to make investments which would eventually show a profit. Yet, in taking such actions, I am afraid that they oft-times lost sight of their overall goal: To provide railroad passenger service for the people of America. Hundreds of my constituents have written to me expressing their displeasure over certain of Amtrak's activities, or lack of action. While I compliment Amtrak on what they have been able to accomplish in general, there are certain specifics important to the State of Florida for which they must be faulted.

I would like to here enumerate those specific needs for you.

First, there is the need for initiation of service between Jacksonville, Florida, and New Orleans, Louisiana—the old gulf wind route.

On April 9th of this year, a meeting was held in my office in an effort to emphasize the vital need for this Amtrak line. The Senators from Georgia (Mr. Talmadge and Mr. Nunn), the Senators from Alabama (Mr. Sparkman and Mr. Allen), the Senators from Mississippi (Mr. Eastland and Mr. Stennis), the Senators from Louisiana (Mr. Long and Mr. Johnson), the Senators from Texas (Mr. Tower and Mr. Bentsen), as well as the junior Senator from my State, Mr. Chiles, have all indicated to the Secretary of Transportation, and the managing directors of Amtrak, the need for the initiation of railroad passenger service along his corridor.

As we explained, at that time, there are in excess of five million persons along this corridor who are not currently being served by any rail passenger line. In addition, over 200,000 military and civilian personnel, as well as their dependents, are temporarily stationed in this region, stretching from Florida's east coast to the gulf port of New Orleans. While there is some airline service available within the region, there is virtually no alternative for those on short-haul routes, but to be left to their own resources.

Utilizing the criteria established by Public Law 93–146 and enunciated by Secretary of Transportation Brinegar, we provided information to the Department of Transportation indicating that this route should be considered as more than a feeder line between the northern and southern regions of our country. My fellow southern Senators indicated to the Secretary of Transportation that we view this route as an integral part in the entire Amtrak network; a vital link between the eastern and western United States.

Mr. Chairman, I ask that a copy of the letter sent to Secretary Brinegar here be inserted in the record.

I would now like to turn my attention to the question of initiation of Amtrak rail passenger service along the east coast of Florida over the right of way owned by the Florida East Coast Railroad.

I have copies here of resolutions from cities the length of the east coast of Florida: From Key West to St. Augustine. These resolutions call upon Amtrak to initiate passenger service along this vital corridor.

In spite of the many requests that I have made of Amtrak to investigate this route, the only response I have received was from vice president of Amtrak, Robert Moot, indicating that they had no legal right to operate passenger service over the Florida east coast lines in this area. Mr. Chairman, the basic purpose of the enabling legislation for Amtrak was to provide rail passenger service in those areas where it had become economically unfeasible for private rail lines to operate. In those specific regions, the Congress gave the alternative suggestions of either allowing private enterprise the choice of continuing to provide railroad passenger service, or to opt out and continue only transportation of supplies and commodities. Since Florida East Coast has decided to discontinue its passenger service along my State's Atlantic seaboard, it well behooves Amtrak to recognize this fact, and begin to develop with the Florida Department of Transportation, and the Florida East Coast Railroad, discussions which will, hopefully lead to a reinstitution of rail passenger service throughout that region.

A third area of importance which Amtrak has continued to overlook in Florida has been what we call the Miami-Orlando-Tampa/St. Pete Corridor. I have here a chronology of events dating back to mid-1971 indicating Florida's interest in the development of passenger service within this region.

In spite of the continued efforts and communication on the part of the Florida Department of Transportation, we have been shown little consideration, and less recognition. Mr. Chairman, I ask that a copy of this chronology of events, prepared by the Florida Department of Transportation, here be inserted in the record.

It is worth noting in this instance that Florida has gone so far as to include in its 1975 budget several million dollars specifically earmarked for development of a turbo-train demonstration project between Orlando and Miami. This action was taken by the legislature at the tacit behest of Amtrak. Not only had the legislature appropriated the requisite funds, but they had given the enabling authority to the State to make a long-term commitment for the development and maintenance of this system.

Amtrak's response was to request that the State pay 100% of the capital development costs, and to share in all of the operating deficit. This is more than they required of any other State for a similar system; considerably more than they required from the Chicago region to whom they have already given a turbo-train system.

Amtrak must be made aware of the fact that Florida does not need a Toonervile trolley to serve our needs. We need something to fit our tourist image, something as sophisticated and modern as the Florida market.

Yet, Mr. Chairman, the Florida Department of Transportation informs me that it is their understanding that Amtrak did not even bother to inform Secretary of Transportation Brinegar that Florida was interested in turbo-train service in the corridor. This, in spite of the fact that there have been protracted discussions on the subject between the state and Amtrak. The result was that when Amtrak recently placed orders for badly needed passenger equipment, it was authorized to purchase additional trains for the Chicago area, but none for central Florida.

As long as Amtrak has options on eight of these new turbo-trains, it seems only logical that they purchase all eight of them and not merely the six they have indicated. That would allow Amtrak to see that at least two of the turbo-trains are initiated as an experimental route within the central Florida corridor.

As I noted earlier, Amtrak has announced that it will soon be initiating a service for the transportation of recreational vehicles between Indianapolis, Indiana, and Poinciana, Florida.

In a letter in March of this year, I suggested to Amtrak that, due to the result of the energy crisis, a conspicuous effort should be made to develop programs to minimize fuel usage, and still give assistance to the vital tourist industry within Florida. I indicated that I felt that with proper management and service, passenger trains could offer Americans an alternative mode of transportation which is reliable and helps to conserve energy. Consequently, I suggested to Amtrak that they initiate along their mid-west-Florida auto ferry service, a system for the hauling of recreational vehicles. I suggested that Amtrak institute a program utilizing the movement facilities available at the two terminus points of their auto ferry route and transport these recreational vehicles long distances. Noting that one out of every four families in Florida live in mobile units, I indicated that the recreational vehicles market has shown great promise and positive progressive growth.

As of this date, I still am waiting for Amtrak to provide me with a report on this idea as they indicated they would. Mr. Chairman, I ask that a copy of my letter of March to Mr. Roger Lewis on the issue of recreational vehicles be inserted in the RECORD.

This brings me to the final point of my testimony this morning. We are rapidly approaching a celebration of our Nation's 200th anniversary. From St. Augustine to the Apollo Moon flights, Florida's history spans a period of over 400 years. The State's contribution to the birthday effort includes a special role for Miami. That site has been designated by President Nixon as one of the four cities to play a decisive role in the Bicentennial observance. One would, therefore, anticipate that an even greater surge of tourists to the Florida area could be expected in 1976.

As the Bicentennial is a national effort, it should be geared towards methods for celebrating our 200th anniversary nationwide.

Therefore, today, I would like to suggest to Amtrak that it initiate what for operating purposes we in my office have been discussing as "a ring around the country". If you direct your attention to a map of the Amtrak routes throughout the United States, you will find that with two major exceptions, the Amtrak line circles the entire Nation. Were those two points to be properly linked up, Amtrak would be able to develop a freedom trail, part of an overall bicentennial plan for a rail system which would entirely circle the United States.

As this Nation developed, we moved from our eastern seaboard, expanding to the west coast. A requisite factor in that development was the growth of our Nation's rail system. Now, as we celebrate that growth, and the Nation which it produced, we have an excellent opportunity to reaffirm our understanding of the benefits we can expect to derive through continued, intelligent use of our rail system.

I have been in communication with the American Revolution Bicentennial Administration, segments of the executive branch of the Government, officially designated American Revolution Bicentennial Organizations, and interested citizens around the country in developing this idea.

I would recommend now to Amtrak that they consider this suggestion, particularly in light of the fact that an estimated 45 million tourists are expected to come to America to help us celebrate our 200th birthday. If Amtrak were to fill in the two missing links in this ring around the country, and then, working with the administration, develop this as the official American Revolution Bicentennial Transportation System, the proportionate number of users of Amtrak would multiply geometrically.

What I specifically suggest is that Amtrak, this year, by utilizing the authority granted them by Congress to initiate experimental routes, complete the gap between Jacksonville, Florida and New Orleans. Then, next year, Amtrak complete the circle, finishing off in Boston in 1975 in order to coincide with the Boston Prelude 75 celebration.

During the first decade of the 20th century, the railroads were carrying 95% of all intercity travelers. Between 1900 and 1930, they transported one billion passengers a year, reaching a peak in 1922 of 1.2 billion. In the 1920s, the railroads were running 20,000 trains to handle this passenger volume. Today, Amtrak, which provides over 90% of all intercity rail passenger service over its 24,000 mile route system, carries only 17 million passengers annually. It seems only logical to me that implementation of the suggestions I have put forward this morning would result in increased volume for Amtrak, and an appreciable benefit to the millions who would have an alternative means of transportation provided to them. Until recently, the predominant thinking in the area was to expand independent modes of transportation, putting emphasis upon the automobile and the highway. This was done, ignoring the particularities of the already existing modes. The great cities of this Nation already lay along railroad lines. Yet the railroad lines were left to decay. The bulk of our population already was where it was to stay—in our cities and along the rail lines.

I recognize that Amtrak is doing a great deal to ease the hardships caused by the current crisis in the transportation industry. I recognize further that certain difficult decisions are going to have to be made with respect to the future of passenger rail service in the United States. But certain priorities cannot be overlooked nor facts ignored, and predominant among these is an understanding of the role that government assistance will have to play in the continued development of the transportation industry. I think Amtrak can well indicate its desire to respond to the needs of the citizens of this country by demonstrating its efforts to provide exemplary service in and around the State of Florida, and thus serve the people it was created to assist. I believe that in addressing ourselves at these oversight hearing to the difficulties Amtrak has encountered in general, the committee would do well to examine the specifics I have mentioned.

I thank you for the courtesy of your attention and for the opportunity of being able to address the committee.

U.S. SENATE,
Washington, D.C., April 22, 1974.

Hon. CLAUDE S. BRINEGAR,
Secretary, Department of Transportation,
Washington, D.C.

DEAR MR. SECRETARY: We respectfully request that, under the authority granted by the Amendment to the Rail Passenger Service Act of 1970 (Public Law 93–146), the National Railroad Passenger Corporation initiate service between Jacksonville, Florida and New Orleans, Louisiana.

At our April 9th meeting with Under Secretary John Barnum of the Department of Transportation and Vice President Robert Moot of the National Railroad Passenger Corporation, we indicated our belief that this route would be a major addition to the Amtrak system. As the attached population figures indicate, there are in excess of 5 million persons along this corridor who are not currently being serviced by any rail passenger line. In addition, over 200 thousand military and civilian personnel and their dependents are temporarily stationed within this region. There are no significant airline routes within this area either. Consequently, the population is left to their own resources.

In your consideration of criteria for the establishment of an experimental route, we would like to call to your attention certain major discrepancies in Amtrak's economic review of this route. In their analysis, Amtrak anticipates 21,744,000 annual revenue passenger miles. It is our understanding that that figure was arrived at by utilizing statistics for passengers currently riding the Chicago to Florida route. That type of analysis is no more than "playing the numbers game."

There are three salient factors which the Amtrak study overlooks. First, the ridership figures employed by Amtrak are based on statistics compiled last year. It is our understanding that, as a direct result of the energy crisis, the October 1973 to February 1974 figures for the Chicago to Florida route indicate an increase in ridership in excess of 300%. Secondly, the analysis is predicated upon the utilization of this line as no more than a feeder between the north and the south. To the contrary, we see this route as an integral part of the entire Amtrak network; a vital link between the eastern and western United States. Finally, it is obvious to us that, with improved service and new equipment, significant ridership would be generated over this route.

Mr. Secretary, as you are aware, during the first decade of the 20th Century, the railroads were carrying 95% of all intercity travelers. Between 1900 and 1930, they transported 1 billion passengers a year, reaching a peak in 1922 of 1.270 billion. In the 1920s, the railroads were running 20,000 trains to handle this passenger volume. Today, Amtrak, which provides over 90% of all intercity rail passenger service over its 24,000 mile route system, carries only 17 million passengers annually. It seems only logical to us that, implementation of this southern route would result in geometrically increased volume of Amtrak, and an appreciable benefit to the millions who would have an alternative means of transportation provided for them.

Until recently, the predominant thinking in the area was to expand independent modes of transportation, putting emphasis upon the automobile and the highway. This was done, ignoring the particularities of the already existing modes. The great cities of this Nation already lay along railroad lines. Yet the railroad lines were left to decay. The bulk of our population already was where it was to stay—in our cities and along the rail lines.

Mr. Secretary, we recognize that the Department of Transportation is working hard to ease the hardships caused by the current situation in the transportation industry. We realize further that certain difficult decisions are going to have to be made with respect to the implementation of Amtrak's experimental routes, but it seems to us that the southern United States has too long been ignored in terms of rail passeger service. Therefore, we respectfully urge that the Department of Transportation establish criteria enabling the National Railroad Passenger Corporation to initiate rail service between Jacksonville and New Orleans.

Sincerely,
Edward J. Gurney, James O. Eastland, John J. Sparkman, Lawton Chiles, John C. Stennis, James B. Allen, Russell B. Long, Herman E. Talmadge, John G. Tower, J. Bennett Johnston, Jr., Sam Nunn, Lloyd M. Bentsen.
U.S. Senators.

1970 population of counties approximately 70 miles on either side of the SCLRR and L. & N.R.R., Jacksonville to New Orleans

ALABAMA	
Wilcox	16, 303
Monroe	20, 883
Butler	22, 007
Covington	34, 079
Conecuh	15, 645
Escambia	34, 906
Clarke	26, 724
Baldwin	59, 382
Washington	16, 241
Mobile	317, 308
Crenshaw	13, 188
Pike	25, 038
Coffee	34, 872
Geneva	21, 924
Houston	56, 574
Dale	52, 938
Henry	13, 254
Barbour	22, 543
	803, 809
FLORIDA	
Duval	528, 865
St. Johns	30, 727
Flagler	4, 454
Putnam	36, 290
Marion	69, 030
Clay	32, 059
Baker	9, 242
Nassau	20, 626
Union	8, 112
Bradford	14, 625
Alachua	104, 764
Columbia	25, 250
Levy	12, 756
Gilchrist	3, 551
Hamilton	7, 787
Suwannee	15, 559
Lafayette	2, 892
Dixie	5, 480
Madison	13, 481
Taylor	13, 641
Jefferson	8, 778
Leon	103, 047
Wakulla	6, 308
Gadsden	39, 184
Liberty	3, 379
Franklin	7, 065
Jackson	34, 434
Calhoun	7, 624
Gulf	10, 096
Bay	75, 283
Washington	11, 453
Holmes	10, 720
Walton	16, 087
Okaloosa	88, 187
Santa Rosa	37, 741
Escambia	205, 334
	1, 623, 911
GEORGIA	
Camden	11, 334
Glynn	50, 528
Brantley	5, 940
Charlton	5, 680
Ware	33, 525
Clinch	6, 405
Atkinson	5, 879
Berrien	11, 556
Lanier	5, 031
Echols	1, 924
Tift	27, 288
Cook	12, 129
Lowndes	55, 112
Worth	14, 770
Colquitt	32, 200
Thomas	34, 515
Brooks	13, 739
Lee	7, 044
Dougherty	89, 639
Terrell	11, 416

Randolph	8,734
Clay	3,636
Early	12,682
Calhoun	6,606
Baker	3,875
Mitchell	18,956
Grady	17,826
Decatur	22,310
Miller	6,397
Seminole	7,059
Total	543,735

LOUISIANA

Orleans	593,471
Plaquemines	25,225
Jefferson	337,568
St. Charles	29,550
St. John the Baptist	23,813
St. James	19,733
Ascension	37,086
Assumption	19,654
Lafourche	68,941
Terrebonne	76,049
Livingston	36,511
East Baton Rouge	285,167
St. Helena	9,937
Tangipahoa	65,875
Washington	41,987
St. Tammany	63,585
St. Bernard	51,185
Total	1,785,337

MISSISSIPPI

Jackson	87,975
George	12,459
Greene	8,545
Perry	9,065
Stone	8,101
Harrison	134,582
Forrest	57,849
Lamar	15,209
Pearl River	27,802
Hancock	17,387
Marion	22,871
Total	401,485
Grand total	5,158,637

CHRONOLOGY OF EVENTS: MIAMI-ORLANDO/DISNEY WORLD TURBO TRAIN SERVICE

6-9-71: Secretary of FlaDOT requested FRA arrange for Uuited Aircraft turbo train to visit Florida. Tour of three days subsequently made as part of 30 day tour of U.S. Public reception far exceeded expectations.

7-1-71: FlaDOT established liaison with Amtrak and Seaboard Coast Line to bring turbo train service to Florida on Tampa-Orlando route.

8-14-71: FlaDOT completed market study of Tampa-Orlando Corridor.

9-71: Results of Market Study of Tampa-Orlando route made available to Amtrak.

11-15-71: Information received by FlaDOT that FRA planned to put one or more United Aircraft turbo trains in service in some part of U.S. other than Boston-New York corridor.

12-71: Dave Watts, VP, Amtrak visited Florida and conducted on site survey of proposed Tampa-Orlando turbo train route. Recommended FlaDOT look carefully at Miami-Orlando route for turbo trains.

12-30-71: Amtrak proposed using conventional trains to initiate this service, but subsequently was rejected by FlaDOT as not suitable for this special market. Proposal from Amtrak to FlaDOT for improved conventional service was to be prepared by Amtrak in about 10 days for FlaDOT consideration.

1-26-72: FlaDOT informed Amtrak planned to put one turbo train in service between Washington, D.C. and Parkersburg, W. Va. Service subsequently failed for lack of ridership.

2-1-72: FlaDOT surveyed bus traffic between Miami and Orlando/Disney World.

2-4-72: FlaDOT provided data on bus traffic to WDW to Amtrak.

8-9-72: FlaDOT notified Amtrak by letter that, considering available data on bus and air travel to WDW, operation of turbo trains between Miami and Orlando/WDW was economically feasible.

2-10-72: Governor expressed by letter to Mr. Roger Lewis, President, Amtrak, strong interest in turbo train service on Miami—Orlando/Disney World route.

2-11-72: Governor expressed by letter to Secretary Volpe strong interest in turbo train service on Miami—Orlando/Disney World route.

2-14-72: FlaDOT informed that Amtrak proposal for turbo train service between Miami and Orlando was being prepared. Operation being considered was improved convential service to be later replaced by turbo trains.

2-28-72: Governor advised Roger Lewis by letter that he strongly supported turbo train service between Miami and Orlando and looked forward to receiving Amtrak proposal.

4-11-72: FlaDOT provided to Amtrak additional data on bus arrivals at WDW. Presented brief and cost analysis on turbo train service.

4-28-72: Amtrak prepared briefing on *Potential Rail Corridor Service* in Florida for Florida Council of 100. Briefing given by Dave Watts in Florida in May 1972.

5-19-72: FlaDOT provided Amtrak with Aerial photographs of Miami-Orlando route and proposed renovation of some stations along route.

5-22-72: Amtrak proposal on turbo train operation between Miami and Orlando received by FlaDOT and analyzed for cost implications.

5-27-72: Secretary Mueller met with Under Secretary of Transportation, Fla. Council of 100 and members of Fla legislature in Washington to request support for Miami-Orlando turbo train service. Results not conclusive.

6-5-72: Representative of FRA given special briefing on Florida interest in a demonstration project and improved rail passenger service in Miami-Orlando corridor using turbo trains. FRA repr. suggested FlaDOT study ways to set up service so that it would at least break even.

6-7-72: SCL notified that FlaDOT should be included in all planning and engineering meetings on turbo train project involving Amtrak, FRA and SCL personnel.

6-14-72: FlaDOT submitted proposal for turbo train demonstration project on Miami-Orlando route to John Ingram, Administrator, FRA.

6-21-72: FlaDOT engaged consultant recommended by Amtrak to do a quick feasibility study of proposed Miami-Orlando turbo train service to meet July 15, 1972 completion date set by Amtrak for this study.

7-13-72: SCL notified FRA of their position on proposed turbo train service.

7-26-72: Consultant completed feasibility study of proposed turbo train service. Copies made available to Amtrak and FRA.

8-22-72 & 8-23-72: FRA notified SCL and FlaDOT that it would not be possible to set up turbo train demonstration project in Florida using United Aircraft equipment from Canada because insufficient time remained under the existing contract with United Aircraft. Amtrak would take possession of turbo trains about January 22, 1973.

9-7-72: FlaDOT received information Amtrak planned to acquire two additional United Aircraft turbo trains from Canada and put them in service somewhere in the U.S. Illinois and Florida were reported to be the principal contenders for this service with Roger Lewis leaning toward Illinois. FRA relinquished control of turbo trains to Amtrak.

9-20-72: FlaDOT submitted preliminary proposal to Amtrak for operating two turbo trains between Miami and Orlando. Offered to pick up ⅔ of operating loss under Section 403(b) proposal.

9-27-72: Governor Askew asked support of turbo train project by telegrom to Florida delegation. Members of Florida delegation and staff personnel briefed on project by Bill Taylor.

10-10-72: Delegation letter supporting the project sent to President of Amtrak. Telegrams and letters sent to Roger Lewis from individual members of Florida delegation supporting project.

10-24-72: Copy of report, *Miami-Orlando Intercity Rail Operation Feasibility Study*, forwarded to FRA for information.

10-25-72: Amtrak rejected Florida proposal on turbo trains for Miami-Orlando route.

10-26-72: Secretary Revell notified Roger Lewis by letter of FlaDOT interest in advanced rail passenger equipment including gas turbine powered cars and advanced rolling stock from Britain and France. Offered to work with Amtrak to provide additional and better rail passenger service in Florida.

10-27-72: FlaDOT requested assistance by letter to Mr. John P. Olsson, Deputy Under Secretary of Transportation, and U.S. DOT representative on Amtrak Board of Directors, in bringing advanced technology passenger trains to Florida.

11-22-72: Mr. John P. Olsson, Deputy Under Secretary of Transportation urged Florida DOT to work with Amtrak on Section 403(b) application for turbo trains.

12-12-72: Roger Lewis notified Representative Dante Fascell that the only condition under which Amtrak would consider putting turbo trains in service between Orlando and Miami would be for Florida to agree to finance the right of way and maintenance facility cost for the operation. FlaDOT had rejected this proposal previously because it would burden the State with costs in excess of those borne by other states in which turbo trains operate.

1-5-73: Secretary Revell by letter advised Roger Lewis that in spite of Amtrak rejection of Florida turbo train proposal, FlaDOT would continue to work with Amtrak staff to bring better rail passenger service to Florida. Again rejected conventional rail service on Miami-Orlando route except for rail crossing protection program. Rejected Amtrak suggestion that Florida bear cost of operation and capital improvements to rail property for conventional train service. Suggested this responsibility belonged to Amtrak under mandate given by Congress.

1-5-73: Secretary Revell by letter requested from Roger Lewis a response to the FlaDOT formal request of September 12, 1972 for Amtrak to perform a market analysis and cost estimate to restore rail passenger service between Jacksonville and Miami using Florida East Coast Railroad right-of-way.

1-5-73: Secretary Revell by letter expressed to Deputy Under Secretary of Transportation disappointment at Amtrak lack of vision, apparent in their response to the Florida Section 403(b) application for turbo trains.

2-28-73: Amtrak responded to FlaDOT request of September 12, 1972 for a market analysis and cost estimate to restore rail passenger service on FEC RR between Jacksonville and Miami.

3-9-73: Amtrak by letter notified Representatives Burke and Bennett that Florida was becoming increasingly important as a rail passenger market for Amtrak and State would have high priority for new Amtrak equipment in future.

3-12-73: Information received by FlaDOT from Amtrak that Amtrak planned to acquire two additional United Aircraft turbo trains from Canada and two turbo trains of French manufacture. The latter were reported to be of higher quality and reliability than United Aircraft turbo trains.

5-1-73: Amtrak requested by letter from FlaDOT to re-open discussions of rail passenger service improvement in Florida as suggested in Mr. Roger Lewis' letter of October 25, 1972.

7-11-73: FlaDOT provided Amtrak with data indicating actual passenger arrivals at Tampa and McCoy airports had far exceeded projections. Suggested that Amtrak should reconsider earlier decision rejecting turbo trains service in Florida in order to participate in this market.

7-17-73: Bill Taylor met with Roger Lewis to initiate further discussions between Fla DOT and Amtrak. President Lewis showed some interest in working with Florida.

1-25-74: Secretary Revell met with Roger Lewis. Lewis suggested that FlaDOT submit another Section 403(b) application to initiate turbo train service to Florida on Miami-Orlando route using equipment of French manufacture.

2-20-74: FlaDOT submitted second Section 403(b) application to Amtrak contingent on use of French turbo trains between Miami and Orlando. The application is under study by the Amtrak staff.

3-26-74: FlaDOT/Amtrak conference in Washington to discuss Florida turbo train application. Results inconclusive.

4-17-74: FlaDOT provided data on projected attendance at Interama for use in determining market potential of Maimi-Orlando turbo train service.

4-17-74: Amtrak notified FlaDOT no further input was needed from the State to complete the Amtrak study of the Florida application.

NOTE: This chronology does not include numerous informal meetings with the Amtrak staff in an attempt to get this project approved. Neither does it include all of the correspondence on the project initiated from Tallahassee.

U.S. SENATE,
Washington, D.C., March 27, 1974.

Mr. ROGER LEWIS,
President, National Rail Passenger Corporation (Amtrak), Washington, D.C.

DEAR MR. LEWIS: I would like to request that under the authority granted you by your enabling legislation, PL 91-518, you initiate a service for the transportation of recreational vehicles between Indianapolis, Indiana and Poinciana, Florida.

As you are aware, the energy crisis has created a considerable strain on many segments of our society. Florida, for example, drew more than twenty-five million visitors in 1973. Of that figure, only about one million came by train. The majority of the remainder came by motor vehicle. This year, there has been a conscious effort to develop programs to minimize fuel usage, and still give assistance to the vital tourist industry. It is my feeling, that with proper management and service, passanger trains can offer Americans an alternative mode of transportation which is reliable and helps to conserve energy.

I have been advised that this Spring, Amtrak will initiate a new Midwest to Florida auto-ferry service. It will originate in Indianapolis, Indiana, and have as its southern terminus Poinciana, Florida. I heartily congratulate you on this new, and vitally needed service.

In addition to the above-mentioned service, I would like to institute a "ferry" type of service for the transportation of campers and recreational vehicles. There are almost five million of these fun transport vehicles currently in use throughout the United States. They provide a living environment for their users while enabling them to travel throughout the country. Unfortunately, though, they are notoriously high consumers of fuel. With uncertainty as to requisite gasoline sources, these vehicles will not be as mobile this summer as they should be.

By instituting a program, utilizing the movement facilities available at the two terminus points of your auto-ferry route, you could transport these vehicles long distances. Simultaneously, the owners of these recreational vehicles would enjoy the normal Amtrak comforts. Then, when the auto-ferry arrived at its destination, these recreational vehicles could be unloaded from flatbeds, their owners could leave their quarters on the Amtrak trains, and then enjoy the mobility of their campers without the wasteful necessity of long drives.

As I mentioned, the need for transportation of recreational vehicles to Florida is particularly acute. One out of every four Florida residents, according to recent studies by the Federal Government, now live in mobile homes. When you add to this figure the number of Florida residents utilizing recreational vehicles, and then figure in the number of potential tourists bringing recreational vehicles to the State of Florida, the proportion multiplies geometrically. For the last several years, the recreational vehicle industry has shown great promise and positive progressive growth. Yet I am informed today by the Florida Mobile Homes and Recreational Vehicle Association that several of the manufacturing plants within my state may have to let their membership within the Association lapse as business is so bad they may not even be able to pay their dues. Across the entire breadth of this country, recreational vehicle manufacturing plants are closing down. It is my feeling, though, that were there an alternative means of transportation over great spaces for these recreational vehicles the entire recreational vehicle market would be stimulated, and the Amtrak system aided and abetted.

Mr. Lewis, I thank you for your prompt consideration of this matter and your early positive response.

With kindest regards, I am
Sincerely,

EDWARD J. GURNEY,
U.S. Senator.

FOOD, FERTILIZER, AND FUEL POLICY: THE UNITED STATES AND THE WORLD

Mr. McGOVERN. Mr. President, the entire Nation has come in recent months to see our food, fertilizer, and fuels policies as central issues—not only too our own comfort and well-being, but to our security as well, and to the very survival of much of mankind.

For the past 10 days, the Senate has been debating over $22 billion in new arms procurement for the coming year, as part of a military spending program of nearly $100 billion in fiscal year 1975.

And what a commentary it is that both the United States and the Soviet Union maintain enough nuclear megatonnage to destroy the world 50 times over. Yet we have found that we cannot feed the world's people adequately.

Former Commerce Secretary Peter Petersen has described the difficulty these developments cause for the academic statesmen who like to move back and forth between government and the universities. One professor friend of his, according to Secretary Peterson, was "moving from his familiar metaphysical terrain of the MIRV, and forced to discover the megatonnage of the soybean."

But that professor, indeed all who seek to shape American priorities, had best keep working on this intellectual transition.

In just the past 2 years both the United States and the world have gone through an almost convulsive transformation in food and agriculture.

In early 1972, the United States had more than what was thought to be adequate reserves of wheat, feed grains, and soybeans. Then we saw huge, unexpected purchases of those commodities by the Soviets and other foreign buyers, and those reserves vanished almost overnight.

And what turned out to be a bumper harvest in 1972 also turned out to be barely enough to meet market demands during the marketing year that followed.

So plantings for the 1973 crop year were increased. Almost 28 million acres of additional cropland were called into production—with just 20 million acres still being kept idle under Government set-aside programs.

By the end of the 1972-73 marketing year, it became too obvious that both the United States and the world were faced with a dangerously serious food supply situation, with world grain reserves reduced to their lowest level in memory.

So it has been that the United States and the other nations of the world were forced to "pull all the stops" to expand food production to the limit, and immediately.

These developments led our Government to a policy of maximum food production for the current—and likely for the next several—crop years.

But this sharp policy shift was made without any preconsultation and related industries—such as the fertilizer industry—or with the Congress.

If matters were not bad enough, this past year, the industries that serve agriculture have been struggling to free themselves from Government wage and price controls. Beyond that, along with agriculture itiself, those same industries were faced with uncertainty regarding the availabilities of essential fuels and energy supplies.

And there are still other factors such as environmental and export control policies which also cloud the future of our Nation's food and agricultural goals.

So the most credible thing anyone can say about the time immediately ahead is that he does not know what is in store. We have entered a period of instability and uncertainty. And we have moved from a time of abundance taken for granted, to an era of scarce supplies and rising prices.

In this context, I want to address the specific fertilizer component of our policy, and review the activities of the Subcommittee on Agricultural Credit and Rural Electrification, which I chair.

What data and information I have seen to date indicates that U.S. manufacturers of fertilizer have, in fact, kept their decontrol commitments with respect to supply for the domestic market. Exports of U.S. fertilizer have generally dropped and imports of fertilizer have generally increased since decontrol of the industry last October.

And while prices paid by farmers for

fertilizer have risen sharply since last fall, wholesale prices for U.S.-produced material since January of this year seemed to be holding steady—although the same does not seem to be true at the retail level.

The productivity record of U.S. fertilizer manufacturers this past year has been outstanding. The challenge ahead of us now, of course, is to expand current plant capacity—which I will discuss later in more detail.

But where do we go from here?

We must be concerned first of all with the outlook on farm income.

Earlier this year many grain farmers were enjoying some of the best prices they have ever received for their products. They are now receiving only about break-even prices.

The prices they have had to pay for their fuel, fertilizer, farm machinery, labor, interest, and other essential farm inputs, have risen very sharply, thus reducing this cost-price margin substantially.

The cost-price squeeze coming out of these developments will be felt not only by farmers, but also by some of those who serve them, such as the fertilizer industry.

Prices paid by farmers for fertilizer materials since last October when your industry was freed from wage and price controls have risen to levels too high in my judgment, to weather such a continued squeeze on farm commodity prices.

Prices for anhydrous ammonia at the farm level since last October already have risen by more than 110 percent; urea, by 112 percent, ammonium nitrate, by 77 percent; nitrogen solution by 86 percent; triple super-phosphate and diammonium phosphate by 56 percent; potash by 35 percent, and mixed fertilizer by over 50 percent.

Prices for farm fuels has followed a similar upward trend: gasoline up 31 percent since last November, diesel fuel of 41 percent; and LP gas up by 22 percent.

Farmers cannot continue to pay these prices unless the prices they receive for their products are strengthened and maintained.

The action taken by Congress last year on the new "floor price" and production cost adjustment system in the farm bill was a major step in the right direction. But developments in the past 12 months have made those provisions obsolete.

First, the floor prices contained in that act for the 1974 crop of wheat, feed grains, and cotton are today at or below the cost of production. Second, the so-called "escalator" or "cost of production adjustor" in the act does not take effect until the 1976 crop year.

Even making proper allowance for the depressed condition of the industry during the 1960's which I know involved heavy financial losses and low selling prices, the prices that farmers are paying for fertilizer materials today cannot be sustained—and certainly cannot be increased further—at lower farm product prices.

I and several other Senators have already introduced legislation to increase the floor prices in the 1973 act. I have also proposed that the cost-of-production escalator provisions of the act be made applicable beginning in 1975, instead of 1976.

In addition to these essential changes in the 1973 Agricultural Act, Congress also must act soon to improve the management of excess grain stocks. We must be certain that they cannot press down farm prices in the future, and we must be equally sure that they cannot be bought up unexpectedly by just a few foreign buyers. Failure to intelligently manage such stocks—and that is what happened in 1972—will mean "boom and bust" agriculture. In turn that will mean a "boom and bust" fertilizer industry. For no other industry is more dependent upon the farmer than those who depend upon fertilizer sales for their livelihood.

Now let me turn my attention specifically to some of the concerns that I and other members of the Senate Committee on Agriculture have about the 1974-75 fertilizer year.

Our subcommittee will be seeking especially a clear understanding of what American farmers can expect next year regarding the availability and price of their fertilizer materials.

Our committee has worked very closely with the industry this past year. We have helped:

To free fertilizer from Government wage and price controls;

To secure top priority status for the industry under the Federal mandatory fuel allocation regulation program; and

To secure needed railcars to move materials to market.

We also helped to secure Cost of Living Council acceptance of "blend pricing" and to secure at least some help from the Federal Power Commission with respect to expediting requests for emergency natural gas supplies for those on interruptible contracts.

We have further called upon all agencies of the Federal Government—and appropriate State agencies—through the passage of Senate Resolution 289, to give the highest priority to the fertilizer industry regarding the allocation of materials or facilities required by the industry to maximize productive capacity. And, we are continuing to work with the industry, the Federal Power Commission, and other committees of Congress, in trying to resolve natural gas requirements, especially as they relate to future needs.

In short, our committee tried to do everything we could these past several months to assist the industry to produce at full capacity. And I believe our reason for doing so is obvious: We want our farmers to get all the fertilizer they require—and at prices they can live with, and the industry can live with.

The Economic Stabilization Act, as you know, expired on April 30 of this year.

While many may be delighted over its expiration—in that most Government wage and price control authorities died with it—they should be made aware that I and other Members of Congress and our committee intend to make it our business to continue to monitor and carefully scrutinize what the industry and others do in the future on the pricing of farm inputs; on responsiveness to domestic needs; and on cooperation with respect to attainment of certain national goals.

As I already have indicated, we have done our best in the Congress to cooperate with the industry. And in return, we will expect the industry's continued cooperation in the future.

I want fertilizer manufacturers to get a fair return on their investments and labor, which is the same goal I seek for the farmers of South Dakota and the Nation.

I voted against continuation of the Economic Stabilization Act and even the so-called "stand-by" authorities that some Members of the Senate wanted to give to the President.

However, my votes on these matters should not be construed to mean that I have no interest in what happens with respect to price and wage levels or other matters in this industry which bear on the Nation's farm economy.

Quite the contrary. I will continue to be very concerned about such matters. And, as chairman of the subcommittee which has been charged with the specific responsibility for fuels and fertilizer on behalf of the full committee, I intend to do all in my congressional power to discharge that responsibility in a manner consistent with the interests of the American farmer, the American fertilizer industry, and the American people.

I began my remarks with a reference to the military debate that is now going on in the Senate. Aside from the resources it receives, there is another distinguishing feature of this aspect of our national life. It is planning—complete, intensive, comprehensive planning. We plan for literally every military threat. We plan for threats no adversary has yet dreamed up or ever will.

But on food and related industries our tendency has been just the reverse. The age of surplus has lulled us into complacence. We have dealt with all the issues on a short-term basis alone, seldom thinking past the next crop year.

Since 1972 we have seen that posture in full flower. We have been reacting to one crisis and then another, and rushing to plug the holes.

But we no longer have that luxury. Even with bumper crops things will not be as they were, with endless surplus and 50 million acres in reserve. And our planning can no longer be based on an unthinking expectation of abundance. As we do with military programs, we must plan for and even expect the worst possible case. We must think through all the consequences of what we do, so that by solving one problem we do not worsen another.

It is in this spirit that I intend to approach the continuing problems of food, fuel and fertilizer scarcities. It is a tough assignment, and there are difficult times ahead.

Now let us show that we can and will resolve these problems that mean so much to the future of America and to the fate of all the world's people.

Mr. President, I ask unanimous consent to print in the RECORD the text of a report to my subcommittee from the

Cost of Living Council which outlines its monitoring program on wholesale and retail prices of fertilizer.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JUNE 5, 1974.

Hon. GEORGE S. MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: In keeping with Senate Resolution 289, the Cost of Living Council has continued to monitor producer/wholesale fertilizer prices, in addition to directing the Internal Revenue Service to investigate complaints of price gouging.

Based in the latest monitoring information, the following table shows changes in fertilizer prices at the producer/wholesale level since decontrol:

MEDIAN PRICE OF FERTILIZER AT PRODUCER/WHOLESALE LEVEL

	Oct. 24, 1973 (per ton)	Jan. 2, 1974 (per ton)	Apr. 25, 1974 (per ton)	Percent change Oct. 24 to Apr. 25
Phcsphate rock	$7	$15	$15	114
Phosphoric acid	78	119	119	53
Diammonium phosphate	75	111	115	53
Triple super phosphate	55	89	89	62
Anhydrous ammonia	65	105	115	77
Urea	72	110	119	65
Ammonium nitrate	62	90	97	56

Median prices at the producer/wholesale level have increased for 4 of the 7 major fertilizer materials since early January. Most of these increases occurred during January and February before price commitments were made to the Council and include price adjustments to reestablish traditional pricing alignments in regional markets which were anticipated by the Council.

According to a survey by the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture, the following table represents changes in prices paid by farmers for fertilizer (retail prices) since decontrol:

MEDIAN PRICES OF FERTILIZER MATERIALS AT THE RETAIL LEVEL

	Oct. 25, 1973 (per ton)	Jan. 21, 1974 (per ton)	May 10, 1974 (per ton)	Percent change, Oct. 15 to May 10
Diammonium phosphate	$119	$168	$187	57
Triple super phosphate	95	135	151	59
Anhydrous ammonia	103	176	216	110
Urea	98	166	208	112
Ammonium nitrate	82	127	147	79
Potassium chloride	68	86	92	35
Mixed fertilizer	87	122	133	53

The data indicate that fertilizer prices for nitrogenous fertilizers have risen significantly faster at retail than at wholesale. World supplies of these fertilizer materials are short and prices in the world markets have been more than double domestic price levels. Imports of these higher priced nitrogenous fertilizers have been a major factor affecting retail prices because their resale on the domestic market raises significantly the average prices paid by farmers.

As you are aware, these retail firms were not a party to the October decontrol commitments. In fact, most retail establishments not already exempt under the small business exemption were freed from controls on February 1, 1974.

The Council also directed the Internal Revenue Service to conduct a sample audit of fertilizer pricing behavior at the retail level. The report, covering a random selection of 29 firms, was completed in late April. The IRS investigation concluded that most of the audited retail firms had not changed their method of pricing nor had they been guilty of price gouging. Where higher prices were being charged, the investigation showed that sales of higher priced imported material were yielding higher average prices in most cases. The several individual investigations of retailers where price gouging had been alleged also indicate conformance with traditional pricing practices.

Any excessive prices apparently originated at the fertilizer broker level. Brokers obtain fertilizer from many sources including imports. To confirm price gouging by brokers would require an additional detailed audit of brokers' records and, again the small business exemption becomes important because most brokers have qualified for this exemption since its promulgation in May, 1972.

While the Council's monitoring activity has indicated general compliance with price commitments made by the major domestic fertilizer producers and wholesalers, indications from the industry are that prices will increase again on July 1 following the expiration of the voluntary price commitments.

The preliminary outlook for the 1974/75 fertilizer year indicates another tight supply situation, especially for the nitrogeneous products. The interagency fertilizer task force is now studying possible actions to alleviate supply shortages in the future as well as reviewing fertilizer demand/supply projections to 1980. This study is concentrating on the impediments to expanded fertilizer production and is scheduled for completion before June 30.

Sincerely,

KENNETH J. FEDOR,
Administrator, Office of Food, and Chairman, Interagency Task Force on Fertilizer.

HEARTBREAK OF THE HARD-OF-HEARING: TIMELY FEDERAL RESPONSE NEEDED

Mr. PERCY. Mr. President, I wish to call the Senate's attention to some forgotten Americans.

One is a gentleman in his sixties who owns a small pickup truck. He earns his living by trucking fruits and vegetables from a wholesaler to local merchants. He is totally deaf in one ear and has a severe hearing loss in the other. Unless something is done to improve the hearing in his one functioning ear, he can no longer drive his truck safely or hear the purchase orders given him. He will have to stop working.

Another is a grandmother in her seventies. She is in excellent health, but has suffered a gradual hearing loss for the last 12 years. She has become withdrawn from her children and grandchildren. She is afraid to go out shopping or walk in the streets. She cannot hear the traffic. Her life has become isolated. And lonely. She is afraid of her progressively silent, sullen world.

Approximately 20 million Americans suffer from hearing impairment, most of them elderly, poor, or infirm.

Yet, just over one-tenth, or about 2 million of this population possess hearing aids.

Present methods of hearing aid distribution and sale result in prohibitive costs to the consumer. Research by Consumer Reports, as well as Ralph Nader's Retired Professional Action Group and the Public Interest Research Group in Michigan and New York, demonstrates that cost to the consumer is more than twice the wholesale price. As Consumer Reports noted back in 1971:

> It takes some agility of resaoning to justify a retail price of 2½ times the wholesale price.

In addition, aids are too often improperly fitted and/or ill-suited to the patient's hearing problem. In too many cases, medical diagnosis prior to purchase is inadequate.

Most hearing aids are sold through franchised dealerships. Many dealers are neither professionally qualified nor adequately equipped to medically diagnose and treat ear disorders.

Most destructively, the customer is led to believe that the hearing tests administered by the dealer are adequate. As a result, most hearing aids are purchased without either an audiological or otorhinolaryngological examination.

Of persons over 65 who possess hearing aids, only about one-fourth were checked by an audiologist. Moreover, only a very small percentage of hearing aid users have received more specialized medical examination by an otologist or otorhinolaryngologist. Without such diagnosis, an aid may be fitted when none is needed or when medical attention is called for instead, or an aid may be incorrectly prescribed. Serious discomfort, ear infection, and wasted time and money result.

Those who might be helped by professional medical assessment are too frequently discouraged from seeking further treatment by dealers. The problems resulting from this are twofold:

First. Proper treatment of hearing impairment often requires the patient to develop such communicative skills as lipreading. Dealers have neither the technical knowledge nor the facilities to recommend or administer special assistance. Disappointingly, HEW statistics show that of all hearing-impaired citizens 45 and older, only 1 percent had any special hearing or speech comprehension training.

Second. Loss of hearing is often symptomatic of a more serious disease. With good intention, a dealer may prescribe a hearing aid to a customer whose condition requires medical treatment. The incomplete cure lulls the patient into a false security, while the underlying problem or disease grows more acute.

Dr. Robert Ruben, chairman of the Department of Otorhinolaryngology at New York's Yeshiva University, cited a dramatic case in point in testimony before the Senate Subcommittee on Consumer Interests of the Elderly:

> Mr. L is a gentleman in his seventies who noted progressive hearing loss. He went to a hearing aid store and was fitted with an aid. After some years his hearing became worse and he noticed some pain and discharge from his ear. He was then seen by our physicians and was found to have inoperable cancer of the ear. He is undergoing palliative X-ray therapy. If he had initially gone to a physician for his hearing problem and had been followed up by a physician, the cancer might

have been recognized and treated in time! He will now die an extremely painful and debilitating death as the cancer invades his skull, brains, sinuses and throat. I feel it is self-evident than an individual should have a competent medical examination and an audiological examination before a hearing aid is even considered.

A study on hearing aid distribution done by the Retired Professional Action Group further demonstrates the inadequacy of dealer-administered hearing tests.

The hearing of six women and two men ages 68 to 82 was evaluated under clinical conditions at the Hearing and Speech Center of Johns Hopkins Hospital. Subsequently, the volunteers were tested by 13 dealers a total of 21 times. Among the findings:

In nine or 42% of the visits, hearing aids were recommended by dealers when audiologists had recommended none. Aids were prescribed to four individuals for whom no aids had been prescribed by the audiologists.

Two dealers advised against a hearing aid for a volunteer found to require one by the audiologists.

In the case of only one volunteer did the dealers agree with the findings of the audiologists.

In three cases the dealers disagreed among themselves as to the need for a hearing aid.

The group also found:

All dealers stated that it was unnecessary for the volunteer to see a physician prior to the visit.

Where an aid was prescribed, the volunteer was instructed to ask the dealer "Do you think I should see a doctor or hearing specialist before I decide?" Of 12 recommendations for a hearing aid there was only one affirmative answer. This was for the removal of ear wax.

Sales pitches contradicted medical fact. Customers were advised that—

"Auditory nerves need stimulation to avoid deterioration;

"Hearing would deteriorate unless a hearing aid were used;

"Aids would restore normal hearing; and

"A hearing aid would stimulate nerve endings beneficially."

No volunteers were tested in a soundproof environment, which is standard testing procedure in all audiological laboratories. As Walenfels and Thomas noted in their publication *Hearing Aids for Nerve Deafness,* 'Extraneous sounds can mask out or cover up valuable information. To use a special sound-treated room to conduct these tests is one form of insurance against possible errors.'

On the average, hearing aids that cost $15–$35 to manufacturers retail for $200–$600. The excessive mark-up is largely due to retailing procedures. Roughly half of all dealers restrict their sales to only one brand of hearing aids. These stores are small and do a low volume of business. The expense of itinerant salesmen, responsible for roughly 60% of all sales, is another contributing factor. Where profit-making cooperatives and large retail companies have undertaken the sale of hearing aids, there has been a substantial price reduction. For example, Master Plan Services, a cooperative, sells famous-name aids at low prices ranging from $99–$199. Another significant plus of MPS is that aids are sold only on the advice of an audiologist or a physician.

Dealers administered only air conduction and pure tone testing. In contrast, comprehensive hearing evaluation at Johns Hopkins Clinic includes speech-reception threshold testing and speech-discrimination testing in addition to these two preliminary kinds of examination. The testing of one dealer amounted to pure quackery. The volunteer was asked to repeat several words transmitted to each ear through a stethoscope-like instrument. Contrary to the findings of the Clinic and two other dealers, a 40% loss of hearing in the right ear and a 30% loss in the left was determined. Expectedly, a hearing aid was sold.

In a similar study of hearing aid dealers in Queens, N.Y., the New York Public Interest Research Group charged dealers with "deception and incompetence that amounts to a massive consumer ripoff."

Five volunteers—four women and one man ranging in age from 20 to 69—made a total of 34 visits to 9 dealerships. Before the survey, the hearing of each volunteer was tested at Queens College Speech and Hearing Clinic. One female volunteer was deaf only in her left ear. All others were found to have hearing within normal limits.

The results and findings:

Fourteen of 28 visits by researchers with normal hearing resulted in dealer recommendations for hearing aids.

The researcher who was deaf in one ear was misdiagnosed by three out of four dealers she visited.

None of the dealers performed their examination in a soundproof room. According to NYPIRG, ". . . accurate results cannot be obtained where ambient noise is present . . . especially in a city with a noise level as high as New York's."

In 17 visits, the dealer indicated that consultation with a medical practitioner or audiologist was unnecessary. Said one dealer, "A doctor would only prescribe pills and drag things out indefinitely." said another, "A doctor would probably recommend surgery and most people would rather not go through that." (About 70% of 500,000 purchasers of hearing aids in 1971 went directly to a dealer without first consulting a doctor or audiologist.)

Out of 14 cases in which hearing aids were recommended to NYPIRG volunteers, there were 9 cases in which dealers claimed that the aid would restore hearing to normal and 7 cases in which dealers falsely claimed that hearing would further deteriorate if purchase of an aid was delayed.

Inadequate training of hearing aid dealers and salesmen. Too many have no training at all. At maximum, a dealer had completed only a twenty week home-study course offered by the National Hearing Aid Society, their own trade association. In reference to this course Dr. Lawrence Deutsch Professor of Audiology at Queens College has said "What I object to personally is that 20 weeks of home study can easily be accomplished by someone with any brightness at all in about 3 to 4 hours of solid reading."

Action is needed now to help resolve the shameful inadequacies in the care, or lack of it, afforded the hearing impaired. Thus far they have been ignored by our political process.

Dr. David Resnick, director of the Hearing and Speech Center at Washington Hospital Center in the District of Columbia, in testimony before the Senate Subcommittee on Consumer Interests of the Elderly, has observed that—

The 20th century beckons the hearing health community. The time is now for controls to prevent those whose chief concern is selling for profit from independent involvement in what is primarily a rehabilitative problem.

The problems of hard-of-hearing persons can be alleviated. The emotional isolation they endure can be remedied. Premature impoverishment of productive life from hearing impairment is unacceptable both to the sufferers and to the society in which they live.

Too many hearing-impaired citizens do not now receive satisfactory care. Not uncommonly, we find dealers who are ill equipped or insufficiently trained to provide the necessary treatment. Their diagnoses are too often profit motivated. Surely our regulatory agencies, in particular the Federal Trade Commission and the Food and Drug Administration, should move quickly to correct these deficiencies.

There is no reason why the hearing-impaired should be treated as second class citizens. Their rights to proper care at fair cost must be protected.

Therefore, I have written to the FTC and the FDA strongly urging both agencies to move swiftly against inadequate training programs, questionable sales practices, worthless warranties, and excessive prices that victimize this relatively powerless minority. I personally plan, in the days ahead, to do everything in my power to help direct Federal resources, funds, and expertise into upgrading standards for professional competence and conducting basic research on the workings of the inner ear. In this effort, key Federal agencies should cooperate with such industry groups as the Hearing Aid Industry Conference, the National Hearing Aid Society, as well as researchers and other experts and interested groups.

Mr. President, I ask unanimous consent to have printed in the RECORD copies of my letters to FTC Chairman Lewis Engman and FDA Commissioner Alexander Schmidt, the report of New York PIRG, as well as the full texts of the testimony referred to and an excellent article on the subject by Nancy L. Ross appearing in the Washington Post of November 18, 1973.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 28, 1974.

Hon. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: More than two million Americans now use hearing aids. It is past time for the Federal Trade Commission to move aggressively and with dispatch to right the many wrongs that have been done to the hard-of-hearing, so many of whom are senior citizens with so few resources to protest.

Government agency files are bulging with correspondence from Americans who have been badly served in their quest for better hearing. Yet too little has been done by the FTC to help these unfortunate people.

Simply stated, their catalog of complaints sadly suggests that the hearing-impaired of this nation receive woefully inadequate care. They are treated like second class citizens by state and federal government agencies and by too many private hearing aid dealers and salesmen who are charged with helping them.

From the multitude of frustrated outpourings and in study after study, several major problems stand out. Since most involve activities over which the FTC has authority, I call them to your personal attention in the hope that the Commission will act promptly to redress legitimate grievances through its rulemaking powers.

A most frequent concern involves marketing practices by hearing aid dealers and salesmen in what amounts to more than a $150 million retail business yearly, in which about 600,000 new aids are sold. These practices by some indelibly and unfairly tarnish the reputation of the large number of highly ethical, competent and concerned dealers. Reports on the industry and letters from the hard-of-hearing are rife with complaints about fast-talking salesmen and dealers who convince the unsuspecting to buy an aid when one is not needed, or to buy two aids when one will do. Aids are sometimes sold even though surgery or other medical treatment is called for. All too commonly, there is a failure to detect serious medical dysfunction. (To insure that questions of licensure of hearing aid dealers and the possibility of requiring prior medical prescriptions for aids receive proper federal attention, I have also written to Commissioner Alexander Schmidt of the Food and Drug Administration. A copy is attached.)

Case after case of hearing aid oversell has been documented. Fast-talking salesmen prey on the elderly—spinsters, and recent widows and widowers—happy to have a visitor in their homes and apartments to break the monotony of loneliness. Some feel so indebted to their glib guests that they agree to buy an aid they may not need and often cannot afford. (Industry sources inform me that of the more than two million users of hearing aids in this country, in excess of 60 percent are over 60 years of age.)

Gimmicky advertising panders to fear and vanity with promises to conceal the aid and restore hearing despite the user's age. "You're never too old to hear better," says one manufacturer. The ads are misleading at best and cruel at worst. The fact is that most good hearing aids can be seen by others and a purchaser should be made aware of this. Moreover, elderly persons should be told that progressive hearing loss and eventual deafness cannot be reversed by a hearing aid.

Hearing aid purchasers often encounter a difficult time when they seek to have certain unethical dealers live up to their guarantees. Many elderly persons who try to return an aid that operates improperly or which does not help them are left frustrated and forlorn. Some call upon their children for assistance in enforcing the warranty. But even a concerned son or daughter who confronts an intransigent dealer face to face is usually unable to right a wrong done to a beloved parent. Consider this complaint from a Detroit woman whose aid did not help her but whose dealer refused to refund her $109 down payment: "We, the elderly citizens . . . are being victims of money-mad unscrupulous hearing aid dealers, who should have their licenses revoked before many more of us are seriously hurt and hospitalized. . . ."

None of these problems can be separated from the crucial matter of cost. A hearing aid, which can be critically important to the health and well-being of the hearing-impaired, is an expensive piece of equipment. Consumers—in particular elderly purchasers forced to live on meager fixed incomes—are literally made to pay through the ear. Research by *Consumer's Reports*, as well as Ralph Nader's Retired Professional Action Group and the Public Interest Research Group in Michigan, all show that cost to the consumer is more than twice the wholesale price. As *Consumer's Reports* noted, back in 1971, "It takes some agility of reasoning to justify a retail price of 2½ times the wholesale price." The rapidly rising price of specialized replacement batteries for hearing aids, and their exceedingly short life, is another source of irritation for many users deserving of FTC attention.

All of these matters cry out for decisive action by the Commission.

While I am encouraged by several antitrust suits the FTC has brought against some manufacturers for alleged exclusive dealing and territorial limitations imposed on their dealers, they have not yet resulted in lower prices. Yet that was the intention.

At the same time, I am gratified that a number of advertising complaints have been recently proposed by the Commission against some of the misleading claims.

But, while the FTC has not turned a deaf ear to the hearing-impaired, nevertheless, the Commission's actions are insufficient to correct what has surfaced as a national scandal and what is fast becoming a national disgrace.

It is time to move boldly against those who would take advantage of a small and relatively powerless group of Americans—many of whom suffer the disadvantages of infirmity and impoverishment.

It is time to force dealers to make good on their guarantees or face severe federal penalties.

It is time to investigate thoroughly and come down hard on the pricing structure in the hearing aid industry to protect our hearing-impaired senior citizens on fixed incomes from being gouged. Unjustified profit at the expense of the elderly poor is immoral.

Other protections too must be afforded hearing aid purchasers. They should be guaranteed the right to return a device that doesn't help them. I would personally like to see a 45-day money-back requirement imposed. Further, the Commission should inform the hearing-impaired through readily available agency publications—and require dealers and salesmen to affirmatively inform them—that hearing aids canont reverse progressive hearing loss. Finally, the FTC and FDA jointly should undertake a program to explain fully and emphasize to the public the need for competent professional medical assessment of hearing problems.

On a personal note, like so many others, I wear a hearing aid. Fortunately I have not been subjected to the kind of shoddy treatment others have endured. But one should not have to be a United States Senator in order to receive proper care for hearing loss.

Kindly provide me soon with a report on the FTC's progress toward the goals I have listed, as well as any other action the Commission may follow to restore to the hearing-impaired their dollars and their dignity.

Sincerely,

CHARLES H. PERCY,
U. S. Senator.

MAY 28, 1974.

Hon. ALEXANDER M. SCHMIDT,
Commissioner, Food and Drug Administration, Washington, D.C.

DEAR COMMISSIONER SCHMIDT: A serious injustice has been done to countless Americans who are hard of hearing. They have received inadequate and often incompetent care at the hands of too many hearing aid dealers and salesmen across the country who do a disservice to the industry as a whole.

A hearing aid can be critically important to the health and well-being of the hearing-impaired. Since hearing aids are by definition medical devices, which come within the jurisdiction of the Food and Drug Administration, I am writing to request timely action to protect those who suffer from hearing loss.

Most hearing aids are sold through franchised dealerships. There are about 15,000 dealers and salesmen nationwide, selling approximately 600,000 aids each year. They are in business to sell as many hearing aids as the demand will bear. Too many are neither professionally qualified nor adequately equipped to diagnose and treat acute ear disorders. Not uncommonly, hearing aid vendors open their doors after passing an industry-sponsored exam. Preparation for the test is usually nothing more than a 20-lesson home study program. (A tacit recognition of the problem here is the policy instituted just last month by the Zenith Hearing Instrument Corp. which is probably the most ambitious dealer education and training program provided by any such company in the nation. All dealers serving Zenith's own retail outlets must now take a minimum of 80 hours of classroom instruction to better equip them for diagnosis and treatment of hearing loss.)

Most destructively, the customer comes to believe that the hearing tests administered by the dealer are medically diagnostic. They are not, as a matter of course. Nor are they usually adequate to ascertain what may be the underlying medical problem which is the cause of hearing loss.

Most hearing aids are purchased without either an audiological or otological examination. A recent survey showed only one-fourth of those over 65 owning hearing aids were checked first by an audiologist. Without such professional examination, aids are often improperly fitted or incorrectly prescribed. Discomfort, infection, wasted time and money result. The purported cure can be far worse then the original ailment.

The states have failed miserably to protect the hearing-impaired. A number of licensing boards for hearing aid dealers are literally packed with dealers. It is too much to ask such regulators to discipline their fellow salesmen or to come up with standards for medical professionalism which they themselves probably could not meet.

This dismal situation, critical to the health needs of the hearing-impaired, must not be allowed to continue. There are more than two million hearing aid users, most of whom are elderly, poor, and infirm. Industry sources inform me that of that number, as many as 60 percent are over 60 years of age; moreover, as many persons over 60 years as under that age have *need* of a hearing aid. The FDA can and should protect them against such paramedical treatment when professional diagnosis is called for. The FDA should also protect them against quackery, which is all too rampant.

Years ago, the Veterans' Administration, which provides hearing aids for more than 45,000 former servicemen, developed a system that guarantees proper diagnosis and treatment. No veteran can receive benefits for a hearing aid until he consults competent medical authorities—an otologist and/or an audiologist. VA officials tell me they have virtually no complaints about needlessly prescribed, unserviceable or ill-fitting aids because of this procedure.

The FDA should follow the VA example and protect the rest of the American public which is hearing-impaired. It should require medical prescriptions for hearings aids, just as such is now required for prescription drugs.

The FDA should also examine state hearing aid licensing regulations with a view toward creating a more professional cadre of hearing aid dealers throughout the nation. Toward this end, serious consideration should be given to establishing uniform federal standards for competence to be administered by state licensing boards, or to recommending minimum criteria for the state boards to use as a guide.

I have also written to Chairman Lewis Engman of the Federal Trade Commission concerning aspects of this problem that can be best redressed through that agency's jurisdiction. A copy of my letter is attached.

Kindly advise me soon of agency action within FDA in these areas to help protect the health interests of the hearing-impaired.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

[From the Washington Post, Nov. 18, 1973]

Hearing Aids: Who Is Paying for What and Should They?

(By Nancy L. Ross)

The old-fashioned script has an arthritic shake, "Every word you say is true," the correspondence began. "I have paid over $700 to two of the outstanding dealers, and I find that their agents will tell you anything to get your money. After they get it, they care no more about your success with it. I've had them tell me things that I found out later had no truth at all . . . I wanted you to know I am all for your investigation."

This letter from a retired professor in Florida was one of several similar ones received by Ralph Nader after the recent release of a group report titled "Paying Through the Ear." The study constituted an indictment of the hearing aid industry. Not only did the group accuse the industry of inadequate services, products and information, it accused dealers of recommending aids to people who do not need them and falsely exaggerating the benefits of their devices.

The Joint Committee on Hearing and Hearing Aids, an industry organization, immediately labeled the Nader report a "fraud" and called its research "amateurish." James P. Ince, executive secretary of the Hearing Aid Industry Conference (HAIC), charged that honest, competent dealers had been entrapped and duped by Nader researchers who went to them feigning hearing losses. Ince challenged the group to conduct "fair" tests that would be devised and monitored jointly by industry, medical and consumer representatives.

In other reaction, the American Speech and Hearing Association (ASHA), whose inactivity was criticized by the Nader group, voted recently at its annual convention to establish a consumer education program for the first time in its 48-year history. It will aim at making the public more aware of its member audiologists.

These professionals test for hearing loss but do not sell devices as do hearing aid dealers. A few audiologists would like to, but the convention voted overwhelming not to dispense aids. Thus, the profit motive for recommending aids for people who do not need them in theory eliminated. In fact, dealers claim some audiologists get kickbacks from them for referrals, says the report.

Since the Nadar group attacked the high percentage of "lemon aids," the number of defective aids is put somewhere between 10 and 50 percent by qualified testers, one Senate subcommittee chaired by Sen. Edward Kennedy (D-Mass.) has speeded up action on a bill to require premarket clearance of all medical devices, including hearing aids.

Meanwhile another Senate subcommittee headed by Sen. Frank Church (D-Idaho) is inching toward recommending that hearing aids be covered by Medicare. At the same time is not expected to recommend a change in the status quo whereby dealers diagnose deafness and sell aids in favor of a system where tests would have to be made by an audiologist or a physician.

One reason is the powerful hearing aid industry lobby. For example, Kenneth J. Dahlberg, who is president of Dahlberg Electronics, the fourth largest hearing aid manufacturer, was 1972 GOP Midwest finance chairman and contributed $25,000 himself.

Since 1954 his firm has signed three consent orders promising the Federal Trade Commission not to engage in false claims and advertising. A 1972 claim of restrictive contracts is still pending. Dahlberg attempted to have Sen. Robert Dole (R-Kans.), Republican National Committee chairman, use his influence with the FTC, but Dole declined, according to one of Dole's aides.

Even prior to release of the Nader report the hearing aid industry hired the Washington public relations firm Hill & Knowlton for $70,000 to keep its image sweet on Capitol Hill.

Thirty-eight states have laws licensing hearing aid dealers. The District does not license dealers. One state, Minnesota, prohibits dealers from selling aids without a prescription from an audiologist or physician, although adults under 60 can get a waiver if they desire.

A model state bill drawn up by the Nader organization was circulated to the governors and attorneys-general of the other 12 states. According to the group; Maryland, Oregon, Michigan, Iowa and Pennsylvania are now considering introducing the bill. Other states are being urged to tighten existing laws.

Coincidental with the Nader investigation is the growth of cut-rate hearing aid marketing. Almost all hearing aids today are sold by dealers franchised by one or more of the major manufacturers. Dealer-sold devices range from a low of $195 (although lesser-known brands sell for as little as $33) to over $1,000 for binaural units (an aid for each ear). The average retail price hovers between $350 and $400.

Master Plan Services (MPS), which began two years ago in Milwaukee and has spread to seven other cities including Washington, sells famous-name aids at prices ranging from $99 to $199 plus the cost of preliminary testing and repairs. MPS can offer this cut rate because it neither advertises nor has itinerant salesmen who solicit business in the field. (Estimates of the number of hearing aids sold in the home range between 38 and 80 per cent of all dealer-sold devices.)

Thus far Master Plan Services has cornered less than 1 per cent of the gross total of 600,000 aids sold each year. However, at least two major manufacturers, Norelco and Oticon, tried to stop selling to MPS because its cut-rate sales were cutting into their own dealers' territory. MPS says both resumed supplying it after MPS threatened legal action. Neither manufacturer would comment.

Besides its prices, MPS's advantage, according to the Nader report, lies in its refusal to sell devices except on the advice of an audiologist or a physician. Its greatest disadvantage, according to dealers associations, lies in its inability to reach those people who may benefit from a hearing aid but who are reluctant to seek help.

Last year approximately 2.3 million Americans owned hearing aids. The U.S. Public Health Service estimates 8.5 million have some deafness; industry puts the figure at around 14.5 million.

The discrepancy between the number of hard-of-hearing who own an aid and those who could benefit from a device but have not bought one can be attributed to many factors, the most important of which is attitude. Some elderly people are too senile or too ill to wear an aid. Some are vain and will not admit they are deaf or don't like having their bodies "wired for sound." But the great majority of those who do not have aids believe that deafness is a normal part of growing old, like sagging flesh. They would no more think of wearing hearing aids than having their faces lifted.

It was to help this not inconsiderable minority, many of whom are elderly, that the Nader report was conceived. The result, industry protests, is "destructive of innocent persons, including millions of hard-of-hearing Americans." (Presumably victims also include industry people.)

The spokesmen continue, "(The report) is 100 per cent committed to the negative and thus grossly and blatantly misleading." People who have put their confidence in honest dealers, they say, will only end up confused. Those who need help will be afraid to seek it.

The chief bone of contention between the Joint Committee on Hearing and Hearing Aids and the Nader group appears to be a survey of 13 Baltimore dealers conducted by the Retired Professional Action Group (RPAG). This organization, financed by Nader's Public Citizen Inc., selected eight volunteers aged 68 to 82. All had their hearing tested first by an audiologist at The Johns Hopkins University. Two had recognizable deafness. Posing as potential customers, the eight then made 21 visits to dealers to compare results. In 11 instances the finding differed.

In nine instances (42 per cent of the visits), hearing aids were recommended by dealers when the audiologists had recommended none. Two dealers recommended no aid for one person the audiologist found deaf, and in three cases dealers differed among themselves as to the need for a device.

In a prepared statement the Joint Committee charged: "The dealers had no way of knowing it (the project) was all a fake. When a person goes to a dealer complaining of a hearing loss, the dealer is obliged to help him. That's what he's there for. He can't be responsible for phony tricks like this." The inference is that if the dealers had known the people were "plants" their resulting recommendations might have been different.

Moreover, HAIC's Ince maintains the volunteers faked a hearing loss while being tested by not responding to sounds they really heard. Elma L. Griesel, the project's coordinator, insists they were told not to do so. However, the tests have not been verified by a disinterested third party capable of spotting any obvious cheating.

Also, since the volunteers were tested by only one audiologist, the study does not allow the possibility there might have been legitimate differences of opinion among audiologists as to whether an aid would help, as happened among the dealers.

Because the RPAG survey included people with normal as well as imperfect hearing, it is impossible to measure this against actual case histories of deaf people. Still, in an effort to corroborate the Nader group's finding that dealers who have a profit motive recommend far more aids than disinterested audiologists. The Washington Post asked both sides for statistics.

Ince replied that 85 per cent of the people who see or who are visited by a dealer are found capable of being helped by a hearing aid. (This figure is adjusted to account for the people who go to a dealer with a prescription from an audiologist or physician, already decided to buy an aid.)

Though no precise statistics exist for audiologists, an informal survey of seven clinics across the country, made by the American Speech and Hearing Association revealed that an average of 50 per cent of the people tested can be helped by an aid. (This figure is adjusted to account for those who go to audiologists with hearing losses due to medical reasons.)

The discrepancy between dealers and audiologists shown in the RPAG project and in the two sides' own estimates stems, the Nader report concludes, neither from dealer incompetence in testing or from outright intent to sell devices where not needed.

There are approximately 15,000 hearing aid dealers and salesmen in the United States. Just over 2,000 of these have passed an industry-administered test upon completion of a 20-week home study course. Others have only on-the-job training. Ince described hearing aid fitting to a reporter as "two bit work." In the official statement he said, "Those who believe a master's degree (which audiologists have) is required to fit a hearing aid properly are brainwashed or confused and should speak with real authorities, such as physicians in the hearing specialty."

While Nader critics question the validity of some dealer tests not conducted in soundproof rooms (unlike audiologists' tests), they seem more concerned that inadequately trained dealers do not recognize symptoms of serious medical problems and refer them to physicians. Ince replied, "The seven signs (of disease) are simple things you or I could learn in 15 minutes." Audiologists dispute this claim.

Besides incompetence, the Nader report charges dealers with exploitation. The report is replete with examples of older persons who feel they have been bilked out of their life savings by hearing aid salesmen. Industry spokesmen denounce these "scare stories" as overdramatization of exceptions "in a way that makes the exception appear to be the universal and conventional."

They defend the industry by noting that it has grown steadily for 40 years and increased its volume nearly 50 per cent in the past five years. Critics hold that much of the increase is due to unnecessary repeat sales (65 percent of all sales), that hearing aids are pushed much the same way Detroit pushes new model cars.

Repeat sales, industry responds, indicate satisfied customers. They are also justified by improved models. Much of the improvement has been in miniaturization so that, as manufacturers' ads claim, "nothing shows in the ear." This is what the public wants, manufacturers say.

Dealers have also been accused of misrepresenting the benefits of hearing aids, such as by telling people they can have "normal" hearing again or should acquire a device to prevent further deterioration. Neither statement is true.

Ince explains away some users' dissatisfaction with their ability to hear (about three quarters of them described themselves as very or somewhat satisfied in a survey commissioned by industry) by attributing it to exaggerated expectations or misunderstanding the dealer. The Federal Trade Commission does not agree. In the past 15 years 10 major hearing aid manufacturers have been charged with 15 counts of false and misleading advertising.

The hearing aid industry feels, in summary, its aggressive sales tactics, including salesmen in the field, are helping to reach millions of handicapped people otherwise doomed to a world of silence.

The Nader group feels more stringent regulation of the industry to cut abuses, alternative and cheaper methods of distribution and massive consumer education to encourage people to seek help would provide a greater service for the hard-of-hearing.

Statement of Robert J. Ruben, M.D.

"I am just as deaf as I am blind. The problems of deafness are deeper and more complex, if not more important, than those of blindness. Deafness is a much worse misfortune. For it means the loss of the most vital stimulus—the sound of the voice that brings language, sets thoughts astir and keeps us in the intellectual company of men."

These words were written by a most extraordinary American woman, Miss Helen Keller. She felt that by far her worst affliction was that of deafness. She was, in many ways, a very unique person. One aspect of her uniqueness was that she was a deaf person who was articulate. Unfortunately, the nature of hearing loss causes most individuals so afflicted to become withdrawn and inarticulate. The psychological and social deficit is characteristic of people with hearing loss. The great misfortune is that those with hearing loss have had few spokesmen.

Today in the United States, according to Health, Education and Welfare statistics, there are approximately 2,226,000 [1] people, 65 years and over, with significant hearing loss. This is approximately 13% of the population 65 and over. This is a very conservative estimate. The actual figure may well be in excess of 5,000,000 affected individuals.[2] The hearing losses result from a number of different diseases. Most of these diseases cannot be cured or treated by medical or surgical means. Many of them are progressive in nature.

The hearing loss found in elderly individuals usually has two components. There is a loss of sensitivity. This may be compared to turning down the volume on the radio. The individual needs to have the volume of sound increased in order to hear. The second component might be most easilly described as distortion. Using our analogy of the radio it would be as if the tubes and transistors were not working properly and the sound which came from the speaker was unintelligible.

At least 13% of elderly Americans are afflicted with a combination of both these types of hearing loss. Such hearing losses have a very detrimental effect on the ability of a person to earn a living, to carry out the activities of daily life, and to enjoy the social intercourse of family and friends. It is perhaps more correct to speak of statistics in large numbers, but I am a clinician and I deal with individual patients. I feel that the brief stories of two of my patients might best illustrate a few of the problems of hearing loss in the elderly. The first is a gentleman in his sixties who owns a small truck. He earns his living by trucking fruits and vegetables from the wholesale market to a number of local merchants. He is totally deaf in one ear and has a severe hearing loss in his other ear. Unless something is done to improve the hearing in his one remaining ear, he can no longer drive his truck safely or hear the purchase orders given to him, and he will be forced to stop working.

The other is a grandmother in her seventies, in excellent health. She has suffered from a gradual hearing loss for the past 15 to 20 years. Now she has became withdrawn from her children and her grandchildren. She is afraid to go out shopping or walk in the streets because she cannot hear the traffic. Her life has become isolated and lonely. Her lack of responsiveness has, on many occasions, been incorrectly interpreted by her family and friends as a lack of interest of senility. In reality, she does not hear and is afraid of her progressively silent world.

These are just two of the hundreds of thousands of elderly Americans who are afflicted with hearing loss. Many, if not most of these individuals, may be helped to hear better and to improve their ability to communicate at a level which is socially and psychologically acceptable.

The optimal way in which this rehabilitation of hearing is carried out has been well worked out in this and other countries. The individual with a hearing loss is first seen by a physician with special training and knowledge concerning hearing. In this country the physician would be an otorhinolaryngologist. A medical history is taken, a physical examination is performed, and a hearing test is obtained. The latter should be performed by an individual who has special training in doing hearing tests. There are many serious diseases which can result in hearing loss. It is extremely important that the individual be properly examined, to make sure there are no medically treatable causes of the hearing loss or that there are no underlying life threatening diseases which may manifest themselves with hearing loss.

After the initial examinations are performed, the patient should undergo a series of tests which are called hearing aid evaluations. This is best done by a person with special training in audiology and aural rehabilitatiaon. These individuals usually have masters degrees and, in some cases, doctorate degrees. They are called audiologists. The audiologist will evaluate the type of hearing loss the patient has and will then empirically test the effects of several types of hearing aids. Unfortunately we cannot determine which type of hearing aid will be best for a given patient without undertaking a moderately extensive trial and error procedure. The audiologist has the ability of selecting hearing aids made by a large number of different manufacturers. After a hearing aid has been selected in a test situation, it must be tried in the real life environment of the patient. Occasionally an aid different than the one selected in the test situation will be needed. The audiologist will select the aid and tell the patient what make the model he or she will need. The audiologist will tell the patient at which stores this aid may be obtained. It is our practice to recommend that the patient rent an aid for about a month to see if the aid will function well in the patient's world.

Many patients will also need special help in learning how to use the aid, how to listen with the aid, and some will also need to be taught other communicative skills, such as lip reading, which must be mastered in order for the patient to develop his or her best communicative potential. The patients must be followed to monitor the hearing loss. If the loss progresses another aid may be needed. Other medical problems associated with the hearing loss, such as ear infections from the hearing aid molds, may develop.

Through these means, many of the elderly with hearing impairments can be significantly helped. However, in the United States today, very few of our elderly citizens can obtain even the barest essentials of this type of care. Only 21 percent of the population over age 65 with binaural hearing impairment have a hearing aid.[1] The major difficulty to be found is in the method and cost of distribution of the hearing aid. A hearing aid is an electromechanical device which can amplify sound and, in some instances, selectively *amplify* the sound. The hearing aid is a small, fundamentally inexpensive device, similar to a transistor radio, which can in part compensate for the volume and distortion problems which many of the hearing impaired have.

The first obstacle in the way of our citizens obtaining a proper hearing aid is the excessively high retail cost. The cost of manufacturing hearing aids is about $15 to $35 apiece. These hearing aids will retail for from $200 to $600 apiece. This excessive markup is mainly due to the method of retail distribution. Most hearing aids are sold through franchised dealerships. All of the hearing aids can be sold, and many are sold, without the citizen seeing a physician or having a proper audiological examination. Only 25 percent of the population over 65 with hearing aids were examined by a medical specialist.[1] A person may walk into a hearing aid dealer's store and be given a hearing aid. Many of these stores carry only the hearing aids of one manufacturer. The proprietor of the store has, at best, a very limited selection of aids which he can give to his customer. The aids can be, and are, fitted without the benefit of any medical examination and many times without sufficient audiological examination. Only 28% of the population over 65 with a hearing aid had an audiometric examination.[1] There is usually no attempt at any special aural habilitation or any attempt to teach other communication skills, such as lip reading. Health, Education and Welfare statistics show that only 1% of citizens 45 and over had any specialized hearing or speech comprehension training.[1]

All year long I see patients who have been fitted with hearing aids, having first gone to a hearing aid store. Many of the aids that have been fitted are inappropirate to the hearing problem. Not infrequently I will encounter a case like Mr. L. Mr. L is a gentleman in his seventies who noted progressive hearing loss. He went to a hearing aid store and was fitted with an aid. After some years his hearing became worse and he noticed some pain and discharge from his ear. He was then seen by our physicians and was found to have an inoperable cancer of the ear. He is now undergoing palliative x-ray therapy. If he had initially gone to a physician for his hearing problem and had been followed up by a physician, the cancer might have been recognized and treated in time! He will now die an extremely painful and debilitating death as tne cancer invades his skull, brain, sinuses and throat. I feel it is self evident that an individual should have a competent medical examination and an audiological examination before a hearing aid is even considered.

Many of our elderly citizens cannot afford $200 to $600 for a hearing aid. The price is greatly in excess of the actual cost of manufacture. This is primarily due to the type of organization employed for the distribution of the hearing aid. Most hearing aid stores are relatively small and do a low volume of business. The overhead is quite high as the shopkeeper must add the cost of his rent, insurance and a profit for himself to the price of each hearing aid he sells. In the few instances when profit making cooperatives have been established or when large retail companies have undertaken the sale of hearing aids, there has been a significant drop in the retail price of the aid.

Another problem resulting from distribution of the aid through the hearing aid dealer's store is the total lack of any medical or technical control. The proprietor of the store usually has no special electronic nor audiological training and certainly has no medical skills. They are in busness to sell hearing aids. There are a few dealers who are quite ethical but they cannot medically evaluate a patient.

Most hearing aids come with a set of specifications as to how the hearing aid will function. When a group of hearing aids are tested, many of them fall far short of expected performance. Most dealers have no way in which they can accurately test the functioning of the hearing aid. Thus, many of the aids which are sold are not doing what they should do. Even the citizen who can afford the aid, who has no serious medical problem and does not need special habilitative therapy, may not be helped if the aid which is purchased is defective.

Hearing impairment is at least as significant as visual impairment. The hearing impaired citizens in our country are not given the same benefits as those with visual impairment. They may in a way be considered the silent constituency of the elderly who are being discriminated against by the federal government, in that they do not receive the same consideration for their disability as those with visual impairment. The most glaring example of this is to be found in our federal income tax law. A legally blind person is entitled to an extra deduction. The deaf person, who may have a much more significant but less visible impairment, is entitled to no such deduction.

The two patients mentioned earlier both had the means to purchase a hearing aid. The fruit and vegetable man has been able to continue work; the grandmother has been able to relate to her family and enjoy the pleasures of her children and grandchildren. The vast majority of the 2,226,000 Americans over 65 with significant hearing impairment are not so fortunate. They either do not have the money to buy the aid, they are given an improper aid, or like our unfortunate patient, Mr. L., will have an undiagnosed medical problem which will lead to his unnecessary death.

FOOTNOTES

[1] Characteristics of Persons with impaired Hearing, United States, July 1962–June 1963. National Center for Health Statistics. Public Health Service Publication No. 1000. Series 10, No. 35.

[2] Hearing Status and Ear Examination, Finding Among Adults, United States, 1960–1962. Public Health Service Publication No. 1000, Series 11, No. 32.

Is Anybody Listening?

Eight million Americans today suffer from some degree and type of hearing loss. A 1962 Public Health Service Survey reported that hearing loss affects more Americans than any other chronic condition—persons aged 65 and over are most often affected. Minimum annual direct costs to educate, manage and compensate the hearing impaired are estimated at $410 million, according to a 1970 Public Health Service report. Procuring and maintaining hearing aids accounted for $132 million of that total.

The Retired Professional Action Group (RPAG), an organization funded by Public Citizen, Inc., has just completed a 15 month study of the hearing aid industry. A summary of the findings of that study is contained in their report which will be released this week. During the course of the study, RPAG staff associates in Washington, D.C., and volunteers in four states had contacts with more than 1000 persons—hard of hearing individuals, their families, medical ear specialists, audiologists, hearing aid dealers, manufacturers, and workers with the deaf and hard of hearing. RPAG also contacted more than 200 state, local, and federal offices of Medicaid and Vocational Rehabilitation; state offices of the attorney general, consumer groups and agencies, and hearing aid dealer licensing boards.

Based on this extensive research, RPAG concludes that the hearing aid industry has failed to adequately furnish quality services, products, and information; that most older people have to depend entirely on commercial establishments for the diagnosis and treatment of hearing loss; and that neither government agencies nor health professionals have yet come to grips with the problem.

RPAG further concluded that:

(1) The high profit, low sales volume hearing aid industry uses many of the business community's worst practices to sell hearing aids—practices totally unacceptable for any industry—let alone the health care industry.

(2) Government agencies, with the exception of the Veterans Administration, either place the problems related to hearing impairment at the bottom of their priority list or show lackadaisical interest and flaccid performance in protecting the hearing impaired.

(3) College and university programs have promoted speech therapy at the expense of hearing therapy. They have failed to train and to motivate students of audiology toward providing services for older people and toward advocacy activities for the hearing impaired.

(4) Most medical students graduate with minimal training and little knowledge of hearing impairment or possibilities for its correction.

Each year many Americans withdraw from normal social interaction with others because of hearing disabilities. Many who become virtual recluses appear normal to the casual observer. Forced into life patterns completely alien to their previous behavior, the hard of hearing often become "human islands" to avoid frustrating, ineffectual communication with others.

Our society tends to put aside older people and to consider health problems associated with aging as low priority or unimportant. Hearing loss is generally considered a problem associated with growing old. Furthermore, because of the shortage of medical and clinical audiological resources and a dearth of public advocacy, the hearing impaired have been virtually handed over to a profit-motivated industry—the hearing aid industry—for care. Only a small percentage of adults bought a hearing aid in 1972 after receiving medical and/or professional advice. On the other hand, a large proportion—70 percent—based their selection on advice from a hearing aid dealer or salesman with a vested interest in selling the most expensive aid the market will bear.

Unaware of professional health resources for detection and management of hearing loss, many people with impaired hearing gravitate directly to hearing aid dealers. Yet one of two other resources—otolaryngologists or audiologists—should be contacted by the hearing impaired before they consider buying a hearing aid.

Otolaryngologists are medical doctors who specialize in treating the ear, nose and throat (otologists specialize in the ear only). These specialists are usually located in large metropolitan areas. They cluster in university hospitals or in private clinics that have the equipment necessary to diagnose and treat medical clauses of hearing loss. They are usually staffed and equipped to conduct essential audiometric evaluations.

Also in the field of hearing health care are clinical audiologists who are university-trained in special graduate level programs accredited by the American Speech and Hearing Association. They can perform audiometric evaluations, determine the nature and extent of hearing loss and its effect on speech, make recommendations for the appropriate hearing aid, and provide aural rehabilitation services. Most audiologists work in hearing and speech clinics associated with hospitals, universities or other educational nonprofit institutions.

Yet with but few exceptions, most of these professionals have failed to use their experience and knowledge to become visible advocates for those they are trained to serve. They have failed to speak out on the problems of the hearing impaired.

They have failed to exert sufficient effort either to train assistants to provide viable non-commercial hearing health services or to develop a high-quality economical hearing health care system.

As a result of all these problems, most hard of hearing consumers literally fend for themselves in a marketplace which too often runs counter to their interests. In an effort to depict what can happen to consumers, RPAG conducted its own field investigation of hearing aid dealer practices.

CONSUMER ACTION: THE BALTIMORE STUDY

In order to obtain first hand information about the practices of hearing aid dealers, RPAG recruited 8 volunteers to participate in a consumer study in Baltimore, Maryland. The volunteers included 6 women and 2 men, whose ages ranged from 68 to 82.

The Baltimore study was not designed to use scientific methodology with highly trained researchers in controlled settings. However, it was designed so that it could be duplicated easily by other consumer groups and the results compared. The purpose was to depict what can happen daily to ordinary consumers when they rely on hearing aid dealers who are primarily profit-motivated and secondarily providers of service.

Personnel and Methods

In a general briefing, each volunteer was instructed not to fake a hearing loss and not to use a fictitious name. They were all aware that hearing loss is common in older persons and that hearing aid dealers advertise particularly to attract older people to take advantage of free hearing aid tests. Some of the volunteers had already had the personal experience of being tested by a hearing aid dealer. Each person expressed a willingness to approach local dealers—as many older consumers do each day—to find out whether the dealers would find that they had a hearing loss and to determine what the dealers would recommend.

After the briefing, the 8 volunteers had their hearing evaluated under clinical conditions at the Hearing and Speech Center at Johns Hopkins Hospital. (Only the Director of the Speech and Hearing Center was aware that these individuals were involved in a consumer study.)

The volunteers were then advised to visit Baltimore dealerships which had been chosen at random by RPAG from the city telephone directory. They were given a series of questions they were to ask the dealers and were instructed to report on the types and extent of tests they were given and any situations in which they felt pressured to buy a hearing aid.

At the end of the study, 13 different offices had been visited. Each volunteer had visited at least two offices; eleven offices had been visited by more than one volunteer.

RESULTS

(1) Comparison of Tests of Hearing Aid Dealers and Clinical Audiologists

One of the major purposes of the study was to compare hearing aid dealer test results and recommendations with those given by clinical audiologists.

Tests given by audiologists at the Johns Hopkins clinic revealed that none of the older persons tested had absolutely normal hearing; however, in only two cases was the hearing loss considered significant and the use of a hearing aid recommended. These two individuals were advised to obtain an examination by a medical ear specialist after their hearing evaluation at the clinic.

Cumulatively, the 8 volunteers were tested by the 13 dealers a total of 21 times. There were 11 instances of disagreement with the findings of the clinical audiologists.

In nine instances, or 42 percent of the visits, hearing aids were recommended by dealers when the audiologists had recommended none. In the course of the visits, hearing aids were recommended for 4 of the 6 individuals for whom no aids had been recommended by the audiologists.

Two dealers recommended no hearing aid for one volunteer for whom the audiologist found that an aid was needed.

In the case of only one volunteer did the dealers visited agree with the findings of the audiologist. (An aid was needed.)

There were three cases in which dealers differed among themselves as to the need of a hearing aid.

(2) Physician Involvement

RPAG wanted to know whether hearing aid dealers suggest that a consumer see a physician before taking a hearing test, and if not whether a consumer who is found by a dealer to need a hearing aid is advised to see a physician before purchasing an aid. This question goes to the hert of any program designed to protect and assist persons with auditory disabilities.

Not all volunteers made advance calls to dealers, but all dealers called indicated that it was not necessary to see a physician prior to the visit to the dealer.

In connection with each office visit, if the dealer said that the volunteer needed a hearing aid, the volunteer was instructed to ask: "Do you think I should see a doctor or an ear or hearing specialist before I decide?" In the 12 cases in which a hearing aid was recommended (including one in agreement with the clinic), there was only one positive recommendation that the volunteer see a physician. That was for removal of wax which the dealer found in the volunteer's ear. Another dealer told the same volunteer she should either get a hearing aid immediately or see a doctor, whom he recommended, about an operation. Three other dealers told her it was not necessary to see a doctor before purchasing.

In addition, without testing, a dealer advised one volunteer to consult with a doctor because she complained of ringing in her ears. Another dealer told a volunteer to see a doctor if she did not want to be tested at home—that tests were not ordinarily given in the office.

By comparison, audiologists at Johns Hopkins Center found that medical examinations were needed in the cases of four volunteers (two for whom hearing aids were recommended). The study showed disagreement by the dealers with the audiologists regarding two of the four volunteers, and disagreement among the dealers themselves.

(3) Sound Proof Testing Facilities

RPAG wanted to know whether hearing aid dealers test in a sound proof environment, such as provided in audiological clinics. None of the volunteers were so tested. The dealers gave various explanations for this: One said that it did not make any difference (even though at the time of testing the window was open and fire engines kept racing by). Two dealers stated that the earphones were sufficient to keep out the noise. Another dealer admitted that the room was supposed to be sound proof but was not. Another claimed that sound proof rooms are not places where one's ears are normally tested. Four dealers offered the opinion that testing in a sound proof room is not necessary because people do not live in a sound proof world or wear hearing aids in a sound proof room, therefore they suggested that it is better to test under normal conditions or home surroundings.

This last explanation is deceptive even though it sounds entirely reasonable. It ignores the fact that the dealer's hearing test results are marked on a graph (audiogram) which is based on norms obtained in a sound proof environment. There can be no accurate comparison between the dealer's test results and the norms unless the testing is done under conditions the same as those under which the graph was produced. The graph of a person with normal hearing would show below normal if tested under noisy conditions. And the graph of a person with a hearing loss would appear to be much worse than the actual loss.

The importance of testing in a sound proof environment is further clarified in a publication by Wallenfels and Thomas, Hearing Aids for Nerve Deafness, wherein the authors state:

"We favor the use of a separate sound treated room or booth for all hearing tests. This has become standard procedure throughout the world. Only by excluding all sounds which may be disturbing can we be sure our test result is correct, that it can be repeated, and that it can give us a valid comparison.

". . . Talking about hearing in a normal at-home environment with a hearing aid is rushing things. We are still occupied with gathering all the basic facts. In cases of nerve deafness, hearing may still be good in some sound regions and defective in others. Speech understanding can be excellent in one ear while the other distorts hopelessly. Extraneous sounds, especially noises, can mask out or cover up valuable information. The more we find out during these various tests and the more certain we are of their accuracy, the more we will be able to help later on. To use a special sound treated room to conduct these tests is one form of insurance against possible errors."

Of course, hearing aids should be fitted and tried in various types of listening conditions before the sale is actually made, but the testing itself should be in controlled listening environments. Therefore, the failure of any dealer to test in a sound proof environment is, on its face, an indictment of dealer practices.

(4) Types of Tests Performed by Dealers

Aside from the matter of testing in a sound proof environment, RPAG wanted to know how the range of tests offered by the dealers compared with that of the audiologists. At the Johns Hopkins clinic, each volunteer was given a comprehensive hearing evaluation which included air conduction testing, pure tone testing, bone conduction testing, speech reception threshold testing, and speech discrimination testing. (Tests explained in Consumer Guide.)

In contrast, it was found that the testing done by all dealers consisted almost entirely of air conduction testing and pure tone testing. One dealer did not even do pure tone testing. Instead, he asked the volunteer to repeat some words presented to each ear through a stethoscope-like instrument, and declared that he needed a hearing aid because there was a forty percent loss in the right ear and a thirty percent loss in the left ear. (This dealer's findings differed from the audiologist at the clinic and from two other dealers—all of whom found that the volunteer did not need a hearing aid.)

The testing done by all of the dealers involved in this study was inadequate to measure hearing loss and to recommend hearing aids. No dealer administered bone conduction testing or speech reception threshold testing, or speech discrimination testing. Some inexcusable conflicts resulted. One volunteer was told by three dealers that hearing loss was greater in the left ear than in the right, while another dealer said that the loss was worse in the left ear on lower frequencies but worse in the right ear on higher frequencies. (The test results of a fifth dealer and the clinic both indicated that this volunteer needed no hearing aid.)

A dealer told another volunteer that she had a thirty percent loss in high tones; another dealer said the volunteer had a mild loss in the right ear and a moderate loss in the left; and a third dealer said the same volunteer had a forty-seven percent loss in the right ear and a sixty percent loss in the left. With these conflicting results, any consumer would be greatly puzzled as to which dealer to believe.

(5) Product Differentiation

The volunteers were instructed to ask specific questions about brands, prices, servicing, useful life, and reasons for high costs of hearing aids.

About half of the dealers restricted their sales to only one brand of hearing aid. High costs were attributed variously to comparatively small demand; the need for special fitting and service; the general increase of expenses; and the delicate nature of parts and instruments. The volunteers obtained price quotations which are hard to reconcile. One thing they learned was that inquiry should always be made as to whether a dealer offers a discount for senior citizens. Six dealers offered such discounts, ranging from less than ten percent to thirty percent, both on a selling price of around $375.

Also a dealer might offer a discount to one volunteer and not to another. Prices of aids also varied greatly. Those quoted ranged from $195 to $425. A customer who went to more than one dealer would have no way of judging why one aid cost more than another or why at one place a ten percent discount is offered and a thirty percent discount at another. One dealer, when asked why aids were so expensive, responded: "What difference does money make when an aid will make you hear better?"

Answers to the question of how long an aid would last varied considerably. Some said 2 years, some 5, some 10 or indefinitely. But one dealer who said aids lasted a long time also added, "People like to change them for new models the way they like to change cars." Most dealers said that parts were only stocked for about five years. The usual warranty offered was for one year but in two cases "free service" was limited to ninety days, and in another it was limited to sixty days.

(6) Benefits of Hearing Aids

What will a hearing aid do for me? Will I be able to hear normally again? What if I don't get a hearing aid now—will my hearing get worse if I wait?

All potential users of hearing aids want answers to these questions. But, unfortunately, these questions often result in answers which may or may not accord with medical and audiological findings. For example, there is no support for statements that the auditory nerves need stimulation to avoid deterioration, or that hearing will deteriorate unless an aid is used, or that a hearing aid will stimulate the nerve endings beneficially, or that a hearing aid will restore normal hearing. Variations of such claims are numerous, and may have the effect of instituting either fear or unfounded hope in hard of hearing persons.

RPAG volunteers encountered three dealers who said hearing with an aid would be normal, and four who said it would be almost normal. There were nine instances in which six different dealers emphasized the stimulation of nerve endings, or hearing deterioration if an aid were not purchased (or both).

Closely related to the question of "Will I be able to hear normally again?" was the question, "How do I get used to a hearing aid and how long will it take me to get used to it?" A major cause of consumer complaints is disillusionment—the consumer does not obtain, or does not easily and readily obtain, the satisfaction that a dealer claimed that he or she would. RPAG volunteers reported two instances in which dealers claimed that adjustment would be easy or would not take long.

One dealer said that adjustment to an aid would be easy—just like glasses—and would be easier if the purchase were not delayed until hearing was all gone. Another dealer told a volunteer that it would not take long to get used to an aid, and that she would hear normally again without strain. These statements are illustrations of sales efforts which create disappointment and disillusionment in purchasers, because it is generally recognized that it is not easy to become accustomed to the use of a hearing aid.

Following a May 13, 1973, *Baltimore Sun* article on the Baltimore study, the industry issued a press release stating that as a group the dealers visited "emerge from the report as upright, conscientious, competent businessmen." A review of the RPAG findings creates a different and uncomplimentary picture. In forty-two percent of the visits, hearing aids were recommended by dealers when the audiologists had recommended none. Two dealers did not recommend an aid to a person for whom the audiologist found that an aid was needed. Only two of the dealers advised that individuals see a doctor before testing or purchase of a hearing aid—even when asked directly whether they should or not. None of the volunteers were tested in a sound proof environment comparable with a clinic. The dealers did not do the comprehensive testing necessary to evaluate hearing loss accurately. About half of the dealers restricted their sales to only one brand of hearing aids. Discounts were offered indiscriminately. There were twelve instances in which false or misleading claims were made which are not supportable by medical and audiological findings, including 3 in which it was said a hearing aid would restore normal hearing.

Past research has exposed similar abuses

The Baltimore study gave RPAG volunteers many of the same types of experiences as the hundreds of consumers who had written to RPAG during 1972–73. Unfortunately, such stories date back many years.

In 1962 and in 1968, hearings by both the Senate Committee of the Judiciary, Subcommittee on Antitrust and Monopoly, and the Senate Special Committee on Aging revealed the many injustices which confront consumers who seek services for hearing impairment. During 1972–1973, a series of consumer investigations by the Minnesota Public Interest Research Group, The Minneapolis Star, Wayne State University, and the Detroit Free Press revealed findings similar to those of RPAG volunteers.

Dr. E. Harris Nobel, Ph. D., Chairman, Communications Disorders, University of Massachusetts, conducted an elaborate scientific study in the New York City area for his Master's thesis in 1952. He surveyed dealer offices' practices as well as dealer visits to consumers' homes. His findings are similar to the Baltimore findings in 1973.

The results of the Baltimore study illustrate what can happen to a consumer seeking services from a hearing aid dealer chosen at random from a telephone directory. Consumers cannot be asured that they will receive high quality services, that a recommendation for an aid is warranted, or that the price of an aid is justified unless they have been first served by reliable health professionals who have referred them to a competent, honest dealer or unless they have reliable information with which to evaluate the services they receive.

It is not the purpose of this report to discourage any candidate for a hearing aid from purchasing one. The appendix of this report contains particular information which will help the consumer make rational decisions about what to do when confronted with a hearing loss.

Hearing impairment can be a serious health problem which can significantly affect one's mental and social well-being. There can never be justification for a hearing aid to be sold to a person who doesn't need one, or cannot use one, or for anyone needing a hearing aid not to have one. There is no excuse for misrepresentation or falsehoods, and there is no place for high pressure commercial salesmen in the health delivery system.

The chapters which follow present information for all concerned citizens, consumer groups, government agencies, and professional organizations to use in making decisions which will change the present delivery system so that it adequately and honestly serves the hearing impaired.

SUMMARY POINTS

(1) People needing prosthetic leg and arm devices go to doctors who prescribe braces, crutches or special supports. People seeking help with speech defects go to trained speech therapists and most people with visual handicaps go to medical eye specialists. Why do most people with hearing problems go to dealers rather than to medical ear specialists or audiologists? The main reason why consumers first turn to dealers is their accessibility. There are approximately 6,000 hearing aid dealerships in the United States. Approximately 15,000 dealers and salesmen are employed in these dealerships. These dealers are easily accessible to the consumer. They advertise in the yellow pages and in the newspapers, through direct mailings to the public, door to door selling, and their store front offices, they beckon those with hearing problems. On the other hand, medical specialists and audiologists are prohibited from advertising by their codes of ethics. They are few in number and are concentrated in medical centers and universities.

(2) Most consumers know next to nothing about who provides specialized care for ear problems and hearing loss. Approximately 70 percent of purchasers of a hearing aid in 1972 consulted neither an otologist nor an audiology clinic. Hearings aid dealers appear to have successfully convinced the public that they are the primary providers of care.

(3) Since the aim of the hearing aid dealer is sales, he must get the consumers into his shop or get himself into their homes. In a marketing seminar at the 1972 annual NHAS meeting, direct mail was cited as the single most important resource—"particularly in light of the fact that more than half of the sales are replacement sales". One industry survey in 1968 estimated hearing aid sales in the home to be better than 60% of total sales. Several dealers reported to RPAG that as high as 80% of their sales are made in the homes of consumers. In many dealerships the dealers or their salesmen work primarily in the field—calling on people whose names they bought or were given. Most consumer complaints RPAG reviewed resulted from a home sale.

(4) Inadequate professional clearance before hearing aid fitting is one of the most serious abuses found in this study. General practitioners often do not know specifics about hearing impairment, hearing evaluations, and hearing aids. They often refer patients directly to hearing aid dealers instead of sending them to medical ear specialists or audiologists. As a result, consumers can be sold hearing aids when they actually need medical treatment, surgery, or special rehabilitative services.

(5) Although the industry claims its policy is to advise people to see a doctor, RPAG experiences reveal this seldom occurs, even when a dealer is asked explicitly, "Do you think I should see a doctor before I buy a hearing aid?" A Los Angeles RPAG volunteer called 86 dealerships and asked this question. Only 19 dealers said yes. When this question was asked by participants in a New York City survey, only one of 20 dealers suggested seeing a doctor first! Those dealers who do refer often have arrangements with general practitioners who generally do not have sufficient knowledge of the ear to make a thorough diagnosis. What is worse, these doctors usually end up referring the person back to the dealer instead of someone who can make a thorough diagnosis.

STATEMENT OF DAVID M. RESNICK, PH. D.

Mr. Chairman and members of the Subcommittee: I would suspect that one of the reasons for my being invited to submit a statement to this Senate Hearing has to do with my direct involvement in the provision of clinical services to the hearing impaired public, and perhaps more specifically because of my experiences concerning the delivery of hearing aids to those whose hearing limitation can be benefited only through the use of hearing aid amplification.

From the statements and testimony provided to this Subcommittee in 1968, as well as other indications preceding and following that year, it is apparent that there is strong difference of opinion between the commercial and professional participants relative to the effectiveness of methods involved in the delivery of hearing aids. These differences are not new, and to many of us at the grass-roots level the multiplicity of problems associated with the provision of hearing services and hearing aids represent an occupational hazard that must be dealt with daily. The solution to one operational problem seems to foster the development of others, and the quest to better the system never seems to reach maturity. We have yet to arrive in the 20th Century with the provision of hearing aids, and the desires of the commercial and professional communities continue to tug in opposite directions.

For example, the commercial camp is perfectly satisfied with the present delivery method. The industry describes the system as more than adequate to meet the needs of the hearing impaired population.

Conversely, the professional camp continues to press for greater evaluative aseessment prior to the fitting of a hearing aid, and more adequate rehabilitative services following provision of the instrument, all hopefully at lower cost. It is this "lowest cost" tenet that is frightening to industry.

The hearing aid industry will have delivered well over half a million hearing aids by the end of 1973. Easily 75% of these instruments will have been placed in the ears of the consumer by a hearing aid dealer without benefit of referral from, or to, a medical or audiological practitioner. The industry justifies this situation in the name of "service"—a service, they say, which by virtue of the vast dealer network can be brought to the consumer's doorstep. Medical practitioners and audiology centers, industry feels, are stationary—the consumer must go to them, and there is little motivation for action in this direction. The suggestion is true as far as it goes. Unfortunately it does not recognize the trend toward more hearing impaired persons seeking professional help prior to hearing aid use. By industry's own statistics 10–12% of the aids sold several years ago were from direct professional referral. Today approximately 25% of sales are the result of professional recommendation.

Another reason for industry's preservation of the status quo becomes apparent when one realizes that the consumer will place in excess of $150,000,000 in the hearing aid market this year. In addition, industry estimates that 5,000,000 hard of hearing individuals could benefit from the use of hearing aid amplification. The statistic may be doubtful, but taking it at face value this calculates to about 1½ billion dollars worth of instruments at today's average retail cost to the consumer. That potential is carrot enough for industry to protect under any pretense, by whatever means.

The National Hearing Aid Society (NHAS), that organization which represents the purveyor of hearing aids to the public, continues to resist alteration of the delivery system by citing that in most states hearing aid dealers are licensed to do what they do, that they continue to up-grade their trade by in-service education programs, and that they are more than willing to cooperate with medical and audiological practitioners in the business of putting hearing aids on their patients, as long as the amalgamation allows them to place hearing aids on that 75% of the hearing impaired population which comes to them directly, or which they earnestly seek out.

It is true that most dealers approve a modest discount to professional referrals, but no matter how knightly the gesture the practice still provides a liberal margin over manufacturer cost. The professional discount sales price in most instances does not realistically reflect the time and effort saved the dealer. Neither, in many cases, does it reflect the fee charged by the professional for services rendered in connection with the provision of the hearing aid recommended.

The high prices charged by dealers and the questionable sales practices utilized by many of them have received ample coverage in the 1962 Kefauver Hearing, the 1973 report of the Minnesota Public Interest Research Group, and various newspaper articles including the Minneapolis Star, The New York Times, and The Baltimore Sun. This literature suggests rather firmly that the hearing aid dealer's place in the sun is becoming clouded with the issues of realism.

Recent legislation enacted in the state of Minnesota which prevents a hearing aid dealer from initially selling a hearing aid to anyone under 18 or over 60 except on the prescription of a medical or audiological practitioner is sound evidence of one state's response to the need to better the services to the hearing impaired. FTC action against several hearing aid manufacturers to desist from exclusive sales territory agreements is but another example.

For further evidence of change one need only be aware of the increasing number of alternative plans for providing hearing aids to the hard of hearing. Reference is made here to such businesses as Behavioral Prosthetics, Inc. presently operating in Utah and California, and Master Plan Service Company with offices in Minnesota, Wisconsin, Illinois and Washington, D.C. This Subcommittee will have before it detailed descriptions of these operations and no attempt to describe them extensively will be undertaken here. There are, however, two important facets to each of these systems which are critical to the deliberations of this Subcommittee. (First, each system provides hearing aids at a cost substantially below that charged to the consumer through the present dealer delivery system. Master Plan service operates with a price structure ranging from $99 to $199, for example. Second, hearing aids are sold through professional referral only, i.e. no diagnostic testing is performed by the vendor—all testing must be accomplished by the professional prior to the provision of a hearing aid. Through both systems the potential hearing aid user is provided a professional evaluation by persons exquisitely trained to conduct it, professional hearing aid selection from persons unbiased by product involvement, and professional rehabilitation services from individuals highly schooled in the techniques needed to cope with the problems of the hearing impaired.)

There are other alternative delivery plans in existence, also. For instance, a hearing and speech program in Canada salaries a hearing aid dispenser as part of the staff. The dispenser does no testing or rehabilitation, but simply provides, at markedly reduced cost, the instrument recommended by the audiologist.

Some hearing aid dealers are offering large discounts on instruments as a means of ensuring their relationship with the professional community. In Detroit this practice has merely succeded in producing a price war, and although consumer cost of hearing aids is less the delivery system has not been altered to services to the hearing impaired.

In testimony presented before this Subcommittee in 1968, Dr. Kenneth Johnson, Executive Secretary of the American Speech and Hearing Association (ASHA) proposed a State-Federal plan of procuring and issuing hearing aids similar in scope to the Veterans' Administration program, but applicable to Title 18 and Title 18 beneficiaries. The advantages of such a program are threefold:

1. A reduction in the costs of hearing aids purchased by the Government.

2. The provision of adequate diagnostic and rehabilitative services, with the assurance of objective hearing aid fitting to beneficiaries.

3. The elimination of sharp sales practices and misleading advertising.

The same advantages describe the Master Plan Service Company and Behavioral Prosthetics programs, and these programs would be applicable to other potential hearing aid users who do not qualify as beneficiaries under Title 18 or 19 provisions. Master Plan and Behavioral Prosthetics are in operation providing measured benefits, within confines imposed by the industry, to those in need of hearing aids. These programs, as well as the State-Federal hearing aid procurement proposal suggested by Dr. Johnson have direct application to the concerns of this Subcommittee, i.e. they provide improved services to the hearing impaired elderly at lower cost, and protect the consumer from being sold a device inappropriate to the problem.

The 20th Century beckons the hearing health community, and it is time that those responsible for health care recognize the shameful inadequacies in the practices surrounding the management of hearing loss. It is time for controls to prevent those whose chief concern is selling for profit from independent involvement in what is primarily a rehabilitative problem. It is time to realize that a physician specializing in ear problems is the only one qualified to diagnose the source of hearing impairment; that an audiologist is the only one qualified to evaluate the integrity of the auditory system and recommend hearing aids objectively; that a hearing aid dealer should be confined to the provision and servicing of hearing aids on prescription. Any other role in the hearing health program is beyond the scope of his expertise, and will do much to continue the high cost of hearing health to the elderly.

Hear Ye! Hear Ye! A Study of Hearing Aid Sales Practices in Queens, N.Y.

INTRODUCTION

A 20-year-old Queens College student entered Beltone Hearing Service, 161–10 Jamaica Avenue, Queens, and complained of hearing difficulties in the classroom. The dealer led her into a small room in which obtrusive sounds of the outer office and the street could be heard. He then performed a "hearing evaluation". Several minutes later he informed her that she had a 65% hearing loss in her left ear and that she needed a hearing aid. The young woman appeared concerned and asked whether she should see a doctor. The dealer responded that is was not necessary: "A doctor" he said "would only prescribe pills and drag things out indefinitely." The dealer went on to assure her that an aid would restore the hearing in her impaired ear. He then warned her that by hesitating and delaying her purchase, she was straining her good ear. The woman thanked the dealer and left his shop.

Janet Lichten, the student in the above case, is not an average consumer, but one of five volunteer researchers taking part in a New York Public Interest Research Group Study of Hearing Aid Sales Practices.

Prior to this encounter Janet had received a complete professional audiological examination at the Queens College Speech and Hearing Center on the Queens College campus. The clinic, certified by the American Speech and Hearing Association (ASHA), is staffed by professionals in the fields of speech pathology and audiology. According to audiologists at the Center, Janet is totally deaf in one ear. No hearing aid—regardless of how powerful its amplification—can restore her hearing. Further discrepancy exists between the Beltone dealer's claims and established audiological fact: not only will Janet's ear be unaffected by her failure to wear an aid, but in no sense of the word can an aid restore lost hearing. Moreover, health professionals almost universally maintain that the most accurate and reliable results are obtained from tests performed in a sound-proof environment, not one filled with extraneous noise.

Incredibly, the Beltone dealer was not the only hearing aid dealer who misdiagnosed Janet and misrepresented the facts about hearing loss. Three out of four hearing aid dealers tested in Queens failed to detect her absolute deafness. Other NYPIRG researchers encountered similar abuses. Shoddy testing procedures were the rule rather than the exception. All of the dealers surveyed failed to conduct their examinations in a soundproof room. Many misrepresented facts, pressured their seemingly unwary customers to purchase unwanted and unneeded aids, and generally conducted themselves in a manner that leads to the inescapable conclusion that hearing aid sales practices constitute a gross consumer hazard.

Studies by allied Public Interest Research Groups in Minnesota, Michigan, and Vermont and by Ralph Nader's Retired Professionals' Action Group in Baltimore support NYPIRG's findings. Researchers in these states uncovered similar examples of incompetence and exaggerated or fraudulent sales claims. Because so many hearing impaired persons are either senior citizens or young children with congenital disabilities, there is particular need for regulation to protect these vulnerable consumers. The following sections of this report document in-depth clear abuses of the public interest, and construct a persuasive case for reform. The concluding section contains NYPIRG's recommendations for corrective action.

BACKGROUND

"I am just as deaf as I am blind. The problems of deafness are deeper and more complex, if not more important than those of blindness. Deafness is a much worse misfortune."—Helen Keller.

"It is silent, painless, and invisible, yet more people suffer from it than from heart disease, cancer, blindness, tuberculosis, venereal disease, multiple sclerosis and kidney disease put together. According to the National Institute of Health, at least one out of every fifteen Americans is affected. The problem is loss of hearing—Americans' largest least recognized ailment. Despite its prevalence, we pay less attention to this affliction than to any other. It attracts fewer than one percent of the dollars spent on medical research".—"Deafness—The Silent Epidemic"

Hearing loss

Few of the more than 15 million Americans who suffer hearing loss face Helen Keller's double disability, but even partial deafness may cause severe problems. A child born with severe hearing loss lags behind other children in development by about six to eight years. Adults with hearing problems encounter job difficulties and social isolation and rejection. Dr. J. Harold Walton describes hearing impairment as "probably one of the most emotionally disabling conditions suffered by the human race". It brings with it potential physical danger. Persons of all ages face extraordinary hazards as a result of being unable to hear approaching vehicles, shouted warnings or other sounds that would caution them of danger.

The causes

Hearing loss can be caused by any number of things—a buildup of earwax, diseases (such as meningitis, measles, mumps), a reaction to antibiotic drugs (such as streptomycin, kanamycin, quinine), traumatic injuries to the skull, exposure to sudden loud noise, otosclerosis, congenital defects and advancing age (known as presbycusis).

Types of hearing loss

There are four major categories of ear dysfunctions. A *conductive* hearing loss is a dysfunction of the outer or middle ear which usually results from failure of some part of the physical linkage of tissues and bones that conducts sound impulses to the nerve centers of the ear. A *sensory neural* loss results from damage to the sensitive nerve mechanisms of the inner ear which converts mechanical energy into nerve impulses. A *central* hearing loss involves damage to fibers in the brain stem leading to the temporal lobes of the cerebral cortex. A *functional* loss is an auditory disturbance not due to an impairment of the peripheral hearing mechanism. The cause is psychological or willful malingering rather than organic. This type of disorder cannot be compensated for by a hearing aid.

A person's hearing is measured by decibels (dB). The number of dB of a sound is derived logarithmically from the number of times that sound is stronger than the weakest sound audible to the normal ear. The more decibels the stronger the sound. A person with normal hearing has a threshold of hearing of 0dB and a threshold of discomfort of about 120 dB. The following chart illustrates the range of hearing loss from mild to severe along this scale.

Threshold shift (dB), characterization, and effect

0–15 (in worse ear), normal, no difficulties.

15–30 (in the better ear), near normal, difficulty with faint speech.

30–45 (in the better ear), mild impairment, difficulty with normal speech.

45–60 (in the better ear), serious impairment, difficulty with loud sound.

60–90 (in the better ear), severe impairment, can hear only amplified speech.

90 or more (in the better ear), profound impairment, cannot understand amplified speech.

SOURCE: Consumers Union, May 1971.

When hearing loss is suspected, there are two professional sources of information on what to do. The first source is a medical specialist (an otologist or otclaryngologist). Otologists and otolaryngologists are medical doctors with special training in hearing health care. The second source is a certified clinical audiologist. Certified clinical audiologists must have a masters degree or 60 semester hours of post-graduate work in audiology. They must also have completed 300 hours of supervised clinical experience while in college and have 9 months of full-time employment after completing post-graduate work.

Unfortunately, all too many people worried about possible hearing loss, bypass these professionals and turn to another source of information—the hearing aid dealer. People who would never think of going to an unlicensed "doctor" for a broken arm or to a layperson for advice on severe chest pains, readily turn to unlicensed hearing aid dealers for solutions to hearing problems. About 70% of the 500,000 purchasers of hearing aids in 1971 went directly to a dealer without first consulting a doctor or an audiologist. This means that they placed their trust for an accurate diagnosis of a complex medical problem in the hands of a non-professional, often devoid of training and with built-in conflicts of interest. As the results of NYPIRG's study show, this trust is often misplaced.

NYPIRG SURVEY OF HEARING AID SALES PRACTICES

The purpose of the NYPIRG study was to examine hearing aid sales practices. Nine dealers were randomly selected from the Queen Yellow pages. The dealers surveyed were:

(1) Aaron Brandwein, 168–01 Hillside Avenue, Jamaica.

(2) Acousticon of Flushing, 390–04 Union Street, Flushing.

(3) Allied Hearing Aid Service, 70–35 Parson Blvd., Flushing.

(4) Bell Hearing Aid Center, 38–27 Bell Blvd., Bayside.

(5) Beltone Hearing Service of Queens, 161–10 Jamaica Avenue, Jamaica.

(6) Greater N.Y. Hearing and Optical Center, 97–52 64th Ave., Forest Hills.

(7) Hearing Aid Center of Jamaica, 170–05 Jamaica Avenue, Jamaica.

(8) Queensboro Hall Hearing Aid Center, 120–70 Queens Blvd., Kew Gardens.

(9) Sonotone of Flushing, 135–38 Roosevelt Avenue, Flushing.

(A) Methodology

Five volunteers—four women and one man, ranging in age from 20 to 69 years old—were recruited to carry out the study. Three of the women were middle-aged; one was in her early forties and the other two in their fifties. The 20-year old was a student at Queens College majoring in Speech Pathology and Audiology.

Before they visited the first hearing aid dealer each was carefully examined at the Queens College Speech and Hearing Clinic. Except for the 20 year old, who was diagnosed as being clinically deaf in her left ear (her hearing in her right ear was normal), all were found to have hearing within normal limits.

The volunteers were instructed to visit dealers and request an examination. If asked why they wanted one, they were advised to state one of the following reasons:

I've heard that as people get older their hearing gets worse, so I thought I'd better get it checked.

My family (or friends) tell me that they think I might need an aid.

I have trouble hearing in noisy rooms (classrooms).

Volunteers were asked to observe:

(1) The test environment.

(2) The types of tests administered.

(3) The test results according to the dealers.

(4) Salesmanship and any claims made by the dealers.

(5) The cost of aids.

(6) Whether the dealer referred them to an audiologist or medical doctor.

After each visit, the volunteer was required to fill out a report detailing these facts and have it notarized before a notary public (see appendix for form).

The five volunteers made a total of thirty-four visits to the nine dealers. A total of twenty-eight tests were made. There were six instances when dealers refused to test the volunteers. Three refused to test the 20-year old because she was a minor, and Greater NY Hearing and Optical Center and Hearing Aid Center of Jamaica refused until she saw a doctor. Two refusals occurred when a volunteer complained of pain in her ear. The sixth refusal to test occurred when the volunteer was referred to a doctor first.

(B) Survey Results

In 14 out of 28 tests made by hearing aid dealers, the dealer said an aid was warranted when the clinical audiologist had indicated it was not. This works out to an astonishing 50%.

The specific findings of each NYPIRG investigator are on page six. Charts I and II in the appendix also document our findings.

SURVEY RESULTS

Janet Lichten

Janet visited eight dealers but was tested only five times. Four out of the five dealers who tested her or 80% recommended a hearing aid. Only two dealers discovered that she was deaf in her left ear. Abe Goldstein of Bell Hearing Aid Center found an 85% hearing loss in her deaf ear while Queensboro Hall Hearing Aid Center found the loss to be 54%.

Two dealers reported a mild loss in her right ear which the Queen audiologists had certified to be normal. Sonotone was the only dealer to correctly identify her deafness and to recommend that she visit a doctor or audiologist.

Marilyn Goldsmith

Marilyn's hearing was tested by six dealers. Two of them, Queensboro Hall and Bell Hearing Aid Center recommended hearing aids. Abe Goldstein of Bell said that she had been exposed to an explosion which caused a trauma in her right ear, an incident Ms. Goldsmith denies happened and one that was not verified by the audiologists test at Queens. During her visit to two other dealers, she described her symptom as pain in her left ear. Both dealers refused to test her and referred her to a doctor.

Rea Pupko

Three of the eight dealers she visited recommended a hearing aid. Queensborough said she had a nerve loss in her left ear while Aaron Brandwein and Sonotone recorded losses of over 30% in her right ear a 45% and 48% loss in her left ear.

NYPIRG's older *male volunteer* asked to remain anonymous.

Four out of seven dealers who tested him recommended that he purchase a hearing aid. The four were Sonotone, Greater New York, Bell Hearing Aid Center and Aaron Brandwein. All found different problems. Greater New York found a 30% loss in his left ear while Sonotone found a border line loss in his right ear. Aaron Brandwein found that he suffered a 28% loss in mid frequencies and a 58% loss in high frequencies.

Maddie Waterston

Ms. Waterston visited three dealers but only Bell Hearing recommended that she purchase an aid. Abe Goldstein, at Bell detected a hearing loss in both high and low registers, a condition detected by no one else including the Queens audiologists who certified her hearing as normal.

(NOTE.—Only one dealer, Hearing Aid Center of Jamaica, 170–05 Jamaica Avenue, scored well on the survey. No aids were recommended and on each occasion the NYPIRG volunteer was referred to a doctor. Bell Hearing Aid Center, 38–27 Bell Blvd., Bayside, had the worst record. In 5 out of 5 visits, hearing aids were recommended and only once was a patient referred to a doctor.)

Medical referral

In answer to the question, "should I consult a medical doctor or audiologist?" in 18 of the 34 visits, dealers recommended that the volunteers visit a doctor; in 17 visits the dealers indicated that it was not necessary. At Bell Hearing, Janet Lichter was told, "A doctor can only help with infections of the ear". The same dealer told another person that, "a doctor would probably recommend surgery and that most people would rather not go through it". Sonotone told one volunteer that a doctor couldn't help him and that a doctor would charge him for an examination. Greater New York told Rea Pupko that her loss of hearing was too minor to warrant a doctor's visit. On several other occasions, NYPIRG volunteers were actively discouraged from visiting a doctor.

Doctor Robert J. Ruben, Chairperson of the Department of Otorhinolaryngology at Albert Einstein Medical Center, speaking before the Senate Subcommittee on Consumer Interests of the Elderly of the Special Committee on Aging last fall said, "There are many serious diseases which can result in hearing loss. It is extremely important that the individual be properly examined, to make sure there are no medically treatable causes of the hearing loss, or that there are no underlying life threatening diseases which may manifest themselves with hearing loss." Dr. Ruben went on to explain, "All year long I see patients who have been fitted with hearing aids, having first gone to a hearing aid store. Many of the aids that have been fitted are inappropriate to the hearing problem. Not infrequently I will encounter a case like Mr. L.—a gentleman in his seventies who noted progressive hearing loss. He went to a hearing aid store and was fitted with an aid. After some years his hearing became worse and he noticed some pain and discharge from his ear. He was then seen by our physicians and was found to have a (rare) inoperable cancer of the ear. He is now undergoing palliative X-ray therapy. If he had initially gone to a physician for his hearing problem and had been followed up by a physician, the cancer might have been recognized and treated in time. He will now die an extremely painful and debilitating death as the cancer invades his skull, brain sinuses and throat. I feel it is self-evident that an individual should have a competent medical examination and an audiological examination before a hearing aid is even considered . . . We see not infrequently a large number of patients who have middle ear diseases which may or may not be surgical, but should at least be worked up to rule out the problems . . . We also see people who have minimum hearing losses from fluid in their ears . . . (with) the elderly, you have to think of all types of things, from tumors to low-grade allergy."

The test environment

"In order to obtain hearing test results that are valid, there must be some control over the conditions under which the testing is performed. Ideally all testing should be performed in a sound-isolated room in which ambient noise is at a minimum."—Dr. Hayes Newby—*Audiology*.

Not one of the nine dealers surveyed in Queens performed the hearing examination in a sound-proof room. One volunteer explained that at Aaron Brandwein "half the time I didn't know whether I was hearing tones or telephones. The telephone rang constantly and I could hear the conversation. While the test was being given, questions were being asked of the tester and answers given. These questions were shouted into the room from the outside office and the answers were shouted back by the tester." During another testing situation, there was background music playing in the store and the person accompanying the NYPIRG volunteer asked the dealer if this music would interfere with the patient's ability to hear the tones. The dealer replied that the patient couldn't hear the music when he had the ear phones on. The volunteer later explained that the background music had been a very distracting factor during the test. Another subject described the testing environment at Allied Hearing Aid Service as follows, "The room was made of three portable walls and no ceiling. The door was left open and since this was a five and ten cent store, the store music, shoppers, and children could be heard." Finally, on one occasion at Bell Hearing Aid Center, construction was in progress right outside the dealer's store making it virtually impossible to hear much of anything. All of the volunteers complained of hearing either conversation, phones or typewriters during the testing.

Failure to test hearing in a sound-proof room is negligence, since accurate results cannot be obtained where ambient noise is present. Hearing test results are recorded on an audiogram (a type of graph) which is based on norms obtained in a sound-proof environment. There can be no accurate comparison between the dealer's test results and the norms unless the testing is done under conditions the same as those under which the graph is produced. The graph of a person with normal hearing will show below normal if tested under noisy conditions and the graph of a person with a hearing loss would appear to be much worse than the actual loss.

Because of the varied testing conditions encountered, it is easy to account for the wide range of results obtained for each volunteer. Very few dealers' results matched those obtained at the Queens College Speech and Hearing Center under clinically specified conditions.

Test procedures

"Minimally the patient should have pure-tone air and bone conduction tests with masking and speech audiometry—*minimally*. Some audiologists fit from that data . . . and with that data they are able to recommend a hearing aid. Some, of course, want more testing and they will try several hearing aids with sound fields doing SRT, discrimination, tolerance, possibly signal-notes ratio tests where you have to hear speech within a background of noise, depending upon a patient's needs."—Marvin Mazor, PhD., Chief of Audiology, Queens College Speech and Hearing Center.

Every hearing examination is designed to find out if anything is wrong with the auditory system and if there is, what is wrong and where. Testing, if done correctly, will reveal whether surgery is needed to correct a hearing loss or if an aid will help. Obviously, correct testing procedures are an essential prelude to an accurate diagnosis. (See Shopper's Guide in Appendix for more information.)

NYPIRG volunteers, as a part of their study, documented the testing procedures of the nine dealers surveyed. The results were not encouraging. One complicated technique used in the diagnosis of hearing disorders is masking. During testing there are times when the sound being presented to the test ear crosses over and is picked up by the non-test ear. This cross over to the non-test ear may result in a false reading in the test ear. In order to prevent the non-test ear's possible participation in the test, masking is used. This involves introducing a noise into the non-test ear, thus preventing it from hearing any of the test sounds. Without accurate masking when needed, misdiagnosis can occur. This is what happened when Janet Lichten was tested. In only 3 times out of 28 was masking used in the examinations.

Although every dealer visited performed a pure-tone air conduction test, in only seven out of 28 visits were bone conduction tests given and in only four cases were speech tests given.

Benefits of hearing aids

Many consumers are under the misconception, often advanced by dealers, that a hearing aid will restore impaired hearing to a normal level. In reality no hearing aid, however powerful, can restore hearing to its normal level—it can only improve hearing. The hearing aid user will almost always experience some degree of distortion in sound reception.

Another myth is that hearing will further deteriorate if one waits too long to buy a hearing aid. Dealers make claims that nerves in the ear need stimulation to prevent them from deteriorating and an aid can provide that stimulation. Others claim that the nerves in a hearing impaired ear are being strained and that a hearing aid will ease this strain. There is no medical or audiological evidence to support any of these statements. They only serve to elicit fear and worry in the hearing impaired person in order to encourage that person to buy an aid.

Out of 14 cases in which hearing aids were recommended to NYPIRG volunteers in Queens, there were 9 cases in which dealers claimed that the aid would restore hearing to normal and 7 cases in which dealers claimed that hearing would further deteriorate if purchase of an aid was delayed.

One of our volunteers was told by Sonotone that if he waited a month or two to purchase an aid, his hearing and understanding would decrease. Another volunteer was told by Aaron Brandwein that an aid would relieve the strain of hearing and that his hearing would deteriorate further if he waited to buy an aid. The dealer went on to explain that a hearing aid would prevent his hearing from getting worse. The person accompanying our volunteer asked the dealer why if glasses don't prevent eyesight from deteriorating should a hearing aid prevent hearing from deteriorating? The dealer replied that eyes and ears are different. He went on to say that if the nerves in the ears are not used, they close up. If the nerves are strained, they close up. The nerves in the ear must be exercised just as the nerves in a broken arm.

A hearing aid would keep the nerves stimulated. Of course, these examples are nonsense but had this person been an ordinary unaware consumer, he might well have been frightened into purchasing an aid.

Our 20-year old researcher was told by Beltone and Bell that an aid would restore the hearing in her bad ear to a normal level and keep her from straining her good ear.

A carefully prescribed hearing aid can be of great benefit to its user, but it cannot restore lost hearing and it may lead to despair and frustration if a hearing aid dealer has claimed that it will perform miracles.

Conclusions

The results of this study spotlight the ugly reality of sales practices which are far too common among hearing aid dealers. What is revealed is an industry employing untrained, incompetent sales persons who prey on the fears and ignorance of the unwary; an industry that tolerates deceitful and false claims so long as it produces sales.

Half of the dealers (50%) ordered aids to those evaluated as having normal hearing by professional clinicians. The failure rate documented in this study is intolerable, whatever the cause.

There is no excuse for poor test facilities and bad procedures. Especially in a city with a noise level as high and as pervasive as is New York's, there is critical need for soundproof testing facilities. Even dealers with low-level training can provide this facility and these same dealers can learn the basic skills of sound hearing examinations.

The industry has been slow to move to meet the needs of the public. Massive citizen action is imperative. Only pressure brought to bear skillfully on the Legislature by hundreds of concerned citizens armed with the facts can overcome industry pressure for self-interest legislation. Citizen pressure must be focused on reforms that can make a difference in the services provided to consumers who must wear hearing aids.

PROTECTIVE LEGISLATION FOR NEW YORK CONSUMERS

New York is one of the few states in the country which has not passed legislation to regulate the activities of the hearing aid dealers. Presently, New York dealers are ineffectively "policing" themselves—that is, those who have chosen to sign a Voluntary Code of Ethics set up by the Bureau of Consumer Frauds and Protection of the Office of the Attorney General.

Nearly all of the provisions of the Code relate to advertising. There is no reference to the qualifications necessary for providing services. Only two provisions even superficially refer to the quality and extent of services:

"Hearing Tests—Signers will not engage in spurious hearing tests for the public. Hearing tests will not be given over the telephone. If the purpose in giving the test is to obtain leads, such fact shall be disclosed to the consumer prior to the test."

"Aid to Customers—Signers recognize that the customer is entitled to proper fitting, adequate service, and individual training in the personal care and use of the product. Signers pledge to furnish such aid to their customers to the best of their ability."

It is hardly believable that a Consumer Protection Agency has suggested to a relatively small percentage of New York dealers that all they do to aid the hearing impaired is to furnish such aid "to the best of their ability." The state requires more training and evidence of ability from barbers who are regulated by state law! In this industry, "to the best of their ability" would be applicable to the local shoe salesman who suddenly decided that commissions on hearing aid sales were more lucrative than commissions on shoes.

Hearing care is health care and most of it is needed by the most neglected, vulnerable and impoverished of consumers—older people. Most hearing aid dealers who have any training at all, have only taken a 20-week home study course offered by their trade association, the National Hearing Aid Society (NHAS). Dr. Lawrence Deutsch, professor of audiology at Queens College says in reference to the course offered by NHAS, "What I object to personally is that 20 weeks of home study can easily be accomplished by someone with any brightness at all in about 3 to 4 hours of solid reading". The final exam does not even test practical skills. Even so, according to current industry records only 80 dealers in the state have bothered to take it.

For the past few years, hearing aid industry lobbyists have been attempting to get a licensure bill through the state legislature. The bill is blantantly void of consumer protection provisions. In effect, its purpose is to legitimize current industry practices—regardless of their nature and to provide a professional role and status to all hearing aid dealers who are selling aids—regardless of their background, training, experience, or competency.

There have been no consumer professional groups working to counteract the lobbying efforts of the industry to get the bill through. Professional audiologists have been intent on getting their own licensure bill passed. Audiologists and medical specialists, with few exceptions, have remained silent and have neglected the strong support needed to pass a law which would offer the consumer essential protection.

NYPIRG RECOMMENDATIONS

Based on its own experiences and the results of surveys conducted by other consumer groups in the past year, NYPIRG recommends the following action by the state:

(1) The state must pass legislation to regulate the activities of hearing aid dealers. Minimally, these regulations should provide that:

a. No hearing aid dealer could sell a hearing aid to a consumer unless the consumer had first received medical clearance from a medical ear specialist or a certified clinical audiologist.

b. No door-to-door selling of hearing aids.

c. A state advisory board on hearing aids be established which would include a balanced membership of hearing aid dealers, medical ear specialists, clinical audiologists and consumers who are hearing aid users.

d. Hearing aid dealers be required to have basic training and experience and qualifications and that no hearing aid dealers be allowed to sell hearing aids unless they have passed qualifying written and practical examinations.

e. Minimal procedures and equipment for testing hearing be established.

f. Consumers be given essential information regarding the hearing aid purchased, such as new or used condition, cost, type of aid, conditions of the guarantee, etc.

(2) NYPIRG urges the state Legislature to hold public hearings around the state before adopting any legislation. These hearings would give consumers the opportunity to voice their complaints and experiences with the present system. Based on this consumer input and government agency experiences, a report could be prepared which would document the type of legislation best suited to the needs and interests of consumers.

(3) The New York State Consumer Protection Board and other appropriate agencies such as the Consumer Frauds and Protection Bureau of the Attorney General's Office, state and local Offices on Aging, state and local health departments, plan and conduct an educational campaign for consumers. This should be done on cooperation with consumer groups and professional organizations serving the hearing impaired.

NYPIRG has developed the attached Shopper's Guide for Hearing Aids which will be disseminated to consumers free of charge.

AMENDMENTS TO RULES OF PROCEDURE OF THE SELECT COMMITTEE ON STANDARDS AND CONDUCT

Mr. CANNON. Mr. President, the Select Committee on Standards and Conduct recently amended its Rules of Procedure to provide for matters arising under the new congressional franking statute (Public Law 93–191) and to reflect the committee's experience over the past 8 years.

As required by the Legislative Reorganization Act of 1970 as codified in section 190a–2 of title 2 of the United States Code and with the unanimous consent of the Senate, the committee is hereby publishing its amended Rules of Procedure:

RULES OF PROCEDURE FOR THE SELECT COMMITTEE ON STANDARDS AND CONDUCT, U.S. SENATE

May 13, 1974.

Resolved, That the Select Committee on Standards and Conduct, United States Senate, adopt the following rules governing the procedure for the Committee:

1. *Meeting time.*—The meetings of the Committee shall be on the first Monday of each month at 10:30 a.m. or upon call of the Chairman.

2. *Quorum.*—A majority of the Members of the Committee shall constitute a quorum for the transaction of business, except that two Members shall constitute a quorum for the purpose of taking sworn testimony.

3. *Proxies.*—A Member may vote by special proxy on any issue which comes before the Committee for decision except as otherwise designated in these rules.

4. *Jurisdiction.*—The jurisdiction of the Committee is derived from the following sources of authority:

(a) *Senate Resolution 338, 88th Congress,* relating to improper conduct of Senators, or officers or employees of the Senate.

(b) *Report of Special Committee of the Senate to Study Questions Related to Secret and Confidential Government Documents, 93d Congress,* concerning disclosure of classified documents by Senators.

(c) Public Law 93–191 relating to the use of the mail franking privilege by Senators, officers of the Senate, and surviving spouses of Senators.

5. *Complaints.*—Any person may file a complaint with the Committee that any Senator, or officer or employee of the Senate, has violated proper conduct or any rule, regulation, or law within the jurisdiction of the Committee. The complaint must be in writing and should state essential facts constituting the violation.

6. *Public hearings.*—All hearings conducted by this Committee shall be open to the public, except executive sessions for voting or where the Chairman orders an executive session. The Committee, by a majority vote, may order a public session at any time. In making such determination, the Committee will take into account evidence which may tend to defame or otherwise adversely affect the reputation of any person.

7. *Subpenas.*—Subpenas may be issued by the Committee Chairman or any other Member designated by him, and may be served by any person designated by the Chairman or Member.

8. *Swearing of witnesses.*—All witnesses at public or executive hearings who testify to matters of fact shall be sworn unless the Chairman, for good cause, decides that a wit-

ness does not have to be sworn. The Chairman or any Member may administer oaths to witnesses.

9. *Counsel for witnesses.*—Any witness summoned to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted while the witness is testifying to advise him of his legal rights.

10. *Interrogation of witnesses.*—Interrogation of witnesses at Committee hearings shall be conducted on behalf of the Committee by Members and authorized Committee staff members only.

11. *Right to cross-examine and call witnesses.*—Any person who is the subject of an investigation in public hearings, personally and through counsel, may cross-examine witnesses called by the Committee and call witnesses in his own behalf.

12. *Written witness statements.*—Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the counsel or Chairman of the Committee 24 hours in advance of the hearings at which the statement is to be presented. The Committee shall determine whether such statement may be read or placed in the record of the hearing.

13. *Right to testify.*—Any person whose name is mentioned or who is specifically identified, and who believes that a public hearing, or comment made by a Committee Member or counsel, tends to defame him or otherwise adversely affect his reputation, may (a) request to appear personally before the Committee to testify in his own behalf, or, in the alternative, (b) file a sworn statement of facts relevant to the testimony or other evidence or comment complained of. Such request and such statement shall be submitted to the Committee for its consideration and action.

14. *Prohibition of photographing or broadcasting hearings.*—The taking of still, motion picture or television photographs in the hearing room during a hearing or radio broadcasting of the hearing shall not be permitted except by a majority vote of the Committee.

15. *Stenographic record of testimony.*—An accurate stenographic record shall be kept of the testimony of all witnesses in executive or public hearings. The record, whether in public or executive session, shall be made available for inspection by a witness or his counsel under Committee supervision; a copy of any testimony given in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness at his expense if he so requests.

16. *Secrecy of executive testimony.*—All testimony taken in executive session shall be kept secret and will not be released for public information without the approval of a majority of the Committee.

17. *Record of Committee action.*—The Chief Counsel of the Committee shall keep a complete record of all Committee action. Such record shall include the votes on any question on which a record vote is demanded.

18. *Release of reports to public.*—No Committee report, document, or information shall be released to the public in whole or in part without the approval of a majority of the Committee. In case the Committee is unable to reach a unanimous decision, separate views or reports may be presented and printed by any Member or Members of the Committee.

19. *Advisory Opinions.*—Upon specific request from a Senator, or an officer of the Senate, the Committee may give an advisory opinion on any matter within its jurisdiction. An advisory opinion may be formal or informal, or written or oral, as the request warrants. All such opinions shall be advisory and declaratory only.

20. *Changing rules.*—These rules may be modified, amended, or repealed by a decision of the Committee, provided that a notice in writing of the proposed change has been given to each Member.

TWENTIETH ANNIVERSARY OF REGULATION OF NATURAL GAS

Mr. TOWER. Mr. President, Friday, June 7, 1974, marked the 20th anniversary of the Supreme Court's decision in Phillips Petroleum Co. against Wisconsin et al., mandating Federal Power Commission control over the wellhead prices of natural gas sold to interstate pipeline companies.

This decision, the effect of which has been to hold natural gas prices at unrealistically and uneconomically low levels, was a point of origin whereby resultant distortions in energy supply and demand inevitably led to the energy crisis in which we now find ourselves.

Twenty years of attempts to regulate the highly competitive and highly complex business of natural gas production has shown conclusively that regulation stifles the economic incentives essential to increasing exploration and production; that regulation leads to decreasing supplies of natural gas and of other fuels; and that the consumer, rather than being protected by this regulation, is the ultimate loser over the long run.

If Congress acts quickly to remove restrictive Federal Power Commission controls on wellhead prices of natural gas, the traditional free enterprise forces of supply and demand in the marketplace will determine gas prices, and healthy, renewed, competitive exploration will result in new supplies being discovered, just as inevitably as regulation prevented the discovery of those supplies.

Friday's edition of the Chicago Tribune carried as the lead editorial an excellent summary of why the 20th birthday of the energy crisis is, in the words of the editorial's headline, "An Anniversary To Lament."

Mr. President, the editorial makes several very excellent points. I, therefore, ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

An Anniversary To Lament

Today is a good day to examine how innocence and misguided zeal led this country into an energy crisis with respect to natural gas, because it is the 36th anniversary of the innocence and the 20th anniversary of the misguided zeal. The Natural Gas Act of 1938 and a Supreme Court decision of June 7, 1954, have combined to hold natural gas prices artificially low, presumably for the benefit of consumers, and have thus encouraged the country to depend heavily on a fuel which is so limited in supply that we may run out within the lifetime of half the population.

The Natural Gas Act was sought by state utility commissions, back in the New Deal days, as a means of controlling the price of gas piped into their jurisdictions from out-of-state. Natural gas was then a little used fuel, much of which was burned off by oil producers as waste. It had no great constituency either of producers or of consumers. The bill was sponsored by Democrats and actively backed by Rep. Charles A. Halleck, the Republican majority leader of the House. It was so uncontroversial that when Sen. Robert J. Bulkley of Ohio asked to bring it up for the Senate vote on June 7, 1938, after it had been approved by the House, the following exchange took place between him and the acting president, Sen. Joseph C. O'Mahoney:

Sen. O'Mahoney: The bill *is not of* controversial nature, is it?

Sen. Bulkley: No.

Sen. O'Mahoney: And its passage may be expected in a reasonably short time?

Sen. Bulkley: I think it should be passed within a few minutes.

It was promptly and easily passed and received almost no public attention. It gave the federal government the power to regulate the price of natural gas sold to the pipeline companies for transportation across state lines. It specifically excluded regulation involving "the production or gathering of natural gas."

By the late 1940s, natural gas had become so popular a fuel that liberal politicians began to make an issue of low prices. The Federal Power Commission had not been militant enough to suit them. When Wisconsin sought to regulate prices in apparent violation of the 1938 act, the Phillips Petroleum Co. carried the case to the Supreme Court and lost.

Justice Sherman Minton, a liberal Truman appointee, wrote the majority decision holding that the primary purpose of the 1938 act was the "protection of consumers" and that Congress therefore intended the act to cover independent producers, despite the specific exclusion in the act.

Ironically, the FPC had never wanted this power and indeed warned of the confusion it could create. Even liberal Justice William O. Douglas dissented from the 5 to 3 decision on the ground that "regulation of the business of producing and gathering natural gas involves considerations of which we know little, and with which we are not competent to deal."

Repeated efforts to remove this "well-head" regulation of gas prices thru Congressional action have aroused liberals from Wayne Morse of Oregon to Mayor Robert Wagner of New York to demagogic oratory, and have failed. The one such bill that got thru Congress was vetoed by President Eisenhower, tho he endorsed its purpose, because of "arrogant" tactics by oil and gas company lobbyists.

And so it is that natural gas, with its arbitrarily low prices and other attractions, has become our leading source of energy for industrial, commercial, and residential use. Meanwhile the low prices caused exploratory drilling to drop by more than 50 per cent between 1956 and 1970.

Had the producers been able to set prices on the basis of free competition [there are more than 2,000 of them], prices would have risen steadily as costs rose; the demand for natural gas would have been less; there would have been an earlier incentive to develop uranium and new ways of using coal; and we would not have been caught as short as we are today. The story of natural gas is worth remembering, because it teaches us that misguided efforts to appeal to consumers by holding down prices can do far more damage to the country than good—and the implications of this go far beyond natural gas.

TELEVISION FOR THE HEARING-IMPAIRED

Mr. PERCY. Mr. President, last week I had the opportunity to view a demonstration of an exciting experimental project currently being carried out by the Public Broadcasting Service—PBS. With the help of a grant from the Department of Health, Education, and Welfare, PBS has captioned segments of a variety of the programs regularly telecast and has invited members of the deaf and hearing-impaired communities in 12 American cities to view the captioned programs at local PBS stations.

Unlike other projects to caption television shows, the PBS system utilizes captions that cannot be seen on regular television receivers and thus do not interfere with the viewing enjoyment of the hearing audience. With the addition of a special decoding device, a regular television set can be adapted to receive captioned programs with the captions visible. Known as closed captioning, this experimental technique holds great promise for the 20 million Americans who suffer hearing handicaps.

During the past year, PBS has been testing two decoder systems, one developed by the National Bureau of Standards and one by Hazeltine Research, Inc., and simultaneously collecting reactions of hearing-impaired viewers to the captioned programs. Gallaudet College here in Washington, D.C., will evaluate the experiment, and although the results are not yet complete, the initial response to the system has been very enthusiastic. Ninety-five percent of the viewers have indicated they could not have understood the programs if captions had not been provided; 96 percent indicated a desire to have decoders available for private use.

As my colleagues know, I am one of those 20 million Americans who have hearing losses. In order to experience the program as many hearing-impaired individuals would, I viewed the captioned telecast last week without the assistance of my hearing aid. If the show had not been captioned, I would not have understood or enjoyed the program nearly as much. Because of the captions, however, I was able to enjoy the show entirely. Among the other hearing-impaired viewers present, the response was even more enthusiastic than my own. For many of those who were completely deaf, the captioned telecast was their first experience of total enjoyment of a television program. Some indicated that they had attempted previously to watch television but had given it up when the effort proved too frustrating. Their excitement at being able to enjoy television equally with the hearing audience was apparent; the prospect of being able someday to view captioned television regularly on the commercial networks obviously was a source of great pleasure.

Visible captions for all viewers have proved somewhat unsuccessful, because they interfere with the enjoyment of hearing viewers. Translation into sign language has been ineffective because many hearing-impaired individuals do not understand "signing." Closed captioning, however, can transmit captioned programs to a select audience and can be easily understood by most Americans. This new system has the potential to achieve widespread use and to diminish greatly the communication gap that affects 1 out of every 10 Americans.

PBS is to be commended for its efforts to bring television enjoyment to the millions of individuals who currently miss out on the educational, cultural, and entertainment offerings of television that most of us take for granted. I am personally committed to help bring people who suffer all types of handicaps into the mainstream of our society, and I have pledged my support and assistance in making the experimental closed captioning system an integral part of commercial television programing.

I bring this exciting PBS project to my colleagues' attention in the hope that you will join me in seeking implementation by private industry of this most worthwhile system. Expressions of interest and willingness to lend support to the closed captioning project will be eagerly received by PBS and HEW.

HEARING AIDS BEST REGULATED BY STATES

Mr. GURNEY. Mr. President, it has come to my attention that the Nation's press is being used again to launch an attack against yet another industry of small businessmen—the hearing aid dealers of America.

One of our respected colleague's has charged that there were many complaints by his constituents against hearing aid dealers, and inferred that it was a national problem.

For this reason, the attack impinges on reputations, competence and ethics of a large number of my constituents—Florida's licensed hearing aid dealers, their employees, and the Regulatory Board under which they operate. These board members are officials of the State of Florida.

Additionally, the allegations undermine—and perhaps destroy—the confidence that tens of thousands of hearing-impaired Floridians have in their hearing aid dealers. This bond of confidence is essential if a hard-of-hearing person is to be helped. Beyond that, it tends to be disruptive and confusing to persons who do not yet have hearing aids but can benefit from hearing-aid use.

Thus, the Senator's attack is—in effect—damaging the very persons he says he is trying to protect.

I am constrained to make these comments and trust they will be useful in the support and defense of all qualified hearing aid dealers throughout the United States, as well as those in Florida.

Every member of the industry is being injured by this publicity campaign, despite statements that it is aimed only at incompetent or unethical hearing aid dealers.

The charges being leveled against the hearing aid industry are being made and publicized from coast to coast without any evidence being produced or even alluded to, except in sweeping generalities.

It is claimed that Government agency files are "bulging with correspondence" about hearing aids. This evidence should have been made available to public inspection at the same time this campaign was launched attacking the industry.

The charges center importantly around those hearing aid retailers "who prey on elderly and handicapped people with shoddy treatment."

Because my State has a large percentage of elderly persons, I suppose I would be expected to receive more letters than most Senators regarding hearing aids. My experience does not mesh with that of my colleague.

The letters I have received are not "bulging" from my files. In fact, they are very few, compared with the total number of consumer complaints I receive.

I attribute this lack of complaints to the great number of excellent hearing aid dealers we have in Florida. I have met and talked with many of them, and it is my distinct impression that they are conscientious and dedicated in serving their communities.

One of the reasons we have so many good people in the retail hearing aid business in Florida, they tell me, is because we have a strong licensing law in our State in addition to a strong Hearing Aid Dealer Association that sets high standards and helps the State in regulating the industry in Florida.

Despite charges that these State laws do not work, the law does work in my State, and I am sure it does in other States with strong, well enforced licensing laws.

There are some States which have no licensing or regulatory laws. For example, I am advised that the legislature of the State of Illinois has chosen to leave the fitting and sale of hearing aids unregulated despite efforts by the hearing aid dealers of Illinois and the State Medical Society to accomplish legislation similar to that of Florida.

In fact, Illinois is one of only 11 States without a retail hearing aid licensing law. If there are complaints from Illinois about hearing aids, that may well be the underlying factor.

Hearing aid mail from Illinois would very likely have a different character and quantity of mail if that State had enacted regulatory legislation in the hearing aid field.

The Florida law has been strongly supported by hearing aid retailers, because it permits only businessmen who can pass a tough competency examination to go into business—and it establishes an effective licensing board to cancel the license of any individual who does not comply to strict standards and comprehensive State regulations. Such regulation is unquestionably in the State legislative domain.

In my opinion, if policing of an industry composed of small businessmen operating almost exclusively within their own States is necessary, it can best be accomplished by the States. That is precisely what three-forths of the States have done.

This type of policing works well in Florida. I understand it does in other States—and can in all States.

THE SUGAR SITUATION

Mr. BENNETT. Mr. President, on Friday, June 7, after a long and confused debate, the House refused to pass an extension of the Sugar Act, which has regulated and limited the price of sugar since 1934. One of the arguments made by its opponents was that the act had in fact operated to keep the price of sugar higher than it should be and that if the act were repealed, the price would go down. The supporters of the act argued that exactly the opposite was true.

I think my colleagues, particularly those from the large consumer States, will be interested in finding out who was right. The following record of price movements is very clear:

Friday, June 7—Raw sugar price: 25.5 cents per pound—1 cent higher than on June 5 when the House killed the Sugar Act.

Monday, June 10—The price for raw sugar increased one-half cents per pound today. At 26 cents per pound, the price is one and one-half cents higher than on June 5 when the House killed the Sugar Act. When the USDA suggested elimination of the Sugar Act—November 1, 1973—the price was 11.2 cents per pound. Never before in the 40-year history of the act had the price been more than 13.2 cents.

Tuesday, June 11—Price of sugar rose 1 cent per pound today. At 27 cents per pound, the price is now 2½ cents higher than on June 5, when the House voted down the Sugar Act.

This is an increase of 10 percent in 3 trading days.

KATHARINE CORNELL

Mr. BROOKE. Mr. President, along with millions of Americans, I was saddened to hear of the death of Miss Katharine Cornell who was a dear friend and, as Alexander Woollcott said, "the First Lady of the Theater." Miss Cornell passed away early Sunday morning, June 9 at the age of 81 in her home on Martha's Vineyard, which she loved so well and where she lived in her later years.

To those of us on the Vineyard, she was a gracious friend and a generous neighbor. I was one of those privileged to be associated with some of her Vineyard endeavors and found that to them she brought the same dedication, and enthusiasm, and taste that she brought to the stage. She had a great sense of history, both of the theater and of her country. And one of her monuments on the island of Martha's Vineyard is the restored 300-year-old town hall of Vineyard Haven where fittingly her memorial service will be held.

For decades Katharine Cornell was the standard by whom others in the theater were measured. Brooks Atkinson wrote yesterday in the New York Times:

> The great ones have a little something extra. To their love of the theater, to their intelligence and their willingness to work, they bring a personal incandescence that cannot be explained. Katharine Cornell was one of these. Something electric happened

To Miss Nancy Hamilton, her longtime and devoted friend and companion to the end we offer our sympathy.

We have all suffered an irreplaceable loss.

Mr. President, I ask unanimous consent that the New York Times articles of June 10 about Miss Cornell be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

KATHARINE CORNELL IS DEAD AT 81

(By Alden Whitman)

Katharine Cornell, one of the great actresses of the American theater, died of pneumonia early yesterday at her home in Vineyard Haven, Mass. She was 81 years old.

A memorial service is being planned for next week in Vineyard Haven's Association Hall, the 300-year-old former Town Hall that Miss Cornell helped restore. Her body will be cremated in Boston tomorrow.

"The First Lady of the Theater" was Alexander Woollcott's phrase for Katharine Cornell. Uttered with that critic's usual hyperbole, the description was nonetheless apt, for Miss Cornell was indisputably a reigning Broadway star of the second quarter of the century, an actress without peer in emotional, romantic roles, and one, moreover, who took her plays to the byways and crossroads of America, thereby helping to shape the country's cultural tastes.

With Helen Hayes and Lynn Fontanne, her contemporaries and rivals, Miss Cornell epitomized the artistry of acting. She represented the theater of quality in such dramas as "The Barretts of Wimpole Street," "Romeo and Juliet" and "Candida"—her three greatest triumphs. More than triumphs than technique, they were triumphs of winning and holding audiences, of exciting them and dazzling them and illuminating them.

One of Miss Cornell's strengths as an artist was her ability to create character. Many of the plays she appeared in were weak or flawed—"The Green Hat," for example—but she could transform the material and create the illusion that the viewer was witnessing a memorable play. Part of this was her acting genius and part her looks. Her face, with its high cheekbones, was somewhat Oriental in cast; her hair was dark brown (almost black) and her prominent eyebrows curved down toward her checks. It was a mobile and expressive face, one that captivated, among others, Bernard Shaw.

"I don't think I was ever so astonished by a picture as I was by your photograph," the British playwright wrote. "Your success as Candida, and something blonde and expansive about your name, had created an ideal suburban British Candida in my imagination.

"Fancy my feeling on seeing in your photograph a gorgeous dark lady from the cradle of the human race—wherever that was—Ceylon, Sumatra, Hilo, or the southernmost corner of the Garden of Eden!"

A DIRECTOR'S COMMENTS

Miss Cornell's professional and private life was bound up with Guthrie McClintic. When she made her Broadway debut in 1921 in "Nice People," Mr. McClintic, then a young casting director, saw her and wrote in his notebook, "Interesting. Monotonous. Watch."

Not only did he observe her, but also by early fall he had married her. The union was a companionship that lasted for 40 years until Mr. McClintic's death in 1961. In that time he directed her plays and helped to mold her abundant talents. At his death she left the stage, for she felt that acting without him would be too difficult.

"If not for Guthrie, I think I would have continued just drifting," Miss Cornell remarked many years later. "He wanted to be an actor and my career was a sublimation of his desire, because he could pour his talents through me and that was a great advantage to me.

"I continued in the theater buoyed up mostly by his enthusiasm for it. He was one of those people who fascinated you always. You were never bored; sometimes upset, but never bored."

As well as heartening critical successes, the actress had a number of discomforting failures—among them Jean Anouilh's "Antigone," Christopher Fry's "The First Born" and S. N. Behrman's "No Time for Comedy." Her feel for comedy was limited, and she had an unhappy tendency to throw away laughs, in the critic John Mason Brown's phrase, "as profligately as Madame Ranevsky threw away money."

Lusty or romantic women were more to Miss Cornell's aptitude. Her first starring role was Iris March, the lost but sexually hearty heroine of Michael Arlen's "The Green Hat," which was produced in 1925. For several years she was the femme fatale in such melodramas as "The Letter" and "Dishonored Lady."

FORMED PRODUCING UNIT

In the thirties, however, she all but dropped that role for straight romance, a step that coincided with the establishment of her producing association, called Katharine Cornell Presents. Its first play, in 1931, was Rudolf Besier's "The Barretts of Wimpole Street," the courtship and elopement of Elizabeth Barrett and Robert Browning. Revived five time, it fixed Miss Cornell in theatergoers' minds as a romantic actress.

Describing the play and Miss Cornell's impact at the time, Brooks Atkinson, The New York Times drama critic, wrote on opening night:

"[The play] introduces us to Katharine Cornell as an actress of the first order. Here the disciplined fury she has been squandering on catch-penny plays becomes the vibrant beauty of finely wrought character.

"By the crescendo of her playing, by the wild sensitivity that lurks behind her ardent gestures and her piercing stares across the footlights she charges the drama with a meaning beyond the facts it records. Her acting is quite as remarkable for the carefulness of its design as for the fire of her presence."

"The Barretts" ran for a year on Broadway, and then Miss Cornell shepherded her company on a 20,853-mile tour of the United States, a daring venture in the Depression. They performed repertory in 77 cities and towns—places like Thomasville, Ga.; Amarillo, Tex., and Portland, Me. The plays in addition to "The Barretts," were "Candida" and "Romeo and Juliet."

"We opened up the road," Miss Cornell said. "We made 'The Barretts' and 'Candida' pay for Shakespeare. 'The Barretts' never played to an empty house—the receipts would be something like $33,000, then about $28,000 for 'Candida' and for 'Juliet' about $18,000 to $19,000, so that we came back having more than broken even. We really felt prideful.

"We continued life that for many years, alternating New York with the road, paying for ourselves with Sidney Howard's 'Alien Corn,' Shaw's 'St. Joan' and 'The Doctor's Dilemma' and some of the others—until later on, when costs got too high with 'Antony and Cleopatra' we had to call in angels."

THE AUDIENCE WAITED

Miss Cornell's hold on her audience was astonishing. One Christmas Day the troupe was on its way from Montana to Seattle for a week's engagement opening that evening. Floods delayed the train, and at curtain time the actors were far from Seattle and resigned to missing the performance—and their pay for it.

The train finally arrived at 11:15, and

the group discovered that the audience was still waiting. The curtain rose at 1:05, and Mr. Woollcott, who was present, described the experience:

"The excitement, the heady compliment paid by the audience in having waited at all, acted like wine on the spirits of the troupe and they gave the kind of performance one hopes for on great occasions and never gets."

The actress's skill on the stage was all the more remarkable because she was usually nervous and fidgety before she went on. "I was nervous from the very beginning and it got worse as the years went on," she once confessed, adding:

"I was conscientious and wanted to do more, always, than I was able. I don't think, when I was playing, that I was ever happy—beginning at 4 o'clock any afternoon."

BORN IN BERLIN

Katharine Cornell's bent for acting was familiar, since both her grandfather and her father were both actors manque. She was the only child of Dr. Peter C. and Alice Cornell, and she was born in Berlin, where her father was studying surgery. The precise date was a mystery. For years she said it was Feb. 16, 1898; but when she was in her 70's she offered the year as 1893, explaining:

"When an actress is younger she likes to lower her age, but when she is older she likes to add to her years."

In any event, Katharine had an early exposure to the theater in Buffalo, where the family lived for many years and where her father quit medicine to manage a playhouse. "I drifted into acting," she once remarked. "My grandfather had a house in Buffalo in which there was a stage and his friends met every two weeks or so to put on plays.

So it was natural for me to put on plays too when I went to boarding school. I put on everything in the drama—I was indiscriminate. I put on Yeats and Shaw and Lady Gregory."

Her first professional opportunity came when the director of the Washington Square Players visited her school in Mamaroneck, N.Y., to do a play. Recalling the occasion, Miss Cornell said:

"[Eddie Goodman] told me to come and see him if I ever wanted a job. When I did he gave me a part in 'Bushido,' a No drama they were putting on. All I got to say was 'My son, my son'; it was a very exciting moment when they told me I could have the part. That was in 1917.

"I sort of slid from one thing to another after that. I was with the Jessie Bonstelle Stock Company in Detroit and Buffalo for three seasons—10 performances and a new play every week. She was an amazing woman who did a great deal for me."

One of the things Miss Bonstelle did for Miss Cornell was to take her to London as Jo in "Little Women." She was seen there by, among others, two Scottish women who urged her upon Allen Pollock, a producer, who was searching for an actress for Clemence Dane's "A Bill of Divorcement," to be presented in New York. She got the part of an ingenue, and she had a personal triumph when the play opened in 1921. It ran for two seasons.

After appearing in some indifferent dramas, she did the title role in "Candida" in 1924 to critical raves. One of them read:

"The tenderness, the poetry, the supreme womanliness of Katharine Cornell's impersonation of the title part puts this actress a notch ahead of anything she has yet attempted. It is an impersonation touched by the wand of genius."

Then there was "The Green Hat" and assured stardom status that pulled through such dubious dramas as "Dishonored Lady" and "The Age of Innocence" in the late twenties. Whatever the role, Miss Cornell declined to have retrospective regrets.

"The audience may not have felt it was right and the author may have felt a little upset, but every part I've played I've twisted around in my mind until I've made it into something of my own," she said. "Looking back over it, I didn't deliberately sit down and plan like that, but it does read like it."

Most of her plays were chosen by her husband, "who gave me the confidence I needed." "Guthrie persuaded me to do Shakespeare and I was very frightened of Shakespeare," she remarked, adding:

"There are some plays we never got around to doing. Shaw's 'Heartbreak House,' for example, but I simply could not find my way through to Mrs. Hushye. I couldn't connect with her. We kept around any number of versions of 'The Cherry Orchard' and never did anything about that either."

She did one Chekhov play, however, "The Three Sisters," in which she brought together Judith Anderson, Ruth Gordon, Alexander Knox and Edmund Gwenn. It ran for 230 performances in the season of 1942–43. Indeed, Miss Cornell was generous in selecting her supporting casts, which over the years included Marlon Brando, Brian Aherne, Charles Boyer, Grace George, Tyrone Power, Gregory Peck, Orson Welles and Laurence Olivier.

DIMINISHED DAZZLE

In the fifties, toward the end of her career, Miss Cornell seemed to many observers to have a diminished dazzle. "The Dark Is Light Enough," "The First Born" and "Dear Liar" did not draw the oohs and aahs of her previous plays.

The actress was reluctant to appear on radio or television. She did act for them, but they were not her media.

For years Miss Cornell and her husband lived in a house on Beekman Place. Then in 1951 they moved to Sneden's Landing, N.Y., and after Mr. McClintic's death she gave up that house for a summer place on Martha's Vineyard, Mass., and a small house in New York.

For her acting and her contributions to the stage, the actress received dozens of awards and honorary degrees. A room at the New York Public Library's theater collection at Lincoln Center was dedicated to her and her husband. And she was given the National Artists Award of the American National Theater and Academy, a gold medal, on which ironically, her first name was spelled "Katherine."

The citation was less in error, for it lauded her "incomparable acting ability and her theatrical genius" and said that she had "elevated the theater throughout the world."

LADY OF THE THEATER: KATHARINE CORNELL LIGHTED STAGE WITH INTEGRITY, TASTE, AND TALENT

(By Brooks Atkinson)

The great ones have a little something extra. To their love of the theater, to their intelligence and their willingness to work, they brng a personal incandescence that cannot be explained. Katharine Cornell was one of these. Something electric happened when she stepped on the stage.

She was born to be an actress. When she was a child in Buffalo she played at acting. Acting and athletics were her chief interests at the Oaksmere School in Mamaroneck, N.Y., where she wrote scripts and played in them. In masquerades, too, apparently, because as a teen-ager she played Napoleon in Shaw's "The Man of Destiny" and Malvolio (to Theresa Helburn's Sir Toby Belch) in "Twelfth Night."

After one of her earliest appearances, when she hardly knew how to get around the stage, someone described her as "a young, dead-white American Duse." She was not pretty but she was beautiful on the stage. "A gorgeous dark lady," Shaw called her.

A HAUNTING VOICE

No doubt her personal shyness was part of the mystery of her acting. She lacked self-confidence. She was never sure that she was ready to play a part in public. But when she did step on the stage as Jo in "Little Women" in London in 1919 or in the major part in "The Barretts of Wimpole Street" in 1931, the audience instantly knew that she was ready. Those dark eyes, that haunting voice, that sensitive face, that quiet splendor filled the stage.

She began prosaically. In the early nineteen-twenties she acted the routine romances that were the standard fare of Broadway: Rachel Crothers's "Nice People (in which Tallulah Bankhead, Francine Larrimore and Merle Maddern also appeared); Clemence Dane's sentimental "A Bill of Divorcement" and her maudlin "Will Shakespeare," and in 1925 Michael Arlen's "The Green Hat," in which she impersonated one of the disaffected young people of the time. That romantic banality was a fabulous success. After 23 weeks in New York it moved to the Majestic Theater in Brooklyn, where for the first time her name appeared in lights. Having come up the hard way, she was a recognized star.

But the great days were ahead. There was more than glamour to her acting. Collaborating with her husband, Guthrie McClintic, the director, she made something beautiful and exhilarating out of the American theater. She played some glorious if difficult parts—Candida, several times; Juliet more than once; André Obey's static Lucrece, because she believed in its moral grandeur, St. Joan and Antigone; and when she played Shaw's "The Doctor's Dilemma" the focal point inevitably slipped away from the medical problem to the character of a concerned lady. She played in Chekhov's "The Three Sisters" with a brilliant cast.

The Cornell productions (in which her name appeared at the bottom of the cast) were on the highest possible artistic level. None of the secondary parts were played by secondary actors. The scenery, the costumes, the lighting were first-rate. Everything was the best the theater could offer.

RESPECTED AUDIENCES

People all over the country had a chance to realize that she was a great actress. In her grand tour in 1933–34 she and her company gave 225 performances of three plays in 77 cities in 31 states. The road company was identical with the original one. For she was not only a great actress but also a great lady. She was honest and considerate. She respected audiences. She worked hard because she believed that audiences of all kinds and everywhere were entitled to the best. Note that her least memorable characterizations were of worldly women—the cynical wife in Maugham's "The Constant Wife" and Mrs. Pat Campbell in "Dear Liar." Also, Cleopatra: the part was not for her.

If she had a great reputation it was not because she had manufactured it. It was because—in addition to that personal magnetism—she had the integrity and taste of a lady.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate will resume the consideration of the Jackson amendment (No. 1405) on which there will be 80 minutes of debate. The clerk will state the amendment.

The legislative clerk read as follows:

On page 17, between lines 20 and 21 insert a new section as follows:

SEC. . (a) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of any such country. It is the purpose of this section to provide for such an assessment and to authorize the Secretary of Defense to review proposed export of goods or technology to any such country and disapprove such exports whenever he determines that the export of such goods or technology will significantly increase the military capability of such country.

(b) Notwithstanding any other provision of law, whenever a request for a license or other authority is required by any person to export any goods or technology to any controlled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request for a period of thirty days after the Secretary of Defense has been notified. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and shall:

(1) disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country; or

(2) notify such office or agency within such period that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

(3) indicate, prior to the expiration of the thirty-day review period, that he does not intend to interpose an objection to the export of such goods or technology.

If the Secretary notifies such office or agency within such period that he disapproves such export, no authorization may be issued for the export of such goods or technology to such country.

(c) In determining whether the export of any goods or technology to any controlled country will significantly increase the military capability of such country, the Secretary of Defense shall take into account all potential end uses regardless of the end use indicated by the applicant for the export of such goods or technology.

(d) Effective on June 1, 1974, the removal of any category of goods or technology requiring an export license or other authorization shall require the approval of the Secretary of Defense.

(e) The Secretary of Defense is authorized, on behalf of the United States, to disagree to any modification of the so-called COCOM international lists (or interpretations thereof) if he determines that such modification would likely result in a significant increase in the military capability of any controlled country.

(f) As used in this section—

(1) the term "goods and technology" includes but is not limited to—

(A) machinery, equipment, durable goods, and computer software;

(B) any license or other arrangement for the use of any patent, trade secret, design, or plan;

(C) the so-called know-how or knowledge of any individual, firm, corporation, or other entity;

(D) assistance in planning and joint venture arrangements; and

(E) arrangements under which assistance is provided in developing a manufacturing capability, including so-called turnkey arrangements.

(2) The term "export control office" as used in this section means any office or agency of the United States Government whose approval or permission is required pursuant to existing law for the export of goods or technology.

(3) The term "controlled country" means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechslovakia, and the German Democratic Republic (East Germany).

(g) The Secretary of Defense shall submit to the Congress every six months a report on the implementation and administration of this section.

(h) All actions undertaken pursuant to this section shall be subject to a final determination by the President of the United States.

(i) The provisions of this section shall expire on December 31, 1975.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. JACKSON. Mr. President, I ask unanimous consent that David Rosenbaum, of my staff, and William Van Ness, of my staff, be permitted the privilege of the floor in connection with the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I first yield to the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. It is not in order to do that unless it is done by unanimous consent.

Mr. SCHWEIKER. Mr. President, I would ask the distinguished Senator from Washington——

Mr. JACKSON. Mr. President, I ask unanimous consent that the amendment of the Senator from Pennsylvania (Mr. SCHWEIKER) may be brought up at this time and stated.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the amendment.

The legislative clerk read as follows:

AMENDMENT BY SENATOR SCHWEIKER TO AMENDMENT NO. 1405 TO S. 3000

At the end of the bill add the following:

"(j) Whenever the President exercises his authority under subsection (h) hereof to modify or overrule a determination made by the Secretary of Defense pursuant to this section, the President shall submit to the Congress a statement indicating his decision. Either House of the Congress shall have a period of thirty (30) calendar days of continuous session after the date on which the statement is transmitted to the Congress to disapprove by majority vote the action of the President."

Mr. SCHWEIKER. Mr. President, my amendment to the pending amendment is one which I think the Senator from Washington (Mr. JACKSON) may wish to consider incorporating in his amendment. I should like to ask at this point whether the distinguished Senator from Washington would consider making this amendment a part of his.

Mr. JACKSON. Mr. President, the amendment is, I think, sound. It would simply give to Congress, either the House or the Senate, the final and ultimate authority to override a decision by the President to permit the issuance of an export license to a controlled country. I ask unanimous consent that my amendment be perfected in accordance with the Schweiker amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JACKSON. I thank the distinguished Senator from Pennsylvania, because I think this amendment is extremely helpful and constructive.

Mr. President, the amendment, No. 1405, we are proposing to the defense procurement bill has a simple purpose: to assure that adequate weight is given to the requirements of our national security in the complex process of assessing and approving export licenses to the Soviet Union and the Eastern bloc countries. The amendment accomplishes this purpose by enabling the Secretary of Defense, in those cases where he finds that the granting of an export license would significantly increase the military capability of the recipient, to disagree to the issuance of any export license presently required by law.

The amendment provides that all actions undertaken by the Secretary of Defense pursuant to this section shall be subject to a final determination by the President of the United States, subject, in turn, to congressional review. This later provision, that of congressional review, will help to assure that Congress will play its rightful role in making the final determination in those cases serious and controversial enough to be brought before it through the procedures outlined in subsection (j).

In recent years, Mr. President, we have seen a dramatic increase in the number of requests for export licenses for the transfer of high technology to the Soviet Union and the Eastern bloc countries. There are, at this very moment, some 200 cases awaiting action in the computer area alone. The existing procedures weight the determination to grant an export license heavily on the side of commercial interests. The principal control function is exercised in the Department of Commerce, where, despite the enormous increase in the number of license requests in recent years, the number of personnel involved in this crucial work has actually declined—just as, ironically, the number of personnel engaged in promoting the sale of goods and technology to countries controlled under this amendment has increased considerably.

In the Department of Defense, which is consulted on these matters, the direct staff reviewing applications for export permits consists of three full-time officials, two of them senior, and the part-time assistance of a fourth. These dedicated and able individuals have to deal with a very large number of cases—some 3,300 for the years 1972–74. Despite the resources elsewhere in the Government on which they are able to draw, they lack both the authority and the staff to give to each request the careful scrutiny that I believe this sensitive national security matter requires. Given more authority in this area, as we do in this amendment, I am confident that the requisite staff support can be organized within the Department of Defense.

In my judgment, Mr. President, commercial considerations ought to be subordinate to considerations of national security in the granting of export licenses—particularly in the area of high technology—to the Soviet Union and the Eastern bloc. It is only logical, therefore, that the decisive authority to pass on these requests ought to lie in the Department that is best able to assess the military implications of proposed exports. That, clearly, is the Department of Defense, and finally subject to the action of Congress itself.

SOVIET INTEREST IN IMPORTING TECHNOLOGY

The Soviets have made it plain that their interest in importing technology lies not so much in buying our products—this is the key—as in buying our know-how and production capability. The Soviets do not lack ability in basic science. It is in turning basic scientific and technical ideas into production line items that they lag far behind us. It is the products, techniques and manufacturing facilities which represent our highest technology in which the Soviets are principally interested. Agriculture is one of these, but I shall concentrate my attention here on those which have more direct military significance. Wide-bodied jets, computers, and integrated circuitry are three good examples of the kind of thing I have in mind.

We have an overwhelming technological lead in these areas. When I speak of our lead I do not refer to basic scientific understanding—though we lead there also—but rather to the ability to mass-produce these items.

WIDE-BODIED JETS

First, consider wide-bodied jets. There are only three companies in the world who produce long-range, wide-bodied jets: Boeing, Lockheed, and McDonnell Douglas. The Soviets have asked all three of our wide-bodied jet manufacturers to build a large-capacity aircraft manufacturing complex for the quantity production of wide-bodied transport aircraft. This aircraft manufacturing complex would be more advanced than anything today in the United States. It would produce in one place everything from the airframe and the engine to the fasteners. No such integrated aircraft manufacturing complex now exists anywhere in the world. The aircraft it would produce would be 60 percent faster, carry 25 percent more, and fly 20 percent farther than the world's now largest wide-bodied jet, the 747. The production rate of this plant would be approximately equal to the total annual production of all three of our wide-bodied jet manufacturers.

The military implications of such a plant are obvious. It is the opinion of our best analysts that the Soviets have no need for so many long-range jets of such large capacity and high speed for commercial purposes; nor are they likely to develop such a need in the foreseeable future. They might, of course, be planning to export these jets to the world market, which would deeply injure our own aircraft industry and remove the biggest industrial hard currency earner we have.

But the Soviets do have a clear military need for such aircraft. They have previously based military transports upon prior civilian transports. The AN–12, for example, their most common military transport, was produced from the AN–10, a civilian transport. While the Soviets have a considerable cargo-carrying capacity in their present military transports—although, as we have seen in the recent Arab-Israeli conflict, it is not up to our own—they lack suitable aircraft for moving large numbers of troops over long distances. They have their forces dispersed in two large groups, one in western Russia and Eastern Europe, the other in the Far East along the Chinese border. They very much need the capability to move troops from one of these areas to the other rapidly, surely, and efficiently. In addition, the capability for Soviet military intervention in other areas of the globe, such as we recently were faced with in the Middle East, would be enormously facilitated by superheavy, very long range, high-speed, wide-bodied jets. Moreover, since what the Soviets wish to purchase are not aircraft, but an integrated production facility, it could also be used to make any sort of long-range, high-speed aircraft, including other types of military transports, airborne tankers, and very large bombers.

COMPUTERS

Let me now turn to the area of computers. Computers perform vital functions throughout the entire structure of our Defense Establishment. It is not only the speed of a computer that is important, but also its flexibility of function, its ability to input and output data, the number of independent users it can simultaneously serve, and the amount and type of software which is, or can be made, available to use on it. The most current estimate by the Commerce Department's own independent technical advisers is that we are at least 10 years ahead of the Soviets in computer capability and that they show no signs of closing the gap. Five years ago they were also 10 years behind us. The Soviets have produced in quantity only one large computer, the Bessem 6. This computer, which is still in production, is based on technology which is 15 years old. It is made of individual transistors and tubes, each hand-wired into place by workers with soldering irons.

In the middle 1960's the Soviet Union decided to move into third generation hardware by building the RYAD family of machines based on the architecture of the IBM series 360 computers. By 1969, most of the countries of Eastern Europe had joined the program under Soviet pressure. The original Soviet goal was to begin production in 1970, and to produce 12,000 to 15,000 RYAD's during the ninth 5-year plan—1971–75. The only RYAD model in current production is the small ES–1020, and probably no more than 100 of these machines were built by the end of 1973. The expansion of 1020 production and the series production of the other models suffer primarily from serious difficulties in the production of sufficient quantities of reliable integrated circuits, and to a lesser degree from a lack of modern production technology. It seems clear that the Soviets' original goal of several thousand RYAD's per year by 1975 is unobtainable. Without Western assistance this goal may prove difficult even by the end of the 1970's.

The Soviets are making every effort to close the gap in computer technology in the only way that is possible for them: to get us to give it to them. Their efforts have not been without success. Recently one of our largest computer companies signed a protocol of intent with the Soviet Union which calls for the joint development of the next generation of large high-speed computers. In addition, this protocol calls for the American company to create a plant for manufacturing this new computer and for manufacturing the most modern peripheral devices. This plant, in the usual Soviet style, would be one of the largest in the world. This venture, if allowed, would not only create, full-blown, a most serious competitor for our overseas computer sales, but it also would, by moving the Soviets 10 years into the future, enormously upgrade their military potential across the board.

INTEGRATED CIRCUITRY

Finally, integrated circuits are critical components in almost all of our high-technology military systems. As a matter of fact, integrated circuits were first developed for the Minuteman missile program, largely with research and development funds appropriated for the Air Force in procurement bills such as this one. Until 1967 the vast majority of all integrated circuits produced in this country went into military systems. In addition, they play a fundamental role in the production of modern computers. As I indicated earlier, the most important factor holding up the new Soviet line of computers is their difficulty in the production of sufficient quantities of reliable integrated circuits. The technology of integrated circuits lies not in the circuits themselves, but in the production line by which they are produced.

One of the countries of the Soviet bloc, not long ago, signed a contract with one of our largest manufacturers of integrated circuits. This contract calls for the American company to set up a complete turnkey production line to make integrated circuits for hand calculators. It also calls for this American company to transfer any new knowledge and techniques that it develops for the production of these circuits within the next 5 years. The production of integrated circuits for hand calculators sounds like an ordinary commercial transaction. But it has implications far beyond that. Because the technology lies not in the circuits but in the production line, such a production line, with at most minor changes, can produce almost the entire range of circuits used in military applications. If this production line is built, we will have transferred a large part of our national integrated-circuit technology. This is particularly true since, with the very large amount of cross-licensing in this industry, the technology available to this company includes most of the technology in the industry as a whole. If this contract is allowed to go through, we will have removed the largest single problem the Soviet bloc has in the production of modern computers, and enormously upgraded the military potential of our adversaries. All this for less than $20 million, and most of that on very low-cost loans.

SUMMARY

We, and our allies, Mr. President, have gone down the road of unimpeded free trade for a quick buck with our totalitarian adversaries before. The scrap iron we sold to Imperial Japan before the Second World War came back on battlefields in the Pacific. The Rolls-Royce Nene jet engines the British sold to the Soviet Union after the Second World War were copied and went into the Mig-15's which flew against us and the British in Korea, and the Mig-17's which have flown and are still flying against our allies today.

The mistakes we are in danger of making today are far more serious. The Soviet Union has more men, more planes, more tanks, and more of almost every other kind of armament than we do. It is only the quality of our weapons that allows us to maintain the military balance. The higher quality of our weapons is almost solely based on our more advanced technology and manufacturing know-how. If we do not give the Soviets our most advanced technology I do not believe, given the nature of our two societies, that they will ever catch up. Indeed, I believe they will fall constantly further behind. If we do give them our most advanced technology, if we design for them the world's most advanced wide-bodied jets and supercomputers and then build them the world's largest plants to manufacture these and other high-technology products, we will earn the all time record for shortsightedness.

This amendment is a step in the right direction. It gives the Secretary of Defense, under the President, the right to disagree to the issuance of an export license to the Soviet Union and Eastern bloc if doing so would significantly increase the military capability of the recipient. The Commerce Department is ill-equipped to understand all the military implications of high technology areas. It is essential that the Department of Defense be brought into this process in a fundamental and statutory way to protect us from the sort of dangers I have outlined. And it is sound and prudent to provide for ultimate congressional review.

I understand that the U.S. Government thinks the problem is serious enough that a special, high-level NSC study has been commissioned in the last month to determine what can be done to stem the leak of technology having military application to the U.S.S.R.

The preliminary conclusions of that study group, which involves the U.S. intelligence community, and the Departments of State, Defense, and Commerce, indicate that there is indeed a much larger flow of military-related technology to the Soviets than the Government had previously suspected; that our system of controls is full of loopholes, and that it can be—and has been—easily evaded; that Soviet military capabilities have already profited extensively from the transfer of U.S. technology; and—what is most dangerous of all—the U.S. Government's system for keeping tabs on these transactions is so poor that the administration has absolutely no confidence that it even knows the full extent to which the Soviets have profited from the technology dump that has been going on over the last several years.

It is a situation that verges on scandal. The Soviets are exploiting it to the hilt; and until we get some effective control over it, they will continue to mine our advanced technology in support of their effort to shift the military balance further to their own advantage.

The Government's study I referred to is being very closely held, because of its embarrassing potential; but so far it has produced a catalogue of horror stories which clearly demonstrate the ineffectiveness of our current system of controls, and the need to bring the Department of Defense—which understands the relationship between advanced technology and military systems—more actively into the business of keeping U.S. science and industry from contributing so significantly to the buildup of Soviet military capabilities.

Mr. President, for several weeks the Permanent Subcommittee on Investigations, in a preliminary way, has undertaken a serious investigation of the whole question of technology transfer. We will be holding hearings on this matter in due course, as soon as authorized by the committee, and I would point out that what is at stake here is the transfer of technology that bears vitally on the security of our country, technology that involves not so much the sale of products manufactured in the United States, but the export of production capability and therefore jobs. I can think of nothing more foolish than for the airplane industry of this country to construct plants over in the Soviet Union; and that includes a firm in my State and firms in other States involving McDonnell-Douglas, Lockheed, and Boeing. I cannot think of anything more foolish than to move these plants with even more advanced technology than we now have to the Soviet Union to be sold on the world market in competition with the nations of the free world.

Mr. President, as I pointed out, the second largest source of our export trade and hard currency is commercial aircraft. This is but one example. My plea now is to have the machinery set up to make the evaluation, and finally to let Congress decide as provided in the Schweiker amendment, whether that transfer should occur.

Mr. President, I hope the Senate will adopt the amendment.

I ask unanimous consent that the distinguished Senator from Georgia (Mr. NUNN) be added as a cosponsor.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JACKSON**. Mr. President, how much time have I remaining?

The **PRESIDING OFFICER**. Seventeen minutes.

Mr. **JACKSON**. Mr. President, I yield 5 minutes to the Senator from Pennsylvania, who has been doing such a fine job on this amendment.

Mr. **SCHWEIKER**. Mr. President, I ask unanimous consent that Mr. David Marston, my legislative assistant, may have the privilege of the floor during the debate and vote on the amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **SCHWEIKER**. Mr. President, I wish to commend the Senator from Washington (Mr. JACKSON) for offering amendment 1405 today. I am happy to cosponsor the amendment. I believe it will protect our national interest in connection with foreign technology transfers. Moreover, I am particularly pleased that Senator JACKSON has accepted my modification which places ultimate responsibility for protection of our national interest in the Congress.

I am somewhat surprised that legislative action to protect our national interest always seems controversial. I had always thought protecting our national interest was about like endorsing motherhood or apple pie—something the Senate would do relatively routinely, with little debate. But this has not recently been the case.

Last March, I obtained a Comptroller General's ruling that existing law requires an individual Presidential determination of national interest for every Eximbank transaction with a Communist country. The Eximbank refused to follow this ruling, and last month I introduced a Senate amendment which simply required the Eximbank to obey existing law, as construed by the Comptroller General, regarding our national interest. My amendment was finally adopted by the Senate, but only after extensive debate, and it was ultimately dropped in conference.

I think it may be instructive today to review some of the arguments which were made in opposition to my prior amendment regarding our national interest, because the issues today are quite similar.

First, in response to my previous amendment, the Eximbank contended it would be too burdensome to have the President approve each Communist country deal—one Bank official was quoted describing my amendment as a "bureaucratic nightmare." And the formal Eximbank position on my prior amendment contained the following statement:

> If the conference committee accepts the Schweiker amendment, it will be necessary for us to obtain over 280 individual findings of national interest from the President. This is clearly an undue and unnecessary burden on the President.

Today, the shoe is on the other foot. This amendment does not require personal Presidential action. Amendment 1405 simply requires the responsible agency, the Defense Department, to rule on technology transfers which have an impact on defense. Both the State and Commerce Departments already have comparable authority within their respective jurisdictions. So instead of requiring personal Presidential action, as my Eximbank amendment did, this amendment simply requires the Secretary of Defense, pursuant to the President's direction, to make the relevant determination of national interest.

But has the administration applauded this amendment, as one might expect, for endorsing the principle put forward by the administration in connection with Eximbank lending? No. Instead, the administration now implies that this amendment is unnecessary, since the President is already doing what was an "undue and unnecessary burden" 3 weeks ago; that is, carefully scrutinizing each individual technology transfer with our national interest in mind.

Well, if that is in fact the case, Mr. President, I am glad, and I hope the administration will voluntarily extend that scrutiny to Eximbank transactions as well. I might add that if the actions required by this amendment are already taking place, then the amendment will not require any new burden, and I would be surprised by any opposition to it. But if the actions required by 1405 are not taking place today, and if the Secretary of Defense does not now have adequate authority to stop technology transfers against our national interest, then 1405 is a very important amendment, indeed, and I would hope it will receive widespread Senate support.

Let me add that in trying to reconcile the contradictory arguments used by the administration against my Eximbank amendment and against this amendment today, I get the distinct feeling that no one wants the ultimate responsibility—and accountability—for protecting our national interest. We had a Russian wheat deal in which no one was quite responsible, we are facing a Siberian energy deal no one has really approved, and now we have Communist technology transfers—and no one wants to stand up and endorse the deals, but no one wants to stop them either. I think the American people are getting fed up with this—I think it is high time the Senate insists that some specific Government official be accountable for telling us whether each transaction is a good deal or a bad deal, and I think the Congress of the United States should accept the ultimate responsibility for making this determination when the officials cannot agree. This amendment, as modified by this Schweiker amendment, would accomplish that.

The PRESIDING OFFICER. The Senators' 5 minutes have expired.

Mr. SCHWEIKER. Mr. President, I ask for 2 additional minutes.

Mr. JACKSON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. JACKSON. I yield 1 additional minute to the Senator from Pennsylvania.

Mr. SCHWEIKER. I thank the Senator.

Mr. President, the other standard argument on measures of this sort is that the timing is wrong. Either there have not been sufficient hearings, or it will jeopardize Mideast peace prospects, or it will adversely affect the President's current trip. Those arguments can be quickly disposed of today— this measure originated as the result of an investigation in Senator JACKSON's subcommittee, and the committee investigation documents the need for this amendment. As far as the international diplomacy argument is concerned, I have yet to witness any suspension of world events for the purpose of permitting us to consider "sensitive" legislation at our leisure.

The fact is, Mr. President, there is no good time or bad time for amendments of this nature. World events are constantly unfolding, and none of us know what tomorrow may bring. For that reason, if we want to protect our national interest, I submit we must act today, by adopting this amendment.

Finally, as my colleagues know, I have cosponsored and fought for troop reduction amendments to this bill. I support the concept of détente—a meaningful, two-way, relaxation of tensions—and I will continue to support economies in our military spending consistent with that goal. But while I am convinced we can no longer be the world's policeman, I am equally convinced we must stop permitting technology transfers that are against our national interest. This amendment as modified will accomplish this goal, and I urge its adoption.

Mr. JACKSON. Mr. President, how much time does the other side have?

The PRESIDING OFFICER. Thirty-five minutes.

Mr. JACKSON. Mr. President, I suggest that the opposition speak on this matter. I think we have 11 minutes left.

The PRESIDING OFFICER. The Senator is correct.

Mr. JACKSON. I want to reserve my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, who is controlling the time in opposition?

The PRESIDING OFFICER. The Senator from Mississippi is controlling the time in opposition.

Mr. STEVENSON. Mr. President, will the Senator yield me time?

Mr. STENNIS. Mr. President, I am supporting this amendment. I really do not have charge of the time. I think, under the agreement, it goes to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader, I yield the Senator 5 minutes.

Mr. STEVENSON. I thank the distinguished majority whip.

Mr. President, I rise reluctantly to oppose this amendment, and I say "reluctantly" because I believe the distinguished Senator from Washington is doing the Senate and the country a service by bringing this subject before the Congress.

The export of technology to hostile countries could very well adversely affect the Nation's security, and it may be that the procedures which now govern the licensing of exports to certain countries need changing. But that, Mr. President, is a subject which is receiving careful study in the Senate Banking, Housing and Urban Affairs Committee, which has jurisdiction over export controls. In fact, it is a subject which has been receiving study in that committee for a period of many months, and tomorrow morning the Banking Committee will be marking up the Export Administration Act. That act expires as of June 30, 1974. Thus, before the end of the month—within just a few weeks—the Senate will have before it a proper vehicle for the enactment of such an amendment as has been offered by the Senator from Washington. At that time the Senate will also have the benefit of a report by the Banking Committee which has been considering this particular subject, as well as many others relating to export controls.

The bill before the Senate today is a military procurement bill. It has nothing to do with exports. The question raised by the Senator from Washington is a delicate one.

I think clearly the Secretary of Defense should play a role in all decisions as to what items of technology can be exported to Communist countries, including those designated in this amendment, but it is questionable that he should have a veto. After all, it is not the Secretary of Defense, it is the President, who is the Commander in Chief. The relationship between the Department of Defense, the Department of Commerce, which now administers the Export Administration Act, the State Department and the President, in the administration of export controls for national security reasons is one that I think deserves very careful attention, and it has and will continue to receive that attention in the Banking Committee.

The modification offered by the Senator from Pennsylvania (Mr. SCHWEIKER) raises still another question; namely, the role of Congress. Under this modification a decision by the President to override the Secretary of Defense could be overridden by Congress.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STEVENSON. Will the Senator yield me 2 minutes?

Mr. STENNIS. Mr. President, I yield the Senator 2 minutes.

Mr. STEVENSON. I thank the distinguished Senator from Mississippi.

Congress does not seem to me to be a likely body within which to be making serious decisions on highly complex, technical questions—such as whether a computer or an integrated circuit would have an adverse implication for the national security. Those are decisions which might best be left to other branches of Government.

In any event, all these questions, and there are more, are being considered by the Banking Committee. The Banking Committee will be marking up the Export Administration Act tomorrow. Within 2 weeks, or perhaps 3 weeks, the Senate will have an appropriate bill and a report upon which to act on this question.

Mr. JACKSON. Will the Senator yield?

Mr. STEVENSON. Yes; I will yield. May I yield on the Senator's time?

Mr. STENNIS. Yes, acting for the majority leader.

Mr. JACKSON. I will yield 1 minute of my time.

Mr. STENNIS. I think the majority leader has the time.

Mr. JACKSON. I think I control the time of my amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the Jackson amendment, the Cranston-Kennedy amendment, and the Mathias amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, who is in control of the time?

Mr. STENNIS. Mr. President, I am going to support this amendment so I would not have control of the time. I think it would be the majority leader.

The PRESIDING OFFICER. The time was given to Senator STENNIS. But under normal procedure it would go to the minority leader.

Mr. STENNIS. I am authorized to act for the minority leader then. How much time does the Senator desire?

Mr. STEVENSON. Mr. President, may I ask this question of the distinguished Senator from Mississippi. Would it not be appropriate for the Senator from Illinois to control the time?

Mr. STENNIS. I am willing. Under the agreement with the leadership, it goes to him. I support the amendment.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the leadership I yield the time to the distinguished Senator from Illinois (Mr. STEVENSON) for his control.

Mr. STEVENSON. I thank the distinguished Senator.

Mr. President, I wanted to raise one further question to suggest how complex this subject is.

As I read the amendment, it would subject to review exports of certain commodities and services only to certain countries. The countries as to which this procedure would apply are enumerated. They include the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, and the German Democratic Republic. They do not include, to mention just a few, the People's Republic of China, North Korea, North Vietnam, or Cuba.

I do not know what the purpose is for excluding some Communist countries and including other countries; and I do not know, but it is possible, that this amendment could be interpreted in the courts as repealing all the existing procedures which govern exports of high technology and other sensitive materials to countries such as the People's Republic of China or North Korea.

Those are all questions, Mr. President, which I feel deserve more study.

But I do want to commend, once again, the Senator from Washington (Mr. JACKSON) and also the Senator from Pennsylvania (Mr. SCHWEIKER) for raising a matter which is of the greatest concern to the country and to all of those who are concerned about its national security.

My point is that this is simply not the time, nor the bill by which to act on this subject.

Mr. MONDALE. Will the Senator yield?

Mr. STEVENSON. Mr. President, how much time remains to the opponents of this amendment?

The PRESIDING OFFICER. Twenty-four minutes remain.

Mr. STEVENSON. I yield 5 minutes to the Senator from Minnesota.

Mr. MONDALE. I thank the distinguished Senator.

For some years I presided over the Subcommittee on International Finance of which the distinguished Senator from Illinois is chairman, and we held extensive hearings on what was then known as the Export Control Act and is now known as the Export Administration Act.

Under this act the Government of the United States licenses for export items which may be of strategic or military value. The purpose behind the Export Administration Act is to prohibit the sale of goods or technology of military value, and to permit the sale in commerce of items which are only of economic significance.

For some years this bill was almost the highlight of the cold war era, and we prohibited virtually everything from being sold to the Soviet Union.

At the time we first held hearings in 1969 we prohibited the sale of such crucial military matters as brassieres and wigs and other things on the ground, presumably, that they would make the women of Eastern Europe so beautiful that they would seduce the military leadership of the Western World.

Mr. JACKSON. Will the Senator yield on my time?

Mr. MONDALE. In a moment I will yield.

I just want to make this point. The strong hard opposition to any liberalization to trade with the Soviet Union came from the Defense Department, which saw military significance in practically everything.

If we sold wheat it could be distilled and made into missile fuel. If we sold them hog bristles, they could clean them up and be more presentable to the West, and so on. The result was that there was practically no trade with the Soviet Union. Every time we wanted to sell something to the Soviet Union, persons in the Defense Department would object to that sale.

So in 1969 we amended the act and changed the name to the Export Administration Act, and since that time there has been substantial progress in the sale of peaceful nonstrategic items to the Soviet Union.

One of the central questions is in the field of computers. We had extensive hearings on that matter. It is terribly complex. If you sell old generation computers, for example, there is little prospect that they could be used or would be used for military purposes.

If we sell computers under proper control, recognizing that the companies which manufacture those computers must continue to work with them in order to make them useful, in most cases we can have almost ironclad protection against their military use by the Soviet Union.

To my knowledge, the computers which have been sold have been sold under very strict, severe restrictions to make certain that they will not be used for military purposes. I know of no evidence that they have been used for military purposes. But at least the Banking Committee could explore that element in the course of the hearings leading to the extension of the Export Administration Act soon to begin.

This amendment, in my opinion, transfers the control of the Export Administration Act from the Commerce Department to the Defense Department, because Defense has a veto power over any item which it thinks would have military significance.

I think it would return us to some of the more negative days of the cold war, and I believe before we take such a step there should be proper hearings before the appropriate committee; namely, the Senate Banking Committee.

Mr. JACKSON. Will the Senator yield on my time?

Mr. MONDALE. I am happy to yield.

Mr. JACKSON. I wonder how the Senator feels as to commercial aircraft companies—Boeing, Lockheed, and McDonnell Douglas—building plants, total production facilities, in the Soviet Union?

Mr. MONDALE. Has that been approved?

Mr. JACKSON. No, it has not been approved. It has been the subject of serious discussion. How does the Senator stand on it? I can say that organized labor is 100-percent opposed.

Mr. MONDALE. That is right.

Mr. JACKSON. It involves the export of jobs.

Mr. MONDALE. Well, the Senator is talking about a hypothetical that has not occurred.

Mr. JACKSON. The protocol has been signed by the Boeing Co., and another, similar protocol, has been signed by Lockheed.

How does the Senator stand on it?

Mr. MONDALE. Has that been approved by the Export Administration Office?

Mr. JACKSON. It has not reached that point yet.

How does the Senator stand on that kind of proposal?

Mr. MONDALE. I would be very skeptical indeed. But before we decide to change, to take the authority away from the Commerce Department and from the Banking Committee, let us ask whether this application has been made, or whether they are discussing it seriously. In the meantime, why do we want to turn this all over to the Defense Department?

Mr. JACKSON. Well, we do not.

Mr. MONDALE. That is the way it reads.

Mr. JACKSON. No, the Senator was not on the floor, in fairness to him. We have adopted the Schweiker amendment. Congress has the final say-so.

Mr. MONDALE. That is correct, that the Defense Department has veto power.

Mr. JACKSON. We have adopted an amendment permitting the Congress to make the final determination.

Let me ask the other question: How does the Senator stand on the Control Data computer 7600, which is being produced now? This is the same computer used in the ballistic missile site defense program now in research and development in this country. Other users of the CDC 7600 in this country are two nuclear weapons laboratories, the Naval Research Weapons Laboratory, the National Security Agency, and similar organizations.

Mr. MONDALE. I do not have the slightest idea.

Mr. JACKSON. It is produced in Minnesota.

Mr. MONDALE. Let me answer the question. I am not an administrator in the Export Administration Office. But before we say to the Department of Commerce, "We are going to take all your jurisdiction away and put an absolute veto in the Defense Department," which traditionally has opposed practically every meaningful effort to expand peaceful trade with the Soviet Union, before we get into the question of what kinds of controls might be used to protect against the use of such computers for military purposes—and I know for a fact that the Defense Department is thoroughly advised on these matters—none of these computers are sold until they are, in the judgment of the Department of Commerce, fully protected against military usages; before we just turn everything over, and turn the matter over to the Defense Department, as this amendment would require, let us find out to what extent the fears expressed by the Senator from Washington are valid.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. Can the Senator yield me 2 more minutes?

Mr. STEVENSON. I yield the Senator from Minnesota 2 minutes.

Mr. MONDALE. There are other ways of dealing with this matter. The Committee on Banking, Housing and Urban Affairs has been dealing with the administration of export controls for over 20 years. Let us find out whether these computers raise a defense risk. Let us find out from the Department of Commerce what kind of restrictions they have imposed on them. Let us ask the Commerce Department about the suggestion that Boeing might be planning to move to Moscow. Why does not the Senator from Washington want the appropriate committee to deal with it first, and have hearings?

Mr. JACKSON. There is no argument about jurisdiction here, but I would point out that we are now dealing with serious national security problems. I have a letter here from the Department of Defense which shows that only 44 of the 1,500 COCOM cases that went before the Department of Defense were disapproved by the Department. This is not a cold war issue.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. JACKSON. We are talking about building plants in the Soviet Union, for a variety of defense-related purposes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONDALE. May I have 1 more minute?

Mr. STEVENSON. I yield the Senator 1 additional minute.

Mr. MONDALE. In the course of the 5 years that I have dealt with this issue, the position of the Defense Department was to object to a vast range of commercial sales. They have delayed and they have stalled, and, as far as I know, that attitude still exists in DOD, and before we turn the administration over to the Defense Department, where I think they will veto practically everything and make a dramatic change in U.S. foreign policy in terms of commercial trade, I think we ought to reject this amendment, turn the matter over to the Committee on Banking, Housing and Urban Affairs to explore the serious charges made by the Senator from Washington, and then pass this legislation the way we properly should.

I do not want to export U.S. jobs. I do not want to sell anything that is of significant military value. But we have an agency in place which now consults with the Defense Department on this subject. What this amendment does is turn the whole thing over to the Defense Department, and I think it is a very serious step, indeed.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I reserve the remainder of my time. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining. The Senator from Illinois has 16 minutes.

Mr. JACKSON. How much time on the other side?

The PRESIDING OFFICER. Sixteen minutes.

Mr. JACKSON. I yield the Senator from Mississippi 5 minutes.

Mr. STENNIS. Mr. President, the so-called Jackson amendment raises very serious questions that have rapidly come to the surface within the last several months.

It is very difficult to have a comprehensive program of this sort in law, and it will take a new one to meet the present situation.

As is true in many cases, there is overlapping jurisdiction of this subject matter. The Department of Defense is concerned and involved, but it is by no means the only one that is. The Department of State is concerned and involved, and the Department of Commerce, and the committees that present the legislation here from those departments—and there may be others.

I think that everything considered we cannot afford to ignore this problem that is so rapidly developing. It is getting into the very bone and sinew of the trade of America. Trade associations and groups are vying with each other to an extent that to fully understand, will require rather extensive hearings and perhaps some joint consideration by various committees. That is why I suggested we put a time limitation on this proposal, should it become law.

The Senator from Washington has agreed to that and has in his printed amendment now the language: "Limitation would expire December 31, 1975." As it was first offered on Friday, it appeared that the Secretary of Defense was going to have supreme authority, but that, of course, could not and should not be. But his printed amendment now reads, at page 5, line 6:

> All actions undertaken pursuant to this section shall be subject to a final determination by the President of the United States.

I think that this is a matter that can not be ignored; and I think it is a problem that, if we do not do something in an affirmative way about it, will mean it is being neglected.

There is going to be a serious reaction from the people when they understand this thing and get the facts, and, of course, this will be reflected in Congress, as well.

I support the amendment on the ground that it provides a mechanism that will get at this matter. It would serve on a temporary basis until a real program can be worked out by Congress, which is going to be very much involved. It will take more than a floor amendment on any bill to really set up the structure that I think is eventually going to be necessary.

So, under those circumstances—and I do not know how this would be received in conference or by the membership——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STENNIS. Yes, I am concluding.

For the reasons I have given, I am for the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Five minutes.

Mr. JACKSON. Mr. President, I reserve the remainder of my time.

How much time is left on the other side?

The **PRESIDING OFFICER.** Sixteen minutes remain.

Mr. STEVENSON. Mr. President, the Senator from Mississippi argues that time is of the essence; he argues rightly that this is a matter of great concern to the country. It is. But it will not be resolved 1 minute faster by acting on this amendment than by acting in the ordinary course of events on the Export Administration Act. That act expires on June 30 of this year. Tomorrow, Mr. President, the Banking Committee will mark up the Export Administration Act. The committee has already held hearings on this subject and has examined the control data situation which has been alluded to. It has held hearings over many months and they will culminate in a markup session tomorrow morning. Within a few days, the Senate will have the opportunity to act on this question. The Export Administration Act is the appropriate vehicle, not the military procurement bill, which has nothing to do with exports.

It will not hasten the resolution of this issue by 1 minute to act in connection with the military procurement bill. It is probable that the extension of the Export Administration Act will take effect before the military procurement bill. The Export Administration Act is not only the appropriate vehicle, but also the vehicle which is most likely to lead to some action. In the meantime, the Republic is not about to collapse because under existing law the Secretary of Defense, along with the Secretaries of Commerce and State, and the Commander in Chief, the President, will have all the necessary authority with which to control all exports, not only to the few countries designated in this amendment, but also to many other countries including the People's Republic of China and other Communist countries.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield for a question?

Mr. STEVENSON. I yield.

Mr. PROXMIRE. I have one or two questions on this matter to ask of the Senator from Illinois. He is, as I understand it, the chairman of the International Finance Subcommittee on the Banking Committee. The Banking Committee has jurisdiction over the Export-Import Bank and also on export controls; is that not correct?

Mr. STEVENSON. The Senator is correct. Export control is now authorized by the Export Administration Act, and that act is within the jurisdiction of the Banking Committee, and specifically the Subcommittee on International Finance.

Mr. PROXMIRE. The chairman of that subcommittee, and a responsible member of our committee, acting responsibly in this regard, as I understand it, regards this amendment as usurping the jurisdiction of the subcommittee on a matter on which he is mandated to act and has no option but to act. Tomorrow the bill will be marked up in committee and then will come to the floor within a few days after that. The place for the Jackson amendment is on that bill, and under the law, it must be acted on by the Senate and the House by the end of this month, and it must be in the hands of the President. If we do not take that action, then the law on the books expires, is that not correct?

Mr. STEVENSON. The Senator is absolutely right. The jurisdiction not only of the Banking Committee but the jurisdiction of the subcommittee has been conscientiously exercised over a period of many months and as a result the Senate will be in a position to act responsibly.

Mr. PROXMIRE. I would regard this as an insult, really, to the actions of the Banking Committee to the jurisdiction of the Banking Committee, and to the competence of the Banking Committee, by taking this jurisdiction away from the committee by this kind of action on the floor of the Senate, without giving the Senator from Illinois who has held hearings for weeks and is preparing to mark up the bill any alternative. It is the intention anyway to bring this bill to rapid action on the floor so that it can be extended by the end of June; is that not correct?

Mr. STEVENSON. Yes. I certainly do not think we should be taking a nongermane amendment to this procurement bill when the Banking Committee has been exercising its jurisdiction. The Senate will have an opportunity to face this issue. Even if it were to act on this amendment, it would be an act of futility and probably would go nowhere in the House.

Mr. PROXMIRE. The Senator from Washington and the Senator from Pennsylvania have been serving a very good purpose. There is no Senator who does not agree that we should not export highly technological research to the Soviet Union. I cannot think of anything more stupid, more wasteful, or more dangerous to the national security. All we are asking is that it be handled on the basis of the jurisdiction assigned to the subcommittee and to the various committees.

Mr. JACKSON. If the Senator will yield for purposes of clarification—and I have been working with the Senator from Illinois, and he has done an outstanding job—there is no desire to take jurisdiction away.

Mr. PROXMIRE. But it does.

Mr. JACKSON. It does not. This amendment does not take jurisdiction away. The Secretary of Defense will have the right of veto which the President can override but which would for the first time in our history—we keep talking about giving the President too much authority—give Congress the final say-so. Why should it not be that way?

There is no jurisdictional fight here. The Senator from Illinois deserves great credit. We have been working, of course, for several weeks, the staffs have been working on controls on Eximbank loans.

Mr. PROXMIRE. Well, on something of this kind, why should the Banking Committee not have the opportunity to work together, or to do this together? The issue of whether the Secretary of Defense should have veto power, and then that the President should act, and then that Congress act as the final arbiter, goes very far, and it may or may not be wise, but it profoundly affects our export-import policy. It takes the jurisdiction away from the Banking Committee. It does not give us a chance to make a recommendation.

Mr. JACKSON. Mr. President, the reason is that, under the circumstances with which we are confronted here, we find that the Department of Defense has only an advisory role, even on COCOM cases. COCOM stands for the Coordinating Committee within the Atlantic community, which maintains a list of prohibited exports. Of the 1,500 cases that have been looked at, they have rejected only 44.

I have a letter which I am placing in the RECORD, and I want the Senator to know that.

Mr. STEVENSON. Mr. President, let me read into the RECORD, in connection with the last point made by the distinguished Senator from Washington, a paragraph from a letter by the Secretary of Commerce to the distinguished majority leader. In the letter the Secretary of Commerce objects to this amendment for several reasons.

He states:

> The Jackson amendment would also confer on the Secretary of Defense authority to veto modifications in the list of commodities subject to international (COCOM) control. If enacted, this could have a very damaging effect on U.S. relations with COCOM and on COCOM itself. Member countries who cooperate in the COCOM system voluntarily are likely to resent being subject to the judgments of the Department of Defense.

That is one of the many questions that have been raised by this amendment, all of which deserve very serious consideration. The appropriate committee, as the Senator from Wisconsin has pointed out, is the Banking Committee. All these questions have been considered by that committee over a period of many months. I would not stand on jurisdiction if there was any reason to take action at this moment, but the Export Administration Act is not only a more appropriate vehicle for action; it is also the vehicle that will get action faster since the Export Administration Act expires on June 30, and before June 30 we will have to enact an extension of this law.

Mr. PROXMIRE. Mr. President, on page 2, line 12 of the Jackson amendment the language states:

> Notwithstanding any other provision of law, whenever a request for a license or other authority is required by any person . . .

So this is what knocks out—cancels out—the Export Administration Act.

This is under the jurisdiction of the Banking Committee, the subcommittee headed by the Senator from Illinois. It would take all jurisdiction away, although, as the Senator has pointed out repeatedly on the floor of the Senate, we must act on a bill before the Senator's subcommittee. We are going to mark it up tomorrow. It will be on the floor of the Senate in a few days, and we will have an opportunity then to act in an orderly way, without depriving the Senator of his jurisdiction and without repealing, in effect, much of the Export Administration Act.

Mr. STEVENSON. The Senator is correct. This amendment might have some effects that are unintended, including the possibility, on the face of it, of repealing all the existing procedures in the law for the licensure of exports to other countries, including the People's Republic of China and other Communist countries.

Mr. President, how much time remains for the opponents?

The PRESIDING OFFICER (Mr. ABOUREZK). Each side has 4 minutes remaining.

Mr. STEVENSON. I yield 3 minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I want to make clear that I oppose the sort of militarily risky "deals" that the Senator from Washington and the Senator from Pennsylvania oppose, namely, transactions that would genuinely contribute to the military potential of other nations.

However, we are talking not only about the jurisdiction of committees. We are talking also about the jurisdiction, in foreign policy and in trade, of the State Department, the Commerce Department, the National Security Council, the White House Council on International Economic Policy, the Export-Import Bank, and other agencies involved in determining what trade policies do and do not benefit the United States.

It seems to me that the amendment as it is now before the Senate would create a weird situation in which the President and the Secretary of Defense could be in disagreement, with each lobbying for a different result on Capitol Hill. That would create chaos.

I have heard from several computer export concerns in California which feel that at present there are too many restrictions on the export of computers, restrictions which make no sense at all and which aid computer manufacturers in other countries.

I read from a letter dated February 18, 1974, signed by an official of Hewlett-Packard, a California company headed by the former Under Secretary of Defense:

> We believe it is high time for another Cocom review and round of reductions to take place. We feel that particular attention should be given in this review to the controls over computers and computer peripheral equipment. As you know, there has been virtually no change in these controls in recent years despite the rapid progress which has been made in the industry in the United States and elsewhere in the Western world, to say nothing of the USSR and many of the other Communist countries. The existing computer controls were obsolescent some years ago. I believe that this is even more so today and, in fact, so far as lower capability computer systems are concerned, I think they are totally obsolete.

David Packard and Hewlett-Packard, the former Under Secretary of Defense, came before House Ways and Means Committee last year and stated:

> It is essential, of course, that military products continue to be rigidly controlled. However, many of the restrictions placed on the sale of high-technology products designed primarily for commercial use are of doubtful utility. Many of these products are standard catalog items which have been restricted on the basis that they might provide some possible military benefits.

Mr. Packard states that we should write proper definitions into the law, but that we should not destroy our ability to export. That is what the Banking Committee will be doing tomorrow, after extensive hearings by the International Finance Subcommittee of the Banking Committee.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. JACKSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Washington has 5 minutes remaining.

Mr. JACKSON. How much time does the other side have?

The PRESIDING OFFICER. One minute.

Mr. JACKSON. I yield 2 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I speak in support of this amendment.

Self-preservation is the first law of nature. The amendment is merely to assist our country to survive. It provides that the Secretary of Defense can determine whether any weapon or computer or other item will increase the military capability of a recipient. If it will increase the military capability of a recipient, then he can veto its being sent. The President of the United States can overrule it; but if he does, he has to submit his reasons to Congress, and either body can overrule that action.

Mr. President, this brings it right back to Congress. We have been talking about people having too much power. I have heard in the Chamber that the Secretary of Defense has too much power. So this brings it back to Congress if they are not satisfied.

As to the importance of computers, I remind Senators of what Dr. Stephan D. Possony wrote in the magazine Defense and Foreign Affairs Digest:

> Computers are at the core of today's and tomorrow's strategies, for without them there are no modern weapons systems. All of the new technologies have ties to the computer, and even the current computer is built with the aid of computers. It is now in the fabric of things, and the "balance of computer capacity" is the very essence of the balance of power.

Mr. President, nothing is more important today than our computers. We have spent years and years in building technology to make these computers. We are 10 years ahead of the Soviets in this field. If we now agree to sell them to the Soviets or one of the Soviet bloc countries, then we can see the great advantage it gives them.

I hope the Senate will adopt the amendment, because I think that it is vital to our country.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. I yield 1 minute to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I have an article published in the Washington Post of June 6, 1974, captioned "Boeing Signs Air Protocol with Soviets." The first paragraph reads as follows:

> The Boeing Aircraft Co. and the Soviet Union signed, a protocol in Moscow yesterday formalizing discussions on joint civil aviation projects—perhaps including the construction of an American-designed aircraft plant in Russia.

The article discusses wide-bodied aircraft. My point is that during the strategic situation that confronted us in the Middle East, it was the aircargo situation, the airfreight situation, that was ultimately the key to the decisive outcome.

We are now actually proposing to give the Soviet Union that capability, with nobody making a judgment, other than the Commerce Department, whose sole interest is in expanding technology exports. This amendment would stop that.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOEING SIGNS AIR PROTOCOL WITH SOVIETS

> The Boeing Aircraft Co. and the Soviet Union signed, a protocol in Moscow yesterday formalizing discussions on joint civil aviation projects—perhaps including the construction of an American-designed aircraft plant in Russia.
>
> Besides the plant, the Soviet news agency Tass said the cooperative agreement could result eventually in the joint design and development of new passenger aircraft and helicopters.
>
> But Boeing discouraged speculation that any big project was imminent. The company said discussions with Soviet officials have been going on since 1971 and the protocol "allows these discussions to proceed in a more formal manner."
>
> Boeing said further that the discussions with the Russians to date "are limited to the exchange of scientific and technical information in the civil aviation field."
>
> Before any aircraft agreements could be made, Boeing would have to receive the approval of the State and Defense departments. One obvious concern of the American military would be whether the Soviet Union would gain valuable technology for its bombers and fighters.
>
> One company official stressed that these and other questions would take considerable time to resolve—meaning the protocol is just one of the early steps toward a significant cooperative agreement.

The PRESIDING OFFICER. The Senator's time has expired. One minute remains to each side.

Mr. STEVENSON. Mr. President, in response to the concern expressed earlier by the Senator from Washington, the Boeing transaction has not been approved and there is absolutely no indication that it will be approved.

I yield the remainder of my time to the Senator from Pennsylvania (Mr. HUGH SCOTT).

Mr. HUGH SCOTT. Mr. President, I oppose the Jackson amendment, which is intended to reduce the possibility of militarily significant exports to Communist destinations. The President and the Secretary of Commerce now have ample authority to prevent such activity, and the amendment would simply cloud our relations with countries which are seeking to normalize relations with us.

First of all, the Secretary of Defense, who is being granted new authority under the Jackson amendment, already plays a significant role in the granting of export licenses. There is simply no need to lock this very elaborate procedure in statutory language.

Second, it is the President of the United States who directs our foreign policy. Congress should not be interposing its judgment with respect to Presidential decisions on a country-by-country basis after the Congress has given him the power to do so.

Third, this amendment should be reviewed by the Senate Banking Committee which has proper jurisdiction over export control matters. The committee should undertake its own study, in conjunction with the Armed Services Committee, to see if there is any merit at all to the Jackson amendment.

Therefore, Mr. President, I move to lay the amendment on the table.

The **PRESIDING OFFICER**. The motion to lay on the table is not in order until all time has expired.

Mr. **HUGH SCOTT**. Then I reserve the right to move to table, following the expiration of the time.

Mr. **JACKSON**. Mr. President, this is a very simple amendment. Senators should realize what is involved here. All we are asking at this time is that the Department of Defense shall have an opportunity to pass judgment on those matters that relate to national defense. If they veto it, then the President can override; and Congress, for the first time, is given the authority to override these transactions.

I would point out that all sorts of proposals are involved here, concerning not only the sale of an aircraft or computers. The Soviets want plants built in the Soviet Union and we are talking about exporting jobs.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum relating to the amendment and also a letter from the Department of Defense.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON AMENDMENT 1405 (TECHNOLOGY TRANSFER TO SOVIET BLOC COUNTRIES

On Tuesday, June 11 the Seenate will consider amendment number 1405 to the defense procurement bill, an amendment to control the transfer to the Soviet Union and Eastern bloc countries of technology that could significantly increase the military capability of the recipient.

Interest in this amendment arises out of issues brought to light in a preliminary investigation undertaken by the Senate Permanent Subcommittee on Investigations. In the course of that inquiry it became clear that there are, now under consideration, a number of technology transfers that are potentially damaging to our national security. Among them are the following:

1. The construction of an integrated aircraft production facility in the USSR for the production of wide-bodied "commercial" aircraft.

2. The construction in Poland of an integrated circuit manufacturing facility.

3. The sale to Intourist of a large computer complex with a large number of remote terminals.

4. The sale to the Soviet Union of the CDC 7600 computer, the same computer used in the U.S. site defense program.

5. The sale to the Soviet Union of an air traffic control system.

Amendment 1405 would simply enable the Secretary of Defense, in cases where he determines that the granting of an export license would substantially increase the military capability of the recipient, to disagree to any request for such a license. The amendment further provides that the removal of any category of technology from the list of those requiring either an export license or an exemption, would require the approval of the Secretary of Defense.

Of course, a disagreement to a request by the Secretary of Defense would be—and the amendment specifically provides—subject to a final determination by the President. In addition, the amendment will, when it comes to the floor on Tuesday, provide for final Congressional determination after all prior actions by the Departments of Commerce, State and Defense and the President have been taken. This later provision should help to restore Congressional authority in this crucial area.

The greatly increased volume of technology transfers to the Soviet Union and the Soviet bloc countries requires a system of controls that is adequate both to the importance of the issues involved and the escalating level of activity in assessing the the granting of export licenses. As a practical matter these decisions are taken at low and middle levels within the federal bureacracy. All that amendment 1405 does is to assure that in those few cases where the Secretary of Defense determines that the granting of an export license would substantially increase the military capability of the recipient, approval for the license would require a direct Presidential order and possible Congressional review.

If the five technology transfers now under consideration were to take place, we would be helping the Soviets to:

(1) build 100 wide-bodied aircraft per year with a range, speed and take-off weight greater than anything manufactured in this country. The impact on Soviet military air lift capacity, whose importance was demonstrated during the Yom Kippur war, would be enormous.

(2) Acquire through a Polish production line highly sophisticated integrated circuits. With trivial modification of the production technology whose transfer has been proposed, this facility would turn out crucial elements for missile guidance systems, military weapons control systems for aircraft, etc.

(3) Procure and install a very large, nationwide computer system with a large number of remote terminals in cities throughout the USSR. Such a system could and doubtless would be used by the KGB which dominates the activities of Intourist, the potential purchaser. Such a system in operation could greatly strengthen Soviet totalitarian control of intellectuals, dissidents, persons wishing to emigrate and the 65,000 plus American tourists who visit the USSR each year.

(4) Acquire a CDC 7600 computer, the same computer used in the ballistic missile site defense program now in research and development in this country. Other users of the CDC 7600 in this country are the two nuclear weapons laboratories, the Naval Weapons Research Laboratory, the National Security Agency and similar organizations.

(5) Acquire an air traffic control system utilizing extremely sophisticated technology and procedures. Such a system could control and direct military as well as civilian air traffic.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C.

In reply refer to: I-5330/74.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: The Secretary of Defense has asked me to respond to your inquiry on technology transfers with respect to the Soviet Union and Eastern Bloc countries.

The Department of Defense is involved in three different ways in the consideration of these export licenses. First, we have an input to the U.S. position on cases in COCOM. This is an interagency body of Western Nations with common interests in controlling exports of potential military significance to the Soviet Union and Warsaw Pact Nations. In addition, there is an interagency group chaired by the Department of Commerce that considers licenses for the export of U.S. technology. Finally, the Department of Commerce refers a number of cases that are not important enough for full interagency review directly to the Department of Defense. Department of Defense involvement in these three approaches is discussed below and specific data are provided for the 1972–74 time period.

During this period of time approximately 1500 cases were considered under COCOM. Of the 1500 COCOM cases the Department of Defense concurred in interagency recommendations, approval and disapproval, in all but 44 cases. These cases are identified in Attachment 1.

In 42 of these 44 cases (all of which were approved), Defense preferred that a license not be issued. However, they were not considered to be of sufficient importance to warrant the attention of the Secretary of Defense. Two cases were referred to the Secretary and the final decision was made by the President. In addition, there are currently three cases, listed in Attachment 2, on which no U.S. position has been taken.

In the same time period, the interagency group addressed some 1200 requests for export of U.S. goods. In eight cases DoD preferred that no license be issued but again felt that these cases did not warrant Secretarial review. In one case the Secretary did object and the final decision was made by the President. The nine exceptions are identified in Attachment 3. In addition, there are currently 20 cases, as listed in Attachment 4, on which no decision has been made.

During the same period the Department of Commerce has sought DoD comment on an additional 1800 cases. Those few cases not resolved to DoD's satisfaction were referred to the interagency review group mentioned above.

With respect to the last three questions in your letter, answers to these are provided in Attachments 5, 6 and 7.

I might point out that the information contained in the tabulation of COCOM cases is considered Confidential insofar as disclosure of particular transactions involving individual exporting countries is concerned. On the U.S. cases there is also the question of proprietary information, but we have tried to avoid this problem by omitting from their tabulations the names of the U.S. firms involved.

We trust this is the information you desire.

Sincerely,

AMOS A. JORDAN.

Mr. **BENTSEN**. Mr. President, I am pleased to cosponsor and support the amendment offered by the distinguished Senator from Washington (Mr. JACKSON).

I believe that the transfer of sensitive and sophisticated U.S. technology to Warsaw Pact countries is a serious problem that threatens to jeopardize our national security by eroding the technological advantage which is the very foundation of that security. The purpose of the Jackson amendment is to allow the Secretary of Defense who is the Cabinet officer chiefly responsible for determining what is essential to the country's security, to have a strong voice in controlling exports that might undermine our defense.

I have been tremendously concerned by actions of certain U.S. companies and U.S. allies which would affect large-scale transfers to Eastern bloc nations not only of sophisticated U.S. goods and equipment but oftentimes the technological know-how necessary for their manufacture.

At the present time, the Secretary of Commerce has authority to approve commercial exports of controlled items to restricted countries. In the exercise of that authority he acts jointly with the Secretary of State in approving certain exports but the primary responsibility lies within the Commerce Department. The Secretary of Defense is consulted but he has no real authority in determining whether sophisticated technology with possible military applications should be exported to Communist bloc nations. I believe that situation must be changed and that the amendment of the Senator from Washington offers an appropriate solution.

The Secretary of Defense would be given an opportunity to review and disapprove the export of any controlled product to the Communist bloc countries. His decision would be subject to review by the President but his authority would be equal to that of the Secretary of Commerce in determining whether or not a proposed export or technology transfer by a COCOM nation affects the military security of the United States.

Mr. President, I believe this country pursues a shortsighted and dangerous policy when it allows the export of sophisticated technology to foreign nations which will inevitably use that technology to threaten the security of the United States.

We are spending astronomical sums in the bill before us today in order to support the technological and qualitative advances which are the key to our Nation's security. I certainly do not intend to see that security subsequently bartered away to unfriendly nations for a mess of pottage and vague promises of improved relations. I urge the Senate to support the amendment of the Senator from Washington (Mr. Jackson).

Mr. NUNN. Mr. President, earlier today the Senate passed an amendment offered by the Senator from Washington, which I cosponsored, designed to give the Secretary of Defense the power to veto the transfer of American technology to the Soviet Union when such transfers would accrue to the benefit of Soviet military capability. Further, such vetoes would be subject to review by the President and Congress.

I supported this amendment, and though the amendment was somewhat confused by substitute language passed by another amendment, I am hopeful the strength of it will be restored and emphasized in the conference committee.

Senator Jackson is correct in asking hard questions about the exporting of U.S. technology to Russia.

At present, to facilitate administration, decisions on exports to the Soviet Union are made at low and middle levels within the Federal bureaucracy, and there is no required review by the Defense Department. However, in some cases—and there are several pending right now—the Soviets stand to reap significant benefits militarily if such transfers are made.

Senator Jackson's amendment stems not only from his concern for the decisions pending now and the effect they may have, but also from his concern that many technological transfers in the past have already been used to increase Soviet military might. He pointed out this morning that there seems to be no effective control or monitoring of such transfers by the administration.

A preliminary study, referred to by the Senator from Washington, indicates the flow of military-related technology may be greater than suspected.

All of us welcome any easing of tensions in the world, particularly between the two nuclear powers, the United States and the Soviet Union. Détente is to be encouraged; but if détente means exporting our technology to the U.S.S.R., resulting in the building of their military capability while they drag their feet at the SALT II talks, then I say we cannot afford such exporting, and appropriate controls must be initiated to plug these technological leaks.

Senator Jackson has called for hearings by the Permanent Subcommittee on Investigations of the Government Operations Committee into this matter, and I support him in this move.

Mr. HUGH SCOTT. Mr. President, I move to lay the amendment on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Washington. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Louisiana (Mr. Long), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

On this vote, the Senator from Oregon (Mr. Hatfield) is paired with the Senator from Kentucky (Mr. Cook). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Kentucky would vote "nay."

The result was announced—yeas 40, nays 50, as follows:

[No. 241 Leg.]

YEAS—40

Aiken
Bartlett
Beall
Bellmon
Biden
Brooke
Burdick
Case
Clark
Cranston
Fannin
Fulbright
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hathaway
Hughes
Humphrey
Javits
Kennedy
Mansfield
Mathias
McGovern
Mondale
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Scott, Hugh
Stafford
Stevenson
Taft
Tunney

NAYS—50

Abourezk
Allen
Baker
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Gravel
Gurney
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Magnuson
McClellan
McClure
McIntyre
Metzenbaum
Montoya
Nunn
Pastore
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Stennis
Stevens
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—10

Bayh
Church
Cook
Hatfield
Long
McGee
Metcalf
Sparkman
Symington
Williams

So the motion to lay on the table was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion to table the amendment was rejected.

Mr. SCHWEIKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk an amendment on behalf of the following Senators, in addition to myself: Senators Taft, Proxmire, Stevenson, Mondale, Muskie, and Tunney. It is an amendment to the pending amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Jackson's amendment, as amended by Mr. Schweiker and Mr. Cranston, is as follows:

On page 17, between lines 20 and 21 insert a new section as follows:

Sec. . (a) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of any such country. It is the purpose of this section to provide for such an assessment and to authorize the Secretary of Defense to review proposed export of goods or technology to any such country and, whenever he determines that the export of such goods or technology will significantly increase the military capability of such country, to recommend to the President that such exports be disapproved.

(b) Notwithstanding any other provision of law, whenever a request for a license or other authority is required by any person to export any goods or technology to any controlled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request for a period of thirty days after the Secretary of Defense has been notified. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and shall:

(1) Recommend to the President that he disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country; or

(2) notify such office or agency within such period that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

(3) indicate, prior to the expiration of the thirty-day review period, that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency within thirty days after receiving a negative recommendation from the Secretary that he disapproves such export, no authorization may be issued for the export of such goods or technology to such country.

(c) In determining whether the export of any goods or technology to any controlled country will significantly increase the military capability of such country, the Secretary of Defense shall take into account all potential end uses regardless of the end use indicated by the applicant for the export of such goods or technology.

(d) Effective on June 1, 1974, the removal of any category of goods or technology requiring an export license or other authorization shall require the approval of the President.

(e) The President is authorized, on behalf of the United States, to disagree to any modification of the so-called COCOM international lists (or interpretations thereof) if he determines that such modification would likely result in a significant increase in the military capability of any controlled country.

(f) As used in this section—

(1) the term "goods and technology" includes but is not limited to—

(A) machinery, equipment, durable goods, and computer software;

(B) any license or other arrangement for the use of any patent, trade secret, design, or plan;

(C) the so-called know-how or knowledge of any individual, firm, corporation, or other entity;

(D) assistance in planning and joint venture arrangements; and

(E) arrangements under which assistance is provided in developing a manufacturing capability, including so-called turnkey arrangements.

(2) The term "export control office" as used in this section means any office or agency of the United States Government whose approval or permission is required pursuant to existing law for the export of goods or technology.

(3) The term "controlled country" means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, and the German Democratic Republic (East Germany).

(g) The Secretary of Defense shall submit to the Congress every six months a report on the implementation and administration of this section.

(h) All actions undertaken pursuant to this section shall be subject to a final determination by the President of the United States.

(i) The provisions of this section shall expire on December 31, 1975.

"(j) Whenever the President exercises his authority under subsection (h) hereof to modify or overrule a recommendation made by the Secretary of Defense pursuant to this section, the President shall submit to the Congress a statement indicating his decision. Either House of the Congress shall have a period of thirty (30) calendar days of continuous session after the date on which the statement is transmitted to the Congress to disapprove by majority vote the action of the President."

Mr. CRANSTON. Mr. President, I ask unanimous consent to offer a brief explanation of the amendment.

Mr. ROBERT C. BYRD. Mr. President, there is a time problem.

I ask unanimous consent that the Senator from California may have 2 minutes and that the Senator from Washington may have 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, all that this amendment does is seek to preserve the preeminence of the President over the Secretary of Defense. It would amend the Jackson amendment to provide that the Secretary of Defense would make recommendations to the President. The President would have the authority to proceed or not to proceed in accordance with the Secretary's recommendations and in accordance with the Schweiker amendment. All the other language in the Jackson amendment, as modified by the Schweiker amendment, has been preserved. All of this would be subject to Congress, so that Congress would have a final voice in these affairs.

Without this amendment that I propose, we would set up a very strange situation in which the Secretary of Defense seems to be put in a superior position to that of the President. If the President overrules the Secretary's veto, the Secretary and the President, at least potentially, could both be up here lobbying for their respective viewpoints.

My amendment would preserve the preeminence of the President. It would also ensure that the Secretary of Defense is on an equal footing with, but is not superior to, the Secretary of State, the Secretary of Commerce, the National Security Council, the Export-Import Bank, and all other agencies presently involved in assessing the wisdom of international transactions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. Mr. President, there is no need for this amendment. Let me explain why.

I think the Senate is entitled to have the independent judgment of the Secretary of Defense. Then if the President does not like his recommendation, we at least ought to protect the integrity of that office and his findings. Then the President can override, and finally Congress will have the authority to make the overall judgment. But why should we not insist that the Secretary of Defense, in an unfettered way, give his judgment only in those areas that relate to this responsibility, not as it pertains to other offices. Finally, Congress has the say-so. As a practical matter, I think Senators know that all the Cabinet officers are under the direct orders of the President of the United States. This amendment simply takes away the opportunity of Congress to have the Secretary of Defense make that independent judgment.

I hope the amendment will be rejected.

I yield back the remainder of my time.

The yeas and nays have been ordered.

The PRESIDING OFFICER. Is the Senator asking for the yeas and nays?

Mr. CRANSTON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that due to the closeness of the votes which will occur that there be a 10-minute limitation for this series of rollcalls.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), the Senator from New Jersey (Mr. Williams), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee), is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 47, nays 43, as follows:

[No. 242 Leg.]

YEAS—47

Aiken
Beall
Bellmon
Bennett
Biden
Brooke
Burdick
Case
Clark
Cranston
Fulbright
Gravel
Griffin
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Javits
Johnston
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Roth
Scott, Hugh
Stafford
Stevenson
Taft
Tunney
Weicker

NAYS—43

Abourezk
Allen
Baker
Bartlett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Helms
Hruska
Jackson
Magnuson
McClellan
McClure
Nunn
Pastore
Randolph
Ribicoff
Schweiker
Scott, William L.
Stennis
Stevens
Talmadge
Thurmond
Tower
Young

NOT VOTING—10

Bayh
Church
Cook
Hatfield
Long
McGee
Metcalf
Sparkman
Symington
Williams

So Mr. CRANSTON's amendment to Mr. JACKSON's amendment, as amended, was agreed to.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the yeas and nays on passage be vacated.

The PRESIDING OFFICER (Mr. ABOUREZK). The yeas and nays have not been ordered on passage.

Mr. ROBERT C. BYRD. The Senator is referring to the Jackson amendment, not to passage. They have been ordered on the Jackson amendment.

The PRESIDING OFFICER. The Chair misunderstood. Without objection, the order for the yeas and nays is withdrawn.

The question is on agreeing to the amendment, as amended, of the Senator from Washington (Mr. JACKSON).

The amendment, as amended, was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

Mr. AIKEN. Mr. President, I ask for the yeas and nays on the last vote.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. Do I correctly understand that the order for the yeas and nays was withdrawn by unanimous consent?

The PRESIDING OFFICER. The Senator is correct. The order for the yeas and nays was withdrawn by unanimous consent. The request for the yeas and nays is not in order.

Mr. AIKEN. Mr. President, if the Chair had recognized me, he would have found it was not by unanimous consent.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the Jackson amendment was agreed to.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries, and he announced that on June 8, 1974, the President had approved and signed the following acts:

S. 1752. An act prescribing the objectives and functions of the National Commission on Productivity and Work Quality;

S. 2662. An act to authorize appropriations for United States participation in the International Ocean Exposition '75; and

S. 3373. An act relating to the sale and distribution of the Congressional Record.

REPORT ON FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Government Operations. The message is as follows:

To the Congress of the United States:

In accordance with the provisions of section 6(c) of the Federal Advisory Committee Act, the report on the status of advisory committees in 1973 is herewith forwarded.

This is the second annual report and is augmented by indices to afford the public improved access to additional information concerning specific advisory committees.

RICHARD NIXON.

THE WHITE HOUSE, *June 11, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11873) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POAGE, Mr. STUBBLEFIELD, Mr. FOLEY, Mr. MELCHER, Mr. GOODLING, Mr. MATHIAS of California, and Mr. ZWACH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

AMENDMENT NO. 1391

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment (No. 1391) of the Senator from Maryland (Mr. MATHIAS).

The Senate will be in order.

The Senator may proceed.

Mr. MATHIAS. Mr. President, amendment No. 1391 as printed contains a typographical error. At this time I submit a revised amendment.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order.

Mr. ROBERT C. BYRD. Will the Chair clear the well of staff people, et cetera?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a question?

Mr. MATHIAS. I am happy to yield to the distinguished majority whip.

Mr. ROBERT C. BYRD. Mr. President, we have had more rollcall votes than were anticipated, and our time has slipped away. I wonder if the distinguished author of the amendment and the distinguished manager of the bill would be agreeable to cutting the time on this amendment to 45 minutes, instead of 1 hour.

Mr. STENNIS. As long as there is time for reasonable debate on this matter, I think so—45 minutes to a side?

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. If that is agreeable to the Senator from South Carolina. I am sure he is available, because he has been here within the last few minutes. Go ahead.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, as I noted, a typographical error appears in amendment No. 1391, as printed. On line 2, at the bottom of the page, appears the figure "$3,177,042,000." It should be "$3,167,042,000." I submit a revised amendment, and at the same time ask unanimous consent to add the names of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Illinois (Mr. STEVENSON) as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be so modified.

The amendment, as modified, will be stated.

The legislative clerk read as follows:

On page 4, line 9, strike out "$3,151,042,000" and insert in lieu thereof "$3,167,042,000".

Mr. MATHIAS. Mr. President, this amendment, simply stated, adds $16 million to the research and development authorization portion of the military procurement authorization bill. The purpose of the amendment is to authorize the design and development work on a new submarine called the SSBNX which would make use of the existing Narwhal S5G natural circulation reactor. It is in no sense a substitute for the Trident. It is intended to complement the Trident, meeting strategic needs that do not require a submarine with Trident's capabilities. The S5G reactor has already been proven and has been tested in service for 5 years in an attack submarine with the name Narwhal. The Narwhal reactor is similar in design to the Trident reactor. It has comparable reliability, simplicity of design, and noise reduction characteristics due to the elimination of the need for large reactor coolant pumps. By taking maximum advantage of natural convection to circulate reactor coolants, it eliminates the need for noisy ancillary equipment. While it would be a better submarine than the Polaris Poseidon, it would not have all of the survivability characteristics of the Trident. It would meet the requirements for all circumstances except that required by the most extreme ranges.

The $16 million which was requested by the Department of Defense and approved by the House and which we request the Senate to restore, is an expenditure which we believe would be well spent.

In my view, the request for the development of the SSBNX to complement or as an alternative to the Trident submarine made by the Department of Defense is a sound and reasonable proposition. It would, at cheaper cost, provide an effective replacement, when necessary, to the Polaris and Poseidon fleet which now is the most invulnerable portion of our nuclear deterrent. The hull, it is estimated, would cost less than half of the Trident hull, it would use the Trident I 4,500 mile missile and take advantage of Trident R.D.T. & E. costs in that respect. The SSBNX would cost far less than the Trident.

Mr. President, how much of my time have I consumed?

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator has consumed 3 minutes. He has 20 minutes remaining.

Mr. MATHIAS. I thank the Chair.

Mr. President, I yield myself 1 additional minute, and then I will yield either to the manager of the bill or to the cosponsors.

Mr. President, we can reasonably expect that future agreements attained at SALT might well include an agreement along the lines of the present limit on submarines and total SLBM launchers. The SSBNX, which would incorporate the existing and proven Narwhal reactor, offers a less costly solution to the question of a follow-on to the Poseidon than Trident. The Secretary of Defense and the Navy have made it clear that they believe that research and development on the SSBNX could lead to a less costly submarine with very similar characteristics to the Trident. The Narwhal offers a reasonable complement to the Trident. If a future SALT agreement limits launcher tubes alone, then the SSBNX makes even more sense because we would be able to deploy more submarines at a far lower cost than the Trident. In strategic terms, the more aim points or targets a potential enemy has to worry about reduces the likelihood of any first strike. The Trident which now already costs $1.3 billion per submarine may well, because of cost, prove too costly in quantity. The SSBNX is, in my view, a timely and a sensible R. & D. effort and should be supported at this time.

Mr. President, at this time I yield 5 minutes to the distinguished Senator from Illinois (Mr. STEVENSON).

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. STEVENSON. Mr. President, the SSBN-X (Narwhal) program should go forward as originally requested in the Defense appropriations bill.

The projected cost of each Trident submarine has risen to over $1.3 billion. This year the Trident program will cost almost $2 billion, and the cost is likely to grow each year for the next decade. The Trident program could cost the United States billions of dollars which could be spent more effectively.

As the Armed Services Committee itself points out, SALT could have a major impact on our submarine-launched ballistic missile (SLBM) requirements. SALT II may result in a limitation on the number of SLBM launchers. In light of recent and projected antisubmarine breakthroughs, it is imperative for the United States to begin development of a submarine which on a cost effective basis would provide the United States with a relatively invulnerable submarine deterrent. The SSNB-X design approach is geared to this purpose.

It would have essentially the same protection against antisubmarine warfare as the Trident submarine. But, it would have the additional strategic value of increasing the number of aim points that an enemy would be required to hit, and thus make it less likely that any enemy could successfully attempt a first strike against U.S. nuclear deterrent forces. The SSBN-X design would better meet the need of strategic survivability, especially within the limits of SALT, and at a lower cost than the projected Trident program.

The committee based its decision to delete funds for SSBN-X, in large part, on the belief that the United States would be able to build and deploy two Trident submarines a year for the next 4 years and one in the fifth year. But it may be that the United States will only be able to build one ship per year. There are only three private shipyards in the country capable of producing nuclear submarines—Litton in Mississippi, Newport News in Virginia, and Electric Boat in Connecticut—and all three are already stretched beyond capacity.

Thus, the Trident program will most likely be slowed down. We should use the lag time in Trident production and deployment to explore other strategic ballistic missile submarine options as well as continue the strategic evaluation of the Trident submarine concept.

For these reasons, I believe that it is extremely important to begin immediately on the SSBN-X program. This amendment does not cut out or slow down the Trident program. It takes immediate advantage of the lag time in the Trident program and insures that the United States has a lower cost alternative, or companion, to the Trident. Sixteen million dollars for initial feasibility and design work on an improved SLBM is a sound investment against the astronomic costs of the Trident program. It would assure us a more survivable and less expensive submarine-based strategic deterrent. This deterrent is essential to our national security in view of the increased Soviet threat to our ICBM forces and new improvements in antisubmarine warfare. Most essential of all is a new recognition that for less money the Nation can buy more security.

Mr. MATHIAS. Mr. President, I now yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. MONDALE. Mr. President, this amendment would restore the $16 million that has been cut out of the administration's request for the purpose of starting initial design work on a new low-cost ballistic missile submarine.

This program is based on a submarine which has been in service for 5 years called the Narwhal. Its reactor is of generally the same type as that proposed for the Trident submarine but much smaller in size. The result is that one can achieve most of the quieting effects of the Trident submarine type reactor while not having to construct a mammoth submarine. Large submarines such as the Trident tend to put a large part of our submarine ballistic missile forces in only a few baskets and offer a much more detectable target for Soviet antisubmarine warfare sensors. Admiral Rickover had this to say about the Narwhal. He said that its natural circulation reactor—

> offers promise of increased reactor plant reliability, simplicity, and noise reduction due to the elimination of the need for large reactor coolant pumps and associated electrical and control equipment, by taking maximum advantage of the natural convection to circulate the reactor coolant.

The Narwhal has been in service for 5 years and works well. It thus provides a proven basis for a system which could be of much lower cost. It also could take advantage of the research and development being conducted in connection with the Trident system, and could carry ballistic missiles of the range contemplated by the Trident.

But at the same time, the Narwhal will not run the risk of bankrupting the Navy ship construction budget, or squeezing out other important naval construction programs. There is a serious risk that the enormous cost of the Trident program will have this effect or will have to be stretched out, thus putting the United States in a disadvantaged strategic position because of the lack of an adequate submarine based strategic deterrent.

The Armed Services Committee cut out the Narwhal program. The reasons were that the United States would buy 10 Trident submarines. Therefore, it was argued that one did not need to start work on a follow-on to Trident until several years from now. The committee supported the concept of a lower cost SSBN, but said it was premature.

It is my belief that given the enormous cost of each Trident submarine, $1.3 billion at last count, we cannot afford to put ourselves in a position in which the Trident is the only strategic ballistic-missile submarine program on the way. We must not have the Trident as our only option, particularly when it faces such serious cost problems and such serious questions have been raised about its strategic value.

Therefore, as a matter of prudence, we should start now on the Narwhal program. It will provide us with either a follow-on, a complement, or a substitute for the Trident program, depending on how that program proceeds and depending upon the strategic threat as it evolves.

It has often been said that the Narwhal type SSBN could not accommodate the larger missiles—D–5—contemplated for the Trident submarine. These larger missiles are designed to provide a 6,000 mile range. The design of the Narwhal is, of course, not fixed. The program for such a ballistic-missile submarine is only in its infancy. It would be possible to pursue two options if such a long-range missile is required. One is to modify the hull structure in such a way so as to be able to accommodate the longer length of the D–5 missile. Much in the same fashion as the Soviets have done in accommodating their larger missiles in their D-class submarines. The other approach would be to use the C–4 missile and simply remove some of the planned warheads so that the longer 6,000 mile range would be possible at only a slightly reduced throw weight. What I am saying is that the Trident submarine is not required in order to get a longer range missile submarine ballistic missile force and a larger operating area.

Let me make a final observation concerning SALT. Our submarine forces are now limited by both the number of submarines and the number of ballistic missiles that they can carry. In all likelihood, these kinds of limits will continue. In this context, it is extremely important that we have a submarine force that maximizes the number of aim points that the Soviet Union would have to detect and attack. This will be particularly important if the Soviet Union cannot be convinced to adequately constrain the growth of its ICBM counterforce capability and we find our ICBM's increasingly vulnerable.

Thus, from almost every perspective, prudent strategic policy, prudent strategic system program management, flexibility in SALT, and the providing of options to the Congress and the American people in the event that Trident becomes unbearably expensive, it makes sense to restore the requested $16 million and go forward now with this minimum program of initial conceptual design work on a lower cost alternative ballistic-missile submarine.

I hope very much that the Senate will agree with our position and that we can proceed to this essential research.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 6 minutes to the Senator from New Hampshire, and I will yield additional time if he requires it.

Mr. McINTYRE. Mr. President, I oppose the pending amendment offered by my good friend, the senior Senator from Maryland. His amendment would restore $16 million to the Navy R.D.T. & E. appropriation to initiate development of an improved strategic nuclear ballistic-missile submarine called the SSBN–X. The Research and Development Subcommittee voted unanimously to delete the money requested for this program and this recommendation was sustained by the full Armed Services Committee.

The issue here does not involve the merits of a new submarine which would be smaller than the costly Trident and which could be a cheaper replacement for the Poseidon submarines when they are retired. This would provide a so-called hi-low mix which has merit because it would be less expensive than an all-Trident submarine fleet. In addition, since the SSBN–X would carry only 16 missiles, as compared with the 24 of the Trident, more submarines could be built if the Interim Agreement on Strategic Arms continues to limit the number of submarine-based ballistic missiles.

The committee fully supports the concept of the SSBN–X and stated in the report that it has merit. The simple reason for deletion by the committee was that it is premature to initiate this program in fiscal 1975. Now, Mr. President, let me explain why.

The Trident submarine is in its early stage of development. In fact, the lead submarine contract has not yet been awarded. This raises the issue of concurrency. Since the plan is to incorporate much of the Trident submarine technology into the SSBN–X, substantial new technology could be derived from another year or two of Trident submarine development. It is axiomatic in the research and development program that if we rush too quickly into a new program we wind up with major technical problems, cost overruns and substantial delays in the program. All of these can be overcome by proceeding in a more orderly manner, and applying the technical lessons which we have learned in other programs. Initiation of the SSBN–X now would start in motion a program whose momentum would be difficult to control. I, for one, would not like to jeopardize this concept of a lower cost alternative by moving in such haste.

I am advised that the start of this program in fiscal year 1975 would be largely a waste of $16 million. There are only two contractors who are able to develop and produce such a system. These are Electric Boat and Newport News Shipbuilding. Both contractors are competing for the initial Trident submarine and both will be engaged in the construction of follow-on Trident submarines. Their design teams are fully occupied and will continue to be so for some period with the Trident submarine. It is highly unlikely that they would divert these highly skilled designers during fiscal year 1975 to the SSBN–X. Most of the $16 million requested, therefore, would wind up being used within the Navy to do in-house studies and support overhead costs. There is serious question as to the value of these efforts during fiscal year 1975.

Assuming that the Trident submarine program is limited to the presently planned 10 ships, which will replace the initial 10 Polaris submarines, there will be no need to initiate the SSBN–X in fiscal year 1975 so as to begin to replace the oldest Poseidon submarines because of aging. This has been examined in detail and the conclusion reached was that on an aging basis the SSBN–X could be started 1 or 2 years later and still provide for this problem.

Of course, if the real purpose or the desire behind this amendment is possibly to cut back on the Trident, the proposed fleet of 10 Trident submarines, that is another question, and I shall deal with that later in the debate.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. MATHIAS. First of all, I was extremely encouraged by the Senator's support in principle for the concept of the SSBN–X submarine.

We all seem to have a common understanding that this is the direction in which we want to go. It is where the Defense Department wants to go. It is where the operating Navy wants to go.

The distinguished Senator, with all the work he has done in the area of research and development, is reassuring when he says that he feels that, on the merits, he wants to go in this direction. But I invite his attention to a letter in the hearing record. It is from Dr. Malcolm R. Currie, Director of Defense Research and Engineering. Dr. Currie is quoted there as saying:

> A delay—

That is, a delay in the design and development—

> would therefore tend to reduce the potential savings from such an option and dependent upon the extent of the delay, force us to build Tridents as required to insure that fleet readiness is not degraded.

I think that expresses, in the Defense Department's words, exactly what this amendment intends to do. It is to give us options, both economic and military options, which are not available without that readiness condition.

Mr. President, I ask unanimous consent that Dr. Currie's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DIRECTOR OF DEFENSE,
RESEARCH AND ENGINEERING,
Washington, D.C., April 18, 1974.

HON. THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Dr. Schlesinger has requested that I reply in his behalf to your letter of 18 February 1974 concerning the funding for the Trident Weapons System and the smaller advanced SSBN which we currently are calling the SSBN–X.

Attachments 1, 2 and 3 show the funding

profiles for the Trident Program, Trident Backfit Program, and SSBN-X. The escalation rates used in both the current estimates before Congress and the estimates contained in the Deputy Secretary of Defense letter of 14 May 1973 are based on OSD approved indices, with the one exception that MILCON indices are based on "Engineering News Record" escalation data.

However, in both cases, the rates used were consistent with previous experience in similar programs. The differences, you will note, between the current estimates and Alternative II of the 14 May 1973 letter are not caused by different escalation rates, but may be attributed to the following:

(*a*) Cost estimate changes that occurred between 14 May 1973 and submission of the FY 1975 Budget in October 1973.

(*b*) The effect of the lower production rates on unit costs.

(*c*) Changes in the timing of selected MILCON funded projects.

Regarding your specific questions concerning the interrelationship of these programs, I offer the following answers:

Q. How does the previous aging problem of Poseidon impact on the decision to backfit the C-4 missile almost immediately after the Poseidon missile modification is completed in 1977?

A. The aging problem of Poseidon did not impact the decision to advance the backfit of C-4. As you know, the decision to backfit Trident I missiles in Poseidon SSBNs in FY 79 does not imply that those SSBNs converted to Poseidon in FY 77 would be those backfitted with Trident. On the average the SSBNs scheduled for backfit will have had Poseidon missiles for approximately seven years and will be 14 years old at the time, thus providing still a number of years of useful life with Trident.

The decision to slow the Trident building rate from 1-3-3-3 to 1-2-2-2-2-1 with an IOC in FY 1979, and to hold the C-4 missile production rate to at least the minimum practicable level, resulted in the capability to initiate the backfit of C-4 missiles into Poseidon submarines in FY 79 vice FY 82, with attendant gain in survivability due to the greater range missile, while at the same time also permitting a reduction in the total C-3 missile procurement by 61 missiles.

Concerning the Poseidon Missile Modification Program (POMP) it was developed, as you know, to improve the reliability of the Poseidon C-3 now deployed by remedying production defects [deleted]. This is a necessary step in insuring the high reliability of our C-3 missiles is maintained. Even though C-4 backfit commences in 1979, C-3 missiles will still be deployed well into the 1980s.

Q. Why is an advanced SSBN needed at all, and if needed, why start so early in the Trident program?

A. Let me state clearly the context in which currently we view the small submarine. As a fundamental premise, we are concerned about the life of our present missile submarine fleet. We feel the degree to which our nation relies for its security upon the sea-based deterrent mandates that we take every step necessary to preserve its complete integrity. Among other things, this requires that we concern ourself with aging of the submarine itself, and insure that we phase in replacement submarines in time to prevent degradation in reliability simply through factors related to old age. Past experience with our submarines cautions us that we should view an age of 20-25 years as the time when replacement should be effected. Our current fleet of Polaris/Poseidon submarines begins to reach this threshold in the early 1980s. Thus we take as a premise the position that we should have a replacement fleet operational in a time frame appropriate to these factors and dates.

At the present time, we have the Trident submarine in process and planned for deployment commencing in CY 1978. One option available to us, in replacing existing submarines, is to build enough Trident submarines to deploy the requisite (currently SALT-limited) number of launch tubes at sea. Certainly that would meet our requirements and provide an extensive degree of flexibility for potential future missile and ship system advances. With its longer range missiles, it also would provide maximum utilization of sea-room while keeping assigned targets under continuous coverage.

But we believe we should also examine whether other, less costly but still effective, options exist that will serve as a complement to our Trident force and enable us to maintain our sea-based deterrent. It is in this context that we wish to investigate the smaller submarine.

Q. What would be the impact on future fleet readiness of deferring the $16M for the Advanced SSBN for one or more years?

A. The impact should be measured more in terms of potential economy rather than fleet readiness. As pointed out above we can meet our operational requirements with the larger Trident submarine. The spur for the smaller submarine is an attempt to find a lower cost option. A delay would therefore tend to reduce the potential savings from such an option and, dependent upon the extent of the delay, force us to build Tridents as required to insure that fleet readiness is not degraded.

Sincerely,

MALCOLM R. CURRIE.

Mr. McINTYRE. Mr. President, in reply to the distinguished Senator from Maryland, if I understand the point he has raised, Dr. Currie's letter talks about readiness. The readiness problem has been answered very efficiently by a change in the setup of the Navy by going to the retrofit of the Poseidon submarines with the Trident missile. That will handle any national security problem in the late 1970's, and through the 1980's.

Mr. STENNIS. I yield myself 3 minutes.

Mr. President, this is a peculiar situation. The Navy did not originally request this submarine. When they first submitted their budget they did not request this submarine. I am told that is the hard fact developed at the hearings. This provision came in by some power above the Navy. We have the Polaris-Poseidons that are still in the process of being changed over and converted, and they are going to run us over into the 1980's, perhaps the late 1980's. We have the technology of Trident, which is now authorized.

This bill includes a part of the funding for 7 of the 10 Tridents. Trident is so new the Navy has not developed enough of the technology that is going to be used on the additional submarine. In fact, no contract has yet been signed for the prototype of the Trident. The hare is getting far ahead of the hounds here, and I cannot understand why.

The committee decided on the recommendation of the Senator from New Hampshire and his subcommittee that certainly there is time for us to make any move later with respect to still another family of submarines. We have not even let the contract for the Trident, which will total well over $8 billion, even though we partly financed 7 out of the 10.

When it is said that it is going to be a less costly submarine, no one gives any thought to what those figures will be or how much less costly. It seems they will have about the same number of crew members, and so forth. I do not see how it could be that there is any urgency at all to include this submarine in this bill.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. STENNIS. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, 27 nuclear submarines have already been funded but have not yet been delivered. Thirteen of them have not yet started construction, and they are already building as fast as they can. Design teams are still fully occupied as skilled people on the Trident, and there are none to work on the submarine we are talking about.

So it is as clear as crystal to the committee that this submarine should be left out, and it was left out by unanimous vote.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MATHIAS. Mr. President, the distinguished chairman of the committee raises the question as to exactly what is the position of the Department of Defense with respect to this submarine. I think that is very clearly stated in the letter written by Dr. Currie on April 18, which I already have had printed in the RECORD. Also Secretary Schlesinger in his posture statement is clear in his support for the SSBN-X.

Mr. STENNIS. Mr. President, if the Senator will yield, I said the Navy did not recommend this submarine as an original proposition; it was put in by somebody above.

Mr. MATHIAS. I believe, of course——

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. MATHIAS. Mr. President, I yield myself 1 additional minute.

I believe the distinguished chairman knows the Navy's position. I would accept his word on that or on any other subject. But I do have some contacts which lead me to believe there is a strong body of support within the Navy for this ship. As far as the Department of Defense is concerned, Dr. Currie states:

> But we believe we should also examine whether other, less costly but still effective, options exist that will serve as a complement to our Trident force and enable us to maintain our sea-based deterrent. It is in this context that we wish to investigate the smaller submarine.

Mr. President, I submit that this is a project of relatively small cost in comparison with other defense projects. Time is important because of the ongoing program, I hope the Senate will adopt the amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD two fact sheets the second from Jane's, which deal with the basic information on the SS *Novo* type submarine.

There being no objection, the material was ordered to be printed in the RECORD.

FACT SHEET

The Department of Defense, in reviewing requirements for Strategic Offensive Forces during formulation of the FY–75 Defense Budget, examined in detail the economy afforded by preparing for a less expensive follow-on to the Trident submarine. Such a submarine, a smaller ship than Trident and with fewer missile tubes, could represent a more economical replacement for our present SSBNs on a ship-by-ship basis when they reach an age such that their continued operation is no longer economical or safe, or at such time that their eroded survivability in the face of an increased threat might lower the credibility of the submarine deterrent.

The smaller follow-on submarine, which could be available in the 1980's if design commences in FY 75, does not provide the same capability and therefore is not a substitute for the Trident submarine. The present program features 10 of these larger submarines with a capability for a larger, more capable missile than would be possible in a smaller ship, and which can assure a higher degree of survivability. With the very capable Trident force deployed in the Pacific, a smaller, and slightly less capable submarine could complement Trident to produce a very effective mix while simultaneously exercising greater economy. Such a mix, once designed and available, would permit the U.S. to respond flexibly and optimally to developments in SALT or to future moves by the Soviets. A lower cost follow-on to Trident as an ultimate replacement for the entire SSBN force would be a desirable option to have in hand.

The smaller submarine represents a marked improvement over today's SSBNs from the standpoint of survivability. The design will feature a propulsion plant based upon a design employed successfully in the attack submarine, *Narwhal*, advanced sonar, and incorporation of latest quieting features. In size it will more closely approximate today's SSBNs than Trident. Its cost would be somewhat more than an exact copy of today's Polaris submarines, if it were possible to build such a ship, but less than the cost of a follow-on Trident.

In summary, then, Trident represents the more capable but more costly end of a mix of submarines which can be responsive to future SALT limitations or Soviet initiatives. It represents the hard-core keystone of our deterrent system. A smaller, somewhat less capable design can represent the lower-cost end of a future sea-based system, which can be a hedge option with optimum exercise of economy should greater numbers of new ships be required.

NUCLEAR POWERED ATTACK SUBMARINE (SSN): "NARWHAL" TYPE

Name: Narwhal.

No: SSN 671.

Builder: General Dynamics (Electric Boat).

Laid down: Jan. 17, 1966.

Launched: Sept. 9, 1967.

Commissioned: July 12, 1968.

Displacement, tons: 4,450 standard: 5,350 submerged.

Length, feet (*meters*): 314 (*95.7*) oa.

Beam, feet (*meters*): 38 (*11.5*).

Draft, feet (*meters*): 26 (*7.9*).

Torpedo tubes: 4—21 in (*533 mm*) amidships.

A/S weapons: SUBROC and A/S torpedoes.

Main engines: 2 steam turbines; approx. 17,000 shp.; 1 shaft.

Nuclear reactor: 1 pressurised-water cooled S5G (General Electric).

Speed, knots: approx. 20 surface; approx. 30 submerged.

Complement: 107 (12 officers, 95 enlisted men).

The *Narwhal* is a large attack submarine with an improved propulsion system. She is the largest "straight" nuclear-powered attack submarine yet built by the U.S. Navy (slightly shorter than the pioneers *Nautilus* and *Seawolf*, but wider, deeper, and heavier). Authorized in the Fiscal Year 1964 new construction programme.

DESIGN

The *Narwhal* is similar to the "Sturgeon" class submarines in design.

ELECTRONICS

Fitted with BQQ–2 sonar system. See "Sturgeon" and "Permit" classes for general notes.

ENGINEERING

The *Narwhal* is fitted with the prototype sea-going S5G Natural Circulation Reactor. According to Vice Admiral H. G. Rickover, the Natural Circulation Reactor "offers promise of increased reactor plant reliability, simplicity, and noise reduction due to the elimination of the need for large reactor coolant pumps and associated electrical and control equipment by taking maximum advantage of natural convection to circulate the reactor coolant".

Natural circulation eliminates the requirement for primary coolant pumps, the second noisiest component of a pressurised-water propulsion system after the steam turbines.

The Atomic Energy Commission's Knolls Atomic Power Laboratory was given prime responsibility for development of the power plant. Construction of a land-based prototype plant began in May 1961 at the National Reactor Testing Station in Idaho. The reactor achieved initial criticality on Sept. 12, 1965.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I would say to the sponsor of this amendment to restore this $16 million that, if the Director of R. & D., Dr. Currie, wants to do some work on the advanced design, we do have such a program on advanced ship design which covers submarines, and whatever studies they want to do could be done in that program.

I believe that what the chairman said to our colleagues today is very important. Actually we are up to our eyebrows in trying to build submarines. To my knowledge the Navy has already been denied one SSN attack submarine for fiscal year 1975 and the previous year they stretched out the program in order to accommodate the heavy workload in the yards. It may be the sponsors of the amendment were motivated and I think they were by the objective of cutting back on the number of Trident submarines from the presently planned 10 approved by the Secretary of Defense.

Mr. MATHIAS. Mr. President, will the Senator yield on that point?

Mr. McINTYRE. I will yield on the Senator's time.

Mr. MATHIAS. Mr. President, I yield myself 3 minutes on my time. I am not trying to cut back on the Trident program. I am trying to give to the Navy a further option that the Department of Defense and other officers knowledgeable in the Navy said they would like to have.

Mr. McINTYRE. And the Subcommittee on R. & D., has not disagreed with that. We say it is too early to be spending $16 million of taxpayer money for no good reason.

I wonder if my colleagues are aware that the bill includes funds to initiate long lead procurement of submarine components for a total of seven Trident submarines, although full funding is authorized in fiscal year 1975 for the first two follow submarines. Therefore, in a practical sense, the ability to make a significant reduction in the number of Trident submarines planned will become increasingly difficult if this is expected to be accomplished in fiscal year 1976 or later. I recognize, of course, that the Congress could deny full funding for ships No's 4 and 5 in fiscal year 1976, but this would result in a very substantial waste of funds which are being applied to support these ships during fiscal year 1975.

This entire question may be academic, Mr. President, since it is my conviction that the practicability of terminating the Trident program with only three submarines is so remote as to be unworthy of serious consideration. Just consider the tremendous investment that will have been made in submarine construction facilities and in support facilities whose economic use could not be justified with a quantity as small as three submarines.

From a strictly national security point of view, the committee considers that the United States retains the option, if the need arises, to continue to build Trident submarines beyond the initial 10 now planned.

Another measure of security is provided by the approved plan to backfit existing Poseidon submarines with the Trident C–4 missile starting in fiscal year 1979. This also would provide a hedge against a possible Soviet breakthrough in antisubmarine warfare technology.

Finally, the concept of the SSBN–X involves the use of the Trident C–4 missile.

This sub will not have the potential or capability to accommodate the long-range and more capable D–5 missile, which will have a 6,000-mile range, and which the Trident submarine is being built to accommodate. Our Poseidons will handle the D–4, with the 4,000-mile range, but it takes the Trident to handle the D–5 with the 6,000-mile range. The SSBN–X will lack this growth potential in the event that it should be needed in the future.

So while the committee does go along with the hi-lo concept, we think, if not next year, within the next 2 years, we could go ahead on the SSBN–X. We cannot see any reason for going ahead this year, when we have not even awarded the first construction contract on the Trident. But we do see merit in this proposal and will proceed to support it within the next year or two.

I thank the Senator for yielding to me.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, the Senate Armed Services Committee recommended denial of the $16.0 million requested to initiate the improved strategic nuclear ballistic missile submarine weapon system as premature, but fully supports the concept of a lower cost submarine launched ballistic missile system than the Trident.

The Secretary of Defense decision of January 1974 approved a 10 Trident weapon system program at a rate of 2 per year following the lead submarine, provided for accelerated backfit of 10 Poseidon submarines starting in fiscal year 1979 and completing in fiscal year 1982, and approved the start of feasibility and conceptual design work on an improved SSBN called SSBN–X.

The SSBN–X, which would be a smaller ship than Trident and carry 16 Trident I or C–4 missiles, could be a cheaper replacement for Poseidon submarines on a one-for-one basis. It could be slightly larger than Poseidon but would be unable to accommodate the larger and longer range Trident II or D–5 missile.

The SSBN–X could be available beginning in calendar year 1984, and would provide a hi-lo mix with the 10 Trident weapon systems. The Navy considers the SSBN–X to be a desirable option, but not as a substitute for any of the 10 Tridents.

The committee considers that the concept of the SSBN–X has merit, but the need for initiation in fiscal year 1975 is questioned, particularly because of the early stage of the Trident program. In fact, as of the time of the committee report, the lead submarine contract had not yet been awarded.

It is debatable whether the Poseidon submarines will last longer than the design life of 20 years. Still, the Navy has testified that they may last as long as 25 years, although this cannot be proven because the oldest of the Polaris submarines is 14 years old. The upper estimate of useful service life approaches 30 years.

Under the existing interim SALT agreement the 10 Trident submarines will replace the oldest 10 Polaris submarines which were deployed from 1960 through 1963. This will leave 31 Poseidon submarines in operation, 10 of which were deployed in 1964 with the remainder during 1965 through 1967.

The plan to deploy the SSBN–X starting in 1984, therefore, would coincide with the assumed need to start replacing the oldest Poseidon submarines when they become 20 years old. This is considered to be extremely conservative and unjustifiable. A delay of 1 or 2 years in starting the SSBN–X would still provide ample time to develop them and put them into operation at least several years before obsolescence dictated the orderly replacement of Poseidon. Moreover, there are other important advantages to deferring the start of the SSBN–X. Since it would incorporate much of the Trident submarine technology, more important technology lessons could be learned from another year or two of Trident submarine development. The results of SALT II, which cannot be prejudged, also could have a major impact on the size and composition of the future SLBM fleet and could influence any plan for the SSBN–X.

Mr. President, while I do not support this amendment, I wish to make it clear to the Senate that I will probably support this program in future years; if at that time the facts so justify.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I do not know of any other Senator who wants to speak on this amendment. I yield myself only 2 minutes.

The PRESIDING OFFICER. The Senator has only 1 minute remaining.

Mr. STENNIS. I thank the Chair.

Mr. President, we have 13 submarines already fully authorized and have appropriated funds for them. A few of them are under process of construction. The rest of them have had contracts let for them but are just standing and waiting to be built. The yards are overrun with contracts, having more or less than they can take care of. At one point, the yards building these submarines refused to submit bids. One of them finally did. That is all in addition to the Trident, which is already on its way, but the contract for even the first one of those has not been let.

Certainly, this matter can be carried on for a year. We are not trying to kill it; we are simply trying to postpone it. It is highly unusual to have an additional family of submarines to be built before we can get one contract let for the newest ones and the others are standing by with not enough of them built.

The PRESIDING OFFICER. The Senator from Maryland has 7 minutes.

Mr. MATHIAS. Mr. President, I am going to try to speak with the same economy of time that the distinguished chairman of the committee has just exhibited here.

We believe that there is a body of support within the Navy that believes we should go forward with it.

I am impressed with the argument of the distinguished Senator from New Hampshire that construction and design facilities are already being utilized and very close to the outside limit of their capacity, but this is not really a question of shipyard availability at this time, because we are talking about research and development. We are talking about design and particularly hull design. We are talking about missile costs, which are already being undertaken and performed and executed as a part of the Trident I missile program.

As the distinguished chairman of the Armed Services Committee knows, about 83 percent of the missile R. & D. costs involved in the amendment we are discussing are absorbed by the Trident program.

I believe this is one of those options that the Navy ought to have, and the way to assure the Navy that this option will be available, which does not mean it is time to go out and hire the band and plan a launching ceremony, but the way to assure the Navy is to approve this amendment and give the Navy that kind of spectrum of options necessary for the strategic deployment of our forces in the very dangerous kind of times in which we live.

I hope the Senate will adopt the amendment.

I make the point of no quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that point?

Mr. MATHIAS. At the request of the distinguished majority whip, I withhold that suggestion.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Mississippi, I yield back the remainder of his time.

I ask unanimous consent, Mr. President, that the Senator from South Dakota may have 3 minutes at this time and that the Senator from Mississippi may have 3 minutes on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT ON POW AWARDS

Mr. McGOVERN. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill add the following new section:

"SEC. 703. Notwithstanding any other provision of law, a decoration or device in lieu of decoration which, prior to the date of enactment of this Act, has been authorized by Congress to be awarded to any person for an act, achievement, or service performed while on active duty in the Armed Forces of the United States, or while serving with such forces, may be awarded at any time not later than two years after the date of enactment of this Act for any such act or service performed between July 1, 1958, and March 28, 1973, inclusive, if written recommendation for the award of the decoration, or device in lieu of decoration, is made not later than one year subsequent to the date of enactment of this Act.

Mr. McGOVERN. Mr. President, at present, there are nearly 1,700 cases in which congressional service awards are being denied to American servicemen, all former prisoners of war, solely because of time limitations imposed by law.

Article 6248 of title 10 of the United States Code is an *example* of the limitation. It provides that:

> No medal of honor, Navy cross, distinguished-service medal, silver star medal, Navy and Marine Corps medal, or bar, emblem, or insignia in place thereof may be awarded to a person unless—
>
> (1) the award is made within five years after the date of the act or service justifying the ward; and
>
> (2) a statement setting forth the act or official recognition of it was made by his superior through official channels within three years from the date of that act or service.

The statutes in this area apply solely to congressional awards—the Medal of Honor, the Navy Cross, the Air Force Cross, the Distinguished Service Coss, the Silver Star, the Legion of Merit, and the Distinguished Service Medal. In other cases the service secretaries have authority to suspend the time limitations.

My amendment would make possible the consideration of approximately 627 awards in the Navy, 43 in the Marine Corps, 134 in the Army, and 876 in the Air Force, which cannot now be recommended because the deadlines imposed by law have passed.

These times restrictions are sensible under ordinary circumstances. But they are currently having the effect of ruling out awards to a number of Americans who were held as prisoners of war in Southeast Asia for acts of valor taken while they were confined. Under the circircumstances of their confinement, the time limitations of the law obviously could not be met.

The pending amendment would simply suspend the existing time limitation on a one-time basis. Instead, I suggest a provision that for acts or service performed between July 1, 1958, and March 28, 1973, awards may be made within 2 years after the date of enactment of this amendment, if the written recommendation is made within 1 year after the date of enactment.

This amendment is identical to a bill, S. 3192, which has been introduced by the distinguished chairman of the Senate Armed Services Committee, Mr. Stennis, with the cosponsorship of Senator Thurmond. But since the proposal is so eminently reasonable and is no more than a minor technical change in the law, I think it is entirely appropriate to deal with it as an amendment to S. 3000, rather than going through the lengthy process of hearings and markup.

I strongly urge the support of Senators for this very simple but highly warranted amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending amendment be laid aside for 3 minutes, and that the Senator from South Dakota be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1422

Mr. McGOVERN. Mr. President, I call up my amendment 1422, cosponsored by the Senator from Massachusetts (Mr. Brooke) and myself, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

Sec. 202. (a) The Secretary of Defense shall provide for an independent and comprehensive cost-effectiveness study, on a force level basis, of the manned bomber mission of the Air Force. Such study shall include, but shall not be limited to, a consideration of the following alternatives, taking into consideration both nuclear and conventional warfare roles of such alternatives:

(1) the B–1 aircraft;

(2) the existing B–52/FB–111 combination aircraft with appropriate modifications to extend the operational life and strategic utility of the B–52G and the B–52H series aircraft;

(3) the FB–111 aircraft with modifications to provide greater range and increased payload capacity;

(4) a modified version of the B–52;

(5) the M–X or other aircraft-ballistic missile combination designed not to penetrate enemy airspace or terminal defenses but to perform exclusively as a standoff aircraft; and

(6) the complete reliance (no manned strategic bomber) on the modernization of sea-launched ballistic missiles and intercontinental ballistic missiles, within the constraints of negotiated limitations on strategic arms, to provide insurance equivalent to what the manned bomber would provide against any degradation of existing sea-launched ballistic missiles and intercontinental ballistic missiles.

(b) With respect to the nonnuclear missions of the Air Force, the study provided for in subsection (a) of this section shall also include a cost-effective comparison of the B–1 aircraft with currently available tactical aircraft and with tactical aircraft scheduled to become operational within the same time frame as the B–1 aircraft.

(c) Both before and during the study the assumptions and methodology used in the study to measure the cost-effectiveness of strategic bomber options, including the plausibility and practicality of all missions assigned to manned strategic bombers, shall be available for review by the Committees on Armed Services and the Committees on Appropriations of the United States House of Representatives and the United States Senate.

(d) The professional analysts selected by the Secretary of Defense to conduct the study provided for in this section shall be selected solely on the basis of their ability to carry out effectively and impartially the cost-effectiveness study required to be conducted by this section. Not more than one-half of the total number of the analysts selected by the Secretary may be composed of (1) current employees of or persons employed by the Department of Defense within a period of three years prior to the beginning of the study, and (2) persons employed or formerly employed by any business entity who have worked on Department of Defense projects at any time within a period of three years preceding the date of their selection by the Secretary of Defense to help conduct the study required under this section.

(e) The Secretary of Defense shall initiate the study required by this section at the earliest practicable date and shall submit the results of such study to the Committees on Armed Services of the Senate and the House of Representatives not more than twelve months after the date of enactment of this Act.

(f) The expenses incurred in conducting the study required by this section shall be paid for out of funds made available under section 201 of this Act for the B–1 bomber aircraft program.

Mr. McGOVERN. Mr. President, this amendment simply requires a comprehensive new cost-effectiveness study of all the strategic bomber options so that we will have the best and most current possible information before we begin moving toward production of the so-called B–1 bomber or any of the other options.

Mr. McINTYRE. Will the Senator from South Dakota yield?

Mr. McGOVERN. Yes, I yield.

Mr. McINTYRE. As I noted in my remarks last Wednesday on the previous B–1 amendment, I share a great many of the Senator's concerns about this program. Certainly it is a sound idea to update the previous studies.

In fact, as the Senator has noted, the committee report on S. 3000 does encourage the Secretary of Defense to conduct such a study, and suggests that it include participation by the General Accounting Office and independent technical, financial, and management experts.

In response to the points raised by the earlier amendment, No. 1346, as well as this one, Chairman Stennis has followed through on that language in the report with letters to the Secretary of Defense and to the Comptroller General, specifically requesting that the current Defense Department cost-effectiveness study of the B–1 be reviewed, not only as to conclusions and recommendations but also as to assumptions, by the General Accounting Office, and that the GAO recommendations be reported to the committee by October 1 of this year.

I ask unanimous consent that the letters I have described be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

June 10, 1974.

Hon. Elmer B. Staats,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

Dear Mr. Staats: The Department of Defense has been conducting a cost effectiveness study of the B–1 bomber which was started in October 1973. This was recognized by the committee on page 36 of Report No. 93–1035 on the fiscal year 1975 military procurement authorization bill S. 3000, and reads as follows:

"In conclusion, the Secretary of Defense is encouraged to direct that a comprehensive cost effectiveness study be conducted with the option of including participation by the General Accounting Office and independent technical, financial, and management experts. This should include consideration of all other alternatives to the B–1 in preparation for such an eventuality if it should become necessary. The results of such a study would be useful in the consideration of the fiscal year 1976 request."

During the debate on the bill, amendment number 1346 was introduced by Senator McGovern, which, in addition to cutting the B–1 program by $255 million, would have had the effect of directing that a comprehensive cost effectiveness study be conducted with not more than half of the participants involved being personnel of the Department of Defense or of Defense industry. This amendment was defeated, but a commitment was made that the committee would request the General Accounting Office to review the assumptions, as well as the conclusions and recommendations, of the present DOD study and report to the committee in time for consideration of the fiscal year 1976 authorization request.

The purpose of this letter is to request that your office review the DOD cost effectiveness study, when it is completed, to provide an independent assessment of the assumptions, as well as the conclusions and recommendations, and report your findings and recommendations to the committee as early as possible, but not later than October 1, 1974. Independent consultants should be employed, as may be necessary, to assist in the examination of all aspects of the program including technical, financial, management and other appropriate considerations.

Your office should participate in the DOD study consistent with the content of my separate letter to that department, copy of which is attached. Your cooperation will be appreciated.

Sincerely,

John C. Stennis.

June 10, 1974.

The Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: Attached is a copy of a letter to the Comptroller General requesting that the General Accounting Office review the assumptions, conclusions, and recommendations involved in the Department of Defense cost effectiveness study of the B–1 strategic bomber which I understand has been in process since October 1973. The letter also encourages GAO participation in the study.

The recent experience involving your cost effectiveness study of SAM–D and including GAO participation, was highly productive in assisting this committee in its consideration of the fiscal year 1975 request for SAM–D.

The same degree of participation by GAO in the B–1 study should provide equally satisfactory results to this committee in its consideration of the fiscal year 1976 request for the B–1. Such participation is not intended to interfere with your study but otherwise should be fully supported by the Department of Defense. In this way, the committee will be assured that the GAO report will represent a complimentary adjunct to your study.

The study is understood to include consideration of other candidate systems such as the "stretch" FB–111 designated the FB–111G, a re-engined and modified B–52 designated the B–521, and the employment of cruise missile carrier wide bodied commercial aircraft as stand-off launchers, and B–52s converted to stand-off cruise missile launchers.

Your cooperation in this matter is appreciated.

Sincerely,

John C. Stennis.

Mr. McGOVERN. Mr. President, I have also seen those letters, and I think they do nearly all the things that we are attempting to accomplish with this amendment.

I would like some assurance from the Senator from New Hampshire on one point. Is it clear that the contents of these letters do not rule out options other than those specifically mentioned in the letter?

Mr. McINTYRE. That is correct.

Mr. McGOVERN. Mr. President, with that assurance, then, I want to commend the chairman of the full committee, Senator Stennis, and also the chairman of the Research and Development Subcommittee, Senator McIntyre, for their efforts in seeing to it that we have carefully studied and evaluated the various options open to us, including the B–1, but all the others as well.

On that basis, on behalf of myself and the Senator from Massachusetts (Mr. Brooke), I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

CONSIDERATION OF POW AMENDMENT RESUMED

Mr. McGOVERN. Is it in order now to return to the earlier matter with reference to the first amendment?

The PRESIDING OFFICER. The Chair will state that the Senator has returned to the previous business.

Mr. ROBERT C. BYRD. The Senator from Mississippi had 3 minutes remaining.

Mr. STENNIS. Mr. President, if I may interrogate the Senator from South Dakota, the proposal the Senator has called up now pertains to the decorations of POW's and extends the time?

Mr. McGOVERN. That is correct; it extends it for 2 years from the time this amendment is enacted.

Mr. STENNIS. Yes. That is the same as a provision already before our committee. It has not been acted on; is that right?

Mr. McGOVERN. That is correct. The distinguished Senator from Mississippi is the principal author.

Mr. STENNIS. I have no objection to the amendment, of course. I think the committee would unanimously support it. We have not gotten to that bill because of this important procurement bill that we have been considering up to now. Under the circumstances, I yield to the Senator from South Carolina.

Mr. THURMOND. I do not object to it. It is not exactly appropriate to this legislation, but it could be in order.

Mr. McGOVERN. Mr. President, I appreciate the cooperation of the Senator from Mississippi and the Senator from South Carolina. I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. STENNIS. Let us have a vote, Mr. President.

The amendment was agreed to.

Mr. McGOVERN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to vote on the Kennedy amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. I hope the Senator will not insist on his request. We are acting under a very tight schedule. The time has now arrived for a vote on the Kennedy amendment.

Mr. HELMS. I shall be glad to do that. How long would the Senator be willing to delay it?

Mr. ROBERT C. BYRD. I am not willing to delay for any time. If the Senator would allow us not to delay, we have three back-to-back rollcall votes, and all Senators have been apprised of the fact that the first vote was to occur at this time.

Mr. HELMS. I will withdraw my request.

Mr. ROBERT C. BYRD. I thank my good friend, and he is my friend.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. Baker voted in the negative.

Mr. STENNIS. Mr. President, a parliamentary inquiry. What is the pending question?

The PRESIDING OFFICER. A response to the rollcall has been made. A parliamentary inquiry is not in order.

Mr. STENNIS. It was my distinct understanding that the Chair would state to the Senate what we were voting on. That was a part of the agreement this morning.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. Kennedy).

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The clerk will continue with the rollcall.

The VICE PRESIDENT assumed the Chair at this point.

The rollcall was concluded.

Mr. ROBERT F. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

On this vote, the Senator from Missouri (Mr. Symington) is paired with the Senator from Alabama (Mr. Sparkman). If present and voting, the Senator from Missouri would vote "yea" and the Senator from Alabama would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) and the Senator from Oregon (Mr. Hatfield) would each vote "yea."

The result was announced—yeas 45, nays 46, as follows:

[No. 243 Leg.]

YEAS—45

Abourezk
Allen
Bentsen
Bible
Biden
Brooke
Burdick
Case
Clark
Cranston
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevenson
Tunney
Weicker
Young

NAYS—46

Aiken
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Hughes
Jackson
Johnston
Long
McClellan
McClure
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott,
  William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower

NOT VOTING—9

Bayh
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So Mr. Kennedy's amendment (No. (1425) was rejected.

Mr. STENNIS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, the next amendment to be voted on, I believe, is an amendment of mine. I suggest to the leadership, as there was no other Senator here last night, that there be 2 minutes to a side on this amendment.

Mr. MANSFIELD. Mr. President, I make a unanimous-consent request to that effect.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered. Under the agreement the amendment will be considered with 2 minutes to a side.

The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 14, between lines 4 and 5, insert a new section as follows:
>
> Sec. 602. In carrying out any scholarship or similar program under which financial assistance is provided to persons pursuing an educational program, other than persons enrolled in a Reserve Officers Training Corps program, the Department of Defense shall not prohibit or otherwise deny such assistance to any person solely on the grounds that person is enrolled in, or expects to enroll in, a college or university that has terminated the Reserve Officer Training Corps program previously offered at such college or university.

Mr. JAVITS. Mr. President, the substance of this matter is that the Department of Defense——

Mr. ROBERT C. BYRD. Mr. President, will the Chair maintain order so that Senators can hear what is being said?

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from New York may proceed.

Mr. JAVITS. Mr. President, the amendment is sponsored by 10 Senators. Its purpose is to test the question of whether the Department of Defense should, by denying the necessary financial support, prevent——

The PRESIDING OFFICER. The Senate is still not in order. The Senate will please be in order.

The Senator from New York may proceed.

Mr. JAVITS. Mr. President, as I say, this amendment is sponsored by 10 Senators and seeks as a matter of law to state that the Department of Defense should not deny to those officers who wish to study at given universities, permission to do so and have the necessary financial support even though those universities have abandoned the ROTC program. It involves 12 major universities stretching from California to New York, including distinguished institutions as Harvard, Yale, Columbia, Stanford, Dartmouth, and so forth.

The issue, simply stated, is that the Department is doing this because the chairman of the House Armed Services Committee—and I have no criticism of the committee—in a report declared that he did not want them to finance education at these universities. So they have not done so. There has been no action on it by either House. At least we can settle this question.

I believe in the ROTC, but as between the question of academic freedom or ROTC—that is, to have it or not to have it—and coercion into making them take it, I come down on the side of noncoercion. If they are good studies, Army officers should be entitled to take them without discrimination against the universities. That is what this amendment is all about. I hope that the Senate will support it.

Mr. STENNIS. Mr. President, may we pray for order in the Senate, please, so that Senators can understand what is being said?

The PRESIDING OFFICER. The Senate will please be in order. The Senator is entitled to be heard.

Mr. STENNIS. Mr. President, I yield now to the Senator from Nevada (Mr. Cannon).

Mr. CANNON. Mr. President, this matter was discussed at length last night by the Senators from South Carolina and Arizona, and also by me. The committee is opposed to the amendment. I just heard the Senator say there are 12 universities. I thought last night there were 11—maybe there is a 12th one now. They saw fit to terminate their ROTC programs, yet they want to take advantage of military-sponsored scholarships and aid programs in sending military candidates to the various schools.

This has nothing to do with control of the curriculums in the schools involved. They have the utmost freedom. But if they elect not to have ROTC programs, then they should not benefit from that through various other military programs which are available.

For those reasons, Mr. President, the committee is opposed to the amendment. As has already been stated, the House is adamantly opposed to it. That is the reason for the policy adopted in the past.

We have many fine schools throughout the country that do engage in ROTC programs in full. Some of the schools which dropped them are now back in with them. There are ample programs in the colleges where the Defense Department pays the tab for those who want to be in attendance.

Mr. DOMENICI. Mr. President, I intend to vote against the amendment offered by the distinguished Senator from New York (Mr. Javits) despite his eloquent arguments in its behalf. This is a difficult decision as the reasons for the amendment seem to make a great deal of sense and since the amendment attempts to provide a fair and equitable solution to a difficult and uncomfortable situation on our national scene.

My primary reason for voting against the Javits amendment is to allow college and universities which discontinued ROTC at a time of national turmoil and upheaval an opportunity to reevaluate that decision in light of a change in the national situation. If given that opportunity in a somewhat different environment, they had remained steadfast, I would have supported the Javits approach to solve the problem.

Mr. President, I feel that colleges and universities in considering their relationship with DOD ought to consider all aspects of that relationship and that DOD ought to have that same latitude. What is important here, however, and a point the Javits amendment overlooks, is that if it were enacted those schools would no longer be required or even encouraged to consider the DOD relationship as a package even under changed circumstances.

Those schools would simply qualify for what are obviously benefits of the relationship without even considering carrying some of the burdens. That is not logical, Mr. President, and I will join with those opposed to this amendment to give those schools an opportunity to evaluate their position regarding benefits and burdens in a time untroubled by the turmoil and upheaval prevalent during the Vietnam war. I hope they will avail themselves of the opportunity to participate in the ROTC program because, while some may view it as a burden. I wholeheartedly agree with the distinguished Senator from New York who, even though sponsoring this amendment, said yesterday in these Chambers that he likes ROTC programs.

The PRESIDING OFFICER (Mr. McClure). All time on the amendment has now expired.

The question is on agreeing to the amendment of the Senator from New York (Mr. Javits).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 48, nays 43, as follows:

[No. 244 Leg.]

YEAS—48

Abourezk
Aiken
Beall
Brooke
Buckley
Burdick
Case
Clark
Cranston
Dole
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Hathaway
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Taft
Tunney
Weicker

NAYS—43

Allen
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Huddleston
Johnston
Long
Magnuson
McClellan
McClure
Nunn
Roth
Scott, William L.
Stennis
Stevens
Talmadge
Thurmond
Tower
Young

NOT VOTING—9

Bayh
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So Mr. Javits' amendment was agreed to.

Mr. MANSFIELD. Mr. President, what is the next amendment?

The PRESIDING OFFICER. The next vote is on the amendment by the Senator from Maryland (Mr. Mathias).

Mr. MANSFIELD. Mr. President, I understand that debate on this amendment was completed this morning, so I ask unanimous consent that there be a 4-minute limitation, the time to be equally divided, as before.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. STENNIS. Mr. President, I think the sponsor of the amendment should proceed first.

Mr. STEVENSON. Mr. President, the Senator from Maryland (Mr. Mathias) is the principal sponsor of the amendment. I do not know of any request for additional time. He is not in the Chamber at the moment. I shall be glad to explain what the amendment is about.

Mr. President, the Senator from Maryland has just reentered the Chamber and I yield to my distinguished colleague.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, this is a very simple amendment. This amendment adds $16 million to the authorization bill for the design and research of a submarine which will have the same missile characteristics as the Trident, but which will have a hull which costs one-half as much as the Trident. The Navy wants it, the Defense Department recommends it. The Secretary of Defense and Dr. Currie, the head of Engineering and Research Division of the Department of Defense, are on record favoring it.

It is an option which is necessary to complement the Trident fleet, and as I said, the Defense Department wants it. In the debate which occurred in the Senate, all Senators who voted to support the amendment and to oppose the amendment agreed that this is a ship that will have to be built. If we delay giving the authorization to design this ship we delay the benefits of having this option and we delay the benefit of having a ship that will complement the Trident fleet. It is an option we want and which could potentially offer great economy and give us versatility in the deployment of strategic weapons in a nuclear submarine fleet.

Mr. STENNIS. Mr. President, the committee is wholly opposed to including this submarine. I ask the Senator from New Hampshire to explain the committee position.

Mr. McINTYRE. Mr. President, the $16 million requested for a new type submarine known as the SSBN-X was unanimously disapproved by the subcommittee as it was later by the full committee. The reason is that it is premature. We have not let the first contract for the lead ship of the Trident submarines. Our yards are right up to their eyebrows taking care of what we have already ordered. We have denied one attack submarine that slipped this year. The Trident submarine program is underway.

We think that behind this move, not particularly by the Senator from Maryland, is an effort to cut back on the Trident submarine. Nothing could be more foolhardy. Funds are provided here for up to No. 7 Trident. We must keep open the options for Trident, and the committee feels that in another year or two we may want to go with the idea of a submarine to replace the aging Poseidon, but it is not needed at this time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

On this vote, the Senator from Oregon (Mr. Hatfield) is paired with the Senator from Kentucky (Mr. Cook). If present and voting, the Senator from Oregon would vote "aye" and the Senator from Kentucky would vote "nay."

The result was announced—yeas 23, nays 68, as follows:

[No. 245 Leg.]

YEAS—23

Aiken
Beall
Brock
Brooke
Byrd, Robert C.
Case
Eagleton
Fulbright
Gravel
Hart
Hollings
Javits
Kennedy
Mansfield
Mathias
Mondale
Montoya
Percy
Ribicoff
Schweiker
Stafford
Stevens
Stevenson

NAYS—68

Abourezk
Allen
Baker
Bartlett
Bellmon
Bennett
Bentsen
Bible
Biden
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hartke
Haskell
Hathaway
Helms
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Long
Magnuson
McClellan
McClure
McGovern
McIntyre
Metzenbaum
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NOT VOTING—9

Bayh
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So Mr. Mathias' amendment (No. 1391) as modified, was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized to call up his amendment dealing with a ceiling on total authorizations, on which there shall be 1 hour of debate, with 30 minutes on amendments in the second degree.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I yield now to the majority whip.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, according to the program as outlined yesterday and in the whip notice, a vote is to occur on the amendment by Mr. Humphrey at the hour of 3:30 p.m. today.

The leadership has just been informed that the distinguished Senator from North Carolina (Mr. Helms) has an amendment that he wishes to call up. It would be shut out under the order. I propound the following unanimous-consent request which would allow him to bring it up now and get to a vote on it, leaving a motion to table in order.

I ask unanimous consent that at the hour of 3:15 p.m. today the Senator from North Carolina (Mr. Helms) be recognized to call up his amendment; that there be a limitation thereon of 2 minutes to Mr. Helms and 2 minutes to Mr. Stennis; and that upon the disposition of the Helms amendment a vote then occur on the amendment by Mr. Humphrey, the so-called ceiling amendment.

Mr. HUMPHREY. Mr. President, does that mean that the debate on the Humphrey-Roth amendment will take place now?

Mr. ROBERT C. BYRD. Yes, the debate on the Humphrey amendment would take place now.

Mr. STENNIS. Mr. President, reserving the right to object, the proposed agreement does not preclude a motion to table the Helms amendment. Does it?

Mr. ROBERT C. BYRD. No, it does not.

Mr. HUMPHREY. Mr. President, may I make the suggestion to the majority whip, Why do we not proceed in order with the Helms amendment first? I am sure my colleague (Mr. Roth) and I would be more than happy to withhold our amendment until the other amendment is disposed of, and then vote on the ceiling amendment, which would be the final amendment between the third reading and the final action on the bill.

Mr. ROBERT C. BYRD. Under my request, the vote on the ceiling amendment will be the final action before the vote on the bill.

Mr. HUMPHREY. As I understand it, what the Senator is suggesting is that there will be a time period between now and the vote on the Humphrey-Roth amendment in which the Helms amendment will be discussed?

Mr. ROBERT C. BYRD. Yes. There would be a limitation of 4 minutes between the time the ceiling amendment is called up and the vote on the amendment. So many Senators have been called away from the Chamber that they might miss the vote.

Mr. HUMPHREY. The Senator wants us to believe that our persuasive logic in that 4-minute interval would not be lost and that the power of that argument would carry over.

Mr. ROBERT C. BYRD. The Senator is eminently correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Delaware (Mr. ROTH) and myself, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read the amendment, as follows:

> On page 17, between lines 20 and 21, insert a new section as follows:
>
> SEC. 703. Notwithstanding any other provisions of this Act, not more than $21,622,612,000 may be appropriated to or for the Department of Defense under authority of titles I and II of this Act for the fiscal year ending June 30, 1975.

Mr. HUMPHREY. Mr. President, I yield myself 7 minutes.

I yield now to the Senator from Wisconsin.

PRIVILEGE OF THE FLOOR

Mr. NELSON. Mr. President, I ask unanimous consent that Ray Watts be permitted the privilege of the floor starting at this time and continuing through the completion of the consideration of S. 3523, whenever that is the pending business before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Reservation is heard.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I am sure that we can limit the time on this amendment so that we will be able to expedite action in the Senate.

Will the Chair indicate to the Senator from Minnesota the amount of time which has been reserved for this amendment?

The PRESIDING OFFICER. Each side has 17 minutes under the unanimous-consent agreement.

Mr. HUMPHREY. I thank the Chair.

Mr. President, I have joined with the Senator from Delaware (Mr. ROTH) in offering this amendment which will place a ceiling on titles I and II of the figure of $21,622,612,000.

This sum is, according to the calculations of the staff of the Armed Services Committee, identical to the amounts which have thus far been approved by the Senate.

It might be asked then, Why are we proposing an amendment like this which is identical to Senate action on this bill?

Well, Senator ROTH and I believe that the Armed Services Committee very wisely cut the President's request for this particular bill by $1,400 million. We want this reduction, which was made by the Armed Services Committee, and other matters by the Senate, to stick.

We offer the amendment because we have become a little weary of watching the Senate and the Armed Services Committee make substantial reductions in weapons procurement and defense spending, reductions which we believe are in the national interest and not in any way endangering our national security, and then just have these cuts disappear when we go to conference. In other words, we want the Senate to send a message to the House Armed Services Committee, to the other body, and to the Department of Defense that we will stand firm because there is a ceiling on this bill.

Mr. President, those of us who have served in conference committees know that there is always some adjustment that needs to take place. But we have also witnessed a tremendous lobbying effort by the respective Departments of Government and, in this instance, the Department of Defense, and we want to merely fortify the hands of our Senate conferees and let the other body know—particularly the conferees of the House Armed Services Committee—that the Senate believes that the action it has taken is sound and in the national interest and that we are not going to yield and once again have to accede to the demands of the other body.

I am sure that some Senators will say, "Well, is this amendment really necessary?" But Senator ROTH and I believe that a ceiling amendment is the best way to prevent the House of Representatives from prevailing in the conference committee, as it has done all too often in the past.

Mr. President, I have a chart here on congressional action on military authorization bills starting in 1965. In two of those years, believe it or not, the conference committee came out with more funds authorized than either the House or the Senate had approved individually. For example, last year the conference committee came out with the sum of $21,299,520,000. The Senate had appropriated $20,947,653,000; the House $20,445,255,000.

Exactly the same thing happened in 1966 when the conference committee came out with a larger figure than the respective bodies of the House or the Senate.

So we hope that this amendment will do two things: No. 1, serve notice that we will not stand idly by to see authorizations larger than either the House or the Senate; and, might I say, I realize the unusual circumstances of last year.

Second, we would like to strengthen the hand—

Mr. STENNIS. May we have order. The Senator is entitled to be heard, and Senators who are in the Chamber are entitled to hear him. The staff conferences here are a constant burden that we ought not to have to carry.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. I thank the Senator from Mississippi.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HUMPHREY. Second, we believe that this amendment will be of help to the Senate Armed Services Committee and its conferees.

As I indicated, in last year's procurement bill—I gave the Senate figure and the House figures—I made note of the fact that by the time the conference had finished with the bill there was a substantially larger amount of money approved than either body had recommended individually.

Only once before in the last 10 fiscal years—and that was in fiscal 1966—has the conference committee done what it did last year, that is, report a bill that was at a higher level than either body had originally passed. But in 7 out of the last 10 fiscal years, the conference level was higher than the Senate-passed bill.

This is not a very good record for the Senate. The time has come for Senate Members to indicate to their distinguished colleagues on the Armed Services Committee that we strongly support their efforts in the conference and that we want them to hold firm and not let the other body have its way to the degree that it has in the conferences in the past. In other words, we want to strengthen the hand of the Senate conferees.

Setting a ceiling on this bill is not establishing a precedent. Congress continually sets ceilings on authorization and appropriation measures to limit spending. It is common practice, widely approved by the membership of both bodies.

If we review the current economic situation, with inflation and tight money and all the other many problems, and the constantly expressed desire of the administration to cut Government spending, this amendment makes even more sense. Here is a place to put the brakes on spending. This is the time when we insist that the conference committee on this legislation not abandon what was accomplished in the Senate, primarily by the Senate Armed Services Committee and, in that sense, strengthened and supported by the action of the Senate itself.

I have to say that when we get down to this business of conference committees and of our efforts to hold in check the authorizations and the spending, we always are around looking for who is responsible for what goes wrong. I am reminded of that mythical philosopher, Pogo, who said, "We have met the enemy, and they is us." In other words, the problem is "us," and what the Senator from Delaware and the Senator from Minnesota are trying to say here today is that maybe those "us" who have contributed to the problem ought to do something about it.

This amendment would set an aggregate ceiling on procurement and R. & D. line items in titles I and II of the bill.

The aggregate ceiling is equal to the total of the figures for the line items in these titles, as recommended by the Senate Armed Services Committee—except as slightly modified on the floor.

The amendment does not increase or reduce the funding authorized by the bill.

PURPOSE

The Senate should determine how much should be spent on an overall basis on military procurement and R. & D. each year.

Failure to have an aggregate ceiling can result in conference figures higher than either the House or Senate bills.

The ceiling will help the Senate conferees hold the line in conference for the lower Senate figures.

The amendment demonstrates Senate concern for maintaining tight fiscal control over defense while providing funds for a sound national defense at the amount recommended by the committee.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Oh, yes, my coauthor. I yield 5 minutes.

Mr. ROTH. Mr. President, I am happy to join the distinguished Senator from Minnesota in offering this amendment.

The amendment will establish an aggregate ceiling for all procurement and R. & D. items in the bill for the U.S. Armed Forces. The ceiling, as has been pointed out, is set at the $21.6 billion level recommended by the Senate Armed Services Committee as necessary in order to provide a strong national defense. It does not provide for any reduction from the committee bill, but it will help hold the line on defense spending in conference.

I want to compliment the chairman and members of the Armed Services Committee for their careful examination of the Defense Department request and its recommended cuts to reduce waste. I was deeply disturbed by reports that the defense budget request did not get this kind of careful scrutiny by the Office of Management and Budget and that in order to "prime the pump," the request was not cut as much by OMB as it could and should have been.

I was prepared to join a move that would have made this cut if the committee had not taken the action it did. Although this move is no longer necessary, the committee bill still lacks an aggregate ceiling over all the line items contained in the bill, needed to hold the line in conference.

Why is an aggregate ceiling desirable? First of all, I believe in the efficacy of reasonable ceilings as a means of controlling Government spending. It is for this reason that I have urged an overall budgetary ceiling each year since coming to the Senate. The wisdom of this approach is beginning to be recognized by a Congress sick of continued inflationary budget deficits. Congress should set national priorities and, as part of that effort, it should wrestle each year with the question of how much we should spend on military procurement and R. & D.

In the case of this particular bill, because of the lack of an overall ceiling on procurement and R. & D. items, it is possible for the conference figure to be higher than the funds authorized in either the Senate or the House versions of the bill. Senators recognize the need for compromises with the House, but when they vote, they should have some assurance that the compromises will fall between the two bills.

Because there is no ceiling in the House this year, this amendment cannot prevent that situation from happening again. But it will establish the precedent of an aggregate ceiling and show the firm determination of Senators to keep this budget authorization request within fiscally sound limits. The ceiling will strengthen the hands of the Senate conferees in the conference.

It should be crystal clear that the funds authorized under the ceiling will provide for a strong national defense at the level recommended by the committee. We need Armed Forces capable of deterring any aggression against the United States. But national defense cannot be exempt from the need for tight fiscal control. Some improvements in DOD program management have been made, but there is still much more needed to be done. As this year's committee report points out, far too much of the increased costs of defense are "directly attributable to poor program management." Congress must insist that improvements be made.

I am absolutely opposed to using this bill or any bill for pump priming at this time. Defense is not something we buy for its own sake; defense is a burden imposed on us by the nature of the international society we live in. The defense budget should be determined with reference to nature and size of the international threat. To artificially inflate defense spending beyond our needs as a means of stimulating the economy could have the effect of setting in motion forces that will cause other countries to increase their military efforts and contribute to heightened international tensions and a more intense arms race, greatly aggravating our long-range economic problems.

And just as importantly, any kind of "pump priming" is not a solution to today's economic problems; it can only make them worse. As Arthur Burns, among many others, has pointed out, the No. 1 economic problem in the country today is inflation. Those who argue for priming the pump, whether by increasing Federal spending or cutting taxes, are missing an essential point—that the bottlenecks in today's economy are caused by shortages of critical raw materials. Pump priming cannot increase the supply of copper and steel or of petroleum and paper. It cannot produce more jobs or stimulate more production, because the economy needs more raw materials, not more money. A large Federal deficit this year is only going to mean increased Federal borrowing, increasing rates of interest, and further destroying the housing industry. It will induce larger and larger price increases and wage demands and a deepening of the inflationary cycle that is crippling America's economy.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROTH. Thirty more seconds.

Mr. HUMPHREY. I yield the Senator 30 seconds.

Mr. ROTH. Pump priming is the wrong solution at the wrong time and in the wrong circumstances. It will be more money chasing the same amount of goods and services—a prescription for inflation, not growth. The only pump that would be primed would be the pump of inflation.

Mr. President, I believe that the Humphrey-Roth amendment will help put defense on a sound fiscal basis, and I urge my colleagues to support it.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I have some figures here. Figures are always tiresome, but I do want to point out that this bill has two main titles.

In the first place, though, there has not been any substantial sum of money taken out of the bill by the Senate. On the other hand, the Senate voted to recompute pensions. I am not complaining about that, but that adds about $300 million to the bill the first year, and adds $16 billion over the lifetime of the retirees. That is really not reflected in the figures in the bill. These figures represent what I call the hardware.

This amendment, say what you will, whether it is intended to be or not, is an expression of distrust—distrust as to the ability of those who are to be chosen as conferees.

I want to refer at this point to what the committee has already done.

The committee has recommended changes which, when fully effective, would reduce manpower costs, both military and civilian, by about $1 billion. If what the committee did stands up—it has stood up on the Senate floor, but if it stands up in conference and once the changes are effective—there would be a saving below the budget of about $1 billion. But those savings are not reflected in these hardware figures.

The budget provided, for title I—and I shall use round numbers—$13.8 billion. The House of Representatives allowed for that item $13.641 billion, and the Senate committee $12.670 billion, or a little over $29 million more.

For title II, the budget called for $9.3 billion. The House provided $9 billion, and the Senate provided $8.9 billion.

Adding those titles together, the budget calls for $23 billion. The House provided $22.642 billion, and the Senate $21.622 billion. So in those two categories added together, the Senate bill is less than the budget by $1.7 billion already, and it is about $1 billion less than the House bill.

This amendment seeks to mandate the Senate conferees not to go above this total figure. It also would mandate the

House of Representatives not to go above that figure. That cannot be done. This body cannot mandate the House of Representatives.

I do not know whether the authors are trying to do that or not, or whether they realized that that was what they were doing, but they are mandating.

Our system of government has two bodies in the legislative branch, and if we try to carry on an action here without realizing that, we are doomed to defeat; we are sticking our heads in a hole. We are not going to get by with it.

I think, on second thought, everyone knows that. We would be sending conferees over there with orders not to go above $21.6 billion. Then we would be saying to the House of Representatives at the same time, "You are not going to go above that figure."

Mr. President, we cannot get by with that. I think it is ridiculous to send the conferees over there, telling them to stand by this amendment. They would have to yield on this amendment before they would get to first base. I believe, on second thought, that almost everyone will realize that.

We would not let them dictate to us in any such way, and they are not going to let us get by with anything like that. It just will not work.

Now, just a word about last year. I am not blaming anyone. The conference report came back here with a figure above what either body had originally had in its bill. That is an unfortunate situation, but it is by no means a pattern of the operation of these conferences. If we go back and dig out these figures, we will find that the Senate fared all right. I do not have the figures with me; I am calling for them and have not received them yet. But I stand on them. I never look at a conference as winning or losing, anyway. I go there to try to get a sound bill. But I am very serious about this. We will look foolish—and I am not talking about any individual—if we go into conference with a mandate like that. After all is said and done, we will sit down and insist on this $21.6 million. The House would have no choice left except to come within that cover—within that route. The matter would be doomed to defeat from the word "go."

The only way out of the hole would be for the Senate conferees to yield on the point of this amendment. I have never claimed to be a wise man, but I have had some experience in this field. The Senator from North Carolina would say that anyone with one eye and half his senses, who conferred with those splendid men from the House on this kind of bill, would know he would not get anywhere at all—not at all. They would not confer with you, Mr. President, as long as there is attempted a mandate like this.

I personally do not resent this, but I do not see that there is anything to negotiate if we are going to put this kind of mandate on it. The conferees would be just a name because they would not have any power or any authority to confer about anything, unless the House would come to the terms of the Senate on this money. They just will not do it. They just will not do it, I repeat.

If this amendment does pass, I am going to ask that the Senate not immediately appoint the conferees but wait for second thoughts about it, because with this amendment on, the conference would be useless and fruitless until the Senate had yielded.

So, Mr. President, those are the hard facts. That is not logic. It is figures and facts and commonsense.

I am authorized by the distinguished Senator from Arkansas, the chairman of the Appropriations Committee, who is in an important conference elsewhere on official business, to say that he is totally opposed to the amendment. It does not leave any room for negotiation at the conference except of the very slightest kind. If the bill comes back with a mandate on it like this, he does not know where he will be. The Committee on Appropriations will not know where they are, either.

I have served on that committee long enough to know what a problem is presented by this.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. HELMS). Seven minutes remain to the Senator from Mississippi.

Mr. STENNIS. I thank the Chair.

Mr. President, I repeat, if this amendment is adopted—and I know it is being offered in good faith by two outstanding and fine Members of this body—there is nothing to confer on, so far as the House is concerned, until they knuckle under to this figure, and they could confer a little about adjustments of some kind as to the different weaponry. It would not be a conference if they were only going to confer on the total money differences in the bill.

I want to hold this amount down. Every member of the committee has worked hard from January until now trying to do that very thing. We made savings of $1 billion, I repeat, in manpower, and some of you, Mr. President, put on recomputation involving that extra $300 million totaling $16 billion in liabilities. But that is all outside these figures in the bill. We have made the reductions. We are below the budget. We are below the House. Practically speaking, I think that with all the effort combined, and the help of Members of the Senate—not members of our committee—I think we have done some good. But just to tell us that we have got to go to a so-called conference and hold every bit of it and kick the House in the face with this amendment, please do not ask us to do that.

I am not going to accept any such assignment until I have had a chance to consider this matter further, if this amendment should be agreed to. That is not a threat but just a fact of life.

Mr. GOLDWATER. Mr. President, I support the chairman in his arguments. They are sound and cogent arguments against the amendment.

We have been in debate on the bill now for over a week. This is the fifth year in a row that we have had prolonged debate on the military authorization bill. I can remember that prior to that the Senate was willing to take the work of the committee and vote on it, usually without any debate or argument at all.

I know that the proponents of this amendment are serious. They are dedicated Members of this body. But I should like to remind all Senators that, like all committees, this committee works diligently and hard, not just a few months in the year, but around the clock. The work of the members of the committee is not confined only to the committee rooms in Washington. Many of us travel across the country, so that we can see where the money is being spent and how it is being spent. We confer with the manufacturers. We confer with advisers as to how we can save money. I do not know how we can do a more diligent job. We have a competent staff who diligently pursue this work 12 months in the year.

In attempting to amend the bill over 15 years, I do not think there have been more than three amendments that have won on the Senate floor against the arguments of the committee, mainly because of the ability of the chairman and the ability of members of the staff. I think the average Senator recognizes the practical work that is done by this committee. While I realize that trying to put a ceiling on the amount sounds reasonable and probably has a lot of political sex appeal back home, there is no way that the House of Representatives will sit still for a ceiling, which would probably work to the detriment of this body, which has already cut quite a chunk out of it, and which will work to the detriment also of Senators who have been suggesting this amendment, because we may be in the position of bargaining, if we have some freedom to bargain, to cut a little bit here and there in conference.

I have been in conferences with the House, so I can back up what the chairman says. They do not yield easily. In fact, they are the toughest bunch I have ever had to do business with in all my life. Generally, even though we do not like it, they prevail every time.

So, I would go past the suggestion that this amendment be defeated and would seriously urge my friends who propose the amendment to withdraw it, because it will work a real hardship on those who have to work and sit down with Members of the House, trying to work out a bill that both bodies can agree on and that will probably finance the military of this country.

So I back my chairman and urge that the amendment be withdrawn.

Mr. STENNIS. Mr. President, I thank the Senator from Arizona very much.

I want to add one word here. We have this manpower question here. We have made changes which will save about $1 billion. My prediction is that the House will not want to yield on that manpower one bit—not one bit. So far as the cost to the Treasury is concerned, we will have a very hard time and probably not save anything like that much. That is the reality of things in the manpower field.

So I want to emphasize that I am not angry about anything. In fact, I am in a better humor than I usually am. But these are the hard facts of legislative life.

The Senator from Minnesota is an experienced and highly competent legislator. The distinguished Senator from Delaware has come forward by leaps and bounds in the time he has been here. I ask them both to have second thoughts. This approach will not work. This amendment, well intentioned and all as it is, will not work.

I yield the floor.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. HUMPHREY. Mr. President, I take 2 minutes to say that I fully respect the arguments of the Senator from Mississippi. But, Senator, I have been here long enough to have watched the Senate instruct its conferees to stand by a Senate bill. That happens time after time. It is a routine motion most of the time, but I have, 100 times and more, heard the Senate say, "We instruct our conferees to stand by the Senate amendments."

What this amendment does is to instruct our conferees to stand by the marvelous work this committee has done. Frankly, it should be looked upon as a compliment to the committee, not in any way as a lack of faith or lack of trust in the committee.

I do not want anybody here to try to fool anyone. This is not an unusual procedure. The Senate repeatedly has set ceilings. The Senate repeatedly has instructed its conferees. So we know what we are doing.

So far as the manpower provision is concerned, that is out of this, as the Senator has indicated. We are talking about weapons procurement.

This amendment is designed to back the committee and to do exactly what the Senator from Arizona has indicated—to help it face up to the fact that the House bargainers are tough, and they have been. Over the last 10 years, the House in all but two instances has pushed the Senate back. We have lost in our authorizations $2,479,488,000, and the House has yielded $922 million.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. I yield.

Mr. STENNIS. That is rather strong evidence. Perhaps the Senate worked harder in reducing this bill originally.

Mr. HUMPHREY. The Senator is correct.

All we are trying to do is to give the committee three Hail Marys and a Hallelujah and tell the committee to stand firm. That is all we are trying to do. I cannot understand why anybody takes exception to it.

We are simply trying to say to the Senator that no matter how kindly we may be, some of us here are really mean, and we are not going to give up to the House all the time. They make us give up time after time.

Mr. President, do I have 1 minute left?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. HUMPHREY. I yield 1 minute to the Senator from California.

Mr. CRANSTON. Mr. President, I just want to join in support of this amendment and to point out that not only last year but also in 10 of the last 11 years, we have come back from conference and ultimately adopted a bill that is higher than the Senate figure; and in many of those years, it was higher than the House or the Senate figure.

Mr. STENNIS. If the Senator will yield, I challenge that statement. Someone has given the Senator the wrong facts that this has been true in many recent years.

Mr. CRANSTON. I have a committee print table here, printed for the use of the Senate Committee on Armed Services, which shows the following: In 1966, the Senate authorization was $15 billion; the House authorization, $15 billion; conference, $19 billion. In 1967, Senate, $17 billion; House, $17 billion; conference, $21 billion. Two years ago, 1973, Senate, $20,521,000,000; House, $21,318,000,000; conference $21,588,000,000. Last year, 1974, the Senate authorization was $20,947,000,000; the House, $20,445,000,000; the conference, $21,299,000,000.

It has happened constantly; it happens virtually every year. Now is the time to stop it, and this amendment would stop it.

Mr. President, I ask unanimous consent to have the committee print table printed in the RECORD.

There being no objection, the committee print table was ordered to be printed in the RECORD, as follows:

[COMMITTEE PRINT TABLE]

PRINTED FOR THE USE OF THE SENATE COMMITTEE ON ARMED SERVICES—CONGRESSIONAL ACTION ON PROCUREMENT AND R.D.T. & E. AUTHORIZATION REQUESTS

Fiscal year	Budget request	Senate authorization	House authorization	Conference	Appropriated
1964	$15, 358, 691, 000	$14, 951, 491, 000	$15, 856, 391, 000	$15, 314, 291, 000	$14, 364, 690, 000
1965	17, 185, 300, 000	17, 040, 140, 000	16, 914, 800, 000	16, 967, 620, 000	16, 722, 391, 000
1966	19, 363, 050, 000	15, 283, 800, 000	15, 303, 400, 000	[1] 19, 468, 250, 000	[1] 19, 320, 550, 000
1967	20, 769, 659, 000	17, 170, 059, 000	17, 858, 059, 000	[1] 21, 404, 459, 000	[1] 21, 057, 559, 000
1968	21, 066, 432, 000	20, 765, 332, 000	21, 481, 032, 000	21, 168, 032, 000	20, 149, 432, 000
1969	22, 385, 052, 000	21, 341, 738, 000	21, 636, 964, 000	21, 625, 750, 000	18, 491, 041, 000
1970	21, 963, 660, 000	19, 988, 886, 000	21, 347, 860, 000	20, 710, 502, 000	[2] 19, 311, 520, 000
1971	20, 317, 430, 000	[3] 19, 242, 889, 000	20, 237, 489, 000	[3] 19, 929, 089, 000	[3] 18, 997, 376, 000
1972	[4 5 7] 22, 359, 129, 000	[6] 21, 016, 417, 000	[5] 21, 252, 682, 000	[6] 21, 316, 870, 000	20, 461, 802, 000
1973	[8] 23, 272, 971, 000	20, 521, 671, 000	21, 318, 788, 250	[9] 21, 488, 747, 000	19, 567, 838, 000
1974 [10]	21, 959, 100, 000	20, 947, 653, 000	20, 445, 255, 000	21, 299, 520, 000	20, 163, 205, 000

[1] Includes supplemental.

[2] Of this amount, $350,000,000 to be derived by transfer from stock funds.

[3] Includes $334,000,000 for Safeguard construction and family housing.

[4] Reflects budget amendment submitted subsequent to House Action (+$111,000,000).

[5] Includes $183,600,000 for Safeguard construction and family housing.

[6] Includes $109,570,000 for Safeguard construction and family housing.

[7] Includes $59,762,000 additional requested for civilian pay increases pursuant to Public Law 91-656.

[8] Includes $3,000,000 for special foreign currency program for Navy under R.D.T. & T. appropriation; Includes fiscal year 1973 budget amendments of $54,000,000 for civilian personnel pay raise, $254,800,000 for *various* programs, and June 27, 1972, amendment of $770,000,000 for Southeast Asia and SALT related items.

[9] Includes $644,900,000 additional authorization in sec. 801 of Public Law 92-570.

[10] Includes $2,600,000 for special foreign currency program for Navy under R.D.T. & E. appropriation.

Notes: During fiscal years 1964 and 1965 tracked combat vehicles were not subject to authorization action. During fiscal years 1964, 1965, and 1966 the emergency fund under R. & D. was not subject to authorization action. Authorization for other weapons was not required prior to fiscal year 1971. Authorization for torpedoes and related support equipment not required prior to fiscal year 1972.

Mr. STENNIS. Mr. President, in view of the situation, I ask unanimous consent that I may be allowed 2 additional minutes, 1 minute for the Senator from Georgia and 1 minute for the Senator from South Carolina.

Mr. HUMPHREY. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I would like to provide a little food for thought. We have a great deal in this bill other than amendments. I know that the Senator from Minnesota is aware of the NATO amendments that get down to the tactical nuclear policy in Europe; the question of shifting supply troops to combat troops; the question of the restructuring of NATO; the commonality of weapons systems.

We also have in the bill the matter of the AT7-A10 flyoff, Senator PROXMIRE's amendment on enlisted aides help, and his amendment on the CIA.

The question is, If we are going to stand firm on money, what are we going to do with all these other things? It is obvious that we are going to lose the whole substance of the Senate bill, if we arbitrarily bind the Senate conferees so that they can have no flexibility as to the amount of money. In other words, Mr. President, if this amendment is adopted, we may win the battle but lose the war, and our conferees may be forced to yield to the House on every matter of substance in the Senate bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I oppose the amendment. It would nullify the conference, for the first time in history, on military procurement and research. It makes a joke of the legislative process. It shows distrust of the Senate conferees. It sets an appropriation ceiling, and this is an authorization bill. It does violence to our system and forces us to surrender legislative prerogatives. It slaps the House Members in the face and disregards the work of that body.

I think this is a very dangerous amendment. Suppose the House were to pass a similar amendment? What would happen? How would we all get together?

The amendment proposes to tell the House that we can give only so much, and the House is going to tell us the same. The purpose of a conference is to discuss matters.

I hope the amendment will be defeated.

The PRESIDING OFFICER (Mr. McClure). All time has expired.

Mr. HUMPHREY. Mr. President, I believe we have a minute remaining on this side.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is to be recognized at 3:15. That time has arrived.

Mr. HELMS. Mr. President, I think the Senator from Minnesota has 30 seconds remaining.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Senator from Minnesota may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I merely want to make the record clear.

The purpose of the amendment is as an instruction to our conferees. It is to back them up. It is not to humiliate them.

As the Senator from California has indicated, there is reason for this amendment. I have negotiated. I have been on conference committees here for years. This is not a new experience. I know how the House conferees act. We have been through this time after time.

Mr. President, I have been under instruction from this body, as a conferee, and I know that the instruction is no different from this amendment.

The PRESIDING OFFICER. All time has expired.

Under the previous agreement, the Senator from North Carolina is recognized to offer an amendment.

Mr. NUNN. Mr. President, will the Senator from North Carolina yield 30 seconds, so that I can finish the line of thought I had?

Mr. HELMS. I have only 2 minutes. If the Senator could find the time some other way, that would be fine.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have an unprinted amendment at the desk, which I have submitted on behalf of the distinguished Senator from Oklahoma (Mr. Bartlett), the distinguished Senator from New York (Mr. Buckley), the distinguished Senator from Kansas (Mr. Dole), and myself, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 17, at the end of Title VII, and before line 21, insert an appropriately numbered new section as follows:

Sec. . Notwithstanding any other provision of law, no funds appropriated pursuant to this or any other Act may be used for the purposes of providing abortion referral services or performing abortions; or for the purposes of providing transportation to abortion clinics or abortion referral services; or for medical assistance or supplies used in the performance of an abortion. As used in this section, abortion means the intentional destruction of unborn human life.

Mr. HELMS. Mr. President, last week the Senate overwhelmingly adopted an amendment by the distinguished Senator from Minnesota (Mr. Humphrey) to prohibit the Defense Department from using Beagle puppies in poisonous gas research activities. I was happy to join in supporting that amendment after being heavily lobbied by my dog, Patches. [Laughter.]

As the distinguished Senator noted, there was an outcry across the land against the use of man's best friend in such experiments; the Senator noted that our colleagues would be "ashamed that they ever permitted this Government to indulge in such things."

But if it is inappropriate for a Government agency to use Federal funds in such a manner to terminate the lives of puppies, how much more so is it inappropriate for Federal agencies to use the taxpayers' money to terminate the lives of innocent human beings. I refer, of course, to the widespread use of Federal funds for abortion. If it is cruelty to use a dog in chemical gas experiments, what is it to cut a living baby into small pieces with a sharp curette, or to mangle the child in a vacuum apparatus, or to burn him to death with a strong saline solution?

The Department of Defense is in the forefront of this activity. On July 16, 1970, Dr. Louis M. Rousselot, then Deputy Assistant Secretary of Defense, issued an order purporting to authorize the military to violate the States' criminal laws against abortion. The President partially corrected this situation. But the Supreme Court decision, Roe against Wade, left the President's action in doubt, and the services took advantage of the resulting ambiguity to once again start up their abortion mills. I have obtained the official statistics from the Office of the Secretary of Defense, as of May 29, 1974. In fiscal year 1973 and 1974, the average monthly abortions have been running over one thousand per month. Some of these figures include aftercare for spontaneous abortions, but it is clear that the majority of cases are induced abortions.

Mr. President, I ask unanimous consent that the Memorandum on Abortions Performed in Military Medical Facilities be printed in the Record at this point in my remarks. The figures cover 204 military hospitals worldwide and some 400 dispensaries and clinics.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Office of the
Secretary of Defense,
Washington, D.C., May 29, 1974.

Subject: Abortions Performed in Military Medical Facilities.

This is in response to your request concerning the number of abortions performed on a monthly average basis, worldwide, in military hospitals of each service. Also provided is an extract of the Supreme Court's abortion decisions.

There are 204 military hospitals worldwide and some 400 dispensaries and clinics. I point this out only to establish that spontaneous abortions may occur at any type facility and some therapeutic and unspecified abortions may occur in facilities not identified as hospitals but having inpatient capability.

The data provided are for total abortions occurring in all facilities, regardless of type.

AVERAGE MONTHLY ABORTIONS

	Spontaneous	Therapeutic	Unspecified	Total
Fiscal year 1973				
Army	275	151	55	481
Navy	58	53	151	262
Air Force	83	84	163	330
Fiscal year 1974				
Army (as of Feb. 28, 1974)	252	169	37	458
Navy (as of Mar. 31, 1974)	70	60	128	258
Air Force (as of Dec. 31, 1973)	76	98	140	314

Mr. HELMS. Mr. President, this activity flouts the language of the Uniformed Services Dependents' Medical Care Act. Under 10 U.S.C. 1077, the uniformed services are supposed to provide maternity and infant care for dependents of servicemen. In 10 U.S.C. 1079, the Secretary of Defense is authorized to provide medical care contracts for dependents to include complete obstetrical and maternity service, including prenatal and postnatal care. It is surely a perversion of the meaning of these statutes that the care included should be the deliberate destruction of the life of one of the serviceman's dependents, namely, the unborn child.

Mr. President, my amendment would prohibit the use of Federal funds for abortions, abortion referral services, or for providing transportation, medical assistance or supplies used in cases of abortion. As used in my amendment, abortion means the intentional destruction of unborn human life.

This language makes it clear that only induced abortions, that is, the intentional destruction of human life, are prohibited, it would not prohibit aftercare in cases of spontaneous abortion. It would not cover cases where the unborn child dies in the course of treating a pathological condition in the mother. Thus in treating a tubular pregnancy, where surgery is required, the intention is not to kill the child, but to remove the pathological condition that threatens the life of the mother. The child dies as a consequence, but that is not the main intention. Such operations have never been considered abortions under the law of this country. This amendment would not prohibit the use of Federal funds for any necessary and proper medical treatment which attacks a disease and is performed for that purpose, even if the treatment indirectly results in the death of an unborn child. This amendment would, however, halt the use of Federal funds to destroy directly an unborn child for any reason.

Mr. President, in conclusion, I say that the only issue is whether Federal funds can be used for abortions. I am aware that the U.S. Supreme Court has erected an elaborate new doctrine of the right to privacy under which the mother may legally kill her unborn child without sanction of U.S. law. But simply because an action is permitted under the law is no reason to argue that it is good public policy to subsidize it. This amendment will not trespass upon any of the so-called rights set up by the Supreme Court last year. It simply says that the taxpayers should not have to finance the exercise of that private right. Indeed, if it is a private right, then it should not require public funds for its execution.

The PRESIDING OFFICER. Mr. President, the Senator's 2 minutes have expired. Who yields time?

Mr. STENNIS. Mr. Pesident, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, the amendment applies all across the board to the Federal Government, and not just to this bill. I will have to move to table the amendment in view of that fact alone.

Furthermore, no clinics or doctors are involved here; this bill involves ships, guns, submarines, airplanes, tanks, and rifles. Nothing touches the subject of abortion.

I yield to the distinguished Senator from Arizona, who wishes to ask a question of the Senator from North Carolina.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question on my time?

Mr. HELMS. I am glad to yield.

Mr. GOLDWATER. As I read the Senator's amendment, it applies to the entire population and not just to the military population, is that correct?

Mr. HELMS. The Senator is correct. The amendment reads that way.

Mr. STENNIS. Mr. President, we have just had one amendment that would not let us maneuver, and this one is on another subject matter. It just does not become the Senate, in my opinion, to place amendments like this on a military hardware bill. There are other committees that have jurisdiction.

The PRESIDING OFFICER. All time has expired.

Mr. STENNIS. Mr. President, I move to table the amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Kentucky (Mr. COOK). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Kentucky would vote "nay."

The result was announced—yeas 64, nays 27, as follows:

[No. 246 Leg.]

YEAS—64

Abourezk
Aiken
Baker
Beall
Bellmon
Bennett
Bible
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGovern
Metzenbaum
Mondale
Moss
Muskie
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker

NAYS—27

Allen
Bartlett
Bentsen
Biden
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Domenici
Eagleton
Fulbright
Hartke
Helms
Hollings
Hruska
Hughes
Johnston
Long
McClure
McIntyre
Montoya
Nelson
Pastore
Proxmire
Roth
Schweiker
Young

NOT VOTING—9

Bayh
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So the motion to lay the Helms amendment on the table was agreed to.

Mr. STENNIS. Mr. President, what is the pending question?

The PRESIDING OFFICER. Under the previous agreement, the pending question is the amendment of the Senator from Minnesota, upon which the yeas and nays have been ordered.

Mr. STENNIS. Mr. President, is this an "up or down" vote? A "yea" vote is a vote for the amendment; a "nay" vote is a vote against the amendment?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Kentucky (Mr. COOK). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Kentucky would vote "nay."

The result was announced—yeas 38, nays 52, as follows:

[No. 247 Leg.]

YEAS—38

Abourezk
Bible
Biden
Burdick
Case
Clark
Cranston
Dole
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Hathaway
Hughes
Humphrey
Inouye
Javits
Kennedy
Mansfield
McGovern
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stevenson
Tunney
Weicker

NAYS—52

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Huddleston
Jackson
Johnston
Long
Magnuson
Mathias
McClellan
McClure
McIntyre
Nunn
Pastore
Pearson
Randolph
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—10

Bayh
Buckley
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So the Humphrey-Roth amendment was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 3000) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. STENNIS. Mr. President, I have several unanimous-consent requests, all going to the parliamentary situation.

I ask unanimous consent that the Chair lay before the Senate H.R. 14592, the House bill, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER (Mr. MCCLURE) laid before the Senate a message from the House of Representatives on H.R. 14592, an act to authorize appropriations during fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the bill.

Mr. STENNIS. Mr. President, I move to strike out all after the enacting clause of H.R. 14592 and insert in lieu thereof the text of S. 3000 as amended by the Senate.

The motion was agreed to.

Mr. STENNIS. Mr. President, as I understand it, the third reading of this bill is in order.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 14592) was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the yeas and nays on S. 3000 be transferred to H.R. 14592.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATROL FRIGATE

Mr. MUSKIE. Mr. President, while the military procurement bill is still on the floor, there is one particular item authorized in the legislation that I wish to say a few words about—the patrol frigate program. I would like to address the following comments, on behalf of my colleague from Maine (Mr. HATHAWAY) and myself, to the distinguished Senator from Mississippi.

Mr. President, in late 1970, faced with a growing obsolescence of many of its ships, a declining willingness on the part of the American people to spend large percentages of the GNP on defense, and a virtually unparalleled Soviet maritime construction program, the Navy directed that study begin toward development of a new class of ocean escort, the patrol frigate—or PF as it is commonly called. It was the Navy's intention to have this new class of ships take over the antisubmarine and antiaircraft duties of the World War II destroyers as those 25-year-old ships were retired from the active fleet. It was also the Navy's intention to develop a relatively large number of these new ships—between 30 and 50—at low cost, to meet the projected military needs of this country into the 1980's in the face of a growing Soviet naval capability.

Over the past 3 years, the Navy has presented to Congress a ship acquisition program for PF's that has been successful in holding procurement and life cycle costs to a minimum without sacrifice in mission effectiveness. The rate of ship deliveries has been matched to the capabilities of the shipbuilding industry and its supporting suppliers to produce complex products most efficiently. The procurement system of component parts has been built into the program in such a way as to permit manufacturers to produce at their most economical rate and overcome extended lead times. Work has been spread to several shipyards to reduce risks to the Government and to enhance competition to keep costs to a minimum.

As a result of these acquisition policies, the threshold unit cost for follow-on PF's, originally established by the Pentagon to be $50 million in fiscal year 1973 dollars, is currently $47.7 million in constant dollars, well within the $50 million threshold.

Last October, the contract for the lead PF was awarded to Bath Iron Works in Bath, Maine. Construction of that ship is now due to begin in October of this year, with completion anticipated by the fall of 1977. For fiscal year 1975, the administration requested and the House approved an authorization for seven follow-on ships in the amount of $436.5 million. In explaining its decision to support full funding for the PF program, the House Armed Services Committee emphasized in its report the necessity of the Navy's having "a considerable number of smaller ocean escort destroyers."

The Senate Armed Services Committee, after a great deal of careful deliberation, decided to fund three PF's for fiscal year 1975, recommending $186.5 million in authorizations. The committee has had to work under unusually severe budgetary constraints in the present inflationary period, and I am sure that this had something to do with its funding decision.

Another factor in its thinking concerned the planned fire control system for the PF's. In this regard, the committee noted in its report:

> The Mark-92 fire control system is still in development and will require extensive testing to assure that all requirements are achieved. The committee directs that the contract for the three ships recommended for approval not be awarded until such time as the Mark-92 system has successfully completed the required test and evaluation.

Mr. President, during the past few weeks, I have had the opportunity to discuss the Mark-92 fire control system with the responsible Navy officials, and I would briefly like to bring my colleagues up to date on the latest test results concerning this system. The Mark-92 is a piece of equipment that is Dutch in design. Its acquisition for the PF program, along with that of an Italian gun, is in accordance with the policy of the Secretary of Defense that we buy available foreign equipment, when we do not produce such systems ourselves, in order to forego research and development costs whenever possible. But the fire control system and the gun have to be Americanized in accordance with the congressionally mandated policy that once we decide on a given piece of equipment, we must begin to make it.

The Americanization of the Dutch fire control system is being done at Sperry Gyroscope in Great Neck, N.Y. Sperry has already Americanized a similar fire control system. Earlier this year, Sperry encountered some minor difficulties in their tests of the Mark-92, but I am pleased to report that the Americanization of the fire control system is now on schedule and in the final checkout stages. And the Navy now has every confidence that this system will be completed and tested successfully to meet its scheduled delivery date of August of this year.

Mr. President, it is not very often that we in Congress have an opportunity to authorize moneys for a weapons system that is, on the one hand, relatively inexpensive and on the other hand, vital to our national defense. The PF is just such a program. For the Navy has a critical need to replace those overage destroyers that have been retired en masse during the past 3 years.

I would hope, therefore, that the Congress would go ahead with full funding of the PF program for fiscal year 1975. I am fearful that if we delay the program in the manner recommended by the Armed Services Committee—with the price of materials climbing so rapidly—the construction of the follow-on ships will only cost the taxpayer considerably more in the long-run. So, as the distinguished Senator from Mississippi and his colleagues prepare to go to conference on this bill, I hope they will keep these thoughts in mind and look favorably on the House's decision to fund fully the PF program.

Mr. STENNIS. Mr. President, I assure the Senator that the committee supports the patrol frigate program. I appreciate having the benefit of the Senator's views as we take the bill to conference.

Mr. CLARK. Mr. President, I will vote against the 1975 military procurement authorization bill (S. 3000). At $21.6 billion, it is too much money, too casually spent with too little concern for its impact on the future. This level of spending cannot be justified on either national security or economic grounds.

This year's spending request is a study in irony. This country faces virtually unprecedented inflation—the need to hold the Federal budget in check is obvious—yet the military's budget proposal continues to increase. We have a unique opportunity to improve relations with the Soviet Union, yet the Pentagon proposes a research and development program for ballistic missiles that could touch off another round in the arms race. The Department of Defense is making some gains in efficiency and weapons development, yet those gains are not reflected in the military's budget proposal.

The administration came to the Congress this year with a $23.1 billion budget request for research, development and construction of new aircraft, ships, and missiles for the military. That is an increase of $3 billion over the appropriation approved by Congress last year, an increase of about 15 percent.

As it did last year, the Senate Armed Services Committee made some judicious reductions in that request totaling about $1.4 billion. The committee reduced the authorization for the B-1 bomber by 10 percent, lowered the number of noncombat personnel in the services, and substantially reduced the amount of military assistance to South Vietnam. But like last year, many Members of the Senate felt that additional cuts could be made—cuts that would not adversely affect national security.

A number of amendments were offered—to save money, to control the pace of weapons development, to help guarantee cost efficiency and eliminate wate and duplication, not only this year or next year but for years to come. But each of those amendments was defeated this year, just as each amendment was defeated last year. In both years, the amendments represented lost opportunity.

The military budget is the largest single item of the total Federal budget that Congress can control. It is here that the largest savings could be made. From the Pentagon's own admission, we know that at least $1 billion was added to the military budget to stimulate the economy. But that will only add to the problem of inflation, and the Congress could have done something about it.

Then, there is the question of efficiency and the process of weapons development and procurement. Little more than a week ago, the General Accounting Office released a detailed report on military weapons spending. It found that there has been a cost over-run of $26.3 billion for weapons systems now being developed by the Pentagon. In the last 6 months of 1973 alone, the cost of 55 weapons systems went above the authorized amount by more than $7 billion. But despite those increases, almost half of the systems were behind schedule.

As the Senate has considered this legislation, we have had the chance to encourage efficiency and effectiveness, but we did not take advantage of the opportunities. It is worth reviewing just a few of those amendments:

To reduce funds for the B–1 bomber from $455 million to $200 million. This would have allowed the development of three prototypes as provided for by the committee bill while eliminating costly and unnecessary frills. The initial development of this very controversial plane could have continued while alternatives to the B–1 bomber could have been pursued.

To withdraw 76,000 servicemen from overseas. This reduction would in no way have affected U.S. combat strength, but it would have had a beneficial impact on our balance of payments.

To limit the amount of appropriated funds that could be spent by the military in 1975. This "ceiling amendment" would have lessened the immediate inflationary impact of the bill by deferring some spending until 1976.

To reduce funds for a specific missile research and development program. The Pentagon's proposal calls for greater nuclear accuracy for Minuteman missiles, doubling the yield of their warheads and developing a system to give the missiles pinpoint accuracy. While these three projects do not involve extremely large amounts of money, many Members of the Senate believe that the new "counterforce" strategy they represent would begin to undermine the nuclear balance that now exists between the United States and the Soviet Union, hindering the possibility of an agreement at the SALT II talks.

To reduce U.S. military aid to Vietnam by an additional $150 million. Even though the Armed Services Committee did cut the administration request, military aid will still continue on a massive scale despite reports of widespread waste and corruption in the South Vietnam Army and the resistance of the Thieu government to meaningful peace negotiations.

There are honest and sincere disagreements about the wisdom and impact of this budget request, but two things stand out. First, the American taxpayer is going to pay for these proposals, not only through tax dollars, but through higher rates of inflation. And second, the Congress is committing itself to even greater and greater levels of spending in the next several years.

As the Brookings Institution pointed out in its 1975 budget report, "Setting National Priorities:"

> By 1980, military baseline expenditures could amount to $103 billion in constant dollars of fiscal 1975 purchasing power, and overall military expenditures including retired pay and support of other nations could be $113 billion.

Mr. President, both this legislation and the total military appropriations request for the next year represent significant increases. Given this country's economic problems, that alone ought to be reason enough to hold the line on military spending—especially when it can be done without damaging national security in the least. But perhaps more importantly, this budget request represents another stage in a disturbing trend toward apparently automatic and unjustifiable increases in military spending year after year after year.

And it is for these reasons that I must oppose the bill.

NERVE GAS

Mr. KENNEDY. Mr. President, the Defense Department now is seeking congressional approval of a total of $24.1 million to gear up for the production of its modern version of poison gas. Instead of the poison gas we recall from World War I days, we are now being asked to authorize the addition of a far more deadly modern replacement—binary nerve gas.

Some $6.9 million is specifically requested in this authorization for the research, development, testing, and evaluation of binary weapons. Another $5.8 million is requested in the Defense Department appropriations bill for the actual production of these weapons along with $1 million for their storage.

The Armed Services Committee itself deserves credit for reducing the amount requested for engineering development of these lethal weapons from $4.8 million to $3 million. Its report also expressed concern over the $5.8 million request for production of binary gas projectiles proposed in the upcoming appropriations bill.

I join with the Armed Services Committee in strongly urging the appropriations committee to refuse to approve production funds on this year's request. However, I believe that any action we take in this area, including research and development, should be limited solely for defensive purposes rather than for offensive weapons development.

While I do not intend to offer an amendment at this time, I do want to signal my intention to recommend an amendment to the Appropriations Committee to strike all production funds and to indicate my intention to carry the matter to a vote if funds are included when the bill is reported.

Mr. President, World War I is the last major war in which poison gas was used. Men in the trenches were burned, blinded, and choked to death by it.

Nerve gas produces an even more horrible form of death. One small dot of it on a soldier's skin will throw his muscles out of control. Within minutes, he will be dead.

The Defense Department has large stocks of nerve gas left over from World War II when it was first produced, although not used.

In the past 8 years, there were threats to military personnel, public health, and the environment from leaks or tests of nerve gas stored at Dugway Proving Grounds in Utah, Lexington-Bluegrass Army Depot in Kentucky, Rocky Mountain Arsenal in Colorado, Fort Greely in Alaska, and at a U.S. base in Okinawa.

A storm of protest was raised by an accident that occurred during an open air test of the new binary gas in 1968, causing the deaths of 6,400 sheep grazing on desert lands south of Salt Lake City. Last year, the Army proposed to move nerve gas into Utah for storage. This led Congressman WAYNE OWENS to introduce last November 1 a House resolution that would put the House on record as favoring immediate Senate ratification of the Geneva Protocol of 1925. The House Foreign Affairs Subcommittee on National Security Policy and Scientific Developments has been holding hearings on our entire chemical warfare policies, including the Defense Department's 1975 request for funds for new binary nerve gas weapons.

The Defense Department says it wishes to replace the World War II stocks of nerve gas with the binary form because it is safer in storage and handling. Also, the World War II gas weapons are becoming unreliable with age, and do not fit the modern guns and planes which would dispense them. If the Defense Department's request is granted, it will produce the nerve gas to fit into a variety of new weapons—shells, rockets, bombs, and landmines.

Mr. President, nerve gas in any form is unsafe for personnel in its vicinity, and unsuitable for warfare. I am concerned not so much over cost—although this has been estimated to be as much as $2 billion—as over the fact that production of the new gas will increase the possibility of its use in a future war.

Although some spokesmen for the Defense Department defend binary nerve gas weapons as an essential part of the American "deterrent" armory, other experts point out the dangers they could present to the United States and the world community.

In fact, in testimony before Congress, Acting Assistant Secretary of Defense for

International Security Affairs, Amos A. Jordan, and the Director of the Arms Control Agency, Dr. Fred Ikle, represented diametrically opposed views as to the value and dangers of binary weapons. It appears that there is no agreed administration policy. Mr. Jordan favors keeping the option open; Dr. Ikle is opposed to use of the gas. Dr. Ikle said to the House Armed Services Subcommittee on Arms Control and Disarmament on May 8:

> Keeping in mind the possible contribution of arms control measures to our national security interests in this area, it is my personal judgment that the disadvantages of producing chemical binary weapons at this time outweigh the advantages.

Mr. President, the U.N. Conference of the Committee on Disarmament at Geneva, involving 26 nations, includes the problem of chemical warfare on its agenda.

Many of the participating countries at Geneva have expressed the opinion that the development of binaries will adversely affect the negotiations at Geneva for a comprehensive ban on all aspects of chemical warfare. Rather than strengthing the U.S. negotiation position, they see the development of binaries as an alternative to serious negotiations. They interpret American moves toward making binary nerve weapons as offensive.

Dr. Alfonso Garcia Robles of Mexico accused the United States of initiating a "chemical weapons race." He called the binary nerve gas weapons "disastrous" to any hope that the committee might be able to control proliferation of chemical weapons.

Mr. President, the administration's ambiguity over chemical weapons is reflected in its not having answered the request by the Senate Foreign Relations Committee in August 1970 for reconsideration of its proposal to exclude herbicides and tear gas from the chemical weapons which the United States would promise not to use under the Geneva protocol of 1925.

The United States, which initiated the Geneva protocol, now stands as the only major power in the world that has not ratified it.

Because the Senate regards it as a companion piece to the 1925 protocol, it has not yet ratified a convention that would ban manufacture of biological weapons, although President Nixon in 1969 ordered all such stocks destroyed and has signed the conventions.

The United States has not replied to the 2-year Soviet proposal for a total ban on chemical weapons use and manufacture, apparently because it did not include a verification provision.

However, during congressional hearings Alan R. Pittaway, a former Army Chemical Corps researcher, said that the Soviets had expressed willingness, in the final communique of a private conference in the Pugwash series at Helsinki in April, to consider some onsite verification procedures which the Americans had proposed. Prof. J. P. Perry Robinson, of Sussex, England, University, who attended the Pugwash meeting, confirmed that the scientists there were "encouraged and excited."

Furthermore, the State Department Deputy Director of Politico-Military Affairs recently said that the administration has made no final decision to manufacture new binary chemical weapons, even though Congress has been asked for production money. He said he suspected the Pentagon requested the $5.8 million in production funds "as a hedge" to be ready to move if the administration decides to indeed manufacture binary chemicals.

It is clear that there is conflict within the administration on whether to approve the binaries and that the Pentagon decided to ask for the production funds before the final decision was made.

The Defense Department acknowledges that it does not know whether Soviet capability in this area is an effort to keep open an option to initiate chemical warfare or is purely a defensive hedge against the possibility that the United States might use chemical weapons.

Charles Price of the University of Pennsylvania and former president of the American Chemical Society, testified at the congressional hearing on why the United States has not signed the 1925 Geneva protocol. He believes the administration says it will not sign the agreement unless it can exclude herbicides and tear gas from it because it wants to be free to use them as it did in the war in Vietnam.

At one time, the American Chemical Society supported the administration's position, but Mr. Price testified that the society had changed its stand. The change was brought about, he said, by a study the society conducted, showing long-lasting and detrimental effects suffered in Vietnam after the United States used herbicides to defoliate the jungle.

In response to the argument that halting offensive weapons development would be unilaterally renouncing development of offensive lethal chemical weapons. I point out the parallel between our action with respect to the biological weapons convention and my recommended action to withhold our funding for lethal chemical weapons except for defensive research purposes. In 1969, the United States unilaterally renounced all offensive preparations for biological warfare and began to destroy existing stocks. Soviet actions in this field notwithstanding, the United States confined activities to defensive purposes only. Events on the negotiating front followed. In 1972, the United States and the Soviet Union signed a Biological Weapons Convention which universalized the U.S. position. Here is one clear instance where a U.S. initiative paid off in the negotiating front.

Mr. President, let me summarize the reasons why I believe that we should limit our efforts to research and development on defensive aspects of lethal chemical warfare and why I strongly feel that the funds being sought for production of such binary nerve gas weapons should not be approved.

First, this country has some 40 million pounds of nerve gas, weapons which were manufactured since World War II. Thus, there is no need for any additional weapons of this nature.

Second, these weapons and even the supposedly safe binary nerve gas weapons are unreliable and their storage, testing, and evaluation inevitably carry enormous risks.

Third, the weapons offer little, if any, additional benefit to our national security. We are far less prepared than the Soviet Union to operate in a nerve gas environment because we have done more limited research on detecting, defending against decontaminating, and treating the victims of a nerve gas attack. Thus, it is unlikely that the possession of an offensive nerve gas capacity acts as a deterrent. Our deterrent, as always, is our nuclear deterrent.

Fourth, the continued development of offensive lethal chemical weapons and particularly their production threatens negotiations now in progress at Geneva at the Conference of the Committee on Disarmament. It seems unlikely that we are going to encourage an agreement at the same time that we are suddenly embarking on a new generation of nerve gas weapons. In fact, the head of the Arms Control and Disarmament Agency has testified in opposition to the production of these weapons for that reason.

Fifth, the development of supposedly safe-to-handle binary nerve gas agents will encourage other nations to engage in their own illusions of creating a new weapon that will give them an advantage over an enemy. Our action may prove the impetus for the proliferation of lethal chemical weapons which ultimately can only decrease our security.

Finally, the Defense Department, despite its request for these funds, does not yet have administration support to spend them in this fiscal year. On that basis alone, I believe we should reject their request for appropriations for the purpose of producing these lethal chemical weapons. Also, I am hopeful that the Senate Armed Services Committee will review this program with the view toward limiting all research and development in this area to defensive purposes.

I ask unanimous consent that articles on this subject be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Denver Post, May 15, 1974]

Stop! No More Nerve Gas

Quietly, with little public notice, the Defense Department has been seeking approval of a $24.1 million outlay in its budget for a new supply of deadly nerve gas.

Forthrightly, with full public notice, Congress ought to say "No" emphatically to the Pentagon on funds for the nerve gas.

The need for producing and storing nerve gas as a military deterrent no longer is justified at a time when the United States and the Soviet Union have enough nuclear weapons to destroy the world and its inhabitants several times over.

Ironically, the Pentagon is now engaged in a costly operation to destroy old, hazardous nerve gas stored at sites including the Rocky Mountain Arsenal near Denver.

When then should the Pentagon seek to replace outdated nerve gas with a new version that may well have to be disposed of at a later time?

Any new stockpiles of nerve gas could prove—like the old supplies—to be a greater threat to Americans living near the depots than to any enemy of the United States.

Efforts have been under way in Geneva at a United Nations conference on disarmament to reach agreement on chemical and biological warfare weaponry. The United States and the Soviet Union have been at odds on the matter of verification of the banning of such arms, but hopefully the impasse will be broken.

It makes no sense to go ahead with production of nerve gas, in view of the international attempts to prohibit and destroy such terrible weapons.

The Pentagon ought to withdraw its request for nerve gas funds. And if it does not, Congress ought to refuse appropriations for the project.

[From the Chicago Sun Times, May 11, 1974]

NO MORE NERVE GAS

In a predictable schizophrenic performance, the Defense Department, which is fretting publicly over how to erase the scars made by wartime herbicides on the Indochina landscape, has at the same time issued a plea to Congress for a new family of "deterrent" nerve gases. The department has justified the nerve gas request with the mystifying contention that even if the United States finally ratifies the 1925 Geneva protocol outlawing chemical weapons, the use of herbicides and gases would still be legal.

The Pentagon insists that the new killer gases are necessary to counter what it believes to be a Soviet stockpile of similar weaponry. The position is arguable. It differs with that of the Arms Control and Disarmament Commission and authorities who have testified before a House Foreign Affairs subcommittee on chemical warfare.

But while the Defense Department policies certainly are questionable, there is no question about the immorality of using a type of weapon as dangerous to civilians and the unborn as to enemy forces. The dangers of herbicides—less potential by far than nerve gases—are inscribed on the blighted terrain of South Vietnam and on the bodies of many of its citizens. The Pentagon cannot make a strong enough case to warrant spending another dime on building the capability to do the same thing, or worse, again.

[From the Washington Post, May 12, 1974]

AIR FORCE URGES DISPOSAL OF DEFOLIANT

The Air Force yesterday recommended that 2.3 million gallons of a toxic defoliant used in South Vietnam be disposed of by burning near or on remote Johnston Island in the Pacific.

The Air Force stopped using the so-called orange herbicide after 1970 when government agencies banned a powerful chemical which it contains.

The Air Force scrapped its original plans to burn the defoliant in commercial incinerators near Deer Park, Texas, and Sauget, Illinois, after citizens there objected in 1972.

[From the Baltimore Sun, May 15, 1974]

NO DECISION ON CHEMICAL ARMS MADE

WASHINGTON.—A State Department official said yesterday the Nixon administration has made no final decision to manufacture new binary chemical weapons, even though Congress has been asked for production money.

Leon Sloss, deputy director of politics-military affairs, said U.S. policy on chemical weapons is still under review. He said he suspects the Pentagon requested the $5.8 million in production money "as a hedge" to be ready to move if the administration decides to indeed manufacture binary chemical weapons.

Representative Jonathan B. Bingham (D., N.Y.) said it was clear to him that there is a battle within the administration on whether to approve the binaries and that the Pentagon decided to ask for the production money before the final decision.

The binary weapons keep two harmless chemical compounds in separate chambers, which when mixed together on a battlefield, produce the same nerve gas now in U.S. stockpiles.

[From the New York Post, May 16, 1974]

WAR OF NERVE GAS

Months, if not years, may elapse before the American consumer gets any clear picture of the fuel shortage situation. The government is, however, striving to assure adequate supplies of unnatural gas.

More specifically, the Defense Dept. has budgeted some $5.8 million to produce "binary" nerve gas munitions, an "improved" form of chemical warfare ordnance. Whether the funds should actually be appropriated is now under Executive and legislative review.

Additional chemical weapons stockpiles are 1) not needed, 2) unwontedly expensive and 3) calculated to provoke another subsidiary arms race with the Soviet Union. The latter point has been made, somewhat mildly, by Director Fred Ikle of the Arms Control and Disarmament Agency. The validity of the other two is almost self-evident.

It is within the power of Congress to quash the procurement of any more chemical munitions. Indeed, considering the manner in which the White House has hedged on this area of weapons control, that is a Congressional obligation.

[From the St. Louis Post-Dispatch, May 15, 1974]

PENTAGON SEEKS APPROVAL FOR NEW-TYPE NERVE GAS

(By William McGaffin)

WASHINGTON.—The Department of Defense is worried that congressional opponents may succeed in blocking its plan to begin producing a deadly modern version of poison gas called binary nerve gas.

The Pentagon is seeking congressional approval of the $24,100,000 item in the new defense budget, which would give the military a green light to gear up for production of the gas.

At a series of hearings, a House foreign affairs committee, under the chairmanship of Representative Clement J. Zablocki (Dem.), Wisconsin, has been taking a hard look at the subject.

World War I is the last major war in which poison gas was used. Men in the trenches were burned, blinded and choked to death by it.

Nerve gas, however, brings about an even more horrible form of death. One small dot of it on a soldier's skin will throw his muscles out of control. He will be gripped by nausea, will defecate and writhe in agony—and within minutes he will be dead.

The Defense Department has large stocks of nerve gas left over from World War II. In the last eight years, there have been threats by military personnel, to public health and to the environment from leaks of nerve gas stored at Dugway Proving Grounds in Utah, Lexington-Bluegrass Army Depot in Kentucky, Rocky Mountain arsenal in Colorado, Fort Greely in Alaska and at a United States base in Okinawa.

A storm of protest was raised by an accident that occurred during an open air test of the binary gas in 1968, causing the deaths of 6400 sheep grazing on desert lands south of Salt Lake City.

However, when its components are not mixed together—as they were in that test—binary nerve gas is considered to be a safer weapon in storage and handling than the older types of nerve gas.

That is one reason the Defense Department wants to replace the World War II stocks of nerve gas with the binary form. Another is that the World War II gas weapons are becoming unreliable with age and do not fit the modern guns and plans which would dispense them, according to the Pentagon. Binary nerve gas is made up of two chemicals which are relatively harmless until they are mixed. One is like an organo-phosphate insecticide, according to the Pentagon, while the other is an alcohol reagent.

A metal plate in a nerve gas weapon separates the two chemicals. The force of firing ruptures the plate; and the chemicals mix together on the way to the target to form the savage nerve agent—which, incidentally, is a liquid rather than a gas.

If the Pentagon's plans are approved, it will produce the insecticide and fit it into a variety of new weapons—shells, rockets, bombs and land mines—at the Army's arsenal in Pine Bluff, Ark. It will purchase the alcohol from commercial sources.

Critics, are concerned not so much over cost as over the fear that production of the new gas will increase the possibility of its use in a future war.

The Russians are known to have nerve gas, although probably not of the binary type. They also have produced large quantities of sophisticated equipment to protect their soldiers in a chemical warfare operation. Some of this was spotted in the Soviet equipment used by Arab armies in the last Middle East war.

The Pentagon acknowledges that it doesn't know whether the Soviet capability is an effort to keep open an option to initiate chemical warfare or is purely a defensive hedge against possibility that the United States might use chemical weapons.

Negotiations for a control agreement on chemical weapons have been stalled for nearly two years at the United Nations conference of the Committee of Disarmament in Geneva.

One of the most difficult problems in the Geneva negotiations involves how to verify compliance with an agreement. The Soviet Union has rejected on-site inspection, while the United States insists this is the only workable method.

The United States is the only major nation that has not signed the 1925 Geneva protocol against poisonous and other gases. Nations that have signed it, including the Soviet Union, have pledged that they will not be the first to use poison gas in a war.

Charles Price of the University of Pennsylvania and former president of the American Chemical Society, testified at the congressional hearing on the snag that has kept the United States from signing the 1925 Geneva protocol.

Senator J. William Fulbright (Dem.), Arkansas, chairman of the Senate Foreign Relations Committee, which would play an important role in ratifying the protocol after the United States signed it, said that the protocol should include the use of herbicides and riot control agents.

The Administration says it will not sign the agreement unless it can exclude those items from it. The Administration wants to be free to use them as it did in the war in Vietnam.

At one time, the American Chemical Society supported the Administration's position, but Price testified that the society had changed its stand.

The changes was brought about, he said, by a study the society conducted, showing long-lasting and detrimental effects suffered in Vietnam after the United States used herbicides to defoliate the jungle.

WASHINGTON AT ODDS OVER CHEMICAL WARFARE

(By Dana Adams Schmidt)

WASHINGTON.—Basic questions are being raised here, inside and outside the Nixon administration, about U.S. policy on chemical warfare.

During four days of hearings before a House Committee, two ranking members of the government publicly disagreed about the value of binary gas—the nerve gas VX in a new format.

The government now is pulling together its own internal review of policy; meanwhile, critics outside the government urge Washington to agree not to use tear gas or herbicides as weapons of war and to reply to a Soviet proposal two years ago for a total ban on chemical weapons use and manufacture.

The two principal components of binary gas, which separately are only mildly toxic, would be kept apart during storage and transport, thereby introducing a new element of safety. They would be combined only in combat. Then the two parts of a gas shell, separated by a membrane, would combine and become lethal.

RESEARCH FUNDED

The U.S. has included in its budget for the coming fiscal year an item of $5.8 million for continuing research on so-called binary weapons, and a similar sum to begin setting up a factory at Pine Bluff, Colo., for their manufacture.

While spokesmen for the Defense Department defended the binary as an essential part of the American "deterrent" armory, the dangers it could present to the United States and the world community were the central theme of a number of experts on chemical warfare.

In fact, in testimony before the House Foreign Affairs subcommittee on national security policy and scientific developments, the Defense Department, represented by Amos A. Jordan, acting assistant secretary of defense for international security affairs, and the director of the Arms Control Agency, Dr. Fred Ikle, represented diametrically opposed views as to the value and dangers of the binary. It appeared that there is no agreed administration policy.

Dr. Ikle is opposed to use of the gas; Mr. Jordan favors keeping the option open.

FULL REVIEW UNDER WAY

Mr. Jordan explained that an interdepartmental committee is engaged in a "comprehensive review," which he expected to be completed "in a month or two."

The initial review will consist only of a catalogue of policy options which has still to be reviewed by the departmental heads who will make recommendations on the basis of which the National Security Council and the President will finally make the decisions.

Mr. Jordan said he hoped Congress would not take any precipitate action on this question of binaries until the administration has completed its policy review.

Some of the 26 participants in the conference of the Committee on Disarmament have interpreted American moves toward making the binary as offensive. Dr. Alfonso Garcia Robles of Mexico accused the U.S. of initiating a "chemical weapons race." He called the binaries "disastrous" to any hope that the committee might be able to control proliferation of chemical weapons.

The White House has never answered the request by the Senate Foreign Relations Committee in August, 1970, for reconsideration of the administration's proposal to exclude herbicides and tear gas from the chemical weapons which the U.S. would promise not to use under the Geneva Protocol of 1925.

The U.S., which initiated the Geneva Protocol, now stands as the only major power in the world that has not ratified it.

Because the Senate regards it as a companion piece to the 1925 protocol, it also has not ratified a convention that would ban manufacture of biological weapons (although President Nixon in 1969 ordered all stocks destroyed.)

The U.S. has not replied to the Soviet proposal for a total ban on chemical weapons use and manufacture, apparently because it did not include a verification provision.

CLIMATE OF HOPE SEEN

The hearings produced one unexpected glimmer of hope.

Alan R. Pittaway, a former Army Chemical Corps researcher, said that "recent events have indicated that if acceptable verification grounds can be developed, perhaps agreements can be achieved."

Under questioning he admitted that his words were based on the fact that the Russians had expressed willingness in the final communique of a private conference in the Pugwash series at Helsinki three weeks ago to consider some on-site verification procedures which the Americans had proposed.

Prof. J. P. Perry Robinson, of Sussex, England, University, who attended the meeting, said the scientists were "encouraged and excited," but he feared that too much talk about it might "blow away the signals."

Mr. PROXMIRE. Mr. President, the distinguished Senator from Nevada has agreed to a brief colloquy to discuss the F–14 program and the recent controversy that has been rekindled. I want to thank Senator CANNON for his willingness to discuss the matter with me in the Senate and also for the cooperation of his very capable staff.

It was through the diligent work of the staff that Grumman's refusal to execute the final agreement was disclosed to the Armed Services Committee and the Senate. I cannot for the life of me understand why the Navy did not communicate the facts about Grumman's action and its demands for additional financing, why the Navy saw fit to conceal the facts for approximately 4 months.

It seems to me that the one good thing to come out of this mess is the knowledge that the Proxmire-Byrd Bailout Control Act is doing an effective job to prevent the Pentagon from providing millions of dollars worth of extra financing to contractors without first obtaining the approval of Congress. Previously, I suppose the Navy would have simply given Grumman the additional advance payments, raising the limits from $54 to $100 million or more without informing Congress until long after the deed was done. It was the fact that the services were using advance payment agreements and other back door methods of financing without explicit congressional approval that led to the Bailout Control Act.

So I want to congratulate the Senator from Nevada for the strong stand he has taken with the Navy, now that the facts have been revealed, and his insistence that the provisions of the Bailout Control Act be complied with.

This case, however, is an example of some of the problems that still plague defense procurement. The fact that the Government is called upon to give advance payments or loans to Government contractors reflects part of the problem. It is one reason why taxpayers' costs for defense contracts continue to mount and why cost overruns seem to grow larger each year.

It seems to me that if we want to preserve the contract system and obtain the benefits of the market economy that both parties to defense contracts—the Pentagon on one side and the private firms on the other—have to live up to their agreements and their responsibilities. Too often the defense contract is transformed into a one way street where the Government complies with its contractual obligations, but the contractors are able to bend, break or escape theirs.

I, therefore, asked for time to ask the distinguished Senator a few questions about the F–14 affair:

Last September 25, when we were debating the issue of funding the fiscal year 1974 F–14 buy you informed the Senate that the new contract with Grumman had been signed 1 day earlier. You stated at the time that the contract was subject to authorization and appropriation of the F–14 funds. Were you aware that there were other conditions attached to the contract, that Grumman would interpret one of those conditions as requiring the Navy to increase the amount of advance payments, and that the contract would not be binding on Grumman unless the Navy so agreed?

Mr. CANNON. I would point out to the Senator that the other condition to which he refers was that there would be no new restrictions placed on the F–14 program in the fiscal year 1974 authorization and appropriations bills. A restriction was placed on the F–14 program when the Byrd-Proxmire amendment was added to last year's bill. It is this restriction, one which requires congressional authorization to continue the advance payments to Grumman, which led to the current situation on the fiscal year 1974 contract.

Mr. PROXMIRE. At the time the contract was signed, last September, did the Navy explain to you, other members of the Armed Services Committee, or the staff that there were conditions attached to the agreement other than the authorization and appropriation of funds, the significance of the conditions, and that Grumman would not be bound by the contract unless the conditions were met?

Mr. CANNON. No, and I also would doubt that the significance of the restrictions was understood by anyone at the time the contract was signed on September 24, 1973.

Mr. PROXMIRE. In the Senator's judgment, was he or the Senate misled as to the nature of the agreement and the fact that it contained a loophole for the contractor?

Mr. CANNON. The answer again is no, and I would point out again that the loophole that the Senator refers to came about when the Byrd-Proxmire amendment was added to the bill after the contract was signed.

Mr. PROXMIRE. There have been conflicting reports in the press about the amount of additional advance payments Grumman is asking for. As I understand it, the present agreement provides up to $54 million in advance payments from the Navy to Grumman, of which about $42 million have been advanced; last year it was indicated in the hearings before your committee that the Navy was considering increasing the amount to about $90 million; and the Navy formally notified the committee on June 4, 1974, that it intends to increase advance payments to Grumman from $54 to $100 million. Is my understanding of the facts correct?

Mr. CANNON. The Senator is substantially correct. I would add that the June 4, 1974, letter from the Navy states that $90 million will be required to cover the fiscal year 1974 F–14 program and contracts and the $100 million will cover the fiscal year 1975 contracts.

Mr. PROXMIRE. Does the Senator or his staff have any knowledge independent of what the Navy or Grumman may have stated informally about the status of the work on the fiscal year 1974 F–14 buy, whether any delays have occurred, or whether Grumman intends to slow down or stop work on the F–14 or other defense programs if the Navy does not increase the amount of advance payments?

Mr. CANNON. No. It is my information that the fiscal year 1974 production program currently is on schedule, and I have no knowledge of what Grumman's intentions are for the future if the Navy does not or is unable to increase the advance payments above the current $54 million limitation.

Mr. PROXMIRE. The normal policy with regard to progress payments on Navy aircraft contracts is to reimburse the contractor for 80 per cent of costs incurred. The balance is supposed to come out of the contractors working capital. Is it fair to say that the purpose of the advance payments agreement is to increase the Government's side of the financing from 80 to 100 percent, and that Grumman is requesting an increase in advance payments so that the Navy will continue to reimburse it for 100 percent of costs incurred?

Mr. CANNON. The Senator is correct. The Navy is providing progress payments approaching 100 percent by making the advance payments that we are discussing.

Mr. PROXMIRE. Can the Senator explain briefly why Grumman needs 100 percent Government financing and why the Navy is agreeing to provide what I consider a substantial subsidy—100 percent financing rather than the normal 80 percent—to this contractor?

Mr. CANNON. As was brought out in last year's hearings on the F–14 program, Grumman lost over $200 million on the F–14 program, the banks then withdrew their line of credit, and Grumman's working capital was impaired to the point where Government financing, in the form of advance payments, was required.

Mr. PROXMIRE. Is there any quid pro quo for the advance payments subsidy? Is the Government getting anything from the contractor for providing him with 100 percent of his working capital that the Government would not have otherwise obtained?

Mr. CANNON. Yes. The contractor pays interest on the advance payments. Also, the Government gets the airplanes and other defense products built by Grumman. It is necessary for the Secretary of the Navy to make a determination that these airplanes or other products are necessary for the national defense before the Navy can provide advance payments, and such a determination was made when the original advance payments agreement was entered into.

Mr. PROXMIRE. In the excellent statement the Senator made in the Senate last week, he pointed out that the Navy had neglected to inform the Armed Services Committee about Grumman's refusal to execute the agreement and that the need for approval of continuing advanced payments should have been brought to the attention of the committee. You also said you wanted to be informed in writing of the status of the Grumman contract, projections for advanced payments, and when DOD will be notifying Congress of the requirement for the additional advanced payments. If he has received a reply from the Navy will he insert it in the CONGRESSIONAL RECORD so that all Members and the public might have access to it?

Mr. CANNON. I would point out to the Senator that I wrote to the Deputy Secretary of Defense, Mr. Clements, requesting the information he has referred to, I have not yet received a reply from him. However, the committee has received the Navy's official notification of its intent to continue to provide up to $100 million in advance payment to Grumman, and I ask unanimous consent to print that letter in the RECORD at this point in our colloquy.

There being no objection, the letter was was ordered to be printed in the RECORD, as follows:

JUNE 4, 1974.

Hon. JOHN STENNIS,
Chairman, Armed Services Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to subsection 2307(d) of Title 10 USC as added by subsection 807(c) of the FY 1974 Defense Appropriation Authorization Act (Public Law 93–155) this is to notify you that the Department of the Navy intends to increase advance payments to the Grumman Aerospace Corporation (GAC) from the presently authorized amount of $54 million to $100 million under contracts placed with Grumman for the Navy's FY 1974 requirements for Models F–14, E–2C, A–6 and EA–6B aircraft.

In its performance under contract N00019–69–C–0422, Lots I through V of the F–14 program, GAC suffered losses in the approximate amount of $220 million. This resulted in a reduction of Grumman Corporation's net worth from a high of $168 million in 1970 to $67 million in 1972. As a consequence, GAC's commercial line of credit was terminated in April 1972. On 8 August 1972, GAC and the Navy executed an Advance Payment Agreement under the authority of 10 USC 2307. This agreement provides for advance payments not to exceed $54 million outstanding at any time. Under the terms of the Agreement, when all payments to GAC (progress, delivery and advances) reach 95% of the price in contract N00019–69–C–0422, no further payments can be made to GAC under that contract and any advances then outstanding go into liquidation. It is now projected that the outstanding advances under the above Agreement will begin final liquidation about 1 September 1974 with all advances liquidated about 1 December 1974. Although no further payments will be made under the initial F–14 contract during this liquidation period, final delivery under the contract will not be completed until April 1975.

It is by reason of losses incurred in the above F–14 contract that GAC continues to be burdened with a cash flow problem. This problem will continue until such time as anticipated profits under all other contracts are, in fact, realized in a sufficient amount to alleviate the present situation. Accordingly, the addition of new contracts will result in concomitant requirements for working capital with which to perform.

This cash flow problem was recognized in the negotiation of contract N00019–74–C–0073 which covered the Fiscal Year 1974 F–14 program (Lot VI). A copy of this contract was furnished to the Senate Armed Services Committee at their request in September 1973. Section J–32 of this contract specifically provides for advance payment financing under the August 1972 Advance Payment Agreement. Since this contract was signed by GAC and the Navy prior to the enactment of the Fiscal Year 1974 Authorization and Appropriation Acts, the contract contained a special clause, Section J–34, providing that the:

"Contract shall come into effect and be binding upon the parties hereto only upon (1) enactment of the Department of Defense Authorization and Appropriation Acts for Fiscal Year 1974, (2) neither of such Acts containing any restrictions or limitation upon the procurement of Model F–14 aircraft during Fiscal Year 1974 in any manner inconsistent with the prior terms and conditions of this contract, and (3) the modification of this contract to establish the 'effective date' thereof. . . ."

Subsequent to the signing of the above contract, subsection 807(c) of Public Law 93–155, DOD Appropriation Authorization Act, 1974, was enacted requiring notification of the Committees on Armed Services of the Senate and the House before any advance payments can be made in the case of any contract in excess of $25 million. Subsection 807(e) is a savings provision which excludes any contract, commitment or other obligation from within the provisions of section 807 which was entered into prior to the date of enactment of this section. While a legal argument can be made supporting the proposition that the Fiscal Year 1974 F–14 contract with its specific provision for advance payments is a contract predating the enactment of section 807, *supra,* or at least a commitment to make advance payments when read with Section J–34 of the contract, the Navy has elected to proceed with the instant notification to resolve any doubts in the construction of subsections 807(c) and 807(e).

In addition to the continuing program for the procurement of F–14's for the Navy, there is presently being negotiated by the Navy an additional contract for 30 F–14 aircraft for the Government of Iran under the Foreign Military Sales Act, 22 USC 2762. In view of this projected buy of additional F–14s, interest was expressed by several banks in reopening limited lines of credit to GAC. While this possibility could not be realized in the context of the present situation, the Navy and GAC are encouraged that commercial credit may become available to assist in meeting GAC's working capital needs. The exploration of arrangements to meet the goal of financing for Grumman independent of U.S. Government advance funding will continue.

GAC's projected cash flow requirements for current contracts, including the Fiscal Year 1974 contracts and the proposed Fiscal Year 1975 programs, have been examined. The requirement for advance payment financing for Fiscal Year 1974 and prior year programs is in the approximate amount of $90 million. To provide for the addition of Fiscal Year 1975 programs, the advance payment requirement will be increased to an amount not exceeding $100 million. These advance payment requirements cover only Navy contracts. Discussions are in progress with Iran to assure a payment schedule pursuant to its purchase contract that will result in progress and advance payments to GAC on a basis equivalent to that of the U.S.

I am addressing an identical letter to the Chairman of the House Armed Services Committee. Further, by reason of the significance of this matter to the Appropriations Committees of the Senate and House, I am also sending a copy of this letter to the respective Chairmen.

Sincerely,
J. WILLIAM MIDDENDORF II,
Acting Secretary of the Navy.

Mr. PROXMIRE. Do you agree that in view of the Navy's failure to keep the committee and Congress informed, the magnitude of the sums Grumman is requesting, and the seriousness of the issues that remain unresolved—the amount of the interest rate to be charged to the contractor, to mention one such issue—that there ought to be public hearings before the Navy's request is approved so that a complete open record of the testimony of Navy and Grumman officials can be made?

Mr. CANNON. Yes, I do agree that hearings should be held and also that the committee should make a report to the Senate on the Navy's request to continue

Mr. THURMOND. Mr. President, the Defense Department during the budget preparation in the fall of 1973 decided to reduce the Army Reserve and Army National Guard by a total of 48,000 force structure spaces. To understand force structure we need simply to realize that these are the total number of positions in various units and for several reasons the Reserve or Guard have never filled all of these spaces. In other words, there may be a headquarters and headquarters company with 250 spaces, but they traditionally carry a strength of 90 or 95 percent of the force structure spaces, because they could not recruit to 100 percent or there was some other reason they did not man at that level. However, when force structure is cut, entire units and their personnel are removed from the program.

This proposed 48,000 reduction in strength for the Army Guard and the Army Reserve was presented to the Congress in the regular authorization hearing process earlier this year. But the Defense Department could not identify the units which would be eliminated to bring about this 48,000 reduction. The reason was they had not yet identified the units which shows that the cut was an arbitrary one and not based on a study to determine which units should be reduced.

The committee has continued to press for this information, because it does not wish to be in the position of approving a 48,000-force structure reduction in the Army Guard and Army Reserve without having some justification for this reduction. The only support for this cut is word that the top defense officials feel a reduction of this size would not impact on real strength or readiness of the Army Guard or Army Reserve.

During the markup of the bill, a member of the committee proposed that we require the Defense Department to submit to the committee, prior to conference, a list of the units to be eliminated to include their size and location and the justification for such action.

Last Friday, June 7, 1974, the chairman of the committee received from the Assistant Secretary of Defense for Manpower and Reserve Affairs, Mr. Brehm, a letter stating that such a list could not be provided the committee for two reasons: First, it was felt such a list might be made public and do harm to the Reserve or Guard program. Second, while units had been tentatively designated to be inactivated, they still had not reached a final decision on which units were to go nor worked into the decision process the findings of a total force study directed by the Secretary of Defense to be completed August 1, 1974. Mr. President, I ask unanimous consent that a copy of this letter be placed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 5, 1974.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for detailed information regarding implementation of the 48,000 space reduction in force structure of the Army National Guard and Army Reserve.

Although type units and some specific units have been tentatively identified for elimination, the actual units to be inactivated will be determined in the fall of 1974 after evaluation of current readiness and readiness potential during annual unit training. Variations in readiness and other factors may result in redesignation of some units within certain mission areas and even changes of mission for some units whose potential outweighs the low priority of current mission assignment. Premature identification of the tentative selections could result in loss of readiness by units which could otherwise be retained and converted to other missions.

The delay until the readiness evaluations can be considered may permit some interaction with the recommendations of the OSD Study of the Guard and Reserve in the Total Force.

Sincerely,
WILLIAM K. BREHM.

Mr. THURMOND. Mr. President, while it is my feeling that some reductions in all Reserve components could probably be made, on the theory that there is usually some excesses, it is my opinion the committee is making a mistake by giving the Defense Department a blank check to cut 48,000 spaces from the Army Guard and Army Reserve without having any justification for this reduction. This would set a dangerous precedent and run counter to the Reserve Revitalization Act in which the Congress assumed the authority to set strength levels in order to control the Reserve and Guard programs rather than allow arbitrary actions of the Secretary of Defense.

Because Reserve strength is well below desired levels the strength figures approved by the committee in the bill are so low they would not prevent the Secretary of Defense from taking the 48,000 cut which is based on force structure. For instance, the Army Reserve force structure is 276,000, but the Army Reserve has traditionally manned at 260,000. However, the committee only approved 220,000 this year, because the Army Reserve indicated recruiting problems prohibited their being able to man at a higher level. Therefore, there is adequate room between the 220,000 level and the 276,000 level to make a sizable cut in the Reserve force structure.

Mr. President, it is my opinion that the Congress should not interpose its judgment on which specific units should be cut from the National Guard or the Army Reserve or any Reserve component. On the other hand, however, I do not think the Congress should allow a cut of the size proposed by the Secretary of Defense without justification as to the reason for the reduction.

Therefore, Mr. President, it was my intention to propose an amendment to this bill which would place some constraints on the Defense Department and what I consider to be their unusual approach in trying to reduce Reserve forces without addressing the issue fully in the Congress. It was my feeling that if the committee could obtain information about the proposed reductions in time for the conference on this bill it would be possible to give consideration to this matter during the conference. Therefore, no action was planned by me in regard to an amendment to this bill and it was my opinion the committee would be able to obtain this information from the Defense Department.

However, as I have stated the committee learned only Friday this information would not be forthcoming and now it is a very late hour and all of the remaining time on this bill has been allocated. Unfortunately, an amendment cannot be properly considered at this late date and I would not wish to put the Members of the Senate in a position of having to vote without their having an opportunity to give some study and have a complete understanding of this situation.

However, Mr. President, it is my intention by making these remarks in the closing hours of this debate to express my view that the Defense Department has treated this entire Reserve components cut in such a way that it has had the effect of misleading the Congress.

Frankly, I doubt there are 10 Senators on this floor who realize that as a result of the hearings before the Armed Services Committee and the strength levels provided in this bill, the Senate is in effect approving a 7-percent reduction in the Army National Guard and an 11-percent reduction in the Army Reserve for the fiscal year 1975. As one Member of the Senate, I do not support such a reduction as it has not been justified to the Armed Services Committee.

An unusual set of circumstances has made this backdoor reduction possible, because in fiscal year 1974 the Congress set Reserve and Guard strength levels based on recruiting ability. Thus, the levels approved in the bill for appropriations were well below the desired levels but represented those strengths which the Defense Department believed could be recruited successfully. A similar approach was taken with this current bill, however, the 48,000 cut was proposed to be taken between the force structure and the lower levels to which the services could recruit. Thus, it is my concern the Congress is unknowingly approving an

11-percent reduction in the Army Reserve and a 7-percent reduction in the Army Guard.

Mr. President, the Senate should realize that when a 48,000-force structure reduction is taken, the only way to accomplish it is to eliminate units. This means that a number of Reserve units around the country will be eliminated. Although this decision was made by the Defense Department last fall, they claim to this day such units cannot be identified. The reason in this was an arbitrary cut and they have still not located the units to be removed from the program.

When units are removed, people are removed, and while I believe the Defense Department will try to reassign those individuals, such a reassignment is not always possible. For instance, if a unit is eliminated in Baltimore, then the members of that unit might not be willing to drive to Washington to attend a similar unit or relocate in another unit.

Mr. President, the attitude of high defense officials toward the Reserve and Guard is evident in this move. The Secretary of Defense himself has directed a study known as the total force study which is to be completed this fall. But despite this undertaking, they are going ahead and making this arbitrary reduction, which was not based on reducing units which should be inactivated, but rather as an arbitrary elimination of 48,000 from the Reserve and Guard program. This proposal was developed at the highest levels of the Defense Department and was influenced greatly by the systems analysis officials, the same office which advised Secretary McNamara in his efforts to make drastic changes in the Guard and Reserve program in the early 1960's.

It would seem to me the Defense Department should wait until its own study is completed before carrying out any reductions such as proposed during the hearings this winter. My comments on the floor today are directed toward urging the Defense Department to approach any changes in the Guard and Reserve program, some of which may be necessary and useful, in an orderly and responsible manner. There is no reason this 48,000 reduction should not be justified to the Congress, as the authority for such changes clearly rests in the Congress.

In closing, Mr. President, it is my hope the Defense Department will not go forward with this cut before first coming to the Congress and explaining the full justification for these changes.

The PRESIDING OFFICER. The bill (H.R. 14592) having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

I further announce that, if present and voting, the Senator from Missouri (Mr. SYMINGTON) and the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

On this vote, the Senator from Kentucky (Mr. COOK) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Kentucky would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 84, nays 6, as follows:

[No. 248 Leg.]

YEAS—84

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NAYS—6

Abourezk
Clark
Fulbright
Hughes
Mansfield
Pell

NOT VOTING—10

Bayh
Buckley
Church
Cook
Hatfield
McGee
Metcalf
Sparkman
Symington
Williams

So the bill (H.R. 14592) was passed.

Mr. STENNIS. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I move the indefinite postponement of S. 3000.

The motion was agreed to.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. MCCLURE) appointed Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mr. THURMOND, Mr. TOWER, Mr. DOMINICK, and Mr. GOLDWATER conferees on the part of the Senate.

Mr. STENNIS. Mr. President, I ask unanimous consent that the bill which has finally been passed be printed in full with all its amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Secretary of the Senate may be permitted to make technical corrections in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I want to express my special appreciation for the cooperation and assistance which has been extended to me by all concerned on this legislation, from the beginning of the Senate hearings and on down until now. I especially want to thank the ranking minority member, Senator THUMOND.

As we all know, both Senator CANNON, chairman of the Tactical Air Power Subcommittee, and Senator MCINTYRE, chairman of the Research and Development Subcommittee, have also carried heavy responsibilities on this entire procurement bill in its preparation and presentation.

I should like to extend the personal appreciation of myself as well as the members of the committee for the consistent hard work performed by the able staff. Floor action is only a small portion of the time consumed in preparation of the bill. The staff worked on hearings totaling more than 5,000 printed pages and a report totaling over 150 pages. The entire staff was involved in this to some degree and I should like specifically to mention their names:

Mr. T. Edward Braswell, Jr., our chief counsel and staff director.

Mr. W. Clark McFadden, Mr. Don Lynch, Mr. Edward B. Kenney, Mr. George Foster, Mr. Hyman Fine, Mr. Charles J. Conneely, Mr. Charles Cromwell, Mr. Robert Q. Old, Mr. Francis J. Sullivan, Mr. John A. Goldsmith, Miss Nancy Bearg, Miss Christine Cowart, and Mr. James Coleman, who has handled the printing of our voluminous hearings.

Mr. President, I may say, without boasting, that members of this staff are unusually able and capable, with special competence in the fields in which they work. This bill has really been to the operating room in the work that they have done on it, in the previous work done on it, and in helping to put it back together again.

Mr. THURMOND. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. THURMOND. Mr. President, I wish to express my sincere appreciation to the able chairman for the splendid manner in which he has handled the bill from the very beginning and for his fine performance on the floor of the Senate. This is a good bill. It is not everything some of us wanted, but it is an excellent bill and will serve the country well.

I also want to express my appreciation to the following Senators on my side of the aisle: Senators JOHN TOWER, PETER

DOMINICK, BARRY GOLDWATER, WILLIAM L. SCOTT, and ROBERT TAFT and for the fine work they have done on this bill; also, Senators on the other side of the aisle, who worked together and faithfully to bring out this very good bill. Senator TOWER especially has worked from morning to night defending the committee bill, oftentimes behind the scenes, in a very important way which was reflected in the votes by which the committee prevailed on all major amendments. I commend him for his outstanding efforts in defending this bill.

To the staff I express my appreciation and join the distinguished Senator from Mississippi in his remarks about their efficiency.

Before closing it would not be appropriate to conclude without recognizing by name the able and efficient members of the staff who have worked so diligently to support the members of the committee in this floor debate.

Therefore, at this time I would like to insert in the RECORD the names of those staff members who have assisted during the consideration of this bill:

T. Edward Braswell, Jr., Phyllis A. Bacon, Nancy J. Bearg, Joyce T. Campbell, Doris S. Cline, James F. Coleman, Charles J. Conneely, Doris E. Connor, Charles Cromwell, Marie F. Dickinson, Hyman Fine, George H. Foster, Jr., John A. Goldsmith.

Edward B. Kenney, Mary G. Ketner, Don L. Lynch, W. Clark McFadden II, James R. MacRae, Gordon A. Nease, Robert Q. Old, Dorothy Pastis, Patricia K. Rinaldi, Francis J. Sullivan, John T. Ticer, Carol L. Wilson, E. Christina Winters.

Mr. STENNIS. Mr. President, I thank the Senator from South Carolina very much.

Let me also thank the other majority members of the committee, in addition to the subcommittee chairman, Senators SYMINGTON of Missouri, JACKSON of Washington, ERVIN of North Carolina, BYRD of Virginia, HUGHES of Iowa, and NUNN of Georgia. Our committee had fine cooperation and contributions were made by every member of the committee.

I yield the floor.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, the Senate is now to proceed to the consideration of S. 3523. I ask unanimous consent that I may have 2 minutes and that the distinguished Republican whip may have 2 minutes before the Senate proceeds to take up that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to express appreciation on the part of the leadership to the distinguished Senator from Mississippi, the chairman of the Committee on Armed Services, for the splendid work that he and his committee have done on the bill that has just been passed by the Senate.

I invite attention to the fact that this bill was called up in the Senate on Friday, May 31, and that the Senate has been debating it now for 8 days.

The Senator from Mississippi has been on the floor early, and he has been on the floor late. He has debated every amendment to the bill that has been called up. He has carried the day, I think, on about every issue that has come up in connection with the bill. It is a tribute to his leadership that the Senate continues to follow his judgment on issue after issue in matters connected with the bill.

I also want to express appreciation to and commend the distinguished Senator from South Carolina (Mr. THURMOND), the ranking minority member. It is a pleasure to work with these two men in connection with this bill. They have cooperated with the leadership in the effort to work out time agreements on the amendments. Whereas it used to take the Senate 6 weeks to act on this bill, in this instance the Senate has acted in 8 days.

I know I speak the viewpoint of the distinguished majority leader in commending highly the manager of the bill and the ranking member, as well as all the members of the committee.

Mr. GRIFFIN. Mr. President, if I may join the Senator from West Virginia in paying tribute to the distinguished chairman of the committee and the ranking minority member, the Senator from South Carolina (Mr. THURMOND), the performance, the effort, the persuasion, the argument, and the result is a tribute not only to them but also to the Senate itself.

The Senate as a whole is to be commended on the bipartisan way that this very important defense bill has been approached. The votes have not reflected any party lines. The votes have reflected the genuine differences of conviction and have indicated that there is a bipartisanship about this very important issue of defense.

If any Senator had any question about the recovery of the distinguished Senator from Mississippi (Mr. STENNIS) and his physical condition, certainly has demonstrated to the Senate and to all that he is back to his old self and is doing the great job that we are accustomed to having him do. His leadership and the leadership of the Senator from South Carolina (Mr. THURMOND) are greatly appreciated by everyone on both sides of the aisle. I commend both Senators.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. I thank the Senator from West Virginia for his kind words about our committee. He mentioned that the Senate has spent only 8 days on this bill.

Mr. ROBERT C. BYRD. On the floor.

Mr. STENNIS. If it had not been for the Senator from West Virginia working with the Senator from Montana in arranging the votes and the time limitations, we would have been here 18 days or more. I mean that. I have been in this role before the Senator was able to achieve his formula with respect to these agreements. We once spent 7 weeks on this bill.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. STENNIS. I thank the Senator, and I commend him highly.

I also thank the Senator from Michigan for his fine leadership. He is always helpful and understanding. I appreciate what he has said about the bipartisanship exhibited on the floor. We function that way in our committee, also.

I again extend my thanks to the Senator from South Carolina. There could not be a finer working member on the minority.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Mississippi for his comments.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I should like to join in the accolades being strewn about.

Although I have some serious disagreements as to the amount of money being spent and the application of the funds for various purposes, I do want to commend the distinguished Senator from Mississippi, the manager of the bill, and the distinguished Senator from South Carolina, the ranking Republican, for the cooperation, understanding, and consideration they have shown.

I especially thank the assistant majority leader for the many long hours put in, the hard work he performed, and the agreements he reached. Without understanding all around, we would still be on this bill.

I thank all of them, as well as the entire Senate.

Mr. THURMOND. Mr. President, I should like to take this opportunity to express my appreciation to the assistant majority leader and to the assistant minority leader for their splendid cooperation and helpfulness during the consideration of this bill. Both of them certainly have facilitated the passage of this bill.

The assistant majority leader achieved agreements that seemed impossible, but he kept at it which is his usual way of doing things. He persevered and succeeded in having this bill handled in a very reasonable length of time.

I express my appreciation to them both, and I also thank the majority leader.

Mr. PERCY. Mr. President, I ask unanimous consent that I may be recognized in order to comment on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I should like to take this occasion to express my deep appreciation and admiration to the distinguished Senator from Mississippi and the distinguished ranking minority member of the committee.

Some of us who worked hard on the budget reform bill are in the Chamber, and I should like to point out that there was quite a difference of opinion between the House and the Senate as to whether or not we should be directed to enact our bills by May 15 or to report them. It was the strong position of the Senator from Mississippi that the Senate position should prevail. Only because of the very high regard in which he is held by both the House and the Senate were we able to prevail, by pointing out that this year, with extraordinary effort, it was still only possible to report this very complex bill by, I believe, May 16, but that to mandate that it be enacted by such a date was totally impractical.

I think that because of the extraordinary effort put in this year to meet this deadline date and move our schedules forward, we were able to have the Senate position prevail. We all express deep appreciation for the time, the effort, and the energy put into this complex measure and the dispatch with which it has been handled.

I promised to yield first to the distinguished Senator from Ohio; then I will yield to the distinguished Senator from New Hampshire.

Mr. ROBERT C. BYRD. Mr. President, whose time is running?

The PRESIDING OFFICER. The Senator from Illinois had asked unanimous consent that he be recognized, and he is yielding to Senators.

Mr. ROBERT C. BYRD. Will the Senator put a time limitation on it?

Mr. PERCY. I am happy to yield the floor.

Mr. ROBERT C. BYRD. I have no objection to the Senator having the floor, but could he have, say, 5 minutes?

Mr. PERCY. The Senator from Ohio has asked for a half minute, and the Senator from New Hampshire has asked for 1 minute.

Mr. ROBERT C. BYRD. That makes a total of 5 minutes. [Laughter.]

Mr. PERCY. I yield half a minute to the Senator from Ohio.

PRIVILEGE OF THE FLOOR

Mr. TAFT. Mr. President, I ask unanimous consent that a member of my staff, Rod Solomon, be permitted the privilege of the floor during the debate and vote on S. 3523.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, as the newest member of the Committee on Armed Services, I would not like to be on the floor and remain silent in the expression of approval and satisfaction with respect to the way in which the committee on which I serve has executed its duties.

I commend the distinguished chairman and the distinguished ranking member and all the members of the committee, as well as the Senate, for the action on the bill.

Mr. PERCY. Mr. President, I yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, for quite a number of years—I do not know whether the other Senators know this—the distinguished Senator from Mississippi and I have had breakfast at the same time; and sometime during the morning, before we leave the breakfast room, we always kid each other a little. He has something to say about New England Yankees, and I tell him some anecdote, and we fight the Civil War over again, in a friendly manner.

I never shall forget the days and nights last year when he was in such a serious condition that we all prayed for his recovery. I never shall forget how anxious this Yankee from New England was and how fearful he was, how he hoped and prayed for the recovery of the Senator from Mississippi.

When the Senator from Mississippi returned to the Senate, we could see the effects of the long and strenuous fight he had put up to regain his health. But I have watched him in admiration and amazement the last 8 days. He is back with all his vigor and all his stamina and vitality.

On the subject of our friendly arguments about the North and the South, I just want to say that if he had been living from 1861 to 1865, I do not believe the Yankees possibly could have come out successfully, and Jeff Davis probably would have been President of the entire United States. [Laughter.]

Mr. PERCY. Mr. President, I yield to the Senator from Washington.

Mr. MAGNUSON. I merely want to say that I have listened with great interest to the rollcall votes and have observed the progress of this bill. I have a personal interest in it, as does the Senator from Mississippi. This will be the first time we start to appropriate money with an authorization.

That is a great compliment to the Senator. It has been a problem in the Committee on Appropriations all the time.

Mr. STENNIS. Mr. President, I thank my friend from Ohio. I am delighted to have him as a member of the committee. I thank the Senator from Illinois for his very generous remarks, and our genial friend from New Hampshire (Mr. COTTON), who has meant so much to me. I thank the Senator from Washington for his remarks, as well as the leader, the Senator from Montana (Mr. MANSFIELD). These agreements and the way in which we dispatch the personnel problem are very helpful. I think the arrangement has been outstanding.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The PRESIDING OFFICER (Mr. MCCLURE). Under the previous order, the Senate will proceed to the consideration of S. 3523, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 3523) to establish a temporary National Commission on Supplies and Shortages.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments.

The PRESIDING OFFICER. The time for debate on this bill is limited to 2 hours, to be equally divided between the majority leader and the minority leader or their designees, with 1 hour on any amendment in the first degree, with the exception of an amendment by the distinguished Senator from Wisconsin (Mr. NELSON), on which there is a limitation of 3 hours, with a limitation on any amendment to an amendment of 30 minutes, and 20 minutes on any debatable motion or appeal.

PRIVILEGE OF THE FLOOR

Mr. PERCY. Mr. President, I ask unanimous consent that Mr. Bob Vastine, minority counsel for the Committee on Government Operations, may have the privilege of the floor during the discussion of this matter and votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, will the Senator yield for a unanimous-consent request?

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. The time is under the control of the majority leader and the minority leader, or their designees.

Mr. MANSFIELD. Mr. President, I yield my time to the chairman of the committee and he, in turn, can keep it or yield to anyone else.

Mr. MAGNUSON. Mr. President, I wish to speak in support of the committee bill and in opposition to the amendment offered by Senators PERCY and ERVIN.

The reported bill in my view strikes a sensible balance between a number of proposals which were referred to the committee. The Mansfield bill as introduced was designed primarily to establish a temporary commission to study whether a permanent agency to monitor shortages should be created, or, if not, whether other institutional changes were needed. It differed significantly from several other proposals before the committee in that these would have established a permanent shortage monitoring entity, either as a new agency or within existing institutions, without further study.

The committee had problems with the Mansfield bill as originally introduced in that its thrust was to authorize yet another study of a matter which in the Committee's view had already been studied to death. The establishment of a shortage monitoring agency has been the recommendation of studies previously conducted by the President's Materials Policy Commission in 1952, the National Commission on Materials Policy in 1973, and the GAO in 1974. On the other hand, it was agreed that the various permanent solutions of the other legislation before the committee could, with the benefit of further study, be improved upon. The committee thus chose to steer a middle ground between the Mansfield proposal and the other bills by creating a 3-year transitional commission first, to study the problem and second, to perform the monitoring function itself until the study produced—and Congress adopted—a better institutional answer. The GAO report and the committee's hearings both documented that the administration's current monitoring machinery is uncoordinated and ineffective—witness the energy crisis, the Russian wheat deal, and other unfortunate developments which might have been avoided with proper economic forecasting. They also strongly supported the view that some centralized agency should at this moment be monitoring for shortages and that, while a permanent solution is being perfected, something ought to be in place to protect the economy against shortage-caused disruptions. The committee bill is based on these conclusions.

The Percy-Ervin proposal, which closely resembles the original Mansfield bill, is opposed by the committee essentially for two reasons. First, it returns to the notion of a Commission which is designed primarily to study institutional needs. While it is true that the Commission is directed to perform monitoring and reporting functions in addition to its studies, it would be authorized so little money under the terms of the amendment—$500,000 over 1 year—that it is truly difficult to imagine that these functions could amount to very much.

The second problem with the amendment is that under its provisions the Commission would terminate 1 year after the date of enactment. This would be so whether or not Congress had yet acted on its recommendations for permanent institutional changes. It was the committee's view that this was a dangerous way to proceed in view of the risk that Congress might fail to respond quickly to these recommendations—just as it failed to respond at all to the recommendations of the Paley Commission in 1952. To guard against the risks of a gap of several years in our monitoring capability, the committee chose to create the Commission for a 3-year life with the understanding that it would expire earlier only if its recommendations were acted on before that time.

It is this position which I believe prudence dictates and which I strongly hope the Senate will adopt.

Mr. President, I yield to the Senator from California, but I think we should clear this matter up tonight. This is a bill that was developed by the leadership.

Mr. MANSFIELD. In both Houses, with both parties.

Mr. MAGNUSON. Yes; and then it was sent to the Committees on Government Operations and Commerce where we looked it over. I understand that the Committee on Interior and Insular Affairs also has an interest in it.

The Committee on Commerce, being the only committee to report the bill, reported it to the Senate with very minor amendments. We suggested a 3-year period, but the Senator from Illinois and other Senators want the 1-year temporary commission. If this is the case it will only be a study commission. There have been enough studies of this matter.

The Senator from Wisconsin and the Senator from Colorado have an important amendment. It involves recommittal to the committee with substantial changes to the bill.

The Senator from Wisconsin has told me he thinks we will not have a vote tonight on his amendment. I should think that the matter of the time might be put over until tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I hope that we may get a vote on the Percy amendment tonight, because there is a limitation of not to exceed 1 hour. Then there is the Nelson-Haskell amendment, with the time to begin tomorrow.

Mr. NELSON. That is fine. All that I desire is that we may be permitted to place in the Record our statements on the bill so they will be available for those who look at the Record tomorrow.

We are agreeable to setting a time certain for a vote tomorrow, and we are agreeable to having our time start running tomorrow. We probably will not use the 3 hours.

Mr. PERCY. Mr. President, for clarification, the bill was submitted simultaneously to both committees, the Committee on Commerce and the Committee on Government Operations, on May 22. The Senator asked for recognition for the purpose of submitting an amendment this evening, to have a vote on that amendment; and obviously any other amendments can be laid before the Senate, printed, and studied.

Mr. MAGNUSON. Mr. President, the distinguished Senator from California chaired the hearings on related bills before our committee on this issue. The Mansfield proposal came up quickly, although we had the idea in our committee for a long time. The distinguished Senator from Michigan testified at our hearings and informed us of the leadership meeting. We reported the Mansfield bill with few changes except for the date of the Commission.

I am going to turn over the time I have remaining to the Senator from California, who did the major work on this issue for the Committee on Commerce.

I think we can dispose of the time element tonight, and tomorrow morning we will take up with whatever time limitation the Senate wishes.

Mr. GRIFFIN. Mr. President, if the Senator from Washington will yield to me, I wish to yield to the Senator from Arizona for a unanimous-consent request.

Mr. MAGNUSON. I yield the floor.

Mr. FANNIN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. FANNIN. Mr. President, I ask unanimous consent that Ron Frank, Brad Koontz, Knowland McKean, Fred Craft, and Harrison Loesch may have the privilege of the floor during the discussion of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that David Clanton be permitted the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I yield to the Senator from California who, in turn, will probably yield to the Senator from Illinois to present his amendment.

Mr. PERCY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. Mr. President, it is my understanding that the Senator from Illinois was recognized and that he yielded 2 or 3 minutes to the Senator from Washington. The Senator from Illinois would like to have the floor back so that he can send to the desk an amendment for consideration.

The PRESIDING OFFICER. The time is under the control of the majority leader and the minority leader, or their designees. The majority leader has designated the Senator from Washington, who released his time to the Senator from California, and the minority leader is represented by the Senator from Michigan (Mr. Griffin).

Mr. GRIFFIN. Mr. President, since the major issue today will be the amendment of the Senator from Illinois, I yield the time today to the Senator from Illinois.

Mr. PERCY. I thank the Senator.

Mr. TUNNEY. Mr. President, it is my understanding that the Senator from Washington was recognized and that he yielded his time to me. I should like to present the bill to the Senate before we start amending it. We are going to have amendments, but the bill has not yet been discussed. The committee amendments have yet to be accepted by unanimous consent, so before we start considering other amendments we should make a presentation on the bill.

The PRESIDING OFFICER. The Senator from California has not been recognized by the Chair. The Senator from Illinois had been recognized. Does the Senator from Illinois yield?

Mr. PERCY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. Mr. President, would it be in order for the Senator from Illinois to offer his amendment and then yield time to the Senator from California for the submission of technical amendments? We have 1 hour on the amendment. The Senator from Illinois would take only 10 to 15 minutes.

The PRESIDING OFFICER. The Chair will state to the Senator from Illinois that it is not in order at this time to offer amendments until the committee amendments have been disposed of.

Mr. PERCY. I see.

Mr. TUNNEY. If the Senator wishes me to proceed I can have the committee amendments accepted and make a brief statement as to the nature of the bill and then yield to the Senator from Illinois. Is that acceptable?

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. NELSON. Mr. President, will the Senator from California yield for an inquiry?

Mr. TUNNEY. Yes.

Mr. NELSON. The Senator from Colorado and I have some material to put in the Record that explains our position on the bill. We have a joint statement we would like to have in the Record so that it will be available for Senators to read tomorrow morning. I wonder if it would be all right to permit us about 4 minutes before the discussion of the amendment of the Senator from Illinois is started, so that we can get the material into the Record.

Mr. TUNNEY. I have already indicated to the Senator from Illinois that after I complete my brief presentation I will yield to him, so it is up to him.

Mr. PERCY. I have a commitment shortly after 5 o'clock.

I will yield 2 minutes to the Senators to put that material in the RECORD.

Mr. TUNNEY. Mr. President, first I ask unanimous consent that the following staff members be granted floor privileges during debate on the bill and votes: Mr. Len Bickwit, Ms. Linda McCorkle, Mr. Michael Brownlee, Dr. Lawrence Asch, and Mr. Dan Jaffe.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The committee amendments agreed to en bloc are as follows:

On page 1, line 3, strike out "SHORT TITLE"; at the beginning of line 4, strike out "SECTION 1. This" and insert "That this"; at the beginning of line 5, strike out "Temporary"; in line 9, after the word "a", strike out "Temporary" and insert "National"; on page 2, line 3, after the word "of", strike out "42" and insert "thirteen"; in the same line, after the word "selected" insert "for a term of three years or for such shorter period of time as such Commission shall continue in existence (except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term)"; in line 12, after the word "appoint", strike out "4" and insert "five"; on page 3, line 6, after (1)", insert "of this section"; at the beginning of line 17, strike out "upon completion of its investigation"; in the same line, after the word "make", strike out "a report to" and insert "reports to"; on page 4, line 5, after the word "in", strike out "clause" and insert "paragraph"; in the same line, after "(1)", insert "of this subsection"; after line 7, insert:

(3) existing policies and practices of government which may tend to affect the supply of natural resources and other commodities;

At the beginning of line 11, strike out "(3)" and insert "(4)"; in line 12, after the word "to", strike out "clauses" and insert "paragraphs"; in the same line, after "(2)", insert "and (3)"; in line 13, after the amendment just stated, insert "of this subsection"; in line 17, after the word "a", strike out "continuing and"; in the same line, after the word "comprehensive", insert "data collection and storage system to aid in"; in line 23, after the word "appropriate", strike out "and" and insert "but"; in the same line, after the word "a", strike out "final"; in the same line, after the word "with", strike out "its"; on page 5, line 1, after "December 31", strike out "1974" and insert "1974, and at least once every 6 months thereafter"; in line 11, after the word "regulations", insert "as"; in line 13, strike out "have the power to—"; in line 15, after the word "at", strike out "not to exceed, $40,000 per annum" and insert "the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code"; in line 23, after the word "and", insert "the"; in line 25, after "(2)", insert "be authorized to"; and, on page 6, line 15, after the word "appropriated", strike out "$250,000 as may be necessary to carry out the provisions of this Act" and insert "not to exceed $1,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "National Commission on Supplies and Shortages Act of 1974."

ESTABLISHMENT OF COMMISSION

SEC. 2. (a) There is established as an independent instrumentality of the Federal Government a National Commission on Supplies and Shortages (hereinafter referred to as the "Commission"). The Commission shall be comprised of thirteen members selected for a term of three years or for such shorter period of time as such Commission shall continue in existence (except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term) as follows:

(1) The President, in consultation with the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives, shall appoint five members of the Commission from among persons in private life.

(2) The President shall designate four senior officials of the executive branch to serve without additional compensation as members of the Commission.

(3) The President of the Senate, after consultation with the majority and minority leaders of the Senate, shall appoint two Senators to be members of the Commission and the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives, shall appoint two Representatives to be members of the Commission. Members appointed under this paragraph shall serve as members of the Commission without additional compensation.

(b) The President, in consultation with the majority and minority leaders of the Senate and the House of Representatives shall designate a Chairman and Vice Chairman of the Commission.

(c) Each member of the Commission appointed pursuant to subsection (a)(1) of this section shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position under level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of duties as such a member, and all members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

FUNCTIONS

SEC. 3. (a) It shall be the function of the Commission to make reports to the President and to the Congress with respect to—

(1) the existence or possibilty of any long- or short-term shortages or market adversities affecting the supply of any natural resources, raw agriculture commodities, materials, manufactured products (including any possible impairment of productive capacity which may result from shortages in materials, resources, commodities, manufactured products, plant or equipment, or capital investment) and the reason for such shortages or adversities;

(2) the need for, and the assessment of, alternative actions necessary to increase the availability of the items referred to in paragraph (1) of this subsection, or to correct the adversity affecting the availability of any such items;

(3) existing policies and practices of government which may tend to affect the supply of natural resources and other commodities;

(4) the means by which to coordinate information with respect to paragraphs (1), (2), and (3) of this subsection.

(b) The Commission shall include in its reports specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.

(c) The Commission may prepare and publish such periodic reports and recommendations as it deems appropriate but shall transmit a report with recommendations, to the President and the Congress not later than December 31, 1974, and at least once every 6 months thereafter.

ADVISORY COMMITTEES

SEC. 4. The Commission is authorized to establish such advisory committees as may be necessary or appropriate to carry out any specific analytical or investigative undertakings on behalf of the Commission. Any such committee shall be subject to the relevant provisions of the Federal Advisory Committee Act.

POWERS

SEC. 5. (a) Subject to such rules and regulations as it may adopt, the Commission, through its Chairman, shall—

(1) appoint and fix the compensation of an Executive Director at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and the General Schedule under section 5332 of such title; and

(2) be authorized to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission or any subcommittee thereof is authorized to hold such hearings, sit and act at such times and places, as it may deem advisable.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 6. Each department, agency, and instrumentality of the Federal Government, including the Congress, consistent with the Constitution of the United States, and independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There is authorized to be appropriated not to exceed $1,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

Mr. TUNNEY. Mr. President, the purpose of S. 3523 is to establish a National Commission on Supplies and Shortages to facilitate more effective and informed responses to shortages of natural resources, commodities, and foodstuffs.

The economic and ecological events of the past two decades threaten not only the American standard of living but the survival of man from a world perspective. Shortsighted emphasis on continual growth has led to inflation, shortages and a lower quality of life. In the past year, we have experienced shortages of energy, plastics, fertilizer, and food. Our

Government was totally unprepared to anticipate or avert the severe disruptions caused by these shortages. Our purpose here today is to legislatively create a mechanism which will equip us to better manage shortage situations in the future.

Due to the depletion of our mineral and raw materials deposits, the United States is faced with a growing dependence on foreign producing countries for essential natural resources. For example, the United States is dependent on imports for its major supply of 6 to 13 basic raw materials: Chromium, nickel, rubber, aluminum, tin, and zinc. By 1985, the country will depend on imports for more than half of its iron, lead, and tungsten. By the year 2000, imports will have to supply more than half of our copper, potassium, and sulfur. If present trends continue, we will face a $100 billion deficit in our minerals balance of payments.

In addition, the governments of producing countries are playing a more active role and are trying to increase their profits by considering the creation of international organizations modeled after the oil petroleum exporting countries—OPEC. Copper, bauxite, coffee, and bananas are examples of products where this is being attempted. Government stockpiles of essential resources and materials have been substantially reduced.

Furthermore, the minerals shortage is only part of our problem. Food scarcity is becoming a worldwide crisis. Expotential growth of world population increases the demands on the Earth's resources and broadens the problem to world scarcity. Without proper planning for this explosive growth we are inevitably headed toward disaster. The energy crisis will be only the first in a series of catastrophic events unless we develop the capability to plan ahead to avert future crises of material and resource supply.

Our failure to anticipate the energy crisis was not due to a lack of statistics, but to the absence of a mechanism for coordinating statistics, developing a careful analysis, and presenting the issue forcefully to key decisionmakers in the executive branch and Congress. A lack of coordination and official awareness continues to exist regarding information on other essential resources and products.

Just 6 weeks ago, the General Accounting Office reported the results of a comprehensive, 7-months study of resource information in the Federal Government. The GAO found that although a wealth of information is currently available on resources and industrial supplies, it is scattered among more than 50 agencies of the Federal Government. The dispersion of information and expertise prevents timely identification of future trouble spots or shortages in the economy. Information is not systematically coordinated, analyzed, or disseminated. No one agency is responsible for current and future appraisals of the status of resources. We, as a nation, are not equipped to plan for the next crisis.

The need for wiser policy choices regarding world resources and the need for forecasting the supply and demand of essential resources and foodstuffs has been recognized numerous times. Twenty-two years ago the President's Materials Policy Commission, better known as the Paley Commission, recognized these needs and recommended that a mechanism be established for interrelating supply policies and information on resources.

Similar conclusions were reached in June of 1973 by the National Commission on Materials Policy. It recommended that a Cabinet-level agency be established for materials, energy, and the environment. Realizing the difficulty of an immediate comprehensive governmental reorganization, the Commission recommended creation of an interim agency to coordinate information and policy until permanent changes would be instituted. The Commission report emphasized the need for the immediate development of a continuing organization to anticipate and avert shortages. The legislation before us today would fulfill this goal.

The Commerce Committee endorses S. 3523, with amendments, because we believe further study of whether or not an entity should be monitoring the supply and demand of resources is not needed; 20 years of study is enough. Prior to the introduction of S. 3523 by our distinguished leader from Montana (Mr. MANSFIELD), 3 days of joint hearings were held by the Commerce and Government Operations Committees to consider related legislation—S. 2966, amendments Nos. 1069 and 1195 thereto, and S. 3209. At those hearings all witnesses, other than those for the administration, criticized the processes which now exist for handling shortages. The sentiment expressed by the members of both committees at the hearings was that a new institutional mandate or agency is needed. There is no question in my mind that this is the time to develop a comprehensive materials policy and systematic planning process.

The bill as reported would help Government decisionmakers to better avert or prepare for economic disruptions and possible shortages of essential resources. S. 3523 establishes an independent National Commission to report to the President and Congress on the existence or prospect of shortages of any natural resources, raw agriculture commodities, materials, or manufactured products and to report on institutional adjustments for examining and predicting shortages.

The Commission would be comprised of 13 members, each serving for a 3-year term or shorter period of time if the Commission terminates. Five members would be chosen from private life, four from Congress, and four senior officials from the executive branch of Government. The Commission would be required to report on December 31, 1974, and at least every 6 months for the next 3 years on first, the existence or possibility of shortages or market adversities; second, ways to increase materials in short supply or correct the adversities; third, existing Government policies affecting the supply of resources; fourth, the means for coordinating information on shortages; and fifth, institutional adjustments for handling shortages.

You have before you in addition to the committee bill, a letter dated June 10 from the Senate leaders endorsing an amendment offered by Senator ERVIN and Senator PERCY. The effect of this amendment, as I understand it, would be to limit the Commission's life to 1 year. The Senate should carefully consider the view of the Commerce Committee that a 3-year authorization is essential if we are to avoid creating an agency whose life span is too short to allow it to take meaningful action. We need an agency that can act, not an agency that can only produce just another study. Senator MANSFIELD himself addressed our committee on May 9 on the need for such an instrumentality stating:

> It should be a continuing instrumentality equipped, first, to draw on information from all sources on the status of resources, materials and commodities and other aspects of our economy . . . Secondly, it must have the means to forecast the problems by drawing information out of the present massive but fragmented system. Thirdly, it must have the capacity to convert its projections into recommended policy options that might embrace such measures as conservation, research, stockpiling, allocation, modernization, manpower, export controls, and whatever else may be necessary to keep vital, the nation's economy. Finally, it must be in a position to keep vital, the nation's economy. Finally, it must be in a position to report its findings and an analysis of proposed remedies to the President and the Congress—the ultimate arbiters of policy and the sources of action for the Federal Government.

The committee agrees with these comments. Let me emphasize Senator MANSFIELD's words that it should be a continuing instrumentality. One year is inadequate. We urge the Senate to adopt the bill as reported.

I reserve the remainder of my time.

Mr. President, I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I send my unprinted amendment to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. PERCY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 2, lines 3 and 4, strike out "a term of three years or for such shorter" and insert in lieu thereof "such".
>
> On page 4, line 14, strike out "include in its reports" and insert in lieu thereof "report within six months of the date of enactment of this Act to the President and Congress".
>
> On page 4, beginning with line 21, strike out all through line 2 on page 5, and insert in lieu thereof the following:
>
> "(c) The Commission may, until June 30, 1975, prepare, publish and transmit to the President and Congress such other reports and recommendations as it deems appropriate."
>
> On page 6, strike out lines 15 through 18 inclusive and insert in lieu thereof the following:
>
> "SEC. 7. There is authorized to be appropriated not to exceed $500,000 for the fiscal

year ending June 30, 1975, to carry out the provisions of this Act."

Mr. PERCY. Mr. President, I have offerred, on behalf of Senator ERVIN, the distinguished chairman of the Government Operations Committee, the joint leadership of the Senate, and Senator JAVITS and Senator BROCK, an amendment to S. 3523, as reported by the Commerce Committee on June 5.

S. 3523 was introduced by Senators MANSFIELD, HUGH SCOTT, ROBERT C. BYRD, GRIFFIN, JAVITS, and BROCK on May 22 and referred jointly to the Committee on Government Operations and the Commerce Committee to be reported no later than June 5. The Commerce Committee, which had earlier held hearings on the bill jointly with the Government Operations Committee, reported the bill with amendments.

As introduced, S. 3523 created a 6-month temporary Commission on National Supplies and Shortages, with an authorization of $250,000. The primary responsibility of the temporary Commission was to recommend to Congress, in a final report on December 31, 1974, an appropriate organizational framework to respond to shortages of raw materials. This temporary Commission proposal was fully supported by the administration with whose representatives it had been negotiated by the joint leadership of the Senate and House.

The Commerce Committee amended the bill to create a strikingly different kind of organization.

I am happy to yield to the Senator from Wisconsin for 2 minutes.

Mr. HASKELL. Mr. President, if the Senator will yield, I ask unanimous consent to have printed in the RECORD, in advance of our statement, a letter signed by the Senator from Wisconsin (Mr. NELSON) and myself, dated June 11, and addressed to our colleagues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 11, 1974.

DEAR COLLEAGUE: The Senate will begin consideration today or tomorrow of S. 3523, a bill to establish a Temporary National Commission on Supplies and Shortages. As reported June 5 by the Committee on Commerce (S. Rept. No. 93–904), the bill would establish a Commission of 13 members, including 4 from the Congress, 4 from the Executive Branch and 5 from the private sector, to study and monitor the world commodities situation in total, global perspective.

No task is more urgent. The world is suffering from shortages of protein, energy and metals, and the situation is more likely to get worse than better. The intention of the distinguished sponsors of S. 3523, and of the Commerce Committee, to respond to the problem of impending crises in resources and materials is admirable. However, we believe that S. 3523 can and should be significantly strengthened before it is passed.

To that end we are proposing major substantive amendments, printed as Amendment No. 1406. This letter summarizes the weaknesses we perceive in the bill as reported, and the ways in which Amendment No. 1406 would lessen or eliminate those weaknesses.

The Committee has recommended that the adjective "Temporary" be dropped from the title of the new Commission—and of the bill. Nevertheless, the charge to the National Commission on Supplies and Shortages, as contained in section 3 of the bill, remains one that better fits a temporary group created to study grave problems for a short time and on a generally academic basis than a permanent agency created to monitor those problems on a continuing and detailed basis.

We find especially unfortunate the direction to the Commission, in subsection (b) of section 3, page 4, lines 16–20, that it report on "the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world."

That question has already been answered, again and again, following official studies by competent and prestigious persons. The answer is always: Yes, such a system is needed.

That answer was first given by the President's Materials Policy Commission (the "Paley Commission") back in 1952—22 years ago. Similar recommendations were contained in the 1973 final report of the National Commission on Materials Policy and in the General Accounting Office's April 29, 1974, report entitled "U.S. Actions Needed To Cope With Commodity Shortages."

The materials and resources monitoring system recommended by the Paley Commission is clearly needed today, even more urgently than it was 22 years ago, and is completely practicable. The characteristics and functions of the Paley-recommended system would include the following.

1. It would be a continuing, permanent "mechanism for looking at the problem as a whole, for keeping track of changing situations and the interrelation of policies and programs."

2. It would be "a Federal agency near the top of the administrative structure."

3. It would maintain, on a continuing basis, a forward audit of the resources and materials picture, more detailed than the one-time audit the Paley Commission undertook and expressly "directed at least 10 years ahead of current activity and look as far ahead as 25 years."

4. It would "collect and collate the facts and analyses of various agencies."

5. It would "recommend appropriate action for the guidance of the President, the Congress, and the Executive agencies."

6. It would "be concerned with such subjects as the total pattern of activities in the materials and energy field, the relationships of individual programs to each other."

7. The "scope and dimensions of foreign production materials programs and their relationship to domestic programs" would be among the agency's continuing concerns.

8. It would also continuously consider "the probable effects of current production programs on the long-term materials position (and) the selection and development of current programs in the light of long-term requirements."

9. It would consider "programs for both scientific and technological research on materials, and their interrelations."

10. The "relationship of materials policy to manpower, and to fiscal and foreign policies which may in various measure bear on materials" would be among the permanent concerns of the Paley-recommended agency.

11. And it would "issue periodic reports so that Government, business, and the general public could be kept informed of leading developments in all the related materials fields. It would hold a watching brief for the entire field of materials policy."

These prescriptions of the Paley Commission are cited with approval in the Commerce Committee's report—but they are far from filled by the language of the reported bill.

Even if it is the Committee's thought that secton 3 of the bill—by the most generous, inferential reading—will authorize the new Commission to be and do everything described in the foregoing list, the Committee has not seen fit to give the Commission the tools it would plainly need to be and do so much.

Those tools would include, at a minimum, the power to compel production of documents and testimony from not-always-cooperative but indispensable repositories of vital information; power to make rules and regulations and to issue orders, subject to administrative and judicial review and procedural safeguards; power to establish and operate (as opposed to a direction to report on the advisability of) a sophisticated electronic system for the storage, retrieval and analysis of data; power to generate some original data; and power to verify independently data provided by others.

None of these powers are given to the Commission in the reported bill. In Amendment No. 1406, all of these powers would be given to the Administrator of a National Resources and Materials Information System, which would be established and initiated by the Commission but would outlive it, as a permanent instrumentality.

Also, of course, any such instrumentality would need adequate funding, and the reported bill's authorization of $1 million a year for three years seems clearly inadequate. Amendment No. 1406 would authorize $15 million a year for each of three years, allocated 1/10 each year to the general purposes of the Commission and 9/10 to setting up and operating the electronic data system.

Another shortcoming of S. 3523 is its failure to set out any guidelines whatever on the handling of classified and proprietary data. Amendment No. 1406 addresses this sensitive and important area in detail (in section 208), attempting to strike a reasonable balance between the corporate interests in maintaining as much data as possible in confidence and the public interest in making as much data as possible widely available, to policy makers and to the public itself.

Amendment No. 1406 is patterned on a bill (S. 2782, the "Energy Information Act") in its fifth-draft version in the Interior Committee's still-continuing mark-up process. Hence, this amendment represents a balanced consideration of the suggestion of a wide variety of interests on the many sensitive issues.

Because of its length and important substance, we would not ourselves advocate the adoption of Amendment No. 1406 as a Floor amendment; but, because of the weaknesses of S. 3523 we have described—which seem both unfortunate and unnecessary in this summer of crisis and concern—we also are opposed to passage of S. 3523 as reported.

Accordingly, we intend to seek unanimous consent, and, failing that, formally to move that S. 3523 be recommitted to the Commerce, Government Operations and Interior Committees, with instructions to report the bill back, with the recommendations on our proposed amendment, on or before July 19, the committees to be discharged of the bill and amendment on that date in any event.

By this route, the Senate will have at least explored whether it cannot and should not, as we think it can and should, act this summer on the now-familiar answer ("Yes") to an old familiar question ("Do we need a comprehensive resources and materials information system?") rather than merely asking yet another Commission to study the question yet another time.

We hope that you may be able to support our effort to recommit S. 3523, with instructions.

Sincerely,

FLOYD K. HASKELL,
GAYLORD NELSON,
U.S. Senators.

LET'S GIVE THE SUPPLIES AND SHORTAGES COMMISSION THE TOOLS IT NEEDS TO DO ITS URGENT WORK

Mr. NELSON. Mr. President, I make the following joint statement on behalf of myself and the Senator from Colorado (Mr. HASKELL).

On last Friday, June 7, I sent to the desk, to be printed, an amendment which I intend to propose, on behalf of Senator HASKELL and myself, to S. 3523, a bill to establish a temporary National Commission on Supplies and Shortages. The amendment is numbered 1406.

Unless some such amendment is adopted, I shall, regretfully, be unable to support the bill, despite the enormous importance of its subject and the excellent intentions of its sponsors.

S. 3523 was introduced on May 22 by the Senator from Montana (Mr. MANSFIELD), the majority leader, on behalf of himself and the entire bipartisan leadership of the Senate and the House. It was drafted during and as a result of extended consultations between the congressional leadership and the top officials of the administration concerned with shortages of natural resources and materials, present and threatened.

When the bill was introduced, the distinguished majority leader requested and obtained unanimous consent that it be referred jointly to the Committee on Commerce and the Committee on Government Operations with instructions to report it back to the Senate on or before June 5, or to be discharged on that date, with the bill then being placed on the calendar with or without a committee report; RECORD, May 22, pages 15967–70.

The bill was reported Wednesday, June 5, with amendments, by the Committee on Commerce—S. Rept. No. 93–904—and has been placed on the calendar. The Committee on Government Operations did not join in that report or file one of its own. The bill, nevertheless, is on the calendar and may be considered at any time.

URGENT SUBJECT

The sense of urgency with which, and the high levels at which S. 3523 has been prepared and considered to date are altogether appropriate to its subject.

The subject is less than the essential materials for human survival, let alone progress: food, minerals, fuels, water—every resource and commodity. There is no assurance that we are going to have enough of any of them for an exploding world population. There are strong signs we shall not have enough of many of them. As the distinguished Senator from Montana pointed out when he introduced this bill, the distinct possibility that we will run out of essential resources has been noted by experts for at least 25 years. In fact, the predictions of many experts to that effect date back many decades.

No intelligent person could quarrel with the proposition that it is time, and past time, for the Congress to take urgent action to deal with the problem of resources and materials shortages.

There can also be no serious quarrel with the assumption of S. 3523 that the question of just what to do is sufficiently complex and controversial to warrant referral, with instruction to move quickly, to the type of high-level commission that S. 3523 would set up.

But there can be, there should be, and there will be earnest argument over one of the questions this bill would ask the new high-level Commission on Supplies and Shortages to address.

Under the bill as reported, the commission would be asked to consider and report on:

> The advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.

Frankly, Mr. President, for the Congress to be referring that question at this hour to a new study commission is astonishing. It is almost dismaying.

Just because a question is troublesome and still politically controversial; just because the answer to such a question is inconvenient or threatening to many persons, is no reason and no excuse to act as though the answer were not yet in, when it is in.

AN ANSWERED QUESTION

Mr. President, the answer to the question, "Is it advisable to establish an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world?" is in. It has been provided to the Congress and the country after thorough study, not once but several times, by learned, competent and prestigious persons.

The answer is "yes."

It is now incumbent on the Congress not to repeat the question but to act upon the answer, to set up the system. I will have to vote against any bill which, in June 1974, asks a new study commission to address that question.

To support such a bill, unamended, would be to condone a substitute for action, a postponement of action, when action itself is what is desperately needed, and when the needed action is well known and entirely practicable.

Mr. President, the majority leader himself recounted, upon introducing S. 3523, some high points in the long history of consideration of that question. In the first column of page S8809 of the May 22 RECORD, Senator MANSFIELD put it, most trenchantly, as follows:

> How are we equipped—or ill-equipped—to address the next crisis in resources or materials or commodities that may engulf the Nation? What we have explored in our joint congressional-executive efforts is the possibility of creating an instrumentality which would, first, perceive what the fundamental needs of the Nation will be now and in the years ahead and then sort out the information that relates thereto and, finally, provide alternative policy recommendations that might help us—in the Congress and in the executive branch—to take the action deemed essential to avert catastrophes and to minimize hardships in the future.

That is a generally good statement of the issue. But it should not be put in terms of "exploring the possibility." It not only is possible, but practicable and feasible now.

In the age of the computer, of transportation and exploration by air and by Earth satellite, of light-fast instant communication, of enormous quantities of available and existing data, of large and growing numbers of scientists and other professionals it is completely possible. It also happens to be essential that the Congress, this year, not next year, create, as Senator MANSFIELD put it:

> An instrumentality which would, first, perceive what the fundamental needs of the Nation will be now and in the years ahead and then sort out the information that relates thereto and, finally, provide alternative policy recommendations that might help us—in the Congress and in the executive branch . . . to take the action deemed essential to avert catastrophes and to minimize hardships in the future.

In the same column of the CONGRESSIONAL RECORD, Senator MANSFIELD posed that vital question. He pointed out that it had been answered by the President's Materials Policy Commission—the Paley Commission, as it was called—22 years ago, in 1952. And he read that Commission's answer into the RECORD. In Senate report No. 93–904, the Commerce Committee used the same quotation at even greater length, as follows:

> For all its wide diversities the materials problem is indivisible. There must be, somewhere, a mechanism for looking at the problem as a whole, for keeping track of changing situations and the interrelation of policies and programs. This task must be performed by a Federal agency near the top of the administrative structure . . .

Please note the reiteration of the word "must," Mr. President:

> Such an agency should review all areas of the materials field and determine how they can best be related to each other. It should maintain, on a continuing basis, the kind of forward audit which has been this Commission's one-time function, but more detailed than has been possible here; collect and collate the facts and analyses of various agencies; and recommend appropriate action for the guidance of the President, the Congress, and the Executive agencies.
>
> No single organization is today discharging these overall functions. In this Commission's opinion, this lack must be made good. . . . The forward audit of the proposed organization should be directed at least 10 years ahead of current activity and look as far ahead as 25 years . . .
>
> The organization proposed would be concerned with such subjects as the total pattern of activities in the materials and energy field, the relationships of individual programs to each other; the scope and dimensions of foreign production materials programs and their relationship to domestic programs; the probable effects of current production programs on the long-term materials position; the selection and development of current programs in the light of long-term requirements; programs for both scientific and technological research on materials, and their interrelationships; and the relationship of materials policy to manpower, and to fiscal and foreign policies which may in various measure bear on materials . . .
>
> Such an organization should issue periodic reports so that Government, business, and the general public could be kept informed of leading developments in all the related materials fields. It would hold a watching brief for the entire field of materials policy.

There, clearly and sharply delineated, is the answer. The urgency is far greater now than 22 years ago. We cannot afford further delay.

The same answer, in substance, was given in the 1973 report of the National Commission on Materials Policy and in the 1974 report on "U.S. Actions Needed to Cope with Commodity Shortages," issued by the General Accounting Office.

In an exhibit to this statement, I am including several extended excerpts from the GAO report; but here is one key conclusion:

> We believe that the U.S. Government does not now have an adequate planning, policy analysis, and policy formulation system for basic commodity issues. In our opinion, existing executive branch programs do not provide a coordinated process and mechanism for dealing effectively with short-range commodity problems. . . . They do not provide or coordinate the information needed for adequate forecasting of future supply and demand situations.

While the GAO report does not endorse any specific legislative proposal and does indicate a need for some further study, the Comptroller General himself, Mr. Staats, testifying before the Commerce Committee on April 29, indicated a personal belief that S. 3209, the National Resources Policy Act, came closest to the mark. That bill, and S. 2782, the Energy Information Act, at least have the virtue of proposing distinct action now, whereas S. 3523, while termed an action measure, is in actuality far more a "further study" measure.

SPONSORS' EXPLANATION

Now I completely understand that the bill's sponsors and proponents do not see the bill in quite this way. It is the opinion of the distinguished majority leader and of the Commerce Committee, as I read Senator MANSFIELD's remarks and the committee's report, that S. 3523 does in fact represent action on the recommendations of the Paley Commission and the later groups, and is not merely a mandate to repeat the earlier studies. As I see it, that perception is partly correct, but in important ways incorrect.

The new Commission which S. 3523 would create is seen by the bill's sponsors and the committee as, first and foremost, an actual resources and materials monitoring agency at the top levels of Government, charged with looking at the total, global picture, and that it, therefore, is in fact an affirmative action response to the Paley Commission's recommendation of 1952, which both Senator MANSFIELD and the committee have quoted with such complete approval and agreement.

If I shared their perception of the Commission's functions and powers as set forth in the bill as reported, not the report language, I would join them in support of this measure. But the fact is that the charge to the Commission and the functions and powers of the Commission, and above all the budget of the Commission, as stated in the reported bill, simply do not fill the Paley Commission's prescription.

A WEAK INSTRUMENTALITY

Let us compare the criteria set forth in the quoted language from the Paley report with the charges to and the functions and powers and budget of the Commission which S. 3523, as reported, would create.

First, the Paley Commission recommended that the instrumentality it envisaged be "a Federal agency near the top of the administrative structure," charged with—

> Looking at the problem as a whole, (with) keeping track of changing situations and the interrelation of policies and programs. . . . It should maintain, on a continuing basis, the kind of forward audit which has been this Commission's one-time function.

It is arguable whether a Commission, even with representatives of the Cabinet departments, the public, the Senate and the House among its 13 members, is likely to be widely regarded as or become "a Federal agency near the top of the administrative structure." Even if such a Commission were established as a permanent, continuing body—which this Commission will not be—the fact that all its members were part-time, all with many other and diffuse responsibilities, would militate against its ever acquiring the kind of real power and recognition, expertise and authority that the Paley Commission obviously believed would be needed by the agency it recommended.

In addition to the duties just mentioned, the Paley Commission thought that the permanent agency it wanted to see "near the top of the administrative structure" should be able to conduct its continuing audit of resources and materials on a basis—

> More detailed than has been possible here; collect and collate the facts and analyses of various agencies; and recommend appropriate actions for the guidance of the President, the Congress, and the Executive agencies . . .
>
> The organization proposed would be concerned with such subjects as the total pattern of activities in the materials and energy field, the relationships of individual programs to each other; the scope and dimensions of foreign production materials programs and their relationship to domestic programs; the probable effects of current production programs on the long-term materials position; the selection and development of current programs in the light of long-term requirements; programs for both scientific and technological research on materials, and their interrelations; and the relationship of materials policies to manpower, and to fiscal and foreign policies which may in various measures bear on materials.

In response to that 22-year-old prescription, the charge to the new, temporary commission which S. 3523 would create, in the form the bill was reported would be as follows:

> SEC. 3. (a) It shall be the function of the Commission to make reports to the President and to the Congress with respect to—
>
> (1) the existence or possibility of any long- or short-term shortages or market adversities affecting the supply of any natural resources, raw agriculture commodities, materials, manufactured products (including any possible impairment of productive capacity which may result from shortages in materials, resources, commodities, manufactured products, plant or equipment, or capital investment) and the reason for such shortages or adversities;
>
> (2) the need for, and the assessment of, alternative actions necessary to increase the availability of the items referred to in paragraph (1) of this subsection, or to correct the adversity affecting the availability of any such items;
>
> (3) existing policies and practices of government which may tend to affect the supply of natural resources and other commodities;
>
> (4) the means by which to coordinate information with respect to paragraphs (1), (2), and (3) of this subsection.
>
> (b) The Commission shall include in its reports specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.
>
> (c) The Commission may prepare and publish such periodic reports and recommendations as it deems appropriate but shall transmit a report with recommendations, to the President and the Congress not later than December 31, 1974, and at least once every 6 months thereafter.

Mr. President, that charge dilutes and weakens the emphasis on relationships, and especially global interrelationships, which come through so strongly in the Paley report's language. Even more unfortunate, the fourth clause of subsection (a), like the language in subsection 3(b) on which I commented earlier, is a repetition of an already well-answered question.

And how can this commission meet the admitted need for a resources and materials monitoring agency on a basis "more detailed than—was—possible" for the Paley Commission, given a lifespan of 6 months to 3 years, an annual budget of $1 million, and a charge to consider at both the theoretical and factual levels what amounts to the whole structure of Government and industry? If the commission undertakes the necessary and Paley-prescribed, detailed examination of trees, it almost certainly will do an inadequate job on the forest, and vice versa.

In fact, given the framework, the budget and the calendar proposed in S. 3523, the National Commission on Supplies and Shortages can hardly be expected to do more than produce some synthesis or consensus compounded from its members' preexisting preferences and prejudices concerning preexisting studies and reports. It cannot, I think, hope or be expected to be anything close to the agency the Paley Commission said we need, and which we have in fact needed for at least a quarter of a century.

LIMITED VISION

As a further assurance that the new commission will be unable to do, or even get well started on doing the job and being the agency the Paley Commission envisaged, S. 3523 contains no provisions authorizing the Supplies and Shortages Commission to issue subpenas, administer oaths, verify reports received, or otherwise ferret out necessary facts—facts that we can be sure will not always be volunteered, if experience is any guide at all.

Another deficiency of the bill is that it contains no guidelines for the protection of properly confidential information, nor for the public disclosure of information which may be claimed to be—but should not properly be regarded as—confidential or proprietary. The permanent agency contemplated by the Paley Commission should be an agency very much open to public view, both in its operations and in its work products—the facts its collects and the tabulations and analyses it generates.

The broad vision of the Paley Commission, in short, has been substantially narrowed.

LIMITED AIM IS UNNECESSARY

There is no real reason or need for these shortcomings. It is not as if no hard and precise thinking had yet been done on the resolution of the many familiar—and admittedly difficult—questions that must be answered before the Paley-envisaged agency can be born. The thought has been given; detailed proposals do exist; and on some of them there is a growing consensus.

There are probably two dozen or more bills pending in the Senate and House which would set up a permanent agency of one kind or another to do all or substantial parts of the job the Paley Commission told us, back in 1952, this country needs to do.

In my opinion the most responsive and responsible course for the Congress at this juncture would be to perfect and pass one of those bills, or a synthesis of the best ideas in all of them, and enact it.

On the other hand, a bill with the background and sponsorship of S. 3523 cannot and should not be lightly brushed aside, so I would like to suggest an alternative, middle course.

That course would be to set up a national resources and materials information system, which would be charged with being the agency and doing the job the Paley report so eloquently described, but making that new system, for the time being, the charge of the new temporary national Commission on Supplies and Shortages envisaged by S. 3523.

By this means, the new commission, instead of merely theorizing, would be given a real, Paley-type instrumentality to develop and test and perfect, an instrumentality with the powers and the responsibilities to do all—not just part—of the job that thoughtful readers of the Paley report have known since 1952 we would eventually have to do.

By this means, to the extent that the new commission is a study commission, we will transform its studies from what, in university vocabulary, would be called a classroom course into a laboratory course. The test tube will supplement the textbook.

OBJECTIVE OF AMENDMENT

The amendment I am offering would take the Congress on that middle-ground, alternative course.

The amendment would tansform S. 3523 into a four-title bill. Title I would be, essentially, the text of the bill as reported, amended only to remove that anachronistic charge to the commission to answer the already-answered question whether we need a system, and charging it, instead, to establish and initiate the operations of a permanent national resources and materials information system.

Titles II, III, and IV are based on the latest version—the May 15, 1974, Interior Committee print—of S. 2782, the "Energy Information Act," rewritten to make it a "National Resources and Materials Information Act."

As many Senators are aware, the Interior Committee is at an advanced stage of markup on S. 2782, which would establish a national energy information system. Joint hearings have been held for 3 days by the Government Operations and Commerce Committees on S. 3209, which would set up a national resources information system; on S. 2966, the "Shortages Prevention Act of 1974"; on amendment No. 1069, the "Domestic Supply Information Act;" and on amendment No. 1195, a revised version of the "Shortages Prevention Act of 1974."

As sponsor of both S. 2782 and S. 3209, I have followed closely the progress of both these bills, and the related measures, in the respective committees. As the first introduced, and the first to be taken seriously by the administration and by industry, S. 2782 is farthest along in the legislative process and therefore seemed to me to be the one best suited to serve as a model for the amendment introduced today.

A detailed section-by-section analysis of S. 3523, as it would be revised by this amendment, is in preparation and will be inserted in the RECORD, without objection, when it is complete; but a brief summary is in order at this point.

SUMMARY OF BILL, AS REVISED BY AMENDMENT

At the beginning of the bill, the amendment would insert prefatory sections containing findings, purposes, and definitions. Key definitions would include "resources," "raw materials," "semi-finished materials," and "finished materials." These terms would be used for somewhat more prescise stautory management of the sweeping subject matter mentioned in paragraph (1) of subsection 2(a) of S. 3523 as reported.

Title I, as mentioned, would establish the Temporary National Commission on Supplies and Shortages, with a mandate to initiate a new national resources and materials information system, see how it works, and report to Congress its suggestions for improving it.

Title II would contain the authorization for the national resources and materials information system—"the system"—as a permanent, independent instrumentality of the Federal Government, and would describe its functions and powers in detail. Those functions and powers would embrace all of the concepts and concerns of the Paley Commission and would probably encompass, as well, the very cogent concerns expressed by the Senator from Indiana (Mr. HARTKE) in his "additional views" appended to the Commerce Committee's report on S. 3523 (S. Rept. 93–904, p. 13). Title II is adapted from titles I and II of the May 15 committee print of S. 2782. It confers subpena power on the system's administrator and also provides detailed guide lines for the designation of information by categories of use and access.

Title III of the bill, as revised by this amendment, would authorize and direct the Department of the Interior to make regular, recurring surveys of all the natural resources in the public lands of the United States. This section follows very closely title III of S. 2782 in its May 15 committee print version.

Title IV contains provisions for General Accounting Office oversight of the system.

Title IV also authorizes appropriations for 3 years at the rate of $15 million a year, rather than $1 million a year, to be allocated one-tenth to the work of the Commission and nine-tenth to the system. These amounts should be realistic to at least begin the job the Paley Commission recommended.

SUMMARY

The world is running out of the resources, materials, and manufactured products its people need for survival. Protein, energy, and metals are examples with which millions have become painfully familiar in recent months.

There have been warnings, beginning decades ago. The Paley Commission—the President's Materials Policy Commission—sounded the alarm in 1952. That Commission made a strong and eloquent plea for a "mechanism for looking at the problem as a whole—a continuing Federal agency near the top of the administrative structure."

A 281-page report by the General Accounting Office issued only last April 29, 1974, under the title "U.S. Actions Needed To Cope With Commodity Shortages," repeatedly stressed the need for better information. (See exhibit 1.)

The bill before the Senate—S. 3523—has been represented as a response, in 1974, to the Paley report's call made in 1952. But in my judgment it is not an adequate response at this late date.

Its principal shortcomings are:

First, it directs the new National Commission on Supplies and Shortages, which it would create, to recommend on the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.

That is a direction to answer an already answered question. The direction should be changed to have the Commission set up and initiate operation of the system. Amendment No. 1406 would make that change.

Second, S. 3523 contains no provisions empowering the new Commission to compel the production of information from the private sector, notably from the multinational corporations, where most of the most essential information is lodged.

Third, the bill reported to the Senate contains no provisions instructing the commission on what kinds of data may and may not be shared with the public at large, and under what procedural safeguards.

Amendment No. 1406 would cure all of these deficiencies.

Amendment No. 1406 is based upon two detailed bills which have been subjected to considerable refinement in the crucibles of committee hearings and markup, and which enjoy wide support in the Senate and among wide-ranging and diverse American communities. One of these bills is the Energy Information Act, S. 2782, and the other is the National Resources Information Act, S. 3209.

There are now 28 sponsors of S. 2782, in addition to Senator JACKSON and me, the original sponsors. They are: Senators BIBLE, CANNON, CLARK, CRANSTON, EAGLETON, GURNEY, HASKELL, HATFIELD, HATHAWAY, HUGHES, HUMPHREY, KENNEDY, MAGNUSON, MCGEE, MCGOVERN, METZENBAUM, MONDALE, MONTOYA, MOSS, MUSKIE, NUNN, PELL, PROXMIRE, RANDOLPH, RIBICOFF, STEVENSON, TUNNEY, and WILLIAMS.

There are now eight sponsors of S. 3209, in addition to Senator RIBICOFF and me, the original sponsors. They are: Senators BIBLE, COOK, HATHAWAY, HUMPHREY, MCINTYRE, MOSS, PELL, and WILLIAMS.

Eliminating double-counting of Senators on both bills, S. 2782 and S. 3209 together enjoy the cosponsorship of 32 Senators—almost a third of this body.

Under these circumstances, it seems to me that the Senate is in a position to consider, now, not next year, the initial shape of and charge to a permanent resources monitoring system.

Instead of waiting 6 months or perhaps up to 3 years for a commission to tell us what sort of system we need, I suggest that we should give the commission a system to work with, to try out, and to improve. We are ready now for a laboratory experiment, not more theoretical study.

So much thought of individual Senators and Representatives, so much work of committees has gone into proposals, now pending, to set up a permanent, working instrumentality of the type the Paley report recommended, that we ought now to be able to take significantly more definite and affirmative action than is represented by S. 3523 as reported.

To pass S. 3523 now would appear to me to be an avoidance of decision and action, a postponement of decision and action, rather than badly needed decision and action, for that bill is insufficiently comprehensive to meet the issues head on.

PROPOSAL TO RECOMMIT

Accordingly I should like to ask this question of the distinguished majority leader and the other leaders of the Senate who have cosponsored S. 3523:

Would they join me in a unanimous-consent request to have the bill recommitted to the Government Operations, Commerce, and Interior Committees for further consideration, with instructions to report on a date certain?

It is my hope and my belief, given all the work and study these three committees have already given to bills which propose, in considerable detail, various possible permanent resources and materials and energy information systems, that they could now reach firm decisions and make recommendations on the shape of a permanent system which this new commission could set up and get started. Before the commission goes out of business, it could make suggestions for needed improvements in the system and for its final placement in the Federal Government structure.

It seems to me that, by taking this course, the Senate will be doing work that is rightfully its own work to do, rather than postponing decisions and delegating that work. I hope we can face up to our responsibilities and take the indicated, firm, forceful action.

A world that is running out of resources as fast as our world is, deserves from us nothing less.

Mr. President, I ask unanimous consent to insert in the RECORD at this point, as exhibit 1, excerpts from report No. B–114824, a report by the Comptroller General of the United States to the Congress, entitled "U.S. Actions Needed To Cope With Commodity Shortages." The report is dated April 29, 1974.

There being no objection, exhibit 1 was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

[Excerpts from chapter 7 of "U.S. Actions Needed to Cope with Commodities Shortages"]

(Report by the Comptroller General of the United States, Apr. 29, 1974)

CHAPTER 7—OVERALL CONCLUSIONS, AGENCY COMMENTS AND OUR EVALUATION, AND MATTERS FOR CONSIDERATION BY THE CONGRESS

OVERALL CONCLUSION

Shortages of basic commodities have had major domestic and international impact during 1973 and early 1974. The energy crisis has shown how significant and pervasive the impacts of economic or politically induced shortages can be. Shortages or tight supplies of food, mineral, and material commodities have caused sharp price rises and dislocations in domestic and international industrial production, consumer expenditures, trade flows, and economic policies. Increasing concern and debate have focused on national and international policy efforts to resolve scarcity issues.

* * * * *

We believe that the U.S. Government does not now have an adequate planning, policy analysis, and policy formulation system for basic commodity issues. In our opinion, existing executive branch programs do not provide a coordinated process and mechanism for dealing effectively with short-range commodity problems. (See ch. 2.) The programs encountered many difficulties using short-supply export controls (chs. 3 and 4). They do not provide or coordinate the information needed for adequate forecasting of future supply and demand situations. (See ch. 5.) A variety of actions are being taken or considered to deal with long-range implications of resource and commodity problems, but this area too is characterized by fragmented long-range planning responsibility and a lack of established, interrelated, and publicized long-range national policies (see ch. 6).

Our studies of six commodities which have recently been in tight supply in the United States—soybeans, wheat, cotton, fertilizer, cattlehides, and ferrous scrap (app. I)—show the dimensions of the problem for individual commodities.

Interrelationships and dependencies among commodities which increase the severity and complexity of shortage situations.

Limited information on key supply and demand elements.

Continued debate among producers, users, and Government officials as to proper national policy actions for these commodities.

Continued uncertainty about the future economic situation for these commodities.

Effective policy analysis and program management should systematically assess existing situations, identify basic problems and interrelationships, recognize uncertainties and ranges of possible events, seek new alternatives and improve existing ones, and strive to produce explicit, objective, and verifiable analyses. We do not believe that the existing executive branch policy processes for commodities meet these criteria.

The executive branch has taken the following positive commodity policy steps.

An interagency food export control group operated during the period of agricultural export control use in 1973.

Agriculture's ERS has reassessed and restructured its commodity forecasting work.

Proposed a world food conference for late 1974.

Initiated a Government system to monitor export sales of key commodities.

Initiated a reassessment of U.S. export promotion programs.

The State Department has advocated a greater role on its part in future export control decisions.

Working groups for interagency agricultural and minerals and materials policies were established.

The proposed budget for fiscal year 1975 contained (1) extensive programs for a national energy policy and (2) added funds to improve forecasting for major agricultural commodities and to increase research on meat and soybean production.

The annual CEA and CIEP reports in February 1974 contained specific chapters discussing energy and agricultural commodity problems and the concern and uncertainties which these problems create.

Each of these actions is a positive step, but each affects only a segment of the system, has been temporary, or is still only a prospective change. In view of the basic problems and needs of existing commodity policy activities and the serious implications of future commodity problems, we believe that these actions should be only the initial steps in an ongoing effort to improve the Government's commodity policy process.

OVERALL COMMODITY POLICY CONSIDERATIONS

The recommendations we are making to executive branch agencies are directed at improving specific aspects of the Government's commodity policy process. In further assessing this process, we believe that at least five overall considerations are important.

Importance of commodity policy

Commodity policy is only one aspect of the national economic policy process. Monetary and fiscal policies have received the most attention and expertise in recent years. Within the overall economic policy process, however, the commodity problems and impacts of 1973 and early 1974 suggest that increased attention should be given to specific commodity policy needs in the agricultural, mineral, raw material, industrial, energy and service sectors.

In addition, although current concern focuses on commodity shortage problems, an improved national commodity policy process is necessary for anticipating and dealing effectively with commodity dysfunctions of all types, whether shortages or surpluses. An improved process should also be flexible enough to cope with all types of factors underlying basic commodity problems, from short-term probelms, such as currency devaluations, domestic or foreign economic policy changes, or a lack of processing capacity in domestic basic industries; to long-run factors, such as increasing population and world affluence pressures on supply or problems of resource recovery and improved production techniques.

A final point on the importance of commodity policy concerns relative priorities. Energy commodities are essential for operating modern industrial societies, and it is now expected that billions of dollars of Government funds will be spent to develop U.S. self-sufficiency in energy. The present and future problems and uncertainties of other commodity situations raise the question of what relative amounts should be invested in U.S. programs to assure sufficiency of food, materials, and nonenergy minerals supplies.

Complexity and interrelations of commodity policy

Commodity policy analysis, decisionmaking, and planning cannot be effective if adequate information is not available. Commodity policy decisions can have only limited utility, and may even be counterproductive, if they are not guided by a set of established long-range policies, and extensive data gathering has little value if the data is not effectively used for analysis. Data gathering, analysis, forecasting, decisionmaking, and planning must be considered together for the system to function properly.

In addition, as illustrated in the commodity studies and elsewhere in this report, there are important and complex relationships among commodities themselves. Shortages of one commodity can cause shortages of another, or set off a chain of short- and long-run supply and demand shifts from that commodity to others. Broad and complex relationships also exist between the basic variables of population, capital, food, nonrenewable resources, and environment. It is difficult to form effective national food, environmental, energy, or materials policies and programs, without considering the impact of each policy on the others.

International interdependence

Many recent U.S. commodity problems have been influenced by foreign events. As Government officials and other experts have stressed, there is a growing interdependence among almost all nations in supplying each other with products and resources and no nation can go it alone. These factors have received increasing attention in the executive branch and in the Congress, particularly in the growing emphasis for the pending world trade talks on the questions of access to supplies, and need for new international rules for dealing with commodity supply problems.

Need for commodity information

The Government needs increased information to formulate commodity policy and to improve decisionmaking, forecasting, and the data base for long-range policy planning. In the relationship between Government policy formulation and private sector activities, a difficult policy question is the one of costs and benefits of increased information gathering. The costs, complexities, debates over the propriety of Government intrusion, and administrative burdens of increased Government market information gathering could be considerable for Government and industry. On the other hand, the benefits could be considerable too, in terms of formulating Government national economic policy to better foresee and most effectively deal with such matters as the Russian grain sale, the 1973 soybean export controls, and the current energy shortage problems. The Secretary of Commerce, in congressional testimony in early April 1974, acknowledged that 1973 short-supply decisions had to be made without demand and supply data needed to fully understand the impact a complex combination of factors was having on the domestic market. He said that steps were being considered for correcting this deficiency and that the Bureau of the Census is reviewing steps to:

Initiate a feasibility study to develop a program for collecting monthly quantitative data on selected commodities, covering domestic production and inventories held by manufacturers and wholesale outlets.

Proceed, in cooperation with Customs Service, to explore possible ways to expedite collecting, compiling and upgrading the reliability of monthly U.S. commodity export and import statistics.

Initiate a review of the reporting of trade statistics on selected items by major trading nations, with a view to ultimately develop a methodology for a multilateral uniform data base.

The Secretary said also that, in the meantime, although Commerce recognizes the drawbacks of its ad hoc reporting requirements, it would continue to require reports from industry on short-supply commodities whenever such data was needed for Government decisionmaking.

Domestic and international needs

Possibly the most difficult commodity question concerns the need to insure adequate supplies of commodities at reasonable prices for U.S. domestic, industrial, and consumer use versus national economic growth and production needs and international economic, balance-of-payments, trade, and foreign policy requirements. The extensive debate over the use of export controls has revolved around this basic issue, and a clarification of the specific domestic and international impacts has not yet been developed. Decisions on how to (1) allocate U.S.-produced commodities among domestic and foreign customers, (2) improve access to foreign commodities necessary for the U.S. economy, and (3) balance these outflows and inflows to maintain a healthy U.S. economy in a healthy and balanced world economy will be some of the most difficult and meaningful the U.S. commodity policy system must make.

The Government commodity policy formulation process faces important operating challenges. Economic, social, and political implications of present commodity shortage situations are tremendously complex and diverse. We believe that this report, through focusing attention on the Government commodity policy process and suggesting recommendations and considerations to improve that process, will contribute to Government efforts to deal with these problems.

An effective Government commodity policy system, however, will require continuing debate and discussion among executive branch officials; members and committees of the Congress; and industrial, interest, and public groups to establish national goals for guiding future policy efforts and for developing a Government policy system fully responsive to emerging needs.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I shall take 1 minute to ask the two Senators one question to clarify the record. The amendment they have presented is a motion to recommit with instructions. Is that correct?

Mr. HASKELL. The Senator is correct.

Mr. MAGNUSON. It deals with germaneness, with the whole subject, and goes back to the Paley Commission recommendations and many other commission recommendations. It is a motion to recommit, so tomorrow Senators will know they are not voting on an amendment, but are voting on a motion to recommit with specific instructions which have been referred to in the statement by the two Senators.

Mr. HASKELL. The Senator is correct and, furthermore, the instructions ask that the committees report by July 19.

Mr. MAGNUSON. Yes. This letter that is before us now shows that.

Mr. HASKELL. That is right.

Mr. MAGNUSON. That has been put in the RECORD, has it not?

Mr. HASKELL. It has just been put in the RECORD.

Mr. MAGNUSON. All right.

Mr. NELSON. We are prepared to agree to a time certain to vote tomorrow. Perhaps that agreement will be reached tomorrow morning, but we will agree to a time certain to vote tomorrow.

Mr. MAGNUSON. I thank the Senator from Illinois.

Mr. PERCY. I thank the Senator.

Mr. President, the committee's amendments extended the life of the Commission to 3 years, and authorized $1 million to be spent each year. The Commission was required to report to Congress every 6 months regarding existing or possible shortages, actions necessary to increase supplies, correct organizational adjustments, and other matters. In short, the Commission was charged with a much broader mandate than the recommendation of an appropriate organizational framework. This 3-year Commission in fact is given the responsibilities of a shortage-monitoring agency. In the guise of a "study commission," the bill as amended creates a de facto independent commission to monitor shortages and propose solutions.

Proponents of the bill argue that it is necessary to create some agency to deal with shortages until Congress acts finally to create the appropriate longer-term organization. I argue that creation of a 3-year commission would almost inevitably result in a continuing independent commission to deal with this problem. I disagree strongly that such an independent commission is the correct organizational instrumentality to deal with the shortages problem.

Mr. President, the creation of independent commissions, boards, and agencies is a too-frequent congressional response to difficult problems. These organizations are notoriously poor solutions from a management viewpoint, Already in the first session of this Congress we have created at least 23 new independent units by law and Executive order, from the Arkansas River Basin Compact Commission, to the National Commission on Industrial Peace, to the ad hoc Advisory Group on Puerto Rico. We seem addicted to the establishment of quasi-autonomous Government units whenever faced with a new problem.

I will say very frankly to my distinguished colleagues that I would prefer to decide the correct organizational adjustments necessary to deal with national raw materials shortages in our own committees. I think we have the intelligence and resources available to make these organizational changes without recommendation by any commission, even a temporary one. In this Congress, the Government Operations Committee has already created the Federal Energy Administration, and we are about to bring to the floor bills to create a Consumer Protection Agency, an Energy Research and Development Agency, and a Nuclear Safety and Licensing Commission—all of which deal with equally, and much more, complex subjects than raw materials shortages.

However, Mr. President, I recognize the nature of the disagreements that resulted in the joint leadership-administration agreement on a temporary commission. Recognizing this, I infinitely prefer the creation of a short-term commission to recommend a definitive organizational solution and then go out of business, to a 3-year commission that will surely perpetuate itself and that may—or may not—provide an adequate solution to the problem.

I also feel that a temporary commission, such as I propose, will have a sense of urgency behind it so that we do not actually prolong the making of recommendations and getting this project underway.

Thus, Mr. President, the amendment I offer has two advantages. First, it provides that within 6 months of the date of enactment, the Commission will recommend the organizational adjustment it deems to be required to deal with shortages problems. Second, it provides up to an additional 6 months—until June 30, 1975—during which the Commission may make additional reports and may monitor the supplies situation, while Congress implements its organizational recommendations.

I submit to my colleagues that the amendment proposes an adequate time frame within which the Commission can do its job. By going out of business at the end of a year the Commission puts the burden squarely back on the shoulders of Congress—where it belongs—to resolve the organizational situation by legislative action, not by default.

What most concerns me, Mr. President, is that when we set up a commission to study a problem—and this, after all, is a commission that would be made up—there is no argument about that—of representatives who are appointed by the President, by the Senate, and by the House, that these will be very busy people. Does this mean then that the Commerce Department, the State Department, and other agencies will feel, "Well, now, this problem has been delegated to a commission, and now we do not have to worry about it."?

The original concept of this temporary commission was right and proper. By taking into the account the thinking of the Comerce Committee, and doubling the time from 6 months to a year, and doubling the amount of money from $250,000 to $500,000, I believe we have taken into account the problems raised by the Commerce Commitee, and we deeply appreciate their giving considered thought to this problem. But I do oppose the 3-year semipermanent commission, costing $3 million, because I think it would delay the solution of the problem rather than expedite that solution.

Mr. TUNNEY. Mr. President, I would like to say to my distinguished colleague from Illinois that I know how deeply concerned he is that we have a mechanism developed in the executive branch to monitor material shortages. Certainly he participated very actively in the hearings that we held. I know of his longstanding interest in the problem. As a former industrialist, he is well aware of what can happen to the industrial base of our Nation if suddenly we are faced with shortages.

I must say, however, that I think that the Senator's amendment is not helpful. I think, if anything, the Senator's amendment will hurt the bill in that by only providing a 1-year commission it is clear that the commission is only going to be able to study whether or not we need a permanent commission to look into these matters, and we have had too many study commissions looking into it, all coming up with recommendations that we need a permanent commission to do this job.

The Paley Commission in 1952 came up with a recommendation that we need a permanent commission to study material shortages.

We had the National Commission on Materials Policy in June of 1973 which came up with a recommendation that we have a commission in being which would provide the study for material shortages.

The committee indicated that there ought to be an interim organization which would immediately be able to make a comprehensive study, so that we would be able to have data and analysis for decisionmakers prior to a materials crisis, such as the oil crisis. We were not even aware of how much oil we had in the pipeline, what the reserves were, what the refining capacity was, et cetera.

We recognized just recently that Jamaica has indicated it was going to increase the price of bauxite, from which aluminum is made, by 400 percent or more, and we may see other government cartels in action around the world as they recognize that the rich nation will give them the kind of foreign aid they need to provide a better standard of living for their people.

So what they are going to do, if they have natural resources, is coerce massive transfers of wealth from the rich nations to the poor nations.

The OPEC countries have done a pretty good job of it. They have raised oil prices about 400 percent in the last year. This has meant a massive transfer of wealth of about $65 billion from the industrial nations to the OPEC nations, and the same thing is going to happen with bauxite, copper, zinc, and all the other materials, and there are going to be shortages, some of them because we just do not have the minerals and the materials.

In other cases, the shortages are going to occur because the materials have been priced out of the marketplace, or at least priced to a point where it is very difficult for the industrial nations to make the purchases.

I would like to quote the words of the Senator from Illinois at the time of our hearings.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly to the Senator from Illinois, as an accommodation to the Senator from New Hampshire?

Mr. TUNNEY. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I yield 3 minutes to the distinguished Senator from New Hampshire.

Mr. MANSFIELD. Mr. President, if the Senator will yield to me just a minute, without losing the floor——

Mr. COTTON. Surely.

Mr. MANSFIELD. Mr. President, with the concurrence of the chairman of the committee, and hopefully the ranking Republican member of the committee, the Senator from Wisconsin (Mr. NELSON) will have an amendment, and I understand there will be a motion to recommit; therefore, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. That at 10:10 a.m. we take up the pending business, which will then be the unfinished business; and that a vote occur on the Nelson-Haskell amendment not later than the hour of 12 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. If the joint leadership finds it necessary, there will be an added extension, but not to extend beyond the hour of 12:30 p.m., though hopefully we can get to a vote before the hour of 12 o'clock.

I thank the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, is it the plan of the majority leader that the vote on this amendment will take place tonight?

Mr. MANSFIELD. Yes.

Mr. TAFT. Mr. President, reserving the right to object——

Mr. MANSFIELD. The order for the 12 o'clock vote has been agreed to.

Mr. TAFT. I was on my feet.

Mr. MANSFIELD. Mr. President, I ask that the agreement to my unanimous-consent request be vitiated.

Mr. TAFT. I do not know that I shall object, but I should like to ask for a clarification. The 12 o'clock vote relates solely to the Nelson amendment?

Mr. MANSFIELD. Yes. I understand there will be a motion to recommit.

Mr. TAFT. The business, then, will not be solely the Nelson amendment when we go on the bill in the morning?

Mr. MANSFIELD. We would go on the Nelson amendment at 10:10, and we would vote on it, hopefully, at 12 o'clock, but if necessary not later than 12:30.

Mr. TAFT. May I ask the majority leader what the intentions are with regard to consideration of the bill and amendments this evening?

Mr. MANSFIELD. Does the Senator have an amendment he wishes to offer?

Mr. TAFT. I have two amendments which I may or may not wish to offer, depending on the situation.

Mr. MANSFIELD. I would be guided in large part by the wishes of the distinguished Senator from Ohio in respect to those amendments.

Mr. TAFT. And there will be no time limitation put on the offering of amendments or on the eventual vote on the bill?

There is a 1-hour limitation on amendments; I understand that.

Mr. MANSFIELD. One hour on amendments, I believe, and 30 minutes on amendments to amendments, motions, or appeals.

Mr. TAFT. There is no overall limitation on the bill?

Mr. MANSFIELD. Two hours on the bill, as I understand.

Mr. MAGNUSON. Mr. President, if the Senator from Ohio has amendments, he can submit them after we vote on the Nelson amendment. If the bill is recommitted, it will not be necessary. But if it is not, he can offer them. I think we should not go on with the bill tonight, other than what we are doing here. It is too important. The Senator from Ohio has important amendments.

Mr. TAFT. I concur.

Mr. MAGNUSON. He can submit them after 12 o'clock.

Mr. TAFT. I concur. I withdraw my reservation of objection. I believe we can take them up after the Nelson amendment.

Mr. MAGNUSON. After the Nelson amendment. The Senator would not want to be shut in between.

Mr. TAFT. Yes. I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, the unanimous-consent request is agreed to. Who yields time?

Mr. COTTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COTTON. I think the Senator from Illinois had yielded to me out of his time when this colloquy started. I do not know whether we have used up my time, or whether I still have it.

The PRESIDING OFFICER. The Senator is correct. The Senator from Illinois has the floor, and the Senator from Illinois has yielded to the Senator from New Hampshire.

Mr. PERCY. I have yielded 3 minutes, or whatever time is needed, to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I merely wanted to say, in order that the working relationship that has continued so long between my chairman, the Senator from Washington (Mr. MAGNUSON), and myself may not be discontinued or interrupted, that I know his action in this matter was entirely inadvertent. But the Senator from New Hampshire, who is the ranking Republican member of the Committee on Commerce, was not present at the committee meeting when this change was made from 6 months to 3 years.

The reason was that the Senator from Washington and I were conducting an HEW appropriation hearing which we have been doing recently hour after hour and day after day. Suddenly, the Senator from Washington realized there was an executive session of the Committee on Commerce, at which the pending bill, S. 3523, was scheduled to be considered. So he said, "You stay here and hold the fort and, if I need you, I will send for you." I remained to chair the HEW appropriation hearing and the Senator from Washington (Mr. MAGNUSON) proceeded to the Commerce Committee executive session. I guess he did not need me because he did not send for me. I found out later—I believe the next day—that this action had been taken by the Commerce Committee, to extend the life of this proposed National Commission on Supplies and Shortages. It was perfectly inadvertent, I am sure. But the truth is that, had I been there, I would have rather strenuously advocated that the life of his proposed commission be very brief.

I have served on three of these commissions. I remember early in my Senate career here—back in the Joe McCarthy days—serving on a commission established to decide what kind of loyalty test should be required for Government employees.

There were two Senators. I believe the Senator from Mississippi (Mr. STENNIS) and I were on it. There were two from the House of Representatives. We also had public representatives. The total membership of the commission was some 12 or 15 members.

We kept getting extensions of time to complete our assigned task. We took almost 3 years before we submitted a report. We reported some definite recommendations, which were printed and then put away, never to be acted upon. They are still on the shelves in the the Archives.

That is typical. Twice since then I have served on similar study commissions, which I shall not go into. But this situation, which has to be dealt with, is not going to be resolved in a mass meeting. But it has to be dealt with.

Now, the distinguished Senator from California (Mr. TUNNEY) has made two or three illuminating statements. One that impressed me greatly was when he said it has been ascertained that some 50 agencies could be involved in this problem.

It seems to me that the task of this proposal commission is to undertake an examination of the problem and come in very quickly with recommendations about how to deal with it. If we have a 3-year commission and spend money on it, we will have another study and another report sometime in the next 3 years. But it, too, will repose in the Archives, as in the case of my earlier experience, and that is all that will come of it.

Therefore, for those reasons, I wish the original 6 months for the commission to act had not been abandoned. I also doubt whether a commission of 13 members will be able to do anything very expeditiously or wisely I therefore tend to agree with the Senator from Illinois and the Senator from California that this matter probably could be settled right now in one of our committees. We are competent to handle it more expeditiously.

Frankly, I hope there will be no commission at all. But, if there is going to be one, let us constitute it for but a brief period of time. Let it report on specific matters; otherwise, we are just going all around Robin's barn.

I thank the Senator for yielding.

Mr. PERCY. Mr. President, I express deep appreciation to the Senator from New Hampshire. He has the ranking position on the Commerce Committee and has understanding and insight. From a practical standpoint he has incisively gone to the heart of the problem. It would be a delusion to set up a commission or imply it will handle a tremendous problem like this.

We will not argue who should be on the commission or how it should be made up. The bill provides for 13 members, 5 to be appointed by the President from private life. I do not imagine the President intends to appoint unemployed persons to that commission. They will be busy industrialists, or labor leader or academicians or consumer spokesmen, busy people who will jet into Washington for a commission meeting and return to their regular work.

The bill provides that four members shall be from the executive branch. These are also four officials burdened down with other responsibilities, and every commission meeting will come out of the ordinary executive responsibilities they are carrying on now.

I ask my distinguished colleague from California, who has had experience with the Senator from Illinois in serving on the board of directors of the Kennedy Center for the Performing Arts: How many times are we able to give undivided attention—here it is, right in the city of Washington—how much time can we as U.S. Senators, representing the Senate on that board, give? The Senator from Illinois was not even able to go to the meeting the other day that involved the liability suit against members of the board of trustees, a half a million dollar suit against us, because the work of the Senate in other areas was more pressing; yet two Members of the House and two Members of the Senate will be given this responsibility.

We are fortunate even to get them to a meeting, much less give any attention to a particular problem. Not one of us will be experienced in this field. We have people from business and industry in the Senate and in the House, but I know, having been out of industry now for 8 or 10 years myself, that the Senator from Illinois is not intimately acquainted with materials problems, shortages, and the related nuances.

We should address ourselves to one task on a short-term basis and thus utilize the best talents of all the commission members. That task should be to decide the correct organizational structure and quickly recommend it to Congress.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I yield.

Mr. MANSFIELD. Mr. President, I have long held to the thesis that instead of the executive branch and the legislative branch of this Government operating at arm's length, or on an adversary basis, we should work together in the common interest. Unfortunately, that has not been the case down through the years. Administrations come and go, and while they are in they look upon Congress as the enemy. Suggestions made by Congress are paid too little attention. Suggestions and proposals of the administration are, in all too many instances, rammed down our throats.

For the first time that I can recall, the joint leadership of both Houses, Democratic and Republican, have gotten together with executive branch members and have been able to come up with the proposal which is now before us for consideration.

There is going to be an attempt made tomorrow to recommit the bill. I hope that the attempt will fail.

We have to consider what the House will do. This commission will not be a study group. We have studied and studied and studied until facts and figures about shortages and oversupplies are coming out of our ears. We do not need any more studies but we do need something to point the way, to chart the course, and to come up with alternatives, substitutes, or something so that we will not be caught again, as we were caught in the petroleum embargo last year and early this year.

I would hope that the proposal of the distinguished Senator from Illinois (Mr. PERCY) would be agreed to, because I think we have to be careful, we have to have a transitory, a temporary commission. We have to move not with speed, not impetuously, but with care and caution and, hopefully, to build a strong base on which this commission can function so that it can chart a course for all of us.

There are over 50 bureaus, offices, and whatnots in the Federal Government today. I do not know what they all do—study shortages, I suppose; but they are not charting a course.

Here for the first time, on the basis of a legislative-executive partnership, we are in the position where we can do something and I hope most sincerely that they will begin by reducing the 3-year period to 1 year.

I disagree with the Senator from Illinois in that, as I understand it, as I came in late, when he said that Members of this body would not be qualified to serve on that commission and he cited the fact that he had been out of touch with the business world, I believe he said for about 11 years or more, and that even he was beginning to feel he was a little bit away from these problems.

I do not agree with the Senator on that, because I think Senators in this body are just as cognizant of the needs of the country, just as qualified—perhaps, I would say, not too qualified, not overqualified, and there are too many people in that category who I do not think are qualified because of the amount of expertise which is theirs as they become immersed in what they think is right. They see the tree here and there but they do not see the whole forest.

I would hope that the amendment would be agreed to as a step in the right direction, and that we will then be able to get action in the other body.

Mr. PERCY. I thank the Senator for his incisive comments. We are not at all in disagreement as to the qualifications of Senators and Representatives. We have on the temporary commission——

Mr. MANSFIELD. Or a permanent commission if it comes to pass.

Mr. PERCY. The Senator from Illinois has no doubt it will serve for a period of 1 year. Consider only the organizational aspects of it, and Senators and Representatives are fully qualified to do so, but probably do not have the time to do that; but if we take into account the full nature of a 3-year commission, which is a shortage monitoring agency in effect, and which is in the judgment of the Senator from Illinois, a de facto commission to actually monitor shortages, and propose solutions. If that is the kind of commission seated, then, in the judgment of the Senator from Illinois, it would be very difficult for Senators and Representatives over that period of time to spare that much time, to effectively administer a commission with a $3 million budget.

Mr. MANSFIELD. Does the Senator mean to leave the legislature out, when the legislature initiated the idea?

Mr. PERCY. No. The Senator from Illinois would not do that.

I reiterate that there is no question about the qualifications to serve on the commission as it was originally intended by the distinguished majority leader. But we have grave doubts about Senators and Representatives serving on a 3-year commission that would be as deeply involved as this particular commission would be in the material-shortage problems.

Also, I think we have to take into account that such a commission would not have the same degree of cooperation that the temporary, 1-year commission would have from the executive branch. That was worked out, as the majority leader has indicated, in the negotiations that have taken place over months, between the joint leadership of both bodies and the executive branch. It has their full cooperation, their full support.

A 3-year commission would be opposed, and it would be impossible for that commission to have the same kind of close working relationship that has been achieved over a period of months in the discussions between the joint leadership and the administration.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PERCY. I yield the floor.

Mr. TUNNEY. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I do not think this is worth being excited about. The Committee on Commerce has had some experience with commissions. We handle approximately 80 percent of the regulatory commissions.

When we have a short-term commission of 6 months or 1 year—as in the Percy amendment—they hardly have time to get organized. We have created commissions for which it has taken the administration a year to recommend commission members.

We are not arguing about the makeup of the commission. We just think that this is too short a time. Time is required for some of the things that need to be done, rather than just to have an interim period in which they would come up with a recommendation on institutional adjustments. We thought that perhaps over a period of 2 or 3 years some of these things might be handled by the commission, such as the reporting and monitoring of shortages and it might do both.

If there is a shortage of copper, I do not know that somebody is going to start a new copper mine. That is not the point. The point is that we want to know when the shortage of copper shows up. The purpose of the interim committee was to warn us of ending shortages so that some action might be taken. This applies to all the shortages and all the materials.

I do not think it is fatal as to whether it is 1 year or 2 years. It will be 6 months before the 1-year commission is even appointed or finds a place to meet.

I do not say that this administration is wholly at fault. We have found, in the case of shortages, that the administration, the executive department of the Government, has failed to see them, and we have been voices crying in the wilderness.

Let us consider the matter of power. How many years have we talked about the shortage of hydropower in my section of the country, but nobody has paid attention to it?

So we all agreed to combine the membership with the executive department and some Members of Congress. Perhaps they are not too smart—I think they are—but they will be a pike in a carp pond. That is the purpose.

This matter could remain downtown for 6 months with nothing happening; but when there was a shortage of minerals or other materials, the people involved would swarm down here and say, "Wait a minute. This may affect the stock market. It may affect what we are going to do. It may affect what we are going to spend for capital investments." That is the problem with respect to shortages.

Nobody wants to recognize shortages ahead of time, for fear that it might upset some economic applecart. We thought there might be some permanency with which to point out some of these shortages.

The Senator from Illinois, the Senator from California, and I want to do the same thing. It is high time we put somebody in charge of this. It cannot be left up to any executive department. I do not care whether they are Republicans or Democrats. They become enmeshed in their own feelings about it. As the majority leader said, some of them have their experts, and they do not want to listen to anybody else. Somebody has to point out these things.

The Senator from Illinois is a champion of small business. The big guys know where the shortages are. We do not need a commission to tell a hundred corporations in this country that deal with raw materials when the shortages are going to occur. They hire experts; they hire researchers. It is the little guy who does not know about the shortages. All of a sudden he wakes up and finds that they will not fill his order, and he has to lay off a hundred people in a 200-employee plant. We do not have to do this for the big business people.

The copper people and the silver people in my State know where the shortages are. They know how much silver they are going to have for the next 25 years. It is the small plant in Providence that makes silverware which does not have the information, and that is all we want to point out.

As the Senator from Illinois knows, there probably are some thing we can do. It is not necessarily the legislation. It may be many things. It may be interpretation of administrative rulings under any administration.

I was fearful that a 1-year commission would not get off the ground. I hope it will. Part of our railroad problem is related to the U.S. Railway Association Board's failure to act quickly. Now we have to spend days and weeks in the Committee on Commerce, trying to untangle the web and the problems.

That is our only purpose for making the life 3 years rather than 1 year. I think we are all trying to do the same.

I hope the amendment of the Senator from Wisconsin will be defeated, too. That would start off some real problems. There would be nothing but fights going on. There would be no shortage of fights or arguments; we would have plenty of them.

Mr. PERCY. Mr. President, may I have 1 minute on the bill?

Mr. TUNNEY. Mr. President, I yield to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I would like 1 minute on the bill to reply to the comment of the Senator from Washington.

With respect to the temporary nature of the commission, the administration agreed it should be a short-range structure. I think knowing it is a short-term commission would be helpful. If it were a 3-year commission it might take months to get the appointments. With that amount of time there would be a sense of leisure, but with a requirement for a 6-month report I feel the administration would surely try to designate their appointees in weeks and we could get underway quickly. With a $3 million budget there is needed housing and matters of a more permanent nature, and more money would be spent. With a smaller amount of money they can operate much more quickly.

Mr. TUNNEY. Mr. President, I would like to make a few comments with regard to the Percy amendment. I recognize that the Senator is attempting to prevent from happening in the future what happened in the past to the Paley Commission report, and the report that was transmitted to Congress by the National Commission on Material Policy in June 1973. Nothing has been done.

As the Senator knows, we who serve on the Committee on Commerce had legislation we were considering. I introduced a bill last December which was the first bill on an oversight policy relating to those shortages. Other Senators later introduced legislation. I know that the Senator from Washington had a substantial amendment to my bill.

It is clear we were developing in the committee with the hearings we were holding a policy for consideration of a proper mechanism in order to monitor these shortages. I do not think we had reached an agreement in committee, nor do I think there was a consensus on how to establish that mechanism, but at least we were studying it and coming closer to the point where decisions were going to be made.

Then the administration met with the leadership, and they came up with an agreement that is the subject of the legislation before us today.

The National Commission on Material Policy stated:

> We realize that the Executive and Congressional reorganizations we have just recommended will not come about overnight. They would in any case require careful study, elaboration, and refinement. It is the principles of organization in relation to policy that concern us, not specific details. We believe, however, that some action must be taken promptly toward rationalizing the policy-making process in the materials, energy, and environment areas, and coordinating interacting activities of existing agencies.
>
> We recommend that 11.3 . . . a temporary Natural Resources Coordinating Committee be established on an interim basis at the highest policy-making level, to begin the task of integrating materials, energy, and environment policy.
>
> This Committee might, for example, be composed of the Secretary of the Interior, the Director of the recently created National Energy Office, and the Chairman of the Council on Environmental Quality, and perhaps the heads of other departments or agencies. In addition, the Committee would need a small but highly competent staff to assist it. Such a staff should be capable of taking authenticated data and information from the professionals in the operating agencies as well as from disinterested experts outside of government, and distilling from them the broad questions of public policy. The principal function of such a staff would be the sifting of policy options for the Committee and the President on those issues which cannot be settled by the heads of existing agencies. The Committee could be abolished at such a time as a comprehensive resource agency was created, for its coordinative function would be assumed by such an agency. It might be reconstituted, however, in some forme, in association with the new agency.

Mr. President, the point is that we need an agency now to start monitoring the shortages. Surely such a commission could be involved in studying the kind of institutional changes that are needed in order to establish a mechanism, a commission, or coordinating counsel on a permanent basis. This could be one part of the study, but the other part should be the coordination of data from the agency and trying to distill it and explain it to Congress with regular reports and to the executive branch.

Mr. President, the Senator from Illinois made a statement at our hearings, and I quote from that statement. He stated:

> When we make all the reports—what happened to the Paley Commission Report in the early 1950s? The evidence was there, but nobody did anything about it.
>
> What can we do to insure that once we get the data and get the information on critical shortages that we actually are going to do something unless faced with an immediate crisis on hand which requires that we act?

Mr. President, in that statement the Senator recognized clearly that what we cannot afford is another study. The problem with the Senator's amendment is that he provides a 1-year study commission, and it is going to be at least another year after that 1-year study commission has submitted its report before we legislate on that report and have another commission appointed to do the monitoring. So it will take the Congress a minimum of 2 years in attempting to get the kind of monitoring of material shortages we need now.

The Senator can see that we do not take away from the commission any power to start monitoring now the data on material shortages. But the Senator has cut back funding from $1 million a year as it was in the Commerce Committee bill, to $500,000 for 1 year. That is such a small amount it probably means there will be a staff of only six or seven professionals and that there will be no way that the staff is going to be able to coordinate the collection of data from the various agencies and start monitoring the material shortages that exist and at the same time prepare a study on the kind of institutional changes needed.

That is where I feel the Senator from Illinois is going off in opposite directions. I think it is too bad because I know how sincerely interested he is in the problem.

However, if Senators read the recommendation of the National Commission on Materials Policy, they will find that a 3-year commission follows very closely these recommendations. When the Senator from Illinois is saying that what we need is another study. This will be the fourth study we have had about the need to have the commission to monitor these shortages. This will be the fourth study. What we are saying in this bill is that the commission would have a double responsibility. It would have an opportunity to study what is needed and to collect the data. We give them enough money to do it. We give them a million dollars a year. I shall just have to oppose the amendment, and at the appropriate time I shall offer a substitute amendment which, in effect, will provide for a 2-year commission, instead of the 3-year commission.

I have accepted in my substitute language the Senator's language that there should be a report to the President and to Congress within 6 months of the date of enactment of this act as to what kind of commission is needed.

I yield 3 minutes to the Senator from Ohio (Mr. TAFT).

Mr. PERCY. Mr. President, will the distinguished Senator permit me, because former Secretary Romney is waiting to see me, make a brief comment?

Mr. TAFT. I yield.

Mr. PERCY. I would like to answer the question. It is true that the Senator made some comments at the hearings. To be precise, I said at that time:

> As we go through these hearings, I think we have not only an obligation to set up a proper government structure interrelated with the private sector for gathering this information, but also to keep in mind everlastingly when we get that information let's

do something about it even if we don't happen to have a crisis at that particular moment.

I did not at that time prejudge the nature of the organization to be created I did not agree to the creation of an independent commission. I merely said we should decide.

I ask unanimous consent that the joint leadership letter dated June 10, 1974, sent to all Senators, and signed by Senators MANSFIELD, ROBERT C. BYRD, HUGH SCOTT, and GRIFFIN, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., June 10, 1974.

DEAR COLLEAGUE: The bill establishing a temporary Commission to examine the issue of supplies and shortages (S. 3523) was reported last week by the Committee on Commerce and will be called up for consideration in the next day or so. This measure arose out of efforts undertaken by the Joint Leadership in cooperation with the Joint Leadership of the House, and with Secretary Simon, Director Ash, Chairman Dunlop, Chairman Stein and Chairman Flanigan.

As it was agreed to by all concerned and as it was introduced in the Senate by the Joint Leadership, this bill was designed to establish a temporary Commission comprised of representatives from the Congress, the Executive and the private sector to recommend institutional changes in order to equip the Nation with an adequate coordinated information system regarding resource, material and commodity needs, to provide a facility that might forecast future areas of potential crisis with respect to the availability of these items and to provide the Congress, the Executive and the public with analyses of policy options that might be involved today in order to offset or mitigate any potential crisis. To accommodate this purpose the original bill contemplated that the temporary Commission itself take on the fundamental tasks by way of examination and within six months, give Congress and the President its recommendations as to what, if any, specific institutional needs are required to carry on these functions on a continuing basis.

The Commerce Committee has amended the original proposal to give the "temporary" Commission a three-year life and $3 million to undertake its examination. While we respect and appreciate the Committee's contribution to this effort, we feel that it is essential to preserve the joint Executive-Congressional cooperation achieved with this initial step on this vital issue.

The Joint Leadership therefore opposes this Committee amendment and intends to join in an amendment to be offered by Senators Percy and Ervin that would first restore to six months the time in which the Commission must make its specific recommendations for permanent institutional adjustments—time enough in view of the three major studies of this issue that have been conducted in the past twenty-two years. The amendment will also provide that the temporary Commission terminate its interim crisis forecasting operations at the conclusion of one year—allowing it to perform these tasks only on a transitional basis pending Congressional action on the Commission's specific recommendations for permanent institutional adjustments required to carry on these functions on a continuing basis.

Finally, because this proposal was fashioned out of a cooperative endeavor between branches, between Houses and between parties, in addition to supporting the Percy-Ervin amendment, it will be the Joint Leadership's intention to endeavor to preserve the proposal intact by opposing any further substantive modifications. We feel that the cooperation exhibited in taking this first step with regard to future crises that confront the Nation is of paramount importance. Continued cooperation of this nature on this issue is essential if we are ultimately to provide an effective facility with which to help the Congress, the Executive and the National deal with this vital aspect of our economy.

We thus urge you to join us in supporting the Percy-Ervin amendment and in opposing any further attempts to modify this bill when it is called up.

Sincerely,

ROBERT P. GRIFFIN.
ROBERT C. BYRD.
MIKE MANSFIELD.
HUGH SCOTT.

Mr. PERCY. I think that letter makes perfectly clear that we are not attempting, and the original concept was not, to have a monitoring commission that would take an extensive staff and would take a great deal longer. The whole intent and purpose was to take a look objectively at the organizational structure of government and then make recommendations as to how it should be reorganized. It is not intended to be another, fourth study commission. We know we have a problem. We think the structure of government is adequate. The very fact that the executive branch of government has offered to cooperate as extensively as it can with a temporary 1-year commission would make available to the commission those resources of the executive branch of the government cooperatively, willingly, and exhaustively, but they have indicated they would not support a 2- or 3-year commission. Obviously, if it is passed into law, the law will be observed, but we have an agreement worked out which is a delicately balanced agreement.

Mr. MAGNUSON. Does the Senator have a statement that they would not accept it?

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. Mr. President, I yield myself such time as I may require.

I would just like to ask the Senator from Illinois if he is aware of the language which I just read from the 1973 study of the National Commission on Materials Policy and the import of that langauge when they recommended that—

> A temporary Natural Resources Coordinating Committee be established on an interim basis at the highest policy-making level, to begin the task of integrating materials, energy, and environmental policy.

The point is that the need for positive action was recognized back in 1973. It was recognized by Paley in 1952. But there is a need now to start integrating. If the Senator's amendment is accepted, that process for integration is not going to take place now. It will take place 2 years from now, because it is going to take 1 year, with the $500,000 that would be given to the commission, to make recommendations on the structure of the permanent commission, and then it would take anywhere from 9 months to a year to get the recommendations through Congress, and signed by the President, and get the commission set up. So we are talking about a delay of 2 years.

I would like to ask the Senator if he does not agree that by accepting his amendment we are in fact saying that the commission's recommendation is not appropriate; that the Congress feels we should not act on its recommendation.

Mr. PERCY. Actions have been taken. The Council on Energy Policy has been created. We have established the Federal Energy Administration, providing coordination in energy and natural resources. We have agreed for the first time on an Under Secretary of State for Economic Affairs. We are beefing up substantially the Economic Bureau in the Department of State. I have no doubt that the Commerce Department has beefed up its particular activities. So actions have been taken, as former Secretary Shultz has indicated in his talk to the Comptroller General of March 27.

Mr. TUNNEY. I am talking about materials.

Mr. PERCY. A temporary commission should settle that. That is what we are trying to do here.

Mr. TUNNEY.But we are talking about materials; we are not talking about energy. What you are saying is that we are not going to accept the recommendation on materials of the task force. The task force went on to say that if the temporary commission was set up to integrate these various policies and to monitor the gathering of the data, it could be abolished as a comprehensive resource agency was established. They recognized it would be abolished at that time.

I think one of the great problems with the Senator's amendment is that it does not provide for an on-going monitoring process during that period of time when the permanent commission is being set up. If we extend it for 2 years—forget the 3 years; say we extend it for 2 years—and we have a report from the commission within 6 months recommending a permanent commission, then during the next 18 months Congress is acting on that proposal and that permanent structure is being set up, there would still be a commission which would be monitoring the data, and that would be right in line with the June 1973, Materials Commission report.

I yield to the Senator from Ohio.

Mr. TAFT. I thank the Senator for yielding.

Mr. President, I want to express at the outset my acceptance of the logic of the distinguished chairman of the committee and the Senator from California.

It seems to me, first of all, that it does not make a terrible amount of difference what exact period we arrive at, but that the year or 6-month period to me seems to be wholly inadequate.

I have noted in the discussion of the bill by the distinguished Senator from Illinois that it seems to me he has narrowed the scope of the bill in his discussion a great deal more than the language of the bill itself states.

The language of the bill gives responsibility with regard to materials of all kinds, I might say, not just particular metals or supply shortages of that type, but agricultural commodities, manufactured products, and many other items. I will have an amendment to discuss later in this regard which deals with questions of shortages due to more than the lack of supply of basic raw materials. For example, it deals with prices, as I think it should.

Many of the shortages depend upon economic conditions. There is no ammonia shortage in the world, and yet one of the most serious shortages is that of ammonia fertilizer. There is all the ammonia we need if we had the finances and the fuel to get it. We have not geared ourselves to making an adequate supply actually available to meet the needs, and we did not project the needs correctly. This commission is given that particular type of responsibility in the body of the bill.

The PRESIDING OFFICER. All time on the amendment has expired.

Who yields time?

Mr. TUNNEY. I yield 3 minutes to the Senator on the bill.

Mr. TAFT. I thank the Senator for yielding. I would just make this point: these are broad responsibilities. There is nothing in the bill to prevent the commission from reporting within 6 months and from reporting on what the Senator from Illinois wishes them to report on; that is, the best structure of the future for an agency to monitor these areas, to give us the warning signs, to do some planning and to make some recommendations to Congress and to the executive branch.

I think it would be a great mistake to cut the commission off at that point. If we are going to cut it off, we ought to amend all the language of the bill to narrow the scope very strictly down to recommendations as to structure. We would have to narrow it, I think, a great deal as to the materials that are covered.

I think we must really move on this because there is a tremendous problem today that we have come to recognize. I am not for setting up another commission merely to make another report on which Congress will eventually act. I think we have got to go further than that and set up a commission that has some responsibility for doing something about these problems, and for making reports not just as to structure but also as to substance. This is going to take a more comprehensive and better-financed commission than would be provided by the amendment of the Senator from Illinois.

At this point, for the information of the Senate, I shall make a statement with regard to my amendments 1408 and 1409, which I expect to bring up tomorrow.

Mr. President, I wish to explain the amendments to S. 3523 which I plan to offer tomorrow.

Amendment 1408 would allow the President to enforce the commitments to inflation restraint actions, including some commitments to expand productive capacity or to limit exports and thus combat domestic supply problems, which were given by industries and firms during the price decontrol process. I do not think many Members of the Congress fully realize that commitments were obtained voluntarily from hundreds of firms in various industries by the Cost of Living Council during the decontrol process. In 17 sectors of our economy, the Council obtained such commitments from the leading firms to take serious and constructive measures to alleviate various inflation-related problems existing in their industry. In all but two, fertilizer and zinc, the major firms committed themselves voluntarily to some degree of price and/or profit restraints.

Commitments to increase production and to expand capacity—exactly what the bill before us is all about—were agreed upon by firms producing fertilizer, cement, zinc, semiconductors, petrochemicals, tires, and tubes, canned fruits, and vegetables, and coal. Firms in industries such as fertilizer, petrochemicals, paper, and aluminum, made various commitments designed to limit exports or to maintain historic patterns of domestic sales, which are also in keeping with the purposes of this bill. Improved price reporting to the Bureau of Labor Statistics was agreed upon by firms producing cement, semiconductors, and tires. Firms in the petrochemical sector committed themselves to preparing customer allocation plans, and to submit these plans to the Government.

I believe that for Congress not to provide the Government machinery to monitor and enforce these commitments is to weaken the fight against inflation and to undermine further the Government's credibility. The recent announcement by the Ford Motor Co. of price increases which could conceivably be in compliance with such a commitment only through an escape clause, with mere prior notice and alleged justification to the Government, should serve as an indication of the fragility of these commitments unless specific legislation is passed.

I cannot emphasize too much that my amendment involves more than a question of economics, although it could certainly make a contribution to inflation control. Americans are already questioning the Government's resolve and ability to combat inflation, while at the same time the effectiveness of the entire Government is brought under heavy fire. This Senate in its action on S. 2986 tabling the entire proposal after frustrating debate, helped confirm that impression. Yet, in the case where an agency of the Government already has taken actions which will help somewhat to restrain prices, the Congress has not taken the first steps either to back up these actions or to protect companies which adhere to their commitments from competitors which may not do so. The message to the American people about Congress' resolve to fight inflation and to enforce the Government's own earlier actions is unmistakably clear.

My amendment would insure that these agreements with the Government are legally binding as they should be, particularly since they were made voluntarily in exchange for specific Government actions. It does so in a manner which takes into account objections expressed about previous proposals. While the Muskie amendment debated last month provided unlimited authority to reimpose controls on violators of decontrol commitments and thus spurred fears of irresponsibly punitive Government actions, my amendment limits use of this remedy "to the extent necessary to apply appropriate corrective action" and requires a statement from the President explaining how he has complied with this requirement. In recognition of industry's arguments that major changes in the economic picture necessitate changes in the terms of various decontrol commitments, the President is given explicit authority to modify any commitment if he determines that modification is in the national interest and publishes the reasons for that determination in the Federal Register. However, although the President could receive advice on such matters from affected industries, the decision to modify a commitment would clearly be the Government's alone.

With these modifications I can see no further objections to the provisions specifically allowing enforcement of decontrol commitments. Furthermore, I believe that S. 3523 is an ideal vehicle for this amendment. As I have pointed out, some of the decontrol commitments deal directly with the problem of alleviating future domestic shortages and were designed to increase domestic supplies. Others generally deal with the goal of facilitating domestic price stability, a major goal also of the Temporary National Commission on Supplies and Shortages.

Amendment 1409 would make the directive of the Temporary National Commission on Supplies and Shortages both more realistic and more responsive to perhaps the principal problem which generated this bill, even though the word is not mentioned once in the text—inflation.

The first change faces up to the fact that our domestic supply problems may not totally be described as the result of "shortages or market adversities." Although the latter term is fuzzy enough to leave some doubts.

The amendment states specifically that the Commission shall report upon wage, price, and business practices which also may contribute to supply problems. It is no secret for example, that the sales and goods distribution policies, investment decisions, and collective bargaining structures in particular industries may have just as much to do with adequate supplies of various items in a given area as actual shortages. When one reflects that supply problems, and shortages for that matter, are often questions of price rather than actual inability to obtain needed items, the necessity of including wage, price, and business practices within the purview of the Commission becomes even more clear. While this is always a touchy area for politicians to act upon, it is one which must be included and emphasized if the Commission is to seek answers to supply and inflation related problems in a realistic and comprehensive manner.

The second basic change makes clear that the Commission is not just to explore the extent of supply-related problems. But also to assess their adverse effect, or possible adverse effect, upon consumers in terms of price and lack of availability of desired goods. The Commission also would be charged with assessing alternative actions necessary to mitigate these effects.

This change would emphasize that the Commission should be oriented toward the people problems associated with short supplies, as well as the actual logistical problems of increasing the amount of goods available. The extent to which shortages are a problem depends largely upon the impact of these shortages on Americans' jobs and pocketbooks. Although the question of jobs is treated in the bill through mention of possible impairment of productive capacity, the possible effects of supply problems on consumers are not treated specifically. Most Americans will feel the impact of shortages in the pocketbook, as they have this year. My amendment will help assure that the Commission assesses the magnitude of and deals with this problem.

That the Commission confront the inflation issue is all the more imperative because actions which would often increase supplies effectively—price increases—are inflationary in themselves. It is imperative that these kinds of tradeoffs be considered carefully and as a priority of the Commission.

The amendment also adds to the bill by emphasizing that there are answers to short supply problems other than increasing availability of the goods in question, such as conservation efforts. Like the other changes, this research, and stockpiling provision of the amendment recognizes the complexity of the Commission's job and should help to foster a more realistic approach to it.

Mr. TUNNEY. Before yielding to the Senator from Alaska, I am going to send to the desk, a substitute for the amendment of the Senator from Illinois, and I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TUNNEY's amendment follows:

Strike the final two paragraphs of the amendment and substitute in lieu thereof:

"On page 6, strike line 18 and insert in lieu thereof 'June 30, 1975 and June 30, 1976.'."

Mr. TUNNEY. I will explain the substitute. Basically what the substitute does is to restore the $1 million per year funding, and it makes the commission's life 2 years.

Now I yield to the Senator from Alaska.

Mr. STEVENS. May I ask if there is time on this substitute? All the other time was yielded. Is there time on the substitute?

Mr. TUNNEY. How much time do we have on the substitute? Do we have any time on the substitute?

The PRESIDING OFFICER. Thirty minutes remain.

Mr. TUNNEY. To each side, or total?

The PRESIDING OFFICER. Fifteen minutes to a side.

The Chair will state that the amendment submitted by the Senator from California is not a proper substitute, but it can be offered as an amendment to the amendment.

Mr. TUNNEY. I offer it as an amendment to the amendment.

The PRESIDING OFFICER. There are 15 minutes to each side on the amendment.

Mr. TUNNEY. I yield 3 minutes to the Senator from Alaska.

Mr. STEVENS. I would like to say to my friend from California that, for the reasons just stated by the Senator from Ohio, I agree with what the Commerce Committee has done, and I support the conclusion that we have reached that we need some organization that can take some action now and, hopefully, guide us through a very difficult interim period as far as materials are concerned.

Having been in this town and having watched what happened to the Paley Commission report in 1952 because there was a change in administration, I urge Senators to reconsider the 2-year period because I think it should be at least 2½ years.

I am very hopeful, of course, that the party of my choice will control the administration in 1977. But I do not want to see a report come into Congress in the middle of the campaign year of 1976. Win or lose, I do not care who it is, I think it is going to be ignored.

I do believe there should be on the desk of the new President in 1977 a report that will be a guideline for action, and that by some time at the end of the 2½-year period—I suggest a 2½-year period—there be some constructive suggestions to us for action, and that the commission should be authorized to recommend that action in the meantime, if there are any interim steps we can take.

I firmly believe that as we consider in the Commerce Committee, as we have, a bill to deal with recycling, these bills to deal with these problems of natural gas and the problems of the oil industry that we face, that we are just closing our eyes if we say that all we can do now is to create a commission to tell us what the structure of government should be to deal with the most pressing problem the Nation has.

Mr. TUNNEY. Mr. President, will the Senator yield in order that I may request the yeas and nays?

Mr. STEVENS. I yield.

Mr. TUNNEY. Mr. President, I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered.

Mr. STEVENS. I shall not take much longer, because I know we should get a vote on this amendment tonight. But again I hope that the Senate will recognize what the Commerce Committee tried to do, and that was to really meet the middle ground, to have a commission that will study this structure problem but, at the same time, will monitor the material shortages, will be able to make recommendations, and will be able to come up with some concrete recommendations for permanent solutions to the most vexing problems that we have. As far as I am concerned, they are in the minerals and metals field. I do not think the energy crisis is anything like what the materials and metal crisis is going to be in the 1980's, and we ought to get going on that now and not just sit around and study what kind of governmental structure ought to be studying this problem.

Mr. TUNNEY. I want to thank the Senator from Alaska for his statement.

I do not choose to amend my amendment because we are trying to get a middle ground in between the 3 years—that is the committee position—and the 1 year that is the Percy position, and I think that 2 years does represent that middle ground.

I would prefer the 3 years. I would prefer that we work out a permanent commission in our legislative committees, and within the next month or 2 bring a bill to the floor that would have created a permanent commission. But we are going the route we are going. It so happens that the agreement was made with the congressional leaders and the administration. So I think we have to do the best we can with that understanding and agreement. But 2 years is an absolute minimum, it seems to me, and I will be very disappointed if we lose.

I understand where the power is, and I understand that the leadership is supporting the Percy amendment.

As the person who sat at those hearings, every one of them and listened—I think I am the only person here who can say that in the entire Senate, who sat through all those hearings and listened to every witness—it is clear that we need a permanent commission now, that we need to have monitoring now, and it is also clear to me that if the Percy amendment carries what we are going to have is a delay of about 2 years before anything is done, and that is a tragedy, in my mind.

I will just say this: That every witness, except for the administration witnesses—and if I am wrong I hope the staff will correct me—said that we needed such a commission to monitor the materials shortages. The administration witnesses opposed it. But every other witness drawn from industry and academia said we needed such a permanent commission. That is why we put out the 3-year bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BROCK. I yield myself such time as I may consume on the substitute perfecting amendment.

Mr. President, the Senator from Alaska, I think, made an important point when he talked about the time limit of this particular amendment. The amendment would bring this commission to a conclusion in the summer of 1976. I wonder if anybody honestly believes anything is going to happen to that report at that time. I do not. I would be very much surprised if many Senators who are here in a Presidential year would.

I think the point is absolutely accurate. I am not so sure that I honestly think that the 3-year period is a whole lot better, although it certainly is preferable to 2 years, because I am a little concerned in light of our past experience with the Paley Commission report and others that a new President is going to want a new commission that he appointed and in whom he might have greater confidence.

I am afraid this commission report is going to gather a lot of dust on the shelf without any positive result if we do not act on it quickly. The reason why I support the Percy amendment is that we are limiting with this amendment the functioning of the commission to 1 year.

I would point out not only is there a political logic to trying to get our answers quickly so that we can be more responsive in a legislative sense, but I think we are trying as well to deal with the point raised by the Senator from Ohio, and I think that clearly spells out the distinction between the two approaches.

The Senator from Ohio said we were—in the amendment of the committee or the bill of the committee—not so concerned as to the structure as we were to the substance of the problem.

It is the substance of the problem that is giving us a headache, and yet we cannot deal with it because there is no structure. That is the problem. That is the essence of it.

How the Senator can say he is going to set up a commission for 2 years, 3 years, or any period of time that does nothing but monitor and really get at the root cause of a material shortage I do not understand.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. TAFT. I would just like to comment to the Senator from Tennessee that in my remarks I pointed that out very clearly that I think there is a good deal in what the Senator from Illinois says.

There is absolutely nothing in this legislation to stop the commission from making a report on structure within 6 months. I think they should do so, and it would be ideal if they would do so. But the bill is not related just to structure. That is just one small paragraph. The commission has many other responsibilities.

I think that perhaps the amendment of the Senator from California might better be taken up by Congress and by a congressional committee today, without waiting. But irrespective of that issue, as I say, I think there is nothing to prevent the commission from making a report on structure, and at the earliest possible date, which I hope they will do.

Mr. BROCK. I expect they will do so, and as a matter of fact, the amendment of the Senator from California requires that they do so within 6 months. But the fact that structure, as the Senator says, is only a small part of this, is exactly what is wrong with it, because it is structure or the lack of it which impedes the resolution of the problem.

What the proposal before us today would do is set up a superstructure to monitor without any continuum, without any real reliability, and without any study, frankly, as to what the means are.

I wonder, as to some of the comments that were made on the floor by the Senator from California—he says the Senator from Illinois does not have enough money in the bill, that we cannot, with a half-million dollars, decide what the best mechanism is for dealing on a continuing basis with the problem—if sufficient thought has been given to what we have available to us right now in terms of assistance and in terms of information.

We have the Office of Business Research Analysis, which does, I think, a remarkable job in commerce, largely on a voluntary basis. We have the Bureau of Economic Analysis, the Bureau of the Census, the Bureau of Mines, the Geological Survey, and the Economic Resources Survey in Agriculture. We have in EPA something which I think is absolutely incredible, and essential if we are to have an intelligent rational Federal policy, called the strategic environmental assessment system to evaluate the effect of environmental policies to production, income, and employment.

Nowhere in this bill, Mr. President, are any of these things. Nowhere is there any adequate consideration to the resources that are available to us now; wholly absent is any semblance of coherence or a fulcrum through which we can focus and channel the information on which to act.

That is what the Senator from Illinois is trying to do with his amendment. He is advocating structural change. He is trying to find a mechanism to achieve structural change, and that is the essence of our problem here today. That was the essence of the bill which the majority leader, the minority leader, and a number of us introduced. To say we are not going to deal with structure is incredible to me. I think it is self-defeating. That is what we have been doing for years.

When do we get to the structural question? That is what the Senator from Illinois is trying to do, in my opinion.

So I hope very much that the perfecting amendment of the Senator from California, compromise though it may be—I do not consider it as such—will be defeated. I think it is counter-productive.

Mr. PERCY. Mr. President, will the Senator yield for a brief comment?

Mr. BROCK. Yes.

Mr. PERCY. The Tunney perfecting amendment would provide that the commission report by midsummer 1976. I ask, from a practical standpoint, knowing that that is a Presidential year, what possible legislative resolution could be accomplished then?

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. PERCY. I believe the so-called Percy amendment has the advantage of this intangible ingredient, that can hardly be measured, of what would be termed full and complete cooperation.

As the majority leader has pointed out, this cooperative agreement has been worked out between the executive branch and the legislative branch of the Government. What we would have is the active participation of the Director of the Office of Management and Budget, the availability of its highly skilled assistance. What we would have is full cooperation of the Secretary of Commerce and the Secretary of State, whose experts would be available to this commission.

That is why I obviously much prefer my amendment and will oppose the perfecting amendment as proposed by the distinguished Senator from California.

Mr. TUNNEY. Mr. President, will the Senator yield just for a point of clarification?

Mr. PERCY. Mr. President, unless the Senator from Tennessee wishes to make further comments, this side is prepared to yield back the remainder of its time.

Mr. TUNNEY. I am prepared to yield back the remainder of my time also, but I yield myself 30 seconds.

The Senator said that the report of the commission under my perfecting amendment would be in June 1976. That is not true. The report on structure would be 6 months from the time the bill passes and is signed into law by the President.

Mr. BROCK. Mr. President, the point is not the report. The point is that the commission expires at that time, and that is a very poor time for it to go out of business, when we are in the heat of a major Presidential campaign. Either we should continue it or we should not.

Mr. TUNNEY. Mr. President, I yield back the remainder of my time.

Mr. PERCY. I yield back the remainder of my time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. PERCY. It is the understanding of the Senator from Illinois that if the perfecting amendment offered by the Senator from California is defeated, the vote would follow immediately, all time having expired, on the Percy amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. TUNNEY. But we do not yet have the yeas and nays ordered.

Mr. PERCY. I ask for the yeas and nays on the pending perfecting amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered on both the Percy amendment and the perfecting amendment.

All remaining time having been yielded back, the question is on agreeing to the perfecting amendment of the Senator from California (Mr. TUNNEY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. BIBLE), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I also announce that the Senator from

Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Oregon (Mr. Hatfield), and the Senator from New York (Mr. Javits) are necessarily absent.

On this vote, the Senator from Kentucky (Mr. Cook) is paired with the Senator from Oregon (Mr. Hatfield). If present and voting, the Senator from Kentucky would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 28, nays 53, as follows:

[No. 249 Leg.]

YEAS—28

Abourezk
Burdick
Cranston
Domenici
Eastland
Hart
Hartke
Haskell
Hollings
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Magnuson
McClellan
McGovern
Metzenbaum
Mondale
Montoya
Moss
Pastore
Pell
Stevens
Stevenson
Taft
Tunney

NAYS—53

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Curtis
Dole
Dominick
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hathaway
Helms
Hruska
Mansfield
Mathias
McClure
McIntyre
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—19

Bayh
Bible
Biden
Buckley
Church
Cook
Eagleton
Fulbright
Gravel
Hatfield
Huddleston
Javits
Long
McGee
Metcalf
Randolph
Sparkman
Symington
Williams

So Mr. Tunney's amendment was rejected.

Mr. PERCY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. COTTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the yeas and nays on the Percy amendment be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I should like the Record to show that I voted "no" on the amendment.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr). Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. I ask that the time be charged to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded .

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair asks the Senator from West Virginia whether he wants the time to run against the bill.

Mr. ROBERT C. BYRD. I ask unanimous consent that no time be charged to either side on the bill for the remainder of this day.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR ADJOURNMENT TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. Proxmire be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 3523, NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the remarks by Mr. Proxmire on tomorrow, the Senate resume the consideration of the pending business and that the amendment of Mr. Nelson become the question before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, do I correctly understand that the amendment by Mr. Nelson is to be voted on, by virtue of an order already entered, not later than 12 o'clock tomorrow?

The PRESIDING OFFICER. The Senator's understanding is correct.

ORDER FOR RECOGNITION OF SENATORS ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Mr. Javits, Mr. Humphrey, and Mr. Robert C. Byrd be recognized in that order, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HUMPHREY. Mr. President, have we a time agreement on other amendments to the pending business, S. 3523?

Mr. ROBERT C. BYRD. Yes; there is a general agreement on this bill, with an hour on each amendment, with the exception of an amendment by Mr. Nelson, on which there is a maximum of 3 hours.

Mr. HUMPHREY. I have two amendments, so they would be covered by the general agreement.

Mr. ROBERT C. BYRD. They would be.

Mr. HUMPHREY. I will not need that much time on my side, but they would be covered within the framework of an hour, equally divided.

Mr. ROBERT C. BYRD. They certainly would.

Mr. HUMPHREY. I thank the Senator.

H.R. 14434—ENERGY APPROPRIATION BILL—ORDER FOR TIME LIMITATION AND VOTE ON QUESTION OF GERMANENESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow at such time as the energy appropriation bill is laid before the Senate, which I understand will be at 1 p.m., there be a limitation of 20 minutes, to be equally divided between Mr. Fong and Mr. Muskie for further debate on the question of germaneness; and then I ask unanimous consent that at the conclusion of the 20 minutes the vote occur on the question of germaneness.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:45 a.m. tomorrow .

After the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Wisconsin (Mr. Proxmire) will be recognized for not to exceed 15 minutes.

Following the conclusion of Mr. Proxmire's remarks, the Senate will resume the consideration of S. 3523, a bill to establish a Temporary National Commission on Supplies and Shortages. At that time the question before the Senate will be on the adoption of the amendment by Mr. Nelson. In accordance with an order previously entered, at the request of the distinguished majority leader, the vote will occur on the amendment by Mr. Nelson not later than 12 o'clock noon tomorrow.

I ask the Chair whether I am correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Then, upon the disposition of that amendment, other amendments to the bill will be in order until the hour of 1 o'clock p.m. At that time the Senate will resume the consideration of H.R. 14434, the energy appropriation bill.

There will then be a period of 20 minutes for debate on the question of germaneness which has been raised by the distinguished Senator from Hawaii (Mr. Fong). A rollcall vote will occur at the hour of 1:20 p.m. on the question of germaneness.

Amendments to the bill will then be in order. It is my understanding that several amendments are to be offered. Yea-and nay votes will occur during the afternoon on that bill.

Hopefully, the Senate will complete action on the energy appropriation bill tomorrow.

As for Thursday and Friday, the schedule has not become clear, but Senators will be appraised of the schedule for those 2 days at the earliest possible moment. Several bills are on the calendar awaiting action. Conference reports can be called up at any time. There is business aplenty, and rollcall votes are expected both Thursday and Friday.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **GRIFFIN**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ADJOURNMENT TO 9:45 A.M.

Mr. **GRIFFIN**. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until the hour of 9:45 a.m. tomorrow.

The motion was agreed to; and at 6:25 p.m. the Senate adjourned until tomorrow, Wednesday, June 12, 1974, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate June 11, 1974:

IN THE AIR FORCE

The following officer to be placed on the Retired List in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Theodore R. Milton, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Ray B. Sitton, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE NAVY

Rear Adm. Pierre N. Charbonnet, Jr., U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

HOUSE OF REPRESENTATIVES—*Tuesday, June 11, 1974*

The House met at 12 o'clock noon.

The Chaplain, the Reverend Edward G. Latch, D.D., offered the following prayer:

I will lift up mine eyes unto the hills, from whence cometh my help.—Psalms 121: 1.

Eternal Father, in this hallowed moment at the beginning of the day, dedicated to the upward look we bring our frail and faltering hearts to the rich resources of Thy redeeming grace. Give to us the invisible means of support we need to triumph over the trials of these troubled times. Steady us with Thy spirit that we may maintain our integrity unsullied by selfish ambitions and unspoiled by unworthy endeavors.

As we work to shape the shining future of our beloved land, grant unto us the courage, the vision, and the wisdom to labor for liberty and justice and peace for all and in all. To this end may we fail not man nor Thee.

In the spirit of Him who walked the upward way we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on June 8, 1974, the President approved and signed bills of the House of the following titles:

H.R. 1817. An act to provide for the striking of national medals to honor the late J. Edgar Hoover;

H.R. 6979. An act for the relief of Monroe A. Lucas;

H.R. 8215. An act to provide for the suspension of duty on certain copying shoe lathes until the close of June 30, 1976, and for other purposes;

H.R. 10972. An act to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects;

H.R. 11223. An act to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam;

H.R. 12466. An act to amend the Department of aircraft, missiles, naval vessels, Act of 1973 to authorize additional appropriations for the fiscal year 1974, and for other purposes;

H.R. 12565. An act to authorize appropriations during the fiscal year 1974 for procurement of State Appropriations Authorization tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes;

H.R. 12925. An act to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; and

H.R. 14013. An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 12471) entitled "An act to amend section 552 of title 5, United States Code, known as the Freedom of Information Act," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Kennedy, Mr. Hart, Mr. Bayh, Mr. Burdick, Mr. Tunney, Mr. McClellan, Mr. Thurmond, Mr. Mathias, Mr. Gurney, and Mr. Hruska to be the conferees on the part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7130, CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT

Mr. **BOLLING**. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight to file a conference report on H.R. 7130, Congressional Budget and Impoundment Control Act.

The **SPEAKER**. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93–1101)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLES; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLES.—This Act may be cited as the "Congressional Budget and Impoundment Control Act of 1974". Titles I through IX may be cited as the "Congressional Budget Act of 1974", and title X may be cited as the "Impoundment Control Act of 1974".

(b) TABLE OF CONTENTS.—

Sec. 1. Short titles; table of contents.
Sec. 2. Declaration of purposes.
Sec. 3. Definitions.

TITLE I—ESTABLISHMENT OF HOUSE AND SENATE BUDGET COMMITTEES

Sec. 101. Budget Committee of the House of Representatives.
Sec. 102. Budget Committee of the Senate.

TITLE II—CONGRESSIONAL BUDGET OFFICE

Sec. 201. Establishment of Office.
Sec. 202. Duties and functions.
Sec. 203. Public access to budget data.

TITLE III—CONGRESSIONAL BUDGET PROCESS

Sec. 300. Timetable.
Sec. 301. Adoption of first concurrent resolution.
Sec. 302. Matters to be included in joint statement of managers; reports by committees.
Sec. 303. First concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, or changes in revenues or public debt limit is considered.
Sec. 304. Permissible revisions of concurrent resolutions on the budget.
Sec. 305. Provisions relating to the consideration of concurrent resolutions on the budget.
Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
Sec. 307. House committee action on all appropriation bills to be completed before first appropriation bill is reported.
Sec. 308. Reports, summaries, and projections of congressional budget actions.
Sec. 309. Completion of action on bills providing new budget authority and certain new spending authority.
Sec. 310. Second required concurrent resolution and reconciliation process.
Sec. 311. New budget authority, new spending authority, and revenue legislation must be within appropriate levels.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

Sec. 401. Bills providing new spending authority.
Sec. 402. Reporting of authorizing legislation.
Sec. 403. Analyses by Congressional Budget Office.
Sec. 404. Jurisdiction of Appropriations Committees.

TITLE V—CHANGE OF FISCAL YEAR

Sec. 501. Fiscal year to begin October 1.
Sec. 502. Transition to new fiscal year.
Sec. 503. Accounting procedures.
Sec. 504. Conversion of authorizations of appropriations.
Sec. 505. Repeals.
Sec. 506. Technical amendment.

TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921

Sec. 601. Matters to be included in President's budget.
Sec. 602. Midyear review.
Sec. 603. Five-year budget projections.
Sec. 604. Allowances for supplemental budget authority and uncontrollable outlays.
Sec. 605. Budget data based on continuation of existing level of services.
Sec. 606. Study of off-budget agencies.
Sec. 607. Year-ahead requests for authorization of new budget authority.

TITLE VII—PROGRAM REVIEW AND EVALUATION

Sec. 701. Review and evaluation by standing committees.
Sec. 702. Review and evaluation by the Comptroller General.
Sec. 703. Continuing study of additional budget reform proposals.

TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

Sec. 801. Amendment to Legislative Reorganization Act of 1970.
Sec. 802. Changes in functional categories.

TITLE IX—MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

Sec. 901. Amendments to rules of the House.
Sec. 902. Conforming amendments to standing rules of the Senate.
Sec. 903. Amendments to Legislative Reorganization Act of 1946.
Sec. 904. Exercise of rulemaking powers.
Sec. 905. Effective dates.
Sec. 906. Application of congressional budget process to fiscal year 1976.

TITLE X—IMPOUNDMENT CONTROL

PART A—GENERAL PROVISIONS

Sec. 1001. Disclaimer.
Sec. 1002. Amendment to Antideficiency Act.
Sec. 1003. Repeal of existing impoundment reporting provision.

PART B—CONGRESSIONAL CONSIDERATION OF PROPOSED RESCISSIONS, RESERVATIONS, AND DEFERRALS OF BUDGET AUTHORITY

Sec. 1011. Definitions.
Sec. 1012. Rescission of budget authority.
Sec. 1013. Disapproval of proposed deferrals of budget authority.
Sec. 1014. Transmission of messages; publication.
Sec. 1015. Reports by Comptroller General.
Sec. 1016. Suits by Comptroller General.
Sec. 1017. Procedure in House and Senate.

DECLARATION OF PURPOSES

SEC. 2. The Congress declares that it is essential—

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

DEFINITIONS

SEC. 3. (a) IN GENERAL.—For purposes of this Act—

(1) The terms "budget outlays" and "outlays" mean, with respect to any fiscal year, expenditures and net lending of funds under budget authority during such year.

(2) The term "budget authority" means authority provided by law to enter into obligations which will result in immediate or future outlays involving Government funds, except that such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

(3) The term "tax expenditures" means those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability; and the term "tax expenditures budget" means an enumeration of such tax expenditures.

(4) The term "concurrent resolution on the budget" means—

(A) a concurrent resolution setting forth the congressional budget for the United States Government for a fiscal year as provided in section 301;

(B) a concurrent resolution reaffirming or revising the congressional budget for the United States Government for a fiscal year as provided in section 310; and

(C) any other concurrent resolution revising the congressional budget for the United States Government for a fiscal year as described in section 304.

(5) The term "appropriation Act" means an Act referred to in section 105 of title 1, United States Code.

(b) JOINT COMMITTEE ON ATOMIC ENERGY.—For purposes of titles II, III, and IV of this Act, the Members of the House of Representatives who are members of the Joint Committee on Atomic Energy shall be treated as a standing committee of the House, and the Members of the Senate who are members of the Joint Committee shall be treated as a standing committee of the Senate.

TITLE I—ESTABLISHMENT OF HOUSE AND SENATE BUDGET COMMITTEES

BUDGET COMMITTEE OF THE HOUSE OF REPRESENTATIVES

SEC. 101. (a) Clause 1 of Rule X of the Rules of the House of Representatives is amended by redesignating paragraphs (e) through (u) as paragraphs (f) through (v), respectively, and by inserting after paragraph (d) the following new paragraph:

"(e) Committee on the Budget, to consist of twenty-three Members as follows:

"(1) five Members who are members of the Committee on Appropriations;

"(2) five Members who are members of the Committee on Ways and Means;

"(3) eleven Members who are members of other standing committees;

"(4) one Member from the leadership of the majority party; and

"(5) one Member from the leadership of the minority party.

No Member shall serve as a member of the Committee on the Budget during more than two Congresses in any period of five successive Congresses beginning after 1974 (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress). All selections of Members to serve on the committee shall be made without regard to seniority."

(b) Rule X of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"6. For carrying out the purposes set forth in clause 5 of Rule XI, the Committee on the Budget or any subcommittee thereof is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or of any member of the committee designated by him; and may be served by any person designated by such chairman or member. The chairman of the committee, or any member thereof, may administer oaths to witnesses."

(c) Rule XI of the Rules of the House of Representatives is amended by redesignating clauses 5 through 33 as clauses 6 through 34, respectively, and by inserting after clause 4 the following new clause:

"5. Committee on the Budget

"(a) All concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and other matters required to be referred to the committee under titles III and IV of that Act.

"(b) The committee shall have the duty—

"(1) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;

"(2) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the House on a recurring basis;

"(3) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the House on a recurring basis; and

"(4) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties."

BUDGET COMMITTEE OF THE SENATE

SEC. 102. (a) Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(r)(1) Committee on the Budget, to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to that committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.

"(2) Such committee shall have the duty—

"(A) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;

"(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;

"(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and

"(D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties."

(b) The table contained in paragraph 2 of rule XXV of the Standing Rules of the Senate is amended by inserting after—

"Banking, Housing and Urban Affairs-- 15"

the following:

"Budget ------------------------------ 15".

(c) Paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(h) For purposes of the first sentence of subparagraph (a), membership on the Committee on the Budget shall not be taken into account until that date occurring during the first session of the Ninety-fifth Congress, upon which the appointment of the majority and minority party members of the standing committees of the Senate is initially completed."

(d) Each meeting of the Committee on the Budget of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disagrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

(e) Paragraph 7(b) of rule XXV of the Standing Rules of the Senate and section 133A(b) of the Legislative Reorganization Act of 1946 shall not apply to the Committee on the Budget of the Senate.

TITLE II—CONGRESSIONAL BUDGET OFFICE

ESTABLISHMENT OF OFFICE

SEC. 201. (a) IN GENERAL.—

(1) There is established an office of the Congress to be known as the Congressional Budget Office (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director; and there shall be a Deputy Director who shall perform such duties as may be assigned to him by the Director and, during the absence or incapactiy of the Director or during a vacancy in that office, shall act as Director.

(2) The Director shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations received from the Committee on the Budget of the House and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties. The Deputy Director shall be appointed by the Director.

(3) The term of office of the Director first appointed shall expire at noon on January 3, 1979, and the terms of office of Directors subsequently appointed shall expire at noon on January 3 of each fourth year thereafter. Any individual appointed as Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(4) The Director may be removed by either House by resolution.

(5) The Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule in section 5314 of title 5, United States Code. The Deputy Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as so in effect, for level IV of the Executive Schedule in section 5315 of such title.

(b) PERSONNEL.—The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the duties and functions of the Office. All personnel of the Office shall be appointed without regard to political affiliation and solely on the basis of their fitness to perform their duties. The Director may prescribe the duties and responsibilities of the personnel of the Office, and delegate to them authority to perform any of the duties, powers, and functions imposed on the Office or on the Director. For purposes of pay (other than pay of the Director and Deputy Director) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the House of Representatives.

(c) EXPERTS AND CONSULTANTS.—In carrying out the duties and functions of the Office, the Director may procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract as independent contractors. or, in the case of individual experts or consultants, by employment at rates of pay not in excess of the daily equivalent of the highest rate of basic pay payable under the General Schedule of section 5332 of title 5, United States Code.

(d) RELATIONSHIP TO EXECUTIVE BRANCH.—The Director is authorized to secure information, data, estimates, and statistics directly from the various departments, agencies, and establishments of the executive branch of Government and the regulatory agencies and commissions of the Government. All such departments, agencies, establishments, and regulatory agencies and commissions shall furnish the Director any available material which he determines to be necessary in the performance of his duties and functions (other than material the disclosure of which would be a violation of law). The Director is also authorized, upon agreement with the head of any such department, agency, establishment, or regulatory agency or commission, to utilize its services, facilities, and personnel with or without reimbursement; and the head of each such department, agency, establishment, or regulatory agency or commission is authorized to provide the Office such services, facilities, and personnel.

(e) RELATIONSHIP TO OTHER AGENCIES OF CONGRESS.—In carrying out the duties and functions of the Office, and for the purpose of coordinating the operations of the Office with those of other congressional agencies with a view to utilizing most effectively the information, services, and capabilities of all such agencies in carrying out the various responsibilities assigned to each, the Director is authorized to obtain information, data, estimates, and statistics developed by the General Accounting Office, the Library of Congress, and the Office of Technology Assessment, and (upon agreement with them) to utilize their services, facilities, and personnel with or without reimbursement. The Comptroller General, the Librarian of Congress, and the Technology Assessment Board are authorized to provide the Office with the information, data, estimates, and statistics, and the services, facilities, and personnel, referred to in the preceding sentence.

(f) APPROPRIATIONS.—There are authorized to be appropriated to the Office for each fiscal year such sums as may be necessary to enable it to carry out its duties and functions. Until sums are first appropriated pursuant to the preceding sentence, but for a period not exceeding 12 months following the effective date of this subsection, the expenses of the Office shall be paid from the contingent fund of the Senate, in accordance with the paragraph relating to the contingent fund of the Senate under the heading "UNDER LEGISLATIVE" in the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers approved by the Director.

DUTIES AND FUNCTIONS

SEC. 202. (a) ASSISTANCE TO BUDGET COMMITTEES.—It shall be the duty and function of the Office to provide to the Committees on the Budget of both Houses information which will assist such committees in the discharge of all matters within their jurisdictions, including (1) information with respect to the budget, appropriation bills, and other bills authorizing or providing budget authority or tax expenditures, (2) information with respect to revenues, receipts, estimated future revenues and receipts, and changing revenue conditions, and (3) such related information as such Committees may request.

(b) ASSISTANCE TO COMMITTEES ON APPROPRIATIONS, WAYS AND MEANS, AND FINANCE.—At the request of the Committee on Appropriations of either House, the Committee on Ways and Means of the House of Representatives, or the Committee on Finance of the Senate, the Office shall provide to such Committee any information which will assist it in the discharge of matters within its jurisdiction, including information described in clauses (1) and (2) of subsection (a) and such related information as the Committee may request.

(c) ASSISTANCE TO OTHER COMMITTEES AND MEMBERS.—

(1) At the request of any other committee of the House of Representatives or the Senate or any joint committee of the Congress, the Office shall provide to such committee or joint committee any information compiled in carrying out clauses (1) and (2) of subsection (a), and, to the extent practicable, such additional information related to the foregoing as may be requested.

(2) At the request of any Member of the House or Senate, the Office shall provide to such Member any information compiled in carrying out clauses (1) and (2) of subsection (a), and, to the extent available, such additional information related to the foregoing as may be requested.

(d) ASSIGNMENT OF OFFICE PERSONNEL TO COMMITTEES AND JOINT COMMITTEES.—At the request of the Committee on the Budget of either House, personnel of the Office shall be assigned, on a temporary basis, to assist such committee. At the request of any other committee of either House or any joint committee of the Congress, personnel of the Office may be assigned, on a temporary basis, to assist such committee or joint committee with respect to matters directly related to the applicable provisions of subsection (b) or (c).

(e) TRANSFER OF FUNCTIONS OF JOINT COMMITTEE ON REDUCTION OF FEDERAL EXPENDITURES.—

(1) The duties, functions, and personnel of the Joint Committee on Reduction of Federal Expenditures are transferred to the Office, and the Joint Committee is abolished.

(2) Section 601 of the Revenue Act of 1941 (55 Stat. 726) is repealed.

(f) REPORTS TO BUDGET COMMITTEE.—

(1) On or before April 1 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year. Such report shall also include a discussion of national budget priorities, including alternative ways of allocating budget authority and budget outlays for such fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development of the United States.

(2) The Director shall from time to time submit to the Committees on the Budget of the House of Representatives and the Senate such further reports (including reports revising the report required by paragraph (1)) as may be necessary or appropriate to provide such Committees with information, data, and analyses for the performance of their duties and functions.

(g) USE OF COMPUTERS AND OTHER TECHNIQUES.—The Director may equip the Office with up-to-date computer capability (upon approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate), obtain the services of experts and consultants in computer technology, and develop techniques for the evaluation of budgetary requirements.

PUBLIC ACCESS TO BUDGET DATA

SEC. 203. (a) RIGHT TO COPY.—Except as provided in subsections (c) and (d), the Director shall make all information, data, estimates, and statistics obtained under sections 201(d) and 201(e) available for public copying during normal business hours, subject to reasonable rules and regulations, and shall to the extent practicable, at the request of any person, furnish a copy of any such information, data, estimates, or statistics upon payment by such person of the cost of making and furnishing such copy.

(b) INDEX.—The Director shall develop and maintain filing, coding, and indexing systems that identify the information, data, estimates, and statistics to which subsection (a) applies and shall make such systems available for public use during normal business hours.

(c) EXCEPTIONS.—Subsection (a) shall not apply to information, data, estimates, and statistics—

(1) which are specifically exempted from disclosure by law; or

(2) which the Director determines will disclose—

(A) matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) information relating to trade secrets or financial or commercial information pertaining specifically to a given person if the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(C) personal or medical data or similar data the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

unless the portions containing such matters, information, or data have been excised.

(d) INFORMATION OBTAINED FOR COMMITTEES AND MEMBERS.—Subsection (a) shall apply to any information, data, estimates, and statistics obtained at the request of any committee, joint committee, or Member unless such committee, joint committee, or Member has instructed the Director not to make such information, data, estimates, or statistics available for public copying.

TITLE III—CONGRESSIONAL BUDGET PROCESS

TIMETABLE

SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

On or before:	Action to be completed:
November 10	President submits current services budget.
15th day after Congress meets	President submits his budget.
March 15	Committees and joint committees submit reports to Budget Committees.
April 1	Congressional Budget Office submits report to Budget Committees.
April 15	Budget Committees report first concurrent resolution on the budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
May 15	Congress completes action on first concurrent resolution on the budget.
7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	Fiscal year begins.

ADOPTION OF FIRST CONCURRENT RESOLUTION

SEC. 301. (a) ACTION TO BE COMPLETED BY MAY 15.—On or before May 15 of each year, the Congress shall complete action on the first concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth—

(1) the appropriate level of total budget outlays and of total new budget authority;

(2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total budget authority;

(3) the amount, if any, of the surplus or the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors;

(4) the recommended level of Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

(5) the appropriate level of the public debt, and the amount, if any, by which the statutory limit on the public debt should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

(6) such other matters relating to the budget as may be appropriate to carry out the purposes of this Act.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The first concurrent resolution on the budget may also require—

(1) a procedure under which all or certain bills and resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the concurrent resolution required to be reported under section 310(a) has been agreed to, and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both; and

(2) any other procedure which is considered appropriate to carry out the purposes of this Act.

Not later than the close of the Ninety-fifth Congress, the Committee on the Budget of each House shall report to its House on the implementation of procedures described in this subsection.

(c) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before March 15 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committees on the Budget of both Houses—

(1) its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within the respective jurisdiction or functions of such committee or joint committee; and

(2) except in the case of such joint committees, the estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within the jurisdiction of such committee which such committee intends to be effective during the fiscal year beginning on October 1 of such year.

The Joint Economic Committee shall also submit to the Committees on the Budget of both Houses, its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any other joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within its jurisdiction or functions.

(d) HEARINGS AND REPORT.—In developing the first concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. On or before April 15 of each year, the Committee on the Budget of each House shall report to its House the first concurrent resolution on the budget referred to in subsection (a) for the fiscal year beginning on October 1 of such year. The report accompanying such concurrent resolution shall include, but not be limited to—

(1) a comparision of revenues estimated by the committee with those estimated in the budget submitted by the President;

(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, as set forth in such concurrent resolution, with total budget outlays estimated and total new budget authority requested in the budget submitted by the President;

(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriation Acts, and each such division being subdivided between controllable amounts and all other amounts;

(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; and

(8) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, and the relationship of such matters to other Budget categories.

MATTERS TO BE INCLUDED IN JOINT STATEMENT OF MANAGERS; REPORTS BY COMMITTEES

SEC. 302. (a) ALLOCATION OF TOTALS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays and total new budget authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new budget authority.

(b) REPORTS BY COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to—

(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, (A) subdivide among its subcommittees the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution, and (B) further subdivide the amount with respect to each such subcommittee between controllable amounts and all other amounts; and

(2) every other committee of the House and Senate to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, (A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction, and (B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

(c) Subsequent Concurrent Resolutions.—In the case of a concurrent resolution on the budget referred to in section 304 or 310, the allocation under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

FIRST CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR PUBLIC DEBT LIMIT IS CONSIDERED

SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year; or

(4) new spending authority described in section 401(c)(2)(C) to become effective during a fiscal year;

until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301.

(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution—

(1) providing new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or

(2) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

(c) WAIVERS IN THE SENATE.—

(1) The committee of the Senate which reports any bill or resolution to which subsection (a) applies may at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such

leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to the bill or resolution to which the resolution so agreed to applies.

PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS OF THE BUDGET

SEC. 304. At any time after the first concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the tenth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution has been available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

(3) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be read for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

(4) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(5) Motions to postpone, made with respect to the consideration of any concurrent resolution on the budget, and motions to proceed to the consideration of other business, shall be decided without debate.

(6) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that, with respect to the second required concurrent resolution referred to in section 310(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(4) Notwithstanding any other rule, an amendment, or series of amendments, to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. *In all* cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(d) REQUIRED ACTION BY CONFERENCE COMMITTEE.—If, at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

(e) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES

SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BEFORE FIRST APPROPRIATION BILL IS REPORTED

SEC. 307. Prior to reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations of the House of

Representatives shall, to the extent practicable, complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) REPORTS ON LEGISLATICN PROVIDING NEW BUDGET AUTHORITY OR TAX EXPENDITURES.—Whenever a committee of either House reports a bill or resolution to its House providing new budget authority (other than continuing appropriations) or new or increased tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director of the Congressional Budget Office, detailing—

(1) in the case of a bill or resolution providing new budget authority—

(A) how the new budget authority provided in that bill or resolution compares with the new budget authority set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of budget outlays, associated with the budget authority provided in that bill or resolution, in each fiscal year in such period; and

(C) the new budget authority, and budget outlays resulting therefrom, provided by that bill or resolution for financial assistance to State and local governments; and

(2) in the case of a bill or resolution providing new or increased tax expenditures—

(A) how the new or increased tax expenditures provided in that bill or resolution will affect the levels of tax expenditures under existing law as set forth in the report accompanying the first concurrent resolution on the budget for such fiscal year, or, if a report accompanying a subsequently agreed to concurrent resolution for such year sets forth such levels, then as set forth in that report; and

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of the tax expenditures which will result from that bill or resolution in each fiscal year in such period.

No projection shall be required for a fiscal year under paragraph (1)(B) or (2)(B) if the committee determines that a projection for that fiscal year is impracticable and states in its report the reason for such impracticability.

(b) UP-TO-DATE TABULATION OF CONGRESSIONAL BUDGET ACTIONS.—The Director of the Congressional Budget Office shall issue periodic reports detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt limit for a fiscal year. Such reports shall include, but are not limited to—

(1) an up-to-date tabulation comparing the new budget authority for such fiscal year in bills and resolutions on which Congress has completed action and estimated outlays, associated with such new budget authority, during such fiscal year to the new budget authority and estimated outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

(2) an up-to-date status report on all bills and resolutions providing new budget authority and changing revenues and the public debt limit for such fiscal year in both Houses;

(3) an up-to-date comparison of the appropriate level of revenues contained in the most recently agreed to concurrent resolution on the budget for such fiscal year with the latest estimate of revenues for such year (including new revenues anticipated during such year under bills and resolutions on which the Congress has completed action); and

(4) an up-to-date comparison of the appropriate level of the public debt contained in the most recently agreed to concurrent resolution on the budget for such fiscal year with the latest estimate of the public debt during such fiscal year.

(c) FIVE-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.—As soon as practicable after the beginning of each fiscal year, the Director of the Congressional Budget Office shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

(1) total new budget authority and total budget outlays for each fiscal year in such period;

(2) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period; and

(3) tax expenditures for each fiscal year in such period.

COMPLETION OF ACTION ON BILLS PROVIDING NEW BUDGET AUTHORITY AND CERTAIN NEW SPENDING AUTHORITY

SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions—

(1) providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions, and other than the reconciliation bill for such year, if required to be reported under section 310(c); and

(2) providing new spending authority described in section 401 (c)(2)(C) which is to become effective during such fiscal year.

Paragraph (1) shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.

SECOND REQUIRED CONCURRENT RESOLUTION AND RECONCILIATION PROCESS

SEC. 310. (a) REPORTING OF CONCURRENT RESOLUTION.—The Committee on the Budget of each House shall report to its House a concurrent resolution on the budget which reaffirms or revises the concurrent resolution on the budget most recently agreed to with respect to the fiscal year beginning on October 1 of such year. Any such concurrent resolution on the budget shall also, to the extent necessary—

(1) specify the total amount by which—

(A) new budget authority for such fiscal year;

(B) budget authority initially provided for prior fiscal years; and

(C) new spending authority described in section 401(c)(2)(C) which is to become effective during such fiscal year,

contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount;

(2) specify the total amount by which revenues are to be changed and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amount;

(3) specify the amount by which the statutory limit on the public debt is to be changed and direct the committees having jurisdiction to recommend such change; or

(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3).

Any such concurrent resolution may be reported, and the report accompanying it may be filed, in either House notwithstanding that that House is not in session on the day on which such concurrent resolution is reported.

(b) COMPLETION OF ACTION ON CONCURRENT RESOLUTION.—Not later than September 15 of each year, the Congress shall complete action on the concurrent resolution on the budget referred to in subsection (a).

(c) RECONCILIATION PROCESS.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directions to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House a reconciliation bill or reconciliation resolution, or both, containing such recommendations; or

(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations, whether such changes are to be contained in a reconciliation bill or reconciliation resolution, and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revision.

For purposes of this subsection, a reconciliation resolution is a concurrent resolution directing the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, to make specified changes in bills and resolutions which have not been enrolled.

(d) COMPLETION OF RECONCILIATION PROCESS.—Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (c) not later than September 25 of each year.

(e) PROCEDURE IN THE SENATE.—

(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills and reconciliation resolutions reported under subsection (c) and conference reports thereon.

(2) Debate in the Senate on any reconciliation bill or resolution reported under subsection (c), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

(f) CONGRESS MAY NOT ADJOURN UNTIL ACTION IS COMPLETED.—It shall not be in order in either the House of Representatives or the Senate to consider any resolution providing for the adjournment sine die of either House unless action has been completed on the concurrent resolution on the budget required to be reported under subsection (a) for the fiscal year beginning on October 1 of such year, and, if a reconciliation bill or resolution, or both, is required to be reported under subsection (c) for such fiscal year, unless the Congress has completed action on that bill or resolution, or both.

NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for a fiscal year, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing additional new budget authority for such fiscal year, providing new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of revenues set forth in such concurrent resolution.

(b) DETERMINATION OF OUTLAYS AND REVENUES.—For purposes of subsection (a), the budget outlays to be made during a fiscal year and revenues to be received during a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

BILLS PROVIDING NEW SPENDING AUTHORITY

SEC. 401.(a) LEGISLATION PROVIDING CONTRACT BORROWING AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection(c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(b) LEGISLATION PROVIDING ENTITLEMENT AUTHORITY.—

(1) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(C) (or any amendment which provides such new spending authority) which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported.

(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

(3) The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new spending authority provided in such bill or resolution.

(c) DEFINITIONS.—

(1)For purposes of this section, the term "new spending authority" means spending authority not provided by law on the effective date of this section, including any increase in or addition to spending authority provided by law on such date.

(2) For purposes of paragraph (1), the terms "spending authority" means authority (whether temporary or permanent)—

(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts; and

(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

Such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

(d) EXCEPTIONS.—

(1) Subsections (a) and (b) shall not apply to new spending authority if the budget authority for outlays which will result from such new spending authority is derived—

(A) from a trust fund established by the Social Security Act (as in effect on the date of the enactment of this Act); or

(B) from any other trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(2) Subsections (a) and (b) shall not apply to new spending authority which is an amendment to or extension of the State and Local Fiscal Assistance Act of 1972, or a continuation of the program of fiscal assistance to State and local governments provided by that Act, to the extent so provided in the bill or resolution providing such authority.

(3) Subsections (a) and (b) shall not apply to new spending authority to the extent that—

(A) the outlays resulting therefrom are made by an organization which is (i) a mixed-ownership Government corporation (as defined in section 201 of the Government Corporation Control Act), or (ii) a wholly owned Government corporation (as defined in section 101 of such Act) which is specifically exempted by law from compliance with any or all of the provisions of that Act; or

(B) the outlays resulting therefrom consist exclusively of the proceeds of gifts or bequests made to the United States for a specific purpose.

REPORTING OF AUTHORIZING LEGISLATION

SEC. 402. (a) REQUIRED REPORTING DATE.—Except as otherwise provided in this section, it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

(b) EMERGENCY WAIVER IN THE HOUSE.—If the Committee on Rules of the House of Representatives determines that emergency conditions require a waiver of subsection (a) with respect to any bill or resolution, such committee may report, and the House may consider and adopt, a resolution waiving the application of subsection (a) in the case of such bill or resolution.

(c) WAIVER IN THE SENATE.—

(1) The committee of the Senate which reports any bill or resolution may, at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate, within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees, and the time on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to that bill or resolution referred to in the resolution.

(d) CERTAIN BILLS AND RESOLUTIONS RECEIVED FROM OTHER HOUSE.—Notwithstanding the provisions of subsection (a), if under that subsection it is in order in the House of Representatives to consider a bill or resolution of the House, then it shall be in order to consider a companion or similar bill or resolution of the Senate; and if under that subsection it is in order in the Senate to consider a bill or resolution of the Senate, then it shall be in order to consider a companion or similar bill of the House of Representatives.

(e) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to new spending authority described in section 401(c)(2)(C).

(2) Subsection (a) shall not apply with respect to new budget authority authorized in a bill or resolution for any provision of the Social Security Act if such bill or resolution also provides new spending authority described in section 401(c)(2)(C) which, under section 401(d)(1)(A), is excluded from the application of section 401(b).

(f) STUDY OF EXISTING SPENDING AUTHORITY AND PERMANENT APPROPRIATIONS.—The Committees on Appropriations of the House of Representatives and the Senate shall study on a continuing basis those provisions of law, in effect on the effective date of this section, which provide spending authority or permanent budget authority. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

ANALYSES BY CONGRESSIONAL BUDGET OFFICE

SEC. 403. The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate; and

(2) a comparison of the estimate of costs described in paragraph (1) with any available estimate of costs made by such committee or by any Federal agency.

The estimate and comparison so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

JURISDICTION OF APPROPRIATIONS COMMITTEES

SEC. 404. (a) AMENDMENT OF HOUSE RULES.—Clause 2 of rule XI of the Rules of the House of Representatives is amended by redesignating paragraph (b) as paragraph (e) and by inserting after paragraph (a) the following new paragraphs:

"(b) Rescission of appropriations contained in appropriation Acts (referred to in section 105 of title 1, United States Code).

"(c) The amount of new spending authority described in section 401(c)(2)(A) and (B) of the Congressional Budget Act of 1974 which is to be effective for a fiscal year.

"(d) New spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act)."

(b) AMENDMENT OF SENATE RULES.—Subparagraph (c) of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(c) Committee on Appropriations, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Except as provided in subparagraph (r), appropriation of the revenue for the support of the Government.

"2. Rescission of appropriations contained in appropriation Acts (referred to in section 105 of title 1, United States Code).

"3. The amount of new spending authority described in section 401 (c)(2)(A) and (B) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act).

"4. New advance spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act)."

TITLE V—CHANGE OF FISCAL YEAR

FISCAL YEAR TO BEGIN OCTOBER 1

SEC. 501. Section 237 of the Revised Statutes (31 U.S.C. 1020) is amended to read as follows:

"SEC. 237. (a) The fiscal year of the Treasury of the United States, in all matters of accounts, receipts, expenditures, estimates, and appropriations—

"(1) shall, through June 30, 1976, commence on July 1 of each year and end on June 30 of the following year; and

"(2) shall, beginning on October 1, 1976, commence on October 1 of each year and end on September 30 of the following year.

"(b) All accounts of receipts and expenditures required by law to be published annually shall be prepared and published for each fiscal year as established by subsection (a)."

TRANSITION TO NEW FISCAL YEAR

SEC. 502. (a) As soon as practicable, the President shall prepare and submit to the Congress—

(1) after consultation with the Committees on Appropriations of the House of Representatives and the Senate, budget estimates for the United States Government for the period commencing July 1, 1976, and ending on September 30, 1976, in such form and detail as he may determine; and

(2) proposed legislation he considers appropriate with respect to changes in law necessary to provide authorizations of appropriations for that period.

(b) The Director of the Office of Management and Budget shall provide by regulation, order, or otherwise for the orderly transition by all departments, agencies, and instrumentalities of the United States Government and the government of the District of Columbia from the use of the fiscal year in effect on the date of enactment of this Act to the use of the new fiscal year prescribed by section 237(a)(2) of the Revised Statutes. The Director shall prepare and submit to the Congress such additional proposed legislation as he considers necessary to accomplish this objective.

(c) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office jointly shall conduct a study of the feasibility and advisability of submitting the Budget or portions thereof, and enacting new budget authority or portions thereof, for a fiscal year during the regular session of the Congress which begins in the year preceding the year in which such fiscal year begins. The Director of the Office of Management and Budget and the Director of the Congressional Budget Office each shall submit a report of the results of the study conducted by them, together with his own conclusions and recommendations, to the Congress not later than 2 years after the effective date of this subsection.

ACCOUNTING PROCEDURES

SEC. 503. (a) Subsection (a)(1) of the first section of the Act entitled "An Act to simplify accounting, facilitate the payment of obligations, and for other purposes", approved July 25, 1956, as amended (31 U.S.C. 701), is amended to read as follows:

"(1) The obligated balance shall be transferred, at the time specified in subsection (b)(1) of this section, to an appropriation account of the agency or subdivision thereof responsible for the liquidation of the obligation, in which account shall be merged the amounts so transferred from all appropriation accounts for the same general purposes; and".

(b) Subsection (b) of such section is amended to read as follows:

"(b)(1) Any obligated balance referred to in subsection (a)(1) of this section shall be transferred as follows:

"(A) for any fiscal year or years ending on or before June 30, 1976, on that June 30 which falls in the first month of June which occurs twenty-four months after the end of such fiscal year or years; and

"(B) for the period commencing on July 1, 1976, and ending on September 30, 1976, and for any fiscal year commencing on or after October 1, 1976, on September 30 of the second fiscal year following that period or the fiscal year or years, as the case may be, for which the appropriation is available for obligation.

"(2) The withdrawals required by subsection (a)(2) of this section shall be made—

"(A) for any fiscal year ending on or before June 30, 1976, not later than September 30 of the fiscal year immediately following the fiscal year in which the period of availability for obligation expires; and

"(B) for the period commencing on July 1, 1976, and ending on September 30, 1976, and for any fiscal year commencing on or after October 1, 1976, not later than November 15 following such period or fiscal year, as the case may be, in which the period of availability for obligation expires."

CONVERSION OF AUTHORIZATIONS OF APPROPRIATIONS

SEC. 504. Any law providing for an authorization of appropriations commencing on July 1 of a year shall, if that year is any year after 1975, be considered as meaning October 1 of that year. Any law providing for an authorization of appropriations ending on June 30 of a year shall, if that year is any year after 1976, be considered as meaning September 30 of that year. Any law providing for an authorization of appropriations for the fiscal year 1977 or any fiscal year thereafter shall be construed as referring to that fiscal year ending on September 30 of the calendar year having the same calendar year number as the fiscal year number.

REPEALS

SEC. 505. The following provisions of law are repealed:

(1) the ninth paragraph under the headings "Legislative Establishment", "Senate", of the Deficiency Appropriation Act, fiscal year 1934 (48 Stat. 1022; 2 U.S.C. 66); and

(2) the proviso to the second paragraph under the headings "House of Representatives", "Salaries, Mileage, and Expenses of Members", of the Legislative-Judiciary Appropriation Act, 1955 (68 Stat. 400; 2 U.S.C. 81).

TECHNICAL AMENDMENT

SEC. 506. (a) Section 105 of title 1, United States Code, is amended by striking out "June 30" and inserting in lieu thereof "September 30".

(b) The provisions of subsection (a) of this section shall be effective with respect to Acts making appropriations for the support of the Government for any fiscal year commencing on or after October 1, 1976.

TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921

MATTERS TO BE INCLUDED IN PRESIDENT'S BUDGET

SEC. 601. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsections:

"(d) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth separately the items enumerated in section 301(a)(1)-(5) of the Congressional Budget Act of 1974.

"(e) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth the levels of tax expenditures under existing law for such fiscal year (the tax expenditure budget), taking into account projected economic factors, and any changes in such existing levels based on proposals contained in such Budget. For purposes of this subsection, the terms 'tax expenditures' and 'tax expenditures budget' have the meanings given to them by section 3(a)(3) of the Congressional Budget Act of 1974.

"(f) The Budget transmitted pursuant to subsection (a) for each fiscal year shall contain—

"(1) a comparison, for the last completed fiscal year, of the total amount of outlays estimated in the Budget transmitted pursuant to subsection (a) for each major program involving uncontrollable or relatively uncontrollable outlays and the total amount of outlays made under each such major program during such fiscal year;

"(2) a comparison, for the last completed fiscal year, of the total amount of revenues estimated in the Budget transmitted pursuant to subsection (a) and the total amount of revenues received during such year, and, with respect to each major revenue source, the amount of revenues estimated in the Budget transmitted pursuant to subsection (a) and the amount of revenues received during such year; and

"(3) an analysis and explanation of the difference between each amount set forth pursuant to paragraphs (1) and (2) as the amount of outlays or revenues estimated in the Budget submitted under subsection (a) for such fiscal year and the corresponding amount set forth as the amount of outlays made or revenues received during such fiscal year.

"(g) The President shall transmit to the Congress, on or before April 10 and July 15 of each year, a statement of all amendments to or revisions in the budget authority requested, the estimated outlays, and the estimated receipts for the ensuing fiscal year set forth in the Budget transmitted pursuant to subsection (a) (including any previous amendments or revisions proposed on behalf of the executive branch) that he deems necessary and appropriate based on the most current information available. Such statement shall contain the effect of such amendments and revisions on the summary data submitted under subsection (a) and shall include such supporting detail as is practicable. The statement transmitted on or before July 15 of any year may be included in the supplemental summary required to be transmitted under subsection (b) during such year. The Budget transmitted to the Congress pursuant to subsection (a) for any fiscal year, or the supporting detail transmitted in connection therewith, shall include a statement of all such amendments and revisions with respect to the fiscal year in progress made before the date of transmission of such Budget.

"(h) The Budget transmitted pursuant to subsection (a) for each fiscal year shall include information with respect to estimates of appropriations for the next succeeding fiscal year for grants, contracts, or other payments under any program for which there is an authorization of appropriations for such succeeding fiscal year and such appropriations are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year in which the appropriation is to be available for obligation.

"(i) The Budget transmitted pursuant to subsection (a) for each fiscal year, beginning with the fiscal year ending September 30, 1973, shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—

"(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

"(2) agency missions; and

"(3) basic programs.

To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions."

MIDYEAR REVIEW

SEC. 602. Section 201 of the Budget and Accounting Act, 1921, (31 U.S.C. 11), is amended by striking out "on or before June 1 of each year, beginning with 1972" and inserting in lieu thereof "on or before July 15 of each year".

FIVE-YEAR BUDGET PROJECTIONS

SEC. 603. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) by inserting after "ensuing fiscal year" in paragraph (5) "and projections for the four fiscal years immediately following the ensuing fiscal year";

(2) by striking out "such year" in paragraph (5) and inserting in lieu thereof "such years"; and

(3) by inserting after "ensuing fiscal year" in paragraph (6) "and projections for the four fiscal years immediately following the ensuing fiscal year".

ALLOWANCES FOR SUPPLEMENTAL BUDGET AUTHORITY AND UNCONTROLLABLE OUTLAYS

SEC. 604. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is further amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(13) an allowance for additional estimated expenditures and proposed appropriations for the ensuing fiscal year, and an allowance for unanticipated uncontrollable expenditures for the ensuing fiscal year."

BUDGET DATA BASED ON CONTINUATION OF EXISTING LEVEL OF SERVICES

SEC. 605. (a) On or before November 10 of each year (beginning with 1975), the President shall submit to the Senate and the House of Representatives the estimated outlays and proposed budget authority which would be included in the Budget to be submitted pursuant to section 201 of the Budget and Accounting Act, 1921, for the ensuing fiscal year if all programs and activities were carried on during such ensuing fiscal year at the same level as the fiscal year in progress and without policy changes in such programs and activities. The estimated outlays and proposed budget authority submitted pursuant to this section shall be shown by function and subfunctions (in accordance with the classifications in the budget summary table entitled "Budget Authority and Outlays by Function and Agency"), by major programs within each such function, and by agency. Accompanying these estimates shall be the economic and programmatic assumptions underlying the estimated outlays and proposed budget authority, such as the rate of inflation, the rate of real economic growth, the unemployment rate, program caseloads, and pay increases.

(b) The Joint Economic Committee shall review the estimated outlays and proposed budget authority so submitted, and shall submit to the Committees on the Budget of both Houses an economic evaluation thereof on or before December 31 of each year.

STUDY OF OFF-BUDGET AGENCIES

SEC. 606. The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis those provisions of law which exempt agencies of the Federal Government, or any of their activities or outlays, from inclusion in the Budget of the United States Government transmitted by the President under section 201 of the Budget and Accounting Act, 1921. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

YEAR-AHEAD REQUESTS FOR AUTHORIZATION OF NEW BUDGET AUTHORITY

SEC. 607. Notwithstanding any other provision of law, any request for the enactment of legislation authorizing the enactment of new budget authority to continue a program or activity for a fiscal year (beginning with the fiscal year commencing October 1, 1976) shall be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins. In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be submitted for at least the first 2 fiscal years.

TITLE VII—PROGRAM REVIEW AND EVALUATION

REVIEW AND EVALUATION BY STANDING COMMITTEES

SEC. 701. Section 136(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d) is amended by adding at the end thereof the following new sentences: "Such committees may carry out the required analysis, appraisal, and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Congress. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time."

REVIEW AND EVALUATION BY THE COMPTROLLER GENERAL

SEC. 702. (a) Section 204 of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154) is amended to read as follows:

"REVIEW AND EVALUATION

"SEC. 204. (a) The Comptroller General shall review and evaluate the results of Government programs and activities carried on under existing law when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

"(b) The Comptroller General, upon request of any committee of either House or any joint committee of the two Houses, shall—

"(1) assist such committee or joint committee in developing a statement of legislative objectives and goals and methods for assessing and reporting actual program performance in relation to such legislative objectives and goals. Such statements shall include, but are not limited to, recommendations as to methods of assessment, information to be reported, responsibility for reporting, frequency of reports, and feasibility of pilot testing; and

"(2) assist such committee or joint committee in analyzing and assessing program reviews or evaluation studies prepared by and for any Federal agency.

Upon request of any Member of either House, the Comptroller General shall furnish to such Member a copy of any statement or other material compiled in carrying out paragraphs (1) and (2) which has been released by the committee or joint committee for which it was compiled.

"(c) The Comptroller General shall develop and recommend to the Congress methods for review and evaluation of Government programs and activities carried on under existing law.

"(d) In carrying out his responsibilities under this section, the Comptroller General is authorized to establish an Office of Program Review and Evaluation within the General Accounting Office. The Comptroller General is authorized to employ not to exceed ten experts on a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time, for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(e) The Comptroller General shall include in his annual report to the Congress a review of his activities under this section, including his recommendations of methods for review and evaluation of Government programs and activities under subsection (c)."

(b) Item 204 in the table of contents of such Act is amended to read as follows:
"Sec. 204. Review and evaluation."

CONTINUING STUDY OF ADDITIONAL BUDGET REFORM PROPOSALS

SEC. 703. (a) The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis proposals designed to improve and facilitate methods of congressional budget-making. The proposals to be studied shall include, but are not limited to, proposals for—

(1) improving the information base required for determining the effectiveness of new programs by such means as pilot testing, survey research, and other experimental and analytical techniques;

(2) improving analytical and systematic evaluation of the effectiveness of existing programs;

(3) establishing maximum and minimum time limitations for program authorization; and

(4) developing techniques of human resource accounting and other means of providing noneconomic as well as economic evaluation measures.

(b) The Committee on the Budget of each House shall, from time to time, report to its House the results of the study carried on by it under subsection (a), together with its recommendations.

(c) Nothing in this section shall preclude studies to improve the budgetary process by any other committee of the House of Representatives or the Senate or any joint committee of the Congress.

TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

AMENDMENT TO LEGISLATIVE REORGANIZATION ACT OF 1970

SEC. 801. (a) So much of title II of the Legislative Reorganization Act of 1970 (31 U.S.C. chapter 22) as precedes section 204 thereof is amended to read as follows:

"TITLE II—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

"PART 1—FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION SYSTEMS

"SEC. 201. The Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General of the United States, shall develop, establish, and maintain, for use by all Federal agencies, standardized data processing and information systems for fiscal, budgetary, and program-related data and information. The development, establishment, and maintenance of such systems shall be carried out so as to meet the needs of the various branches of the Federal Government and, insofar as practicable, of governments at the State and local level.

"STANDARDIZATION OF TERMINOLOGY, DEFINITIONS, CLASSIFICATIONS, AND CODES FOR FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"SEC. 202. (a) (1) The Comptroller General of the United States, in cooperation with the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Director of the Congressional Budget Office, shall develop, establish, maintain, and publish standard terminology, definitions, classifications, and codes for Federal fiscal, budgetary, and program-related data and information. The authority contained in this section shall include, but not be limited to, data and information pertaining to Federal fiscal policy, revenues, receipts, expenditures, functions, programs, projects, and activities. Such standard terms, definitions, classifications, and codes shall be used by all Federal agencies in supplying to the Congress fiscal, budgetary, and program-related data and information.

"(2) The Comptroller General shall submit to the Congress, on or before June 30, 1975, a report containing the initial standard terminology, definitions, classifications, and codes referred to in paragraph (1), and shall recommend any legislation necessary to implement them. After June 30, 1975, the Comptroller General shall submit to the Congress additional reports as he may think advisable, including any recommendations for any legislation he may deem necessary to further the development, establishment, and maintenance, modification, and executive implementation of such standard terminology, definitions, classifications, and codes.

"(b) In carrying out this responsibility, the Comptroller General of the United States shall give particular consideration to the needs of the Committees on the Budget of the House and Senate, the Committees on Appropriations of the House and Senate, the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Congressional Budget Office.

"(c) The Comptroller General of the United States shall conduct a continuing program to identify and specify the needs of the committees and Members of the Congress for fiscal, budgetary, and program-related information to support the objectives of this part.

"(d) The Comptroller General shall assist committees in developing their information needs, including such needs expressed in legislative requirements, and shall monitor the various recurring reporting requirements of the Congress and committees and make recommendations to the Congress and committees for changes and improvements in their reporting requirements to meet congressional information needs ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.

"(e) On or before September 1, 1974, and each year thereafter, the Comptroller General shall report to the Congress on needs identified and specified under subsection (c); the relationship of these needs to the existing reporting requirements; the extent to which the executive branch reporting presently meets the identified needs; the specification of changes to standard classifications needed to meet congressional needs; the activities, progress and results of his activities under subsection (d); and the progress that the executive branch has made during the past year.

"(f) On or before March 1, 1975, and each year thereafter, the Director of the Office of Management and Budget and the Secretary of the Treasury shall report to the Congress on their plans for addressing the needs identified and specified under subsection (c), including plans for implementing changes to classifications and codes to meet the information needs of the Congress as well as the status of prior year system and classification implementations.

"AVAILABILITY TO AND USE BY THE CONGRESS AND STATE AND LOCAL GOVERNMENTS OF FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"SEC. 203. (a) Upon request of any committee of either House, of any joint committee of the two Houses, of the Comptroller General, or of the Director of the Congressional Budget Office, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the heads of the various executive agencies shall—

"(1) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office information as to the location and nature of available fiscal, budgetary, and program-related data and information;

"(2) to the extent practicable, prepare summary tables of such data and information and any related information deemed necessary by such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office; and

"(3) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office any program evaluations conducted or commissioned by any executive agency.

"(b) The Comptroller General, in cooperation with the Director of the Congressional Budget Office, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall—

"(1) develop, establish, and maintain an up-to-date inventory and directory of sources and information systems containing fiscal, budgetary, and program-related data and information and a brief description of their content;

"(2) provide, upon request, assistance to committees, joint committees, and Members of Congress in securing Federal fiscal, budgetary, and program-related data and information from the sources identified in such inventory and directory; and

"(3) furnish, upon request, assistance to committees and joint committees of Congress and, to the extent practicable, to Members of Congress in appraising and analyzing fiscal, budgetary, and program-related data and information secured from the sources identified in such inventory and directory.

"(c) The Comptroller General and the Director of the Congressional Budget Office shall, to the extent they deem necessary, develop, establish, and maintain a central file or files of the data and information required to carry out the purposes of this title. Such a file or files shall be established to meet recurring requirements of the Congress for fiscal, budgetary, and program-related data and information and shall include, but not be limited to, data and information pertaining to budget requests, congressional authorizations to obligate and spend, apportionment and reserve actions, and obligations and expenditures. Such file or files and their indexes shall be maintained in such a manner as to facilitate their use by the committees of both Houses, joint committees, and other congressional agencies through modern data processing and communications techniques.

"(d) The Director of the Office of Management and Budget, in cooperation with the Director of the Congressional Budget Office, the Comptroller General, and appropriate representatives of State and local governments, shall provide, to the extent practicable, State and local governments such fiscal, budgetary, and program-related data and information as may be necessary for the accurate and timely determination by these governments of the impact of Federal assistance upon their budget."

(b) The table of contents of the Legislative Reorganization Act of 1970 is amended by striking out—

"TITLE II—FISCAL CONTROLS

"PART 1—BUDGETARY AND FISCAL INFORMATION AND DATA

"Sec. 201. Budgetary and fiscal data processing system.
"Sec. 202. Budget standard classifications.
"Sec. 203. Availability to Congress of budgetary, fiscal, and related data."

and inserting in lieu thereof—

"TITLE II—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

"PART 1—FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"Sec. 201. Federal fiscal, budgetary, and program-related data and information systems.
"Sec. 202. Standardization of terminology, definitions, classifications, and codes for fiscal, budgetary, and program-related data and information.
"Sec. 203. Availability to and use by the Congress and State and local governments of Federal fiscal, budgetary, and program-related data and information."

CHANGES IN FUNCTIONAL CATEGORIES

SEC. 802. Any change in the functional categories set forth in the Budget of the United States Government transmitted pursuant to section 201 of the Budget and Accounting Act, 1921, shall be made only in consultation with the Committee on Appropriations and the Budget of the House of Representatives and Senate.

TITLE IX—MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

AMENDMENTS TO RULES OF THE HOUSE

SEC. 901. (a) Rule XI of the Rules of the House of Representatives (as amended by section 101(c) of this Act) is amended by inserting immediately after clause 22 the following new clause:

"22A. The respective areas of legislative jurisdiction under this rule are modified by title I of the Congressional Budget Act of 1974."

(b) Paragraph (c) of clause 29 of Rule XI of the Rules of the House of Representatives (as redesignated by section 101(c) of this Act) is amended by inserting "the Committee on the Budget," immediately after "the Committee on Appropriations,".

(c) Subparagraph (5) of paragraph (a) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediately before the period at the end thereof.

(d) Subparagraph (4) of paragraph (b) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediately before the period at the end hereof.

(e) Paragraph (d) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by striking out "the Committee on Appropriations may appoint" and inserting in lieu thereof "the Committee on Appropriations and the Committee on the Budget may each appoint".

(f) Clause 32 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "the Committee on the Budget," immediately after "the Committee on Appropriations,".

(g) Paragraph (a) of clause 33 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediately after "the Committee on Appropriations".

CONFORMING AMENDMENTS TO STANDING RULES OF THE SENATE

SEC. 902. Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended—

(1) by striking out "Revenue" in subparagraph (h)1 and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, revenue";

(2) by striking out "The" in subparagraph (h)2 and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, the"; and

(3) by striking out "Budget" in subparagraph (j)(1)(A) and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, budget".

AMENDMENTS TO LEGISLATIVE REORGANIZATION ACT OF 1946

SEC. 903. (a) Section 134(c) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190b(b)) is amended by inserting "or the Committee on the Budget" after "Appropriations".

(b) Section 136(c) of such Act (2 U.S.C. 190d(c)) is amended by striking out "Committee on Appropriations of the Senate and the Committees on Appropriations," and inserting in lieu thereof "Committees on Appropriations and the Budget of the Senate and the Committees on Appropriations, the Budget,".

EXERCISE OF RULEMAKING POWERS

SEC. 904. (a) The provisions of this title (except section 905) and of titles I, III, and IV and the provisions of sections 606, 701, 703, and 1017 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) Any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate.

(c) Appeals in the Senate from the decisions of the Chair relating to any provision of title III or IV or section 1017 shall, except as otherwise provided therein, be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, concurrent resolution, reconciliation bill, or rescission bill, as the case may be.

EFFECTIVE DATES

SEC. 905. (a) Except as provided in this section, the provisions of this Act shall take effect on the date of its enactment.

(b) Title II (except section 201(a)), section 403, and section 502(c) shall take effect on the day on which the first Director of the Congressional Budget Office is appointed under section 201(a).

(c) Except as provided in section 906, title III and section 402 shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years, and section 401 shall take effect on the first day of the second regular session of the Ninety-fourth Congress.

(d) The amendments to the Budget and Accounting Act, 1921, made by sections 601, 603, and 604 shall apply with respect to the fiscal year beginning on July 1, 1975, and succeeding fiscal years, except that section 201(g) of such Act (as added by section 601) shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years and section 201(i) of such Act (as added by section 601) shall apply with respect to the fiscal year beginning on October 1, 1978, and succeeding fiscal years. The amendment to such Act made by section 602 shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years.

APPLICATION OF CONGRESSIONAL BUDGET PROCESS TO FISCAL YEAR 1976

SEC. 906. If the Committees on the Budget of the House of Representatives and the Senate both agree that it is feasible to report and act on a concurrent resolution on the budget referred to in section 301 (a), or to apply any provision of title III or section 401 or 402, for the fiscal year beginning on July 1, 1975, and submit reports of such agreement to their respective Houses, then to the extent and in the manner specified in such reports, the provisions so specified and section 202(f) shall apply with respect to such fiscal year. If any provision so specified contains a date, such reports shall also specify a substitute date.

TITLE X—IMPOUNDMENT CONTROL

PART A—GENERAL PROVISIONS

DISCLAIMER

SEC. 1001. Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

(1) asserting or conceding the constitutional powers or limitations of either the Congress or the President;

(2) ratifying or approving any impoundment heretofore or hereafter executed or approved by the President or any other Federal officer or employee, except insofar as pursuant to statutory authorization then in effect;

(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment; or

(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder.

AMENDMENT TO ANTIDEFICIENCY ACT

SEC. 1002. Section 3679(c)(2) of the Revised Statutes, as amended (31 U.S.C. 665), is amended to read as follows:

"(2) In apportioning any appropriation, reserves may be established solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations. Except as specifically provided by particular appropriations Acts or other laws, no reserves shall be established other than as authorized by this subsection. Reserves established pursuant to this subsection shall be reported to the Congress in accordance with the Impoundment Control Act of 1974."

REPEAL OF EXISTING IMPOUNDMENT REPORTING PROVISION

SEC. 1003. Section 203 of the Budget and Accounting Procedures Act of 1950 is repealed.

PART B—CONGRESSIONAL CONSIDERATION OF PROPOSED RESCISSIONS, RESERVATIONS, AND DEFERRALS OF BUDGET AUTHORITY

DEFINITIONS

SEC. 1011. For purposes of this part—

(1) "deferral of budget authority" includes—

(A) withholding or delaying the obligation or expenditure of budget authority (whether by establishing reserves or otherwise) provided for projects or activities; or

(B) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of budget authority, including authority to obligate by contract in advance of appropriations as specifically authorized by law;

(2) "Comptroller General" means the Comptroller General of the United States;

(3) "rescission bill" means a bill or joint resolution which only rescinds, in whole or in part, budget authority proposed to be rescinded in a special message transmitted by the President under section 1012, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress;

(4) "impoundment resolution" means a resolution of the House of Representatives or the Senate which only expresses its disapproval of a proposed deferral of budget authority set forth in a special message transmitted by the President under section 1013; and

(5) continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 45-day period referred to in paragraph (3) of this section and in section 1012, and the 25-day periods referred to in sections 1016 and 1017(b)(1). If a special message is transmitted under section 1012 during any Congress and the last session of such Congress adjourns sine die before the expiration of 45 calendar days of continuous session (or a special message is so transmitted after the last session of the Congress adjourns sine die), the message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the 45-day period referred to in paragraph (3) of this section and in section 1012 (with respect to such message) shall commence on the day after such first day.

RESCISSION OF BUDGET AUTHORITY

SEC. 1012. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Wherever the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which it is provided or that such budget authority should be rescinded for fiscal policy or other reasons (including the termination of authorized projects or activities for which budget authority has been provided), or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority which he proposes to be rescinded or which is to be so reserved;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons why the budget authority should be rescinded or is to be so reserved;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the proposed rescission or of the reservation; and

(5) all facts, circumstances, and considerations relating to or bearing upon the proposed rescission or the reservation and the decision to effect the proposed rescission or the reservation, and to the maximum extent practicable, the estimated effect of the proposed rescission or the reservation upon the objects, purposes, and programs for which the budget authority is provided.

(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in such special message shall be made available for obligation unless, within the prescribed 45-day period, the Congress has completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded or that is to be reserved.

DISAPPROVAL OF PROPOSED DEFERRALS OF BUDGET AUTHORITY

SEC. 1013. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to defer any budget authority provided for a specific purpose or project, the President shall transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of the budget authority proposed to be deferred;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific projects or governmental functions involved;

(3) the period of time during which the budget authority is proposed to be deferred;

(4) the reasons for the proposed deferral, including any legal authority invoked by him to justify the proposed deferral;

(5) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the proposed deferral; and

(6) all facts, circumstances, and considerations relating to or bearing upon the proposed deferral and the decision to effect the proposed deferral, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority and specific elements of legal authority invoked by him to justify such proposed deferral, and to the maximum extent practicable, the estimated effect of the proposed deferral upon the objects, purposes, and programs for which the budget authority is provided.

A special message may include one or more proposed deferrals of budget authority. A deferral may not be proposed for any period of time extending beyond the end of the fiscal year in which the special message proposing the deferral is transmitted to the House and the Senate.

(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be deferred, as set forth in a special message transmitted under subsection (a), shall be made available for obligation if either House of Congress passes an impoundment resolution disapproving such proposed deferral.

(c) EXCEPTION.—The provisions of this section do not apply to any budget authority proposed to be rescinded or that is to be reserved as set forth in a special message required to be transmitted under section 1012.

TRANSMISSION OF MESSAGES; PUBLICATION

SEC. 1014. (a) DELIVERY TO HOUSE AND SENATE.—Each special message transmitted under section 1012 or 1013 shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committee of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(b) DELIVERY TO COMPTROLLER GENERAL.—A copy of each special message transmitted under section 1012 or 1013 shall be transmitted to the Comptroller General on the same day it is transmitted to the House of Representatives and the Senate. In order to assist the Congress in the exercise of its functions under sections 1012 and 1013, the Comptroller General shall review each such message and inform the House of Representatives and the Senate as promptly as practicable with respect to—

(1) in the case of a special message transmitted under section 1012, the facts surrounding the proposed rescission or the reservation of budget authority (including the probable effects thereof); and

(2) in the case of a special message transmitted under section 1013, (A) the facts surrounding each proposed deferral of budget authority (including the probable effects thereof) and (B) whether or not (or to what extent), in his judgment, such proposed deferral is in accordance with existing statutory authority.

(c) TRANSMISSION OF SUPPLEMENTARY MESSAGES.—If any information contained in a special message transmitted under section 1012 or 1013 is subsequently revised, the President shall transmit to both Houses of Congress and the Comptroller General a supplementary message stating and explaining such revision. Any such supplementary message shall be delivered, referred, and printed as provided in subsection (a). The Comptroller General shall promptly notify the House of Representatives and the Senate of any changes in the information submitted by him under subsection (b) which may be necessitated by such revision.

(d) PRINTING IN FEDERAL REGISTER.—Any special message transmitted under section 1012 or 1013, and any supplementary message transmitted under subsection (c), shall be printed in the first issue of the Federal Register published after such transmittal.

(e) CUMULATIVE REPORTS OF PROPOSED RESCISSIONS, RESERVATIONS, AND DEFERRALS OF BUDGET AUTHORITY.—

(1) The President shall submit a report to the House of Representatives and the Senate, not later than the 10th day of each month during a fiscal year, listing all budget authority for that fiscal year with respect to which, as of the first day of such month—

(A) he has transmitted a special message under section 1012 with respect to a proposed rescission or a reservation; and

(B) he has transmitted a special message under section 1013 proposing a deferral.

Such report shall also contain, with respect to each such proposed rescission or deferral, or each such reservation, the information required to be submitted in the special message with respect thereto under section 1012 or 1013.

(2) Each report submitted under paragraph (1) shall be printed in the first issue of the Federal Register published after its submission.

REPORTS BY COMPTROLLER GENERAL

SEC. 1015. (a) FAILURE TO TRANSMIT SPECIAL MESSAGE.—If the Comptroller General finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States—

(1) is to establish a reserve or proposes to defer budget authority with respect to which the President is required to transmit a special message under section 1012 or 1013; or

(2) has ordered, permitted, or approved the establishment of such a reserve or a deferral of budget authority;

and that the President has failed to transmit a special message with respect to such reserve or deferral, the Comptroller General shall make a report on such reserve or deferral and any available information concerning it to both Houses of Congress. The provisions of this part shall apply with respect to such reserve or deferral in the same manner and with the same effect as if such report of the Comptroller General were a special message transmitted by the President under section 1012 or 1013, and, for purposes of this part, such report shall be considered a special message transmitted under section 1012 or 1013.

(b) INCORRECT CLASSIFICATION OF SPECIAL MESSAGE.—If the President has transmitted a special message to both Houses of Congress in accordance with section 1012 or 1013, and the Comptroller General believes that the President so transmitted the special message in accordance with one of those sections when the special message should have been transmitted in accordance with the other of those sections, the Comptroller General shall make a report to both Houses of the Congress setting forth his reasons.

SUITS BY COMPTROLLER GENERAL

SEC. 1016. If, under section 1012(b) or 1013(b), budget authority is required to be made available for obligation and such budget authority is not made available for obligation, the Comptroller General is hereby expressly empowered, through attorneys of his own selection, to bring a civil action in the United States District Court for the District of Columbia to require such budget authority to be made available for obligation, and such court is hereby expressly empowered to enter in such civil action, against any department, agency, officer, or employee of the United States, any decree, judgment, or order which may be necessary or appropriate to make such budget authority available for obligation. The courts shall give precedence to civil actions brought under this section, and to appeals and writs from decisions in such actions, over all other civil actions, appeals, and writs. No civil action shall be brought by the Comptroller General under this section until the expiration of 25 calendar days of continuous session of the Congress following the date on which an explanatory statement by the Comptroller General of the circumstances giving rise to the action contemplated has been filed with the Speaker of the House of Representatives and the President of the Senate.

PROCEDURE IN HOUSE AND SENATE

SEC. 1017. (a) REFERRAL.—Any rescission bill introduced with respect to a special message or impoundment resolution introduced with respect to a proposed deferral of budget authority shall be referred to the appropriate committee of the House of Representatives or the Senate, as the case may be.

(b) DISCHARGE OF COMMITTEE.—

(1) If the committee to which a rescission bill or impoundment resolution has been referred has not reported it at the end of 25 calendar days of continuous session of the Congress after its introduction, it is in order to move either to discharge the committee from further consideration of the bill or resolution or to discharge the committee from further consideration of any other rescission bill with respect to the same special message or impoundment resolution with respect to the same proposed deferral, as the case may be, which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the bill or resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a bill or resolution with respect to the same special message or the same proposed deferral, as the case may be); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the bill or resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(c) FLOOR CONSIDERATION IN THE HOUSE.—

(1) When the committee of the House of Representatives has reported, or has been discharged from further consideration of, a rescission bill or impoundment resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the bill or resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on a rescission bill or impoundment resolution shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. In the case of an impoundment resolution, no amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a rescission bill or impoundment resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of a rescission bill or impoundment resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any rescission bill or impoundment resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any rescission bill or impoundment resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstances.

(d) FLOOR CONSIDERATION IN THE SENATE.—

(1) Debate in the Senate on any rescission bill or impoundment resolution, and all amendments thereto (in the case of a rescission bill) and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a rescission bill shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the bill. Debate on any amendment to an amendment, to such a bill, and debate on any debatable motion or appeal in connection with such a bill or an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of a rescission bill shall be received. Such leaders, or either of them, may, from time under their control on the passage of a rescission bill or impoundment resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion to further limit debate is not debatable. In the case of a rescission bill, a motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. In the case of an impoundment resolution, no amendment or motion to recommit is in order.

(4) The conference report on any rescission bill shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any rescission bill, debate shall be limited to 2 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to one hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be

equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amendment of the Senate, amend the title to read as follows: "An Act to establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Budget Office; to establish a procedure providing congressional control over the impoundment of funds by the executive branch; and for other purposes."

And the Senate agree to the same.

RICHARD BOLLING,
BERNIE SISK,
JOHN YOUNG,
GILLIS W. LONG,
DAVE MARTIN,
DELBERT L. LATTA,
DEL CLAWSON,
Managers on the Part of the House.

SAM J. ERVIN, JR.,
EDMUND S. MUSKIE,
ABRAHAM RIBICOFF,
LEE METCALF,
HOWARD W. CANNON,
CLAIBORNE PELL,
ROBERT BYRD,
JAMES B. ALLEN,
CHARLES H. PERCY,
WILLIAM V. ROTH, JR.,
BILL BROCK,
M. W. COOK,
HUGH SCOTT,
ROBERT P. GRIFFIN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Section 1. Short title

The House bill provided that this act may be cited as the "Budget and Impoundment Control Act of 1973." The short title of the Senate amendment was the "Congressional Budget Act of 1974."

The conference substitute provides that the Act may be cited as the "Congressional Budget and Impoundment Control Act of 1974." The conference substitute also provides that Titles I through IX of this act may be cited as the "Congressional Budget Act of 1974" and Title X as the "Impoundment Control Act of 1974."

Section 2. Declaration of purposes

The House bill did not contain a statement of purposes. The Senate amendment declared as the purposes of the legislation: the establishment of national goals and priorities; the annual determination of appropriate levels of revenues and expenditures; assuring the most effective use of Federal revenues; and assuring effective control of the budget process. The Senate amendment also stated various means of accomplishing these purposes.

The conference substitute declares that it is essential to: assure congressional budget control; provide for the congressional determination of the appropriate level of Federal revenues and expenditures; provide a system of impoundment control; establish national budget priorities; and provide for the furnishing of information to Congress by the executive branch.

Section 3. Definitions

The House bill provided definitions of "budget outlays", "budget authority" and "concurrent resolution on the budget." The Senate amendment also defined these terms but excluded insured or guaranteed loans from the definition of budget authority. The Senate amendment also defined "tax expenditures", "tax expenditures budget", and "appropriation act", and it provided that for purposes of the congressional budget process, the House members of the Joint Committee on Atomic Energy are to be deemed a committee of the House and the Senate Members a committee of the Senate.

The conference substitute incorporates the House definition of "concurrent resolution on the budget" and the Senate definition of all other items. The Senate definition of "tax expenditures" has been simplified although no change in meaning is intended. The managers intend that the definition of "budget outlays" and "budget authority" for purposes of the congressional budget process be the same as that used for the executive budget and that any item which is excluded by law from the executive budget may be excluded from any specification of budget outlays or budget authority in the congressional budget process.

TITLE I. HOUSE AND SENATE BUDGET COMMITTEES

Section 101. House Committee on the budget

The House bill provided for a 23-member committee: five from the Ways and Means Committee; five from the Appropriations Committee; eleven from other standing committees; and one member each from the majority and minority leadership. Selection of Budget Committee members would have been without regard to seniority and no member could serve more than two (plus a portion) of any five consecutive congresses. The House version vested the Budget Committee with authority to meet, hold hearings, and issue subpenas. The duties of the House Budget Committee would have been to report concurrent resolutions on the budget, setting forth those matters required by the bill, and to make continuing studies of the effects of existing and proposed legislation on budget outlays.

The conference substitute is substantially the same as the provision in the House bill, except that the duties of the House Budget Committee are set forth in conformity with Titles III and IV of the bill. The House Budget Committee also is charged with the duty of overseeing the operation of the Congressional Budget Office and evaluating studies of tax expenditures.

Section 102. Senate Committee on the Budget

The Senate amendment provided for a 15-member standing committee to be selected in the same manner as other standing committees of the Senate. Members of the Budget Committee could hold two other major committee posts until January 1977; thereafter, they would be allowed one other major committee assignment. The duties of the Senate Budget Committee were specified as the reporting of concurrent resolutions and other matters required by the legislation, the study of the effects of existing and proposed legislation on budget outlays and the evaluation of tax expenditure studies, and the oversight of the Congressional Office of the Budget. All meetings and hearings of the Senate Budget Committee would have been open to the public except those which a majority of the committee members vote to close because of one or more of the reasons set forth in this legislation.

The conference substitute is the same as the Senate amendment, except that certain conforming modifications are made in the jurisdiction and duties of the Senate Budget Committee. The House and Senate Budget Committees are given parallel and identical jurisdiction and duties in the conference substitute.

TITLE II. CONGRESSIONAL BUDGET OFFICE

Section 201(a). Establishment of Office and Director

The House bill provided for a Legislative Budget Office to serve as the staff for the new House and Senate Budget Committees and to give assistance to other committees and Members. The Office would have been headed by a Director or appointed without regard to political affiliation by the Speaker of the House upon the recommendation of the House Budget Committee. The compensation of the Director would have been at level III of the executive schedule. The Senate bill provided for a Congressional Office of the Budget to serve all committees and Members (but with priority to the Budget, Appropriations, Ways and Means, and Finance Committees). The Director and Deputy Director of the Office would have been appointed without regard to political affiliation by the Speaker and President pro tem after consultation with the Budget Committees and approval by the House and Senate. The Director and Deputy would have had a six-year term and could be removed by either House or Senate. The Director's compensation would have been the same as that of the Secretary of the Senate and the Deputy's would have been equal to the highest allowable for an administrative assistant to a Senator.

The conference substitute establishes a Congressional Budget Office headed by a Director who shall appoint a Deputy Director. Appointment of the Director is to be by the Speaker and the President pro tem after considering recommendations from the House and Senate Budget Committees. The managers on the part of the Senate expect that the President pro tem of the Senate would carry out his responsibilities under this section after consultation with the Majority and Minority Leaders of the Senate. The appointment shall be without regard to political affiliation and compensation is to be at level III of the executive schedule, with the Deputy's salary set at level IV. The Director is to have a four year term of office and he may be removed by either the House or Senate.

Section 201 (b) and (c). Personnel, experts, and consultants

The House bill provided that the appointment of personnel by the Legislative Budget Director was to be with the approval of the chairmen of the House and Senate Budget Committees and that personnel would be deemed as employees of the House for purposes of pay and other benefits. The Legislative Budget Office would be authorized to obtain the services of experts and consultants. The Senate amendment authorized the Director of the Congressional Office of the Budget to hire personnel who would be considered Senate employees for pay and other matters. The Director also was authorized to procure the services of experts and consultants.

The conference substitute authorizes the Director to hire, set the pay, and prescribe the duties of the personnel of the Congressional Budget Office without regard to political affiliation. For purposes of pay and employment benefits, such personnel are to be regarded as House employees. The Director also is authorized to procure the temporary services of experts and consultants by contract or employment.

Section 201 (d) and (e). Relationship to executive branch and congressional agencies

The House bill provided that the Legislative Budget Office may utilize the services, information, and facilities of government departments. It further authorized the Legislative Budget Director, with the approval of the chairman of either the House or Senate Budget Committee, to obtain information directly from any executive agency and it directed such agencies to furnish any information so requested. The Senate amendment authorized the Congressional Office of the Budget Director to secure from executive agencies any information whose disclosure is not specifically prohibited by law. It also authorized the Congressional Office of the Budget to utilize with their consent the services, facilities, or personnel of executive agencies. The Senate amendment instructed the Congressional Office of the Budget to cooperate with and secure information and services from the General Accounting Office, the Library of Congress, and the Office of Technology Assessment.

The conference substitute authorizes the Budget Office to obtain information and data from executive and regulatory agencies, other than material whose disclosure would violate law. The Budget Office also may enter into agreements with such agencies to utilize their personnel, services, or facilities, with or without reimbursement. The Budget Office is directed to coordinate its activities with the General Accounting Office, the Library of Congress, and the Office of Technology Assessment, is authorized to obtain information developed by these agencies and with their consent to utilize their services, personnel, and facilities.

The managers intend that the establishment and operation of the Congressional Budget Office be implemented in a manner that will utilize most effectively the resources and capabilities available in existing congressional agencies. While the managers strongly endorse the need for a specialized Budget Office, they anticipate that this office will not needlessly duplicate the work of other congressional agencies and that where appropriate it will use the resources of the other agencies. Toward this end, the managers expect that the Congressional Budget Office will develop cooperative working relationships with the General Accounting Office, the Library of Congress, and the Office of Technology Assessment. These relationships shall include the efficient utilization of staff, procedures for sharing budget-relevant information, and for coordinated assistance to congressional committees and Members. The managers further expect that the Congressional Budget Office shall make appropriate use of information and resources developed by executive agencies. The managers expect that the growth and development of the Budget Office will be consonant with the requirements of the congressional budget process and with the needs of committees and Members for assistance.

Section 201(f). Authorization of appropriations

Both the House and Senate versions authorized the appropriation of funds for the Budget Office to carry out its duties and functions. The House bill provided that until funds are first appropriated, the expenses of the Budget Office are to be paid from the contingent fund of the House of Representatives; the Senate amendment provided for such payment from the contingent fund of the Senate.

The conference substitute provides a permanent authorization of appropriations for the Congressional Budget Office, with payment of the expenses of the Office from the contingent fund of the Senate (for a period of not more than 12 months after the Director is appointed) until funds are first appropriated. The managers are of the view that the expeditious establishment of the Congressional Budget Office is vital to the efficacy of the congressional budget process. Congress must be adequately prepared to meet the important budget responsibilities specified in this legislation. Toward this end, the managers urge that there be no delay in the organization of the Congressional Budget Office and that essential funding be made available in a timely manner.

Section 202 (a), (b), (c), and (d). Assistance to committees and Members

The House bill anticipated that the Legislative Budget Office would function as the joint staff of the two Budget Committees and that it would furnish only available information and related technical assistance to other committees and Members. The Senate amendment anticipated that each Budget Committee would have staff of its own and that the Congressional Office of the Budget would render assistance to all committees and Members in accord with a prescribed order of priority: (1) the Budget, Appropriations, Ways and Means, and Finance Committees; (2) other committees; and (3) Members.

The conference substitute provides that it shall be the duty of the Congressional Budget Office to provide each Budget Committee information with respect to all matters within its jurisdiction and to assign personnel at their request on a temporary basis. The managers recognize that the House and Senate Budget Committees may be expected to establish staffs of their own including experts and consultants in accord with the rules of their respective Houses. Nevertheless, the managers believe that the functioning of the Budget Committees is so essential to the congressional process that their work must command first claim on the time and resources of the Budget Office. Accordingly, it is made the duty and function of the Budget Office to furnish information and assign personnel for all matters relating to the congressional budget process.

The managers believe that very high priority must be accorded those other standing committees whose work and jurisdiction are most closely related to the budget process. These committees are the Appropriations Committees of the House and the Senate, the House Ways and Means Committee, and the Senate Finance Committee. At the request of any of these committees, the Budget Office shall furnish budget-related information and may detail personnel for a limited time.

The managers expect that the Budget Office will furnish information to any other committee, including certain information prepared for the Budget, Appropriations, or tax committees and, to the extent practicable, additional related information. The Budget Office at its discretion may temporarily assign personnel to other committees. The managers understand that all standing committees will be involved in the congressional budget process, and they therefore anticipate that necessary assistance must be forthcoming from the Budget Office. But such assistance must not interfere with priority service to the several budget-related committees.

On request, Members shall be supplied certain information previously prepared for the Budget Appropriations, and tax committees with respect to budget matters and any available, related information. The managers believe that Members are entitled to obtain the basic budget studies and compilations made by the Budget Office. It is vital that Members have available timely and comprehensive information when they consider legislation and resolutions relating to budget policy. However, in the allocation of the specialized resources of the Budget Office, priority must be given to the Budget Appropriations, and tax committees.

Section 202(e). The Joint Committee on Reduction of Federal Expenditures

The Senate amendment provided for the termination of the Joint Committee on Reduction of Federal Expenditures and the transfer of its functions to the Congressional Budget Office.

The conference substitute provides for the termination of the Joint Committee and the transfer of its functions to the Budget Office. This transfer is timed to the appointment of the Director of the Budget Office, so that it will start with a core of experienced technicians and analysts who can perform the scorekeeping functions of the congressional budget process.

Section 202(f). Report to budget committees

The Senate amendment provided for an annual report to Congress by the Congressional Office of the Budget with respect to alternative budget levels including budget authority, outlays, revenues, and tax expenditures. The Senate amendment also called for an annual report to Congress on national goals and priorities, discussing the goals and priorities reflected in the budget and the effect of the budget on national growth and development.

The conference substitute provides for a report by the Congressional Budget Office to the Budget Committees by April 1 of each year. This report is to address fiscal policy and national budget priorities. The report shall discuss alternative budget levels for the next fiscal year as well as alternative allocations of budget authority and outlays and examine the possible effects of such alternative allocations on national growth and development. Additional reports on fiscal policy and national budget policy may be submitted from time to time as appropriate.

The managers look to these reports as a major resource for the Budget Committees in their formulation of concurrent resolutions on the budget. For this reason, the reports are to be submitted directly to the Budget Committees and are timed to coincide with preparation of the first budget resolution. The managers also believe that the annual determinations relating to the budget offer the most relevant context for the discussion of national budget priorities and they therefore regard the annual report as the appropriate occasion for the submission of staff analyses on national budget priorities to the Budget Committees.

Section 202(f). Use of computers and other techniques

The Senate amendment authorized the Director to equip the Budget Office, upon approval by the Senate Committee on Rules and Administration and the Committee on House Administration, with computer capability, to obtain the services of computer experts and consultants, and to develop budgetary evaluation techniques.

The conference substitute is substantially the same as the Senate provision. The aim of the approval requirement is to ensure the coordination of congressional computer facilities so that such facilities will be developed in an orderly and efficient manner. The managers anticipate that the implementation of section 202(f) will be in accord with the following understandings:

1. The approval requirement is to cover only the acquisition and installation in the Office of major computer capability.

2. The Director is not required to secure approval from the two committees for the use of automatic data processing services or computer time-sharing, through purchase or other arrangements; for *purchase* or lease of the equipment required to communicate with remote data files and other information resources; or for acquisition or use of other modern information handling equipment such as microform, etc.

3. The Director may obtain the services of experts and consultants in automatic data processing and modern information handling techniques, and may purchase, lease, or otherwise develop programs for acquiring, processing, and analyzing fiscal and budgetary data and information as he deems are necessary to carry out the responsibilities of the Office.

Section 203. Public access to budget data

The Senate amendment provided for access to copy budget information obtained by the Budget Office from the executive branch and congressional agencies. This right would not apply to certain excepted categories or to information obtained for committees or Members who specifically instructed that such information not be made available to the public.

The conference substitute is substantially the same as the Senate provision. This section provides that the Director of the Congressional Budget Office shall make available for public copying permit the public to copy information obtained from the executive branch or congressional agencies, pursuant to subsections 210(d) and 201(e), respectively. The right of public access and copying is to be subject to reasonable rules and regulations, with the person requesting the information paying the costs. The Budget Office is to maintain an index of available information to facilitate public access. The right of public access does not apply to information specifically exempted from disclosure by law, national defense information, confidential business data, or personnel or medical data. Information obtained by the Budget Office at the request of a committee or Member may not be made available to the public if such committee or Member requests that it not be disclosed.

TITLE III. CONGRESSIONAL BUDGET PROCESS

Section 300. Timetable

Both the House and Senate versions set certain dates and deadlines for the completion of the various phases of the congressional budget process. The Senate amendment also contained a timetable showing the dates on which actions were to be completed.

The conference substitute fixes a timetable for the most important actions in the congressional budget process. The dates scheduled in the timetable are derived from relevant provisions of the bill.

In chronological order the events for which dates are provided in the timetable are: Presidential submission of the current services budget; submission of the executive budget; views and estimates of House and Senate committees reported to the Budget Committees; Congressional Budget Office report to the Budget Committees; reporting of first budget resolution; committee reports on new authorizing legislation; adoption of first budget resolution; completion of congressional action on budget authority legislation; adoption of second budget resolution; completion of reconciliation process; and start of new fiscal year. The managers do not believe that it is desirable or possible to specify in statute the exact date on which every event in the congressional budget process is to be accomplished. Certain matters can best be left to experience and the development of a workable process through flexible procedures.

Nevertheless, it is essential that the various interdependent elements in the budget process be assigned firm completion dates. For many facets of the budget process, it will not be possible to move ahead unless prior actions have been completed. Appropriations cannot be considered until the first budget resolution is adopted and necessary authorization have been enacted. The reconciliation actions cannot be undertaken until the appropriation bills and the second budget resolution have been cleared. Consequently, the failure to complete a stage on schedule affects later actions as well.

It will require the full cooperation of the budget, authorizing, and appropriation committees to make the new congressional budget process work. Any slippage early in the year will compound the unavoidably tight schedule in the period just prior to the start of the new fiscal year. If continuing resolutions are to be discarded as a way of coping with budget delays, the managers believe that it will be necessary to hold the four main phases of the congressional process (authorizations, budget resolutions, spending measures, and reconciliations) to the completion dates assigned in section 300.

The managers have given careful consideration to all of the elements in the budget calendar and particularly to the need for allowing adequate time for committee preparation and floor debate on each budget decision. The managers believe that in the future it will be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made. When this is done, Congress will have adequate time for considering budget-related legislation within the timetable of the congressional budget process. The managers call attention to section 607 which requires advance submission of proposed authorizing legislation, and to the expectation that Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis.

Section 301(a) and (b). Adoption and content of first concurrent resolution

The House bill provided for adoption of the first concurrent resolution by May 1 each year. This resolution would have set forth the appropriate levels of total new budget authority and total outlays, the appropriate level of budget authority and outlays for each functional category, the appropriate levels of overall revenues and public debt, and the appropriate surplus or deficit in the budget. The budget resolution also could contain other matters relating to the budget. The Senate amendment provided for adoption of the first resolution by June 1.

The resolution would have specified appropriate levels of total budget authority and outlays with these totals allocated by functional categories and within each category the amounts would be divided between existing and proposed programs. The allocations for existing programs would have been subdivided between permanent and regular appropriations and within the latter between controllable and other amounts. The Senate amendment also provided that the budget resolution would contain an estimate of Federal revenues and their major sources, the recommended surplus or deficit, any recommended changes in total revenues (and may include the major sources of revenue change), any recommended change in the public debt, and other matters deemed appropriate for the congressional budget. The Senate amendment further provided that the budget resolution could mandate additional procedures relating to the consideration of spending measures.

The conference substitute provides for adoption of the first concurrent resolution on the budget by May 15. This resolution shall set forth: appropriate levels of total budget authority and outlays; the appropriate level of new budget authority and estimated outlays for each functional category, including an allowance for contingencies and for undistributed intragovernmental transactions; the appropriate budget surplus or deficit; the recommended level of Federal revenues and any recommended increase or decrease in aggregate revenues to be reported by the appropriate committees; the appropriate level of the public debt and any recommended increase or decrease to be reported by the appropriate committees; and other matters deemed appropriate to the congressional budget. The first budget resolution may direct that budget authority and entitlement legislation not be enrolled until the second budget resolution and any required reconciliation are adopted or the first concurrent resolution may prescribe the use of some alternative procedure for the ensuing fiscal year.

The adoption date for the first budget resolution is scheduled almost four months after submission of the President's budget, two months after House and Senate committees have transmitted their own views and estimates to the Budget Committees, one month after the resolution is reported by these Committees, and on the deadline set for the reporting of authorizing legislation. Your managers are determined to allow an ample interval between each of these key events in the budget process. The May 15 date means that Congress will be substantially informed of the substance of all authorizing legislation before it makes its initial budget determinations and that it will have received views and estimates bearing on the budget from all of its standing committees. The May 15 date also allows sufficient time for the subsequent consideration of appropriation bills prior to the period set for reconciliation actions. By virtue of the requirement of section 303, the May 15 adoption date also is the effective date for the commencement of floor consideration of appropriation and entitlement measures and for this reason it is critical that all efforts be made to complete action on the first resolution by May 15.

The managers conceive of the first budget resolution as a major annual opportunity for considering budget policies and priorities. The budget process must combine an optimum amount of information in committee reports and other sources with attention to the key aggregates and priorities in the budget resolution. In accord with this approach, the conference substitute specifies that the budget resolution is to set forth total revenue, total budget authority, total spending, and total debt, with the budget authority and outlay amounts divided among broad functional categories.

The managers recognize that as it acquires experience with its new budget process, Congress may desire to establish additional procedures to facilitate the coordination of its separate budget and appropriation decisions. Section 301(b) authorizes Congress to require in the first budget resolution that appropriation and entitlement legislation not be enrolled until the reconciliation stage of the budget process is completed. Congress may devise any other procedure relating to the budget process and prescribe its implementation for the ensuing fiscal year.

It is intended that the authority to prescribe "any other procedure which is considered appropriate to carry out the purposes of this Act" applies only to the specific procedures for the enactment of budget authority and spending authority legislation for the coming fiscal year and not to the jurisdiction of committees, the authorization of budget authority, or to permanent changes in congressional procedure. The Budget Committees are directed to report to Congress on the implementation of such procedures no later than the end of the 95th Congress.

Section 301(c). Views and estimates of other committees

The House bill required certain designated budget-related committees to submit their views and recommendations on matters relating to the first budget resolution. Other committees would have been able to submit their views and recommendations at their discretion. The Senate amendment provided for an annual report on fiscal policy and budget recommendations by the Joint Economic Committee. Every other standing committee and the Joint Committee on Internal Revenue Taxation would have submitted its views and estimates with respect to those matters in the budget resolution relating to its jurisdiction or functions.

The conference substitute mandates reports by March 15 from every standing committee, the Joint Economic Committee, and the Joint Committee on Internal Revenue Taxation to the House or Senate Budget Committee (to both Budget Committees in the case of joint committees). Each committee is to give its views and estimates on all matters in the budget resolution which relate to its jurisdiction or functions as well as an estimate of the budget authority and resulting outlays which it expects to be provided or authorized in legislation within its jurisdiction for the ensuing fiscal year. Any other committee may submit a report if it so desires. The Joint Economic Committee also is to report its views as to the fiscal policy appropriate to achieve the goals of the Employment Act of 1946.

Section 301(d). Hearings and report

The House bill required Budget Committee hearings for both the first and the second concurrent resolutions, and it provided that certain executive officials should be witnesses and that testimony also may be received from public witnesses. It also provided that the committee report on any budget resolution include information concerning the derivation of the amounts specified in the resolution. The Senate amendment required hearings only on the first budget resolution and it set a May 1 deadline for reporting the resolution. Among the matters to be included in the report were to be comparisons with the President's budget, economic assumptions and program objectives, five-year projections of revenues, spending, and tax expenditures, explanations of changes in assistance to State and local governments, and a crosswalk allocation of the amounts in the budget resolution among congressional committees and appropriations subcommittees.

The conference substitute provides that the Budget Committees shall conduct hearings in preparation of the first concurrent resolution and receive testimony from Members of Congress and from others as they deem desirable. The budget resolution is to be reported by April 15, allowing a full month for analysis, floor consideration, and conference. The report is to compare the committees' revenue estimates and the budget authority and outlay levels in the concurrent resolution with the estimates and amounts in the President's budget. It also is to provide an allocation of the recommended level of revenues by major sources, five-year budget projections, the economic assumptions and objectives of the budget resolution, a statement of any significant changes in Federal assistance to States and localities, and information concerning the basis on which the amounts in the budget resolution were determined and their relationship to other budget categories. The managers expect that the relationship with other budget categories will be shown in sufficient detail and with appropriate categories to enable Members of Congress and the public to ascertain the budget status of appropriations and other spending measures and to provide a reliable basis for scorekeeping at all stages of the congressional budget process. Although they concur in the need for adequate crosswalk procedures, the managers do not consider it necessary to specify the particular type of crosswalk that is to be used in the report on the first budget resolution.

The conference substitute also provides for the report to contain a division of the functional allocations of budget authority and outlays contained in the concurrent resolution into more precise categories although this division may be included in the concurrent resolution. Each functional allocation is to be distributed between proposed and existing programs with the latter subdivided between permanent and regular appropriations. The categories then are to be divided between controllable and other amounts.

Section 302. Allocations in statements and reports

The Senate amendment provided for the allocation of total budget authority and total outlays after adoption of the first concurrent resolution or any subsequent resolution revising these totals. Each Budget Committee would allocate the budget authority and outlays among the committees of its House, and the Appropriations Committee would then divide its allocation among its subcommittees. Each Budget Committee would report to its House on the allocations made in accord with this procedure.

The conference substitute provides for the allocations of total budget authority and total outlays to be made in the joint statement of the managers accompanying a conference report on the first or a revised concurrent resolution. The joint statement shall distribute these totals among the appropriate House and Senate committees. Each Appropriations Committee and any other committee to which an allocation has been made shall (after consulting with the counterpart committee of the other House) report to its House on the subdivision of its allocation among its subcommittees (or in the case of other committees among its programs). A further subdivision shall be made by each committee between controllable and other amounts. The managers expect that the making of allocations in the joint statement will expedite the process and encourage consistency in the determinations of the two Houses.

Section 303. Consideration of spending, revenue or debt legislation

The House and Senate versions barred consideration of budget authority, revenue, or debt legislation prior to adoption of the first budget resolution for a fiscal year. Both versions exempted advance appropriations (which become available in a year following that to which the budget resolution applies) and the Senate amendment also excepted advance spending authority, social security and 90 percent self-financed trust funds, and advance revenue changes from the prohibition.

The conference substitute prohibits the floor consideration of budget authority, entitlement authority, or changes in revenues or in the public debt limit before the first concurrent resolution has been adopted.

The purpose of holding up entitlement legislation is to enhance the significance of the first budget resolution and to strengthen congressional control over programs which are difficult to control once the entitlement has been enacted.

The conference substitute permits the consideration of advance appropriations and advance revenue changes prior to adoption of the first budget resolution for the fiscal year to which they apply.

The conference substitute contains a procedure for the waiver of the prohibition in the Senate. Taken from the Senate amendment, the provision allows Senate consideration before adoption of the budget resolution of a spending, revenue, or debt measure if the committee which reported the measure reports a resolution of waiver which is referred to the Senate Budget Committee and subsequently approved by the Senate.

Section 304. Permissible revisions

The House and Senate versions authorized the adoption of additional budget resolutions.

The conference substitute contains the authority to adopt additional budget resolutions during the fiscal year. The managers expect that in addition to the two concurrent resolutions required in May and September, Congress may adopt at least one additional resolution each year, either in conjunction with its consideration of supplemental appropriations or pursuant to the issuance of updated figures for the current fiscal year in the President's budget. Furthermore, whenever there are sharp revisions in the revenue or spending estimates or major developments in the economy it is expected that Congress would review its latest budget resolution and consider possible revisions.

Section 305. Procedures for consideration of concurrent resolutions

The House bill established procedures for the consideration of budget resolutions in the House; the Senate amendment had parallel procedures for consideration in the Senate. Both sets of procedures have been incorporated into the conference substitute.

In the House, floor consideration may begin after a ten-day layover period. Consideration is in the Committee of the Whole, with ten hours allowed for general debate and amendments considered under the five-minute rule. After the committee of the whole has reported, it shall be in order to adopt an amendment to achieve mathematical consistency in the budget resolution. Debate on a conference report shall be limited to five hours. In the Senate, debate on a concurrent resolution and all amendments shall be limited to 50 hours (15 hours in the case of the second required resolution), with no more than two hours allowed for any amendment. Non-germane amendments are not in order and motions to achieve or maintain mathematical consistency always are in order. It is not in order in the Senate to give final consideration to a budget resolution (or a conference report on such resolution) unless it is mathematically consistent. Ten hours are provided in the Senate for consideration of conference reports, with half an hour for each amendment in disagreement.

If House and Senate conferees are unable to agree on a budget resolution after seven days, they shall report to their respective Houses on all matters in agreement or in disagreement.

Section 306. Budget Committee jurisdiction

This section, similar to provisions in both the House and Senate versions, provides that a matter within the jurisdiction of a Budget Committee may be considered only if it has been reported from that committee, if it is an amendment to a bill or resolution reported by the Budget Committee, or if the committee has been discharged from its consideration.

Section 307. House Committee action on appropriation bills

This section, adapted from the House bill provides that to the extent practicable the Appropriations Committee of the House shall complete action on all regular appropriation bills and submit a summary report before reporting its first bill.

Section 308. Reports, summaries and projections

Both the House and the Senate versions had various provisions pertaining to the issuance of reports and projections concerning the congressional budget process. A number of these are consolidated in section 308 of the conference substitute.

Subsection (a) deals with reports on budget authority and tax expenditure legislation. In the case of budget authority bills (other than continuing appropriations), the committee report is to compare the amounts with the latest concurrent resolution, indicate the assistance that will go to State and local governments, and project outlays under the bill. Reports on tax expenditure legislation shall explain the effect on existing levels of tax expenditures (as set forth in the latest budget resolution report), and the five-year tax expenditures that will result from the bill. The projections of budget outlays or tax expenditures may be waived by a committee determination of impracticability.

Subsection (b) provides for periodic reports by the Congressional Budget Office on the status of budget authority, revenue, and debt legislation. These "scorekeeping" reports are to compare the amounts and changes provided in budget authority, revenue, and debt bills with the levels and estimates in the most recent concurrent resolution. Subsection (c) calls for the issuance by the Congressional Budget Office of a five-year projection at the start of each fiscal year. This report shall estimate total budget authority and outlays, revenues and their major sources, the budget surplus or deficit, and tax expenditures for each of the next five years.

Section 309. Timetable for budget authority and entitlement bills

The House bill provided for completion of action (other than enrollment) of all regular appropriation bills by August 1. The Senate amendment had an August 7th date or five days before the beginning of an August adjournment.

The conference substitute provides that Congress shall complete action on all regular budget authority and entitlement bills no later than the seventh day after Labor Day. However, this deadline shall not apply to any appropriation bill whose consideration has been delayed because necessary authorizing legislation has not been timely enacted. It is anticipated that the bulk of the appropriation legislation will be considered in the period immediately following adoption of the first budget resolution. If necessary authorizing legislation is reported by the May 15 date and enacted promptly thereafter, it should be possible to complete action on spending and entitlement bills before the deadline. The deadline set in this section is of the utmost importance for the proper functioning of the congressional budget process. In most years, only three weeks will remain until the start of the new fiscal year, during which period Congress will have to consider a second budget resolution and any required reconciliation actions. Even a small delay in the completion of authorizing and budget authority bills can disturb the reconciliation process and compel Congress to rely on continuing resolutions. The managers understand that failure to "timely enact" authorizing legislation will justify noncompliance with the deadline fixed by this section when the delay is of such duration as to make it impracticable to complete action on an appropriation bill by the seventh day after Labor Day.

Section 310 (a) and (b). Second required concurrent resolution

Both the House and Senate versions provided for adoption of a second concurrent resolution on the budget prior to the start of the new fiscal year.

The conference substitute provides for adoption of the second budget resolution no later than September 15. The second concurrent resolution shall affirm or revise the most recent budget resolution and may specify changes in budget authority (for the new fiscal year or carried over from prior years), entitlements, total revenues, or the public debt limit. The second concurrent resolution also shall direct the committees with jurisdiction over any specified changes to determine and recommend such changes. While no date is fixed for the reporting of the resolution by the Budget Committees (the reporting date probably will vary from year to year depending on whether and when Congress takes a recess and on when action is completed on appropriation bills), this section authorizes the Budget Committees to make their report when Congress is not in session. It is anticipated that the Budget Committees may report in some years during the August recess and that such reports shall be available to Members, so that Congress will be able to consider the concurrent resolution upon its return.

Section 310(c). Reconciliation process

Both the House and Senate versions provided for the reconciliation of spending, revenue, and debt legislation with the levels and instructions set forth in the second concurrent resolution. The conference substitute contains a similar reconciliation procedure.

When Congress has implemented the procedure authorized in section 301(b)(1) requiring that appropriation and entitlement bills not be enrolled until any necessary reconciliations have been made, it is anticipated that the reconciliation will be in the form of a resolution directing the clerk of the House and the Secretary of the Senate to make the necessary changes in the bill being held. When a reconciliation resolution is the appropriate measure, it may also be necessary to consider a reconciliation bill for changing matters previously enacted into law.

If the changes (in spending, entitlement, revenue, or debt legislation) specified by the second concurrent resolution are in the jurisdiction of only one committee in either House, each such committee shall promptly report a reconciliation bill or resolution to its House. If more than one committee in either House has been directed to make changes in matters within its jurisdiction, then either such committee shall submit its recommendations to the Budget Committee of its House. The Budget Committee then shall compile, without substantive change, all the recommendations it has received into a reconciliation bill or resolution. The reconciliation bill or resolution reported to the House or Senate shall fully carry out the directions specified in the second concurrent resolution.

Section 310 (d), (e) and (f). Completion of reconciliation process

The House bill provided for completion of any required reconciliation action prior to adjournment; the Senate amendment had a September 25 completion date. Both versions barred sine die adjournment until the reconciliation has been completed, and the Senate amendment also prohibited any recess for more than three days.

The conference substitute sets September 25 as the deadline for completion of the reconciliation process and it bars sine die adjournment until the second concurrent resolution and any required reconciliation measures have been adopted. Subsection (e) incorporates the procedure contained in the Senate amendment for the consideration of reconciliation measures in the Senate.

Section 311. Limitation on budget authority, entitlement, and revenue legislation

The Senate amendment provided that after adoption of all regular appropriations and a required reconciliation bill, Congress could not consider budget authority legislation in excess of the appropriate levels in the most recent concurrent resolution.

The conference substitute provides that after adoption of the second concurrent resolution and completion of the reconciliation process, it shall not be in order to consider any new budget authority or entitlement measure that would cause the appropriate level of total budget authority or outlays in the most recent concurrent resolution to be exceeded. Nor would it be in order to consider a measure that would reduce total revenues below the appropriate levels in the budget resolution. The managers anticipate that there will be instances in which Congress may deem it appropriate to revise its earlier spending or revenue determinations. But such revision should be made in the context of the congressional budget process and with full awareness of their relationship to the levels set forth in the latest budget resolution.

Although there is no specific mention on the consideration of tax expenditure measures, the managers note that after completion of the reconciliation process, Congress may not consider tax expenditures legislation that would have the effect of reducing total revenues below the appropriate level of the most recent concurrent resolution.

Subsection (b) provides that estimates prepared by the Budget Committee of the House or Senate shall be the basis for determining whether legislation would cause the appropriate level of outlays or revenues in the latest budget resolution to be breached.

TITLE IV. PROVISIONS TO IMPROVE FISCAL PROCEDURES

Section 401(a). Contract and borrowing authority

The House and Senate versions provided that new contract or borrowing authority legislation must contain a provision that such new authority is to be effective only to the extent or in such amounts as are provided in appropriation acts.

The conference substitute adopts this procedure for contract and borrowing authority. These forms of "new spending authority" are defined in section 401(c)(2)(A) and (B). The new procedure does not apply to contract or borrowing authority in effect prior to the effective date of this section. Nor does it apply to certain types of spending authority exempted under section 401(d) such as social security and 90 percent self-financed trust funds or outlays of government corporations.

Section 401(b). Entitlement authority

The House bill provided that new entitlements could be effective only as provided in appropriation acts (the same procedure as for contract and borrowing authority). The Senate amendment established a procedure for the referral of entitlement legislation to the Appropriations Committees under a 10-day time limit.

The conference substitute, like the Senate amendment, provides that it shall not be in order to consider entitlement legislation which would have an effective date before the start of the new fiscal year. The purpose of this procedure is to make entitlements effectively subject to the reconciliation process. As provided in the conference substitute entitlement legislation would be referred to the Appropriations Committee only if it would generate new budget authority in excess of the allocation made subsequent to the latest budget resolution (as specified in section 302). The managers intend the Budget Committees shall provide background information as to such allocations. Such referral would have a 15-day limit, with the Appropriations Committee automatically discharged if it has not reported during this period. The Appropriations Committee may report the bill with an amendment limiting the total amount of new entitlement authority. The managers emphasize that the jurisdiction of the Appropriations Committees shall relate to the cost of the program and not to substantive changes in the legislation.

As provided in section 401(d), social security and 90 percent self-financed trust funds and government corporations would not be subject to the referral procedure for entitlement authority.

Section 401 (c) and (d). Definitions and exceptions

The House and Senate versions had comparable definitions for contract, borrowing, and entitlement authority. The Senate amendment stipulated that insured and guaranteed loans would not be covered by the new procedures. The House bill had a catchall provision to reach all types of spending authority. The House and Senate versions also contained various exemptions from the new procedures. The House bill subjected existing spending authority to the new procedures after October 1, 1978, while the Senate amendment would have applied only to new spending authority.

The conference substitute defines three categories of new spending authority: contract authority—to enter into contract in advance of appropriations; borrowing authority—to incur indebtedness in advance of appropriations; and entitlement authority—to obligate the United States to make payments in advance of appropriations, but it does not include insured or guaranteed loans. The conference substitute exempts certain types of programs from the new procedures for contract, borrowing, and entitlement authority. These are: all existing social security trust funds; 90 percent self-financed trust funds; general revenue sharing (to the extent provided in subsequent legislation); the outlays of certain government corporations; and gifts to the United States. The Managers note that these exemptions relate only to the procedures in section 401 and that the programs are fully subject to the congressional budget process.

Section 402. Reporting of authorizing legislation

The House bill set a March 31 deadline for the enactment of authorizing legislation; the Senate amendment had a May 15 deadline for the reporting of such legislation. Both versions had waiver procedures for their respective Houses.

The conference substitute establishes a May 15 deadline for the reporting of any measure directly or indirectly authorizing new budget authority. After that date, consideration is permitted in the House if an emergency waiver, reported by the Rules Committee, is adopted. Consideration in the Senate of legislation reported after May 15 is allowed if the committee of original jurisdiction reports a waiver resolution which, after referral to the Senate Budget Committee, is approved by the Senate.

Section 402(d) establishes a procedure for one House to consider authorizing legislation passed by the other House. If its committee has met the reporting deadline, the Senate would be able to consider companion legislation passed by the House. Similarly, if authorizing legislation had been reported to the House by May 15, the House would be permitted to consider a companion bill of the Senate. This technical procedure is necessary to conform with the usual procedure under which the House and Senate normally pass the bill of the House which acted first.

The May 15 reporting requirement does not apply to entitlement authority or to omnibus social security legislation which deals with both trust fund and related programs. These two exemptions are essential for the proper functioning of the congressional budget processs. Inasmuch as entitlement legislation may not be considered prior to passage of the first budget resolution (section 303), such legislation is exempted from the May 15 reporting deadline. As for the social security programs, the managers consider it prudent to enable the continuation of procedures for handling a number of related programs in the same legislation. Thus, social security benefits are directly related to supplemental security assistance for the aged, and medicare trust programs have a direct bearing on medicaid benefits. The procedure established in section 402 allows the consideration of these programs in the same legislation even if reported after May 15.

Section 402(f). Study of existing spending authority and permanent appropriations

The House bill would have barred the exercise of existing spending authority after October 1, 1978. This provision was intended to apply also to the exercise of permanent appropriations.

The conference substitute directs the Appropriations Committees to undertake continuing studies of existing spending authority (contract, borrowing, and entitlement authority enacted prior to the effective date of section 401) as well as studies of permanent budget authority (authority which becomes available without any current action by Congress). The Appropriations Committees are to report from time to time with recommendations to terminate or modify existing spending authority or permanent appropriations.

Section 403. Analyses by Congressional Budget Office

The House bill and the Senate amendment provided for the budget office to make cost analyses of reported legislation.

The conference substitute provides that, to the extent practicable, the Congressional Budget Office is to prepare an analyses of public bills reported by all committees (other than the Appropriations Committees), estimating the five-year costs and comparing its estimate with any made by the reporting committee or by a Federal agency. The Budget Office analysis is to be included in the committee report if it is timely submitted before the report is filed. The managers intend "timely submitted" to mean that the cost analysis is submitted to the reporting committee sufficiently in advance to allow the committee an opportunity to examine the analysis prior to its publication.

Section 404. Jurisdiction of appropriations committees

The House and Senate versions changed the rules of the House and the Senate with respect to the jurisdiction of the Appropriations Committees.

TITLE V. CHANGE OF FISCAL YEAR

Section 501. Fiscal year to begin October 1

The House and Senate versions provided for a shift to an October 1–September 30 fiscal year.

The conference substitute provides for this shift to take place with the fiscal year beginning October 1, 1976. However, the preceding fiscal year is to run from July 1, 1975 through June 30, 1976, thus providing a three-month interim period to provide the necessary transition to the new fiscal year (July 1–September 30, 1976).

Section 502 (a) and (b). Transition to new fiscal year

Both the House and Senate versions contained provisions for the transition to the new fiscal year. Both provided for the issuance of any necessary regulations or orders by the Office of Management and Budget to carry on the transition, and for the submission of proposed legislation deemed necessary for the transition.

The conference substitute provides that after consultation with the Appropriations Committees, the President shall submit budget estimates for the interim three-month period (July 1–September 30, 1976) in such form and detail as he determines. On the basis of guidance provided by the Appropriations Committees, OMB will be in a position to determine the form and detail most suitable for this period. This determination shall take into account the needs of Congress and the public for sufficient information, the desirability of maintaining continuity in accounts, and the amount of time available for preparation of the three-month estimates.

The conference substitute provides that the President shall propose authorizing legislation for the three-month transition period and that OMB shall submit legislative proposals to implement the transition to the October 1–September 30 fiscal year. In addition, OMB shall issue such orders and regulations as are necessary for the orderly transition of Government agencies to the new fiscal year.

Section 502(c). Advance appropriations

The Senate amendment called for a joint OMB-Congressional Office of the Budget study of advance appropriations.

The conference substitute incorporates this provision in revised form. OMB and the Congressional Budget Office shall jointly study but separately report on the feasibility and desirability of budgeting and appropriating one year in advance for all or portions of the budget.

Section 503. Accounting procedures

The Senate amendment contained technical provisions for the adjustment of accounts to the new fiscal year. The conference substitute accepts the Senate provision for the transfer of obligated balances and withdrawals from accounts.

Section 504. Conversion of authorization

The House bill provided for the conversion of all laws to the new fiscal year. The Senate amendment had a conversion provision for authorizing legislation.

The conference substitute provides for the automatic conversion of July 1 starting dates and June 30 closing dates for fiscal years to October 1 and September 30, respectively. This conversion would be timed to the introduction of the new fiscal calendar in 1976, and it would apply only to authorizing legislation.

Section 505. Repeals

The Senate amendment repealed two technical revisions of law. The conference substitute adopts the Senate provision.

Section 506. Technical amendment

The Senate amendment made technical changes in certain laws and these are included in the conference substitute.

TITLE VI. AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT, 1921

Section 601. The President's budget

The House and Senate versions required the President to itemize tax expenditures in his annual budget. The Senate amendment also required the budget to set forth the items in the budget resolution; to report on variances for the last completed fiscal year; to update the estimates twice each year; to contain advance estimates for certain programs; and to present a classification according to national goals, agency missions, and programs.

The conference substitute requires that the President's budget furnish estimates for the appropriate levels of total new budget authority and outlays; functional allocations of budget authority and outlays; the budget surplus or deficit; the recommended level of revenues and any proposed revenue changes; and the appropriate level of the public debt and any proposed change in the public debt limit. The President's budget also is to present an itemization of existing tax expenditures and any proposed changes.

The conference substitute requires that the President shall report and explain in the budget any variances during the last completed fiscal year between actual and estimated revenues and between actual and estimated uncontrollable outlays. The budget is to be updated twice each year—on April 10 and July 15—with a statement of all amendments and revisions proposed by the executive subsequent to the initial submission of the budget. The President's budget also shall contain cost information with respect to any program for which appropriations are authorized to be made one year in advance of the fiscal year to which they apply.

The conference substitute provides for the inclusion in the President's budget of a presentation in terms of national needs, agency missions, and basic programs. The managers anticipate that this need not be a separate classification but can be incorporated, if the President deems it appropriate, into the main budget classifications.

Section 602. Midyear review

The conference substitute incorporates a provision of the Senate amendment changing the date for submission of the midyear budget review from June 1 to July 15.

Section 603. Five-year budget projections

The House and Senate versions had identical provisions for five-year projections in the President's budget. The same provision is contained in the conference substitute.

Section 604. Allowances for supplementals and uncontrollable outlays

The Senate amendment provided that the President's budget shall contain an allowance for supplemental appropriations and permanent unanticipated uncontrollable expenditures. The conference substitute is based on the Senate provision but applies to all uncontrollable expenses.

Section 605. Current services budget

The Senate amendment provided for the submission of a current services budget each year and for Joint Economic Committee review of this budget's economic assumptions and accuracy.

The conference substitute requires submission of a current services budget by November 10 of each year. This budget shall be based upon the existing level of services without policy changes and shall present estimates by agency, function, subfunction, and major programs. The current services budget shall state the economic and program assumptions upon which it is based. The Joint Economic Committee shall review the current services budget and submit an economic evaluation to Congress by December 31 of each year.

Section 606. Study of off-budget agencies

The Senate amendment provided for the termination of the off-budget status of six designated agencies.

The conference substitute provides for continuing studies of off-budget agencies by the House and Senate Budget Committees.

Section 607. Advance requests for authorizing legislation

The Senate amendment provided for the study of advance appropriations by OMB and the congressional budget office. The Senate amendment further provided for the submission of advance estimates where these are authorized by law.

The conference substitute requires that beginning with programs for fiscal year 1977, the Administration shall submit no later than May 15 of the previous calendar year requests for authorizing legislation for the fiscal year following the ensuing fiscal year. Requests for new program authorizations shall be submitted for at least the first two fiscal years.

The intent of this provision is to develop a pattern for the enactment of authorizing legislation at least one year in advance of the fiscal year to which it first applies.

This section does not affect any provision of law which exempts an agency of the Federal Government, or any of its activities or outlays, from inclusion in the Budget.

TITLE VII. PROGRAM REVIEW AND EVALUATION

Section 701. Review and evaluation by committees

The Senate amendment authorized congressional committees to use pilot testing and analytic techniques in the evaluation of Federal programs.

The conference substitute is the same as the Senate provision. It amends the 1946 Legislative Reorganization Act to provide that committees may conduct testing or analysis themselves or require agencies to evaluate programs and report the results to them.

Section 702. Review and evaluation by Comptroller General

The Senate amendment expanded the review and evaluation functions and duties of the Comptroller General, including assistance to committees and Members.

The conference substitute is a revision of the Senate provision. It amends section 204 of the 1970 Legislative Reorganization Act to expand GAO assistance to Congress. As amended, section 204(a) provides that the Comptroller General shall evaluate Government programs at his own initiative, when ordered by either House, or at the request of a congressional committee. Section 204(b) provides that upon request, the Comptroller General shall assist committees in developing statements of legislative objectives and methods for assessing program performance. The managers consider oversight of executive performance to be among the principal functions of congressional committees and they recognize that the usefulness of program evaluation can be enhanced by the clear expression of legislative objectives and the employment of modern analytic methods. The managers further believe that statements of intent can be most appropriately developed by the committee of jurisdiction. Members must be provided upon request with all related information after its release by the committee for which it was compiled.

Section 204(c) directs the Comptroller General to develop and recommend program evaluation methods to Congress. Section 204(d) authorizes the establishment of an office of program review and evaluation in GAO. Section 204(e) calls for the Comptroller General to review GAO's evaluation activities in his annual report to Congress.

Section 703. Study of budget reform proposals

The Senate amendment listed a number of matters to be the subject of continuing study by the Budget Committees. It required the committees to hold hearings and report on the designated subjects, and it stipulated that the provision not be construed to preclude budget improvement activities by other committees.

The conference substitute reduces the number of matters specified to be studied. The Budget Committees are to examine budget improvement proposals including matters relating to the information base for program analysis, the systematic evaluation of programs, time limitations on program authorizations, and techniques of human resource accounting. Other committees are not to be precluded from undertaking studies to improve the budget process.

TITLE VIII. FISCAL AND BUDGETARY INFORMATION

Section 801. Fiscal and budgetary information

The Senate amendment provided for the establishment of standardized budget information systems; the development of standard terminology, definitions, classifications and codes; and the availability of budget information to Congress and to State and local governments.

The conference substitute is the same as the Senate amendment except that the Appropriations, Ways and Means, and Finance Committees are added to the committees whose needs shall be given particular attention in the development of information systems. The conference substitute amends sections 201, 202, and 203 of the Legislative Reorganization Act of 1970 to accomplish these objectives. The managers understand that nothing in Title VIII shall prevent either House of Congress from establishing an office or commission to develop, supervise, and maintain an information classification system for that House and its committees and Members. As amended, section 201 provides for the development by OMB and the Treasury, in cooperation with GAO, of standardized fiscal, budgetary, and program information systems for the use of the Federal Government and, insofar as practicable, State and local governments.

The amended section 202 assigns the Comptroller General, in cooperation with the Treasury OMB, and the Congressional Budget Office, responsibility for developing standard terminology, definitions, classifications, and codes for use by Federal agencies in supplying budget information to Congress. The Comptroller General is to report his initial determinations to Congress by June 30, 1975, and thereafter shall report and submit legislative recommendations as appropriate. In developing these standard classifications and definitions the Comptroller General is directed to give particular consideration to the needs of the Budget, Appropriations, and tax committees. The Comptroller General is further directed to assist committees in developing their information needs and shall report annually on the identification of such needs. Each year, also, OMB and the Treasury shall report to Congress on their plans for addressing the needs thus identified.

The amended section 203 provides for the furnishing of budget and related information to Congress, including the development of data directories and assistance to Congress in analyzing budget data. The Comptroller General is authorized to establish central information files to meet the needs of Congress. OMB, in cooperation with GAO, the Congressional Budget Office, and State and local governments shall provide (to the extent practicable) budget information to States and localities so that they may be able to determine the impact of Federal assistance upon their budgets.

Section 802. Changes in functional categories

The House bill provided that any change in the functional classifications in the budget may be made only in consultation with the Budget Committees.

The conference substitute provides that changes in functional categories may be made only in consultation with the Budget and Appropriations Committees of both Houses.

TITLE IX. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

Section 901. Amendments to House rules

The House bill made various conforming changes in the Rules of the House of Representatives to reflect the establishment of the congressional budget process. The conference substitute substantially follows the House bill.

Section 902. Amendments to Senate rules

The Senate amendment made various changes in the Senate Rules. These are incorporated in the conference substitute. The amendments to the Senate Rules modify the jurisdiction of various committees in accord with the provisions of this act.

Section 903. Amendments to the Legislative Reorganization Act of 1946

The Senate amendment authorized its Budget Committee to meet while the Senate is in session. It also exempted the Budget Committees of both Houses from the legislative oversight provisions of section 136 of the Legislative Reorganization Act of 1946. The conference substitute retains these provisions.

Section 904. Rulemaking powers

The House and Senate versions, provided that the rules established for the congressional budget process and certain other provisions are an exercise of the rulemaking powers of the House and Senate and may be changed by either as it desires. The Senate amendment also provided for the waiver or suspension in the Senate of any rules in Titles III and IV by majority vote, and for a one-hour limit on appeals from the ruling of the chair.

The conference substitute retains, with conforming changes, the provisions of the House bill and Senate amendment relating to the rulemaking powers of the House and

Senate. The conference substitute adopts subsections (b) and (c) of the Senate amendment relating to Senate rules.

Section 905. Effective dates

The House bill provided that certain titles would take effect beginning with fiscal year 1975. The Senate amendment provided a phased implementation of the various provisions.

The conference substitute adopts a phased implementation schedule. Except as otherwise provided, the provisions of the bill, including establishment of the House and Senate Budget Committees, become effective upon enactment. Title II (other than section 201(a)) relating to the Congressional Budget Office is to become effective upon appointment of the first Director of the Office. Title III is to be effective with respect to fiscal year 1977 as will the new procedures for authorizing legislation (section 402). The procedures for new spending authority (section 401) are to take effect in January 1976. Various amendments relating to the executive budget shall take effect for fiscal year 1976 while others would be effective later.

Section 906. Application of budget process to fiscal year 1976

The Senate amendment provided for an application of the congressional budget process for fiscal year 1976 under certain conditions.

The conference substitute provides that upon agreement by the Budget Committees, and to the extent provided by such committees in reports to their respective Houses, the procedures of Title III and sections 202 (f), 401, and 402 may be applied to the 1976 fiscal year. The managers anticipate that this advance application will be undertaken only if adequate preparation has been made, that it will be limited to certain parts of the congressional budget process, and that to the extent necessary substitute dates will be used. The Managers recognize that it may not be feasible to go beyond the first budget resolution.

TITLE X. IMPOUNDMENT CONTROL

The House bill provided for a procedure which would require impoundment actions to be reported to Congress by the President within ten days after they were taken. In the event that either House of Congress passed a resolution of disapproval within sixty calendar days of continuous session after the date on which the Presidential message was received by the Congress, the impoundment would have to cease. The Senate amendment tightened the authority in the Antideficiency Act to place funds in reserve by deleting an "other developments" clause. Moreover, it prohibited the use of budgetary reserves for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress, and authorized the Comptroller General to bring a civil action in the U.S. District Court for the District of Columbia to enforce those provisions.

The conference substitute combines features from each version. The "other developments" clause is deleted from the Antideficiency Act, permitting reserves solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Whenever an officer responsible for making apportionments and reapportionments determines that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of that amount.

If the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs, or that such budget authority should be rescinded for fiscal policy or other reasons, including the termination of authorized projects, or whenever all or part of budget authority provided for only one fiscal year (one-year money) is to be reserved from obligation for such fiscal year, he shall transmit a special message requesting a *rescission* of the budget authority. The message shall include the amount of budget authority involved; the appropriation account or agency affected; the reasons for rescission or placing the budget authority in reserve; the fiscal, economic, and budgetary effects; and all facts, circumstances, considerations, and effects of the proposed rescission or reservation. Unless both Houses of Congress complete action on a rescission bill within 45 days, the budget authority shall be made available for obligation.

A second type of special message concerns *deferrals*. This category includes any withholding or delaying the availability for obligation of budget authority (whether by establishing reserves or otherwise), or any other type of Executive action or inaction which effectively precludes the obligation or expenditure of budget authority, including authority to obligate by contract in advance of appropriations as specifically authorized by law. Such action or inaction may occur at the level of the Office of Management and Budget, such as through the apportionment process, or at the departmental and agency level. The special message from the President shall contain basically the same types of information included in a rescission special message. However, the procedure for congressional action is different in that the President will be required to make the budget authority available for obligation if either House of Congress passes an "impoundment resolution" disapproving such proposed deferral at any time after receipt of the special message. The authority to propose deferral is limited to the fiscal year in which the special message making the proposal is submitted to the House and Senate.

Each special message—whether for rescission or for deferral—shall be referred to the appropriate committee of the House of Representatives and the Senate and printed as a document of each House and in the Federal Register. A copy of each special message shall also be transmitted to the Comptroller General, who shall review each message and inform both Houses of the facts surrounding the proposed action and the probable effects. In the case of deferrals, he shall state whether or not (or to what extent) he determines the proposed deferral to be in accordance with existing statutory authority. Any revision of proposed rescissions or deferrals shall be transmitted by the President in a supplementary message.

If the Comptroller General finds that an action or inaction that constitutes a reserve or deferral has not been reported to Congress in a special message as required, he shall report to Congress on such reserve or deferral. His report will have the same effect as if it had been transmitted by the President in a special message. Moreover, if the Comptroller General believes that the President has transmitted an impoundment action incorrectly, such as by including it in a deferral special message when it should have been included in a rescission special message, or vice versa, he shall report to both Houses setting forth his reasons.

Congressional action with respect to a proposed rescission or deferral shall take the form of a "rescission bill" or an "impoundment resolution." Any rescission bill or impoundment resolution shall be referred to the appropriate committee of the House of Representatives or the Senate. If the committee fails to report a rescission bill or impoundment resolution at the end of 25 calendar days of continuous session after its introduction, it is in order to move to discharge the committee from further consideration. A motion to discharge may be made only by an individual favoring the bill or resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged in the House and privileged in the Senate.

If budget authority is not made available for obligation as required by the impoundment control title, the Comptroller General is empowered, through attorneys of his own choosing, to bring a civil action in the United States District Court for the District of Columbia in order to obtain any decree, judgment, or order which may be necessary or appropriate to make such budget authority available for obligation. However, no such action may be brought until the expiration of 25 calendar days of continuous session after the Comptroller General files with the Speaker of the House of Representatives and the President of the Senate an explanatory statement setting forth the circumstances giving rise to the action contemplated. The courts shall give precedence to this type of civil action.

Cumulative reports of proposed rescissions, reservations, and deferrals shall be submitted by the President in a report to the House of Representatives and the Senate not later than the 10th day of each month during a fiscal year. This monthly report shall be printed in the first issue of the Federal Register published after its submission.

Congressional action depends greatly on the quality of these reports and the quality of special messages transmitted by the President. The managers recognize that each proposed impoundment action may be unique, reflecting a complex mixture of various forces. Rather than a few generalized codes to cover all impoundments—which has been the practice of the Office of Management and Budget in implementing the Federal Impoundment and Information Act—the managers expect that the monthly reports and the special messages will provide more specialized treatment. A narrative section should explain and clearly and completely the factors that prompted the Administration to propose to impound the funds.

Richard Bolling,
Bernie Sisk,
John Young,
Gillis W. Long,
Dave Martin,
Delbert L. Latta,
Del Clawson,
Managers on the Part of the House.

Sam J. Ervin, Jr.,
Edmund S. Muskie,
Abraham Ribicoff,
Lee Metcalf,
Howard W. Cannon,
Claiborne Pell,
Robert Byrd,
James B. Allen,
Charles H. Percy,
W. V. Roth, Jr.
Bill Brock,
M. W. Cook,
Hugh Scott,
Robert P. Griffin.
Managers on the Part of the Senate.

AMERICA'S FISHERMEN SEEK REDRESS

(Mr. STUDDS asked and was given permission to address the House for 1 minute.)

Mr. STUDDS. Mr. Speaker, at noon yesterday the 108-foot fishing trawler, the *Sharon and Noreen*, from New Bedford, Mass., sailed up the Potomac and docked at the Capitol Yacht Club. This marked the end of a week-long voyage, which is being conducted essentially as a petitioning of this Government for a redress of grievances on behalf of the American fishing industry.

This symbolic voyage, through nine States, is sponsored by the Committee To Save the American Fisheries. It is a plea to this Congress to act to provide an extension of America's fisheries jurisdiction to 200 miles offshore while there are still fish left to protect.

There are now 251 cosponsors of this bill, The Studds-Magnuson bill, in the House. The need is urgent, the time is critical, and I want these fishermen to know that their Government hears their voices.

Mr. GROVER. Mr. Speaker, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from New York.

Mr. GROVER. Mr. Speaker, I wish to join and agree with the gentleman in his remarks and say that I have just heard from some of my constituents in my district on the crisis of the North Atlantic fisheries. They have told us some graphic and dramatic stories, stories that are hair-raising in the audacity of some foreign fishing vessels, and frustrating and distressing in the ignorance of the oldest recognition of conservation.

We will see this subject covered this year in the Caracas Conference on the Law of the Sea. There seems to be some interest in abiding the event of the Conference. But I suggest the Congress get moving before the time comes when there are no fish left.

CORRECTING THE NADER PROFILES

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, Members will remember that last year Ralph Nader produced profiles on each Member of Congress. Several weeks ago my office received an updated copy of a profile on me. One item listed in that profile is House attendance. My attendance was incorrectly listed as 86 percent—2 percentage points below average. It should have read 96 percent—8 percentage points above average.

My office called the Nader Congress Project, talked to three different people, informed them of the mistake, and asked that it be corrected in the published copy.

Last week we received the final profile—still uncorrected. We called Nader's people again. I asked that they send me a letter of apology, spelling out that their figure was in error and stating what the correct figure should be so that we could send a release to the news media in my district. Instead, they sent a curt letter admitting no mistake and merely noting that an undefined change in my profile had been made "as requested"—a letter which was of absolutely no use to me in publicly correcting the Nader misstatement of my record.

We were told nothing further was justified because no copies of that erroneous profile had been distributed. But yesterday I received a copy of that still uncorrected profile from a constituent.

Mr. Speaker, the difference between 86 percent and 96 percent may seem a small matter to some, but it does not to me because I am conscientious about my voting record.

Mr. Speaker, on balance I think Ralph Nader has made a positive contribution to this country and I understand how mistakes can happen. What I cannot understand is how a citizen operation organized to expand public knowledge about the record of public servants can be so arrogantly stiff-necked in refusing to admit and correct that mistake. I also cannot understand why they would misinform a congressional office by saying that the erroneous profile had received no distribution when in fact it had.

The Nader Congress project, after being confronted with evidence that they did not tell me the truth, has now finally agreed to send me the letter I asked for in the first place. Would it not have been nice if they had shown the decency and fairness to do that the first time—before we had to catch them in a falsehood?

PERSONAL ANNOUNCEMENT

(Mr. RIEGLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RIEGLE. Mr. Speaker, on May 30, 1974, on rollcall No. 256 it was my intention to vote "aye." Whether by reason by electronic malfunction or personal error, the recorded vote list in the Record of May 30 records me as having voted "no."

While my vote did not, by itself, change the outcome, I do want to indicate for the Record that I supported the amendment and fully intended to be recorded in favor of it.

SUGAR ACT OBITUARY

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, only time will tell whether the House made a big mistake by not following the leadership of the Committee on Agriculture and instead killed H.R. 14747, the sugar bill.

While I still believe the Nation needs a sugar program, the action to date on this legislation should be duly noted on the obituary page of today's Record:

Dateline Washington, D.C.

Died: Sugar Act, age 40, suddenly and unexpectedly after open rule surgery on the Floor of the U.S. House of Representatives last week. Cause of death uncertain, pending full autopsy.

Ms. Act, a child of the Thirties and a friend of the taxpayers, was known throughout the world for her success in achieving price stability for American consumers, assisting domestic sugar workers and farmers, and effectuating the foreign policy of the United States.

Friends say that in the past year, Ms. Act was under great strain but still performed well and kept U.S. prices lower than those in other parts of the world.

Critics, not mourning Ms. Act's demise, claim what the nation needs is "cold turkey" not sugar program.

Ms. Act had a colorful and sometimes controversial life in Washington politics and provided Congressmen, lobbyists, newsmen, and others much entertainment which in past years ran into the wee hours of the night prior to adjournment.

Sincere condolences from Havana have been received.

Surviving next of kin include House Agriculture Committee, U.S. Department of Agriculture, U.S. Department of State, and Senate Finance Committee where lineal descendants of the late beloved Sugar Act are currently being nurtured.

REPORT ON STATUS OF ADVISORY COMMITTEES IN 1973—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations:

To the Congress of the United States:

In accordance with the provisions of section 6(c) of the Federal Advisory Committee Act, the report on the status of advisory committees in 1973 is herewith forwarded.

This is the second annual report and is augmented by indices to afford the public improved access to additional information concerning specific advisory committees.

Richard Nixon.

The White House, *June 11, 1974.*

CONFERENCE REPORT ON H.R. 14368, ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to the energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 6, 1974).

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, I rise in support of the conference report on H.R. 14368, the "Energy Supply and Environmental Coordination Act."

In many ways, the conference report represents a victory for the House-passed bill. The Senate sought to delete the House provision banning the Environmental Protection Agency from imposing parking surcharges. In conference, the House view prevailed. The House prevailed on the "parking management" provision, as well.

The House provisions pertaining to the use of enforceable intermittent or alternative controls between now and 1979 were retained. The House's energy conservation studies and motor vehicle fuel economy studies were retained. The House provision on energy information reports was also included in the conference report.

Of course, in any conference some compromise is necessary. But this bill will help meet the Nation's energy and environmental needs.

Burning of coal will be encouraged in a manner consistent with protection of the public health. The automobile emission standards will be set at realistic levels. These levels will help conserve gasoline while keeping the progress toward cleaning our Nation's air.

While this bill is not a cure-all for America's energy problems, it will be of some help toward making the Nation more self-sufficient and more reliant on our most abundant fuel—coal.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I would be delighted to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

I would ask the gentleman from West Virginia if I am correct in assuming this bill carries no authorization for appropriations as such?

Mr. STAGGERS. That is correct. When the bill left the House it was estimated at $55 million, but there was no authorization.

In the extension of the Clean Air Act we carried over the same amount as was used this year.

Mr. GROSS. The conference did not change the figure?

Mr. STAGGERS. No.

Mr. GROSS. The figure that was authorized previously?

Mr. STAGGERS. No; it is the same figure.

Mr. GROSS. And all amendments to this bill are germane?

Mr. STAGGERS. So far as I know, we studied that, and they are all germane.

Mr. GROSS. I again thank the gentleman for yielding.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I agreed to the conference report of H.R. 14368 with great reluctance. I am not satisfied that the extensive amendments made by this bill to the Clean Air Act will prove to be in the public interest. I am even more disturbed by the encroachment of this bill on the National Environmental Policy Act of 1969.

The House-passed bill did not, except in a minor way, amend NEPA. But the other body adopted a sweeping floor amendment with little debate which provides that hereafter environmental impact statements shall not be required in the case of any "action taken" by EPA under the Clean Air Act.

I think this broad amendment without adequate debate in Congress is a mistake, and I am concerned that many environmental organizations which supported NEPA, including the impact statement requirements of NEPA, did not speak out against it.

I also think that this amendment may cause considerable disruption of the clean air program by unsettling all EPA actions taken under the Clean Air Act prior to the adoption of this amendment. I have argued for some time that section 102(2)(C) of NEPA, which requires every agency to file an environmental impact statement before undertaking a major Federal action, also applies to EPA. But that agency has argued it is exempt from filing such impact statements when acting under the Clean Air Act. Now EPA is in a pickle. The amendment, by its terms, is not retroactive. It is clearly prospective. Thus, one can argue, including those who seek to scuttle the Clean Air Act, that NEPA did in fact apply to the Clean Air Act before the adoption of this amendment. Otherwise, why have the amendment? Such a contention, if accepted by the courts, could upset many EPA actions under the act.

Fortunately, the bill does not exempt EPA completely from NEPA. Except for the requirements of section 102(2)(C) of NEPA, all other provisions of the 1969 act still apply to EPA actions under the Clean Air Act, as they should.

I will support the bill—with reluctance—primarily because of section 11—the energy information section which I sponsored.

It provides broad powers to the Federal Energy Administration to collect energy data. Most importantly it directs that the FEA "promptly" promulgate regulations requiring energy data reports at least every 90 days from a broad range of persons engaged in the production, including exploration and mining, processing, refining, transportation by pipeline, and distribution, except at the retail level, of all energy resources, including oil, natural gas, coal, uranium, geothermal steam, and so forth. It is intended by the conferees that the FEA promulgate these regulations within a short period of time, such as 45 days.

It provides that the data collected will not be given blanket confidentiality. Nor will such data be withheld under any other laws. Instead, to gain confidentiality, the person providing the energy information must make an affirmative showing to the FEA that disclosure would "divulge methods or processes entitled to protection as trade secrets or other proprietary information." Even if such a showing is made, the data will still be available, upon request, to several Federal agencies identified in the bill and to Congress and to any committee of Congress, upon request of the chairman of the committee.

I particularly call attention to the following conference committee statement (Cong. Rec., June 6, 1974, p. 18168):

> The conferees wish to emphasize that the energy information reporting authorities contained in this bill are intended to be in addition to, independent of, and not limited by any other authority of the Federal Energy Administrator.

Thus, to the extent there is any conflict between the provisions of section 11 of this bill and the provisions of sections 13 and 14 of the Federal Energy Administration Act of 1974, it is intended that the provisions of section 11 of this bill shall prevail. I have particular reference to the public disclosure provisions of both acts, which may be in conflict. It is the intention of the conferees that section 11(d) of H.R. 14368 shall prevail in any instance of conflict.

As the conference report indicates, section 11(e) of the House bill was deleted. That section was added as a convenience to the persons required to provide energy data to the FEA so that they would not have to provide it to several agencies. At the urging of the Commerce Department it was deleted from the bill. Since it did not have any substantive effect on the section, and since its deletion would not relieve anyone of his duty to provide the data to FEA, I did not object to its deletion.

Mr. STAGGERS. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Speaker, I rise in support of the conference report on H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974.

While I am unsatisfied with the coal conversion and stationary source pollution provisions of this conference report, I am in general support of the report as a whole because of the many good features that it contains, particularly the extension of the auto emission standards which we have been trying to enact into law for the last 7 months.

The coal conversion provisions and the accompanying stationary source air pollution requirements are somewhat more restrictive than were the original House provisions. This is mainly because of a requirement imposed by the Senate conferees which precludes coal conversion by any source located in an urban area where primary air standards are not being met unless the source can immediately meet all requisite emission standards. This severely restricts coal conversion of power plants in these urban areas where adequate power supply is most needed.

It is my understanding that this bill was originally designed to allow much greater use of coal by electric utilities in an environmentally sound manner.

The purpose was to check the increasing reliance by the electric power and other industries on expensive imported oil. The mechanism for accomplishing this objective was to give authority to FEA to prevent burning of petroleum and natural gas after a determination by EPA that such an action was consistent with the protection of public health. Assurances were to be given which would not prevent the source from burning coal, by the application of any air pollution requirement, through January 1, 1979, except for an emergency situation set forth in section 303 of the Clean Air Act.

However, the conference report allows EPA to reverse, at any future time, its and FEA's decision to permit conversion by subverting and abbreviating the process by which environmental standards are established for new pollutants under the Clean Air Act. More specifically, the provision (sec. 3(d)(3)) added by the conferees, which was neither in the House or Senate bills, allows the Administrator of EPA, upon finding that the burning of coal will result in an increase in emissions of any air pollutant for which National Ambient Air Quality Standards have not been promulgated and that may cause a significant risk to public health, to suspend the order prohibiting the use of oil or natural gas. This is the first time that the adequacy of the emergency powers of the Clean Air Act have been questioned and I can recall no testimony or debate on this matter.

On the other hand, the standard-setting process established by the Clean Air Act for nonemergency situations is a very careful and deliberate process based upon the weighing of the latest scientific knowledge not only by representatives of the Federal Government but by members of professional societies and the general public. Any action, by the Federal Government, to monopolize this due process in the name of potential emergency action is not in the public interest particularly in view of the fact that emergency actions are permitted under existing law.

I am concerned that many of us underestimate the magnitude of the coal deficit. In a recent study made by the Federal Power Commission, the estimated shortage in coal will range between 212 and 382 million tons or 46 to 83 percent of the total demand for coal by utilities in 1975. The provision added by the conferees is hardly an inducement to invest in long-term contracts for coal and, in my opinion, is counter to the mandate expressed by both Houses.

In addition, the total impact of the coal conversion and Clean Air Act provisions is to lock in the technology of scrubber systems because coal converters are required, within the next few years, to put on such scrubbers unless they can find a long-term supply of very low sulfur fuel. Several members of the conference, myself included, have serious questions about the feasibility of scrubber technology, and we are concerned about the excessive cost of such systems and the solid waste that results from their use. As we stated in the conference report, we have "expressed a commitment to carefully review these questions in upcoming hearings and to promptly modify these amendments if warranted by the information obtained in the course of such review." I know that the Senate is in the process of conducting comprehensive hearings on this and several other questions in the Clean Air Act, and I know that the gentleman from Florida (Mr. ROGERS), chairman of our Subcommittee on Public Health and Environment, has promised me that similar hearings will be conducted before our subcommittee very shortly.

It is possible that alternatives to scrubber systems are feasible. These include the requiring of tall stacks to disperse pollutants or the use of intermittent control strategies such as varying levels of operation in accordance with meteorological conditions. Since alternatives exist, the use of scrubbers needs to be examined carefully before we commit the power industry to a questionable technology whose great cost will result in higher and higher utility rates for the consumer.

Even with all these problem in the area of coal conversion, the bill has too many good features for me not to recommend its enactment. It delays the 1975 automobile emission standards for hydrocarbons and carbon monoxide for 1 year, through 1976, and delays the 1977 NOX standard for 1 year, through 1978. These provisions are to my mind the most important in the whole bill. First, the auto industry has to know what requirements will be applicable to the 1976 models for which the air pollution certification process should have already begun. Second, the industry needs an additional year to perfect the devices that have been initiated on the 1975 models.

H.R. 14368 also prohibits the EPA from promulgating parking surcharge regulations and voids any such surcharges which are presently required by EPA. It also delays imposition by EPA of parking supply management regulations until January 1, 1975. As is well recognized by the Members, these sorts of regulations have threatened to cause social and economic disruption in many areas of the country. The conference report would eliminate or delay the imposition of such regulations by the EPA, leaving this authority with the States, where it properly should be.

Thus, because of the overriding importance of the auto emissions provisions, I urge adoption of the conference report.

Mr. STAGGERS. Mr. Speaker, I just want to compliment all of the conferees on their patience and hard work on the bill. It was a matter of give and take, and we had some difficult times while we were trying to get it done.

I also want to compliment the Senators on their part, and especially my own Senator from West Virginia, Senator JENNINGS RANDOLPH, who is the chairman of the Senate committee on the other side, and Senator MUSKIE, from whom the legislation came. I wanted to compliment them, Mr. Speaker, because this was a tiresome and hard conference.

The chairman of the committee which represented the Senate in the handling of this energy bill is the senior Senator from my State of West Virginia, the Honorable JENNINGS RANDOLPH. His name is a noted one in the annals of his State and its parent State, the proud State of Virginia. He is a true scion of a noted family, thoroughly steeped in its noblest traditions of loyalty and concern for the public welfare. For 30 years he has represented our State in the House and in the Senate, and gained wisdom with every passing year. He has consistently employed that wisdom in furthering the good of the people he represents as well as for the great Nation which he and his forbears have helped to build. There is nothing of the self-seeking in Senator RANDOLPH. He can be counted on to be alert for what will advance the interests of all the people. He knows full well that the energy crisis demands a solution calling on the unselfish accord of industry and science in the use of available resources. He knows also that buried deep within the hills of our State lie unmeasured stores of potential power which await only practical exploitation in the public interest. A great deal of that spirit is in the present bill. We are proud of Senator RANDOLPH. His active participation in the writing of this bill and in ironing out the areas of nonagreement between the Senate and the House is a powerful argument for its unquestioned acceptance by the Members of this body today.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R 11873, ANIMAL HEALTH RESEARCH

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 11873, to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. POAGE, STUBBLEFIELD, FOLEY, MELCHER, GOODLING, MATHIAS of California, and ZWACH.

EXTENDING UNTIL JULY 1, 1975, OF THE SUSPENSION OF DUTIES ON CERTAIN FORMS OF COPPER

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12281) to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to ask the distinguished Chairman if he will explain this legislation.

I yield to the gentleman from Arkansas.

Mr. MILLS. I thank the gentleman for yielding.

Mr. Speaker, the purpose of H.R. 12281, as reported, is to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper.

On a number of occasions in the past, Congress has enacted duty suspensions on certain forms of copper in response to the tight supply situation in the U.S. market. The existing suspension of duty on imports of certain copper-bearing ores and materials under Public Law 93-77 will expire July 1, 1974.

The rate of duty currently suspended under Public Law 93-77 is .8 cents per pound on the copper content of articles imported from countries accorded most-favored-nation treatment. Imports of copper from most Communist countries continue to be dutiable at existing rates of duty.

Copper imports for 1973 totalled 402,000 tons valued at $493 million, with the principal supplying countries being Canada, Peru, Chile, Mexico, and the Republic of South Africa.

Major primary copper producers, many importers, exporters, dealers and merchants, and consumers of copper support the proposed continuation of the copper duty suspension. Some U.S. firms have experienced difficulty in buying domestic copper, particularly during periods of tight supply, and must rely heavily on higher-price imports to meet demand.

Because of the recurrent shortage in domestic copper supply, the Congress enacted, and the President signed, Public Law 93-214 on December 28, 1973, authorizing the sale of 251,600 tons of surplus copper from the national stockpile. It is anticipated that the sale of this surplus copper, which is equivalent to one-tenth of current annual consumption, will be absorbed without disruption to the market. As reported by the Department of the Interior, a first offering on 49,873 tons from the copper stockpile in February, 1974, was sold at an average bid price of 85.3 cents per pound compared with a domestic producer price of 68 cents per pound.

Mr. Speaker, your committee has been informed that the temporary suspension of duties on certain forms of copper as provided by H.R. 12281 would not adversely affect the domestic copper mining industry. Indeed, the committee is informed that the duty suspension would be likely to benefit employment in construction, transportation and electronics industries, which are major consumers of copper.

It is to be noted that the "peril point," under which the suspension of duty would no longer be applicable when the price of copper is below 51 cents per pound, would be continued.

The Committee on Ways and Means was unanimous in favorably reporting H.R. 12281, and I urge its approval by the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman for his explanation. Mr. Speaker, I support H.R. 12281, a bill to continue through fiscal year 1975 the suspension of duties on certain forms of copper.

The forms of copper to which the bill applies include ores, scrap, and unwrought metal. The "column one" rate of duty which would continue under suspension is eight-tenths of a cent per pound on the copper content of articles imported.

Imports of copper last year totalled 402,000 tons, valued at more than $490 million, and came largely from Canada, Peru, South Africa, Chile, and Mexico.

Previous suspensions of duty on copper were enacted for national security reasons and to relieve domestic supply shortages. We continue to require more copper than is available, and the Commerce Department recently indicated that domestic production is not likely to increase substantially for the rest of this year at least.

To help alleviate the situation, the Congress passed Public Law 93-214, which the President signed December 28 of last year. This legislation authorized the sale of 251,600 tons of surplus copper from the national stockpile, and the committee has been informed that this amount will be absorbed without market disruption. The Interior Department reported that a first offering of 49,873 tons in February of this year was sold at an average bid price of 85.3 cents per pound, compared with a domestic producer price of 68 cents per pound.

Major producers, along with a number of importers, exporters, dealers, merchants and consumers have expressed support of H.R. 12281, which should help add markedly to the total supply of copper available domestically. The committee has been assured that suspension for another year would not damage the U.S. copper mining industry and generally would have a salutary effect on employment in a variety of industries dependent on copper.

For these reasons, Mr. Speaker, I hope that my colleagues will join me in supporting this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. FROEHLICH. Mr. Speaker, reserving the right to object, this is the fifth bill that has gone through here in the last few weeks on exempting certain commodities from duty. We did it with zinc and with menthol and with feathers and with salts and now again we come to copper. There is in the committee of which the gentleman is chairman a bill regarding the imposed dumping duties on northern bleached hardwood pulp from Canada that the Treasury and the Tariff Commission impose on the basis of a 1971 study. I wonder if there is going to be any consideration given to removing these dumping duties on pulp inasmuch as we are giving consideration to other commodities in short supply.

Mr. MILLS. It is entirely possible that we will consider the bill introduced by the gentleman. We are waiting now for reports from the departments downtown. I do not know what our position will be until we hear from the departments but the matter is under consideration by these departments right now.

Mr. FROEHLICH. I thank the gentleman.

I would inform the chairman that I will not object to this bill today, and I withdraw my reservation of objection, but I would inform the gentleman on the next bill relaxing import duties on whatever commodity, I will object until we give consideration to removing the dumping duties on northern bleached hardwood pulp.

Mr. MILLS. The gentleman's bill will be considered by the committee in due course.

Mr. FROEHLICH. I thank the gentleman from Arkansas.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. FRASER. Mr. Speaker, reserving the right to object, I would like to take this opportunity to ask the chairman about another matter now before the Ways and Means Committee.

Last December, as the chairman knows, Congress mandated postponement in implementation of the social services regulations until December 31, 1974.

While there is no need for us to take immediate action on this issue, I would not like to see us delay too long before facing the social services problem again.

We are putting the States in a difficult position if we postpone action until the last possible moment, as we have done too often in the past. The States are not able to plan adequately if they never know where they stand from one 6-month period to the next.

If it is not possible this late in the session for Congress to complete action on legislation which would overhaul the social services program, then many States, including my own, would just as soon see us approve another 6-month delay. A further postponement in implementation of the regulations until June 30, 1975, at least would give the States a full year of stability.

I wonder if the chairman could let us know if and when action might be taken on the social services regulations, so our States will have the leadtime they need to make effective use of this Federal program.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman.

Mr. MILLS. The gentleman was very thoughtful in bringing this matter to the staff's attention ahead of time, so that we could be better prepared, frankly, to answer his question.

Now, the gentleman raised the question of the social services regulations, which twice have been deferred by the Congress; in other words, prevented from going into effect.

I recognize the difficulties and uncertainties that the States are faced in trying to make plans, as the gentleman points out. I am eager to resolve this problem; although I realize there are different points of view as to exactly what should be done.

I would hope we can deal with these in the context of H.R. 3153, which is still in conference and which contains extensive provisions on this general subject matter the gentleman raises. If for any reason we are unable to permanenty resolve the issue in the context of that bill, I would propose a simple bill providing for further deferment, as the gentleman suggests, in order to make certain to the States they could make their plans.

Mr. FRASER. I thank the gentleman and withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, may I have the attention of the distinguished gentleman from Arkansas?

Mr. MILLS. The gentleman from Iowa always has my attention.

Mr. GROSS. I have had before the Committee on Ways and Means for 10 or 15 years a bill known as H.R. 144, which would provide for balancing the budget and orderly, annual payments on the Federal debt.

I wonder if the gentleman in considering the passage of this bill would be kind enough to say whether in the very near future the committee would hold hearings and, hopefully, give unanimous approval to this bill to provide a balanced budget in order that we may not go further in debt and help halt inflation.

Mr. MILLS. Let me point out to the gentleman that our committee has actually considered the gentleman's thought—

Mr. GROSS. Considered what, thought or position?

Mr. MILLS. No, the thought of the gentleman expressed in the bill.

Mr. GROSS. I see.

Mr. MILLS. Every time we talk about extending the size of the debt ceiling; I have not been able to figure out in my own mind just how we can have a balanced budget or how we can make a payment on the debt itself without having not only a balanced budget, but a surplus in the budget, because if we do as some have suggested to require 10 percent of our revenue to go toward payment of the existing debt, we are going to spend more money than we take in, and we just have to borrow 10 percent more money for the current operations of the Government; but I would be glad at any time, as far as I am personally concerned, to have the gentleman from Iowa come to the Committee on Ways and Means and discuss with us this idea he has in mind and perhaps we can arrange a time mutually convenient to the gentleman from Iowa and the Committee on Ways and Means for him to do it; but I do want the gentleman to understand that the idea itself has been considered every time we have this debt ceiling question.

Mr. GROSS. I will say to my good friend, the gentleman from Arkansas, that I doubt very much if there is a single member of the Committee on Ways and Means that is not completely convinced that we critically need balanced budgets and orderly payments on the Federal debt. I doubt that any rhetoric that I might indulge in before the Committee on Ways and Means would be necessary or would be any more convincing. It is a question of the committee sitting down and putting its stamp of approval on a very worthwhile bill.

Mr. MILLS. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. Yes, of course.

Mr. MILLS. I hesitate to take the time of the House; but my good friend, the gentleman from Iowa, knows during the time he has been here and the time that I have been here, which is slightly longer, that we have had surpluses, but very few. I think I can recall two times that we have had surpluses during all that period of time.

Other times, we have run a deficit. We have run a deficit when we have had what we call full employment. We have run deficits when we have had high unemployment—two entirely different situations.

We have gotten ourselves in the position—and I use this little example because people can understand what I am talking about—the appropriation process has become the body of the dog. The tail of the dog is the revenue part. As the gentleman knows, the body wags the tail. The tail does not wag the body. It puts us in a position where it is most difficult for us to effectively use fiscal policy in times such as these when fiscal policy could make such a major contribution to the stabilizing and the bringing of greater stability to our economy.

Mr. GROSS. But, would it not be nice, I ask the gentleman from Arkansas, to get that bill out on the floor and have a vote on it and see what happens when Members of the House would be confronted with a measure to balance the budget and pay something on the Federal debt each year?

Mr. MILLS. Does the gentleman not think that every Member would vote for it, but frankly, how much good would we do?

Mr. GROSS. It would be interesting to see.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That items 911.10 (relating to copper waste and scrap), 911.11 (relating to articles of copper), 911.13 (relating to copper bearing ores and materials), 911.14 (relating to cement copper and copper precipitates), 911.15 (relating to black copper, blister copper, and anode copper), and 911.16 (relating to other unwrought copper) of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) are each amended by striking out "6/30/74" and inserting in lieu thereof "6/30/75".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after July 1, 1974.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOOD STAMP ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME BENEFICIARIES

Mr. MILLS. Mr. Speaker, I call up the bill (H.R. 15124) to amend Public Law 93–233 to extend for an additional 12 months, until July 1, 1975, the eligibility of supplemental security income recipients for food stamps, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. PETTIS. Mr. Speaker, reserving the right to object, although I am in support of the bill, I do this only to give the chairman an opportunity to explain the bill.

Mr. MILLS. Mr. Speaker, I do appreciate an opportunity to explain the bill.

Mr. Speaker, the bill was, as I said, unanimously reported by the Committee on Ways and Means and would extend for 1 year, until June 30, 1975, the existing arrangements with respect to the eligibility of supplemental security income beneficiaries for food stamps. That is the adult welfare category I am referring to, the people who are 65 years of age and older, the disabled, the blind.

It would extend for that period of time for these people, eligibility to purchase food stamps. It will be recalled that the Committee on Agriculture reported legislation and we passed it last year which made changes within the food-stamp program.

The Ways and Means Committee also passed legislation that made changes in the eligibility of certain people for food stamps. If we do not take action today, many of these people I am talking about, who are the hardest hit of all, perhaps, by inflation, will not be able in the 45 States where they continue to be eligible for food stamps, to receive any benefit from the food stamps.

For these beneficiaries, generally it is a $10 benefit. In other words, they spend $32, say, for $42 of stamps, and that increases by $10 the amount of benefits they get. Five States bought out the food stamp by providing a supplemental payment of $10 to this category of people. The State of New York was one of those States that did that.

What we are saying here is that for 1 more year we will maintain today's status quo. In the 45 States that have not bought out, the situation, and their options, are unchanged. The five States that have already bought out can change their situation and let them have the food stamps if they want to do it.

Mr. Speaker, the bill does not force any State; as my friend, the gentleman from California, as well as other members of the committee who may be present are aware, our committee has generally been very adverse to requiring States to do such things in connection with the welfare program. We make it available. We let them set the level of benefits and so on.

We have required the States, when they operated the welfare payments in the past, to use some of the increase that we have provided for those few of the welfare beneficiaries who are recipients also of social security benefits. Aside from that, we have laid down standards, but we have not required the States to take this action.

Mr. Speaker, I know my friends from New York had hoped that the Ways and Means Committee would require the State of New York to provide the food stamps in a way differently from the way the State is now making them available.

It has been said that there are certain beneficiaries who have not been taken care of. We want them to be taken care of just as much as they do.

There is one category of food stamp recipients in your State that you think has been disadvantaged by State law, and I wish you would tell me just exactly what the situation is.

Ms. HOLTZMAN. Mr. Speaker, if the gentleman would yield, I appreciate the statement of the chairman.

As I understand the problem, when we first passed the SSI legislation, it was the intention of the Congress to hold people harmless who switched over from the welfare program to the SSI program. It was our basic intention that the States were to comply with the hold-harmless provision.

Mr. Speaker, unfortunately, when the Congress drafted the bill, a loophole developed, so that under the legislation, the five cash-out States were not required to hold people harmless as to food stamp benefits.

Therefore, in the five cash-out States, particularly in New York, the people who switched from the welfare program to the SSI program, lost those food stamp benefits. In other words, if a person were getting $250 under welfare, he would now get $240 under the SSI program.

Mr. Speaker, I am sure this was not the intention of the legislation, but it was the result of the loophole. I wish to reserve the right to object in view of this problem.

Mr. MILLS. Mr. Speaker, I am aware of that and of the fact that this happened.

Let me ask my colleagues from New York if it would be possible, in their opinion, to interest one or both of their Senators in this matter? Could it be added to this bill in the Senate? If it is added to the bill in the Senate, I can assure my colleagues from New York that I am perfectly willing to accept it. I would even ask to take it from the Speaker's table and agree to it by unanimous consent if we could, assuming the gentlewoman is correct that this is a loophole.

Ms. HOLTZMAN. If the gentleman will yield, I want to thank the distinguished chairman for his acknowledging the fact that it is a loophole. We were hoping to get this problem corrected in this piece of legislation, this palpable deficiency. The State of New York has a problem in correcting this matter on its own because it does not want to raise benefits for a special segment of people on SSI.

Mr. MILLS. Mr. Speaker, in view of the interest that not only these two fine, beautiful lady Members of the House have in this bill, but of all of the other Members, I assume, from the State of New York, and because I do not have such an amendment available, I am going to ask to withdraw the bill.

We do have this scheduled for consideration next Monday or Tuesday under suspension of the rules. My staff people tell me that we can have an amendment drafted, and I will move to suspend the rules and pass the bill and include this amendment with it.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. PETTIS. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, as a Representative of a "cash out" State, I am deeply concerned that the urgent needs of certain SSI recipients in these cash-out States—New York, California, Nevada, Massachusetts and Wisconsin—are not adequately provided for in the proposal under consideration today.

The mandatory supplementation provisions of Public Law 93–66, passed by Congress last year, attempted to guarantee that those recipients who were grandfathered in from public assistance rolls to the SSI program would receive at least the amount of cash assistance they had received in December of 1973. However, we failed to realize that, even if the grant levels were stabilized on a December 1973 basis, an individual who also participated in the food stamp program could suffer a reduction in total purchasing power if his or her State chose to cash out food stamps. We had failed to include in the mandatory supplementation the bonus value of food stamps previous participation in the food stamp program had rendered to these individuals.

As a result, the program operates in an inequitable manner. Any person who received a cash payment on public assistance which was below the State average payment level created by the SSI program, was converted to a SSI benefit level which includes the cash out of the bonus value of food stamps.

But many of country's poor aged, blind, and disabled have special needs that were previously met by public assistance at a rate higher than the States average SSI payment level, conversion for these needy recipients did not include the cash out of the bonus value of food stamps. They were simply converted at the rate of public assistance they had previously received totally disregarding the benefits they had received through participation in the food-stamp program. As you know, recipients in cash-out States are prohibited from participating in the food stamp program; so these individuals, including 40,000 New Yorkers, receive neither a cash out nor food stamps.

This inequity could be remedied if the cash-out States were to include in their mandatory supplementation payments an amount equal to the bonus value of food stamps for this latter group of SSI recipients. Accordingly, I propose the following amendment:

SEC. 1. That section 212(a)(3)(B)(i) of Public Law 93–66 is amended by striking out "and" after "June 1973," and inserting in lieu thereof the following: "together with the bonus value of food stamps in such State for January 1972, as defined in section 401(b)(3) of Public Law 92–603, for which such individual was eligible, or would have been eligible had he applied, in December 1973, if, for such month, such individual resides in a State which provides State supplementary payments (I) of the type described in section 1616(a) of the Social Security Act, and (II) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps, and".

SEC. 2. (a) The amendment made by the first section of this Act shall take effect on January 1, 1974.

(b) The Secretary of Health, Education, and Welfare is authorized to prescribe regulations for the adjustment of an individual's monthly supplemental security income payment in accordance with any increase to which such individual may be entitled under the amendment made by the first section of this Act: *Provided*, That such adjustment in monthly payment, together with the remittance of any prior unpaid increments to which such individual may be entitled under such amendment, shall be made no later than the first day of the first month beginning more than sixty days after the date of the enactment of this Act.

Mr. Speaker, I will just make this comment: I am very glad that the chairman of the committee is willing to conside this matter in this way at this time. We think this is an important problem, and it is one that should be properly addressed.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. PETTIS. I yield to the gentleman from California.

Mr. BURTON. Mr. Speaker, I missed the earlier part of the debate. I will just say that I would hope at some stage of the proceedings this situation could be remedied.

As we all know, the Governor of our State, Governor Reagan, has been antagonistic to this entire notion. It so happened that Governor Reagan, who has really resisted the implementation of the SSI program, sometime in the latter half of last year entered into some conversations with a former appointee of his who is now engaged in executive *responsibilities* in the Department of HEW. Based on those very informal conversations and informal communications, he has tried to lay the basis in our State that no recipient is eligible for food stamps, in spite of the fact that we passed the farm bill and included an assurance that no recipient would have an overall reduction in income.

Mr. Speaker, although I must admit there is not a great number of these persons involved—there are perhaps some 5,000 to 12,000 such people in our State—I would hope that this legislation, before it runs its course, would permit remedying the unbelievable situation that in this period of skyrocketing inflation the elderly and, more importantly in our State as it affects this category, the disabled poor have found themselves, as a result of SSI and its implementation by our State, having been chiseled out of a couple of bucks a month.

I am not sure at what stage of the proceedings we ought to press this matter, but I would urge my dear friend, the distinguished gentleman from California (Mr. Pettis) as well as the distinguished chairman of the full committee, that they address themselves to this problem.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. PETTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, I am not certain, but I believe that my friend, the gentleman from California (Mr. Burton) is raising the same question that was raised by our friends, the Members from New York, because the five States that I referred to that have cashed out the food stamps heretofore are California, Massachusetts, Nevada, New York, and Wisconsin.

I have agreed with the gentlewoman from New York (Ms. Holtzman) that they did it because they found a loophole, which was certainly not intended, in the bill which the gentleman is so well informed on and which we passed, taking over the SSI program for Federal Government administration.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. PETTIS. I yield to the gentleman from California.

Mr. BURTON. Mr. Speaker, I would like to commend the distinguished chairman of the full committee and note that this particular program is going to enormously simplify maintaining income for the aged, the blind, and the disabled. It is going to reduce enormously the administrative costs. It is contrary to the congressional will that these elderly, blind, and disabled poor lose a few bucks, and that is what we are talking about, $3 or $4 each for a number of them, during this period of runaway inflation.

Mr. Speaker, I commend the distinguished Chairman for his response.

Mr. MILLS. Mr. Speaker, if the gentleman will yield further, as I said earlier, I want to withdraw the bill. For the benefit of my friend, the gentleman from California (Mr. Burton) since I do not know whether he was here earlier, I did call the attention of the House to the fact that I intend to call the bill up under suspension of the rules Monday or Tuesday with an amendment that will correct this situation.

Mr. PETTIS. Mr. Speaker, I withdraw my reservation of objection.

Mr. MILLS. Mr. Speaker, I withdraw the bill.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 12281, extending the suspension of duties on certain forms of copper, which was passed earlier.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 286]

Adams
Ashley
Blatnik
Boland
Bowen
Brasco
Burke, Calif.
Carey, N.Y.
Cochran
Derwinski
Diggs
Dorn
Drinan
Fish
Fisher
Fraser
Gray
Harsha
Hébert
Holifield
Howard
Jarman
Kyros
Lott
Martin, Nebr.
Moss
Nelsen
O'Hara
Pepper
Pike
Rangel
Reid
Rooney, N.Y.
Sandman
Stratton
Stuckey
Wiggins
Wyatt

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF CERTAIN WORKS IN THE COLORADO RIVER BASIN TO CONTROL THE SALINITY OF WATER DELIVERED TO USERS IN THE UNITED STATES AND MEXICO

Mr. DELANEY. Mr. Speaker, I call up House Resolution 1166 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1166

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against section 205 of said substitute for failure to comply with the provisions of clause 4, rule XXI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from New York (Mr. Delaney) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1166 provides for an open rule with 1 hour of general debate on H.R. 12165, a bill to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico.

House Resolution 1166 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. House Resolution 1166 also provides that the substitute shall be read for amendment by titles instead of by sections.

House Resolution 1166 provides that all points of order against section 205 of the substitute for failure to comply with the provisions of clause 4, rule XXI of the rules of the House of Representatives—prohibiting appropriations in a legislative bill—are waived.

Title I of H.R. 12165 authorizes a desalting complex to be constructed near Yuma, Ariz. It authorizes the Secretary of the Interior to advance funds to the U.S. section of the International Boundary and Water Commission with which to construct, operate, and maintain that portion of the reject brine channel located in the Republic of Mexico.

Title I also authorizes appropriations in the amount of $116.5 million for the desalting complex. An additional amount of $34 million is authorized for the boundary pumping program.

Title II authorizes the Secretary of the Interior to construct, operate, and maintain four specific salinity control projects as an initial stage of an overall salinity control program. They are: The Paradox Valley unit, Colorado, the Grand Valley Basin unit, Colorado, the Crystal Geyser unit, Utah, and the Las Vegas Wash unit, Nevada. Title II authorizes appropriations in the amount of $82.7 million for these programs.

Mr. Speaker, I urge the adoption of House Resolution 1166 in order that we may discuss and debate H.R. 12165.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolutions 1166, as previously explained, provides for the consideration of H.R. 12165, the Colorado River Basin Salinity Control Act, under an open rule with 1 hour of general debate. The rule has several other provisions. It makes the committee substitute in order as an original bill for the purpose of amendment, provides that the substitute be read by titles instead of by sections, and waives points of order against section 205 for failure to comply with clause 4, rule XXI, which deals with appropriations on a legislative bill.

H.R. 12165 has two titles. Generally, the first deals with a program of salinity control and management on behalf of the quality of water delivered to Mexico. Title II deals with the management of salinity generally, within the Colorado River Basin, with its purpose being to improve the quality of water available for use within the United States and within Mexico.

Mr. Speaker, I urge adoption of this rule so that the House may proceed to consider the merits of this legislation.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HOSMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 402, nays 1, not voting 30, as follows:

[Roll No. 287]

YEAS—402

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Neill
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Gross

NOT VOTING—30

Adams
Ashley
Blatnik
Boland
Bowen
Brasco
Carey, N.Y.
Derwinski
Diggs
Dorn
Esch
Fish
Frelinghuysen
Griffiths
Gubser
Hanna
Hansen, Wash.
Hawkins
Hébert
Howard
Meeds
Moss
O'Hara
Owens
Pepper
Railsback
Reid
Rooney, N.Y.
Sandman
Wyatt

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Derwinski.

Mr. Rooney of New York with Mr. Railsback.

Mr. Adams with Mr. Esch.

Mr. Brasco with Mr. Sandman.

Mr. Boland with Mr. Fish.

Mr. Carey of New York with Mr. Wyatt.

Mr. Diggs with Mr. Ullman.

Mr. Reid with Mr. Gubser.

Mr. Pepper with Mrs. Griffiths.

Mr. Howard with Mr. Hanna.

Mr. Meeds with Mr. O'Hara.

Mr. Moss with Mr. Blatnik.

Mr. Hawkins with Mr. Dorn.

Mr. Ashley with Mr. Frelinghuysen.

Mr. Bowen with Mrs. Hansen of Washington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12165 with Mr. OBEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. JOHNSON) will be recognized for 30 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California.

Mr. JOHNSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 12165 to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico.

Before explaining the details of this measure, I would like to take this opportunity to express my appreciation to the chairman, ranking member and my other colleagues on the Committee on Interior and Insular Affairs for their support and assistance in bringing this bill to the floor at this time. Except for the unanimous support of the entire committee membership at every stage of the proceedings on this measure we would not be in a position to debate and pass it today.

I characterize the bill as a milestone for three reasons. One, its principal thrust is toward environmental improvement as distinct from most measures coming out of our Water and Power Resources Subcommittee where water utilization is the usual purpose. Second, the bill, particularly title I, will resolve—hopefully for all time—a matter of serious international concern between the United States and the Republic of Mexico. Third and last, we are concerned with the authorization of, far and away, the largest desalting plant ever undertaken anywhere in the world—thus achieving a major dividend for our more than 20 years of support of the research and development programs of the Office of Saline Water, Department of the Interior.

Mr. Chairman, H.R. 12165 consists of two separate titles. Title I is identified as "Programs Downstream from Imperial Dam" and is legislation to authorize measures and programs needed to implement a recent international agreement with the Republic of Mexico to resolve, definitely, the long-standing problem of salinity in the flows of the Colorado River water entering Mexico.

By way of background to title I, it may be helpful to review for the Members that the U.S. Government entered into the Mexican Water Treaty of 1944—in which a commitment was made to deliver 1,500,000 acre-feet of water annually to Mexico in the Colorado River at the international boundary. The treaty and its record of negotiation and ratification makes it clear that no quality limitations were explicitly imposed on this water; and it is equally clear that all then concerned realized that irrigation return flows would comprise a portion of the annual delivery.

For many years following the effective date of the treaty the United States delivered many millions of acre-feet of water, of reasonably high quality, to Mexico. Beginning about 1961, the United States commenced preparations for the filling of Lake Powell by increasing the storage content of Lake Mead. This action reduced the delivery to the treaty level of 1,500,000 acre-feet. At about the same time irrigation drainage flows from the Wellton-Mohawk division of the Gila project commenced to enter the river system. These flows were highly saline. The combination of these two developments caused the average salinity of the water entering Mexico to rise dramatically and to become a source of much concern to the Mexican Government and the Department of State.

Interim measures were taken by the Department of the Interior to accumulate the Wellton-Mohawk drainage water; to convey about 50,000 acre-feet past the Mexican Diversion Dam known as Morelos; to exempt this water from treaty accountability; and to replace it by a like amount of water from storage in American reservoirs. This arrangement existed for several years and of course resulted in an overdelivery on the American obligation.

In 1972, by international agreement, the United States agreed to bypass an additional increment of drainage water and to replace it with high-quality groundwater, thus increasing the overdelivery to about 118,000 acre-feet annually. This is the arrangement that exists at the present time.

Since the water being overdelivered to Mexico is being taken from the flows of the Colorado River that are, by compact, the entitlement of the seven States of the basin, there is a clear and present need to reduce the overdelivery and to identify a source of replacement water for that being overdelivered. The domestic thrust for this legislation rises from this fact.

Despite the interim arrangements which have been undertaken, the question of salinity continued to be a troublesome point in our relations with Mexico—so much so that President Nixon, in June of 1973, appointed a special representative to identify a permanent and definitive solution to the problem. The representative designated for this duty was the Honorable Herbert Brownell of New York. Ambassador Brownell developed a plan which, with the approval of the President, was presented to the Mexican Government. The plan was accepted and an agreement known as Minute No. 242 to the Mexican Water Treaty of 1944 was executed on August 30, 1973, in Mexico City. Title I of H.R. 12165 authorizes the facilities and measures required to give meaning and effect to Minute No. 242.

The minute guarantees that the salinity of the water delivered to Mexico shall be keyed to the salinity of the water arriving at Imperial Dam, the farthest downstream diversion point on the river in the United States. It requires that the salinity at the border shall be within 115 parts per million—give or take 30 parts per million—of the quality at Imperial Dam. This will be accomplished by desalting a portion of the drainage flows from the Wellton-Mohawk project, rejecting a portion of the flow as brine to the ocean and blending the product water with the untreated drainage water to assure the quality limitations set forth in the minute.

Accordingly, the centerpiece of title I is a large desalting plant to be located near the Mexican border, adjacent to Yuma, Ariz. This plant will be capable of producing 100,000,000 gallons of product water per day. This, in other terms, will amount to 144,000 acre-feet of drainage water converted to 101,000 acre-feet of product water and 43,000 acre-feet of brine. The product water will be blended with 31,000 acre-feet of untreated drainage water to achieve an overall product for delivery to Mexico and meeting the commitments of our Government.

Additional measures are authorized to assure that the drainage outflow from the irrigation project will not exceed 175,000 acre-feet annually; to prevent surface flows from entering the Wellton-Mohawk drainage system; to provide an interim source of replacement water; to identify permanent sources of replacement water; to secure project right-of-way across an Indian reservation; and to preserve groundwater aquifers along the international boundary from the adverse effects of Mexican pumping.

The desalting complex authorized by title I of H.R. 12165 will be complete with facilities for accumulating and managing the feedwater; for blending and delivery of the product water to the river; for discharge of the reject brine to the Santa Clara Slough, an arm of the Gulf of California; and corollary facilities for construction and operation of the plant. These consist of access roads, railroad spurs, power supply, shops, headquarters, and other operating facilities.

Mr. Chairman, there are several aspects of the desalting complex which are worthy of more specific mention for the information of Members. The first of these are the facilities for accumulation and management of the drainage water issuing from the Wellton-Mohawk division. An adequate system of drainage wells and collection drains has been installed and is in operation. This system produces approximately 250,000 acre-feet of drainage water at the present time. To limit the drain flow to 175,000 acre-feet per year, it is planned to acquire at least 10,000 acres of irrigable lands of the Wellton-Mohawk project and to retire it from service. The lands to be acquired are those which, on the basis of careful study, are contributing a maximum of salinity to the river system. The quality and quantity of drainage will be further limited by a program of work designed to achieve increased efficiency in irrigation water use in the remaining lands. This will be accomplished through assistance to water users in the installation of system improvements on the farms and will be carried out cooperatively with the Department of Agriculture whose participation is specifically authorized by the legislation. In order to be certain that surface flows of the Gila River will not enter the Wellton-Mohawk drainage system, it is planned to change the operating regimen of Painted Rock Reservoir, an existing flood control facility constructed on the Gila River by the Corps of Engineers—upstream from the Wellton-Mohawk. This facility now operates merely as a detention reservoir and thus requiring that only flowage easements be acquired in the area above the dam, it will be necessary to impound water for a longer period of time and the bill provides conditional authority to acquire fee title to the required right-of-way. This authority will only be exercised if the Courts find that the present easements are not broad enough to permit extended inundation of reservoir lands.

The only work required to be accomplished on the existing drainage outlet system is the replacement of an existing metal flume with a concrete structure and the extension of the bypass through Mexican territory to Santa Clara Slough. The work to be accomplished in Mexico will be done by the Mexican section of the International Boundary and Water Commission, Department of State, with funds transferred to the Mexican Government through the U.S. section of the Boundary and Water Commission.

H.R. 12165, as reported, also authorizes the Secretary of the Interior to transfer 360 acres of public domain lands to the Cocopah Tribe of Indians, to be held in trust as reservation lands in consideration of a right-of-way across the reservation for the reject brine channel. Adequate crossing structures will also be provided across the channel so that the tribe may have ready access to all of its lands.

As I pointed out earlier, there will be an annual brine stream of approximately 43,000 acre-feet of brine from the desalting plant. This amount of water is exempt from treaty accountability and must be replaced with useable water from some source. The legislation provides that the responsibility for this increment of replacement supply is a national obligation, as distinct from any of the States of the basin, and authorizes studies to be completed by 1980 of measures to supply this added amount of water to the Colorado River system. These studies will be financed at project expense and $2,000,000 is included in the amount to be appropriated for conducting them. Constraints are also included in the legislation as to the sources of replacement water which might be considered. My friends and colleagues from the Columbia River Basin States will appreciate that their river system is off limits insofar as it might constitute a source of water for this replacement purpose.

The initial source of replacement water provided by the legislation will be from the Colorado River water salvaged and saved through lining and reconstruction of 49 miles of the Coachella Canal in California. This facility is served from the All-American Canal which diverts, in turn, at Imperial Dam near Yuma, Ariz. Through a program of reconstruction and lining it will be possible to salvage more than 100,000 acre-feet of water now being lost to seepage. This amount of water will thus remain in storage and be, in an accounting sense, used to credit the States for previous overdeliveries and to replace the reject brine after the desalting plant begins to operate. When the central Arizona project is completed and the State of California is obliged, in accordance with the terms of the Supreme Court decree in Arizona against California, to reduce its diversions from the Colorado River to 4,400,000 acre-feet annually, the use of Coachella salvage water for replacement will terminate. By then a source of replacement water is expected to have been identified as pointed out above.

H.R. 12165 further provides that the cost of lining and reconstruction of Coachella Canal be repaid in 40 equal annual installments, on an interest-free basis. However, payments are waived for the interim period that the salvage water is used as a source of replacement of the reject brine from the desalting plant. When the interim period is ended, the Coachella District will assume responsibility for payment of the remaining annual installments.

Appropriate adjustments to reduce the repayment obligations of the Imperial Irrigation District are also authorized by the bill—in recognition of capacity rights in Coachella being relinquished by the Imperial District in the reconstructed canal.

The facilities and measures comprising the desalting complex will be a national obligation except for on-farm system improvements benefiting the water users of the Wellton-Mohawk division. The legislation authorizes appropriations in the amount of $116,500,000 at April 1973 price levels for the accomplishment of the desalting complex and related programs.

Title I also authorizes a program of groundwater pumping along the border in the vicinity of San Luis, Ariz. The purpose of this program is to preserve groundwater from appropriation by pumping now being performed by Mexican interests immediately adjacent to the border in this area. If the Mexican pumping program is not compensated, groundwater inflows to the boundary section of the river will diminish and additional releases from storage will be required to accomplish the 1,500,000 acre-foot obligation. The well field, for which title I authorizes $34,000,000 to be appropriated, will have the capacity to produce 160,000 acre-feet annually—either for delivery to Mexico or for use in the United States. To the extent that the water is delivered to Mexico, its cost of production will be nonreimbursable as a national obligation.

Mr. Chairman, the measures I have discussed to this point are those which are supported generally by the executive branch. They benefit, directly, Mexican interests and have no direct beneficial effect on our citizens. The Committee on Interior and Insular Affairs is pleased to participate in resolving this source of international tension. Yet, it is the feeling of the committee that our own citizens are just as worthy of consideration as are the foreign interests. Accordingly, H.R. 12165 includes title II, programs upstream from Imperial Dam, which when implemented will signal the start of a program designed to improve and control the salinity of water at the several points of diversion for use within the United States.

Let me say at this point that the administration's position on the programs included in title II is ambiguous. The testimony before our committee is to the general effect that the executive branch supports the objectives of title II but prefers that the title not be enacted at this time. The need for more study is cited as the basis for this position. I would like to put this issue in perspective.

Beginning in 1962, the Congress mandated the Secretary of the Interior to monitor and report on the salinity of the Colorado River system. Biannual reports have thereafter been submitted by that Department. These reports show that the quality of the water available for use in the lower basin has steadily deteriorated. This is not a surprising finding since all expert opinion has long recognized that the works of man have this effect on any river.

In the last 12 years the U.S. Government has accumulated a great deal of information on the causes of salinity, the sources contributing to it, the actual salinity levels of the river flows at many locations, and the cost of means and measures to limit and control these levels.

There is full agreement between the Federal Government represented by the Environmental Protection Agency and the States of the Colorado River Basin that the objective of any control program should be the limiting of salinity in the lower river—to existing levels as the Upper Basin States proceed to develop their water entitlements pursuant to the Colorado River Compact and the Upper Colorado River Compact. This means, succinctly stated, that if additional economic development is to be achieved through water resource development and utilization in the Upper Basin States some of the existing sources of salinity must be brought under control.

This objective is being given increasing urgency every day that passes, particularly as we enact legislation pointed toward utilization of the coal and oil-shale resources in the basin as part of our thrust for energy self-sufficiency. It makes no difference, Mr. Chairman, whether the remaining undeveloped water in the States of New Mexico, Wyoming, Colorado, and Utah is used for conventional agricultural purposes or newly developed technology for fossil fuel extraction and conversion, the effect on residual salinity content is likely to be the same. That is to say, the river is bound to get worse unless we do something about it and do it quickly. Millions of people in virtually every metropolitan area in the southwest rely on this river for life-giving water supplies. To name only the major areas—there are Los Angeles, San Diego, shortly Phoenix and Tucson, Las Vegas, Salt Lake City, Denver, and Albuquerque—most of them geographically outside the basin but no less dependent upon it.

Title II is a response to this need. It mandates continued study of the problem. It identifies 13 specific sources of salinity for expedited study and authorizes development, operation, and maintenance of an initial program of works covering four well-known sources of salinity contribution to the river.

The programs to be immediately authorized by title II are known as Paradox, Colo.; Grand Valley, Colo.; Crystal Geyser, Utah; and Las Vegas Wash, Nev.

The bill authorizes appropriations in the amount of $82,700,000 with which to construct these programs. They have a cumulative capability of preventing the entrance of 381,000 tons of salt each year into the river.

The legislation provides that 75 percent of the cost of constructing the salinity control measures be nonreimbursable. Since salinity is a form of pollution and is not readily identified with specific individual parties for its cause, it is considered by our committee to be appropriate to assign this amount as a Federal expense in the same sense that grants for municipal treatment facilities are provided at this level.

The remaining costs of the programs are subassigned to the Upper and Lower Basin States for repayment and use of existing basin accounts is authorized for this purpose. In the case of the upper basin fund, a specific power rate increase is authorized as a source of revenue for this purpose.

Mr. Chairman, in conclusion let me say that this bill has had a great deal of careful study by our committee. It passed at every level of consideration without a dissenting vote. As I said at the start, it is a milestone measure. It marks the beginning of a national commitment to do something about the quality of life as that is defined by adequate supplies of useful water. I am confident that the Members of this House will rise to the occasion to join with us in grasping this opportunity today.

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to associate myself with the remarks of the distinguished chairman of our Water and Power Resources Subcommittee and to join him in full support of this bill.

The gentleman from California has presented a very comprehensive and detailed analysis of the bill's provisions, and I compliment him on the leadership he has given our committee in developing this excellent legislation.

What we have before us, Mr. Chairman, is a bill that combines and implements the best elements of foreign policy and the most enlightened elements of domestic policy.

On the one hand, we are supporting a generous commitment the President has made to our friendly neighbor to the south, the Republic of Mexico. In passing this legislation, the Congress is joining the President in saying to our Mexican neighbors, "The United States has no legal obligation to clean up the water of the Colorado River before delivering it to Mexico, but we recognize that our use of this water is polluting it so badly that it is of little economic use to Mexican farmers. So we are going to take the initiative and clean it up ourselves, not as the fulfillment of a legal requirement but simply out of our desire for continued friendship and good relations with your nation."

Mr. Chairman, that is the good neighbor policy operating at its very best.

On the other hand, we are saying to our own people that charity begins at home. We take care of our international commitment in title I and then move on to take care of our domestic needs in title II. At the same time that we are cleaning up the water for Mexico's use, we are initiating upstream antipollution measures that will clean it up for our own use.

I am hopeful, Mr. Chairman, that this bill is just the beginning of our efforts to depollute the rivers, streams, and lakes of this country. What we are doing in the Colorado River Basin can also be done in the Rio Grande Basin, the Canadian River Basin, the Missouri River Basin and, eventually, in all of the water systems of America.

It is significant that this beginning is being made in the form of a gesture of good will toward our neighbor, for such a gesture is a mirror of the generosity of the American spirit; but it is also significant that this beginning provides equal benefits for our own citizens, for this is a reaffirmation of our belief in a national policy of enlightened self-interest.

Mr. Chairman, I join my colleagues on the committee in full support of this bill and urge a unanimous vote for its passage.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Chairman, I join the gentleman in support of this bill. I rise in support of this bill and urge its passage. But in so doing, I want to make two points clear:

First. The executive branch of the Government took it upon itself to make a commitment to the Republic of Mexico to the effect that the United States will clean up the Colorado River water before it flows into Mexico. The extent of the commitment and therefore the cleanup is a little ambiguous. In any event, thereafter the Executive asked the Congress to fulfill this commitment by authorizing a very expensive desalination project. The bill before us will do that. And we should pass it to avoid embarrassing the President and our Government.

At the same time, however, the Congress must make it clear that the United States has absolutely no legal obligation to do this.

The United States has never, in any way, obligated itself to deliver a specific quantity of water to the Republic of Mexico. The President may have done so for himself, but he was legally unable to bind our Government, our country. That should be crystal clear.

The United States has never, in any way obligated itself to deliver any specified quality of water to the Republic of Mexico.

With this bill, we are not, repeat not, creating or affirming any such obligation to deliver water of any specified quantity or quality to our good neighbors to the South.

What we are doing—and all that we are doing here today—is making a magnanimous gesture to our neighbor, on our own initiative, out of the goodness of our heart.

I have no objections to our doing this. It is a fine and generous thing to do. But in this, as in other matters of foreign assistance, or protocol or good will, I believe we should first take care of our country's needs before spending U.S. tax dollars to take care of the needs of others.

Also, it should be understood that others, in this case Mexico, should reciprocate and assume their just duties and obligations on their side of the border. That means they should provide the necessary outlays for lining the drainage ditches and doing the other things necessary to improve the irrigation situation in Lower California. They should also exercise proper restraint in pumping near irrigation wells in Lower California. I hope and trust that this will be done.

And that brings me to my second point, Mr. Chairman.

What we also have done with this bill, which I sponsored, is to provide for improvements of our own water at the same time, upstream on the American side of the border, we are improving the water that goes to Mexico.

We have done this by adding title II, to the bill which authorizes four desalinating projects on the upper reaches of the Colorado.

Some have suggested that perhaps the executive branch will move ahead swiftly on title I, which fulfills its commitment to Mexico, but drag its feet on implementing title II, which fulfills the commitment of the Congress to the American taxpayers.

I want it clearly understood that the intent of this legislation is to move ahead on both titles; to begin cleaning up our own water at the same time we clean up the water going to Mexico.

With those two points in mind, Mr. Chairman, I repeat that I support this bill and urge its swift passage.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I rise in support of H.R. 12165 and to associate myself with the presentation of the manager of the bill and chairman of the Subcommittee on Water and Power Resources. He has explained comprehensively the background of this legislation and its detailed provisions. This need not be repeated.

I am proud to be a cosponsor of this legislation along with my colleagues on both sides of the aisle from the States of the Colorado River Basin. I am sure that each of them shares my interest in this matter and, further, shares my view that in the West there are no political parties when the issues are water and its management. Nevertheless, there may be some who will express reservations concerning this measure—who will say that we have no obligation to perform these programs—and who will become conscience stricken over the apparent cost. Despite these reservations, some of which I share, it is my strongly held view that we cannot afford to fail to get on with both titles of this bill and to do so at once.

I would like to commend the President and his special representative, Ambassador Brownell, for devising a program and bringing it to the Congress for authorization. As most are aware, I am not always supportive of the administration's actions but I am most pleased to say that its handling of the Mexican salinity question is both timely and imaginative and reflects great credit on our Nation.

Title I—the Mexican salinity program—is long overdue. For a dozen years or more our Nation has been delivering water to the farms and villages of the Mexicali Valley in the State of Baja California. This water was often unfit for use in the light of the level of technical expertise available to the Mexican water users. Admittedly, some interim steps have been taken which have helped the situation in recent years but they are not viable solutions from either the standpoint of the Mexican interests or the long-term well-being of the Basin States.

For several years I have been a member of the United States-Mexico Interparliamentary Conference. At each of our annual meetings the Colorado River salinity problem has been of top concern to our Mexican colleagues. Whether this concern is symbolic or tangible makes little difference. It is no less real and until it is resolved it will stand as a barrier to the kind of relationship we wish to maintain with an immediate neighbor, one who is the fifth largest buyer of U.S. products and with which we consistently maintain a favorable balance of trade.

Desalting technology developed by the Department of the Interior, under the overview of our Committee on Interior and Insular Affairs, now affords an engineeringly feasible solution. And, apart from affording an answer to this immediate problem, construction of this large facility will demonstrate that there exists a means to cope with social and economic crises emerging in other parts of the world. I cannot overemphasize, Mr. Chairman, the necessity of testing and proving our capability to solve large-scale water and water quality-related problems in our own public interest—and in the interest of our role as the leading Nation of the world. The works authorized by this bill will afford this proof or, alternatively, point the way to additional needed developmental research.

Here at home, on the domestic scene, many of us are occupied practically full time on energy matters—primarily on measures needed to assure self-sufficiency in an early time frame. One of the truly perplexing issues that face us is our capability to find, regulate, and preserve adequate water resources to support the energy developments of the near future. Certainly a capability to convert brackish water to useful form and to reclaim that water after it has once been used—so that it may be reused—is as vital to our attainment of self-sufficiency as any other aspect of the technological question. The Wellton-Mohawk Desalting Plant will take us a long first stride down the road to demonstrating a self-sufficiency in problem solving.

On the issue of whether the United States is obligated to do what we propose here to do I would like to point out that there is more than one kind of obligation. As to a clear legal obligation—we perhaps have none. There is, however, an obligation of conscience and another of commonsense. The implications of the former are clear and require no explanation or justification. Also, as a matter of practical commonsense, it should not be necessary to dwell on the importance of our diplomatic and economic relationships with the Republic of Mexico.

Finally, as a native of the southwestern desert which encompasses my State of Arizona and much of northern Mexico, I have a deep understanding of the importance of the river as a symbol of life for the inhabitants of the region. Our very existence, both in the United States and Mexico, is dependent on maximizing our use of this great resource for agricultural and domestic water supplies. The survival of our regional social order is tied to the quality and, consequently, the utility of the river's flow. Without the programs that will be accomplished under this legislation we have little hope of preserving our existing economic and social order—much less improving it.

For these reasons I support both titles of H.R. 12165 and urge its passage.

Mr. LUJAN. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, I would like to echo the warm, sincere sentiments of my friend, the gentleman from Arizona (Mr. UDALL), with respect to the efficacy of this bill. I would like to do that, but I do not find myself as enthusiastic about it as he is. I am going to vote for the bill, because I think its passage is inevitable; but I think somewhere in this record it ought to reflect that we never did examine whatever alternative devices might have been used. We never did examine the real need beyond the outraged screams of diplomats on both sides of the border.

Having said that and having pointed it out, I have done nothing else but ease my conscience, because I am going to vote for this legislation.

I wonder if the distinguished chairman of the subcommittee, the gentleman from California (Mr. JOHNSON) would consider responding to a question about a specific problem in my area.

Mr. JOHNSON of California. Yes, I will yield to the gentleman.

Mr. STEIGER of Arizona. In section 101(h) of the bill there is a provision that the Secretary is authorized to provide specific assistance to the water users in a specific division in installing improvements.

Is it the intention, as the gentleman understands it, that this provision would also authorize the Secretary to assist the Wellton-Mohawk irrigation and drainage district in installing system improvements, since that district is made up of the individual water users?

Mr. JOHNSON of California. Yes. There are funds and they would be there and available at the discretion of the Secretary.

Mr. STEIGER of Arizona. I thank the distinguished chairman of the subcommittee for making the record very clear on that. I know that was the intent.

I would like to point out one thing that the record ought to reflect in this effort, that as the gentleman from Arizona (Mr. UDALL) pointed out, this particular effort, although required by what I consider inappropriate demands, was responded to in a most efficient fashion by the Brownell committee or commission made up, surprisingly enough, not of political legatees, but of people who understand the problem, as a result of our examination and negotiations that we arrived at what appears to be, at least, one solution to a problem that is very real in the minds of Mexican citizens.

Mr. Chairman, those who have spent a great deal of time on this are to be congratulated. As far as I am concerned, the taxpayer deserves our sympathy, if nothing else.

Mr. JOHNSON of California. I yield 5 minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, seldom in my tenure in Congress has there been a bill on which I felt so keenly with regard to the clear right and wrong as I feel about this bill.

I very firmly support this legislation. I think it is long overdue. Some 2 years ago I introduced a bill to achieve the same objective.

I think this is just a simple question of right and wrong, and that we in the United States should perform our responsibility as good neighbors to perhaps the best neighbors that we have in the world.

In 1944, we solemnly signed a treaty under which we agreed to provide to the Republic of Mexico and its people a minimum of 1½ million acre-feet annually of water in the Colorado River, which flows through the United States before it enters the neighboring Republic of Mexico. Implicit in that agreement was the assumption that the water so provided should be usable water, reasonably free from serious pollution or artificially induced contamination.

But, in the 30 years that have intervened since our signing of that treaty, harmful saline content in this water we have been delivering to our neighbor under that treaty has increased from approximately 900 parts per million initially, to an extremely high and devastating level presently estimated to run from 2,500 to 5,000 parts per million.

Our own Department of the Interior has published studies which conclude that anything higher than 2,000 parts per million of saline mineral content renders water totally unacceptable for most cultivation; anything, for that matter, except for certain highly salt-resistant crops. These, unfortunately, are climatologically unsuitable for the area involved. As a result of our continuing to dump this great amount of harmful mineral content on the lands of our neighbor, what once was the most productive farmland in all of Mexico, a veritable garden known as the Mexicana Valley, has been grievously afflicted. Lifegiving crops have been annually killed by this heavy mineral intrusion. And much of that formerly lush and verdant valley has come to resemble a sun-bleached corpse.

Mr. Chairman, I have visited this country, and I can assure the members of the committee that the damage we have inadvertently inflicted upon these good neighbors has been immense. They now face the grim specter of permanent ecological damage hanging like a heavy cloud over the future of that entire region, because lands continually inundated by salt ultimately return to desert.

So, what in effect we have been doing has been almost analogous to a man dumping his garbage in his neighbor's well.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Mr. Chairman, I am happy to yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I think the gentleman is overstating a point here, if he has a point at all. The reason that there is a salt problem in the lower Colorado River is, one, during World War II when the treaty with Mexico was written, a lot of the Colorado River water was traded off so that the State of Texas could get the benefit of Rio Grande water, and that enhanced the salt problem in the lower Colorado River Basin.

Mr. WRIGHT. Mr. Chairman, I decline to yield any further because I just have a short time remaining.

Mr. HOSMER. Mr. Chairman, I would like to have the gentleman get it straight on the record what the facts are.

Mr. WRIGHT. Mr. Chairman, I was not a Member of Congress in 1944, and I do not know what motivated the Government to sign the treaty. I think it was a fair treaty. I was not aware, and the gentleman may be entirely correct in stating that some water inured to the benefit of the State of Texas from the Rio Grande River, but that was no part of that treaty. And it has utterly nothing whatever to do with the bill we are considering today.

Mr. Chairman, all I am saying is that once we contractually agreed with a neighboring country to furnish its citizens through this river 1½ million acre-feet of water a year, we implicitly assumed the responsibility to give them usable water. We have not done it. This has caused serious repercussions in our neighboring republic. Poverty has stalked the land which once was its most productive and most prosperous area.

There have been serious demonstrations by farm and union groups. Against us? No, against the officials of the Republic of Mexico for not having been successful in getting a rectification from us of this problem. Yet, they have not threatened us. They have been an example of patience.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JOHNSON of California. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, every year for the past 13 I have met with Mexican lawmakers. I have visited these afflicted lands. I just say to the members of the committee that it is the fair thing and the decent thing and the neighborly thing for us to do. I strongly support this bill and urge its adoption by an overwhelming vote.

Mr. LUJAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Chairman, to carry on the colloquy with the gentleman from Texas, this matter of a trade-off of the water between the Rio Grande and the Colorado River, to the disadvantage of the western States of California, Nevada, and Arizona principally, is a well-known event in the recent history of these United States.

The excessive 1½ million acre-feet of water that Mexico got was more than adequate at that time to take care of all of its needs and of all of its projected future needs into the next century.

Mr. Chairman, the reason that the lower Californians are having problems is not because, as the gentleman insists, that we have dumped salt on them.

We have, because of the Wellton-Mohawk project in the State of Arizona, dumped a lot of extra salt in the river. But in the first place, before and after, the Mexicans were and are getting actually what they are entitled to, and that is 1½ million acre feet of something wet. Absolutely no commitments regarding water quality were ever made to the Mexicans by anybody.

In the second place, they not only get the 1½ million feet, but they are now complaining about salt conditions which largely they could remedy themselves in Lower California by lining the drainage ditches and making the other improvements that are made according to good irrigation practices by irrigators up north of the border.

Mr. Chairman, there is no reason in the world to shed a lot of tears for the Mexicans in this instance. In the next instance, there is no legal obligation as to water quality, only as to quantity. This was set forth specifically back in World War II days when the treaty was written. There is no legal obligation to do anything with respect to what goes past the border, but to insure that it is wet and in the minimum quantity.

There is a quantity requirement. There is absolutely no quality requirement with respect to what goes down to Mexico.

There was not any trouble about this quality of the water in Mexico, even after the Wellton-Mohawk Dam was put in, until the present President of Mexico became an officeholder and, for whatever his reasons, insisted that something be done about it.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. Mr. Chairman, I will yield to the gentleman from Texas.

Mr. WRIGHT. This is simply for a factual correction. For 13 years representatives of Mexico have been talking with me and with other members of the interparliamentary delegation about the seriousness of this problem. It is not correct to say that there was not any problem until the present President of Mexico assumed office. I have visited the area afflicted, as have other Members, and I can assure the gentleman that this is not a new problem which has arisen with the present President of Mexico. It is a long-standing problem which has grown progressively worse.

Mr. HOSMER. Mr. Chairman, 13 years ago, coincidentally, was when the United States commenced to enforce the wetback law. Up to that time, the Mexicans had gone from Mexico up to California and Arizona, tending the tomatoes; and, when the U.S. Immigration Service insisted on enforcing the wetback law, then the farmers brought the tomato vines back below the border. Along with them the people came back to tend the vines now planted below the border. The farmers thought they would be better off with a little less salt content in the irrigation water. That is when this issue arose. Again I repeat that it was not even then, but only after the gentleman who is now the President of Mexico made a great big issue out of it. He made an issue out of it with the President of the United States. The President of the United States promised to do something about it, and this bill that we have before us is doing something about it.

Mr. Chairman, that the President made a commitment is the sole and only reason why I am supporting the bill today. But, I think the RECORD ought to show that this bill is going to cost the American taxpayers money ad infinitum, a heavy first investment capital charge. Then for operation about $50 million a year, or so, to keep the desalting plant going, till the future knoweth not to the contrary.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I will yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, it is not accurate to say that this bill is solely the result of an importuning of our President by the President of Mexico. Many of us here in the United States have been urging a solution to this problem for quite some while.

I personally called this to the attention of the President of the United States and urged that he do something about it before President Echeverria visited the United States for this purpose. So there have been some of us on this side of the river who do feel that we ought to be fair to our neighbors.

Mr. HOSMER. Mr. Chairman, I think we ought to stop giving away the water that belongs to the people of California.

Mr. LUJAN. Mr. Chairman, if the gentleman will yield, I agree that the gentleman is correct, there is no legal obligation, but I do think that a great deal has been done by putting a drainage system in to serve the Mexicali Valley. I do not believe there would be any objection to this, because there is no better way to gain the goodwill of our neighbor, at a time when we need it in many other respects.

So I think the money—and I am sure the gentleman would agree with me—that is being spent on this project is a goodwill gesture and represents a wise expenditure of money.

Mr. HOSMER. Mr. Chairman, I also believe that goodwill works both ways.

Mr. LUJAN. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. Cronin).

Mr. CRONIN. Mr. Chairman, as a member of the Committee on Interior and Insular Affairs, I rise to support this legislation for a very different reason than those which my colleagues from the West and the Southwest have expressed today.

I represent an area in the Northeast part of our country that is not going to be directly affected by the water that will come from this project. However, this project is going to provide for the building of the largest desalinization plant in the world. We have been preoccupied in this country with the oil shortage and the energy shortage for the last year, as well as the minerals shortage, and we have yet to face up to the pending water shortages which our Nation is going to face. The Office of Saline Water has received far less than the active support it should be receiving from this administration and from the people of our country.

This is the one area in which the United States has had supremacy in technology for some time. It is an area where we have been giving that supremacy away in recent years. It is an area where we are going to need this support in the very short run.

We are going to need water, and one of the best ways to get it is through the technology which the Office of Saline Water has been able to produce. I think this project, in which roughly half of the cost is going into the building of this new desalinization plant, is an investment in a program to combat the next major problem of this Nation, a problem which this Nation and the rest of the world is going to face—the question of water supply.

For these reasons, Mr. Chairman, I rise in support of this project, because I believe it is an investment in the future. It is an investment toward helping us solve the water problem which we are going to face in the years to come.

Mr. JOHNSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming (Mr. Roncalio), a member of the committee, and a Member who represents a Colorado River Basin State.

Mr. RONCALIO of Wyoming. Mr. Chairman, I would like to second the arguments which have been made by Members on both sides of the aisle, and by my colleagues on the committee, which I feel summarize in excellent form the reasons why this is good legislation, and which ought to be passed.

I particularly call the attention of Members to the fact that there are better than 3,500,000 tons per year of solvents, saline dissolved solids put into the waters of the Colorado River as a result of nature's functions in the Colorado or as a result of man's functions in the process of irrigating. Particularly the La-Verkin Springs, Utah, and Blue Mesa and Blue Springs, Ariz. areas, contribute some 700,000 tons a year of saline matter to the waters. In the Colorado and Gunnison irrigation projects, as a result of this flow from the irrigation of the Gunnison Valley, there has been better than 1 million tons a year. The other irrigation projects in Utah and in Arizona, of course, constitute the balance of the better than 3½ million tons a year that we add in the way of saline content to these waters.

They become, as my colleague, the gentleman from Arizona, said, clearly unusable either for man, for irrigation or for the use of animals.

The cost of the legislation is in excess of $233 million, but I submit that is a modest and altogether appropriate authorization at this time in the consideration of goals which serve a four-fold function, as this does.

First and foremost, this provides for cleaning the waters of one of our great rivers; second, it fulfills an international obligation to one of our two fine neighbors.

This is because we have caused damage to the lands of Mexicali, as our friend from Texas (Mr. Wright) so vividly pointed out.

Third, this plant that will be built in the Yuma area will contribute to the expertise to be gained in the water desalinization program.

Lastly, most certainly it will give us an opportunity to move in the direction of sharing expertise, which was discussed on these various fronts heretofore.

So far as the objections are concerned, I have been told this, and I believe a field trip that many of us took all through December a year ago has borne this out. This trip was taken immediately after the last election, as I recall it, when we visited virtually every discharge point on the Colorado River and talked to a great number of the people who would be involved in this area. We came away convinced that the Wellton-Mohawk in California exacerbated our Mexican water problem, and that the legislation would be in the best interests of this Nation and indeed of the entire hemisphere.

Mr. Chairman, I urge the enactment of this legislation.

Mr. JOHNSON of California. Mr. Chairman, I yield to the gentleman from Texas (Mr. de la Garza), such time as he may consume.

Mr. DE LA GARZA. Mr. Chairman, I very respectfully rise in support of this legislation, H.R. 12165, the Colorado River Basin Salinity Control Act. The history of this problem is well known—my esteemed colleague from Texas, Mr. Wright, has previously mentioned part of it; also, the very able chairman of the subcommittee which handled this legislation, Mr. Johnson of California, whom I commend for his very forceful and diligent handling of this legislation.

It has been a long time since the initial protest was made by Mexico that the salt content of the waters due them from the Colorado River under the Treaty of 1944 were beyond an acceptable level. Since then, Mr. Chairman, many people of good will have worked toward a solution—to mention just a few—President Richard Nixon; President Lyndon B. Johnson; and former Vice President Hubert Humphrey. And how could we ever forget the invaluable assistance of Commissioner Joe Friedkin of the U.S. section of the International Boundary and Water Commission; and certainly the Honorable Herbert Brownell.

In the Congress, there have been those Members who have served through the years on the several Interparliamentary meetings with our colleagues from Mexico. I have been honored to serve as a representative to those meetings for several years, and I am happy to have worked—be it in a very humble capacity—on the eventual solution to this very delicate problem. Many people on both sides of the border will benefit from this project.

Mr. Chairman, but above and beyond that, we have once again demonstrated to the world, that nations can live in peace and yet have problems, but that no problem is such that it cannot be settled by men of good will in a peaceful and civilized manner. And we have demonstrated that no nation is too small or too large in dealing with its neighbors—then you are just neighbors, no more, no less, and that equity and justice will prevail when those neighbors approach the conference table with mutual respect. A great Mexican once said, "Respect for the rights of others is peace." Our two countries have again upheld this theory—I am happy we have done so.

Mr. VANIK. Mr. Chairman, in order to fulfill our international obligations with Mexico, I feel bound to support this legislation to authorize $233.2 million to construct, operate, and maintain certain works in the Colorado River Basin so as to control the salinity of water delivered to users in the United States and Mexico. If Mexico had caused similar water quality damage to the United States, we would expect and demand the same from her.

As a letter to the Speaker from the Department of State notes:

> In respect to our international relations, the agreement removes a problem which has plagued our relations with Mexico for more than a decade. It demonstrates once again the willingness of the United States to resolve its differences with other countries, as well as our will and ability to find constructive ways to do so.

As the committee report indicates, much of the damage to the water quality of the Colorado has been caused by Bureau of Reclamation programs, in particular the Wellton-Mohawk division of the Gila project.

I would like to call the attention of the committee and the Congress to a similar problem which is developing on our northern border. If the Congress and the administration act now to take corrective action, maybe we can avoid having to construct a third of a billion dollars in repair works along the Canadian border 10 years from now.

On October 23, 1973, the Canadian Embassy transmitted to the State Department a very strong note objecting to the Bureau of Reclamation's Garrison diversion unit in North Dakota. On November 5th, State forwarded the note to Secretary of the Interior Morton and informed the Secretary that—

> Canada's position is consistent with that which the Department of State has taken in its communications and discussions of the Garrison project with the Bureau of Reclamation. We think that the obligation of the United States under the 1909 Boundary Waters Treaty should be very carefully weighed before further funds are expended on this project.

The Canadian objection—supported by a good number of American environmentalists—is that the Garrison project would degrade the quality of water flowing from North Dakota to Canada. In particular, it would turn the Souris River into something of a salt lick.

Despite these warnings, work is continuing on the Garrison diversion unit.

If work continues, the Canadians will insist on reparations. It will be a subject of bad blood between our two nations. It will end up costing us hundreds of millions of dollars to repair the damage caused. Yet if we act now, we can prevent that damage. I hope that the committee, the Departments of Interior and State, and the Office of Management and Budget can act now to prevent the Garrison project from creating the same type of problem that developed along the Mexican border—the same type of problem we are attempting to correct in this bill before the House today—a problem which could cost the taxpayers hundreds of millions of dollars.

Mr. JOHNSON of California. Mr. Chairman, I have no further requests for time on this side.

Mr. LUJAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by title the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purposes of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Colorado River Basin Salinity Control Act".

TITLE I—PROGRAMS DOWNSTREAM FROM IMPERIAL DAM

SEC. 101. (a) The Secretary of the Interior, hereinafter referred to as the "Secretary", is authorized and directed to proceed with a program of works of improvement for the enhancement and protection of the quality of water available in the Colorado River for use in the United States and the Republic of Mexico, in accordance with the provisions of this Act.

(b)(1) The Secretary as authorized to construct, operate, and maintain a desalting complex, including (1) a desalting plant to reduce the salinity of drain water from the Wellton-Mohawk division of the Gila project, Arizona (hereinafter referred to as the division), including a pretreatment plant for settling and filtration of the drain water to be desalted; (2) the necessary appurtenant works including the intake pumping plant system, product waterline, power transmission facilities, and permanent operating facilities; (3) the necessary extension in the United States and Mexico of the existing bypass drain to carry the reject stream from the desalting plant and other drainage waters to the Santa Clara Slough in Mexico, with the part in Mexico, subject to arrangements made pursuant to section 101(d); (4) replacement of the metal flume in the existing main outlet drain extension with a concrete siphon; (5) reduction of the quantity of irrigation return flows through acquisition of lands to reduce the size of the division, and irrigation efficiency improvements to minimize return flows; (6) acquire on behalf of the United States such lands or interest in lands in the Painted Rock Reservoir as may be necessary to operate the project in accordance with the obligations of Minute Numbered 242 to the Mexican Water Treaty of 1944; and (7) all associated facilities including roads, railroad spur, and transmission lines.

(2) The desalting plant shall be designed to treat approximately one hundred and twenty-nine million gallons a day of drain water using advanced technology commercially available. The plant shall effect recovery initially of not less than 70 per centum of the drain water as product water, and shall effect reduction of not less than 90 per centum of the dissolved solids in the feed water. The Secretary shall use sources of electric power supply for the desalting complex that will not diminish the supply of power to preference customers from Federal power systems operated by the Secretary. All costs associated with the desalting plant shall be nonreimbursable.

(c) Replacement of the reject stream from the desalting plant and of any Wellton-Mohawk drainage water bypassed to the Santa Clara Slough to accomplish essential operation except at such times when there exists surplus water of the Colorado River under the terms of the Mexican Water Treaty of 1944, is recognized as a national obligation as provided in section 202 of the Colorado River Basin Project Act (82 Stat. 895). Studies to identify feasible measures to provide adequate replacement water shall be completed not later than June 30, 1980. Said studies shall be limited to potential sources within the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are within the natural drainage basin of the Colorado River. Measures found necessary to replace the reject stream from the desalting plant and any Wellton-Mohawk drainage bypassed to the Santa Clara Slough to accomplish essential operations may be undertaken independently of the national obligation set forth in section 202 of the Colorado River Basin Project Act.

(d) The Secretary is hereby authorized to advance funds to the United States section, International Boundary and Water Commission (IBWC), for construction, operation, and maintenance by Mexico pursuant to Minute Numbered 242 to the Mexican Water Treaty of February 3, 1944, of that portion of the bypass drain with Mexico. Such funds shall be transferred to an appropriate Mexican agency, under arrangements to be concluded by the IBWC providing for the construction, operation, and maintenance of such facility by Mexico.

(e) Any desalted water not needed for the purposes of this title may be exchanged at prices and under terms and conditions satisfactory to the Secretary and the proceeds therefrom shall be deposited in the General Fund of the Treasury. The city of Yuma, Arizona, shall have first right of refusal to any such water.

(f) For the purpose of reducing the return flows from the division to one hundred and seventy-five thousand acre-feet or less, annually, the Secretary is authorized to:

(1) Accelerate the cooperative program of Irrigation Management Services with the Wellton-Mohawk Irrigation and Drainage District, hereinafter referred to as the district, for the purpose of improving irrigation efficiency. The district shall bear its share of the cost of such program as determined by the Secretary.

(2) Acquire, by purchase or through eminent domain or exchange, to the extent determined by him to be appropriate, lands or interests in lands to reduce the existing seventy-five thousand irrigable acres authorized by the Act of July 30, 1947 (61 Stat. 628), known as the Gila Reauthorization Act. The initial reduction in irrigable acreage shall be limited to approximately ten thousand acres. If the Secretary determines that the irrigable acreage of the division must be reduced below sixty-five thousand acres of irrigable lands to carry out the purpose of this section, the Secretary is authorized, with the consent of the Board of Directors of the Wellton-Mohawk Irrigation District, to acquire additional developed lands, as may be deemed by him to be appropriate.

(g) The Secretary is authorized to dispose of the acquired lands and interests therein on terms and conditions satisfactory to him and meeting the objective of this Act.

(h) The Secretary is authorized, either in conjunction with or in lieu of land acquisition, to assist water users in the division in installing system improvements, such as ditch lining, change of field layouts, automatic equipment, sprinkler systems and bubbler systems, as a means of increasing irrigation efficiencies: *Provided, however,* That all costs associated with the improvement authorized herein and allocated to the water users on the basis of benefits received, as determined by the Secretary, shall be reimbursed to the United States in amounts and on terms and conditions satisfactory to the Secretary.

(i) The Secretary is authorized to amend the contract between the United States and the district dated March 4, 1952, as amended, to provide that—

(1) the portion of the existing repayment obligation owing to the United States allocable to irrigable acreage eliminated from the division for the purposes of this title, as determined by the Secretary, shall be nonreimbursable; and

(2) if deemed appropriate by the Secretary, the district shall be given credit against its outstanding repayment obligation to offset any increase in operation and maintenance assessments per acre which may result from the district's decreased operation and maintenance base, all as determined by the Secretary.

(j) The Secretary is authorized to acquire through the Corps of Engineers fee title to, or other necessary interests in, additional lands above the Painted Rock Dam in Arizona that are required for the temporary storage capacity needed to permit operation of the dam and reservoir in times of serious flooding. No funds shall be expended for acquisition of land or interests therein until it is finally determined by a Federal court of competent jurisdiction that the Corps of Engineers presently lacks legal authority to use said lands for this purpose. Nothing contained in this title nor any action taken pursuant to it shall be deemed to be a recognition or admission of any obligation to the owners of such land on the part of the United States or a limitation or deficiency in the rights or powers of the United States with respect to such lands or the operation of the reservoir.

(k) To the extent desirable to carry out sections 101(f)(1) and 101(h), the Secretary may transfer funds to the Secretary of Agriculture as may be required for technical assistance to farmers, conduct of research and demonstrations, and such related investigations as are required to achieve higher-on-farm irrigation efficiencies.

(l) All cost associated with the desalting complex shall be nonreimbursable except as provided in sections 101(f) and 101(h).

Sec. 102. (a) To assist in meeting salinity control objectives of minute 242 of the Mexican Water Treaty of 1944 during an interim period, the Secretary is authorized to construct a new concrete-lined canal or, to line the presently unlined portion of the Coachella Canal of the Boulder Canyon project, California, from station 2 plus 26 to the beginning of siphon numbered 7, a length of approximately forty-nine miles. The United States shall be entitled to temporary use of a quantity of water, during an interim period, equal to the quantity of water conserved by constructing or lining the said canal. The interim period shall commence the year following completion of construction or lining said canal and shall end the first year that the Secretary delivers main stream Colorado River water to California in an amount less than the sum of the quantities requested by (1) the California agencies under contracts made pursuant to section 5 of the Boulder Canyon Project Act (45 Stat. 1057), and (2) Federal establishments to meet their water rights acquired in California in accordance with the Supreme Court decree in Arizona against California (376 U.S. 340).

(b) The charges for total construction shall be repayable without interest in equal annual installments over a period of forty years beginning in the year following completion of construction: *Provided*, That, repayment shall be prorated between the United States and the Coachella Valley County Water District, and the Secretary is authorized to enter into a repayment contract with Coachella Valley County Water District for that purpose. Such contract shall provide that annual repayment installments shall be nonreimburseable during the interim period, defined in section 102(a) of this title and shall provide that after the interim period, said annual repayment installments or portions thereof, shall be paid by Coachella Valley County Water District.

(c) The Secretary is authorized to acquire by purchase, eminent domain, or exchange private lands or interests therein, as may be determined by him to be appropriate, within the Imperial Irrigation District on the Imperial East Mesa which receive, or which have been granted rights to receive, water from Imperial Irrigation District's capacity in the Coachella Canal. Costs of such acquisitions shall be nonreimbursable and the Secretary shall return such lands to the public domain. The United States shall not acquire any water rights by this transfer.

(d) The Secretary is authorized to credit Imperial Irrigation District against its final payments for certain outstanding construction charges payable to the United States on account of capacity to be relinquished in the Coachella Canal as a result of the canal lining program, all as determined by the Secretary: *Provided*, That, relinquishment of capacity shall not affect the established basis for allocating operation and maintenance costs of the All-American Canal to existing contractors.

(e) The Secretary is authorized and directed to cede the following land to the Cocopah Tribe of Indians, to be held in trust by the United States for the Cocopah Tribe of Indians:

Township 9 south, range 25 west of the Gila and Salt River meridian, Arizona;

Section 25: Lots 18, 19, 20, 21, 22, and 23;

Section 26: Lots 1, 12, 13, 14, and 15;

Section 27: Lot 3; and all accretion to the above described lands.

The Secretary is authorized and directed to construct three bridges, one of which shall be capable of accommodating heavy vehicular traffic, over the portion of the reject stream which crosses the reservation of the Cocopah Tribe of Indians. The transfer of lands to the Cocopah Indian Reservation and the construction of bridges across the reject brine channel shall constitute full and complete payment to said tribe for the rights-of-way required for construction of the reject brine channel and appurtenant electrical transmission lines.

Sec. 103. (a) The Secretary is authorized to:

(1) Construct, operate, and maintain wells in the areas found appropriate for well fields as a means of utilizing ground waters of the Yuma Mesa division, Gila project, and the Valley division, Yuma project areas, Arizona, which wells shall be capable of furnishing approximately one hundred and sixty thousand acre-feet of water per year for use in the United States and for delivery to Mexico in satisfaction of the 1944 Mexican Water Treaty.

(2) Acquire by purchase, eminent domain, or exchange, to the extent determined by him to be appropriate, approximately twenty-three thousand five hundred acres of lands or interests therein within approximately five miles of the Mexican border cn the Yuma Mesa: *Provided, however*, That any such lands which are presently owned by the State of Arizona may be acquired or exchanged for Federal lands.

(3) Any lands removed from the jurisdiction of the Yuma Mesa Irrigation and Drainage District available for use under the Gila Projects Reauthorization Act (61 Stat. 628), shall be substituted for like lands within the Yuma Mesa division of the project. In the development of these substituted lands or any other lands within the Gila project, the Secretary may provide for full utilization of the Gila Main Gravity Canal in addition to contracted capacities.

(b) The cost of work provided for in this section, including delivery of water to Mexico, shall be nonreimbursable; except to the extent that the waters furnished are used in the United States.

Sec. 104. The Secretary is authorized to provide for modifications of the projects authorized by this title to the extent he determines appropriate for purposes of meeting the international settlement objective of this title at the lowest overall cost to the United States. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to the appropriate committees of the Congress, unless the Congress approves an earlier date by concurrent resolution. The Secretary shall notify the Governors of the Colorado River Basin States of such modifications.

Sec. 105. The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title in advance of the appropriation of funds therefor.

Sec. 106. In carrying out the provisions of this title, the Secretary shall consult and cooperate with the Secretary of State, the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and other affected Federal, State, and local agencies.

Sec. 107. Nothing in this Act shall be deemed to modify the National Environmental Policy Act of 1969, the Federal Water Pollution Control Act, as amended, or, except as expressly stated herein, the provisions of any other Federal law.

Sec. 108. There is hereby authorized to be appropriated the sum of $116,500,000 for the construction of the works and accomplishment of the purposes authorized in sections 101 and 102, and $34,000,000 to accomplish the purposes of section 103, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs involved therein, and such sums as may be required to operate and maintain such works and to provide for such modifications as may be made pursuant to section 104. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90–646).

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with, that it be printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GROSS. Mr. Chairman, I am at a loss to understand just what this legislation is going to cost the taxpayers of this country. I would welcome a figure of some kind from any member of the committee.

Mr. LUJAN. Will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. LUJAN. Title I, which is the desalting plant, is going to cost $150 million, and then the five projects upstream will cost $82 million for a total of $233 million.

Mr. GROSS. $233 million. How much of this is returnable to the taxpayers?

Mr. JOHNSON of California. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. JOHNSON of California. As far as the items repayable are concerned, it is $21 million.

Mr. GROSS. How much?

Mr. JOHNSON of California. $21 million will be repaid to the U.S. Government against the Coachella Valley canal lining project.

The balance of title I, the desalting facility that is now called for in the bill, will be nonreimbursable. This is an obligation of the U.S. Government. That means all of the taxpayers in the United States will participate in it.

The pumping facilties that will be an offset pumping facility on the border will be an obligation against the United States also. The water which will be developed there in an amount of 160,000 acre-feet a year will be used as a part of the entitlement to Mexico; therefore making more water on the Colorado River available to the States. That is nonreimbursable also.

As far as the other projects that the gentleman from New Mexico spoke about, such as the upstream salinity control programs, they are included and eligible under the formula of the Water Pollution Control Act of 1973 whereby the Federal Government in eliminating source point intrusion into a river or into a lake or into the ocean is entitled to Federal consideration on a formula of 75 percent Federal and 25 percent local. The other 25 percent under that particular act is to be raised by the State and local agencies.

The local agencies have committed themselves, to take from the Basin funds, 25 percent of the cost. That will be split between the Upper Basin people and the Lower Basin people making up the association known as the Basin States of the Colorado River.

Mr. GROSS. What is the contribution by Mexico to this cause?

Mr. JOHNSON of California. Mexico's contribution was negotiated——

Mr. GROSS. What is their contribution to the cost of this?

Mr. JOHNSON of California. If the gentleman from Iowa will yield, I am trying to explain the concern of the Mexican people after the treaty was entered into.

Mr. GROSS. And I am trying to express some concern for the people of this country.

Mr. JOHNSON of California. I will ask for additional time, if necessary, for the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

Mr. JOHNSON of California. You cannot possibly answer that by yes or no.

In 1944 we entered into a treaty. Since that time we have authorized a great many projects on the Colorado River. Each time we add a project to a river of this kind we increase the salinity in that river. That has been our experience. The salinity was building up at a fairly slow rate, but then came the last two developments on the river, Glen Canyon, and the filling of Lake Mead, and then the construction of the Wellton-Mohawk division of the Gila Project, have contributed a great deal of salinity to the river as drainage takes place from that particular irrigation project in Arizona.

I would say that the Mexican Government raised their complaints very strong about that time.

I served 7 years, myself, on the Inter-Parliamentary Group. That was some time back, when I first came to Congress. Three of the Presidents of Mexico that I know of have raised this issue with our last three Presidents. Finally President Nixon appointed a commission headed by Mr. Brownell, and gave him the status of Ambassador to work with the Mexican Government. They worked on this for about a year before they finalized their agreement in Minute 242. This was reported back to the President of the United States, to the State Department, to the Department of the Interior, and ultimately to the Congress.

They have recommended this project to clean up the salinity in the waters that flow into the river before it flows into Mexico in the Mexican State of Sonora. This to be done at our expense. This is all at our expense. The Mexican Government is putting up no funds that I know of in this particular project.

Mr. GROSS. Is the gentleman from California saying that Arizona is the culprit in this piece, in that it has added to the salt content of these waters that are now pouring into Mexico?

Mr. JOHNSON of California. Each State has contributed a great deal in the way of salt.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. JOHNSON of California, and by unanimous consent, Mr. GROSS was allowed to proceed for 3 additional minutes.)

Mr. GROSS. I thank the gentleman.

The gentleman from California mentioned Arizona as having compounded the salinity of the water, so is the responsibility that of Arizona, or where does it belong?

Mr. JOHNSON of California. All States on the Colorado River have been contributors to the salinity content of that river. Whenever you provide for a project on a river of this kind, in that type of terrain, you will have this happen.

Congress is the one that is responsible. Congress has authorized many projects on the Colorado River, including the Wellton-Mohawk, which was not too well conceived from the standpoint of its relation to the Mexican Water Treaty. It is below Imperial Dam, and the salinity is allowed to flow into the Colorado River, and then flow into Mexico.

Mr. GROSS. Is there any reason why the people who benefit from the use of these waters should not pay for the situation that exists, for the salting of the water in this river, the additions thereto, et cetera?

Why should the taxpayers of the entire country be saddled with something from which they derive no benefit whatsoever that I know of?

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman for yielding.

As all reclamation projects in the West that have been authorized by Congress, there is a certain amount of the project that is repaid by the user.

Mr. GROSS. On page 20 of the report: Subsection 205(a) declares that 75 percent of the cost of construction, operation and maintenance shall be nonreimbursable. It goes on to say two paragraphs later:

> The subsection establishes a repayment period of 50 years and declares the investment to be non-interest bearing.

This sounds to me very much like a foreign aid bill. Could it be possible that Arizona is now a foreign country, and the other States involved in the same status?

Mr. JOHNSON of California. If the gentleman will yield further, every reclamation project that has been built with Federal funds in the West is repaying a certain portion of the project. In many cases it is 90 percent over a 50-year period, and some of them are with interest. Here we are developing the country, reclaiming the land, and contributing new wealth to the United States. This is the big plus on the side of these projects. I think the total worth of the Colorado River to the United States is far more valuable than anything we are talking about here—the benefits that will accrue from this particular river.

Mr. GROSS. I know of no reason why Mexico should not make a contribution to this since the States involved on this side of the border are going to make only a token contribution.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JOHNSON of Colorado, and by unanimous consent, Mr. GROSS was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

I have been in touch with the EPA in Denver, and also the Department of Interior, and they inform me that approximately 65 percent of the salinity in the river as it crosses over into Mexico is natural salinity. In other words, it is not caused by irrigation or return flow, but it is natural in its accumulation as the river proceeds down through the Colorado Rockies, through California, and into Mexico.

Mr. GROSS. I thank the gentleman from Colorado for his observation. Does the Presidential candidate from Arizona wish to be heard?

Mr. UDALL. If the gentleman will yield, I am trying to find a place in my administration for the gentleman from Iowa, should he be available. I have thought of a diplomatic post of some kind.

Mr. GROSS. Would that require that I change my party affiliation? If so, I will not be available.

Mr. UDALL. No; this will be a bipartisan position.

Mr. Chairman, the gentleman is searching for information. The Colorado River serves seven States. It is a very salty river, and it drains the saltiest area of this country. We had good water in the lower part of the river back in the thirties and the forties. Then the U.S. Government came along and we gave a billion acre-feet to Mexico. They made a treaty with the Government of Mexico, and now the burden of carrying out that treaty falls on the farms of Arizona, on the water users of Colorado, Utah, and other Basin States.

What we are saying in this bill is that since our Presidents and our Senate, by concurring in the treaty, gave away this water that we thought was ours, it should be a national obligation to replace it and clean it up. That is what we are saying.

Mr. GROSS. I just do not like foreign aid bills, I will say to the gentleman, and this has all of the earmarks of being a first-class foreign aid bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TOWELL of Nevada. Mr. Chairman, as one of the original sponsors of H.R. 12165, the Colorado River Basin Salinity Control Act, I do want to briefly urge my colleagues here in the House to support the final passage of this bill.

Basically, I want to stress the enormous importance of this legislation, not only to the Southwestern United States and the Colorado River Basin States, but truly to the entire Nation. I refer my colleagues from outside the Southwest area of the United States to carefully review the remarks of the Honorable PAUL CRONIN of Massachusetts. His reference to the technology that will be gained from this project is most appropriate, and indeed that technology will benefit the whole Nation as many areas are already facing a pure water crisis.

Of course, title I of the bill will implement an agreement between the United States and Mexico regarding the deliverance of usable Colorado River water to Mexico. This particular section of H.R. 12165 involves a substantial commitment of Federal funds toward the construction of a desalting facility and other works to limit the salinity level of water supplied to Mexico.

However, in considering the obligation we may have to Mexico, we must not lose sight of the fact that we have an even greater obligation to our own citizens to protect the future resources of the Colorado River. Title II of H.R. 12165 specifically authorizes four salinity control projects upstream on the Colorado River. These projects, located in Colorado, Utah, and Nevada, aim at meeting the growing demands for water in areas where the dissolved mineral load is approaching critical levels.

For example, the Las Vegas wash unit in Nevada has now reached the stage where increased Federal funding is needed for continued expansion of its facilities. It is estimated that, as a result of such expansion, the unit will eliminate 138,000 tons of salt per year by intercepting and evaporating groundwater. Throughout the first stage of development of this particular project, State and local expenditures toward water quality improvement and pollution abatement have increased. However, to continue its contribution to the overall Colorado River water quality improvement program, the Las Vegas wash unit is dependent on the funding authorized by H.R. 12165.

I believe that the expeditious review of the bill by the House Interior and Insular Affairs Committee is a strong indication of congressional support for the intent of the legislation, and I look forward to positive House action on H.R. 12165 today.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—MEASURES UPSTREAM FROM IMPERIAL DAM

SEC. 201. (a) The Secretary of the Interior shall implement the salinity control policy adopted for the Colorado River in the "Conclusions and Recommendations" published in the Proceedings of the Reconvened Seventh Session of the Conference in the Matter of Pollution of the Interstate Waters of the Colorado River and Its Tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico, and Wyoming, held in Denver, Colorado, on April 26–27, 1972, under the authority of section 10 of the Federal Water Pollution Control Act (33 U.S.C. 1160), and approved by the Administrator of the Environmental Protection Agency on June 9, 1972.

(b) The Secretary is hereby directed to expedite the investigation, planning, and implementation of the salinity control program generally as described in chapter VI of the Secretary's report entitled, "Colorado River Water Quality Improvement Program, February 1972".

(c) In conformity with section 201(a) of this title and the authority of the Environmental Protection Agency under Federal laws, the Secretary, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture are directed to cooperate and coordinate their activities effectively to carry out the objective of this title.

SEC. 202. The Secretary is authorized to construct, operate, and maintain the following salinity control units as the initial stage of the Colorado River Basin salinity control program.

(1) The Paradox Valley unit, Montrose County, Colorado, consisting of facilities for collection and disposition of saline ground water of Paradox Valley, including wells, pumps, pipelines, solar evaporation ponds, and all necessary appurtenant and associated works such as roads, fences, dikes, power transmission facilities, and permanent operating facilities.

(2) The Grand Valley unit, Colorado, a contiguous area of approximately twenty-five thousand acres in the Grand Valley of Colorado between the west end of the presently irrigated area and Little Salt Wash, consisting of measures and all necessary appurtenant and associated works to reduce the seepage of irrigation water from the irrigated lands of that portion of Grand Valley into the ground water and thence into the Colorado River. Measures shall include lining of canals and laterals, installing water measuring devices, and the combining of existing canals and laterals into fewer and more efficient facilities. Prior to initiation of construction of the Grand Valley unit the Secretary shall enter into contracts through which the agencies owning, operating, and maintaining the water distribution systems in Grand Valley, singly or in concert, will assume all obligations relating to the continued operation, and maintenance of the unit's facilities to the end that the maximum reduction of salinity inflow to the Colorado will be achieved. The Secretary is also authorized to provide, as an element of the Grand Valley unit, for a technical staff to provide information and assistance to water users on means and measures for limiting excess water applications to irrigated lands: *Provided, however,* That such assistance shall not exceed a period of five years after funds first become available under this title.

(3) The Crystal Geyser unit, Utah, consisting of facilities for collection and disposition of saline geyser discharges; including dikes, pipelines, solar evaporation ponds and all necessary appurtenant works including operating facilities.

(4) The Las Vegas Wash unit, Nevada, consisting of facilities for collection and disposition of saline ground water of Las Vegas Wash, including infiltration galleries, pumps, desalter, pipelines, solar evaporation facilities, and all appurtenant works including but not limited to roads, fences, power transmission facilities, and operating facilities.

SEC. 203. (a) The Secretary is authorized and directed to—

(1) Expedite completion of the planning reports on the following units, described in the Secretary's report, "Colorado River Water Quality Improvement Program, February 1972":

(i) Irrigation source control:
Grand Valley (ultimate)
Lower Gunnison
Uintah Basin
Colorado River Indian Reservation
Palo Verde Irrigation District
(ii) Point source control:
LaVerkin Springs
Littlefield Springs
Glenwood-Dotsero Springs
(iii) Diffuse source control:
Price River
San Rafael River
Dirty Devil River
McElmo Creek
Big Sandy River

(2) Submit each planning report on the units named in section 203(a)(1) of this title promptly to the Colorado River Basin States and to such other parties as the Secretary deems appropriate for their review and comments. After receipt of comments on a unit and careful consideration thereof, the Secretary shall submit each final report with his recommendations, simultaneously, to the President, other concerned Federal departments and agencies, the Congress, and the Colorado River Basin States.

(b) The Secretary is directed—

(1) in the investigation, planning, construction, and implementation of any salinity control unit involving control of salinity from irrigation sources, to cooperate with the Secretary of Agriculture in carrying out research and demonstration projects and in implementing on-the-farm improvements and farm management practices and programs which will further the objective of this title;

(2) to undertake research on additional methods for accomplishing the objective of this title, utilizing to the fullest extent practicable the capabilities and resources of other Federal departments and agencies, interstate institutions, States, and private organizations.

SEC. 204. (a) There is hereby created the Colorado River Basin Salinity Control Advisory Council composed of no more than three members from each State appointed by the Governor of each of the Colorado River Basin States.

(b) The Council shall be advisory only and shall—

(1) act as liaison between both the Secretaries of Interior and Agriculture and the Administrator of the Environmental Protection Agency and the States in accomplishing the purposes of this title;

(2) receive reports from the Secretary on the progress of the salinity control program and review and comment on said reports; and

(3) recommend to both the Secretary and the Administrator of the Environmental Protection Agency appropriate studies of further projects, techniques, or methods for accomplishing the purposes of this title.

SEC. 205. (a) The Secretary shall allocate the total costs of each unit or separable feature thereof authorized by section 202 of this title, as follows:

(1) In recognition of Federal responsibility for the Colorado River as an interstate stream and for international comity with Mexico, Federal ownership of the lands of the Colorado River Basin from which most of the dissolved salts originate, and the policy embodied in the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816), 75 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof shall be nonreimbursable.

(2) Twenty-five per centum of the total costs shall be allocated between the Upper Colorado River Basin Fund established by section 5(a) of the Colorado River Storage Project Act (70 Stat. 107) and the Lower Colorado River Basin Development Fund established by section 403(a) of the Colorado River Basin Project Act (82 Stat. 895), after consultation with the Advisory Council created in section 204(a) of this title and consideration of the following items:

(i) benefits to be derived in each basin from the use of water of improved quality and the use of works for improved water management;

(ii) causes of salinity; and

(iii) availability of revenues in the Lower Colorado River Basin Development Fund and increased revenues to the Upper Colorado River Basin Fund made available under section 205(d) of this title: Provided, That costs allocated to the Upper Colorado River Basin Fund under section 205(a)(2) of this title shall not exceed 15 per centum of the costs allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund.

(3) Costs of construction of each unit or separable feature thereof allocated to the upper basin and to the lower basin under section 205(a)(2) of this title shall be repaid within a fifty-year period without interest from the date such unit or separable feature thereof is determined by the Secretary to be in operation.

(b)(1) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the lower basin under section 205(a)(2) of this title shall be paid in accordance with subsection 205(b)(2) of this title, from the Lower Colorado River Basin Development Fund.

(2) Section 403(g) of the Colorado River Basin Project Act (82 Stat. 896) is hereby amended as follows: strike the word "and" after the word "Act," in line 8; insert after the word "Act," the following "(2) for repayment to the general fund of the Treasury the costs of each salinity control unit or separable feature thereof payable from the Lower Colorado River Basin Development Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(b)(1) of the Colorado River Salinity Control Act and"; change paragraph (2) to paragraph (3).

(c) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the upper basin under section 205(a)(2) of this title shall be paid in accordance with section 205(d) of this title from the Upper Colorado River Basin Fund within the limit of the funds made available under section 205(e) of this title.

(d) Section 5(d) of the Colorado River Storage Project Act (70 Stat. 108) is hereby amended as follows: strike the word "and" at the end of paragraph (3); strike the period after the word "years" at the end of paragraph (4) and insert a semicolon in lieu thereof followed by the word "and"; add a new paragraph (5) reading:

"(5) the costs of each salinity control unit or separable feature thereof payable from the Upper Colorado River Basin Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(c) of the Colorado River Salinity Control Act.".

(e) The Secretary is authorized to make upward adjustments in rates charged for electrical energy under all contracts administered by the Secretary under the Colorado River Storage Project Act (70 Stat. 105, 43 U.S.C. 620) as soon as practicable and to the extent necessary to cover the costs of construction, operation, maintenance, and replacement of units allocated under section 205(a)(2) and in conformity with section 205(a)(3) of this title: *Provided*, That revenues derived from said rate adjustments shall be available solely for the construction, operation, maintenance, and replacement of salinity control units in the Colorado River Basin herein authorized.

Sec. 206. Commencing on January 1, 1975, and every two years thereafter, the Secretary shall submit, simultaneously, to the President, the Congress, and the Advisory Council created in section 204(a) of this title, a report on the Colorado River salinity control program authorized by this title covering the progress of investigations, planning, and construction of salinity control units for the previous fiscal year, the effectiveness of such units, anticipated work needed to be accomplished in the future to meet the objectives of this title, with emphasis on the needs during the five years immediately following the date of each report, and any special problems that may be impeding progress in attaining an effective salinity control program. Said report may be included in the biennial report on the quality of water of the Colorado River Basin prepared by the Secretary pursuant to section 15 of the Colorado River Storage Project Act (70 Stat. 111; 48 U.S.C. 602n), section 15 of the Navajo Indian irrigation project, and the initial stage of the San Juan Chama Project Act (76 Stat. 102), and section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393).

Sec. 207. Except as provided in section 205 (b) and 205(d) of this title, with respect to the Colorado River Basin Project Act and the Colorado River Storage Project Act, respectively, nothing in this title shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 620n), the Colorado River Basin Project Act (82 Stat. 885), section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393), section 15 of the Navajo Indian irrigation project and initial stage of the San Juan-Chama Project Act (76 Stat. 102), the National Environmental Policy Act of 1969, and the Federal Water Pollution Control Act, as amended.

Sec. 208. (a) The Secretary is authorized to provide for modifications of the projects authorized by this title as determined to be appropriate for purposes of meeting the objective of this title. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to appropriate committees of the Congress, and not then if disapproved by said committees, except that funds may be expended prior to the expiration of such sixty days in any case in which the Congress approves an earlier date by concurrent resolution. The Governors of the Colorado River Basin States will be notified of these changes.

(b) The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title, in advance of the appropriation of funds therefor. There is hereby authorized to be appropriated the sum of $82,700,000 for the construction of the works and for other purposes authorized in section 202 of this title, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in costs involved therein, and such sums as may be required to operate and maintain such works. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90-646).

Sec. 209. As used in this title—

(a) all terms that are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title II be dispensed with, that it be printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title II? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Obey, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico, pursuant to House Resolution 1166, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 403, nays 8, answered "present" 1, not voting 21, as follows:

[Roll No. 288]

YEAS—403

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Bolling
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—8

Crane
Davis, Wis.
Gross
Landgrebe
Rarick
Shuster
Snyder
Wydler

ANSWERED "PRESENT"—1

Steiger, Wis.

NOT VOTING—21

Boland
Bowen
Carey, N.Y.
Dent
Derwinski
Diggs
Dorn
Fish
Hanna
Hébert
Howard
King
Moss
Pepper
Price, Tex.
Quillen
Reid
Rooney, N.Y.
Sandman
Staggers
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Price of Texas.
Mr. Boland with Mr. Dent.
Mr. Rooney of New York with Mr. King.
Mr. Howard with Mr. Bowen.
Mr. Carey of New York with Mr. Derwinski.
Mr. Pepper with Mr. Dorn.
Mr. Moss with Mr. Hanna.
Mr. Diggs with Mr. Quillen.
Mr. Reid with Mr. Sandman.
Mr. Staggers with Mr. Fish.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

(Mr. DINGELL asked and was given permission to address the House for 1 minute.)

Mr. DINGELL. Mr. Speaker, relative to the Honorable SILVIO CONTE's amendment which sought to delete $800,000 appropriated for the Dickey-Lincoln lakes project from the Public Works-AEC appropriations bill which came before the House on June 6, I was recorded as voting "no" on this issue, rollcall No. 278, but I intended to vote "aye" and hereby make my intentions known.

PROVIDING FOR CONSIDERATION OF H.R. 10294, LAND-USE PLANNING ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1110 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1110

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10294) to establish land use policy; to authorize the Secretary of the Interior, pursuant to guidelines issued by the Council on Environmental Quality, to make grants to assist the States to develop and implement comprehensive land use planning processes; to coordinate Federal programs and policies which have a land use impact; to make grants to Indian tribes to assist them to develop and implement land use planning processes for reservation and other tribal lands; to provide land use planning directives for the public lands; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. It shall be in order to consider the text of the bill H.R. 13790 if offered as an amendment in the nature of a substitute for the bill H.R. 10294. At the conclusion of the consideration of H.R. 10294 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 10294, the Committee on Interior and Insular Affairs shall be discharged from further consideration of the bill S. 268, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 10294 as passed by the House.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a very controversial rule, I understand. I understand there will be an effort made to defeat it.

This is an open rule providing for 2 hours of general debate. The only unusual features of the rule are as follows: That it provides for reading the bill by titles rather than by sections. It was thought that that would provide for a more orderly consideration of the bill. And also the rule provides that the text of the so-called Rhodes-Steiger bill, H.R. 13790, may be offered as an amendment in the nature of a substitute to the bill that this rule makes in order.

Mr. Speaker, I may have something further to say later on in the debate, but in the meantime I yield 2 minutes to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. Haley).

Mr. HALEY. Mr. Speaker, I cannot understand how Members of this House can seriously say that the land-use planning bill, H.R. 10294, should not be debated on the floor, and that the resolution granting a rule should be defeated. And yet, there are those who take this position, apparently afraid to have a bill considered on its merits. Although there are differences of opinion—including differences in my own district—this piece of legislation deserves a full debate so that these differences may be resolved.

Two of the bills before the Committee on Interior and Insular Affairs, on which the present land use planning bill is based in part, were introduced by my colleagues from Florida in January 1973. Mr. Bennett is the author of H.R. 91, and Mr. Young introduced H.R. 2942.

The first of these measures was submitted to the Congress by the administration, and the second was the House version of the bill that passed the Senate in 1972. In addition, we had before us a new executive branch recommendation, H.R. 4862, which was developed by environmental organizations and introduced by the late Representative Saylor. Another measure proposed by Representative Meeds contained strong sanctions, and Indian and public lands titles.

On the basis of these bills, the Subcommittee on the Environment, chaired by the gentleman from Arizona (Mr. Udall) held 5 days of hearings last spring. After that, the subcommittee had 9 markup sessions, including two meetings in early May devoted to the identification of major issues, alternatives, and tentative decisions. Beginning in July the subcommittee undertook a word-by-word review and reported a clean bill, H.R. 10294, to the full committee last September.

Beginning on October 10, and continuing through most of February of this year, the full committee devoted 11 meetings to this legislation in the final markup process. After we went to the Rules Committee with this bill, the subcommittee held an additional 3 days of hearings in April for the convenience of those who told the Rules Committee that they had not had an opportunity to present statements. Altogether, this bill has had 8 days of hearings, during which 287 statements were received orally or filed for the record, and the bill has had the benefit of 20 detailed mark up sessions.

Although there were times during this long and detailed consideration of the bill when I questioned some of its provisions, I am convinced that the bill received one of the most thorough reviews that a major piece of legislation could receive. Its faults have been corrected. Its virtues have been strengthened.

This bill is one that will help my own State of Florida in its pioneering efforts to develop an ongoing land use planning process. It is also a bill that will help all States that have not yet proceeded far in this field. And very importantly, it is a bill that leaves control of private land where it should be—at the local and State levels of government.

I recommend to my colleagues that the rule be granted and that the bill be enacted.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I oppose the rule and take this position because I am convinced that the bill which it makes in order should be returned to the Interior Committee for appropriate changes. This is landmark legislation which can affect the lives and property rights of individual citizens; the plans and programs of States and municipalities; the direction of industrial growth and expansion across the Nation. Yet what is being proposed is that we write the bill on the House floor today. The evidence presented before the Rules Committee on February 26 persuaded the committee to decide in a 9 to 4 rollcall vote that action on this bill should be postponed indefinitely. Additional hearings have been held in Washington, but, I underscore, field hearings have not been conducted. However, the bill has now been given a rule identical to the one which the committee previously refused to approve.

The Rules Committee reported an open rule with 2 hours of general debate for the consideration of H.R. 10294, the Land Use Planning Act of 1974. The rule makes it in order to consider the text of H.R. 13790, the Steiger-Rhodes bill, as a substitute. The rule provides that the bill be read for amendment by titles instead of by sections. Finally, the rule provides that after passage of the House bill, it will be in order to insert the House passed language in the Senate bill.

Mr. Speaker, my opposition to the rule is also based on the whole thrust of the legislation which it makes in order. It is described by eight members of the Interior Committee in dissenting views as "merely the first step on the road toward more public control over the use of private property."

Later the same dissenting views state:

> In addition, it is questionable whether this bill is designed merely to encourage and enable the States to adopt land use regulations. Each State in order to qualify for Federal grants is to establish a comprehensive land use planning process and to develop substantive policies to guide land use. However, whether a particular State is eligible for the Federal grants involved is determined by the Department of the Interior pursuant to guidelines and regulations to be set out by them. Thus, by retaining the power of the purse, the Federal government has in effect reserved the power to direct and affect the State planning process and its implementation. This is of course directly antithetical to our traditional concept that the responsibility for land use decisions should rest at the local level.

Mr. Speaker, these are but a few of my objections to the rule before us today and the bill which it makes in order. I recommend that it be returned to the committee for the citizen input which would come about through field hearings, and urge a no vote on the rule.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Speaker, this is certainly very controversial legislation, to say the least. However, I think it is also a very valuable piece of legislation upon which we should have a rule and which we should vote on today.

I think we ought to realize that this bill has triggered a large number of witnesses who appeared before the Committee on Interior and Insular Affairs and its subcommittee for the last two sessions of Congress over a period of almost 4 years. We have heard literally dozens of witnesses, and almost all of them, particularly those at the local levels of government, have been in favor of the legislation. Mayors and city councils, regional governments and Governors have been in favor of it. They recognize that we have an enormous problem in meeting the calls upon our Nation's land resources.

We are going to build before the turn of the century twice the number of structures that we have existing today and which have been completed in the first 300 years of this country. This problem will create tremendous burdens for State and local governments and will certainly have a dramatic effect on land patterns in the United States.

Today we are seeing many thousands of acres lost to timber yield, lost to recreational use, and agricultural production. I think that State and local governments want help; they do not know how to cope with the pressures of development. Too often, as in the case of Fairfax County, the response is negative, "Let us have a sewer moratorium," and then a short time later the response is, "Let us stop building." Local governments just throw up their hands.

This legislation provides assistance to the States only if they apply for grants. It calls upon the States on a voluntary basis, to develop a land use planning process and, if they willingly accept the

Federal Government's money, to designate certain areas which they consider to be areas of critical environmental concern and to control them.

At the same time it provides that any State land use plan would have to provide a mandate that the State have a plan that provides for development which would be of national benefit. That means in the case of energy siting, for example, that the local area will have to come to grips with deciding problems which they have not come to grips with in the past.

Mr. Speaker, if we look back on this legislation, we will see, as I indicated before, that it has certainly created a lot of interest and controversy and national pressures.

There is a lot of merit to the bill. I am sure that the people in favor of the Steiger substitute think there are a lot of merits to their position as well, but the fact of the matter is that we have a bill before the House today with a serious amendment to it in the form of the Steiger amendment, and I feel all the Members of the House ought to get down to voting on the rule and then on the amendments that will be placed before the House.

I cannot help but think that I would have a hard time going back to my own district in Michigan and saying that I was afraid to debate and vote on amendments and a bill the subject of which has been a matter of debate and concern to the Congress for a full 4 years. Frankly, I can appreciate the divergencies of opinion, but I certainly feel the merits of the bill deserve a hearing before the House today.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, it is being said that this bill imposes no Federal control on privately owned lands. Yet, some of the ablest Members of the House say the bill must be amended to protect private owners from Federal control. One thing is certain, the bill proposes Federal expenditures of $800 million. If you do not think the bill now permits Federal control, just give it time. Just give it time. Federal bureaucracy, armed with $800 million and the loose language of this bill will insure too much control of private lands by the Federal Government.

I am told that if the rule is adopted, many amendments will be offered, some by the author of the bill. That in itself is a frank admission the bill needs improving. Regardless of how much this bill is improved, if it goes to conference, we will get back the Senate bill. There are very few who want the Senate bill, but that is what you will get if you pass a Land Use bill today.

This was a bad bill when it was sent to the Rules Committee on February 26. The Rules Committee voted 9 to 4 against it. But between February 26 and May 15, nothing was done to improve the bill. Nothing to clear up question marks and remove objectional features. During this 2½ month period, the only thing the committee did was hold 3 days of hearings. Now the Rules Committee has voted 8 to 7 to send it to the floor; the closest of margins.

A very high percentage of the people who testified in committee were opposed. This is very unusual for a measure which deals with the environment. There is a list of organizations more than two pages, single spaced, State and national, which oppose the Udall land use bill. To me, these things speak louder than words which attempt to analyze the bill. The people are afraid of Federal control, more redtape, more bureaucracy.

This bill affects not only the private land owner, it affects State and local governments, manufacturers, builders, developers; everyone who owns land. We don't know enough about how it will affect them. The Congress will set a good example by defeating the rule.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Speaker, the Land-Use Planning Act, H.R. 10294, now before the House, has frightening implications for the future of this Nation. In the past three decades we have watched as the Federal Government has intruded into all aspects of American life, to the point where it now regulates housing, education, transportation, new towns, and even the environment in which we live. Now the Federal Government wants to get into the business of telling us how to use and develop our private property.

Mr. Speaker, every time the Federal Government decides to regulate some aspect of our life to make things better for us, things almost automatically get worse. I suggest to you that the land use legislation reported to this body in the form of H.R. 10294 would not only continue this poor record of achievement if allowed to pass; it would also destroy traditional local control over land use, further retard an already seriously damaged economy, and would remove and eliminate one of the last remaining ways for an individual to have a voice in determining his future.

Mr. Speaker, I have long supported the need for broad planning at the local level. Since comprehensive land use planning is by its very nature a regulation of people's lives, income, and property, it must be conducted only at the local level and nowhere else. Only then can citizens be assured that they will be heard and that they will have access to the decisionmakers.

Only then will we have plans and planners that will be responsive to the needs and problems of the locality.

H.R. 10294 is totally unacceptable in this regard. It would elevate land use planning and control to the State level, and ultimately by review to the Department of Interior. It includes a vast and complex design for labeling almost any land with any value at all as an "area of critical environmental concern," subject to control by the State agency and to review by a Federal agency. With control over private lands so far removed from local communities, the majority of the people of this country would be threatened with total isolation from the actual decisionmakers, eliminating any voice they might otherwise have had in determining their own destiny.

I cannot and I will not support H.R. 10294. If we cannot avoid a Federal land and use planning program, then it must be one that we can all live with. If a majority here want such a Federal program, I believe that the substitute proposal offered by my distinguished friend and colleague, SAM STEIGER of Arizona, is a far better road to follow. The Steiger bill reduces some of my concerns about the Federal and State roles in land use planning. It seeks local participation in planning and implementing a State land use program; it would allow flexibility in the designation of areas of critical environmental concern, key facilities and other large-scale developments; and it includes reasonable procedures for the development of State use planning processes.

I would caution my colleagues to examine H.R. 10294 carefully before it comes to a vote. While on the surface it appears as a lofty design for better living, in reality it would create more problems than it would solve. The intent of H.R. 10294 is to create a Federal grant program to encourage and assist the States in developing and implementing a statewide land use planning process. One might think this sounds harmless enough. But if we read further we find disturbing language that goes far beyond encouraging planning to the point that it promises to have a resounding impact on our economy, our system of Government, and indeed, our way of life as we have come to know it.

Traditionally land use decisions have been made by local officials, because it is generally believed that local officials are more knowledgeable about local problems, and therefore, are more qualified to make decisions affecting the use of property in the community. But this bill would bring an end to traditional local control in one fatal stroke by mandating that major land use decisions be made at the State level, by State level bureaucrats, in conformance with Federal rules and procedures; failure to conform to Federal guidelines could, under the act, result in withholding of Federal funds. Zoning and land use decisions would no longer be made by familiar local individuals who have an understanding of the needs of the community. Instead, decisions would be made by some nameless, faceless bureaucratic agency in conformance with its view of local needs, and its conception of what is good for the community.

All of us, Mr. Speaker, are reminded daily of the power we have surrendered to the executive branch by granting that branch authority to withhold Federal funds to States to force compliance with Federal guidelines. It was through such surrender of power that our local communities lost control of their schools. The arguments for this bill remind me a great deal of arguments made on this floor on early education bills. We were told then that Congress would still hold the purse strings and power over our school would still remain with our citizens. We are still plagued with that legislative can of worms. The bussing problem is a clear example.

The adoption of H.R. 10294 would also allow these same Federal planners to rip away from our citizens the last vestige of their rights to have and hold private property.

The charge that the bill is a bureaucratic boondoggle is not just a lot of political hot air. H.R. 10293 would set up two new levels of bureaucracies—one at the Federal level and one in each State—to direct the implementation of the act. The Federal bureaucracy promises to be large, in spite of the insistence of Interior Department officials to the contrary. Even now, Interior has an Office of Land Use and Water Planning, completely staffed, with a Director and a bimonthly newsletter, just waiting for the bill to pass. We can be assured that if this legislation is successful the bureaucracy will mushroom overnight, fed by a plush $10 million per year expense account that is authorized under the act for "administrative purposes."

Meanwhile, each State would be required as a prerequisite in receiving grants to set up its own land use bureaucracy regardless of whether it needs one or not. The bill requires that the State land use agency have an "adequate interdisciplinary professional and technical staff as well as technical consultant of various and broad backgrounds." In addition the agency would be required to have a data collection and inventorying function that, if property implemented, will in itself be extremely expensive.

Finally, existing Federal and States agencies responsible for administering land-related programs, would be prompted to establish liaison offices to monitor Federal and State land use agencies to assure that their programs are not threatened.

Mr. Speaker, if the people of this country knew the extent to which this bill would encourage the proliferation of a large and cumbersome land use bureaucracy with which they would have to contend with in the future, I have no doubts that they would be overwhelmingly opposed to it. Bureaucratic delay and mismanagement have become a standing joke in the country. In my opinion, to turn land use decisionmaking over to a bureaucracy of the sort contemplated in this bill would create such a great amount of confusion and redtape that any proper conceptualization of land use planning would be lost in the shuffle.

Aside for creating havoc with our traditional system of land use control, H.R. 10294 would have a deleterious affect on the economy. The primary focus of the bill is on development, which in many ways is one of our most important and most vital national industries. The construction industry provides local communities with jobs, housing, public facilities, highways, parks, shopping centers, ski areas, and a host of other vital benefits we often take for granted. H.R. 10294 would require State control over three broad categories of development: First, key facilities; second, large scale development; and third, large scale subdivisions or development projects. The definitions of these areas are so broadly written as to encompass almost every kind of development, including airports, major highways interchanges, major recreational land and facilities, public utilities, powerplants, pipelines, and large-scale subdivisions. The import of this is obvious: major land use decisions affecting the local economy would be hereafter made by the State. Any development that would be deemed by the State to be of more than local significance could not proceed until approved by the State land use agency.

The bill would also require that the State designate and assert control over "areas of critical environmental concern"—a concept which is defined so as to include almost every conceivable category of land of any value in the State. Areas of critical environmental concern are defined in the bill as areas on non-Federal lands "where uncontrolled or incompatible development could result in damage to the environment, life, or property or the long-term public interest which is of more than local significance." The definition goes on to list specific types of land that the State must include under its jurisdiction. The list is long and comprehensive. The land use program would encompass all fragile or historic lands, including shorelands along rivers, lakes, and streams, rare or valuable ecosystems, an extremely broad term in itself, and geological formations, significant wildlife habitats, scenic or historic areas, and natural areas of significant and scientific value. It would also include all so-called natural hazards lands, such as floor plains, areas subject to weather disasters, areas of unstable geological character, ice or snow formations, and areas with high seismic or volcanic activity. Finally, all agricultural lands, forest lands, grazing lands, and watershed lands would be subject to State control. And as if there were some doubt that these categories were not adequate to cover the situation, the bill allows the State to name additional areas as it may deem to be of critical environmental concern.

Mr. Speaker, it is not hard to predict that if definitions of key facilities, large-scale development, and areas of critical environmental concern contained in H.R. 10294 are allowed to remain as is, we will be placing a firm lid on future economic development of many communities across the country. Any proposed development on any of these lands mentioned in the bill could not go forward until deemed to be consistent with the State plan or until it has run the gamut of bureaucratic redtape to secure a State-level permit. In the meantime, the local community, its control over land use rendered impotent, would be forced to sit idly by, as housing becomes scarce, employment opportunities decline, and the local tax base is undermined.

Mr. Speaker, everyone knows that unregulated economic growth is a thing of the past. No thinking American wants to see his land desecrated and permanently fouled. Certainly, we must take every reasonable precaution to see that proper environmental restraints are employed as development goes forward. But we must be sure that what we ask of State and local government is feasible and capable of being implemented. A system that requires citizens to go to their State capital to obtain approval or to register their disapproval of every major development or every project proposed for location within a so-called critical environmental area specified by State planners would not only be impractical, but, to my way of thinking, would be totally unnecessary and unworkable.

Mr. Speaker, Fairfax County, Va., which makes up a large part of the district I represent, has recently imposed a moratorium on all development in the county until June of 1975. The rationale of this action was that such a moratorium would curb the rapid growth the county has been experiencing in the past few years. The new ordinance immediately precipitated a loud public outcry, when a public hearing was convened to discuss it, thousands turned out in protest.

Mr. Speaker, this is a prime example of the benefits of retaining local control over land use planning. It assures that necessary land use controls that are imposed will be acceptable to the people who will be governed by them. If they are not, then the people are afforded an apportunity to voice their complaints to local authorities directly concerned with their needs and to hold their elected officials responsible for their actions.

Mr. Speaker, I urge my colleagues to reject H.R. 10294.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Speaker, I rise in opposition to this rule for the land use bill, H.R. 10294. Although this legislation opposition to this rule for the land-use policies per se, it does exert very strong Federal controls over how this country will develop its urban, suburban, and rural lands. This bill is being touted on the ground the States will have total control in developing land-use programs. An actual reading of the bill reveals the unlikeliness of a passive Federal role.

The requirements of title I establish a national policy for land use to be imposed upon States with the withholding of funds as a threat. This represents the classic carrot and stick approach. States are offered a Federal grant of up to several million dollars a year to assist them in developing and implementing their plan. The offer is all but irresistible to State legislatures which jump to finance programs with this free money from Washington.

H.R. 10294 gives rise to a novel situation—in which two provisions play roles. The term "areas of critical environmental concern" carry the connotation that no use is to be allowed in these areas. The definition of the areas is so open ended that any type land area could be so designated. However, the States are not required to use their power of eminent domain—providing compensation to the landowners. The situation could arise that a State lacking adequate funds for compensation might proceed to implement the provisions in the bill by using its police powers to totally deny use of the land by the landowner. This tactic would circumvent the issue of compensation, because the police power—zoning—is not normally a compensable land use control mechanism. The inevitable result of increasing the number and amount of controls on land use is to terminate the freedom of the individual to acquire and own property.

I believe Federal advice on land use policies will evolve into Federal dictates. If passed, this proposal could result in the demise of private property rights and increase Federal encroachment of State matters.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, there is no question that land use planning is needed if a growing population, increasingly aware of its environment, is to use a limited amount of land properly.

The question we must answer, in my judgment is not whether we should have land use planning, but who should do the planning and how should the planning be accomplished.

Both the proponents of the Udall bill and the proponents of the Steiger substitute proposal agree that the Federal Government should not be involved in making land use decisions except, of course, on federally owned lands.

I, too, believe very strongly that this planning, if it is to be successful, must be done at the local level. On the north coast of California we are fortunate to have a general understanding of the need for appropriate land use and the diversity of approaches to the subject that lends itself to effective public policy development.

Furthermore, a most important requirement is the creation of the consensus of opinion on the part of everyone as to the directions to be taken. Unless such a consensus is developed we will see a polarized conflict between interests that can only result in land use decisions being made by means of sheer political force in what could possibly be a better atmosphere.

To be effective, land use plans must be presented in a reasonable and balanced manner.

During the past few months, the debate surrounding the Udall bill and the Steiger substitute has made clear two facts. First, there is no consensus on the subject in regard to the specifics of the legislation or the final outcome it will create. Second, there is a lack of understanding as to the impact the bill will have.

The lack of consensus is vital, as I have said, because community involvement and acceptance is the key element of land use plans. It is clear that 100 percent agreement will never be obtained on any given plan at the national level but general acceptance at the local level is absolutely essential.

The past few months have shown me that general acceptance is not present nor is it likely to be until the questions which have been raised are satisfactorily answered and the issues presented are satisfactorily resolved.

The lack of understanding of the bill before us is equally great. The input I have had in my mail and personal contacts makes clear that many people with conflicting interests in land believe this legislation is going to solve their problems.

Others believe that the bill can provide the vehicle for controlling growth or achieving a "no-growth" condition.

Neither of these assumptions is true. The fact is that no one knows what might be brought about by the enactment of this legislation because no one knows what a land use plan will contain until it is completed by those officials who are responsible for weighing all the many variables associated with the planning process.

In view of the misunderstandings involved and the increasingly divided opinion on the measure, I have concluded that the Congress should take no action until the issues are more fully resolved. It has become clear to me that more in-depth consideration and input are needed before final action is taken.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I hope that this rule before us will be defeated.

The great and good and gentle chairman of the Committee on the Interior has just said that after 3 years of committee deliberation we are faced with the final decision on this momentous issue of land use.

Let that decision be made here and now on this rule, and let us avoid the long and tortuous, far-reaching parliamentary path that lies before us if we go ahead with the many, many amendments that will be offered.

This bill is in trouble, and it should be in trouble. The people of the State of Maryland would rather do it themselves, as the people of the 49 other States of the Union would rather do it themselves. What they would rather do is control their own private property in the way that they wish. What they would rather do is have their own State and local government make the decisions governing the proper use of land, rather than have the Federal bureaucrats impose their distant will.

We are asked now, at the 11th hour, at this very late date, to proceed with this bill as the sponsors of this legislation belatedly come in with a host of amendments to try to salvage this bad legislation. We are asked to go ahead and act on the floor of the House as the Committee on the Interior should have acted in the numerous sessions it held on this matter.

I hope the Members will read very carefully what these amendments being offered at this last month do. They are cosmetic in the extreme. They do not address the fundamental constitutional wrongness of this legislation. These amendments are just as mistaken as the bill itself, and I am surprised that some unidentified source "at the White House" would submit such amendments at this last moment with the President out of the country.

We here today have the chance to reaffirm the right of private property, the rights of the sovereign States, and the right of local governments to make land use decisions for themselves; and that reaffirmation can be attained by voting "no" on this rule, defeating it, and, indeed, taking the burden off not only the good Chairman of the Interior Committee, but the people of the United States as well.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I rise in opposition to the rule in opposition to both H.R. 10294 and H.R. 13780.

The need for land use planning and policies is not in issue. Nearly everyone agrees that there is a need for more effective and better land use planning. What is at issue is the way more effective land use planning should come into being.

Mr. Speaker, I do not question the sincerity of my good friend, MORRIS UDALL. In fact, I agree with the lofty and ideal objectives of Congressman UDALL but I fear that if he is successful in guiding H.R. 10294 to final enactment we will have a more horrendous mess on our hands than we now have with the U.S. Postal Corporation.

We can all recall the great promise of the Independent Postal Corporation. More economical service, more efficiency and speedier service. Instead we received wasteful and more expensive service, less efficiency, service slower than the pony express and a situation which promises to get worse before it gets better. H.R. 10294 is an even greater legislative monstrosity.

Although the bill purports to leave the States in full control in the development of their land use programs, a close reading of the legislation reveals that it will eventually, if not immediately, move planning and zoning decisions from the city councils and State legislatures to the bureaucracy in Washington. Participation in another phase of government will again be moved further away from the people and another huge, wasteful, inept, and fund-consuming bureaucracy will have been created in Washington.

Mr. Speaker, how long will this shortsighted and dangerous march of power to Washington continue? We have seen this same old story repeated over and over again. Local units of government are not responding to the needs of the people. Local units of government do not have the financial resources. Local units of government cannot effectively deal with the complex problems of a modern industrial and sophisticated society.

The people demand that Washington should step in and solve the problem. How many times in the past have we responded to these arguments only to end up in a state of frustration and despair, only to find that Washington has an outstanding ability to articulate and address problems but a very inferior ability to solve them?

During the 14 years I have been in Congress I have experienced the proponents of such legislation, using the same arguments to pass such legislation only to replace an imperfect system with a cumbersome, inept, frustrating bureaucratic nightmare. As a result the traditional jurisdictional lines between local and Federal areas of authority have broken down and we find ourselves either legislating or trying to legislate on every conceivable subject from the regulation of switchblade knives, a city council matter, to the building of complex defense systems, truly a matter of national responsibility.

The result has been that we are addressing ourselves to so many problems, most of which should have been left to local concern, that we have permitted the big problems truly of a national concern to go unsolved and unattended. The legislation has come so fast and furious that a good many legislators have little or no sound legislative working knowledge of the measures upon which they are called to vote. Each measure contains broad and ambiguous grants of discretion and rulemaking authority to the unwieldly Federal bureaucracy. The ultimate result has been the movement of power from the Congress to the executive, Watergate, inflation, shortages and the loss of confidence of our free people in Government and its officials. Is it not time to call a halt to such unwise parliamentary action?

Is it not time to begin the move of returning Government to the people rather than moving more and more government into the hands of nonelected Federal servants far-removed and isolated from the real demands and desires of the people? I have no doubt that if H.R. 10294 passes it would be but a short time when this body would be very deeply involved in the making of planning and zoning decisions of a local nature.

Although H.R. 10294 purports to prohibit the Federal Government from controlling the use of private or State land, the bill is replete with broad and ambiguous language giving the Secretary of the Interior and other Federal officers very strong control over how this country will develop its urban, suburban and rural lands. Mr. Speaker, in its original form, H.R. 10294 left no doubt about the intent of its proponents to centralize planning and land use decisions in the Federal bureaucracy. True, there has been considerable surgery done in an effort to pass the measure, but the fact remains that the Secretary reserves complete control of the $800 million we are asked to appropriate to finance the bill. The retention of power over the purse strings is in reality the retention of control over planning and land use decisions.

Although H.R. 13790 does not give the Secretary the control given by H.R. 10294, the end result will ultimately be the same. When will this body take cognizance of the basic rules of economics which the Members learned in grade school? Deficit spending is the primary cause of inflation, the problem of primary concern to most of the people in this Nation. When are we going to make a start toward balancing the budget? Both measures call for the spending of money which we do not have. Therefore, I ask the Members to vote against the rule, and if the rule is adopted, then vote against both the Udall and Steiger measures.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Speaker, I rise in strong opposition to the rule on H.R. 10294, the Land Use Planning Act. It is most infrequently that I ever vote against an open rule, but it is said that it takes an exception to prove the rule.

In short, this legislation is so objectionable that it simply should not be debated. Someone has said this is a frightening piece of legislation. Well, its potential consequences are truly frightening in that it could ultimately mean Federal control over every piece of land in America to the detriment of individual property rights.

Another apt description of this bill is that it embodies an ingenious plan. It has the old carrot and stick approach. There is the inviting carrot with free Federal money to assist the States in developing the land use plan. This kind of free money is almost irresistible to States and municipalities. But then comes the not so obvious stick. Things are attached.

As soon as a State accepts the free money to plan it must design and implement its plan according to detailed requirements set down by Washington or else there will be serious sanctions exercised against those who accepted the assistance.

This bill is dangerous, it affects the rights of every land owner in America. Rather than providing for land use, it could be said it provides for nonland use. No longer would any individual have full and complete control over his own property.

As for the farmers of west central Missouri, whom I am privileged to represent it would mean they would have to accept the decision of Washington on where every feed lot would be located or whether their land could be used or left unused. For my part I am not convinced Washington enjoys such a monopoly of wisdom on land use.

Mr. Speaker, this bill provides for the kind of big government we do not need. It could be disastrous to the building industry and permanently affect employment in the building trades.

The Rules Committee quite wisely denied a rule on February 26, but reversed itself on May 15th, but not one word or comma was changed to warrant this reversal. Even its proponents say there should be some amendments adopted. The floor of the House is no place to write legislation. This bill cannot be cleaned up on the floor. For that reason the rule should be defeated.

The most bitter critics say the bill borders on socialism and if passed could lead in the future to some kind of agrarian reform. Well I am not certain that will ever happen but I repeat this is a dangerous foot in the door—intrusion by the Federal Government into the proper authority and jurisdiction of the States.

If this is not the worst bill ever to come out of the Interior Committee it is only because it is the most misunderstood bill we've had in years. For the foregoing reasons I urge you to vote against the resolution or the rule providing for the consideration of H.R. 10294 which is at the same time an ingenious but also a dangerous bill which could adversely affect the property rights of everyone in America.

Mr. BOLLING. Mr. Speaker, I yield 7 minutes to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I believe there is a single basic issue confronting this House today. It can be stated in a simple question—is the bill made in order by this rule proper legislation? My answer—No.

I have no argument with those who say we need land use planning in our Nation. I concede the interest of our people in the soil and water that produce our food and fiber and the important questions of siting homes, commercial and industrial developments. But I contend that these matters involve the people who own the land, their community interests, perhaps the States' protection of regional concerns. I say we should not escalate this issue to national policy.

We know our established methods have produced an agricultural system that not only feeds and clothes our people but provides sufficient produce for export—that has turned around our troublesome problems with our balance of trade. We have seen our commerce rank first in the world, with most of our people having jobs, homes, and public facilities that balance our cities and towns with our agriculture. We have not achieved utopian perfection, but I say the Congress should not build roadblocks to progress.

Ours is a proud national history of growth. We have pushed our frontiers from coast to coast and beyond, not by a policy of congressional restraint but by the wisdom, energy, and dedication of our citizens.

We all know the famous plea of Abraham Lincoln that we should always maintain a "government of the people, by the people and for the people." Lincoln may have taken that thought from the words of Daniel Webster, who earlier spoke of "the people's government, made for the people, made by the people, and answerable to the people."

The point I would make is embodied in those words: We are representatives of the people, sent to this House to act for them, and we should not seek to preempt the people's rights. We should not claim greater wisdom than they have. Land use planning is no innovation in our Nation. The pioneer settlers began it. The men and women who pushed our frontiers out to span the continent knew their obligation to the land. They knew that the production of food and fiber was their livelihood and then, as the Nation grew, they knew they had to feed and clothe and shelter those fellow citizens who gathered in the towns and cities of our Nation.

I argue that this legislation intrudes on rights of private property established by the earliest pioneers and buttressed by generations of landowners. I do not contend that everyone labored to create a utopian land of perfection, but I would leave controls to the landowners and their neighbors, the men and women who know each region of our country, who understand local problems and local needs. I cannot believe that there is a monopoly of wisdom here, that we can provide the best answers to all questions.

I recall a statement that President Lyndon Johnson often made in times of tough decisions, when he said:

> It isn't hard to do what's right—anyone can do what's right—but it's awfully hard to know what's right to do.

Let us trust the people—let us not enact legislation that tells them we do not trust them to protect their property and the products we all need.

I believe many Americans are alarmed by this proposed legislation.

One of the strongest indictments of this bill is the statement of the Chamber of Commerce of the United States. The chamber has called this bill "one of the most critical ever considered by this or any other Congress." Its study penetrated the claim that there are no sanctions in this proposal. On this point, the chamber found:

> The requirements of Title I, in effect, establish a national land use policy to be imposed upon the states under threat of withdrawal of federal funds for land use planning. It is fiction to speak of encouraging and assisting the states with a bill that is filled with criteria, guidelines and suggestions for defining an "adequate" comprehensive land use planning process.

I agree completely with the chamber of commerce's summation that says:

> We find the bill objectionable because it risks jeopardizing needed economic growth, threatens another federal invasion of states' rights, and raises a serious possibility that private citizens could have their property impaired in value, without compensation.

The National Association of Home Builders has accepted the need for land use planning, but it has stated:

> Unfortunately, as the federal land use planning bill worked its way through the Congress, it evolved into a program for the creation of state and federal bureaucracies to plan primarily for the non-use of land. Under the guise of protecting areas of critical environmental concern, it would deny people access to suitable housing in locations of their choice and need.

The Associated General Contractors, an organization representing 8,200 construction companies, has expressed strong opposition to this bill, calling it:

> An unrealistic, impractical bill that will compound the land use dilemma, rather than help to solve it.

Let me cite just a sampling of citizen reaction to this proposed legislation. The Honorable Dolph Briscoe, Governor of Texas, wrote me:

> One of my major goals as governor of Texas has been to aid in strengthening the role of the states in the state-federal partnership, and the potential threat posed by one of the major authors of land use legislation—that sanctions would be brought against states which do not conform to federal guidelines on planning—is one of the strongest threats to state government that I can recall.

Charles E. Ball, executive vice president of the Texas Cattle Feeders Association, has written me:

> We agree with the philosophy of preserving our land resources, but it is doubtful that effective land use planning can be done on a national basis. If additional protection of our land resources is needed, it should be done by local citizens and local levels of government, rather than federal agencies.

I quote E. R. Wagoner, executive vice president of the Texas Forestry Association:

> Those who figure a national land use policy continually try to convey the idea that privately owned land is a public resource for which public controls should be developed. This is not the American way. This does not justify bureaucratic direction of land use on a national scale so that owners lose control over the economic use of their properties.

An editorial in the publication Progressive Farmer made the same point:

> Some type of land use planning may be in the best interests of agriculture and all of America. But such a policy should also protect the basic rights of landowners to determine for themselves the best use of their land, so long as such use doesn't constitute a public hazard or nuisance. Moreover, actual planning should be dedicated to the local level—to people who are familiar with land use patterns, capabilities and needs, and who are answerable to local citizens.

A letter from the United Brotherhood of Carpenters and Joiners said in part:

> On the surface, a bill to establish national land use policy sounds harmless enough, even beneficial. Unfortunately, what this bill will cause is to mandate the presence of a new, powerful federal bureaucracy with a veto-proof power regarding how land may be used in your state. The result could be economically disastrous for growth, jobs, housing and, frankly, a subtle by-pass of what a given community really desires environmentally.

The National Lumber and Building Material Dealers Association wires its views:

> This legislation will impose a strait jacket of federal land use standards on local zoning and planning officials.

I recognize the need for statements from organizations, but I must say that I am also impressed by the post cards and handwritten letters from individuals who feel moved to protest against this bill.

Mr. J. H. Robinson, of Edna, Tex., has written:

> We do not feel that farmers and ranchers need this land use planning bill. Suggest it would be dangerous to our economy.

H. C. Nelson, a rancher in New Braunfels, Tex., is forthright when he says:

> We already have too much government in our business and daily life.

Murray Watson, a former member of the Senate of Texas who operates a feed store in Mart, Tex., writes:

> This is apparently another attempt by environmental groups to determine in Washington how a landowner who pays state, county, school and other ad valorem taxes must look to the federal bureaucracy to determine how he can use the land.

Frank J. Douthitt, of Henrietta, Tex., called this proposal "an experiment that will devastate the property rights of farmers and ranchers across the country."

Mrs. Ella Edinburgh, of Texas City, wrote:

> This bill is unconstitutional and a threat to freedom and individual liberty. It is not a bill to be passed in a free country.

Mrs. K. M. Simpson, of Runge, Tex., said bluntly:

> The federal government has too much control now.

W. Clarke Moore, of Uvalde, said:

> Dangling of federal funds before state governments is government blackmail.

Mrs. Mary Nan West and Mrs. Mary West Chandler, of Batesville, wrote:

> We look upon federal involvement in the management of our private lands as a serious infringement on our constitutional rights. We feel that, in general, agricultural lands are being properly managed by those who own them. It is an economic fact that we must practice proper management and conservation to survive in our business.

My documentation could extend for hours—letters have poured in from soil and water conservation districts, county judges and commissioners—chambers of commerce, architects, engineers, and other professional people.

There is a single dominant theme to all this citizen reaction. They do not want the Congress to make Federal decisions over local problems. Strip this argument of controversy over methods and expose it for what it really is: This bill would have us tell the people that they do not know enough to handle their own affairs. I say that is the kind of big Government that we do not need. I say we should not seek to dictate to the people. We are here to represent them. That is our function and role. It is also our duty.

My basic argument is well made in a quotation from a famous jurist, Judge Learned Hand, who wrote:

> I often wonder whether we do not rest our hopes too much upon constitutions, upon laws and upon courts. These are false hopes. Believe me, they are false hopes. Liberty lies in the hearts of men and women. When it dies there, no constitution, no law, no court can save it. No constitution, no law, no court can even do much to help it. While it lies there it needs no constitution, no law, no courts to save it.

I believe, as Judge Hand did, that we must trust our people. We in the Congress should not feel that we are wiser than the people, that we need to treat them as though they were little children.

And let me add a word of thanks to my distinguished colleague, Congressman UDALL, for calling that quotation of Judge Hand to my attention. Mr. UDALL quoted it to close a recent thoughtful lecture on the American presidency. I suggest to him that the comment is just as applicable to the American Congress.

Let us not forget that we are here for a purpose set forth in the first three words of the preamble of our Constitution, those three words that express the spirit of our Nation in a ringing phrase "We the people." Let us be mindful that we who sit in this House as Representatives are obligated to trust the people.

Mr. DEL CLAWSON. Mr. Speaker, I yield 10 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I rise today in oppositoin to the rule for H.R. 10294, the Land Use Planning Act of 1974. As a member of the Committee on Interior and Insular Affairs, I have been considering this destructive bill for months. There is absolutely no reason why a bill which is in such deplorable shape should come before this House. When the sponsors of legislation have to send out a "Dear Colleague" letter explaining an entire package of amendments they are offering to their own bill, I think it is clear the legislation is not ready for consideration and should be sent back to committee.

Last February 26, the Committee on Rules recognized this fact, and voted to postpone consideration indefinitely for this bill. I applauded that wise decision. The chairman of the Subcommittee on the Environment then convened 3 days of hearings, perhaps in an attempt to show massive support for his concept of Federal land use policy. What was heard instead was a chorus of witnesses calling for hearings to be held across the country, and for various amendments to H.R. 10294. Still, the subcommittee concluded its hearings, hoping that it had satisfied this House that the objections of the Rules Committee had been met. The truth is that not one word of this disorderly bill was changed. Even worse, a whole new crop of qualifying amendments came sprouting forth—not to be added into the bill by the committee whose proper function this was, but to be debated here on the floor.

I can see no rational explanation why a rule was granted to this bill in May when one was refused in February. No one can stand here and say that it is a better bill now than it was in February. It remains a frightening piece of legislation that brings the Federal Government into the backyards of every American household. Certainly, it is far too important a bill to be written piecemeal on the floor in 2 or 3 days, as its sponsors are attempting to have done.

If the Interior Committee, with its fine staff and a plethora of meetings and markups, could not come forth with a satisfactory bill in over a year, it is downright absurd to think we can write one in 2 days on the floor. I urge my colleagues to vote to defeat the rule for this bill, and send this bill back to the committee. It should never have gotten this far in the first place.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise to speak in support of the rule. Land is our most valuable and important natural resource. There is nobody here that does not doubt for 1 minute that we should begin today to plan for the future of this country. Land use legislation is not a partisan concern. It is not even a bipartisan issue. Instead, it is a national problem which needs a nationally coordinated policy to meet long-term public objectives, and to preserve the high quality of life we enjoy in this country. We all must appreciate and realize that fact.

We had hearings on these bills. During the hearings 130 witnesses came before the committee. I understand that the Secretary of the Interior was one of those who helped write the bill. The legislation was reported out on January 22, after 4 months of intensive debate. We have heard from those who are in favor of the bill; a number of labor, farm and business organizations, environmental groups, citizen groups, all solidly support the legislation; the National Governors Conference, the National Legislative Conference, the National League of Cities, the U.S. Conferences of Mayors, the National Association of Counties, all support the legislation.

I just think we are doing a terrific injustice to the system in which we operate if we defeat a rule of this type. We have had men who have worked diligently for years, who have studied it. This rule provides for us this afternoon the cumulation of all those years of bipartisan efforts.

I strongly support the committee bill, H.R. 10294, and take this time to heartily commend Mr. UDALL, the members of his subcommittee and indeed, all the members of the Interior Committee for their continuous efforts and perseverence in getting this legislation to the House floor for a vote.

Now, are we, going to let all those years of hard work on both sides of the aisle go down to defeat?

Are we going to deprive the American people of an opportunity to have their day in court on this vital issue?

The American people want to be heard on land use planning. In the interests of the future of this country, in the interests of this Nation's vast land resources and the diverse interests of the country's growing population, it behooves us to debate the merits and demerits of the land use proposal before us. We cannot delay any longer, the airing of this crucial, far-reaching, and nationally significant legislation.

So, let us adopt this rule and get on with the debate.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. The gentleman farmer from Boston must take a different view than the dirt farmers of Iowa.

Mr. O'NEILL. All I can say is that the testimony in the record shows that farm organizations have appeared in favor of this legislation.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Arizona.

Mr. UDALL. Some days we cannot win. I have been taken to task by several speakers because in the hearings certain people were against the legislation. The supplemental people said we should have some hearings and we have held the bill open and they say it is terrible. In the supplemental hearings nobody was there for the bill.

The second thing is that they come in and say we are destroying private property, the bill does not do this and does not do that. They say to put some language in to explain it and when we put in the language they say, "Gee, this is terrible. You are taking all these amendments to the bill," when we are trying to clear up the confusion that the opponents have generated and we are trying to put in language to clear up the bill that they see and we do not see and we are criticized for that.

Mr. O'NEILL. I agree. Let the American people have their day in court. Let us give to those who have appeared as witnesses one way or another the opportunity to debate the issue and see if we can iron out whatever defects exist.

Mr. DEL CLAWSON. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Speaker, my colleagues, I suspect that most of the points which are germane to this situation have already been made. It is true, as the gentleman from Massachusetts, the distinguished majority leader, has pointed out, that there are many groups which are for this bill. Absolutely. I do not think the gentleman wants to play the game of who is for it or who is against it as the basis for our decision, but if we want to play that game, I have here two-plus pages, single spaced, of groups which start off with the National Association of Manufacturers, which all the Members recognize as a special interest group; the Chamber of Commerce; the U.S. Association of Home Builders.

Then, we have such rightwing organizations as the United Brotherhood of

Carpenters, the Gypsum Drywall Contractors International, the Council of Construction Employees.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I am glad to yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I appreciate the fact that there are those who are opposed to the legislation, but since the time of Socrates, who said that Government is the art of compromise, there has been dissension. This is the opportunity for us to argue the merits and the demerits of the bill if we first get a rule. Then we can work out a compromise.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman. The gentleman pointed out that from Socrates' time on, there was dissension when it came to legislation, and nobody would be more in accord with that than myself.

However, we have a little shaky situation here. We have the gentleman from Massachusetts invoking the support of groups and myself invoking the opposition to it from some meaningful groups who have really studied it.

What have they studied? The bill the Rules Committee refused February 22 because it was not ready for this body to consider, and on May 15 the Rules Committee decided that the bill had somehow cured itself of whatever was wrong with it on February 22? So, they said it was all right for this House to consider it. Then, we learned by the information of the chief sponsor of the bill, my good friend from Arizona, Mr. UDALL, who is now spending an awful lot of time not only on this bill, but on strip mining, vote mining nationally and a great many environmental problems, that in the midst of this busy schedule he has had time to find reason to offer 21 substantive amendments—21 amendments.

Now, are the people who are opposed to this bill and the people who are supporting it, are they for the bill that the Rules Committee put out on the second go-round, or for the bill that the gentleman from Arizona is going to try to amend with 21 amendments? Indeed, does anybody know what he is supporting in this except a concept?

I would say to my friends, regardless of how they feel about land use planning, the floor of this House—and with all due respect to that great and distinguished Committee on Education and Labor—the floor of this House is no place to write legislation of this kind.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, if the gentleman thinks this land use bill is an atrocity, I would advise the Members to wait until the same committee drags out the coal surface mining bill that was mentioned. By comparison or by any standards, that one will really drive the Members up the wall.

Mr. STEIGER of Arizona. Mr. Speaker, I am sorry that my friend raised that particular spectre, because I would like to concentrate on this one first. However, I thank him for his remarks.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, we do not have to wait for what comes in the future. I think we have the same legislative history on the Postal Corporation Act. We were promised that it would be much cheaper and faster. Today, we have a service which cannot deliver the mail as fast as the Pony Express, and promises to get worse before it gets better.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman for his comments, but if we are going to invoke Federal failure as the reason to vote against this bill, I think we just do not have the time. So, I will tell my friends that we have had a lot of confusion on this bill.

My friend from Arizona, Mr. UDALL, has suggested, and it has been eagerly seized upon by the press, that the Governors' Conference supports this bill. I have a wire here from Governor Hathaway in which he says they do not support the bill. I do not know if Governor Hathaway was the chairman of the Natural Resources Committee of that distinguished Governors' Conference or not. Frankly, I am not much impressed with support of the Governors because the Members know and I know that there is not a single Governor who has read the bill. That includes Governor McCall of Oregon.

The SPEAKER. The time of the gentleman has expired.

Mr. DEL CLAWSON. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman.

I will simply point out to the Members that the issue before them at this moment is not land use planning. It is not the merits or demerits of the Federal Government in land use planning, as Governor McCall of Oregon said. The issue before us is that we should write this kind of sweeping, tremendously pervasive, very important piece of legislation on the floor of this House, because if we take up the bill's 21 amendments, we have 40 more sitting over here. The confusion is going to be matched only by the lack of awareness of what we are doing.

Mr. Speaker, a vote against this rule is responsible, and besides that, it will let us go home early.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I will be happy to yield to the distinguished gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, the genteman from Arizona is the author of the substitute amendment, and the rule makes it in order that it be considered. Does not the gentleman feel that the substitute contains the same essential idea, if we would vote for it?

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman for pointing that out. I appreciate his pointing that out, and I am willing to sacrifice that magnificent piece of legislation in the interest of time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, I hope that we approve this rule so that the House can work its will in regard to land use planning. After the rule is approved, we will be given a choice between the committee bill, H.R. 10294, and the Steiger-Rhodes substitute which is a milder approach to the same problem. We will likely have opportunities to support amendments offering further protection to constitutional property rights and amendments that would strengthen the rights of local units of government in the planning process.

H.R. 10294 has been misunderstood by many people and misrepresented by some. I believe that this is the most misunderstood piece of legislation which has emerged from the House Interior Committee during the 14 years that I have served as a member of the committee. The bill as introduced contained so-called cross-over economic sanctions, meaning that a State which did not establish an acceptable land use plan would be penalized by losing a portion of federal funds for recreation or for highway construction or for airports. These sanctions were removed during committee deliberation and I helped remove them and will oppose any effort to re-establish them. The comparable bill which has passed the Senate did not contain sanctions of any type so it will be impossible for the conferees to reimpose sanction provisions in the legislation unless they are added on the House floor during the debate on this bill. However, the fact that these sanctions were in the bill as it was originally introduced has added to the misunderstanding. Many of the letters which you received in opposition to the land use bill are really directed toward the bill in its original form and not toward the bill which is before us today.

Under the committee bill, most decisions as to the use of land will continue to be made locally. If additional amendments are offered to strengthen the role of local government and are compatible with the basic philosophy of the bill, I intend to support them. But I feel there is a need for long range land use planning and that the Federal Government has a responsibility to provide guidelines and technical assistance and some financial assistance in this field. Proper land use is a national problem. It is a growing problem as the population increases each day and our land becomes more and more crowded.

Members of the House Interior Committee have devoted much time to this legislation during both the 92d and 93d Congresses and I hope the House will approve the rule and let us consider the merits of the proposals as they are presented.

Mr. MARTIN of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to my colleague from North Carolina.

Mr. MARTIN of North Carolina. Mr. Speaker, I thank the gentleman for yielding.

I subscribe to the remarks he has just made. I would also support the rule for H.R. 10294.

Mr. Speaker, I rise in support of H.R. 10294, the Land Use Planning Act of 1974 and in support of this rule whose time has come. I do so as one who has had more than a little to do with this legislation, and as one who has had more than a few words to say about the dangers of grants of authority to elitists in the bureaucracy.

This cautiously drafted piece of legislation should rank as a model of the New Federalism. It grants to the States, and through them to local governments, the wherewithal to exercise authority exclusively residing in the States and their subdivisions, without Federal control or intervention. This is a local government bill strongly supported by the National League of Cities, the National Association of Counties, and the National Association of Regional Councils. It has been local governments, as creatures of the States, which have exercised land use powers in the past, and it is they who will do so under this legislation.

The committee has found the obvious, that local zoning has been uneven, and at crucial times and places nonexistent. We do not imply, malice, vice, or even inefficiency. Rather we find a problem of jurisdiction and a lack of processes for dealing with land use matters of multijurisdictional impact. This we seek to correct by encouraging, admittedly enticing, the States to look at land use as a bigger picture. The United States will furnish the cash. The States will set up the plan and procedures. Local governments in 90 percent of the cases will do the work—the other 10 percent being done by the States.

The goals are to assure that critical land values are protected, but while doing so to have land-use decisions made by the level of government closest to the land, and by officials answerable both to the owners of the land—and their neighbors.

In committee, those concerned about the potential for elevating land-use decisions to the State bureaucratic level added a string of local government amendments. I call your attention to pages 35 through 37 of the report and urge that the comments there on 10 such provisions be read with care. We seek to encourage the States to utilize general purpose local governments for planning, review, and coordination. Participation of local governments is required by section 401 in the Interagency Land Use Policy and Planning Board.

Unamended, H.R. 10294 would be a good bill. It can be made better, and when the bill is read for amendment, I will offer four amendments which will serve to eliminate any misconceptions about the bill. They will make it clear this legislation cannot, even by the wildest stretch of the most suspicious imagination, be seen as expanding any Federal power. When it comes to the imaginations suspicious of potential Federal encroachment, mine takes no back seats, and I can see the need.

The first of the amendments will state in unequivocal terms that no existing State authority will be usurped and that no new authority will be created in the Federal Government.

The second amendment will state, without qualification, that "the allocation of responsibility between the State government and its political subdivisions for the development and implementation of the State land-use planning process shall be determined by State law." No faceless bureaucrat in the bowels of a State capitol will usurp local authorities; the decision will be made, if at all, by the legislature: by elected officials.

The third will "grandfather" grants to State and local governments, so as to keep pending grants from being put into limbo while awaiting establishment or implementation of a planning process.

The fourth of the amendments I will introduce will redefine general purpose local governments to coincide with the definition used by the Bureau of the Census, OMB, and the Office of Revenue Sharing.

Now, if these riders are not sufficient insurance, I will support an amendment deleting section 108(d)(2), thus wiping out the Federal role even in cases of decisionmaking of multi-State importance.

Mr. Speaker, this is the year of exorcism, which has proven to be great "box office." There is a demon here, the demon of a Federal power grab, of the eradication of private property. The rhetoric has been amusing—at least mildly. The demon, however, is not amusing. So, let us don our ecclesiastical vestments and prepare to shock our listeners with a four letter word descriptive of the demon—let us call its name: "sham." Now, the exorcism. One, H.R. 10294 does not expand Federal powers. Second, it does not strip local governments of their powers. If it did, every mayor and county commissioner would be outside demanding the bill be defeated. So would I. But, they are supporting it. The extent of the demon's presence is in determining that States are in fact developing land-use planning processes—processes only, not plans as in a substitute bill to be offered. The demon is thus called out of this bill, leaving only a check writing machine.

Mr. Speaker, it is a good bill, a local government bill, a bill without Federal controls and I urge adoption of this rule and passage of the bill.

Mr. TAYLOR of North Carolina. I thank the gentleman, Mr. Speaker. I would like to state to the gentleman that reference has been made to the Governors of the different States. Those of us in the North Carolina delegation received a telegram and letter from the Governor of North Carolina in strong support of the legislation. Let me quote from the Governor's telegram dated May 23, 1974:

> H.R. 10294 while expressly preserving the private citizen's landownership rights, emphasizes federal assistance to states in the development of coordinated land use management policies and programs. It is significant that due to the recently ratified Coastal Area Management and Land Policy Acts, North Carolina is already in compliance with the policy development requirements of the bill and thereby is in a position to gain federal financial support in the implementation of programs which have already been mandated by the State Legislature.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I got a telegram a few minutes ago from the chairman of the Governors' Conference, Governor Rampton of Utah, in which they reassert the support of the Governors' Conference for the resolution and the bill which was made some time ago, and that is the position of the National Governors' Conference staff.

Obviously some individual Governors do not agree.

With regard to the amendments, I am only going to offer two or three amendments of my own. I understand the amendments number 21. I do not know where this figure comes from. Most of them are amendments that supporters of the bill want to offer to nail down still further and reassure themselves on questions of local government and private property and these other matters.

Mr. Speaker, I do not think the bill needs all of these amendments. I am satisfied pretty much with the way the bill reads now, but I am trying to meet the legitimate fears which have been raised by this campaign of distortion.

Mr. Speaker, that is why these amendments have been offered.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Speaker, I wish to say to my colleagues that this is clearly an issue that is most controversial, but the controversy is over the solution, how it should be done and how it should be dealt with. The controversy is not over whether there is a problem.

Too often the history of the Congress has been one of waiting for action until the crisis is upon us. Let us not do that this time. Tough problems do not disappear when we ignore them. Unfaced, they grow worse; faced, they can lead to solutions.

Whichever form of the bill some of us may prefer, whatever amendments some of us may be ready to support, let us not close our minds until the issues are clearly before us. Let us not act as if by running away the problem will disappear.

We have got to face the bill, we have got to face the problem, we have got to deal with how we go about, as a nation, handling the problem that everybody admits is existent in the area of land use planning. This subject is rife with misunderstanding and, I feel, whether intentionally or unintentionally, with misstatements.

Let us at least debate the subject. Let us at least know what the bill really says before we ignore the subject. Let us not close our minds until we have had a chance to know what it is that really and ultimately we will be voting for or against.

Mr. STEELMAN. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Texas.

Mr. STEELMAN. Mr. Speaker I wish to commend the gentleman for his statement and associate myself with the gentleman's remarks.

I think the need for land use planning is obviously here, for the reasons which the gentleman has referred to, and I think, especially given the amount of time the Members on both sides have spent in trying to solve these problems, we are in a position to deal with the very legitimate fears with respect to Federal control and private property rights.

We have a bill here that the Members can support if they are genuinely interested in land use planning.

Mr. Speaker, I further commend the gentleman for his statement.

Mr. DELLENBACK. Mr. Speaker, I appreciate the remarks of my colleague. I personally feel that this is good legislation and badly needed. And, I feel strongly that we in Congress owe the country a debate on and ultimately a vote on the merits of this very important issue. I urge adoption of this rule.

Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I rise in opposition to this rule today.

I think that the best time to kill a rattlesnake is when you have a hoe in your hand, and that is right now, I will say to the Members of the House.

I urge the Members to vote against this rule. We can amend this bill all we want to, but I think we will find it is just like rubbing vaseline on a cancer when we try to clean this bill up.

It is in too bad a shape, and we are in too much confusion concerning it, and the people of this country do not want it.

Mr. Speaker, I will give the Members five quick questions and answers which will lead them to see that it would be a responsible vote to vote "no" on this rule:

First. Will this bill exert strong Federal controls over the development of urban, suburban and rural lands?

Yes. The criteria set down by the Federal Government for receiving funds are both explicit and detailed and amount to a Federal dictate of what State policy must be. H.R. 10294 defines what the planning process for each state must entail, and what methods are to be used to implement the planning process. These criteria take up 10 pages of the bill (Sec. 103–106).

Second. Does this bill provide for Federal review and veto of substantive State or local decisions concerning land use?

Yes. The Secretary of Interior has the sole discretion to determine the eligibility of a State for a grant and if the Secretary is not satisfied that the criteria outlined in the bill are met, he can veto the grant (Sec 108). One of these conditions is that the Secretary must be satisfied before making grants to the States that "in designating areas of critical environmental concern, the State has not excluded any areas of critical environmental concern which the Secretary has determined to be of more than statewide significance." (Sec. 108(d)(2)). This clearly involves the Federal government in the substantive decision-making policies of the State. Moreover, Section 108(a) of the bill brings not only the Interior Department, but every other Federal agency into the approval process of State plans.

Third. Will private property rights be damaged by this bill?

Yes. By forcing the States to define areas of "critical environmental concern, areas suitable for or impacted by key facilities, identification of areas of large scale development," and stating that the State must regulate or control the use of land or activities in such areas (Sec. 105–106) the bill raises the specter of encouraging the State and local governments to utilize its zoning powers in a sweeping classification of lands. This would deny existing or potential uses, or powers of eminent domain without giving just compensation to the owners of private property within these areas. The bill does not provide for any compensation mechanism to aid the States in purchasing the properties it orders protected (in fact it explicitly prohibits the use of Federal funds for such purposes) Sec. 409(e).

Fourth. Will this bill create a "no-growth" atmosphere?

Yes. H.R. 10294 places environmental considerations ahead of all others. The criteria mandated for Federal support mostly relate to preserving the physical environment by protecting ecosystems, maintaining open spaces for public use, and setting aside areas of environmental concern as no-growth pressures. The bill makes little mention of economic use of lands and would, in effect, cripple a great deal of construction and development of energy resources. With the potential for litigation evident throughout the bill and with the addition of two more layers of bureaucracy, delays will be inevitable. H.R. 10294 would place real constraints upon growth, and institute environmental protection programs at the expense of human needs.

Fifth. Will the States be pressured by the Federal Government to take part of the program?

Yes. Implicit throughout the bill is the requirement of a dual Federal/State cooperative approach, not a voluntary State involvement. Many States currently are considering land use bills—which in itself is an argument against a Federal bill—and considering the limited funds available to State governments, they will be enticed to jump at the opportunity to obtain "free" money from Washington. Furthermore, the bill instructs the Federal Government as a matter of Federal policy "to use all practical means to encourage and support the establishment by the States of effective land use planning and decisionmaking processes." Sec. 102. Federal advice on these matters will inevitably evolve into Federal dictates. Once the Congress opens the door by conditioning the receipt of Federal dollars upon submission of "adequate" State land use plans, the constitutional responsibility and guarantee to the States that they deal with their own internal affairs will be but a fiction in this most critical area—the use of land. If this bill is passed, there will be massive arm-twisting from the Federal Government.

If your constituents want land use planning, Members of the House, the place to do it is back home in the local county and State governments and not here from the Federal Government and from Federal intervention from Washington, D.C.

Again I urge you to take this opportunity to stop this bill, that is, kill this rattlesnake right now and send it back to the committee by voting down the rule.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, so much opposition has been expressed to this legislation this afternoon that I was reminded of something I read recently, an article in the constitution of one of the Greek city states that proposed that whenever someone suggested a new law he had to stand before the assembly with a rope around his neck.

Well, despite that risk this afternoon it seems to me when you stop to realize that each week in this country 27,000 new households are being formed—and that is a city the size of Kalamazoo, Mich.—you realize that even if the birth rate in this country were to decline to the minimum replacement level, it would take 75 years before we would stabilize our population growth. When you consider that between now and the year 2,000 that is, in less than 30 years, we are going to have to do as much building in this country as we have done in the last 300 years, I would suggest, ladies and gentlemen, that it would be an utter travesty on the legislative processes of this body to kill this rule without even discussing the important topic of land use planning.

Mr. Speaker, I have before me a document which emanates from downtown that suggests this bill does need some amending, but it says H.R. 10294 now pending before the House would achieve most of the basic objectives of land use legislation sought by the administration, and with the changes they propose the administration would recommend the passage of this committee bill.

I hope Members this afternoon will vote up the rule.

Mr. Speaker, let me also say that in

light of these critical problems and challenges, I do not see how we can defer action a moment longer. This question has been under study in the Interior committee for almost 3 years. A bill to encourage State land-use planning has been marked up and approved by the committee in two separate Congresses. There are numerous amendments pending to still further refine the legislation before us today.

Moreover, the land-use planning process envisioned in H.R. 10294 is not some merely novel idea cooked up by the committee in the seclusion of its hearing room on the third floor of the Longworth Building. Quite to the contrary. More than a dozen States already have comprehensive land-use programs—some of them much more stringent and far-reaching than the proposal before us today. A dozen other States have enacted coastal zone management laws, wetland protection acts, or development control programs that parallel many of the concerns expressed in H.R. 10294.

So let us not pretend that the issue needs further study; it has been studied long enough. Let us not pretend that the bill needs further perfection and refinement; there will be ample opportunity for that under the open rule providing for consideration of both the committee bill and the substitute. This legislation deserves to be considered and considered today, not buried under a deluge of flimsy pretexts.

Mr. Speaker, I recognize, of course, that many of my colleagues have very legitimate disagreements with some parts of the bill. I share those concerns, particularly as they relate to the rights of property owners. But let me suggest that the time to air such concerns is during the 5-minute rule. Let the House work its will during the amendment process, and if the bill is still unsatisfactory, vote against it on final passage, rather than before we have even had opportunity to consider it.

The legislation pending before us, for example, has aroused very legitimate concerns about the rights of property owners guaranteed by the fifth amendment. Unfortunately, neither the committee bill nor the substitute address this important question in a meaningful way or provide assurances that legitimate property rights will be protected in the implementation of State land-use plans.

Boiler plate language such as the committee bill's disclaimer that nothing in the act shall diminish or enhance constitutionally protected property rights has little practical significance because these rights are nowhere codified, but instead reside in a shifting body of widely varying and sometimes inconsistent judicial precedents. Congress cannot directly legislate on this body of case law one way or the other.

However, adoption of either the committee bill or the substitute will necessarily mean significant new efforts to regulate land uses; actions which may test the protections currently afforded property owners by judicial interpretation of the taking clause. In particular, the newly created State land-use bureaucracies may be tempted to employ regulatory powers in areas which go beyond the limits that generally prevail at present.

I believe it is imperative, therefore, that a countervailing perspective be incorporated into the bill and the State land-use planning process. Safeguards are needed to restrain these bureaucratic tendencies and to force State and local land-use agencies to recognize that the achievement of some thoroughly proper land-use objectives, such as preserving scenic areas or providing more open space, will require compensation of landowners to be constitutionally permissible.

The amendment I intend to offer is designed to accomplish this objective by adding a new property protection thrust to four critical segments of the committee bill. It would amend—

First, the findings section—101—to include congressional recognition of the uncertainties and burdens imposed on property owners by the unsettled nature of judicial precedents regarding "taking";

Second, the policy section—102—to include an intent to provide more "explicit guidance" for the resolution of conflicts between property rights and public objectives which may arise in the land-use planning process;

Third, the State planning process section—104—to require that explicit landowner compensation policies be adopted where existing State law and judicial precedents indicate that land-use objectives cannot be pursued by regulatory actions alone; and

Fourth, the implementation section—106—to afford property owners opportunity to contest the adoption of regulatory rather than compensation policies where they believe the former would be inconsistent with existing law and precedent, and to require that the burden of proof be on the State agency to show otherwise.

The purpose of these amendments is to insure, that by encouraging essential land-use planning, the Federal Government will not also be funding wholesale efforts to reform current property law to the detriment of private landowners. I hope that you will give serious consideration to supporting these amendments when they are offered under the 5-minute rule. But first let us approve this rule so that these important issues can be debated.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, the land in America is taking a beating. Between today and tomorrow at this hour 10,000 acres of choice, irreplaceable land goes down the drain, for freeways, for subdivisions, for parking lots, for strip mining, and for all of the uses that a busy society makes. A year from now 3 million acres are gone, and before the turn of the century an area almost as large as New England.

We hear no-growth talk, and do you know why? Communities get desperate. Local governments get desperate. They and their citizens see overcrowding. They see freeways and condominums and subdivision highrises going up. Taxes soar and schools are overcrowded. But if someone told you that your community that you had to absorb 60,000 people in the next 10 years you would get ready and get busy preparing for it. That is the only way to stop the no growth movement. It is really a frustrated striking out.

What is the response of our friends here today? They say "Let us sweep it all under the rug and not debate it." As my flippant friend from Arizona (Mr. STEIGER) says, "Let us go home early." That is why the Congress is in disrepute in some circles. The question being today is, is the Congress ready and able to decide tough issues, or is it going to duck them?

Mr. Speaker, we have a committee system in this Congress. We labored for 4 years on this legislation, and we passed it in the committee 26 to 11. It has been a bipartisan bill. The name of John Saylor is on it. The name of Wayne Aspinall, who passed a similar bill 2 years ago is also on it. You have seen Representatives RUPPE, MARTIN, STEELMAN, DELLENBACK and some of the finest young Republicans added to our committee stand up on the floor and speak for this legislation today. A similar bill passed the Senate 65 to 21 a year ago. And now we are going to dismiss all of this because it is controversial?

What a spectacle for the United States of America.

One of the things I want to watch when the voting starts in a few minutes—John Mitchell said some time ago:

> Don't watch what we say, watch what we do.

I want to watch what the spokesmen of the administration do on this legislation. This was President Nixon's No. 1 environmental priority. The President did a switch on it. But a month ago, Rogers Morton—and that position stands today—wrote me a letter when we asked what his position was on the bill, and he said that the administration believes that we can have land use planning this year, and the position of the administration is for a vote this year.

They say they favor the Steiger substitute. Well, let us vote, and let us amend it, and let us have a vote.

But before we vote, let me tell you a couple of things about this bill. The gentleman from North Carolina (Mr. TAYLOR) supports the bill. The Chairman, the gentleman from Florida, spoke in favor of the rule. You cannot hear the truth about this bill because there is so much noise getting in your way.

For instance, this is a voluntary bill. No State has to take a dime. The States can try it for a year or two and then walk away from it. If your State wants sprawl, it can vote for sprawl and refuse the Federal planning money. There is nothing compulsory in this bill. The institution of private property is in no danger.

The gentleman from Arizona (Mr.

STEIGER) and the chamber of commerce have told us in one of their circulars how we can protect private property.

I will offer an amendment with the gentleman from Ohio, Mr. REGULA, to make sure that we protect those rights exactly the way they told us to do that.

One of the fears about this legislation is that we will ride rough-shod over local government. The gentleman from North Carolina, Mr. MARTIN, is a former chairman of the county commissioners in his home county. He and some of the other defenders of local government have been in on this from the very beginning. I do not think that there is anything that needs any amending, but I will be willing to accept a couple of amendments that will be proposed to further guarantee protection to local governments from infringement of local rights from the State and Federal Governments.

America needs balanced growth, America needs homes, America needs new businesses, construction, sound, orderly development. We need airports, highway corridors, parks, green spaces, golf courses, farming areas and industrial areas. Land use planning simply says let us put the thing in the right place to assure orderly, sensible growth, and not end up by Los Angelizing this whole country.

For those from rural areas: I recognize that among the farmers who love their land there are very real fears that they are not being properly protected. Pass this bill, and we can help those farmers so that the States, as the Governor of Vermont said, will be able to identify the choice agricultural land and find ways to protect it; can head off the speculators who drive up the taxes and prices, so that the man who wants to farm can continue to farm.

We can do this for the farmers, and we bring help to the home builders. The reason homes are not being built is because the home builders cannot do the proper planning. We have a sensible, simple amendment to encourage the States and local governments to simplify all of these procedures which are so frustrating to the builders and the developers who have to go through 19 different agencies and file 20 pounds of forms for a building project. We will have an amendment to encourage the States to simplify these procedures.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I thank the gentleman for yielding me the additional time.

I just want to make two final points.

One is that a good many business organizations support this bill. The National Association of Realtors, and the National Realty Committee, the National Parking Lot Operators support this legislation. The Mortgage Bankers Association, the American Retail Federation, the International Council of Shopping Centers. This is more than the enumerated groups.

Finally, let me give a piece of political advice to my friends on the Democratic side of the aisle: This rule, if it goes down, is going to be listed on almost anybody's list of the 10 or 12 key votes of this session. It is going to be one of the environmental votes of the decade, as far as that is concerned. You can talk all you want to about this matter, but when we cannot even debate such a bill or vote on such a major issue as this we have made a serious and foolish decision. Just read the New York Times about what happens when the environmentalists get stirred up, as they did in California, last week. Do not get on some dirty dozen antienvironment list for a purely procedural vote.

If you support the Steiger amendment, then vote for the Steiger amendment, but let us not get caught in the trap of voting down this rule and refusing to consider one of the major pieces of legislation before the country.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to this rule because, as I think the gentleman from Arizona (Mr. UDALL), has just shown us, we do not not know what is in this bill. He said:

> I am going to amend this; I am going to amend that; we are going to have to do this; we are going to have to take care of these people.

He does not, himself, know what is in the bill.

This is my good friend, the gentleman from Arizona, who gave us that wonder called postal reform. Do my colleagues remember that legislation? If you recall that legislation the gentleman from Arizona told us about all of those things that the great postal reform was going to solve. He has done exactly the same thing in this bill. Again it is an absolute disaster. We do not know what is in it. We cannot be sure ourselves what is in the bill. He tries to stand here today—my good friend, the gentleman from Arizona, who I know is anxious to be President—with his gift to the environmentalists, to help him become President. And I can understand that political move, but can the American people live with this legislative nightmare?

He tells us the Governors are for this. They do not know what is in this bill. How could the Governors be aware of these new amendments? They just met last week.

Have they seen all of the gentleman's amendments and approved them all? Have they approved all of the gentleman's some 20 odd amendments?

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield.

Did they approve all of the amendments the gentleman is going to offer today?

Mr. UDALL. I thank the gentleman for yielding.

We got in the office today, from the Governors and the mayors and the county officials who are on the firing line, a packet saying yes on all of the amendments relating to protection of local government.

Mr. ROUSSELOT. Kindly answer my question. Are they aware of these amendments?

Mr. UDALL. The local and State government amendments, yes.

Mr. ROUSSELOT. Why did the gentleman not include it in the committee when they were writing the bill? That is where the bill is supposed to be written.

Mr. UDALL. Will the gentleman yield further?

Mr. ROUSSELOT. I do not yield any further. The gentleman has had plenty of time to tell us how bad the bill is.

Mr. Speaker, I continue to oppose H.R. 10294, the Land Use Planning Act of 1974. There are three major reasons why I believe this legislation must be defeated:

First. By fostering the creation of State land-use planning agencies charged with carrying out a comprehensive land-use planning process within each State, it would open the door to the progressive undermining and eroding of some of the most fundamental constitutional rights.

The fifth amendment provides:

> No person shall be . . . deprived of life, liberty or property, without due process of law; nor shall private property be taken for public use, without just compensation.

The 14th amendment further provides:

> Nor shall any State deprive any person of life, liberty, or property, without due process of law;

Reassuring words in the committee report to the effect that land-use planning activities conducted under the bill would be in the nature of regulation rather than taking of land are of little comfort when considered in light of the declaration of policy contained in section 102 of the bill. That section refers to a land-use planning process assuring—

> Informed consideration, in advance, of the environmental, social, and economic implications of major decisions as to the use of the Nation's land.

I would point out at this time that privately owned land does not belong to the Nation or State until it has been condemned in accordance with law and just compensation has been paid for it.

Second. The definition of the term "areas of critical environmental concern" contained in section 412 of the bill is so broad that it could conceivably include almost all land in the entire country, and such lands could therefore be subjected to the extremely stringent controls provided in section 105. For example, "areas with high seismic or volcanic activity" could include the entire State of California, and any areas not sc included could be covered under "such additional areas as are determined to be of critical environmental concern."

Third. The proposed act would interfere with the exercise by States of their own governmental responsibilities. A $100 million fund would be provided each year for the purpose of coercing States to establish land use planning programs. As the committee report states:

> (I)t seemed to most of those urging passage of the legislation that strong incentives were required to get the States started as were

sanctions to prevent them from stopping once they get started.

I believe that the application of such a "carrot-and-stick" approach distorts the normal political process within the States and that this form of manipulation of States by the Federal Government is completely unjustified.

In conclusion, I should like to make clear that none of the interferences with the rights of citizens which this bill threatens to undertake can be justified by "revised lifestyles," "energy and other shortages," or "changes in concepts of what constitutes an acceptable standard of life," which the committee alleges have occurred. Constitutional rights were established for good times and bad, and we must be especially vigilant during times of alleged crises and emergencies that they not be infringed.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. Camp).

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Speaker, this is just a little piece of permissive legislation that just affects about 50 States. As a member of the Committee on Interior and Insular Affairs, which had jurisdiction over this bill, I have had an opportunity to sit through hours of hearings on the Land Use Planning Act.

Mr. Speaker, I was very hopeful that the February 26 decision of the Rules Committee to deny a rule to the Land Use Planning Act heralded a new resistance in the House of Representatives to broadly written legislation giving more power to Washington at the expense of State and local authority. The rationale—that much more work and discussion was needed before such a far-reaching proposal should be presented on the floor—was, to my mind, sound, and I was deeply disturbed that the Rules Committee in May reversed its previous action for no apparent reason.

As many of my able colleagues have pointed out, nothing happened between February and May to warrant this reversal other than a 3-day series of subcommittee hearings in which the overwhelming majority of witnesses expressed opposition to H.R. 10294. Not one word in the bill was changed.

As a member of the Committee on Interior and Insular Affairs which has jurisdiction over this bill, I have had the opportunity to sit through hours of hearings on the Land Use Planning Act. The testimony has convinced me that H.R. 10294 is nothing less than the first step on the road toward Government control over private property.

Proponents assure us that H.R. 10294 would have no effect on property rights, Mr. Chairman. I question if a western Oklahoma landowner would agree. Under the terms of this bill, future development of his lands could be prohibited, thus effectively and significantly lowering his property values. H.R. 10294, however, makes no provision for compensation for lowered market values caused by a land use plan.

The bill's supporters contend that it simply provides Federal financial assistance to encourage the States to set up their own land use standards. They tell us the bill does not require anything of the States. However, once a budget-pressed State accepts the first Federal dollar—and a portion of $800 million would be hard to resist—that State is then obligated to implement a land use plan following the stringent standards set forth in H.R. 10294. The bill contains line after line of specific requirements and places such a heavy emphasis on environmental considerations that our basic needs for economic development, energy, food and housing could be threatened.

Mr. Speaker, I understand that the bill's proponents plan to offer a comprehensive series of amendments designed clean up H.R. 10294 if the rule is accepted. I say, let us defeat the rule now and send this bill back to committee. The floor is not the place to write landmark legislation which could affect every property owner in the United States.

I doubt if any of us in this Chamber today can predict what will happen in future years if this legislation is accepted. At the worst, I believe it would play havoc with the Constitution's property guarantee and render the words private property meaningless in the United States. I urge your vote against this rule.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Burton).

Mr. BURTON. Mr. Speaker, I rise in support of the legislation and in support of the rule. There has been a good deal of to-do about very little here. This is a very, very modest proposal. All of us on the committee are fully aware of that. There has been a great deal of escalation of rhetoric with reference to the gentleman from Arizona and the Interior Committee's bill. It is a very modest bill. It is much more modest than that which was passed by the Senate overwhelmingly. All of us know that. Let us vote for the rule so we can hear the section-by-section discussion.

Mr. Speaker, I yield back the remainder of my time.

Mr. DEL CLAWSON. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire (Mr. Wyman).

Mr. WYMAN. Mr. Speaker, I thank the gentleman from California for yielding.

The question here is who is the we that the gentleman from Arizona (Mr. Udall) is talking about. The we he is talking about is the Federal Government.

The Federal Government ought not to be doing this. To say that this is an anti-environmentalist vote is to grossly distort the issue before the House. Most everyone is for land-use control and land-use reform, but this should be done by the State legislatures and by the State representatives. It should not be done by the Federal Government, or another "carrot-and-stick" approach to be literally controlled and managed by thousands more Federal bureaucrats.

For us operating in a fiscal crisis to stand here today and vote $800 million to set up another bureaucracy in a "big-daddy" Federal agency in order to control land-use reform in the States would be a seriously wrong thing to do. We should kill this bill and do it decisively on the rule.

Mr. MONTGOMERY. Mr. Speaker, it is very seldom indeed that I ever rise to oppose a rule because of my basic belief that legislation should be considered on its merits and the House should be given an opportunity for a full and open debate on each bill reported out of committee. However, once in a long while we are presented with a bill that is entirely lacking in merit. Such is the case with the Land Use Planning Act of 1974. I would warn my colleagues that if the Land Use Planning Act is passed it will open a Pandora's box that we will never be able to close.

Mr. Speaker, contrary to what the supporters of this measure would have you to believe, the Land Use Planning Act would seriously compromise, if not jeopardize, the property rights of private landowners. This is a consequence which I am sure the American people never want to face and I feel very strongly that it is a consequence we should not attempt to legislate.

Mr. Speaker, the very fact that it took an extreme amount of pressure and arm bending to even secure a rule by a one-vote margin says to me that the Land Use Planning Act should not even be on the floor for House consideration. Another disturbing feature of the legislation is that it smacks highly of politics—Presidential politics. I am very concerned that the biggest supporters of this bill in the House and Senate are both in the process of running for President although for the life of me I cannot understand why anyone would want to be associated with a piece of legislation of this nature.

Mr. Speaker, I strongly urge my colleagues to vote against the rule thereby signing the death knell for the Land Use Planning Act, which it so richly deserves.

Mr. HAMMERSCHMIDT. Mr. Speaker, I am aware of the long legislative history of the Land Use Planning Act, which now seeks to bring the living habits of man more in conformity with his diminishing natural habitat, the land. Since 1971, bills on the subject of implementing a comprehensive land use planning act have been referred to the House Interior Committee, specifically the Subcommittee on the Environment, and I commend this body for their thorough study of such legislation.

However, at contention is the concept of nationwide land use planning. In reporting H.R. 10294 for full House consideration, the Interior Committee in its report stated that, undeniably, the Land Use Planning Act is path-breaking legislation in some respects. It is for the "path-breaking" nature of the act that I urge that the rule for consideration of the legislation be defeated.

Earlier versions of this legislation contained strong sanctions whereby States failing to live up to the requirements of the Land Use Planning Act would see their Federal assistance programs cut in varying degrees. In 1972, the executive branch recommended sanctions to insure a State's ocmpliance with a land use policy act. The three funds subject to be withheld would be, under this earlier proposal: those funds allocated under the Airport and Airways Development Act; Federal-aid highway funds exclusive of planning and research; funds from Land and Water Conservation Act of 1965, as amended.

Although the version of the bill under consideration today does not carry with it the principle of sanctions contained in earlier versions, it is my view that the rule for consideration of this measure should not be adopted. I oppose the concept of federally administered comprehensive land use planning processes and question the need for it. The tendency of the executive branch to impound Federal funds for one reason or another is clearly apparent. The Federal-aid highway funds, one of three programs singled out for attack in the 1972 executive branch recommendations on sanctions, are allocated to the States primarily from the highway trust fund, which is compiled from highway user taxes. Legislation governing the utilization of such Federal funds for highway purposes incorporates comprehensive procedures for public review and hearings when controversy arises, as well as provisions requiring compliance with the National Environmental Policy Act. In general, standard zoning ordinances and building codes have been enacted to enforce restrictions on the use of land as local governmental entities feel are advisable, and in my judgment that is where it should remain.

Despite the removal of sanctions from H.R. 10294, it remains my position that enactment of the Land Use Planning Act would be a step in the wrong direction and would have a truly momentous impact on the freedom of action of State and local governments, and on individual liberties, including the basic right to own and use property. While it is widely claimed that the act would simply serve to encourage and assist the individual States to shoulder their responsibility for land use planning, title I of the bill continues line after line requirements that the States must meet before the Secretary of Interior can judge that their plans are "adequate." The purpose of the act is to authorize the Secretary, pursuant to guidelines issued by the Council on Environmental Quality, to make grants to assist the States to develop and implement comprehensive land use planning processes.

This Council on Environmental Quality last year issued a report entitled "The Use of Land." In its report, the task force established by the Council included several recommendations relating to property rights. In view of the fact that the Council will be issuing guidelines to the Secretary for promulgation of the act if it is enacted, it is somewhat alarming to note that their report recommended an end to the landowner's traditionally presumed right to develop his property regardless of environmental and social costs, a right presently restricted by local zoning laws. The report goes on to state that landowners should be required to bear the restrictions without compensation by the Government. By rejecting an amendment in this regard during formal committee consideration, the House Interior Committee has implied endorsement of the latter recommendation by the Council. An amendment was proposed, and rejected, that would have authorized "any person having a legal interest in land, of which estate has prohibited and restricted the full use and enjoyment thereof," to petition a court to determine whether the prohibition diminishes the value of property and "if it is so determined, full and adequate compensation of the amount of loss shall be awarded therefor." At this late date and following hearings and a full committee consideration process, we are now asked to evaluate a package of amendments which the bill's sponsors have determined at the last are needed to "clarify the intent" of their legislation.

In my judgment, the highly significant issue of this act—fifth amendment private property "taking clause" guarantees—have been left without adequate safeguards in H.R. 10294. While suggestions were made that the bill contain new authority to provide for compensation in case of what has been characterized as "inverse condemnation," it was the determination of the committee that adoption of such a provision could well defeat the purposes of the Land Use Planning Act. However, I have strong reservations that this legislation may well challenge 5th and 14th amendment guarantees of the Constitution.

Not only do I question that the act, as it is presently written, could be effectively implemented within the bounds of the Constitution, but I fear that it would invite litigation to the extent where, once again, congressional intent would be left to the broad interpretation of the courts.

Under the principles on which our Nation was established, the marketplace and the economic interests of private land ownership dictated the highest and best use of land. This measure would take a step in the direction diametrically away from our free enterprise system and the concept of individual liberties. Under existing conditions whereby zoning ordinances may prohibit one certain use of land, the owner can at least utilize the land in another manner so as to attempt to justify his investment.

Not only does H.R. 10294 undermine our valuable tradition and consequently stifles private ownership, but also it affords environmental consideration a dominant position in the land use decisonmaking process. Our physical environment must be properly balanced with our needs for economic development, for greater resource recovery to meet our energy demands, for supplying raw materials in what has become an economy of shortages, for providing food for our people as well as for housing the population.

The legislation to be considered under House Resolution 1110 tells the States in specific detail which areas must be designated as "areas of critical environmental concern."

In the definition of critical areas, included are renewable resource lands and significant agricultural and grazing lands, and forest lands. Such a definition includes the vast majority of my congressional district, and I therefore share and endorse the apprehensions of my constituents with regard to H.R. 10294.

Despite the great amount of apprehension of citizens throughout the Nation toward H.R. 10294, the Interior Committee has strongly resisted the justified clamor for regional hearings before a final bill is brought to the floor. The bill could work to encourage State and local governments to utilize its zoning powers in a sweeping classification of lands. This would deny existing or potential uses, or powers of eminent domain without giving just compensation to the owners of private property within these areas.

I seriously question the wisdom of deliberating the bill today, and it is therefore my hope that the rule will not be adopted. We already have a proliferation of complex and overlapping Federal laws and functions affecting the use of land. I have already mentioned the Federal-Aid Highway Act, which includes provisions highly germane to the use of land. Another, also under the jurisdiction of the Public Works Committee, is the Federal Water Pollution Control Act.

In addition to these two we have the Clean Air Act, and Coastal Zone Management Act, and Land Use Planning Authority assigned to the Department of Housing and Urban Development and authority for the Environmental Protection Agency under the very broad and sweeping authority of the National Environmental Policy Act. Now we are asked to adopt a rule for consideration of a bill to create yet another land-use oriented bureaucracy: an Interagency Land Use Policy and Planning Board.

The Water Pollution Control Act, specifically in section 208, outlines land use criteria. It calls for a regulatory program to be developed to regulate the location, modification, and construction of any facility that may have discharges. In addition to pollution control planners, we also have on the Federal level flood control planners, site planners, and land use planners under other authority, and even the watershed program. Although for the most part these operate under Federal authority, the structure of each such program calls for a significant level of State and local input. This, coupled with State and local authority in such matters as zoning, constitute a broad array of comprehensive regulatory plans which govern how land is used.

The major incentive for comprehensive land use planning as proposed in H.R. 10294 is the authorization of $100 million annually for 8 years for land-use planning grants. In a time of inflationary pressures on the economy, especially, it is my judgment that such an expenditure is an unnecessary burden to the taxpayers of America and the authorizing legislation is not in the best interests of the Nation. Regardless of last minute changes to H.R. 10294 supported by its sponsors or of the multitude of floor amendments which will be offered to remove objectionable provisions or add additional protection for property owners' rights, it is apparent to me that the Land Use Planning Act should not be brought before the House.

It is an unwise use of the valuable time of this body. I urge my colleagues to vote down the rule.

Mr. THONE. Mr. Speaker, property rights of Nebraska farmers and ranchers would be eroded by this Federal land use legislation.

Legislation passed by the Senate on June 21, 1973 and reported out by a House Interior and Insular Affairs subcommittee on September 14, 1973 is described by its supporters as a program to give financial aid to States in carrying out their land use policies. In truth, the legislation would result in national land use policies, with nearly all decisions being made on the Federal level.

PAUL FANNIN of Arizona was one of the original sponsors of the bill when it was introduced in the Senate. After it was rewritten in committee, he became one of its leading opponents because "the bill as amended dictates to the States rather than establishing a system of cooperation."

The bill, if it becomes law, could have serious economic effects for Nebraska farmers and ranchers. If land were zoned for agricultural use only and changing conditions made it desirable to convert to industrial or residential use, the change could not necessarily be made just on the county or State level. All actions at local or State levels would have to fall within Federal guidelines, rules and regulations that would amount to dictation.

Each State's "comprehensive land use processes" would be subject to approval not only by the Office of Land Use Policy and Planning Administration which would be created in the Department of Interior by the legislation, but also to comment by the Departments of Agriculture, Commerce, Defense, Health, Education and Welfare, Housing and Urban Development, Transportation and Treasury and by the Atomic Energy Commission, the Federal Power Commission, the Environmental Protection Agency and the Council on Environmental Quality.

The bill would give the Federal Government the power to determine that certain areas were of "critical environmental concern which are of more than statewide significance" and therefore subject to direct Federal control. Nebraska's unique sandhills could come under that definition.

The legislative proposal would also give the Federal Government direct power to control use of private land "adjacent" to Federal lands. The Federal Government owns a third of our land. How much more would be controlled by this proposal?

The version of the bill reported by the House subcommittee is more dangerous than the Senate version. In the Senate version, States can pursue their independent course if willing to pass up the offered Federal money for land use planning. In the House version, any State that does not comply with Federal guidelines by 1976 would lose 7 percent of its funds for highways, airports and land and water conservation funds. The Federal Government would tighten the squeeze on nonconforming States by withholding 14 percent of these funds in 1977 and 21 percent in 1978.

The 5th and 14th amendments to the U.S. Constitution provide that private property not be taken for public use without compensation. The proposed Federal land use legislation raises the question as to how far Government can go in restricting land without compensating the owner. Chief Justice Oliver Wendell Holmes wrote:

> The general rule, at least, is that while property may be regulated to a certain extent, if regulation goes too far it will be recognized as a taking.

The proposed land use legislation defies this Supreme Court ruling. An example will illustrate its viciousness. A man might buy land with a lake on it for the purpose of developing a resort. A State then, proceeding under Federal dictates, might decide the land is an "area of critical environmental concern" and prohibit all development.

Our present emergency efforts to discover and utilize materials to ease our energy and metals shortages would be greatly hindered by the proposed land use legislation. The land use program is surface oriented, and thus would restrict exploration for underground resources whose existence and extent are not now known.

Development of sound land use policies have been neglected in many areas. I favor strengthening local and State land use planning and programs. There is no reason why a Federal bureaucracy should have virtually 100-percent control over a matter that should be handled by a local zoning board.

This great Nation was founded, grew and prospered in the climate of free enterprise and opportunity—where the role of Government took second place. Our modern society is complex and has many problems. Nevertheless, we can solve those problems without endangering the rights of individuals to own property.

The rule must be defeated.

Mr. LUKEN. Mr. Speaker, I rise in strong support of the rule now under consideration. Let us adopt this so that we discuss the bill thoroughly.

Mr. Speaker, I rise to register my strong support of the Land Use Planning Act as reported by our Committee on the Interior. I am opposed to all attempts to weaken this bill. And I am opposed to the attempt to kill it, which is being made here today, through the ploy of a substitute bill.

For far too long a time we Americans have taken for granted an endless supply of land, and clean water and air. This view of our environment as a cheap resource has resulted in rash and unplanned land destruction as well as pollution of our rivers, aircraft noise over our cities, and filth in our air and water. It is time for us now, before it is too late, to take the action necessary to protect our vital environmental resources.

The bill we have before us will do that while providing funds to States on a voluntary basis. Under the bill individual States may elect not to participate. Yet, it is a strong bill providing cities and other political subdivisions with the means of settling land use questions that regularly come before them. Passing this bill today will reduce isolated and chaotic development, replacing it with a land use partnership among State and local governments.

My own State of Ohio has already initiated the development of a State land use policy process and the State government has strongly endorsed this bill. We intend to broaden participation in this process so that Ohioans can be assured that land use policy expresses a balance between economic encouragement and land protection. The passage of this bill today is vital to the development of a responsive State and local government role in the land use planning process of Ohio. And I am certain this is true of all States.

The substitute bill offered today by the gentleman from Arizona (Mr. STEIGER) is hollow and vague. One of its glaring weaknesses is that it does not guarantee local governments to have control over their development. It says nothing about people's property rights even though the gentleman states he is concerned with preserving the rights of property owners.

Mr. Speaker, passing the Steiger bill and killing or weakening the Udall bill would be an irresponsible act on our part which would reinforce and justify the lack of confidence in Congress felt by so many of our people. It comes down to this: if even our land cannot be protected from special interests and speculative vandalism, if the right of our towns and communities to control their own quality of life cannot be preserved, then the Congress deserves the criticism to which it has lately been treated.

Mr. TRAXLER. Mr. Speaker, my position on land use planning is that the land use decisions fundamentally should be made by the people who are directly affected at the local level. There is an urgent need to protect landowners from being forced off their property by decisions in which they had no part. At present, we are seeing exactly this. Farmers are being driven out of business by skyrocketing property taxes, our agricultural land is being consumed by urban sprawl.

I want no Federal Government officials making our land use decisions for us. The Land Use Planning Act as reported by the committee would insure that the land use decisions will be made at the local level. Thus, if a community wished to retain its agricultural base, it could decide to do so. The basic purpose of the act is to authorize Federal grants to the States, so that the States can develop land use planning processes that place the planning responsibility at the city or county level. In Michigan, our State legislature is already considering land use legislation based on the same principles as the Federal bill, so Michigan would be able to obtain Federal grants under this act to finance our State program.

I reiterate, I want no Federal Government officials making our land use decisions for us. If any legislation authorized anything of the kind, I can assure you I would oppose it. The Land Use Planning Act specifically prohibits Federal intervention in land use matters. Section 106 (d) of the act states:

> Nothing in this title shall be deemed to permit a Federal agency to intercede in management decisions within the framework of a comprehensive land use planning process.

We also must insist that there will be no infringement of the right to own and use private property. The Land Use Planning Act as reported by the committee also explicitly protects these private property rights in section 106(d), which states:

> Nothing in this title shall be deemed to enhance or diminish the rights of owners of property as provided by the Constitution of the United States.

The act does not authorize acquisition of any private property or easements, and it does not authorize any Federal zoning.

In fact, this measure gives local governments more control over Federal decisions than they have ever had before. Section 111(a) requires the actions of the Federal Government to be consistent with the local and State land use plan. Thus, the Federal Government cannot come into our communities with a disruptive, unacceptable project if our land use plan bars that type of development. At present, the Federal Government is not bound by any such restriction.

To reaffirm my strong commitment to land use planning without Federal intervention in local decisions, I support the amendments offered by the sponsors of H.R. 10294 which clarify the intent of the bill not to allow Federal control of State and local land use decisions. The amendments reaffirm the policy that the authority to manage and regulate non-Federal land rests with the States and their political subdivisions and that the Secretary of the Interior will not be authorized to disapprove of any such decisions as a condition of eligibility for grants under this act. Moreover, the amendments would allow the States to give whatever weights they deem appropriate to the various Federal criteria for the planning process.

Likewise, these amendments state that nothing in the act shall be construed to require or encourage States to interfere in purely local land use decisions. And most importantly, the amendments reaffirm in very strong language that property rights receive maximum protection under not only the U.S. Constitution but the constitutions and laws of the States.

I believe that these amendments make very clear that while we are committed to sane land planning, we do not want decisions made at the Federal level.

The alternative to the Land Use Planning Act is the bill proposed by Congressmen RHODES and STEIGER of Arizona. Although their bill also would give Federal aid to the States for land use planning, I cannot support it because it omits the strong local role in land use planning that I believe to be essential. The National Association of Counties summed up the problem as follows:

> The Steiger bill does not contain the protections guaranteeing local government involvement in the planning process. The Steiger bill will also open the door for federal control of land use plans because it does not clearly define the respective roles and responsibilities for state and local governments.

Mr. Speaker, this week I received a telegram from Hon. William G. Milliken, Governor of the great State of Michigan. Governor Milliken strongly endorses the land use bill as reported by the committee. Governor Milliken states in his telegram:

> I understand the Land Use Planning Act of 1974, H.R. 10294, is to be considered by the House of Representatives this week. I reiterate my strong support for this bill. It has the overwhelming endorsement of the Nation's Governors because it provides the States with the authority and the financial support to do the job.
>
> The time for land use reform is now. In Michigan, our State program is being accelerated with the enactment of the Farm Land and Open Spaces Preservation Act, which I signed into law last week. Passage of a national land use bill will give added impetus to our efforts.
>
> WILLIAM G. MILLIKEN,
> *Governor of Michigan.*

In addition to Governor Milliken, I have received communications from the following organizations supporting the Land Use bill as reported by the committee: The National League of Cities, National Association of Counties, U.S. Conference of Mayors, National Association of Realtors, League of Women Voters, the Interior Department, National Rifle Association, American Institute of Planners, American Institute of Architects, the AFL–CIO, Mortgage Bankers Association, United Auto Workers, and by all major environmental groups.

I believe we need to make our own decisions on land use in our own communities. The Land Use Planning Act is a source of financial support for these local planning efforts, and it has built-in prohibitions against the evils we all oppose, such as Federal intervention and abrogation of property rights. This is a bill that will help us better control the future of our communities, which I believe we all desire.

Mr. RONCALIO of Wyoming. Mr. Speaker, today I will vote for the rule to consider H.R. 10294, the Land Use Planning Act, in the desire to have this legislation, proposed amendments, and alternative bills brought before the House for debate and consideration.

If the rule is adopted, I will follow the sentiment expressed to me by the vast majority of my constituents in Wyoming and vote against H.R. 10294 on a vote on the bill itself. I have expressed this intention in response to hundreds of letters which I have received and wish to note that I will vote "no" on final passage of H.R. 10294.

Mr. CLEVELAND. Mr. Speaker, I rise in opposition to the rule. It is shocking to me that at the 11th hour, after refusing to change the thrust of the bill in committee, the author and chief cosponsors offer amendments dealing with fundamental policy matters. These matters should be deliberated upon in orderly fashion in committee, not on the floor. This is uniquely the case in this instance.

Members who have closely followed debate on this matter are doubtless aware of my reservations concerning this bill, particularly regarding its potential for State encroachment on local home rule authority.

My statement appearing at pages 18612–14 in the RECORD for June 10 amply deal with recent developments in this connection: The Durham refinery controversy, my questionnaire results, the opposition of a former supporter of the bill's concept on the basis of subsequent experience in New Hampshire, and the progress of communities in the State in evolving their own approaches.

But these are matters of substance. We can debate matter of substance, of fundamental policy on the floor. That is the only avenue open to Members not serving on the committees which produce the legislation under consideration. Indeed, I have prepared amendments to both H.R. 10294 and the Rhodes-Steiger substitute on grounds that both are deficient in safeguarding home rule.

This, however, is not the issue before us. We can hardly consider fundamental policy in an orderly fashion when there is such widespread divergence of opinion—not only as to policy—but as to interpretation of the meaning of the measure before us. We are not even talking the same language.

These fundamental differences in interpretation doubtless contributed to the Rules Committee's initial determination to withhold the bill from the floor. The pro forma hearings held subsequently produced no change in the bill or refinements in its understanding.

In preparing my amendments, I have considered the language proposed by the gentleman from Arizona. I find it more cosmetic than corrective, and utterly at variance with the remarks preceding its introduction in the RECORD. We would profit, therefore, from allowing the committee to go back to the drawing boards until it can come up with a measure which—regardless of its thrust—coincides more closely with the claims made as to its impact.

The committee had not done its job. The amendments proposed by the bill's author—21 of them, as recently as last Friday—demonstrate that fact. I, therefore, will depart from my usual practice of supporting a rule regardless of my position on the bill in question and in this instance vote against the rule.

Mr. DORN. Mr. Speaker, this Land Use Policy Act should be sent back to committee for field hearings and for further study. This is a far-reaching bill. It would for the first time put the Federal Government into the business of land use planning. The Congress should be extremely cautious about involving the National Government in an area traditionally under local and State jurisdiction. Every safeguard should be taken to assure private property rights under the Constitution.

My feeling, Mr. Speaker, is that States and localities should continue to have authority over land use, with the very minimum of Federal regulations. With further consideration a means can be developed for the Federal Government to provide assistance to State and local planning, with the bare minimum of Federal involvement in decisionmaking.

Mr. KEMP. Mr. Speaker, under normal circumstances, I favor the granting of a rule to allow consideration of a bill by the full House. I do this even when I know—or suspect—that I will vote against the bill itself when it is considered for final passage.

Only in the rarest of circumstances will I vote against even granting a rule allowing consideration of a measure. But, this is such a case today.

H.R. 10294, the proposed Land Use Planning Act, which this rule would bring to the floor, is a substantively defective and poorly drafted bill. It is not good legislation.

I question the merits of a bill when one of its principal proponents—its author—as has just happened here a few moments ago—acknowledges in debate that an amendment will even be necessary to the bill to insure protection of private property—a protection guaranteed by our Constitution and a protection which serves as the foundation stone for political and economic freedom.

I question the merits of a bill when even its sponsors imply that they might have to accept as many as 20 amendments to make the bill more workable. Yet, we are told this measure was the product of careful committee deliberation. If so, then why are so many floor amendments necessary?

I question the merits of a bill when it is as vigorously opposed by a balanced, representative cross section of the people whom we represent in these Chambers as has been this bill.

Others—many—have spoken today on the varied and specific problems associated with the bill. I do not intend—nor need—to duplicate their fine contributions to the legislative history on this subject.

Let me, instead, speak for a few moments on what I think is wrong with the measure — conceptually, institutionally, and practically.

INTIMIDATION IS MASKED AS INTERGOVERNMENTAL COOPERATION

The supporters of this bill proclaim that it is not something all that new or radical—that it really is no usurpation by the Federal Government of the powers and prerogatives of the State and local governments—that the exercise of those powers is really left with those State and local governments. If the latter is true, then I would ask, "why the need for the bill at all?"

The simple fact is that this bill really is a masked takeover by the Federal Government, in yet another area where such intervention will foul everything up.

The intimidation factor is significant. Look at how it would function: If you—as a State—do not adopt a plan which we—the Feds—approve according to our—the Federal—standards, then we—the Feds — will not give you — the States—the moneys appropriated under this bill. In the simplest terms, do it the Federal way or suffer a significant economic loss.

This is the traditional stick, disguised as a carrot.

Moreover, the necessity of having a State's plan approved by the Federal Government allows for direct—not indirect—Federal involvement, intervention, and tinkering in local land use decisions.

Lengthy lists of required elements and complicated procedures for designating areas are specified in such a way that once the first Federal dollar is accepted by the State, it must implement a land use plan in accordance with these detailed Federal provisions.

Does any Member of this body—a legislative assemblage that talks more each session about restoring "power to the people," and shifting that power away from the hands of governmental authorities—really want some bureaucracy in far way Washington deciding where a highway ought to go, or a new shopping center, or a new plant, or a new housing development, or a new school, or even a new church?

Is restoring "power to the people" just rhetoric to cover those areas in which such proponents just disagree with particular Government policies? I hope not, and here is a chance to prove it—prove it to the people

WHAT WE ARE SETTING INTO MOTION— A GROWTH IN FEDERAL POWERS

Because it is the first giant step by the Federal Government in this area, the process of enacting this bill and beginning an additional chapter in Federal authority and power provides us with an excellent opportunity to forecast—from the many lessons of prior experience—exactly what is probably going to happen.

First, the bill authorizes—actually directs—the Secretary of the Interior to study the need for a national—I repeat, national—land use policy and to submit legislative recommendations to Congress.

Now, human nature is human nature; that fact is inescapable.

Can anyone really expect that the recommendations to be made by the Secretary will not propose an accretion of power to the Federal Government, specifically to the department he represents?

Has anyone ever studied a question in government and not concluded, "What is needed is to resolve the problem, and I have the answer, and the answer is me"?

Thus, we, by authorizing what appears to be an innocent study, are about to set a course of action into motion which, even if it takes years or decades to run its full course, will be, nonetheless, a Federal course of action.

Additionally, the bill is structured—even though only transparently—in terms of maintaining power at the State and local level. This, too, is an old trick.

When the majority in the Congress feels that public opinion will not presently support a complete Federal takeover, the tactic sometimes deployed is an old one: Couch the initial bill in terms of State and local power, set standards which State and local governments cannot realistically meet, come back several years later with speeches saying it is obvious that we gave the State and local governments those powers but it is also obvious that they have failed to meet the challenge, propose amendments shifting the power to the Federal Government to "get the job done," and then enact them into law. Whole bureaucracies, with thousands of employees consuming taxpayers' dollars, with myriads of regulations, and with countless forms—all then begin to flow. And, more power is taken from the people.

Must we let this procedure continue, so obviously, unabated? Again, no. Here is where we should draw the line.

STATE OF THE ART VERY UNCLEAR

If this bill is enacted, it sets into motion a program based upon the present state of the art in land use planning. And, no one really knows the state of this art.

The changes in it during the past 30 years have been phenomenal, and we can forecast even more substantial changes over the next 30 years.

There is also no unanimity of opinion—no prevailing school of thought—on what would be the best land use policy.

Where does this then leave us?

If one of those schools of thought prevails over the other, it stagnates the intellectual and practical nature of continuing to search for that "best" solution. On the other hand, if one opinion does not prevail over the other, we are left with diversity, and we have that now. So, why enact or search for a national uniform policy?

If we set a certain course of action into motion by law, everyone must act in reliance upon it. It is, after all, the law of the land. Thus, Federal regulations and policies are promulgated on that basis; Federal bureaucrats pursue those goals. State and local governments must acquiesce in them. The private sector—business—must act in accordance with them. Everything goes off, more or less, in the same direction. Then, what happens if—as has often been the case—Congress perceives that, according to new knowledge acquired, major changes in that policy need to be instituted? Several things happen.

The Congress sets about to make amendments in the law. Since everyone knows this, everything grinds to a halt. No real efforts are made. After all, Congress is changing the law.

Of course, Congress works in its infinite wisdom in a very deliberate—often slow—way. Thus, this stagnation is accentuated and the vitality of the effort is, even at that point, already lost.

Congress then enacts new policies, codified as law. This requires everyone else—the Federal officials and bureaus, the State and local governments, the professionals, the private sector—to change their policies accordingly.

Millions of man-hours are rechanneled—at a loss of efficiency. Millions of taxpayers' dollars are rechanneled—at a loss of effectiveness.

And, the thought processes of all must change.

Why continue to do this to our people?

FEDERAL INTERVENTION HERE COULD STAGNATE THE ECONOMY

One of the most important tasks this House could be undertaking these difficult days is devising ways in which to bolster the economy.

The economy needs a restoration of incentives, not an additional burden of redtape and bureaucracy to be overcome every time a decision needs to be either made or implemented.

Yet, this bill—once it becomes fully operative—could have the very real effect of requiring businesses—and that means jobs and take home pay—to go through laborious, time consuming—years, not months—delays in expansion and relocation.

If a company wants to expand, it will be faced with new federally sanctioned requirements, and the bureaucracies—then made even more burdensome by the expansion of the Federal role required by this bill—will slowly and painstakingly move the paperwork from one desk to another.

If a company wants to relocate—whether intracity, intercity, or interstate—it will have to go through a maze of bureaucracy and make its every action dependent upon the dictates of Government regulation.

The effects of Government regulation on economic productivity ought to be obvious to everyone. Look at the energy shortages; look at the beef freeze. Yet, instead of removing regulations—which are inherent disincentives to production and are antithetical to the jobs and incomes which flow naturally from such production—this bill would impose more and more regulatory control over our economy.

BILL SHOULD NOT BE ENACTED

When one considers these points—the usurpation of power from those governments closest to the people; a general recognition that the state of the art here is uncertain; stagnation of the economy; plus, the way in which all of this operates within the processes in which we make the law of the land—I just think, in summary, that the Congress would be better served to admit that despite the time and effort put in on this legislation to date, that we should acknowledge now—not 10 or 20 years from now—that the Congress is embarking on a misdirected mission.

We should, rather, say to the State and local governments, "Here, take the information we have put together, coupled with the expertise acquired by professional staff members and private fellows who worked on this, and do it yourself. You will be better served—and so will the people—by so doing."

Here, Mr. Speaker, is an area where we should let well enough alone.

Mr. WON PAT. Mr. Speaker, I rise in support of H.R. 10294, the Land-Use Planning Act.

We are all aware that as the United States grew from early colonial days there was always plenty of land for everyone and for every purpose. When the original Eastern colonies became crowded, Americans pushed further and further West until they reached the Pacific Ocean. In the expansion of our country, cities and towns sprang up without any real regard for proper use of the land. As a result, many of our cities today are blights upon the land, and many sections of our once beautiful country have become the ugly products of irresponsible and careless development. In many areas, open spaces, beaches, and forests are turning into jungles of hotels, houses, and office buildings. We have finally reached the point where we must sit down and think about how we can best use the land we have been blessed with.

The members of the House Interior Committee have spent long hours considering legislation for a national land use policy. They realized that it is urgent for the Congress to set up guidelines for land use that will insure the future use of our limited land resources on a rational basis.

Traditionally, land use decisionmaking has been delegated by the States to local governments. Where these decisions have an impact of more than local significance, however, they should be made from a perspective which takes into account the interest of all parties affected. H.R. 10294 would give grants to the States so they can have an input in decisions made by local governments which have significant impacts on other jurisdictions. The American Law Institute estimates that only 10 percent of land use decisions are of more than local concern. The remaining 90 percent of the decisions are left entirely under the control of local governments.

Contrary to the views of some opponents, this bill does not provide for a Federal role in planning or implementing any part of a State program. Apart from administering grants, the Government's role is limited to insuring that Federal land use planning is consistent with State and local land use plans.

H.R. 10294 would provide incentives to the States in the form of Federal financial help and other assistance to draw up comprehensive plans for regulating land use in line with a balanced regard for environmental protection and economic development. Already most of the States have set up tentative mechanisms for making land use planning decisions. They realize that wise use of the land is essential to the quality of life for this and future generations.

It is later than we think for this country to start saving its land resources from rampant misuse. H.R. 10294 is a first step in the direction we must take, on a national level, to plan our land use in a sensible manner. Land is our most precious natural resource, and must be cherished and utilized intelligently in the best interests of all the American people.

The House today has an opportunity to make a historic decision, as the solution to a wide variety of our environmental, social and even economic problems depends ultimately on rational land use planning and regulation by the States. I urge my colleagues to vote for H.R. 10294.

Mr. RARICK. Mr. Speaker, I am opposed to the concept of the legislation before us, the Land-Use Planning Act, and urge our colleagues to defeat the rule.

The bill represents a massive intrusion into the right of private property presently enjoyed by our citizens. Furthermore, the legislation proposes to transfer the prerogative of local and State governments to control the development of their communities to the Federal Government. In fact, the whip advisory indicates quite plainly that this legislation actually redefines "general purpose local government."

This latter aspect of the legislation this rule is designed to bring to the floor seems very strange to me, especially when the major supporters of this measure were also leaders in support of legislation enacted by this Congress in the last session giving the District of Columbia home rule. It appears that these Members would give the District the right to govern its own affairs yet deprive their own communities of the basic right to control their own development through locally controlled zoning requirements.

Proponents of this legislation seldom make mention of the committee report which accompanied this legislation, explaining the proposed law. An examination of this report clearly indicates what this bill is: a blueprint for all land in the United States to be controlled by the Interagency Land Use Policy and Planning Board of the Federal Government. This Board is composed of representatives of 12 Federal agencies, with the Secretary of the Interior acting as chairman.

Proponents of the bill argue that the program will be "voluntary." Indeed it will be, if the States can afford to turn down the Federal seed money and, after 5 years, is willing to do battle against Federal "suasion short of sanctions to persuade a State to take advantage of the provisions of this act." The United Brotherhood of Carpenters and Joiners of America, in their statement in opposition to this legislation, indicated:

> It is the old "carrot and stick" approach that we have all become familiar with in the past. The carrot is $800 million in much needed grants to any state that will draw up a comprehensive Land Use Plan. The stick is that the Secretary of the Interior has the sole discretion to determine the eligibility of a state for a grant. If very stringent environmental guidelines are not met, then virtually every aspect of orderly economic growth on the community level from basic zoning to construction projects of all sizes could be stymied by this bill. Yet NO field hearings on this national issue have been held whatsoever.

Despite the failure of the committee to hold public hearings in the field, the bill at section 104(c) calls for "substantial and meaningful public involvement on a continuing basis and continued participation of local governmental personnel in all significant aspects of the planning process."

Section 304 is entitled "Public Involvement." At page 51 of the report accompanying the bill, we find this comment:

> . . . the Committee once again emphasizes its convicton that the citizens of the nation should be involved on a timely basis not only with land use planning as it pertains to their own privately owned lands but also should have a voice with respect to the public lands in which they hold a common interest.

The private property owner would find the public involvement aspect a formidable handicap in any decision he might make as to the use of his land. Imagine, before erecting a building, cutting a tree, or digging a ditch, the party owning the land and seeking improvement would have to submit his decision to his friends and neighbors for their approval.

The ultimate in this public involvement confusion would be to have nonland-owning or nonproperty-owning citizens being able to control a property owner in the use of his own property. This is a true collectivist theory that all land belongs to the common heritage of mankind.

It must be understood that any decision in regard to classifying or zoning land is similar to placing a covenant or restriction which runs with the land. If the land use classification is for a productive purpose, the value of the land would be enhanced, but if the decision of the land planners is to seriously restrict a parcel of land or prohibit its use for the most competitive purpose, then the land has a serious defect, its value depreciates in reality, and there has been a "taking." The owner of such private property would suffer financial damage just as severely as if a property had been taken from him by expropriation proceedings.

This leads us, Mr. Speaker, into what is one of the major concerns with this legislation, the possibility that it advocates a "no-growth" policy. At page 43 of the report, we find the following interesting passage that gives some indication of the basic dangers of this legislation:

> In summary, the Committee has no objection to identification of the Land Use Planning Act as environmental legislation, and in fact believes it to be an accurate characterization. But every effort has been made to take a balanced approach to the concept of land use planning and to recognize that we are considering the *use of land* for various purposes that must be achieved, and are not proposing a no-growth policy. *Individual States may well decide that there shall be no growth or development in certain areas as a part of its comprehensive land use process, but this bill does not contemplate adoption of such a National policy.* (Emphasis added.)

What this means, Mr. Speaker, is that, while the bill as reported does not itself advocate a "no-growth" policy, the report clearly indicates that the committee encourages the States to take such a position in drafting their overall land use planning policy, a policy that must be approved by the Secretary of the Interior or the Federal Government will move into "suasions," as discussed in section 110 of the bill and on page 48 of the committee report.

Finally, Mr. Speaker, the Members should be aware of the extent to which this bill intends for the Federal Government to go in dictating what Americans can and cannot do with their private lands and buildings. Page 45 of the committee report indicates the intent of the committee in this regard:

> PART B—COMPREHENSIVE LAND-USE PLANNING PROCESS
>
> The four sections in this part of title I provide for the development of a comprehensive land use planning process *and the subsequent administration and implementation of the process.* (Emphasis added) These sections also set forth certain requirements as to use and development in accordance with the comprehensive land use planning process. *Where the term "development" is used in this latter sense it means, in the context of the American Law Institute Model Code, the dividing of land into two or more parcels, the carrying out of any building or mining operation, or the making of any material change in the use or appearance of any structure or land. Development includes, but is not limited to erection, construction, redevelopment, alteration or repair. When appropriate to the context, development refers to the act of developing or to the result of development.* (Emphasis added)

Thus, Mr. Speaker, it is clear from this passage that, though the bill and its proponents speak of land use processes, in reality the legislation deals with land use decisions. In fact, the bill itself provides for this in section 108 by giving the Federal Government the right to review and veto substantive State or local decisions concerning land use that the Secretary of the Interior feels do not meet the criteria outlined in the bill.

Mr. Speaker, the bill strikes at the very heart of our system by limiting the right of private property and limiting the right of the American people to control the development of their communities through their local governments. It should not be brought to the floor and I urge our colleagues to vote against the rule.

Mr. FUQUA. Mr. Speaker, there have been only a handful of bills which have caused me greater consternation than this one. The stated goals of the legislation are commendable and they must be achieved if we are to provide an environment in which our citizens can enjoy a decent quality of life. Lack of foresight and the absence of adequate funds with which to do prudent land use planning, have plagued hundreds of metropolitan and rural areas and millions of our citizens.

The legislation is explicit that land use planning is ultimately a matter for State and local control and that the Federal Government should not interfere in the substantive decisionmaking process of how land should be utilized in particular areas of the country. The strength of the American fiber derives from the ownership of private property and keeping the remedies in land use matters in close proximity to the local citizens. I am talking about the local tax assessor, the local zoning board, the local courts adjudicating common law nuisance suits, quiet title suits brought in the local court on State law theories. Because private property plays such an integral role in our society and because of the strongly held beliefs that the citizen could be secure in his property, we must scrutinize this legislation closely and design whatever safeguards necessary to keep land use planning decisions at the local and State level and that we include as many citizens as possible in these decisions.

The sponsors of this legislation have recently, at the eleventh hour, offered some amendments which are touted to meet those objections of certain organizations and citizen groups about the Government in the substantive land use decisions of the local and State governments. Well, I will tell you, I directed a member of my staff to attend a briefing held by the managers of this measure and word was returned to me that the Federal Government would oversee merely the establishment of the procedures for land use planning. The substantive decisionmaking powers would reside, quite properly, in the local and State governments.

Now then, either the bill did not provide adequate safeguards of these widely held beliefs or the proposed amendments are duplicative and so much window dressing.

Frankly, I believe this issue is so obfuscated by rhetoric and legal panaceas that there is no Member of Congress here today who can sort out the flotsam and jetsam of this bill. Likewise, I feel certain that every Member of Congress here today recognizes that land use planning is one of the priority items facing this body and the State legislatures.

Accordingly, I feel compelled to vote against the rule on this measure. If this legislation is as important as the sponsors would have us believe, and I share their views, then we should not be trying to write the legislation on the House floor. When a measure comes before the House to which the sponsors want to add an unbelievable 21 amendments, I feel additional study should be given the problem. I plan to vote in favor of reasonable land use planning legislation. Legislation that will permit local and State governments to avoid the kind of oppressive and debilitating development and crowding which has occurred in too many large metropolitan areas. Legislation that will provide financial assistance to develop a systematized approach to land use planning which includes citizens from all sectors of the local community. Legislation that will, on the other hand, permit a local community to plan for prudent commercial development and industrial use of their area so that they are not forced into economic stagnation surrounded by public and private lands maintained in a natural and pristine state for the enjoyment of those who would come from surrounding areas. My thesis? Simply that we should provide legislation that will make possible the establishment of land use planning procedures which does not, even by implication and economic inducement, direct local or State governments as to land use. If there is a lesson to come out of the debate on this bill the past 2 months, it is that the American people are just about Washingtoned to death.

This issue is especially disconcerting to me because Florida has the beginning of meaningful land use planning devices. While the Florida Legislature is often in the vanguard of citizen-oriented issues, I had hoped the Congress could enact compatible legislation that would enhance, not impede, the efforts of my great State.

It is because this issue is so important that I refuse to be pulled along into a parliamentary vortex of amendments, points of order, substitute bills and easy answers to difficult questions. The prudent device is to defeat the rule under which this patchwork legislation was to be considered. This way we will all have a better understanding of the issues and how we can remedy the problems discussed today.

Mr. FRENZEL. Mr. Speaker, I rise today in support of H.R. 10294 the Land Use-Planning Act of 1974.

The bill that we have before us today is the product of long negotiations, extensive congressional hearings and many hours of public debate. After 3½ years of work the Interior Committee earlier this year reported a land use bill which is quite different from the original drafted by the administration. That bill, as we all know, was initially rejected by the Rules Committee, and eventually reconsidered after further hearings, to be brought up today.

The bill permits any State which does not have an interest in land use planning to ignore the bill without any penalties whatsoever. The bill makes Federal funds available on an entirely voluntary basis to any State which wants to develop a land use planning process. This is a point which has frequently been missed: The bill provides for funding the development of State land use planning processes or techniques—not for the development of any specific inflexible plan.

The bill requires that any State voluntarily participating in the program, consider certain issues and problem areas, but the State is free to develop its own solutions and procedures. The bill assures that the rights of local governments and of our individual citizens are protected in all phases of the planning process. It further assures that, in cases where land use decisions of greater than local significance are made, the interests of the people of the entire county or region are at least considered.

However, we must also examine what the bill does not do. It does not require any State to participate in the process or impose any sanctions on one which does not. It does not impose any substantive controls over land use planning decisions of either the local or the State government. It does not impose any burdensome Federal criteria or standards on States choosing to utilize Federal funds. It also, contrary to the rumors which we have all heard, does not either undercut the powers of our local governments or in any way threaten the constitutional protection of private property rights. Nevertheless, I will support the Anderson amendment to restate property rights.

Although all of the supporting organizations are of importance, I do not think that we can consider them the prime consideration in today's debate. We are all more concerned about the fates of our individual States and citizens. I have received strong endorsements of this bill from the Governor of Minnesota and from virtually every State agency which would be involved in implementing its provisions. Endorsements have also come from many individual citizens who are concerned about undisciplined and destructive growth patterns.

The State of Minnesota is in a unique position in today's bill. Most of the 50 States, if they decided to take advantage of the Federal funds offered in H.R. 10294, would have to go through a long and intensive period of agency reorganization, and legislation action. Minnesota on the other hand has an impressive lead in this field. Virtually every major requirement for State planning processes cited in the bill has already been met by the State legislature.

The requirement for a land use planning information system was met by an appropriation of $380,000, of which $140,000 is presently being used, from the State legislature in the last session. The section concerning key area impact surveys has been cared for in the Minnesota Critical Inventories Act of 1973. Powerplant siting, and related developments, were delegated to the State Environmental Quality Council in the Powerplant Siting Act of 1973. Likewise the section dealing with land sales and practices has previously been dealt with by the State legislature in the Subdivided Land Act of 1973. On the whole Minnesota has been way ahead of the Nation in this regard and we can be justifiably proud of the leadership which our legislature and State agencies have shown.

The issue which we are discussing today, however, also includes consideration of H.R. 13790, which is being advanced as the "conservative" alternative to the Interior Committee's bill. Recognizing that the committee bill itself has problems, I think that we should review some of the general provisions of the Steiger-Rhodes bill. This bill would authorize Federal review of State and local land use policies, and has no provision for the explicit protection of constitutionally guaranteed property rights. It does not require that a State formulate a specific State land use plan, rather than a process, which is then subject to Federal agency review. It requires local governmental participation but does not offer explicit protection against Federal interference in State land use decisions.

I doubt whether that H.R. 13790 is a more rational alternative than the committee bill. But I have been confused by the stories which are being used to oppose land use regulation and development. Farmers have been told that they will have to receive Federal permission before planting their crops each season. The local officials have been warmed of hordes of Federal inspectors, detectors, and rejectors hounding their every decision.

Despite the objections of naysayers, there is a need in this country to face the issue of land use planning and decision making in this Congress. Across the Nation the failure to enact sound land use planning has required public and private enterprise to delay, litigate and, and cancel the very growth oriented developments which we as a nation need. H.R. 10299 is a gentle incentive to States to do their own planning. It protects local and individuals' rights and should be passed.

Mr. RONCALLO of New York. Mr. Speaker, I rise in strong opposition to the rule and to the bill. Other Members have told you about the sham hearing held by the Subcommittee on the Environment this spring after the Rules Committee voted 9 to 4 not to grant this rule. Nearly all of the witnesses were opposed to the bill and urged field hearings so that the American people could express their views. No field hearings were held, not a word of the bill was changed. Yet here we are debating this rule for consideration of a bill which even its chief sponsor feels is so deficient and so ambiguous that he plans to offer a long series of window-dressing amendments to try and explain what he really meant.

You have also already been warned that the courts might well consider that the bill mandates a "taking" of private property in contravention of the last clause of the fifth amendment of the U.S. Constitution. This clause reads "nor shall private property be taken for public use, without just compensation." No amount of window-dressing, no disclaimers of intent can hide the actual provisions of the bill which do exactly that. The bill lays it right on the line and forbids grant funds from being used to acquire any interest in real property. There is not even a severability clause, so if any part of the bill is held to be unconstitutional on these grounds, the whole bill will be void and all our work here today will be for naught.

There is another, even more insidious violation of the Constitution, which has not heretofore been mentioned. This bill is in direct violation of the "reserve clause" of the 10th amendment, which states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The regulation of the use of land has traditionally been exclusively exercised by the several States, and indeed there is no explicit or implicit clause in the Constitution delegating such authority to the Federal Government. Thus it is "reserved to the States" under the 10th amendment. No litany of so-called congressional findings can alter this fact. The bill also violates the Constitution by meddling in the internal affairs of the several States by encouraging changes in the relationships between the States and their political subdivisions. Amendments to be offered by the gentleman from Arizona do not substantially alter that fact.

Basically, land is stationary. Any piece of land lies wholly within the bounds of a single State. Environmental considerations within a State are for that State to decide. If certain practices cause harm to the environment in another State, this can be handled through restricting the practice under separate legislation and not through restricting the use itself. The Environmental Protection Act is a possible vehicle for this. Social considerations of the use of land is not within the purview of the Federal Government. If you want to improve the housing situation, the Committee on Banking and Currency, on which I am proud to serve, is considering comprehensive legislation in this field. Why should the Interior Committee get into this picture?

Another reason for the House to reject the rule is the gross confusion and misunderstanding which has grown up around the bill. It has been labeled "environmental" by its proponents, but this is far from the facts. The bill could do as much harm to the environment as it could do for it. It is, rather, an anti-home-rule centralization of powers bill, and until that point is understood by all concerned, it should not be considered on the floor.

Well-meaning environmental groups have launched massive lobbying efforts to make this legislation seem like apple pie and motherhood, but I fear that they have not read the text. I am sure, at least, that they have not read pages 42–43 of the committee report. When the committee talks to the environment, it is not just referring to ecology. It accepts the definition that the environment is "the aggregate of social and cultural conditions that influence the life of an individual or community."

Under this guise, the planners could wreak havoc with the environment as most people consider the term, especially in our suburban and rural areas. In the name of regional consideration unwarranted urbanization could be forced upon these areas. I am reminded of the infamous Oyster Bay-Rye bridge proposal, which beaten back by the action of local governments and which would have destroyed much of the green space left in my district for so-called "regional benefit." The environment of a community should not be sacrificed by this Congress on the regional alter.

I must agree with the sponsors of this bill that they are not pushing no-growth. It is far worse. There will be no growth in some areas and no environment in others. What this bill does is change who will be making the decisions. What this bill does is insult the citizens of the United States and tell them that they are not competent to choose their elected public officials to make proper land use decisions. As we all well know, elected officials who make the wrong decisions do not remain elected officials for very long. Who will control the bureaucrats making decisions under this bill? Nobody.

First the States are required to secure a veto power over local government decisions, and then the Secretary of the Interior can second-guess the States. Albany and Washington are far from Huntington and Massapequa. The Federal and State planners and paper-shufflers do not have to drive down the street and live each day with the results of their follies. Those States that want to centralize land use decisionmaking can do so, but New York will stick with home rule, thank you, and no Federal Government is going to tell us how to run our State. We are also not about to shell out tax dollars without getting a fair share back just because we will not knuckle under to Federal pressure.

And let me tell you this bill is very costly. The bill appropriates some $832 million outright over the next 8 years and the gentleman from Arizona would add an additional $15 million in one of his amendments. But wait. Administrative expenses at the ridiculously high figure of $10 million per year are only included for the first 3 years. Is anyone so naive as to assume that they will not be back asking for more after that? Even if the $10 million figure is held to, that is another $50 million in the last 5 years of the act. When you add the 25 percent matching share the State taxpayers have to come up with that is over $1 billion—an awful lot to pay for the salaries and office supplies of a bunch of bureaucrats at all levels of government. Not a penny is going for any substantive purpose. If only a fraction of this money were spent instead on actually cleaning up the environment, we would all be much better off.

I urge that the rule be defeated.

Mr. DRINAN. Mr. Speaker, I rise in support of the rule for the consideration of H.R. 10294, the Land Use Planning Act of 1974. A national commitment to rational, coordinated planning of land utilization is long overdue. One hundred years ago, the United States could afford to expand haphazardly, without considering the ramifications of how land was being used. A seemingly inexhaustible supply of cheap land was available on the frontier, natural resources were plentiful, and the problems of urbanization were virtually unknown outside of the Northeast.

Now, in the 1970's, we can no longer ignore the consequences of how we use our land. Rapid urbanization and population growth have put an increasing strain upon our most precious resource. The remaining supply of underdeveloped land is rapidly dwindling. Industrial planners, housing developers, lumberers, environmentalists, highway builders, and countless other groups struggle over every available acre. The disjointed patchwork of local zoning ordinances, building codes, and other statutes regulating land use throughout the Nation do not provide the coordination essential for reconciling the needs of these various competing groups. The Federal Government is in a position to help States and localities establish improved land use policies by providing them with a procedural framework for land use planning and with financial aid for implementing planning programs.

The bill before us (H.R. 10294) offers such assistance without compelling any State to participate or imposing sanctions upon those which choose not to apply for aid. In effect, the Udall bill provides States with an option to correct deficiencies in their present use of land resources through Federal support. Opponents of this legislation have fallaciously asserted that it provides for Federal control over private property. In actuality, the bill sets uniform criteria for the process of State land use planning, but does not stipulate the substance of policies emerging from that process. Moreover, participation in the program of land use planning grants is entirely voluntary. The bill specifies that nothing within it shall be construed to diminish the constitutional rights of property owners. In the words of the committee report:

> In no case does H.R. 10294 permit the Federal Government to control the use of private or State land.

In addition to offering assistance to qualified States which apply for aid, the bill also establishes a mechanism of land use planning for the public lands constituting one-third of our Nation's total acreage. At the present time, these public lands are under the administrative trusteeship of a dozen different Federal agencies. These agencies have individual policies and individual goals which can conflict with one another. The Interagency Land Use Planning Board established by the bill would bring representatives of these agencies together to design and implement a coordinated plan of land use to best serve the American people. States and localities would participate actively in this planning process.

Massachusetts, which has begun working toward comprehensive land use planning through State action, is eagerly awaiting passage of this bill to support its own efforts in this area. The Land Use Task Force of the Governor's Resource Management Policy Council is in the process of drawing up State legislation to provide for a land use planning mechanism which would satisfy the criteria established in H.R. 12094.

On June 6, I received a memorandum from Mr. Tom Atkins, chairman of the Resource Management Policy Council. Mr. Atkins strongly endorsed the bill, asserting that it—

> . . . would provide ample funding for the state to complete its broad planning process in a way which would engage both public and private, state, regional and local sectors.

Massachusetts Gov. Francis W. Sargent testified before Mr. UDALL's subcommittee in support of the Land Use Planning Act and reiterated his support of the bill in a letter to me dated May 22.

This is an essential bill for Massachusetts. I have no doubt that other States desiring to carry out comprehensive land use planning programs would benefit similarly from enactment of this legislation. States which, for various reasons, choose not to implement such a program and apply for aid would in no way suffer for that decision through the provisions of the bill.

Opponents of this bill have charged that it caters solely to the environmental conservationists. Yet H.R. 10294 has been endorsed by such growth-minded organizations as the AFL–CIO and the Mortgage Bankers Association. Opponents have claimed that the bill promotes Federal power at the expense of States and localities. Yet the National Governors Conference, National Association of Counties, and National League of Cities all favor this legislation. H.R. 10294, drawn up in final form after 3 years of extensive hearings on this complex topic, has been carefully constructed to provide optional Federal assistance in land use planning without diminishing the rights and powers of governmental agencies at any level or private property owners. There is no justification for postponing consideration of this measure any longer. America has waited long enough for efficiently planned land use.

Mr. MAHON. Mr. Speaker, I want to record my opposition to the pending rule on the land use planning bill. I am against the rule, and I am against the bill.

I have been working with a number of like-minded Members of the House over a period of weeks to block passage of the land use bill. I regard this legislation as unsound and unacceptable. The rule should be decisively defeated.

Obviously, in today's modern and complex society, appropriate control over land use is needed; but this is not the function of the Federal Government. This problem can best be addressed by individual citizens and by local and State units of government.

The use of land is one of the most important factors in determining what kind of nation we shall have. The history of our Nation demonstrates this.

Today we are confronted with runaway inflation and a skyrocketing Federal debt. It makes no sense to start a new and unsound Federal program at a cost of $800 million.

Mr. KOCH. Mr. Speaker, from the debate, it appears that the House will fail to adopt the rule for land use legislation, thereby preventing the bill from reaching the floor for a vote.

I support the stronger bill sponsored by the gentleman from Arizona (Mr. Udall). But even the weaker bill of Messrs. Steiger and Rhodes, which is in order under the rule, would make major improvements in an area which badly needs coordination.

Wise State land use planning programs are important to the future of our country. Urban sprawl, highways displacing thousands of people, and misplaced jetports are testimony to the failure of many purely local zoning restrictions.

This bill should be enacted into law; but in any event it would be unconscionable to deny the bill a rule. Hearings and markup sessions on land use legislation have gone on in the Congress for 3 years. Over 200 major national organizations have taken positions on the issue. A large number of organizations in every State have expressed their strong support for this legislation.

It is my hope that this Chamber will follow the wise lead of the Senate, which has already passed a land use bill. I hope that we will, at the very least, pass the rule that would permit us to discuss, debate, and then vote. Otherwise, my fellow colleagues, we will be failing in our duties as responsible legislators.

Mr. FRASER. Mr. Speaker, I rise in support of the rule for consideration of H.R. 10294, the National Land Use Planning Act.

Earlier this year, the administration called this bill its "number one environmental proposal for the last 2 years" and "one of the most important proposals to be considered during this Congress."

I heartily concur.

This bill would provide essential direction and funding to States in land-use planning of more than local concern. Federal grants would be available to those States that choose to develop a process for decisionmaking on land use when that use has an impact beyond a local jurisdiction. There would be no penalty for States that prefer to ignore the land use planning issue.

Three years of congressional deliberation have established the need for this kind of legislation. A similar bill has passed the Senate twice, most recently in June 1973.

The American Law Institute has estimated that only one-tenth of all land-use decisions have a regional or statewide impact. Though relatively small in number, these decisions are of the utmost importance in rational development of our land. There is urgent need for States to assume responsibility for decisions that cannot be dealt with adequately on the local level.

Some States, like my own, have adopted comprehensive land use policies. Others would be encouraged to do so by this legislation.

The Minnesota Legislature in its last session passed several land-use statutes, among them a Critical Areas Act, a Subdivided Lands Act, a Power Plant Siting Act, and an act establishing a Commission on Minnesota's Future. The State legislature appropriated $380,000 to the State Planning Agency for development of land use planning policy. The additional funding under this bill would provide the impetus needed to get an effective State land-use program underway.

My colleagues from Arizona (Mr. Rhodes and Mr. Steiger), have proposed a substitute bill in order to avert alleged deprivation of private property rights under the committee bill and to prevent Federal control of State land-use policy.

The issue of private property rights is a red herring. We have always had some form of land-use control. Nuisance-restriction decisions by the courts, zoning ordinances and building codes are all forms of land-use control. What is new about the bill before us is that it would encourage States to develop means for decisionmaking on land use with a regional or statewide impact, such as location of powerplants, airports and highways. Constitutional lawyers and lawyers within the Department of Justice have given the committee full assurance that private property rights as provided in the Constitution of the United States are fully protected under the committee bill.

The issue of Federal interference in State matters is equally spurious. The committee bill specifically prohibits Federal interference at State decisions on the use of land. Furthermore, the committee bill limits the Federal role to one of evaluation and review of the land use planning process; whereas the Rhodes-Steiger substitute does not.

Land-use planning, in those States that availed themselves of the provisions of the committee bill, would be more responsive than it now is to local needs and wishes and less subject to pressure from special-interest groups that might want to exploit land in ways inimical to the public good. I urge Members to approve the rule and pass this important and needed legislation.

At this point in the Record I include the texts of letters from Gov. Wendell R. Anderson of Minnesota and from Mr. Charles K. Dayton, counsel for the Sierra Club in Minneapolis, in support of the bill:

May 23, 1974.

Hon. Donald M. Fraser,
U.S. Representative,
Washington, D.C.

Dear Congressman Fraser: I have been informed that the House Rules Committee acted favorably on the National Land Use Act (HR 10295) last week and that it will be considered on the House floor on Tuesday, May 28. I urge you to actively support the passage of this legislation.

I can think of few issues of greater importance to the domestic welfare of the nation than the development of a rational process for deciding the use of our land. In the past, we have attempted to solve land use problems in a piecemeal manner by passing legislation which addressed single environmental objectives such as clean air, clean water or selected natural resource areas. This approach has not been successful and our problems have continued to worsen in both urban and rural America. Land use decisions cannot be based solely on clean air or clean water or economics or any other single factor. We have lacked the overall policy direction that is necessary to put thousands of daily land use decisions into a meaningful perspective.

In 1973, the Minnesota Legislature enacted a package of bills to help the state regulate the use of its precious resources and fulfill the requirements of S. 268 and HR 10294. Included were the Environmental Quality Council Act, Critical Areas Act, Subdivided Lands Act, Power Plant Siting Act, Wild, Scenic and Recreational Rivers Act, and an Act creating a Commission on Minnesota's Future, to develop alterative growth strategies. The Legislature also appropriated $380,000 to the State Planning Agency for the development of a land use planning program which will provide the overall policy setting within which these other programs may function in an integrated way.

While this is an important beginning, we need the additional funding that would become available through passage of federal land use legislation. These funds will be used to accelerate the inventory and assessment of the social, economic and natural resource opportunities of the state and to develop broad policies which will provide direction for land use decisions at all levels of government. In addition to these funds, the federal legislation is necessary to provide a national perspective for the planning process. The plans which will be developed by the states must consider the national interest and recognize that the people of each state are dependent on the resources of other states and are affected by decisions concerning the use of those resources.

The passage of HR 10294 is a crucial step in assuring that the direction of future growth is economically stable, socially acceptable and environmentally sound. This measure and its counterpart in the Senate have been adequately debated during the past two years and have received support from a broad range of interests. Current attempts to delay the measure through additional hearings, or to weaken its provisions by amendment or substitute bills, are untimely and are for the most part, based on false interpretations of the content of the act.

I ask your support in passing HR 10294 in the form that was recommended by the House Rules Committee.

With warmest personal regards.

Sincerely,

Wendell R. Anderson.

May 24, 1974.

Hon. Donald Fraser,
Longworth Office Building,
Washington, D.C.

Dear Representative Fraser: H.R. 10294, which will provide some direction and funding to the states in the area of land use planning, is essential to the progress of the state of Minnesota on this critical subject. It has been said that all environmental problems are, in the last analysis, land use problems. Our state cannot begin to deal effectively with land use planning on a comprehensive basis unless a strong federal bill, providing funding for land use planning activities on the state level, is enacted. We therefore urge your strong support for this legislation as a

> prelude to action by the Minnesota legislature which will enable this state to join the leaders in this field.
>
> Land use planning has been attacked as causing a deprivation of individual rights and a loss of control over land use decisions by local units of government. Land use planning is going on all the time, in the form of local zoning decisions which are influenced by many more considerations than proper and best use of land. The problem arises in large measure simply because of a lack of adequate expertise to deal with the problems. There is no danger of loss of local control over those decisions which are traditionally matters of local concern. However, we must begin to view larger developments in a regional or state-wide context. We regard the legislation as an important step and hope you will be able to support it.
>
> Yours very truly,
>
> CHARLES K. DAYTON,
> *Counsel for the Sierra Club.*

Mr. BROWN of California. Mr. Speaker, I rise in support of the rule for the consideration of H.R. 10294, the Land Use Planning Act of 1974. The necessity for land use planning legislation is irrefutable, only the mechanism to accomplish the task is subject to serious question. In this regard H.R. 10294 is not perfect, and like many other Members, I would like to see some changes. Yet the flaws with this legislation are minor obstacles to effective planning, and I have no reservations about voting for the present bill without amendments. This legislation should be enacted because it begins a process that must be begun. And I might add that it will be enacted regardless of what action the House takes because we need this legislation, and the people know it, and they won't let us forget it.

My own experiences with land use decisions really go back to my years as a city councilman and mayor of a small southern California city in the days of rapid growth following World War II. We in the city government found ourselves continually struggling with land use decisions, without the benefit of knowing where the precedents we were establishing would lead us. We needed, but did not have, a regional guide to growth. Instead we had to make major decisions in a vacuum of knowledge. I left city government and went on to the State Legislature before I was elected to Congress, and in both the State and National Government I found the information that I needed to make sound decisions from the broader perspective of those offices to be lacking.

I participated with my colleagues in decisions that had a tremendous impact upon growth patterns and land uses without knowing about the extent of those impacts until long after the decisions were made. There were attempts then to remedy that situation with legislation, and it is ironic to listen to the speeches being made here today on this land use bill and remember that 15 years ago the same speeches were being made in the California State Legislature about regional planning legislation.

In the intervening 15 years the politicians have barely progressed from their rationalizations against any new legislation. What happened in California is that citizen groups organized and conducted campaigns to enact progressive legislation. They were sometimes successful in affecting the legislative process, but when they were not they went to the initiative process to put their legislation directly on the ballot. This is how the California Coastal Zone Management Act became law. In California the special interests now know that they cannot stop progressive legislation in the statehouse. For this reason California has now enacted the most comprehensive energy legislation in the Nation. With the cooperation of a broad spectrum of groups, from electric utilities to environmental groups such as the Sierra Club, California has now enacted the State Energy Resources Conservation and Development Act, which incidentally was vetoed only last year by our lameduck Gov. Ronald Reagan.

My participation in the debates on regional planning and coordination over the years has enabled me to see the progress we are making in our approach to the problems surrounding land use. During this same time I have seen the exponential growth of roads, homes, energy consumption, and other trappings of our industrialized society and the policies governing those items lead to waste and destruction of the limited land resources of our Nation.

The lack of information and the failure to coordinate our actions at all levels of society led me to introduce a comprehensive land use bill in 1970. I believe that that bill is better than the one before us, for more reasons than just pride of authorship, and I hope that some of the elements of my 1970 bill will eventually become law. I will not ask that they be included in the bill before us, but I think we should be considering the establishment of a Federal land trust fund for the purchasing of threatened land, and the use of Federal sanctions against States and localities that refuse to follow the adopted land use plans. A note of explanation always seems necessary when discussing sanctions, and I wish to state that I believe they should only be used to protect the land, and can not be justified to compel the destruction of the land.

Land use planning needs to be done, and the plans need to be followed. State and local governments are doing some of the necessary work, but in many cases the perspective of the governmental officials involved is not broad enough to consider all of the factors involved. It is entirely appropriate for the Federal Government to set guidelines for State and local governments to follow in their planning process. It is also proper to require that any Federal money spent in the future is spent in accordance with those plans. But that is not a part of this bill, which would only provide guidelines and money, on a optional basis, to State governments to begin the planning process. This is in reality, a very modest bill.

It is ridiculous to claim that the use of the land, especially when we are talking about billions of dollars and millions of acres being consumed every year, is not a matter of Federal concern. It is folly to allow the current policies to continue. We must begin to readjust the policies of the past to the needs of the future.

When I remember that this is 1974, and we, in Congress, are still debating whether we should concern ourselves with the future of the Nation's land, I am glad to know that the fate of that land does not entirely rest in the hands of the Congress. There is a vital Federal role in land use, as well as in other national policies. The Federal role must and will be guided by the U.S. Constitution. We cannot pretend that we are not already engaging in land use decisions with the Federal programs already in operation. Federal land use legislation should guarantee that Federal policies, such as those in housing, transportation or agriculture, are not adverse to sound land use policies and plans. The Congress should take this opportunity to exercise the leadership the people expect from us. If we fail, I am confident the people will fill the vacuum left by our inaction. This bill deserves our consideration and support. I urge adoption of the rule and passage of H.R. 10294.

Mr. DEL CLAWSON. Mr. Speaker, I would like to take just 1 minute in closing.

We have had reference made to the young Republicans on this side and I would like to mention two who have spoken against the rule who are the junior members of the committee, the gentleman from Maryland (Mr. BAUMAN) and the gentleman from Idaho (Mr. SYMMS), so apparently there has been some division.

Mr. Speaker I urge again a "No" vote on the rule and I urge that we kill this legislation, otherwise there will be an attempt made to rewrite it on the floor of the House where it ought not to be rewritten.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER. The gentleman from Missouri is recognized for 3 minutes.

Mr. BOLLING. Mr. Speaker, I cannot claim to be an expert on this particular bill. I have had an opportunity as a member of the Joint Economic Committee to make some study of the problems the urban societies have. It is very clear to me that the greatest single problem is the problem of achieving land use planning early enough not to go through the two or three periods of chaos such as those we have experienced in the urban areas in the last 10 or 15 years.

Land use planning is the most important single issue that this institution will consider this year. This rule is one of the two or three most important it will consider because this matter has been so intensively lobbied by both sides that the great mass of the American people who do not have a vested interest in one position or another will be very startled if an issue that they know to be of critical importance is put away on a rule. A procedural kill of this bill is to tell the people of this country that no, we will not discuss it on the floor of the House, the only place where legislation can be written; no, we want to postpone it to another time.

I urge that this rule be adopted because otherwise there will be a very strong feeling that it was put away because we, the Members of the House who represent the people of the country will not face our duty to them to debate it openly and freely.

Mr. STEELMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas.

Mr. STEELMAN. Mr. Speaker, I thank the gentleman for yielding.

I think the gentleman made a very eloquent and strong statement in favor of the need for land use planning. I have heard a great many comments by my colleagues here on the floor and many support the concept of land use planning but do not want it done by the Federal Government. I do not want it done by the Federal Government, either. The important thing is that under this bill land use planning will not be done by the Federal Government. Under this bill it will be done by the States and local bodies of government because it provides for the States to do their own planning. I have a great deal of faith in the ability and wisdom of the States to do this job. All of us who have such faith in the State and local governments should show them that we have that faith by supporting this legislation, because there is nothing in this to force any State to do planning. We amended the sanctions provision out in the committee, thus leaving it strictly up to the States to decide if they wanted a land use plan. If they choose not to, there is absolutely nothing to force them to.

I have faith in my own State's legislature to make the right decision on this. If they want a land use plan, and I would hope that they would, this bill provides a small grant to help them to do the job. If they choose not to, then that is my State's choice as it will be every State's choice.

I hope the House will adopt this rule and thereby allow an up-or-down vote on this question.

Mr. BOLLING. Mr. Speaker, I urge an aye vote on the rule.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

Mr. BOLLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 204, nays 211, not voting 18, as follows:

[Roll No. 289]

YEAS—204

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Bolling
Brademas
Brasco
Breckinridge
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Chisholm
Clay
Cohen
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Dent
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fascell
Findley
Flood
Foley
Ford
Fountain
Fraser
Frenzel
Fulton
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Pa.
Griffiths
Gude
Gunter
Haley
Hamilton
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Holtzman
Horton
Hosmer
Hungate
Jordan
Karth
Kastenmeier
Koch
Kyros
Leggett
Lehman
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McFall
McKay
Macdonald
Madden
Mallary
Mann
Martin, N.C.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Mosher
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patten
Perkins
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson, N.J.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Wampler
Whalen
Widnall
Wilson, Charles H., Calif.
Wolff
Yates
Yatron
Young, Ga.
Young, Ill.
Zablocki

NAYS—211

Abdnor
Alexander
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bevill
Blackburn
Bray
Breaux
Brinkley
Brooks
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Denholm
Dennis
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Eshleman
Evins, Tenn.
Fisher
Flowers
Flynt
Forsythe
Frelinghuysen
Frey
Froehlich
Fuqua
Gaydos
Gettys
Giaimo
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Guyer
Hammerschmidt
Hanna
Hanrahan
Harsha
Hastings
Hillis
Hinshaw
Hogan
Holifield
Holt
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Lott
McCollister
McDade
McEwen
McKinney
McSpadden
Madigan
Mahon
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mayne
Melcher
Michel
Milford
Miller
Mills
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Morgan
Murphy, Ill.
Myers
Nelsen
Nichols
O'Brien
Parris
Passman
Patman
Pettis
Peyser
Pickle
Poage
Powell, Ohio
Price, Tex.
Railsback
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Roncallo, N.Y.
Rose
Rostenkowski
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Snyder
Spence
Stanton, J. William
Steele
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Veysey
Waggonner
Walsh
Ware
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zion
Zwach

NOT VOTING—18

Boland
Bowen
Carey, N.Y.
Derwinski
Diggs
Dorn
Dulski
Fish
Hébert
Howard
Moss
Pepper
Quillen
Reid
Rooney, N.Y.
Sandman
Staggers
Wyatt

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Boland for, with Mr. Bowen against.
Mr. Diggs for, with Mr. Staggers against.
Mr. Pepper for, with Mr. Hébert against.

Until further notice:

Mr. Rooney of New York with Mr. Derwinski.
Mr. Reid with Mr. Fish.
Mr. Carey of New York with Mr. Quillen.
Mr. Moss with Mr. Sandman.
Mr. Howard with Mr. Wyatt.
Mr. Dulski with Mr. Dorn.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, a motion to reconsider was laid on the table.

There was no objection.

GENERAL LEAVE

Mr. DEL CLAWSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution, House Resolution 1110.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PLIGHT OF CATTLE FARMERS

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, I take the well of the House to call to the attention of each and every Member of Congress the dire plight of cattle farmers throughout the country. Cattle farmers in Alabama and elsewhere are taking a tremendous beating when they go to market—so much so that many cattlemen are simply holding their cattle back rather than selling them at such disastrously low prices being offered.

Within a year's time the price of cattle has fallen to unbelievably low prices. Steers which were bringing 60 cents in August of last year are finding very few buyers at 31 cents and even less at the Montgomery stockyards. One of my cattleman friends has just called me from Alabama advising that he was offered only 24 cents for a truckload of steers last week and, of course, he brought them home.

This rather gloomy picture of the cattle industry is being repeated in stockyards and cattle markets throughout the country and I have never seen cattlemen more gloomy or more pessimistic and quite frankly they see no light at the end of the tunnel.

My concern is that unless something is done immediately many cattlemen are no longer going to be able to continue and I would like to read to this Congress a copy of a telegram from the Alabama Cattlemen's Association which was sent last week to both President Nixon and Secretary of Agriculture Earl Butz:

> Alabama's beef cattle industries on the brink of disaster. Prices for stocker and feeder cattle have dropped approximately 50 percent in the past 6 months. This is the most drastic price decline in history. With costs of production soaring to all time highs Alabama cattlemen stand to lose their life savings if action is not taken immediately. We urge you to immediately reimpose beef import restrictions on all beef coming into the United States in conformity with the meat import act of 1964. Today our country is the only major nation in the world whose borders are open to unrestricted beef imports.
>
> Alabama Cattlemen's Association,
> Forrest Killough,
> *President.*
>
> E. H. Wilson,
> *Executive Vice President.*

The real irony, however, in today's cattle market is that these disastrously low prices are jeopardizing the total meat supply of this Nation in the months ahead.

Many years are required to build a herd of cattle and it seems imperative that immediate steps be taken to correct a situation which could only spell much higher prices for the consumer in the years ahead.

At a time when cattle prices are at such a ridiculously low figure the cattle farmer is faced with purchasing fertilizer for his pastures which are priced twice as high as he paid a year ago for the same amount of plant food. The barbed wire which cost him $12 a roll a year ago is now selling for $32 a roll in today's market. The same holds true for baling twine, tractor parts, fuel, fence posts, and in fact everything which today's cattle farmer has to purchase to carry on his farming operation.

I have cosponsored legislation which would establish a $3 billion revolving loan fund to assist financially stricken cattle growers and cattle feeders to be administered by the Farmers Home Administration. This legislation would permit bonafide cattlemen to apply for emergency 5-year loans at interest rates of 5½ percent.

While we feed very few cattle in Alabama our cattlemen are dependent on cattle feeders who purchase their feeder calves from cow and calf operations in Alabama and other grass-producing States.

With high interest rates coupled with the low price of cattle, the feeders are unable this year to borrow funds from normal credit channels. Without needed capital to stock their feedlots the cattle industry will be unable to supply the necessary beef to the American consumer in the immediate years ahead. For this reason I believe such legislation is desirable and is in the interest of the entire Nation.

There is another step, however, which should be taken by the Secretary of Agriculture and that is to reinstate beef import restrictions on all beef coming into the United States from foreign sources. The Meat Import Act of 1964 provides the Secretary with this authority and I am today wiring the Secretary asking that such import restrictions be implemented without delay:

> Hon. Earl Butz,
> *Secretary of Agriculture:*
>
> Cattle producers in my State cannot continue to produce feeder calves for the feedlots of America at today's disastrously low prices. I fear for the stability of the cattle industry unless immediate steps are taken. I urge that beef import restrictions in accordance with the Meat Import Act of 1964 be implemented on all foreign beef coming into this country. The American cattleman at this crucial period is entitled to first preference in selling American beef in the marketplace. The situation in my State is extremely critical and I urge that this action be taken as expediently as possible.
>
> Bill Nichols,
> *Member of Congress.*

Consumers must certainly face shortages in beef coupled with much higher prices later on unless some action is taken to prevent this country from becoming a dumping ground for foreign beef.

I cannot promise cattle growers that these two actions at the Federal level will bring complete relief, however, I am confident that both measures are justified and I urge my colleagues from the districts where cattle are grown and fed as well as my colleagues from city districts who have an equal stake from the consumer standpoint to support both measures.

MESSAGE OF OPTIMISM

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, this is the time of year when those of our generation stand before those of the next and hopefully offer some words which will be helpful in easing the transition from student to productive citizen.

Many of those who graduate this year from our service academies have already chosen their career fields and for them the question of what to do after graduation is therefore settled. On the other hand, this year's assemblage of young officers enters a climate unknown to its predecessors, and therefore with some elements of uncertainty. Our Nation is not engaged in battle anywhere in the world. We are relying on volunteers to meet our manpower needs. A period of negotiation has replaced confrontation in our traffic with other nations.

On June 5, the Honorable Howard H. Callaway, Secretary of the Army, spoke to the graduating class at the U.S. Military Academy, and his words are commended to my colleagues. It is a message of optimism, tempered with a recognition of realities, and it sets forth in basic language, plain and unembroidered, the mission of those who will play a large part in our Nation's future.

At about the same time a copy of this statement was obtained, I also received a recap on comparative enlistment data for the U.S. Army for the months of May 1973 and 1974. Again, the message is one of optimism, and we should all hope the experience can be sustained.

Secretary Callaway's statement and the recap are offered for insertion in the Record, and I commend them to your study.

Address by the Honorable Howard H. Callaway, June 5, 1974

Gentlemen of the Class of 1974, Gentlemen of the Corps, distinguished guests, proud parents, ladies and gentlemen:

What an exciting day this is. I sense a feeling of pride and challenge. I'm delighted to be a part of it.

This is not only a great day for those of you who are graduating today; it's also a great day for the Army. For the Army is welcoming over eight hundred of our country's finest young men into the ranks of its professional officers. You have proven yourselves. You have met standards of excellence that are recognized the world over.

You are entering the service of your country at a challenging time. Nine days from today, the Army will celebrate its 199th birthday, and begin its 200th year. So you enter the Army just in time for its bicentennial celebration. Your first years of service will contain moments of pageantry and ceremony, celebrating the role that the Army has played in developing our land and protecting our freedom. These will be proud moments. Enjoy them.

But more important, you enter the Army at a time when the Nation is moving from a postwar period to a new era of genuine hope for a generation of peace throughout the world. This hope for peace is made possible partly by a strategic nuclear balance that would make nuclear war clearly unprofitable to any side. But as we have seen, nuclear restraint alone does not guarantee peace. True peace requires that our nonnuclear forces also strike a balance, to make it equally unprofitable for any country to engage in conventional war. And this requires conventional strength.

So the Army's mission today is not just to defend the Nation against direct attack. Today's Army is the key to the Free World's conventional forces that provide the balance upon which our hopes for peace are founded.

No longer can the Army accomplish this monumental task with a small cadre which will provide the leadership for a larger Army. No longer can we wait for the arsenal of democracy to stir, as it becomes awakened to the challenge. We don't have time for that. We must now be able to respond in days or weeks, not in months or years.

As a nation, we have elected to accomplish these difficult, subtle tasks—tasks that are immense and global in scope—without conscription, without a draft. We have elected to meet these challenges by asking young men and women to serve their country, freely and without compulsion. We have chosen to express the will and determination of our country and the convictions of its people through the voluntary service of large numbers of its young citizens. This clearly adds a new dimension to our challenge.

I think you will agree that this is a sufficient challenge—even for the Class of 1974. Simply stated, the challenge is to have a well-trained, well-equipped, disciplined, ready volunteer Army, large enough to fulfill our global commitments in such a manner as to deter military aggression.

There are still many in America who feel that we cannot accomplish this global mission with a volunteer Army. I disagree. I disagree because I believe in the young men and women of America today. I believe they want peace, and realize we cannot have peace without strength. They are no different from other generations of young Americans who have always been willing to serve their country. All that is necessary for the success of today's Army is leadership worthy of those who join. I am convinced that you and your fellow officers from ROTC and OCS will provide this leadership.

Yes, I really mean that. I am counting on you as second lieutenants to provide the leadership to make the volunteer Army work.

Most of you, after leave and further training, will serve your initial tour with units. That means that sometime early next year you will begin to have an impact on the units that we depend on to accomplish the mission—and you will have a direct influence on the young men and women who volunteer for service in the Army.

You will have a chance to take the young man who has never succeeded at anything before in his life and show him that you have faith in him; and you can help him and encourage him to become an outstanding soldier.

And you will also have the chance to take the outstanding young man who has never failed at anything in his life (as a matter of fact he's so good he thinks he should have your job) and be innovative enough to keep him challenged. And this can be your challenge: to make your unit good enough to live up to the legitimate expectations of our best soldiers.

You will need to have the skill to conduct repetitive training—training that has to be done over and over—in a way that's exciting, challenging and meaningful.

You will need to take the young man who was raised in a permissive atmosphere and show him the meaning and value of discipline, especially self-discipline; you will have to make him understand that an Army without discipline is a sham, but a disciplined Army is an inspiration to the Nation.

You will need to take the young man raised with prejudice and show him that in the Army, everyone is judged by the job he does, not by his background.

You will need to insure that the young man who is coming to his unit, perhaps in a foreign country, away from home for the first time, is welcomed and that he knows he is part of a unit that cares about him.

You will need to challenge everyone in your platoon to go as far as his God-given talents will allow. You will need to insure that your soldiers take full advantage of the educational opportunities available in the Army, to help them realize their potential. This will not only help them while they're in the Army, but will be of benefit to themselves and to the country when they return to civilian life—whether that's in two years or twenty.

You will need to inspire change in the attitudes of people, both those serving above you and below you, who still feel that the Army is made up of numbers rather than of people. You will need to show by caring immensely for your men, and by showing that every individual is important to you—as a person. This does not mean coddling. It does not mean being soft or easy. It means that we treat each soldier with dignity and respect.

You will need to show by your example of integrity that there's no room in the Army for anything else. You will need to show by your own idealism, by your openness and candor in everything that you do, that the Army is an appropriate place for idealism. There is no place in the Army for anyone—from recruit to general officer—without integrity, and you will be in position to perpetuate these values.

In all your actions as leaders, you will affect the attitude of soldiers toward the Army; and through these soldiers you can collectively have an impact on the country as a whole. If the experiences of our soldiers are good ones—if they sense that what they are doing is important and worthwhile—their attitude will help our efforts to attract and retain top-notch people in the Army. When a soldier goes on leave or completes his hitch, the story he tells to his parents and his friends will be very credible. If he goes home with a story of challenge, of opportunity, of discipline, and of service, we can expect America to be proud of him, and of the Army and what it's doing. And if the American people feel that way about their Army, we will have all the support and encouragement we need.

I don't expect that your job will be easy, but I am sure that it can be done. As a matter of fact, if it were easy, the Army wouldn't need you. But the Army does need you, with your training and background, because it has a difficult job to do.

Today's recruits, still going through basic training, have idealism and a desire to be challenged. The young soldiers assigned to units, who are no longer recruits, still expect to be challenged and stimulated. The noncommissioned officers who are the mainstays of any unit will look to you for leadership, for courage, for concern. The people are there, in the units. They are qualified, well-motivated people who can do everything expected of them. It's up to you to inspire them, and to make the Army worthy of our Nation's expectations.

As you leave West Point today, you join a select company of graduates that stretches back to the beginning of the last century. This company numbers among its members many of the greatest leaders our country has known. Leaders from each succeeding class and each generation have made their mark by building on the achievements of their predecessors. It is the continuity of achievement, the cumulation of service, that has enabled the Army to meet each new challenge.

I am confident that you can keep pace with this company, and that the eight hundred of you can have an enormous impact on the Army. With the challenges facing you today, you can make the greatest contribution by building on the work of those who have gone before, and by drawing strength and wisdom from their example.

If I may, I'd like to paraphrase a thought that goes back almost two thousand years: by standing on the shoulders of giants, you can see father than the giants themselves.

There have been giants before you, giants among the soldiers and leaders who have served in the past. They tower above the rest, and can lift you to see terrain even beyond their farthest vision. But you have to earn the right to that vision by dedication, by devotion, by desire, by integrity.

I challenge you now to stand on the shoulders of the tallest giants that have walked before you. None of them ever joined the Army at a time of greater opportunity or challenge.

If you accept this challenge, I believe we can have the finest Army our Nation has ever known. I really mean that. I sincerely believe that with your leadership we can have the best Army we've ever had. And I believe this is a challenge worthy of you.

I urge you to accept it!

COMPARATIVE ENLISTMENT DATA—ARMY

MAY 1974

Total Accessions: 14,848 (+8039); 103.9% objective.

Prior Service: 1,826 (+1073); 152.2% objective.

Female (NPS): 1,342 (+791); 134.2% objective.

NPS Males: 11,690 (+6175); 96.6% objective.

Combat Arms: 2,163 (+877); 113.6% objective.

Delayed Entry Pool (DEP): 20,886 (+8298); +2,740 mo. change (The DEP for June now consists of 8539 men and 889 women. All the women are high school grads, and in upper-three test categories. 84.1% of men are HSG's and 86% are in upper three test categories)

HS Grads (all accessions): 8,766 (+3345).

HS Grads (NPS male only): 5,598 (+1490); 119.1% objective.

HS Grad Content (May) NPS only: 53.3%; (54.3% for one year; estimated to reach 55-57% by 30 June).

Category IV: 18%.

Black: 26.5%

True Volunteers, FY-74 totals through 31 May:

Total	171, 133
NPS male	143, 406
NPS female	13, 080
Prior Service	14, 647

Strength: Tentative, end May, 781,800.

FY 74 Prescribed end strength, 781,600.

Current estimate, as of 30 June, 779,600 to 783,000; or from 99.7% to 100.2%.

Discipline: Rates per 1,000, Jan-Feb 74: AWOL, 21.1; Desertion, 5.8.

MAY 1973

Total Accessions: 6,819; 71.4% objective.

Prior Service: 753; 115.8% objective.

Female (NPS): 551; 61.2% objective.

NPS Males: 5,515; 68.9% objective.

Combat Arms: 1,286; 43.4% objective.

Delayed Entry Pool (DEP): 12,588; —799 mo. change.

HS Grads (all accessions): 5,412.

HS Grads (NPS male only): 4,108; 73.4% objective.

HS Grad Content (May) NPS: 76.8%.

Category IV: 11.2%.

Black: 25.4%.

True Volunteers, FY-73 totals through 31 May:

Total	140, 630
NPS male	119, 260
NPS female	7,947
Prior Service	13, 423

Discipline: Rates per 1,000, Jan-Feb 73: AWOL, 28.7; Desertion, 8.5.

MOLLENHOFF DISCUSSES PRESIDENTIAL TAPES AND BANKING AND CURRENCY COMMITTEE INVESTIGATION

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PATMAN. Mr. Speaker, since the release of the September 15, 1972 transcripts of conversations in the White House, there has been considerable revival of interest in the efforts of the Banking and Currency Committee to conduct an investigation into various matters related to the Watergate case in the fall of 1972.

Clark Mollenhoff, chief of the Washington Bureau of the Des Moines Register and Tribune and who is syndicated nationally, recently combed through the Presidential transcripts and in a column on June 1 detailed some of the issues raised in connection with the Banking and Currency Committee's investigation.

Mr. Speaker, I place in the Record a copy of this column as it appeared in the Dallas Morning News on June 1:

Questions on Ford's Judgment

(By Clark Mollenhoff)

Washington.—Vice President Gerald Ford's recent outspoken defense of President Nixon is raising serious questions about both his political judgment and his competence as a lawyer.

In the minds of a few Republicans as well as a good many Democrats, the defense also raises a question of whether something on Nixon's famous tapes might embarrass Ford for his role in stopping an investigation of Watergate in October, 1972.

It is now apparent from the presidential transcripts that stopping chairman Wright Patman, D-Tex., in his pre-election efforts in 1972 to question Maurice Stans was a top priority project with the President. It was also an essential part of the Watergate coverup in that pre-election period.

Ford, who was then House Republican leader, has admitted calling at least two meetings for the purpose of rallying Republicans against the Patman efforts to obtain authority to subpoena Stans and other witnesses.

GOOD SOLDIER

There is no indication that Ford knew of any White House involvement in the Watergate burglary and bugging. But, there is ample evidence to demonstrate that as "a good soldier" Republican leader, he did things to stop Patman.

Ford was questioned about his role by Sen. Robert Byrd, D-W. Va. In his confirmation Sen. hearings, the vice-president admitted to having meetings with Gary Brown, R-Mich., who has been named by former White House counsel John W. Dean III as the man the White House was depending upon to block Patman's effort to question Stans.

Ford denied any contact with Dean, H. R. (Bob) Haldeman or John D. Ehrlichman on the White House efforts. Ford contended the arguments he had used with Brown and other Republican committee members had concerned Patman's "procedures and the dangers that procedures might lead to a precedent."

"Mr. Patman, the chairman of the Committee on Banking and Currency in the House, was going about the matter in the wrong way," Ford explained. "And, as I recall, statements were made he was going on a fishing expedition."

He explained that "in all honesty" he believed that all of the Republicans on the committee voted against Patman because of their concern over procedures and that they were joined by five Democrats.

Ford expressly denied that he had made any contention that Patman's investigation would "be harmful to the President, harmful to his re-election chances, or harmful to the party."

While Brown has admitted he was the focal point of Republican opposition to Patman's probe, he also has angrily denied he was a knowing part of a White House cover up.

Brown admitted taking the initiative in writing the Justice Department to ask then Atty. Gen. Richard Kleindienst if Patman's hearing might interfere with the prosecution of the original seven Watergate defendants. Brown said he took these actions on his own initiative and not because of a prompting from Dean or White House liaison men William Timmons and Richard Cook.

White House transcripts show that on Sept. 15, 1972, President Nixon, Dean and former White House chief of staff Haldeman were gravely concerned about the Patman probe. They saw serious political problems in having "Stans up there in front of the cameras with Patman asking all these questions."

On Sept. 12, Patman's investigators had distributed a report raising serious questions about $114,000 in Nixon re-election committee funds that had been traced to the bank account of Watergate burglar Bernard Barker.

Patman's investigators had traced a mysterious $89,000 in Texas oil money through the bank account of a Mexico City lawyer to Barker's Miami bank.

The investigators also had traced a $25,000 cash contribution from Minneapolis financier Dwayne Andreas through Stans and into Barker's account in the period prior to the Watergate burglary.

The 80-page staff report set out the facts, raising the possibility of violations of laws that prohibited foreigners and foreign corporations from contributing to an American election campaign.

The report also questioned explanations and denials by Stans that were contradicted by other witnesses who were interviewed.

NOT HELPING NIXON

Patman wanted to call a wide variety of witnesses and to subpoena records of the Finance Committee to Re-elect the President and 10 other banks and business organizations.

White House transcripts show President Nixon and Dean discussed ways of getting Ford to take more of an active interest in Stans' problem. The President suggested that Stans should talk to Ford and Brown and explain his problem and that Ford should talk to William Widnall, Rep. of New Jersey, the ranking Republican member.

In recent weeks, Ford seems again to be playing the "good soldier" to the extent of drawing conclusions that the presidential transcripts prove that President Nixon has not committed any crimes or other impeachable offenses.

Republicans and Democrats are commenting privately that Ford's confusing and contradictory comments are not helpful to Nixon. They contend the comments may be destroying Ford's credibility in the face of a record that has resulted in even some of Nixon's strongest newspaper supporters calling for his resignation.

One Republican commented last week, "At this stage only Richard Nixon can help Richard Nixon. The best thing Jerry Ford can do is keep his mouth shut."

MR. NIXON'S ROLLER COASTER: ON THE UPSWING?

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MYERS. Mr. Speaker, in the last several weeks in my visits back to the congressional districts that I represent I have been detecting a change in the political trade winds. I have seen this also reflected in the attitude of the mail I have been receiving as it relates to the President's popularity. A number of politicians in this body and elsewhere who have been trying to accurately interpret the trade winds and trimming their sails accordingly have found some problems back home.

Yesterday in the Washington Post Joseph Alsop's remarks in a column he wrote very accurately and well describe these changing winds and how they are being interpreted and being acted upon. I would like to include this in the Record to be used by colleagues.

The article follows:

Mr. Nixon's Roller Coaster: On the Upswing?

(By Joseph Alsop)

The fortunes of Richard M. Nixon have had a strong roller-coaster tendency ever since he entered political life. And now, after a long and fearful downward swoop, it suddenly seems possible that the roller coaster may start on an up-grade.

This may hardly seem credible in view of the latest revelation that the Watergate Grand Jury named the President as an "unindicted co-conspirator." Yet the signs are plain to be seen for anyone who knows how to read the signs in the Senate and House of Representatives—which is where the signs matter.

First, there is no longer any likelihood of an authoritative group of Republican leaders going to the White House to tell the President he must resign. A fortnight ago this seemed all but certain to happen at an early date—and with Sen. Barry Goldwater of Arizona leading the deputation at that. But now all that has abruptly changed. Second, it seems much, much less likely that the House Judiciary Committee will recommend the President's impeachment on grounds of criminality by a large bi-partisan majority. Even the Judiciary Committee, although weighted against the President, has become an uncertain factor in the equation. Third, it therefore seems possible that the House as a whole may fail to produce the needed majority for a bill of impeachment.

There are several reasons for this abrupt change in the former outlook. For one thing, the acute revulsion produced by the publication of the White House tape transcripts has had time to die down. For another thing, great numbers of Republican members of the House and Senate have begun to hear a sharply changed song from their constituents.

The sharp change was caused by the open talk of the need for the President's resignation by leading Republicans on Capitol Hill. House Minority Leader John Rhodes of Arizona, for instance, was one of those who mentioned the dire word. Abruptly, his mail shifted from three to one anti-Nixon to eight to one pro-Nixon, with a lot of it vituperatively anti-Rhodes. And when he got home for the Memorial Day recess, Rep. Rhodes found a hornet's nest in his own district.

The plain fact is that all over the country, the remaining Nixon loyalists have suddenly become vocal, angry, even vengeful. Nixon loyalists also constitute from 30 to 60 per cent of the voters who elected every single Republican member of the House and Senate. You can see how simply mathematics would therefore cause a strong, if reluctant Republican consolidation behind the President.

This would count for nothing, to be sure, if it were not for the way the situation has developed within the Judiciary Committee.

With regard to the money from the milk cooperatives, one House member has aptly remarked, "Everyone seems to have a lot of milk on his bib." On balance, the unpleasant ITT matter has also gone well for the President.

In consequence, Watergate and its ramifications are all that really matters, in the opinion of everyone best qualified to judge both the Judiciary Committee and the House itself. As to the Watergate evidence thus far put before the Judiciary Committee, "it's all so damned ambiguous."

This characterization was offered by one of the Judiciary Committee's most doubtful Republicans. Rep. Thomas Railsback of Illinois. If Rep. Railsback is deeply uncertain after the whole Watergate story has been told the committee, it can be seen why a strong bi-partisan majority against the President must be counted as less likely. Nor is this all.

The "ambiguity" and the other factors have led the Judiciary Committee's Republicans to close ranks on a most vital matter. They have voted unanimously to insist that witnesses be called on Watergate and its ramifications, so that they can be closely cross-questioned by the President's lawyer, James D. St. Clair. The President's chief accuser, John W. Dean III, heads the desired witness list.

Both the Judiciary Committee's chairman, Rep. Peter Rodino of New Jersey, and his special counsel, John Doar, have been strangely but quite openly reluctant to expose the President's chief accuser to the President's lawyer. Yet they can hardly resist the unanimous demand of the Republicans on the committee.

So the committee is likely to hear a lot about several interesting subjects, such as the circumstances of John Dean's plea bargaining. In sum, there may still be some surprises. The odds are still against the President, too; but it is all very different from two weeks ago, when Sen. Goldwater and Rep. Rhodes were actively planning to ask for the President's resignation.

TOWARD HOUSE RECONSIDERATION OF IDA

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Ohio (Mr. Whalen) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, this week I have introduced in behalf of myself and 31 of my colleagues legislation to provide for continued participation by the United States in the International Development Association—IDA. In so doing, we have joined our distinguished associate, Henry Gonzalez of Texas, and other members of his subcommittee on International Finance, who initiated a similar bill several days ago.

On May 29 the other body, by a 55 to 27 margin, passed S. 2665 which provides four annual installments of $375,000,000 each as the U.S. contribution to IDA's fourth replenishment. Thanks to this overwhelming vote, the House of Representatives now has a second chance to support the most effective multilateral assistance program for the poorest of the developing nations.

Although this body refused U.S. participation last January, I believe, Mr. Speaker, that it did so because of the peculiar climate that grew out of the energy crisis. Threatened by the economic privation inflicted upon the world by a few of the oil producing countries, Members of the House reacted by punishing the poorest of the poor. By defeating H.R. 11354, we thus denied those with an annual per capita income of less than $200 access to their primary source of economic development—the International Development Association.

This action only exacerbated the terrible hardships suffered by those who are resource-poor and without the means to meet the costs of a minimum standard of living. Coming at a time when these countries were confronted with a fourfold rise in the price of petroleum, with an acute shortage of fertilizers necessary for food production, with worldwide drought, and with enormous price increases in basic foodgrains, the House vote in January promised to snuff out the only remaining hope available to the great majority of the earth's population.

The people of the United States and those in other developed countries properly criticized us for this abdication of our global responsibilities.

Since January 23, however, the climate for international concern has been enhanced. The U.N. sixth special session has met and examined both the short- and long-term implications of our planet's increasing interdependence. From these discussions, we all have learned that the only way to deal with planetwide crises is through cooperative actions. Mr. Speaker, this is the essence of security in our times.

For these reasons, I urge all of my colleagues to join with us in supporting the commitment made last September in Nairobi, Kenya, to continue IDA's funding. It is a very small investment whose return is the well-being of millions of our most impoverished neighbors and, ultimately, our own.

Joining me in this effort are the following Members:

John B. Anderson (Ill.).
Herman Badillo (N.Y.).
Edward G. Biester, Jr. (Pa.).
Richard Bolling (Mo.).
George E. Brown, Jr. (Calif.).
Yvonne Brathwaite Burke (Calif.).
John Conyers, Jr. (Mich.).
Don Edwards (Calif.).
Marvin L. Esch (Mich.).
Edwin B. Forsythe (N.J.).
Lee H. Hamilton (Ind.).
Michael Harrington (Mass.).
Frank Horton (N.Y.).
Barbara Jordan (Tex.).
Robert W. Kastenmeier (Wis.).
William Lehman (Fla.).
Spark Matsunaga (Hawaii).
Paul N. McCloskey, Jr. (Calif.).
Lloyd Meeds (Wash.).
Ralph H. Metcalfe (Ill.).
Patsy T. Mink (Hawaii).
Joe Moakley (Mass.).
William S. Moorhead (Pa).
Charles A. Mosher (Ohio).
John E. Moss (Calif.).
Howard W. Robison (N.Y.).
Peter W. Rodino, Jr., (N.J.).
Benjamin S. Rosenthal (N.Y.).
Patricia Schroeder (Colo.).
Henry P. Smith III (N.Y.).
Louis Stokes (Ohio).

THE ARKANSAS PRIMARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 10 minutes.

Mr. ALEXANDER. Mr. Speaker, in the days since the Arkansas Democratic primary on May 28 many of our colleagues have asked me questions concerning the election in which our junior Senator J. William Fulbright lost his bid for renomination to Gov. Dale Bumpers and in which our former colleague David Pryor won his campaign for the Democratic nomination for Governor.

Today I would like to make a part of the Congressional Record two editorials from the Arkansas Gazette. This material will be, I believe, useful to our colleagues in assessing the meaning of these primary elections.

The text of the editorials follow:

[From the Arkansas Gazette, May 30, 1974]

The Fall of Fulbright

Senator J. W. Fulbright's stunning defeat in the Arkansas Democratic primary lends itself to all kinds of commentary but it is all incidental to what the country has sustained in the fall of one of the giants of the 20th century Congress.

Much has been said already about the popularity of Fulbright's conqueror, whose triumph is unquestioned, and much has been said, much less provably, about various national auguries seen in the Arkansas election. The overriding significance, however, once you think of it, lies simply in the impending departure of Fulbright of Arkansas from the Capitol.

Senator Fulbright made his mark in the Congress early and for the better part of the last two decades, while he has served as chairman of Foreign Relations, no man in the Congress has spoken so eloquently and effectively for the cause of peace and against the abuse of Presidential power. Instead he has been the supreme advocate and exemplar of the legislative place in government under the original Constitutional design.

Inevitably, Fulbright's place as peacemaker helped lead to his own downfall, for in the Vietnam war, especially, he made, in Arkansas and about the country, a large number of bitter enemies whose obsession was to drive out of the Congress the man who said that one of our national wars was wrong. Thus Fulbright went into any election with hard core hawk opposition which left him even more vulnerable to a popular, personable, sitting governor.

In marking the end of the historic career of J. W. Fulbright, it is good to remember that the peacemakers are blessed and rewarded in the kingdom of heaven, for, God knows, their reward is not given below.

As for the primary campaign itself, what we know now is that Dale Bumpers was precisely correct in concluding that he could easily win Fulbright's place in the Senate if he chose to run. Indeed, we know now that Fulbright was beaten the day Bumpers qualified. The governor made no clearly identifiable issue against Fulbright in the campaign, nor did he have to. The majority of voters liked Dale Bumpers very much and they were prepared to vote for him for any office he wanted. They did not care, actually, if Fulbright is the most famous living Arkansan, or if he does hold the chair of the Senate's most prestigious committee. It was Bumpers, their governor, with whom they identified.

The Fulbright partisans, whose loyalty is fierce, will feel better about the caprice of an electorate which gave the United States one of its greatest figures and then, as they say, "took him back," for no demonstrably objective reason. What all of us must realize, however, is that politics is sometimes a brutal business and whatever the system's aberrations, it is, as Churchill said, still the best system there is.

Fulbright, for his own part, in his stately and reasoned concession speech Tuesday night, took his own crushing defeat with characteristic perspective. With his vast sense of history, he knows that the governing power of the country springs from the people, and from the several states, and he closed his last campaign thanking the people of the state for the 30 years they had given him in the Senate.

Who could deny his greatness in defeat as well as in victory?

What we know now is that Fulbright could have conducted his campaign from his Senate office in Washington and gotten almost as many votes. The voters' minds were made up. In the narrowly political sense, all the expenditure of effort and money, all the argument and articulation, was a waste. All of us were shouting in a high wind.

The effect of the highly publicised TV confrontation on Issues and Answers was apparently negligible, just as Governor Bumpers said it was. Even the heavy turnout worked against Fulbright, for it brought out casual voters whose main impressions in politics are derived from watching the television.

The campaign itself made virtually no difference at all. Even so, in the end the Fulbright people could not have done differently. As Lieutenant Governor Bob Riley remarked in his own losing race for governor, once events are in motion, there are some things you have to do.

So much for the politics of the election.

What must be faced now reaches far beyond the Arkansas state lines. Whatever one's appraisal of Dale Bumpers and whatever the hopes for his performance, he will go to Washington as a freshman senator, subject to all the familiar limitations and frustrations to which freshmen are heir. Meantime, with Fulbright beaten, we face the probable accession of Senator John Sparkman of Alabama to the chair of Foreign Relations, and, in consequence, a general diminution of the Senate's scrutiny over the President's foreign policy. John Sparkman has known better years but at his peak he was never in Fulbright's league.

What Congress will now be without is the voice of the man who stood sometimes against presidents and sometimes with them, but always in fearless commitment to the course of reason in our national and international affairs.

No one need worry about Bill Fulbright, who will now have the leisure to do things he has wanted to do and who can select at will, we daresay, the lecture chairs of the great universities of the Western world. What we must worry about is the Senate, losing both Fulbright of Arkansas and Ervin of North Carolina in the same season. In the Arkansas primary it is not Fulbright who is the loser; alas, the loser is the Republic.

[From the Arkansas Gazette, May 29, 1974]

David Pryor as Governor

David Pryor's victory in the Democratic gubernatorial primary without the need for a further divisive runoff campaign is reassuring for the future of state government in Arkansas.

To be sure, Mr. Pryor will have Republican opposition in November, but the relatively brief period in which the GOP, through Winthrop Rockefeller, could put up much of a general election fight for statewide office is no longer with us. It is again axiomatic that the Democratic gubernatorial nomination is "tantamount to election."

Pryor's nomination, in any case, is gratifying to all who have watched his career in public life as well as to those who have seen what his talents offer Arkansas only this spring in the forum of the gubernatorial primary.

While his vote-getting strength showed up as expected in Central and South Arkansas—where Pryor has lived and worked most of his life—his appeal proved to be broad enough for him to lead the ticket in about three-fourths of the 75 counties. Those who know Mr. Pryor and his record of service best are those who support him the most.

Although the majority accorded Pryor was earned in our view principally through a positive response to his candidacy, it would be realistic to say that at least some of his support was of a negative nature from those who just could not accept the alternatives, especially the candidacy of former Governor Orval Eugene Faubus. Essentially, Mr. Faubus offered a return to the past—the days of strife, divisiveness and governmental scandal that ran throughout his six terms. His brand of politics can always "sell," as it were, among a hard core of supporters, and indeed they made up the major portion of the 33 per cent vote total that Faubus got. Perhaps the important thing here is that the third candidate—Lieutenant Governor Bob Riley—gathered 16 per cent of the vote starting from a much smaller "natural" constituency. Faubus added very little along the way to his established "base" left over from the earlier years of glory.

David Pryor, on the other hand, offers not only an image of a clean-cut, progressive leader but also much of the substance of one that bodes well for the future of the governor's office. He cut his political teeth as a worker for the governor that Faubus defeated in 1954, and was one of the voices of reason in the state legislature that resisted the Old Guard politics of Faubism with regularity. His legislative experience should stand him in good stead in dealing with the General Assembly as Governor. In his six years as a congressman from the Fourth District, Mr. Pryor made a distinguished mark, especially in his work on behalf of the nation's elderly. As a member of the House Appropriations Committee Pryor gained the invaluable experience of dealing directly with big money decisions, a challenge that will be helpful in service as the state's chief executive.

Arkansas has come a long way since Winthrop Rockefeller succeeded Faubus in office eight years ago, but much remains to be done in many fields—public education, higher education, the prisons, to name just a few. The nomination of Mr. Pryor virtually assures that leadership of high quality will be brought to all of the problems facing Arkansas over the next two years. Voters have placed the governor's office in good and talented hands.

GENERAL ACCOUNTING OFFICE REPORTS ON LOCAL GOVERNMENT USE OF REVENUE SHARING FUNDS FOR HANDICAPPED, CHILDREN, AND ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, a few days ago, in Seattle, Wash., I had the privilege of participating in a discussion of "Congress and the States" at the annual meeting of the National Conference of Governors.

During the discussion, in response to questions from some of the Governors, I cited the results of a study I had requested the General Accounting Office to make of the extent to which revenue sharing funds had been used by local governments for two groups of persons: handicapped people of all ages and children.

In my reply, I also cited the results of another GAO study requested by our distinguished colleague, the Honorable Claude Pepper of Florida, who had asked about the use by local units of government of revenue sharing funds to assist the elderly.

Not only as a Member of Congress but as chairman of the House Select Education Subcommittee, which has jurisdiction over a number of programs to aid the handicapped, young children, and the elderly, I am concerned about the extent to which revenue sharing moneys are used for persons in our society who may be accurately described as vulnerable.

The results of these GAO studies with respect to how much local governmental units have been using revenue sharing funds for these three groups is, to say the least, most disquieting.

Here, in brief, is what the Comptroller General of the United States reported, in a letter to me, dated May 30, 1974, which I shall include in the Record. I shall also include in the Record the Comptroller General's letter to Congressman Pepper of February 13, 1974.

Mr. Speaker, based on a survey of 250 local governments—selected "primarily on the basis of dollar significance and geographical dispersion" and which "included the 50 cities and 50 counties that received the largest amounts of revenue sharing funds for calendar year 1972" and subject to the limitations on the analysis set forth in the Comptroller General's letter of May 30, 1974—here are the basic findings.

I should, Mr. Speaker, note that, according to the Comptroller General:

> The necessary legal and procedural steps were taken by 219 governments to authorize the expenditure of $1.374 billion of these funds.
>
> A total of 18 governments authorized part of their revenue sharing funds in programs or activities for the handicapped.
>
> These authorizations totaled about $4.3 million, or about three-tenths of 1 percent of the $1.374 billion dollars authorized by the 219 governments.
>
> A total of 52 governments authorized part of their revenue sharing funds in children's programs or activities. These authorizations totaled about $15.4 million, or a little more than 1 percent of the $1.374 billion authorized by the 219 governments.

According to the February 13, 1974, letter to Congressman Pepper from the Comptroller General:

> Of the 219 governments, 28 authorized the expenditure of part of their revenue sharing funds in programs or activities specifically and exclusively for the benefit of the elderly.
>
> These authorizations totaled about $2.9

million, or about two-tenths of 1 percent of the total funds authorized for expenditure by the 219 governments.

Now, Mr. Speaker, let me reiterate these findings.

According to the General Accounting Office, local units of government are using of their revenue sharing funds about three-tenths of 1 percent for handicapped persons, a little more than 1 percent for children's programs, and about two-thirds of 1 percent for the benefit of the elderly.

Mr. Speaker, to be as gentle about the point as possible, this record is not impressive and simply supports the apprehensions that many of us in Congress expressed about revenue sharing when it was first launched with extravagant and pretentious claims.

Although the State and Local Fiscal Act of 1972 (P.L. 92–512), which authorized revenue sharing, is aimed at giving State and local governments flexibility in using the funds, the statute also requires them to be spent within specified, but extensive priority areas, including health and social services for the poor or aged.

As I have suggested, Mr. Speaker, the record to date, based on the evidence presented by the General Accounting Office, shows that local units of government are almost totally ignoring the needs of three of the neediest groups in our society, the handicapped, children, and the elderly.

These are not the groups, Mr. Speaker, as we all know, with the greatest political influence at the local, or State, level, and it ought therefore not to be surprising that they see so little of the benefits of revenue sharing.

Now, Mr. Speaker, I fully realize that, in approving revenue sharing, Congress did not intend at all the revenue sharing money should be expended on the handicapped, children, and the elderly.

But surely, Mr. Speaker, we should be able to expect a better record than the one which I have just reported.

Mr. Speaker, I for one find these reports most troubling.

Mr. Speaker, I include at this point in the RECORD the text of the two letters to which I have earlier referred—that of May 30, 1974, to me from the Comptroller General and that of February 13, 1974, to Congressman PEPPER:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., May 30, 1974.

Hon. JOHN BRADEMAS,
Chairman, Select Subcommittee on Education, Committee on Education and Labor, House of Representatives.

DEAR MR. CHAIRMAN: In accordance with your February 19, 1974, request, we have analyzed the data we collected on the disposition of revenue sharing funds by 250 local governments to determine the extent to which the funds were being targeted for handicapped people of all ages and children. A more general description of the uses of revenue sharing funds by these governments and our views on certain accountability aspects of revenue sharing are contained in our report entitled, "Revenue Sharing: Its Use by and Impact on Local Governments" (B-146285, Apr. 25, 1974), which has been provided to your office.

The Revenue Sharing Act (Public Law 92–512) provided for distributing approximately $30.2 billion to State and local governments for a 5-year program. The Office of Revenue Sharing, Department of the Treasury, made initial payments under the revenue sharing program in December 1972 and had distributed about $6.6 billion through June 30, 1973, to the 50 States, the District of Columbia, and about 38,000 local governments. Approximately one-third of the funds were distributed to the States and the remaining two-thirds to local governments.

One objective of revenue sharing is to give State and local governments flexibility in using funds. Therefore, the act provides only general guidance on how local governments can use the funds by requiring them to be spent within specified, but quite extensive, priority areas. The areas are: maintenance and operating expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration. In addition, a local government may use the funds for any ordinary and necessary capital expenditure.

We selected the 250 governments primarily on the basis of dollar significance and geographical dispersion. Our selection included the 50 cities and 50 counties that received the largest amounts of revenue sharing funds for calendar year 1972. The 250 governments received about $1.658 billion through June 30, 1973, or about 38 percent of the approximately $4.4 billion distributed to all local governments.

Including interest earnings on the revenue sharing funds through June 30, 1973, about $1.688 billion was available for use by the 250 governments. The necessary legal and procedural steps were taken by 219 governments to authorize the expenditure of $1.374 billion of these funds. The remaining 31 governments had not authorized the expenditure of any of the funds. As your office agreed, we analyzed the purposes for which the 219 governments had authorized expenditure of revenue sharing funds.

LIMITATIONS ON ANALYSIS

We did not accumulate specific data on revenue sharing funds authorized for the handicapped or children. We did obtain reasonably specific information, however, on the purposes for which the governments had earmarked revenue sharing funds. Therefore, we believe the data presented in this report indicates fairly the extent that the funds were being targeted toward these two groups. In certain instances the local governments had authorized the funds at a broad program or activity level without identifying the projects or activities to be financed. Some of these authorizations might result in the expenditure of funds for the handicapped or children.

The data we collected on the uses of revenue sharing funds was derived primarily from the governments' financial records. Because of the nature of revenue sharing, the actual effects of the funds may be different from the uses indicated by financial records.

When a government uses revenue sharing to wholly or partially finance a program which would have been financed from its own resources, other uses may be made of its own freed resources. Freed funds may be used for such things as tax reductions, increasing the funding for other programs, and reducing the amount of outstanding debt.

Because of such factors as changing amounts of revenue available to a government from its own sources and changing budgetary priorities, it is exceedingly difficult, and perhaps impossible in some jurisdictions, to identify objectively the actual effects of revenue sharing. Therefore, revenue sharing's effect on the local governments' assistance programs for the handicapped and children could be substantially different from that indicated by the information in this report. Also, this report contains no data on the extent to which such programs are being financed from other sources. Thus, a particular government may have earmarked no revenue sharing funds for the handicapped on children but nonetheless have significant programs in these areas.

PROGRAMS FOR THE HANDICAPPED

A total of 18 governments authorized part of their revenue sharing funds in programs or activities for the handicapped. These authorizations totaled about $4.3 million, or about three-tenths of 1 percent of the $1.374 billion authorized by the 219 governments. Enclosure I, briefly describes the programs for the handicapped that were being financed with revenue sharing funds by the 18 governments. When a program was directed toward handicapped children, we classified it as a program for the handicapped. The more significant programs included:

Suffolk County, New York, authorized $2,104,702 for three programs consisting of $991,235 for transporting physically handicapped children to school, $716,087 for the physical rehabilitation of children with such medical problems as chronic diseases, and $397,380 for physical therapy and recreation for the emotionally disturbed.

Passaic County, New Jersey, appropriated $1,400,419 for assisting mental health programs primarily to maintain patients in State institutions for the mentally disabled.

Fresno County, California, appropriated $225,000 to purchase and remodel a hotel for use as a rehabilitation center for the mentally ill.

Portland, Oregon, appropriated $67,000 for the handicapped. Of this, $45,000 was to renovate recreation buildings, including installing ramps and modifying restrooms. The other $22,000 was for providing ramps at curbs on city streets.

PROGRAMS FOR CHILDREN

A total of 52 governments authorized part of their revenue sharing funds in children's programs or activities. These authorizations totaled about $15.4 million, or a little more than 1 percent of the $1.374 billion authorized by the 219 governments. Enclosure II briefly describes the programs being funded by revenue sharing. The more significant programs included:

Suffolk County, New York, authorized $1,953,456 for three programs consisting of $1,400,356 for payments to foster parents for foster care, $507,099 for juvenile delinquent institutional care, and $46,001 for a youth service program.

Riverside County, California, appropriated $1,226,563 for several projects, including $577,144 for constructing a juvenile detention hall and $546,000 for constructing an office building for the juvenile probation department.

Los Angeles County, California, appropriated $1,062,054 for juvenile probation activities, including $487,621 for capital improvements at juvenile halls and $457,450 for capital improvements at several boys probation camps.

Baltimore, Maryland, authorized $1 million for summer youth activities consisting of $650,000 for a youth employment program directed toward the disadvantaged and $350,000 for a recreation program directed toward inner city children and the handicapped.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

R. F. KIFFER,
Acting Comptroller General of the United States.

ENCLOSURE I

LOCAL GOVERNMENTS WHICH HAD AUTHORIZED REVENUE SHARING FUNDS FOR PROGRAMS FOR THE HANDICAPPED AS, OF JUNE 30, 1973

Government	Amount authorized		Nature of expenditure.
	Capital outlay	Operation and maintenance	
Anchorage, Alaska	$38,500		Modification of city buildings for handicapped.
	14,400		Curb cuts for handicapped.
Baton Rouge, La		$22,000	Mental health center.
Burlington, Vt		10,898	Visiting nurse service for chronically ill and disabled.
Fargo, N. Dak	50,000		Mountable curbs for handicapped.
Fremont County, Wyo	10,000		School for retarded children.
Fresno County, Calif	225,000		Mental health building.
Fulton County, Ga		40,000	Mental health.
Jackson County, Mo	67,150		Hearing disability diagnostic center.
		37,731	Recreation program for the handicapped.
		43,746	Mental health.
Jefferson County, Ala	23,750		Improved mental health facilities.
King County, Wash		7,476	Mentally handicapped.
		6,375	Physically handicapped.
Monroe County, N.Y		$21,678	Mental health.
Navajo County, Ariz	$8,000		Mental health facilities.
Passaic County, N.J		1,400,419	Mental health.
Portland, Oreg	22,000		Curbs and ramps for handicapped.
	45,000		Modification of recreation facilities for handicapped.
Prince Georges County, Md		45,564	Mental hospitals.
Toledo, Ohio		50,000	County mental health and retardation board.
Suffolk County, N.Y		991,235	Transportation of handicapped children.
		716,087	Physical rehabilitation of children.
		397,380	Mental health.
Sullivan County, Ind		8,000	Do.
Total	503,800	3,798,589	

Note: After June 30, 1973, funds could be reauthorized for other purposes before expenditure. Some governments authorized revenue sharing funds already received, as well as anticipated receipts. In such cases, the amounts shown above represent a proration of the amounts appropriated, to reflect appropriations of funds received through June 30, 1973.

ENCLOSURE II

LOCAL GOVERNMENTS WHICH HAD AUTHORIZED REVENUE SHARING FUNDS FOR PROGRAMS FOR CHILDREN, AS OF JUNE 30, 1973

Government	Amount authorized		Nature of expenditure.
	Capital outlay	Operation and maintenance	
Ada County, Idaho	$700,000		Juvenile home.
Anchorage, Alaska		$22,000	Youth programs—Boys Club and Camp Fire Girls.
Baltimore, Md		350,000	Summer youth recreation.
		650,000	Summer youth employment.
Baton Rouge, La	50,000		Family court detention center.
Butler County, Ohio		4,500	Neighborhood youth bureau.
Charleston County, S.C		147,000	School guards.
Cincinnati, Ohio		25,0000	Playhouse in park.
Clark County, Nev	100,000		Juvenile court services.
Columbia, S.C		50,000	Day care center.
Columbus, Ohio	304,450		Playground renovation.
	250,00		Playground development.
		210,000	Summer youth program.
		72,500	Youth services bureau.
Cuyahoga County, Ohio		212,029	Juvenile court.
Denver, Colo		482,250	Summer youth employment.
El Paso, Tex	100,000		School zone signs and markings.
	90,000		Playground equipment.
Fargo, N. Dak		50,000	Summer youth employment.
Fort Worth, Tex		22,516	Youth services program.
Fresno County, Calif	50,000		Schools (air-conditioning).
	22,413		Juvenile hall.
Fulton County, Ga		694,780	Children's services.
	278,000		Juvenile court, renovate building and satellite centers.
Hartford, Conn	126,996		Improving school buildings, school parking lots, and bleachers.
Isle of Palms, S.C		325	Tot lot equipment.
Jackson County, Mo		68,354	Children's Mercy Hospital.
		27,342	Youth service center.
Jacksonville, Fla	48,092		Playground equipment.
Jefferson County, Ala		240,000	Family court (juveniles).
Jefferson Parish, La		155,971	Juvenile detention home.
Kanawha County, W. Va	4,012		Child shelter.
Kansas City, Mo		295,758	Summer neighborhood youth corps.
		15,987	Youth opportunity program.
		9,992	Youth program, coaches council.
Las Vegas, Nev	110,000		Teen center expansion.
Los Angeles County, Calif	487,621		Juvenile halls.
	457,450		Boys Camp (probation).
	76,888		Juvenile courts building.
		40,095	Youth foundation.
Louisville, Ky	500,000		Youth center for performing arts.
		83,125	School traffic guards.
McLean County, Ill		47,579	Juvenile probation.
Milwaukee County, Wis		642,339	Children's court center, detention.
Milwaukee, Wis		$300,000	School health services.
		155,000	School crossing guards.
		115,000	Child health services.
Monroe County, N.Y		66,997	Youth employment program.
		15,893	School health programs.
	$20,190		Children's detention.
New Orleans, La		2,745	Juvenile court.
Portland, Oreg	22,600		Playground equipment.
	31,500		Wading pools.
Prince Georges County, Md		276,891	School crossing guards.
		74,772	School security.
Pulaski County, Ark		5,000	Children's hospital.
		1,036	Boy Scouts.
Richmond, Va	885,000		Air condition high school.
Riverside County, Calif	624,132		Juvenile halls.
	546,000		Probation (juvenile office).
	31,300		Juvenile court.
	1,502		Youth center.
		23,629	Summer youth program.
Sacramento County, Calif	200,000		Children's receiving home.
		5,250	Summer camp.
St. Louis County, Mo		100,000	Summer youth employment program.
	40,000		Center for boys.
St. Louis, Mo	3,953		Playground equipment.
	1,168		Child guidance equipment.
San Antonio, Tex	6,745	68,255	Youth service project.
	43,525	56,475	School sidewalks.
San Diego, Calif		440,000	Summer youth program.
Santa Clara County, Calif		50,000	Summer youth employment.
Shelby County, Tenn	700,000		Addition to high school.
Silver Bow County, Mont		6,000	Summer (recreation) school program.
Suffolk County, N.Y		1,400,356	Foster care.
		507,099	Juvenile delinquent care.
		46,001	Youth services program.
Tampa, Fla	50,000		Playground equipment.
Toledo, Ohio		100,000	Summer youth employment.
Tulare County, Calif	75,000		Juvenile hall, site development.
Ventura County, Calif		125,000	Summer youth employment.
Wichita, Kans		50,000	Summer neighborhood youth corps
		6,667	Youth development program.
		5,195	Day care center.
		2,176	Summer youth employment.
Total	6,813,537	8,624,879	

Note: After June 30, 1973, funds could be reauthorized for other purposes before expenditure. Some governments authorized revenue sharing funds already received, as well as anticipated receipts. In such cases, the amounts shown above represent a proration of the amounts appropriated, to reflect appropriations of funds received through June 30, 1973.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., February 13, 1974.
Hon. CLAUDE PEPPER,
House of Representatives.

DEAR MR. PEPPER: Your November 14, 1973, letter requested that we report on the extent to which general revenue sharing funds are being allocated to programs specifically and exclusively designed to benefit the elderly.

As agreed with your office, we analyzed data we had gathered as of June 30, 1973, on the uses of revenue sharing funds by 250 selected local governments. Although we did not specifically accumulate data on funds allocated by the 250 governments exclusively for the benefit of the elderly, we did obtain data on the types of programs or activities being financed wholly or partially with revenue sharing funds. Accordingly, we believe that from this data we can make a reasonably accurate estimate of the extent to which these governments had allocated the funds to programs specifically intended to assist the elderly.

The Revenue Sharing Act (Public Law 92-512) provided for the distribution of approximately $30.2 billion to State and local governments for a 5-year program period. The Office of Revenue Sharing, Department of the Treasury, made initial payments under the Revenue Sharing program in December 1972 and had distributed about $6.6 billion through June 30, 1973, to the 50 States, the District of Columbia, and about 38,000 units of local government. Approximately one-third of the funds were distributed to the

States and the remaining two-thirds to local governments.

One of the objectives of revenue sharing is to provide State and local governments with flexibility in using the funds. Accordingly, the act provides only general guidance as to how local governments can use the funds by requiring them to be spent within a specified, but quite extensive, list of priority areas. The priority areas are: maintenance and operating expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration. In addition, a local government may use the funds for any ordinary and necessary capital expenditure.

LOCAL GOVERNMENTS INCLUDED IN ANALYSIS

We selected the 250 governments primarily on the basis of dollar significance and geographical dispersion. The selection included the 50 cities and the 50 counties that received the largest amounts of revenue sharing funds for calendar year 1972. The 250 governments received about $1.658 billion through June 30, 1973, or about 38 percent of the approximate $4.4 billion distributed to all local governments.

FUNDS USED TO ASSIST THE ELDERLY

Including interest earnings on the revenue sharing funds through June 30, 1973, about $1.688 billion was available for use by the 250 governments. The necessary legal and procedural steps were taken by 218 of the governments to authorize the expenditure of $1.374 billion of these funds. The remaining 32 governments did not authorize the expenditure of any of the funds.

Of the 218 governments, 28 authorized the expenditure of part of their revenue sharing funds in programs or activities specifically and exclusively for the benefit of the elderly. These authorizations totaled about $2.9 million, or about two-tenths of 1 percent of the total funds authorized for expenditure by the 218 governments.

Expenditures designated to benefit the elderly ranged from a low of $1,000 appropriated by Brighton, Vermont, for operating and maintaining a senior citizens center to a high of $785,816 appropriated by Pima county, Arizona, for purchasing a nursing home used primarily for care of the indigent elderly. Pima county had obtained the nursing home under a lease-purchase arrangement and used revenue sharing funds to exercise the purchase option.

The other 26 governments were financing a variety of programs for the elderly. The more significant programs included the following:

Jersey City appropriated $400,000 to finance a public transportation discount program for senior citizens.

Sacramento county apropriated $104,254 to finance a project being undertaken by the Sacramento County Legal Aid Society to provide legal services to the elderly.

Jefferson county, Alabama, authorized use of $45,000 in revenue sharing funds received through June 30, 1973, to add an 83-bed wing to the county nursing home for the indigent aged. An additional $150,000 was to be used to acquire equipment for the new wing.

Kansas City earmarked $100,000 for a nutrition program for the elderly that was expected to provide food for 600 persons a day.

Clark County, Nevada, appropriated $125,000 to acquire, a building for use as a senior citizens center. The center will provide hobby, recreational, and social activities. An additional $25,000 was earmarked for renovating the building. This project was being jointly undertaken with Las Vegas, which was participating in the initial capital costs and will be responsible for operating the center.

LIMITATIONS ON DATA

The data on the extent to which the selected governments used revenue sharing funds to assist the elderly was obtained primarily from governments' financial records and therefore represents the direct uses of the funds. Because of the inherent nature of the Revenue Sharing program, the actual results or effects of the funds may be different from the uses indicated by financial records.

When a recipient government uses revenue sharing to wholly or partially finance a program, which was previously financed or which would have been financed from its own resources, other uses may be made of its own freed resources. Freed local funds may be used for such things as tax reductions, increasingly the level of funding for other programs, reducing the amount of outstanding debt, and so forth.

Because of such factors as changing amounts of revenue available to a government from its own sources and changing budgetary priorities, it is exceedingly difficult, and perhaps impossible in some jurisdictions, to objectively identify the actual results or effects or revenue sharing. Accordingly, in considering the information presented in this report, you should be aware that the actual effect the revenue sharing program may have on the local governments' assistance programs for the elderly could be different from that indicated.

* * * * *

We do not plan to make further distribution of this report unless you agree or publicly announce its contents.

We trust the above information is responsive to your needs.

Sincerely yours,
R. F. KELLER,
Comptroller General of the United States.

THE CLEAN AIR ACT CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, I have long had serious doubts about the wisdom of Congress amending the Clean Air Act under the guise of an energy crisis. But the bill—H.R. 14368—as reported by the conference committee, now has the added feature of a precedent-setting amendment to the National Environmental Policy Act of 1969.

The conference report provides that no action by EPA under the Clean Air Act shall hereafter be subject to the environmental impact statement requirements of section 102(2)(C) of NEPA. Such a sweeping exemption from NEPA should not be adopted with no debate in this body, and little debate in the other body.

EPA's decisionmaking under the Clean Air Act should be subject to the scrutiny of NEPA, just as any other Federal agency. Many EPA decisions have wide-ranging environmental impacts. I need only remind you of EPA's proposals to impose parking surcharges and to ban autos on a large scale from urban areas, such as its proposal last year to reduce autos in Los Angeles by over 80 percent. Such proposals may be meritorious and necessary to carry out the Clean Air Act, but they deserve the careful analysis that the NEPA process affords. This amendment does away with rational environmental analyses as prescribed by NEPA, before actions are taken under the Clean Air Act.

Last summer the General Accounting Office held that section 102(2)(C) did apply to the Clean Air Act. The courts have not ruled definitively on the issue. Yet we are today seeking to decide the issue by legislation in sweeping fashion.

This action today may open the door to all sorts of exemptions from section 102(2)(C) of NEPA. Every lobby will seek the same treatment. Such a result is not in the public interest.

Thus I cannot support the conference report today.

THE TIME FOR COURAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 10 minutes.

Mr. DENT. Mr. Speaker, recently I read with interest the operations that are going on in the hope of reducing the amount of beef imports coming into this country. It was heartening to me, because after many years I seem to feel there is a favorable turn in our outmoded, antiquated trade policies. Some of our Federal agencies have finally opened their ears to the cries of the anguished businessman, lost in the flood of foreign imports and unfair competition.

Since the passage of the Kennedy round of reciprocal trade agreements, the United States has become the No. 1 dropping-off point for cheap products, made by almost slave-type labor in many countries of the world. The result is that we are now saddled with a depreciated dollar, a foreign product glutted marketplace, foreign takeovers of American industry, and to top it off, the highest rate of unemployment in the history of our country, when measured against the number of workers who are able to live on their own earnings without aid from the Government.

In the last 10 years we discovered that there were something like 68 million pairs of hands reaching into the Treasury of the United States for their entire or part of their entire livelihood.

Now the administration is reduced to sending emissaries to beef-shipping countries, practically begging on their hands and knees, in order that these companies might slow down their shipments of beef to the United States. The reason? They are in reality bankrupting American cattle growers. We fail to realize that we cannot, in this case, have our beef and eat it too.

We sell our feed grains to competing countries at prices below what American cattle growers have to pay. Then we have to buy the beef from our competitors so that they can pay for the grain, at prices which cannot be met by American high-economy cost producers. Beef is just one example of how the administration caters to the agricultural lobby on matters of this kind and thumbs its nose at the industrial segment that is in the same general predicament.

The shoe industry, particularly, finds itself in a very serious competitive bind. Brazil, which is not an especially close friend of the United States, increased its exports of shoes to our country from approximately 12 million pairs in 1972 to nearly 20 million pairs in 1973. Ten years ago, Brazilian shoes were rarely found in American stores. They were limited to those made of alligator hide and could seldom be found on the American market.

As if the situation is not bad enough, our Government has helped fund an Inter-American Center for the Promotion of Exports, which promotes markets here for South American products. At the heart of this is Secretary Kissinger's promise that in the "new dialog" he had created in the Western Hemisphere, American markets would be more accessible to South American manufactured and agricultural products.

While we are talking about beef and shoes, the problems of the dairy industry should not be overlooked. Dairy producers are now feeling such acute pressure from foreign producers of cheese and milk-based products, that such renowned free-traders as Senator HUMPHREY, McGOVERN, and PROXMIRE are demanding a reversal of the position of the United States on free trade of these particular products. Those of us who have been fighting for protectionism for the industrial segment of our country for the last 20 years or so have been named by these same Senators, and others, as being outright protectionists. Now they want protection for their particular industry. All of a sudden they designate themselves a statesmen. They are further demanding enforcement of a 77-year-old law, the Tariff Act of 1897 that has been completely neglected by all administrations since 1934. This law would require retaliation against penetration of the American market by the levying of commensurate tariffs and duties. Not only does this law apply to agricultural production, but should be applied to all products imported into the United States, which cause unemploymnt and loss of production facilities in this Nation.

This same tactic is employed repeatedly by foreign producers in the form of economic threats when they call for retaliation against American made products, if we attempt in any way to set up barriers to protect our own economy from their particular products, and most of the products sold are only available to them because of the subsidies that the American taxpayers make available for exported products.

The repercussions witnessed in the Russian wheat deal are only symptomatic instances of this type of economic suicide.

These problems, far and away, override the importance of Watergate at this time insofar as the economy in this Nation is concerned. The newspapers meanwhile, with a great flurry and flood of newspaper space and media time, and an inordinate use of such time being given to Watergate, the American people are being strangled economically and choked to death by a dearth of information on the disastrous effects of our ill-fated weaknesses in foreign trade policy.

We can do nothing in Congress to stem the tide of the depreciation of the dollar, the unemployment and, in fact, the very independence of this Nation, unless we can muster the courage to immediately reconsider the provisions of the Tariff Act of 1897. Under this act, the Secretary of Commerce is empowered to set up countervailing tariffs on subsidized foreign goods.

For some reason or other the laws of this Nation do not mean the same thing to all people. This is a law on the books, and yet it has been absolutely considered as inoperative by this and other administrations.

We are the nation that tells itself how well prepared we are for our defense, and we send troops and supplies for the defense of other nations all over the world, and then we cringe when we are threatened by such countries as Venezuela, the Middle Eastern oil countries, and even little Hong Kong when they threatened us with commodity retaliation if we do anything to save our own economy.

We know that the Arabs did not hesitate one minute to blackjack our nation and others into submission on oil prices. We were mugged by the little country of Jamaica just a couple of weeks ago when they tripled the cost of bauxite to American consumers of bauxite, from a little over $3 a ton to pretty near $13 a ton. Every nation is set to increase the cost of every product that this Nation has allowed itself to get into the position of not being able to produce in sufficient quantities for the American needs. And they will continue to do this until we have the courage, that is, the Congress has the courage, to do what every sane thinking man on this floor knows will have to be done some day; some day in the not far distant future we will have to have the same kind of courage that the little nation of Italy had when it stopped all imports coming into that country that competed with any product they made if it cost one job for an Italian worker, or caused any production facilities to reduce its production. We will have to do this, too.

If we closed all the ports in the United States tomorrow, only 42 percent of the people would be able to buy shoes. That is only one instance all along the line. We are doing things that no one can possibly do without a blueprint. No nation can make as many mistakes as this Nation has made in the last 30 years, and more so in the last 10 years.

We have examples at hand where nations have taken advantage of the shortage of materials and minerals in this Nation because we catered with American money and know-how, and went into these countries with Americans setting up production facilities in order to help those nations become independent of other nations for the necessities of life.

We now find ourselves, the one independent Nation, more dependent on foreign countries than any single nation in the world at this moment. The other nations that are more dependent than us are those who do not have the facilities, do not have the manpower, and do not have the financial structure or the marketplace. Some day we will have a reckoning.

SCUTTLING LAND-USE LEGISLATION

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from New York (Mr. ROBISON), is recognized for 10 minutes.

Mr. ROBISON of New York. Mr. Speaker, I deeply regret the action of the House today in defeating the rule on the Land Use Planning Act of 1974, since I was one who was highly enthusiastic over the potential of that proposal. After almost 10 years of service on the Public Works Appropriations Subcommittee, I needed little convincing that what now, most places in America, generally suffices as a "land-use decisionmaking process" requires considerable improvement. At the same time, I well understood that the concept of this bill, which is so highly subjective, presented many difficulties for those concerned constituents who, at a time when confidence in government is everywhere so low, have conditioned themselves to be wary of any sweeping new Federal initiative.

It was apparent to me that we needed to do far more during our debate on the land-use bill, today, than just adjust our differences and cast our votes. If we were to make a cautious start at enhancing local and State resource planning, we needed to go to some extra lengths to put this legislation in its necessary perspective—one that fairly laid out the content of the bill and also portrayed the evolution of forces and events which have made such a measure so essential.

Of course, today's adverse vote on the rule deprives the House and its constituents of that discussion, and deprives this country of planning tools necessary right now to make the best use of our dwindling national resources. Those people who, for whatever reason, have become fearful of the land-use concept needed to be addressed objectively. They needed to be shown how important proper resource planning is to nation which has 73 percent of its population living in urban areas.

They needed to be shown how the lack of planning has infested whole communities with the smudge and fumes of fossil-fuel plants, and the 24 hour-a-day noise and pollution of interstate highways, the annual threat of devastating floods, or the ear-shattering roar of jet airplanes.

Those families who must live and raise their families in these environments are the unhappy refugees of the patchwork quilt kind of development which has proceeded for so many years. Many of these people were born at a time when the Nation's population was predominantly rural, and the land itself could serve as a barrier to the short-sightedness or insensitivity of public and private developers. Now that Americans have opted for a style of living which creates megapolises, stretching for hundreds of miles, the indiscriminate use of natural resources can affect the comfort and enjoyment of millions.

To my mind, the land-use bill was no more than the effort of a highly mobile, urban citizenry to begin to come to grips with developmental priorities. Just by driving through some of the "new towns" of the eastern megapolis, it should be obvious that even the most elemental choices have been neglected. Rather than considering the social and recreational needs of modern communities, we have too often presumed only economic priorities. Our Nation will live with the results of that short-sightedness for many years to come; but there is no reason why we must now perpetuate the conditions that led to such an absence of sound land-use planning.

That is the decision the House, and its leadership, should have allowed today. Now, however, we will not even discuss the needs of future urban communities—needs which frequently extend beyond county and State boundaries. Nor will we discuss whether it is possible for the Federal Government to enter into a partnership with State and local government for the sole purpose of refining their knowledge of people's needs, and how those needs can best be met with the land resources which remain available.

I have long presumed that, before my retirement at the end of this Congress, I would have the opportunity to vote on legislation which was so obviously important to my family, to my community, and to my country. I am more than sorry that I have not been allowed this opportunity, today.

SOL MARKS: A SUPERB PUBLIC SERVANT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on May 24 of this year, the Federal Government lost one of the finest public servants I have ever had the privilege of working with. On that date, Mr. Sol Marks, District Director of the New York District Office of the Immigration and Naturalization Service, retired after nearly 40 years of distinguished service. I would like to share with my colleagues a brief look at this man's career because it reflects the qualities of loyalty and excellence that characterize government service at its best.

Sol Marks began his career with the Immigration Service as a clerk-typist in New York in 1935. He continued to serve in various clerical positions until 1941, when he was promoted into an Officer Corps position as an Immigrant Inspector. In 1946, Mr. Marks transferred to the Central Office, at that time located in Philadelphia, to serve in an administrative position in the Hearing Review Unit of the Exclusion and Expulsion Section. Shortly thereafter, with the outbreak of World War II, he went on military furlough to serve his country as an agent in the U.S. Army Counterintelligence Corps. After being honorably discharged from the military in 1948. Mr. Marks returned to the Immigration Service and quickly advanced to increasingly responsible administrative positions at both the Central Office and Regional Office levels. While working at the Central Office, now located in Washington, D.C., he continued his education at George Washington University School of Law until 1950, when he was awarded a Bachelor of Laws degree. In 1956, Mr. Marks returned to New York City as Deputy District Director and served in that capacity for 15 years, until he was selected for the position of District Director in 1971. Because of the high proportion of immigrants entering New York City, this position may be the most challenging the Service has to offer. My dealings with Sol Marks in this capacity have impressed me with his extraordinary attention to fairness in dealing with difficult situations within demanding time constraints.

Mr. Marks, who currently resides in Long Beach, Long Island, has been credited with a number of innovations within the Service such as speeding up hearings, involving employees in the district operation, selecting the Immigration Service's first woman criminal investigator, and assigning the first woman Immigration Inspector to ships to inspect passengers in the Port of New York.

I would like to extend my best wishes to Sol Marks for a happy and prosperous retirement. His is the story of a man whose intelligence, determination, and simple concern for the needs of others took him to the highest echelons of the civil service. I can think of no greater cause for satisfaction than to be able to claim as one's own a career as exemplary as Sol Marks'.

TAX DEDUCTION FOR BLOOD DONATIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have introduced legislation, H.R. 700, which would allow a Federal tax deduction as a charitable contribution of $25 for each pint of blood donated to a governmental or charitable organization, with a maximum of $125 for five pints of blood annually.

I first introduced the bill in 1970, and each time I reintroduced it I'm convinced that it is a bill that we desperately need. I say this without any feeling of arrogance because the idea is not mine alone—although the legislation is. The House Ways and Means Committee has taken testimony on the bill on two occasions. Each year we see some panic periods in every part of the country when the blood supply becomes dangerously low, and each year the most modest estimates are that at least 17,000 new cases of virus-caused hepatitis with deaths exceeding 850 from contaminated blood occur.

HEW has recognized the need to eliminate commercial blood collections, but at the moment we continue with 10 to 15 percent of the blood collected coming from commercial sources.

I asked the Department of the Treasury to provide me with the tax revenue loss to the United States in the event H.R. 700 were to be enacted. It is surely modest—estimated at roughly $40 to $50 million per year. The cost to the American public estimated by Dr. Charles Edwards, Assistant Secretary for Health, is $85 million a year from cases of post-transfusion hepatitis. And who can estimate the loss from the deaths due to that same infection?

The public's social conscience must be marshaled to provide the needed number of voluntary donations, and to do this the public must be better educated on the importance of blood in medical treatment and the fact that there is no synthetic substitute.

The Ways and Means Committee is currently in executive session to mark up the tax reform bill. Representative James Burke, a member of the committee, will be offering H.R. 700 as an amendment to the tax bill. It would be most helpful at this time if citizens everywhere and interested Members of Congress wrote to Ways and Means Committee Chairman Wilbur Mills urging his committee's favorable action on this measure.

MEMORIAL DAY ADDRESS OF HON. LEW KRAUSE, MAYOR OF COLLINSVILLE, ILL.

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, the Honorable Lew Krause, mayor of Collinsville, Ill., delivered the following address at a Memorial Day ceremony at VFW Post 5691. I would like to include it in the Record at this time:

Memorial Day 1974

Reverend Clergy, Gold Star Mothers, Comrades, Ladies and Gentlemen:

Once again we are met on hallowed ground to pay tribute to departed comrades. Hallowed Ground? Yes, indeed, for this very tangible facility. Post 5691, is hallowed in my estimation, for several reasons; hallowed by the supreme sacrifice of those whose names are engraved on our memorial; hallowed by the hours of time, talent, and treasure of the members of this post and its auxiliary who can point with pride to over a half century of dedication to God and Country; but hallowed most of all by men and women of all walks of life who (a) did not run to Canada, and later beg amnesty, (b) believed that no one had the right to refuse service to his country, and (c) who now can hold their heads high in the real meaning of our slogan, that it's not the price you paid to join, but rather the price you paid to belong.

And I wonder on this day why the Sound of America undergoes such a dramatic change, in this the twentieth century? When we, as the most powerful nation on earth, can put a man on the moon, not once, but several times, but can't put a man on his foot. When we, by use of the most intricate of computers, can solve the most complex of problems in a matter of seconds, but can't learn to live together as citizens.

Now what am I really saying? What I'm saying is that even though this nation of ours has never experienced loss of a war, the sound of America is not marching feet! Even though we possess most of life material wealth by far on this earth, we have been humble to the extent that we have never refused help to a naton in need. Admittedly, our experiences in this light have been less than desirable, but we have had the Christian dedication to offer help.

And I can't help but get personal as I look upon the Memorial, because I knew almost all of these men personally, and almost each in my minds' eye recall a period of my past. I see neighbors, with whom I romped and played in the Columbian School playground as a west end youngster; I see a couple of members of my last high school football team, one, in fact, the team captain; I see members of a Sunday school class of mine, twelve in number, ALL of whom served their country in World War II, and *four* of whom made the supreme sacrifice. Yes, it's almost unbelievable that four of that twelve gave their lives to their country, quite a casualty rate. I see the name of a great high school athlete, a great amateur boxer, and, yes, a member of my family, and I defy anyone to pause for a moment before this memorial and not be touched inwardly.

And why do I make these references? Because in my considered opinion we have not held the torch of liberty high for these men. The breath of life of our honored dead was gathered here today. They are not heroes by choice, but by chance. Like most of the others of the twelve million of us who wore our Country's uniform in wartime, they went where their country sent them (and it's interesting to note once more that none served in Canada) did the job they were sent to do to the best of their ability, and looked forward to their return home to loved ones just as we who were fortunate to return did.

If God in his infinite wisdom would allow their return but for a few moments, would they be proud of what we have done to their heritage? Would they be proud that we even consider amnesty for the draft dodger? Would they be proud of how really few people gather on occassions such as this throughout the country? Would they be proud of all the retail merchants who are open today, who think more of the jingle of the cash register as the sound of America, than to observe at least a moment of silence in their memory? Would they be proud of the way in which we have allowed our young people to degenerate into a bunch of dope addicts? Would they be proud of the way in which we have handled juvenile delinquency? Would they be proud of the way in which our system of government has regressed, to the point where even the Office of the President is now looked upon with disdain? Would they be proud of the way we have let our inner cities wither and die?

Let us on this day take oath that we shall do better, that their sacrifice was NOT in vain. Let us make it known to those in authority that there be NO amnesty under ANY conditions; Let us make it known this day should be celebrated nationally, and let us participate; Let us make it known to juvenile authorities that if a youngster is big enough to throw a brick through a window, if he's big enough to steal a woman's purse, if he's big enough to take dope, if he's big enough to commit rape, then he's big enough to sit in a court of law and suffer the consequences; Let us make it known that if something is good for communities as a whole, then it's also good for each of us; Let us make it known that if anyone tarnishes the dignity of the Office of our Presidency, then he should have the compassion to remove himself from that office, or legislative bodies should have the backbone to remove him.

These are some of the things I believe we owe those of us who have made the supreme sacrifice to their country, so that we might enjoy the horn of plenty that has been ours lo these many years. If our country is sick, and there are those who believe that it is, let us prescribe the pill that will make it well. For whether we are pleased with this country or not, it's the only one we have, and it behooves us to improve it when and if we can.

And finally, I implore to the memory of those men we honor today; Give us another chance to prove to you that what you did was NOT in vain. Let's change the sound of America.

LITHUANIA STILL SEEKS INDEPENDENCE

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, June 15 marks the 34th anniversary of the forced annexation of Lithuania by the Soviet Union.

As the President prepares to visit the Soviet Union, it is appropriate to consider what has been called détente in light of this continuing offense against national sovereignty and human rights in Lithuania and other Eastern European nations.

The Iron Curtain may well be opening up for the nations of the West, but for the people of Lithuania it stands as solid as ever, repressing every flicker of freedom. While leaders of the United States are now able to amiably exchange toasts with the Kremlin leaders, the people of Lithuania remain the victims of their harsh rule.

I suggest neither that détente is illusory nor that détente is undesirable. I do suggest, however, that as we move toward a modus vivendi with the Soviet Union we must not lose sight of the fact that our past differences were not entirely the result of misunderstanding. We opposed Soviet policies because they seriously constrained human liberty, and that fact has not changed. The Lithuanians and other Eastern European peoples still are not free.

Mr. Speaker, let us join our Lithuanian-American friends in marking this tragic anniversary, and let us never forget that the Soviet Union with which we deal is the same Soviet Union that keeps freedom-loving people in virtual captivity.

GENERAL AVIATION VIEWS

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, the Airport and Airway Development and Revenue Act of 1970 directs the Secretary of Transportation to determine the costs of the Federal Airport and Airway System, to determine how these costs should be allocated among the various users, and to recommend equitable ways of recovering these costs. The Department of Transportation submitted part I of their airport and airway cost allocation study in September. Part II which will recommend specific changes in the cost recovery method and include proposals for legislative action is presently scheduled for submission. With regard to this latter matter, a constituent of mine, Mr. Millard Harmon from Delmar, N.Y., has written me expressing his concern that those who fly their own light aircraft might be put out of business through the imposition of excessive user charges. At his request I am inserting a letter from Mr. Harmon to Hon. Alexander P. Butterfield, the Administrator of the Federal Aviation Administration, commenting on the impact of these proposals on the field of general aviation:

Delmar, N.Y., *January 8, 1974.*

Mr. Alexander P. Butterfield,
Administrator, Federal Aviation Administration, Department of Transportation, Washington, D.C.

Dear Mr. Butterfield: I appreciated receiving your November 21 letter to fellow airmen outlining your plans for creating increased communication with your constituency in general aviation.

However, I was quite disappointed to find that your "listening sessions" were not identified by way of location nor did you indicate who had been invited. Such oversight may well have been necessitated by your time frame, but in actual fact, this once again provides our federal bureaucracy with a much reduced contact with those of us with a proprietary interest in general aviation. Had you provided locations and those individuals invited to your sessions, it would have been possible for us to have channeled our concerns and interests to you in an appropriate way. Some may interpret your latest action as a time honored bureaucratic ploy to give the appearance of broader communication without this occurring due to the predetermined invitation list and non-identified meeting location.

The problems we face ahead on user costs are substantial, but it further distresses me that you have apparently accepted this philosophy with fewer reservations than should have occurred at this point in its development. Equity would seem to be an important factor in this matter, and there are a number of federal operations that do not comply to this philosophy. When the cost of national parks are completely covered by those citizens visiting the parks, I will be prepared to accept the aviation user fee structure with a great deal more complacency.

Respectfully,

Millard Harmon.

POLAND'S FIRST CONSTITUTION

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, this city and the whole Nation are rapidly gearing up for the celebration of the bicentennial of our own American independence. In less than 2 years from now Americans will commemorate and rejoice in the founding of a nation dedicated to the principle of the sovereignty of the people. Let us not forget, however, that that basic liberal inspiration which prompted the declaration of American independence was also swelling in Poland in those same years and culminated on May 3, 1791, when the Polish people finally succeeded in reforming their public life and formulated their first constitution.

This tremendous rebirth of democracy in Poland, which we observed officially last month, was achieved without the loss of a single drop of blood and asserted the sovereignty of the people of Poland, a phenomenon foreign to other states in eastern Europe at that time. This assertion came at a critical juncture in Polish history. In 1772 the three super powers of eastern Europe, Russia, Prussia, and Austria, had joined in taking away large sections of Polish territory. Facing possible annihilation, all groups in Poland united behind the new Constitution and, with one swift stroke, eliminated the weaknesses and injustice which had been part of the Polish parliamentary and social system up to that time, and which had been an almost open invitation to partition.

So Poland became the guiding light of liberalism in Europe at that time and we in America had shared a similar birth in democratic ideals with the brave Polish people. Although the proclamation of the Polish Constitution served to unite the Polish people, however, it did not, alas, forestall the third partition of Poland by Russia, Prussia, and Austria, which occurred in 1795.

However, the light of liberalism emanating from Poland remained throughout succeeding decades, even until today, a threat to the absolutism and tyranny of nearby totalitarian states which advance the sovereignty of the state at the expense of the rights of the people.

I am proud to rise today to join with Polish people in this country and in cities and towns around the world, in celebrating the anniversary of the Polish Constitution, and to express our thanks again for the roles played by Polish ideals of freedom, and by Polish leaders like Pulaski and Kosciusko, in helping to bring about the independence of our own country 200 years ago. As we celebrate this new anniversary of the Polish Constitution let us all today look forward to ultimate justice for the Polish people, too, who, to this day, draw inspiration from the commemoration of a pioneering effort in human dignity, the adoption of the first Polish Constitution.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hudnut) to revise and extend their remarks and include extraneous matter:)

Mr. Whalen, for 5 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Alexander, for 10 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Dent, for 10 minutes, today.

(The following Members (at the request of Mr. Thone, to revise and extend their remarks, and to include extraneous matter:)

Mr. Robison of New York, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Hudnut) and to include extraneous matter:)

Mr. Bell.

Mr. Wyatt.

Mr. Biester.

Mr. Kuykendall.

Mr. Smith of New York.

Mr. Shoup.

Mr. Madigan in two instances.

Mr. Wyman in two instances.

Mr. Hosmer in three instances.

Mr. Steiger of Wisconsin in two instances.

Mr. Carter in five instances.

Mr. Archer.

Mr. Hunt.

Mr. Huber.

Mr. Dennis.

Mr. Quie.

Mr. Veysey in two instances.

Mr. Whalen.

Mr. Wydler.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous matter:)

Mr. Nichols.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Charles Wilson of Texas in three instances.

Mr. Evins of Tennessee.

Mr. Hamilton.

Mrs. Boggs.

Mr. Fraser in five instances.

Mr. Won Pat.

Mr. Rooney of Pennsylvania.

Mr. Mazzoli.

Mr. Murtha in two instances.

Mr. Tiernan.

Mr. Ford.

Mr. Symington.

Mr. James V. Stanton.

Mr. Bingham in 10 instances.

Mr. Wolff in three instances.

Mr. Fuqua in five instances.

Mr. Jones of Tennessee.

Mr. Gray in two instances.

(The following Members (at the request of Mr. Traxler), and to include extraneous matter:)

Mr. Andrews of North Carolina.

Mr. Won Pat.

ADJOURNMENT

Mr. TRAXLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 12, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2440. A letter from the President of the United States, transmitting a Defense Reorganization Order designed to streamline Army staff operations and realize personnel savings at the headquarters level, pursuant to 10 United States Code 125(a); to the Committee on Armed Services.

2441. A letter from the Deputy Secretary of Defense, transmitting the annual report and audit of the American National Red Cross for the year ended June 30, 1973, pursuant to 36 United States Code 6; to the Committee on Foreign Affairs.

2442. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting notice of the receipt of a loan application and project proposal from the Nevada Irrigation District of Grass Valley, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956 [43 U.S.C. 422j]; to the Committee on Interior and Insular Affairs.

2443. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend the Federal Power Act and the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

2444. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act, as amended, for 1 year; to the Committee on Interstate and Foreign Commerce.

2445. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Marine Protection, Research, and Sanctuaries Act for 2 years; to the Committee on Merchant Marine and Fisheries.

2446. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of the Federal Water Pollution Control Act, as amended, for 2 years; to the Committee on Public Works.

Received From the Comptroller General

2447. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of efforts to identify and eliminate sources of dangerous drugs; to the Committee on Government Operations.

2448. A letter from the Comptroller General of the United States, transmitting a report on a review of selected communicable disease control efforts of the Center for Disease Control, Department of Health, Education, and Welfare; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DULSKI: Committee on Post Office and Civil Service. H.R. 14715. A bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes; with amendment (Rept. No. 93-1100). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee of Conference. Conference report on H.R. 7130 (Rept. No. 93-1101). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of the rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina (for himself, Mr. Bafalis, Mr. Baker, Mr. Benitez, Mrs. Boggs, Mr. Brinkley, Mr. Broomfield, Mr. Brown of California, Mr. Buchanan, Mr. Burke of Massachusetts, Mrs. Burke of California, Mr. Butler, Mr. Carney of Ohio, Mr. Clay, Mr. Cohen, Mr. Coughlin, Mr. Dellenback, Mr. Dent, Mr. Dulski, Mr. Duncan, Mr. Eilberg, Mr. Fascell, Mr. Fauntroy, Mr. Findley, and Mr. Fisher):

H.R. 15307. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ANDREWS of North Carolina (for himself, Mr. Forsythe, Mr. Fountain, Mr. Frey, Mr. Gaydos, Mrs. Grasso, Mr. Green of Pennsylvania, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mrs. Holt, Mr. Huber, Mr. Jones of North Carolina, Mr. Kemp, Mr. Lehman, Mr. Luken, Mr. McKay, Mr. Martin of North Carolina, Mr. Meeds, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murtha, Mr. Pettis, and Mr. Pickle):

H.R. 15308. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ANDREWS of North Carolina (for himself, Mr. Preyer, Mr. Robinson of Virginia, Mr. Rosenthal, Mr. Sarbanes, Mr. Shriver, Mr. Stuckey, Mr. Taylor of North Carolina, Mr. Thompson of New Jersey, Mr. Veysey, Mr. Young of Illinois, Mrs. Schroeder, Mr. Dominick V Daniels, and Mr. Lagomarsino):

H.R. 15309. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 15310. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE:

H.R. 15311. A bill to provide for increased participation by the United States in the International Development Association, and for other purposes; to the Committee on Banking and Currency.

By Mr. CRANE (for himself, Mr. Abdnor, Mr. Bray, Mr. Jarman, Mr. Madigan, Mr. Runnels, and Mr. Thone):

H.R., 15312. A bill to amend title XI of the Socal Security Act to repeal the provision for the estabilshment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 15313. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for condominium housing associations and certain homeowners' associations and to tax the unrelated business income of such organizations; to the Committee on Ways and Means.

By Mr. HANRAHAN:

H.R. 15314. A bill to allow a credit against Federal income taxes or a payment from the United States Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 15315. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate plastic feedstocks produced from petrochemical feedstocks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS:

H.R. 15316. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

H.R. 15317. A bill to prohibit the importation of fresh, chilled, or frozen cattle meat for a 6-month period; to the Committee on Ways and Means.

By Mr. SHOUP:

H.R. 15318. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mrs. Boggs, Mr. Green of Pennsylvania, Mr. Hunt, Mr. Lagomarsino, Mr. Roncalio of Wyoming, Mr. Symms, and Mr. Waggonner):

H.R. 15319. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WAGGONNER (for himself, Mrs. Boggs, Mr. Breaux, Mr. Hébert, Mr. Long of Louisiana, Mr. Passman, Mr. Patman, Mr. Treen, and Mr. Charles Wilson of Texas):

H.R. 15320. A bill to recognize direct benefits to the United States from the construction of the Toledo Bend dam and reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from further charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. GUNTER (for himself, Mr. Teague, and Mr. Fuqua):

H.R. 15321. A bill to provide for the Administrator of the National Aeronautics and Space Administration to implement a program of incentives for the installation of solar heating and cooling systems in industrial, commercial, or residential structures, and to provide incentives to encourage small business concerns to engage in the development of solar energy and cooling equipment and systems for industrial, commercial, or residential use; to the Committee on Science and Astronautics.

By Mr. POAGE (for himself and Mr. Gray):

H.R. 15322. A bill designating San Angelo dam and reservoir on the North Concho River as the "O. C. Fisher Dam and Lake"; to the Committee on Public Works.

By Mr. PRICE of Illinois (for himself and Mr. Hosmer):

H.R. 15323. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. ROSENTHAL:

H.R. 15324. A bill to amend title 18 of the United States Code to impose a penalty on removing children from the United States in order to avoid the effects of a lawful custody order; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. Hungate, Mr. McCollister, and Mr. Edwards of California):

H.R. 15325. A bill to amend the Clayton Act to preserve and promote competition among persons engaged in the marketing of petroleum products and petrochemicals; to the Committee on the Judiciary.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Symington, and Mr. Esch):

H.R. 15326. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh applications technology satellite, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WHALEN (for himself, Mr. Lehman, Mr. Matsunaga, Mr. McCloskey, Mr. Metcalfe, Mr. Mosher, Mr. Rodino, Mr. Rosenthal, and Mr. Robison of New York):

H.R. 15327. A bill to provide for increased participation by the United States in the International Development Association; to the Committee on Banking and Currency.

By Mr. CHARLES H. WILSON of California:

H.R. 15328. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

H.R. 15329. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. ASHBROOK (for himself, Mr. Bauman, Mr. Huber, Mr. Aspin, Mr. Pepper, Mr. Murtha, Mr. Johnson of Pennsylvania, Mr. Yatron, Mrs. Grasso, Mr. Derwinski, Mr. Dulski, Mr. Robert W. Daniel, Jr., Mr. Roe, Mr. Hudnut, Mr. Carey of New York, Mr. Schneebeli, Mr. Thompson of New Jersey, Mr. Hastings, Mr. Horton, Mrs. Holt, Mr. Miller, Mr. O'Brien, Mr. Myers, and Mr. Eilberg):

H.J. Res. 1053. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG (for himself and Mr. Sikes):

H.J. Res. 1054. Joint resolution designating the premises occupied by the chief of naval operations as the official residence of the Vice President, effective upon the termination of service of the incumbent chief of naval operations; to the Committee on Armed Services.

By Mr. STEELE:

H. Con. Res. 535. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H. Con. Res. 536. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. du PONT:

H.R. 15330. A bill for the relief of the Knights of Pythias Hall Co. of Wilmington, Del.; to the Committee on the Judiciary.

By Mr. REES:

H.R. 15331. A bill for the relief of Mary P. Cain; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

448. The SPEAKER presented a petition of the City Council, New Rochelle, N.Y., relative to the establishment of a National Law Enforcement Heroes Memorial which was referred to the Committee on House Administration.

EXTENSIONS OF REMARKS

HONORING FRED FARLEY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1974

Mr. STARK. Mr. Speaker, on June 22, the California Association of Real Estate Brokers will hold their special awards luncheon in Oakland. Fred Farley, president of 1974, will be honored for his service to the association, and for the invaluable contribution he has made to real estate and the issue of housing needs during his long career.

It is a special pleasure to review the accomplishments of a man who has done as much as Fred Farley to help his community and advance the goals of his profession. An understanding of the business aspects and social consequences of the real estate industry is a rare combination, and Fred Farley exhibits both. As a leader in the California Real Estate Brokers Association he was responsible for organizing the State chapter of the Real Estate Appraisers Society. He saw to it that an equal opportunity officer was appointed by the industry in Sacramento. And as a spokesman for his industry he founded "Housing Affairs," a series of public service spots aired in the Bay area with facts on housing.

Of perhaps even more note is Mr. Farley's unusual contribution to the educational aspects of his profession. He has attempted to generate interest and support for redevelopment in Oakland, as well as to bring minority students into real estate through a scholarship fund.

It is with these qualifications in mind that I take this opportunity to include in the RECORD a resolution honoring Mr. Farley to be presented him by his association this month. For a man who is such a pride to his profession, this is really insufficient praise, but perhaps all that can be said.

The resolution follows:

RESOLUTION

Fred Farley's total involvement with the community is serious and studied. He understands the complexities of the business world and how they interrelate with general associations throughout the community. In documenting his various activities and affiliations, it is worthy of note, that his efforts were important in establishing:

1. Redevelopment in East Oakland, an effort to bring redevelopment to East Oakland, before the neighborhood went completely down.

2. Supported the sickle cell anemia drive and was a participant as a basketball player in the fund-raising game.

3. Involved in negotiations with the United Black Oakland Business and Professional Organizations.

4. Sponsor of "Salute to Black Women in Real Estate", while president of the Associated Real Property Brokers, Inc.

5. Appeared on "Minority Report", local TV morning show, giving helpful facts and basics, the general public should know about the real estate industry.

6. Founder of "Housing Affairs" (public service announcements) which is aired on broadcasting stations throughout the bay area, with the facts on housing.

7. Founder—California Chapter of National Society of Real Estate Appraisers of which he is the first vice president of on the national level.

8. Organizer of the Northern California Chapter of Property Managament Institute of which he is regional vice president of on the national level.

9. The Virgie Smith Scholarship Fund (to help young blacks who are interested in the real estate industry) during his administration as president of Associated Real Property Broker's Inc.

10. Responsible for having an equal opportunity officer in the real estate industry in Sacramento, appointed by Real Estate Commissioner, Robert W. Karpe.

11. $1000 give-a-way (during his administration as president of California Assoc. of Real Estate Brokers) winner Mr. Ivan Cannady of Los Angeles, Ca., drawing held at the Consolidated Realty Board in Los Angeles.

12. Hosted the National Association of Real Estate Brokers' Convention in Los Angeles at the Biltmore Hotel in August 1973, attended by people from all over the United States.

13. Led the largest voting delegation at the Nareb Convention, held at the Biltmore Hotel in Los Angeles, August 1973.

14. Instructor, "Fundamentals of Appraising", University of Real Estate at the Nareb Convention, August 1973.

15. As President of the California Association of Real Estate Brokers, was special guest of California Real Estate Association at their convention in San Diego, September 1973.

16. The National Association of Real Estate Brokers each month out of its huge membership, selects a "Broker of the Month", in March, 1973, Mr. Farley was honored, by being chosen "Broker of the Month", which was printed in the national magazine and distributed all over the country to its members.

17. Co-founder, of the Color Blind Industry Real Estate Profession. A move to make the real estate industry color-blind was instituted in San Diego, California with members of California Real Estate Association and the State's Real Estate Commissioner, Robert W. Karpe. We now have the white and black leadership in the real estate industry in California in agreement on a practical plan of action to bring the two groups closer together over the next several years.

18. Joint legislative meeting(s) with California Real Estate Association, providing for a unity industry voice with the legislative, with the use of a single legislative office in Sacramento.

19. Educational programs—carry out further educational programs through the existing sales conference machinery of CAREB and other pertinent area. Begin to work jointly for the development of pratical training programs for improved operational efficiency of licensees and to help warrant a more professional image with the general public.

20. Professionalization plan—participated in setting up the revised plan for the professional development of real estate industry in California, evolved by the Department of Real Estate in consultation with CAREB and other industry groups.

WATERGATE

HON. JOHN V. TUNNEY

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1974

Mr. TUNNEY. Mr. President, moods of anxiety and concern under the dark cloud of Watergate have been the topic of many editorials and commentaries, but I should like to invite attention today to a particularly imaginative poem by a northern Californian, Helen Fletcher Collins:

WATER GATE—A VIEW FROM HUMBOLDT BAY

I am chilled with apprenhension,
Marrow congealed in my bones
Cannot stiffen my knees.
I peer at the dim outline
Of wind-bent cedars across the misty bay,
No circling beam discounts my dread.
In the boat basin fishing craft
Huddle, sails furled, engines stilled;
Outside the narrow channel
An ocean freighter swings at anchor . . .
No pilot answers the call
That wails through the fog and dusk.

SECRETARY CALLAWAY PRAISES "NEW" ARMY

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, our distinguished former colleague, Howard "Bo" Callaway has just completed his first year as Secretary of the Army. He has held that position during a critical time for the Army, a time of transition to an all-volunteer force.

These first years as an all-volunteer army are the ones in which the Army is under special scrutiny. Whether the concept will succeed in the long term rests in large part on the kinds of policy decisions and the measure of support provided at the top. Bo Callaway has provided the guidance, leadership and support that are needed.

What are his perceptions of the all-volunteer Army after 1 year on his job. Simply put, he says, "It's working." Secretary Callaway describes our Army today as "sharp, ready, well-trained, well-equipped, and moving in a positive direction."

The following two articles, from the May 14, 1974, Columbus (Ohio) Evening Dispatch and the May 19, 1974 Atlanta Journal and Constitution, discuss Secretary Callaway's insights into today's Army. I commend them to your attention:

ARMY CHIEF PRAISES VOLUNTEER PROGRAM

(By Ned Stout)

Howard H. Callaway, U.S. secretary of the army, is highly pleased with what he called the "tremendous success" of the volunteer recruitment plan.

Callaway was in Columbus Tuesday for Armed Forces Day observances including a noon speech at the Neil House and awards to outstanding area servicemen.

Callaway said the volunteer Army today is "far more combat ready than it was the day the war ended in Vietnam." He said the volunteer recruiting program is going "far better than anyone thought, and our recruits are getting better every month, not only in number but in quality."

The secretary said the "toughest job I've got is making the Army realize how different a volunteer Army is from a draft army."

He explained that in a draft Army a soldier was regarded as serving, "because he had an obligation to his country and because of this he was subjected to substandard pay, substandard quarters, expected to leave his wife and family, do as he was told because 'I said so,' pull KP, and things like that."

The Secretary said these things have changed with the volunteer Army, although he cautioned "anyone who enlists thinking we're permissive has got another thing coming."

Callaway said the key to the success of the volunteer Army "turns on the first term soldier . . . it's as important that he have job satisfaction as it is to a worker at General Motors.

"When the soldier is made to understand his mission, we can have the finest, best trained and best disciplined Army in our history."

Callaway said morale, training, discipline, and equipment have all improved among the slightly less than 200,000 Army troops in Europe. He acknowledged, however, that drug addiction continues to be a problem overseas because of the easy availability of narcotics.

He said this problem was confined to soldiers who became homesick in an alien land and he believes the Army is doing a better job in its drug control program than is being done in the civilian sector.

[From the Atlanta Journal and Constitution, May 19, 1974]

CALLAWAY BUOYANT OVER "NEW" ARMY

(By Maurice Fliess)

WASHINGTON.—Army Secretary Howard H. "Bo" Callaway celebrated his first anniversary in the Pentagon last week by being out of it—out of the Pentagon, that is.

Callaway was, in fact, very much "with it" as he whizzed about at a dizzying pace, carrying the message of the "modern, all-volunteer Army" to audiences in five midwestern states.

Aides described the schedule as perhaps a trifle more hectic than the norm for his first 51 weeks as the Army's top civilian boss, during which time he has logged more than 100,000 miles in trips to Europe (three), the Far East (one), Panama (three), the West Coast (10) and to an untold number of other places in the U.S.

More buoyant than ever about the future of the 782,000-person volunteer force, the super salesman of the Army began this past week with an excursion to Indianapolis.

He toured Ft. Benjamin Harrison, rapped with soldiers, held a press conference, addressed a civic luncheon and spoke to an Armed Forces Day dinner.

There, as elsewhere, he made like the fellow in the television commercial who bathes with an anti-perspirant soap in the morning and in the evening is moved to proclaim to one and all: "It's working. It's working."

Callaway, of course, was talking about the concept of a draft free Army, an odious subject to many critics and skeptics.

After the round of personal appearances in Indianapolis, hopefully convincing a few doubters that the all-volunteer Army is indeed working, Callaway traveled Tuesday to Columbus, Ohio. He inspected the Reserve Officer Training Corps (ROTC) detachment at Ohio State University, as well as a recruiting headquarters in the Ohio capital city. Following another press conference and luncheon speech, it was on to Ft. Knox, Ky., and a first hand look at a reserve unit there.

Wednesday was Callaway's actual anniversary date, having been sworn in on May 15, 1973. The Army secretary celebrated by attending briefings, a tank-firing exhibition and a luncheon of Association of United States Army (AUSA) at Knox, flying to St. Louis to tell a group of businessmen that the Defense Department has become a scapegoat for congressmen wanting to get federal funds for non-military purposes and journeying late that night to Ft. Leavenworth, Kans.

On Thursday, he spoke to students at Leavenworth's Command General Staff College, then scurried off to Ft. Leonard Wood, Mo., for a swing through the training center and discussions with recruits there, culminated by a speech before the Ft. Wood-Missouri chapter of AUSA.

The work week ended for Callaway in Cleveland—another spiel on the fried chicken circuit, a television interview, a press conference before scholastic editors and a meeting with the editorial boards of the Cleveland Press and the Cleveland Plain Dealer.

He caught a commercial flight back to Washington that night. And for the first time in a week, he was able to relax with his wife and family in their northwest Washington apartment.

But for the 45-year-old former Republican congressman from Georgia, all of the energy expended, all of the days away from home will have been worth it if the all-volunteer army turns out to be the long-term success he is now prediciting.

As he put it in an interview here, "The challenge to the Army (during his first 12 months as secretary) was as great as any year in its history. I am proud to have been part of it."

Callaway cited recruiting experiences as an example.

"When I first came on board, I hear recruiters talking in terms of 'bodies.' 'We need 24 bodies this month,' they would say. Now the talk is about 'quality individuals'—Eagle Scouts, class presidents, etc. The recruiters are highlighting the challenges, the educational possibilities (in the Army)—the chance to do something important. We want to make the Army something that a young man can tell his girlfriend, with pride, that he is part of."

He revealed that the Army has been quietly cracking down on recruiters who have been promising prospective young soldiers more glamour than a highly disciplined Army could ever deliver. In the most recent 15-month reporting period, 60 recruiters were relieved of their duties for "malpractice," a Callaway aide reported.

Callaway also disclosed that the Defense Department is considering whether to eliminate the quota system for recruiting commands. He acknowledged that quotas spawn pressures which in turn produce abuses.

"Obviously, we'd like to be able to motivate our recruiters to the extent where we'd no longer need quotas," the Army chief said.

But even short of that reform, he insisted that today's recruiters "possess a deep sense of integrity. They are committed to telling it like it is—the hardships as well as the challenges and the excitement. This is helping to build a credible Army, even at the expense of losing some sales."

Picking up slowly but steadily, recruiting is currently running roughly 92 per cent of quotas. Enlistments for infantry, armored and artillery—spurred by a $2,500 inducement for high school graduates signing up for four years on active duty—are averaging about 83 per cent of over-all combat arms requirements.

Callaway and other high-ranking Defense Department types maintain that since the caliber and motivational levels of the incoming soldiers are so high, the military can remain solid although lacking 100 per cent of its manpower objective. The phrase "lean and mean" is heard around the Pentagon these days.

"Without a doubt," Callaway said firmly, "the Army is far stronger today than it was" on Dec. 27, 1972, when the last civilian was inducted into the service. And it is not—repeat, not—the mercenary force some observers had feared, he stressed.

"We are getting a good cross section of America," Callaway reported, including an increasing number of young men and women from suburban homes.

The West Point (class of '49) graduate and Korean War veteran also pained a favorable picture of the re-enlistment scene.

He said the number of soldiers taking another hitch has jumped from 12 in 100 two years ago to 40 in 100 at the present time. Better pay, improved living conditions and more meaningful jobs in the military—plus high unemployment in the civilian economy are responsible.

Callaway said the re-enlistment program has proved especially successful in West Germany, where every U.S. Army command has met its goal, often doubling it.

"Seventy per cent of the troops there are re-upping for the same slot, proving they're happy with their jobs," he pointed out.

Just back from his third inspection tour in Germany, Callaway also reported that the drug problem among America's NATO contingent is on the decline, and that morale is climbing.

"You get a good feeling when you talk to the troops," he said. "Oh, they don't run up to you and say, "Gee, I'm excited because I'm in your wonderful Army.' But you can see it, feel it. That's just the way the Army is now: Sharp, ready, well-trained, well-equipped and moving in positive direction."

In other words, he said, "It's working."

DELAWARE AIR NATIONAL GUARD FATHER-DAUGHTER TEAM

HON. WILLIAM V. ROTH, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1974

Mr. ROTH. Mr. President, Delaware is proud to have a father-daughter team in its Air National Guard and Delaware's General Assembly recently took note of this fact by passing a resolution of congratulations to Maj. Robert F. Petry, Jr., and his daughter, medical services specialist, Margaret Petry.

I join in congratulating them for this service to the State of Delaware and request unanimous consent to print the Delaware General Assembly resolution in the Extensions to the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Congratulating Major Robert F. Petry, Jr., and medical services specialist Margaret Petry for becoming the first father-daughter combination in the history of the Delaware national guard

Whereas, it has been established that Delaware, the First State, has another first among its midst, namely, the first father-daughter combination in the history of the Delaware Air National Guard; and

Whereas, Major Robert F. Petry, Jr., Commander of the 166th Communications Flight of the Delaware Air National Guard, a veteran of nine years of service with the Delaware group, has been joined by his daughter, Medical Services Specialist, Margaret "Marge" Petry, a 1973 graduate of Newark Senior High School, who is one of twenty-nine members of the 166th Tactical Clinic of the Delaware Air National Guard; and

Whereas, the Senate wishes to congratulate Major Bob Petry, his daughter, Marge, soon to be a student at the University of

Delaware; his proud wife, Karen; and four other children, who reside at 714 Colgate Lane, Newark; on this unique occasion.

Now therefore, be it resolved by the Senate of the 127th General Assembly of the State of Delaware that a message of congratulations and appreciation for services rendered be forwarded to Major Robert F. Petry, Jr. and his daughter, Margaret, for becoming the first father-daughter pairing ever to serve simultaneously with the highly-acclaimed Delaware Air National Guard.

Be it further resolved that copies of this resolution be forwarded to Major Petry and his family with additional copies to Colonel William F. Hutchison, Commander of the 166th Tactical Airlift Group, Delaware Air National Guard, and to Major-General Clarence E. Atkinson, Adjutant-General of the Delaware National Guard.

CAMPUS TAKES REAL SHAPE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. MURTHA. Mr. Speaker, I would like to share with my fellow colleagues an article which appeared in the May 30 issue of the Spirit, a newspaper published in Punxsutawney, Pa.

The article, written by Mrs. Elaine Light, vividly points out what can happen in a community when the people unite for a common cause.

At a time when it appeared that the future of the Punxsutawney campus of Indiana University was in doubt, the people from the "Groundhog" town joined together and fought to keep the campus in Punxsutawney.

Today, the people are working to help furnish and complete a student union building. I know that the residents of the area will once again support the Punxsutawney area college trust and make the student union building another landmark to which the residents can point with pride.

The article telling the story of this community effort follows:

Campus Takes Real Shape

I hate to be so upbeat because I know people would rather read a good roast of something than a boast but things are going uncommonly well at both ends of town.

The Punxsutawney Campus of Indiana University is suddenly beginning to look like one for the first time since it all began back in 1962.

It's a triumph for the people of Punxsutawney who established the branch campus here with their donations amounting to $114,000, every penny of which was used to completely renovate the abandoned West End School.

Never were moneys more carefully or better spent and I can say it because I did not become a member of the Punxsutawney Area College Trust until long after the work was completed. The money even built an addition that was used as a student lounge until the expanding library threatened to break through the second floor. The library moved into the lounge creating a critical need for recreation space that is only now being met with the completion of the Student Union Building.

For too long a time the college needs were furnished by the Trust but in 1966 Indiana began to assume more than responsibility for the building. The Trust deeded the school building and the seven acres adjoining it to the Commonwealth of Pennsylvania because the state would not put money or buildings on land it did not own.

When the Student Union Cooperative, a private corporation, agreed to put a Student Union Building here and needed a piece of the deeded land, a special bill had to be introduced in Harrisburg to get that portion of the land back.

Under conditions of the deed, the building and land revert back to the Trust if it is ever not used by the state for educational purposes. Both the building and the land were deeded to the Trust by the Punxsutawney School Board.

Recently tennis and basketball courts were completed and they seem to be in constant use.

Within a year or two after the Campus opened with a class of 32, it became apparent that it could not survive as a school strictly for local or commuting students. It needed out-of-town students and out-of-town students had to have dormitories.

To meet that need, E. D. Fry, local businessman and banker, constructed two dormitories, one in 1965 and the second in 1966. College attendance hovered around 200 although lack of two-year courses caused almost complete student turnovers every year.

Two years ago, Punxsutawney got a scare when the Governor's Management Review Committee recommended the phasing out of the Punxsutawney Campus as a means of saving the state money.

The entire community rallied around its school and sent a blitz of letters, petitions and pleas for mercy to Governor Shapp. State Secretary of Education John Pittenger came to call one torrid summer day and Indiana University and the Punxsutawney Trust presented its case.

Maybe it didn't have anything to do with it, but things have been moving along ever since. For the first time the branch campuses are offering a two-year course in criminology, available only at the branches. Enrollment figures at the Punxsutawney Campus are up when they are down elsewhere including the main campus.

It is even whispered that, given a choice, students are taking Punxsutawney over the Kittanning branch.

Now Mr. Fry has decided to sell the dormitories to the Trust at terms they can meet since it involves no money. The building will be paid for out of accumulated revenue and they will be managed for the Trust by the capable director of the Punxsutawney Campus Robert Dain and his enthusiastic assistant Norman Storm.

There is only one small cloud. The student Union Building is just that—a building sans paint, floor tile, carpet or furnishings. There are some moneys in a Memorial Fund started by Mrs. L. R. McCauley in memory of her husband, Dr. L. R. McCauley, who was one of the founders of the Trust and Chairman at the time of his sudden death in 1971. These will be used for the building.

But you, the public, can help again. Remember the Punxsutawney Area College Trust when you want to send memorial gifts or if you want to do special honor for a birthday or an anniversary. Contributions should be sent care of Robert Dain, campus director. He will see that families of those so honored receive an appropriate card.

Education is a living memorial. Punxsutawney has been getting steady dividends on its college investment since the first local high school student enrolled there 12 years ago.

WARNINGS OF CHAIRMAN OF FEDERAL RESERVE BOARD

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 11, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the June 4 edition of the Northern Virginia Daily of Strasburg, Va., included an excellent editorial about the recent economic warnings voiced by Dr. Arthur F. Burns, Chairman of the Federal Reserve Board.

Chairman Burns warned that—

> If the past is any guide, the future of our country is in jeopardy from inflation.

The editorial commends Dr. Burns for this timely warning, and points out that if the battle against inflation is to be won, then Congress must take the initiative and cut runaway Federal spending.

I agree. We will not get the cost of living under control until we get the cost of Government under control. Continued huge deficits will insure that inflation will go on—with all the risks which the Federal Reserve Board Chairman has cited

I ask unanimous consent that the text of the editorial, "Dr. Burns Does Not Waste Words," be printed in the Extension of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Burns Does Not Waste Words

It is probably safe to say that without the ruinous inflation which occurred in post-war Germany, from 1918 to 1923, there would not have been an Adolph Hitler.

Is this statement madcap guesswork or is it a sobering assessment based on historical perspective? Unfortunately, it's the latter. A frightening recollection of what runaway inflation can bring lends a special-urgency to the recent warning of Federal Reserve Board Chairman Arthur F. Burns that "if the past . . . is any guide, the future of our country is in jeopardy from inflation."

During the five years immediately following Germany's defeat by the Allies in 1918, money became virtually worthless in that country. It took a basketful of paper marks to buy a loaf of bread.

The professional classes, having no other source of income, turned to speculation, selling and laboring jobs. The entire so-called middle class, dependent on small, fixed income was virtually wiped out.

Enter Adolph Hitler, the "savior" who promised to avenge Germany's humiliation and restore its prosperity. The rest is tragic history.

Moving forward 56 years we ask ourselves if such a financial disaster could overtake us in the 1970s.

Arthur Burns, in our opinion, is not a man who is likely to get carried away in overstatements. Listen to what Mr. Burns had to say recently:

"The gravity of our current inflationary problems can hardly be overestimated. Except for a brief period at the end of World War II, prices in the United States have of late been rising faster than in any other peacetime period of our history . . .

"No country I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic nature. If long continued, inflation at anything like the present rate would threaten the very foundation of our society."

Despite the fact that our present predicament has been augmented by such factors as the energy crisis, the primary blame for record high inflation must be laid at the doorstep of Congress.

In the short run, the country cannot stand the tax cut which has been suggested by some members of Congress. Nor can our fiscal system endure a continued inflationary spiral without endangering our economy.

In the long run, Americans have got to let their congressmen know emphatically that the people will no longer stand for expensive programs we can no longer afford.

Congress must understand that the people know that the major root cause of inflation is reckless government spending in a debt-ridden philosophy of deficit financing. If this understanding gives Capitol Hill a guilt complex so much the better.

Perhaps we will then begin to get the kind of congressional discipline that could bring results.

GROUNDBREAKING CEREMONIES

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. JONES of Tennessee. Mr. Speaker, recently, I have had the privilege to participate in the groundbreaking ceremonies for a new instruction building at the Naval Air Station Memphis in Millington, Tenn. This particular occasion is a high-water mark of a $58 million, 8-year facilities improvement program which will be completed by 197[illegible].

The building will become an important addition to the Naval Technical Training Command which is headquartered on the base and commanded by Rear Adm. A. M. Sackett, chief of naval technical training. His command is a nationwide network from which approximately 680,000 men and women are graduated each year, with about 25,000 of these students passing through the Navy's largest individual schoolhouse command, the Naval Air Technical Training Center Memphis.

The Naval Air Station Memphis, commanded by Capt. G. K. Gregory, Jr., hosts 18 tenant activities including the headquarters of the Naval Technical Training Command and the Naval Air Technical Training Center Memphis, commanded by Capt. J. L. Girard.

These naval officers deserve much of the credit for the outstanding contribution being made by this naval complex to our national defense effort. At the same time they have turned special attention to their responsibilities to the civilian community in Millington, Memphis, and Shelby County. Through mutual cooperation between the military and civilian leaders, both communities are benefiting.

I want to take this opportunity to congratulate Admiral Sackett for the leadership he is providing and to thank him for inviting me to participate in this groundbreaking ceremony. Without a doubt, the Naval Technical Training Command will continue to serve us well under his guidance.

FEDERAL CONTROL OVER LAND USE MAY BE THE ANSWER

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. SHOUP. Mr. Speaker, land-use planning is an issue we all must concern ourselves with. I feel that one of my fellow Montanans has very clearly expressed a basic philosophy toward a federally regulated policy of land planning. We are now voting on such legislation which will be setting a course for the future generations.

The following letter from Nick Golder of Forsyth, Mont., expresses some inherent values and the need to keep a continual watch on the groundwork we lay.

The letter follows:

FORSYTH, MONT., *May 1, 1974.*

Representative RICHARD SHOUP,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: Land use legislation seems to have quite a number of advantages when it comes to ironing out the growing pains of the nation. Instead of the hit and miss hope-for-the-best practices of the past, this legislation could be a big help for states, individually or collectively, to function much smoother. People, sane or insane, also function much smoother in straitjackets . . . for certain restricted functions.

Proponents of this legislation might quite reasonably ask where the straitjacket is. At first there may not be one that is hardly noticeable. But the groundwork for tight control will be laid. Men of good will in positions of authority might cause little or no problem. But it is pointless to defy all of history and daydream about a continued series of men of good will in positions of authority.

There are men who say openly we need a straitjacket for our country. Perhaps. But look where our past "insanity" (sans restrictive controls) has taken us compared to the rest of the world.

As I understand it, the original legislation under consideration in the House said the federal government could grant or deny money to states according to whether or not the individual states develop and administer their land use planning processes. Who would be sufficiently naive to think there would be no men in the federal government who would use these funds as a level to pressure state's planners into line? So this power play didn't sell. Its proponents had to settle for a foot in the door for now with much more intended later.

The legislation still under consideration lays the groundwork for federal control over local land use throughout the nation. Quite simply, that is nationalization. Taking nationalization of the land to its extreme, we already know the said futility of how it works in Russia. There is no need to set the stage for an endless stream of never-completed five-year plans here, or some of the other treadmill schemes that go hand in hand with land nationalization.

Our forebears created a climate in government where *private* ownership and control, spurred by a *personal* profit motive, caused this nation to outstrip anything in the recorded history of all the nations of the world. We've gained more freedom, food, clothing, homes, etc., etc., than anyone anywhere in history. And, in the same hectic but effective fashion we will continue to figure out ways to grow and prosper.

But, hamstrung by nationalization of the land and the ensuing, and inexorably stifling, effect of government controls (stifling due to a distant government unable or unwilling to tailor its edicts to local situations), we as a nation will wilt on the vine. Gone will be the challenge and the thrill of individual initiative and hope, for meaningful personal gain when Big Brother says, "do this . . . do that" with private property. Our vibrant nation will be castrated and the hope of the world will be eviscerated.

Overly dramatic? I wish it were. The U.S. has grown into being the hope of the whole world because it is a place where men are free to do their best with their own physical, mental and spiritual gifts, constrained only by allowing others the same chance. Trading this in for the theoretical (never *actual* for a sustained period) efficiency of a centralized government would leave no choice but to create some of the same sad effects as when others before us have tried it. The business of government is to govern, and the age-old practice of governing more and more is facilitated by centralization. The world "control" gradually seems to fit better than the word "govern." And, as the people become more controllable, the men in control turn their talents on each other in a chilling king of the mountain game that knows no happy ending.

Even doing nothing has to be better than federal land use and planning.

Yours truly,

NICK GOLDER.

CONGRESS BALKS AT REFORM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, I want to draw the attention of my colleagues to the Milwaukee Journal's June 9 editorial comments about the Democratic caucus' sandbagging of the House reforms proposed by the Bolling-Martin committee. The Journal's references to "the baronial power of certain committee chairmen," to "the House Democratic caucus, cravenly voting in secret," and to "some liberals, who—were as much to blame as anyone for this deviousness behind closed doors" testify to the disrepute the Democratic caucus has brought upon itself, and by extension upon the House as an institution. I hope my Democratic colleagues, especially those on the Hansen committee, will carefully consider the views reflected in the Journal's editorial as they ponder what to do with the select committee's proposed reforms:

CONGRESS BALKS ON REFORM

When it comes to correcting its own shortcomings, Congress is often like a capricious basketball team that battles back, seems on the verge of going ahead and then, with a whoosh, collapses again in disarray.

Consider the fate of the laudable plan to reform the House's chaotic committee system for the first time in nearly three decades. Spearheaded by Rep. Bolling (D-Mo.), a committee spent months carefully drafting and refining the plan. It is a chance to group committees more logically, balance workloads, focus the attention of members, end the confusion of overlapping mandates. Last year, 14 of the 21 House committees held hearings on energy legislation, each competing for custody of the subject. "We spend more time squabbling over jurisdictions than we do over issues," Bolling rightly laments.

However, the Bolling plan also erodes the baronial power of certain committee chairmen—notably Rep. Mills of the sprawling Ways and Means Committee—and sends anxiety shivers through influential lobbying groups that have long since learned how to turn jurisdictional rivalry to good advantage.

Result: The House Democratic caucus, cravenly voting in secret, has shunted the plan to a subcommittee, which is supposed to report back in July but may also try to give the whole idea a quiet burial. Sadly, some liberals, who take pride in their progressive records, were as much to blame as anyone for this deviousness behind closed doors.

The Bolling plan may not be perfection, but it is a thoughtful attempt to modernize a creaky Congress. At the least, it deserves to be debated and voted upon openly by the full House.

Congress is not held in high public esteem. Many members believe that the Watergate era gives them an excellent opportunity to make Congress a more responsive, respected institution. It probably does—if members can just stop double dribbling on breakaways.

LITHUANIA

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. HUNT. Mr. Speaker, on June 15, 34 years ago, the Soviet Union forcibly annexed Lithuania and sent thousands of Lithuanian citizens to Siberian concentration camps. It is most appropriate that we take time this week to focus in on the Lithuanian experience and Russia's domination of the Baltic nations. In just a few weeks the President will be going to Moscow to meet with Chairman Brezhnev, and it is most important that the Soviet leadership know that the House of Representatives is fully aware of their past and present strategy for world domination.

At the present time the people of Lithuania are denied the right of national self-determination, suffer continual and political persecution, and are denied their basic human rights.

The Soviets are now seeking détente with the United States, as well as most-favored-nation status. This desire on the part of the U.S.S.R. provides the United States with a unique bargaining tool to ease the plight of the Baltic nations.

We have recently been told that the United States has no right to interfere in the internal policies of the Soviets. But the Soviets operate under an entirely different standard. They have not only interfered, but have used military force to bring about political, economic, and religious change in most Eastern European countries.

It is time that the United States firmly resolve, and make clear to the Soviet leadership, that Russia's continuing oppression cannot continue any longer if the world is to live in peace and freedom. Détente cannot be a one-way street, it must be practiced and honored by all parties, and the Soviets have not shown that they are about to practice détente. They would rather talk a good game, rather than play one.

It is imperative that the U.S. delegation to the European Security Conference not agree to the recognition of the forcible conquest of the Baltic nations by the Soviet Union.

RESOLUTION OF THE GENERAL ASSEMBLY OF RHODE ISLAND

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. TIERNAN. Mr. Speaker, on June 3, 1974, the House adopted the concurrent resolution (H. Con. Res. 271) expressing the sense of the Congress that "the Government of the United States shall cease forthwith all consideration of aid, trade, diplomatic recognition, or accommodation with the Democratic Republic of North Vietnam or the Provisional Revolutionary Government until such time as "those governments comply with the provisions of the protocol to and the agreement on ending the war and restoring peace to Vietnam pertaining to missing in action.

Today I am submitting to the Record a copy of Resolution 74–H–7262 adopted by the Rhode Island General Assembly at the January session, A.D. 1974, and approved by Governor Noel on May 8, 1974, entitled, "Resolution Memorializing Congress To Maintain a Vigorous Search for All Americans Who are Missing in Action in Southeast Asia." It is my hope that the Congress will see fit to abide by this resolution.

The resolution follows:

[State of Rhode Island, &c. in General Assembly, January Session, A.D. 1974]

Resolution Memorializing Congress To Maintain a Vigorous Search for All Americans Who Are Missing in Action in Southeast Asia

Whereas, It has been one year since the American military withdrawal from Southeast Asia and there remains an estimated 1300 men whose fate is still unknown; and

Whereas, Among those unaccounted for are the following Rhode Island men: Air Force Colonel Curtis Eaton, missing since 1966, Army Captain Kenneth Goff, Jr., missing since 1967, Air Force Captain Frederick Mellor, missing since 1966, Navy Lieutenant O. J. Pender Jr., missing since 1972, Army Staff Sergeant Louis C. Walton, missing since 1971, and Air Force Senior Master Sergeant Samuel Adams, missing since 1965, and

Whereas, All these men courageously and selflessly struggled in an unpopular and lonely war in the belief that it was their duty as American citizens; and

Whereas, It is now our duty to not only these men but to their families who suffered immeasurable hardship to expend all our energies and resources to discover their whereabouts; and

Whereas, Their sacrifice should never be forgotten as it seemingly has been by a majority of Americans especially the congress of the United States; now therefore, be it

Resolved, That the congress of the United States be and it hereby is memorialized to maintain a vigorous search for all Americans who are missing in action in Southeast Asia; and be it further

Resolved, That the Rhode Island delegation in congress be at the forefront of this search; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in congress.

THE BATTLE OF THE SEAT BELT INTERLOCK CONTINUES

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. HUBER. Mr. Speaker, in spite of the fact that the new interlock system for seat belts in our automobiles has low public acceptance and has already caused much grief, to say nothing of adding to the slump in new car sales, the Feds go merrily on their way thinking of new ways to add to the cost and discomfort of owning an automobile. An amusing, yet ironic article on this subject recently appeared in the Washington Star-News on Sunday, June 2, 1974. I commend the article to the attention of my colleagues and suggest they consider cosponsoring Representative Wyman's bill to stop this nonsense—H.R. 10663:

A Blow to the Belt

(By Elinor Horwitz)

When I told my husband one night last week that I had attacked the ignition-lock seat belt feature of my beautiful 5-month-old Checker Marathon with a hatchet, he thought I was being a bit flamboyant.

"This may be an historic first," I told him, "first law abiding American to strike a blow—so to speak—against the tyranny of the Department of Transportation."

When I first read that all 1974 cars would be equipped by law with a new safety device which would make it impossible to start the engine without putting on your seat belt, I was incredulous. I had always assumed that my right as an adult American citizen to wreak destruction on my own body was inviolate. Not that I object entirely to the role of government as hovering parent or that I'm opposed to good health and long life.

Quite the contrary. I'm willing to be informed that I'm breathing foul pollutants and gobbling carcinogens and had better stop—*right this minute!* Warnings on cigarette packages are a seemingly show of concern. Cautionary advice on not stuffing the turkey the day before Thanksgiving is most welcome.

But making seat belts compulsory in this fashion seemed a clear and simple case of violation of freedom of expression. Someone will bring it to the Supreme Court, I thought smugly as I purchased the Checker.

In actual fact, when I committed my act of violence I was impelled less by idealism than by frenzy.

That morning I had rushed from the house to drive to an important appointment. I popped my key in the ignition and was greeted by the familiar bossy buzzing.

"Shut up," I said, in a friendly fashion, as I obediently reached for the seat belt. The seat belt refused to unreel. I tried greater pressure, lesser pressure, sweet words. No luck. "(Expletive deleted!)" I shouted in distinctly unfriendly fashion, kicking the soft underside of the dashboard. I envisioned the belt oddly tangled on its reel and I fetched a screwdriver with which to pry off the study plastic cover.

Failure.

I went back inside in a state of intense frustration to find a more effective tool—and there it was—a nice sharp hatchet we use for splitting fireplace logs. The casing came off—somewhat mangled—and the reel stood exposed, and rigidly locked. As I forcefully attempted to budge it a tightly wound metal spring flew out hitting me sharply between the eyes. That did it.

Although the ignition interlock system is far from mute, it is totally deaf and blind. I started the car by reaching in the window and turning the key in the ignition without putting any warning pressure on the seat. Then I sat down inside and drove—buzzer shrieking all the way—three miles to the dealer.

I recalled my father's constant advice to temperamental daughters that "a low voice is a beautiful thing in a woman." (I thought it was an original sentiment; he thought he was quoting scripture; I was 17 before I discovered he was misquoting King Lear.)

But when the service manager greeted me with a smile—I shouted. "The (expletive deleted) seat belt is stuck. Disconnect the buzzer. Disconnect it at once! I'm hours late!"

He patiently urged me to leave the car—I think he actually patted me on the head. "We'll fix the belt—no charge. It's illegal to disconnect the buzzer."

That's when I told him about my hatchet and reached towards my oversize pocketbook to indicate that it still lay within and tried out this scarey maniacal laugh.

Needless to say, many people are more serene in dealing with commonplace annoyances, and this is a good thing. Many people are also more mechanical than I and have calmly and efficiently torn assunder buzzer systems which automobile manufacturers have wrought for their own good. Others are trying to alter the situation legislatively.

In the days when manufacturers first started offering to put airplane seat belts into automobiles as a rather exotic and expensive bit of additional equipment for the super-cautious, a memorable cartoon appeared. It showed a car stalled on a railroad track with a train rapidly approaching. The passengers—a middle-aged man and wife—were frantically pulling at seat belts which wouldn't release. The husband was glowering at his wife with an expression that bespoke decades of hostility, and the wife was staring back and saying belligerently, "Well, *usually* they save lives."

Rep. Louis C. Wyman, R-N.H., tells of a similar story—without a trace of humorous intent:

"Let's say a car is stuck on an icy railroad track and it's headed uphill. What if the man gets out to shovel sand under the wheels and when he gets back in he can't get the seat belt to fasten. What he'll have to do is abandon the car and let it get hit by a train." (This sounds like a true life New Hampshire story what with the ice and the sand and the shovel in the trunk and all—except that there are no trains north of Boston these days).

Wyman has many more for-instances:

"What about a woman who's being chased by a man in a parking lot and she outruns him and then she jumps in her car. Only she can't get it started in time because she has to keep fussing with the seat belt. Think what could happen.

I am thinking. And shuddering.

"Or if by chance a car goes off a bridge into the water and in this case you have a seat belt on and it jams and you can't get out." He pauses to let the dreadful vision linger awhile.

Wyman is the author of a bill which would prohibit seat belts being tied in with ignition. "I don't think Congress ever intended to grant the Department of Transportation the right to go so far."

The congressman poises his fingertips against each other and rests his gaze on the framed color photograph of Lake Winnipesaukee. He raises his voice slightly:

"The ignition interlock feature is idiocy. It makes the use of seat belts compulsory although we know that many times people die in accidents *because* they're wearing a belt. Enforcing such a system is simply an extension of bureaucratic extremism—an interference with the private rights of citizens. Most people today are being forced to pay extra to have the device put in their cars and then they're paying more dollars to get it disconnected."

Wyman believes that everyone should have the right to wear or not wear a seat belt. "There are many instances in which it can be dangerous." To the train story (come to think of it, couldn't he have let the car slide backwards downhill off the tracks?) and the woman attacked in the parking lot and the victims drowned in their car, he adds hypothetical cases of fire, rear end collision, unusual weather conditions. His eyes return to the soothing New Hampshire scenes which decorate the wall.

"My bill has 70–100 cosponsors. I've lost count. I wrote Congressman Moss, chairman of the subcommittee on Commerce and Finance demanding that they bring the bill to a hearing but his view is that my bill would be contrary to saving lives. Big Brother demands seat belts."

Philip Lemov, counsel to the committee chaired by Rep. John Moss, D-Cal., recites safety statistics.

"The Department of Transportation estimates that 10,000 lives will be saved annually if everyone wears seat belts. So far four million new model cars have been sold—all with the ignition interlock. The Department has received only 504 nasty letters, which is very few. Analysis of these letters shows that most people who oppose the interlock do so because they say it violates freedom of choice, the right to risk life and limb."

Ah ha!

"Listen," he says. "They're beating a dying dinosaur anyhow. It's only an interim measure. In 1976 it will be replaced with the air bags. We just don't want it pulled out before then."

Compulsory air bags?

Mais oui.

It is important to note that the American Civil Liberties Union is not ignoring the intrusion of seat belt laws. In a statement on a proposed compulsory seat belt law submitted to the D.C. City Council's Committee on Highways and Transportation, chairman of the National Capital Area ACLU, David Isbell, wrote:

"As a civil liberties matter, we do not believe the government has the right to legislate on matters affecting the individual's behavior when the consequences of that behavior affect only that individual and not the safety or health of the general community."

Here is a sampling of some further community opinion:

Salesman at Ralph Brown Buick: "I'd say about 75 percent, maybe more, of the people buying new cars are opposed to the ignition interlock. The government's just going to have to come up with something else."

Sales Manager at Loving Chevrolet: "About 50 percent object and the other 50 percent accept it okay."

Friendly neighborhood Amoco station attendant: "Lots of people ask me to disconnect the whole business and I do it. I feel like if they want to have it done, it's their car and it's their right."

Friendly neighborhood Exxon station attendant: "Sure I do it if someone asks. I used to drive a tow car and I saw as many people killed in crashes because they had the seat belts on as because they had them off."

Another Exxon station attendant: "I don't blame people for wanting to get it detached—it's a hassle—but you're not supposed to do it and I just feel like I don't want to." (The law reads that the manufacturer may not disconnect the device nor may the dealer—prior to the first sale of the car.)

Call Carl: "It's against the law. We don't do it."

Maryland housewife stopped between sauces and pickles at the Arlington Road Giant: "I feel like it's a big pain in the neck but it's a good idea when you have kids that drive. It makes them buckle up."

Gulf Station attendant: "Don't ask me to do it but you can do it easy. Just look under the front seat and where you see what looks like an extension cord, pull it out. I tell customers that all the time—you don't like it, just pull it out. It's your constitutional right."

D.C. housewife between gourmet foods and ice cream at Connecticut Avenue Safeway: "Listen, I hear a lot of people say it's unconstitutional but you know what I tell them? I tell them about the accident that happened right in front of my house and how she wasn't wearing a seat belt. I say to them, 'So just try going after your precious pursuit of happiness when you have your head through a windshield!' "

RESOLUTION SUPPORTS PRESIDENT

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. KUYKENDALL. Mr. Speaker, I include the following resolution in the RECORD, adopted on June 1, 1974, by the Massachusetts State Republican Pre-Primary Convention.

This resolution is a timely remainder that there is substantial support for President Nixon in every congressional district and State throughout the country, including Massachusetts which did not cast its electoral votes for Mr. Nixon's reelection in 1972. The resolution follows:

RESOLUTION

Be it resolved by the delegates of the Massachusetts Republican Pre-Primary Convention of 1974:

That we re-affirm our support of President Nixon and our confidence in the President's ability to continue to lead this great nation and to fulfill the mandate given him by the voters of the United States of America in the only poll of legal significance—that of November 7, 1972;

That we believe in the right of due process of law that is due every citizen and that the same standards of justice should apply to the President of the United States as to any other citizen and that he is innocent until proven guilty of an impeachable offense;

That we abhor the state of emotional frenzy and hatred that has been generated and which now permeates this land against the President, faced with possible political assassination at the hands of those who have already inferred his guilt of charges as yet neither formally declared nor proven against him;

That, above all, we appeal for fairness to the President and to his office in this time of crisis especially from the ranks of the communications media and the Congress of the United States.

WOMAN OF THE YEAR

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. NICHOLS. Mr. Speaker, last month the Pilot Club of Camp Hill, Ala., named as "Woman of the Year" Mrs. C. B. Sullivan. Mrs. Sullivan has been a resident of Camp Hill since 1913 and during her long and honorable residence there, she has distinguished herself as an active participant in community services, business activities, church work, and as an educator.

It is of particular note that this outstanding woman was at one time the teacher of one of our own colleagues here in the House of Representatives. I am referring to our honorable friend from the State of Florida, Congressman Claude Pepper. Representative Pepper tells me that Mrs. Sullivan played an important role in shaping his own life in those formative youthful days and no doubt she inspired the Congressman from Florida toward a deeper, more meaningful conception of his role in life.

I would like to submit to the Record of this body, two articles which appeared in the Dadeville Record, one of Alabama's finest weekly newspapers, and hope that it brings to mind those important people in our own lives:

[From the Dadeville Record, May 2, 1974]

MRS. SULLIVAN HONORED BY PILOT CLUB

A very inspirational meeting Friday evening at the Methodist Church planned and put on by Camp Hill Pilot Club, honored Mrs. Catherine Sullivan for her outstanding service to our town.

The Rev. W. W. Flournoy, of United Methodist Church in Richland, Ga. made the principle address.

Rev. L. C. Prater introduced Mrs. Sullivan to the congregation paying tribute to the high quality of her contribution to the enrichment of our church and community life.

Mrs. Paul Strozier, who was master of the ceremony presented Mrs. Sullivan with a beautiful orchid corsage.

Rev. Paul Morgan, of the local Methodist Church gave the benediction.

Sunday morning at the close of the worship service a special service of recognition for long and loyal service to the church was given honoring Mr. and Mrs. Odell Meadows.

Oscar Chester made the principle address giving considerable thought to some early history of the Methodist Church in Camp Hill. Then he presented a beautiful silver tray to Mr. and Mrs. Meadows. A number of members of the Meadows family were present. Out of town visitors were Mr. and Mrs. J. P. Creel, Talladega; Ben Charles Meadows of Atlanta; Col. and Mrs. George Taafe, Auburn; Mr. and Mrs. Billy Meadows, Opelika; Mr. and Mrs. Richard Kirkland, Selma.

Dennis Davis sang a solo in the service.

Women of the Wesleyan Guild and other church women were in charge of the meeting.

The Seniors of Tallapoosa Academy made an interesting trip by bus the 22nd to the 26th to Washington, D.C. They toured the nation's capital, stopped by Natural Bridge in Virginia and Gatlinburg, Tenn.

Miss Louise Ellis, sistor of Mrs. Sullivan and Mrs. Irma Reel of Washington, D.C. are visiting Mrs. Sullivan and were present for the Pilot meeting honoring her Friday night. Also present Friday night were Mrs. John L. Denney, Alexander City and Mrs. W. G. Wood of LaFayette.

Others present at the Methodist Church Sunday morning honoring Mr. and Mrs. Odell Meadows were Mr. and Mrs. J. T. Green, Lanett and Mrs. Larry (Lisa) Blocker of Statesboro, Ga.

Miss Katherine King, Mrs. May Adams, from Birmingham, Mrs. Jack Auld, of Springfield, Pa. visited Dr. and Mrs. Bernard Garlington and Miss Lela Landrum last Thursday.

Guests of Mr. and Mrs. Sellers Trimble this weekend were Mr. and Mrs. Floyd Trimble, Birmingham, Mr. and Mrs. D. C. Williams, Birmingham, Wayne Gurley, Montgomery, James Parker and son, Tallassee, Mrs. Dorothy Webster, Tallassee, Mrs. Jay Rearden, and Mrs. Lucile Seegers, Opelika and Mrs. Jimmie Lou Langley.

Rev. and Mrs. L. C. Prater drove to Louisville, Miss. for Homecoming at the Louisville Universalist Church. They returned home Monday afternoon.

Mrs. Irma Gabbett was hostess to the Universalist women Monday afternoon at her home. The program was a review of some Camp Hill history as it was made by the Wm. J. Slaughter family.

MRS. C. B. SULLIVAN HONORED FRIDAY NIGHT

Mrs. Charles B. Sullivan was honored by the Pilot Club of Camp Hill Friday night as its distinguished woman of the year. Continuing the tradition begun last year by honoring an outstanding woman whose selection by a special committee was based on recognition of her participation in several categories such as church work, community service, public affairs, business and professional achievements, and outstanding contributions, to the community.

Mrs. Sullivan received the Pilot Club award for her aspirations and achievements in all these fields.

The Reverend L. C. Prater gave a short biography of the honoree which revealed some interesting facts about the life of Mrs. Sullivan who had moved to Camp Hill from Arkansas in the early 1900's. Mrs. Sullivan had worked as a teacher, a volunteer for needy causes and had remained active until recent years in community, church and social activities.

Mrs. Sullivan recounted some of her early years, remarking with a smile how prospective students were at first awed at having such a tall teacher, explaining her hair fashion, as was everyone's of the day, made her look much taller than she actually was.

Mrs. Sullivan was gracious in her appreciation for receiving such an honor from the Pilot Club and retold of how several in the audience had affected her life in Camp Hill.

Mrs. Sullivan introduced several guests, among them, her sister, Mrs. Louise Ellis, Washington, D.C., Mrs. Erma Reel, Washington, D.C., Mrs. W. G. Wood, LaFayette and Mrs. Denny from Alexander City.

The Award and an Orchid was presented to the honoree by Mrs. Paul Strozier before a V.I.P. audience at the First United Methodist Church, climaxing an hour of excitement and entertainment.

Guest speaker for the occasion was the Rev. W. W. Flournoy who spoke on Women Worth Knowing. Reverend Flournoy was introduced by Mrs. Paul Strozier.

Mrs. Barto Amason welcomed the guests and special entertainment was provided by Mrs. Ramona Reece who rendered several musical selections accompanied by Capt. John Struck of Lyman Ward Military Academy at the organ.

Following the invocation by Rev. Paul Morgan, Mrs. Hubert Conine read the Pilot Code of Ethics. Reverend Louis Lambert gave the benediction.

A reception in the church parlors followed the program. Mrs. Marcus Moreman was in charge of the arrangements and she was assisted by Mrs. W. T. Handley and Mrs. Ramona Reece.

INTERNATIONAL FINANCIERS HOLD SECRET MEETINGS LOBBYING FOR MORE FOREIGN AID

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. EVINS of Tennessee. Mr. Speaker, a recent newsletter by the Liberty Lobby, a nonpartisan organization for better government, has been brought to my attention in which it is alleged that news accounts of meetings of international financiers for increased foreign aid at their Bilderberg group meetings have been suppressed.

An investigation into these meetings has been conducted, and this most recent account of Liberty Lobby's findings is most revealing.

Because of the interest of my colleagues and the American people in this matter, I place in the Record herewith a copy of the Liberty Lobby newsletter.

The article follows:

[From the Liberty Lowdown, June 1974]

THE CONSPIRACY THEORY OF HISTORY

In the last issue of Homefront, the organ of the Institute for American Democracy, the editor says, in discussing Liberty Lobby:

The zealots are fighting against a "conspiracy." This, you must admit, is a much handier explanation for the state of things then (sic) the hard-to-face fact that we have problems for which there are no reasonable, short range solutions. *They all look for whipping boys to rally against.*

Students of the intellectual perversion known as Marxism will recognize the above as a statement of the orthodox Marxist view that the historical movement toward socialism is inevitable, and proceeds ponderously according to vast and impersonal forces which cannot be denied. Unfortunately, this opinion has been absorbed by American "intellectuals" as standard liberal doctrine. Those who have dared to contradict openly this orthodoxy have paid for their courage by being immediately labeled by the press with such terms as "paranoid," "extremist," "fascist" and, of course, "anti-Semitic," the standard imprecations hurled as witches' curses against the luckless few who dare to challenge the official "line."

Innumerable Americans have thus been intimidated from professing the "conspiracy theory" and those who have not been so intimidated have oftentimes wasted their time and effort in trying to explain it to others because of the obvious difficulty involved in trying to expose something which, by its very nature, is secret and hidden.

The tremendous difficulties involved have therefore seriously prevented popular assignment of the responsibility for why America and the West have reached such a state of pronounced decline. Obviously, without such assignment, any hope for the survival of the West is fatuous.

Is there any way to prove the existence of a great conspiracy to despoil the West—a relatively easy way to lay out the facts in such fashion that no fair-minded person can possibly deny that such a conspiracy exists?

Thanks to the facts that are now known about the Bilderberg Group and the astounding control that this organization exercises over the so-called "free press" in Europe and America such proof is now simple to establish for anyone who will devote 15 minutes to the subject.

Please note that this argument is not concerned with the *subjects* the Bilderbergers discuss in their secret conferences. Of course, the content of their discussions is the core of the controversy, but all this issue of Liberty Lowdown addresses is the fact that the meetings are unreported by the press. In other words, for the purposes of this analysis, it is unimportant whether they get together once each year in secrecy to play pinochle, have a party or to discuss plans and strategems to money and the wealth of the world to their bank accounts. The mere fact that they *do* get together and that their meetings *are* protected from any and all publicity is what is germane to this discussion, and what is, in itself, proof of a conspiracy. The *nature* of the conspiracy is another matter worthy of inquiry but one that cannot be intelligently explored until the *existence* of the conspiracy itself is recognized as an incontrovertible fact.

CONSPIRACY STATED

Because of what is known about the Bilderberg Group and the control it exercises over the so-called "free press" of the West there is no explanation save that of conspiracy to account for the fact that the entire press of the world has suppressed all mention of the Bilderberg meetings and all recognition of the existence of the Group.

The simple statement in the paragraph above is far too much for the average American to comprehend, be he conservative, liberal or neuter. It is totally at odds with the Great American Myth—that America is a free Nation, resting on the bulwark of Freedom of Speech, and that the newspapers and other media are free and uncontrolled.

To accept the paragragh above requires the average American to destroy the image of America he has held since infancy. Yet, *the image must be destroyed if America is to survive. The image is as false as the decline of America is factual.*

To understand that a conspiracy exists, begin with two undeniable facts:

1. A meeting of very important world figures took place at Megeve April 19–21, 1974;

2. The fact that this meeting took place was not reported in any major newspaper in the world, covered by any wire service or reported on radio or television anywhere except in the immediate vicinity of the meeting.

There are only three possible explanations for these two facts:

1. The event was really not "news" in the accepted journalistic definition and consequently unworthy of notice, or

2. The press did not know of the meeting and so could not report on it, or

3. Every wire service in the world, including AP, UPI, Reuters and Tass, and hundreds if not thousands of professional journalists and their employers in Europe and the U.S., leftists, liberals and "responsible conservatives" knew of the meeting and conspired together to suppress it.

There are no other possibilities. One of them has to be true. Let us examine them:

As for the first, Lesson Number One in all journalism classes is that "names make news." This is not only known by all dewy-cheeked high school freshmen who work on their school paper but by experienced journalists who work for the New York newspaper which promises "All the News That's Fit to Print." Every year, somewhere in the world, the Bilderbergers get together to discuss concerns of mutual interest. His Royal Highness Prince Bernhard of the Netherlands, the chairman of the Bilderberg Organization, arrived at Kennedy International Airport on April 22, 1971, en route to Woodstock, Vt., from Holland to attend the Bilderberg meeting scheduled for that weekend. He was met by dozens of reporters, and additional dozens surrounded the Woodstock Inn during that meeting. Before this meeting, as well as prior to the Megeve meeting, during the meetings and afterward newspapers printed thousands of tons of paper for readers containing advice to the lovelorn, horoscopes, crossword puzzles, recipes, features on giant pandas, African voodoo and Common Cause, advertisements for and reviews of pornography and other garbage.

But not one square inch in this Sahara of newsprint is ever given to a Bilderberg meeting. No news coverage. No features on the personalities, their love lives or their riches. No human interest. No photos of them at work or play or alighting from their private jets or riding in their heavily-guarded limousines.

And most important of all, nothing—absolutely nothing—about what they talked about. No speculation, predictions, analysis. No interviews, no halfbaked syndicated philosophy, witticisms or moralizing editorials in the Los Angeles Times. No cartoons by Herblock, Conrad or Parrish. No screams of rage from Jane Fonda, William Kunstler or the ACLU. No threats from the SLA. No wisdom from Eric Sevareid, Howard K. Smith or David Brinkley. No excited exposes from Jack Anderson or biting sarcasm from Nicholas von Hoffman. Not even a peep from Time—even though its managing editor, Henry Grunwald, attended the 1974 meeting, just as Osborn Elliott, president of Newsweek, attended in 1971. Total silence.

HARD-WORKING REPORTER MYTH

The second excuse is equally preposterous. One of the great legends of America (taught to us by the press) is that of the honest, hard-working reporter who, by dint of effort, comes up with a great story exposing an evil plot. It is true that once his boss puts him on the trail of a story he wants, a reporter will not easily give up—so long as he continues to draw a salary and expenses, that is. There must be a hundred thousand reporters in Europe and the U.S. The Bilderbergers have been meeting for years at roughly the same time every year. Virtually any reporter, if he had wanted to, could have found out when and where the 1974 meeting was going to be held. Liberty Lowdown did, with a budget of pennies compared to the Associated Press, UPI or CBS-TV.

In addition, all newspapers, radio stations and TV stations subscribe to a wire service and possess at least one teletype that connects them with the world. By their contract they are obligated to inform the agency of local news. This is the way the agency normally learns of floods, airplane crashes and earthquakes—from feedback from a local newspaper or radio station. In 1971 the Rutland Herald carried a small news story on the Bilderberg meeting at Woodstock, Vt.—a small town next door with no daily newspaper of its own. It had to because all the local people knew about it and therefore the story could not be locally suppressed. By the Herald's contract with UPI and/or AP, it was compelled to report the story to New York City. But the story was never carried anywhere else.

CONSPIRACY THE CONCLUSION

The conclusion therefore has to be that the third possibility—conspiracy—is the only possible explanation of the facts. The Rothschilds, Rockefellers and other super-rich internationalists at Megeve merely told their underling publishers—the Sulzbergers, Schiffs, Newhouses, Knights, Chandlers, Pulliams, Buckleys, etc.—that there was to be no news of the meeting.

HERB HOFFMAN—A PROFESSIONAL

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. SMITH of New York. Mr. Speaker, I take this opportunity to join with Herb Hoffman's many friends, both in and out of Congress, in wishing him the best of luck in his so-called "retirement."

Private practice of law, 4 years in the military, 23 years with the Justice Department, and 3 years with the House Judiciary Committee apparently are not enough of a career for this able, conscientious, and energetic lawyer. And so he has taken on a new challenge as director of the Governmental Relations Office of the American Bar Association. The ABA could not have found many people better qualified to serve as its top official in Washington. By training, experience, temperament, and personality, Herb is eminently right for the job.

Congratulations and good wishes to Herb, my friend of many years, and congratulations to the American Bar Association on selecting this fine lawyer and administrator for a job for which he is ideally suited.

LAND USE

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. MADIGAN. Mr. Speaker, in recent years this country has rushed into new programs wtih inadequate concern for both the costs and benefits such programs produce. As a result, we have too often fostered conflict rather that progress.

In the near future the Congress will debate legislation designed to be a first step toward land-use planning. Undoubtedly, a national land-use planning policy is our No. 1 environmental priority.

Current land-use trends give little cause for satisfaction to any reasonable man. Valuable agriculture land is being destroyed. Unique natural assets have been swallowed up by commercial and urban growth. Just as importantly, however, powerplant and refinery construction has been substantially halted by concerned environmentalists.

In sum, both economic growth and the environment have suffered from the absence of an intelligent land-use planning process. That has happened primarily because of the absence of governmental processes for harmonizing the sometimes conflicting values of economic growth and environmental protection.

I would hope that reasonable men can still recognize that both of these values deserve priority in Government. Absent either, the human experience will be less satisfying.

Thus, the question becomes one of devising processes which accommodate both. Unfortunately, neither the Steiger bill nor the Udall bill does this. Computer inventories of land characteristics can be valuable tools. But they are not processes for accommodating equally important and sometimes competing values.

Grants to the States for implementing such inventories with or without Federal guidelines and sanctions regarding their use will not create the local government processes, mechanisms, and leadership for bringing together advocates of economic growth with proponents of environmental protection.

Any businessman who believes that environmentalists can be silenced by the stiff upper lip approach is out of touch with political reality. Similarly, any environmentalist who believes that the public will do without adequate public services is equally shortsighted.

The consequent political need is to compel these interests to meet and systemically compromise their demands. The concept of compromise does not entail each side accepting half a loaf. What it does require is that both interests sincerely explore the objectives of the other in order to achieve mutual accommodation of their goals.

In essence that means that environmentalists must begin to articulate defined, positive objectives, and that businessmen must begin to explore ways to accommodate those objectives and still produce power, homes and jobs. The local land-use authority should cease to be a forum where environmentalists oppose all change. And it should cease to be an agency that business interests feel they must dominate.

Both attitudes and structures must be altered to facilitate systematic accommodation. Legislatively that requires an approach which encourages local experimentation. In some areas some land-use decisions should be made by smaller units of Government than now make them. In other areas, there is a need for metropolitan area and regional structures to address specific types of land-use problems.

Authority for regulating small land-use changes in existing communities must probably be handled differently than authority for protecting greenbelt and natural area uses of land.

My point is that we are more likely to arrive at an efficient, democratic process for managing their decisions with a Federal effort which places emphasis on two factors: first, maximum feasible joint participation by environmentalists and businessmen; and second, maximum affirmative experimentation at the local level.

Therefore, I will oppose both the Steiger and the Udall bills. Both seem too likely to crystallize business-environment conflicts. Neither is adequately affirmative in framing strategy for transforming these conflicts into constructive, cooperative action. Inventing tools before we fashion the democratic processes for using them is most assuredly not a formula for progress.

What I believe is needed is a Federal effort which assists model local experiments in resolving the business-environment impasse. It should not bear a "Made in Washington" label. Rather, it should be an example of Washington turning to local government for creative solutions to a problem Washington has had a role in creating.

RESULTS FROM ANNUAL POLL

HON. DAVID W. DENNIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. DENNIS. Mr. Speaker, results are in from my annual poll of voters of the 10th Indiana Congressional District, and I believe that this typical mid-America area has furnished some returns of general interest and significance.

First. On the burning legal-political issue of the day 65 percent of those replying believe that the House of Representatives should not impeach the President of the United States; 84 percent believe that the President ought not to resign.

Second. The great domestic issue of the day is inflation. I put to my constituents the following tough political question:

> 9. In order to fight inflation and high prices, would you be willing to sharply cut the expenditures of the Federal government, including all forms of Federal grants of aid, raise Federal taxes, bring the national budget nearer to balance, reduce money supply, and generally tighten the national economic belt, even if it means an adjustment period of temporary economic recession accompanied by increased unemployment?

A significant number on both sides qualified their answer by objecting to any raise in Federal taxes, but 69 percent answered this question in the affirmative. While we all know that people tend to want to save money on the other man's program I nevertheless consider a 69-percent "yes" answer to an austerity program of this kind highly significant, and something to be pondered by the advocates of big government and the welfare state.

Third. A slight majority—53 percent—opposed any form of national health insurance; and a wide margin, 92 percent, favored use of the private insurance industry and retention of an individual choice of physician, if any plan is adopted.

Fourth. Wage and price controls were opposed 58 to 42 percent, except for a "rollback" in the price of crude oil, which was favored by the same margin; 95 percent oppose gasoline rationing; and a narrow margin—53 percent—favored ending Federal regulation of the wellhead price of natural gas.

Fifth. Despite political scandals 78 percent still oppose the financing of political campaign by public funds. An overwhelming 94 percent feel that any campaign reform legislation should apply equally strict provisions to labor union and corporate contributions.

Sixth. In military and related matters the returns indicate to me that 10th District people are patriotic, nationalistic, and in favor of cutting fat but not muscle; 91 percent oppose any surrender of control over the Panama Canal; 74 percent favor developing an American naval base on the island of Diego Garcia in the Indian Ocean. Rather to my surprise 74 percent oppose a unilateral troop withdrawal from Europe. On the other hand 54 percent favor a 5-percent across-the-board cut in the defense budget, and 58 percent oppose continued military and economic aid to South Vietnam.

Seventh. Answers were split almost exactly 50–50 on the creation of a new Consumer Protection Agency.

Eighth. Ninety-two percent favor compulsory restoration of the land after strip mining, but 68 percent are against the abolition of strip mining; 77 percent favor temporary relaxation of clean air standards in order to conserve energy and promote the use of coal.

Ninth. In the field of foreign trade a narrow 53 percent majority favors granting the President the power to negotiate reciprocal trade agreements with foreign countries; but 64 percent oppose "most-favored nation" trade with the Soviet Union; and a surprising 67 percent of those replying stated that they favored control and restriction of American agricultural exports. It is in this general field, and particularly as to this last item, that I find myself in the most disagreement with the majority. Presumably this answer indicates widespread and natural concern with high food prices; but I disbelieve fundamentally in governmental regulations of this character, and I am convinced both that American agriculture has to export in order to prosper, and that the general economy cannot prosper if American agriculture is seriously depressed.

As always, I found these answers of my constitutents interesting, enlightening, and full of food for thought. More answers came in this year than ever before, and it is encouraging to know that the people at home are interested and concerned in these important national and international affairs.

I am personally indebted to, and wish to sincerely thank, each resident of the 10th Indiana District who took the time and trouble to send me a reply.

The complete results of the questionnaire are as follows:

1. In your opinion, should the House of Representatives vote to impeach the President of the United States? (Note: Impeachment means bringing charges of "high crimes and misdemeanors" which, if proved after trial by the Senate to the satisfaction of two-thirds of the Senators present and voting, would result in the President's removal from office.) Yes, 35%. No, 65%.

2. If the President is impeached by the House of Representatives, should the United States Senate thereafter convict him of high crimes and misdemeanors and thereby remove him from office? Yes, 33%. No, 67%.

3. Should President Nixon resign from his office? Yes, 16%. No, 84%.

4. Should the Congress pass a law attempting to "roll back" the price of crude oil? Yes, 58%. No, 42%.

5. Should the price of natural gas at the wellhead be deregulated, so far as Federal regulation is concerned? Yes, 47%. No, 53%.

6. Should gasoline rationing be imposed? Yes, 5%. No, 95%.

7. Should wage and price controls be ended? Yes, 58%. No, 42%.

8. Should the United States, now or in the

future, surrender its jurisdiction and control over the Panama Canal? Yes, 9%. No, 91%.

9. In order to fight inflation and high prices, would you be willing to sharply cut the expenditures of the Federal government, including all forms of Federal grants in aid, raise Federal taxes, bring the national budget nearer to balance, reduce money supply, and generally tighten the national economic belt, even if it meant an adjustment period of temporary economic recession accompanied by increased unemployment§ Yes, 69%. No, 31%.

10. If campaign reform legislation is enacted, should equally strict provisions apply to political contributions by corporations and to political contributions by labor unions? Yes, 94%. No, 6%.

11. Illegalities and scandals in political fund raising have created a drive for campaign funding reform, including the idea that campaigns for public office ought to be paid for in whole or in part by public tax funds. Do you favor or oppose the financing of political campaigns by means of public funds, drawn from the U.S. Treasury? Favor, 22%. Oppose, 78%.

12. Do you favor or oppose some form of national health insurance? Favor, 47%. Oppose, 53%.

13. If a national health insurance program is adopted, should it be entirely publicly managed and financed by Federal tax funds, or would you favor a plan which made use of the private insurance system and preserved an individual choice of doctor:

Public System—Favor, 27%. Oppose, 73%.

Private insurance and doctors—Favor, 92%. Oppose, 8%.

14. Do you favor or oppose relaxation or temporary suspension of clean air standards, in order to conserve energy and promote the use of coal instead of fuel oil? Favor, 77%. Oppose, 23%.

15. Do you favor or oppose the abolition of strip mining? Favor, 32%. Oppose, 68%.

16. Do you favor or oppose Federal law or regulation which will permit the continuance of strip mining but will require the mining companies to restore the land they have used? Favor, 92%. Oppose 8%.

17. Do you favor or oppose the withdrawal of American troops from Europe without waiting for corresponding withdrawals on the part of the Soviet Union? Favor 26%. Oppose, 74%.

18. Do you favor or oppose a five per cent across the board cut in the $92.6 billion proposed defense budget? Favor, 54%. Oppose, 46%.

19. Do you favor or oppose the control and restriction of American agricultural exports—such as exports of wheat, meat, soybeans, etc.? Favor, 67%. Oppose, 33%.

20. Do you favor or oppose the extension of power to the President to negotiate reciprocal agreements with foreign countries respecting tariffs and imports and export quotas? Favor, 53%. Oppose 47%.

21. Do you favor or oppose the extension of "most favored nation" treatment to the Soviet Union—that is do you favor or oppose trade with the Soviet Union on the same basis as with any other country, including the extension of credits? Favor, 36%. Oppose, 64%.

22. Do you favor or oppose continued economic and military aid (not U.S. troops) to South Vietnam? Favor, 42%. Oppose, 58%.

23. Do you favor or oppose the creation of a new Federal Consumer Protection Agency, which will be empowered to intervene on behalf of the consumer in proceedings before other Federal regulatory agencies? (For example, if the Federal Trade Commission brought proceedings against Company X, appeal if it disagreed with the decision.) Favor, 49.51%. Oppose, 50.49%.

24. Do you favor or oppose the development of a U.S. Naval base on the island of Diego Garcia, in the Indian Ocean, in order to counter Soviet naval power and political influence in that area? Favor, 74%. Oppose, 26%.

RAISED FLAG ON IWO JIMA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. MURTHA. Mr. Speaker, Sgt. Michael Strank, one of the men who raised the flag on Iwo Jima was born in the 12th Congressional District of Pennsylvania. His mother, Mary Strank, still lives in the district and I had the privilege of sharing the speaking platform with Brig. Gen. Ernest R. Reid whose eloquent speech commemorating Sergeant Strank I present for the RECORD:

SGT. MICHAEL STRANK

Today, we are here to honor the name of Sergeant Michael Strank for whom your VFW Post was named, and his mother, Martha Strank, who is with us today. Vasil, also known as Charles, and Martha Strank came to this country from Czechoslovakia. Michael was born on 10 November 1919, and came to this country with his parents when he was 2½ years old. He attended the schools of Franklin Borough, Pennsylvania and was graduated from high school in 1937.

Michael Strank enlisted in the Marine Corps for four years at Pittsburgh on 6 October 1939. On 17 January 1941 Michael, now a private first class, sailed for Guantanamo Bay, Cuba, arriving on the 23d. On 8 April he returned to the States and proceeded to Parris Island, South Carolina. In September, Michael moved with the new First Division to New River, North Carolina, now known as Camp Lejeune. He was promoted to corporal on 23 April 1941, and was advanced to Sergeant on 26 January 1942. He sailed from San Diego, California on the 12th of April and on 31 May he landed in the Wallis Islands. In September, after a short tenure with the 22nd Marines, he was transferred to the 3rd Marine Raider Battalion. With the raiders, he participated in the landing operations and occupation of Pavuvu Island in the Russell Islands from 21 February until 18 March, and in the seizure and occupation of the Empress Augusta Bay area on Bougainville from 1 November until 12 January 1944. On 14 February, he was returned to San Diego for rest and reassignment.

Upon return from leave, Sergeant Strank was assigned to Company "E", 2nd Battalion, 28th Marines, 5th Marine Division. After extensive training at Camp Pendleton and in Hawaii, Michael Strank landed on Iwo Jima on 19 February 1945.

After the fall of Mount Suribachi, he moved northward with his unit. On 1 March, while attacking Japanese positions in northern Iwo Jima, he was fatally wounded by enemy artillery fire. He was buried in the 5th Marine Division Cemetery with the last rites of the Catholic church. On 13 February 1949 his remains were reinterred in Arlington National Cemetery.

Sergeant Strank was entitled to the following decorations and medals: Purple Heart, Presidential Unit Citation with one star, American Defense Service Medal, American Area Campaign Medal, Asiatic Pacific Campaign Medal with four stars, and the World War II Victory Medal.

On occasion I have heard that the flag raising that Sergeant Strank participated in was a reenactment of the original flag raising. It might be well for me to take a few minutes to describe the events that took place on the slopes of Suribachi on Iwo Jima the 23rd of February 1945.

Early on this date, which was four days after the landing, on "D" day on Iwo Jima, a small patrol started to reconnoiter suitable routes to scale the slopes of Suribachi. The patrol leader reported as he went along that the Japanese were holed up.

The battalion commander decided to send a 40-man combat patrol and a handful of men from battalion headquarters under command of First Lieutenant Harold G. Schrier, the company "E" executive officer, to seize and occupy the crest. Sergeant Louis R. Lowery, a photographer for Leatherneck magazine, attached himself to the patrol to record in detail the attempt against Suribachi. After the battalion commander had outlined the mission, he handed Lieutenant Schrier a flag to be raised if the patrol gained its objective. This small 54 x 28 inch flag had been brought ashore from the attack transport *Missoula* by First Lieutenant George Wells, the battalion adjutant.

The patrol reached the rim of the crater about 10:15. As the Marines scrambled over the lip, a small defending force challenged the patrol and a short, hot fight developed. Even while this skirmish was in progress, some of the men located a length of Japanese iron pipe, secured the small American flag to one end, and raised the stars and stripes at 10:20. It was an inspiring sight for thousands of Amercans on Iwo as the flag waved bravely from the summit. The event was photographed by Sergeant Lowery.

Shortly after the raising of this flag, an unidentified Marine went aboard LST 779, beached near the base of the volcano, to obtain a larger set of colors. As this second and larger 96 x 56 inches flag was being carried up the slope of Suribachi, Associated Press photographer, Joe Rosenthal, noticed it and instantly started in close pursuit. Sergeant Michael Strank from Franklin Borough, Pennsylvania; Corporal Harlen Block from Yorktown, Texas; Private First Class Franklin R. Sousley from Flemingsburg, Kentucky; and Private First Class Ira H. Hayes from Sacaton, Arizona were the four members of the patrol that carried this set of colors up Suribachi's slopes.

When the men arrived at the top, Lieutenant Schrier decided that the new flag should be raised as the original one was lowered. Sergeant Strank and the others fastened the larger colors to a second pipe and then tried to set the makeshift staff in the rugged ground. Since the four men appeared to be having difficulty getting the pipe firmly planted, two onlookers, Pharmacist's Mate Second Class John H. Bradley from Appleton, Wisconsin and Private First Class Rene A. Gagnon, from Manchester, New Hampshire, came to their aid. The latter two are the only survivors. Bradley resides in Antigo, Wisconsin and Gagnon in Manchester, New Hampshire.

All six were struggling to raise the flag when Rosenthal snapped a picture of the scene. According to Rosenthal, luck played an important part in the taking of his photograph. The AP photographer arrived at the summit just as Lieutenant Schrier was prepared to take down the first flag. At first, Rosenthal hoped to photograph the lowering of the first flag together with the *raising* of the larger one. When he discovered that he would not have time to line up both pictures, he decided to concentrate in the second flag raising. He backed off about 35 feet, only to discover that because of the sloping ground he could not see what was happening. He piled up some loose stones, mounted them, and focused on the band of Marines.

Just as he was training his camera on the men, Lieutenant Schrier walked into his line of vision. Fortunately, the officer stepped out of the way in time for the picture to be made.

Rosenthal took 18 photographs on Iwo Jima that eventful day, among them was a shot posed by men of the 28th Marines around the flag. When queried a few days later by his wire service picture editor as to whether the flag raising picture had been posed, Rosenthal, unaware of which picture had had the sensational reception in the United States, thought the editor meant the one which had actually been posed. Out of Rosenthal's affirmative reply to the editor grew the misconception that the flag raising picture was really a fake.

The testimony of Rosenthal himself and of the eyewitnesses who survived the battle, however, attest that the photograph was in no way rigged. As Rosenthal put it: "Had I posed that shot, I would, of course, have ruined it. I'd have picked fewer men . . . I would also have made them turn their heads so that they could be identified for AP members throughout the country, and nothing like the existing picture would have resulted."

As it was, the picture became the most famous single photograph ever taken. It was used as a symbol of the 7th war loan drive. It appeared on literally millions of posters and on a three cent postage stamp. And it was forever immortalized in the largest bronze statue in the world, the Marine Corps War Memorial in Arlington, Virginia. Incidentally, the flag itself is displayed at the Marine Corps museum at Quantico, Virginia.

I talked to Joe Rosenthal earlier this week (by-the-way, Mr. Rosenthal asked to be remembered to the members of the Michael Strank Post of the VFW, as he recalled very fondly of being present at the dedication of this post). In discussing the events of 23 February 1945 and remarking on the National Fame of the Flag raising picture, Mr. Rosenthal made the observation: "A photographer is only the recorder of an event. The subject, their actions, and the context of the actions recorded are responsible for the greatness of a picture as perceived by the viewer."

The flag raising at Iwo has become one of the events in the history of our Republic that is instantly recognized. As we near the bi-centennial of our Nation, I am reminded of the painting of George Washington crossing the Delaware and its symbolic portrayal of the actions of brave men in establishing our Nation. As it depicts the determination at the birth of our country, the Iwo flag raising depicts to posterity the symbol of the same Nation some 170 years later, its brave men again triumphant in a war that meant survival to our still relatively young Nation.

Yes, to me this symbolic picture serves to remind that our country has been built and *maintained* by the deeds of our past heroes. In this respect the great State of Pennsylvania has had and has many. Take for example your own Lieutenant Colonel Murtha, United States Marine Corps Reserve, who volunteered—no, insisted that he be allowed to fight in South Vietnam with a Combat regiment for a year—even though it meant leaving his business of 18 years. And as another example, the 344th Medal of Honor Winner accredited to Pennsylvania.

On this Memorial Day weekend, we here today, by our respect to the memory of the deeds of Sergeant Michael Strank honor all of our country's heroes that have fallen and by paying homage to Sergeant Strank's mother—Mrs. Martha Strank—so honor the families of those heroes past.

LOOKING AT PEORIA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. MICHEL. Mr. Speaker, the old cliche, "How will it play in Peoria?" has been getting quite a workout these days, and I am sure many of the non-Peorians who have seen and read some of the various "special reports" on our city that have been presented recently, have wanted to ask, "Will the real Peoria please stand up?"

The Peoria Journal Star has some thoughts on this that ought to interest anyone who has wondered "how will it play . . . ?" What they boil down to is, as the Journal-Star says, that Peoria—

Is a vigorous town, more than any other single thing in all our diversity. Someday, somebody will capture that, and perhaps get a glimmer along the way that this effects how we think. It involves results, not just the transcendant beauty of the idea itself suspended in space all by itself.

LOOKING AT PEORIA

Visitors from other media across the nation have put in about 75 man-days so far in the past year trying to come up with some kind of report on "How it plays in Peoria?" and some sort of basic idea of what is the particular character or personality of our part of the world.

David Frost of British television tried a kind of "town meeting" set-up with Frost stimulating a dialogue from an assembly of about 100 people in a TV studio.

CBS hit the high spots and ended up with its original idea—that Peoria is a rock-ribbed Republican stronghold, regardless of the evidence of mixed results in past elections.

The Associated Press did a cross-section kind of thing, as did the Christian Science Monitor. The Atlanta Constitution took a very quick look and not a very penetrating one.

The Philadelphia Inquirer produced an impressive report in which Jim Mann learned a great deal about this town in a very short time, and something of its real diversity.

ABC's Ron Miller and crew spent some time here Memorial Day week, and they presented a crisp report of what they found with pictures that actually looked like Peoria even to Peorians. When one considers how many hours of work must be compressed into a couple of minutes, they did an amazing job of picking things that were fair and representative.

Both ABC and the Associated Press refused to make a cliche pitch, in favor of a glimpse of reality. As the AP put it, "Peoria has much to be proud of."

Nor are we finished with this activity. The Japanese Broadcasting corporation team is due in town next.

As all this activity makes us think on the subject, we would suggest that somebody, sometime, talk to people who are not Peorians but who know this part of the state.

For example, the opinion of Warren Butler of Washington, D.C. would be worth checking. He has been involved with hundreds of cities—including Peoria—from his executive position in community development with the U.S. department of housing and urban development.

He has had experience with Peoria in action, and his comments here were probably the best measure we've had in period.

He said flatly that the Peoria plan is getting full support and funds from Uncle Sam because "it will work!"

On "How will it play in Peoria?" he said: "Watching your mayor, your stage manager, your directors, you've got a long run ahead."

What he was interested in was Action, and he saw it here where it has been harder to see in too many places.

I suspect that in a comparative basis, this down-to-earth orientation to action is what is more characteristic of Central Illinois, comparatively, than many places. We are still bigger on "doing" than on theory.

We think that way, by and large. It is reflected in our leisure as well as the humming factories and farms.

There would have to be more than 500 golf courses in the city of Chicago to have anything resembling the per capita availability of that action recreation that exists in the tri-county area.

Bowling alleys have a similar density here greater than the norm. Almost one tenth of the whole population are hunters and fishers.

The kind of pay-your-money-and-sit-in-your-chair entertainment for transients that marks the Big Town is scarce here. We have been ridiculed for it.

But what visitors do not stay around long enough to realize is that we have a lesser spectator industry but a much greater participating recreation activity.

If I were doing a TV short on Peoria, I would have a fast pan from a gyrating chorus line of a Caterpillar musical show to fast moving violin bows in the symphony orchestra and then: Caterpillar machines building something with power and force; a sweep of busy multiple bowling lanes; boats on the river; duck hunters; construction workers hard at it; etc. And I'd get the same guy at work and at play, again and again. Action, action, action!

This is a vigorous town, more than any other single thing in all our diversity.

Someday, somebody will capture that, and perhaps get a glimmer along the way that this effects how we think.

It involves results, not just the transcendant beauty of the idea itself suspended in space all by itself!

C. L. DANCEY.

THE 30TH ANNIVERSARY OF CONGRESSMAN JOHN ROONEY

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. SLACK. Mr. Speaker, on Thursday, June 6, we marked the 30th anniversary of the first election of Congressman JOHN ROONEY of New York to the House of Representatives. It has been my privilege to serve as a member of his Appropriations Subcommittee for some 14 years, where I could observe at close range his unsurpassed legislative ability.

It is my conviction and belief that no person in this Government had a greater command of the matters within the jurisdiction of his subcommittee than Chairman ROONEY. I will say more on this subject at a more appropriate time in the near future when the State, Justice, Commerce, Judiciary appropriations bill for fiscal year 1975 is brought before the House for consideration.

FATHER PAUL BARTLEWSKI

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mrs. GRASSO. Mr. Speaker, on June 16, Father Paul Bartlewski, a dear friend and a loving man of God, will celebrate his golden anniversary in the priesthood. This is an auspicious occasion, a splendid milestone in the long and distinguished career of a holy and dedicated individual.

Father Paul—as he is affectionately called by a host of friends—has long served as a boundless source of inspiration for all those whose lives he has touched. His deep love of God and commitment to his fellowman are evident daily in diligent efforts to make life a beautiful experience for all.

Father Paul sang his first Mass in Fribourg, Switzerland in the summer of 1924. Since that time the comforting and colorful melody of his life has been heard and appreciated by thousands of people throughout our State. He has provided counsel, advice and direction to many. Through his enthusiasm and active drive for what is right, he has shown the way for countless people—young and old alike, of every faith and creed.

After serving as a curate at churches in Willimantic and Meriden, Father came to what must be referred to as his working home on Earth—St. Adalbert parish in Enfield, Conn. He became pastor of St. Adalbert's in 1934—in the midst of the great depression—and he retired several years ago after officially shepherding his flock for 38 years. Retirement is in fact a misnomer, for he has been busy with civic assignments and hours of counseling to the troubled and the sad.

Upon arriving at St. Adalbert's, Father Paul set to work to revitalize the parish. Together with the parishioners, he labored diligently to bring the church out of heavy debt by organizing fund raising banquets and parties and keeping a sharp banker's eye on the parish purse. One such fund raising affair—a special banquet at Thanksgiving time—is now an annual event.

Father Paul's efforts over the years in organizing church groups such as the Holy Name Society and the CYO reflect his firm belief that a parish needs to develop a sense of community—of sharing common goals and experiences. Indeed, to Father Paul, the people of St. Adalbert's were not merely his charges, but were like members of his family. For many years Father has made it his duty to visit each and every family in the parish every year. He has also performed countless acts of love and mercy in caring for the spiritual and physical needs of the sick.

Certainly one of Father Paul's special concerns grows out of his deep love for children. Living by the motto "there is never a bad boy," he refuses to ever turn away a child in need, and for many he actually becomes a second father.

His concern that children be properly educated is reflected in tireless efforts which led to the construction of St. Adalbert's school and of the convent for nuns teaching there. These important additions to parish life have had a far-reaching effect on his parish and its people.

Father Paul is perhaps best known to those outside his parish for his hard work in the Polish community in Connecticut. His affection for the cherished traditions and culture of his Polish heritage is evident. He is loved and respected in Polish circles in our State, and has long been a source of great encouragement and fellowship for his fellow citizens of Polish descent who are proud to call him brother.

Father Paul's service to the community includes praiseworthy work on the State Commission on Human Rights and Opportunities, an important force in our State ensuring equality of opportunity for all. He has performed admirably as chaplain of the Veterans Council and the Health Planning Commission in Enfield.

Clearly Father Paul's long and diligent efforts in the vineyards of the Lord have earned him the respect and admiration of all. A true servant of God, an active participant in the activities of his community and his church, Father truly understands what Christ meant when he told his apostles to "teach ye all nations."

This Sunday Father Paul will be honored at a concelebrated Mass presided at by the Most Reverend John F. Whealon, Archbishop of Hartford. I would like to add my prayers and praise to the Archbishop's holy chant, and to wish Father Paul continued fulfillment, joy, and happiness in fulfilling God's mission.

LABOR STUDIES PROGRAM

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. LONG of Maryland. Mr. Speaker, Dundalk Community College under the leadership of the Reverend Everett G. Miller, Sr., has begun a labor studies program to focus on the rights of the workingman.

One of the products of this study is a simple statement of the rights of workers under the Occupational Health and Safety Act. This statement, being provided to interested workers, is one more way in which the labor studies program and the college continue their very active involvement in community life and concerns.

The statement follows:

YOUR BILL OF RIGHTS UNDER JOB SAFETY ACT

The Occupational Safety and Health Act of 1970, which covers an estimated 35 million wage earners, spells out at least 16 "rights" for American workers.

These "rights" are:

1. The right to have dangerous substances identified by labelling or posting in the workplace.
2. The right to have safety and health inspections made on the job.
3. The right to accompany inspectors when they inspect your job.
4. The right to have copies of inspection reports and complaints.
5. The right to have records made and kept of your exposure to dangerous substances.
6. The right of access to records of your exposure to dangerous substances.
7. The right to have HEW monitor dangerous substances on your job.
8. The right to have violations found by HEW inspectors posted in the plant.
9. The right to have public transcripts made of advisory committee meetings.
10. The right to have extremely accurate records made of injuries and job-related diseases.
11. The right to have the HEW secretary set exposure levels for dangerous substances so that no worker suffers impaired health or diminished life expectancy.
12. The right to see published an annual list of toxic substances with safe exposure criteria.
13. The right to see published annually studies of the long-term effect of low-level exposures to industrial materials.
14. The right to be protected in all rights under this law.
15. The right to sue the federal government for an imminent danger cause.
16. The right to know the health and safety gap each year.

ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. KOCH. Mr. Speaker, I would like to append for the information of our colleagues material from the American Civil Liberties Union entitled "A Report on the Costs and Benefits of Electronic Surveillance—1972" by Herman Schwartz, professor of law, State University of New York at Buffalo.

The material follows:

THE COSTS AND BENEFITS OF ELECTRONIC SURVEILLANCE—1972

INTRODUCTION [1]

The Electronic Eavesdropping Act has now been in operation some four and a half years. Hundreds of wiretaps and bugs have been installed, numerous court cases have been decided, millions of dollars have been spent, but the controversy over the value and dangers of electronic surveillance continues. In 1968 Richard M. Nixon promised to reverse Ramsey Clark's policies and use wiretapping to reduce crime—what kind of crime, and how that would be done, was not made clear. Four years, much money, and many crimes later, electronic surveillance is still being touted by its supporters as, in Frank Hogan's phrase, "the single most valuable weapon in the fight against organized crime." Wiretapping is given credit for major convictions in the drug area; Brooklyn District Attorney Eugene Gold promises to break the back of organized crime with his million and a half feet on a Canarsie junk yard trailer. Nevertheless, grave reservations about electronic eavesdropping continue.

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[1] This study was made possible by a grant from the Playboy Foundation. I should like to thank Marc Chodsow, who assisted in the statistical compilation and analysis.

One of the more useful features of the rather pourous statute pushed through in the wake of Robert Kennedy's death in 1968 by Senator John L. McClellan and his friends, is a requirement that prosecutors and judges involved in authorizing court-order wiretapping and bugging make annual reports on this surveillance which would set forth the type of surveillance (telephone tap or microphone bug), where and how long it was in operation, the crimes it was installed for, the number of people and conversations overheard, how much it cost and the results. These reports are published every May by the Administrative Office of the United States Courts. Four of these reports have been issued so far.

In the Spring of 1971, Senator McClellan announced he would hold hearings on the reports and what they showed. These have not yet been held or even scheduled; as of this writing (February 1973); one can only guess at the reasons.

The reports have nevertheless, been available, and though it is still too early to fully assess the results, certain conclusions have become clear. Some of these were published in December 1971 in report prepared by this writer for the American Civil Liberties Union on the 1968–1970 statistics. The 1971 figures became available in 1972 and it seems worthwhile to update that report, and also to add some statistical and other information that has come to light since December 1971. Again, it may still be too early for definitive conclusions—the 1972 figures available in May 1973 will be particularly useful since they will probably contain fairly complete results on the heavy federal tapping and bugging in 1970. But, as noted, certain conclusions are beginning to take shape.

The 1971 ACLU report opened with a disclaimer about the incompleteness of the reported figures, which omitted the so-called national security eavesdropping and the consent variety. Neither of these requires a court order, and thus neither is reported to the Administrative Office. It was therefore necessary to make an educated guess at the former, with no information at all as to the latter.

Those disclaimers are still in order, particularly as to the amount of electronic surveillance involving agents wired for sound. As to these, all we have are informed guesses that this is very widely practiced on both the federal and state levels.

Thanks to data obtained and published by Senator Edward F. Kennedy, we now know something about the national security surveillance, however, and some of that will be discussed here. In addition, there have been some crucial legal developments in this area and they will also be reviewed.

This paper will consist of the following: (1) an introductory section containing a summary of the various findings, as well as certain methodological caveats and qualifications; (2) a discussion of national security surveillance; (3) a summary of the statistical data on court-authorized electronic surveillance that is contained in the annual reports from 1968–1971, broken down into:

(a) the scope and variety of electronic surveillance, *e.g.*, number of installations, people and conversations overheard, length of time of overhearing, and types of offenses involved;

(b) the costs of such surveillance, both totally and broken down by offenses;

(c) the results so far in terms of convictions, arrests and incriminating conversations.

Throughout, information gleaned from the many court decisions already handed down, will be referred to where relevant; relevant information used in the 1971 report will also be worked in.

I. SUMMARY AND METHODOLOGY

A. Summary

1. Amount of Surveillance

a. Court-Ordered: There is a vast amount of electronic surveillance of the American people, on both the federal and state levels. A great deal of this is performed in the name of national security, and is completely uncontrolled. Much of this surveillance lasts for very long periods of time; on the state level, it is concentrated in just two states.

The bulk of this wiretapping and bugging is now used for gambling offenses, despite the original claims that it was necessary primarily for serious crimes like homicide, kidnapping and espionage: in three years, there has been only one federal device installed for kidnapping and none for either homicide or espionage; gambling installations accounted for about 90% of all the federal installations in 1971.

The figures are as follows:

TOTALS—COMBINED FEDERAL AND STATE

	Orders	Installations	People	Conversations
1968 (6 mo)	174	167	4,250	62,291
1969	302	290	14,656	186,229
1970	597	590	25,812	373,763
1971	816	792	32,509	496,629
Total	1,889	1,839	77,227	1,118,912

Federal

In 1969–71, federal officials overheard 29,513 people in 442,157 conversations over 491 installations, as follows:

	Orders	Installations	People	Conversations
1969	33	30	4,256	41,929
1970	183	180	10,158	143,508
1971	285	281	15,099	256,720
Total	501	491	29,513	442,157

State

In 1968–71, state officials overheard 47,714 people in 676,755 conversations over 1,348 installations. The overwhelming bulk of this was in New York and New Jersey, with the major share in New York. To some extent, this is an estimate, but only to a very minor extent.

	Orders	Installations	People	Conversations
1968	174	167	4,250	62,291
1969	269	260	10,400	144,300
1970	414	410	15,654	230,255
1971	531	511	17,410	239,909
Total	1,388	1,348	47,714	676,755

Comments

1. These figures differ somewhat from the ACLU 1971 Report because they are based on calculations derived from the reports of the individual installations and authorizations, rather than from the overall averages and summaries as in the 1971 Report.

2. Although the federal average was some 13.5 days per installation, a very high percentage of the New York installations lasted for many, many months.

3. Although the states, (which means largely New York and to a lesser extent, New Jersey) originally used the technique largely for drugs and non-gambling offenses, by 1971, the states had shifted to overwhelming concentration on gambling. Despite the pleas of need for serious offenses, the federal usage concentrated on gambling right from the start, and indeed increased that concentration at the expenses of drugs and others. The breakdowns are as follows:

FEDERAL INSTALLATIONS

	Gambling	Drugs	Homicide[1]	Kidnaping	Other
1969	20	4	0	1	5
1970	120	39	0	0	21
1971	248	21	0	0	12
Total	388	64	0	1	38
STATE INSTALLATIONS					
1968	18	68	20	1	60
1969	78	80	19	1	82
1970	204	84	20	0	95
1971	304	104	18	1	84
Total	604	336	77	3	321

[1] Includes attempts, threats, solicitations and conspiracy to commit homicide (including manslaughter) as well a a few occasional instances of consummated murder.

4. During the four year period, only 2 applications were denied, (In 1969); there is also some independent evidence of judge-shopping. For this and other reasons, there is reason to doubt that the court-ordered system is imposing meaningful controls, particularly on the state level.

b. National Security: Figures released by Senator Edward F. Kennedy indicate that at least the following number of national security wiretaps and bugs were installed:

6-12/68: 56 (50 taps and 6 bugs).
1969: 94 (81 taps and 13 bugs).
1970: 113 (97 taps and 16 bugs).

1. On the basis of classified information provided the Senator, his staff has calculated that the average national security installations lasted from 78.3–209.7 days, or about 6 to 15 times the court-ordered variety of 13.5. During 1969–71, the latter caught an average of 56 people and 900 conversations per installation lasting an average of 13.5 days. If the court-ordered averages are roughly comparable to the national-security type—and there is no reason to think otherwise—then the 100 national security surveillances annually may well have been intercepted: from 31,000 to 84,000 people per year; from 546,000 to 1,350,000 conversations per year.

2. Electronic surveillance for domestic security purposes allegedly accounted for very little of the national security total since the Department of Justice claims it found it necessary to shut off less than 10 devices as a result of the Supreme Court's decision banning such electronic surveillance without a warrant. Thus, this vast amount of surveillance is likely to continue.

3. This known surveillance may not be all there is, since it does not include electronic surveillance by the Army (which was revealed last summer) or possible surveillance by the CIA and other agencies, or interception of teletype messages.

4. According to Ramsey Clark, such surveillance rarely produces anything of value. He has testified that if all were shut off, "the impact on our national security . . . would be absolutely zero."

2. Costs

a. Court-Ordered Surveillance: The State figures are approximations, but are fairly close since the state cost reporting approached but was not equal to 100%.

TOTAL COSTS

	Federal	State	Total
1968		$200,000	$200,000
1969	440,287	470,000	910,287
1970	2,116,266	938,000	3,054,226
1971	2,114,216	1,502,340	3,616,556
Total	4,670,769	3,110,340	7,781,069

b. National Security: Using the same 6–15:1 time ratio of national security: court ordered surveillance as earlier, and on the premise that most of the costs are manpower costs which vary with time, one can roughly estimate the costs of an average national security installation as about 6–15 times the $9,500 of the 1969–71 federal installations, or about $47,000–$142,500 per national security installation.

Since there have been about 100 national security installations each year, a rough estimate of the annual costs of national security surveillance is from $5.7 million to $14.3 million annually.

c. Comments:

1. These figures do not include the very substantial amount of judges' and lawyers' time necessary to prepare the court-ordered applications, and the lawyers' and FBI time for the national security authorizations by the Attorney General.

2. (a) There are inexplicable differences among the different types of offenses for which federal surveillance is used, particularly between drugs on the one hand, and gambling and the other offenses on the other. Moreover, there are startling fluctuations in costs from one year to the next for, *e.g.*, the drug surveillance: from $61,825 per installation in 1969, to $26,035 in 1970 and $12,772 in 1971. The gambling average remains relatively stable and relatively low, whereas the "Other" category drops steadily from $9,212 in 1969 to $5,794 in 1971.

(b) The state figures vary and fluctuate so greatly, that no pattern is even discernible. Thus, the gambling average rises slightly, but drugs, and Other rises very steeply, while Homicide jumps up and down and kidnaping falls sharply. These fluctuations are so inexplicable that the only conclusion is that the reports are unreliable.

3. Results

Because it takes close to two years for cases to be disposed of, at least on the federal level, the figures for convictions are still incomplete, except perhaps for 1969 convictions and the 1969–70 arrests; the incriminatory conversations are likely to be fairly complete. So far, the results seem to be as follows:

a. State:

PERSONS CONVICTED, BY OFFENSE

	Gambling	Drugs	Homicide[1]	Kidnaping	Other	Total
1968					[2] 16	[2] 16
1969	33	32	3	0	99	167
1970	212	65	1		55	333
1971	117	55	8		30	210
Total	362	152	12	0	200	726

[1] Includes all types of homicide-related offenses, including attempts, threats, solicitation, conspiracy, manslaughter, etc.

May be the result of incomplete reporting.

So far, only 194 out of the 1,348 installations have been directly associated with convictions; a small additional percentage may have been related thereto. For 1969, the year where most results are probably in, 55 out of 260 installations were associated with a conviction. As noted below, it is uncertain when and whether "associated with" involves a causal connection.

PERSONS ARRESTED, BY OFFENSE

	Gambling	Drugs	Homiocide	Kidnaping	Other	Total
1968	69	97	6	7	83	262
1969	302	86	41	2	218	645
1970	930	228	19		152	1,329
1971	1,380	346	27		211	1,964
Total	1,681	757	93	9	664	4,200

These arrests are probably fairly complete for 1968–1970.

Incriminating Conversations, Based On Prosecutors Reports:

In 1968, 22% were incriminating.
In 1969, 28% were incriminating.
In 1970, 30% were incriminating.
In 1971, 53% were incriminating.

b. Federal:

PERSONS CONVICTED, BY OFFENSE

	Gambling	Drugs	Kidnaping	Other	Total
1969	101	24	0	2	127
1970	123	99		10	232
1971	76	21		18	115
Total	300	144	0	30	474

In 1969, 12 of the 30 installations were associated with a conviction; 9/20 of the gambling installations, 2/4 Drug, and 1 out of 5 Others.

The only year for which figures seem relatively complete is 1969. The overall reported cost for this surveillance—omitting the unreported lawyers' and judges' time costs—was $440,287 or about $3,500 per person convicted, and $37,000 for each of the 12 installations with which convictions were associated.

PERSONS ARRESTED, BY OFFENSE

	Gambling	Drugs	Kidnaping	Other	Total
1969	217	57		80	354
1970	730	280		26	1,036
1971	676	116		25	817
Total	1,623	453	0	131	2,207

For 1969 and 1970, the figures are probably close to complete. During this period, 92 out of 140 gambling installations were associated with an arrest, 26 out of 43 drug installations, 0 out of 1 kidnap installation, and 13 out of 26 other, for a total of 131 out of 210 total.

Incriminating Conversations

The overall federal figures as reported are quite high: 82% in 1969, 70% in 1970 and 71% in 1971. But the non-drug and non-gambling installations produce very few incriminating conversations.

c. Comments:

1. There is good reason to conclude that the electronic surveillance was not necessary to at least some of the convictions obtained; indeed, in some cases, courts and prosecutors found or admitted as much.

2. The arrest figures are of little significance to this issue. Not only are arrests subject to manipulation, of which there is some evidence, but wiretaps and bugs may not be installed unless there already is probable cause to arrest at least someone, and the reported court cases confirm this.

3. Much of the federal wiretapping and bugging is on small-time gamblers; Justice Department figures and reported cases so indicate. Despite claims of high value and effectiveness for organized crime, law enforcement authorities have sharply reduced their usage for every offense but gambling since 1968.

4. At least in one case a court has found that the federal government's reports of "incriminating" conversations was overstated many times. In any event (1) the definition and application of "incriminatory" is highly subjective, rarely testable, and often self-serving; (2) also, there is a good deal of evidence that very little effort to minimize non-"incriminatory" interceptions is made on the state level, and not too much more on the federal level.

5. Few of the major industrial states, which could be expected to "need" this authority, have adopted it. Indeed, most state (and much federal) wiretapping is in New York, and New Jersey. California, Illinois, Pennsylvania, Ohio and other states with major crime problems have not even bothered to give their police this authority; many states which have created such authority don't bother using it.

6. There is no indication that the heavy law-enforcement effort has substantially reduced the drug or gambling problems, or that it ever can. Causality is particularly difficult to trace for the increase in electronic surveillance has been accompanied by a very heavy increase in men and money for all other law enforcement operations.

B. Some Methodological Notes

The figures for court-authorized surveillance that are analyzed in this study are drawn from the Annual Reports issued by the Administrative Office of the United States Courts for the years 1968–71. These Reports contain data relating only to court-authorized surveillance; so-called national security and one-party consent surveillance are not done pursuant to court orders and therefore are not included in the Annual Reports. Whatever information we have as to the national security surveillance and consent eavesdropping is from other sources.

The figures in the Annual Reports on judicially authorized surveillance are broken down into three sections:

(1) Summary tables, which contain both summary figures and averages; for some reason, totals for certain categories such as total persons or conversations overheard, are not published, perhaps because the averages are based on less than the total number involved since in several instances, the prosecutor or court omitted the relevant information. The Tables are identified by numbers.

(2) An Appendix containing individual date for each installation, relating to identity of judge and prosecutor, type of offense, type and place of surveillance, length of surveillance, number of persons and conversations overheard, costs and results; these appear in the Appendix in Tables A (judge reports) and B (prosecutor reports).

(3) Follow-ups on surveillance of prior years, set out both in summary form and individually (Table C) in the Appendix.

The 1971 ACLU report depended largely on the summary tables for its overall figures. The averages were multiplied by the total number of installations to obtain totals for persons and conversations overheard, and overall costs. For this report, an effort was made to work directly from the *individual* application reports in Tables A and B (and C where follow-ups were concerned) in the Appendix rather than from the summary figures in the numbered Tables at the beginning of the reports. In a few cases, there were startling and inexplicable differences between the averages and other figures in the Administrative Office Report (hereafter referred to as "Admin. Off. Rep."), and the results from analyzing the individual installation reports in the Appendix. These discrepancies will be noted and discussed where relevant.

It should be noted that because the reporting authorities often omitted to send in important information as to persons or conversations overheard, or costs, the total figures given here are often estimates, obtained by multiplying the average for those installations that were submitted, by the total number of installations. Since full data were in fact provided for almost all federal and most state installations, the estimate seems reliable.

Certain other methodological caveats may be worth noting at this time, though they will be specifically noted where they come up. The specific offense classifications are geared to the classifications made by the Administrative Office; where there were doubts because more than one offense was indicated for an installation (as was often true for New York City authorizations) the exact classification was obtained from the Administrative Office which used a system whereby a multiple-offense authorization was classified according to the Office's judgment as to the most serious offense among those listed.

Finally, the offenses are divided into five groups: Gambling, Drugs, Homicide, Kidnapping, Other. The first two are chosen because they are the offenses for which electronic surveillance is most frequently used; Homicide and Kidnapping are the offenses for the solution of which such surveillance is most frequently said to be necessary; all the other offenses can be conveniently lumped together. "Homicide" includes every type of homicide-related offense, such as solicitation to commit homicide, attempt, conspiracy, threat and manslaughter as well as actual murders, of which there are very few instances in the Reports.

COLORADO RIVER BASIN SALINITY CONTROL ACT

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. OWENS. Mr. Speaker, the Colorado River Basin Salinity Control Act is necessary to accelerate the program of salinity control in this basin.

The salinity and mineral content of the Colorado River has been on the rise during the last decade. Unless control measures are instituted now, the increase in salinity will become even worse in future years. Increased salinity levels have an adverse economic effect on agricultural, municipal, and commercial sectors, both in the United States and in Mexico. High salinity levels reduce the useful lifetime of water distribution facilities and increase water treatment costs. Farmers using high salinity water for irrigation are faced with lower crop yields, crop damage, and higher fertilizer costs.

This legislation will authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water used both in the United States and Mexico.

Salinity control projects are planned for areas downstream from the Imperial Dam, which are of benefit only to Mexico and will permit the United States to meet its obligations under a 1973 water quality agreement with that nation. Projects planned for areas upstream from Imperial Dam will benefit both the United States and Mexico.

Included in the latter group is the Crystal Geyser salinity control project on the Green River in Utah. Crystal Geyser is an abandoned oil test well. Saline water erupts from the well approximately every 5 hours and contributes 3,000 tons of salt to the Colorado River every year. The control plan involves a dike and pipelines which would prevent the entire 3,000 tons from entering the river. The estimated cost will be $500,000.

Future salinity control projects in Utah are envisioned for Ashley Creek, Uintah Basin, Price River, San Rafael River, Dirty Devil River, and LaVerkin Springs. However, these projects would have to be authorized by subsequent legislation.

Almost half of the State of Utah lies in the Colorado River drainage area. The waters of that great river and its tributaries have a profound impact on the economic well-being of Utah and the rest of the basin States. Enactment of this foresighted legislation will enable those who use the Colorado's waters to continue to reap the benefits of that use without destroying the river's potential in the process.

SOCIAL SECURITY QUESTIONS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. FRASER. Mr. Speaker, according to a recent series in the Washington Star-News, there is a "time bomb" facing social security.

Beginning in 2010—less than 40 years from now—the babies born in the post World War II boom will reach retirement age. All of a sudden, the number of people living on pensions will have gone from 29 million to 45 million—an increase of 55 percent.

The grim predictions of the system's critics may reflect elements of exaggeration and overextended trend lines, but they do represent increasing concern about social security and its role in American society.

An editorial in the Washington Star-News, June 9, 1974, indicates that a report by the trustees of the social security system "points up the need for basic decisions affecting the long-term future of the program." The editorial follows:

[From the Washington Star-News, June 9, 1974]

SOCIAL SECURITY QUESTIONS

This year's report to Congress by trustees of the Social Security system points up the need for basic decisions affecting the long-term future of the program. Included is the most fundamental of all questions: the overall purpose of the massive payroll taxes levied on working people and employers, channeled into benefits for the aged and disabled.

It is hard to believe that, almost 40 years after its birth in the desperation of the nation's struggle with depression, the goal of Social Security is not clearly defined. But this is truer now than it was in 1935, as expansions of coverage and related tax increases have come with dizzying rapidity, and as public reliance on the system has grown. There are warning signs that the habit of revising the program in piecemeal fashion, with more of an eye on election-year goodies than on actuarial realities and without any firm philosophy of what Social Security should do and how, must give way to some hard-headed, long-term planning.

Such planning has to take account of the growing criticism of the flat payroll-tax financing of the Social Security funds, now at a rate of 5.85 percent of wages up to $13,200 for both worker or employer, or a maximum of $772.20 for each. Even considering inflation, that is a far cry from the 1-percent rate and $30 maximum with which the program started, and many taxpayers are unhappy about paying a Social Security levy exceeding their federal income-tax bite. There are cries to scrap the "regressive" flat rate and finance benefits from general revenues raised in a more progressive way, which would be a regrettable step blurring the distinction between Social Security and welfare. But thought must be given to the ultimate limit of public tolerance for the payroll deduction, especially among younger workers facing many years of such payments before retirement.

Another complication, stressed by Social Security officials and detailed in a recent series of Star-News articles, is the projected decline of the proportion of active workers to retired persons. The change will be spectacular early in the next century when the post-war bumper crop of babies reaches retirement age, their benefits to be provided by a work force slimmed with the nation's approach to zero population growth. If the numerous senior citizens use their political power to overburden their taxpaying juniors, it could produce some unfortunate social stresses.

To complicate the planning for Social Security in coming decades, it must be dovetailed with other developing government programs—on private-pension reform, national health insurance, welfare. From all this effort on social legislation there might emerge a consensus on the extent to which government can and should protect every last American from the rigors of poverty, a task for which the present level of Social Security payments is plainly inadequate.

There is no doubt about the permanence of Social Security, which for millions of Americans is the one source of income they can count on in old age or in the event of disability. The unplanned evolution of the program has been, in the main, more beneficial than could have been hoped. It now needs a steady guiding hand, which must be provided by Congress, to navigate the difficult course ahead.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. HOSMER. Mr. Speaker, both surface coal mining regulation bills, H.R. 11500 and H.R. 12898, will effectively mandate the reclamation of mined land.

But only one of these bills, H.R. 12898, will also permit the needed amount of coal to be dug to satisfy the Nation's energy requirements.

The other bill, the notorious H.R. 11500, which people say makes about as much sense as trying to grow bananas on

Pike's Peak, is so environmentally one sided that it would seriously abet the energy deficit.

RESOLUTION ON NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. BIAGGI. Mr. Speaker, the tragic conditions which continue to prevail in Northern Ireland continue to represent one of this world's greatest living tragedies. Of particular significance has been the ruthless deprivation of basic rights for the citizens of Northern Ireland by the British nation.

A stark example came last week when a young man, imprisoned by the British, died after conducting a hunger strike to protest his inhumane treatment at the hands of his British captors. This tragic event threatens to bring about renewed violence in Northern Ireland.

As we view these tragic events, let us, as the great advocate of the rights of oppressed peoples, begin to champion the effort to have basic civil rights restored to the people of Northern Ireland. Recently, the New York City Council unanimously passed a resolution calling upon the United Nations to:

First. Request the Government of Great Britain to cease and desist its barbaric practice of force feeding Irish political prisoners.

Second. Of keeping them confined in institutions far removed from their homes, contrary to recognized practices and rules of civilized society.

Third. To restore civil rights to its minorities in northeast Ireland and particularly the writ of habeas corpus.

Fourth. To restore the right of its minority to be openly confronted by their accusers.

Fifth. To restore trial by jury.

Sixth. To inquire into the prison conditions in England and Northern Ireland and particularly the women's prisons in both countries.

Seventh. To require the Government of Great Britain to immediately release all political internees and prisoners whether in Northern Ireland or Great Britain.

I commend the city council for the adoption of this important resolution. I feel it is time that we in the Congress acted upon an equally important resolution which I introduced in January of 1973, House Resolution 161, which states:

> Resolved: That it is the sense of the House of Representatives of the United States of America that: "The Irish people ought to be permitted to exercise the right of national self-determination thus returning the disputed six countries to the Irish Republic, unless a clear majority of all the people of Ireland, in a free and open plebiscite, determine to the contrary."

Mr. Speaker, if peace is ever to become more than an elusive dream for the people of Northern Ireland, it is our responsibility to help initiate a meaningful effort to achieve it. I urge my colleagues to listen to the pleas of the innocent men, women, and children, who have seen their families and loved ones die, and who fear for their own lives as well. Their voices are loud and clear and deserve our most serious attention.

FLAG DAY

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. GUDE. Mr. Speaker, a fine reminder of the importance of Flag Day and the great symbolism of the American flag appeared in the column of Charles C. Heaton in the Advertiser newspaper in Montgomery County June 5.

Each year, around Flag Day, I have sponsored a ceremony on Capitol Hill for area residents, as well as my colleagues and their staffs. This year's program will include a pageant produced by the Marine Barracks here. Flags of various periods will be carried by Marines in the uniforms of these flags' periods, accompanied by a narration and drum and bugle corps.

The program will be Thursday, June 27, at 8 p.m. in the Caucus Room.

Flag Day, of course, is June 14, and Independence Day comes soon, so I commend to you Mr. Heaton's column on our "red, white, and blue security blanket":

SOMETHING TO HANG ON TO

Watching the same motion picture over and over again gets monotonous; repeats on television manage to get monotonous; listening to the same old story can get monotonous and going over the same old philosophies could become monotonous, unless those philosophic words could be the basis for giving us something to hang on to.

One of the most important, yet seemingly least respected, days of the year comes around again on June 14 . . . that's Flag Day. Waiting impatiently for the arrival of July 4 and Labor Day and all the other days which mean a day off or a long week-end, is a happy traditional experience, but we should exhibit the same enthusiasm in a less selfish, more restrained manner when Flag Day rolls around.

At first glance, the flag is only a bright piece of cloth, yet men and women would die for it, immigrants cry at the sight of it, and millions revere it as the symbol of justice and freedom. To those who love life and the opportunity to carve their own destiny, it offers a representative form of government based on the dignity of the individual. The Washington Monument, the White House, the Jefferson and Lincoln Memorials are all recognizable in dedication to leaders of our country or as material witness to the existence of our nation's Capital and our governmental activities.

Nothing substitutes for the symbolism of our flag. If there's one thing which says "That's us . . . that's America . . . that's something to respect and to fight for," it's Old Glory . . . our Stars and Stripes. Personal, individual, political and national scandals may recur through our years of national growth, yet the strength, loyalty and determination of our people remains stoically inside each of us. What represents our own patriotism and fortitude more completely, more directly and more permanently than a unilateral, mass respect for one thing we can all hang on to together?

This country has been built on spirit and nothing is a more forceful reminder of that great American spirit than the flag under which so many have fought. On June 14, let's display the flag in our homes and at our business locations; just as importantly, let's all take a few moments out during the day and think about our country and ourselves in relation to it. Let's mentally recognize the importance of our symbolic flag of the United States and quietly review our Pledge of Allegiance.

When all the Watergates have been overcome and have been replaced by problems which might be much more pertinent, all of us must display a distinct alliance and maintain a unification which can be stabilized by using our Flag as something to hang on to. What's wrong with a red, white and blue security blanket covered with the stately stars of our country?

CANCER CENTERS DESERVE FULL SUPPORT IN FISCAL YEAR 1975 BUDGET

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. DULSKI. Mr. Speaker, over my years in Congress, I have come to appreciate fully the tremendous medical advances which are being made in research hospitals, particularly in seeking a cure for the scourge of cancer.

Since 1898, the search for a cancer cure has been conducted continuously and with considerable success at the Roswell Park Memorial Institute in my home city of Buffalo, N.Y. This is the world's oldest institution established to focus on cancer research.

Roswell Park's credentials are well known to all in the medical profession. It was one of the three centers initially designated as comprehensive by the National Cancer Institute.

Within the next 2 weeks, the Committee on Appropriations is scheduled to act on the fiscal 1975 budget for the Department of Health, Education, and Welfare. This includes funds for the National Cancer Institute and in particular for the establishment and operation of cancer treatment centers.

In recent testimony before the Subcommittee on Appropriations for Labor—Health, Education, and Welfare, chaired by our colleague from Pennsylvania (Mr. Flood), impressive background on these centers and the budget need was presented by Dr. Gerald P. Murphy, Institute Director of Roswell Park.

I include Dr. Murphy's testimony as part of my remarks:

STATEMENT BY DR. GERALD P. MURPHY

Mr. Chairman, I am Dr. Gerald P. Murphy, Institute Director at Roswell Park Memorial Institute at Buffalo, N.Y., one of the three centers initially designated as "comprehensive" by the National Cancer Institute. I am a member of the President's National Cancer Advisory Board as well as Chairman of the National Cancer Institute's Cancer Control Advisory Committee. Also, I am President-elect of the American Cancer Society of New York State.

In my testimony today, I wish to urge more fiscal support for cancer centers and to emphasize that the National Cancer Institute and responsible cancer physicians and scientists in the U.S.A. are in favor of the establishment of additional centers.

In 1971 when the National Cancer Act was passed, a number of exploratory, or planning, grants were awarded to institutions and regional groups to determine the advisability of the establishment of a cancer center. Many of them, such as in your own community, are evaluating their need for a cancer center.

These review and planning efforts themselves have already led to considerable benefit to the American public—for such assessments in many cases have critically defined both the needs for cancer patients as well as the methods and means of serving them and the public better.

If one considers the current distribution of the 12 cancer centers in the United States, one can realize that many Americans may be far from such centers. The population in states near existing, designated, comprehensive cancer centers is 86 million, or approximately 7.2 million persons on the average for each of the presently designated 12 centers.

MILLIONS WITHOUT ACCESS

However, taking 7.2 million persons as the average center's geographic service area, our deployment of these comprehensive units would still leave at least 117 million persons in some states with no such opportunity for referral or benefit from such a center. Even if we maintain the minimal coverage now found in some fortunate states, the remaining 39 may well have a need for at least 16 additional centers. This of course could mean that several sparsely populated states might be sharing one center in some sections of the country.

In fiscal 1975 there are estimates that $107 million will be spent on cancer centers. It has been announced that six new comprehensive centers will be designated before the end of fiscal 1974, that is, in another six weeks. We may still need another ten centers just to achieve the population ratio which has been established in other parts of the country in states where centers are now located.

This ratio, as mentioned, should not be considered ideal. For example, an additional ten centers, if funded at the current minimal average level of existing centers would cost about $80 million. Therefore, the $107 million presently budgeted for cancer centers covering all types, including comprehensive, community, and specialized centers would hardly accommodate such a burden.

Clearly there is a need for an $80 million addition, in my opinion. However, I am aware that the Citizens' Budget, in the interest of moderation in a rapidly growing cancer program, requests only an additional $15 million to make the total cancer research centers request for fiscal 1975 only $150 million.

MOTIVATIONS VERSUS RESULTS

Mr. Chairman, scientists are subject to the same motivations as most other humans and it would be natural for members of the Appropriations Committee to assume that part of our request for over $150 million for new cancer centers could be motivated by a desire to work in excellent conditions and in large, new expanding institutions.

However, I believe if we take a look at what is happening to patients treated at cancer centers that the $150 million does not appear to be an inflated request. For example, the so-called "End Results" data from National Cancer Institute epidemiological reviews for the years 1965 to 1969, show that only 12 to 16% of adult patients with acute leukemia were alive one year after diagnosis.

In the best cancer centers the rate is now running about 70% as a result of combined chemotherapy worked out particularly at cancer centers. To carry this further, in 1956, no children with acute lymphatic leukemia survived longer than 15 months. In a recent study from several cancer centers and cooperative groups studying nearly 2000 children with acute lymphatic leukemia under combined chemotherapy, it appears today that half the children will survive 5 years.

Of greater significance is the observation that 17% of such children have already survived *untreated,* 5 years after the completion of all their therapy. Not all such achievements can admittedly be attributed to superior treatment in cancer centers. However, in the years since 1969 results have improved generally, but not nearly to levels seen at some cancer centers.

I do not believe that anyone in the medical world doubts that many improvements take place first in the cancer centers and then spread out to the rest of the medical community.

CHEMOTHERAPY FOR SOLID TUMORS

The cancer center influence that has demonstrated that chemotherapy was most successful in acute lymphatic leukemia and advanced Hodgkin's disease must also be translated to common solid tumors that are the major cause of cancer mortality throughout the United States and the world.

Cancer centers are currently mapping overall strategies for integrating chemotherapy into combined modality approach for the primary treatment of solid tumors. These types of combined modalities of treatment for increasing the cure rates in solid tumors, can best take place initially at cancer centers.

Once a defined and well evaluated therapeutic strategy for solid tumors is worked out at cancer centers, it will then permit delivery to other components of the medical community. However, more money is needed for this effort.

The actual money now devoted by the National Cancer Institute to clinical trials of experimental therapy particularly for solid tumors is very small.

For instance, the entire expenditures in fiscal 1974 for clinical trial on head and neck tumors are $3,890,000; on stomach tumors $5,279,000; in the lung (one of the most devastating solid tumors) $16,594,000; the colon-rectal tumors $9,334,000; and for one of the areas where disease is rapidly increasing in incidence, pancreas tumors, only $1,866,000.

The total to be spent this year on clinical trials which does not consider drug development costs are currently about $15 million. This certainly should be doubled or increased.

Mr. Chairman, such work is not a line item in the National Cancer Institute budget. I strongly suggest that you make it possible for the Institute to double this figure.

Mr. Chairman, comprehensive cancer center core grants do not constitute by any means the bulk of the money needed by centers. In my written testimony is a table which shows that core grants to new comprehensive centers ran about $7.3 million this year. This is less than a million per newly designated center.

All the rest went into many other direct research grants or for contracts on projects that National Cancer Institute's programmed scientific work demanded. More funds are needed for these and other centers in my opinion.

Mr. Chairman, I am sure that this Committee is aware that some additional construction money for cancer centers is needed as well.

The first 12 comprehensive cancer centers were awarded construction grants averaging $4 million each. Of the 16 possible additional centers mentioned, if only 8 were designated in fiscal 1975 the construction awards, according to the old average, would be $35 million. Present budget construction estimates call for $22 million in cancer construction money.

I believe that is only enough for about one third of what is needed for new comprehensive centers and would leave nothing at all for the quite important "community" and "specialized" centers as well as specialized basic science facilities, many of which need updating, renovation, or laboratory space for new projects.

The Citizens' Budget requesting $77 million (Table I) would call for such cancer center projects to proceed which have been awaiting space, and would put, I believe, the best care closer to cancer patients and their families.

Mr. Chairman, implicit within the National Cancer Control Program is the urgent need to better educate the public and the medical profession.

KEEPING MEDICAL PERSONNEL INFORMED

The results of research and study in cancer prevention, detection, therapy, rehabilitation and continuing care must be communicated in an appropriate form to the physicians, nurses, and paramedical personnel who see and treat, at some point, some 90% of this country's cancer patients and as well to the lay public who must play an active role in preventing and detecting cancer.

Greater emphasis must be undertaken by Cancer Centers to reach the practicing physicians who undertake the primary care of the cancer patients. These physicians therefore should not only be informed of the most up-to-date and effective techniques in cancer prevention, detection and treatment, but they should also be motivated in turn to educating their patients in methods of prevention and detection.

The success of the cancer control program hinges on how well we outreach and as well coordinate our efforts with other established voluntary and federal health agencies. Cancer centers are in some present aspects in the best position to outreach by sending out teams to community hospitals and providing consultative service to office based physicians and by such centers establishing effective use of established media, i.e., press, radio, television, films, brochures.

At Roswell Park Memorial Institute, we are doing this but need to do it at a greater level. We and other centers need funds to expand and enhance our programs in these directions. Therefore, I support the Citizens' Budget of $50 million for cancer control activities. I regard this as a minimal level, however, in consideration of the awesome tasks for this newly mandated program.

My last point, Mr. Chairman, I feel is also important. Whereas cancer centers and the academic world at large are responsible for developing new knowledge and for training cancer specialists, we have seen funds, particularly for training, greatly curtailed. There are recognized shortages of certain cancer specialists on all levels.

The Citizens' Budget provides $26.5 million for education and training. This is a much more reasonable amount than $14.2 million currently estimated. We all realize that we need all types of cancer specialists to effectively implement the National Cancer Act.

Mr. Chairman, thank you for allowing me to express my views.

HELP JIMMY CARNEY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. WOLFF. Mr. Speaker, in Bayside, Queens, within my Sixth Congressional

District, there lives a young lad, Jimmy Carney, who is a victim of hemophilia, the dread blood ailment that causes the afflicted to bleed profusely even from the most minute scratch.

Jimmy, a normal boy in all other aspects, who attends school and enjoys many of the activities and pursuits of his peers has a good chance to outgrow the acuteness of his ailment. But, he needs time and he needs help now.

On Saturday, June 29, 1974, the community of Bayside will rally to help this unfortunate lad by conducting a drive for the blood so desperately needed to keep Jimmy alive. The Blood Bank, to be conducted by the American Red Cross, will be stationed at the Methodist Church, 38–20 Bell Boulevard, Bayside, from 10 a.m. to 3 p.m. in an effort to realize sufficient lifegiving blood.

Mr. Speaker, I ask you and my colleagues to join me in urging the participation of Bayside residents to once again assure the success of this blood drive. Jimmy will always be grateful for their generosity.

MORE THAN 60 MEMBERS COSPONSOR H.R. 14392

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, this morning a young woman from Greensboro, N.C., telephoned my Washington office. She was in tears.

A teacher, she had just received one of those tax-due notices which are becoming infamous in my State.

The Internal Revenue Service had, very abruptly and without warning, dunned her $418, which the IRS claims she owes in back taxes because the loan she obtained contained the forgiveness provision for repayment, and the IRS is now maintaining that such loans represent taxable income.

This young woman is to be married later this month, and so this retroactive tax-due notice represents a really severe financial setback to her.

She is not alone. In recent months, a large number of students and former students in North Carolina who are recipients of educational loans with the forgiveness provision have likewise been shocked to receive these notices.

My office has been advised today by Ms. Jan Proctor, administrator, educational loan program, North Carolina Department of Human Resources, that these assessments have ranged from $200 to $1,000 per year.

These tax-due notices were sent out following an IRS ruling that appeared, little-noticed, in the Federal Register in June of last year, and that ruling maintained that these particular educational loans amounted to taxable income. Among these are the national defense student loans, national direct student loans, the health professions loans, State teaching loans, State medical education loans and the law enforcement educational loans.

Apparently, young people in North Carolina are among the first to be hit with these tax-due notices. I am told that the IRS in my State is especially aggressive, and while this spirit is certainly commendable, I would suggest that, in this case, it is misdirected.

According to information my office has received, the IRS in North Carolina copied the records of the North Carolina Department of Human Resources, from which they obtained the names and addresses of loan recipients and thereby sent them the tax-due assessments.

Mr. Speaker, it is my view that these revenues were unanticipated by budget officials and constitute, in effect, a windfall profit to the Government.

The IRS ruling was arbitrary and unfair in that it hit persons with retroactive tax-due notices dating back 3 years, or as far as the statute of limitations will permit. Loans cancelled between 1954 and June 1973 were not considered taxable income and recipients were not required to pay taxes on them. The fact that a relatively large number of recipients were within the 3-year limit should not, in my opinion, make their loans any more taxable than the thousands before them which were not. I feel that the administering agencies should have time to learn that the loans they are contracting now are taxable and so be able to inform the applicants.

These persons are being or have been trained in health profesions and as teachers, and the forgiveness provision in their educational loans means that repayment may be forgiven through service in inner-city, rural and other areas experiencing a shortage of teachers and health professionals trained in critically needed specialties.

Among those affected are students and graduates in nursing, medicine, teaching, dentistry, pharmacy, medical technology, physical therapy, optometry, and other critical professions.

According to the information my office has received, neither the students nor the administering agencies had any idea that educational loans with the forgiveness provision were subject to being considered taxable income.

There may be some merit in treating all educational loans, regardless of the repayment provisions, as taxable income. However, that is an issue separate and apart from the one of permitting the IRS to surprise several hundred thousand persons with retroactive tax-due notices.

What is at issue is the retroactivity and on April 25, I introduced a bill, H.R. 14392, which, if enacted, will eliminate the necessity of paying these retroactive taxes and will enable those who have already paid their taxes to file for a refund.

My bill was referred to the House Committee on Ways and Means, and my distinguished colleague, the Honorable Wilbur Mills, chairman of that committee, has advised me that his staff has already requested departmental reports on this bill.

In addition, members of my staff and I in the past several weeks have continued our efforts to enlist additional support for this legislation.

Today, I am pleased to reintroduce H.R. 14392 with more than 60 cosponsors, and to these colleagues, I would like to express my thanks and the thanks of those persons adversely affected by these tax-due notices for supporting this measure. Also, one Member has introduced an identical bill. Additionally, we have:

First. Obtained the backing on this bill from five national organizations: The American Nurses Association, the National Association of Student Financial Aid Administrators, the American Association of Community and Junior Colleges, the American Council on Education, and the Association of American Medical Colleges, and from three groups and agencies in North Carolina, including the State's nurses association, the physical therapy association and the department of community colleges.

Second. Written the Commissioner of the Internal Revenue Service, urging that this matter be corrected administratively.

Mr. Speaker, although I take some degree of satisfaction that this bill bears my name, such considerations are very secondary to the problems confronting the many young people who are struggling to cough up enough money to pay the IRS at the same time they are completing their education or are just beginning their chosen careers.

The Congress will not need to enact my bill if the IRS acts to correct this situation administratively, and that would be fine with me.

However, if the IRS does not so act as I have requested it to do, I will continue to enlist support for this measure among my colleagues and among the many educational and health organizations across the Nation.

THE ETHICS OF WASHINGTON, D.C.

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. MICHEL. Mr. Speaker, the other day the Peoria Journal-Star took an editorial look at ethics and morality in Washington, D.C., and came up with some conclusions that I would like to share with my colleagues in the Congress. The article speaks for itself:

THE ETHICS OF WASHINGTON, D.C.

(By C. L. Dancey)

If there is anyplace where we need a new morality and new and higher ethical standards it is Washington, D.C.

But I confess that I continue to find no evidence of such a higher standard in the mere act of breast beating or moralizing that too often goes on these days. Moralizing and morality are two different things, altogether.

The lawyers engage in statements fully as prejudicial as the politicians although Mr. Archibald Cox, for one, precedes his damning remarks with such phrases as "there is a possible inference" and Mr. Jenner, of the House judiciary committee legal staff, performs in a similar manner, saying, "It is reasonable to assume. . . ."

This is, indeed, a new moral and ethical standard. What can people, for example, possibly infer from the circumstances of Chappaquiddick, if such is a moral and decent approach to such events? What can one reasonably assume from the sums laid out to members of the House committee by the milk fund if such methods are equally applicable to Congressmen and Presidents?

The lawyers are, at least, precise.

They label their assumptions and inferences as assumptions and inferences. The politicians do not. Neither do too many commentators. And, apparently, nobody asks whether the path of assumptions and inferences is either moral or just, itself, much less due process.

Some wonder why so many incumbents of both parties are in trouble, and why Congress polls so low in public esteem.

The people of this land have been trained for the past year in the fine art of making assumptions and inferences based on expecting the worst. People in Washington may do it selectively—to others but not to themselves. The people apply the same method to all!

COMMEMORATION OF ANNEXATION OF LITHUANIA

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, June 15 sadly marks the 34th annual commemoration of the forcible annexation of the Baltic Nation of Lithuania by the Soviet Union in 1940.

We have a responsibility not to forget this violation of human liberty and not to forget the courageous struggle by Lithuanians to free themselves of foreign domination. This is a struggle which is close to the hearts of all Americans for it is similar, in a way, to our fight nearly 200 years ago.

At the present time, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human rights. In addition to this, people who wish to visit their relatives still living in Lithuania are severely restricted from doing so, and Lithuanians wishing to emigrate are denied this right which has become part of customary international law.

This is an era in which the Soviet Union and the United States seek détente, and détente seems to be the best means of achieving peace in the world. However, the United States' search for a means to establish world peace is equally as strong as our commitment to freedom and to people struggling against oppression. For this reason, I would urge that the official U.S. position at the current European Security Conference should be one of not recognizing the annexation of Estonia, Latvia, and Lithuania by the Soviet Union.

Recognition of the annexation would greatly dishearten these brave people and would add strength to the argument that this is strictly an "internal matter" of the Soviet Union.

I join with Lithuanian-Americans and Lithuanians throughout the free world in remembering the events of June 15, 1940, and hope for the continuation of our current policy toward Lithuania and all of the Baltic nations.

PHARMACEUTICAL COMPANIES DENY INVOLVEMENT IN TURKISH OPIUM POLICY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. RANGEL. Mr. Speaker, there have been reports alleging involvement of the three pharmaceutical companies licensed to import opium with encouraging the Turkish Government to terminate their ban on the growing of opium poppies.

As the demand for codeine rises—95 percent of the opium imported to the United States is used for codeine and other medicinal purposes—in this country, there has been a persistent argument by the pharmaceutical companies of a shortage of opium to meet the demand. Unfortunately, all of the data and information utilized to determine demand is supplied by the pharmaceutical companies. In order to provide additional input on the medicinal demand, I have requested the General Accounting Office to determine the present and projected demand for the next 5 years.

Two of the three licensed pharmaceutical companies, Mallinckrodt Chemical Works and S. B. Penick & Co. have sent me their response to the reports alleging their involvement in influencing the Turkish Government to terminate the opium poppies ban. I insert the responses of these companies for the information of my colleagues in the Record, as follows:

Mallinckrodt Chemical Works,
St. Louis, Mo., May 15, 1974.

Hon. Charles B. Rangel,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

Dear Mr. Rangel: This letter is prompted by recent newspaper stories concerning the current opium shortage in the United States and by reports from our Washington attorney, Mrs. Jane L. McGrew, regarding discussions that you have held with her on the opium supply situation. Mrs. McGrew tells us that you have expressed an interest in the Mallinckrodt policies governing our activities as an opium processor, and I would like to state them for your consideration:

As a registered importer and processor of opium, Mallinckrodt has an obvious interest and responsibility in assuring an adequate supply of opium to meet the legitimate demand for its medicinal derivatives. This interest necessarily entails a concern as well for the problems of the diversion of such supplies, at any stage, into illicit drug traffic in this country and elsewhere. Although there has never been any problem of diversion of such supplies, at any stage, into the illicit drug traffic in this country and elsewhere. Although there has never been any problem of diversion of opium from the licensed manufacturers to the illicit traffic, we at Mallinckrodt recognize that our interest in broader issues relating to drug control requires more than merely keeping our own house in order. Our policy has been, and is, to observe and support those measures adopted by our Government to eliminate the serious problem of illicit drug use in this country.

In particular, I refer to the situation in Turkey and the possibility that that country may resume cultivation of the opium poppy. We have read and heard that diversion of opium from the Turkish fields occurred in the past. We recognize that this was the basis for the decision of the United States to enter into an agreement with Turkey pursuant to which that country ceased production. This being the United States' policy, Mallinckrodt never has sought, or in any way encouraged, any abrogation of that agreement, and would not be party to any conduct intended to undercut that policy. In short, we state categorically that under no circumstances, and at no time, will Mallinckrodt seek or agree to purchase or to import any crude opium from Turkey unless the explicit approval of the United States Government is secured. As you know, the U.S. Government's regulatory system requires importers of opium to obtain a permit for each shipment from the Drug Enforcement Administration, and this provides a mechanism whereby Mallinckrodt's commitment can be monitored effectively.

We are disturbed by reports in the press and from Mrs. McGrew that you and certain other Federal officials believe that insufficient information about the opium supply situation is being provided to the Government by the pharmaceutical manufacturers. Mallinckrodt submits detailed reports to the DEA on a quarterly basis concerning the Company's manufacture and sales of controlled substances. From time to time during the past year, we provided additional suppplemenetary information to the DEA regarding the Company's inventories of narcotics. Mallinckrodt will in the future continue to furnish all required data to the DEA and to offer to the agency such supplementary information as seems necessary and pertinent.

We note in the *Congressional Record* of May 9 that you and Senator Mondale have expressed concern about the possibility of the opium poppy being cultivated in the United States. Mallinckrodt currently has little interest in such a project because we believe that opium cannot be produced economically in the United States.

As Mrs. McGrew has reported to you, Mallinckrodt is experimenting with growing Papaver bracteatum, a different species of poppy, which contains no morphine or codeine, but does contain thebaine, a substance that is chemically convertible to codeine. Thebaine is a toxic substance and could not be used as such to support addiction. It is so difficult to convert thebaine to morphine or heroin that we believe there is no risk of clandestine traffic in thebaine.

I hope that the information provided above answers your questions regarding Mallinckrodt's opium processing activities. If additional questions should arise, please let me hear from you.

Sincerely,

Stanley H. Anonsen.

S. B. Penick & Co.,
New York, N.Y., June 4, 1974.

Hon. Charles B. Rangel,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

Dear Mr. Rangel: The depth of your concern for the problems of heroin addiction has become increasingly apparent to us at S. B. Penick & Company in the past few months. As a registered importer and processor of opium, this company is necessarily concerned as well about the problems created by the diversion of licit opium from the legitimate market into illicit traffic. The focus of our mutual concern is currently on Turkey as it weighs the possibility of resuming the production of opium. In this context, we feel it is important for us to assure you that it is our policy to abide by all measures supported by our Government with the objective of curbing the terrible problems of drug abuse in this country.

In particular, we wish to clarify the fact that Penick has never offered any encouragement to Turkey to re-enter the world opium market. Nor will it do so. We are cognizant of the problems created in the past by diversion of opium from the legitimate Turkish fields and are aware that this was the basis for the United States agreement with Turkey whereby that country abandoned the production of opium. In view of this history, we assure you that Penick has no intention of acting contrary to the policies of the United States Government as they apply to the possible future availability of Turkish opium. The system of import permits which is administered by the Drug Enforcement Administration provides further assurance to you that this commitment by Penick will be honored.

Finally, in consideration of your recent statements relating to the nature of the ongoing opium shortage and the demand for legitimate opium derivatives, we invite you to scrutinize the inventory and manufacturing reports which we and all other manufacturers supply on a quarterly basis to the Drug Enforcement Administration.

Sincerely yours,

James J. Verde,
Vice President, Chemical Group.

TRIBUTE TO HON. JOHN J. ROONEY UPON HIS RETIREMENT FROM HOUSE AFTER 30 YEARS OF DISTINGUISHED SERVICE TO THE PEOPLE OF BROOKLYN, N.Y.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. BIAGGI. Mr. Speaker, it is indeed my distinct honor and privilege to pay tribute to one of our most distinguished colleagues, John Rooney, who has announced his intention to retire at the end of this session.

The people of the 14th Congressional District in Brooklyn, N.Y., have been ably and effectively represented by John Rooney for 30 years. These people have been represented by a man who has the unique distinction of being able to trace his family roots in Brooklyn as far back as 100 years. They are served by a man whose love and service to his constituents make him one of Brooklyn's most respected Members of Congress.

Besides being respected and admired by his constituents, he is equally respected by his colleagues in the House. He will be best remembered for his work as chairman of the Subcommittee on State, Justice, and Commerce. In this prestigious position, he wielded great power in the Congress, but always exercised it with prudence and the soundest of judgment.

John Rooney was particularly helpful to those of us who served with him as a Member of the New York congressional delegation. I remember fondly of an instance in 1970 when Congressman Rooney, demonstrating his great concern for the elimination of ethnic stereotyping in this Nation, joined me in a meeting with the late Director of the FBI J. Edgar Hoover. In this meeting we discussed the Agency's use of the word Mafia and Cosa Nostra to describe organized crime.

As a direct result of that meeting, the use of these words by the FBI was ended. The Italo-American community and I were and continue to be deeply grateful that Congressman Rooney took this personal and strong interest in this problem.

Much more can and will be said about John Rooney in the coming months by those of us who were fortunate enough to serve with him in the House. All I can add is that I am proud to have worked with John Rooney and am especially honored to call him a friend.

Mr. Speaker, this beloved body is losing one of her finest members, in John Rooney, a man whose retirement represent the end of an era. The people of Brooklyn are losing one of their most exemplary public servants. I extend to John Rooney the fervent hope that his retirement will be spent in good health and happiness.

H.R. 14753

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mrs. BOGGS. Mr. Speaker, I would like to call to the attention of my colleagues legislation recently introduced by Congresswoman Abzug, H.R. 14753, which would provide cost-of-living increases for the Federal supplemental security income (SSI) program. Her remarks explaining the thrust of the legislation can be found in the Congressional Record of May 14, 1974.

The major maintenance of effort provisions in her bill guarantee that the SSI recipient will receive a cost-of-living increase in his SSI payment when there is a similar increase in social security benefits, and also guarantees that those SSI recipients who receive social security awards will not be denied any cost-of-living increases in either SSI or social security payments.

In addition, it allows the readjustment of the State adjusted payment levels to reflect increases in State public assistance programs between January 1972 and December 31, 1973, and finally, provides a cost of living increase in the cash bonus value of food stamps in States which have opted to "cash out." States which have opted to give their SSI recipients food stamps rather than cash payments may continue to do so.

I cannot stress enough the importance of this legislation. The aged, blind, and disabled citizens of our country are being ngelected in this time of rampant inflation, and it is our duty to come to their assistance. Soaring living costs hit hardest at the bottom of the economic ladder, and unless we take measures to alleviate this situation, it will only become more serious.

Therefore, I urge your support of this vital legislation in order to correct the inequities and injustices now being suffered by SSI recipients. Unless the program is bolstered with these essential cost-of-living increase clauses, it will simply sink into the quagmire of numerous other ineffective Federal aid programs that have not met the needs of recipients.

STEWART ALSOP—AN EXAMPLE OF THE COURAGE OF MAN

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. WHALEN. Mr. Speaker, we all were saddened to learn of the passing of Stewart Alsop, the noted columnist and writer.

He faced death squarely, eyeball to eyeball, wrote a book about what it was like and then, as we all ultimately will, departed this world. A truly civilized man, Mr. Alsop was a superbly articulate commentator whose prose and observations will be missed.

Jim Fain, editor of the Dayton Daily News and a columnist himself, expressed it very well in a signed piece which ran in his newspaper on May 30, 1974. For the edification of the readers of these pages, Mr. Speaker, I insert Mr. Fain's column at this point in the Record:

Stewart Alsop—An Example of the Courage of Man

Stewart Alsop was a gallant man, possessed of a full measure of the quiet, unostentatious courage Ernest Hemingway defined as "grace under pressure."

Like many of his generation, Stew Alsop was deeply troubled by Hitler's conquest of Europe in the Nazi blitzkriegs, first through Poland and later across France and the low countries. Unlike most, he did something about it.

He was among the handful who volunteered to fight with the English. He joined the British King's Royal Rifle Corps and was promoted to captain before being transferred to the U.S. Army in 1944.

Alsop served in the Office of Strategic Services, warning forerunner of the CIA, and parachuted behind German lines in France soon after D–Day. He fought with the French resistance.

Those actions were typical of Stewart Alsop. Where others postured, he acted. He expressed his convictions in deeds as well as words. If these required putting his life on the line, so be it.

As a person, Stew was warm and human, much different from his patrician brother Joe, who is the nearest thing to a mandarin this side of Hong Kong. Beside Joe, even Henry Cabot Lodge could be mistaken for the great commoner.

After World War II, the brothers began writing a column together, a venture that was lively but, given the personalities of the two, not destined to live. After a while, they parted, amicably, they both said in any event, they remained close. During Stewart's three-year bout with an obscure form of lukemia, Joe always was on hand to give blood for transfusions.

Stewart was never the rigid hard-liner for the military, and for whatever was current U.S. diplomacy, that Joe became. Still, like most of us who grew up in the Munich era, he never bought the idea, either, that we could make peace with Soviet Russia simply by trusting the Kremlin or by buying out the USSR's expansionist ambitions.

Stewart himself explained in 1971 that "Joe's and my mindsets are very much alike, except that from the start I was dubious about the Vietnam war, where Joe wasn't. But once we made the decision, I, too, felt we could not just sneak out."

I have no idea how a mathematician would figure the odds on Stewart Alsop's ending up sharing a room at the National Institutes of Health with a man who lived on one of the Marshall Islands affected by fallout from a U.S. hydrogen bomb test in 1954. The man, a year old when the bomb was tested, was now dying a slow death.

Stewart put it all down in a book. "Stay of Execution," in which his reporter's mind recorded in clinical and moving detail what it was like to be under sentence of death with cancer and how the treatment, symptoms and emotions affected the person under the condemnation.

It was a pleasure to know Stewart Alsop, a man who combined most of the qualities I admire. He had a sophisticated sense of humor, and, with it, the ability to laugh at himself. He did what he could to make the world a more liveable place.

THE ENERGY CHALLENGE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. ARCHER. Mr. Speaker, as a result of the recent shortage of petroleum and petroleum products, occasioned by the Arab oil embargo, there have been extensive discussions and debate in governmental circles, in the press, and by the general public with regard to the problem this Nation faces in satisfying its ever increasing needs for energy for the immediate period and for the longer term.

It is well recognized that the energy requirements of our Nation and of the world will continue to increase. It is also recognized that reserves of petroleum and natural gas are limited and that there will eventually come a day when oil and gas will have to be replaced as the primary sources of energy.

Because of the importance of energy to America's security and to our citizens' economic opportunity, I would like to commend to the Members of this body for their thoughtful consideration a paper entitled "The Energy Challenge."

In this commentary it is pointed out, that between now and 1990 the world's population will have doubled and that by 1985 the population in the United States will be 235 million, up from today's population of 212 million. Increased capital investment and energy consumption will be necessary to provide the additional jobs required, both domestically and on a worldwide basis, to satisfy the population growth. For example, the report points out that to achieve adequate domestic energy production by 1985, the oil industry will have to spend $26 billion per year in 1974 dollars. The ability to raise this amount of capital will not be possible if industry cash flow and profitability are restricted through continuing crude oil and gas price controls, increased taxes, or other economic disincentives.

Mr. Speaker, I include at this point in the RECORD the paper entitled "The Energy Challenge":

THE ENERGY CHALLENGE

The disappearance of surplus quantities of cheap oil and gas is the result of two trends, each accentuating the impact of the other:

1. Rapid population growth.

2. Declining success in finding large new reserves of low-cost oil and gas.

POPULATION

During the 20-year period, 1950–1970, the world's population grew at an unprecedented rate, adding 1.2 billion people for a 50% increase. From 1970 to 1990, another estimated 1.8 billion people will be added. In 35 years, the world's population will have doubled. This growth, coupled with increased living standards, has dramatically increased the demand for all raw materials, including food and energy.

In the United States, even assuming new births will remain at the replacement level of 2.1 per family, the population will increase from today's 212 million to about 235 million by 1985. The age group undergoing the most rapid increase will be 20 to 49 year olds who will increase by 18.7 million individuals, or an increase of 23%. Thus, numerically, almost all of the population increase will be in the age group which will form new households, and will require new jobs. In excess of one million new jobs per year will have to be established. This can be achieved if the economy grows steadily and appreciably. Increasing capital investment and increasing energy consumption are mandatory in providing for the additional jobs, even with no further increase in the standard of living. To increase the standard of living in uninflated dollars will require further capital investments and increased energy use.

OIL AND GAS SUPPLIES

Non-Communist world oil consumption grew from 8.8 to 39.5 million B/D from 1950 to 1970, or 30.7 million B/D. Today, non-Communist world production is 46 million B/D. At today's per-capita consumption, 63 million B/D of oil will be needed by 1985 just to provide for population growth.

It is estimated that by 1985 the non-Communist world could produce 90 million B/D, given no restrictions on exploration and production. However, if Saudi Arabia alone limits its production growth to 5% per year, and all other areas produce at projected capacity, production will be:

	Production, million barrels per day	
	1974	1985
United States	9	11
Other Western Hemisphere	7	9
North Sea		4
Africa	6	11
Far East	2	5
Saudi Arabia	8	14
Other Middle East	14	26
Total	46	80

Consumption at 80 million B/D would provide an annual average increase in per capita energy consumption of only 2.2% per year. It should be noted that only Saudi Arabia has the potential to increase production further; it currently has 1/4th of the non-Communist world's proven reserves, is second only to the U.S. in current production capacity, and accounts for 55% of the increased production capacity through 1985.

For the U.S. to increase production by 2 million B/D through 1985 will require a tremendous effort—exceeding the expected volume of North Slope oil due to the declining production in existing wells. This is emphasized by the following data for the 5-year period 1968–1973.

	U.S.	Foreign (non-Communist)	U.S. percent of total
Wells drilled	165, 00C	46, 700	78
Annual capital expenditures (billion dollars)	6. 8	6. 0	53
Increased (decreased) production capacity (million B/D)	(1.7)	13. 1	
(Percent)	(16. 0)	55	

Despite the huge capital expenditures and large number of wells drilled in the U.S. over the past five years, as compared to the rest of the world, U.S. production, and reserves, have declined. In fact, U.S. production declined from 33% of the world's oil in 1968 to only 20% today, even though today the U.S. has 87% of the world's operating oil and gas wells (504,000), whereas the rest of the non-Communist world produces 80% of the oil with 15% of the wells (72,000). Obviously, U.S. wells are low in volume and high in cost.

U.S. ENERGY OPTIONS

The U.S. has three energy supply options:

1. Limit imports, moderate growth in domestic energy supplies. This is unacceptable. It would result in lowered living standards and increasing unemployment.

2. Increasing imports, moderate growth in domestic energy supplies. This is dangerous. It would put the U.S. economy, employment and security at the mercy of a few oil exporting nations. It would also be highly inflationary. Last year's import volumes at this year's prices will add $16 billion to our outflow of funds. This is equal to the nation's total monetary reserves and 20% of the total exports. Further devaluation of the dollar would be of little help, since foreign oil prices are increased automatically to offset such devaluation.

3. Maximum growth in domestic energy supplies, moderate import volumes. This is the only viable alternative.

CONSERVATION

Each of the above options assumes, and will require, extensive and continuing conservation in the use of energy. From 1960 through 1973, U.S. energy use grew at a rate of 4.2% per year. Should this rate continue, even with maximum development of domestic energy supplies, the cost of oil imports in 1985 would be $36 million—at today's prices. By limiting growth to 3.3% per year, and with maximum development of domestic supplies, 1985 could be held to $11 billion at today's prices—an amount 15% greater than the 1973 import bill. This lower growth rate is essential—and some imports will be required indefinitely.

INCREASED DOMESTIC ENERGY PRODUCTION

To achieve the 3.3% energy growth, and maintain imports at reasonable levels, will require that by 1985 all of the following be accomplished (NPC, Case II):

[In percent]

Domestic crude oil production increase over 1970	23
Domestic natural gas production increase over 1970	19
Domestic coal production increase over 1970	92
100,000 B/D shale oil plants	4
50,000 B/D oil-from-coal plants	16
250 MMSCF/D gas-from-coal plants	16
New 1-million KW geothermal plants	9
Additional 1-million KW nuclear plants	360

To accomplish the above will involve probably the largest industrial program in the history of the world. In today's dollars the new plant investment alone is estimated to cost over $600 billion, with an additional $100 billion needed for working capital. This sum dwarfs the $25 billion dollar cost of the entire Apollo Project, or the $60 billion dollar cost of the Manhattan-A.E.C. programs from their inception to date.

Such a vast program can only be accomplished in the time frame—or in any reasonable time frame—through the intensive efforts of industry, through industry earning adequate profits to provide the needed capital, and through industry and the government working together constructively. Traditionally oil companies have reinvested more than they have earned, and particularly in the United States. Data for the past five years are:

[Dollar amounts in millicns per year]

	Profits	Capital expenditures	Expenditures over profits (percent)
United States	$3,800	$6,800	80
Rest of world	4,100	6,000	48

To achieve adequate domestic energy production by 1985 will involve expenditures by the oil industry in the U.S. of $26 billion per year in current dollars—or more than triple the recent rate. This will not be possible if cash flow is restricted due to continuing crude and gas price controls, increased taxes or other punitive measures.

To the extent that domestic energy production falls short of these goals, imports will increase, fueling inflation, *and* creation of needed employment will be restricted. The $600 billion energy program will create approximately five million new jobs directly in the operation of these facilities, and another 10 to 15 million new jobs in supporting engineering, fabrication, construction, servicing and transportation activities. This is a number of new jobs comparable to the 18.7 million new jobs required through 1985 due to the population growth patterns.

THE GOVERNMENT'S ROLE

The future energy situation will involve more government regulation of the energy industries and an improved government capability to develop and administer an effective energy policy. Regulation must provide industry with adequate flexibility to get the job done. Inflexible and punitive regulation will only insure failure in achieving the goals of adequate energy production and employment. The following are major components of a government energy program:

1. A national energy council to evaluate and recommend energy policies and programs.

2. A separate Federal bureau to collect, compile and issue needed energy data and information. Data confidentiality, when valid, should be maintained.

3. A Federal Energy Administration to administer that energy policy enacted by the Congress.

4. An Energy Research and Development Administration and an Energy Development Bank. The government role would be to plan, set priorities and jointly fund research and demonstration programs. Industry would share in the funding and operate research projects. Prototype commercial synthetic fuel projects should be built and financed by industry, with guarantees or price subsidies provided by the Development Bank.

5. Industry must be permitted to generate the capital funds needed.

6. A Federal Oil and Gas Company, or similar government operating participation would be totally inadequate to make a meaningful contribution, would preempt massive tax revenues needed for other government programs, and would siphon-off personnel and supplies from private industry. No such government participatory action should be initiated.

7. Leasing of federal oil and coal lands should be accelerated. A strong but realistic strip mining bill should be passed. Environmental impact statements and environmental standards for offshore drilling and ports and related onshore facilities should be promptly finalized so such projects can proceed expeditiously and on an environmentally acceptable basis.

8. Energy facility siting standards and licensing procedures should be streamlined and adjusted to provide an effective balance between environmental and energy needs. Procedures are needed to prevent unnecessary delays due to non-substantive or redundant litigation.

9. Present antitrust legislation is adequate to prevent the formation of energy monopolies, oligopolies or collusion. Competition and efficiency will be fostered by making it financially attractive for more companies to integrate vertically or to enter more than one energy field.

In the final analysis, this is the only certain route to adequate domestic energy supplies produced efficiently and competitively. And, in turn, this is the only certain route to reasonable, long-term energy prices.

MONEE CELEBRATES 100TH ANNIVERSARY

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. O'BRIEN. Mr. Speaker, this week the citizens of Monee, Ill., are celebrating the 100th anniversary of the incorporation of their village.

The name Monee has its origins in Indian lore and there is still some debate over whether it was the name of an Indian princess or a great chief. Like so many small communities in our country, Monee was founded by hard-working, God-fearing pioneers. As the descendants of these original settlers married and raised families, the village grew and prospered.

The completion of the Illinois Central Railroad in 1853 accelerated this growth and as Monee's population increased, village government became a necessity. On November 9, 1874, the citizens cast their votes at the public schoolhouse and Monee was incorporated.

One hundred years have passed since then, yet Monee has retained its rustic charm. Rich, fertile farmland stretches out from pleasant homesites shaded by maple, oak, and elm trees making Monee one of the most beautiful villages in Illinois. An air of serenity and friendliness pervades the town offering a refreshing change from our often hectic world.

A Monee resident, Muriel Mueller Milne, has documented and preserved the full history of the village in her recently published book, "Our Roots Are Deep."

The week-long Centennial Celebration will be presided over by Mayor Elmer B. Richert and will feature numerous events highlighting Monee's rich heritage and promising future.

This weekend, I will have the pleasure of attending some of these events and at this gala time, I would like to congratulate the industrious citizens of Monee for working to make this anniversary celebration possible.

NOMINATION OF MR. JESSE HOLLIE FOR THE OUTSTANDING HANDICAPPED POSTAL EMPLOYEE OF THE YEAR 1974

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1974

Mr. LONG of Maryland. Mr. Speaker, I am proud to announce that Mr. Jesse A. Hollie, of Parkville, Md., has been honored as the Postal Service's 1974 Outstanding Handicapped Worker of the Year.

Mr. Hollie, who lost an arm, a leg, and a portion of his remaining foot in an electrocution accident at the age of 10, has shown determination, strong spirit, and great faith in not only his abilities, but the willingness of his friends and family to allow him to achieve on his own merits, and to develop his potential by himself.

Mr. Hollie's work record with the Postal Service is exemplary. I should like to share with you comments made by the Postmaster of Baltimore, Mr. Warren Bloomberg, in nominating Mr. Hollie for this honor, and congratulate Mr. Hollie, his family, and his friends on his achievement and his gracious acceptance of the role he will assume in representing not only handicapped postal employees but all handicapped Americans.

NOMINATION OF MR. JESSE HOLLIE FOR OUTSTANDING HANDICAPPED POSTAL EMPLOYEE OF THE YEAR, 1974

JOB PERFORMANCE

Mr. Hollie was appointed as a Schedule A (700 hour) temporary employee in the Baltimore, Maryland Post Office to give him an opportunity to demonstrate his ability to perform postal duties. He was converted to an unlimited, Schedule A appointment in August 1971 and was later converted to a Career Distribution Clerk, Part-Time Flexible Schedule effective July 21, 1973. On February 16th of this year, this employee will become a full-time Distribution Clerk. In spite of Mr. Hollie's handicap, he has adapted to postal operations. He has demonstrated that he is capable of meeting and exceeding the standards of productivity.

His work performance is well above average and there is every indication it will continue. He is self-sufficient in sweeping mails, thereby providing himself with mail so he does a full day's work. When a task is completed he voluntarily seeks additional work.

At the outset of his employment he hung a wooden tray around his neck and shoulders. This enabled him to sweep case separations with his left hand and place the mail in the tray resting on his chest. Presently, he places the tray on the ledge of a distribution case, sweeps the separations with his left hand and because of his desire to work independently and through muscular coordination he is able to grasp the tray in the center with the left hand and carry it to a desired location.

While performing case distribution he places the mail on the ledge of the case, picking up each piece separately and distributes it to a separation. In a recent evaluation, his supervisors advise that Mr. Hollis distributes mail equally as fast and accurate as other employees of his unit.

Mr. Hollie can handle sacks of mail only with the aid of another employee, however, he is able to distribute small parcels and all paper mail. His job requires continuous standing, walking and throwing packages to box number separations. stretching to empty sacks and reaching to all parts of the distribution case in sorting. To see Mr. Hollie perform, one would never realize his handicap.

Mr. Hollie has been rated excellent in initiative, work habits, appearance, adherence to reporting schedules, assigned duties, attitude and acceptance of supervisory instruction. He has passed all scheme examinations taken, staying within required time limits. His last examination indicated a 98% score of a possible 100%. Recently, a request for a single position letter sorting machine operator was posted. This machine requires a degree of concentration with visual and manual dexterity and coordination for sustained periods. The machine contains a keyboard with thirteen keys, whereby the operator reads the box number on a letter and strikes a two digital code directing mail to one of a hundred sortations. The keyboard can be operated with one hand. Mr. Hollie applied for this assignment, and feels that he can operate the machine with maximum efficiency due to the confidence he has in himself. He will receive training for determination of manual dexterity in the near future.

Mr. Hollie was born in Person County, North Carolina on February 1, 1941. At the age of ten, he and another child were playing near the railroad tracks. Two older boys pursued them and in order to escape he climbed to the top of a nearby boxcar. Mr. Hollie's right hand touched a wire sending 11,000 volts of electricity through his body. As he was still clinging to the wire, his friend sought help and fortunately some railroad attendants grabbed his leg and pulled him free from the wire, which probably saved his life. He fell to the ground unconscious, and it was expected that he would not survive. He was transported to the Maryland General Hospital of Baltimore where his entire right arm to the shoulder, his right leg below the knee and a portion of his left foot was amputated. This traumatic experience and physical disability resulted in at least seven operations. Mr. Hollie was confined to a wheel chair until he was fourteen years of age, however, because of his desire to move about and live a normal life, he was quick to adapt to an artificial leg. Being a right-handed person, he had to overcome the loss of his arm and is now dexterous with the left arm.

Mr. Hollie attended the William S. Baer School for Crippled Children for three years and the Samuel Gompers General Vocational School until he reached Grade 11. Not seeking sympathy and in an effort to become self-supporting, he worked at low paying jobs to help sustain himself. These jobs included being a night clerk at various hotels, picking up and making deliveries of specimens for a research laboratory and being the proprietor of his own newsstand.

OTHER CONTRIBUTIONS

Mr. Hollie participates in all of the programs initiated by management and is recognized as a true dedicated, inspired employee who continually looks for the best way to accomplish a job without seeking assistance. He is a willing worker who constantly assists others. Mr. Hollie volunteers information to newly assigned employees, helps other employees in meeting dispatches and even aids in pushing mail-laden nutting trucks to the dock area.

OTHER PERSONAL CHARACTERISTICS

Mr. Hollie is unmarried, living with his mother at 1635 Lyle Court, Baltimore, Maryland, a home recently purchased by him. He is an avid fan of baseball and ice hockey and actively participates in swimming and horseback riding. He does not feel that he is handicapped. Each day presents a new challenge to him which he inevitably overcomes. He receives self-gratification knowing he can do things on his own and being a part of the normal pattern of life. This employee drives his own automobile without the aid of additional mechanical devices.

His leave record must be considered excellent in spite of the fact that he has a low sick leave balance. A bone in his upper right leg protrudes periodically causing skin breakage, bleeding and unbearable pain.

It gives me a great deal of personal satisfaction and pride to nominate Mr. Jesse A. Hollie as the "Outstanding Handicapped Postal Employee of the Year", as he is not only a loyal and dedicated employee, but in his keen desire to excel has demonstrated a spirit of cooperation and perseverance far beyond the average employee since his entry into the Postal Service.

POSTAGE-FREE ABSENTEE VOTING ACT OF 1974

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. FORD. Mr. Speaker, I would like to take this opportunity to share with the other Members of Congress a resolution which was introduced by Mr. Robert McLachlan, city clerk of the city of Dearborn, Mich., and was adopted by the International Institute of Municipal Clerks supporting a bill I introduced on March 5 of this year, the Postage-Free Absentee Voting Act of 1974.

Mr. Speaker, my bill would authorize the agency or official of a State or a political subdivision thereof which administers the election laws to mail postage-free absentee ballots and instructions to any voter requesting such material. Further, this measure provides for the free return mailing of the ballot to the designated official or agency for tabulation.

It is estimated, Mr. Speaker, that about 5.7 percent of the total votes cast in the 1972 general election were by absentee ballots. Many persons who for reasons of infirmity or proximity to their legal place of voting were unable to reach the polls on election day and voted by mail. In my district, over 8,000 absentee ballots were counted in the general election. This would include the elderly, students, as well as civilian and military personnel stationed overseas.

Mr. Speaker, my proposal will encourage and promote a greater participation in the electoral process. Citizens have no greater power or expression of sentiment than through their vote, and as their representatives, it should be one of our primary responsibilities to evoke an even greater interest in our democratic system.

Mr. Speaker, I strongly believe my bill would accomplish this. Similar legislation has also been introduced in the other body.

At this point I insert into the RECORD the resolution adopted by the International Institute of Municipal Clerks at their conference in Norfolk, Va., on May 15 of this year:

RESOLUTION No. 7

Resolution Confirming Resolution Passed and Approved by the IIMC Executive Committee, May 10, 1974, on Free Postage for Absentee Voting Ballots To Be Approved by the U.S. Postal Service

Whereas, the municipal clerks responsible for election administration have encouraged the fullest participation by qualified electors in the election process; and

Whereas, many of our citizens are absent from their permanent domicile on election day because of travel, business, education, or hospitalization; and

Whereas, some voters may be disenfranchised by not having sufficient postage or ability to obtain postage for mailing absentee ballots; and

Whereas, absentee voting matter is mailed free to military personnel; and

Whereas, the International Institute of Municipal Clerks, at its 1969 Conference, endorsed the proposition that all absentee applications and absentee ballots receive free mail privileges available to national governmental functions for the prompt processing of voting material; and

Whereas, the Executive Committee of IIMC, meeting in regular session, May 10, 1974, passed and approved a resolution on Free Postage For Absentee Voting Matter to be provided by the U.S. Postal Service; and Furthermore that such voting matter carry the Air Mail priority on the envelope to and from the individual, and that this support be conveyed to its membership, congressional leaders, and appropriate authorities; and

Whereas, the IIMC Executive Committee feels that the action taken by them should be confirmed by the membership of the IIMC at the 1974 Norfolk, Virginia Conference:

Now, therefore, be and it is hereby resolved by the membership of the IIMC at the 28th annual conference, Norfolk, Virginia:

That the Resolution passed and approved by the IIMC Executive Committee, meeting in regular session, May 10, 1974, on "Free Postage For Absentee Voting Ballots to be Provided by the U.S. Postal Service", is hereby approved.

LOSS OF JOHN A. TERESI

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. DULSKI. Mr. Speaker, I was saddened to learn on May 24, 1974, of the death at the age of 74, of John A. Teresi, of Buffalo, N.Y.

As a personal friend, I admired him as a man, a hard-working individual, a civic-minded member of the community, and a congenial, kind person.

He began his career of hard work operating a newsstand in Buffalo while still a teenager, and was one of the few survivors of the Newsboys Benevolent Association of Buffalo. He paid his own way through St. Bonaventure College and the University of Buffalo Law School. At one time an insurance broker, he served his country during World War II as chairman of the local Selective Service Board, and received a citation from President Truman.

Following some years in private law practice, he joined the Buffalo City Law Department in 1937, when his work as a legal investigator was highly respected through his retirement in 1969. He served in Democratic Party posts in Erie County for 40 years, yet found time for active participation in Knights of Columbus, Holy Name and Ushers Societies of St. Joseph's New Cathedral, Crippled Children's Guild of Buffalo, Retired Civil Service Employees Association, and the Courier-Express Good Fellows.

Men like John Teresi are an asset and an inspiration to community life, and he will be greatly missed. My deepest sympathies go to his wife, Virginia; his son, Paul; his brothers, William and Frank; his sisters, Mrs. Josephine Gaglione and Mrs. Anna Pollino; and his grandchildren.

BUREAU OF INDIAN AFFAIRS TRANSITION AND THE INTERMOUNTAIN SCHOOL OPPORTUNITY

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. McKAY. Mr. Speaker, a crucial stage in the course of Indian education has been reached with the confirmation of Morris Thompson as the new Commissioner of Indian Affairs. The Bureau of Indian Affairs now has a permanent Director, and Bureau education policy can now be reformulated in an atmosphere of Federal concern for the Native American exemplified by the Indian Self-Determination and Educational Reform Act and new education provisions under the Indian Education Act. After many months of Bureau uncertainty, confusion, and misdirection under temporary leadership, the time for responsive and realistic decisions about the future of Indian education is now at hand.

A review of Commissioner Thompson's statement before the Senate Interior and Insular Affairs Committee indicates that these imminent decisions may well be constructive.[1] Among the Commissioner's comments were four key points relevant to Indian education:

(1) American Indians have a right to expect an effective and efficient Bureau of Indian Affairs;

(2) Indian people have a right to determine what the Indian priorities will be and how they are to be met;

(3) Indians have a right to direct and administer programs developed for them; and

(4) Of the many programs developed and administered for the benefit of Indians today, none is more important than Indian education.[2]

The new BIA administration clearly places great emphasis upon education, and is concerned with responding to Indian desires as a matter of right. Efficiency and responsiveness will apparently be primary Bureau concerns in the years ahead and paternalistic administrative independence and inefficiency are now presumably problems belonging to the all-too-recent past.

Transition in the Bureau of Indian Affairs will not be simply a matter of incremental shifts of policy if the Commissioner's laudable goals are to be met. Many decisions representing insensitive or inept reasoning on the part of previous Bureau administrations are intruding into the new administration due to the bureaucratic inertia that has plagued the BIA since its inception. An excellent example of this kind of destructive inheritance can be found in the Intermountain Boarding School situation.

Essentially, the Bureau of Indian Affairs some months ago decided to discontinue operations at the Intermountain Boarding School at Brigham City, Utah, on the premise that the facility was unneeded and unwanted by Indian students. "Documentation" supporting this position was provided by the Bureau in a voluminous report which has since been effectively refuted by numerous groups with respect to its accuracy and spirit.[3] Yet the decision for discontinuance at this time remains tragically unchanged in spite of the apparent determination of the new Bureau administration to avoid such unfounded and destructive acts.

The senseless inconsistencies inherent in the Bureau's position on this matter are so obvious that the briefest of discussions will illuminate them. The BIA assertions that the school is unneeded and unwanted are simply false.

The Bureau of Indian Affairs has stated that the Intermountain School should be phased out, because "adequate facilities exist at schools—to serve the needs of Navajo students without the continued operation * * *" of Intermountain.[4] The Bureau document goes on to conclude that the demand from other tribal groups is insufficient to justify continued operation of the facility.

It is ironic that the Bureau is maintaining this position at the same time it is desperately calling for funds for new facilities to meet space requirements for Indian students. The March 1974 IERC Bulletin—published by the Bureau of Indian Affairs—states that "the Indian population is among the most deprived and isolated of the minority groups in the Nation," and that "the need for a program of educational assistance for Indians is illustrated by—statistics * * *"[5] The statistics cited by the Bureau in this document include the following:

First. Available estimates of the number of school-age children vary, increasing as they become more recent. Official 1968 estimates placed the school-age population at that time at over 150,000. More recently, in its fall 1973 survey of Indian children enrolled in public schools, the Office of Indian Education found 270,000 students.

Second. The number of children "not in school" has been estimated to be as high as 16,000, with about half the cases due to a lack of school facilities which can serve these children.[6]

The Bureau of Indian Affairs is responding to this demand for facilities through an extensive program of school construction. As of February 1974, the BIA listed some $35 million in current construction projects for secondary schools alone, and this figure does not include the cost of furnishing and equipping the facilities. All projects listed are at least in the design stage.[7] It seems quite apparent that the Bureau's earlier suggestion that the excellent Intermountain facility is unneeded stands as a contradiction to their own estimate of facilities demand. The assertion, in fact, seems preposterous.

Is the Intermountain School unwanted by the Indian people? Once again, the BIA should evaluate the information that it already possess concerning Indian desires in the realm of education. It is particularly fortunate and appropriate at this time of transition that the Bureau has undertaken a survey of these desires and the first results of that survey are now available. Native American input has been called for, and this survey data constitutes an initial response.

The survey results appear in volume 1, No. 8 of the IERC Bulletin—December 1973.[8] While these results report the character of the response in some detail, four general goals are offered in summary:

First. Develop, conduct, and support adequate training for Indian students so they may enter vocational schools and/or institutions of higher learning.

Second. Provide the highest quality of education possible for Indian children, youths, and adults, including culturally relevant curricula, adequate counseling and guidance, bicultural bilingual curricula, vocational, and college preparation, and early childhood education.

Third. Develop, conduct, and support programs that are designed to meet the special education needs of physically and/or emotionally handicapped children and youth.

Fourth. Provide programs in off-reservation boarding schools for Indian youth who desire to attend this type of school.[9]

These "goals" were derived from specific responses to statements about which the respondents were asked to agree or disagree. Some of these statements along with the percentage in agreement are listed here:

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[1] United States Department of the Interior, Bureau of Indian Affairs, Indian Education Resources Center, *IERC Bulletin*, Vol. 1, No. 8, "Statement of Morris Thompson before the Senate Interior and Insular Affairs Committee's Nov. 14, 1973 Hearing on the President's Nomination of Him to Be Commissioner of Indian Affairs," p. 2.

[2] Ibid.

[3] See Utah Federal Research Committee, "Review of Evaluation and Audit Reports" for a full discussion of these documents.

[4] United States Department of the Interior, Indian Education Resources Center, Division of Evaluation and Program Review, "Intermountain Evaluation Task Force: A Report."

[5] United States Department of the Interior, Bureau of Indian Affairs, Indian Education Resources Center, *IERC Bulletin*, Vol. 2, No. 3, "Priorities in Indian Education, Office of Education: Indian Education," p. 7.

[6] Ibid.

[7] United States Department of the Interior, Bureau of Indian Affairs, Division of Facilities Engineering, "Current Construction Projects and Costs," Dec. 10, 1973.

[8] United States Department of the Interior, Bureau of Indian Affairs, Indian Education Resources Center, *IERC Bulletin*, Vol. 1, No. 8, "Goals for Indian Education," p. 4.

[9] Ibid, p. 5.

1. (97%) Provide training for students desiring to enter special schools and institutions of higher learning.

4. (94%) Develop in Indian students basic academic skills.

5. (93% Give students an understanding of the social and economic world and to help them secure improved standards of living.

6. (93%) Provide vocational training which will qualify youth for gainful employment on or off the reservation or village.

10. (90%) There should be education programs in the BIA that are designed to meet the special education needs of physically and/or emotionally handicapped children and youth.

52. (28%) Close boarding schools which established criteria indicate are no longer needed.[10]

It is quite obvious that parents, guardians, school board members, and tribal leaders—the people included in the sample—are quite concerned with the quality and variety of Indian education, and are not opposed to the continuation of off-reservation boarding schools as long as these schools provide a valuable service. The fact that the boarding school assertion was concurred with less frequently than all other statements is indicative of the relative unimportance of geographic location compared to educational quality.

In addition to this BIA data, the Bureau may turn directly to the Indian people for an indication of the desirability of the facility to the people who will use it. By way of resolution and letter, various tribes, regional associations, and national groups—including the National Congress of American Indians and the National Tribal Chairmen Association—are vehemently objecting to this Bureau move as being unrepresentative of Indian desires. At a meeting held at Intermountain School in January of 1974, 26 representatives of tribal organizations from many regions of the United States condemned the phaseout decision and signed a resolution requirement requesting Indian involvement in any final determination concerning the future of the facility, and specifically called for an all Indian task force to study the matter.

It is not difficult to understand why this resistance exists. The variety and quality of the Intermountain program, from academic and vocational offerings to home living experience to job and university placement, is unsurpassed elsewhere in the Bureau system; the living environment is excellent at Intermountain; and special education equipment and curriculum are superior at the facility. Above all, the Indian people are far more aware of the existence and likely future of those 16,000 school-age people who are not in school due to a "lack of school facilities" than the authors of the Bureau decision to close the school due to a lack of statistical demand.

The Bureau of Indian Affairs now has a new commissioner who is apparently dedicated to responding to Indian desires in an efficient way; the Bureau now has the results of a national survey of Indians that suggests that Intermountain School offers an education program that is greatly desired; the Bureau now realizes that thousands of Indian students are not receiving an education due to a lack of facilities; and the Bureau now has letters and resolutions from Indian organizations in all parts of the United States confirming that the Intermountain facility should be appraised by the Indian people before any final decision is made.

To the Bureau's credit, Commissioner Thompson has responded to the desires of the Indian people to some degree by authorizing and funding the requested all Indian task force. The willingness and ability of the Bureau of Indian Affairs to achieve the goals established by Commissioner Thompson concerning Indian rights in the area of education will unquestionably be tested by the Bureau's final actions in this matter. It can only be hoped that the Bureau of Indian Affairs will act quickly and appropriately to restructure Intermountain School in a way consistent with the findings of that task force and the desires of the Indian people.

MEETING THE NEEDS OF OLDER AMERICANS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. HAMILTON. Mr. Speaker, the concerns of older Americans deserve the highest priority and our continuing attention.

More than 21 million elderly citizens form the most rapidly growing minority in the Nation. It is a minority of people with diverse backgrounds, wide-ranging problems, and a common bond of age.

There are seven times as many older citizens in America today as there were in 1900. Over half a million live in Indiana alone.

Older Americans will become an even larger and more important minority in our society in the future.

By the year 2000, the number of older Americans is expected to be 29 million or 10.6 percent of the population, a 46-percent increase.

Too often the elderly and their problems have escaped our notice. The elderly have been shunted aside, and their concerns have been given insufficient attention.

Only in the last years has the Nation begun to recognize what older Americans have always known: That they are individuals who deserve the opportunity to live their lives as fully as possible.

Older Americans have special needs, to be sure, but basically, their needs and wants are the same as those of all of us. Elderly Americans seek a dignified, meaningful life.

We should give top priority to what older Americans generally consider their overriding concerns: income, health, housing, and transportation. They are the key to the well-being of Older Americans in this society.

INCOME

Income is central to the concerns of the elderly.

Older Americans have on the average less than half the income of younger people.

There is no substitute for income if people are to be free to exercise choice in their style of living and if they are to lead decent lives.

INFLATION

Inflation is one of the older American's greatest foes, and the impact of inflation is felt with special severity by older Americans.

Prices are rising faster than the relatively fixed incomes which most elderly people live on.

Too many older Americans are forced to cut back on necessities such as clothing, transportation, and food, as the actual buying power of their incomes is eaten away by inflation.

Inflation cannot be allowed to exact a toll of hardship, sacrifice, and despair from the elderly.

As prices go up, an elderly person's income should rise automatically with cost of living increases.

It is important that we have firm leadership on the economic front to slow price rises and achieve the goal of a balanced economy with reasonable price stability, moderate economic growth, and full employment.

The Government should encourage increased production and vigorous competition, educate and protect the consumer, and use an appropriate mix of fiscal and monetary policies to control demand and get its own spending under control .

SOCIAL SECURITY

Social security is the basic source of income for most retired workers and their families.

Older Americans who are covered by social security will receive improved benefits as a result of a number of major recent changes:

First. Congress passed a two-step 11-percent increase in social security benefits that has already taken effect.

Second. Older individuals under age 72 can now earn $2,400 a year instead of $2,100 and still receive the full social security benefits to which they are entitled.

Third. Beginning in June 1975, social security benefits will increase automatically to reflect increases in the cost of living.

More improvements are needed:

Social security benefits should reflect the country's rising standard of living, as well as the cost of living;

Social security recipients under age 72 should be able to earn at least $3,000 a year without forfeiting any of the benefits to which they are entitled;

And the social security system should be equitable, with the tax schedule made more progressive, and insured men and women workers treated equally.

SUPPLEMENTAL SECURITY INCOME

Aged, as well as blind and disabled individuals, who are in financial need, became eligible for cash payments under the new supplemental security income program at the beginning of 1974.

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[10] Ibid, p. 10.

This new program is a welcome step toward addressing the needs of millions of older Americans.

We must learn from the initial experience with the supplemental security income program and continue to make adjustments and improvements as they become necessary.

VETERANS' BENEFITS

Veterans' retirement and disability benefits provide an important source of income for older veterans and their families.

Congress passed a 10-percent increase in veterans' pensions near the end of 1973 that means a significant rise in income for veterans and their families.

Other recent veterans legislation widens the scope of treatment VA hospitals may provide and expands medical services for veterans' dependents.

Congress also established a National Cemeteries System, authorized a special $150 burial plot allowance, in cases where veterans are not buried in a Federal cemetery.

In addition, Congress should act to grant increases in compensation rates and DIC rates for widows and children comparable to the recent increase received by those receiving pension benefits, should raise the income limitations for VA benefits, should prevent increases in social security or railroad retirement benefits from lowering veterans' pensions benefits, should prevent military retirees from losing length-of-service pay when they receive disability compensation, and should insure that the Veterans' Administration is responsive to the needs of older veterans.

RAILROAD RETIREMENT

New legislation provides that railroad employees with 30 years of service may retire at age 60 with full benefits and that if social security benefits are further increased in 1974, railroad retirees will receive an automatic equivalent increase.

We must insure that retirees covered by railroad retirement are in no way disadvantaged in comparison with fellow retired workers who are covered by social security.

PRIVATE PENSIONS

Retired Americans are having a number of problems with private pensions, many of them with catastrophic consequences.

After years of study, Congress is making steady progress on landmark legislation to improve private pension and protect the rights and retirement security of both working and retired Americans by setting equitable standards for employees' "vesting" rights, by requiring that all pension plans be run on a sound financial basis, by insuring pension plans against losses, and by allowing self-employed individuals without pension plan coverage to receive special tax deductions in order to set up their own retirement accounts.

Pension reform deserves top legislative priority.

EMPLOYMENT

Older Americans who want to work and are capable of working confront a number of employment barriers.

Too many prospective employers make the false assumption that younger employees are more desirable than older ones. As a result, capable, and productive older Americans are forced from their jobs or have trouble finding work that is meaningful and pay that is adequate.

Congress has passed manpower and training legislation that authorizes training, development, and public service employment programs for elderly citizens and others needing employment assistance, in areas with 6.5 percent unemployment or more.

For older Americans holding jobs, the minimum hourly wage was recently raised to $2, and minimum wage coverage was extended to 6.7 million additional individuals.

Federal programs which provide older Americans with useful jobs on a wage or volunteer basis need to be continued and expanded.

All forms of age discrimination in employment must be stopped and older Americans should have maximum freedom of choice in determining whether and where to work.

TAXATION

Taxes have a tremendous impact on the income of elderly Americans.

Not only are taxes too high for many older Americans, but approximately one-half of all elderly taxpayers pay more taxes than they should.

It is important that we simplify the tax statements and calculations older Americans must make to claim rightful deductions, make available special tax counseling assistance, increase the retirement income credit limitation to the maximum social security benefit level, and insure that the tax burden on the elderly at all levels of government, including property tax, reflects the older American's ability to pay.

HEALTH

Health problems are a burden for senior citizens.

Although older Americans have less than half the income of younger Americans, they pay almost three and a half times as much for their greater health care needs.

MEDICARE

Despite the major health care assistance medicare provides, coverage is inadequate and too costly for all too many older Americans.

Supplementary medical insurance has risen from $36 to $75, while the hospital deductible has jumped to $84.

The medicare system must be expanded and improved to meet the unfulfilled needs, the rapidly rising costs, and the growing complexity of adequate health care.

The monthly premium for supplementary medical insurance should be eliminated, and prescription drug, dental, hearing, and vision needs, related professional services, and catastrophic illness protection should be included under medicare coverage.

NUTRITION

Proper nutrition is basic to the health of elderly Americans, many of whom do not have the food they need, as their incomes are overwhelmed by rising food prices.

Congress has recently extended the food stamp program and authorized semiannual cost-of-living adjustments and has extended programs under the Older Americans Act that provide low-cost meals to elderly citizens.

We must see to it that every elderly American enjoys a nutritious diet at an affordable cost.

COMPREHENSIVE HEALTH CARE

Older Americans' health care will be inadequate until it is put on a comprehensive basis.

Until a new system of national health care is adopted, it is important that the existing system be expanded and improved at all levels.

During the 93d Congress, the following programs have been enacted: Hospital construction, comprehensive services, community mental health centers, regional medical centers, health maintenance organization development, community medical services, fire protection loans for nursing homes, and others.

Special emphasis should also be given to research into the prevention and treatment of strokes, heart disease, cancer, and other diseases that hit the elderly particularly hard, and we need to develop a much greater understanding of the very process of aging.

But, of course, money, commitment, and effort, not just scientific breakthroughs, are needed.

We need to insure an adequate supply of well-trained doctors and health personnel.

Existing health care facilities should be improved, where necessary, and new facilities, and other health care delivery innovations should be developed.

Most importantly, we must recognize the basic right of all Americans to comprehensive health care regardless of their age or their ability to pay.

HOUSING

Housing is the third principal concern of older Americans.

Many elderly Americans do not have a safe, decent place to live at a cost they can afford.

Available housing is often limited, inconvenient, and unsuitable for the special transportation, recreation, and health needs of elderly Americans.

Unfortunately, the recent record on housing is not encouraging.

It is distressing that the administration has undercut most progress on housing for the elderly both before and since its January 1973, declared "moratorium" on housing.

The Congress has continued to work for better housing for the elderly, although most of its efforts have been opposed by the administration.

It is highly important that we get housing moving at the Federal level and at all levels throughout the economy.

In order to improve housing for the elderly, we must enable older Americans to remain in their own homes, if they choose, make it easier for elderly Americans to buy homes, provide multiunit housing for older Americans, increase production of federally assisted housing for the elderly, see that older Americans are protected against fraudulent and exploitative housing practices, and secure housing and neighborhoods for the elderly against crime and accidental loss through fire and catastrophe.

In sum, we must make sure that every older American has a decent place to live.

TRANSPORTATION

Along with income, health, and housing, transportation is one of the most important concerns of older Americans.

Inadequate or inaccessible transportation deprives millions of elderly citizens of mobility, the ability to acquire basic necessities such as food, clothing, employment, and medical care.

Transportation is access to opportunities and the ability to participate in the social, spiritual, and cultural life of one's community.

In many areas, older Americans have no alternative; they go by car or they do not go at all.

When and where it is available, public transportation is often unsuited to the special need of the elderly who may have trouble climbing stairs, opening doors, standing, seeing, or hearing.

Those elderly Americans without transportation are in effect restricted to their homes or immediate neighborhoods. Everything else, perhaps even a movie theater just a few blocks away, is in another world.

Some progress is being made on the transportation problems of the elderly.

The Federal Aid Highway Act stimulates mass transit and requires that buses and transit vehicles receiving Federal funds be designed for use by elderly and handicapped passengers, and other legislation authorizes a wide-ranging study of the transportation problems of the elderly and improved Amtrak rail passenger service.

Transportation for the elderly should be designed to take into account their special needs, and it is imperative, above all, that the world's most mobile society provide elderly citizens with inexpensive, accessible, and safe transportation.

A NEW ATTITUDE

In order to make real progress toward a good life for older Americans, society must view elderly individuals from a fundamentally different perspective.

We must see them as people, important people, people with ability, people with needs and aspirations, and people with human dignity and great worth.

Above all else, we need to get away from the callous notion that older Americans are "nice," that they have done their part, and that they should now be put on a shelf, or sent to Florida, or stashed away and forgotten in an old-age home.

We must also acknowledge and make use of the important contributions the elderly can make and appreciate that older Americans face difficult problems in an increasingly complex society that caters to the working and to the young.

We need a new attitude, an approach that places human needs at the top of our priorities, places both young and old in the decisionmaking process of this Nation, makes their opinions and their energy felt at all levels, avoids pain and poverty for all, allows dignity in dying as well as in living, and offers safe, enriching, and hospitable environments for young and old alike.

We must realize that older Americans, through years of dedication and hard work, have earned a right to our respect and a continuing share of the great abundance of this Nation.

Finally, we must respond to the challenge posed by the many needs of the older Americans, and we must get on with the job of meeting those needs with vigor, with dedication, and with the attitude that we do so because it is right.

THE POPPIES OF ANATOLIA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. FRASER. Mr. Speaker, with good reason, Congress is deeply concerned about heroin addiction in the United States. In the words of Dr. Thomas E. Bryant, president of the Drug Abuse Council:

> It is clear that destructive drug use continues to be a serious national problem concentrated in our urban areas.

Since Turkish opium production was banned by the Turkish Government in 1971, the rate of heroin addiction in the United States has declined. Nobody wants that rate to go up again. And we all want to do something to keep it from going up again.

A resolution aimed at the reinstitution of Turkish poppy cultivation for opium has been introduced by a majority of Representatives in the House and by Senators MONDALE and BUCKLEY in the Senate. I am in full agreement with part one of the Resolution which states that the President should:

First, immediately initiate negotiations at the highest level of the Turkish Government to prevent the resumption of opium production;

But I am alarmed at the possible consequences of part two of this resolution:

Second, if such negotiations prove unfruitful, the president should exercise the authority provided by the Congress under the Foreign Assistance Act, to terminate all assistance to the Government of Turkey.

A New York Times editorial of May 27, 1974 points out that—

> The Turkish government has already shown readiness to remove one irritant to Turkish-American relations; an amnesty measure has reduced the life sentences passed on several young Americans arrested in possession of drugs, though the remaining prison sentences may still seem excessive to many in this country.

This is evidence of Turkey's willingness to respond to U.S. concerns in a drug-related matter.

The editorial also points out problems experienced in Turkey with the U.S.-financed opium production ban.

Turkish farmers feel that the American aid program has failed and they have heard that the United States is encouraging opium production for pharmaceutical purposes elsewhere.

Some Turkish nationalists reject a program they see as dictated by a foreign superpower. Our task ought to be revising and strengthening the program in Turkey. It should not be abandoned. Turkey does have legitimate concerns. We must respond to those concerns and attempt to save the program or, at least, salvage the idea behind it—effective control of poppy production no matter where it occurs.

The Drug Abuse Council reported May 30, 1974 that—

> While heroin use may be leveling off or declining on the national level, there is widespread agreement that heroin dependence remains a significant problem in the inner-city areas. Further, recent studies on the use of heroin would suggest that its use did not peak simultaneously across the country and may be just now emerging as a problem in a number of medium-sized cities.

This was reported in the Washington Post of the same date. It is clear that the Turkish ban is only one reason the rate of addiction declined in some areas.

In the same report, Dr. Bryant indicates that—

> Although some law enforcement efforts in the drug area have been helpful, surely history has taught us that overreliance on law enforcement cannot provide a panacea for our Nation's drug concerns.

Let us consider all aspects of the drug abuse problem in this country. Surely, closely controlling Turkish production of opium is important if an outright ban is not possible. Rupturing relations with the Turkish people and, in effect, abandoning our control program in Turkey would be a very high price to pay. The result would not be a solution to the problem of Turkish production of poppies. The alternatives should not be to ban production or end all U.S. assistance.

The Times editorial "The Poppies of Anatolia" follows:

THE POPPIES OF ANATOLIA

A totally unnecessary confrontation is brewing between the United States and Turkey; unless it can be talked out in terms of reason and good will, serious resentment could erupt to jeopardize Western security interests in the eastern Mediterranean.

The issue is the cultivation of poppies for opium, banned by the Turkish Government since 1971 after lengthy discussions with the United States. Under nationalistic political pressures at home, the new Turkish Government is giving serious consideration to lifting the ban. Against such a possibility, demands are being raised in Congress to suspend all economic aid to Turkey, a drastic move which could weaken the Turkish commitment to the North Atlantic Treaty Organization.

Both sides have a grievance in this complex misunderstanding. For American authorities the Turkish ban is central to the increasingly successful campaign against heroin addiction. United Nations and Federal Government drug enforcement authorities point to a dramatic decrease in the amount of illicit heroin reaching the streets of New York and other Eastern seaboard cities, an estimated 80 per cent of heroin formerly came from Turkey through the illicit "French connection" network. Though there are other potential sources of raw opium—particularly

Southeast Asia—international efforts there have scored notable success in disrupting new illicit channels of supply.

From the Turkish point of view, however, the ban has been a deprivation for some, for others a provocation. Poppies are a traditional and legitimate crop for a small but real segment of Turkey's farm population—not for opium but for the edible oil, seeds and stalks. The $36-million American aid program to compensate Turkish farmers for lost income has, by all accounts, failed—little of the money ever reaching the farmers themselves. Turkish anger has been aroused by misleading reports that the United States is encouraging opium production elsewhere, for pharmaceutical needs. Fortunately an official plan to cultivate poppies in this country for that purpose has been definitely shelved. Some Turkish politicians have turned the ban into an emotional issue of national pride.

The way out of this apparent impasse lies not through threats and acts of national defiance by either side. If the American aid program has been ineffective so far, it should be revised and strengthened—not necessarily with more money, but by better implementation, including small-scale industrial projects to convince the Anatolian farmers, and their mentors among the politicians, that they have something to gain by abandoning their poppy crop.

The Turkish government has already shown readiness to remove one irritant to Turkish-American relations; an amnesty measure has reduced the life sentences passed on several young Americans arrested in possession of drugs, though the remaining prison sentences may still seem excessive to many in this country.

With a modicum of good will, and recognition of each other's legitimate concerns, there is no reason why both sides cannot benefit from continuation of the Turkish poppy ban.

TRIBUTE TO BARNETT M. ROSSOFF

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. WYDLER. Mr. Speaker, recently Mr. Barnett M. Rossoff, the father of my good friend Arthur L. Rossoff, passed away. A moving and stirring tribute to him was sent to me, and I wish to place it in the CONGRESSIONAL RECORD as a tribute to Mr. Rossoff and his life:

IN MEMORIAM

BARNETT M. ROSSOFF—1889–1973

Barnett Rossoff worked hard all his long life. He walked erect with his head held high and was the soul of integrity in his personal and business relationships.

He came to America as a boy and immediately shouldered his pack as an itinerant peddler in the deep South. He became a citizen and served his adopted country as a volunteer in World War I. After the war, he came North and went into business with modest success until the great depression. Never admitting defeat, he picked himself up and reestablished himself as an ample provider to his family.

He had little formal education, but was self-taught and had a very sharp mind. To his last day, when his tired heart expired, his mind remained keen and alert and full of thoughts for the welfare of his family.

Several years before his passing, his entire family and many relatives had the joy of helping him to celebrate the fiftieth anniversary of his marriage to his loving wife, Minnie, who was his constant companion and friend.

He also leaves his son, Arthur, and his wife, Constance; his daughter, Doris Pogue and husband Robert; five grandchildren, Marilyn, Michael, Matthew, Andrew and Suzanne; and two young great grandsons, Mark and Neil—all of whom will remember him dearly.

APRIL 1, 1973.

U.S. RESOLUTIONS AT THE GENEVA DIPLOMATIC CONVENTION

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. CHARLES WILSON of Texas. Mr. Speaker, at your direction, I left Washington on March 7, to attend the Diplomatic Conference on the Laws of War in Geneva, Switzerland. At this time, I would like to report to you and to my colleagues on the progress of the talks.

First, a little background is in order. The 1974 Geneva Conference is the first since 1949, and only the third in history since 1929. It was called by the Swiss Government and the International Red Cross in order to update the Geneva Conventions relating to the protection of victims of international armed conflicts—also known as the Laws of War. It is the first attempt at revision of the Geneva Conventions since 1949, and more than 100 nations sent representatives to the conference.

The chief of the U.S. delegation, George Aldrich, is Deputy Legal Adviser for the State Department and was Secretary of State Kissinger's special counsel at the Paris Peace Talks. The delegation also included three other State Department officials, 16 representatives of the Department of Defense, and Congressman GEORGE O'BRIEN.

The United States sponsored two resolutions at the conference, which we believe will serve the interests of all nations. The first deals with the treatment and accounting of POW's, MIA's, and the bodies of dead soldiers. The second resolution asks that more automatic enforcement procedures be established to insure that the laws of war are followed.

I am happy to report that both of these proposals were very favorably received by the other delegates to the meeting. In accordance with usual procedure at conferences of this kind, no final action was taken on any of the amendments at the March meeting. All of the participating nations will be allowed a year's time to carefully study the proposals. The next conference, tentatively scheduled for March 1975, should see the enactment of amendments agreed to by all of the delegates.

My primary interest in this meeting was directed toward the resolution dealing with prisoners of war and the dead and missing in action. I was privileged to speak to the entire convention on March 14, and introduce the U.S. resolution on this subject. At this time, I would like to insert into the RECORD a copy of that speech, which explains more fully the U.S. position on the necessity for accurate accounting of POW's and MIA's by all combatant nations in a conflict:

STATEMENT BY CONGRESSMAN CHARLES WILSON OF TEXAS

Mr. President, I appreciate the opportunity to introduce the draft amendment on the subject of the missing and dead and graves in armed conflicts. I recognize that the time for full discussion of this amendment will come later on the agenda of this Committee. As a member of the United States Congress, I have been privileged to participate in the work of this Conference. However, my schedule requires me to leave later today, so I appreciate this opportunity to speak now.

The subject of this Article is that of accounting for the missing and dead in armed conflicts, and identifying and caring for the graves of the dead. As a newcomer to the subject of international humanitarian law, I was surprised to realize that there exists no general, overall requirement on this subject in the Geneva Conventions of 1949. The purpose of this amendment is to fill that gap.

Every country that has experienced armed conflict is aware of the heartbreak that comes during and after hostilities as families experience the anguish of not knowing the fate of their relatives. This problem has existed for generations. It has taken on even greater importance in recent years as a result of the wide-ranging and protracted nature of modern armed conflicts. As a member of Congress, I am personally aware of the suffering of parents and wives who have not been able to learn the fate of their loved ones. Lacking definitive information, families cling to the hope, even against the odds, that their relative may somehow have survived. We may remember the pictures of relatives at railroad stations, airfields, and ports—as POWs return—with signs asking, "Has anyone seen my son, husband, or father?" as the case may be. All would agree, I believe, that the certain knowledge of death is preferable to the endless uncertainty of not knowing the fate of a loved one.

Although this subject was not covered in the draft Protocols submitted to this Conference by the meetings of government experts, it follows as a logical step from the resolution adopted unanimously by the International Conference of the Red Cross at Tehran this past November, which called on parties to armed conflicts to help account for the missing and dead in armed conflicts.

As the Tehran resolution indicated, there is nothing political about this amendment. Its purpose is the simple, human one of accounting for the missing and caring for the graves of the dead. To do this is in the national interest of every country, and serves the cause of humanity.

I hope this Commission and this Diplomatic Conference will consider this subject sympathetically and act to make it part of international humanitarian law applicable in armed conflicts. I regret that I will not be here personally to assist in those deliberations and again express my thanks for this opportunity to address the Conference.

IF YOU THOUGHT THE LAND USE POLICY BILL WAS A MONSTROSITY THEN THE SURFACE COAL MINING BILL WILL REALLY DRIVE YOU UP THE WALL

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. HOSMER. Mr. Speaker, any Member whose eyebrows were raised by the provisions of the land use policy bill which was today denied a rule because Members believed it to be one sided will really be driven up the wall by the surface coal mining bill H.R. 11500.

That bill's single-minded focus on environmental values to the exclusion, and even the degrogation of energy and other values has made it an unworthy vehicle for consideration.

We need a good stiff bill regulating surface coal mining. H.R. 11500 is that all right, but it goes so far you cannot dig coal with it. It is an extremist vehicle.

But, H.R. 12898 lays on just as much environmental protection, requires effective reclamation of surface minded land, yet does it in a manner which also allows coal to be dug and the Nation's energy requirements to be met.

H.R. 12898 will serve the Nation and should be substituted for H.R. 11500 which will disserve the Nation.

SUBURBAN ACTION CALLS ON CITY TO CHALLENGE SUBURBAN SEGREGATION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Ms. ABZUG. Mr. Speaker, testifying before the New York City Commission on Human Rights on May 15, Paul Davidoff, executive director of the Suburban Action Institute, called on the city to "stop holding still for the (expletive deleted) being given to it by the surrounding suburbs." In a statement before a special hearing of the commission on "Dismantling Discrimination: Problems and Possibilities for Northern Urban Integration," Davidoff attacked what he defined as "de jure" residential segregation. He said:

> We would be more comfortable in continuing to call it de facto segregation because that would imply that there was very little we could do about it. But it is the laws, permitted by the State and applied by the growing suburbs of the region that have zoned out the poor, the working class, the non-white, and increasingly the middle class. Through discriminatory zoning devices, these suburbs have taken away from the citizens of the inner cities their constitutional right of freedom to travel and to locate in a place of their choice. And by so restricting the movement of the less affluent, have imposed on the inner cities all of the economic costs attendant on the provision of public services to families that cannot pay enough in taxes to cover the costs of meeting their needs.

Davidoff, whose nonprofit agency is actively engaged in a wide-scale attack against exclusionary zoning in the suburbs, told the commission that New York City's government could do far more than it has to cut the noose that has been placed about both its citizens and itself by the outlying suburbs. He recommended the following sets of actions:

First. To see that the Tri-State Regional Planning Commission, which now has only 1 of its 15 members representing New York City, recognize the principle of one person, one vote and add members to the commission representing New York City. Further, to see that Tri-State discontinue supporting Federal funding of activities in discriminatory suburbs. Tri-State should withhold approval of grants to communities practicing public discrimination through zoning.

Second. To develop a plan for the end of segregation in the region. New York City's planning commission has failed to examine the consequences on the city of suburban exclusionary zoning. The city planning commission should amend its master plan so as to include planned actions to make all parts of the region open to all its citizens. As the dominant municipal force in the region, New York City should be playing a far stronger role in directing the planning of the region and protecting the rights of minorities.

Third. Because of the immense social, economic, and political harm done to the region and New York City by publicly sponsored economic and racial segregation imposed by suburban zoning, New York City should take the lead in attacking the present State zoning enabling legislation which empowers localities to practice residential discrimination. The city should both attack that unconstitutional act in the courts and seek to have it repealed by the legislature.

Fourth. The city should challenge the right of corporations fleeing the city to relocate to communities where their minority work force cannot find housing. The move of corporations to such places is in direct violation of title VII of the Civil Rights Act of 1964 which prohibits employment discrimination. The city should seek to maintain the corporations in the city, but if they are to move, then they should act so as to enlarge the ability of their nonwhite work force and their moderate income work force to find means of remaining employed without having to travel great distances at high time and dollar cost.

Davidoff concluded by stating that the city has historically been the defender of economic and racial minorities. It must assert that role now, throughout the region. For what happens to the nonwhites and to the economic minorities seeking residence in Suffolk, Bergen, or Westchester, is of immediate concern to the well-being and future of New York City.

THE TRAGIC TOLL OF HIGHWAY ACCIDENTS

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. KYROS. Mr. Speaker, one of my constituents, Clarence W. Collins of Freeport, Maine, has been deeply concerned for most of his life with the tragic toll of highway accidents, both in terms of human lives and in property. In a recent letter to me, he said:

> I seem to hear a cry from the grave. It seems to be a message for me to pass on, so that other young will not be sacrificed in vain. If I can carry this message to enough people, we can all work together and bring more pleasure and less tragedy on our highways.

Mr. Collins asked for my help in bringing his message to the people, and I can think of no better way than bringing his words to the attention of my colleagues and their constitutents:

ONE-TENTH OF 1 PERCENT

On my way home from school one day in the year 1910, our local doctor stopped beside me and offered me a ride home. I quickly accepted and tried to act casual but I suspect the good doctor knew my heart was pounding hard and fast. You see, in those days nobody ever thumbed a ride, the phrase was to be unknown for many years to come. Anyway the thrill of sitting up there with that venerable gentleman and hearing the throb and chug of that wonderful two lunger was the most exciting thing that had happened to that ten year old boy.

We hit the big hill wide open doing around twenty miles per hour. She gradually lost momentum and in the middle of the steep part she ground to a stop. The good doctor did some clutch and gear grinding and she was ready to tackle the really steep part. He revved up and with a little chattering she took off and purred smoothly up and over the hill top at five miles per hour.

Needless to say I rode on and on until he asked where I wanted to get off, and I replied, still casual, "oh anywhere," so he let me off and I walked the two miles back to my home. I poured out the exciting story to my family and kept up a running chatter until I finally dropped exhausted into slumberland.

The years passed swiftly by and I had many opportunities to watch and to listen to the talk of the trade at local garages. I learned to take up motor bearings, grind valves and reline brakes and became familiar with model T transmission bands.

By 1920 I had saved enough money to try to buy my first model T car. A school chum owned a darned good coupe so I walked the three miles to his home and the deal went something like this.

Hi Joe, I heard your car is for sale.

Answer. You heard right, I want to sell it.

Question. I haven't much money but can we talk it over?

Answer. I want to sell it, you don't need much money.

Question. What kind of shape is she in?

Answer. Oh she's in good shape, lets take a ride, you drive.

Question. Oh no, you know your own car, you drive?

Answer. Alright, get in—lets go.

The car had a self starter and she started right up and he drove at a comfortable speed down through the village and when we pitched down over the long steep hill he let her roll at will. I became concerned but knowing Joe to be a level headed boy and familiar with his own car I tried to tell myself that he was in control.

At this point I will tell you what condition was ready to trap us at the bottom of the hill. In those days of dirt roads you would always find deep loose sand and gravel which was washed down from the hill. This was always a hazard in the dirt road era.

We rolled into that loose sand doing twice the speed we should have and we flipped from left to right in rapid succession which absorbed some of our speed and we came to a stop on our own four wheels, then I began to breath again.

Very little was said but I was busy thinking.

Joe's comment after *this terrifying* episode was, if I don't sell this car I'll kill myself. I was full of enthusiasm and to be able to own a car seemed to me the most wonderful thing that could happen to anybody but this experience had shown me that the judgment, "or lack of it," could make all the difference in the world. Now I could see and understand what Joe had said in the beginning. "You don't have to have much money." Now the point had been driven home to me for all time.

The point was this, Joe was a bright boy and had worked hard and saved to buy that car, only to find out that his lack of judgement make it a dangerous weapon in his hands.

My interest in cars kept me in automotive repair work for many years and in fleet maintenance the practice of preventive maintenance paid off. I tried to help the young drivers with now and then a word of caution—always remember when you are rolling, the best friend you have is the distance between your vehicle and the one ahead.

And so in the 1940's, a daughter of my employer was instantly killed when her car crashed into a tree and later on I lost a nephew in the same way and there have been too many other instances where young people who have only had their drivers license for a short time have gone out of control.

You say these kids are taking dope and drinking and you are partly right but not wholly right. I am talking about one tenth of one per cent. It is time we recognized the fact that we are not screening our applicants for this specific point and until we do, we are putting a deadly weapon in their hands, with which in times of stress they cannot cope.

I believe that with a simulated test the applicants needing special help could be singled out and given that help.

We are talking about human lives and I believe that our loss in young people alone can be cut down at the very least one tenth of one per cent.

We are told that cancer and heart disease are our biggest killers and we know that research is constantly working toward a break through.

On the other hand our highway crashes are going on at an ever increasing rate and our highway and safety people are increasing their research and police personnel which is all good but we are still overlooking a vicious loophole.

I believe that in these days of changing old ideas and modernizing laws and systems in many categories, that now is the time to bring about this modernizing of vehicle driving aptitude.

If we can cut down on these crashes one tenth of one per cent we will be on the right road.

WILD TRAFFIC—AND ITS ANTIDOTE

For as many years as I can remember it has been illegal to follow a vehicle too close and for just as many years, people have "tailgated," until today it has got out of hand.

Many years ago, we received from the State when we were issued a driver's license; a pamphlet which clearly stated the braking distance at different speeds and the number of seconds required to take your foot off the gas and put it on the brake pedal and push down. Just how far you traveled in those few seconds but, alas, we have failed to get the message across.

Tailgating has become such an obsession today that a defensive driver does not have the margin of safety which he tries to maintain.

We have talked defensive driving for so long and failed, it's pitiful. Our well trained and efficient police are doing a commendable job but if we carry on the same way for another fifty years we will not improve our driving habits one iota. Why? Because we are snoozing along, feeling safe and warm and snug in our false security, but we are over-looking the obvious.

The National Safety Council keeps giving us figures on how many deaths and injuries to expect for each weekend and, of course, Labor Day weekend is the worst. Well, now we are getting set to do something about the old statistics. A Maine man has come forward with a new idea in traffic safety which is designed to explode the old theory that a certain number of crashes must occur in order to maintain the proven statistics.

In this new system, each one of us will have real incentive to improve our driving habits and we will put Maine at the top of the list and keep her there. This new idea is on the drawing board and is subject to suggestions, criticisms, changes, corrections, and even ridicule, but we will still fight. Why? Simply pause a few seconds and ask yourself which path to take. According to the present statistics, I will have a child or grandchild killed in a highway crash. On the other hand, if I start to fight now my children and grandchildren will be assured of living a normal life span. I'll fight.

This new blue print is going to need experts and study and testing but we will work the bugs out and make it pay. We, already, have police in unmarked cars. Increase this fleet and equip them with a camera and speedometer in the rear deck which will be opened to a fixed position (one inch to 1½") to allow the camera to focus properly. The camera to be "clicked" by the driver and the camera to turn automatically to the next frame. The speedometer to be fixed at the proper angle and what do you have? You have a tailgater, you have a closeup of him with his registration and rate of speed. You could take him to court but don't do it now; wait.

Simply have a printed form prepared for him. Fill in his name, address and phone number. Explain to him that this picture proves beyond the shadow of a doubt that he has broken the law and could be taken to court and fined. Explain to him that we are conducting a new safety pilot program and that the penalties for this offense will be announced in the newspaper at a later date.

I suggest, instead of court that we set up traffic schools and have the "repeater" come in in groups "they pay the cost". I am sure we can make this work when we put vim and vigor into it. The cost will be high but it still will not cost half what we are now losing in life and property. The many benefits we will reap are beyond imagination.

We must have enough men "and women" in the field to keep these pictures coming so fast that Mr. John Q. Public will say to himself, "they have got me licked, there is no way to ignore this one. If I am going to continue to drive and keep my license I have got to drive like a human being. There is no escape, they get those pictures all day long from the early morning rush to the rush home after work".

People will give serious thought to this new situation and the only conclusion will be: "I'll start ten minutes earlier and be sure".

When this frame of mind has been brought about, we will be ready for our new set of statistics.

The Highway Safety Man—Clarence W. Collins.

REDUCING OUR DEPENDENCE ON FOREIGN OIL

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. BELL. Mr. Speaker, as many of my colleagues are aware, I have devoted a good deal of time and effort to the policies of the United States in developing its energy resources. The severity of this problem has received considerable attention since last fall's oil embargo.

One method of reducing our dependence on foreign oil that I have advocated is the development and production of oil from our Naval Petroleum Reserve at Elk Hills in California. This became an extremely controversial proposition and in March I initiated an effort to discharge a resolution from the House Armed Services Committee to authorize production at Elk Hills during the shortage.

I would like to add to the RECORD some further explanation of my position on the Naval Petroleum Reserves since that time. Following is an article that appeared in the New Republic on March 23, 1974, my reply to that article, and my testimony before the House Armed Services Committee on April 11, 1974.

The material follows:

STANDARD OPERATING PROCEDURE

The President and three congressmen from California, Alphonzo Bell, James Corman and William Ketchum, are leading a campaign to open the navy oil reserve at Elk Hills to private—not public—development. Under existing law, written to prevent a repetition of Teapot Dome scandals, it can't be exploited except during a national emergency, and Mr. Nixon tells us the "crisis has passed." The last time anyone opened Elk Hills other than in wartime was during Warren Harding's administration, when the reserve was leased fraudulently to oil magnate Edward Doheny. (His leases were subsequently cancelled.) But in 1970 Mr. Nixon began promoting a plan whereby oil companies would give the government certain leases of doubtful value in the Santa Barbara Channel, some of which proved unusable after the famous blow-out that soaked the beaches with oil, and in return the government would give the companies either money or an equivalent in oil to repay their losses in Santa Barbara. Either way, fabulously rich Elk Hills was to be tapped to finance the transaction. Congress was not impressed by the plan and it was set aside. What was not set aside was the President's request for immediate authority to open Elk Hills. The navy was persuaded that an emergency exists, approved the request and passed it on to the Senate, which quickly drafted legislation.

The legislation might have been approved by Christmas if the meddlesome House Armed Services Committee hadn't interfered. Rep. Edward Hébert (D. La.), chairman of the committee, has a literal mind: no one would open Elk Hills until Hébert was convinced there *was* a national emergency. He turned over the Elk Hills proposal to a subcommittee "for study," which is to say, for burial. On March 5, however, Rep. Bell, former president of Bell Petroleum in California, and Rep. Ketchum, whose district includes Elk Hills, announced they were filing a "discharge petition" to force Hébert to release the bill. They have since been joined by about 25 cosigners, including Reps. Corman, Drinan and Conte. The petition needs 218 signatures to prevail.

Who would benefit? Consumers would barely feel the effect, for the legislation would allow production of only one percent of the amount of gasoline used each day in the United States. But the effect on California oil companies would be tremendous, the chief beneficiary being Standard Oil of California (Socal), the largest oil company in the state, which owns about 20 percent of the land inside the navy reserve. In 1944 Socal signed a special contract agreeing not to remove oil from its part of Elk Hills without the navy's consent; that is, only in the event of a national emergency. Socal also runs the reserve for the navy, because it owns the only pipeline in the vicinity.

When the administration wanted to trade the Santa Barbara leases for Elk Hills four years ago, Richard Kleindienst, then Deputy Attorney General, advised the White House against it. His confidential memo, released on March 7 by Rep. John Moss, shows that from the beginning both the White House and the Justice Department were aware of the flaws in the Santa Barbara deal and of Socal's monopoly position in Elk Hills. Kleindienst, writing to Robert Mayo in the budget office, pointed out that Socal had large investments in the troubled Santa Barbara Channel, and that an increase in Elk Hills production would probably damage the reserve. He described Socal's monopoly in the clearest terms: ". . . the question is whether the navy can sell the oil on the open market at a fair market price. While the navy could, of course, purport to make the oil available on arms length competitive bids, lack of opportunity for effective competition with respect to oil on the reserve would prevent establishment there of a fair market price. Standard Oil Company of California is in a controlling position with respect to such oil sales . . . Standard owns the only pipeline connected to the field, which any purchaser of Elk Hills oil must use for the first link in transportation to any refinery. The Standard line, however, is a private carrier, handling only oil owned by the company. Consequently, in order to move the oil, any purchaser must make arrangements for sale to Standard and repurchase from it at the delivery point. These factors constitute a serious limitation of the opportunity of competitors of Standard to bid."

That warning went to the White House in April 1970, but didn't stop the administration from pushing the Santa Barbara tradeoff. Nor did it stop the President from approving a special contract with Shell Oil for the sale of excess oil coming out of the two bids for that contract, tendered by Shell and Socal. They were identical.

Rep. Moss has released another batch of confidential memos that give us a glimpse of Socal's inner workings. They reveal that Socal executives in San Francisco have been trying since 1970 to find a way to tap oil pools under its property which run into the reserve. If they were tapped they would cost the navy not only oil, but extra maintenance fees paid to Socal. Most of the discussion in these memos turns on the problem of how to drill close to Elk Hills without alarming the navy or exciting the interest of its legal team. A company recommendation of June 21, 1973 says, "This play [exploratory drilling] should be given further detailed review from an operating standpoint to determine how far away from the boundary of the reserve drilling and production could be kept, and how long a time might go by before evidence of potential drainage of the reserve might become evident." A memo in July written by John Thacher, then assistant to the chairman of the Socal board, warned against drilling too close to the reserve: "I think we should exercise extreme caution before drilling locations to the south of the initial well. . . ." In another memo written just before Socal made up its mind to drill near the reserve, Thacher proposed defending the action, if challenged, by saying that the drill site at "7–R" was chosen because Socal thought it would do the least damage of several sites being considered. Thacher was overruled by the president of the company, Harold J. Haynes, who argued that Socal might want to bite deeper into the reserve later on. Socal wanted to move discreetly; it also wanted to move quickly, as one memo said, because this "could allow considerable production *before* government reacts."

The game plan was a success. With negligible exploratory and legal costs, Socal sank 10 wells next to the reserve last year and removed 1.5 million barrels of excellent crude oil before it was stopped. At the free market rate that oil was worth $15 million. After proving that the company was draining the reserve, the navy went to court and won an injunction against Socal on February 14.

Why does the President believe that Elk Hills must now be opened? As noted the bill in Congress if passed would supply only 70,400 barrels of gasoline a day in a country that demands between six and seven million barrels a day. It wouldn't lower the price of gas, because under present regulations the Elk Hills oil would be sold at the free market rate, about $10 a barrel. But it *would* help the California oil industry and some of the President's friends at Socal. They kicked in about $163,000 for his campaign in 1972.

If the Arab embargo is soon to be lifted, as reported last week, the President's rationale for quick action on Elk Hills may be rendered "inoperative." But basic decisions still have to be made. As panic subsides Congress can more coolly consider whether there are not better ways to dispose of public-owned oil than by dumping it into the tanks of the nearest monopoly. A public corporation of the sort envisioned in Sen. Adlai Stevenson's energy bill (S2506) is the appropriate instrument to explore, maintain and exploit federal oil lands. The bill, now in markup before the Senate Commerce Committee, would set up an oil and gas company that reports to but is independent of the federal government. The FOGC, as it is called, would be entitled to 20 percent of all federal oil and gas leases offered each year, and it would become the prime contractor for all work on the reserves. It would end Socal's stranglehold on Elk Hills and prevent similar monopoly exploitation at other reserves.

April 11, 1974.

Mr. Eliot Marshall,
The New Republic,
Washington, D.C.

Dear Mr. Marshall: A short time ago I telephoned you regarding your article in The New Republic dated March 23, 1974 entitled "Standard Operating Procedure".

I felt the article, though well intended, was inaccurate in both fact and implication.

You very courteously offered your column for my reply, for which I thank you. Even though the energy crisis has now eased and the long lines waiting for gasoline have disappeared for the most part, I do feel a fuller discussion of the matter would be in the public interest, if for no other reason (God forbid) than that the Arabs or others could force another shortage upon us.

Please find enclosed: (1) a speech I made on the Floor of the House of Representatives on March 6, 1974, which was during the height of the Arab embargo, and is self-explanatory, (2) a further discussion of why the discharge petition introduced by Congressman Corman, Congressman Ketchum, Congressman Conte and Congressman Bell, during the energy crisis, should have been supported.

With every good wish, I am

Sincerely yours,

Alphonzo Bell,
U.S. Congressman.

Elk Hills Discharge Petition

There were three issues involved (at least one of which is still very much alive) in the Elk Hills production controversy.

First is the need for this sources of energy by both the military and the civilian economy, and the stifling of this need by the House Armed Services Committee.

Second is the apparent inability of the Navy to efficiently operate and assess the Elk Hills Oil and Gas Reserves, thus inadvertently rendering the field incapable of meeting its maximum efficient rate of production to satisfy the needs of an emergency situation as prescribed by law.

Third is the need for a long range study plan in order to develop a sensible policy as to the control and operation of our government-owned oil and gas reserves.

I will take the points that you raised in your article, 'Standard Operating Procedure" in order, one at a time. At the outset, you imply that Elk Hills is to be opened "to private—not public development," and in saying this, you raise the spectre of another Teapot Dome scandal.

When the phrase "open up to private development" is used, one would be led to believe that at least 51% of the oil field is owned or controlled or would be owned or controlled by private operators. This is not the case at Elk Hills! Approximately 80% of the new-unitized Elk Hills field is owned by the Navy or publically owned. True, Standard Oil of California (SOCAL) owns slightly less than 20%. So if Elk Hills production were to be increased or "opened up" as you say, you would be opening it up much more to public than private production. I suppose the Navy could, and perhaps should, have bought or condemned SOCAL's 20% of the Elk Hills field. The fact remains, however, that this was not done.

The proposed trade of the Santa Barbara oil leases for Elk Hills, which you mention in your article, is a long dead issue and need not be belabored. Actually, in my opinion, this proposal had little prospect of passage and had doubtful merit.

As I described in my speech before the House of Representatives on March 6, the President, during the height of the energy crisis, requested that Congress increase the production and development of the Elk Hills Oil Fields to assist in easing the energy shortage of our Nation. The Senate Armed Services Committee reported out such legislation which was ultimately passed by the Senate body on December 19, 1973. Because of the inefficiency of the Navy and the lack of action by the House Armed Services Committee, the field was not ready or capable of producing at its Maximum Efficient Rate or M.E.R. and, therefore, could not immediately produce enough oil and gas to meet the needs of an emergency as was the intent and purpose of the oil reserve. But within a year, if the Navy had acted expeditiously, a pipeline could have been built and controlled by the Navy that would have been capable of shipping at least 200,000 barrels a day of production to several refineries in Bakersfield.

In March, some experts were predicting a gasoline shortage for at least five years. The long gasoline lines were prompting Americans to demand answers to this energy shortage, and within a year, if operated expeditiously and efficiently, Elk Hills production alone could have made the State of California self-sufficient in oil production and could have provided 10% of the needs for our Nation.

This then would not have been a veritable drop in the bucket, but rather a substantial aid in solving the energy crisis. When one realizes that California produces approximately 900,000 barrels a day while the demand is nearly 1,200,000 barrels a day, Elk Hills could have eliminated California's self-sufficiency problem, thus easing the gasoline difficulty for other states.

The purpose of the discharge petition was to get 60,000 barrels a day production (this converts to approximately 1,890,000 gallons of gasoline) started immediately. The Navy would then have built, or would have arranged to have built, a pipeline to Bakersfield. This could be done! The oil and gas could then be sold at the pipeline end, to the highest bidder. The likelihood is that independent oil companies would be willing to pay "bonuses" for oil and, therefore, could be the most likely winners. Most of the time majors carry on a practice of not paying bonuses because it tends to cause trouble in competing with other major companies elsewhere in the world.

As to SOCAL's control of present pipeline facilities, SOCAL is in no position to get difficult with the Navy, either at Elk Hills or at the end of its pipeline. The Secretary of the Navy has the power to cancel its operating agreement with SOCAL in six months, not to mention certain condemnation powers that could be used if necessary.

If the Elk Hills production were stepped up to 160,000 barrels a day or more, (some engineers say that full development of the Elk Hills field would sustain an M.E.R. of 350,000 barrels a day) eventually Standard, with 20% of the field would make money. But the taxpayers of this Nation, with 80% of the field, would make a great deal more! My understanding is that the money from the sale of oil is deposited into the national treasury. Therefore, at approximately $7.50 per barrel, this money from the sale of such oil could be used to solve a great many social and environmental problems, or to aid in controlling our huge national debt.

Relative to the statement that the oil reserve would be lessened by increased production, this is true—true in any oil field. The Navy, however, has more than 36 billion barrels of oil in Alaska and in their oil shale reserves in Colorado and Utah. The development of the methods of extraction of oil from oil shale is nearly a reality. With these reserves plus Elk Hills, Buena Vista Hills and Teapot Dome, the Navy has enough barrels of oil reserve to last it for 80 years.

Such reserve is particularly sizeable in view of the Navy's gradual process of conversion to Nuclear Power, and the fact that in time of emergency, either a civilian or military emergency, the Navy relies heavily on "civilian" sources of energy rather than on their "own."

Your article implies that major oil companies, particularly SOCAL, would be in a position not only to control the price of the Elk Hills oil and gas at the well head, but also at the end of the pipeline into, I presume in this particular case, Bakersfield. The article also implies that Standard has already taken advantage of the Navy and presumably will continue to take advantage through drainage.

I have previously stated that the Navy has adequate control machinery over SOCAL. It is necessary, however, that the Navy be alert enough to exercise such control. If they are not, then I would suggest that a more efficient government agency take over the Elk Hills operation.

With respect to price controls, I would refer you to the possible bidding proposal involving "bonuses" that I mentioned earlier in this report.

The remainder of your article deals with the question of drainage. The "cloak and dagger" concept of drainage that I find in the article I believe, however, borders on the ridiculous. I am no defender of major oil companies. In fact, the reverse is true. I have spent a large part of my business life in disagreement with majors. It is highly unlikely, however, that a major oil company could surreptitiously drill and produce neighboring land. Such actions would be listed in the State of California Division of Oil and Gas Reports which are made by all operating companies in California. The Navy, through its unitization contract with Standard, is in a position to demand such information.

There is also court action that one abused partner could take against another. I understand that at present time there is such litigation pending between Navy and Standard. Furthermore, if drainage is proven, Navy has the power to bring new property under its jurisdiction.

If the Navy should delay too long before reacting to drainage, then I hold that it is the Navy's fault. Nearly every small underfinanced oil company that I know reacts to possible drainage by offset production. Why? Because production close to one's borders usually means proven production. At approximately $7.50 per barrel a company must react rapidly.

This whole argument merely strengthens the view that the Navy is terribly inept and inefficient. Your article says SOCAL sank 10 wells next to the reserve and the Navy allowed 1.5 million barrels to be drained. With the controls the Navy has at its disposal, the taxpayers truly have a right to demand better protecion of their oil reserves.

If the Navy can justify operating its own oil reserves, then why shouldn't the Army, the Air Force, and the Marines have reserves as well? Under those circumstances it seems that one federal agency would be in a better position to control all public oil reserves.

Even today, with the Arab embargo lifted, it makes sense to discharge the Elk Hills resolution from the House Armed Services Committee. Your fears of drainage and the inefficiency of the Navy's procedures would be allayed if our discharge petition were to be adopted. This will take the issue from the hands of a few and bring it out before the entire Congress. Only in this way will the issue be debated and resolved, hopefully, to the benefit of all the American people.

STATEMENT OF CONGRESSMAN ALPHONZO BELL BEFORE THE HOUSE ARMED SERVICES SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES, MAY 16, 1974

Mr. Chairman, I would like to thank you and the other members of the Committee for allowing me the opportunity to present my views on the Naval Petroleum Reserves.

For the record, I want to say that my active participation and interest in the oil business numbers approximately twenty years. I am a former President and Chairman of the Board of Bell Petroleum Company of California, and while I am not at the present time directly involved in the management of the company, I continue to own substantial stock in the corporation.

There is absolutely no business or personal advantage to me or to Bell Petroleum in a revision of government policy at Elk Hills or any of the other Naval Petroleum Reserves. My views about the operation of these reserves transcend personal or business associations and deal solely with the public interest.

I am not here today to dwell on the subject of opening the Elk Hills Reserve to full production. In March, I initiated an effort to discharge House Joint Resolution 846 from this Committee and bring it to the House floor for debate. Since that time, I have made several public statements about my position on this issue.

I will discuss, instead, what I believe should be the policy of the federal government toward the Naval Petroleum Reserves and how I feel this policy should be carried out.

To begin with, I have no quarrel over the need for oil and oil shale reserves. A clear fact brought out by the recent fuel shortage is that our known and developed petroleum reserves are being depleted. The government must take steps to insure that new sources of petroleum products and other energy sources are found and made available for our future needs.

On the other hand, we should not use this future need as an excuse to reserve our known sources of petroleum without adequate development, so that when faced with a serious need for energy we are incapable of making adequate use of our reserves. The embargo has now been lifted but we should not be fooled into believing that our energy crisis is over. This country is still dependent on foreign petroleum and we have no guarantee that we will not be subjected to further actions of this kind.

What can be done to guarantee the United States an adequate supply of oil for both present and future needs?

First of all the federal government desperately needs to formulate an overall policy with regard to the exploration, development and production of domestic petroleum resources. This policy should take into account the projected demand for petroleum in this country over the next several decades and determine to what extent we should rely on imports. Also, encouragement should be provided for exploratory efforts to find new sources of petroleum and other energy forms.

As part of the overall policy, the government should determine how it will handle its own reserves to meet our oil needs during an emergency so that we can avoid, if possible, total dependence on the actions of foreign nations.

The concept of insuring that America's military forces have an adequate supply of petroleum during an emergency is commendable but I am afraid that should a real military emergency occur, American military forces and the American public would be sadly disappointed in the actual capability of these reserves. The Navy now controls seven reserves. Four are conventional petroleum reserves and three are oil shale reserves. Of the seven, only three are developed to the point where they could be placed in production within one year and two of these three have been depleted to the extent that they are virtually useless as reserves.

The one remaining reserve, Elk Hills, is currently capable of producing a maximum of 60,000 barrels a day within 60 days. After one to three additional years, the reserve could be operating at its maximum efficient rate which is between 200,000 and 350,000 barrels a day. One can easily see that if this situation continued to exist a war or another emergency situation could be over, before Elk Hills could be brought up to the point where the benefits of its maximum efficient rate (MER) of production could be felt.

Even this highest maximum efficient rate would not produce enough oil to supply half the military's daily requirements during peacetime. In wartime this production would supply less than one third of the military's estimated requirements. Clearly the naval petroleum reserves, if the military were to depend upon them, would not be adequate in a time of emergency.

As a nation, if we are to have reserves, and I believe that we should, then they should be developed and maintained in the most efficient manner possible. This is not currently the case with the Naval Petroleum Reserves. The Navy and the Interior Department have allowed the reserves to be drained by private oil companies. As I mentioned earlier, two of the four petroleum reserves have been almost completely depleted through drainage. It appears that some of the Navy's resources at Elk Hills are being drained and the Navy has taken the matter to court. I am not sure at this point in time as to whether these matters have been fully adjudicated by the courts. Even though there has been almost no development of the Navy's vast reserves in Alaska, there is already a controversy over possible future drainage.

I believe that Congress must also share the blame for the condition of the reserves. There has not been enough attention and monetary wherewithal given to the development of the reserves at Elk Hils. I was encouraged by the recommendations made in the report of the Armed Services Investigating Subcommittee on November 13, 1973. That report recommends that immediate action be taken to bring the reserves to a suitable condition of readiness and that Congress give favorable consideration to funding for exploration and development. This action is long overdue and it is a step in the right direction.

Now I would like to focus my attention on the question of having Naval Petroleum Reserves. Though these reserves are intended to be used for national defense purposes and not strictly limited to Navy use, it is apparent that they would not be capable of fulfilling the military's needs. The military needs. The military services would still draw more than half of its petroleum supplies from the civilian economy. During conflicts in the past, the civilian market has always rallied behind the defense of our nation and provided the necessary petroleum supplies, and I am sure that this will continue to be the case in the future.

I might also add that since the Navy does not own or operate any refineries, it is totally dependent on the private petroleum industry. The Navy must sell its oil to a commercial refinery and then buy its supply of refined oil or products on the commercial market. The fact is that the Navy owns oil lands but in an emergency it would still be buying all of its petroleum supplies from private industry.

In establishing petroleum reserves, we should look toward the development of National Petroleum Reserves which would be capable of immediate production during a national emergency. This, of course, would include national defense purposes. I believe that this would be a more rational overall policy than having individual agencies holding reserves for their own use.

Another point that I wish to make is that we need to determine what resources are best suited for short term reserves and which are desirable as long term reserves. In making such a determination we should realize that we should be, and probably will be, constantly developing new and more efficient sources of energy. This may eventually reduce our dependence on conventional oil and gas discoveries and development as we know them today.

I feel strongly that we should either produce the oil that we now have located in underground conventional deposits or at the very extreme, hold it as a short term reserve. It is not a good practice to hold back production of proven oil fields for a long period of time without adequate development. Corrosion and drainage are a constant problem that one would face under such circumstances. An oil operation is a dynamic type business, not static. The best answer to preserving oil reserves for emergency use, and for future use, is to adequately develop known reserves, and then constantly explore for new reserves.

Oil shale or coal, on the other hand, are much more suitable as a long term rather than short term energy reserve. Oil shale will remain intact in the ground over an extended period of time and it cannot be drained. At the present time we lack the sufficient technology to retrieve this oil in an economically and environmentally sound manner. Extensive research is being conducted on the production of oil shale and I am confident that we will have the necessary technology within the next few years. I believe that for the long term, oil shale, coal and nuclear and solar energy resources should be developed to their fullest potential.

In summary, I have a few suggestions to make as to specific and in general.

First, I believe that the Navy should see to it that its facilities at Elk Hills should be improved and brought up to date for possible emergency use.

Second, that it proceed to arrange for the building of a pipeline facility from some point on its Elk Hills properties to the city of Bakersfield, or at some point easily marketable to local refineries or other pipelines.

Third, that this pipeline be of sufficient size and capacity capable of handling substantially increased production.

Fourth, that the Navy place itself in the position of controlling this pipeline outlet.

Fifth, that the Navy proceed to stake out locations for the drilling of additional development wells, to adequately explore and develop the Naval Reserve at Elk Hills.

Sixth, that the Navy consider seriously terminating its operating agreement with Standard of California to the extent that the Navy with the 80% interest becomes the operator and actively direct the operations at Elk Hills Naval Reserve.

In general, I believe that the Federal Government has long neglected the need to establish a policy for the development and reserve of our nation's petroleum resources. It has taken an energy crisis and an Arab oil embargo to bring this matter to the attention of the American people and the Congress. We learned that the government's oil reserves are owned and operated by the Navy and that these reserves, for the most part, are not capable of supplying the necessary oil production in a national emergency.

The Congress should take immediate action to evaluate the need for the Naval Petroleum Reserves. If we determine that they should be retained in their present form, then we should proceed as quickly as possible to develop them for emergency use. If it is determined that they should become part of a larger overall National Petroleum Reserve (which incidentally is my belief), then we should proceed swiftly on this course. In any event, we cannot afford to sit by and do nothing. Thank you.

ENERGY FOR TOMORROW

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. WYATT. Mr. Speaker, earlier this month, I had printed in the RECORD a report on oil shale prepared by Mr. Gerry Reiner of the Bonneville Power Administration while he was interning in my office under the Interior Department management development program. I extend to my colleagues the second of his reports, entitled "Energy for Tomorrow." This report surveys the overall scope of America's future energy needs and discusses the problems and promises of our major energy alternatives. I found it most interesting, and hope you find it likewise.

The report follows:

ENERGY FOR TOMORROW

As the U.S. begins grappling with the now visible problem of energy shortages it may be appealing to assume that some easy answer is just around the corner. There isn't any. Any real solution can be, at best, supplying demand in the eighties and then only with unrelenting planning, unyielding priority, and unpleasant persuasion.

A convenient unit of energy, the British Thermal Unit or BTU, is the amount of heat energy which will raise the temperature of one pound of water one degree Fahrenheit. One quadrillion BTU, that is ten raised to the fifteenth power, can be labeled Q. Total U.S. consumption for 1970 was 68.8Q.

In the past, consumption has doubled every twenty five years: 1985–5Q, 1900–10Q, 1925 over 20Q, 1950—almost 40Q, 1975 say 80Q. There is every reason to believe that for the year 2000 energy of 160Q or more should be forecast.

WHERE DOES IT ALL GO?

In 1968 a total of 60.6Q was divided on a percentage basis as follows: industrial 21.2%, transportation 25.2%, residential 19.2%, commercial 14.4%. An itemized breakdown is shown in table 1. Items flagged with an asterisk are non-energy uses of petroleum such as lubricants, cleaning solvents, and chemical ingredients of plastic products. By 1970 this amount had reached 4.2Q and has been estimated to become 9.2Q in 1985.

TABLE I.—ENERGY CONSUMPTION IN THE UNITED STATES BY END USE, 1968

	Consumption, Q	Percent of total
Industrial:		
Process steam	10.1	16.7
Direct heat	6.9	11.5
Electric drive	4.8	7.9
Feed stock [1]	2.2	3.6
Electrolytic processes	.7	1.2
Other	.2	.3
Subtotal	25.0	41.2
Transportation:		
Fuel	15.0	24.9
Raw materials [1]	.1	.3
Subtotal	15.2	25.2
Residential:		
Space heating	6.7	11.0
Water heating	1.7	2.9
Refrigeration	.7	1.1
Cooking	.6	1.1
Air-conditioning	.4	.7
Clothes drying	.2	.3
Other	1.2	2.1
Subtotal	11.6	19.2
Commercial:		
Space heating	4.1	6.9
Air-conditioning	1.1	1.8
Feedstock [1]	1.0	1.6
Refrigeration	.7	1.1
Water heating	.7	1.1
Cooking	.1	.2
Other	1.0	1.7
Subtotal	8.8	14.4
Total	60.5	100.0

[1] Entries are rounded so totals may not sum.

WHERE DOES THIS ENERGY COME FROM?

A breakdown for 1970 shows: natural gas—24.3Q, petroleum—23.9Q, coal—13.5Q, hydroelectric—2.7Q, nuclear—0.2Q. An additional 4.2Q of petroleum went for lubricants, etc.

Proven 1970 crude oil reserves for the U.S. were 215 Q. With no increase in present consumption, and no imports this would supply our oil needs for about eight years. The entire addition of the Alaskan North Slope oil fields is but 55.7 Q of the 215 total.

Natural gas is at a similar disadvantage. The 1970 known reserves were 265 Q, of which 26.8 Q are contained in the North Slope. This could last for 22 years with no increase in present use.

WHAT ABOUT INCREASING THE EFFICIENCY OF RECOVERY AND EXPLORING FOR NEW ADDITIONS?

These actions will indeed expand our energy reserves and should be undertaken but should not mask the fact that we are swiftly running out of oil and natural gas. Sufficient reserves must be left "on deposit" for future non-energy use. Even with a complete disregard for the generations to come, present usage would squeeze out the last drop of all our oil in 50 years, natural gas in 39 years.

But the simple truth is that U.S. consumption has been doubling every twenty five years for the last hundred years. Economic growth is energy dependent. The ratio of energy cost per dollar of gross national product (GNP) has not varied much during the 1900's. With the 1958 dollar as a reference this ratio has dropped from a high of 140,000 BTU per GNP dollar in 1920 to a low of 86,000 BTU per GNP dollar in 1965. While a mathematician could project this trend to a possible 80,000 BTU per GNP dollar as achievable some time in the future, there are three reasons to expect this trend to reverse. First of all the efficiencies of electrical generation and mass production have been improved to the point where significant gains can not be expected. Secondly the concern for environmental quality has begun to reduce the efficiency of such things as automobile engines, plants burning high sulfur coal or oil, and industrial output in general. The third element to consider is the cost of energy itself. Have not the easily found and recoverable sources of oil, gas, and hydroelectric power been exploited? While there is oil in Alaska it cost more to find and will cost more to tap and ship than the fields of Texas. As an example the relative price (1958 dollars) of electricity dropped 27.5% from 1950 to 1970. In this time the price of wholesale oil products declined 26.4%. These decreases turned into increases in 1970. When available, oil from the Persian Gulf will show drastic price increases with time. All things considered the costs, (1958 dollars) of energy in any form will be going up-up-up.

IF THE USE OF OIL AND NATURAL GAS MUST INEVITABLY COME TO AN END WHAT ARE WE GOING TO USE?

Before the end of oil and natural gas it is to be expected that their usage will increase! Short range solutions will include adding refinement capacity, off-shore exploration, and increased production from all sources. A crash program may permit supply to catch up with demand. Demand, that is, for expensive energy since the era of low cost power has ended. During this period of time we have the opportunity to plan for and begin guiding the country towards alternate energy inputs.

The first intermediate step away from oil and natural gas is a return to coal. There are three reasons for this approach: quantity, access and control, and adaptability. Huge amounts of coal are available for our present and future needs. A fair estimate is 4,400 Q of usable coal within the U.S. When compared to our proven oil reserves of 215 Q and natural gas of 265 Q the quantity of coal resources is reassuring. The second favorable aspect is the location of the coal within the U.S. A return to energy self reliance must begin with increased coal production. Coal is adaptable. Today we use heating oil in our furnaces, electricity in our lights, and gasoline in our cars. Coal can be used to generate electricity; it can be processed into oil and gasoline. But it does not stop here. At low cost and high efficiency coal can now be processed into hydrogen. Hydrogen, in some form, will be the basic burnable fuel of the next century.

As a supplement to other sources of oil the U.S. also has a sizeable quantity of usable oil shale. Economic recovery of 464 Q is possible with more than 70% located on Federally managed public land.

These interim steps must eventually yield to more permanent solutions to the energy problem. Those holding the most promise are nuclear, solar, and geothermal. It is reasonable to expect a combination of these forms to balance the future supply-demand equation. Total reliance on one method alone is analogous to the horse player backing the favorite entry, a go-for-broke venture which the prudent provider takes steps to avoid.

Each of these energy forms has its share of advantages and disadvantages. Perhaps the single largest factor inhibiting development of each is the economic element. It has been cheaper and less risky to burn oil, natural gas, and coal. Economic realities will always dictate use of the least expensive energy resource. Should the cost benefits of fossil fuels retain their historic advantage a complete changeover to nuclear, solar, and geothermal sources will be postponed with disastrous results. For any planned changeover to proceed on schedule it may be necessary to create economic benefits which are not there to begin with. Possibilities include subsidizing research, construction, and operation of the new sources. On the other hand taxes could be increased for the use of oil, natural gas, and eventually coal to coincide with the planned phasing out of fossil fuels. These methods can anticipate the higher energy costs of the future and accommodate the new forms on a "pay as you go" basis. A bitter pill to swallow now when natural gas, for instance, is so cheap to obtain and easy to use.

What can we expect from nuclear sources? There are three types of nuclear plants which are discussed but often mistaken for each other. Conventional fission reactors are the kinds in operation today. The fuel is U235 which is only 0.7% of uranium ore. Over 99% of the ore is U238 which is useless in this form as a fuel for conventional fission reactors. Radioactive wastes from these reactors must be isolated for about 500 years. Estimates of 500,000 cubic feet in isolation are made for the end of this century.

Breeder reactors take advantage of the fact that U238 can be converted into plutonium (Pu239), another fissionable fuel. Although conventional fission reactors may convert 2% of the U238 uranium to plutonium, a breeder reactor designed for this purpose may convert up to 70%. Breeder reactors do not make their own fuel, as is widely believed. But they could increase the world's usable uranium by a factor of 30 to 50.

Technical problems of the breeder include radioactive wastes and temperature control. Waste materials contain plutonium, which requires an isolation period of several hundred thousand years. Without high energy levels the breeding process is quenched. To maintain the desired breeding level, coolants such as liquid sodium or its equivalent are necessary. Technological advances in high temperature insulation, control, and material strength are beneficial to breeder design.

Whereas conventional and breeder reactors work on the principle of fission, breaking down the atom to release energy, the possibility of releasing energy by combining atomic particles and converting the leftovers to energy is the principle of fusion. Although fusion reactors would duplicate the activity of the sun itself, it is a challenge to duplicate and contain the sun's temperature which is a condition of the process. One of the rewards offered by fusion is the almost complete harmlessness of the waste products. At best, controlled fusion can be termed a long range possibility. Current research is directed towards designing a system which satisfies the mathematical requirements of controlled fusion. These solutions are all dependent upon materials and engineering techniques which are, themselves, yet to be discovered. For the near future nuclear fusion is a long-shot.

Solar forms of energy have been proposed because of the absence of both material wastes and thermal pollution. This energy can be harnessed in many forms, all of which are "run" by the sun. These include power from wind, ocean temperature differences, organic growths and wastes, solar heat conversion, and electric generation by solar cells.

Of these possibilities the one which stands out as the easiest to design and cheapest to try is the windmill generator. Details of this technique have been recently published by Professor William Heronemus, University of Massachusetts. One drawback of this method is the storage requirement for maintaining output during times of little or no winds. A way to overcome this objection may be to introduce it to a predominately hydro-powered system.

Ocean thermal gradients, or temperature differences, can be used to run a solar sea plant when water temperature differences of 20° C or more are available together with sufficient water currents to maintain the cycle. Suitable locations for the U.S. can be found near the Florida coastline. A refrigerant such as ammonia is circulated from a boiler, thru a turbine generator, to a condenser, and then returned to the boiler. This closed system circulation is pumped by warm water (25° C intake, 23° C exhaust) at the boiler and returned by cold water (5° C intake, 7° C exhaust) at the condenser. Since more water must drop 2° C at the boiler than raises 2° C at the condenser the net effect is a slight cooling of the ocean itself.

In addition the downstream current has acquired a more uniform temperature, which is known as entropy.

Organic growths and wastes can be used to produce oil, gas, and fertilizers. Although the cost of farm land may prohibit its use for growing fuel crops such as corn or potatoes which are later fermented for alcohol, there may be enough sewage ponds to support algae production for a similar purpose. Organic wastes have also shown their ability to yield oil and gas by fermentation, chemical reduction, or pyrolysis methods. Perhaps the main impediment is that urban organic wastes are found mixed with other matter from which they are not easily separated. Because waste disposal is itself a problem, these methods may become more appealing but for now the cost is too high for the fuel produced.

The sun shines upon the earth with the immediate consequences of light and warmth. Successful designs have demonstrated that this sunshine can be used for heating buildings and for hot water production. The problem is again economic—there is no inexpensive way to save heat for night use or cloudy day use. Even with high costs, solar heat may yet prove competitive especially in the southern U.S. since it can also be used to run air conditioners which continue to take larger portions of the nation's energy.

A similar but different concept is the conversion of sunshine to electricity by solar cells. Although the cost and operating time difficulties are similar to solar heating, there are many electrical loads in the electroprocessing industries which would not suffer from intermittent power cycles. The cost of construction, operation, and maintenance of such a system is not yet competitive with other forms. Maintenance of any solar system may prove to be so technical that the smallest unit would be a community plant supplying either heat or electricity.

Geothermal power can be obtained from natural sources of steam, high pressure hot water, and hot rocks. Heat from these supplies is used to spin electrical turbines. A limited number of these plants are operating throughout the world including 184MW of capacity at The Geysers, California.

Removing large quantities of water or steam from underground reservoirs raises five environmental questions. These are the mineral content, ground settling or earthquake dangers, noxious gas release, well blow-out, and heat rejection. As a comparison ocean water contains 3.3% of dissolved minerals by weight. Geothermal sources vary from nearly fresh water to a mineral level of 30%. Not only do the salty waters cause corrosion problems on metal turbine parts but waste water disposal involves *reinjection* through a separate deep earth hole.

As the water or steam removal from a geothermal plant continues, the earth may settle in the area near the activity. This has always been a problem for oil extraction and the mining industry so this problem is not new. Water removal from deep underground sources may additionally involve the earth in some earthquake activity.

The extraction of deep earth water is often accompanied with noxious gases. Carbon dioxide, methane, hydrogen sulfide, and ammonia flow from The Geysers in California. Stainless steel linings are used to control corrosion. If output at The Geysers was increased to 1000MW, about 100,000 pounds of hydrogen sulfide would be released daily. This is comparable to the sulfur problem of a similar size fossil plant using low-sulfur oil. Although technology is available to reduce exhaust levels it is a matter of cost. Expensive pollution controls result in high cost energy.

Control of the well during drilling and subsequent production can be difficult. Wells do blow-out but are controlled with the methods of oil fields. Capping the escaping fluid may cause it to erupt nearby.

The last consideration is the amount of heat released by a geyser operation. Heat rejection accompanies any thermal energy production which includes nuclear, fossil fuel, and geothermal. Because the pressure and temperature factors of geothermal plants are lower, the overall efficiency is also lower. Waste heat is higher by a factor of three in comparison to a similar size fossil fuel plant. Whether or not heat loss is a major detriment to the environment is debatable.

As previously stated, energy is presently used in the form of gasoline, fuel oil, natural gas, and electricity. Future development and reliance on nuclear, solar, and geothermal sources to power our homes and industries will inevitably result in more available energy but in what form? Most of these techniques produce heat which is used to turn electrical generators. Some heat could be used directly for heating and cooling of the producer and user were neighbors. Or we could continue to use more and more energy in the form of electricity until the nation was 100% all electric. There is reason to believe that a portable, storable form of energy should be developed to complement electricity. The one candidate which is most often proposed is hydrogen.

To compete with electricity, hydrogen should be a cost-effective alternate. Recent studies have shown that hydrogen may have three cost saving features which electricity lacks. These are the cost of long distance transmission and distribution, a much smaller disruption of the environment because of the narrow underground pipeline right-of-way, and the portable fuel use for aircraft and ground transportation which electricity would be challenged to duplicate.

There is nothing new about hydrogen, which is the lightest of all molecules and atoms. In its basic form the hydrogen atom has one proton and one electron. As a gas hydrogen atoms are found in pairs. When ignited it burns readily with a hot flame as it combines with oxygen. After oxidation the united hydrogen and oxygen are none other than water. There are several ways to reverse this process, that is to break water down to its hydrogen-oxygen ingredients. These methods depend on forcing energy upon the water molecule so that it becomes "disassembled."

This energy is retrieved when the hydrogen is burned. An endless cycle of burning hydrogen and breaking down water is therefore an alternate to electricity for supplying the output of nuclear, solar, and geothermal plants to the user. It should be clear that electricity and hydrogen are vehicles of energy, and as a practical matter, consume more energy during their production than what is yielded at the point of use, according to the efficiencies of the cycle processes.

Before describing the usual list of advantages and disadvantages which the hydrogen prophets draw up, it should be noted that many economic studies comparing hydrogen with electricity are unfair. Electricity levels of 115, 230, 345, 500, and 1500 KV are used for long distance transmission. Test lines at the 1200 to 1500 KV level are being erected for energization and analysis. It has been found that the higher the voltage of transmission, the greater has been the economic benefit. There may be limits to the general rule but right now the operating 750 KV lines deliver more power at less cost per kilowatt than any of their lower voltage predecessors. When the first 115 KV lines were built, technology did not permit the construction of 500 KV lines because the circuit breakers, transformers, and insulators for this higher level had not yet been developed. Where the known or anticipated load can be supplied with one lower voltage line, it is so constructed. Like freeways, the higher voltage lines have more carrying capacity, but like two lane country roads, the lower voltage lines also properly perform the limited service for which they are built. Eventually household electricity is reduced to the 230/115 volts which is present in the electric dryer or lamp outlet in the home. Electric service is available and used in almost every house in the U.S., from the heart of New York City to the ranch in Montana. For a valid economic comparison then, a new hydrogen system should be compared to a new, equivalent electric system, designed economically for similar capacity. The errors in hydrogen thinking come from comparing a huge proposed hydrogen pipeline servicing selected end points, with the existing electrical network servicing the nation. More correctly the analysis should be cost comparisons of moving a large block of energy from point A to B, and from B distributing the energy in smaller blocks to points C, D, E, etc. This type of comparison escapes many writers who compare electricity and hydrogen on unequal terms.

The properties of hydrogen which are desirable include storability, portability, cleanliness of combustion, and pipeline conveyance. Nuclear plants are most efficient when operating with a constant load. Presently the up and down nature of the load is compensated for with hydro, oil and coal fired generators. Solar plants are also incapable of timing output with load demand. What is necessary, then, is a method to store surplus energy. Hydrogen can be stored in tanks and underground caverns and used when needed.

As a fuel for air and ground transportation, hydrogen has shown that it will burn clean. NASA is prepared to demonstrate the feasibility of hydrogen as an aircraft fuel with military airplanes. The success of the hydrogen powered space shots is evidence that hydrogen is a fuel which can be packed-up for trips.

In addition hydrogen can be supplied inexpensively through underground pipes which need less right-of-way and do not alter the visual aspects of the landscape. Although modern electrical facilities include low voltage underground distribution cables for household use, the costs of high voltage underground transmission lines are exorbitant. Future improvements in electrical insulation materials and cable operating losses are not expected to soon overcome this detriment.

Besides the many plusses which hydrogen offers, there are a few drawbacks. Precautionary steps are necessary to prevent the hot hydrogen flame from producing nitrogen oxide in the adjacent air. As a heat source it would be preferable to use within a closed catalytic heater rather than an open flame.

Natural gas contains about three times more heat energy, per standard cubic foot, than hydrogen. Although actual pipe sizes for equal energy delivery are comparable, the hydrogen system would need about three times as many compressors for pumping. This shortcoming could be overcome by hydrogen in a liquid form, were it not for the −423° F temperature at which it boils. Liquid hydrogen implies expensive refrigeration and extensive insulation.

Automobile use of hydrogen fuel is presently facing a similar obstacle. The difficulties of hydrogen in liquid form eliminate this as a possibility. As a compressed gas hydrogen has nowhere near the energy content of gasoline which can usually take a car 200 miles before refueling. A special magnesium-alloy hydride or other metallic hydride, which soaks up hydrogen like a sponge, may prove to have the necessary storage capability, but there remain several unsolved technical difficulties.

Widespread use of hydrogen is perhaps dependent on one item more than any other—production costs. The most direct and easiest method of decomposing water is by electrolysis. This technique gives electricity a headstart in the economic comparison between the two since some electricity is necessarily wasted in the process. Hydrogen must prove to save enough during transmission and distribution to overtake this deficit or a different production method is called for. The alternates available today include natural gas or coal consuming processes which are cheaper. Production costs of mass produced hydrogen were recently computed in the 10–15c/lb neighborhood with fossil feedstock. About 2.23 lbs of hydrogen is equivalent to one gallon of gasoline, which costs about 20–25c/gallon to produce. The necessary conclusion is that for today gasoline is more economical.

With the recent popularity of hydrogen as a modern energy form, scientists have devoted attention to heat dependent methods of production. The thermal process of Marchetti is workable at temperatures around 700°c. This temperature is not obtainable from today's reactors, solar converters, or geothermal sources. A recent article in Science by Abraham and Schreiner describes a process which may operate below 500°C. It works on paper and may or may not prove to be practical. But once research has shown that a practical cycle works at solar or reactor operating temperatures the intermediate steps in the heat-electricity-hydrogen chain are eliminated. A direct heat-hydrogen process is the key to low production costs and economic benefits.

In conclusion the immediate prospects indicate an energy shortage and higher prices. Swift development of coal and oil shale will shorten the time of shortage but can not be expected to roll prices back. The GNP will reflect these shortages and costs because it is energy dependent. Were the nation to continue burning the cheapest available fuel with no plans for changeover a greater crisis would develop. Coal, solar, and geothermal energy sources need the status and funding which, until recently, have been exclusively reserved for nuclear. While the age of hydrogen, just as nuclear fusion, is not yet upon us, the possibilities demand more than the present commitment.

PREVENTING FOREIGN CONTROL OF VITAL U.S. RESOURCES

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. BRASCO. Mr. Speaker, it is a fact that in recent years, and in increasing numbers this year, foreign investors have been invading America in order to purchase significant segments of our economy. These investors, attracted by bargains made available because of the current economic slump, have used surplus capital to buy some rather attention-getting industries, companies, and land areas. Among these people have been British, Japanese, and most ominously, Arab buyers and investors.

Here are a few of the prizes foreign investors have captured recently, and some of the buys they have made. Kuwait has bought an island off Charleston, S.C. for $17.4 million in cash. Kuwait also put up funds for a project in downtown Atlanta, Ga., which includes a new Hilton hotel. A Dallas builder is using about $200 million in Middle East financing for a St. Louis apartment development. Saudi Arabian investors have just bought an Oakland, Calif. bank. A chain of New York State service stations has been bought by Arabs. A British company has purchased Grand Union stores. Canadian interests have just recently bought a huge tract of land in New Jersey. The Swiss-based Nestle Co. has bought Stouffer's and Libby's. Foreign banks are expanding their network here in quantum jumps.

Yet the U.S. Government has no idea of the full extent of foreign investment in our economy, even though that commitment is growing accordingly. The last survey by the Department of Commerce into this situation was undertaken in 1959. Present law makes it simple for a foreign investor to hide his true identity by using third party agents and other techniques in conjunction with brokerage houses and banks. Clearly, we cannot allow such a syndrome to gather momentum without control and information as to what is the true state of affairs.

It is vital to bring into being legislation which would expressly prohibit foreign investment control or foreign management control of our Nation's vital interests and industries. Two measures in the Congress, which I have joined in sponsorship of, would go a long way toward bringing this situation under control. The first is the Foreign Investment Control Act. The second is the measure to establish a Joint Congressional Committee on Foreign Investment Control in the United States.

The first bill would establish a commission in the executive branch to monitor and control foreign ownership of real property, resources, and industries in the United States, while precluding foreign ownership control or management control of industries and resources deemed vital to our economic security and national defense.

That commission would be empowered to order any foreign person or entity determined to have a controlling interest in an area vital to our national security as determined by the commission to divest himself from all or a portion of his holdings.

The second measure would provide a single source of data on foreign investment in America by setting up a registry of foreign investment. Foreigners owning security or property directly or indirectly would have to provide to the registry information as to the nature and size of their endeavors here, amounts of securities held or other ownership interest, and similar pertinent data.

Inevitably, such initiatives as are envisioned and encapsuled in this legislation will evoke a shrill outcry by those well-meaning people who see the "one world" theory as mankind's sole hope for peace and brotherhood. Yet I do not believe they are correct, nor will they be for some time to come. Other countries sharing this concept of control of foreign investment have created similar watchdog entities to control foreign control of their economies. These countries have already enacted, or will enact, similar laws prohibiting noncitizens from acquiring investment control, management control, or even acquiring securities in certain areas of national interest. And further, we must pay attention to the fact that with devaluation of the dollar and a depressed stock market, America has become a thrift shop for foreign bargain hunters with money to spend.

While most of these people are simply looking for profit, some of them wish our country no good in a political sense, especially certain Arab countries. It is essential that we be able to keep tabs on their economic activities here, with a view to preventing any entry into areas where their country's foreign policy could create a conflict of interest for them. If the United States, for example, comes into vigorous disagreement with an Arab country in a foreign policy sense, and that nation's nationals own a share of a critical industry, what economic decisions will they make? Will those decisions benefit or harm the United States? We cannot take the chance.

A MOTHER'S CONCERN ON THE TOPIC OF AMNESTY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. SARASIN. Mr. Speaker, at the request of one of my constituents, Mrs. John F. Crowley of Bethany, Conn., I am presenting for my colleagues' information the account of her son's decision regarding service in the U.S. Armed Forces during the Vietnam era:

AN OPEN LETTER ON AMNESTY

BETHANY, CONN.

He was eager to begin living after twelve years of confinement in a school system that was obedient to the wishes of parents who equated a successful life with money and a profession, a school system that stifled creativity and sought only conformity. He was capable of their kind of success and he wasn't averse to intellectual pursuits, but he loved his work on a farm. He loved the real world around him and real people, and he learned a lot from them.

After his graduation from high school he tried various jobs and spent a semester in college participating in R.O.T.C. and living with his brother who was a Lieutenant in the Army Artillery in Oklahoma. Anxious to step out in freedom—a freedom he was beginning to realize might be short-lived—his thoughts turned to the wider world he had always hoped to explore. He purchased a round-trip ticket to England, unaware that he might never be able to go home again.

Three months after he arrived in England I forwarded his induction notice to him.

Long before most of us realized it here, people outside the United States knew the Vietnam war was a tragic mistake. The doubts with which Tom left Bethany resolved themselves in England, and he wrote, "I want to live here. I'm not coming back to join an Army." It seemed unreal the day my phone rang and a voice said, "This is the F.B.I."

Later he wrote, "When I left the States I wanted to be alone—to think. In England my mind has grown some. I've succeeded in finding myself—the intention for coming here. In the meantime I've evaded the draft, something I didn't intend to do on coming here. I refuse 'To give my body as a weapon of the war.' Donovan Lietch, in his song 'Universal Soldier' says:

He's a universal soldier
And he really is to blame.
His orders come from far away no more.
They come from here and there,
  And you and me
And brothers can't you see
This is not the way to put an end to war.
He's a universal soldier
And he really is to blame.
Without him all this killing can't go on.

I wish I had listened and understood it when it was written about four years ago. It is how I feel."

He was proud of our space program and wrote, "The moon-shot was incredible. The English could never match it." He was able to earn a living in England, but soon he was writing about meeting us in Canada. With a girl who shared his loneliness, he flew to Toronto where the sympathy, kindness, and trust of the Canadian people toward the young, and his own ingenuity, enabled him to own a small, successful roadside snack-bar and crafts business.

His friends, who drew high numbers in the draft lottery and weren't inducted moved freely back and forth across the border. We, his parents and brothers, were able to visit one a year. But three years away from the home he had loved, was a long time, and with uncertain intention he drove across the border with his wife and baby in the hope of spending a Thanksgiving holiday at home. A New Hampshire policeman, seeing a long-haired, bearded young man with Canadian license plates, stopped his car and radioed the F.B.I. He was taken to a New Hampshire jail where he was stripped and put in solitary confinement for thirty six hours with a tin of water and four slices of bread, then dragged down two flights of stairs to have his hair cut and beard shaved. The jailkeepers accepted notes from his wife, but never gave them to him. After six days, alerted by Tom's wife, my husband contacted authorities in our home state, and they were able to extradite him to prison in Connecticut where justice was less arbitrary.

Released on his own recognizance, he decided to put himself and his beliefs before the court, but was told by his lawyer that he didn't have a chance of obtaining conscientious objector status, and a long prison term was a certainty. For the sake of his wife and daughter, he returned to Canada.

Again I encountered a hostile F.B.I. This time, in our living room, flanked by pictures of two sons in army uniforms, I was warned, "If your son comes here again, you'll be arrested for harboring a fugitive."

Tom's two older brothers had chosen to enter the Army. Tom had decided not to. The fourth of our seven sons was caught, like so many others, in that hopeless limbo between choosing to fight an immoral war or suffering the pain of exile that he saw his brother suffering.

Like so many others, he postponed life and waited in apathy, seeking escape in drugs. He narrowly escaped death as a direct result of those drugs; he was crippled physically and mentally, and eventually died from a motorcycle accident. A few hours before his death Dan wrote to Tom in Canada, ". . . the ties between most of us have kind of degenerated or broken up. What happened to the family that prayed together?. . . I feel kinda sorry about a lot of things, like Vietnam, the draft, the Republican party and working for the man here in the U.S.A. . . . Mary and I want to get out of what seems to be a labyrinthal pattern. . . . We'd sure like to buy land so we can build on it and farm it. Maybe Vermont where you can even put the rocks to work for you. . . . Back to the land is what sounds beautiful. . . . We brothers have lacked communication. Getting together could be the best thing that could happen for us. . . . This Sunday I'll be twenty-two years old. . . . I guess I've still a lot to be happy about. I want to close this letter in the words of Teilhard de Chardin, that beautiful yet complex servant of God:

> The age of nations is past.
> The task before us now,
> If we would not perish,
> Is to build the earth.

At 7:00 A.M. the next morning, eight hours after he had entered the hospital in a coma, the doctors of Yale New Haven hospital decided to pull the plug on the life support systems that had kept him alive—another casualty of the Vietnam war.

The F.B.I. put in another appearance, this time at our church rectory, asking the priest if Tom had come down from Canada for his brother's funeral. We were told that they had made several inquiries around town about us at various times.

When the first prisoners of war came home, five years after he bought his round-trip ticket Tom wrote again, "I realize that the war isn't over but the start is good to see. I listened and saw the greetings and homecomings. I saw them desperately trying to cover up the sin. I waited as they called all the prisoners limping in—listening, waiting for my name to be called. Nothing yet. Then I saw the 'enemy,' they let them go too, then I realized they forgot me, and inside I was torn. He said, "Peace with honour." I guess I was naive, but I felt some honour when I saw his yellow and orange face on the color T.V. I fought for that peace but he forgot. Didn't he realize that the patriotic power of those who didn't go to war played a part in its ending? I didn't get any medals for my wounds. Did he forget me?

"No he didn't. He knows the war isn't over yet. Mr. Nixon, I have to tell you that I'm still fighting and I'm a prisoner, too. I'm bleeding a little now and then and my rations are low. I'd like to visit my family and friends and the place I once called home. My wife and child have left. They were scared of this battle. They didn't understand why we couldn't all go home."

President Nixon says, "We will not forgive them." Mr. Eisenhower, Mr. Kennedy, Mr. Johnson, have you been forgiven? President Nixon—all who made decisions about that war—how old were we then? How much experience did we have of life? How much education did we have? With all this, did we make any mistakes? Did we commit any sins? Are we sure that everything we ordered our young men to do was right? Did we expect a boy to be less fallible than we? Have we nothing to ask forgiveness for? Would we find it terrible if we as individuals and as a nation were to confess, "We have made mistakes. We have sinned. Father, and brothers forgive us"? How can anyone dare to say, "We will not forgive them"?

ANNA CROWLEY,
(Mrs. John F. Crowley).

PUBLIC REPORT ON THE MISSOURI TRAINING SCHOOL FOR GIRLS

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. SYMINGTON. Mr. Speaker, on several occasions in the past I have shared with my colleagues in the House reports on the work of the Youth Advisory Council of the Second Congressional District in Missouri. I established this council, which is composed of representatives of all high schools in the Second District, upon entering the Congress.

The following report discusses a study made by the Committee on Juvenile Justice of the Council on the Missouri Training School for Girls at Chillicothe, Mo.:

MISSOURI TRAINING SCHOOL FOR GIRLS AT CHILLICOTHE

FINDINGS AND RECOMMENDATIONS

> "This group of high school students can view the problem of juvenile justice as only young people can; they allow us to see the problems of youth through young eyes."
>
> —Congressman JAMES W. SYMINGTON.
>
> MARCH 31, 1974.

This report was compiled by the Committee on Juvenile Justice of the Second Congressional District Youth Advisory Council. The Council, created in 1971 by Congressman James W. Symington, is a non-partisan organization of students representing each high school in Missouri's Second District. The opinions expressed herein are those of the undersigned:

Committee on Juvenile Justice—Mark D. Whitener, Chairman, Webster Groves High School;

Anne Dempsey, Visitation Academy;

Kathy McKean, Cor Jesu Academy;

Douglas E. Phillips, Consultant, Princeton University.

It is easy to pass judgment on an institution without having seen it. Problems are static, clean-cut, and very simple. Solutions are obvious and eminently sensible: "modify" the institution, "phase it out," or simply "bulldoze it." Develop "alternative forms of treatment" (what they will actually consist of can be figured out later). *In absentia* analysis is so popular—probably because it requires so little attention and concentration—that a number of "experts" and public officials have used it on the Missouri Training School for Girls at Chillicothe. The Governor has endorsed a proposal by the State Board of Training Schools that Chillicothe be "phased out," despite the fact that, according to Chillicothe Superintendent Janet Van Walraven, neither the Governor nor any member of his staff has set foot on the grounds of the Training School for Girls at any time during his administration. Furthermore, the Board of Training Schools has not even toured the institution since its new treatment program was initiated two years ago.

We realize that superficial judgments, while they're temptingly easy to make, are convincing only until they're tested. We have opted, therefore, for an informed judgment. On March 26, 1974, we went to Chillicothe and saw the Training School for Girls. We had a long talk with Ms. Van Walraven, lunch with some of the girls, and a complete and thorough tour of the facilities. We were always free to ask questions, and we did. We talked to staff members and saw them at work. We reviewed all the available written material on the institution and its treatment program, as well as literature on its theoretical foundations. We attempted to approach the issue with an open mind as well as an open mouth, keeping in mind that you can go "inside" an institution and still remain largely "outside" of what's really happening there and that sometimes things aren't even as simple as they seem from the inside.

Our findings and recommendations are presented as a first step to stimulate critical analysis, especially by those with public responsibility in this area.

TREATMENT: BEHAVIOR MODIFICATION

The Training School for Girls calls its treatment program "MANDATE," for "Modification and Accountability Training Endeavor." The chief element of the program is a "behavior modification" system, emphasizing positive reinforcement. According to Ms. Van Walraven, "as much as possible (staff members) ignore the negative aspects of a girl's behavior and reinforce the positive." Girls receive points for good behavior, and the points can be exchanged for room, board, recreation, clothing, and other privileges. This "token economy" is similar to a credit card system; girls carry cards which are punched with points as immediate reinforcers of good behavior. Points contribute not only to material privileges, but also to ultimate release from the institution. Based on the number of points she earns in a four week period, a girl is classified in one of four "phases." Higher phases carry higher privileges and more responsibilities, and each girl must move through the entire progression of phases before being released.

It is very important to note that the purpose of this system is merely to "tranquilize" the girls so that their behavior conforms to social norms. Reinforcement is given for working, studying, completing assignments, dressing appropriately, being on time, being clean, and not misbehaving. This modifies the girls' social behavior in the institution, but behavior modification techniques are not generally being used to shape new patterns of behavior for application to unique problems in the home environments of individual girls. For example, a girl who ran away from a noxious home environment and became pregnant (a not atypical case) does not learn how to cope with a negative environment or pregnancy merely by making her bed and going to school. The goal of the Chillicothe system is to create a positive, peaceful environment in which larger "problems" can be handled by other means. Clearly, this is a departure from behaviorist principles.

The reinforcement approach is not too difficult for the staff to understand and employ, and they seem to accept it enthusiastically. It is consistent with a quid pro quo sense of justice, and therefore "makes sense" to staff and girls alike.

TREATMENT: GROUP THERAPY

Group therapy at Chillicothe is patterned after the "Guided Group Interaction" technique, transactional analysis, and reality therapy. A group leader (staff) exercises "subtle control," according to Ms. Van Walraven, but the girls take the leadership in "solving problems." The behavior modification system is extended to group therapy by offering points to girls for solving their own problems or helping others. Each girl spends seven and a half hours a week in group therapy, and it is here that individual problems receive special treatment. Analogies are made between events at the institution and similar events in the child's home community. Ms. Van Walraven insists that "groups are not supportive of gripe or bitch sessions—not are they to become an avenue to complaints to be formalized or acted upon." Groups are also distinct from the "Positive Peer Culture" groups in operation at other state institutions as peer pressure is not as formalized.

Group therapy tends to give direction to the treatment program, in the opinion of Ms. Van Walraven. It provides individual girls with specific person goals in addition to the general material goals shared by most of the girls in the institution. Reinforcement of positive behavior in groups may encourage girls to generalize such behavior and act more positively in group situations outside of the Training School in the Superintendent's opinion. One form of group interaction that is not technically therapeutic is the interaction experienced when girls attend Sunday church services and visit with local families. These experiences give the girls an opportunity to have genuine," positive relationships with people and to receive spontaneous and natural reinforcement.

The girls with whom we spoke seemed to have favorable attitudes toward the group therapy program. They viewed it is an integral part of the institution and noted that it provided opportunities to earn points while also "getting things off of their chests." Although a few were cynical about the groups, most seemed to take them seriously and positively.

RECOMMENDATIONS

1. The Missouri Training School for Girls at Chillicothe should remain open and functional, at least until proven viable alternatives are available and functioning

The overriding spirit of Chillicothe is positive—as an institution it is nearly ideal. The facilities are humane and adequate for the treatment program. The location, while a drawback with regard to parental visits, is highly preferable to an ultra-urban setting. The girls themselves have expressed a strong preference for the quiet, rural environment, which enhances behavioral calmness and provides a sense of liberation from the pervasive problems associated with unfavorable home environments. The people of Chillicothe have accepted the institution and participate enthusiastically in activities at the school and with the girls.

The treatment program is preferable to previous ones and to those offered elsewhere in the state. While it could be improved, these improvements would best come within the existing framework. Our specific recommendations for changes in the treatment program will come in following recommendations.

We agree with the State Board of Training Schools that community based treatment is preferable when possible; however, we believe that most of the girls who are now at Chillicothe simply must be treated outside of their homes. We fear that "community based treatment" may become synonymous with "community based institutions" which would be just like Chillicothe except that they would have ten foot high fences around them and would not have the advantage of an established, well-oiled plan of treatment. Group homes and halfway houses are not sufficient for those children who need at least a brief exposure to a controlled environment.

We are reluctant to favor the continuation of any institution unless we are positive that it is actually helpful to the people who are sent to it, not only enhancing their docility while they are there, but enhancing their lives after they are released. We firmly believe that the Training School for Girls is such an institution and enthusiastically recommend that it receive the confidence and support of Missourians.

2. Governor Bond should visit and tour the Training School for Girls at Chillicothe before making any further decisions or recommendations regarding the continued operation of the school

No more *in absentia* analysis. No more remote control recommendations. If he's going to pass judgment, he ought to take a good look at the place. Anything less than a careful look is unfair and unwise.

3. All members of the State Board of Training Schools should tour the training school for girls at Chillicothe before making any further decisions or recommendations regarding the continued operation of the school

It is especially troubling that the Board of Training Schools, which has direct responsibility for the Training School at Chillicothe, has not actually toured the institution in two years. It is not enough to have meetings there; they ought to find out what's going on. To do less is not only unfair and unwise, it is dereliction of duty.

4. Present staff members should be retained but given additional training in new fields so that the school's education and vocational program can be expanded

The Training School for Girls has facilities for a widely varied program of vocational training, but lacks sufficiently trained staff members to make full use of these facilities. The present staff is performing its job efficiently and enthusiastically, but with extended training such vocations as home mechanics and use of machinery, for which Chillicothe has facilities, could be offered and would broaden the choices available to the girl as to her vocation.

5. The "positive reinforcement" program of behavior modification should be maintained, but differential behavior classifications should be made upon reception of students and differential treatment should be undertaken to deal with individual differences. Non-reinforced trust sessions should be further developed

The behavior modification approach, although in a limited version, is being employed effectively at Chillicothe. We have noted that it creates a positive and friendly environment at the Training School, and that it makes possible a calm and reasoned effort to solve personal problems. We have attempted to show how the system at Chillicothe is based on learning theory but does not hold to that theory dogmatically. We do believe that differential behavior classifications, made upon reception at the institution, would facilitate improved individual treatment. We realize that standard behavior classification tests for girls are not as well developed as those for boys, but we believe that the reception staff could develop an informal set of classifications that would give staff members a better idea of the general approach that would be most effective for a particular girl.

Our only reservation about the reinforcement approach is that; it may place too great an emphasis on material reinforcement, rather than the reinforcement of personal satisfaction. An intricate token economy may tend to suggest that one need do only what one is paid for. Dependency on material incentives can be over-stressed. Many of these girls will return to environments in which the greatest reinforcement will be for criminal behavior. Therefore, they need to develop a certain resistance to external pressures and a greater sense of individual independence. Experiences in group therapy are helpful in revealing to the girls the satisfaction to be gained from positive social encounter but even these experiences carry monetary value. Sunday activities in the community are true trust sessions, where the reinforcement is entirely non-material. More such sessions are needed. Wilderness experiences, such as hiking, rock-climbing, canoeing, and camping should be undertaken. These experiences should not be governed by any material reinforcement schemes but should enable the girls to develop genuine trusting relationships.

6. A research component should be added to the Chillicothe program to identify the program's goals and evaluate its success in achieving those goals

We recognize that even our serious study of the institution, or the study of any citizen group, cannot provide the scientific evaluation necessary for truly well-informed judgments and policy decisions. A built-in research arm of the Training School could provide scientific analysis which, combined with the impressions and observations of citizens like us, might lead to more fruitful approaches to the institution and to the problems it is charged with meeting.

7. A Missouri behavioral science advisory board should be established to advise the public and the government on behavioral science principles and their application in state institutions and programs

Along with scientific research we need scientific interpreters who can enable citizens to understand the principles and mechanisms involved in the programs of institutions such as Chillicothe. Leading behavioral scientists in Missouri, representing various points of view, could fulfill this function. Additional sources of advice and opinion never hurt and can be especially valuable in making policy.

GUAM LEGISLATURE SUPPORTS SOUTH PACIFIC GAMES

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. WON PAT. Mr. Speaker, next year Guam will be proud to host the 1975 South Pacific games. Contestants from many of the South Pacific Islands, such as American and Western Samoa, Fiji, and, of course, Guam, will gather to test their prowess in much the same manner as do athletes in the Olympics.

Since this is the first time that the South Pacific games will be held on American soil, next year's games will offer a unique opportunity for young people from Guam to work with young people from at least 14 other Pacific areas. As an American citizen, I am proud that Guam will play host to the South Pacific games as I firmly believe that personal communication is the best route to better understanding between peoples.

Consequently, I have long supported bringing the games to Guam as an excellent opportunity to show our fellow Micronesians and other residents of the South Pacific how Guam, as an American territory, has progressed in recent years. In this day of rapid change, it is crucial that the future leaders of these areas meet so as to better understand how the destinies of Micronesia and other South Pacific regions are often intertwined with one another.

Joining me in support of the South Pacific games is the 12th Guam Legislature, which recently enacted a resolution reaffirming its wholehearted support for the event which is scheduled to be held next summer.

The legislature has been most interested in bringing the games to Guam and providing assistance. I salute the speaker of the legislature and his colleagues for giving their support for the games.

Planning and bringing together the people and the resources for an activity as complicated as the games is, of course, not the work of one man. It has taken the unceasing activity of many individuals on Guam and has required the support of the people themselves. Two men who have donated countless hours of their time to bring the games to Guam in the face of tremendous adversity are Mr. Joseph F. Ada, president of the Guam Amateur Sports Association, and Mr. Theodore Nelson, president of the Fifth South Pacific Games Council.

I am also pleased to note that the military establishment on Guam has announced its willingness to make available some of its excellent sports facilities for the games since Guam does not currently possess adequate sports facilities. Admiral Morrison, the Marianas naval forces commander, is to be congratulated for his interest in improving the fine relations between the military and the civilian community.

The origin of the South Pacific games is credited to Dr. A. H. Sahu Khan of Fiji, who made a proposal for the international sports competition at a meeting of the Fourth Pacific Conference at Rabaul in 1959, according to informed sources.

The first South Pacific games were staged in Fiji in 1963, with competition from 13 areas. The second games were held in New Caledonia where contestants from 14 regions, including Guam for the first time, participated in a number of events such as tennis, football, swimming, and volleyball.

The latest games were hosted by Tahiti in September 1971. Fourteen territories competed in 17 events.

Hosting the South Pacific games will mark a major effort on the part of Americans from Guam to participate in the life of their fellow residents of the Pacific. For this reason, I am pleased to introduce into the RECORD the text of Resolution No. 258. I trust that my colleagues in Congress will note with interest the efforts of their fellow Americans in the Pacific to bring the many peoples of that vast area into closer community through sports.

The resolution follows:

[Twelfth Guam Legislature, 1974 Second Regular Session]

RESOLUTION NO. 258

Relative to reaffirming the wholehearted support of the Twelfth Guam Legislature for the 1975 South Pacific Games to be held on Guam

Be it resolved by the Legislature of the Territory of Guam:

Whereas, the invitation to hold the 1975 South Pacific Games on Guam was extended by the Speaker of the 11th Guam Legislature to the members of the South Pacific Games Council in Tahiti in September, 1971; and

Whereas, the Games having been awarded to Guam on the basis of this invitation issued in good faith by the people of Guam acting through its Legislature; and

Whereas, Public Law 11-189 established a South Pacific Games Commission which led subsequently to the naming of the Guam Recreation Commission to comprise said Commission which in turn appointed the members of the Organizing Committee; and

Whereas, the Executive Branch of the government rescinded its earlier desire to cancel the games on the basis that funds expended for facilities will not be for the games alone, but for the continuous and long-term use of the people of Guam; and

Whereas, the Speaker and other supporters of earlier South Pacific Games were convinced at the time of the bid and remained convinced that facilities both athletic and logistical on Guam are entirely adequate to stage the games on a par with, if not superior to all prior games; and

Whereas, the 12th Guam Legislature never waived in its support for the South Pacific Games and continues to stand ready to assist in any way possible the Organizing Committee of the duly appointed South Pacific Games Commission; and

Whereas, the Organizing Committee is being asked to justify its original bid and show cause that Guam can hold the games, before the South Pacific Games Council in Fiji on the 30th of May; now therefore be it

Resolved, That the Twelfth Guam Legislature does hereby reaffirm its support of Guam's intention to hold the games in the territory in July and August of 1975; and be it further

Resolved, That the representatives of the Organizing Committee will carry this resolution to the conference in Fiji and give every assurance to the member nations that the people of Guam will consent that the 1975 games will be staged in a manner befitting the reputation of the Territory of Guam for hospitality, friendship and friendly competition; and be it further

Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President, South Pacific Games Council, to the Secretary of the South Pacific Games Council, to A. B. Won Pat, Guam's Delegate to Congress, and to the Governor of Guam.

Duly and regularly adopted on the 22d of May, 1974.

F. T. RAMIREZ,
Speaker.
G. M. BAMBA,
Legislative Secretary.

THE WAR AGAINST KISSINGER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. CARTER. Mr. Speaker, I was somewhat surprised to read an article from Richard Wilson calling for candor from Kissinger. I have read Mr. Wilson's column for many years and have usually found him to be fair. However, in the present article, he became one of the carping critics.

As we all know, the National Security Council is composed of the President, the Vice President, the Secretary of State, the Secretary of Defense and advisers and is charged with the security of our country which most of us love, have defended, and will continue to defend. I submit, Mr. Speaker, that any man on the National Security Council or who is an adviser to that Council who reveals secrets is guilty of treason and should be tried for this offense. According to such information as we have at the present time, Mr. Kissinger did submit the names of those who had information which had been leaked. For this I wish to commend the distinguished statesman. He did exactly what he should have done.

The fact that the wiretaps which were made did not reveal the person who was guilty of the offense only means that the culprit was not found. Someone must have betrayed the secrets of the United States, and to condemn Secretary Kissinger for his actions in trying to find the traitor is beyond the realm of reason. This great statesman, picked by the administration, was able to lift the oil embargo which threatened the economy of the United States. Anyone with one eye and half sense knows that we would have been in the deepest depression of this century if the oil embargo had not been lifted.

Let us give thanks to this able man and to the administration for accomplishing this very desirable purpose.

It is refreshing to note, Mr. Speaker, that one of the most respected senior columnists in the United States, Marquis Childs, takes issue against the war on Kissinger in his article in the Washington Post today. I enclose for perusal of the Members parts of the editorial by the distinguished columnist, Mr. Childs:

THE WAR AGAINST KISSINGER

(By Marquis Childs)

Throwing out the baby with the bath is likely to be the end result of the expanded warfare directed at Secretary of State Henry A. Kissinger. The baby in this instance is the Nixon foreign policy opening the way to at least the chance for a peaceful world and an abatement of the nuclear arms race.

The squalid bath water of Watergate may finally drown everything good and bad. If that happens, the loss may be irreparable and the opening to a peaceful understanding between East and West closed for a long time to come.

Returning from the Mideast hailed as Super-K and a miracle worker, Kissinger faced a press conference bent on establishing his guilt in the wiretaps of his co-workers the National Security Council and certain newspaper men. The persistent question was whether he had proposed those wiretaps or whether he had merely supplied a list of names of those who had had access to secret information. The question was never satisfactorily answered as reporters playing Mr. District Attorney bore in.

In the long view of history, it may be determined that he sacrificed too much, cut too many corners for personal power. But for those of us living in this precarious moment, the verdict of history is at the end of a long dark and perhaps impassable tunnel. If the nuclear arms race between the two superpowers goes on and still other nations get the potential of the weapon of annihilation, there may be no history.

The assumption of some reporter-commentators who direct their fire at Kissinger is that diplomacy should be treated like the police beat. You score if you get the bad guys and you better believe there aren't any good guys.

Above all, no secrecy—with the diplomat, the Secretary of State, exposed to the fierce light of the police line-up. This is a dangerous distortion of the reporter's function. Any protracted and difficult negotiation, such as that in the Mideast, has elements which cannot in the first stages be disclosed. Those elements, which one must assume do not violate the national interest, are an essential part of the diplomat's trade.

In the Mideast negotiation, President Hasef Assed of Syria could privately tell Kissinger that he would do everything possible to prevent Palestinian terrorists from infiltrating into Israel. But he could not put this in writing nor could he advertise it publicly if a disengagement on the Golan Heights was to be achieved. In his turn, Kissinger would pass this on to the Israeli negotiators.

What this comes down to is trust. The trust that Kissinger inspired in his shuttle diplomacy was an important ingredient in his success. Should that trust be destroyed in one way or another we shall be the poorer.

What disturbs one observer is the way each new blow at the Nixon administration brings an almost-gleeful gloating. *Hah we've got the evil-doers on the run.* My own reaction to the plight of the nation caught up in the Watergate whirlpool is one of profound sorrow. How can this have happened to my country to which my forbears came long ago?

It is a looking glass world. The speech that President Nixon made to the midshipmen at Annapolis was a solid, persuasive exposition of what could and could not be accomplished through a detente with the Soviet Union. If the name of a Hubert Humphrey or an Adlai Stevenson had been attached to that speech, the liberals would have been on their chairs cheering.

Let me venture one precarious prophecy. If Nixon is removed from office by resignation or impeachment, we shall see a sterner, harsher and perhaps even a more dangerous period ahead. The stable will have been cleaned out and that will be a satisfaction. But what comes after in a battered and bruised system appears to be of little concern to those crying loudest for blood.

NEW RESEARCH REPORT ON RHODESIAN CHROME

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. BIESTER. Mr. Speaker, this week the United Nations Association published an updated version of its 1973 research report "Rhodesian Chrome," taking into account the developments on that issue since original publication of the report in May of last year. The new report—with detailed factual documentation—cites the political and economic cost that the United States is paying by continuing to violate United Nations economic sanctions against Rhodesia under the Byrd amendment which allows importation of Rhodesian chrome ore and ferrochrome.

Last December, the Senate passed S. 1868 which would restore the United States to full compliance with U.N. sanctions against the minority regime of Ian Smith in Rhodesia. The bill is now pending in the House Committee on Foreign Affairs.

I hope our colleagues in the House will take a close look at the facts in the UNA report which show how harmful the Byrd amendment is to our national interests. I include the summary of the 1974 supplement to the report in the RECORD at this point:

SUMMARY—MAY 1974 SUPPLEMENT "RHODESIAN CHROME"

(A Research Report*, Students and Young Adult Division, United Nations Association of the U.S.A.)

The Byrd Amendment, permitting importation of chrome ore and other strategic materials from Southern Rhodesia in defiance of a mandatory UN embargo, has been on the U.S. statute book since November 1971. S. 1868, a bill to repeal this law, passed the U.S. Senate last December and is now under consideration in the House of Representatives.

Repeal of the Byrd Amendment has been urged by, among others, Secretary of State Kissinger, UN Ambassador John Scali, Assistant Secretary for African Affairs David Newsom, and Representative John Buchanan, who served as a U.S. delegate to the UN General Assembly in 1973. In addition, Peter M. Flanigan, Assistant to the President for International Economic Affairs, stated in June 1973 that Rhodesian chrome is *not* "an important element in U.S. security or in our overall foreign economic policy."

Following, in summary, is an analysis of the arguments for and against the Byrd Amendment, as presented in the supplement.

National security: The facts do not support the main assertion of the original proponents of the Byrd Amendment, i.e., that imports of chrome ore from Southern Rhodesia had to be renewed for reasons of national security. This argument—

Ignored the availability of a U.S. strategic stockpile of high-grade chrome ore nearly 12 times what the Government now considers a safe level for both defense and essential civilian needs. In 1973 it began selling off most of that stockpile.

Depicted the Soviet Union (for many years the main U.S. source of chrome ore) as likely at any time to shut off the chrome supply for political reasons. This ignored the many aspects of Soviet dependence on economic and political cooperation with the U.S. Soviet chrome exports to this country have continued undisturbed since the 1950s, through crises over Berlin, Cuba, the Middle East and Vietnam.

Pictured Southern Rhodesia as a vital alternative source to the USSR, ignoring imports from South Africa, Turkey, Brazil, Greenland, India, Iran and Pakistan which, in 1973 alone, exceeded the present stockpile requirement of the Department of Defense. In fact, the small chrome ore imports from Rhodesia under the Byrd law have been at the expense of third countries—not to the Soviet Union, whose share of the U.S. import market has actually increased and is over half the total.

ECONOMIC AND COMMERCIAL CONCERNS

A second major set of arguments alleges that U.S. industry needs cheap Rhodesian chrome. However rising prices for chrome ore in the years preceding the Byrd Amendment, and price declines thereafter, *cannot* be tied to the cutoff and resumption of imports from Rhodesia. Those imports have been far too small to affect the price trends. The upward pressure in the 1960s came primarily from a long-term, global increase in stainless steel manufactures; the recent downward trend is traceable mainly to reduced demand in the U.S. ferrochrome industry and to the stockpile sales.

Ferrochrome producers in the U.S. did *not*, as predicted, find in Rhodesia an attractive new source of metallurgical chrome ore. Since the Byrd Amendment, Rhodesia has accounted for only 10 to 11 percent of a sharply declining volume of metallurgical chrome ore imports. What has come instead from Rhodesia—unheralded by advocates of the Byrd bill in 1971 but admissible under its broad language—is a growing volume of *high-carbon ferrochrome*. It is manufactured in that country under low wages and no pollution controls and competes here with domestically-produced ferrochrome. Rhodesia's share of *rising* U.S. ferrochrome imports rose from zero in 1971 to 41 percent in 1973.

A 1971 assertion that a certain shipment of chrome ore from the Soviet Union "may" have originated in Rhodesia is still occasionally cited as if it were fact—even though it was discredited at that time by experts in the U.S. Geological Survey.

The recently established role of imported Rhodesian ferrochrome in supplying the U.S. stainless steel industry is minor, comprising 10 percent of U.S. ferrochrome consumption in 1973, it could quickly be replaced by other sources should renewed sanctions cut off the Rhodesian supply.

LEGAL OBLIGATION

Enactment of the Byrd Amendment placed the United States in open violation of its UN Charter obligation to conform to binding decisions of the Security Council. Arguments have been made that the Council had no power to impose mandatory sanctions in the Southern Rhodesia case, or that the President had no authority to comply with the sanctions program, but such arguments do not stand up to scrutiny. The American Bar Association called on Congress in 1972 to repeal the Byrd Amendment, declaring "the rule of law to be the only alternative to the rule of force" and that "the good faith fulfillment of treaty obligations is central to the rule of law."

EFFECT ON RHODESIAN PEACE NEGOTIATIONS

The all-white minority regime in Rhodesia is in a complex "fight-talk" situation, fighting against an escalating Black insurgency while talking with the chief African negotiator, Bishop Muzorewa. Although the white leadership still balks at necessary concessions on Black political rights, major pressures for such concessions arise from insurgent activity and from the UN sanctions program, even in spite of widespread clandestine violations. Repeal of the Byrd Amendment, bringing new vigor to the UN sanctions, would strengthen the hand of both Black and white advocates of a negotiated rather than a military, solution, and thereby improve hopes for peace in southern Africa.

RELATIONS WITH AFRICA

The Byrd Amendment, with its implication that the U.S. places commercial considerations above African rights, has dealt a blow to our relations with African countries whose friendship and commerce are important to our interests and to U.S. imports of petroleum, manganese, tantalum, cobalt and other strategic minerals. Its impact has been strongest among African youth. The longer it lasts, the more likely it is to be remembered with bitterness by a future majority government of Southern Rhodesia.

U.S. POSTURE IN THE U.N.

The Byrd Amendment has compounded U.S. difficulties in gathering support among the UN's 41 African member nations on issues important to Washington.

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*UNA originally published *Rhodesian Chrome* in May 1973. The May 1974 edition contains the entire text of the original and a new 16-page supplement. Additional copies are available from UNA–USA, 345 East 46th Street, New York, New York 10017.

HOUSE OF REPRESENTATIVES—*Wednesday, June 12, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Lead a life worthy of the calling to which you have been called * * * eager to maintain the unity of the spirit in the bond of peace.*—Ephesians 4: 1, 3.

O Thou who are great in goodness and good in Thy greatness, kindle in our hearts a sincere desire for goodness, a true love for peace, a genuine respect for the laws of our land and a deep reverence for Thee.

Guide those who lead our Nation in these days of destiny. Bless our President in his journeys and give success to his endeavors for cooperation among the nations and peace in our world. Grant that the Members of this body may face their problems with wisdom and have the courage to seek to solve them for the good of all.

May the flag we honor and love continue to be a symbol of freedom and hope and peace in our world and may she fly forever over this land of liberty.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 14592. An act to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14592) entitled "An act to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mr. THURMOND, Mr. TOWER, Mr. DOMINICK, and Mr. GOLDWATER to be the conferees on the part of the Senate.

BEEF PRICE CRISIS

(Mr. ZWACH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZWACH. Mr. Speaker, prices of live cattle have slumped to a point where they are less than half of what they were only a few months ago.

This can lead only to disaster, not only to our beef and cattle industry and our consumers, but to the general economy as well. It could well trigger a general depression.

When beef prices to the consumer were high, the President authorized the importation of foreign beef over and above the statutory limits.

Today, exactly the reverse situation exists and I have contacted the President respectfully urging him to:

First. Reimpose the beef import quota as provided by law.

Second. Negotiate to open the door to beef sales to Canada, Japan, and the European Common Market countries.

Third. Increase Government buying for school lunch, military, and needy programs.

Fourth. Use the influence of the administration to bring retail prices down in relation to cattle prices.

The United States is the only beef-eating country in the world that allows unlimited beef imports.

As a Member who has a large number of beef raisers in my constituency, but more importantly, for the economic wellbeing of all America, I urged the President to immediately reimpose the beef import quota to save this country from an agricultural collapse.

NASA AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. TEAGUE. Mr. Speaker, I call up the conference report on the bill (H.R. 13998) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 4, 1974.)

Mr. TEAGUE (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman will take some time to explain the conference report.

Mr. TEAGUE. I will be glad to take some time and tell the gentleman exactly what is in the report.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, the House and Senate conferees have resolved their differences in the House and Senate passed versions of H.R. 13998, the fiscal year 1975 NASA authorization bill. The bill passed the House on April 25 and passed the Senate on May 9. In acting on the bill, the Senate struck all after the enacting clause and substituted new language.

The committee agreed to accept the Senate amendment with certain substitute amendments and with certain other stipulations insisted upon by the managers on the part of the House. There were 10 items in disagreement involving amounts to be authorized for appropriation, and 4 of the items of legislative language were to be reconciled.

The House had authorized a total of $3,259,084,000 and the Senate authorized $3,267,229,000 in its bill. Thus, the amount passed by the Senate was $8,145,000 more than the House amount.

The conference substitute would authorize $3,266,929,000 which is $300,000 less than the amount in the Senate version and $7,845,000 above the amount previously passed by the House.

In resolving language differences in the respective bills, the Senate receded on two of four items and the House receded on two. A summary of the substitutes agreed upon by all members of the committee of conference are as follows:

Space Shuttle—The House had authorized an increase of $20 million more than the National Aeronautics and Space Administration request of $800 million. The conference compromised with an authorization of $805 million, recognizing that funds have been utilized from the program management reserve to solve unanticipated technical difficulties in test facilities supporting main engine development.

Space Flight Operations—The House authorized $308,300,000 for space flight operations. A $5 million reduction was made in the Apollo/Soyuz test project and a $10 million reduction in development, test and mission operations area. The Senate agreed with the House position on the Apollo/Soyuz test project and a compromised reduction of $5 million was made in the development, test, and mission operations area. Thus, the conference would authorize $313,300,000 for space flight operations.

Lunar and Planetary Exploration—The House authorized $266 million for lunar and planetary exploration, the amount of the NASA request, while the Senate authorized $264 million. The conferees adopted the House position.

Launch Vehicle Procurement—The House authorized $140,500,000 for launch vehicle procurement—the amount of the original NASA request. The Senate authorized $143,500,000 allowing a $3 million increase for initial procurement of the Delta launch vehicle to be used with the ERTS–C spacecraft. The conference adopted the Senate position.

Space Applications—NASA requested $177,500,000 for space applications. The House authorized an increase of $2 million and designated in the bill that $2 million of the authorized funds were to be used for research in short-term weather phenomena, $2 million for research on hydrogen production and utilization systems, and $1 million for research on ground propulsion systems.

The Senate authorized $200,500,000 for space applications, including an increase of $13 million to initiate development of the ERT–C spacecraft, $6 million for additional energy research, $2 million for research on short-term weather phenomena and $2 million for ERTS data processing.

The conference substitute authorizes $196,300,000 for space applications with $2 million designated for research on short-term weather phenomena and $1 million for research on ground propulsion systems.

The conferees agreed that NASA should promptly initiate the ERTS–C space project and apply added resources to energy research and development activities, including a solar power satellite study as previously approved by the House.

Aeronautical Research and Technology—The House authorized $170,655,000, an increase of $4,255,000 above the NASA request for additional effort in selected areas of aeronautical research. The Senate authorized $171,500,000 with similar objectives to those of the House.

The conference adopted the Senate position.

Space and Nuclear Research and Technology—The House authorized $80,500,000 for space and nuclear research and technology increasing the NASA request $5,700,000 for coal and other energy related research.

The Senate authorized $74,800,000, the amount of the original NASA request.

The conference substitute would authorize $79,700,000 designating $1 million for research on hydrogen production and utilization programs. In addition, the conferees agreed that $3,900,000 of the additional authorization is to be applied to coal-related research.

Construction of Facilities—In the area of construction of facilities, the conference agreed to the following:

The conference adopted the Senate position and agreed to the original NASA request of $6,040,000 for the infrared telescope facility to be located at Mauna Kea, Hawaii.

A compromise position was adopted authorizing $37,690,000 for modifications to launch complex 38 at the John F. Kennedy Space Center to accommodate the Space Shuttle. The amount agreed to is $5 million less than that requested by NASA.

In the House-passed version of the bill, $2 million was added to a project for the proposed construction of a hangar at the Flight Research Center, Edwards Air Force Base, to provide a capability for long-term aeronautical research, as well as to meet the requirements for the horizontal flight test of the Shuttle Orbiter. The conference adopted the House position.

The Senate-passed version of the bill authorized each individual Shuttle construction project by specific amount, while the House version authorized Space Shuttle programs facilities in lump sum, itemized, but without specific dollar amounts for each project.

The conference adopted the Senate position.

The House bill rescinded $10,900,000 of the fiscal year 1974 authorization for construction or orbiter landing facilities at the Kennedy Space Center to avoid duplication of authorization. No comparable provision was included in the Senate version. The conference adopted the House position.

It is important to note that the committee of conference has also adopted the House position opposing the NASA proposal to place the Plum Brook Station in a standby status and considers that every effort should be made to maintain this facility in a minimum operating condition so as to continue to provide support for NASA and other associated research activities for at least 1 year.

The conference report contains a detailed listing of program areas and projects, and amounts to be authorized for each as recommended by the committee of conference. The joint explanatory statement of the committee of conference provides additional details and other actions taken during conference of the various differences.

Does the gentleman from Iowa have further questions?

Mr. GROSS. Yes, if the gentleman will yield?

Mr. TEAGUE. I will be glad to yield to the gentleman.

Mr. GROSS. The conference report authorizes approximately $20 million above the budget request; is that correct?

Mr. TEAGUE. That is correct.

Mr. GROSS. And what is it above the bill as originally approved by the House?

Mr. TEAGUE. It is $8 million above the House request and $300,000 below what the Senate requested.

Mr. GROSS. I thank the gentleman, and I wish to add only that if there is no recorded vote on the conference report I want the record to show that I am opposed to it for in view of the critical financial situation of the country we can no longer afford to spend more than $3 billion a year on space exploration.

Mr. VANIK. Mr. Speaker, I am gratified that the conference committee considering H.R. 13993, the NASA authorization bill, has accepted my amendment to increase by $1 million NASA's budget authorization for research into hydrogen production and utilization systems. As I outlined in my introductory remarks to this amendment on April 25, hydrogen fuel offers a tremendous potential for abundant, pollution-free energy. However, the Federal Government has shown virtually no interest in exploring the possibilities of an economy based on hydrogen fuel. In fact, the primary burden for hydrogen fuel research has fallen on the shoulders of the private sector.

Despite this success in authorizing additional funding for hydrogen fuel research by NASA, a corresponding amendment to the energy research appropriations bill was defeated. However, I have been assured by the chairman of the Appropriations Committee that his committee will seriously consider bolstering the budget for hydrogen fuel research in the future.

Mr. Speaker, we cannot afford to eliminate our energy options for the future by simply neglecting to explore the promising technologies of today. Let us hope that the leadership exhibited by the conference committee today will initiate an aggressive new program of hydrogen research for the years ahead.

Mr. MOSHER. Mr. Speaker, I emphasize that there was unanimous agreement in the committee of conference in support of this conference report on the NASA authorization bill.

The areas of emphasis reflected in the original House bill were largely preserved, while of course at the same time a number of excellent Senate-originated recommendations were adopted.

In broad terms, the results of the conference were these. The House authorization of $3.259 billion was increased $7.8 million. Thus, the total authorization reflects an increase of $20 million above the NASA request. This represents an addition of approximately one-half of 1 percent. Although this authorization is 7 percent over that of last year, the increase will be sufficient only to permit NASA to maintain its prior year level of effort, because of inflation eroded dollars.

The two major dollar differences between the House and Senate bills were in the Space Shuttle and space applications program categories. The House voted an additional $20 million for the Space Shuttle program with the money designed to resolve shuttle engine development problems, but the Senate limited the shuttle program to the $800 million NASA request. The compromise reached was an increase of $5 million, or $15 million less than the House had sought. This compromise is a signal that the Congress is looking to NASA to hold the Space Shuttle program to original NASA estimates; we will be very reluctant to provide supplementary funding for every minor program perturbation encountered.

The other area in which there was a major dollar difference was that of space applications. In floor action, the House added a nominal increase for research associated with the use of hydrogen as a transportation fuel. The Senate added considerably more money—$23 million—to the NASA request, with the bulk of the funding directed to a Senate-recommended new program. The program which was suggested for initiation by NASA was the Earth Resources Technology Satellite-C.

I strongly concur with the Senate recommendation that NASA should continue in aggressive fashion with the Earth Resources program. The first ERTS satellite, launched in July of 1972, has been a great success. The enthusiasm of both the science and user communities over this program has been overwhelming. This response, in fact, led the committee last year to recommend an acceleration in the schedule for the follow-on ERTS-B satellite which is now scheduled for launch early next year. The Science Committee also included an additional view in the fiscal year 1975 authorization report, that NASA should undertake an ERTS-C mission beginning next year. The purpose of the view was to emphasize to NASA that the momentum generated in the ERTS project thus far should be continued.

By adopting the Senate position and concurring in a new start for an ERTS-C program during fiscal year 1975, the House will be offering its support to a program which potentially will have the greatest economic impact on our society of any space program yet undertaken. So, I do feel the Senate initiative in this area is excellent, and I completely support our adoption of the Senate proposal.

At the same time, the House recommendations for various energy-related research and development projects were agreed to by the Senate. As this committee pointed out in the course of debate on the House bill in April, NASA has intensified its interests and activity in a number of energy fields. In particular, I would cite advanced research related to extraction and combustion of coal and the study of a solar satellite power station concept.

These items remain in the conference bill with the Committee on Conference strongly supporting the applications of space-related research to this Nation's energy crisis.

I am pleased, and I emphasize, that the Committee of Conference adopted the House Science Committee's recommendation in opposing the proposed shutdown of a most valuable and versatile, unique research and testing facility located at Plum Brook Station, near Sandusky, Ohio. Originally, NASA had intended to place that station—which NASA characterized as a "one-of-a-kind" type of facitily—on a standby status. In the course of hearings held by the Science Committee, however, it was revealed that a number of departments, agencies, and organizations are interested in negotiating for the use of the various Plum Brook facilities.

The Science Committee, and in turn the House, therefore, adopted a strong stand which opposed the intended closing. It was the recommendation of the House that a minimal 50-man operating force, over and above the small planned standby force, be maintained at the station for at least 1 year. The 1 year is thought to be sufficient to determine the outcome of negotiations with the various potential users of the facility.

In recognition of the fact that Plum Brook is a unique and valuable national resource, the committee of conference directed NASA to make every effort possible to maintain this facility in a minimum operating condition so as to provide for its fuller utilization in the future.

I welcome this provision and congratulate my fellow conferees for this far-sighted recommendation.

Mr. Speaker, in summary, the conference authorization bill now before the House is the result of most careful study by the House conferees. I believe that the $3.267 billion requested is well justified and strongly deserving of our backlog. I, therefore, urge support of the report before us today, as a commitment to maintaining the strength and leadership of this country in the field of science and space.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NO IMPEACHMENT POLITICS IN LAND USE BILL

(Mr. STEIGER of Arizona asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. STEIGER of Arizona. Mr. Speaker, I take this moment as the result of a press conference held by the gentleman from Arizona (Mr. Udall) and the Senator from Washington (Mr. Jackson) with regard to our action yesterday.

I have no doubt these gentlemen are disappointed in the results. I can understand their desire to rationalize the results. Also, I am pleased that they are angry, because show me a good loser and I will show you a loser; but the fact is, Mr. Speaker, that they have invoked an argument that is simply so far afield that even in this body it must be commented on. They have claimed that the results of yesterday's votes were a direct result of the impeachment proceedings and that the final tally was based on the desire of the White House to trade off for support.

Mr. Speaker, I know that our colleagues in the House recognize that as the sheerest nonsense that it is; but I am afraid that the public might be deluded if this were not refuted.

Mr. Speaker, there is no possibility of impeachment politics pervading the issue yesterday. I would simply advise my colleagues that those who have mentioned it know that is so.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 876, ADMISSION OF A LAOTIAN CITIZEN TO WEST POINT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1168 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1168

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 876) authorizing the Secretary of the Army to receive for instruction at the United States Military Academy one citizen of the Kingdom of Laos. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.J. Res. 876, it shall be in order to take from the Speaker's table the joint resolution (S.J. Res. 206) and to consider said Senate joint resolution in the House.

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1168 provides for an open rule with 1 hour of general debate on House Joint Resolution 876, which authorizes the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

House Resolution 1168 provides that after the passage of House Joint Resolution 876 it shall be in order to take from the Speaker's table the Joint Resolution, Senate Joint Resolution 206 and to consider Senate Joint Resolution 206 in the House.

House Joint Resolution 876 provides that the Laotian citizen shall not be entitled to any office or position in the Armed Forces of the United States by reason of his graduation from the U.S. Military Academy, or be subject to an oath of allegiance to the United States of America.

Mr. Speaker, I urge the adoption of House Resolution 1168 in order that we may discuss and debate House Joint Resolution 876.

Mr. DEL CLAWSON. Mr. Speaker, House Resolution 1168, as explained, provides for the consideration of House Joint Resolution 876, to Authorize the Secretary of the Army to permit one citizen of the Kingdom of Laos to attend the U.S. Military Academy. This is an open rule with 1 hour of debate, and provides for the consideration of the Senate joint resolution after passage of the House join resolution.

The purpose of this bill is to permit one student from the Kingdom of Laos to attend the U.S. Military Academy.

At the present time students from Laos are not included in the law covering admission of foreign students to West Point and the other academies.

Enactment of this joint resolution would not be at the expense of the United States.

Mr. Speaker, I urge the adoption of this rule.

Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF SENATE JOINT RESOLUTION 202, OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1169 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1169

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the joint resolution shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services as an original joint resolution for the purpose of amendment under the five-minute rule, and all points of order against section 4 of said substitute for failure to comply with the provisions of clause 4, rule XXI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the joint resolution or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the minority Member, the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1169 provides for an open rule with 1 hour of general debate on Senate Joint Resolution 202, which designates the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

House Resolution 1169 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services as an original joint resolution for the purpose of amendment under the 5-minute rule.

House Resolution 1169 provides that all points of order against section 4 of the substitute for failure to comply with the provisions of clause 4, rule XXI—prohibiting appropriations in a legislative measure—are waived.

Senate Joint Resolution 202 places responsibility for the care and maintenance of the residence of the Vice President in the General Services Administration. The grounds of the residence consist of approximately 12 acres.

Mr. Speaker, I urge the adoption of House Resolution 1169 in order that we may discuss and debate Senate Joint Resolution 202.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1169 provides for the consideration of Senate Joint Resolution 202, the official residence for the Vice President. This rule, as previously explained, is an open rule with 1 hour of general debate. In addition, the rule makes the committee substitute in order as an original joint resolution for the purpose of amendment, and waives points of order against section 4 for failure to comply with clause 4, rule XXI. Clause 4 of rule XXI deals with appropriations on a legislative bill.

The primary purpose of Senate Joint Resolution 202 is to provide that the residence of the Chief of Naval Operations on Massachusetts Avenue be made the temporary official residence of the Vice President.

This change would become effective upon the termination of service of the incumbent Chief of Naval Operations. The bill authorizes the General Services Administration to maintain the residence. The intent of the Armed Services Committee is that this residence for the Vice President be temporary pending construction of a new residence on the grounds. This bill, unlike the Senate bill, does not repeal the existing statute which authorizes the construction of a permanent residence for the Vice President.

Enactment of this legislation will provide an immediate residence for the Vice President at a cost of approximately $48,000.

Mr. Speaker, I urge the adoption of this rule in order that this legislation might be debated.

Mr. GROSS. Mr. Speaker, will the distinguished gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, let me ask the gentleman this question:

Is there any statement or other evidence that the Vice President will occupy this House on the Naval Observatory grounds if it is made available to him?

Mr. DEL CLAWSON. Mr. Speaker, I understand that he will occupy it if it is made available, because of some of the security problems existing now in his present residence in Alexandria.

Mr. GROSS. However, there is nothing to compel him to move into this residence?

Mr. DEL CLAWSON. There is nothing in this legislation and there is no other compulsory legislation I know of that would require the Vice President to move into this residence.

Mr. GROSS. But there is evidence that he will move into the proposed residence?

Mr. DEL CLAWSON. I understand there is, yes, sir.

Mr. PRICE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I will be glad to yield to the gentleman from Illinois.

Mr. PRICE of Illinois. Mr. Speaker, the question has been raised whether the Vice President is aware of this plan, and is there reason to believe he definitely would move in? The answer is the Vice President is aware of the plan and he would move in if the home is made available.

Mr. DEL CLAWSON. Mr. Speaker, I understand there is evidence to that effect.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. Yes, I will yield to my friend and colleague, the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I understand that the procedure we are going to follow today is this: Rather than go into the Committee of the Whole, we are going to operate in the House as in the Committee of the Whole.

This makes a difference in the time that will be allotted to the Members; in other words, it will be under the 5-minute rule.

I think my good friend, the gentleman from California, realizes that there has to be further explanation of the costs, other than what we have here. This is entirely different from the testimony which was received in the committee. There was an indication that the security costs for the Secret Service would involve about a quarter of a million dollars. There was testimony that further refurbishing of the home would take another quarter of a million dollars, and it wound up as an amount approaching almost $750,000, which is considerably different from the figure which the gentleman mentioned.

I think we should have a full explanation of these matters somewhere along the line, as to just what the costs will be, and I hope we will have the opportunity during regular debate to get that information, unless the gentleman can answer these questions now.

Mr. DEL CLAWSON. Mr. Speaker, if the gentleman will allow me to answer, I took the figure from the report, and on page 3 of the report we find this language:

> This legislation, as amended, offers several distinct advantages over earlier proposals. Foremost, it will provide an immediate residence for the Vice President at a minimum cost estimated to be $10 to $15 thousand.

Mr. Speaker, I took this information from the report. And then on page 4 of the report, we find this language:

> The enactment of this legislation will provide an immediate residence for the Vice President with a minimum expenditure of funds, as indicated earlier in this report, of approximately $48,000.

Mr. Speaker, I realize that down the road there are other plans to be considered.

Mr. CHARLES H. WILSON of California. Mr. Speaker, if the gentleman will yield further, I understand now that this bill will be considered in the Committee of the Whole and that we will have an opportunity to get a further explanation?

Mr. DEL CLAWSON. The gentleman is correct. We will have an opportunity to get further explorations at that time.

Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 4, answered "present" 1, not voting 40, as follows:

[Roll No. 290]

YEAS—388

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Bolling
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stubblefield
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—4

Eckhardt
Edwards, Calif.
Schroeder
Wilson, Charles, Tex.

ANSWERED "PRESENT"—1

Murphy, N.Y.

NOT VOTING—40

Biaggi
Blatnik
Boland
Bowen
Brademas
Brasco
Breaux
Carey, N.Y.
Cederberg
Clark
Collier
Corman
Davis, Ga.
Derwinski
Diggs
Dorn
Evans, Colo.
Flynt
Gray
Hébert
Henderson
Holifield
Howard
Maraziti
Martin, Nebr.
Matsunaga
Meeds
Minshall, Ohio
Moss
Pepper
Quillen
Reid
Robison, N.Y.
Rooney, N.Y.
Staggers
Stephens
Stratton
Stuckey
Thompson, N.J.
Wyatt

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Davis of Georgia.
Mr. Hébert with Mr. Corman.
Mr. Rooney of New York with Mr. Breaux.
Mr. Staggers with Mr. Stratton.
Mr. Brademas with Mr. Stuckey.
Mr. Brasco with Mr. Blatnik.
Mr. Diggs with Mr. Dorn.
Mr. Howard with Mr. Bowen.
Mr. Matsunaga with Mr. Collier.
Mr. Meeds with Mr. Cederberg.
Mr. Boland with Mr. Evans of Colorado.
Mr. Biaggi with Mr. Gray.
Mr. Carey of New York with Mr. Holifield.
Mr. Clark with Mr. Maraziti.
Mr. Reid with Mr. Derwinski.
Mr. Moss with Mr. Martin of Nebraska.
Mr. Pepper with Mr. Minshall of Ohio.
Mr. Flynt with Mr. Wyatt.

Mr. Henderson with Mr. Robison of New York.

Mr. Stephens with Mr. Quillen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 14592 TO AUTHORIZE APPROPRIATIONS FOR ARMED FORCES AND DEPARTMENT OF DEFENSE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked for by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferces: Messrs. HÉBERT, PRICE of Illinois, FISHER, BENNETT, STRATTON, BRAY, ARENDS, BOB WILSON, and GUBSER.

AUTHORIZING SECRETARY OF ARMY TO PERMIT ONE CITIZEN OF LAOS TO ATTEND U.S. MILITARY ACADEMY

Mr. FISHER. Mr. Speaker, I call up the joint resolution (H.J. Res. 876) authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 876

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized to permit within eighteen months after the date of enactment of this joint resolution, one person, who is a citizen of the Kingdom of Laos, to receive instruction at the United States Military Academy, but the United States shall not be subject to any expense on account of such instruction.

SEC. 2. Except as may be otherwise determined by the Secretary of the Army, the said person shall, as a condition to receiving instruction under the provisions of this joint resolution, agree to be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadets at the United States Military Academy appointed from the United States, but he shall not be entitled to appointment to any office or position in the Armed Forces of the United States by reason of his graduation from the United States Military Academy, or subject to an oath of allegiance to the United States of America.

The SPEAKER. The gentleman from Texas is recognized for 5 minutes.

Mr. FISHER. Mr. Speaker, I rise in support of House Joint Resolution 876, which would permit one person on a one-time basis who is a citizen of the Kingdom of Laos to receive instruction at the U.S. Military Academy without expense to the United States. The nominee would be subject to the same rules and regulations governing admission and attendance at West Point as those cadets appointed from the United States, but he would not be entitled to any office or position in the Armed Forces or be subject to an oath of allegiance to the United States of America.

As I am sure you know, Mr. Speaker, such legislation is not unique. Over the years Congress has authorized the attendance of foreign students from friendly nations to attend our service academies on an individual one-time basis, and in other instances on a year-to-year basis. Under various provisions of law the President has been authorized to designate up to four persons at any one time from the Republic of the Philippines to attend the service academies. Similarly, the President is authorized to designate not exceeding 20 persons at a time from the American Republics for attendance at the academies.

Most recently, in 1973 by virtue of Public Law 93–164 the Congress authorized two citizens of the Empire of Iran to receive instruction at the Naval Academy on a one-time basis.

On May 14, 1974, the Subcommittee on Military Personnel, of which I am chairman, held hearings on this resolution and heard testimony from the Department of the Army on behalf of the Department of Defense urging that the resolution be favorably considered. Since the appointment of such a cadet would form a favorable basis for professional training among military officers of Laos and certainly would enhance the relationship between the United States and that country, the subcommittee favorably reported the resolution and, in turn, the House Armed Services Committee on May 23, 1974, recommended enactment without amendment.

An outstanding candidate has been selected by the Kingdom of Laos in the event this resolution is enacted and we understand the young man is qualified in all respects for appointment to the Military Academy.

Therefore, I would hope, Mr. Speaker, that this resolution will be overwhelmingly approved.

I might add at this point that a similar measure has already been unanimously approved by the other body.

Mr. GROSS. Mr. Speaker, will the gentleman yield very briefly?

Mr. FISHER. I yield to the gentleman from Iowa.

Mr. GROSS. Since this young foreign citizen would not be required to take the oath of allegiance to this country, is it to be assumed that he would not be required under any circumstance to fight in any war, if this country should become involved?

Mr. FISHER. I think the gentleman is correct.

Mr. DICKINSON. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I, too, rise in support of House Joint Resolution 876 and I join Congressman FISHER, our subcommittee chairman, in his request for favorable action for this measure, which would provide for the attendance of a citizen of Laos on a one-time basis at the U.S. Military Academy. I certainly recommend this resolution for passage, not only because I believe it would have positive results for the Laotian Army but also because I believe the Kingdom of Laos have selected an outstanding candidate to fill the appointment if this legislation is enacted into law.

As our subcommittee chairman has indicated, the young man selected by the Kingdom of Laos, Mr. Vang Chong, has all of the attributes which would indicate his success as a cadet at West Point. His father, Maj. Gen. Vang Pao, has established an enviable record as a professional soldier in the Laotian Army and has received high tribute from members of the House Armed Services Committee who visited with him in Laos.

Vang Chong graduated with honors from Staunton Military Academy in Staunton, Va., and has been recommended by the headmaster in the strongest of terms. The headmaster has informed us that Vang Chong's attendance at the Academy has been marked with notable scholastic achievement and that he rose to the rank of cadet major during his matriculation there. He has been indorsed by his school with the strongest possible recommendation for admission to the Military Academy.

Mr. Speaker, over the years since 1816 foreign students from some 29 countries have been authorized to attend the Military Academy at West Point and I believe the results have been generally beneficial for those students, their countries and the United States. Of the 210 cadets admitted over that span 144 graduated and presently there are 22 in attendance. As noted, this authorization would be at no expense to the United States and certainly the facts we have presented here today would indicate that considerable mutual benefit could flow from enactment of House Joint Resolution 876. Accordingly, Mr. Speaker, I urge passage of this resolution.

Mr. WALDIE. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from California.

Mr. WALDIE. Do I understand this is the son of Gen. Vang Pao?

Mr. DICKINSON. That is right.

Mr. WALDIE. He was a general in the Meo army?

Mr. DICKINSON. I do not have any knowledge of that.

Mr. WALDIE. It has been alleged he is a general of the Laotian Army and it is my understanding the Meo army was the army employed by the CIA and he was not a member of the Royal Laotian Army; is that correct?

Mr. DICKINSON. I do not have any knowledge whether it is correct or not.

Mr. WALDIE. I wonder if there is a member of the committee that could respond to this question?

Mr. FISHER. I will be pleased to inform the gentleman from California that the general he refers to is now attached to the Royal Laotian Army in the capacity of a general and in charge of Laos Military Region II in that country.

Mr. WALDIE. Will the gentleman yield for a further question?

Mr. FISHER. Yes.

Mr. WALDIE. Has that been a recent development? As I recall, Gen. Vang Pao was a general in the Meo army under the employ of the Central Intelligence Agency and not with the Laotian Army.

Mr. FISHER. That was some time ago when the Laotian irregulars fought so well against the North Vietnamese. He is now one of the principal officers in the Royal Laotian Army.

Mr. WALDIE. Does the Royal Laotian Government approve of this nominee?

Mr. FISHER. Yes, indeed, and this nominee has been chosen by the Royal Government of Laos.

Mr. WALDIE. Is that the new Government of Laos?

Mr. FISHER. That is the present government.

Mr. WALDIE. Is that a coalition government?

Mr. FISHER. A coalition government; that is correct.

Mr. WALDIE. Is that reflected in the hearings before the committee?

Mr. FISHER. I am sure it is reflected in the hearings and committee records.

Mr. DICKINSON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the resolution. I think that this is an appropriate manner of giving due recognition to the Kingdom of Laos and also to affirm our support for the loyal services rendered to this Nation by Laotian Gen. Vang Pao.

The prospective candidate, Vang Chong, is the son of Gen. Vang Pao and is an outstanding young man, who has accredited himself very well in the Staunton Military Academy which he is presently attending. The adoption of this resolution should help to bring both of our nations closer together. I urge my colleagues to support its passage.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I urge my colleagues in the House today to oppose House Joint Resolution 876 on several grounds. Those who would support this legislation argue that it is a good will gesture in keeping with our past policy of training selected foreign nationals at our service academies. Yet, in truth, such an action is at odds with our present foreign policy which pledges our withdrawal from involvement in the military affairs of other nations. Since President Nixon has articulated this position, sending a foreign national to our service academies would only perpetuate the kind of foreign commitment we are anxious to avoid. It certainly would intensify, rather than reduce, our involvement in Indochina.

Little opposition was encountered last year when the House passed a bill allowing two Iranian nationals to attend the Naval Academy. At that time, even a ranking member of the House Armed Services Committee such as I was unaware that the legislation was contrived because of a commitment that Admiral Zumwalt made to the Iranian Government. A similar situation exists today when Gen. Vang Pao, the commanding general of military region II in Laos, has elicited a promise from either the State or Defense Department that the necessary legislation would be passed to allow his son to attend the Academy.

Furthermore, the Government of Laos is not democratic, including as it does Communist Party members in leadership positions. I find it unconscionable to train persons who would serve such a government especially since U.S. military academies have in the past educated young people from Chile and Greece. These young men graduated only to return to their home countries where they joined armies which overthrew their own governments. I think it folly for the United States to be associated with training persons who would use this training for such illegal ends. A present situation points up this real problem: With 25 foreign cadets enrolled in our Naval Academy, a number of whom are Latin American, it is ironic to realize that these young men will join those same South American naval forces which are raiding our tuna boats.

If we deny allowing this one Laotian to attend the Military Academy, this will not mean that he—or other foreign nationals—is unable to receive military training in the United States. Various NROTC colleges and universities accept foreign nationals in their programs—at a cost to the students, of course. And, whatever the merits of allowing this young man to enter our Military Academy in order to improve the defense capability of an allied nation, the method of selection is obviously arbitrary and should be thoroughly reviewed by Congress.

Should precious slots in the academies be taken by foreign nationals at the expense of members of America's minority communities? I think not, especially at a time when minority representation in the officer corps lags behind minority presence in the enlisted ranks. It is deplorable that Congress would even consider special legislation to assist a foreign national to attend the very military academies which have barred admission to American women.

Since the academies have stated, in a form letter, that the acceptance of a female nominee is "contrary to the national interest," I find it inconsistent that foreign nationals from totalitarian countries would be accepted. The House Armed Services Committee is now holding hearings on allowing women to attend our service academies, a policy change which I believe is greatly desired if we hope to upgrade the capacity of our all-volunteer Army, until women and other minority groups are given appointments to our service academies, I see no justification whatsoever for admitting any foreign nationals.

For the above reasons, I urge your vote against House Joint Resolution 876. If you vote for this legislation, you are voting to continue military involvement in Southeast Asia as well as discrimination against women and minorities in our armed services.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I will be pleased to yield to my colleague.

Mr. STARK. Mr. Speaker, I would like to associate myself with the gentleman's remarks and urge defeat of this bill.

When I in my own district and I am sure many Members in their districts have valid and worthy young men and young women who would like to attend the service academies and there is not room for them, I cannot countenance our going along with a deal made by the CIA or the Army in a clandestine fashion to sneak through a foreign national who would replace a constituent of mine.

Mr. Speaker, I appreciate the gentleman's vision and foresight in calling this to our attention.

Mr. CHARLES H. WILSON of California. Mr. Speaker, to respond to the gentleman, I am sorry I did not have the vision the gentleman had a year ago when he opposed the entrance of two Iranians. He was a voice in the dark at that time. There were only 24 votes against that legislation, and I hope there will be a much larger number in opposition today.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Yes, I yield to the gentleman from New Jersey.

Mr. HUNT. Did I understand my colleague to say that he is going to oppose the entrance of any national of any country to a U.S. academy, which will afford them entrance so they might go back with American ideas to their country and create a better atmosphere in their country?

Mr. CHARLES H. WILSON of California. Very likely I will. I am very disappointed in what happened in South America. We have had this problem with the navies of Chile, Ecuador, and Peru raiding our fishing vessels in South and Central American waters and on many occasions graduates of our Naval Academy have participated in these illegal acts as members of their naval forces.

Mrs. SCHROEDER. Mr. Speaker, I move to strike the last word.

I rise in opposition to this resolution that would allow a citizen of the Kingdom of Laos to attend the U.S. Military Academy.

Given the Department of Defense's position against admitting women to our academies, I find this resolution flying in the face of DOD's own stated policies. I have witnessed on occasion the Pentagon's ingeniousness in twisting official policies to fit political convenience, but this must rank among the top.

I will quote from two official Pentagon documents. The first is from the Department of Defense's unfavorable report on bills that would allow women admission to the academies. It says, in part:

> There is a great demand for the services of graduates of the three service academies. For example, at the Naval Academy, the academic program is designed to train men for duty at sea by developing in them a solid foundation for seagoing skills. Similarly, the Military and Air Force academies mission is to produce male officers to fill combat billets. It is imperative that the maximum enrollment of males who may acquire this training be maintained. The current facilities at the academies are such that to admit females would be to reduce, by the number admitted, the number of critically needed males who receive this education.

The second document is the Army's letter endorsing this resolution which appears in the committee report. It says, in part:

> This person shall not be entitled to appointment to any office or position in the Armed Forces of the United States by reason of his graduation from the United States Military Academy, or subject to an oath of allegiance to the United States of America.

Mr. Speaker, if it is so critical and imperative to deny admission of women (when the Army admits they can now fill at least 85 percent of its officer positions) because we must produce male officers to fill combat billets, then how can we allow admission of this young Laotian when clearly he will never even serve with U.S. forces? Certainly this is sexual discrimination in its most blatant form.

While I am on the subject of admitting women to our service academies, I would like to share with my colleagues a small item that appeared in the latest issue of Newsweek:

> The politics of impeachment may have forced President Nixon to do an about-face in a cause he has long championed: the admission of women to the military academies. Any such move is stoutly opposed by conservatives on Congress's armed-services committees—whom the President is counting on to defend him against impeachment. Mr. Nixon told his civil-rights advisers that although he favored the admission of cadettes, he would not fight the conservatives over the issue.

As this item represents, I suppose, a backdoor Presidential endorsement of the idea of allowing women into the academies, I certainly welcome it. I will only note in passing that the Senate led by Senator HATHAWAY and with the specific endorsement of Senators STENNIS, THURMOND and DOMINICK, chairman and ranking members of the Senate Armed Services Committee, has already gone on record as favoring the admission of women to the academies.

Beyond the issue of discrimination, affecting members of our minority communities as well as women, there are other serious matters to be addressed in considering this resolution. On April 5, 1974, Prince Souphanouvong head of the Pathet Lao, and Prince Souvanna Phouma, head of the Royal Laotian Government, signed an accord creating a coalition government in Laos. This accord ends almost a decade of fighting between the two forces, which has left one-half of the 3 million population as refugees. Contrary to the Army's opinion, I do not see how the West Point training of this young Royal Laotian General's son would enhance the relationship between the United States and the emerging coalition government of Laos.

Finally, we are currently having some good hearings on bills that would allow women into the military academies, but in good conscience I simply cannot support a resolution that would allow any foreign national to attend our academies when the majority of our own population is denied admission.

Mr. BRAY. Mr. Speaker, I move to strike the last word.

The United States has, through many administrations, taken students from abroad into its military academies. This is customary in countries throughout the world. Whether the admission of foreign students is a good idea or not is not at issue. Perhaps legislation could be introduced and discussed and studied as to whether our country could continue this policy. But at this time to practically insult a country that is friendly to the United States by repudiation of a policy that has been in existence for many years is unthinkable and would do insult in a manner that I do not believe this body would want to do.

Mr. Speaker, the appointment of foreign students in our academies has been before us many times without being objected to. Maybe it should, and maybe we should adopt a policy not to accept cadets from other countries, but that is something that we should not try to go into at this time.

Mr. Speaker, it will be a rank insult to another country if we vote this matter down.

Let us proceed with this in an orderly manner.

I can say that as ranking member of the Committee on Armed Services, if any member wants to introduce such legislation, I am sure we could get a hearing on this matter.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Speaker, I thank my colleague for yielding.

I just wish to make this observation: Every time something comes up on this floor that is designed to benefit the military of this country or to enhance our relationship with a friendly nation, we get this unmitigated attack upon the CIA. Some Members must have a distinct fetish. Perhaps some day they will understand what the CIA has done for this Nation. They get up on the floor of the House and make allegations that there has been a deal with the CIA, and yet they do not have one scintilla of evidence to support it. It is merely a mouthing off and a release of intemperate remarks by some Members who want to attack the CIA and the military in order to feather their own nests. One can always be sure of the onslaught during an election year.

Mr. BRAY. Mr. Speaker, I want to close by saying that we have accepted foreign students in the Military Academy since 1916. If we want to stop that practice, we should do so in the orderly way. Let us not insult a friendly country.

Mr. FISHER. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, most of the objections that have been raised here are not valid and are probably the result of a lack of understanding as to how the system works.

The admission of a foreign student from Laos will not deprive any student in America of admission to any of the academies. It cannot, and it would not. Those who are laboring under that misapprehension have unfortunately simply not done their homework.

It was said here that this particular selection was objectionable, because, as the gentleman from California said, Gen. Vang Pao of Laos has received a commitment from either the State Department or the Defense Department that this legislation would be enacted. For that reason, the gentleman from California opposes legislation to make the son of General Pao admissible.

Let us see for a moment who General Pao is. It is true that the general's son 19 years old and an honor student, has been nominated by the Royal Laotian Government for this cadetship if this legislation is enacted.

Mr. Speaker, General Pao is one of the strongest anti-Communist military leaders in Laos. Let us talk a little bit further about this fellow, General Pao, the father of the young man who would be admitted, the young man who is an honor student from Staunton Military Academy. Some Members seem to be very disturbed about General Pao.

I will ask the Members to listen to this: The general's military career began at the age of 13 as an interpreter to the Free French officers and the men who parachuted onto the Plain of Jars during World War II. There he was very helpful in fighting and deceiving the Japanese, who were our enemies, even though he was then in his early teens.

After World War II General Pao performed brilliantly with the French against the Communist guerrillas. He was trained and commissioned by the French and thereafter served with great courage and valor against Communist aggressors in defense of his own country.

Listen to this: The general is credited with saving a number of American lives during the invasion by Communists of South Vietnam, and in rescue work.

It is well known that Pao is very pro-American and very anti-Communist. We cannot repay the General or his confederates for what they did for Americans, but we can today extend to him and to his government a common courtesy by admitting his son to the U.S. Military Academy, with no cost to our Government.

I remind the Members again, Mr. Speaker, that an identical bill has already been approved unanimously by the other body.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I hope that the gentleman did not feel by my remarks I was being derogatory toward the General. I just think that this is a poor way to appoint someone to the Military Academy. I have no question about the heroic acts of General Pao; I have no question about his friendship toward our country.

Yet I suppose if we looked at all of the countries we have been alined with in various wars—and there are probably thousands and thousands of people with similar backgrounds—we would see that this is not a proper way to appoint someone to a military academy, by rewarding a general who has been friendly with us by appointing his son to the academy.

As I said before, let us give him a medal if you want to.

Mr. FISHER. Well, I think everyone is entitled to his view.

Ms. ABZUG. Mr. Speaker, I move to strike the last word.

Mr. Speaker, one of my colleagues indicated he felt it would be an insult to the Laotians or to this particular Laotian general and his son if we did not permit him into our military academy. I merely ask a rhetorical question: What about the insult to our own American women who are still denied admission to all of our military academies?

I feel there is a great deal of hypocrisy about this issue as to whether or not our military academies are available to those who have served in other places when we do not even provide ways in which citizens of this country—53 percent of them, having a vote, by the way—will be admitted. They still are denied normal access.

I find it quite reprehensible, I must say, in the sense that this is strictly a special-interest bill which is totally unjustified with regard to our own land. Even though there may have been a practice of admitting foreign nationals, I think this has been an incorrect practice. Why should we admit a foreign national to West Point when the Pentagon continually insists that women will waste space in the academies because, unlike men, they will not be trained for combat duty in the defense of the United States?

Neither will the applicant in question. At least, I hope you will not try to train him for combat duty in our forces.

I submit this legislation adds insult to injury. I suggest that we cannot be asked in this House to pass over those American women who, although I may not be, are ready, willing, and able to serve in the academy at West Point. I am too old and I do not think I am trainable in that direction at this point. In any case, if my country needed me in case of attack, I would be there just like the rest of you. Nevertheless I say to you that to admit a young Laotian to West Point is unconscionable, and I strongly urge the defeat of this joint resolution.

I do not understand why you want to give military training to this young man whose father happens to be—and I only allege this on the basis of hearsay—a general of a tribe which is currently engaged in hostilities in northern Laos. Admitting his son to West Point might be construed as yet another instance of American intervention in the affairs of these countries in Southeast Asia, particularly since a coalition government now exists in Laos.

We have important business to conduct, gentlemen. Why not vote this bill down and get on to the business of taking care of the needs of the American people, the men and women of our country, who are in need of attention, instead of playing these ridiculous war games that are an insult to our intelligence?

Mr. MONTGOMERY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of House Joint Resolution 876. I will be brief in my remarks.

I might say to my colleagues that I, too, serve on this subcommittee. We had extensive hearings on this bill. Those who have opposed the bill, not on the committee, did not appear before the committee to testify against the bill.

As to the statements of the gentlewoman from New York, in this same subcommittee we are holding extensive hearings on admitting women into the academies, and we should have some type of report on this bill in the very near future.

I would like to point out, Mr. Speaker—and this has been touched on before—that there will be no additional cost to the taxpayers of this country to admit this Laotian into the academy. This young man will have to be mentally and physically qualified just like any other cadet or any other applicant to the academy.

I would like to say that the Kingdom of Laos is a friendly nation. And they have been very helpful to us during our trying times in the Far East.

This is a one-time-basis resolution. It cannot occur again unless we pass other legislation.

In closing, on this last point, Mr. Speaker, I think it is good that we have talked about Gen. Vang Pao, because I think the general is entitled to some recognition in this country because of the way that he has helped Americans. For instance, we had many Americans who were shot down over Laos, and if it had not been for Gen. Vang Pao some of these Americans would not have survived, and they would probably be dead or listed as MIA in Laos.

So I am glad that this has been pointed out by our colleagues concerning this great Laotian man.

I certainly hope the Members will support this resolution.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the leadership of the gentleman from Mississippi and associate myself with his remarks. Laos is indeed our friend and deserves better treatment from the Congress of the United States than some of those remarks seem to indicate.

It was said a bit earlier in the debate that Gen. Vang Pao was engaged in hostilities in Laos. Of course, he was defending his country from the Communist insurgency. What was not said was, that those hostilities were precipitated by the Pathet Lao, the Communist rebels of Laos, a revolution supported and exported by the North Vietnamese. Gen. Vang Pao and the Meo tribesmen, whom I met on my trip to Laos in 1971, have attempted to protect their own country from the same type of Communist insurgency being carried on in other Southeast Asian countries through the support of Hanoi. It seems to me rather than chastising Gen. Vang Pao, he should be applauded for his contributions to the cause of free Laos which shows that he is on the side of freedom, not totalitarianism and that he hardly deserves the type of remarks that have been made in the Chamber here today. These people have bravely defended their peaceful country for years against the Communists who used their children for carrying North Vietnamese supplies down the Ho Chi Minh trail. No wonder there were hostilities, at least they were defensive in nature.

Again I appreciate the gentleman yielding to me this is an act of international good will and will not prevent any U.S. appointees from attending our academies.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from New York for his very strong remarks.

Mr. RHODES. Mr. Speaker, Vang Chong, the 19-year-old son of Maj. Gen. Vang Pao, commander of Laos Military

Region Two, is applying for admission in the U.S. Military Academy class of 1978.

I have met Gen. Vang Pao in the presence of the Ambassador and consider the general to be an excellent citizen in every way. Gen. Vang Pao's long years of determined and often successful struggle against some of the best regiments of the North Vietnamese Army are well known. His combat against communism and the Communists in northern Laos began from the early age of 13 years, and endured through decades of warfare. Since 1960, at a crucial point in the U.S. involvement in Southeast Asia, he has assisted in the pursuance of U.S. Southeast Asian policy. Military analysts recognize that Vang Pao's skillful organization and tactical use of the Meo irregulars forced the North Vietnamese to assign most of two infantry divisions to North Laos—units which would otherwise have been free to oppose American soldiers in South Vietnam. He also developed a search-and-rescue capability in northern Laos which resulted in the successful pickup of numerous American airmen downed behind enemy lines.

Vang Chong has exemplified his father's traits during his years at the Staunton Military Academy, Staunton, Va., where he has been for the past 4 years. He is a cadet captain, a member of the honor society, and is also the S–2 officer of the corps of cadets. His grades are generally high and he has the enthusiastic respect of his instructors.

I heartily commend this young man for his academic achievements. I urge my colleagues to support House Joint Resolution 876.

Mr. FISHER. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 294, nays 101, not voting 38, as follows:

[Roll No. 291]

YEAS—294

Abdnor
Addabbo
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biester
Bingham
Blackburn
Boggs
Bolling
Bray
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Dent
Devine
Dickinson
Dingell
Donohue
Downing
Duncan
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gilman
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Harsha
Hastings
Hays
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Lagomarsino
Latta
Leggett
Lehman
Lent
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mayne
Melcher
Michel
Milford
Mills
Minish
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Brien
O'Hara
O'Neill
Passman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rousselot
Roy
Runnels
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—101

Abzug
Adams
Anderson, Calif.
Andrews, N.C.
Aspin
Badillo
Bevill
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burton
Carney, Ohio
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Danielson
Dellums
Denholm
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fraser
Gettys
Giaimo
Gibbons
Ginn
Green, Pa.
Gude
Hanrahan
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holifield
Holtzman
Johnson, Colo.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Koch
Kyros
Landrum
Litton
Long, Md.
Luken
McCloskey
Mathis, Ga.
Mazzoli
Metcalfe
Mezvinsky
Miller
Mink
Mitchell, Md.
Moakley
Mosher
Obey
Owens
Parris
Patman
Pritchard
Rangel
Rarick
Reuss
Riegle
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Stark
Steelman
Stephens
Stokes
Stuckey
Studds
Sullivan
Thompson, N.J.
Thornton
Tiernan
Van Deerlin
Vander Veen
Waldie
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Yates

NOT VOTING—38

Biaggi
Blatnik
Boland
Bowen
Brademas
Brasco
Breaux
Carey, N.Y.
Cederberg
Clark
Collier
Davis, Ga.
Derwinski
Diggs
Dorn
Flynt
Froehlich
Gray
Hansen, Wash.
Hébert
Howard
Hungate
Landgrebe
McKinney
Martin, Nebr.
Matsunaga
Meeds
Minshall, Ohio
Moss
Pepper
Quillen
Rees
Reid
Robison, N.Y.
Rooney, N.Y.
Staggers
Wiggins
Wyatt

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rees against.
Mr. Biaggi for, with Mr. Diggs against.
Mr. Staggers for, with Mr. Flynt against.

Until further notice:

Mr. Boland with Mr. Gray.
Mr. Brasco with Mr. Dorn.
Mr. Pepper with Mr. Blatnik.
Mr. Carey of New York with Mr. Cederberg.
Mr. Reid with Mr. Collier.
Mr. Clark with Mr. Derwinski.
Mr. Davis of Georgia with Mr. Froehlich.
Mr. Howard with Mrs. Hansen of Washington.
Mr. Hungate with Mr. Landgrebe.
Mr. Matsunaga with Mr. Martin of Nebraska.
Mr. Rooney of New York with Mr. McKinney.
Mr. Moss with Mr. Minshall of Ohio.
Mr. Meeds with Mr. Quillen.
Mr. Brademas with Mr. Robison of New York.
Mr. Bowen with Mr. Wiggins.
Mr. Breaux with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. FISHER. Mr. Speaker, pursuant to the provisions of House Resolution 1168, I call up for immediate consideration the Senate joint resolution (S.J. Res. 206) authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

The Clerk read the title of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 876) was laid on the table.

GENERAL LEAVE

Mr. FISHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I take the floor to make two announcements.

Tomorrow, we will have the annual Flag Day celebration and ceremony. Our honored guest will be Hank Aaron, who is a great American and a legendary baseball star. The leaders on both sides of the aisle would appreciate a full attendance by the Members for the ceremony which we have scheduled.

Mr. Speaker, may I also say with regard to my second announcement, that we had reported earlier during the year that we would adjourn for the 4th of July weekend from Wednesday until noon on Monday.

Mr. Speaker, it is the intent of the leadership on both sides to ask that on the 4th of July weekend we adjourn from July 3 until noon on Tuesday, July 9, instead of Monday, July 8. That will be one extra day.

OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

Mr. PRICE of Illinois. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution (S.J. Res. 202) with Mr. ROBERTS in the chair.

The Clerk read the title of the Senate joint resolution.

By unanimous consent, the first reading of the Senate joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from Indiana (Mr. BRAY), will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE of Illinois. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the legislation before the committee today is Senate Joint Resolution No. 202, to provide an official residence for the Vice President of the United States. The Armed Services Committee by a vote of 26 ayes to 5 nays recommended enactment of Senate Joint Resolution No. 202 as amended.

The purpose of this legislation is to designate the premises presently occupied by the Chief of Naval Operations as a "temporary" official residence for the Vice President of the United States. It authorizes the Administrator of the General Services Administration to provide for the care, maintenance, repair, improvement, and furnishing of the official residence and grounds. It further authorizes such appropriations as may be necessary to carry out the foregoing purposes and requires that, during the interim period before such funds are appropriated, the Department of the Navy shall make provision for staffing and other appropriate purposes.

Over 100 Members of the House cosponsored similar resolutions, so there is obviously very little, if any, controversy over the objectives of this legislation.

Under current circumstances, the Vice President must provide his own residence at such location he deems desirable and is within his means. Such a residence must be properly secured by the Secret Service to assure the proper protection of the Vice President and his family. This is often difficult to do, and can only be accomplished at reoccurring expense to the taxpayers. During the past 6 years there have been three Vice Presidents. There will be another in 2½ years. These security expenditures will continue to be necessary in the future unless an official residence is provided.

The amendment adopted by the committee, in the form of a substitute for the language passed by the Senate, differed from the Senate proposal in three major aspects:

First. It places responsibility for the care and maintenance of the residence in the General Services Administration;

Second. It clearly contemplates that the residence for the Vice President be "temporary" pending construction of a new residence on the grounds; and

Third. It, unlike the Senate bill, does not repeal Public Law 89–386 which authorizes the construction of a permanent residence for the Vice President in the District of Columbia.

The resolution, as passed by the Senate, would place the responsibility for the custody, control, and maintenance of the residence and grounds to be occupied by the Vice President under the jurisdiction of the Secretary of the Navy. Despite the fact that the responsibility for the staffing, maintenance, and operation of these premises is now, and has been for many years, under the jurisdiction of the Secretary of the Navy, the committee believes that these responsibilities should be transferred to the Administrator of the General Services Administration during the period that this residence is occupied by the Vice President.

Further, the committee felt that the provision in the Senate-passed resolution repealing Public Law 89–386, which authorizes construction of an official residence for the Vice President of the United States in the District of Columbia, which was section 6 in the original House resolution and section 7 in the Senate-passed resolution, should not be included in the final version of this legislation. Our committee does not see the wisdom in repealing existing legislation which should be utilized in the next few years to construct a permanent resident on the grounds of the Naval Observatory for the Vice President. That is the reason the committee included in the language of the resolution a qualification that the present residence of the Chief of Naval Operations would be the official "temporary" residence of the Vice President. The committee believes that when the Vice President moves into a permanent residence and vacates the temporary official residence, that it should revert to the Navy Department for its further use as determined by the Secretary of the Navy.

As set forth in the committee report this bill will provide for an immediate residence for the Vice President at a cost of approximately $15,000 for minimal renovations and redecorations and approximately $33,000 for security equipment and installation. Thus, the legislation contemplates an estimated cost of approximately $48,000 to provide an immediate residence for the Vice President on a temporary basis.

In summary, I recommend enactment of this legislation to provide an official residence on a temporary basis for the Vice President until the Congress sees fit to appropriate funds for the construction of a permanent residence as authorized in Public Law 89–386. I urge unanimous support for this legislation.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I will say to the distinguished gentleman from Illinois that I certainly am not opposed to a home for the Vice President. I think it is long overdue, and we should have one. Yet I do have some concerns about the possible costs we are going to get involved in here to provide for something on a temporary basis. It is my understanding there has already been $73,000 spent on the Vice President's home in Alexandria, and that another $8,300 has been spent for security in his home on top of that.

Now, what is "temporary," and what is "permanent?" Will the gentleman tell me, when does something become permanent?

Mr. PRICE of Illinois. Mr. Chairman, the reference to "temporary" here denotes that the present facilities comprising the residence of the Chief of Naval Operations would be a temporary home for the Vice President. The home itself is the key to the reference of "temporary."

Mr. CHARLES H. WILSON of California. Mr. Chairman, the thing that concerns me and other Members of the Committee is that we were given a set of figures as to what it would cost in the event this were to be a permanent residence.

Mr. PRICE of Illinois. The gentleman is correct. We were given a set of figures as to what the actual cost would be if the Vice President moved in, as quickly as possible, to the existing facilities, and that cost would be $15,000 for the minimal renovations that would be required, including the redecorations, and so forth, and approximately $33,000 for security equipment and installation, and that makes a total of about $48,000.

Now, we were given other figures. We received other figures, and we were told these were in the event the Vice President should make this a permanent residence, and then it would come to a figure that could perhaps go up to about $762,000.

Mr. CHARLES H. WILSON of California. That is right.

Mr. Chairman, if the gentleman will yield further, the representative of the General Services Administration gave us those figures. They are here in another report.

Those figures would be as follows: $276,000 for improvements to the Capitol area; $359,000 for permanent installations for protective purposes, the command post, lights, alarms, and so forth; and $127,000 for protective equipment, making a total of about $762,000.

Mr. PRICE of Illinois. The gentleman is correct. That is $762,000 that we would have to expend if we were to make it a permanent residence for all Vice Presidents.

Mr. CHARLES H. WILSON of California. The gentleman is assuring the House today that the expenses of this type are definitely not to be considered as expenses for the temporary residence of the Vice President?

Mr. PRICE of Illinois. Mr. Chairman, this is what this legislation calls for. This is the thinking of everyone who has studied this matter, and the feeling is that it would be a very unwise thing to make the present home of the Chief of Naval Operations the permanent residence for the Vice President. We do look forward to the day when we will comply with the provisions of Public Law 89-386, authorizing the construction of an official residence for the Vice President. This is what we think provides a permanent solution.

Mr. CHARLES H. WILSON of California. Mr. Chairman, if the gentleman will yield further, can the gentleman tell us what the plans are for the Chief of Naval Operations now? Is he going to move back into this residence when the Vice President's permanent home is built?

Mr. PRICE of Illinois. This is something which is to be decided in the future. For the present, he is going to move to a home on the naval base here.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I think the gentleman will recall that the testimony by the Navy was that if that were done, it is going to take about $125,000 to renovate the home of the Chief of Naval Operations which he is moving into on the naval base.

Mr. PRICE of Illinois. I think that is right. I have no quarrel with the figure the gentleman has mentioned.

Mr. CHARLES H. WILSON of California. Again I would just like to say that I wish we could get started on the permanent home of the Vice President. I think we need one; I think it is long overdue.

Mr. PRICE of Illinois. It was four Congresses ago that the House made that determination, but there have never been any funds allocated for it.

Mr. ICHORD. Will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman.

Mr. ICHORD. I strongly support the concept of a Vice-Presidential home. However, I am one of the five who voted against this legislation in the committee. The reason why I did was because of the talk that I heard about the Navy using this bill to come back to lay the groundwork for building another expensive mansion for the Naval Chief of Staff. That was the reason for my vote, as a protest.

I understand from the staff now that the Navy has abandoned any ideas at this time of asking the committee and the Congress in the public works construction bill for a new mansion for the Naval Chief of Staff. Is that correct?

Mr. PRICE of Illinois. The gentleman is correct. The Navy at no time was the one that fostered this idea or even suggested the use of the home of the Chief of Naval Operations. I think perhaps the Navy might be a little reluctant even because of the possibility of somebody just staying there, and the Navy would then be losing the property entirely.

Mr. ICHORD. I just want to serve notice that if the Navy does come in here asking for a new mansion for the Chief of Staff of the Navy, they will have considerable opposition. I think we should spend that money on hardware and many other things to fight a possible war with, rather than building a new mansion for the Naval Chief of Staff. We have plenty of homes available that could be rehabilitated for the Naval Chief of Staff.

Mr. PRICE of Illinois. Let me quote a few figures that show the wisdom of finally putting into effect the provisions of Public Law 98-386. Since 1964 here are some expenditures on maintenance of homes for the Vice President.

The Government spent $123,193 for various security matters and work on the residence of the Vice President in Minnesota and his apartment here. These are all involved in the area of security. In the Agnew administration there was $175,000 spent by the GSA for renovation and other things connected in some way with the installation of security measures. The GSA spent $175,000 and the Secret Service spent $70,000, so there is a total of $245,000 in the Agnew administration.

So far for Vice President Ford the GSA spent $73,400 and the Secret Service spent $8,465, for a total of $81,000. This is all related to renovations necessary for the installation of security and protection devices.

Mr. EVINS of Tennessee. Will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman.

Mr. EVINS of Tennessee. I thank the gentleman for yielding.

I merely want to point out that the gentleman referred to the GSA's architectural plans. A few years, in the Subcommittee on Independent Offices of the Committee on Appropriations, the subcommittee which I head, the GSA recommended $1 million or $1.5 million for architectural plans for the building of a mansion at the same site for the Vice President, at that time Vice President Agnew. It was debated in the committee and there was a very close vote, and we went to the full committee with it and debated it again. The gentleman from Ohio rose and said that we love our Vice President Agnew, but we love economy more.

So, Mr. Chairman, I urge my colleagues to vote against this because it will be very costly in the long run.

So the matter was deleted, it was taken out in the committee at that time. The GSA had plans for an elaborate mansion for the Vice President. We did not do this for Vice President Johnson, or for Vice President HUMPHREY, and while I have the highest regard for the present Vice President, I do not believe we should do this.

As a matter of fact, when President Nixon nominated the now Vice President I was the first to publicly announce my support for him in my State, and I of course did vote for him. So my vote in oppositon to this legislation means no reflection of my high regard for the present Vice President. I simply object to this because this would open the door to a very costly and elaborate mansion building for the Vice-Presidency.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, I find myself in a somewhat unaccustomed role here today because the gentleman from Missouri (Mr. ICHORD) who voted against this in the committee, and was one of the five members to do so, that on this particular legislation, although I usually am one of those five, on this occasion I do want to say that I am not one of the five who voted against this in committee. I think we do owe the Vice President of our Nation a home. I think this is a reasonable manner in which to achieve a home for the Vice President, and a fine home for the Vice President. I support this legislation.

I want to commend the gentleman in the well, Mr. Price of Illinois, for bringing this legislation to the floor.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I thank the gentleman for yielding. I want to commend the gentleman for the comments he has made. The committee has studied this legislation carefully and the amendments they have added are most appropriate. There is a definite immediate need for this temporary residence for the Vice President. This legislation fills that need; it also takes into account the need for an adequate permanent residence to insure that Vice Presidents will be able to fulfill the obligation and responsibilities of their office.

The CNO's residence was originally commissioned as the Observatory Superintendent's home in 1893 and has become known as the Admiral's House when Congress approved Public Law 630 in 1928 which authorized the Secretary of the Navy to assign the quarters to the Chief of Naval Operations. In light of the Naval Observatory Circle's long history and tradition, there is no appropriate reason why the Admiral's House should permanently change hands and I commend the committee for making this a temporary move.

The bill as amended takes this into account and in addition, its temporary thrust clears the way for approval of a supplemental appropriation to construct a permanent home on an adjacent 10-acre site on the Observatory grounds. To this end, it is very important that the present and former Vice Presidents be consulted in order to determine the needs of the Vice President in developing a plan for a permanent residence. The planning of the permanent residence should be carefully carried out so the residence meets the needs of the Vice President's obligations but is not lavish beyond the democratic tradition of the second highest office of our country.

The present path which the committee is following in designating the Admiral's House as a temporary move is clearly a permanent savings to the taxpayers of the United States. Security costs involved with each change of private residence for the Vice President are a recurring item with which the taxpayer should not be saddled.

In this the 198th year of our Republic, it is fitting to resolve the matter of a home for the Vice President in time to celebrate our Nation's Bicentennial and I commend the committee for its prompt action on this legislation.

Mr. BRAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend my colleague, the gentleman from Illinois, for his presentation to the Committee and the detailed explanation of the legislation now before us.

There does not seem to be any disagreement with the fact that the Vice President of the United States should be provided with an official residence. I say this because of the passage in the 89th Congress of Public Law 89-386 authorizing the construction of a permanent residence for the Vice President. However, no funds have been requested so far by the executive branch.

As mentioned by the gentleman from Illinois, during the past 6 years there have been three Vice Presidents. There will be another in 2½ years. Security expenditures made necessary because of so many different residences will continue to be necessary in the future unless an official residence is provided. Even though some of the equipment which the Secret Service requires to be installed is eventually recoverable, much of it is not. There are many man-hours of labor involved in each individual installation as well as the permanent structural changes. These are nonrecoverable expense factors. I believe the choice of the residence now occupied by the Chief of Naval Operations as a temporary official residence for the Vice President is a good one. The legislation now on the books authorizing construction of a permanent residence calls for it to be on the grounds of the Naval Observatory. Therefore, the expenditures to be made for security purposes when the Vice President moves into the temporary residence will not be wasted and can be used when the permanent residence is constructed.

For these and other good and sufficient reasons, I urge all my colleagues to unanimously support this legislation.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I want to commend the members of this committee for bringing this legislation to the floor, and I rise in support of this resolution. As a matter of fact, it is my opinion that we should have acted on such legislation many years ago.

The bill before us, if enacted, would provide a temporary official residence for the Vice President of the United States and will, in part, follow up on the commitment made by Congress back in 1966 when we authorized the construction of an official residence.

While the recommendations of the Armed Services Committee view this as a temporary solution, it seems to me entirely satisfactory as it provides an immediate residence for our country's second highest officeholder, and at a physical site that is both attractive and which lends itself to the security protection necessary for Vice Presidents and their families for years to come.

It is my understanding that more than 174 of our colleagues, from both sides of the aisle, have joined in cosponsoring this or similar legislation, which indicates the broad support for some form of legislation to provide an official residence for our Vice Presidents.

This is a good bill. It is my hope that it will pass, for it takes care of a serious problem of many years' standing and insures that our Vice Presidents in the future will have a suitable residence. This not only means that they will not have to be concerned with the difficult task of finding adequate housing, but it will be helpful to the Secret Service in alleviating the responsibility and expense of revising their activities in protecting our Vice Presidents every time there is a change in this high office.

Mr. Chairman, I urge the passage of this resolution.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this legislation.

I cannot see how this legislation is designed to do anything more than shuffle people around at the taxpayers expense. There is, already, a law which authorizes the construction of a residence for the Vice President, and this legislation would only move the present Vice President into the Chief of Naval Operation's residence until the permanent facility, for which funds have yet to be appropriated, has been completed. In addition, it will cost the taxpayers more money, because there will have to be funds for a new residence for the CNO somewhere in Washington, possibly at the Navy Yard or Fort Meyer. Since the legislation does not solve the problem of providing a permanent residence for the Vice President, I am compelled to vote against it.

Mr. RHODES. Mr. Chairman, I believe it is high time that Congress move to establish a permanent national residence for the Office of the Vice President of the United States.

I believe it is time we cease to view the Vice Presidency as an appendix of Government without responsibility or function. It has been obvious over the past two decades that the Vice President has become an active participant in national policy—with important duties and assignments.

It is improper that we do not grace the office of the second highest rank in our land with a residence. We now have an opportunity to do so.

The site selected by Senate Joint Resolution 202 is ideally suited, both in location and facilities.

There are pure and simple economic reasons for making this move. It is much more economical for the taxpayers to utilize an already federally owned site than to go into the real estate market in an attempt to procure property with the necessary size and suitable location.

In addition, recent circumstances have revealed that it is costly to attempt to install makeshift security equipment in the home residences of the Vice President. It creates public misunderstanding and discomfort, both for the Vice President's family, and those assigned to guard them.

A permanent home for the Nation's Vice Presidents would seem to me to be an idea whose time is long overdue. I urge that the Committee take favorable action in that direction by approving Senate Joint Resolution 202.

Mr. MILLER. Mr. Chairman, I rise in support of Senate Joint Resolution 202. This resolution would make the residence of the Chief of Naval Operations the official residence of the Vice President. It is a measure that is long overdue. Not only will it add dignity to the office of Vice President, it will save the American taxpayer a considerable amount of money.

In 1966 Congress authorized the construction of a permanent home for the Vice President on the grounds of the Naval Observatory. However, that home has never received an appropriation for the needed funds. Since that time the average costs of security adaptations on the private homes of Vice Presidents HUMPHREY, Agnew, and FORD have been almost $120,000 each. The bill we are debating today, similar to one that I have cosponsored in the House, will end this needless waste of the taxpayer's money. It will enable the Government to make one final set of security adaptations. The continued spending of funds for each new Vice President will come to an end. The Vice President of the United States will have a home that can serve as an appropriate permanent residence—or a suitable temporary residence until such time as a permanent one may be constructed.

Mr. CLEVELAND. Mr. Chairman, I rise in opposition to Senate Joint Resolution 202, a measure to establish an official Vice President's residence.

This is consistent with the position I have taken on similar proposals under previous administrations, though I concede that this one at least has the merit of using an existing facility. Thus, it should in no way be interpreted as any desire to detract from the office or to withhold any expression of respect or affection for the incumbent Vice President—see my remarks in connection with his confirmation, in the RECORD, volume 119, part 30, page 39886.

At this of all times, Government must—in ways large and small—be a lot more sparing in its generosity with public funds. The people of this country are suffering unmercifully from the ravages of inflation, partly induced by profligate Government spending. I, for one, have no wish to be party to an action which appears, at least, to disregard the need for fiscal restraint.

Again, without reference to our friend and former colleague JERRY FORD, I would suggest as a general proposition that we have already gone too far in the way of bestowing perquisites and prerogatives on our public officeholders. Over the years, the trappings of power and the emoluments of office have turned the heads of too many in public service.

My plea is really for a return to the realities, and that our public servants, regardless of rank, should to the extent reasonable, live in the manner of those whom they serve. Some of the reasons given for providing the Vice President with special quarters could be invoked with equal persuasiveness for providing similar facilities for a rather long list of high-ranking public servants.

Mr. PICKLE. Mr. Chairman, I am pleased to rise in strong support of Senate Joint Resolution 202. As a cosponsor of a very similar House measure, I am convinced of the compelling need to create a publicly owned residence for the Vice President of the United States.

The present situation requires that each Vice President's home receive extensive and costly security modifications. This necessity repeatedly places a drain on the public's pocketbook which would be eliminated by creating a permanent residence.

It is also clear that a publicly owned residence would lend itself more effectively to the diplomatic and other official duties of the Vice President.

A law is already on the books for construction of a new Vice-Presidential home on the grounds of the Naval Observatory, and I am hopeful Congress will provide the necessary appropriations to complete this project.

In the interim, the joint resolution before us will allow use of the present structure at the Observatory as a temporary residence, and at a cost which is very reasonable.

It is true that the Navy Department will have to secure a new residence for its chief of operations, and I can understand the reticence of the Department in leaving a structure which has housed its chief for 40 years.

In the balance of things, however, I believe Congress is fully justified and correct in designating this structure as a temporary Vice-Presidential home.

From both an economic and a practical perspective, a publicly owned Vice-Presidential residence makes excellent sense. I urge my colleagues to support the joint resolution now before us.

Mr. MINSHALL of Ohio. Mr. Chairman, there does not seem to be any disagreement with the fact that the Vice President of the United States has great responsibilities and should be provided with an official residence. Nor does there seem to be any disagreement with the fact that the Vice President needs facilities in which to entertain visiting heads of state. And there certainly can be no opposition to saving money by providing security improvements for one residence rather than individual residences of future Vice Presidents.

I support the choice of the house now occupied by the Chief of Naval Operations as a temporary residence for several reasons. Such an attractive house and grounds are worthy of being the residence of such a high official as the Vice President. Since the house is already Government owned, expenditures would be for security improvements and furnishings alone. The grounds and entranceway seem to be custom made for security purposes.

It would be most advantageous to act now in this matter. The present Chief of Naval Operations, Adm. Elmo R. Zumwalt, will be completing his term of office this June, and it would be nice to have the Vice-Presidential residence in time for our Nation's Bicentennial. As a cosponsor of similar legislation, I urge my fellow Members to vote in favor of Senate Joint Resolution 202.

Mr. HOGAN. Mr. Chairman, I rise in support of this legislation to provide a temporary official residence for the Vice President of the United States.

As many of my colleagues know, I have been urging for some time the establishment of a permanent residence for the Vice President, and passage of this temporary measure would represent a giant step toward that ultimate goal.

Two years ago, I introduced legislation to designate Oxon Hill Manor, the historic and beautiful landmark residence in Prince Georges County, Md., as the permanent official residence for the Vice President.

Its classical Georgian architecture, its scenic and convenient location, its grand dimensions, and its long and distinguished history make Oxon Hill Manor a most appropriate choice for the permanent residence of the Nation's second highest public official.

While the U.S. Naval Observatory property should be suitable as a temporary residence, it cannot compare with Oxon Hill Manor in terms of historical, cultural and architectural values.

The manor land was acquired by a prominent Maryland family in 1685. John Hanson, the first President of the United States under the Articles of Confederation, died there and is said to be buried on the manor grounds. Later, the property belonged to Sumner Welles, the Under Secretary of State during Franklin Roosevelt's administration.

The stately mansion is surrounded by 95 acres of beautiful land, providing both scenic and security values; it commands a beautiful view of the Potomac River; its elegance and spaciousness makes it ideal for the many ceremonial functions the Vice President is called upon to host; and it is only about 10 minutes from Capitol Hill.

All of these characteristics make Oxon Hill Manor a compelling choice for designation as the permanent home of the Vice President, and when we are ready to make a decision on establishing a permanent residence—and the sooner the better—then Oxon Hill Manor should be at the top of the list for consideration.

Mr. BRAY. Mr. Chairman, I have no further requests for time.

Mr. PRICE of Illinois. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute now printed in the reported Senate joint resolution as an original joint resolution for the purpose of amendment.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That effective upon termination of service by the incumbent in the office of Chief of Naval Operations, Department of the Navy, the Government-owned house together with furnishings, associated grounds and related facilities which are and have been used as the residence of the Chief of Naval Operations, shall thenceforth be available for, and shall be designated as, the official temporary residence of the Vice President of the United States.

SEC. 2. As in the case of the White House, the official residence of the Vice President shall be adequately staffed and provided with such appropriate equipment, furnishings, dining facilities, services, and other provisions as may be required, under the supervision and direction of the Vice President, to enable him to perform and discharge appropriately the duties, functions, and obligations associated with his high office.

SEC. 3. The Administrator of General Services is authorized to provide for the care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds, including heating, lighting, and air conditioning, which services shall be provided at the expense of the United States.

SEC. 4. There is hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the foregoing purposes. During any interim period until and before such funds are so appropriated, the Department of the Navy shall make provision for staffing and other appropriate services in connection with the official residence of the Vice President, subject to reimbursement therefor out of any contingency funds available to the Executive.

SEC. 5. It is the sense of Congress that living accommodations, generally equivalent to those available to the highest ranking officer on active duty in each of the other military services, should be provided for the Chief of Naval Operations.

Mr. PRICE of Illinois (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENTS OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer several amendments.

The Clerk read as follows:

Amendments offered by Mr. GROSS:

On page 4, line 1, immediately after the word "official" add the word "temporary"; and

on page 4, line 11, immediately after the word "official" add the word "temporary"; and

on page 4, line 20, immediately after the word "official" add the word "temporary".

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the amendments may be considered in bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, page 3 of the Senate joint resolution contains this language: "shall thenceforth be available for, and shall be designated as, the official temporary residence of the Vice President of the United States."

Turning to page 4, there are three references to the "official residence" in which the word "temporary" is omitted.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. I thank the gentleman for yielding.

Since it is the intent of the committee that this should be a temporary residence, I would consider the gentleman's amendment merely technical, and I would be willing to accept the amendment.

Mr. GROSS. I think it is a needed clarifying amendment to state in all references that it is either an official temporary residence or an official residence. It ought to be one way or the other—I do not care which.

Mr. PRICE of Illinois. I agree with the gentleman.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. BRAY. I thank the gentleman for yielding.

I have no objection to the suggested amendment.

The amendments to the amendment in the nature of a substitute were agreed to.

Mr. GRAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first, I want to commend my distinguished friend, the gentleman from Illinois (Mr. PRICE), Chairman EDDIE HÉBERT, and members of the Committee on Armed Services, for reporting out this resolution. For the benefit of those Members who may not have been here 8 years ago, I should like to say that our Committee on Public Works reported out a bill that I had the honor of authorizing that was signed into law providing for a permanent home for all Vice Presidents on a 10-acre site adjacent to the home of Chief of Naval Operations at 34th and Massachusetts Avenue, and because of the Vietnam war, the project has never been funded.

I want to commend my friend, the gentleman from Iowa (Mr. GROSS) for offering the amendment, and commend the committee for accepting it, designating the Chief of Naval Operations' home only as a temporary home for the Vice President, because next door on this 10-acre tract which is a beautiful site, we should construct a permanent home for all future Vice Presidents. The home should have at least three floors so the bottom floor could be used for ceremonial functions.

Many of the obligations of the President could be relegated to the Vice President, particularly official entertaining. We could have the second floor for the permanent residence of the Vice President, and the third floor for guests or for housekeepers and the Secret Service.

The present Chief of Naval Operations quarters is not suitable for official entertainment. Only 20 people can sit in the dining room. It has only four bedrooms, and it is a very old structure. I think we should go ahead and house the Vice President in the Chief's home, but I think we should ask the Congress now to go ahead and provide the $750,000 that is authorized by public law.

If I could digress for just a moment, I would point out that almost at this hour the President of the United States is in the country of Egypt, and over 2 million people turned out to see his motorcade, which I think points out the great need for people-to-people diplomacy.

If the future Vice President had a permanent home where he could entertain foreign people coming here, that could do more good to solidify our friendship with other nations than millions and millions of dollars spent overseas, in radio and other propaganda.

Mr. Chairman, I think that we need a permanent home for the Vice President. Since I have been in Congress, we have had five different Vice Presidents. We have spent more money on security to secure the homes of those Vice Presidents than it would have cost to build a brand-new structure. We have more than paid for a new home but do not have it.

Mr. ECKHARDT Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to my friend, the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, would we not have the same problem with respect to the new home, that we would still have to hire security officers, as we do at the White House?

Mr. GRAY. I am glad my friend raised that question. It is a very important question. At the site of the present home of the Chief of Naval Operations we already have security protection. The area is all fenced in and it is very well policed and it is in the middle of the Embassy Row area where we have the Executive Protective Service which was created by our committee and this Congress, a force of 750 men who are really in control of that particular area, and whatever security we put in for the home of the Chief of Naval Operations will be suitable for the new permanent home for the Vice President which will be built next door on the 10-acre site already authorized by law.

We already have built-in security at the Chief's home and with a guardhouse at the entrance to the home, very little additional security will be required. I think it was testified that only $48,000 would be required as additional security devices and equipment which will be needed to secure the home of the Chief of Naval Operations as the Vice President's home. That is very infinitesimal compared to the one-quarter million dollars which was spent on the former Vice President's home, which was bought for $180,000 and sold for $325,000 a few months later due in part to the improvements attached to his home. So a much too long answer is, no, it will not require much to secure this temporary home.

Mr. ECKHARDT. I thank the gentleman for his answer. Of course, I suppose we would deprive the Vice President of a good real estate investment by this action.

How much would the bill cost?

Mr. GRAY. This bill only $48,000. The bill I offered in 1966 calls for $750,000 for the new permanent Vice President's home. We already own the 10-acre site, so there would be no land acquisition.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. GRAY was allowed to proceed for 2 additional minutes.)

Mr. GRAY. Mr. Chairman, the $750,000 would build a very comfortable home with a bottom level, similar to the White House, which can be used for ceremonial purposes. The home of the Chief of Naval Operations as I pointed out is not suitable for entertainment. The dining room will accommodate only 20 people. It will make a nice home for the Vice President to live in but will not serve the very important function I pointed out of people-to-people diplomacy.

There are untold numbers of foreign diplomats and foreign citizens who come to this country who never see the White House and never have the hand of fellowship extended to them. I think in dollars and cents it would mean a great deal more for this Nation to have our Vice President extend that personal diplomacy than it does for us to spend the money overseas on information services and so on. Those people come to this country and they see our backs instead of our faces. This would be a great thing for our people to practice personal diplomacy. It also would provide a much better and much more secure home for the second family.

I hope we can unanimously support the resolution before us and I further hope that we can fund the $750,000 and get on with construction of a new permanent home for the Vice President. We can design and build a facility in 24 months, and allow the Vice President to live in the Chief's Home in the interim. This will bring dignity to the office and show progress for our Nation. The need is great and the hour is late for this action. Thank you.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, simply because I offered an amendment and it was adopted does not mean I support this bill. The cost of what is here proposed temporarily and, looking down the road, the cost of a new and permanent home for the Vice President are seemingly impossible to obtain. I have heard all manner of figures dished out this afternoon, but none of them seem to add up to any kind of intelligible total. I wish someone would tell us what this is going to cost in all its ramifications. We now get a figure of $750,000 from the gentleman from Illinois (Mr. GRAY) for the construction of a superduper Vice Presidential palace somewhere, I guess on the Naval Observatory grounds. This thing is fast running into money, especially when there is no cost for land acquisition on which to locate a $750,000 residence for the Vice President. That is a lot of house.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. This estimate was given by the GSA of the cost and the Secret Service protection would cost $48,000 under this present plan.

Mr. GROSS. I have great respect for the gentleman from Illinois, but somehow I just cannot believe that figure. The resolution is completely open-ended. It provides for whatever the Committee on Appropriations wants to appropriate.

I am talking now about the whole train of expense, the $48,000 plus the security, plus the refurbishing of a home for the Chief of Naval Operations, the whole ball of wax.

Mr. PRICE of Illinois. The figure that I quoted, according to GSA, contains the necessary renovation for occupancy and the security.

Mr. GROSS. Are we going to renovate the present structure?

Mr. PRICE of Illinois. The gentleman will recall that I did mention if we did nothing in the future about a new permanent plan and we suddenly decide he can stay in this home, then to make that a permanent home would reach around $762,000.

Mr. GROSS. This is what I am talking about. This is the foot in the door and we are on the way, with the passage of this resolution, to something I do not know what or where it will end.

I am not one of those who thinks that we should at this time, especially with the critical financial situation that confronts us, inflation and all that, ought to start building a $750,000 home for the Vice President and creating a kind of political aristocracy. I do not believe we should do that.

Mr. PRICE of Illinois. Will the gentleman yield further?

Mr. GROSS. I yield.

Mr. PRICE of Illinois. Actually if we adopt this bill and we do not go into a permament home or anything else, but just stay there, we might have to have other renovations; but actually by this present rule we are saving money.

For the last 8 years to provide security at the homes of Vice Presidents has cost the Government $450,000.

Mr. GROSS. There is talk in this report of renovation of the residence with facilities for state functions. Let me say to the gentleman from Illinois——

Mr. PRICE of Illinois. That is not in this bill. That is for a permanent residence.

Mr. GROSS. Why, under any circumstances, should we provide a home for the Vice President sufficient to accommodate state functions? I take it that "state functions" means large dinners and all that sort of thing, wining and dining. We now have the State Department's "Top of the Mark," a pretty lavish dining room, and there are several others the Vice President could use. He might even borrow the White House dining room on occasion, if he had to.

Mr. PRICE of Illinois. This temporary housing for the Vice President would have no relation to that thing at all, building something for state functions, because this bill does not go into that at all.

Mr. GROSS. I opposed similar legislation in the past and I am sure I do not begin to have the actual cost figures for this home and the relocation of the Chief of Naval Operations.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. GROSS was allowed to proceed for an additional 2 minutes.)

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. O'HARA. I want the gentleman from Iowa to know I share many of his reservations. I think we will be committed irrevocably to a course of action that is going to lead to much unnecessary expense, and to the construction of yet another Imperial Palace here.

I do not think it is really necessary or appropriate to our democratic institutions.

As far as official entertainment goes, the gentleman from Iowa could have mentioned the availability of the Blair House, which is used at the present time for official functions by the Vice President. I do not know why it could not continue to be used for that purpose.

Mr. GROSS. Let me make one other observation before my time again expires.

We had a man, who became Vice President of the United States, who bought a property out in Maryland and lived in it, which had a racial covenant. We had a man, who ran for the Presidency of the United States, who bought a residence out in Maryland with a racial covenant on it, and lived in that property.

I hope the gentleman can tell me whether there are any racial covenants on the property in the Naval Observatory grounds.

Mr. PRICE of Illinois. Mr. Chairman, I would not assume so because it is Government property.

Mr. GROSS. I would not assume so either, but I just wondered if the present Vice President would be living in a property on which there was such a covenant.

The CHAIRMAN. The question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the Chair, Mr. ROBERTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the Senate joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations, pursuant to House Resolution 1169, he reported the Senate Joint Resolution back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted in the Committee of the Whole? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the Senate Joint Resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 23, not voting 30, as follows:

[Roll No. 292]

YEAS—380

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Bolling
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Dickinson
Dingell
Donohue
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rarick
Rees
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—23

Bauman
Chappell
Clancy
Cleveland
Collins, Ill.
Devine
Drinan
Eckhardt
Evins, Tenn.
Gross
King
Mink
O'Hara
Reuss
Rogers
Rose
Satterfield
Schroeder
Stark
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wylie
Yates

NOT VOTING—30

Abzug
Blatnik
Boland
Bowen
Brademas
Brasco
Breaux
Carey, N.Y.
Cederberg
Collier
Davis, Ga.
Derwinski
Diggs
Dorn
Flynt
Hébert
Howard
McKinney
Martin, Nebr.
Meeds
Moss
Pepper
Quillen
Reid
Robison, N.Y.
Rooney, N.Y.
Sisk
Staggers
Stubblefield
Wyatt

So the Senate joint resolution was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Davis of Georgia.
Mr. Boland with Mr. Moss.
Mr. Brademas with Mr. Stubblefield.
Mr. Hébert with Mr. Flynt.
Mr. Sisk with Mr. Dorn.
Mr. Carey of New York with Mr. Diggs.
Mr. Howard with Mr. Blatnik.
Mr. Reid with Mr. Cederberg.
Mr. Pepper with Mr. Collier.
Mr. Staggers with Mr. Derwinski.
Mr. Meeds with Mr. Martin of Nebraska.
Mr. Breaux with Mr. McKinney.
Mr. Brasco with Mr. Quillen.
Ms. Abzug with Mr. Robison of New York.
Mr. Bowen with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A WAY TO HALT INFLATION: THE TREASURY SECRETARY'S BLUEPRINT

(Mr. SCHNEEBELI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHNEEBELI. Mr. Speaker, the June 17 issue of U.S. News & World Report contains an impressive interview which their editors held recently with the new Secretary of the Treasury, William E. Simon. In view of the high respect and great credibility which both branches of Congress have placed in the new Secretary, his basic position of a balanced Federal budget and reduced Federal spending to help control inflation, puts into proper perspective this important influence on our economy.

I hope that many people will read the fine statement of our new Secretary of the Treasury—it is an auspicious beginning of his administration in this position of great impact on our future economy:

A WAY TO HALT INFLATION: THE TREASURY SECRETARY'S BLUEPRINT

Q. Mr. Secretary, is this country going to be able to bring inflation under control?

A. We can do it. But it is going to require a curb on Government spending, and the key to that is better co-operation between the Congress and the White House. It also requires a will on the part of the American people to stop demanding or accepting the largesse of the Federal Government without paying for it. It's just as fundamental as that. We must work toward balance in fiscal and monetary policy in this Government.

I won't buy for one minute the idea that 75 per cent of the budget is uncontrollable. That is a cop-out. We've got to quit saying there's nothing we can do about it—that "Congress has passed the laws, and here they are, even if we don't like some of them."

I'm suggesting that we—both the Congress and the executive branch—had better take a brand-new look at this and begin to get some fiscal sanity back into the picture.

Q. Can you cite some examples of what you consider bloated federal spending?

A. I'm not going to be specific on recommendations right now because we're doing a budget study on the controllable side—as well as on the uncontrollable side, which is our big problem.

Q. Just what do you mean by "controllable" and "uncontrolable" items in the budget?

A. Essentialy, "uncontrollable" refers to budget items provided for by laws passed in previous years. In other words, laws already on the books spell out some obligations for more than one fiscal year. For instance, Social Security payments are spelled out by law. As the number of persons receiving Social Security increases, the amount of money goes up, too, in almost uncontrollable fashion.

Q. Who is to blame for the expansion of the uncontrollable side of the budget?

A. You can't just point the finger at Congress—or at the White House. It has come from both sides. Anyway, what's the difference whether it was an Administration plan or a congressional action that locked in new spending on an ever-escalating basis? The fact of the matter is that it's there.

Congress is about to pass—I hope—a budget-reform bill which is a step in the right direction, but only a first step. Congressmen are now hearing from their constituents that something has to be done about the budget and about inflation. That's why we're seeing action. I met with the Republican side of the House Ways and Means Committee just the other day, and to a man they are hearing this from back home. It's a genuine ground swell.

Q. Do you mean that people are urging a cut in Government spending to deal with inflation?

A. Yes, sir—and these Congressmen say that this will be the most popular thing that they can do to get re-elected this year. They tell me that their people are simply fed up with the way the Government's budget shoots up year after year. It took this country 185 years to get to 100 billion dollars of annual spending in the budget. But it took only nine more years to get to 200 billion, and only four more after that to get to the third hundred billion.

Q. In the past when people talked about cutting federal spending they were for it as long as it didn't affect them—

A. Yes, in the past that's been correct. But in the past we've never had double-digit inflation. It's always been well under 10 per cent. But now that we're above that into two digits, people are scared. And if we wait another year or two to meet this head on, we'll be back in the same mess we are right now, only at a higher rate of inflation, because it's going to start from a higher base than the one we started at two years ago, which was 3 percent.

It's the same with interest rates. Interest rates this time started up from 8 or 8½ per cent. During the credit crunch in '66, they started at 6 per cent.

Each year we're grinding more and more inflationary expectation and actual inflation into our economy, and if we don't begin to turn it around, not only on the fiscal side—on the spending side—but on the financing side of it, this country is headed for disaster.

The financing side is little understood. But it is staggering when you realize that borrowing by the Federal Government and its agencies today takes about 60 per cent of the funds raised in the securities markets.

Q. Do you believe that in an election year Congressmen are going to vote to cut Government spending?

A. I certainly do. For the first time we have a chance of doing something because of the double-digit inflation. If we ever had a chance to cut back, now is the time. I'm not saying we can balance the fiscal '75 budget [for the year starting July 1, 1974]. I don't think it's advisable to slam on the fiscal brakes that quickly. But we must make a step in that direction and then move toward balance in '76.

Q. How much of a budget cut would be a step in the right direction? Roy Ash, Director of the Office of Management and Budget, has said you couldn't find as much as 5 billions—

A. It all depends whether one wants to take a look at the uncontrollables. You probably couldn't find 5 or 6 billions if you just wanted to look at the controllable portion of it. I'm talking about the uncontrollable side.

You're going to say, "Well, how do you get that done?" The answer is that you identify programs that are overfunded—whether it's food stamps or the many programs of the Department of Health, Education and Welfare—or wherever it is that the budget has grown tremendously.

Q. Don't you have to go to Congress, though, and get a change in the law?

A. That's right—you do.

Q. Isn't it a fact that every time the President has done that—one school lunches, milk programs, almost anything—he's been beaten down?

A. That's been true. But I'm not going to take the attitude: "Ah, hell, we've tried that before; it doesn't work." I suggest that it's never really been tried before with everybody's heart behind it.

Q. Are you suggesting a fundamental change in attitude toward things like the full-employment budget?

A. I am not a full-employment-budget man. I don't think 1 per cent of the people in this country understand the full-employment concept. It's a good concept, useful to those who fully understand it, but there are problems with how it is interpreted and how it is calculated.

For example, almost everybody agrees that a goal of no more than 4 per cent unemployment is unreasonable in view of the change in the labor force over the last 20 years. But what I am talking about is actually heading toward balance in the unified budget as we know it.

Q. Mr. Secretary, has the Administration's ability to deal with this in Congress been damaged by the Watergate mess?

A. I can honestly say—and I don't know anybody in this Administration who spends more time on the Hill and on the telephone talking to Congressmen than I do—that it hasn't bothered me one iota.

Q. You don't think the authority of the President has been eroded with Congress?

A. I certainly do not.

I'm suggesting that things have changed, and events are going to make Congress want to go in the budget-cutting direction because at this point in time it's the right thing to do politically. They're getting the ground swell from home. Double-digit inflation is a tax that's being levied on the American people, and they don't like it.

Let me tell you something: I think there's such a change in sentiment that we should put what you might call a "full-court press" on this whole subject and really fight to cooperate and get together. And I've talked to Democrats and Republicans alike on the Hill, and that is the attitude I find.

Q. Historically, hasn't inflation of the sort we have now been solved only by the country going into a recession?

A. I don't know that we can go back and say that every single time it's gone that way. I agree that the danger is there when you're relying solely on monetary policy to control inflation. But if we use fiscal policy to restrain federal spending and give monetary policy a chance to work, which Arthur Burns [Chairman, Federal Reserve Board] would certainly like to do, then we can lick this problem.

I'm a realist. I don't know that over the long run this great country will do all these things, but I'm only here once, and so shouldn't I try to get done what's right?

Q. Mr. Simon, how much is this out of your control in the sense that inflation is being imported through high prices for oil and other basic commodities?

A. Our energy policy will correct the oil problem over time. Until that time, obviously, we're going to be paying these high prices for foreign oil. But they're not going to triple again—we certainly know that. If anything, they're going to be lower a year from now, or even sooner, than they are right now. I'd bet on it, if I were a betting man.

Now, we haven't had a complete pass-through, yet, of this big run-up in oil prices. We won't see that until the end of the year. For example, in petrochemicals we have yet to see the full impact. And there isn't much that you touch during the course of the day that isn't made in one form or another in the petrochemical industry. The high cost of oil is going to come out in the form of higher prices for toothbrushes, plastic cups, and so on down the line.

Q. What about wages? Now that controls are ended, will they leap upward and add to inflation?

A. My judgment is that while wage increases aren't going to be in the 15 to 20 per cent bracket, they are going to be significantly above the 5.5 per cent guideline that we had in effect the past couple of years.

Q. Does that mean you need a new incomes policy?

A. No, it most certainly does not, because if we learned anything from wage and price controls it is that they produce distortions and compound and postpone your problems.

What we must have is restraint on federal spending so that the Government won't be putting all this pressure on the economy and the money markets, forcing interest rates higher than they should be and keeping the inflation fires burning. This is what has to be reversed. This is fundamental. Then you can deal with shortages and other inflationary problems by acting rather than reacting.

Q. Are you worried that present interest rates—as high as 12 per cent or more—will restrain business borrowing enough to prevent recovery from the current slump?

A. There's a lot of talk about the slump, but actually it is isolated to energy-related activities. Automobiles are the prime case in point.

It's true that high interest rates are postponing borrowing. There's no question about that. But I'm not worried about too little capital investment. The McGraw-Hill survey shows an increase of 19 percent in outlays for plant and equipment this year. The Commerce Department figure is 12.2 percent But whether it's 12.2 percent or 19 percent, the evidence is compelling that this is a source of great strength in our business outlook right through 1975.

Another point that we must stress as far as this inflation problem is concerned is that we have to give incentives to business to expand production of fuel, paper, steel and other commodities so that the U.S. doesn't have to rely on foreign nations for these key items.

Q. Do you have a plan that would do this?

A. One thing we're talking about is accelerated depreciation. It works, and it works quickly. This was proven back in the Korean War. In the Treasury Department, we are taking a look at the various plans to expand production of these vital products. We're discussing whether it should be done on an over-all basis or whether it should be done by specific industries.

Q. What is your position on an income-tax cut for individuals?

A. It would be highly inflationary.

All it would do is fuel a demand that's already excessive. People would just go out and buy the small-ticket items that are already in short supply.

Q. Do you think Congress will vote against a tax cut for individuals, but approve reductions for business?

A. We're not talking about cutting taxes for business. We're talking about accelerated depreciation and other incentives for some of our basic industries to assure the consumer that he can get commodities at a reasonable price, rather than forcing him to rely on foreign sources at a much higher price.

Don't misunderstand me. I'm not saying it will be easy to get this through Congress. But we're hopeful, and we're talking with the leaders on the Hill. We're going into this study with the encouragement of Mike Mansfield, the Senate Majority Leader, and Speaker Carl Albert in the House. Senator Hugh Scott and Representative John Rhodes, the Republican leaders in Congress, are taking part in these discussions.

Q. Mr. Simon, economists seem to be in disarray. Many are confessing they're baffled by this double-digit inflation—that many of the old rules don't seem to apply. How can anybody speak with much confidence of what the cure is?

A. I'm sorry, but I don't buy the first part of your comment—that those in the economic profession are in such disarray that they can't find agreement. The economists whose opinions I respect, whether it's Paul McCracken [a former Chairman of the Council of Economic Advisers] or many others, are in fundamental agreement that, leaving the politics of the situation aside, for a sustained period of time there is one fundamental thing that's needed, and that's prudent fiscal and monetary policies.

Let me tell you something to make my point: Go back and trace America's prosperity. At the end of World War II it was the only country in the world with any real power, economically and otherwise. As the rest of the world recovered its economic strength, however, the dollar became overvalued. We should have changed that somewhere around the mid-50s or late '50s, but we continued with a fixed exchange rate and an overvalued dollar. And as we were creating all of those deficits and sending the IOU's around the world, you could find a lot of economists who were predicting—some almost to the year—that a fundamental change would have to be made in our international monetary system. And they were correct; some economists, at least, understood what was going on. A lot of them talked about it, but it wasn't very popular to print what they said.

I can give you a score of statements I made before I came to Washington. I haven't changed my tune one iota.

Q. Some well-known economists are saying that the 1975 federal budget, which you say must be cut, is too tight—

A. Sure. There's a group who believe that the American people have grown to expect each year that all of their needs are going to be met by Washington, and "let's just ignore the inflationary consequences."

It isn't going to be easy to turn this thing around. But, at this particular point in time, I believe sincerely we have an opportunity to do it, due to the unprecedented inflation rate and interest rates. Now that we've got people's attention, damn it, let's do what's right.

Q. But what is right? President Nixon's proposed national health program would add 5 or 6 billion dollars to the budget. Are you going to drop the program and say, "Well, we're at a point where we can't take on anything that costly"?

A. I think you're going to see some of that, but I wouldn't pinpoint a particular program, because these things are being worked out right now. I don't know what the President will come down on. But he'll make the individual decisions—that I'll promise you.

We've got to slow the growth of the budget to a pace that will provide normal expansion of the economy, rather than the inflationary growth rate that started with the "guns and butter" policy in 1964 during the Vietnam War. Some say this will entail itself sacrifice on the part of the American people. My answer is that when you're dealing with a budget as massive as 305 billion dollars, there is enough latitude to get back to fiscal responsibility without sacrifice.

Q. Is your attitude toward the budget accepted within the Administration generally?

A. I'll put it this way: I'm making significant progress compared to where I started a month ago when I became Secretary of the Treasury. At that time, the whole idea was considered ridiculous. And I'm picking up a lot of support in Congress.

INDIA'S NUCLEAR POWER

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, India has recently become the world's sixth nuclear power. A country that once denounced nuclear ambition and admonished those participating in the development and testing of nuclear weapons is now a member of that group. Prime Minister Indira Gandhi maintains that India's motives are for purely peaceful purposes—mining, prospecting for oil and gas, the discovery of underground sources of water, and the diversion of rivers for scientific and technological knowledge. However, if this is indeed the case, why then has India refused thus far to sign the Non-Proliferation Treaty of 1968?

As most of my colleagues are undoubtedly aware, that treaty provides for the supply of nuclear materials to both nuclear weapon and nonnuclear weapon states for peaceful purposes to all parties of the treaty at cost, when nuclear materials are safe and an economic credit. In addition, the treaty further urges the cooperation of all states in the attainment of this objective.

Let me briefly describe the current deplorable situation which exists in India today. The population of 580 million faces famine—with 80 percent of the Indian people suffering from malnutrition—and that population is increasing dramatically each year by 13 million. Seventy-five percent of those 580 million are illiterate, 75 percent of India's university graduates are unemployed, and one-half the population lives on 10 cents a day.

Given these facts, there can be no justification whatsoever for the $173 million which the Government of India spent from 1968 to 1973 for nuclear weapon development, or the $315 million which they intend to spend for this purpose over the next 5 years.

One-third of all Indians live below the poverty level of $30 per year. Housing is badly needed, yet the Indian Government only allocated $200 million for housing during the same period in which it spent $173 million for nuclear development. India's nuclear program will not provide more jobs, will not increase production, or solve the deficit balance-of-payments crisis.

Even more important, the suspicion and fear that surrounds the Indian motives for the recent nuclear detonation could set off a wave of nuclear proliferation around the world if left unchecked.

Mr. Speaker, I believe it is time for the United States, which between 1950 and 1971 contributed over $10 billion in foreign assistance to India—and in 1972 and 1973 an additional $400 million—to cut off all economic assistance of any sort to that country until it becomes a signatory of the Non-Proliferation Treaty. If not, we have no way of guaranteeing that the money we so eagerly hand out to India each year will not be used for further nuclear weapon development, rather than to deter a famine which appears imminent.

Accordingly, I am today joining my distinguished colleague—Senator Marlowe Cook—in introducing legislation to accomplish this objective. Under the terms of this bill, which the senior Senator from Kentucky is introducing in the other Chamber, all military and economic assistance, all sales of agricultural commodities, and all licenses with respect to the transportation of arms, ammunitions, and implements of war to the Government of India would be suspended until such time as India becomes a state party to the Treaty on the Non-Proliferation of Nuclear Weapons. I would hope that this body will proceed expeditiously to secure the enactment of this legislation.

CONGRESSIONAL SENIOR INTERN PROGRAM

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Pennsylvania (Mr. Biester) is recognized for 30 minutes.

Mr. BIESTER. Mr. Speaker, I am pleased to share with my colleagues a few observations on the third year of the senior intern program—a congressional internship designed specifically for constituents over age 60.

Back in April of 1972 I initiated an experimental program in my Washington office for the purpose of helping improve communication and understanding between the older residents of my district and their Representative and Government in Washington. Two constituents spent 2 weeks here familiarizing themselves with Federal activities relating to the elderly—study legislation, attending hearings, participating in briefings with authorities from the Government and private groups involved with the concerns of the older American.

Last May several other House and Senate colleagues jointly sponsored the program with me. Senator William Roth and Congressman Bud Hillis and Roger Zion each had two senior constituents here to participate in the internship.

This past month the program expanded further with Senator Joseph Biden and Congressmen Bert Podell, Ralph Regula, and John Wydler joining our original group.

Pauline and Joe Seborowski of Trevose, Pa., were my senior interns this year, selected by senior citizens groups in my district on the basis of their involvement in senior citizens activities and their interest in the program. The Seborowskis did a commendable job as senior interns, and I hope they profited from their stay as much as I benefited from their contributions to my thinking on the problems of the older American.

The program this year provided a broad overview of the Federal response to the needs of the elderly. The senior interns were briefed on the legislative process, pending senior citizen legislation and the programs of the Administration on Aging. From the perspective of the older American, discussions were held with experts in the fields of housing, transportation, national health insurance and volunteer service programs. Briefings also were conducted on social security, supplemental security income, social services and medicare. In addition, tours of the Capitol, State Department, two embassies and a special tour and meeting at the White House were arranged.

Although the 16 participants ranged in age up to 83, they did not fit any common stereotypes of older Americans. They were an energetic and diverse group with differing backgrounds and life experiences. Large cities and rural areas were represented. Each senior intern had his or her own special concerns, and they did not hesitate in the least to express themselves and press for answers to questions which troubled them. They were eager to learn as much as they could about programs and policies of the Government toward older Americans, and they were anxious to take this information back to their homes where it could be shared with others and put to practical use.

I do not believe we, as Members of Congress, can emphasize enough the importance of two-way communication and sharing of ideas with our constituents. Certain segments of the population require greater opportunities to communicate their special needs, and it has been my experience that the elderly represent such a group. The internship program offers a unique educational and communicative mechanism for a few constituents which can have, through them, a wider impact on a much more extensive audience. Invariably, when I mention the senior intern program to others, the reaction is, "That's a great idea." After 3 years of working with this idea, I am firmly convinced it is more than a good idea—it has become a very workable and integral part of my office operation.

Forty-three colleagues have joined me as cosponsors of or have introduced similar resolutions making the senior intern program available to all House Members as are the summer college intern and the L.B.J. teacher intern programs. Very briefly, the resolution sets aside time during the month of May each year for the internship program and allows a Member to hire for this period two additional employees over age 65. I might add at this point that since there is no real magic in 65 as the qualifying age for becoming a senior citizen, the age requirement probably should be reduced to 60 years to include many of those individuals who are retiring at earlier ages.

In the very near future several of us who have been involved with this legislation will be circulating a dear colleague to recruit additional cosponsors. I am encouraged by and wish to thank those Members who have had the interest and initiative to conduct senior intern programs in their own offices in the absence of a formal legislative authorization, and I trust even more will become involved in this ad hoc program in the future.

I commend senior internships to your consideration, and I yield at this time to my colleagues who may wish to discuss their impressions of the program.

Mr. HILLIS. Mr. Speaker, it gives me pleasure to participate in this Special Order today. For the second year in a row my office has sponsored a Senior Citizen Intern program. My staff and I have benefited greatly from the experience and it has given me the opportunity to communicate more effectively with the elderly in my district.

For 2 weeks this spring, Mr. and Mrs. Chester Edwards of Anderson, Ind., served as congressional interns in my Washington office. In addition to attending briefings and meetings with committee and individuals involved with matters relating to the elderly, the Edwardses became acquainted with the everyday happenings in a congressional office. They became a part of my staff and reported each morning to their desk and proceeded to work on their assignments.

Upon their return to Indiana, my interns wrote a report on their thoughts and experiences while in Washington. (It was printed in the CONGRESSIONAL RECORD of May 22, 1974.) This report is now being mailed to senior citizens in my district and distributed by the Edwardses when they meet with senior citizen organizations.

We need to involve ourselves with the elderly and allow them to involve themselves with us. Parceling them out to old age and retirement homes is not the answer. All over this great land of ours, citizens are complaining about the lack of community, the lack of caring in our towns and cities. Maybe one reason is because we are not utilizing the experience and wisdom of all our human resources, particularly our elderly. A community where the elderly do not play an important and central role is not really a community. Our elderly have lived where we have not, have lived when we have not—they can teach us much and we should begin to listen.

The elderly in this country are assuming a new importance that they have never known. Nationwide, those 65 and older make up 10 percent of our population. This amounts to well over 20 million people and this figure has grown seven times since the beginning of the century.

This Nation is finally beginning to realize that our senior citizens are the firm foundation—the backbone—of our society. And, no matter how superficially youth-oriented our culture becomes, we should never forget this.

Mr. PODELL. Mr. Speaker, recently I shared my congressional duties for 2 weeks with three hard-working interns. They were not college students, more eager than experienced. They were senior citizens—genuine, qualified students of the world—both eager and experienced. Though brief, the association was rewarding for me. I learned a great deal and was reminded of things one tends to forget.

Those interns, Mr. and Mrs. Harold Gershowitz and Mrs. Celia Zeidman, all residents of the 13th Congressional District, represented for 2 weeks in Congress all our senior citizens. Though beyond retirement age, they are young and vibrant—ready for the second time around.

Mrs. Zeidman is associated with the Blanche Schuldiner League Day Center of the Brooklyn Hebrew Home and Hospital for the Aged. Mrs. Nettie Gershowitz is president of the Friendship Club of the Shorefront YM-YWHA in Brooklyn. Both these ladies, and Mr. Gershowitz as well, alive with energy and endurance, greeted each Washington morning as an opportunity to learn something new.

They enjoyed learning the detailed business of a congressional office and contributed to the excellent program of seminars that comprised the senior intern program.

I take this opportunity to thank these friends for another chance to learn from my elders. I was reminded of the contributions they have made and are making now to the world we live in. It is a better place because of them. The future will be bright for me and my children if we bring to the task what I saw in them—pride, integrity, ability, a willingness to work and an indomitable sense of humor.

It was particularly fitting that Mr. and Mrs. Gershowitz and Mrs. Zeidman were here on the day the House of Representatives passed H.R. 6175 by a vote of 379 to 1, establishing the National Institute of Aging as part of the National Institutes of Health. It was a giant step for senior citizens, who are all too often neglected by the Government to which they paid taxes for so many years.

Governmental indifference to the needs of senior citizens is changing, and the Gershowitzes' and Mrs. Zeidman's work in Congress is the beginning of that change. Passing the National Institute of Aging Act is a part of the progress. If we are to construct Government services responsive to the needs of senior citizens, then senior citizens must take an active part in the political process. Their participation must extend beyond simply voting every 2 or 4 years.

We will continue the congressional senior intern program until the elderly are sharing in the benefits of the Government. There should be no less concern for the welfare of senior citizens than for the welfare of oil cartels and industrial conglomerates whose needs are traditionally favored over the needs of the elderly.

It reminds those charged with administering programs for the elderly that the people they serve are real human beings, not statistics to be manipulated for private purposes.

And so, thanks to Harold and Nettie Gershowitz and Celia Zeidman for working with me. It was my pleasure, and to my benefit. I hope their experience in Washington will be useful to them as they work with me to improve the condition of all the senior citizens who live in our 13th Congressional District.

Mr. REGULA. Mr. Speaker, I would like to take the opportunity of this special order to officially thank the two fine people who served as senior citizen interns in my office, Harry and Mary Jane Rankin, for their efforts in behalf of older American's in Ohio's 16th Congressional District.

The Rankins came to Washington to study legislation of interest to senior citizens and to learn about programs and policies affecting the elderly. But they accomplished much more than that.

Through the efforts of the Rankins and the other senior citizen interns the Members of this body have a greater insight into the problems of aging. This internship program has proven itself as a valuable way to focus the attention of Congress on the problems of older Americans.

Mr. and Mrs. Rankin learned a great deal about the Government's program for older citizens, their perspective and observations have been helpful to me in seeking better ways to deal with these problems. I intend to continue to draw on their views with regard to senior citizens.

Improving the awareness of Congress by itself makes the senior citizen internship worthwhile, but there are other advantages. The interns themselves gain governmental experience and knowledge of Federal programs affecting the elderly. In addition to these largely personal gains the senior citizen interns share their Washington experience with their peers. They go to meetings, talk with their friends, work with local leaders, and in a variety of ways disseminate the fruits of their internship to those who are most interested.

One tangible result of this internship program was the introduction of a bill to amend the Urban Mass Transportation Act of 1964 to authorize senior citizen subsidies to mass transportation systems for reduced fares for the elderly.

From my conversations with the Rankins I learned that the Urban Mass Transit Administration (UMTA) cannot now fund reduced fare programs for the elderly. This UMTA bill would authorize reimbursement of communities or transportation companies for their losses on fares reduced by up to two-thirds of the normal rate.

Transportation Department studies show that where local communities have lowered fares for senior citizens, ridership by the elderly has increased anywhere from 20 to 50 percent. It has been shown that the cost of the transportation fare is a major restraint against the widespread use of mass transit facilities by the elderly. This bill will help reduce that barrier.

In other words, the benefits of this program include the focusing of attention on the problems of the elderly, the free exchange of ideas to meet those problems, the communication of existing policies and programs to local citizens, and with luck some productive legislation. This list of benefits makes a strong case for expanding this excellent program.

Mr. WYDLER. Mr. Speaker, the congressional senior citizen intern program was introduced in my Fifth Congressional District of New York this year. I was genuinely impressed by the enthusiasm it stimulated in senior citizen circles and, more importantly, by the effectiveness of the program, which was designed to include local participation in the formulation of legislation and programs affecting senior citizens.

Mrs. Hazel Sandy, 394 Hawthorne Street, Uniondale, N.Y., and Col. Emanuel Singer, 1094 Fulton Street, Woodmere, N.Y., were selected to represent the senior citizens in my district.

I believe the sentiments expressed in the reports which they submitted to me upon completion of their 2 weeks' assignment in the Nation's Capitol bespeak their better understanding of the legislative process and their enthusiastic approval of the program. I would like to read them into the Record for the benefit of my colleagues. The reports follow:

Report of Hazel Sandy

This report pertains to the Senior Citizens Intern Program conducted from April 29 to May 10, 1974, in Washington, D.C. This program relating to legislation of all the bills pertaining to Senior Citizens is the basis of my letter.

In my opinion, it is going to take many years to obtain all the objectives in these bills.

Having this Senior Citizen Intern Program, to me, is a very good idea as I have gotten a different perspective of what the government is doing and planning to do for the aged. It is a tremendous undertaking and it certainly will take time and money to give to the aged all the benefits they plan to give. By attending these meetings I have gotten a good idea how the legislation works and will try and convey these findings to the Senior Citizens.

SOCIAL SECURITY

In talking with Senior Citizens one of their great concerns is Social Security. They feel that every time it is raised they have deductions taken out, which means they do not receive a sizable increase or as much as they thought they would receive. With the supplementary program they are receiving a little more but not enough to insure better living. I know that the context of Social Security is changing all the time so there are different phases in the workings of the bill which have to be ironed out.

I understand that in Sen. Church's bill he advocates making Social Security independent and to be taken out of HEW I think this would be a good idea.

THE MEDICAL PROGRAM

This is one program I have heard a lot of comments on. With the deductible amount being raised to $60.00 and the increase in cost of medicine and doctors' fees continually rising, it has another bad effect on the Senior Citizen. One way to alleviate this would be to have the cost of medical coverage lowered. Also give deductions for medical needs covered by Medicare.

NATIONAL HEALTH INSURANCE

Insurance is another important factor of income spending. The cost of financing and administrating full National Health Insurance would be very high and the Government could not maintain the cost.

On the three major proposals for National Health Insurance, is there a possibility that they might take different portions of these bills and consolidate them? In learning of the contents of these bills, I think the Administration bill is the best, wherein the private insurance companies carry the insurance and the government subsidizes same.

SOCIALIZED MEDICINE

I heard a program on T.V. regarding Socialized Medicine in England. They discussed the program and stated that they were having problems pertaining to same. Each person has to pay $2.00 per week for this service. The doctors in the program receive approximately $13,000 per year. They went on to say that it is a very expensive program and that if the American Government (we have many more people to take care of than they have) went into socialized medicine it would be a very expensive undertaking and cost billions of dollars.

TAXES ON PROPERTY

People who own their own homes have a hard time paying taxes. Those persons having an income up to $5,000 have a tax deduction. It would be a help if they would raise the income on this program so that more people could benefit thereby.

ACTION PROGRAM

Here are a few of the services on Action. This program was set up by President Nixon. These are very worthy programs.

1. Foster Grandparents: Serve in a variety of settings: pediatric wards of hospitals, Institutions for menatlly retarded, the physically handicapped correctional facilities, etc. Each grandparent is assigned two children and devotes two hours each day. The grandparent receives small benefits for this service.

2. RSVP: The Retired Senior Volunteer Program is a part of Action. You can contribute your time, experience, knowledge and interest to others in your community who need you.

3. Senior Companions: Congress passed a bill authorizing older people working for older people. They receive $1.60 per hour, tax free.

Would it be possible or feasible to put all programs pertaining to the aged in one package or under one department?

This report covers some of my thoughts and opinions on these Federal activities.

Report of Col. Emmanuel Singer

This report pertains to the reference title conducted in Washington, D.C., during early May 1974.

The observations, statements and questions of other participants in this symposium, the government designees assigned to render certain facts relating to legislation pertaining to senior citizens, is the basis for my opinion.

(1) It is my opinion that legislation related to the subject title cannot be put into active legislation for several years to come.

NATIONAL HEALTH INSURANCE

(2) National Health Insurance is the most important thought of senior citizens. Costs and care are the prime thought of our group, based upon discussions.

(3) If the three (3) bills now in discussion can be consolidated, that is, the workable good points of each bill incorporated into one bill, some headway will result.

(3) (a) The cost of financing and administrating full maintenance of the requirements of senior citizens would be astronomical and possibly cannot be a function of government.

(3) (b) All persons eligible to participate in the overall benefits derived from legislation of the nature involved should be subject to pay amounts of money at regular periods, depending upon their respective age and earned income. Also included in payments to the government must be monies received from investments, regardless of the fact that the income results from tax exempt sources.

(3) (c) In England, and Sweden, government-financed socialized medicine, as it is termed, is not entirely successful. People are taking unnecessary advantage of the service by visiting doctors and medical facilities for the most minor or imaginary ailments. I feel that this condition would not occur if the public participated in the costs and that certain precautions be taken to prevent unwarranted visits.

(3) (d) I believe that the best way of handling a National Health Insurance program is by a legislative bill which would provide for the government to subsidize private insurance companies.

(3) (e) At the present time, the sole source of reimbursement for medical services is Medicare. The sixty dollars which must be paid by the individual before he or she is eligible for collecting monies is rather high. This amount should be reduced.

(3) (f) Some attempt should be made to reduce the cost of medical services. This I feel will be very difficult because of the effect it will have on the doctor's income. I know that the average doctor in England only earns approximately $13,000 per year. This amount certainly is not adequate for physicians in this country.

(3) (g) I have reviewed, carefully, Publication RA413U.S.B., 74–87 ED entitled "National Health Insurance."

SOCIAL SECURITY

Regardless of the terminology, social security is an insurance policy in the form of annuity.

It provides a rather poor income for the low income individual, whereas the high income individual does not need its benefits. The middle strata, unless they have pension benefits are greatly affected.

I would recommend that those individuals who have large incomes, particularly those individuals with tax exempt incomes, be made to pay some amount towards increasing the source of monies for use in the lower echelon of income.

TAXATION—SENIOR CITIZENS

I believe that this area could be the most advantageous help for the senior citizen. It would be more acceptable to the general public in that it would eliminate or reduce payments to senior citizens.

(1) Give a greater tax allowance to those over 65 years of age.

(2) Reduce the allowance on Medicare.

(3) Eliminate through some means School taxes for those over 65 years of age.

(4) Reduce property taxes for those over 65 years of age.

(5) Give added deductions for medical needs not covered by Medicare.

(6) Reduce by a ticket arrangement the cost of transportation and tax charges.

(7) Reduce by a ticket the sales taxes.

I believe that if the area of taxes were reviewed that a considerable amount would be saved for use in other areas by the senior citizen.

LAISON OFFICE IN WASHINGTON

I believe that if a Laison Office was formed here in Washington to coordinate the activities of all branches of the government the cost and the efficiency of legislation pertaining to senior citizens would be more productive.

This report covers my thoughts pertaining to Federal activities. There are many points that can be taken on a lower level, such as transportation, etc.

GENERAL LEAVE

Mr. HUDNUT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order taken by the gentleman from Pennsylvania (Mr. BIESTER) today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

BEEF INDUSTRY TROUBLES DESERVE IMMEDIATE ATTENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER), is recognized for 10 minutes.

Mr. SHRIVER. Mr. Speaker, the cattle industry in this country is facing a major crisis. Our Nation has long led the world in beef production and quality. The livestock industry of Kansas is the No. 1 industry insofar as my State's economy is concerned. Cattlemen from my congressional district and from over the State have sounded the alarm. At present, dire circumstances threaten this industry, and prompt action is imperative to prevent complete financial disaster.

There is little question that the price freeze last year was ill advised, and the resulting buyer boycott had serious impact on the cattle industry.

In response to the shortages of beef last summer, cattlemen increased production. At the same time, production costs to the industry rose dramatically—the result of inflationary conditions, the energy crisis, and increased transportation costs. Consumer purchase of beef, in this a land of many beef eaters, has dropped off, and the industry is left with an oversupply of beef.

Fed cattle prices have declined severely since February. In February, the wholesale price of choice beef in the Midwest was a record 91 cents per pound. It is now about 65 cents a pound. Only yesterday, the price dropped 3½ cents a pound. While retail prices of beef have apparently started a slow decline, the decrease at the retail level is not as dramatic. The drop in retail prices from February to May has been less than 10 cents per pound.

The loss to the feeders is mounting daily, and is in excess of $125 a head. The Agriculture Department's index of prices received by farmers fell 8 percent during the month ended May 15, 1974.

Mr. Speaker, the cattle industry is on the brink of financial disaster, through no fault of its own, and is sustaining losses which amount to over a quarter of a billion dollars per month. It is time to act now to protect this industry which is so vital to Kansas and the Nation.

On May 30, I joined with two of my colleagues in the Kansas delegation, Mr. SEBELIUS and Mr. SKUBITZ, in sponsoring legislation which would prohibit, for 180 days, the importation of beef into the United States.

Last December, the Secretary of Agriculture announced that meat import quotas, which the President suspended in 1973, would continue to be lifted for 1974. As required by law, the Secretary will review the situation every 3 months, at which time the suspension could be reconsidered.

I believe the situation is so serious now that Congress should insist that meat imports be stopped immediately, and that the halt be imposed for a long enough period to allow domestic supplies to come more in line with demand. Our bill calls for the embargo to continue for 180 days, or about 6 months.

Other colleagues in the House have introduced other legislation to help the cattle industry—to prevent importation of contaminated meat, and of meat slaughtered under inhumane conditions.

Legislation also has been introduced to provide for an insured loan fund to be administered by the Farmers Home Administration, to enable cattlemen to secure Government guaranteed or insured loans. Such a fund may well be necessary because many of these livestock people are confronted with disaster as great as any flood or tornado. I seriously doubt if concessionary interest subsidies would be in order, nor desired by cattlemen, but additional capital is the desirable goal of this bill.

It is essential that urban and rural interests alike unite to bolster this vital segment of the Nation's food industry.

While needed legislation should be moved on a priority basis through the appropriate committees, the Nation's food retailers can assume an important role.

The declining prices on the wholesale level must be reflected more dramatically and speedily at the retail level. As I previously stated, lower prices are not showing up as quickly as they should at the meat counter in many parts of the country. The housewife should be given a break in her family budget, and be encouraged to again include more beef on the family menu.

In this regard I have written to Clarence G. Adamy, president of the National Association of Food Chains, urging that all possible action be taken by the association to encourage its members to promote beef sales, and to pass on promptly wholesale price decreases. The association has cooperated fully in the past and its efforts can be a factor in bringing an upturn once again.

Finally, Mr. Speaker, let me reemphasize how vital this industry is to our Nation—how grave the current situation is—and how important it is that the Congress and the administration, as well as others in the food industry, act to provide relief to the beef industry.

STATES SHOW CONGRESS THE WAY TO CAMPAIGN REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 15 minutes.

Mr. CLEVELAND. Mr. Speaker, once again, the States are showing the way for the Federal Government in an important area of public policy, in this case the area of campaign reform.

On few issues in recent history has the Congress expended more time studying and investigating than on the proliferation of abuses and violations in political campaign practices, especially those dealing with campaign finances. A broad consensus exists, in and out of Congress, that major reforms are necessary, and a variety of such reforms are pending in legislative form. Yet, the Congress is strangely reluctant to act.

This preoccupation with symptons at the expense of remedies stands in sharp contrast to the impressive record of constructive activity in most State capitals. According to the June 11 Wall Street Journal, no less than 67 campaign reform measures have been enacted by 40 State legislatures in the past 18 months. Those same 18 months have produced exactly nothing from the national legislature.

Despite the persistent myth that the Nation's talent and brains and concern are headquartered in Washington, this record once again illustrates the contrary fact: that the States have more than their share of these qualities and, more importantly, possess the indispensable commitment to respond positively to the well-founded concerns of their citizens.

Lest the Congress become forgetful of the fact, Mr. Speaker, those same citizens are also citizens of the United States and constituents of those who represent them in the Congress. If 40 State legislatures and 40 Governors have responded to citizen demands for cleaner elections, how long can we in Washington afford to ignore them?

Under leave to extend my remarks in the RECORD, Mr. Speaker, I include the full text of the article from the Wall Street Journal written by that newspaper's Washington bureau chief, Norman C. Miller:

Campaign Clean-Up in the States

(By Norman C. Miller)

WASHINGTON.—The Watergate-inspired reform effort to reduce the influence of money and secrecy in government is making significant progress in some strange quarters.

With little national notice, state legislatures, long known as breeding grounds of corruption, have passed a remarkable array of reform laws during the last 18 months. As many as 67 reform measures—dealing with campaign finance, ethical standards for officeholders and requirements for open meetings by governmental units—have been enacted by 40 legislatures, according to Common Cause, the self-styled citizens' lobby.

While the quality of the reforms obviously is uneven, the record of the legislatures is impressive as a whole. In the key area of campaign finance, for example, 25 states have enacted new laws requiring disclosure of, or limits on, campaign contributions, while also imposing some curbs on spending by candidates. Eight of these states have further authorized experiments with public financing of campaigns. Perhaps most importantly, many of the states have established independent commissions to enforce the reform laws; it was lack of effective police power that made a practical nullity of many earlier efforts to clear up political financing.

ACTION IN SEATTLE

The reform movement got a further lift last week when the nation's governors, at their annual conference in Seattle, called on "all levels of government" to enact comprehensive "clean government" measures. Among other things, the governors endorsed: broad campaign finance reforms, including experiments with public financing; ethical codes for public officials, including disclosure of their personal finances; open meetings of all public bodies; registration of lobbyists, coupled with "full disclosure" of their activities.

The governors passed their resolution just a day after voters in California overwhelmingly approved a proposition on the primary ballot, putting into effect the toughest set of campaign and lobbying restrictions yet enacted. In addition to strict contribution, spending and disclosure rules for campaign financing, the new California law hits hard at traditionally powerful lobbying groups. The measure sharply limits direct spending for lobbying and requires disclosure of those outlays that are permitted. And its most controversial section flatly forbids registered lobbyists from making campaign contributions.

The upsurge of activity at the state level is in striking contrast to the inaction in Congress. There is no serious consideration there of reform of loophole-ridden lobbying regulations that now allow the most powerful interests, both business and labor-oriented, to escape detailed public scrutiny of their efforts to influence legislation. And while the Senate has passed bills to reform campaign financing on three separate occasions, key members of the House seem determined to stall the legislation to death if they can get away with it.

Campaign-finance legislation has been languishing in the House Administration Committee for fully 18 months. Chairman Wayne Hays, an Ohio Democrat who scorns reform, waited until last October to even begin public hearings. It took the committee another eight weeks to conduct just six hearings. Almost four more months passed before the panel started bill-drafting sessions in late March.

Only nine working sessions of about two hours each have been held since March. The last four sessions scheduled by the committee were abandoned for lack of a quorum. After all this time, the committee has "worked" its way through less than 10 pages of a 30-page draft bill. Now, with the impeachment crisis threatening to block all legislation that hasn't cleared committees within a month or six weks, the campaign-finance legislation is in increasing danger of dying.

That would be no accident. The Senate-passed legislation contains a number of proposals that Rep. Hays and many other House members dislike intensely. One is a provision allowing public financing of congressional primary and general election campaigns; House members fear this would guarantee that they would face strong opponents, while also diminishing other advantages incumbents enjoy. Another is a plan for an independent commission to enforce campaign rules; House members like the existing cozy set-up that gives police power to employes of Congress—who are hardly of a mind to be tough on their bosses. And there is fierce resistance in the House to proposals for disclosure of members' personal finances.

While the House undoubtedly can stall campaign reforms to death if it wishes, the experience at the state level suggests that Congressmen may be underrating the public demand for thorough-going reform in the wake of the Watergate scandals. The reform proposition in California passed last week by better than 2 to 1; so did similar plans approved earlier by voters in Colorado and Washington state. Many of the legislatures that enacted reform bills did not do so because their members were extra-virtuous, but simply because they were prodded into action by Common Cause and similar public-interest lobbies.

Indeed, it was ironic that at the Seattle conference several governors grumbled about the very reform measures that do-good outfits like Common Cause have applauded the states for enacting. Republican Governor Jack Williams of Arizona complained that too many reforms were based on a "presumption of guilt instead of innocence" of politicians. Democrat William Waller of Mississippi denounced the resolution endorsing a reform package as a "demeaning and debilitating" idea.

But most of the governors have found it impolitic to resist the reform movement. Several of the most widely respected governors, like Democrats Reubin Askew of Florida and Patrick Lucey of Wisconsin and Republicans William Milliken of Michigan and Dan Evans of Washington, have identified themselves strongly with the reform movement and reaped political benefits as a consequence.

Many members of Congress, on the other hand, appear willing to take the risk that the public doesn't care much about legislation aimed at cleaning up the political process. That is a high-risk bet, especially since Common Cause and other public-interest groups are gearing up to focus attention on reform issues in the fall campaign. "In effect, we are going to become a campaign organization in September and October" and "take incumbents to task on the reform issues," says Thomas Belden, director of state activities for Common Cause.

GOVERNOR NOEL'S WARNING

It is probable that public pressure ultimately will persuade Congress to enact campaign-finance reforms and perhaps others as well. A deeper question is whether new laws will make much difference. Philip Noel, the Democratic governor of Rhode Island, properly warns that people shouldn't be "deluded" that enactment of reform laws will "insure integrity in government."

Strict laws certainly won't do that, but there is reason to expect that they will establish a framework in which it will be harder for shady politics to flourish.

Thus, open meetings do not rule out dirty political deals, but they do make it tougher to bring them off. Campaign contribution limits, disclosure rules and candidate-spending curbs don't guarantee election of honest men, but they do tend to curb undue influence of moneyed groups. Changing to public financing of elections isn't a panacea either, but it would further diminish the power of money to corrupt politics. Strict regulation of lobbyists wouldn't prevent big interests from wielding a lot of clout, but it would tend to restrain questionable uses of power.

Fred Wertheimer, the legislative director of Common Cause, sums up the potential of the reform bills well; "This is not an attempt to legislate morality," he says. "It is an attempt to set ground rules for the way people conduct public affairs," and those ground rules alone can result in a "fundamental and profound difference" in political behavior.

FAIR PLAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ), is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, not long ago, one of my colleagues accused the Justice Department of not being diligent in the investigation and prosecution of persons suspected of being Nazi war criminals. The Justice Department responded in part by releasing a list of 37 persons who were under investigation.

Among these individuals was a man I have known for a long time, Dr. Hubertus Strughold. This man is a distinguished scientist of international reputation. He has not spent his life skulking about odd corners of the world, or dwelling in the shadows of our society; far from hiding, he has been an active and highly visible person for years. More than that, he has been an active and highly visible person for years. More than that, he has been a citizen for 18 years, and he has been through not only the investigations required to become a citizen, but also through all the processes needed to obtain high Government security clearances. This is hardly the kind of life a man would choose to lead if he had anything to hide.

Yet this man stands accused. I don't know what he is accused of. I have no indication that the Government is prepared to take any action against him. And therefore this man, like every other citizen, has the right to have his name and reputation protected until and unless the Government is prepared to charge him and take the case to court.

Not one of us here would say that investigating agencies have a right to reveal the names of people that are being investigated, unless those agencies have a case. If they have a case, they can take it to court. Otherwise, citizens have the right to have their privacy protected and respected.

Dr. Strughold has the right to have his name protected, unless he is charged with some crime. If he is not so charged, and he may never be, the Government has no right to release his name and damage his reputation.

We have seen too much violation of due process and respect for individual rights by zealots in this administration. It is not excusable or forgivable, and ought not to be tolerated.

Surely the Government has an obligation to seek out people suspected of crimes, and especially war crimes. But in its zeal it also has an obligation to protect individual rights and liberty, for otherwise it is no better than the oppressors we all abhor.

Dr. Strughold has earned the respect of a wide circle of scientists and laymen. He has performed services of profound importance. Such a man surely deserves fair play.

I include the following article:

THE STRUGHOLD INQUIRY A FOOLISH TIME WASTER

Dr. Hubertus Strughold said this week that an investigation to see whether he was a Nazi war criminal is "idiotic."

Upon long and sober reflection, we have concluded that his word is as good as there is.

We have been associated on numerous occasions with the physician-teacher-researcher since he became "our German space scientist" just after World War II. We have read many of his essays and articles on space medicine and space flight. We have heard him many times, making speeches, making conversation and thinking out loud.

He is a scholar and a gentleman and has been an outstanding American citizen since he was naturalized 18 years ago. We have heard him express his concern for the fate of East Germans under Soviet domination. We have heard him recall his teaching days in Germany. He has an interesting theory, he is fond of recalling, about the evils of "civilization" that regiments people (a very anti-Nazi notion, to be sure). He has said "civilization" has suppressed the siesta, a natural sleep cycle at mid-day that corresponds to a natural wake cycle shortly before dawn.

He declined to be regimented, even to the point of accepting the rigors of Daylight Saving Time! He became President Eisenhower's consultant on the biological clock—the workings of jet lag on world diplomacy.

He took up space medicine as a research interest when he wondered what useful purposes might be found in treating bodily ills absent pressure—in a weightless circumstance. That led him to a natural alliance with rocket pioneers, to high-altitude flight and—eventually—to the U.S. Air Force's School of Aviation Medicine at Randolph AFB and later at Aerospace Medical Division, USAF, at Brooks AFB prior to his retirement three years ago.

Dr. Strughold was cleared through rigorous inquiry when he took an Air Force job after the war. He has handled his responsibilities well. He is honored among his colleagues and those who know him well.

The Nazi war crimes charge was resurrected by Rep. Elizabeth Holtzman, D-N.Y., who said investigation of some 37 persons in the U.S. alleged to have been involved with Nazis prior to 1945, had been lax. When a member of Congress raises enough sand, from somewhere within the bureaucracy must come a response.

The response is that Dr. Strughold has no war crimes record, that he passed the required screening, and that proving any thing at this late date would be a "monumental" task, anyway.

"Idiotic" seems accurate enough way to dismiss the unfortunate affair.

LAND-USE SETBACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 10 minutes.

Mr. KASTENMEIER. Mr. Speaker, I was dismayed by the action taken by the House yesterday when it voted 211 to 204 to defeat the rule to allow the House to consider H.R. 10294, the Land Use Planning Act of 1974. The opponents of this measure were well organized and deliberately distorted the purposes of the land use planning legislation. In this respect, they were aided and abetted by the President and his Secretary of the Interior. Although we previously were told that land use planning ranked as the administration's No. 1 environmental proposal for the last 2 years, Mr. Nixon switched sides, and one can only speculate about his devious motives for selling out to the opposition.

Mr. Speaker, the use of our land not only affects the natural environment but shapes the pattern of our daily lives. Yet, land use is the single most important element affecting the quality of our environment which remains substantially unaddressed as a matter of national policy. As a cosponsor of H.R. 10294, I believed that the Land Use Planning Act was a reasonable proposal designed to cope with the burgeoning growth for land and natural resources.

In the beginning of our Nation, the land and all its vast resources seemed to be endless. But we have come to realize that the land is finite, and an increasing population and the expanding demand for the land and its resources have created a desperate need to determine the best purpose for which the land should be utilized. There is an obvious necessity to plan for the more rational use of land to meet our present and future growth and development in a manner more orderly and timely than the approach we followed, for example, with the explosive post World War II expansion. For many areas of our country, however, this awareness that land planning may be required has come too late. Ill planned and unwise development has resulted in urban sprawl and degradation of the countryside.

As land use increasingly becomes the focus for conflicts over National, State, regional and local goals, we can only view with dismay the chaotic, short-term, crisis-by-crisis, case-by-case approach characterizing much of the present day land use decisionmaking which further fails to relate one development to another or to the larger environment. Unless our land use decisionmaking processes are vastly improved at all levels of government, the United States will be unable to meet the rapidly emerging land use crisis.

A quiet revolution in land use controls already is taking place in many of our local and State governments and there is an urgency to enact Federal legislation, notwithstanding yesterday's setback, to assist State and local governments to improve their land use planning and management capability as well as providing policy guidelines for the management of Federal lands that equal one-third of the area of our Nation. H.R. 10294 would have authorized the Secretary of the Interior, pursuant to guidelines issued by the Council on Environmental Quality, to make grants to assist the States to develop and implement comprehensive land use planning processes as well as to provide land use planning directives for the public lands. It was not the purpose of this measure, as opponents would have had us believe, to impose land use decisions on the States and local governments from Washington. Rather, H.R. 10294 was intended to be a legislative device to establish a mechanism whereby and through which balanced and relevant land use decisions may be made and reviewed.

Mr. Speaker, many Members, particularly those who serve on the Interior Committee, worked long and hard for the Land Use Planning Act. Particular recognition, however, must be paid to our distinguished colleague from Arizona and chairman of the House Interior Subcommittee on the Environment, Mo UDALL, who steadfastly and tenaciously guided the land use legislation through the Interior Committee. I share his deep disappointment regarding the House's failure to act on H.R. 10294.

Mr. Speaker, while opponents of land use cheer the defeat of this legislation, it is, for them, a hollow victory. Rather than support legislation which is responsive to our various social and economic needs and which will preserve and enhance the most valuable assets of our natural environment, they have chosen to support the present chaotic land use conditions which continue to abuse the American land.

THE ECONOMY: A TIME FOR CONGRESSIONAL LEADERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 30 minutes.

Mr. OWENS. Mr. Speaker, the malignancy of inflation eats away at all of us. Decent, hard-working, and self-sufficient citizens are finding it increasingly difficult to secure basic necessities—food, fuel, and housing—in the face of inflation in excess of 13 percent per annum. No tax program we could devise would be as regressive and cruel in application as inflation itself.

Utah's Gov. Calvin Rampton recently remarked at the National Governor's Conference:

> Inflation leads all the other concerns of the people by so far that there is really no other problem in the same league.

But when Americans desperately search for solutions to cope with rising prices, they find a supply shortage which is even more critical in its effect than shortages in food and fuel. We are confronted with a severe shortage of economic leadership. Five years of Nixonomics have produced catastrophic results.

Inflation was increasing at a 4.7 percent annual rate in 1968. Today it is rising by 13.2 percent. The average worker's real spendable income has fallen more than 7 percent since October 1972, and it is actually lower today than it was when Mr. Nixon took office.

Unemployment registered 3.6 percent in 1968. Now it is 5.2 percent. The number of persons unemployed has almost doubled, from 2.8 million to 4.5 million.

Real annual growth in gross national product was 4.7 percent in 1968. In 1974 it is 0.5 percent. The productivity increase rate was 3.5 percent in 1968. Today it is minus 5.5 percent.

Wealth at the rate of $10 billion annually is now being transferred from the lowest three-fifths of our income groups to the richest one-fifth. Fewer than 1 percent of the American people own half of all the corporate stock, and corporate profits increased 36 percent from 1971 to 1973. Meanwhile, the family trying to make ends meet on $12,600 a year had to pay an additional $1,200 in 1973 just to maintain the living standards of 1972. That family had to spend $402 more on fuel, $165 more for housing, and $57 more for clothing.

Americans do not face this problem alone. Inflation is a worldwide phenomenon, complicated by real and manufactured shortages of raw materials and the dangerous prospect of a worldwide food shortage. The immediate cause of the most recent inflationary surge is principally a matter of excess demand coupled with shortages in food, fuel, and other raw materials. While inflationary pressures from food and fuel prices appear to be abating somewhat, new upward pressure on prices due to higher labor costs must be expected as workers attempt to regain the income they had last year. In addition, nonfood and nonenergy prices have recently been rising at an annual rate of more than 10 percent, indicating that inflation has spread throughout almost all sectors of the economy.

At the same time economic indicators continue to suggest a deteriorating situation, Mr. Nixon informed us in a recent radio message that the worst is behind us in terms of inflation. But on the very next day, the Chairman of the Federal Reserve Board, Dr. Arthur Burns, said that the inflation at the present rate could threaten the very foundations of our economy. Mr. Nixon continues to depend on forecasts, expectations, hopes, studies, and voluntarism to justify his optimism that the worst is behind us.

We are faced with the frightening condition that in the highest levels of Government there is no agreement on where inflation is going or how it can be controlled. It is conspicuous that within the administration, the most optimistic views belong to those people who are not economists. And since there is no agreement within the administration regarding the future course of inflation, it is hardly surprising that there is also no agreement about the remedy.

The administration is relying on the highest interest rates since the Civil War as its chief weapon against inflation. Reliance strictly on tight monetary policy reflects a paucity of ideas in the Nixon administration. This has left the Federal Reserve to carry on the battle almost singlehanded.

We must not allow ourselves to be trapped in one-dimensional economics. President Nixon seems unable or unwilling to exercise leadership. Clearly, any leadership in the economic area must come from Congress. I have no magic formula to halt inflation dead in its tracks. But I do have some positive suggestions designed to moderate inflation and restore earning power.

First. Moderate credit expansion—Rapid money expansion could generate more inflation, and this in the long run further raises interest rates. A moderate rate of growth must therefore be pursued. However, interest-sensitive sectors such as housing and small business must be protected by channeling credit in their direction and away from less desirable uses such as export subsidies for commodities in short domestic supply.

Second. Increase supplies and stabilize prices—Today's inflation is different in that it reflects to an unprecedented degree the growing world shortages of key commodities. Measures must be taken to directly increase supplies of basic commodities to stabilize or reduce prices, regardless of the pain caused to special interests. We can increase the supply of scarce materials and forestall future shortages through advance planning and sensible import, export, subsidy, and market policies.

Third. Public service jobs to reduce unemployment—The present unemployment rate of 5 percent is way above any definition of full employment and is not acceptable. We must fight unemployment through jobs by expanding public service employment in health, public safety, mass transportation, environment, education, and inner city problems. Such jobs are the least costly, least inflationary, and least energy consuming. Creating 500,000 public service jobs would cost about $3.5 billion per year, which could be recouped by making cuts from excessive capital—intensive programs in the Nixon budget, such as military and foreign aid expenditures.

Fourth. Tax relief, tax reform—Low- and middle-income groups have been forced to bear a disproportionate burden of inflation. I support tax relief aimed specifically at low- and middle-income people by granting a partial cost-of-living adjustment to those hardest hit by rising prices and taxes. The battle against unemployment and high prices will be a long one. An unfair tax burden is clearly within our power to rectify now.

Tax relief means more money in the worker's pocket. It can help persuade the worker to moderate his demands for a large or unreasonable wage increase. Such relief could take several forms: First, reducing the employee's payroll tax; second, increasing the income tax standard deduction and low-income allowance; three, changing the personal income tax deduction to a tax credit.

To avoid excessive fiscal stimulus, the cost of tax relief should be offset—partly through increased Federal revenues due to increased economic activity, but mainly through effective tax reform. For example, Congress should immediately end the special tax favors conferred on the oil industry.

I have outlined in a speech appearing in the April 11, 1974, CONGRESSIONAL RECORD, 10 basic revisions of our tax code which would increase Federal revenues by $10 billion this year, help balance the budget, and permit some tax relief for lower and middle-income groups.

The effect of this tax relief-tax reform proposal is twofold. First, pressures for inflationary wage increases will be moderated, heading off serious new inflation. Second, this new spending power will start our economy toward more growth. All of this is accomplished without new Government spending, without increasing the deficit, and without unnecessary fiscal stimulus.

Fifth. Stabilize food prices.—Food is a key cause of inflation. Food prices increased by 20 percent last year. If the weather holds up, food harvests look good for this year. For example, our harvest of grains and soybeans should be 14 percent above the 1973 level. However, food prices, even with record crops, are estimated to go up by 12 percent this year.

Increasing food prices must be halted. The Agriculture Department must continue to monitor food exports to assure adequate domestic supplies. We must stop selling our food abroad, to the Soviet Union or anyone else, if these sales create shortages which lead to unreasonable food prices for the American family. Furthermore, we must encourage increased production by intensifying programs for agriculture research and development and by providing effective production incentives.

Sixth. Stabilize fuel prices.—The need to deal with fuel prices is even more urgent. The Senate Antitrust and Monopoly Subcommittee reports that price increases for petroleum products since January of 1973 are costing consumers a conservatively estimated $35.5 billion per year. This is the wallop that is causing much of our inflation as it increases the cost of gasoline, electricity, and heating oil.

We must meet the chief cause of inflation head on by rolling back oil prices. As the devastating effect of inflation becomes more obvious, perhaps the administration will abandon its policy of protecting oil company profits and permit an oil price rollback.

The following table lists the profit increases for the major oil companies for the first quarter of 1974:

First quarter 1974 profit increases over first quarter 1973

(In percent)

Exxon	39
Texaco	123
Gulf	76
Mobil	66
Shell	52
Standard (Ind.)	81
Standard (Cal.)	92
Continental	130
Occidental Petroleum	178

Such a price rollback can be large enough to take the push out of inflation caused by energy prices without decreasing the incentive to find more sources of oil. We could roll back oil prices by $3 per barrel—to $7.09 per barrel—and still be at a level which William Simon says will bring forth as much new production as we can reasonably expect to get.

Seventh. Strict antitrust enforcement—The Government must conduct a continuing review of the effect of economic concentration and anti-competitive practices on inflation. A market economy requires competition which is free of monopoly power. We have witnessed a growth of undue concentration of economic power in several lines of the economy. Concentrated industries are insulated from traditional price competition, and many of them are so highly integrated vertically that they are even free from the threat of new entry. Firms with market power enjoy the capability of restricting output and maintaining high prices in the face of declining demand. This phenomenon is a significant factor contributing to inflation.

Government agencies charged with preventing private monopolies and combinations in restraint of trade fail to effectively enforce the antitrust laws. For 5 years the Antitrust Division of the Department of Justice has not fulfilled its mandate to preserve, foster, and restore competition. The division has failed to address the significant economic concentration in our society and has expended its resources in attacking relatively less significant antitrust transgressions. This emphasis cannot be allowed to continue. Competition must be restored as the basic principle governing the allocation of resources and determination of prices.

The market mechanism is the most efficient system for the production and distribution of goods and services. Restoration of free market principles must be the overriding consideration in our formulation of economic policy.

Eighth. Revitalize small business—Small business encompasses over 95 percent of American business, employs more than 50 million Americans, and produces 40 percent of the GNP. Small business is essential to the economic foundation of our society. The small business community is currently straining to cope with higher taxes, higher interest rates, increased wage rates, paperwork burden, tighter Federal regulations, and most important, inflation. The Federal Government must do all it can to improve the small businessman's chances for successful operation and growth.

Concern for the small business community is imperative to recognize their special problems. In a society where preoccupation with giant corporations, conglomerates, and big unions takes precedence, revitalization of the small business community is needed to maintain the viability of a historically vital sector of the American economy.

Ninth. Reduce Government spending—Many experts cite excessive Government spending as a principal cause of inflation. I agree. Government spending in the last 5 years has increased 50 percent. The Nixon Presidency has piled up cumulative deficits of about $120 billion, the highest of any peacetime administration in history. Over the past 5 years, the Congress has trimmed more than $19 billion from President Nixon's appropriations requests. I came very close to voting a balanced budget my first year in Congress. If all of my appropriations votes had prevailed last year, Congress would have cut the President's fiscal 1974 budget by $8.6 billion.

We need to cut unnecessary government spending—especially military spending, which is highly inflationary. For example, we now grant military foreign aid to at least 40 countries. It not only burdens the American taxpayer, it increases world tensions. This year the President has asked for $5.2 billion in foreign aid. The request for military assistance is $1.9 billion. This time of roaring inflation is no time to increase foreign and military aid. Congress must exercise spending restraint in these and other areas to counter inflationary trends.

CONCLUSION

Public leaders must recognize the enormous damage that prolonged inflation would inflict on our country. I reject the administration's passive attitude toward an economic crisis which is undermining the expectations and quality of life of millions of average income Americans—at least two-thirds of the Nation. People lose their jobs, the cruel tax of uncontrolled inflation shrinks individual buying power, many citizens remain in poverty, misallocation of wealth to the rich continues and accelerates, small businessmen are forced out of business, the tax system remains unjust and unfair, and our economy becomes less free and more regulated every day. Promises like those of the President's Council of Economic Advisors that inflation will drop from 12 to 7 percent during the coming year will be a cruel joke to people living on the edge of economic disaster.

If the Government will commit itself to provide jobs, improve purchasing power, stabilize food and fuel prices, implement fairer tax distribution, enforce the antitrust laws, cut Government spending, and channel credit where it is needed, wage earners will have a valid reason to moderate their requests for pay increases. We have have a program to slow inflation, increase growth, and maintain the U.S. economy as the strongest instrument for efficient resource allocation and distribution in the world.

SEMINARS ON BANK SECRECY—A JUNKET TO THE EDGE OF THE LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 60 minutes.

Mr. VANIK. Mr. Speaker, it has come to my attention that a "tax haven conference" was just held in Paris. The same "seminar service" plans an identical conference to be held at the Okura Hotel in Amsterdam on October 14, 15, and 16. At present the following panel discussions are being planned for the Amsterdam Conference:

Creating trusts and similar entities.

Investing in real estate.

Shipping companies and shipping registrations.

Continental European financial centers and tax havens.

Channel Islands.

Caribbean tax havens.

Pacific Basin tax havens.

I might add that if one is a tax lawyer or adviser, the cost of such a "seminar" might well be deductible—a further insult to the American public and Treasury! It is incredible that tax laws permit a tax deductible trip for a course in tax avoidance.

A second pamphlet from this "tax service" company, invites one—for a moderate fee—to spend June 20 and 21 at Le Grand Hotel in Paris to hear experts speak on the topic of "Bank Secrecy: Switzerland and Other Countries."

Mr. Speaker, I do not believe that this conference is being organized for the benefit of the world's law enforcement officers. I believe that it is a seminar program to help tax lawyers and advisers discuss grey areas of the law—to help them advise their clients on how to bury money and promote a flight from taxation. I know that there are troubles with our present Bank Secrecy Act, but the type of flaunting of "Swiss numbered accounts" provided by this "seminar" pamphlet surely requires some form of international tax treaty action.

I would like to include portions of the pamphlet in the RECORD at this point. I debated on whether or not to include the name of the seminar "service" and the speakers, since I do not want to increase their business. But those who seek to bury large fortunes in Swiss accounts have enough wealth to know about this type of "service." They have enough money to hire the fancy international lawyers to handle their money.

But the vast majority of the American public and the Congress have no idea of the dimension of this problem—a dollar outflow and tax avoidance estimated to run into the billions. Therefore, I will include names, dates, and places, to put some reality around the little known world of Swiss banking gnomes and numbered accounts.

It might be wise for the Treasury and Justice Departments to send representatives! We cannot combat tax evasion and illegal bank flows unless we know what the avoiders know!

Portions of the "seminar" pamphlet follow:

BANK SECRECY: SWITZERLAND AND OTHER COUNTRIES

(Programme sponsored by The Institute For International Learning and Portfolio & Fund Guide International—Paris: 20, 21 June, 1974, Le Grand Hotel)

BANK SECRECY

Switzerland and other countries

The Chairman and almost all of the speakers of this Conference have previously lectured on this very important subject a number of times in the U.S.A.

This Conference will cover the background of the law of banking and economic confidentiality in Switzerland.

Special emphasis will be placed in the very recent changes in Swiss Law, Administrative Decisions and Treaties.

It will further cover banking secrecy in countries other than Switzerland, including the major European countries such as Germany, France, Italy, Belgium, Luxemburg, etc., and smaller jurisdictions such as Liechtenstein, Panama, Singapore, New Hebrides, Lebanon and Indonesia.

It will include the specific relationship between countries with total, partial or no bank secrecy.

It will further discuss possibilities of obtaining foreign exchange in specific jurisdictions as well as the exchange of information in criminal and other matters.

Paris is very busy in June, and we have reserved only a limited number of rooms at the Grand Hotel. Therefore, we suggest you fill in and return the registration form as soon as possible.

Programme

Thursday, 20th June

9:30 a.m.–12:30 p.m.

Swiss Banking and Economic Confidentiality

Background of the law of banking and the protection of economic secrets in Switzerland.

The Bank accounts.

Limitations on disclosure of the banking secret in civil and criminal courts and in administrative proceedings.

Specific problems with respect to foreign banks doing business in Switzerland.

Controlling policies affecting Swiss Banks doing business in other countries.

Panel discussion—questions and answers.

12:30 p.m. lunch

2.30–5.30 p.m.

Banking Secrecy in Countries Other Than Switzerland

Private versus official inquiries.

In depth study of different groups of countries.

1. Germany, Austria, Netherlands.
2. Belgium, France, Luxemburg.
3. Italy.
4. Liechtenstein, Panama, Bahamas, Singapore, New Hebrides, Lebanon, Indonesia.

Panel discussion—questions and answers.

Friday, 21st June

9.30 a.m.–12.30 p.m.

Specific Application of American Law to Bank Secrecy in Other Countries

Conflicts of law generally with respect to secrecy of foreign accounts.

United States Regulation of its nationals abroad in violation of laws of host countries.

Powers to compel production of records in the United States from foreign branch.

Use of secret foreign bank accounts to violate United States laws and efforts at its inhibition.

1. Electronic data processing and retrieval.
2. Statute and regulation requiring record keeping and reporting.
3. Resident Revenue representatives.
4. Exchange of information among sovereigns pursuant to treaty and understandings.

Jurisdictional and procedural questions with respect to inquiry by another country into a Swiss bank secret.

1. In criminal matters.
2. In administration of estates.

Panel discussion—questions and answers.

12:30 p.m. Lunch

2.30–5.30 p.m.

Secrecy, Blocked Funds and International Transactions

Some practical aspects of bank secrecy and confidential accounts.

Various categories of blocked accounts, their use and marketability.

Significance of clearing and bilateral accounts.

Movements of "flight capital" and its effect on balance of payments.

Panel discussion—questions and answers.

FACULTY

Chairman

Boris Kostelanetz—Law firm of Kostelanetz & Ritholz, New York City; Formerly Special Assistant to the Attorney General of the U.S.; Co-Author of Criminal Aspects of Tax Fraud Cases.

Speakers

Maurice Aubert—Member of the Geneva Bar; Manager of the legal department, Hentsch & Co., Geneva; Partner of Messrs. Hentsch & Co., 1968; Author of a number of articles on Bank Secrecy.

Nicholas L. Deak—Doctor of Philosophy, University of Neuchatel, Switzerland; Founder and President of Deak and Co., Inc. which includes Perera Company, Inc.; Member of the faculty of the American Bankers Association.

Jules Ritholz—Law firm of Kostelanetz & Ritholz, New York City; Former Chairman, Committee on Civil and Criminal Tax Penalties, Tax Section, ABA.

Ernest C. Stiefel—Past Chairman: Committee on Foreign and International Law, New York County Lawyers' Association; Committee on European Law of the American Bar Association; Adviser: Journal of International Law and Policies (N.Y.U.).

Stephan Trechsel—Public Prosecutor, Bern; Lecturer at the University of Bern Law School.

JUVENILE DELINQUENCY PREVENTION ACT OF 1974

(Mr. HAWKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, I am delighted to announce that on June 6, 1974, the Subcommittee on Equal Opportunities favorably reported to the House Committee on Education and Labor, H.R. 15276, the Juvenile Delinquency Prevention Act of 1974.

This bill reflects the deep and growing commitment of the subcommittee membership to improve the quality of life for all youth of our Nation. It is a strengthened version of H.R. 6265, the Juvenile Justice and Delinquency Prevention Act.

We are particularly pleased that H.R. 15276 carries the cosponsorship of eight of our distinguished colleagues, Ms. CHISHOLM, Ms. MINK, Messrs. PERKINS, BELL, STEIGER of Wisconsin, ESCH, CLAY, and BENITEZ.

A companion bill, S. 821, which was introduced under the leadership of the distinguished Senator from Indiana, the Honorable BIRCH M. BAYH, was recently favorably reported by the Senate Committee on the Judiciary. It is now awaiting action by the Senate. The intensity, disciplined, and compassionate commitment of Senator BAYH to this area is too well-known for me to adequately describe at this time.

Mr. Speaker, while the most valuable resource of this great Nation is its youth, juveniles commit almost half the crimes committed in this Nation. Existing Federal programs for the prevention and treatment of juvenile delinquency are fragmented and uncoordinated. Only about 15 percent of the law enforcement administration's moneys and only about $10 million of HEW's delinquency prevention efforts are expended for this purpose.

With broad bipartisan support, H.R. 15276 seeks to provide strong Federal leadership in dealing with this important national problem which is siphoning off the future leaders of this Nation.

A major feature of this bill, over and above providing the beginnings of adequate resources to meet this problem, is its attempt to coordinate Federal efforts in the field of juvenile delinquency. It requires the Secretary of Health, Education, and Welfare to report to the President and the Congress on how existing Federal juvenile delinquency programs could be strengthened and for the President to report to the Congress on the implementation of these recommendations.

Second, through a juvenile delinquency development statement, each Federal agency is required to report to the Secretary and then to the Congress on the extent to which the programs of the concerned agency further the goals and policies of Federal juvenile delinquency programs.

Third, a Coordinating Council on the Prevention of Juvenile Delinquency, with Cabinet-level officers' participation as well as public membership, is established with broadened responsibility, authority, and resources to replace the Interdepartmental Council for the Coordination of all Federal Juvenile Delinquency Programs. The Interdepartmental Council has failed to meet its legislative mandate because of minimal support on the highest levels of our Nation and inadequate authority and responsibility.

Fourth, an Institute for the Continuing Studies of the Prevention of Juvenile Justice, developed by the distinguished gentleman from Illinois (Mr. RAILSBACK) would provide the necessary training, evaluation, research, demonstration, and technical and informational services which have been sadly lacking in this area.

Fifth, a Federal assistance program to deal with the problems of runaway youth and their families, a concern of many of our distinguished colleagues, has been incorporated into the act. This title authorizes the Secretary to make grants to localities and private agencies for the development of programs and services for youth and their families outside the law enforcement and juvenile justice system. It also directs the Secretary to conduct a statistical survey on the characteristics of runaway youth and their relationship to antisocial behavior.

This bill authorizes an annual appropriation of $75 million for fiscal years 1975 and 1976; $125 million for fiscal year 1977; and $175 million for fiscal year 1978. Of these amounts, not more than 5 percent may be appropriated for the Administration and not more than 10 percent may be appropriated for the Institute. In addition, $10 million is authorized for the grant program and $500,000 is authorized for the survey and reporting program of the Runaway Youth Act for each of the fiscal years 1975, 1976, and 1977. Such sums as may be necessary are authorized for the purposes of the Coordinating Council.

Mr. Speaker, I insert H.R. 15276, as favorably reported by the Subcommittee on Equal Opportunities, in the RECORD:

H.R. 15276

A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Juvenile Delinquency Prevention Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) juveniles account for almost half the arrests for serious crimes in the United States today;

(2) understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) present juvenile courts, foster and protective care programs, and shelter facilities are inadequate to meet the needs of the countless neglected, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs, particularly nonopiate or polydrug abusers;

(5) juvenile delinquency can be prevented through programs designed to keep students in elementary and secondary schools through the prevention of unwarranted and arbitrary suspensions and expulsions;

(6) States and local communities which experience directly the devastating failures of the juvenile justice system do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency;

(7) the adverse impact of juvenile delinquency results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources;

(8) existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency; and

(9) juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

PURPOSE

SEC. 3. It is the purpose of this Act—

(1) to provide the necessary resources, leadership, and coordination to develop and implement effective methods of preventing and treating juvenile delinquency;

(2) to increase the capacity of State and local governments and public and private agencies, institutions, and organizations to conduct innovative, effective delinquency prevention and treatment programs and to provide useful research, evaluation, and training services in the area of juvenile delinquency;

(3) to develop and implement effective programs and services to divert juveniles from the traditional juvenile justice system and to increase the capacity of State and local governments to provide critically needed alternatives to institutionalization;

(4) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of such standards;

(5) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(6) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(7) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs;

(8) to assist States and local communities with resources to develop and implement programs to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions;

(9) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs;

(10) to establish a new Juvenile Delinquency Prevention Administration in the Department of Health, Education, and Welfare to provide direction, coordination, and review of all federally assisted juvenile delinquency programs;

(11) to establish an Institute for Continuing Studies of the Prevention of Juvenile Delinquency, to further the purposes of this Act; and

(12) to establish a Federal assistance program to deal with the problems of runaway youth.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "community-based" means a small, open group home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

(2) the term "construction" means acquisition, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects' fees but not the cost of acquisition of land for buildings);

(3) the term "equipment" includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house such machinery, utilities, or equipment;

(4) the term "juvenile delinquency program" means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs, the improvement of the juvenile justice system, and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent;

(5) the term "local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, and an Indian tribe and any combination of two or more of such units acting jointly;

(6) the term "public agency" means any State, unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing;

(7) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(8) the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(9) the term "Federal agency" means any agency in the executive branch of the Federal Government;

(10) the term "drug dependent" has the meaning given it by section 2(g) of the Public Health Service Act (42 U.S.C. 201 (g));

(11) the term "Administration" means the Juvenile Delinquency Prevention Administration established by section 101(a);

(12) the term "Director" means the Director of the Administration;

(13) the term "State agency" means an agency designated under section 214(a) (1);

(14) the term "State Supervisory Board" means the board provided for under section 214(a) (3);

(15) the term "local agency" means any local agency which is assigned responsibility under section 214(a) (6);

(16) the term "Institute" means the Institute for Prevention and Treatment of Juvenile Delinquency established by section 301(a);

(17) the term "Administrator" means the Administrator of the Institute; and

(18) the term "Council" means the Coordinating Council on Juvenile Delinquency Prevention established by section 501.

TITLE I—JUVENILE DELINQUENCY PREVENTION ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 101. (a) There hereby is established within the Department of Health, Education, and Welfare the Juvenile Delinquency Prevention Administration.

(b) There shall be at the head of the Administration a Director who shall be appointed by the Secretary. The salary of the Director shall be fixed by the Secretary.

(c) The Director shall be the chief executive of the Administration and shall exercise all necessary powers.

(d) There shall be in the Administration a Deputy Director who shall be appointed by the Secretary. The salary of the Deputy Director shall be fixed by the Secretary. The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

OFFICERS AND EMPLOYEES

SEC. 102. The Secretary may select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

VOLUNTARY SERVICES

SEC. 103. Notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)), the Secretary may accept and employ voluntary and uncompensated services in carrying out the provisions of this Act.

CONCENTRATION OF FEDERAL EEFFORTS

SEC. 104. (a) The Secretary shall establish overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Secretary shall consult with the Coordinating Council on Juvenile Delinquency Prevention.

(b) In carrying out the purposes of this Act, the Secretary shall—

(1) advise the President as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of rules, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

(3) review and, to the extent he considers necessary, modify the implementation plans for any Federal program and the budget request of any Federal agency, to the extent such plans or requests pertain to Federal juvenile delinquency programs;

(4) conduct and support, in cooperation with the Institute for Continuing Studies of the Prevention of Juvenile Delinquency, evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that

might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

(5) coordinate Federal juvenile delinquency programs and activities among Federal agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

(6) develop annually, submit to the Council for review, and thereafter submit to the President and the Congress, no later than September 30, a report which shall include an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs, and recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of such programs;

(7) develop annually, submit to the Council for review, and thereafter submit to the President and the Congress, no later than March 1, a comprehensive plan for juvenile delinquency programs administered by any Federal agency, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

(8) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

(c) The President shall, no later than 90 days after receiving each annual report under subsection (b) (6), submit a report to the Congress and to the Council containing a detailed statement of any action taken or anticipated with respect to recommendations made by each such annual report.

(d) (1) The first report submitted to the President and the Congress by the Secretary under subsection (b) (6) shall contain, in addition to information required by subsection (b) (6), a detailed statement of criteria developed by the Secretary for identifying the characteristics of juvenile delinquency, prevention, diversion of youths from the juvenile justice system, and the training, treatment, and rehabilitation of juvenile delinquents.

(2) The second such report shall contain, in addition to information required by subsection (b) (6), an identification of Federal programs which are related to juvenile delinquency prevention or treatment, together with a statement of the moneys expended for each such program during the most recent complete fiscal year. Such identification shall be made by the Secretary through the use of criteria developed under paragraph (1).

(e) The third report submitted to the President and the Congress by the Secretary under subsection (b) (7) shall contain, in addition to the comprehensive plan required by subsection (b) (7), a detailed statement of procedures to be used with respect to the submission of juvenile delinquency development statements to the Secretary by Federal agencies under section 105. Such statement submitted by the Secretary shall include a description of information, data, and analyses which shall be contained in each such impact statement.

(f) The Secretary may require Federal agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

(g) The Secretary may delegate any of his functions under this title, except the making of rules, to any officer or employee of the Administration.

(h) The Secretary may utilize the services and facilities of any Federal agency and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(i) The Secretary may transfer funds appropriated under this Act to any Federal agency to develop or demonstrate new methods in juvenile delinquency prevention and treatment and to supplement existing delinquency prevention and treatment programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

(j) The Secretary may make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

(k) All functions of the Secretary under this Act shall be administered through the Administration.

JUVENILE DELINQUENCY DEVELOPMENT STATEMENTS

SEC. 105. (a) The Secretary shall require each Federal agency which administers a Federal juvenile delinquency program which meets any criterion developed by the Secretary under section 104(d) (1) to submit to the Secretary a juvenile delinquency development statement. Such statement shall be in addition to any information, report, study, or survey which the Secretary may require under section 104(f).

(b) Each juvenile delinquency development statement submitted to the Secretary under subsection (a) shall be submitted in accordance with procedures established by the Secretary under section 104(e) and shall contain such information, data, and analyses as the Secretary may require under section 104(e). Such analyses shall include an analysis of the extent to which the juvenile delinquency program of the Federal agency submitting such development statement conforms with and furthers Federal juvenile delinquency prevention and treatment goals and policies.

(c) The Secretary shall review and comment upon each juvenile delinquency development statement transmitted to him under subsection (a). Such development statement, together with the comments of eral agency involved in every recommendation or request made by such agency for Federal legislation which significantly affects juvenile delinquency prevention and treatment.

JOINT FUNDING

SEC. 106. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be designated by the Secretary to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Secretary may order any such agency to waive any technical grant or contract requirement (as defined in rules prescribed by the Secretary) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

TITLE II—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

PART A—GRANT PROGRAMS

AUTHORIZATION

SEC. 211. The Secretary may make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

ALLOCATION

SEC. 212. (a) In accordance with rules prescribed under this title, funds shall be allocated annually among the States on the basis of relative population of people under 18 years of age. No such allotment to any State shall be less than $150,000, except that for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, no allotment shall be less than $50,000.

(b) Except for funds appropriated for fiscal year 1975, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this title. Funds appropriated for fiscal year 1975 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the States, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands for the same period.

(c) In accordance with rules prescribed under this title, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 percent of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

(d) Financial assistance extended under the provisions of this section shall not exceed 90 percent of the approved costs of any assisted programs or activities. The non-Federal share shall be made only through the use of cash or other monetary instruments.

SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS; AUTHORIZATION

SEC. 213. (a) Not less than 25 percent of the funds appropriated for each fiscal year pursuant to this title shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section and section 215.

(b) Among applicants for grants and contracts under this part, priority shall be given to private nonprofit organizations or institutions which have had experience in dealing with youth. Not less than 20 percent of the funds available for grants and contracts made pursuant to this part shall be available for grants and contracts to such private nonprofit organizations or institutions.

(c) The Secretary may make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

(3) develop and implement programs to keep students in elementary and secondary

schools and to prevent unwarranted and arbitrary suspensions and expulsions;

(4) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

(5) improve the capabilty of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

(6) facilitate the adoption of the recommendations of the Institute as set forth pursuant to section 309.

STATE PLANS

SEC. 214. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes. In acordance with rules prescribed under this title, such plan shall—

(1) establish or designate a single State agency, or designate any other agency, as the sole agency responsible for the preparation and administration of the plan;

(2) contain satisfactory evidence that the State agency has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

(3) provide for supervision of the programs funded under this Act by the State agency by a State supervisory board appointed by the chief executive officer of the State (A) which shall consist of not less than 15 persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice; (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education, youth service departments, or alternative youth systems; (C) which shall include representatives of private organizations concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act; (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal Government, the State, or any local government; (E) at least one-third of whose members shall be under the age of 26 at the time of appointment and of whom at least two shall have been under the jurisdiction of the justice system; and (F) which shall have the authority to approve, after consultation with private agencies and alternative youth systems, any proposed modification of a State plan before such proposed modification is submitted to the Secretary;

(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

(5) provide that at least 75 percent of the funds received by the State under section 212 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Secretary for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

(6) provided that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of the State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure which can most effectively carry out the purposes of this Act and shall provide for supervision of the programs funded under this Act by the local agency by a board which meets the appropriate requirements of paragraph (3);

(7) provide, to the maximum extent feasible, for an equitable distribution of the assistance received under section 212 within the State;

(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system, including an itemized estimated cost for the development and implementation of such programs;

(9) provide that not less than 75 percent of the funds available to such State or to any local government of such State under this part, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in conjunction with the development, maintenance, and expansion of programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities; such advanced techniques shall include community-based programs and services relating to various aspects of juvenile delinquency, youth service bureaus to assist delinquent and other youth, drug abuse education and prevention programs, programs to encourage youth to remain in school, improvement of probation programs and services, statewide programs designed to increase the use of nonsecure community-based facilities for the commitment of juveniles, and youth-initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

(10) encourage the development of an adequate research, training, and evaluation capacity within the State;

(11) encourage the placement of juveniles in shelter facilities, rather than juvenile detention or correctional facilities, if such juveniles are charged with or have committed offenses which would not be criminal if committed by an adult; discourage the incarceration of juveniles with adults; and encourage the establishment of monitoring systems designed to augment the commitment policies described in this paragraph;

(12) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth, including females, minority youth, and mentally, emotionally, or physically handicapped youth;

(13) provide for procedures which will be established for protecting under Federal, State, and local law the right of recipients of services and which will assure appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

(14) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

(15) provide reasonable assurance that Federal funds made available under this part for any period will not be so used as to supplement and increase (but not supplant), to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event replace such State, local, and other non-Federal funds;

(16) provide that the State agency will from time to time, but not less often than annually, review its plan and submit to the Secretary an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

(17) contain such other terms and conditions as the Secretary may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

(b) The Secretary shall approve any State plan and any modification thereof that meets the requirements of subsection (a).

(c) In the event that any State fails to submit a plan, or submits a plan, or any modification thereof which the Secretary, after reasonable notice and opportunity for hearing, determines does not meet the requirements of subsection (a), the Secretary shall make the allotment of such State under the provisions of section 212 available to the public and private agencies in such State for programs under sections 213 and 215.

APPLICATIONS

SEC. 215. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under this section or section 213, shall submit an application at such time, in such manner, and containing or accompanied by such information, as the Secretary may prescribe.

(b) In accordance with guidelines established by the Secretary, each such application shall—

(1) provide that the program for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out one or more of the purposes set forth in section 214;

(3) provide for the proper and efficient administration of such program;

(4) provide for regular evaluation of the program;

(5) indicate that the applicant has requested the review of the application from the State agency or local agency designated under section 214, when appropriate;

(6) indicate the response of the State agency or the local agency to the request for review and comment on the application;

(7) provide that regular reports on the program shall be sent to the Secretary and to the State agency and local agency, when appropriate; and

(8) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

(c) In determining whether or not to approve applications for grants under this title, the Secretary shall consider—

(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this Act;

(2) the extent to which the proposed program will incorporate new or innovative techniques;

(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Secretary under section 214 (b) and when the location and scope of the program make such consideration appropriate;

(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquent;

(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Institute as set forth pursuant to section 309.

PART B—GENERAL PROVISIONS

WITHHOLDING

SEC. 221. Whenever the Secretary, after giving reasonable notice and opportunity for hearing to a recipient of a grant under this title, finds—

(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title, or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision,

the Secretary shall notify such recipient of his findings and no further payments may be made to such recipient under this title (or in his discretion that the State agency shall not make further payments to specified programs affected by the failure) by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected.

USE OF FUNDS

SEC. 222. (a) Funds paid to any State public or private agency, institution, or individual (whether directly or through a State agency or local agency) may be used for—

(1) securing, developing, or operating the program designed to carry out the purposes of this Act; and

(2) not more than 50 percent of the cost of the construction of innovative community-based facilities for less than 20 persons which, in the judgment of the Secretary, are necessary for carrying out the purposes of this Act.

(b) Except as provided by subsection (a), no funds paid to any public or private agency, institution, or individual under this title (whether directly or through a State agency or local agency) may be used for construction.

PAYMENTS

SEC. 223. (a) In accordance with criteria established by the Secretary, it is the policy of the Congress that programs funded under this title shall continue to receive financial assistance, except that such assistance shall not continue if the yearly evaluation of such programs is not satisfactory.

(b) At the discretion of the Secretary, when there is no other way to fund an essential juvenile delinquency program, the State may utilize 25 percent of the funds available to it under this Act to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

(c) Whenever the Secretary determines that it will contribute to the purposes of this Act, he may require the recipient of any grant or contract to contribute money, facilities, or services up to 25 percent of the cost of the project involved.

(d) Payments made under this title, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Secretary may determine.

TITLE III—INSTITUTE FOR CONTINUING STUDIES OF THE PREVENTION OF JUVENILE DELINQUENCY

ESTABLISHMENT AND PURPOSE

Sec 301. (a) There is hereby established an institute to be known as the Institute for Continuing Studies of the Prevention of Juvenile Delinquency. The Institute shall be administered by the Secretary through the Administration.

(b) It shall be the purpose of the Institute to provide a coordinating center for the collection, preparation, and dissemination of useful data regarding the treatment and control of juvenile offenders, and it shall also be the purpose of the Institute to provide training for representatives of Federal, State, and local law enforcement officers, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation personnel, correctional personnel, and other persons, including lay personnel, connected with the treatment and control of juvenile offenders.

FUNCTIONS

Sec. 302. The Institute shall—

(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information;

(3) disseminate pertinent data and studies (including a periodic journal) to individuals, agencies, and organizations concerned with the prevention and treatment of juvenile delinquency;

(4) prepare, in cooperation with educational institutions, Federal, State, and local agencies, and appropriate individuals and private agencies, such studies as it considers to be necessary with respect to the prevention and treatment of juvenile delinquency and related matters, including recommendations designed to promote effective prevention and treatment;

(5) devise and conduct in various geographical locations, seminars and workshops providing continuing studies for persons engaged in working directly with juveniles and juvenile offenders;

(6) devise and conduct a training program, in accordance with the provisions of sections 305, 306, and 307, of short-term instruction in the latest proven-effective methods of prevention, control, and treatment of juvenile delinquency for correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency;

(7) develop technical training teams to aid in the development of training programs in the States and to assist State and local agencies which work with juveniles and juvenile offenders;

(8) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with respect to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

(9) encourage the development of demonstration projects in new and innovative techniques and methods to prevent and treat juvenile delinquency;

(10) provide for the evaluation of all programs assisted under this Act in order to determine the results and the effectiveness of such programs;

(11) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, as deemed necessary by the Secretary; and

(12) disseminate the results of such evaluations and research and demonstration activities, particularly to persons actively working in the field of juvenile delinquency.

POWERS

Sec. 303. (a) The functions, powers, and duties specified in this Act to be carried out by the Institute shall not be transferred elsewhere or within any Federal agency unless specifically hereafter authorized by the Congress. In addition to the other powers, express and implied, the Institute may—

(1) request any Federal agency to supply such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions;

(2) arrange with and reimburse the heads of Federal agencies for the use of personnel or facilities or equipment of such agencies;

(3) confer with and avail itself of the cooperation, services, records, and facilities of State, municipal, or other public or private local agencies;

(4) enter into contracts with public or private agencies, organizations, or individuals, for the partial performance of any of the functions of the Institute; and

(5) compensate consultants and members of technical advisory councils who are not in the regular fulltime employ of the United States, at a rate to be fixed by the Administrator of the Institute but not exceeding $75 per diem and while away from home, or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(b) Any Federal agency which receives a request from the Institute under subsection (a) (1) may cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information and advice to the Institute.

ADMINISTRATOR AND STAFF

SEC. 304. (a) The Institute shall have an Administrator who shall be appointed by the Secretary and who shall serve at the pleasure of the Secretary.

(b) The Administrator shall have responsibility for the administration of the organization, employees, enrollees, financial affairs, and other operations of the Institute. He may employ such staff, faculty, and administrative personnel as are necessary for the functioning of the Institute.

(c) The Administrator shall have the power to—

(1) acquire and hold real and personal property for the Institute;

(2) receive gifts, donations, and trusts on behalf of the Institute; and

(3) appoint such technical or other advisory councils comprised of consultants to guide and advise the Secretary.

(d) The Administrator may delegate his powers under this Act to such employees of the Institute as he deems appropriate.

ESTABLISHMENT OF TRAINING PROGRAM

SEC. 305. (a) The Secretary shall establish within the Institute a training program designed to train enrollees with respect to methods and techniques for the prevention and treatment of juvenile delinquency.

(b) Enrollees in the training program established under this section shall be drawn from correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency.

CURRICULUM FOR TRAINING PROGRAM

SEC. 306. The Secretary shall design and supervise a curriculum for the training program established by section 305 which shall utilize an interdisciplinary approach with respect to the prevention of juvenile delinquency, the treatment of juvenile delinquents, and the diversion of youths from the juvenile justice system. Such curriculum shall be appropriate to the needs of the enrollees of the training program.

ENROLLMENT FOR TRAINING PROGRAM

SEC. 307. (a) Any person seeking to enroll in the training program established under section 305 shall transmit an application to the Administrator, in such form and according to such procedures as the Administrator may prescribe.

(b) The Administrator shall make the final determination with respect to the admittance of any person to the training program. The Administrator, in making such determination, shall seek to assure that persons admitted to the training program are broadly representative of the categories described in section 305(b).

(c) While studying at the Institute and while traveling in connection with his study (including authorized field trips), each person enrolled in the Institute shall be allowed travel expenses and a per diem allowance in the same manner as prescribed for persons employed intermittently in the Government service under section 5703(b) of title 5, United States Code.

ANNUAL REPORT

SEC. 308. The Administrator shall develop annually and submit to the President and each House of the Congress, prior to June 30, a report on the activities of the Institute and on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs.

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 309. The Institute, under the supervision of the Secretary, shall conduct a study for the development of standards for juvenile justice. The Institute shall, no later than one year after the date of the enactment of this Act, submit to the President and to each House of the Congress a report based upon such study. Such report shall contain a detailed statement of recommended standards for the administration of juvenile justice at the Federal, State, and local level, and shall recommend—

(1) Federal action, including administrative, budgetary, and legislative action, required to facilitate the adoption of such standards throughout the United States; and

(2) State and local action to facilitate the adoption of such standards for juvenile justice at the State and local level.

INFORMATION FROM FEDERAL AGENCIES

SEC. 310. Each Federal agency shall furnish to the Secretary such information as the Secretary deems necessary to carry out his functions under this title.

RECORDS

SEC. 311. Records containing the identity of any juvenile gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

TITLE IV—RUNAWAY YOUTH ACT

SHORT TITLE

SEC. 401. This title may be cited as the "Runaway Youth Act".

FINDINGS

SEC. 402. The Congress hereby finds that—

(1) the number of juveniles who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and live on the street;

(2) the exact nature of the problem is not well defined because national statistics on the size and profile of the runaway youth population are not tabulated;

(3) many such young people, because of their age and situation, are urgently in need of temporary shelter and counseling services;

(4) the problem of locating, detaining, and returning runaway children should not be the responsibility of already overburdened police departments and juvenile justice authorities; and

(5) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop accurate reporting of the problem nationally and to develop an effective system of temporary care outside the law enforcement structure.

RULES

SEC. 403. The Secretary may prescribe such rules as he considers necessary or appropriate to carry out the purposes of this title.

PART A—GRANT PROGRAM

PURPOSES OF GRANT PROGRRAM

SEC. 411. The Secretary is authorized to make grants and to provide technical assistance to localities and nonprofit private agencies in accordance with the provisions of this part. Grants under this part shall be made for the purpose of developing local facilities to deal primarily with the immediate needs of runaway youth in a manner which is outside the law enforcement structure and juvenile justice system. The size of such grants shall be determined by the number of runaway youth in the community and the existing availability of services. Among applicants priority shall be given to private organizations or institutions which have had past experience in dealing with runaway youth.

ELIGIBILITY

SEC. 412. (a) To be eligible for assistance under this part, an applicant shall propose to establish, strengthen, or fund an existing or proposed runaway house, a locally controlled facility providing temporary shelter, and counseling services to juveniles who have left home without the permission of their parents or guardians.

(b) In order to qualify for assistance under this part, an applicant shall submit a plan to the Secretary meeting the following requirements and including the following information. Each house—

(1) shall be located in an area which is demonstrably frequented by or easily reachable by runaway youth;

(2) shall have a maximum capacity of no more than 20 children, with a ratio of staff to children of sufficient proportion to assure adequate supervision and treatment;

(3) shall develop adequate plans for contacting the child's parents or relatives (if such action is required by State law) and assuring the safe return of the child according to the best interests of the child, for contacting local government officials pursuant to informal arrangements established with such officials by the runaway house, and for providing for other appropriate alternative living arrangements;

(4) shall develop an adequate plan for assuring proper relations with law enforcement personnel, and the return of runaway youths from correctional institutions;

(5) shall develop an adequate plan for aftercare counseling involving runaway youth and their parents within the State in which the runaway house is located and for assuring, as possible, that aftercare services will be provided to those children who are returned beyond the State in which the runaway house is located;

(6) shall keep adequate statistical records profiling the children and parents which it serves, except that records maintained on individual runaway youths shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a government agency involved in the disposition of criminal charges against an individual runaway youth, and reports or other documents based on such statistical records shall not disclose the identity of individual runaway youths;

(7) shall submit annual reports to the Secretary detailing how the house has been able to meet the goals of its plans and reporting the statistical summaries required by paragraph (6);

(8) shall demonstrate its ability to operate under accounting procedures and fiscal control devices as required by the Secretary;

(9) shall submit a budget estimate with respect to the plan submitted by such house under this subsection; and

(10) shall supply such other information as the Secretary reasonably deems necessary.

APPROVAL BY SECRETARY

SEC. 413. An application by a State, locality, or nonprofit private agency for a grant under this part may be approved by the Secretary only if it is consistent with the applicable provisions of this part and meets the requirements set forth in section 412. Priority shall be given to grants smaller than $75,000. In considering grant applications under this part, priority shall be given to any applicant whose program budget is smaller than $100,000.

GRANTS TO PRIVATE AGENCIES; STAFFING

SEC. 414. Nothing in this part shall be construed to deny grants to nonprofit private agencies which are fully controlled by private boards or persons but which in other respects meet the requirements of this part and agree to be legally responsible for the operation of the runaway house. Nothing in this part shall give the Federal Government control over the staffing and personnel decisions of facilities receiving Federal funds.

REPORTS

SEC. 415. The Secretary shall annually report to the Congress on the status and accomplishments of the runaway houses which are funded under this part, with particular attention to—

(1) their effectiveness in alleviating the problems of runaway youth;

(2) their ability to reunite children with their families and to encourage the resolution of intrafamily problems through couseling and other services;

(3) their effectiveness in strengthening family relationships and encouraging stable living conditions for children; and

(4) their effectiveness in helping youth decide upon a future course of action.

FEDERAL SHARE

SEC. 416. (a) The Federal share for construction under this part shall be no more than 50 percent. The Federal share for the acquisition and renovation of existing structures, the provision of counseling services, staff training, and the general costs of operations of such facility's budget for any fiscal year shall be 90 percent. The non-Federal share may be in cash or in kind, fairly evaluated by the Secretary, including plant, equipment, or services.

(b) Payments under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

PART B—STATISTICAL SURVEY

SURVEY; REPORT

SEC. 421. The Secretary shall gather information and carry out a comprehensive statistical survey defining the major characterics of the runaway youth population and determining the areas of the Nation most affected. Such survey shall include the age, sex, and socioeconomic background of runaway youth, the places from which and to which children run, and the relationship between running away and other illegal behavior. The Secretary shall report the results of such information gathering and survey to the Congress not later than June 30, 1975.

RECORDS

SEC. 422. Records containing the identity of individual runaway youths gathered for statistical purposes pursuant to section 421 may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

TITLE V—COORDINATING COUNCIL ON JUVENILE DELINQUENCY PREVENTION

ESTABLISHMENT

SEC. 501. There is hereby established, as an independent organization in the executive branch of the Federal Government, a council to be known as the Coordinating Council on Juvenile Delinquency Prevention.

MEMBERSHIP

SEC. 502. (a) The Council shall consist of six regular members appointed under subsection (c) and an additional number of ex officio members designated by subsection (b).

(b) (1) The following individuals shall be ex officio members of the Council:

(A) the Secretary (or the Under Secretary of the Department of Health, Education, and Welfare, if so designated by the Secretary);

(B) the Director of the Administration;

(C) the Attorney General or his designee;

(D) the Secretary of Labor (or the Under Secretary of Labor, if so designated by such Secretary);

(E) the Director of the Special Action Office for Drug Abuse Prevention or his designee;

(F) the Secretary of Housing and Urban Development (or the Under Secretary of Housing and Urban Development, if so designated by such Secretary); and

(G) the Administrator of the Institute.

(2) Any individual designated under paragraph (1) (C) or paragraph (1) (E) shall be selected from individuals who exercise significant decisionmaking authority in the Federal agency involved.

(c) The regular members of the Council shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. At least three members shall not have attained 26 years of age on the date of their appointment.

(d) (1) Except as provided by paragraphs (2) and (3), members of the Council appointed by the President under subsection (c) shall be appointed for terms of four years.

(2) Of the members first appointed to the Council under subsection (c)—

(A) two shall be appointed for terms of one year,

(B) two shall be appointed for terms of two years, and

(C) two shall be appointed for terms of three years, as designated by the President at the time of appointment. Such members shall be appointed within 90 days after the date of the enactment of this title.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until a successor has taken office.

(e) Members of the Council shall be eligible for reappointment to the Council.

(f) The Secretary shall serve as Chairman of the Council. The Director shall serve as Vice Chairman of the Council. The Vice Chairman shall act as Chairman in the absence of the Chairman.

(g) The Council shall meet at least six times per year to receive reports and recommendations and to take such actions as may be considered appropriate by members of the Council. A description of the activities of the Council shall be included in the annual report required by section 104(b) (6).

FUNCTIONS

SEC. 503. (a) The Council shall make recommendations to the Secretary at least annually with respect to coordination of the planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

(b) The Council shall, through a subcommittee designated by the Chairman, review the activites and administration of the Institute and shall make recommendations with respect to such activities and administration.

EXECUTIVE SECRETARY; STAFF

SEC. 504. (a) The Chairman shall, with the approval of the Council, appoint an Executive Secretary of the Council.

(b) The Executive Secretary shall be responsible for the day-to-day administration of the Council.

(c) The Executive Secretary may, with the approval of the Council, appoint and fix the salary of such personnel as he considers necessary to carry out the purposes of this title.

COMPENSATION AND EXPENSES

SEC. 505. (a) Members of the Council who are full-time employees of the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council.

(b) Members of the Council who are not full-time employees of the Federal Government shall receive compensation at a rate not to exceed $100 per day, including traveltime for each day they are engaged in the performance of their duties as members of the Council. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council.

TITLE VI—GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) To carry out the purposes of titles I, II, and III there is authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, $75,000,000 for the fiscal year ending June 30, 1976, $125,000,000 for the fiscal year ending June 30, 1977, and $175,000,000 for the fiscal year ending June 30, 1978.

(b) Not more than 5 percent of the funds authorized to be appropriated for any fiscal year to carry out the purposes of this Act may be used for the purposes authorized under title I.

(c) Not more than 10 percent of the funds authorized to be appropriated for any fiscal year to carry out the purposes of this Act may be used for purposes authorized under title III.

(d) (1) To carry out the purposes of part A of title IV there is authorized to be appropriated for each of the fiscal years ending June 30, 1975, 1976, and 1977, the sum of $10,000,000.

(2) To carry out the purposes of part B of title IV there is authorized to be appropriated the sum of $500,000.

(e) There is authorized to be appropriated such sums as may be necessary to carry out the purposes of title V.

NONDISCRIMINATION PROVISIONS

SEC. 602. (a) No financial assistance for any program under this Act shall be provided unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this Act. The provisions of the preceding sentence shall be enforced in accordance with section 603 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

EFFECTIVE DATES

SEC. 603. (a) Except as provided by subsection (b), the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) Section 104(b) (6), section 104(b) (7), and section 310 shall take effect at the close of December 31, 1974. Section 105 shall take effect at the close of August 31, 1977.

RUSSIAN FERTILIZER LOAN—A GOOD DEAL FOR THE UNITED STATES

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, there has been much said and written recently with regard to a $180 million financing commitment given by the Export-Import Bank of the United States for a proposed fertilizer complex in the Soviet Union.

Because of the many misunderstandings that have arisen concerning the loan, I want to take a few minutes to describe exactly how beneficial this loan will be to our country. The Export-Import Bank loan of $180 million will produce a sale of $400 million of U.S. equipment and services to be used in the construction of an ammonia plant, storage facilities, tank cars, and a pipeline in the Soviet Union. The additional $220 million will come from the Soviet Union in a syndicate of private U.S. banks.

Additionally, oceangoing tankers carrying superphosphoric acid from the United States and bringing back ammonia, urea, and potash from the Soviet Union are to be built in the United States. The loan to establish the fertilizer plant will also benefit the United States because the U.S. exports a phosphate fertilizer, which we have in relative abundance, and in return will receive two nitrogen fertilizers, ammonia and urea, which are in scarce supply, plus the potash.

FERTILIZER LOAN WILL HELP SAVE ENERGY

The nitrogen fertilizer that the United States will receive will be made from Soviet natural gas. To manufacture the fertilizer would require a drain on our own natural gas reserves, enough to heat

1.12 million homes. The ammonia and urea imported to the United States will have an energy content equivalent to 25.5 million barrels of crude oil per year.

The Export-Import Bank project will create thousands of jobs in the United States. More than half a billion dollars will be invested in the United States for ships and expanded production facilities in mine phosphate rock in Florida. It is estimated that this will create 2,000 to 3,000 construction jobs and 2,900 permanent jobs. In addition to the sale of at least $400 million in equipment, there will be substantial balance-of-trade advantages. The United States will acquire a much needed fertilizer from abroad in return for exporting a fertilizer in ample supply in the United States, thus avoiding a net drain on our trade balance.

The Export-Import Bank has issued a preliminary commitment on the fertilizer complex. On the basis of this, fees are being paid against financing commitments from private banks and contracts have been made to suppliers. These arrangements carry expiration dates at which time costs will increase. On the basis of its contract with the Soviet Union and the Export-Import Bank's commitment, upward of $2 million has been spent in designing and planning the project.

Not only will the fertilizer project be a profitable one for the United States but it will substantially contribute to world food needs. If the Export-Import Bank fails to provide financing, the United States will lose all of the monetary benefits. This project is in the Soviet's 5-year plan and will go forward with or without the Export-Import Bank. If we do not follow through on our preliminary commitment, the contracts and benefits will go to French, Italian, British, or Japanese suppliers.

Mr. Speaker, it is imperative that the Export-Import Bank complete its loan commitment on the Soviet fertilizer deal and because of the many advantages it will bring to the United States I urge all Members of the House to support this project.

TECHNOLOGICAL ASPECT OF DÉTENTE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, one of my constituents, Dr. Fred Schulman, testified today before the Foreign Affairs Subcommittee on Europe on the subject, "Technological Aspects of Détente." Formerly chief of nuclear power programs for NASA, Dr. Schulman is presently a research professor at George Washington University.

In his testimony Dr. Schulman raised some important questions about differing American and Soviet approaches to détente and listed a number of areas where he stated that the Soviet Union has not responded to American initiatives of trade or technology exchange in a like manner.

Dr. Schulman mentioned in particular the role of the Soviet Union in backing the Arab oil embargo and in supplying the Arabs with military equipment for use against Israel, some of which may have involved the use of American exports such as ball bearings. Dr. Schulman also listed some of the high-technology export agreements we have made:

Agreements with:

Occidental Petroleum Corp. for oil and gas exploration and specialized pipeline facilities.

Various American companies for offshore deep-well rigs and equipment, including installation of submersible pumps. There is at present no capability within the Soviet bloc for these items, and this has been a priority goal for years. The unusual recent appointment of a high Communist Party official, Boris Y. Sherbina, as Minister of Oil and Gas Construction instead of the usual expert technician for this post, signifies the importance the Russians attach to this goal.

General Dynamics Corp. covering scientific and technological cooperation for a period of 5 years in the fields of shipbuilding, telecommunication equipment, commercial and special purpose aircraft, and computer-operated industrial processing and navigation equipment.

Bryant Chucking Grinding Co. (Excello Corp.) for precision military ball-bearing machines.

Lummus Co. & Monsanto Corp. for building chemical and polymer plants.

Poland and Fairchild Corporation for sale of U.S. integrated-circuit technology of a type extensively used in modern weapons, guidance systems and in third-generation computers.

Negotiations are underway with Boeing, Lockheed and McDonnell-Douglas Corp. for the sale to the Soviets of aircraft under terms in which the Soviets would acquire the manufacturing technology, plants and managerial techniques needed to build wide-bodied U.S. commercial jets.

Sperry Rand for cooperative projects in computers, navigation, guidance and control systems, office machines, pneumatic and hydraulic equipment.

This testimony, as well as that of others today, strongly indicates that the United States could well be trying to "buy" détente with trade concessions; that the Soviet Union is not responding with anything more than lip service to the cause of better relations; and that our Government continues its policy in spite of that.

I have raised this issue in correspondence with the Department of State, and they have responded in a way that does not adequately deal with the specifics Dr. Schulman mentioned and which does not get to the basic policy questions I asked. I intend to continue this correspondence and hope that others will join me in raising the issue with the State Department.

In addition to his testimony before the subcommittee, Dr. Schulman has recently published an article concerning economic aspects of the energy crisis which I would like to insert in the RECORD at this point:

LESSONS FOR US IN EUROPE'S DEEPENING ECONOMIC CRISIS

(By Fred Schulman)

It will be interesting to see how Europe manages its deepening energy-caused economic crisis later this year.

The Europeans, who, with the notable exception of the Dutch, surrendered so meekly to Arab political demands, will be facing an oil import bill of $55 billion to $80 billion during 1974. Western Europe will be importing 15.2 million barrels of oil per day. This is 98.7 per cent of its oil supply, of which 69 per cent is derived from Arab sources.

When all of the finance ministers and all of the defense ministers of Europe return home from their tours of the Arab world and count all the arms and industrial plants they have sold, they will find themselves on the short end of a trade deficit amounting to more than $30 billion. This economic squeeze was brought upon themselves by their failure to counter the Arab oil weapon and to recognize the interest of the USSR in promoting the ensuing difficulties in the NATO nations. Remembering that the United States was forced to devalue its currency twice in one year largely after experiencing a trade deficit in 1972 of only $6.4 billion, it is not hard to see that the impact of the enormous 1974 trade deficit on the economies of Western Europe will be very severe. The inflation, misery and chaos that will be caused will be unsettling to the stability and friendly democratic governments. The possibility of radical upheavals, now seen by only a few people, will be of increasing concern before 1975 is history.

In an interesting coincidence, the United States in 1985 will need to import approximately the same volume of oil as will Western Europe in 1974. So we are in the fortunate position of being able to watch European events this year to see how they handle the problem.

The energy crisis facing the world today involves complex technical, financial, diplomatic, political, environmental and tax aspects.

The energy crisis is typical of a number of growing shortages involving material resources. Abuse of detente, as in the actions of the USSR during and after the October War can intensify these shortages. The shortages of material resources are a paradox among plenty. There are more oil, wheat, copper, newsprint, steel, etc. produced in the world than ever before. Yet the world, and even the United States, suffers shortages in many of these materials. Why?

The answers are clear.

They relate to the greatly increased worldwide consumption of resources within the last few years which has been brought about by instant worldwide communications, rapid transfer of technology and the higher living-standard aspirations of the rapidly rising population, now 3.6 billion, inhabiting the earth.

Commenting on the energy explosion, the Joint Committee of Atomic Energy wrote that the world as a whole, will consume in the 30 years from 1970 through the year 2000, as much energy as it did from the time of creation until 1970.

This illustrates vividly the magnitude of the problem. Yet it can be solved, particularly with ingenuity to create what we need from plentiful materials at hand, increased efficiency in production and use, and developing renewable energy sources.

According to a study conducted in 1971 for the Secretary of the Interior, the United States in 1985 will need to import a minimum of 14.8 million barrels of oil each day. If the current war on poverty is successful and if we clean up the environment as planned, more energy is required and the import figure jumps to about 25 million barrels of oil each day. If nuclear energy is unable to do its job of providing an important part of our electricity needs, it must be replaced by another 9 million barrels of oil per day making a total need for imported oil in 1985 amounting to 34 million barrels per day.

It is simply not feasible to import such a massive amount of oil, either physically or financially. A trade deficit of $40 billion a year will be caused by the importation of only the minimum 14.8 million barrels of oil expected to be imported daily in 1985. Even if the Arabs provided the oil, we could not afford it.

Nor do we have the supertankers, superports or refineries to handle this volume of petroleum. We are far behind schedule even if it is decided to build all the facilities needed. Of the 35 world ports which can handle the mammoth supertankers of today, none are in the United States.

The energy facilities needed to maintain our historical rate of growth amount to $400 billion of new construction. This is equivalent to investing capital amounting to $750 million each week from now until 1985.

In the short term, there are many things that can be done to improve the situation. Existing oil wells yield, on the average, only 36 per cent of their oil. With the price of oil now exceeding $7.00 per barrel, it now becomes economical to use secondary and even tertiary methods of oil recovery to increase yields above 36 per cent. Each 1 per cent increase in oil yield is equivalent to adding 3 billion barrels to our proved reserves. A 5 per cent increase in engine energy conversion, which could result from research, adds the equivalent of 1 million barrels per day to our supply in the case of stationary power plants and 2 million barrels per day in the case of automobile engines. There is ample incentive to do this and there are many promising technical approaches toward this goal.

For the longer term, solar, geothermal, nuclear fission, nuclear fusion and new liquid fuels from plant products are quite reasonable objectives. Research programs are underway in most of these approaches. Oil recovery from plentiful shale as well as conversion of plentiful coal to oil can ultimately support production of about 12 million barrels of oil per day. Success in these programs will be a boon to mankind of the first magnitude.

The United States is not a sleeping giant. It does have considerable resources. Its strength can readily nullify Arab and Soviet threats to oil supplies in the immediate future by symbiotic use of trade, energy and food, while its ingenuity can develop new energy resources.

If this is done, the energy crisis need not become, as in Europe, a force for weakness and distress, but a challenge that unites the country and provides the assurance of a hopeful future through better use of available energy resources.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hudnut) to revise and extend their remarks and include extraneous material:)

Mr. Biester, for 30 minutes, today.

Mr. Shriver, for 10 minutes, today.

Mr. Cleveland, for 15 minutes, today.

Mr. Martin of North Carolina, for 10 minutes, today.

(The following Members (at the request of Mr. Breckinridge) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Kastenmeier, for 10 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Owens, for 30 minutes, today.

Mr. Vanik, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Hawkins and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the Record and is estimated by the Public Printer to cost $1,291.75.

Mr. Roush and to include extraneous matter in two instances.

The following Members (at the request of Mr. Hudnut) and to include extraneous matter:)

Mr. Wylie in two instances.
Mr. Bell.
Mr. McCloskey.
Mr. Fish.
Mr. Don H. Clausen.
Mr. Shoup.
Mr. Wyman in two instances.
Mr. Hosmer in four instances.
Mr. Nelsen.
Mr. Hudnut.
Mr. Walsh.
Mr. Cleveland.
Mr. Rhodes.
Mr. Broomfield.
Mr. Abdnor.
Mr. Bray in three instances.
Mr. Young of Illinois in two instances.

(The following Members (at the request of Mr. Breckinridge) and to include extraneous matter:)

Mr. Drinan in 10 instances.
Mr. Cotter.
Ms. Abzug in 10 instances.
Mr. Mazzoli in 10 instances.
Mr. Rosenthal in five instances.
Mr. Carey of New York.
Mr. Edwards of California.
Mr. Rarick in three instances.
Mr. Gonzalez in three instances.
Mr. Foley.
Mr. Kastenmeier.
Mr. Dulski in five instances.
Mr. Ryan in two instances.
Mr. Rogers in five instances.
Mr. Breckinridge in 10 instances.
Mr. Patten.
Mr. Long of Louisiana in five instances.
Mr. Evins of Tennessee.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move than the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Thursday, June 13, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2449. Under clause 2 of rule XXIV a letter from the Acting Comptroller General of the United States, transmitting a report that improvements are needed in U.S. contractor training of the Republic of Vietnam armed forces, was taken from the speaker's table; referred to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: Committee on Rules. House Resolution 1170. Resolution providing for the consideration of S. 411. An act to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes (Rept. No. 93–1102). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1171. Resolution waiving certain points of order against the conference report on H.R. 7130. An act to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over impoundment of funds by the executive branch, and for other purposes (Rept. No. 93–1103). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 15332. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers and feeders; to the Committee on Agriculture.

H.R. 15333. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 15334. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRETT:

H.R. 15335. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURKE of Massachusetts:

H.R. 15336. A bill to amend the Internal Revenue Code of 1954 to provide individuals a tax credit for the purchase of home garden tools; to the Committee on Ways and Means.

By Mr. BYRON:

H.R. 15337. A bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization; to the Committee on Ways and Means.

By Mr. du PONT (for himself and Mr. Frenzel):

H.R. 15338. A bill to insure that each admission to the service academies shall be made without regard to a candidate's sex, race, color, or religious beliefs; to the Committee on Armed Services.

By Mr. GOODLING:

H.R. 15339. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. GREEN of Pennsylvania:

H.R. 15340. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JARMAN:

H.R. 15341. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LITTON (for himself and Mr. MANN):

H.R. 15342. A bill to establish a Department of Social, Economic, and Natural Resources Planning in the executive branch of the Federal Government; to the Committee on Government Operations.

By Mr. MOAKLEY:

H.R. 15343. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period a deduction equal to the increase in residential electricity expenses occurring after January 1, 1973; to the Committee on Ways and Means.

H.R. 15344. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period a tax credit equal to one-half of the increase in residential electricity expenses occurring after January 1, 1973; to the Committee on Ways and Means.

By Mr. NELSEN:

H.R. 15345. A bill to prohibit the importation of fresh, chilled, or frozen cattle meat for a 6-month period; to the Committee on Ways and Means.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. MCFALL, and Mr. ARENDS):

H.R. 15346. A bill to establish a National Commission on Supplies and Shortages; to the Committee on Banking and Currency.

By Mr. PARRIS:

H.R. 15347. A bill to prohibit foreign assistance to India until India becomes a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons; to the Committee on Foreign Affairs.

By Mr. PETTIS:

H.R. 15348. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and so forth, shall also be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. PRICE of Texas (for himself, Mr. RONCALIO of Wyoming, Mr. MCSPADDEN, Mr. KETCHUM, Mr. BURLESON of Texas, Mr. LOTT, Mr. THONE, Mr. VEYSEY, Mr. STEIGER of Arizona, Mr. OWENS, Mr. NICHOLS, Mr. JONES of Tennessee, Mr. CLEVELAND, Mr. HAMMERSCHMIDT, Mr. MONTGOMERY, Mr. RUNNELS, and Mr. RANDALL):

H.R. 15349. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for cattlemen; to the Committee on Agriculture.

By Mr. ROY:

H.R. 15350. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for producers of livestock; to the Committee on Agriculture.

H.R. 15351. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. RUTH:

H.R. 15352. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the minimum wage and overtime requirements of that act for full-time babysitters; to the Committee on Education and Labor.

By Mr. SCHERLE:

H.R. 15353. A bill to provide for emergency financing for livestock producers; to the Committee on Agriculture.

By Mr. SMITH of New York:

H.R. 15354. A bill to provide for the Federal collection of certain State and local income taxes; to the Committee on Ways and Means.

By Mr. STRATTON (for himself, Mr. HUNT, Mr. NICHOLS, Mr. MITCHELL of New York, Mr. ASPIN, Mr. LEGGETT, Mr. DELLUMS, Mr. DAVIS of South Carolina, Mr. MOLLOHAN, and Mr. STEIGER of Wisconsin):

H.R. 15355. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to certain officers of the uniformed services; to the Committee on Armed Services.

By Mr. TALCOTT:

H.R. 15356. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers; to the Committee on Agriculture.

By Mr. TAYLOR of North Carolina (for himself and Mr. SKUBITZ):

H.R. 15357. A bill to amend the act of October 15, 1966, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of New Jersey:

H.R. 15358. A bill to declare a portion of the Delaware River in Burlington County, N.J., nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. SARASIN, Mr. MATSUNAGA, Mr. BELL, and Mr. ROE):

H.J. Res. 1055. Joint resolution to prohibit the Bureau of Labor Statistics from instituting any revision in the method of calculating the Consumer Price Index until such revision has been approved by resolution by either the Senate or the House of Representatives of the United States of America; to the Committee on Education and Labor.

By Mr. PATMAN:

H.J. Res. 1056. Joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950; to the Committee on Banking and Currency.

H.J. Res. 1057. Joint resolution to extend by 30 days the expiration date of the Export Administration Act of 1969; to the Committee on Banking and Currency.

H.J. Res. 1058. Joint resolution to extend by 30 days the expiration date of the Export-Import Bank Act of 1945; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 15359. A bill for the relief of Cedomir Markovic; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 15360. A bill to temporarily terminate the entitlement of Gwendolyn Artie and Wanda Lou Smithee to child's insurance benefits under section 202(d) of the Social Security Act; to the Committee on the Judiciary.

SENATE—*Wednesday, June 12, 1974*

The Senate met at 9:45 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Right Reverend Zoltan Beky, D.D., bishop emeritus, the Hungarian Reformed Church in America, offered the following prayer:

Almighty God our Heavenly Father.

We give Thee thanks for Thy creation, providence, and guidance. But especially for revealing Thyself to us in Thy word which has always been the foundation and strength of our Nation.

We pray today for Thy blessing upon all those who were called to lead this great Nation and to be guardians of the great heritage which is ours. May this great Nation always remain faithful to the basic principles upon which these United States were founded.

Save us from internal discord, moral decay, individual and corporal selfishness. Thou hast created this Nation out of the multitude of cultures, races, and religions. Thou hast led millions to these shores to build a land of hope, freedom, and opportunity.

We pray for the deliberation of today in this noble body. Bless the thoughts, the words, and the work of all here present.

We pray in Thy name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, June 11, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Allen, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 12165. An act to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico; and

H.R. 12281. An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper.

HOUSE BILL REFERRED

The bill (H.R. 12281) to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper, was read twice by its title and referred to the Committee on Finance.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nominations in the Department of State, as follows:

Deane R. Hinton, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of American to the Republic of Zaire.

William D. Wolfe, of Iowa, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

Robert P. Paganelli, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

Pierre R. Graham, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Upper Volta.

Robert A. Stevenson, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

Seymour Weiss, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of the Bahamas.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The second assistant legislative clerk read the nominations in the Overseas Private Investment Corporation, as follows:

Gustave M. Hauser, of New York, and James A. Suffridge, of Florida, to be members of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1976.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

INTERNATIONAL BANK OFFICES

The second assistant legislative clerk read the nomination of William E. Simon, of New Jersey, to be U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; Governor of the Inter-American Development Bank for a term of 5 years; and U.S. Governor of the Asian Development Bank.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nomination be considered and confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The second assistant legislative clerk read sundry nominations in the U.S. Arms Control and Disarmament Agency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service, which had been placed on the Secretary's desk.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF MEETING OF SENATORS FROM BEEF-PRODUCING STATES

Mr. MANSFIELD. Mr. President, I am extending an invitation to Senators from the cattle-producing and cattle-feeding States to meet informally at 10 o'clock tomorrow morning in room S–207.

I do so because of the prices which confront the beef-producing industry at this time. I extend an invitation also in this manner to Senators from other States which are not so vitally interested in the production of cattle and the feeding of cattle.

Mr. President, on June 7 I addressed the following letter to the President of the United States:

> DEAR MR. PRESIDENT: In recent days, presentations have been made to the White House staff in behalf of a seriously depressed livestock industry. I wish to join with my colleagues in asking that you give this situation your personal attention. We cannot permit such a vital element of our economy to flounder as it is now. Action must be taken to close the gap between prices received by the livestock producers and the prices charged by the packers and retailers.
>
> The reasons for this predicament are varied. The main point is that something has to be done now to protect the ranchers of our Nation. I am joining with several of my western colleagues in the introduction of legislation to provide emergency assistance to the cattle industry under the Department of Agriculture's loan program. These loans are vital to feed lot operators. I also concur in the recommendations that the Federal Government introduce a beef purchase program for military and school lunches. Most importantly, I ask that you exercise your authority in reimposing strict import quotas on beef and livestock products which compete with those in this Country. As you know, I have consistently supported this safety valve and the present situation underscores the need to reimpose these quotas.
>
> Your cooperation and assistance in this matter are vital. I am convinced that we can have a strong and healthy livestock industry if some reasonable attitudes can be returned to the price of beef in the retail market.
>
> Respectfully yours,
>
> MIKE MANSFIELD.

ORDER OF BUSINESS

The PRESIDENT pro tempore. In accordance with the standing order, the Senator from Pennsylvania is now recognized.

NATIONAL SECURITY LEAKS

Mr. HUGH SCOTT. Mr. President, it is not only the professional prestidigitators who practice magic. For some time, one issue which has concerned many people has been leaks of national secrets—the freedom with which some people have felt that they could release any secret of the National Government, no matter how dangerous, to their friends or to others—and there seems to have grown up in the reporting of this type of reckless leaking an assumption that it is all right, and that what has to be condemned is the efforts made to prevent it.

This, of course, puts the cart before the horse. It is also a diversionary operation. It is an attempt to confuse the fact that a government has the right to keep its secrets, that a government has a right to protect itself from the release of vital information. Suddenly the issue is not whether the Government is entitled to protect itself, nor is it a question of how the information got out, but rather a question of who attempted to stop it and how the attempts to stop it were conducted. And suddenly the people who are put on trial are those who are alleged to have been responsible for attempting to stop the leaks.

This sounds like Alice in Wonderland, or would so sound if it were not actually happening. I think we ought to get back to certain fundamentals.

First, a nation is entitled to protect itself and its secrets.

Second, in so doing, the Nation is not required to release to all and sundry of the curious every conversation or every step taken in the course of the national protection.

Third, it is entirely proper to seek to prevent the release of highly secret information.

Those are genuine concerns of those charged with the protection of the Nation. They are genuine concerns of the American people. Yet one never hears them referred to; one never hears any expression of interest in the protection of the Nation, but rather the entire controversies turn on who ordered the protection, who sought to protect the Government of the United States, and, in doing so, did he give offense to those opposed to his ideology?

If he did give such offense, he is to be tried in the newspapers and found guilty, and characterized quite unfairly.

I say, let us get back to the fundamentals. We do have a right to protect our national secrets, and we do have a right to do those things which are necessary to protect them. If the action taken is itself wrong or criminal, that is another thing. But let us put all of these things in context, and above everything else, let us not risk the steps being taken toward peace in the Middle East by searches for a headline or by indulging in what the respected journalist Marquis Childs rightly characterizes as "police court reporting."

I think they have gone too far, and I think the country will be sick and disgusted with those tactics. And it ought to be known by now that when I am disgusted I say so.

The **PRESIDENT** pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT—THE RIGHTS OF THE POOR

Mr. **PROXMIRE**. Mr. President, the most significant of many moral achievements by the United States in the past 15 years has been the extension of legal rights and civil liberties to the poor and uneducated who have been the prime victims of injustice in every society in human history and in every country including our own.

Our achievements in civil rights, in stopping environmental pollution, in protecting consumer rights, in extending education and in other areas have represented proud moral steps forward for this country.

But the big achievement of this generation has been the court-led fight to provide a framework of genuinely equal justice for the friendless, the ignorant, the poor—the people who have been classically kicked around, sometimes beaten, often jailed, simply because they had no clout.

But how about the rights of our poorer citizens before the bar of justice, or at the ballot box? The fight for justice for all is never won. We have only taken the first steps, but what steps they have been:

The Supreme Court in *Miranda* v. *Arizona*, 384 U.S. 436 (1966), established the principle that the accused must be advised of his right to be silent, of the fact that any statements he makes may be used against him, and of his right to a lawyer's advice before questioning. These are rights that we are all entitled to, but they are more meaningful to the ignorant and friendless. The more affluent and advanced would generally have access to a lawyer's services and thus would be less likely to have these rights knowingly invaded.

In all fairness it should be noted that recent Supreme Court decisions have placed the right to counsel within sharply defined limits. In *Kirby* v. *Illinois*, 406 U.S. 682 (1972), the court held that no right to counsel existed when a defendent was placed in an identification "lineup" before indictment. The Court stated that the sixth amendment right to the assistance of counsel did not become operative until "the initiation of adversary judicial proceedings—whether by way of formal charge, preliminary hearing, indictment, information, or arraignment." The court carefully pointed out, however, that the decision would not affect the Miranda requirements, even if questioning began before the initiation of adversary proceedings, because the decision in Miranda rested not on the right to counsel but the privilege against self-incrimination. Miranda holds that a suspect has a right to counsel to insure that he will not be coerced into incriminating himself through a forced confession.

The Supreme Court in *Draper* v. *Washington* 372 U.S. 487 (1963) laid the foundation for the right of a convicted felon, rich or poor, to appeal a court decision in these words:

> In all cases the duty of the State is to provide the indigent as adequate and effective an appellate review as that given appellants with funds.

This right was abridged, the Supreme Court said in *Douglas* v. *California*, 372 U.S. 353 (1963), when the right to a lawyer on first appeal from conviction was conditioned on a finding by the appellate court that counsel would be of advantage to the appellant. The court felt that this was a standard that only applied to those who could not afford counsel and thus was contrary to the due process and equal protection clauses of the constitution.

In *Williams* v. *Illinois*, 399 U.S. 395 (1970), the Supreme Court held that it was a denial of equal protection for a State to extend the period of imprisonment beyond the statutory maximum because the defendant was unable to pay a fine which was levied upon conviction. The Court went further in *Tate* v. *Short*, 401 U.S. 395 (1971), and ruled that where no term of imprisonment is prescribed for an offense but only a fine, the court may not imprison for inability to pay the fine unless it is impossible to develop an alternative.

Finally, in a 1963 case the Court made its most historic commitment to the rights of the accused poor. The Court held in *Gideon* v. *Wainright*, 372 U.S. 335 (1963), that—

> Any person hauled into court who is too poor to hire a lawyer cannot be assured of a fair trial unless counsel is provided for him.

This principle, which applies in both State and Federal courts, has been buttressed by congressional action providing funds for the payment of lawyers representing those who cannot afford to pay.

The Gideon decision was enlarged upon in *Argersinger* v. *Hamlin*, 407 U.S. 25 (1972), the Court deciding that the right to counsel extends to every case where the defendant might be imprisoned if convicted, no matter how short the period of imprisonment.

The Congress has also created a program to provide legal advice, representation and counseling to the poor in civil cases under the Economic Opportunity Act. By fiscal 1974 this program was budgeted at $71.5 million. That represented a tremendous increase in funds available for defending the poor, compared to the period of only 5 or 6 years before, when the Legal Aid Society was able to raise $5 million. In other words, it increased twelvefold. It supported 256 local projects with more than 900 branch offices staffed by more than 2,000 full-time attorneys serving 500,000 clients a year. Of 1,500,000 separate legal problems 83 percent were settled out of court, while 85 percent of those cases that went to court were won.

The Supreme Court, in a series of cases, has shored up the rights of those who are welfare recipients. For example, the Court held in *Goldberg* v. *Kelly*, 397 U.S. 254 (1970), and a related case that the due process clause of the 14th amendment prohibits a State from terminating welfare assistance without offering notice and a hearing. The recipient of welfare is also entitled to counsel at the hearing. In *Shapiro* v. *Thompson*, 394 U.S. 618 (1969), the Court struck down a requirement that a person could not receive welfare from a given State unless he or she had lived there for a prescribed period. The Court held that a State could not discriminate between the poor on the basis of how long they had lived in the State.

Here, as in the series of cases arising from the Miranda decision, the Court has tended to be restrictive of the rights of welfare recipients in recent years. For instance in *Dandridge* v. *Williams*, 397 U.S. 471 (1970), the Court upheld a State formula for aid to dependent children payments which imposed upper limits on the amount one family could receive, regardless of the number of children in the family. In *Jefferson* v. *Hackney*, 406 U.S. 535 (1972) the Court decided that the State could legitimately apportion more funds to the aged and ill than to families with children, when the funds were limited, on the grounds that the aged are least able to bear the hardships of poverty.

Vagrancy statutes have long been a particular problem for the poor. From the Okies driven West in the Dust Bowl 1930's, who were barred at the California border because they had no job or fixed address, to today's migrant workers, the poor have always lived with the threat of being jailed because they did not have enough money to put a roof over their heads. The Supreme Court has reacted by either strictly interpreting the vagrancy statutes so that they punish well-defined acts (*Johnson* v. *Florida*, 391 U.S. 596 (1968)) or by striking down the statutes as being void for vagueness (*Papachristou* v. *City of Jacksonville*, 405 U.S. 156 (1972)).

Perhaps the most dramatic Supreme Court decision having to do with the rights of the poor, apart from the Gideon case, was the Court's decision to strike down the death penalty because it was being applied arbitrarily, with discrimination, and unpredictably. The Court noted that those sentenced to death are most frequently poor and members of minorities.

Another landmark case did not turn specifically on the rights of the poor, but reinforced the power of every American to have an equal voice in his government. I speak of the one-man-one-vote decision handed down by the Supreme Court in *Baker* v. *Carr*, 369 U.S. 186 (1962). This was the first of the reapportionment decisions of the 1960's which made sure that every citizen, rich or poor, had equal representation in the House of Representatives and in the statehouses of the Nation. The Congress not only beat back legislative efforts to annul these landmark decisions but started on its way a constitutional amendment abolishing the poll tax as a qualification in Federal elections. The Supreme Court later held that State poll taxes violated the equal protection clause of the constitution.

In passing the Voting Rights Act of 1965 the Congress made legislatively explicit the poll tax ban in these words:

> Congress declares that the constitutional right of citizens to vote is denied or abridged in some areas by the requirement of the payment of a poll tax as a precondition to voting.

The act authorized the Attorney General to bring actions against States or political subdivisions for declaratory judgments or injunctive relief so as to implement this declaration.

What does all of this mean? It means that in spite of Watergate and inflation, political corruption and widespread cynicism, in the past 15 years the Federal Government has made the greatest progress in our history in providing genuine equality of justice including the ignorant, the friendless, the poor, and there is no better moral basis for judging society than this.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The **PRESIDENT** pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3523 which the clerk will state.

The assistant legislative clerk read as follows:

> S. 3523, to establish a Temporary National Commission on Supplies and Shortages.

The Senate resumed the consideration of the bill.

Mr. **MANSFIELD**. Mr. President, is an amendment pending?

The **PRESIDENT** pro tempore. The pending question is on agreeing to the amendment by the Senator from Wisconsin (Mr. Nelson), on which there will be a vote not later than 12 o'clock noon today.

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum, with the time to be charged to both sides.

The **PRESIDENT** pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **NELSON**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

Mr. **NELSON**. Mr. President, I ask unanimous consent that Paula Stern, a member of my staff, be permitted the privilege of the floor during the consideration of the pending bill, S. 3523.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

COLORADO RIVER BASIN SALINITY CONTROL ACT

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 878, S. 2940.

The **PRESIDENT** pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 2940) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico.

The **PRESIDENT** pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Colorado River Basin Salinity Control Act".

TITLE I—PROGRAMS DOWNSTREAM FROM IMPERIAL DAM

Sec. 101. (a) The Secretary of the Interior, hereinafter referred to as the "Secretary", is authorized and directed to proceed with a program of works of improvement for the enhancement and protection of the quality of water available in the Colorado River for use in the United States and the Republic of Mexico, and to enable the United States to comply with its obligations under the agreement with Mexico of August 30, 1973 (Minute No. 242 of the International Boundary and Water Commission, United States and Mexico), concluded pursuant to the Treaty of February 3, 1944 (TS 994), in accordance with the provisions of this Act.

(b)(1) The Secretary is authorized to construct, operate, and maintain a desalting complex, including (1) a desalting plant to reduce the salinity of drain water from the Wellton-Mohawk division of the Gila project, Arizona (hereinafter referred to as the division), including a pretreatment plant for settling, softening, and filtration of the drain water to be desalted; (2) the necessary appurtenant works including the intake pumping plant system, product waterline, power transmission facilities, and permanent operating facilities; (3) the necessary extension in the United States and Mexico of the existing bypass drain to carry the reject stream from the desalting plant and other drainage waters to the Santa Clara Slough in Mexico, with the part in Mexico, subject to arrangements made pursuant to section 101(d); (4) replacement of the metal flume in the existing main outlet drain extension with a concrete siphon; (5) reduction of the quantity of irrigation return flows through acquisition of lands to reduce the size of the division, and irrigation efficiency improvements to minimize return flows; (6) acquire on behalf of the United States such lands or interest in lands in the Painted Rock Reservoir as may be necessary to operate the project in accordance with the obligations of Minute No. 242, and (7) all associated facilities including roads, railroad spur, and transmission lines.

(2) The desalting plant shall be designed to treat approximately one hundred and twenty-nine million gallons a day of drain water using advanced technology commercially available. The plant shall effect recovery initially of not less than 70 per centum of the drain water as product water, and shall effect reduction of not less than 90 per centum of the dissolved solids in the feed water. The Secretary shall use sources of electric power supply for the desalting complex that will not diminish the supply of power to preference customers from Federal power systems operated by the Secretary. All costs associated with the desalting plant shall be nonreimbursable.

(c) Replacement of the reject stream from the desalting plant and of any Wellton-Mohawk drainage water bypassed to the Santa Clara Slough to accomplish essential operation except at such times when there exists surplus water of the Colorado River under the terms of the Mexican Water Treaty of 1944, is recognized as a national obligation as provided in section 202 of the Colorado River Basin Project Act (82 Stat. 895). Studies to identify feasible measures to provide adequate replacement water shall be completed not later than June 30, 1980. Said studies shall be limited to potential sources within the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are within the natural drainage basin of the Colorado River. Measures found necessary to replace the reject stream from the desalting plant and any Wellton-Mohawk drainage bypassed to the Santa Clara Slough to accomplish essential operations may be undertaken independently of the national obligation set forth in section 202 of the Colorado River Basin Project Act.

(d) The Secretary is hereby authorized to advance funds to the United States section, International Boundary and Water Commission (IBWC), for construction, operation, and maintenance by Mexico pursuant to Minute No. 242 of that portion of the bypass drain with Mexico. Such funds shall be transferred to an appropriate Mexican agency, under arrangements to be concluded by the IBWC providing for the construction, operation, and maintenance of such facility by Mexico.

(e) Any desalted water not needed for the purposes of this title may be exchanged at prices and under terms and conditions satisfactory to the Secretary and the proceeds therefrom shall be deposited in the General Fund of the Treasury. The city of Yuma, Arizona, shall have first right of refusal to any such water.

(f) For the purpose of reducing the return flows from the division to one hundred and seventy-five thousand acre-feet or less, annually, the Secretary is authorized to:

(1) Accelerate the cooperative program of Irrigation Management Services with the Wellton-Mohawk Irrigation and Drainage District, hereinafter referred to as the district, for the purpose of improving irrigation efficiency. The district shall bear its share of the cost of such program as determined by the Secretary.

(2) Acquire, by purchase or through eminent domain or exchange, to the extent determined by him to be appropriate, lands or interests in lands to reduce the existing seventy-five thousand developed and undeveloped irrigable acres authorized by the Act of July 30, 1947 (61 Stat. 628), known as the Gila Reauthorization Act. The initial reduction in irrigable acreage shall be limited to approximately ten thousand acres. If the Secretary determines that the irrigable acreage of the division must be reduced below sixty-five thousand acres of irrigable lands to carry out the purpose of this section, the Secretary is authorized, with the consent of the district, to acquire additional lands, as may be deemed by him to be appropriate.

(g) The Secretary is authorized to dispose of the acquired lands and interests therein on terms and conditions satisfactory to him and meeting the objective of this Act.

(h) The Secretary is authorized, either in conjunction with or in lieu of land acquisition, to assist water users in the division in installing system improvements, such as ditch lining, change of field layouts, automatic equipment, sprinkler systems and bubbler systems, as a means of increasing irrigation efficiencies: *Provided, however,* That all costs associated with the improvements authorized herein and allocated to the water users on the basis of benefits received, as determined by the Secretary, shall be reimbursed to the United States in amounts and on terms and conditions satisfactory to the Secretary.

(i) The Secretary is authorized to amend the contract between the United States and the district dated March 4, 1952, as amended, to provide that—

(1) the portion of the existing repayment obligation owing to the United States allocable to irrigable acreage eliminated from the division for the purposes of this title, as determined by the Secretary, shall be nonreimbursable; and

(2) if deemed appropriate by the Secretary, the district shall be given credit against its outstanding repayment obligation to offset any increase in operation and maintenance assessments per acre which may result from the district's decreased operation and maintenance base, all as determined by the Secretary.

(j) The Secretary is authorized to acquire through the Corps of Engineers fee title to, or other necessary interests in, additional lands above the Painted Rock Dam in Arizona that are required for the temporary storage capacity needed to permit operation of the dam and reservoir in times of serious flooding in accordance with the obligations of the United States under Minute No. 242. No funds shall be expended for acquisition of land or interest therein until it is finally determined by a Federal court of competent jurisdiction that the Corps of Engineers presently lacks legal authority to use said lands for this purpose. Nothing contained in this title nor any action taken pursuant to it shall be deemed to be a recognition or admission of any obligation to the owners of such land on the part of the United States or a limitation or deficiency in the rights or powers of the United States with respect to such lands or the operation of the reservoir.

(k) To the extent desirable to carry out sections 101(f)(1) and 101(h), the Secretary may transfer funds to the Secretary of Agriculture as may be required for technical assistance to farmers, conduct of research and demonstrations, and such related investigations as are required to achieve higher on-farm irrigation efficiencies.

(l) All cost associated with the desalting complex shall be nonreimbursable except as provided in sections 101(f) and 101(h).

SEC. 102. (a) To assist in meeting salinity control objectives of Minute No. 242 during an interim period, the Secretary is authorized to construct a new concrete-lined canal or, to line the presently unlined portion of the Coachella Canal of the Boulder Canyon project, California, from station 2 plus 26 to the beginning of siphon numbered 7, a length of approximately forty-nine miles. The United States shall be entitled to temporary use of a quantity of water, for the purpose of meeting the salinity control objectives of Minute No. 242, during an interim period, equal to the quantity of water conserved by constructing or lining the said canal. The interim period shall commence on completion of construction or lining said canal and shall end the first year that the Secretary delivers main stream Colorado River water to California in an amount less than the sum of the quantities requested by (1) the California agencies under contracts made pursuant to section 5 of the Boulder Canyon Project Act (45 Stat. 1057), and (2) Federal establishments to meet their water rights acquired in California in accordance with the Supreme Court decree in Arizona against California (376 U.S. 340).

(b) The charges for total construction shall be repayable without interest in equal annual installments over a period of forty years beginning in the year following completion of construction: *Provided,* That, repayment shall be prorated between the United States and the Coachella Valley County Water District, and the Secretary is authorized to enter into a repayment contract with Coachella Valley County Water District for that purpose. Such contract shall provide that annual repayment installments shall be nonreimbursable during the interim period, defined in section 102(a) of this title and shall provide that after the interim period, said annual repayment installments or portions thereof, shall be paid by Coachella Valley County Water District.

(c) The Secretary is authorized to acquire by purchase, eminent domain, or exchange private lands or interests therein, as may be determined by him to be appropriate, within the Imperial Irrigation District on the Imperial East Mesa which receive, or which have been granted rights to receive, water from Imperial Irrigation District's capacity in the Coachella Canal. Costs of such acquisitions shall be nonreimbursable and the Secretary shall return such lands to the public domain. The United States shall not acquire any water rights by reason of this land acquisition.

(d) The Secretary is authorized to credit Imperial Irrigation District against its final payments for certain outstanding construction charges payable to the United States on account of capacity to be relinquished in the Coachella Canal as a result of the canal lining program, all as determined by the Secretary: *Provided,* That, relinquishment of capacity shall not affect the established basis for allocating operation and maintenance costs of the main All-American Canal to existing contractors.

(e) The Secretary is authorized and directed to cede the following land to the Cocopah Tribe of Indians, subject to rights-of-way for existing levees, to be held in trust by the United States for the Cocopah Tribe of Indians:

Township 9 south, range 25 west of the Gila and Salt River meridian, Arizona;

Section 25: Lots 18, 19, 20, 21, 22, and 23;

Section 26: Lots 1, 12, 13, 14, and 15;

Section 27: Lot 3; and all accretion to the above described lands.

The Secretary is authorized and directed to construct three bridges, one of which shall be capable of accommodating heavy vehicular traffic, over the portion of the bypass drain which crosses the reservation of the Cocopah Tribe of Indians. The transfer of lands to the Cocopah Indian Reservation and the construction of bridges across the bypass drain shall constitute full and complete payment to said tribe for the rights-of-way required for construction of the bypass drain and electrical transmission lines for works authorized by this title.

SEC. 103. (a) The Secretary is authorized to:

(1) Construct, operate, and maintain, consistent with Minute No. 242, well fields capable of furnishing approximately one hundred and sixty thousand acre-feet of water per year for use in the United States and for delivery to Mexico in satisfaction of the 1944 Mexican Water Treaty.

(2) Acquire by purchase, eminent domain, or exchange, to the extent determined by him to be appropriate, approximately twenty-three thousand five hundred acres of lands or interests therein within approximately five miles of the Mexican border on the Yuma Mesa: Provided, however, That any such lands which are presently owned by the State of Arizona may be acquired or exchanged for Federal lands.

(3) Any lands removed from the jurisdiction of the Yuma Mesa Irrigation and Drainage District pursuant to clause (2) of this subsection which were available for use under the Gila Reauthorization Act (61 Stat. 628), shall be replaced with like lands within or adjacent to the Yuma Mesa division of the project. In the development of these substituted lands or any other lands within the Gila project, the Secretary may provide for full utilization of the Gila Gravity Main Canal in addition to contracted capacities.

(b) The cost of work provided for in this section, including delivery of water to Mexico, shall be nonreimbursable; except to the extent that the waters furnished are used in the United States.

SEC. 104. The Secretary is authorized to provide for modifications of the projects authorized by this title to the extent he determines appropriate for purposes of meeting the international settlement objective of this title at the lowest overall cost to the United States. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to the appropriate committees of the Congress, unless the Congress approves an earlier date by concurrent resolution. The Secretary shall notify the Governors of the Colorado River Basin States of such modifications.

SEC. 105. The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title in advance of the appropriation of funds therefor.

SEC. 106. In carrying out the provisions of this title, the Secretary shall consult and cooperate with the Secretary of State, the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and other affected Federal, State, and local agencies.

SEC. 107. Nothing in this Act shall be deemed to modify the National Environmental Policy Act of 1969, the Federal Water Pollution Control Act, as amended or, except as expressly stated herein, the provisions of any other Federal law.

SEC. 108. There is hereby authorized to be appropriated the sum of $121,500,000 for the construction of the works and accomplishment of the purposes authorized in sections 101 and 102, and $34,000,000 to accomplish the purposes of section 103, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs involved therein, and such sums as may be required to operate and maintain such works and to provide for such modifications as may be made pursuant to section 104. There is further authorized to be appropriated such sums as may be necessary to pay condemnations awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90-646).

TITLE II—MEASURES UPSTREAM FROM IMPERIAL DAM

SEC. 201. (a) The Secretary of the Interior shall implement the salinity control policy adopted for the Colorado River in the "Conclusions and Recommendations" published in the Proceedings of the Reconvened Seventh Session of the Conference in the Matter of Pollution of the Interstate Waters of the Colorado River and Its Tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico, and Wyoming, held in Denver, Colorado, on April 26–27, 1972, under the authority of section 10 of the Federal Water Pollution Control Act (33 U.S.C. 1160), and approved by the Administrator of the Environmental Protection Agency on June 9, 1972.

(b) The Secretary is hereby directed to expedite the investigation, planning, and implementation of the salinity control program generally as described in chapter VI of the Secretary's report entitled, "Colorado River Water Quality Improvement Program, February 1972".

(c) In conformity with section 201(a) of this title and the authority of the Environmental Protection Agency under Federal laws, the Secretary, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture are directed to cooperate and coordinate their activities effectively to carry out the objective of this title.

Sec. 202. The Secretary is authorized to construct, operate, and maintain the following salinity control units as the initial stage of the Colorado River Basin salinity control program.

(1) The Paradox Valley unit, Montrose County, Colorado consisting of facilities for collection and disposition of saline ground water of Paradox Valley including wells, pumps, pipelines, solar evaporation ponds, and all necessary appurtenant and associated works such as roads, fences, dikes, power transmission facilities, and permanent operating facilities.

(2) The Grand Valley unit, Colorado, consisting of measures and all necessary appurtenant and associated works to reduce the seepage of irrigation water from the irrigated lands of Grand Valley into the ground water and thence into the Colorado River. Measures shall include lining of canals and laterals, and the combining of existing canals and laterals into fewer and more efficient facilities. Prior to initiation of construction of the Grand Valley unit the Secretary shall enter into contracts through which the agencies owning, operating, and maintaining the water distribution systems in Grand Valley, singly or in concert, will assume all obligations relating to the continued operation and maintenance of the unit's facilities to the end that the maximum reduction of salinity inflow to the Colorado River will be achieved. The Secretary is also authorized to provide, as an element of the Grand Valley unit, for a technical staff to provide information and assistance to water users on means and measures for limiting excess water applications to irrigated lands: *Provided*, That such assistance shall not exceed a period of five years after funds first become available under this title. The Secretary will enter into agreements with the Secretary of Agriculture to develop a unified control plan for the Grand Valley unit. The Secretary of Agriculture is directed to cooperate in the planning and construction of on-farm system measures under programs available to that Department.

(3) The Crystal Geyser unit, Utah, consisting of facilities for collection and disposition of saline geyser discharges; including dikes, pipelines, solar evaporation ponds, and all necessary appurtenant works including operating facilities.

(4) The Las Vegas Wash unit, Nevada, consisting of facilities for collection and disposition of saline ground water of Las Vegas Wash, including infiltration galleries, pumps, desalter, pipelines, solar evaporation facilities, and all appurtenant works including but not limited to roads, fences, power transmission facilities, and operating facilities.

Sec. 203. (a) The Secretary is authorized and directed to—

(1) Expedite completion of the planning reports on the following units, described in the Secretary's report, "Colorado River Water Quality Improvement Program, February 1972":

(i) Irrigation source control:
Lower Gunnison
Uintah Basin
Colorado River Indian Reservation
Palo Verde Irrigation District
(ii) Point source control:
LaVerkin Springs
Littlefield Springs
Glenwood-Dotsero Springs
(iii) Diffuse source control:
Price River
San Rafael River
Dirty Devil River
McElmo Creek
Big Sandy River

(2) Submit each planning report on the units named in section 203(a)(1) of this title promptly to the Colorado River Basin States and to such other parties as the Secretary deems appropriate for their review and comments. After receipt of comments on a unit and careful consideration thereof, the Secretary shall submit each final report with his recommendations, simultaneously, to the President, other concerned Federal departments and agencies, the Congress, and the Colorado River Basin States.

(b) The Secretary is directed—

(1) in the investigation, planning, construction, and implementation of any salinity control unit involving control of salinity from irrigation sources, to cooperate with the Secretary of Agriculture in carrying out research and demonstration projects and in implementing on-the-farm improvements and farm management practices and programs which will further the objective of this title;

(2) to undertake research on additional methods for accomplishing the objective of this title, utilizing to the fullest extent practicable the capabilities and resources of other Federal departments and agencies, interstate institutions, States, and private organizations.

Sec. 204. (a) There is hereby created the Colorado River Basin Salinity Control Advisory Council composed of no more than three members from each State appointed by the Governor of each of the Colorado River Basin States.

(b) The Council shall be advisory only and shall—

(1) act as liaison between both the Secretaries of Interior and Agriculture and the Administrator of the Environmental Protection Agency and the States in accomplishing the purposes of this title;

(2) receive reports from the Secretary on the progress of the salinity control program and review and comment on said reports; and

(3) recommend to both the Secretary and the Administrator of the Environmental Protection Agency appropriate studies of further projects, techniques, or methods for accomplishing the purposes of this title.

Sec. 205. (a) The Secretary shall allocate the total costs of each unit or separable feature thereof authorized by section 202 of this title, as follows:

(1) In recognition of Federal responsibility for the Colorado River as an interstate stream and for international comity with Mexico, Federal ownership of the lands of the Colorado River Basin from which most of the dissolved salts originate, and the policy embodied in the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816), 75 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof shall be nonreimbursable.

(2) Twenty-five per centum of the total costs shall be allocated between the Upper Colorado River Basin Fund established by section 5(a) of the Colorado River Storage Project Act (70 Stat. 107) and the Lower Colorado River Basin Development Fund established by section 403(a) of the Colorado River Basin Project Act (82 Stat. 895), after consultation with the Advisory Council created in section 204(a) of this title and consideration of the following items:

(i) benefits to be derived in each basin from the use of water of improved quality and the use of works for improved water management;

(ii) causes of salinity; and

(iii) availability of revenues in the Lower Colorado River Basin Development Fund and increased revenues to the Upper Colorado River Basin Fund made available under section 205(d) of this title: *Provided*, That costs allocated to the Upper Colorado River Basin Fund under section 205(a)(2) of this title not exceed 15 per centum of the costs allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund.

(3) Costs of construction of each unit or separable feature thereof allocated to the upper basin and to the lower basin under section 205(a)(12) of this title shall be repaid within a fifty-year period without interest from the date such unit or separable feature thereof is determined by the Secretary to be in operation.

(b)(1) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the lower basin under section 205(a)(2) of this title shall be paid in accordance with subsection 205(b)(2) of this title, from the Lower Colorado River Basin Development Fund.

(2) Section 403(g) of the Colorado River Basin Project Act (82 Stat. 896) is hereby amended as follows: strike the word "and" after the word "Act," in line 8; insert after the word "Act," the following "(2) for repayment to the general fund of the Treasury the costs of each salinity control unit or separable feature thereof payable from the Lower Colorado River Basin Development Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(b)(1) of the Colorado River Salinity Control Act and"; change paragraph (2) to paragraph (3).

(c) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the upper basin under section 205(a)(2) of this title shall be paid in accordance with section 205(d) of this *title* from the Upper Colorado River Basin Fund within the limit of the funds made available under section 205(e) of this title.

(d) Section 5(d) of the Colorado River Storage Project Act (70 Stat. 108) is hereby amended as follows: strike the word "and" at the end of paragraph (3); strike the period after the word "years" at the end of paragraph (4) and insert a semicolon in lieu thereof followed by the word "and"; add a new paragraph (5) reading:

"(5) the costs of each salinity control unit or separable feature thereof payable from the Upper Colorado River Basin Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(c) of the Colorado River Salinity Control Act.".

(e) The Secretary is authorized to make upward adjustments in rates charged for electrical energy under all contracts administered by the Secretary under the Colorado River Storage Project Act (70 Stat. 105, 43 U.S.C. 620) as soon as practicable and to the extent necessary to cover the costs of construction, operation, maintenance, and replacement of units allocated under section 205(a)(2) and in conformity with section 205(a)(3) of this title; *Provided*, That revenues derived from said rate adjustments shall be available solely for the construction, operation, maintenance, and replacement of salinity control units in the Colorado River Basin herein authorized.

Sec. 206. Commencing on January 1, 1975, and every two years thereafter, the Secretary shall submit, simultaneously, to the President, the Congress, and the Advisory Council created in section 204(a) of this title, a report on the Colorado River salinity control program authorized by this title covering the progress of investigations, planning, and construction of salinity control units for the previous fiscal year, the effectiveness of such units, anticipated work needed to be accomplished in the future to meet the objectives of this title, with emphasis on the needs during the five years immediately following the date of each report, and any special problems that may be impeding progress in attaining an effective salinity control program. Said report may be included in the biennial report on the quality of water of the Colorado River Basin prepared by the Secretary pursuant to section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 602n), section 15 of the Navajo Indian irrigation project, and the initial stage of the San Juan Chama Project Act (76 Stat. 102), and section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393).

Sec. 207. Except as provided in section 205(b) and 205(d) of this title, with respect to the Colorado River Basin Project Act and the Colorado River Storage Project Act, respectively, nothing in this title shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 620n), the Colorado River Basin Project Act (82 Stat. 885), section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393), section 15 of the Navajo Indian irrigation project and initial stage of the San Juan-Chama Project Act (76 Stat. 102), the National Environmental Policy Act of 1969, and the Federal Water Pollution Control Act, as amended.

Sec. 208. (a) The Secretary is authorized to provide modifications of the projects authorized by this title as determined to be appropriate for purposes of meeting the objective of this title. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to appropriate committees of the Congress, and not then if disapproved by said committees, except that funds may be expended prior to the expiration of such sixty days in any case in which the Congress approves an earlier date by concurrent resolution. The Governors of the Colorado River Basin States shall be notified of these changes.

(b) The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title, in advance of the appropriation of funds therefor. There is hereby authorized to be appropriated the sum of $125,100,000 for the construction of the works and for other purposes authorized in section 202 of this title, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in costs involved therein, and such sums as may be required to operate and maintain such works. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90–646).

Sec. 209. As used in this title—

(a) all terms that are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

Mr. MANSFIELD. Mr. President, I send to the desk a technical amendment. Also, I wish to state that the bill reflects the name of Senator Domenici as a cosponsor. This is a printing error. It should read Senator Dominick instead of Senator Domenici.

The PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 26, line 14, delete the word "with" and insert instead the word "within."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 12165, a companion bill passed by the House; that all after the enacting clause be stricken; and that the text of S. 2940, as amended, be substituted therefor, if it has been amended.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico, which was read twice by its title.

Mr. MANSFIELD. Mr. President, the legislation now before the Senate has as its primary objective the implementation of the Colorado River desalinization agreement signed by the United States and Mexico on August 30 of last year. Both the agreement and the implementing legislation are—to say the least—of historic importance to both countries.

Let me briefly sketch the salinity issue as it has developed in recent years.

The Colorado River has an average annual flow ranging between 14 and 18 million acre-feet. Under the terms of the 1944 Water Treaty with Mexico, the United States guarantees that 1.5 million acre-feet of this water will be delivered annually to Mexico. At the time the treaty was approved, United States use of this water resource was so small that Mexico was in fact receiving far in excess of its 1.5 million yearly allotment.

In the early 1960's two things occurred to create a serious salinity problem with respect to the water delivered to Mexico. First, by this time, there was virtually no surplus water going to Mexico. Second, and most importantly, United States brought into operation the Wellton-Mohawk Irrigation and Drainage District in Arizona, which produced a return flow having a very high saline content, approximately 6,000 parts per million.

The combined result of these two factors was to double the average annual salinity of 800 to 900 parts per million in water going to Mexico. At certain times of the year, the salinity factor in Mexico's Colorado River water increased to 2,500 parts per million.

In the course of the past decade, the United States has undertaken various "half measures" in an effort to reduce the saline content of water available to Mexico. From Mexico's standpoint, however, none of these has produced a lasting, satisfactory solution to the problem. Hence, throughout this time the problem has been a source of serious irritation in United States-Mexico relations.

Indeed, as those familiar with the salinity issue are aware, no other issue in recent times has so troubled our relations; no other problem has so taxed our determination to seek mutually satisfactory solutions to common problems; no other problem has so tested the sincerity and ingenuity of our diplomats; and no other problem has so challenged the mutual respect and goodwill that our two countries have for each other.

In the end, our deeds have matched our words. Looking back, I am convinced that it could not have been otherwise—given the solemn determination of President Nixon and President Echeverria to resolve this issue. Their enlightened leadership on it deserves the high praise. Likewise, a very special tribute is owed to former Attorney General Brownell and Foreign Secretary Rabasa, whose tireless efforts contributed so much to making the August 30 agreement a reality.

Legislation to implement the desalinization agreement arrived on Capitol Hill in February. In 5 short months it now has reached the stage of final passage. This is a legislative achievement of which we in the Congress can be justifiably proud—especially given the fact that the executive branch required 6 months just to formulate its legislation proposal.

The urgency with which Congress has handled this legislation can, I believe, be attributed in large part of the Mexico-United States Interparliamentary Conferences, which have been held annually since 1961. The 14th Conference was held just last month here in Washington, and as those who participated know, these conferences offer a vitally important sounding board to the parliamentarians of our respective legislatures. The deliberations, the discussions, the debates contribute immeasurably to a richer understanding of our mutual problems and concerns. They give us a genuine appreciation of the facts and this, in turn, serves to produce a political climate that virtually guarantees unanimous acceptance by the people's elected officials.

This was the pattern of the Chamizal Agreement in 1963. And it has proven successful again—as the legislation now before us so clearly demonstrates.

With the final passage of this implementing legislation, we once again extend to our Mexican friends—un abrazo fuertísimo.

Mr. President, I ask unanimous consent that excerpts from the report on the Colorado River Basin Salinity Control Act, S. 2940, be printed in the Record. The excerpts give a good history of the developments leading up to the present situation and also mark the honoring of the treaty of 1944 which guaranteed a certain number of cubic feet of good water to the people living across the line in Mexico.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpts From Colorado River Basin Salinity Control Act]

That this Act may be cited as the "Colorado River Basin Salinity Control Act".

TITLE I—PROGRAMS DOWNSTREAM FROM IMPERIAL DAM

SEC. 101. (a) The Secretary of the Interior, hereinafter referred to as the "Secretary", is authorized and directed to proceed with a program of works of improvement for the enhancement and protection of the quality of water available in the Colorado River for use in the United States and the Republic of Mexico, and to enable the United States to comply with its obligations under the agreement with Mexico of August 30, 1973 (Minute No. 242 of the International Boundary and Water Commission, United States and Mexico), concluded pursuant to the Treaty of February 3, 1944 (TS 994), in accordance with the provisions of this Act.

(b) (1) The Secretary is authorized to construct, operate, and maintain a desalting complex, including (1) a desalting plant to reduce the salinity of drain water from the Wellton-Mohawk division of the Gila project, Arizona (hereinafter referred to as the division), including a pretreatment plant for settling, softening, and filtration of the drain water to be desalted; (2) the necessary appurtenant works including the intake pumping plant system, product waterline, power transmission facilities, and permanent operating facilities; (3) the necessary extension in the United States and Mexico of the existing bypass drain to carry the reject stream from the desalting plant and other drainage waters to the Santa Clara Slough in Mexico, with the part in Mexico, subject to arrangements made pursuant to section 101(d); (4) replacement of the metal flume in the existing main outlet drain extension with a concrete siphon; (5) reduction of the quantity of irrigation return flows through acquisition of lands to reduce the size of the division, and irrigation efficiency improvements to minimize return flows; (6) acquire on behalf of the United States such lands or interest in lands in the Painted Rock Reservoir as may be necessary to operate the project in accordance with the obligations of Minute No. 242, and (7) all associated facilities including roads, railroad spur, and transmission lines.

(2) The desalting plant shall be designed to treat approximately one hundred and twenty-nine million gallons a day of drain water using advanced technology commercially available. The plant shall effect recovery initially of not less than 70 per centum of the drain water as product water, and shall effect reduction of not less than 90 per centum of the dissolved solids in the feed water. The Secretary shall use sources of electric power supply for the desalting complex that will not diminish the supply of power to preference customers from Federal power systems operated by the Secretary. All costs associated with the desalting plant shall be nonreimbursable.

(c) Replacement of the reject stream from the desalting plant and of any Wellton-Mohawk drainage water bypassed to the Santa Clara Slough to accomplish essential operation except at such times when there exists surplus water of the Colorado River under the terms of the Mexican Water Treaty of 1944, is recognized as a national obligation as provided in section 202 of the Colorado River Basin Project Act (82 Stat. 895). Studies to identify feasible measures to provide adequate replacement water shall be completed not later than June 30, 1980. Said studies shall be limited to potential sources within the States of Arizona, California, New Mexico, and those portions of Nevada, Utah, and Wyoming which are within the natural drainage basin of the Colorado River. Measures found necessary to replace the reject stream from the desalting plant and any Wellton-Mohawk drainage bypassed to the Santa Clara Slough to accomplish essential operations may be undertaken independently of the national obligation set forth in section 202 of the Colorado River Basin Project Act.

(d) The Secretary is hereby authorized to advance funds to the United States section, International Boundary and Water Commission (IBWC), for construction, operation, and maintenance by Mexico pursuant to Minute No. 242 of that portion of the bypass drain with Mexico. Such funds shall be transferred to an appropriate Mexican agency, under arrangements to be concluded by the IBWC providing for the construction, operation, and maintenance of such facility by Mexico.

(e) Any desalted water not needed for the purposes of this title may be exchanged at prices and under terms and conditions satisfactory to the Secretary and the proceeds therefrom shall be deposited in the General Fund of the Treasury. The city of Yuma, Arizona, shall have first right of refusal to any such water.

(f) For the purpose of reducing the return flows from the division to one hundred and seventy-five thousand acre-feet or less, annually, the Secretary is authorized to:

(1) Accelerate the cooperative program of Irrigation Management Services with the Wellton-Mohawk Irrigation and Drainage District, hereinafter referred to as the district, for the purpose of improving irrigation efficiency. The district shall bear its share of the cost of such program as determined by the Secretary.

(2) Acquire, by purchase or through eminent domain or exchange, to the extent determined by him to be appropriate, lands or interests in lands to reduce the existing seventy-five thousand developed and undeveloped irrigable acres authorized by the Act of July 30, 1947 (61 Stat. 628), known as the Gila Reauthorization Act. The initial reduction in irrigable acreage shall be limited to approximately ten thousand acres. If the Secretary determines that the irrigable acreage of the division must be reduced below sixty-five thousand acres of irrigable lands to carry out the purpose of this section, the Secretary is authorized, with the consent of the district, to acquire additional lands, as may be deemed by him to be appropriate.

(g) The Secretary is authorized to dispose of the acquired lands and interests therein on terms and conditions satisfactory to him and meeting the objective of this Act.

(h) The Secretary is authorized, either in conjunction with or in lieu of land acquisition, to assist water users in the division in installing system improvements, such as ditch lining, change of field layouts, automatic equipment, sprinkler systems and bubbler systems, as a means of increasing irrigation efficiencies: *Provided*, however, That all costs associated with the improvements authorized herein and allocated to the water users on the basis of benefits received, as determined by the Secretary, shall be reimbursed to the United States in amounts and on terms and conditions statisfactory to the Secretary.

(i) The Secretary is authorized to amend the contract between the United States and the district dated March 4, 1952, as amended, to provide that—

(1) the portion of the existing repayment obligation owing to the United States allocable to irrigable acreage eliminated from the division for the purposes of this title, as determined by the Secretary, shall be nonreimbursable; and

(2) if deemed appropriate by the Secretary, the district shall be given credit against its outstanding repayment obligation to offset any increase in operation and maintenance assessments per acre which may result from the district's decreased operation and maintenance base, all as determined by the Secretary.

(j) The Secretary is authorized to acquire through the Corps of Engineers fee title to, or other necessary interests in, additional lands above the Painted Rock Dam in Arizona that are required for the temporary storage capacity needed to permit operation of the dam and reservoir in times of serious flooding in accordance with the obligations of the United States under Minute No. 242. No funds shall be expended for acquisition of land or interests therein until it is finally determined by a Federal court of competent jurisdiction that the Corps of Engineers presently lacks legal authority to use said lands for this purpose. Nothing contained in this title nor any action taken pursuant to it shall be deemed to be a recognition or admission of any obligation to the owners of such land on the part of the United States or a limitation or deficiency in the rights or powers of the United States with respect to such lands or the operation of the reservoir.

(k) To the extent desirable to carry out sections 101(f)(1) and 101(h), the Secretary may transfer funds to the Secretary of Agriculture as may be required for technical assistance to farmers, conduct of research and demonstrations, and such related investigations as are required to achieve higher on-farm irrigation efficiencies.

(l) All cost associated with the desalting complex shall be nonreimbursable except as provided in sections 101(f) and 101(h).

SEC. 102. (a) To assist in meeting salinity control objectives of Minute No. 242 during an interim period, the Secretary is authorized to construct a new concrete-lined canal or, to line the presently unlined portion of the Coachella Canal of the Boulder Canyon project, California, from station 2 plus 26 to the beginning of siphon numbered 7, a length of approximately forty-nine miles. The United States shall be entitled to temporary use of a quantity of water, for the purpose of meeting the salinity control objectives of Minute No. 242, during an interim period, equal to the quantity of water conserved by constructing or lining the said canal. The interim period shall commence on completion of construction or lining said canal and shall end the first year that the Secretary delivers main stream Colorado River water to California in an amount less than the sum of the quantities requested by (1) the California agencies under contracts made pursuant to section 5 of the Boulder Canyon Project Act (45 Stat. 1057), and (2) Federal establishments to meet their water rights acquired in California in accordance with the Supreme Court decree in Arizona against California (376 U.S. 340).

(b) The charges for total construction shall be repayable without interest in equal annual installments over a period of forty years beginning in the year following completion of construction: *Provided*, That, repayment shall be prorated between the United States and the Coachella Valley County Water District, and the Secretary is authorized to enter into a repayment contract with Coachella Valley County Water District for that purpose. Such contract shall provide that annual repayment installments shall be nonreimbursable during the interim period, defined in section 102(a) of this title and shall provide that after the interim period, said annual repayment installments or portions thereof, shall be paid by Coachella Valley County Water District.

(c) The Secretary is authorized to acquire by purchase, eminent domain, or exchange private lands or interests therein, as may be determined by him to be appropriate, within the Imperial Irrigation District on the Imperial East Mesa which receive, or which have been granted rights to receive, water from Imperial Irrigation District's capacity in the Coachella Canal. Costs of such acquisitions shall be nonreimbursable and the Secretary shall return such lands to the public domain. The United States shall not acquire any water rights by reason of this land acquisition.

(d) The Secretary is authorized to credit Imperial Irrigation District against its final payments for certain outstanding construction charges payable to the United States on account of capacity to be relinquished in the Coachella Canal as a result of the canal lining program, all as determined by the Secretary: *Provided,* That, relinquishment of capacity shall not affect the established basis for allocating operation and maintenance costs of the main All-American Canal to existing contractors.

(e) The Secretary is authorized and directed to cede the following land to the Cocopah Tribe of Indians, subject to rights-of-way for existing levees, to be held in trust by the United States for the Cocopah Tribe of Indians:

Township 9 south, range 25 west of the Gila and Salt River meridian, Arizona;

Section 25: Lots 18, 19, 20, 21, 22, and 23;

Section 26: Lots 1, 12, 13, 14, and 15;

Section 27: Lot 3; and all accretion to the above described lands.

The Secretary is authorized and directed to construct three bridges, one of which shall be capable of accommodating heavy vehicular traffic, over the portion of the bypass drain which crosses the reservation of the Cocopah Tribe of Indians. The transfer of lands to the Cocopah Indian Reservation and the constuction of bridges across the bypass drain shall constitute full and complete payment to said tribe for the rights-of-way required for construction of the bypass drain and electrical transmission lines for works authorized by this title.

SEC. 103. (a) The Secretary is authorized to:

(1) Construct, operate, and maintain, consistent with Minute No. 242, well fields capable of furnishing approximately one hundred and sixty thousand acre-feet of water per year for use in the United States and for delivery to Mexico in satisfaction of the 1944 Mexican Water Treaty.

(2) Acquire by purchase, eminent domain, or exchange, to the extent determined by him to be appropriate, approximately twenty-three thousand five hundred acres of lands or interests therein within approximately five miles of the Mexican border on the Yuma Mesa: *Provided, however,* That any such lands which are presently owned by the State of Arizona may be acquired or exchanged for Federal lands.

(3) Any lands removed from the jurisdiction of the Yuma Mesa Irrigation and Drainage District pursuant to clause (2) of this subsection which were available for use under the Gila Reauthorization Act (61 Stat. 628), shall be replaced with like lands within or adjacent to the Yuma Mesa division of the project. In the development of these substituted lands or any other lands within the Gila project, the Secretary may provide for full utilization of the Gila Gravity Main Canal in addition to contracted capacities.

(b) The cost of work provided for in this section, including delivery of water to Mexico, shall be nonreimbursable; except to the extent that the waters furnished are used in the United States.

SEC. 104. The Secretary is authorized to provide for modifications of the projects authorized by this title to the extent he determines appropriate for purposes of meeting the international settlement objective of his title at the lowest overall cost to the United States. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to the appropriate committees of the Congress, unless the Congress approves an earlier date by concurrent resolution. The Secretary shall notify the Governors of the Colorado River Basin States of such modifications.

SEC. 105. The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title in advance of the appropriation of funds therefor.

SEC. 106. In carrying out the provisions of this title, the Secretary shall consult and cooperate with the Secretary of State, the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and other affected Federal, State, and local agencies.

SEC. 107. Nothing in this Act shall be deemed to modify the National Environmental Policy Act of 1969, the Federal Water Pollution Control Act, as amended, or, except as expressly stated herein, the provisions of any other Federal law.

SEC. 108. There is hereby authorized to be appropriated the sum of $121,500,000 for the construction of the works and accomplishments of the purposes authorized in sections 101 and 102, and $34,000,000 to accomplish the purposes of section 103, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs involved therein, and such sums as may be required to operate and maintain such works and to provide for such modifications as may be made pursuant to section 104. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90–646).

TITLE II—MEASURES UPSTREAM FROM IMPERIAL DAM

SEC. 201. (a) The Secretary of the Interior shall implement the salinity control policy adopted for the Colorado River in the "Conclusions and Recommendations" published in the Proceedings of the Reconvened Seventh Session of the Conference in the Matter of Pollution of the Interstate Waters of the Colorado River and its Tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico, and Wyoming, held in Denver, Colorado, on April 26–27, 1972, under the authority of section 10 of the Federal Water Pollution Control Act (33 U.S.C. 1160), and approved by the Administrator of the Environmental Protection Agency on June 9, 1972.

(b) The Secretary is hereby directed to expedite the investigation, planning, and implementation of the salinity control program generally as described in chapter VI of the "Secretary's report entitled, "Colorado River Water Quality Improvement Program, February 1972".

(c) In conformity with section 201(a) of this title and the authority of the Environmental Protection Agency under Federal laws, the Secretary, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture are directed to cooperate and coordinate their activities effectively to carry out the objective of this title.

SEC. 202. The Secretary is authorized to construct, operate, and maintain the following salinity control units as the initial stage of the Colorado River Basin salinity control program.

(1) The Paradox Valley unit, Montrose County, Colorado, consisting of facilities for collection and disposition of saline ground water of Paradox Valley, including wells, pumps, pipelines, solar evaporation ponds, and all necessary appurtenant and associated works such as roads, fences, dikes, power transmission facilities, and permanent operating facilities.

(2) The Grand Valley unit, Colorado, consisting of measures and all necessary appurtenant and associated works to reduce the seepage of irrigation water from the irrigated lands of Grand Valley into the ground water and thence into the Colorado River. Measures shall include lining of canals and laterals, and the combining of existing canals and laterals into fewer and more efficient facilities. Prior to initiation of construction of the Grand Valley unit the Secretary shall enter into contracts through which the agencies owning, operating, and maintaining the water distribution systems in Grand Valley, singly or in concert, will assume all obligations relating to the continued operation and maintenance of the unit's facilities to the end that the maximum reduction of salinity inflow to the Colorado River will be achieved. The Secretary is also authorized to provide, as an element of the Grand Valley unit, for a technical staff to provide information and assistance to water users on means and measures for limiting excess water applications to irrigated lands: *Provided,* That such assistance shall not exceed a period of five years after funds first become available under this title. The Secretary will enter into agreements with the Secretary of Agriculture to develop a unified control plan for the Grand Valley unit. The Secretary of Agriculture is directed to cooperate in the planning and construction of on-farm system measures under programs available to that Department.

(3) The Crystal Geyser unit, Utah, consisting of facilities for collection and disposition of saline geyser discharges; including dikes, pipelines, solar evaporation ponds, and all necessary appurtenant works including operating facilities.

(4) The Las Vegas Wash unit, Nevada, consisting of facilities for collection and disposition of saline ground water of Las Vegas Wash, including infiltration galleries, pumps, desalter, pipelines, solar evaporation facilities, and all appurtenant works including but not limited to roads, fences, power transmission facilities, and operating facilities.

SEC. 203. (a) The Secretary is authorized and directed to—

(1) Expedite completion of the planning reports on the following units, described in the Secretary's report, "Colorado River Water Quality Improvement Program, February 1972":

(i) Irrigation source control:
Lower Gunnison.
Uintah Basin.
Colorado River Indian Reservation.
Palo Verde Irrigation District.
(ii) Point source control:
LeVerkin Springs.
Littlefield Springs.
Glenwood-Dotsero Springs.
(iii) Diffuse source control:
Price River
San Rafael River
Dirty Devil River
McElmo Creek
Big Sandy River

(2) Submit each planning report on the units named in section 203(a)(1) of this title promptly to the Colorado River Basin States and to such other parties as the Secretatry deems appropriate for their review and comments. After receipt of comments on a unit and careful consideration thereof, the Secretary shall submit each final report with his recommendations, simultaneously, to the President, other concerned Federal departments and agencies, the Congress, and the Colorado River Basin States.

(b) The Secretary is directed—

(1) in the investigation, planning, construction, and implementation of any salinity control unit involving control of salinity from irrigation sources, to cooperate with the Secretary of Agriculture in carrying out research and demonstration projects and in implementing on-the-farm improvements and farm management practices and programs which will further the objective of this title;

(2) to undertake research on additional methods for accomplishing the objective of this title, utilizing to the fullest extent practicable the capabilities and resources of other Federal departments and agencies, interstate institutions, States, and private organizations.

Sec. 204. (a) There is hereby created the Colorado River Basin Salinity Control Advisory Council composed of no more than three members from each State appointed by the Governor of each of the Colorado River Basin States.

(b) The Council shall be advisory only and shall—

(1) act as liaison between both the Secretaries of Interior and Agriculture and the Administrator of the Environmental Protection Agency and the States in accomplishing the purposes of this title;

(2) receive reports from the Secretary on the progress of the salinity control program and review and comment on said reports; and

(3) recommend to both the Secretary and the Administrator of the Environmental Protection Agency appropriate studies of further projects, techniques, or methods for accomplishing the purposes of this title.

Sec. 205. (a) The Secrettary shall allocate the total costs of each unit or separable feature thereof authorized by section 202 of this title, as follows:

(1) In recognition of Federal responsibility for the Colorado River as an interstate stream and for international comity with Mexico, Federal ownership of the lands of the Colorado River Basin from which most of the dissolved salts originate, and the policy embodied in the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816), 75 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof shall be nonreimbursable.

(2) Twenty-five per centum of the total costs shall be allocated between the Upper Colorado River Basin Fund established by section 5(a) of the Colorado River Storage Project Act (70 Stat. 107) and the Lower Colorado River Basin Development Fund established by section 403(a) of the Colorado River Basin Project Act (82 Stat. 895), after consultation with the Advisory Council created in section 204(a) of this title and consideration of the following items:

(i) benefits to be derived in each basin from the use of water of improved quality and the use of works for improved water management;

(ii) causes of salinity; and

(iii) availability of revenues in the Lower Colorado River Basin Development Fund and increased revenues to the Upper Colorado River Basin Fund made available under section 205(d) of this title: *Provided*, That costs allocated to the Upper Colorado River Basin Fund under section 205(a)(2) of this title shall not exceed 15 per centum of the costs allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund.

(3) Costs of construction of each unit or separable feature thereof allocated to the upper basin and to the lower basin under section 205(a)(2) of this title shall be repaid within a fifty-year period without interest from the date such unit or separable feature thereof is determined by the Secretary to be in operation.

(b)(1) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the lower basin under section 205(a)(2) of this title shall be paid in accordance with subsection 205(b)(2) of this title, from the Lower Colorado River Basin Development Fund.

(2) Section 403(g) of the Colorado River Basin Project Act (82 Stat. 896) is hereby amended as follows: strike the word "and" after the word "Act," in line 8; insert after the word "Act," the following "(2) for repayment to the general fund of the Treasury the costs of each salinity control unit or separable feature thereof payable from the Lower Colorado River Basin Development Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(b)(1) of the Colorado River Salinity Control Act and"; change paragraph (2) to paragraph (3).

(c) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the upper basin under section 205(a)(2) of this title shall be paid in accordance with section 205(d) of this title from the Upper Colorado River Basin Fund within the limit of the funds made available under section 205(e) of this title.

(d) Section 5(d) of the Colorado River Storage Project Act (70 Stat. 108) is hereby amended as follows: strike the word "and" at the end of paragraph (3); strike the period after the word "years" at the end of paragraph (4) and insert a semicolon in lieu thereof followed by the word "and"; add a new paragraph (5) reading:

"(5) the costs of each salinity control unit or separable feature thereof payable from the Upper Colorado River Basin Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(c) of the Colorado River Salinity Control Act.".

(e) The Secretary is authorized to make upward adjustments in rates charged for electrical energy under all contracts administered by the Secretary under the Colorado River Storage Project Act (70 Stat. 105, 43 U.S.C. 620) as soon as practicable and to the extent necessary to cover the costs of construction, operation, maintenance, and replacement of units allocated under section 205(a)(2) and in conformity with section 205(a)(3) of this title: *Provided*, That revenues derived from said rate adjustments shall be available solely for the construction, operation, maintenance, and replacement of salinity control units in the Colorado River Basin herein authorized.

Sec. 206. Commencing on January 1, 1975, and every two years thereafter, the Secretary shall submit, simultaneously, to the President, the Congress, and the Advisory Council created in section 204(a) of this title, a report on the Colorado River salinity control program authorized by this title covering the progress of investigations, planning, and construction of salinity control units for the previous fiscal year, the effectiveness of such units, anticipated work needed to be accomplished in the future to meet the objectives of this title, with emphasis on the needs during the five years immediately following the date of each report, and any special problems that may be impeding progress in attaining an effective salinity control program. Said report may be included in the biennial report on the quality of water of the Colorado River Basin prepared by the Secretary pursuant to section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 602n), section 15 of the Navajo Indian irrigation project, and the initial stage of the San Juan Chama Project Act (76 Stat. 102), and section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393).

Sec. 207. Except as provided in section 205(b) and 205(d) of this title, with respect to the Colorado River Basin Project Act and the Colorado River Storage Project Act, respectively, nothing in this title shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 620n), the Colorado River Basin Project Act (82 Stat. 885), section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393), section 15 of the Navajo Indian irrigation project and initial stage of the San Juan-Chama Project Act (76 Stat. 102), the National Environmental Policy Act of 1969, and the Federal Water Pollution Control Act, as amended.

Sec. 208. (a) The Secretary is authorized to provide for modifications of the projects authorized by this title as determined to be appropriate for purposes of meeting the objective of this title. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to appropriate committees of the Congress, and not then if disapproved by said committees, except that funds may be expended prior to the expiration of such sixty days in any case in which the Congress approves an earlier date by concurrent resolution. The Governors of the Colorado River Basin States shall be notified of these changes.

(b) The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title, in advance of the appropriation of funds therefor. There is hereby authorized to be appropriated the sum of $125,100,000 for the construction of the works and for other purposes authorized in section 202 of this title, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in costs involved therein, and such sums as may be required to operate and maintain such works. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90–646).

Sec. 209. As used in this title—

(a) all terms that are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

I. BACKGROUND AND NEED FOR THE LEGISLATION

The increasing salinity of the Colorado River has been a prominent issue in both the United States and Mexico for many years. The river system is a source of municipal, industrial, and agricultural water which is vital to the economy of seven American States and a large area in Mexico.

A treaty between the United States and Mexico was consummated on February 3, 1944 (59 Stat. 1219) which guarantees Mexico the right to receive 1.5 million acre-feet of Colorado River water annually. Increasing salinity of deliveries under the treaty have been a long-standing controversy between the United States and Mexico and several interim agreements have been made to manage the deliveries to reduce the impacts of salinity.

As a direct result of the June 1972 visit of Mexican President Echeverria, in which he highlighted the problem in his address to the Congress, President Nixon appointed former Attorney General Brownell as his special representative to seek a permanent solution. General Brownell, assisted by an interagency task force, successfully concluded an agreement with Mexico. The agreement is set forth in "Minute No. 242 of the International Boundary and Water Commission" which was signed on August 30, 1973. (The "minute" constitutes an interpretation of the 1944 treaty.) Its text follows:

"The Commission met at the Secretariat of Foreign Relations, at Mexico, D.F., at 5:00 p.m. on August 30, 1973, pursuant to the instructions received by the two Commissioners from their respective Governments, in order to incorporate in a Minute of the Commission the joint recommendations which were made to their respective Presidents by the Special Representative of President Richard Nixon, Ambassador Herbert Brownell, and the Secretary of Foreign Relations of Mexico, Lic. Emilio O. Rabasa, and which have been approved by the Presidents, for a permanent and definitive solution of the international problem of the salinity of the Colorado River, resulting from the negotiations which they, and their technical and juridical advisers, held in June, July and August of 1973, in compliance with the references to this matter contained in the Joint Communique of Presidents Richard Nixon and Luis Echeverria of June 17, 1972.

"Accordingly, the Commission submits for the approval of the two Governments the following

Resolution

"1. Referring to the annual volume of Colorado River waters guaranteed to Mexico under the Treaty of 1944, of 1,500,000 acre-feet (1,859,234,000 cubic meters):

"(a) The United States shall adopt measures to assure that not earlier than January 1, 1974, and no later than July 1, 1974, the approximately 1,360,000 acre-feet (1,677,545,000 cubic meters) delivered to Mexico upstream of Morelos Dam, have an annual average salinity of no more than 115 ppm ±30 ppm U.S. count (121 ppm ±30 ppm Mexican count) over the annual average salinity of Colorado River waters which arrive at Imperial Dam, with the understanding that any waters that may be delivered to Mexico under the Treaty of 1944 by means of the All-American Canal shall be considered as having been delivered upstream of Morelos Dam for the purpose of computing this salinity.

"(b) The United States will continue to deliver to Mexico on the land boundary at San Luis and in the limitrophe section of the Colorado River downstream from Morelos Dam approximately 140,000 acre-feet (172,689,000 cubic meters) annually with a salinity substantially the same as that of the waters customarily delivered there.

"(c) Any decrease in deliveries under point 1(b) will be made up by an equal increase in deliveries under point 1(a).

"(d) Any other substantial changes in the aforementioned volumes of water at the stated locations must be agreed to by the Commission.

"(e) Implementation of the measures referred to in point 1(a) above is subject to the requirement in point 10 of the authorization of the necessary works.

"2. The life of Minute No. 241 shall be terminated upon approval of the present Minute. From September 1, 1973, until the provisions of point 1(a) become effective, the United States shall discharge to the Colorado River downstream from Morelos Dam volumes of drainage waters from the Wellton-Mohawk District at the annual rate of 118,000 acre-feet (145,551,000 cubic meters) and substitute therefor an equal volume of other waters to be discharged to the Colorado River above Morelos Dam; and, pursuant to the decision of President Echeverria expressed in the Joint Communique of June 17, 1972, the United States shall discharge to the Colorado River downstream from Morelos Dam the drainage waters of the Wellton-Mohawk District that do not form a part of the volumes of drainage waters referred to above, with the understanding that this remaining volume will not be replaced by substitution waters. The Commission shall continue to account for the drainage waters discharged below Morelos Dam as part of those described in the provisions of Article 10 of the Water Treaty of February 3, 1944.

"3. As a part of the measures referred to in point 1(a), the United States shall extend in its territory the concrete-lined Wellton-Mohawk bypass drain from Morelos Dam to the Arizona-Sonora international boundary, and operate and maintain the portions of the Wellton-Mohawk bypass drain located in the United States.

"4. To complete the drain referred to in point 3, Mexico, through the Commission and at the expense of the United States, shall construct, operate and maintain an extension of the concrete-lined bypass drain from the Arizona-Sonora international boundary to the Santa Clara Slough of a capacity of 353 cubic feet (10 cubic meters) per second. Mexico shall permit the United States to discharge through this drain to the Santa Clara Slough all or a portion of the Wellton-Mohawk drainage waters, the volumes of brine from such desalting operations in the United States as are carried out to implement the Resolution of this Minute, and any other volumes of brine which Mexico may agree to accept. It is understood that no radioactive material or nuclear wastes shall be discharged through this drain, and that the United States shall acquire no right to navigation, servitude or easement by reason of the existence of the drain, nor other legal rights, except as expressly provided in this point.

"5. Pending the conclusion by the Government of the United States and Mexico of a comprehensive agreement on groundwater in the border areas, each country shall limit pumping of groundwaters in its territory within 5 miles (eight kilometers) of the Arizona-Sonora boundary near San Luis to 160,000 acre-feet (197,358,000 cubic meters) annually.

"6. With the objective of avoiding future problems, the United States and Mexico shall consult with each other prior to undertaking any new development of either the surface or the groundwater resources, or undertaking substantial modifications of present developments, in its own territory in the border area that might adversely affect the other country.

"7. The United States will support efforts by Mexico to obtain appropriate financing on favorable terms for the improvement and rehabilitation of the Mexicali Valley. The United States will also provide nonreimbursable assistance on a basis mutually acceptable to both countries exclusively for those aspects of the Mexican rehabilitation program of the Mexicali Valley relating to the salinity problem, including tile drainage. In order to comply with the above-mentioned purposes, both countries will undertake negotiations as soon as possible.

"8. The United States and Mexico shall recognize the undertakings and understandings contained in this Resolution as constituting the permanent and definitive solution of the salinity problem referred to in the Joint Communique of President Richard Nixon and President Luis Echeverria dated June 17, 1972.

"9. The measures required to implement this Resolution shall be undertaken and completed at the earliest practical date.

"10. This Minute is subject to the express approval of both Governments by exchange of Notes. It shall enter into force upon such approval; provided, however, that the provisions which are dependent for their implementation on the construction of works or on other measures which require expenditure of funds by the United States, shall become effective upon the notification by the United States to Mexico of the authorization by the United States Congress of said funds, which will be sought promptly.

"Thereupon, the meeting adjourned."

D. HERRERA J.,
Commissioner of Mexico.
J. F. FRIEDKIN,
Commissioner of the United States.
FERNANDO RIVAS S.,
Secretary of Mexican Section.
F. H. SACKSTEDER, Jr.,
Secretary of the United States Section.

The principal provision of Minute No. 242 is a U.S. commitment to maintain a salinity differential of not more than 115 parts per million between Imperial Dam (the lowest major American diversion point) and Morelos Dam (the major Mexican diversion point). There are several other corollary points to the agreement.

The implementation of the agreement with Mexico would result in no appreciable benefit to water users in the United States. In fact, it would result in a net loss of water as a result of the bypassing of brines from the desalting operations without charging them to Mexico's allotment.

Much of the Colorado River Basin, and particularly the Lower Basin is heavily dependent upon the waters of the Colorado River to make the area habitable and productive. In addition, the significance of the Colorado River extends far beyond the physical boundaries of the basin, as it is an important source of water supply for such areas as southern California, Denver, and Salt Lake City. For some 60 years the efficient use and regulation of the river for the purposes of reclamation, flood control, and production of electric power has been a matter of concern to all of the States through which the river flows and increasingly, as salinity levels have risen, the quality of the water has become almost as crucial a question as its availability.

As the uses of Colorado River water increased over the years, so did salinity levels. In addition to an unsually high naturally occurring dissolved mineral load, increased uses by man have contributed loads of dissolved materials. The greatest contributing factor has been increased diversion and consumption of water for agricultural uses with related irrigation water return flows which have leached additional salts from soils, as about 2.4 million acres of lands within the basin and additional thousands of adjacent acres have been brought under irrigation utilizing Colorado River water. Diversion of stream flows has had the effect of concentrating salts in the remaining water and municipal and industrial water consumption as well as reservoir evaporation, have contributed to increased salinity.

Salinity, particularly in the States of the lower basin has reached levels critical to the use of water for irrigation and municipal consumption. Present concentrations now average about 881 parts per million at Imperial Dam with projections for the year 2000 ranging from 1,160 to 1,300 parts per million if the salinity measures authorized by S. 2940 are not undertaken.

The Congress, the Executive, State government, and water consumers view with growing concern the continued increases in salinity and have been actively seeking the means of controlling the quality of water in the U.S. portion of the basin. In April of 1972, the Department of the Interior presented a salinity control program, developed by the Bureau of Reclamation, to the participants of an Enforcement Conference on the Pollution of Interstate Waters of the Colorado River. The measures which were included in the Department's recommendations are the basis of the general provisions of title II of S. 2490.

II. LEGISLATIVE HISTORY

Three bills were introduced in the 93d Congress relating to salinity control measures on the Colorado River. S. 1807, a bill introduced on May 14, 1973, by Senator Tunney with several cosponsors to authorize several salinity contral measures within the basin not specifically associated with the Mexican agreement; S. 2940, a bill introduced on February 1, 1974, by Senators Fannin, Bible, and Dominick to authorize salinity control measures within the basin as well as those measures necessary to implement the intent of Minute No. 242 concluded pursuant to the Treaty of 1944; and S. 3094, a bill introduced on March 1, 1974, by Senator Jackson (by request), to authorize salinity control measures necessary to implement the intent of Minute No. 242 concluded pursuant to the Treaty of 1944.

Hearings before the Subcommittee on Water and Power Resources were held on April 26, 1974, on S. 1807, S. 2940, and S. 3094. Subsequently, the full committee met on June 3, 1974, in open executive session, and ordered S. 2940 reported with an amendment.

III. COMMITTEE AMENDMENTS

The Senate Committee on Interior and Insular Affairs, in considering S. 2940, attempted to conform the structure of the bill to that of H.R. 12165, a companion bill which had been reported by the House Interior Committee to facilitate the final resolution of the differences between the two measures. The committee amended S. 2940 by striking all after the enacting clause and inserting a new text. The new text includes many technical and clarifying language changes. The major amendments made to the bill as introduced were the following:

1. *Sec. 101(a)*. After the word "Mexico" the committee inserted the following language: "and to enable the United States to comply with its obligations under the agreement with Mexico of August 30, 1973 (Minute No. 242 of the International Boundary and Water Commission, United States and Mexico) concluded pursuant to the Treaty of February 3, 1944 (TS 994),".

The purpose of this amendment is to specifically recognize the intent of the bill to implement the agreement with Mexico, and to associate the work in title I with the terms of the agreement at an early point in the text.

2. *Sec. 101(b)(6)*. The authority for the Secretary to regulate Gila River floodwaters entering the Wellton-Mohawk division of the Gila project was specifically limited to the authority to acquire lands in the reservoir area of the existing Painted Rock Dam.

3. *Sec. 101(c)*. The committee amended the measure to limit the authority granted by this section to study means of replacing the brine bypassed from the desalting plant.

The original language suggested the possibility of diversions from outside the Colorado Basin might be considered. The amended language restricts the study using the same language as section 202 of the Colorado River Basin Project Act of 1968.

4. *Sec. 101(e)*. The city of Yuma was given the right of first refusal for any desalted water not needed for purposes of satisfying the requirements of Minute No. 242.

5. *Sec. 101(f)*. The bill was amended to require the consent of the Wellton-Mohawk Irrigation and Drainage District to any acquisition of district irrigable lands in excess of the first 10,000 acres.

6. *Sec 101(j)*. Authority to carry out flood control measures *below* the existing Painted Rock Dam were deleted.

7. *Sec. 102(e)*. A new section was added authorizing the Secretary to cede Federal lands to the Cocopah Indian Tribe and to construct bridges to mitigate the impact of the bypass drain carrying brine from the desalting plant which will cross the reservation.

8. *Sec. 103(a)*. The section was amended to delete the contingency placed upon the Secretary's authority to proceed with protective ground water pumping measures along the Mexican border.

9. *Sec. 103(a) (2) and (3)*. The Secretary was authorized to exchange lands for any lands removed from the Yuma Mesa Irrigation and Drainage District in connection with protective groundwater pumping measures along the Mexican border.

10. *Sec. 108*. The authorized appropriations of $119,500,000 were increased by $2 million for studies of brine replacement sources resulting in a new ceiling of $121,500,000.

IV. SECTION-BY-SECTION ANALYSIS

TITLE I

Title I of S. 2940 includes the features which were proposed by the administration to carry out the intent of Minute No. 242 and other provisions associated with that work as described below:

Sec. 101(a) authorizes the Secretary of the Interior to proceed with a program of works for quality control in the Colorado River and states an objective of the work to be compliance with the terms of the agreement with Mexico incorporated in Minute No. 242.

Sec. 101(b) authorizes the construction, operation, and maintenance of a desalting complex including a desalting plant of the approximate capacity of 129 million gallons per day (mgd); a pretreatment facility; appurtenant pumps, pipeline and power transmission facilities; an extension of the existing drainage bypass to the Santa Clara Slough in Mexico; roads and railroads; and the replacement of a metal flume in the present bypass with a concrete structure.

Also included are two programs designed to limit the amount of drainage outflow from the Wellton-Mohawk project. Under the first program the size of the irrigation district will be reduced to at least 65,000 acres and work will be instituted to increase the efficiency of water use on the remaining lands. The second program will involve the acquisition of sufficient reservoir right-of-way for Painted Rock Reservoir on the Gila River to enable operation of that structure so as to prevent released flood waters from entering the Wellton-Mohawk drainage system and overloading the desalting plant.

This subsection also requires that the desalting plant be designed to effect recovery of at least 70 percent of the drainage feed water and to remove at least 90 percent of the impurities. The legislation also requires that the electric power supply for the desalting plant, approximately 35 megawatts, be obtained from sources that do not diminish the supply of power to preference customers of Federal power systems.

It is the intention of the committee that to the greatest extent possible the Secretary shall make his plans for obtaining energy for the desalting plant known to the electric utilities in the region so that any utilities affected by the decision will have ample planning information.

Sec. 101(c) requires that the reject brine from the desalting plant plus any unavoidable bypasses shall be replaced as a national obligation and that studies to identify means of providing replacement shall be completed by June 30, 1980. Such studies shall be limited to the States of Arizona, California, New Mexico, Colorado and the portions of Nevada, Wyoming and Utah in the natural basin of the Colorado River. Such studies may be undertaken independently of the augmentation studies authorized by Section 202 of the Colorado River Project Act.

Sec. 101(d) authorizes the Secretary of the Interior to advance funds to the United States Section of the International Boundary and Water Commission with which to construct, operate and maintain that portion of the reject brine channel located in the Republic of Mexico. The International Boundary and Water Commission shall, under appropriate arrangement, transfer the funds to an agency of the Mexican government for actual accomplishment of the work.

Sec. 101(e) authorizes the Secretary of the Interior to exchange surplus desalted water with holders of perfected rights or contractual rights to water supplies from the Colorado River; and to give the city of Yuma, Arizona, the right of first refusal to such surplus water.

Sec. 101(f) authorizes measures for limiting the return flows from the Wellton-Mohawk division to 175,000 a.f. per year, the approximate capacity of the desalting plant. The programs are:

(1) An accelerated cooperative program of irrigation management services having as their purpose the improvement of irrigation efficiencies; and

(2) A program of land acquisition whereby the irrigable acreage of the division is reduced by the approximate amount of 10,000 acres. If a reduction greater than 10,000 acres is required to limit the drainage returns to 175,000 a.f. per year, additional lands may be acquired with the consent of the district.

Sec. 101(g) authorizes the Secretary to dispose of lands acquired under authority of the preceding subsection for any purpose meeting the objectives of this legislation.

Sec. 101(h) authorizes the Secretary to assist water users of the Wellton-Mohawk division in the installation of system improvements such as ditch lining, sprinkler systems, automatic equipment, field layout and bubbler systems—all as aids to improved efficiency in irrigating. The costs of such improvements will be reimbursed to the Secretary by the water users on the basis of benefits to the water users as determined by the Secretary.

Sec. 101(i) authorizes the secretary to amend the repayment contract with the Wellton-Mohawk Irrigation and Drainage District to reduce the existing repayment obligation of the district in accordance with the reduction in irrigable acreage accomplished under this Act, and to provide that such reduction in amount shall be nonreimbursable; also the amended contract may give the district a credit against its repayment obligation for any increase in operation and maintenance assessments per acre that is caused by the reduced operation and maintenance base.

Sec. 101(j) authorizes acquisition of additional reservoir right-of-way above Painted Rock Dam on the Gila River so that water may be detained in storage during times of flooding. This authority is not to be used until the courts determine that the Corps of Engineers, Department of the Army, lacks legal authority to utilize the lands for this purpose.

Sec. 101(k) authorizes the Secretary of the Interior to transfer funds to the Secretary of Agriculture as may be required for technical assistance to water users, conduct of research and demonstrations, and related investigations required to achieve higher on-farm irrigation efficiencies.

Sec. 101(l) declares all costs of the desalting complex and related measures authorized by section 101, to be nonreimbursable except for the programs of accelerated cooperative irrigation management services authorized by subsection 101(f) and the program of on-farm irrigation practices authorized by subsection 101(h).

Sec. 102(a) authorizes lining or reconstruction of about 49 miles of the Coachella Canal to reduce conveyance losses. An amount of water equal to the amount of water salvaged through this program will be utilized by the United States as a source of substitution water for by-passed Wellton-Mohawk drainage water until the desalting plant becomes operational. After the plant becomes operational, an amount of water equal to the amount of salvaged water will be used to replace reject brine from the desalting plant and be credited against earlier releases to replace the bypassed Wellton-Mohawk water. The use of credits for the Coachella Canal salvage by the United States is temporary and ends when the Secretary of the Interior delivers less water to California users than requested by those users. This is expected to occur when the Central Arizona Project becomes operative.

Section 102(b) requires that the cost of lining or reconstructing Coachella Canal will be repaid in forty years without interest, except that annual installments shall be nonreimbursable during the period that the United States has interim use of an amount of water equal to the amount of salvaged water. After the interim period, the Coachella Valley County Water District will repay all or a portion of the reimbursable installments.

Sec. 102(c) authorizes the acquisition of lands within the Imperial Irrigation District on the Imperial East Mesa and return of such lands to the public domain. These are lands which have been granted capacity rights to receive service through the Coachella Canal; which service will no longer be available under this legislation. The United States will acquire no rights to water as a result of this transaction.

Sec. 102(d) authorizes an adjustment in the outstanding obligations of the Imperial Irrigation District for relinquishment of its capacity rights in the Coachella Canal; and also provides that such relinquishment will not affect the distribution of operation and maintenance costs among the users of the main All-American Canal.

Sec. 102(e) provides authority for the Secretary of the Interior to transfer to the Cocopah Tribe of Indians approximately 360 acres of public domain lands to be added to the Cocopah Reservation and to be held in trust for the tribe. This transfer is to be considered full and complete payment for the right-of-way across the Indian reservation for the bypass drain and appurtenant roads and power lines. The subsection also provides that three bridges shall be provided across the bypass drain on the reservation.

The committee considered the request of the counsel to the tribe for additional lots to be added to those now in the bill. The committee understands the additional lots to be presently within the reservation but having some question as to the title. In the absence of a complete record on this matter or an official statement from the responsible Federal agencies, the committee did not include the additional lots. Instead, the committee urges the Indian tribe and the Secretary of the Interior to submit a separate proposal to clarify the legal situation in regard to these lands to be considered by the appropriate subcommittee.

Sec. 103(a) authorizes the Secretary to construct, operate and maintain a wellfield for groundwater pumping in a five-mile zone adjacent to the International Boundary near San Luis, Arizona. The wellfield will have the capacity to produce approximately 160,000 a.f. per year, the estimated amount now being produced by wells in Mexico adjacent to the border. Water produced from the wellfield is to be delivered to Mexico for credit against the Treaty obligation. The subsection also authorizes the acquisition of lands for the wellfield. Further, it authorizes the Secretary to replace any lands presently within the boundaries of the Yuma-Mesa Irrigation and Drainage District which may be utilized for the installation of the boundary wellfield authorized by section 103 of this Act.

Sec. 103(b) provides that the cost of the boundary pumping program, including the installation and operation of the necessary wells, of the collection and delivery system, and operation of the existing pumping plant at the International Boundary commencing with the date of first delivery to Mexico, shall be nonreimbursable. Costs of the wellfield shall be reimbursable to the extent that water from the wellfield authorized by section 103 of this Act are used in the United States.

Sec. 104 authorizes the Secretary to propose modifications to the programs authorized by this title as he finds to be essential to the purposes of the International Agreement. Such modifications may not be implemented until 60 days after notice of such modification has been given to the appropriate committee of the Congress. The Interior and Insular Affairs Committee of the Senate believes that such notification should be given to both the Committee on Appropriations and the Committees on Interior and Insular Affairs of the Senate and the House of Representatives.

Sec. 105 authorizes the Secretary of the Interior to enter into contracts for carrying out the provisions of this title in advance of appropriation of funds therefor.

Sec. 106 requires the Secretary of the Interior to consult with the Secretary of State, Secretary of Agriculture, the Administrator of the Environmental Protection Agency and other State and Federal officials in carrying out the provisions of the title.

Sec. 107 is a disclaimer of intent to modify or repeal any existing Federal law except as specifically provided.

Sec. 108 authorizes the appropriation of $121,500,000 to provide for the construction and other measures authorized in connection with the desalting complex including $2 million for the studies required by Section 101(c) and $5 million for land acquisition at Painted Rock Reservoir as authorized by section 101(j). An additional amount of $34 million is authorized for the boundary pumping program.

TITLE II

Title II of S. 2940 includes provisions for the control of salinity of the Colorado River which are not directly related to the agreement of the United States and Mexico. The measures, however, would benefit all of the users of the river in both the United States and Mexico.

Sec. 201(a) authorizes the Secretary of the Interior to implement the policy adopted by the Enforcement Conference. In effect, this is a policy commitment to undertake programs which would prevent salinity levels from exceeding the present levels in the river below Hoover Dam as future utilization is made of the water resources of the upper basin.

Sec. 201(b) authorizes and directs the Secretary of the Interior to expedite the investigation, planning and implementation of the program of salinity control measures which has been identified by previous studies.

Sec. 201(c) directs that the Administrator, Environmental Protection Agency and the Secretary of Agriculture coordinate their activities to carry out the objectives of title II.

Sec. 202 authorizes the Secretary of the Interior to construct, operate and maintain four specific salinity control projects as an initial stage of an overall salinity control program. The programs are:

(1) *Paradox Valley Unit, Colorado;* a program to intercept saline groundwater and convey it to a solar evaporation basin. The project cost is estimated at $16 million and will eliminate an estimated 180,000 tons of salt from the Colorado River.

(2) *The Grand Valley Basin Unit, Colorado;* a program to reduce salinity inflow to the Colorado River from an irrigated area of about 76,000 acres. This will be accomplished by the combining and lining of ditches and the adoption of more efficient water use practices.

The estimated cost of the program authorized by this subsection is $59 million and it will reduce salt inflow to the river by the estimated amount of 200,000 tons, annually.

(3) *The Crystal Geyser Unit, Utah;* a program to intercept the flow of saline water from an abandoned oil test well to the river by the estimated amount of 150 acre-feet annually.

The estimated cost of the program is $500,000 and the estimated salt reduction to the Colorado River system is 3,000 tons annually.

(4) *The Las Vegas Wash Unit, Nevada;* a program to intercept saline groundwater entering Las Vegas Wash and convey it to a solar evaporation site.

The estimated cost of the program is $49,600,000 and the estimated salt reduction to Lake Mead is 138,000 tons, annually.

Sec. 203(a) authorizes and directs expedited consideration of 12 other identified sources of salinity pollution to the Colorado River System.

Sec. 203(b) directs the Secretary to cooperate with the Department of Agriculture in research and demonstration programs leading to control of salinity through improved on-farm irrigation practices.

Sec. 204 creates an Advisory Council to coordinate cooperation among the Federal agencies and the States; to receive, review and comment on reports; and to make recommendations to the Secretary as appropriate.

Sec. 205 establishes the allocations of costs and responsibility for repayment of the works undertaken pursuant to title II.

Sec. 205(a) declares that 75 percent of the cost of construction, operation and maintenance shall be nonreimbursable.

The subsection also provides that the remaining 25 percent shall be allocated between the Upper and Lower Colorado River Basins; that this amount shall be suballocated between the basins; establishes criteria for suballocating between the basins; and provides that not more than 15 percent of the reimbursable amount shall be charged to the Upper Basin.

The subsection establishes a repayment period of 50 years and declares the investment to be non-interest bearing.

Sec. 205(b) provides that the reimbursable amount allocated to the Lower Basin may be defrayed from the Lower Colorado River Basin Development Fund and amends the Colorado River Basin Project Act accordingly.

Sec. 205(c) provides that the amounts allocated for reimbursement by the Upper Basin may be defrayed from the Upper Colorado River Basin Fund.

Sec. 205(d) amends the Colorado River Storage Project Act to enable use of the Upper Colorado River Basin Fund as a source of repayment for this title.

Sec. 205(e) authorizes rate increases for power marketed by the Secretary under authority of the Colorado River Storage Project Act and directs that these revenues shall be used exclusively for repayment, operation, maintenance, and replacement of salinity control units.

Sec. 206 requires biannual reports to be prepared by the Secretary and establishes their content and distribution.

Sec. 207 disclaims repeal, modification, or interpretation of the Compacts, Decrees and Statutes comprising the "Law of the River," except as specifically provided.

Sec. 208 authorizes the Secretary to modify plans subject to the modifications being submitted to appropriate committees of Congress for 60 days.

It also authorizes appropriations in the amount of $125,100,000 with indexing from April 1973 price levels. Additional sums are authorized for payment of excess awards in condemnation cases and to cover the cost in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act.

Sec. 209 contains definitions.

V. COSTS OF THE MEASURE

The investment costs of S. 2940 as reported by the committee are as follows:

Title I:	
Desalting complex and associated measures	$100, 050, 000
Coachella Canal lining	21, 450, 000
Protective pumping at the board	34, 000, 000
Subtotal, title I	155, 500, 000
Title II:	
Paradox Valley, Colo	16, 000, 000
Grand Valley, Colo	59, 000, 000
Crystal Geyser, Utah	500, 000
Las Vegas Wash, Nev	49, 600, 000
Subtotal, title II	125, 100, 000
Total	280, 600, 000

VI. COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs, by unanimous vote of a quorum present at an open executive session on June 3, 1974, recommends that S. 2940, as amended, be enacted.

VII. EXECUTIVE COMMUNICATIONS

The reports of the Department of the Interior, the Department of State, and the Environmental Protection Agency on S. 2940 and related bills, a letter from the Department of State transmitting the draft of a proposed bill "to authorize implementation of an agreement with the Government of Mexico to resolve the international problem of the salinity of the Colorado River waters delivered by the United States to Mexico under the Water Treaty of 1944," and the "Report of the President's Special Representative for Resolution of the Colorado River Salinity Problem With Mexico," follow:

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12165) was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 2940 be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill (H.R. 12165) was passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, this is another achievement in which the Mexican-United States Interparliamentary Group, which has existed since 1961, has served a useful purpose, just as it did in connection with the Chamizal dispute which lasted for many decades whereas the Colorado salinity problem lasted for a considerably less period of time. It is my hope that this milestone in the relationship between our two countries will be satisfactory to all concerned.

I wish to pay a special tribute to former Attorney General Brownell, who was called back from retirement by President Nixon to undertake the delicate negotiations to bring about results at a difficult time in Mexico City last year. I also commend President Nixon for being responsible for bringing this matter to a head. He has followed in the footpath of his predecessors in bringing about a better relationship, more understanding, and a better climate between our two countries. It is to be hoped that the problems will be less and the understanding more, and the relationship between our countries closer with the passage of time.

A special commendation should go to Senator HENRY JACKSON, chairman of the Interior Committee, who worked hard to achieve this bill and who has shown a deep understanding of its need at this time. The Senate and the people of both our countries owe him a vote of thanks. He has earned it and it is well deserved.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

Mr. NELSON. Mr. President, I ask unanimous consent that I may withdraw amendment No. 1406.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, it is my intention to make a motion later this morning to recommit the bill with instructions.

The PRESIDENT pro tempore. Who yields time on the bill?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged to both sides.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the recommittal motion to be offered by the distinguished Senator from Wisconsin (Mr. NELSON) and the distinguished Senator from Colorado (Mr. HASKELL) occur not later than 12 o'clock noon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, it is my intention, as I mentioned a few moments ago, to move to recommit the bill, S. 3523, a bill to establish a Temporary National Commission on Supplies and Shortages.

This bill, in my judgment, inadequately addresses itself to the critical questions of the nationwide and worldwide problems and shortages in various areas of critical resources, and it seems to me that we need to establish a permanent agency with the responsibility of inventorying our resources, collecting the data, evaluating it, making annual reports, and 5- and 10-year predictions, so that the executive branch, Congress, and the country will have some information that will enable us to guide ourselves in our decisionmaking in respect to the utilization of resources.

Mr. President, we have reached a critical juncture in the economic history of the Nation. The economy is oscillating between shortages and surpluses and the governmental apparatus for predicting these disequilibriums is clearly inadequate.

Time has long since passed for Congress to take action on this issue. We are in the midst of a worldwide crisis respecting many resources, and the Nation to whom all others look for guidance and leadership—the United States of America—has no agency responsible for collecting the necessarilly detailed information and predicting trends for the future.

I might say at this point, Mr. President, that the distinguished Senator from Colorado (Mr. HASKELL) and I submitted for the RECORD a detailed evaluation and discussion of what we considered to be the inadequacies of S. 3523, including a discussion of what we believe ought to be done under the circumstances. I shall not take space in the RECORD by reprinting that statement, but make reference to it for those who are interested in examining that evaluation of the bill and our objections to it.

Everybody who has addressed this question agrees we need an agency to systematically deal with this monumental problem. Everyone agrees that we need this responsible mechanism, not another commission to study the advisability of such a mechanism.

The Paley Commission's recommendation 22 years ago, the National Commission on Materials Policy reporting in 1973, a Library of Congress study conducted this year at my request, and finally the GAO report of April 1974 on "U.S. Actions Needed to Cope with Commodity Shortages" are unanimous in their conclusion.

The Paley Commission cited the need for a single organization discharging the overall functions of cataloging and projecting America's resources and needs. The National Commission on Materials Policy proposed "a comprehensive Cabinet-level agency be established for materials, energy, and the environment." The Library of Congress study concluded that—

> The most pressing management requirement in the field of materials policy is increased information about the basic parameters of materials supply and demand.

The GAO called on Congress to "consider the need for legislation to establish a centralized mechanism for developing and coordinating long-term policy planning." And Comptroller General Elmer Staats specifically stated at the joint hearings in April of the Commerce and Government Operations Committees:

> I would favor . . . Senator Nelson's point (of) having at least a monitoring and oversight responsibility in an independent agency to be sure that it does get done.

The issue of resources for the future is an issue of planetary dimensions. It encompasses every discipline imaginable—ecology, economy, geology, agronomy, meterology, biology, zoology, botany, demography, statistics—and perhaps a little astrology.

Population growth, greater affluence, technological explosion, and a generally increased tempo of human activity have combined, at our moment in history, to burden the world's resources to an extent our forefathers never imagined.

The United States is in a poor position to cope with global shortages developing in food, fibers, and minerals. The energy crisis, the ill-fated Russian wheat deal, and the soybean embargo of last June together with dozens of other crises caused by shortages of critical materials including paper, lumber, automobile, and other manufacturing parts, protein, asphalt, baling wire, chlorine, cotton, wool, and various minerals, have all demonstrated that the Federal Government does not have the ability to measure the depth of world resources and the demands on them, or to forecast the short- and long-term consequences of decisions affecting those resources.

This Government under the last four administrations, has not had a policy for dealing with forecasting. And it does not have one today.

The most dramatic evidence of the critical need for a monitoring and forecasting system is the energy crisis. A handful of resource experts warned that it was coming, but they were like voices crying in the wilderness.

What we needed was a sophisticated and trusted system that would have recognized the danger signals—like the soaring rise in energy consumption, the startling lack of refinery capacity, the slump in U.S. domestic production, the political deterioration in the Middle East, the Government refusal to consider conservation methods, and the complete failure to seek alternative sources of energy.

We did not have such a system and drifted into an energy crisis.

The Russian wheat deal offers equally compelling evidence of the need for a forecasting system.

In the wheat deal, the United States agreed to sell the Soviet Union millions of tons of wheat. We oversold the wheat without even knowing it. Ultimately the sale caused a wheat shortage in the United States and drove up the price of bread and other wheat products.

There was no agency, committee, commission, or other authoritative body or individual in the Government responsible for looking at the totality of the transactions before they occurred to predict the ultimate effect.

Mr. President, how much time does this side have left?

The PRESIDENT pro tempore. On what? On the bill?

Mr. NELSON. We have agreed to vote no later than noon on a motion to recommit. My question is, how much time has been charged against this side?

The PRESIDENT pro tempore. The agreement as to time on the bill provides 20 minutes on a motion to recommit, but there was no formal arrangement that all time until noon be on the motion. Is the Senator asking that all time until noon be on the motion to recommit?

Mr. NELSON. That is what I had understood to be the situation.

The PRESIDENT pro tempore. It was not done.

Mr. NELSON. I see. So there is no time limitation.

The PRESIDENT pro tempore. There are 10 minutes to each side after the motion has been made. It has not been made.

Mr. NELSON. There is no time limitation imposed on debate at this time then, except that we will vote at noon; is that correct? All I am trying to find out is am I going to run out of time. How much time have I remaining?

The PRESIDENT pro tempore. The Senator from Montana has unanimous consent that the vote come at noon—no later than noon. That was the only request made. There was no arrangement as to time.

Mr. NELSON. I thank you, Mr President.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly?

Mr. NELSON. I yield.

Mr. ROBERT C. BYRD. Would the Senator like to establish a time limitation on his motion to recommit now?

Mr. NELSON. That would be satisfactory. The understanding is, I think, that it probably will be about noon.

Mr. ROBERT C. BYRD. The vote?

Mr. NELSON. The vote, yes I did not want to end up by taking so much time that the Senator from Colorado would not have an opportunity to make any remarks.

It is agreeable to me that the time limitation be at 12 o'clock or earlier.

The PRESIDENT pro tempore. The Senator from Wisconsin has not made the motion.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Wisconsin be recognized at the hour of 11:40 a.m. today for the purpose of making a motion to recommit. Is it not already ordered that time on any debatable motion will be limited to 20 minutes?

The PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Then, the 20 minutes would expire precisely at 12 noon and, in the meantime, time can be used on the bill for debate; am I not correct?

The PRESIDENT pro tempore. That is correct.

Mr. NELSON. How much time is there for debate on the bill?

Mr. ROBERT C. BYRD. Two hours from the time debate started.

The PRESIDENT pro tempore. Some time was used yesterday and on the quorum this morning.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time used for quorums thus far today not be charged against the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Will the distinguished Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I do not think there will be any problem with the Senator from Wisconsin having as much time as he needs. I might indicate that whenever he finishes, the Senator from Ohio (Mr. TAFT) will use some of the time remaining between now and 12 o'clock to explain an amendment or amendments that he will offer after the vote on the NELSON motion to recommit.

Mr. ROBERT C. BYRD. If the motion does not succeed.

Mr. GRIFFIN. If it does not succeed.

Mr. ROBERT C. BYRD. So at 20 minutes of 12 the Senator from Wisconsin will be recognized to make his motion.

I thank the Presiding officer.

Mr. NELSON. Thank you, Mr. President.

The soybean embargo decision also demonstrated poor planning. The United States had made commitments around the world to sell regular customers soybeans. Then in June of last year the Government, in a slap-dash manner, put an almost total embargo on soybean shipments, aggravating the already serious world food shortage.

These examples all reveal that the U.S. Government has been derelict in its duty to equip itself with the tools and techniques needed to keep tabs on material vital to national and international well being.

In the well chosen words of Nobel prize-winning economist Wassily Leotief of Harvard University:

> The resulting scene reminds one of a Ringling Brothers act with four frantic characters in a car, one pressing on the gas, another on the brake, the third clutching the steering wheel, and the fourth blowing the horn.

Leontief believes—

> It is high time to revive President Franklin D. Roosevelt's National Resources Planning Board which was created in 1939.

He states:

> Our technical capabilities for monitoring the state of all the branches of the economy in their mutual interrelationships and for analyzing in great detail the available options—not from the point of view of an individual company or sector but of the system as a whole—are much greater today than they were forty years ago.

I agree with Professor Leontief that "most of the necessary factual information is available, and what is missing can be readily obtained."

On March 21, Senator RIBICOFF and I introduced the National Resource Information Act to accomplish the end described by Leontief. S. 3209 would establish a system to coordinate all related data and monitor, analyze, and forecast supplies of and demand for important world resources and the implications for the U.S. economy.

The problem we face can be simply stated: An abundance of shortages and a shortage of information. The information shortage complicates the market shortage of scarce items. And the Government is overburdened with an abundance of agencies with a paucity of coordinated information.

The General Accounting Office document entitled "U.S. Actions Needed to Cope with Commodity Shortages, is the most important single document detailing Government inadequacy in this area. I am particularly pleased that at the conclusion of the 300-page study, GAO recommends that Congress "consider the need for legislation to establish a centralized mechanism for developing and coordinating long-term policy planning."

S. 3209 would establish such a system to maintain a careful inventory of critical national and world resources so that we will have a reliable data base for both short- and long-term planning.

It is an elementary step we must take to fill an astounding information void caused by our perpetually optimistic belief that Mother Nature would never run out of resources that mankind needs. We have been gluttons at the table of Mother Nature. And now we know differently.

The energy crisis presents a classic case of blissful ignorance combined with mismanagement and lack of planning on the part of Government and industry, abetted by the American belief in endless abundance and technological magic.

Energy, its sources, its availability, its uses, is an enormously complicated matter.

Nevertheless, for a quarter century resource experts have warned about the coming energy crunch. And even long before that many others have discussed the limit of these natural resources on the planet. The problem is that resource experts read what resource experts write but decisionmakers do not.

Resource experts throughout history have become a chorus of Cassandras. They have the blessed gift of being able to predict the future and curse of no one believing them. But unless we act, the entire world will suffer the dire consequences of Cassandra's predicament.

If the Government had established a central data collection agency with the responsibility for collecting statistics on energy resources, projecting consumption rates, reporting refining capacity, evaluating current technology and making annual reports to the Congress, the President and the public, we could have made plans to meet this crisis 15 or 20 years ago. Certainly, we would have passed an energy resource and development act 15 years ago instead of 3 months ago. By now we would have explored new energy sources, developed efficient methods of coal gasification, coal liquefaction, shale oil extraction, and instituted long-range energy conservation plans.

Our failure was not lack of availability of the critical statistics. They were available to be collected and used. It was, rather, a failure to establish a mechanism to forcefully thrust this important issue upon the attention of the President, the Congress and the country. If that had been done we would have acted years ago instead of waiting until a crisis forced the issue to our attention. The Energy Information Act which is pending before the Interior Committee will provide us with the tools we need to guide us in future decisionmaking on energy matters.

However, this should be only a first step in the critically important process of establishing a comprehensive program of evaluating the status, availability and use of all-important resources.

The energy crisis is only symptomatic of a much broader and far more serious phenomenon. That phenomenon, in fact, encompasses a series of approaching crises involving many resources vital to all nations, developed or developing.

Twenty-five years ago Aldous Huxley was predicting a worldwide shortage. "World resources," he said in 1949, "are inadequate to world production."

In the early 1950's, mineral shortage authorities began predicting shortages in metals. Then, in 1969, a U.S. Interior Department study concluded that the U.S. had become dependent on other countries for more than 63 percent of 30 minerals and metals designated as critical to national security. Fred Bergsten of the Brookings Institution points out that the United States today depends on imports for over half of its supply of 6 of 13 basic raw materials (chromium, nickel, rubber, aluminum, tin and zinc). And Interior Department projections suggest the number will rise to 9 by 1983. This represents, according to Bergsten, "the culmination of a long-term trend: the United States changed from a net exporter of raw materials to a net importer in the 1920's, and our dependence on foreign sources has been growing ever since." In fact, U.S. imports of all nonfuel minerals cost $6 billion in 1971 and are estimated to rise to $20 billion by 1985 and $52 billion by the turn of the century.

A Library of Congress study on resource supply and demand conducted at my request, reports that—

> U.S. population will probably increase by approximately 50% by the year 2000, and world population may double. Per capita consumption (*of materials*) is also increasing dramatically, with U.S. per capita consumption demand possibly doubling by the year 2000. . . . Total U.S. materials consumption may double or triple by the year 2000 with similar trends in the rest of the world . . . what is certain (from all of this) is that there will be constraints upon the world supply of materials throughout the remainder of the 20th century. There will probably be periodic materials shortages, and materials costs are likely to rise.

Complicating the whole issue is the possibility of a handful of raw material-exporting nations banding together in an Arab oil producers OPEC arrangement to withhold resources from the rest of the world. The possibility is not so farfetched. Guinea, Australia, Guyana, Jamaica, and Surinam, the principal producers of bauxite, a basic ingredients in aluminum, recently discussed such an arrangement. Zaire and Zambia, suppliers of 70 percent of the world's tin exports could also make a similar arrangement. This week the four biggest copper exporters—Chile, Peru, Zaire, and Zambia—inspired by the principal bauxite countries to take concerted action will meet in Austria to draw up their demands. And the pattern could be repeated by the four countries controlling more than half the supply of natural rubber.

FOOD SHORTAGE

Mineral shortage is only a part of our scarcity problem. On the agricultural side, the prestigious journal "Foreign Policy" recently said that a combination of factors "suggest that the world food economy is undergoing a fundamental transformation and that food scarcity is becoming chronic."

Protein supplies are overburdened, and most arable cropland already is being farmed. The ocean, viewed historically as an inexhaustible source of protein in fish and algae, also is being depleted—a condition few expected until 5 years ago. And climate experts led by Dr. Reid Bryson of the University of Wisconsin predict long-range worsening weather conditions that could spell famine for tens of millions of people. Changing weather, Bryson points out, is a major contributing factor to starvation conditions in the Sahel in Africa and in northern India.

The world is experiencing a disastrous food crunch—all the rosy public relations announcements about the Green Revolution notwithstanding. Agriculture development expert William Paddock has stated that—

> The truth is that, while the new wheat and rice varieties are excellent, high yielders under certain specialized conditions (controlled irrigation, high fertilization), they have done little to overcome the biological limits of the average farm.

Population growth has exceeded increases in food production in those areas of the world where the Malthusian food production squeeze has always been the most acute. Andrew J. Mair, of the Office of Food for Peace of the AID has recently stated that agricultural production, on a per capita basis, had actually fallen 2 percent in the underdeveloped countries over the 10-year period 1963–72. He concluded:

> Without an eventual reduction in the rate of growth of world population, there can be no long-run solutions to the world food problem. Food expert Lester Brown seconds that conclusion: "At the global level, population growth still generates most of the additional demand (for food). Expanding at about 2% per year, world population will double in little more than a generation. If growth does not slow dramatically, merely maintaining current per capita consumption levels will require a doubling of food production over the next generation.

Increasing demand for food is also generated by growing affluence and new tastes for meat in some developing nations. The average person in a poor country, where the diet is predominantly cereal, eats 400 pounds of grain a year. Of this total, only about 150 pounds are consumed directly in bread, cake or breakfast cereal. The rest is consumed indirectly in the form of meat, milk and eggs, which inefficiently convert grain to protein.

We in the United States are experiencing shortages in the form of spiraling food prices; 1973 was the year of the biggest jump in grocery prices in more than 25 years. However, the London Economist's index of word commodity prices shows that while food prices were up last year by 20 percent in this country, food prices were up an average of 50 percent worldwide. (Prices for fibers have risen 93 percent and metals 76 percent).

Whereas the American consumer will have to pay more for his food, millions of human beings in this world cannot afford any food at all. For individuals living on marginal incomes—the vast majority of the world population—the fact that food prices are up less than other prices is no comfort. When one spends about 80 percent of one's income on food, as a large portion of mankind does, any price rise—and indeed a price hike of 50 percent—"drive(s) a subsistence diet below the subsistence or survival level," according to Lester Brown.

INFORMATION SHORTAGE

Shortages of basic minerals and proteins are matched by the equally serious shortage of knowledge about U.S. and world reserves of essential materials and foodstuff. For a quarter of a century resource experts have been writing, speaking and pleading for the preservation of our resources, but few at the political level bothered to listen. Similarly, for a quarter of a century the United States has ignored warnings of an information shortage.

The last four Presidents and the Congress consistently failed to recognize that our knowledge is insufficient for wise policy choices concerning the world's resources. Twenty-two years ago the Paley Commission, the familiar title for the President's Materials Policy Commission concluded in its report, "Resources for Freedom" dated June 1952 that—

> No single organization is today discharging these over-all functions (of cataloging and projecting America's resources and needs.)

It recommended the establishment of a high level organization to fill this void. Since the Paley Commission filed its report 22 years ago, nothing yet has been done to implement its recommendations. In June 1973, history repeated itself with the National Commission on Materials Policy proposal that "a comprehensive Cabinet-level agency be established for materials, energy and the environment."

The Library of Congress study conducted at my request, echoed the conclusion that—

> The most pressing management requirement in the field of materials policy is increased information about the basic parameters of materials supply and demand.

The time is long past due for adjusting the Government apparatus to the problems of resource scarcity. In fact, there are many agencies in the Government charged with the task of monitoring the status of the Nation's major commodities. But therein lies the problem. Monitoring and forecasting capability is fragmented and scattered throughout the Government including the Departments of Agriculture, Commerce, Interior, State, and even the CIA. A November 1968 Library of Congress report counted 58 U.S. governmental agencies with, in the words of the report, "a materials function."

The Department of Agriculture has 500 experts concerned with agricultural commodities. There are 50 people looking at cotton alone. In the Department of Commerce, there are 160 people in the Office of Business Research and Analysis, 20 to 30 of whom are concerned with industrial commodities; two of them are Ph. D.'s. The State Department has six people involved in commodity questions. And the Department of the Interior has a vast staff of resource experts, geologists, et cetera.

And yet—all these experts notwithstanding—the United States has been plagued by shortages in every sector of the economy. The problem is poor coordination of would-be valuable information. For example, we and the rest of the world face serious fertilizer shortages, shortages which will last for years. In this period of grave world food shortages, fertilizer is all the more essential a factor. No U.S. fertilizer plants have been opened since 1970; only two are under construction now. Fertilizer depends on natural gas for energy and phosphates and nitrogen as basic raw materials; the availability of these items, therefore, involves the Departments of the Interior and Commerce. Moreover, the Agriculture Department is also concerned with fertilizer for the Nation's crop production. Plus the State Department is no doubt involved in jawboning foreign demand on fertilizer.

Furthermore, official information often suffers from the fact that agencies address client audiences more than the general public. For example, the chemical experts at the Commerce Department seem to be reporting to the chemical industry. The cotton people at the Department of Agriculture serve as a reporting network for the cotton industry.

The disastrous consequences of limiting distribution of agency information was demonstrated in the Russian wheat deal. Starting in June 1972, one-fifth of America's wheat crop was sold to the Russians without the appropriate U.S. Government authorities even knowing. According to GAO investigators, as late as September 1972, Agriculture officials "told us (they) were still unaware of the magnitude of the sales made by the trade." There is evidence, however, that some individuals in the government were knowledgeable but that their information was not properly, channeled to the public or even the upper echelons of the Government, including the office of Henry Kissinger.

The grain deal disaster was followed by the June 1973 soybean embargo.

The administration, convinced that the U.S. faced a domestic shortage of soybeans, slapped an almost total embargo on soybean shipments. The outcome showed again the devastating inability to predict effect. Had the Government been properly monitoring supply and demand on soybeans and soybean-related products, the drastic measure of export controls perhaps would have been unncessary.

The soybean embargo intensified a world food shortage, undercut a concerted U.S. drive to increase agricultural exports, weakened our long term balance of payments situation, squeezed the flow of foreign currency the United States needs to pay for mineral and petroleum imports, discouraged agriculture production, and reduced U.S. credibility.

Agriculture Secretary Butz admitted the decision resulted in a fiasco.

Treasury Secretary Shultz called the controls a mistake.

Henry Kearns, former president of the Export-Import Bank, damned them as "a bunch of baloney. You can't get in and out of markets," he said, "you have to develop a market, earn it and keep it."

The Senate Banking Committee said the controls were "tardy and hastily conceived."

Secretary of State Kissinger explained that the decision was "taken so rapidly that the foreign policy agencies did not get either adequate warning or an adequate opportunity to express themselves. He had to admit that the adverse effect was not taken fully into account.

The Nixon administration, imposed the export controls in a shockingly seat-of-the-pants, patchwork, short-term, stop-gap, crisis-reaction way.

The decision was made in an information vacuum.

It was based on inadequate information unsystematically gathered. In fact, no individual or agency is statutorily entrusted with export control decision-making. There is an ad hoc interagency commission that meets occasionally—usually motivated by impending crises—but no staff or committee has the formal task of looking to commodity supply and demand.

Thus there was no prior, intelligent, systematic analysis of the impact that the soybean control might have on the economy. There seems to be no evidence of any written decision that spelled out the ramifications of his momentous decision.

The Government does not have a clearcut statement of procedure or systematic requirements for reporting. There is inadequate model building and systems analysis to deal with forecasting per se. The tools for such a system do exist. Sophisticated systems to measure, analyze, and forecast are routinely used by industry, the academic community, and Government at various levels. Now we have a responsibility to so equip the U.S. Government.

Reporting is purely crisis-oriented. For example, in the Commerce Department, experts are spread thin and jump from commodity to commodity depending upon how many inquiries and complaints they receive from industry, Congress, and so forth.

Decisions—when they are made—are based on inadequate information gaththered unsystematically and in an ill-coordinated fashion. Simply stated, there is no coordinated reporting and forecasting system in the U.S. Government.

It will give one agency sole monitoring responsibility for collecting all data in the Government on supply and demand of major raw materials and foodstuffs.

It will make an annual report to Congress and the public on critical resources.

It will make regular projections of future demand and supply for major resources based on such factors as per capita consumption rates and population growth for, for example, the next 5, 10, 15 years.

It will have authority to contract for research in academic institutions to augment agency work.

It will have the authority to subpoena industrial information necessary for maintaining accurate and adequate national resource inventories.

It will provide for guarding confidentiality of company information of a competitive nature.

With thorough information, sophisticated analysis and constant monitoring we can overcome our ignorance about world reserves of essential materials and food and the demands on them.

We will have created a distant early warning system to prevent us from blundering into more painful crises. It will tell us what and when to conserve, how much to produce, how to avoid shortages or gluts now caused by ignorance, when to begin significant research programs.

Mankind has reached such a state of interdependence and technological sophistication that the need for such an information system is critical.

Mr. President, the Senate has before it four measures on which hearings have been held. All of them would set up permanent systems and responsibilities for monitoring resources. If the motion I am making, to recommit S. 3523, is carried, the work and the thought that has gone into those measures can also be cranked into the committee's consideration of the amendment, No. 1406, which is the measure that we principally wish to have considered.

One bill is Senator TUNNEY's S. 2966, the Domestic Supply Information Act. It gives the monitoring responsibility to the Department of Commerce. But it assigns responsibilities now; it does the job now, not later.

Then there is amendment No. 1069, by Senators MAGNUSON and STEVENSON. It is called the Domestic Supply Information Act also, and is an amendment to the Tunney bill. It would give the monitoring job to a specially created arm of the Council of Economic Advisers.

Another proposal is amendment No. 1195, by Senator HART, the Shortages Prevention Act of 1974. It would assign to the General Accounting Office the task of monitoring supplies and predicting shortages.

Those three measures, along with S. 3209, the bill which I introduced for myself, Senator RIBICOFF and others, have all been the subject of hearings.

S. 3209 also established a resources monitoring system in the Department of Commerce—although I have since come to advocate an independent agency, as is proposed in the fifth-draft version of the energy information bill which is pending in the Interior Committee, in markup, and on which our amendment is primarily patterned.

Every one of these measures answers the question, "Do we need a monitoring system?" with the answer "yes"—and every one sets up a system, with subpena powers and other necessary powers.

Under our amendment, as under S. 3209, there would be a permanent mechanism, a National Resources and Materials Monitoring System. This summer we should be establishing that System, not establishing a Commission to study whether we need that System. The System can and should do these things, and would under the proposed amendment as well as some of the other pending bills.

I think it is a mistake for Congress to establish a commission to study whether we need to establish such an agency when it is clear that we do, when we have the necessary legislation pending that can be marked up by the appropriate committees of Congress, and when, furthermore, if we establish a temporary commission it will be at least 2 years from now, even if the commission acts expeditiously and Congress acts upon the commission's recommendations, before we can establish this critically important monitoring agency.

That is too long to delay. We have toyed with this issue for a quarter of a century. In my judgment, it is time for Congress to act now, this summer.

Mr. President, I yield the floor.

Mr. HASKELL. Mr. President, I support the desire of the distinguished Senator from Wisconsin to refer this measure to the appropriate committees so that a permanent agency may be established now, rather than having a study to see if we need one.

The distinguished Senator from Wisconsin has detailed the bills which are in the Committee on Commerce and the Committee on Interior and Insular Affairs dealing with this subject.

I would like to give the President and another Senator a recent example of the necessity for such agency.

Before the Arab cutoff of oil, we were told that the United States imported 6 percent of its crude oil from Arab sources. That was correct. But we then concluded that we were 6 percent dependent upon Arab sources. That was not correct. The information that we did not have was the amount of refined product coming into this country which, in turn, had been derived from Arab crude.

Mr. President, had we had an agency such as the one the distinguished Senator from Wisconsin is discussing, we would have known the source of the crude to those refineries because those refineries outside the continental limits of the United States were, in fact, operated by multinational corporations subject to the jurisdiction of the United States.

That is just a recent example of the need for an agency to be established now. Of course, my example applies solely to the energy field but, as the distinguished Senator says, we may run short of protein. We may need to know what the raw materials are that go into what kind of production, or the substitute materials that can be obtained, on what the cost of the substitute materials would be. We need all that kind of information.

To me, at least, it is abundantly clear that such information must be available for the use and benefit not only of the United States but also of the world.

That is the reason why I enthusiastically support the motion which the distinguished Senator from Wisconsin will make, to refer to Government Operations, Commerce, and Interior S. 2523, together with amendment No. 1406, in the hope that it will be in the judgment of those committees that we need a permanent monitoring agency. Suitable legislation to establish such an agency would then come to the floor for our consideration.

The statement which the Senator from Wisconsin (Mr. Nelson) and I submitted yesterday describes the situation in detail; that is, it describes the background need in detail and the reason why we are making this motion.

Mr. President, I have no desire to take up the time of the Senate in reference to this discussion. For that reason, I yield the floor and would suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Burdick). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, what is the situation with regard to time on the amendment?

The PRESIDING OFFICER. There is no amendment pending, but time on the bill is available.

Mr. TAFT. Mr. President, who has control of the time on the bill?

The PRESIDING OFFICER. The Senator from Michigan (Mr. Griffin).

Mr. TAFT. Mr. President, I yield myself 5 minutes on behalf of the distinguished minority whip.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, I should like to invite the attention of the Senate, first, to the issues that have been raised by the distinguished Senator from Wisconsin (Mr. Nelson) and to express my general agreement with them. I feel that we are turning up here with a small boy to do a man-sized job.

I said yesterday that I thought the delay of 1 year that would be involved was something we should try to avoid and that we ought to try to go into an agency that had some specific monitoring authority and some specific responsibility, not only in the material shortages field but also covering other areas. The agency should be concerned with all of the aspects of shortages, prices, business practices, and employment practices relating to the supply problems we have that help cause inflation.

Inflation is certainly the current most serious domestic problem, as every American who goes to the supermarket or to any other purchasing establishment knows from his own experience daily.

I do not think the approach which the distinguished Senator from Illinois yesterday was advocating, that of having a commission merely to study the structural problems and come in with a report in 6 months deals adequately with supply-related problems.

Moreover, any commission that comes in with such a report will face the same kind of protracted debate and differences that we already have had on the international economic policy bill, which resulted in the defeat the other day of the Muskie amendment.

This is a political decision that I think Congress is not going to delegate to anyone else, so I fear we will be wasting time if we take the approach advocated. For that reason, I voted for the Tunney amendment to expand the period of time or to make the period of time a period of 2 years so that the commission could undertake the broader responsibilities which it seems to me are clearly laid out for it in the draft of the bill.

The shortening up of the commission's functions which was advocated by its sponsors to a 6-month period and a 1-year period, it seems to me, is wholly inadequate to meet the need. Furthermore, as I have stated, I would have to go beyond the distinguished Senator from Wisconsin and indicate that I feel the scope of such commission should not be limited to material shortages. That is an important fact, but there are other factors as well which relate to our supply problems and the inflation problems they cause.

Mr. President, for a few minutes I should like to talk about an amendment which I have submitted, No. 1408, which deals with the problem of existing decontrol commitments. This problem has not been addressed in the bill and there is a complete void presently in the law. My amendment would append to the pending legislation, if it is passed, a provision which would at least give the President specific authority to enforce the commitments that were made to the Cost of Living Council at the time when wage and price controls were still in effect. The commitments are allegedly still in effect but there is no mechanism for seeing that they are carried out.

Mr. President, this amendment 1408 would allow the President to enforce the commitments to inflation restraint actions, including some commitments to expand productive capacity or to limit exports and thus combat domestic supply problems, which were given by industries and firms during the price decontrol process. I do not think many Members of the Congress fully realize that commitments were obtained voluntarily from hundreds of firms in various industries by the Cost of Living Council during the decontrol process. In 17 sectors of our economy, the Council obtained such commitments from the leading firms to take serious and constructive measures to alleviate various inflation-related problems existing in their industry. In all but two, fertilizer and zinc, the major firms committed themselves voluntarily to some degree of price and/or profit restraints.

The PRESIDING OFFICER (Mr. Burdick). The time of the Senator from Ohio has expired.

Mr. TAFT. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for an additional 5 minutes.

Mr. TAFT. Mr. President, commitments to increase production and to expand capacity—exactly what the bill before us is all about—were agreed upon by firms producing fertilizer, cement, zinc, semiconductors, petrochemicals, tires, and tubes, canned fruits, and vegetables, and coal. Firms in industries such as fertilizer, petrochemicals, paper, and aluminum, made various commitments designed to limit exports or to maintain historic patterns of domestic sales, which are also in keeping with the purposes of this bill. Improved price reporting to the Bureau of Labor Statistics was agreed upon by firms producing cement, semiconductors, and tires. Firms in the petrochemical sector committed themselves to preparing customer allocation plans, and to submit these plans to the Government.

I believe that for Congress not to provide the government machinery to monitor and enforce these commitments is to weaken the fight against inflation and to undermine further the Government's credibility. The recent announcement by the Ford Motor Co. of price increases which could conceivably be in compliance with such a commitment only through an escape clause, with mere prior notice and alleged justification to the Government, should serve as an indication of the fragility of these commitments unless specific legislation is passed.

I cannot emphasize too much that my amendment involves more than a question of economics, although it could certainly make a contribution to inflation control and also to the alleviation of shortages in some of these fields. Americans are already questioning the Government's resolve and ability to combat inflation, while at the same time the effectiveness of the entire Government is brought under heavy fire. The Senate, in its action on S. 2986, tabling the entire proposal, after frustrating debate, helped to confirm that impression.

Yet, in the case where an agency of the Government already has taken actions which will help somewhat to restrain prices, Congress has not taken the first steps either to back up these actions or to protect companies which adhere to their commitments from competitors which may not do so. The message to the American people about Congress resolve to fight inflation and to enforce the Government's own earlier actions is unmistakably clear.

My amendment would insure that these agreements with the Government are legally binding as they should be, particularly since they were made voluntarily in exchange for specific Government actions. It does so in a manner which takes into account objections expressed about previous proposals. While the Muskie amendment, debated last month, provided unlimited authority to reimpose controls on violators of decontrol commitments and thus spurred fears of irresponsibly punitive Government actions, my amendment limits use of this remedy "to the extent necessary to apply appropriate corrective action" and requires a statement from the President explaining how he has complied with this requirement. In recognition of industry's arguments that major changes in the economic picture necessitate changes in the terms of various decontrol commitments, the President is given explicit authority to modify any commitment if he determines that modification is in the national interest and publishes the reasons for that determination in the Federal Register. However, although the President could receive advice on such matters from affected industries, the decision to modify a commitment would clearly be the Government's alone.

With these modifications, I can see no further objections to the provisions specifically allowing enforcement of decontrol commitments. Furthermore, I believe that S. 3523 is an ideal vehicle for this amendment. As I have pointed out, some of the decontrol commitments deal directly with the problem of alleviating future domestic shortages and were designed to increase domestic supplies. Others generally deal with the goal of facilitating domestic price stability, a major goal also of the temporary national commission on supplies and shortages.

Mr. President, I expect to call up this amendment after the vote that is already scheduled, and I hope the Senate will give it attention and favorable consideration at that time.

Mr. President, I reserve the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SECURITY LEAKS

Mr. NELSON. Mr. President, I yield temporarily to the distinguished Senator from New Mexico and ask unanimous consent that his remarks appear in the RECORD at the conclusion of the discussions on S. 3523 by myself and the Senator from Colorado.

Mr. GOLDWATER. I thank my good friend.

Mr. NELSON. With the understanding that I do not give up my right to the floor.

Mr. GOLDWATER. I thank my friend. At one time Arizona was a part of New Mexico [laughter] but we broke away. I am honored to be associated with that State. I wish we had remained.

Mr. NELSON. I made a wager that the Senator would not notice the mistake. I apologize.

Mr. GOLDWATER. Mr. President, in all of the controversy concerning Secretary of State Henry A. Kissinger's possible role in the so-called wiretapping dispute, I feel the news media and many of my colleagues are overlooking the most important fact. The issue that strikes me as vitally important to this Nation is the issue of security; not the issue of nitpicking over exactly what Dr. Kissinger said when he was questioned by the Senate Foreign Relations Committee prior to his confirmation.

I notice in the morning paper, Mr. President, that the Secretary's critics are calling upon leaked documents from a dead man, secondhand. Apparently anything goes nowadays. Any Government employee with any kind of information apparently feels free to hand it over to the nearest Washington Post reporter he can find. The motivation is something of a puzzle. Do these Government employees sell the information or do they just enjoy the privilege of performing acts of a traitorous nature while the Nixon administration is in office? In all events, the fuss now seems to involve a memorandum by former FBI Director J. Edgar Hoover to the effect that Dr. Kissinger asked him to find out who was leaking national security information of a classified nature. Dr. Kissinger, it seems, denied before the Senate Foreign Relations Committee that he had ordered the imposition of specific wiretaps made during the years 1969 to 1971. Perhaps the problem is that Dr. Kissinger is a diplomat, not a policeman. He apparently found himself confronted by a situation in which highly secret information of an international nature was being leaked and he took necessary steps to have it halted. Personally, I believe he would have been derelict in his duty if he had not done everything in his power—including suggesting the imposition of wiretaps—to discover the source of dangerous leaks in the Government. I think the President of the United States and all the members of his Cabinet have a duty to this country to protect its secrets, and if they have any reason to believe that members of their staffs are the sources of these leaks, I believe they should use every means at their command to detect who those people might be and to punish them accordingly.

Mr. President, in most of the accounts I have read about Dr. Kissinger's testimony before the Foreign Relations Committee, very little attention is ever given to the overriding reasons why security measures had become necessary. It was a time when the climate was such that a man named Ellsberg could steal top secret papers from the Pentagon and distribute them to newspapers without the kind of public condemnation such as a treasonable act deserves. It was a time also when information was being supplied to the press from sources obviously within the White House or offices closely connected with the White House. And in my opinion, these two conditions required action to find out who was guilty in every case where leakage of sensitive information took place.

Had I been the President of the United States at that time, I would have used every means at my command to see that the leaking of top classified material was stopped and the perpetrators punished. I would have done the same thing in the case of Mr. Ellsberg, although I certainly would not have permitted resort to illegal methods. As we all know, because some of the people working on the problem of leaks got carried away with their efforts to find out about Ellsberg, he has gone scot free and has been made something of a hero by people who see nothing wrong with leaking top secrets to our potential enemies if they happen to involve policies with which these people disagree.

Mr. President, if this has become the frame of mind of the people who worked for the Government in Washington; and if this has become the frame of mind of the average American citizen, then I suggest this country has gone a long, long way down the road toward self-ruination.

Mr. President, I think it is time we stopped this incessant nit-picking and stopped directing abuse, innuendos and accusations toward people like Dr. Kissinger and start, instead, a determined inquiry as to how and why leaks of sensitive government information are still dripping all over the place.

Mr. President, I am not attempting to defend Dr. Kissinger if he did, indeed, tell a falsehood when he testified on his nomination. I do not know whether he did or not, but I can certainly see how something of this sort might have appeared to happen and is now being magnified by people who frankly dislike Dr. Kissinger because he has been an outstanding performer for the Nixon administration.

In all events, I urge Dr. Kissinger and others who have been subjected to the harassment of interrogation by the news media, that they lay the case out in a plain and simple fashion so that any newsman will be able to understand it. What I mean is that it is time that we decide once and for all whether it is more important to protect secret information relative to our Government or more important to provide more circulation for newspapers, more viewers and listeners to the electronic media, and more money and adulation for people willing to turn against their Government?

I thank the distinguished Senator from Wisconsin for yielding. In fact, as I was talking and thinking about his associating me with New Mexico, I became "muy simpatico."

RECESS UNTIL 11:40 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 11:40 a.m. today.

The motion was agreed to; and, at 11:16 a.m., the Senate took a recess until 11:40 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK).

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

Mr. ROBERT C. BYRD. Mr. President, without prejudice to the distinguished junior Senator from Wisconsin (Mr. NELSON), I suggest the absence of a quorum, the time to be charged equally to both sides on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I move that S. 3523 be re-referred jointly to the Committee on Government Operations, the Committee on Commerce, and the Committee on Interior and Insular Affairs until July 19, 1974, to be reported back on that day with recommendations on amendment No. 1406 and such other amendments as may, to the committees, seem appropriate; and that on that day should no report be made, the committees be considered as having been discharged from further consideration of the bill, and that that bill, together with amendment No. 1406, be placed on the calendar.

Mr. President, the Senator from Colorado (Mr. HASKELL) and the Senator from Ohio (Mr. TAFT) join with me in this motion.

The PRESIDING OFFICER. Will the Senator please send the motion to the desk?

There are 20 minutes on this question, equally divided. Who yields time?

Mr. TUNNEY. Mr. President, the Committee on Commerce opposes this motion on the ground that yesterday the Senate spoke rather clearly. It indicated that it felt that a 1-year commission was appropriate under the circumstances and that with the 6-month reporting period there could be action to establish a permanent commission within 18 months if it is deemed that such a permanent commission is desirable.

Yesterday, the vote was almost 2 to 1 in favor of the 1-year commission, and the leadership in the Senate reached an agreement with the administration that this was the appropriate way to proceed.

I find myself in a difficult position because, as an individual Senator, I support the motion that has been made by the junior Senator from Wisconsin. I personally think it will be most appropriate to have the relevant committees report back soon to the Senate a recommendation for a permanent mechanism in order to monitor material shortages.

We have had all the studies that we need. Congress is perfectly capable now, through the hearing process, to develop a permanent structure. We do not need the advice of any more commissions. We have had three of them, and some of the recommendations they have made are very specific.

However, my own individual views were not supported by the Senate yesterday when, as I indicated, by a vote of 2-to-1 a decision was made to go ahead with a 1-year commission.

It would be my hope, as an individual, that a majority of Senators would feel it appropriate to allow the relevant Senate committees to get to work on this problem and, within a period of about 6 weeks, report back to the Senate a specific recommendation. As a spokesman for the Commerce Committee, however, I take the position that we should support the decision that was made by the Senate yesterday.

Mr. NELSON. Mr. President, in response to the comments of the distinguished Senator from California, in evaluating yesterday's vote, I want to dissent from his conclusion that the 2-to-1 margin—that was the margin by which the Tunney amendment was rejected, thereby limiting the time of the commission to 1 year—I wanted to dissent from his interpretation of that vote as an indorsement of the temporary commission.

I voted for the Percy amendment not because I favor a temporary commission. I do not. I am going to vote against it unless the bill is sent back to the committee.

I voted for the temporary commission and argued in behalf of it—the 1-year limitation—with other Senators on the ground that if we are going to have a commission that is not going to do very much, the less time we give them to do it the better off we are, so that, the more quickly, we can address ourselves to doing what we should have done 20 years ago.

So I would favor a 1-month commission or a 1-day commission or no commission. That is why I voted for the 1-year limitation, not as an indorsement of the temporary commission, because I am opposed to it.

The distinguished Senator from California has spent much time on this question, and I know his views. He has a deep understanding of what the issue is all about. He has conducted hearings in behalf of his committee. He knows and has said that it is important that we stop having study commissions and that we commence now to establish a permanent agency to monitor and evaluate the status of the critical resources that are within our boundaries and that are available elsewhere in the world.

This whole thing has been talked about for a quarter of a century or more. Not only the Paley Commission of 1952, but Harrison Brown's book of 1954, warned about the coming shortages. Oil shortages were warned about 10 or 15 years ago or more.

We know what the problem is. We have had extensive hearings in several committees on this issue.

The Energy Information Act, which deals with precisely the same problem—that is, resources specifically confined to energy, but it is a resource problem—is in its fifth draft before the Interior Committee. It has been discussed, evaluated, written, and rewritten for a period of months. It provides a very fine format or framework for establishing a monitoring agency right now. As a matter of fact, at the hearings on the Energy Information Act, the administration spokesmen appeared and endorsed the concept of the bill. Well, if it applies to coal and oil, the same concept applies to metals, proteins and fibers.

The administration itself urges the creation of an Energy Information Agency to do the same things we are talking about here respecting all other resources.

So it is time we started now. This Congress, probably rightfully, is earning a reputation for lathering about problems but never shaving. We talk, talk, talk, establish commissions, and discuss and discuss, but nothing happens.

I think it is time Congress stood up and acted on this issue, passed the legislation, and laid it on the President's desk, so that we will not continue to be criticized for an incapacity, an incapability of addressing ourselves to critically important national and international issues.

If this commission proposition is adopted, it will be 2 years before a bill will pass Congress. In the meantime, we do not know what our status is respecting oil and natural gas, metals, fibers, proteins—all kinds of resources, vital, in fact critical, to the operation of our highly sophisticated industrial system.

So why do we not act? That is the issue.

I hope that Congress will send the bill back to the committees which have been working on this issue for half a year and request that they send us a bill. They have the staff; they can conduct further hearings if it is necessary. I do not know of any member of those committees who will tell us privately that the bill does anything. They say it does not do much; it just postpones action. Well, if that is the case, why pass it? Let us pass a real bill.

Mr. President, I ask unanimous consent to have printed in the RECORD, so that it will be available for those who wish to study it, Amendment No. 1406, which was proposed by myself and the Senator from Colorado (Mr. HASKELL).

There being no objection, the amendment (No. 1406) was ordered to be printed in the RECORD, as follows:

(1) Following line 2 of page 1 (the enacting clause and short title), insert the following new sections and title heading:

"FINDINGS AND PURPOSES

"SEC. 2. (a) The Congress hereby finds that—

"(1) The development of coherent and effective national resources and materials policies to provide for the future needs of the United States is a matter of overriding national importance;

"(2) The Federal Government must take the lead in formulating and implementing such policies to avert future shortages of resources and materials;

"(3) Present understanding of the United States resources and materials supply system, including its related problems, and the formulation and management of national resources and materials policies, have suffered from a lack of credible, standardized, and relevant information on resources and materials supplies and consumption;

"(4) The existing collection of resources and materials data and statistics by scores of Federal agencies is uncoordinated, fosters duplication of reporting, and relies too heavily on unverified information from industry sources; and

"(5) Management of the finite and nonrenewable resources supplies of the United States on the basis of adequate, accurate, standardized, coordinated, and credible information concerning all aspects of resources and materials availability, extraction, production, distribution, and use is of overriding national importance for the public health, safety and welfare, and for the national security of the United States.

"(b) The purposes of this Act are—

"(1) To provide for an improved national capability for the coordinated collection, collation, comparison, analysis, tabulation, standardization, and dissemination of resources and materials information.

"(2) To provide for periodic, standardized, and centralized collection of information by the Federal Government from the resources and materials industries so as to minimize duplication of reporting concerning resources, related operations, usage of resources in all forms, and holdings of resources and materials.

"(3) To establish within the Federal Governments centralized National Resources and Materials Information System to assure the availability of standardized, accurate, and credible resources and materials information to the Congress, to Government agencies responsible for resources and materials policy decisions, and to others.

"(4) To create an independent National Commission on Supplies and Shortages to administer the National Resources and Materials Information System, to study the materials and resources supply and consumption patterns of the United States and other nations, and to coordinate the resources and materials information collection activities of other Federal agencies so as to minimize and, to the maximum extent practicable, eliminate duplication of reporting by resources and materials enterprises.

"(5) To provide, to the greatest extent practicable, for public access to the information gathered pursuant to this Act subject to the safeguards provided by this Act.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) 'Resources and materials industries' mean all resources enterprises and all materials enterprises.

"(b) 'Resources enterprise' means a person or agency engaged in any of the following lines of commerce: (1) ownership or control of resources; (2) exploration for or development or extraction of resources; or (3) production of raw materials.

"(c) 'Materials enterprise' means a person or agency engaged in any of the following lines of commerce: (1) production of semifinished or finished materials; (2) the storage or transportation by any means whatsoever of raw, semifinished, and finished materials; or (3) the wholesale or retail distribution of raw, semifinished, or finished materials.

"(d) 'Resource' means any unproduced, undeveloped, or unextracted natural resource that is or is capable of becoming a source of raw materials. The term includes, but not by way of limitation, mineral deposits of all kinds, land, marine and inland fisheries, water supplies, forests, and nonmineral resources which have been identified or developed as sources of energy, including but not limited to water, geothermal, solar, tidal, or wind energy.

"(e) 'Raw material' mean any commodity or product of any extractive industry in its first state after extraction or production from a resource. The term includes, not necessarily by way of limitation, all raw commodities produced by all industries of the Agriculture, Forestry, and Fishing Division and the Mining Division of the Standard Industrial Classification.

"(f) 'Semifinished material' means any commodity or product that has been produced by one or more steps of refining, manufacturing, or otherwise processing a raw material, but which is not a finished material. The term includes but is not limited to all unfinished products, other than raw products of the two Divisions of the Standard Industrial Classification mention in subsection (e), and the Manufacturing Division. The term expressly includes all unfinished fuels and electricity generated for wholesale distribution or resale, by whatever means.

"(g) 'Finished material' means any commodity or product made from a raw material or semifinished material that is capable of being used or consumed without further refining, processing, or manufacture. The term expressly includes, but not by way of limitation, all fuels and electricity ready for end use.

"(h) 'Person' means any legal entity (other than an agency) capable of contracting, suing, or being sued, including but not limited to any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose, wherever situated, domiciled, or doing business, who directly or through affiliates is engaged in or affecting commerce.

"(i) 'Federal agency' shall have the meaning of the term 'executive agency' as defined in section 105 of title 5 of the United States Code.

"(j) 'Agency' means a Federal agency or a comparable division or entity of a State, local, or foreign government.

"(k) 'Standard Industrial Classification' (and the abbreviation thereof, 'SIC') have the same meanings as in the Standard Industrial Classification Manual 1972 prepared by the Statistical Policy Division, Office of Management and Budget, Executive Office of the President: *Provided,* That the Commission or the Administrator by regulation, may submit a later edition of such manual or a later publication officially designated as the successor in function to the Standard Industrial Classification Manual.

"(l) 'Company', unless the context otherwise clearly requires, has the same meaning as 'company' and 'enterprise' as used in the Standard Industrial Classification.

"(m) 'Establishment', when referring to companies, has the same meaning as in the Standard Industrial Classification. When referring to any agency or instrumentality of the Federal Government, the term 'establishment' shall have the meaning of the term 'independent establishment' as defined in section 104 of title 5 of the United States Code.

"(n) 'Affiliate' means a person (or an establishment not legally a person but a part or branch of a person) that controls, is controlled by, or is under common control with one or more other persons.

"(o) 'Control' means, in the case of a business establishment, the ability to determine its business policy, including but not limited to such ability based on ownership, contract, agreement, or a combination thereof. *In the* case of a resource, 'control' means the ability to determine whether, when, and how such resource will be extracted or developed, including but not limited to such ability based on ownership of the fee in, or a lease of. land or submerged land, or a combination of ownership and lease, or on any contract or agreement.

"(p) 'Commerce' and 'corporation' have the meanings set forth in section 44 of title 15, United States Code.

"(q) 'Public lands' means all lands owned by the United States, including mineral deposits owned by the United States in lands that surface of which is in other ownership, and including the submerged lands and waters over the submerged lands of the oceans, to the outer boundaries of United States jurisdiction.

"TITLE I—NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES".

(2) On page 1, at line 8, redesignate section 2 as section 101.

(3) on page 3, at line 16, redesignate section 3 as section 102.

(4) On page 3, following line 16, insert the words "to establish and initiate operation of the National Resources and Materials Information System authorized by title II of this Act, and".

(5) On page 3, beginning at line 19, strike out all through line 2 of page 4 (all of clause (1) of section 3(a), hereinabove redesignated section 102(a)) and insert in lieu thereof the following:

"(1) the existence or possibility of any long- or short-term shortages of resources, or market adversities affecting resources, or any other shortages or market adversities affecting the supply of any raw, semifinished, or finished material:

"(2) any possible impairment of productive capacity which may result from shortages, in resources, or from shortages of raw, semifinished, or finished materials, or from market adversities, including, but not by way of limitation, shortages, deficiencies or misallocations of capital investment;".

(6) On page 4, at lines 3 and 8, redesignate clauses (2) and (3) as clauses (3) and (4), respectively, and, on line 5 of page 4 (third line of clause (2) hereinabove redesignated as clause (3)) strike out the words "paragraph (1)" and insert in lieu thereof the words "paragraphs (1) and (2)".

(7) On page 4, strike out lines 15 and 16 (clause (4), as originally numbered, of section 3(a), hereinabove redesignated section 102 (a)) and insert in lieu thereof the following:

"(5) the operation of and any needed improvements in the National Resources and Materials Information System authorized by title II of this Act, including the permanent placement of such System within the Federal Government.".

(8) On page 4, strike out all of lines 16 through 19 inclusive (all of subsection (b) following "with respect to institutional

adjustments," and before the words "United States and in relation to the rest of the world.") and insert in lieu thereof the following: "and its own analysis of supplies and shortages of resources and materials in the economy of the".

(9) On page 5, at line 4, redesignate section 4 as section 103.

(10) On page 5, at line 11, redesignate section 5 as section 104.

(11) On page 5, at line 15 (clause (1) of section 5(a), hereinabove redesignated section 104(a)), following the word "Director" insert the words "of the Commission and an Administrator of the National Resources and Materials Information System".

(12) On page 6, at line 7, redesignate section 6 as section 105.

(13) On page 6, strike out lines 14 through 18, inclusive (section 7 in its entirety) and insert in lieu thereof the following:

"TITLE II—NATIONAL RESOURCES AND MATERIALS INFORMATION SYSTEM

"ESTABLISHMENT OF SYSTEM

"SEC. 201. (a) The Commission shall establish a National Resources and Materials Information System (hereinafter referred to in this Act as the 'System'), which shall be operated and maintained by the Commission during the existence of the Commission and thereafter by such other Federal agency as the Congress shall create or designate. The System shall be independent of the executive departments and under the control and direction of an Administrator. The Administrator shall be appointed as provided in paragraph (1) of subsection 104(a) of this Act during the existence of the Commission and thereafter in such manner or by such authority as the Congress shall by law provide.

"(b) (1) The functions and powers of the System shall be vested in and exercised by the Administrator, subject to the direction and control of the Commission during its existence.

"(2) The Administrator may, from time to time, and to the extent permitted by law, consistent with the purposes of this Act, delegate such of his functions as he deems appropriate.

"(c) The System shall have a General Counsel appointed by the Commission, who may also, in the Commission's discretion, serve as General Counsel of the Commission. The General Counsel shall be the chief legal officer of the System and shall receive compensation at the rate provided for level IV of the Executive Schedule (5 U.S.C., sec. 5315).

"(d) The Administrator may appoint, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him, and prescribe their authority and duties.

"FUNCTIONS AND POWERS OF THE ADMINISTRATOR AND THE SYSTEM

"SEC. 202. (a) (1) The function of the System shall be the collection, collation, comparison, analysis, tabulation, standardization, and dissemination of resources and materials information pursuant to this Act.

"(2) The Administrator is authorized to request, acquire, and collect resources and materials information from any person in such form and in such manner as he may deem appropriate in order to fulfill the requirements of the System and to achieve the purposes of this Act.

"(b) (1) The Administrator may prepare schedules, and may determine the inquiries, and the number, form, and subdivisions thereof, for the reports, surveys, and statistics required or authorized by this Act.

"(2) The Administrator, by regulation, shall prescribe the forms on which the reports required by paragraph (1) of subsection 208(c), and any other reports prescribed by the Administrator pursuant to this Act, shall be made. Such forms shall be drafted in consultation with advisory committees established pursuant to section 205, the General Accounting Office, and such other Federal agencies as either the Administrator or the Comptroller General of the United States may deem requisite.

"(3) The Administrator may, through contract or otherwise, conduct such mechanical and electronic development work as he determines is needed to carry out the purposes of this Act.

"(c) The Administrator may utilize, with their consent, the services, personnel, equipment, and facilities of Federal, State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act, to Federal, State, regional, local, and private agencies and instrumentalities, as reimbursement for utilization of such services, personnel, equipment, and facilities.

"(d) The Administrator may accept unconditionally for the benefit and use of the System gifts or donations of money or property, real, personal, or mixed, tangible or intangible.

"(e) The Administrator may enter into and perform contracts, leases, cooperative agreements, or other similar transactions with any public agency or instrumentality or with any person.

"(f) The Administrator may perform such other activities as may be necessary for the effective fulfillment of his administrative duties and functions.

"(g) In any civil action, the Administrator is required to appear in a court of the United States. The Administrator may elect to appear on his own behalf or by an attorney designated by him for such purposes, after formally notifying and consulting with and giving the Attorney General ten days to take the action proposed by the Administrator.

"(h) The Administrator, with consent of the Commission, may issue such rules, regulations, and orders in the manner prescribed by the Administrative Procedure Act (5 U.S.C. 551 et seq.) as he deems necessary or appropriate to carry out the provisions of this title.

"(i) (1) Except as provided in subsection 208(1) any interested person may seek judicial review of rules, regulations, or orders promulgated under this Act only by filing within thirty days of the implementation of such rule, regulation, or order a petition for review in the United States court of appeals for the circuit in which such interested person resides or has his principal place of business, or in which the Administrator is located, or in the United States Court of Appeals for the District of Columbia.

"(2) Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all other cases or controversies arising under this Act, or under rules, regulations, or orders issued thereunder.

"(j) The System shall have a seal containing such device as the Commission may select. A description of the seal with an impression thereof shall be filed in the Office of the Secretary of State. The seal shall remain in the custody of the Administrator and shall be affixed to all certificates and attestations that may be required from the System. Judicial notice shall be taken of the seal.

"COORDINATION AND TRANSFER OF AGENCY ACTIVITIES

"SEC. 203. (a) The Administrator shall coordinate existing resources and materials information collection activities of all Federal agencies and may enter into agreements to assume all or part of such activities except where such activities are authorized by statute: *Provided, however*, That nothing in this section shall be construed to limit the collection of resources and materials information by Federal agencies for the purposes of law enforcement or to constrain investigations carried out by independent regulatory agencies.

"(b) Within one year from the date of enactment of this Act, the Administrator shall make recommendations to the Commission, and the Commission shall make recommendations to the President and the Congress, for the further consolidation and, to the greatest extent practicable, centralization of resources and materials information activities of all Federal agencies.

"(c) (1) The President may transfer to the System all or part of the resources and materials information activities being carried on by a Federal agency if he finds that such transfer will further the purposes of this Act.

"(2) The plan for such transfer shall be transmitted by the President to the Congress and shall take effect pursuant to the provisions of subsection (d) of this section.

"(d) A transfer plan shall be effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that that House does not favor the plan. For the purpose of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

"ANALYTICAL CAPABILITY AND INFORMATION SCOPE

"SEC. 204. (a) The Administrator shall maintain within the System the capability to perform analysis and verification of resources and materials information to the extent necessary to serve the purposes of this Act. This capability may include such scientific, professional, engineering, and other specialized personnel and equipment as the Administrator may deem requisite.

"(b) The Administrator shall maintain within the System the capability to carry out independent interpretations of the significance and evaluations of the usefulness of the resources and materials information provided to the Commission and the System pursuant to this Act in relation to (1) the purposes of this Act and (2) the performance of the analyses and verification described in this section. Such evaluations may include, but need not be limited to:

"(1) studies which identify the types, levels of detail, comparability, and levels of accuracy of the resources and materials information required to perform the analyses mentioned in subsection (c) of this section.

"(2) the development and evaluation of models characterizing various sectors of the economy, and lines of commerce and segments of business of the resources and materials industries deemed significant by the Administrator; and

"(3) the development of an energy accounting system capable of describing the flow of energy through the United States economy.

"(c) The System shall contain such information as is required to provide a description of and facilitate analysis of resources and materials supply and consumption within and affecting the United States on the basis of such geographic areas and economic sectors as may be appropriate, and to meet adequately the needs of the Congress and of those Federal agencies which are responsible for resources and materials policy analysis and formulation and for related regulatory functions, including energy-related regulation. At a minimum, the System shall contain such information as is required to define and to permit analysis of—

"(1) the institutional structure of the resources and materials supply systems, including patterns of ownership and control of resources and resources companies, and the production, distribution, and marketing of raw, semifinished, and finished materials;

"(2) the depletion of resources and the consumption of raw, semifinished, and finished materials by such classes, sectors, and regions as the Administrator shall determine are appropriate to the purposes of this Act;

"(3) the sensitivity of resource exploration, development, production, transportation, and consumption to economic factors, environmental constraints, technological improvements, and substitutability of resources and materials in various uses;

"(4) the capital requirements of the public and private institutions and establishments responsible for the production and distribution of materials and the development of resources;

"(5) the methods of comparing and reconciling resources and materials statistics that have been compiled and published by different sources, and under different systems and methods, for immediate interpretation and use, and with a view to developing at the earliest practicable date methods, rules, and regulations for the standardization of resources and materials information, accounting, and statistics;

"(6) industrial, labor, and regional impacts of changes in patterns of resources and materials supply and consumption;

"(7) international aspects, economic and otherwise, of the evolving resources and materials situation; and

"(8) long-term relationships between resources nad materials supply and consumption in the United States and world communities.

"ADVISORY AND INTERAGENCY COMMITTEES

"Sec. 205. (a) The Administrator shall establish, with the approval of the Commission and the heads of the Federal agencies affected, interagency committees to advise and make recommendations to him.

"(b) In addition to any advisory committees established by the Commission under section 103 of this Act, the Administrator is authorized to establish boards, task forces, commissions, committees, or similar groups not composed entirely of full-time Government employees, to advise with respect to the administration of this Act or actions taken pursuant to this Act which affect the resources and materials industries and lines of commerce or business segments thereof. The Administrator shall endeavor to insure that each such group is reasonably representative of the various points of view and functions of each resources or materials industry with which such group is concerned, including residential, commercial, and industrial materials consumers, and shall include, where appropriate, representation from both State and local governments.

"(c) Each meeting of such board, task force, commission, committee, or similar group, shall be open to the public and interested persons shall be permitted to attend, appear before and file statements with, such group, except that the Administrator may determine that such meeting shall be closed in the interest of national security. Such determination shall be in writing, shall contain a detailed explanation of reasons in justification of the determination, and shall be made available to the public.

"(d) All records, reports, transcripts, memoranda, and other documents, which were prepared for or by such group, shall be available for public inspection and copying at a single location in the offices of the System.

"(e) Advisory committees established or utilized pursuant to this Act shall be governed in full by the provisions of the Federal Advisory Committee Act (Public Law 92-463, 86 Stat. 770), except as inconsistent with this section.

"UNAUTHORIZED DISCLOSURES; THEFT OF INFORMATION; PENALTIES

"Sec. 206.(a) (1) Any employee of the Commission or the System who makes an unauthorized disclosure of information (A) to which public access is restricted pursuant to this Act, or (B) furnished to the Administrator by another Federal agency subject to restrictions pursuant to section 208, shall be fined not more than $1,000, or imprisoned for not more than one year, or both; and shall be removed from office or employment.

"(2) The Administrator may by regulation prescribe rules and procedures for exchange and communication of information the public disclosure of which is restricted pursuant to section 208.

"(b) Any officer or employee of the United States other than employees referred to in paragraph (1) of subsection (a), any officer or employee of any State or political subdivision or agency of either, or any other person who has access to information to which public access is restricted or denied pursuant to this Act, who, having obtained from the System by reason of his employment or for official use any such information to which public access is restricted or denied pursuant to this Act publishes, releases, or communicates such information otherwise than in accordance with regulations promulgated by the Administrator, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and if a Federal employee, removed from office or employment.

"(c) Any person who steals or intercepts electronically stored or transmitted resources and materials information, or other information, contained in the System by any conventional, mechanical, or electronic means, or who otherwise obtains information from the System to which he is not entitled under this Act, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"PENALTIES FOR PROVIDING FALSE INFORMATION OR REFUSING TO FURNISH INFORMATION

"Sec. 207.(a) Any individual who knowingly submits or causes to be submitted, a materially false or fraudulent answer, response, or report in response to any lawful request for resources and materials information made under this Act, shall, notwithstanding section 1001 of title 18 of the United States Code, be fined not more than $20,000 or imprisoned not more than five years, or both, for each such offense.

"(b) Any individual that refuses to submit an answer, response, or report in response to any lawful request for resources and materials information made under this Act shall be subject to a civil penalty of not more than $10,000 for each such refusal.

"(c) Any individual who shall knowingly submit an incomplete or inaccurate answer in response to any lawful request or demand for resources and materials information under this Act, shall be subject to a civil penalty of not more than $5,000 for each such answer or violation.

"ACQUISITION AND DESIGNATION OF INFORMATION BY SOURCE, TYPE AND ACCESS CATEGORIES

"Sec. 208. (a) Pursuant to section 202(h) of this Act, the Administrator shall issue regulations under which resources and materials information and other information will be acquired for the System and will be designated and indexed by source and by type or subject. Those regulations shall also provide for designation of the restrictions, if any, on access to, exchange of, or use that may be made of particular items or groups of items of related information in the System. The regulations shall also provide for designation of the categories of information, and access, set forth in this section, and for such additional categories and subcategories, consistent with this section, as the Administrator may find to be requisite.

"(b) The Administrator's regulations shall designate as 'Federal agency information' all resources and materials information and other information possessed by Federal agencies which is relevant to the purposes of this Act. The regulations shall also provide for the designation of the following subcategories of Federal agency information:

"(1) The term 'excluded Federal agency information' shall designate Federal agency information to which the administrator may not have access and which shall accordingly be excluded from the System. That designation shall be applied only to

"(A) information which the head of a Federal agency certifies in writing to the Administrator is privileged or confidential, was obtained by the agency for law enforcement purposes, and would adversely affect law enforcement procedures if made available to the System, even in the category of statistical Federal agency information;

"(B) information the disclosure of which by the possessing Federal agency to another Federal agency is expressly prohibited by an act of Congress;

"(C) information which includes or consists of trade secrets, commercial, financial, geological, or demographic information which is privileged or confidential and was acquired by a Federal agency from a person for statistical purposes, the disclosure of which to another Federal agency would frustrate the development of accurate statistics by the acquiring agency.

"(2) The term 'statistical Federal agency information' shall designate Federal agency information which the Administrator may obtain from other Federal agencies for inclusion in the System, subject to the safeguards and limitations of this subsection. Statistical Federal agency information shall include all Federal agency information that—

"(A) is classified for reasons of national defense or foreign policy pursuant to statute or Executive order; or

"(B) constitutes or involves restricted data as that term is defined in the Atomic Energy Act of 1954, as amended (42 U.S.C., sec. 2011 et seq.).

"(3) In furtherance and not in limitation of any other authority, the Administrator is authorized, for the purposes of carrying out his responsibilities under this Act, to request from any Federal agency, and such agency shall provide him, any or all Federal agency information, other than excluded Federal agency information, that it may possess.

"(4) Federal agencies shall furnish statistical Federal agency information to the Administrator only pursuant to an agreement or memorandum in writing between the head of the Federal agency and the Administrator describing the use of and access to, and the limitations on use of and access to, such information in the System. Statistical Federal agency information shall be furnished to the Administrator in the same form in which it was acquired by the Federal agency, unless the head of the Federal agency and the Administrator otherwise agree, which shall be within the Administrator's sole discretion; but such information, in its original form, shall be available only to the Administrator or his delegate, to the Comptroller General of the United States or his delegate under section 401 of this Act, to committees of the Congress upon request by the chairman, or to other individuals designated by the President pursuant to section 2(A) or section 2(B) of Executive Order 11652, dated March 3, 1972, 'Classification and Declassification of National Security Information and Material.' All persons receiving statistical Federal agency information pursuant to this paragraph shall use such information, in its original form, only in a manner which preserves the degree of confidentiality accorded such information by the Federal agency supplying it to the Administrator. Nothing in this paragraph shall prevent any person receiving statistical Federal agency information pursuant to this paragraph from making such information available to the public in the form of statistical summaries prepared in such a way as to prevent any person not having lawful access to such information in its original form from identifying, learning or inferring information or data furnished by any particular person.

"(c) The Administrator's regulations shall designate as 'official use information' all resources and materials information and other information relevant to the purposes of this Act, acquired by the Administrator from any source and included in the System, which is neither statistical Federal agency information nor public information, as defined in this section. Such regulations shall provide for descriptions of official use information, and limitations on its access and use, which shall be consistent with this subsection. The regulations shall also provide for the designation of the following subcategories of official use information:

"(1) The term 'proprietary company information' shall be used in the Administrator's regulations to designate official use information which the Administrator acquires on a privileged or confidential basis, which pertains to a particular company, in which such company has a lawful proprietary interest, and concerning which the Administrator finds on the basis of clear and convincing evidence that the public disclosure thereof would cause substantial harm to the competitive position of such company.

"(A) When all the criteria of the first sentence of this paragraph are met, the Administrator's regulations may provide for the designation as proprietary company information of any of the following subcategories of such information:

"(i) Any 'trade secret', a term which shall be used in the Administrator's regulations to designate an unpatented, secret, commercially valuable plan, appliance, formula, or process which is used for the making, preparing, compounding, or treating of articles or materials which are trade commodities;

"(ii) 'Geological information', a term which shall be used in the Administrator's regulations to designate information of a geological, geophysical, or engineering nature concerning resources including, but not limited to: location; lithology; paleontology; types of entrapment, results obtained by the use of torsion balances, gravimeters, magnetometers, seismographs, and other geophysical or geochemical instruments; surface and well logs (electric or radioactive); core samples and porosity; pay thickness; fluid analyses and pressure performance; production mechanism; recovery efficiency; and reservoir performance;

"(iii) 'Company financial information', a term which shall be used in the Administrator's regulations to designate information pertaining to a company's investments, assets, sales, costs, profits, and other accounting data, and accounting systems and procedures, on either a consolidated basis or by segments of business;

"(iv) 'Company commercial information', a term which shall be used in the Administrator's regulations to designate information pertaining to a company's suppliers, customers, and commercial contracts, on either a consolidated basis or by segments of business; and

"(v) Such other subcategories as the Administrator may find to be requisite.

"(B) In furtherance and not in limitation of any other authority, the Administrator is authorized, for the purposes of this Act, to require from any company, and such company shall provide him, proprietary company information. Subject to any authority and to all safeguards and limitations contained in this Act, the Administrator may also acquire proprietary company information from sources other than the company to which such information pertains: *Provided,* That (i) when the Administrator's sole source for any information pertaining to a company is a Federal agency and such information is described in paragraph (2) of subsection (b) of this section such information shall be designated and handled as statistical Federal agency information; and (ii) when the Administrator's sole source for any information pertaining to a company is an agency, as defined in section 3(j) of this Act, and the acquisition of such information is described in paragraph (2) of this subsection, such information shall be designated and handled as restricted governmental information.

"(C) In order that proprietary company information acquired by the Administrator from companies shall be of maximum value to the System for the purposes of this Act, the Administrator's regulations shall designate—

"(i) 'Segments of business' which shall facilitate comparisons on a standardized basis among resources enterprises and materials enterprises. In the designation of segments of business, the Administrator shall give consideration, to the maximum extent practicable, to: (a) Standard Industrial Classification; (b) the physical establishments of a company; (c) the identified organizational structure of a company, including all ownership and control relationships among establishments, divisions, subsidiaries, and other segments; (d) the product classes, products, and, when appropriate, product brands of a company; (e) any unusual or peculiar circumstances of particular industries and companies; and (f) the established and accustomed accounting standards, practices, and systems of particular industries and companies;

"(ii) 'Resources enterprises,' which alone or with their affiliates are involved in one or more lines of commerce or segments of business in the resources industries, so that the collection of resources information pertaining to the resources industries shall provide a statistically accurate profile of each line of commerce or segment of business for the resources industries within the United States and, to the extent practicable, outside the United States;

"(iii) 'Materials enterprises,' which alone or with their affiliates are involved in one or more lines of commerce or segments of business in the materials industries, so that the collection of materials information pertaining to the materials industries shall provide a statistically accurate profile of each line of commerce or segment of business for the materials industries within the United States and, to the extent practicable, outside the United States.

The Administrator shall require designated resources enterprises, designated materials enterprises, and designated segments of business of such enterprises to report within one year of the date of enactment of this Act and annually thereafter so much of their proprietary company information, and other information, as shall be necessary for the formulation of accurate statistics on the resources and materials controlled, produced and consumed, revenues, costs, profits, assets, liabilities, and other information, of such enterprises and segments.

"(D) Proprietary company information in the System shall, in general, be available in its original form only to—

"(i) officers and employees of the executive, legislative, and judicial branches and the independent establishments of the Federal Government having official use for the information; and

"(ii) any official, body, or commission, lawfully charged with the administration of any energy program of any State, if the information is to be used in furtherance of such administration.

The Administrator's regulations shall establish procedures whereby those seeking access to proprietary company information may identify themselves and the information they seek and establish their right thereto under this paragraph. All persons receiving such information shall use it only in a manner which preserves the degree of confidentiality accorded such information by the Administrator's regulations. Nothing in this paragraph shall prevent the Administrator or other authorized person from making proprietary company information available to the public in the form of statistical summaries prepared in such a way as to prevent any person not having lawful access to such information in its original form from identifying, learning, or inferring information or data furnished by any particular company. Proprietary company information may be made available to the public in its original form only when the Administrator has redesignated it as public information in accordance with regulations promulgated under subsection (i) of this section.

"(2) The term 'restricted governmental information' shall designate official use information which the Administrator acquires on a privileged or confidential basis from any Federal agency or from an official source within any State or local or foreign government or any agency or subdivision thereof, which the Administrator deems valuable to the System, and which the Administrator has determined cannot be acquired for the System or cannot be acquired in a sufficiently timely or inexpensive manner as public information. The Administrator's regulations shall establish procedures for and necessary limitations on the acquisition, use and exchange of restricted governmental information.

"(3) The Administrator's regulations shall provide that no information may be designated as official use information when the sole reason for such designation is that public disclosure thereof would cause personal embarrassment to any public or company official. Such regulations shall provide for the prompt redesignation as public information of any official use information when the Administrator determines that the conditions of the preceding sentence have come to apply to such information.

"(d) The Administrator's regulations shall designate as 'public information' all resources and materials information and other information acquired by the Administrator and included in the System concerning which no limitations or restrictions on use or access (other than rules concerning office hours and usage fees) are presently in effect. Such regulations shall provide for access to public information in accordance with this subsection.

"(1) Public information shall be available to the public for inspection and copying at reasonable cost during normal business hours and may be published or otherwise disseminated by the Administrator or others. The Administrator shall endeavor to establish fee schedules which cover or approach covering the costs of public use of the System; but the regulations may, in the Administrator's discretion, provide for reduction or waiver of fees in the case of scholars, nonprofit organizations, and others whose use of public information is determined by the Administrator to be likely to enhance the System by making useful new inputs to the System, or otherwise to further the purposes of this Act.

"(2) The Administrator shall develop and maintain filing, coding, and indexing systems that identify the public information in the System, and all such systems shall themselves be public information.

"(e) Pursuant to subsection (i) of this section, the Administrator's regulations shall provide for the designation or redesignation as public information of any item or group of related items of information in the System claimed to constitute or previously designated as proprietary company information or any subcategory thereof, when the Administrator finds that—

"(1) any one or more of the criteria set forth in the first sentence of paragraph (c) (1) of this section does not apply or has ceased to apply to such information; or

"(2) the benefit to the public interest in designating or redesignating such information as public information outweighs the demonstrated harm to the competitive position of the company; or

"(3) denial of public access to such information would result in an adverse effect on the public health or safety.

"(f) Pursuant to subsection (i) of this section, the Administrator's regulations shall provide for the designation or redesignation as public information of any geological information claimed to constitute or previously designated as proprietary company information, when the Administrator finds that—

"(1) any one or more of the criteria set forth in the first sentence of paragraph (c) (1) of this section does not apply or has ceased to apply to such information; or

"(2) such geological information has been in the System for more than two years and continuation of the proprietary company information designation may tend to lessen the value to the public of resources in the public lands, or may tend to deprive the public of needed or desirable development of new sources of raw materials; or

"(3) such geological information is more than five years old and has been in the System for more than one year; or

"(4) such geological information is more than ten years old.

"(g) Pursuant to subsection (i) of this section, the Administrator's regulations shall provide for the designation or redesignation as public information of any company financial information claimed to constitute or previously designated as proprietary company information, when the Administrator finds that—

"(1) such information pertains to a segment of business of the company involving assets of $10,000,000 or more or gross sales or other gross business receipts of $10,000,000 a year or more; and

"(2) the nature and extent of itemization or detail of the information pertaining to such segment of business, which is to be designated or redesignated as public information, is substantially similar to or not substantially greater than the itemization or detail that would normally be included in or inferable from a public annual report filed with the Securities and Exchange Commission under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C., secs. 78m and 78o) by a hypothetical registered company which had, as its sole business property and operations, property and operations substantially identical to the property and operations of the segment of business of the company in question.

"(h) In addition to and not in limitation of the powers and duties conferred by subsections (e), (f), and (g), but pursuant to subsection (i) of this section, the Administrator shall review annually all official use information in the System and shall redesignate as public information any of such official use information for which he finds that—

"(1) all reasons for restricting access to such information have ended; or

"(2) such information is company financial information and is more than five years old; or

"(3) such information is company commercial information and is more than ten years old; or

"(4) such official use information has become readily available to the public from sources other than the System in substantially the same form and detail as such information is contained in the System.

"(i) No designation or redesignation as public information of any information claimed to constitute or previously designated as official use information shall be made by the Administrator unless he shall furnish the source of such information, and in the case of proprietary company information shall also furnish the company to which such information pertains if different from such source, direct notice by mail and notice in the Federal Register not less than thirty days prior to any such designation or redesignation, and shall afford such source, and such company if different from such source, an opportunity for oral and written submission of views and argument. The Administrator's regulations shall provide for such notice and for hearings on any such designation or redesignation and on any rule, regulation, question, or dispute concerning the designation or redesignation of information in the System by access category. Except as inconsistent with this subsection, the Administrative Procedures Act (5 U.S.C., sec. 551 et seq.) shall govern such hearings. The Administrator's regulations shall afford to any interested person an opportunity for oral and written submission of views, data, and argument. All such hearings shall be open to the public, except that a private formal hearing may be conducted solely for the purpose of preventing the disclosure of information in the System other than public information to any persons not authorized under this section to have access to such information. In such proceedings, the Administrator shall designate or continue the designation as proprietary company information of any such information described in subsections (g) and (h) of this section, notwithstanding the age of such information as mentioned in such subsections, when he finds on the basis of clear and convincing evidence that—

"(1) a company's lawful proprietary interest in the denial or continued denial of public access to such proprietary company information is more substantial than any public benefit that would be associated with designation or redesignation of such information as public information, in the light of the purposes of this Act; and

"(2) designation or redesignation of the proprietary company information in question as public information would result in substantial and clearly inequitable harm to the competitive position of the company, considered in the light of proprietary company information, similar in nature and in age, possessed by competitors of the company in question, which would remain unavailable to the public and to the company in question.

"(j) In proceedings under this section, the Administrator shall employ and utilize the services of attorneys and such other personnel as may be required in order properly to represent the public interest in the designation of a maximum practicable percentage of all the information in the System as public information.

"(k) In the event that the Administrator requires excluded Federal agency information for the System, or requires statistical Federal agency information for public use in a form other than anonymous statistical aggregates, the Administrator may acquire such information directly from the original source pursuant to authority conferred upon him by this Act, subject to the provisions of this section concerning the designation or redesignation as public information of any information claimed to constitute or previously designated as official use information.

"(l) (1) (A) On complaint by any person, the district court of the United States in the district in which the complainant resides or has his principal place of business, or in which the System's records are situated, or in the District of Columbia, has jurisdiction to enjoin the Administrator from withholding resources and materials information and to order such information be designated or redesignated as public information. In such a case the court shall consider the case de novo, with such in camera examination of the contested information as it finds appropriate to determine whether such information as it finds appropriate to determine whether such information or any part thereof may be designated or redesignated as public information in accordance with the standards set forth in this section, and the burden is on the Administrator to sustain his action. (B) An interested party may intervene in such an action.

"(2) Notwithstanding any other provisions of law, the defendant shall serve an answer or otherwise plead to any complaint made under this subsection within twenty days after the service upon the Administrator of the pleading in which such complaint is made, unless the court otherwise directs for good cause shown.

"(3) Except as to causes the court considers of greater importance, proceedings before the district court, as authorized by this subsection, and appeals therefrom, take precedence on the docket over all causes and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

"(4) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this subsection in which the complainant has substantially prevailed. In exercising its discretion under this subsection, the court shall consider the benefit to the public, if any, deriving from the case, the commercial benefit to the complainant and the nature of his interest in the resources and materials information sought, and whether the Administrator's classification of such information as confidential or secret had a reasonable basis pursuant to this section.

"(5) Whenever records are ordered by the court to be designated or redesignated as public information under this section, the court, upon consideration of the recommendation of the agency, shall on motion by the complainant find whether the designation of such records as other than public information was without reasonable basis in law and which Federal officer or employee was responsible for the wrongful designation. Before such findings are made, any officers or employees named in the complainant's motion shall be personally served a copy of such motion and shall have twenty days in which to respond thereto, and shall be afforded an opportunity to be heard by the court. If such findings are made, the court shall direct that the appropriate official of the agency which employs such responsible officer or employee suspend him without pay for a period of not more than sixty days or take other appropriate disciplinary or corrective action against him.

"(6) In the event of noncompliance with the order of the court, the district court may punish for contempt the responsible employee, and in the case of a uniformed service, the responsible member.

"ACQUISITION OF INFORMATION BY SAMPLING

"SEC. 209. The Administrator may acquire information for the System by using the statistical method known as sampling whenever the adoption of such a method would significantly reduce the cost to the Federal Government and burden upon those supplying information without sacrificing the accuracy required to achieve the purposes of this Act: *Provided*, That, when such method is employed to obtain required information on any line of commerce, the sample used shall, to the utmost extent practicable, include the universe of resources enterprises and materials enterprises operating in such line of commerce and having total annual sales or total assets in all lines of $100,000,000 or more, and the universe of segments of business of such enterprises (including foreign segments which are affiliates of United States enterprises) operating in such line of commerce and having or accounting for annual sales or assets of $10,000,000 or more.

"INSPECTION OF RECORDS AND PREMISES; SUBPENAS; ENFORCEMENT OF SUBPENAS

"SEC. 210. (a) All persons owning or operating facilities or business premises who are engaged in any phase of resources ownership, control, or development, or materials supply or major materials consumption shall make available to the Administrator such information and periodic reports, records, documents, and other data, relating to the purposes of this Act, including full identification of all data and projections as to source, time, and methodology of development, as the Administrator may prescribe by regulation or order as necessary or appropriate for the proper exercise of functions under this Act.

"(b) The Administrator may require, by general or special orders, any person engaged in any phase of resources ownership, control, or development, or materials supply or major materials consumption, to file with the Administrator in such form as he may prescribe, reports or answers in writing to such specific questions, surveys, or questionnaires as may be necessary to enable the Administrator to carry out his functions under this Act. Such reports and answers shall be made under oath, or otherwise, as the Administrator may prescribe, and shall be filed with the Administrator within such reasonable period as he may prescribe.

"(c) The Administrator, to verify the accuracy of information he has received or otherwise to obtain information necessary to serve the purposes of this Act, is authorized to conduct investigations, and in connection therewith, to conduct, at reasonable times and in a reasonable manner, physical inspections at facilities and business premises of resources enterprises and materials enterprises, or of persons that are major materials consumers, to inventory and sample any stocks of materials, to verify geological information concerning resources by geological or engineering tests or otherwise, to inspect and copy records, reports, and documents from which resources and materials information has been or is being compiled, and to question such persons as he may deem necessary.

"(d) (1) To assist in carrying out his responsibilities to collect resources and materials information, the Administrator may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, statistics, and other documents, not to include file copies of information from other Federal agencies the disclosure of which is specifically prohibited by statute; and may administer oaths.

"(2) Witnesses summoned under the provisions of section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States.

"(e) In case of contumacy by, or refusal to obey a subpena, interrogatory, request for written report, or other information served upon, any person subject to this Act, the Administrator may invoke the aid of any district court of the United States within the jurisdiction of which such person is found or transacts business, in requiring the production of the books, documents, papers, statistics, data, information, and records referred to in this section. Such district court of the United States may, in case of contumacy or refusal to obey a subpena issued by the Administrator, issue an order requiring such person to produce the information and the books, documents, papers, statistics, data, information, and records containing or pertaining to the same; and any failure to obey such order of the court shall be punished by the court as a contempt thereof.

REPORTS

"SEC. 211. (a) The Administrator shall make regular periodic reports to the Commission, the Congress and the public, including but not limited to—

"(1) such reports as the Administrator determines are necessary to provide a comprehensive picture of the monthly and, as appropriate, weekly, supply and consumption of materials for which shortages exist or are threatened in the United States; the information reported may be organized by company, by States, by regions, or by such other producing and consuming sectors, or combinations thereof, as the Administrator finds significant, including appropriate discussion of the evolution of the resources and materials supply and consumption situation and such national and international trends and their effects as the Administrator may find to be significant;

"(2) an annual report which includes, but is not limited to, a description of the activities of the System during the preceding year; a summary of all special reports published during the preceding year; a summary of statistical information collected during the preceding year; critical resources and materials consumption and supply trends and forecasts for subsequent one-, five-, ten-, fifteen-, and twenty-year periods under various assumptions; and a summary or schedule of the amounts of all major or critical resources and materials that can be brought to market at various prices and technologies and their relationship to forecasted demands; and

"(3) an annual report to the Congress, including recommendations as to such additional authority as the Administrator considers necessary to assist in carrying out the purposes of this Act.

"(b) The Administrator shall also submit to the Congress annually on January 1 a report disclosing the extent of compliance and noncompliance by industry and Federal agencies subject to this Act and the rules and regulations of the Administrator. Such compliance report shall detail the enforcement resources available to and utilized by the Administrator, the number and types of compliance investigations conducted, the number and types of incidents of noncompliance discovered, the sanctions imposed for each incident of noncompliance, and the reasons for failure to impose other available sanctions. Such report shall also contain the Administrator's requests for changes in enforcement resources or sanctions available to him.

"(c) At the request of the chairman of any committee of the Senate or the House of Representatives, the Administrator shall make such special tabulations, interpretations, or analyses of information in the System as will serve the functions of the requesting committee and the purposes of this Act. To the extent that personnel and funds are available, by appropriation or by contract, the Administrator may also make such special tabulations, interpretations, or analyses on his own initiative, on the request of any Member of Congress, or on such requests made by others, including members of the public, as the Administrator determines will serve the purposes of this Act. Reports prepared in accordance with this subsection shall be made available to the public for inspection and copying, or may be published, unless the Administrator determines that all or portions of such reports should be withheld from the public under provisions of section 208 of this Act.

"ACQUISITION OF ENERGY INFORMATION FROM INSTITUTIONS OUTSIDE THE FEDERAL GOVERNMENT

"SEC. 212. The Administrator shall enter into arrangements to collect from institutions outside the Federal Government such additional resources and materials information as the Administrator determines is required for comparison with, or extension of, the information base of the System in furtherance of the purposes of this Act. These institutions may include but need not be limited to—

"(1) governments of foreign countries;

"(2) appropriate offices or divisions of the United Nations and other international organizations;

"(3) departments and agencies of the governments of the several States and their subdivisions;

"(4) universities and foundations; and

"(5) corporations and business associations that are engaged in the collection or analysis of resources and materials information.

"SHORT TITLE

"SEC. 213. This title may be cited as the 'National Resources and Materials Information Act'.

"TITLE III—RESOURCES SURVEYS AND INSPECTIONS BY THE DEPARTMENT OF THE INTERIOR

"SURVEY OF RESOURCES IN THE PUBLIC LANDS

"SEC. 301. (a) The Secretary of the Interior (hereinafter referred to as the 'Secretary') shall compile, maintain, and keep current on not less than an annual basis a survey of all resources in the public lands of the United States.

"(b) The survey program shall be designed to provide information about the location, extent, value, and characteristics of such resources in order to provide a basis for (1) development and revision of Federal leasing programs; (2) wider competitive interest by persons who are potential producers of raw materials from such resources; (3) informed decisions regarding the potential quantity of materials to be derived from these resources; and (4) the purpose of this Act.

"(c) The Secretary is authorized to contract for, or to purchase the results of, seismic, geomagnetic, gravitational, geochemical, or earth satellite investigations, or drilling, or other investigations which will assist in carrying out the survey program pursuant to this title.

"(d) Within six months after the enactment of this title, the Secretary shall submit to Congress and to the Commission and the Administrator a plan for conducting the survey program required by this title. The plan shall include an identification of the areas to be surveyed during the first five years of the program and estimates of the appropriation and staffing required to implement it.

"(e) On or before the expiration of the twenty-month period following the effective date of this title, the Secretary shall submit a report to the Congress concerning the carrying out of his duties under this title, together wtih a summary of initial information compiled, and shall thereafter, on not less than an annual basis, submit a report to the Congress concerning the carrying out of such duties and shall include as a part of each such report the status of the current survey, including information compiled during the previous year.

"(f) Copies of all such reports and surveys shall be furnished by the Secretary to the Administrator for inclusion in the System.

"(g) No action taken to implement this title, except the drilling of exploratory wells for oil and gas and other physical exploratory activities of comparable or greater magnitude, shall be considered a major Federal action for the purposes of section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4347).

"(h) Nothing in this Act shall be construed to authorize the Secretary or the Administrator to conduct any physically disruptive exploratory activities on any Federal lands that are within any national park, wilderness, seashore, or wildlife refuge area, or on any lands held by the United States in trust for any Indian or Indian tribe; but exploration which can be conducted from the air, without intrusion on the surface or below the surface of such lands, may be conducted with the written consent of the principal administrators or trustees of such lands.

"VERIFICATION OF REPORTED RESOURCES IN PRIVATE OWNERSHIP

"SEC. 302. When requested by the Administrator, the Secretary may inspect company records for the purpose of verifying the accuracy of information pertaining to resources required to be reported to the Administration under this Act.

"CONTENTS OF SECRETARY'S REPORTS

"SEC. 303. Reports by the Secretary to the Congress and the Administrator under section 301, and to the Administrator under section 302, shall in all cases be organized to include, but not be limited to, ownership, control, location, extent, value, and characteristics of resources. Information on ownership and control of reserves and resources, correlated with locations, shall be designated as geological information that is proprietary company information and shall be handled by the Administrator in the System in accordance with subsection (f) of section 208 of this Act.

"TITLE IV—MISCELLANEOUS

"GENERAL ACCOUNTING OFFICE OVERSIGHT OF RESOURCES AND MATERIALS INFORMATION COLLECTION AND ANALYSIS

"SEC. 401. (a) The Comptroller General of the United States shall continuously monitor and evaluate the operations and activities of the System including its reporting requirements. Upon his own initiative or upon the request of a committee of the Congress or, to the extent personnel are available, upon the request of a Member of the Congress, the Comptroller General shall (1) review the System's resources and materials information gathering procedures to insure that the System is obtaining necessary resources and materials information from the appropriate sources to carry out the purposes of this Act, (2) review the issues that arise or might arise in the collection of any of the types of resources and materials information required to achieve the purposes of this Act, including but not limited to issues attributable to claims of business establishments, individuals, or governments that certain resources and materials information is proprietary or violative of national security, (3) conduct studies of existing statutes and regulations governing collection of resources and materials information, (4) review the policies and practices of Federal agencies in gathering, analyzing, and interpreting resources and materials information, and (5) evaluate particular projects or programs. The Comptroller General shall have access to all information within the possession or control of the Administrator obtained from any public or private source whatever, notwithstanding the provisions of any other Act, as is necessary to carry out his responsibilities under this Act and shall report to the Congress at such times as the Comptroller General deems appropriate. The report shall include but not be limited to a review of the System's operations and effectiveness and the Comptroller General's recommendations for modifications in existing laws, regulations, procedures, and practices.

"(b) The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this section shall have access to any books, documents, papers, statistics, data, information, and records of any person relating to the management and conservation of resources and materials including but not limited to costs, demand, supply, reserves, industry structure, and environmental impacts. The Comptroller General may require any person to submit in writing such resources and materials information as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

"(c) To assist in carrying out his responsibilities, the Comptroller General may with the concurrence of a duly established committee of Congress having legislative jurisdiction over the subject matter and upon the adoption of a resolution by such a committee which sets forth specifically the scope and necessity therefor, and the specific identity of those persons from whom information is sought, sign and issue subpenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in subsection (b) of this section.

"(d) In case of disobedience by any person to a subpena issued under subsection (c) of this section the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the books, documents, papers, statistics, data, information, and records referred to in subsection (b) of this section. Any district court of the United States within the jurisdiction of which the person is found or transacts business may, in case of contumacy or refusal to obey a subpena issued by the Comptroller General, issue an order requiring the person to produce the books, documents, papers, statistics, data, information or records. Failure to obey such an order of the court is punishable by such court as a contempt thereof.

"(e) Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not be disclosed to the public by the System under this Act.

"SEPARABILITY

"SEC. 402. If any provision of this Act or the applicability thereof is held invalid the remainder of this Act shall not be affected thereby.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 403. There is authorized to be appropriated $15,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977. One-tenth of the amount appropriated in each year shall be for the general purposes of the Commission and nine-tenths shall be for the operation of the System."

(14) On page 1, strike out lines 3 through 6 inclusive (the short title, following the enacting clause) and insert in lieu thereof the following: "That this Act, divided into titles and sections in accordance with the following table of contents, may be cited as the 'National Commission on Supplies and Shortages Act of 1974'.

"TABLE OF CONTENTS

"Sec. 1. Short title and table of contents.
"Sec. 2. Findings and purposes.
"Sec. 3. Definitions.

"TITLE I—NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES

"Sec. 101. Establishment of Commission.
"Sec. 102. Functions.
"Sec. 103. Advisory Committees.
"Sec. 104. Powers.
"Sec. 105. Assistance of Government agencies.

"TITLE II—NATIONAL RESOURCES AND MATERIALS INFORMATION SYSTEM

"Sec. 201. Establishment of System.
"Sec. 202. Functions and powers of the Administrator and the System.
"Sec. 203. Coordination and transfer of agency activities.
"Sec. 204. Analytic capability and information scope.
"Sec. 205. Advisory and interagency committees.
"Sec. 206. Unauthorized disclosures; theft of information; penalties.
"Sec. 207. Penalties for providing false information or refusing to furnish information.
"Sec. 208. Acquisition and designation of information by source, type, and access categories.
"Sec. 209. Acquisition of information by sampling.
"Sec. 210. Inspection of records and premises; subpenas; enforcement of subpenas.
"Sec. 211. Reports.
"Sec. 212. Acquisition of information from institutions outside the Federal Government.
"Sec. 213. Short title.

"TITLE III—RESOURCES SURVEYS AND INSPECTIONS BY THE DEPARTMENT OF THE INTERIOR

"Sec. 301. Surveys of resources in the public lands.
"Sec. 302. Verification of reported resources in private lands.
"Sec. 303. Contents of Secretary's reports.

"TITLE IV—MISCELLANEOUS

"Sec. 401. General Accounting Office oversight of resources and materials information collection and analysis.
"Sec. 402. Separability.
"Sec. 403. Authorization of appropriations."

Amend the title so as to read: "A bill to establish a National Commission on Supplies and Shortages and a National Resources and Materials Information System, to authorize the Department of the Interior to undertake a survey of United States resources on the public lands and elsewhere, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. TUNNEY. Mr. President, I yield 3 minutes to the Senator from Mississippi.

SENATE RESOLUTION 338—TO AUTHORIZE THE COMMITTEE ON THE JUDICIARY TO PROVIDE AN AFFIDAVIT

Mr. EASTLAND. Mr. President, I report an original resolution from the Committee on the Judiciary, granting permission to authorize Peter Stockett, Jr., chief counsel and staff director of the Committee on the Judiciary, to provide an affidavit with respect to the case the *United States* v. *Howard Edwin Reinecke* (Criminal No. 74–155), pending in the U.S. District Court for the District of Columbia.

Mr. Leon Jaworski, Special Prosecutor, has written to me, as chairman of the Judiciary Committee, requesting that the Senate grant permission for this affidavit to be filed. I ask unanimous consent that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 21, 1974.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Mr. Ruth has advised me, on the basis of his telephone conversation with you, that the Judiciary Committee has kindly agreed to assist in securing any necessary resolutions to permit Counsel to the Committee to testify in the *Reinecke* case. We will, of course, make all efforts to avoid the necessity for such testimony by seeking to obtain stipulations as to the relevant facts. At the hearing last week on defendant's motions in the *Reinecke* case, counsel for Mr. Reinecke, contrary to our initial expectation, put in issue several factual matters relating to the Committee's adoption of a one-senator quorum rule in January 1972. The trial judge deferred ruling on the defendant's motion challenging the competency of the Committee hearings and allowed the government leave to supplement the record by affidavit. Accordingly, I am requesting that the Judiciary Committee obtain the permission of the Senate for Mr. Stockett to execute an affidavit on the above matter for filing in the *Reinecke* proceeding.

Thanking you for your cooperation in this matter, I am,

Yours sincerely,

LEON JAWORSKI,
Special Prosecutor.

Mr. EASTLAND. Mr. President, by the privilege of the Senate and rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents except by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

This resolution would authorize Mr. Stockett to furnish an affidavit, based upon his knowledge and the transcript of an executive session of the committee on January 26, 1972, concerning the adoption by the committee of a rule providing that only one Senator need be present to take sworn testimony and the practice of the committee not to take any vote on any measure or matter unless a quorum is present at the time the vote is taken.

The resolution further provides that Mr. Stockett may provide information with respect to any other matter material and relevant for purposes of identification of any document or documents in such case, if such document has previously been made available to the general public or should have been made available to the public, but the resolution directs him to respectfully decline to provide information concerning any and all other matters that may be based on knowledge acquired by him in his official capacity, and further directs him to respectfully decline to provide information concerning any matter within the privilege of the attorney-client relationship existing between him and the Committee on the Judiciary or any of its members.

Mr. President, I ask that the Senate give favorable consideration to the resolution.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read the resolution, as follows:

Whereas, in the case of United States v. Howard Edwin Reinecke (Criminal No. 74–155), pending in the United States District Court for the District of Columbia, Peter Stockett, Junior, Chief Counsel and Staff Director of the Committee on the Judiciary, has been requested to furnish an affidavit concerning the adoption by the Committee of a rule on the quorum necessary to conduct hearings: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission.

SEC. 2. By the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents but by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

SEC. 3. When it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that testimony of an employee of the Senate of the United States is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice and, further, such testimony may involve documents, communications, conversations, and matters related thereto under the control of or in the possession of the Senate of the United States, the Senate of the United States will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. Peter Stockett, Junior, Chief Counsel and Staff Director of the Committee on the Judiciary, is authorized, in response to a request made by the Special Prosecutor for the United States in the case of the United States v. Howard Edwin Reinecke (Criminal No. 74–155), to furnish an affidavit, based upon his knowledge and the transcripts of an executive session of the Committee on January 26, 1972, concerning the adoption by the Committee of a rule providing that only one Senator need be present to take sworn testimony and the practice of the committee not to take any vote on any measure or matter unless a quorum is present at the time the vote is taken.

SEC. 5. The said Peter Stockett, Junior, may provide information with respect to any other matter material and relevant for the purposes of identification of any document or documents in such case, if any such document has previously been made available to the general public or should have been made available to the public, but he shall respectfully decline to provide information concerning any and all other matters that may be based on knowledge acquired by him in his official capacity either by reason of documents and papers appearing in the files of the Senate or by virtue of conversations or communications with any person or persons. The said Peter Stockett, Junior, shall also respectfully decline to provide information concerning any matter within the privilege of the attorney-client relationship existing between him and the Committee on the Judiciary or any of its members.

SEC. 6. A copy of this resolution shall be transmitted to the Special Prosecutor as an answer to his request.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 338), with its preamble was considered and agreed to.

Mr. EASTLAND. Mr. President, was the resolution adopted?

The PRESIDING OFFICER. Yes.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

Mr. TUNNEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. BURDICK). There is a unanimous agreement to vote not later than 12 o'clock noon today.

Mr. TUNNEY. I yield whatever time I have remaining to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BARTLETT. Mr. President, first I would like to point out that I think that the bill before us is a very good bill that should not be delayed by having it referred to a committee.

Second, I would like to point out that the bill does provide, on page 4, subsection (3)(b), for the commission, in its report, to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.

I think it is important that this commission study be made. It would be somewhat deliberately done, and I think that is important, because I think as we analyze the shortages of all supplies of energy and minerals, we can see that there has been, first, a tendency of Congress to place blame on industry—the oil industry, certainly, and other industries in some cases.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Wisconsin has 1 minute remaining.

Mr. NELSON. I yield that minute to the Senator from Oklahoma.

Mr. BARTLETT. I thank the Senator from Wisconsin.

There has been a tendency to take punitive action, and very little tendency to take positive action to relieve the supply shortages. But I think that in one way, by trying for more and more information, just all information, without careful attention to what is privileged and what is important. There is a tendency for Congress to protect itself, to try to show that it was not involved in any way in the shortages that exist at the present time. I am concerned with the amendment of the Senator from Wisconsin, with one of the findings on page 2, section 3, not that I do not think there is a certain amount of truth in the finding, and I agree with it in part, but it says also in part that the blame for the shortages is to ——

The PRESIDING OFFICER (Mr. Biden). All time has expired under the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be 1 additional minute to each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I thank the Senator from West Virginia.

One reading of this finding would give an indication that the shortage of information has been responsible for the shortage of supplies. I do not think that is the case. We had a lot of testimony before various committees that I have served on. An indication that this has not been the case is that William Simon, in his testimony before the Interior Committee, when he was specifically asked a question on that point, said that it was not the case.

What I am trying to say is that there should be more information made available, but I think we want to be careful how we do that so that we do not in any way injure the ability of industry to perform, and that we take positions which will create a better environment rather than an inferior environment for the production of materials and for the production of energy.

Mr. NELSON. Mr. President, I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I shall be as brief as I can. I agree with the Senator from Wisconsin that we are living in a critical time. This country uses 50 percent of the natural resources of the world. The time has come when we should stop talking, we should stop debating, we should stop studying—the time has come when we should start to act.

Everyone knows that most of our resources are in short supply. The lines at the gasoline pumps are too long. The price of heating oil is much too high. We are told that that is because we have to import these things. The price of food goes up every day. There are shortages here and shortages there—there are shortages everywhere.

We do not need another group to go out and study the situation for another year. The time has come—now—to set up an agency in the U.S. Government that will achieve results for the American people so that prices will be restored, so that people can pay for the things they need—especially in buying meat, buying food, and buying oil.

Let us make sure that we are not going to die on the vine.

I am going to vote for the motion to recommit the bill.

Mr. BARTLETT. Mr. President, this amendment No. 1406 may give the administration powers that border on invasion of privacy of individuals. The definitions of "resources enterprise" and "materials enterprise" would include virtually every individual in the United States. The Administrator and the Agency which he would head could, even more than now, tend to computerize individuals and burden them with unnecessary requirements for information.

What we could have would be another bureaucratic agency whose requirements for information could lead to additional operating costs for private enterprise and, therefore, increasing costs for the consumer.

Any legislation of this nature should provide for informing the consumers and taxpayers of America just how much they are paying to obtain possibly redundant or useless information.

If certain information is needed in order to determine prudent Government policy, then I am in favor of acquiring it so long as we do not hinder the efforts of the industry to cope with shortages. I am not in favor of collecting information for the sake of collecting information.

Mr. BROCK. Mr. President, I think S. 3523 represents an important first step toward solving our materials problems. There is no question either of the seriousness of the problem or of the concern of the Senate. Yesterday's debate clearly showed this.

However, yesterday's debate also showed that there is still much disagreement on the type of structure necessary to deal with the problem of materials and material shortages. I think it would be instructive at this point to review the specific recommendations made over the last 22 years concerning the appropriate structure to deal with the problem.

First, of course, we have the Paley Commission. It recommended that the National Security Resources Board, an advisory agency that was in the Executive Office of the President at that time, be given the mandate to deal with the materials problem.

Next, the National Commission on Materials Policy studied the problem in great detail. In chapter 11 of their final report, the Commission urged the establishment of a Cabinet-level agency to develop a comprehensive, integrated materials energy environment policy.

Neglected in yesterday's debate, but of equal importance to the issue of a materials policy, are the recommendations of the 1972 Henniker conference. Under the sponsorship of the Engineering Foundation, Dr. Frank Huddle of the Library of Congress, organized the conference to bring to a focus the issues surrounding materials. The conference recommended that "a permanent policy-making body should be established by legislative action within the Federal Government," to coordinate a national strategy for materials. However, the conference did not make any specific organizational recommendations.

Most recently, the General Accounting Office studied the problem of commodity shortages. The report issued by the GAO pointed out the lack of coordination among existing institutions. As the Senator from Wisconsin (Mr. Nelson) pointed out, the GAO made no specific recommendations for institutional reforms either.

Mr. President, I think two things should be clear from this brief review. One, the experts all agree that reforms are necessary to deal with the problem of materials and material shortages. Two, the experts all disagree on the kind of institutional and structural reform needed to deal with the problem. I suggest that this lack of agreement by the experts in the field was reflected in yesterday's debate.

Mr. President, on one issue of institutional reform, at least one group of experts, the National Commission on Materials Policy, was in agreement. I speak of the need for committee reform. In their final report, the Commission stated that—

> A concomitant restructuring in the Congress is essential for the harmonization of materials, energy, and environment policies and for the elimination of inconsistencies in law and practice.

Mr. President, I might also point out that the House Select Committee on Committees recommended that an Energy and Environment Committee be established for the House in order to look at the issues surrounding energy and environment as a whole. Perhaps we should start, then, by reforming the Congress, as many of us have so consistently urged.

Much has been made of the monitoring function necessary to avoid future shortages. The Paley Commission used the word and it has cropped up repeatedly since then. One definition of "to monitor" is "to watch, observe or check * * *." Consider what Joseph Harris, a leading authority on Congress, says in his book, "Congressional Control of Administration":

> "Oversight" strictly speaking refers to review after the fact. It includes inquiries about policies that are or have been in effect . . .

I suggest that a portion of this monitoring necessary to avoid future problems with materials be carried on by the Congress in oversight hearings.

Mr. FANNIN. Mr. President, I oppose amendment No. 1406 offered by the Senator from Wisconsin. Those who have been following this issue of data gathering authority, which specifically arose during the height of the energy crisis, are surprised to see this amendment offered on this bill dealing with the National Commission on Supplies and Shortages. The Senator from Wisconsin earlier in 1974 introduced S. 3209 to establish a national resource information system and it was referred to the Government Operations Committee. To my knowledge no hearings have been held on that bill. A parallel bill which dealt specifically with energy information gathering was introduced in March of 1974, which was referred to the Interior and Insular Affairs Committee. That bill is S. 2782. This amendment No. 1406 is the embodiment of both of these pieces of legislation. Because each of these bills have been introduced as separate measures and have been referred to separate committees, the normal system of considering legislation ought to be adhered to now. It would be inappropriate to act on this particular 58-page amendment. S. 3523 to establish a Commission on Supplies and Shortages calls for recommendations regarding the need for a permanent data agency now. If the Senator from Wisconsin is serious about the adoption of this measure he should be willing to have it scrutinized through the normal committee hearing process. This Senate ought not blindly adopt a measure which has far-reaching consequences without thorough and deliberate consideration. I might say that the 58 pages in this amendment contain provisions which I know deserve the utmost discussion by this body.

Let us look at some of the provisions of amendment No. 1406, specifically that section that would establish a national resource and material information system, section 202, page 11. The function of this system would be to collect, collate, compile, analyze, tabulate, standardize, and disseminate information in regard to resources and materials. The administrator of this program would be authorized to request, acquire, and collect resource and material information from any person in such forms and in such manners as he may deem appropriate. This amendment would create a huge bureaucracy whose purpose in life would be to search out all types of information from all parties in this country and even abroad which deal with resources. The administrator would have the authority to collect this information from any person and any business and one need not use very much imagination to grasp the potential abuses that could spring from such authority. Under the guise of searching for data this bureaucracy would be able to barge into any corner of this country cloaked with unbridled authority to ferret out what this administrator in his own subjective determination decides is necessary to fulfill the purposes of this act.

One might ask the question, Why does an agency need this kind of information? Second, why does this agency need this much authority? Third, what is this agency going to do with this information once it receives it? Fourth, what protections or safeguards are going to apply to the collection and dissemination of this information once it is gathered? Let me tell you that if you analyze those simple four questions you will come to the conclusion, as I have, that this piece of legislation is potentially the most dangerous and disruptive legislation which we have had on the floor of this Senate during this session. There is absolutely no legitimate purpose for a Federal agency to have this much authority; there is absolutely no legitimate purpose to be served by making public the bulk of such gathered information.

In essence, the purpose of the bill is to force public disclosure of almost all information held by the private sector. The purpose of this amendment is to strip our free enterprise system of proprietary information thus placing this Nation in an untenable position in the world marketplace. The administrator of this agency would have the authority to require from any company such proprietary information as that company may possess. Mr. President, ask yourself what legitimate purpose in the world is served by such authority? The administrator may also acquire proprietary company information from sources other than the company to which such information pertains and I specifically here refer you to page 29 of the amendment starting at line 15.

In addition to the handling of this proprietary information, let me suggest that the purpose of this amendment really is to alter and amend the accounting practices of our free enterprise system. What is sought is to force private enterprise to conform to Federal dictates for accounting. When one looks closely at the requirements applied to the private sector you will note the requirement for standardization of all information. Today, our private sector has no requirement for standardization, in fact, that is what it is all about. Private enterprise can use any form to try to ascertain how they are faring. This bill would attempt to standardize all business and accounting practices so that Uncle Sam could keep tabs on the private sector. In this regard, look on page 30 of the amendment starting on line 12, subsection (c):

> In order that proprietary company information acquired by the Administrator from companies shall be of maximum value to the system for the purposes of this act, the Administrator's regulations shall designate (i) Segments of business which shall facilitate comparisons on a standardized basis among resources enterprises and materials enterprises.

Reading the rest of this paragraph and all of page 31, you will certainly find that there is an unmistakable purpose to standardize accounting practices. What legitimate purpose does the Government have to embark upon this course?

Let us suppose we adopt this measure and it becomes law, what burden would both the Federal Government and the private sector have? I have here a list of the current reporting requirements that are used by the Federal Energy Office which details the reports required of just the energy sector alone. You need but spend about a minute looking through all of this periodic current and repetitive reports which are required of this particular segment of our industry to determine that placing additional reporting redtape requirements might even bring this free enterprise system to a screeching halt. It staggers my mind to try and comprehend the size of the bureaucracy that would be necessary to implement the provisions of this amendment. We create this huge bureaucracy to pursue what I believe to be an unlawful purpose and which I believe to be completely superfluous and which will have disastrous effects for us in the world marketplace. Why in the world should we as Americans, trying to compete in the world marketplace, strip ourselves of all protections and parade ourselves around so that all can see those secrets and processes which have made us great and which have made us competitive. Following such course of action would be pure folly and would be pure suicide. Simply weighing the benefits that would accrue, because of passage of this legislation on the one hand and weighing the burdens that would be created on the other, one would have to come to the conclusion that this amendment is not needed.

Let me summarize: This amendment really is a bill which had been submitted to two separate committees which have not completed the normal hearing processes. Certainly that process should be completed on a bill of such magnitude and importance. Second, there is no legitimate purpose for this amendment No. 1406. Third, there is no legitimate purpose for the Federal Government to engage in such a widespread collection of information. Fourth, the protections which are afforded to proprietary information are certainly insufficient to protect private enterprise. Fifth, the size of the bureaucracy necessary to fulfill the requirements of this act is incomprehensible. Sixth, there is no legitimate purpose for the Government of the United States to attempt to restructure the accounting systems used by the free enterprise sector. Seventh, the potential for abuse of the powers afforded under this amendment certainly should persuade one against voting for such powers. Finally, we will only have 3 hours on this amendment of great importance, and I dare say the majority of Senators have not had an opportunity to digest the provisions of this amendment.

The PRESIDING OFFICER (Mr. BIDEN). The question is on agreeing to the motion of the Senator from Wisconsin (Mr. NELSON) to recommit the bill, S. 3523, with instructions.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Montana (Mr. METCALF) and the Senator from Missouri (Mr. SYMINGTON), are absent because of illness.

I also announce that the Senator from Iowa (Mr. CLARK) is absent because of illness in the family.

I also announce that the Senator from Wyoming (Mr. MCGEE) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) and the Senator from Oregon (Mr. HATFIELD) would each vote "nay."

The result was announced—yeas 34, nays 56, as follows:

[No. 250 Leg.]

YEAS—34

Abourezk
Allen
Bible
Biden
Chiles
Cook
Cranston
Eagleton
Goldwater
Hart
Haskell
Hollings
Hughes
Jackson
Johnston
Kennedy
Long
Magnuson
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Nelson
Packwood
Pastore
Proxmire
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—56

Aiken
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hartke
Hathaway
Helms
Hruska
Huddleston
Humphrey
Inouye
Mansfield
McClellan
McClure
Muskie
Nunn
Pearson
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Talmadge
Thurmond
Tower
Young

NOT VOTING—10

Bayh
Clark
Gravel
Hatfield
Javits
Mathias
McGee
Metcalf
Percy
Symington

So the motion to recommit was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I have an amendment at the desk, Amendment No. 1442, which I call up at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 4, at the end of subsection (b), add the following:

"(c) In order to establish a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to make reports to the President and to the Congress with respect to the most appropriate means for establishing a policymaking process within the executive and legislative branches of the Federal Government and a system for coordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions. The principal function of such policymaking process and coordinating system is to develop specific national policies relating to the achievement of a more balanced regional distribution of economic growth and development, income distribution, environmental protection, transportation systems, employment, housing, health care services, food and fiber production, recreation and cultural opportunities, communication systems, land use, human care and development, technology assessment and transfer, and monetary and fiscal policy.".

On page 4, line 21, redesignate subsection "(c)" as subsection "(d)".

Mr. HUMPHREY. Mr. President, I shall explain the amendment. First, I ask unanimous consent that James Thornton, Bob Kerr, and Mr. Daniels be permitted the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I suggest we might have a little order so we can proceed with this matter.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

There is 1 hour on the amendment.

Mr. HUMPHREY. Mr. President, first of all, I wish to commend all of those who have taken the initiative in introducing the bill to create a National Commission on Supplies and Shortages. We desperately need to take a close look at the process by which we make decisions affecting our present and future utilization of commodities and resources. The Commission created by this bill will have the authority to examine the problem and the responsibility of recommending a permanent organizational framework within which to order our priorities. It is a first step in the direction we need to go.

At the same time we would be remiss not to consider the fact that even the use of commodities and other material resources cannot be considered in isolation. We need to interrelate our planning for developments in transportation environment, land use, and an equitable and improved social life with our analysis of the availability and management of resources.

Two years ago I first unveiled the details of a plan which I believe would best meet our needs, and this plan was introduced as the Balanced National Growth and Development Act of 1974 (S. 3050) this February.

The Senator from Indiana (Mr. HARTKE), the Senator from New York (Mr. JAVITS), and other Senators have introduced similar legislation regarding the process by which national policies and priorities should be determined.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order. Senators will please clear the aisle and take their seats or continue their conversations in the cloakroom.

The Senator may proceed.

Mr. HUMPHREY. Mr. President, I take this opportunity to review briefly the major features of the Balanced National Growth and Development Act, and to suggest why the general developments it calls for are necessary if we are not to be mired down in increasingly dangerous flaws in planning and foresight.

My bill provides for the establishment of an Office of Balanced National Growth and Development within the Office of the President to: Develop specific national policies relating to future population settlement and distribution patterns, economic growth, environmental protection, income distribution, energy and fuels, transportation, education, health care, food and fiber production, employment, housing, recreation and cultural opportunities, communications, land use, welfare, technology assessment and transfer, and monetary and fiscal policy.

This new office also would provide the means to develop these individual national policies in such a way as to reflect the appropriate interrelationships that obviously exist between and among such policies.

S. 3050 also includes provisions regarding changes in the Congress and provides for a structure to insure program coordination with multistate and State jurisdictions on questions of national policy and priorities.

The bill before us today directs our attention to the problem of resource shortages and provides for the development of some kind of institution to deal with such shortages in the future as well as help avert them. But as important as such an effort will be, it cannot, in my judgment, provide the more comprehensive context required to develop national policies to insure proper supply and management of such measures. In addition to developing recommendations about what type of institution might be required to monitor, analyze and advise the Nation regarding resource requirements and availabilities, the Commission should be asked to develop recommendations regarding the broader needs of the Federal Government with respect to a number of long-range policy questions. We need to integrate the Commission's work on resource supplies and shortages into a broader effort of determining the means for establishing a Federal policymaking process and coordinating system to deal with all national policy issues.

In today's world, everything relates to everything else. No problem, no policy issue can be totally insulated from other problems and policy issues. What happens in agriculture affects our energy policy, our transportation policy, and our foreign policy. What happens in our energy policy affects our transportation policy, our economic policy and our foreign policy. And the litany of interrelatinships between and among policy areas goes on and on.

But unfortunately, our governmental institutions and policymaking processes today are not designed or equipped to reflect those interrelationships or to provide for long-range policy analysis.

Therefore, I wish to offer an amendment to S. 3523 asking that the Commission under this bill also address such needs, needs which I believe are even more important than those addressed in the original bill.

Mr. President, I happen to believe that the purpose of the amendment I have before the Senate will fit in very well with the structure of the bill before us.

The amendment states:

"(c) In order to establish a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to make reports to the President and to the Congress with respect to the most appropriate means for establishing a policymaking process within the executive and legislative branches of the Federal Government and a system for co-

> ordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions. The principal function of such policymaking process and coordinating system is to develop specific national policies relating to the achievement of a more balanced regional distribution of economic growth and development, income distribution, environmental protection, supply and conservation of fuels and energy transportation systems, employment, housing, health care services, food and fiber production, recreation and cultural opportunities, communication systems, land use, human care and development, technology assessment and transfer, and monetary and fiscal policy.".
>
> On page 4, line 21, redesignate subsection "(c)" as subsection "(d)".

Also, I have added the supply and conservation of fuel and energy. I have outlined a couple of things I think are related to proper management of our supplies and resources. It is my judgment that the amendment I have offered would help this bill. It would impose, yes, a little additional responsibility. It would in no way detract from the original purpose of the measure before us, and I believe it could offer us a plan of action on an important, broader front in connection with how we work with State and local governments, how Governments plan and use the resources available to them, and how we can establish priorities and goals.

I would be appreciative of getting the reaction of those who sponsored this legislation as to the proposal.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Mr. President, I would suggest, and I say this most respectfully because of my great admiration and affection for the distinguished Senator from Minnesota, that he not press this amendment, and that this bill not be weighted down. I would hope that the membership would keep in mind that when it was originally considered at a Democratic Conference this proposal was unanimously approved; the leadership was delegated to go ahead and try to work with the Republican leader and together, if we could find our way clear, to work with the joint leadership of the House, and then to join with the administration to see what could be done.

We have endeavored to do that. There have been executive-legislative meetings over a period of 6 weeks. In that period we discussed many things and many ways of meeting an issue which we all considered of vital importance to the Nation.

The reason I ask that this bill not be weighted down is to give the national commission a chance to lay out the guidelines and in that way to bring about approval by the Senate and the House of a permanent facility at the highest level of the Nation to deal with these potential problem areas in terms of our requirements for resources, materials, and commodities and to assess for us the situation that may exist 5 or 10 years hence. The legislation pending covers all the areas which the distinguished Senator mentioned and it goes beyond because it takes in such things, for example, as clean air and pure water, because even these basic items are becoming scarce in parts of the country.

But I urge the Senator to consider the possibility of narrowing his proposal, and to narrow his thinking in relation to S. 3523, which I would hope would not be encumbered too much with respect to this temporary commission whose mandate is very precise. I repeat, this was a unanimous recommendation on the part of every Democrat in the conference earlier this year.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. HUMPHREY. If the Senator will bear with me for just a few moments, I wish to say that it is the first few lines of this amendment that I am really interested in. I do not think it runs at all counter to the Senator's proposal or that it weights the bill down.

At least, I would like the Senator to consider the proposal, since the life of the commission has been extended beyond the original 6 months and it, therefore, has more time to do the job.

I would like the Senator to consider this language in the amendment:

> "(c) In order to establish a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to make reports to the President and to the Congress with respect to the most appropriate means for establishing a policymaking process within the executive and legislative branches of the Federal Government and a system for coordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions.

Forget the rest of it. It seems to me all we are really saying there as to the study on supplies and shortages is to go ahead and make further recommendations as to how the Federal Government could better work with State and local governments in matters of long-range policy planning.

Mr. MANSFIELD. Yes. This would be a national commission.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. All-embracing. Unlike what some Senators said this morning, this is not a study commission. We have studies running out of our ears. This is supposed to be an action group.

Mr. HUMPHREY. Yes, sir.

Mr. MANSFIELD. The part the Senator mentioned is satisfactory, but I hope there would be no further amendments to make this any more difficult than it is at the present time.

I remind my Democratic colleagues again that in conference and in the policy committee it was the unanimous wish that the leadership go ahead. The leadership did. It did, to the best of its ability, what it could. And now we find it is not satisfactory. Some Senators want it recommitted. Others want to weigh it down with amendments. I hope that we might recognize that we have done the best we could. The decision, of course, is up to the Senate.

Mr. HUMPHREY. If the majority leader will bear with me a moment, I voted against recommittal.

Mr. MANSFIELD. I know; I am talking about some Senators.

Mr. HUMPHREY. I understand.

The part of the amendment which I would urge be adopted will not weigh down the Commission. It is nothing except a recommendation to the President and the Congress as to a better means of utilizing our resources. It seems to me that should fall very well within the purview of this legislation.

Mr. MANSFIELD. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. The pending bill does call for a report to the President and Congress, so it would fit in, as far as I can see.

Mr. TUNNEY. Mr. President, is the Senator ready to vote on the amendment?

Mr. HUMPHREY. No. I would hope the manager of the bill would accept this amendment, in light of our discussion here.

Mr. TUNNEY. I may say to my distinguished colleague and friend from Minnesota that I have great respect for his ability and judgment. I have analyzed his amendment. I think, in the long term, there is no question that the proposed study will have to be made. However, I would point out to the Senator from Minnesota that what we did yesterday was to cut back the life of the Commission to one year and to cut back the funding to $500,000. The Commission is just not going to be able to study the mechanism of establishing a permanent Commission on Supplies and Shortages and at the same time get involved in the intricate analysis that the Senator's amendment suggests would be necessary. For instance:

> The principal function of such policymaking process—

Mr. HUMPHREY. I was canceling out that provision. I said we would start out with line 3 on page 2.

Mr. TUNNEY. But before line 3, page 2, the Senator is talking about—

> establishing a policymaking process within the executive and legislative branches for the Federal Government and a system for coordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions.

That is a very large undertaking, and I point out to the Senator that with a $500,000 budget, the Commission would have, at the most, 10 professional people working for 1 year. I do not see how they are going to be able to analyze the need for a permanent Commission and the structure of that permanent Commission. The proposed task will require much intergovernmental coordination. The members are going to have to receive opinions from various agencies at the Federal level. It seems to me to add that the proposed responsibility with respect to State, regional, and local governments would be an insuperable burden. The Commission could not accomplish it.

Mr. HUMPHREY. Will the Senator yield for just a moment.

Mr. TUNNEY. I yield.

Mr. HUMPHREY. First of all, my amendment is most consistent with the recommendations of the Governors' Conference. Second, the Office of Management and Budget has made some preliminary studies. I have met with Mr. Roy Ash and visited with him about some of the studies that have been conducted. Third, the original legislation was for 6 months, and was extended as a result of a vote in the Senate. The committee came back with a 3-year provision. It was cut back to 1 year. It is my judgment with the 6-month period that was added, this limited addition to the proposal to report to the Congress and the President on what might be done in terms of improving governments' forecasting policymaking and structural organization would not be an insurmountable obstacle.

I hope we might at least give it a chance. If the Commission cannot do it within that period of time, it can tell us, but I think it can. Much work has already been done. For example, the Senator from Texas (Mr. BENTSEN) has held hearings on the general matter in the Joint Economic Committee. Substantial studies have been made by the executive branch already. Likewise, the other body has made an in-depth study of this matter.

What I think is needed is a commission to pull it all together and make some recommendations. It is not as if we were setting up a new government; we are merely asking for recommendations as to how we can better plan and coordinate actions between the Federal, State, and regional governments, which there is a great need to do.

Mr. TUNNEY. I could not agree with the Senator more. I think there is a great need for that. I think the purpose of the Senator's amendment is excellent. If we had a permanent commission, I would be 100 percent for it, and I would be 100 percent for it if we had a 3-year commission, which is what was recommended by the Senate Commerce Committee almost unanimously. When the bill passed out of committee we had a $1 million funding for 3 years.

Under those circumstances, I think the Senator's amendment would be in order and would be something the commission should take a look at. But now that we have cut back funds to $500,000 and we have a 1-year study commission, I do not see how they are going to be able to analyze the need for a permanent commission, and then analyze alternative possible structures of that permanent commission, and at the same time analyze the process as it relates to Federal, State, and regional governments. That puts too much on the agenda for the commission, and the commission would probably not do anything right.

I happen to be of the opinion that now that we have cut this commission back to 1 year, it is not worthwhile. I question the advisability of another short-term study commission and I am 100 percent in favor of a permanent commission to analyze shortages. As a matter of fact, I was the first Senator to introduce a bill on the subject in this Congress. I do not agree with the joint leadership that the present proposal is adequate. We in the Commerce Committee were working on legislation to develop a permanent commission that would immediately attack the problem of material shortages, monitoring those material shortages, et cetera. Now that the Senate has acted, by a vote of 2 to 1, to cut it to 1 year, I do not see how we can weigh down the Commission with the kinds of responsibilities that the Senator suggests it should have.

Mr. HUMPHREY. Why does not the Senator give it a chance? The majority leader said he had no objection to this limited amount being included, and I really believe it is necessary. I believe we would be derelict in our responsibilities if we did not do it. We would be deceiving ourselves. We cannot be talking about shortages and critical needs without thinking about a better policymaking structure within our Government to work between the Federal, State and local governments. We had a hearing this morning in the Office of Technology Assessment and heard from the National Science Foundation. The problems to be worked out relate to coordination between the State, local, and Federal governments. What we tend to do around here is ignore such matters. What I am trying to do is lay it before that Commission, in a period of time, which I recognize is limited, but which responsibility I believe the Commission is capable of doing. Even the suggestion that the Commission may need more time, if you please, is something which the Commission can advise us on.

I really plead with the Senator from California not to throw this out or cast it aside, because I do not think it will hurt or injure the role of this temporary Commission. To the contrary, I think it will give it extra meaning in its endeavors and purpose.

Mr. TUNNEY. I yield to the Senator from Tennessee.

Mr. BROCK. I think the Senator from Minnesota knows I have a very similar concern. I supported him on a number of initiatives in this area.

Mr. HUMPHREY. Yes, I know that.

Mr. BROCK. But I do have to agree with the Senator from California. The Commission is small, the staff is small, and the amount of time is small. I do not know of anybody in the Senate who is more concerned about Federal-State relations and the federal system than I am. I am deeply distressed about the way we have been going.

I would almost be willing to support—I would support—a new commission to study just that problem in its total context. But to lift it out of a policy study on materials and materials shortages does not, to me, deal with the whole scope of the problem. Yet, while it does not deal with the problem, it does, I am afraid, burden or could burden this Commission to the point where it would lose its effectiveness. I am very reluctant to do so. Therefore, I just have to oppose the amendment of the Senator from Minnesota. I wish there were appropriate mechanisms offered, because I would like to support it.

Mr. HUMPHREY. I would like to have a little private visit with my two esteemed friends, because I think that with a little consultation we can work out an amendment which would satisfy everybody.

I think what we ought to do—maybe during a little quorum call—is to huddle for a few moments to see if we can come to a meeting of the minds. This is an opportunity we ought not to pass by, because this is our chance to more than just touch the surface of these difficult problems.

Mr. TUNNEY. I would be happy to discuss it with the Senator from Minnesota during a quorum call.

Before we get to that point, I should say again that the Commission has some very important responsibilities but a very limited budget. You take a look at what the functions of the Commission is. It is supposed to make reports to the President and Congress with respect to the existence of the possibility of any long- or short-term shortages or market adversities affecting the supply of any natural resources, raw, agricultural commodities, materials, manufactured goods, and so forth.

It goes on in section 2 to describe "the need for and the assessment of alternative actions necessary to increase the availability of the items" referred to in the previous paragraph; and then it states "existing policies and practices of government which may tend to affect the supply of natural resources and other commodities." The "government" is left in its generic sense, which would mean not only the Federal Government but also the State and local government.

Then in section 4 it states "the means by which to coordinate information with respect to the other responsibilities" that have been previously enumerated.

The point is that this commission has so much in the way of responsibility now with such a limited budget, that I fear if we start adding additional responsibilities to the commission, what we will have at the end of the year is a commission that has simply reported on the need for a permanent commission to do what the proponents of this legislation say it is supposed to do, and that is to monitor the shortages that exist today, as well as reporting on a structural institutional means of setting up a permanent commission. I do not see how we can keep adding responsibilities to this commission without killing it by the weight of its responsibilities.

I know that the idea is an excellent one. I wish that the Senator had been with us in the debate yesterday. Knowing the silver tongue of my dear friend from Minnesota, maybe he would have been able to convince the Senate better than I was able to that we ought to have a permanent or semipermanent commission of at least 2 years, with a budget of at least $1 million to accomplish these matters.

I know that the Senator was with us in the vote. Unfortunately, I was not able to convince the Senate that we needed this 2-year commission, and we needed at least a budget of $1 million a year, but the Senate now has spoken and we have a 1-year commission with $500,000, and I just do not see how it is going to be able to do what it is supposed to do already.

Mr. HUMPHREY. For the purpose of what we call informal discussion, I suggest the absence of a quorum, and I should like to take it out of my time, if we have any time left.

The PRESIDING OFFICER. Under the precedents, the Senator does not have enough time for a quorum call.

Mr. HUMPHREY. I have not used 30 minutes yet.

The Senator from California is talking on his time, not mine. [Laughter.] I do not want to go into this sharing business too much.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

The PRESIDING OFFICER. Without objection, the Senate stands in recess for 5 minutes.

At 12:46 p.m., the Senate took a recess until 12:51 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BIDEN).

Mr. HUMPHREY. Mr. President, this is a reasonable body of reasonable men. We have reasoned together in the spirit of Isaiah, and we have come forth with these suggestions. I shall read the proposed amendment as now modified:

On page 5, at the end of section 4 add a new paragraph as follows:

"In order to establish a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to establish an advisory committee to develop recommendations regarding the establishment of a policy-making process and structure within the executive and legislative branches of the Federal Government, and a system for coordinating these efforts with appropriate multi-State, regional, and State governmental jurisdictions. For the purposes of carrying out this provision, there is authorized to be appropriated not to exceed $75,000 for the fiscal year ending June 30, 1975."

The PRESIDING OFFICER. Will the Senator please send his modification to the desk?

The amendment will be so modified.

Mr. HUMPHREY's amendment, as modified, is as follows:

On page 5, at the end of section 4, add a new paragraph as follows:

"In order to establish a means to integrate the Study of Supplies and Shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to establish an Advisory Committee to develop recommendations regarding the establishment of a policy making process and structure within the executive and legislative branches of the Federal Government and a system for coordinating these efforts with appropriate multi-State, regional and State governmental jurisdiction. For the purposes of carrying out this provision there is authorized to be appropriated not to exceed $75,000 for the fiscal year ending June 30, 1975.

Mr. TUNNEY. Mr. President, I have had the opportunity to go over this provision with the distinguished Senator from Minnesota, and I think that the structure that he has established in his amendment totally is a good one.

It requires the Commission to set up an advisory committee to handle this additional responsibility, and because the Senator has added some additional funding, money for this effort would not come out of the funding for the Commission. The advisory committee is engaged to handle its responsibility without in any way derogating the ability of the National Commission to undertake its responsibilities.

I think it is a good proposal as it is now worded. I think that the advisory committee can perform a valuable service.

So, with the funding provision and the advisory committee mechanism, I am prepared to accept the amendment.

Mr. HUMPHREY. May I also say how grateful I am to the Senator from Tennessee (Mr. BROCK) for his cooperation in this matter, as well as the Senator from California. Both Senators have been in the forefront of this whole struggle for better coordination of our Federal, State, and local activities.

Would it not also be desirable that, in the legislative history here, we indicate that the advisory committee would make this report to the National Commission, which would in turn make its report to Congress?

Mr. BROCK. I think, if the Senator will yield, that was the intention.

Mr. HUMPHREY. Yes.

Mr. TUNNEY. It was certainly my intention. I think the very nature of the National Commission and the language of section 4 of the bill, which says that the Commission is authorized to establish such advisory committees as may be necessary or appropriate to carry out any specific analytical or investigative undertakings on behalf of the Commission, and that any such committee shall be subject to the relevant provisions of the Federal Advisory Committee Act, make it very clear that this advisory committee would report to the National Commission. So I think the legislative history is very clear that that is what our intention is—the Senator from Tennessee, the Senator from Minnesota, and the Senator from California, the floor manager of the bill.

Mr. BROCK. Mr. President, will the Senator from California yield briefly?

Mr. TUNNEY. Yes.

Mr. BROCK. I wish to express my personal gratitude to the Senator from Minnesota for his willingness to accommodate to the interests of all concerned in working out something in which I think we are all very much interested. I appreciate his leadership and his very gracious remarks.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from California yield back his time?

Mr. TUNNEY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BIDEN). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota (Mr. HUMPHREY), as modified.

The amendment was agreed to.

AMENDMENT NO. 1409

Mr. TAFT. Mr. President, I call up my amendment No. 1409 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TAFT's amendment (No. 1409) is as follows:

On page 3, line 20, strike the word "shortages" and insert in lieu thereof the following: "shortages; employment, price, or business practices;".

On page 4, line 2, after "ages" insert the following: ", practices,".

On page 4, after line 2, insert the following:

"(2) the adverse impact or possible adverse impact of such shortages, practices, or adversities upon consumers, in terms of price and lack of availability of desired goods;".

On page 4, line 3, strike "(2)" and insert in lieu thereof "(3)".

On page 4, line 6, strike "or".

On page 4, line 6, after "adversity" insert the following: "or practice".

On page 4, line 7, after "items" insert the following: ", or otherwise to mitigate the adverse impact or possible adverse impact of shortages, practices, or adversities upon consumers referred to in paragraph (2) of this subsection".

On page 4, line 8, strike "(3)" and insert in lieu thereof: "(4)".

On page 4, line 11, strike "(4)" and insert in lieu thereof "(5)".

On page 4, lines 12 and 13, strike "and (3)" and insert in lieu thereof "(3), and (4)".

Mr. TAFT. Amendment 1409 would make the directive of the temporary National Commission on Supplies and Shortages both more realistic and more responsive to perhaps the principal problem which generated this bill, even though the word is not mentioned once in the text—inflation.

The first change faces up to the fact that our domestic supply problems may not totally be described as the result of "shortages or market adversities," although the latter term is fuzzy enough to leave some doubts.

The amendment states specifically that the commission shall report upon wage, price, and business practices which also may contribute to supply problems. It is no secret, for example, that the sales and goods distribution policies investment decisions and collective bargaining structures in particular industries may have just as much to do with adequate supplies of various items in a given area as actual "shortages." When one reflects that supply problems, and "shortages" for that matter, are often questions of price rather than actual inability to obtain needed items, the necessity of including wage, price, and business practices within the purview of the commission becomes even more clear. While this is always a touchy area for politicians to act upon, it is one which must be included and emphasized if the commission is to seek answers to supply and inflation related problems in a realistic and comprehensive manner.

The second basic change makes clear that the commission is not just to explore the extent of supply-related problems but also to assess their adverse effect, or possible adverse effect, upon consumer in terms of price and lack of availability of desired goods. The commission also would be charged with assessing alternative actions necessary to mitigate these effects.

This change would emphasize that the commission should be oriented toward the "people problems" associated with short supplies, as well as the actual logistical problems of increasing the amount of goods available. The extent to which shortages are a problem depends largely upon the impact of these shortages on Americans' jobs and pocketbooks. Although the question of jobs is treated in the bill through mention of possible impairment of productive capacity, the possible effects of supply problems on consumers are not treated specifically. Most Americans will feel the impact of shortages in the pocketbook, as they have this year. My amendment will help to assure that the commission assesses the magnitude of and deals with this problem.

That the commission confront the inflation issue is all the more imperative because actions which would often increase supplies effectively—price increases—are inflationary in themselves. It is imperative that these kinds of tradeoffs be considered carefully and as a priority of the commission.

The amendment also adds to the bill by emphasizing that there are answers to short supply problems other than increasing availability of the goods in question, such as conservation efforts, research, and stockpiling. Like the other changes, this provision of the amendment recognizes the complexity of the commission's job and should help to foster a more realistic approach to it.

Mr. President, I shall welcome any comments from the managers of the bill on this matter. The language changes are very minor.

I call attention to the fact that the word "wage" has been changed to "employment" line 2 of the amendment as it presently is at the desk.

I reserve the remainder of my time, and yield the floor.

Mr. TUNNEY. Mr. President, I should like to say to the Senator from Ohio that I think the purpose for which the amendment is offered is a good one. The language of the bill implicitly suggests that an adverse impact on consumers should certainly be taken into consideration by the Commission. However, it is not spelled out in detail.

The PRESIDING OFFICER (Mr. Biden). Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of H.R. 14434——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from California may have 2 minutes to complete his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, the Senator from Ohio has enumerated specifically some matters which are important. There is no question that the Commission should take into consideration the adverse impact on consumers. It was the intention of the Commerce Committee that that be accomplished. However, the Senator has most appropriately and constructively offered language which would make this intention very clear. It is consistent with the purposes of the bill. I am prepared to accept the amendment.

Mr. TAFT. I thank the Senator for his comments.

Mr. President, I yield back the remainder of my time.

Mr. TUNNEY. Mr. President, I yield back the remainder of my time and I want to thank the Senator from Ohio for his constructive offering. I think it will improve the legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. Taft).

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S.J. Res. 206) authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13998) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Hébert, Mr. Price of Illinois, Mr. Fisher, Mr. Bennett, Mr. Stratton, Mr. Bray, Mr. Arends, Mr. Bob Wilson, and Mr. Gubser were appointed managers of the conference on the part of the House.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

The PRESIDING OFFICER (Mr. Biden). Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume the consideration of the unfinished business, H.R. 14434, which the clerk will state.

The legislative clerk read as follows:

H.R. 14434, making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on whether the contested language shall remain in the bill. There is 20 minutes on the germaness question, to be equally divided and controlled by the Senator from Hawaii (Mr. Fong) and the Senator from Maine (Mr. Muskie), with the vote thereon to occur after the time for debate has expired.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute on behalf of the Senator from Arkansas (Mr. McClellan).

I ask unanimous consent that the pending measure remain before the Senate until disposed of or until the close of business today, whichever is the earlier, and that the unfinished business be temporarily laid aside until such time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. Johnston). The pending question is on whether the contested language is germane to the bill.

Mr. MUSKIE. I thank the Chair. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. Mr. President, I shall be brief in my comments. The question was discussed rather thoroughly on Monday. But the issue before us is simply whether we want to allow the regulatory base of the EPA to be undermined.

The issue is whether the Senate weakens enforcement of the Clean Air Act and the Federal Water Pollution Control Act, because what we have before us is legislation on this appropriation bill, the result of which would be to give the OMB and the Federal Energy Administrator the authority to transfer research programs out of EPA into other agencies of their choosing.

This issue came before the Government Operations Committee earlier this year in just that form.

The Government Operations Committee considered the issue comprehensively, resolved it in legislation which is coming to the floor of the Senate this week or next week, and which appropriately divides the research effort between EPA and the new Energy Research and Development Administration so that EPA will retain its regulatory research functions and ERDA will develop appropriate developmental research functions.

This language in the appropriations bill was raised in connection with the same issue and did not have the comprehensive attention that was given it in the Government Operations Committee. So I hope that the Senate will reject it.

The issue has been complicated by the technical question of germaneness, which is left to the Senate without any Senators listening to the technical argument, because so few are in the chamber, so there is no way for me to make this point to the Senate as a whole.

I say to you, Mr. President, that this issue is too important to be decided on such a technicality with only three or four Senators present in the Chamber. In light of the fact that the legislative committee which has jurisdiction over the issue has considered it and resolved and voted to report and to make the report available on the Senate floor within the next 2 weeks, it makes no sense whatsoever to resolve the issue on the basis of the cursory examination given to it by the appropriation subcommittee.

On the technical question of germaneness on this portion of the bill, that is, the appropriation for research to EPA, there is no legislation which has come over to us from the House. If there were, we could not touch it by a point of order. That is the nature of the rule. There is legislative language which has come to us from the House on other portions of the bill. The distinguished Senator from Hawaii argues, therefore, that it is appropriate and germane to the bill to attach legislative language to this portion.

To adopt any such loose definition of germaneness as that is to make us helpless. Where we are now only disarmed, we would be helpless to deal with legislation on an appropriation bill that would come to us from the House.

So on the question of germaneness, it is pointless to discuss it with only three or four Senators in the Chamber. The Senator from Hawaii's case does not stand up. But I want to focus the attention of the Senate on the principal issue. It is an important issue. It is a critical issue. It has to do with the viability of EPA's research program designed to enhance its ability to regulate the activities of polluters in this country. That was the judgment of the Government Operations Committee. That was the judgment of the Subcommittee on Environment Pollution. That was the judgment of everyone except the Appropriations Subcommittee on Environment, which gave this only cursory attention.

Mr. President, if those two judgments are balanced, the decision of the Senate should go with the Senator from Maine.

Mr. President, I have tried to state the issue as briefly and succinctly as I can, and I withhold the remainder of my time.

Mr. FONG. Mr. President, this is a special energy research and development appropriation bill. The amendment permits EPA to transfer "so much of the funds as it deems appropriate to other Federal agencies for energy research and development activities." Clearly the amendment is germane to the entire thrust of H.R. 14434. That amendment is exactly parallel with two other provisions in the bill; namely, page 8, lines 7 through 11, and on page 10 lines 20 through 23.

Mr. MUSKIE. Mr. President, will the Senator from Hawaii yield for a question, on my time?

Mr. FONG. I yield.

Mr. MUSKIE. Does the Senator feel that there is no way for us to reach that language by a point of order?

Mr. FONG. You can strike it if you wish.

Mr. MUSKIE. But it cannot be reached by a point of order, as your language can.

Mr. FONG. You can strike it if you wish.

Mr MUSKIE. If you had inserted that House language on the Senate floor in an area in which my legislative jurisdiction committee had jurisdiction, I would be raising that point of order.

Mr. FONG. Mr. President, clearly the amendment is germane to the entire thrust of H.R. 14434, which deals with energy research and development appropriations.

Now, to answer the distinguished Senator from Maine on the principle of the amendment, the prime reason for the present bill is to provide funds to coordinate and speed up the various research and development programs in the energy field.

Mr. MUSKIE. Mr. President, will the Senator from Hawaii yield for another question?

Mr. FONG. I have only 10 minutes——

Mr. MUSKIE (continuing). That will be on my time—on my time.

Mr. FONG. All right, I yield.

Mr MUSKIE. Is that not the purpose of the ERDA bill which has been reported by the Government Operations Committee and which has been before the Government Operations Committee for weeks and which will be sent to the floor of the Senate? Is that not the bill which sets the policy? Is that not the bill which creates the agency? You do not do that in appropriations but you do that in legislation. That is what we are doing. I am urging the Senate to set the policy in that bill.

Mr. FONG. The ERDA bill has not yet been passed. The question of policy has already been set, which I will come to.

The bill is an urgent bill. We must move ahead as fast as we can in developing an overall energy policy and energy program. Research is a crucial element in our national energy program. The Environmental Protection Agency requested the subject language in the pending appropriation bill.

Although the agency was allowed a considerable increase in funding in 1975 as compared with its budget in 1974, the budget estimate contained no provision for increased personnel. We have no assurance that there will be any increase in personnel. Even if additional personnel are forthcoming, in order to obtain the greatest benefit from the funds appropriated, the agency should have some flexibility and be given the option to utilize the expertise and services of other agencies and to allow those agencies to contract with private contractors.

EPA also needs to cooperate and coordinate its activities with other Federal agencies.

In connection with the principle of transferring funds from EPA to other agencies, that is already in the law. EPA presently has authority to transfer funds to other Federal departments and agencies. I refer Senators to title 31 of the U.S. Code, section 686. That is the authority for EPA to transfer the funds to any agency.

This authority is for in-house research by the Federal departments and agencies receiving transfers of R. & D. funds from EPA.

In other words, EPA could transfer this money to any agency, and that agency would have to use it for in-house research purposes.

What EPA wants now is authority for this money received by the transferee agency to be contracted out by the transferee agency to private contractors. That is the only reason why we have these words in the bill.

The only authority EPA now lacks is authority to transfer funds to other departments and agencies for those departments and agencies to use in contracting out R. & D. projects to outside, non-Federal organizations. It is this pass-through authority EPA seeks by its May 15 letter to the chairman of the Senate Appropriations Subcommittee, the Senator from Wyoming (Mr. McGEE). EPA has requested this language.

The transfer authority is permissive, not mandatory. If EPA has any doubts that the agency to which it transfers funds would use the funds for research not in accord with the goals of the Clean Air Act, EPA would not need to transfer such funds.

EPA will retain as much control over the use of the research and development funds it transfers under the authority recommended in H.R. 14434 as it now has under the existing authority to transfer.

One point has been developed during the course of this debate which I would like to clarify. That is the charge that the inclusion of this language is an attempt to gut the Clean Air Act and the clean air programs. I want to assure my colleagues, as forcefully as I am able, that this is not the case.

The Appropriations Subcommittee, on which I am privileged to serve as ranking minority member, and the full Appropriations Committee have both strongly and consistently supported the Clean Air Act as well as most other environmental programs.

We have consistently added funds in excess of the administration budget estimates for these programs.

In our hearings this year on a bill for fiscal 1975, the Senator from Maine presented a detailed and forceful statement in support of additional funding on various environmental programs, including clean air.

While I am not in a position to advise what action the subcommittee will take on these suggested amendments, I know that they will be carefully considered when we meet to mark up the bills within the next couple of weeks.

I repeat what I have said earlier, that this language was included in this bill at the specific request of the Environmental Protection Agency. The agency requested it and it has written a letter, which I have not yet received. That letter is forthcoming. They said they will send it to my office. That letter will say that they want these words in the bill.

Mr. President, I have every confidence that the EPA Administrator, Mr. Russell Train, a man whose credentials in the field of environmental protection are impeccable, will, if given this language in the bill, do his very utmost to see that every nickel spent for research, whether by his agency, by other Federal agencies, or by private contractors receiving

EPA transferred funds from those departments or agencies, will be for research projects that are designed to help our Nation meet the objectives of the Clean Air Act and the Federal Water Pollution Control Act.

We must face the fact that EPA simply cannot do all the necessary research in the field of environmental controls as in-house research. It must, of necessity, deal with other Federal agencies who have expertise which EPA does not have.

I am confident that Mr. Train will exert his utmost effort to make sure that any EPA funds used in research by other agencies or used by those agencies to award contracts to organizations in the private sector, will be in accord with EPA's environmental goals.

Mr. President, I should like to read the letter from Mr. Train, which I have just received:

> DEAR SENATOR FONG: In response to conversations between your staff and EPA staff concerning the Energy R&D Appropriations Bill H.R. 14434 currently under debate in the Senate, I wish to emphasize that I strongly believe that EPA needs legislative authority which would permit other agencies to contract from funds transferred by EPA to carry out needed research activities.
>
> As you know, the Economy Act of 1932, as amended (31 USC 686), specifically prohibits contracting with private industries or institutions by an agency which is the recipient of transferred funds. The Economy Act recognizes that in some cases contracting under these circumstances would be legitimate, but specific legislation would be required to allow such contracting. EPA's request to the Committee of May 15, 1974, is consistent with that procedure.
>
> A decision has not been made as to specific amounts that would be included in pass-through to other agencies. The language that is requested is needed and is essential to assure balanced energy R&D efforts.
>
> Although we are still discussing specific projects with other Federal agencies, I am enclosing a list of projects which would be logical candidates for transfer, if the requested authority were enacted. If the Congress acts favorably on our request, we will keep you and the Committee informed of our use of this authority.
>
> Again, let me reiterate my strong belief that failure to provide EPA clear authority to allow transferred funds to be used for contract purposes would seriously hamper our overall energy R&D efforts, particularly as this research is necessary to support our Clean Air Act efforts.
>
> Sincerely,
>
> RUSSELL E. TRAIN.

Mr. President, the distinguished Senator from Maine has made a mountain out of a molehill. EPA now has this authority to transfer funds to any agency it desires in the Federal Government. The only thing that EPA's transferred funds cannot be used for by the transferee agency is for contracts with private contractors. This is the only issue involved.

The only new thing that is in this bill is the authority to the transferee agency to contract with private contractors. The transferee now has the right to receive the money; EPA now has the right and the authority to transfer the money. It can transfer funds to any Federal authority to which the EPA administrator feels he would like to transfer the money. The only thing is, if he transfers it without the authority proposed in the pending bill, that transferee authority cannot make a contract with a private contractor.

If the EPA administrator has the right to transfer funds to another Federal authority, why should not that Federal authority be allowed to contract with a private contractor? This is the gist of what we are discussing. So I say the distinguished Senator from Maine is making a mountain out of a molehill in fighting this part of the appropriation bill.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the question.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. MUSKIE. Mr. President, let me make these points. First, there has been a concerted effort by OMB to transfer all research funds out of EPA to ERDA. That is not a mountain out of a molehill. That issue was discussed in the Committee on Government Operations and it was resolved to protect EPA's legitimate interests and ERDA's legitimate interests.

The request for this authority, strangely, was never submitted to the Committee on Government Operations while we were considering this broad issue. It was offered only after the effort lost in the Committee on Government Operations. Only then was this end run tried to do in the Appropriations Subcommittee what OMB did not succeed in doing in OMB. Why, I ask?

Next, I have been in touch with EPA to find out what plans they have for using this authority. They could not give me a single project.

Next point. The language in this bill is much broader than the justification that the Senator offers from EPA. This language is broad enough to accomplish what OMB tried to do in the Committee on Government Operations and did not succeed. This language is broad enough to transfer all research money out of EPA to whatever agency OMB picks.

For 10 years I have had to deal with EPA and those who seek to undermine EPA and its predecesors. We stay in touch with the Agency and we like to think we know what is going on and the forces that are moving.

With all respect to the Appropriations Subcommittee, they have had responsibility in this field for 3 years, and only with respect to appropriations. They have no legislative background in this field and they know I have been making efforts in the last few years to work with them with respect to legislative policy. Yet they bring this end run to the floor of the Senate in order to cut off a decision that we carefully, thoughtfully, and comprehensively made in the Committee on Government Operations over the last few weeks. This is not a mountain out of a molehill. It is a very big mountain, as big as those in the islands of Hawaii. The Senator from Hawaii sees those mountains, but he fails to see this one, not because his motives are bad but because he does not see the forces moving here that have been very visible from my perspective.

The issue is, Do we take this step to undermine the research programs of EPA which are essential to the protection of the Clean Air Act? That is as simple as I can state it.

Mr. FONG. Mr. President, have I time remaining?

The PRESIDING OFFICER. All time has expired.

The Chair, under Senate rule XVI, now submits to the Senate the question raised by the Senator from Hawaii (Mr. FONG), namely, Is the amendment germane or relevant to the subject matter of the House-passed bill?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Mr. President, as I understand the issue as it will be submitted to the Senate, an affirmative vote would be a vote to uphold the germaneness of the language in the bill.

The PRESIDING OFFICER. That is correct.

Mr. McCLELLAN. A "no" vote would be to reject it as not germane.

The PRESIDING OFFICER. That is correct.

On this question the yeas and nays have been ordered, and the clerk will call the role.

The assistant legislative clerk called the role.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Montana (Mr. METCALF) and the Senator from Missouri (Mr. SYMINGTON) are absent because of illness.

I also announce that the Senator from Iowa (Mr. CLARK) is absent because of illness in the family.

I also announce that the Senator from Wyoming (Mr. McGEE) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "aye."

The yeas and nays resulted—yeas 40, nays 50, as follows:

[No. 251 Leg.]

YEAS—40

Bartlett
Beall
Bellmon
Bennett
Bible
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cook
Curtis
Dole
Dominick
Eastland
Fannin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Long
Magnuson
McClellan
McClure
Pastore
Pearson
Roth
Scott,
  William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—50

Abourezk
Aiken
Allen
Baker
Bentsen
Biden
Brooke
Burdick
Cannon
Case
Chiles
Church
Cotton
Cranston
Domenici
Eagleton
Ervin
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Mansfield
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevenson
Tunney
Williams

NOT VOTING—10

Bayh
Clark
Gravel
Hatfield
Javits
Mathias
McGee
Metcalf
Percy
Symington

The PRESIDING OFFICER. On this vote there are 40 yeas, 50 nays. The Senate having voted that the amendment is nongermane, the Chair now rules that the amendment is legislation; therefore, the point of order raised by the Senator from Maine is sustained, and the amendment is out of order.

The bill is open to further amendment.

Mr. HASKELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report it.

The legislative clerk proceeded to read the amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

> On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,022,250,000"; on line 14 delete "." and insert in lieu thereof ": *Provided further*, That none of the funds herein appropriated shall be used to further research and development efforts for technology which is solely applicable to nuclear stimulation, except those funds required to complete the technical and economic assessment of Project Rio Blanco, detonated May 17, 1973."

Mr. HASKELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HASKELL. Mr. President, the purpose of the amendment is extremely clear. It is similar to an amendment which I proposed on Monday. However, since Monday, discussions with my distinguished colleagues on the Appropriations Committee have resulted in narrowing our differences of opinion to a very simple issue. I seek to delete from the energy appropriation bill an amount of money which would be devoted solely to research on the nuclear stimulation of natural resources.

I do not seek to eliminate money for basic research, which could go either for conventional research or for nuclear research. I do not seek to eliminate moneys for evaluating a nuclear stimulation shot in the State of Colorado that occurred last year.

My purpose is merely to eliminate those moneys applicable to basic research solely on nuclear stimulation.

Mr. PASTORE. Mr. President, may we have order in the Chamber? This is a very important subject.

The PRESIDING OFFICER. Let there be order. The Senator from Colorado is entitled to be heard.

Mr. HASKELL. The question, Mr. President, is why oppose nuclear stimulation?

Before I address myself to that subject, I wish to congratulate the committee for putting the extra moneys in the bill for the research of development of the technology for conventional stimulation of natural gas and oil shale.

In western Colorado, in Utah and, I presume, in Wyoming, there are some tight sand formations that contain a considerable quantity of natural gas. There are two ways of breaking up those sands so that the gas may flow through and come to the Earth's surface. One is by conventional hydrofracturing. Pursuit of this technology, incidentally, is something that was recommended last year, and I am pleased to see that the Appropriations Committee has included money for further research. Furthermore, the Atomic Energy Commission recently entered into a joint venture project with a private corporation to try out conventional hydrofracturing in western Colorado.

The other method by which these sands can be fractured is by use of nuclear devices. To be successful in stimulating or recovering 300 trillion cubic feet of gas from this field in western Colorado and the adjacent States, the Federal Power Commission estimates that 29,680 nuclear explosions will have to take place.

I invite attention to the amount of radiation that is generated by one nuclear stimulation.

I have here—and I shall send it to the desk afterward—a letter from the Chairman of the Atomic Energy Commission addressed to me, dated March 2, 1973, in which Chairman Ray, or rather Dr. Fleming and Dr. Johnson on behalf of Chairman Ray, state the amount of radioactive substances that would result from what is known as the Rio Blanco project, a project seeking to stimulate gas in western Colorado.

I read just one sentence from this letter:

> One year after the detonation the total in the immediate chimney region will be about 10^6 curies.

Mr. BIBLE. Mr. President, will the Senator yield at that point?

Mr. HASKELL. Certainly.

Mr. BIBLE. I hope the Senator will put the entire letter in the RECORD.

Mr. HASKELL. I will.

Mr. BIBLE. All right. Perhaps I am anticipating what the Senator is going to say.

Mr. HASKELL. Mr. President, I may say to my friend from Nevada that I am holding onto this merely so that I can read one sentence. I will send it to the desk and ask that it be printed following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HASKELL. What is 10^6 curies? I did not know. I called up a friend of mine who does know this type of thing. I read the letter and read that particular sentence to him. He said something more forcefully than "wow," but "wow" will suffice here.

I said, "Well, now, please describe to me what this is." He said that if you put this amount of radioactive material on the steps of the Capitol, you would get rid of Washington. Admittedly, some people might think that is desirable, but you would get rid of Washington and some of the surrounding area.

Mr. President, the Atomic Energy Commission takes the position that there is no danger. The Atomic Energy Commission takes the position that this radioactive material buried in the ground will not go any place. It is buried down below the Colorado River, it is down below many of the underground streams. They take the position it cannot escape.

They further take the position, or they took the position, that the tritium, which is a radioactive substance that mixes with the gas, would not come to the Earth's surface unless they purposely flared it.

Two things occur to me in this regard, Mr. President: No. 1—and this is not my thought, but again, it was given to me by my friend—he said, "I guess the Atomic Energy Commission has not heard of the migration of minerals." As most of us know, mineral deposits were formed by a migration over a long period of time until sufficient deposits collected under the Earth.

Therefore, it is entirely possible that these minerals could migrate.

Prior to the Rio Blanco detonation the AEC also said that the tritium could not come to the Earth's surface. Well, as a matter of fact, Mr. President, it did happen. It happened a few months ago.

The leak of tritium was small and, therefore, did not endanger the people in that part of my State. But my point in bringing this up is that prior to the leak they said it could not happen. But it did happen.

So I say, Mr. President, if exploding one nuclear device results in 10^6 curies of radioactive material being buried beneath the Earth's surface 1 year after the explosion the question before us is: Do we really want to explode 29,000 more?

My point is, Mr. President, that as a matter of national policy the risks involved are by no means worth the candle. It is this very simple issue to which my amendment addresses itself.

With that, I will reserve the remainder of my time.

Exhibit 1 is as follows:

EXHIBIT 1

U.S. SENATE,
Washington, D.C. February 14, 1973.

Hon. DIXIE LEE RAY,
Chairman, U.S. Atomic Energy Commission, Washington, D.C.

DEAR DR. RAY: I would appreciate it if you would have a member of your staff let me know as soon as possible two items concerning the proposed Rio Blanco shot in Colorado—

(1) The quantity of each radioactive element resulting from the shot; and

(2) The Commission's recommendations as to disposal or containment.

I realize the answer to my second question might take a little time but assume that the answer to my first question is immediately available and therefore would appreciate an answer to this as promptly as possible.

Thank you in advance for your courtesy.

Sincerely,

FLOYD K. HASKELL,
U.S. Senator.

MARCH 2, 1973.

Hon. FLOYD K. HASKELL,
U.S. Senate,

DEAR SENATOR HASKELL: The following information is provided in reference to your letter to Chairman Ray of February 14, 1973. Enclosure 1 provides a description of what happens when a nuclear explosive is detonated underground and is included as background information.

The radioactive material resulting from a nuclear explosion is produced by three different processes. There is a certain amount of unfissioned fissionable material. In the case of the DIAMOND device which is planned to be used on the Rio Blanco project (three 30-kiloton devices), the amount and composition of this material is classified to protect nuclear explosive design information.

The second type of radioactive material is the fission products which are the new elements of lower atomic weight produced when a heavy fissionable nuclide is split or fissioned. The amounts of these materials per kiloton of fission yield are constant and the amounts for Rio Blanco are given in Table I, Enclosure 2.

The third source of radioactivity is neutron activation. During the fission process, some neutrons interact with the explosive parts and with the surrounding rock to produce radioisotopen. The amounts and types of neutron activation will vary depending on the elemental makeup of the rock at the detonation point. The primary neutron activation products for Rio Blanco are listed below:

Primary neutron activation products for Rio Blanco:

^{42}K
^{24}Ha
^{54}Mn
^{56}Mn
^{55}Fe
^{59}Fe
^{46}Sc
^{45}Cn
^{203}Hg

The amounts are classified, again to protect nuclear explosive design information.

With the exception of the gaseous radioactive materials which I will describe in more detail, it is not expected that any of the radioactivity produced by the Project Rio Blanco detonations will be transported outside of the immediate cavity area. Most of this remaining radioactivity is nonvolatile and will be permanently incorporated either in three zones or resolidified molten rock (puddle glass) or on rock surfaces in the chimney region. It is estimated that the total amount of nonvolatile radioactivity one hour following the detonation is 4×10^{10} curies. One year after the detonation the total in the immediate chimney region will be about 10^{6} curies. The amount of radioactivity continues to decrease with time.

The only radionuclides which reach the surface are those gaseous products which are removed from the chimney with the natural gas. The total amounts produced and the quantities estimated to be released during flaring are given in Table 3-3 of the Rio Blanco Environmental Statement. The total amounts produced are given below in curies and grams. All these numbers except Kr-85 are maximum values since the actual values are classified to protect nuclear explosive design information.

INITIAL RADIOCHEMICAL COMPOSITION OF RIO BLANCO CHIMNEY GAS

[90 days after detonation]

Nuclides	Half life	Total production (Ci)	Total production (g)
Tritium (H-3)	12.3 years	3,000	0.3
C-14	5,370 years	22.5	5.05
Ar-37	35.1 days	15,000	.15
Ar-39	270 years	20	.59
Kr-85	10.76 years	2,000	5.1

In addition, there may be trace amounts of Bg-203 (46.6 day half life). The concentration in the gas would be extremely low (estimated at less than 0.001 pci/cc) and there would be no health effects from this source.

With respect to your second question, the Commission's position as to disposal and containment are outlined in Sections 3, 4 and 5 of the Rio Blanco Environmental Statement (copy enclosed).

I hope this information will be of use to you, I regret that we cannot be more quantitative in an unclassified letter; however, we would be happy to provide you with a classified briefing on this subject if you desire.

Sincerely,

(S) EDWARD H. FLEMING,
GERALD W. JOHNSON,
Director, Division of Applied Technology.

TABLE I.—FISSION PRODUCT ACTIVITY IN CURIES AT VARIOUS TIMES AFTER DETONATION OF 3 30-KT NUCLEAR EXPLOSIVES

Nuclide	Activity		
	D plus 30 days	D plus 90 days	D plus 180 days
^{85}Kr	2.05×10^{3}	2.03×10^{3}	2.00×10^{3}
^{89}Sr	1.6×10^{6}	6.8×10^{5}	2.0×10^{5}
^{90}Sr	1.4×10^{4}	1.4×10^{4}	1.4×10^{4}
^{90}Y [1]	1.4×10^{4}	1.4×10^{4}	1.4×10^{4}
^{91}Y	1.8×10^{6}	9.2×10^{5}	3.2×10^{5}
^{95}Zr	2.0×10^{6}	1.1×10^{6}	4.0×10^{5}
^{95}Nb [1]	1.1×10^{6}	1.3×10^{6}	7.2×10^{5}
^{99}Mo	3.6×10^{4}	----------	----------
^{99}Tc [1]	3.6×10^{4}	----------	----------
^{103}Ru	1.2×10^{6}	4.3×10^{5}	9.2×10^{4}
103^{m}Rh [1]	1.2×10^{6}	4.3×10^{5}	9.2×10^{4}
^{106}Ru	4.5×10^{4}	4.0×10^{4}	3.4×10^{4}
106Rh [1]	4.5×10^{4}	4.0×10^{4}	3.4×10^{4}
^{111}Ag	1.7×10^{4}	6.7×10^{1}	----------
^{115m}Cd	1.2×10^{3}	4.5×10^{2}	1.1×10^{2}
^{115}Cd	5.8×10^{1}	----------	----------
^{115m}In [1]	6.1×10^{1}	----------	----------
^{123m}Sn	1.3×10^{3}	9.2×10^{2}	5.6×10^{2}
^{124}Sb	2.7×10^{2}	1.3×10^{2}	4.7×10^{2}
^{125}Sn	4.9×10^{4}	5.8×10^{2}	----------
^{125}Sb	5.4×10^{3}	5.6×10^{3}	5.4×10^{3}
^{125m}Te [1]	2.9×10^{2}	7.4×10^{2}	9.9×10^{2}
^{126}Sb	2.0×10^{4}	7.2×10^{2}	----------
^{127}Sb	1.6×10^{4}	----------	----------
^{127m}Te	1.6×10^{4}	1.1×10^{4}	6.3×10^{3}
^{127}Te [1]	3.4×10^{4}	1.1×10^{4}	6.3×10^{3}
^{129m}Te	3.2×10^{4}	9.4×10^{3}	1.5×10^{3}
^{129}Te [1]	2.0×10^{5}	5.9×10^{3}	9.5×10^{2}
^{131}I	9.7×10^{5}	5.6×10^{3}	2.3
^{131m}Xe	1.6×10^{4}	1.1×10^{3}	----------
^{133m}Xe	2.0×10^{2}	----------	----------
^{133}Xe	5.8×10^{5}	2.2×10^{2}	----------
^{136}Cs	1.7×10^{5}	6.8×10^{3}	5.6×10^{1}
^{137}Cs	1.7×10^{4}	1.7×10^{4}	1.6×10^{4}
^{137}MBa [1]	1.6×10^{4}	1.6×10^{4}	1.5×10^{4}
^{140}Ba	2.5×10^{6}	1.0×10^{5}	7.7×10^{2}
^{140}La [1]	3.1×10^{6}	1.2×10^{5}	8.8×10^{2}
^{141}Ce	2.7×10^{6}	7.6×10^{5}	1.2×10^{5}
^{143}Pr	2.5×10^{6}	1.2×10^{5}	1.3×10^{3}
^{144}Ce	4.7×10^{5}	4.1×10^{5}	3.2×10^{5}
^{144}Pr [1]	4.7×10^{5}	4.1×10^{5}	3.2×10^{5}
^{147}Nd	9.2×10^{5}	2.2×10^{4}	7.9×10^{1}
^{147}Pm	5.6×10^{4}	6.5×10^{4}	6.1×10^{4}
^{149}Pm	1.6×10^{5}	----------	----------
^{151}Sm	4.7×10^{2}	4.7×10^{2}	4.7×10^{2}
^{153}Sm	7.6×10^{1}	----------	----------
^{155}Eu	3.2×10^{3}	2.9×10^{3}	2.7×10^{3}
^{156}Eu	1.2×10^{4}	7.4×10^{2}	----------
Tctal	2.3×10^{7}	7.0×10^{6}	2.9×10^{6}

[1] Nuclides in transient or secular equilibrium with the isotope listed immediately above.

TABLE II.—PRIMARY NEUTRON ACTIVATION PRODUCTS FOR RIO BLANCO

^{42}K	^{56}Mn	^{46}Sc
^{24}Na	^{55}Fe	^{45}Ca
^{54}Mn	^{59}Fe	^{203}Hg

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. What is the time situation?

The PRESIDING OFFICER. There is half an hour on each side.

Mr. McCLELLAN. How much time has been consumed so far?

The PRESIDING OFFICER. The Senator from Colorado has used 9 minutes.

Mr. McCLELLAN. I yield to the distinguished Senator from Nevada whatever time he may require.

Mr. BIBLE. I thank the chairman of the committee and also the chairman of the subcommittee that handled and heard this matter. That was the Senator from Mississippi (Mr. STENNIS), but he asked if I would handle it, since I have some familiarity with the plowshare program.

Mr. President, I appreciate the concerns and worries of my friend from Colorado. As Members of the Senate know, we discussed this proposed amendment at some length on Monday. I had hoped we might be able to reach an accord in the interest of time in trying to work out the problem, but unfortunately we were unable to accomplish that.

As I said on the floor of the Senate on Monday, those of us who come from Nevada are very, very familiar with this problem to which the Senator from Colorado addresses himself, and I am sure I am correct to say that in the whole wide world there has never been as much underground devastation by nuclear explosions as there has been on the Nevada test site, and before the ban there were explosions above the ground.

I think it is significant to note, in commenting on the statistics that the Senator from Colorado used relative to the Rio Blanco shot—and I wish he would correct me if I make a mistake—that the radioactive material was all contained underground, that there was not any escape, as nearly as I know except for possibly a minor, infinitesimal leakage into the atmosphere. Is that a correct statement?

Mr. HASKELL. If I may refer to the RECORD for a second, on my time, there was a very, very small leak of tritium, as I stated previously, and not enough leaked, as far as I know, to harm anybody.

Mr. BIBLE. I understand the Senator's concern on it. He has been very frank, very honest, very straightforward about it. He just does not want any more tests involving nuclear devices and nuclear explosives.

In order to try to accommodate ourselves to the worries of our friends from Colorado, in the Rio Blanco detonations, and those of our friends in Wyoming who have oil shale and who have the same concern, we discussed this matter at length within the committee. During the meeting we asked our fellow member of the committee, the Senator from Wyoming (Mr. McGee) to come over to the markup if he could accommodate his own schedule, and he did.

As a result of this coming over and discussion on the program, we wrote, not into the report but into the bill, an absolute prohibition of any field testing of nuclear explosives in the recovery of oil and gas in two appropriations contained in the bill, in the AEC section of the bill and in the Bureau of Mines section of the bill.

It appeared and occurred to me then, as it does now, that this is ample protection, and that these funds provided in this bill will be used to carry out research and work in the laboratory for the most part.

As we studied the suggestions made by the Senator from Colorado to separate and strike out the strictly nuclear work from the conventional research, when we last discussed this on Monday, it was apparent the two were so thoroughly intermixed and intertwined that I did not see any way that they could properly be separated.

Additionally, I do not see, personally, any objection at all to finding out whether we can best fracture rock in the oil shale areas or to stimulate natural gas development by nuclear methods or whether we should use the conventional TNT or dynamite, or whether we should go to some other method.

That, really, is what this is all about. But, in any event, whatever decision they come up with, there will be absolutely no field testing for the upcoming year. It is prohibited in the bill—not in the report in the bill—and I am sure the AEC would abide by that prohibition.

Those of us who, as I say, have lived under the shadow of the mushroom when it was exploded above the ground, and have devastated the underground unmercifully by underground tests—and they are going on; we have lived with this —hear the same type of concerns expressed time and time again. As my colleague from Nevada (Mr. Cannon) can vouch, we have been called out of bed at various hours of the night by various people to try to stop some of these shots. We discuss it with AEC, and there is always some fear; there is always a little fear that it is going to shake down many of the buildings.

These were shots of high megatons, but the buildings survived, Las Vegas survived, and Clark County survived and continued to prosper, and the people now have very little fear.

Earlier, they did have a fear of the underground shocks.

I do not challenge nor do I question anyone's sincerity about the tremendous, awesome power of an explosion of an atomic device. We all know the Hiroshima and Nagasaki story, and that is enough to strike fear in anybody.

But here we are attempting, in a limited and a refined way, to have detonation of nuclear devices for peaceful uses. As we have gone more and more into the uses of nuclear power, we are trying to turn it to peacetime rather than wartime uses.

I think these uses should be explored. I reiterate that there will be no tests; they are prohibited under this bill. I can assure my friend from Colorado there will be no field tests whatever, even underground, of nuclear devices in the plowshare program during the fiscal year 1975, under the bill to which this amendment addresses itself.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Rhode Island (Mr. Pastore), who is the greatest authority alive on the uses of atomic energy. I do not know what he is going to say; maybe I should not yield to him.

Mr. PASTORE. Mr. President, I certainly thank the Senator. It is nice to smell the roses while you are alive.

Mr. BIBLE. I agree.

Mr. PASTORE. I congratulate the Senator from Nevada for his very meticulous surveillance of this whole matter. He, like myself, is a member of the Joint Committee on Atomic Energy.

There is no question at all that we are dealing with an awesome power, with all the questions that raises in the minds of those of us who have been connected with it for a long, long time. I have been connected with it ever since I came to the Senate.

We have reached the point now of deciding whether or not we are going to use this tremendous power exclusively to kill.

Mr. President, may we have order, please?

The PRESIDING OFFICER (Mr. Johnston). The Senate will be in order.

Mr. PASTORE. Whether we are going to use this awesome power to kill, or whether we are going to make it useful to mankind.

I do not think that anyone can slough this off as being a frivolous subject. It is not. I think that the Senator from Colorado has every right to have apprehensions.

We have had certain incidents—thank God, they have not been serious—but the record that we have in atomic energy is better than any other safety record we have in any other facets of industry in this country. We have proved that over the years. That is a recorded fact.

I would not want to see this whole thing shut off. I am afraid that that is what the Senator from Colorado is doing, in a sense. He is shutting off this whole attempt to see if we cannot use atomic power, not 29,000 shots at one time, but maybe next year or the year after, or some time after this particular bill expires; because, as I understand it, with the modification that has been made, we are not going to have an underground shot as a result of this appropriation. Am I correct?

Mr. BIBLE. That is correct. Let me read from the language in the bill:

> *Provided further*, That no part of the sum herein appropriated shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

Those are the dollars we are talking about. That is what the bill says.

Mr. PASTORE. The day might well come when we have actually run out of natural gas or oil that we can obtain by conventional means. I say that if there is any natural gas or any oil shale to be gathered by natural, conventional means, we should do it. Atomic energy should only be used in those cases where we cannot do it in any other way. I would not like to see it shut off at this point, because this is an opportunity that we have but once in a lifetime. If we begin to repose ourselves into the frame of mind where we will cut this thing off completely at this juncture, it would be a serious mistake.

I hope that the Senator from Colorado will understand that we are on his side. We understand his apprehensions. We do not want to do anything to hurt anyone. But I hope we will not go to the extreme of shutting it off completely because it may be the only answer, one day, when we might have to get oil shale or to get natural gas which is locked way, way down, deep in the Earth.

Mr. BIBLE. Mr. President, I appreciate the contribution of the Senator from Rhode Island. May I make an additional observation, from what I have understood today in talking to people who have the knowledge and the expertise in this field, that it is very likely it will be more economically feasible to do this fracturing in oil shale areas by conventional means, explosives, dynamite, or by water fracturing. These, too, might turn out to be the indicated ways to deal with releasing the vast reservoirs of natural gas that lie under the ground.

Mr. GOLDWATER. Mr. President, I have an interest in this amendment because we are already preparing for an atomic blast underground on the site of a copper mine in central Arizona. It is the feeling of those who are attempting this blast that, if successful, we can obtain pure copper as a result and eliminate the current process.

The question I should like to ask—and I am glad that the Senator from Rhode Island is in the Chamber—are these blasts going to be the fusion type or the fission type; does the Senator know?

Mr. PASTORE. The fact is that thermonuclear power is clean power. That would be fusion power as against fission power, which is dirty power. The atomic bomb is fission and the hydrogen bomb is fusion. The trouble is that we have not reached the point where it is 100 percent pure. Once we get it, it will be a combination of the two. There is no question that there is radiation contamination but the point is that it has to be done in such a way that it will not come out into the atmosphere.

Mr. GOLDWATER. One other question, which was directed to me, How many underground explosions have there been in Nevada at the test site?

Mr. BIBLE. I cannot supply that information immediately, but I will be happy to get it for the Senator.

Mr. PASTORE. I cannot give the Senator the figure, but it is many—very many.

Let me give the Senator the example of Amchitka, where the Senator will remember the fear that was expressed on the floor of the Senate at that time, that we would inundate all of Hawaii, that there would be earthquakes and floods.

What happened? Jimmy Schlesinger, who at that time was Chairman of the Atomic Energy Commission, took his whole family there, and he went there to witness the shot. It was a successful shot. As a result of that successful shot, that is how we got the warhead for the antiballistic missile, and that is also how we got the SALT I agreement—all because of the Amchitka shot. And no one was hurt.

Mr. GOLDWATER. The reason I have asked the question about numbers is that I cannot recall one instance of any damaging material being released. I think it was detected at Littlefield in Arizona, but it never bothered anyone.

Is there any record of maiming, or of any deaths resulting from underground tests?

Mr. BIBLE. I can respond to that, to the best of my memory and knowledge, by saying that there may have been some burning, some loss of hair, some loss of livestock, because of the so-called genetic effect. That may have happened at the time we had the explosions above the ground, but after they went underground to explode, to the best of my memory and my knowledge there have been no reactions or any damage other than a slight tremor. An explosion shook one building, and its owner was very happy because she got a new building out of it—it was a very old and dilapidated building anyway. But once the shots went underground, there was never any indication of damage.

Mr. GOLDWATER. Mr. President, in summary, I want to thank my friends from Nevada and Rhode Island for allowing me to ask these questions, because, as I have indicated, Arizona is about ready to go on a massive test, and I think it is time—I certainly agree with the Senator from Rhode Island—that we put the power we have to work. It is time we quit being afraid of it to the point that we say never will we have nuclear power in this country.

I happen to believe that the next step forward in energy will come when we completely control the fusion of the atom. I am hopeful that day will not be too far off, but if we continue to prohibit experimentation, then I am afraid that day will be very far off.

Mr. BIBLE. Mr. President, I appreciate the contribution of the Senator from Arizona regarding the upcoming test at the copper mine in Arizona. I am sure it will not damage mankind. None of us would stand here to support any kind of instrumentality that might wipe out a single human life.

Mr. McCLELLAN. Mr. President, will the Senator from Nevada yield?

Mr. BIBLE. I yield.

Mr. McCLELLAN. Do I correctly understand that the pending amendment would reduce the amount on page 8, line 1, by $1,440,000?

Mr. BIBLE. The Senator is correct.

Mr. McCLELLAN. Do I correctly understand that if that $1,440,000 is retained in the bill, no part of it and no part of the $1,023,690,000 will be used for any kind of underground nuclear explosion for the purpose of recovering oil and gas.

Mr. BIBLE. That is exactly right.

Mr. McCLELLAN. Or any kind of nuclear explosions either underground or above?

Mr. BIBLE. That is right—or nuclear devices.

Mr. McCLELLAN. Or nuclear devices.

Mr. BIBLE. That is correct.

Mr. McCLELLAN. Then, what is at issue here with respect to the $1,440,000? What is the real issue? If it is not going to be spent underground, what is it going to be spent for, and what are the anticipated good results from the expenditure?

Mr. BIBLE. I am happy to respond to that question, but it is more properly addressed to the Senator from Colorado (Mr. HASKELL) to speak to it. Actually, most of it will be used in laboratory work and testing, in study, or in other devices, some nuclear devices, admittedly, and other conventional methods for underground testing which the Senator from Colorado admits should be done.

Mr. McCLELLAN. Except for the actual underground testing or explosions in the field or underground, what can be the objection to the laboratory testing and the experimentation to learn more about how to use this great power for peaceful purposes?

Mr. BIBLE. Frankly, I cannot say, but it is not my amendment.

Mr. McCLELLAN. Is there any reason for it?

Mr. BIBLE. In my judgment, no. But in fairness to the Senator from Colorado, he might have a different viewpoint.

Mr. McCLELLAN. Will the Senator from Colorado, on my time, respond to the question: If no part of this money is to be used for field testing, underground or otherwise, but is clearly to be used and is limited to experimentation and laboratory work, what can be the objection to the appropriation if it is only going to be used for that purpose, in an area where we may gain additional valuable knowledge with respect to the use of this tremendous power?

Mr. HASKELL. I will be glad to respond to the Senator from Arkansas by saying, first, that the Senator from Arizona (Mr. GOLDWATER) will have a fusion test, and I would agree this will not affect the area in any way.

The issue is clear, I say to the Senator, that it is a matter of national policy. It is my viewpoint that even if we could develop a technically perfect way of breaking up the rock underground; still, because of the tremendous amount of radioactive material deposited underground, it would be a national mistake to do so.

This should be on my time, because I am doing more than answering the Senator's question.

An FPC task force report I have previously cited indicates that to get this gas out it is necesary to have more than 29,000 nuclear explosions. I have the information as to the amount of curies, 10^6 curies, remaining underground 1 year after detonation of the Rio Blanco shot. One hopes nothing goes wrong. In the words of an adviser to Franklin Roosevelt, I understand he said, "When the boss makes a mistake it is a beaut." So if we make a mistake here, it is going to be a beaut.

Mr. McCLELLAN. Will the Senator yield further?

Mr. HASKELL. I yield.

Mr. McCLELLAN. If it is correct, if it is true, that none of this money can be used for the purposes about which he now expresses apprehension, is not his objection to the appropriation for other purposes premature—for the purpose of experimentation and developing further knowledge about it—premised on the fact that it would be exploded? Is not his objection premature, because we have not reached the point where we are proposing to appropriate money for that purpose?

Mr. HASKELL. I submit to the distinguished Senator that it is not premature in this regard: As I say, even if a technically perfect way could be devised for freeing gases from underground using nuclear explosives, it would be my judgment that we should not pursue this technically perfect way, because it has endemic risks that the Nation does not want to take.

I understand that the Senator's bill prohibits underground explosions for this fiscal year. I understand that. I think the distinguished Senators from Arkansas, Nevada, and Rhode Island have articulated our differences very well.

It is the feeling of those who do not agree with me that we should have this technology developed and in the sack so to speak, in case we need it. It is my feeling that it is so dangerous that I do not even want it in the sack.

So far as I am concerned, Mr. President, I have said all I can on this particular issue.

Mr. BIBLE. Mr. President, in today's energy shortage it is axiomatic that this Nation aggressively conduct research to develop all its energy potential. This certainly includes the possible uses of nuclear explosives, known as the Plowshare program, conducted by the AEC. As a nation, we are now painfully aware that our conventional energy supplies are not unlimited and that we need to buttress our self-sufficiency against the day when extreme shortages or the actions of foreign powers may seriously affect our economy and way of life. It is clear we no longer enjoy the luxury of unreasonable selectivity and playing off one line of research against another. We need to work on all of them.

The Plowshare R. & D. program, as applied to oil and gas recovery and utilization, was one of the first to recognize our need to develop unconventional means of obtaining heretofore unrecoverable energy sources. Underground engineering technology has been developed by AEC, its laboratories and interested industry to the point where it is very useful today in non-nuclear energy recovery methods as well. Industry has shown its interest in the Plowshare technology by contributing heavily to its development through joint projects with the Government.

Despite what the critics imply, progress has been good, although the technology is by no means proved. Probably because nuclear explosions are involved, the program has been limited over the years; however, the Gasbuggy and Rulison Projects, designed as technical experiments, have shown conclusively that nuclear explosives can stimulate tightly held natural gas. The Rio Blanco experiment, detonated in May 1973, was the first project designed to investigate the potential economics of nuclear gas stimulation by utilizing three explosives in the same wellbore to fracture across all the gas-bearing zones underground.

To date, initial tests of the Rio Blanco well have resulted in 100 million standard cubic feet of gas being produced from the top chimney created by the explosion. It does not appear, however, that connection between the three chimneys has occurred as expected. A joint drilling program with the Continental Oil Co. is now being designed to learn what actually took place underground in this complicated experiment. It is the nature of R. & D. to seek answers for either proving or disproving our technical theories. This additional Government-industry work on Rio Blanco should provide the needed additional data necessary to understand the problem.

The potential of the Plowshare program is not limited to natural gas stimulation; it also shows great promise in oil shale technology, copper leaching, and underground storage or disposal utilization. In oil shale alone, nuclear explosives may be the only technique which can ultimately recover the oil from the thicker shale deposits. The viability and potential of such technology can be seen by noting the Russian program which is much more extensive and energetic in both underground engineering and excavation utilization. The U.S.S.R. has conducted projects in water reservoir construction, oil and gas stimulation, underground storage, control of runaway gas well fires and others, and are actively considering other applications. It may be noted here that under article V of the Nonproliferation Treaty the U.S.S.R. and this country agreed to provide Plowshare technology to nonnuclear nations as a deterrent to their developing a nuclear-weapons capability.

Finally, the safety factors should be noted—they are a plus. Radiation has not been a problem—seismic and ground motion effects are understood and controllable. Years of testing at the Nevada test site and elsewhere have provided a wealth of experience in this area. In any case, there is no reason to believe Government or industry would utilize an unsafe technology.

In summary—energy research of this nature should not be cut off before definitive answers are found so that intelligent decisions can be made about the validity and possible utilization of the technology.

I am prepared to yield back the remainder of my time after I have yielded to the Senator from Wyoming (Mr. HANSEN), who said he had a question on the subject.

Then I am prepared to yield to the distinguished Senator from Maine for the purpose of calling up a conference report.

I should like to clear up this part of the question because I do not think we have any other requests for time.

I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank the distinguished Senator from Nevada for his courtesy.

My point in rising is to ask if I am right in understanding that no money is included in this appropriation that will be spent on underground experimentation programs.

In the State of Wyoming, we have what has been described as Project Wagon Wheel, a project set up to test the efficacy of nuclear stimulation of natural gases trapped in the tight rock formations.

This project has been of great concern to many of my constituents, and it has been my understanding that in the appropriations bill now under discussion there will be no money to continue with that underground project.

I ask the Senator from Nevada if I am right.

Mr. BIBLE. The Senator from Wyoming states the matter correctly. There are no dollars in the bill before us, on which we will be voting momentarily, for the so-called Project Wagon Wheel.

Mr. HANSEN. I thank the Senator.

Mr. DOMINICK. Mr. President, I would like to speak in opposition to Senator HASKELL's amendment regarding nuclear research on stimulation of natural resources.

As the distinguished junior Senator from Colorado has pointed out, the natural gas resources in the Rocky Mountain States are tremendous and important to our energy development picture. Up to 300 trillion cubic feet of natural gas is trapped in extremely tight formations in the Rocky Mountain area. This gas could be recovered with either of two techniques—nuclear stimulation or massive hydraulic fracturing.

I am not in favor of the exclusive use of nuclear stimulation to recover this natural gas. I am in favor of using the best method of assessing and evaluating the Rio Blanco project to its completion.

The $4.4 million being debated at this time is to be used for more than evaluating the Rio Blanco project. There are funds for analysis of the in situ method of oil shale development, funds for the analysis of the in situ method for copper leaching and funds for explosive research, development, and testing.

The most important thing to remember is that none of these funds are to be used for further detonations of any nuclear devices. In fact, the AEC has at this time no plans for any detonations. Now or in the future.

Major reductions have been made in the Plowshare program over the past few years. Certain individuals have suggested that the program be phased out completely. A number of factors strongly argue for the continuation of this program. The amendment would terminate the development of technology of conducting underground nuclear explosions for peaceful purposes. The United States incurred an obligation under article V of the Nonproliferation Treaty to provide assurances to the nonnuclear parties that they will share in the benefit of peaceful application of nuclear explosive devices. Therefore, because of this obligation alone, we should continue with the development of both techniques and devices at this minimal level.

The AEC, in cooperating with industry, is engaging in experiments and planning which might make possible the in-situ recovery of oil from oil shale by explosives, chemical as well as nuclear. Either might turn out to be the most economical method of obtaining tremendous amounts of oil and with the least effect on the environment.

A Federal Power Commission report concerning the need for natural gas, which was released Sunday June 9, 1974, stressed the importance of such techniques as Plowshare to obtain such fuels.

In order to continue investigations which could lead to an economical method of unlocking our energy resources, to obtain data on other engineering applications and our treaty obligations, this amendment must be defeated.

Continuation of the AEC Plowshare program has been endorsed by the administration and by both the Authorization and Appropriations Committees.

Senator HASKELL spoke of 5,680 wells to be stimulated with nuclear explosives. None of these wells, nor any further experiments, are included in the AEC funding. Rather, the funding is to develop the necessary background information to determine if the technique is feasible. I certainly would not ask anyone on the Senate floor to proceed with full application of the technique if any sizable risk is involved, but these questions must be answered to evaluate the possible risk in comparison to the vast natural gas which might be recovered.

This country will for some time to come be faced with energy shortages and now is not the time to turn our backs on possible alternatives to develop additional domestic resources. Our objective is to reach that point where we are self-sufficient. To adopt this amendment would be a step backward rather than a step toward that goal.

Mr. President, I urge my colleagues to vote against this amendment.

Mr. BIBLE. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HASKELL. Mr. President, I am prepared to yield back the remainder of my time.

Mr. BIBLE. Before I yield back the remainder of my time, Mr. President, on a different matter entirely, I yield to the distinguished Senator from Maine for the purpose of calling up a conference report.

Mr. MUSKIE. I thank the distinguished Senator.

The PRESIDING OFFICER. (Mr. DOMENICI). Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—how much time is the Senator limited to?

Mr. MUSKIE. It should not take more than 2 or 3 minutes.

Mr. ROBERT C. BYRD. I have no objection—not in excess of 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, the conference report on H.R. 14368, the Energy Supply and Coordination Act, is pending before the Senate. This legislation has been before the Senate in differing froms since last fall. It began as a part of the effort of Congress to respond to the energy crisis by enacting short term energy conservation and environmental modification proposals.

Mr. President, the conference report on H.R. 14368 is a complex but limited measure. It is not, like the House bill, a crisis measure. It is not as general in its terms as the Senate bill. The conference report on this legislation is both a compromise and an improvement. It improves on both the House and Senate bill in that it makes more specific the requirements of each. It is a compromise between the House and the Senate bill because it accepts, in the short term—the period between now and June 30, 1975—much of the approach embodied in the House legislation and it adheres, in the long term—the period between now and January 1, 1979—to the limitations of the Senate amendment.

I think it is important to identify, for the purpose of adequate legislative history, the very significant differences between the House and the Senate approach to the issue of coal conversion.

As I indicated earlier, the House legislation was crisis-related. It was virtually identical to the previously adopted conference report on this issue—a conference report which was written during the period of severe energy shortage and oil embargo.

The Senate bill, on the other hand, recognized that the public's perception of the crisis had changed—that the energy crisis subsided with the termination of the Arab embargo—and that legislation of this kind must necessarily be within the framework of existing environmental constraints, rather than outside of those constraints.

The House bill was mandatory in the near term and voluntary in the long term. But in both short and long term, the House bill abandoned the existing stautory base for clean air regulations—public health-related primary ambient air quality standards.

The Senate bill in the near term permitted compromise of statutory clean air programs only on the basis of a demonstrated unavailability of fuel. In the long term, the Senate bill mandated coal conversions but insisted on maintaining minimum health-related air quality.

Under the House bill, the existing basis for clean air controls was suspended in favor of a new test to respond to crisis. The House bill would have permitted coal conversions to be required or to continue whenever no significant risk to health could be demonstrated.

The Senate bill proposed that energy self-sufficiency should be a function of our ability to maintain our clean air goals while reducing our reliance on foreign fuels. The Senate bill completely barred coal conversions in areas where any primary ambient air quality standard was being exceeded and specifically barred any conversions which would cause the primary standard to be exceeded.

Mr. President, while the bills appeared similar, the intent of each body was sufficiently different that the conferees were confronted with an almost impossible task of putting together a conference report which was acceptable in purpose and in scope to the membership of both bodies. I think we have done this.

In terms of the Senate position, there is adequate protection against any long term coal conversion causing an unacceptable environmental impact. On the other hand, the House has achieved the short term goal of their proposal. And the House has achieved two significant modifications of the Clean Air Act relating to transportation controls—provisions which were in earlier conference reports—provisions which my colleagues in the conference would have preferred to defer to a later time after a more complete review—but provisions on which the House insisted.

The Senate also prevailed in two important respects unrelated to coal conversions. We have House agreement to extend the authorizations of the Clean Air Act for 1 year which will provide time to review carefully the implications of the Clean Air Act. And we have obtained House acceptance of a Senate provision which clarified the relationship between the National Environmental Policy Act and the Clean Air Act.

Without exception, the Clean Air Act actions will not be subject to the National Environmental Policy Act. This provision should reduce the potential for litigation and delay associated with the development and implementation of clean air regulations. It should improve the certainty and finality which the Congress sought in 1970 when it wrote the Clean Air Act. And, most importantly, it should end the effort of those who would use NEPA as a mechanism to compromise the statutory mandate for clean air.

My colleagues should note that the provisions of both the House and the Senate bill regarding auto emissions standards for 1976 vehicles were identical and remain so.

Mr. President, I would like to expand the history of this legislation in terms of coal conversions and the Clean Air Act amendments. I have discussed in general the differences between the two bills. I have outlined the agreement. I have discussed Clean Air Act authorizations, the application of NEPA to the Clean Air Act, the auto emissions questions, and I have referred to the issue of transportation controls. I do not intend to discuss these matters in detail; the conference report and the statement of managers provide an adequate description of each.

The bill provides for a legislative basis to deal with three energy-related problems:

First, the conference report provides a statutory basis for the granting of variances for the period between enactment and June 30, 1975, whenever the Administrator of the Environmental Protection Agency determines that clean air compliance is not possible solely because of the unavailability of fuels necessary to meet the act's requirements. This is a very limited provision. It is intended to respond to embargo type situations. If compliance with the Clean Air Act is dependent on fuels of certain pollution characteristics, and if fuels of those pollution characteristics—or improved pollution characteristics—are not available, then and only then the Administrator can suspend for the period of the unavailability of such fuels between now and June 30, 1975, the applicability of Federal, State or local clean air requirements. This is unilateral authority. It is intended to provide a quick response mechanism in the event another crisis occurs. It is not a method to grant variances where fuel is available but the price is high, nor is it a method to grant variances where fuel burning stationary sources have dragged their feet on installing necessary pollution control equipment.

This provision specifically and precisely permits the Administrator of EPA to suspend for not more than the period between now and June 30, 1975, the application of any stationary source fuel or emission limitation solely on the basis of the unavailability of fuels necessary to comply with that stationary source fuel or emission limitation.

Second, there is authority for the Administrator of the Environmental Protection Agency to suspend temporarily certain stationary source fuel or emission limitations if, as a result of an order by the Federal Energy Administration Administrator which prohibits a power plant or other fuel burning stationary source from burning oil or natural gas, that source converts to coal. This means that the Administrator of EPA can grant a suspension from certain clean air requirements in limited instances where facilities are now burning oil and coal, have the necessary capability and plant equipment to burn coal, and either began conversion to coal between September 15 and March 15 or converted to coal as a result of an order subsequent to enactment of this act. Unlike the situation which occurs when there is an unavailability of fuel, however, the Administrator of the Environmental Protection Agency cannot grant a variance from the clean air requirements unless he determines that to do so would not cause or contribute to emissions of air pollutants which would result in levels of such pollutants in excess of national primary ambient air quality standards.

Moreover, in order to assure that any such conversion does not itself cause primary standards to be exceeded, the Administrator must establish emission limitations, determine the pollution characteristics of coal to be used, or require other enforceable emission control measures as a condition of the suspension.

Third, and perhaps the most significant provision of the coal conversion aspect of this bill is the provision which requires the Administrator of the Federal Energy Administration to issue orders prohibiting the use of petroleum products or natural gas to facilities which have on date of enactment of this act the capability and necessary plant equipment to burn coal for the period beyond June 30, 1975. This provision is mandatory with respect to powerplants and permissive with respect to other major fuel burning stationary sources. As with the temporary suspension authority, the FEA Administrator must make his determination on a unit-by-unit basis. And, a powerplant which has several units subject to such prohibitions would have to obtain a separate suspension or extension from the EPA Administrator for each unit.

This provision to the extent achieveable within the basic constraints of the Clean Air Act, is intended to reduce the burden and the reliance on foreign oil by increasing utilization of domestic coal. This provision requires that powerplants and other sources which are prohibited from using natural gas and petroleum products and which actually convert to coal comply with the existing implementation emission limitations or other requirements of implementation plans by no later than January 1, 1979. In the interim, these sources must assure compliance with primary ambient air quality standards and in areas where standards are exceeded, with applicable emission limitations.

This is the provision with which the conferees had the most difficulty because it was in the context of this provision that the conferees were treading on the most uncertain ground.

Not only were the conferees confronted with the basic policy question of mandating the use of a certain fuel in the long term but the conferees were also confronted with the need to cause the use of that fuel in a manner consistent with environmental objectives.

The House allowed an extension of the deadline for compliance with all applicable air pollution control requirements to not later than January 1, 1979, if a revised compliance schedule were approved and if no significant health risk would occur in the period of the extended compliance schedule.

The Senate bill required a similar extension of deadline to not later than January 1, 1979, only if a revised compliance plan were approved and primary ambient air quality were not exceeded during the extended compliance period. In addition, under the Senate bill, conversions were barred in air quality regions in which primary ambient air quality standards are now being exceeded.

The conference agreement permits an extension of compliance schedule to not later than January 1, 1979, only if, first, emission limits or other enforceable measures to maintain primary standards will be complied with; second, in any region in which primary standards are now being exceeded, requirements of the implementation plan applicable to any pollutant for which the national primary ambient air quality standard is now being exceeded are complied with; and third, the Administrator has approved a compliance plan.

An approved compliance plan must include adequate assurance that the plant or installation will obtain approval of a revised schedule for and means of compliance with all applicable preconversion implementation plan requirements no later than January 1, 1979. If the source fails to obtain an approved schedule, the compliance extension ceases, and the source is in violation of the Clean Air Act and subject to enforcement action.

The Administrator is required to promulgate regulations within 90 days requiring any source to which a compliance date extension applies to submit and obtain approval of its revised measures for and schedule of compliance.

Such regulations should set forth deadlines for submittal and approval of the revised compliance schedule in order to assure earliest possible achievement of the emission limitations in the applicable implementation plans. Failure to set deadlines in these regulations could result in unnecessary delay in achieving clear air goals. Also, early submittal and approval of revised compliance schedules is necessary to assure achievement of applicable emission limitations no later than January 1, 1979.

As noted above, long term mandatory conversion can only occur where national primary ambient air quality standards will not be exceeded. While the conference report narrows the scope of the Senate prohibition on such conversions in air quality regions where the primary standard is presently being exceeded, it maintains the thrust of the Senate position by prohibiting any conversion from taking place in any region where the primary standard for a particular pollutant is being exceeded if the effect of the conversion would be to cause emissions of that particular pollutant to exceed the limits specified in the applicable implementation plans.

Mr. President, this means that if a region has not achieved the primary standard for oxides of sulfur and a conversion would cause sulfur oxide emissions to exceed limitations applicable to the plant in question, a conversion would be barred until the implementation plan limitations could be achieved. This is the so-called regional limitation.

Further, Mr. President, even if there is no "regional limitation" on the conversion, if the result were to cause emissions which would cause or contribute to concentrations of pollutants in excess of the primary standard—the "primary standard condition"—the conversion would be delayed until the plant was capable of achieving emission limitations or other enforceable measures which would assure compliance with the primary standard condition.

It is important to note that this policy does not prohibit conversions—it only prohibits those conversions limited by the "primary standard condition" or the "regional limitation" until the powerplant or other major installation has installed the necessary pollution control capacity—or obtained clean coal—which permits the unit in question to meet applicable emission limitations.

In other words our purpose is to give the Federal Energy Administration Administrator authority to put plants with the capability and necessary plant equipment on notice that they will be required to convert to coal by a date certain with legal requirement that the plant or installation acquire the necessary pollution control capability to assure compliance with the Clean Air Act at the time conversion occurs. Failure of the plant to acquire the control equipment or clean coal would not be a defense against the FEA prohibition. If the capability to comply were not acquired, the plant or installation would be in violation of Clean Air Act emission limitations and subject to statutory and criminal penalties.

The inclusion of the noncriteria pollutant requirement in no way relieves the administrator from his nondiscretionary duty to develop and publish criteria for such pollutants in order to trigger national standards as required under the Clean Air Act. This provision is included in recognition that some pollutants may need to be regulated before that process can be completed. It recognizes that the air quality standards process entails a time lag. We deemed it unwise to wait for the completion of that entire process before providing some protection from these pollutants.

Mr. President, this bill is special legislation to deal with a special situation. It is not intended to set precedents. The bill is temporary in time and limited in application.

The auto emissions question is resolved for 2 years. The statutory standards will take effect in 1978 which should provide more than ample time to achieve them.

The transportation control limitations are only temporary. Congress must determine whether parking surcharges, parking management regulations and other transportation control measures are necessary and appropriate aspects of urban pollution control strategies.

The variance authority both as a result of unavailability of fuels and short-term coal conversions is temporary. This authorization is for 1 year. While the NEPA–EPA clarification is not time limited, this issue was intended to be resolved in 1969 and therefore is neither new or precedent-setting.

There are significant limitations on the authority of FEA to prohibit the burning of petroleum products or natural gas.

Only those units of powerplants and other major fuel burning stationary sources with the "capability and necessary plant equipment" on the date of enactment of this act may be subject to an FEA order and only those which actually convert to coal—as opposed to facilities which meet the capability and equipment test but presently burn coal—can receive either a short-term suspension or long-term extension under the Clean Air Act.

The test of "capability and necessary plant equipment" is important. As the conference report indicates, each plant or installation would have to have had the capability to burn coal at one time. Also the addition of components necessary to renew that capability would have to be simple and inexpensive.

The conferees were aware of the proposed administration amendment to require that necessary plant equipment only be reasonably available. This amendment was rejected by both House and Senate because it suggested a broader application of the FEA authority to effect conversion than intended by either body.

One example of the kind of modification necessary to facilitate conversion is discussed in a copy of a letter from Charles E. Monty, vice president of Central Maine Power Co. to Mr. Clark Grover, Director, Coal Switching Task Force, Federal Energy Office. I ask unanimous consent to include the text of Mr. Monty's letter at this point in the RECORD.

This plant and others like it would simply not meet the test of necessary plant equipment and capability required by the act, even though such equipment might be reasonably available as proposed by FHA and rejected by the Congress.

Finally, the necessary plant equipment has to be available to the unit for which conversion is required on date of enactment, not at some later date.

An important clarification in the conference report relates to enforcement of interim procedures to assure compliance. Senate conferees insisted that the Environmental Protection Agency's determination that emissions from coal converters would not cause primary standards to be exceeded must be articulated in emission limitations or other precise, enforceable measures for regulating what comes out of the stack. The conference report on this bill underscores the fact that it is not ambient standards which are enforced but emission limitations or other stack related emission control measures. Ambient standards are only a guide to the levels of emission controls which must be achieved by specific sources. In 1970, we recognized that a control strategy based on a determination of ambient air pollutant levels in relation to each individual source would be unenforceable. Existing clean air implementation relies specifically on the application of enforceable controls against specific sources. We have continued that procedure in this law.

To the extent intermittent control strategies are permitted as an interim measure applicable to coal conversion, they too must be enforceable. The bill specifically and precisely sets forth that such strategies must be enforceable. They must be enforceable by the Administrator of EPA, not the States—not the local governments—not polluters—but by the Administrator of EPA who will have the responsibility for imposing such strategies if they are to be allowed at all.

It may be a non sequitur to suggest that intermittent control strategies are enforceable by EPA. An analysis of EPA's monitoring capability suggests that monitoring is severely limited. Budgetary constraints have meant that necessary monitoring equipment and personnel have not been available and in fact the situation has gotten worse in certain regions where EPA has entirely abandoned the monitoring effort to the States. An EPA memo states:

> As a result of decentralization of the national air monitoring networks, required information to define levels of non-criteria pollutants is not available to the scientific community. Specifically, data on sulfates, nitrates, ammonia, aerosols, fine particulates and other non-criteria pollutants is not being obtained on a scientifically defensible basis nor in a timely fashion.
>
> The existing sites of the former National Air Sampling Network (NASN) are not suitable to serve as a foundation of an experimental network. They are generally incorporated into the States' Implementation Plans and are operated as such. Lacking direct control of these stations, because of decentralization to the Regions, EPA has to rely on voluntary cooperation. The net result is an ill-defined program; changing sampling schemes, not being able to demand additional quality control and non-uniform operation of the network. EPA simply cannot expect State and local agencies to conduct such a program over and above their present monitoring requirements.

While this information was requested in relation to so-called noncriteria pollutants, I am advised that it is generally applicable to pollutants for which standards have been set.

Even if the State monitoring efforts were adequate, we cannot rely on the States to enforce the requirements which result from this legislation. Most States would prefer to make the decisions on coal conversions themselves. They would prefer to determine the extent to which their clean air requirements are modified without Federal interference. They would prefer to enforce emission limitations of their own implementation plans to meet the standards which they have determined they want to meet and not just the primary standards as required by this act.

And certainly the polluters themselves cannot be depended upon either now or in the future as a source of information as to the adequacy of the intermittent control strategy. An April 1973, EPA paper states:

> An intermittent control system is a very tenuous mechanism to protect air quality. At TVA, a utility with a reputation for concern for maintaining "acceptable" air quality, the decision to take control action is made by persons whose performance is judged by their capability to produce power at a minimum cost. Their concern for the environment rarely, if ever, is a significant factor in evaluating their "efficiency." The operation at Paradise may at times severely circumscribe the implementation of controls. The outlook for a truly effective use of an intermittent control system by smelters and private utilities is not encouraging.

EPA will have the responsibility and therefore must have the capacity to enforce these strategies. And the information developed on compliance with intermittent controls must be readily available so that citizens can act under the citizen suit procedure. This would not be possible if EPA relied on the private monitoring efforts of the polluters.

Yet another reason for caution in considering alternative or intermittent control strategies is identified in a statement presented by Mr. Christopher P. Quigley, head, mechanical and structural design division, engineering and construction department, at the American Power Conference.

He said:

> Finally, before committing such large investments—to scrubbers—we must assess the probability that utilities may be allowed to institute alternative and more economical methods for achieving SO_2 control such as the use of a fuel switching program based on meteorological conditions.

Endorsement of inadequate or unenforceable interim control measures as continuous control strategies could negate ongoing developmental activities. Our efforts to force technology would be further eroded.

Mr. President, as I have amply indicated, I have serious doubts about the viability of intermittent control strategies, whether or not EPA has the capacity to monitor the ambient impact of emissions from coal conversions. These doubts are summarized in the hearings of the Subcommittee on Environmental Pollution. I ask unanimous consent that annotated excerpts from the subcommittee hearings and files be included in the RECORD at the close of my statement.

It is these doubts that lead me to underscore the fact that no one should view limited application of enforceable strategies related to this legislation as a precedent for future legislation or as a reinterpretation of the requirements of the existing law which bar the application of intermittent control strategies as a substitute for emission limitations.

Mr. President, this legislation points out both the significance of the Clean Air Act as well as the frailties of our efforts to protect and improve our environment. The primary reason that we are talking about coal conversion today is because the users of fuel in this country chose the cheap and convenient way to meet clean air requirements. Rather than develop the technology which would make each fuel burning stationary source capable of using domestic fuels, the power industry and others switched to low sulfur foreign fuel.

Most utilities and others have steadfastly refused to participate in any major effort to develop the technology of stack gas control. To the extent that anyone has come forward to demonstrate stack gas control technology, these same utilities have led the effort to discredit that technology and the credibility of those who would propose it.

I do not know whether effective stack gas control technology for major powerplants is available or not. But I do know that unless powerplants and other major fuel burning stationary sources are required by law to achieve a high degree of emission reduction from their stacks without regard to the fuel to be used, we will never know whether or not technology is or can be made available.

Our dilemma simply put is as it always has been—those who pollute also control the technology of pollution control. For more than 10 years I have participated in the development of legislation to impose an environmental ethic on these polluters. To encourage them to develop the technology of pollution control, I have opposed efforts to determine, by legislative fiat, the choice of technology.

Both the Clean Air Act and the Federal Water Pollution Control Act articulate pollution control requirements as performance standards rather than technological standards. EPA, too, is expected to articulate regulations in terms of performance rather than technology. Those laws demand only that the pollution controls be enforceable on a continuous basis against precisely defined criteria, so that both regulators and the public will know that the performance test is being met.

Thus far, our reliance on performance standards has been only partially adequate. The automobile companies refused to change their technology and so we have catalysts. The utilities refused to develop new technology and so, when foreign oil disappears, we have an energy crisis.

We have come only a small part of the way in developing an environmental ethic. We have not even begun to press our technological capability. We have only stirred the innovative instincts of those in the private sector who profit from pollution control equipment. We have moved only a little toward the best and the cheapest ways to transfer pollution to a recovered resource rather than a discharged waste.

This legislation is but one example of the failure of industry to move aggressively. But the fact that it does not abandon the clean air goals that we set in 1970 and earlier years is an expression of the national commitment of the goals of the Clean Air Act.

Mr. President, there is a typographical error in the conference report. Section 119(c)(1) refers to "expanding substantial sums to permit such source to burn coal;". The word "expanding" should have been "expending".

I move the adoption of the conference report.

Mr. President, I want to commend all the members of the conference committee for the constructive and cooperative roles they played in developing this legislation. I particularly want to say how much I appreciate the efforts of the chairman of the Senate Public Works Committee, the gentleman from West Virginia (Mr. Jennings Randolph). He was always there to help bring us to a common ground, to help find the solution to issues that would allow a breakthrough and resolution of problems. His unfailing efforts made this legislation possible. His decades of efforts to make this country aware of the energy problems this Nation faces gave him an unusual ability to merge the need for energy with the need for clean air.

I also want to point out the assistance given by the ranking Republican of the Senate Public Works Committee, the gentleman from Tennessee (Mr. Howard Baker). He has never lost sight of the environmental goals this Nation should pursue, and his efforts in balancing those goals with the energy needs of the country were crucial in achieving the agreements laid out in this legislation. The Nation should know of his constructive role.

This legislation could never have been completed without the masterful guidance of the gentleman from West Virginia (Mr. Harley Staggers), chairman of the House Commerce Committee. When others might have abandoned the cause he continued to press this legislation along, meeting the arguments of all sides, and adjusting and improving the bill in light of those arguments. In fact, this was the approach of all of the House conferees, as well as those of the Senate. The mutual cooperation of all concerned deserves commendation, and brought about the agreement now before the Senate.

Mr. President, I do not think there is any need to discuss this matter at length. It has been before the Senate in differing forms since last fall, previously as a part of a broader so-called emergency energy bill. It has been agreed to by the Senate basically in legislative form. The conferees have reached agreement, as they did twice previously.

I ask unanimous consent to have material in connection with this matter printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Environmental Protection Agency,
Washington, D.C., March 2, 1973.

Subject, Intermittent Control Systems (ICS).

To, Bernard J. Steigerwald, Director, Office of Air Quality Planning and Standards.

The 53 page Staff Report on Intermittent Control Systems (ICS) submitted to our Division by OAQPS is a lengthy and complex description of a relatively simple process. Major sources of sulfur dioxide emissions are attempting to exploit this process in order to avoid the cost of responsible environmental management based on reduction of emissions through conventional methods of permanent emission control. We are particularly perplexed as to the reasons that the OAQPS report was submitted to our office on February 27, 1973, with a request for comments on or before March 2. Although the concept of ICS is simple, enforcement of ICS is not. Nevertheless, in the limited time available for review, we have determined that ICS is unacceptable from an enforcement standpoint.

We cannot comment on the report without drawing attention to several basic errors detected in our review. The report states "The effectiveness of ICS is intuitively obvious for short term standards" and "ICS is a superior approach to achieving annual standards as well." Experience tells a different story. ICS was attempted in Washington and Montana with sufficient lack of success to encourage the Puget Sound Agency in Washington, and the State of Montana to adopt direct emission standards, what the OAQPS report calls permanent emission controls (PEC). The failures were attributed chiefly to (1) insufficient curtailment of operations due to inability to forecast adverse meteorological conditions, and (2) information to prove a violation was completely dependent on self-monitoring by the source without an effective means of policing the monitoring stations. Similar experiences have been recorded in New Jersey, Kentucky, and Pennsylvania. Congress recognized the inherent problems of enforcing ambient air quality standards and deleted from the 1970 Clean Air Act any requirements that enforcement of emission regulations be conditioned on violations of ambient standards. That the OAQPS report would claim ICS is superior to PEC for achieving annual standards is indeed surprising. ICS simply is not designed or needed to achieve long term air quality standards.

We feel the OAQPS report misinterpreted the philosophy of the Clean Air Act and its legislative history with respect to the importance of cost of controls to meet standards. Since national standards must be attained, the cost of a necessary control system is irrelevant to the acceptability of the control technique or regulatory approach utilized to attain the standard, although cost is of course important to the polluter.

New source performance standards (NSPS) provisions within Section 111 of the Clean Air Act did reference cost by defining a standard of performance as "a standard for emissions of air pollutant which reflects the degree of emission limitation achievable through the application of *the best system of emission reduction* which (taking into account the cost of achieving such reduction) the Administrator determines has been adequately demonstrated." (Emphasis added.) An ICS system such as the one operated by TVA at its Paradise Power Plant obviously is not what Congress had in mind as "the best system of emission reduction", since the Paradise Plant achieved only a 0.13% reduction in annual SO_2 emissions in 1972. In addition, since the factors described on page 36 vary from plant to plant, there would be no way to set a *national* standard uniformly applicable to all new sources in the class, which is the intent of Section 111.

The OAQPS report describes two requirements as necessary and essential prior to approval of any ICS for sulfur dioxide emissions. These are that (1) reasonably available control (of the PEC-type) be applied to limit emissions of other pollutants, and (2) good faith efforts (presumably PEC) must be made to augment ICS leading to a reduction in annual emissions. The report says monitors similar to those employed in an SO_2 ICS are not available for particulate matter. This appears to be only a technicality, since continuous tape samplers are available for particulate matter and continuous monitors for other pollutants also are available. If ICS is legally and technically acceptable for SO_2, it should be equally acceptable for particulate matter and all other pollutants. Thus, this prerequisite of applicability of ICS exclusively to SO_2 cannot be met. The other prerequisite, that of requiring PEC along with ICS, is impractical from a legal standpoint. If ICS is an acceptable method for achieving emission reductions to meet national standards, it would appear that no other type of control legally could be required within the authority of the Clean Air Act. Hence both necessary prerequisites are legally impractical.

The OAQPS report advocates an ICS based on enforcement of ambient standards with fines used as "incentives" to operate the system conscientiously. The large sources for which ICS is recommended can well afford to pay many fines rather than install alternative permanent emission controls. The nature of ICS encourages violations of ambient standards and hardly qualifies as maintenance of the standard. Consider the case of a source which has obtained EPA approval of its operations curtailment procedures and has apparently made good faith efforts not to exceed ambient air quality standards. Assume this source exceeds a standard anyway, and reports this violation to EPA. We do not anticipate the fine a judge would impose for such infraction would be large enough to offer an incentive for control, particularly since the curtailment procedures followed were approved by EPA. (One can afford to pay a lot of $25,000 fines rather than install control systems costing millions.)

The OAQPS report suggests various combinations of PEC and ICS. One alternative (number 8) is to "Require RACT for attaining primary standards but allow ICS for attaining secondary standards." Any type of control acceptable for attaining secondary standards would be acceptable for attaining primary standards. Therefore, option 8 probably is illegal; in any event, it seriously weakens any arguments EPA may have for requiring permanent controls.

It was noted that all air quality monitors about the Paradise Power Plant were in a sector which the plume passed over only 10% of the time. Perhaps it is inappropriate to claim an ICS is effective when 90% of the time the plume impacts in an area where no monitors are placed. By careful placement of monitors, it should be possible to demonstrate that practically any ICS scheme "works".

Enforcement of ICS, as the report admits, be complex. Fines levied pursuant to violations of ambient air quality standards cannot be used to prevent these standards from being exceeded in the future, as the Act requires. This is an established Agency policy initially presented by DSSE, OEGC, in a 1972 position paper (copy attached). The only alternative is an ICS operated on a daily variance basis, with provisions for revoking the variance should changing meteorological conditions warrant such revocation. This would require the control agency, whether State or Federal, to provide meteorologists on a 24-hour/day basis. Any source using ICS must be required to reduce emissions at the direction of an authorized Agency meteorologist, whether or not the source's meteorologist orders a reduction. There is a distinct legal problem involved in granting daily variances, but it is felt this problem can be resolved.

Additional conditions must be met for ICS to be enforceable. A plume can be extremely narrow (less than 15°) and can cause maximum ground level concentrations at distances exceeding 5 miles. Simply to guarantee that the plume would pass over a monitor would require a "circle" of 24 monitors (assuming a plume angle of 15). To cover a downwind range of 5 miles at ½ mile intervals would require 240 monitors. With this enormous number, illegal 1-hour concentrations from "looping" plumes could avoid detection, but such a system probably would serve to validate meteorological predictions. In combination with a suitable air quality display model, the number of monitors could be reduced to perhaps 50, with a substantial percentage of these operated by the Agency to ensure "accuracy" of the remainder. For terrain where models cannot be developed, the full complement of monitors will be required. Any enforceable ICS must provide for extensive recordkeeping, for both ambient and emission data.

An enforceable ICS could include no overriding factors which would serve to prevent emissions reduction when environmental considerations indicated the necessity of such reduction. For example, TVA stated that electrical load requirements could make curtailment impossible, even though environmental considerations required the curtailment. ASARCO said protection of equipment might necessitate continuing operation to some extent when atmospheric conditions required total shutdown. Production demands could not influence operation of the system as ASARCO implied was the case. At ASARCO the plant manager could, and did, override the meteorologist's determination to curtail operation.

We feel that the economic advantages of ICS will make the system, even with its enforcement requirements, acceptable to large sources. It may be necessary for sources wishing to exploit the advantages of ICS to reimburse a control agency for the additional cost of administering such a system.

It should be noted that our comments relate to a *permanent* ICS, rather than an *interim* ICS. If ICS is adopted as an interim measure to be employed until permanent emission controls (acid plants, etc.) can be installed, the Act allows greater discretion by the Administrator with respect to enforceability. Since an interim measure can be whatever "the Administrator determines to be reasonable"; an interim ICS could be designed which would closely approximate the system OAQPS recommends. Additionally, such an interim system would have little impact on State or Federal environmental programs, and would not conscience a fundamental change in Agency policy. We do not wish to appear to advocate such a system, but we do feel the option of an interim ICS differs markedly from permanent ICS in enforceability requirements and may be a workable solution to the problem of control. Essential elements for such an interim system include:

1. Sources must assume liability for any violation of NAAQS. Where there is more than one source, each must be held accountable for any violation. Apportioning of blame is relevant only in a Court's consideration of the amount of a fine, not in the determination of a violation. Sources should be precluded from showing the violation was the fault of others; i.e., there should be some form of absolute liability;

2. Failure to follow the approved operations manual must constitute a violation;

3. Sources must agree that any violation after the first is a continuation of the first and thus no new notice of violation is required and criminal penalties are immediately applicable;

4. Extensive recordkeeping requirements must provide for retention of data reflecting both air quality measurements and stack emissions.

These requirements reflect measures this Division considers reasonable to make an interim ICS something more than a license to pollute. They are not adequate to ensure the degree of enforceability necessary for a permanent ICS.

If you wish to further discuss the enforceability of ICS, please feel free to contact me.

WILLIAM H. MEGONNELL,
Director, Division of Stationary Source Enforcement.

Attachment.

ENFORCEABILITY OF INTERMITTENT CONTROL SYSTEMS (ICS)

APRIL 21, 1972.

MR. DON R. GOODWIN: Attached is a paper giving our position on enforceability of an ICS as you requested. After careful analysis it is our conclusion that ICS is unenforceable and its efficiency unknown to achieve and maintain the national standards. Mr. Baum in the Office of General Counsel has reviewed this position paper and gives his concurrence.

I believe our position is nearly the same as OAP with the exception of putting a date-certain on the interim use of ICS. In our opinion, a date-certain for installation of permanent controls is essential and no plan should be approved or promulgated that does not contain such.

WILLIAM H. MEGONNELL,
Director, Division of Stationary Source Enforcement.

DIVISION OF STATIONARY SOURCE ENFORCEMENT

OFFICE OF ENFORCEMENT AND GENERAL COUNSEL

Position paper on the acceptability of intermittent control systems for achieving and maintaining the national ambient air quality standards.

ISSUE

The Office of Air Programs, EPA, has requested the advice of the Office of Enforcement and General Counsel regarding the acceptability of an intermittent control system for meeting the national standards. An intermittent control system (ICS) is defined as any procedure to temporarily curtail emissions through reduced source operations as may be needed to prevent air quality standards from being exceeded.

There are basically two types of intermittent control systems, one based on enforcement of a violation of an ambient air quality standard monitored by ground-level instruments, and one based on enforcement of predetermined emission rates calculated by meteorological forecasting and monitored by in-stack instruments. In both cases since production is curtailed only on a temporary basis it is not likely that total annual emissions will be noticeably reduced, but only that emissions will be reduced during adverse meteorological conditions and increased during favorable meteorological conditions.

BACKGROUND

Section 110(a) (2) (B) of the Clean Air Act, as amended, provides that the Administrator shall approve an implementation plan if "it includes emission limitations, schedules, and timetables for compliance with such limitations, and such other measures as may be necessary to insure attainment and maintenance of such primary or secondary standard, including but not limited to, land use and transportation controls . . ." Section 110 of the Act does not provide a definition of the meaning of this requirement for an implementation plan. However, the Senate report (91-1196) of the Committee on Public Works on pages 11 and 12 provides some insight on this matter as evidenced by the following comments:

"The establishment alone of ambient air quality standards has little effect on air quality. Standards are only the reference point for the analysis of factors contributing to air pollution and the imposition of control strategy and tactics. This program is an implementation plan . . . The Committee bill would establish certain tools as potential parts of an implementation plan and would *require* that emission requirements be established by each State for sources of air pollution agents or combinations of such agents in such region and that these emission requirements be monitored and enforceable. *In addition to* direct emission control, other potential parts of an implementation plan include land use and surface transportation controls . . ." (emphasis added)

The Administrator has elaborated on this requirement, as interpreted by EPA at the recent oversight hearings. He stated:

"The problem is that whenever we adopt a control strategy, the purpose of the strategy is to reduce emissions in that particular air quality region so as to meet the ambient air quality standard and what we mean by emission limitations is really emission reduction so that anything which reduces, including the transportation controls that Senator Randolph was concentrating on, anything that reduces the total emissions in that air quality control region so as to meet the air quality standards, as I read the Act, I have to approve as a control strategy that in fact complies with the Act."

In commenting on a question whether EPA would approve a plan with a "closed loop theory" (another term for an intermittent control system), the Administrator stated: . . . "only if we can become convinced that such a closed loop theory, or any strategy that is adopted, will in fact achieve the ambient air quality standard and can be enforced."

The acceptability of an intermittent control system was evaluated in terms of the requirements of the Act, the quoted statements above.

Question No. 1

Is an intermittent control system that provides for enforcement after violation of an ambient air quality standard approvable by EPA?

Answer No. 1

No; the purpose of an implementation plan is to prevent a violation of an ambient air quality standard, by the enforcement of specific measures applicable to sources. A plan which on its face provides for enforcement only after a standard has been exceeded does not provide for the achievement and maintenance of the national standards.

Question No. 2

Is an intermittent control system that provides for enforcement on the basic of predetermined emission rates based on meteorological forecasting techniques and monitored by in-stack instruments, approvable by EPA?

Answer No. 2

Although this type of intermittent control might be legally acceptable, it is unenforceable because it is too complex and unmanageable and places an unreasonable burden on EPA and the States. Moreover, its efficacy is uncertain. This type of control strategy is unacceptable as a permanent means of achieving and maintaining the national standards. It is recommended that ICS be restricted for use in certain limited situations discussed below.

DISCUSSION

The discussion is numbered to correspond to the questions and gives the basis of OFGC's opinion.

1. Experience with enforcement of an ambient air quality standard on an intermittent basis has been unsatisfactory. The system has validity only for a point source that is sufficiently remote to be unaffected by emissions from other sources. An extensive ambient monitoring network is required—one that is beyond effective policing by a control agency but rather depends more on the "honor system". We are aware of certain experiences with such systems at large point sources in the States of Washington and Montana. Numerous violations occurred during the period when curtailment systems supposedly were in effect. Penalties were assessed but to no avail. Principal reasons for failure of ICS have been that (1) sources did not curtail operations as often and to the degree needed usually through inability to forecast meteorological conditions requiring curtailment; (2) direct cause-effect relationship for violation of an air quality standard has been difficult to prove, and (3) information to prove a violation was completely dependent on self-monitoring by the source without an effective means of policing the monitoring stations. After this experience with enforcement of ambient air quality standards, the Puget Sound Agency in Washington and the State of Montana adopted direct emission standards.

This experience is not limited to these States. The States of New Jersey, Kentucky and Pennsylvania also experimented with dispersion methods for enforcement of air quality standards for many years and eventually all came to renounce such methods. In 1970 the Congress recognized the problem of enforcing an ambient air quality standard and deleted the requirement that enforcement be conditioned on violations of such standards. We do not consider this type of intermittent control system to be enforceable.

2. An intermittent control system can be refined to provide for enforcement of emission limits. Such a system would have to be developed separately for each affected source. Although, probably due to its complexity, to date, no such system has been fully developed. It would appear that it is not possible to develop an ICS system that includes emission limitations before July 31, 1975. Therefore, if EPA were to accept this concept, the development of the control strategy would have to take place beyond the statutory deadline.

Although this is a sufficient basis for rejection of an ICS as a permanent control strategy, there are more important technical and enforcement problems leading to the same conclusion. This type of intermittent control system is much like an emergency episode plan which is required by all States as part of the implementation plan. However, ICS is not backed up by the enforcement power that EPA or the States have during an emergency; that is the power to shut down sources prior to even giving the source an opportunity for a hearing. This power is essential since *shut down* of source operations is the *control strategy* in an ICS system and this decision cannot be dependent on the source operator who is primarily concerned with meeting production demands. Lack of this power by EPA or the States would make an intermittent control system difficult to effectively enforce.

TVA pioneered the effort to develop ICS and has documented its experience in several publications. TVA has many reservations about the technical feasibility of the system and considers it to be an interim method to be used only until permanent emission control techniques can be installed. The following comment was made by TVA in a statement presented at a hearing of the New Mexico Environmental Improvement Board on October 19, 1971:

"At the outset we should like to emphasize the 'interim' aspects of this type program, as in most cases, it should serve only as an *interim method* for maintaining air quality until such time when a satisfactory SO_2 removal process can be installed. Also, it should be emphasized that this type of control program may not be feasible for all plants as its application depends on plant design and operation, regional and local meteorology, local terrain effects, power system size and flexibility, and regional air quality goals." (emphasis added by TVA)

TVA comments in the same paper that they have been working with interim operational controls since 1955 at their Kingston steam plant. TVA goes on to describe a highly sophisticated operational control program at their Paradise steam plant. Several years were spent for detailed studies in developing a system for Paradise since each operational control scheme must be tailor-made.

For the Paradise Steam Plant the nine criteria listed below were developed by TVA for the limited mixing layer model which was found to be critical for this large power plant.

(1) Potential temperature gradient between stack top, 180 m. and 900 m.

(2) Potential temperature gradient between stack top, 180 m. and 1500 m.

(3) Difference between daily minimum and maximum surface temperature.

(4) Maximum daily surface temperature.

(5) Maximum mixing height.

(6) Maximum mixing height and plume centerline height.

(7) Time for mixing height to develop from plume centerline to critical mixing height.

(8) Mean wind speed stack top and 900 m.

(9) Cloud cover.

TVA further states that for some plants more than one model may be necessary and that certain physiographic features, e.g., valley ridge configuration may cause frequent occurrences of high surface concentrations involving one or more plume dispersion models, thus making operational control not feasible.

Emission limitations are determined daily for the Paradise plant. A TVA meteorologist takes daily early morning meteorological measurements, including temperature profile (by instrumented fixed-wing aircraft) and wind profile (by standard pibal) from surface to 7000 feet. These data along with input from a 15 station ambient monitoring network plus mobile sensing units are processed by a computer for limiting control. The special computer program provides the limiting SO_2 emission rate in terms of megawatt load generation. Even so the system failed on 18 percent of the days to forecast the need for control actions.

It is apparent that an ICS is highly complex and its success (limited as it is) depends on the good faith of the source operator. Neither EPA or the States would have sufficient resources to review this system or to police it if put into effect where the emission limit can vary on a daily basis. Therefore, our position is that ICS must be restricted to an interim measure in certain limited situations which EPA will define.

ICS should be used as an interim measure only when reasonably available technology cannot achieve the primary standard by July 31, 1975. "Interim" is defined as until 1977 for achievement of the primary standards inasmuch as this is the latest date allowed by the Act for achievement of the standards by a permanent enforceable control strategy. Further as regards achievement of secondary standards, "interim" is defined as such "reasonable time", established by OAP, when practicable technology could be developed. The situations where ICS is acceptable as an *interim* measure should be limited to the following:

(a) Sources for which reasonably available control technology is inadequate.

(b) Point sources that are sufficiently remote to avoid interference to the ICS system from other point sources or background.

(c) Pollutants for which in-stack monitors are available for continuous measurement.

(d) Short-term standards only, i.e., 3-hour secondary standard and 24-hour primary standard.

We are particularly concerned that any ICS system that is approved or promulgated contain a date-certain when permanent controls will be instituted.

FEDERAL ENERGY OFFICE,
Washington, D.C., May 20, 1974.

HON. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Energy Supply and Environmental Coordination Act of 1974, H.R. 14368, which is now under consideration by the conferees, contains provisions allowing the Administrator, Federal Energy Administration, to order major fuel burning installations, including electric power plants, to cease burning natural gas or petroleum products as their primary energy source. It also has complementary provisions which amend the Clean Air Act to provide that a plant converting to coal under such an order cannot be prohibited by reason of the application of any air pollution requirement from using coal until January 1, 1979, provided the emissions from the source do not cause certain standards that are specified in the bills to be exceeded.

The provisions of H.R. 14368 will provide a flexible, useful approach to short-term coal conversions; sections 119 (a) and (b) contain provisions applicable through the end of the 1970's. These short-term conversions, however, are only an emergency measure. Only long-term conversions to coal will permit us to achieve our goals of energy self-sufficiency. As you know, the Administration has submitted to the Congress, by letter dated March 22, a package of amendments, of which the coal conversion provisions are only a part, that are designed to encourage these long-term coal conversions. We urge the Congress to turn their attention to these additional amendments as soon as they complete work on H.R. 14368.

We are also concerned with several specific aspects of the coal conversion provisions of H.R. 14368. We would like to take this opportunity to bring these concerns to your attention and suggest possible alternative language.

Coal conversion provision. Our first concern is with the language of the Senate-passed Bill which provides that a suspension under Section 119(b)(1) is conditioned on the source being "located in an air quality control region in which applicable National primary ambient air quality standards are not being exceeded." This language would unnecessarily impair our ability to convert plants to coal.

A number of air quality control regions cover large geographic areas. The air quality control regions may have a metropolitan area combined with a large rural area. Levels exceeding primary ambient air quality standards are generally found in the densely populated areas. However, a number of power plants that are candidates for conversion are located in suburban or rural portions of regions with a major metropolitan center. Thus, it is likely that a number of non-urban power plants may be excellent candidates for conversion (based on a plant-by-plant analysis of predicted ground-level pollutant concentrations), yet be blocked from conversion because primary ambient air quality standards are being exceeded many miles away. In many such cases, the converted source would not contribute to any violation of the primary ambient air quality standards being exceeded in the urban area.

Accordingly, we believe that the test for conversions should be solely on a plant-by-plant basis. The priority classification of an air quality control region should not be a constraint. The latest data available to EPA show that during 1972 primary ambient air quality standards for sulfur dioxide, were exceeded in 13 to 15 air quality control regions. The primary ambient air quality standard for total suspended particulates was exceeded in 102 air quality control regions during that same period. There are 247 air quality control regions in the country.

A preliminary analysis of the situation shows that 8 of 10 plants analyzed by EPA and FEO as candidates for long-term conversion would not cause to be exceeded or exceed the primary ambient air quality standards, but would not be candidates for conversion under the Senate provision because of the air quality control region in which they are located. This analysis is based on the most recent published data on the ranking of AQCR's. A situation that vividly illustrates the point includes the Morgantown and Chalk Point plants in Maryland which emit pollutants into the same air shed yet are situated in different air quality control regions. Under the formula of the Senate bill, one could be converted, while the other one could not, despite the fact that both plants could meet primary standards.

Further, the addition of the air quality control region test would insert further uncertainties and factors for dispute into the process of identifying plants that are candidates for conversion. Regional priority classifications are based on imprecise procedures. We understand that air quality monitoring data or diffusion modeling calculations may serve as the basis for a priority classification determination. Often the classification for an air quality control region is based on monitoring results from only a few, or even only one, monitor operated by Federal, state or local agencies. EPA quality control studies of monitoring programs have revealed deficiencies in both accuracy and consistency, and a significant margin of error from instrument malfunctions as well as inadequate procedures.

Finally, the data used to rank air quality control regions are generally up to a year or more out of date at the time of the reclassification. Such data and the resulting regional rankings are nearly functionally irrelevant when emissions from a converted source will not in fact occur for some time. Some plants ordered to convert may not actually begin to burn coal for two to four years, which is the time needed to open new mines.

Accordingly, the above reasons clearly indicate to us that the proper approach is to make determinations on a plant-by-plant basis. Such a procedure should rely on state-of-the-art diffusion models and assessments of existing, relevant air monitoring data.

The House-passed bill has no language limiting the provisions of section 119(b) to regions where primary air quality standards are not being exceeded. We recommend conforming the Senate bill to the House-passed bill by deleting from section 2 of the Senate-passed bill the following words, appearing in the first sentence of section 119(b) (1) of the Clean Air Act:

"and which is located in an air quality control region in which applicable national primary ambient air quality standards are not being exceeded."

If the conferees wish to make it absolutely clear that a stationary source may not cause or contribute to concentrations of air pollutants in excess of national primary ambient air quality standards, the first sentence of section 119(b) (1) can be further amended by adding at the end of that sentence: "subject to the provisions of subparagraph (b) (2) (A)."

A conforming amendment is needed in subsection 8(a) of the Senate-passed bill, which deals with FEA-ordered coal conversions. The second sentence of that subsection should be amended to delete the following phrase: "the installation is located in a region described in the first sentence of section 119(b) (1)."

Plant equipment for burning coal. Section 8(a) of the Senate-passed bill and section 10(a) of the House-passed bill provide that conversions can be ordered only for plants which on the date of enactment have "the capability and necessary plant equipment to burn coal". We understand that it is the intent of the Congress to permit conversions to be ordered where necessary plant equipment is reasonably available and that it is not necessary for a plant to have *all* the equipment already in place. To avoid any uncertainty, however, we urge the conferees to state this intent in the conference report as was done in the House Report on page 28.

Energy information reporting. The House bill contains, in Section 11, provisions authorizing the Federal Energy Administrator to collect energy information he determines is necessary to assist in the formulation of energy policy or to carry out the purposes of the Act or the Emergency Petroleum Allocation Act.

The Senate Bill contains no such provision.

As you know, the recently enacted FEA legislation now provides the Administrator with broad authority, including subpoena powers, to gather energy information. In view of the enactment of the FEA bill, we strongly support the approach taken by the Senate of deleting Section 11. This will avoid duplication, confusion and conflict with the information gathering sections of the FEA Act.

In particular, subsection 11(e) of the House version is particularly objectionable because it would provide the authority to the Administrator to obtain information directly from other agencies regardless of existing statutes prohibiting such transfer or of the pledge of confidentiality under which it was obtained. Law enforcement and independent regulatory agencies would be required, for example, to make information available which was obtained pursuant to active law enforcement investigations. Other bureaus and agencies who gather statistics on a voluntary basis but with a pledge of confidentiality to the respondent would also be required to make available individual respondent reports, thereby frustrating their ability to collect such data in the future.

There are two aspects of Section 11 which we understand are being considered for inclusion in the conference bill because they have no exact counterparts in the FEA legislation.

Subsection (d) (2) would require quarterly reports setting out a variety of types of energy information. We are very concerned that preparation of such reports would require misdirection of FEA's limited resources. Insofar as is practicable, FEA will publish data in report form, but we would prefer not to be required to prepare such a wide variety of reports, particularly on a quarterly basis.

We are also concerned that this provision might be construed to require publication of data that might be considered proprietary by the persons supplying the data to FEA; for example, inventory data broken down by refiners, and refinery yields by product. Such a provision would be inconsistent with the provisions of section 11(f) of the House bill, which provides confidential treatment for trade secrets and confidential commercial and proprietary data, and the similar provisions of the Emergency Petroleum Allocation Act.

The second provision under consideration, we understand, is one which would provide that the presently applicable restrictions of 18 U.S.C. 1905 against divulging trade secrets and other confidential trade information would not apply to information supplied to congressional committees at their request. We are *somewhat* concerned that such a provision would impair FEA's capacity to acquire proprietary data necessary for useful statistical information. Our data collection effort depends for its success on having the widest possible sampling. We therefore recommend against inclusion of such a provision. We will, of course, continue to provide Congressional committees with the widest possible range of information, as we have in the past.

Enforcement and penalty provisions. The enforcement provisions of section 8 of the Senate-passed bill appear to contain some technical shortcoming which should be clarified to accomplish the intent of the Congress.

We recommend amending section 8(d) (4) to make it clear that the Administrator, FEA, and not just his delegates, can request the Attorney General to seek injunctive relief. We suggest the following language in lieu of the present section 8(d) (4): "The Administrator, Federal Energy Administration, or his delegate, may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin acts or practices constituting a violation of this section or any rule, regulation or order issued pursuant to this section, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with this section or any such rule, regulation or order issued pursuant to this section."

We also recommend an amendment to subsection 8(e) to make it clear that actions may be taken against offenders after June 30, 1975, for acts or omissions occurring before that date. As now drafted, the section could be construed to require formal administrative proceedings actually to have begun on June 30; this requirement could encourage violations of the Act in the weeks immediately prior to June 30.

We recommend adopting the following language on this subject:

"(e) The authority to promulgate and amend regulations and to issue any order under this section expires at midnight on June 30, 1975 but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight June 30, 1975."

Reference to additional legislation in conference report. Let me reiterate my concern that the pending amendments to the Clean Air Act, while helpful if modified substantially, still do not represent long-term solutions to our coal use problems. They provide only limited, short-term assistance and do not correct several major, and I believe, unwarranted provisions or interpretations of the Clean Air Act.

We understand that the conferees are considering a statement in their report that H.R. 14368 deals with only a limited number of topics of extreme urgency and that the committees will be addressing themselves in the near future to other possible amendments, including amendments designed to deal with energy shortages and with insuring the best use of scarce low-sulfur fuels. We strongly support including such a commitment in the conference report.

There are several items included in both House and Senate versions of H.R. 14368 which are not a subject of the conference but which we believe should be discussed now and again during hearings held on additional amendments to the Clean Air Act.

Specifically, we are concerned with the provisions of section 119(b)(2)(B) that require that plants scheduled to convert must be committed to a compliance schedule that provides a date by which the source must enter into contracts for low sulfur coal or scrubbers. This provision is coupled with section 119(b)(2)(C) that requires plants granted suspensions to come into compliance with emission regulations in a state implementation plan that are in effect on the date of enactment of these amendments.

The requirement concerning contracts for low sulfur fuel or scrubbers would effectively preclude the use of intermittent control systems as an alternative method for achieving compliance. If the Administration's proposal to permit use of intermittent control systems, contained in our March 22 amendments to the Clean Air Act, is adopted, this section of H.R. 14368 would have to be amended to conform with it.

The related requirement concerning compliance with state implementation plan emission limitations in effect as of the date of enactment of H.R. 14368, similarly is inconsistent with the Administration's proposal to encourage revision of state implementation plans to avoid "overkill"—the situation in which state implementation plans require the burning of clean fuels in areas where air quality does not necessitate such fuels. If state implementation plans are in fact revised by the states in the interim to avoid overkill, plants should be required to come into compliance at the conclusion of their conversion orders with these revised state plans, not the plans in effect when H.R. 14368 is enacted.

We also strongly believe that the June 30, 1975 deadline for ordering conversions is unduly restrictive. The time-consuming procedure of air quality analysis and compliance plan revisions will be a deterrent to the number of orders FEO can effectively issue by the June 30, 1975 deadline. This deadline should be deleted.

We are interested in the conversion of power plants to coal from natural gas or petroleum products for the purpose of reducing U.S. dependence on foreign fuels. This strategy is designed to assist in achieving the Nation's long-run self-sufficiency goals. Only long-term conversions should be encouraged where secure long-term coal contracts can be established.

We believe there is a serious need to evaluate emission limitations that are designed to achieve ambient air quality cleaner than that required by the health-related standards. EPA's Clean Fuels Policy is essentially addressing this problem. However, this voluntary program has been less than completely successful. As long as overly stringent regulations remain on the books, utilities will not be able to enter long-term coal contracts because of the uncertainty of future emission limitation revisions.

Accordingly, the Federal Energy Office believes that further discussion is needed of several reasonable alternatives:

(1) Require the states to reconsider the emission regulations when a candidate for conversion is ordered to develop a compliance plan, or

(2) Extend the compliance deadline beyond 1979—to a time when resources are reasonably available to attain the welfare-related ambient standard.

Such further modifications to the Clean Air Act will prove necessary we believe to provide the incentive to the mine owner and operator to invest in new coal ventures. Ten to twenty years are needed to assure an economical mine—not just a few years.

I hope these comments have been useful and I look forward to continued cooperation with your Committee.

Sincerely,

John C. Sawhill,
Administrator.

October 12, 1973.

Subject: Proposed Use of Supplementary Control Systems and Implementation of Secondary Standards.

Mr. Robert Neligan,
Office of Air Quality Planning and Standards, Environmental Protection Agency, Research Triangle Park, N.C.

Dear Mr. Neligan: Thank you for the opportunity to comment on the proposed changes as published in the Federal Register, Vol. 38, No. 178, Friday, September 14, 1973.

EPA's purposed limitation on the use of supplemental control strategies show careful analysis. We agree that it is essential to require the source to reimburse the control agency for the cost of added monitoring and to take responsibility for air quality violations as well as the reliability of the supplemental controls as you have proposed.

We oppose the use of supplemental control systems to achieve ambient SO_2 standards without the requirement of at least 90% sulfur removal. We believe there should be no delay beyond the date presently established by EPA in reducing the total quantity of sulfur emitted to the air. See attached staff memoranda. We also urge the immediate application of curtailment to protect public health when primary standards are exceeded.

The evidence presented in the Swedish acid rain and the CHESS studies support the need to remove at least 90% of the sulfur from the emissions. It is important to provide early relief for those individuals who live downwind of a large point source of SO_2.

If supplementary control systems should be adopted we recommend these changes:

1. Add the following under 40 CFR, Part 51:

The use of supplemental controls shall be implemented at the earliest practical date to protect public health in places where primary standards for SO_2 are exceeded.

2. Ninety percent of the sulfur shall be removed from the emissions of smelter and power plants by the earliest practical date. The use of curtailment of emissions in excess of 90% shall be required if such curtailment is necessary to avoid exceeding SO_2 standards.

3. The installation of SO_2 control equipment for large point sources located in urban areas shall be given priority.

Eliminate the following under Supplementary Control Systems of 40 CFR, Part 51, column 2, page 25699:

Constant emission limitation techniques capable of achieving this degree of emission reduction are not available for every smelter. The alternatives in most cases will be either to close these facilities (or drastically curtail production) or apply supplementary control systems. Weak gas stream scrubbing and process changes may become available for application to many nonferrous smelters in the future.

The same stack-gas technology which EPA considers "adequately demonstrated" for electric generating plants can be applied to weak gas streams (e.g. from reverb furnaces) in smelters. And the top priority for this should be those power plants and smelters located in urban areas.

Thank you for your careful review of these comments and the enclosed memo.

Sincerely yours,

A. R. Dammkoehler,
Air Pollution Control Officer.

October 12, 1973.

To Air Pollution Control Officer.
From Chief-Engineering and Air Pollution Engineer-Roberts.
Subject Use of Supplementary Control Systems and Implementation of Secondary Standards Proposed by E.P.A.

The long-term use of supplementary control systems for large point sources of SO_2 such as curtailment or increased stack height to meet ground level ambient air concentrations are undesirable unless accompanied by at least 90% sulfur removal for the following reasons:

1. Supplementary Control System by itself will not control the total emissions of sulfur oxides even though ambient concentrations are below those set by regulation. The CHESS and Swedish acid rain studies, document the need to limit the total quantity of SO_2 which is emitted to the air at an early date.

2. The experience of this Agency with curtailment of the Tacoma Smelter is not satisfactory as is impled in the Federal Register. The attached chart showing the number of violations and public complaints indicate that there has been a large drop in complaints but there is need for added relief. The real life implementation of SO_2 curtailment by the Tacoma Smelter has produced some 200 public complaints in 1973 up to August 31. Some of the limitations proposed by E.P.A. will limit the number of violations and complaints and should be added the condition of the variance granted ASARCO. The use of curtailment with the Federal standards which are less stringent than those of our Agency would result in a higher number of SO_2 insults to the public. We still receive large numbers of SO_2 complaints while ambient readings do not exceed the Federal standards.

3. ASARCO has reported that the use of curtailment by the Tacoma Smelter has caused a 30% loss in production. The early installation of effective controls would reduce the loss of power and copper that will occur if curtailment is used as the primary means of meeting SO_2 standards.

4. The technology to achieve 90% SO_2 control is available. The technology to control weak SO_2 streams coming from power plants is "adequately demonstrated" for purposes of Section III of the Clean Air Act. This safer technology can be applied to weak SO_2 streams coming from smelter roasters and reverberatory furnaces.

5. Curtailment programs are difficult to monitor and enforce.

A. ASARCO has recently successfully challenged this Agency's monitoring of * * * process. The State of Washington Pollution Control * * * recently ruled that a violation cannot be issued unless the SO_2 ruling is 10% above the value specified in the regulation. On this basis six violations in 1973 were voided.

B. It would be possible to operate a curtailment system with very few violations yet have a large number of SO_2 insults that affect public health and cause the large number of complaints that we still receive. There is a strong tendency to reduce curtailment if the point source plume does not touch the air monitoring station. Requiring the source to pay the cost of additional monitoring is the only practical way to protect the public from SO_2 and sulfate insults.

C. It is impossible to model the SO_2 (and/or sulfate) insults that occur due to wind changes, the break-up of an inversion or the fugitive low level omissions. The only sure way to reduce these insults is to combine 90% control and curtailment.

6. Once supplementary controls are accepted as a means of meeting ambient air SO_2 standards there will be pressure to continue such controls indefinitely.

John W. Roberts.

The Library of Congress,
Congressional Research Service,
Washington, D.C. May 6, 1974.

To Senate Subcommittee on Environmental Pollution. Attention: Mr. Karl Braithwaite.

From Maria H. Grimes, Analyst. Environmental Policy Division.

Subject Supplemental Control Strategies.

The following comments summarize information obtained on certain aspects of the proposed supplementary control strategies which you selected for further analysis during our meeting on April 18. These included: state-of-the-art and reliability of SCS methods and technology; vulnerability of the system; costs; and enforceability.

To complement the information provided by EPA in its April, 1973 briefing paper, proposed regulations regarding use of intermittent control systems of September 14, 1973, and its hearings on the adequacy of SOx control technology in October, 1973, as well as the comments submitted to EPA by Natural Resources Defense Council (attached), I contacted the following persons:

Mr. John W. Frey, Air Quality Branch, TVA, Muscle Shoals, Alabama;

Mr. Robert Foster, Div. of Air Pollution Control, State of Tennessee;

Mr. Frank Dannkoehler, Air Pollution Control Officer, Puget Sound Air Pollution Control Agency, Seattle, Washington;

Mr. Franchot Buhler, National League of Cities, Washington, D.C.

The following observations result from these interviews:

ADEQUATE AND RELIABLE SCS TECHNOLOGY AND METHODOLOGY IS AVAILABLE

There seemed to be general agreement that adequate and reliable technology is now available and components from several vendors are usually selected to make up an SCS system. TVA estimates that a system for one of their plants would require 16–18 months to become fully operational, including field studies, design state, and installation of equipment all of which can proceed simultaneously. The process requires minimal downtime and there is little malfunction.

Differences of opinion arise as to operational methods. EPA cites TVA's Paradise plant system as an example of the feasibility of the system. The discussion with Mr. Frey yielded the information, however, that the field instruments are not individually checked for calibration and performance, since the employee anticipated to this work has not yet become available. The instruments are monitored by remote control, the resulting data being processed by computer. One employee on an early day-time shift monitors the computer consoles and interprets the data for action as needed. (The need for onsite interpretation of meteorological data appears to vary with the individual location. Paradise requires only low-level interpretation, but the system installed for one section of the Widows Creek plant calls for considerable interpretive skills.)

At Paradise, no monitoring takes place by a trained meteorologist outside of his working hours which end in mid-afternoon. Yet, Mr. Dannkoehler stated that all SCS systems now available require regular servicing of all instruments (calibration, reading, evaluation) in the field, and that the system, to be reliable, must be operated on a 24-hour basis. ASARCO's system and the instruments of the Puget Sound region are operated in this manner.

In a second, unsolicited conversation, Mr. Frey modified his previous statements. He did not change his original assertion that TVA SDEL program is being executed both on the basis of previous experiences and the use of new data developed in the course of operation, and that it is still in a state of flux, is not complete, and is still experimental in some of the stages. He did state, however, that TVA's goal is to have continuous meteorological surveillance in the field to interpret and make changes to improve computer accuracy. He apparently is not content to rely solely on the currently used indirect monitoring and remote readouts. Nevertheless, he reiterated that the Paradise operation demonstrates that ambient standards can be met and maintained with SCS, and that the system can be used as an "ongoing sustaining operation with reliable capability." He emphasized that the full-scale program projected for TVA would involve a 24-hour, 3-shift, 7-day workweek operation, anticipated for June or September of this year at the Widows Creek plant. Even now, field instruments apparently are being maintained by TVA personnel not directly related to the SDEL program as part of the regular service schedule for all TVA instrumentation.

COSTS FOR RELIABLE AND ENFORCEABLE OPERATION OF AN SCS PROGRAM ARE COSIDERABLE

EPA estimates that installation costs for an SCS system will average $300,000, and operational expenses $100,000 a year. A tall stack about 1,000 ft. high, to complement the system would cost $6 million, but require almost no upkeep. TVA's figures for its SDEL technique is about $100 million for installation and some $17 million annually for operation. Mr. Foster's estimate for a large power plant needing 10–12 monitoring sites is $2 million. These costs are about 10% of expenses which would have to be incurred for sulfur oxide scrubbers.

The real costs of using SCS are much higher. According to Mr. Dannkoehler and EPA, ASARCO sustained a 35% loss of production last year as a result of necessary curtailments of operations. While industries in some areas may avail themselves of State or local weather services and meteorological findings to compute and predict adverse conditions, additional funds may be needed for weather balloons and other measuring instruments where such services are not furnished by State or local weather bureaus.

Very significant additional costs, according to the State spokesmen and Mr. Buhler will have to be assumed by the tax payers to provide the necessary instrumentation and personnel to monitor and enforce SCS systems for the States' resources are already taxed to the limit and cannot assume additional surveillance responsibilities. Tennessee is considering a request for a Federal grant of about $100,000 a year for this purpose. Mr. Foster anticipates that, by following EPA criteria of eligibility, 5 or 6 sources would be allowed to use SCS and could be monitored for this amount. Puget Sound 6 or 7 persons are now detailed to monitor one ASARCO plant, using 5 of its 10 stations. About $200,000 a year is needed for this process which includes complex verification procedures to furnish solid proof of violations. It is complicated by obsolete instrumentation. Mr. Dannkoehler's estimate for State manpower needs to monitor all anticipated sources permitted to use SCS was around $400,000 a year. In addition, his agency would require a minimum of $70–80,000 to purchase new and more reliable equipment, since no Federal grants for this purpose have been received since 1968.

ENFORCEMENT OF AMBIENT STANDARDS IS DEFICIENT AND DIFFICULT—SCS SYSTEMS ARE TOO EASILY MANIPULATED TO AVOID DETECTION OF VIOLATIONS

EPA's criteria for allowing the use of SCS systems is that they be measurable and enforceable. TVA claims that the concerned States have free access to all plants and data, and that all necessary information is made available. Tennessee reserves the option for its personnel to enter a source without prior announcement, a requirement which antedates filing of the State implementation plan. The Puget Sound agency uses its own independent instrumentation to verify data submitted by ASARCO.

Confirmation of accuracy, and thus the enforcement of ambient standards are complicated, however:

Mr. Frey said that TVA is still negotiating with the States involved since the latter have not yet decided on a course of action to supervise the system and enforce the standards. Tennessee does give prior warning of a forthcoming inspection unless there is reason to believe that a source is deliberately violating the standard. In that event, a State monitoring instrument is moved into the vicinity of the plant's instrument to verify its data. Sources are required to demonstrate that they have both the expertise and the equipment to comply with regulations; however, expertise is acknowledged to be gained largely through on-the-job training, and Mr. Foster's opinion was that violations might be permitted on a sliding scale, with the system becoming effective over a period of time. Since his agency's primary stated objective is to protect public health, it is concerned with the results, not the internal mechanisms of a system. Sources are responsible for all equipment, including the necessary weather balloons.

Mr. Dannkoehler admits to considerable difficulties in proving violations. In order to disprove ASARCO's data obtained with up-to-date equipment, it must monitor the source's operations independently and, according to State regulations, furnish proof within a plus-minus 10% margin of error. The final strip chart—the final chart of calculations which is the result of preceding measurements and computations—is the required proof.

Puget Sound personnel has become experienced and expert at providing justifiable court data, but ASARCO employees also have become expert at avoiding or bypassing State monitoring stations. ASARCO also was to comply with a State-established inspection protocol which, however, it has yet to implement.

At the start, every citation of a violation was appealed, resulting in cumbersome, time-consuming procedures. The Appeals Court has since defined certain areas of controversy such as reliability of readings, dump cycle arguments (a smelter's purging period of 5–6 minutes at a time when instruments are not read) for which precedent-making judgments have been rendered. As a result, appeals have diminished, but violations have not decreased as a result of the increased number of uncontested fines paid. (see attached documents).

In the case of multiple sources in a region, Mr. Dannkoehler felt that a separate set of instruments would have to be used for each source to prove a violation, for polluters could claim that the readings did not apply to them. Mr. Foster would use a model allocating a certain percentage of emissions to each source located in fairly close proximity to another.

SUPPLEMENTARY CONTROL STRATEGIES DO NOT ASSURE PROTECTION OF PUBLIC HEALTH

Until definitive proof is available that sulfates, acid rain and other residual pollutants resulting from tall stack emissions of SOx into the atmosphere are not harmful to public health, there appeared to be general agreement that SCS should be used solely as an interim measure in the context of the EPA proposal, i.e. for existing installations only, and as temporary, immediate relief to the public while permanent controls are perfected. (Admittedly, the interim aspect may complicate enforcement and act as a disincentive to commit capital for installation and operation of SCS.) The Puget Sound region is on record as opposing the use of SCS without the requirement of at least 90% SOx removal. Emission controls of large sources, as soon as their effectiveness has been demonstrated, are acknowledged to be the only permanent answer for the protection of public health. However, there seems to be general agreement that not only is control technology still deficient, but that delays in deliveries of equipment already contracted for due to shortages of materials and metals will make achievement of standards within the mandated time limits unfeasible.

Other issues, such as the legality of using SCS as an abatement strategy, are not covered in this memorandum. They are dealt with in the NRDC comments, a copy of which is attached.

STATE AIR POLLUTION IMPLEMENTATION PLAN PROGRESS REPORT, JUNE 30 TO DECEMBER 31, 1973

Prepared by Office of Air Quality Planning and Standards, Office of Air and Water Programs, U.S. Environmental Protection Agency, Research, Triangle Park, N.C., and Office of Enforcement and General Counsel, U.S. Environmental Protection Agency, Washington, D.C.

AIR QUALITY AND EMISSION DATA

Air Quality Overview

Suspended particulates remain a problem in spite of encouraging evidence of downward trends. One-hundred-thirty-eight AQCRs reported at least one station still above a primary standard (24-hour or annual in 1972. Thirty-four AQCRs have reported no annual 1972 particulate data. Primary 24-hour or annual sulfur dioxide standards were exceeded at one or more locations in only 19 of 162 AQCRs reporting 1972 data.

Data on oxidants and carbon monoxide are quite sparse, but if the limited results are indicative, substantial problems exist with these two pollutants. The primary oxidant standard was exceeded in 21 of 38 AQCRs reporting at least one quarter's data. The primary carbon monoxide standards were exceded in 42 of 48 AQCRs reporting in 1972.

Adequacy of Air Quality Reporting and Processing

At the conclusion of the fourth quarter of calendar year 1973, data for the second quarter of CY 1973 reaching the Storage and Retrieval of Aerometric Data (SAROAD) system represents less than 60 percent of the total stations reporting in CY 1972. Consequently, an attempt to characterize nationwide air quality status or trends using the incomplete 1973 data presently in hand would be premature and misleading. Four quarters of 1973 data are expected to be in hand for summarization in the next SIP progress report.

Adequacy of air quality monitoring networks

The number of air sampling stations by pollutant-type reporting data as required in approved SIPs varies from 60 to 200 percent of requirements. However, when the required reporting stations are related to the SIP requirement the percentage by pollutant-type varies from 39 to 84 percent.

Emission data reporting and processing

Emission data are continually changing due to additions and corrections (e.g., updated emission factors, discovery of new sources, new estimates of emissions from a source, installation of control equipment, shutdown and start up of sources). Consequently, trends due to control activities are characterized as inconclusive. However, the 1972 data based on the National Emission Data System (NEDS) show significantly higher carbon monoxide and lower particulate emission from industrial processes when compared to the 1971 data. NEDS shows more carbon monoxide for nearly every industrial category. It could be concluded either that NEDS has not adequately accounted for carbon monoxide controls or that the methodology used in 1971 overestimated the extent of control. Another possibility, of course, is that sources of carbon monoxide were inadvertently missed in earlier inventories.

Industrial process particulate emissions compare favorably from 1971 to 1972, except for the mineral products industry, which in 1972 had much lower emissions. As in the case of carbon monoxide emissions, the accountability of control measures for this category could cause this discrepancy.

PLAN REVISION MANAGEMENT SYSTEM

Overview

The Plan Revision Management System (PMRS) analysis has been expanded from the original 17 AQCRs to 67 AQCRs. In addition, the PRMS has been expanded from analysis in relationship to annual particulate matter and sulfur dioxide standards to analysis of all current national ambient air quality standards, except that for nitrogen dioxide.

The Office of Air Quality Planning and Standards provides each Regional Office with detailed copies of the individual PRMS site reviews for each monitoring site identified as having a "possible deficiency" within 60 days of the end of each semiannual reporting period. Data review actions have been initiated by the Regional Offices to determine causes of the identified deficiencies in the first 17 AQCRs within the PRMS.

Two important facts are germane in considering results of these actions. First, because the system considers the applicable State and Federal regulations, transportation control plans, and the Federal Motor Vehicle Control Program in the development of the projected air quality trend, an AQCR will not be "flagged" even though the air quality is considerably above the applicable air quality standards, so long as the observed air quality is following the downward trend predicted on the basis of enforcement of regulations and compliance schedules. Second, the PRMS analyzes only the air quality data currently contained in the SAROAD. Therefore, in a number of cases, because of the incomplete implementation of the quarterly reporting requirements for air quality data, there may be ar 8- to 10-month time lag in the currentness of the data.

However, as more States begin to implement the reporting requirements, the system will be able to provide an up-to-date analysis of any specific AQCR and its progress toward attainment of the standards.

Results of analysis

The current PRMS analysis has identified approximately the same percentage of possible deficiencies (i.e., an air sampling site where trends in air quality indicate that NAAQS will not be reached as of the specified attainment date) in 10 of the original 17 AQCRs as were identified in the first analysis. Seven AQCRs did not have an increased number of monitoring sites available for review and had the same or an increased percentage of possible deficiencies.

A review of the other 50 AQCRs analyzed showed adequate progress being made toward attainment of air quality standards, with the exception of a few localized problems. The AQCRs that did not follow this general trend were principally divided into two groups: (1) those within limited data base and (2) those with increasing ambient concentrations. The AQCRs with a limited data base had fewer than the minimum number of sites required by the SIP and/or a minimal quantity of available data from each site.

For particulate matter, 8 of the 67 AQCRs had a limited data base; for sulfur dioxide, 32 of the 67 AQCRs had a limited data base. Similarly, 14 of 25 AQCRs that were required to have carbon monoxide instruments had less than the minimum number of sites required and 18 of 36 AQCRs that were required to have oxidant instruments had less than the minimum number of sites required reporting sufficient data for analysis.

Possible deficiencies associated with particulate matter were noted in 51 of the 67 AQCRs analyzed. Some of these deficiencies appear to be local in nature since the remainder of the AQCR appears to be progressing as predicted.

Possible deficiencies were associated with carbon monoxide in 13 AQCRs and with oxidant in 8. However, 29 AQCRs have values that are currently above the national standards for carbon monoxide (although only 25 of the 67 AQCRs required CO monitors, an additional 4 AQCRs had data, thus, the 29), and 19 of the 36 AQCR required to have oxidant monitors have values above the standard. Again, it should be noted that almost 50 percent of the AQCRs that were required to have carbon monoxide and oxidant monitors had less than the minimum number of sites with sufficient data for analysis. Additionally, some AQCRs have a carbon monoxide instrument where no current SIP requirement exists and have recorded values in excess of the standard.

In general, the PRMS analysis indicates that in most AQCRs adequate progress appears to be being made for most sites; however, no relaxation of any of the current ongoing programs should take place. The possible deficiencies should ge reviewed to determine their cause and possible solution for that area of the AQCR where the deficiency was noted. The status of sulfur dioxide, carbon monoxide and oxidant will require additional data to really assess the situation and determine if possible deficiencies exist.

SUPPLEMENTARY CONTROL SYSTEMS

A major issue related to implementation plans involves the question of supplementary control systems (SCS) as an acceptable control strategy. SCS involve both the temporal variation of emission rate, based on expected meteorological conditions, to avoid high ground-level concentrations during periods of poor dispersion potential, and the use of tall stacks to lower ground-level impact. Early in September 1973, EPA proposed regulations and solicited public comment on them.[1]

SCS are considered less desirable than constant emission limitations and, as proposed, will be allowed only for large, remote existing sources of sulfur dioxide and only where constant emission reduction systems are not available to the source. Generally this restricts their use to nonferrous smelters (after use of acid plant control systems) and rural coal-fired power plants that will not be able to install stack gas cleaning equipment nor find low-sulfur coal. The regulations also proposed many requirements for the design and operation of SCS.

* * * * *

Fourth, it should also be noted that many AQCRs have less than the minimum number of sites required in the SIP reporting sufficient data for which any analysis can be performed. This is especially true for sulfur dioxide, carbon monoxide and oxidants. Thus, for many of the 67 AQCRs, the analysis for those pollutants may not be conclusive until at least the minimum number of required sites are reporting enough data for analysis and review. Consideration should be given to the number of sites for which the analysis was performed compared to the minimum number of sites required by the SIP before any conclusions are made concerning the progress an AQCR is making. Many AQCRs that at this time appear to be making adequate progress based on less than the minimum number of monitors required may have severe SIP deficiencies when the data from all the sites are available in sufficient quantity for review.

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[1] *Federal Register*, Volume 38, No. 178, September 30, 1973.

A comparison of the initial analysis for the 17 AQCRs to the current analysis indicates that, in general, States are submitting more aerometric data, thus providing a larger air quality data base for review.

In some cases, the increased data base allowed for the identification of some additional possible deficiencies that were not evident in the initial analysis.

The results from the current analysis of 67 AQCRs indicated four principal types of problems: (1) limited data base, (2) localized problem, (3) general problem, and (4) increasing pollutant concentrations.

The AQCRs with a limited data base resulted from having less than the minimum number of sites required by the SIP. This was not a major problem for particulate matter as only 8 of the 67 AQCRs had less than the minimum number of sites currently reporting sufficient data for analysis. However, this was not the case for sulfur dioxide; 32 of the 67 AQCRs had less than the minimum number of monitoring sites reporting sufficient data for analysis. Similarly, 14 of the 25 AQCRs that were required to have carbon monoxide instruments had less than the minimum number of sites required, and 18 of the 36 AQCRs that were required to have oxidant instruments had less than the minimum number of sites required reporting sufficient data for analysis.

Possible deficiencies associated with total suspended particulates were noted in 51 of the 67 AQCRs analyzed. Some of these deficiencies appear to be local in nature since the remainder of the AQCR appears to be progressing as predicted. In addition, 65 of the 67 AQCRs have patriculate concentrations above the national ambient air quality standard.

Only 5 of the 67 AQCRs had possible deficiencies relative to sulfur dioxide, and 9 AQCRs had values above the standards. As mentioned previously, however, almost 50 percent of the AQCRs analyzed had less than the minimum number of sites required, and any general conclusions on the status of sulfur dioxide would not be completely accurate at this time.

Possible carbon monoxide deficiencies were noted in 13 AQCRs and oxidant deficiencies in 8. However, 29 of the AQCRs have values that are currently above the national standards for carbon monoxide. Nineteen (19) of the 36 AQCRs required to have oxidant instruments were above the standard. Again, it should be noted that almost 50 percent of the AQCRs required to have carbon monoxide and oxidant monitors had less than the minimum number of sites with sufficient data for analysis. Additionally, four AQCRs that have a carbon monoxide instrument where no current SIP requirement exists have recorded values in excess of the standard.[2]

Two AQCRs have been noted as having possible deficiencies throughout the AQCR, and further study should be initiated to determine the real extent of the problem.

To date, 8 AQCRs have reported pollutant concentrations that have increased over the past years. This problem appears to be local in nature as only one or two sites in these AQCRs have shown increases. This problem relates primarily to particulate concentrations; however, in a few areas, sulfur dioxide levels have also increased slightly.

In general, the PRMS analysis indicates that in most AQCRs adequate progress appears to be being made for most sites; however, no relaxation of any of the current ongoing programs should take place. The possible deficiencies should be reviewed to determine their cause and possible solution for that area of the AQCR where the deficiency was noted. The status of sulfur dioxide, carbon monoxide, and oxidants will require additional data to really assess the situation and determine if possible deficiencies exist. However, for those areas where a deficiency was noted, some work should begin to investigate the extent of the problem.

SECTION 6—AIR QUALITY MONITORING AND DATA REPORTING

Ambient air quality

State air pollution control agencies must satisfy two basic requirements with respect to ambient air quality monitoring: (1) establish a network of measurement stations for each designated pollutant (total suspended particulates, sulfur dioxide, carbon monoxide, and oxidants) according to prescribed guidelines, adequate in number and comprehensive in distribution, to yield a representative picture of pollutant means and extremes, and (2) submit the data from these monitoring networks to EPA quarterly as evidence of meeting air quality standards or of making proper progress toward a specified compliance date.

Table 6–1 lists, by State, the level of monitoring activity for calendar year 1972 being reported to EPA's National Aerometric Data Bank (NADB) as of September 1973. Under each pollutant, the initial columns give the numbers of individual stations initially required in the August 14, 1971, *Federal Register*[1] and the numbers of stations for which data collected in 1972 have been reported.

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[2] Although only 25 of the 67 AQCRs required CO monitors, an additional 4 AQCRs had data; thus, the 29.

[1] *Federal Register*, Volume 36, No. 156, August 14, 1971.

TABLE 6-1.—STATUS OF CALENDAR YEAR 1972 MONITORING ACTIVITY AS REPORTED TO NADB BY STATES, SEPTEMBER 1973

EPA Region/State	AQCR's within State	Total suspended particulates						Sulfur dioxide						Carbon monoxide						Oxidants					
		Total required			AQCR's reporting			Total required			AQCR's reporting			Total required			AQCR's reporting			Total required			AQCR's reporting		
		Minimum required	Total reporting	Required not reporting	<½ minimum required	½ to minimum required	>Minimum required	Minimum required	Total reporting	Required not reporting	<½ minimum required	½ to minimum required	>Minimum required	Minimum required	Total reporting	Required not reporting	<½ minimum required	½ to minimum required	<Minimum required	Minimum required	Total reporting	Required not reporting	>½ minimum required	½ to minimum required	<Minimum required
Region I:																									
Connecticut	4	16	25	0	0	0	4	14	4	10	2	1	1	4	0	4	2	0	2	4	0	4	2	0	2
Maine	5	13	6	7	4	1	0	13	9	7	4	0	1	0	0	0	0	0	5	0	0	0	0	0	5
Massachusetts	6	39	52	6	1	0	5	34	48	0	0	0	6	7	2	5	2	0	4	7	0	7	2	0	4
New Hampshire	3	8	25	0	0	0	3	9	4	5	2	0	1	0	0	0	0	0	3	0	0	0	0	0	3
Rhode Island	1	7	23	0	0	0	1	7	20	0	0	0	1	0	2	0	0	0	1	0	0	0	0	0	1
Vermont	2	4	2	2	1	0	1	5	0	5	2	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Region II:																									
New Jersey	4	19	78	0	0	0	4	20	28	2	0	1	3	8	20	2	0	1	3	7	3	4	1	1	2
New York	8	72	228	0	0	0	8	58	49	29	3	1	4	13	10	8	1	1	6	19	7	13	4	0	4
Puerto Rico	1	3	5	2	0	0	1	4	4	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1
Virgin Islands	1	3	4	0	0	0	1	4	2	2	0	1	0	0	0	0	0	0	1	0	0	0	0	0	1
Region III:																									
Delaware	2	3	16	0	0	0	2	3	10	0	0	0	2	1	0	1	1	0	1	1	0	1	1	0	1
District of Columbia	1	4	2	2	0	1	0	4	4	0	0	0	1	1	2	0	0	0	1	1	1	0	0	0	1
Maryland	6	31	85	0	0	0	6	29	50	0	0	0	6	6	1	5	2	0	4	6	0	6	2	0	4
Pennsylvania	6	68	105	2	0	1	5	42	14	28	4	2	0	11	1	10	2	0	4	11	1	10	2	0	4
Virginia	7	47	116	3	0	1	6	16	44	4	1	0	6	2	3	1	0	1	6	7	3	4	2	0	5
West Virginia	10	24	36	4	3	1	6	12	14	8	6	0	4	0	1	0	0	0	10	0	0	0	0	0	10
Region IV:																									
Alabama	7	34	60	1	0	1	6	15	10	8	4	1	2	3	0	1	1	0	6	4	1	3	1	0	6
Florida	6	32	39	6	2	9	4	24	36	2	2	9	4	0	3	0	0	0	6	4	2	2	1	1	4
Georgia	9	43	29	13	1	7	1	6	14	23	3	3	3	0	1	0	0	0	9	1	0	1	1	0	8
Kentucky	9	30	88	2	1	0	8	18	78	0	0	0	9	0	4	0	0	0	9	3	2	1	1	0	8
Mississippi	4	11	1	9	3	0	1	9	2	7	3	0	1	0	0	0	0	0	4	2	0	2	1	0	3
North Carolina	8	54	178	0	0	0	8	11	135		0	0	8	0	0	0	0	0	8	2	1	1	1	0	7
South Carolina	10	35	72	10	0	0	10	19	36	3	0	1	9	0	0	0	0	0	10	1	0	1	1	0	9
Tennessee	6	39	95	0	0	0	6	17	34	3	2	0	4	0	1	0	0	0	6	5	2	3	1	1	4

TABLE 6-1.—STATUS OF CALENDAR YEAR 1972 MONITORING ACTIVITY AS REPORTED TO NADB BY STATES, SEPTEMBER 1973

EPA Region/State	AQCR's within State	Total suspended particulates: Total required: Minimum required	Total reporting	Required not reporting	AQCR's reporting: <½ minimum required	½ to minimum required	<Minimum required	Sulfur dioxide: Total required: Minimum required	Total reporting	Required not reporting	AQCR's reporting: <½ minimum required	½ to minimum required	<Minimum required	Carbon monoxide: Total required: Minimum required	Total reporting	Required not reporting	AQCR's reporting: <½ minimum required	½ to minimum required	>Minimum required	Oxidants: Total required: Minimum required	Total reporting	Required not reporting	AQCR's reporting: <½ minimum required	½ to minimum required	>Minimum required
Region V:																									
Illinois	11	54	54	26	8	2	1	52	38	26	7	0	4	10	0	10	2	0	9	10	1	9	2	0	9
Indiana	10	42	117	1	0	2	8	37	61	17	4	0	6	4	0	4	2	0	8	4	1	3	2	0	8
Michigan	6	29	108	0	0	0	6	27	42	1	0	1	5	0	0	0	0	0	6	0	0	0	0	0	6
Minnesota	7	25	57	2	1	1	5	23	18	6	3	2	2	4	2	2	0	1	6	0	1	0	0	0	7
Ohio	14	78	123	27	9	1	4	60	72	28	8	1	5	0	4	0	0	0	14	16	7	8	3	1	10
Wisconsin	8	24	7	17	6	1	1	9	3	6	4	0	4	0	0	0	0	0	8	4	0	4	0	0	8
Region VI:																									
Arkansas	7	10	28	0	0	0	7	4	2	3	3	0	4	0	0	0	0	0	7	0	0	0	0	0	7
Louisiana	3	5	11	0	0	0	3	15	17	0	0	0	3	0	0	0	0	0	3	5	4	1	0	1	2
New Mexico	8	16	26	2	2	0	6	9	5	5	4	1	3	1	1	1	1	0	7	3	1	2	1	1	6
Oklahoma	8	24	90	0	0	0	8	6	25	0	0	0	8	0	2	0	0	0	8	4	2	2	0	2	6
Texas	12	52	160	0	0	0	12	49	13	37	9	0	3	1	0	1	1	0	11	19	0	19	7	0	5
Region VII:																									
Iowa	12	32	26	9	3	1	8	13	2	11	10	0	2	0	0	0	0	0	2	2	0	2	1	0	11
Kansas	7	35	57	2	0	1	6	6	31	0	0	0	7	1	3	0	0	0	7	3	2	1	0	1	6
Missouri	5	30	46	6	1	0	4	15	4	11	3	0	2	6	1	5	2	0	3	6	1	5	2	0	3
Nebraska	4	11	36	0	0	0	4	5	2	4	3	0	1	0	1	0	0	0	4	0	1	0	0	0	4
Region VIII:																									
Colorado	8	28	68	0	0	0	8	8	3	7	7	0	1	3	1	2	1	0	7	3	2	1	0	1	7
Montana	5	13	2	11	4	0	1	14	1	13	5	0	0	0	0	0	0	0	5	0	0	0	0	0	5
North Dakota	2	5	16	0	0	0	2	2	0	2	2	0	0	0	0	0	0	0	2	0	0	0	0	0	2
South Dakota	4	6	2	4	3	0	1	3	1	2	2	0	2	0	0	0	0	0	4	0	0	0	0	0	4
Utah	3	11	8	2	2	1	0	9	1	8	3	0	0	2	4	0	0	0	3	2	0	2	1	0	2
Wyoming	3	7	3	4	2	0	1	3	1	2	2	0	1	0	0	0	0	0	3	0	0	0	0	0	3
Region IX:																									
American Samoa	1	1	0	1	1	0	0	1	0	1	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Arizona	4	17	32	0	0	0	4	16	15	4	0	1	3	3	1	2	1	0	3	3	2	1	0	1	3
California	11	64	18	47	10	0	1	17	15	6	6	0	5	29	42	2	1	0	10	29	60	1	1	0	10
Guam	1	1	3	0	0	0	1	4	2	2	0	1	0	0	0	0	0	0	1	0	0	0	0	0	1
Hawaii	1	3	14	0	0	0	1	1	12	0	0	0	1	0	1	0	0	0	1	0	1	0	0	0	1
Nevada	3	13	41	0	0	0	3	8	3	5	2	1	0	2	0	2	1	0	2	2	1	2	1	0	2
Region X:																									
Alaska	2	11	17	1	1	0	3	7	7	0	4	0	0	1	1	0	0	0	4	0	0	0	0	0	4
Idaho	4	15	25	2	0	1	3	7	0	7	0	4	0	0	0	0	0	0	4	0	0	0	0	0	4
Oregon	5	20	48	0	0	0	5	8	2	6	4	1	0	3	2	1	0	1	4	3	2	1	0	1	4
Washington	6	31	54	0	0	0	6	14	12	2	2	0	4	7	8	0	0	0	6	5	4	1	1	0	5
Total	----	1,377	2,667	233	69	33	220	861	1,049	363	136	33	153	133	125	69	23	5	275	208	122	128	46	12	255

The remaining columns in Table 6–1 categorize the number of Air Quality Control Regions (AQCRs) within each State that are (1) reporting less than half the required monitoring, (2) reporting from half up to the required monitoring, and (3) reporting more than the minimum required monitoring. (Requirements for interstate AQCRs are apportioned to the constituent States according to population.)

Note that some States in Table 6–1 are reporting as many stations as required, and some are reporting more; but these stations are not always distributed among the AQCRs in accord with minimum requirements for each AQCR. Consequently, even in these States, one or more AQCRs may not yet satisfy minimum monitoring requirements. Further, Table 6–1 identifies how many of the minimum required stations are actually being reported in each State. No attempt has yet been made to assess the aspect of how representative these monitoring locations are.

Tables 6–2 to 6–5 summarize the status of air quality in the nation's 247 AQCRs as portrayed by the data reported to NADB for calendar year 1972. For each pollutant, the number of AQCRs in each priority classification is shown, plus the number of AQCRs reporting (1) at least one station-quarter's data and (2) at least one valid station-year of data for particulates and sulfur dioxide, for which annual standards pertain. The final column in each of these tables reports the number of AQCRs wherein one or more reporting stations exceeded a primary standard. The results in these four tables differ from those presented in the previous SIP progress report[2] as a consequence of additional 1972 data and corrections received in the interim. The previously reported counts are shown in parentheses in the tables.

In brief, suspended particulates remain a problem in spite of encouraging evidence of downward trends. One-hundred-thirty-eight AQCRs have reported at least one station still above a primary standard (24-hour and/or annual) in 1972. Thirty-four AQCRs had reported no 1972 particulate data at that point. Primary 24-hour and/or annual sulfur dioxide standards were exceeded in only 19 of 162 AQCRs reporting in 1972.

Data for oxidants and carbon monoxide are quite sparse, but if these limited results are indicative, substantial problems exist with respect to these two pollutants. The primary oxidant standard was exceeded in 21 of 38 AQCRs reporting at least one quarter's data. The primary carbon monoxide standards were exceeded in 42 of 48 AQCRs reporting in 1972. More detailed information on AQCR status and individual station results is given in Publication No. EPA–450/1–73–004.[3]

The presence of individual values or annual means over a standard clearly identifies problem AQCRs. The absence of such values or means in the data reported from other AQCRs does not necessarily warrant the conclusion that the standards are being met in those AQCRs until their monitoring networks have been thoroughly appraised for adequacy in number and placement of monitoring sites. Many regions do not have comprehensive networks operating; others are only just beginning to report scattered results from the initial stages of network implementation. Until assessments can be made of network adequacy (not necessarily to be equated with the initially specified minimum requirements listed in Table 6–1) a technical distinction exists in describing an AQCR reporting no values above standards. For the present, it can only be stated that such an AQCR "experiences no violation." The goal based on data from an adequate network, will be to designate such an AQCR as "in compliance" with national ambient air quality standards.

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[2] State Air Pollution Implementation Plan Progress Report, January 1 to June 30, 1973. U.S. Environmental Protection Agency, Research Triangle Park, N.C. EPA-450/2-73-005. September 1973.

[3] Monitoring and Air Quality Trends Report, 1972. U.S. Environmental Protection Agency, Research Triangle Park, N.C. Publication No. EPA-450/1-73-004.

TABLE 6-2.—SUSPENDED PARTICULATE MATTER, STATUS OF AIR QUALITY, 1972

[Based on data reported by States as of Oct. 6, 1973. Values reported in EPA 450/2-73-005 are given in parentheses]

Priority classification	Number of AQCR's	AQCR's reporting— At least 1 station-quarter	AQCR's reporting— At least 1 station-year	AQCR's exceeding any primary standard
I or Ia	120	118 (116)	110 (106)	102 (99)
II	70	63 (61)	53 (47)	22 (26)
III	57	37 (36)	28 (26)	14 (14)
Total	247	218 (213)	191 (179)	138 (139)

TABLE 6-3.—SULFUR DIOXIDE, STATUS OF AIR QUALITY, 1972

[Based on data reported by States as of Oct. 6, 1973. Values reported in EPA 450/2-73-005 are given in parentheses]

Priority classification	Number of AQCR's	AQCR's reporting— At least 1 station-quarter	AQCR's reporting— At least 1 station-year	AQCR's exceeding any primary standard
I or Ia	60	52 (51)	41 (40)	[1] 13 (17)
II	41	31 (30)	27 (25)	[1] 4 (8)
III	146	79 (73)	55 (50)	2 (2)
Total	247	162 (154)	123 (115)	19 (27)

[1] These original totals were in error.

TABLE 6-4.—OXIDANTS, STATUS OF AIR QUALITY, 1972[1]

Priority classification	Number of AQCR's	AQCR's reporting at least 1 station-quarter	AQCR's exceeding primary standard
I	[2] 55 (54)	31 (25)	25 (18)
III	[2] 192 (193)	7 (3)	3 (3)
Total	247 (247)	38 (28)	28 (21)

[1] Based on data reported by States as of Oct. 6, 1973. Values reported in EPA 450/2-73-005 are given in parentheses.

[2] Providence AQCR has been reclassified priority I for oxidants.

TABLE 6-5.—CARBON MONOXIDE, STATUS OF AIR QUALITY, 1972[1]

Priority classification	Number of AQCR's	AQCR's reporting at least 1 station-quarter	AQCR's exceeding primary standard
I	30 (39)	22 (13)	21 (13)
III	217 (218)	26 (21)	21 (20)
Total	247 (247)	48 (34)	42 (33)

[1] Based on data reported by States as of Oct. 6, 1973. Values reported in EPA 450/2-73-005 are given in parentheses.

In some instances, the lack of stations in an AQCR may be only an apparent deficiency. Stations may exist for which the data are not yet being expeditiously relayed or correctly identified for acceptance in the National Aeromatric Data Bank. Table 6-6 provides clear evidence that the anticipated schedule of data submittal from local or State agencies through the EPA Regional Offices to NADB, Durham, North Carolina, has not yet been realized. According to this schedule, data should reach NADB 75 days after the close of a quarter; summaries of these data are then provided 120 days after the close of a quarter. However, at the conclusion of the fourth quarter (CY IV), data for the second quarter of CY 1973 (CY II) reaching NADB represents less than 60 percent of the total stations reporting in CY 1972. Consqeuently, an attempt to characterize nationwide air quality status or trends using the incomplete 1973 data presently in hand would be premature and misleading at this time. Sufficient 1973 data are expected to be in hand for summarization in the next SIP progress report.

The number of monitors reporting air quality data to NADB by type varies from 60 to 200 percent of nationwide requirements, although the percent of required stations reporting by type is considerably lower, from 39 to 68 percent (see Table 6-7).

TABLE 6-6.—NATIONAL SUMMARY OF STATE MONITORING AS REPORTED TO NADB AS OF JAN. 11, 1974

Pollutant	1971	1972	1973 1st quarter	1973 2d quarter	1974 proposed	Legal requirement
TSP	1,313	2,683	1,914	1,449	3,511	1,377
SO_2[1]	409	1,064	694	766	2,129	861
O_x	50	113	31	52	458	208
CO	58	128	42	75	457	133
Total	1,830	3,988	2,681	2,342	6,555	2,579

[1] Includes both continuous samplers and West-Gaeke bubbler.

TABLE 6-7.—AIR QUALITY MONITORING SITES, ACTUAL VERSUS REQUIRED

Pollutant	Legal requirement	Total reporting[1]	Ratio reporting/required	Required not reporting	Required reporting	Ratio required reporting/required
TSP	1,377	2,667	1.94	233	1,144	0.84
SO_2	861	1,049	1.22	363	498	.58
CO	133	125	.94	69	64	.48
O_x	208	122	.59	128	80	.39

[1] Not all of total reporting sites necessarily satisfy legal requirement.

The wide variance between the percent of total reporting stations and those stations reporting from required sites suggests a need for EPA and State effort to improve the distribution of air quality monitors as well as to increase the number of some types. It is anticipated that this will change as EPA revises guidelines for minimum monitoring networks in the future.

SOURCE EMISSIONS

The 1972 emission estimates shown in Table 6-8 are based on data from the National Emissions Data System (NEDS) data bank. Until 1972, the emission estimates were obtained by applying overall emission factors and industry average control efficiencies to nationwide production or consumption totals to calculate emissions. Emissions in NEDS are calculated for each point and area source and summed to arrive at the totals shown in Table 6-8.

TABLE 6-8.—NATIONWIDE EMISSIONS, 1972 (10^6 TONS/YR)[a]

Source	CO	TSP	SO_x	HC	NO_x
Transportation	76.4	0.8	0.6	16.0	8.6
Fuel combustion in stationary sources	1.2	7.5	24.4	.5	12.3
Industrial processes	17.6	8.6	6.6	6.5	.7
Solid waste	5.0	.9	.1	1.6	.2
Miscellaneous	.8	.2	0	1.8	------
Total	101.0	18.0	31.7	26.4	21.8

[a] Based on data from the National Emissions Data Bank.

The NEDS data bank lacks adequate data for estimation of emissions from all sources. The most notable deficiencies in NEDS, with respect to Table 6-8, are that (1) all New York State point sources are missing, and (2) emission estimates are not made for forest fires, coal refuse burning, and structural fires. According to data from the New York SIP, significant additional emissions for point source fuel combustion and industrial processes could be expected. Perhaps an additional one million tons of sulfur oxides and smaller amounts of the other pollutants may be added to the fuel combustion by stationary sources totals to account for New York point sources. Industrial process emissions of particulate in New York may be 200,000 tons, but less than 100,000 tons of the other pollutants. Emissions from forest fires, coal refuse burning, and structural fires should be added to the miscellaneous category to make these totals comparable to the data for previous years. Due to lack of source data on a detailed, county basis for these types of sources NEDS does not presently account for these emissions.

The 1972 data based on NEDS show significantly higher carbon monoxide and much lower particulate emissions from industrial processes when compared to the 1971 data based on the old methodology. NEDS shows more carbon monoxide for 1972 for nearly every industrial category. It is concluded either that NEDS has not adequately accounted for carbon monoxide controls or that the old methodology overestimated the extent of control. Another possibility is that relatively large emitters were not accounted for in the old methodology. The apparent discrepancy is probably due to a combination of these factors. On the other hand, recent industrial process particulate emissions from NEDS agree quite well with old methodology estimates except for the mineral products industry and food and agricultural industry categories. Recent NEDS estimates show much lower emissions for both categories (5.2 versus 2.6 million tons for food and agricultural industries). Again, the discrepancy could be due to difficulties in correctly determining control efficiencies. A more likely explanation in this case is that NEDS does not adequately account for emissions from all sources in these categories. It is known, for example, that NEDS does not contain adequate source data to estimate emissions for all grain elevators and feed mills.

COMMENTS ON PROPOSED RULES REGARDING USE OF SUPPLEMENTARY CONTROL SYSTEMS

The proposed "supplementary control system" ("SCS") regulations, 38 Fed. Reg. 25697 (Sept. 14, 1973), should not be promulgated. In our view, they violate the Clean Air Amendments and cannot be supported on policy grounds. EPA was correct about a year ago when it stated its opposition to disperson techniques:[1] "dilution" is not, as the leaden professional jest once had it, "the solution to pollution."

At the outset, we must clarify what these regulations actually provide, for they are writen in a way that disguises their true consequences. The proposed regulations provide for indefinite use of SCS and tall stacks as a means of attaining National Air Quality Standards in the vicinity of "isolated sources" of pollution. So long as a state agency concludes that continuous emission control devices capable of meeting the emission limitations necessary to attain Standards are not "available," and the source agrees to undertake a program of research on continuous emission controls, the source may continue using SCS. They are not limited to use as "interim measures of control," within the meaning of the statute, since they are not limited to sources within areas that have received extensions of the deadline for attaining National Standards as provided in § 110(e) of the Act, and since the

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proposed regulation puts no limit on the time during which they may be used.

This point should be made clear. In our views, SCS may be a legally acceptable interim measure under § 110 (e) and (f) of the Act. But despite the rhetoric of EPA's preamble to the proposed regulations, they do not confine SCS to use as an interim measure in any ordinary sense of the word. In the statute, the word "interim" is used in connection with short periods of time, such as one or two years, with specified beginning and end. A source allowed to use an "interim" measure must be on a binding compliance schedule constructed to insure that emission limitations are met at the close of the interim period.

But EPA's proposed SCS regulations contain none of these earmarks of an interim measure. Instead of requiring a definite date in the near future for moving from SCS to continuous controls, they merely require "formal review and reexamination of the permit at intervals of 5 years or less." Proposed App. P, § 3.2(g). Rather than requiring a specific compliance schedule for moving to continuous controls, or even a binding schedule for a program of research on such a control system, they timidly require a mere "description . . . of the firm's research and demonstration programs, or its participation in such programs, which will accelerate the development of constant emission reduction technology . . . . [including a description of] schedules and resources to be committed, and an anticipated date when adequate emission reduction technology can be applied. . . ." Proposed App. P, § 3.2(b)(5). These "requirements" amount to little more than a generalized and totally unenforceable statement from the source that he intends to proceed in good faith. Since the statute requires compliance, the good faith of a source is irrelevant, though it is hard to imagine how the statutory requirements could be attained without it. On the other hand, EPA has already accumulated ample hard evidence, based on performance rather than promises, to justify a conclusion that good faith attempts to develop and install continuous control equipment cannot be anticipated from the utility industry.[2]

Second, though they are drafted to disguise the fact, the proposed regulations are actually a vehicle for legitimizing the use of tall stacks as well as SCS. In fact, they are drafted in a way which would allow a source to escape ever having to curtail production (or pollution) so long as he presented a paper program for intermittent curtailment and built a tall enough stack. Proposed 40 C.F.R. § 51.13(h) places only one limitation on the use of tall stacks to attain Air Quality Standards—that it be "accomplished as part of an approved supplementary control system." The possibility that an SCS will be merely a paper justification for building a tall stack is hardly remote. Process curtailment is expensive, and inconvenient. In the case of power plants, the need to continue operations at full capacity is likely to occur at precisely the times when curtailment would be required if SCS were relied upon without tall stacks—during periods of air stagnation during the summer when massive use of air conditioning produces peak loads on electrical systems. In other industries, it is likely that the increased production that could be provided by being able to operate at full capacity at all times would more than pay the costs of erecting a stack high enough to avoid ever having to invoke SCS process curtailment. For these reasons, the SCS proposal can in no sense be considered a proposal for "emission limitations," as required by the Act. It is, pure and simple, a proposal to supply the mantle of legitimacy to the use of dispersion as a means to attain National Air Quality Standards, and must stand or fall, legally, on the question of whether such a method is allowed by the statute.

I. DISPERSION IS PROHIBITED BY THE ACT AS A MEANS OF ATTAINING NATIONAL STANDARDS

The issue of whether dispersion techniques are allowed by the Clean Air Amendments is now in the Courts.[3] Since NRDC is one of the litigants in this case, it is unnecessary to delineate in detail the statutory basis for our belief that such methods are explicitly prohibited as control strategies by the Act. Instead, we incorporate by reference pages 23–30 in petitioners' brief, and pages 15–19 in petitioners' reply brief in that case, which are attached to these comments as Appendix A. Suffice it to say, however, that NRDC regards that case as placing in issue the principle of whether dispersion is a permissible means of control under the Act, and will regard a holding in our favor there as applying to the whole of the regulations under consideration here.

We also believe that the present SCS proposal does violence to the statutory scheme in another way. In its preamble to the proposed SCS regulations, EPA asserts that SCS is to be considered as a control technique wherever adequate continuous emission control methods are "not available" and the "alternatives . . . will be either to close these facilities (or drastically curtail production), or apply supplementary control systems." 38 Fed. Reg. at 25699. In such situations, the preamble states the Administrator's judgment that "it does not appear to be in the public interest to require shutdown or permanent curtailment of production for existing sources which could temporarily use supplementary control system. . . ." *Id.*

This statement does not provide a legally adequate basis for turning to a method of dubious efficacy and legality. The Act does not set itself against the closing of plants which endanger the public health and welfare. Indeed the drafters explicitly recognized the possibility that methods of production that were incompatible with the protection of the public must be curtailed or eliminated. "(E) existing sources of pollution either should meet the standard of the law or be closed down. . . ." Sen. Rep. No. 91–1196 (1970), at 3.

The Act also provides a means for dealing with situations when a claim is made that meeting the requirements of the law would result in shutdown, designed to maximize the incentive of the source to find ways of complying with the emission standards contained in the State Plan. First, where emission controls are not available soon enough to insure attainment of National Primary Standards within the three years outer limit required by the Act, a State may receive up to two years extension of the deadline for meeting the Standard. If an individual source finds that he is still unable to install equipment or make other changes to bring him into compliance, he may ask his State Governor to request an additional year's postponement of the application of the emission limitations to him. Such a request must be tested in a judicialized hearing, where there is opportunity of cross-examination and full testing of the source's claim. If, among other things, the Administrator finds that the continued operation of the source is "essential to the national security or to the public health or welfare," he may grant the postponement; if not, he must order shutdown. We find nohing in the statute which precludes additional postponements, so long as they are tested fully through the statutory procedure. But the benefit of this procedure is that it places a heavy burden on the source owner to justify, on a yearly basis, continued failure to meet emission limitations. EPA's proposal, which substitutes an informal administrative judgment, made long before the last deadline for meeting State emission standards and renewed only infrequently, removes this burden and maximizes the incentive to avoid discovering ways of meeting the emission limitations.[4]

Finally, the proposal violates the requirement of the Act that any State Plan, or revision, "provide (i) necessary assurances that the State will have adequate personnel [and] funding. . . ." § 110(a)(2)(F), 42 U.S.C. § 1857c–5(a)(2)(F). An SCS will impose large financial, administrative, and technical burdens on the State agencies. The Puget Sound Air Pollution Control Authority, one of the few State agencies with experience in overseeing such systems, estimates that it presently spends $160,000 to $200,000 per year to monitor the SCS now operating at ASARCO's Tacoma, Washington, smelter.[5] EPA's own estimates, completed prior to the formulation of the proposed regulations, fall in the same range.[6] Yet nothing in the proposed regulation requires a showing by a State agency inclined to allow the use of SCS on a facility of whether such funds are available over and above funds already made available for the remainder of the State program. If such additional funds are not available, they will obviously rob from the existing State program. In many State agency budgets, $200,000 represents a sizable portion of the entire air pollution control effort.[7]

To remedy this defect, EPA should require, as a prerequisite to approval of any proposed SCS, a showing that the funds necessary to hire competent personnel, place and maintain monitors, telemeter continuous emission and ambient air quality data to the State agency, and pay for enforcement are available. This funding should not be the responsibility of the State agency. The cost of administering an SCS is a cost of pollution control, just as the cost of any continuous emission control system is, whether it be flue gas desulfurization or clean fuel. Rather than merely encourage the States to require licensing fees to defray to additional costs of SCS (preamble to proposed rulemaking, 38 Fed. Reg. at 25700), the Agency should make such fees a prerequisite to approval of any such system. This was urged within the agency in earlier consideration of the SCS regulation;[8] it should be added to the proposed rule. Without requiring assurance of adequate personnel and funding, the rulemaking cannot meet the legal standard of the Act.

II. DISPERSION SHOULD BE PROHIBITED BECAUSE IT REPRESENTS BAD POLICY

A. *The Use of Dispersion Rather Than Continuous Controls Endangers the Environment Because it Fails to Curtail Atmospheric Loading With Dangerous Pollutants.* The dangers of atmospheric loading of sulfur oxides, particulate matter, nitrogen oxides, and other toxic materials are increasingly well known in the scientific community and within EPA. Evidence is accumulating rapidly that the health effects of sulfur oxides are related to sulfates, interacting with particulate matter and perhaps nitrogen oxides. Sulfates are dangerous to health at concentrations an order of magnitude smaller than the present National Primary Standard for sulfer oxides. Concentrations prevailing in the skies over much of the urbanized areas of the country are often as high as twice those found to have adverse effects on health. Unlike sulfur dioxide, sulfates are distributed in dangerous concentrates over wide areas, not just at the points where plumes from specific sources touch down.

Similarly, a growing body of evidence exists that injury to the biosphere is growing rapidly as a result of acid rains. Like sulfate concentrations, acid rains are related to the total quantity of sulfur oxides emitted into the biosphere rather than the ground level

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concentrations now regulated under EPA's National Standard for sulfur oxides. Evidence exists that in some parts of the country, the level of acid accumulated in the biosphere has reached very close to a critical point at which natural neutralizing agents can no longer prevent major damage.[9]

As a matter of policy then, it is highly inappropriate for the Agency to be considering regulations which would allow continued atmospheric loading with sulfur oxides and other pollutants. Rather than seeking to legitimize further atmospheric loading, the Agency should be considering additional National Standards that would have the effect of reducing drastically the total quantities of these pollutants emitted into the air. The failure to do so represents a serious dereliction of statutory duty; the present proposal, given this context, may violate the statutory duty to protect public health and welfare.

B. *SCS Is Not a Reliable Method for Meeting the National Air Quality Standards.* Over a year ago, EPA declared that SCS was not acceptable because, among other things, it was not a reliable means of meeting the National Standards. 37 Fed. Reg. 15095 (July 27, 1972). In the present proposal, it has not presented sufficient basis for a different conclusion.

To begin with, EPA nowhere explicates a consistent or defensible definition of the concept of reliability. An acceptable definition must be grounded in the words of the statute itself, which states that the State Plan must contain measures that "insure attainment and maintenance" of the National Standards. § 110(a) (2) (B), 42 U.S.C. § 1857c–5(a) (2) (B). Plainly, the meaning of this phrase is that the Standards must be met at all times, not merely some percentage of the time. Measures that will accomplish full-time compliance are available, and have been adopted by most States. Low sulfur fuel, the most commonly adopted means for attaining the Standards, allows 100% compliance with emission limitations. Similarly, 100% compliance can be attained through flue gas desulfurization technology, by designing in redundant systems so that malfunctions can be compensated for by switching modules, by ceasing operations when malfunctions become sufficiently serious to prevent compliance with emission standards, and, in some cases, by retaining the capacity to switch to clean fuel during periods of equipment malfunctions.

In considering the SCS proposal, however, EPA appears to have operated under a different, and statutorily deficient, concept of reliability. An EPA briefing paper on SCS (ICS), referred to previously, adopts the position that SCS is acceptable if it attains the ability to prevent violations of National Standards 80 per cent of the time.[10] The assumption behind this conclusion, stated in the briefing paper, is that this level of reliability is all that can be attained by continuous emission control equipment, since it must be down for scheduled maintenance a certain number of days, and will be down because of malfunction an additional number of days each year.

This assumption is in error for a number of reasons. First, it assumes that the bench mark for reliability is flue gas desulfurization equipment, though using clean fuel enables 100% compliance. Second, it assumes that plants will continue to operate regardless of the fact that their pollution control equipment is not functioning—an assumption contrary to the command of the statute, as noted previously. Third, it assumes that scheduled down time will be randomly distributed, as will days of atmospheric stagnation that would asssure violation of the National Standards. In fact, air pollution agencies have the power to order scheduled maintenance of pollution control equipment to occur at times when the likelihood of stagnation is lowest. And as a matter of fact, to take one important class of sources, utilities would ordinarily schedule maintenance during the spring and fall because their system load is lowest at that time of the year; it so happens that in most areas of the country, spring and fall are also the seasons when stagnant weather is least likely to occur.

Using this false conception of the degree of reliability required by the statute, and this erroneous set of assumptions about how reliable continuous control measures actually are, the Agency was apparently willing to accept evidence from interested parties tending to show that SCS systems now in operation can achieve similar levels of reliability. In justification of its conclusion that SCS has now been shown reliable, the Agency cites three examples: two smelters operated by ASARCO in Tacoma, Washington, and El Paso, Texas; and a power plant operated by the Tennessee Valley Authority.

None of these examples constitutes adequate basis for a conclusion with respect to reliability. EPA makes no claim that any of them have shown SCS capable of preventing all violations of National and State Air Quality Standards; instead, it bases its conclusion on data allegedly showing that violations of National and State Standards at each plant have declined to some level it chooses to call tolerable. In fact, even these conclusions are extremely suspect. First, the data from the TVA plant is entirely generated by TVA, a highly interested party. EPA makes no claim that this data was ever tested independently, and it could not, as far as our investigation has been able to discover.[11] Second, the data from both ASARCO plants are flawed by a basic defect. State officials from both Texas and Washington State have indicated to NRDC that the dramatic reductions in violations shown in EPA's figures are in large measure owing to the operators' ability to program the system to avoid sensors. Mr. Kellog, meteorologist with the Puget Sound Air Pollution Control Authority, stated to us that in his judgment, curtailment of operations at the Tacoma smelter begins only when the plume moves toward sensors, rather than when conditions merit curtailment to avoid excessive concentrations at any point in the region affected by the plant.[12] Likewise, officials in the El Paso local agency reported that the violations from the ASARCO smelter there increased 100% with the addition of ten new monitors.[13]

But the crucial deficiency in the data presented by EPA is even more telling. In both cases, the smelters operate in geographical locations that allow them to operate without regard to ground level concentrations much of the time. In Tacoma, the smelter is located close to Puget Sound, where PSAPCA has no meters. And in El Paso, the smelter is able to "aim" its emissions into Mexico much of the time, where no air pollution agency maintains sensors. One State official, who requested that he not be identified, told us that "the only closed-loop system" he knew about was that "a hell of a lot of copper is smelted there when the wind blew towards Mexico.[14]

In short, what the Tacoma and El Paso examples appear to show is the weaknesses in an SCS, rather than its strengths. Both smelters appear to have used their systems merely to learn how to avoid preventing excessive concentrations where they could be detected, rather than how to assure protecting persons from harm. It seems fair to assume that similar learning will occur elsewhere if SCS is widely adopted.

These examples point up the general weakness in SCS that it is open to manipulation in so many ways that it cannot be counted on to protect the public. Clearly, the number of "violations" depends in the first instance on the number and placement of sensors, which is in turn dependent on the financial resources of the control agency. Placement will certainly be the subject of negotiation between source and agency, and this will surely produce anomalies. The number of violations also depends on the time intervals of the standards. Washington State regulations, for example, provide a standard for a 5 minute interval, but the Tacoma smelter now operates under a blanket variance from this, apparently because it would have produced too many violations. By contrast, the National Primary Standards' short test interval is one day, assuring a maximum number of violations of 365 in a year. (The National Secondary Sulfur Oxides Standard is for a three hour interval, but it is generally conceded that it is set at such a high concentration that its regulatory effect is nil.[15]).

In sum, it would appear that virtually any figures on the reliability of SCS for assuring attainment of National Standards at all points affected by a source are bound to be little more than artifacts of the Standard itself and the location and number of sensors. Even more important, it would appear that the improved compliance that allegedly comes with experience is in fact little more than increased sophistication at finding the weaknesses in the monitoring systems surrounding the plant.

C. *SCS Is Not an Enforceable Method for Meeting the National Standards.* Compliance with SCS is inherently difficult to enforce, because the degree of compliance depends on hundreds or thousands of low visibility actions each year by the plant operator, any one of which can produce a violation of National Standards. By contrast, an enforcement agency finds it relatively easy to enforce a low sulfur fuel requirement, or requirement to install flue gas cleaning equipment, both of which require essentially one or a few very visible actions on the part of the source owner. If a State agency takes seriously the enforcement of an SCS, it will assure jobs for an entire enforcement apparatus on a permanent basis. There will have to be enforcement attorneys to present each violation to a judicial-type administrative body, and such a body to hear each case. Where such bodies already exist, SCS would guarantee imposing immense new responsibilities on them, which most are not now prepared to handle. Where a decision of an administrative agency is contested, there will be appeals to State judicial systems, with attendant expense and strain on the judicial system. Though the proposed requirement that sources forego the defense that they are not responsible for violations within a given zone (proposed App. P, § 3.2 (d) (1)) will help, EPA should not fool itself into believing that meter readings showing violations will not be contested vigorously. PSAPCA's experience with the Tacoma smelter proves this point forcefully.

There will also be a continual temptation on the part of the State agency to compromise the real reliability of the system in assuring compliance with National Standards rather than "waste" the agency's resources fighting "minor" infractions.

More likely, for the reasons cited above at 7, State agencies will simply not have the manpower and competence to police the sophisticated SCS. Most State agencies do not have the budgets to support the enforcement apparatus necessary to assure compliance. For example, NRDC's investigation of the Tacoma and El Paso smelters mentioned in the EPA proposal repeatedly unearthed mistakes and uncertainties as the number of violations recorded by the agency. The El Paso agency reported violations three times a week from the ASARCO plant yet the State agency could not confirm these

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Footnotes at end of article.

figures when NRDC inquired. In November the New Mexico State agency sent NRDC computer printouts of monitor readings indicating numerous violations caused by the same plant, only to inform us this month that these figures were wholly inaccurate because the "technician had mistakenly been doubling the readings." The PSAPCA presented NRDC with three different and inconsistent inventories of violations from the Tacoma smelter for the same period, and confessed to be mystified at the basis of the figures presented by EPA in the preamble to the proposed rulemaking. Kentucky State officials told NRDC that they do not monitor the TVA Paradise plant cited in the EPA preamble at all.

The proposed regulations do not even provide an enforceable means of assuring ultimate compliance with emission limitations through continuous controls. The proposed regulations' requirement of a "formal review" at suggested intervals of 5 years (proposed App. P, § 3.2(g)), and of a "description" of the source's contemplated program of research on continuous means of control (proposed App. P, § 3.2(b)(5)) would provide no means for a State agency to force a source even to undertake a particular line of research, let alone install any specific equipment.

D. The Use of SCS Cannot be Limited to a Small Number of "Isolated Sources". In proposing to authorize the use of SCS, the Agency makes a good deal of its intent to confine the use of SCS to "a limited number of sources" "under carefully controlled conditions." Proposed App. P, Introduction. Though this intent is laudable, NRDC doubts that SCS can be so confined. Once the Agency has certified that such systems are legal, reliable, and enforceable, it has placed itself on the slippery slope, with no clear way of drawing a line between a source where SCS is acceptable and where it is not. Given the heavy financial incentive for sources to seek adoption of SCS, it can be expected that sources will seek State and Federal approval for more and more dubious applications of SCS, each relying on a previously granted SCS permit granted to a source only slightly less dubious than itself. Having abandoned the high ground of prohibiting SCS altogether, EPA will inevitably be forced through court action or the threat of it, to capitulate to such demands.

The present proposal is itself a vivid illustration of this danger. When EPA first expressed its objection of SCS on grounds of reliability and enforceability, rather than the clear principle of illegality, it virtually invited source owners to produce data designed to allay the Agency's concern. This data has not been produced, and had the predictable effect, even though, as we pointed out previously, pages 13–19, it is riddled with assumptions and defects that vitiate the conclusions drawn from it. Nonetheless, given the immense industry stake in obtaining approval for SCS, and the political divisions within EPA itself, this data has been used as an excuse for the Agency to reverse its better judgment. In the much less visible circumstances of individual applications to use SCS, it can be expected that these forces will operate with even more effect.

D. *The Proposed Regulations Would Allow the Use of SCS in Heavily Populated Areas.* The proposal is written to contain the use of SCS to what it calls "isolated sources" of pollution. This isolation is defined in terms of other air pollution sources, rather than people, however. Proposed App. P. § 1.0. As a result, nothing prevents the application of SCS to sources such as the Tacoma and El Paso smelters, located within plume range of highly concentrated populations. In our view it is unconscionable for the Agency to adopt a policy of continued atmospheric loading in any such area. Redefining the meaning of "isolated" to prevent this outcome, while it would not in our view make the regulation any more acceptable under the statute, would at least provide some assurance that the public would not, in large numbers, be exposed to continued high levels of sulfates and other toxic materials.

FOOTNOTES

[1] 37 Fed. Reg. 15095 (July 27, 1972).

[2] In its flue gas desulfurization hearings, the EPA hearing panel concluded that the installation of such technology had been impeded by the stubborn resistence of the utility industry, some segments of which admitted spending more money to fight the requirements for installing such technology than to make it workable and acceptable on their terms. U.S. EPA, Report of Hearing Panel, National Public Hearings on Power Plant Compliance with Sulfur Oxide Air Pollution Regulations (January, 1974), at 27-28.

[3] *NRDC, et al., v. EPA,* No. 72-2402 (5th Cir.). This case was argued before the Court of Appeals on May 8, 1973.

[4] The strong financial incentive for sources to drag their feet in discovering that continuous controls are available is apparent. For example, EPA now estimates the cost of installing flue gas desulfurization equipment at $50 to $65 per kilowatt or about $30–40 million at an average sized coal fired power plant. U.S. EPA, Report of Hearing Panel, *National Public Hearings on Power Plant Compliance With Sulfur Oxide Air Pollution Regulations* (January 1974), at 55. By contrast, SCS can be installed for about $300,000, and operated for approximately $100,000 a year. EPA briefing paper on SCS, April 1973, p. 14. A very tall smokestack, perhaps 1,000 feet high, might come to about $6 million in capital costs, with virtually no unkeep.

[5] The figure includes costs for sensors, computer time, and 6 to 8 full time employees. Telephone conversation with Frank Dannkoehler, Air Pollution Control Officer, PSAPCA, Nov. 8, 1973.

[6] Briefing paper prepared for EPA conference on SCS (ICS), April 1973, Tab. 6, at p. 3. Attached as Appendix B.

[7] See NRDC, Action for Clean Air (1971), at 47, for figures on State agency budgets at that time. It is also worth noting that in a recent case where EPA's approval of a State Plan was challenged on the grounds that it did not provide adequate assurances of personnel and funding, the Agency defended its approval in large part by reference to the State Governor's request for an additional $250,000 for the budget of the State Agency. *NRDC, et al.,* v. *EPA,* —F.2d—, 5 ERC (1st Cir., 1973), post judgment submission of EPA in response to Court order.

[8] EPA briefing paper, cited previously, at Tab 6, page 4.

[9] The conclusions stated here are widely shared in the scientific community. We have listed, as a bibliography to these comments, some of the studies in which these conclusions are stated. They are incorporated by reference, as are additional studies to the same effect not listed.

[10] EPA briefing paper, cited previously, at Tab 2, page 2.

[11] NRDC contacted six key EPA officials (in the Office of Stationary Source Enforcement, Office of Air Quality Planning and Standards, and EPA Region IV office) concerning this data to learn that the federal agency had no monitoring data, indeed no information whatsoever, on the TVA Paradise plant other than TVA's own reports.

[12] Telephone interview with Mr. Kellogg, PSAPCA, November 8, 1973.

[13] Telephone interview with Rubin Chrismeyer, El Paso City-County Health Unit, October 26, 1973.

[14] This statement is confirmed in the "Report of Investigation at American Smelting and Refining Company, El Paso, Texas," Texas APCS, Feb. 2–4, 1971, referenced in the Federal Register notice to this proposed rulemaking, 38 Fed. Reg. 25700, Sept. 14, 1973. The report states, (p. 7):

"There is not curtailment everyday. When the wind is from the Northeast, regardless of the weather conditions, the plant does not curtail because the plume goes into Mexico . . ."

[15] See Vaughn, Dennis J. and Edward J. Stanek II, "Sulfur Dioxide Standards: Primary More Restrictive Than Secondary?", Journal of the Air Pollution Control Association, December 1973, pp. 1039–1041; and Comments on Proposed Revision of Environmental Protection Agency Regulations on Sulfur Oxides Secondary Standards, submitted by Louis Slesin, Dept. of Urban Studies and Planning, MIT, July 11, 1973.

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U.S. ENVIRONMENTAL
PROTECTION AGENCY,
May 2, 1974.

Subject: Definition of Significant Risk.

From: J. F. Finklea, M.D., Director, NERC–RTP.

To: Bernard J. Steigerwald.

Attached is a draft of the requested document defining significant risk to health. The delay in preparation of this draft was caused by our need to do additional work on the acid-sulfate aerosol problem before writing this paper.

LEVELS OF AIR POLLUTANTS ASSOCIATED WITH ADVERSE HEALTH EFFECTS AND WITH SIGNIFICANT RISKS TO HEALTH

(By J. F. Finklea, D. I. Hammer, and G. I. Love)

Estimates of pollutant levels associated with adverse health effects can provide a rational point of departure from which to assess the impact of ambient air quality deterioration. The soundest of such estimates are likely to be ascertained from the current U.S. Primary Air Quality Standards. The Clean Air Act requires that primary air quality standards be set to fully protect the public health and that these standards contain an adequate margin of safety. Thus the law assumes there exists a "no known effects" threshold for each pollutant and for every adverse health effect. Moreover, the Clean Air Act requires that the primary standards be set to fully protect both specifically susceptible subgroups and health members of the population. One can define significant risk in many ways, the most prudent definition would be any adverse health effect, in other words, the present standards without any safety margin. Another more troublesome but undeniably defensible definition would be the threshold concentration at which there is a demonstrable increase in mortality.

Adverse health effects include both the aggravation of preexisting diseases and increased frequency of health disorders. In addition, good preventive medicine would dictate that evidence for an increased risk of future disease is an adverse health effect. Discussion of what constitutes an adverse effect may become quite vigorous at times. Most reasonable men would agree that mortality (death) and morbidity (illness) constitute adverse effects. However, pollutant exposures are usually not the sole cause of death or the sole cause of any single disease or group of disorders. Furthermore, with few exceptions unique disorders do not follow exposure to the pollutants for which we have established primary ambient air quality standards. There is even more room for honest disagreement when one tries to ascertain which changes in body function indicate a risk for clinical disease and which are either simply adaptive or of uncertain significance.

Especially susceptible population segments include persons with pre-existing diseases which may be aggravated by exposure to elevated levels of pollutants in the ambient air. Some quantitative information is available on the aggravating effects of air pollutants on asthma, chronic obstructive lung disease and chronic heart disease. Asthmatics constitute two to five percent of the general population; three to five percent of the adult population report persistent chronic respiratory disease symptoms; and seven percent of the general population report heart disease severe enough to limit their activity. The distribution of *these conditions* by age, sex, ethnic group, social status and place of residence is better defined by other reports. One could legitimately be concerned about the aggravating effects of air pollutants on a number of other susceptible population segments; persons with hemolytic neoplasms, premature infants and patients with multiple handicaps. Little quantitative information exists about the aggravating effects of pollutants on these individuals.

In addition to the aggravation of symptoms in persons who are already ill, air pollutants may also increase the risk in the general population for the development of certain disorders. Many if not all of the general population may experience irritation symptoms involving the eyes or respiratory tract during episodic air pollution exposures. Similarly, even healthy members of the general population may experience impaired mental activity or decreased physical performance after sufficiently high pollution exposures. The general population, especially families with young children, is almost universally susceptible to common acute respiratory illnesses including colds, sore throats, bronchitis and pneumonia. Air pollutants can increase either the frequency or *severity* of these disorders.

Personal air pollution with cigarette smoke, occupational exposures to irritating dusts and fumes and possibly familial factors increase the risk of developing chronic obstructive lung disease and respiratory cancers in large segments of our population. Ambient air pollutants also can contribute to the development of these disorders. A few animal studies indicate that air pollutants may also accelerate atherosclerosis and coronary artery disease. These conditions affect most of our adult population even though they may be clinically silent. There is legitimate concern but few reliable studies to indicate that air pollutants may cause embryotoxicity, fetotoxicity, teratogenesis and mutagenesis. It is difficult to define which segment of the unborn population might be most at risk. In fact these events are poorly recorded and the relevant existing data are not readily accessible.

Safety margins contained in the present primary air quality standards may be estimated by comparing the present standards to the best judgement estimate of the effects threshhold for each pollutant. As previously mentioned, one method of defining significant risk is to accept the best judgement estimates for adverse health effects and sacrifice the safety margins summarized by pollutant in Table 1.

Sulfur dioxide, acid sulfate aerosols and total suspended particulates are considered together because the assessment of their effects is based largely upon community studies in which it is difficult if not impossible to disentangle the effects attributable to one pollutant from those attributable to another pollutant or to a mixture of the pollutants. Studies which were initially thought to have considered isolated exposures to urban particulates really involved exposures containing substantial amounts of acid aerosols or particulate sulfates. With regard to the short-term standards, aggravation of preexisting cardiorespiratory symptoms in the elderly, aggravation of asthma and irritation of the respiratory tract seem to occur a level lower than those permitted by the relevant primary ambient air quality standards.

The effects noted at sulfur dioxide and suspended particulate levels lower than the standard are in our opinion most likely due to elevated levels of finely divided suspended particulate acid sulfate aerosols which arise from reactions involving sulfur dioxide, particulates and other pollutants in the atmosphere. Our best judgement estimates for threshhold levels of suspended sulfates in ambient air are further detailed in Table 2 along with illustrative health risks that might accompany exposures substantially above each threshhold. Suspended sulfates are the best available though far from perfect proxy for acid sulfate aerosol exposures.

Three points are worth emphasizing: first, the estimates for sulfur oxides and particulates are based on community studies; second, the estimated effects thresholds for particulate sulfates are an order or magnitude lower than those for sulfur dioxide or total suspended particulates; and third, the safety margins present in the ambient air quality standards for sulfur oxides and particulates are quite modest being in all cases less than the standard itself. For the long-term standards, one must realize that average estimates do not always adequately consider the effects of annual repeated short-term peak exposures. For example the lowest best judgment estimate for an effects threshold for increased prevalence of chronic respiratory disease symptoms is based upon annual average estimates in a smelter community where repeated short-term peak exposures occurred. The lowest annual average exposures involving less marked fluctuations in short-term levels were considerably higher. The safety margins contained in the annual average standards seem only slightly more adequate than was the case with the short-term standards.

Nitrogen oxide exposures are now controlled on the basis of an ambient air quality standard for nitrogen dioxide. Investigators have expressed concern that exposures to organic nitrates, nitrous acid, nitric acid and suspended particulate nitrates have not been adequately considered. In fact, preliminary epidemiologic data have associated the aggravation of asthma with suspended nitrate levels of about 4–6 ug/m^3 per 24 hours. There is no short term Federal standard for nitrogen dioxide. The existing long-term standard, seems adequate with a margin of safety somewhat greater than those for sulfur oxides and suspended particulates.

Adverse health effects attributable to *carbon monoxide* differ markedly from those associated with the other ambient air quality pollutants. Decreased oxygen transport and interferences with tissue respiratory mechanisms result in a different array of worrisome effects. Clinical studies of carbon monoxide effects predominate. A limited number of experimental animal studies and population studies involving certain of the adverse effects associated with cigarette smoking may also be relevant. The existing 8 hour and 1 hour standards permit a 130% and 82% margin of safety, respectively at sea level. At higher altitudes (≥1500 meters). These safety margins would both be less than 100%.

Adverse health effects associated with *photochemical oxidant exposures* involve a different set of considerations. Photochemical oxidants include compounds other than ozone which are quite irritating to the eyes. Ozone itself is thought to be radiomimetic thus focusing concern on accelerating aging, increased risk for malignancies, mutagenesis, embrytoxicity and teratogenesis. Information on susceptibility to acute respiratory disease, risk for mutations and impaired fetal survival is limited to animal studies. Photochemical oxidants are of interest for another reason, many of the studies were conducted some years ago before research methodologies were refined. These pioneer studies may not have adequately addressed the problem. In estimating effects thresholds, there is little uncertainty regarding irritation phenomenon and a great deal of uncertainty when considering other adverse effects. No estimates are possible for two of the more severe health effects—accelerated aging and malignancies. It is also worth emphasizing that assessment of potentially grave health effects depends on a small number of largely unconfirmed studies.

Several factors must be kept in mind when considering the calculation of safety margins presented in Table 1. First, safety margins are not as precise as the percentage estimates would at first seem to indicate because of the underlying uncertainties in measurment methods and in estimates of effects threshholds. Second, consistency in safety margins was not a major consideration in setting primary ambient air quality standards. Third, the apparent margins of safety have decreased as more complete health studies on susceptible populations have become available. Fourth, the safety margins contained in the primary ambient air quality standards are much smaller than those maintained for the control of ionizing radiation and most environmental chemicals. In no case does the safety margin for a pollutant clearly exceed the standards for that pollutant. Even the most extreme best judgment safety margin is less than ten times the relevant standard. Finally, there is little or no safety margin associated with the sulfur dioxide-suspended particulate-fine particulate sulfate combination. In general, therefore, little or no deterioration of air quality can occur without a subsequent increase in adverse health effects.

Another definition of significant risk might be the earliest level at which increases in daily mortality are observed. This definition can be reasonably applied only to sulfur dioxide, acid sulfate aerosols measured as suspended sulfate and total suspended particulate. Such values are summarized in Table 3. It is our best judgement that there is a significant risk for increased mortality over an urban region for 24 hours if sulfur dioxide levels exceed 400 ug/m^3, if suspended sulfates exceed 25 ug/m^3 or if total suspended particulates exceed 300 ug/m^3. Exposures of this magnitude or larger to small areas where people do not spend an entire day or where susceptible infirmed or apparently healthy elderly persons do not reside might still be deemed permissable. For example, acceptable occupational exposures involving limited numbers of health prescreened adults exposed for 40 hours or less each week might be allowed to exceed significant risk levels for the general population.

Another approach to the significant risk problem would be to recognize the lowest achievable ambient pollution levels consistent with competing broad national goals, calculate the probable resulting unavoidable health damages and endeavor to reduce these health damages as soon as possible. Finally, one could attempt a formal cost-benefit analysis but it is likely that this approach would be most controversial at the present time because health damage functions are not yet precisely defined.

TABLE 1.—EFFECTS THRESHOLD, BEST CHOICE SIGNIFICANT RISK LEVELS AND SAFETY MARGINS CONTAINED IN PRIMARY AMBIENT AIR QUALITY STANDARDS

	Lowest best judgment estimate for effects threshold and best choice for significant risk levels				
Pollutant	Concentration	Averaging time	Adverse health effect	U.S. primary air quality standard	Margin of safety* (percent)
Sulfur dioxide	300 to 400 ug/m^3	24 hour	Mortality increase	365ug/m^3	None
	91 ug/m^3	Annual	Increased frequency of acute respiratory disease	80ug/m^3	14
Total suspended particulates	250 to 300 ug/m^3	24 hour	Mortality increase	260 ug/m^3	None
	70 to 250 ug/m^3	do	Aggravation of respiratory disease	260 ug/m^3	None
	100 ug/m^3	Annual	Increased frequency of chronic bronchitis	75 ug/m^3	33
Suspended sulfates	10 ug/m^3	24 hour	Increased infections in asthmatics	None	None
	15 ug/m^3	Annual	Increased lower respiratory infections in children	None	None
Nitrogen dioxide	140 ug/m^3	do	Increased severity of acute respiratory illness in children	100 ug/m^3	40
Carbon monoxide	23 ug/m^3	8 hour	Diminished exercise tolerance in heart patients	10 ug/m^3	**130
	73 ug/m^3	1 hour	Diminished exercise tolerance in heart patients	40 ug/m^3	**82
Photochemical oxidants	200 ug/m^3	do	Increased susceptibility to infection	160 ug/m^3	25

*Safety margin equals effects threshold minus standard divided by standard X 100.

**Safety margins based upon carboxyhemoglobin levels would be 100 percent for the 8 hour standard and 67 percent for the 1 hour standard.

TABLE 2.—THRESHOLD AND ILLUSTRATIVE HEALTH RISKS FOR SELECTED AMBIENT LEVELS OF SUSPENDED SULFATES

		Illustrative health risk		
Adverse health effect	Threshold concentration and exposure duration	Definition	Level	Sulfur dioxide equivalent
Increase in daily mortality	25 ug/m^3 for 24 hr or longer	2½ percent increase in daily mortality	38 ug/m^3 for 24 hr	600 ug/m^3 for 24 hr.
Aggravation of heart and lung disease in the elderly.	9 ug/m^3 for 24 hr or longer	50 percent increase in symptom aggravation.	48 ug/m^3 for 24 hr	750 ug/m^3 for 24 hr.
Aggravation of asthma	6 to 10 ug/m^3 for 24 hr	75 percent increase in frequency of asthma attacks.	30 ug/m^3 for 24 hr	450 ug/m^3 for 24 hr.
Excess acute lower respiratory disease in children.	13 ug/m^3 for several yr	50 percent increase in frequency	20 ug/m^3 annual average	100 to 250 ug/m^3 annual average.
Excess risk for chronic bronchitis	10 to 15 ug/m^3 for up to 10 yr	50 percent increase in risk	15 to 20 ug/m^3 annual average	100 to 250 ug/m^3 annual average.

TABLE 3.—BEST JUDGMENT ESTIMATES FOR "SIGNIFICANT RISK" LEVELS FOR EXPOSURES TO SULFUR OXIDES AND SUSPENDED PARTICULATES USING THE MORTALITY CRITERIA

	24-hour exposure level (ug/m³)		
Adverse effect	Sulfur dioxide	Suspended sulfate	Total suspended particulates
Mortality threshold	400	25	300

ENERGY REQUIREMENTS ARE BALANCED WITH ENVIRONMENTAL CONSIDERATIONS—COAL PROVIDED WITH PLAN TO AID FUEL NEEDS

Mr. RANDOLPH. Mr. President, the conference report on the Energy Supply and Environmental Coordination Act of 1974 is the end product of more than 6 months' work in the Senate. This legislation is concerned with matters that were earlier addressed in the Emergency Energy Act, S. 2589, which was unwisely vetoed by the President. It contains provisions to alleviate conditions like those imposed on this country by the severe energy shortage which struck last winter and which could affect us again.

The conference report before the Senate is not a hastily conceived measure. Nor is it one written in a panic induced by sharply reduced foreign petroleum supplies. The energy crisis, I must emphasize, is not a situation that developed suddenly last autumn. It had been developing for many years as our appetite for oil grew faster than domestic production. The Arab oil embargo merely precipitated a serious shortage earlier than expected.

The Energy Supply and Environmental Coordination Act is our response to a new set of energy and environment realities with which we must live in the years ahead. The production of energy in amounts adequate for our national needs is an attainable goal compatible with our commitment to environmental protection. The writing of this legislation took place with that conviction in mind.

The provsions of this measure were determined following a series of productive conferences with conferees from the House of Representatives. I am particularly appreciative of the contributions of my able colleague from West Virginia, Representative HARLEY O. STAGGERS, the distinguished chairman of the House Commerce Committee. His awareness of the issues and his deep concern for the problems we faced were evident in his approach to the task of the conference. He exhibited leadership that enabled us to bring our deliberations to a successful conclusion with realistic and workable legislation.

Major contributions to our efforts were made by Senator EDMUND S. MUSKIE, the knowledgeable chairman of our Subcommittee on Environmental Pollution, and by the diligent Senator from Tennessee (Mr. BAKER), the ranking minority member of the committee. I am likewise indebted, for their helpful participation and contributions, to Senator MONTOYA and Senator STAFFORD, the other conferees from the Public Works Committee.

The Senate was also represented in the conference by members of the Committee on Interior and Insular Affairs, including the distinguished chairman of that committee, Senator JACKSON, and Senators BIBLE and FANNIN.

Mr. President, a major feature of this legislation are provisions facilitating many electric powerplants to switch to coal from other fuels. Coal is our most abundant domestic energy resource, one for which we need not rely on foreign countries. If this Nation is to be successful in approaching energy self-sufficient in the years ahead, we must increase our utilization of America's most abundant energy resource—coal.

This legislation serves as a clear signal that a national commitment to a greater use of coal is an essential part of our natural energy production system. Furthermore, it reflects congressional belief that the use of coal is not incompatible with environmental quality enhancement. Under the provisions of this measure, according to the EPA, some 23 electric generating plants now fueled with oil or natural gas should be able to convert to coal. These plants involve approximately 40 generating units and produce a substantial amount of power.

It is important to stress that conversion to coal is not permitted in any area where such conversion would endanger public health or violate primary air quality standards. Nevertheless, according to preliminary data furnished by the EPA, units should be able to immediately convert to coal consistent with the requirements set forth in this conference agreement. An additional 5 powerplants, involving 9 units, before conversion will require additional particulate controls and some 7 more powerplants, or 11 units, will require either low sulfur coal or stack gas scrubbers.

In recognition of the present public debate on the availability of sulfur oxide control, encouragement is provided under the conference agreement to the preferential use of low sulfur coal, at this time, rather than stack gas scrubbers.

The conversion of these 23 powerplants would require approximately 23 million tons of coal per year, or a 4-percent increase in our national demand for coal.

The authority granted by this legislation for powerplants to convert to coal carries with it a challenge. The coal industry, the utility industry and the suppliers of pollution control equipment all must work together so that coal can achieve its potential in meeting the energy needs of our country and the American people. The passage of this legislation also will be a signal of our confidence in coal as a reliable source of energy in the future and our commitment to energy self-sufficiency. Such a signal should encourage the flow of capital resources to the mining industry and thus enable it to make the substantial investments necessary for assured, long-termed coal supplies.

Mr. President, adoption of this conference report by the Senate and its signing by the President will not relieve us, however, of our responsibilities in the energy field. Despite some relief since the lifting of the Arab oil embargo, the energy crisis is far from being resolved. Government must return without delay to the formulation and implementation of a national fuels and energy policy aimed at freeing this Nation from excessive reliance on foreign energy supplies. It has often been pointed out that our country, with 7 percent of the world's population, consumes more than one-third of the world's energy. This fact makes it essential that energy occupy a continuing and prominent position in our planning for the future.

Other energy legislation will be brought to the Senate. Today we have an opportunity to take an important step forward in meeting immediately our country's energy requirements in a realistic manner, and I urge the Senate to take that step by approving this conference report.

Mr. BAKER. Mr. President, I join my colleagues, the able chairmen of the Subcommittee on Environmental Pollution, the Senator from Maine (Mr. MUSKIE), and of the full committee, the Senator from West Virginia (Mr. RANDOLPH), in congratulating the conferees on completing action on this valuable and necessary legislation.

The Senate version of H.R. 14368 made a number of improvements over the House version of the bill, and I referred to those when the bill was considered on the floor of the Senate. I am pleased to report that the conference version before us is still better in a number of respects.

I believe that the procedures and criteria have been much improved with regard to authority that the Federal Energy Administrator will be given to order powerplants and other major fuel burning sources to convert to coal.

The Federal Energy Administrator will make a number of determinations regarding the practicability of conversions and with regard to whether those plants have the capability and necessary plant equipment to convert. The Environmental Protection Agency, however, will make the vital determinations as to when and under what conditions such conversions can take place compatibly with Clean Air Act requirements. This division of responsibility, which was a feature of the Senate version of the bill, has been improved by dovetailing the administrative actions required of both agencies. For example, when an FEA order to convert to coal is proposed, EPA must indicate how soon and under what conditions the Clean Air Act requirements can be met. Only after such EPA notification can the coal conversion order take effect. This assures that we can have the maximum practicable conversion to coal over the years ahead while assuring that requirements for clean and healthful air are achieved.

I have faith that the momentum toward cleaner air which was begun with the 1970 amendments to the act will continue unabated. A principal reason for this faith is that—as the conference report clearly provides—before a long-term order by FEA to convert to coal takes effect and before the corresponding long term compliance date extension is granted by EPA—that is, one which extends beyond June 30, 1975, and which permits a utility to burn coal until

1979—EPA must approve a compliance plan, which includes the means for and schedule of compliance, that assures both that interim requirements can be met and that full compliance with more stringent requirements will be attained by 1979.

This means that, for a compliance date extension beyond June 30, 1975, a stationary source which converts to coal must comply with primary standard conditions—low sulfur fuel, intermittent controls, continuous emission control devices, or a combination of these—and regional limitations, and, as soon as practicable but not later than 1979, must, pursuant to the plan it submits and has approved before the extension is granted, obtain either a long-term supply of complying coal or, if such coal is not available, another source of coal and a contract or other enforceable obligation for a continuous emission control device. In either event, the source must meet, by the end of its compliance date extension, the most stringent degree of emission control that it would have had to meet by 1975 or 1977 under the State implementation plan.

These requirements should not delay coal conversions since EPA is required to develop the regulations governing plans for means for and schedules of compliance within 90 days after enactment and must make the requisite findings precedent to granting a compliance date extension within 60 days after it is proposed.

The requirement in the conference report and in the statement of managers for a long-term supply of low-sulfur coal as the preferred method of compliance with the Clean Air Act requirements is one which I sponsored and which I support fully. This does not mean that the conferees intend to push utilities toward the use of low sulfur western coal. On the contrary, the long-term contracts are intended to provide a period in which high Btu, low sulfur eastern coal can be developed by the opening of new deep mines.

I am concerned about the conference report provision that powerplants unable to obtain sufficient low sulfur coal or coal alternatives to meet emission limitations applicable under the law must undertake to obtain continuous emission reduction systems which are capable of meeting these limitations by 1979 while burning high sulfur coal. Although the term "continuous emission reduction system" is broad enough to encompass a broad range of technology, I foresee the possibility that certain specific solutions to the problem of sulfur oxide emissions might receive undue emphasis. For this reason, I want to emphasize that the term is meant to indicate any technology involving advanced techniques of combustion of coal—such as the fluidized-bed process—or after-treatment of combustion gases—for example flue gas desulfurization, better known as scrubber technology.

In my estimation, processes which attempt to after-treat combustion gases will not provide the ultimate solution to the sulfur problem. Such processes are of necessity ancillary to the power generation function and must therefore result in compounding power generation problems.

The limestone scrubbing technology, for instance, requires the reheating of cooled stack gases. This and other aspects of the technology entail a considerable cost in energy. Most current scrubbers experience problems with clogging and scaling, and compound environmental problems because they require large amounts of surfaced-mined materials and because they generate large quantities of limestone slurry which must be recovered, stored by ponding or otherwise disposed of. Eventually these problems with scrubbers may be resolved through technological advances. I recognize that only with a sufficient number of demonstrations by industry can this or any other technology be developed. We will make a serious mistake, however, if we dedicate technical research capacities only to the resolution of these problems to the exclusion of other technologies which involve fewer secondary environmental and energy problems than scrubbers. I believe that, in time, liquid or gaseous fuels derived from coal, solvent-refined coal, and fluidized bed combustion will prove to be better alternatives if the coal and utility industries make large scale efforts to bring these technologies to fruition. Meanwhile, I trust that the Administrator of EPA will not proceed to order all powerplants converted to scrubbers before they are proved reliable, efficient, and cost effective.

Mr. President, the provisions of the conference report with respect to coal conversion and clean air requirements for stationary sources represent a remarkable conciliation of what have appeared to be incompatible goals, that is, further use of our plentiful domestic fuel reserves and continued progress toward clean air. In these objectives and in its specific provisions, I believe that the bill may well serve as a model for other changes in the Clean Air Act that will be required in the months ahead.

I am reassured by the fact that we are at last dealing in this conference report with the critical need of the automobile industry for some temporary extensions in the very stringent requirements which were laid down in the 1970 amendments. This will permit the auto makers to achieve maximum fuel economy, to explore alternative types of engines, and to make reliable progress toward taking the automobile out of the air pollution problem.

I support fully the action the committee has taken today to reaffirm the intention of the National Environmental Policy Act that such environmental regulatory actions as those under the Clean Air Act are not among those for which environmental impact statements are needed. NEPA was intended to inject environmental consciousness into agencies with construction, development and other such responsibilities. It would be redundant and in many cases counterproductive if applied to EPA's environmental regulatory activities.

The extension of the authorizations for appropriations for the Clean Air Act contained in this legislation means that we will be able to consider other changes in the act that may be required without the pressing deadlines of funding expiration facing us.

In conclusion, Mr. President, I wish to congratulate my colleagues, the distinguished chairman of the Public Works Committee (Mr. RANDOLPH), the most able and dedicated subcommittee chairman (Mr. MUSKIE), the knowledgeable ranking minority member of the subcommittee (Mr. BUCKLEY), and my able minority colleague on the conference committee (Mr. STAFFORD). All of these gentlemen have contributed immeasurably to developing legislation which is much improved over the previous versions which were considered earlier in this session. I urge prompt and unanimous support of this legislation by my Senate colleagues and prompt signature of the bill by the President.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

Mr. BIBLE. Mr. President, I yield back the remainder of my time.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Colorado. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Louisiana (Mr. LONG), are necessarily absent.

I further announce that the Senator from Montana (Mr. METCALF) and the Senator from Missouri (Mr. SYMINGTON), are absent because of illness.

I also announce that the Senator from Iowa (Mr. CLARK) is absent because of illness in the family.

I also announce that the Senator from

Wyoming (Mr. McGee) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), the Senator from Maryland (Mr. Mathias), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The result was announced—yeas 22, nays 67, as follows:

[No. 252 Leg.]

YEAS—22

Abourezk
Biden
Chiles
Church
Gravel
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Johnston
Kennedy
McIntyre
Metzenbaum
Mondale
Muskie
Nelson
Proxmire
Ribicoff
Schweiker
Stevenson

NAYS—67

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Magnuson
Mansfield
McClellan
McClure
McGovern
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—11

Bayh
Clark
Fulbright
Hatfield
Javits
Long
Mathias
McGee
Metcalf
Percy
Symington

So Mr. Haskell's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BAKER. I send to the desk an unprinted amendment and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,032,690,000".

Mr. BAKER. Mr. President, I will not take very long. I am very hopeful that the manager of the bill will see fit to accept this amendment.

This deals with an additional $9 million of funding for the Atomic Energy Commission to expand and extend our research on controlled thermonuclear research. All of us believe, I think, that the ultimate clean fuel in abundant quantity may well result from our research in this area.

This is a relatively modest amendment, Mr. President. It represents what we believe we can efficiently spend; and I would hope the managers of the bill might see fit to accept this modest amendment.

Mr. PASTORE. Will the Senator yield?

Mr. BAKER. Yes, I yield to the Senator.

Mr. PASTORE. I understand this amendment was allowed by the House and cut by the Senate committee; is that correct?

Mr. BAKER. That is my understanding.

Mr. STENNIS. Mr. President, concerning the amendment that the Senator offers, the Subcommittee on Appropriations, and the Appropriations Committee, too, did not decrease this item from what the budget had allowed. Instead we approved the full budget, which was an increase of $29 million over fiscal 1974.

We did strike out the $9 million, as the Senator from Tennessee says, that had been added by the House.

The Senator from Tennessee has several amendments here, six in all, I believe.

Mr. BAKER. Five.

Mr. STENNIS. Five in all. We have discussed these amendments, their pros and cons, back and forth. This first one that he calls up here is one as to which I have decided, everything considered, that the $9 million increase could well apply, along with the other increases. It does not have to be spent. I was not opposed—we were not opposed—to the program at all. It is just a matter of trying to stay within the budgeted amount and save some money or to stop the spending of money unnecessarily for any purpose.

So under the reconsideration of this matter, Mr. President, and making adjustments here as to this amendment as well as the other amendments, the Senator from Tennessee has in mind, and if it is agreeable to the Senate, the committee will recede from its position and accept the amendment.

Mr. PASTORE. Will the Senator yield?

Mr. BAKER. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. I will not prolong this discussion in view of the fact that the Senator from Mississippi has accepted the amendment.

But to correct the record, it is true that this amount is slightly higher than the budget estimate. But it is an amount that was authorized by the Joint Committee on Atomic Energy.

Why did we authorize a larger amount? The mere fact is that in recent years we have been having difficulty in establishing nuclear plants throughout the country, and the objection has come from the public merely on the grounds of safety and contamination and environmental considerations.

I have no fear about the safety of a nuclear plant. But the argument has been made time and time again that we ought to get in thermonuclear power, which is clean power, and that is what we are talking about. In this time of an energy crunch, the best place to put our money in research is in trying to develop a nuclear power that is absolutely clean and uncontaminated. That is what this money is all about. This is the amount that was studied by the Joint Committee on Atomic Energy, and while it was not requested by the administration it was authorized by Congress.

Mr. BAKER. Mr. President, I thank the Senator from Rhode Island.

I am most pleased that the distinguished Senator from Mississippi has agreed to accept the amendment.

Mr. President, the amendment would increase the total figure for Atomic Energy Commission operating expenses by $9 million. One of the most hopeful programs of the energy research and development effort is the controlled thermonuclear research program of the AEC. Its primary goal is the development of a major new prime source of energy which could be essentially inexhaustible. The system also has the potential of utilizing an inexpensive fuel supply, and of having inherent safety and *minimum* environmental impact. The most significant long-term impact of the introduction of fusion power will be the utilization of an entirely new fuel for which there are no competing needs. This could result first in an independence of foreign sources of fossil fuels and, thereafter, the release of U.S fossil fuels for other more vital applications.

The AEC's objective for the controlled fusion power program is to have in operation a demonstration electrical power reactor by the mid-to-late 1990's. The AEC is concentrating on magnetic confinement techniques based upon plasma physics.

They have reported that during the past year there has been progress in solving some of the more fundamental problems of plasma physics. This lends encouragement that the objectives will be met. The AEC has also reported that the outlook for further significant gains over the next few years now appears excellent.

The Joint Committee on Atomic Energy and the House Appropriations Committee recommended an additional $9 million be added to the AEC request for $82 million in operating expenses to insure that promising work will continue in materials research, exploratory concepts, and technique improvements to speed up the possible achievement of the various milestones required to operate a demonstration plant. The Senate Appropriations Committee, however, did not concur in this $9 million add-on. Although the committee report strongly supports CTR, it argues that the sharp increase in funding of this project in the last 2 years militates against funding it at a level in excess of what OMB requested.

What is overlooked, however, is the fact that the funding increases are in direct proportion to the phenomenal increases in CTR technology; and in the wake of such promising breakthroughs, it behooves us to fund this program at the higher level. In this way, we might precipitate additional breakthroughs resulting in the actual operation of a CTR demonstration plant before the mid-to-late 1990's.

For this reason, I urge adoption of this amendment.

I am prepared to proceed to a vote on the amendment.

The PRESIDING OFFICER. Does the Senator yield back the time?

Mr. BAKER. I am happy to yield back the time.

Mr. STENNIS. I yield back the time.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I call up an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 8, line 23, delete "$432,470,000" and insert in lieu thereof "$433,970,000".

Mr. BAKER. Mr. President, this amendment deals with an increase of $1,500,000 for the initiation of planning and developmental work on a molten salt breeder reactor demonstration plant. It is, once again, a modest sum but, in my view, it is absolutely essential for the future of our energy program that we continue with our development of this promising technology.

I have discussed this with the Senator from Mississippi. The Senator from Rhode Island and I have agreed that this is a highly desirable amendment. It will be my hope that it might be accepted by the manager of the bill.

Mr. President, this amendment would increase by $1.5 million the total figure in the bill for Atomic Energy Commission plant and capital equipment expenditures. In Public Law 93-276, the Congress authorized project 75-5-g, the molten salt breeder reactor demonstration plant. All that was envisioned here was the initiation of the preliminary planning in preparation to the possible construction of a demonstration plant. As most already know, such construction normally takes between 7 and 9 years. The $1.5 million authorized was supposed to fund an investigation of the feasibility of forming an industrial-governmental cooperative effort necessary for this sort of undertaking.

There is no question in my mind that molten salt holds a great deal of promise as a supplement to the liquid metal fast breeder reactor and the Joint Committee's approval of these funds would seem to confirm that fact. Moreover, the Atomic Energy Commission, in testimony before the Joint Committee, spoke of the enormous potential of the molten salt concept. And yet, the Senate Appropriations Committee eliminated the funds for the molten salt demonstration plant on the basis that it was premature, "primarily because of the lack of sufficient base technology to proceed with such planning at this time."

Although I will not question the fact that there are specific technological questions in the surface cracking which was experienced in the past, I am told by the Oak Ridge National Laboratory that these problems have largely been resolved and all that remains is the need to test the new surface over a period of 2 or 3 years. However, this can be done while preliminary planning for the demonstration plant begins. Indeed, if we were to wait the full 3 years before any work was begun on integrating industrial and governmental efforts, then a molten salt demonstration plant would not be possible until the late 1980's with a commercial plant out of the question until the mid-1990's.

While that may seem to be a reasonable target date for some of the less developed technologies, it is a serious setback to a technology as developed and as promising as molten salt. This is why I urge the restoration of the $1.5 million so that the necessary preliminary work can go forward and we might realize the true commercial benefits of this concept before the turn of the century.

Mr. STENNIS. Mr. President, I appreciate the remarks of the Senator from Tennessee. After consideration of this amendment, along with others to which we have already made reference, I am glad to recommend to the Senate that we restore this amount of $1.5 million for the preliminary planning covered by this amendment.

Mr. BAKER. Mr. President, I thank the Senator from Mississippi, and I yield back the remainder of my time.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Tennessee (Mr. BAKER).

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,027,690,000".

Mr. BAKER. Mr. President, I intend to withdraw this amendment. I have two others in a similar category on which I shall not insist on a vote. I would like to offer them, and would like my statements in reference thereto to be included in the RECORD, but, on the basis of conversations that we have had with the distinguished manager of the bill and the distinguished Senator from Rhode Island, I will withdraw the amendments.

Mr. President, this amendment would increase the total figure in the bill for Atomic Energy Commission operating expenses by $4 million. This money was authorized by the joint committee and approved by the House for research and development of a catalytic process for coal liquefaction. As everyone knows, coal is America's most abundant natural resource. Coal liquefaction envisions the conversion of coal into synthetic liquid fuels. The benefits of an effective and relatively low-cost conversion method should be obvious.

They were obvious to the Senate Appropriations Committee who included funds for this matter under Department of the Interior programs. However, by eliminating the $4 million authorized for the Atomic Energy Commission's work in this area, they have missed a unique opportunity to take advantage of a team of 30 highly qualified scientists and engineers at Oak Ridge National Laboratory. This team has special expertise in the chemistry and chemical engineering process necessary for the development of an effective conversion process. Moreover, Oak Ridge has been studying coal conversion for over a year and has, in fact, coordinated its efforts with the Interior Department who has transferred moneys to the AEC for that purpose.

In proposing the restoration of these funds, I am not attempting to undermine the Interior Department's efforts in this regard, but rather attempting to complement them and enlist the incomparable resources of the Oak Ridge National Laboratory in this important energy project.

Mr. President, before withdrawing the amendment, I yield to the Senator from Alabama on another matter.

Mr. ALLEN. Mr. President, as I understand, this time is being yielded by the Senator from Tennessee on his time.

Mr. BAKER. Mr. President, I do not wish to delay the consideration of the pending bill, but the Senator from Alabama asked me to yield so he could speak on a matter which I believe is of significance to the Senate, which is not directly involved, but which I believe to be important.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Tennessee, also the distinguished Senator from Arkansas, and the distinguished Senator from Mississippi.

SENATE RESOLUTION 339—SUBMISSION OF A RESOLUTION COMMENDING SECRETARY OF STATE HENRY KISSINGER

Mr. ALLEN. Mr. President, I wish to offer at this time a Senate resolution. I do not ask for the immediate consideration of the resolution, because there may be some Senators who would not agree, and I certainly would not wish to take undue advantage of them.

I ask unanimous consent, however, that the resolution that I propose to offer be allowed to remain at the desk for the signatures of other cosponsors, such cosponsors to be considered as having been cosponsors at the time the resolution is introduced.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, the distinguished Senator knows that I personally have no objection, but for several years there have been some objections to this type of request. There were some by the late Senator Dirksen, at the time he was a Member of the Senate, and subsequent thereto. I am sure if the Senator would limit the time to today I would have no objection.

Mr. ALLEN. That is what the Senator from Alabama was requesting.

Mr. ROBERT C. BYRD. I am sorry; I misunderstood.

Mr. ALLEN. That at the end of the day, the consideration of the resolution be deferred in accordance with the Senate rules, but that it lie at the desk until the close of business today.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, the resolution will be received and appropriately referred.

Mr. ALLEN. Mr. President, this is a resolution offered in support of Dr. Henry Kissinger and his efforts as Secretary of State to bring lasting peace to troubled areas throughout the world, and to express our confidence in Dr. Kissinger and in his integrity, his ability, and his veracity.

The resolution reads as follows:

Whereas, Secretary of State Henry Kissinger has done a masterful job in the cause of peace throughout the world—in the Mid-East, with Russia, and China, and elsewhere in the world; and

Whereas, a principal factor in the success he has achieved has been the confidence that the opposing sides in the various areas of negotiation have had in Dr. Kissinger's integrity, sincerity, and veracity; and

Whereas, the entire world is indebted to Dr. Kissinger for his efforts in the cause of world peace; and

Whereas, the people of the United States are grateful to Dr. Kissinger for his brilliant work, Now Therefore Be it Resolved by the United States Senate that:

1. Dr. Kissinger be commended on his outstanding contributions to the cause of world peace.

2. Deep gratitude to Dr. Kissinger for his services is hereby expressed by the Senate.

3. That the United States Senate holds in high regard Dr. Kissinger, and regards him as an outstanding member of this Administration, as a patriotic American in whom it has complete confidence, and whose integrity, and veracity are above reproach.

4. That the U.S. Senate wishes for him success in his continuing efforts to achieve a permanent peace in the world.

Mr. President, the sponsors of this resolution—and I feel confident that had we had a little more time we could have obtained the sponsorship of very nearly every Member of the Senate—are, in addition to myself, my distinguished senior colleague from Alabama (Mr. Sparkman), the distinguished Senator from South Carolina (Mr. Thurmond), the distinguished Senator from Nebraska (Mr. Curtis), the distinguished Senator from Tennessee (Mr. Baker), who was kind enough to yield to me at this time, the distinguished Senator from Wyoming (Mr. Hansen), the distinguished Senator from Washington (Mr. Jackson), the distinguished Senator from Georgia (Mr. Nunn), the distinguished Senator from Florida (Mr. Chiles), the distinguished Senator from Kentucky (Mr. Huddleston), the distinguished Senator from Nevada (Mr. Bible), the distinguished Senator from Arkansas (Mr. McClellan), the distinguished Senator from New Hampshire (Mr. Cotton), and the distinguished Senator from Michigan (Mr. Griffin).

Mr. President, I feel that at this critical time in international affairs, there would be a vacuum in the Senate unless the Senate expresses its confidence in Dr. Kissinger and in his ability, his integrity, and his veracity. I feel that he has done an outstanding job in the cause of world peace, and at this time, while he is in the Mideast with the President, certainly the U.S. Senate very properly should go on record as expressing its confidence in Dr. Kissinger, and to thank him. I think that failure to do this heretofore has been a notable omission, to thank him for his efforts, the superhuman efforts that he has exerted in an effort to bring peace to the Mideast.

Mr. President, I submit the resolution under the request that was acceded to by the Senate.

Mr. STENNIS. Mr. President, will the Senator yield to me quite briefly?

Mr. ALLEN. I yield.

Mr. STENNIS. I am very much interested in the subject matter of the Senator's resolution. I have been tied up here, as the Senator knows, on appropriation matters, and have not had a chance to look it over thoroughly, but I certainly expect to do so, and there will be opportunity, now, for joining the Senator as cosponsors for the remainder of today.

Mr. ALLEN. That is correct, yes.

Mr. STENNIS. I will certainly look it over with that in view.

I commend the Senator for his effort.

Mr. ALLEN. I thank the Senator.

Mr. BAKER. Mr. President, I commend the distinguished junior Senator from Alabama for his initiative in this respect, and I express my gratitude to him for including me as a cosponsor of his resolution.

Mr. THURMOND. Mr. President, it is outrageous that Secretary of State Henry Kissinger who has achieved such diplomatic successes under very difficult circumstances must now carry the extra burden of serious and misleading innuendo being leveled against him. The unattributed leaks of information about him are scurrilous, dangerous and damaging to our foreign policy.

Secretary Kissinger has just completed several weeks of the most sensitive diplomatic negotiations which resulted in a cease fire in the Middle East. Such an accomplishment was possible only because of his dedication, skill, and integrity.

These leaks circulating about the role Secretary Kissinger played in national security wiretaps are contemptible. He says he did not initiate any wiretaps. The whole question raised by these reports revolves around a matter of semantics and is not worthy of such national debate. There is a clear difference between such words as "initiate," "authorize," "recommend," or "request" and I suggest reference to a common dictionary for explanations of such distinctions. Secretary Kissinger is a man of truth whose standing both at home and abroad needs no defense.

Mr. President, the question of wiretaps is a matter which comes under the purview of the Director of the Federal Bureau of Investigation, the Attorney General, and the President, and such official eavesdropping is certainly not unprecedented in previous national administrations. When approved procedures are followed, it is not illegal, nor is it immoral. If wiretapping was authorized by the President in keeping with national security policy and laws, then this whole matter is nothing more than verbiage calculated to embarrass and damage Secretary Kissinger.

The circulation of anonymous reports challenging his truthfulness about these wiretaps is typical of so many derogatory insinuations which get general distribution in our national life today It is unfortunate, to say the least, that "leaks" of misleading information can exist in our Government and gain not only national but international circulation.

The resignation of Secretary Kissinger would be most damaging to our Nation and its international relations. These whispered assaults on his honor which gain gross amplification in the echo must be stopped.

Mr. President, I am pleased to join the distinguished Senator from Alabama (Mr. Allen) and other Senators in authoring the resolution expressing full confidence in Secretary Kissinger.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

Mr. BAKER. Mr. President, I am now prepared to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. BAKER. I shall not call up my other two amendments at the desk, dealing further with the matter discussed with the distinguished Senator from Mississippi. I ask unanimous consent, however, that my remarks in conjunction with the other amendments may appear in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

On page 8, line 23, delete "$432,470,000" and insert in lieu thereof "$462,470,000".

Mr. Baker. Mr. President, this amendment would increase the total figure in the bill for

Atomic Energy Commission Plant and Capital Equipment Expenditures by $30 million. Of that amount, $20 million would go to the Cascade Improvement Program (CIP) while the remaining $10 million would go to the Cascade Uprating Program. Although these programs were funded at a higher level by the Joint Committee and the House Appropriations Committee, the Appropriations Committee in the Senate reduced funding for the Cascade Improvement and Uprating Programs by $30 million. My amendment would attempt to restore that cut.

There are a number of reasons why, in my judgment, the additional $30 million is necessary, but first I should explain what these two programs entail.

The Cascade Improvement Program is designed to increase the capacity of the AEC's three gaseous diffusion plants located at Oak Ridge, Tennessee, Paducah, Kentucky, and Portsmouth, Ohio. The CIP would incorporate the most advanced gaseous diffusion technology into the existing plants in an effort to increase the uranium enrichment productive capacity of the plants by one-third. At present, the maximum capacity of the unimproved diffusion plants is about 17 million separative work units per year. The Cascade Improvement Program will add 5.6 million units while the Cascade Uprating Program will add an additional 4.7 million units.

Whereas the Cascade Improvement Program would increase the actual productive capacity in these plants of enriched uranium, the Cascade Uprating Program would, simply stated, uprate the three plants to operate at a substantially higher power level of about 7,400 megawatts. This, in turn, has a direct impact on the number of separative work units produced annually.

The Appropriations Committee's report states that these funding levels will provide for the orderly and planned pace of these two programs which are proceeding essentially on schedule. The report, however, does not discuss the effect of not providing the additional $30 million included in the House-passed version of the bill. The effect of such a reduction would be to defer modification of 114 stages from 1976 until the end of the program. This would result in the loss of approximately 1.1 million separative work units. In addition, some existing procurement contracts would have to be renegotiated. These contracts were negotiated in prior years and contain some favorable terms. Renegotiation of these contracts would adversely affect delivery schedules as well as costs. Approximately 17 million dollars is needed to avoid renegotiating existing contracts. And finally, there would be added costs due to renegotiating existing contracts, additional engineering costs associated with rescheduling the program, etc. It is estimated that program costs would increase by some $10 million due to inflation, assuming a conservative rate of 6.5 percent.

If, however, the $30 million is restored, the productive capacity would be increased, revenues to the Government for the additional enriched uranium would increase, and substantial long-term savings would be realized. For these reasons, I urge adoption of this amendment.

On page 8, line 1, delete "$1,023,690,000" and insert in lieu thereof "$1,025,690,000".

Mr. BAKER. Mr. President, this amendment would increase by $2 million the total figure in the bill for Atomic Energy Commission Operating Expenses. In its report on this bill, the Appropriations Committee has recommended that the $2 million for preliminary planning for a second LMFBR demonstration plant be deleted. This is a reversal of form since last year the Committee recommended and the Senate approved $2 million for the exact same purpose, although the Appropriations Act as signed into law did not contain specific funds for this purpose. The Committee this year states that planning for a second LMFBR demonstration plant should be deferred at this time and should await further progress and work in the LMFBR base technology program and on the first demonstration plant. Such a deferral would cause a serious hiatus in the nation's highest priority nuclear power effort. This effort, the Liquid Metal Fast Breeder Reactor program, was very carefully laid out to assure that we attained our objectives in a timely manner. An important factor included in this program was the development of an industrial base to supply such energy generating systems. To accomplish this, the program plan provided for at least two cooperative government-industry demonstration plants. The first of these demonstration plants has been organized and is proceeding. It is now very important to commence the organization of the participants for the second plant. Only in this way will we develop the industrial base we must have to bring this essentially limitless source of energy into existence. Only by proceeding with parallel efforts will we be able to attain our goals in time to meet our needs.

I, therefore, urge my colleagues to support this amendment which provides $2 million for this worthwhile effort.

Mr. STENNIS. As I understand, the Senator has withdrawn the amendment that he formerly offered. Would the Senator identify the other amendments to which he referred so that we will have it in the RECORD here?

Mr. BAKER. There are three amendments which I introduced and withdrew, having to do with coal liquefaction, cascade improvement, and the second liquid metal fast breeder demonstration plant.

The references are on page 26 of the report. Subparagraph 2 is $20 million for CIP, which I withdrew; $10 million for CUP, which I withdrew; and on page 24, No. 2, $4 million for synthetic fuels. Those are the three amendments which I sent to the desk and have either withdrawn or did not call up.

Mr. STENNIS. I thank the Senator from Tennessee very much. Turning to page 23 of the report at the bottom of the page, item No. 1——

Mr. BAKER. That is right—I am sorry—one of the amendments dealt with that item for a second Liquid Metal Fast Breeder demonstration plant. I sent that to the desk and withdrew it.

Mr. STENNIS. That was withdrawn, too?

Mr. BAKER. Yes.

Mr. STENNIS. I thank the Senator very much. That makes the record complete. I appreciate his presentation.

Mr. President, I yield back the remainder of my time.

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time. If there are no other amendments, I ask for third reading.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for 2 minutes, and further ask unanimous consent that the vote occur at the end of my dialog.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 11221, an act to provide full deposit insurance, is called up and made the pending question before the Senate, there be a limitation of 1 hour on the bill, to be equally divided between the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Texas (Mr. TOWER); that there be a limitation of 30 minutes on any amendments; that there be a limitation of 1 hour on an amendment by the Senator from Wisconsin (Mr. PROXMIRE); that there be a time limitation of 10 minutes on any amendment to an amendment, debatable motion, or appeal; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 585, a bill to amend section 303 of the Communications Act of 1934, is called up and made the pending question before the Senate, there be a limitation of 1 hour thereon, to be equally divided between the Senator from Rhode Island (Mr. PASTORE) and the Senator from New Hampshire (Mr. COTTON); that there be a limitation of one-half hour on any amendments thereto; that there be a limitation of 20 minutes on any debatable motion or appeal; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 2784, a bill to amend title 38 of the United States Code, is called up and made the pending question before the Senate, there be a limitation of 1 hour, to be equally divided between the Senator from Indiana (Mr. HARTKE) and the Senator from South Carolina (Mr. THURMOND); that there be a limitation of 30 minutes on any amendment thereto; that there be a limitation of 20 minutes on any debatable motion or appeal; with the agreement to be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, did the Chair propound the last request?

The PRESIDING OFFICER. The Chair has ruled, and there was no objection.

Mr. ROBERT C. BYRD. For the record, am I not correct in that I asked, as to each of the three agreements, that they be in the usual form?

The PRESIDING OFFICER. That is correct. They are a part of the 3 unanimous-consent request agreements.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

The Senate continued with the consideration of the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureau offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

Mr. MANSFIELD. Mr. President, if I may have the attention of the distinguished chairman of the committee and other members of the Appropriations Committee, on page 18 of the report there is the following statement:

> The additional $5,000,000 recommended by the Committee will initiate work on an MHD engineering test facility and provide additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University System.

It is my understanding that it was the intention of the committee that this increase in funds of $5 million for magnetohydrodynamics (MHD) is intended to initiate work on an MHD engineering test facility at an early date and to provide additional research on MHD techniques and application at the Montana College of Mineral Science and Technology, formerly called the Montana School of Mines. This is one of the great mining schools not only in this country but in the world. Along with Montana Tech, the Montana State University at Bozeman and AVCO Everett Research Laboratory will enter into a cooperative effort to conduct this research. AVCO Corp. is one of the leading industrial MHD research concerns in the country. Is it correct that this is how this money is intended by the Appropriations Committee to be spent?

Mr. McCLELLAN. My recollection is that this was discussed in committee and that was the purpose of the inclusion of the additional $5 million. The other was already substantially committed.

Mr. MANSFIELD. That is the answer I wanted to the question I raised. I thank the distinguished chairman of the committee for reconfirming my understanding of the intent of the Appropriations Committee in proposing this appropriation.

I note the distinguished Senator from Nevada (Mr. Bible), the subcommittee chairman who handled this important measure, is in the Chamber, and I would like to ask him a question. Is it his understanding that this additional $5 million for MHD research is intended specifically for research at Montana College of Mineral Science and Technology, Montana State University at Bozeman, in cooperation with the AVCO Everett Research Laboratory, as well as to begin work on development of an MHD engineering test facility?

Mr. BIBLE. This matter was discussed thoroughly by the committee members, and it was agreed that MHD research should be conducted in Montana since the coalfields are there, as well as expertise in mining techniques developed by the Montana College of Mineral Science and Technology. In addition, as the distinguished majority leader has pointed out, Montana State University has been working with the AVCO Everett Research Laboratory since 1972 with considerable success in the MHD field.

This type of research and development program should be accelerated and directed toward the commercial availability of this technology by the mid-1980's. The next step in this important program is the design and construction of an experimental test facility of an appropriate size. The $7.5 million requested by the Office of Coal Research for fiscal year 1975, together with the additional $5 million which has been provided by this committee, will allow this research to be expanded in Montana and will also permit the initiation of design and planning for an experimental test facility.

Mr. MANSFIELD. Does the distinguished Senator from Nevada agree with me that when these funds are appropriated they should be allocated with a minimum of delay by the Office of Coal Research to these participating universities and research facilities?

Mr. BIBLE. By all means. Too much time has already been lost in conducting MHD research. I would expect that the Director of the Office of Coal Research would give immediate attention to this problem. I trust he will work closely with the Montana College of Mineral Science and Technology and other units of the Montana University system in accelerating and expanding MHD research there and that he will also get on with the task of developing an MHD engineering test facility. Those are clearly the goals of this additional appropriation.

Mr. MANSFIELD. I would hope that Dr. William Gouse, Acting Director of the Office of Coal Research, would read these remarks and learn the intent of the Senate Appropriations Committee and the Senate in making this appropriation.

Mr. HANSEN. Mr. President, actually the Energy Information Act was the subject of hearings by the Interior Committee and had been through several markup sessions but was still pending in the committee for final approval and reporting.

As it is now, the Energy Information Act has been broadened into a national resources and materials information system, a vastly more encompassing and complex bill than its predecessor on which it was based.

And even its predecessor was so complex that few of us on the committee fully understood its implications. Now even before the committee has completed its deliberations on the Energy Information Act or an explanatory report has been filed, we have a bill reported by its authors, two Senators who are here to explain its implications on the Senate floor. But none of us will have the opportunity to study a committee report of the history and background of the proposed amendment nor will we know who might have filed separate or minority views in a committee report so those of us who might have filed these separate views must now do so on the Senate floor under the bypass procedure its authors have taken in bringing the completely revised bill up as a floor amendment.

So I would like to refer to what the Director of the Office of Management and Budget and the Administrator of the Federal Energy Administration said about the bill in its original version in letters to Senator Jackson.

I ask unanimous consent that the letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Executive Office of the President, Office of Management and Budget,
Washington, D.C., May 28, 1974.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: We understand that your Committee is redrafting S. 2782, a bill to establish a National Energy Information System. We would like to take this opportunity to make known to you our position on this bill.

The matter of energy information has been considered especially important by the Administration for some time. For example, in his April 18, 1973 energy message, the President directed the Department of the Interior to establish an Office of Energy Data and Analysis. Last December the President asked for legislation creating the Federal Energy Administration, with responsibilities for energy information. In the absence of final action on the FEA, in January of this year the President called for the enactment of legislation to provide broad authorities to collect and disseminate energy information. The Energy Information Disclosure Act (S. 3151), which was introduced on March 11, 1974, contained the Administration's proposal.

Since that time, the FEA Act, P.L. 93–275, was enacted which provides the Administrator broad authorities to gather energy information. These authorities include the authority to collect information by special or general order, issue subpoenas for records, and conduct on-site inspections of energy facilities. The Act also requires broad disclosure of energy information to both the public and the Congress.

In addition, the Federal Energy Office has a fully operating organization with a staff of professionals in both the field and headquarters to carry out the responsibilities of the Administrator under the FEA Act. For the past five months, the FEO has been collecting, analyzing, and disseminating an enormous amount of energy information in a timely fashion. These activities are being expanded. The FY 1975 budget more than triples the substantial efforts begun in 1974.

While FEA's authorities extend for only two years, this is not a good reason for assuming that it cannot undertake the longer term energy information programs that are needed. In fact, the FEA Act provides that its functions will either pass to a successor energy agency or revert to the Department of the Interior. In summary, the FEA has ample authorities to gather, evaluate, and disseminate energy information, and in cooperation with other agencies that now and in the future will be collecting energy information, will fulfill all of the objectives called for in the proposed national energy information system.

Because of this Act (P.L. 93–275), the FEA Administrator has all of the necessary authorities, and S. 3151 is no longer required at this time.

In light of the above, it is the Administration's position that S. 2782 is not necessary to achieve a viable, creditable national energy information system. Congress has already given that mission and the necessary resources and authorities to the Federal Energy Administration.

We particularly question the provision in S. 2782 to create an independent National Energy Information Administration. This proposal would result in separating energy data collection and analysis from policy and program formulation and implementation. The Congress has recognized the importance of keeping these activities closely tied together in the FEA Act. We strongly agree and, therefore, we believe it desirable and advisable to work within the present FEA authorities and its organization.

With warm personal regards,

Sincerely,

Roy L. Ash,
Director.

Federal Energy Office,
Washington, D.C., May 28, 1974.

Hon. Henry M. Jackson,
U.S. Senate,
Washington, D.C.

Dear Senator Jackson: For several months now, we have been working closely with your staff on the development of an "Energy Information" Bill, after having submitted in March a proposal designed to meet our data-related requirements. As you recall, I testified extensively in committee hearings about the need for such legislation. It appears that while staff discussions have cleared up some technical differences between the Administration proposal (S. 3151) and the Energy Information Act (S. 2782), our basic objections have not changed.

We strongly believe that the basic assumption underlying creation of an independent information agency in S. 2782 is an unnecessary duplication of FEA functions and responsibilities and not responsive to our primary needs for coordination of energy information. Energy data collection and analysis cannot be conducted separately from policy and program formulation and implementation, if we expect to have an effective national energy policy.

The establishment of a separate agency at this time would also be duplicative of our efforts to date and would provide little additional information to the public. The Federal Energy Office has already established and staffed a National Energy Information Center. With a staff of 100 and directed by a former Deputy Commissioner of the Bureau of Labor Statistics, Dr. Daniel Rathbun, it has already implemented a wide range mandatory data system and public information dissemination. A mandatory weekly reporting system for all refineries, bulk terminal operators, pipeline companies, and importers is already operational and provides accurate and timely data on domestic petroleum operations. A separate import system, relying directly on 7000 Customs Bureau inspectors, is also operational. It is providing independent weekly information on quantities of petroleum imports and country of origin.

Finally, the Center's "Monthly Energy Indicators" is providing comprehensive summary information on quantity and prices in most energy sectors. For your information, I have appended copies of the publications. In the coming months significantly more data and information will be developed and provided to the Executive, Congress, and the public.

In addition to unwarranted duplication of functions, enactment of S. 782 seems unnecessary given our current statutory authorities. Federal Energy Administration Act of 1974 provides broad, mandatory reporting authorities which should be adequate for the energy information purposes that we foresee at the time. We feel it would be wise to gain experience with our current authorities, develop a more comprehensive understanding of our specific data needs, and pinpoint gaps in existing authorities as we implement new programs before developing further energy reporting legislation.

I appreciate your help in this very important matter and hope my comments have been useful.

Sincerely,

John C. Sawhill,
Administrator.

Mr. HANSEN. Mr. President, those are just a few of the reasons why this legislation is neither wanted or needed by the administration and I can see no reason for imposing another needless and unnecessary reporting requirement on business and industry.

Mr. President, inasmuch as we are actually writing this legislation on the Senate floor, I would like to quote from some of the testimony before the committee for the enlightenment of Senators who are seeing this hastily rewritten bill for the first time, and I am one of them. I ask unanimous consent to have printed in the Record a letter from the President of Exxon Co., U.S.A. to my good friend and colleague, the junior Senator from Louisiana (Mr. Johnston).

There being no objection, the letter was ordered to be printed in the Record, as follows:

Exxon Co., U.S.A.,
Houston, Tex., March 20, 1974.

Hon. J. Bennett Johnson,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

Dear Senator Johnston: During my appearance at the hearings of Senator Haskell's Special Subcommittee on Integrated Oil Operations on December 6, 1973, you asked for suggestions on how the Government could require information from oil companies that would meet its needs for adequate and creditable energy data. The transcript of the hearings indicates that this question would be included in the questionnaire that the Committee plans to distribute. However, we have been giving extensive thought to this matter over the past several weeks, and would like to comment on this question at this time. Much of this effort is reflected in our testimony on January 16 before Representative John Dingell's Subcommittee on Activities of Regulatory Agencies Relating to Small Business. I am attaching a copy of our statement in case you have not had an opportunity to read it.

Our position as expressed in this testimony might be summarized as follows:

(1) We recognize the Government's need for timely and sufficiently accurate statistics on the petroleum and other energy industries to serve as a basis for sound energy policy. This type of data is needed also by the petroleum industry to plan and conduct its own operations.

(2) A large body of information is available currently in the form of government reports and industry trade group compilations. To a certain extent, these data lack timeliness and completeness. Of greater apparent concern in the minds of some, however, is the lack of credibility of the data which originate within the industry.

(3) Exxon U.S.A. stands ready to participate in efforts to devise a system that will provide adequate, timely, and more creditable data on the energy industry, while maintaining protection of that proprietary information whose public disclosure could lessen competition and compromise antitrust statutes.

In this letter, I would like to offer some further thoughts on the degree to which the government should enlarge the existing information system, on the data that are most critical in developing short and long range projections, and on possible means of data verification that would minimize extensive manpower requirements and cost while providing necessary credibility. It is imperative that the government have firm objectives in mind before trying to spell out the type and volume of information it desires, and before designing a system to obtain it. In addition, a clear differentiation needs to be made between statistics that can be measured and certified and those that are based on assumptions and projections. While the government can require certification of the past and the present, it cannot expect companies to certify forecasts of the future. The government may wish to solicit these forecasts from industry, but only through the government's own analysis of available data can it reach a judgment on the quality of the forecasts.

HISTORICAL AND CURRENT OPERATING DATA

It would be most efficient if one governmental agency were responsible for receiving and cataloging current data on the energy industry, using electronic data processing techniques and adequate analytical manpower to minimize time lags. When aggregated, these data would then serve as a historical file which could be used by both government and industry for projections into the future. The data included would be the type of volumetric supply, production, demand and inventory information now reported to Bureau of Mines, Department of Commerce, State regulatory bodies, and the API, AGA, etc. If aggregated on an appropriate basis for release to the public, there should be no problem in protecting individual company confidentiality, even in times of normal supply. Reporting intervals might be for the prior week and the prior month. Crude and product production data should be averaged to smooth out short term fluctuations. Inventory data should be measured at a defined point in time, and should include volumes in transit. Weekly inventories might include only the large major terminals to reduce the amount of data processed and where trends relative to the prior week may be of primary interest. Monthly inventories could be more detailed and include secondary terminals to provide a more precise bench mark of absolute supplies. The relative importance of inventory data versus production data needs to be weighed when allocating the manpower required to provide and analyze this information. For instance, during a typical winter season, only around 15 percent of the industry's distillate supply comes from inventory, and the remaining 85 percent from current refinery production or direct product imports.

Industry data could be certified by the managements of each of the individual companies reporting. Verification could be provided through spot audits by appropriate government agencies.

CURRENT PRICE, COST AND PROFIT DATA

Several of the pending proposals for energy information legislation include sections on detailed price, cost, and profit data. In many instances, the objectives for these data are not made clear. The following paragraphs attempt to illustrate the many pitfalls we feel are inherent in the development and use of these types of statistics.

During the current supply crisis, the spot price data reported in trade journals for those limited volumes sold in the wholesale market do not give a true indication of the price being paid by a majority of petroleum customers. It would be feasible for companies to report average sale prices for major products produced at their refineries or imported from overseas, and average purchase prices for crude and other raw material if this information is of use to the government. It could be handled on a monthly basis as have recent data submitted to the Federal Energy Office. This type of data is already verified yearly through normal auditing and IRS procedures, as are total operating cost and profit data. However, breaking down yearly operating cost and profit data into weekly or monthly segments, or by product line or functional profit centers could create more problems through misunderstanding and misuse to both industry and government than whatever questionable benefits the government might gain. These problems are highlighted below.

Operating cost estimates by individual functional profit centers may be of some value to an individual company for the purpose of spotting changes or measuring efficiency versus a standard for that particular operation. Even for this limited use, however, comparisons must take into account externally created changes in through-put, raw material types, product mix, product quality, equipment outages, etc. In some cases actual costs may not be known for 30 to 60 days, thereby making even a monthly reporting cycle subject to certain aberrations in input data. In evaluating our own operations, we are careful to fully assess the variability of available cost data before drawing concrete conclusions about an individual profit center, even after six months of operating data have been compiled.

Profit data by function or product line are necessarily based on reasonable but arbitrary allocations of known total costs and investments. These allocations must include decisions on the appropriate value for raw materials of varying qualities, on the costs to be shared between products manufactured and handled in common facilities, and on the appropriate values to use in transferring products between functions. Only after such allocations are made can profits by function or product line be calculated, and these are generally useful only within an individual company to compare trends after a base case has been established. It is very likely that each company allocates its total costs in a different manner. In addition, no two companies are alike in the raw materials they employ, the facilities they operate, nor the products they manufacture. These considerations argue strongly against the use of functional or product line profit data to make comparisons among companies.

In summary, we believe that existing quarterly and annual reports by petroleum companies on their overall cost and profit data is sufficient for government monitoring purposes. In addition, Federal procedures already exist for verification of these data. It is questionable whether the benefit to the government for additional cost and profit data can justify the cost to both the government and industry.

OIL AND GAS RESERVE DATA

Petroleum company reporting of oil and gas reserves has received considerable attention in Congress and the news media. Summarized below are definitions of reserves that are accepted generally within the industry:

Proven reserves are current estimates of producible hydrocarbon accumulations in underground porous rocks that are determined by analysis of data from producing wells. The greater the number of wells drilled in a reservoir, and the longer they have been producing, the better the estimate of the potential recovery from a field. For new fields, many assumptions must be made in calculating and estimating the reserves.

Potential reserves are inferred from geological information in areas that have not been drilled. Obviously, these reserves are not proven until wells are drilled, and their size indicates them to be commercially attractive. Their potential output is not available until production and transportation facilities are installed and linked to existing systems.

In using proven reserve estimates, one needs to remember that the most important statistic for short range forecasts is the daily production the field has shown that it can sustain economically. After these fields reach full development, as have the majority of those in the continental U.S., their production rate plateaus and begins to decline. In many cases, increasing the percentage of recoverable oil through advanced techniques tends to extend the producing life of the field rather than increase its daily production rate.

As a company, we list our proven reserves in a supplement to our annual shareholders report. We would take no exception to providing the same information to the federal government, in whatever detail deemed necessary, provided safeguards are used to protect confidentiality. We do object to publication of estimates on any basis which would make it possible for our competition to identify the data with specific properties, or in ways which would jeopardize the value of our investment in developing that information. We are especially sensitive about releasing outside the company any detailed data on reserves that are adjacent to tracts that have not been leased, or detailed information about producing structures that could be extended to other unleased areas.

Certification or verification of proven reserve data is more difficult than the substantiation of any other petroleum industry information because of the many assumptions and estimates used in deriving the figures. We certainly would be glad to certify our reserve data as representing our best efforts, and technically competent independent private auditors or an appropriate federal agency could verify our calculations. It should be recognized that producing state agencies already have available the raw data necessary for analyzing or verifying reserve estimates and maximum efficient production rates. However, we would be glad to cooperate with a survey by the government on oil reserves similar to the one made recently on natural gas supplies. The procedures used in the Natural Gas Survey and the strong involvement by the FPC and other governmental agencies are described in the attached statement to Congressman Dingell's Subcommittee, beginning on page 10.

Obviously, no one can "certify" or "verify" potential reserves. No one company can foretell how successful its exploration efforts will be. However, these estimates, as developed by individual companies, universities, and other groups or individuals on an industry-wide basis, can be used to scope potential levels of hydrocarbon availability in the future. This then can serve as a basis for quantifying the needs for other forms of energy. The bases for these estimates could be provided to the government by the oil companies, and others, and the government could then use these data in making its own assessment of the future.

FORECASTS

We find it necessary to make forecasts of both our own operations and the overall business environment in order to make operational and investment decisions. Forecasts of our operations are based on Exxon proprietary data on facilities capability and expansion plans, our anticipated raw material availability, profitability expectations for the last incremental volumes of our various product lines, and, of course, the projected business environment. Our forecasts of the business environment are based on published data that are available from the government and various trade associations. These data are used to estimate total energy demand, total energy supplies, and the portion of supply that might be served economically by petroleum products. There are many critical assumptions involved that could alter the future relative to past trends. These might include, for example:

Political, economic, or technological effects on total demand;

Economic and technological effects on the discovery and recovery of new oil and gas reserves;

Economic, environmental, or technological effects on the use of oil, gas, coal, nuclear, or other forms of energy, etc.

Thus, the intelligent use and critique of these forecasts requires a basic understanding of the underlying assumptions. Exxon has made and will continue to make the results of these environmental forecasts available to government. Since they are projections, they obviously cannot be certified. If an extensive energy information system is developed, the government could be in as good a position to make these projections as is industry. This assumes, of course, that government is willing to maintain the manpower and incur the costs required to analyze the data and forecast future trends.

We hope that this letter provides the information you were seeking, and we would be happy to discuss it further at your convenience.

Sincerely,

Randall Meyer.

Mr. HANSEN. Also, Mr. President, I have the statement of my good friend, Dave True, of Casper, Wyo., who also testified to the reasons why the proposed legislation is redundant and unnecessary. Dave True is an independent oil operator, one of the thousands who are not affiliated with any major oil company but who do more than two-thirds of the exploratory exploration and drilling in the United States. These independents, Mr. President, do not have elaborate office setups, computer systems, or a battery of CPA's and lawyers to compile the mass of information and prepare and file the voluminous reports that would be required by this legislation.

The Federal Government is making life more and more difficult and expensive for small business and independent oil operators and rather than require all of the additional data, and I might say useless data because most of it would probably never be used, the Federal Government should be centralizing and utilizing all of the reports that it now requires rather than stockpiling more to take up storage space.

Mr. President, I ask unanimous consent that the full statement be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of H. A. True, Jr., Chairman, National Petroleum Council, Before the Committee on Interior and Insular Affairs of the U.S. Senate, February 6, 1974

Mr. Chairman and distinguished Members of the Senate Committee on Interior and Insular Affairs: I am H. A. True, Jr., an independent oil and gas producer from Casper, Wyoming. I appear before you today in my capacity as Chairman of the National Petroleum Council in response to your invitation to testify on The Energy Information Act (S. 2782). I am accompanied by Vincent M. Brown, Executive Director of the National Petroleum Council.

Cooperation between the petroleum industry and the Federal Government has existed in fact since the commencement of World War II—during the war years through the Petroleum Industry War Council, and since 1946 through the National Petroleum Council. The Council is an industry advisory committee to the Secretary of the Interior, created by direction of the President of the United States. Its sole function is to advise, inform, and make recommendations to the Secretary of the Interior, or the Director of the U.S. Office of Oil and Gas on any matters pertaining to oil and gas about which the Secretary or Director requests information.

In the almost 28 years of its existence the National Petroleum Council has issued some 205 reports requested by the Government on virtually every facet of the oil and gas industries' operations. In my opinion we have operated in a "gold fish bowl" at all times. There are always government representatives present at our meetings, and all progress, interim, and final reports, in addition to transcripts or summary minutes of meetings are filed with the government and made available to the public.

My testimony today will focus upon the most recent report of the Council and its data relating to the immediate energy crisis. Vincent Brown will then discuss the role of the NPC in the collection of industry data for the Government.

With respect to The Energy Information Act, I endorse the general concept of a centralized method for retaining information and data on the most complex industries in the United States—the energy industries. Whether the mechanism for this should be a Federal agency or an academically oriented institution sponsored by the Government, I am not qualified to recommend. In any event I do know that data is only as good as its source, and once good data is obtained, its proper analysis is the essence of its usefulness. Data collecting just for the purpose of having data is meaningless—there must be a stated need for it, and once provided, it should be utilized and made available to all. The use of data to the detriment of true competition within the energy industries should be avoided.

I know the government already has at least one organization that has developed over the years a vast amount of detail and analysis on the U.S. energy resource base, and on the facilities and operations of the energy industries—that is, the National Petroleum Council.

Now I would like to say a few words about recent data and projections made by the National Petroleum Council relating to the current energy situation as aggravated by the Arab oil embargo. This is timely, I believe, in light of the great confusion and debate over "data," resulting in the conclusions by some people that there is no energy crisis, or resulting in the implication that some industry information sources, like the National Petroleum Council, gave the Government and the public a "bum steer."

The National Petroleum Council, prior to the oil embargo, had been examining the impact on the Nation of a "hypothetical" denial of 1.5–3.0 million barrels per day of imported petroleum liquids under both long-term and short-term scenarios. Under the short-term, or January 1, 1974 scenario, we were dealing with only existing facilities—while the long-term, or January 1, 1978 scenario, allows time for the construction of additional storage facilities and the orderly implementation of emergency preparedness measures.

In July of last year our Committee on Emergency Preparedness issued an Interim Report discussing such areas as: methods to curtail petroleum consumption in a short-term emergency, the potential for fuel convertibility, emergency oil and gas production, and possible alternatives for maintaining emergency standby petroleum supplies. The report stressed the distinction between short-term imports interruption and the increasingly tight petroleum supply situation the Nation has been experiencing for several years.

After the imposition of the Arab embargo on October 18, 1973, Interior requested that we immediately submit all data possible pertaining to the short-term or January 1, 1974 cutoff scenario.

This we did in a volume entitled Emergency Preparedness for Interruption of Petroleum Imports into the United States—A Supplemental Report dated November 15, 1973, which presented our initial findings and conclusions pertaining to the fourth quarter 1973 and first quarter 1974 oil supply/demand balances. The Committee also presented a separate volume of its discussion papers which contain the background data and methodologies employed by the Committee in preparing the November 15 report.

The report, in analyzing the effect on the Nation of a denial of 2.0–3.0 million barrels of petroleum liquids per day, contained several findings and conclusions, chief of which was the fact that the domestic energy supply situation was tenuous even before the embargo. On October 26, before the impact of the embargo could be felt, primary inventories of gasoline, distillates and heavy fuel oil were 71 MMB below normal, while crude oil stocks were 14 MMB below normal. In addition, total oil imports into the United States had reached an all-time high level of 7½ MMB/D. This increased dependence upon imported petroleum is the result of many factors working together over a period of years, all of which the National Petroleum Council has examined in its reports to the United States Department of the Interior. I will outline briefly some of the principal factors:

Decline in exploration for and production of domestic crude oil and natural gas.

Delay in siting and construction of petroleum refineries and nuclear plants.

Decrease in use of coal due to environmental and other reasons.

Restrictions on the industry to explore, develop and produce the 96 billion barrels of discoverable oil and the 170 trillion cubic feet of discoverable gas located on the North Slope of Alaska; and the 90 billion barrels of oil and 214 trillion cubic feet of gas discoverable in coastal waters off the continental United States.

Establishment of unrealistically low prices for natural gas by the FPC.

The Committee projected the impact on U.S. petroleum supply and demand given its estimate that by the end of 1973, the magnitude of the embargo would reach 3 million barrels per day. It concluded that unless the United States took immediate emergency action to increase domestic production, reduce energy consumption, and equitably distribute the net shortfall, the impact would be severe.

In other words we were saying what could happen if nothing was done promptly. This point was repeatedly missed by many of those who read the report. Fortunately, quite a few things were done or otherwise occurred which reduced the potential seriousness of the shortage. This we can be thankful for. I am delighted that our projections proved to be too pessimistic by the end of 1973. However, 1974 has just begun and the Committee believes the potential for a severe situation still exists.

A number of factors worked to lessen the impact of the embargo during the last six weeks of 1973.

1. Implementation of the Emergency Petroleum Allocation Act of 1973,

2. Organization of the Federal Energy Office on December 4, 1973,

3. Logistical re-deployment of world oil movements and reduction in the production cutbacks originally announced by the Arab nations,

4. Significant public response to the President's November 7 and November 25, 1973, messages,

5. Voluntary and mandatory energy conservation measures, and

6. Markedly warmer than normal weather in November and December.

Required oil supplies were projected to be reduced, assuming a 30-day time lag for supplies enroute, by about 1.2 MMB/D of crude oil and 0.8 MMB/D of refined products. The impact of the denial was then projected to increase as demand seasonally increased to 1.8 MMB/D of crude and 1.2 MMB/D of products by the end of the year and to continue at that level during the first quarter of 1974.

Import data reported by the American Petroleum Institute indicate that by the end of the year crude supplies were reduced by 1.2 MMB/D and product supplies by 0.6 MMB/D. The primary reason for the difference in estimates is not one of absolute volume but one of timing. Imports did not suddenly drop off 30 days after the announcement of the embargo but gradually declined over a 60-day period. Meanwhile, public cooperation with federal energy conservation measures began almost immediately in November. The combination of these factors alleviated serious potential shortages and actually allowed inventories of certain products to be increased over expected levels.

The effects of the embargo are just now being felt in the United States with total imports running at about 5 million barrels per day. The full effects of this continued shortfall will become increasingly felt in the first quarter of 1974.

The Committee is now reappraising the entire situation in light of the above developments. We are attempting to determine for the first half of 1974 the effects of such supply factors as the magnitude and duration of the embargo, the absolute levels of crude and product imports and the potential contributions, if any, of additional oil and gas production. On the demand side of the equation, we are examining such variables as weather, price, electricity and gas savings, as well as public acceptance of FEO energy conservation measures. In addition we will discuss methods of inventory management. We will report our findings to the Secretary of the Interior hopefully in the next week or two. There are some general observations I would like to give you today:

The supply situation for petroleum liquids is currently better than anticipated; however, the Committee estimates that the full impact of the denial should become more evident in the first quarter of 1974 as demand takes its seasonal jump upward and as inventories are drawn down.

In the initial report the Committee projected its results based upon a hypothetical 3 million barrels per day cutoff of imports. We believe now that the gross shortfall in supply (when compared to predenial supply/demand balances for the first quarter of 1974) will approximate 2.7 million barrels per day. There is a large degree of judgment involved in the estimate, and actual import levels could be within a range of plus or minus 10 percent of this estimate.

If the fuel use savings as targeted by the FEO are actually achieved, (i.e., about 2.4 million barrels per day less than predenial demand estimates), then the first quarter 1974 consumption will run 6 percent *less* than first quarter 1973 actual consumption (or 14 percent less than pre-denial first quarter 1974 estimates), assuming of course the continuation of the embargo. I would like to point out that even if the embargo were lifted today and if Arab nation oil production were increased, 60 to 90 days would be required before supplies would be restored, thus the first quarter import situation is virtuallly unchangeable. This estimate still envisions a U.S. requirement for total imports in the order of 5 million barrels per day. To achieve these savings will require even greater publiic cooperation than was experienced in the last quarter of 1973, particularly with regard to motor fuel use as the Nation heads into the good weather driving season. Otherwise, such savings would have to be mandated, most likely in the form of rationing, lest inventories be depleted and even more severe dislocations occur.

The product which appears to be in the most critically short supply during the first quarter 1974 is residual fuel oil, mostly on the East Coast. A gross shortfall of some 850,000 barrels per day is indicated and use curtailment measures are expected to be about 375,000 barrels per day. By drawing inventories down to minimum historical levels, an additional 29,000 barrels per day could be made available. The only alternative to the transfer of gasoline into residual market through adjusted refinery yields. Such a change will however rob Peter to pay Paul and cause an even greater problem with gasoline.

It should be noted that the demand for petroleum products is also likely to be constrained by past and prospective increases in refined products prices. On this note, if I may take off my NPC hat and put on my independent oil and gas producer hat, requiring price roll backs at this point in time will most assuredly have extreme repercussions on future domestic supply availability and while saving the consumer a few pennies a gallon today, will prove very costly in the long run.

Another consideration which will tend to decrease fuel consumption in the next several months is the expected low rate of increase in the Gross National Product. In fact, if industrial production decreases as many forecasters expect, potential petroleum demand will further decline.

At the same time, an important potential constraint on petroleum imports and ultimately upon the real GNP is the potential of sharply higher costs of petroleum imports upon the U.S. balance of trade. Petroleum consumption could be even further restrained by our financial capacity to make payment for extremely costly oil imports.

With the quadrupling in costs of foreign imports which has occurred over the last few months, the 1974 import bill could approach $20 billion, even at the present embargoed level of imports, given the current prices.

The effect of the impact of these reduced supplies on the economic growth and employment was also examined by the Committee and reported in the November Supplemental Interim Report. For example, a 2 million barrels per day annual net denial of petroleum liquids was estimated to result in a 5.6 percent reduction in total energy usage, a $48.4 billion (or 3.6 percent) decrease in real GNP and a rise in unemployment from the then current 4.9 percent to over 6 percent. Since November 1973 the Federal allocation measures and positive conservation response have worked together to reduce the immediate economic effect of the fuel shortage. However, some direct effects have already been seen—spot unemployment and reduced air schedules, for example—and secondary effects are beginning to take their toll. Automobile and recreation vehicle manufacture and residential construction have been affected by current fuel supply problems and uncertain future conditions. It is assumed that the conservation measures and the fuel allocation policies will continue to be at least moderately effective, in which case the economic impact of fuel shortages may not be severe as originally estimated. Nevertheless, if oil imports are not substantially increased well before year end, it is not thought possible that real GNP can be increased significantly above the current level, or that unemployment rates in the neighborhood of 6 percent could be avoided.

Gentlemen, the shortages facing the Nation today can be alleviated. It is the belief of the National Petroleum Council's Committee on Emergency Preparedness that certain policies must be implemented immediately for both our short-term and long-term energy stability:

An all-out effort to increase, without further delays, the exploration for and development of our vast domestic energy resources within a framework of adequate economic incentives, and in a stable economic atmosphere.

Continued Federal, state and local action is needed within the framework of cooperation of private industry and public interest to minimize detrimental effects occasioned by the current energy crisis upon the economy and social well-being of the Nation.

Federal, state and local governments in cooperation with industry and the public should step up their educational programs through all communications media to assure public awareness of conservation measures and to solicit the full support of all the citizens of this Nation.

Long range Federal policies should be developed whereby energy conservation becomes a national goal to be pursued as a major national project of the highest priority.

The current imports dependency did not appear overnight. Reports that Congress and the Federal Government had no warning of the impending crisis are simply erroneous. As early as July 1971, the National Petroleum Council advised the U.S. Department of the Interior that "the availability of foreign oil to meet shortfalls in domestic supplies cannot be assured. Significant limitations could arise for political or logistical reasons. . . . It is essential that the many considerations bearing on the selection of an optimum national energy posture be brought into sharp focus at the earliest possible date." In December 1972 the Council attempted to place the Nation's growing dependence upon imports in the perspective of the long-term energy situation: "During the next three to five years, a further deterioration of the domestic energy supply position is anticipated. . . . The long lead times required for orderly development of energy resources make it essential that national energy objectives and sound enabling policies be established promptly."

Fortunately, the United States has an adequate energy resource base. Action taken now would markedly improve our energy situation in future years. To attract the vast capital requirements to develop our indigenous resources, the energy industries will need higher prices and appropriate national energy policies. This was the advice repeatedly and urgently submitted by the National Petroleum Council to the Federal Government over the past four years.

Mr. HANSEN. Mr. President, both those who would be required to report this mass of unneeded information and those who would receive and compile it are opposed to this bill.

The Federal Energy Administration and the Department of the Interior already have all the authority they need to require whatever reports they want on energy or all natural resources.

This proposal is an unnecessary and expensive overkill and should be killed by the Senate rather than further punishing industry.

Let us give them a chance to go out and develop our natural resources rather than spend all their time filling out useless reports.

As a further example of the real hardships this bill would impose on small business and industry, I would like to refer to a letter from a small refiner in Wyoming. He has applied for an exemption to present reporting requirements of the Emergency Petroleum Allocation Act. If he cannot comply with present reporting requirements, you can imagine what he would face under this bill.

I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Sage Creek Refining Co.,
Cowley, Wyo., June 5, 1974.
Melvin Goldstein,
Director, Office of Exceptions & Appeals, Federal Energy Office, Winder Building, Washington, D.C.

Dear Sir: I would like to ask that Sage Creek Refining Company be excused from filing Form F.E.O.–96 with the Federal Energy Office. I make this request due to the extreme hardship that filing this report would place on Sage Creek.

We are a very small company with a crude capacity of 1200 Bbls per day and an average run of around 500 Bbls per day. We have operated the refinery at a loss every year since we started in 1958, and have been kept going by the profits from our service stations which have always done well but could not have been supplied without the help of the refinery.

The only way that we have been able to keep the refinery open is by keeping our labor force small, working long hours and saving wherever possible. Our bookkeeping system is simple and we have a C.P.A. figure a financial statement and compute our income tax once a year. To fill out this monthly report would require that we hire a C.P.A. full time or purchase expensive computers, either one of which the refinery *could not* afford at this time.

Even though there has been an energy shortage the competition in this area has kept our prices from 6c to 7c per gallon below the major oil companies on all of our products. I'm sure that our raw materials are costing us more on the average than the larger companies. The cost has tripled on some of our blending stocks. I am sure that we are staying within the guidelines of the regulations set up by the F.E.O. because there is no one that I know of who is below us in the price at this time.

If there is anything else that you need to make your decision we would be glad to supply it. We hope that you will give this request serious consideration because it may very well make the difference of whether we continue to operate our refinery or not. Thank you.

Sincerely,

Robert N. Baird,
President.

Mr. HANSEN. Mr. President, my good friend, the junior Senator from Arizona (Mr. Goldwater) wrote an article for the May issue of Nation's Business which should be carefully heeded by every businessman in this country.

It is not just the oil industry that is under attack and threatened, it is every industry and businessman in the United States. Senator Goldwater wrote:

> In the current drive for government ownership of business, the oil industry just happened to be the first juicy target for the liberal-leftist cabal. And already we know from signs that are evident in all parts of the nation that today's energy crisis will be tomorrow's steel crisis, and tomorrow's steel crisis will be the next day's crisis for the entire competitive enterprise system.

Mr. President, I hope all businessmen will heed Senator Goldwater's warning. This bill is a good example of what he was writing about and I also hope that other segments of business and industry will join in opposing the spate of punitive legislation aimed at the petroleum industry and in opposing this bill which is aimed at practically all industry.

Mr. McINTYRE. Mr. President, the Energy R. & D. appropriation bill at long last will provide the money we need to enlarge our energy supplies, and over the long run should bring down the fuel prices we are facing today.

It should provide the basis for cheap electricity, cheaper oil, more methane both from natural gas wells and from synthetic methods, and better ways to move our fuel around. I am pleased that we are moving in the right direction.

This bill provides us with the means to increase our historic energy base. But it does a lot more, it gives us the means to move ahead to free ourselves from the dependence on the companies that have taken control of so much of our national affairs—by this I mean the oligopoly of the Nation's major oil companies.

This bill does nothing to stop the oil companies from giving us more fuel, but it also provides funds for us to free ourselves from total dependence on those companies for oil, gas, and indirectly, electricity. While I would not want to forecast lower prices for fuels, I certainly think this bill could go a long way to stopping price increases.

Providing $2.2 billion for energy research is probably the best investment this Congress could make this year. It is easily more than double the amount of money we spent 2 years ago and a hefty increase over what we spent last year.

This is a step that will put us in better stead than spending trillions of dollars on the arms race. This R. & D. bill puts money into things that we need, things we can use. Of course, it does put money on the horses that are already running: Coal, nuclear energy, oil, and electricity. But at the same time it gives us funds to free ourselves from the total dependence on those fuels such as $72 million for research on renewable energy, like solar, geothermal, windmills, and water power. They are the only way to freedom for us all. These are fuels that cannot be monopolized, that cannot be taken over. They are there for us all. No oil company, no small country, can hold these fuels from us.

Mr. President, I am pleased to support this bill, as amended.

Mr. KENNEDY. Mr. President, the energy research and development appropriation which we have before us today includes funding for programs which are of particular concern to me as chairman of the Subcommittee on the National Science Foundation, as a member of the Senate Ocean Policy Study, and as a New England Senator concerned with the hardships our area has faced as a result of our heavy dependence on imported fuel and our position at the end of the energy supply line.

There are two particular items in the pending bill that I want to call to the special attention of my colleagues. These items will have a critical effect on the formulation of a well-balanced policy for the development of existing energy sources and will provide needed Federal funding of research into the new technologies we will need in the next decades if we are to utilize a wide range of renewable and nonpolluting alternative energy sources—the sun, the wind, the oceans, and the earth itself.

First, this legislation includes $19,157,000 to gather necessary information on the impact of oil and gas development on the U.S. Outer Continental Shelf. This funding is essential if we are to meet the recognized concerns raised as a result of the recent study by the Council on Environmental Quality, which included a strong recommendation that an accelerated leasing program be undertaken in the Georges Bank area off the New England coast. Although that study cited the lack of information available in such critical areas as the effect of such development on the ocean and coastal environment, on fish and wildlife and on our recreational areas and beaches—no funds were requested by the administration in its $2.2 billion energy research program to gather this information.

These are critical questions to those of us in New England. The research which the National Oceanic and Atmospheric Administration will conduct with the funds provided in this appropriation will provide us with the knowledge we need to evaluate accurately the impact of offshore oil and gas development and to measure that impact against other short and medium term solutions such as additional refinery capacity, hydroelectric power, the stockpiling of imported petroleum products and a concerted energy conservation effort.

As a member of the ocean policy study, which has heard extensive testimony on the inadequacy of Federal data-gathering efforts on the OCS and on the critical need for a stepped-up research program I welcome the inclusion of this funding in the special energy appropriation.

The ocean policy study has made the energy potential of the OCS and the impact of its extraction on the environmental and socioeconomic conditions of the coastal zone its first area of investigation. And the initiative of its chairman, Senator HOLLINGS, in seeking this funding, is a clear indication that the study is meeting its responsibility to influence both the legislative and executive approaches to ocean policy and to insure a strong voice for the Congress in the determination of priorities for the use of our oceans. As a newly appointed member of the study, I look forward to participating in its work and to extending to concerned Massachusetts fishermen, recreation interests, consumer groups, environmentalists, and the business and industrial community the opportunity to present their views to the study.

Second, Mr. President, the pending appropriation includes $101.8 million for the energy research programs of the National Science Foundation. These programs will develop such needed information on new technologies for energy conservation, for coal gasification and liquefaction, for the development of solar and geothermal energy sources and for oil and gas resource assessments.

These are areas in which the foundation first began research as early as 1950. Until the acute shortages we experienced last winter they are programs which were consistently underfunded by the administration. In fact, they are programs under which, as recently as last year, the Congress had to set funding floors, in order to insure that the money was not impounded and to guarantee that federally funded research and development programs did not ignore this critical area.

As a result of this congressional action, the NSF now has a $28 million energy research and technology program underway, which will be tripled under the pending appropriation. Already, projects funded by the Foundation are bringing us more information on the feasibility of using solar heating and cooling systems than all previous laboratory experiments to date. And with the funds included in the bill before us, the Foundation plans to move ahead rapidly into solar thermal conversion, wind energy conversion, bioconversion to fuels, ocean thermal energy conversion, and photovoltaic energy conversion. Its efforts include a wide range of potential technology combinations to help this Nation meet its energy needs in the next decade and beyond, and the investment will provide the broad base of knowledge needed to resolve energy issues over the long term, and to increase the efficiency of current energy usage and systems.

As chairman of the Subcommittee on the National Science Foundation, I have had the opportunity over the last 6 years to follow closely the Foundation's growing involvement in the development of a selected number of research programs directed to critical areas of national need. Its energy research and technology program is one important part of that effort, and I urge prompt approval of the funds requested so that the Foundation can begin to allocate the new funding as soon as possible.

Mr. SCHWEIKER. Mr. President, one of the most significant items of H.R. 14434, the Energy Research Appropriations Act for fiscal year 1975 is the doubled commitment to coal research.

For many years, long before the concept of an energy crisis was understood by the public, I have been pressing for expanded research and development of methods to utilize our significant coal reserves.

Last year, during consideration of the fiscal year 1974 Interior Department appropriations bill, I sponsored an amendment to double the funding for the research activities of the Office of Coal Research bill from $43.5 million to $95 million.

This year, the Appropriations Committee has doubled coal research funds once again, appropriating $258.4 million for the Office of Coal Research, and $137.3 million for research and development activities of the Bureau of Mines. I strongly urge my colleagues to support these important new funding levels for coal research.

The simple fact is that our Nation's long-range energy needs cannot be met unless we fully utilize our most abundant domestic energy source—coal. Coal represents 87 percent of proven fossil fuel reserves in our country, and must be utilized.

The Arab oil embargo dramatically demonstrated to the American people, and the Congress, that we cannot remain dependent on foreign energy sources. This is one of the reasons I have been vigorously opposing the billion-dollar natural gas deals with the Soviet Union being sponsored by the U.S. Export-Import Bank—we must never again depend on foreign energy sources that can be turned off by a hostile government or as part of international negotiations.

Coal is our most plentiful energy resource. Coal is readily available now in our mines. And most important, the environmental problems caused by the burning of coal are currently being solved by modern technology. Coal can be coverted into clean-burning pipeline gas and fuel oil at a price competitive with other sources of energy on the market today. The processes of coal gasification and coal liquefaction can convert coal into clean-burning fuels at low costs, but we must have the necessary research commitments to significantly expand these processes. I have personally seen the future U.S. Bureau of Mines coal gasification plant at Bruceton, near Pittsburgh, and have seen some of its current work. When fully completed, this plant will be able to economically convert 75 tons of coal daily into 300,000 cubic feet of clean-burning gas. This is the kind of modern technique that can help us become self-sufficient in energy.

Mr. President, the energy crisis, and the oil embargo, this past winter was of great concern to all Americans. It taught us a lesson we must never forget—that we must take all steps possible to become self-sufficient in energy. I have introduced my own bill, S. 2956, to create a Federal Energy Production Corporation to stimulate immediate production of American energy sources. Other measures have been introduced and debated covering oil shale, atomic energy, solar, geothermal, and other energy sources. These are all steps we must take.

But in addition to these energy concepts, we must make immediate commitments of immediate sources of energy. Coal is the most significant of the processes that is immediately available. But we must expand the research money available for coal to guarantee that the new technologies can quickly move from research into production.

I commend the members of the Appropriations Committee for making this commitment to coal, and to coal research, and am confident that this financial commitment will play an important role in helping this Nation to become more self-sufficient and thereby help prevent future energy crises.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh) and the Senator from Arkansas (Mr. Fulbright) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Montana (Mr. Metcalf) and the Senator from Missouri (Mr. Symington) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 92, nays 0, as follows:

[No. 253 Leg.]

YEAS—92

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—8

Bayh
Fulbright
Hatfield
Javits
McGee
Metcalf
Percy
Symington

So the bill (H.R. 14434) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McClellan, Mr. Stennis, Mr. Pastore, Mr. Bible, Mr. Proxmire, Mr. Montoya, Mr. Hollings, Mr. Young, Mr. Hruska, Mr. Fong, Mr. Hatfield, Mr. Stevens, Mr. Mathias, and Mr. Bellmon conferees on the part of the Senate.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER (Mr. Bartlett). Without objection, it is so ordered.

ASSISTANCE TO THE STATES RELATING TO ANIMAL HEALTH RESEARCH

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11873.

The PRESIDING OFFICER (Mr. Bartlett) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11873) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TALMADGE. I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Bartlett) appointed Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Clark, Mr. Young, Mr. Dole, and Mr. Bellmon conferees on the part of the Senate.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, under the order does the Senate now return to the bill, S. 3523?

The PRESIDING OFFICER. It does. The Senator is correct.

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3523) to establish a Temporary National Commission on Supplies and Shortages.

The PRESIDING OFFICER. Thirteen minutes remain for the proponents, and 39 minutes remain for the opponents. Who yields time?

Mr. HUMPHREY. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 4, line 14, insert the following: strike out the word "reports", and add between "its" and "specific" the words "first report".

On page 4, strike out everything between "including" in line 16 and "examination" in line 18, and insert between "including" and "examination" the following: "the format and structure for the establishment of an agency to provide for a continuing and comprehensive".

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum, with the time for the quorum call to be equally divided.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ENVIRONMENTAL CENTERS ACT OF 1974

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 877, S. 1865.

The **PRESIDING OFFICER**. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1865) to amend the National Environmental Policy Act of 1969 in order to encourage the establishment of, and to assist State and regional environmental centers.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments to strike out all after the enacting clause and insert:

That this Act may be cited as the "Environmental Centers Act of 1974".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(3) The term "educational institution" means a public of private institution of higher education, or a consortium of public of private institutions of higher education.

(4) The term "State environmental center" means an organization which, on a statewide basis, carries out and coordinates research, training, and information dissemination; assists State and local governments; and performs other functions described in section 6 of this Act related to the protection and improvement of the environment.

(5) The term "regional environmental center" means an organization which, on an interstate basis, undertakes and coordinates research, training, and information dissemination; assists State and local governments; and performs other functions described in section 6 of this Act related to the protection and improvement of the environment.

(6) The term "environmental center" means a State environmental center or regional environmental center established pursuant to this Act.

(7) The term "other research facilities" means the research facilities of (A) any educational institution in which a State environmental center is not located and which does not directly participate in a regional environmental center, (B) public or private foundations and other institutions, or (C) private industry.

POLICY AND PURPOSES

SEC. 3. (a) It is the policy of the Congress to support basic and applied research, planning, management, education, and other activities necessary to maintain and improve the quality of the environment through the establishment of interdisciplinary environmental centers, in cooperation with and among the States, and thereby to achieve a more adequate program of environmental protection and improvement within the States, regions, and Nation. It is hereby recognized that research, planning, management, and education in environmental subjects are necessary to establish an environmental balance in local, State, and regional areas to assure the Nation of a quality environment.

(b) The purposes of this Act are to stimulate, sponsor, provide for, and supplement existing programs for the conduct of basic and applied research, investigations, and experiments relating to the environment; to provide for comprehensive study of environmental problems of particular importance to the several States; to provide for the widest dissemination of environmental information; to assist in the training of professionals in fields related to the protection and improvement of the Nation's environment; to provide for coordination of the above activities; and to authorize and direct the Administrator to cooperate with the several States for the purpose of encouraging and assisting them in carrying out the activities described above having due regard to the varying conditions and needs of the respective States.

DESIGNATION AND APPROVAL OF ENVIRONMENTAL CENTERS

SEC. 4. (a) The Administrator may provide financial assistance under this Act for the purpose of enabling any State, if such State does not participate in a regional environmental center receiving funds under this Act, to establish and operate one State environmental center if—

(1) such State enviromental center is, or will be—

(A) located at an educational institution within the State; and

(B) administered by such educational institution;

(2) such educational institution is designated by the Governor of the State; and

(3) the Administrator determines that such State environmental center—

(A) meets, or will meet, the requirements set forth in section 5 of this Act; and

(B) has, or will have, the capability to carry out the functions set forth in section 6 of this Act.

(b) The Administrator may provide financial assistance under this Act for the purpose of enabling two or more States, if none of such States has a State environmental center assisted under this Act, to establish and operate a regional environmental center if—

(1) such regional environmental center is, or will be—

(A) located at an educational institution within one of such States, or in educational institutions within two or more of such States if such institutions agree to operate jointly as the regional environmental center; and

(B) administered by such educational institution or institutions;

(2) such educational institution in each State is designated by the Governor of the State to participate in the regional environmental center; and

(3) the Administrator determines that such regional environmental center—

(A) meets, or will meet, the requirements set forth in section 5 of this Act; and

(B) has, or will have, the capability to carry out the functions set forth in section 6 of this Act.

(c) Each Governor, in designating an educational institution to be a State environmental center or to participate in a regional environmental center, shall take into account those institutions of higher education in the State which, at that time, are carrying out environmentally related research and education programs; and shall, insofar as possible, avoid duplication of such programs.

ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL CENTERS

SEC. 5. Each environmental center shall—

(1) be organized and operated so as to coordinate, support, augment, and implement programs contributing to the protection and improvement of the local, State, regional, and national environment;

(2) have (A) a chief administrative officer, hereinafter referred to as the "Director", and (B) a treasurer who shall carry out the duties specified in section 11 of this Act, each of whom shall be appointed by the chief executive officer of the educational institution concerned, in the case of a State environmental center, or jointly approved and appointed by the chief executive officers of the educational institutions concerned, in the case of a regional environmental center.

(3) have a nucleus of administrative, professional, scientific, technical, and other personnel capable of planning, coordinating, and directing interdisciplinary programs related to the protection and improvement of the local, State, regional, and national environment;

(4) be authorized to employ personnel to carry out appropriate research, planning, management, and education programs;

(5) be authorized to make contracts and other financial arrangements necessary to implement subsection (b) of section 6 of this Act; and

(6) make available to the public all data, publications, studies, reports, and other information which result from its programs and activities, except information relating to matters described in section 552(b)(4) of title 5, United States Code.

FUNCTIONS OF ENVIRONMENTAL CENTERS

SEC. 6. (a) Each environmental center shall be responsible for the following functions—

(1) the planning and implementing of research, investigations, and experiments relating to the study and resolution of environmental pollution, natural resource management, environmental health, and other local, State, and regional environmental problems and opportunities;

(2) the training of environmental professionals through such research, investigations, and experiments, which training may include, but is not limited to, biological, ecological, geographic, geological, engineering, economic, legal, energy resource, natural resource, and land use planning, social, recreational, and other aspects of environmental problems;

(3) the establishment, operation, and maintenance of a comprehensive environmental education program directed at the widest possible segment of the population, which program may include, but is not limited to, public school curricula development, undergraduate degree programs, graduate programs, nondegree college level course work, professional training, short courses, workshops, and other educational activities directed toward professional training and general education;

(4) the widest possible dissemination of useful and practical information on subjects relating to the protection and enhancement of the Nation's environment and the establishment and maintenance of a reference service to facilitate the rapid identification,

acquisition, retrieval, dissemination, and use of such information;

(5) the coordination of efforts in the several areas required to achieve the purposes and objectives of this Act; and

(6) the submission, on or before September 1 of each year, of a comprehensive report of its program and activities during the immediately preceding fiscal year to the relevant Governor or Governors, the Administrator, and the Environmental Centers Research Coordination Board established under section 9 of this Act.

(b)(1) Each environmental center is encouraged to contract with other environmental centers and with other research facilities to undertake any function listed in subsection (a) of this section in order to achieve the most efficient and effective use of institutional, financial, and human resources.

(2) Each environmental center is encouraged to make grants, contracts, and cooperative agreements through fund matching or other arrangements with—

(A) other environmental centers, research facilities, and individuals the training, experience, and qualifications of which or whom are, in the judgment of the Director, adequate for the conduct of specific projects to further the purposes of this Act; and

(B) local, State, and Federal agencies to undertake research, investigations, and experiments concerning any aspects of environmental problems related to the mission of the environmental center and the purposes of this Act.

(c) In the carrying out of the functions described in clauses (a) (3) and (4) of this section, the services of private enterprise firms active in the fields of information, technical services, publishing multimedia or educational materials, and broadcasting are to be utilized whenever feasible so as to avoid creating Government competition with private enterprise and to achieve the most efficient use of public funds in fulfilling the purposes of this Act.

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS

SEC. 7. (a) There is authorized to be appropriated for grants to environmental centers for the purposes of this Act $7,000,000 the first full fiscal year following the enactment of this Act; $10,000,000 for the second full fiscal year following the enactment of this Act; $15,000,000 for the third full fiscal year following the enactment of this Act; and $20,000,000 for each of the next two fiscal years. The sums authorized for appropriation pursuant to this subsection shall be dispersed in equal shares to the environmental centers by the Administrator, except that each regional environmental center shall receive the number of shares equal to the number of States participating in such regional environmental center: *Provided*, That sums allocated under this subsection in each fiscal year after the third full fiscal year following the enactment of this Act shall be made available only to those environmental centers for which the participating States provide $1 for each $2 provided under this subsection.

(b) In addition to the sums authorized by subsection (a) of this section, there is further authorized to be appropriated $10,000,000 for each of the three full fiscal years following the enactment of this Act; and $15,000,000 for each of the two succeeding fiscal years, which shall be allocated by the Administrator, after consultation with the Environmental Centers Research Coordination Board, to the environmental centers on the following basis; one-fourth based on population using the most current decennial census, one-fourth based on the amount of each State's total land area, and one-half based on the assessment of the Administrator with respect to (1) the nature and relative severity of the environmental problems among the areas served by the several environmental centers, and (2) the ability and willingness of each center to address itself to such problems within its respective area; except that sums allocated under this subsection shall be made available only to those environmental centers for which the States concerned provide $1 for each $2 provided under this subsection.

(c) In addition to the sums authorized to be appropriated under subsections (a) and (b) of this section, there is authorized to be appropriated for each of the five full fiscal years following the enactment of this Act, such sums as may be necessary to provide to each regional environmental center during each of such fiscal years an amount of money equal to 10 per centum of the funds which will be disbursed and allocated to such center during that fiscal year by the Administrator under such subsections (a) and (b).

(d) Not less than 10 per centum of any sums allocated to an environmental center shall be expended only in support of work planned and conducted on interstate or regional programs.

AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATION

SEC. 8. There is authorized to be appropriated $1,000,000 for each of the five full fiscal years after the enactment of this Act, to be used by the Administrator solely for the administration of this Act and to carry out the purposes of section 9 of this Act.

ENVIRONMENTAL CENTERS RESEARCH COORDINATION BOARD

SEC. 9. (a) There is established the Environmental Centers Research Coordination Board (hereinafter referred to in this section as the "Board"), for the purposes of assisting the Administrator with program development and operation, consisting of the following sixteen members—

(1) a Chairman, who shall be the Administrator;

(2) one representative each from (A) the Council on Environmental Quality; (B) the National Science Foundation; (C) the Department of the Interior; (D) the Department of Agriculture; and (E) the National Institutes of Health;

(3) five members, appointed by the Administrator, each of whom shall be the Director of a State or regional environmental center authorized in this Act, and who shall be selected to represent the widest possible geographic cross section of the Nation; and

(4) five members, appointed by the Administrator, who shall be appointed on the basis of their abilities to represent the views of (A) State government; (B) private industry; (C) the public academic community; (D) the private academic community; and (E) not-for-profit organizations the primary objective of which is the improvement of environmental quality.

(b) Selection of Board members pursuant to clause (a) (2) of this section shall be made by heads of the respective entities after consultation with the Administrator.

(c) The Chairman of the Board may designate one of the members of the Board as Acting Chairman to act during his absence.

(d) The Board shall undertake a continuing review of the programs and activities of all environmental centers assisted under this Act and make such recommendations as it deems appropriate to the Administrator and the relevant Governors with respect to the improvement of the programs and activities of the several centers. The Board shall, in conducting its review, give particular attention to finding any unnecessary duplication of programs and activities among the several environmental centers and shall include in its recommendations suggestions for minimizing such duplications. The Board shall also coordinate its activities under this section with all appropriate Federal agencies and may coordinate such activities with such State and local agencies and private individuals, institutions, and firms as it deems appropriate.

(e) The Board shall meet at least four times each year. The members of the Board who are not regular full-time officers or employees of the United States shall, while carrying out their duties as members, be entitled to receive compensation at a rate fixed by the Administrator, but not exceeding $100 per diem, including traveltime, and, while away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by law for persons intermittently employed in Government service.

ENVIRONMENTAL CENTER ADVISORY BOARDS

SEC. 10 (a) The Governor of each State having a State environmental center assisted under this Act, and the Governors of States participating in each regional environmental center assisted under this Act, shall appoint, after consultation with the Director of the environmental center concerned, an advisory board which shall—

(1) advise such environmental center with respect to the activities and programs conducted by the center and the coordination of such activities and programs with the environmental protection and enhancement activities and programs of Federal, State, and local governments, of other educational institutions (whether or not directly participating in an environmental center assisted under this Act), and of private industry; and

(2) make such recommendations as it deems appropriate regarding—

(A) the implementation and improvement of the research, investigations, experiments, training, environmental education, information dissemination, and other activities and programs undertaken by the environmental center; and

(B) new activities and programs which the environmental center should undertake or support.

(b) All recommendations made by an advisory board pursuant to clause (a)(2) of this section shall be promptly transmitted to the Governor or Governors concerned, the Director of the environmental center, the chief executive officer of each educational institution in which the environmental center is located, and the Administrator.

(c) Any recommendations made by an advisory board pursuant to clause (a)(2) of this section shall be responded to, in writing, by the Director of the environmental center within one hundred and twenty days after such recommendations are received. In any case in which any such recommendation is not followed or adopted by the Director, he, in his response, shall state, in detail, the reason why the recommendation was not, or will not be, followed or adopted.

(d) All recommendations made by an advisory board pursuant to clause (a)(2) of this section, and all responses by the Director thereto, shall be matters of public record and shall be available to the public at all reasonable times.

(e)(1) Each advisory board appointed pursuant to this section shall have not to exceed fifteen members consisting of representatives of—

(A) the agencies of the relevant State or States which administer laws and programs relating to environmental protection or enhancement;

(B) the educational institution or institutions in which the environmental center is located;

(C) the business and industrial community; and

(D) not-for-profit organizations, the primary objective of which is the improvement of environmental quality, and other public interest groups.

The Director of the environmental center shall be an ex officio member of the advisory board. Each advisory board shall elect a chairman from among its appointed members.

(2) The term of office of each member appointed to any advisory board shall be for three years; except that of the members initially appointed to any advisory board, the term of office of one-third of the membership shall be for one year, the term of office of one-third of the membership shall be for two years, and the term of office of the remaining members shall be for three years.

(f) Each advisory board appointed pursuant to this section shall meet not less than once each year.

(g) Funds provided under section 7 of this Act may be used to pay the travel and such other related costs as shall be authorized by the Director of the environmental center which are incurred by the members of each advisory board incident to their attendance at meetings of the advisory board or its official committees; except that the amount of travel and related costs paid under this subsection to any member of an advisory board with respect to his attendance at any meeting of the Advisory Board may not exceed the amount which would be payable to such member if the law relating to travel expenses for persons intermittently employed in Government service applied to such member.

MISCELLANEOUS

SEC. 11. (a) Sums made available for allotment to the environmental centers under this Act shall be paid in quarterly installments during each fiscal year. Each treasurer appointed pursuant to clause (2) of section 5 of this Act shall receive and account for all funds paid to the environmental center under the provisions of the Act and shall transmit, with the approval of the Director, to the Administrator on or before the first day of September of each year, a detailed statement of the amount received under provisions of this Act during the preceding fiscal year and its disbursement, on schedules prescribed by the Administrator. If any of the moneys received by the authorized receiving officer of the environmental center under the provisions of this Act shall be found by the Administrator to have been improperly diminished, lost, or misapplied, they shall be replaced by the environmental center concerned and until so replaced no subsequent appropriations shall be allotted or paid pursuant to this Act to that environmental center.

(b) Moneys appropriated under this Act, in addition to being available for expenses incurred in research, investigations, experiments, education, and training conducted under authority of this Act, shall also be available for printing and publishing of the results thereof.

(c) Any environmental center which receives assistance under this Act shall make available to the Administrator and the Comptroller General of the United States, or any of their authorized representatives, for purposes of audit and examination, any books, documents, papers, and records which are pertinent to the assistance received by such environmental center under this Act.

DUTIES OF ADMINISTRATOR

SEC. 12. The Administrator shall—

(1) prescribe such rules and regulations as may be necessary to carry out the provisions and purposes of this Act;

(2) indicate to the environmental centers from time to time such areas of research and investigation as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation among the several environmental centers;

(3) report on or before January 1 of each year to the President and to Congress regarding the receipts and expenditures and work of all the environmental centers assisted under the provisions of this Act and also whether any portion of the appropriations available for allotment to any environmental center has been withheld, and, if so, the reason therefor; and

(4) undertake a continuing survey, and report thereon to Congress on or before January 1 of each year, with respect to—

(A) the interrelationship between the types of programs conducted by environmental centers pursuant to this Act; and

(B) ways in which the activities provided for in this Act for improving the Nation's environment may be integrated with other environmentally related Federal programs.

The Administrator shall include in any report required under this paragraph any recommendations he deems appropriate to achieve the purposes of this Act.

Mr. BELLMON. Mr. President, I urge the Senate to adopt S. 1865 to create a network of environmental centers to conduct research on and monitoring of environmental problems at the State or regional level. Congress has been generous with the Federal Establishment in providing funds to conduct national research on the environment. Certainly Congress needs the best knowledge and data it can get on the standards which it is setting nationwide to clean up the air and water. State and local governments, faced with the need to make similar decisions, need the same facts relating to their States or communities. S. 1865 will provide a way to get such information.

Too often, we are telling States and localities to meet certain standards, but we are not telling them how. Too often, States and localities have environmental problems that the Federal Establishment dismisses as of purely local concern.

Therefore, I believe it is essential that these jurisdictions be equipped, modestly, to address these problems on the basis of their own decisions and on the basis of their own perceptions of their needs.

Let us talk a little about what this measure will and will not do.

It will not provide a lot of money to build new buildings and research establishments. It will provide some money for the Governor of each State, or possibly several States together, to designate an existing educational institution or institutions to carry out research and train professionals in fields that are of prime environmental concern to the State or region.

Mr. President, this bill was reported out of the Senate Interior Committee unanimously. It has been cosponsored by a distinguished group of Senators. It was passed by the 92d Congress as part of a bill containing other legislative features, and it suffered a pocket veto.

The bill was reintroduced with some assurance from the administration that it will be signed this time. This bill in its emphasis on decisionmaking at the State and local level actually translates new federalism concepts into the research and development area. The highly respected chairman of the House Subcommittee on Fisheries and Wildlife Conservation and the Environment, the Honorable JOHN DINGLELL, has introduced the same measure in the House as H.R. 35 and we are assured of speedy consideration in that body.

Mr. President, I am most hopeful that this is a bill whose time has finally come. It is meritorous. We need it now. The States and localities need it now. The public deserves it now.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to authorize and encourage establishment of, and to render assistance to, environmental centers in the several States and regions of the Nation, and for other purposes."

NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3523) to establish a temporary National Commission on Supplies and Shortages.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against either side on the quorum call which I suggested.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I seek recognition for 5 minutes on the bill.

Will the Senator from Tennessee yield me 5 minutes?

Mr. BROCK. I yield 5 minutes to the majority leader.

Mr. MANSFIELD. Mr. President, at the outset of this session the majority caucus and the Majority Policy Committee voted to support the establishment of an instrumentality designed to assist the Nation in dealing with potential future areas of crisis with regard to sufficient supplies of resources, materials, and commodities. Economic foresight was the way we perceived it, and it was agreed unanimously that some mechanism ought to be provided that gives us an alternative to the crash-based planning with which the Nation attempted to meet the energy problem. At the direction of the Democratic caucus, I pursued the issue with the Republican leadership, with the House joint leadership, and with the President. The joint leadership introduced a bill that was agreed to by all representing the executive and the legislative branches. In a sense, the genesis of this proposal was unique in the way both branches, both Houses, and both parties came together to find a solution to an issue of the highest priority. The resulting bill, S. 3523, is what the Senate has been considering yesterday and today.

Let me say that I appreciate the deep and sincere interest in this issue by the Commerce Committee, the Government Operations Committee, and by other committees and individual Senators. Personally, I do not disagree with many of the views expressed on the issue, but feel constrained to suppress my personal concerns in the interest of preserving the unique cooperation achieved at the outset.

I should say that those who acted on behalf of the executive branch were Secretary of the Treasury George Shultz at the beginning, until his resignation; Secretary of the Treasury William Simon, Director Ash, Chairman Stein, Chairman Dunlop, and Chairman Flanigan. Not only do I think that the support of the administration and the House leadership are essential to the success of this proposal, with all due respect to the many Senators who have differed on certain specifics, it seems to me that unless these Department heads and Council heads cooperate fully in supplying the needed information to such an instrumentality, its usefulness would be greatly impaired. The leadership, therefore, sought to join in efforts that would assure the ultimate success of this first major step to meet an enormous problem. As it now stands, the proposal mandates that the specific recommendations as to a permanent facility be provided within 6 months. Thereafter this Commission would itself continue to perform the task of perceiving a potential crisis area and offering us alternative policy actions needed to offset that crisis until Congress acts on the recommendations for a permanent facility—I repeat, until Congress acts on the recommendations for a permanent facility. Congress would have 6 months to act and pending that action, this Commission itself has the authority to continue to perform these tasks on a transitional basis.

Let me close by stressing that this is a first step and with it is assured, I think, the cooperation between parties, between branches, and between Houses of Congress that will assure its success and ultimately the success of a future full-fledged, highly visible, and highly credible permanent mechanism within our national life to accomplish the task of economic foresight regarding the future needs of the Nation.

If after a year the transitional work of this Commission is unfinished, and Congress still has not acted on its recommendations, or if sufficient funds have not been made available, I see no reason why we simply cannot extend its life and provide supplemental resources. The important thing is that we get this project underway and that we do so cooperatively. This issue is too important to be jeopardized by further delay and long-range studies, which we have had up to our neck and coming out of our ears. We all agree with the objective involved, and I hope we will keep that in mind in considering further the proposal before us.

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. The Senator is yielding to me.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. TUNNEY. I yield time to myself on the bill.

Does the Senator have any kind of understanding with the administration with respect to a continuation of the responsibilities of the Commission if, after a year, its work is not done and Congress has not been able to determine what mechanism should be established for the evaluation of shortages? Would the administration agree to a continuation of the life of this Commission? Have representatives of the administration given any communication to the Senator that they are prepared to support the extension of the life of the Commission?

Mr. MANSFIELD. I may say to the distinguished Senator from California that we did not operate on the basis of understandings or deals. All the cards were laid on the table. The purpose was to be as careful as we could in the selection of a permanent Commission by way of the setting up of a temporary Commission to establish all the facts needed to be considered.

I personally would have no doubt that the administration, at least based on my interpretation of conversations and conferences with the men mentioned representing the executive branch, would be more than willing to consider an extension provided we showed some progress, some determination, and some objectivity in the meantime.

Mr. TUNNEY. I think that this is very important because, as the distinguished majority leader knows, there are a number of us who feel very sincerely—we may be wrong, but very sincerely—that we need a permanent mechanism right now, and that the study as to whether we do need a permanent Commission is superfluous because there have been studies in the past that have demonstrated we need it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. TUNNEY. Yes.

Mr. MANSFIELD. The need is recognized for a permanent Commission. But we want to be absolutely certain rather than to jump ahead too fast, make mistakes and, hence, the transitional period so that we can be certain that we can do as good a job and create as good a permanent Commission as is possible and, in some way, bring to it all the findings of the congressional committees in both the House and the Senate, including the Commerce Committee on which the Senator serves with such distinction, all the agencies, officers and bureaus downtown, of which there are more than 50, so that we will have a clearinghouse of information already achieved and be able to plan for the future, and project shortages, say, in copper, in bauxite, which are with us at the present time.

We depend 100 percent on imports, and we will until and unless we begin to develop the alumina clays in the States of Georgia, Montana, and Idaho and, perhaps, elsewhere.

On copper, the need is becoming apparent all the time that we are depending on outside sources, even though we import only 8 percent of our needs.

The purpose is to prepare, to plan, to anticipate, to develop substitutes and alternatives, and not be cut short as we were at the time of the energy crisis last October, even though we had been warned time and time again that this could happen.

We can, for example, take advantage of the excellent recommendation made 22 years ago by the Paley Commission. People have asked, "Well, why was that not put into operation?" I do not know what the answer is except that I would hazard the guess that with President Truman going out and President Eisenhower coming in, it was lost in the shuffle at that time. But what was said then holds up pretty much today and would be a fine working instrument to help a temporary Commission get under way toward the creation of a permanent Commission.

Mr. TUNNEY. During the course of our hearings administration witnesses testified before the committee—the two committees that were holding joint hearings, Government Operations and Commerce Committee—that such a permanent commission was not needed.

What I suppose I am trying to elicit from my very distinguished leader is the answer to a very basic question, and that is, assuming that Congress has not acted at the end of, the expiration of, the life of this Commission, is it the majority leader's understanding that the administration is prepared to see the life of this Commission extended for another 6 months or another 2 years until such time as Congress has an opportunity to act?

The importance of that is we are envisioning that this Commission will have the responsibilities immediately for collecting data on material shortages, monitoring that data, analyzing it and distributing information on a regular basis to Congress and to the executive branch. We do not want a hiatus between the expiration of the life of this Commission and a future point at which Congress would act, assuming that Congress does not act within a year.

Mr. MANSFIELD. I would agree with the assumption of the Senator from California; that would be my anticipation and my understanding; and frankly I would hope that it would be possible within the year to set up a permanent Commission, subject to the will of Congress at all times, and in that way get underway the kind of a permanent Commission which the distinguished Senator has been advocating during the course of this debate.

Mr. HUMPHREY. Mr. President, will the majority leader yield to me?

Mr. MANSFIELD. Yes, indeed.

Mr. HUMPHREY. I have an amendment pending which relates to this discussion, it may not be at all necessary to press it. I just wanted to get the counsel of the majority leader.

In the bill which comes to us now, the language on page 4 reads:

> The Commission shall include in its reports specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency to provide for . . .

My amendment, which is pending, would knock out the word "advisability" and would, in a sense, really set forth that the Commission was to report, as I have indicated in the language of the amendment, the format and structure for the establishment of an independent agency.

I ask the majority leader whether that complicates matters, or is it within what the majority leader thinks we ought to have in this legislation?

Mr. MANSFIELD. I would say that it complicates matters somewhat. The intent and the meaning which the Senator is intending to convey, and very constructively, I think, is contained within the contents of the bill now pending.

Mr. HUMPHREY. Does the Senator believe that the word "advisability" there leaves the option open to a point where an independent agency would not be recommended? In other words, a permanent commission would not be?

Mr. MANSFIELD. No, no. I would agree with the Senator from California and other Senators that what we are seeking to achieve on as solid a basis as possible is a permanent commission which could sort of act as a point organization; take out the possible deficiencies and come up with ways to develop alternatives, substitutes, or whatnot to overcome the crises not only in metals but in food, pure air, pure water. It covers the whole spectrum; it is not simply tied to supplies of food and minerals.

Mr. HUMPHREY. I understand.

Mr. MANSFIELD. It is not tied merely to scarcities in those areas.

Mr. HUMPHREY. My concern was whether or not the Commission—the temporary Commission—with its makeup should have the option of recommending or not recommending the establishment of an independent agency. What I had in mind was to make certain that what the Commission was to recommend, in whatever form it may suggest, is a permanent independent agency, and not leave it with the option which the present language would permit. The present language says "including the advisability of establishing an independent agency." The words "the advisability" disturbed me somewhat because I believe what the Senator from Montana wants is a permanent independent agency, and we ought not to let the temporary Commission fool with that.

Mr. MANSFIELD. The Senator can be assured that there will be no tampering; that the idea will be for the temporary Commission to lay the groundwork on the recommendations for a permanent Commission which it would have to come back to Congress to achieve.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. I think there is enough viability or flexibility in the language to achieve the results which both the Senator from California and the Senator from Minnesota desire.

Mr. HUMPHREY. So the Senator would feel, from his point of view, since he had to negotiate this rather delicate arrangement for this legislation, that it would be desirable for my amendment to be withdrawn and to leave the language as it is; is that correct?

Mr. MANSFIELD. If the Senator would be so kind, because what we are seeking is something unusual in executive-legislative relations. As I indicated last night, all too often our relations with the White House and the executive branch are at arm's length, or on an adversary basis. This is one time when, on the basis of Senatorial initiative, we could work in cooperation and partnership with the administration in achieving a common goal.

I have felt throughout all my political years that there has been too much antagonism between the two branches, that there ought to be more in the way of accommodation and partnership, and this is one way in which we are trying to achieve that. Whether or not we succeed, of course, depends upon developments, but I am sure the Senator has my viewpoint in mind.

Mr. HUMPHREY. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. Who yields time?

Mr. BROCK. Mr. President, I yield 4 minutes to the Senator from New Hampshire (Mr. Cotton).

Mr. COTTON. Mr. President, I have had mixed feelings about this measure.

In view of the fact that the leadership on both sides wanted to proceed in this way and that the desire was to establish a better working relationship with the executive on this rather vital matter, I am disposed to try to be as cooperative as the distinguished Senator from Minnesota, who always proves his breadth of vision by being most reasonable.

I am willing to meet him half way and perhaps support this measure, in view of the fact that we are going to have provision for a report in 6 months.

But, Mr. President, that does not mean I have lost my distrust and lack of confidence in this method of approach, which has been acquired over the last 20 years.

I remember well serving on a commission to try to establish a uniform method of dealing with Government security. I served as one of the two Senators on that commission. It was a commission consisting of some 16 people, including two Senators, two Members of the House, members from the American Bar Association designated by the president of the Bar Association, and several public members designated by the President of the United States. We operated for about 3 years. We kept asking for more time.

Actually, the work was done by a staff, and the only real decision that commission ever made was when it selected the staff. They journeyed to Washington, had their expenses paid on a per diem basis, and made their report. I remember the Senator from Mississippi (Mr. Stennis) and I introduced in the Senate, and the corresponding Members of the House of Representatives introduced in the House, legislation to implement that report. However, it was never even taken up by a committee, and so that is as far as we got.

My next experience was when I was appointed along with the distinguished chairman of the Commerce Committee, the Senator from Washington (Mr. Magnuson), to the Commission on Marine Science, Engineering and Resources.

Again, a staff was appointed, and again every 2 or 3 weeks we went downtown and met with distinguished citizens from all over the country until Congress acted without waiting for us. We never really got going on this matter of oceanography.

My most recent experience was serving on the Bicentennial Commission, from which I have resigned since it is just about as big a farce as I have ever seen.

It seems to me that we can cooperate with the White House because there are still a few Members of this body who are on good terms with the President, mostly because we have refrained from attacking him and have proceeded on the basis that we would live up to our oaths of office, and if an impeachment trial came we would vote according to the sworn evidence, and not according to the information furnished by the news media.

There are Members of this body who have confidence in the President. For that reason, I think that we could expeditiously, in view of the leadership's fine attitude of cooperation, establish a special committee in this body that would proceed to listen to the secretaries of the various agencies downtown and try to work out the kind of instrumentality that should deal with this problem.

But, there will be 13 members of this Commission; they will come from all Christendom; they will have their trips to Washington; they will listen to the report of their staff; and, hopefully, they will come up with some kind of recommendation. But when they do, it will have to be settled right here on the floor of the Senate and on the floor of the House of Representatives as to whether there is going to be an independent, quasi-judicial agency, with vast powers to deal with this problem, or whether the authority shall be delegated in some other manner.

The decision will be made right here. It will not be made in 1 month, 6 months, or 2 years. I do not want to be cynical, but I would almost wager that the first report we would get from that Commission would be a report asking that it be extended for another 6 months or another year.

But because of the leadership and the attitude taken by the distinguished majority leader, I am willing, like the Senator from Minnesota, to subordinate my own views and go along with this bill in its present form. However, I still adhere to the fears that I have expressed before, and I cannot refrain from expressing them here because they are the result of long personal experience.

I think that Congress is perfectly capable of handling this matter itself, but because of the strange situation between Congress and the executive branch and because of the attitudes of the majority leadership, I will therefore retract what I said to the distinguished Senator who is in charge of this debate, and out of respect for the majority leader and those who have hopes that this method of approach will work, I will vote for it.

Mr. BROCK. The Senator from New Hampshire has demonstrated nobility. We appreciate it very much.

Mr. MANSFIELD. I thank the Senator from New Hampshire very much.

Mr. DOLE. Mr. President, an ounce of prevention may—as the old saying goes—be worth a pound of cure. And in no area can I imagine a greater need for a few ounces of preventative action than in the processes by which our crucial agricultural and industrial sectors are supplied with the basic materials upon which their productivity is based.

This past year has brought home to nearly every American the importance of having basic materials available when needed. I know in the State of Kansas that shortages of everything from gasoline, propane, and other fuels to oilfield tubular steel, fertilizer, and baling wire have caused great anxiety, a good deal of alarm, and real economic hardship in some cases. Nationwide, these same problems have been experienced in a wide variety of items, and there is growing concern that various materials shortages may be one of the great areas of world crisis developing over the next few years. Certainly, the current food shortages in various parts of Africa point up the problem of adequate agricultural products.

Of course, the most spectacular area of shortage revolved around the export embargo of Arab-produced crude oil last winter. The fact that the shortages created by the embargo were manmade and not due to any exhaustion of resources did not lessen the impact on the entire world's economy. But the experience with the embargo may have had at least one beneficial result in that it sounded a clear warning that materials shortages can develop—for whatever reason—and very rapidly.

The obvious response to this warning is that we undertake the necessary steps to avoid being caught flat-footed by another shortage in one or a number of basic materials. And I am pleased to support S. 3532, the National Commission on Supplies and Shortages Act, as a highly appropriate and worthwhile attempt to arm America with a basic policy for assuring adequate supplies of essential resources.

The establishment of this Commission—charged with the responsibility to study short- and long-term supplies, explore possible alternative sources, review existing policies and provide an overall coordination for planning to deal with potential supply problems—is a sound and sensible approach to this important question. The success we have in formulating effective materials policies may very well be absolutely critical to our survival at some point in the future. So I again wish to express my support for this measure and urge the Senate to grant its approval.

Additionally, I ask unanimous consent that an informative article on our potential metals shortages from the December 26, 1973 Wall Street Journal be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

What Next? America's Dependence on Imported Metal Seen Leading to New Crisis

(By Richard J. Levine)

WASHINGTON.—After the energy crisis could come a metals crisis.

That grim possibility is beginning to haunt officials here as the Arab oil embargo stirs new fears about the nation's growing dependence on foreign supplies of many crucial mineral ores.

At this point, the concern is centered among middle-echelon bureaucrats, private economists and industry executives. But it is starting to spread to the ranks of government policymakers, reaching in recent days the offices of Interior Secretary Rogers Morton, Federal Reserve Board Chairman Arthur Burns and energy czar William Simon.

What worries these men is the possibility that the Arab oil embargo may give dangerous ideas to the less-developed countries in Africa, Asia and Latin America that supply the U.S. with minerals. They are concerned that these so-called third-world nations—viewing the Arabs' use of oil to force Israeli withdrawal from occupied lands—may decide to use their mineral wealth not to achieve political ends but to jack up their economic positions. The result could be skyrocketing prices and dwindling supplies on world markets.

"Recent events are very disturbing," says Mr. Burns. "What happened in oil could happen" in copper and other raw materials, he adds. Mr. Morton suggests that, unless protective steps are taken, such as maintaining stockpiles, the U.S. could face a "minerals crisis and a materials crisis." There is "no reason why the group of countries that supply most of our bauxite (the ore from which aluminum is produced) can't get together the way the (oil-producing) countries got together on the price of oil," he says. Jamaica and Surinam are the original source of about two-thirds of the aluminum used in the U.S., with Canada and Australia also major producers.

Perhaps the man most responsible for spreading the word about the metals-dependence problem has been C. Fred Bergsten, an international-economics expert at the Brookings Institution who formerly worked for Henry Kissinger on the National Security Council staff. Mr. Bergsten outlined the problem in an article last summer in Foreign Policy magazine entitled, "The Threat From the Third World." It drew little attention at the time, but then came the oil embargo. Recently, Mr. Bergsten has been busy updating his ideas before congressional committees.

"While the oil situation itself must be the focus of policy attention at the moment, we must recognize its far broader implications for the longer run," he says. "Perhaps the broadest lesson to be learned . . . is that countries will adopt extreme, even wholly irrational, policies when frustrated repeatedly in achieving their most cherished aspirations."

Underlying the concern of Mr. Bergsten and others are some harsh facts about the ever-increasing reliance of the U.S. on foreign metals since it became a net importer in the 1920s.

According to the Interior Department, the U.S. already depends on imports for more than half its supply of six of 13 basic raw materials required by an industrialized society (aluminum, chromium, manganese, nickel, tin and zinc.) By 1985, the country will also depend on imports for more than half its iron, lead and tungsten. And by the year 2000, its imports will have to supply more than half its copper, potassium and sulphur. (The 13th material is phosphorus, which is so abundant in the U.S. that imports even in the year 2000 are expected to be negligible.)

INCREASING DEPENDENCE

Viewed another way, the projections suggest the U.S. may have to import $18 billion of metals a year by 1985 and $44 billion by the turn of the century, up from only $5 billion in 1970. "What kind of an economy can stand that kind of pressure on its balance of payments?" asks an Interior Department planner.

At the department's Bureau of Mines, Paul Zinner, assistant director for planning, says the bureau has seen the metals problem coming for 20 years but has been unable to generate much high-level interest. "Since 1953, we've been saying annually we've got to do something about it. But nothing's happened because there's been no crisis. When you find you can't buy an auto because industry can't get materials, you'll get concerned."

As that concern builds, it is likely to be accompanied by the realization that the increasing dependence on overseas metals supplies must dictate changes in American foreign policy. Most obviously, in the view of some analysts, it will force Washington to lavish more attention and money on the less developed nations than in the past. "When we awaken to an oil crisis," says Mr. Bergsten, "we realize how vital to us are Nigeria, Indonesia and Ecuador"—countries that have crude for sale.

In recent years, Washington's foreign-policy machinery, under the tight direction of Henry Kissinger, has concentrated on building relations among the big powers—the Soviet Union, China, Japan, the allies in Western Europe. The result has been a slighting of the development areas of the world, which hold the resources the U.S. will increasingly need. "Our policy institutions aren't adapted to these newly emerging economic realities," says Federal Reserve Chairman Burns.

Many experts believe the U.S. metals-dependence problem will be reflected in rising prices, rather than in a cutoff of supplies. "You wouldn't suddenly find yourself without copper, for example, but you could find the price so high you couldn't afford it," Mr. Zinner says.

Increasing world-wide demand for metals presents suppliers with an opportunity to raise prices, and the oil crisis demonstrates how quickly suppliers can move. Immediately after Iran auctioned crude oil for as much as $17.34 a barrel, Indonesia, Bolivia and Ecuador announced they intended to raise prices, too. "We can't close our eyes to the prices of oil in the last few months," declared Indonesia's minister of mining, Mohammad Sadi.

Earlier this week, six Persian Gulf oil producing countries more than doubled their posted price for crude oil to $11.651 a barrel from $5.11, effective Jan. 1, and more increases may be forthcoming.

Predicting how or where a metals crisis might erupt is difficult. John Morgan, acting director of the Bureau of Mines, says only that the U.S. could find itself in trouble in "any one" of the metals it imports heavily.

Right now, the aluminum situation apyears particularly threatening. Among the danger signs: reports that the leading bauxite-producing countries plan to meet early next year to discuss establishment of a producer organization similar to the Organization of Petroleum Exporting Countries, or OPEC.

In addition to OPEC, which has shown its muscle in raising oil prices, there is the Inter-governmental Council of Copper Exporting Countries (Chile, Peru, Zambia and Zaire) and the International Tin Council (producing members are Malaysia, Bolivia, Indonesia, Nigeria, Zaire and Australia.)

In the long run, some government experts predict, one critical supply problem may be in uranium. "The world resources that are known, assuming that we have access to them, just aren't adequate," an Interior Department analyst says.

Still the situation isn't entirely bleak. For one thing, the U.S. remains rich in natural resources. In many instances, American industry has turned to foreign metal supplies because they have been cheaper than remaining domestic supplies.

For example, the U.S. has aluminum-bearing ore in Georgia and Alabama. But methods haven't yet been developed so these low-grade resources can be used economically. The U.S. also possesses much low-grade iron ore.

Some experts also question whether poor countries, lacking the unifying political cause of the Arabs, could actually get together to raise prices and control supplies. The major copper-exporting countries, says a Washington expert, "aren't geographically cohesive." However, such arguments are rejected by Brookings' Mr. Bergsten, who believe that joint action is more likely in some raw materials than it was in oil.

In any case, U.S. officials are talking about ways to conserve metals in the future as well as to increase U.S. production. Some officials, such as Interior Department Chief Morton, also believe it's time to take another look at the administration policy, established last spring in the hopes of lowering metal prices, of disposing most of the government's huge strategic materials stockpile.

"What the stockpile has provided," an Interior Department planner says, "is tremendous bargaining power for this country in the international sphere. With it, you don't let these bandits hold you up."

AMENDMENT NO. 1408

Mr. TAFT. Mr. President, I call up my amendment No. 1408 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At the end of the bill insert the following new section:

ENFORCEMENT OF DECONTROL COMMITMENTS

SEC. 8. (a) Notwithstanding the expiration of the Economic Stabilization Act of 1970, as amended—

(1) any commitment made or given as a condition of, in connection with, in exchange for, or in the course of decontrol or the grant of other relief from or under such Act, prior to May 1, 1974, shall continue in full force and effect, except that the President may modify any such commitment if he determines that modification would be in the national interest and publishes in the Federal Register the basis for such determination.

(2) the authority and provisions of sections 203 (relating to Presidential control authority), 208 (relating to sanctions), 209 (relating to injunctions and other relief), and 211 (relating to judicial review) of that Act (as in effect on April 30, 1974) may be invoked against, and shall apply to, any person who violates any commitment made or given as a condition of, in connection with, in exchange for, or in the course of decontrol or the grant of other relief to such person from or under such Act, prior to May 1, 1974, or any modification of any such commitment pursuant to the provisions of this subsection.

(b) The authority conferred by section 203 of the Economic Stabilization Act of 1970 shall be exercised with respect to the violation of a decontrol commitment only to the extent necessary to apply appropriate corrective action to the person who committed the violation, and any such exercise of authority shall be accompanied by a statement explaining the reason for such exercise of authority and the President's analysis of why such exercise of authority constitutes appropriate corrective action within the meaning of this subsection.

Mr. TAFT. Mr. President, I have listened with a great deal of interest—as I have been in the Chamber during most of the debate on this measure—and this amendment No. 1408 has been pending which I have described in some detail in the CONGRESSIONAL RECORD on page 18755. I find that when it was introduced, I thought it was a pretty good idea and would fit in pretty well with the committee bill. Its only purpose was to provide some kind of authority to the President to go ahead in some manner—and I am not sure I had it spelled out currently—to enforce the commitments the price control authorities had worked out with some 17 different industries before expiration of the wage and price control legislation.

At the time the wage and price control legislation was in being, I attempted to point out the necessity for some continuing authority to move on the commitments if they were violated. I do not know whether they had been or not. We are not watching them to find out whether they have been violated. I know that one very large company did raise its prices under an exemption within the commitment, but I do not have any idea about it; but here we are sitting here and we have been debating for several days whether we should set up a Commission to advise the Senate and the House as to the structure of the agency that would best control shortages of supply, which in most cases relate to overall economic factors and not just to the actual amount of raw material supplies available that might be involved, did not have the economic factors in play.

To tackle this on the simple theory that they are shortages and that, somehow, the Commission will come up with a warning when shortages may occur, seems to me to be a rather superficial approach to the argument. I already have an amendment and am very happy that the committee adopted an amendment which is somewhat broader in its language, so that insofar as commercial interests are concerned, or on prices, employment practices, business practices, the Commission will have the authority to go into those matters.

I must say, at this point, that I am talking on this amendment but I am really referring to the entire process here and I share many of the doubts expressed by the Senator from New Hampshire (Mr. COTTON) as to whether this will do a bit of good.

I am afraid that what we are facing is a major inflationary problem and a major shortage problem which does not relate to the unavailability of the raw materials in the world in energy sources but across the board all over, because the economy is not working entirely properly and shortages occur and because we have not had any information available to all of us.

I must say, I certainly admire the effort and the enthusiasm expressed by the distinguished majority floor leader as to this legislation and the bipartisan work that has developed. But I should like to make a wager with him, or with anyone else in the Senate for that matter, that when the Commission reports and what the Senate does, if it does anything, will have very little to do with what the Commission reports to us. That has been the history of the past and that will be the history of the future. That is why I thought the motion to recommit was well taken and I thought the idea of extending the Commission for a 3-year or a 2-year life was helpful because we could expand it and change it into a different kind of body, in conference with the House, of course, which would take on the responsibility of monitoring and doing something about this. I thought such a monitoring agency, while it would monitor the supply of materials as well as the matter of prices and wages and the increases that have occurred and their effect upon the economy, were areas in which we should expand but on which the Senate and the House, the entire Congress and the administration, should be attempting now.

The inflation problem is what is behind the thing basically.

We are not tackling that in any way. We are not going to set up an agency by this action that has anything to do with inflation. We turned down the Muskie amendment. I do not want to perpetuate wage and price controls. I do not think they have worked very well. But it is simple folly to relax into a situation where we do not have the information available or any agency responsible for having information available as to what is happening to prices and wages and what is happening to supplies of vital war materials around the world. The action we are taking today is putting it off. Congress should respond to what the needs are by enacting legislation. This is a cream puff approach to what is a very hard-rock problem. The Senate should realize that.

I think the amendment which I have, might or might not help in that connection, so far as decontrol commitments are concerned. I bring this up today to make these points because I have already introduced it and have pending before the Banking Committee legislation which is entitled "The Inflation Restraint Act of 1974," which would include the language in this amendment. But it would also give monitoring authority over developments in wages, prices, and the supply of materials, which I think is vital we provide at this time. We are not doing it by this legislation.

I reserve the remainder of my time.

Mr. TUNNEY. Mr. President, I would hope that the distinguished Senator from Ohio would withdraw his amendment. He has made his point clearly. I supported this concept when it was first brought to the attention of the Senate a number of months ago. I think that the point he is making is a very good one. However, I think it is unnecessary to have this amendment a part of this legislation. I am informed presently that there are only 17 major voluntary wage and price commitments in effect which would be covered by this amendment. The Cost of Living Council has advised the Commerce Committee staff that these are not being abused and that they are being carried out. Therefore, the amendment is unnecessary and seems to be irrelevant to the major purposes of the pending bill.

Although I think that what the Senator wants to achieve by his amendment is salutary, I would hope that he would withdraw it. However, if the Senator feels that he cannot withdraw it, I will move to table the amendment, not because I do not think it has validity as a concept, as I have already indicated, but I do not think it is pertinent to what the purposes of this bill are all about, and that the commitments are being lived up to.

Mr. TAFT. Mr. President, by way of explanation, let me say that the 17 commitments are commitments as to the industrial sector but there are also many individual companies in each sector, so that the commitments do cover a broader portion of the economy than has been implied. Some of them, for instance, the longest range ones, which expire on March 31 next year, are in the coal sector. Another longer range commitment relates to paper, another basic commodity, of which the Senate uses a good deal—and we have just increased our paper allowance again.

What I am trying to call to the attention of the Senate is the necessity for some action on broader inflation-related problems. I do intend, when we are through discussing this, to pull down the amendment at this time because the way the bill has been set up, it is not particularly appropriate to this particular bill. Had we gotten the changes that the committee had advocated on the bill and the changes that others had advocated on the bill, I think it would have been far more appropriate.

Nevertheless, I feel that the amendment covers an area in which we do have an obligation. I hope that the Committee on Banking, Housing and Urban Affairs, before which the related bill that I have proposed is now pending, will shortly have hearings on this matter and will, by emergency legislation if necessary, give at least somebody the authority and the power to monitor and to enforce the commitments that have already been made under the Cost of Living Council, which we have allowed now to expire.

I hope at the same time, and I would recommend at the same time, regardless of the ongoing studies that may or may not come as a result of this legislation, that we will set up some kind of a body to do current, effective economic monitoring, and to use the jawboning approach.

I think if we can somewhat broaden the basis of that from an executive type of jawboning by the White House through a congressional entity, we will do ourselves and the Nation a great deal of credit.

(At this point Mr. HUDDLESTON assumed the Chair.)

Mr. DOMENICI. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I am glad to yield.

Mr. DOMENICI. Let me compliment the Senator from Ohio for the discussion he has brought to the floor of the Senate. I honestly tell the Senator I would not have supported the amendment, but I support the discussion and would like to add a few thoughts of my own with reference to shortages in this country.

Obviously, it was a difficult job to get the bill to the floor of the Senate in a manner that is going to be accepted apparently by both Houses and by the Executive so that we can get on with the business of establishing some system in this country for getting at the facts with reference to the various products that our country now needs, that we are short of, and those we will be short of down the line.

I compliment the Senator for calling to our attention that before we can do anything about the shortages, before we can get the cooperation of the American people with reference to solutions, we have to have facts.

I still believe that a majority of the American people do not believe there is really an energy crisis. I submit that one glaring reason is that we have never had an objective, factfinding body that could support the propositions, logical, and normal, aimed at a solution, because there were still those who were in open combat as to the true state of facts.

Right now in this country we have a situation where we are out of baling wire; yet, no one can tell us precisely how much we will have for the farmers, or what the future holds. Right now we are talking about drilling more oil and gas wells in this country to develop energy; yet, we do not know wherein is the material to drill the wells. We do not know whether we have enough steel being produced, enough rigs, enough bits.

We also find that that which is available seems all of a sudden, to be in the hands of the huge, giant oil companies. Yet, we sit here and say it is the independents that we want to protect so that they can drill. Drill with what? Yet, nobody can give the facts to a Senator. The agency in charge of allocation does not know the facts. They do not think they have the total authority to get the facts.

Now we are talking about a world market in minerals. No one has even told the American people or Congress the status of mineral availability in this country. Those entities are busy about gathering facts in conflict; they are not in unison.

Then we are expected to pass trade bills, to pass all kinds of economic incentive bills for the mineral deposits of this country, either to cause them to move ahead or to slow down, or even to cut them out, to protect the environment.

We do not even have an inventory of the mineral wealth of this country, or a policy with reference to whether or not we want to become independent in mineral productivity.

So it seems to me that if anything can be gained from this trial 6 months, or the 6-months-to-report-commission, it should be this: that they should clearly and forthrightly explain to Congress the dilemma we are in with reference to available facts upon which to base a policy of materials, substances, and goods for the American people.

Mr. TAFT. Even the FEO does not have the facts, particularly in the oil area. It was incredible that when the Arab oil crisis arose, we did not have much knowledge on how much oil was being used or imported. We had to turn to industry. While I am sure the industry figures were designed to be honest with the public, they were certainly not figures that we should accept automatically. They were incomplete in many ways.

Mr. DOMENICI. I believe the Senator will acknowledge, certainly, that the private sector has some proprietary interest that in normal times we want to protect, but we are not even directing some objective factfinding body to see what ought to be protected, what ought to be made public, or how we can get proprietary facts and yet disclose to the public, without destroying patent rights and the like, the true state of affairs.

We do not know the status of petrochemicals in this country. We do not really know the status with reference to fertilizer—and we are talking about growing more crops. We still have nobody who can tell the Senate whether we should ban exports or not.

If they could tell us that and confirm that we do not have the facts upon which to base them, and recommend the method and manner whereby we might get objective third-party kinds of facts, much like the Council on Environmental Quality now gives to the Executive, if they would do just that for us to stimulate us into getting on with that kind of approach, then it would serve the purpose.

With reference to the Senator's objection to any more commissions, as the senior Senator from Rhode Island mentioned, based upon the Paley report and all kinds of commissions, I would like to say I think there is a distinction.

Let me suggest to the Senator from Ohio that America frequently, as one of its national traditions, does not really act until we have problems, until we are in a crisis.

I submit that the Paley report was far too silent for us to act upon. I submit that most of the commissions that reported on the energy crisis were talking too far in the distance for us to react. But right now we have found that this great economy of ours can suffer shortages, inflation, the kinds of things we never expected.

I believe that particular crisis atmosphere gives this—and, hopefully, a permanent factfinding body that will follow it—the impetus that others have not had. For that reason, and because I have a ray of hope, I will support it.

I compliment the Senator for calling to the attention of the Senate the shortcomings of the bill, yet his willingness to support its basic concept.

Mr. TAFT. I thank the Senator for his

remarks. I generally have thought of myself as being an optimist, but I must say that I differ with him in his optimism and his hopes for the effectiveness of this legislation.

It seems to me that this legislation is just going to put off Congress facing up to the problem in a way that I think it ought to face up to it—very directly. I do not think we need a commission report. I think we know what the basic problems are.

We ought to get down to business in our own committees and face this with a congressional initiative, do something about it here, and do something about it now.

The problems are not going to go away.

One thing that has not been mentioned, that we are going to lose another year on, is what the Senator from New Mexico just mentioned. The public does not believe there really is an energy crisis. I think that all the conservation philosophy that came out of the Arab crisis, which has resulted in a considerable saving of energy will evaporate. I believe it will go out the window as soon as the public becomes convinced, as I think they are pretty much, that there really was a phony crisis.

There was not a phony crisis. But unless we actually act and get the facts, and get them on the basis that people can believe, I do not think we are going to get the confidence of the public that is necessary for major measures of conservation.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BROCK. I shall take 1 minute to pursue a point. I am deeply interested in what the Senator has said. He is absolutely right. The functions defined in this legislation are congressional functions. They should be fulfilled by Congress.

But I must point out to the Senator that Congress today has such jurisdictional complexities and contradictions that it is almost impossible for us to consider this problem in its entirety in any single committee. That is one of the basic difficulties.

The Senator from Illinois is in the Chamber. He and I have been sponsoring a bill for 9 months to ask for a study of our commitee structure in Congress.

Mr. TAFT. I appreciate the Senator's comments. I certainly concur with them and agree that this is extremely necessary.

I do not think we are going to do it overnight. There is difficulty that arises with regard to it, and I am sure the Senator knows of the situation. We can see the problem just by looking at the other body and observing what has been going on. After a couple of years of good work, all of a sudden there is a roadblock, because of the prerogatives of individuals and the policies of the committees, and other problems of that kind.

What I would like to suggest to the Senator, and maybe we could join in an initiative of this sort, would be to have perhaps a joint committee with legislative authority for this purpose, crossing the lines of other committees. Perhaps that is the direction we should take. The jurisdictional problems will still be here when that special Commission comes back with this report and they will face the same stone wall we face now. We are not going to face the problem through this Commission, because the problem is in getting some congressional mechanism to face the problems and deal with responsibilities that are ours.

Mr. BROCK. Mr. President, I cannot share the Senator's pessimism with respect to our inability to reform Congress, nor that we cannot do something more. But I must agree with his objections to this Commission, because the Commission can perform an enormously useful function in bringing all the structural analysis into the fore so that it can be cohesively worked on and cogently refabricated so that we can arrive at a structure within the executive to deal with this problem. That does not relieve us of our responsibility in the legislature, but we have to have some mechanism to bring to pass executive and legislative cooperation on this matter.

The Senator has done a good job in bringing this matter to the attention of the Senate today. I am delighted to cosponsor the proposal. I have high hopes that something valuable comes out of this effort. That does not mean that we do not have to back it up in Congress.

Mr. TAFT. The problem will be in Congress.

Mr. BROCK. It always is.

Mr. TAFT. There is no question about that.

Mr. BROCK. I would love to add the Senator as a cosponsor of a resolution that the Senator from Illinois and I have.

Mr. TAFT. I shall examine it again.

Mr. BROCK. I thank the Senator.

Mr. TAFT. I thank the Senator for his remarks.

Mr. President, at this time I withdraw the amendment.

The PRESIDING OFFICER (Mr. DOMENICI). The amendment is withdrawn.

Mr. STEVENSON. Mr. President, will the manager of the bill yield for a question?

Mr. TUNNEY. I yield.

Mr. STEVENSON. The bill mandates the Commission to review existing policies and practices of Government which may affect supplies of natural resources and other commodities. Export controls can be used by the Government to alleviate the short-supply situations and export subsidies; DISC and Eximbank financing can be used in ways that exacerbate shortages in other commodities.

Is it the intent of the bill to include in that phrase, "the policies and practices of Government," export controls and export studies which could affect the supply of natural resources and other commodities?

Mr. TUNNEY. The answer is "Yes." In the committee report, on page 6, the committee stated:

> These practices may or may not cause shortages. They may tend to increase supply or to simultaneously encourage conflicting results. The areas of government policy review should include: foreign, military, anti-trust, environmental, health and safety, and import and export policies, as well as policies relating to the management of domestic agricultural and mineral resources, manpower and productivity policies, policies affecting the rate and nature of private investment, policies affecting industrial efficiency and competitiveness, and policies relating to science and technology.

The point I make is that the Committee on Commerce reviewed the problem of governmental activities as it relates to import and export policies. It felt these policies did have a substantial impact on material supplies and, therefore, this Commission should look at those import and export policies in its evaluations of existing and potential shortages.

Mr. STEVENSON. I thank the Senator. The reference to export policies would include export controls. I want to be sure the phrase would include export subsidies.

Mr. TUNNEY. Export subsidies would also be included, including DISC.

Mr. STEVENSON. I thank the Senator for the clarification.

Mr. TUNNEY. I thank the Senator from Illinois.

Mr. HUDDLESTON. Mr. President, will the Senator yield to me for 2 minutes on the bill?

Mr. TUNNEY. I yield 2 minutes to the Senator from Kentucky on the bill.

Mr. HUDDLESTON. Mr. President, this whole area of material shortages is one which I have had a particular interest in, as have many other Members of this body. I have done some special studies and drafted legislation. I know many other Members of this body have also drafted legislation. I think therein lies one of the important points in passing the bill that is before us now, and that is when we are confronted with a problem of this nature, there is a great tendency to move out in many different directions at the same time by many different individuals.

I think we are faced with a problem that will be with us for many years, and that is the question of short supply of raw materials necessary to keep our economy going and our factories operating to supply us with products we need. It will take long-range tools to meet this need.

Many of the materials that are necessary for us to sustain our life are already on the Earth and in full supply. There will not be any more. The good Lord has already placed on this planet all that man will have. The question of how we use that supply, extract it, and process it and what we do with it is a question that we will be confronted with for many years.

I commend the majority leader and members of the majority and the minority leadership in working out with the executive branch this approach, because when we formulate the kind of commission with the authority it needs it must be based on a sound foundation.

It is important that we study this problem. As I said, I have prepared legislation which I am withholding. I have prepared amendments to this particular bill that we are confronted with now. More amendments which I intend to offer would have placed on the various agencies of the Federal Government somewhat broader and specific obligation as to how to respond to the needs of this country. But in view of the fact that the majority leader indicated to us, and those on the minority side have confirmed it, that there has been a spirit of cooperation expressed by the executive branch to make sure this commission has all the documents, data, and information necessary in order to draw guidelines for future action, I would like at this time to withhold that amendment and offer my support to this approach to the problem.

I do not think it is a problem that is going to be solved overnight. It will require long-term, intelligent action on the part of Government. I believe this approach for a commission that can assess the situation we are in now, to take inventory of supplies, look down the road to see where we are heading and then come back with recommendations to the Government is the kind of authority that will be necessary to deal with the problem.

I commend the sponsors of the bill and those who have been so much interested in it in offering this approach.

Referring to the words of the distinguished majority leader, this is a first step, and it should be looked upon as a first step and one which will lead to a solution that will enable us to provide this country with the guidance we will need.

I thank the Senator.

Mr. MANSFIELD. Mr. President, I appreciate the remarks just made by the distinguished Senator from Kentucky. I assure him that I appreciate most deeply his forebearance, along with other Senators, of the understanding which the joint leaders and the executive branch of Government tried to develop.

If the bill is enacted, any suggestion by any Member of Congress would be most welcome and would be given the most serious consideration.

May I say furthermore that the creation of this commission does not in any way impinge upon the right of any committee in the Senate to come forth with a resolution of its own or the right of any Senator or Member of the House to carry forward his ideas in the Chamber in which he is representing his State or his district.

But it is not an easy solution. We are not out of the energy crisis, as the distinguished Senator from Ohio seemed to indicate some of us thought. We have been concentrating on energy, but it goes far beyond energy. It takes in so much. It is all-encompassing. We hope the bill will pass. We hope it will be a good first step.

I want to express myself in accord with the general outline of expressions made by the distinguished Senator from California and the distinguished Senator from Kentucky, because I think they are both moving in the right direction.

Mr. TUNNEY. Mr. President, I do not want to prolong the debate, because I think we have heard from all sides what the basic issues are, but before we reach the final vote on the legislation, I would like to say to the distinguished majority leader that although at times during the course of the debate I differed with him on some details, I take this opportunity to express to him my very deep respect for the position that he holds with regard to the need for a commission to study and to analyze and to monitor material shortages.

I think the majority leader has done an extraordinary thing in getting the administration to agree to anything, and I do not say that as a partisan. I happen to have sat on the committee and heard the administration witnesses come forward and testify against any commission of any kind on commodity shortages, saying it was not needed. The fact that the majority leader and the joint leadership were able to get the administration to agree to any form of commission shows the potency of the majority leader's persuasion; and I certainly want to express publicly the fact that, although I would have liked to have seen a longer-life commission, I think the majority leader has performed a great service to the country by getting the administration to agree that not only is this a problem that has to be studied now, but the actual monitoring of shortages has got to take place.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD as passed, when it is passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, there are no more requests for time on our side. I am not aware of any more amendments to be offered, so I move the third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. TUNNEY. I yield back my time.

The PRESIDING OFFICER. All time on the bill is yielded back.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3523) was passed, as follows:

S. 3523

An Act to establish a National Commission on Supplies and Shortages

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Commission on Supplies and Shortages Act of 1974."

ESTABLISHMENT OF COMMISSION

SEC. 2. (a) There is established as an independent instrumentality of the Federal Government a National Commission on Supplies and Shortages (hereinafter referred to as the "Commission"). The Commission shall be comprised of thirteen members selected for such period of time as such Commission shall continue in existence (except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term) as follows:

(1) The President, in consultation with the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives, shall appoint five members of the Commission from among persons in private life.

(2) The President shall designate four senior officials of the executive branch to serve without additional compensation as members of the Commission.

(3) The President of the Senate, after consultation with the majority and minority leaders of the Senate, shall appoint two Senators to be members of the Commission and the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives, shall appoint two Representatives to be members of the Commission. Members appointed under this paragraph shall serve as members of the Commission without additional compensation.

(b) The President, in consultation with the majority and minority leaders of the Senate and the House of Representatives shall designate a Chairman and Vice Chairman of the Commission.

(c) Each member of the Commission appointed pursuant to subsection (a)(1) of this section shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position under level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of duties as such a member, and all members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

FUNCTIONS

SEC. 3. (a) It shall be the function of the Commission to make reports to the President and to the Congress with respect to—

(1) the existence or possibility of any long- or short-term shortages; employment, price, or business practices; or market adversities affecting the supply of any natural resources, raw agriculture commodities, materials, manufactured products (including any possible impairment of productive capacity which may result from shortages in materials, resources, commodities, manufactured products, plant or equipment, or capital investment) and the reason for such shortages, practices, or adversities;

(2) the adverse impact or possible adverse impact of such shortages, practices, and adversities upon consumers, in terms of price and lack of availability of desired goods;

(3) the need for, and the assessment of, alternative actions necessary to increase the availability of the items referred to in paragraph (1) of this subsection, to correct the adversity or practice affecting the availability of any such items, or otherwise to mitigate the adverse impact or possible adverse impact of shortages, practices, or adversities upon consumers referred to in paragraph (2) of this subsection;

(4) existing policies and practices of government which may tend to affect the supply of natural resources and other commodities;

(5) the means by which to coordinate information with respect to paragraphs (1), (2), (3), and (4) of this subsection.

(b) The Commission shall report within six months of the date of enactment of this Act to the President and Congress specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency to provide for a comprehensive data collection and storage system to aid in examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world.

(c) The Commission may, until June 30, 1975, prepare, publish, and transmit to the President and Congress such other reports and recommendations as it deems appropriate.

ADVISORY COMMITTEES

SEC. 4. (a) The Commission is authorized to establish such advisory committees as may be necessary or appropriate to carry out any specific analytical or investigative undertakings on behalf of the Commission. Any such committee shall be subject to the relevant provisions of the Federal Advisory Committee Act.

(b) In order to establish a means to integrate the study of supplies and shortages of resources and commodities into the total problem of balanced national growth and development, it shall additionally be the function of the Commission to establish an advisory committee to develop recommendations regarding the establishment of a policy making process and structure within the executive and legislative branches of the Federal Government and a system for coordinating these efforts with appropriate multi-State, regional and State governmental jurisdiction. For the purposes of carrying out this provision there is authorized to be appropriated not to exceed $75,000 for the fiscal year ending June 30, 1975.

POWERS

SEC. 5. (a) Subject to such rules and regulations as it may adopt, the Commission, through its Chairman, shall—

(1) appoint and fix the compensation of an Executive Director at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and the General Schedule under section 5332 of such title; and

(2) be authorized to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission or any subcommittee thereof is authorized to hold such hearings, sit and act at such times and places, as it may deem advisable.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 6. Each department, agency, and instrumentality of the Federal Government, including the Congress, consistent with the Constitution of the United States, and independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There is authorized to be appropriated not to exceed $500,000 for the fiscal year ending June 30, 1975, to carry out the provisions of this Act.

The title was amended, so as to read: "A bill to establish a National Commission on Supplies and Shortages."

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT ON S. 1485 AND S. 1486

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Orders Nos. 831 and 832 (S. 1485 and S. 1486) are called up and made the pending business before the Senate, there be a limitation of 1 hour on each, with a limitation of one-half hour on any amendment, and with a limitation of 20 minutes on any debatable motion or appeal, to be equally divided in accordance with the usual form; that the agreements be in the usual form; and that the time on each of the bills be under the control of the distinguished majority and minority leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes tonight.

ORDER TO CONSIDER H.R. 11221, FULL DEPOSIT INSURANCE, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as morning business is concluded tomorrow, the Senate proceed to the consideration of H.R. 11221.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER S. 585, AM AND FM BROADCASTS, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 11221 tomorrow, the Senate proceed to the consideration of S. 585.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER S. 1485 AND S. 1486 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 585 tomorrow, the Senate proceed to the consideration of S. 1485 and S. 1486, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for the recognition of Senators tomorrow, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, with a limitation on each statement therein of 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the adjournment of the Senate today, the Senate convene at 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine business.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2382. A bill for the relief of Caridad R. Balonan (Rept. No. 93–911);

S.J. Res. 192. A joint resolution to grant the status of permanent residence to Ivy May Glockner, formerly Ivy May Richmond nee Pond (Rept. No. 93–912);

H.R. 1961. An act for the relief of Mildred Christine Ford (Rept. No. 93–913);

H.R. 2514. An act for the relief of Mrs. Gavina A. Palacay (Rept. No. 93–914);

H.R. 5477. An act for the relief of Charito Fernandez Bautista (Rept. No. 93–915); and

H.R. 7685. An act for the relief of Giuseppe Greco (Rept. No. 93–916).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 864. A bill for the relief of Victor Henrique Carlos Gibson (Rept. No. 93–917);

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky (Rept. No. 93–918); and

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters) (Rept. No. 93–919).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez (Rept. No. 93–920); and

H.R. 7682. An act to confer citizenship posthumously upon Lance Corporal Federico Silva (Rept. No. 93–921).

By Mr. JOHNSTON, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 3270. A bill to amend the Defense Production Act of 1950, as amended (Rept. No. 93–922).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment, and without recommendation:

H.R. 13163. An act to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes (Rept. No. 93–923).

By Mr. COOK, from the Committee on the Judiciary, with an amendment:

S. 3355. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis (Rept. No. 93-925).

SUBMISSION OF A CONFERENCE REPORT ON H.R. 7130, THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974 (REPT. NO. 93-924)

Mr. ERVIN. Mr. President, from the committee of conference on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974, I submit the report of the conferees.

This report was filed in the House of Representatives on yesterday and is printed in the CONGRESSIONAL RECORD of June 11 at pages 18759-18780.

Because of the significance of this act, which is one of the most important pieces of legislation to be considered during my 20 years service in the Senate, I ask unanimous consent that the conference report together with the statement of the managers be printed as a Senate report.

The PRESIDING OFFICER (Mr. TAFT). Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Otis L. Packwood, of Montana, to be U.S. attorney for the district of Montana;

Norwood Carlton Tilley, Jr., of North Carolina, to be U.S. attorney for the middle district of North Carolina;

Laurence C. Beard, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma;

Max E. Wilson, of North Carolina, to be U.S. marshal for the western district of North Carolina;

Keith S. Snyder, of North Carolina, to be U.S. attorney for the western district of North Carolina;

Gerald J. Gallinghouse, of Louisiana, to be U.S. attorney for the eastern district of Louisiana; and

Paul J. Henon, of Virginia, to be an Examiner in Chief, U.S. Patent Office.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Robert W. Porter, of Texas, to be U.S. district judge for the northern district of Texas;

H. Curtis Meanor, of New Jersey, to be U.S. district judge for the district of New Jersey;

Donald S. Voorhees, of Washington, to be U.S. district judge for the western district of Washington; and

Robert M. Duncan, of Ohio, to be U.S. district judge for the southern district of Ohio.

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

Robert R. Elliott, of Virginia, to be General Counsel of the Department of Housing and Urban Development.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I report favorably sundry nominations in the U.S. Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings in the RECORD of June 7, 1974).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT (for himself and Mr. SCHWEIKER):

S. 3626. A bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs. Referred to the Committee on Finance.

By Mr. COOK:

S. 3627. A bill to prohibit foreign assistance to India until India becomes a signatory to the Treaty on the Nonproliferation of Nuclear Weapons. Referred to the Committee on Foreign Relations.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 3628. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating the Illinois River at its tributaries as a potential component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. INOUYE:

S. 3629. A bill for the relief of Ramon York Quijano;

S. 3630. A bill for the relief of Tarcisus York Quijano;

S. 3631. A bill for the relief of Paul York Quijano; and

S. 3632. A bill for the relief of Dennis York Quijano. Referred to the Committee on the Judiciary.

By Mr. ERVIN (for himself, Mr. GOLDWATER, Mr. KENNEDY, Mr. BAYH, and Mr. MATHIAS):

S. 3633. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, IX, X, and XIV of amendment to the U.S. Constitution. Referred to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 3634. A bill to amend the Public Works and Economic Development Act of 1965 for the purpose of assisting local economies in regions of persistent economic underdevelopment by enabling the Federal cochairmen of designated regional commissions to acquire Federal excess personal property and to dispose of such property to certain recipients. Referred to the Committee on Public Works.

By Mr. GRAVEL:

S. 3635. A bill to declare the commercial salmon fishery of the Bristol Bay area of Alaska to be undergoing a commercial fishery failure, to direct the Secretary of Commerce to take certain actions to restore such fishery, and to authorize additional funds for such purposes and for other United States fishery failures; and

S. 3636. A bill to compensate U.S. salmon fishing vessel owners and operators, salmon processors, and employees of such owners, operators and processors, for certain losses incurred as a result of salmon fishing by foreign fishing vessels under the terms of the International Convention for the High Seas Fisheries of the North Pacific Ocean. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT (for himself and Mr. SCHWEIKER):

S. 3626. A bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs. Referred to the Committee on Finance.

Mr. HUGH SCOTT. Mr. President, on behalf of my colleague from Pennsylvania (Mr. SCHWEIKER), and myself, I am pleased today to introduce a bill to correct an inequity in our social security system. The purpose of this bill is to disregard social security in determining allowable income for those receiving benefits from any other Federal or federally assisted program such as supplemental security income—SSI—aid to families with dependent children—AFDC—and veterans. Since the 11-percent increase in social security benefits this year, many people in these groups have found their total benefits have been reduced. This clearly was not the purpose of the social security increase.

Several months ago, recognizing that veterans had been negatively affected by the social security increase, I joined in cosponsoring a bill introduced by the Senator from New Mexico (Mr. MONTOYA). This bill was designed to aid those veterans whose total pension was reduced because of the raise in social security. Since that time I have been contacted by many constituents giving personal testimony that they too, although not in the veterans groups, were facing the same problem.

One lady from Allentown, Pa., who has a blind son receiving a disability pension writes:

> Recently, as you know, there was an increase in Social Security—my son received this increase, but his SSI check was reduced by the amount of his increase in Social Security.

Consequently, while Senator MONTOYA's bill is a good one, my bill, I believe, is a better one because it recognizes a greater need. It does not focus solely on the veteran, but includes all groups which have been treated unfairly by the social security increase.

My bill will provide that any individual or family whose income is increased because of subsequent increases in monthly social security benefits will not suffer a loss of or a reduction in the benefits due them under certain other Federal programs. Any individual who was receiving benefits for the month immediately preceding the first month the social security increase became effective will be entitled to any subsequent increase in those benefits and his total income will not be reduced as a result of that increase.

By my own rough estimates, this bill will aid more than 2.5 million people and benefits from other Federal programs. For example, of the total number of SSI recipients, 3.38 million as of May, 55 percent are also getting social security checks; of the 3 million AFDC families—1971 figures—4.4 percent of them are also receiving social security benefits; and approximately 1.5 million veterans, or 75 percent of the total number, also receive social security benefits. Each of these people have faced a reduction in their anticipated benefits. I am deeply concerned that so many Americans are suffering great hardships when social security increases should have meant relief.

Mr. President, I urge my colleagues to recognize this need and to act quickly on this vital measure, to end the intolerable burden upon millions of persons. I ask unanimous consent that the text of my bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a), in addition to any other requirement imposed as a criterion for determining eligibility to participate in or receive benefits provided by, or for determining the amount, type, or quantum of benefits to be provided under, any plan or program—

(1) which is designed to provide benefits to individuals or families who meet prescribed conditions,

(2) which establishes need (based on lack of or smallness of income or resources) as a criterion for determining eligibility of individuals or families to participate therein or receive the benefits provided thereunder, or for determining the amount, type, or quantum of benefits to be provided to individuals or families thereunder, and

(3) which is (A) a Federal plan or program, or (B) is a plan or program of a State (or political subdivision thereof) which is funded (wholly or in part) by Federal funds, there is hereby imposed the requirement that, in determining under such plan or program the income or resources of any individual who (or any family the members of which include any individual who), for the month immediately preceding the first month with respect to which a general social security benefits increase becomes effective, was—

(4) a recipient of benefits (or a member of a family which was a recipient of benefits) under such plan or program, and

(5) received (or had previously established entitlement to) a monthly insurance benefit under section 202, 223, or 228, of the Social Security Act,

there be disregarded any amount received by such individual—

(6) which is attributable solely to such general social security benefits increase, and

(7) for or with respect to any consecutive period of months (beginning with the first month with respect to which such general social security benefits increase became effective) with respect to each of which such individual is—

(A) a recipient of benefits (or a member of a family which is a recipient of benefits) under such plan or program, and

(B) entitled to such monthly insurance benefit. For purposes of paragraph (7)(A), an individual shall be deemed to be a recipient of benefits (or a member of a family which is a recipient of benefits) under such plan or program for any period after March 1974 with respect to which the requirement imposed by this subsection is not complied with if he would have been eligible to receive such benefits (or was a member of a family which would have been eligible to receive such benefits) had such requirement been complied with during such period.

(b) The requirement imposed by subsection (a) shall be applicable in the case of general social security benefit increases which become effective after March 1974, and shall be effective in determining eligibility to participate in or receive benefits under (and in determining the amount, type, or quantum of benefits under) a plan or program referred to in such subsection for periods after March 1974.

(c) The requirement imposed by subsection (a) with respect to any plan or program shall be deemed not to have been violated, in the case of any individual who immediately prior to the effective date of a general increase in the level of benefits provided under the plan or program (as determined in accordance with regulations of the Secretary of Health, Education, and Welfare) was entitled to have any amount of social security income disregarded because of such requirement, solely because the total amount of social security income was so required to be disregarded (in the case of such individual) immediately prior to such general increase is, on or after the effective date of such general increase, reduced (but not below zero) by an amount equal to the amount of such general increase.

(d) Notwithstanding any other provision of law, no Federal funds shall be paid to any State (or political subdivision thereof) with respect to any expenditures made under any plan or program (referred to in subsection (a)) for any period which commences on or after the first day of the first calendar month which begins more than 60 days after the date of enactment of this Act, unless, for such period, such plan or program is operated so as to comply with the requirement imposed by subsection (a).

Sec. 2. It shall be the duty of the Secretary of Health, Education, and Welfare to promulgate such rules and regulations as may be appropriate to assure the uniform implementation of the provisions of the first section of this Act; and such Secretary shall furnish appropriate information and data to and shall otherwise cooperate with and assist other Federal agencies with a view to assuring compliance with the provisions of such section.

By Mr. COOK:

S. 3627. A bill to prohibit foreign assistance to India until India becomes a signatory to the Treaty on the Nonproliferation of Nuclear Weapons. Referred to the Committee on Foreign Relations.

Mr. COOK. Mr. President, India has recently become the world's sixth nuclear power. A country that once denounced nuclear ambition and admonished those participating in the development and testing of nuclear weapons is now a member of that group. Prime Minister Indira Gandhi maintains that India's motives are for purely peaceful purposes—mining, prospecting for oil and gas, the discovery of underground sources of water, and the diversion of rivers for scientific and technological knowledge. However, if this is indeed the case, why then has India refused thus far to sign the Nonproliferation Treaty of 1968?

As most of my colleagues are undoubtedly aware, that treaty provides for the supply of nuclear materials to both nuclear-weapon and non-nuclear-weapon states for peaceful purposes to all parties of the treaty at cost, when nuclear materials are safe, and an economic credit. In addition, the treaty further urges the cooperation of all states in the attainment of this objective.

Let me briefly describe the current deplorable situation which exists in India. The population of 580 million persons faces famine—with 80 percent of the Indian people malnourished—and that population is increasing dramatically each year by 13 million. Seventy-five percent of those 580 million are illiterate, 75 percent of India's university graduates are unemployed, and one-half of the population lives on 10 cents a day.

Given these facts, there can be no justification whatsoever for the expenditure of $173 million by the Indian Government on nuclear weapon development between 1968 and 1973, or for the $315 million which it intends to spend over the next 5 years. One-third of all Indians live below the poverty level of $30 per year. Housing is badly needed, yet the Indian Government allocated only $200 million for that purpose during the same period in which it spent $173 million for nuclear development. India's nuclear program will not provide more jobs, increase production, or solve the deficit balance-of-payments crisis which now confronts the Indian economy.

Even more important, the suspicion and fear that surrounds the Indian motives for the recent nuclear detonation could set off a wave of nuclear proliferation around the world if left unchecked.

Mr. President, I believe it is time for the United States, which between 1950 and 1971 contributed a record $10 billion in assistance to India, to cut off all economic assistance of any sort to that country until it becomes a signatory of the Nonproliferation Treaty. If not, we have no way of guaranteeing that the money we so eagerly hand out to the Indians each year will not be spent for further nuclear weapon development, rather than to deter the famine which appears imminent, or for other needed social and economic programs.

Accordingly I am today introducing legislation to accomplish that objective. Representative Stanford Parris of Virginia, is introducing identical legislation today in the House of Representatives. Under the terms of the legislation, all military and economic assistance, all sales of agricultural commodities, and all licenses with respect to the transportation of arms, ammunition, and implements of war to the Government of India would be suspended until such time as India becomes a state party to the Treaty on the Nonproliferation of Nuclear Weapons. I would strongly recommend that this body proceed expeditiously to secure enactment of this legislation.

I ask unanimous consent that the full text of the legislation, as well as additional documentation, be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of India under any provision of law shall be suspended for the period beginning on the date of enactment of this Act and ending on the date that India becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons.

INDIA

[U.S. fiscal years, millions of dollars]

Program	U.S. overseas loans and grants—Obligations and loan authorizations										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1964–73
ECONOMIC PROGRAMS											
A. Official development assistance											
A.I.D. and predecessor agencies, total	344.1	265.3	309.9	211.7	300.9	203.4	223.7	205.9	5.6	16.6	2,087.1
Loans	337.2	256.1	300.0	203.3	287.7	194.0	195.0	196.0		14.7	1,984.0
Grants	6.9	9.2	9.9	8.4	13.2	9.4	28.7	9.9	5.6	1.9	103.1
(Supporting assistance)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Food for Peace, total	268.0	391.2	567.1	359.8	325.0	268.7	222.2	234.8	104.6	64.2	2,805.6
Title I, total	236.8	360.6	518.8	276.7	282.2	211.1	180.7	156.2			2,223.1
Repayable in U.S. dollars—Loans				23.7	64.4	102.2	111.0	128.3			429.6
Payable in foreign currency—Planned for country use	236.8	360.6	518.8	253.0	217.8	108.9	69.7	27.9			1,793.5
(Total sales agreements, including U.S. uses)	(270.5)	(404.2)	(656.7)	(285.7)	(236.8)	(117.1)	(76.6)	(30.0)	(—)	(—)	(2,077.6)
Title II, total	31.2	30.6	48.3	83.1	42.8	57.6	41.5	78.6	104.6	64.2	582.5
Emergency relief, economic development and world food	6.7	2.8	18.2	45.4	2.6	6.1		32.1	40.7	10.3	164.9
Voluntary relief agencies	24.5	27.8	30.1	37.7	40.2	51.5	41.5	46.5	63.9	53.9	417.6
Other official development assistance	1.7	3.2	24.9	6.1	6.2	5.4	3.8	3.8	3.3	.9	59.3
Peace Corps	1.7	3.2	8.9	6.1	6.2	5.4	3.8	3.8	2.6	.9	42.6
Other			16.0						.7		16.7
Total official development assistance	613.8	659.7	901.9	577.6	632.1	477.5	449.7	444.5	113.5	81.7	4,952.0
Loans	480.7	616.6	834.8	450.3	569.9	384.1	375.7	352.2	0.7	14.7	4,079.7
Grants	133.1	43.0	67.1	127.3	62.2	93.4	74.0	92.3	112.8	67.0	872.2
B. other official economic programs											
Export-Import Bank loans	57.2	38.1		14.1	45.0		46.9	12.4	15.0		228.7
Other loans							5.2				5.2
Total other official loans	57.2	38.1		14.1	45.0		52.1	12.4	15.0		233.9
Total economic programs	671.0	697.8	901.9	591.7	677.1	477.5	501.8	456.9	128.5	81.7	5,185.9
Loans	537.9	654.7	834.8	464.4	641.9	384.1	427.8	364.6	15.7	14.7	4,313.6
Grants	133.1	43.0	67.1	127.3	62.2	93.4	74.0	92.3	112.8	67.0	872.2
MILITARY PROGRAMS											
Military assistance (charged fo FAA appropriation)	35.2	29.1	7.1		.1	.1	.1	.2			71.9
Credit sales (LMS)	8.8	18.9									27.7
Grants	26.4	10.2	7.1		.1	.1	.1	.2			44.2
Military assistance service funded grants											
Transfer from excess stocks	(2.0)	(0.2)									2.2
Other grants											
Export-import bank military loans											
Total military programs	37.2	29.3	7.1		.1	.1	.1	.2			74.1
Total economic and military programs	708.2	727.1	909.0	591.7	677.2	477.6	501.9	457.1	128.5	81.7	5,260.0
Loans	546.7	673.6	834.8	464.4	614.9	384.1	427.8	364.6	15.7	14.7	4,341.3
Grants	161.5	53.4	74.2	127.3	62.3	93.5	74.1	92.5	112.8	67.0	918.6

Compiled from U.S. A.I.D. sources by V.N. Pregeijo, Economics Div.

H.R. —

A bill to prohibit foreign assistance to India until India becomes a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of India under any provision of law shall be suspended for the period beginning on the date of enactment of this Act and ending on the date that India becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons.

Mr. PARRIS. Mr. Speaker, India has recently become the world's sixth nuclear power. A country that once denounced nuclear ambition and admonished those participating in the development and testing of nuclear weapons is now a member of that group. Prime Minister Indira Gandhi maintains that India's motives are for purely peaceful purposes—mining, prospecting for oil and gas, the discovery of underground sources of water, and the diversion of rivers for scientific and technological knowledge. However, if this is indeed the case, why then has India refused thus far to sign the Non-Proliferation Treaty of 1968?

As most of my colleagues are undoubtedly aware, that Treaty provides for the supply of nuclear materials to both nuclear-weapon and non-nuclear-weapon States for peaceful purposes to all Parties of the Treaty at cost, when nuclear materials are safe and an economic credit. In addition, the Treaty further urges the cooperation of all States in the attainment of this objective.

Let me briefly describe the current deplorable situation which exists in India today. The population of 580 million persons faces famine—with 80 percent of the Indian people malnourished—and that population is increasing dramatically each year by 13 million—75 percent of those 580 million are illiterate, 75 percent of India's university graduates are unemployed, and one-half of the population lives on 10 cents a day.

Given these facts, there can be no justification whatsoever for the expenditure of $173 million which the government of India spent from 1968 to 1973 for nuclear weapon development or the $315 million which they intend to spend over the next five years.

One-third of all Indians live below the poverty level of $30 per year. Housing is badly needed, yet the Indian government only allocated $200 million for that purpose during the same period in which it spent $173 million for nuclear development. India's nuclear program will not provide more jobs, increase production, or solve the deficit balance of payments crisis.

Even more important, the suspicion and fear that surrounds the Indian motives for the recent nuclear detonation could set off a wave of nuclear proliferation around the world if left unchecked.

Mr. Speaker, I believe it is time for the United States, which between 1950 and 1971 contributed a record $10 billion in assistance to India, to cut off all economic assistance of any sort to that country until it becomes a signatory of the Non-Proliferation Treaty. If not, we have no way of guaranteeing that the money we so eagerly hand out to India each year will not be used for further nuclear weapon development, rather than to deter a famine which appears imminent.

Accordingly, I am today introducing legislation to accomplish that objective. Representative Stanford Parris (R-Va.) is introducing identical legislation today in the House of Representatives. Under the terms of the legislation, all military and economic assistance, all sales of agricultural commodities, and all licenses with respect to the transportation of arms, ammunitions, and implements of war to the Government of India would be suspended until such time as India becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons. I would strongly urge that this body proceed expeditiously to secure the enactment of that legislation.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 3628. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating the Illinois River and its tributaries as a potential component of the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affairs.

Mr. BELLMON. Mr. President, the Illinois River in the State of Oklahoma has long been recognized as one of the most popular scenic and recreational areas in the United States. The free-flowing streams of the Illinois and its main tributaries, the Flint and Barren Creeks, provide a unique variety of fish and wildlife. The river annually draws thousands of visitors from all parts of the country to enjoy swimming, fishing, floating, and camping along the river's banks.

The fragile beauty of the river is gently tucked away among the heavily wooded hills of northeastern Oklahoma. The Oklahoma section of the Illinois River stretches approximately 70.5 miles north of Lake Tenkiller to the Arkansas State line. Within this relatively short stretch of river are found 95 species of fish and over 67 different species of birds. Wildlife is abundant. Frequenting the river area are deer, raccoon, bobcat, fox, and many other wild animals. The natural and scenic beauty of the area can in no way be quantified. One can sit on the river's banks and cliffs that hang over the gently flowing waters of the Illinois for hours and gaze upon a setting that is uniquely soul satisfying.

Mr. President, over the past few months there has been a great deal of concern among a significant number of Oklahomans that the fragile beauty and natural character of the Illinois River will be destroyed. This concern is justifiable. It is my understanding that approximately 70 percent of northwest Arkansas' treated sewage drains into the Illinois River. It has been further brought to my attention that Arkansas now has a plan to dump 100 percent of its treated sewage water into the Illinois River. I am also advised that a power plant is scheduled to be built in Gentry, Ark., and the fly-ash emitted from this plant and blown into the river is a significant threat to the esthetic beauty and quality of the Illinois. Threat of extinction does not come solely from outside the borders of the State of Oklahoma. Development in the river area may soon deface the river's beauty and deny access to the river to thousands whose lives have been enriched by the outdoor recreational opportunities it affords.

Mr. President, it is difficult to pass judgment in the battle between those who wish to build and develop and those who wish to preserve forever the national heritage of our environment. Each have valid objectives. Certainly powerplants are necessary to generate energy, and development is necessary to meet the needs of our Nation. However, there is also a valid need to give due consideration to what is the unique and unspoiled beauty of America's countryside.

Mr. President, it is my belief that today, more than at any other time in our history, it is necessary for us to pause and balance these two objectives, and that is my purpose in introducing this bill. Senator BARTLETT and I offer this legislation to provide information that Congress would need to decide whether or not the Illinois River truly encompasses the attributes needed to make it suitable for inclusion in the wild and scenic rivers system. Through the study this legislation authorizes, two competing interests can be reconciled logically and systematically.

Mr. President, I might add that in December of 1973 and January of 1974, Senator BARTLETT and I wrote a letter to Secretary Morton with respect to including the Illinois River for study under the Wild and Scenic Rivers Act. It is my understanding that the Office of Management and Budget is still reviewing the feasibility of this proposal. In order to move this request along, on May 28, 1974, I proposed an amendment to S. 2439, to include the Illinois River for study along with the New River in North Carolina. At that time the distinguished Senator from Colorado (Mr. HASKELL) stated that hearings would soon be held on other bills of the same nature and that if a measure calling for the study of the Illinois was introduced, it would receive committee consideration. I am very pleased to say that early last week the Interior Committee contacted my office in regard to hearings on the Illinois River. I wish to thank the distinguished subcommittee chairman Senator HASKELL, for his thoughtfulness.

Mr. President, it seems entirely appropriate that a study of the Illinois River be authorized so that future decisions as to the status of the river can be made based upon careful evaluation of all facts related to the river's highest use.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, along with an article appearing in the June 9, 1974, edition of the Sunday Oklahoman in regard to potential sewage pollution of the Illinois River.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 3628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 5 of the Wild and Scenic Rivers Act [16 USC 1276(a)] is amended by adding at the end thereof the following:

(29) the Illinois River in the State of Oklahoma, including the Flint and Barren Fork Creeks, beginning at the upper limits of the Tenkiller Lake, thence upstream to the Arkansas state line.

SEC. 2. The studies of the rivers named in section 1 of this Act shall be conducted in accordance with the provisions of the Wild and Scenic Rivers Act; provided that such studies shall be complete and reports made thereon to Congress not later than one year from data of enactment of this Act.

SEC. 3. The sum of $175,000 is hereby authorized for purposes of the study designated in Section 1 of this Act.

[From the Sunday Oklahoman, June 9, 1974]

ILLINOIS RIVER NEEDS YOU: BELIEVE IT OR NOT, ARKANSAS PLANS TO TURN SCENIC WONDERLAND INTO SEWER

(By Glenn Titus)

This proposal may be a little hard to believe but then the way things have been going at the various levels of government lately it takes quite a bit to be shocking.

However, if you are one who has enjoyed the sparkling water of the Illinois River this little idea may cause you to register a tremor of five or six on the Richter scale.

Arkansas is planning to use one of Oklahoma's few scenic rivers as a sewer for partly treated effluent.

The plan, if approved by the U.S. Environmental Protection Agency, will be for the placement of two large waste water treatment plants along the Illinois River in Arkansas.

One plant would treat all of the waste water from the eastern half of Washington and Benton Counties, that includes Fayetteville and Rogers, and a western plant would be located at Siloam Springs.

These plants would handle municipal and industrial waste from the whole area and process it to the secondary treatment state and then dump it into the Illinois River, letting the final treatment occur downstream in Oklahoma.

The plan's proponents see nothing wrong with it.

Secondary treatment is clean water and meets the federal standards they say, but the Arkansas Health Department says that the city of Siloam Springs must discontinue using drinking water from the Illinois River if the plan is implemented.

Does this mean that the sewage is treated well enough for Oklahomans to swim in, but is not clean enough for Arkansawyers to run through their water purification plant to use as domestic water?

The treated sewage water from Siloam Springs is now dumped into Lake Francis, a reservoir on the Illinois. The nutrient from the waste has about killed that lake and has caused some problems of algae and water clarity downstream in Oklahoma.

Among other things, secondary treatment doesn't remove from the waste water the nitrogen and phosphorus which are the same thing as fertilizer.

Some of this can be beneficial, but just a little too much can be devastating.

The first noticeable effect is more of a soupy green appearance of an algae bloom and it's not as appealing to swim in as clear water.

In early stages these nutrients provide more food for fish, but as the process grows it changes the capacity of the stream to carry dissolved oxygen.

This then changes the kind of fish that can live in the stream.

The Illinois River is classified as a smallmouth bass stream and smallmouth tops the list of desirable game fish in Oklahoma.

We have just a few rivers left where smallmouth bass can live because of their demand for a high level of oxygen in the water.

Oklahoma's minimum standard for smallmouth streams are six parts per million of dissolved oxygen, but if Arkansas has its way this standard will have to be lowered.

And we can, as they say, raise more fish, but for a fellow who has stalked the feisty smallmouth in clear tumbling waters it's hard to get excited about catching bullheads out of swamp water.

Not only is the quality of the Illinois River in jeopardy, but so is Lake Tenkiller.

The lake could become as dead as Lake Francis and for the same reason—too much nutrient from sewage.

But then it's not only Arkansas which wants to use the Illinois for partly treated sewage.

The Illinois River Conservation Council, a coalition of Oklahoma Conservationists made up of the Izaak Walton League, Scenic Rivers Association, The League of Women Voters, Oklahoma Wildlife Federation, Audubon Society, Sierra Club and others, has raised the alarm over the 3,000 proposed septic tanks to be used in the large Flint Ridge second home development that has started along the Illinois River.

U.S. Sen. Henry Bellmon has shown a sincere interest in the river and has requested the U.S. Bureau of Outdoor Recreation to study the Illinois River for protection under the federal Wild and Scenic Rivers Act.

I'll bet that if he heard from enough folks who are concerned about the Illinois he might also have a word with the U.S. Environmental Protection Agency, which has veto power over the Arkansas plan.

A copy of that letter, and if you feel strongly enough, a donation would be in order to the Illinois River Conservation Council. Such action will play a big part in saving the Illinois as one of Oklahoma's true scenic rivers.

Their addresses are: Illinois River Conservation Council, Mrs. Sherrill Nilson, Chairman, 4214 S. Wheeling, Tulsa, Okla., 74105; Sen. Henry Bellmon, 4203 New Senate Office Bldg., Washington, D.C., 20510.

By Mr. ERVIN (for himself, Mr. GOLDWATER, Mr. KENNEDY, Mr. BAYH, and Mr. MATHIAS):

S. 3633. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles, I, III, IV, IX, X, and XIV of amendment to the U.S. Constitution. Referred to the Committee on the Judiciary.

GOVERNMENT DATA BANK RIGHT TO PRIVACY ACT

Mr. ERVIN. Mr. President, I introduce today on behalf of Senators GOLDWATER, KENNEDY, BAYH, and MATHIAS a bill entitled the "Government Data Bank Right to Privacy Act."

The Judiciary Committee for many years has been concerned with issues of privacy. Going back into the 1950's, both through the Administrative Practice and Procedure Subcommittee under the late Senator Long of Missouri and more recently under Senator KENNEDY, and through the Constitutional Rights Subcommittee, under my chairmanship, the Judiciary Committee members have had many opportunities to become expert in problems of privacy. The Constitutional Rights Subcommittee, especially, has worked on data bank privacy legislation, for years, and presently has before it among other privacy legislation, bipartisan bills to regulate criminal justice data systems. The sponsors of this new bill are, with the exception of Senator GOLDWATER, all members of the Judiciary Committee. Our sponsorship symbolizes the interest of the committee in this legislation, an interest I know is shared by other committee members who have sponsored similar proposals. For that reason I look forward to the joint cooperation between the Judiciary and Government Operations Committees in moving this legislation to the floor in this Congress.

This bill proposes to establish certain fundamental rights for all citizens who are the subjects of files and dossiers maintained by the Government. Among these rights are the right of review and correction, the right of notification, the right of correction and explanation, the right to challenge data banks, and to enforce privacy both through administrative and judicial processes. Among the other provisions of the bill is the requirement that data banks be disclosed to the public as they are established, that they only contain relevant, accurate, and necessary information, that they employ security and confidential devices and rules, that access be explicitly defined and controlled, that dissemination be strictly limited, and that a record be kept of all those examining the files.

Americans by now are fast becoming aware of the danger to their liberties from vast and proliferating data banks which are uncontrolled by law. Like any new invention, the technological and administrative developments of recent years in the field of data collection and use not only promise better conduct of the public's business, but also threaten unforeseen and tremendous dangers to individuality. A society numbered, punched, and filed by Government cannot be free. Clearly it is time to insure that only the good that is promised by these new Government data systems becomes reality, and that the harm feared never comes about.

Next week I hope to be able to release the results of a 4-year study of Federal data banks conducted by the Constitutional Rights Subcommittee. This study will document the need for many of the provisions of this proposal. It will give concrete evidence to support the warnings that many have issued over the past decade about the need for explicit legislative privacy protections. It is my hope that this data bank study will form the foundation of general privacy legislation that can be enacted this year.

Next week, as has already been publicly announced, an ad hoc privacy subcommittee of the Government Operations Committee and the Constitutional Rights Subcommittee of the Judiciary Committee will open hearings on data bank legislation. Before the subcommittee will be a bill, S. 3418, introduced by Senators MUSKIE, PERCY, and myself, and referred to Government Operations, and a bill by Senator BAYH, S. 2542, and a bill and substitute amendment, S. 2810, introduced by Senator GOLDWATER, referred to the Judiciary Committee. Each of these bills takes a similar approach to privacy, although they differ in detail and in scope.

The bill we introduce today follows the line generally expressed in these bills, and in those introduced in the House by Congressmen KOCH and GOLDWATER. Indeed, each of the Senate bills are variations of the model first prepared by those two gentlemen, and the debt that the Senate bills owe is apparent by a comparison of their texts.

This bill differs from S. 3418, the Ervin-Muskie-Percy bill, in a number of respects:

First, it proposes to apply the regulation to Federal systems, and those State governmental systems supported or funded by the Federal Government, or which are interstate in nature. It does not propose to cover private systems. This alternative is suggested not because there is no need to cover private systems, but because there is some sentiment that a more limited bill might be desirable at this stage. By so limiting its coverage, the sponsors of the bill do not suggest that they will not work for passage this year of comprehensive legislation such as in the other bills. They only wish to present the alternative for formal examination.

Second, the bill provides that it will not apply to any Federal or State data bank system which is subject to another statute affording at least the minimum protections set forth in the model. This is a desirable proposal. It encourages States and the Congress to enact specific legislation designed to meet the peculiar problems of particular data systems. To those who object to uniform model privacy legislation as being too comprehensive and too much an interference in State prerogatives, the answer is simple: "If you think you can protect privacy better than Congress, do so. Enact your laws. We encourage it."

Third, the bill addresses the difficult problem of how to administer privacy legislation. Clearly we cannot rely solely upon the courts. The requirements of the act are not all susceptible to civil suits on behalf of an ordinary citizen. Also, we cannot trust the government agencies to enforce the law against themselves. The data bank study shows how little they have done on their own.

Yet, to establish a Government-wide independent administering board has certain disadvantages. The cosponsors of this bill unite in recognizing the need for performing this function, but have an open mind on the structure to perform it. In the field of criminal data banks, it is rapidly being recognized that an independent board reflecting the many different interests is the best way to proceed. That may well be the result with this general legislation, also. But, again, to focus attention on another possible alternative, this bill suggests that the GAO perform the oversight and registry functions contemplated in the legislation. We offer this suggestion without commitment.

In addition to these major changes, the bill has been reorganized and a statement of findings and purpose has been added. A number of other technical changes have been made. In most other respects, however, it is a refinement of S. 3418.

Along with my other colleagues on this bill, I express the hope that the Judiciary and Government Operations Committees, working through the special expertise on privacy and Government administration reflected in the Constitutional Rights Subcommittee and ad hoc subcommittees, will produce a unified bill that will quickly secure approval in the weeks ahead.

Mr. KENNEDY. Mr. President, I am pleased to join the distinguished Senator from North Carolina and several other colleagues in sponsoring the Government Data Bank Right to Privacy Act. This bill will provide a framework for enacting necessary safeguards to protect American citizens against the compiling of inaccurate or unverified data and the unrestricted use and dissemination of this data.

The past several decades have seen an enormous growth in the volume of unregulated information about American citizens. When an American applies for insurance, purchases a home, seeks employment, applies for a professional license, or in thousands of other everyday situations, he will be evaluated in large part on the basis of information contained in computer data banks. This information is often incomplete, inaccurate, or based upon unverified or hearsay representations. Experience has shown that as the capacity to store and disseminate personal information has increased through the use of computers and other devices, information has been collected to fill this capacity.

The Subcommittee on Administrative Practice and Procedure, which I am privileged to chair, has a long history of involvement in issues concerning the right to privacy, including problems in the use of computer data banks. From 1965 to 1968, the subcommittee under its previous chairman considered legislation and held extended hearings on computer privacy and invasions of privacy by Federal agencies and the private sector.

In recent years, the subcommittee has developed legislation which has passed the Senate to permit greater citizen access to information in Government files, and has held extensive hearings on invasions of privacy through warrantless wiretapping and electronic surveillance. I introduced legislation which was passed last year to provide greater safeguards over the use of criminal data in programs funded by the Law Enforcement Assistance Administration. I recently testified as to the necessity for safeguards in the collection and use of medical information in data banks. And we have been concerned with protecting the rights of American citizens in the dissemination of data through the National Criminal Information Center.

I will work for the enactment into legislation of five basic principles to protect the right to privacy of American citizens. First, all persons who collect, store, use, or dessiminate information should be considered to have a duty of due care toward the subjects of that information.

Second, decisions to collect information should be made with a high regard for considerations of personal privacy and of relevance and need. The mere existence of capacity to store information should not justify its collection. In particular, first amendment considerations should play an important role, to insure that there is no "chilling effect" on the exercise of constitutionally protected expression arising from the collection of data.

Third, all systems that collect, store disseminate, or use data must maintain strict security over the information. There must be limitations on access to the data. The method of information storage should be designed to prevent unauthorized access or intrusion. Protective devices should be installed to safeguard the transmission of data to other users. Stringent standards akin to those required for airline safety should be applied to information safety.

Fourth, the subject of information should have the right of access to his own file to see that the information contained in it is accurate, and to challenge any inaccurate information. Experience has shown that frequently data is collected on the basis of incomplete, unverified, or mistaken representations. Of course, special rules can be developed to protect against violation of privileges or confidences and to protect the identity of informers. But the general principle that the subject of information should have access to it is important.

Fifth, data should be destroyed or expunged when its age or obsolescence suggests that its utility is outweighed by its inaccuracy or by its potential harm to the individual.

These principles are essential to guaranteeing the constitutional right to privacy of American citizens. They were most recently articulated by Prof. Arthur Miller of the Harvard Law School and were endorsed at the Annual Chief Justice Earl Warren Conference on Advocacy of the Roscoe Pound-American Trial Lawyers Foundation in Massachusetts last week. The bill of the distinguished Senator from North Carolina would go a long way toward enacting these principles into law.

During hearings on this bill, several important issues will have to be considered, and particular provisions of the bill may be improved upon. These issues include whether regulation should apply to both Government and private data collection systems; whether it should apply to both automated and manual systems; the precise nature of the requirement of relevance of data collected; and law enforcement considerations in expunging old data. I am glad to join in seeking to resolve these issues and to enact legislation to ensure that every American can fully exercise his constitutional right to privacy.

By Mr. DOMENICI:

S. 3634. A bill to amend the Public Works and Economic Development Act of 1965 for the purpose of assisting local economies in regions of persistent economic underdevelopment by enabling the Federal cochairmen of designated regional commissions to acquire Federal excess personal property and to dispose of such property to certain recipients. Referred to the Committee on Public Works.

Mr. DOMENICI. Mr. President, I introduce today and submit for appropriate reference a bill which would provide assistance to the economic base of regions of persistent economic underdevelopment by allowing the Federal cochairmen of regional commissions to obtain excess Federal property and to utilize that property for purposes of economic development.

This bill would amend title V of the Public Works Act of 1965—42 U.S.C. and the following. It would add to that act a new section, section 514, creating a regional excess property program.

The Four Corners Regional Commission has had some experience with obtaining and utilizing excess Federal property for the purpose of accomplishing its objectives. I understand that program has been successful and popular.

In fact, during the 2-year period that the program was in operation in the Four Corners Regional Commission, those portions of New Mexico within that region received nearly $5 million worth of excess property. This amount was greater than the total New Mexico share of congressional appropriations for the Four Corners Regional Commission during that 2-year period. This level of assistance is indeed substantial and represents one of the easiest and least expensive means by which significant economic development can be achieved.

That program was phased out when it appeared a short time ago that EDA was being phased out and because there was some question as to the specific legal authority for the Federal cochairmen of the regional commissions to participate in such programs. My bill would eliminate that legal question by authorizing the Federal cochairmen of designated regional commissions to receive and make disposition of excess Federal property to appropriate entities within the region. The manner of use or disposal of any such property would have to be related to the purpose of the regional commission for the economic development within the region. The use and accounting for such property would be strictly controlled in accordance with provisions of the bill.

It should be noted that an identical bill has been introduced in the House by Congressman LUJAN of New Mexico and six other Congressmen. It is my hope that the appropriate committees will give immediate attention to this bill and that the legislative process will rapidly culminate in its enactment.

I request unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3181 et seq.) is amended by adding at the end thereof the following new section:

"REGIONAL EXCESS PROPERTY PROGRAM

"SEC. 514. (a) Notwithstanding any other provision of law, and subject to subsection (b), the Federal cochairmen of each regional commission established under section 502 may acquire excess property, without reimbursement, through the Administrator of general Services and shall dispose of such property, without reimbursement and for the purpose of economic development, by loaning to, or by vesting title in, any of the following recipients located wholly or partially within the economic development region of such Federal cochairman:

"(1) any State or political subdivision thereof;

"(2) any tax-supported organization;

"(3) any Indian tribe, band, group, or pueblo recognized by the Federal Government, and any business owned by any tribe, band, group, or pueblo;

"(4) any tax-supported or nonprofit private hospital; and

"(5) any tax-supported or nonprofit private institution of higher education requiring a high school diploma, or equivalent, as a basis for admission.

Such recipient may have, but need not have, received any other aid under this Act.

"(b) For purposes of subsection (a)—

"(1) each Federal cochairman, in the acquiring of excess property, shall have the same priority as other Federal agencies; and

"(2) the Secretary shall prescribe rules, regulations, and procedures for administering subsection (a) which may be different for each economic development region, except that the Secretary shall consult with the Federal cochairman of a region before prescribing such rules, regulations, and procedures for such region.

"(c) (1) The recipient of any property disposed of by any Federal cochairman under subsection (a) shall pay, to the Administrator of General Services, all costs of care and handling incurred in the acquiring and disposing of such property; and such recipient shall pay all costs which may be incurred regarding such property after such Federal cochairman disposes of it, except that such recipient shall not pay any costs incurred after such property is returned under subsection (e).

"(2) No Federal cochairman may be involved at any time in the receiving or processing of any costs paid by the recipient under paragraph (1).

"(d) Each Federal cochairman, not later than six calendar months after the close of each fiscal year, shall account to the Secretary, as the Secretary shall prescribe, for all property acquired and disposed of, including any property acquired but not disposed of, under subsection (a) during such fiscal year. The Secretary shall have access to all information and related material in the possession of such Federal cochairman regarding such property.

"(e) Any property disposed of by loan under subsection (a) and determined by the Federal cochairman, who disposed of it, to be no longer needed for the purpose of economic development shall be returned by the recipient to the Administrator of General Services for disposition under the Federal Property and Administrative Services Act of 1949.

"(f) The value of any property acquired and disposed of, including any property acquired but not disposed of, under subsection (a) shall not be taken into account in the computation of any appropriation, or any authorization for appropriation, regarding any regional commission established under section 502 or any office of the Federal cochairman of such commission.

"(g) For purposes of this section—

"(1) the term 'care and handling' has the meaning given it by section 3(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472 (h)); and

"(2) the term 'excess property' has the meaning given it by section 3(e) of such Act (40 U.S.C. 472 (e)), except that such term does not include real property.".

By Mr. GRAVEL:

S. 3635. A bill to declare the commercial salmon fishery of the Bristol Bay area of Alaska to be undergoing a commercial fishery failure, to direct the Secretary of Commerce to take certain actions to restore such fishery, and to authorize additional funds for such purposes and for other U.S. fishery failures; and

S. 3636. A bill to compensate U.S. salmon fishing vessel owners and operators, salmon processors, and employees of such owners, operators and processors, for certain losses incurred as a result of salmon fishing by foreign fishing vessels under the terms of the International Convention for the High Seas Fisheries of the North Pacific Ocean. Referred to the Committee on Commerce.

Mr. GRAVEL. Mr. President, the State of Alaska has moved to have the Bristol Bay area declared a national disaster because of the absence of red salmon there. This action is warranted to preserve the meager remnants of what was once the greatest red salmon fishing grounds. Today, I propose legislation to begin the restoration process and to ease the impact of this major crisis on the residents of the area.

The scope of the problem in Bristol Bay is devastating. A scant 4 years ago, the Bristol Bay harvest accounted for 64 percent of the national red salmon production, when the value of this resource to the fishermen exceeded $27 million. Today in Bristol Bay, there is no production, there is no value to the fishermen, there is no commercial red salmon harvest. Of the 4,400 civilian residents of the area, 2,500 work directly in this industry, as fishermen or cannery workers. Mortgage payments on idle fishing vessels will go unpaid. The income from the fishing season, used to supplement the subsistence existence of an area where the cost of living is 170 percent of Seattle, will be insignificant. There is no other developed economic base, and little hope for the area without our immediate action.

The drastic decline in the Bristol Bay red salmon resource is believed to be due to a combination of factors, some natural, but most manmade. We are powerless, in most instances to adequately avert the natural causes. But the tragedy of this disaster rests with errors of commission and omission by the Federal Government that could avert or control the manmade causes.

The natural phenomena contributing to the decline has produced poor seasons, but never to the present extent, the extremely cold winters of 1970–71 and 1971–72 are contributing factors. The lack of snow cover during these years destroyed millions of recently hatched or smolt salmon. Similarly, the varying water levels have destroyed millions of eggs. But, as I have previous stated, we are powerless to change these weather factors.

The resource realized its first great depletion in the period 1900–40, while Alaska was still a territory, Federal management and enforcement was subservient to the economic interests of canners and fishermen with little regard for the renewability of the resource. There is no hope, or expectation that the salmon can be replenished to these preexploitation levels. Attitudes have changed since that time. State management has tried to do a commendable job to insure maximum sustainable yield for the future.

But where there has been Federal intervention in recent years, it has made matters worse. And where Federal intervention was most needed it has been absent.

In 1972, the Marine Mammal Protection Act was signed into law. It offered, what many thought, to be the necessary instrument to insure the continued existence of marine mammals. Among the mammals safeguarded by moratorium was the Beluga whale. Now we are beginning to realize how ill-conceived this action was in upsetting the balance in nature. It has been demonstrated that Belugas in Bristol Bay consume close to 3 million smolt annually. The Beluga herd proliferates at the expense of the sockeye. Protection of the Beluga cannot be considered separately from proper sockeye management.

By contrast, the lack of Federal intervention has resulted in even more harmful consequences. For years, Alaskans have pleaded with the Federal Government to take unilateral action, exerting pressure on foreign governments engaged in destructive fishery practices. Our pleas have been ignored in favor of the pursuit of fleeting international agreements. Such multilateral action is a commendable goal and in the interest of world peace, but must Alaska's fisheries be the peace offering?

Efforts to resolve the problem at the negotiating table have failed miserably. Representatives from this country attending the International North Pacific Fisheries Commission meeting in Tokyo, came away appalled at the insensitivity of the Japanese to sound conservation practices. Attempts to have the Japanese refrain from high seas salmon fishing, to allow minimum escapement goals for the Bristol Bay sockeye, were merely exercises in futility.

I have raised the question of invocation of the Pelly amendment. Economic retaliation for the gross misuse of the fish resources of the North Pacific is warranted. I am aware of technical violations of multilateral international fishery conservation program; the Coast Guard, which supplied this information, is also aware. It is highly unlikely that National Marine Fisheries Service and the Secretary of Commerce are not aware; in any case the only actions taken have been mollifying letters.

The Japanese high seas fishery for salmon began in 1952. Since that time, it is estimated that this fishery has taken 30 to 50 percent of the allowable annual harvest. In 1973, a conservative estimate by the Alaska Department of Fish and game placed the Japanese catch at 400,000 to 500,000 salmon. Other estimates for that season run as high as 5 million. These Japanese fishermen indiscriminately harvest immature as well as mature stock. One thing becomes perfectly clear from this—the Japanese are the major beneficiaries of State fish management programs.

Sadly, the diligent efforts of the Alaska Department of Fish and Game have been all but wasted. Earlier this year, they reported to Alaska's Governor Egan their inability to adequately manage the Bristol Bay salmon. Subsequently, with the closure of the commercial salmon fishery in this area, the Governor declared Bristol Bay a State disaster area. This was followed by a request to the President to declare a disaster in order to mobilize certain Federal disaster assistance programs.

Realizing the impact of these actions, I wrote the President in support of the Governor's request. Simultaneously, I asked Dr. Robert M. White, Administrator for NOAA to declare a disaster. Such action on his part would enable the State to avail itself of the commercial fisheries disaster assistance program. Such a program would allow the State to rehabilitate the decimated Bristol Bay sockeye, and utilize the existing manpower of the area in the effort. The answer to my request portends further delay, a situation that I and the residents of Bristol Bay cannot accept. I ask unanimous consent that this reply be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Commerce,
National Oceanic and Atmospheric Administration, National Marine Fisheries Service,
Washington, D.C., May 30, 1974.

Hon. Mike Gravel,
U.S. Senate,
Washington, D.C.

Dear Senator Gravel: Dr. White has asked me to respond to your letter of May 10, 1974, with respect to the possibility of making certain funds available to the State of Alaska under the Commercial Fisheries Research and Development Act in order to restore the Bristol Bay sockeye salmon runs. Under Subsection 4(b) of the above-mentioned Act, certain limited funds are authorized for assistance in connection with a commercial fishery failure due to a resource disaster arising from natural or undetermined causes for any purpose that the Secretary determines is appropriate to restore the fishery affected by such failure or to prevent similar failure in the future. At this time we are unable to determine whether the Bristol Bay disaster qualifies as a commercial fishery failure due to a resource disaster arising from natural or undetermined causes. I have asked the scientists of National Marine Fisheries Service to investigate the matter and determine whether in fact the disaster arose from natural or undetermined causes.

In the event that we are in a position to make a favorable determination under Subsection 4(b) we will then review any request of the State submitted in connection with such determination. It should be pointed out that at this time there are no uncommitted funds available under Subsection 4(b) and, in the event we are favorably disposed toward such request, we would probably have to request a supplemental appropriation.

It is my understanding that the Department of Fish and Game, State of Alaska, is now discussing the entire matter with our Regional Office in Juneau and it expects to be in a position to submit to us certain material required by the Act some time in June.

As soon as we receive and review a determination from our scientists, I will notify you. Furthermore, we will keep you informed as to any developments that occur with regard to this matter.

Sincerely,

Jack W. Gehringer,
Robert W. Schoning,
Director.

Mr. GRAVEL. Mr. President, the first measure I am introducing today is designed to pay reparations to the residents of Bristol Bay. It is demonstrable that the policies of the Federal Government are a major cause of this tragedy. The amount to be paid will enable these residents to endure the hardships they are about to suffer. Furthermore, this measure will testify to the responsibility of the Federal Government to preserve the resources of the seas for all Americans.

I ask unanimous consent that the full text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of section 4(b) of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779(b)) the commercial salmon fishery of the Bristol Bay area of Alaska is determined to be undergoing a commercial fishery failure due to a resource disaster arising from natural or undetermined causes. The Secretary of Commerce shall exercise his authority pursuant to such Act to restore such fishery.

Sec. 2. Section 4(b) of the Commercial Fisheries Research and Development Act of 1964 is amended by striking out "$1,500,000" and inserting in lieu thereof "$2,500,000".

Mr. GRAVEL. Mr. President, the dollar amount to be paid is the average value to those affected of the millions of salmon no longer available.

The second measure enables mobilization of the commercial fishery disaster assistance program. The State will then be able to renew the depleted stocks and put the residents to work, if only on a short-term basis. I ask unanimous consent that the full text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Commerce shall compensate United States commercial salmon fishing vessel owners and operators and United States salmon processors for losses incurred during the calendar year 1974 as a result of salmon fishing by foreign vessels under the terms of the International Convention for the High Seas Fisheries of the North Pacific Ocean (4 U.S.T. 953). Such losses shall be determined by comparing average annual profits realized during the five-year period beginning with 1967 with profits realized during the calendar year 1974.

(b) The Secretary shall also compensate employees of such owners and operators and processors for any lost wages during the calendar year 1974 as a result of the condition which qualifies the owner, operator, or processor for compensation under subsection (a). In determining such compensation the Secretary shall take into account any amount received by an employee as wages, earnings, and other benefits.

Sec. 2. The Comptroller General of the United States shall conduct an audit of the indemnity program provided for in this Act as soon as practicable after the completion thereof, and shall submit to the Congress the results of such audit together with such comments and recommendations as he deems appropriate.

Sec. 3. The Secretary of Commerce is authorized to issue such regulations as he deems necessary to carry out the purposes of this Act.

Sec. 4. There are authorized to be appropriated not to exceed $14,500,000 to carry out the provisions of this Act.

Mr. GRAVEL. Mr. President, in closing. I ask my colleagues to act swiftly on these measures. The facts of the situation are before you. Bristol Bay needs our help and it must come while there is still a chance for continued survival of this area.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1326

At the request of Mr. Williams, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1326, the Hemophilia Act of 1973.

S. 3295

At the request of Mr. Williams, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 3295, the National Public Employment Relations Act.

S. 3512

At the request of Mr. Mondale, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 3512, a bill to reform the State-Federal unemployment compensation system.

S. 3530

At the request of Mr. Stevens, the Senator from Washington (Mr. Jackson) was added as a cosponsor of S. 3530, a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act.

S. 3542

At the request of Mr. Moss, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 3542, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh applications technology satellite, and for other purposes.

SENATE RESOLUTION 339—SUBMISSION OF A RESOLUTION IN COMMENDATION OF SECRETARY OF STATE HENRY KISSINGER

(Referred to the Committee on Foreign Relations.)

Mr. ALLEN (for himself, Mr. Sparkman, Mr. Thurmond, Mr. Curtis, Mr. Baker, Mr. Hansen, Mr. Jackson, Mr. Nunn, Mr. Chiles, Mr. Huddleston, Mr. Bible, Mr. Bartlett, Mr. Griffin, Mr. Cotton, Mr. McClure, Mr. McClellan, Mr. Stevens, Mr. Stennis, Mr. Talmadge, Mr. Tower, Mr. Ervin, Mr. McIntyre, Mr. Nelson, Mr. Goldwater, Mr. Fong, Mr. Gurney, Mr. Brock, Mr. Bellmon, Mr. Hruska, Mr. Johnston, Mr. Eastland, Mr. Dole, Mr. Bennett, Mr. Taft, Mr. Tunney, Mr. Humphrey, Mr. Fannin, Mr. Domenici, Mr. Cook, and Mr. Mansfield) submitted the following resolution:

S. Res. 339

Whereas, Secretary of State Henry Kissinger has done a masterful job in the cause of peace throughout the world—in the Mid-East, with Russia and the People's Republic of China and elsewhere in the world; and

Whereas, a principal factor in the successes he has achieved has been the confidence that the opposing sides in the various areas of negotiation have had in Dr. Kissinger's integrity, sincerity, and veracity; and

Whereas, the entire world is indebted to Dr. Kissinger for his efforts in the cause of world peace; and

Whereas, the people of the United States are grateful to Dr. Kissinger for his brilliant work; Now therefore be it

Resolved by the United States Senate that:

1. Dr. Kissinger be commended on his outstanding contributions to the cause of world peace.

2. Deep gratitude to Dr. Kissinger for his services is hereby expressed by the Senate.

3. That the United States Senate holds in high regard Dr. Kissinger, and regards him as an outstanding member of this administration, as a Patriotic American in whom it has complete confidence, and whose integrity and veracity are above reproach.

4. That the United States Senate wishes for him success in his continuing efforts to achieve a permanent peace in the world.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1443

(Ordered to be printed and to lie on the table.)

CONSOLIDATED TAX REFORM-TAX CUT AMENDMENT

Mr. HUMPHREY. Mr. President, on behalf of Senators Bayh, Cannon, Clark, Hart, Kennedy, Mondale, Muskie, Nelson, myself and other Senators, I am today introducing an amendment to H.R. 14832, the debt ceiling act, that combines the tax reform and tax relief amendments previously introduced into one package.

This amendment represents a group effort to put together a realistic and well-balanced tax cut, tax reform proposal for the Senate to consider. In addition to the Senators already mentioned, there are many others who have worked hard to develop parts of the package. Senators Magnuson, Ribicoff and Jackson have led in the development of the provision to reform the oil depletion allowance. In addition, Senators Cranston, Cannon, Fulbright, Inouye, Johnston, Long and Moss have helped in the development and support of the tax relief provision.

Although these reforms are being offered in one amendment, I would point out to the Senate that we intend to divide the question so that separate votes will occur on each section of the amendment. We hope that other colleagues will join us on those sections of the amendment they feel they can support.

The combined tax cut and reform amendment would accomplish a revenue gain through tax reform in the amount of about $4 billion. It would achieve this by repealing the oil depletion allowance, repealing the Domestic International Sales Corporation—DISC—repealing the asset depreciation range—ADR—and strengthening the minimum tax. Further details on these proposed actions can be found in our "dear colleague" letter of May 8, 1974, and also in conjunction with an identical tax reform amendment introduced by Senator Bayh in the Congressional Record on May 21, 1974—S8699.

In direct connection with these reforms, this amendment would provide $6.6 billion in tax relief for millions of taxpayers hard hit by inflation. Further details of this proposed action can be found in conjunction with a tax cut amendment offered by Senators Kennedy and Mondale in the Congressional Record of May 21, 1974—S8694.

The combined amendment that I am introducing today has the following advantages:

First, this amendment assures that tax reform is the first order of business. Although the beleaguered consumer needs tax relief badly, many people are concerned—as I am—that any tax cuts should be preceded by revenue-raising tax reforms. By passing tax reform first we recoup most of the revenue lost by the tax cut and assure that the cut will not be inflationary. This point of view was validated yesterday by one of the country's top economists, Dr. Walter Heller, at a news conference in the Capitol. I believe, therefore, that Senators who expressed this concern can now support our efforts to pass the amendment introduced today.

Second, this amendment will provide a balanced stimulus to an economy in recession. Professor Heller also emphasized this point. The tax cut will shore up the declining real income and confidence of consumers. We have seen an economy in which business has profited and prospered, while the consumer has consistently had to retrench. This amendment will move us toward recovery from recession and the creation of a more balanced growth pattern.

I believe these advantages make a compelling case for this amendment. I hope our colleagues will see its value and give it their support. This may be the only opportunity for meaningful tax reform and tax relief in the 93d Congress.

It is our understanding that the Debt Ceiling Act will be reported out by the Finance Committee this week and will be brought to the Senate floor early next week in ample time to debate and to vote on these matters before the expiration of the existing debt ceiling limitation at the end of June.

AMENDMENT NO. 1445

(Ordered to be printed and referred to the Committee on Finance.)

Mr. DOMENICI. Mr. President, this country has experienced a rather difficult period with the fuel crisis and all indications are that unless new sources of energy are found the situation will become even more serious. We have seen the effects of our dependency on foreign oil by rising fuel prices and the across the board shortages of petroleum products.

The President, in reacting to the effects of our reliance on foreign oil, has set a national goal of achieving energy independency by 1980. The Senate has responded to this challenge by actively pursuing several key pieces of legislation geared toward this goal of energy independence.

Throughout these discussions there has been a continual reference to the potential of using solar energy to augment our present energy sources. Recently the Senate passed H.R. 11864 the "Solar Heating and Cooling Demonstration Act of 1974." This bill authorizes a joint effort by both NASA and HUD to sponsor initial testing of various heating and cooling units.

I was very pleased with the passage of this bill, but would hope that my colleagues understood that this represents only the first step in what is needed for an effective solar energy program. It is very important that we determine what will follow this demonstration phase.

As a member of the Aeronautical and Space Science Committee, I have heard numerous testimony regarding the potential of solar energy. The majority of the witnesses testified that present technology for heating units is well ahead of those for combination heating and cooling, but that through more R. & D. the problem could be solved. Present technology standards have placed a cost of $3,000 to $8,000 for installing solar heating units on the average size home.

There are many private homeowners who because of the cost factor have been discouraged from installing this equipment. It is my contention that we must further encourage the private homeowner to utilize this new source of energy.

Today, in attempting to meet this need, I am introducing an amendment to H.R. 14832 that would allow a private homeowner to deduct from his capital account over a period of 60 months up to

$5,000 for the cost of installation and equipment of solar heating and cooling units as prescribed by the Secretary of HUD. The Secretary, as under the provisions of H.R. 11864 or related bills, will have determined the minimum performance criteria for such units. This amendment by allowing a private homeowner to rapidly write off his costs will be a productive stimulant to encourage construction.

There are those who would say, why give a special deduction to these people when other home improvements are not deductible. Let me describe a few facts which I found most interesting.

In the city of Baltimore—far below average sunlight in Southwest—an average 3 bedroom colonial home requires approximately 700 therms or 24 barrels of No. 2 heating oil—$300—to supply the needed heat for 1 year. If this same home were to install present day solar heating units using a 500-square foot collector, approximately 60 percent of the required heating would be supplied. This would mean that a fuel savings of over 14 barrels of heating oil would be realized.

This new source of energy would benefit the entire country because the demand on heating oil would decrease, thus allowing refineries to switch over to more needed petroleum products. This amendment is not a pay-out, but instead a very realistic approach to encouraging the use of solar energy. I feel that with this type of incentive many people will begin to more seriously consider the benefits of solar heating and cooling.

I am pleased that Senators CRANSTON, HUMPHREY, and MOSS have joined me in sponsoring this amendment. We are all most concerned that substantial incentives be offered to encourage the private homeowner to utilize this new source of energy.

VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1444

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 2784) to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapter 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1389

At the request of Mr. MONDALE, the Senator from Massachusetts (Mr. BROOKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New York (Mr. JAVITS), the Senator from Wyoming (Mr. MCGEE), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of Amendment No. 1389, regarding limitation on allowance of foreign tax credit, intended to be proposed to the bill (H.R. 10710), the Trade Reform Act.

NOTICE OF HEARINGS ON GUARANTEED LOANS FOR LIVESTOCK PRODUCERS

Mr. McGOVERN. Mr. President, I wish to announce that my Subcommittee on Agricultural Credit and Rural Electrification, of the Committee on Agriculture and Forestry, will hold a hearing next week on proposed guaranteed loan programs for livestock producers.

The hearing will begin at 2 p.m. Monday, June 17, in the Committee on Agriculture and Forestry hearing room, 324 Russell Building. The subject of the hearing will cover four bills, introduced to date, S. 3597, S. 3605, S. 3606, and S. 3624, and any other similar legislation which may be introduced and referred to the subcommittee prior to Monday.

Representatives of the U.S. Department of Agriculture and the livestock and credit industries will be invited to testify. Others who desire an opportunity to testify should contact the committee clerk.

Witnesses should be advised that due to the limitations of time, each will be required to limit his or her oral statement to 10 minutes or less to provide ample opportunity for other witnesses and for questions by members of the subcommittee.

Mr. President, I cannot emphasize too strongly the urgency of the legislation which we will consider on Monday. The cattle and hog market has all but collapsed; producers are losing heavily, with many already bankrupt.

It is my hope that we can have some legislation ready to report to the Senate within several days, and that we can get early and favorable action on it.

ADDITIONAL STATEMENT

FAMINE IN INDIA

Mr. HUMPHREY. Mr. President, I wish to call to the attention of my colleagues a June 15 New Republic article, "India: The Lost Years," by Richard Critchfield.

Mr. Critchfield has been visiting countries facing the threat of famine and living in the rural areas to assess the true conditions.

He points out that deaths in India are now on the increase and particularly among both the old and very young. It is a Malthusian struggle for survival.

The author clearly believes that the policies followed by the Indian Government have not put sufficient stress on agriculture. This is why he states:

> India has lost its big historic chance to grow enough food.

Our Government was hardly doing India a favor by, in effect, encouraging them to turn away our technical advisers who were needed to keep up the momentum of the green resolution.

We are deeply affected by the fate of India, and we cannot turn our backs on this nation.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA: THE LOST YEARS

(By Richard Critchfield)

NEW DELHI.—India has lost its one big historic chance to grow enough food. Instead the Malthusian scourge has finally caught up with it: the rural death rate is dramatically rising. The poorest Indians are paying a heavy price for political decisions of the past three years: the loss of American cash, credit and, above all, hundreds of agricultural technicians; their replacement by the economically disadvantageous alliance with Russia; and now India's testing of nuclear weapons and, as the world's seventh largest industrial power, its manufacture of sophisticated jets, tanks, satellites and rockets.

India will not have enough food this year or next year or possibly ever again on a planet with just 27 days' reserves for the entire human population. Just to break even with population growth the earth now has to grow 8.8 million tons more grain each year. Most of mankind lives on rice or wheat and while wheat is holding its own, the growth rate of rice production, at one percent a year, is falling behind a two percent population growth.

Over the years a great many dooms have been predicted for India. It would "go Communist," be conquered by China, break into entirely separate linguistic states, parliamentary government would be overthrown by a military coup or by the communal forces of political Hinduism or, more vaguely, India would simply "go down the drain." None, save a Chinese occupation, is impossible. But most, with the passage of time and the emergence of a fairly prosperous urban middle class and northern farming community, perhaps numbering 100 to 150 million people in all, look increasingly unlikely. There are two Indias today and the modernizing minority is probably strong enough to hold the country together.

What is actually happening was largely unpredicted. Infants and old people, vulnerable because of inadequate diet, are beginnining to die by the millions in poor, isolated villages. Indian doctors say that while there is some rise in cholera, smallpox and malaria, the big two new killers are plain old upper respiratory infections and gastroenteritis. Neither was usually fatal a few years ago.

The sudden, calamitous growth of India's population, once it was freed by the spread of medical science, has mostly taken place this century; it has risen by almost 200 million since I first visited India in the late 1950s. Then the rate of natural increases was 1.3 percent; by last year it was 2.5 percent.

Demographers say India will be pressing 700 million by the end of the 1970s and that yearly gains could rise from a present 13 million to 70 million within 26 years. It is now officially admitted that the 1971 census count of 542 million was nine million short; this means India will pass the 600 million mark sometime in early September. Despite 10 years of fairly vigorously family planning—$80 million is being spent this year—nothing has changed the traditional pattern of rural fertility or pronatalist views shaped by 10,000 years of clinging to a bare existence. By the time the average Indian woman reaches 46 she will have had 5.6 children. By 1989 there will be twice as many childbearing women so that, if mass famine is averted, the geometrical progression of India's population will continue.

Statistics indicate mass famine may quietly be well underway. Rural India's crude death rate first began to rise five years ago, climbing from 14 to 15.7 per 1000 persons by 1970 and 16.9 by 1972, the latest year with overall official data available. But preliminary sample surveys published by the Indian Office of the Registrar General show the death rate in parts of Uttar Pradesh state reached 27.1 per 1000 last year. With the overall rural crude birth rate down to 36.6—though still up in the mid-40s in the poorest areas—India's rate of natural increase is now actually declining, possibly by as much as from 2.5 to 2.1 percent. Some Indians claim this is because of the success of family planning; it is not. It is because more and more Indians are being born, not getting enough to eat and are catching bad colds or stomach aches and dying.

India's famous propaganda slogans of "a small family is a happy family" and *"Do ya teen bas!"* ("Two or three, finish!") have never been convincing in a village world where more sons mean more rupees coming in to the landless and mean security not only in old age but here and now in violence-ridden countrysides. For the poor Indian it remains eminently rational to have many children. It is only the urban middle class and the prosperous farmers of the northern plains who have taken to intrauterine devices and even they have shunned the pill since it causes irregular bleeding (a menstruating Hindu woman cannot cook or go to the temple since she is considered unclean). Indian experience, as well as elsewhere, has been that agricultural advance, and the change in village social values it brings, is the prerequisite for population control.

Indira Gandhi's tragedy of the past three or four years, of which the May nuclear explosion and a Soviet-advised rocket program are just the most alarming parts, is that the orientation of the leftist Kashmiri Brahmins who mostly advise her is so overwhelmingly political. There does not seem to be an a political technocrat or sound economist in the lot. It is a milieu more concerned with the superpowers, détente and grand imperial strategy; a court that looks not to the south, to the Gangetic Plain, the Daccan Plateau and the steamy tropical coasts where most of the 600 million live, but northward to massed Russian and Chinese armies between the Urals and Lake Baikal, to Pakistan where Baluchi and Pathan tribals are in revolt against Prime Minister Zulfikar Ali Bhutto's pro-Chinese government, to Afghanistan, now run by pro-Russian military men and to Iran and the shah with his growing ties with Delhi and Kabul and no longer so certain of saving Pakistan from any threat of disintegration or invasion by the Indian Army. It is all the Great Game and Henry Kissinger's expected visit this month the next move; its politics are heady but have little to do with India's 500,000 villages. There, people are starving.

Take for example D. P. Dhar, chairman of India's Planning Commission, former ambassador to Moscow, and a fellow Kashmiri Hindu Brahmin who is perhaps Mrs. Gandhi's most trusted adviser and troubleshooter. Dhar was Mrs. Gandhi's chief strategist on the break-up of Pakistan and the security treaty with Russia as well as a two-way one billion-dollar trade package this year with the Soviet bloc that gives India a lot of paper credits, some obsolete technology and shoddy machine tools, and quite a lot of arms and political support in exhcange for transferring many more valuable resources up north than are flowing back. The Soviet Union has supplied two million tons of wheat, one million of which is now being offloaded in Calcutta, and may give India two million more; but this year's Russian wheat crop is expected to be poor, with sowing delayed two weeks by frost, and Russia cannot supply India with the fuel, fertilizer and technical assistance it needs. Dhar, who has also negotiated deferred payment oil deals and mineral development with Iran, Iraq and Saudi Arabia, represents the kind of Russian-minded development thinking that pushes rapid industrialization without first putting agriculture on a sound basis.

Mrs. Gandhi's greatest chance to feed India's people and create economic conditions where family planning might take hold came with the great American scientific breakthrough in tropical agriculture in 1967: the widespread introduction of new high-yielding strains of dwarf wheat and rice. The so-called green revolution, which really took hold during Mrs. Gandhi's second year in office in 1968, doubled wheat yields on the California-like, highly irrigated Punjab plain and brought India virtual self-sufficiency in food by 1971. This bonanza, which ensured Mrs. Gandhi's popularity during her early years, fell in her lap. The first seed plots of the new wheat were planted in India in 1964 just before her father Jawaharlal Nehru died. This burst of agricultural abundance covered up a great deal of economic mismanagement in the late 1960s and early 1970s and allowed Mrs. Gandhi to steer India on its present pro-Soviet course and invest heavily in an armaments industry and nuclear race whose grim domestic harvest will be increasingly evident late this year and early next.

A great many people have misunderstood the nature of the green revolution; Mrs. Gandhi and her advisers seem to have been among them. It is no one-shot thing; it is a long-term continuous process of transferring American farm technology and this requires the continuous presence of American technicians—especially plant breeders, geneticists an agronomists—to find scientific answers to problems of environmental adjustment and ecological backlash as they crop up. What we call the green revolution is essentially the geographical transfer of new high-yielding seeds, irrigation, mechanization and the massive application of chemical fertilizer and most important the knowledge that goes with this. In countries like India in the late 1960s it came so fast that when the first spectacular results diminished, palpably absurd and trendy articles began appearing that the green revolution had "withered" or "failed" or whatever. But the green revolution is not an event but a process that will just go on, transforming for good and bad rural societies all over the earth.

Since the suspension of U.S. assistance and the souring of relations after the 1971 Bangladesh war, literally hundreds of American farm technicians, sponsored by the Agency for International Development and the Ford and Rockefeller Foundations, have quit India and gone home. The U.S. aid program, up to a peak of $877 million and 236 highly skilled professionals in 1966, most of them involved with agriculture, is now down to a $50 million a year infant and pregnant mother feeding scheme and nine Americans, almost all of them purely administrators. The Rockefeller Foundation, which focused entirely in India on agriculture research, mostly developing constantly newer, high-yielding varieties, gave up and pulled out of India two years ago. Ford, which focused on the practical application of technology and had a large group of farm experts working closely with the Indian Agriculture Ministry, is down to a skeleton crew of non-technicians.

Mrs. Gandhi and her people do not seem to grasp what a monumental misjudgment they made in allowing a state of affairs where most of the American farm experts have pulled out. You cannot continue to transfer American farm technology without them. M. G. Kaul, one of Mrs. Gandhi's key economic advisers, told me that old government-to-government technical assistance programs brought mostly "second-raters" to India, since they were the only ones willing to stay three or four years. "If you want top people," he said, "you have to pay for them and they'll only stay four or five months." He cited some Canadian copper miners as an example. Kaul's observation may be valid for industry but not agriculture. The green revolution is the product of the land grant colleges and US agricultural service and the vast amount of expertise gathered in the past 80 years; almost all these men, directly or indirectly, are financed by the government. As one of the few Western agricultural experts left in Delhi said, throwing up his hands in exasperation, "I don't know where Mrs. Gandhi's people are, Mars or somewhere; they're certainly not in India!"

This is brought home to you up on the fertile Punjab plain, which produces India's main marketable food surplus; it has been the main setting of the green revolution and, after 1967, the spectacular transformation from subsistence agriculture to modern commercial farming. Its hardy Moslem, Sikh and Hindu Jat Punjabi farmers, acre for acre, have been producing the highest wheat yields on earth. This is the region primarily responsible for the rapid rise in the use of scientific inputs in Indian agriculture. Since 1961 fertilizer consumption has risen from 300,000 tons to 3.1 million tons with a present estimated demand of five million tons; electric and diesel pumps from 420,000 to 2.1 million; tubewells from 19,000 to 178,000; tractors from 31,000 to 173,000 and the number of acres planted in new high-yielding varieties from two to 23 million hectares.

I spent 10 days touring villages here—unhappily being caught in one when the reportedly none-too-clean plutonium explosion went off May 18 on the Rasjasthan desert some 300 miles to the west of us—and expected to find water and power shortages and diesel fuel and fertilizer available only at black market prices. They were, but this was not the main trouble. The farmers' chief complaint was "there is no good new seed." They said the first three new wheat varieties introduced in the late 1960s—Khalyan Sona, PV–18 and 308—were the only good ones and that those put out by Indian research institutions since 1971 had been fiascos, either rust-prone, subject to insects, just plain low-yielding or with serious environmental problems. Others said heavy dosages of nitrogen since 1967 had left the soil deficient in potash and other minerals but that no one was supplying the technical assistance to remedy this.

Per acre yields that were two or 1.8 tons four years ago are down to 1.4 to 1.3 tons even in Punjab's richest district of Ludhiana. Mrs. Gandhi's ecoromists talk about procuring seven million tons to keep the urban public food distribution system going. They will be lucky to get four or five million. The wheat harvest just threshed, hoped to be 30 million tons, may reach less than 23 million tons. Although Mrs. Gandhi has raised the procurement price per 100 kilos from $9.88 to $13.65, farmers angrily say this is still too high to offset high fuel and fertilizer costs; they demand "parity." Many are hoarding their wheat at home for the first time. Food is politics in India and if Delhi, Bombay, Madras and Calcutta and such deficient states as Kerala cannot get enough to avoid shortages and runaway prices, Mrs. Gandhi will be in real trouble by September. And needlessly.

A few days before the nuclear blast Dr. M. S. Swaminathan, director of the Indian Council of Agricultural Research and perhaps the leading farming authority in India, told me India could raise food production from the present 105 million tons to 220 million tons within 15 years provided it had the water, power, cash, credit and technical assistance. Swaminathan, an old-fashioned technocrat, said he was looking forward to the World Food Conference in Rome this fall; he wistfully recalled President Kennedy's 1961 prediction that America not only had the means to set foot on the moon but the technology to totally eradicate hunger from the earth. Swaminathan was full of schemes to triple fertilizer production, irrigate the vast Gangetic plain and ensure water control with cheap $3.10 bamboo tubewells, introduce special new grain varieties for the three-fourths of India's total acreage that is not irrigated and so on. Implicit in what he said was a return of American aid and technology.

The inflation rate of the past 12 months is somewhere between 22 and 29 percent; a kilo of rice can be bought for 13 cents at government fair price shops in the cities but out in the villages costs up to 26 cents. Mazdoors or landless laborers make 26, 39 or 52 cents a day when they can get work—power shortages and loss of water has dried up crops in parts of once irrigated areas. The arithmetic is such that landless laborers with the national average of 5.6 children cannot possibly feed their families. One can visit starving villages two or three hours from Delhi.

Nutritionists say an average Indian adult consumes 170 kilos of grain a year, a Southeast Asian 182, a Chinese 200 and an American 1000. When an Indian laborer with a family of eight has to feed them on 70 ounces a day, this is slow starvation.

Besides the Russian wheat, India has bought about one million tons abroad so far, 200,000 tons from the US. But it cannot buy much more. India faces a $2.4 billion balance of payments deficit this year and the World Bank-sponsored Aid India Consortium, even before Japan and other countries threatened to cut off aid after the nuclear blast, had seen only $1.3 million in aid and a 50 percent debt rescheduling as the maximum achievable target. And $200 to $300 million of this was hoped to come from Congress replenishing the International Development Association (IDA), the World Bank's soft loan arm. Congress has yet to act. Meanwhile, India has drawn a few hundred million from the International Monetary Fund (IMF), but not on concessional terms and while it won $200 million in immediate relief on oil payments to Iran, the money still has to be paid with interest, within five years. With exports doubling to five billion dollars since 1972, imports expected to make no more than $3.2 billion and only $1.4 billion in foreign exchange reserves, India badly needs more liquidity to import spare parts, fertilizer, fuel and food. It probably won't get it since the nuclear explosion gave the West and Japan the justification needed to turn their backs.

Yet if India loses, so does everybody. American grocery prices will keep on going up as long as world food grain prices do, and it will be hard to avoid a global recession if the world's seventh biggest industrial power collapses.

Somehow Mrs. Gandhi has got to realize that the transfer of American farm technology to India must take precedence above all else. To allow her advisers to convince her otherwise, at a time the Russians are eagerly seeking American industrial technology themselves, is tragic. Three years have been lost already.

INFLATION CLAIMS ANOTHER JUDGE

Mr. HUGH SCOTT. Mr. President, an editorial in today's Philadelphia Inquirer entitled, "Inflation Claims Another Judge" cites the fact that many Federal judges are finding they simply cannot afford to continue on the bench. In the last 5 years the salaries of Federal judges have not been increased, yet during this same time period inflation has risen by 30 percent. I bring this problem to the attention of my colleagues and ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Inflation Claims Another Judge

Another Federal judge, Arnold Bauman of the prestigious Southern District of New York, has resigned "because it is economically impossible for me to stay."

That makes him the third in the last year to leave the bench for financial reasons. And still a fourth, Judge Frederick Lacey of New Jersey, says he will leave for private practice at the end of this year "if no salary increase is then in prospect."

As Cyrus R. Vance, president of the Association of the Bar of the City of New York, points out, this "underscores the need for prompt action by the Congress."

It has been more than five years since the salaries of Federal judges were increased. Meanwhile, the cost of living has increased some 30 percent.

In Judge Bauman's case, the New York Times reports that when he leaves his $40,000-a-year Federal post he is expected to join a large corporate law firm where "experienced partners . . . frequently earn $150,000 or more a year."

The Federal government cannot be expected to match that, of course, nor do the judges expect it to do so. But it is unfair to expect the judges, many of whom made substantial financial sacrifices in going on the bench in the first place, to go through what Judge Bauman calls "precipitous inflation" with no adjustment in their salaries.

Congress made a serious mistake in killing a proposed increase for the judiciary earlier this year. How many more judges will have to leave the bench before it is corrected?

HOUSE, SENATE AGRICULTURE COMMITTEE CHAIRMEN SEE BANKRUPTCIES IN THE MEAT INDUSTRY, LEADING TO CONSUMER SHORTAGES

Mr. TALMADGE. Mr. President, today Congressman W. R. "Bob Poage of Texas, chairman of the House Agriculture Committee, and I, as chairman of the Senate Committee on Agriculture and Forestry, issued a joint statement concerning the current crisis in the meat industry.

I ask unanimous consent that this statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Joint Statement

In this time of runaway inflation, exorbitant interest rates, and shortages of some materials, many small businessmen are experiencing hard times. However, the livestock producer in the United States in experiencing an economic squeeze that is without parallel since the great depression.

In the past six months, the price of fed cattle has dropped over 20 percent—falling from $47 a hundredweight in January to around $36 this week. Hog prices have fallen even more—from about $40 a hundredweight to under $22, a drop of 45 percent.

Cattle feeders are losing from $100 to $200 a head. Hog producers are being forced to liquidate their herds.

Livestock producers are caught in the inexorable squeeze between high production costs and lower prices for their product. Clearly the smaller cattle and hog producers cannot continue to sustain such losses.

Already there have been a number of bankruptcies in the livestock industry. If this trend continues, we will see wholesale bankruptcies in the livestock producing areas of this nation. When these bankruptcies occur, the economy of rural communities and entire States will suffer.

Moreover, this damage will not be temporary. It will have a lasting and detrimental impact on the structure of our farm economy. While there are currently many big livestock producers who have the financial resources to withstand such situations, there are thousands and thousands of smaller producers—family farmers—who do not have the capital and resources to withstand the economic crisis which is currently upon them.

When they are forced to the wall, their assets will be sold, at fire sale prices.

We *don't* believe that the concentration of hog and cattle production in the hands of a few large corporations will mean lower prices for consumers in the long run.

Moreover, the cost-price squeeze currently being experienced by cattle and hog producers has also spread into the poultry and egg industry. Turkeys were selling for 24 percent less this May that a year ago, broilers were 13 percent less, and eggs at about 37 percent less than in January of this year.

If price declines for livestock on the farm level were reflected in lower meat prices, we might take some comfort from the situation. But it is clear that consumers are not getting the full benefit of the break in livestock prices.

Of course, it is the responsibility and the desire of the Committees in Congress which represent agricultural producers, and which write farm legislation, to do whatever is possible to alleviate the current crisis.

To their credit, livestock producers are a fiercely independent breed. They have never wanted government assistance or government controls. However, we are currently receiving thousands of complaints from livestock producers who can no longer cope with the economic catastrophe which has befallen them.

Several bills have been introduced and referred to the House and Senate Committees which would provide emergency relief for livestock producers.

It is the desire of our Committees to do anything within our power to assist our livestock producers. However, if we are to move quickly and if we are to achieve a solution that will be helpful to the livestock producers and to the nation, we will need the support and the solidarity of the national organizations representing these producers.

Therefore, we call on farm organizations and their leaders to unite in a common effort to suggest the legislative relief which might be necessary.

When this is done, we, the Committees responsible for agricultural legislation, will do everything we can to secure prompt passage of emergency legislation.

In addition, we call on the food retailers of the nation to cut meat prices and once again feature meat as weekend specials. We feel that when the consumer is given the full price break that the drop in farm livestock prices justifies, he will purchase more meat.

Further, we call on the Secretary of Agriculture to assert the leadership of his office and to marshal his farm experts to come forward to the Committees on Agriculture with positive solutions which will alleviate the current prices.

We do not have any pat solutions to the current crisis. We are looking for answers. Therefore, it behooves all of us, the leaders of the livestock industry, food retailers, the Secretary of Agriculture and the Congress to work together toward positive solutions which will prevent the liquidation of the livestock industry as we know it.

VIETNAM VETERANS

Mr. BIDEN. Mr. President, about the time I became a Senator in January 1973, America's longest war, which had required the military services of millions of men and women, came to a close.

The succeeding months, however, has borne little fruit in terms of successfully reuniting Vietnam war veterans with American society. No sooner had the last American troops—prisoners of war—been flown home than the Federal Office of Management and Budget sought unsuccessfully to save $160 million, by revising the disability rating system so as to exclude recently wounded amputees from the benefits granted by a grateful nation to purple heart victims of previous wars.

Mr. President, this episode is illustrative of the official public neglect of Vietname veterans. It seems, as someone has commented, as if the victims of war have come home from harm's way only to surrender as prisoners of peace.

In 1972, the veterans' unemployment rate peaked out at 11 percent. The administration announced formation of a Jobs-for-Veterans program. A year after its inception, Jobs-for-Veterans did for veterans joblessness what three Presidents had failed to accomplish in Vietnam. On January 29 of this year, the Labor Department, citing the program as a great success, declared victory over the unemployment problem, and withdrew by abolishing the Jobs-for-Veterans project.

This must have been especially heartening to 288,000 veterans for whom shoeleather pounding the pavements in search of work was the only alternative to the dole. The number of idle veterans between 20 and 24 still exceeds 10 percent of the number of able-bodied candidates.

The last 6 months has also seen the virtual collapse of the Veterans' Administration Department of Medicine and Surgery, a $3 billion, 171-hospital program responsible for the health and well-being of the Nation's 29.1 million retired servicemen and women.

The President refused to spend the facilities and staff of the independent VA hospital system.

Concerned person, including our distinguished colleague, Senator CRANSTON, chairman of the Veterans' Affairs Subcommittee on Health and Hospitals, protested the Veterans' Administration's negativeness in the administration of the agency's health care system. In early April, the then Chief Medical Director of the Veterans' Administration, Dr. Marc Musser, and his deputy, resigned, claiming that Administrator Donald Johnson, who has since resigned, "had undermined his effectiveness," through a series of unpleasant circumstances.

The departure of Dr. Musser symbolizes the leaderless existence of the VA, which, as presently constituted, holds little hope for effective response to the VA's mandate, cast in bronze above its building's main entrance, "To Care For Him Who Shall Have Borne the Battle, and His Widow and His Orphan."

There are 193,570 persons employed by the VA, constituting the Federal bureaucracy's second largest. Its annual budget is in excess of $14 billion. There are presently, or have been in the past year, at least 13 former members of the Committee To Re-Elect the President placed in positions of responsibility at the VA. Most of them lacked any experience in the field. Some replaced dedicated career employees in what columnists Rowland Evans and Robert Novak described on April 8 as "a radical effort to give the White House total control of all major bureaus and departments, whose outcome at the VA is utter disaster."

Representative OLIN TEAGUE of Texas, a highly decorated combat infantryman who retired last year as chairman of the House Veterans' Affairs Committee after 16 years' tenure, said in an address on the House floor last month:

> In the 25 years I have served on the Veterans' Affairs Committee, I have never seen morale in the Veterans' Administration at a lower state. This is the direct result of political manipulations by the Administrator, and is the root cause of most of the Agency's problems.

The VA benefits are currently at a level so low that only 1 veteran in 5 has been able to attend an institution of higher learning. This is unfortunate. After all, the original "GI Bill of Rights" enacted to benefit veterans of World War II, is one of the most productive pieces of legislation ever enacted by the Congress. The beneficiaries—18 million veterans who increased their skills and earning power through federally assisted postservice training—have, through increased tax revenues and contributed services, returned to the Federal Government $6 for every $1 invested in them. For this reason I applaud a reform of the existing Vietnam veterans benefit program, which Senator HARTKE and his able Committee on Veterans' Affairs, has ordered reported favorably. Let us hope the climate has changed for the benefit of Vietnam veterans.

In late May, two articles about the inadequacies of the VA were published in the Washington Post. The writer was Tim O'Brien. The headlines themselves placed over the two articles illustrated the problems—"VA Hobbled by Its Massive Size" and "Veterans: A Waiting Game."

I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

VA HOBBLED BY ITS MASSIVE SIZE

(By Tim O'Brien)

"The simple, obvious fact about the Veterans' Administration is its size," says a VA staffer. "It is a giant, and it's a giant in almost every conceivable way. For all the specific analysis you can give the place, the single most telling point is raw size."

The VA's downtown Washington headquarters tells a visual tale: massive, gray, tons of cement and granite, labyrinthine, put together with the architectural imagination of a World War II pillbox.

All the numbers are big. The VA is the federal government's second largest employer—some 184,000 people. Its budget is the government's third largest—more than $13 billion this year. Its constituency, after five full-fledged wars since 1898, exceeds that of most national governments—nearly 99 million veterans, dependents, widows and orphans.

The VA's job, inscribed as a motto near its front door, is to care for all those people: "To care for him who shall have borne the battle, and for his widow and his orphan."

This broad mandate, as weighty and amorphous as the building itself, has created a menu of VA programs and functions that runs 48 pages in a booklet designed to compress and summarize them. Caring means running the nation's largest health care and educational scholarship programs, an $87 billion home loan program, a $5.8 billion-a-year pension and compensation program, and two life insurance programs valued at $83 billion. Caring means everything from drug addiction treatment to burial to clothing allowances to job counseling. It means, as a recent Ralph Nader study puts it, "the most highly elaborate form the welfare state has taken in America."

"You can't really run this place," the VA staffer said. "You can try to ride it a while."

Running it or riding it, Administrator Donald E. Johnson has headed the VA since 1969. A one-time seed and fertilizer dealer from West Branch, Iowa, Johnson came to the agency as a former national commander of the American Legion and as a losing Republican candidate for the governorship of his native state.

Last month the massive edifice caved in on him. Simultaneous criticism came from young veterans, powerful congressmen, the press and even some VA insiders, charging Johnson and his agency with a spate of administrative and political shortcomings: indifference to the plight of young Vietnam veterans, bureaucratic rigidity and ingrowth, politicization of a once-independent agency, budget-cutting at the expense of VA hospitals and education programs, inept leadership, misuse of taxpayers' dollars . . .

After a brief defense, Johnson resigned. Though he will stay on until June to become eligible for a government pension, the search is on for his successor.

But in the bustle of lobbying and jockeying for Johnson's replacement, some VA observers and staffers wonder whether it will make much difference who ultimately is chosen to head the agency.

What Johnson's departure means, more than anything, is to "give a focus for asking hard questions about the VA as an institution," says a VA observer. "All the agency's problems can't be attributed to one man, any more than a creaking rusty old ship can be entirely blamed on its captain."

Sen. Vance Hartke (D-Ind.), chairman of the Senate Veterans' Affairs Committee, says, "We are not interested in a change of personnel alone. We want a change of policy. . . .

If leadership means anything in an agency as entrenched and massive as the VA, it probably bears most on the ambience, motivation and spirit of the place.

"What new leadership can do is change the dominant attitude downtown, which is a combination of familiar, comfortable routines, an unwillingness to fight the OMB (President's Office of Management and Budget) for proper funding, and an atmosphere of fear and parochial defenses," says a Senate staff worker.

The VA's critics cite numerous examples of what they see as a "don't-rock-the-boat" attitude.

Most frequently, they point to the agency's unwillingness to battle OMB and the White House in behalf of increased veterans' benefits. While claiming credit for recent increases in GI Bill payments to veterans attending school, Johnson and the VA have never in the past five years supported congressional efforts to substantially beef up funding.

A recent report by the prestigious Educational Testing Service of Princeton, N.J., concludes that the "real value" of educational benefits for Vietnam vets is less than that available to veterans of World War II.

But while the study was commissioned by the VA itself, the agency immediately disclaimed it, refusing to use the findings as a lever to try to pry increased benefits out of Congress and the OMB. This prompted James Mayer, president of the National Association of Concerned Veterans, to declare that "the VA is no longer the advocate for adequate veterans benefits."

A recent House Appropriations Committee report found the same budget-conscious attitude with respect to the VA's hospital program. In general, the report buttresses the popular theory that the OMB and White House, more than the VA itself, are responsible for the agency's deficiencies, and that Donald Johnson's culpability is one of weak-kneed acquiesence and uninspired leadership. The report says:

"There are strong indications that the average daily patient census (in VA hospitals) is being controlled through Veterans' Administration central office channels as a result of OMB guidelines, and are not based on the actual needs of qualified veterans requiring hospital care."

The report charges that $54.6 million appropriated for the VA in 1973 to add 3,725 more hospital employees "was not allotted to the VA by the Office of Management and Budget," and that the extra staffers were not hired. "It appears that arbitrary patient census limitations (expected patient loads set in advance) imposed by VA and OMB play a large role in determining admission of patients rather than medical facts of the case."

The OMB-budget-cutting theory is also applied by critics to explain a failure by the Department of Labor to hire an extra 68 officials to oversee a job preference system for veterans. The following exchange between Sen. Hartke and William H. Kolberg, assistant secretary of labor for manpower, illustrates:

Hartke: When you were first faced with this, did you go to the OMB and ask for additional funds to employ these people?

Kolberg: Yes, we did.

Hartke: What did they say?

Kolberg: They did not give us additional funds.

Hartke: Did they answer you at all?

Kolberg: They told us to go ahead within our current ceilings, both in personnel and money . . . I think what they were saying to us [was] within your current resources carry out the law. And then it was put back on my shoulders to figure out how we could best do that under the circumstances we found ourselves in. I understand, Mr. Chairman, this is not an adequate explanation. We were slow, very slow, in carrying out the law.

The OMB-budget-cutting theory has two contrary interpretations: one is that no federal agency can do a proper job under such pressure, so why pick on the VA? The other is that Johnson's leadership was inadequate, that he buckled too quickly and too easily under the pressure.

Advocates of the second interpretation point to a gathering of VA hospital administrators and regional directors in early 1973, at which Johnson said budgetary loyalty was the byword and that, "I expect each and every official in the VA to actively support our budget as requested." He said he didn't "want to find any surprises" on questionnaires the officials were to fill out for congressional committees. And his general counsel, John J. Corcoran, told the gathering:

"The presentation of a bootleg program is the height of irresponsibility. It is advocated by people who do not want to be on the team—who place their judgments above the administrator's and the President's [and] who subordinate the President's decisions to their parochial interests." Corcoran warned of "the possibilities" awaiting employees who might go public with their criticism.

A congressional source says such heavy-handed warnings are symptomatic of a more pervasive "fear inside that agency. People are afraid to talk. People who let information out get canned or shipped off to the hinterlands."

Johnson, however, has his defenders inside and outside the agency, and they portray a man surrounded by a staff more loyal to their own interests and powerful figures on Capitol Hill than to their own administrator.

Dr. Robert Stephens, who spent a year at the VA as an educational consultant and director of several related organizational studies, recalls giving Johnson a controversial proposal to audit the network of state agencies that approve courses for VA educational accreditation.

"We funded the agencies to the tune of some $11 million a year, but we had no control over them," Stephens says. "Well, I put the study proposal on Don's desk and almost immediately—a few days maybe—he got a letter from Rep. Olin E. Teague (D-Tex.) saying keep that damn Stephens away from the state approving agencies."

Stephens speculates that one of Johnson's own staff members leaked the proposal to Teague, former chairman of the House Veterans affairs.

Stephens says he "can't imagine Johnson pulling such strong-arm activities . . . I don't know about all of it, of course, but he's not that kind at all."

An effort to interview Johnson for these articles was unsuccessful. A VA press spokesman said Johnson is "keeping a low profile on things like interviews" in the waning days of his administration.

But in an interview with U.S. News & World Report last month, Johnson defended the administration's record in support of adequate veterans benefits.

"I want to point out that President Nixon has initiated on two occasions increases in the GI Bill allowance, totaling about 70 per cent. He's also asked for a third increase which we hope Congress will enact relatively soon," he said.

On medical care, Johnson said, "We operate the largest medical care system in the free world . . . The quality of care in our hospitals is very high. For example, 90 medical schools are affiliated with the Veterans Administration. Their job, primarily, is to professionally staff our hospitals . . . We have increased the staffing ratios rather dramatically—some 31 per cent in the last five years."

The official VA defense for its position on educational and health care spending is that it is rational and altogether just. Daniel Rosen, director of reports and statistics in the medical division, says congressional charges that the VA has held down hospital spending ignores that increasing emphasis on outpatient treatment.

"The average length of hospital stays has been decreasing by about a day a year for about the last seven years," Rosen says, "We've been moving to a more orderly, rational mode of treatment, which is in tune with changing health delivery systems and technology. It's more efficient . . . VA health care is among the best in the country . . ."

While Rosen acknowledges that there is "some truth" to a House Appropriations Committee charge that an average of 45 per cent of veterans applying for hospital care are rejected, he says that "it is not a simple yes or no rejection. We refer a lot of people to community facilities (which are not free of charge as are VA hospitals) and there are many other aid programs they are eligible for."

The agency defends its educational benefit program in similar terms, arguing that more than 50 per cent of the Vietnam-era veterans have used the GI Bill for education and training and that the benefits, therefore, cannot be as bad as critics allege. More persons have been trained at the college level than under either the World War II or Korean War GI bills, and the $220 monthly payment to the Vietnam veteran is at least as good as that available to his World War II counterpart, the VA argues.

But critics say these justifications gloss over deeper inequities in the modern GI Bill. For example, the agency keeps no statistics on the length of time a veteran uses his benefits. If a veteran went to school one month under the GI Bill and then dropped out because of inadequate funds, the VA treats this as a statistic of success—the person used the GI Bill.

"We don't need such data," says a VA spokesman. "We don't need it to run our program."

"How can they gauge the effectiveness of their program without that kind of information?" asks a Senate staffer.

Other critics, among them Forrest Lindley, a former Green Beret who runs the Vietnam Veterans Center, complain that the VA also glosses over the GI Bill's inadequacy for the married veteran. Based on the current buying power of the dollar, Lindley says, the VA's own data indicate that a married veteran today gets almost $2,000 a year less than his World War II counterpart. "The VA doesn't mention that on Capitol Hill," Lindley says.

The usual explanation for what critics see as a miserly VA attitude is that the White House and OMB simply dominate the agency, and that Administrator Johnson did not exert the leadership to fight back.

But former VA consultant Robert Stephens thinks the cause goes deeper.

"In the first place, the agency takes an incremental view of its job. A little here, a little there. They aren't equipped to identify their information needs because they don't really know the nature of the problem."

"For example, I asked why participation rates must be the main standard of the GI Bill's adequacy. It's one standard, yes, but there's so much it doesn't say about the basic philosophy of the GI Bill—readjustment to civilian life.

"The agency should look at the bill in relation to the disadvantaged, the minority groups, the married veterans, the educationally disadvantaged. Why don't they get the statistics on dropouts, on how many vets spend less than a year in training? I don't know . . . it's just gross inefficiency, old routines and justifications."

In addition, Stephens argues, it is a matter of "the attitude permeating the VA," which is "basically that they view themselves as a dispenser of benefits, pure and simple.

"The attitude is this: they strictly construe every legislative proposal or mandate. They generally—not always, but generally—tie up with all sorts of constraints the language and intent of legislative packages; then, with implementation, they further reduce Congress' intent.

"They seem to say 'our job is to dispense benefits and not to make social policy.' This explains, I think, some of the strange behavior. It's a rigidity. They don't view themselves as advocates of social improvement but as machines to churn out checks. They're concerned with stopping fraudulent practices, overpaying and so on, much more than with conscious policy to assist the Vietnam veteran."

"Leadership is important," he says, "but there's also got to be a way to control the bureaucracy."

Veterans—A Waiting Game

(By Tim O'Brien)

James Milton talks about the day he walked into the Veterans Administration office here to apply for some benefits.

"I was thinking about my career—perhaps changing jobs or exploring something new. I wanted to take aptitude tests to help me figure out some career goals. That was about six weeks ago.

"So I filled out the application forms and then I waited. When nothing happened, I called back. The guy said, 'Well, it takes four to six weeks to process it all.'

"So I waited some more. Then, a week ago, I checked again. A girl said, my military records hadn't arrived from St. Louis. So I kept waiting.

"Well, this morning the girl called me and said the file was still in St. Louis. And on top of it they'd lost my original application. I'm back where I was six weeks ago."

The stories are legion. A Senate staffer recalls a spectacular one. "Back in October of 1973 Congress authorized a system for the advance payment of educational allowance checks, to get vets started in school.

"Well, it wasn't until two days before they were supposed to start processing applications that the VA finally sent out instructions to regional offices . . . And then, believe it or not, some examples they provided on how to fill out the applications were wrong. I mean, if you filled out the application by following the examples, the computer would just spit it out at you. And we gave them nine months to get it all ready."

In another case involving advance payments, he tells of a batch of benefit checks mailed without properly coordinated envelope windows and addresses. The result was a flood of return-to-senders.

A sampling of other complaints:

Phones aren't answered. One story, told by a Senate staffer, involves a hot-line phone in a VA regional office that nobody answered. It was finally found in a closet.

Late and lost benefit checks. Said a congressional study: "There have been reports of checks sent out without names; checks sent out with only part of the names; bundles of checks for veterans sent to the wrong school . . . Once the veteran fails to receive his advance pay check on time, it was proven almost impossible in many cases to get his checks back in sequence."

Slothful, insensitive outlying VA offices. Said the California Institute of Technology at Pasadena: "It used to be exceedingly difficult to get answers by the telephone; this year it is impossible because they are not even answering the phone. If we write letters, it requires 1.5 to 2 months to get a reply, or to get some needed forms. Our veterans tell us that they feel they get a runaround when they have to go to the VA office, being shuffled from one person to another."

A congressional report showed nearly identical complaints coming from 14 other schools scattered across the country.

Talking to veterans leaves the impression that the VA commits more than its share of bureaucratic snafus. Certainly for VA Administrator Donald E. Johnson, recently pressured out of his job after the widespread delays in advance payment checks, the fumbles were one too many.

"Stories of bureaucratic foul-ups are always titillating and, as we've seen now, can create real headaches for an agency head," says a Washington observer of veterans' affairs. "But they are necessarily just the tip of an iceberg, symptoms or illustrations. What's interesting is what lies in the cold down below."

Down below are about 184,000 employees, the second largest bureaucracy in the federal government. The VA bureaucrats run programs ranging from health care to scholarships to home loans to life insurance—on a $13 billion budget this year, third biggest in the federal government.

The VA's career employees' average length of agency service, as of 1972, was 13.3 years.

The VA's top career employees are sometimes called the "class of '46"—a year when many World War II vets first went to work there. The phrase can mean rigidity, parochialism and insensitivity to changing times. But older employees may think it carries a sense of wisdom, experience, professionalism and strength.

At any rate, of 44,276 career employees in 1972, 11.1 per cent where eligible for retirement between 1973 and 1977. In certain key fields, the figure was considerably higher. The adjudication branch, which passes on applications for VA benefits and which is subject to some criticism for an allegedly plodding attitude toward the job, had 19 per cent of its career workers soon ready to retire.

In the agency's central office in 1972, almost 38 per cent of the career bureaucrats were 55 years of age or older.

As the VA notes, these figures mean little more than that a good number of the career bureaucrats are getting old and that they've been with the VA a long time. "An older guy can be a young thinker," says a VA spokesman.

But VA's critics say "young thinking" is often not the case; that long tenure has tied top-level career men to parochial internal interests, to static policies, to established and sometimes outmoded routines, and even to outside interests such as the House Veterans' Affairs Committee.

"What is desperately needed at the VA, more than just about anything, is an independent staff in the administrator's office, fresh and untied to any special interest, internal or external," says Dr. Robert Stephens, who spent a year at the agency as an educational and organizational consultant.

"The staff should be professional and competent—an economist, a planner, an operations-research man. They should have two loyalties—one, to the administrator and, two to the VA's mission to serve veterans."

Stephens recalls examples of bureaucratic in-fighting aimed, he charges, at obstructing fresh thinking and new directions. One story involves an internal effort to block a symposium on education and the Vietnam-era veteran. "The idea was to have new thinking and ideas, and we lined up papers to be presented by both non-VA people and some VA people," he recalls.

"Well, it was like the world had come to an end. I was fought by nearly everyone in the agency. 'It'll give a platform to everybody in the country to beef,' they said. I said 'you're damn right, that's the idea, new thinking'."

Stephens says Administrator Johnson, who came under bitter attack for allegedly encouraging a don't-rock-the-boat attitude, "Actually fought tooth-and-nail to protect the symposium idea, and he supported me the whole way against the rest of the agency. That's not the only time he stood up."

While Stephens' analysis cannot be tested against anything other than contrary opinions and recollections, it is often argued in the bureaucracy's defense that the maintenance of jurisdictional interests is not only inevitable but positively essential in the internal tug-of-war for funds and attention.

And an often critical report prepared for the VA by the Educational Testing Service of Princeton, N.J., concludes that, "In general, the Veterans Administration has administered the educational benefits programs effectively and responsibly over the three conflict periods"—World War II, Korea and Vietnam.

The VA's $3 billion-a-year, 170-hospital health care program—largest in the nation—is another frequent target for those who see an aging, backward-looking agency. A report by Ralph Nader's Center for Study of Responsive Law says the VA is "utterly incapable" of delivering services to Vietnam-era veterans because the system is mainly aimed at caring for chronically ill old men, not the war-wounded or psychologically scarred veterans of Vietnam.

As for the Vietnam veteran's drug problem, the Nader study says, "The VA did not move rapidly against drug abuse, and when it finally moved, it had to be pushed. It was not until 1971 that the agency developed any programs specifically for drug patients."

Coupled with such outside criticism was a recent blast directed against Administrator Johnson by Dr. Maro Musser, chief of the VA's medical division. Musser quit in a huff last month, saying he was "forced by a variety of unpleasant circumstances to conclude that my effectiveness . . . had been sufficiently compromised and undermined as to make untenable any consideration of acceptance of a reappointment."

He said Johnson had become "an antagonistic and uncooperative administrator" and that "imposition of tighter and tighter management controls and surveillance have deprived the Department (of Medicine and Surgery) of the flexibility it once had, thereby seriously limiting its ability to deal quickly with new and unexpected needs and problems."

Sen. Alan Cranston (D-Calif.) and Rep. Olin Teague (D-Tex) joined in heaping blame on Johnson.

Teague said Johnson's "incompetence" brought morale in the VA "to the lowest point that I have seen it in 25 years."

Others, however, argue that Johnson's own position was undermined by men like Musser. "The people surrounding Johnson often ran to the Hill, especially to Teague, with everything they had," says a former VA official.

Teague, a Medal of Honor winner and stalwart of the House Veterans Affairs Committee for decades, is known in the agency itself as "Mr. VA." Having stepped down from the committee chairmanship, he remains its most powerful member.

"There's very little that goes through the VA that's not tested, reviewed, critiqued by the House Veterans Committee and Rep. Teague," says former VA consultant Robert Stephens.

"And since Teague has been around so long—and of course because he's so knowledgable about VA affairs—he has a lot of friends in the agency," Stephens says.

The VA and the House committee seem to view the Senate Veterans Affairs Committee chaired by Sen. Vance Hartke (D-Ind.) as spendthrifts and Johnnycome latelies to veterans affairs. Many in the Senate, in turn, see Teague and his powerful staff director, Oliver Meadows, as knowledgeable but autocratic and somewhat behind the times.

In a harrowing experience for the VA back in the 1950s, Teague uncovered a national scandal, and its implications continue to influence the VA bureaucracy. What Teague found was a lot of schools and colleges getting rich on VA tuition payments, jacking up tuition rates to collect more from the federal treasury.

That has helped contribute to the VA's continuing fear of fraud and overpayment. It may help explain, also, the cautious procedures for adjudicating benefit applications and the agency's elaborate system of computer "bars" to stop benefit payments unless each procedure is properly completed.

"We don't want to see overpayments either," said a Senate staffer, "but it's worth a few risks, we think, to make sure that payments get made in time and vets aren't made to suffer."

More than mere caution, however, the old scandal may have contributed to what Robert Stephens sees as a bureaucratic tendency to "strictly construe every legislative proposal or mandate . . . (to) tie up with all sorts of constraints the language and intent of legislative packages, then, with implementation, they further reduce Congress' intent."

Teague, too, remembers the scandal and does not shy from dredging it up to keep the VA or maverick members of the other house in line. He has used it as a primary argument in opposition to a proposal by Sen. George McGovern (D-S.D.) to federally finance direct tuition payments, up to $1,000, for veterans attending certain higher-cost schools.

At a hearing a few months ago, when the direct tuition scheme was mentioned, Teague held aloft a volume of hearings from the old investigation. "It's all right here," he said.

But 24 years after Teague's reputation-making inquiry, another investigation is now in progress, ordered by President Nixon in the wake of a flood of complaints from young veterans. The target of the investigation by a "crack management team" is at least in part, the VA bureaucracy itself—its procedures, efficiency and performance. Simultaneously, a Twentieth Century Fund task force has been detailed to examine the effectiveness of programs for veterans.

Blake E. Turner, deputy chief benefits director in the VA, said the "crack management team" has already come up with some answers. Where computers previously stopped payments to a veteran whose school failed to file certificates of enrollment, the procedure will now let the checks continue while informing the school that the certificate must be filed.

Turner said benefit application forms are being simplified and that special "hardship payments" will be authorized for veterans whose paperwork is not in perfect order. In addition, he said, advance payments will become automatic, provided applications are filed in time.

The "crack management team" is staffed by VA and OMB officials, including Turner. Critics say this is another example of an agency investigating itself.

"Perhaps what the place needs is new blood, top to bottom. With those huge medical and scholarship programs, there is no reason the VA shouldn't become a real innovator, making . . . breakthroughs in social policy," says a veterans' lobbyist.

"As it is now," says a Senate staffer, "the VA is just not a glamorous institution in the great constellation of federal agencies. Therefore it doesn't attract new, fresh young talent. And that makes the place all the more unglamorous, and the cycle continues, spinning faster."

KANSAN TO HEAD MEDICAL SOCIETY

Mr. PEARSON. Mr. President, I am proud to call attention to the fact that one of my constituents, John P. Smith, of Wichita, Kans., will be installed as president of the American Society for Medical Technology (ASMT) at the close of its 1974 annual meeting in New Orleans, La.

Currently the society's president-elect, Mr. Smith, has been extremely active during the many years he has served his profession. He has held positions in the society's board of directors, the research committee, and various task forces. He has also chaired the ad hoc committee on the immunology section, the nominations committee of the microbiology section of the society's scientific assembly. He has been a prominent and active member of the Kansas Society for Medical Technology.

Besides being supervisor of the laboratory's microbiology section and education coordinator of the schools of laboratory science at Wesley Medical Center, Wichita, Kans., Mr. Smith has been an active participant in numerous medical technology workshops, seminars, and conferences and has had papers published in many medical and scientific journals.

He is a certified microbiologist and received his A.B. degree in 1962 from Kansas State Teachers College, Emporia, and his MT (ASCP) certification that same year. Smith holds a commission in the Naval Reserve Medical Service Corp.; is a member of the Naval Air Reserve Division at Olathe, Kans.; and is committee chairman and position adviser for the Explorer Scouts.

RAILCAR SHORTAGES

Mr. HUMPHREY. Mr. President, I would like to point out a very timely article, "Rail-Car Shortage Clogs Canadian Wheat," in the June 6 edition of the Christian Science Monitor.

We need to note these Canadian transportation problems because we are likely to be affected by them. Wheat shipments in Canada have been seriously delayed as a result of the boxcar shortages.

This article also reminds us of our own railcar shortage. On March 14, I wrote to the Chairman of the Interstate Commerce Commission, Mr. George Stafford, urging him to supply an additional 4,000 railcars to assure that fertilizer was delivered to farmers in time to be used in the spring planting. An additional 1,100 railcars were actually provided.

Mr. President, this situation again points up the very serious need to take steps to arrest the deterioration of our rail system. Last year we had severe bottlenecks affecting our own wheat shipments which could very well be worse this year.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAILCAR SHORTAGE CLOGS CANADIAN WHEAT

TORONTO.—A chronic shortage of rail cars in Canada has drastically slowed movement of wheat to ports for export.

Canada is the world's second biggest exporter of wheat, after the United States, and its supplies are regarded as essential to world markets this year, with world wheat reserves already down to about four weeks' supply and considered likely to run downhill still further.

The number of rail cars available to carry wheat in Canada has been steadily decreasing, mainly because railways do not find transporting wheat economical at freight rates kept low and controlled by the government.

The railways have not been buying enough new cars, nor repairing older cars to keep pace with demand, and they now have only half the number of cars, strictly for carrying wheat, they had 10 years ago.

READY TO MOVE

The shortage hit particularly hard this spring, when it was discovered that Canada had shipped only 190 million bushels of wheat overseas since the crop year ended in August, compared with 340 million bushels in the same period a year earlier. The year's crop was 629 million bushels.

By April, when the ice breaks and shipping resumes on Canada's Great Lakes, about 22 million bushels of wheat is normally already loaded on ships which have wintered there, ready to move. But this year most of the wheat carriers were still empty, because wheat had not yet reached the Lakehead ports.

The position was almost as bad on Canada's West Coast, where ports are open year round. Deliveries were running 8 million bushels behind the capacity of waiting vessels, wasting valuable time and running up costly port bills.

And on the prairies, where the wheat is grown, every available elevator and barn is jammed with grain, waiting mostly to be carried to the ports for export.

The Canadian Wheat Board, which organizes wheat exporting for the farmers and the government, says that by the time the next crop of wheat starts being harvested in August, Canada could have 300 million bushels of the previous year's crop still sitting in elevators or on farms.

REPUTATION THREATENED

The situation is so critical that Canada's reputation as a wheat exporter is threatened, the Wheat Board says. Farmers also stand to lose if they fail to get wheat to market, and to lose at particularly high prices—wheat is now selling at around five dollars a bushel.

But the situation is much more serious for the many countries which rely on wheat from Canada. Canada has been a major supplier of wheat to Britain and parts of Africa and Asia, including the Soviet Union. The United States has overexported its own wheat and is looking for supplies this year from Canada, which it may not get.

Brazil and Poland are among those who placed major new orders from Canada this year. Japan, which normally buys on a week-to-week basis, has become worried about prospective tighter world wheat supplies and international currency uncertainties, and has already placed an order for 36 million bushels of wheat from Canada to be delivered between May and September, to cover itself until autumn.

VIRGINIA UNIVERSITY PRESIDENT RETIRING

Mr. HUGH SCOTT. Mr. President, a perceptive and penetrating article on the University of Virginia's retiring President, Edgard F. Shannon, appeared in Sunday's Washington Post. Not only does it highlight the recent growth of the University under Dr. Shannon's leadership and guidance, but details the academic philosophy which he has bequeathed to the school. I ask unanimous consent that this excellent article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF VIRGINIA HEAD IS RETIRING

(By Helen Dewar)

CHARLOTTESVILLE, Va., June 8.—It is no longer quaintly referred to as the "country club of the South," a comfortable haven where sons of the wealthy and prominent pursued pleasure and the "gentleman's C" in the manner of young Virginia squires.

The University of Virginia is bigger, tougher and better regarded now than it was then—a serious academic institution, some say, that is finally approaching the goals set a century-and-a-half ago by its founder, Thomas Jefferson.

One chief reason for the advance is Edgar Finley Shannon Jr., a relatively obscure young Tennyson scholar when he was plucked from the English faculty in 1959 to spearhead the university's academic resurgence.

Now Shannon, at 56, is retiring as president to return to the classroom, to 19th century literature. While few speak of Charlottesville and Cambridge in the same breath, he leaves behind a record that many of his colleagues say is unprecedented in the university's long history.

Shannon will be succeeded in August by Frank L. Hereford Jr., 50, a physics professor and former provost at the university, who, with some modifications dictated by changing circumstances and differing styles, is expected to continue Shannon's emphasis on academic excellence.

Said a student leader: "The prognosis is good."

A casual visitor to the handsome "academical village" that Jefferson laid out might conclude that little has changed over the years, outside of the new buildings that decorate every college campus in the country.

There are still the long shadows cast by the Blue Ridge, the towering magnolias and the legacy of "Mr. Jefferson" himself. It is still "The University," spoken often with a slight bow of the head. And a brown bag filled with empty beer cans, left by a departing student, could even be found last month outside a room on Mr. Jefferson's "lawn."

The difference can be felt but not seen, faculty and students say.

"He (Shannon) brought a better faculty and a better faculty brought better students," said Larry Sabato, the 1973–74 student body president.

"He set exceedingly high sights for the university; like Jefferson he wanted it to be a national university," said Frank Berkeley, university archivist for 26 years and Shannon's executive assistant.

Set off from the great metropolitan centers, dominated by Jefferson's spirit and dedicated to its own somewhat eccentric ways, the University of Virginia has long been proud to be different.

A state university, it has fiercely resisted what it derisively calls "state-U-ism." It is the quintessence of Virginia and yet has aspired from the start to be a national university; its alumni includes Sens. Harry F. Byrd Jr. (Ind.-Va.) and Edward M. Kennedy (D-Mass.).

With campus dress shifting from the traditional coats and ties to combat fatigues in a matter of months, the unrest of the late '60s came late but dramatically to Charlottesville. Yet the university survived with less upheaval than most colleges and its soft-spoken, conservative-appearing president emerged as one of the era's few establishment campus heroes.

"A certain calmness has returned," said William Fishback, the university public information officer, "but it isn't returning to a sleepy Southern college."

During Shannon's 15 years as president, enrollment jumped from less than 5,000 to nearly 14,000 and about $100 million in public and private funds have been invested in, or earmarked for, physical expansion.

The university became fully coeducational in 1970 and women now constitute 35 per cent of its student body. Blacks still comprise less than 4 per cent of the enrollment, but the total number has risen from a handful to nearly 500, partly because of a university-sponsored recruitment program.

But neither faculty nor students cite physical expansion as the hallmark of Shannon's presidency, saying that this was largely attributed to the groundwork laid by his predecessor, former Gov. Colgate W. Darden.

"In a very real sense, Darden and Shannon complemented each other," said Weldon Cooper, retired director of the university's Institute of Government, who served in both teaching and administrative capacities during the Darden-Shannon years.

"By the time Shannon took over, the university was a going concern, with buildings in hand or in sight and a growing faculty and student body," Cooper said. "Shannon's contribution was to grasp the opportunity and go and get good people."

"I had a sound foundation from which to build," Shannon observed recently. "You could say that he (Darden) built a platform from which I could take off."

By "taking off," Shannon meant attracting the kind of faculty that in turn, would attract the kind of students who would respond to an increasingly challenging academic program.

Under Shannon, faculty salaries rose to the point where they are now competitive with most top-flight universities in the country. Programs were established to augument salaries through specially endowed positions; other programs provided supplemental research opportunities.

He did much of the faculty recruiting himself, appealing to prospective recruits as one scholar to another.

"Let's face it, he got some good people through out-and-out raids, said a university colleague.

Cooper recalls that Shannon got a top Edgar Allen Poe scholar by offering him a specially endowed Edgar Allen Poe chair, a game of academic one-up-manship that the other college president couldn't match.

Meanwhile, college board scores of entering freshmen rose dramatically, and now roughly 80 per cent of them are in the top fifth of their high school graduating class, more than 5 per cent from the top tenth. The number of top students nearly doubled in 10 years.

By 1972, 45 percent of undergraduates were on the deans list for top students and the figure now exceeds 50 per cent. "Ten years ago, you probably couldn't find 45 per cent of the students who knew what the deans list was, a 1963 graduate wrote in the universitys Alumni News last year.

At a time when college applications are declining nationally, the University of Virginia's continuing to rise—up 1 per cent this year as opposed to a national decline of 9 per cent, according to officials.

One reason for the university's mounting popularity, they concede, is its dwindling, relatively, tuition—near the top for major state universities when Shannon took over, only slightly above average now. But this has also been a major factor in attracting a broader cross-section of students and breaking down the old country-club image, a Darden goal that was also pursued by Shannon.

While the university used to ride on the reputation of its law school, four of the universitys other graduate programs received the highest rating given in a 1969 national survey by the American Council on Education and 14 others were ranked as average or better. This was double the university's ranking five years before, but, as Shannon has noted, other universities still did better, among them the University of North Carolina.

"What he did was draw a nationally prominent faculty," said student body president Sabato. "You could really feel the impact. You were studying somebody's book and then suddenly he would be there teaching."

While Shannon is a man of reserve and formal bearing, Sabato says he had an extraordinary degree of student trust and rapport.

"Everyone could trust Mr. Shannon, and you can't say this about everyone these days," said Sabato.

According to Sabato's elders, it is a trust developed slowly over the years but forged in 1970, when the Cambodia invasion and Kent State deaths brought intense ferment even to the normally placid "coat and tie" Charlottesville campus.

A number of students boycotted classes, occupied an ROTC building, set fires, blocked town traffic in a "honk for peace" and were carted off in a moving van to jail—stopping just short of creating the kind of situation that forced closure of many other major universities in the country.

Deeply troubled by the Cambodia invasion as well as the unrest, Shannon chose to address the student body on the Jefferson lawn. The jeering of previous days turned to cheering as Shannon—who is normally no great orator—denounced the war and led the students in signing a telegram of protest to Virginia's United States senators.

There were cries of outrage from alumni, newspaper editors and politicians, and for a time it seemed that the university's board of visitors might seek to fire him.

But Shannon's action had defused the situation and the seething campus subsided. Less than a month later, "We had one of the most unifying and gratifying graduation exercises we've ever had," Shannon recalls.

In less dramatic fashion, Shannon has continued teaching an English literature course, which students say is highly regarded, and has involved students on all major university committees, including those that help choose professors and administrators. He wasn't more than a telephone call away from any student leader, Sabato recalls.

Shannon—son of an English professor and Chaucer scholar and himself a former Rhodes scholar—says he is looking forward to returning to the classroom, although some associates say he seems to have mixed feelings about leaving the president's office.

He has a wife and five daughters to think about, he says, and besides there is work in his specialty, abandoned 15 years ago, still to be done.

"I feel it's important not to stay too long in any undertaking," he explained, "and I wanted to make sure I stopped while I was strong and the university was strong."

DISCRIMINATION OF THE HANDICAPPED

Mr. BENTSEN. Mr. President, it has recently come to my attention that over the course of the past few years certain

U.S. airlines have on occasion treated the handicapped as second-class citizens by refusing them passage because of their disability. Under existing Federal Aviation Administration and Civil Aeronautics Board regulations, airline passenger carriers may restrict or prohibit the travel of handicapped persons on their flights for reasons of safety.

Mr. President, certainly there are valid safety requirements that must be taken into consideration to ensure the welfare not only of the handicapped but also of other passengers. However, I think it is important that those with physical afflictions should be permitted, assisted, and encouraged to reach their full potential as useful, productive citizens. This concept is not consistent with a restrictive, patronizing attitude that unjustifiedly excludes the handicapped from using air travel for recreational as well as professional reasons.

The handicapped themselves have received training in methods of caring for themselves as part of their rehabilitation. In fact, a recent study reported that evacuation of handicapped passengers required at most 7 seconds more than evacuation of a nonhandicapped person.

The handicapped have made extensive efforts on their own and are proud of their accomplishments, as well they should be. I suggest that we not allow those efforts to be frustrated to the point that these citizens are prevented from leading the fullest and most productive of lives.

I am encouraged by the review now underway by the FAA to consider changes in its regulations regarding this matter. I urge expeditious action by this Agency to assure the same rights for the handicapped to which all our citizens are entitled.

GENOCIDE CONVENTION AND PROBLEM OF CONCURRENT JURISDICTION OVER ACCUSED PERSONS

Mr. PROXMIRE. Mr. President, article VI of the Genocide Convention deals with the trial of persons accused of the crime of genocide. It allows for the trial of persons charged with genocide or any of the other acts enumerated in article III in the territory where the act was committed or by any international tribunal which may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction. The Foreign Relations Committee has recommended to the Senate that the treaty be adopted with an understanding that will put the United States on record as willing to exercise the right to try its own citizens for alleged acts of genocide that occur in other countries.

Some critics of the treaty, Mr. President, have expressed doubts that the other nations of the world will respect this understanding. However, it should be obvious that these understandings will be respected since other nations have the same understanding of article VI. In fact, in December 1948, the Legal Committee of the United Nations General Assembly enacted the following resolution:

> The first part of article VI contemplates the obligation of the State in whose territory acts of genocide have been committed. Thus, in particular, it does not affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State.

Thus, Mr. President, the problem of concurrent jurisdiction with respect to the crimes defined by the Genocide Convention is really not a problem and I call upon the Senate to ratify the treaty as soon as possible.

LEGISLATIVE INFORMATION RETRIEVAL SYSTEM

Mr. BIDEN. Mr. President, the duties of today's State legislators is a far cry from those of legislators in the early 1800's. Those men only had to concern themselves with a few major issues each session. Then came the trip back to their homes in time for the plowing season, so to speak.

Today, this situation no longer governs.

I would like to bring to the attention of my colleagues an informative article concerning ways to achieve more efficient State legislatures. The article was published in Government Executive magazine, and written by Robert L. Chartrand, specialist information sciences with the Congressional Research Services, Library of Congress.

I refer specifically to information retrieval systems—"information banks" that promptly provide information which becomes the basis for policy judgment. Legislators would have at their fingertips relevant and current information on a specific topic. This information would include facts, data, and analytical commentary. As a result of this, legislative decisions would bound to be more soundly made.

Several State governments have set up systems. New York has created a legislative data processing system. The Commonwealth of Massachusetts has established a special commission on legislative procedures which makes recommendations for legislative efficiency. In Pennsylvania, too, a commission has been established for legislative modernization.

Mr. President, I ask unanimous consent to have the entire article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Legislative Information Retrieval System

The state legislatures in the U.S. today are faced with unprecedented problems and opportunities. Created at a time when stress was placed on insuring individual flexibility and freedom, while still rendering a few critical collective services, the legislatures traditionally met for relatively brief sessions, concerning themselves with but a handful of lawmaking and overseer problems.

The situation in the 1970 decade is quite different. Members must be knowledgeable about dozens of issues, some quite complex, of regional, statewide and local significance. The crux of the problem is seen increasingly as one of information—relevant, accurate, current—and the time on the part of legislative members and staff to absorb and assess that information.

The pressures of modern times are causing legislative bodies to explore every possible means of effecting legislative revitalization. The search goes on with a full cognizance that some problems inherent to the structure and functioning of the legislature will remain:

Brevity of legislative sessions (in many states) when compared to legislative load.

Too many committee and subcommittee assignments for each legislator.

Turnover among members, resulting in one-third to one-half "freshmen'" every two years.

Strong pressures to tend first to local or individual matters, rather than statewide concerns.

And finally, limited library and research support for Members and committees.

When considering those legislative services which must provide requisite information, it must be remembered that three distinct elements within the legislature require support: the legislative leadership, standing and *ad hoc* committees, and the individual legislators.

Over the years, the various states have established Legislative Reference Bureaus, Legislative Councils, and state libraries to meet the needs of the legislature for better information and analytical services.

More recently, commencing in the early 1960s, the states' leaders began investigating the ways in which modern technology might support selected legislative functions. In particular, careful consideration was given to the potential of automatic data processing (ADP), microfilm, and systems analysis tools and techniques. Oftentimes, it has been possible to adapt the new devices and man-machine techniques developed by private industry.

RECENT TREND

Concomitant with the focus on the role of computer technology and systems methodology has been a movement within the states to improve their planning operations. While fiscal and budgetary planning have received an understandable top priority, a more systematic approach also has been used in delineating information systems' development.

As the states, one-by-one, took the initiative in introducing mechanization into the areas of drafting and amending bills and statutes, performing statutory retrieval, indexing pending legislation (by sponsor, bill number, subject), legislative printing, and fiscal-budgetary data handling, several key decision points emerged which had to be dealt with by *every* state:

Should the data processing facility supporting the legislature be within the legislative branch, with all of the advantages of having a "dedicated" capability?

If the legislature should choose to rely upon the executive branch facility, could acceptable priorities be established and a satisfactory level of responsible service be realized?

Could the security of legislative information, often of critical importance to the leadership or committees, be guaranteed by the custodians of the data processing facility?

Would it be desirable to contract with outside firms to perform certain tasks (e.g., legislative printing) in order to insure timely service and forego the necessity of maintaining a large, expensive in-house staff?

Could it be determined *objectively* whether legislators' information needs justified having a quick-access ("on-line") system, or if a less costly service with a longer turn around time would suffice?

Although many of the studies conducted by and for the states have not faced these critical matters directly, the necessity for making these decisions has arisen inexorably.

There is a trend recently toward preparing long-range plans; Wyoming, Montana and Idaho reportedly are developing five-year plans. Other states have established advisory agencies to look ahead, coordinate activities, establish standards for information support, and generally serve as a point of contact for those societal groups interested in the more effective functioning of the legislatures.

While state development of computer supported information systems has been somewhat haphazard, there have been attempts to exchange information about these experiences.

In addition to the state-to-state contacts, the use of ADP has been monitored through the use of questionnaires and direct (visit or telephone) contacts with key state personnel by such organizations as The Council of State Governments, the University of Georgia (Institute of Government), the Special Subcommittee on the Utilization of Scientific Manpower of the Senate Committee on Labor and Public Welfare (U.S. Congress), and the Congressional Research Service of the Library of Congress.

The findings from these and related studies of state legislative informative systems are contained in a report entitled "Modern Information Technology in the State Legislatures" prepared in 1972 for the Joint Committee on Congressional Operations.

In considering the diverse applications of computer technology to the activities of the State legislature, it should be recalled that all such bodies share a need:

To have salient facts assembled, such data being accurate, as complete as possible, of maximum currency, and above all, *relevant*.

For assistance on policy problems which may range from major issues to those of relative triviality, but each requiring certain factual and analytical information and counsel.

And to conduct an *effective* review of governmental operations, based on access to and an understanding of requisite planning, budgeting and program performance data.

From the early days when the various legislative services were being developed—Wisconsin, for example, is credited with establishing the first Legislative Reference Bureau in 1901, and Kansas created the initial Legislative Council in 1933—members and administrators of the legislative branch activities have sought to better understand the role of such "services."

OVERSIGHT GROUPS

For the most part, State legislatures in adapting computer technology to their needs broke with the traditional pattern found in industry and the state executive branches of first automating such functions as payroll and inventory control.

In exhibiting a willingness to undertake the development of more complex capabilities, a score of states have created computer-supported statutory retrieval systems, 25 operate bill status reporting systems (which sometime include providing the digests of and indexes to pending legislation), and a dozen boast bill drafting and statutory revision systems.

In their search for enhanced services, some legislatures followed a course of action featuring the creation of an innovative in-house staff, which performed virtually every aspect of systems' improvement. Others preferred to hire consulting firms which could deliver a one-time product or continuing service responsive to the needs of a legislative chamber or committee.

Yet another alternative approach was to obtain analytical and systems design support from the executive branch ADP element, and depend upon the computer facility situated outside the legislative branch.

Over the past decade, regardless of the type of systems development effort undertaken, 10 major legislative applications have emerged that now receive the bulk of computer support activity:

Bill drafting and statutory revision.
Statutory retrieval.
Status of pending legislation.
Legislative histories.
Index of pending legislation.
Digest of bill contents.
Fiscal-budgetary information.
Legislative printing.
Reapportionment and redistricting.
Electro-magnetic voting.

In addition, ADP equipment and techniques are being used in the handling of such sundry administrative data as personnel and pay records. Interestingly, member biographical data was mechanized as early as 1938!

At present, statistics reflecting the computerization of State legislature applications now operating, under development, or planned, show:

Several types of oversight mechanisms within State Legislatures have been established so that an orderly development and subsequent efficient management of ADP-centered information systems could occur.

In Florida, for example, a Joint Legislative Management Committee was formed in 1964; comprised of three Senate and three House members, it meets about four times a year to oversee and direct all computerized activities.

The State of New York has created a Legislative Data Processing Committee including key leadership from the Senate and Assembly, seven members in all.

Other oversight groups charged with the responsibility for developing legislative information systems:

The State of Washington has placed its legislative information system under the aegis of the Permanent Statute Law Committee.

In Massachusetts, the legislature established in 1965 a Special Commission on Legislative Procedures which in turn commissioned the Massachusetts Taxpayers Foundation to recommend steps for improving legislative procedures, with emphasis on the use of information processing techniques.

In Pennsylvania, a Commission for Legislative Modernization, made up of private sector representatives, undertook a study resulting in the publication of recommendations "designed to make the individual legislator more effective and to improve the operation of [the] General Assembly."

The placement of the responsibility for and direct control of data processing services varies from state to state, with the final determination usually based on nontechnical factors.

The State of Georgia, for instance, established a State Computer Service Center in 1966 with "the mission and objective of service outreach to smaller state agencies and commissions which, because of their relative size, are not able to justify economically . . . a data processing facility for themselves."

Another price responsibility of the Center is the design and development of a legislative information system.

In Massachusetts, ADP support is furnished by the State Comptroller while in Florida the legislature, until recently, has shared with eight other users a "third generation" computer located in the State capital.

Pennsylvania is noteworthy because it pioneered the concept of having a separate computer for its legislature (in 1967).

It should be noted that not all states have acted to establish a computer-supported legislative information system. Some, like Oregon, developed comprehensive plans and demonstrated the potential of ADP to the members, but then were constrained by budgetary limitations. Others, such as South Dakota, have had implementing legislation vetoed or otherwise stalled.

STATE SPENDING

And there is a group of states where the need simply could not be justified—as in Alabama, Arkansas and Alaska—or only preliminary studies have been authorized. In short, the experience of the State legislatures over the last 10 years has been that the new tools and techniques are welcomed and adopted when the *needs* of the members forces positive action.

Security of information in legislative files is a matter of unflagging concern on the part of the members. Traditional controls over information requisite to the fulfillment of leadership committee, or individual office duties may well be affected by the computerization of both narrative and statistical data.

Many questions have been raised by committees, looking into the potential of computers for upgrading legislative performance, concerning controls which may be imposed on accessing legislative files. Privileged information in machineable form may be susceptible to unauthorized exposure under three conditions:

First, if the magnetic tape belonging to a committee (or member) is not securely stored, whether in an office safe or in the central ADP facility repository.

Secondly, if unauthorized personnel acquire the "address" (a unique set of numbers and/or letters) allowing exploitation via a computer terminal of certain files.

And thirdly, if unauthorized personnel gain access to the computer room and actually obtain key data by mounting the tapes or retrieving data from the disk or drum on-line storage units.

Unintentional disclosure can take place, of course, as the result of operator error or a mistake in a computer program. In the end, it is the management acumen and discipline of the system which will in large part determine its security and under what conditions the various users can gain access to privileged information.

Early in any exploration of the potential of ADP this question is raised: "How much will it cost?"

Those experienced in building advanced information systems are cautious about stressing the savings to be achieved, usually concentrating on the higher level of service which may be rendered.

There have been times when the mere availability of ADP support has allowed a change in handling procedures which led to significant savings.

In the State of New York, Secretary of the Senate Albert J. Abrams reported that under a new set of procedures, and based on the use of the computer in storing, modifying and retrieving key data on pending legislation, 4,050 bills were carried over from the 1969 to the 1970 session, resulting in a saving of nearly $1 million (at $12.83 per page) in printing costs alone.

Ascertaining exactly how much a state is spending to provide computerized support for its legislature often is quite difficult. Figures available sometimes do not include the rental of computers (elsewhere in government or in industry), the cost of operating personnel, consultants' fees, printing rates, or the cost of research and development.

Both initial developmental and annual operating costs must be considered by those who determine whether ADP services are to be undertaken, expanded or retained. Obviously the length of legislative sessions will affect the cost, when this is related to the variety and frequency of services performed.

Illustrative of reported state costs:

Connecticut. $95,000 paid to the IBM Corporation for the development of an automated capability to produce calendars, bulletins, journals, indexes, and other output.

Mississippi. $746,750 for the Lawyers Co-operative Publishing Company to update and recodify the State's 30-year-old statute system, to result in an ADP-supported capability allowing selective retrieval of statutes, court decisions, and other legal material, ease bill drafting, and expedite legislative printing.

There *is* a role for computer technology to play within the legislative scenario, but its scope and substance must be determined by the legislators themselves.

NUCLEAR TESTING—TIME FOR A HALT

Mr. CRANSTON. Mr. President, our distinguished colleague from Massachusetts, Senator KENNEDY, has presented a convincing case on an issue soon to come before the Senate: The need for a total ban on nuclear testing.

In an article published in the May issue of Arms Control Today, Senator KENNEDY argues persuasively that the timing of a comprehensive test-ban treaty—CTB—is particularly appropriate now.

He points out that a CTB would complement the SALT I agreements by making major, qualitative improvements in nuclear weaponry more difficult. It would demonstrate that both the United States and the U.S.S.R. are committed to meaningful arms limitations.

Furthermore, a CTB would reinforce the nuclear nonproliferation treaty, which is to be reviewed next year. Many nonnuclear countries now feel that it is unfair for them to give up nuclear weapons while the superpowers forge ahead.

Finally, of course, a CTB would both save money and reduce environmental damage.

Mr. President, I urge all Senators to read Senator KENNEDY's thoughtful article before making up their minds on this important issue.

I ask unanimous consent that Senator KENNEDY's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NUCLEAR TESTING: TIME FOR A HALT

(By Senator EDWARD M. KENNEDY)

On May 17, India exploded a nuclear device, the sixth country to do so. And even if India does not make a true bomb—as it has promised not to do—we must now face with greater urgency the critical issue of a "world of many nuclear powers." For that reason among others, I strongly support the negotiation now of a comprehensive ban on all nuclear testing.

The Partial Test Ban Treaty of 1963 is now almost 11 years old. Since then, there has been little progress in extending the ban on testing that was then agreed for the atmosphere, space, and underwater. In the intervening years, the pace of underground testing was actually stepped up periodically by both the United States and the Soviet Union.

Now interest has been revived in further limits on nuclear testing. I believe a Comprehensive Test Ban treaty is particularly important and attractive at this time, when the immediate prospects for revising the 1972 Interim Agreement on offensive strategic weapons are so bleak.

CTB ADVANTAGES

CTB has several attractions. First, a Comprehensive Test Ban Treaty would complement the agreements reached at SALT I, by making it more difficult for either superpower to make major qualitative improvements in their nuclear arsenals. If all testing were stopped, at least this would dampen fears on either side that the other would gain a high degree of confidence in some new generation of first-strike weapons.

Second, there is the matter of political will itself. The atmosphere surrounding both détente and the possibilities for arms control would be helped if there were some agreement at the forthcoming Moscow summit. I believe that promoting that atmosphere, so hard won, is particularly important at this time, when there is widespread questioning in the United States (and apparently in the Soviet Union, as well) about the real basis for improved Soviet-American relations. In addition to its own merits, therefore, a CTB would demonstrate that the United States and the Soviet Union are both still committed to real limits on arms. In fact, it might then be easier to break the log-jam at SALT II on revising the Interim Agreement.

This reasoning may explain the strong support for a CTB which Soviet leaders expressed to me during my recent trip to Moscow—about which I will say more later.

Third, a Comprehensive Test Ban would reinforce the Non-Proliferation Treaty, which is due for review next year. Many non-nuclear nations have branded the NPT as unfair to them. They have given up nuclear weapons, along with whatever political and military benefits these weapons seem to confer, while the superpowers forge ahead in their own arms race.

A CTB would be a major indicator of the good faith of the major powers, if they are determined to prevent the spread of nuclear weapons. Such a demonstration of good faith is particularly important now that India has become the sixth power to explode a nuclear device. Will there be more? In part, the answer to this question will depend on what the superpowers do to show restraint—whether or not India, China, or other countries continue to test.

The continuation of underground testing also weakens the efforts of the United States and Soviet Union to bring France and China into real discussions on arms control. A CTB on its own would not prevent proliferation or lead to broader arms control talks; but it could be a significant step on the way.

Finally, a CTB would permit some savings in the nuclear weapons programs of both superpowers, to be applied to other uses, and end the remaining environmental hazards from underground testing. While such hazards are not the overriding reason for banning all tests, about one-fifth of our tests have vented, sending radioactive particles into the air. In addition, the side effects of massive explosions deep within the earth's crust are still not fully known—as concluded by the Pitzer Panel, appointed by the President's Office of Science and Technology.

Many of these arguments for a Comprehensive Test Ban treaty were reflected in talks I had with Soviet leaders in Moscow during April. In these talks, they shifted their position on an important point. They are no longer insisting that France and China join a CTB at the outset. Rather they are prepared to reach agreement with us now, and then seek the support of other nations. To be sure, Soviet leaders told me they want an escape clause, in the event that France and China do not respond. (Such clauses have become standard in most arms control agreements.) And it is important for us not to allow a CTB to be used as a weapon in the diplomatic conflict between the Soviet Union and China. But Soviet leaders also agreed that a CTB could be an important step forward, symbolizing our shared concern to limit the race in nuclear arms.

VERIFICATION CAPABILITIES IMPROVE

Yet what assurance is there that the Soviet Union would not test nuclear weapons in secret? To begin with, our ability to detect nuclear weapons tests underground has improved considerably during the past decade (and the Soviet Union has frequently expressed a willingness to rely on national means of verification). In fact, testimony before the Senate Arms Control Subcommittee—from a variety of sources—has supported the conclusion that we have a greater capacity now to detect and identify nuclear explosions through national means alone than we would have had in 1963, even with the seven on-site inspections a year that we then demanded. There is widespread belief that current developments in seismology alone would enable us to detect and identify explosions having a yield of only a few kilotons. And this does not take into account satellite reconnaissance and other techniques to gather information.

In addition, the Soviet Union would always be uncertain of our capabilities. And, being uncertain, Soviet leaders would have to calculate the risks—and the consequences—of being caught cheating. With so much else at stake in arms control and in our bilateral relations, these risks and consequences would weigh heavily on them. This would be especially so since the benefits to be gained from cheating—some improvements in low-yield weapons—are most unlikely to bring any marked advantage in the nuclear arms balance.

I believe, therefore, that the issue of verification no longer need stand in the way of further limits on nuclear testing by the superpowers. Consequently, I have introduced a Senate resolution calling for a mutual moratorium on all nuclear testing by the United States and the Soviet Union, followed by a conclusion of a Comprehensive Test Ban Treaty, hopefully to be negotiated in time for the Moscow summit this summer. At time of writing, this resolution has 36 co-sponsors, and has been cleared for Senate action by the Foreign Relations Committee.

"THRESHOLD" TEXT BAN INADEQUATE

Press reports on preparations for the forthcoming summit, however, indicate that the Administration is seeking only a "threshold" test ban—that is, a limit on tests producing a seismic signal above a given magnitude. Of course, for the political and psychological reasons I have advanced above, even a threshold treaty which genuinely ruled out major changes in strategic weaponry could still be valuable.

But even a threshold treaty set at a lower level would be less desirable than a complete ban on testing by the superpowers. First, it is not clear that a threshold treaty would be enough to demonstrate the commitment of the superpowers to end their arms race. Would India have tested a nuclear device if Washington and Moscow had signed a CTB? We cannot know, although India long demanded this progress as the price of its own forebearance. Its recent action, therefore, should increase our desire to regulate the superpower arms race—with a comprehensive, rather than another partial, test ban agreement.

Second, a threshold treaty would be even more difficult to monitor than a CTB, since it would require a precision in seismic detection that is not needed when the issue is one of verifying whether or not there has been a nuclear explosion of any size at all. Disagreements on such technicalities could very well lead to more political tension, not less.

Third, the level of the threshold would tend to be set by arms developers rather than by arms controllers. As long as some level of testing is permitted, there will be strong pressures to test up to the limits (as happened with the Partial Test Ban Treaty)—even if quotas were imposed on the number of tests each power could make each year. There would also be a tendency to refine nuclear weapons arsenals even further—especially in the area of tactical weapons. This could lead to a blurring of the distinction between nuclear and non-nuclear weapons.

Finally, will the Soviet Union accept a threshold ban that would be a real improvement on the present Partial Test-Ban Treaty? Since the Soviet Union generally tests weapons larger than ours, a threshold ban would tend to favor U.S. weapons developments, and could raise doubts in Soviet minds about our sincerity in wanting to advance mutual interests in this area.

For all these reasons, I believe that a threshold ban would be far from the best answer in the area of controlling nuclear testing. I have urged the Administration to pursue a Comprehensive Test Ban to the limits of negotiation, before turning to a less desirable alternative. And I believe that CTB can be negotiated this year.

AGE DISCRIMINATION

Mr. BENTSEN. Mr. President, the Washington Star-News of June 10 carried a lucid and thoughtful study of the question of age discrimination by Leonard Curry. As Mr. Curry notes:

> When a business executive over the age of 40 is passed for promotion or loses his job, chances are 50–50 he is the victim of age discrimination, although it would be hard to prove.

Mr. Curry catalogs the subtleties and the characteristics of age discrimination, which has, in my view, become an issue of considerable social significance. With medical science working to unlock the secrets of aging, with longevity steadily increasing, it has long seemed to me that it is unwise in human and economic terms to pressure older workers to retire or to refuse to consider them on an equal basis when making hiring decisions.

In March of 1972, I introduced a bill to bring local, State, and Federal employees under the protection of the Age Discrimination in Employment Act, a measure I introduced on three occasions before it was finally signed into law by the President as part of the recent minimum wage bill. The passage of that measure insures that the Government will have to live up to the same standards it sets for private enterprise.

One of the problems Mr. Curry points to in his article is the difficulty of finding and enforcing cases of age discrimination. When I first investigated the problem in early 1972, I found the primary reasons for lax enforcement of the law. The Labor Department had only 69 persons working nationwide on the issue, and in Washington there were but four professional staff members and two clerical workers. There was a substantial backlog of complaints.

When I introduced my bill to broaden coverage, I also stipulated that I wanted an increase in funds to enforce the act. The level of funding in my bill, $5 million, represents a 66⅔-percent increase in available funds. I will be monitoring the enforcement of the new law carefully to see if the Labor Department is following its mandate from the Congress.

I ask unanimous consent to have Mr. Curry's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star News, June 10, 1974]

HARD TO DETECT: AGE BIAS POSES A BIG PROBLEM

(By Leonard Curry)

When a business executive over the age of 40 is passed for promotion or loses his job, chances are 50–50 he is the victim of age discrimination, although it would be hard to prove.

"Age discrimination is the most illusive and damaging type of discrimination," says Carin Ann Clauss, associated solicitor of the U.S. Fair Labor Standards Division. "It cuts down workers in their prime."

Ms. Clauss, a Labor Department expert on age bias, says it is more difficult to prove than race or sex discrimination because most of its victims are in positions that are difficult to assess for productivity.

A short order cook can be checked to determine whether 40 hamburgers still are coming off the grill every hour. But how is the output of a manager measured, especially under the recession conditions of today? If auto sales fall, is it the quality control manager's fault or the energy crisis?

Since Congress passed the age discrimination law in 1968, nearly 7,000 Labor Department investigations reveal that white collar workers, especially middle and upper management, are the most frequent victims. Next are unskilled laborers. Least affected are employes with valuable mechanical skills and union protection.

The reason for these patterns is readily apparent, whether the guilty company is the giant Standard Oil of California, which had to repay $2 million in salaries and rehire 120 senior employes, or the Friendly Ice Cream Co. of Massachusetts whose hiring policies were judged age discriminatory.

An economy move is most effective when you can eliminate executives over the age of 40. These older managers and executives usually are paid more than younger men in similar posts, the opening up of their jobs stimulates younger men with the prospect of promotion and, by turning out a senior executive before retirement age, the company avoids paying full pension benefits.

With unskilled labor, the financial benefits are not so great on a per capita basis. But releasing scores of older workers whose longevity has brought them higher pay and replacing them with younger people at starting wages is beneficial to the balance sheet.

Skilled labor is least affected by age discrimination because persons in these jobs usually are in production and companies trying to curb expenses eliminate production workers last. In addition, the shrinking number of skilled workers in many industries enhances their value regardless of age.

There are three major categories in which age discrimination falls, according to Labor Department investigators. They are a youth bias in recruiting, massive layoffs in which older employes go first and forced retirement.

Of the three, recruiting and hiring practices are the easiest for investigators to spot. Classified ads for "junior executives" or "junior accountants," and recruiting aimed almost exclusively at college campuses are the signals.

This was the case with Friendly Ice Cream, whose counter personnel were young and whose want ads were designed to attract youthful workers.

A more oblique type of recruiting bias also was found in New England—although it is by no means confined to that region—where companies listed a high school diploma as a requirement. Since 8 of 10 younger Americans are high school graduates compared with 4 of 10 older Americans, the effect was a significant reduction in job openings for workers over 45.

An even more subtle form of hiring discrimination has been found in regard to middle-aged women, many of whom are returning to the workforce after raising families.

"Fearing they won't get a job, these older women sell themselves cheap," says Ms. Clauss. "When they agree to work for less than the prevailing market rate, the effect is to depress income for themselves and for other workers."

Although not as widespread, it was a pattern that also turned up for older men who had lost jobs.

Forced retirement is the second area where age bias is prevalent and relatively easy to uncover. Usually the worker is asked to retire before age 65 for economy reasons.

"We take the position you cannot be forced out and have been successful in pressing it," Ms. Clauss says.

"Stereotypes play a major role in forced retirement. The owners worry that the average age of employes is too high, especially in top management. Older employes, this reasoning goes, mean a company must be less productive. There is the fear the older worker's memory is not as good. A youth movement usually begins."

The reasons for forced retirement are subjective when age bias is discovered, much the same as for the third category—massive layoffs in which older employes go first and in higher numbers.

Anaconda Copper was going through a period of slumping income and rising expenses. Anaconda cut the workforce, apparently across the board. Investigation by the Fair Labor Standards Division disclosed, however, that 40 per cent of the reduction was concentrated among workers over 50.

"In the massive layoff, it is possible to hide age discrimination," says Ms. Clauss. "We found the pattern in Anaconda in hundreds of hours of examining their books. It is also an example of how age discrimination is hidden.

"In race and sex discrimination, the investigator can just look around for black faces and women to determine quickly whether to look further. When age is involved, the factors are not so apparent."

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Senators JAVITS, HUMPHREY, and ROBERT C. BYRD.

There will then ensue a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which period the Senate will proceed to the consideration of H.R. 11221, under a time agreement. Yea and nay votes will occur thereon.

Upon the disposition of that bill, the Senate will take up S. 585, and there is a time agreement on that bill. A yea and nay vote or votes could occur.

On the disposition of that bill, the Senate will proceed to take up S. 1485, under a time limitation; and upon the disposition of that bill the Senate will take up S. 1486, under a time limitation.

Rollcall votes are expected on tomorrow, and it is hoped we will have a good day, a busy day, and a very productive day.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. If the business outlined by the distinguished majority whip is disposed of by tomorrow evening, could he give us some enlightenment as to Friday?

Mr. ROBERT C. BYRD. I would hope that I could say this off the record. [Laughter.]

The PRESIDING OFFICER. Would the Senator like unanimous consent to do that?

Mr. ROBERT C. BYRD. Let me say this to the Senator sincerely. I think the Senator asked a pertinent question. If the Senate has a productive day tomorrow and is able to dispatch its business with its usual effectiveness, I would say that——

Mr. TOWER. Let us hope with better than usual effectiveness.

Mr. ROBERT C. BYRD. Well, I will say if it does it with effectiveness as usual, there is a fairly good chance that committees may be able to work on Friday without interruption.

Mr. TOWER. I thank the distinguished Senator.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 4:40 p.m. the Senate adjourned until tomorrow, Thursday, June 13, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 12, 1974:

Department of State

David E. Mark, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

Robert P. Smith, of Texas, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

Uniformed Service University of the Health Sciences

Philip O'Bryan Montgomery, Jr., of Texas, to be a member of the Board of Regents of the Uniformed Services University of the Health Sciences for the remainder of the term expiring May 1, 1977, vice Anthony R. Curreri, resigned.

D.C. Public Service Commission

H. Mason Neely, of the District of Columbia, to be a member of the Public Service Commission of the District of Columbia for a term of 3 years expiring June 30, 1977 (reappointment).

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1974:

Department of State

Deane R. Hinton, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

William D. Wolle, of Iowa, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

Robert P. Paganelli, of New York, a Foreign Service officer of class 4, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

Pierre R. Graham, of Illinois, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Upper Volta.

Robert A. Stevenson, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

Seymour Weiss, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of the Bahamas.

Overseas Private Investment Corporation

The following-named persons to be members of the Board of Directors of the Overseas Private Investment Corporation for terms expiring December 17, 1976:

Gustave M. Hauser, of New York.

James A. Suffridge, of Florida.

International Bank Offices

William E. Simon, of New Jersey, for appointment to the offices indicated:

U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years;

A Governor of the Inter-American Development Bank for a term of 5 years; and

U.S. Governor of the Asian Development Bank.

U.S. Arms Control and Disarmament Agency

The following-named persons to be members of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency:

Harold Melvin Agnew, of New Mexico.
Gordon Allott, of Colorado.
Edward Clark, of Texas.
Lane Kirkland, of Maryland.
Carl M. Marcy, of Virginia.
Joseph Martin, Jr., of California.
John A. McCone, of California.
Gerard C. Smith, of the District of Columbia.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Diplomatic and Foreign Service

Diplomatic and Foreign Service nominations beginning James E. Akins, to be a Foreign Service officer of class 1, and ending Annette L. Veler, to be a Foreign Service officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on May 7, 1974.

Diplomatic and Foreign Service nominations beginning William K. Payeff, to be a Foreign Service information officer of class 1, and ending E. Ashley Wills, to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on May 7, 1974.

EXTENSIONS OF REMARKS

PAPERWORK TYRANNY

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 12, 1974

Mr. HELMS. Mr. President, stations WBT and WBTV of Charlotte, N.C., recently broadcast an editorial that commands our attention.

It sometimes occurs that the least conspicuous forms of government tyranny are the most obnoxious. This is certainly true of the faceless paperwork tyranny that lurks in the offices of the Federal bureaucracy.

We are all familiar, too familiar, with the subtle way in which this tyranny operates. It begins right here on the floors of Congress with well-intentioned legislators, who persuade themselves that the Federal Government needs to control yet another aspect of American life. To maintain this control, records must be kept, orders must be dispatched, questionnaires must be answered, compliance must be secured. Anonymous forms and letters must be sent from anonymous sources to unsuspecting individuals.

The upshot of this is an unremitting flow of paper from Federal offices into the homes and businesses of America. Probably the hardest hit victims of this flood are the small businessmen, who can be observed at almost any hour of the day or night swimming in a sea of Federal forms.

Mr. President, much of this paperwork to which we subject our fellow countrymen is not only time consuming, but petty, duplicative, and silly—to say nothing of the invasions of privacy.

The Paperwork Burden Relief Act is a step in the right direction toward a return to sanity. I ask unanimous consent that the timely WBT/WBTV editorial on this proposal be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the Extensions of Remarks, as follows:

[A WBT/WBTV Editorial]

The Paperwork Burden Relief Act

If you find filling out income tax forms a wearying, time consuming task, how'd you like to have to make out equally or more complex forms every 15 days?

That, says the National Association of Public Accountants, is how often the business community has to file some federal report or other. Estimates are that these report forms add up to 10 billion sheets of paper a year and cost business $18 billion to complete. How many more billions it costs us taxpayers for the various agencies of government to process these forms is anybody's guess. Maybe it's better we don't know.

The chore of gathering and reporting all the information required by government forms—usually under threat of fine or prosecution if you don't do it right and on time—

is especially hard on the small businessman or farmer, who can't afford a computer or accountant to do the job. And it's mainly with them in mind that legislation has been introduced in both houses of Congress appropriately titled "The Paperwork Burden Relief Act."

The legislation would direct the General Accounting Office to make a survey of the approximately 9,000 government report forms to determine which ones are outmoded, duplicative, unnecessary or place too much of a burden on the small businessman. There's obviously a wide field for cutting down. One government agency—the Small Business Administration, as it happens—recently found it could make 22 forms do the work that 66 had been doing. A mere one third.

To this station it appears plain that the Paperwork Burden Relief Act would relieve a big burden not only on small business and business in general but on all us taxpayers who have to finance the paper shuffling at bureaucratic levels. We hope you'll lose no opportunity to urge your Senators and Congressman to make this proposed legislation a working reality.

AMERICA: CHANGE IT OR LOSE IT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1974

Mr. FRASER. Mr. Speaker, most of us in Washington know how the national print and electronic media feel about Watergate. We get mail from our constituents and some of us hear about Watergate when we return to our districts. There is no lack of opinion about Watergate. Some sense a "tiredness" with the ever-continuing Watergate revelations because of this tidal-wave of Watergate opinion.

It is with some trepidation that I today add to this plethora of Watergate material by placing in the RECORD "A Sermon for Memorial Day Sunday" preached May 26, 1974, by the Reverend Raymond Shaheen, D.D., Pastor of Saint Luke Lutheran Church, Silver Spring, Md.

The sermon was brought to my attention by a staff member who attends Reverend Shaheen's church, heard the sermon delivered, and was impressed by it.

The importance to me of Reverend Shaheen's sermon is that it rebuts the idea that Watergate is a creation of the national media and that Watergate will go away if national attention is diverted elsewhere. The national media can alert the American people to an issue, but if there is no substance to the issue, the media cannot sustain interest in it.

As Reverend Shaheen's remarks illustrate, America senses that all is not well with this country. And Reverend Shaheen senses that America's moral leaders have an obligation to address themselves to this malaise.

Reverend Shaheen's prescription is not the only one possible. But it is one moral leader's attempt to wrestle with Watergate. And it is the wrestling that is necessary if we are to change America. What Watergate represents will not go away if we ignore it. We need moral leadership. We do not have it in the White House and this makes it all the more important that we receive our moral leadership on public issues elsewhere. Reverend Shaheen's effort to provide moral leadership is admirable. And I think this sort of moral leadership is being provided in many places and in many organizations, religious and otherwise, throughout this country.

The United States can again become what its people want it to be—a moral force in the world.

Reverend Shaheen's sermon follows:

A SERMON FOR MEMORIAL DAY SUNDAY

(By Rev. Raymond Shaheen)

Text: " . . . choose life that you and your descendants may live, loving the Lord your God, obeying His voice, and cleaving to Him: for that means life to you and length of days . . ." (Deuteronomy 30:19–20).

This is not the sermon that I had originally planned to preach to you today. As you know, the sermons to be preached from this Saint Luke pulpit are ordinarily projected about a year in advance. What, however, with the change in calendar dates for legal holidays, suddenly this Memorial Day 1974 is before us. And as I come to this sacred desk this morning, I am made mindful of the fact that some word specifically related to this particular holiday is in order. Hence this sermon which will addess an ancient Biblical injunction to the current mood and manner of America.

Oddly enough, let me begin with some commentary on bumper stickers. They are quite the thing these days. In company with many of you, they irritate me. That's a generalization, of course. As you might promise, there are some that constitute an exception. That yellow and black one which has almost become a trade-mark around our parish is easily tolerated. Folks who are members of this congregation usually show a measure of pride when they recognize the bumper sticker that parades before the community our crisis intervention telephone number. It reads like this:

SOMEBODY CARES—TEEN HELP—588–5440

But by and large, any number of other stickers fail to enthuse me. To the contrary, frequently I find their arrogances obnoxious and their sad humor offensive.

The other day I heard of another preacher who apparently is a kindred spirit where bumper stickers are concerned. He was annoyed, so I've been told, by a star-spangled one that reads:

AMERICA: LOVE IT OR LEAVE IT

And his critical assessment of its sentiment has triggered all kinds of thoughts in my mind. He maintained, my friend reported, that the tersely put slogan borders on dangerous over-simplification. And he is right. What a terrible plight would be ours if no one dared to raise his voice in criticism of the land we cherish! Any correct reading of our past can make the point that we have benefitted by those who raised their concerned voices boldly and honestly. It is foolhardy to think that all who would criticize America have less than love for her, and that only the disciples of Decatur are worthy of citizenship!

As you might suspect, preachers are wont to write their own versions of what they read. And so, I'm told, it's been suggested that "America, Love it or Leave it" should be rewritten so as to read:

AMERICA, CHANGE IT OR LEAVE IT

All that follows now has been inspired by the possibility of such rewording.

Usually when one speaks of change, he means a change to something new. I would suggest this morning—change to something old!

Let us change back to the notion that we are meant to be a nation dependent, as over against being a nation independent—independent of God. Once it was so—at the very beginning. Remember how it was back in the summer of 1776 at the old Statehouse in Philadelphia? Some thirteen colonies had sent delegates to chart their future course. It was not easily done. In the face of subsequent confusion, the wisest and the oldest among their number was asked to speak. Benjamin Franklin rather reluctantly rose to his feet. Only finally did he speak a few words inspired by a passage from Holy Writ—Psalm 127. What he said provided the "spiritual foundation" of the United States of America. Here is what he is reported to have said: "I have lived a long time; and the longer I live, the more convincing proofs I see of this truth, that God governs the affairs of men. And if a sparrow cannot fall to the ground without His will, is it possible for an empire to rise without His notice? We have been assured in the sacred writing that except the Lord build the house, they labor in vain that build it. I firmly believe this, and I also believe that without His concurring aid, we shall succeed in this political building no better than the builders of Babel!"

As the founding fathers were driven to recognize dependence upon Almighty God, so must we discover anew in our day the need to build upon such foundation.

In the second place let us change back to the nation that's intended to run by rules. John Steinbeck as far back as 1966 put his finger on a sensitive spot when he advised us of a national weakness. He considered it our most serious problem—both as a people and as individuals. He did not settle easily for it as "immorality," "dishonesty" or "lack of integrity." He reviewed the gamut of our ills: "racial unrest, the emotional crazy quilt that drives our people to the psychiatrists, the fall out, the drop out, the copout insurgency of our children and young people, the rush to stimulants as well as to hypnotic drugs, the rise of narrow, ugly and vengeful cults of all kinds." He saw all of these as the manifestation of one single cause: our disregard for rules. According to the celebrated author, our fathers lived by the rule—"rules concerning life, limb and property—rules defining dishonesty, dishonor, misconduct and crime. The rules were not always obeyed, but they were believed in, and a breaking of them was savagely punished."

America's hope may well lie in our earnest endeavor to appreciate all over again the absolute necessity to place a high value upon rules—upon principles of decency and honor.

Let us change back to being a nation that can face the future without fear.

Robert Heilbroner in a new book, "An Inquiry into the Human Prospect," raises the question: "Is there hope for man?" He answers with little, if any, encouragement. Much to the reader's dismay, he even goes so far as to suggest that "the freedom of man must be sacrificed on the altar of the survival of mankind."

Our founding fathers, facing well-nigh insurmountable odds, forged ahead with confidence. Perchance they honestly believed that they had fashioned an instrument of democratic design that would enable them to handle whatever problem would loom upon the horizon. And that is what we must remember. Dr. Daniel Boorstin, senior historian of the Smithsonian Institution, is correct when he takes us to task for putting too much stock in solutions as such. It would seem to him that democracy advances the process by which problems are dealt with.

Look at it this way: democracy means people and people mean problems. We will never be free of problems. Let us, therefore, be unafraid since we do have the instrument by which we can deal with the people-problems!

Let us change back to the nation that places a high value upon private morality.

Clare Boothe Luce has observed that "Watergate is the great liberal illusion that you can have public virtue without private morality." Small wonder that some of us acclaim Adlai Stevenson as one of the finest statesmen our generation has produced. When it came to basic morality it seemed to us that he stood head and shoulders above so many. He, too, was trying to say something to us when he referred to a politician of "particularly rancid practices." Of him he lamented: "If he were a bad man, I wouldn't be so afraid of him. But this man has no principles. He doesn't know the difference."

Increasingly it becomes plain to us that "image-making" in our day can become a reckless thing. It has been reported that a certain speech writer for Richard M. Nixon in the 1967 presidential campaign counseled him in a memo: "Potential presidents are measured against an ideal that's a combination of leading man, God, father, hero, pope, king, with maybe a touch of the Furies thrown in." This same person is quoted as having further advised Mr. Nixon: "We have to be very clear on this point: that the response is to the image, not to the man, since 99 percent of the voters have no contact with the man. It's not what's there that counts, it's what is projected."

All of this, of course, brings us up short since we immediately recognize how dangerous such a thought pattern can be. And not a few of us think at once in terms of the ambitious and arrogant ones who exploited such advice. What grief we might have been spared by the President, his aides, and the Committee To Re-Elect the President!

The image is one thing. The true character of a person is another thing—basically it is the only thing that ultimately really matters.

Some of you may recall how a short while ago from this very pulpit. I reminded you of the quote that a friend wrote in my autograph book years ago. It was the wise counsel of Polonius in Shakespeare's *Hamlet:* "To thine own self be true, And it must follow, as the night the day, Thou canst not then be false to any man."

Let us change back to the idea that democracy has its price which must be paid in patience and persistence. A free translation here presumably would be: let the system work!

We must have done with the idea that justice is best served by short-cuts. Those who clamor today for immediate resignation of the President may be ill-advised. James Reston wrote a well-deserved tribute to Senator Mike Mansfield in a recent issue of the New York Times. He gave the Montana senator credit for insisting that pressuring the President to resign would be unfair since it would "evade rather than resolve the moral and legal issues." The man in the White House is entitled to presumption of innocence, and should have every opportunity to have his case presented. Little do we realize that in a certain sense we are all on trial in one degree or another . . . not only the President and his aides, but the Congress and the Constitution as well.

Let us change back to the nation that America was meant to be—where the system can be trusted. We can afford to give it time to be tested.

There are some of you who would be very happy if I came to the sacred desk and denounced the President of the United States of America. There would be some of you who would think that I was brave and forthright. You might even think I was very honest by telling you that he's a liar and a crook and guilty of criminal offense. This I cannot do.

Some of you would be very happy if I came to the sacred desk and placed a halo upon his head, and called him God's great gift not only to us but to the entire world, and to portray him for you as one who is absolutely faultless. This I cannot do.

I don't know whether he is telling the truth or not. With all my heart I would wish it so. But as a citizen of this land we must give him time. We must give our Constitution time. We must give our Congress time. We must pay the price to find the truth. In company with some of you I am tired, and that is one reason why Sunday after Sunday you have not come to this place to find me dragging Watergate into this pulpit. But I also know the risk of becoming ostrich-like and pretending that a cancer does not appear upon the body politic.

Which leads me now to suggest to you in the final moments of this sermon: Let us change back to the concept of democracy where each man assumes the responsibility of pulling his own weight. Many of us have a tendency to cop-out—to suffer despair in the face of the present crisis. But democracy itself is never the solution. It simply provides the process by which things are resolved. Edmund Burke's rebuke remains: "All that is necessary for the victory of evil is that good men do nothing." And the easiest thing for us as so-called good men would be to say that, "I'm tired—let's walk away from the problem."

In the comic strip Peanuts, Linus tells Charlie Brown, 'I don't like to face problems head on. I think the best way to solve problems is to avoid them. This is a distinct philosophy of mine. No problem is so big or so complicated that it can't be run away from.' Charlie with characteristic naivety asks, 'What if everyone was like you? What if everyone in the whole world suddenly decided to run away from his problems?' Replies Linus, 'Well, at least we'd all be running in the same direction.' And one wonders whether we are not witnessing just that—a mass retreat from involvement.

Or I would add quickly, involvement for the wrong reasons. And the acid test which God always applies is: Why do you say what you say? Why do you do what you do? Why do you believe what you believe?

"Four score and seven years ago our fathers brought forth, upon this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that nation, or any nation, so conceived, and so dedicated, can long endure . . . ."

Said a member of this congregation to me, whose judgment I highly regard, "This could well be the greatest moral crisis that we have ever had to face." I beg you, my friend, as your Pastor, as a care-taker of the Gospel that's preached from this pulpit—

AMERICA—CHANGE IT OR LOSE IT

In this instance, let's go back and take a good hard look at the ways that have been proven before and the most basic of all is to recognize our dependence upon God, and not our independence of all that's morally pure and true.

The Biblical injunction as laid down in that book of Deuteronomy makes it perfectly plain. It's a matter of choice, and no man can escape the responsibility of involvement in the decision.

TRIBUTE TO MRS. ETHEL CLAIBORNE DAMERON

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. LONG of Louisiana. Mr. Speaker, it is my privilege to offer my colleagues three newspaper articles about Mrs. Ethel Claiborne Dameron of Port Allen, La. Mrs. Dameron is one of my constituents and has long been a leading citizen of Louisiana. Her most recent achievement is the construction of a museum for West Baton Rouge Parish. The museum has been named the Ethel Claiborne Dameron Museum in her honor.

Mrs. Dameron is not only one of the most outstanding civic leaders Louisiana has ever known, but she is also the aunt of another gracious Louisianian, our colleague the Honorable Lindy Boggs. I believe these articles, like these ladies, show Louisiana at her best, and it is in tribute to both Mrs. Dameron and Mrs. Boggs that I ask they be printed in the Congressional Record.

The articles follow:

[From the Plaquemine Post]

West Baton Rouge Has a "Special Lady"

Sunday, April 21, has been proclaimed Ethel Claiborne Dameron Day in Port Allen, and there's a very good reason for this special day.

Mrs. Dameron has been instrumental in getting a library and a museum in West Baton Rouge Parish. She also got the bronze statue of Henry Watkins Allen, a confederate general and Louisiana governor.

Her efforts led to the establishment of a rest area in the parish under the Lobdell overpass. She helped get the Brusly live oak tree accepted as a member of the Live Oak Society. Its age was judged to be about 364 years.

The West Baton Rouge Historical Association's museum will be dedicated Sunday, April 21, at 3:30 p.m.

The building will be called the "Ethel Claiborne Dameron Museum." The new wing will be the "Paul Perkins Wing."

Perkins gave the museum some land which was sold. The proceeds were used for the new wing.

Port Allen Mayor William C. LeBlanc has proclaimed Sunday "Ethel Claiborne Dameron Day" in honor of Mrs. Irving "Puffy" Dameron.

Mrs. Dameron, known as "Puffy," is the daughter of the late Judge and Mrs. L. B. Claiborne. She was raised at Claiborne Villa in Pointe Coupee Parish. She attended Harris College for Young Ladies in Roanoke, Va.

After her marriage to C. Irving Dameron, they resided in Baton Rouge for a time before moving to Sandbar Plantation in West Baton Rouge.

Mrs. Dameron's memory of her father's frequent stories and his admiration for Allen led to her interest in the confederate governor when she came to live in the city named for him. She went before the Finance

Committee of the legislature and got $15,000 to have Angela Gregory sculpt the statue which stands on the courthouse grounds.

After her mother-in-law suggested that the area needed a library, Mrs. Dameron, Mrs. Frank Whitehead and Mrs. Ben C. Devall were appointed as a committee by the West Baton Rouge Garden and Civic Club to begin the library in 1933. Going door to door in the parish asking for books led to people looking in their attics for books, some of which were first editions. The library began in 1933.

She went before the West Baton Rouge Policy Jury to get the library made a parish library. She persuaded the jury to save the records vault of the old courthouse. It became the library. Today the same building is the West Baton Rouge Historical Association's museum.

The museum and its new wing are being dedicated Sunday and the building is being named after Mrs. Dameron. She was the association's first chairman.

Mrs. P. Chauvin Wilkinson, vice president of the association, said, "There isn't a cultural project in West Baton Rouge Parish which Mrs. Dameron hasn't helped."

Mrs. Dameron recalls that at the time she joined the West Baton Rouge Garden and Civic Club, which is 46 years old, there were no Jaycees and no planned beautification or landscaping for the town. "So the club was truly a garden city and truly a civic club."

The club did the landscaping for the schools and the courthouse. "It brought the women of the parish closer together in a concerted effort," she said.

Among the clubs to which Mrs. Dameron belongs are the John James Audubon chapter of the Daughters of the American Revolution (DAR), the National Society of the American Revolution, the Colonial Dames, the Foundational for Historical Louisiana and the Friends of the Anglo-American Art Museum at LSU.

She also belongs to the Landmarks Society of New Orleans and the Friends of the Cabildo in New Orleans.

Mrs. Dameron moved to her house on 6th Street after her husband died in 1934. She is the mother of four children: Charles Hayward Dameron, an attorney who lives in Port Allen; Claiborne Dameron, a retired colonel now associated with a Baton Rouge bank; Mrs. John Manard of New Orleans; and Mrs. Robert W. Blair of Mesa, Ariz.

She has three grandchildren and two great-grandchildren.

[From the West Side Journal]

MUSEUM NAMED BY ASSOCIATION FOR ITS FOUNDER

Mrs. C. Irving "Puffy" Dameron was honored as the founder of the West Baton Rouge Historical Association Sunday as the association's museum was named after her and presented to the parish.

The museum was dedicated and the new wing was named for Paul D. Perkins, whose contribution financed the building of the addition.

Judge Paul B. Landry Jr., master of ceremonies, said it was through Mrs. Dameron's determination and her perseverance that the museum came into being.

Addressing the audience in the new wing, Mrs. Dameron said, "You have made this room that smelled of nothing but concrete, you've made it come alive and Puffy thanks you from the bottom of her heart." She said the presence of so many people brought a heartbeat to the building.

"The thing that makes this little building a little gem are the little things . . ." she said. She recounted instances where a pair of girl's ballet shoes and a carnival doubloon were acquired, the coin from a small black boy who drowned since then.

Mrs. Rawlston Phillips, president of the association presented the building to Frank Cailleteau, who accepted on behalf of the Policy Jury.

Cailleteau said, "We on the Policy Jury hail and praise to the utmost all the many citizens who have made this dedicatior possible today." He called the dedication "a new and additional milestone in our cultural growth."

Juror Barkdull Kahao presented a replica of a plaque which will mark the main museum building named for Mrs. Dameron. He said it was love of beautiful things that motivated Mrs. Dameron to her 40 years of work for the parish library, historical markers and the museum.

Mrs. Dameron was presented with a plaque from Gov. Edwin Edwards in recognition of her service. Mrs. Palma Munson of the Louisiana State Tourist Commission made the presentation. She also presented a state flag to the museum.

Herman "Monday" Lowe said, "As a former legislator, I know Puffy well," adding that she had gone before the legislature "working for antiquity." Lowe presented the plaque which will mark the new wing, dedicated to Perkins.

Among Mrs. Dameron's family present were her son, Claiborne Dameron and his wife; her daughter, Mrs. John P. Manard Sr., of New Orleans; her granddaughters, Mrs. H. Scott Kane III, the former Courtney Manard of Chevy Chase, Md., and Barbara Manard of Boston, Mass.; her grandson, John P. Manard Jr. and his wife; and her great niece, Mrs. Howard Schmalz of New Orleans.

[From the Pointe Coupee Banner]

SUNDAY TO BE ETHEL CLAIBORNE DAMERON DAY IN PORT ALLEN

IS FORMER NEW ROADS RESIDENT

The youngest daughter of the founder of The Pointe Coupee Banner—Mrs. C. Irving Dameron of Port Allen, the former Ethel Claiborne of New Roads, will be honored in Port Allen Sunday at "Ethel Claiborne Dameron Day", so decreed by Port Allen Mayor William LeBlanc.

Mrs. Dameron, daughter of the late Judge and Mrs. L. B. Claiborne, was reared at the historic old Claiborne house on Main St., now owned by Dr. C. E. Hebert. Sister of the late longtime District Attorney Ferd C. Claiborne, the aunt of Cong. Lindy Boggs, she is a granddaughter of Col. F. L. Claiborne, and great-granddaughter of Gen. F. L. Claiborne, a brother of Louisiana's first governor under American rule—William C. C. Claiborne.

The new West Baton Rouge Museum which will be dedicated Sunday and named "The Ethel Claiborne Dameron Building"—was actually born at Mrs. Dameron's home, when she moved from Sand Bar Plantation, following the death of her husband, West Baton Rouge Parish official, C. Irving Dameron.

Mrs. P. Chauvin Wilkinson says "there isn't a cultural project in West Baton Rouge which Mrs. Dameron hasn't helped." She will be presented a certificate of appreciation.

Another native Pointe Coupeean, Mrs. Rawlston D. Phillips, the former Virginia Soulier of New Roads, is president of the West Baton Rouge Historical Association.

Mrs. Dameron cited how the new museum was born. "My children can't use my keepsakes, and I don't know what to do with them."

"So, I called my close friends together and broached the subject of a museum, if the Policy Jury would let us use a building made available after our little library become a state demonstration library. We met in my crackerbox, which is what I call my present home, and decided on it. We received the Policy Jury approval and were chartered in 1968."

"We are a keepsake museum, a keepsake of the Parish also. We are not trying for a Smithsonian, but are serious, not just little old ladies in tennis shoes."

Mrs. Dameron is a member of the West Baton Rouge Historical Association Board, the Foundation for Historical Louisiana, the Landmarks Society of New Orleans, Friends of the Cabildo, Friends of the Anglo-American Art Museum, the Baton Rouge Committee of the Colonial Dames of America in the State of Louisiana, the Board of Trustees of the West Baton Rouge Library. One of her sons, Hayward has for years served as an Asst. District Attorney in this district.

The new wing of the museum building will be christened the Paul Perkins wing in honor of the Baton Rougean who gave funds for its construction.

THE PANOVS ARE FREE

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mrs. GRASSO. Mr. Speaker, at last the Soviet Union has seen fit to release Valery and Galina Panov—freedom loving and intensely creative artists—and to allow this talented man and wife to emigrate to a new life in Israel.

Certainly, all who understand the true meaning of liberty rejoice at the news of this couple's triumph over open and flagrant oppression and harassment by their own government. Their resilient spirit and irrepressible resolve in the face of intense anguish are an inspiration to all men and women throughout the world.

Valery and Galina have been trying for over 2 years to obtain visas to emigrate from the Soviet Union to Israel. Both had come to realize the country in which they lived and the government they served could neither support nor permit a full realization of their creative spirit. Instead, with oppression all around them they could only feel more and more shackled by the society in which they lived.

Until their fateful decision to leave their country, the Panovs were celebrities in the Soviet Union—shining stars of the ballet in a country where ballet is a preeminent art form. Valery was first male dancer in the Kirov Ballet and Galina also belonged to the world renowned company. Upon applying for exit visas to Israel in March 1972, however, Valery, a Jew, was dismissed from the company, while Galina, who is not Jewish, was demoted to the lowest rank. Eventually she also chose to leave the company.

Since that time these two people have not only been cut off from their livelihood and their beloved art, but have also been harassed and treated brutally by the authorities. Numerous attempts to obtain visas failed, and Valery was jailed temporarily for encounters with police.

Last December, to the horror of the

Panovs and the entire free world, the Soviets gave Valery a visa but required his wife to remain in the Soviet Union. Early in February they said that Galina would never be able to leave and that Valery's visa would be revoked unless he left without his wife. Valery steadfastly refused to do this.

Freedom-loving people in the world took up the cause of the Panovs, urging the Soviet Government to release them. It was my honor to join my colleagues in the House in signing a letter eariler this year calling on the Soviet Government to allow Galina to emigrate with her husband. The letter was sent to Leonid I. Brezhnev, General Secretary of the Communist Party of the Soviet Union.

Now the Soviets have decided to allow both Valery and Galina to leave for a better life in Israel. All of us rejoice at this victory of the spirit. We are happy for the Panovs, yet their success—coming after so many months of travail—should strengthen our commitment toward insuring that Jews in the Soviet Union are afforded the freedom to emigrate to other countries if they so desire. Indeed, the victory of the Panovs inspires us to work harder for freedom of emigration throughout the world.

The plight of the Panovs mirrored that of many Jews and other people in the Soviet Union and elsewhere who are the victims of oppression and cruel bondage. Let us resolve on this happy occasion to continue our efforts to make human decency and kindness a rule for the treatment of all mankind.

ENCOURAGE MORE DOMESTIC OIL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. COLLINS of Texas. Mr. Speaker, the fair pricing of oil and gas is having immediate results in achieving greatly increased production. I just heard from Sherman Hunt, who is president of Texas Mid-Continent Oil & Gas Association. He reports drilling showed a tremendous increase during the first quarter of this year. Sherman went on to say that the search for oil and gas has reached boom proportions and that it is all a direct result of better prices paid to producers.

There are no Texas drilling rigs idle at this time. If more rigs were available there would be more drilling. There is also a shortage of drilling pipe as well as other oil well field equipment. This tends to limit further drilling until these supplies become more plentiful.

Nationally, we note the same developments. It is now estimated that $8.7 billion will be invested by the oil companies in capital and exploration in 1974. This compares with only $5 billion in 1973.

Oil companies continue to invest much more than their profits. America is proud of the record of 30 big oil companies who invested $34 billion in the United States in the last 5 years while their domestic profits were only $19 billion. This meant that oil companies were putting twice as much back in the business as they were making in profits.

Basically, the oil business is only an average business as far as return on investment. Misleading analysts have pointed to 1973 which was an unusual year, because of Arab oil complications. Taking 1972, which presents a fairer picture, the oil industry had a return of 8.7 percent of profitability on shareholders investment which compares to 10.6 percent as the average for all manufacturing businesses.

Stripper oil wells are important in Texas. There are 83,000 marginal wells run by stripper well operators which average only 3.8 barrels a day. But they have a total production of 116 million barrels a year. To show you what this total means in energy, this is twice as much energy per year as is produced by the federally operated Tennessee Valley Authority.

Oilmen in Texas believe that if the depletion allowance is removed by Congress from oil and gas, exploration would immediately drop to a low level.

Oil and the gas men are keenly responsive to the needs of America. Oil industry leaders are expanding efforts to make America self-sufficient in energy within 5 years.

Many politicians today are using an oversimplified explanation of inflation. They blame inflation on food and fuel. But a study of the Consumer Price Index—CPI—shows food makes up 25 percent of the CPI. Today, food's effect on inflation, if other prices were constant, would be 5 percent since the beginning of 1973. But the more interesting figure is on fuel which makes up only 4 percent of the index. Fuel has effected only 1.3 percent on the increase in the price index during the past year.

For those who get all of their news from headlines in newspapers, they would believe that all inflation is tied to the price of gasoline. It is well to emphasize that only 1.3 percentage points was the total net effect by petroleum of the increase in the Consumer Price Index.

IMPROVING SSI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BINGHAM. Mr. Speaker, I would like to commend the distinguished chairman of the Ways and Means Committee, Mr. Mills, for his decision to withdraw H.R. 15124 from consideration on June 11.

This bill is designed to extend temporarily the present availability of food stamps or their cashed-out value to supplemental security income participants. Along with many other Members of Congress, I was deeply disappointed to learn that this bill represents the only action the Committee on Ways and Means intends to bring before the full House this year.

It was even more disturbing to realize that this bill does not address a major problem that has created injustice and hardship for SSI participants in the States of California, Massachusetts, Nevada, New York, and Wisconsin. In these five States, tens of thousands of aged, blind, and disabled people who had been receiving welfare and food stamps under the old State programs lost those stamps when they were transferred on to the SSI rolls.

Because of complicated requirements and technical oversights, these people did not receive the compensating bonus value of food stamps in cash as part of their SSI payments, and were therefore worse off than they had been before. At least 40,000 people in New York State suffered these losses, with comparable numbers in other States. I understand that Chairman Mills has agreed to include a provision in this bill which will eliminate this inequity when the bill is considered again on June 17.

I hope the chairman will be just as responsive to the need for other equally important changes which the New York congressional delegation and others have been urging for several months. The SSI program suffers from a wide range of failings and oversights. No provision was made in the original legislation to compensate for increases in the cost of living, or to guarantee that SSI recipients will get the benefit of social security benefit increases, or for providing emergency funds for participants who do not receive their checks or encounter other unexpected financial calamities. The food stamp problem, the subject of yesterday's bill, is also inadequately handled in SSI legislation, especially in the five States which provide the bonus value of food stamps in cash rather than the stamps themselves. SSI participants in these States are getting far less benefit from this cash-out than recipients in other States which provide food stamps.

These and many other problems deserve the urgent attention of the Congress. The SSI program provides income to some of the most helpless and poorest citizens of this country. It is incredible that many of these people are able to survive on the meager benefits SSI provides, and the inadequacies of this program should be corrected promptly.

LITHUANIA

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BROOMFIELD. Mr. Speaker, June 15 marks the 34th anniversary of the forcible Soviet annexation of Lithuania. For 34 years the people of this small country have been denied the freedom they enjoyed briefly after establishing their independence in 1918.

Since that fateful day in 1940 the people of Lithuania have suffered continual religious and political persecution, and have been denied their basic human rights.

But despite the brutal efforts of the Soviet Union to suppress it, the flame of freedom still burns brightly in the hearts of these courageous people. Many have given their lives over the past 34 years so that their fellow countrymen could once again be free. Their bravery and courage, however, have been no match for the cold and calculating totalitarian machine they are up against.

It is essential that we of the free world convey to these brave Lithuanians that they are not alone in their struggle; that we stand firm in our support for them and the other Captive Nations of Europe.

East and West relationships have become increasingly harmonious in recent years, and now we stand on the threshold of historic détente with the Soviet Union. Against the backdrop of continued Soviet oppression in Lithuania and the other Captive Nations, however, détente has a hollow ring.

The Soviets must learn that détente cannot be built on a framework of words alone. The oppressive inhumane treatment of the Captive Nations people must cease if détente is to be meaningful and successful.

I join with those Lithuanians around the world in commemorating the bitter memories of June 15, 1940, and hope that the future will return that most cherished of human rights, freedom, to the brave people of Lithuania.

NEW VIRGINIA BISHOP

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. PARRIS. Mr. Speaker, the Commonwealth of Virginia has a new Catholic diocese—the Diocese of Arlington—together with a new bishop: Bishop Thomas J. Welsh. I would like to take this opportunity to welcome Bishop Welsh to our community and acquaint my constituents and colleagues with the bishop by sharing the following article which recently appeared in the Washington Star News:

NEW VIRGINIA BISHOP: A MAN WHO LOVES PEOPLE

(By William Willoughby)

Thomas Welsh used to brag about how well he played first base—at least his brother says he did. But today Thomas Welsh is thankful that he decided to go into the priesthood rather than jump into a career playing baseball.

"I would have starved to death," Bishop Thomas J. Welsh said yesterday in a telephone interview. "They always told me I never could hit a curve ball too well."

As the first bishop of the newly formed Diocese of Arlington, and faced with a rapidly growing Catholic population, Welsh realizes he's going to be thrown a lot of curves of a different nature in the next few years. But he figures his varied experience in the ministry as a pastor, educator, administrator and as auxiliary bishop of Philadelphia will help him.

Welsh's career as an educator and administrator is illustrious. While he was rector of the highly touted St. Charles Borrommeo Seminary in Philadelphia for the last eight years the school produced record numbers of candidates for the priesthood at a time when there was a graphic decline in men going into the Catholic ministry.

Welsh came from an Irish family in upstate Pennsylvania which was very close physically and spiritually, he said, and the impact of this type of background will be reflected in his principal emphasis among the Diocese of Arlington's Catholics.

"I am particularly interested in the family situation and will place emphasis on encouraging my priests in the parish community life for the families. I want the liturgical life and family-related programs of the parishes to be as strong and as central as they can be," he said.

He said that aside from that he does not have any prime priorities. "I think that at first I will be merely the supervisor of a lot of things that are already going on . . . I know Bishop Walter Sullivan of Richmond quite well and will count on his friendship and help to move us along," he said.

While known in official Catholic circles for his administrative and educational expertise, Welsh is known by the people and priests of Philadelphia as a person who genuinely loves and relates freely with people. Invariably they speak of his quick wit and easy-going, non-protective manner.

He came from a family of second-generation Irishmen who made their home in Weatherly, Pa., a village between the anthracite coal mining region and the Poconos. His father worked for 50 years on the Lehigh Valley Railroad. His mother was from Brooklyn.

Welsh credited the example of the family's parish priest—"his sacrificial and sacramental approach to his work with his people"—as being the deciding thing that turned his attention toward the priesthood.

After only two years of high school, the youth of 15 entered the seminary he was later to lead in Philadelphia. From 1946 through 1949 he studied at Catholic University, taking a doctorate in canon law.

Pope Paul IV named him auxiliary bishop of the Archdiocese of Philadelphia in 1970. He had been rector of the seminary prior to becoming the auxiliary bishop and continued in that capacity until the appointment yesterday.

The new bishop is of athletic build, standing more than 6 feet tall, and besides baseball used to play basketball and football in school. Now 52, and gray-haired, he says he prefers swimming and walking.

One of his brothers, William J. Welsh of Bethesda, came to the Library of Congress as a fledging clerk during Thomas' days at CU and now is director of the processing department at the Library. He chuckled when told his brother was described as being a "warm, quiet type of person." Warm, he was in full agreement with.

"Quiet!" he exclaimed. "I wouldn't exactly described him that way. Everywhere he goes there's always a host of friends around him. The outstanding thing about him is how well he relates to other people."

The bishop has another brother, Edward, who works with United Air Lines in Redwood City, Calif., and a married sister, Mary, in St. Clair, Pa. Both his parents are dead. The announcement of his appointment came on what would have been his mother's birthday.

Bishop Welsh said it will be hard for him to leave Philadelphia. "After all, I have been associated with that seminary and with Philadelphia since I was 15. It will be difficult. But already I am getting the good wishes of so many nuns and priests and laymen in my new diocese that I am looking forward to coming"

The diocese, carved out of the Diocese of Richmond, has 136,000 Catholics out of a total population of 1,201,222, and covers 6,541 square miles. It has 49 parishes and seven missions, 60 diocesan priests and 33 religious. The new diocese embraces Northern Virginia, the northern reaches of the Shenandoah Valley and the Northern Neck.

TRIBUTE TO ELLIS A. ROTHER, SR.

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. RYAN. Mr. Speaker, it is not often that we get an opportunity to pay tribute to people such as Ellis Rother, people who give generously of their time and talents to their community in hopes of making it a better community. The city of San Carlos is a better community for having had Ellis Rother as its councilman and mayor.

Ellis is being honored by his fellow citizens on June 13, 1974, on the occasion of his retirement from active service as mayor and councilman. I want to aline myself with those who are paying tribute to Ellis on that occasion.

He has served his community well and in many capacities:

Appointed to San Carlos City Council, 1969; elected to San Carlos City Council, 1970; mayor, city of San Carlos, April 1972–April 1973; chairman, water quality administration commission, 1972–74; regional planning committee; airport land-use committee; director, tourist and convention bureau; Association of Bay Area Governments; San Mateo County Council of Mayors; San Carlos Planning Commission chairman; San Carlos Planning Commission member, 1963–69; chairman, central business district committee; past president, Santa Clara Chamber of Commerce; founded Santa Clara Symphony Association.

Unlike many of us who are first- or second-generation Californians, Ellis Rother is a descendant of one of the early pioneer families who settled in California in 1848. The Rothers have been in service to their communities and the State ever since. Ellis has carried on that fine tradition of excellence.

A graduate of San Jose, Ellis is in business in San Carlos, where he and his charming wife, Margaret, have raised three fine children: Diane, Ellis, Jr., and Brook.

The city of San Carlos may be losing the formal services of Ellis Rother, but his dedication to his community will manifest itself, I am sure, in many ways, because Ellis is an active participant in community affairs. A few of his current activities include:

Board of directors, San Carlos Chamber of Commerce; Sierra Club—conservation programs and leading trips to Mexico and Grand Canyon, and a new scouting trip to Belgium, Germany, and Holland; Kiwanis Club of San Carlos.

In short, Ellis is the model citizen whom we all hope that future generations of Californians will emulate.

LAND-USE LEGISLATION

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. WALSH. Mr. Speaker, there is no doubt the United States is in serious need of effective land-use legislation—legislation that will help bring some balance and priorities to the development of our country.

What we are not in need of is a land-use bill that, in essence, starts us on the road to more public control over private property and stifles private ownership.

Yesterday, the House of Representatives refused to consider such a measure and sent it back to committee. I applaud that action. The Udall land-use bill never made it to the floor of the House for a vote because the floor of the House is not the place to write legislation affecting every property owner in the country.

It never made it to the floor because its authors were lined up to introduce 21 amendments to their own bill. These amendments should have been worked out and a final bill produced by the committee after extensive public hearings. Hopefully, the Committee on Interior and Insular Affairs will now follow that course of action.

It is interesting to note the range and variety of opposition to the legislation. Groups like the National Association of Manufacturers, the International Brotherhood of Electrical Workers, the American Farm Bureau, and the Association of General Contractors were vehement in their feelings against the measure.

In my judgment, this bill would have been a complete violation of the strong home rule tradition in New York State because it would shift traditional responsibilities from local and State governments to the Federal Government. Government works best when governments at the local level have the final determination and local prerogatives are preserved.

The legislation ignores this theory and refutes the well established fact that local government and individuals are more concerned and better able to make judgments about land use than Federal and State governments.

Another reason I voted against House consideration of the bill, H.R. 10294, was the $800 million appropriation it contained. If we are ever going to curb inflation, we must start to curb Government spending.

The legislation has other dangers. Historically, the marketplace determines the best use for a piece of land. The bill undermines this tradition. In addition, it places the physical environment in a dominant position and ignores the needs for economic development, energy, and housing, among others.

What we need is land-use legislation which makes such planning consistent with the framework of our Federal system and the guarantees of our Constitution.

THE NATIONAL COMMISSION ON DOMESTIC NEEDS AND ECONOMIC FORESIGHT ASSESSMENT ACT OF 1974

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr RHODES. Mr. Speaker, I am joining with the Democratic leadership in cosponsoring a resolution which would promote a uniform approach among the leadership of Government and private industry to monitor our Nation's progress and to work to head off potential futures crises.

It has been said that "Foresight is better than hindsight—by a damned sight." I think that all of us are aware that we spend a lot of time and taxpayer money trying to make repairs after untoward events have occurred. I believe that this legislation, if enacted, would be a step toward exercising the responsibility of leadership expected of the legislative and executive branches, together with top figures in the private economy.

I am hopeful that the bill's actions will be more crisp than its necessarily long title: "The National Commission on Domestic Needs and Economic Foresight Assessment Act of 1974."

Why is this bill needed? We simply have not had much coordination in planning our economic course. The Federal Government, State governments, local governments, and private enterprise have, more or less, gone their own separate ways. This has led to poor legislation, poor planning, economic dislocations, misunderstandings and misjudgments of the capacities and capabilities of both Government and industry.

The act would establish a national commission of 13 members to detect the existence or possibility of long- or short-range shortages or market adversities affecting the supply of natural resources, raw agricultural products, materials, manufactured products, or impairment of productive capacity due to shortages of materials.

It would recommend actions to be taken to correct shortages and adversities or to head off threatened shortfalls of needed materials or downturns in productive capacity.

The commission would be appointed by the President, after consultation with House and Senate leaders. There would be five members from the private sector, four senior officials of the executive branch, and two Members from each House of Congress.

I am not one generally to push a new layer of Government. I am hopeful, however, that this commission can, at minimum cost, give us a valuable overview of our American scene. I am hopeful that it would be balanced in its viewpoints, that it would take an objective look at the relationships between various branches and levels of Government, and the regulation and economic planning being done—or not done.

In my view, this commission would not be intended to regulate, but to investigate and recommend. I feel it has merit. I hope that my colleagues in the House will support this bill.

TRAFFIC SAFETY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. PATTEN. Mr. Speaker, one of the most dedicated persons I know in the field of traffic safety, Mr. Allan A. Bass, has once again come up with an important message regarding traffic safety. This time, it is about something we all are greatly concerned with—our children, traffic, and accidents.

Mr. Bass, Traffic Safety Coordinator of Middlesex County, N.J., has long been noted for his strong and active leadership in this area, and his "To Whom It May Concern:" is well worth the consideration of my colleagues:

TRAFFIC SAFETY TRAINING IN SCHOOLS

To Whom It May Concern:

Across our Nation, thousands of dedicated police officers meet periodically with millions of young children in the classroom to better understand and review traffic safety.

A trained traffic officer accents pedestrian safety, modern traffic signs, their new colors and symbols, crosswalks and the significance of safety seat belts. He understands better than most, the exposure of the young and the old to serious accidents involving motor vehicles and bicycles.

More children between the ages of 5 and 14 die each year in traffic accidents in the United States than by any other single cause. The National Safety Council reports about 5,100 young people under age 16 were killed in auto crashes, according to the most recent annual statistics. These facts, and there are many other imposing reasons underscore the onerous responsibilities of the traffic officer.

Every parent, especially those with young children should find out more about traffic safety training in the classroom; ask your school principal about these programs. You might pick up a few pointers about defensive driving yourself.

Above all, tell your mayor, your police department and other public officials how much your family appreciates traffic safety training in schools. And, please do all you can to bring this safety message to others.

Sincerely,

ALLAN A. BASS,
Traffic Safety Bureau.
Middlesex County, New Brunswick, N.J.

WEALTH FROM WASTE

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. HUDNUT. Mr. Speaker, this past February I had the honor of attending and participating in the "Wealth from Waste" luncheon sponsored by the Indianapolis Garden Club. Through the theme and program of the luncheon, "resource recovery from solid waste," the garden club members expressed their deep commitment to the protection and preservation of the environment. Mr. Wade St. Clair, director of information for the National Center for Resource Recovery, Inc., spoke to the group about the efforts his organization is making to solve the solid waste disposal problem presently threatening our American environment. The National Center is a nonprofit organization which has conducted research in the area of resource recovery from waste.

The Indianapolis Garden Club, which is associated with the Garden Club of America, is comprised of a group of women dedicated to the protection of the environment. They felt it would be helpful to bring Mr. St. Clair to speak about the efforts of the NCRR as they relate to the solid waste disposal dilemma to the attention of the community and business leaders. The members of the garden club are to be commended for their dedication to the protection of our environment.

The concerns and actions of the Indianapolis Garden Club relating to environmental protection along with efforts of other citizen groups, private industry, and governmental programs, recognize the crucial solid waste disposal problem currently facing us. It threatens to overwhelm our capacity to deal with it unless we take innovative and far-reaching steps to alleviate the problem.

Presently, solid waste disposal costs this country billions of dollars each year. The cost of disposing of municipal waste alone is expected to reach $7.8 billion by 1976. The cities and towns of this country are constantly burdened with this problem—not only does it constitute one of the largest financial burdens for localities, but over one-half of these expect to exhaust their disposal capacity within the next 5 years. Mayors and councilmen across the country have cited this as their No. 1 problem.

Not only are we threatened by the possibility of a surfeit of waste, but we are also unnecessarily depleting our natural resources by failing to extract the estimated $2 billion worth of recoverable materials in our waste. EPA has published facts stating that there are $1 billion worth of recoverable inorganics—iron, steel, aluminum, zinc and glass—which can be recycled. The cost of processing these recycled materials requires 90 percent less energy than recycling virgin materials. Inorganics contained in waste are also estimated to be worth $1 billion. Paper pulp, compost material, and fuel to generate electricity can all be recovered. EPA estimates the recoverable fuel in our waste could generate energy equal to 5 percent of our current oil consumption or 6 percent of our total annual energy production. These figures cannot be ignored.

The Indianapolis Garden Club and other groups like it are giving good leadership by attempting to bring before the attention of the leaders of business and the community the need to protect our environment and preserve our natural resources by making use of the materials recoverable from our solid waste.

Recycling resources from waste is yet a new, expensive process. Consequently, its cost is too high for most municipalities and industries to make use of it. Some element needs to provide a push to get this process into wider use and that incentive could be provided by the Federal Government.

In 1965, the Federal Government enacted the Federal Solid Waste Disposal Act (Public Law 89-272, title II) which constituted its first move in recognition of this problem. The act mainly pushed for the study of and experimentation with new and better methods of solid waste disposal. The act was amended in 1970 by the Resource Recovery Act (Public Law 91-512) which redirected the emphasis from solid waste disposal to resource recovery and recycling. Many demonstration grants have been authorized under this amendment which have shown waste recovery efforts to be profitable and economically feasible and efficient. Presently, a resource recovery plant is being constructed in the Town of Hempstead, Long Island, with the help of one such EPA grant. The town is receiving a Federal grant of $2.1 million to aid in the financing of the $44.6 million resource recovery system. The philosophy behind funding such individual projects is to develop systems that can be copied elsewhere at no cost to the Federal Government.

The National Center for Resource Recovery, whose representative, Mr. St. Clair, spoke to the garden club luncheon I attended, has developed a program similar to that envisioned by the Solid Waste Disposal Act. Their efforts are embodied in the National Resource Recovery Network which coordinates a group of resource recovery systems around the country. Their goal also coincides with that of the Federal Government—they plan to help establish these plants across the country and make them self-sufficient within 5 years.

The efforts of the EPA through the Solid Waste Disposal Act and those of the NCRR do take a step in the right direction, but something more is needed. Planning needs to be made more extensive and more systems need to be built.

Right now, H.R. 13176, of which I am a cosponsor, the Comprehensive Waste Management and Resource Recovery Act which further amends the Solid Waste Disposal Act of 1965, is pending final markup by the Committee on Interstate and Foreign Commerce. This bill, if enacted, will provide the needed incentive for the further development of resource recovery systems. It envisions a 5-year self-liquidating grant program which will make grants available to those States which adopt, administer, and enforce comprehensive waste management and recovery systems. With increased numbers of localities and industries encouraged to take advantage of the resource recovery systems, the various methods would be perfected and concurrently made less expensive to build and operate. Figures from existing systems show that these plants do become self-sufficient after 5 years and even turn a profit from the sale of the recovered resources.

The incentive provided by H.R. 13176 will enable more elements in the private and public sectors to expand and utilize resource recovery systems and at the same time, alleviate the strain on our environment.

As we find ourselves in the mid 1970's in a situation where natural fuel sources are rapidly being exhausted, where we are fast falling behind in our capacity to dispose of our solid waste thus posing a significant threat to our environment, we need to provide an incentive to urge the construction and use of resource recovery systems. For these reasons of urgency, I ask the H.R. 13176, the Comprehensive Waste Management and Resource Recovery Act, be reported out of committee as soon as possible. Once before the Members of Congress, I urge that my distinguished colleagues join me in seeking the enactment of this vitally important bill.

HOUSE JUDICIARY COMMITTEE COUNSEL RETIRES TO AMERICAN BAR ASSOCIATION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. KASTENMEIER. Mr. Speaker, I first came to know Herb Hoffman when he was Chief of Legislation for the Department of Justice, and was delighted when he joined the House Judiciary Committee staff 3 years ago this month.

Along with the many friends that Herb has made in his distinguished career as an attorney in both the civil and military service of the United States, I wish him much success and happiness. The job he has undertaken as Director of the American Bar Association's Governmental Relations Office poses challenges which I am sure Herb will attack as conscientiously and effectively as he has the challenges of the last 30 years.

As a Member of Congress who has worked closely with Herb in the past, I look forward to an even closer association in the future. Though no longer on the public payroll, I have no doubt his efforts will continue to further the public interest.

PRESERVING THE CHESAPEAKE BAY—TIME IS RUNNING OUT (PART II)

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BAUMAN. Mr. Speaker, Monday, I inserted an article in the RECORD by Washington Star-News staff writer Woody West. The article was the first in a four-part series on the Chesapeake Bay, and today I am inserting the second part of that series.

In this article, Mr. West examines the problems presented by sewage effluents, even when it is treated, to the bay's ecology. The treated effluent, which has a high content of nutrients, can choke "subestuaries" by encouraging rapid growth of aquatic plants. Much of the problem comes from tributaries of the bay, Mr. West notes, and these rivers may draw from several States.

Problems such as these can be dealt with effectively only through organized interstate cooperation, and I am among those who are anxious to encourage this sort of common effort. To provide this encouragement, I have introduced House Joint Resolution 979, allowing the creation of a Chesapeake Bay compact to foster interstate efforts to preserve and protect the bay. As Mr. West's article shows so well, the time for implementing a cooperative plan is fast running out, and none of us can really be sure how much time is left.

I hope that this series of articles will help induce action on this bill by the Judiciary Committee, where it has been referred. And I am grateful to Woody West and to the Star-News for presenting this series, which presents so well an examination of the problems and potential future for one of America's most important bodies of water.

The article follows:

[Part II]

IT'S TIME FOR DECISIONS IF BAY IS TO BE SAVED

(By Woody West)

Decade after decade, man has plumbed and fished, mined and farmed, used and consumed from the Chesapeake Bay and its lands with hardly a hint that, at some distant day, a piper would require his wage.

Why has it been that only in the last few years that ecology and environmental integrity have become common topics for public discussion and debate? Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute and a respected Bay scientist, offered a perspective.

"Only within decades, increasingly since World War II with the coming of big industry, big population, occurring almost simultaneously," he said, "have people started coming to the realization of the necessity of weighing costs and benefits."

"Until the 1940s, the general English base of law was dominant—you were permitted to use air and water quite freely to dispose of waste unless it directly harmed others' health. Only in a short time, have we begun to say, 'Wait a minute, you've gone beyond your own backyard when you dump waste.' "

Even this limited consciousness, however, did not become conspicuous until the mid- to late 1960s when ecology became a symbol and rallying cry.

"The rhetorical surge was helpful in initially raising interest." Cronin said. "But beyond this, it can be harmful. I think the future of the Bay has to leave the realm of careless overstatement very quickly and there must be a bringing toegther of science, management and legislation—with the important addition that a very broad base of people retain interest and concern."

Dr. Donald W. Pritchard, for a quarter of a century the head of Johns Hopkins University's Chesapeake Bay Institute and now its senior scientist, said:

"We've lived in an age when we've had our cake and been able to eat it, too. We won't have that in the future. We've got to make some hard choices. To keep the Bay within some acceptable state—that's the decision and the time is now. At present, I think, 'acceptable' would certainly mean that it become no worse than it is now and, hopefully, a lot better."

The ruggedness of the Bay, its tenacious ability to sustain man's intrusions, has given those of us dependent upon it a grace period. If correct choices based on sufficient information and adequate compromise are made, these scientists feel, the Bay will continue to function with its historic richness. The Smithsonian's Dr. Frank S. L. Williamson hazards an estimate of this grace period at from "10 to 20 years, as a ballpark estimate."

Why, it may be asked, if the Chesapeake has been so immune to man for centuries, should there be a developing sense of urgency now?

The Back River is today regarded as little more than a "holding lagoon" for much of the treated effluent from Baltimore. The river is a shallow body almost choked with seasonal growths of exotic plants that no other form of life grazes on.

The Back River, even if reduced to little more than an appendaga to a sewage plant, serves to prevent much of the enriched effluent from immediately flowing into the Bay proper and increasing the level of nutrient. But, at the same time, the water has lost much of its aesthetic and recreational utility.

"Who is going to make the decisions concerning the number of sub-estuaries we should preserve?" Williamson has asked. "These are vital parts of the Bay, remarks concerning the usefulness of the Back River as a nutrient trap that protects 'the Bay' notwithstanding."

"Who is going to make the decision about the upper level of nutrients that the entire system can tolerate?" he asked. "Perhaps we can only wait and see. It should not take very long."

Other major tributaries, if not in so advanced a state of deterioration as Back River, are in trouble. The Rappahannock, particularly around Fredericksburg, is showing significant pollution problems. The York, though now in comparatively good shape, is worsening, according to Dr. William J. Hargis, Jr., director of the Virginia Institute of Marine Science. Pressures also are increasing in the lower reaches of the York due both to population growth and industrial concentration.

The James River, Hargis said, probably is under more of these pressures than any tributary except the Susquehanna. Industry is a prime contributor. Yet portions of the James are in appreciably better condition now than a decade ago Hargis said.

The Potomac, from Washington downstream to Quantico, is also under enormous pressures, and water quality remains a problem. However, intensive efforts to upgrade the technology of handling human waste—the Potomac's main pollutant—and a broad array of scientific energy offers hope for significant gains.

Dr. Donald Lear, a biologist with the federal Environmental Protection Agency, sees the possibility for reversal of the eutrophication—aging of a body of water in a process not unlike senility in the human being—that is "fairly pronounced" in the river around Washington now.

The current expansion of the Blue Plains treatment plant with the addition of some of the most advanced technology now available, he said, will offer the prospect of "a major reversal of eutrophication by control, which may be the first time this has been done by control, rather than by diverting the pollutants into another channel.

It's well under way now," he said, with completion anticipated for the sophisticated system in three years.

Most scientists agree that the efforts to control waste disposal into the upper Potomac estuary look, indeed, promising. But there is another unknown for the Potomac and other tributaries where intense efforts are under way to upgrade technology and control techniques: Can the scientific efforts and technology keep pace with the demands that ever-growing population will create?

"The population increase has been faster than the increase in treatment systems," Dr. Cronin said, "so we don't even catch up to where we were. That's always a problem."

Another extensive set of potential problems is just now becoming conspicuous—the imminent use of the offshore areas for intensive exploitation. Recommendations already have been made to the federal government to permit drilling for oil and exploration for other valuable minerals along the Eastern Seaboard.

A new generation of electrical generating plants may be sited in coastal waters. Huge offshore mooring points for ocean-going freighters also are being discussed widely.

The ramifications that such development could have for the Chesapeake Bay area are obvious.

"Maryland happens to own a very neat little cross-section off the coast and, if you extend it, it goes out to include the Baltimore Canyon, which is one of the sites for possible oil exploration" Cronin said. "But the uses we make of this area for intensive recreation, for very intensive preservation, for fisheries, for navigation, all need to be carefully assured."

"The scientific knowledge of the coastal region here is really primitive," he added. "We know general circulation, we know something about the commercial species because fishermen have been out there and we have data on what they've caught. The rest of the system is very, very poorly understood."

As scientists and administrators discuss the problems and pressures the Bay system faces, an inevitable term is "exponential"—increases by leaps and bounds, rather than a steady and consistent pace. It can be an intimidating process as graphically illustrated by Dr. Theodore Chamberlain of the Chesapeake Research Consortium.

"Take a lily pond," he says. "If you decided to increase the lilies, exponentially, it would take 30 days for the pond to be fully covered with lilies.

"But you might begin to ask what would be too many lilies for that pond. And this thought might occur to you on the day when the pond already has become half covered with lilies but that day on which it is half filled would, exponentially, be on the 29th day. In just one more day that pond would be totally covered. That's what exponential means," he says.

In many areas, such as waste-water treatment and population, that is the magnitude of the pressures on the Chesapeake. That "half-filled-with-lilies" point of decision is not clear but it is approaching.

CURBING INFLATION MAY REQUIRE CONTROLS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BINGHAM. Mr. Speaker, on a recently broadcast television program Federal Reserve Governor Andrew Brimmer warned that economic controls may be needed to cope with inflation.

Mr. Brimmer is the first administration spokesman to abandon the President's pie-in-the-sky forecast of a revitalized economic picture by year's end, and I commend him for his honesty.

Inflation is the gravest problem facing America today, notwithstanding Watergate. If we are to come to grips with our runaway economy we must embark upon a new economic policy response to the needs of the middle-income consumer, the poor, and the elderly—rather than big business.

Prior to the expiration of controls in April, I proposed a new approach to combat inflation as well as the abuses of the existing controls program. In light of the continuing decline in the state of the economy, I again urge my colleageus to reconsider the controls question in detail.

The Brimmer article which appeared in the June 4 edition of the Wall Street Journal follows:

FED'S BRIMMER WARNS THAT CURBING INFLATION MAY REQUIRE CONTROLS

WASHINGTON.—A Federal Reserve Board member, Andrew Brimmer, warned the U.S. may have to impose some sort of wage-price controls again this year or next to cope with inflation.

"I don't think we can resolve the inflation problem facing this country by exclusive reliance on monetary and fiscal policy," Mr. Brimmer said. He said that "by the end of this year and into next year, when we get back into what I believe will be the old traditional kind of cost-push inflation, we may very well have to give attention again to some kind of supplements" such as controls.

The Fed governor is one of the first top-level government economic officials to suggest a possible return to controls. The Nixon administration's Phase 4 controls program expired April 30 and administration officials are opposed to any return to wage-price curbs.

In an interview on the Public Broadcasting Service's television program, "Washington Straight Talk," Mr. Brimmer stressed that winding down the current inflation spiral will take a long time. Forecasting that the inflation rate will be running at an annual rate of at least 7% at year-end, he said it would be impossible to reduce it to 4% by mid-1975.

"By the end of 1975," he said, "there is a reasonable possibility of reaching a 4% grade of inflation, but to do that would require having the unemployment rate well beyond 6%," compared with 5% at last count. Controlling inflation "is going to take much longer than generally realized", he asserted.

IN COLORADO, BAD DAYS FOR A CATTLEMAN

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. JOHNSON of Colorado. Mr. Speaker, I would like to bring to the attention of my colleagues an article from the June 4, 1974, issue of the Fort Collins Coloradoan. It is a short article, but in its few paragraphs it explains the dire predicament of those who supply our Nation with beef.

The writer, Bill Hosokawa of the Denver Post, analyzes the amazing loss of $125 on one steer from the Monfort Feedlots of Greeley, Colo. Yet Monfort's, as the world's largest producer of grain-fattened cattle can withstand such losses, at least for a time. But what of the hundreds of small producers without the financial reserves to survive.

A forboding message is conveyed, and it is simple. If something is not done immediately, America need not worry about sending beef abroad, for there will not be enough to put on our own tables here at home.

I commend this article to the scrutiny of every Member of the House:

IN COLORADO, BAD DAYS FOR A CATTLEMAN

(By Bill Hosokawa)

DENVER.—Ken Monfort, whose Colorado-based company is the world's largest producer of grain-fattened cattle, sold a steer one day recently and instead of making a profit he lost $125.

What worries Mr. Monfort is that he has 180,000 head of cattle in his feedlots and he's going to have to market most of them at a loss—probably not as much as $125 apiece—if conditions don't change. Meanwhile, every one of these animals is munching about a dollar's worth of grain every 24 hours. It costs Mr. Monfort $180,000 a day just to feed his cattle.

In the most recent quarter of his fiscal year, Mr. Monfort's cattle-feeding operations, around the town of Greeley, Colo., lost nearly $9.2 million. Profits from the company's other divisions and a substantial tax break trimmed the loss to $3.8 million.

Even so, it is not the kind of situation conducive to sound sleep at night. It also demonstrates how sensitively one remote segment of the United States economy, the beef industry, is linked to the world-wide economy.

The steer on which Mr. Monfort lost $125 was purchased half a year ago from a Texas rancher for 53 cents a pound on the hoof. Since it weighted 700 pounds, the cost was $371. Last fall, after the beef boycott ended, the future looked bright for the cattle business and an investment of $371 for this calf appeared to be sound.

By the time the calf gained 400 pounds to reach ideal marketing weight, Mr. Monfort's computers told him it has cost $216 in feed, wages, interest and other outlays. That averages out at 54 cents for each pound of growth.

Adding the original investment to the cost of fattening the steer, Mr. Monfort had spent $587 to produce this 1,100-pound animal for market.

But when he sold the steer the market had weakened so badly that he was paid only 42 cents a pound or $462. Instead of realizing a profit for his work, time and investment, he has lost $125.

It is not unusual for cattlemen to buy high and sell low. That's part of the risk of a highly volatile business.

"We've taken beatings before, but this is the biggest loss in my experience," says Mr. Monfort, a former Colorado state legislator. "Our situation is typical of the entire industry. We just happen to be the biggest."

What caused the trouble? Many things.

For one, there was that grain deal that sent United States surpluses to the Soviet Union. Suddenly American reserves had vanished. Buyers began to bid up the price, and the cost of feed nearly doubled.

Then there was the Arab oil embargo and the sudden rise in retail gasoline prices. Americans reduced their traveling. That meant they didn't eat steaks in restaurants the way they used to.

Auto workers were laid off. Their wives fed their families chicken or canned tuna rather than sirloins.

Britain used to buy nearly all of Mr. Monfort's beef kidneys. But British foreign-currency reserves had to be diverted to pay for expensive petroleum. The kidneys are now sold to pet-food manufacturers for one-third the former price.

Many smaller cattle feeders, less soundly financed than Mr. Monfort, are cutting back or going out of business. They cannot afford the risks on top of paying as much as 14 per cent interest on their loans.

At Brush, Colorado., Irvin "Whitey" Weisbart is shutting down the feedlot his father opened 40 years ago. "We were going to close it anyway," he says, "But the current situation speeded up our plans."

Cattlemen are retrenching all along the line. What the public doesn't realize is that it takes 28 to 30 months for beef to move from breeding farm to retailer. The calves that aren't being conceived today won't be on the meat counters two and a half years from now.

PERSONAL EXPLANATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. MOAKLEY. Mr. Speaker, due to official business in Boston on Tuesday, June 4, 1974, I was unable to cast my vote on the three bills considered by the House that day under suspension of the rules. I would like the RECORD to show at this point how I would have voted had I been able to be present.

For the bill Senate Joint Resolution 40, to allow for a White House Conference on Library and Information Services, which unfortunately failed, I would have voted "aye."

To the bill H.R. 13595, authorizing appropriations for the Coast Guard for fiscal year 1975, I would have voted "aye."

On the bill S. 2844, to provide for collection of special recreation use fees at additional national campgrounds, I would have cast an "aye" vote.

In addition, the House considered two conference reports, relating to funding measures for fiscal year 1974.

To the conference report to accompany the bill H.R. 12565, the Supplemental Authorization for the Department of Defense, had I been present, I would have certainly cast an "aye" vote.

And finally, on the conference report to accompany the bill H.R. 14013, making Supplemental Appropriations for fiscal year 1974, I would also have voted "aye."

I regret that I was unable to be present for each of these votes, but I would like the RECORD to show at this point how I would have acted had I been able to be here.

PLIGHT OF THE NATION'S LIVESTOCK PRODUCERS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. ABDNOR. Mr. Speaker, I am not satisfied with the amount of public attention devoted to the serious plight of the Nation's livestock producers. While this subject has not been entirely ignored by the consuming public, much of what has been said about this disastrous situation relates to the industry as a whole and the financial community which supports it. Untold are the thousands of stories of bankruptcy and failure now threatened throughout mid-America because of existing livestock prices caused by the excessive importation of meat into this country and the failure of retail meat outlets to pass the reduced cost of meat on to the consumers.

Farmers and ranchers throughout South Dakota are flooding my office with letters and calls which tell one story—unless there is an immediate increase in market prices for livestock, there will be wholesale liquidation of breeding herds and endless foreclosures of ranches and farms. In many of these cases, those wiped out will be families that have been in the livestock business for generations.

The following letter from Mrs. Vernon Randall of Chamberlain, S. Dak., expresses very well what families on farms and ranches all over rural America are now faced with. I am hopeful that my colleagues will join me in finding the solution to the problem of low livestock prices which threaten individuals and families as well as an entire industry.

The letter follows:

CHAMBERLAIN, S. DAK.,
June 4, 1974.

DEAR CONGRESSMAN: We shipped hogs to Sioux Falls today.

That is usually a highlight on the farm, but not this time. Usually when we get the check from our sales, we can pay off the debt we made when we bought them, but not this time. We also used to pay the bills for feed, medicine and gas used to raise these hogs. But not this time. We always hope to have some left over for living expenses and other expenses such as insurance, payment of the farm, repairs and equipment, but not this time.

If the market isn't down today, we might get 25 cents a pound for the hogs. In order to break even we have to get between 35 and 40 cents. How can we keep our heads above water with prices like that? Where is the money going to come from to meet our debts and expenses? All of us farmers are in the same boat. The farmers are the backbone of our nation, and the United States Government is letting them down.

Something can and must be done about it. Why does the U.S. let Canada ship billions of pounds of pork into the U.S. and they won't let us export a pound of meat into their country? If we weren't importing so much, maybe we could have a fair price for our products. Why should we import from them, it just doesn't make sense.

Our son is just beginning to farm with us, but what incentive does he have (or anyone else for that matter) when he loses money every day, just because our government thinks they have to keep on the good side of every country by importing their products. Those countries are all laughing at us for being such suckers. These young boys are soon going to give up and go searching for a better way to make a living. When they all go to the city to find a job, what is going to happen to our food supply then? You had better look ahead at this situation and do something about it.

Our expenses have more than doubled since last year. Gas, feed, fertilizer, parts, machinery and everything that we must have is going up beyond reason, and yet the price of every one of our products has gone down—eggs down 43%, beef down 38%, pork down 35%, poultry down, wheat and corn down.

It is ridiculous, in a prosperous nation such as the United States, that the farmers are going bankrupt while everyone else is prospering.

It would seem that there are enough Congressmen in Washington who represent farmers that something could be done about this dangerous situation. Let's see some action.

Yours truly,
MRS. VERNON RANDALL.

IF YOU LIKE BROWNOUTS, YOU WILL LOVE H.R. 11500

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. HOSMER. Mr. Speaker, the first hot day of the summer has resulted in the first of many voltage reductions that will soon be commonplace if we do not get serious about developing our domestic energy supplies. On Monday, most east coast electric utilities found it necessary to use a "brownout" to meet the demands of 95° weather on electrical consumption.

The problem locally was not that the utilities lacked the generating equipment to produce enough electricity. Instead, the problem is one of fuel, as the article following my remarks points out.

Soon the House will take up H.R. 11500, the Interior Committee's bill to limit strip mining. No reasonable man can dispute the need to end the abuses which too often have characterized the extraction of coal. At the same time, no reasonable person can question the need for surface mined coal to meet demands for power production. H.R. 11500 simply goes too far.

According to Federal Energy Office Administrator John Sawhill, enactment of H.R. 11500 could cut coal output by up to 187 million tons of coal annually at the precise moment it is so desperately needed. This would be tantamount to scuttling the Navy the day after Pearl Harbor.

If and when H.R. 11500 gets to the floor, I plan to offer H.R. 12898 as a substitute. H.R. 12898 will end the environmental abuses that H.R. 11500 seeks to end.

More importantly, it will also permit us to mine the coal we need to avoid the shutdowns and power reductions that are inevitable if H.R. 11500 becomes law.

LITHUANIA STILL DOMINATED BY THE U.S.S.R.

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. COTTER. Mr. Speaker, we have witnessed in the recent past many positive moves in the direction of worldwide freedom. However, even in this era of détente, we are sadly reminded of the strength of the Iron Curtain behind which the tiny nation of Lithuania is still dominated by the U.S.S.R. This sovereign nation was forcibly annexed into the Soviet Union 34 years ago. I join with my colleagues in commemorating this tragic event.

After the Communist occupation of Lithuania, nearly one-sixth of the population was driven from their homeland in one of the most inhumane chapters in world history. However, their quest for a free and independent existence could not be suppressed. Indeed, even within the last 5 years, insurrections against Communist domination were staged, and unhappily resulted in the self-immolation of three brave citizens. And, of course, we must not forget the valiant attempt of Seaman Simas Kudirka who, back in 1970, unsuccessfully sought sanctuary aboard the U.S. Coast Guard ship the *Vigilant*.

This same drive and determination which was present in the spirit of the Lithuanian people back in 1940 still lives today, and I join with all Americans of Lithuanian descent in the fervent prayer that this Baltic Nation will be free once again.

THE SOVIET UNION PLANS NEW HARASSMENT FOR SOVIET JEWS BEFORE AND DURING THE VISIT OF PRESIDENT NIXON TO RUSSIA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. DRINAN. Mr. Speaker, I was distressed and depressed by news that the Soviet Union is once again planning intimidation and harassment of Soviet Jews prior to and during the forthcoming visit of President Nixon to the U.S.S.R.

I append herewith an account from the Washington Post of June 12, 1974, of plans by Russian leaders to cut off phone service of all Jewish activists in the U.S.S.R.

I attach herewith also, Mr. Speaker, an address which I was honored to give at a rally on behalf of Soviet Jewry in Baltimore on Friday, June 7, 1974.

I was pleased that our colleagues, Congressman Clarence Long and Congressman Paul Sarbanes also spoke at this event expressing their deep concern over the problems and plight of the 3 million Soviet Jews.

Mr. Speaker, these two items follow.

[From the Washington Post, June 12, 1974]

SOVIETS CUT PHONE TIES OF JEWS

(By William R. MacKaye)

The Soviet government has shut off the telephone of virtually every Jewish activist in the U.S.S.R., American groups concerned about Soviet Jews have reported.

The maneuver is apparently designed to thwart any effort by Soviet Jews to dramatize to President Nixon their campaign for freedom to emigrate to Israel during the President's visit to the Soviet Union later this month, representatives of the groups said.

Jerry Goodman, executive director of the National Conference on Soviet Jewry in New York, estimated that 98 per cent of the activists' phones had been disconnected, most of them in the last two weeks.

Karen Kravette, Washington representative of the somewhat more militant Union of Councils for Soviet Jews, who also reported the massive telephone disconnection, speculated that the Soviet authorities also hoped to block news of other repressive moves against Jews by cutting their telephone ties to the West.

Activist Jews, however, have used other contingency lines of communication to alert Western friends of an increase in secret police surveillance of leading activists and of growing fears among male Jews that they will be called up for military service, she said.

Before President Nixon's Moscow trip two years ago, a number of key activists, many of them over 40, were drafted for up to 90 days of military service, effectively removing them from Moscow during the presidential visit. A similar wave of telephone disconnections also preceded the 1972 Nixon trip.

Agencies involved in the cause of Soviet Jewry are particularly edgy about the possible impact on Soviet Jews of President Nixon's speech in Annapolis last week in which he pledged a U.S. "hands off" policy regarding internal Soviet affairs and urged defeat of the Jackson-Vanik amendment to the pending trade bill.

The proposed amendment, which has the vigorous backing of the agencies and the American Jewish community generally, would tie liberalized U.S. trade policies toward the Soviet Union to Soviet government easing of the emigration restrictions.

Goodman noted that Stanley Lowell, the new chairman of this agency, which is funded by a broad coalition of Jewish groups, issued a statement shortly after the President's speech expressing the hope that Soviet Jews would not suffer as a result of Mr. Nixon's assurances to the Soviet government.

ADDRESS OF CONGRESSMAN ROBERT F. DRINAN AT THE NATIONAL SOLIDARITY DAY FOR SOVIET JEWRY, JUNE 7, 1974, AT BALTIMORE

Both the Kremlin and the Nixon administration are demonstrating that they prefer free trade between the United States and the USSR to the free emigration of Jews from the Soviet Union.

Soviet Jewish emigration to Israel ran at 3000 a month in 1973—a figure slightly better than 1972.

In 1974, however, Soviet Jews going to Israel have declined in number every single month. The number was 1720 in March, 1600 in April and 1226 in May, 1974—the lowest figure in almost three years.

In June, 1973 Brezhnev made the claim to U.S. Senators on the occasion of his visit to Washington that 95% of all of those applying for exit visas were receiving permission to emigrate from the USSR. At that time about 100,000 Jews were still awaiting visa exists in Russia. Now that figure has risen to more than 135,000.

In addition to the withdrawal or denial of permission the Soviets have increased the harassment and intimidation of those who desire to leave the USSR. In Moscow and Kiev, for example, persons wishing to apply for emigration must now get application forms from the police station rather than from the immigration office. In Leningrad, moreover, the post office has blocked delivery of invitations from relatives in Israel—the invitation which is essential to the Soviet citizen before he can even begin his visa application process.

In the twenty months of the existence of the Jackson-Vanik amendment we have seen the fantastic impact of this humanitarian measure. Both in Russia and in Israel the words Jackson-Vanik are almost magic. They give faith and hope to three million Jews in the Soviet Union.

The Russians, however, appear to be taking a hard line at this time in order to try to demonstrate that they can be as tough as the proponents of the Jackson-Vanik amendment. Unfortunately President Nixon is joining those in the Kremlin who prefer to have trade for Russia rather than freedom for Soviet Jews. At Annapolis on June 5, 1974 the President stated that the United States "cannot gear our foreign policy to the transformation of other societies." The President went on to practically bless the anti-emigration policy of the Kremlin. The President stated "we would not welcome the intervention of other countries in our domestic affairs and we cannot expect them to be cooperative when we seek to intervene directly in theirs". The President is wrong on every count in this sentence. The Jackson-Vanik amendment is not an "intervention" in the domestic affairs of Russia; it is merely a device by which we can insist that those nations who desire preferential treatment from the United States observe those guarantees to which they and we have subscribed in the United Nations declaration on human rights.

The Nixon administration is calling for a "compromise" on the Jackson-Vanik amendment. Dr. Kissinger is said to have received assurances about freedom of Soviet Jews to emigrate in a meeting with Mr. Gromyko on Cyprus on May 5. We have been told that Mr. Gromyko amplified upon his alleged assurances on May 28 in a brief meeting in Damascus with Dr. Kissinger.

Even the Washington Post today, June 7, 1974, editorializes that "the time for compromise on the Jackson-Vanik amendment is now." The Washington Post states that the President understandably "does not wish to sit down in the Kremlin with his hands trussed by the Senate." The Washington Post alleges that the pressure of the Jackson-Vanik amendment is "backfiring."

The Nixon administration also takes this position by claiming that they will seek the objectives of the Jackson-Vanik amendment by diplomatic means. In advancing this claim the Nixon administration is urging the Congress to delete from the trade bill the restrictions placed on credit to the U.S.S.R. unless it allows free emigration of Soviet Jews. No matter how this proposition is phrased it is a basic erosion if not an elimination of the entire thrust of the Jackson-Vanik amendment. This amendment would mean that the President must certify at regular intervals that the U.S.S.R. is in fact observing the right of every human being to emigrate from one nation to another. If the evidence does not support Russia's implementation of this right, then the Jackson-Vanik amendment requires that the very beneficial credits to the Export-Import Bank (Eximbank) will be withdrawn. But the President wants to use diplomatic pressure rather than a law of the Congress.

I find this particular type of compromise unacceptable. It was the adamant position of the Congress in insisting upon Jackson-Vanik which brought about the trickle of emigration which is now possible from the U.S.S.R. to Israel. A withdrawal of that pressure in the name of some vague diplomatic negotiations will do nothing except to allow the three million Soviet Jews to be returned to the state of oppression with which they have been afflicted since the days of the czars and particularly since the era of Stalin.

Now therefore, as never before, is the time when those who believe in the basic moral and spiritual principles underlining the Jackson-Vanik amendment must be firm and unyielding. The Jackson-Vanik amendment is a continuation of that policy adopted in 1892 when the House of Representatives refused to allocate funds for food transport to Russia on the grounds that the czarist regime, by its treatment of Jews, had shocked the moral sensibilities of the Christian world. The Jackson-Vanik amendment is comparable to the legislative effort in 1911 to abrogate an 80 year old Russian-American trade treaty. At that time Secretary of State Knox urged "quiet and persistent endeavors in a diplomatic way rather than treaty abrogation in attempts to change czarist policies". The State Department continued to echo the theme now familiar to the effect that America's commercial and industrial interests would allegedly be harmed by abrogating the commercial treaty with Russia. State Department voices stated that anti-Semitism would fall on Russian Jews. In December, 1911, however, the House of Representatives, having heard countless members condemn the practices of czarist Russia, voted to abrogate the treaty by an overwhelming vote of 301–1.

The pressure to compromise on the rights of Soviet Jews will be more pervasive, more subtle, and, yet, more "persuasive" in the immediate future. The contention will be made that those who want to deny Russia the benefits of the Export-Import Bank are the enemies of detente and thereby the enemies of a lasting peace. It is now being hinted that the Export-Import Bank may run into serious financial difficulties if it is not allowed to do business with Russia. The USSR may play the game itself by sharply increasing for a brief period the number of Russian Jews allowed to go to Israel. In short, all types of deception, rationalizations, and bad arguments will be used to persuade the House and the Senate to cut the heart out of the Jackson-Vanik amendment.

All of us must be more vigilant than ever before. Christians as well as Jews—perhaps I should say Christians more than Jews—must recognize that there is a basic moral question confronting the Congress and the country. The basic question confronting all of us comes to this: Will we allow those people whose immoral attitudes brought us

Watergate and the greatest political scandal in the history of our country to persuade this nation to abdicate its moral responsibilities to the three million Soviet Jews who desire to exercise one of the most fundamental rights given to all men everywhere?

I appeal particularly to Christians to rally at this dark hour of crisis. Christians must recognize as never before what Reinhold Niebuhr, the great Protestant theologian, once said: "No one can be a good Christian until first he is a good Jew."

REPRESENTATIVE ADAMS' SPEECH ON THE PURPOSE OF THE REGIONAL RAIL REORGANIZATION ACT

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. SHOUP. Mr. Speaker, one of the most significant pieces of legislation enacted by this Congress was the Regional Rail Reorganization Act, which I coauthored with Representative BROCK ADAMS. This act creates a planning process whereby the bankrupt railroads in the Northeast can be reorganized into a viable and profitable rail system, and provides Federal financial backing for the creation of a new, private enterprise, railroad corporation to operate the system.

As we expected the act has generated a slew of lawsuits from disgruntled creditors challenging its constitutionality; they are demanding compensation far beyond that provided in the act. I believe that the provisions of the act are fair and equitable in their treatment of the creditors' rights and that the constitutionality of the act will ultimately be upheld by the Supreme Court.

In a speech today to the Food Industry Transportation Conference in Washington, D.C., my colleague, Representative ADAMS, gave a clear and succinct statement of the intent of Congress in passing the Regional Reorganization Act. For the benefit of my colleagues who are following the progress of the act with great interest. I am placing the full text of Representative ADAMS' speech in the RECORD. I want to emphasize that I am in complete agreement with the statements made in his speech regarding the Regional Rail Reorganization Act.

The speech follows:

A NEW CRISIS FOR THE INVISIBLE SERVICE

(By Congressman Brock Adams)

THE TRANSPORTATION SYSTEM, A NEW CRISIS AND THE INVISIBLE SERVICE: I. THE NORTHEAST RAILROADS: CREATORS, CREDITORS, CONSUMERS AND COURTS

I was very pleased to be invited to be a speaker at the Food Industry Transportation Conference. This is a knowledgeable audience with a distinguished group of speakers on transportation problems. My remarks this morning are intended to give you, as people vitally concerned with transportation and the food distribution system, a status report on legislation, both pending and already enacted, which will affect the day to day conduct of your business.

Over the past few years, I have given many speeches to transportation groups—to shippers, railroaders, the airline industry, to truckers, and to the men and women union members who make the various transportation modes work. To me, transportation is a fascinating enterprise. It is not always glamorous and it is not often in the news. But it is the central nervous system of our national economy. It only makes the news when something goes wrong with it. Last Saturday, a disastrous train wreck in a tunnel on the Penn Central's West Shore Line up the Hudson made the front page of the New York Times. News of the crisis which has faced the rail transportation system in the Northeast for the past year and a half has too often appeared on the back pages, the financial pages, or more ominously, on the obituary page.

The transportation of goods and people from place to place—by land, air, or sea—is something most Americans take for granted. Tomorrow the sun will rise in the East, the trains will move, the planes will fly, the trucks will roll. But you who work with transportation every day know the incredible complexity of this task of distribution. Everyone worries about the price of a can of tomatoes or a sirloin steak but few wonder how the item they are buying in the supermarket got there in the first place. Some miraculous genie has put in front of the consumer that incredible array of food and goods from which he or she can choose. I know to you it is commonplace, but in the perspective of history it is astonishing. Vegetables of almost every type—fresh, canned or frozen—the year round. Meat of every variety at the butcher's counter. Chicken, eggs, and cheese. The list could go on. The shopper of 1974 is free from the chain of seasons. Almost everything is available almost all of the time. Why? Because of transportation the Florida corn or the Arizona tomato or the Washington apple can go anyplace, from Seattle to New York, at almost anytime of the year.

For some this task of distribution may seem a miracle. For you who know the complex details of bringing those goods from the fields in which they grew to the markets in which they are sold, it is not miraculous—it is just a very complicated and difficult job. A very fragile miracle indeed. But for most people the goods for purchase in the store are there by right—just as much a certainty as the sun rising every morning. For them transportation is the invisible service. When it becomes visible, is when it stops or threatens to stop.

Before discussing the national programs necessary to maintain, let alone, improve, the nation's transportation system, I want to talk with you about the continuing crisis of the Northeast railroad system.

As many of you know, last year Congressman Shoup and I authored legislation which was a result of months of hearings and meetings with every group affected by transportation. This legislation became the Regional Rail Reorganization Act; it was a truly bipartisan measure.

We listened to all of the interested groups, and they were ably represented by good spokesmen. In the final analysis, however, it is our job as elected representatives to speak for the public interest and to make basic policy decisions on the content of the legislation.

This law became effective on January 2, 1974. In greatly simplified terms, it provides for:

1. a planning process to determine the system necessary to provide adequate, efficient, profitable rail transportation service in the Northeast;
2. the creation of an independent United States Railway Association (USRA), with a broad-based Board of Directors representing the public interest, to finalize the plans and providing financing for a new rail system;
3. the creation of a new, for-profit, privately owned corporation that would act as a buyer or reorganization partner with the bankrupt railroads of the Northeast;
4. a broad range of government assistance for interim operating payments, plant improvement, payment of labor displacement costs and help for local communities to retain vital transportation services;
5. expedited court proceeding so that all parties could have their rights determined under the statute and
6. a specific limit on the amount of the taxpayers' money to be committed to the project.

II. THE COURTS AND THE CRISIS

On Monday, June 3, 1974, a special three-Judge court in Philadelphia heard arguments by the creditors of the bankrupt railroads that the Act should be declared unconstitutional.

These creditors want nationalization or a government taking so they will be paid 100 cents on the dollar. The trustees for the Penn Central Railroad argue the statute was constitutional, but only if the creditors could obtain more taxpayer money for the assets they transfer to the new corporation than was provided in the statute.

The Government attorneys' position is a difficult one. They are torn between carrying out the intent of Congress that taxpayer liability should be limited, maintaining the statute against the creditors who want the Government to take over, and accepting the position of the Penn Central Trustees that the statute should be carried out by allowing a large contingent liability against the Government.

III. INTENT AND INTEGRITY

On Thursday, June 6, 1974, I felt it necessary to write a letter to the Court hearing this matter. In the letter, I indicated that the Congress had intended the Federal government's financial commitment be limited to the sums authorized in the Act. Congress did not intend that there be a deficiency judgment against the Federal Treasury.

I am well aware from my experience as a private attorney and as a U.S. District Attorney, that the Congress having passed a statute must rely on the Government attorneys to maintain the Government position. The Congress cannot administer laws. It must rely on Government attorneys to defend them (though I think this practice is going to change perhaps).

I was deeply distressed when the Government attorneys did not, despite the request of the Members of the House Transportation Subcommittee, inform us that, contrary to the views of the Subcommittee, they might have to concede the possibility of a contingency liability at the 3-Judge District Court level. The procedural problem was that the matter of a contingent liability against the government could be decided by concession at the lower court level and thus never be presented to the Supreme Court for final decision.

I have indicated to the Government attorneys and others that I and other Members of the Subcommittee were prepared to file an *amicus curiae* brief in the Supreme Court outlining in detail the manner in which this statute was created and what the Congressional intent was. My fear was that this presentation could be foreclosed by action of the lower court.

I realize that any statements filed with the Court by Members of Congress may seem to be of advantage to one party or another, and I have carefully indicated to the Court that I do not intend to argue the merits of the case. However, I believe it is essential that the Court and the Government attorneys know that the basic integrity of a Congressional Act is involved. If the statute does not meet constitutional standards by the manner in which it was drawn, then the Congress must change it. Major changes, such as granting the potential of large additional payments to creditors, should not be grafted onto the Act by judicial fiat.

I am also concerned that the DOT might revert to its original position by letting the statute fail and by forcing these railroads into liquidation and onto the auction block. I am worried that the statute will not be given a fair chance and that the government will be faced with the prospect of nationalizing the system as the only way to maintain rail service.

One of the reasons the present problem developed was that the Administration failed to appoint the Board of Directors of USRA by March 15, 1974. This Board of Directors was to be composed of people independent of the Executive Branch who had the knowledge and the interest to make the reorganization process work. The timely appointment of this Board would have created an independent agency with its own general counsel to help develop its legal position.

The President did not submit the names to the Congress until the end of May and the nominees are still awaiting confirmation. The result is that the Government position in Court has been basically developed by the Departments of Transportation and Justice, and the new Agency will be bound by these decisions. This shows what can happen when the provisions of a complex and carefully drawn statute are not carried out by those who are supposed to administer it, no matter how good their intentions may be. It also places those of us who made specific representations to our colleagues through legislative history in the position of having to speak out.

The Regional Rail Reorganization Act was carefully conceived with the full knowledge and assistance of all appropriate government agencies and with the support of all parties affected by it. It is a good and a proper solution. Those of us who have worked on the Northeast railroad problem for the last three years are standing behind this Act as it was created and we believe the Supreme Court will uphold it.

IV. TRANSPORTATION POLICY—THE ENERGY CRISIS AND INFLATION REQUIRE EFFICIENCY

I have chosen transportation as my area of specialty as a Member of Congress not only because it is important and it interests me, but because it is one of the most basic of consumer interests. The simple fact is that without transportation, there would be nothing there—in the market, at the point of sale—to buy.

Today, I speak to you in a very different context from that of the past. The energy crisis and inflation have given dramatic illustration to the importance of transportation and have made everyone look again at the "invisible service." These two factors throw a new light on the traditional fight between the modes and give new importance to what Congress is trying to do to cure the basic problems confronting the transportation industry. The status quo is over and we must make news and it must be good news.

Inflation and the fuel shortage mean that our transportation system must function at its greatest efficiency. All of us here today know that we have demanded that transportation be stable and available even at higher cost or inefficient use of fuel. Everyone seems to have a special hobgoblin to explain inefficiency—to much regulation, unequal government subsidies for differing modes, poor return on investment. However, most careful observers do not think there is any one factor that can be singled out but a complex of causes. Of all the modes, the railroads are certainly in the poorest shape both in terms of physical plant and in earnings. Yet they are certainly the most efficient in terms of fuel and cost for long distance overland hauls. The trucks are the most efficient for collection and distribution over shorter distances with the flexibility of the highways and ease of loading and unloading working for them. The barges are most efficient in use of fuel and cheapest in total cost. Yet each mode is still trying to compete in all sectors with railroads operating at a loss in switching cars for local deliveries, trucks attempting to find fuel for long haul runs and barges being limited by their access to traffic.

V. THE SURFACE TRANSPORTATION ACT

The legislation which I have sponsored, the Surface Transportation Act, is a legislative package which will meet some of the capital needs of the transportation industry through government guaranteed loans and regulatory reforms. I think the reports I hear of the demise of this legislation are very premature. Despite the heavy agenda of the Transportation Subcommittee of the House Committee on Interstate and Foreign Commerce, I think that like "Little Current" I hope we will be able to find an opening in the pack and move up on the inside rail, and report a bill from the full Committee this Fall.

DOT, partly as a result of the financial collapse of the railroads in the Northeast and the truckers strike for fuel, has recognized that more than regulatory reform alone is needed to restore the transportation system to health. DOT now favors a $2 billion loan guarantee program for railroads as well as the regulatory reforms included in the Transportation Improvement Act. My bill and the DOT are very close in many respects, and I am hopeful that we will reach agreement on two key regulatory issues—greater rate flexibility and in easing the control of rate bureaus over rate proposals. My philosophy on regulation is a follows:

"The nation's regulatory policy should be directed toward creating and maintaining a privately owned and operated intermodal interstate system regulated by the federal government in the public interest. The regulations should be uniform for all modes and the degree of regulation should vary with the degree of monopolization existing at any particular point in the system. The government regulations will thus take into account the importance of both transportation and shipping units in a particular market with competition allowed to set individual prices above cost where neither shippers nor the industry have power to control the market and otherwise the rates will all be set publicly by government regulation. The ICC should be given a period of time to demonstrate whether it can overcome its present regulatory lag and if not then the regulatory system should be restructured so as to produce prompt and fair regulation."

Developing this legislation has been a lengthy and complex task. It deals with basic pocket book issues and requires the balancing of many competing interests. In the past three years I have met repeatedly with representatives of every group affected to pass this legislation.

The members of this audience have a direct stake in the success of the Regional Rail Reorganization and a new transportation law. I wanted you to be aware of my concern, as a drafter of the Northeast railroad legislation and the proposer of the Surface Transportation Act that we need your help in persuading a somewhat reluctant dragon to carry out the will of Congress, and to agree to passage of a new transportation program. The dragon doesn't seem too interested in what Congress has to say—perhaps it will pay more attention to the transportation community. I urge you not to assume that you can sit back, relax, and leave the driving to DOT.

ON INFLATION

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. LONG of Louisiana. Mr. Speaker, inflation in my opinion is the worst problem confronting our Nation today. While inflation affects every American in one way or another, those who are hurt the most are those who can afford it least—people on fixed incomes and people in the middle, and lower, income groups. And while the Federal Government labors arduously to find solutions to inflation, we continue to be subject to inflation's will.

Proposed solutions for inflation have come from all corners—academia, the business community, labor unions, and the Government. Mr. A. W. Clausen, president of the Bank of America, has expressed some interesting ideas on the subject in an article written by Michael Harris of the San Francisco Chronicle. Mr. Clausen has taken a novel approach to the problem by proposing, of all things, a tax increase. While I at this time have no comment one way or another on Mr. Clausen's suggestion, I urge others to follow Mr. Clausen's lead in trying to solve new problems with new approaches. It is obvious that the old solutions are no longer working.

I was given a copy of this excellent analysis by Mr. A. R. Johnson, president of the Guaranty Bank & Trust of Alexandria, La., and I have inserted the article into the RECORD as follows:

INFLATION? HERE'S WHAT BANK OF AMERICA'S HEAD SAYS ARE THE REMEDIES

[EDITOR'S NOTE.—The following article is written by a staff member of the San Francisco Chronicle and was published originally by that newspaper last week.]

(By Michael Harris)

The surge of inflation in the nation has reached a "cancerous" 11.5 per cent rate that leaves the United States with only two painful choices, according to Bank of America president A. W. Clausen.

One is to watch passively while inflation continues raising everybody's prices and stealing into everybody's savings until the process ends in worldwide recession.

The other is to accept a temporary tax increase until prices are back under control and also—in almost revolutionary fashion—to make a permanent change in the way people spend their money.

Clausen said the time has come to quit wasting money on things people don't need, no cars that wear out too soon and on products that are designed to be thrown away after one using.

"We have distorted consumption into an economics of waste," Clausen said.

"And waste itself is inflationary."

Clausen and four other top Bank of America officials discussed the dangers of inflation last week in a lengthy interview.

The tone of the dialogue across a round table in a sunny room on the executives' floor high in the Bank of America's headquarters were quiet and sometimes technical.

But the message was urgent.

As president of the world's largest bank, Clausen can talk to other bankers, to economists and to government leaders. But all of them, he said, are powerless to wage an effective fight against inflation until the public understands what the problem is all about.

"People want to fight inflation, rather than give in to it," Clausen said.

"If they are aware of what is necessary, they are willing to make some sacrifices."

The nature of the problem can be expressed in everyday terms. Put as simply as possible, if inflation continues at the present rate, the dollar will buy 54 cents worth of food, clothing and housing five years from now—or 29 cents' worth in ten years.

In 19 years, the dollar will be worth a dime.

Clausen described it somewhat differently.

"Inflation itself is a tax," he said. "The people who suffer most from it are low-income people.

"It is a tax that hurts more for those earning $5,000 to $10,000 a year than it does for those making $20,000 to $25,000.

As most people realize, Clausen continued, the process of trying to match higher prices with higher wages cannot continue indefinitely. The pensioners suffer along with the very poor.

"We have worldwide inflation and the specter of worldwide recession," he said.

"The problem has to be fought, and there's not a chance of winning it unless the effort starts here in the United States."

With so much money being spent uselessly in this country on nonessentials, Clausen continued, American industry finds itself stalled in an inflationary trap of high costs accompanied by prohibitively high interest rates.

The result, he said is that industry cannot raise the money needed to build factories that could provide long-term jobs and badly needed products—the very things that are essential for long-term prosperity.

"We don't have enough steel, aluminum, paper or oil refining capacity," Clausen said. "But corporations don't want to borrow for 25 or 30 years for new plants at 9¼ per cent."

Among the changes Clausen proposed for the way American deals with money and credit were:

Automatic increases in income tax rates whenever the rate of inflation gets too high.

Tax laws that encourage people to save money, perhaps by giving tax exemptions on some of the interest paid on savings accounts.

Government assistance for businesses forced to convert from one field to another by changes in government policy.

A top level commission to help chart a new, production-oriented future for the United States.

Clausen said he was advocating a commission that would produce changes as fundamental as the six-year study that led to the creation of the Federal Reserve System following the wholesale bank failures in the Panic of 1907.

He contrasted his anti-inflation program with the suggestions of some senators and congressmen who have pressed for tax cuts to help constituents whose purchasing power has been reduced by inflation.

"That's throwing kerosene on the fire," Clausen argued.

Instead of inflating the economy with still more money, Clausen said, it would be better to call for short-term belt-tightening by raising taxes temporarily whenever inflation rose too rapidly.

Such a tax would have gone into effect, for instance long before the inflation rate reached the dangerous 11.5 per cent stage.

It would have prevented the expensive two-year delay in imposing needed taxes when President Lyndon B. Johnson used deficit spending to finance both the war in Vietname and domestic social legislation.

What is needed. Clausen continued, is a way to have the tax go into effect virtually automatically—in effect, to "depoliticize" the inflation flight.

It might for example, be decided that the country could live safely with an inflation rate of 3½ per cent a year but that taxes should go up whenever that figure was exceeded.

The extra money collected in temporary taxes could be deposited in the government's Social Security reserves, Clausen said.

This would not only help combat present-day inflation but, he added, would reduce the need for future Social Security tax increases.

Clausen explained why he thought a short-term remedy such as a new tax law would not be enough. He told why he thought a more basic study of the nation's economy had to be undertaken.

"The traditional tools—fiscal and monetary policies—don't seem to work today," he observed.

"Maybe we need more tools, or maybe we don't understand enough about the problem. Maybe we ought to go back to the drawing boards."

A group of no more than 15 persons ("We want to build a horse—not a camel") should be drawn from government, business, labor and consumer interests to spend three or four years studying the problem, Clausen said.

"If we tried to put a 90-day or one-year time limit on them," Clausen said in reply to a question, "all we could get would be a knee-jerk or shoot-from-the-hip job."

Clausen said he did not believe unemployment would increase if the committee succeeded in drawing up plans to transform the economy from its present emphasis on consumer spending to a new stress on production.

Clausen gave part of the answer to the question in a speech earlier this month when he said, "The major industrial nations of Europe have never approached our level of consumption, and for the most part they have retained the quality of durability in their durable goods to a greater degree than we have.

"Yet they have consistently kept their unemployment rate below ours."

Despite the dangers, Clausen said he was still optimistic.

"Inflation is our Number One, enemy," he said. "And when it comes to a choice between done something or committing hara-kiri, we're going to do something."

THE NEW DEFENSE POSTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington report entitled "The New Defense Posture":

The New Defense Posture

Congress is now debating a military budget which points to major changes in U.S. defense policy. The key issue in considering U.S. global defense responsibilities is whether the U.S. has the arms and the men to fulfill them. A new Secretary of Defense, the lessons of the Middle East war, and a lagging economy have all contributed to the new look in defense. But the most important factor has been, in spite of the spirit of detente, that Soviet nuclear and conventional forces have steadily improved relative to the U.S. To meet these defense responsibilities, the Administration believes that the U.S. requires greater combat capability and forces sufficient to fight one major war and a limited war elsewhere at the same time (the 1½ war strategy).

The new defense position, with its emphasis on increased combat potential, weapon modernization, force readiness, and nuclear weaponry flexibility, also means higher defense spending of about 6 to 9 percent (in addition to the increase for inflation). In judging the appropriate level for defense spending, the probable nature of the next war, if one should come, and the enemy's strategy in that war, are difficult questions. Would it be a conventional or nuclear war? Where would it occur? Military planners have plenty to worry them, with an unfinished war in Southeast Asia, an uneasy peace in the Middle East, intense competition for the world's diminishing resources, exploding populations, and with large NATO and Warsaw Pact armies poised to strike one another.

The Administration is making several changes in the nation's defense posture to meet these challenges. Nuclear weapons development is moving toward greater accuracy for the strategic missiles and with less emphasis on weapons of mass destruction. The emphasis is on expanding the options available to the President in time of crisis, and meeting projected Soviet capabilities. The mass destruction weapons still exist, like the B–52 bombers, but the U.S. is entering a new era of weapons development with "refined" strategic and tactical nuclear weapons which stress accuracy over size. American nuclear power rests today on the triad of 1,054 land-based, intercontinental ballistic missiles, 656 submarine-launched ballistic missiles on 41 nuclear-powered submarines, and the 490 B–52s and F–111s of the Strategic Air Command. The emphasis in the years ahead will be on the nuclear submarines and the bomber forces, with the Navy pushing the development of the Trident submarine and the Air Force pushing the B–1 bomber.

Modernizing their arms on a wide scale, the Navy and the Air Force are also making sweeping and costly changes in their general purpose forces. The Navy wants more nuclear carriers, new sea control ships, several kinds of destroyers and frigates for escort, and anti-submarine ships to help guard against Soviet submarines. The Air Force is seeking, in addition to the B–1 bomber, a new aircraft for the support of ground forces, the A–10.

With rapid advancement in weapons technology apparent in the 1974 Middle East war, the Army has also launched into a major modernization program. The major efforts will be to shift Army manpower from support to combat roles, to increase inventories of equipment, and to improve the sophistication of the weapons. A big question, prompted by the 1973 Middle East war, is whether new missiles used by the infantrymen will make the tank and the whole family or armored vehicles obsolete. While the debate rages among the experts, the policy at present is to balance both the tank and the anti-tank weapons. The Army is developing the TOW (anti-tank missile), a new main battle tank (the XM–1, which has better fire control and armor than the present M–60A1), two more lightly armored vehicles, an attack helicopter, and a combat support helicopter. The Army's most immediate need, according to Defense Secretary Schlesinger, is an effective air defense system where a lag has occurred partly because ground forces in Vietnam were comparatively free of attack from enemy planes. So despite detente and the end of the U.S. combat role in Southeast Asia, the fiscal year 1975 budget is the highest peacetime military budget in history. A $100 billion annual defense budget can be expected within a few years.

Congress has always been reluctant to reduce the defense budget, and usually cuts it no more than 4 or 5 percent each year. This reluctance arises because of the difficulties and the uncertainties of judgments on defense and also because of the high cost of being wrong. I believe that there is plenty of room for efficiency improvements in the defense budget, and that these improvements can be made without diminishing national security. These improvements include reductions in the number of support forces (not, however, a reduction in combat forces), cuts in headquarters personnel, slow-downs in the modernization programs, development of less expensive weapon systems, closer coordination of reserve and active duty units, and better procurement practices (cost over-runs in the billions are unacceptable).

Reductions in defense spending without risk to the national security can also come about if the U.S. proceeds cautiously to define more modestly U.S. objectives abroad.

TRIBUTE TO HERBERT E. HOFFMAN: HOUSE JUDICIARY COUNSEL EMBARKS ON FOURTH CAREER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. EDWARDS of California. Mr. Speaker, Herbert E. Hoffman, one of the senior counsel of the House Committee on the Judiciary, retires from his third career at the end of this month. I join his many friends in wishing him well.

Herb Hoffman sandwiched 4 years of military service between two 2-year periods of the private practice of law in New York City. Then, in 1948, he moved to Virginia to raise his children on green grass rather than city sidewalks, joining the Justice Department in the Office of the Deputy Attorney General. After serving 10 Attorneys General and 10 Deputy Attorneys General as Chief of Legislation, Herb began a third career—on Capitol Hill.

During his first year with the Committee on the Judiciary, he assisted with the monumental and controversial legislation considered by the subcommittee chaired by your distinguished former colleague, Emanuel Celler. During the 93d Congress, Herb has been majority counsel to the Subcommittee on Criminal Justice, rendering yeoman service on legislation to enact proposed rules of evidence for use in the Federal courts and legislation to provide for the court appointment of a Special Prosecutor.

Those of us on the House Judiciary Committee who have worked with Herb view his leaving with mixed emotions—regret because we will lose the direct benefits of his tremendous talents but also with a feeling of good will as he now embarks on his fourth career.

It is reassuring, however, that in his new position as Director of Governmental Relations for the American Bar Association his talents will still be available to us in Congress and will be in addition more directly available to the organized bar.

SUPERTANKERS AND POLLUTION

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. DE LUGO. Mr. Speaker, I wish to bring to my colleagues' attention an editorial decrying a situation which drastically affects our delicate ecological balance.

This article focuses on the imminent threat to the Virgin Islands environment that would result from the increased flow of unsafe oil tankers if additional oil refineries are built in the Islands. The central issue, however, is that safety considerations have not increased with the size of modern oil tankers. Ships now under construction are up to 70 times the weight of the largest tankers used after World War II. They are being built faster and with less consideration for sufficient safety measures. With increasing worldwide dependence on oil, the producers of this valuable resource are becoming obsessed with the profits available through faster transport of their product. Larger ships, more ships, but no sufficiently trained crews or safety factors to limit the number of jettisoned cargoes, leaks, and sinkings.

This editorial rightly calls for immediate attention to construction practices of the supertankers that enter our coastal waters daily. Is a 100,000-barrel oil shipment that ends up floating in our oceans today more valuable than a 1,000-barrel load that arrives intact tomorrow?

I present this timely editorial comment with special attention to its mention of the detailed New Yorker articles of May 13 and May 20. The article follows:

SUPERTANKERS AND POLLUTION

Those Virgin Islands residents concerned with ecology and those who have been contemplating the construction of a second and possibly a third oil refinery on St. Croix would be well advised to read a pair of articles on supertankers in the May 13 and 20 issues of The New Yorker magazine. In what the New York Times has described as a "brilliantly detailed and powerful account," the magazine describes the recent and rapid increase in the construction of these giant vessels and the unforeseen consequences of their use.

Less than 30 years ago, at the end of World War II, the largest tanker in use was 18,000 tons. About a decade ago the first of the 100,000 ton tankers made their appearance, and with the closing of the Suez Canal during the 1967 Six Day War the supertankers came into their own. Now, there are dozens of tankers in the 200,000 to 250,000 ton range, with vessels up to 1,250,000 tons being built or planned.

The increasing numbers of these enormous ships have caught the world unaware. Many are operated under flags of convenience by crews falling short of American or British standards, and most are built more with an eye for profit than safety. In crowded areas such as the English Channel there have been numerous collisions and supertankers have broken up in storms, sprung leaks, or jettisoned cargo in order to save themselves when hit with mechanical failures far from the few ports in the world that can handle them.

All of this may seem a long way from these sun-bathed seas, yet eventually such uncontrolled pollution will effect us all. Virgin Islanders should have a heightened awareness of this problem, though, for it seems inevitable that, as refineries multiply here, there will be a greater likelihood of supertankers bringing their cargoes here for refining and transshipment to the mainland. Consequently, Virgin Islanders would be well advised to join those urging the major oil importing nations, such as the United States, to demand rigid safety standards and crew training for supertankers calling at their ports, and in particular that their operators be held strictly accountable for every drop of oil that they transport.

The result has been the spillage of tens of thousands of barrels of oil into the ocean, much of it in the heavily travelled tanker route around the Cape of Good Hope, whose stormy winter seas are doubly perilous for with loads suitable for only calmer waters. The New Yorker article ponders the question of the effect of oil killing spills on fish, fish eggs and phtyoplankton in these nutrient rich waters. Millions of people depend for their lives on fish caught in these waters as they are carried along the South American and African coasts by the ocean's currents, and pollution of these waters could become a disaster of the first magnitude.

BILLY MATTHEWS CONTINUES TO RENDER DISTINGUISHED SERVICE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. FUQUA. Mr. Speaker, few men who have ever served in the U.S. House of Representatives enjoyed as many friendships as our former colleague, D. R. "Billy" Matthews of Gainesville, Fla.

In that regard, I know that those of you who knew Mr. Billy will be interested to know that he was recently elected by the Gainesville Exchange Club to receive its annual Golden Deeds Award. This outstanding civic club annually names one person to receive this award for contributions to the community and "responses to need that go beyond the call of duty."

Returning to Gainesville to make his home after serving in the Congress from 1952 to 1967, he has added to a distinguished service career as a professor of political science and social studies at Santa Fe Community College there. He is one of the most popular of instructors.

I saw him recently and can relate to my colleagues that he is in good health, good spirits, and is enjoying life to the fullest. He continues to make a tremendous and lasting contribution to his fellow man and I wanted to extend my personal best wishes and congratulations on this well-deserved tribute given him by this outstanding club.

BICENTENNIAL CELEBRATION OF HARRODSBURG, KY.

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BRECKINRIDGE. Mr. Speaker, it is with great pride that I congratulate the people of Mercer County and Kentucky, and join with them as they celebrate the bicentennial of the founding of Mercer County's seat, Harrodsburg, during the month of June 1974.

On June 16, 1774, a settlement called Harrodstown—now Harrodsburg—was laid out 3 miles east of what later was to be known as Fort Harrod. However, an Indian uprising caused Daniel Boone to order the return of Kentucky surveyors to Virginia for their safety.

In the early months of 1776, a boy of 16, James Ray, was hunting near Fort Harrod. He had just killed and roasted a blue-wing duck when a "soldierly looking" man stepped from the forest. The boy offered to share his duck.

Ray later revealed:

> The man seemed starved and ate all of it.

The stranger asked a great many questions about the settlement and Jimmy offered to lead him to the fort. In this way, according to old accounts, George Rogers Clark was introduced to Harrodstown and to become its leader.

Clark later went on to open up the West by blazing a trail to Louisville, and thence on to Illinois. He left behind him three stockaded forts in that part of Virginia later to become Kentucky—Boonesborough, Logan's Fort, and Fort Harrod.

One of the festivities scheduled during this bicentennial celebration will feature the issuance of the Harrodsburg commerative stamp this Saturday, June 15, followed on June 16 by ceremonies unveiling a historic marker at the site of Fort Harrod.

Because of this historic occasion—a part of the prelude to the opening of the West—I place the following brief history of Harrodsburg and Fort Harrod in today's RECORD:

HARRODSBURG AND FORT HARROD, KY.

Harrodsburg of Mercer County, Kentucky, in the geographical center of the State, has the distinction of being not only the first permanent settlement in the State, but also the first permanent settlement west of the Alleghenies. It was here on Thursday, June the 16th, 1774, that James Harrod, woodsman and veteran of the French and Indian War, and 31 other men—ignoring King George III's Proclamation of 1763 prohibiting settlement west of the Applachians—laid out the settlement called Harrodstown. Each member of the company was assigned a half-acre and a 10-acre lot. By the end of the summer at least five cabins had been built.

From the first Harrodstown contained in microcosm the America to be; for the Harrod's company were English, Irish, Scotch-Irish, Poles, Germans and Welsh. All had certain things in common—a love of independence, an ideal of self-government and a belief in an all-powerful Providence.

During the summer of 1774, however, the settlers received word from Virginia's Governor Dunmore that the Indians were on the warpath and all were urged to return to Virginia until the menace had passed. The bearer of this bad news was Daniel Boone, who was so taken by the activity and promise of Harrodsburg that he built a cabin for himself. However, the danger of Indian attacks did not dissipate and, after the settlement was attacked, Harrod and his company left. They returned the following year (March 1775) to reoccupy the cabins they had deserted and word was pushed forward on a project begun the preceding year—a stout fort to protect the settlers who were now beginning to arrive.

When finished the fort was protected by blockhouses and a palisade of logs 12 feet high, making it the largest enclosure and the heaviest palisade in Kentucky. Within the fort was a spring that furnished the inhabitants a constant supply of water. It was in Fort Harrod that the first schoolhouse in Kentucky was established. In 1776 Mrs. Coomes taught reading and writing to the children of the settlement.

It was also in this fort that Ann McGinty operated the first spinning wheel in the West, making the first linen (from the lint of nettles) ever made in Kentucky, and the first linsey (from this nettle lint and buffalo wool).

It was in the fort that the first clergyman ever in Kentucky, the Rev. John Lythe, preached the Gospel. Rev. Lythe, of the Church of England, came to Harrodsburg in April of 1775. Here also Squire Boone, brother of Daniel and an occasional preacher, walked about with a Bible in his hand.

In the spring of 1776 George Rogers Clark encountered a young settler in the woods near the Fort, introduced himself and after eating the young man's roast duck lunch, was led to the fort. In this manner, according to some accounts, George Rogers Clark introduced himself to Harrodstown (later Harrodsburg) and became its leader.

The settlers soon found themselves embroiled in a legal problem of proving title to their land and in June of 1776, Clark called a meeting of the settlers. As a result of this meeting Clark and Gabriel Jones were authorized to go to Virginia to re-establish the settlers' claims. After a voyage of some hardship and danger Clerk and his companion arrived in Williamsburg, only to find that the assembly had adjourned. Undaunted, Clark went to Governor Patrick Henry who gave him a letter of approval to the Council of state.

Clark asked the Council for protection from a rival land company, Henderson's North Carolina Transylvania company) and for recognition from the Virginia legislature. The Council could only offer to lend Clark 500 pounds of powder, as a friend, but could not give it to the settlers as fellow citizens. Refusing the offer Clark said "that a country which was not worth defending, was not worth claiming," and intimated that he would seek help elsewhere, whereupon the Council changed its mind, gave Clark the powder free of any Virginia conditions, and promised that Virginia would acknowledge Kentucky as a county. This was done in December of 1776 and the Transylvania project broke down.

After another hazardous journey Clark arrived in Harrodsburg with the powder. It was sometime during this period that Clark conceived the idea of attacking the British in the northern territory, and obtained Governor Henry's permission to attack wherever he thought it advisable.

Clark's plan was for an expedition into the Illinois Territory to proceed across the Ohio, attack the English in the heart of the West, wrest military posts from her hands, prevent Indian outrages, and seize the vast domain of the central west for the United States. On April 20, 1777, Clark sent Benn Linn and Samuel Moore of Fort Harrod as spies into Illinois. On June 22 they returned with information on the situation of the British in Kaskaskia.

Three of the four original captains who went with Clark into the Illinois Territory came from Fort Harrod—Joseph Bowman, William Harrod and Leonard Helm. Joseph Bowman was in command at Cahokia, William Harrod was in command in Kaskaskia, and Leonard Helm was in command at Vincennes.

When the English Lt. Col. Hamilton, the "Hair Buyer," surrendered and led his scarlet-clad soldiers between the lines of Clark's men, it was Leonard Helm of old Fort Harrod who hoisted the first American flag to fly over Vincennes and the British West.

Clark accomplished these military wonders with 175 men, 60 of whom came from Fort Harrod. Thus was this vast territory claimed for the United States and the Mississippi River assured as the western boundary of the new Nation.

Throughout the Revolutionary War Harrodsburg was the seat of Kentucky County, which was organized in December of 1776. By September 1777, in the first census in Kentucky, the town had a population of 198 persons, of whom 81 were eligible for military duty.

The first court in Kentucky convened January 16, 1781, in the blockhouse at Harrodsburg. One of the first cases tried was that of Hugh McGary, charged with playing the ponies. Found guilty McGary was proclaimed "an infamous gambler . . . not to be eligible to any office of trust or honor within the state."

Despite the Indian threat, disease and other hardships too numerous to enumerate, the people of Harrodsburg persevered although the year of 1777 was especially tragic; it became known to the settlers as the "year of the bloody sevens," in which the settlement almost perished as the Indians harassed the settlers and destroyed much of the corn, wheat and other crops. Fortunately, a large turnip patch had been planted and it was this food that helped save the settlement.

In 1775 John Harmon raised the first corn in Kentucky in a field at the east end of Harrodsburg. The first woolen mill and the first grist mill in the West operated here. Later the first wooden plow of the West was made by William Pogue at Fort Harrod. The first wheat was sown in the fall of 1776 in a field of four acres west of the fort at Harrodsburg. It was reaped July 14 and 15, 1777.

Harrodsburg can claim other firsts: the first white child in Kentucky was born in Fort Harrod; the first practicing physician was Dr. Hart, who settled in Harrodsburg in May 1775; and the first Baptist sermon was delivered by the Rev. Peter Tinsley in May of 1776 under a great elm at the Big Spring.

Harrodsburg continued to prosper, cultivating flax, hemp, tobacco and other money crops on the adjacent rich farm lands. Later the town developed a thriving tourist trade, largely because of its many sulphur springs but also because of its historic interest.

At one time, Harrodsburg was the summer resort of many of the plantation owners of the Deep South. The 1820–1860 period was one of steady growth as log cabins gave way to more fashionable houses modeled after those in Tidewater, Virginia.

Education was not neglected during this period and many strides were made in this field. Bacon College was moved to Harrodsburg in 1839 and remained there until destroyed by fire in 1864 when it merged with Transylvania College at Lexington, then known as "The Athens of the West."

Greenville Female College, later known as Daughters' College and now Beaumont Inn, opened in 1840. In 1847 there were two female academies, one under the direction of the Christian Church and the other under the auspices of the Presbyterian Church.

During this period, many men of distinction were born or lived in Harrodsburg. Gabriel Slaughter (1818–20), John Adair (1821–24) and Beriah Magoffin (1859–62) became Governors of Kentucky; George S. Houston took the same high office in Georgia. John B. Thompson served as a United States Senator (1853–59) and William Linney (1835–87) was a pioneer Kentucky botanist and geologist.

The Civil War disrupted this era of prosperity. Torn in its sympathies Kentucky again became the "dark and bloody ground" of old. In 1862 the 11th Regiment of the Kentucky Volunteer Cavalry and the 19th Regiment of Kentucky Volunteers, U.S.A., were recruited in Harrodsburg. In the same year, Morgan's Raiders, C.S.A., passed through Harrodsburg. No count was kept of the young men who slipped away quietly to join the Confederate forces.

Rehabilitation and growth were slow in the decade following the conflict, but by 1900 Harrodsburg had regained some of its prosperity. Since that time the town has become a trade center in the Bluegrass agricultural area, producing fine horses, poultry and burley tobacco. Some people still visit the sulphur springs to "take the water," and others visit the historic shrines of the region. Foremost among these shrines is the restored Fort Harrod, complete with replicas of the cabins and the first school. The Pioneer Memorial State Park includes the Taylor Mansion Museum, the Thomas Lincoln Marriage Cabin (moved from its original site in Beech Fork), the pioneer cemetery, and the George Rogers Clark Memorial, the money for which was appropriated by Congress.

In November 16, 1934, President Franklin D. Roosevelt and Gov. Ruby Lafoon joined in dedicating the park. In his address, the President called attention to the fact that Harrodsburg had been "the scene of more historical first things than any spot" he had known. Referring to Clark and his expedition, President Roosevelt reminded the audience that the event being celebrated was "vital in the extension of the new Nation."

Other places of historic interest include the Old Mud Meeting House, the first Dutch Reformed Church west of the Alleghenies, and Morgan Row, once a stagecoach stop and tavern.

Fifty years ago, on the occasion of the 150th anniversary of the founding of Harrodsburg, the Hon. Ralph Waldo Emerson Gilbert, a Representative from Kentucky, delivered a short address to the members of Congress in which he informed them of some Harrodsburg's heroic history. He concluded by saying that there "The horses are swiftest, the women are the prettiest, and welcome is sincerest."

MEMORANDUM TO COLLEAGUES: RESURFACE COAL MINE REGULATION

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. HOSMER. Mr. Speaker, I have today circulated the following memorandum to Members of this body:

MEMORANDUM

To Colleagues.
From CRAIG HOSMER.

Both surface coal mining bills—H.R.11500 and H.R. 12898—will effectively mandate the reclamation of mined land.

But only one, H.R. 12898, will also allow the needed amount of coal to be dug.

The other bill, H.R. 11500, is so arbitrary and restrictive that it would seriously abet the energy deficit.

CAN THERE BE "NUCLEAR SAFEGUARDS"?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Ms. ABZUG. Mr. Speaker, the House will soon be debating various methods of protecting radioactive materials from theft or sabotage. I fear that most suggestions thus far advanced do not go nearly far enough.

Would a Federal police force be effective—or in itself, dangerous? What about worldwide security measures—since American firms are now building nuclear reactors in countries like Japan?

These questions are raised by the National Resources Defense Council in a letter in the Washington Post for June 9. I would like to insert that letter into the RECORD:

WE DO NOT HAVE TO RELY ON NUCLEAR FISSION

We would like to congratulate The Washington Post and Thomas O'Toole on the two excellent articles on nuclear theft. We would like to add a postscript to these articles.

While it may be possible in theory to devise a nuclear safeguard system, there is little reason to believe that such a system would be acceptable in practice. We say this for two reasons. First, a foolproof safeguard system is almost certainly an impossibility, particularly in light of the projected expansion in the nuclear power industry here and abroad. The illegal diversion of weapons material, which O'Toole discusses cogently, is only one type of anti-social behavior a safeguards system must protect against. Terrorist acts against the reactors, shipments of radioactive wastes, fuel reprocessing facilities and waste repositories can result in catastrophic releases of radioactivity. Such threats against nuclear facilities have already occurred.

To counter such threats, Senator Ribicoff recently called for the creation of a "Federal Nuclear Protection and Transportation Service to provide an immediate federal presence whenever the use of force may be needed to protect these incredibly dangerous [radioactive] materials from falling into the hands of would-be saboteurs and blackmailers." But is there any one who believes that police are effective at a level commensurate with the potential nuclear hazard?

Moreover, such a security system would have to exist on a vast, worldwide basis. Over 1000 nuclear reactors are projected for the United States in the year 2000, with hundreds of shipments of radioactive materials daily. Abroad, American firms are constructing nuclear reactors in countries that have little political stability and in countries, such as Japan, who have not signed the non-proliferation treaty. Safeguarding nuclear bomb material would ultimately require a restructuring of the socio-political institutions on a worldwide scale. The United Nations unfortunately gives us little reason to believe that this is a practical reality.

Our second reason for believing that the safeguards system would not be acceptable in practice is the tremendous social cost of such a system in terms of human freedom and privacy. Safeguards necessarily involve a large expansion of police powers. O'Toole notes that already 1–2 million persons have been trained in the handling, moving and operation of nuclear weapons. The projected growth of the nuclear industry will give rise to a parallel and an ultimately much larger group of persons, in this case civilians, who will be subjected to security clearance and other security procedures now commonplace in the military weapons program. Indeed, the AEC recently announced that it would be initiating a program of background security investigations for all nuclear power employees with access to "significant quantities" of weapons grade material. How much more government investigation into the private lives of individuals can be tolerated by a free society? These security procedures at best infringe not only upon the privacy of his family and friends. At worst, they are the instruments of repression and reprisal.

Once a significant theft of plutonium or other weapons material has occurred, how will it be recovered? To prevent traffic in heroin, police have asked for no-knock search laws. This infringes upon one of our most cherished freedoms. To live with plutonium we may have to abandon this freedom along with others. In the presence of nuclear blackmail threats, the institution of martial law seems inevitable. It has been said that the widespread availability of weapons material in the nuclear fuel cycle will radically alter the power balance between large and small social units.

The social-political implications of a worldwide commitment to nuclear power are thus staggering. The conclusion that many members of the scientific community have drawn is that the real issue is not safeguards but nuclear power itself. We believe that in order to reduce the risk associated with nuclear power to an acceptable level, an unacceptable alteration in our society and its institutions would be required.

We do not have to rely on nuclear fission. There are alternatives such as solar and geothermal energy and energy conservation that could be quickly developed as viable systems. And then there is fusion. A public fully informed on these issues would certainly opt for these alternatives.

ARTHUR R. TAMPLIN,
THOMAS B. COCHRAN,
J. G. SPETH,
National Resources Defense Council, Inc.
NEW YORK.

YOUTH CAMP SAFETY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. ROSENTHAL. Mr. Speaker, each summer, 10 to 12 million children enjoy the adventurous life of being campers. For many families, including my own, this yearly excursion to summer camp has become a tradition, offering children an enriching and unique experience as they learn to substitute one lifestyle for another.

Their activities will range from backpacking through mountain passes to changing bed linens and washing floors. Some chores will be done grudgingly, perhaps, but done at the direction and with the assistance of camp staffers who assume the responsibility of their care and safety. Too many camps and too many States have not met that responsibility.

Many conscientiously operated camps subscribe to health and safety standards of their own. The problem is that these are voluntary, generally lack enforcement provisions and are adhered to with differing degrees of enthusiasm by subscriber camps. Worse, only 28 States have even minimal regulations of their own, and of these only 6 have and enforce what can be considered adequate codes. One of the six, I am pleased to report, is my own State of New York.

This situation is simply not good enough. That is why this Congress must enact the "Youth Camp Safety Act." I am proud to be a sponsor of this bill.

Eight years ago Senator RIBICOFF first offered legislation to tighten camp safety requirements. The bill was introduced at the request of Mitch Kurman, whose one man crusade for camp safety began when his son drowned in a camp canoeing accident in Maine in 1965. The canoe David Kurman was in did not contain lifejackets. Since then, many more children have died needlessly while the Congress and the administration have been debating the need for Federal legislation in this area. The time for study is long past. We must act—and act decisively without further delay to stop the needless injury and loss of life.

The Department of Health, Education, and Welfare has consistently fought effective Federal youth camp safety legislation, saying it was unnecessary, not enough was known about the problem and, anyway, it should be left to the States. In a 1968 report, HEW admitted to a gap in camp safety standards and its own general unawareness of this deficiency. It acknowledged that most States required absolutely no camp licensing or inspection, and that only half the States had any kind of regulatory programs at all. The same report cited favorably the various camp accreditation programs now in effect by the American Camping Association and other similar voluntary groups, but admitted such programs place relatively slight emphasis on compliance with minimal safety codes.

When, in 1968, HEW claimed insufficient data to make authoritative judgment about pending youth camp safety legislation, the bill died. Legislation was resubmitted in each succeeding Congress. In 1971 a minimum measure was enacted, authorizing the Secretary of HEW to determine the effectiveness of the State and local camp safety laws and regulations, and the extent of preventable accidents and illnesses so as to determine the need for Federal laws in this area.

This most recent HEW study was nothing more than a halfhearted literature search and mail questionnaire. Fewer than half the camps surveyed—3,343 of 7,861—bothered to respond. Results showed 25 deaths, 1,223 "serious" illnesses, and 1,448 injuries associated with camping in 1972. Even these figures are not adequate representations since, according to the HEW report, "there is no systematic or comprehensive monitoring of serious illness, injury, and death." This, especially in light of HEW's report that a quarter of a million children are involved in serious camp accidents each season, appears to contradict the Department's conclusion that—

> The incidence of illnesses, injuries and deaths in summer camps does not appear to be a severe threat to youths.

It would be tragic if we waited any longer for more disasters to motivate us into action.

One need only spend a short time at a summer sleepaway camp or on a youth travel program to know the potential threat to safety and health that most activities pose. Swimming and boating activities, athletics, hikes, and campouts all may be hazardous to some extent. All questions of food supply, preparation and distribution, all questions of adequate sleeping arrangements, fire safety, water supply and sewerage, and health services become the responsibility of camp directors. Parents are almost helpless after they transfer the responsibility for their children's safety to camps; camps which they cannot adequately evaluate. Given insufficient information, it is hard for parents to differentiate between rustic, though adequate and inadequate facilities.

Critics of the youth camp safety bill have consistently downplayed the legitimacy of Federal intervention in what they considered to be a State matter, yet this measure gives individual States the opportunity to establish and implement their own regulations. In fact, it encourages them to do so by authorizing grants for this express purpose.

As you know, Mr. Speaker, youth camp safety is a subject I am vitally concerned with. I introduced legislation in this area as early as 1967, and have testified on it before the House Select Subcommittee on Labor on several occasions. I have seen the number of accidents and deaths mount with each passing camp season. I feel grateful that the camping experience has been a positive one for my own children, but for too many other children it has been a horror. The obligation we have for the protection of our children is basic. Immediate passage of the Youth Camp Safety Act would lead to such protection.

HOW TO SELECT A SAFE SUMMER CAMP

Parents need not wait until meaningful youth camp safety laws become a reality in order to make sure their children are under adequate supervision. Here are some helpful things they can do:

VISIT THE CAMP

First. Do not rely on brochures alone. There is no substitute for a personal inspection.

Second. Make sure the swimming area is unhindered by rocks or boating traffic, and that the water is clean and platforms are provided for close supervision.

Third. Camp vehicles and all camping equipment should be in good repair and driven only by licensed camp staffers.

Fourth. Examine the cabins for potential overcrowding. There should be at least 30 inches between beds and at least two exits—one may be an easily opened window—in case of fire. Be certain there are no exposed wires in or near the bunks. Check bathroom facilities for health and safety standards.

TALK TO THE DIRECTOR

First. Whether you make a trip to the camp or not, talk to the people in charge about personnel, policies, and precautions.

Second. A doctor or registered nurse should always be on call, and emergency medical equipment should be readily accessible.

Third. Counselors should be at least 18 years old—check the ratio of counselors to campers, 1 to 6 is recommended for overnight campers under age 8, and 1 to 8 for those older.

Fourth. Waterfront directors should hold advanced Red Cross certificates.

Fifth. Note the ease with which the director discusses safety as well as the knowledge and concern shown.

Sixth. Ask what kinds of hikes and outings are planned, how well supervised they are, and who participates in those events that require some skill and hold a potential for danger.

ACCREDITATION AND INSPECTION

First. New York is one of only six States—the others are California, Colorado, Connecticut, Michigan, and New Jersey—that have strong camp safety laws and enforce them. State and county health departments conduct annual inspections of New York camps. If you have any questions about a camp in New York State, check with the New York State Health Department, Bureau of Residential and Recreation Sanitation, 845 Central Avenue, Albany, N.Y. 12206.

Second. The camp should be accredited by the American Camping Association, which has a strong safety code—though no power to enforce its standards and ACA inspections are made only about once every 5 years.

MIDDLE EAST GREED RISKS NEW CONFRONTATIONS

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. WYMAN. Mr. Speaker, I have frequently observed that those in charge of governments in oil dependent nations cannot stand idly by while their economies are bankrupted from prices demanded by a few oil rich countries. The full impact of the enormous balance of payment deficits to be caused by the cost of Middle East oil cannot fail to undermine the stability of the economies of oil short nations—and the latter are most of the larger members of the family of nations.

If the few oil rich exporting countries fail to grasp the full significance of their unilaterally demanded excessively high pricing policy as it relates to a risk of aggression they make a serious mistake. There is just no justification for doubling the price of oil whose lifting cost—which is in pennies—remains a constant. The leaders of such great nations as Japan, West Germany, Britain, and France, among others, will face an urgent economic crisis within a time frame as short as months, if $12 a barrel pricing by oil exporting countries is continued.

These nations that have no oil to speak of within their own territorial areas must have oil, but they do not have the funds with which to procure it in the needed quantities without incurring huge deficits that will be attended, as David Rockefeller points out in Joseph Alsop's column, by "disruptive domestic unemployment and depression." Government leaders in such countries cannot tolerate such a consequence for obvious reasons.

The Middle East oil bloc simply must lower its prices by nearly one-half, or their greed literally risks eventual confrontation and even ultimate aggression as desperation confronts government after government of nations lacking oil. One of the chief objectives of combined current diplomacy must be to make the Middle East oil bloc understand this fact.

In this connection the following comments by Joseph Alsop appearing in today's Washington Post are of interest. The article follows:

GORGING THE FINANCIAL SYSTEM WITH OIL MONEY

(By Joseph Alsop)

In Europe, the economic equivalent of the Bible's "cloud no bigger than a man's hand" is already there, hovering on the horizon for all to see. On all the evidence to date, the cloud foretells a great tempest in the fairly near future.

The nature of the cloud is simple enough. Owing to a lag in the payments-system, the oil producing countries only recently began to take in their huge profits from the new high oil prices. They have had most of the money earned in the first quarter of 1974 for not much more than two months. They will not get the profits of the second quarter until mid-summer.

Yet even the first quarter profits are proving to be unmanageable. The Arab oil producers, particularly, have mostly banked their money in Europe in the form of short term Euro-dollar deposits. As a result, even the biggest banks are now so gorged with this oil money that they have just begun refusing such deposits at more than 4 per cent interest, or even refusing the deposits absolutely.

In other words, the first outpost of the world financial system to feel the strain is already proving to be unequal to the strain. But this initial strain from the new oil money is a mere trifle to what the whole world financial system will somehow have to withstand before long.

This country's two outstanding forecasters in this field, the staff of the Chase Manhattan Bank and the independent petroleum expert, Walter Levey, have just admitted to excessive conservatism. Formerly, both estimated that after paying for all possible imports, the oil producing countries would have $50 billion left over to invest at the end of this year. Their new figure is $60 billion.

In other words, this problem of the new oil money is getting bigger, not smaller. With $60 billion to invest, in fact, the oil producing countries will have to find ways to place an amount of money, in just one year, equivalent to about two thirds the total value of all the overseas investments of the United States in the last three quarters of a century.

Nor is that all. Before the new high oil prices, the oil producing countries had already accumulated reserves of about $14 billion. Looking further down the road, the wise head of the Chase Manhattan Bank, David Rockefeller, has recently noted that the oil producers' reserves will reach about $140 billion in 1975, and will pass $200 billion in 1976.

These are enormous transfers of wealth from the rest of the world to the little group of oil producers. As Mr. Rockefeller also made plain, the world financial system has never before had to handle such transfers, and is almost wholly unequipped to do so.

In addition, the majority of the richest oil producers are also unequipped to handle the mountains of gold they are now accumulating. The largest single accumulation will unquestionably be made by Saudi Arabia, for instance. Yet the Saudi Arabian monetary agency is still a vestigial institution, which keeps its books in Arabic—and entirely by hand!

Naturally, in Saudi Arabia and from Kuwait down through the Persian Gulf hotel rooms are literally unobtainable because of the hosts of foreign financiers and promoters who have flocked in to tell the oil producers how to spend or invest their money. Much of this activity is shady, but not all of it. The Chase Manhattan, for instance, is opening a merchant bank as a joint enterprise with the Saudi Arabian government.

For this country, there may even be a short-term gold lining. In the opinion of both Walter Levey and the Chase Manhattan staff, the United States is the natural refuge for final deposits or investment of much of the new oil money. Thus our balance of payments may show huge surplus on capital account, partly concealing the deficit in the trading account that high oil prices will cause.

Over time, however, the poorer nations' total inability to pay for the energy they need; plus the trading deficits due to be incurred by almost all the richer nations; plus the unmanageable sums of money the world financial system will be called upon to manage, can all add up to "economic and political chaos," marked by "disruptive domestic unemployment and depression." The ominous quotations, once again, are from Mr. Rockefeller.

The one hope for a solution—and it is a slender one—lies in the total transformation of the Mideastern scene by Dr. Henry Kissinger's diplomacy. But nowadays the new game of hunt-the-Secretary of State has been added to hunt-the-President.

You can argue, in fact, that Washington Watergating while the tempest approaches is worse than Nero fiddling while Rome burned.

STANTON PRAISES NEIGHBORHOOD LIBRARY INFORMATION CENTERS

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. JAMES V. STANTON. Mr. Speaker, one of the most visible, and yet often neglected, institutions in our society is the neighborhood public library. For years, it has been viewed merely as a sanctuary for contemplation and scholarship. It pleases me to call to the attention of my colleagues an exciting, innovative program, which may transform our libraries into active dispensers of information, while retaining as well their traditional role as a haven for contemplation and scholarship.

Two years ago, five public library systems were awarded a direct grant from the Office of Education, Department of Health, Education, and Welfare, to research and design criteria for the implementation and establishment of neighborhood information centers in our public libraries. The participating library systems were Cleveland, Atlanta, Detroit, Houston, and the Borough of Queens. Each city conducted its own program under the general supervision of a national project office, headed by a distinguished professional person, Dorothy Ann Turick, of the Cleveland Public Library. The Cleveland Public Library, thus served as chief planner and coordinator for this consortium of five major public library systems.

The neighborhood information center is an interesting and an intriguing idea. Information centers are established by the main office of a library system in various branch libraries throughout its system. These centers are manned by library personnel, who collect and systematically organize information on various services available to a citizen within the local neighborhood, the city, and even the State. This information runs the gamut from such an item as who may give piano lessons in the neighborhood to the appropriate agency one should contact for health services or food stamps. In essence, this system seeks to link the individual with a problem or a talent with that individual or agency who can solve the individual's problem or utilize his talent. In this process, the libraries are in a position to assist in long-range community planning processes by discovering gaps, overlaps, and duplications in available services.

The activities of these neighborhood information centers, however, are not limited to simply dispensing information. In addition, these information centers are intended to use followup and referral techniques. The individual requesting assistance is given personalized service. If necessary, the center's personnel may make an appointment for an individual with the appropriate Government agency and at times even provide transportation or bus fare for such appointments. With the individual's consent, a followup check is made to determine whether the citizen received either the information needed or the services requested.

All of us, I am sure, are well aware of the confusion, and at times ignorance, among our constituents as to available governmental services and assistance. These information centers serve a valuable function by helping to eliminate much of this confusion and ignorance through their information and referral system. At the same time, because of their community orientation as branch libraries, these libraries are readily accessible to many citizens.

The present project conducted under the general directorship of the Cleveland Public Library has received praise from numerous public library systems throughout our country as well as several from abroad. Many have expressed a desire to undertake similar projects. The multiplier effect of the Office of Education's initial investment in the neighborhood library information center program has been extensive. Other library systems can now call upon the experience of the Cleveland Public Library and the other participants in this program to explore the establishment of similar systems in other towns and cities.

It has come to my attention that the grant for the final year of this project, largely for evaluative purposes, is to be substantially reduced. The national project office will apparently be transferred to Houston from Cleveland.

It is distressing that considering the waste of taxpayers' money on many other projects, this worthwhile program should be reduced in funding for its final year. But perhaps this is but another symptoms of the misplaced priorities of the current administration. After all, there are no special interests pushing for grants to libraries; the only interests involved are those of the common citizen who may occasionally use their local library.

The reduction in Government funds for this project, however, should not be taken as a reflection upon the worth of the project, nor the efforts of the individuals associated with it. Credit for a job well done should be extended to Dorothy Ann Turick, national project director, and the highly capable Mr. James Rogers, director of urban services of the Cleveland Public Library.

THE BUSINESS WORLD ACKNOWLEDGES NET ENERGY CONCEPTS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BROWN of California. Mr. Speaker, on May 30 I inserted an article on Dr. Howard Odum's views on net energy under the title, "Energy, Ecology and Economics," in the CONGRESSIONAL RECORD on page 17126. I was surprised and greatly pleased to read a brief, but enlightening article on the impact of the work of Dr. Odum on the Government and business world, in the June 8 edition of Business Week. I would highly recommend this article to my colleagues, and also refer them to the earlier item by Dr. Odum that has already been submitted for the record.

The article follows:

THE NEW MATH FOR FIGURING ENERGY COSTS

Recently, Texaco, Inc., decided to forego bidding on oil shale leases in Colorado. "The figures just didn't work out," explains one executive. "It was hard not to make a bid, but we couldn't justify it." Texaco figures that shale oil will not pay off. After developing the necessary technology, buying massive new machinery, moving tons of earth, reclaiming acres of land, and processing the shale oil for market, the Btus produced would barely make up for the Btus consumed. Though the company did not phrase it quite that way, Texaco's conclusion is that shale oil recovery is an energy standoff.

Months before, Howard T. Odum, a controversial ecologist from the University of Florida, reached the same conclusion during a broad study of energy and the planet's ecosystems. To Odum, Texaco's analysis is the epitome of a concept known as "net energy," the study of the amount and cost of energy required to produce energy. On a net-energy basis, says Odum, shale oil loses time and time again. In fact, he adds, a net-energy accounting system would raise the eyebrows of people studying quite a few other alternate energy sources as well. And unless long-range planners start incorporating his theories right now, he warns, the U.S. may never be able to afford such promising energy technologies as solar power and nuclear fusion.

APPLYING A THEORY

Odum is attracting considerable attention. The Florida legislature is considering a "carrying capacity" plan for the state that was inspired by Odum; it will be based on analysis of Florida's ability to support a swelling population amid dwindling energy resources. In Oregon, Governor Tom McCall has set up a planning council that will use Odum's "energy accounting" principles as the framework for planning that state's future. The Federal Energy Office, the Environmental Protection Agency, and the Council on Environmental Quality have all started to incorporate net-energy thinking in their policy studies.

To the uninitiated, Odum preaches a strange creed, festooned with complex diagrams that are supposed to link biology, technology, and money supply. In his staccato way of speaking, he explains net energy in the language of systems analysis: "If the money in circulation is the same or increasing, and if the quality of energy reaching society is less because so much of it has to go to the energy recovery process, then the real worth to society per unit of money circulated is less. Because the economy and total energy usage are still expanding, we are misled to think the total value is expanding, and we allow more money to circulate. This makes the money-to-work ratio even larger."

Even experts say glossolalia is sometimes needed to understand him. "I went to hear one of his talks," says Leonard Fish, director of planning for the American Gas Assn. "By the time he finished putting up his flow charts he completely lost me."

Still, the AGA is becoming more net-energy-conscious, especially as the concept relates to capital. "The money supply is a really serious concern to us," says Fish. "One pipeline to get gas from Alaska's North Slope will cost $6-billion. That represents one-third of the total U.S. investment in natural gas pipelines. Yet the gas flowing through this pipe would supply only 5 per cent of present demand." That is precisely the economic whirlpool that Odum warns of: Energy becomes harder and harder to obtain, hence the cost of getting it keeps rising, while energy-fueled inflation inexorably pushes other prices higher.

Odum is not without critics. Some economists familiar with his ideas say they are really century-old concepts that the ecologist befogs with needlessly complex presentations. "I've debated Odum on television, on campus, and on panels elsewhere," says fellow faculty member Rafael Lusky, a member of the university's Economics Dept. "I don't understand what he says because he uses a language that doesn't make any sense." Lusky also claims that Odum's models for relating nature and economics are limited. "You can calculate how calories move everywhere with them," he says, "but you can't use them in any predictive way." Odum readily concedes that the net-energy ideas is not new. What is new, he explains, is the move to promote net-energy thinking as an integral part of energy planning. "I would like to see both energy companies and federal agencies report the results of their projects in terms of net energy," he says. Odum believes "energy impact statements" would provide a more meaningful way of assessing the real costs of developing new energy sources.

The results can be eye-opening. Odum says the biggest lesson to be learned from net-energy thinking is that all the new technologies being developed to attain energy independence are draining present energy supplies and are therefore hastening the day when fossil fuels run out. For example, enriching uranium for light-water reactors consumes, in the form of coal, 60% of the energy released from the nuclear fuel. Unless the process is improved, the costs in energy and money will continually rise. The result, concludes Odum, is inevitably a cash squeeze along with the energy squeeze.

SUPPORTERS

"With Odum's thinking, you can see the fallacy in our energy policies," says Joel Schatz, who runs Oregon's new planning council. "The nuclear industry buys so many kilowatts, but it doesn't matter to these companies where the power comes from or how much energy went into the steel used to make their plants. The reason this new kind of thinking is important now is that more money in circulation is going into getting energy and less into producing goods and supplying services."

Working independently, Vanderbilt University economist Nicholas Georgescu-Roegen has arrived at much the same conclusion in his book, *Entropy Law and the Economic Process*, currently the hottest economics text in Washington despite its forbidding title. Georgescu-Roegen says current economics assumes unlimited supplies of materials and energy. But abundance is no longer assured, and the price is inflation.

Despite such seconding of his thinking, Odum may have trouble getting across his message in industry, since his conclusions often clash with those who have a vested interest in one energy technology or another. Moreover, he can be impatient with people who do not immediately agree with him, and his cocky, almost messianic attitude sometimes puts people's backs up. "Odum thinks that all he needs to do is talk about his theories and people will catch on," says Richard Kaplan, director of the newly formed Energy Institute in New York City. "The fact is that his diagrams turn people off."

With funds from several small foundations, Kaplan set up his institute to familiarize government officials and corporate executives with net-energy principles. He has brought in some graphics experts to develop better visual aids for conveying the concept.

FRIENDS IN WASHINGTON

Government planners seem to be hooked, however. The Bureau of Mines recently began a study to determine how much energy it takes to produce various fuels. The FEO, charged with the responsibility of preparing a game plan for achieving energy independence, is also intrigued. "Net energy is a viable concept," says Administrator John C. Sawhill. "I've asked Alvin Weinberg [chief of R&D] to look into it."

FEO staffers have already made some limited net-energy analyses. They recently recommended against producing oil from stripper wells, for instance. Explains Walter Hibbard, Weinberg's deputy: "If you produce oil from these small wells for $5 and sell it for $10.50, you may make money. But it's possible that you could be wasting energy. There's no reason why we can't apply this principle across the board and start talking in terms of kilowatts per kilowatt."

INFLATION IS EXACTING ULTIMATE PRICE FROM POLITICAL CHIEFS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. CRANE. Mr. Speaker, inflation is a serious danger to the future stability of the American economy and society. Speaking at Illinois College on May 26, Federal Reserve Board Chairman Arthur F. Burns declared that—

> If past experience is any guide, the future of our country is in jeopardy.

In his address, Mr. Burns stated that if the "debilitating" inflation continues at anything like present rates, it would "threaten the very foundation of our society." Mr. Burns placed most of the blame for inflation on "awesome" Federal spending, a response to "individuals who have come to depend less and less on their own initiative and more and more on Government to achieve their economic objectives."

In the first quarter of 1974 the rate of inflation in the United States was above 10 percent in terms of three important yardsticks:

First. A 10.8-percent annual rate in the Gross National Product price deflator, which is the broadest measure of price performance.

Second. A 12.2-percent annual rate in consumer prices.

Third. A 28.8-percent annual rate in wholesale prices, which is subsequently reflected in higher retail prices.

The fact is that rampant inflation is not only a problem in the United States, but is even worse in other Western countries. Discussing this fact, Nick Poulos, financial editor of the Chicago Tribune, writes that—

> Rampant inflation is beginning to administer poetic justice to the political leaders of the Western world. Having lacked the political courage to fight rising inflation, they are now starting to pay the ultimate political price.

The Canadian Government of Prime Minister Trudeau fell on the issue of inflation and West German Chancellor Willy Brandt had been losing popularity steadily before his resignation, because of his government's inability to curb inflation. The Government of Iceland has fallen on this issue, as did Prime Minister Heath's government in Great Britain.

Mr. Poulos notes that—

> Yet, it is encouraging that the problem of inflation is emerging so forcefully that national leaders are coming to be judged by what they do or don't do about it. Perhaps we are learning something after all. It is ironic that the Congress should permit wage and price controls to expire at a time when the country is in the worst inflationary period of its peacetime history. This reflects full recognition—finally—that controls solve nothing; that, in fact, they do more harm than good.

If we have learned that Government spending and Government intervention in the economy are the causes of inflation, we will be less likely to believe that they are also the solutions. Hopefully, many are learning this lesson.

I wish to share with my colleagues Mr. Poulos' thoughtful analysis as it appeared in the Chicago Tribune of May 12, 1974, and insert it into the Record at this time:

The Money Scene: Inflation Exacting Ultimate Price From Political Chiefs

Rampant inflation is beginning to administer poetic justice to the political leaders of the Western world.

Having lacked the political courage to fight rising inflation, they are now starting to pay the ultimate political price.

In Canada, Prime Minister Pierre Trudeau's Liberal government fell Wednesday on the issue of inflation. The opposition parties ripped Trudeau's budget and forced an election on the issue of high prices.

It was the first time a Canadian government had been defeated on a vote of nonconfidence in the budget.

Willy Brandt's dramatic resignation earlier in the week as West Germany's chancellor was triggered by the disclosure that one of his personal aides was a spy for the East German Communist regime.

But Brandt had been losing popularity steadily and one of the main reasons was his government's inability to curb inflation.

Inflation, along with a welfare-state philosophy, has all but ruined Great Britain. Her government has been reduced to a rather ineffective bureaucracy.

Americans may be disgusted by President Nixon's involvement in the Watergate coverup, but they are angry over the unwillingness of the government to contain inflation.

Inflation may prove to be as important an element as Watergate in President Nixon's final undoing.

And yet, it is encouraging that the problem of inflation is emerging so forcefully that national leaders are coming to be judged by what they do or don't do about it.

Perhaps we are learning something after all.

It is ironic that the Congress should permit wage and price controls to expire at a time when the country is in the worst inflationary period of its peacetime history.

This reflects full recognition—finally—that controls solve nothing; that, in fact, they do more harm than good.

Consider that in the first quarter of 1974, the rate of inflation was in double-digit territory in terms of three yardsticks:

A 10.8 per cent annual rate in the gross national product price deflator, which is the broadest measure of price performance.

A 12.2 per cent annual rate in consumer prices.

A 28.8 per cent annual rate in wholesale prices, which is subsequently reflected in higher retail prices.

Consider that in the second quarter of 1971—the last full quarter before Nixon imposed the wage-price freeze as a prelude to controls, the annual rate for the GNP price deflator was 4.9 per cent, and the annual rate of consumer price increase was 4.1 per cent, and the annual rate for wholesale prices was 4.8 per cent.

Yet back in 1971, labor leaders and businessmen were urging Nixon to impose controls. So the President junked his sound economic program in the interests of political expediency.

We have since acquired such a distaste for controls that George Shultz, in a parting interview before leaving his post as Treasury secretary, warned of a possible "rebellion" by labor leaders and businessmen if the government tried to reimpose economic restraints.

The former dean of the University of Chicago's Graduate School of Business said inflation can be checked only by government moves to control spending, restrain money supply, increase supplies of key commodities to reduce prices, and stimulate competition in the marketplace.

Shultz' prescription for curing inflation is the only way to go. And while it would be painful in terms of higher unemployment and other tradeoffs, it is the only way the economy can be restored to a healthy state.

Meanwhile, the high level of inflation and interest rates is extending the current recession in business activity.

The economic consulting firm of Lionel D. Edie & Co. now expects that real growth in the gross national product will decline by 1.6 per cent in the second quarter of 1974.

Coupled with an estimated 5.8 per cent decline in real GNP in the first quarter, the economic slowdown this year would be labeled a recession.

That degree of economic slowdown should help cool off the inflation rate near-term.

But whether inflation can be curbed on a longer-term basis depends on what the politicians think they have to do to save their jobs.

Perhaps Pierre Trudeau's experience will have a sobering influence on 'em.

NEWSLETTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. WOLFF. Mr. Speaker, I distribute a newsletter to my constituents in a continuing effort to keep them up to date on my activities in Washington as their representative and to get the benefit of their thinking on major issues. At this point in the Record, I would like to share my most recent newsletter with my colleagues for their information:

Newsletter to Constituents

(By Representative Lester L. Wolff)

Dear Friend and Constituent: In this issue of my newsletter, I would like to discuss with you the still highly pertinent topic of drug abuse in our communities and the directly related incidence of thefts and violent crime.

Today, while our nation is in the grip of an inflationary hammerlock, plagued by increasing costs and expenses for every commodity of family living and business, Americans are suffering losses in excess of $27 billion a year for property stolen in connection with heroin addiction. Additionally, nearly $6 billion a year—$16 million a day—is being spent across the nation on illegal heroin.

For this reason, as well as for the shocking and debilitating overall destruction heroin addiction wreaks on our society, I am determined to continue to fight the cause of this evil at its root source—the poppy fields.

Most recently, together with Congressmen Rangel and Rodino, I introduced a House Resolution calling on the President to begin serious negotiations with Turkey to prevent that nation from lifting its ban on the production of the opium poppy—a ban that cracked the French Connection and successfully abated the supply of illegal heroin destined for the eastern shores of the United States. This Resolution, simultaneously introduced in the Senate by Senators Buckley and Mondale and now co-sponsored by more than 216 Members of the Congress, further directs the President to utilize his authority under the Foreign Assistance Act to cut off all aid to Turkey if these negotiations prove unfruitful.

Just as the get-tough policy on drugs I advocated be applied to the Far East is effecting a massive clampdown on the illegal narcotics traffic from Thailand, Burma and Laos, I believe we must be consistent and firm in our insistence that Turkey retain her ban on the production of the opium poppy. For until 1972 the poppy fields of Turkey were the beginning of a long and ruinous road of corruption and profiteering that stretched halfway across the world to the streets of New York, its environs and suburbs, where its lethal traffic was dispersed to pollute untold numbers of men, women, and children as heroin addicts.

I am firmly convinced that if we are ever to contain the wave of heroin addiction that swept this nation in near epidemic proportions in the 1960's and early 1970's, and if we are to stop the addicts who steal and plunder to support their habits, we must see to it that the illicit supply is completely eradicated at the sources. America cannot afford to continue to pay the price of allowing its citizens and institutions to be contaminated by drugs.

It is apparent that the Turkish ban on the cultivation and production of opium is working and I applaud the cooperation and understanding being exerted by those Turkish officials who wish to continue this policy. Their support, which has severed the heroin pipeline, is both courageous and humanitarian. Agitation by greedy forces, including some American pharmaceutical companies and some demagogic Turkish politicians to reverse this policy and renew the illicit cultivation of the opium poppy must not succeed for the result will be to open the floodgates of further heroin addiction.

Since the Turkish government in return for compensation from the United States agreed to suppress the growth of opium poppy, there has been a dramatic decrease in the amount of heroin available in the streets of New York. . . . If the United States government, bowing to pressure from Turkish poppy growers and the domestic pharmaceutical industry agrees to a lifting of the ban, it will be a backward step that is almost guaranteed to lead to an upsurge in heroin addiction nationally with the consequent rise in addict-related crimes.—Verome Hornblass, Commissioner, New York City Addiction Agency, April, 1974.

Concerned with the increasing reports that Turkey is weighing the necessity and propriety of resuming open cultivation for the world market, I, as chairman of the House Special Subcommittee on International Narcotics Control, went to Turkey during the March 1974 Congressional recess to talk firsthand with Turk officials and farmers, Ambassador Macomber, and American and Turkish drug enforcement agents. Together with Rep. Rangel, whose Manhattan district is one of the most drug-plagued in America, we learned that the average Turk is unaware of the effects of heroin addiction in the United States—since it is not a problem in their own country—and that the U.S. aid was not reaching the farmers. The average Turkish farmer we visited realizes between $35 and $50 per year from the sale of legal morphine gum to the Turkish Government and is hardpressed to live on this meager sum. However, he is totally unaware of the destruction wrought by the poppy which he previously channeled to the illegal market for greater remuneration. He uses the poppy seed himself for cooking oils and native bread, not as an opiate—a practice he shuns.

In our discussions, we conveyed the serious manner in which Congress views this drug situation and emphasized the high priority this nation places on combatting the illegal narcotics traffic and its direct relationship to crime. I reminded the Turkish Government that both the House and the Senate—during the height of the American involvement in Indochina—passed an amendment to the Foreign Assistance Act, which I authored, to cut off U.S. aid to Thailand unless it cooperated fully with our drug enforcement efforts.

Just recently, my amendment to impose trade sanctions on any non-cooperating nation was included in the new U.S. trade bill. The actions, I believe, are necessary for we have too often paid the piper without calling the tune.

Congressmen like Wolff can be useful in foreign relations—a Congressman can make threats that diplomats can't and sometimes the diplomats like having Congressmen speak out.—Government official quoted in Newsday article by Anthony Marro, Washington Bureau, April 1, 1974.

What is really behind the recent activity on the part of the Turks to resume opium production after the ban has proven so successful?

Is it economic? Only 1 percent of Turkey's gross national production was in legal production of opium at the time the ban was instituted.

Is it people? Less than 1 percent of the population of Turkey was engaged in opium poppy growing at the time the ban was instituted.

I think the reason is much more sinister. It is quite obvious that the influence of organized crime and selfish interests of others are overpowering the need to halt international narcotics trafficking.

Recent data indicates that a six-year pattern of increasing numbers of new addicts has been reversed. The rates of overdose deaths, drug related hepatitis and drug related property crimes, indicators of instances of heroin dependence, have declined throughout the U.S. for the first time in six years.—Dr. Robert DuPont, Director Special Section Office for Drug Abuse Prevention, at U.N. Commission, Geneva.

The problem is compounded and made even more acute by local Turkish politicians who are attempting to use the issue of the ban as a device to mask the severe economic problem Turkey is now facing. There are some who are critical of the hard line I have taken pertaining to the reciprocal elements in our foreign aid policy. We do have a mutual defense treaty with Turkey, and over the years we have given more than $3 billion in military assistance to Turkey.

America today is engaged in a war on drugs. Is it too much for us to ask Turkey to come to our assistance and join in this fight, just as we have joined in their defense?

I intend to vigorously pursue my efforts to insure that the American people will never again be subject to the level of availability of heroin in our streets, the attendant crime and the deterioration of our society so prevalent prior to the heroin ban. If Turkey reenters the opium business, I reluctantly predict that these ills will strike our communities again and that would prove disastrous.

NEW JUDICIAL POSTS FOR M. MICHAEL POTOKER AND JACOB LUTSKY OF QUEENS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. ROSENTHAL. Mr. Speaker, it is always a pleasure to acknowledge the achievements of distinguished residents of one's home community. I am therefore happy to advise my colleagues that M. Michael Potoker of Forest Hills, who has been on the Family Court bench since 1965, and Judge Jacob Lutsky of Beechhurst were recently appointed by the Governor as special narcotics case judges on the State Court of Claims.

Although it is true that ours is a country of laws and not of men, it is still a fact that the quality of the men selected to enforce and interpret those laws determines to a large extent the future well-being of our society.

The future is in good hands with Mr. Potoker and Judge Lutsky.

I recommend the following articles from the Long Island Press on these distinguished judges to my colleagues:

NEW JUDICIAL POSTS FOR POTOKER, LUTSKY

Gov. Wilson yesterday appointed two Family Court judges from Queens as special narcotics case judges on the state Court of Claims.

Named to the nine-year terms on the bench were Judge M. Michael Potoker of Forest Hills and Judge Jacob Lutsky of Beechhurst.

The appointments require State Senate confirmation which is expected to come Thursday.

Potoker, 59, has been on the Family Court bench since 1965. He was appointed a Criminal Court judge in 1964.

A graduate of Brooklyn Law School, Potoker is a former reporter for the old New York Daily Mirror and New York American. He also served for 14 years as secretary-treasurer of the New York Newspaper Guild.

Potoker is president of the newly formed New York City Family Court Judges Association and vice president of the Association of Judges of the Family Court of the State of New York. He is also a representative to the Fair Trial Free Press Conference and the Council of Judges of the State Bar Association.

Potoker also is a member of the American Bar Association, New York State Bar Association and Queens County Bar Association.

He once served as chairman of the Queens Labor Committee for the Election of then-Mayor Robert F. Wagner, was a vice president of the State CIO and a member of the Democratic Speaker's Bureau.

Lutsky, 63, was appointed to Family Court in 1966.

A graduate of the Cornell University Law School, Lutsky is a former legal aide to Mayors William O'Dwyer, Vincent Impellitteri and Wagner.

* * * * *

Most recently, Lutsky served as a member of Mayor Beame's transition panel.

He has received numerous special appointments in city, state and federal government capacities and is considered an expert on municipal government.

Potoker and Lutsky have been found professionally qualified by a screening panel headed by Francis Bergen, former Associate Judge of the State Court of Appeals.

In announcing the two appointments, the governor said the screening panel "was appointed last year by Gov. Rockefeller and assigned to determine whether candidates recommended by the governor are qualified to serve on the Court of Claims and to meet the responsibilities which enforcement of the state's amended drug laws will give them."

"LAW ALONE CAN'T STEM DRUGS"—REHABILITATION'S NEEDED TOO, NARCOTICS JUDGE SAYS

One of two Family Court judges from Queens, confirmed yesterday as special narcotics case judges on the Court of Claims, warned that the courts alone can't cure the drug problem.

Speaking to The Press after his confirmation by the Senate, Judge M. Michael Potoker of Forest Hills emphasized the role of other institutions.

"What I impressed upon both the steering committee and especially the Senate Judiciary Committee was that I hope they don't depend on the law exclusively to get rid of the narcotics problem. I think education and rehabilitative services are still very important. Perhaps a combination of all three might do it in the long run."

Potoker said that Judge Jacob Lutsky of Beechhurst, also confirmed to the Court of Claims, held similar views.

"He became a Family Court Judge on Dec. 29, 1965," he said reeling off the date from memory, "and we've had 8½ years to compare notes."

Continuing to expand his views, Potoker said, "As a trial judge for the past 10 years, I told the legislators that I would rather enjoy the discretionary powers of a judge in sentencing. However, as a judge of the court, I am duly bound to observe the law."

Potoker was referring to a provision in the state's new narcotics law for mandatory sentence for certain drug offenders.

Potoker cited the importance of the Family Court as a key to curing problems before they become irreversible, and said he urged the legislators to increase that court's funding.

He became most animated as he recalled his early career, which began in newspapers as an office boy for the now defunct New York Mirror.

"I remember my first story—I was supposed to go to Sunnyside at Lowery Street and Queens Boulevard. It was raining and I was thinking, now where the heck is Sunnyside?"

Potoker went on to graduate from Brooklyn Law School and served for 14 years as secretary-treasurer of the New York Newspaper Guild.

He is president of the newly formed New York City Family Court Judges Association and a representative to the Fair Trial Free Press Conference, among his many judicial associations.

He once served as chairman of the Queens Labor Committee for the Election of then-Mayor Robert F. Wagner, and was a vice president of the state CID.

Lutsky, 63, is a graduate of the Cornell University Law School and former legal aide to Mayors William O'Dwyer, Vincent Impellitteri and Wagner.

Most recently Lutsky served as a member of Mayor Beame's transition panel.

He has received numerous special appointments in city, state and federal government and is considered an expert on municipal government.

HUREWITZ.

A LITHUANIAN COMMEMORATION

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. CAREY of New York. Mr. Speaker, on June 15 we will mark an important date—a sorrowful anniversary in the lives of all Lithuanian-Americans. For on that date we commemorate Russian occupation of the Baltic States of Lithuania, Latvia, and Estonia which took place 34 years ago.

This commemoration marks also the beginning of a very tragic period for those noble people for less than 12 months after this occurred a mass deportation of more than 150,000 Balts to slave labor camps took place.

Lithuania, however, a symbol of great courage and hope, did not permit itself to be enslaved without a strong fight. Just shortly before the Nazi invasion of Russia, the citizens of Lithuania stood firm and overthrew Russian domination and gained freedom. But the joys of this victory were short-lived since less than 2 months later with Hitler's invasion, independence was torn from them.

In a way, this anniversary not only causes us to pause and reflect over that particularly tragic era for the Baltic States, but it also stands as a symbol for the trials and heartaches these Balts have known throughout their history as a result of countless invasions from other countries both East and West. These invasions have cost the country dearly in population, but they have never been able to destroy the strong spirit and determination that the Balts adhere to as they strive to achieve freedom.

We in America have never accepted the tight grip with which Russia holds Lithuania and all Baltic lands. We share their desire to see free elections, freedom of religion, and the other important components that signify independence.

On this occasion, let us renew our commitment to their efforts to gain lasting independence and self-destiny. Let us, moreover, go on record as sharing the grief they have known over the death of their countrymen, and awaiting the joy which will come when freedom is no longer a goal, but has become a reality for Lithuania.

NATIONAL PARKS IN THE CHANGING WORLD OF OUTDOOR RECREATION

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, Ronald Walker, Director of the National Park Service, recently addressed the Fourth Annual American Family Camping Congress in Chicago. Because of the timeliness of Mr. Walker's remarks concerning visitation at our National Parks in view of our energy situation, I felt his views should be shared with all Members of Congress through inclusion in the RECORD.

The address follows:

NATIONAL PARKS IN THE CHANGING WORLD OF OUTDOOR RECREATION

Thank you, Mr. Chairman, and Good Morning, Ladies and Gentlemen.

When I was asked to speak to the Camping Congress, gasoline lines were long and the Arab oil embargo was in effect. Prophets of doom were crying over the death of the camping industry—the upcoming bankruptcy of the recreation industry—and the hopelessness of the situation in general.

It reminds me of a story about Mark Twain. One of the wire services reported his death, and even printed a rather flowery obituary. When friends brought this to his attention, Mark Twain sent a telegram to the newspaper wire service, which said "The report of my death was an exaggeration."

The reports of the death of the camping industry were also exaggerated. The camping industry—and we in the National Park Service, along with that industry—went through a traumatic experience which had an effect—a very marked effect—upon America.

The United States had been on a growth binge for more than 200 years. We had been gyrating wildly through a "bigger is better syndrome," a ritualistic dance which said that there will always be more and more products, torn from more and more acres of America . . . that this wonderful horn of plenty would never come to the end. We bragged about Stonesville, USA, and boasted that Stonesville was the fastest growing little city in the world, that we had added 5,000 new citizens this past year, which led to an increase of $112,000 worth of bank deposits, an increase in gross sales of more than 12% and business was booming, God was in his heaven, and all was right with the world.

Let's apply that to the National Park Service. We found that the increasing flood tide of visitation was rolling on . . . we were receiving more and more visitors every year, from 102 million in 1963 to 217 million in 1973, and we were building more and more campgrounds each year to meet the demands of an ever-increasing crowd of campers . . . more and more, bigger and bigger . . . and here again we thought that bigger *was* better!

But long before the oil embargo and the gasoline crunch, we had learned that there was an outer limit and that we could not continue to accommodate increasing numbers of visitors in the old, traditional ways. The National Park Service could not meet all the demand for camping opportunities in the national parks. If we had continued to meet the demand, we would soon have had wall-to-wall campgrounds and would have over-used the parks, over-enjoyed the parks, to the point where we would be violating the fundamental purpose which Congress' Organic Act of 1916 set for our guidance . . . to preserve the historic, natural and scenic values of the parks *and* to provide for the public enjoyment of the parks.

So, now we find the reports of our death were greatly exaggerated. We have gasoline for the summer and America is not, as some would have led us to fear, doomed to an existence as a second-rate power. This is still the greatest and most wonderful nation on earth—and it will remain the greatest nation on earth. But we cannot look forward to unrestricted use of everything, without fear of exhausting the resources, as we once did. Obviously, we are not going to return to the era of "sky's the limit" use of our resources. If the price of gasoline could be rolled back to 1970 levels, if the flow of oil from overseas could be trebled—if the horn of plenty could reappear again—right now—the situation would not return to 1970. For the first time in our two hundred year history as a nation, Americans saw that there was a bottom to the barrel—that there was a limit to what we had thought limitless. This summer may reveal the greatest change in vacation patterns since World War II. We are no longer living in a fool's paradise. We are intelligently tackling our situation, learning to live with the realities of life and *that* has to be an improvement.

About the same time that the double-barreled price and energy crunch was building up on our horizons, another event had an important effect upon your campgrounds, and upon our status as a camping landlord. Public Law 93-81 was enacted by the Congress of the United States. Aimed at preventing an increase in launching ramp fee charges—the new law did things which not even its sponsors wanted it to do. It threw out the baby with the bath water, and suddenly last August it became impossible for the National Park Service to collect fees for camping facilities. According to the wording of 93-81, we had to provide a myriad of services (including hot showers and flush toilets!) or else stop charging. We never gave a thought to the possibility of trying to upgrade our campgrounds to meet the requirements of the law—to do so was patently impossible for us—after all, we operate 539 campgrounds providing more than 28,000 camp sites in 93 parks areas.

Public Law 93-81 had two big results—both of them harmful. It deprived federal agencies of the campground user fees which would have been available for campground operation and maintenance. In the case of the National Park Service, we would have suffered a loss of revenue estimated between six and seven million dollars a year in fees willingly paid by campers.

Secondly, Public Law 93-81 worked a disservice to the commercial campground and to the state and local government-operated campground—both of which continued charging for their facilities while everything was free in the federal campgrounds.

It is not my intention to increase the total number of campgrounds available in the national parks. Our needs and our objectives are being studied in depth at this moment and we will soon have the information upon which to base our future actions. We want to operate the national parks to provide for the greatest good of the greatest number of people—now and in the future. To meet this end, we hope to encourage construction of campgrounds outside of the parks—rather than in the parks. By this I mean that, I am not advocating some sort of financial aid from the Park Service, to further construction of private campgrounds outside the parks. Where existing campground facilities are not numerous enough to meet the demand of the camping public, the National Park Service believes that the private sector of our industry will meet that demand.

The National Park Service has no intention of trying to provide camping facilities to meet demand, not when expansion of camping would conflict with our larger aim of preserving the values of our 298 park areas. There is no room for compromise on that issue. The statistics show that the total number of campsites available in the national parks is decreasing—very slightly but steadily—since about 1968, as campgrounds are improved and marginal sites are eliminated.

I am happy to report to you that when I left Washington, Congress was moving toward passage of legislation to restore the authority to charge campground user fees under the Land and Water Conservation Fund Act. The federal government would resume charging for its campgrounds, effectively removing the artificial subsidy for federal camping and will restore the badly needed funds with which we can maintain these facilities.

Last year we had a reservation system working in Yosemite, Grand Teton, Yellowstone, Grand Canyon, Acadia and Everglades National Parks. The passage of this legislation will clear the way for us to institute a 1974 camping reservation system. We hope the system will handle reservations for 23 national parks this summer, an increase from the six parks included in the successful experiment of 1973. We were delayed in our efforts to set this up for 1974 by the uncertainty surrounding the charging of user fees in the campgrounds. Obviously, the two problems are inter-related, and the passage of the legislation will solve both problems.

It is our hope that this computerized reservation and information system can be improved to handle the matter of referring requests when the park campground cannot accept the reservation. Computers can do wonderful things—and we hope that we will soon have the capability to refer the applicant from the reserved NPS campgrounds to a nearby campground operated by the state, by the county, by the city and by the commercial operator. Why not? We look forward to a completely integrated system, eventually, which will accept the campground reservation request—and either place it with the NPS campground, or refer it to the appropriate campground outside of the park and actually make the reservation for that alternate campground—all by computer. This system would not only allow us to handle our own problem more efficiently, but would also prevent the needless waste of gasoline which is a part of the frustrating business of driving from campground to campground looking for an open space, often late in the evening after a hard day's drive.

I would like to see a totally different pattern of visitation to the parks resulting from the necessity for saving limited supplies of fossil fuels. The 1974 visitor may drive a shorter distance to reach the park at lower speeds, and he may stay longer at the park when he reaches it. No more would we see the 500-mile-a-day syndrome—where the tourist boasted that he had driven 500 miles, and "seen" three national parks in 24 hours. About all he had to show for that "experience' was a stack of picture postcards and a need for a rest.

Our modern park visitor wants more out of his visit than a trip to the newsstand to buy post cards, a quick trip to the rest room, a bottle of pop and he's on his way to "visit" the next park. The new visitor, especially the youth, wants to know the park. He wants to learn about the values the park was designed to preserve. He wants to learn—in depth—and we are gearing up to give him the rewarding park experience which he deserves. There are 200 areas in the national park system located within 100 miles of a metropolitan area. So almost any kind of park "experience" you may want, historic, natural, cultural or recreational, is less than a tankful of gas away. And at today's gas prices, this makes a difference.

In addition, this year, we would like to lessen overcrowding by encouraging very rewarding visits to national parks before Memorial Day and after Labor Day. I am certain many of you will agree that some of the most spectacular scenery is to be found in the spring and fall and, for that matter, even during winter months in many parks. Another way to beat the crowds is to get off the beaten paths to the most popular parks and visit the 92 park areas we call "lesser used" or "under used." I visited 62 park areas during my first year as Director and I can assure you that most of my most pleasant memories are of "off season" trips to "lesser known" parks. And I've been told that because of the gasoline problems, we will add probably another 20 parks to our "under used" listing this year. You can still "get away" in this country.

Interpreters in the National Park Service have always complained that the visitor doesn't take time to read the pamphlets, look at the exhibits, walk the interpretive trails, listen to the recorded messages, attend the educational film—that the visitor doesn't really see the parks. We hope this complaint will be heard less often this camping season. We want to present the quality experience which the park visitor wants. We think for us that this is the most important and far-reaching benefit to come out of the energy crunch which caused such consternation some months ago.

It is apparent that the visitor who makes an in-depth visit to a national park area will also make an in-depth visit to the campground of his choice. At that campground, he is apt to require more goods and services than before. The campground which provides a laundry facility, for example, will probably be more attractive to the visitor who stays a week, than it was to the visitor who spent only one night. The services and facilities which were sometimes provided incidental to the provision of a campground, are now deemed of central importance. We in the National Park Service will not be providing these increased goods and services, although some of our concessioners may.

The in-depth park visit should also include greater awareness that parks are a different environment for urban Americans. But common sense safety rules apply everywhere. Most park regulations are in concert with state codes, but driving safety and observance of park regulations and speed laws is something I should mention to you. There were 179 fatalities in the parks last year and 59 of these involved motorists, second only to 73 drownings.

There is another aspect of the travail of the past six months which is worthy of mention. Recreational travel seems to have been recognized as a worthy use for fossil fuels, not as a luxury consumption of fuels. Representatives of many facets of the camping industry have been at work in Washington during the last eight months. They have done a good job of presenting your point of view to administrators in the Executive Branch of government and—of equal importance—to your elected representatives in Congress. It is apparent that their work has been effective and that any planning on the part of the federal government in regard to allocations of fuels will take into consideration the needs of the recreation industry.

I have appreciated the opportunity to share with you these observations from my own philosophy regarding management of the part of the economy which I have some small part in determining results—the National Park Service which I have the honor of directing. I can sum up the things we have been talking about in these few statements of principle:

1. National park areas will continue to welcome the family camper. As we have replied to hundreds of inquiries, there is no intention of prohibiting trailer campers in your national parks.

2. We expect to maintain the existing camping facilities within the parks, but we do not anticipate expanding the number of camping facilities within the parks.

3. We encourage the development of camping facilities outside the parks, in order that more campers can enjoy the parks without harming them.

4. We recognize the role of the recreational travel industry as an active, valid segment of the American way of life, and we will continue to cooperate with the segment of the American public which enjoys camping.

5. We will continue strenuous efforts to make the national park areas of this great nation even more worthy of your visits—even more worthy of representing the priceless heritage of scenic, historic and natural values that is so much a part of America.

I thank you very much for inviting me here today, and I want you to know that the National Park Service, under my direction, will always listen to whatever opinions you wish to express. We welcome your cooperation, and we pledge you ours.

TRIBUTE TO LARRY MULAY

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. YOUNG of Illinois. Mr. Speaker, one of this Nation's most treasured institutions is its free press. All across this country, publishers, editors, and reporters can be proud of the job they have done in helping to make the citizens of the United States the most well-informed people in the world.

Today, I would like to pay tribute to one of this country's finest and most diligent journalists, Larry Mulay. Larry is retiring after a 55-year career that has brought honor to the journalism profession.

I call the attention of my colleagues to the following editorial from one of Chicago's leading newspapers:

> If Chicago's newspeople ever organized a fan club, it likely would be to sing the praises of Larry Mulay. Hundreds of them have come under his tutelage and enjoyed his friendship as they broke into Chicago journalism by way of the City News Bureau.
>
> Not many newspaper readers come to know about the City News Bureau, for it is a behind-the-scenes operation, providing a vital information service on a co-operative basis for the print and broadcast media. And over the years it has also provided a training ground for reporters.

Larry ran a tough school at CNB, although he admits it has "mellowed some" now. And the lessons he helped teach through 30 years as city editor of the service and nearly a decade as general manager are firmly implanted in the work of newsmen and newswomen in Chicago and throughout the nation. In his incredible 55-year career at CNB (he began as a copy boy in 1919), Mulay estimates he has helped to train 6,000 aspiring journalists. Among his "graduates" are many now at the top of their profession.

Larry is finally going to retire from his 12-hour days of keeping watch on the accuracy of the news of Chicago. And his many friends and former pupils who bid him a fond adieu may yet get around to organizing that Larry Mulay Fan Club.

CONGRESSMEN PETTIS AND BELL SEEK TO END SWINDLING OF STUDENTS BY UNETHICAL VOCATIONAL SCHOOLS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BROWN of California. Mr. Speaker, the June issue of Reader's Digest contains a very interesting article about one of the most disgraceful rackets rampant in America today: the vocational school ruse. Rather than explain the entire situation in detail myself, I will enter the article in the RECORD. I would, however, like to take just a moment to commend two of our colleagues from my own State, the Honorable JERRY PETTIS and the Honorable ALPHONZO BELL, who have introduced legislation to begin to deal with this problem.

It is more important that we do something about this racket now than ever before, Mr. Speaker, since the nationwide economic problems which have grown so incredibly over the past few years are causing more people than ever before to enroll in these vocational schools, either to find jobs in this period of massive unemployment or to move up into higher paying jobs to cope with today's runaway inflation. Many vocational schools promise far more than they can deliver—in many instances under circumstances that cannot be described as anything less than criminal fraud—and the innocent students are taken for untold millions of dollars. Congressional action is made even more necessary by the fact that the Federal Government often plays a peripheral role in this scandal, loaning tuition money to students through the Veterans' Administration and the Office of Education. Even when one of these schools goes bankrupt, the student is left owing money to the Federal Government for an education which he or she did not receive.

It should, of course, go without saying that the practices of some of these institutions should not cause us to look with disfavor upon the many fine vocational schools which are honestly and competently fulfilling a genuine need in our society. The good schools, in fact, are among the most adversely affected victims of the bad schools, since the rotten apples bring discredit upon the entire barrel.

At this point, Mr. Speaker, I submit the text of the article, and I urge our colleagues to join as cosponsors of H.R. 11927 when AL BELL and JERRY PETTIS request our support for this measure, which I understand they will be doing very shortly.

The article follows:

CAREER SCHOOLS AREN'T ALWAYS WHAT THEY CLAIM

(By Jean Carper)

"Earn more money!" blazon the advertisements. Become an aircraft mechanic, insurance adjuster, writer, machinery operator, broadcaster, computer programmer, lab technician or truck driver. All you have to do is enroll in a private career school. When you graduate, you'll step into a fabulous, high-paying job.

Unfortunately, too many Americans have discovered to their sorrow that the promised jobs never materialize. Complaints from victimized students to the Office of Education about unethical vocational schools nearly doubled from 1972 to 1973. In a nationwide crackdown over the past two years, the Federal Trade Commission (FTC) has conducted 400 inquiries into schools suspected of deceptive practices.

The nation's 10,000 private vocational, or career, schools—resident and correspondence—annually enroll over three million students at a tuition cost of $2.5 billion. Undeniably, much of the money is spent on schools which *do* provide solid educations that enable graduates to obtain jobs. But, tragically, millions of dollars are wasted on substandard education for jobs that are not available. Poor governmental controls make it easy for career schools to prey on students. In some states, all you need to set up a vocational school is a postal address and the price of a license, while other states—such as Indiana, Minnesota, New York, Texas, Wisconsin—have strong regulatory laws.

Consequently, few schools are held accountable for high standards. Only 1700—a mere 17 percent of private vocational schools—are accredited by such nationally recognized agencies as the National Association of Trade and Technical Schools, the National Home Study Council and the Association of Independent Colleges and Schools. But accreditation or lack of it does not necessarily determine a school's reliability. Many of the FTC's recent complaints of deceptive sales practices were against accredited schools, including several large computer-training schools.

Amazingly, both the Veterans Administration, which grants G.I. payments for training in any state-approved resident or correspondence school, and the Office of Education, which approves federally insured student loans for accredited vocational schools, are prevented by law from giving any assurance that these schools are reputable. The federal government merely puts up the money for grants or loans, and if the school is dishonest, substandard, or collapses mid-term, the student is left holding the bag. A typical case is Denver's Western Technical College, a trade school which folded in 1971 after a history of financial troubles, leaving 600 students owing $1 million in federally insured loans. According to Maury Tansey, chief of claims and collections for the Office of Education, his agency will pay off the loans to banks holding the notes and dun students for repayment—for an education they didn't complete. Says the angry father of one student who owes $1200, "We thought if the government approved the loan the school was okay."

What are the main complaints against the career schools? Essentially, prospective students should beware of:

MISLEADING ADVERTISING

Invariably, ads promise high pay and job placement, but these claims often bear little resemblance to the actual job market. A 1972 FTC study in the Midwest showed that schools were luring would-be aircraft mechanics with ads like "Need men for high-paying positions immediately." Yet an FTC check revealed that among major airlines, American had laid off 365 mechanics in the previous six weeks, United had no openings and Eastern had not hired a mechanic since 1969.

In one New York case, a truck-driver training school charged $985 in tuition for a three-week course guaranteed to get graduates "$200 per week and more." Investigators for the state's Bureau of Consumer Frauds and Protection discovered that only 14 out of 179 students who had graduated—a scant eight percent—had been placed as promised in jobs as heavy-equipment operators, and *none* received salaries approaching those advertised.

HIGH-PRESSURE SALESMEN

Commissioned salesmen with glorified titles like "counselor," "registrar" or "educational consultant" make pitches at school career-days or canvass door to door—their sole aim to get a signature on a contract. They often conduct phony aptitude tests anyone can pass. One salesman in Nebraska who talked a woman on welfare into taking an artist's correspondence course administered the "talent test" himself (he gave her a high score). Some salesmen lie about accommodations. A now-defunct airlines-personnel training school headquartered in Missouri once pictured the University of Missouri campus in its brochures. The school's dormitory was actually a boardinghouse over a bar. Sometimes salesmen pose as civil-service officials. For $300 to $900 they *sell instructions* on how to pass civil-service examinations—which anyone can obtain from the Civil Service Commission absolutely free!

POOR-QUALITY EDUCATION

Frequently, so much money goes into the sales operation of vocational schools that little is left for schooling. During a recent year, one of the nation's largest vocational-school chains spent 65 percent of its gross income on advertising and administrative expenses, and only 15 percent on instruction.

Both prospective employers and public officials are disturbed about the quality of teaching at some vocational schools. Says Dr. Morris Schaeffer, former assistant commissioner of health for New York City, about private vocational schooling in medical technology: "Instructors generally lack adequate credentials, the equipment is poor and there is a lack of practical materials." Dr. Henry Isenberg, head of Microbiology Laboratory at Long Island Jewish-Hillside Medical Center in New York, reports that he is unable to hire 95 percent of those with vocational training who apply for jobs as lab technicians. They are too ill-prepared.

UNQUALIFIED GRADUATES

Some students earn a diploma from a career school—only to be left out in the cold because of additional standards they have not been informed about, such as industry or union regulations and licensing requirements. For example, a boy who trained to be a detective couldn't qualify because he was five-foot-six—too short. A girl who completed a stewardess course couldn't be hired because her vision was so bad as to brand her nearly legally blind. After graduation from a broadcasting school, a Chicago man was rejected by 40 stations in the area; all said they wanted someone with experience or a college degree. Though a California school touted its court-reporting courses, none of its graduates had ever passed the state's exam to practice.

All in all, these vocational-school practices add up to what Sen. Walter Mondale of Minnesota has called "the last legalized con game in America." What can you do to protect yourself from them? Before signing up for vocational training, the FTC urges you to ask four crucial questions—not of the schools themselves but of several prospective employers: 1) Would you hire graduates from X school? 2) How many have you hired in the past year? 3) Were they hired because of school training? 4) Did training make any difference in starting salary?

Check also with local and state employment agencies, guidance counselors, unions, trade and professional associations to find out about special qualifications needed in your field. Ask the prospective school for the last year's job-placement rate and a list of several graduates whom you can contact as references. Find out whether the school is accredited and by whom. Always visit a residential school's campus before enrolling. Read every contract thoroughly, and never sign one under pressure.

If you decide to drop out of a school, send a registered letter immediately informing the registrar's office—this is critical in getting a refund. If you feel cheated, write a formal complaint to the school, the state licensing agency, the accrediting agency (if the school is accredited), your local or state consumer-protection agency, the Office of Education (if you have a student loan), and the Federal Trade Commission, Room 479, Washington, D.C. 20580. As a last resort, consider filing suit.

Many authorities are now supporting strong state regulations to clean up vocational schools. For example, after Texas put through a tough new regulatory law, about one third of the state's private vocational schools shut down. The Education Commission of the States has proposed model licensing legislation, calling for strict standards of financial stability, equipment and instruction in all states. Congressman Alphonzo Bell and Jerry L. Pettis, both of California, have introduced a bill requiring the Secretary of Health, Education and Welfare to make a study of the federal government's involvement in funding private vocational schools and to adopt new procedures to prevent students from being cheated.

As Congressman Pettis says, "It is foolish to squander national resources on shoddy education. Students who enter vocational schools deserve—and should receive—a good education."

ALARMING SECURITY LAXNESS BY BUREAU OF ENGRAVING AND PRINTING

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. GUNTER. Mr. Speaker, I feel it is my duty to call the attention of the House to a situation which I find to be alarming, and to the lack of responsiveness in connection with it exhibited on the part of the Director of the Bureau of Engraving and Printing, James Conlan.

A private printing firm with a repeated record of losing securities which subsequently find their way into underworld circles was provided by the Bureau of Engraving and Printing with materials used to make plates bearing the image of George Washington that appears on $1 bills.

Dies used to make plates bearing the image of Washington and special ink were provided to the private firm by the Bureau of Engraving and Printing in a vain effort to adapt the firm's presses to help the Bureau print gas ration coupons, though Federal supervision of the materials appears to have been minimal.

The materials were provided despite a past and current record by the firm of losing stocks, bonds, letters of credit, travelers' checks, and other materials which have later turned up in such faraway places as Panama, Greece, Luxembourg, Frankfurt, London, Geneva, and the United States.

The private printing firm was Jeffries Bank Note Corp., of Los Angeles.

Three years ago Jeffries was mentioned in connection with the loss of potentially billions of dollars worth of negotiable and nonnegotiable materials.

While no one charged anyone at Jeffries with any responsibility for the loss, it was evident that a virtual absence of adequate security procedures allowed these materials to find their way into the wrong hands. The list of lost stocks, letters of credit, and other materials runs 42 pages.

There have been 21 indictments in the case, but no one has gone to jail in this country in connection with the case. There have been three murders of persons involved in the case, including the murder of an assistant U.S. attorney in Los Angeles the day before he was to seek an indictment in the case. The public defender appointed to represent the man charged with the murder was then murdered. The most recent murder occurred 2 months ago in Las Vegas of another person indicted in connection with the securities losses.

Jeffries inadvertently launched the chain of events when it sought a means to destroy stocks and bonds for which new certificates were being issued, along with printing overruns of other materials it had printed itself on its presses. Jeffries is a leading printing firm used to produce stocks, bonds, travelers checks, and similar materials. Among the items slated for destruction were stock certificates in International Nuclear Chemical which had been shipped 3,000 miles west to Jeffries for the purpose by Chase Manhattan Bank.

However, Jeffries did not have the capability at that time of destroying the materials in-house, and an outside firm it had been using refused to do further work for Jeffries because the high rag content of the materials was damaging their shredding equipment.

Jeffries then "turned to the Yellow Pages," and called a listed number for a firm headed by a Larry Gamson. Law enforcement authorities identify Gamson as the brother of Benny "Meatball" Gamson, who died some years ago in a Chicago gangland war.

Gamson did not have the capability of destroying the materials either, law enforcement records indicate, but he took on the job. Hiring a U-Haul truck, Gamson carted away 18 dempsy dumpsters full of materials and transported them to the Harry Kassap Rag Co., run by Jerry Kassap. Kassap was observed having lunch in New York with Joe Colombo a week before Colombo was gunned down, according to law enforcement officials.

Jeffries issued a certificate of destruction to Chase Manhattan Bank for the materials sent to Jeffries. But they and other materials later reappeared in financial capitals throughout the world and in the United States, where they were often used as collateral for short term loans from FDIC banks. Kassap was indicted in the case. Gamson was not accused.

There was a partial housecleaning of personnel at Jeffries following the case. But under new management, losses have continued. Some $60,000 worth of signed Travellers Cheques were discovered missing from Jeffries only last September when they turned up in London and were subsequently recovered by U.S. law enforcement authorities. Reports of other losses have also been under investigation.

The Bureau of Engraving and Printing conducted only the most cursory and slipshod investigation of the security background of the company and of the personnel at Jeffries.

One individual involved with providing outdoor security at Jeffries is a convicted felon. Sentenced for mail fraud in that case, he has only recently been indicted again on a new charge of bribery to fix an election. He has pleaded not guilty, and there is no evidence indicating he has any connection with the most recent losses at Jeffries. But I cite it because the Bureau of Engraving and Printing was not even aware of it.

Federal energy officials as late as mid-March were totally oblivious to Jeffries poor security record and history of losses.

Yet this is the firm which the Bureau made extraordinary efforts to give a contract to for the printing of gas ration coupons, despite the fact that without adaptation of its equipment it apparently did not have the capability to do the work of the kind and quality desired.

Even after the effort was made with strenuous Bureau assistance to adapt Jeffries' equipment, they could not do the work.

Two other private reputable firms, U.S. Bank Note Corp. and American Bank Note, were used to print a portion of the gas ration coupons the Bureau itself could not handle. U.S. Bank Note was never approached to handle an additional volume of coupon printing it appeared Jeffries could not handle, though the Bureau has claimed it went to Jeffries in the first place because of the need for an additional printing capability it could not find elsewhere.

Bureau officials made three attempts to help Jeffries adapt its equipment but finally ended up doing the job itself.

Officials of Jeffries contributed at least $13,000 to the Committee for the Reelection of the President—CREEP—after April 7, 1972. Jeffries is a wholly owned subsidiary of Title Insurance & Trust Co.—TI—of Los Angeles, which holds title to San Clemente and in which Bebe Rebozo and Robert Abplanalp have a beneficial trust. Jeffries does printing work for many Los Angeles area lawyers, including the President's personal lawyer, Herbert Kalmbach.

I have no way of knowing why the Bureau of Engraving and Printing made such extraordinary exertions to give a contract to Jeffries. But I do know that the Bureau's bureaucratic rhetoric about the thoroughness of their security precautions is as phony as a gas ration coupon or a $2 bill. It is incredible that a firm with the notorious record of "losing" things that Jeffries has should be given materials used to manufacture the picture of George Washington used on U.S. currency.

Bureau of Engraving and Printing Director James Conlon has denied any laxness in security in connection with attempts to use Jeffries for the printing of ration coupons, but promised a prompt audit of materials used by Jeffries to make sure all were handled under proper security arrangements.

That was 3½ weeks ago. Director Conlon has not forwarded the results of that audit to date. I believe this is a matter that should be subject to a thorough investigation by the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee, and I have indicated my willingness to cooperate in any way with the members and staff of that subcommittee in an effort to determine the facts in this matter.

RELIEF URGENTLY NEEDED FOR LIVESTOCK INDUSTRY

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. NELSEN. Mr. Speaker, in response to a deluge of calls and wires received from desperate livestock producers in Minnesota, I have today introduced legislation that would slap a 6-month freeze on all beef imports. It is the same essential legislation just introduced by our colleague from Nebraska, Congressman DAVE MARTIN.

I have also wired Secretary of Defense James Schlesinger urging that he institute a crash program to buy beef and pork for military feeding programs. A similar telegram has been sent to Secretary of Agriculture Earl Butz in which I recommended quick Government beef and pork purchases for all appropriate civilian programs, like school lunches and feeding the needy, in order to try to bolster the present sorry farm producer prices.

Tragically, cattlemen are losing anywhere from $100 to $200 a head on today's depressed livestock market. Hog prices are down at least 30 percent from a year ago. Prime beef in some places is being sold for dog food. There is no way that many thousands of family farmers with livestock to sell can survive at these prices. Their credit sources are drying up, and the whole farm economy is being damaged.

A group of farmer-feeders in my congressional district recently reported to me that:

> The problem is not that of the livestock feeder alone. Within a short period of time it will extend to other industries such as packing houses and their labor force, the trucking industry, the grain farmer, and the finance industry . . . Ultimately, it becomes the problem of the consumer, since the reduction in the number of livestock feeders will cause serious food shortages that will greatly increase the cost of food to the consumer.

Mr. Speaker, we ignore such valid assessments at our peril. The Livestock and Grains Subcommittee of the House Agriculture Committee announced today that public hearings on the serious livestock situation will be held on June 25 and 26. This is too long to wait when immediate relief is required. I would hope that our subcommittee will reconsider and move these dates forward to a much earlier time.

A number of alternate legislative ideas have been introduced that should receive consideration. It is especially urgent to deal with the beef imports problem, either administratively through the President's revocation of the suspension of red meat import quotas, or through legislation along the lines being recommended by a number of us in the Midwest.

Additionally, Mr. Speaker, I would like to encourage the administration to move expeditiously to see what can be done to encourage lower meat prices at the retail level, thereby prompting increased consumer demand for meats of all kind. Current livestock prices on the farm are simply not being reflected in the prices being charged to consumers at the meat counter.

I also hope our Government will take the lead in encouraging new volume purchases by Canadian and Japanese meat buyers. Our sales to these countries have been interrupted by the public flap over the artificial hormone, diethylstilbestrol, or DES. But I understand that a method has been worked out now to assure that U.S. beef is free of this substance, so that our meat sales to these countries should be resumed as quickly as possible.

Finally, I would like to mention that late last week, I wrote to President Nixon urging him to review the meat import situation as it presently prevails and to order immediate action to protect our rural economy. The President has authority, under section 2 of the Meat Import Act of 1964, to revoke suspension of red meat import quotas. The action would have the effect of quickly curtailing meat imports currently spilling into the United States, to the great detriment of the U.S. livestock industry and our family farmers.

SINGLED OUT FOR DISCRIMINATION

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. FOLEY. Mr. Speaker, at a time when the House Ways and Means Committee is considering reforms intended to make our tax system more equitable, Miss Kitty Kelley has written an excellent analysis of the current tax status of one group of Americans. That particular point of view expressed here is that of a single taxpayer. Her article from the April 22, 1974, issue of Newsweek follows:

SINGLED OUT FOR DISCRIMINATION

(By Kitty Kelley)

Income-tax day is April 15 which, logically, should make this week the biggest of the year for marriage proposals. Roping a spouse is the only way a single taxpayer can beat the system and escape the gouge of the Internal Revenue Service, which graciously subsidizes marriage to the tune of $10 billion a year while slapping single taxpayers with an annual $1.7 billion penalty. The 38 million second-class citizens in this country who are single by choice, death or divorce must either play house or pay through the unringed nose. There is no other option.

Our Federal tax laws protect the poor, the elderly and the handicapped and provide generous loopholes for the very rich. There even used to be a well-publicized cushion for a civil servant who tried to deduct a half million dollars for a passel of papers collected during his days as second banana to President Eisenhower. Special privileges are also accorded to married individuals, who pay much lower taxes than their single counterparts. As the IRS states: "Filing a joint return often means tax savings . . . because the joint-return rates are lower than other rates." Even if only one spouse works, the IRS code permits married couples to pretend while computing taxes that half their income is earned by the other partner, and so the marrieds get the tax break.

For example, a $12,000-a-year bachelor coughs up $2,630 in taxes for 1973 while his married friend in the same income bracket pays $2,260. The senseless $370 penalty worsens as the bachelor and his married friend continue to make more money. At 1973 tax rates, by the time they reach the $20,000 bracket the penalty is $850, and at $50,000 the difference in their taxes is a whopping $3,130!

NO FRILLS

Justification for joint-return rates rests largely on the assumption that it costs married couples substantially more to live than unmarrieds. However, this is not true. Government statistics from 1970 show that a married couple without children on a no-frills budget spent $5,250 to maintain a basic standard of living whereas two single people living separately spent $7,760 to maintain the same standard of living.

Because single, widowed and divorced taxpayers do not have the option of filing jointly, they pay considerably more in taxes than marrieds in the same taxable-income bracket. Men and women accustomed to this split-income provision experience a sudden financial jolt when they lose their spouses through death or divorce. For instance, a woman who must find a job to support herself after losing her husband usually finds she must pay more taxes on less income than she and her husband previously reported together. Meanwhile, she has to pay the same mortgage payments, the same property taxes, the same car payments and the same tuition on her children's education. And if she is an unliberated soul who relied on her husband to take care of odd jobs around the house, she must now pay a plumber or electrician or painter to do what her mate did for free. Since she is not entitled to deduct these expenses, she is penalized a second time for being single.

The Sixteenth Amendment to the Constitution stipulates a tax on income, but the connubial types in Congress apparently forgot to read the instructions on the package. Instead of taxing the income, they decided to tax the individual by designing a system that forces singles to shoulder the greatest burden of government revenue. For the past 60 years, unmarried pigeons have been feathering the Federal nest with 40 per cent more in taxes than married people.

RIPPED OFF

When singles began computing the thousands of dollars in a lifetime of earnings that would be ripped off by the government, outrage mounted, and by 1968 thousands of people refused to send in their tax payments. The mutiny on this and other issues, combined with heavy lobbying in Washington, finally forced Congress to pass the 1969 Tax Reform Act, which reduced the 40 per cent inequity to 20 per cent.

The protest worked to reduce grand larceny to manageable dimensions, but there were still complaints. However, faced with the prospect of a grueling IRS audit, most singles paid up. They had no other recourse.

"They have been doing it for so long, it is now a habit," declared Robert Keith Gray, former secretary to President Eisenhower's Cabinet. "But it is an outrageously bad national habit and one that should be broken immediately." Mr. Gray, himself a Washington bachelor, finally got fed up paying higher taxes than his married friends and decided in 1971 to fight the discrimination by forming CO$T—the Committee of Single Taxpayers, a nonprofit, nonpartisan lobby to influence Congress.

Putting his money where his mouth was, Mr. Gray contributed $10,000 to finance the organization and enlisted the support of two former senators who have never agreed on anything except the Ten Commandments. With Eugene McCarthy, the liberal poet from Minnesota, and George Murphy, the conservative song-and-dance man from California, the crusade for the single taxpayer began in earnest.

BOMBARDMENT

The odd couple stalked the halls of Congress, buttonholing former colleagues to support the bills introduced by Democrats Rep. Edward Koch of New York and Sen. Abraham Ribicoff of Connecticut to give singles the same tax schedule as marrieds filing jointly. Unmarried citizens began bombarding their congressmen with letters and telegrams that helped push the bill through the House of Representatives. And it was passed in the Senate even though retrogrades like Democrat Russell Long of Louisiana and Republican Wallace Bennett of Utah interpreted the legislation as a license for living in sin. Their insistence that you must marry and multiply to get a fair shake from the IRS eventually succeeded in killing the bill in conference between the two chambers. So single taxpayers are paying their unfair share of taxes again this year.

But there is still hope for next year. CO$T is confident that with continued lobbying by the odd couple and the help of concerned singles, Congress will see its way clear to admitting the unmarried to the human race. "We're on the right track now," says Gray. "We have professional people involved. We have viable representation in Congress, and the legislators are interested because we keep pushing."

If the bills pass, the government would lose an estimated $1.7 billion in revenue collected each year from single taxpayers. But Congress should be reminded of what it cost to desegregate the South. Civil rights are always expensive. Still, the cost of righting the wrongs of discrimination is the best investment a democratic society can make.

H.R. 15200

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. MATHIS of Georgia. Mr. Speaker, many adverse comments have been made against H.R. 15200 which I cosponsored last week. The legislation would exempt from full-time babysitting coverage a single head of a household whose earnings would not exceed $7,500 per year and would further exempt joint heads of households whose total income did not exceed $15,000 per year.

I maintain that this is realistic legislation, and while I am aware that certain groups in this country are adamantly opposed to its passage, I feel it is definitely needed. I am submitting a letter I received from the manager of the Georgia Department of Labor, Training, and Employment Service office in Griffin, Ga., which I feel substantiates the need for this legislation, and I want to share it with my colleagues:

GEORGIA DEPARTMENT OF LABOR,
Griffin, Ga., June 7, 1974.

Hon. DAWSON MATHIS,
Congressman, Second Georgia District,
House of Representatives,
Washington, D.C.

DEAR SIR: I read with great interest your Bill to strip minimum wages from "Baby Sitters" and to exempt families who make less than $15,000 a year from paying "Domestics" the new minimum wage. I am the Manager of the Georgia Department of Labor, Training and Employment Service office in Griffin, Georgia. This new minimum wage has created a bad situation. Why should a working mother be responsible for paying her maid $1.90 per hour when service workers, waitresses, cashiers, sales clerks, and yes charwomen for doctor's offices are not covered under this law?

My area covers eight counties which are predominantly textile and garment. These mothers average $100 to $120 per week. Do you think they can afford $76 per week for a Domestic? Absolutely not, they are forced to quit, discharge the maid. The family income is lowered at a time when cost of living is sky-high. The minimum wage for Domestics is a bad piece of legislation; it should be based on family income at least.

To bring out another point, employers are having their troubles. We cannot supply qualified workers in all instances, so production goes down. The maids themselves in most cases are not qualified for mill jobs or many other jobs. They are usually elderly, uneducated black females who have great difficulty in securing employment; most are also untrainable. What is the alternative—Welfare—they go right back to the system we need to break up.

I noticed that *Ms. Edith Sloan* said your bill was "dumb". She is out of touch with rural areas. Her experience no doubt is in the large metropolitan areas where Domestics made more than $2.00 per hour before this law became effective. The average lower and middle class family cannot afford this minimum wage. There should be a salary limit. If retail service businesses are exempt, why penalize the young working mothers who need work to supplement the family income?

I do hope your Bill passes. I am urging the women in my area to write their Congressmen and Senators protesting this wage law. I would enjoy talking with Ms. Sloan; she is out of touch with reality. You could sound out Employment Service offices in your area to verify these facts. It is not only Griffin, but all over the State objections to this new law are being heard daily.

Sincerely yours,
SIDNEY D. DELL,
Manager, Georgia Training and Employment Service, Georgia Department of Labor.

TRIBUTE TO THOMAS M. JENKINS

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. RYAN. Mr. Speaker, in this time when the news media would give one the impression that there is a lack of confidence in Government, it is important now that we recognize those citizens who, by their day-to-day actions, dispel that impression.

One of those citizens is Thomas M. Jenkins, whose excellence in local government is equalled by few people anywhere. Tom is retiring as mayor and councilman of San Carlos after many years of service to his community and the State of California. Some of his former community and professional activities include:

Vice president and board of governors, State bar of California, 1969–72; president, American Association of Homes for the Aging, 1969–72; president, Peninsula Division, League of California Cities, 1971–72; chairman, conference of delegates, State bar of California, 1967; House of Delegates, American Bar Association, 1959–64; mayor, city of San Carlos, 1965–69; chairman, council of mayors, San Mateo County; vice chairman and national board of directors, Camp Fire Girls, 1964–68; president, Peninsula Council, Camp Fire Girls; president, United Community Fund of San Francisco, 1962–64; Governor's hospital advisory council, State of California; board of directors, 17th District PTA; chairman, planning commission, city of San Carlos; executive committee, San Francisco program for the aging; board of governors, Legal Aid Society, San Francisco; president, the Lawyers' Club of San Francisco; vice president, Mission Neighborhood Centers.

Perhaps the finest tribute that can be paid to an individual is to be honored by his peers. Tom will be so honored on June 13, 1974, when a committee made up of the citizens of San Carlos will express the appreciation of the entire community at a retirement dinner.

The word "retirement" is a misnomer in this circumstance because Tom is not, by any stretch of the imagination, "retiring." He is an active member of the prestigious law firm of Hanson, Bridgett, Marcus, and Jenkins. He also sits on the judicial counsel of the State of California, the board of directors of the American Association of Homes for the Aging, the board of approval for the American Hospital Association, the board of directors of the San Francisco Association for Mental Health, the board of trustees of the United Bay Area Crusade and as chairman of Long-Range Planning for the State Bar of California.

I suspect Tom will use his well-deserved rest from active city management to spend more time with his lovely wife Anne, and their three children Thomas Mark, III, Jo Anne, and Dirk.

I join Tom's friends and associates in saluting a dedicated citizen in service to his community and wish him all of the luck and happiness of the future.

THE NEED FOR NEGOTIATING A RESIGNATION—NOW

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. McCLOSKEY. Mr. Speaker, my colleague, Don Riegle, has written a thoughtful article that appeared in the Los Angeles Times of June 10, 1974, which I am inserting in the Record for the interest of my colleagues:

[From the Los Angeles Times, June 10, 1974]

The Need for Negotiating a Resignation—Now

(By Donald W. Riegle)

President Nixon is leaving for the Middle East and will soon be going to the Soviet Union for summit talks. But no matter how far he travels and no matter whom he meets, Mr. Nixon cannot leave Watergate behind.

For the pressure continues to build for some kind of resolution. The Democratic leaders of Congress have come out against a presidential resignation—their constitutional and political preference for the full impeachment process is understandable. Due process is proper.

On another level, however, America desperately needs a new President—now.

Urgent national difficulties compound themselves daily as we drift aimlessly with a crippled Presidency. In addition, I sense the gravest dangers in East-West summitry conducted by someone so disabled and distracted. Extremely serious foreign policy and domestic policy realities make the impeachment process much too slow and nationally incapacitating—despite its other virtues.

A carefully negotiated resignation arrangement seems the best of a deteriorating set of alternatives.

But as congressional attitudes harden on the impeachment issue, the practical option of such a negotiated resignation may be slipping away. Should it slip away, the loss of this option would, I think, ultimately prove very costly to Mr. Nixon and to the country. For Mr. Nixon, at the worst, impeachment and its aftermath could well mean time in federal prison, possible fines, enormous legal fees and the loss of handsome pension benefits. For the country, it would mean continued months of executive paralysis in which we would be hostage to possible future crises to which we could not properly respond.

Many of us in Congress would accept a negotiated resignation which would provide Mr. Nixon with immunity from future criminal prosecution. Presumably it could be done legislatively as Rep. Wilbur D. Mills (D-Ark) has suggested, with a newly sworn President Ford signing such a bill into law. Or it could be accomplished by means of a formal agreement between the President and the special prosecutor, sanctioned by congressional leaders from both parties.

But two crucial conditions would have to be met. First, the arrangement would have to be made soon—for the passage of time makes it less useful to the country, and protracted discussion would soon take on the appearance of political conniving and back-scratching. The second condition is the most critical and—to my mnid—non-negotiable: In any negotiated resignation, the whole truth must be made public about Watergate and all other matters presently under investigation by the House Judiciary Committee. That would mean that all presidential tapes and documents, without exception, would have to be turned over to the special prosecutor and his staff or to the House Judiciary Committee so that the full truth could be finally pieced together and made public.

From appearances to date, it seems that Mr. Nixon would never consent to paying the price of yielding the whole truth. Given the fragments of evidence already in hand, I can understand his reluctance. But no resignation arrangement can stand the test of time and justice—unless the full truth is finally known—and therefore no deal is possible that does not strip away the last vestige of the coverup. I hope Mr. Nixon will come to this realization—and soon.

I do not now sense a mood of vindictiveness toward Mr. Nixon, in the country or in Congress—although there is widespread disappointment, disgust and a feeling of national disgrace. The American people—and history—will be charitable to a fallen President who finally chooses to put nation ahead of self.

What we seek is not a pound of Mr. Nixon's flesh—but rather the full truth and a fully restored and functioning Presidency.

THE MIA DILEMMA: ONE FAMILY'S EXPERIENCE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. HARRINGTON. Mr. Speaker, in March of 1972, the son of a constituent family became a tragic statistic. Capt. Arthur H. Hardy, of Ipswich, Mass., then a lieutenant, was shot down over Laos. Since that day, the family of Captain Hardy, Mr. and Mrs. Gordon Hardy, have been waging a campaign to ascertain the fate of their missing son.

I suspect that my experience in trying to help the Hardy family, and in trying to believe the assurance of officials at the Department of Defense is all too typical. As much as I want to believe that every reasonable effort is being made to resolve the MIA question, I cannot help but doubt that enough is being done.

It was a tendency on the part of some Members of Congress, perhaps, to take the signing of the Paris peace accords as a signal that the long horror of the Vietnamese conflict was now over and that somehow the bitter residue of this war would instantly dissolve. Perhaps an attitude developed about the MIA's which would have banished this nagging question from the focus of our daily vision.

But some Americans—courageous Americans like the Hardy family—refused to allow the MIA question to die a quiet death. They have continued to make every effort, often at great sacrifice, to learn the fate of the hundreds and hundreds of American servicemen listed as missing in action.

Over the months since the nominal end of the Vietnamese conflict, we have seen, understandably, growing frustration build over the MIA dilemma. Some Americans would blame the whole problem on the North Vietnamese and their southern counterpart, the so-called provisional revolutionary government. Other Americans would cast the blame on the Saigon government; still others on our own Government. The increasing frustration and bitterness has led to a polarization of the issue on which all Americans ought to be united—a polarization that infects the still-festering wounds of Vietnam.

It seems to me that the fault for the MIA dilemma lies with all parties. Very serious problems have been encountered in the efforts of our Government to account for the servicemen and civilians listed as missing in action. Efforts to obtain information, or access to the actual sites where the remains of American personnel may lie, have been repeatedly frustrated. To a large degree these difficulties and the attendant frustration can be blamed on the North Vietnamese and the PRG, who are sometimes intransigent and uncooperative. Other Communist nations, such as the Soviet Union, do not appear to have been helpful in resolving the MIA dilemma.

Yet, we must recognize that the Saigon Government bears some of the fault as well. The parts of any peace agreement must to some extent depend on the success of the whole. Frankly, the Paris accords have not brought peace to Vietnam. The fighting continues; only the direct U.S. presence is gone. And both sides are at fault. In this context of continuing strife, it is perhaps more understandable that the components of the "peace" agreement dealing with MIA's are not being fully complied with by either the South Vietnamese or North Vietnamese Governments, to the frustration of American effort. The MIA dilemma cannot but be affected by the general status of affairs in Vietnam, and today, this status is not good.

Just recently, it was announced that the North and South Vietnamese had agreed to reinitiate the Geneva talks, and upon this announcement—made after months of conspicuously bad relations—it was hinted that the North Vietnamese might be more willing to allow U.S. inspection of sites where MIA remains may be.

Perhaps this is a lesson to us. It is the understandable by-product of the months—in some cases, years—of frustration that well-intended people should suggest harsh and punitive measures as a means to learn the fate of the MIA's. But we cannot force a resolution upon the North Vietnamese and the PRG. Even military involvement would worsen rather than better the situation. The best our country can do to resolve the MIA dilemma, it seems to me, is to actively encourage better relations between the various sides, to discourage hostilities between North and South, and to help in building the climate of peace that, we can hope, will result in the trust needed on all sides for satisfactory resolution of the questions remaining on the fate of our MIA's.

I genuinely believe that the MIA dilemma is not a partisan concern. It is a human concern, one in which every American should share. I hope we will recognize the frustration and the suffering of MIA families, and I hope our country will take the positive kinds of steps required if we are to stand a real chance to bring light into the darkness of the MIA dilemma. We owe it to the families of our servicemen to do our best to learn their fate. We owe at least this much to the Arthur Hardys, and their families, of this Nation.

THE IMPORTANCE OF FETAL RESEARCH

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Ms. HOLTZMAN. Mr. Speaker, recently the House voted overwhelmingly to prohibit fetal research in federally funded medical programs.

In a recent article, the director of Babies Hospital in New York, pointed out how instrumental fetal research has been in developing cures for premature birth, cerebral palsy, metabolic disorders, multiple sclerosis, a variety of cancers and coronary heart disease, among many others. The article confirms the importance of considering proposed legislation in a calm, rational, and thoughtful manner, especially when it can affect vitally important medical research that can well be lifesaving.

It is apparent that many of those opposed to fetal research have confused the issue of fetal research with the abortion issue. In fact, fetal research should be of vital concern to those who purport to be committed to the preservation of human life. The great amount of emotionalism and rhetoric which have been expended on this matter has caused many to lose sight of the real issue involved here: fetal research is crucial to enable unborn babies to survive and to enable both children and adults to live healthy lives free of disease.

We have appropriated millions of dollars for advanced programs of medical research in a number of important areas, such as cancer and heart disease. Yet medieval attitudes have caused us to block off an area of research which could be of vital help in curing these and many other life-destroying diseases.

The article which appeared in the New York Times on June 9, 1974, follows:

THE IMPORTANCE OF FETAL RESEARCH

(By Richard E. Behrman)

Current efforts to prohibit or significantly limit research involving fetuses and infants seriously jeopardize the health and welfare of our children and of our children's children.

Senate and House conferees have agreed on legislation banning for four months research on the living human fetus, either in the uterus or after abortion, unless the research is to save the fetus's life. The ban, to be limited to research supported directly or indirectly by the Department of Health, Education and Welfare, would run from the time of establishment of a temporary commission for the protection of human subjects of medical experiments.

Instead of providing appropriate safeguards from real, though infrequent, abuses by a few investigations, these initiatives and recent court actions to prohibit fetal research are likely to severely limit our ability not only to protect children from serious illness but also to promote their optimum growth and development.

It may not have been sufficiently communicated to the public and people in positions of political responsibility that the prevention and treatment of diseases that threaten children's health and survival depend especially on fetal and infant research.

A substantial number of problems in young infants start in the uterus, and several important medical developments have been made possible only through research on the human fetus and on the newborn.

In the last decade, for example, amniocentesis, a technique used to remove fluid from the amniotic cavity—the sac of fluid in which the fetus floats—in order to detect diseases, has made possible the identification of more than fifty diseases before birth, many of which if not prevented or treated result in death or mental retardation. This technique was first used for the measurement of intrauterine pressure during labor and would not have been considered necessary to the survival of that particular fetus.

The development of the test for Rh-blood-group incompatibility and ultimately the preventive treatment for the mother would not have occurred without human fetal research.

Our ability to prevent premature birth and brain injury from asphyxia occurring during labor, both of which may lead to death or cerebral palsy, will be obstructed by prohibitions against fetal research. Our ability to increase the survival of healthy children who develop hyaline-membrane disease or Rh disease early in life depends directly on fetal and infant research.

Infections, which take such a large toll during the fetal and newborn periods of life, require at some stage the testing of new antibiotics on the human fetus and newborn infant; tests on animals and human adults that should be done first are not sufficient because of the enormous differences between an infant and adult.

There are over forty metabolic disorders that occur in childhood for which fetal research provides the greatest likelihood of decreasing sickness and death.

The health of adults may also be hurt by prohibitions against fetal research. Progress in the prevention and treatment of coronary heart disease may be compromised.

Our ability to prevent and treat certain disorders of the central nervous system, multiple sclerosis among them, as well as a variety of cancers of adult life, and even our ultimate ability to ameliorate the aging process, are likely to depend in part upon investigations of fetal life and early infancy.

Those who oppose legal abortions have been some of the major supporters of prohibitions against fetal research. However, the goal of fetal research is to preserve the right to life in its fullest sense by preventing and curing disease. In some instances, research may even eliminate the need for therapeutic abortion.

Ethical safeguards are essential in medical investigation. The preservation of life and the prevention and treatment of injury are the only ethical and legal bases for physician-scientists to carry out research on a human baby, premature infant or fetus who is developed enough to survive outside the uterus.

Investigation of a fetus outside the uterus who has no possibility whatsoever of surviving independently also requires certain ethical and legal safeguards to protect the fetus' own interests as well as those of its parents, society and future generations.

The Department of Health, Education and Welfare is now formulating regulations. They should be promptly made public and reviewed by Congress and the public to make sure that they provide necessary protection for fetuses, infants and children, both by preventing abuse by unethical research and by preserving every child's right to a life not limited by disease that research can eradicate.

We should not delay protection of fetuses and infants from disease by delaying badly needed research while we study these matters. We cannot allow critically needed research on behalf of our children and theirs to be severely compromised by a ban on fetal and infant research.

INEOA OPPOSES LIFTING OPIUM BAN BY TURKEY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. WOLFF. Mr. Speaker, Members of the House and concerned organizations throughout the country who are involved in narcotics control continue to urge that the ban on Turkish opium production remain intact. Our resolution, House Concurrent Resolution 507, calling upon the Government of Turkey to continue the opium ban or face a cutoff of U.S. aid, now has the support of 228 House cosponsors, over a majority.

I would like to bring to the attention of my colleagues the resolution that has been adopted by the International Narcotic Enforcement Officers Association in strong opposition to the lifting of the opium ban. INEOA is an organization dedicated to securing the cooperation of all who are engaged in the field of narcotics control and devising means for improving international, National, State, and local efforts to combat drug abuse. Its membership includes Harry J. Anslinger, U.S. member of the Narcotic Drug Commission of the United Nations, former U.S. Commissioner of Narcotics, Henry Giordano, former Director of the Bureau of Narcotics and Dangerous Drugs, John Ingersoll, and John Bartels, Jr., head of the Drug Enforcement Administration.

The complete text of INEOA's resolution, urging the Government of Turkey to continue the opium ban, follows:

RESOLUTIONS OPPOSING LIFTING OF BAN ON OPIUM PRODUCTION BY TURKEY ADOPTED APRIL 25, 1974, WASHINGTON, D.C., BY THE INTERNATIONAL NARCOTICS ENFORCEMENT OFFICERS ASSOCIATION

Noting that on June 30, 1971, the Government of Turkey took commendable action in deciding that the most suitable method of preventing diversion of opium into the illicit traffic was to prohibit all production of opium in Turkey;

Appreciating that this action was taken for international humanitarian reasons in spite of certain economic and social considerations;

Believing that the Government of Turkey's ban on opium production has caused a significant shortage in the flow of opium to clandestine heroin laboratories thereby disrupting the supply of illicit heroin to victim countries;

Regarding the disruption of illicit traffic in Turkish opium as a major factor contributing to the reduction of heroin addiction in the United States;

Being deeply concerned by reports that the Government of Turkey is considering a resumption of opium production; and

Convinced that a resumption of production would make available sizable quantities of diverted opium thereby stimulating the illicit manufacture and distribution of heroin:

Recommends and strongly urges:

(1) That the Government of Turkey continue its humanitarian resolve in recognition of the serious consequences that the world community would suffer if the Government of Turkey were to abandon its present policy; and

(2) That the Government of Turkey continue its ban on the production of opium.

Be it further resolved that this resolution accompanied by evidence of its approval be forwarded to the Turkish Ambassador to the United States with a recommendation that it be respectfully transmitted to the Prime Minister of the Government of Turkey.

LONG-TIME FOREIGN AID OPPONENT SUPPORTS IDA

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BROWN of California. Mr. Speaker, for many years I have been one of the Congress' strongest opponents of bilateral foreign aid. In the various voting records compiled by organizations that keep track of congressional activities I have found that conservative groups have raised their ratings of my performance and progressive groups have lowered their ratings of my job, because of my votes against almost all foreign aid measures to come to the floor of the House during the past several years.

Today, however, I rise to urge my colleagues' support for a foreign aid measure. The legislation in question is H.R. 15231, which Chairman GONZALEZ yesterday brought out of the International Finance Subcommittee for action by the full Committee on Banking and Currency. This bill is quite similar to H.R. 11354, which was defeated in the House on January 23 of this year. The measure provides for continued U.S. participation in the International Development Association, an arm of the World Bank, through an authorization of $1.5 billion over a 4-year period as our contribution to this multilateral aid agency. This bill overcomes virtually every reservation that any of us here in the Congress may have about foreign aid measures.

That is quite a strong statement, but I will be happy to back it up. I intend, Mr. Speaker, to bring to the attention of our colleagues in the near future a concisely worded statement dealing with all of the most common arguments we may have against any particular foreign aid measure, and demonstrating that these arguments simply do not apply to this particular bill.

Today I would call our attention to another item. The current issue of Psychology Today magazine contains an article which examines the IDA from a perspective which I suspect few of us have adopted when analyzing our foreign aid expenditures. Subtitled "Foreign Aid That Works," the article was written by Kenneth J. Gergen—professor and chairman of psychology at Swarthmore College in Pennsylvania, Ph. D. in social psychology from Duke University, 4 years teaching at Harvard before joining the Swarthmore faculty in 1967—and his wife, Mary M. Gergen—M.A. in counseling from the University of Minnesota, teaches group dynamics at Swarthmore, author of numerous papers in the social science field.

Without any further introduction, let me urge every Member of the House to read this excellent analysis of foreign aid in general, and the IAD in particular. It is well worth every moment of attention we can devote to it. Mr. Speaker, I would like the article to be printed in today's RECORD immediately following my remarks:

FOREIGN AID THAT WORKS—WHAT OTHER NATIONS HEAR WHEN THE EAGLE SCREAMS

(By Kenneth J. Gergen and Mary M. Gergen)

We had been studying foreign aid and the psychology of receiving help for several years when the U.S. House of Representatives, on January 23 of this year, voted to withdraw America's financial support from the International Development Association (IDA). The surprise move by Congress was an enormous disappointment, in part because the overwhelming lesson of our research is that IDA is one of the best possible ways the U.S. can help millions of poor people around the world. Naturally, the disappointment will be far greater for those people who face starvation in the years ahead.

IDA, an affiliate of the World Bank, helps only the very poorest countries, the ones whose annual per capita income is $375 or less. (In 1973, over 70 percent of IDA resources went to countries where the average income is less than $120.) The organization provides monetary credits and technical assistance after conducting thorough studies of particular problems. Interest on these loans is virtually nil, and the recipients are allowed 50 years to repay them.

Malawi, an impoverished country in southeastern Africa, began receiving help from IDA in 1968 for a rural development project in the Shire Valley. Sixteen thousand farm families were able to increase their annual incomes tenfold by growing cotton and raising better food crops. The Shire Valley project was about to enter its second phase when Congress changed its mind.

IDA money doesn't build grand hotels, armies, or even much in the way of large-scale industry. Its chief aim is to help the small farm family, especially through agricultural and educational programs. IDA recently supplied funds to house 6,500 families left homeless by the earthquake in Managua, Nicaragua. It has funded a livestock development project in Afghanistan, a water supply system for Damascus, an irrigation project for 20,000 families in Nepal, and similar projects in dozens of other countries. Moreover, IDA engages in these activities in such a way that the rich, contributing nations gain friends and increase trust while they help ordinary human beings.

"WE HAVE GOT TO RETRENCH"

The Congressmen who voted against IDA argued that America's attempts at foreign aid have usually ended in corruption and ingratitude. For example, Libya, India, Algeria, and Chile all "bit the hand that fed them." Representative John H. Rousselot of California pointed out that the U.S. was providing loans without interest to foreign countries, "yet our own people are having a struggle to obtain mortgage money at home." Other Congressmen said: "they do not put the money where it belongs;" "we have got to retrench;" "the amount that trickles down to the poor is very tiny;" "we have developed mineral resources all over the world, and in so doing we have closed down our own mineral resources." Other opponents of IDA had less substantial things to say.

Nevertheless, many see the cutoff as a tragedy. It is likely that the other contributing nations will follow the lead of the U.S., reducing IDA to practically nothing by the end of this month (June 30). Some Americans view this as a moral disaster. We are remaining aloof while a large part of the world's population struggles for its bread. The poorest nations, already maimed by the oil price boost and the loss of oil-based fertilizers, face famine. From a more pragmatic standpoint, the friends of IDA argue that we're crazy to dismiss the developing nations that provide us with a third of our natural resources and an annual market for $14 billion worth of American products. The dimensions of this country's error in withholding $1.5 billion from IDA may turn out to be more extensive than Congress imagined.

One unfortunate aspect of the debate was that IDA's opponents frequently used arguments that referred to *bilateral* aid; they recalled scandals in which our nation gave assistance directly to other countries. But it is inappropriate to generalize from such instances to the very different world of multilateral aid.

The recent Congressional vote was also based on two questionable assumptions. The first is that the culprits in the case are the recipients. This assumption is supposed to account for the poor nations' growing hostility toward the U.S., their failures to cooperate with our programs, their pilfering of goods and funds, and their notorious "lethargy." Second, since aid is an economic matter, it is assumed that assistance programs should be evaluated almost entirely in economic terms.

INDIVIDUALS WITHIN NATIONS

As psychologists, we propose two counter assumptions to these traditional views. First, it's possbile that the behavior of recipient nations is importantly shaped by our actions. Recipients are not by nature hostile, uncooperative or lethargic. Moreover, rather than viewing assistance in purely economic terms, we should consider its psychological implications. Dollars are not simply dollars; they carry a host of implications for the recipients' self-esteem, feelings of obligation, and evaluations of us as donors. If we broaden our perspective to include the psychological dimensions of aid, it might be easier to formulate more effective programs. As we shall see, IDA, whose economic reputation is already excellent, may also be the best psychological means of providing aid.

Our research on foreign aid and the psychology of receiving help has involved surveys, questionnaires, in-depth interviews and controlled experiments in several countries. Our focus of attention has been on individual rather than institutional reactions to aid. After all, much of foreign aid (like much of politics and international relations generally) is conducted among individuals. The people who make decisions about such matters are certainly individuals, and so are the people affected by those decisions. They react personally to the actions of others and hold views of "national character"; they personify nations and think in terms of motive and human design. We believe, moreover, that our own research, some of which is presented here, supports the notion that there are significant, pancultural similarities in the quality of human experience.

Our research points to three major variables that influence people's reactions to aid from other countries: characteristics of the donor, characteristics of the aid itself, and the psychological state of the recipient.

One might suppose, given the poverty of most aid recipients, that the assistance itself would mean everything. But our research indicates that recipients are also extremely concerned about the intentions of the donor. Of the 56 foreign-aid officials that we interviewed, over 70 percent of them singled out the influence of the donor's motives in shaping reactions to aid.

If the donor appears to be giving primarily to serve his own ends, his help is neither appreciated nor are his programs likely to be supported. The recipient of self-serving aid feels the donor is deceitful; as a result, the recipient suspects that he himself will turn out to be the ultimate loser. One aid official characterized self-serving assistance as a "poison gift."

A laboratory study conducted with Phoebe Ellsworth and Magnus Seipel confirms the idea that recipients are hostile to self-seeking donors. Eighty young men in Sweden and the U.S. were placed in an experimental situation where they needed financial resources for an attractive investment. The experiment was a game involving chips and dice, but the final payoff was in real money. Each player got the resources he needed to play the game from what appeared to be one of his peers. Half the players, however, were given the impression that the gift-givers expected a share of the winnings in return. The other players suspected no such designs.

Later, the players evaluated their patrons. It seemed that the hint of exploitative intent evoked negative feelings toward the donor.

Questionnaire studies point to the same sensitivity to a donor's intentions. When asked what they would think of a donor who helped them for selfish reasons, respondents from Malaysia, the Philippines, South Africa, the U.S., and several other countries replied that they would surely dislike that donor. If the donor's intentions were unselfish, they'd like him.

When the U.S. gives aid directly to other countries (bilateral, as opposed to the multilateral aid of organizations like IDA) we tend to trap ourselves. Recipients dislike us because they suspect our motives.

The American people, surveys show, think of our aid as unselfish and humanitarian, and a picture of the clasped hands of brotherhood appears on our shipments overseas. Unfortunately, the recipients of these shipments don't necessarily believe us. Sophisticated recipients, including foreign officials and others whose opinions carry weight, are aware that direct American aid is usually given to secure economic, political and military advantage. Our aid has gained us votes in the U.N., the use of military bases, protection for American businesses overseas, and automatic markets for U.S. exports. These may be reasonable aims, but they're not exactly unselfish, and the recipients understand our intentions. They may even understand them better than the American people do, since recipients read the fine print. In any case, they react accordingly, and may come to dislike us and misuse whatever aid we give.

THE RELEVANCE OF NATIONAL CHARACTER

Other characteristics of the donor, aside from his specific intentions in giving aid, may have powerful effects on the success of the transaction. Most of us are continually evaluating the personalities of people we know. The recipients of aid are no exception. Views of the "American character," for instance, seem to color recipients' opinions about aid from this country. There is a strong human tendency to see things in emotionally consistent ways, so that "bad" people can't be expected to engage in any "good" act, even if the act appears to be a helping hand. The psychological validity of this principle has been established many times—most recently, perhaps, by Charles Osgood's "psycho-logic" and by Leon Festinger's concept of cognitive dissonance.

Recipients of aid also feel judged by the company they keep. If the donor's character is admirable, it's an honor to be allied with him. If he's aggressive, ignorant or manipulative, then receiving his aid is demeaning.

Surprisingly, our research indicates that almost *any* characteristic of the donor, no matter how irrelevant to the transfer of resources, can influence the way a recipient perceives economic aid. Public-opinion research indicates that if an aid-giving country has a reputation for being technologically inferior, warlike, unfair to minorities, irreligious, or deranged in its family relations, then reactions to its aid prove negative. The aid appears as unnecessary, undesirable, ineffective.

America's image abroad, surveys indicate, has suffered recently. Our involvement in Vietnam seemed imperialistic to the vast majority of people in developing nations. Earlier, our race relations gained us a reputation for injustice and hypocrisy. The Watergate scandal has left other scars. Problems like these, which seem to contaminate foreign aid, may be reversible.

But the fact that we're a wealthy country is much harder to undo; and unfortunately, our wealth may create envy and a sense of injustice in the eyes of the have-nots. The U.S. has dedicated a much smaller percentage of its gross national product to IDA than several other countries, including Britain, Japan and West Germany. Many people in the poorest nations are aware of that fact, and apart from any possible envy, they realize that aid from the U.S. doesn't "hurt" us as much as, say, aid from Britain hurts the British. When you have everything, it takes a bigger gift to prove your feelings.

A laboratory study conducted in Japan, Sweden and the U.S. supports the notion that wealth can be a curse. Experimental subjects received help from two donors. One donor was rich, while the other gave from a small pool of resources. In each country, subjects evaluated the poor donor far more positively; the subjects also returned more of the poor donor's resources.

In short, the perceived characteristics of the donor exert a tremendous influence on the aid's success, not only in terms of good will but also, to some extent, in the aid's material impact. This point is often overlooked by opponents of foreign aid, who tend to assume that the source of aid is irrelevant.

TRUE AID AND FALSE AID

The nature of the aid itself is just as vital to the success of the transaction as the perceived characteristics of the donor. One might suppose "the more the better"—at least as far as the recipients are concerned. But aid officials whom we interviewed assigned minimal importance to the amount of the aid. They placed much more emphasis on how useful the particular aid was, on whether or not it allowed the recipients autonomy, and on the sort of obligations it entailed.

It's easy to understand that some "aid" isn't very useful. Surplus foodstuffs occasionally wind up in countries that don't eat the sort of food they receive. Worse, huge quantities of food may be delivered to a country that needs the resources to produce its *own* food—as Morocco once needed a milk-processing plant to handle its own raw milk, but got tons of powdered milk instead. Everyone has heard of such absurdities. IDA has managed to steer clear of them better than most other donors.

Matters of autonomy are a more constant source of trouble for the aid relationship than even useless aid. Bilateral American aid programs tend to involve rigid restrictions; some of them are meant to insure that the aid is properly used, but other restrictions are less reasonable. Our technicians often oversee the projects, or set up systems of close surveillance. Any deviation from initial plans must be approved by our officials; many requests have to go to Washington for sanction. Moreover, most U.S. bilateral aid is *not* given in the form of money; if it is, the money must buy American products, which may not be the best or cheapest ones available.

Aid officials from various poor countries spoke vehemently of our inability to relinquish control over our gifts and loans. As one official put it: "If you give a man a piece of bread when he knocks on your door—don't tell him to eat a third of it, give a quarter to his eldest son and put the rest in the icebox." The maintenance of control tells a recipient that we don't trust him, that we think he's intellectually or morally incapable of making correct decisions. We're so anxious to insure that our resources are being properly used, according to *our* standards of propriety, that we jeopardize the success of the aid—again, both materially and in terms of mutual trust.

THE USES OF EQUALITY

Our most intriguing conclusions about the nature of the aid itself have to do with the kinds of obligation it entails. In essence, we found that, for the recipient, *no* obligation to repay tends to imply inferiority, whereas the obligation to repay with interest smacks of exploitation.

Many people achieve a sense of dignity from paying their own way. Free handouts not only suggest inferiority, but they also place the recipient under a constant tension of obligation: whenever the donor wishes, he can remind the recipient of his gift and demand his due. Recipients may also suspect the motives of someone who gives with no apparent thought of return. As one Indian spokesman observed, "Gifts without strings come either from fools or thieves."

On the other hand, there are obviously special advantages in receiving free gifts. Accepting disaster relief, for instance, doesn't really imply inferiority. Moreover, the total debt of the poorest nations is already very high, and increasing that debt beyond the possibility of repayment can do little for a poor nation's morale.

To explore this complex issue, Phoebe Ellsworth, Magnus Seipel, Christina Maslach and Kenneth Gergen conducted an experiment in Japan, Sweden and the U.S. A total of 180 males engaged in a competitive game of chance which could earn them a considerable sum of money. Six men participated at a time, and by experimental design, each one found himself losing badly while receiving information that the others were faring much better.

At a critical moment in the game, a moment when each participant was on the verge of losing everything, he received an envelope from what appeared to be one of the other players. The envelope contained additional resources, plus a note especially prepared by the experimenter. In a third of the cases, the note said that the funds were a gift and that the recipient need not repay it. Another third of the players got notes saying the note-writer wanted to be repaid when the game was over. For the final third, the note-writer wanted repayment with interest.

The funds proved to be very useful. Each player then evaluated his patron. First, as might be expected, the players expressed hostility toward the donor who expected interest on his loan. The usurer has few friends. The critical comparison, however, was between evaluations of the donor who gave something for nothing, and the donor who asked for an equal return. The evaluations revealed that in all three nations people preferred the egalitarian donor. In this experiment, at any rate, something for nothing wasn't appreciated, and a relationship among equals proved most desirable.

Whether such experimental results can be easily applied to the arena of international aid remains an open question. However, it is worth noting that IDA does require repayment, plus a small administrative fee, but does not require interest.

SELF-ESTEEM

A final element in the aid relationship is the recipient and his characteristics, both real and perceived. At first, we assumed that questions of material need would be all-important—that the more needy the recipient felt, the more appropriate it would be to aid him, making the relationship tend toward success. But our subsequent interviews with aid officials convinced us we were naive on our thinking. It turned out that self-esteem was a far more important variable.

One of the many ambiguities of need is its relativity: what we consider poverty someone else might consider the normal state of affairs, and it's hard to say which view is "realistic." Americans might single out as instances of economic need conditions that the people of another culture view as part of the fabric of their cultural tradition, or part of some modern ideology they're unwilling to forgo. Another problem with aid based upon need is that the needy often feel they deserve help, when the help arrives they may be unaware of any particular generosity on the donor's part. Extreme poverty, then, doesn't guarantee a positive response to help either in mutual respect or in the creative utilization of aid.

Self-esteem, though, is another matter. The aid relationship necessarily casts its participants into a hierarchy: the independent donor has many resources while the dependent recipient has few. It's possible, in other words, that aid threatens the esteem of the recipient.

We expected to find tremendous cross-cultural differences in this regard. It is said, for example, that Western cultures are uniquely dominated by concern with self-esteem and pride, by notions of individualism and personal independence. On the other hand, Oriental and socialist societies are commonly said to be anti-individualistic and more interested in the common good. And we expected to find many other relative, cultural factors that would complicate our examination of self-esteem.

But our data so far suggest strongly that self-esteem is not only a kind of universal human value, but that foreign aid tends to succeed or fail, psychologically and materially, depending on whether the aid relationship strengthens or weakens the recipients' self-esteem. The aid officials we interviewed, over 90 percent of them, indicated that in one way or another the implications of aid for the recipients' self-esteem were of major importance. Some spoke of "loss of face"; others described the "humiliation" of waiting for handouts.

THANKS BUT NO THANKS

With the help of psychologist Stan Morse, we tested this hypothesis in a laboratory in Italy. Young men in our experiment worked on a difficult puzzle. In half the cases, they were told that their performance was a measure of intelligence; in effect, their self-esteem was at stake. For the other half, performance was not equated with self-worth. Later, half the participants in each of these groups received help from the experimenter, who let them look at the right answers. The next stage of the test reversed the roles, and the participants were given a chance to help the experimenters.

The men's reactions were revealing. When self-esteem wasn't in question, those who received help were much more likely to reciprocate. They were grateful and wanted to help in return. Just the opposite proved true where self-esteem was at stake. When the experimenter's help suggested that the participants weren't especially bright, they were loathe to return the "favor."

Questionnaire data from different cultures demonstrate the generality of these findings. Respondents everywhere said they disliked people, even bearers of gifts, who made them feel inferior. In Japan, Taiwan and Korea, with their traditional emphasis on selfless devotion to hierarchies, the tendency to dislike such donors was less pronounced; but even the people of these traditional Asian cultures disliked aid which reduced self-esteem.

AMERICA'S INTENTIONS

For years, Congress has debated questions of foreign aid. We believe that our research has reduced the uncertainties of this debate. The evidence implies that the U.S. has either not known, or has disregarded, the psychological implications of assistance.

Bilateral aid, in which the U.S. gives directly to other nations, is a method surrounded with difficulties. It appears manipulative (which it is) and tends to be corrupted by our own domestic foibles and by our extraordinary wealth. The self-serving restrictions we put on direct American aid serve as another goad to conflict, and the esteem of recipient nations continues to suffer.

It is for these reasons that we consider the cutoff of IDA funds a tragedy. This organization, and other cooperative, multilateral organizations like it, constitute the greatest opportunity for successful foreign aid. As a participant in IDA, America's manipulative intent is minimized, our national foibles are less likely to interfere, and the humiliating and impractical grip on recipient nations loosens. Moreover, because IDA's recipients are all members of the organization, it does not cripple the self-esteem which everyone seems to need.

We have assumed throughout our research that the American people would *like* to reduce suffering in the poorest nations of the world, and in fact some survey data supports this assumption. The problem, according to IDA's Congressional critics, is that in spite of our generous instincts foreign aid has been a disaster.

We must add, however, that our prime assumption may be wrong. The truth may be that the American people have absolutely no intention of relieving some of the misery that burdens the greater part of the human race. America's support for international assistance has dwindled almost continuously over the past decade and is now only one 10th of what it was 25 years ago. Many Americans don't realize this. We tend to believe that America is inevitably the greatest giver, and that other rich nations—for example, the Arab oil states—give little or nothing. This belief is partly mistaken. The World Bank, IDA's parent organization, has recently borrowed $624 million from the Arab states of Libya, Lebanon, Saudi Arabia, and Kuwait—money that is spent entirely on aid, including the work of IDA. During the past two years, in fact, the World Bank has sold more fund-raising bonds in Kuwait than in the United States.

If the American people have no serious interest in helping the poorest nations, then our research becomes irrelevant, and we can stop worrying about the attitudes of others toward the U.S. What will remain instead are questions for us all about the humane character of the American people.

FISCAL FOOLISHNESS IN GOVERNMENT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. GAYDOS. Mr. Speaker, an article in the June issue of Reader's Digest illustrates why many Americans today look upon those in Government with open distrust. The same Government which calls upon its citizens to sacrifice in the name of fiscal responsibility continues to romp on a madcap spending spree which can only be called ridiculous.

The article's author, Mr. William Schulz, cites several examples of foolish Federal spending and reveals the Government's solemn promise to curtail such squandering for what it really is—hot air. I will list some of the senseless expenditures noted by Mr. Schulz, which defy explanation, let alone justification.

A Department of Labor study costing $180,350 on "bureaucratic predisposition," which concluded that a closer tie between an individual's predisposition and the nature of his job should increase satisfaction and reduce alienation where it exists. A remarkable deduction.

The sum of $71,000 to compile a history of the comic book. Holy Moly.

The amount of $50,000 for an analysis of our Nation's fur trade with Canada from 1770 to 1820. That should prove immensely helpful in solving our trade problems today.

The sum of $5,000 for the study of "the evolution of the chin in Polish skeletal populations between 2000 B.C. and 1800 A.D." The money would have been better spent if we used it to study those who approved the expenditure.

The amount of $30 million for the Postal Service's new headquarters, including $3,671 for hand-carved walnut office doors and $19,346 for furnishings in the Postmaster General's office—$11,667 for carpeting and $6,000 for remote-controlled draperies. There is nothing like working in comfort. It helps the bureaucratic predisposition.

The sum of $15 billion to reimburse the beekeepers whose little pets are killed by pesticides. We should reimburse the taxpayer, he is the one who got stung.

A payment of $66,500 by the OEO to persuade members of the American Indian Movement to leave Washington after they caused $124,070 in damages to the Bureau of Indian Affairs. Some people go to jail just for holding up a bank.

Mr. Speaker, Congress cannot escape the blame for this kind of foolish and irresponsible waste of taxpayer's funds. Congress controls the Federal purse strings. It should call upon the responsible agencies and departments to justify these wild expenditures. If they cannot, they should then be made to justify their continued existence.

I urge my colleagues to read Mr. Schulz's "Watch on the Potomac" and be prepared to answer to an outraged taxpaying public.

REAR ADM. JAMES W. WILLIAMS TO RETIRE FROM COAST GUARD AFTER NEARLY FOUR DECADES OF SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. ANDERSON of California. Mr. Speaker, on June 30, 1974, Rear Adm. James W. Williams, commander of the 11th Coast Guard District, will retire after nearly four decades of faithful public service to his country.

Naturally, we share with him the joy and satisfaction of having completed another successful assignment, but rather ambivalently for we shall miss "Tex," as we have learned to affectionately call him.

As commander of the 11th Coast Guard District, Rear Admiral Williams has been responsible for all Coast Guard activities throughout southern California, coastal areas, and harbors, Arizona, southern Nevada, and southern Utah, including all of the Colorado River complex.

We in southern California were impressed with his credentials when he first came to Long Beach, Calif., in July 1970, as the new commander; and we have learned to respect him for the professionalism and enthusiasm with which he has performed his duties.

A native of Farmersville, Tex., he attended the University of Austin for a couple of years prior to his appointment to the U.S. Coast Guard Academy in 1934. Choosing to devote his time and talents to the Coast Guard, he quickly rose through the ranks becoming a rear admiral on May 1, 1967.

Even a partial listing of the varied and interesting assignments which he has accomplished throughout the years would be insufficient to reflect his versatility. However, some indication of his competence might be gained by stating that he has won numerous awards for achievements through activities on land, sea, and in the air, including the Secretary of Transportation's Legion of Merit Award for management excellence while serving as Deputy Secretary for Administration during the formative stages of the Department of Transportation; and that he received the Secretary of Treasury's Achievement Medal for initiating and developing a broad spectrum adult examination and education program known as Project Improve.

During his brief stay in southern California, Adm. "Tex" Williams has quickly involved himself in numerous community activities. He has served as chairman of the Los Angeles Federal Executive Board; served for 2 years as chairman of the Greater Los Angeles Field Coordination Group for the Department of Transportation; and has been made an honorary president of the National Defense Transportation Association. In addition, he has served well in numerous civic and professional organizations throughout southern California.

Yes, Mr. Speaker, we will certainly miss a man of Rear Adm. James W. Williams' caliber, not only for his professional competence, but also for his ability and willingness to serve his fellow man, his community, and his Nation.

I join with his numerous friends in southern California in wishing Adm. "Tex" Williams and his lovely wife, Sandy, the joy of retirement they have so earnestly deserved.

THE BACKROOM ARM TWISTERS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. OBEY. Mr. Speaker, the June 8 issue of the Nation contains an article on Federal advisory committees written by Prof. William Rodgers of the Georgetown University Law Center. It is informative and lively, and closes with this observation:

> Secrecy in government is constantly repudiated. Its popular disguises—executive privilege, national security, the need for confidentiality—are by now laughing-stock excuses. But secrecy survives and thrives, despite well-meaning ventures like the Freedom of Information Act, the Advisory Committee Act, and strong Congressional oversight. The cure will not be quickly found. Sunshine may be the best of disinfectants, as Louis Brandeis said, but advisory committees root and flourish in the shade.

His article, "The Backroom Arm Twisters," follows:

ADVISORY COMMITTEES: THE BACKROOM ARM TWISTERS

(By William Rodgers)

Government secrecy still rides high, despite Watergate and lesser embarrassments. Readers skeptical of that assertion need look no further than the Federal Advisory Committee Act of 1972.

The Act grew out of a few chance encounters that Sen. Lee Metcalf (D., Mont.) had with advisory committees a few years ago. These committees are established, usually by statute or Executive Order, to lend the support of their knowledge and experience to the work of various legislative and executive bodies. What the Senator couldn't understand, for example, was why a big business advisory group to the old Budget Bureau, innocuously named the Advisory Council on Federal Reports, was strong enough to postpone for six years an Interior Department inventory of industrial water wastes.

During 1970 and 1971 Metcalf's Subcommittee on Intergovernmental Relations held hearings to document the shambles that passed for policy among federal agencies overseeing hundreds of advisory committees. First were the procedural niceties—nobody knew how many committees there were, or what they did. They met in secret, excluded unfriendly faces, charged exorbitant fees for their minutes if they kept them at all. The Bureau of Mines' Underground Mines Advisory Committee, meeting to help write safety standards, won the brevity record by boiling down the minutes of an all-day session to a cryptic seven lines on a single sheet of paper. For an investment of a mere $128.50 an interested citizen could gain access to the sketchy minutes of the Department of Commerce's National Industrial Pollution Control Council, a big business advisory group with a big voice on pollution regulations.

More important than finding out who sat on advisory committees, where they met, and what they talked about was the disclosure that their power as policy makers often exceeded that of an assistant secretary. The Department of Interior's Joint Task Force on Eutrophication (whose minutes are to be found only in the offices of the Soap and Detergent Association) put the brakes on government moves to restrict phosphates in detergents. The National Air Pollution Control Administration's copper smelter liaison committee was in business principally to guide government anti-pollution research in "safe" directions. The Technical Advisory Committee to the Office of Pipeline Safety made its contribution by ambushing a government questionnaire designed to probe such pertinent subjects as the depth and age of the pipe in the ground.

The problem is that, beyond giving advice, these committees can and do make policy. Working from within, they shape regulations, hobble research, veto new drugs, approve nuclear reactor sites. They are a crutch for bureaucrats who don't want to decide, and a shield for bureaucrats who have been forced to do so.

The possible abuses of the advisory committee system were adroitly orchestrated by Secretary of Commerce Maurice Stans when in 1970 he set up the National Industrial Pollution Control Council (NIPCC), which he later praised for "playing an increasingly important role in both government policy making and in industry leadership." In fact, Stans used NIPCC simultaneously to lobby against tough pollution standards distasteful to big business and to raise money for the President's re-election campaign.

After interviewing a campaign official who had worked closely with Stans, Frank Wright of the *Minneapolis Tribune* a few months ago quoted his informant on how Stans had berated a businessman who had the temerity to refuse an appointment to NIPCC:

"Just as the liberals have lobbying groups in government, we have to have lobbying groups in government, too, to keep the President on the right track on (William) Ruckelshaus [then the Administrator of the Environmental Protection Agency]. And you didn't join us when there were guys there giving up days in their business, going down to Washington to work on this thing." Stans confronted his target with another invitation to join the council, adding, "And your assessment is $10,000." That was the word and the figure he used. I can still see the business guy's face. He paid.

It is bad enough for politicians to shake down big businessmen who deal with the government (as all of them must do). It is worse to extract the *quid* while at the same time offering the *quo* in the currency of government power shared through advisory committees.

NIPCC was the epitome of this practice. Altogether, considerably more than $1 million in contributions flowed into the re-election coffers from individuals whose companies were represented on the council. At least fifty-one of the 200 members made substantial contributions to the re-election campaign, the Republican National Committee, or both. The 3M Company loaned NIPCC its chairman, Bert Cross, and gave the reelection committee an illegal $30,000 contribution.

The Fluor Corporation won a slot on NIPCC, contributed more than $10,000 to the re-election campaign by way of the "Fluor Employees' Political Fund," and coincidentally was the winner (through a subsidiary) of a $2.3-million Department of Interior contract to study the effects of coal mining in the West. Pepsico's chairman, Donald Kendall, chaired NIPCC's Beverage Sub-Council, contributed $28,000 to the re-election committee, and was gratified when the Nixon Administration refused to take a tough stand against nonreturnable containers. Kennecott's chairman, Frank Milliken, chaired NIPCC's Mining Sub-Council, contributed to the campaign, and had his judgment vindicated when the Administration wavered on tough pollution rules for copper smelters. The Northrop Corporation's Thomas V. Jones, sat on NIPCC's Airlines and Aircraft Sub-Council, gave $40,000 to the campaign, expecting it would not be publicly reported, and was pleased by the Administration's nonconcern about the jet noise problem.

Last December, a CBS special, *The Corporation,* featured William Keeler, chairman of the board of Phillips Petroleum. Mr. Keeler was quoted on the benefits of serving on advisory committees: "Having gotten acquainted with so many people and knowing them on a personal basis it made it real easy for me to go into government and discuss problems with them." The program had a surprise ending: Keeler and his corporation pleaded guilty to making an illegal $100,000 contribution to the President's re-election campaign. Mr. Keeler was advised by counsel not to talk any more.

Other oil and gas men gave more than $5 million to re-elect Mr. Nixon. No less than eighty-seven of the contributors hold advisory positions on the National Petroleum Council, the American Petroleum Institute, or both.

The Advisory Committee Act of 1972 was supposed to come to grips with special access and undue influence typified by groups such as NIPCC and the National Petroleum Council. The Act requires that each agency account for its advisory committees and, more important, calls for "timely" notice of the meetings, which shall be open to the public and on which "detailed" minutes shall be kept. But there is a sizable loophole: a meeting may be closed if the agency head determines that it will consider matters exempted from disclosure under the Freedom of Information Act. Predictably, inventive bureaucrats spawned a host of evasive techniques.

One way for advisers and special-interest seekers to avoid going public is to assert that they are not an "advisory committee" with regular membership, periodic meetings and a fixed agenda, but merely a group of congenial spirits. One example: the FTC's rule making on phosphates in detergents was compromised after a series of secret meetings between members of the agency and representatives of detergent manufacturers and their trade association. Another example: the Civil Aeronautics Board recently invited consumers, members of the press and the airline industry to discuss problems of overbooking. The meeting was abruptly terminated by an agency official, who ordered consumers and reporters to depart so that discussions could continue with industry representatives alone. The courts will decide whether this was a meeting of an "advisory committee" or just an informal gathering of friends.

Groups calling themselves "private" reliably escape from the Act. Trade associations are in this category. Another example is the Business Council, an inspiration of sorts for NIPCC, which for forty years has been a pipeline for major industries into high government echelons. Back in the early 1960s the council severed its formal relationship to the Department of Commerce to avoid the limited disclosure obligations imposed on industry advisory committees by an Executive Order of President Kennedy.

Another powerhouse that prefers to work secretly is the National Academy of Sciences, described by D. S. Greenberg as the scientific community's "Established Church, the House of Lords, the Supreme Court, and headquarters of the politics of science." The committees of this august body, which advise the federal government on everything from drug abuse to grizzly bear management, still meet in secret like the tradesmen they are not. The Academy's Committee on Motor Vehicle Emissions, which will pass judgment on the capabilities of automobile pollution-control technology, has repeatedly refused to open its meetings to outsiders or disclose the working papers upon which its studies are based. A lawsuit is pending to test this preference for secrecy.

Another dodge is for an advisory committee to conduct its important business through informal sub-groups that are arguably outside of the Act. Typical is the National Petroleum Council, which political science Prof. Robert Engler commends as a "case study" on how concentrated economic power is "capable of shaping or forestalling presumably public policies." The council's full meetings are largely ceremonial, while the serious work that shapes government policy is conducted in smaller subcommittees and task forces. It took the personal attention of Senator Metcalf to dislodge some of the minutes of these supposedly lesser entities.

Congress' decision to extend the Freedom of Information Act exemptions in the Advisory Committee Act has already proved a mistake. Within the Department of Interior the trade secret doctrine is invoked to bar the public from discussion of coal gasification research projects, while coal company competitors and their trade association, sitting as advisory committee members, absorb the information behind closed doors. Grants review committees at the National Institutes of Health are closed to protect the ideas of the applicant: he isn't asked whether he would prefer an open meeting to protect him from bias, cronyism and arbitrariness.

A gaping exemption allows nondisclosure of "inter-agency or intra-agency" communications. This evasion is inviting because all that's needed to close the doors is an unsubstantiated claim that the discussion will focus on internal agency matters. This is the preferred rationale, for example, for shutting the doors on the deliberations of the AEC's Advisory Committee on Reactor Safeguards (ACRS). In a recent hearing on the wisdom of siting Virginia Electric Power Company's North Anna Power Station on a series of geological faults, the ACRS took the position that its consultants' reports on the matter were confidential. Legal maneuvers eventually forced disclosure of the information, but the committee is free to erect similar impediments in the future.

The Cost of Living Council routinely closed each and every meeting of its advisory committees until ordered by a court to open them up except upon the "rarest occasions." Within a month the council closed a meeting of its labor-management advisory committee, ostensibly to talk about a staff paper containing views on such matters as the economic and fiscal outlook for calendar year 1974. Ron Plesser, attorney for Ralph Nader's Center for the Study of Responsive Law, took the council to court again to force disclosure.

A blizzard of procedural impediments has attended early administration of the 1972 Act. The "detailed" minutes of the meetings are lessons in brevity The "timely" notice is sometimes issued after the meeting is held. Inaccessible sites are much in demand: government advisers have been known to meet in the executive suites of an oil company, at a local restaurant or on the chairman's yacht. Committee members still specialize in bias: a recent appointee to the National Advisory Board on Wild Free-Roaming Horses and Burros is a cattleman with experience in corraling wild mustangs.

Explanations for closing meetings are couched in the blather of officialdom. Why can't the public attend meetings of the Civil Service Commission's Federal Prevailing Rate Advisory Committee? Because the "meetings will be closed to the public under a determination to do so," reads the full explanation appearing in the *Federal Register*. The public should ponder Secretary of Interior Morton's reasons for closing all meetings of the big oil-dominated Foreign Petroleum Supply Committee and related subcommittees: "These discussions will be related to matters that are specifically required by Executive Order to be kept secret in the interest of national defense or foreign policy." Those who indulge in speculation that conspiracy against the public would be on the agenda along with national defense and foreign policy are denied the evidence to test their thesis.

Yet, Morton's notice is better than some, like that of the U.S. Advisory Committee on Information which has gone to the trouble of getting a Presidential determination to avoid giving any notice of its secret meetings. Mere disclosure of the fact that a meeting is held presumably would compromise state secrets.

Secrecy in government is constantly repudiated. Its popular disguises—executive privilege, national security, the need for confidentiality—are by now laughing-stock excuses. But secrecy survives and thrives, despite well-meaning ventures like the Freedom of Information Act, the Advisory Committee Act, and strong Congressional oversight. The cure will not be quickly found. Sunshine may be the best of disinfectants, as Louis Brandeis said, but advisory committees root and flourish in the shade.

PATCHWORK ISN'T ENOUGH TO SAVE THE MONEY BAG

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BELL. Mr. Speaker, I would like to share with my colleagues an article by Senator Charles H. Percy that appeared in the Spring, 1974 issue of Res Publica, a public affairs magazine published by Claremont Men's College in Claremont, Calif.

With his extensive background in the business world, Senator Percy offers a valuable insight into our Nation's economic dilemma. He discusses why controls on the economy have failed and offers suggestions on restoring economic stability.

I have found Senator Percy's remarks to be most enlightening and I trust that many of my colleagues will share this opinion.

Patchwork Isn't Enough To Save the Money Bag: Makeshift Government Decisions Are Killing Our Economy

(By Charles H. Percy)

There are probably few who would not agree that our economy is in trouble. We don't need opinion polls to tell us that in the United States today there is a widespread and deep-seated malaise about our economic future.

Ironically, this malaise is not the result of economic recession; we are just now emerging from a period of full-blown economic boom. Instead, the pervasive dissatisfaction everywhere about the economy stems, not just from increased market-basket costs, but from a profound loss of confidence and trust—loss of confidence in policy planners, a new skepticism about the viability of our economic institutions, and a lack of trust in the function of our marketplace economy.

We have seemed unable to find the proper mix of fiscal and monetary policies that will check inflation and yet foster high productivity growth and permit a rising standard of living for all our people. We must step back and freshly evaluate the entire range of economic policy before we go any further.

One thing seems eminently clear: We must make economic decisions on the basis of long-term objectives, *not* on the basis of day-to-day political pressures. We, as a nation, must make some hard choices. Are we going to tie our domestic economy to a makeshift system of governmental controls, or are we going to take positive steps to move our economy back toward the principles of the free marketplace? Are we going to close the doors of the United States and hide our economy behind a shield of protectionism, as the Burke-Hartke bill proposes, or are we going to accept the challenge of foreign competition and integrate our economy more fully with the greater world economy?

We must decide how to shape the institutions and structure of our economy. Are we going to toss the basic principles of a free economy aside and impose an ever-increasing patchwork of regulations and controls in our search for stability and continued prosperity, or are we going to build on what we have, work with it and constantly strive to make it better? What is our situation today and what basic decisions must we make? Are we going to continue to saddle our economy with controls, or are we going to try to free it?

During the past two years, the American economy has been dragged through five separate phases of the Economic Stabilization Program. It is hard to imagine that we could be any worse off than we are today had *no* controls at all been imposed in mid-1971. The Stabilization Program has failed mainly because economic policy has lacked consistency of purpose and direction. Day-to-day political pressures have formed the basis for too many alterations in the stabilization policy. Controls have *not* stabilized prices or wages and they have *not* stopped inflation. Instead they have encouraged production cutbacks, shortages and black markets, and have contributed to the confusion in the marketplace for producers as well as consumers. Too often controls have been shaped by day-to-day political pressures and thus they have produced two unanticipated and undesired results. First, by short-circuiting the price mechanism, they have created deep distortions in the allocation of goods and services. Second, and perhaps more important, they have created a crisis of public confidence in economic policy planners.

Perhaps the failure of controls will ultimately prove instructive. It may have served dramatically to remind Americans of some of the virtues of a free market system.

Take, for eyample, some members of the United States Senate. Less than a year ago, a group of 33 Democratic senators voted in caucus to support "a 90-day freeze on everything." When the Administration's controls on food prices were announced last June, many assailed the measure as "too little, too late!" It took less than two months for the senator's eyes to be opened. The freeze on beef prices created shortages, plant shutdowns, and black markets. Suddenly everyone saw the virtues of the free marketplace economy—including those 33 senators—and on August 2 the Senate voted 85 to five to end the freeze on beef prices altogether.

It is much clearer than ever before that *we must* scrap controls. There is no other acceptable policy. We simply do not know how to manage a controlled economy in peacetime; and furthermore, the American public does not want a controlled economy.

The American consumer has learned the lesson of the failure of the Stabilization Program. It has been the greatest adult education course in economics the nation has ever had, but the education of the American public must continue. The cold truth of the matter is that long before the Administration began its Stabilization Program, the economy was encumbered with controls of all kinds. Some of them, of course, are necessary, some are superfluous, but many others actually are harmful.

Over the years, the federal government and the states have enacted a variety of special-interest legislation—much of it at the request of elements of the business community itself—that has produced serious inefficiencies in important sectors of the economy. Examples of this range from Interstate Commerce Commission regulations that have actually contributed toward the bankruptcy of many American railroads, to state fair-trade laws that have produced inflationary rigidities in the retail sector by interfering with manufacturers' ability to offer volume discounts.

But perhaps the most notorious example is in the agricultural sector. In 1972, with food prices skyrocketing due to severe supply shortages, the United States government was subsidizing farmers to hold out of production 60 million acres of tillable farmland—that is, almost 20 percent of all the tillable farmland in the entire country. To compound this error, the Department of Agriculture—ignoring available economic intelligence data—negotiated a grain deal with the Soviet Union that made the tough Yankee trader look like a starry-eyed schoolboy. Last year with prices continuing to rise, the Administration finally initiated a production expansion policy and the senseless subsidies have been discontinued. Unfortunately, the fruits of this change will not be seen until this year.

Our abiding goal must be to get away not only from the cumbersome controls of the Stabilization Program, but also from the built-in controls that fail in the long run to serve the best interests of the economy. The challenge facing American policy makers is not merely how to get away from controls, but how to break out of the trend toward increasing government regulation of all kinds. If we continue to travel our present road, we will soon find ourselves at a dead end with an economy increasingly and irretrievably controlled by the government. Now is the time to change course before it is too late.

America stands at a crossroads in international economic policy as well. We are going to have to decide just what our economic relationship is going to be with the rest of the world. Do we throw ourselves enthusiastically into the competition of world markets? Or do we move to "protect" the U.S. economy from the fluctuations of international trade and money markets and adopt protectionist proposals, such as the Burke-Hartke bill, which seek to disengage our economy from those of other nations?

If there is anything we should have learned from our current food and fuel difficulties, it is that the economy of the world, like the economy of the United States, is not static and cannot be forced to fit any one pattern indefinitely. Protectionist measures that set fixed quotas for imports and sharply restrict freedom of U.S. investment abroad run directly counter to the marketplace economy system and should be categorically rejected. Protectionism reduces U.S. industrial competitiveness and eliminates incentives for cost-cutting and more efficient management and manufacturing practices. Protectionist legislation would lead to massive foreign retaliation striking hardest at U.S. export industries, industries that traditionally tend to involve higher pay and more advanced technology. And it would undermine the position of U.S. corporations' overseas subsidiaries and foreign investments, which last year added $10 billion to the plus side of the U.S. balance-of-payments ledger.

We must begin to move away from controls on international movements of capital and commodities. Fortunately, the Administration is already advocating that the interest equalization tax and the mandatory controls on direct investment should be scrapped. While reaping the benefits of our own private foreign investment, we should not try to block foreign corporations that wish to invest in American industries and properties. This is a new experience for us, but it is a healthy experience. International investment promotes international interdependence. And an integrated world economy will prove to be an investment in world peace.

In discussing all the fundamental economic decisions that confront us today, we must bear in mind the astonishing extent to which the physical well-being of the nation's economy depends upon the psychological state of the nation.

Today, we in the United States seem seriously disturbed. We're disturbed by Watergate and the dark cloud hanging over the presidency, by the resignation of the vice-president, the handing-down of indictments against former Cabinet officers and high White House aides, by our inability to deal with our pressing social needs, and we are disturbed by our inability to stabilize our economy and halt rampant inflation. Opinion polls show that public faith in all our institutions has dipped to the lowest levels in years. The American people don't trust the Congress, the President, business, labor unions, policemen, the press; they don't seem to trust anyone.

We as a nation have to make a choice. Do we abandon our political, economic and social institutions, or do we accept our present situation as a challenge to work with the institutions that have been developed so painstakingly and make them better? There is no doubt that we—as men and women of intelligence, ideals, determination and resources—can renew and strengthen our institutions. To do so, we must regenerate the spirit of trust—trust between business and labor, between business and the consumer, between the people and their government.

Anyone who has ever been in business knows how crucial the attitude of its employes is to any business enterprise, large or small. If industry and labor are willing to work together—through job redesign, profit-sharing and worker stock-ownership programs, and incentive pay plans—the labor force will be better served and productivity can be raised as well. Just a slight annual increase in productivity growth rate would yield great increases in America's gross national product, relieving pressure on the economy and lessening the need for government-imposed wage and price controls. Cooperation and trust between business and labor can make U.S. productivity growth competitive once again. If only we could recreate today the thousands of productivity councils involving millions of labor and management personnel that worked so well together during World War II!

Business must also win back the trust of the consumer. Business must do more than advertise; it must act. It must take the initiative and use its resources to help clean up air and water pollution, to sponsor job-training and rehabilitation programs, to support day-care centers and other worthy projects within the community.

Government, as much as business, must recognize that to be respected one must be respectable. If the people of the United States no longer trust the institutions of their government, what value do the institutions have? The Vietnam War and Watergate have infected our country with doubt and disbelief, two dangerous and highly contagious diseases. We have seen the damage they have done.

But in Washington and around the country, changes—changes for the better—are happening every day:

A Senate government operations subcommittee recently reported out a congressional budget reform bill that will go a long way toward ending the annual budget and appropriations logjam that hamstrings government fiscal policy.

The archaic seniority system is giving way gradually in the Senate, and we have just passed overwhelmingly the most sweeping election campaign reform bill in congressional history.

Business is increasingly active in urban problems, civic and community projects and public affairs.

Many companies are studying ways of making work on the production line more meaningful and satisfying for the worker, and others are putting profit-sharing programs and incentive pay plans into effect.

American labor is successfully getting away from counter-productive strikes. Since 1971, the number of man-days lost because of strikes has dropped nearly 40 percent, to the benefit of labor and the nation.

If, as we approach the 200th anniversary of our independence, we can encourage this spirit of interdependence and trust, we will have gone a long way toward overcoming the problems that beset our economy and our society today. But the economy will not stabilize itself on its own. The American economy is indeed at a crossroads. We must decide whether we will bow to the pressures of devaluation and inflation and mutely accept a lower standard of living or work to bolster our national productivity growth rates. The second of these is the harder choice, but by far the better choice, and the choice now being made by both labor and management throughout the nation.

We can increase our national productivity growth rate through increased capital investment, through continued research and development and experimentation. Individually and corporately, we must eliminate the wastefulness that has unhappily become a trademark of American society. We must conserve our God-given resources wisely.

The lessons of the past two years make it clear that the problems of acute instability and lack of confidence will be worsened by too frequently resorting to regulatory and control mechanisms. To stabilize the economy, the government must follow a stated, rational policy that will carry us away from controls just as quickly as conditions allow.

As foreign economies expand and foreign consumers grow more affluent, this demand will grow even greater, to our benefit. We must do everything we can to encourage expanded farm production to meet the opportunities presented by foreign demand and to bring down high domestic prices. The name of the game for stabilizing prices in any field is either stimulating more supply or dampen down excessive demand.

We must retain the improved amortization and depreciation rates and the investment tax credit as permanent parts of our tax structure. We must encourage increased industrial efficiency and modernization, and we should consider increasing the investment tax credit rate to improve the United States' competitive position in world markets.

People in business can make the most basic contributions to our prosperity: They can improve the quality and value of their products to make them more attractive in domestic and world markets. They can increase their research and development efforts in order to retain, if not regain, technical superiority for U.S. producers. They must not be afraid of competition. They can create new world markets for their goods and expand their exports by taking advantage of the devalued dollar. It is a national scandal that only four percent of U.S. companies export at all. Aggressive search for markets and export expansion is a must. American farmers in recent years have increased their prosperity by expanding their exports. American industry can learn from the farmers' example.

Finally, we must all work together to restore stable economic conditions and to foster the confidence that will make non-inflationary behavior and smooth expansion of production possible once again. This means that businessmen must have confidence in the future of free markets. It means that workers and consumers must believe that price increases will not erode wage increases. It means that farmers must not fear the risk of ruinous market instability. It means that we must assure all Americans that the federal government will systematize and rationalize its outmoded budgetary procedures and live within its means. And above all, it means that we must assure all participants in our economy that the government won't tinker with economic controls with every shift of the political wind.

Out of such assurances, a solidly based confidence will spring, and with it, a new prosperity based on stable economic growth.

THE HOUSE IS LOSING ITS "CONSCIENCE"

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. CONTE. Mr. Speaker, the magazine Nation's Business in its June edition carries a delightful story on our colleague, H. R. GROSS. I believe author Vernon Louviere has done an excellent job of capturing the character and concerns of our distinguished colleague, the gentleman from Iowa.

This article points out the great service H. R. GROSS has done for his country and demonstrates how sorely we will miss him following his retirement at the end of this session.

At this time I insert the article in the RECORD and commend it to the attention of my colleagues:

THE HOUSE IS LOSING ITS "CONSCIENCE"

(By Vernon Louviere)

Some years ago, when a bill creating the National Foundation of Arts and Humanities came up for debate on the floor of the House of Representatives, a somber H. R. Gross listened impassively to the preliminary discussion.

The bill, among other things, called for federal subsidies to promote such art forms as painting, creative writing and dancing.

Finally, Mr. Gross rose and spoke:

"Mr. Chairman, I regret that I did not anticipate this bill would come up this afternoon or else I would have tried to appear in my tuxedo and my dancing shoes to be properly equipped for this further going-away party for the Treasury of the United States."

Then, Rep. Gross offered an amendment which he had drafted with the help of a fellow Congressman, a physician.

After the word "dance" in the bill he wanted these words inserted: "Including, but not limited to, the irregular jactitations and/or rhythmic contraction and coordinated relaxations of the serrati, obliques and abdominis recti group of muscles, accompanied by rotary undulations, tilts and turns, timed with and attuned to the titillating and blended tones of synchronous woodwinds."

He let the words sink in, waited for maximum effect, and spoke again: "That means belly dancing." The House broke up.

With such wit, the diminutive Iowa Republican has for 25 years sought to scuttle legislation whose purpose he feels is to spend for the sake of spending or for some other unnecessary reason. On this day he lost. Still, his record of saving taxpayer money has been phenomenal.

As a self-appointed guardian of the public purse, it is conservatively estimated he has saved the taxpayer hundreds of millions of dollars. The total may even run into billions.

Now, Harold Royce Gross, the "Conscience of the House," is retiring at age 75.

Nothing is sacred to Mr. Gross if it calls for spending federal money. He has even questioned the taxpayers' picking up the tab for maintaining the eternal flame over the grave of President John F. Kennedy.

"FT. FUMBLE" CATCHES IT

In his folksy, blunt newsletter to constituents, "Uncle Sam" often becomes "Uncle Sucker" or "Uncle Handout." He dismisses the Pentagon as "Ft. Fumble."

He has consistently fought pay raises for members of Congress—including, of course, himself. Mr. Gross has voted against every proposed boost in Congressional salaries since they were at the $12,500 level. (The lawmakers now are paid $42,000 a year, plus extras.) He is not above embarrassing his colleagues, twitting their consciences, on the subject. Last February, attacking an abortive move to jump the Congressional salary level to $52,800, he told the House:

"At a time when many segments of our nation and its people are faced with unemployment and belt-tightening, it is inconceivable that fattening the payroll of upper echelon federal executives, federal judges and members of Congress would even be proposed."

Mr. Gross has never accepted the advice of the late Speaker Sam Rayburn of Texas, usually offered to rookie Congressmen: "To get along, you go along."

He has always functioned in the House as though every federal dollar spent is his own, or at least his neighbor's. He'll take on a President with no less relish than a middle-level bureaucrat. More often than not, he votes against Presidential money requests and he doesn't care which party the President belongs to.

A Western Republican Congressman discovered how this kind of Gross bipartisanship works. One day he praised "good old H.R." for ripping into a Democratic bill. The next day he was overheard complaining about that "old s.o.b., H. R. Gross" after the latter had torpedoed one of the Westerner's bills.

"How much will this boondoggle cost?" is the way Mr. Gross generally kicks off his questioning on the House floor when he suspects a bill's sponsor is trying to put something over on the taxpayer.

READING THE FINE PRINT

Nothing seems to elude his hawkeyed attention to fine print in the myriad of bills and resolutions which come up for House action. Few members of Congress will read every bill, as he does.

Take the time, for example, when Mr. Gross focused on a Foreign Service retirement benefits bill that emerged from the Foreign Affairs Commitee. He seized on a phrase, "other purposes," and bore in. The "other purposes," it turned out, cleverly concealed the fact that the bill also would jump Congressional retirement benefits a whopping 33⅓ per cent. When H.R. Gross was finished with his attack, so was the bill. It was killed.

Anyone less skilled in the workings of the House, or who failed to do his legislative homework, would not long survive in the role of Treasury watchdog in which Mr. Gross has cast himself. Even his detractors concede that few, if any, Congressmen know House procedure as well as he. If Mr. Gross has not memorized those documents which determine how all House business is conducted—the Constitution, the House rules, Thomas Jefferson's Manual and the 11 volumes of Precedents of the House of Representatives—he can put his finger on an applicable section in moments.

He has introduced relatively little legislation, has never been a committee chairman and serves in no other leadership role.

However, his influence is strongly felt, especially when it can be anticipated that the Gross scapel will be drawn.

"I attend many committee hearings in which the chairman will study a bill to make sure we can answer the knotty questions Gross will ask," one Congressman relates. "Many times, items will be dropped before the bill hits the floor because of him."

Except for party leaders, none of the 435 members of the House have assigned seats. But over the years no other member has tried to occupy the "Gross seat" located strategically in the third row, under the nose of the Speaker of the House, on the middle aisle which separates Republicans from the Democrats. Rarely absent, the Iowa Congressman arrives on the floor before the daily session starts, sits through the chaplain's prayer and the reading of the journal of the previous day's proceedings. Then the House starts to come alive. H.R. Gross sits and waits. Some days his questions come fast and furious. Some days he says nothing. But he's always ready to spring into action.

EYES ON CONSENTS

To appreciate Mr. Gross' dedication to his job one would have to be in the House gallery on the two days each month when the House takes up the Consent Calendar. On these occasions flocks of bills, sometimes numbering in the hundreds, are called up and passed, without debate, by "unanimous consent."

All the bills are presumed to be noncontroversial—none involves expenditures of more than $1 million—and attendance on the House floor is sparse. But H.R. Gross is there.

A single objection stalls action on a bill, scheduling it for a second Consent Calendar appearance. Then, objections by three Congressmen can force it into the regular order of House business where it will get more attention, and from a more representative group of lawmakers.

Over the years, Mr. Gross has torpedoed countless bills on the Consent Calendar. If his first objection doesn't lead a measure's sponsor to abandon it, Mr. Gross is sure to find two allies for the second round. And the sponsor had better be prepared to defend the bill when it comes up in the regular order of business.

The peppery Iowan will fight to save a few thousand dollars with no less vigor than he will challenge a multibillion-dollar appropriation to run a super federal agency.

Some years ago, a fellow Congressman introduced a bill to create a special flag for House members—it could be used on their autos. Not much money was involved and no one opposed the idea. Except H.R. Gross, that is. Delving into the matter, he discovered that the bill's sponsor really wanted the flag so it could be flown on a yacht he owned. Revealing this didn't do the bill much good on the House floor, but a single question from Mr. Gross about the flag's use on cars was probably what killed the measure:

"Where would you fly the House flag, above or below the coon tail on the radiator cap?"

Mr. Gross has been an implacable foe of foreign aid. Once, he told the House:

"I swear I think that what we ought to do is pass a bill to remove the torch from the hand of the Statue of Liberty and insert a tin cup."

One day in September, 1967, he offered a series of amendments to that year's foreign aid bill. A total of $588.8 million was slashed as a direct consequence.

TV'S IN THE JUNGLE

Mr. Gross wrote a March, 1968, Nation's Business article entitled, "We Certainly See Some Silly Spending." Here's an excerpt showing his use of wit to attack a federal program:

"Over at the Agency for International Development, which is skilled in getting rid of taxpayers' money on so-called foreign aid, somebody discovered that $400,000 had been overlooked in the agency's customary spending sprees.

"What to do?

"Why, run out and buy 1,000 TV sets so that the natives in some jungle could be educated, a bureaucrat suggested. So AID bought 1,000 TV's.

"When the House Government Operations Committee looked into it, foreign aid officials had to admit they hadn't even bothered to find out which natives were suffering from a lack of television, how they were going to get the sets to operate in the jungle (the ones they bought wouldn't work on batteries) or what they were going to show the natives if they managed to get the sets operating.

"More recently, these same AID dispensers rushed around in a crash program to set up a TV propaganda network for South Viet Nam. As a sop, they told American taxpayers that our GI's would also benefit because the network would have two channels—one for domestic propaganda, the other for 'Gunsmoke' and 'I Love Lucy.'

"You can imagine what happened. The Vietnamese took one look at the stuff on their channel and promptly switched over to 'Gunsmoke.'

"Why not? Marshal Matt Dillon has been around a lot longer than Marshal Ky."

Rep. Bo Ginn (D.-Ga.) says of his colleague: "Mr. Gross is more than a Congressman. He is a one-man investigating force dedicated to protecting the taxpayer's pocketbook. He is scrupulous, untiring, uncompromising and dedicated to the public good."

And from another House Democrat, Louisiana's Rep. Otto Passman, this appraisal: "Gross has slowed down the trend to socialism from a run to a walk."

SINKING THE "FISH POND"

For years, the late Rep. Mike Kirwan of Ohio, a powerful Democrat, sought Congressional approval to build a $10 million national aquarium on the banks of the Potomac. Every time it came up for House consideration H. R. Gross poked fun at the "glorified fish pond." It was never built.

In the twilight of his Congressional career, Mr. Gross is deeply concerned about the fiscal posture of the country.

"I've seen the budget pass the $100 billion mark, then the $200 billion mark," he says. "Now we have a $304 billion budget with a $10 billion built-in deficit. Can we ever turn this thing around?"

The White House alone is not responsible, he points out: "Congress shares the blame for this. No President can spend money that's not made available to him by Congress."

Few things rankle Mr. Gross more than supplemental appropriation bills—measures which come up near the end of each session to enlarge funds previously appropriated to operate government agencies. He comments:

"They [the Executive branch] bring in a bill at the beginning of the year and swear on a stack of Bibles, 'This is it.' They know better, because they invariably come back in a few months and ask for more."

DOLEFUL ABOUT THE DEBT

The Congressman is doleful about the federal debt, now $500 billion (interest alone is $30 billion a year) and going up. Where, he is asked, will it all end?

His reply: "It ends in a takeover and repudiation of some form or another—revaluation, devaluation or outright repudiation."

He adds: "We've been financing this government off the printing presses at the Bureau of Engraving and Printing. This is printing press money and there is no productivity behind that kind of money."

Mr. Gross estimates the combined total of public and private debt in the United States at between $2 trillion 200 billion and $2 trillion 400 billion.

"We are the most debt-ridden country in the world," he asserts. "Our federal debt alone is more than the combined governmental debts of the rest of the world.

"What a paradox: Here is the most developed country in the world in debt up to its ears!"

Few people in or out of Congress remember a piece of legislation—no matter how important or historic—by its designated number. But mention H.R. 144 to any member of Congress and he is familiar with it. Since his early days in the House, Mr. Gross has introduced House of Representatives bill 144 (the number is keyed to his name—a gross equals 12 dozen, or 144) at the start of each session.

It has a simple objective: Balance the budget and gradually retire the national debt. Year after year, it is shunted off to the Ways and Means Committee and promptly forgotten.

Now, H.R. 144 probably will be retired—like Red Grange's legendary football jersey number, 77, at the University of Illinois—unless some other member of the House, with the same zeal for economy, takes up the Gross cause.

"DUTCH" WAS A COLLEAGUE

Born on a southern Iowa farm, H. R. Gross started out as a reporter with the old United Press after World War I service in France, moved over to the editorship of a National Farmers Union newspaper and, in 1934, signed on as news director and newscaster with radio station WHO in Des Moines. A young sportscaster and announcer on the staff was Ronald "Dutch" Reagan, now Governor of California.

During his six years with WHO, Mr. Gross was a frequent defender of the Iowa farmer. His name became a household word across the state.

In 1940, he decided to run for Governor against an incumbent Republican. But party leaders, whom he had not consulted, opposed him and he lost in the primary.

He went back to radio, this time in Cincinnati. In 1948, now living in Waterloo, Iowa, he got the political itch again and ran for Congress. And again Republican leaders opposed him in the primary, even branding him a "radical leftist." But he won the primary and went on to win the general election by 20,000 votes. Except for 1964, in the landslide Lyndon Johnson election (he was the only one of six Iowa Republican Congressmen to survive it), Mr. Gross has easily won reelection to 12 terms in the House.

He regrets only one of the votes he's cast in his quarter-century in Congress.

"That was on the Gulf of Tonkin resolution," he says. "I thought I smelled something. I didn't like to vote against the President of the United States so I voted present."

Mr. Gross says the resolution, which paved the way for President Johnson to broaden the war in Viet Nam, was "contrived."

"We were very badly misled," he adds. "Mr. Johnson said Asian boys would fight for Asian soil and later McNamara [former Defense Secretary Robert McNamara] promised to bring our boys back by Christmas in 1965."

THE SIMPLE LIFE

Mr. Gross and his wife, Hazel, live a simple life in Washington. They avoid the capital's social scene—"I've never owned a tuxedo and my wife has no ball gown," he says. "We don't need them." Mrs. Gross often reads government documents, marking sections she feels her husband will want to read.

Perhaps, in a retirement for which he has no definite plans, Mr. Gross will travel abroad. But if he does, it won't be in the fashion of some of his colleagues. He has long fought, unsuccessfully, to curb what he and other critics call Congressional "junketing." Once, an Ohio Congressman facetiously sponsored a resolution to create a committee, consisting only of H. R. Gross, to inspect American foreign aid programs overseas.

The resolution, of course, went nowhere—and neither did Mr. Gross.

"I just might take a trip one of these days, but it'll be at my own expense," the Congressman explains.

Two signs in the Capitol Hill office of this man who has won many battles, but never the war, in an unrelenting campaign to eliminate wasteful government spending, succinctly spell out a message he has been trying to put across for 25 years:

"Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody."

"There is always free cheese in a mousetrap."

LITHUANIAN INDEPENDENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. PEYSER. Mr. Speaker, June 15 is a day of great significance to all men who love freedom. This past February 16th marked the 56th anniversary of the independence of Lithuania. Today I would like to commemorate the tragic end of this short-lived independence. Although recognized by the Soviet Union in 1920, Lithuania's independence and sovereignty was crushed by the Soviet occupation of June 5, 1940. Since then, the gallant people of Lithuania have been struggling to regain their freedom and the exercise of their human rights in the face of one of the most brutal occupations of all time. They have been faced with mass deportations to Siberia—most of the people never returning alive—and constant pressure against their national language, culture and heritage.

Their struggle continues to this day. Two years ago a riot broke out in Kuanas following the funeral of a young Lithuanian who was self-immolated in a dramatic protest against the Soviet enslavement of Lithuania. Also, 17,000 Lithuanian Catholics have petitioned the United Nations, charging the Soviets with religious persecution. And today, over 1 million Lithuanian-Americans are joining with Lithuanians throughout the free world to commemorate the brutal conduct of the Soviet Union.

Mr. Speaker, I am proud that our Government, which has consistently supported the principle of self-determination, has to this day refused to recognize the illegal annexation of Lithuania. Furthermore I would like to call upon the upcoming European Security Conference to consider and support the restoration of freedom and the exercise of self-determination by the Lithuanian people.

Certainly the people of Lithuania are entitled to these basic rights, and I urge our Government to pursue all possible channels which might facilitate that achievement. We cannot let this beacon of freedom be extinguished.

A TRIBUTE TO REV. MSGR. JOSEPH A. SCANLAN ON THE OCCASION OF HIS GOLDEN JUBILEE ANNIVERSARY AS A PRIEST

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. BIAGGI. Mr. Speaker, it is my honor and privilege to pay tribute to the Reverend Monsignor Joseph A. Scanlan, pastor of Our Lady of Solace Church, who will be marking his golden jubilee anniversary as a priest on June 14. It is only fitting that as Father Scanlan reaches his most important milestone, we his friends and parishioners take the time to reflect and give praise to his long years of dedication and service to his fellow man in the service of our Lord.

Father Scanlon in addition to his own numerous personal accomplishments as a priest, has the added distinction of coming from a family which has produced three priests, all of whom are now pastors of churches in the Bronx. His two brothers, Rev. Msgr. Martin Scanlan of St. John's Kingsbridge Church, and Rev. Msgr. Arthur J. Scanlan of St. Helena's Church, I know join with me in paying tribute to their distinguished younger brother, Joseph as he celebrates his 50th year as a priest.

Father Joseph Scanlan was born on February 22, 1899 in Harlem. He attended St. Joseph's Prep in Philadelphia, as well as Brooklyn Prep and College. Following this he began his preparation for the priesthood at the prestigious St. Joseph's Seminary, where many fine priests have received their initial training. On June 14, 1924, he was ordained by His Eminence, Patrick Cardinal Hayes, and offered his first Mass the following day at the Church of the Holy Innocents in Brooklyn.

Father Scanlan began his illustrious career in the priesthood as a curate at the Church of Our Lady of Mercy in the Bronx where he remained until 1942. While here, he acquired the basic skills which were to serve him well in his pastorate years ahead. From 1942 to 1947 he served as the administrator of St. Agnes Parish in Manhattan, and from there became the administrator of St. Vincent's Hospital and Catholic Medical Center also in Manhattan.

His first pastorate was at the Church of St. Mary in Mt. Vernon, N.Y., where he served for 8 distinguished years. He provided the parishioners of St. Mary's with the highest caliber of spiritual leadership, and endeared himself to the hearts of all those he served.

In July of 1957, Father Scanlan began his pastorate at his present church, Our Lady of Solace. During these 17 years, Father Scanlan has dedicated his time and efforts to assisting all his parishioners, as well as making Our Lady of Solace one of the finest houses of worship in all of New York. He has guided his parish through the tumultuous 1960's, a decade which saw major changes in the basic Catholic liturgy. Through it all, he provided the leadership which made these transitions smooth and effective. For this, and numerous other accomplishments on behalf of Our Lady of Solace, Father Scanlan has earned the lasting love and respect of the entire Bronx community.

Demonstrating his sense of involvement with the community, Father Scanlan, in addition to his time-consuming duties at Our Lady of Solace, also serves as the chaplain of Fordhan Hospital. He truly represents the epitome of what a priest should be in today's society, a man who through his deeds spread the word and love of God to all men.

Spiritual leaders the caliber of Father Scanlan are rare. He possesses the kind of personal characteristics which have inspired people to him throughout his 50 years as a priest. His love of his fellow man, his unending patience and understanding, and his deep sympathy for all in need of help has etched him an eternal place among those men who have chosen to dedicate their lives to serving the Lord as a priest.

Mr. Speaker, it is indeed an honor for me to pay tribute to Father Scanlan, a man who represents the epitome of excellence in his chosen vocation. I am also proud to call Father Scanlan a friend, and had the pleasure of recently attending a dinner in his honor. At that dinner numerous tributes were paid to Father Scanlan, but the most moving and appropriate one was offered by one of his fellow priests at Our Lady of Solace, Rev. Arthur Welton.

> He has pastured his sheep. He has brought back the lost, bandaged the wounded, and made the weak strong. He has made the name of God known to all he has met. He has prayed for every man and woman given to his care. Most importantly, he had made Our Lady of Solace the singularly distinguished parish it has grown to become.
>
> Monsignor Scanlan, my prayer to you is continued faith, wisdom and strength. My prayer is a friendly morning, a peaceful night; and all the majestic splendor and beauty of God's creation. Much more, my prayer is God's peace and love for many years of years.

REPEAL OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS GAINS ADDITIONAL SUPPORT

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. RARICK. Mr. Speaker, on June 7, 1974, Congressman PHIL CRANE and I sent a letter to our colleagues seeking additional sponsors of legislation to repeal the PSRO section of Public Law 92-603.

At that time, we indicated that 84 Members of the House had sponsored repeal legislation.

The response to our letter has been encouraging and further indicates the continued interest in this effort.

As of this date, 11 additional Members have either joined us or introduced an identical bill, bringing the total in the House to 95 Members sponsoring PSRO repeal legislation.

I ask that our letter to our colleagues, which includes a list of the new or additional sponsors, be included in the RECORD at this point:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 7, 1974.

Re: Repeal of PSRO—Professional Standards Review Organizations.

DEAR COLLEAGUE: As of this date 84 members of the House have introduced legislation to repeal the PSRO section of PL 92-603.

The PSRO section of this law represents one of the most deliberate intrusions on the part of the Federal government into the right of privacy presently enjoyed by our people. It is a vicious, pernicious, and punitive law that *cannot* be effectively amended; *it must be repealed.*

We will be reintroducing this legislation on June 18th and urge you to join with us in this effort.

For your ready reference, we are attaching a single page fact sheet on PSROs and a four-point summary sheet on the PSRO repeal movement to date. The latter contains a list of sponsors by states, a list of the official positions of state medical societies on PSRO repeal, a list of state legislatures memorializing Congress to repeal PSRO, and a summary of court suits involving PSRO legislation.

If you wish to join with us in this very important effort, please call Nick, 53901 (Rarick), or Willa, 53711 (Crane), by the close of business Monday, June 17th.

With kindest regards, we are
Sincerely,
JOHN R. RARICK,
PHILIP CRANE,
Members of Congress.

FACT SHEET—PSRO'S

In the final hours of the 92nd Congress, the House of Representatives passed H.R. 1, the 989-page Social Security Amendments Act of 1972, which was subsequently signed into law (P.L. 92-603) by the President. One portion of this law, section 249F (commonly called the Bennett Amendment), requires the establishment of Professional Standards Review Organizations (PSRO's) to review medical services provided under Medicare and Medicaid.

It is essential to note that the House *never* debated or passed a PSRO provision when it voted on H.R. 1. The Senate installed PSRO's in their version of the bill after holding public hearings, and this section was accepted in conference. H.R. 1 was then brought to the floor of the House on the very last day of the 92nd Congress under a closed rule. PSRO's were *railroaded* through the House.

These are the negative aspects of the law:

1. The Secretary of HEW is authorized to establish "norms" of health care, which will inevitably mean *standardization of medicine* and a *decline in quality medical care.*

2. To assist the Secretary in the development of these "norms," the employees of the 193 regional PSRO's are permitted to enter physicians' offices and *inspect the private medical records of ALL patients.* This is an *invasion of privacy* and a *violation of doctor-patient confidentiality.*

3. These "norms" will then be used to determine the necessity of hospital admissions, length of stay, nature and number of medical tests, type of treatment, and what pharmaceuticals a physician may prescribe. This is clearly *cookbook medicine* and *medicine by averages.*

4. Payment to Medicare and Medicaid patients may also be denied if the PSRO determines that medical care was not "medically necessary" or might have been provided "more economically." This, in effect, amounts to the *rationing of health care.*

5. Doctors who fail to follow these "norms" may be subject to a $5,000 fine, litigation, or may be forced to pay for the "unnecessary" treatment. This is *unusually harsh punishment.*

In summary, please note that PSRO is *not* peer review. It *is*, however, a cruel, pernicious, and punitive law that must be *repealed.*

SUMMARY OF PSRO REPEAL MOVEMENT, AS OF MAY 24, 1974

I. Congressional Repeal Legislation and Sponsors.

House of Representatives:

Alabama: Nichols (D).

Arizona: Conlan (R), Steiger (R).

Arkansas: Alexander (D), Hammerschmidt (R).

California: Rousselot (R), Talcott (R), Veysey (R), Lagomarsino (R), Ketchum (R), Goldwater (R), Burgener (R), Burke (D).

Florida: Lehman (D), Sikes (D), Bafalis (R).

Georgia: Flynt (D), Mathis (D), Blackburn (R), Brinkley (D), Landrum (D), Stephens (D), Ginn (D).

Idaho: Symms (R).

Illinois: Derwinski (R), Crane (R), Collier (R), Hanrahan (R).

Indiana: Landgrebe (R), Zion (R), Hudnut (R), Myers (R), Hillis (R), Dennis (R).

Iowa: Scherle (R).

Kansas: Sebelius (R), Skubitz (R).

Louisiana: Rarick (D), Treen (R), Waggoner (D).

Maryland: Holt (R), Bauman (R), Byron (D).

Michigan: Huber, (R), Hutchinson (R).

Mississippi: Lott, (R), Montgomery (D).

Missouri: Ichord, (D), Taylor, (R).

New Jersey: Hunt, (R), Sandman, (R).

New York: Kemp, (R), Grover, (R).

North Carolina: Rose, (D), Martin, (R).

Ohio: Ashbrook, (R), Harsha, (R), Powell, (R).

Oklahoma: Camp, (R), McSpadden, (D).

Pennsylvania: Goodling, (R), Ware, (R), Williams, (R).

South Carolina: Davis, (D), Spence, (R), Young, (R).

Tennessee: Beard, (R), Duncan, (R), Kuykendall, (R), Quillen, (R).

Texas: Collins, (R), Gonzalez, (D), Casey, (D), Burleson, (D), Archer, (R), Price, (R), Fisher, (D).

Virginia: Whitehurst, (R), Daniel, Dan, (D), Daniel, Robert, (R), Broyhill, Joel, (R), Parris, (R), Wampler, (R), Robinson, (R).

Wisconsin: Froelich, (R).

The following Members have either joined with us since we issued the Dear Colleague or introduced identical bills:

Abnor, South Dakota; Bray, Indiana; Jarman, Oklahoma; Madigan, Illinois; Runnels, New Mexico; Thone, Nebraska; Miller, Ohio; Roberts, Texas; Chappell, Florida; Joel Broyhill, Virginia; and Minshall, Ohio.

N.B. This brings the total to this date to 95 Members who are sponsoring legislation to repeal PSRO.

II. *Official Positions of State Medical Societies on PSRO Repeal* (based on the latest survey of the American Medical Association).

A. State Medical Societies that have passed resolutions for PSRO *repeal only,* and *advocate total non-compliance:*

Arizona, California, Florida, Georgia, Illinois, Indiana, Louisiana, and Nebraska.

B. State Medical Societies that have passed resolutions for PSRO repeal, but *do not* advocate noncompliance:

Kansas, Nevada, Oklahoma, South Carolina, Texas, and Virginia.

C. State Medical Societies that favor *either* PSRO repeal *or* heavy amendment of PSRO legislation:

Alabama, Arkansas, Connecticut, Hawaii, Iowa, Kansas, Kentucky, Maine,* Maryland, Massachusetts,* Michigan, Mississippi, Missouri, Montana, New Hampshire.*

New Jersey, New Mexico,* New York, North Carolina,* North Dakota, Ohio, Oklahoma, Oregon, Tennessee, Texas, Utah, Vermont,* Washington, West Virginia, Wisconsin, and Wyoming.

III. State Legislatures Memorializing Congress to Repeal PSRO:

Georgia, Indiana, Kentucky, and Tennessee.

IV. Court Suits Involving PSRO Legislation.

A. The Association of American Physicians and Surgeons (AAPS) has filed suit in U.S. District Court for Northern Illinois (Chicago) to have the PSRO law declared unconstitutional on the grounds that it violates the First, Fourth, Fifth, Seventh, and Ninth Amendments.

The Council on Medical Staffs (CMS) has joined the AAPS in the litigation as an *amicus curiae.*

B. The Texas Medical Association (TMA) has filed suit in U.S. District Court for Western Texas (Austin) to challenge the constitutionality of the PSRO legislation on the basis of the First, Fourth, and Fifth Amendments. The lawsuit also seeks an injunction to prohibit the Secretary of Health, Education, and Welfare from entering into any contractual agreement with specific groups in Texas.

COSTS OF ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. KOCH. Mr. Speaker, for the information of our colleagues, I would like to append material from Prof. Herman Schwartz' article entitled "A Report on the Costs and Benefits of Electronic Surveillance—1972":

EXCERPTS FROM "A REPORT ON THE COST AND BENEFITS OF ELECTRONIC SURVEILLANCE—1972"

II. NATIONAL SECURITY SURVEILLANCE [1]

The Federal Government has been using wiretapping and bugging in so-called national security cases at least since 1940, when President Franklin D. Roosevelt approved it in the interests of national defense. The FBI, which began to develop an intelligence function of major proportions at this time, in addition to its efforts in investigating particular crimes, used wiretapping and bugging quite extensively. How much we do not know, but there are indications that it was quite extensive.[1]

In the 1960's the Justice Department developed a great concern about organized crime. The FBI had apparently downplayed this problem until then, but the new Attorney General, Robert F. Kennedy, went at it with truly religious zeal; the story is told in Victor Navasky's *Kennedy Justice*. There was still much uncertainty about the number of so-called "national security" taps and bugs, for the only information that was made available about this was in annual statements by Hoover before a friendly House Appropriations Committee in which he reported the number of telephone taps in operation on the day he was testifying. In a brief in the Supreme Court, in *United States v. U.S. Dist. Ct., E. D. Mich.*, 407 U.S. 297 (1972), the Government summarized the number of '"warrantless national security telephone surveillances operated by the Federal Bureau of Investigation in the past ten years . . . [as follows]: 1960–78; 1961–90; 1962–84; 1963–95; 1964–64; 1965–44; 1966–32; 1967–38; 1968–33; 1969–49; 1970–36," citing three congressional hearings. And in 1971, President Nixon declared:

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* Positions of these State Medical Societies are based on a preliminary AMA poll, since they have not yet held their annual statewide conventions.

[1] Detailed analysis of the history of national security surveillance appears in Theoharis & Meyer, *The "National Security" Justification for Electronic Eavesdropping: An Elusive Exception,* 14 Wayne L. Rev. 749 (1968) Navasky & Lewin, *Electronic Surveillance* in Gillers and Watters (eds.), Investigating the FBI (Doubleday 1973)

"Now in the two years that we have been in office—now get this number—the total number of taps for national security purposes by the FBI, and I know because I look not at the information but at the decisions that are made—the total number of taps is less, has been less than fifty a year."

The figures in the Government's brief and in Nixon's statement have now been revealed to range from the disingenuously incomplete to blatantly false. Analysis of the excerpt from the Government's brief in the domestic security wiretap case, together with information obtained by Senator Edward F. Kennedy and made public in December 1971, discloses that:

(1) The figures submitted by the Government to the Supreme Court related solely to the number in operation on the day that Hoover testified—duly noted in the Government's brief in the Court of Appeals but inexplicably omitted from the Supreme Court brief; [2]

(2) The figure given by Nixon is far off the mark, despite his claim that he "look[ed] not at the information but at the decisions", whatever that means.

(3) The figures given by Nixon and in the Government's brief related solely to telephone taps installed by the FBI.

(a) They do not include microphone surveillances which, at least in the early 1960's, were as numerous as telephone taps. For example, Navasky's book contains a letter from Assistant Attorney General Herbert Miller to Senator Sam J. Ervin that on February 8, 1960, there were 78 telephone taps—the number given for 1960 by Hoover—and in addition 67 "electronic listening devices." See *Kennedy Justice* 88. Thus the total was really 145 on that date alone, and several times that for the whole year, if the 1969–71 figures for the relationship between the at-one-time and the annual total are an appropriate model.[3]

(b) They do not include surveillances made by other governmental agencies, federal and state. For example, New York Times reporter Seymour Hersh has obtained Army memoranda indicating that the Army engaged in electronic surveillance for national security purposes. (N.Y. Times, 9/1/72, p. 24, col. 1) Navasky and Lewin quote a former Justice Department official's statment that FBI "agents routinely inspired" bugs and taps by local officials. *Op. cit. supra* at 299–300. Moreover, they note that Hoover's testimony

"leaves open the possibility (indeed informed sources within the department indicate it is a fact) that although he has neglected to mention it to Congress, Mr. Hoover is not referring to all of the taps in which the Bureau is involved. (1) He may be omitting the long-term embassy taps which were put on in the first place—some as long ago as during World War II—not at the instigation of the FBI, but of other agencies, such as the State Department, but which the FBI services. (2) He is omitting all of the taps requested by foreign intelligence agencies such as the CIA, which are not permitted to tap domestically yet have domestic intelligence needs. The FBI handles those taps and passes on the information (which it also absorbs). (3) He is omitting the interception of teletype messages." *Op. cit. supra* at 300.

The actual totals of national security surveillances by the FBI in operation between June 1968 and December 1970, reported by the Justice Department to Senator Kennedy were as follows:

June–December 1968—56 (50 taps and 6 bugs).

1969—94 (81 taps and 13 bugs).

1970—113 (97 taps and 16 bugs).

These much higher figures are consistent with the fact that every time a war resister or dissident has been prosecuted, national security taps popped up not merely on him, but on many people subpoenaed, or in some way connected with him—see, e.g., Spock, Ellsberg, the Berrigans, Abbie Hoffman, Bradford Lyttle, Leslie Bacon, etc., to say nothing of the earlier FBI taps and bugs on Martin Luther King, Jr. and Elijah Muhammed. The defendant's brief in the domestic security wiretap case contains a list of those known to date.

On the basis of classified data supplied by the Justice Department, Senator Kennedy's staff also calculated that on the average, the 1969–70 devices were in operation from 6 to 16 times as long as the average court-approved surveillance—i.e., from 78.3 to 209.7 days, the average federal court-approved installation lasting about 13.5 days.[4] Since the average federal tap averaged about 56 people per interception over the period 1969–71 (491 installations and 27,299 people) or about 4 people per day of operation (56+13) this means that from 312 to 840 people were overheard each year on each of the approximately 100 annual FBI national security surveillances, or from about 31,000 to 84,000 persons each year. Even if one discounts somewhat for duplication in people (though the 56 person average on court-authorized surveillance is supposed to be without duplication) this figure may still be conservative, since the national security surveillances were often on organizations where the telephone usage is much greater than on the private homes that were the targets of much of the court-ordered variety. For example, there were 9 telephones at the Jewish Defense League offices that were tapped for 208 days.[5]

From these figures it is also possible to extrapolate a very rough and conservative estimate of the number of conversations overheard. Again, using the 1969–71 figures, the daily average of conversations overheard on federal 1969–71 surveillances was about 70 per installation. (The 900 average per installation divided by the 13 day average.) Since the national security taps lasted on the average from 78 to 208 days each, the number of conversations overhead annually is between 5,460 and 14,560 per installation or between 546,000 and 1,350,000 per year for the approximately 100 installations.

These figures are staggeringly high. They may actually be understated in many respects since some or many of the 100 installations may cover more than one device, as the JDL tap did, or one location. Furthermore, these figures omit the previously mentioned possibility of surveillance by other agencies, such as the Defense Department, CIA, or state agencies tapping on behalf of the federal government's security programs; they omit teletype interceptions as well.

Because the whole business is so secret, we have no way of knowing the concrete results of this massive surveillance; this spying is allegedly only for intelligence purposes and not for criminal prosecution, though it seems to be around wherever there is a criminal prosecution of a noted dissident. But in congressional testimony this past June, former Attorney General Ramsey Clark testified as follows:

"I have tried to estimate—I do not know that it is possible—the value of the [national security] taps that we have. I know that not one percent of the information that we have picked up has any possible use."

And in response to a question from Senator Kennedy: "What would be the impact on our national security if the Executive Branch were to eliminate all warrantless tapping at the present time?" Clark replied:

"I think the impact would be absolutely zero." Hearings before Senate Admin. Prac. & Proc. Subcommittee on June 29, 1972, on the impact of *U.S. v. U.S. Dist. Ct., E.D. Mich.*, 407 U.S. 297 (1972), trscpt pp. 62–63.

Last June, the Supreme Court dealt with one facet of this national security surveillance—the domestic variety. *United States v. U.S. Dist. Ct., E. D. Mich.*, 407 U.S. 297 (1972). In a unanimous opinion for eight members of the Court, Justice Powell writing, and Justice Rehnquist abstaining, the Court denied the Government the power to eavesdrop for purposes of domestic security without obtaining prior judicial approval, a power first openly sought in the Chicago Seven conspiracy trial and rejected by most federal lower courts. Unfortunately, the Court left open two possibilities for easy eavesdropping: (1) it virtually invited the Government to seek legislation authorizing judges to apply even looser standards for domestic security wiretapping than the already less-than-demanding standards of Title III; (2) it explicitly limited its decision to "domestic aspects of national security," and to "domestic organizations," defined as a group of American citizens "which has no significant connection with a foreign power, its agents or agencies." (n. 11) The Justice Department's narrow construction of this latter category can be seen from the facts that: (a) Justice felt constrained to turn off very few installations as a result of the decision, and apparently left a couple in operation, N.Y. Times, 6/30/72, p. 17, col. 2; (b) it installed a tap on the Jewish Defense League and kept it in operation for 208 days[6]—including a month *after* indictment—on the asserted justification that this tapping was for national security purposes; and (c) a conversation by one of Daniel Ellsberg's lawyers was overheard on a foreign national security tap even though, as Justice Douglas disclosed with some surprise, the tap was on the phone of a foreign national, and not on a foreign agency or in any other discernible way connected with national security. *Russo v. Byrne*, 409 U.S. ____, 93 S. Ct. 433 (1972).

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[2] Fred Graham and Navasky & Lewin have raised the possibility that these figures were understated because Hoover turned off some of the taps the day before he testified, so his statement could be superficially accurate.

[3] These probably included a certain number of organized crime surveillances, though that aspect of the FBI's eavesdropping was still minor at that time, before Robert Kennedy became Attorney General.

[4] The figure is likely to be closer to the upper part of the range. Not only was the Jewish Defense League tap in for 208 days, but of the six domestic security taps turned off as the result of the *Keith* decision (*U.S. v. U.S. Dist. Ct.*), one was operated for 21 months, two for 18 months, one for 4½ months, one for 3 months, and one for 2 weeks. See letter from Deputy Asst. Atty. Genl. K. Maroney to the Kennedy Committee dated 8/2/72.

[5] That the figure is none too high is clear if one reflects for a moment on one's own business phone calls: it is more than possible to talk to more than 4 new people per day, especially if one includes both incoming and outgoing calls.

[6] Other long-term surveillance has come to light in national security cases. The Government's brief in the Supreme Court described the tap in a companion case as lasting 14 months. See also 22n.

When the Army was caught in its massive surveillance program, it agreed to cleanse its files. The Department of Justice told Senator Kennedy's committee that virtually no effort had been made to cleanse the FBI files of information obtained by this illegal wiretapping and bugging. Furthermore, since at least some of it had been disseminated to state agencies without disclosing to them the source of this information, cleansing of the state files is probably impossible. From all indications, nobody has ever tried.

A great deal of electronic eavesdropping for security purposes has taken place and will probably continue; such surveillance catches a great number of people in an enormous number of conversations. Because this eavesdropping is not usually aimed at criminal prosecution, it will rarely come to light—and that is probably as intended by the Executive. The only hope for some kind of oversight is from Congress. Unfortunately, this particular Administration has succeeded beyond any other in denying information to Congress. The result, however, is that except for the summary statistics obtained by Senator Kennedy, we are not likely to obtain very much more; as a matter of fact, virtually all of Senator Kennedy's questions that sought information beyond the overall annual totals went unanswered.

III. COURT-ORDERED SURVEILLANCE

The issues here are essentially three; (1) how great an invasion of privacy is taking place, in terms of people, conversations, lengths of time, and other factors; (2) how much is this costing, in purely monetary terms; and (3) with what results?

A. The extent and distribution of electronic eavesdropping

This can best be explored on an annual basis, with federal and state figures summed for each year.

1968

1. State surveillance:

In 1968 the Johnson Administration was still in office, and Ramsey Clark, the Attorney General, considered wiretapping and bugging both useless and dangerous. The only court-authorized surveillance was therefore by the states, and of this, almost all was in New York.

a. Authorizations and Installations.

According to statistics in Appendix A and B of the 1968 Report, some 174 authorizations were obtained, of which some 167 seem to have been installed, and operative (2 installations were on dead or dismantled phones). Subsequent summaries in the 1969–71 reports state that only 147 were installed but the individual reports show application grants for 174 and installations for more than that. The 147 figure seems clearly wrong; the Administrative Office seems to have erroneously assumed that the absence of data for people or conversations overheard meant that there was no installation. For example, with respect to a good number of those not included in the 147, extensions were granted, see, e.g., Albany, N.Y., Clinton County, N.Y., Queens, N.Y., Nassau, N.Y., etc., and apparently resulted in some very lengthy operations, e.g., 180 days (Albany); 160 days (Nassau). Extensions would hardly be granted on devices that were not installed. The 147 figure is thus clearly too low, and we have used the 167 figure.

b. Offenses:

The breakdown of these authorizations and installations by offense is extremely interesting:

Authorization

Gambling, 70; drugs, 71; homicide, 21; kidnaping, 1; and others, 60.

Installations

Gambling, 18; drugs, 69; homicide, 20; kidnaping, 1; and others, 60.

Drugs obviously predominate at this time, with homicide and gambling next; "drugs" can include marijuana. This pattern did not last very long.

c. Place:

As noted earlier, the overwhelming proportion of the installations were in New York State and this continues. In 1968, New York accounted for 167 of the 174 authorizations, or 90%. Although this figure has inevitably fallen, New York, together with New Jersey, still accounts for most state wiretapping. Within New York, 60% of the installations were in just two boroughs: Brooklyn (66) and the Bronx (33).

The other installations were in Arizona (2), Georgia (3) and Massachusetts (1 or 2).

d. People overheard.

Tables A and B show that on the 147 installations for which reports of persons overheard were made, 3,799 people were overheard, on an average of 25 people per installation, somewhat lower than the 29 average appearing in the 1969 and later Administrative Office reports. If some 167 installations were made, then the total would become approximately 4,250 people overheard, assuming that the average of 25 persons applied to the additional 22; this is roughly equal to the 4,312 derived from multiplying the 29 average by the 147 in the 1969–71 Administrative Office reports.

The average number of persons overheard per installation, broken down by the offense, is as follows:

Gambling, 59; drugs, 23; homicide, 20; kidnaping, 22; and other 21.

e. Conversations.

The 147 installations for which figures are reported also show that some 56,282 conversations were overheard, or an average of 373 per installation. Here too, the 1969 Admin. Office Report gives a much higher average—454—and hence a higher total—66,716. Multiplying the new average of 373 by 167 installations, produces 62,291 a figure close to the figure derived from the Administrative Office's higher average and lower installation.

The average number of conversations overheard per installation, broken down by offense, is as follows:

Gambling, 551; drugs, 369; homicide, 363: kidnaping, 24; and other, 332.

The 1971 ACLU report used the averages from the 1969–71 reports. If the 147 figure is correct, then both the total conversations and people overheard should be reduced. However, if the 167 figure is the correct one, then the totals in the 1971 ACLU report are quite close—somewhat lower on persons and a bit higher on conversations.

f. Duration:

Although the Supreme Court condemned electronic surveillance lasting 60 days in *Berger v. New York*, 388 U.S. 41 (1966), this has apparently had no impact on either state judges or prosecutors. Although it is not certain that all of the installations remained in operation for as long as the authorization period, it appears that 32 of the 167 were in for 60 or more days, with 3 in for 100–199 days; an additional 46 were in for 30 to 59 days, and 86 were in for 20–29 days. Of these long term surveillances, 20 were in homicide cases, and 69 were in drug cases, with 57 in the other category. As noted earlier, the "homicide" category is not limited to murder cases, however—many are marked simply "homicide" and it is impossible to know what is really involved. More detailed data in later years shows that this is a looser category than it seems, including such things as threats, conspiracies, solicitation to commit homicide, as well as a few consummated murders.

g. Miscellaneous:

Extensions were freely granted—126. In addition, it appears that no original applications were denied though two extension applications were; indeed, in the four years for which reports are available, only two applications have been denied, both in 1969.

GEORGE MITCHELL ON PRIVACY

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. GUNTER. Mr. Speaker, in looking over the results in yesterday's primary election in Maine, I could not help noticing the success of a candidate who had taken a strong stand on an issue which many of us here in the Congress believe to be very important.

George Mitchell, the Democratic nominee for Governor issued a series of position papers in spite of what some commentators have said about this being a "non-issue" year. His position on the right to privacy interested me greatly as I believe it will all serious advocates of insuring the rights of our citizens to their precious right of privacy. I would also like to add that it is reassuring to me to know that issue oriented candidates like George Mitchell are successful and that people running for office in the various States are as concerned with the question of the right to privacy as we are here in Congress.

I would like to share Mr. Mitchell's comments with my colleagues:

STATEMENT BY GEORGE MITCHELL ON THE RIGHT TO PRIVACY

The need to preserve the privacy of each individual has become acute, because as government at all levels seeks to accomplish more, and as it attempts more sophisticated tasks, it needs more information. Some of that information is the type which most citizens rightly regard as private matters—matters which they do not want made public, or even to be freely available to those in government.

Yet, most will agree that the answer to this problem of personal information in the hands of government cannot be simply to refuse to give such information to the government. For example, most citizens would object to having their income tax returns—with their income, their contributions to charities, and other matters—made public, although they surely concede that the government needs this information. This is true of many areas.

Nor would many of us be willing to give up government programs which could not function without such information.

Rather, we must insure that personal information provided to the government is needed for legitimate and authorized government purposes, that it is used only for those limited purposes, and it is seen only by those few government employees who must see it to accomplish those purposes.

Of course, this whole issue of privacy has taken on a new aspect due to Watergate. The Watergate Affair, and all the immoral and illegal activity associated with it, is not primarily a matter of privacy. But it does demonstrate that a great threat to our privacy exists from political leaders who are willing to manipulate the power of government to serve their own ends. In Watergate, not only did the Nixon Administration or the Nixon Reelection Campaign use private individuals to spy upon and wiretap others; just as harmful, they used information which the government legitimately possessed, such as tax returns, for totally illegitimate purposes. This was a flagrant violation of the responsibilities of office and remains a potential threat to the privacy of every American.

One answer—the most obvious one—to this problem is to elect principled leaders. Of course, this must be done. But the experience of the past few years teaches us that we also must try to restrict access to and limit the private information which the government has in order to protect our privacy. Only with institutions and laws which are sensitive to and meet the threat to privacy, as well as leadership committed to preserving privacy, will the privacy of our citizens be adequately protected.

In this statement, I offer several proposals which I feel meet some of the problems in these areas and which represent a program to ensure that the privacy of our citizens is respected by our state government.

1. LIMITED ACCESS TO INFORMATION

First, access to personal or confidential information submitted to state government should be strictly limited to those "who need to know" that information in order to carry out a specific, legitimate government function. This policy should be contained in state regulations, and where appropriate, agencies should limit access to such information to a list of certain government employees.

I believe this policy, firmly embedded in our government's procedures, will aid in keeping confidential what should be confidential, whether it be tax information, confidential business information, state medical records, or other categories of information which deal with individuals' personal lives.

Not only should this information be restricted to those who have demonstrated a bona fide need to know, but also non-government agencies should never receive such information without the consent of the individual involved. Private parties, whether they are potential employers, credit agencies, insurance companies, or private investigators have no business receiving such information without the explicit approval of the person involved. This principle should also be contained in our agencies' regulations.

THE RIGHT TO CORRECT

In many instances, government files may contain incorrect or derogatory information about an individual, and these errors, unknown to that person, go uncorrected. In many instances this can be remedied by allowing each citizen to inspect the government file dealing with him or her and allowing that person to add a statement to the file and to request the government to correct any errors. This is the surest and the easiest way to eliminate inaccurate or harmful material and to let our citizens know what about him or her is in the government's files.

Such a proposal has been made on the federal level, where bipartisan legislation has been introduced in Congress. I believe we should apply it immediately at the state level.

Of course, certain files, by their very nature, would have to be excluded from this "right to correct" category. For example, current criminal investigative files cannot be made available to the subject of such an investigation while it is taking place. Also, certain medical files may have to be kept to an absolute minimum.

Indeed, as also suggested at the federal level, we should, where appropriate, apply the "right to correct" rule to non-governmental agencies which keep files on individuals such as credit bureaus, utilities, insurance companies and certain other businesses. These files, in private hands, can cause serious economic harm or humiliation to individuals. And of course, access to these files is not restricted. It seems only fair that people have a right to look at these files to correct mistakes which they may contain.

The "right to correct" principle will serve to do more than just correct errors. By knowing that individuals will have access to these files, both government and business will be more careful in collecting information and will restrict the information which they collect to that needed for legitimate purposes in order to avoid embarrassment and complaints.

3. STATE PRIVACY RULES TO CONTROL

Recently, it has become clear that even carefully drawn state regulations to protect privacy can be undermined by federal programs seeking state data. For example, Massachusetts is now battling the federal government to maintain the confidentiality of its criminal justice records in the face of a massive, federally sponsored, national computer program for all such information which has much weaker safeguards for privacy.

I believe that when a state government collects private information—whether it is tax information, health records, court records, or whatever—and the state promises to keep that information confidential, then the state should oppose any federal efforts to obtain that information unless equally stringent guarantees of privacy are imposed. I would oppose Maine's participation in any federal program which involved sharing such information without protecting the privacy as well as Maine does.

The Massachusetts example brings up another area of privacy that must be guarded: our police and court records. In this area, there is necessarily much derogatory and unsubstantiated information about people, whether it be an arrest report or investigative files. Such information should be kept closely guarded and strictly confidential from those outside the state criminal justice system until an innocent person is proven guilty by proper procedures. Just as a man should remain free until proven guilty, so too should his reputation remain free of accusation until he is found guilty.

4. PRIVACY IN OUR SCHOOLS

Privacy is especially important for our children. Our schools and, at times, other agencies of government deal with our children and with confidential information about our children. Because of this added access to such private information, there must be added vigilance to preserve its privacy. This has been done in many juvenile court systems, where many proceedings are not made public. I believe such special protection should be extended to other areas.

For example, it has recently come to public attention that certain federal government agencies, and in particular, the Office of Education, has been giving quesionnaires to children in order to evaluate certain programs. These have contained questions about social background, family life, and other matters which many people find offensive and intrusive. While I believe we must be careful to evaluate any such allegations, and we must not cripple government programs by unreasonably restricting the information they seek, we must also be vigilant in opposing federal or state efforts to gather facts from us or our children which intrude too far into our privacy.

What is particularly disturbing was the fact that these questionnaires were presented to the children by teachers—authority figures whom the children obeyed—without any consent or knowledge by the parents.

And more important, I think we must guard zealously records involving our children. Here the main issue is school records, which often deal with disciplinary problems, emotional difficulties, and family matters. In high schools and colleges, where counselling is often available, health or mental health records may be involved. With these files, which are needed for the proper functioning of our school system, we must exercise special care. For students do not and cannot maintain the privacy of their lives, and there are many outside parties, such as employers, who naturally look to such records for information.

To protect our children, I believe that school records involving personal matters should not be released to anyone outside the school system without the informed consent of the parents of the child involved. This simple protection will guard against any possible abuses of these records. Of course, once a child reaches 18, he or she would make the appropriate decision on release of these records.

I make these proposals knowing full well that they do not completely solve this difficult problem. But I believe they should be taken, because our privacy is so important that we should take reasonable steps to protect it.

At the national level we have in the past few years seen illegal wiretapping, surveillance and burglary by government agents. As government at all levels continues to grow, so does the need to restrain it from invasion of our privacy.

For these reasons, I believe we must act promptly to protect our citizens and to reassure them that their right to privacy will not be invaded or eroded.

HOUSE OF REPRESENTATIVES—*Thursday, June 13, 1974*

The House met at 12 o'clock noon.

Father Paul J. Asciolla, assistant administrator, Villa Scalabrini Home for Italian Aging, Northlake, Ill., offered the following prayer:

I was a stranger and you welcomed me.—Matthew 25: 35.

Almighty God, today the world is in a state of turmoil, blinded by its own prosperity. Man feels exalted by his conquest over matter and lords it over nature as its master, tearing the lifeblood out of its soil, taming the lightning, bringing confusion among the waters of the oceans.

Nations fall, rise, and renew themselves once more. Races reach out and intermingle. Through the noise and clatter of our machines, beyond all this feverish activity of work, in the upsurge of these gigantic achievements, Your sublime plan is maturing * * * the union of all peoples.

It will be a joyous day when all voices, be they in different tongues, will be lifted up in a single hymn of praise to You. Amen.

(Based on a prayer of Bishop John Baptist Scalabrini (1839–1905), founder of the Congregation of Scalabrini Fathers, Missionaries for Migrants.)

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

FATHER PAUL ASCIOLLA DELIVERS INVOCATION

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, I wish to welcome Father Paul J. Asciolla, C.S., who has delivered the invocation today. He is the editor of FRA NOI, Chicago's leading Italian-American newspaper, and assistant administrator of Villa Scalabrini Home for the Italian Aging in Melrose Park, Ill.

Father Paul is also an associate at the National Center for Urban Ethnic Affairs here in Washington, and is a member of the Scalabrini Fathers and Brothers Religious Congregation whose principal work is among migrants.

A graduate of Providence College in 1955 and Northwestern University, where he received his master's degree in 1966, Father Paul has attended major universities in the East and Midwest and has served as guest lecturer on migration problems and intergroup relations.

Father Paul is a member of the advisory board of the National Project on Ethnic America initiated by the American Jewish Committee and chairman of both the Chicago Consultation on Ethnicity and the Illinois Consultation on Ethnicity in Education. Recently appointed as an adviser to the CBS outlet in Chicago, he has been featured on national television and is active in local Chicago TV and radio on the subject of ethnic groups and the ethnic factor in American life.

Most important of all, Mr. Speaker, is Father Paul's love of people and his rare empathy with other human beings. I am proud to number him among my friends and thank him for being with us today. He is a dedicated and resourceful leader in our community and I wish him continued success in his work and in his life of service.

Mr. CONTE. Mr. Speaker, I am pleased to join my colleagues in congratulating Father Paul J. Asciolla on his timely and inspiring message.

I find it particularly appropriate that Father Asciolla deliver today's prayer. Here, very shortly, we will engage in ceremonies marking Flag Day. This is a day on which Americans honor the symbol of this great Nation, a nation that has rightly been called a nation of immigrants.

As my colleagues know, Father Asciolla is a member of the Scalabrini Fathers. This particular society of Catholic priests is a missionary society especially devoted to the spiritual welfare of Italian immigrants in the Americas. Since the late 1800's the Scalabrinis have been assisting Italians who, for a variety of reasons, left their native land to adopt a new country—and a new flag. As the son of Italian immigrants, I know the particular pride that my parents had in this country and our Flag.

On behalf of the children of immigrant parents who were helped so much by the Scalabrini Fathers, I want to say a heartfelt thank you to Father Asciolla and all of the members of the Scalabrini Society for their tireless work in parishes, orphanages, and homes for the aged.

John Baptist Scalabrini, founder of the society, beside his devotion to the Italian immigrant, was also known for his enlightened concern for social, political, and economic issues. In his message today, and by his work, Father Asciolla has shown that he has followed the path Bishop Scalabrini set out.

Mr. VIGORITO. Mr. Speaker, I would like to thank my friend, the gentleman from Illinois, for inviting me to welcome the Reverend Paul J. Asciolla, C.S., who delivered the opening prayer today in the House.

Mr. Speaker, I am very pleased to acknowledge and greet today Father Asciolla, who is the current editor of FRA NOI, an Italian-American newspaper which serves the Chicago area. Our guest is also assistant administrator of Villa Scalabrini Home for the Italian Aging in Melrose Park, Ill.

Father Asciolla is a member of a religious congregation, the Scalabrini Fathers and Brothers, whose principal work in this country is among migrants and their insertion into our society and culture.

Through his work in the religious order, Father Asciolla has become well known in the United States for his knowledge of the ethnic group in America.

He holds membership on several national and local organizations dealing with ethnicity in America, including the National Project on Ethnic America and the National Center for Urban Ethnic Affairs in Washington, D.C. As a noted author, lecturer, and teacher, Father Asciolla has worked to keep the many ethnic heritages alive in the United States. He is most proud, I am sure, of his Italian-American heritage. He expresses this love of his heritage by his work on FRA NOI and for Villa Scalabrini where he joins with the Italian-American community in showing its devotion for its aging members.

I would like to commend Father Asciolla for his most worthwhile work and also for leading the prayer today in the House.

Mr. DENT. Mr. Speaker, I would like to take this opportunity to join my good friend, the gentleman from Illinois (Mr. ANNUNZIO) and others, in welcoming Father Paul Asciolla to the House, and to commend him for the work he has performed.

A member of the Scalabrini Order of Fathers and Brothers, Father Asciolla has distinguished himself, particularly in his work with migrants and their successful inclusion in host culture. His work in the field of ethnicity has been recognized internationally, and indeed, he has been an important force in these areas.

Mr. RODINO. Mr. Speaker, we are indeed privileged to have Rev. Paul J. Asciolla, C.S. grace our Chambers this afternoon. Father Paul and I have shared a most special friendship over the years. And, with the passage of time, the sensitivity, the devotion, and the love this great man holds for all people has become ever more cherished by all who have been fortunate to know of his good works.

Every citizen of this Nation has ethnic roots in other lands. Each of us interprets the meaning of the traditions and culture of our fathers and grandfathers through our own experiences, hopes, and dreams. Father Paul has devoted perhaps his most precious years of service to developing a stronger understanding and appreciation among all ethnic groups of the important role each plays in America today. The commitment and leadership Father Paul has given to the men and women of the Villa Scalabrini, a community of our older Italian Americans proud of their bicultural heritage, stands as a symbol of Father Paul's understanding of the needs of all ethnic Americans.

He is indeed a servant of God and of the people and has become a spiritual inspiration for many. He has served, for all of us, as a moral leader in these troubled times. And, it is with great pride that I join my colleagues in welcoming him here today.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks relative to Father Paul Asciolla's prayer.

The SPEAKER. Is there objection to the request of the gentleman from Illinois.

There was no objection.

PERMISSION TO FILE REPORT ON THE DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, FISCAL YEAR 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight to file a privileged report on the bill making appropriations for the Department of Transportation for the fiscal year ending June 30, 1975, and for other purposes.

Mr. CONTE reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE AND THE JUDICIARY APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for the Departments of State, Justice, and Commerce and the judiciary and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CONFERENCE REPORT ON H.R. 14354, SCHOOL LUNCH ACT

Mr. **PERKINS** submitted the following conference report and statement on the bill (H.R. 14354) to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes:

Conference Report (H. Rept. No. 93-1104)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14354) to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "National School Lunch and Child Nutrition Act Amendments of 1974".

COMMODITY DISTRIBUTION PROGRAM

Sec. 2. The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by redesignating section 14 as section 15 and by inserting immediately after section 13A the following new section:

"COMMODITY DISTRIBUTION PROGRAM

"Sec. 14. Notwithstanding any other provision of law, the Secretary, during the period beginning July 1, 1974, and ending June 30, 1975, shall—

"(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) agricultural commodities and their products of the types customarily purchased under such section, for donation to maintain the annually programmed level of assistance for programs carried on under this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965; and

"(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), for such donation.".

LEVEL OF COMMODITY ASSISTANCE

Sec. 3. Section 6 of the National School Lunch Act is amended by adding at the end thereof the following new subsection:

"(e) For the fiscal year ending June 30, 1975, and subsequent fiscal years, the national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch, and that amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates.".

INCOME GUIDELINES FOR REDUCED PRICE LUNCHES

Sec. 4. The last sentence of section 9(b) of the National School Lunch Act is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "beginning with the fiscal year ending June 30, 1974".

APPROPRIATION AUTHORIZATION FOR NONFOOD ASSISTANCE

Sec. 5. The Child Nutrition Act of 1966 (42 U.S.C. 1771-1786) is amended by striking out "$20,000,000" in the first sentence of section 5(a) and inserting in lieu thereof "$40,000,000".

SPECIAL SUPPLEMENTAL FOOD PROGRAM

Sec. 6. The third sentence of section 17(b) of the Child Nutrition Act of 1966 is amended by striking out "$40,000,000" each place it appears and inserting in lieu thereof "$100,000,000".

TECHNICAL AMENDMENT

Sec. 7. The first sentence of section 3 of the National School Lunch Act is amended by striking out "sections 11 and 13" and inserting in lieu thereof "section 13".

And the Senate agree to the same.

Carl D. Perkins,
Lloyd Meeds,
William D. Ford,
Augustus F. Hawkins,
Patsy T. Mink,
Shirley Chisholm,
Mario Biaggi,
Romano L. Mazzoli,
Herman Badillo,
William Lehman,
Ike Andrews,
Albert H. Quie,
Alphonzo Bell,
John M. Ashbrook,
Edwin B. Forsythe,
Peter A. Peyser,
William A. Steiger,
David Towell,
Managers on the Part of the House.
Herman E. Talmadge,
George McGovern,
James B. Allen,
Dick Clark,
Milton R. Young,
Robert Dole,
Henry Bellmon,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14354) to amend the National School Lunch Act to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying Conference Report.

The Senate amendment strikes all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying and technical changes.

(1) The Senate amendment provides that the short title is the "National School Lunch and Child Nutrition Act Amendments of 1974". The bill, as passed by the House, contains no comparable provision. The conference agreement adopts the Senate provision.

(2) The House bill amends the National School Lunch Act by adding a new section 14 dealing with the commodity distribution program. The proposed new section 14 authorizes the Secretary of Agriculture, notwithstanding any other provision of law, during the period July 1, 1974, through June 30, 1975, to use funds available under section 32 of Public Law 74-320, to purchase agricultural commodities and their products of the types customarily purchased under section 32 for donation to maintain the annually programmed level of assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act, and Title VII of the Older Americans Act. The House bill also authorizes, for the same period of time, the Secretary to use funds of the Commodity Credit Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 for such donation.

The Senate amendment adds a new subsection (e) to section 6 of the National School Lunch Act to provide that, beginning with the fiscal year 1975, the national average value of foods donated under the section, or cash payments made instead of such donations, shall not be less than 10 cents per lunch. Such minimum amount is to be adjusted for each fiscal year after fiscal year 1975 to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments shall be computed to the nearest one-fourth cent. The Senate amendment also provides that, in donating commodities, the Secretary shall give special emphasis to high protein foods, meat and meat alternates.

The conference agreement adopts both the House and Senate provisions with an amendment to the new section 14 proposed by the House. Under the revised House provision in the conference agreement, the Secretary's authority to use section 32 funds to purchase commodities of the type customarily purchased under section 32 for donation to maintain the annually programmed level of assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act, and Title VII of the Older Americans Act is mandatory. In addition, the conference agreement makes mandatory for one year the Secretary's authority to use funds of the Commodity Credit Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 for such donation.

Over the past several years, the Department of Agriculture has consistently provided a level of commodity donation for the school lunch program of approximately 7 cents per lunch. The Department's 1975 fiscal year budget includes $290,000,000 for such commodity purchases to provide such a level of support. Under the conference agreement, the Secretary is required during fiscal year 1975 to meet the programmed level of $290,000,000 in commodity acquisitions.

The new subsection (e) of section 6 of the National School Lunch Act requires, for fiscal year 1975 and subsequent fiscal years, that the national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch. Thus, under section 6 of the National School Lunch Act, the Secretary must provide total assistance of at least 10 cents per lunch.

The Conferees wish to note that subsection (b) of section 6 of the National School Lunch Act—authorizing cash in lieu of commodities—remains applicable to the commodity distribution program. As such, the Secretary is required on February 15 to estimate the value of the commodities which will be delivered to the school lunch program in the current school year. If the estimated value is less than 90 percent of the amount programmed, the Secretary must pay to State educational agencies, by not later than March 15, an amount of funds that is equal to the difference between (1) the amount programmed and (2) the estimated amount to be delivered. Any cash payments required by subsection (b) will be in addition to any cash payments needed to reach the total level of section 6 assistance established on a per-lunch basis in the new subsection (e).

The Conferees wish to note further that subsection (b) of section 6 of the National School Lunch Act is not applicable to the new section 14 proposed in the conference agreement, which requires the Secretary to meet the programmed level for commodity acquisition and distribution. Regardless of the Secretary's action on February 15 and the subsequent payments of cash in lieu of commodities, it is the Conferees' intention that the Secretary during fiscal year 1975 acquire commodities at the programmed level of $290,000,000. Any commodities which are acquired too late for use in the current school year will be available for utilization in the subsequent school year.

The new subsection (e) of section 6 of the National School Lunch Act provides that the Secretary, in donating commodities to the school lunch program, shall give special emphasis to "high protein foods, meat and meat alternates." High protein foods include cheese, milk and fish.

At least one State has phased out its commodity distribution facilities according to the previously-stated intention of the Department of Agriculture to terminate the commodity distribution program and now lacks the personnel, facilities, and budget to distribute commodities for the school lunch program. In such a case, it is the Conferees' expectation that the Secretary of Agriculture will be able to work out with the affected State arrangements for the distribution of commodities made possible through this new legislation. At the same time the Conferees wish to stress that no State is to be penalized because of previous action on the part of the State in phasing out commodity distribution facilities and mechanisms. In the unusual case where commodity distribution is not possible, there is sufficient authority for the Secretary to make cash payments in lieu of commodities. When such payments are made, the State educational agency shall promptly and equitably disburse any cash it receives in lieu of commodities to schools participating in programs under the National School Lunch Act and such disbursements shall be used by such schools to obtain agricultural commodities and other foods for their food service program.

(3) The Senate amendment amends section 9(b) of the National School Lunch Act to make permanent the State educational agency's authorization to establish income guidelines for use by schools in the State in determining eligibility for reduced price lunches, at levels up to 75 percent above those in the Secretary's income poverty levels. The bill, as passed by the House, contains no comparable provision. The conference agreement adopts the Senate provision.

(4) The Senate amendment amends section 5(a) of the Child Nutrition Act of 1966 to increase the authorization for appropriations for non-food assistance for fiscal years after 1975 from $20,000,000 to the amount currently authorized, which is $40,000,000. The bill, as passed by the House, contains no comparable provision. The conference agreement adopts the Senate provision.

(5) The Senate amendment amends section 17(b) of the Child Nutrition Act of 1966 to increase the authorization of appropriations for the Special Supplemental Food Program for Women, Infants and Children and the utilization of section 32 funds for such program for fiscal year 1975 from $40,000,000 to $131,000,000. The House bill contains no comparable provision. The conference agreement adopts the Senate provision with an amendment reducing the proposed new authorization from $131,000,000 to $100,000,000. While section 17(b) of the Child Nutrition Act now requires that $40,000,000 be expended for this program in fiscal year 1974, the Conferees intend that any part of this amount not expended in fiscal year 1974 be carried over to fiscal year 1975, and that such amount be in addition to the $100,000,000 in the conference argeement.

Carl D. Perkins,
Lloyd Meeds,
William D. Ford,
Augustus F. Hawkins,
Patsy T. Mink,
Shirley Chisholm,
Mario Biaggi,
Romano L. Mazzoli,
Herman Badillo,
William Lehman,
Ike Andrews,
Albert H. Quie,
Alphonzo Bell,
John M. Ashbrook,
Edwin B. Forsythe,
Peter A. Peyser,
William A. Steiger,
David Towell,
Managers on the Part of the House of Representatives.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Dick Clark,
Milton R. Young,
Robert Dole,
Henry Bellmon,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. BURKE of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 293]

Abzug
Addabbo
Archer
Aspin
Badillo
Biaggi
Blatnik
Boggs
Boland
Brademas
Breaux
Brotzman
Brown, Calif.
Burke, Calif.
Burlison, Mo.
Carey, N.Y.
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clark
Clay
Collier
Collins, Tex.
Conyers
Culver
Davis, Ga.
Dellums
Diggs
Dorn
Drinan
Dulski
Fascell
Fish
Ford
Fraser
Frey
Gray
Green, Pa.
Griffiths
Gubser
Hammerschmidt
Harsha
Hastings
Hébert
Hillis
Holifield
Howard
Huber
Jarman
Jones, Ala.
Jones, Okla.
Koch
Long, La.
McEwen
Macdonald
Martin, Nebr.
Matsunaga
Milford
Mills
Minshall, Ohio
Mollohan
Morgan
Murphy, N.Y.
Nelsen
Pepper
Powell, Ohio
Price, Tex.
Quillen
Rangel
Reid
Riegle
Robison, N.Y.
Rooney, N.Y.
Runnels
Ryan
Shipley
Shoup
Sikes
Staggers
Stanton,
J. William
Stratton
Symington
Talcott
Tiernan
Treen
Ullman
Widnall
Wilson,
Charles H.,
Calif.
Wyatt
Wydler
Young, Fla.

The SPEAKER. On this rollcall 341 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to the order of the House of April 23, 1974, the Chair declares the House in recess for the purpose of observing and commemorating Flag Day.

Accordingly (at 12 o'clock and 24 minutes p.m.) the House stood in recess subject to the call of the Chair.

FLAG DAY

During the recess the following proceedings took place in honor of the United States Flag, the Speaker of the House of Representatives presiding.

FLAG DAY PROGRAM, U.S. HOUSE OF REPRESENTATIVES, JUNE 13, 1974

The United States Army Band (Pershing's Own) and the United States Army Chorus entered the door to the left of the Speaker and took the positions assigned to them.

The honored guests, Mr. Henry "Hank" Aaron, the Joint Chiefs of Staff and the Commandant of the Coast Guard entered the door to the right of the Speaker and took the positions assigned to them. Mr. Henry "Hank" Aaron was seated at the desk in front of the Speaker's rostrum.

The United States Army Band (conducted by Col. Samuel R. Laboda, Leader and Commanding Officer, United States Army) presented *Grand Old Flag.*

The Doorkeeper (Hon. William M. Miller) announced the Flag of the United States.

[Applause, the Members rising.]

The U.S. Army Band and the U.S. Army Chorus presented *God Bless America.*

The Flag was carried into the Chamber by Color Bearer, and a Guard from each of the branches of the Armed Forces: Sgt. Philip Young, United States Army, in charge; Cpl. Bob Rathbone, United States Marine Corps; Sp4c. Robert L. Harman, United States Army; Seaman Mike Whiteman, United States Coast Guard; Seaman Gary Dison, United States Navy; Sgt. Mark Kramer, United States Air Force; Cpl. David G. Hietpas, United States Marine Corps; Sp4c. Morris Hughes, United States Army.

The Color Guard saluted the Speaker, faced about, and saluted the House.

The Flag was posted and the Members were seated.

The SPEAKER. The Chair is now pleased to recognize the distinguished gentleman from Alabama (Mr. Nichols) to preside over the Flag Day Ceremonies.

Mr. NICHOLS. The invocation today will be given by the Honorable Ralph Regula, Member of Congress from Ohio, and a member of the Flag Day Committee. I would ask that everyone stand and remain standing until the Pledge of Allegiance is given, which will be led by the Honorable Barry M. Goldwater, Jr., Member of Congress from California.

Mr. REGULA. Mr. Speaker, at this time let us bow our heads and hearts to offer a prayer of thanks to the Almighty for all that is symbolized in the magnificent Flag of the United States of America.

O Lord, surely we have been blessed to be citizens of this great, good and mighty land—a free people, able to enjoy the liberty that is the God given due of all people, and to worship as the conscience of each dictates. We offer our prayers for the continued grace of Divine Providence, as we gather today to honor that symbol of our national life—the American Flag, a symbol that represents the best hopes of our millions of people and which has flown these many years in spite of all attempts to rend it asunder.

Lord, we are mindful of the twin sins of pride and vanity, and we ask only that our ideals—so well symbolized by our Star-Spangled Banner—continued to emphasize all that is good in our American heritage. Ours has been a rich tradition, founded on liberty and equality, forged by a tradition of individual and collective accomplishment, and reborn each morning that finds the dawn of a new day casting its light upon the Flag of a free people, upon the Flag of the United States of America.

God of eternity, our Nation is young—yet the longing of all men to be free transcends any one country or any one age. It is Your gift to us, as your children—to be, as was so nobly inscribed in our Declaration of Independence, "endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

Let us, O Lord, be cognizant of our strengths, yet aware of our weaknesses. Let us raise high our hopes and our magnificent Flag, yet never fail to bow our heads in reverent prayer for humility and Divine guidance. And, Lord, let us continue to work out what surely must be one of mankind's most noble endeavors—our American experience in democracy, an experience that has brought to our people the opportunity to weather all storms, all obstacles, and live "as one nation, under God, with liberty and justice for all."

We pray, O God, that we will be granted those qualities so aptly symbolized in our beautiful Flag—courage, devotion, fidelity, faith—and that we will be reminded, as was Henry Ward Beecher, that "a thoughtful mind when it sees a nation's flag, sees not the flag, but the nation itself."

Lord we give Thee a special thanks for the goodness of our guest today and for the home run he has hit in the hearts of all Americans. Amen.

Mr. GOLDWATER. Ladies and gentlemen, please join me in the Pledge to our Nation's Flag.

The Members and guests, led by the Honorable BARRY M. GOLDWATER, JR., recited the Pledge of Allegiance to the Flag.

Mr. NICHOLS. The Flag Day address this year will be given by the Honorable PETER KYROS, a Member of Congress from the State of Maine, and a member of the Flag Day Committee.

Mr. KYROS. Mr. Speaker, distinguished guests, ladies and gentlemen, in 1777, a few days short of the first anniversary of the signing of our Declaration of Independence, the Continental Congress adopted this glorious National Flag which we now honor, and ordained it before God and all men as the ensign of American liberty.

Even then it was intended to stand for our Founding Fathers' hope that this Nation would be a land of justice, opportunity, equality, and compassion. Today, it has become the most important symbol in our national experience, exerting a compelling influence in its presence. Our blood, our history, and our well-wrought liberty fly with it.

As Adm. H. G. Rickover said after the first sea trials of the U.S.S. *Francis Scott Key* in December 1966:

> Francis Scott Key caught the mystique the Flag has for us, who are a nation not only by consanguinity, not by a long common history, but by devotion to an abstract, the concept of liberty under the law.

Continuing, Admiral Rickover remarked:

> Dennis W. Brogan once tried to explain what the Flag means to Americans. "It is more," he said, "than a mere symbol. It is the regimental color of a regiment in which all Americans are enrolled."

On this, Flag Day, 1974, let us remember the sense of unity captured in those words. Though there is still much to argue about and much to fight for in America, our Flag should always fly high above the debate, a sign of the common purpose that transcends our differences.

The product and illustration of our American way of life, the same Stars and Stripes wave over the campuses, over the ghettos, over the grape fields, over the auto factories, over the chambers of elected officials, and over the graves of brave Americans.

To each of us, the Flag evokes special memories: Of times spent in schools and town halls, of parades, of Flags flown over the Capitol and sent home to constituents, of local rituals ripe with meanings personal and private.

For me, it is this way:

When I look at our Flag, I see more than a beautiful cloth banner.

And I see more than the symbol of freedom, and justice, and equality, even though the Stars and Stripes stand for those values as no other symbol in our heritage.

I see our enduring strength—a foundation of democracy as strong as the rocky coast of my own State of Maine; an America strong in spirit, strong in compassion, and strong in trying to meet the needs of its people.

I look at our Flag, and I see 200 million faces, men and women of all races, all creeds, all walks of life.

I see Bunker Hill, Valley Forge, and Yorktown.

I see Bull Run, Manassas, Chancellorsville, and Vicksburg.

I see Manila.

I see muddy trenches in France.

I see Africa, Italy, Normandy, and a thousand torrid islands in the Pacific.

I see Iwo Jima, Korea, and, yes, Khe Sanh.

I look at our Flag, and I see Americans fulfilling a lifetime ambition of mankind: Standing on the Moon and gazing Earthward at the blue loveliness 240,000 miles away, and sensing for all time the brotherhood of man.

But above all, I look at our Flag and I see hope: Hope that wherever it flies, it will always be a symbol of American justice, equality, and friendliness around the world—the red, white, and blue badge of courage of the men and women who have lived and died by its ideals.

[Applause, the Members rising.]

The United States Army Band and the United States Army Chorus (Narrator, M. Sgt. Bill Fox) presented, *A Song of Freedom*.

[Applause, the Members rising.]

The SPEAKER. The gentleman from Alabama is recognized.

Mr. NICHOLS. Mr. Speaker, my colleagues in the Congress, our distinguished guests and visitors: In past years your Flag Day Committee has honored prominent Americans whose talents have made significant contributions to the American way of life. This year for the first time, the committee is honoring an outstanding athlete who has set records in almost every imaginable category in the field of baseball.

As we all know, Hank Aaron is the unchallenged "king of the home run" and I daresay the majority of those present in this Chamber today were thrilled just as I was to see Hank belt his 715th home run in the Atlanta Stadium this spring, against the Los Angeles Dodgers.

Someone has said that trying to get a fast ball past Hank Aaron is like trying to "get the morning Sun up past a rooster's crow," and there are many National League pitchers who would support this statement.

There is, however, another aspect of this great athlete's life which is little known to the general public, and that is his tremendous affinity for his fellowman.

Hank Aaron—a big man from every standpoint—has been generous with both his talents and his time. He has established not one, but two scholarship funds—one for a deserving college student and another which helps keep high school students in the classroom.

It would be difficult to estimate how many autographed baseballs and bats Hank Aaron has donated to celebrity auctions to raise money for retarded children.

In 1972 the Hank Aaron Bowling Tournament raised in excess of $25,000 for research in sickle cell anemia.

Hank is currently serving as national sports chairman for the Easter Seal Foundation and is president of the "No Greater Love" organization which assists children of men missing in action in Southeast Asia.

And so Alabama born Hank Aaron is much more than America's No. 1 athlete, a great competitor and a sportsman in the finest American tradition, but our guest is also a humanitarian unsurpassed.

Call him what you will—Hammering Hank—Bad Henry—or just plain Hank Aaron, he has without a doubt left his indelible mark in the annals of American sports and in the hearts of the American people for many, many years to come.

It is my honor to present to the U.S. Congress our very special Flag Day guest of honor, Mr. Hank Aaron.

Mr. HENRY "HANK" AARON. Mr. Speaker, Members of Congress, friends, and my Congressman Mr. Andrew Young of Georgia, I would like to say thank you for this high honor that you are paying me today. I would also like to present to you some friends who came along with me to share this day with me: Mr. Bill Bartholomay, chairman and owner of the Atlanta Braves, on my right; Mr. Donald Davidson, assistant to Mr. Bartholomay and also the traveling secretary;—and you always have to have a legal counsel around, so I brought mine with me—Mr. Irving Kaler from Atlanta.

Although I have hit 723 home runs as of today, I always seem like I am lost if I just do not carry this young lady along with me: my wife, Mrs. Aaron.

[Applause, the Members rising.]

When I received the invitation to speak before you from a fellow Alabamian, Congressman Bill Nichols, I was struck by the fact that baseball players and Congressmen are similar and have something in common. Both of us fall prey to the old adage: "So what can you do for us next year?"

No matter how many home runs I have hit or how many base hits I have gotten, each spring when I go to camp, I have to beat out some young player. So we both have something in common. As a Congressman, no matter how many bills you pass, no matter how many committee assignments you hold, come the end of 2 years you still have to prove to your constituents that you can deliver in the next Congress.

So it is a great honor for me to come here before the Congress on this special occasion, as I have always had great respect for the Flag and what it symbolizes. To me the Flag has been more than just merely an inspiration. In my more than 20 years of professional baseball I have seen the Flag waving in every ball park from legendary Ebbets Field and the Polo Grounds to the new sports complexes around the National League. Ever since my first game in Eau Claire in the Northern League in 1952, I have been aiming at the Flag in more ways than one.

[Laughter and applause.]

I want to thank you again. I feel honored to speak in the same building where so many Founding Fathers realized the birth of the American dream so long ago. Thank you very much.

[Applause, the Members rising.]

The Members and guests rose and sang the *Star Spangled Banner* (first verse) accompanied by the U.S. Army Band and the U.S. Army Chorus.

The Colors were retired from the Chamber, the U.S. Army Band playing *Stars and Stripes Forever*.

The U.S. Army Band and the U.S. Army Chorus retired from the Chamber.

The honored guests retired from the Chamber.

At 1 o'clock and 2 minutes p.m., the proceedings in honor of the U.S. Flag were concluded.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12165. An act to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico; and

H.R. 14434. An act making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14368) entitled "An act to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11873) entitled "An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Clark, Mr. Young, Mr. Dole, and Mr. Bellmon to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14434) entitled "An act making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Stennis, Mr. Pastore, Mr. Bible, Mr. Proxmire, Mr. Montoya, Mr. Hollings, Mr. Young, Mr. Hruska, Mr. Fong, Mr. Hatfield, Mr. Stevens, Mr. Mathias, and Mr. Bellmon to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1865. An act to authorize and encourage establishment of, and to render assistance to, environmental centers in the several States and regions of the Nation, and for other purposes; and

S. 3523. An act to establish a National Commission on Supplies and Shortages.

FLAG DAY

Mr. GILMAN. Mr. Speaker, most of us in our early youth learned the words of a short paragraph which we repeated each morning in school—the Pledge of Allegiance to our Flag. As we entered adult life, following separate paths, some going on into public service, some going off to war, we have come to more fully appreciate the significance of the words of this pledge—the years have given us a deeper realization of what this brief paragraph means.

Today, as we observe Flag Day, one of the best ways we can honor our flag and pay homage to the great Nation that its represents is to reflect on its true meaning and the heritage it symbolizes.

The act of Congress creating our flag described the pattern of stripes and stars it would have; the stars to be set in a circle on a field of blue, representing a new constellation, a new light in the heavens.

The 13 stripes represent the Thirteen Original States, and we have grown over the past two centuries, from that original 13-star flag to a banner with no less than 50 stars.

When we pledge allegiance, we pledge our loyalty not to a flag, but to the Republic for which it stands. That Republic has been saved and nurtured time and time again by the selfless sacrifice of hundreds of thousands of patriots.

Four thousand patriots gave their lives to establish our Nation. Another 497,000 brave men died in a conflict challenging whether we would indeed be "one nation, indivisible"—the Civil War.

The closing words of our pledge our "with liberty and justice for all" brings to mind that in the last century America has opened her doors, becoming the beacon of liberty to oppressed people all over the world. We have welcomed all, turned none away. We have been the champion of freedom and independence for other nations. We have given the lives of 116,000 of our soldiers to make the world safe for democracy in World War I and another 406,000 deaths were suffered in our crusade against tyranny in World War II.

Throughout our history, no matter the cost, our creed has been that verse which is inscribed on the Statute of Liberty.

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed, to me,
I lift my lamp beside the golden door.

This, then, is what we should bear in mind as we honor our flag. Let us recall the brave sacrifices of our Founding Fathers, the courage of our Nation's defenders in many wars. Let us recall the hope in the eyes of millions of immigrants, as they came here to start a new life and let us look to our Nation's future, not a dark and stormy future as some would say, but to a bright future of happiness, success, prosperity, and freedom.

Mrs. GRASSO. Mr. Speaker, June 14 is Flag Day—a day set aside to honor this marvelous and colorful banner of freedom.

Ten years before the drafting of our Constitution, delegates to the Continental Congress passed a resolution approving a design for our National Flag. The design had been submitted by a committee led by George Washington, and the Flag was finalized with 13 alternating red and white stripes.

Since that time, the number of stars has grown with our Nation, and today the flag stands as one of the most cherished symbols of our Nation and its heritage in the world. It is only proper that we should set aside a day to pay homage to our Flag, and the principles of liberty it represents.

Our forefathers, while caught up in the great conflict which insured this Nation's independence, set down the principles of this struggle. These rights to "life, liberty, and the pursuit of happiness" were meant for all the people of our time. They were "unalienable rights," "self-evident" to all men. In tribute to these principles, and the ideals they represented, these men approved a national flag. It was a bonding force in a trying time of our history.

Yet our Flag represents much more than a collection of abstract principles. It represents more than the thoughts of political philosophers and the wise words of our forefathers. Our Flag represents the very soul of the people of our Nation. It represents the sacrifices of those who fought at Bunker Hill and Gettysburg. It was carried proudly by those who braved the harsh deserts and the hostile mountain passes to stake their claim on a better life.

When we raise our Flag, we raise with it the beliefs of those who fought for our Nation in two World Wars and then airlifted supplies into a beleagured Berlin. And we must not forget the love of those who toiled long lonely hours at home while the men were away. They all believed in America and its Flag.

Our Flag then, represents many things to many people. But above all it represents the ideals of liberty and justice that our ancestors first conceived, and the people who since then have toiled through the years for those ideals and the Nation they love.

It is a privilege to take this opportunity to pay tribute to our Flag.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD, and that all Members may have permission to extend their remarks on Flag Day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEMOCRATS' DOUBLE STANDARD

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, according to today's Washington Post, a former Democratic Vice President has been caught with his hand in a $170,000 cookie jar. I realize his cronies will probably say "boys will be boys."

We are told that he really did not know it was illegal to accept a 7.9 carat diamond and 10 furs from a foreign head of state who incidentally was receiving $350 million in foreign aid from America. We are also told that the file on this matter somehow disappeared from the State Department in the last days of previous Democratic administration.

Mr. Speaker, one Vice President gets drummed out of office for accepting kickbacks—as he should be—but—it is supposedly all right for another Vice President, whose party controls this place, to accept a $170,000 so-called gift—which he hurriedly returns only after a newspaper starts asking questions about it.

I have not been around here long enough to adjust to the double standard foisted on the minority by the majority on this Hill. I call on the Justice Department, the Ervin committee, and the Judiciary Committee to investigate these transgressions just as vigorously as Watergate is being pursued.

And to my colleagues on my side—I ask when are we going to stop sitting on our hands, letting these hyprocrites do a job on us? We are not even toothless tigers—we are a bunch of pusillanimous pussycats.

RECLAMATION OF MINED LAND

(Mr. HOSMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOSMER. Mr. Speaker, if a crippling surface coal mining bill such as H.R. 11500 should become law it would seriously deteriorate the Nation's energy situation. Up to one-third of the coal supply could be put out of reach. The result would be economic depression and universal misery.

Reclamation of mined land is the stated objective of H.R. 11500 and it is a good one. It is the same one stated by H.R. 12898. Both bills would reclaim the land. But with H.R. 12898 you can also dig coal. With H.R. 11500 it would be extremely difficult because H.R. 11500 is an extremist bill. H.R. 12898 should be substituted for it.

This proposition is so compelling that I call upon every individual and every organization in any way affected by the threat of inadequate coal supplies to join me in seeking the substitution.

This call includes every group in Washington or elsewhere, whether consumers or producers of coal, who will be needlessly damaged. I specifically call on the various labor unions to join in and make contact with Congressmen who will be called upon to choose between the two bills. The same goes for such organizations as represent the coal, the mining, and the electric utilities industries, the Chamber of Commerce and so on. And, the call goes to every citizen of this land whose future would be jeopardized.

For the good of the country I will work with every individual and any recognized group or organization dedicated to honest and effective reclamation of mined land by means and under laws which also permit adequate amounts of coal to be dug. I invite their help, cooperation, lobbying and every other legitimate effort to bring about the passage of H.R. 12898 and defeat of the vicious H.R. 11500. I open my door to them. The facilities of my office will be available to them for so long as this battle takes.

DECLARING JUNE 14 to JULY 4, 1974, AS PERIOD TO HONOR AMERICA

Mr. RHODES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 537) declaring June 14 to July 4, 1974, as a period to honor America, which I introduce on behalf of the distinguished majority leader, the gentleman from Massachusetts, and myself.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 537

Resolved by the House of Representatives (the Senate concurring), That Congress declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America, and let there be public gatherings and activities at which the people of the United States can celebrate and honor their country in appropriate manner.

Mr. RHODES. Mr. Speaker, Ralph Waldo Emerson once wrote:

> America is another name for opportunity. Our whole history appears like a last effort to divine Providence in behalf of the human race.

This is an apt description of the real power behind our great country. Now, all of us are going to have an opportunity to express our gratitude for living in America, our faith in its ideals and institutions, and our hopes for a history of continued greatness.

The 21 days between Flag Day, June 14, and Independence Day, July 4, are designated as "Honor America Days." This is the fifth such annual observance—and it records our Nation's 198th birthday. This is a program that is nonpolitical and nonpartisan. It is an outpouring of patriotism, a rededication to the principles of our Republic, the noblest experiment in government ever devised by the hand of man.

I urge all Americans, as individuals, to utilize this opportunity to reaffirm their thankfulness that they live here under the best kind of government on Earth. I earnestly hope that all citizens will take part through their local organizations in the festivals, concerts, folklore and craft exhibitions that will be held.

It is with great pleasure that I join the leadership in Congress in recognizing this period for a review of our heritage and counting of our blessings. May all of us strive to make this land forever the land of opportunity.

GENERAL LEAVE

Mr. RHODES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 537.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SENATE AMENDMENT TO H.R. 12165, COLORADO RIVER BASIN SALINITY CONTROL ACT

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico, with a Senate amendment thereto, and consider the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Colorado River Basin Salinity Control Act".

TITLE I—PROGRAMS DOWNSTREAM FROM IMPERIAL DAM

Sec. 101. (a) The Secretary of the Interior, hereinafter referred to as the "Secretary", is authorized and directed to proceed with a program of works of improvement for the enhancement and protection of the quality of water available in the Colorado River for use in the United States and the Republic of Mexico, and to enable the United States to comply with its obligations under the agreement with Mexico of August 30, 1973 (Minute No. 242 of the International Boundary and Water Commission, United States and Mexico), concluded pursuant to the Treaty of February 3, 1944 (TS 994), in accordance with the provisions of this Act.

(b) (1) The Secretary is authorized to construct, operate, and maintain a desalting complex, including (1) a desalting plant to reduce the salinity of drain water from the Wellton-Mohawk division of the Gila project, Arizona (hereinafter referred to as the division), including a pretreatment plant for settling, softening, and filtration of the drain water to be desalted; (2) the necessary appurtenant works including the intake pumping plant system, product waterline, power transmission facilities, and permanent operating facilities; (3) the necessary extension in the United States and Mexico of the existing bypass drain to carry the reject stream from the desalting plant and other drainage waters to the Santa Clara Slough in Mexico, with the part in Mexico, subject to arrangements made pursuant to section 101(d); (4) replacement of the metal flume in the existing main outlet drain extension with a concrete siphon; (5) reduction of the quantity of irrigation return flows through acquisition of lands to reduce the size of the division, and irrigation efficiency improvements to minimize return flows; (6) acquire on behalf of the United States such lands or interest in lands in the Painted Rock Reservoir as may be necessary to operate the project in accordance with the obligations of Minute No. 242, and (7) all associated facilities including roads, railroad spur, and transmission lines.

(2) The desalting plant shall be designed to treat approximately one hundred and twenty-nine million gallons a day of drain water using advanced technology commercially available. The plant shall effect recovery initially of not less than 70 per centum of the drain water as product water, and shall effect reduction of not less than 90 per centum of the dissolved solids in the feed water. The Secretary shall use sources of electric power supply for the desalting complex that will not diminish the supply of power preference customers from Federal power systems operated by the Secretary. All costs associated with the desalting plant shall be nonreimbursable.

(c) Replacement of the reject stream from the desalting plant and of any Wellton-Mohawk drainage water bypassed to the Santa Clara Slough to accomplish essential operation except at such times when there exists surplus water of the Colorado River under the terms of the Mexican Water Treaty of 1944, is recognized as a national obligation as provided in section 202 of the Colorado River Basin Project Act (82 Stat. 895). Studies to identify feasible measures to provide adequate replacement water shall be completed not later than June 30, 1980. Said studies shall be limited to potential sources within the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are within the natural drainage basin of the Colorado River. Measures found necessary to replace the reject stream from the desalting plant and any Wellton-Mohawk drainage bypassed to the Santa Clara Slough to accomplish essential operations may be undertaken independently of the national obligation set forth in section 202 of the Colorado River Basin Project Act.

(d) The Secretary is hereby authorized to advance funds to the United States section, International Boundary and Water Commission (IBWC), for construction, operation, and maintenance by Mexico pursuant to Minute numbered 242 of that portion of the bypass drain within Mexico. Such funds shall be transferred to an appropriate Mexican agency, under arrangements to be concluded by the International Boundary and Water Commission providing for the construction operation, and maintenance of such facility by Mexico.

(e) Any desalted water not needed for the purposes of this title may be exchanged at prices and under terms and conditions satisfactory to the Secretary and the proceeds therefrom shall be deposited in the General Fund of the Treasury. The city of Yuma, Arizona, shall have first right of refusal to any such water.

(f) For the purpose of reducing the return flows from the division to one hundred and seventy-five thousand acre-feet or less, annually, the Secretary is authorized to:

(1) Accelerate the cooperative program of Irrigation Management Services with the Wellton-Mohawk Irrigation and Drainage District, hereinafter referred to as the district, for the purpose of improving irrigation efficiency. The district shall bear its share of the cost of such program as determined by the Secretary.

(2) Acquire, by purchase or through eminent domain or exchange, to the extent determined by him to be appropriate, lands or interests in lands to reduce the existing seventy-five thousand developed and undeveloped irrigable acres authorized by the Act of July 30, 1947 (61 Stat. 628), known as the Gila Reauthorization Act. The initial reduction in irrigable acreage shall be limited to approximately ten thousand acres. If the Secretary determines that the irrigable acreage of the division must be reduced below sixty-five thousand acres of irrigable lands to carry out the purpose of this section, the Secretary is authorized, with the consent of the district, to acquire additional lands, as may be deemed by him to be appropriate.

(g) The Secretary is authorized to dispose of the acquired lands and interests therein on terms and conditions satisfactory to him and meeting the objective of this Act.

(h) The Secretary is authorized, either in conjunction with or in lieu of land acquisition, to assist water users in the division in installing system improvements, such as ditch lining, change of field layouts, automatic equipment, sprinkler systems and bubbler systems, as a means of increasing irrigation efficiencies: *Provided, however,* That all costs associated with the improvements authorized herein and allocated to the water users on the basis of benefits received, as determined by the Secretary, shall be reimbursed to the United States in amounts and on terms and conditions satisfactory to the Secretary.

(i) The Secretary is authorized to amend the contract between the United States and the district dated March 4, 1952, as amended, to provide that—

(1) the portion of the existing repayment obligation owing to the United States allocable to irrigable acreage eliminated from the division for the purposes of this title, as determined by the Secretary, shall be nonreimbursable; and

(2) if deemed appropriate by the Secretary, the district shall be given credit against its outstanding repayment obligation to offset any increase in operation and maintenance assessments per acre which may result from the district's decreased operation and maintenance base, all as determined by the Secretary.

(j) The Secretary is authorized to acquire through the Corps of Engineers fee title to, or other necessary interests in, additional lands above the Painted Rock Dam in Arizona that are required for the temporary storage capacity needed to permit operation of the dam and reservoir in times of serious flooding in accordance with the obligations of the United States under Minute No. 242. No funds shall be expended for acquisition of land or interests therein until it is finally determined by a Federal court of competent jurisdiction that the Corps of Engineers presently lacks legal authority to use said lands for this purpose. Nothing contained in this title nor any action taken pursuant to it shall be deemed to be a recognition or admission of any obligation to the owners of such land on the part of the United States or a limitation or deficiency in the rights or powers of the United States with respect to such lands or the operation of the reservoir.

(k) To the extent desirable to carry out sections 101(f)(1) and 101(h), the Secretary may transfer funds to the Secretary of Agriculture as may be required for technical assistance to farmers, conduct of research and demonstrations, and such related investigations as are required to achieve higher on-farm irrigation efficiencies.

(i) All cost associated with the desalting complex shall be nonreimbursable except as provided in sections 101(f) and 101(h).

SEC. 102. (a) To assist in meeting salinity control objectives of Minute No. 242 during an interim period, the Secretary is authorized to construct a new concrete-lined canal or, to line the presently unlined portion of the Coachella Canal of the Boulder Canyon project, California, from station 2 plus 26 to the beginning of siphon numbered 7, a length of approximately forty-nine miles. The United States shall be entitled to temporary use of a quantity of water, for the purpose of meeting the salinity control objectives of Minute No. 242, during an interim period, equal to the quantity of water conserved by constructing or lining the said canal. The interim period shall commence on completion of construction or lining said canal and shall end the first year that the Secretary delivers main stream Colorado River water to California in an amount less than the sum of the quantities requested by (1) the California agencies under contracts made pursuant to section 5 of the Boulder Canyon Project Act (45 Stat. 1057), and (2) Federal establishments to meet their water rights acquired in California in accordance with the Supreme Court decree in Arizona against California (376 U.S. 340).

(b) The charges for total construction shall be repayable without interest in equal annual installments over a period of forty years beginning in the year following completion of construction: *Provided*, That, repayment shall be prorated between the United States and the Coachella Valley County Water District, and the Secretary is authorized to enter into a repayment contract with Coachella Valley County Water District for that purpose. Such contract shall provide that annual repayment installments shall be nonreimbursable during the interim period, defined in section 102(a) of this title and shall provide that after the interim period, said annual repayment installments or portions thereof, shall be paid by Coachella Valley County Water District.

(c) The Secretary is authorized to acquire by purchase, eminent domain, or exchange private lands or interests therein, as may be determined by him to be appropriate, within the Imperial Irrigation District on the Imperial East Mesa which receive, or which have been granted rights to receive, water from Imperial Irrigation District's capacity in the Coachella Canal. Costs of such acquisitions shall be nonreimbursable and the Secretary shall return such lands to the public domain. The United States shall not acquire any water rights by reason of this land acquisition.

(d) The Secretary is authorized to credit Imperial Irrigation District against its final payments for certain outstanding construction charges payable to the United States on account of capacity to be relinquished in the Coachella Canal as a result of the canal lining program, all as determined by the Secretary: *Provided*, That, relinquishment of capacity shall not affect the established basis for allocating operation and maintenance costs of the main All-American Canal to existing contractors.

(e) The Secretary is authorized and directed to cede the following land to the Cocopah Tribe of Indians, subject to rights-of-way for existing levees, to be held in trust by the United States for the Cocopah Tribe Indians:

Township 9 south, range 25 west of the Gila and Salt River meridian, Arizona;

Section 25: Lots 18, 19, 20, 21, 22, and 23.

Section 26: Lots 1, 12, 13, 14, and 15;

Section 27: Lot 3; and all accretion to the above described lands.

The Secretary is authorized and directed to construct three bridges, one of which shall be capable of accommodating heavy vehicular traffic, over the portion of the bypass drain which crosses the reservation of the Cocopah Tribe of Indians. The transfer of lands to the Cocopah Indian Reservation and the construction of bridges across the bypass drain shall constitute full and complete payment to said tribe for the rights-of-way required for construction of the bypass drain and electrical transmission lines for works authorized by this title.

SEC. 103. (a) The Secretary is authorized to:

(1) Construct, operate, and maintain, consistent with Minute No. 242, well fields capable of furnishing approximately one hundred and sixty thousand acre-feet of water per year for use in the United States and for delivery to Mexico in satisfaction of the 1944 Mexican Water Treaty.

(2) Acquire by purchase, eminent domain, or exchange, to the extent determined by him to be appropriate, approximately twenty-three thousand five hundred acres of lands or interests therein within approximately five miles of the Mexican border on the Yuma Mesa: *Provided*, however, That any such lands which are presently owned by the State of Arizona may be acquired or exchanged for Federal lands.

(3) Any lands removed from the jurisdiction of the Yuma Mesa Irrigation and Drainage District pursuant to clause (2) of this subsection which were available for use under the Gila Reauthorization Act (61 Stat. 628), shall be replaced with like lands within or adjacent to the Yuma Mesa division of the project. In the development of these substituted lands or any other lands within the Gila project, the Secretary may provide for full utilization of the Gila Gravity Main Canal in addition to contracted capacities.

(b) The cost of work provided for in this section, including delivery of water to Mexico, shall be nonreimbursable; except to the extent that the waters furnished are used in the United States.

SEC. 104. The Secretary is authorized to provide for modifications of the projects authorized by this title to the extent he determines appropriate for purposes of meeting the international settlement objective of this title at the lowest overall cost to the United States. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to the appropriate committees of the Congress, unless the Congress approves an earlier date by concurrent resolution. The Secretary shall notify the Governors of the Colorado River Basin States of such modifications.

SEC. 105. The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title in advance of the appropriation of funds therefor.

SEC. 106. In carrying out the provisions of this title, the Secretary shall consult and cooperate with the Secretary of State, the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and other affected Federal, State, and local agencies.

SEC. 107. Nothing in this Act shall be deemed to modify the National Environmental Policy Act of 1969, the Federal Water Pollution Control Act, as amended, or, except as expressly stated herein, the provisions of any other Federal law.

SEC. 108. There is hereby authorized to be appropriated the sum of $121,500,000 for the construction of the works and accomplishment of the purposes authorized in sections 101 and 102, and $34,000,000 to accomplish the purposes of section 103, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs involved therein, and such sums as may be required to operate and maintain such works and to provide for such modifications as may be made pursuant to section 104. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90-646).

TITLE II—MEASURES UPSTREAM FROM IMPERIAL DAM

SEC. 201. (a) The Secretary of the Interior shall implement the salinity control policy adopted for the Colorado River in the "Conclusions and Recommendations" published in the Proceedings of the Reconvened Seventh Session of the Conference in the Matter of Pollution of the Interstate Waters of the Colorado River and Its Tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico, and Wyoming, held in Denver, Colorado, on April 26-27, 1972, under the authority of section 10 of the Federal Water Pollution Control Act (33 U.S.C. 1160), and approved by the Administrator of the Environmental Protection Agency on June 9, 1972.

(b) The Secretary is hereby directed to expedite the investigation, planning, and implementation of the salinity control program generally as described in chapter VI of the Secretary's report entitled, "Colorado River Water Quality Improvement Program, February 1972".

(c) In conformity with section 201(a) of this title and the authority of the Environmental Protection Agency under Federal laws, the Secretary, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture are directed to cooperate and coordinate their activities effectively to carry out the objective of this *title*.

SEC. 202. The Secretary is authorized to construct, operate, and maintain the following salinity control units as the initial stage of the Colorado River Basin salinity control program.

(1) The Paradox Valley unit, Montrose County, Colorado, consisting of facilities for collection and disposition of saline ground water of Paradox Valley, including wells, pumps, pipelines, solar evaporation ponds, and all necessary appurtenant and associated works such as roads, fences, dikes, power transmission facilities, and permanent operating facilities.

(2) The Grand Valley unit, Colorado, consisting of measures and all necessary appurtenant and associated works to reduce the seepage of irrigation water from the irrigated lands of Grand Valley into the ground water and thence into the Colorado River. Measures shall include lining of canals and laterals, and the combining of existing canals and laterals into fewer and more efficient facilities. Prior to initiation of construction of the Grand Valley unit the Secretary shall enter into contracts through which the agencies owning, operating, and maintaining the water distribution systems in Grand Valley, singly or in concert, will assume all obligations relating to the continued operation and maintenance of the unit's facilities to the end that the maximum reduction of salinity inflow to the Colorado River will be achieved. The Secretary is also authorized to provide, as an element of the Grand Valley unit, for a technical staff to provide information and assistance to water users on means and measures for limiting excess water applications to irrigated lands: Provided, That such assistance shall not exceed a period of five years

after funds first become available under this title. The Secretary will enter into agreements with the Secretary of Agriculture to develop a unified control plan for the Grand Valley unit. The Secretary of Agriculture is construction of on-farm system measures undirected to cooperate in the planning and der programs available to that Department.

(3) The Crystal Geyser unit, Utah, consisting of facilities for collection and disposition of saline geyser discharges; including dikes, pipelines, solar evaporation ponds, and all necessary appurtenant works including operating facilities.

(4) The Las Vegas Wash unit, Nevada, consisting of facilities for collection and disposition of saline ground water of Las Vegas Wash, including infiltration galleries, pumps, desalter, pipelines, solar evaporation facilities, and all appurtenant works including but not limited to roads, fences, power transmission facilities, and operating facilities.

SEC. 203. (a) The Secretary is authorized and directed to—

(1) Expedite completion of the planning reports on the following units, described in the Secretary's report, "Colorado River Water Quality Improvement Program, February 1972":

(i) Irrigation source control:
Lower Gunnison
Uintah Basin
Colorado River Indian Reservation
Palo Verde Irrigation District
(ii) Point source control:
LaVerkin Springs
Littlefield Springs
Glenwood-Dotsero Springs
(iii) Diffuse source control:
Price River
San Rafael River
Dirty Devil River
McElmo Creek
Big Sandy River

(2) Submit each planning report on the units named in section 203(a)(1) of this title promptly to the Colorado River Basin States and to such other parties as the Secretary deems appropriate for their review and comments. After receipt of comments on a unit and careful consideration thereof, the Secretary shall submit each final report with his recommendations, simultaneously, to the President, other concerned Federal departments and agencies, the Congress, and the Colorado River Basin States.

(b) The Secretary is directed—

(1) in the investigation, planning, construction, and implementation of any salinity control unit involving control of salinity from irrigation sources, to cooperate with the Secretary of Agriculture in carrying out research and demonstration projects and in implementing on-the-farm improvements and farm management practices and programs which will further the objective of this title;

(2) to undertake research on additional methods for accomplishing the objective of this title, utilizing to the fullest extent practicable the capabilities and resources of other Federal departments and agencies, interstate institutions, States, and private organizations.

SEC. 204. (a) There is hereby created the Colorado River Basin Salinity Control Advisory Council composed of no more than three members from each State appointed by the Governor of each of the Colorado River Basin States.

(b) The Council shall be advisory only and shall—

(1) act as liaison between both the Secretaries of Interoir and Agriculture and the Administrator of the Environmental Protection Agency and the States in accomplishing the purposes of this title;

(2) receive reports from the Secretary on the progress of the salinity control program and review and comment on said reports; and

(3) recommend to both the Secretary and the Administrator of the Environmental Protection Agency appropriate studies of further projects, techniques, or methods for accomplishing the purposes of this title.

SEC. 205. (a) The Secretary shall allocate the total costs of each unit or separable feature thereof authorized by section 202 of this title, as follows:

(1) In recognition of Federal responsibility for the Colorado River as an interstate stream and for international comity with Mexico, Federal ownership of the lands of the Colorado River Basin from which most of the dissolved salts originate, and the policy embodied in the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816), 75 per centum of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof shall be nonreimbursable.

(2) Twenty-five per centum of the total costs shall be allocated between the Upper Colorado River Basin Fund established by section 5(a) of the Colorado River Storage Project Act (70 Stat. 107) and the Lower Colorado River Basin Development Fund established by section 403(a) of the Colorado River Basin Project Act (82 Stat. 895), after consultation with the Advisory Council created in section 204(a) of this title and consideration of the following items:

(i) benefits to be derived in each basin from the use of water of improved quality anh the use of works for improved water management.

(ii) causes of salinity; and

(iii) availability of revenues in the Lower Colorado River Basin Development Fund and increased revenues to the Upper Colorado River Basin Fund made available under section 205(d) of this title: Provided, that costs allocated to the Upper Colorado River Basin Fund under section 205(a)(2) of this title shall not exceed 15 per centum of the costs allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund.

(3) Costs of construction of each unit or separable feature thereof allocated to the upper basin and to the lower basin under section 205(a)(2) of this title shall be repaid within a fifty-year period without interest from the date such unit or separable feature thereof is determined by the Secretary to be in operation.

(b)(1) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the lower basin under section 205(a)(2) of this title shall be paid in accordance with subsection 205(b)(2) of this title, from the Lower Colorado River Basin Development Fund.

(2) Section 403(g) of the Colorado River Basin Project Act (82 Stat. 896) is hereby amended as follows: strike the word "and" after the word "Act," in line 8; insert after the word "Act," the following "(2) for repayment to the general fund of the Treasury the costs of each salinity control unit or separable feature thereof payable from the Lower Colorado River Basin Development Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(b)(1) of the Colorado River Salinity Control Act and"; change paragraph (2) to paragraph (3).

(c) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the upper basin under section 205(a)(2) of this title shall be paid in accordance with section 205(d) of this title from the Upper Colorado River Basin Fund within the limit of the funds made available under section 205(e) of this title.

(d) Section 5(d) of the Colorado River Storage Project Act (70 Stat. 108) is hereby amended as follows: strike the word "and" at the end of paragraph (3); strike the period after the word "years" at the end of paragraph (4) and insert a semicolon in lieu thereof followed by the word "and"; add a new paragraph (5) reading:

"(5) the costs of each salinity control unit or separable feature thereof payable from the Upper Colorado River Basin Fund in accordance with sections 205(a)(2), 205(a)(3), and 205(c) of the Colorado River Salinity Control Act.".

(e) The Secretary is authority to make upward adjustments in rates charged for electrical energy under all contracts administered by the Secretary under the Colorado River Storage Project Act (70 Stat. 105, 43 U.S.C. 620) as soon as practicable and to the extent necessary to cover the costs of construction, operation, maintenance, and replacement of units allocated under section 205(a)(2) and in conformity with section 205(a)(3) of this title: *Provided*, That revenues derived from said rate adjustments shall be available solely for the construction, operation, maintenance, and replacement of salinity control units in the Colorado River Basin herein authorized.

SEC. 206. Commencing on January 1, 1975, and every two years thereafter, the Secretary shall submit, simultaneously, to the President, the Congress, and the Advisory Council created in section 204(a) of this title, a report on the Colorado River salinity control program authorized by this title covering the progress of investigations, planning, and construction of salinity control units for the previous fiscal year, the effectiveness of such units, anticipated work needed to be accomplished in the future to meet the objectives of this title, with emphasis on the needs during the five years immediately following the date of each report, and any special problems that may be impeding progress in attaining an effective salinity control program. Said report may be included in the biennial report on the quality of water of the Colorado River Basin prepared by the Secretary pursuant to section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 602n), section 15 of the Navajo Indian irrigation project, and the initial stage of the San Juan Chama Project Act (76 Stat. 102), and section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393).

SEC. 207. Except as provided in section 205(b) and 205(d) of this title, with respect to the Colorado River Basin Project Act and the Colorado River Storage Project Act, respectively, nothing in this title shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), section 15 of the Colorado River Storage Project Act (70 Stat. 111; 43 U.S.C. 620n), the Colorado River Basin Project Act (82 Stat. 885), section 6 of the Fryingpan-Arkansas Project Act (76 Stat. 393), section 15 of the Navajo Indian irrigation project and initial stage of the San Juan-Chama Project Act (76 Stat. 102), the National Environmental Policy Act of 1969, and the Federal Water Pollution Control Act, as amended.

SEC. 208. (a) The Secretary is authorized to provide for modifications of the projects authorized by this title as determined to be appropriate for purposes of meeting the objective of this title. No funds for any such modification shall be expended until the expiration of sixty days after the proposed modification has been submitted to appropriate committees of the Congress, and not then if disapproved by said committees, except that funds may be expended prior to the expiration of such sixty days in any case in which the Congress approves an earlier date by concurrent resolution. The Governors of the Colorado River Basin States shall be notified of these changes.

(b) The Secretary is hereby authorized to enter into contracts that he deems necessary to carry out the provisions of this title, in advance of the oppropriation of funds therefore. There is hereby authorized to be appropriated the sum of $125,100,000 for the construction of the works and for other purposes authorized in section 202 of this title, based on April 1973 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in costs involved therein, and such sums as may be required to operate and maintain such works. There is further authorized to be appropriated such sums as may be necessary to pay condemnation awards in excess of appraised values and to cover costs required in connection with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 90–646).

SEC. 208. As used in this title—

(a) all terms that are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, the amendment made 21 changes in title I and 3 changes to title II. All changes are germane.

Of the 21 changes to the text of title I, 20 of them are technical and clarifying in nature and are of no substantive effect whatsoever, The 21st change has the effect of increasing the amount authorized to be appropriated by $5,000,000; thus increasing the appropriations authority for the desalting complex from $116,500,000 to $121,500,000.

I might add at this point, Mr. Speaker, that the amount of $5,000,000 was omitted from H.R. 12165 by inadvertence. The purpose of the $5 million item is to finance the acquisition of fee title to certain reservoir lands behind Painted Rock Dam upon which only flowage easements are now held. It is necessary to acquire fee title to the lands to enable the reservoir to be operated for relatively long-term impoundment rather than for short-term detention, thereby limiting flows along the Gila River to the channel and keeping such flows from entering the Wellton-Mohawk drainage system and subsequently the desalting plant.

The changes in title II are likewise germane and consist of one substantive change and two conforming changes. The substantive change involves expanding the Grand Valley—salinity control—unit from a 25,000-acre project with a capability of removing 70,000 tons of salt annually from the river at the cost of $16,600,000 to a 75,000-acre program with a capability of removing 200,000 tons of salt annually at an estimated cost of $69,000,000. Accompanying conforming changes were made to H.R 12165 to increase the amount authorized to be appropriated from $82,700,000 to $125,100,000 and to remove the ultimate Grand Valley unit from the list of future projects requiring more study.

While the change in title II has the effect of substantially increasing the price tag on title II, it is believed that the rate of expensitures on behalf of the program will not be greater than under our version. In fact, the Appropriations Committees can be expected to keep this program in balance and not appropriate for the ultimate Grand Valley program until the initial program has proved itself as an effective salinity control measure. For these reasons, and because of the need to have this legislation enacted into law by June 30, 1974, I renew my request that the House agree to the Senate amendment.

All of these amendments are germane. As I stated, the only two major changes are the items dealing with the authorization of $5 million for the purchase of land in the Painted Rock Reservoir and the expansion of the Grand Valley project from 25,000 acres to 75,000 acres.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JOHNSON of California moves that the House concur in the Senate amendment to the bill (H.R. 12165).

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New Mexico.

Mr. LUJAN. I concur with the gentleman from California that these two amendments ought to be approved by the House. Basically what we are doing, we are completing a project that we would have had to come back and complete later on anyway. These two additional projects that we are putting more funds into simply help to reduce further the salinity of the water in the Colorado River and that is what we started off to do and we might as well go ahead and do this right away.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. Since we have nothing before us detailing the increase in cost in this bill, I believe I am correct in assuming there is an increase as a result of the conference; is that true?

Mr. JOHNSON of California. There was no conference held. The bill went over to the Senate. The Senate had approved their amendment in committee. When our bill arrived in the Senate it was taken from the table, their amendments were placed in the bill, and it was sent back to the House.

Mr. GROSS. What is the total of the increase over that approved by the House a few days ago?

Mr. JOHNSON of California. There is $5 million in title I, $42 million in title II.

The amount in title I was inadvertently left out of that authorization. We simply missed the consideration as a part of the total project. We merely provided legislative language for the purchase of land in the Painted Rock Reservoir but provided no funds. In that area there are a number of acres of land that are covered by a flood-flow easement. This $5 million allows the Federal Government to purchase fee title to those lands found in the reservoir area.

Mr. GROSS. How many acres are in the $5 million purchase?

Mr. JOHNSON of California. The $5 million would purchase, I am trying to recall——

Mr. GROSS. What is the total land acquisition as a result of the amendments which increase the cost of the bill? If I have the figures right, this increases the cost by about $47 million.

Mr. JOHNSON of California. That is true. Might I say to the gentleman from Iowa, there is $5 million for this one particular property, that is to acquire the lands that are covered by for flood-flow purchases in the Painted Rock Reservoir.

In title II, instead of taking into consideration the removal of the salinity from 25,000 acres of land in the Grand Valley, the Senate has considered the total area that has been under study and has agreed to authorize a program amounting to 75,000 acres, with an additional cost of $42,500,000. The total cost added to the bill would be $47 million.

Mr. GROSS. How much was provided in the bill when it left the House?

Mr. JOHNSON of California. $233,200,000.

Mr. GROSS. So these increases put it up to more than $275 million?

Mr. JOHNSON of California. That is true, I say to the gentleman from Iowa, and there are 9,000 acres in the Painted Rock Reservoir area supposedly to be purchased in fee title.

Mr. GROSS. And the other body did not suggest that Mexico ought to pay any part of this bill, did it?

Mr. JOHNSON of California. No, they did not. Everything that I read in the record that was said in the Senate was very much in favor of the agreement that had been reached by Mr. Brownell and his counterparts in Mexico in recommending that the United States build the facility just southwest of Yuma, Ariz., at no cost to the Mexican Government.

The balance of this project is for the benefit of the people in the United States. It takes care of Mexican obligations against the United States, and we will pay all those costs with the exception of $21 million that will be paid back.

Mr. GROSS. If the gentleman will yield further, as I tried to say the other day, when the bill was originally before the House, this is special privilege legislation. I hope—I hope it does not go back to the other body again because if it does

I am sure it will be increased by another $40 million or $50 million.

I want the record to show that I am more opposed than ever to this legislation in view of the increased spending that has been authorized.

Mr. Speaker, I thank the gentleman for yielding.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. Mr. Speaker, I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, I think it significant that the additional funds that are being provided here, assuming that the motion carries, are those funds that are referred to in title II of the bill; those funds which would be spent north of the border in the United States, on U.S. projects, of benefit to the residents of the various States of the Colorado River Basin.

This is significant, because when this legislation was recommended to us by the administration, it was only recommended that something be done to the Mexican half. It appeared to the Interior Committee's members who considered the recommendations that, having made this commitment to the Mexicans, the Presidential commitment, we were more or less obliged to carry it out, and so we did in title I of the bill. But, we also felt that there should be some consideration for the people upstream, the American taxpayers who are footing the bill for all this, and so we added title II, which will be of benefit north of the border in the several States that are affected.

Mr. Speaker, I think it is significant that the other body recognized the importance of doing something for people as well, and has rounded out the project, as possibly we should have done on our side in the first place.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman for his contribution.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Johnson).

The motion was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 13839, AUTHORIZING APPROPRIATIONS FOR INTERNATIONAL ECONOMIC POLICY ACT OF 1972

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1167 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1167

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson). I yield myself such time as I may consume.

Mr. Speaker, I know of no controversy whatsoever on this rule. It is an open rule providing for 1 hour of general debate.

I therefore reserve the balance of my time.

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman from Missouri, and I yield myself such time as I may consume.

Mr. Speaker, the rule providing for consideration of H.R. 13839, authorizing appropriations for carrying out the provisions of the International Economic Policy Act of 1972, is House Resolution 1167. This is an open rule with 1 hour of general debate.

The primary purpose of H.R. 13839 is to authorize $1,800,000 for fiscal year 1975 for the Council on International Economic Policy—CIEP.

The Council's function is to help assure that all factors affecting international economic policy are more fully considered and that policy decisions are based on realistic assessments of U.S. foreign economic interests.

Dissenting views were filed by Members Blackburn, Wylie, Crane, Rousselot, and Burgener in opposition to this legislation because "the organization and function of this body is almost completely duplicative of the functions of other offices in the executive branch." They propose that these functions be undertaken as an integral part of the Council of Economic Advisers' activities and that the present members of CIEP be consulted as to their particular concerns on international economic policy.

Mr. Speaker, the rule is open, and although I have personal reservations about the legislation, I recommend adoption of the resolution so the House can proceed with its business for the day.

Mr. Speaker, I do have a request for time from the gentleman from Iowa, and I yield 5 minutes to Mr. Gross.

Mr. GROSS. Mr. Speaker, I should like to ask the gentleman from Missouri (Mr. Bolling) a question or two concerning this bill. I assume the proponents of it came before the Rules Committee and justified this dig out of the taxpayers' pockets of $1,800,000, and for what? I am unable to find an explanation from reading the report.

What justification was given the Rules Committee for this kind of duplicative council?

Mr. BOLLING. To answer the gentleman's question, I defer to the gentleman from Ohio. I am merely handling the procedural problem of getting the bill to the floor and not dealing with the substance of the bill, as is my usual practice. I will yield to the gentleman from Ohio to answer the question.

Mr. GROSS. Mr. Speaker, I would like to observe that when I appear before the Rules Committee, the members of the committee have no hesitancy in asking me why I am there. I just thought perhaps there was some justification for asking for this money.

Mr. BOLLING. Mr. Speaker, I would be delighted to comment on the gentleman's remarks if I could. I would assume he has a good reason for making them.

Mr. GROSS. Mr. Speaker, I still would like to have some Member tell me on what justification this bill was carried to the House floor.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I ask the gentleman if he will be satisfied if I address myself to that subject in my comments during general debate.

Mr. GROSS. Of course, Mr. Speaker, the only trouble with that is that we have no justification for passage of the rule, and it might help to get the rule adopted if we have some information.

Mr. ASHLEY. Mr. Speaker, if the gentleman will yield, the justification, of course, for the rule is this:

After all, what is involved here is the authorization of appropriations for the Council on International Economic Policy. We gave statutory status to the Council in 1972.

Prior to that time, as the gentleman knows, it came into being by administrative fiat by the President in 1971. He requested that the Congress act in the matter to give the Council statutory status because it increased his flexibility, and it involved the Congress as well as the executive branch in the policymaking process. For these reasons he asked in 1972 that we give the Council statutory status.

Mr. GROSS. I would say to the gentleman that the fact the President asked for a continuation of this bureaucracy leaves me completely cold.

Mr. ASHLEY. There is no other body that does the work that the Council on International Economic Policy does. The CEA does not do it. There is no other group whose purpose is to focus on the broad range of policy issues with respect to international economic policy.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield at that point?

Mr. GROSS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I think that is not wholly true. This function has, in fact, been handled by other bodies that handled it very well.

The Council of Economic Advisers used to handle this function; they did the job very thoroughly. The argument that nobody else can do it is totally false. Other executive branch organizations which have evaluated and reported on these issues are: The Council on Economic Advisers, the Bureau of International Commerce in the Department of Commerce, the Office of the Special Representative for Trade Negotiations, the East-West Trade Policy Committee, the Treasury Department, and the Federal Reserve System.

I would also like to remind my good colleague, the gentleman from Ohio, who I know is very anxious to be accurate, that the Bureau of International Commerce does in fact cover the same type of statistics and research, and, as a matter of fact, the Office of the Special Representative for Trade Negotiations carries out similar types of research.

It is admitted in the report that this is primarily a research and statistics gathering agency. So it would be wrong to say that no one else is able to do this job. I know that the gentleman wishes to be accurate.

Mr. ASHLEY. Mr. Speaker, if the gentleman will yield, that is the assessment of the gentleman from California. The Chairman of the Council of Economic Advisers does not share the gentleman's view. The gentleman's assessment is absolutely inaccurate.

Mr. ROUSSELOT. Does the gentleman mean Mr. Stein?

Mr. ASHLEY. Of course that is who I mean.

Mr. ROUSSELOT. I received a letter from him on June 4.

Mr. ASHLEY. What does it say?

Mr. ROUSSELOT. Mr. Stein admitted in one portion of his letter—and I am sure the gentleman from Ohio has a copy of it—that "I am aware of the partial duplication between CIEP's annual report"—that is this Council—"and the International Chapter of the CEA report. In a sense the overlapping is inevitable."

Mr. Stein says that himself.

Mr ASHLEY. Mr. Speaker, I will ask the gentleman to read the rest of the letter.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman from Iowa will yield further, I will say that I will be glad to read the rest of it during the regular debate. What I am saying is this—and I know the gentleman wants to be accurate—that this is in fact duplication. The job has been done by another agency composed of very capable research people.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 294]

Abzug
Addabbo
Archer
Arends
Aspin
Badillo
Biaggi
Boggs
Boland
Brademas
Breaux
Broyhill, Va.
Burleson, Tex.
Carey, N.Y.
Carter
Cederberg
Chamberlain
Chisholm
Clark
Clay
Collier
Conyers
Culver
Davis, Ga.
Diggs
Dingell
Dorn
Dulski
Eckhardt
Esch
Fish
Frey
Fulton
Fuqua
Gibbons
Gray
Green, Pa.
Gubser
Hansen, Wash.
Hastings
Hébert
Hillis
Holifield
Horton
Howard
Huber
Jones, Okla.
Jones, Tenn.
King
Kluczynski
Koch
Kuykendall
Landrum
Lent
Long, La.
McEwen
Mallary
Martin, Nebr.
Meeds
Morgan
Murphy, N.Y.
Nix
Passman
Pepper
Powell, Ohio
Price, Tex.
Quillen
Rangel
Rarick
Reid
Robison, N.Y.
Rooney, N.Y.
Roy
Runnels
Ryan
Shipley
Shoup
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stokes
Talcott
Tiernan
Treen
Udall
Vander Jagt
Vander Veen
Wilson, Charles H., Calif.
Wyatt
Wydler
Wyman
Young, Fla.
Young, Ga.
Zwach

The SPEAKER. On this rollcall 337 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE A REPORT ON H.R. 14992

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H.R. 14992.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR CARRYING OUT THE PROVISIONS OF THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13839, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Ohio (Mr. ASHLEY) will be recognized for 30 minutes and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 13839, a bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

For economic policy formation in the international field, the President relies upon a specialized cabinet level group, the Council on International Economic Policy—CIEP. The President and the Council are served by a staff under an executive director who is also an assistant to the President.

The Council on International Economic Policy was first created by Presidential memorandum in January 1971, on the recommendation of the Advisory Council on Executive Organization, to improve the coordination of U.S. Government agencies with responsibilities in the field of foreign economic affairs. The Congress gave statutory status to the Council in the International Economic Policy Act of 1972.

The purpose of the Council is to achieve a clear, top-level focus on the broad range of international economic policy issues. It is the function of CIEP to help assure that all factors affecting international economic policy are fully considered and that policy decisions are based on realistic assessments of U.S. foreign economic interests. Another objective of the Council is consideration of these policy choices in the context of both domestic economic development and our broad foreign policy objectives.

The CIEP staff is used by the Council and its executive director to coordinate the efforts of individual agencies and to synthesize the sometimes divergent policy recommendations forwarded by them.

Among the important issues in which the Council was involved during 1973 were:

Negotiations on trade and monetary reform;

New international agreements on the treatment of foreign investment;

The impact of U.S. banking and securities regulations on international investment patterns;

U.S. policy on expropriations of U.S. investments by foreign governments;

Problems associated with the transfer of U.S. technology abroad;

Export controls on agricultural and industrial commodities in short supply, and

East-West trade policy.

Authorization for CIEP appropriations expires June 30 of this year. H.R. 13839, as introduced, would authorize to be appropriated such sums as may be necessary until the expiration of the provisions of the International Economic Policy Act of 1972, as amended, to June 30, 1977. The committee adopted an amendment to the bill which would limit the authorization of appropriations to the fiscal year 1975, and in an amount not to exceed $1.8 million. It was the view of the committee that authorization of the appropriations for 1 year would aid the committee in its review of the activities of the Council for the coming fiscal year.

Mr. Chairman, I urge the adoption of H.R. 13839, as amended.

Mr. FRENZEL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in support of H.R. 13839.

As the world economy continues to produce severe challenges for all nations affecting not only their overall relations with each other but having widespread impact upon their domestic economies, it is vital that this Government insure that it is equipped for effective policymaking. One of the most promising and successful steps we have taken in this area has been the creation of the Council on International Economic Policy, established in 1971 to bring about close top-level coordination of the many departments and agencies with responsibilities in this area.

We could not have afforded much longer to operate without such a coordinating mechanism. And we certainly cannot afford to revert now to the situation we faced prior to 1971, when there was no such mechanism within the Executive Office. These problems are simply too complex, and the linkages among trade, investment and monetary activity too close, for decisions to be made within one discipline without reference to the others, as well as to the impacts of economic policy decisions upon our overall foreign policy aims. And certainly we have learned in recent years how deeply our own economy's functioning can be affected by its interaction with other nations; there simply has to be a central body within the Executive Office to guarantee that the recommendations considered by the President take into account their foreseeable effects upon the jobs and incomes of our citizens.

When the Congress authorized the CIEP in 1972, it required that an annual report be submitted by the President, reflecting the U.S. international economic position and the basic thinking behind relevant U.S. policy recommendations. Since that date, two such "International Economic Reports of the President" have been prepared by the CIEP. The many serious policy issues which have concerned the Council over the past 2 years have been described in detail in those reports. Many of our colleagues, as well as representatives of the private sector, have rightly commended these documents for having packed such clear explanation of vital and complex matters into such a brief publication.

But the annual report, while very visible and increasingly well-known, is not the principal product of the CIEP. Indeed, the Council's most important product is the international economic policy of the United States. Composed of Cabinet-level members, it is the body through which the critical economic policy recommendations are made to the President, regardless of the specialized department or agency which might have recommended them. In this way, balanced and realistic recommendations can be formulated, and the President can be sure that all important facets of these issues have been considered. Once decisions are made, the high-level nature of the Council helps insure that that policy will in fact be carried out by all agencies of the Government. In a sense, then, it corresponds to the role of the National Security Council with respect to international political and security issues.

Certainly no one can question that the complexity of our economic relationships abroad and their serious impacts upon our own economy have increased in importance for our national well-being during the past years. More and more, these are areas of problems and policymaking needs which require the strongest analytical and decisionmaking efforts we can mount.

It was clearly foreseen from its beginnings in 1971 that the vital detailed work of the CIEP would have to be done by a staff under its Executive Director, and that the success of the Council in identifying issues and in coordinating recommendations from the many Federal departments would depend upon attracting and maintaining a staff of unusually high competence. The CIEP staff has been kept relatively small as Federal agencies go, but its Executive Directors—initially Peter G. Peterson and currently Peter M. Flanigan—have succeeded in building an exceptionally strong staff to handle these complex matters. The CIEP staff is composed partially of Government officials borrowed from other departments because of particular experience and skills, and partially of persons from the private business and academic sectors. In this way, it acquires the versatility required to handle the wide range of problems within its areas of responsibility. My own contacts with that staff have confirmed the very excellent reputation it has earned among my colleagues. And certainly the performance of its Executive Director, Peter Flanigan, merits special commendation. Not perhaps the most important of his activities, but nevertheless one of particular interest to me and to many of my fellow Members of this House, has been his willingness to respond to our requests with personal appearances here on Capitol Hill and to provide eloquent and comprehensive replies to our questions.

The list of specific accomplishments of the CIEP is long and varied. It reaches from the fundamentals of our initiatives in the trade and monetary reform areas, to current efforts to move forward in reforming international investment codes. The Trade Reform Act, currently before the Senate, grew out of the activity of this Council. The overall direction of our negotiations with the Europeans, in which some progress was reached in recent weeks, has been carried forward under the guidance of the Council. The conduct of our successful negotiations to settle outstanding investment disputes with the government of Peru was a further accomplishment of this group. And the Council's staff is currently engaged in comprehensive studies, enlisting the energies and talents of the relevant agencies, of our current major policy challenges, from various aspects of the energy problem to the search for ways of ensuring supplies of needed raw materials at reasonable price.

Mr. Chairman, I for one believe the challenges this country faces in the International economy will continue to grow more severe, not less so. Their impact upon our overall foreign policy objectives will continue to be very great, and to require close attention if our economic policy is to support our search to strengthen the structure of world peace. And finally, the impact of our international economic policy decisions upon the jobs and incomes of our citizens will continue to be crucially important. For all of these reasons, it would be foolish indeed to fail to support the mechanism by which all of these complex interrelationships are studied in the course of considering policy decisions. This vital job must continue to be done. And we must express our recognition of this need in strong enough terms that those within the CIEP and its staff who are tasked with these responsibilities have no doubt as to our commitment to their efforts. Mr. Chairman, I strongly recommend our approval of the CIEP authorization request.

Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to H.R. 13839, a bill which would authorize the appropriation of $1.8 million for the continuation of the Council on International Economic Policy. The CIEP is a research, reporting, and policymaking agency which was originally created by Executive order in 1971 and which has operated under legislative authority since 1972.

The various functions which the agency conducts overlap with those of a number of other executive branch agencies, including the Council of Economic Advisers, the Bureau of International Commerce in the Department of Commerce, the Office of the Special Representative for Trade Negotiations, the East-West Trade Policy Committee, the Treasury Department, and the Federal Reserve System. It was for this reason that several members of the committee joined me in suggesting, in our dissenting views to this bill, that the present functions of the CIEP be made "a part of the operation of the Council of Economic Advisers."

In response to our suggestion I have received a letter dated June 4, 1974, from Chairman Herbert Stein of the CEA in which the Chairman acknowledged the "partial duplication between the CIEP's annual report and the International Chapter of the CEA report" but described it as "inevitable—if, as the Congress has legislated, the CIEP report is to provide a more extensive description of our international economic position, problems, and policies." Mr. Stein stated that his staff at the CEA would need to be expanded if it were to take on the duties of the CIEP.

Although I am not fully convinced that the functions of the CIEP cannot be absorbed within either the CEA or one of the other executive branch agencies which I have listed, Mr. Stein's implication that duplication could be avoided by transferring CIEP's functions to the CEA and adding additional staff has considerable merit. It would, in my judgment, be a small but significant step in the direction of reducing the proliferation of Federal agencies dealing with economic policy and the consequent fragmentation of the authority and responsibility for formulating policy in this vitally important area.

In conclusion, I urge my colleagues to defeat this legislation. The functions of the CIEP, including its policymaking responsibilities, could then be centralized in the CEA, and this elimination of duplication can be accomplished at the executive level without the need for further legislation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. Rousselot).

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I am glad to yield to the gentleman from Ohio after I thank the gentleman from Minnesota for yielding.

Mr. ASHLEY. Mr. Chairman, I think it is necessary to point out that as far as Mr. Stein is concerned, he appreciates your confidence but he does not share your views.

Mr. ROUSSELOT. I understand that. Mr. Stein does feel that the Council on International Economic Policy should be a separate operation.

Mr. ASHLEY. What he says is, "We do not believe that the transfer would be desirable and that it would achieve the desired economy."

He goes on to state that the Council of Economic Advisers has as a staff one senior and one junior person working in international economic problems.

Mr. ROUSSELOT. That is because, if the gentleman will yield, that some of that personnel when this agency was formed was transferred over from the Council on Economic Affairs about 2 years ago.

Mr. ASHLEY. He does go on to say that the Council of Economic Advisers, if it takes over the CIEP function, will need additional staff of approximately the size of the CIEP staff.

Mr. ROUSSELOT. But the overall administrative costs would not be as great if the Council of Economic Advisers maintained that group within its structure. My judgment is that it would require fewer people, and I have already mentioned that in my remarks.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am glad to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I join the gentleman in opposition to this liquidation and I would just like to ask a question. How much advice do you think the Council on International Economic Policy gave to the President on the recent 6-percent Export-Import loan to the Soviet Union?

Mr. ROUSSELOT. I do not know how much total input CIEP had in that decision because, as the gentleman knows, there were others participating. The gentleman is talking about the loan to Russia?

Mr. KEMP. Yes, I am, and I do not believe it was in keeping with the intent of Congress, further I am strongly opposed to it. Persons and businesses in western New York and America are paying exorbitant interest rates. I cannot understand how we can make these low-interest loans to Soviet Russia.

Mr. ROUSSELOT. I do not think they were the prime advisers on that. There is a so-called informal committee which comes from the Treasury Department, the Federal Reserve Board, the State Department, and others, which advises on this type of guaranteed loan now going to Russia, and I am sure the gentleman and I would disagree with those kinds of credits.

I am sure their input, whatever that was, if they did advise 6 percent, I think they made a mistake, but in any respect I am sure their input would not be the major input that would be finally considered anyway.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Minnesota for yielding this time to me.

I regret that I have to oppose the position of my good friend, the gentleman from Ohio (Mr. Ashley), who is knowledgeable and most effective and for whom I have great admiration and respect. But I opposed the creation of this agency, in the first instance, back on August 3, 1972. As a matter of fact, the House, in its wisdom, rejected making CIEP statutory. The other body put it back in conference.

At that time I predicted that once CIEP was made statutory, it would come back again, again and again for more and more money, and my prediction is coming true. So far, the agency has spent in 2 years $2.8 million. This year it wants $1.8 million. It wanted more than that, as a matter of fact. The bill which was sent up to the Committee on Banking and Currency asked for an open-ended authorization for 5 years; but in its wisdom, the Committee on Banking and Currency decided that it would fund CIEP to the tune of $1.8 million for just 1 year.

Mr. Chairman, it was not very long ago that this House, by one vote, passed an increase in the debt ceiling to $495 billion, $5 billion less than half a trillion dollars.

It seems to me that it is time that we attempt by some process or another to avoid duplication in spending.

Mr. Chairman, my friend, the gentleman from California (Mr. Rousselot), mentioned only a few of the 60 agencies having responsibility in this area. I think it is time to call a halt to the duplication of Government effort and to the creation of additional advisory councils that add to unnecessary expenditures and add to the Federal deficit. We just do not have the money to be so generous.

Mr. Chairman, just today I introduced a bill similar to H.R. 144, which was introduced by my friend, the gentleman from Iowa (Mr. Gross), recommending that the Congress of the United States spend no more money that it takes in, and, reduce the Federal debt. To repeat my proposal for the benefit of the Members, the bill I introduced today similar to H.R. 144 would say that Congress could not appropriate any more money than it takes in, and that the Federal debt would be reduced by 2 percent the first year that the bill goes into effect; 3 percent the next year; 4 percent the next year; and 5 percent the next year and so on until the Federal debt is retired.

Mr. Chairman, with the increase, as I have just mentioned, in the Federal debt to $495 billion just last week by only one vote—and passage required the vote of the Speaker—it seems to me that we can well do without this bill, which I regard as unnecessary.

Even though, as I say, it only adds $1.8 million to our deficit, still, I think we have to start some place. I am going to vote "No" on this bill because I do think that it is merely duplicatory of what other agencies of the Federal Government do. I therefore recommend that the Members vote "No" also.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. Yes; I will be glad to yield to the gentleman.

Mr. ICHORD. Mr. Chairman, I appreciate the gentleman's statement that this agency is duplicative.

I am wondering just exactly what the Council does do. For example, one of its responsibilities, I understand is to define and evaluate foreign investments, that is, U.S. investments in foreign lands and, I presume, foreign investments in the United States.

One of the matters that would seem to come under the jurisdiction of the Council would be this problem of increasing investment within the United States by foreign nationals. I know many people are getting very much concerned about the purchasing of property by aliens, and I think we can take judicial notice of the fact that U.S. laws are less restrictive in this regard than they are in any other modern civilized nation.

This would seem to be an area in which the Council should at least conduct research.

Has the Council done any such research, to the knowledge of the gentleman from Ohio?

Mr. WYLIE. Mr. Chairman, I am not aware whether the Council on International Economic Policy has done any work in this area or not. I did see their report; I did not read it in detail. It is quite voluminous.

There are other agencies which ought to be concerning themselves with this matter: For instance, the Domestic and International Economic Business Agency. The Department of Commerce ought to be concerning itself with this matter, it seems to me, as well as the Council of Economic Advisers.

I think the gentleman, with his remarks, is helping me make my point, that there are many other agencies in Government that ought to be concerning themselves with this issue, if the Council on International Economic Policy has not done so already. I agree with the gentleman that we ought to be looking into it, and we ought to be getting some input from one of these Federal agencies, and that the process ought to be clarified.

Mr. FRENZEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. JOHNSON).

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I rise in support of H.R. 13839.

In considering the authorization for the Council on International Economic Policy, it is important that we clearly understand the purposes for which it was created and accurately perceive what it has been able to accomplish during these first 2½ years of its existence.

By the beginning of the 1970's, it had become clear that the world had changed fundamentally since the immediate post-World War II period, and that these changes deeply affected and greatly complicated policymaking in international and economic trade, investment, and monetary affairs. At the same time, it was becoming more and more apparent that our own economic well-being is significantly affected by our international economic relationships. Finally, it had become obvious that the policymaking machinery of the Federal Government was not adequate to insure realistic and effective decisionmaking: in particular, that there was no central top-level coordinating body to handle the recommendations of the many departments and agencies involved in these matters.

Acting upon the strong recommendation of the Ash Advisory Council on Executive Organization, the President created the Council on International Economic Policy by memorandum in January 1971. The Congress first authorized the CIEP in August 1972, and, in October of last year, extended the legislative authorization through June of 1977.

The Council's top-level membership—and it is composed largely of Cabinet officers—enables it to make decisions on a basis of thorough consideration of the many aspects of policy issues. It has in fact greatly improved the policymaking process, in providing the President more balanced and realistic policy choices. Furthermore, the departments with specialized responsibilities and views have had, for the first time, a clear framework within which to present their recommendations and to see them considered in the broader context of the national interest. The Council has provided a forum within which international economic policy can be related to our overall foreign policy objectives as well as to the jobs and income of our own people.

Of necessity the greater part of the work required in order to make possible the effective functioning of such a high-level Council is staff work, and must be handled within the Executive Office. It has been found most efficient to have a small but highly competent staff under the control of the CIEP Executive Director. All of the resources available to the White House from the Federal bureaucracies are of little value unless this crucial staff function is carried out well. In this sense it is correct to speak of the CIEP staff as a management tool of the President in the policymaking process.

The procedures by which this staff job is carried out by CIEP depend both upon the nature of the problem and the resources available for studying it. Most often an interagency group of experts, under CIEP staff leadership, will prepare detailed background and policy papers for CIEP review. Sometimes this is done, at CIEP request, under the chairmanship of one of the specialized departments having unique experience with the problem under study. Alternatively, CIEP may contract out research projects to consultants from business or academic life. Once initial staff work has been accomplished, the CIEP itself may meet at sub-Cabinet level for review of the ongoing work. Final CIEP decisions on policy recommendations to the President are reached at the Cabinet-level meetings, currently under the chairmanship of the Counselor to the President for Economic Policy, Kenneth Rush.

Areas of special interest, study and policy recommendations during the past year included, U.S. policy toward negotiations on trade and monetary reform, policy on seeking new intergovernmental agreements concerning the treatment of foreign investment, the international transfer of technology, export controls on commodities in short supply, East-West trade policy, and export promotion. Of special interest is the CIEP staff's role in the preparation of the Trade Reform Act which has passed the House and is currently before the Senate Finance Committee. In this connection I should note that, although the CIEP has never been an "operational" agency, and therefore leaves the conduct of trade negotiations to the special trade representative, the policy direction of these negotiations is determined by the President through the CIEP mechanism. The recent long-sought agreement to settle various outstanding investment disputes between U.S. firms and the Government of Peru was negotiated under the auspices of the CIEP. Other policy issues upon which CIEP worked during the year are outlined in the International Economic Report of the President, prepared by the CIEP staff and submitted to the Congress in February. That report is commendable for its unusually lucid and concise explanation of complex policy issues.

Despite the significant progress our country has made in restoring its trade and payments balances, and initiating negotiations toward the reform of the world economic system, we face important new challenges. The momentum we have achieved is threatened by growing concerns over supplies of energy and needed commodities. The CIEP staff has therefore initiated major work projects on these issues, in an effort to provide the President the most effective possible policy guidance during the coming year.

I urge the House to approve the CIEP authorization request in order that it may continue its excellent performance of this vitally important job.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished ranking minority member of the subcommittee, the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I appreciate the gentleman's yielding time to me.

I just want to make several quick observations. I do not think I will take the entire 5 minutes.

I do want to repeat the argument advanced by my colleague, the gentleman from Ohio, Mr. WYLIE. Just in the last few weeks, the country was literally on the verge of economic chaos because we were not willing to extend the national debt.

The national debt is not made up of just one big $400 billion budget. We are looking at a $300 billion budget next year, assuming we are fortunate enough to be able to cut down proposed expenditures by $5 billion in order to get down to that $300 billion mark.

When we consider these very simple facts of life, when we consider that the national budget is like the pebbles on the beach, we realize that we must come to grips with this problem.

It takes a lot of pebbles to make up a beach. With the national budget, we get a $1½ billion item here and a $2 billion item there. Before long, it adds up to a lot of money. I think one of these times we ought to start eliminating some of the pebbles.

Mr. Chairman, this country existed nearly 200 years without this Council. I suspect that we will do very well in the future without it—particularly if its abolition will mean a significant step forward; a step which, at least, will indicate a determination that, for once, we are going to try to come to grips with the problem of our national budget.

If this Council has contributed anything in the way of concrete suggestions toward this country's economic policies abroad, those suggestions have escaped the members of the committee. I suspect they have escaped the attention of any of the Members of the House of Representatives.

This administration already is exporting to the Soviet Union huge volumes of American technology—computers, capital equipment, and the biggest truck factory in the world. Now we are getting into the business of building one of the most modern fertilizer plants in the world for them—plants which can be used to manufacture nitrogen for explosives as well as fertilizer. Yet, this Council has not said one word about the potential hazard to American workers nor to American industry which can result from the mix of American technology and nonfree Soviet slave labor. How can we expect American industry to protect American markets abroad?

American workers enjoy a free labor market. They can join a union. They can organize strong, independent unions. They can strike and exercise the full range of American rights.

How can we expect them to compete against the Soviet slave laborer? He has no union. He has no right to strike. He has no right to relocate nor choose a different form of employment. Why has not this Council addressed itself to this very important problem at the very time our Nation is exporting literally billions of dollars to the Soviet Union?

Last year these exports ran close to $1.5 billion in American goods and technology. These are not consumer goods; these are not socks and shoes for little children; these are not little dresses for little girls: These are exports of machinery to make tractors and trucks, to make fertilizer and nitrate explosive factories, if you will.

Mr. Chairman, U.S. News & World Report has told us of Russian tractors selling in New York for some 10 or 20 percent less than a comparable American tractor. Are we not going to look pretty silly when American-designed trucks produced in an American-designed Russian plant are sold here at prices with which American truck producers cannot compete?

All right, someone will say, we have an agreement with the Soviet Union that they will not dump their products in the United States, all we have to say to them is no, we do not want you exporting to the United States. That is true. But what will we say when they start exporting these trucks into Latin America, into Africa, and into other parts of the world?

In sum, Mr. Chairman, I am saying that a significant danger to American markets is on the rise throughout the world through the combination of American technology and Soviet nonfree labor, and this Council has said nothing about it.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I am privileged to serve on the Foreign Economic Policy Subcommittee of the House Committee on Foreign Affairs. Several years ago this subcommittee undertook a study of international economic policymaking in the United States. It was quite obvious from this review that there are many bureaus and departments of Government involved in the field of international economic policy. Thus, I reached two conclusions: First, at the time there was a lack of coordination within the executive branch of the Government with respect to international economic policy decisions; and, second, in many instances these decisions were contradictory.

As a consequence, I concluded that it was essential we have some kind of an organization within the executive branch which would coordinate international economic policy matters and decisions.

I would like from my perspective as a member of the Foreign Economic Policy Subcommittee to make three observations. First, it is clear that there is some misundertanding as to what is CIEP's actual role. There are vast information-gathering resources which do indeed exist within the Federal bureaucracy.

Yet these are useless to the President for effective decisionmaking unless the Executive Office can itself perform the crucial job of weighing and assessing conflicting recommendations on conflicting matters. The impact of our international economic decisions is too great, Mr. Chairman, both on our foreign policy in general and upon our domestic economic welfare, for us to permit this crucial job to be done poorly, or not at all. It is this job which constitutes the vast bulk of CIEP's staff work load, not the preparation of annual reports or congressional testimony as implied in the dissenting views.

Specifically, what has CIEP dealt with in 1973? Let me just mention some of them:

Negotiations on trade and monetary reform;

New international agreements on the treatment of foreign investment;

The impact of U.S. banking and securities regulations on international investment patterns;

U.S. policy on expropriations of U.S. investments by foreign governments;

Problems associated with the transfer of U.S. technology abroad;

Export controls on agricultural and industrial commodities in short supply, and

East-West trade policy.

Second, Mr. Chairman, there has been some confusion as to the difference between CIEP and the Council on Economic Advisors, and even some suggestion that there is substantial overlap in the functions of these two organizations.

Now, CIEP is, basically, a gathering of heads of policy-making departments, brought together to present their various views so that all can be considered in deciding upon final policy recommendations to the President. The Council of Economic Advisors, in contrast, has no member who is head of an operating and policymaking Federal agency: It is not a gathering of policymakers, but rather a trio of highly qualified economists who perform another essential but quite different function for the President: they give the best advice they and their analytical staff can provide as to where the economy appears to be going, and what impact administration policy appears to be having, and particularly with regard to the purposes of the Employment Act of 1946 which established this office.

Third, the dissenting views display some misunderstanding as to the reason for whatever duplication does exist between the Anual Reports of the CEA and the CIEP. The anual report of CEA has appeared each year for a generation, presenting analyses primarily focused upon domestic economic activity, but more recently also containing one chapter on the international economy. The CIEP's "International Economic Report of the President," submitted each year pursuant to the International Economic Policy Act of 1972, is much more heavily oriented toward the role of the United States in the international economy. It attempts to place our policy and performance in the context of economic developments at home and abroad, as well as within the framework of our broader foreign policy aims. It is a policy-oriented document.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, let me just conclude by stating that CIEP is a relatively new organization. It certainly has not reached its full potential. Yet since its establishment it has improved its operations and its functions each year. Therefore, Mr. Chairman, I plan to support this legislation, and I urge that my colleagues do likewise.

Mr. FRENZEL. Mr. Chairman, I have no further requests for time.

Mr. ASHLEY. I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Economic Policy Act of 1972, as amended, is further amended by striking out section 210 and inserting in lieu thereof the following:

"SEC. 210. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated such sums as may be necessary until the expiration of the provisions of this title.".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

On the first page, line 7, strike out "are" and insert in lieu thereof "is".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On the first page, beginning in line 8, strike out "such sums as may be necessary until the expiration of the provisions of this title" and insert in lieu thereof "$1,800,000 for the fiscal year ending June 30, 1975".

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I listened to the gentleman from Ohio (Mr. WHALEN) who, as a member of the Committee on Foreign Affairs, would vote, I believe, for about anything that was labeled with the word international. I doubt that it would make much difference whether it covered the entire waterfront or just part of it. He says this International Council provides coordination. There is no evidence before the House this afternoon that this Council has coordinated anything.

He read a list of allegedly important issues in which the Council was involved during 1973, but the question is: What has this bureaucracy accomplished? What does it do? The record is completely silent.

It has expended some $2 million up to this point, and now this outfit wants another $1,800,000—for what?

As far as the international situation is concerned, it has done nothing but get worse. Our balance of trade is probably at its worst point ever. What contribution has this bureaucracy made to the welfare of this country or any part of it?

The Council has 23 employees, including an executive director. These must be among the highest paid employees in the Government on the basis of the $1,800,000 that is being requested. There is nothing in this report to show what is being spent on travel, foreign and domestic.

The House started today's session with an impressive Flag Day ceremony. Let us not spoil the good that has been done by ending the day approving this overstuffing of the already bloated Federal bureaucracy.

Mr. BLACKBURN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. BLACKBURN. I thank the gentleman for yielding.

I certainly find myself in agreement with the gentleman's observations.

I think it is important that we recognize here the biggest fallacy in the creation of this agency is the belief that we somehow can segregate our international economic policy from our internal domestic economic policy. If we are going to have these reports, they ought to come from the Council of Economic Advisers, which has the total overview of our economic policy.

I recall when we first established this agency, I argued at the time that we were kidding ourselves if we thought we could have one policy for international economics and another policy for domestic economics. The reports we get from this Council are nothing more than a compilation of what other agencies have done. This agency never makes any positive contribution or recommendations toward economic policy.

Mr. GROSS. I thank the gentleman from Georgia for his statement, and I agree with him thoroughly.

This Council on International Economic Policy is completely duplicative as far as I can ascertain. No one has made a case to the contrary.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Actually prior to the time that this function was split off of the Council of Economic Advisers, it was coordinated. The whole research and background studies, and so forth were in fact better coordinated, in my opinion, under that system.

As the gentleman has pointed out, the so-called objective of coordination has not been achieved, and the system of coordination would be better served by keeping it under the Council of Economic Advisers.

Mr. GROSS. I thank the gentleman.

I say to my colleagues in the House that in view of the financial situation and runaway inflation that confronts this country you will have no better opportunity to save $1.8 million than you have here and now. I urge the Members to join in defeating this bill and demonstrating just a little fiscal sanity.

The CHAIRMAN. The question is on the second committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, pursuant to House Resolution 1167, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BLACKBURN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 175, nays 168, not voting 90, as follows:

[Roll No. 295]

YEAS—175

Anderson, Ill.
Annunzio
Ashley
Barrett
Bergland
Biester
Bingham
Blatnik
Bolling
Brasco
Bray
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Clark
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniels,
  Dominick V.
Danielson
Dellenback
Dellums
Donohue
Drinan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Findley
Flood
Forsythe
Fraser
Frelinghuysen
Frenzel
Gettys
Giaimo
Gilman
Grasso
Griffiths
Gude
Guyer
Hamilton
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Hays
Heckler, Mass.
Hicks
Hogan
Holifield
Holtzman
Horton
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Karth
Kastenmeier
Latta
Long, Md.
Luken
McClory
McCloskey
McFall
McKinney
Macdonald
Madigan
Mathias, Calif.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Nedzi
Nelsen
O'Neill
Owens
Patman
Patten
Perkins
Pettis
Pickle
Pike
Podell
Price, Ill.
Pritchard
Quie
Railsback
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roush
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Seiberling
Shriver
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Sullivan
Symington
Thompson, N.J.
Thone
Udall
Vander Jagt
Vanik
Vigorito
Waldie
Wampler
Whalen
White
Widnall
Williams
Wilson, Bob
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Winn
Wright
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zwach

NAYS—168

Abdnor
Adams
Alexander
Anderson,
  Calif.
Andrews, N.C.
Andrews,
  N. Dak.
Armstrong
Ashbrook
Aspin
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bevill
Blackburn
Bowen
Brinkley
Broomfield
Broyhill, Va.
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Clancy

Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan
Eckhardt
Eshleman
Evins, Tenn.
Fascell
Fisher
Flowers
Flynt
Foley
Ford
Fountain
Froehlich
Gaydos
Ginn
Goldwater
Gonzalez
Goodling
Gross
Grover
Gunter
Haley
Hammerschmidt
Hanrahan
Harsha
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hinshaw
Holt
Hosmer
Hudnut
Hungate
Hutchinson
Jarman
Jones, N.C.
Jordan
Kazen
Kemp
Ketchum
Kuykendall
Kyros
Lagomarsino
Landgrebe
Leggett
Lehman
Litton
Lott
Lujan
McCollister
McCormack
McDade
Mahon
Mann
Maraziti
Martin, N.C.
Mazzoli
Michel
Miller
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Moss
Murtha
Myers
Natcher
Nichols
Obey
O'Brien
Parris
Peyser
Poage
Preyer
Randall
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Rousselot
Roy
Roybal
Ruth
Satterfield
Schroeder
Sebelius
Shuster
Sikes
Skubitz
Snyder
Spence
Steiger, Ariz.
Stubblefield
Studds
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thornton
Towell, Nev.
Traxler
Treen
Van Deerlin
Veysey
Waggonner
Walsh
Ware
Whitehurst
Whitten
Wiggins
Wolff
Wylie
Yates
Young, Alaska
Young, Ill.
Young, S.C.
Zion

NOT VOTING—90

Abzug
Addabbo
Archer
Arends
Badillo
Biaggi
Boggs
Boland
Brademas
Breaux
Brown, Ohio
Carey, N.Y.
Cederberg
Chamberlain
Chappell
Chisholm
Clay
Collier
Conlan
Culver
Davis, Ga.
Davis, S.C.
Diggs
Dorn
Dulski
Fish
Frey
Fulton
Fuqua
Gibbons
Gray
Green, Oreg.
Green, Pa.
Gubser
Hanna
Hastings
Hawkins
Hébert
Hillis
Howard
Huber
Ichord
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
King
Kluczynski
Koch
Landrum
Lent
Long, La.
McEwen
McKay
McSpadden
Madden
Mallary
Martin, Nebr.
Mathis, Ga.
Murphy, N.Y.
Nix
O'Hara
Passman
Pepper
Powell, Ohio
Price, Tex.
Quillen
Rangel
Rarick
Reid
Robison, N.Y.
Rooney, N.Y.
Rooney, Pa.
Runnels
Ryan
Scherle
Shipley
Shoup
Staggers
Stanton, J. William
Stanton, James V.
Stuckey
Talcott
Thomson, Wis.
Tiernan
Ullman
Vander Veen
Wyatt
Wydler
Wyman
Young, Fla.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Hébert against.

Mr. Kluczynski for, with Mr. Davis of South Carolina against.

Ms. Abzug for, with Mr. Rarick against.

Mr. Murphy of New York for, with Mr. Chappell against.

Mr. Rangel for, with Mr. Landrum against.

Mr. Koch for, with Mr. Jones of Tennessee against.

Mr. Boland for, with Mr. Fish against.

Mr. Biaggi for, with Mr. Conlon against.

Mr. Brademas for, with Mr. King against.

Mr. Howard for, with Mr. Fuqua against.

Mr. Diggs for, with Mr. Martin against.

Mr. Vander Veen for, with Mr. Quillen against.

Mrs. Boggs for, with Mr. Scherle against.

Mr. Staggers for, with Mr. Wydler against.

Mr. Dulski for, with Mr. Young of Florida against.

Mr. James V. Stanton for, with Mr. Price of Texas against.

Mrs. Chisholm for, with Mr. Collier against.

Mr. Clay for, with Mr. Powell against.

Mr. Hawkins for, with Mr. Lent against.

Mr. Badillo for, with Mr. Gubser against.

Mr. Nix for, with Mr. Talcott against.

Mr. O'Hara for, with Mr. Passman against.

Mr. Green of Pennsylvania for, with Mr. Shipley against.

Mr. Tiernan for, with Mr. Dorn against.

Mr. Pepper for, with Mr. Ichord against.

Mr. Hanna for, with Mr. Stuckey against.

Mr. Rooney of Pennsylvania for, with Mr. Mathis of Georgia against.

Until further notice:

Mr. Rooney of New York with Mr. Breaux.

Mr. Davis of Georgia with Mr. Culver.

Mr. Carey of New York with Mr. Brown of Ohio.

Mr. Fulton with Mr. Archer.

Mr. Gray with Mr. Frey.

Mr. Gibbons with Mr. Cederberg.

Mrs. Green of Oregon with Mr. Arends.

Mr. Hastings with Mr. Chamberlain.

Mr. Hillis with Mr. Huber.

Mr. Jones of Oklahoma with Mr. Long of Louisiana.

Mr. Madden with Mr. Mallary.

Mr. McEwen with Mr. McKay.

Mr. McSpadden with Mr. Reid.

Mr. Robison of New York with Mr. Ryan.

Mr. Shoup with Mr. J. William Stanton.

Mr. Ullman with Mr. Thomson of Wisconsin.

Mr. Wyman with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST FOR PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 7917

Mr. MOSS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have until midnight tonight to file a report on H.R. 7917, Consumer Product Warranties and Federal Trade Commission Improvements Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BROYHILL of North Carolina. Mr. Speaker, reserving the right to object, with respect to the request of the gentleman from California, what is the bill that accompanies this report?

Mr. MOSS. Mr. Speaker, if the gentleman will yield, the bill which accompanies this report is the Consumer Product Warranties and Federal Trade Commission Improvements Act.

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask the gentleman if he would tell us whether the report is available to the members of the committee participating in its writing. I would like to see some of the language in it before I disagree with it.

Mr. MOSS. If the gentleman will yield, the report is normally handled by the Chairman.

Mr. STAGGERS. I would not be in a position to answer the gentleman's question.

Mr. BROYHILL of North Carolina. Mr. Speaker, because I have had some part in this and have participated in the writing of this legislation, and because I have seen some excerpts from the language in the report with which I disagree, if the language stays in the report I would be constrained to write minority views. For this reason I must object so that I may have an opportunity to read the report in detail.

Therefore, Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PROPOSAL OF 15 NEW ADDITIONS TO THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–319)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

To the Congress of the United States:

There is no greater challenge facing America today than the discovery and development of new energy resources.

As we move toward national self-sufficiency in energy, however, we must be diligent in protecting and preserving our natural heritage of unspoiled wilderness areas and the ecosystems which they support.

With this goal in mind, and pursuant to the Wilderness Act of 1964, I am today proposing 15 new additions to our National Wilderness Preservation System. These additions comprise more than 6 million acres and would nearly double existing wilderness acreage.

I would also like to take this opportunity to urge once again that Congress enact the eastern wilderness legislation I recently submitted, now embodied in legislation labeled S. 2487 and H.R. 10469. On May 31, the Senate passed a bill which would designate certain wilderness areas in the Eastern United States. The Senate bill, I believe, is inadequate. I urge the House to give early and favorable consideration to wilderness legislation incorporating the Administration proposal, and I urge the Congress to adopt it as the most balanced approach to studying and designating wilderness areas in the Eastern United States.

Briefly described, the additions I am proposing today are:

(1) Crater Lake National Park, Oregon—122,400 acres. Crater Lake is the deepest lake in the country and, in its ancient caldera setting, one of the most beautiful. The lake is surrounded by rugged and varied terrain, most of which is recommended for wilderness designation.

(2) Havasu National Wildlife Refuge, California—2,510 acres of Sonoran desert land. Located in one of the hottest and driest areas of the country—rainfall averages only 4.73 inches per year—this

refuge is the home of such rare or endangered species as the Yuma clapper rail, the Gila monster, and the peregrine falcon.

(3) Semidi National Wildlife Refuge, Alaska—256,000 acres comprising nine islands and surrounding submerged lands in the western Gulf of Alaska. The refuge's fragile estuarine system is a breeding ground for vast colonies of sea birds and other forms of wildlife.

(4) Hawaiian Islands National Wildlife Refuge, Hawaii—1,742 acres on various inlets and reefs distributed among some 800 miles of ocean between the main Hawaiian Islands and Midway Island. Among the rare forms of wildlife found within this refuge are the Laysan teal, found only on Laysan Island; the Hawaiian monk seal; and the green sea turtle.

(5) Crab Orchard National Wildlife Refuge, Illinois—4,050 acres. This refuge is a haven for such migratory waterfowl as Canada geese, snow and blue geese, and mallard ducks.

(6) Zion National Park, Utah—120,620 acres. This park is a superlative example of the effect of erosion on an uplifted plateau. The great bulk of its towering peaks and pinnacles, arches, and natural bridges are recommended for wilderness designation.

(7) Katmai National Monument, Alaska—2,603,547 acres. Situated near the base of the Alaskan Peninsula, this massive area comprises three entirely different ecosystems: a coastal area dotted with fjord-like bays; a mountainous area atop ancient volcanic basement rocks; and a plain crisscrossed by lakes of glacial origin.

(8) Rice Lake and Mille Lacs National Wildlife Refuges, Minnesota—1,407 acres. Consisting largely of bog, forest, and lakes, Rice Lake National Wildlife Refuge supports a variety of birds, notably the ring-necked duck. Both of the islands which constitute the small, nearby Mille Lacs National Wildlife Refuge are also included in this recommendation.

(9) Glacier National Park, Montana—927,550 acres. Located in the Rocky Mountains of Montana, this park—nearly all of which is suitable for wilderness designation—contains some 50 small glaciers and 200 lakes.

(10) Red Rock Lakes National Wildlife Refuge, Montana—32,350 acres. Although it harbors a multitude of ducks, as well as such mammals as moose, elk, deer, and antelope, the primary purpose of this refuge is to protect the once-rare trumpeter swan, largest of all American waterfowl.

(11) Olympic National Park, Washington—862,139 acres. The home of more than 50 wildlife species, this landscape of rain forests and seashore lies in the wettest winter climate in the lower 49 States.

(12) Tamarac National Wildlife Refuge, Minnesota—2,138 acres. One of the most important sanctuaries along the Mississippi Flyway, this area hosts thousands of pairs of ducks during the annual nesting season.

(13) Rocky Mountain National Park, Colorado—239,835 acres characterized by massive peaks, Alpine lakes, and mountain forests. Among the wildlife found here are wapiti, mule deer, and bighorn sheep.

(14) Missisquoi National Wildlife Refuge, Vermont—620 acres. Located less than a mile from the Canadian border, this refuge supports primarily waterfowl but also a population of 100 white-tail deer, a species which was all but nonexistent in this area 30 years ago.

(15) Unimak Island (Aleutian Islands National Wildlife Refuge), Alaska—973,000 acres. A rich diversity of wildlife, including the Alaskan brown bear and the once-rare sea otter, inhabit this island. Its scenic coastline, rugged mountains, and volcanic remnants make the island ideal for the study of interrelated marine and terrestrial ecosystems.

In addition, two proposals which have been previously submitted—Pinnacles National Monument and Sequoia-Kings Canyon National Parks, all in California—have been augmented by sufficient acreage to warrant resubmission to the Congress. The enlargements, which are attributable to revised management philosophy and plans and the recent acquisition of private inholdings, amount to 5,970 acres in the case of Pinnacles and 68,800 acres in the case of Sequoia-Kings Canyon.

Three other areas—previously proposed—Cabeza Prieta Game Range, Arizona; Desert National Wildlife Range, Nevada; and Glacier Bay National Monument, Alaska—contain surface lands suitable for wilderness designation. However, because two of these areas are open to mining, and all three may contain minerals vital to the national interest and have not been subjected to adequate mineral surveys, I am recommending that action on these proposals be deferred pending the completion of such surveys.

After a review of roadless areas of 5,000 acres or more and roadless islands, the Secretary of the Interior has concluded that seven areas are not suitable for preservation as part of the National Wilderness Preservation System. These are: Savannah National Wildlife Refuge, Georgia; Little Pend Oreille National Wildlife Refuge and Turnbull National Wildlife Refuge, Washington; Bowdoin National Wildlife Refuge and the National Bison Range, Montana; National Elk Refuge, Wyoming; and Horicon National Wildlife Refuge, Wisconsin.

In addition to this message, I am transmitting herewith to the Congress letters and reports from the Secretary of the Interior regarding these wilderness proposals. I concur with the recommendation of the Secretary in each case, and I urge the Congress to give early and favorable consideration to all of these proposals.

RICHARD NIXON.

The WHITE HOUSE, *June 13, 1974.*

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I have requested this time for the purpose of asking the distinguished majority leader if he is in a position to inform the Members of the House as to the program for the rest of this week and for the following week.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield, I will be happy to respond.

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, there is no further legislative business scheduled for today.

The program for the House of Representatives for the week of June 17, 1974, is as follows:

On Monday we will call the Consent Calendar, and we will consider four bills under suspension of the rules, as follows:

H.R. 14354, National School Lunch Act amendments conference report;

H.R. 12356, Indian Claims Commission Authorization;

H.R. 14992, Domestic Food Assistance Act; and

H.R. 15296, Commissioner of Education Fellowship Authority.

The Speaker will postpone all rollcall votes until the end of the day, under his prerogative.

On Tuesday, we will call the Private Calendar, and we will consider under suspension of the rules one bill, as follows:

H.R. 15124, 12-month Extension of Eligibility of Supplemental Security Income Recipients for Food Stamps (until July 1, 1975).

We will also consider the conference report on H.R. 7130, Congressional Budget and Impoundment Control Act.

Then we will consider the State-Justice-Commerce-Judiciary Appropriations Act for fiscal year 1975; and

S. 411, extended phasing of postal rate adjustments, under an open rule, with 1 hour of debate.

On Wednesday, we will consider Transportation appropriations for fiscal year 1975; and

H.R. 14715, White House Office Authorization, subject to a rule being granted.

On Thursday, we will consider H.R. 15361, the Housing and Urban Development Act, subject to a rule being granted.

Finally, on Friday, we will consider Agriculture-Environmental-Consumer Protection appropriations for fiscal year 1975.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. Speaker, I am sure the distinguished gentleman is aware of the fact that we will meet Friday, because I believe this is the fifth or sixth time that we have notified the membership that we do anticipate Friday sessions for next week and for the following week.

ADJOURNMENT OVER

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, JUNE 14, 1974, TO FILE REPORT ON APPROPRIATION BILL FOR THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night, June 14, 1974, to file a report on the appropriation bill for the Department of Transportation and related agencies for the fiscal year 1975.

Mr. SHRIVER reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOUSE COAL STRIP MINING BILL IS SOUND LEGISLATION

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. RONCALIO of Wyoming. The land strip coal mining legislation, hopefully soon to be reported from the Committee on Rules and brought before the House in a week or two, is, in my opinion, the most singularly important piece of legislation in my nearly decade of association with the House. I have an editorial supporting it from the New York Times, but I do not think it would influence anybody here, frankly, so I will not include it in the RECORD. But I will include one from the Denver Post, which I will ask the Members to read, and then give their support for this legislation, H.R. 11500.

The editorial is as follows:

HOUSE COAL STRIP MINING BILL IS SOUND LEGISLATION

The U.S. House of Representatives has been handed a bill on coal strip mining. The bill, H.R. 11500, was prepared by the House Interior Committee. It is a good bill and should be passed with a minimum of alterations.

With the nation's strip mining going into high gear—largely in the West—because of the energy crunch, it is essential to pass a bill now. The land needs protection before the energy crisis, wrapped in the flag, carries all before it.

H.R. 11500 contains these major elements:

It would severely limit where coal can be strip mined. No permit would be allowed on a national forest, in a designated wilderness area or wildlife preserve. States are required to set up procedures for declaring certain areas unsuitable for surface mining by virtue of natural, historical, cultural or scientific reasons.

A reclamation fee will be charged, and at today's fuel prices it should be a stiff one. Levied according to heat value in the coal, the amount will average 30 cents a ton and will be as low as 20 cents in some Northern Great Plains areas where BTU content is low. This money will be used for reclamation of "orphan" lands—abandoned lands from old stripping operations. On existing operations the operator will pay the cost of his own reclamation work. These provisions must be stringent.

Strip-mined land must be returned to "approximate original contour" under terms of the bill. The bill eliminates "high walls"—steep slopes remaining after mining—and spoil banks (heaps of ungraded material) on downslope areas.

If reclamation on any land is not feasible for economic or physical reasons, then the land cannot be strip mined until such time as technology permits.

The hydrologic (underground water) balance is not to be disrupted. Surface water is protected from pollution. The bill concedes as inevitable some change in surface water patterns, however, and permits lakes to be left in depressions provided quality of the water is good.

Land reclaimed and returned to federal ownership will, under terms of the bill, be available for agriculture or recreation purposes. Communities undergoing dramatic growth because of coal mining can apply for such lands for use in meeting development needs: housing and other facilities.

These are among the key provisions of H.R. 11500. The chain of command envisioned still includes participation by the states. States may enforce their own laws on coal strip mining, provided they are as strong or stronger than the federal law.

There are a number of areas where the bill is vulnerable to criticism. Environmentalists say it is too weak, that nothing but a complete ban on strip mining is workable.

Thus, Louise Dunlap of the Environmental Policy Center, Washington, D.C., attacks any concession to mining she can find. The section on water, for example, says that coal firms shall give "particular attention" to aquifer recharge. "We don't believe giving 'particular attention' to something is a very precise way to protect it" she said.

A Western utility spokesman, while favoring the bill's reclamation provisions, believes the definition of areas "unsuitable" for mining is so broad as to ban mining almost anywhere. He'd like to see that changed.

But fundamentally the bill is not in bad shape. It should receive favorable consideration. There is one problem, however, which no one has been able to solve; it involves the mining of publicly owned coal which lies under privately-held homestead land. This problem will be discussed tomorrow.

FALLING LIVESTOCK PRICES THREATEN DEPRESSION

(Mr. POAGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POAGE. Mr. Speaker, every citizen of the United States must on sober consideration be concerned with the disastrous drop in the price of live cattle and hogs. On the other hand, I recognize that probably 90 percent of the people of this Nation are going to make a hasty, and I fear, unwarranted appraisal of this situation and take the position that they are happy to see anything that brings down the price of meat.

Certainly last summer the price of meat did reach record levels, but now cattle prices and hog and poultry prices have broken disastrously. Live cattle sold yesterday in Omaha for $35.50 a hundred, almost exactly the same that they brought 20 years ago—1951, to be exact—when the purchasing power of the dollar was much greater than it is today and when production costs were but a fraction of what they are today.

The first people to be destroyed were cattle feeders. After feeding the cattle for unreasonable periods of time in the hope of increased prices, many of them have put far more money per head in them than the cattle are now worth. These feed-lot losses were necessarily immediately reflected in the value of cows and calves. Of course, the price of hogs cannot remain very high when the price of cattle drops as it has recently, and it has not. The same thing is true in regard to turkeys and chickens. The live prices of all of these animals have declined to where it is utterly impossible for any producer to hope to feed even $2.50 corn or protein feed made from $5 beans and to ever hope to come out.

Disastrous as these livestock losses are, I think that it is clear that we have only seen the tip of the iceberg. The price of feed grain is bound to plummet in the next few weeks if the price of live animals stays where it is.

With low-priced corn and soybeans farmers are going to turn to wheat, cotton, and similar crops, but this year we are going to produce something like 20 to 25 percent more wheat than we produced last year. Obviously the whole agricultural structure is in grave danger.

Again, I recognize that many of our constituents are going to say "Ain't that nice." Maybe it would be nice for them if it did not clearly carry the unmistakable storm warning of an approaching disaster. I have lived long enough to personally observe a number of depressions. Some of our younger colleagues have never seen a depression. A depression can cause more misery, more heartaches, and indeed more physical loss than a hurricane or a foreign war. Ask those who had the responsibility of the family in 1931.

Now the alarming thing is that I have never seen a depression that did not start with a break in farm prices. I do not mean that every drop in farm prices is going to cause a depression, but I do mean that we have set the stage. We have created the situation, and I am convinced that if we do not take prompt action to stop this decline in farm prices, we will see all of our hard earned social gains wiped away.

And if it comes, remember that a depression strikes harder in the great cities than it does in the rural area. Farm people will not have much, but they will not starve. It is easy to say that the Government will not let anyone starve in the cities, but if we face a real depression, the Government may very well find itself powerless to feed the people of our cities. I, therefore, want it said that we did have warning that a depression might occur—that there were those in Congress who sounded the alarm.

Now, what can we do about it? The very first thing that can be done is that the President can close the gate that he opened more than a year ago when he suspended the statutory limitation on the importation of meat to this country. He opened this gate for the purpose of bringing in meat when supplies were short and prices were high. Conditions are now exactly the reverse and he should at least bring these imports down to the level provided by law. This can be done by a simple order. It does not require any legislation.

In the next place we can provide some credit for those who have been so cruelly hurt by the drop in livestock prices. If these people are to stay in business, and if the production of meat is to continue, somebody must provide that credit. In most cases the banks cannot provide it. We have a so-called Small Business Administration, but it will not make loans to the people whose business it is to produce the food and fiber for the Nation, because they say that this is not "business." This is "just farming."

I am told that there are some fortunate livestock operators who suggest they do not want any loans, and I certainly would not urge them to take any, but I am sure that there are a great many who must have credit or quit producing. We hope there are other things that can be done to keep production on an even keel.

In an effort to try to learn just what can be done and to learn what should not be done, I have announced hearings before the Agriculture Committee beginning next Tuesday. The Speaker of the House will be our first witness. We have, of course, invited the Secretary of Agriculture, and we have invited representatives of the White House. We feel that we need a frank Government. We have asked the representatives of the industry, at least those who can afford to make the trip to Washington, to come here and give their views.

We know there will be conflicts and differences in judgment. It will be the problem of the committee to try to appraise the various suggestions made. A number of bills have already been introduced. Others will be introduced during the coming days. These bills are being referred to the Subcomitteee on Livestock and Feed Grains, headed by Mr. Foley of Washington. He has announced that he will, on the following week, that is, on June 25, beginning consideration of the specific legislative proposals after the full committee has heard and considered the problems and the basic ideas for their solution. We invite every Member of the House and of the other body to attend any and all of these hearings. We think they might concern your constituents more than you have supposed.

INTRODUCTION OF LEGISLATION TO INCREASE FEDERAL ESTATE TAX EXEMPTION

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Idaho (Mr. Hansen) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, I am today introducing legislation to remedy what I consider to be a defective and regressive feature of the U.S. tax code. This bill will increase the Federal estate tax exemption from the present $60,000 to $120,000.

The amount of this exemption has not changed since 1942 during which time the cost of living has just about tripled. In 1942 dollars, the equivalent exemption today would amount to nearly $180,000. I believe some adjustment is clearly needed.

This proposal will greatly benefit small businessmen and farmers who want to pass on the family business to their sons and daughters. It will also assist a family that has invested the bulk of its assets in a home. Land speculation and rising property values are forcing many of these persons to sell their farms, and businesses, and homes just to pay the estate taxes. These people—not the wealthy—are the ones who stand to benefit from this legislation.

Another reason for increasing the $60,000 exemption is a recent change in the tax law which speeds up the collection of the estate tax from 15 to 9 months after the date of death. Owners of small businesses, farms, and homes will likely not have sufficient liquid assets readily available to pay a large estate tax bill 9 months after a death. This situation may well jeopardize that business, farm, or home for which a family or individual has worked so hard.

I believe this legislation will effect a genuine and needed reform in this Nation's tax system and I urge its enactment.

I include as part of my remarks the text of H.R. 15373:

H.R. 15373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "$60,000" and inserting in lieu thereof "$120,000".

(b) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$120,000".

Sec. 2. The amendments made by the first section of this Act shall apply to the estates of decedents dying after December 31, 1972.

STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Steiger) is recognized for 45 minutes.

Mr. STEIGER of Arizona. Mr. Speaker, with a petulance usually reserved to Secretaries of State, Mo Udall and Henry Jackson have blamed the defeat of the land use planning bill on "impeachment politics." Mr. Udall states that the President changed his position on land-use planning in order to retain the support of conservative Members of the House regarding impeachment. That is not just a political distortion; it is undiluted, weed-growing, grass-burning chicken manure.

Udall says the President shifted his position. Not so. He had never supported the Udall bill. The President supported, strongly, the concept of land-use planning. He still does. He was made aware of the restrictive nature of the Udall bill by myself. He agreed, after analysis, that private property was jeopardized—as did Mr. Udall who planned to support an amendment that he said would remedy this. The President felt that the involved Federal process set up in the Udall bill would delay and confuse already long-delayed and very confused State and community land planning programs. He supported the Steiger-Rhodes bill, as did the Secretary of the Interior.

Since, by chance, I was involved in every facet of the effort to stop the Udall bill, and thus aware of all the pulling and hauling, I am particularly offended by the implication that I and all of the other concerned Members of Congress on both sides of the political aisle were part of some kind of a deal to trade for impeachment support.

The fact is that the bill was a lousy bill. The one single action which brought about the defeat of the rule was Mr. Udall's insertion in the Congressional Record several days before the bill came to the floor of 21 amendments he planned to offer on the floor of the House. A great deal of lobbying had been done by private and public groups to alert the public to their concerns about the bill. The folks responded heavily with mail opposing the bill. But the rule would have passed if Udall had not clearly demonstrated the bill's inadequacies by this flood of amendments that had been promised to gain support from disgruntled private interests. The Members of the House are reluctant to write legislation on the floor of the House because of the lack of certainty as to the effect of specific amendments.

The problem presented by the disappointed Udall and Jackson at seeing their national white horse left in the barn poses a very real threat to an already lurching legislative process. If the liberals start screaming "impeachment politics" every time a new Federal grab is stopped, they are going to intimidate some Congressmen in this election year.

And that is a use for Watergate that even the Washington Post or the New York Times had not thought of.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I just would like to ask the gentleman from Arizona a question as to whether or not the gentleman in the well had informed the gentleman from Arizona (Mr. Udall) that he was going to be discussing him and using his name?

Mr. STEIGER of Arizona. I thank the gentleman from Wisconsin for raising that question. I not only advised the gentleman from Arizona, but I showed the gentleman the text of this rather sensitive and objective material which I am in the process of discussing.

Mr. OBEY. I thank the gentleman from Arizona. I am not sure I agree with the characterization of that, but I thank the gentleman.

Mr. RONCALLO of New York. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I am happy to yield to the gentleman from New York.

Mr. RONCALLO of New York. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Arizona.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, relevant to the question that has just come up, was the gentleman from Arizona now in the well informed of the press conference that the gentleman from Arizona (Mr. Udall) was going to have yesterday? This press conference was covered by papers all over the country. Was the gentleman consulted and informed that totally false accusations would be made that Members of this House who voted to defeat the rule on the land use bill are indifferent to the Nation's problems, and that the "country's land" was mortgaged "for conservative votes on impeachment?" Was the gentleman consulted on this?

Mr. STEIGER of Arizona. No, I was not, but I do not share the concern of the previous questioner that it somehow or other breaches ordinary conduct. When one has dealt with venal abuses all of one's political life, nothing surprises you. That is an editorial sort of a comment.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Speaker, I am deeply troubled by the recent statements of my colleague (Mr. Udall) and the Senator from Washington (Mr. Jackson) concerning the action taken by this body Tuesday on the Land Use Planning Act.

I voted in favor of granting a rule for this legislation, but obviously the majority of the Members did not think this bill was ready for floor action. The will of the House has been worked.

The frantic cries by these two distinguished Members of "impeachment politics" and "scare tactics" are regrettable and certainly unwarranted. This smacks of sour grapes and is not worthy of these two gentlemen.

Senator Jackson's threat of attaching this land use measure to a "must bill" is most inappropriate. I have always deplored this type of political maneuvering and to attempt to pass such major legislation as this in such a manner is unthinkable.

I remind my friend the Senator from Washington that we still have two bodies in Congress and urge him to confine his legislative muscle flexing to his own Chamber.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Speaker, I want to make it very clear and plain that I voted against the rule, and there was certainly no impeachment deal in my voting against the rule. I resent any implication on any of us as that being the reason for doing so.

I might say parenthetically that it is a very rare instance in which I have ever voted against an open rule, but I suppose an exception proves the rule.

I think that the discussion during the colloquy that took place during consideration of the rule brought out the fact that there were many, many amendments that were to be offered by the authors of the bill to try to make the legislation more acceptable. I believe that was really an admission on the part of the authors of the legislation themselves that it was not a good bill, and that the rule, therefore, should not be granted.

Mr. Speaker, I have no apologies for opposing that rule. I think the time is going to come when there will be some land use legislation that probably will not be of the variety or kind that the gentleman proposed, but most certainly not this carrot-and-the-stick approach that was being offered at that time. Every foot of land in this country would have been subject to Federal control.

I certainly am delighted that the gentleman took the special order, and I think all of us can join in the feeling that those who voted against this had nothing to do with impeachment. It simply is not true. I repeat again, I do not know the forces that were raised for or against this thing. I simply know that the people in my district believe it was a step, a foot in the door, that would ultimately lead to Federal control over every foot of land in America.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

The gentleman is entitled to oppose the bill, as the gentleman from Missouri is. But I think it would be unfortunate if there should be a suggestion interpreted in the remarks of the gentleman from Arizona (Mr. Udall) or the Senator from Washington (Mr. Jackson) that anyone in this Congress voted against this rule on the basis of some question of impeachment.

The suggestion was that the administration changed its position because of the known opposition of many Members of Congress to the bill, and there was a suggestion that the administration was motivated by impeachment politics, not that any Member of the House changed his vote or bargained his vote, and I think that ought to be clear because I think it is a disservice to the statements made by both the junior Senator from Washington (Mr. Jackson) and the gentleman from Arizona (Mr. Udall) to imply that they were questioning the motivation of Members of the House in their vote. They, as I, disagree with the result, but there was no implication of impropriety in the decision made by the Members.

I think the gentleman from Missouri is entirely within his rights in opposing the bill. I disagree with his interpretation. I think the Record should be made clear that there was not an accusation made by any gentleman in the press conference as to the motivation of the Representatives in the House. There was, indeed, a question of the motivation of the administration.

Mr. STEIGER of Arizona. I thank the gentleman from Washington for his comments and the eloquent defense of the Senator from Washington (Mr. Jackson) and the gentleman from Arizona (Mr. Udall).

I will tell the gentlemen that the direct result of the press conference he referred to was three phone calls from members of the press who attended that conference, who asked me if I had, indeed, made any deal with the White House on impeachment in exchange for my leadership in defeating the bill. What the gentleman reports to us here I have no doubt is exactly what he felt was said by Mr. Udall and Senator Jackson.

I will tell the gentleman that at least three members of the press at that conference felt that both Senator Jackson and Mr. Udall suggested that impeachment politics has pervaded this body to the point where we were exchanging votes for a position on the bill.

Mr. FOLEY. Mr. Speaker, will the gentleman yield further?

Mr. STEIGER of Arizona. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I assume the gentleman has read the press releases that were attendant to that press conference.

Mr. STEIGER of Arizona. I only read that portion reproduced by the press. I did not read any handouts.

Mr. FOLEY. If the gentleman will yield further, they were available. I think the gentleman should consult them, because they were reduced to writing, and I think they would clear this matter up.

Mr. STEIGER of Arizona. I will tell the gentleman that that which I read in the press did nothing but persuade me in my position. All of the reference made to impeachment politics was not further defined, and the interpretation of that was made by the members of the press, and the gentlemen heard the full text.

Mr. Speaker, I now yield to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Speaker, I wish to associate myself totally with the gentleman's remarks. I deeply resented the implication in the press release, or in the story that I read in the Washington Post this morning, of the statements allegedly and purportedly made by the gentleman from

Arizona (Mr. UDALL) and the Junior Senator from Washington (Mr. JACKSON).

I am and have been a member of the Interior Committee since I have been a Member, admittedly a very short time, but I think the gentleman in the well knows, as do most Members of the Congress, that I totally oppose the concept of the Federal land use planning, which, to my way of thinking, was a total Federal intervention in State business. I am a Republican. The President never calls me; no counselor to the President ever contacted me; and, as a matter of fact, the Department of the Interior was in my office every 15 minutes lobbying on behalf of the bill.

That certainly does not seem to indicate to me, since the Department of the Interior is a branch of the executive, that the President was out to kill the bill.

I think it is doubly unfortunate that the reference to impeachment politics was made by the gentleman from Arizona apparently in trying to give some flavor in a petulent manner to this matter over which he was so upset, that is losing this bill.

It is interesting to note also that when he went before the Rules Committee last February to get a rule on this bill, his first indication to the press was that he had been double-crossed by the members of his own party. The bill was not one iota different when the Rules Committee put it out this past month than it was in the previous months, so the bill was just as bad when it came to the floor the other day as it was in February, and indeed as it was when it was introduced. The bill was bad.

I opposed the bill as a leader, or at least I assume I was a leader of the opposition on the floor the other day, and I opposed the rule which brought it to the floor. I deeply resent any implication or any inuendo that it had one thing to do with impeachment politics.

I think perhaps it might have had a little something to do with Presidential politics. It is rather interesting to note that both individuals who held that press conference are Presidential aspirants. Perhaps this is the way they get their press.

I thank the gentleman.

Mr. STEIGER of Arizona. Mr. Speaker, I thank the gentleman.

I would like to make one further point before I yield further, and it is a little broader than the immediate concern of those who voted on the matter before us on Tuesday. As I said earlier, I think the problem presented by the disappointed gentleman from Arizona (Mr. UDALL) and the disappointed Senator from Washington at seeing their national white horse left in the barn is this: If each time they are disappointed the liberals will be screaming "impeachment politics," every time a new Federal grab is stopped, there are bound to be some Congressmen who will be intimidated in this election year. That is a use for Watergate that even the Washington Post and the New York Times have overlooked. I think it presents a very real threat. It distorts even further the soul of this country because while we are all focused on and concerned about the future of the Presidency, we have to recognize this is a calculated device, in my mind, to utilize that national concern to warp legislation to a position that it could not have achieved in any other climate.

I do not think that anybody here is going to be consciously intimidated by statements that if we voted for this bill we will be considered as supporters or antagonists of the President in impeachment. I do no think that will occur, but I think we have to recogize that possibility exists.

In the same manner the gentleman from Arizona (Mr. UDALL) threatened us with being placed on the environmental evaluation political list if we voted against the rule. We can look for more of the same in the future, I assume, from people who think this is a valid political device.

All I am saying is that I would quarrel with nobody who supports land-use planning, as to the economics of that position. I would quarrel with nobody who supports the Udall bill. I would not object to people who even accuse me of excessive lobbying. I do not feel bad about people who say I and others who oppose the bill distorted the facts, because I know we did not. But I really feel bad about being accused of involving this situation in impeachment politics, not only because that was not so but also because I think it seriously jeopardizes whatever work we might be capable of doing in this body.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding.

The Washington Post article this morning also reported that proponents of the land-use legislation are charging that "scare tactics" were responsible for the House defeating the rule on the land-use bill this week.

As the Members of this House know from the debate on Tuesday, serious and well-founded objections to the provisions in this legislation on Constitutional grounds were raised. The "taking" of private property without just compensation is in clear violation of the fifth amendment. The concept of land-use planning controlled at the Federal level could be in direct violation of the 10th amendment which reserves to the States or to the people those "powers not delegated to the United States by the Constitution, nor prohibited by it to the States. . . ."

If the raising of these constitutional questions are the "scare tactics" we who opposed the bill are being credited with, and these are the facts which the Post did not print, then I am pleased to have raised these constitutional questions.

It is time the proponents of this legislation stop making excuses, and accept the fact that the rule on this bill was defeated because the majority of Members of this House believe strongly in the Constitution and their responsibility to the people who elected them.

Mr. Speaker, I am grateful to the gentleman who did a tremendous amount of work to oppose this bad legislation. His efforts to acquaint Members with the facts about the provisions in this legislation were substantially responsible for the rule being defeated.

I think we can be grateful that additional hearings were held giving people, who were familiar with this legislation, as reported, the opportunity to present their views. It helped to have the logical reasons why this legislation would be, in fact, so badly detailed in the record of the hearings.

I think that it is even more important that the gentleman took this time today to clearly put to rest the very fallacious argument that our votes were in any way related to "impeachment politics." There is no relationship whatsoever. It is highly unfortunate that the motives of the Members who voted, according to their principles, to defeat the rule on this legislation are being cloaked in "impeachment politics."

We can fully appreciate that the gentleman from Washington, who is an active candidate for President, might be seeking ways to present his case in some kind of a different manner.

PARLIAMENTARY INQUIRY

Mr. FOLEY. Mr. Speaker, if the gentleman will suspend for a minute, I would like to make a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Arizona yield for a parliamentary inquiry?

Mr. STEIGER of Arizona. I yield to the gentleman from Washington.

The SPEAKER pro tempore (Mr. McFALL). The gentleman will state his parliamentary inquiry.

Mr. FOLEY. Mr. Speaker, is it in order to impugn the motives of a Member of the other body?

Mr. ROUSSELOT. Mr. Speaker, I have not impugned anyone's motives.

Mr. FOLEY. I pose the parliamentary inquiry, whether or not discussion of the motives of a Member of the other body is in order.

The SPEAKER pro tempore. The gentleman is correct. It is not in order, in view of the rule of comity between the two Houses.

The genlteman will proceed.

Mr. STEIGER of Arizona. Mr. Speaker, I would advise the gentleman from California (Mr. ROUSSELOT) that I am about to continue to yield him the time; that I, too, think it is very presumptive of the gentleman from Washington, who is running for President; all I heard the gentleman from California (Mr. ROUSSELOT) say was that the Senator was a candidate for President.

Mr. ROUSSELOT. He is a potential candidate for President. If that is impugning his motives, I do not see how it is.

Mr. FOLEY. Mr. Speaker, a point of order. The remarks of the gentleman from California and the remarks of the gentleman from Arizona are out of order. I ask that they be stricken.

Mr. STEIGER of Arizona. Mr. Speaker, might I be heard on that point of order?

The SPEAKER pro tempore. The gentleman will proceed on the point of order.

Mr. STEIGER of Arizona. I would restate what I said, that in my view it is presumptuous of the gentleman from Washington to hold himself up as a candidate for the Presidency of the United States. I fail to see that that is impugning the gentleman's motives.

It is an accepted fact in political life that the gentleman from Washington is, indeed, a candidate for the Presidency, at least in his own eyes.

I suspect, and I am certainly entitled to a view of that candidacy and I have stated that view, with no intent at all of demeaning the gentleman from Washington.

The SPEAKER pro tempore. While the gentleman has not demanded that words be taken down, the Chair will state that under the rules of debate it is not in order for a Member to voice an opinion or cast a reflection on either Members of the House or Members of the other body and it is not in order to refer to Senators by name or in terms of personal criticism, or even for the purpose of complimenting and the inhibition extends to comments of criticism of their actions outside the Senate.

The Chair would also point out to the gentlemen who are carrying on this debate that it is Thursday afternoon and there is no need to get involved in a big political debate.

So the gentleman in the well will proceed in order.

Mr. STEIGER of Arizona. I will tell the Speaker that his logic is irrefutable.

I will yield to the gentleman from California further to please proceed in order. I would request when yielding to him that he would refrain from any comment on any Senator running for President in any State in the Northwest.

Mr. ROUSSELOT. I appreciate the gentleman's comment. I would just like to say that it is the purpose of this special order to comment further on our vote on Tuesday relating to the land use bill, and the press conference that was held yesterday discussing that vote.

I thought in this House we had the right to discuss these kinds of things, and that is why I was thanking the gentleman from Arizona for bringing this up. I think it needs to be discussed in view of the fact that some of the comments made during that press conference by various Members—and others—were in fact comments that needed proper refutation.

Mr. Speaker, I will just say, in conclusion, that during that same press conference, there was a comment about "scare tactics," and that some kind of "scare tactics" were involved. Many of us were concerned—I do not think it was a matter of "scare tactics"—about the constitutional considerations that were raised by this legislation. We felt that it might potentially lead to violations of government at several levels, the taking of property without due process and without just compensation procedures.

We were concerned about possible violations of these constitutional principles, and if the two gentlemen who conducted the press conference considered raising questions about the Constitution to be "scare tactics," so be it, because a lot of people in this country shared these concerns.

Mr. Speaker, I would like to compliment again the gentleman from Arizona for bringing about this discussion, because I think it needed to be undertaken. I do not think that we should ever take the position that because somebody—somebody—might be interested in being a Presidential candidate, that it is somehow a bad thing, I think it is a fine thing.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from Indiana.

Mr. MYERS. Mr. Speaker, as it relates to impugning motives, if I understood the reading of the rules a moment ago by the Speaker, it seems the other gentleman from Arizona the other day impugned many Members' motives here by suggesting why they did not vote for that particular rule; suggesting there might be something else involved. So, I certainly think at that particular time also that Members' motives were impugned by the other gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, I think the Speaker is absolutely right when he points out it is improper to be impugning motives, whether it is done by us, the good guys, or by the bad guys.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, the rhetoric which hit the headlines on the defeat of the Federal land use control legislation turns my stomach. Who is kidding who?

This body is the elected House of the poeple. We have spoken, and I challenge anyone to discredit my vote as having had ulterior motives. There is not one man in this Chamber who would consider selling his vote over to the kind of cheap antics ascribed in this morning's Washington Post. Are we to live out the remainder of this Congress hearing about so-called Watergate insurance every time someone's pet bill is defeated? Will we continue to hear from our colleagues in the Senate such threats as "That's all right, boys, you defeated my bill, but I can just attach it to another piece of legislation." What has happened to the code of conduct that once said: "When voted down, a bill is dead." Instead of bringing along our card for the electronic voting machine, must we now begin to utilize a shovel to beat these bills to the floor?

In the past 2 weeks, I have signed close to 400 letters in response to about the land-use planning legislation. Five of those—and I repeat five—supported the proposal. Gentlemen, I submit to you, the people back home have spoken, and the House has acted accordingly. Let this issue die a comfortable death.

Mr. Speaker, unless the gentleman from Washington wishes some more time——

The SPEAKER pro tempore. The Chair would point out to the gentleman from Arizona that the gentleman from Washington has his own time a little later on.

Mr. STEIGER of Arizona. I was about to yield back the balance of my time.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I just suggest to all the Members who expressed this indignation that they seek a copy of the remarks that were made in the press conference referred to and judge for themselves whether motives of Members of the House were impugned.

Mr. STEIGER of Arizona. The gentleman is not suggesting that members of the press were possibly misinterpreting what was said at that press conference, is he; because I know the gentleman is a great champion of the press. He is not saying that the press erred in what they reported?

Mr. FOLEY. Mr. Speaker, I will have to dispute the gentleman. It is my opinion that in many cases the press has misstated what has gone on.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, now we get around to the point, I say to the gentleman from Washington presently on the floor, where we need some explanation of what happened with respect to the press conference. Can the gentleman tell us whether any individual, or any individual who was involved in that press conference, has asked for a retraction or correction or anything else with respect to the statements carried by the newspapers?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield to me, I say to the gentleman from Iowa that I am present on the floor for a different purpose. I have a 5-minute special order of my own on another subject.

I have read both releases that were the subject of this press conference, and I did not in any sense draw the interpretation that has been drawn by the various Members here today, that those statements impugned the motives of Members of Congress in voting against the rule.

My original purpose in seeking the colloquy with the gentleman from Arizona was just to point out that the point was made with reference to the administration changing its position on this bill; not in any sense charging Members of Congress with having changed their positions on this bill as a result of any alleged impeachment politics.

Mr. Speaker, I just suggested that before any Members draw any conclusions, the press conference releases are available and they might request them. They could be a part of this special order and be put in the RECORD.

Mr. STEIGER of Arizona. Mr. Speaker, I should like to point out to the gentleman from Washington that since nobody sent us a copy of the release, all we had to depend on was the newspaper reporting. That is all we are responding to.

Mr. FOLEY. If the gentleman will yield, I think that should be clear, that you are responding to the press report rather than to the releases which were the subject of this press conference. I think an examination would satisfy the Members that no impugning of their motives was intended at the press conference.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, those who are issuing a press release or holding a press conference do not have to keep Members of the House advised of it. They do not have to see that Members of the House are given a copy of the press release. It is not incumbent upon Members of the House to run around seeking press releases from Members of the other body or of this body.

Mr. FOLEY. If the gentleman will yield, I do not think it is customary for Members of the House to send each one of their colleagues copies of press releases. But I am sure they are available. This one was probably Mr. Udall's, and I am sure that Mr. Udall would be glad to furnish Members a copy of the press release or copies of the press release.

Mr. GROSS. Mr. Speaker, I do not want it to appear that the gentleman from Arizona should run around seeking a press release after he has seen what appeared in the newspapers about a bill that was disapproved.

Mr. FOLEY. Not in my judgment. I will tell the gentleman from Iowa that the assertion was made that a press release impugned the Members of Congress. I think that before that charge is made there ought to be an effort to find out what was said and not simply rely on press reports.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding.

I know the gentleman was present at a meeting of the Committee on Interior and Insular Affairs. There was a discussion of this very matter, if my memory serves. The gentleman from Arizona (Mr. Udall) answered the gentleman from Arizona (Mr. Steiger) very much in the same vein as that which we are discussing now.

Another gentleman of the committee (Mr. Kazen) took sharp issue with those remarks, unless I am mistaken.

Can the gentleman from Arizona (Mr. Steiger) tell me whether I am correct?

Mr. STEIGER of Arizona. My recollection is that he responded as though he had been accused of making some kind of deal on impeachment because he voted against the rule. That was his reaction.

Mr. Speaker, I may be violating the rules of the House against reading anything in the well, but I was just handed a report on the Udall comments with regard to this matter. This was in the Washington Star-News dated Wednesday, July 12:

> Supporters of the bill charged after yesterday's vote that the White House helped kill it by playing impeachment politics. Representative Morris K. Udall said President Nixon played impeachment politics on the bill, deliberately withdrawing his support of the measure his Interior Secretary helped write, to get conservatives to stay with him on impeachment.

Mr. Speaker, I would say that certainly implies that an arrangement had been made. If that is an erroneous quote, I am sure Mr. Udall would be happy to apologize for it, as the gentleman from Iowa suggested.

Mrs. HOLT. Mr. Speaker, I am pleased to join my distinguished colleague from Arizona (Mr. Steiger) in questioning this morning's press reports about the resurrection of the land use bill.

The House spoke out on Tuesday and decided to postpone consideration of this very significant legislation.

Mr. Speaker, I support the action of the House in deferring action on this bill, and trust that we will not again have to consider legislation which is so deficient in so many respects. I would find it very offensive if my colleague from Arizona (Mr. Udall) would actually impugn the motives of a majority of the Members of this House, as it was reported by the press.

Mr. BAUMAN. Mr. Speaker, just 2 days ago, a majority of the Members of this House rejected the rule on a Federal land use bill (H.R. 10294) on grounds which were eminently fair and reasonable. The bill was rejected because it was faulty; the fact that its sponsors suddenly were prepared to offer 21 last-minute amendments of their own is ample evidence of that. Scores of other amendments had been drafted by a broad array of Members from both parties. But legislating in this fashion does the citizen of the United States a grave disservice. The work should have been done in the Interior Committee; instead, its sponsors held doggedly to a position of intransigence during committee deliberations.

The bill was rejected because it would have effected a dramatic shift in the distribution of powers among local, State, and Federal governments. It would have subordinated local zoning and land use powers entirely to State-level agencies, and in turn made those State agencies ultimately responsible to the oversight of bureaucrats in Washington. Claims by the sponsors of the bill that it was just a simple little measure to "encourage" land-use planning by the States and localities were, and are, absurd, and a majority of the Members of this House recognized that fact. It does not take a bill 47 pages long to offer a little "encouragement."

And most important of all, the bill was rejected because not only is there no broad ground swell of enthusiastic support to be found among the citizens of the Nation for it, but because in fact there is very considerable and deep-seated opposition to the imposition of a Federal role in land-use planning. The bill's sponsors have not made a case for their measure to the satisfaction of the American people. And it is about time that this fact be given some attention.

I was disturbed indeed by a press conference called yesterday by the chief sponsors of the land use bill from this House and from the other body, at which they claimed that "impeachment politics" were to blame for the bill's defeat. This charge is utterly without foundation, and is easily contradicted by the fact that anonymous White House functionaries sent down a last-minute package of amendments which they contended would make the committee bill acceptable to them. In fact, the administration has taken just about every position imaginable on this bill, and to contend that they had anything to do with defeating the entire business just does not have any relation to reality. Incidentally, I find it almost amusing to observe sanguine liberal observations one day that the President has been crippled so badly by Watergate that he is powerless in his dealings with Congress, and the next day find the very same individuals charging that the President has so much power that he can singlehandedly defeat one of the biggest liberal cause celebres of the decade. There is a pretty strong odor there somewhere.

I am disturbed, too, by the threat that this bill will be attached as a rider to some other unrelated measure in the Senate. This represents a flagrant attempt to thwart the obvious and very strong opposition to the measure on the part of many Americans. Dire predictions of disaster and every plague known to man should this measure fail to be signed into law remind one of Chicken Little's plaintive claim that the sky is about to fall. The sky will not fall. A Federal role in land use planning is neither needed nor desired by most citizens, who know that they will have the most effective voice regarding land-use decisions in their localities if the responsibility is retained at the local level. And for better or for worse, many States are opting for their own State level land use programs, including my home State of Maryland. But they are doing so without being subject to a federally imposed straitjacket of regulations and requirements, and in so doing they have available to them a wide variety of options in developing and implementing land use planning programs which are best suited to them.

Mr. Speaker, the main thing any Federal Land Use Planning Act will do is spread around more of the taxpayers' money that we do not have to spread around; and establish Federal authority in an area which has been reserved exclusively to the States for the nearly 200 years we have been incorporated as a constitutional Republic.

To attempt to jam this down the throats of the American people and of the Members of this body, who wisely voted to reject the measure earlier this week, would be wrong headed and dangerous. And no amount of diversionary chatter about "impeachment politics" or "scare tactics from the right" are going to change the basic fact that this bill is a bad bill. Trying to pin the blame for defeat of a bill on bogeymen is an old story. It is not the first time it has been tried and it will not be the last. But I am hopeful that the Members will recognize this ploy for what it is and reject any attempts to revive one of the most ill-advised pieces of legislation in recent history.

Mr. HUDNUT. Mr. Speaker, I am pleased to associate myself with the remarks of my colleague, the distinguished gentleman from Arizona (Mr. STEIGER) on the Land Use Planning Act of 1974. An article in the Washington Post today indicates there may be an attempt to attach the substance of H.R. 10294, to some House-passed bill that is "must" legislation. I certainly hope this controversial measure will not be brought before us again under such a procedure.

I voted "nay" on the rule for consideration (H. Res. 1110) because I felt the bill should have been changed to a great extent before coming out of the House Interior Committee. The proposal is landmark legislation which could effect adversely the lives and property rights of individual citizens, the plans and programs of States and municipalities, the direction of industrial growth and expansion across the Nation. It could also, in the opinion of many, constitute the first step toward rigid Federal control of all land. Yet no field hearings were conducted and there were reports that an attempt would be made to rewrite the bill on the House floor through the introduction of numerous amendments. In my judgment a bill of such importance should not be considered under these circumstances.

Mr. STEIGER of Arizona. Mr. Speaker, in the absence of any further requests for yielding time, I am going to yield back the balance of my time.

THE ARAB'S VIEW OF THE MIDDLE EAST PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, now that a cease-fire and a withdrawal from territories occupied in the 1973 war have been achieved in the Middle East, the hard bargaining can get underway at Geneva. The thorny problems of withdrawal from lands occupied in 1967 and that posed by the Palestinian refugees will be even more difficult to resolve than the issues which confounded Secretary Kissinger for over a month before yielding to the cease-fire in the Golan Heights.

To understand the Arab position regarding the contemporary Middle East problem, it is necessary to view the issue in its historical context. For more than 5,000 years the Arab peoples and their ancestors have inhabited the Middle East, commonly called the "cradle of civilization" and have had sovereignty over the area. The Arabic peoples, the Canaanites and Philistines lived in Palestine some 3,000 years before Christ.

Egypt under the Pharaohs had one of the oldest civilizations extending from the Nile to the Sinai and the Sudan. The civilizations of the Philistines, Hittites, Sumerians, Arameans and Phoenicians encompassed the Tigris-Euphrates area, present-day Syria, Iraq, Jordan, Lebanon, and Israel or Palestine. In the 14th century its capital, Jerusalem, was ruled by Abd Khiba, an Arab, under an Egyptian dependency. Jerusalem was still a Canaanite city when David and his son Solomon ruled it in the 10th century B.C.

RELIGIOUS TOLERANCE

It was here in the birthplace of civilization that the three great monotheistic religions emerged, each borrowing from one another. Akhenaton, the pharoah, was the first to believe in monotheism and some say he influenced Moses, forefather of the Hebrews. The birth of Jesus Christ brought forth a new dimension in religious thought. When Islam emerged in the seventh century, it was symbolized by tolerance toward all people—Christians, Jews and Moslems alike. This was demonstrated during the Islamic period when Christians, Jews and Moslems cooperated in science, medicine, philosophy, art and translations of the classics. This spirit lasted until the Ottoman Turks conquered the area in 1916 and the Arab empire fell into disarray. For 400 years the advances of the Arab world were dormant until the spirit of nationalism swept across Europe and, belatedly, began to influence the Middle East.

1898 ARAB AND JEWISH NATIONALISM

Arab nationalism, the desire to throw off the yoke of the Turks, was awakened in the late 19th and 20th century. At the same time, in 1898 Theodore Herzl advanced the concept of Zionism—a Jewish return to Palestine based on Biblical prophecy.

During the First World War the British and French made conflicting promises to both peoples. The Husain-MacMahon correspondence promised the Arabs independence in return for joining the British and French against the Central Powers. The Balfour Declaration promised a homeland to the Jews. The Balfour Declaration also stated that "nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine."

Then the secret Sykes-Picot Treaty divided the area into French and British spheres of influence which resulted in the postwar mandate system. These were the seeds of broken promises at the root of the present-day Arab-Israeli conflict.

THE PALESTINE PROBLEM

The Arabs view it as ironic that the area in which the Jewish people had for centuries lived free of persecution—the Middle East—would have to pay for the atrocities and guilt of the West. No two groups of people have more cultural affinity and common history than the Arabs and the Jews. Arab attitudes over the creation of the state of Israel are not anti-Jewish, but based on antipathy toward the political movement of Zionism, which has displaced Arab inhabitants who had been in Palestine for 5,000 years.

In 1922 Jews represented only 13 percent of the population of Palestine; in 1935 they accounted for 28 percent of the population; and in 1947, 33 percent. As numbers increased, the idea for a national home turned into aspirations for a Jewish state to be exclusively Jewish—politically, ethnically, and economically. This concept was opposed by the Arabs who wanted to preserve the Arab character of Palestine and to restrict immigration.

The Palestine question reached international proportions during World War II and the years that followed. Traditional American support for minorities and the strong feelings of guilt which still prevailed over the U.S. failure to alleviate the plight of the Jews in Europe during the ruthless Nazi purges galvanized political support in the United States for the Zionist movement. In 1944, Congress called for unlimited Jewish immigration into Palestine and the reconstitution of Palestine as a Jewish state.

Unable to reconcile the divergent points of view, the British Government on February 18, 1947, decided to submit the entire Palestine problem to the judgment of the United Nations, then an embryonic organization in the process of establishing procedures for the international community.

1947–49

On November 29, 1947, the U.N. General Assembly recommended that Palestine be divided into an Arab and Jewish state with Jerusalem internationalized. Within a few days units of the Hagana and Irgun, the two Jewish underground paramilitary organizations, began moving out to consolidate their hold not only over the area allotted to the Jewish state by the United Nations, but also over Arab areas as well. In his book, *The Revolt*, Menachem Begin, leader of Israel's Likud party, puts the strategic objectives of the Irgun in January 1948 as: Jerusalem, Jaffa, the Lydda-Ramleh plain and the Nablus-Jenin-Tulkarm triangle, all within the proposed Arab state. Arab reaction to these developments was disorganized and largely ineffective. Hence, when the British Mandate terminated in May 1948, a Jewish command of some 62,500 men—many combat veterans of World War II—was in the field to contest the Arab attempt to thwart the establishment of the Jewish state. The Arab forces which entered Palestine totaled 17,500. These forces succeeded in holding large portions of the West Bank of Jordan, including East Jerusalem. The only Arab troops which succeeded in penetrating the Jewish state boundaries were an Egyptian column which crossed the Negev to Beersheba.

The fighting in 1947–49 amply demonstrated to many Arabs the ability of the essentially European-Jewish community in Palestine to field a modern, well-trained and organized fighting force which succeeded not only in securing a Jewish state as envisaged in the U.N. Partition Recommendation, but an additional 25 percent of Palestine as well. During these hostilities, more than half of the Palestinian Arab population fled the combat areas. This group constitutes the core of the Palestinian refugees now numbering over a million and a half. Most Arab perceptions of the Arab-Israeli conflict emanate from what they believe happened in the 1947–49 period.

THE FIFTIES AND SIXTIES

The attempts to resolve the issue in the fifties and sixties met with failure from the Arab viewpoint because the fundamental right of repatriation or compensation as required by United Nations General Assembly Resolution 194(III) and the Universal Declaration of Human Rights was never granted to the Palestinians by Israel. The Arabs predicated any consideration of acceptance of the state of Israel on the precondition of the Palestinians' right to return to their homeland.

While the refusal of the United States to loan Egypt funds for the Aswan Dam in 1955–56 damaged the U.S. image in the Arab world and resulted in the nationalization of the Suez Canal, the subsequent attack on Egypt by Israel, France and Britain did even more to alienate the Arabs from the West. President Eisenhower's demand for a cease-fire and withdrawal, however, helped to maintain American credibility in the Arab world.

During the sixties, the United States supplied Israel with sophisticated military weapons to counter Soviet weapons going to Egypt and Syria and, therefore, Arab hostility to the United States increased. That these arms enabled Israel to consolidate its occupation of Arab lands following the 1967 war further enraged the Arabs.

1967

As former U.N. Ambassador Charles Yost has stated, the 1967 war was the result of a series of miscalculations, threats, counterthreats and over response by both sides. Continuous commando raids into Israel resulted in determined retaliation against Syria, the bombing of the village of Es Sammu, shooting down of Syrian airplanes, and increased fighting. Egypt mobilized and closed the Gulf of Aqaba to Israeli ships. Israel considered the closing of the Straits of Tiran, which had occurred in 1956, an act of war. The United States tried unsuccessfully to reopen the straits through diplomacy.

Tension mounted and it was announced on June 4 that the vice president of the United Arab Republic would visit the United States to discuss the situation and to consider other alternatives. Israeli Foreign Minister Eban was also shuttling between capitals. But time had run out. On June 5 diplomacy gave way to war. Israel initiated a preemptive attack against the poorly organized Arab armies. In 6 days it inflicted a humiliating defeat on the entire Arab world.

ARAB REACTION TO 1967 WAR

Arab reaction to the Israeli strike was manifold: during the first 36-hours, disbelief over the military accuracy of Israel convinced the Arabs that the West had assisted them as they had once before in 1956. President Nassar and King Hussein accused the United Kingdom and the United States of assisting Israel in its military venture and the United Arab Republic, Iraq, Syria, Algeria, and three other Arab States broke diplomatic relations with the United States and Britain.

AFTERMATH OF THE JUNE WAR

Following the war, a carefully worded resolution was drawn up in the United Nations. United Nations Security Council Resolution 242 calls for:

First, withdrawal of Israeli Armed Forces from territories occupied in the recent 1967 conflict;

Second, termination of all claims of States of belligerency and respect for and acknowledgment of the sovereign territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

Third, guaranteeing freedom of navigation through international waterways in the area;

Fourth, achieving a just settlement of the refugee problem; and

Fifth, guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones.

Egypt and Jordan committed themselves to U.N. Resolution 242 stating it was a literal formula for peace; whereas Israel accepted it as a frame of reference for direct negotiations. Syria never officially accepted U.N. Resolution 242.

Arabs have felt that the position of the United States during this time, and until recently, has been one of contradiction.

On one hand, the United States has given diplomatic support to U.N. Security Council Resolution 242, promoted the Big Four talks, developed the so-called Rogers' Plan in 1969, and effected a cease-fire along the Suez Canal in 1970. On the other hand, Arabs point out that the United States has given large quantities of economic and military assistance to Israel which has helped to solidify its position in the occupied territories. Arabs believe that military strength has also made possible Israeli control over Jerusalem. Many Arabs are bitter over the structural and architectural changes that took place in Jerusalem in defiance of the United Nations.

Of the additional 240,000 Palestinians who left the West Bank—for the second time in their lives—only some 27,000 returned. The remainder became refugees in make-shift camps—in their view denied the right of return, a fact which contributed to the resistance or "commando" movement which has plagued the world ever since.

Moreover, as the occupation wore on, Israel settlements, totaling over 40 in number were established on the West Bank, in Sinai, and the Golan Heights. In the summer of 1973, the Galili Plan to absorb economically and politically occupied Arab territories was adopted by the ruling Israeli Labor Party. Many Arabs viewed this as particularly degrading and it confirmed to them that the situation would not change until they acted.

THE OCTOBER WAR AND ITS AFTERMATH

The October war was born out of frustration over the years since 1967. It was an attempt to break the 7 year no war-no peace stalemate. The sole objective, confirmed by the Chairman of the Joint Chiefs of Staff, Adm. Thomas Moorer, was to regain occupied Arab territories.

THE OIL EMBARGO

Even though the Soviet Union started to resupply Egypt and Syria during the October war, the Arabs reacted quickly and dramatically to the massive rearmament of Israel by the U.S. and the commitment of $2.2 billion to Israel's defense. On October 17, 1973, the Arab oil producing states applied an oil embargo against the United States and others who aided Israel. Five months later, the embargo was lifted.

THE ARAB POSITION IN 1974

Today, most Arabs welcome the efforts of Secretary of State Henry Kissinger to obtain disengagement of forces in the Middle East and start negotiations toward a lasting peace. They hope that the disengagement of Egyptian and Israeli forces can be followed by a similar disengagement on the Syrian front which will allow the 170,000 displaced Syrian civilians to return to their homes. The agreement signed May 31 could begin the process which will make this possible.

Beyond disengagement, the hard questions of withdrawal from lands occupied in 1967 and the Palestinian problem remain to be settled. In addition to withdrawal from occupied territories, the Arabs believe that any settlement must include:

First, adherence to all provisions of U.N. Security Council Resolution 242.

Second, a just settlement of the refugee problem entailing self-determination for the Palestinians, as provided for in several U.N. General Assembly resolutions.

Third, the return of Arab Jerusalem as provided for in several U.N. resolutions.

In short, what the Arabs want is for the United States to pursue a truly balanced policy in the Middle East. If we treat both Arabs and Israelis equally, we will greatly strengthen the fabric of world peace and best serve our own national interests.

AMENDMENT TO COMMERCIAL FISHERIES RESEARCH AND DEVELOPMENT ACT OF 1964

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill that will amend the Commercial Fisheries Research and Development Act of 1964 to increase the funds for fisheries disaster rehabilitation. It is time that positive steps be taken to aid our failing fishing industry. Our scattered efforts to research and improve conservation practices in the management of U.S. fisheries have been insufficient due to inadequate Federal funding and protection of our stocks. The foreign fishing fleets continue to exploit U.S. stocks on our shores and they continue illegal conservation practices on the high seas in violation of the agreements of various international conventions.

Environmental factors and natural seasonal fluctuations and disaster conditions to deplete our stocks because there are no preventive practices to protect our fisheries. In spite of the work done by many State and Federal agencies and private organizations to research the habits of U.S. fisheries, the stocks around the country continue to decline to the point of depletion.

Let me state an example. In Bristol Bay, Alaska, the sockeye salmon fishery has many times been the most valuable fishery in the State. The value of Alaskan salmon landings in 1972, an off year for salmon fisheries, was $72.8 million, at about 65 percent of the total Pacific salmon harvest. Bristol Bay's total population of over 4,000 depends almost competely on the salmon industry. This world's richest "red salmon" grounds have given Bristol Bay residents as much as $30 million in income in 1 year.

However, for the first time since the fishery started in the late 1800's, the Bristol Bay commercial operation has been closed by the State because the stocks were dangerously depleted to the point that it was feared that there would not be enough salmon to return and spawn in their original streams to replenish the populations.

There have been two major factors that have been responsible for this depletion. The first is that the Japanese fishing fleets have taken as much as 40 to 50 percent of the total harvest of our sockeye samon in any given year. The second and even more destructive factor has been cold weather that has frozen or destroyed salmon beds. Man-made structures have also interfered with the normal traveling habits of the fish.

While the 200 mile bill may help to prevent the first cause of depletion, this second factor requires more serious consideration. There are two problems that must be considered and these are first, the rehabilitation of our now destroyed fisheries and second, the further prevention of such tragedies.

The bill I am introducing today will try to accomplish both goals by increasing disaster assistance to depleted fisheries of the United States by increasing the funding for rehabilitation of the depleted stocks. The funds that are not employed in this manner are channeled to the further research and enhancement of our marine resources.

Without this assistance, Bristol Bay fishermen and fishermen of other areas in the United States that have been forced out of fishing will suffer for an indefinite period of time without the hope of being able to fish on the same basis as in the past.

I would like to make one more point. The wise action taken by the State of Alaska to close the fishery, although initially costly, will in the long run give the fish populations a chance to grow.

Attempts have been made to plea with the fishermen of Japan to halt their fishing activities in the salmon fishery. However, our attempts have been ignored. If their fishing continues on the high levels of the past, damage will be irreparable. Such total disregard for essential conservation practices points to the necessity of a 200 mile bill or similar bill in addition to increased funding for our fisheries work.

The excellent financial return on the Federal Government investment makes this action look even more attractive. However, it is also a necessity for our fishing industry, and the American consumer who has depended on fish as a major source of high protein food.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that—

(1) fish populations of the world have been steadily declining and certain populations are in danger of depletion as a result of inadequate fisheries management practices, as well as natural and undetermined resource disasters;

(2) one of the world's most important salmon fisheries, the sockeye salmon fishery of Bristol Bay, Alaska, which represented a substantial share of Alaska's and the United States' total landed value of commercial fish has recently been closed due to depleted fish stocks as a result of natural causes and violations of international fisheries treaties; and

(3) provisions for the rehabilitation of fisheries which have failed as a result of resource disasters, poor conservation practices or other causes have been inadequate.

(b) The Congress therefore finds that it is vitally necessary to provide additional funds to restore United States fisheries which have been adversely affected by resource disasters.

SEC. 2. Section 4(b) of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779b(b)) is amended—

(1) by striking out "$1,500,000" and inserting in lieu thereof "$5,000,000"; and

(2) by amending the first proviso thereof by striking out "That" and all that follows thereafter down through "undetermined causes," and inserting in lieu thereof the following: "That the Secretary shall give a preference to those States in which he determines there is a commercial fishery failure (and among such States the Secretary shall give preference to those States in which any such failure resulted in any closure of a fishery) due to a resource disaster arising from natural causes, from foreign violations of international fisheries agreements, or from undetermined causes,".

McKINNEY SCORES SECRETARY SIMON'S LOTTERY TAX PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, I understand that the Secretary of the Treasury has asked—through you—that Congress consider the enactment of legislation which would impose a 20 percent withholding tax on State lottery winnings.

While I hold Mr. Simon in high personal regard, I must ask, Mr. Speaker, that you ignore this request and further, I would hope that the Secretary would withdraw it for although I am sure unintentioned, it calls into question the integrity and intelligence of the American people.

To allay all concerns, I would ask that Secretary Simon give his support to H.R. 7719 which I have introduced calling for elimination of all Federal taxes on State lottery winnings.

My reasoning, as stated previously, is three-fold:

A Federal income tax on State lottery winnings further denigrates deteriorating government credibility in that one governmental entity—in this case, the State—creates the illusion of a "windfall" but that is short lived when "big brother" bursts the balloon and wants the tax grab;

A Federal income tax on State lottery winnings encourages the growth of illegal gambling since many law enforcement officers will tell you that organized crime is "double teaming" the lotteries and paying off in tax free cash; and

The Federal Government should follow the lead of the States which have seen the folly of this type of double taxation and exempt lottery winnings from State income taxes.

There is a "windfall profit" factor here, Mr. Speaker, but the only beneficiary is the Department of the Treasury which views this type of collection as unanticipated revenue and therefore, never includes this figure in budgetary projections.

I think it is especially sad, Mr. Speaker, when one considers the magnitude of this Nation's economic problems that the chief officer of the Department of the Treasury is left to carping about the small loss of lottery tax payments or what he refers to as "residual noncompliance." He expresses his concern after noting a "relatively high" compliance factor of 85 percent.

This "get the little guy" approach continues in his statement to you when he adds that "We have reason to believe that compliance is much lower for winners of less than $600."

Insult is added to injury, Mr. Speaker, when he notes—

> Many winners are unsophisticated in tax matters and thus fail to provide for timely payment of Federal income tax on their winnings.

In a fatherly manner, Mr. Simon then twits the children by telling you that—

> In many cases, winners spend their lottery proceeds before the tax return filing date and consequently find that they are unable to pay the tax on their winnings when their taxes are due.

Mr. Simons' solution is to withhold at the source. Mine, Mr. Speaker, would save everyone all this trouble for I firmly believe that this devil does not deserve its due.

GREATER SCRANTON CHAMBER OF COMMERCE ANNUAL DINNER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, the Greater Scranton Chamber of Commerce recently held its annual dinner, at which I was pleased to be present in the role of toastmaster.

At that dinner particular attention was given to those firms in the Scranton area which engage in the export of their products, 46 such firms, with a volume of approximately $25 million in export sales. I do not have to point out the significance of such export trade. It creates jobs in the local Scranton market. It is part of our national program to improve our balance-of-payments posture in world trade; and these firms are ample proof that American firms can compete in world trade.

Particular honor was paid to several of the people who have made notable contributions to the growth of industry in the Greater Scranton area.

Edward J. Lynett, copublisher of the Scranton Times, and David F. Hansen, president of Pennsylvania Gas & Water Co. were cochairman of the chamber's sustaining fund drive. This is the fund that provides seed money for new industrial growth. They not only achieved their goal; they exceeded it. Timothy L. Curtin, president of Computer Reports Co., was chairman of the general membership drive. Again the goal was not only reached, but surpassed. In turn, Mr. Curtin paid tribute to Bernard Harding, Attorney Robert Preate, Bob Muti, and Robert Polidori for leadership in the membership drive.

It was the privilege of Mr. Muti, owner of Quality Car Wash, to pay special tribute to two local firms observing their 100th anniversaries—the West Side Bank and the Consolidated Molded Products Corp. He also introduced Miss Roberta Schoen, who recently triumphed in a contest with 1,400 other entrants in an eastern U.S. junior achievement contest. Miss Schoen is a student at Abington Heights High School.

Mr. Donald Moyer, executive vice president of the Greater Scranton Chamber of Commerce addressed the members. Mr. Moyer will work full time in the future in helping to develop a new industrial future for the entire community. He is well experienced in the field of industrial development.

Certainly one of the outstanding speakers of the evening was Mr. Robert Noland, president of the Greater Scranton Chamber of Commerce, a member of the firm of Bellante, Clauss, Miller & Nolan. We feel that our chamber of commerce is unique among the chambers of the United States. It has worked hand-in-glove with the citizenry of the community, with all sectors of the industrial community, with the men and women in the labor movement. Through this splendid cooperative effort, our community has pulled itself up by its bootstraps to become the hub of so many internationally minded companies. This rich heritage of joint venture and joint success is being added to by the current president, Bob Noland, who is engaging the members of the chamber in a role of major activities in seeking to improve the quality of life for all the people in our community.

We were fortunate to have as principal speaker the Honorable John K. Tabor, Under Secretary of Commerce. Mr. Tabor, of course, is well known for his work in promoting experts from firms all across the United States. His presence was an inspiration for all, and his remarks on the potential market for export was one listened to attentively by the members of the chamber that evening.

I know that all of my colleagues join me in saluting the members of the chamber, particularly the firms which were singled out for their work in the export market. I will, with your permission, Mr. Speaker, append an article from the Scranton Tribune concerning the dinner.

TABOR SALUTES REGIONAL FIRMS BRINGING MONEY FROM ABROAD

"From bubble gum to caskets, from the export of knowledge through correspondence schools, to the design of embassies abroad, you are already bringing foreign money to Lackawanna County," Under Secretary of Commerce John K. Tabor declared in his address at the 107th dinner of the Greater Scranton Chamber of Commerce Wednesday night.

Tabor's address at the Jermyn Motor Inn highlighted a salute to "world market" companies of the area.

Close to 500 heard Mr. Tabor laud the county's role a "hub of international trade." He commended regional business firms, who he said, produce and export more than $40 million in goods to foreign countries annually.

Earlier, Tabor presented certificates to 32 area firms engaged in international trade, hailing them for this "export" income at a time when the U.S. economy urgently needs it.

He pointed out that American trade with the Arab nations, alone, has a potential market of $40 billion. He noted that these nations will have the wherewithal for large-scale investments in petroleum processes and other facilities both in developed and developing regions of the world."

In a talk with The Tribune prior to his speech, Tabor elaborated on the potential trade boom.

"The Arab countries need hospitals and medical facilities," he said. "They need air conditioning, new hotels, housing, better transportation and airports."

Explaining the "downstream" aspects of investing in an expansion of their petroleum processes he said the Arab communities want to build their own petro-chemical plants, shipyards, ships and steel mills.

But the United States faces stiff competition from the United Kingdom, Germany, France and Japan in the $40 billion potential Arab market, the Under Secretary warned.

However, he thinks the U.S. carrot is a brighter orange and is waved from a longer and stronger stick than other competing countries.

"We have better products to offer the Arabs," he said. "And these products are more rugged and durable. And we have a better back-up service on parts."

In a local front, Tabor, speaking before the C of C, mentioned some area firms which have been successfully exporting their products abroad.

Grove Textiles has already sent one of its products literally out of this world: A special fabric of theirs was woven into the suits of American astronauts, he said.

"As far back as 1971," he said, "you had 44 firms in this area exporting over $14.2 million worth of goods. The next year, you increased that dollar volume by more than 70 per cent to over $24 million. Today, although no official figures are available, I am sure the value of your exports is well over $40 million."

Tabor also mentioned that the "new markets in the Near East should be good news for you because you are going to have a very good friend looking out for your interests there—one of Scranton's own, Herman Eilts, who has just been appointed U.S. Ambassador to Egypt."

THE DANGER OF PSROS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, those countries which have had experience with socialized medicine have witnessed a dramatic deterioration in the quality of their medical care.

In fact, such countries have seen thousands of their most able physicians leave because they did not wish to see their medical practice taken over by a huge and impersonal government bureaucracy.

At the present time, British doctors practicing for the National Health Service are worse off than their medical colleagues in any other European country. They work longer hours for less money, have less opportunity to follow the career of their choice and reach a senior position at a later age.

The June 7, 1974, issue of "To the Point International" notes that—

> Australia House in London . . . has reported that enquiries from doctors wishing to emigrate have escalated dramatically in recent months. In December 1973, there were 12 enquiries, In January 42 and in February 51 . . . medical emigration is expected to increase even more.

One doctor who emigrated to the United States from Great Britain is Dr. Donald Quinlan, of Chicago, recently elected president of the American Association of Physicians and Surgeons.

Dr. Quinlan left England because of his opposition to governmental interference in the practice of medicine. He came to the United States because of our own longstanding belief in the private practice of medicine and today, unfortunately, he sees this principle eroding.

In recent testimony before the Subcommittee on Health of the Senate Finance Committee, Dr. Quinlan discussed the dangers of the professional standards review (PSRO) program.

Dr. Quinlan points out—

> This law will require that medical care be "standardized" for Medicare and Medicaid patients and their doctors will be forced to comply with a system of pre-set standards of medical diagnosis, treatment and care in accordance with the regulations of one man—the Secretary of HEW. Although he is not a licensed physician, he is the final judge of regulations controlling physicians' judgment governing the type of treatment physicians may prescribe for their patients. . . .

Another very harmful part of the PSRO program is its challenge to the traditional doctor-patient relationship and the confidentiality which is inherent in it. At a time when our concern for the right of privacy is mounting, and many are speaking out against government encroachments on privacy, it is ironic that the PSRO program has been instituted.

Dr. Quinlan declares that—

> Under this law, a physician can be forced to turn over to federal employees all medical notes taken in his office or in a hospital, including the most confidential information about his patients. Likewise, it is planned to have massive, detailed, computerized files on patients and doctors which will be instantly available to federal employees as an aid to the surveillance program and for such other purposes as the Secretary of HEW may provide.

The American Association of Physicians and Surgeons has filed suit in the Federal court to have the PSRO law held unconstitutional as being an overbroad interference with the fundamental rights of patients and their doctors, unjustified by any legitimate and compelling legislative interests. PSRO, charges the AAPS, "is punitive in concept. Its purpose is to entrap doctors in a system of government-imposed controls."

There have been, the AAPS charges, many misrepresentations made concerning the real meaning and purpose of the PSRO program. A document, "PSRO: Questions and Answers," written and distributed in December 1973 by the Department of Health, Education, and Welfare, is, Dr. Quinlan charges, misleading.

I wish to share with my colleagues Dr. Quinlan's testimony before the Subcommittee on Health of the Senate Finance Committee of May 9, 1974:

STATEMENT OF THE ASSOCIATION OF AMERICAN PHYSICIANS AND SURGEONS

(By Donald Quinlan, M.D.)

We appreciate this opportunity to present the views of the Association of American Physicians and Surgeons. I am Donald Quinlan, M.D., President, a physician in the private practice of medicine in Chicago, Illinois. With me are Thomas G. Dorrity, M.D., a surgeon in the private practice of medicine in Memphis, Tennessee, who is also Chairman of our Legislative Committee; and Mr. Frank K. Woolley, Executive Director, with headquarter offices in Oak Brook, Illinois. With your permission, Dr. Dorrity and Mr. Woolley will assist me with our Statement and any questions you have concerning it.

The Association is a free, independent, non-governmental, voluntary organization of members of the medical profession. We are united for the purpose of analyzing the profession's problems and formulating actions to improve medical care for all Americans, preserve freedom of choice for patient and doctor, protect the practice of private medicine, and educate physicians and the public to recognize and resist schemes that would weaken or destroy our free-choice system of medical care.

With your permission, Mr. Chairman, we will present a summary statement today and file for the record later on a more detailed analysis of the problems of the PSRO law.

We welcome this Committee holding "hearings to evaluate present and proposed implementation of the professional standards review legislation" because of its grave implications for individual freedom and responsibility as we have known it in this country since the founding of the republic.

Our testimony will demonstate the basic concept of this law is coercive and punitive. Therefore, it cannot be satisfactorily amended. It should not be implemented. It should be abolished. We are asking the federal court to declare it unconstitutional and we are asking Congress to repeal it.

Basically, the law will require, as soon as federal government functionaries can get organized in every area of the country to the satisfaction of the Secretary of HEW, that medical care be "standardized" for Medicare and Medicaid patients. Patients and their doctors will be forced to comply with a system of pre-set standards of medical diagnosis, treatment and care in accordance with the regulations of one man—the Secretary of HEW. Although he is not a licensed physican, he is the final judge of regulations controlling physicians' judgment governing the type of treatment physicians may prescribe for their patients, whether, when and where they may be hospitalized, and for how long. Under his direction and control, a swarm of federally paid and directed functionaries will exercise case-by-case surveillance over the medical judgment of physicians during the course of care of these patients. The surveillance will determine whether the care proposed to be given by the physician is appropriate and necessary and to otherwise insure that the physicians' judgments conform to regulations of the Secretary. Patients and their attending doctors will be denied the right to decide what is best for patients.

Also, under this law, a physician can be forced to turn over to federal employees all medical notes taken in his office or in a hospital, including the most confidential information about all his patients. Likewise, it is planned to have massive, detailed, computerized files on patients and doctors which will be instantly available to federal employees as an aid to the surveillance program and for such other purposes as the Secretary of HEW may provide.

Among the little understood provisions of this incredible law, not only will physicians be forced to subordinate their best medical judgment of what is "medically necessary for their patients," but when overruled by government functionaries, will be obligated to use their influence to convince their own patients the government is right and that they, the doctors, are, therefore, wrong.

In certain cases, the patient may be denied the doctor or hospital of his choice. In fact, if government paid agents or employees decide hospitalization is unnecessary, contrary to the judgment of the patient's physician, the patient may not be put in the hospital under the Medicare or Medicaid program. If he gets hospitalization, he'll have to find a way to pay for it himself. These patients, of course, are the elderly and the poor that government has promised to take care of.

And, naturally, the law has teeth in it which take the form of many sanctions to be imposed against physicians. Penalties can amount to $5,000 for failure to conform to regulations.

The AAPS has filed suit in the Federal Court to have the law held unconstitutional as being an overbroad interference with the fundamental rights of patients and their doctors, unjustified by any legitimate and compelling legislative interests.

As might be expected, in answering the Complaint, the government attorneys say, in effect, that the federal government can regulate anything it subsidizes. Other government employees go on to say, "We intend to subsidize medical care for everyone and control that care."

This is a shocking situation in a country that prides itself on the fact that the central government is restrained by the Constitution from interfering with the private lives of its citizens.

The AAPS et al Complaint and Memoranda of Law by Plaintiffs and Defendant will be filed for the record of this hearing.

The people have no idea that legislation has been enacted to inject politics into medicine and to authorize one man, or a committee at his direction, to come between a patient and a physician and change their behavior in violation of the Constitution of the United States. Neither do they nor many of their representatives in Congress understand that authority has been given to one man and his subordinates to force all doctors to conform to their idea of the appropriate medical diagnosis, treatment and care that must be followed in caring for patients.

Political medicine is bad medicine. Obviously, political considerations will control the actions of those in the bureaucracy and those serving as paid agents of the bureaucracy. Doctors licensed by the states who now are free and ethically obligated to practice medicine of the highest quality will be forced to follow central government bureaucratic direction and, therefore, be denied the right of providing patients with the best care of which they are capable. Inferior and mediocre quality medicine must be the result. Furthermore, PSRO is a scheme designed to place the blame on doctors for broken political promises that patients would be given the best quality medical care they wanted at the cheapest price. It calls for rationing and price control at the expense of patients. Even the Secretary of HEW, Caspar Weinberger, admitted to a House Committee on March 19, 1974 that:

"I would be less than candid if I did not express to you the feeling that I have that there is a potential danger of a very substantial government interference into the practice of medicine by this kind of statute."

Government interference means political interference. Obviously, anyone subservient to political considerations must be less than the best physician.

Patients will be badly served by adherence to the short-sighted policy of political interference with the best judgment of the patient's doctor.

We have stated before and we state again—PSRO is punitive in concept. Its purpose is to entrap doctors in a system of government-imposed controls. But what has been created is a trap that is going to catch the patients. They, not doctors will suffer the most, because medicine compressed into a standardized mold by political pressure will not be first-class care. Who will be deprived of first-class care? Obivously the patient, not the doctor.

Furthermore, no publicity has been given to the fact that this authority for detailed dictation and control was planned by the bureaucracy of the federal government as a part of a scheme of nationalization of medicine for everyone in the country.

MISREPRESENTATIONS

In our steadfast opposition to PSRO and our determination to inform the public and the medical profession of the truth about PSRO, we have been accused of misrepresentation. Let's examine who is, in fact, indulging in misrepresentation.

The May 1, 1974, issue of Medical Tribune published a somewhat hysterical diatribe against the "American Association of Physicians and Surgeons" by Dr. Henry Simmons, the man in HEW who has been tapped for the unenviable task of trying to persuade the nation's physicians that if they just hold their noses and swallow, PSRO won't be all that bad. Dr. Simmons accused the AAPS and another medical organization of "misleading" the profession, doing a "disservice" to the public and promoting a "climate of misunderstanding" about PSRO.

We assume Dr. Simmons was referring to our organization, the Association of American Physicians and Surgeons, which we readily agree is undoubtedly the nation's most nagging critic of the vicious, punitive PSRO law. We submit that AAPS has been steadfastly telling the truth about PSRO. Those who have been misrepresenting PSRO have been officers of HEW and other public officials.

Let's start out with Dr. Simmons' statement as published in Medical Tribune to the effect that he challenges PSRO critics to show that anyone other than local physicians will determine PSRO standards.

"I don't know when people will start to believe," Dr. Simmons is quoted, "that under the legislation and under the regulations—and they are available to anyone in the country who cares to read them—the local PSRO decides what standards to practice under."

The very statement is misleading. Dr. Simmons doesn't define standards. HEW's recently issued PSRO manual identifies three categories of medical practice controls—norms, standards and criteria. While it is true that the manual asserts that PSROs will be responsible for developing and modifying criteria and standards and selecting norms, we contend that this assertion is a clever and calculated misrepresentation which is intended to con the nation's physicians into believing they will be allowed to exercise control over the PSRO review process.

We challenge Dr. Simmons and other HEW officials, including Secretary Caspar Weinberger and Assistant Secretary for Health Dr. Charles Edwards, to identify the section of this law which states clearly and unequivocally that PSROs are responsible for setting standards, norms or criteria of medical practice to which this country's doctors will be forced to adhere.

The PSRO law plainly states that the National Professional Standards Review Council shall (please note that the word is shall, not may)—and I quote—"provide for the *preparation and distribution* . . . of appropriate materials indicating the regional norms to be utilized . . ." Furthermore, the law specifies that if there is to be any deviation from prescribed norms, the PSRO is *to be notified* and *may* utilize different norms *if* the National Professional Standards Review Council consents.

You know and I know, and so does Dr. Simmons and Dr. Edwards, who approved a recently distributed PSRO information pamphlet which is misleading in the extreme—we all know that PSROs are not going to be allowed to do anything without HEW approval.

Each PSRO, for instance, will be required to serve a probationary period to prove it is capable in HEW's eyes of performing the PSRO policing operation. Even before that, the PSRO must submit a plan of operation, including norms, standards and criteria to be used—and they had better get them right or the Secretary will turn them down. Even after serving probation, an organization must get HEW approval to become a full-fledged PSRO.

Do Dr. Simmons and Dr. Edwards seriously want the American people to believe they plan to defy the requirements of this law and let local doctors control PSROs, including the development and application of compulsory norms, standards and criteria?

The essence, the substance, the very purpose of this law is control. It was intended to smother the medical profession in uniformity established by bureaucratic fiat.

Under that kind of alien system, the people of this country—our patients and your constituents—will be the worst losers.

Dr. Simmons alleged that there is growing support for PSRO among physicians. But he also complains, in seeming contradiction, that the bureaucracy has failed in its campaign to propagandize the doctors into swallowing the poison of PSRO. The fact is that when doctors discover the truth, they recognize it is a bad law. You should know that 17 state medical associations and many county societies are on record for repeal.

Dr. Simmons said he was disturbed that—and I quote—"there are associations that are trying to mislead." And he warns: "That's going to change."

MEDICINE THREATENED

Dr. Simmons didn't clarify what he proposes to do to organizations which exercise the freedom of disagreeing with him and other government officials. But it is not the first time the medical profession has been threatened in a transparent attempt to force it into a Socratic decision to drink the PSRO hemlock.

Last January, for example, Senator Bennett, Jay Constantine of the Senate Fnance Committee staff, and Dr. Simmons, among others, discussed PSRO at a meeting of the American College of Radiology. According to the March, 1974, ACR Bulletin, these officials threw out blunt threat after blunt threat that unless physicians drop their opposition to PSRO and get in there and make it work the way the bureaucracy wants it to work, the wrath of Congress and the bureaucracy will descend upon them and they will get something a lot worse.

Is this the way this law is going to be forced down the throats of the people—by threat and intimidation? If PSRO had all the virtues claimed for it, why would such tactics be necessary?

We think this committee should take a good, hard look at the facts and find out just who is misrepresenting these facts and who is doing a disservice to the people.

I can assure you, Mr. Chairman, most doctors in this country are not being fooled or hoodwinked into accepting a bad law just because someone says it's a good law. I can also promise you that the physician members of our organization are not going to turn tail and run just because someone in HEW or in Congress snarls at them.

We are going to continue to tell the truth about this law. It *is* a bad law. We know that misrepresentations about it by its propagandists will continue because it is so bad there has to be a *cover up*.

In an interview published in the April 1, 1974, issue of American Medical News, Dr. Simmons implied that if physicians did not institutionalize Medicare or Medicaid patients, they would not be affected by the PSRO law.

We submit that that is at best misleading. We can demonstrate to any reasonable man's satisfaction that once a doctor accepts a Medicare or Medicaid patient, he is caught in the PSRO trap.

Are you aware, as just one example, that if a physician sends a Medicare or Medicaid patient to a laboratory for diagnostic procedures or for therapy, that doctor is required to police the laboratory to assure PSRO that the lab is not doing something medically unnecessary or economically too costly?

Furthermore, according to a recent opinion of the Senate Finance Committee staff director, the doctor is trapped even though he does not take a penny directly from the government. According to this opinion, the doctor who has nothing to do with government—who takes no money or does not deal with government in any way—is just as subject to punishment for displeasing the bureaucrats as the doctors who do deal directly with government. His Medicare and Medicaid patients can be denied his services and he can be subjected to a fine if he doesn't knuckle under and practice medicine the way HEW's paid agents tell him to.

Why, we wonder, doesn't Dr. Simmons and Senator Bennett and Dr. Edwards explain to physicians and to the people just how this great PSRO boon to the nation can, in fact, deny the poor and the elderly the services of the doctor of their choice?

Isn't it a monumental disservice to the citizens of this country *not* to tell them such things?

So, who's misrepresenting?

A few months ago, Senator Bennett spoke on PSRO to the Essex County (New Jersey) Medical Society. He said, among other things, that PSROs would have "sole power to determine the acceptability of the parameters applicable to the area."

We challenged that assertion in the December, 1973, issue of the AAPS News Letter. An AAPS member wrote Senator Bennett for clarification. He replied: "I suppose I did overstate somewhat in saying the members of each PSRO would have *sole* power to determine the acceptability of the parameters applicable in the area." He then acknowledged—as we have repeatedly pointed out—that there is a higher authority in Washington with veto power over PSROs.

TRUTH IS HIDDEN

We also wonder if official Washington is ever going to level with the American people that PSRO will condone wholesale violation of the privacy of records of any patient of any physician who takes care of Medicare or Medicaid patients. Officials are now hiding the truth.

In that PSRO pamphlet approved by Dr. Edwards and distributed a few months ago to U.S. physicians, an attempt was made to establish as fact the fiction that "any data or information collected by a PSRO is to be held in strict confidence" on pain of strong penalties. Senator Bennett in a statement in the April 2 CONGRESSIONAL RECORD even sought to ally fears by stating the law permits access only to records of Medicare and Medicaid patients.

Both these assertions are false. Senator Bennett cited in Section 15(b)(3) as limiting examinations to Medicare and Medicaid records. But Section 1155(b)(3) and (b)(4) authorize any PSRO "to the extent *necessary and appropriate* for the proper performance of its duties and functions" to "examine the *pertinent records* of any practitioner or provider of health care services . . ." and "services provided . . . of any practitioner or provider." And those are direct quotes from the law. I emphasize it does not limit scrutiny to Medicare and Medicaid patient records.

The law prohibits disclosure of information *except* to the extent necessary to carry out the purposes of the law. All it requires of the Secretary is *adequate* (not full, mind you, but only *adequate*) protection of the rights and interests of patients. And guess who decides what is adequate? Obviously the Secretary.

Under this law the government official who wants confidential information to use against a patient or for some other purpose will no longer have to burglarize a doctor's files such as the White House ordered in the Ellsberg case. All confidences of all patients of all doctors covered by this law, and that is practically all of them, will be available to the politicians.

The plain truth about confidentiality is that this pernicious law is a vast and unholy grant of power to the Secretary of HEW to acquire confidential information from records of *any* patient and to use it in whatever manner *he* decides will further, in his opinion, the purposes of the law. The plain truth is that the PSRO law will *protect* individuals who rifle patient records for use by PSROs and HEW, not punish them.

That pamphlet of Dr. Edwards also falsely asserts or implies that:

A. The PSRO program is to be controlled by physicians,

B. The purpose of the PSRO program is to improve the quality of care and not to discipline physicians. (It is the Secretary and his subordinates and agents who do the controlling, not physicians.),

C. PSRO will cause little change in the way physicians practice medicine. (The opposite is true.),

D. Local physicians who make up PSROs will determine standards and criteria to be used "in determining the necessity and quality of care,"

E. The primary emphasis of the PSRO program is assuring the quality of medical care. (Actually, it will guarantee a deterioration in the quality of medical care.)

If local doctors are going to do all this standard setting and criteria determining and all this controlling, what, in Heaven's name, is the purpose of this law?

Another alarming thing about this pamphlet is that it omits important facts which would expose just how bad this law really is and how detrimental it is to the best interests of the people.

For example, patients may be denied admission to a hospital for either elective or extended or costly services—even though the physician believes they are necessary for the health of the patient.

Nothing is said either about the fact that PSROs are required to harass and intimidate doctors who don't follow orders to get them into line. Nothing is said about the requirement that PSROs in carrying out this mandatory bullying must enlist the support of other professional and governmental organizations that have influence on the doctor.

(An evaluation of the numerous false and misleading statements in the HEW pamphlet have been filed with our Statement.)

But there is constantly more to worry about—as there always is when bureaucrats begin meddling. For a long time, for example, everyone was led to believe that PSRO was a device by which government could decide what was medically *necessary* for Medicare and Medicaid patients. But lately, officials at HEW have been talking and writing and laying out guidelines for determining also what is medically *appropriate* in caring for these patients.

Necessary and appropriate are vastly different things in medicine. It is dangerous enough to give bureaucrats the power to decide for a patient whether it is necessary for him to have an appendectomy, but it is compounding the danger beyond rational bounds to grant bureaucrats the power also to determine whether the surgical procedure is appropriate—in other words, the right one.

The evidence is clear that:

1. Federal government employees as part of their plans to change the behavior of individuals have plotted the PSRO Controls this Committee is considering. PSRO is the gear in the "nationalized medicine machine" with teeth in it.

2. The public knows nothing about these plans for control.

3. Furthermore, the people do not know how, or that, huge sums of federal money is being granted by government employees to influential educators and others to study how to extend government intervention and control of medicine and then how large numbers of these grantees testify for more intervention and more money.

4. Only a few federal legislators know what is in Public Law 92-603 and what its implications are.

5. The news media has not told the full story—in fact, the true nature of "standardization" was buried in the omnibus Social Security Law of 1972. Stories about it stressed benefits and what was being done for people through politics instead of what was being done to them.

6. This Committee has the constitutional duty and responsibility to blow the cover off this scandal before it is infinitely more disastrous to individual freedom and responsibility than Watergate.

Obviously, ten minutes is insufficient to bring such a tragic situation and its consequences into sharp focus, particularly when it has been skillfully blurred by adept promotors of unlimited bureaucratic power. However, we have quickly flagged as many points as we could in the time allotted and will submit additional information for the record.

We do want to emphasize that the attempts of government officials and other advocates of government intervention in medicine to blame doctors for wild government spending and inflation is ridiculous. For instance, HEW is scheduled to spend $111 billions for the year beginning this July. Of that amount, only $4 billions 242 millions is for physicians' services. $3 billions 586 millions for Medicare and $656 millions for Medicaid. Deduct everything HEW will pay to physicians this coming year and HEW will still be spending over $106 billions ($111 billions minus $4 billions 252 millions=$106 billions 758 millions). The $106 billions, which excludes all payments to doctors, is more than all of the expenditures of the entire federal government in 1960. (For more information on who is responsible for inflation, see the attached copy of AAPS testimony before the House Ways and Means Committee, April 26, 1974 opposing nationalized medicine schemes which incorporate PSRO.)

In view of the fact that many millions of dollars of federal funds may have come into the hands of witnesses who will testify before this Committee for this totalitarian scheme, we suggest that you ascertain from every witness whether he or she is a paid federal employee, whether they have or will receive anything of value from the federal government for studies or writings bearing on this subject, and whether or not they have or anticipate a contract with the federal government with respect to any part of this plan of standardization or any part of a plan for nationalization of medicine.

This Committee and all the people of this country should know that a governmental system of "Police Doctors" to ration and control medical care, rather than allow citizens to willingly exchange services and considerations without government interference, is not new or novel.

Such a system as PSRO or "Police Doctors" which originated in and flourishes in all totalitarian countries goes hand in hand with socialized medicine. Information about these "Police Doctor" systems and nationalized medicine in alien countries is readily available through the AAPS.

We will be pleased to supply each member of this Committee who wants it a copy of the book: "Medicine and the State," by Lynch and Raphael.

It is the most seminal study available on socialized medicine. It is objective, complete and factual. It was *not* paid for and its development was *not* directed by anyone having a vested interest in channeling more money of society through government or centralizing more power in government.

Clearly it documents how the dignity and freedom of both individual patient and physician have been undermined by unfulfilled and treacherous but believable promises of Utopia. It explains how confidentiality, mutual trust and rapport, so essential to optimum medical care, have been destroyed. It does this by documenting the irreconcilable conflicts that are created between the professional obligations to their patients and their legal responsibilities to government to police patients.

"Medicine and the State" examines and appraises, without hiding the truth, country by country, political promises and results regarding medical costs and quality, preventive medicine, doctor-patient relationships, vital health statistics and effects on national economics.

We urge you without prejudice to study the facts for ourselves so you may avoid being influenced by anyone who has a conscious or unconscious interest in betraying individual freedom.

You dare not rely on the bureaucracy and its allies to do the spade work upon which you base your judgment in this case since the awesome power it now commands and aspires to expand is the gravest threat to freedom facing America today.

CONGRESSMAN DRINAN EVALUATES NEW INFORMATION WHICH UNDERSCORES THE NEED TO PROHIBIT WIRETAPPING AND ELECTRONIC SURVEILLANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, recent developments have underscored the inability of Congress and other public bodies to control the use of wiretapping and other electronic surveillance by Government officials. The failure of the Omnibus Crime Control and Safe Streets Act of 1968 to prevent the massive intrusion into individual privacy and abuse of constitutional rights caused by wiretapping and electronic surveillance testifies to the need for legislation which would absolutely prohibit these investigatory devices.

I would like to commend to the Congress the recent actions taken in this regard by French President Valery Gisgard d'Estaing. Presiding over his first Cabinet meeting, the French President issued a directive which ordered the curtailment of all wiretapping and the destruction of any files or records of information gained from previous surveillance activities. I praise M. d'Estaing for his bold and progressive action, and fervently hope that the Congress will follow his fine example in banning the repugnant and unconstitutional practice of wiretapping and electronic surveillance.

RECENT SUPREME COURT DECISIONS

On May 13, 1974, the Supreme Court handed down two illuminating decisions in the companion wiretapping cases of United States against Giordano and United States against Chavez. Each of us should consider carefully the facts of these cases and their implications regarding the Nixon administration's attitude toward and implementation of the Omnibus Crime Control and Safe Streets Act of 1968.

Title III of the 1698 act, 18 U.S.C. 2510–2520, strictly limits who, among Government officials, may approve submission of an application to the appropriate district court for an order to intercept a wire or oral communication. The statute authorizes only the Attorney General or an Assistant Attorney General he specially designates to approve such applications.

In United States against Giordano, a unanimous Court affirmed the suppression of evidence resulting from a wiretap because the Department of Justice failed to follow the strict procedures set forth in 18 U.S.C. 2516(1). The wiretap in this case was approved by the Attorney General's Executive Assistant pursuant to an understanding that he could do so on the grounds that he fully understood the Attorney General's standards.

The evidence gained from that interception was suppressed by the lower court, and affirmed by the Supreme Court, because the Government admitted that neither the Attorney General nor a specially designated Assistant Attorney General ever authorized the application. Writing for the Court, Mr. Justice White quoted the applicable language concerning the authorization requirement in section 2516 from the Senate report:

> [This provision] centralizes in a publicly responsible official subject to the political process the formulation of law enforcement policy on the use of electronic surveillance techniques. Centralization will avoid the possibility that divergent practices might develop. Should abuses occur, the lines of responsibility lead to an identifiable person. This provision in itself should go a long way

> toward guaranteeing that no abuses will happen. S. Rep. No. 1097, 90th Cong., 2nd sess., 97(1968).

Obviously this strict provision, designed to fix responsibility and prevent abuses, did not "go a long way" in controlling the use of electronic surveillance, because the Justice Department disregarded it. The failure of Attorney General John N. Mitchell to adhere strictly to the provisions of the Omnibus Crime Control and Safe Streets Act of 1968 in the Giordano case is all the more disheartening and alarming as his failure to authorize properly wiretapping applications also applies to at least another 60 cases involving some 626 defendants. The illegality practiced by the Justice Department is expected to result in the dismissal of these indictments.

In the companion case, United States against Chavez, the Court, by a vote of 5 to 4, upheld the lawfulness of an interception based on affidavits filed by Attorney General Mitchell that he did, in fact, authorize the tap, although the application misidentified the authorizing officer. Again writing for the Court, Mr. Justice White stated:

> [M]isidentifying the Assistant Attorney General as the official authorizing the wiretap application to be made does not require suppression of wiretap evidence when the Attorney General himself has actually given the approval.

But the Court added:

> [W]e do not condone the Justice Department's failure to comply in full with the reporting procedures Congress has established to assure that its more substantive safeguards are followed.

Mr. Speaker, although the prosecution was upheld in the Chavez case, the failure of the Attorney General and the Justice Department to abide by the strict terms of the law raises again the question as to the workability of the safeguards designed to control abuses in the very delicate matter of wiretapping and electronic surveillance. As Mr. Justice Douglas cogently noted in dissent:

> After the fact acceptance for the Chavez surveillance was made at no cost. The surveillance was productive and was directed against an alleged drug trafficker, a pariah of society. Accepting responsibility at this point, further, helped Mitchell and the Justice Department avoid the acute embarrassment of losing this prosecution. But this was not the scheme created by the Congress. By creating the identification provisions, which required the authorizing official to be made known at the time of an application, it established a mechanism by which a person's responsibility was to be acknowledged immediately, not a device by which the identity of the person authorizing the application would remain hidden until it was discovered that an instance of electronic surveillance had been productive and not offensive to public sensibilities. . . .
>
> [I]t is clear that this personal responsibility and public accountability, relied on by Congress to check the reckless use of electronic surveillance, is rendered a mere chimera when the official actually authorizing a wiretap application is not identified until years after the tap has occurred, when he might already be out of office, when the usefulness of the tap is already established, when it is clear that the surveillance was not abusive, and then only through voluntary admissions or the sifting of potentially contradictory affidavits. Responsibility is hardly "focused," and the "lines of responsibility" are a gossamer at best. . . .
>
> While Congress demanded the openness of political accountability, Justice Department documents drew a veil of secrecy, and no personal responsibility was attributed in any documents to Mitchell, the person actually responsible for authorizing the electronic surveillance.

The failure of the Nixon administration to respect the safeguards of the Omnibus Crime Control and Safe Streets Act of 1968 and to execute faithfully the provisions of that law in the true spirit intended, is all the more significant because the grave misconduct and irresponsibility demonstrated in the Chavez case affects an additional 99 cases involving 807 defendants. These two cases, Giordano and Chavez, of administrative impropriety in the conduct of wiretapping and electronic surveillance operations involve a total of 1,433 defendants. This sizable total becames yet more significant when one examines the entire picture of wiretapping and electronic surveillance as revealed in the U.S. courts' "Report on Applications for Orders Authorizing or Approving the Interception of Wire or Oral Communications" for 1973.

WIRETAPPING IN 1973

In accordance with the provisions of section 2519(3) of title 18, United States Code, the Director of the Administrative Office of the U.S. Courts recently submitted to the Congress the sixth annual report of wiretapping and electronic surveillance covering the period from January 1, 1973, to December 31, 1973. During this period the Department of Justice sought 130 wiretap warrants. All 130 requests were granted by the courts. The two previously cited Supreme Court cases give evidence which casts doubt on the claim of the Justice Department that its high degree of success in obtaining warrants is due to the careful screening of all requests, and instead lends great credence to the contention of many civil libertarians that judges are too permissive in granting wiretap warrants.

Computation of the figures released in the report paints an incredible picture of the electronic surveillance operations conducted by the Federal Government in 1973. At a cost of over $1,500,000 to the taxpayer, the 130 intercepts overheard and recorded over 110,000 conversations involving about 5,500 individuals, which lead to only 322 arrests and 59 convictions in the reporting period.

Furthermore all of the arrests resulted from only 34 of those intercepts—the remaining 96 yielding no arrests—and only 4.6 percent of the intercept operations lead to any convictions in 1973. Undoubtedly those statistics will need to be revised upward on the basis of later reports. But one figure which will not be "improved" by later reports is the astounding fact that a total of 112,314 conversations were overheard by Federal wiretapping and bugging activities. Less than half of these interceptions contained any relevant or incriminating information.

The 1973 report also contains considerable information about each of the court-ordered operations, some of which furnish clear examples of the kind and degree of fruitless activities undertaken. One wiretap intercepted over 600 conversations without yielding any incriminating evidence, at a cost of $36,293. A more expensive operation, which was granted three extensions, monitored 2,000 conversations, yet failed to date to result in one arrest. Further the report shows that the average cost for each intercept was $12,236. And the total cost for all Federal intercepts since the passage of the act in 1968 has exceeded $16 million.

Mr. Speaker, the inefficient and unchecked practices of the Justice Department, the high cost to the taxpayer, the dubious results obtained, and the massive intrusion into private conversations, the majority of which involved innocent use of monitored telephones, all serve further to convince me that wiretapping and bugging should be forbidden. The use of electronic surveillance by investigatory agencies of the Federal Government represents a most severe and outrageous intrusion into the privacy of the American people.

WARRANTLESS SURVEILLANCE

The 1973 report of the Administrative Office further notes that its figures include only those interceptions which were conducted under court orders. I call to the attention of my colleagues that an undisclosed number of warrantless wiretaps and surveillances are conducted yearly by the executive branch on the basis of its claimed authority to eavesdrop in the interest of "national security." At recent hearings before our Subcommittee on Courts, Civil Liberties, and the Administration of Justice, the Justice Department refused to provide precise and accurate data on these operations. One can only imagine the number of intercepts and the magnitude of the invasions of privacy conducted under these secret operations.

In the past, the White House has said that, at any given time, approximately 100 wiretaps are in operation for the purposes of "national security." It is entirely reasonable that the extent of this type of intercept is much greater than its reported size in terms of the number of intrusions, unnecessary recording of innocent communications, and cost to the taxpayer. The House Judiciary Committee, of which I am a member, is currently examining in its impeachment hearings several such national security taps. It is my hope that our investigation may shed some light on this subject.

PUBLIC OPINION

Mr. Speaker, these recent events and revelations add further weight to the already persuasive argument and loud public cry to restrict wiretapping and electronic surveillance once and for all. Figures released to the Senate Subcommittee on Intergovernmental Relations of the Government Operations Committee by public opinion pollster Louis Harris reveal the following conclusions:

> (1) 75 percent of the public believes that "wiretapping and spying under the excuse of national security is a serious threat to people's privacy";

(2) 77 percent believe that Congress should enact laws to curb wiretapping; and

(3) 73 percent believe that Congress should make political spying a major offense.

These figures represent a 180-degree turnabout in public opinion since the enactment of the Omnibus Crime Control and Safe Streets Act in 1968. Watergate and other related developments no doubt have brought home to the American people the unwarranted invasion of privacy which wiretapping and Government spying represent.

CONCLUSION

The Supreme Court decisions in Giordano and Chavez, the latest report on intercepts, and public opinion demonstrate that the detrimental effects of Government surveillance activities far outweigh any marginal benefits to law enforcement. All of these considerations demand the repeal of those sections of the Omnibus Crime Control and Safe Street Act of 1968 which authorizes the use of wiretaps and other methods of electronic surveillance.

Last August I introduced a bill, H.R. 9781, which would prohibit the interception of any wire or oral communication. I invite my colleagues in the House to join as cosponsors of that bill. If we are to secure the rights guaranteed in the Constitution and advance the cause of personal freedom, we must end now and forever the intrusive practices wrought by electronic surveillance.

INTERNATIONAL ECONOMIC POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. Young) is recognized for 10 minutes.

Mr. YOUNG of Georgia. Mr. Speaker, I rise in support of H.R. 13839, the International Economic Policy Act Authorization. As favorably reported by the Committee on Banking and Currency, this measure is a modest proposal, and one deserving our support. Instead of the open-ended 3-year authorization requested by the administration, the committee prudently chose to recommend a 1-year authorization in order to give the Congress the opportunity to review the activities of the Council on International Economic Policy—CIEP—over the coming fiscal year. Thus, we are being asked only to approve a single authorization of $1.8 million for fiscal year 1975, and will have the chance to review our decision again in several months.

Mr. Speaker, our actions with respect to the oil embargo, U.S. trade policy and American economic relations with such countries as Rhodesia and South Africa point up the need for a comprehensive overview of our international economic policies. Any attempt to discern the long-range implications of American economic policy, and hopefully act to correct some of the gross deficiencies and incongruities in that policy, is well worth our support and less than $2 million it will cost next year.

American economic policy leaves much to be desired, especially with regard to underdeveloped and third-world nations. While we violate international sanctions to support an illegal regime in Rhodesia, Nigeria supplies almost 25 percent of our imported petroleum. While multinational conglomerates reap record-high profits, poor nations like Jamaica are struggling to stay financially afloat despite the taking of the island's valuable bauxite by these same huge corporations.

Worldwide inflation is putting serious strain on these poorer countries. Surely it is possible to deal with our neighbors who are not attacking us without attacking them. If we are going to deny direct economic assistance, we must at least try to assess the long-range impact of our economic policies and work to restore a greater measure of decency and realism to this crucial aspect of our stature as a nation among nations.

For the benefit of my colleagues, I would like to insert in the Record at this point a perceptive article by Mr. Carl T. Rowan which appeared in the Washington Star-News of May 20, 1974. With permission, the article follows:

JAMAICA'S UPHILL STRUGGLE

(By Carl T. Rowan)

A few weeks ago I wrote a column about the economic calamity which seems to be the destiny of weak developing nations now that worldwide inflation and an energy crisis have been heaped on top of a traditionally unjust trade system.

Beautiful but poor little Jamaica is a glaring example of a country that might be paradise but for the fact she gets pennies for what she sells and pays dollars for what she has to buy.

Jamaica is the second biggest producer of bauxite in the world, after Australia. Much of the aluminum you see in your kitchen or as the siding of houses originated in Jamaican ore.

Jamaica earns some $25 million a year from this ore, a sum that is more than trifling in terms of the country's total budget. But Jamaicans of every political persuasion will tell you the big multinational firms which haul the ore out are reaping far greater profits.

Alpart Ltd. (a partnership formed by Kaiser Aluminum & Chemical Corp., Reynolds Metals Co. and Anaconda Company) began producing alumina (a midstep between bauxite ore and aluminum) over three years ago. Because of a bit of shrewd bookkeeping, the Jamaicans say, Alpart has paid no taxes to Jamaica.

It seems that no "profit" occurs until the alumina gets to the United States and is transformed into ingots or sheet aluminum.

Jamaicans also say that Reynolds Aluminum provides jobs to 500 Jamaicans who extract bauxite ore, but that this same ore supports 30,000 workers in the States.

With one Jamaican out of every five jobless and many others underemployed, small wonder the Jamaicans are asking why more of the aluminum-making processes cannot take place in Jamacia.

There never has been a time when this was not a serious issue in Jamaica. But today it has become a matter of national survival.

With no local sources of energy, Jamaica has been spending about $50 million a year for oil, mostly from Venezuela. With the energy crisis sending oil prices soaring, Jamaica's oil bill is now at least $120 million a year.

The increase in oil costs alone has been enough to wipe out Jamaica's foreign exchange reserves, which now stand at about $74 million, or just enough to finance one more month of essential imports.

The Jamaican government has imposed a stringent austerity program on the people, but that will not meet the crisis. So Jamaica's prime minister and his top aides have been carrying a solemn story to Great Britain, to Prime Minister Trudeau in Canada, to Henry Kissinger in Washington.

"We do not want this to become a matter of political hostility," they are saying, "but Jamaica's very survival depends on our getting a fairer price for our bauxite, our sugar, our other raw materials—something that matches the astonishing high prices of the things we have to buy."

Five years ago Jamaica could sell 60 tons of sugar to Britain and get enough money to buy a tractor. Today it takes 90 tons of sugar to bring that tractor to Jamaica.

What is worse is that Jamaican labor costs, fertilizer costs, etc., have pushed the production cost for a ton of sugar to about $165. That is some $30 more than what Britain is paying under a contract signed a few years ago.

Or take oil. Just 14 months ago a ton of Jamaican sugar brought enough foreign exchange to buy 20 barrels of oil. A ton of sugar now brings five barrels of oil.

The Jamaicans are in some tough talks about bauxite and alumina prices with huge U.S. corporations which are not known to let sentimentality get in the way of turning another buck. Theoretically the U.S. government is not involved. But it is.

That aluminum we extract from Jamaican bauxite is of strategic importance to the United States. Having Jamaica remain a friendly democracy is of deep political importance to the United States.

If the rich countries are ever going to show a willingness to stop cheating the developing countries, in the interest of a just and peaceful world order, the time is now.

Jamaica would be as good a place as any for Uncle Sam to haul up the flag of economic decency.

COMMENCEMENT EXERCISES FOR CAPITOL PAGE SCHOOL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'Neill) is recognized for 15 minutes.

Mr. O'NEILL. Mr. Speaker, the commencement exercises for the Capitol Page School provided us with many inspirational thoughts and messages. I commend them to my colleagues as follows:

COMMENCEMENT EXERCISES OF CAPITOL PAGE SCHOOL

(Caucus Room-Cannon House Office Building, Monday evening, June 10, 1974, 8 o'clock, Washington, D.C.)

PROGRAM

Prelude, U.S. Navy Band.

Processional—"Pomp and Circumstances", Elgar.

Invocation (audience standing), Rabbi Morton Kanter.

Salute to the flag (audience standing), Audience.

Star Spangled Banner (audience standing), Audience.

Welcome, Mr. John C. Hoffman.

Salutatorian, Warren B. French.

Selection, U.S. Navy Band.

Greetings, Mr. Vincent E. Reed, Associate Superintendent, D.C. Public Schools.

Address, Honorable Carl Albert, Speaker of the House.

Valedictorian, Mark N. Albertson.

Announcement of honors, Mr. Hoffman.

Presentation of diplomas, Mr. Vincent E. Reed.

Selection, U.S. Navy Band.

Benediction, Rev. William Pryor.

Recessional, U.S. Navy Band.

GRADUATES

* Mark Nevins Albertson.
Ronald G. Andrews.
* Becky Bailey.

Andrew J. Bell.
*Jonathan Charles Coopersmith.
Curtis LaVaughn Brant.
John Patrick Cregan.
* Douglas Kent Diehl.
* Warren B. French, III.
Gary John Hamilton.
Timothy Joseph Harroun.
Debra Linn Kanter.
Ronald Byron Katz.
Robert E. Kieffer.
Ottilie Rosina King.
Robert Booth McNeil, Jr.
* Paul Medved.
* Jennifer Elizabeth Olney.
* Robin Keighley Patton.
Charles Phalen, Jr.
* William E. Pryor, III.
Brian A. Rawers.
* Siglinda Sanchez.
Marvin John Short, III.
* Heidi Stam.
* Kimberly Anne Tomb.
* Elvin Darcel Turner.
Steven Richards Valentine.
* Mark Alan Von Destinon.
* Byron R. Wadley.
Donald Gary Ward.
* Jerry O. Wofford.
Jerry Jay Watterworth.
*Robert O. Woodruff.

CLASS OFFICERS

Doug Diehl, President.
Ron Katz, Vice President.
Heidi Stam, Secretary-Treasurer.
Byron Wadley, Sergeant-at-Arms.

SCHOLARSHIPS

Stanford U., Oberlin College, N.H.S. Scholarship Finalist, Mark Albertson.

Abilene Christian College, Becky Bailey.

George Washington University, Curtis Brant.

Rochester U. Merit Scholarship, Jonathan Coopersmith.

Carroll College Honors Scholarship, Douglas Diehl.

Maryland University, Ronald Katz.

Marquette U., Bucyrus-Erie Co. Scholarship, Wisconsin Honors Scholarship, Paul Medved.

Southwestern at Memphis, William Pryor.

Yale University, Elvin Turner.

Depauw University, Mark Von Destinon.

Abilene Christian College, Byron Wadley.

Michigan State-Detroit Sports Broadcasters Assn. Scholarship, Jerry Watterworth.

USHERS

Julie Rosner, Chief Usher.
Paul Byrd.
Debbie Gelin.
Chip Irwin.
Mary Hayes Shea.
Music by the United States Navy Band.
Decorations, U.S. Botanical Gardens.

RABBI MORTON KANTER

Let us Pray:

Father of All:

We are grateful to Thee for having endowed us with a mind, giving us the capacity for learning and acquiring knowledge. For, it is because of this capacity that we are gathered here this evening.

We parents are thankful to Thee for having enabled us to reach the joy of seeing our children achieve an important milestone in their lives. Relatives and friends are joined in the ever-unique experience of renewed hope in the purposefulness of the human experience.

And our graduates look to Thee for strength and guidance in the years to come, as they grow to become the men and women upon whom the future of our country and world will depend.

We pray Thee, O Lord, bless each of them with the vision to learn the truth that our country so urgently needs in day of internal stress that no person may be satisfied with acquiring academic knowledge alone. But each person must act to ever increase his knowledge of Thee and of Thy will: Ever striving to fulfill what Thou requirest of him: To do justly, and love mercy and to walk humbly with Thee.

For as men and women live according to Thy will, so shall they be building a universe of truth and of peace. Amen.

WELCOME: MR. HOFFMAN

Mr. Speaker, Reverend Pryor, Rabbi Kanter, Mr. Brown, Honored Guests, Alumni, students and friends. We also know there are members of Congress with us tonight, but without knowing all who are present we are reticent to mention some, at the expense of slighting others. We feel the same about alumni, but are always delighted to see them.

Our faculty wishes to thank you for sharing our commencement exercises this evening. We feel that our young people have been privileged to serve Congress, but they have served well both on the floor of Congress and in the "Penthouse" at the Library of Congress, so we believe it apropos to honor them tonight.

Now, it gives me pleasure to present the president of the senior class, Mr. Douglas Diehl, who will preside and announce the program.

WARREN B. FRENCH: SALUTATORIAN

Mr. Speaker, Rabbi Kanter, Reverend friends, and relatives: On behalf of the class of 1974, I want to extend a warm welcome to everyone.

I would like to begin with a brief history of the senior class. In the school year 1970–71, when this class first entered the capitol page school. There were only three freshmen. Of these three, one lone student is in the graduating class. By the sophomore year of 1971–1972, the class had grown to nine members, two of whom are still with us. As juniors, the class of 1974 had increased to 17 pupils. Seven of those 17 are in this graduating class tonight. This year, 26 new pages were added to the returning seven to make 33, the largest graduating class in the school's history.

These 33 represent every section of the country, coming as they do from 14 different States and the District of Columbia. Texas and Michigan each have five pages in this class, and Virginia has four. New Jersey and New York have three each; and the District of Columbia, Maryland, and West Virginia each have two. There is one page from each of the States of California, Hawaii, Illinois, Montana, Ohio, South Carolina, and Washington.

The widely scattered regions from which the pages came, contributed to a very educational year. Knowledge of our governmental operations has been acquired at work of course, but new friendships have added a different type of knowledge. All the varied customs, stories, and interests have been passed among the pages to make them, I feel, a closely knit group.

You do not usually see this in a school where everyone is from the same town or city. Here, everyone is a friend of everyone else. But that is not to say that we are without our differences of opinions. Many arguments have arisen over pride in one's job or over one's political opinions. Each page feels he has the best job, and that he does the most work. He also acts sometimes like a junior politician, ready to argue in a minute over some item just for the sake of arguing. Several student council meetings have been enlivened by such arguments.

For many of our parents in the audience this evening, this is their first visit to our Nation's Capitol. I believe very few really know what their son's or daughter's duties entail. In the Capitol Page School there are four groups of pages, working in either the House, the Senate, the Supreme Court, or with a congressional staff. My discussion is centered around the House Pages, not because I myself am one, but because the work done by Pages is quite similar no matter where they work. There is in our class one Page from the Supreme Court, three from the Senate, four with congressional staffs, and the remaining 25 work in the House.

In the House there are four different types of Pages. The majority of these are the Bench Pages. They run errands for the Members or their offices. The Head Bench Page is called an overseer. He sees to it that the errands are assigned and that things are running smoothly.

The second largest group of House Pages are stationed in the cloakrooms. They must know each Member on the side of the House on which they work. They handle the telephone calls coming into the cloakrooms asking to speak with a member or requesting information concerning any action taking place on the floor.

Two of the House Pages comprise the third group and are called documentarians. They ring the bells that call the members to the floor. They must also make sure that all legislation being considered on the floor is available to the members. In addition, they raise the House flag each day the House is in session.

The last of the House Pages is the Speaker's Page. He is the Speaker's personal page. He must be ready at all times for any request the Speaker might make.

I also doubt many of you know how a Page's day is spent. His school day begins at 6:10 A.M. in the Library of Congress. He attends school until all his classes are completed. For the majority of the Pages, this is never later than 9:45. But a few take a fifth period which ends at 10:30. He then reports to his respective place of work and helps to prepare the chamber for the day's session. He remains at work until 5:00 P.M., or until the body adjourns, whichever is later. Sometimes that happens to be 2 A.M. the next morning. He returns home to eat, do homework, and relax. He then goes to bed, but it only seems like minutes until the alarm clock rings again. Social activities are reserved for the weekends when the Page has neither school nor work. Parties, concerts, and dining out are just a few items on a Page's weekend schedule. Sometimes, after a really difficult week at work, the entire weekend is spent trying to catch up on some sleep, or just resting the feet.

You may not have seen much of your son or daughter in the past year. In that time he or she has not escaped undergoing some sort of physical, mental, or emotional change. Early morning classes and long, hard working hours are enough to rid any ordinary person of ideas of becoming a page. But the page, after thinking back over all the new lessons and adventures, historical places and events, exciting people and new friends, has gained in just a very short period an experience that, no matter what he says, he will never forget.

Tonight is the end of 33 high school careers that have been filled with achievements and accomplishments. It also marks the beginnings of a completely new life: college. To some people college is a frightening experience. But a page is better prepared. He left home a year earlier and lived and learned in almost the same life style while also working full time. But you can see that we survived.

I feel that I can speak for the entire class when I say, that I am proud to have been a part of our history, no matter how small. We were pages in a very historical year. The resignation of a Vice-President, Watergate investigations, a State of the Union message,

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* Members of National Honor Society.

the selection of a new Vice-President, the energy crisis, and talk of impeachment are just a few of the events to which we were witnesses. Yes, we have had many exciting educational experiences.

In closing, I want to say thank you to two special groups of people. First, to our sponsors; thank you for making this opportunity available to us. And finally to our parents: you gave us guidance in our beginning years. Without your patience and understanding we would not be here tonight. Because of your help we are now better prepared to face the world on our own.

Thank you!

Commencement Address, Capitol Page School, Speaker Carl Albert, June 10, 1974

Mr. Hoffman, members of the faculty, and graduating pages: I am honored to have been invited to participate in your commencement exercises. On previous occasions, Capitol Page Schools have been addressed by illustrious former colleagues of mine, some of whom went on to the highest positions in government, including Jack Kennedy (who came to the House of Representatives with me in 1947), Lyndon Johnson (who served with me in the House), and Senator Hubert Humphrey (who for several years served with me as a part of the Joint Congressional Democratic Leadership). I am not here to compete with them—I am here only to acknowledge that to participate in an exercise in which such men have participated before me is an extraordinary distinction.

I am also honored because you have selected me to be a part of one of the really highpoints of your life no matter how long you may live. As I look back across the years there is no event in my life that stands out with greater significance then that evening when I received my diploma as a graduating senior of the McAlester High School of Oklahoma. So as long as you live you will have to rest with the notion that you didn't have the President, that you just had Carl Albert to make your commencement address because you will never graduate again.

I have always been a friend of the Page School. It is indispensable to the operation of the page system as we know it on Capitol Hill. It has worked well in the past. Its graduates have competed successfully with the graduates of all the schools of the nation in a cross section of institutions of higher learning from community colleges to major ivy league universities. Some of the criticisms that have been thrown at it are not substantiated by the results.

I feel that no other person in the world is as close to the pages of the House of Representatives as the Speaker. Under the rules and traditions of the House, the Speaker is the chief executive officer of the House of Representatives. He is responsible for every official and employee who works in the House Chamber. He is responsible for the employment of pages and for their welfare. To assist him in this job, he appoints the Chief of Pages to supervise the work of our pages, and a Committee on Patronage to help in the process of selecting young people capable of withstanding the rigors of your work and of performing the duties of your office.

I feel, and have felt ever since I became Speaker, a very close and personal interest in every page in the House of Representatives and for that matter, in the Senate and Supreme Court, because pages of those bodies are also a part of our Capitol Page System.

I wasn't satisfied with the page system when I first came to Congress or when I was first elected Speaker. I think I can say without fear of contradiction I have added a new and better looking dimension to the page systems of the House of Representatives when I appointed Felda Hooper from a small town in my District the first girl page to serve in the House of Representatives. Many have followed in her footsteps and now girl pages are no longer an oddity; at the present time their number has grown to 9. Their work has been of the highest quality and they have more than measured up to the expectations I had for them when I started the custom of bringing girl pages to the House.

May I bring a message to all of you, boys and girls alike, from my colleagues and a word of thanks to all of you for myself. You have been an indispensable part of the operations of the House and of my office. We are grateful to you for your hard work, for the quality of your performance and the ever-willing attitude which you display when you are called upon by me or any other Member. Personally, I want to say thanks from the bottom of a grateful heart.

I extend to you my double congratulations. First of all, I congratulate you for becoming high school graduates. I have no fear for your future. While you have had to sacrifice a lot of your study hours to your jobs, the very fact that you have wanted to be and have succeeded in being good pages sets you apart as young men and women capable of doing your school work under handicaps. Your days have been long, sometimes they have gone far into the night, but they have been worthwhile.

I therefore want next to congratulate you on being pages for the Congress or for the Supreme Court.

You may not realize the impact of your positions. You are the youngest employees of the House of Representatives, certainly the youngest with floor privileges. When I talk to youngsters across the country who have visited Washington and the Capitol and ask them what they remember about it, they invariably say they remember the Speaker and the pages, and they say Fish Bait Miller too, so you are my ranking competitiors for recognition.

But being a page is far more than just being a person who runs errands. Your job gives you an insight into the political operations of your generation that nobody else of your age group can possibly have. Like the Speaker, you get to know every Member of the House of Representatives. You get to know the legislative and judicial giants of the present adult generation. You get the opportunity to see how they work and how they think. You get to see the American democratic system in action, whether on the legislative or on the judicial side. This gives you an insight into men and women and issues which you could not possibly get anywhere else. You have the opportunity to learn more about how things work in the process of changing an idea into a bill and a bill into law than the average professor of government at the largest universities in the land. Your knowledge is not just academic: it is based on reality and experience.

What is more, you have been here at a very important period of American history. You have seen things happen. During my time as Speaker we have seen more changes in the House perhaps than at any time in the last 60 years. Think of what we have done in the last three years to implement democracy. Not only have we added girls as pages but we have given 18-year-olds across the nation the right to vote. We have sent the Equal Rights Amendment to the States. We have seen the implementation of the 25th Amendment to the Constitution. We have been faced with the resignation of a Vice President and impeachment proceedings in the case of the President himself. We have seen the greatest education bills ever enacted at the national level in this nation's history. Within the last decade we have seen a manifestation of the greatest expension of constitutional rights since the Civil War. We have done more to make real for all people, of all races and all national origins, the admonition of the Declaration of Independence that "all men are created equal." The part of the Constitution known as the Bill of Rights and the post-Civil War amendments, designed originally to protect the liberty of the individual, have been given greater realism than they have ever known before.

But we have done more than that. Our constitutional re-awakening has not just been limited to the protection of individuals, not only against the Congress, the States, the Executive and government in general at every level, but the nation has become aroused to a new interest in the basic constitutional concepts with which the founding fathers dealt. As we approach the Bicentennial Anniversary of our existence, people across the land are beginning to seek answers on questions of the division of powers between the Executive, Legislative and Judicial branches of government. We have become increasingly aware as a nation of the constitutional structure of our government. This is one of the benefits of the traumatic experiences which are summarized in the word "Watergate".

We have seen perhaps the greatest resurgence in constitutional debate since the early days of our country. We certainly have had nothing like it since the pre-Civil War period when the great argument was about our federal system—where did the powers of the federal government begin and where did the powers of the states end? Now the question is, how do you draw the line between the departments of the federal government and how do you implement to the fullest extent the guarantees of the Bill of Rights.

You have been on the Floor on the House when these issues have been discussed and in some cases, determined. You have seen enacted the first War Powers Act in history. You have seen enacted the first anti-impoundment bill in history. You are about to see the first Budget Control Act in history. We are drawing our lines clearer and the American people are going to know better than ever before just what this government is all about.

I hope that some of you, like some who have gone before you, will go to Congress. I hope that many of you will enter public service. I hope that all of you will be active participants in politics because politics is the method by which public service is implemented. My first desire to be a Congressman was born when I was six years old. My own Congressman, Charles D. Carter, a Chickasaw Indian, addressed my first grade class and said,"One of you might some day go to Congress." My interest in Congresssional leadership came in the 6th grade when I had a government teacher who was a friend of Champ Clark, who for 8 years had been Speaker of the House of Representatives.

I can tell you—with all its headaches and all its problems—the life which I have lived as a Member of Congress has been the fulfillment of a lifelong dream. I have been able, through most of my adult years, to swim in the middle of the stream. Nothing that happens anywhere in the world is more important than what happens right here on Capitol Hill. Since 1955 I have been a member of the Democratic leadership of the House of Representatives. At every meeting, when every important decision was made during the speakerships of Sam Rayburn and John McCormack, and during my own speakership, I have been present. I was present at every important discussion between the legislative leadership and the President during the administrations of John Kennedy and Lyndon Johnson. I have been present at all of the important foreign policy meetings between President Nixon and his advisers, Bill Rogers and Henry Kissinger, since the Republicans have been in charge of the White House. This experience has caused me to know that politics is not the sinister thing which it is sometimes said to be.

I remember being in the Speaker's office when Sam Rayburn was Speaker and I was Whip, during the Eisenhower administration, when there was some reported scandal in the White House. Former Governor Tom Dewey of New York came by, and Mr. Rayburn introduced me to him. They were talking about the problem at the White House and Governor Dewey said, "You know, the trouble is that too many of the President's top advisers have not been politicians, and political science is the most important science there is." I have since been impressed by that statement and I think we can almost say it again today. President Nixon has had two Congressmen and one longtime high-grade Congressional employee on his staff, but the name of not a single one of these has been involved in any of the problems which less politically-oriented staff members appear to have brought to the Chief Executive's office. Politics is the human way of operating representative government. Get yourselves involved, not by destroying politics or belittling it, but by making it work.

As a member of the House of Representatives, I will be pardoned if I say that despite the recommendations of two successive Presidents, Lyndon Johnson and Richard Nixon, the leadership of the House on both sides of the aisle have refused a change in the two-year term. You who have served in the House of Representatives have served in the only body of government in our nation's capital where the people have a ready hand at determining policy. The House is the only place where the incumbent must report on the commission which his constituents have given him every two years. The House is the only place where you can get your office only by election; every other official and employee in this vast government of ours can be selected by other than the election process.

Even Senators can be appointed in the case of a vacancy; even Presidents can receive their position by way of succession, and the Vice President, in case of a vacany, can be appointed by the President and confirmed by the Congress, as we have recently seen in the Jerry Ford case. This is, perhaps more than anything else, the most important feature of our whole democratic government. The House of Representatives gives us the one place in our vast government where the people have immediate and direct control. As our nation grows, our government will grow in its responsibilities, our Congress will grow in its duties. More and more issues will have to be tackled nationally and internationally. More and more will it become true that the legislative process must be the avenue through which the people can reach every segment of their government.

Through it all, the Supreme Court still stands as a deacon and a balance wheel, not only between the Executive and the Legislative, but between man and government. An independent Judiciary is absolutely essential to the preservation of individual liberty and the protection of human rights. The Executive must be strong because national leadership cannot be splintered in a thousand directions. The President of the United States is, by the Constitution, the Chief Executive of the nation and he, more than anyone else, must give the nation the leadership which it requires. Our tri-partite government is basic to our system, and it must be preserved.

These are trying times, but America has strengthened her industry and her soul by overcoming trying times. We have never had a generation who gave up or who lost faith in our destiny, even during the darkest days of our history. The same spirit exists today as it did in 1776. The same spirit that tamed the wilderness put Americans on the moon. This country has stood strife and struggle. In the fraternal struggle of the Civil War, Longfellow emphasized the inner confidence that Americans have in the old ship of state when he said:

"Fear not each sudden sound and shock,
'Tis of the wave and not the rock,
'Tis but the flapping of the sail,
And not a rent made by the gale."

We have survived civil wars and world wars and brush-fire wars. We have survived hot wars and cold wars. We have survived recessions and depressions, but we remain the richest, the strongest, the freest, and the most powerful nation in all the history of the world.

Young men and women you have added to the strength, to the glory, to the freedom, to the power of your country in your young years. As you leave here tonight, we of my generation will soon be handing the torch to you—take it and let it shine in greater glory and in greater luster because your generation worked and lived.

Valedictorian—Mark N. Albertson

Mr. Speaker, Reverend Pryor, Rabbi Kanter, Mr. Hoffman, Mr. Reed, honored guests, and fellow members of the Class of 1974. I want to take this opportunity to say a sincere farewell for the graduates of the Class of 1974. I am sure that as we sit here tonight, all of us are silently reminiscing about the past nine months and what they really meant to us. Some of us will look back on these months with amusement, others with a strong, satisfying sense of accomplishment, and several may simply be sitting here in anticipation of the time when, several minutes from now, we will take one last walk down the aisle and out of high school forever.

No matter what memories we hold of our days together at Capitol Page School, we can rest assured in the knowledge that our time together was an important time, a time not spent only on the tests and grades and frustrations that are a part of education, but rather, it was also a time in which the important lessons of maturity and responsibility were shared and achieved by all. We sit tonight as one class whose experiences at Capitol Page School will remain a part of us forever, whether they are frozen in the glossy pages of the yearbook or captured in the elegant script of the formal presentations on our high school diplomas.

F. Scott Fitzgerald once wrote that ". . . there are only the pursued, the pursuing, the busy, and the tired.", but I feel that perhaps our famous American author may have omitted a classification of importance to us all. For there are also the graduates, those of us who sit before you tonight and can proclaim to the world that we have spent the past year living and learning the lessons of the past in preparation for the promises of the future.

Yes, fellow graduates and members of the Class of 1974, we *do* have a future. Our future is one that sets us apart from most of the graduating classes in the nation, because we have been given the opportunity to draw upon a unique education. Our learning comes not merely from the textbooks and chalkboards with which we have become so familiar, but from working in the offices and chambers of Congress and the Supreme Court. All of us have listened to the endless hours of legislative and judicial debate on a variety of issues.

We have witnessed the rise and fall of men in power and have made countless friendships ourselves, hoping someday, that we will move from the rear of the House chamber or the steps of the Senate rostrum, to a desk on the floor of either body or to a seat on the Supreme Court. The fact that we live and work with men of enormous responsibility in our national government, such as the Chief Justice of the United States or the Vice President or the Speaker of the House of Representatives, frequently reminds us that there are few who have a future as optimistic and promising as ours.

It is unnecessary to punctuate my remarks with phrases such as "the broadening of our horizons" or "our release into the cold, cruel world", for they are as pompous and empty as their scope implies. Nevertheless, however broad our horizons may be, or however cold and cruel the world really is, it is important for us to realize that an important period in our lives has come to an end. We are leaving the narrow confines of life in the Capitol Hill community in preparation for the challenge of larger schools, new and unfamiliar faces, and a tempo of life that differs vastly from that which we have seen every day in the corridors of the Capitol.

In short, my fellow graduates, I offer you a promise for the future based on the responsibility and maturity that have brought us here tonight. Perhaps these feelings can best be expressed by the famed poet W. H. Auden, when he said, "We are all equal in the sense that each of us is a unique person with a unique perspective on the world, a member of a class of one."

And so in conclusion, I want to thank our friends and relatives for attending our graduation exercises. We greatly appreciate your attendance. Thank you.

Announcement of Awards

6:10 A.M. and earlier—5 P.M. and later, that's the mentally and physically enervating challenge of Congressional Pages, so it is with sincere pleasure and great pride that I announce the recipients of awards well earned. Please try to refrain from applause until the end of the particular recognition.

Citizenship Medal, American Legion—Warren French; Civitan Honor Key Award—Mark Albertson; Danforth Award—Character, Scholarship and Leadership—Jonathan Coopersmith; Bausch & Lomb Award—Science Award for Excellence—Will Pryor; Journalism Award—Year Book—Mark Albertson; Faculty Award—Douglas Diehl; Valedictorian Medal—Mark Albertson; Salutatorian Medal—Warren French; Outstanding School Citizenship Certificate—Scholarship and Responsibility—Women's Bar Association of the District of Columbia—Douglas Diehl, Ronald Katz, Robin Patton, Kimberly Tomb and Elvin Turner.

National Council of Teachers of English Award for Superior performance in Writing—Mark Albertson; Second Prize in Philip Gerry Poetry Contest—"Sun Up" and "Cleaning Out My Heart"—Curtis Brant.

Service and Achievement—School Letters: Curtis Brant, Jonathan Coopersmith, Douglas Diehl, Ronald Katz, Ottilie King, Jennifer Olney, Robin Patton, Heidi Stam, Kimberly Tomb, Mark Con Destinon, Warren French, Tim Harroun, Siglinda Sanchez, Byron Wadley.

Stars—Points or credits in excess of minimum requirements: Mark Albertson, William Pryor, Elvin Turner.

School letters—recognition of varsity basketball awards: Warren French, Ronald Katz, Charles Phalen, William Pryor, Brian Rawers, Elvin Turner.

Basketball Coach—Major Stewart McCaw.

We did a little more than build character this year. We actually won 80% of our games.

Basketball star: Mark Albertson, Bob Kieffer.

Most valuable player: Charles Phalen.

Scholarships: (Listed on next sheet marked-insert—Scholarships): Further, we are proud that our students have been accepted by major and outstanding universities all over America.

SCHOLARSHIPS

Stanford U., Oberlin College, N.H.S. Scholarship Finalist, Mark Albertson.

Abilene Christian College, Becky Bailey.

George Washington University, Curtis Brant.

Rochester U. Merit Scholarship, Jonathan Coopersmith.

Carroll College Honors Scholarship, Douglas Diehl.

Maryland University, Ronald Katz.

Marquette U., Bucyrus-Erie Co. Scholarship, Wisconsin Honors Scholarship, Paul Medved.

Southwestern at Memphis, Yale University, William Pryor.

Rutgers Alumni Scholarship, Siglinda Sanchez.

Yale University, Elvin Turner.

Depauw University, Mark Von Destinon.

Abilene Christian College, Byron Wadley.

Southeastern University, Donald Ward.

Michigan State-Detroit Sports Broadcasters Association Scholarship, Jerry Watterworth.

Our faculty, Mrs. Ulmer, Mrs. Rimmer, Ms. Godfrey, Ms. Nitkin, Ms. Neale, Mr. Hilton, Mr. King, and Major McCaw are proud of this graduating class, the largest in the history of the school, as are Mr. Miller, Mr. Wannall, Mr. Hepler and the many staff members on the "Hill" who work so closely with the pages. Our Parent Teacher Club officers, Mrs. Johnnie Albertson, President; Mr. Terry Shea, Vice President; Mrs. Evelyn Robinson, Treasurer also salute you our graduates.

As a former coach, I appreciate the fact that in order to win you have to have the talent, the proverbial "horses" going for you and we recognize the God given talent of these youngsters, but they couldn't have done it alone so we recognize and applaud you parents for you, too, should be accorded accolades for a job well done.

A dear friend of the pages is Dr. Edward L. R. Elson, Chaplain of the United States Senate, who very graciously sends a handsomely bound, autographed copy of the many prayers he offered on the Senate floor during the 92nd Congress, for each senior.

Now it is my pleasure to certify to you, Mr. Brown, that these students have honorably completed the course of study prescribed for the Washington, D.C. High Schools and I ask that their diplomas be granted in recognition of this fact.

Closing Prayer for Capitol Page School Commencement, Given by William Pryor, June 10, 1974

We pray Lord God for this night and what it has held. For its endings and its new beginnings we give thee thanks. We pray in a very special way thy blessing upon these graduates, upon our Speaker, upon the homes from which they come. Now may grace and mercy and peace from thou who art the father, son and holy spirit be with and abide with each one of us now and forever more. Amen.

THERAPY SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Fulton) is recognized for 10 minutes.

Mr. FULTON. Mr. Speaker, among the issues the Committee on Ways and Means is called upon to consider and make recommendations upon, one of the most complicated, yet vital, issues which affects the lives of millions of our citizens, is medicare. This program has provided the means whereby medical care has been made available to constituents of mine and to those of every Member of this House. Without this program, needed health care could well have been denied. I am proud of our progress. The medicare program which the Congress initiated for the benefit of our older citizens is a program to protect social security beneficiaries from the costly health expenses which they perforce must face. It has been my own and I believe it has been the intent of the Members of the Congress to provide a health insurance program for these most deserving of our citizens.

Medicare, like most legislation, was not originally, nor is it now, perfect. We did make every effort to include those medical services which are necessary to a status of good health. We included, for good reason, services which are less known to many of us, but are vital for a comprehensive health program. One of these, and the one to which my remarks are directed, is physical therapy. To illustrate the importance of physical therapy procedures, I would point out to Members just two examples. The distinguished chairman of our committee, the Honorable Wilbur Mills, who required back surgery recently, has made no secret of the fact that following the surgical procedures it has been the physical therapy which he has received which in great measure has restored him to the excellent condition which we all are delighted to see him enjoy. Additionally, this entire Nation knows of the tragic assault made upon Gov. George Wallace, of Alabama, of the tenuous days when heroic medical efforts were made at Holy Cross Hospital to save his life, and the subsequent combination of the Governor's determination and physical therapy which has restored him to his present capabilities, limited though they may be.

I believe it fair to say that the two principles which guided our Committee on Ways and Means and the Congress in the enactment of medicare and in the amendments we have subsequently made are sound. First, we wanted to assure necessary health care to social security beneficiaries and, second, we were impelled to provide adequate cost containment measures.

I am confident that considering the constraints within which we were working, we did pretty well. Do not misunderstand me. I believe that this Nation needs a comprehensive national health insurance program. But I am concerned by the experience of the past as we look to the inevitable larger programs.

I would like, Mr. Speaker, to set the predicate of the action which I am proposing today. It was not too long after the medicare program became operative that rumors of abuses were circulating. Then there were documented examples of unscrupulous medical practitioners.

I shared with my colleagues the belief that the medicare law needed to be amended to guard against the unprincipled practitioner, but even more importantly, to make sure our Nation's elderly beneficiaries received the services to which they were entitled and needed. I am dismayed, however, by the insensitivity of the Bureau of Health Insurance, SSA, to what I believe was the intent of our committee when we added certain safeguards to the program in reference to several of its benefits.

On pages 109–110 of our committee report dated May 26, 1971, we explained in detail what we were doing and why. We specifically instructed the Secretary of HEW to consult with the professions directly involved in establishing criteria for determining reasonable cost of services. Subsequently, I received information which alerted me to the possibility that our executive branch bureaucrats are not totally sensitive to congressional instruction.

It had been learned that BHI was acting to implement a salary equivalency concept even without specific legislative authority. On September 14, 1971, the Bureau of Health Insurance advised representatives of the American Physical Therapy Association, one of the professions referred to in our report that they—the BHI—were not yet ready to consult on proposed regulations. On September 17, 1971, only 3 days later, BHI distributed a draft intermediary letter which would serve as regulations to implement this provision of a House bill which had not yet become a public law.

Since enactment of Public Law 92–603, the Medicare amendments of 1972, the BHI has been struggling with regulations to implement section 251(c), the issue at question. While it was the intention of our committee to guard against overcharging the program, BHI has somehow fixed upon the conviction that our instruction must be translated into an hourly salary with no consideration being given to the amount of service provided.

This, to me, can be self-defeating and a totally unnecessary interference with patterns of health service delivery.

On July 31, 1973, I joined with four other members of the Ways and Means Committee, Congressmen Pettis, Corman, Ullman, and Carey in a letter to BHI, questioning the apparent course they were taking in the light of our committee intent and requesting a meeting with representatives of the American Physical Therapy Association and a member of our committee staff. It would appear 8 months later that the meeting was not an unqualified success.

Stated briefly, our committee wanted therapy services provided at a reasonable cost regardless of the method of employment arrangement. Many health institutions, referred to as providers of services, find it to their advantage to furnish service under an "arrangement", that is, by contract with a health professional not on the staff of their institution. One fundamental reason is that as the volume of therapy services goes down, the costs to the hospital go down.

On the other hand, personnel costs are fixed if the therapists are on the regularly employed hospital staff. There also can be savings for the medicare program as well.

Medicare pays its share of the costs of an institution based upon the percentage of medicare patients. To illustrate, if there are five medicare patients and five nonmedicare patients, medicare pays 50 percent of all costs including personnel. If the patient volume drops to six, of which three are medicare patients, medicare must pay 50 percent of personnel costs which remains the same, even though only three medicare patients are being served.

The fiscal savings of an arrangement for physical therapy services, both to hospitals and to the medicare program, were graphically illustrated to me by a friend of mine. He shared with me the results of a survey of charges for physical therapy services in a large metropolitan area. Of the 20 hospitals surveyed, 12 retained physical therapists on a regular employee basis, while 8 provided physical therapy services under arrangement.

In virtually every instance, the institutions retaining the physical therapists under arrangement charged less for physical therapy services than did the hospitals where the therapists were retained under ordinary employment. There is, then, obvious potential benefit to the medicare cost containment objective by not thwarting the under-arrangement approach to retaining therapy personnel.

The approach of BHI would have this kind of detrimental impact to these efficiencies and economies.

Our committee was concerned with cost containment but we did not want to cut down productivity nor fix individual income. Reimbursement related to time rather than amount of service defeats incentives. We want the medicare program to have the benefit of the most economical of circumstances, whether the therapist is employed or under arrangement.

The test of reasonableness of costs should be based upon services provided and the cost to medicare should not be affected by the method by which therapy services are provided.

To make sure there is no question of congressional intent on this point, I am today introducing legislation to strike from section 1861(v)(5)(A) of the Social Security Act the words "equal to the salary" so that reimbursement for therapy services, as is the case with all other services provided under medicare, will be based upon reasonable costs.

ENCOURAGING HOME GARDENING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I am again calling to the attention of the Members of the U.S. Congress the rising costs in food prices and the dire predictions of food shortages in the years to come. Now is the time for this great Nation to take steps to prepare for the future. The warning signs are showing all over the world. Millions of unused acres of land exist throughout the country. The urban areas of this Nation have plenty of unused lots that can be converted to home gardens. A back-to-the-soil movement is needed if our people are going to have the opportunity to fight prices and prepare for food shortages. One bill that I filed provides for the supplying of free seeds upon request of our Secretary of Agriculture by the people at an estimated cost of $6 million and would produce an estimated $380 million in nutritious vegetables. This legislation has been heard by the Subcommittee on Agriculture, chaired by my esteemed colleague the Honorable JOSEPH VIGORITO, of Pennsylvania. The bill has been very well received throughout the Nation, particularly by the consumers. Another amendment that has been tentatively approved by the powerful Ways and Means Committee, offered by myself, provides for a 7-percent investment credit for home gardeners on purchase of garden tools with a ceiling of $100 in purchases. Both of these pieces of legislation will encourage home gardening and be a step in the right direction by showing some concern about the problems that lie ahead.

I include an article written by one of the ablest newsmen on the Washington scene, David Nyhan that appeared on page 2 of today's Boston Globe:

REPRESENTATIVE BURKE PLANTS TAX CREDIT SEED

(By David Nyhan)

WASHINGTON.—When Jimmy Burke was growing up in Hyde Park, his folks had a vegetable garden that fueled a neighborhood of kitchens.

When Burke, the Democratic congressman from Milton, goes up to Boston weekends now, he goes over to his brother Arthur's house in Dorchester. "He's really got the green thumb in the family," says vegetable-loving Burke.

And while Burke is more of the city-slicker type, compared with some of the rural types on the House Agricultural Committee, he is hip-deep at persent in a James A. Burke back-to-the-soil movement.

So it was no surprise yesterday that Burke wrung from the House Ways and Means Committee tentative approval of a 7 percent tax credit for home gardeners.

The legislation, with the impressive title of "The Home and Family Garden Tax Credit Amendment," would give taxpayers $7 back on their Federal income tax if they buy the allowable maximum of $100 worth of tools and equipment for gardening home-grown vegetables.

Burke, who once was proprietor of a Victory Garden in Mattapan, wants "the little guy" to get a break in his food bill by growing his own vegetables.

He persuaded Congress several weeks ago to hold a public hearing on another scheme, in which he envisions the Department of Agriculture providing up to $6 million worth of free vegetable seeds to anyone who asks. This would produce some $400 million worth of vegetables, he figures.

Agriculture Secretary Earl Butz opposes the idea.

After two days of hearings on tax loopholes for "hobby farmers" in his Ways and Means Committee, Burke said he was tired of hearing about "tremendous tax writeoffs" for the wealthy, landed gentry.

"What about the little fellow who pays those incredible prices at the supermarket?" he asked.

Then he rattled off prices of various vegetables at local greengrocers: "Potatoes, $4.65 a peck; spinach, 75 cents a pound. . ."

He had interns from his office fan out and buy up lettuce, turnips, squash and other foodstuffs and plunked them all down on a table in front of Butz at the recent hearing, flanked by signs showing their price per pound.

Burke's finale was a tomato-thumping routine. Flourishing one of the pulpy red spheroids he shouted, "It looks like a tomato, it slices like a tomato—but it doesn't taste like one."

With that, he flung it down on the table. Instead of the expected "splat," the tomato in question, which had been rushed to harvest by one of the large corporate farming interests, "bounced like a baseball," according to a Burke aide who was present.

But it is a slow process, pushing a pet project through Congress, so Squire Burke repairs to Dorchester and Brother Arthur's back yard, where the sun goes down over a crop that includes "lettuce, tomatoes, string beans, butter beans, corn, squash, turnips—he grows everything."

EMERGENCY VISAS FOR SYRIAN JEWS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. PODELL) is recognized for 5 minutes.

Mr. PODELL. Mr. Speaker, today I am reintroducing my bill to authorize 5,000 special immigrant visas for Syrian Jews. And, to date, my bill has the eager support of 23 of my colleagues in Congress.

In my remarks made when this bill was first introduced, I noted that the few Jews left in Syria are subject to the worst forms of officially sponsored oppression and discrimination. Things are not getting any better for them. In fact, they are getting worse by the minute.

Just a few days ago, the Syrian Government secretly began the trial of two Jewish men who have been accused of killing two Jewish women. These women had been trying to escape from Syria, and their bodies had been found near the Syrian border. The men accused in these murders are related to the dead women. Stories coming from Syria are conclusive of the fact that this trial is trumped up, and just another in a long series of official acts of harassment against the remnants of the Syrian Jewish community.

In the past year or so, there have been a number of similar pieces of legislation, but this may be the first one with any real chance of helping the Jews in Syria. I have chosen this time to reintroduce it, because in a few days, President Nixon and Secretary of State Kissinger will be arriving in Syria. The United States is in a unique position to help these 4,500 men, women, and children, and we should do whatever we can to see to it that the Syrian Government acts humanely toward its Jewish citizens.

President Nixon is opposed to any interference in another nation's internal affairs, and this obviously includes matters concerning the treatment of religious minorities. He is against the United States doing anything to make it easier for Jews to get out of Russia. No doubt, he will be equally opposed to any efforts on our part to ease the burdens on the Jews of Syria.

But there is every reason for us to stretch out a hand of friendship and assistance to these people. We have won the trust of the Syrian Government. Now that peace with Israel has become a distinct possibility, the Syrian Government may stop looking on its Jews as enemy aliens, and be more willing to ease the restrictions on them and let them leave for other lands. The United States, as the major force behind the current moves toward peace, ought to do everything in her power to induce the Syrian Government to let the Jews emigrate. This is no more interfering in the internal affairs of another nation, than was Secretary Kissinger's marathon efforts which produced the Israeli-Syrian cease-fire.

I have signed so many letters and cosponsored so many bills on the subject of Syrian Jewry that at times it seems like an endless succession. But I am finally confident that my efforts, and those of all my colleagues who have continued their support of Syrian Jewry, will not have been for nothing. The situation in the Mideast is changing. Peace is a likely prospect. We must be ready for that eventuality, and for the eventuality that Syria will let those Jews whom it now holds captive emigrate. My bill would open the doors of the United States for them, allowing them to taste the delicious fruits of freedom and to become contributing members of a society in which they will prosper and which will benefit greatly from their presence.

ELECTION OF CALVIN L. RAMPTON AS CHAIRMAN OF THE NATIONAL GOVERNORS' CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, it is with some local pride that I call the attention of the House to the fact that at Seattle, Wash., on June 5, 1974, Gov. Calvin L. Rampton of Utah was installed as Chairman of the National Governors' Conference. This is just recognition for a man who has served with great distinction as Governor of Utah and whose administration has been a model of integrity and accomplishment.

In an editorial on June 8, 1974, the Salt Lake Tribune stated :

> The honor is obvious to anybody. But to those who have followed Gov. Calvin L. Rampton's career, this latest testimony to his administrative ability and political astuteness is especially appropriate.
>
> As conference chairman Gov. Rampton will have added opportunity to demonstrate his talents on a national scale. He takes office at a time when states seem to be assuming more responsibility, both as a result of current federal policies and of Watergate-inflicted federal malaise.
>
> Gov. Rampton is the right man at the right time. We are confident that under his administration the governors' conference will be revitalized and play an increasingly significant role in restoring public respect for public office.

In recent years the National Governors' Conference has grown in stature and is now recognized throughout the United States as a strong voice in matters of both local and national concern. During the past year significant legislation has been enacted by many States under the direction of the Conference in areas of tax reform, campaign financing and ethics, consumer protection, and sound fiscal management. States have expanded their traditional roles as leaders in creating open government, a trademark of Cal Rampton's philosophy as Governor of Utah. We can expect even greater support for this approach from the National Governors' Conference during the coming year. I am confident that Governor Rampton's leadership will stimulate even greater achievements and that the Conference will play an expanding role in matters of public concern.

Governor Rampton was elected to his first term in November of 1964, becoming Utah's first Democratic Governor in 16 years. He was reelected in 1968 by the largest margin in the history of our State. In 1972 he was reelected to his current term, surpassing his own record for the biggest victory margin over an opponent, becoming Utah's first third-term Governor. He is well prepared for his new national responsibility as illustrated by the following accomplishments:

POSITION, COMMITTEE OR COMMISSION, AND YEARS

Chairman, Federation of Rocky Mountain States, 1970–71.

Vice-Chairman, Western Governors' Conference, 1968–69.

Chairman, Western Governors' Conference, 1969–70.

State Cochairman, Four Corners Regional Commission, 1971.

Member, Executive Com., National Governors' Conference, 1966–68, 1969–70.

Chairman, Education Commission of the States, 1967–68.

Chairman, Committee on Law Enforcement of the National Governors' Conference, 1969.

Chairman, Committee on Education of the National Governors' Conference, 1967–68.

Chairman, Committee on Management and Fiscal Affairs of the National Governors' Conference, 1971–present.

Chairman, Education Commission of the States Task Force on Early Childhood Development, 1970–present.

Member, Commission on Party Reform of the Democratic National Committee, 1970–71.

For 10 years in Utah we have been served by a Governor with a special commitment to the people of Utah. That commitment has been for the well-being of all Utah citizens, to all persuasions and to all political beliefs. That commitment has been for cleaner air and water and to protect the rights of future generations to enjoy our public properties and wilderness areas. That commitment has been for productive employment, for equal as well as quality education, and to stimulate the best in each of our citizens so that they can fulfill their greatest potential. That commitment includes listening with understanding to both the silent and the vocal, to those who are angry at our system, and to those who have committed themselves to the building of government operating on truth, honesty, and service.

These basic commitments Gov. Calvin L. Rampton made to the people of the State of Utah are now expanded to the people of the United States in his new role as Chairman of the National Governors' Conference.

A TRIBUTE TO COMMISSIONER GENERAL J. WELLES HENDERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, the International Exposition on the Environment, Expo '74, is currently being held in Spokane, Wash., and will continue through November 3, 1974. This event is the only internationally recognized exposition that will be held in the United States between now and our Bicentennial celebrations in 1976.

In addition, it is the first international exposition to be held in the United States since this country became a signatory in 1969 to the 1928 Convention on International Expositions, as amended. This international agreement establishes standards and conditions for international expositions and, along with the provisions of Public Law 91–269, which governs U.S. participation in such events, seeks to insure that every international exposition meets the highest standards of presentation and overall quality.

There has been a great deal of favorable comment regarding Expo '74 and its meeting of these stringent national and international standards. Although full credit is due to the citizens of Spokane and the local political and business and labor leadership of that community for conceiving and bringing into life Expo '74, its success as a truly international event must also in large measure be attributed to the extraordinary ability and skill of its first Commissioner General J. Welles Henderson, of Philadelphia, Pa.

As the official representative of our national effort, reflected so well in this remarkably dynamic and exciting exhibition, Commissioner General Henderson was charged with the obligation to both represent the U.S. Government and to guarantee the fulfillment of all its obligation toward the foreign participants, of which there are 10 including such major countries as the Soviet Union, Japan, Canada—including British Columbia and Alberta—Australia, the Federal Republic of Germany, Iran, Korea, the Republic of China and the Philippines faced an enormous task being appointed less than a year before Expo '74 was scheduled to open, but with characteristic determination and diplomatic skill he immediately set off on a number of international negotiating trips to bring together the foreign representation that was so essential to meeting the goals and obligaions of Expo.

It is not exaggerating, I believe, to state that without his patience, depth of understanding and unique ability to resolve the many complex questions and issues involved in the decision of a foreign nation to officially participate in an international exposition, Expo '74 could not have been the success it is today.

This first step was, of course, only a beginning and that complex structural entity known as an international exposition had to be translated from paper commitments and proposed plans for participation into a reality, and the expertise that he demonstrated on the international scene now had to be transferred and translated into bringing about a major domestic event that is well on its way to attracting more than the originally estimated 4½ million visitors.

Expo '74 was officially opened on May 4 in ceremonies presided over by President and Mrs. Nixon and it was my pleasure to have been there on that day and witness at first hand the culmination of the remarkable efforts of Commissioner General Henderson, a man that I have come to admire and respect so much. I wish also to express my respect and admiration for Hannah Henderson, the charming wife of Commissioner General Henderson who has been so great and constant a help to him.

Commissioner General Henderson recently announced his decision to resign, for personal reasons, from his post and return to substantial professional, community and family obligations in Philadelphia. I am sure that I speak for the citizens of Spokane and his colleagues in the international community at Expo when I say that all those involved in the exposition owe him a good deal.

As an indication of the respect with which he is held by his colleagues who represent the other nations participating in Expo, I take great pleasure in inserting at this time a recent letter to the Commissioner General from the Honorable Patrick Reid, Commissioner General of Canada and the president of the College of Commissioners General at Expo '74:

College of Commissioners
General, The International
Exposition on the Environment,
Spokane, Wash., May 30, 1974.

Mr. J. Welles Henderson,
U.S. Commissioner General, The International Exposition on the Environment, Spokane, Wash.

Dear Mr. Commissioner General: It was with profound regret that the members of the College of Commissioners General learned of your decision to resign your appointment and leave Spokane. There has been universal admiration, and respect, for you, and for Mrs. Henderson, among the foreign staffs at Expo '74 and the news of your imminent departure has dismayed us all.

Perhaps because I have had the longest association with you, and because of the position I have the honour to hold, I am also well placed among my fellows to record that your personal contribution to the success of this exposition has been extraordinary. The strenuous activity of your staff has also been noted most favourably by the College, and we are well satisfied with the manner in which the international relations and protocol arrangements of the Office of the United States Commissioner General have been developed.

It is a mark of the excellence of your efforts that only a very few foreign Commissioners General realized the difficulties that faced you in endeavouring to follow the International Convention, and administer the General Regulations, when the organizational and financial structure of the exposition itself precluded you from the exercise of the sort of authority that might have been commensurate with your responsibility. I make reference to this now because it will be my duty to raise the jurisdictional issues involved when the report of the College of Commissioners General is made to the International Bureau of Exhibitions at the conclusion of Expo '74.

We hope sincerely that you can, in the days to come, look back on this period of intense activity as having been worthwhile in a personal sense. I can assure you, as a privileged observer, that your public accomplishment has brought great credit both to yourself and to the Government of the United States. This sentiment was, as you know, expressed on at least two formal occasions, and was supported by all foreign Commissioners General. In appreciation of your tenure it is my intention to ask the College in due course to recognize your contribution in the same manner as would have been the case if you had been able to remain in office until November.

Yours sincerely,
Patrick Reid,
Commissioner General,
President of the College.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I wish to thank the distinguished gentleman from Washington for yielding, and I wish to commend him for bringing this matter to the attention of the Members of the House.

I have had the privilege of flying in and out of Spokane, Wash., which is directly west of the first district of Idaho.

Many, many of my constituents have been telling me on recent trips in and out of the State of the fine expo that they have at Spokane. They keep asking me if I have been there. I have not yet, but I am looking forward this summer to doing it if I can get the cooperation of the Speaker to adjourn this body. Then I will have the pleasure of going there.

Again I wish to thank the gentleman from Washington for bringing this matter to our attention.

Mr. FOLEY. I thank the gentleman from Idaho. I think very often we tend to underplay what is involved in an undertaking of this kind and the effort is not always appreciated. The work of Commissioner General Henderson has been an outstanding part in the success of Expo '74. I want, by this statement, to pay tribute to his efforts, skill, and ability. We in the Spokane area and the whole city of Spokane-Expo '74 will miss him and his charming wife.

SHAM STUDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Daniels) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, in 1971 Congress passed Public Law 92–318 which authorized $300,000 for a study to be made of children's camps. This law was passed in place of the Youth Camp Safety Act to determine if Federal legislation is needed to regulate youth camps.

The report due March 1, 1973, was issued April 29, 1974, and was incomplete, faulty, and contradictory in documentation.

First, the survey conducted by the Center for Disease Control is too small to be considered statistically accurate—only 128 of the proposed 200 camps were actually surveyed.

Questionnaires were sent to 7,861 camps and only 42 percent replied. There was no attempt to check the accuracy of reports of illness, accidents, and deaths. No reports were obtained from outside sources such as police and hospitals.

The survey itself clearly states that no conclusions could be drawn from the statistics compiled.

The Select Subcommittee on Labor, which I chair, has held hearings on youth camp safety legislation in 1968, 1969, 1971, and this year. These hearings have clearly demonstrated the need of the Federal Government to take the leadership to set basic minimum safety and health standards.

The following article from the Christian Science Monitor expresses that papers' opinion on this study:

Camp Safety Standards

In wasteful disregard of its obligation to the public and to Congress, the U.S. Department of Health, Education, and Welfare has paid nearly $300,000 for a report on camp safety which is all but worthless. . . .

The report was an outgrowth of a camp safety bill which passed the Senate two years ago but was changed into a study during a House-Senate conference at the insistence of a Texas congressman. . . .

After pointing to all the inadequacies in present state laws and citing the deaths and injuries, the study comes to the conclusion that federal action is not needed. In brief, it says the job belongs to the states.

Of course the whole reason for the push to enact federal camp safety legislation arises from the fact that the states are not doing their job. . . .

The $300,000 HEW blunder convinced us more than ever that adequate federal camp safety standards are needed and should be enacted into law during the current session of Congress.—Danbury (Conn.) News-Times.

CONGRESS MUST HELP LIVESTOCK INDUSTRY NOW

(Mr. RONCALIO of Wyoming asked and was given permission to extend his remarks at this point in the Record.

Mr. RONCALIO of Wyoming. Mr. Speaker, the cattle industry is rapidly approaching a crisis as production and imports remain high and the wholesale price received by farmers and ranchers is dropping drastically. Most housewives in America are not aware of this situation because they have not noticed any drop in retail prices. While the producer is suffering, lower prices are not being passed along to the consumer.

As usual, the hardest hit in this situation is the small-scale operator, who even during good times is relying upon the quirks of a complicated marketing process to make a decent profit. He is being drawn into an ever-tightening squeeze of soaring expenses and dropping income. Since 1971, the cost of feed has risen dramatically—corn is up 150 percent, hay up 75 percent, silage is up over 100 percent. Yet today the small-scale cattleman in Wyoming and other Western areas is getting just a little over half what he received last year for his animals.

I think the severity of the crisis we are facing is eloquently expressed by one of my constituents in one of the dozens of letters I have received about this problem. He writes:

I think the time has come that we must impress upon the minds of all our Congressmen that the small ranchers and perhaps bigger operators too, are in real trouble.

> The cattle market is taking a drastic drop and all our expenses are going up. We are just not going to be able to meet our obligations.
>
> Example: Our leases on all public lands are increasing in price every year and our cattle market is dropping to nearly half.
>
> Fuel oil for our houses increased from 16 cents a gallon to 38½ cents. I think you should be trying to do something about this as well as propane.
>
> Of course, gasoline has gone up considerable which is very essential in the ranching business today.
>
> Fuel costs are very high. All repairs and materials that we must have to get by on have more than tripled in some cases.
>
> I could mention many more things, but with all the same increase in cost.
>
> How can we, the small operator with 125 cows, meet our obligations?
>
> I am told that beef imports are playing a considerable part on our cattle market. If so, let's do something about it before it is too late.
>
> Financially, I am scared and worried. On top of all these worries we are having a severe drought which looks now like a lot of people in Weston County will be forced to sell their cattle on this low market.
>
> I am not smart enough to know the answers to these problems, but I do know if the small operator is going to exist something will have to happen soon.

Beef imports are up 6 percent during the first quarter of this year, increasing the domestic supply while our own producers are facing bankruptcy. Last week I introduced legislation to stop all beef imports for a 180-day period while wholesale prices are given a chance to stabilize.

Wholesale prices for feeder steers are down 27 percent in May on the Kansas City market compared to a year ago. Railhead prices in the West are down even farther as transportation costs climb.

With production forecasts for the summer and fall predicting a 9-percent increase over last year, the situation will not improve unless something is done now to restrict importation of beef.

Relief for the small operator is essential. That is why I am co-sponsoring legislation by my colleague BOB PRICE of Texas this week which will establish a program of low interest revolving 5-year loans for cattlemen hard hit by the cost squeeze. Those funds are desperately needed by many feedlot operators to replenish their stocks while they take momentous losses during this period of price instability.

BILL WOULD ELIMINATE SOCIAL SECURITY DISCRIMINATION AGAINST MEN

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, sexual discrimination takes many forms: unequal pay for equal work, hiring and promoting men over women, and barring women from men's bars are but three examples.

While the majority of sex discrimination cases involve unfair treatment of women, occasionally an example of discrimination against men is uncovered. One such case represents a remnant of the past, a useless and, indeed, unfair practice embodied in Federal law that should be excised.

The Social Security Act provides that if a husband and wife are both working and the husband dies, the wife automatically qualifies for social security benefits based on the higher of the two earnings histories. On the other hand, if a wife's earnings are higher than her surviving husband's, he does not automatically qualify for the higher benefit payment.

Today, all a widow need do to qualify for the higher benefit is file her claim at the nearest social security office and prove she is a widow. By contrast, if a widower seeks to receive benefits computed on the basis of his wife's higher income history, he must also prove that he was dependent upon his wife for over 50 percent of his support at the time she became eligible for social security benefits.

Other than in reliance upon principles long discredited, there is no reason why women should be considered by the Social Security Administration as inherently dependent, or why, unless he can prove otherwise, a man should be thought of automatically as the family breadwinner.

If one spouse is able to obtain higher benefits based on the earnings of the other spouse, both spouses should have that opportunity without any discriminatory tests being applied. To accomplish this goal, I am today introducing legislation to eliminate this form of discrimination against males in the social security law.

THE PRICE-ANDERSON ACT

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, the Joint Committee on Atomic Energy is at the markup stage in regard to legislation to modify and extend the Price-Anderson Insurance and Indemnity Act for nuclear powerplants. The purpose of this proposed legislation, as set forth in the administration's bill, H.R. 14408, introduced by request on April 25, and the Joint Committee's proposed modified bill, H.R. 15323, introduced by me on June 11, is to protect the public against personal and property losses in the unlikely event of a large nuclear accident.

The principal features of the proposed modification and extension are:

First. To phase out governmental indemnity by the early 1980's through a system of utility retrospective insurance premiums administered by insurance companies.

Second. To increase total coverage from $560 million to $1 billion and beyond as the number of reactors with commitments for retrospective premiums increases.

Third. Continuation of no fault and prompt payment features as to third party liability coverage.

Fourth. Inclusion under the act of floating nuclear powerplants and transportation between U.S. licensees via routes which are partially outside the United States.

Fifth. Extension of the Price-Anderson Act, as modified, to 1997, with a study and report to Congress in 1987.

My colleagues and I received identical letters from a number of Members of the House and Senate urging postponement by the Joint Committee of its consideration of legislation extending and modifying the Price-Anderson Act. Postponement was urged on the grounds of lack of pressing need for this legislation and the desirability of awaiting completion of a safety related study by Dr. Norman Rasmussen of MIT. The committee has determined that it would not be in the national interest to delay consideration of the proposed legislation, and has scheduled an open markup session for 2 p.m. today.

The committee has requested the attendance of Dr. Rasmussen at the session, and he has expressed his willingness to answer further questions regarding the study under his direction and its relationship to the Price-Anderson Act. For your information, he testified before the Joint Committee on May 16, 1974, and provided the conclusions of this study and their indirect relationship to the Price-Anderson legislation.

It appears from the comments in the letter we have received that there may be some misunderstanding regarding the circumstances and background of this legislation. The $2 million Rasmussen study is a part of the ongoing $100 million safety research program conducted by the Atomic Energy Commission. As such it is not directly related to the Price-Anderson legislation, any more so than any of the other studies which make up the program.

There is a common misconception that since the Price-Anderson Act will not expire until 1977, there is no need for immediate action. This is not the case. A 60- to 90-day delay beyond the date of release of the Rasmussen study, followed by further hearings, would effectively preclude action during this Congress. Since the leadtimes for construction permits for nuclear powerplants range from 2 to 4 years, depending on a number of factors, uncertainty on extension of the Price-Anderson Act until mid-1975 could create a significant disruption in utility planning.

The effect of postponement could be as much as a 25-percent shift in orders by utilities from nuclear to coal- and oil-fired plants. These fuels, as you know, are in short supply and have undergone severe price increases which may be further exacerbated, and create significant environmental problems. For these reasons the committee does not feel it is prudent to delay consideration of the bill without compelling reasons. The committee does not consider the schedule for the Rasmussen study a significant enough factor to warrant delay.

The committee has heard testimony on the preliminary results of the Rasmussen study. Professor Rasmussen himself stated on May 16, 1974:

> I believe that the proposal before you represents a reasonable way to phase out the Government responsibility for nuclear insurance and shift the responsibility to the

insurance companies and the nuclear industry. I believe that the current 560 million dollar limit is a reasonable value at this time and will cover all combinations of circumstances which can reasonably be considered credible.

The preliminary results of the study indicate that the probabilities of severe nuclear incidents are much less than had previously been thought. Thus the protection afforded by the current Price-Anderson Act is even more all-embracing than was anticipated. The study is now in the report preparation stage. Thus any significant change from these preliminary findings is highly unlikely.

The draft of the report will undoubtedly be the subject of intensive review and comment by interested parties. It will be many months before a "final" report is published, and even this final version will be subject to continuous updating and refinement as new engineering data and operating experience develop. The subject of nuclear reactor safety will never be a closed book so long as reactors are operated. The committee cannot await a final definitive analysis to act. The costs in terms of potential energy shortages would be too high.

The committee held public hearings on the possible modification or extension of the Price-Anderson Act on January 31, March 27 and 28, 1974, and hearings on H.R. 14408, S. 3254, and S. 3452 were held on May 9, 10, 14, 15, and 16, 1974. An informal planning committee, drawn from the Joint Committee staff, the Atomic Energy Commission, the legal profession, the commercial power and insurance industries, and public citizen groups, assisted the committee and staff in regard to the scope of the hearings and potential witnesses.

The following witnesses from the Atomic Energy Commission appeared before the Joint Committee to present testimony or to assist in the development of the record:

List of Witnesses

Dr. Dixy Lee Ray, Chairman; William O. Doub, Commissioner; Marcus Rowden, General Counsel; L. Manning Muntzing, Director of Regulation; and Jerome Saltzman, Deputy Chief, office of Antitrust and Indemnity, Directorate of Licensing.

Other witnesses who appeared one or more times are:

Elmer Dee Anderson, Private citizen, Valparaiso, Indiana.

Dr. W. H. Arnold, Jr., General Manager, PWR Systems Division, Westinghouse Electric Company.

George K. Bernstein, Federal Insurance Administrator, HUD.

Arthur C. Gehr, Atomic Industrial Forum.

Frank P. Grad, Director, Legislative Drafting Research Fund, Columbia University.

Harold P. Green, Professor of Law, National Law Center, George Washington University.

Gerald R. Hartman, Professor of Insurance and Risk, Temple University.

Joseph F. Hennesseey, Bechhoefer, Snapp and Trippe, Washington, D.C.

Larry Hobart, General Manager, American Public Power Association.

Mrs. Judith H. Johnsrud, Central Pennsylvania Committee on Nuclear Power.

Dr. Chauncey Kepford, York, Pennsylvania, representing the Environmental Coalition on Nuclear Power.

Hubert H. Nexon, Senior Vice-President, Commonwealth Edison Company, representing Edison Electric Institute.

Norman C. Rasmussen, Department of Nuclear Engineering, Massachusetts Institute of Technology.

Charles A. Robinson, Jr., Corporate Counsel, National Rural Electric Cooperative Association.

Miss Laurie R. Rockett, Greenbaum, Wolff and Ernst, New York City, New York.

Ms. Ann Roosevelt, New York, on behalf of Friends of the Earth.

Richard A. Schmalz, Hartford Insurance Group, representing Nuclear Electric Liability Insurance Association.

Chauncey Starr, Electric Power Research Institute.

Mark Swann, New Park, Pennsylvania.

Martin Victor, VP and Secretary, Babcock & Wilcox Company.

Richard Walker, Partner, Arthur Andersen & Company.

Bruce L. Welch, Director Environmental Studies, Friends Medical Science Research Center, Inc.

We concluded from this exhaustive inquiry that prompt action is required, and that the conclusions of the Rasmussen study are sufficiently well understood insofar as their application to this legislation that there is no need for delay. I urge you to join with us in supporting prompt action on the extension and modification of the Price-Anderson Act.

BISHOP ZUROWESTE, OF BELLEVILLE, ILL., DIOCESE, OBSERVES 50TH ANNIVERSARY OF ORDINATION AS PRIEST

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, last week marked the 50th anniversary of the ordination of the Most Reverend Albert R. Zuroweste, D.D., bishop of the diocese of Belleville, Ill.

Bishop Zuroweste was ordained to the priesthood on June 8, 1924, and has served the Belleville-East St. Louis area for half a century. Among his many duties, Bishop Zuroweste has served as administrator of St. John's Children's Home and Central Catholic High School, editor of the Messenger, the diocesan newspaper, and pastor of St. Joseph's Church, East St. Louis.

For the past 26 years Bishop Zuroweste has served as the head of the diocese of Belleville, encompassing 28 counties in southern Illinois. During this time he has turned his organizational talents to the good of the entire area, constructing new schools, a new orphanage, and an inner-city ministry designed to specifically aid in the solution of problems encountered by lower income families.

Bishop Zuroweste may look back on these 50 years as time well spent in the service of God and man. Perhaps the following article and editorial which appeared in the June 7, 1974, edition of the Messenger best show the esteem and respect in which Bishop Zuroweste is held:

Fifty Golden Years

Bishop Zuroweste completes 50 years as a priest of God. Those of us who have been privileged to observe this priest in action raise our hearts in gratitude to God for the fact that we have known him.

God's book of eternity records his priestly life in the golden script of heaven's charm. For our part we have stood in admiration and amazement at the indefatigable capacity for work he has displayed. Lesser men would have tired under the strain, but God has blessed us with a courageous man who met smilingly every new trial, every new difficulty and every new challenge.

His accomplishments as priest and Bishop are reviewed elsewhere in today's issue. It is no surprise that in the Providence of God he should be chosen to become a member of the college of successors of the Apostles. We, priests and laity, are grateful to God that he was named to shepherd the flock in his home Diocese of Belleville.

Filled with the warmth of the Holy Spirit, Bishop Zuroweste has diffused about him in a very practical way the charity of God, which is the Holy Spirit. As he celebrates his golden anniversary in the priesthood, the people of God in the Diocese implore through our Blessed Mother that God give him many more years to enjoy the work of the priesthood which he has so brightly illuminated.

Highlights of Bishop's 50 Years

The coincidence of Bishop Zuroweste's jubilees in consecutive years (25 as bishop in 1973 and 50 as priest in 1974) created a two-fold opportunity for The Messenger to honor our Chief Shepherd and his ministries in the Diocese. Accordingly, our special edition of last year was devoted mainly to his 25 years in the administration of the diocese. This week's special pages give prominence to the years from seminary, through ordination and his many priestly duties until his elevation to the bishopric of Belleville in 1947.

The third bishop of Belleville was born April 26, 1901 in East St. Louis, the son of the late Henry and Elizabeth (Holten) Zuroweste. He was baptized in St. Henry Church.

Albert and his two sisters attended St. Joseph school; the family home for many years was at 1747 College avenue. His sisters are Charlotte, wife of Dr. Thomas E. Prosser II of Fairview Heights, and Esther, wife of Lawrence Prosser of Belleville. Another sister, Viola, died in 1914 at age of 10.

Mr. Zuroweste died in 1945 and Mrs. Zuroweste died in 1969 at the age of 98.

SEMINARY YEARS

The bishop-to-be spent four years in prep at Quincy College, Quincy, Ill., then the six-year major seminary course at Kenrick, St. Louis, in four years. He was accepted for ordination at age 23, three years younger than the usual norm.

Ordination day was June 8, 1924, for the largest class to receive Holy Orders in the episcopate of the late Bishop Henry Althoff. Members with Father Zuroweste were Msgr. John Fallon, Father Joseph Feldman, Msgr. Raymond Harbaugh, Father Francis Hodapp, Father Bernard Loepker, Father Lee Mondt, Father Leo Schloss, and Father William Wigmann.

Father Hodapp is the only living classmate of the bishop; he lives in retirement in Carlyle and plans a jubilee mass there.

FIRST ASSIGNMENTS

Father Zuroweste began his ministry July 2, 1924 as assistant at St. Joseph, East St. Louis. During these years he found time to serve as county juvenile parole officer, chaplain of the Knights of Columbus, and director-founder of a new Catholic young adult group, the Newman Club. He also was chaplain at Christian Welfare Hospital.

In June, 1931 the young priest was named administrator of St. John Orphanage near Belleville. In his four-year assignment he made major improvements to the physical plant, including the first all-electric lights, and introduced more modern institutional methods. The young director worked with child guidance and social service authorities to improve the education and care of the homeless.

Concurrent with the orphanage work was the pastoral ministry to Corpus Christi parish, Shiloh.

EDITS "THE MESSENGER"

Bishop Althoff choose Father Zuroweste to edit "The Messenger" in 1934, by arrangement with the owners, Buechler Publishing Co. of Belleville. The "parish plan" of subscriptions, still in operation, was evolved at this time to bring the Catholic publication in all homes. Belleville was one of the first dioceses to implement such a program.

Father Zuroweste was given another major charge late in 1935, to be administrator of the foundling Central Catholic High at Seventh and Illinois avenue, East St. Louis, in the former (but enlarged) St. Patrick school, rectory and convent. He took up residence there, and continued editing The Messenger for the Belleville publisher.

As administrator, Father Zuroweste worked with the Brothers of Mary who conducted Central. His assignment was to supervise the business and finances and to develop the high school into a deanery-wide institution.

Early in 1937 Father Zuroweste completed arrangements with Bishop Althoff and Buechler company—which was discontinuing all periodical publishing—for the Diocese to acquire name and ownership of the paper. A contract for mechanical work was made with the East St. Louis Journal. Priest and lay staffers were added to carry out the publishing work.

PASTOR OF HOME PARISH

Still a third and concurrent assignment came to Father Zuroweste in October, 1940, the pastorate of St. Joseph Church, East St. Louis. Father moved his residence to the parish at this time.

During this same decade the young priest's ministries extended into diocesan and community projects: board member of the Confraternity of Christian Doctrine with the responsibility of conducting summer vacation religion schools, establishing a state-recognized Catholic Charities office (1945) Community Fund-War Chest chairman and campaign director, arbitrator and mediator of union labor—management affairs, and the work of the Child Guidance Bureau.

Supplementing his communication ministry as editor, Father Zuroweste founded the "Catholic Hour" on East St. Louis' station WTMV and for seven years directed a program of news, editorials and seasonal devotions.

"EXTRA-CURRICULAR" WORK

As a diocesan editor he was associated with the national Catholic Press Association and served this professional group in regional and national offices. Also coupled with his press work was the assignment to the Catholic Legion of Decency and the National Organization for Decent Literature.

Associated with his assignment in the Catholic Charities office was the chaplaincy of the Queen's Daughters of East St. Louis, charitable group dating back to the turn of the century.

What time was left in his schedule was given to fraternalism and offices as chaplain and friar in both the Third Degree and Fourth Degree, Knights of Columbus, and fulfilling speaking and preaching engagements for retreats, Tre Ores, Novenas, Missions, Forty Hours, etc. He was known as a young priest with a talent for hard work and long hours. And there were many groups and parishes that sought to help him maintain this reputation!

NAMED BISHOP OF BELLEVILLE

Father Zuroweste was honored by Pope Pius XII in 1945 by being named a Monsignor in recognition of his extraordinary works.

Bishop Althoff died in July, 1947 and for five months the Diocese awaited the Holy Father's decision. Many names were mentioned—but on December 2, 1947, midnight radio news from Washington, D.C. relayed the Apostolic Delegate's announcement that Albert Rudolph Zuroweste was to be the third bishop of Belleville.

The bishop-elect selected the Feast of St. Francis de Sales, patron of the Catholic Press for his consecration day (now termed "episcopal ordination). One day prior, by church law, Msgr. Zuroweste took up residence in the Chancery Office, 222 South Third street and assumed formal leadership of the Diocese. (He resided here for a number of years before purchasing the present home at 925 Centerville avenue).

CONSECRATION DAY, JANUARY 29

A former Cathedral pastor, now bishop of Peoria, Most Rev. Joseph H. Schlarman was the consecrating prelate, assisted by St. Louis' Auxiliary John P. Cody (now Cardinal Archbishop of Chicago) and another former Cathedral pastor, Most Rev. Joseph M. Mueller, Bishop of Sioux City, Iowa (now retired and living in Sioux City). The sermon for the day was preached by the late Bishop James A. Griffin of the neighboring diocese of Springfield, Ill.

It was a cold, blustery day, but a gala one as the Diocese of Belleville, for the third time, received a native-son as Chief Shepherd.

FIRST YEARS

After the usual civic and church receptions and welcomes, the new Bishop set to work organizing his Chancery Office and planning for the future.

Among the "firsts" of 1948 recorded in The Messenger's files are:

Confirmation: St. Peter's Cathedral, March 23.

School Dedication: St. Martin's, Washington Park, April 2.

Ordination: Father Paul Stauder, May 22.

New Parishes: Caseyville and Anna, raised from mission status.

Diocesan Event: Presided at Eucharistic Congress, Johnston City, May 30.

New Organizations: Established the vocation committee, Diocesan Resettlement Council, aided development of the East St. Louis Serra Club, encouraged expansion of the Te Deum lecture program to include an East St. Louis chapter, and formed the Cana and Pre-Cana marriage prep courses.

First State Offices: Illinois K. of C. chaplain; spiritual director of Catholic Knights and Ladies of Illinois.

OTHER EARLY-YEAR FIRSTS

Dedication of new church: Holy Angels, East St. Louis, 1950.

Completion of King's House building and retreat program, 1951.

First National office: president of Catholic Rural Life, 1950.

First new parish: St. Albert the Great, Fairview, 1951.

Dedication of his first major diocesan project, St. John Orphanage buildings, 1952.

INTERNATIONAL, NATIONAL OFFICES

Bishop Zuroweste's association with national groups brought state, national and international recognition to him and to the Diocese of Belleville.

He served as State Chaplain of the Knights of Columbus for 20 years and was named Knight of the Year in 1963.

In 1950 our Bishop was elected president of the National Catholic Rural Life. In this capacity he presided at national meetings for eight years, led delegations to the Vatican, Colombia and Panama for international congresses.

His work as editor-journalist culminated in a series of national Press Chairmanships with the National Catholic Welfare Conference (forerunner of U.S. National Conference of Catholic Bishops). He was assistant Episcopal Chairman for the next five years.

Bishop Zuroweste served on the board of governors of the Catholic Church Extension Society (home mission administration).

VATICAN II DUTIES

His roles in Vatican Council II began prior to the formal sessions. In 1960 he was named to the council's preparatory commission for the proposed Media of Social Communications documents, and made several trips to the Vatican for these meetings. In the council years (1962–1965) he headed a five-bishop public relations liaison panel for English speaking newsmen and helped establish briefing panels, a service highly regarded by correspondents.

In more recent years, as the NCWC was reorganized and the bishops administration was restructured, Bishop Zuroweste was elected in the new popular balloting as consultor to the Press Department; he also was elected to the committee on Election of Bishops and Boundaries of Dioceses.

For the past four years he has served as episcopal advisor of the National Catholic Stewardship Council, a recently formed group representing some 40 dioceses, for the purpose of interchanging information pertaining to financial support of parishes and diocese.

In 1972 the bishop accepted the invitation of the International Daughters of Isabella to serve as their Spiritual Director.

DIOCESAN DEVELOPMENT UNDER BISHOP ZUROWESTE

The King's House of Retreats' campaign, inaugurated shortly before Bishop Althoff's death, was accelerated by Bishop Zuroweste and the "spiritual powerhouse of the diocese" was dedicated in July, 1951. It is truly a diocesan center serving men, women, clergy and religious and high school youth.

The post World War II years found most parishes sorely in need of new physical facilities. Bishop Zuroweste established the Diocesan Building Fund to assist in hundreds of projects, particularly new schools and the 100,000 mark. Nearly every parish in the diocese conducted some construction project in this era.

St. John's Children's Home, the former orphanage on Shiloh Road, was the first major project completely supervised by the bishop. The buildings were dedicated in 1952; St. John's continues to fill specific charitable demands.

New parishes founded to fulfill the needs in the expanding suburban areas included St. Albert the Great and Our Lady of the Assumption in Fairview Heights; St. Augustine of Canterbury and Our Lady Queen of Peace in west Belleville, St. Catherine of Laboure, Cahokia, the development of the St. Stephen Mission in Caseyville to full parish status. In the rural areas Fort Gage also became an independent parish and a mission was formed far to the south of Ullin.

In East St. Louis, due to the population shift, downtown parishes were closed or consolidated with their neighbors—St. Mary, St. Elizabeth and St. Augustine and St. Cyril, Sacred Heart and St. Adalbert were combined.

Most recent development to diocesan administration was the purchase of the building at 5312 West Main street, Belleville, as a new diocesan chancery, replacing the antiquated quarters at 222 South Third Street.

STEWARDSHIP RESPONSIBILITY

In the earlier years of the bishop's administration several diocesan-wide and district fund raising campaigns were successfully concluded: King's House, the Orphanage, Newman Center at Carbonale, high school construction in Belleville, East St. Louis, Clinton County and West Deanery, and Catechetical center in the eastern and southern areas.

A natural outgrowth of this development of Stewardship Responsibility was the founding in 1966 of Diocesan Development Fund (later changed to Diocesan Services Appeal) to support agencies operating at the diocesan level. These agencies include the district high schools, seminaries, vocation office, clergy retirement, Religious Education Office, CYO Catholic Social Service, Prolife, Inner-City, Guatemala mission and others. The People of God have responded well to underwriting these activities.

The much-needed improvement and renovation of the Cathedral, was completed for Christmas, 1968. The stately edifice is truly a Mother Church for the Diocese.

Meredith Home in Belleville is a living memorial to the charity of the late Florence E. Meredith. The former Hotel Belleville provides a home for nearly 100 residents.

The Guatemala Missions in El Progresso were developed as adopted parishes following the plea of Pope John to the Western World in 1960. For many years priests of the Diocese served directly as administrators. Today the Missions still are under the direction of the Diocese and help the People of God fulfill their obligations to the Latin neighbors.

ADVANCES IN EDUCATION

Bishop Zuroweste's concern for children and youth has been in the forefront of most of plans for the Diocese. During his 50 years of service he has witnessed and participated in the tremendous school growth since his year of ordination, reaching a peak attendance of some 20,000 students in the mid-1960's. Both elementary and secondary development blossomed throughout the Diocese. In more recent years the trend has been downward but the annual decrease now is slight and stabilizing.

While the numbers are not as impressive, the quality of education maintained and advanced has kept Catholic Education a prime prerequisite for Catholic parish life. In the late 1960's there seemed hope for both federal and state parochial school aid. But the Supreme Court decrees have determined that such assistance, if any, will be slight. But ... rather than having an adverse effect, this rebuff has made parents, teachers, pastors and bishop more determined to continue Catholic Education, sacrifices notwithstanding.

Major improvements directed by the bishop in recent years include the establishment of the diocesan board and parish boards to assist an enlarged diocesan school office.

The Religious Education Office, operating at the tri-level of elementary, secondary and adult programs, is well established with its own office and staff.

The Newman program at the college level, established years ago at SIU Carbondale, in recent years has led to the formation of plans for supportive religious activity at the Area College level as well.

The Catholic Youth Organization (CYO), little more than a name in the 1940's, has been developed in most areas of the diocese, offering spiritual, cultural and athletic programs for youth.

Scouting for boys and girls is another area in which the bishop's appointed leaders have made noteworthy advances. The annual Diocesan Scout Sunday has become a popular tradition.

Camp Ondessonk was inaugurated unofficially in 1958 when Bishop Zuroweste authorized a "search" for a site. The camp was dedicated in 1960 and in the years since has offered outdoor education and recreation to many thousands of youth.

INNER-CITY PROGRAMS

With the change in Catholic population centers in recent years, particularly in East St. Louis, the diocese participates in a new mission to assist parishes and schools where dwindling Catholic population results in financial hardships. The bishop through DSA and other diocesan sources has supplied funds for maintenance of schools and parish buildings and money for teachers' salaries and buses for school children.

In Cairo, during the later years of St. Mary Hospital administration by the Holy Cross Sisters, the Diocese also rendered assistance there. The Cairo Recreation Committee, a biracial group, was another benefactor.

SPIRITUAL LIFE

In the period from 1924 until 1948 the Church's spiritual life and external practices changed little. Vatican Council II, decreed by Pope John and conducted by Pope Paul, instituted many liturgical changes. Bishop Zuroweste has adopted every such liturgy change authorized and in some instances the Belleville Diocese was well in the forefront of those adopting renewal features.

The Mass and Sacraments became more meaningful as participation and use of the vernacular became universal.

THE PRIESTHOOD

As today's page one editorial states, the priests are the emissaries of the bishop in the administration of a diocese. To bring the clergy into closer participation with the work of the Chief Shepherd, the Priests' Senate was established in 1966 to serve as counseling body to assist the bishop by research, study and recommendations in a wide range of areas.

The Personnel Board, appointed by the bishop, is an advisory board, apart from the Senate, to assist the bishop in clergy assignments.

As early as 1948 the bishop established a vocation recruiting program with the appointment of a director and his "Twelve Apostles." Today the Diocese has a full-time director and a clergy team to carry on this work, assisted by the Serra Club of St. Clair County—founded in 1951 (in East St. Louis) and 1959 (in Belleville).

Monetary concerns beset all administrators. To give the people of the diocese an opportunity to assist in defraying expenses of seminary training, the Diocesan Priesthood Burse was formed in 1951. Only the earnings of the burses are expended annually; thus the contributions are living memorials.

St. Henry Prep Seminary, formerly operating on a six-year program (prep and junior college) in recent years changed to the "4-4-4-" plan; that is high school, college, major seminary, with St. Henry's providing the high school training.

ROLE OF THE LAITY

Possibly the greatest change in the Church, other than in the Liturgical Renewal, has been the sharing of responsibility by the laity.

Bishop Zuroweste time and again has responded to this later-day assistance. The Diocesan Finance Committee, to advise in regard to fiscal policy; the diocesan boards for education, communications, social service, the seminary, scouting, Camp Ondessonk, CYO, and the encouragement of parish councils operating in much the same manner and for the same purpose all have been formed to bring the people and the diocesan headquarters into a closer working relationship.

In addition to these central bodies, a great variety of lay groups function in specific commitments to carry out programs of education, charity, or fraternalism working closely with the Diocese in these regards: the Diocesan Council of Catholic Women, the Knights of Columbus, Diocesan Pro-Life Committee, Daughters of Isabella, Catholic Daughters of America, the Newman Auxiliary, the King's House League for Women, Guatemala Mission Society, Ancient Order of Hibernians and Auxiliary, Catholic War Veterans and Auxiliary, St. Henry Seminary Auxiliary, Serra Clubs, St. Vincent de Paul Societies, King's House League for Men, Holy Name Societies, Third Order of St. Francis and the Catholic Physicians and Dentists Guild, the Legion of Mary.

Fraternal groups, too, have their place in the Catholic Life of the Diocese: Catholic Knights and Ladies of Illinois and Western Catholic Union, combining insurance and Catholic works.

COMMUNICATIONS

The Messenger, privately founded in 1907, was established as the diocesan publication under Father Zuroweste's direction in 1937.

The Catholic Hour founded by Msgr. Leonard Bauer on Belleville's WIBV in 1947, continues to bring the Word of God to radio listeners on Sunday afternoons.

The latest development in communications is the appointment last month of Father Richard Mohr, Albert Jerome and James Blazine to the Diocesan Communications Commission to further develop media use on a diocesan level.

CATHOLIC SOCIAL SERVICE

Fifty years ago works of charity were carried on at the parish level by groups such as the St. Vincent de Paul Society, and individual priests who gave marriage counselling or assisted in adoptions and placement of homeless children. St. John's Orphanage, from near the turn of the century, has been the diocesan shelter for child care.

In more recent years the Diocese realized the need for a central agency. Bishop Althoff commissioned the forming of Diocesan Catholic Charities and Father Zuroweste completed this work in 1947 when the state department of Illinois licensed his office for adoptive and foster child placements.

Today, under a new title but with the same aims and purposes, Catholic Social Services is an important adjunct to Catholic Life. Staffed by professional personnel, the East St. Louis, Belleville and Marion offices provide marriage and family counselling, assistance to unwed mothers, and adoptive and foster home care. Recently, with the advent of liberalized abortion laws, Pro-Life has become another major facet in CSS programs.

SINCE JANUARY, 1947

Of special note in Bishop Zuroweste's 26th year and the beginning of his 27th year as head of the Diocese are the following developments:

A strong re-emphasis on Catholic Education: with the issue of "parochaid" becoming more and more of a dim hope, Catholics rallied to support their system of education. . . . A diocesan Pro-life Committee was formed in June, 1973 to combat the effects of the January-1973 Supreme Court decision which greatly liberalized abortion. . . . Bishop Zuroweste approved plans to consolidate Assumption High and St. Teresa Academy, East St. Louis. . . . The program of Newman for Catholics on secular college campuses was extended to Area Colleges . . . . An office building at 5312 West Main street, purchased for Diocesan Chancery headquarters was occupied late in 1973. . . . Four young men were ordained to the Priesthood in January, 1974, thus a total of ten new priests joined the Diocesan Ministry during the Bishop's golden jubilee year. . . . The Catholic Communications Commission was established. . . . The first lay deacon-aspirant, John Dilley of Trenton, was received in the Ministry of Reader. . . . Another highlight of the jubilee year is inauguration this June of the Summer Theological Courses at Saint Louis U. of School of Divinity for a group of priests from the Diocese. This will be an integral phase of the Continuing Education of the Clergy program.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Florida (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Rangel (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Guyer (at the request of Mr. Rhodes), for June 17, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hudnut), to revise and extend their remarks, and to include extraneous matter):

Mr. Hansen of Idaho, for 5 minutes, today.

Mr. Steiger of Arizona, for 45 minutes, today.

Mr. Findley, for 5 minutes today.

Mr. Young of Alaska, for 5 minutes today.

Mr. McKinney, for 5 minutes today.

Mr. McDade, for 5 minutes today.

Mr. Crane, for 5 minutes today.

Mr. Anderson of Illinois, for 60 minutes on June 19, 1974.

Mr. Michel, for 60 minutes on June 19, 1974.

(The following Members (at the request of Mr. Litton) and to revise and extend their remarks and include extraneous matter):

Mr. Gonzalez, for 5 minutes today.

Mr. Drinan, for 15 minutes today.

Mr. Young of Georgia, for 10 minutes today.

Mr. O'Neill, for 15 minutes today.

Mr. Fulton, for 10 minutes today.

Mr. Udall, for 10 minutes today.

Mr. Burke of Massachusetts, for 5 minutes today.

Mr. Podell, for 5 minutes today.

Mr. Owens, for 5 minutes today.

Mr. Foley, for 5 minutes today.

Mr. Dominick V. Daniels, for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Mr. Gross and to include extraneous matter in three instances.

Mr. Benitez notwithstanding the fact it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $992.75.

(The following Members (at the request of Mr. Hudnut), and to include extraneous matter:)

Mr. Hastings.

Mr. McEwen in six instances.

Mr. Steelman.

Mr. Biester.

Mr. Coughlin.

Mr. Fish.

Mr. Duncan.

Mr. Lagomarsino.

Mr. Zwach in two instances.

Mr. Thomson of Wisconsin.

Mr. Wyman in two instances.

Mr. Ketchum.

Mr. Anderson of Illinois in two instances.

Mr. McClory in two instances.

Mr. Smith of New York.

Mr. Michel in three instances.

Mr. Gilman in two instances.

Mr. Crane in five instances.

Mr. Gubser.

Mr. Archer in two instances.

Mr. Broomfield.

Mr. Lent.

Mr. Derwinski in five instances.

Mr. Rhodes.

Mr. Carter in two instances.

Mr. Martin of North Carolina.

Mr. Brotzman.

Mr. Mizell in five instances.

Mr. Snyder in two instances.

Mr. Forsythe.

Mr. Guyer.

Mr. Minshall of Ohio.

Mr. Kemp in six instances.

Mr. Miller in three instances.

Mrs. Holt.

Mr. Myers.

Mr. Shuster.

Mr. Frenzel in two instances.

Mr. Hanrahan.

Mr. Thone in two instances.

Mr. Camp.

Mr. Whalen.

Mr. Parris.

Mr. Ashbrook in two instances.

(The following Members (at the request of Mr. Litton) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Drinan in 10 instances.

Mr. Waldie in three instances.

Mr. Roncalio of Wyoming in 10 instances.

Mr. Murphy of New York.

Mr. Young of Georgia.

Mr. Donohue.

Mr. Metcalfe.

Mr. Reid.

Mr. Wolff in two instances.

Mr. Vigorito.

Mr. Addabbo.

Mr. Dorn in three instances.

Mr. Matsunaga.

Mr. Edwards of California in two instances.

Mr. Delaney.

Mr. Rogers.

Mr. Mahon.

Mr. Owens in five instances.

Mr. Fisher in three instances.

Mr. Danielson in two instances.

Mr. Fauntroy in five instances.

Ms. Schroeder.

Mr. Ginn.

Mr. Clark.

Mr. St Germain.

Mr. Rees.

Mr. Hays.

Mr. Anderson of California in two instances.

Mr. Zablocki in two instances.

Mr. Mann in 10 instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and under the rule, referred as follows:

S. 1865. An act to authorize and encourage establishment of, and to render assistance to, environmental centers in the several States and regions of the Nation, and for other purposes; to the Committee on Science and Astronautics.

S. 3523. An act to establish a National Commission on Supplies and Shortages; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. LITTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until Monday, June 17, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2450. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank to Yugoslavia, Romania, the U.S.S.R., and Poland during April 1974; to the Committee on Foreign Affairs.

2451. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2452. A letter from the Assistant to the Governor of the Canal Zone, transmitting a revised draft of proposed legislation to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the canal zone; to the Committee on Merchant Marine and Fisheries.

Received From the Comptroller General

2453. A letter from the Comptroller General of the United States, transmitting a report on improving administration of the uniform plan of health insurance for Federal employees who retired before July 1, 1960; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee of conference. Conference report on H.R. 14354 (Rept. No. 93–1104). Ordered to be printed.

Mr. POAGE: Committee on Agriculture. H.R. 14723. A bill to amend the Agricultural Act of 1970 to change the date on which the President must report to Congress concerning Government assisted services to rural areas (Rept. No. 93–1105). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. H.R. 15296. A bill to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession (Rept. No. 93–1106). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7917. A bill to provide minimum disclosure standards for written consumer product warranties against defect or malfunction; to define minimum

Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes; with amendment (Rept. No. 93–1107). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROONEY of New York: Committee on Appropriations. H.R. 15404. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary; and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1108). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1176. Resolution waiving points of order against certain provisions contained in H.R. 15404. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1109). Referred to the House Calendar.

Mr. POAGE: Committee on Agriculture. H.R. 14992. A bill to continue domestic food assistance programs, and for other purposes; with amendment (Rept. No. 93–1110). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN (for himself, Mr. Widnall, Mr. Barrett, Mrs. Sullivan, Mr. Reuss, Mr. Ashley, Mr. Moorhead of Pennsylvania, Mr. Stephens, Mr. Minish, Mr. Hanna, Mr. Gettys, Mr. Annunzio, Mr. Rees, Mr. Hanley, Mr. Brasco, Mr. Koch, Mr. Cotter, Mr. Stark, Mrs. Boggs, Mr. Johnson of Pennsylvania, J. William Stanton, Mr. Blackburn, Mr. Brown of Michigan, and Mr. Wylie):

H.R. 15361. A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN (for himself, Mr. Widnall, Mr. Williams, Mrs. Heckler of Massachusetts, Mr. McKinney, Mr. Frenzel, Mr. Roncallo of New York, Mr. Burgener, and Mr. Rinaldo):

H.R. 15362. A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes; to the Committee on Banking and Currency.

By Mr. FAUNTROY:

H.R. 15363. A bill to establish a District of Columbia Community Development Corporation, and for other purposes; to the Committee on the District of Columbia.

By Mr. ANNUNZIO (for himself, Mr. Dorn, Mr. Biaggi, Mr. Brasco, Mr. Brown of California, Mrs. Chisholm, Mr. Cohen, Mr. Dent, Mr. Eilberg, Mr. Gaydos, Mr. Gilman, Mrs. Green of Oregon, Mr. Hanrahan, Mr. Hawkins, Mr. Kemp, Mr. Madden, and Mr. Maraziti):

H.R. 15364. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Armed Forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. ANNUNZIO (for himself, Mr. Metcalfe, Mr. Moakley, Mr. Morgan, Mr. Murphy of Illinois, Mr. Murtha, Mr. O'Brien, Mr. Parris, Mr. Podell, Mr. Price of Illinois, Mr. Roncallo of New York, Mr. Sarbanes, Mr. James V. Stanton, Mr. Vander Veen, Mr. Waldie, Mr. Walsh, Mr. Young of Georgia, and Mr. Young of Illinois):

H.R. 15365. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Armed Forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. ASHBROOK:

H.R. 15366. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. BROTZMAN:

H.R. 15367. A bill to amend the Internal Revenue Code of 1954 to provide that cooperative housing corporations and condominium owners' or homeowners' associations will not be taxed on receipt of membership income; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 15368. A bill to amend title 5, United States Code, to include as creditable service under the civil service retirement system certain periods of service performed in the employ of the United States by persons before becoming U.S. citizens; to the Committee on Post Office and Civil Service.

By Mr. ERLENBORN (for himself and Mr. Meyers):

H.R. 15369. A bill to amend the Federal Election Campaign Act of 1971, and title 18, United States Code, to reform Federal election activities; to the Committee on House Administration.

By Mr. FULTON:

H.R. 15370. A bill to amend title XVIII of the Social Security Act; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 15371. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to increase the appropriation authorization, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. GRIFFITHS (for herself, Mr. Edwards of California, Mr. Wiggins, and Mr. Schneebeli):

H.R. 15372. A bill to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 15373. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax from $60,000 to $120,000; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 15374. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 15375. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. HASTINGS:

H.R. 15376. A bill to amend the Controlled Substances Act to provide for the revocation or suspension of registration of practitioners who furnish maintenance or detoxification treatment without being registered to do so; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER of West Virginia (for himself, Mr. Brown of California, Mr. Dellums, Mr. Fraser, Mr. Koch, Mr. Long of Maryland, Mr. Luken, Mr. Moss, Mr. Rosenthal, Mr. Stark, and Mr. Waldie):

H.R. 15377. A bill to provide for the orderly phasing out of surface coal mining operations, and to control those underground coal mining practices which adversely affect the quality of the environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LUKEN (for himself, Mrs. Chisholm, Mr. Eckhardt, Mr. Lehman, and Mr. Riegle):

H.R. 15378. A bill to provide for public ownership of all documents prepared for or by any elected Federal official in connection with the performance of the duties of such official; to the Committee on House Administration.

By Mr. McKINNEY:

H.R. 15379. A bill to amend title 38 of the United States Code in order to increase the rates of educational assistance allowances; to provide for the payment of tuition, the extension of educational assistance entitlement, acceleration of payment of educational assistance allowances, and expansion of the work-study program; to establish a Vietnam Era Veterans Communication Center and a Vietnam Era Advisory Committee; and to otherwise improve the educational and training assistence program for veterans; to the Committee on Veterans' Affairs.

By Mr. McKINNEY (for himself and Mr. Stokes):

H.R. 15380. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for regular physical examinations; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 15381. A bill to amend the Federal Aviation Act of 1958 to permit certain State taxation of persons in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTGOMERY (for himself and Mr. Bowen):

H.R. 15382. A bill to amend the Consolidated Farm and Rural Development Act to provide for emergency loans to certain producers and processors whose livestock and poultry have been condemned because of chemical contamination; to the Committee on Agriculture.

By Mr. PODELL (for himself, Mr. Badillo, Mr. Koch, Mr. Brasco, Mr. Edwards of California, Mr. Carey of New York, Mr. Wydler, Ms. Abzug, Mr. Bingham, Mr. Buchanan, Mr. Rees, Mr. Long of Maryland, Mr. Moorhead of Pennsylvania, Mr. Gude, Mr. Fraser, Mr. Drinan, Mr. Bell, Mr. Kemp, Mr. Corman, Mr. Brown of California, Mr. Conte, Mr. Addabbo, Mr. Wolff, and Mr. Biaggi):

H.R. 15383. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. RARICK:

H.R. 15384. A bill to amend the Internal Revenue Code of 1954 to provide for annual adjustments in the amount of personal exemptions and the amount of the standard deduction to reflect increases in the cost of living; to the Committee on Ways and Means.

By Mr. SARASIN (for himself, Mr. Cotter, Mr. Drinan, Mr. Roe, Mr. Shuster, and Mr. Vanik):

H.R. 15385. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STUCKEY:

H.R. 15386. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the minimum wage and overtime requirements of that act for certain full-time babysitters; to the Committee on Education and Labor.

By Mr. WHALEN (for himself, Mr. CONTE, and Mr. FRELINGHUYSEN):

H.R. 15387. A bill to provide for increased participation by the United States in the International Development Association; to the Committee on Banking and Currency.

By Mr. YOUNG of Alaska:

H.R. 15388. A bill to amend the Commercial Fisheries Research and Development Act of 1964 to authorize additional funds to restore fisheries affected by resource disasters to the Committee on Merchant Marine and Fisheries.

By Mr. ZWACH:

H.R. 15389. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. ANDREWS of North Carolina:

H.R. 15390. A bill to amend title 23, United States Code, to insure that no State will be apportioned less than 80 per centum of its tax contribution to the Highway Trust Fund; to the Committee on Public Works.

By Mr. BINGHAM:

H.R. 15391. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, so that such benefits will be payable on the same basis as benefits for wives and widows; to the Committee on Ways and Means.

By Mr. BENITEZ (for himself, Mr. WON PAT, and Mr. DE LUGO):

H.R. 15392. A bill to amend the Social Security Act to eliminate family planning services and supplies from the ceiling presently imposed on the total amount of Federal payments which may be made to Puerto Rico, the Virgin Islands, or Guam in any fiscal year under the medicaid program; to the Committee on Ways and Means.

By Mr. FOUNTAIN:

H.R. 15393. A bill to amend the Mutual Security Act of 1954 to require that information relating to foreign travel by Members of Congress be open to public inspection and published periodically in the CONGRESSIONAL RECORD; to the Committee on Foreign Affairs.

H.R. 15394. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. GUNTER:

H.R. 15395. A bill requiring studies to be made prior to leasing Outer Continental for oil drilling or exploration, and for other purposes; to the Committee on Interior and Insular Affairs

By Mr. KARTH:

H.R. 15396. A bill to amend the Internal Revenue Code of 1954 to provide that condominium owners' or homeowners' associations will not be taxed on receipt of membership income; to the Committee on Ways and Means.

By Mr. MILLER (for himself, Mr. CONTE, Mr. PASSMAN, Mr. FROEHLICH, Mr. COUGHLIN, Mr. BURKE of Florida, and Mr. STEED):

H.R. 15397. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. OWENS:

H.R. 15398. A bill to provide assistance for community planning needs required by development of mineral resources for energy production and to amend the procedure specified in the Mineral Leasing Act of 1920 relating to royalties paid on shale oil produced on Federal land, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANDALL:

H.R. 15399. A bill to establish a Commission on Economic and Natural Resources Planning in the executive branch of the Federal Government; to the Committee on Government Operations.

By Mr. RONCALLO of New York:

H.R. 15400. A bill to amend title XVI of the Social Security Act to provide for emergency replacement payments to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits, to insure that all beneficiaries receive such increases, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits in limited circumstances directly to drug addicts and alcoholics (without a third-party payee), to provide for expeditious action on applications for benefits, to amend eligibility requirements for separated spouses, to allow judicial review of eligibility determinations and for other purposes; to the Committee on Ways and Means.

By Mr. ROY:

H.R. 15401. A bill to provide for adequate reserves of certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. RUPPE:

H.R. 15402. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROONEY of New York:

H.R. 15404. A bill asking appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. LAGOMARSINO:

H.J. Res. 1059. Joint resolution to establish the Tule Elk National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. SANDMAN:

H.J. Res. 1060. Joint resolution to designate July 1974 as "July Belongs to Blueberries Month"; to the Committee on the Judiciary.

By Mr. DOMINICK V. DANIELS:

H. Con. Res. 538. Concurrent resolution expressing the sense of the Congress that the President, acting through the United States Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization; to the Committee on Foreign Affairs.

By Mr. FOUNTAIN:

H. Con. Res. 539. Concurrent resolution expressing the sense of Congress regarding the annexation of the Baltic nations; to the Committee on Foreign Affairs.

H. Con. Res. 540. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mrs. GRASSO:

H. Con. Res. 541. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. SCHERLE:

H. Con. Res. 542. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. FOUNTAIN:

H. Res. 1172. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

H. Res. 1173. Resolution expressing the sense of the House of Representatives with respect to the participation of the United States in an international effort to reduce the risk of famine and to lessen human suffering; to the Committee on Foreign Affairs.

H. Res. 1174. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. YATES (for himself, Mr. ANDERSON of California, Mr. SARASIN, and Mr. STEELMAN):

H. Res. 1175. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. KASTENMEIER introduced a bill (H.R. 15403) for the relief of Marlin Toy Products, Inc., which was referred to the Committee on the Judiciary.

SENATE—*Thursday, June 13, 1974*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father, we do not pray for easy lives, but that we may be strong "to bear the strain of toil and fret of care." We do not pray for tasks equal to our powers, but for powers equal to our tasks. Transfigure every duty, great or small, into service to Thee. May we give love, comradeship, and assistance to all with whom we work. Grant us new power, enduring faith, and abiding joy this day that we may "more perfectly love Thee and magnify Thy holy name."

Through Jesus Christ, our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 12, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

THE JUDICIARY

The assistant legislative clerk proceeded to read sundry nominations in the judiciary.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF JUSTICE

The assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. PATENT OFFICE

The assistant legislative clerk read the nomination of Paul J. Henon, of Virginia, to be an examiner in chief.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The assistant legislative clerk read the nomination of Robert R. Elliott, of Virginia, to be General Counsel of the Department of Housing and Urban Development.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Coast Guard which had been placed on the Secretary's desk.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

DR. KISSINGER'S PRESS CONFERENCE IN AUSTRIA

Mr. MANSFIELD. Mr. President, on behalf of the Republican leader, the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT), and myself, I ask unanimous consent to have printed in the RECORD the press conference with the American press held by the Honorable Henry A. Kissinger, Secretary of State, at the Kavalier Haus in Salzburg, Austria, on June 11, 1974.

There being no objection, the press conference was ordered to be printed in the RECORD, as follows:

PRESS CONFERENCE BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE

Secretary KISSINGER. Ladies and gentlemen, I have requested this meeting as a result of the series of articles that have appeared growing out of my press conference last Thursday. I am speaking to you extemporaneously on the basis of my best recollection of events.

Last Thursday a number of you commented on the fact that I seemed irritated, angered, flustered, discombobulated. All these words are correct. After five weeks in the Middle East I was not thinking about the various investigations going on in the United States. I did not prepare myself for the press conference by reading the records of investigations that I believed had been completed.

I have testified before the Senate Foreign Relations Committee in public session, in executive session, and then at a closed meeting with Senator Sparkman and Senator Case, where at my request we went over each FBI report on the wiretaps that existed. The meeting with Senators Sparkman and Case was also attended by Attorney General Richardson and Deputy Attorney General Ruckelshaus, who supplied what information they could from their records or their recollection.

Since that press conference there have been many articles and several editorials. I was prevented by the short time interval between the press conference and the President's departure from holding a press conference in the United States before we left.

However, I got in touch with Senator Fulbright, Chairman of the Senate Foreign Relations Committee on Sunday, and I sent him the following letter yesterday morning which I will now read to you.

"DEAR MR. CHAIRMAN: You have no doubt seen the news reports and editorial comments relating to my testimony before the Senate Foreign Relations Committee at the time of my confirmation hearing. They involve fundamental issues concerning the truthfulness and completeness of my testimony; hence they raise issues of public confidence and directly affect the conduct of our foreign policy.

"You will remember that my testimony concerning the national security wiretaps ordered by the President and carried out by the FBI under the authority of the Attorney General was in three parts: public testimony, an extensive executive session, and a session with Senators Sparkman and Case in which we went over relevant FBI files.

"The meeting with Senators Sparkman and Case was conducted in the presence of then Attorney General Richardson and the then Deputy Attorney General Ruckelshaus. I emphasize this because no new material has appeared since my testimony except a brief excerpt from a Presidential tape, a large part of which is described as unintelligible.

"The documents now being leaked were available to me before my testimony. They were given to Senators Sparkman and Case prior to my meeting with them. In a few cases my recollection differed in emphasis from the documents. In those cases I pointed out apparent discrepancies and explained them at the time.

"The innuendoes which now imply that new evidence contradicting my testimony has come to light are without foundation. All the available evidence is to the best of my knowledge contained in the public and closed hearings which preceded my confirmation.

"You are familiar with the details of my testimony, so I shall not repeat them here nor do I have any reason to change the testimony presented to your committee in any particular.

"Nevertheless, at this sensitive period, I feel it important that the committee which first examined the evidence and which has a special concern with the conduct of foreign affairs should have an opportunity to review it once again.

"I should add that if the committee decides on a review, I would not object should it wish to examine relevant security files and reports on wiretaps sent to my office. I, of course, stand ready to appear at any time."

Since sending this letter, there have been many more articles and more are undoubtedly in the process of preparation. In these circumstances, it is not appropriate for me, as Secretary of State, to go with the President to the Middle East without having a full discussion of the facts as I know them, keeping in mind only that I do not have all my records here with me.

I shall now discuss these facts with you. I shall afterwards stay for as long as there are any questions. There will be no ending of the question period as long as there are any questions left to be asked.

First, what is it we are talking about? The impression has been created that I am trying to obscure with misleading testimony. The fact of the matter is that the wiretaps in question were legal, they followed established procedures. When they were established, the then Attorney General and the then Director of the Federal Bureau of Investigation assured me that they were reinstituting procedures that were carried out in previous administrations.

Before public reputations are attacked or destroyed, elementary fairness requires that this particular statement be looked into and that it be made clear whether the national security wiretaps were in fact carried out in previous administrations. The history of these wiretaps derived from a series of leaks that occurred in the spring of 1969. As Assistant to the President for National Security Affairs, I had the duty to call the attention of the President to what seemed to me violations of national security.

These violations cannot be assessed only by analyzing the intrinsic merit of individual documents, but they must be also analyzed in terms of the confidence other governments can have in a government that seems totally incapable of protecting its secrets. After a series of egregious violations, the President ordered, on the advice of the Attorney General and the Director of the Federal Bureau of Investigation, the institution of a system of national security wiretaps.

I repeat, I was informed when I was told about this system, that it was reinstituted, a system that had existed in previous administrations, even though it may have been administered from different offices. I was asked to have my office supply names in three categories: individuals who had adverse information in their security files, individuals who had access to information that had leaked, and individuals whose names appeared as a result of the investigation that submission of the previous two lists might entail.

My office, for which I bear full responsibility, submitted those named in carrying out this program. I would be prepared to let any appropriate investigative body examine the list to make certain that no name was submitted through my office that did not fit into one of these categories.

In submitting these names, we knew that an investigation was certain and that a wiretap was probable and I so testified in the Executive Session of the Senate Foreign Relations Committee, no matter how sentences are now taken out of context.

I testified both to Senator Case and to Senator Muskie that in submitting the names we knew, of course, that a wiretap was a probable outcome. The basic issue is whether through my office or with my knowledge any names were submitted for any purpose other than the protection of national security and whether the information was used for any purpose other than the protection of national security.

When a wiretap was installed, the FBI would send a report to my office only when, in the judgment of the FBI, the conversation involved violations of national security. It is totally incorrect and outrageous to say that these tapes that were submitted to my office involved a description of extra-marital affairs or pornographic descriptions.

I do not know what the original logs show. The system that was followed in the operation of the national security wiretaps was, first of all, that no verbatim transcript was ever sent to my office. What was sent to my office was a page and a half summary of conversations that seemed to the FBI to involve issues of national security. These memoranda were then screened in my office and if, in the judgment of those who screened the memoranda, they were of sufficient importance, they were shown to me.

One of the leaks that I have read recently speaks of 54 logs that were allegedly sent to my office. The word "logs" of course, is a lie. What was sent to my office was a page and a half summary.

But, if you consider that during that period that eight or 10 people were being subjected to investigation, that the period covered in which my office received these reports was one year, you have to see that this meant that on the average four and one-half reports a month were sent to my office, of which I saw—I cannot be sure what percentage—maybe one or two.

The implication that my office was spending its time reading salacious reports by subordinates is a symptom of the poisonous atmosphere that is now characteristic of our public discussion.

I repeat, if we can find an appropriate forum which will do no damage to the individuals involved, I would not object letting anybody see the reports that were received in my office.

After May, 1970, it was decided that my office was not equipped to deal with internal security matters. And after May, 1970, no reports from the FBI were sent to my office for the remainder of the period that the national security wiretaps remained in force.

During this period, General Haig maintained, at my direction, contact with Director Sullivan of the FBI. The reports from that time on were sent to Mr. Haldeman's office. If a report of sufficient gravity had been sent to Mr. Haldeman's office, Mr. Sullivan might inform General Haig and if in the judgment of General Haig the report was sufficiently serious, I would be informed of the content, but I would not see the report.

To all of this I have testified in executive session before the Senate Foreign Relations Committee and I would have no hesitation, if the Senate Foreign Relations Committee decided to declasify the report. I would only ask that the individuals whose names are mentioned be given an opportunity to have the material deleted that refers to the reasons why particular cases in my recollection arose.

When I testified before the Senate Foreign Relations Committee, I was aware that my recollection of particular events differed in a few cases from the memoranda. I nevertheless submitted the memoranda pointing out, and I quote, "You have to remember, Senator Case, I was one of those who strongly recommended that the report be given to the committee and that when there was a difference between my recollection and this report, I nevertheless decided to stick to my recollection."

There were three cases, all of which have now been leaked, of such differences, each of which I explained in detail to the committee, to the best of my recollection, after which the committee confirmed me by a vote of fifteen to one, and I believe that the one negative vote was unrelated to this particular issue.

Now then, this raises a number of questions. The first is, was the program legal? I have already answered that. The second is, was the program administered ethically and properly? I have seen inuendoes according to which allegedly the criteria which I testified to were violated and according to which the first four people that were submitted, according to these criteria, did not really meet these criteria but were united, according to this report, by having worked for the Johnson Administration. Let me point out that I, too, worked for the Johnson Administration and that I knew President Johnson before I knew President Nixon and that I have never been ashamed of having worked for President Johnson.

Secondly, three of the four people on that original list were appointed to the National Security Council staff by me over the strong objection of all of my associates. Two of them were appointed to the National Security staff by me over the strong objection of the security officers and I personally gave them a clearance.

Can anybody, in all fairness, believe that three months after appointing these individuals to my staff I would initiate a wiretap program designed to prove that they were security risks, or would not a fair interpretation have to assume that criteria were established that were being met?

Stories have been leaked to the effect that I harassed the Director of the FBI with such phrases that, "I will destroy the leakers," and that he was somewhat reluctant about this program. I repeat, the program was instituted on the recommendation of the Attorney General and the Director of the FBI by the President.

The memorandum that was leaked in which I allegedly said, "I will destroy them," is a memorandum that was also available to the Senate Foreign Relations Committee. It was a memorandum written by the Director of the FBI, nine-tenths of which deals with a telephone call that he initiated to me informing me of the security risks that he saw dealing with my material or with the NSC material. At the end of this conversation, devoted entirely to a recitation by the Director of the FBI to various security violations, I said to him, according to his memorandum—I have no recollection of this today—but according to this memorandum I said, "Keep up the investigation and if you find somebody, we will destroy them."

I think the connotation of this remark is entirely different from that which has appeared in the public press.

All of these facts have been put before the Senate Foreign Relations Committee. I know there have been semantic disputes about the words "request," "recommend," "initiate." I spent some time with the Senate Foreign Relations Committee explaining what the significance of the word "request" might be in the context and what the significance of the phrase "initiate" might be.

Of course, in the sense that we submitted the names of individuals who belonged in the categories which we were ordered to produce, we initiated submitting names. The point I am making is my office did not initiate any requests for wiretaps that were not triggered either by a security violation or by fulfilling the criteria of adverse information in the security files and that last criterion was met only once at the beginning of the program.

These are the facts of the national security wire tap program as I remember. I do not apologize for it. It is not a shady affair, as has been alleged. It followed legal procedures. I fully testified to it and I stand ready to testify again before any appropriate committee.

Now let me turn to another matter that is also constantly being invoked: the issue of the plumbers and David Young. I testified before the Senate Foreign Relations Committee and I said in a press conference that I did not know about the existence of the plumbers by that or any other name. I did not know that David Young was working for the plumbers.

I said this under oath and I repeat it today. I hope none of you are ever in a position that you have to prove the negative of a knowledge.

Now, since then, various stories have come to the fore. There is the argument that I was responsible for the creation of the plumbers because of my concern about the theft of the Pentagon papers, a concern which was transmitted to the President. There is the argument that I misled the Senate Foreign Relations Committee because I did not tell the Senate Foreign Relations Committee that I had heard a tape in which David Young interviewed an admiral who had information with respect to his security.

There is the argument that I was on a helicopter ride with Mr. Ehrlichman in which the plumbers were discussed. Let me deal with these issues in order. It is perfectly true that I was profoundly disturbed by the publication of the Pentagon papers. Any Assistant to the President for National Security Affairs who was not concerned when 10,000 classified documents appeared in the public print would not be doing his duty. Nor can my concern be explained away by calling to the intrinsic insignificance of the individual documents or maybe the whole body of documents.

My concern was at that time we were preparing the secret trip to China. I was engaged in secret negotiations with North Vietnam that ultimately led to the end of the American participation in Vietnam. We were also engaged in secret discussions on strategic arms limitation. I was profoundly concerned and so expressed my views to the President that these initiatives might be aborted if other governments had the idea that the United States Government was not in a position to protect its secrets and that anybody could publish any document and then the proof of its intrinsic significance was left to the government.

I recognize that national security has been abused in recent years, but because there have been abuses does not mean that there was not justified concern by honorable people. It did not occur to me in expressing my concern that this might lead to the burglary of a doctor's office. It did occur to me that measures might be taken to protect the government against a recurrence of these leaks.

I was in China when David Young was assigned to Mr. Ehrlichman's office. I returned from China the morning of July 13 to learn that Mr. Ehrlichman had recruited one of my staff members. To this I expressed a strong objection. My impression was as I have testified publicly and as I here repeat, that Mr. Young was assigned to a declassification project that was to last three months and then was publicly announced. I had no reason in the world to deny knowledge of the existence of a group designed to prevent leaks because there was nothing wrong as such with attempting to prevent leaks.

What was wrong was some of the activities that were being conducted by the office. And Mr. Krogh, who headed the office, has publicly stated that I had no knowledge of its activities. So the only thing at issue is whether I deliberately lied about knowing about the existence of an organization, the substance of which by common agreement I had nothing to do with.

Mr. Ehrlichman describes three meetings, on the 13th, 15th and a subsequent date in July. He places me at only one of these meetings, on a helicopter ride from Los Angeles to San Clemente.

My recollection of that day is that it was the day on which the President announced his China initiative and which I had just returned from China. After the China initiative was announced, the President, Mr. Haldeman, Mr. Ehrlichman, I think Mr. Scali and I went to a restaurant in Los Angeles to celebrate the events. We then spent a half hour to 40-minute helicopter ride from Los Angeles to San Clemente.

My only recollection of this helicopter ride is that Mr. Ehrlichman was needling me about not being able to use my staff properly and therefore having asked for the assignment of Mr. Young to his staff. I repeat, I have no recollection that the Plumbers, by that or any other name, were discussed on that helicopter ride, although I leave open the possibility that given the noise of a helicopter ride there may have been some misunderstanding.

But I do not use this as an alibi. I have no recollection of such a conversation and no one has ever placed me at any meeting of the Plumbers or any meeting where the Plumbers were discussed subsequently.

Now, let me turn to the question of whether the fact that I listened to a tape in which Mr. Young interviewed Admiral Welander indicated that I had been less than candid in testifying before the Senate Foreign Relations Committee.

The question which I answered before the Senate Foreign Relations Committee was as follows: "Did you, when he, namely David Young, left your employment and was transferred to Mr. Ehrlichman, have any idea at that time or any subsequent time that he was to be requested to engage in illegal activities, burglary, conspiracy to burglary or whatever they might be?"

This, ladies and gentlemen, is the question I was answering before the Senate Foreign Relations Committee, not the question whether I ever heard anything of David Young.

But I do not want to engage here in legal quibble. What did I know about the interview of David Young? In the fall of 1971 there were a series of massive leaks of National Security Council documents which appeared in the columns of Mr. Anderson. Some of them included verbatim summaries of meetings of subordinate bodies of the National Security Council.

I was told at that time by Mr. Ehrlichman that he was conducting the investigation and that I was to have nothing to do with any part of that investigation. As a result, a member of my staff, Admiral Welander, reported to General Haig that he concluded from the internal evidence of some of the documents that had leaked that they must have come from this office. General Haig asked me what to do with this and I told General Haig to send Admiral Welander to Mr. Ehrlichman.

Some weeks later, Mr. Ehrlichman called me to his office and played for me the tape that included the questioning of Admiral Welander by David Young. I knew, of course, that David Young was working for Mr. Ehrlichman. But to conclude from this fact that a one-time interview of an individual that my office had discovered and my office had sent to Mr. Ehrlichman; to conclude from this fact either that Mr. Young was conducting a security investigation or even more, that Mr. Young was conducting security investigations as his regular activity is inconceivable.

If Mr. Ehrlichman had sent somebody to my office for an interview, I would certainly have assigned a staff member to that task and it would have been impossible to draw from that the implication that this was my staff member's full time duty.

At the time of the press conference in which David Young's name was raised, I did not know that he wrote a report on his investigation. Of course, I had never seen that report.

Since then I have seen the report in the form of a diary which was submitted to the Senate Armed Services Committee and it makes clear that at no time during this investigation did David Young have any contact with me whatsoever; did David Young talk to me or communicate with me.

Now it is true that the conduct of a government is complex and that the responsibilities of the Assistant for National Security are complicated. Moreover, I was engaged in many activities in which the protection of documents was the smallest part.

I do not doubt that now when this transcript is analyzed it is possible to find this or that nuance and to engage once again in the process of defaming public officials, but I know for a fact that the testimony I have given was truthful to the best of my recollection.

I joined this Administration five years ago when this country was deeply divided. I felt that with my particular background I had a special obligation to understand the dangers of national division and to do my best to overcome them.

None of you in this room have ever heard me attack the motives or the purposes of those who disagreed with us. All of you in this room know from your profession that the truth very often has intangible aspects.

I believed also that because of my previous association, I had a special obligation towards those who were not frequently members of this Administration and I intended to discharge this through all the turmoil of the national debates, but it seems to me that our national debate has now reached a point where it is possible for documents that have already been submitted to one committee to be selectively leaked by another committee without the benefit of any explanation, where public officials are required to submit their most secret documents to public scrutiny, but unnamed sources can attack the credibility and the honor of senior officials of the Government without even being asked to identify themselves.

I have been generally identified, or it has been alleged that I am supposed to be interested primarily in the balance of power. I would rather like to think that when the record is written, one may remember that perhaps some lives were saved and that perhaps some mothers can rest more at ease, but I leave that to history.

What I will not leave to history is a discussion of my public honor. I have believed I should do what I could to heal divisions in this country. I believed that I should do what I could to maintain the dignity of American values and to give Americans some pride in the conduct of their affairs.

I can do this only if my honor is not at issue and if the public deserves to have confidence. If that cannot be maintained, I cannot perform the duties that I have exercised, and in that case, I shall turn them over immediately to individuals less subject to public attack.

So, I have put before you the facts as I know them. They are consistent with my testimony before the Senate Foreign Relations Committee. I do so not to maintain a position in the Government which I will not maintain for one day beyond the public confidence; I do so because simple fairness requires that either there be an exoneration or that there be a public accounting of those who engage in the defamation of character.

I repeat, I am willing to repeat under oath before congressional committees, what I have said here.

I say it here only because I wanted to spare the United States the indignity and humiliation of having its Secretary of State, while engaged on a trip to the Middle East, constantly exposed to these public charges and this is all I want to say, but I will be delighted to answer any questions and I will stay as long as there are questions.

Mr. LISAGOR. Mr. Secretary, in the nature of this meeting it seems terribly important for you to identify those whom you regard as engaged in defaming your character. Can you do that?

Secretary KISSINGER. I do not know the name of the unnamed sources who allege that my testimony before the Senate Committee was untruthful, who claim to know that the facts contradict what I said and I do not know their names.

Q. Then may I follow, please? How can there be a public accounting of those as you suggested at the end of your remarks?

Secretary KISSINGER. I believe that if public officials must give an accounting of their activities, those who print the accusations should state where these accusations come from so that a judgment can be made about the motive of the individuals making them.

I have submitted all the documents that I have voluntarily, to the Senate Foreign Relations Committee last year and I explained every document of which I had personal knowledge to the Senate, first in the session with Senator Sparkman and Senator Case and then in the meeting of the full committee. I could do no more than that.

Q. Dr. Kissinger, you said today that you felt there were more leaks coming. Is that one of the reasons why you decided to speak to us today?

SECRETARY KISSINGER. No, I am speaking of the leaks with which I am familiar and since I know that not all of the documents have yet leaked, there could be more leaks.

Q. Do you expect that campaign—if you can characterize it that way—will continue?

Secretary KISSINGER. Mr. Chancellor, I do not want to make any estimate of whether this will continue, nor do I even want to question the good faith of those who are leaking the documents. I know the documents that are being leaked. I submitted them to the Senate Foreign Relations Committee. Individuals reading them without an explanation of their context can easily come to some of the conclusions that have been made. I understand this.

Q. Well, then, who gets the public accounting, sir? If you say that fairness requires exoneration or a public accounting of those who engage in these practices, what sort of public accounting would you have in mind?

Secretary KISSINGER. I have in mind that those who leak documents should step forward and explain what they are doing and why they are doing it.

Q. Mr. Secretary, you seem to imply here that if this campaign is not stopped, you are going to resign. Is that a fair assumption from what you said?

Secretary KISSINGER. I am not concerned with the campaign. I am concerned with the truth. I do not believe that it is possible to conduct the foreign policy of the United States under these circumstances when the character and credibility of the Secretary of State is at issue. And if it is not cleared up, I will resign.

Q. What has the President said to you in relation to what you told us, and I am sure you have in various versions given him your same thoughts. What was his reaction?

Secretary KISSINGER. This is a question of my honor and I told the President that I should give you a public accounting and he agreed and we had no further discussion on it whatsoever.

Q. Is this primarily a matter of interpretation? Are you asking that these documents be made public so we can get the just position of the documents?

Secretary KISSINGER. If the individuals mentioned in these documents agreed, I have no objection to their being made public.

Q. Dr. Kissinger, would you tell us please, just who it was that you asked to supply the names of three criterias you gave. I don't think you gave us a name who asked you.

Secretary KISSINGER. These three criteria were established at the meeting attended by the President, the Attorney General, and the Director of the FBI. I do not remember which of the three individuals gave the precise order, but I understood the order to come from the President.

Q. Was it one of those three who passed on to you the three criteria?

Secretary KISSINGER. It occurred at that meeting.

Q. I am saying was it one of those three people who told you what the criteria was?

Secretary KISSINGER. That is correct.

Q. You don't remember which one?

Secretary KISSINGER. I do not remember that, no.

Q. Could you also elaborate on the third critieria? I wasn't really clear as to what it referred to. Would you give us three again?

Secretary KISSINGER. The three criteria were individuals who had adverse information in their security files, individuals who had access to documents that had leaked or individuals who in the course of an investigation appeared as possible sources of leaks. That third category, of course, was largely supplied by the FBI, since we did not conduct our own investigation.

Question. Dr. Kissinger, are you suggesting that it is the responsibility of reporters who have written stories of those leaks and/or editors who have printed those stories that they should come forward and identify their sources?

Secretary KISSINGER. I am suggesting that when the credibility of senior officials is put in question on the basis of unnamed sources for the selective leaking of documents and when this attack affects not only the individual concerned, which may be a personal injustice, but affects the standing of the United States in the world, then I believe an obligation exists in one way or another to do this, yes.

Question. Dr. Kissinger, I am sorry if you answered it and I missed it, but are you saying that it is the responsibility of the person who provides the information or the responsibility of the news media that uses it to identify these sources?

Secretary KISSINGER. I don't want to get into a debate about the ethics of the news media and what their responsibility should be, and if it eases the discussion, I will withdraw that particular remark, because it is not the central point of my presentation.

The central point of my presentation was to repeat again on the public record the things that I said in an executive session before the Senate Foreign Relations Committee and to do it in a concise and manageable form and to say that it is not possible to conduct national policy in the face of this sort of attack.

Question. Dr. Kissinger, you are under attack and you think you are being defamed. I also understand that you may have opposed the President's current trip because of his problems in the same area. Did you oppose the trip and what do you think? Should it go on under your criteria?

Secretary KISSINGER. I did not oppose the President's trip. The President's position is quite different from mine. He is an elected official. He was invited by the heads of government in a period of great transformation of international affairs and he has a duty as a President, as long as he conducts the Presidency, to conduct it in the name of the national interest and not be deflected by what may go on domestically.

Question. Dr. Kissinger, you are suggesting, sir, that those who have made these accusations should state why they are making them. Are you suggesting that there is something insidious about this process?

Secretary KISSINGER. I really don't want to get into the debate on side issues. It is not necessary. I am not trying to imply that there is anything insidious about it. But I am trying to imply that there is something happening in our public debate when coming back from a 5-week negotiation, I am being asked a question for which I had no conceivable way of being prepared, that could not have been further from my mind and because I was naturally flustered in the reply, as any honorable man would be when he is asked whether he has retained a counsel for perjury after having just returned from an extended mission abroad, that then that fact is being used to prove there must be something hidden and there has been something less than candor, but I do not want to turn this into a debate between myself and the news media.

I am trying to call attention to an objective problem that exists and to the difficulty, if not impossibility, of conducting national policy in such an atmosphere, whose ever fault it is.

Question. Could I beg a question, sir? You say you are concerned about affecting the standing of the U.S. in the world and yet, at a very critical time, you have raised the prospect of your own resignation which would indeed affect the standing of the U.S. in the world. On that basis, is it not required that you more specifically define the circumstances under which you will shelf your statement about the threat to resign?

Secretary KISSINGER. I cannot conduct my office if I have to devote my energies to disproving allegations of perjury, nor do I believe that the United States can conduct an effective foreign policy with a Secretary of State who is under such attack and therefore, I am simply stating a reality.

I have attempted, however inadequate, to set some standards in my public life. If I cannot set these standards, I do not wish to be in public life.

Question. Would you be satisfied if the leaks ceased, as of now?

Secretary KISSINGER. No. I think this issue now has to be resolved.

Question. If the Senate Foreign Relations Committee resumed its hearings and went through the whole matter again and gave you a clean bill of health, would you then withdraw your threat to resign?

Secretary KISSINGER. Yes.

Question. Is that the method that you prefer?

Secretary KISSINGER. I will not propose a method.

Question. Do you think these leaks are designed to force you to resign, sir?

Secretary KISSINGER. I don't believe that, and I do not believe that I am surrounded by a conspiracy. I have not had unfortunate experiences with the press. I think if this can happen to someone whose relationship with the press has been as good as I believe mine has been, then we are facing a national problem, not a personal problem. I do not believe there is the slightest personal animosity against me about this.

Question. Dr. Kissinger, I am still not quite clear in my own mind what you feel your role was in initiating the wiretapping program. Now you said the decision, if I understand you correctly, was actually made at a meeting between the President, the Attorney General, then Mr. Mitchell, and the head of the FBI, then Mr. Hoover. Now, do you feel that you played a major role in getting that program started or do you feel you were kind of an innocent bystander who, in effect, played a minor role? What is your own concept of your role?

Secretary KISSINGER. My concept of my role to which I testified before the Senate Foreign Relations Committee, and which Elliot Richardson also supported, I may say, from the record—not on the basis of conversations with me as has been alleged in a newspaper article—my concept of my role was that on a number of occasions I called to the attention of the President, it would seem to me, very significant security leaks.

This, then, led the President, I believe on the recommendation of the Attorney General and the Director of the FBI, to institute a program of wiretapping. I did not, myself, propose this program. I was new in the Government and, therefore, I also was unaware of the fact that such a program, according to the Director of the FBI, had also been carried out in every previous administration since Franklin Roosevelt.

So, in retrospect, I would have to say I undoubtedly contributed, by my description of the security problem, and being new in Government, it is possible that in one or two cases I may have have taken an exaggerated view of them. I did not recommend the program as such, though this does not mean that I disagreed with it. I find wiretapping distasteful. I find leaks distasteful, and therefore, a choice had to be made. So, in retrospect, this seems to me what my role has been.

Question. Mr. Secretary, would you go over again once more under what conditions you would withdraw your threat to resign?

Secretary KISSINGER. I believe that the committee which looked over the records initially, which still has all the records available, and which has a primary interest in the Senate in the conduct of foreign policy, might appropriately do it. There may be other mechanisms for doing it. I want to make absolutely clear, I am not making this as a threat in order to gain support. I am stating an objective fact.

It is impossible and incompatible with the dignity of the United States to have its senior official and to have its Secretary of State under this sort of attack in the face of the dangers we confront and the risks that may have to be run and the opportunities that may have to be seized. This is a fact. This is not a threat.

Question. But, Mr. Secretary, does not that same objective of fact apply to the President of the United States even though he is an elected official?

Secretary KISSINGER. The President is the only nationally elected official. For a President to resign under attack would raise the most profound issues of national policy and in my judgment a President can leave office only according to the constitutional processes that have been foreseen for it, a position which I believe has also been maintained by the leaders of the Democratic Party.

I strongly support that position. An appointed official has no such responsibility to the elective process. An appointed official has a responsibility only to the immediate conduct of his affairs.

Question. Dr. Kissinger, you have raised the threat of resignation on the eve of a trip to the Middle East during a month when you are going to the Soviet Union as the senior foreign policy official of the United States. I am sure a lot of people are wondering, could this threat have waited until the end of these negotiations?

Secretary KISSINGER. Not while there were daily editorials asking for an explanation of a shady affair, not while editorials say his fitness for public office is at issue, not while headlines say, "A blot on Mr. Clean." Under what conditions do you suppose one can conduct one's affairs?

Question. Dr. Kissinger, do you intend to continue this trip, or might you drop out and return to Washington at some point?

Secretary KISSINGER. I intend to continue this trip, but I would be glad to return for any Congressional Committee that wants me.

Question. Mr. Secretary, could you tell us who has physical custody of the documents that are being leaked today? What groups of people have custody of these documents?

Secretary KISSINGER. I believe the House Judiciary Committee has custody of some of the documents that are being leaked.

Question. The Senate Foreign Relations Committee?

Secretary KISSINGER. I don't believe they have them. The Senate Foreign Relations Committee in all my dealings with them never leaked any of these documents. I do not know whether they have custody of them. I don't believe so.

Question. The White House has copies of them.

Secretary KISSINGER. The White House probably has copies of them, I don't know.

Question. Dr. Kissinger, did you at the time when these decisions were made have any doubt about the ethicality—save the legal aspects—did you at that time have a question in your own mind whether it was ethical or not and now with the benefit of hindsight do you have any doubt at all in your mind that it was ethical.

Secretary KISSINGER. At the time I found it an extremely painful process. It involved in some cases individuals with whom I had been closely associated. It involves threats to individuals, who if they had been found to be security leaks, would have reflected badly on my own judgment.

So I did not find it a task that was particularly pleasant. But I could not quarrel with the judgment and I did not quarrel with the judgment of those who found it necessary.

At my confirmation hearings I testified in executive session—not in public session—I testified in executive session that stricter regulations than were then in force or had been in force in previous Administrations would be compatible with the objective of national security.

Question. You said a few minutes ago that you told the President you were going to come out here and raise these issues. Two questions: Have you discussed with him specifically the possibility of your resignation?

Secretary KISSINGER. I did not discuss the content of what I would say with the President.

Question. Have you discussed the possibility of your resignation and if so, what has been his reaction?

Secretary KISSINGER. I have not discussed the content of this press conference with the President before giving it. I felt this was a matter in which I had to state my view.

The Press. Thank you, Mr. Secretary.

DR. HENRY A. KISSINGER

The PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is now recognized for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I have sought this time this morning to address myself to the Italian crisis——

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me to ask him a question?

Mr. JAVITS. Certainly.

Mr. ROBERT C. BYRD. Does the Senator anticipate that he may need more than 15 minutes to speak this morning?

Mr. JAVITS. No.

Mr. ROBERT C. BYRD. If he does, the distinguished Senator from Wisconsin (Mr. PROXMIRE) wishes to vacate his order to speak this morning and would be glad to transfer his time to the Senator from New York.

Mr. JAVITS. No, I shall not.

Mr. ROBERT C. BYRD. I thank the Senator very much.

Mr. JAVITS. Mr. President, before I address myself to the profound matter of Italy, I should like to state that although I was absent yesterday, I associate myself strongly with the expression of support and appreciation of Dr. Kissinger's service to the Nation which I heard reported, in connection with the resignation of Dr. Henry Kissinger as Secretary of State.

To me it is most distressing that such a matter should even be under serious discussion. I express great gratification that the Committee on Foreign Relations, of which I am a member, at its meeting which I attended and participated in, has undertaken to look into the question and to call Dr. Kissinger when hearings, should they be required, are held. Beyond everything else—and this I think is most important—there should be a sense of finality to the Foreign Relation Committee's proceedings, so that any questions arising out of the confirmation testimony of Dr. Kissinger should not be permitted to hang in the air, as to the veracity of that testimony. The questions should be definitely determined by the action of the Committee on Foreign Relations and its recommendations to the Senate, if that be required, so that then the Secretary would be able to go on with his work without the question remaining open. As one who feels that Secretary Kissinger has rendered a great service to our country, I am hopeful that the matter will be resolved in this way; that is, by a determination of the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that my statement, issued the day before yesterday, when the matter was first reported in Secretary of State Henry Kissinger's press conference, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JAVITS STATEMENT ON POSSIBLE RESIGNATION OF SECRETARY OF STATE HENRY KISSINGER

Following is the text of a statement today by Senater Jacob K. Javits (R–NY) with regard to Secretary of State Kissinger's announcement that he may resign.

"I hope very much that Dr. Kissinger will not resign. It seems to me that it would be uncharacteristic of him to resign when statements which he stands by are challenged. This is especially important because of his great value to our country and the future of peace in the world.

It is appropriate that the Foreign Relations Committee, before which Dr. Kissinger testified on the National Security Council employee wiretaps in his confirmation hearing, should review his testimony as he has requested in view of the allegations made respecting such testimony. I so moved with Senator Scott before the Committee today and the resolution was adopted."

Mr. JAVITS. Mr. President, I will now proceed to the Italian crisis.

THE CRISIS IN ITALY

Mr. JAVITS. Mr. President, Italy is facing a crisis of awesome proportions both financially and politically. This is the first of the oil-produced crises. The country is teetering on the edge of bankruptcy, the government of Sr. Mariano Rumor has recently fallen after a mere 12 weeks in office, and the threat of right-wing terrorism could offer the grim vision of utter political collapse. The collapse of Italy could severely undermine the European Community and precipitate an economic crisis of the gravest danger to the U.N. and every other country in the world putting all in the fire of a world depression. Also there are millions of Americans of Italian extraction who are deeply concerned about the grave danger to the people of the land of their ancestors.

At the beginning of the week I drew the attention of my colleagues to an article in the London Economist entitled "The Approaching Depression." Although I would not predict a 1929 style crash based on existing conditions, I had nevertheless to point out that some very disturbing conditions now exist, particularly the inability of the international financial system to handle the severe imbalances caused by the dramatic increase in oil prices since last year. That particular problem is at the root of the Italian crisis, and explains why this particular balance-of-payments crisis is so much more severe than those Italy experienced in 1963 and 1969.

It is variously estimated that by the end of 1974 Italy will have a balance-of-payments deficit of between $7.5 and $8.5 billion, of which approximately $5 billion will be due to the higher oil prices. Italy imports 95 percent of her oil. In 1972 Italy was spending $2.6 billion for oil; by 1973 this figure had climbed to $4 billion; and in 1974 Italy will have to pay about $10 billion for her oil. Other European countries are also heavily dependent on imported oil and will also suffer extremely large BOP deficits. The French oil deficit will run about $12 billion, as will Britain's, and Japan will have an oil bill of about $18 billion. However, the Italians are becoming the first casualty of the oil crisis because of the weakness of their balance-of-payments situation before the oil crisis began.

In order to finance these growing deficits without using gold or other monetary reserves, Italy has been borrowing heavily abroad. In the last 2 years Italy has borrowed about $10.5 billion, which have been used in massive intervention to avoid an excessive depreciation of the lira in foreign exchange markets. Much of Italy's recent borrowing has been on the Eurodollar market, but Italy has pushed these borrowings to the limit.

Among other resources that Italy could draw on are various swap agreements: $3 billion with the Federal Reserve Bank of New York; $1.25 billion with the Bank for International Settlements in Basel, Switzerland; $250 million with the Swiss National Bank; and $2.5 billion with the

Common Market countries—although this last has been drawn down to about $500 million. Italy has monetary reserves that stand at about $6 billion, and gold reserves worth about $3.5 billion, but—and this is a big "but"—at the official price of $42.22 per ounce. However, at current market prices, the gold reserves are worth roughly $14 billion. Italy is understandably reluctant to part with her gold reserves.

Italy is understandably reluctant to depart with her gold reserve. Yesterday she had a very encouraging development, which is reported in this morning's newspapers—that is, that the Group of Ten leading industrial nations of the world agreed to permit national monetary gold holdings to be pledged as collateral for loans at a price agreed upon between lender and borrower. This should help Italy, enabling her to use the collateral at much higher than the official price. But it is not the total answer.

It should be emphasized that these final resources are an absolute last resort, and in fact the central bank has barely enough cash for this month's commitments. The serious balance-of-payments deficits cause great pressure on the lira, which in turn exacerbates domestic inflation. Even we in the United States, far less dependent on external trade than the Italians, have learned the inflationary impact that results from currency depreciation. Italy's rate of inflation this year, 20 percent, is the highest among the industrial countries.

Italy's financial woes are beginning to creep into every sector of society. The state electrical board is $1 billion in debt. The state hospitals are $5 billion in debt and may close down this week because they cannot pay the $50 million they owe for cotton and gauze, and cannot secure more until they pay their debt. It is even estimated that half the largest towns and cities will have no funds to meet next month's payrolls.

Even the filmmakers and grand opera are suffering. The outdoor opera at the Bath of Caracalla, a regular summer feature, will probably be canceled, and the Teatro del' Opera had to cancel a new production of Verdi's "Don Carlo" after two performances because it lacks the necessary funds to continue. More serious, however, are the strict credit curbs that are beginning to restrict business borrowing, resulting in production cutbacks and employee layoffs.

In order to squeeze imports and reduce domestic demand, the government recently imposed a 50-percent deposit on certain imports, interest free, for 6 months. Other measures proposed to cut domestic spending include raising the price of gasoline to $2 a gallon, a 40-percent increase in electricity rates, higher bus fares, and various sharp increases in both personal and value added tax. It is questionable whether these proposals will be adopted, or even, if adopted, will prove more effective than some of the existing measures which seem to be evaded by the Italians.

The end result of these conditions, according to Giovanni Angelli, chairman of Fiat, the leading industrial firm in the country, could be national bankruptcy, unless something is done and done quickly, and the Italians and a concerned world may face the extremely unpleasant choice between economic chaos and abandoning the institutions of a free society. He believes that disaster may be only a few months away.

It is not idle speculation that, under these circumstances, Italy's democratic institutions may not survive.

Italy has the second largest Communist Party on the continent of Europe, outside of the Communist countries, and it is entirely possible that the Communists may assume a major role in government or that there could be a right-wing coup.

Italy may not be as vulnerable to a right-wing coup as the Greeks were in 1967, but the possibility does exist. George Ball, former Under Secretary of State, has noted that the entire Mediterranean tier of Europe—Italy, Portugal, Spain, and Greece—is on the verge of economic and political upheaval.

In these circumstances, it is imperative that the industrial countries, including the United States, through suitable international or coordinated national actions, come to the rescue of Italy.

Mr. President, I wish to emphasize at this point that to come to Italy's rescue does not mean unconditionally. Italy is suffering very seriously from diminutions in production and other very serious basic problems involving both industry and agriculture which urgently need corrections. Under the circumstances, the world has a right to demand that they should be corrected.

It is, of course, understandable that through the International Monetary Fund, the World Bank, or some international consortium of government for the purpose of coming to the rescue of Italy in this emergency, suitable conditions will be established for such assistance which will be desirable for Italy as well as for Western Europe and the world economic and trading system. I am sure that these can be developed and that the parties can agree on them.

This is a very grave crisis, not only for Italy's economy but for the total democratic institutions. The important point is that it should be done in time and in adequate amount. I would hope very much the United States, the principal economic and financial trading partner on Earth, would participate in this effort, both in the planning and the execution, for its full and fair share—I emphasize again: With other countries and on appropriate conditions.

It is my belief that should our authorities present us with such a plan, which I hope very much they will do, Congress should also have an opportunity to consider it.

Considering the relationships between Italy and our country which are so historic and so elevated and fine, including the heritage of millions of Americans of Italian extraction, I believe that the United States will prove to be ready to do its fair share under the constructive terms that I have mentioned.

Mr. President, I ask unanimous consent to have the following materia printed in the Record: An article and an editorial published in the New York Times of June 13, 1974; an article published in the Economist of June 8, 1974; and a speech by Guido Carli, Governor, the Bank of Italy, at the annual meeting of the Bank of Italy, on May 31, 1974.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, June 13, 1974]

ITALY IN DISTRESS

Italy's second political crisis in three months has the same origin as the first: the impact of a four-fold increase in oil prices on an economy already suffering from strains difficult for a weak coalition government to resolve. The international cause of the trouble suggests that it requires an international solution.

Without the petrodollar burden, which has lifted Italy's payments deficits abroad recently to almost $1 billion a month and an estimated $8.5 billion for the year, Rome might have been able to cope with the overheated boom and price rises that followed several years of recession. But now tougher measures than an Italian Government normally is capable of taking are being prescribed by Italy's creditors abroad as a prelude to further loans.

Ostensibly, the International Market Fund and the Common Market are merely asking Italy to cope effectively with its pre-energy-crisis inflation and deficits. The international community is agreed that the oil deficits themselves must be financed in other ways without restrictive measures at home or affecting trade and exchange rates. Since all the advanced countries will be in deficit for many years, nothing is to be gained by shifting burdens from one to another by domestic deflation, trade restrictions or competitive currency devaluations. The oil exporting countries, which are acquiring surplus funds equal to the deficits of the oil importing countries, are the only ones who can finance the deficits, whether they do it directly or indirectly by depositing their funds abroad.

The problem now arising is that the oil money deposited abroad is heading into only a few countries and others, like Italy, have been forced to borrow there. The deposits are short-term, sometimes left on a day-to-day basis. The so-called Eurodollar banks are beginning to feel nervous about lending out this short-term money long-term. The international community possesses neither a central bank, nor any other lender of last resort, nor even the kind of deposit insurance national governments provide.

Having encountered resistance to further loans in the Eurodollar market, Italy has had to turn to the I.M.F. and the Common Market as well as individual allies, such as the United States, for loans—and they have laid down conditions that twice in a few months have split Italy's coalition governments apart.

The new government that emerges from the present crisis undoubtedly will again be a weak coalition. If it is to survive, it will need more generous help from its allies stemming from better international management of the interdependence that now exists among the industrial nations. It is the world's chief monetary powers, whose finance ministers are meeting at the I.M.F. in Washington today, who hold the solution to Italy's political crisis in their hands, not the politicians in Rome.

[From the New York Times, June 13, 1974]

ACCORD SET ON USE OF MONETARY GOLD

(By Edwin L. Dale, Jr.)

Washington, June 12.—The 10 leading financial powers have agreed upon a plan to make national monetary gold holdings at least partially usable again by permitting them to be pledged as collateral for loans at a price to be agreed between the lender and the borrower.

The agreement was announced this morning in a brief statement by the United States Treasury following a dinner meeting last night of the "group of 10" leading financial nations. The dinner preceded today's formal meeting of the "Committee of 20" nations negotiating world monetary reform.

Monetary gold has been immobilized because of its artificially low "official" price of $42.22 an ounce. Under the new plan, countries having deficits in their balance of payments and wanting to use some of their gold could pledge it as collateral for loans at a price that would clearly be much higher than the official price. The market price of gold is almost four times the official price.

Although the new plan would make monetary gold "valuable" and usable again—particularly for such countries as Italy, which have substantial payments deficits—the use of it as collateral for loans would not result in a new and higher official price, nor would it again enthrone gold at the center of the monetary system. This was why the United States was willing to agree to that plan.

The two-paragraph Treasury statement said:

"In the Treasury's view, the finance ministers are making useful progress toward the twin objectives of agreeing on the procedural steps to phase gold out of a central role in the monetary system and at the same time permit it to be mobilized when needed by countries in balance-of-payments difficulties.

"Among the possibilities, the ministers agreed in principle that gold could be used as collateral for international borrowing (N.B.: As in the case of all loans, this presumes that the lender would set the value on collateral pledged, and therefore such a plan would not necessarily envisage valuing gold at a market-related price.)"

A Treasury spokesman said he did not know whether the loans in question would be only from governments and central banks to one another or whether loans from the private capital markets were also to be included. In any case, it remains to be seen how extensively the new means of utilizing gold reserves will be employed.

The Committee of 20 meeting today—the first of a two-day session that will end with a communique tomorrow—reportedly did not tackle the gold question. Instead, agreement was understood to have been reached on a new value and interest rate for Special Drawing Rights, the international monetary reserve asset issued by the International Monetary Fund that is supposed to replace gold as the central asset in a reformed monetary system.

The S.D.R. in the future will have its valued based on the exchange rates of a "basket" of important currencies, reportedly 16 of them. Its present value is linked to the official price of gold.

The interest rate reportedly will be 5 per cent as long as market interest rates in the leading countries remain about where they are. The rate could move in the future up or down with market rates.

[From the Economist, June 8, 1974]

A CONCERNED COUNTRY

Signor Rumor's Italy, with its economy very close to the brink, has precious little room for manoeuvre left between the extremes of right and left.

Even in a Europe that has enough ailing economies to fill a good-sized sickroom, Italy is a special patient. An awed silence falls on the rest of the hospital when the details of Italy's present troubles are described: the size of its trade gap, and a rate of inflation that beats even Britain's (see the chart). There are plenty of Italians who have been talking about the possibility of economic collapse in recent months. They were joined last week by the new president of Confindustria, Italy's equivalent of the Confederation of British Industry, Signor Agnelli of Fiat. Signor Agnelli says that disaster could be only a few months away for Italy: unless something is done to stave off national bankruptcy, and done quickly, he says it could come to a choice between economic chaos and abandoning the institutions of a free society.

Since Signor Agnelli's speech, others have spelt out the details of what they see as Italy's approaching apocalypse: an $8.5 billion balance-of-payments deficit by the end of this year; a lira that will find no foreign lenders with enough trust in Italy's creditworthiness to see the country through its crisis; factories closing down for lack of raw materials and fuels; a vast army of unemployed; and then the political explosion. Of course, Italy is not alone, but it is closer to the brink than most, and it would be wrong to dismiss these fears.

The 50 per cent surcharge that was imposed on nearly half of Italy's imports in May has done something to help, even if it also made its own contribution to the troubles of the European community. Many Italians doubt whether the deeply divided government of Signor Rumor has the will or the cohesion to take the other measures that will be necessary. But events may be pushing even Italy's government toward a willingness to act. The bomb explosion in Brescia on May 28th, in which seven people were killed and nearly 100 were injured, may just conceivably have given the government the nerve it needs.

The extreme right-wing group that organised the Brescia bombing seems to have planned it as a prelude to a series of acts of sabotage and violence on the eve of Italy's republic day on June 2nd. The apparent object was to discredit the government and the security forces and create a panic out of which some strong man of the right's dreams might ride into power. As it happens, the Brescia murders may have achieved the opposite. They have certainly stung the government into more than usually energetic action against the extremists. On May 30th, two days after the Brescia bomb, a special security inspectorate was set up to deal with terrorism. That might sound like little more than good intentions: but the government has suspended two senior police officers in Brescia, and apparently plans to remove other officials suspected of shutting their eyes to the existence of known terrorists.

The theory, or rather the hope, is that tough action against right-wing terrorists will persuade Italy's trade unions to join in an Italian version of the social contract to control inflation. It could help. But the difficulty is that an opening to the unions is not easy to distinguish from an opening to the Communist party. There are plenty of Italians, not least the Communists themselves, who argue that the Communists ought to be brought into the government, or at least into an arrangement by which their votes would support the government in parliament. That would be a neat reversal of the more usual process in which violence from the left causes a right-wing backlash.

It is not to be excluded that Italy will be the next European country, after Portugal, to take the Communists into a major role in government. Signor Berlinguer's party has for many years looked a rather likelier prospect than M. Marchais's blinkered lot across the border in France. On Monday Signor Berlinguer repeated the offer of an "historic compromise" with the Christian Democrats that he made last autumn. But the majority of the Christian Democratic party, and a good many other people in the Italian political spectrum still doubt the genuineness of his democratic credentials.

There are plenty of people to believe that if Signor Rumor's government cannot get Italy's economy under control there will be one of those right-wing coups that so often get prophesied for Italy. The Italians are not as vulnerable to that as Greece was in 1967; many of them suspect their colonels are not competent enough to organise a coup. But there are limits to the disruption that a country with no long habits of affection for its central government can be expected to bear. Those limits would almost certainly be passed, if, on top of everything else, the problem with a Yugoslavia that is trying to work out what it will do after Tito should present a challenge to Italy's eastern frontier: more Soviet influence in Belgrade could well bring the colonels to power in Rome.

SPEECH BY GUIDO CARLI, GOVERNOR OF THE BANK OF ITALY, AT THE ANNUAL MEETING OF THE BANK OF ITALY ON MAY 31, 1974

In 1963 and 1969 Italy experienced balance-of-payments crises; in both instances, the use of credit policy instruments made it possible to overcome the crises without resorting to restrictions on imports; there followed a slowdown in productive activity, but our economy's capacity for recovery did not suffer. During the interval between the two crises, the growth rate of income remained high, even though its distribution was unsatisfactory. The balance of payments on current account registered a surplus, which resulted only partly in an increase in foreign currency reserves. The price level was as stable as in those countries least willing to accept inflation. During those years, some countries revalued their currencies while others devalued; there were balance-of-payments crises, imports quotas, restrictions, the creation of compulsory deposits and additional tariffs on imports. But this succession of events did not stop trade from acquiring greater impetus within a system of inter-dependent economies.

One should ask oneself whether the same monetary policy instruments can be used today to achieve the same results. Two elements distinguish today's crisis from the preceding ones:

(a) in 1963 the balance-of-payments deficit originated from the balance on current account and represented 1.4 percent of national income; in 1969 its origins lay in capital outflows that were huge in relation to the current account surplus. This year the expected deficit, including the oil deficit, represents about 6 percent of income: this ratio is without precedent in any industrialized country.

(b) in 1969 the households' financial saving amounts to 6,300 bililon lire and the portion of this flow used by the public administration and the autonomous government agencies stood at 1,850 billion, that is 29 percent; in 1973 the households' saving was 13,250 billion lire, while the public sector used 8,260 billion, or 62 percent.

In Italy the ratio of the volume of financial assets to income has become greater than in most industrialised countries. Consequently, the effects of monetary policy are wider-reaching and the policy-makers have greater responsibilities. Since the public administration uses a larger percentage of savings in Italy than in other industrialised countries, defending the portion allocated to production involves a harder struggle during credit squeezes. Over the last five years, the greater services supplied by the public administration have not been matched by an increase in taxation: consequently, savings were tapped to a greater extent. Higher taxation would have been partially offset by reduced formation of savings; this, in turn, would have led to reduced accumulation of financial assets in the form of bonds, deposits, banknotes. There would be less danger of people converting their financial assets into cash, thus compromising the stabilisation policies.

Years ago the law and its statutes forbade the Banca d'Italia to finance the public sector or placed rigid limits on the extent of that financing. Heroic behaviour was not required of the Governor of the Bank, he was only expected to be a diligent administrator, checking that the relative proportions between the various balance-sheet items, as set by the law, were observed. Heroic behaviour is not required of him today either, but he is expected to reconcile objectives belonging to a vaster framework: growth of income, full employment, price stability, balance-of-payments equilibrium. When these objectives can no longer be reconciled, choices must be made. On the occasion of the previous Meeting of Shareholders, we stated that: "Should it become necessary to limit the overall volume of credit, the reduction, owing to the rigidity of the public sector's demand, would mainly affect the directly productive sectors."

1928 saw the abolition, under the Issuing Institutes Act, of the ceilings on Banca d'Italia investments in Government or Government-guaranteed securities. We asked ourselves then, and continue to do so, whether the Banca d'Italia could have refused, or could still refuse, to finance the public sector's deficit by abstaining from exercising the faculty, granted by law, to purchase Government securities. Refusal would make it impossible for the Government to pay the salaries of the armed forces, of the judiciary and of civil servants, and the pensions of most citizens. It would give the appearance of being a monetary policy act; in substance it would be a seditious act, which would be followed by the paralysis of the public administration. One must ensure that the public administration continues to function, even if the economy grinds to a halt. Moreover, the consequences of administrative chaos would be more serious. We cannot halt the drop in economic activity with only monetary policy instruments; we can use them to cushion that fall.

The banks and the special credit institutions are worrying about the pressure to which they are subjected by borrowers. The institutes and the bodies which raise funds by issuing bonds are faced with increasing difficulties and request permission to resort to new forms of fund-raising. Indexed issues covering all securities would tend to lower the prices of those in circulation; indexing is effective if limited to certain sectors of the financal market and if it remains optional for the parties involved. Industrial, real-estate and agricultural credit institutions and their central institutes are calling for help from the Banca d'Italia. We have been, and will continue to be, deaf to their cries for help. In our economy priority must be given to respecting the constraint of balance-of-payments equilibrium. The means for achieving this are well known; there are no miraculous cures: it is necessary to reduce the creation of funds destined to finance the public sector.

The links between Treasury deficit, balance-of-payments deficit and price level are not incomprehensible and we propose to prove it.

During the year from March 31, 1973 to March 31, 1974, the Treasury deficit led to monetary base creation of 7,780 billion lire. During the same period the draining of monetary base owing to the balance of payments on current account can be estimated at around 2,500 billion; if one includes capital movements, the reduction caused by the balance of payments rises to about 3,500 billion. Banca d'Italia operations pumped liquid assets for 990 billion into the system, mainly in the form of advances to the savings banks' central institute, as a result of the savings banks' withdrawals from their deposits with the Banca d'Italia under the pressure of the demand for credit by the public sector. The monetary base thus created, including the amount accounted for by post office deposits, was overall 5,150 billion; 3,470 billion was used by the public, of which 1,600 billion in the form of currency in circulation. The difference found its way to the banks and, along with a reduction in excess reserves, made it possible to satisfy the compulsory reserve quota.

The monetary movements described are the practical result of the Treasury's requesting a larger quantity of resources from the economy than the latter proved capable of supplying. The difference was supplied from abroad. Assuming that the contribution of reserves from abroad had not been sufficient, and given the Treasury's requirements and the method of financing them, the excess of demand over supply—which was financed by the increased credit resulting from monetary base creation—would have caused a far greater rise in prices than that which occurred. Foreign accounts would have been kept in equilibrium through an exchange rate change. The excess of demand over supply would have been eliminated by a higher degree of inflation.

Had we wished to restore equilibrium to foreign accounts without undergoing greater inflation, the Treasury deficit would have had to be financed by greater securities issues placed with the public and/or the banking system to about halve recourse to the Banca d'Italia. The volume of credit which flowed to the enterprises through the banking system would have been several thousand billion lower than it in fact was. In this case the equilibrium between demand and supply would have been restored by tightening demand on the investment side.

Balance-of-payments equilibrium could have been achieved by increasing taxation on the households' available income. In this case the restriction would have been centered on private consumption and could have spread from there to investment. It would not have been necessary to reduce credit to the enterprises to leave room for credit to the Treasury. To achieve these results the increase in taxation, during the period under consideration, would have been in the region of 4,500 billion lire. If, having expanded exports to the maximum allowed by the trend of foreign demand, the balance-of-payments equilibrium had been obtained by limiting imports, domestic demand in real terms would have had to remain the same as in 1972; national income would have increased 2 per cent.

The above considerations prove that the process of adjusting our balance of payments is not an impossible one, but it is certainly a painful one when it must be carried out through an overall limitation of demand. It is all the more painful, the more the disequilibrium is the result of a deterioration in the terms of trade; but this does not mean that the adjustment should not be carried out.

Since the necessary reduction in real income is smaller the greater the possibility of reducing the propensity to import with selective provisions, it appears that the rational basis of the recent provisions has been proved.

The introduction of a 50 percent compulsory deposit on imports of certain goods accentuates the reducing effect of the balance-of-payments deficit on monetary base. While a restrictive credit policy is in act, this effect is not offset; therefore it affects demand.

With a reduced supply of foreign goods there should be a correspondingly slacker demand as a result of the credit squeeze. The compulsory deposit of 50 per cent of the value of imports, which practically results in the importers having to underwrite a public loan, reduces the dangers of excessive monetary base creation. If the imports are made, the deposit increases the Banca d'Italia's power to control the overall volume of credit. If the imports are not carried through, the need for that control is lessened by the fact that the credit squeeze in act has alone helped to reduce the balance-of-payments deficit.

If the balance-of-payments deficit falls as a result of credit granted by foreign exporters to Italian importers, the advantage obtained is short-lived; with this in mind, we introduced measures prohibiting the banks from granting guarantees to firms exporting to Italy.

Our balance-of-payments crisis is the most serious aspect of a wider crisis which was set off by the increase in the price of oil. We must not cease to collaborate in all the international organisations in order to have price relationships between oil and industrial products that make it possible to eliminate the balance-of-payments disequilibrium, while ensuring that it is financed during the period necessary for making the adjustment. During the adjustment period one could experiment with setting up an international agency to buy collective supplies of oil; collective guarantees for loans to be taken out during that period might make it easier to run such a scheme. Meanwhile, until some solutions are produced, stabilisation policies using monetary instruments are becoming widespread and are at the root of recessionary impulses. The introduction of import quotas for oil products and their extension to nonoil products could become inevitable.

At the beginning of the year, the deficit of the Government sector was estimated at 9,200 billion lire for 1974. This deficit was linked to a balance-of-payments deficit near the 5,500 billion mark; but a deficit of this size is unbearable. The European Economic Community recommends that we rapidly reduce it and gives a ceiling of 2,000 billion lire for 1975. In order to achieve this objective the EEC recomends that we limit over all financing to the economy to a considerably smaller figure than the 22,400 billion stated in the letter of intent which the Italian Government sent to the International Monetary Fund. To this effect, the EEC urges the reduction of the Treasury deficit and its financing through the creation of monetary base and a sharp cut in the deficits of the local authorities, social security institutions and autonomous agencies; taxation must increase and the tariffs for possible services must be raised when they operate at a loss.

We are encouraged to accept the suggestions of the EEC by the urgent need to keep the balance-of-payments deficit within limits which allow it to be financed by using credit lines, so far untouched, with the International Monetary Fund and the central banks, as well as possible long- and medium-term loans on the international market to be used to repay short-term loans.

The EEC Council and Commission have accepted the reasons given by the Minister for the Treasury which point out that the compulsory deposit of 50 percent of the value of imports was an absolute necessity. But they insist that these provisions be rapidly substituted by others, aimed at regulating overall demand. The need to make this substitution is undeniable; however, both we and our European associates must be well aware of the consequences. To take even gradual steps, in 1974, towards limiting the balance-of-payments deficit to 2,000 billion in 1975, forces us to bring stabilisation policies into effect immediately. The present, and possible future, economic situation on the international markets leads one to believe that the adjustment must be made more by slowing down imports than by increasing exports. After all, we cannot move towards payments equilibrium at a time when the international economic situation is characterised by a fall in activity without domestic demand moving in the same direction.

In order to pursue during the present economic situation a policy aimed at the medium-term objective of limiting the payments deficit to 3,000 billion a year, it would be necessary, according to our calculations, to reduce domestic demand in real terms by between 4 and 5 percent compared to the 1973 level. The balance-of-payments developments of the first half of the year would indicate that a greater reduction in overall demand is required; however, since the initial effect of the reduction would create the right conditions for a further reduction and thus allow the adjustment to be made, it seems sufficient to limit the reduction to the extent mentioned. Were we to attempt to bring about his reduction through additional taxation and were the amount of this taxation limited to 2,000 billion, it would be necessary to integrate the effects of such action by resorting to a credit squeeze. The increase in bank loans should be about a quarter lower than originally estimated; the impact would be distributed between investments and consumption.

Were it suggested, instead, that we aim at limiting the balance-of-payments deficit within the above-mentioned figure and reduce the negative impact on investments, taxation would have to amount to 3,700 billion.

In both cases, the gross national product in real terms would be one or two percentage points below that of 1973.

Gentlemen: In the past, in these same rooms, we stated that it is not the duty of the Banca d'Italia to say in which ways taxes ought to be increased. But it is one of the Bank's tasks to make it known that, should one wish, as stated, to limit the balance-of-payments deficit by fiscal instruments, there is no avoiding an increase in personal taxation including those income brackets which cover a high percentage of the population. Over the short run a hefty rise in revenue from taxation is obtained only if the increase in taxation also affects these incomes. It is not enough to increase value-added tax on luxury goods; the increase should vary according to the goods and cover the whole range of consumer goods, with the resulting price increases being temporarily left aside when calculating the increment of the escalator clause. To believe, and to make others believe, that it is enough to increase the tax burden on the highest income brackets is equivalent to illuding oneself and others. Nor can we accept the argument that the taxation manoeuvre would be hampered by the present transition to a more modern tax system. What is done in other countries can be done in ours.

One does not defend the external solvency of Italy by pandering to the opinion of the majority. Defence of solvency, on which the continuity of the productive process depends, forces one to resort to monetary instruments, despite being aware of their negative effects on the system's capacity to produce income. If the Treasury deficit remains unchanged there must be a move towards new methods of financing it, which entail less monetary base creation. Firm in this belief, the Treasury has decided to offer the banks and the Banca d'Italia, in order to place them anew with both, ordinary bills at the deferred rate of 15.32 percent. Depending on the degree of success of the attempt to finance the Treasury deficit with non-monetary means, the smaller flow of monetary base to the banking system will limit the amount by which credit can expand. The quantitative limits on the expansion of credit to the public authorities are aimed at defending the percentage allocated to the enterprises; but these limits will be ineffective unless something is done quickly to limit the deficits. The adjustment of public service tariffs is one of the necessary conditions.

Despite attempts to reduce the impact on the enterprises, the credit squeeze aggravates their situation and, in some cases, leads them into financial difficulties. It causes the public authorities to carry out rescue operations and this helps to expand the public sector which gains access to credit with an arrogance based on the guarantee inherent in the right to coin money. The introduction of subsidised prices would add new difficulties to those mentioned: transferring to the government the losses resulting from such prices would face us again with the dilemma: to finance the larger deficit by increasing monetary base and thus put up with the effects on prices and on the balance of payments; to finance it with bank loans and thus have less available for the enterprises. On the other hand, while prices are rapidly increasing, the adjustment of subsidised prices is made through a contraction in supply in real terms followed by sudden price hikes. This is not a time to use expedients; but a time for serious decisions in the area of salaries and taxation. Recourse to monetary instruments to defend the country's solvency answers a dire necessity; to have to carry out such a maneuvre is an ungrateful task; the Banca d'Italia will do so resolutely.

ORDER FOR RECOGNITION OF SENATOR HUMPHREY VACATED

Mr. ROBERT C. BYRD. Mr. President, I have been asked to have the order that was entered for the recognition of Senator HUMPHREY vacated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the time under my order.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 14832. An act to provide for a temporary increase in the public debt limit (Rept. No. 93–926); and

H.R. 14833. An act to extend the Renegotiation Act of 1951 for 18 months (Rept. No. 93–927).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 454. Concurrent resolution to authorize the printing as a House document "Our Flag," and to provide for additional copies (Rept. No. 93–928); and

H. Con. Res. 455. Concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?" (Rept. No. 93–929).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

H. Con. Res. 201. Concurrent resolution to reprint the brochure entitled "How Our Laws Are Made" (Rept. No. 93–930).

By Mr. EAGLETON, from the Committee on Labor and Public Welfare, with amendments:

H.R. 11105. An act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes (Rept. No. 93–932), together with supplemental views.

By Mr. LONG, from the Committee on Commerce, without amendment:

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence* (Rept. No. 93–933), together with minority views.

REPORT OF SENATE SELECT COMMITTEE ON SMALL BUSINESS—REPORT OF A COMMITTEE (REPT. 93–931)

Mr. BIBLE. Mr. President, I submit the 24th annual report of the Select Committee on Small Business. I ask unanimous consent that the report be printed, together with illustrations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIBLE. This report highlights the fact that wholesale price index increases of 17 percent, the largest rise since 1947, plus labor shortages, higher unit costs for labor, raw materials, power, transportation and taxes were major components of the national economy's impact on the Nation's 8½ million small businesses in 1973.

In the 12 chapters of this report, we believe that the reaction of small businesses, representing 97½ percent of all business firms nationwide, to the ups and downs of our economy is especially illustrated. Small business is most sensitive to the economic barometer, gaining more than average in upswings and being hit first and hardest in downtowns. The economy in 1973 saw dramatic developments such as the wholesale price index moving sharply upward, consumer prices increasing by 9 percent, food and farm prices moving upward nearly 43 percent higher than the previous year, and fuel prices rising almost 48 percent.

The chapter dealing with mandatory Federal standards in the environmental, pollution, consumer health and safety areas sets forth the committee's efforts begun several years ago to enact Small Business Administration compliance loan authority, Public Law 93–237.

Another major 1973 concern of the committee involved the effect of the energy crisis on small businesses, actually a problem that preceded the October energy crisis because of the impact of foreign oil import quotas. One chapter deals with small independent gasoline retailers being harmed by the then applicable import allocations.

We believe that our committee's annual report fulfills our responsibilities to the Senate, to the Congress, and to the small business community. The areas of general lending, disaster and government regulation relief, procurement and property disposal, SBA economic research, and other SBA activities are covered.

Other chapters deal with the impact of crime against small business, including cargo thievery and criminal redistribution, corporate aspects of giantism, secrecy and farming, small business taxation reform proposals, small business credit needs, helping small business to adjust to environmental-consumer initiatives, pharmaceutical competitive problems, the Federal paperwork burden, and transportation and distribution problems. One particular section highlights congressionally enacted public laws dealing with small businesses and their legislative histories.

We believe that this country's small businessman and woman, the backbone of Americanism at its best for its recognition of individual initiative, strength, perseverance and progress, should be recognized for their contributions to our country's well-being and that Government should remain alert to their special problems and their inestimable importance to our economy in keeping it healthy and strong.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration.

(The above nomination was reported with the recommendation that the nomination be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committe of the Senate.)

By Mr. LONG, from the Committee on Finance:

Francine Neff, of New Mexico, to be Treasurer of the United States;

Gerald L. Parsky, of the District of Columbia, to be a Deputy Under Secretary of the Treasury; and

Richard C. Wilbur, of Maryland, to be a judge of the U.S. Tax Court.

(The above nominations were reported with the recommendation that the nominations be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committe of the Senate.

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without reservation:

Executive C, 93d Congress, 2d session, Protocols for the Extension of the International Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from April 2 through April 22, 1974 (Exec. No. 93-29).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 3637. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes. Referred to the Committee on Commerce.

S. 3638. A bill to amend the Act to incorporate Little League Baseball to provide that the league shall be open to girls as well as boys. Referred to the Committee on the Judiciary.

By Mr. MONDALE (for himself and Mr. Ribicoff):

S. 3639. A bill to provide for the development and implementation of programs for youth camp safety. Referred to the Committee on Labor and Public Welfare.

By Mr. MOSS:

S. 3640. A bill to guarantee to the civilian employees of the executive branch of the United States the right to have a counsel or representative of his choice present during interrogations which may lead to disciplinary actions and to prevent unwarranted reports from employees concerning their private life. Referred to the Committee on Post Office and Civil Service.

By Mr. MONTOYA:

S. 3641. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes. Referred to the Committee on Public Works.

By Mr. BROCK:

S. 3642. A bill to establish certain programs to promote innovation in transportation. Referred to the Committee on Commerce.

By Mr. JAVITS (for himself and Mr. Taft):

S. 3643. A bill to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service. Referred to the Committee on Commerce.

By Mr. INOUYE:

S. 3644. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurse practitioners under medicare and medicaid; and

S. 3645. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 3646. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education. Referred to the Committee on Finance.

By Mr. FONG:

S. 3647. A bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 3648. A bill to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL:

S. 3649. A bill to amend the Social Security Act to establish a procedure for the prompt payment of social security benefits to individuals whose social security checks have been lost, stolen, or otherwise delayed, and to expedite hearings and determinations respecting claims for benefits under title II and XVIII of the act. Referred to the Committee on Finance.

By Mr. DOMENICI:

S. 3650. A bill to authorize the Secretary of Transportation to make certain highway improvements in order to more effectively carry out the purposes of the Navajo Indian Irrigation Project, New Mexico. Referred to the Committee on Public Works.

By Mr. BUCKLEY:

S.J. Res. 214. Joint resolution entitled "Declaration of 'German Day' ". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 3637. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes. Referred to the Committee on Commerce.

Mr. HUGH SCOTT. Mr. President, the House has recently passed a Broadcasting License Renewal bill, H.R. 12993, after many months of debate. The bill is before Senator Pastore's Communications Subcommittee for consideration. Hearings on the bill have been scheduled for June 18, 19 and 20.

During the 91st Congress, I was a cosponsor of Senator Pastore's license renewal bill, S. 2004. I feel as strongly now as I did then that the Congress must clarify the license renewal problem. We must establish clear guidelines that will enable a licensee to know what type and quality of conduct is required in order to retain his broadcast license. At the same time, we must insure the public's rights and interests are protected.

I would like to congratulate the House for its diligent efforts in acting on renewal legislation. At one point the House subcommittee had more than 200 separate bills to study. With limitless possible approaches to this complicated issue, I believe the House settled upon a formula which may prove workable to both private and public interests. In rejecting a two-tier system for renewal, the House basically acknowledged the fact that a broadcaster should not be automatically entitled to renewal of the broadcasting license at the end of the term. The community of the licensee must receive a high standard of service from the broadcaster who makes use of the public airwaves. Therefore, before renewal of the license, the licensee should have to demonstrate more than merely adequate performance during the term of service.

I would like to comment on two parts of H.R. 12993 that I believe should be examined by the Senate. First, I will outline several problems that arise from the redefinition of the ascertainment process in H.R. 12993. And second, section 4 of H.R. 12993 which mandates "good faith negotiations" between licensees and community organizations should be reviewed more closely.

Under present FCC requirements, a licensee must "ascertain" the "needs" and "problems" of the "community" which the licensee serves. As a public trustee, the licensee must be responsive to those local needs and problems. H.R. 12993 has injected a new concept into the ascertainment procedure. Section 2 of the bill requires that the licensee must ascertain the "needs, views, and interests of the residents of their service areas for purposes of their broadcast operations." Later the bill states the FCC must examine as a condition of renewal whether the broadcast operations have been "substantially responsive" to the needs, views, and interests of the residents of the service area.

This new language may alter the traditional ascertainment procedure. It may tend to move the emphasis from ascertaining the community's needs and problems to ascertaining the individual needs, views, and interests of specific individuals relating to all parts of the licensee's broadcasting operations. I believe it would be a mistake if the traditional concept were thrown out. Under the bill's mandate the Federal Communications Commission as a criterion for license renewal in reviewing licensee responsiveness would have to look at how a station had dealt with individual "needs, views, and interests of any particular resident of the community service area." This might mean individuals in a community could dictate what kind of programing, hours of service, promotional practices, good will, and employment rules a licensee should have. Too great a power might be placed in the hands of a few individuals or individual groups in a large community if this language became the law. The broadcast licensee has the responsibility now to serve the whole community as a public trustee. I believe it would be a bad approach to have programing and other decisions not made by the licensee.

In the light of these possible problems, I suggest that the language in H.R. 12993 be changed from "needs, views, and interests of the residents of their service areas for purposes of broadcast operations" to "needs and problems of their service areas." The appropriate language is reflected in the bill I will introduce today. Hopefully, the amendment would stave off undue individual influence over programing and broadcast operations. I want to make it clear, though, that I would nevertheless strongly support the standard of "substantially responsive" to needs and problems of the community which H.R. 12993 demanded from the licensee. It would be an unwarranted step to require only a "minimally responsive" standard for a broadcast licensee who is a public trustee of the airwaves.

The second part of H.R. 12993 that I would like to comment on is section 4. This section would add a subsection to section 309 of the Communications Act. In essence, it states that the Commission shall prescribe procedures that would encourage licensees of broadcast stations and individuals raising significant issues regarding the operations of such stations to conduct good faith negotiations on the issues during the licensee's term. The idea of the two groups meeting and discussing various ideas is excellent. However, a problem arises with the statutory language of "good faith negotiations." Clearly, since this would be a new requirement under the Communications Act, there is not established case law to interpret exactly what a "good faith negotiation" might be. For precedents one might be tempted to turn to the many labor law cases which discuss the concept of negotiation. Unfortunately, the employer-union analogy is not applicable to the broadcast licensee's case. We are not dealing with two parties involved in arm's-length negotiations over what actions each must perform if they are to work together harmoniously. A broadcast licensee often may not acquiesce to a demand in talks with individual over a licensee's actions in running a station because it would run counter to the public's best interest.

The House committee in dealing with the problem in its report tried to clarify the meaning of "good faith negotiations" vis-a-vis the broadcast licensee and individuals. The report states—

> In using the term "good faith negotiations" there is no intention to incorporate the body of law and administrative rulings which have developed in the field of labor law in connection with that concept.

Later the report explains the parties—

> Would be encouraged to meet in good will and confer in good faith, but it is not intended by this provision to require any licensee to agree to any particular concession or to reach agreement with any particular group.

Since the report clearly reflects the committee's desire not to have labor law concepts applied then it is logical to conform the statutory language so no misunderstanding will arise later. To accomplish this I would recommend that the word "negotiations" in section 4 of the bill be substituted with the word "discussions."

Today, I am introducing a bill which makes the amendments I have outlined to the House license renewal bill, H.R. 12993. I hope it will be of some help to Senator PASTORE's subcommittee as they review the various approaches to license renewal. I sincerely hope the Senate will be able to act quickly on some approach to license renewal so we may be able to see substantive license renewal become law this year.

By Mr. HUGH SCOTT:

S. 3638. A bill to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as boys. Referred to the Committee on the Judiciary.

MISS CASEY AT THE BAT

Mr. HUGH SCOTT. Mr. President, I am pleased today to introduce a bill to amend the Little League Baseball Act to allow girls to participate.

Yesterday Little League Baseball officially announced it would abandon its long-term efforts to maintain the male sanctity of this sport. Frankly I am delighted. Little League Baseball has stood for the development of citizenship and sportsmanship in its players and there is no reason why girls should be prevented from learning whatever Little League has to offer. This can only have beneficial results, building better understanding and communication between the sexes at an early age.

Little League Baseball began in Williamsport, Pa. and I am hopeful that Williamsport will maintain its tradition of being in the forefront in Little League by having the first girl player. The distinguished Congressman from Williamsport, Mr. SCHNEEBELI, has introduced a similar bill in the House. We are hopeful that the Congress will act quickly on this measure.

Mr. President, I ask unanimous consent that the text of my bill and an article from today's Washington Post be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 3638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of July 16, 1964, entitled "An Act to incorporate the Little League Baseball, Incorporated" (Public Law 88–378), is amended by striking out "boys" each place it appears and inserting in lieu thereof "boys and girls" and by striking out "citizenship, sportsmanship, and manhood" and inserting in lieu thereof "citizenship and sportsmanship".

[From the Washington Post, June 13, 1974]

LITTLE LEAGUE ADMITS GIRLS, EFFECTIVE NOW

WILLIAMSPORT, PA., June 12.—Little League Baseball Inc. today abandoned its years-long struggle to keep girls from playing on its teams.

Because of "the changing social climate," the organization said, it was ordering all franchisees to give girls an equal chance to make team rosters, effective today.

The league asked team operators to be "firm . . . and forthright" in executing the new policy. It was a dramatic turnabout from the old attitude, which had led the league to lift franchises from teams that admitted girls and to fight tooth and nail in the courts to keep the game for boys only.

The board said it has petitioned the House Judiciary Committee to introduce appropriate legislation to amend the federal charter under which Little League has operated since 1964.

The league cautioned that it was only opening enrollment in its program to girls, not guaranteeing that girls would be placed on teams.

"Whether they play or not would depend on managers and coaches of the individual teams," a league statement said. "The girls would have to prove equal competency in baseball skills, physical endowments and other attributes scaled as a basis for team selection."

Peter J. McGovern, board chairman and chief executive offier said, "It is the unanimous view of the board and trusteeship that acceptance and screening of young girls . . . should be adjudged by the local league organization and not by the international body."

McGovern added that this "should be done in good faith and without prejudice."

McGovern urged settlement of local squabbles by civil rights or human relations hearings.

"Any action in this regard should be responded to with firm conviction and forthright statements that Little League does not discriminate and has no feelings of ill will toward any sex, race or creed," he said.

The Little League, which operates 9,100 leagues for 2.5 million youngsters in 31 nations, has been challenged in a number of American courts on its all-male policy.

"In reaching a decision on an issue of landmark significance, the board has taken the position that it would be imprudent for an organization as large and universally respected as . . . Little League Baseball to allow itself to become embroiled in a public controversy," McGovern's statement said.

He said the 35-year-old Little League also would retain its separate and optional program for girls of Little League age. The Little League now has a program for some 50,000 girls in the United States.

The Little League age extends from 8 to 12.

By Mr. MONDALE (for himself and Mr. RIBICOFF):

S. 3639. A bill to provide for the development and implementation of programs for youth camp safety. Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am pleased to introduce today, for myself and Mr. RIBICOFF, the Children and Youth Camp Safety Act of 1974. This bill is identical to one previously introduced in the House by Representative DOMINICK V. DANIELS.

As chairman of the Senate Subcommittee on Children and Youth, I have been troubled by reports of inadequate safety and health standards in some of the camps to which we entrust our children. No reliable, comprehensive statistics are available on the extent of accidents and illnesses incurred by youngsters while they are attending camp. But the most recent figures show that in the summer of 1973, 25 children died; 1,448 were injured, and 1,223 suffered serious illnesses while at camp. Many of us have seen the disturbing and dramatic press accounts of some of these incidents.

Two years ago, the Congress defeated a legislative proposal to establish Federal standards for camp safety. Instead, Congress directed the Department of Health, Education, and Welfare to conduct a study to determine the extent of "preventable accidents and illnesses" occurring in camps, the effectiveness of State and local camp safety laws, and the need for Federal legislation.

Now that this study has been completed, we can no longer delay definitive congressional action on this problem. I am introducing this bill today with the intention of holding hearings on it and on Senator RIBICOFF's Youth Camp Safety Act before my Subcommittee on Children and Youth. By its approval of Mr. RIBICOFF's Youth Camp Safety Act in 1971, the Senate has already indicated its interest in and commitment to improving youth camp safety in this country. The purpose of my subcommittee's investigations will be to develop the most effective measure for accomplishing that goal.

The subcommittee has scheduled a hearing on these bills at 10 a.m. on Monday, July 15. Parties who may wish to testify are requested to contact the subcommittee at 225–8706.

I ask unanimous consent that a number of relevant documents be printed in the RECORD at this time. They are a legislative history of camp safety legislation, prepared by Library of Congress; two fine articles on the subject which have appeared in the Washington Post, "Remembering Children," from Potomac magazine, and "Protecting Children at Summer Camp," an editorial; and the text of the Children and Youth Camp Safety Act of 1974.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., May 9, 1974.

To: Senate Children and Youth Subcommittee.

From: Education and Public Welfare Division.

Subject: Youth camp safety.

In response to your request, the following is a brief history of legislative activity related to youth camp safety since the 90th Congress.

Since 1967, several bills have been introduced in each Congress to provide for some Federal role in developing and maintaining youth camp safety standards. The bills introduced generally provide for Federal leadership and grants to the States for developing and implementing State programs for youth camp safety standards or to provide for a study of the extent and enforcement of State laws and regulations governing the operation of youth camps. In the 90th Congress, two days of hearings were held on such bills before the Select Subcommittee on Education of the House Committee on Education and Labor, but no bill was reported.

In the 91st Congress, hearings were held before the Select Subcommittee on Labor of the same committee, and the full committee reported out H.R. 763 which authorized $150,000 for a study of the extent and enforcement of State laws and regulations governing the operation of youth camps. The bill failed to pass the House by a vote of 151–152.

In the 92nd Congress, the Select Labor Subcommittee again held hearings on youth camp safety bills but no bill was reported. Nevertheless, the Senate, on August 6, 1971, passed the Education Amendments of 1971 (S. 659) which included a floor amendment (The "Youth Camp Safety Act") by Mr. Ribicoff, adopted by voice vote, authorizing up to $2.5 million per year for 50 percent grants to States for developing and administrating approved (by the Secretary of HEW) State programs for youth camp safety standards. The amendment authorized HEW to draw up Federal standards for youth camp safety and allow camps certified by the States as being in compliance with those minimum standards to advertise that fact. An advisory council on youth camp safety was created to advise and consult on policy matters relating to youth camp safety and finally, appropriations of $3 million were authorized for each of six successive fiscal years, beginning with FY 72.

In passing their version of the Education Amendments of 1971 (H.R. 7248) on November 4, 1971, the House voted 184–166 to adopt a floor amendment by Mr. Pickle authorizing $300,000 for an HEW study of youth camp safety which would include a discussion of (a) the extent of preventable accidents and illnesses occurring in youth camps, (b) the effectiveness of their enforcement, and (c) the need for Federal laws in this field. The results of the study were to be reported to Congress before January 1, 1973.

The Conference committee agreed to the House version (S. Rept. 92–798) but amended the provision to require HEW's report by March 1, 1973. Both Houses adopted the Conference report and S. 659 (by this time known as the Education Amendments of 1972) became Public Law 92–318 on June 23, 1972.

Thus far in the 93rd Congress, there have been several bills introduced to develop programs for youth camp safety. In general, these bills provide for the development of Federal standards for youth camp safety and grants to States to implement programs that comply with those standards. In some bills, the Secretary of HEW is authorized to conduct inspections and fines are proposed for noncompliance by camp operators. Although no legislative action has yet been taken in this Congress, the House Select Subcommittee on Labor is scheduled to hold hearings in the very near future. In a related matter, the HEW report on youth camp safety required by P.L. 92–318 was released on April 29, 1974, and its major findings and recommendations are enclosed.

If I can be of further assistance, please let me know.

TOM WANDER.

[From Potomac magazine, Feb. 4, 1973]

REMEMBERING CHILDREN

(By Colman McCarthy)

What is worse for parents than the death of a child? Only this—when the death is accidental, needless and could have been avoided. No parent, whether a Vietnamese mother whose child was killed by American bombing or an American father whose son was killed because of corporate negligence, ever fully recovers. Interior peace, the most valuable kind, is forever gone. One reaction to losing a child needlessly is to push the event from the mind, send it trackless into the inner space of memory where it will remain forever but at least be traveling in a random orbit away from the soul. Bury the dead and let life go on. Another reaction—more rare, more heroic—is to keep the tragedy fresh and current by alerting others that the conditions by which your child was killed still exist. Other children may die needlessly, perhaps yours. This is the vocation of the lantern—lighting it, going out into the darkness of unconcern and apathy, trying to focus on a major national tragedy but illuminating only small corners, not whole rooms. Who listens? Who cares?

A letter came in November 1971 from a Westport, Connecticut, furniture salesman named Mitch Kurman. Handwritten, in sprawling script, he asked if I would consider writing an editorial for The Washington Post supporting legislation for a youth summer-camp-safety bill. The Senate, Kurman's letter explained, had already passed a bill with a unanimous vote of 53–0. The House would soon be debating similar legislation, choosing between a bill that was much weaker. Kurman's letter ended by saying that a Post editorial on summer-camp safety would be timely and possibly helpful. Letters asking for editorial support are common but usually they come from a politician—senator or congressman—who has sponsored a particular bill, from a trade association whose interest is totally vested, sometimes from a lobbyist looking out for a client. Here's our bandwagon, the letters commonly say, just hop on, we're going places. Kurman's letter had to be treated with a certain amount of cautious skepticism, but it was clearly different from most of the others. It was from a private citizen, on plain stationery, and about legislation that obviously could be of no financial or political benefit to him.

A few days later, after researching the history of summer-camp legislation, speaking with four or five Senate and House staff people, and talking with my editor, the Post ran an editorial. It supported the bill of a New Jersey Democrat, Dominick Daniels, that called for strong safety standards for summer youth camps. These minimum federal standards could then be administered by the states; the latter would receive up to 80 per cent funding from the federal government to administer them. The Daniels bill, presented as a new title of the Higher Education Act, was an effective approach because it provided incentives to let states run their own programs while insuring that nationwide standards would be met. Thus, a camp in one state would have the same minimum standards as a camp a mile across a state line or a camp 2,000 miles across the country.

Many children are sent to safe, well-run camps where supervision is firm and accident prevention is taken seriously. This is not true for all children, however; many are at camps where counselors have little knowledge of dangerous waters or trails, where safety equipment is not provided, where safety and health inspections are rare or nonexistent. The statistical breakdown between safe and unsafe camps is not known. A possible guide is that out of 11,000 camps in the country, only 3,500 are accredited by the American Camping Association, and even then the A.C.A.'s inspections are not strict. Only twenty-six states have legislation concerning sanitation. About fifteen have safety regulations that would be meaningful. Only three or four make reference to personnel. Over the years, Congress had passed all kinds of bills to protect alligators, coyotes, birds, and bobcats but it was not yet concerned about the 250,000 children annually disabled from camp accidents. A week later, the House debated the youth camp-safety bills. It rejected the Daniels proposal and in its place approved an amendment offered by Representative J. J. (Jake) Pickle, a Texas Democrat. This called for a survey of the situation. Three Congresses—the 90th, 91st and 92nd—had held hearings on summer-camp safety, taking testimony from dozens of informed witnesses; but Pickle thought more study was needed and, incredibly, the House agreed. Taking a survey is a favorite Congressional stall, a manana maneuver that delays and confuses.

For the supporters of the Daniels proposal, the backing of another defeated bill meant little. We took the stand we thought was right, but in the end the defeat of the Daniels bill was only another mark in the won-lost columns. In the weeks after, though, I kept wondering about Mitch Kurman. Was the defeat only a passing event for him? Did he go on, as we did, and take up other issues, shelving camp safety until it would come up in a future Congress? The questions bothered me, so I phoned Kurman and asked if I could visit him in Westport. He seemed surprised—"I usually have to go to the press, instead of the press coming to me"—but we arranged a date convenient to both of us.

Mitch Kurman, 48, the grandson of Jewish immigrants and the father of two daughters, is a furniture-manufacturers' representative. He knows what the factories are making and what the stores are selling and puts himself in the middle. The work takes Kurman throughout New England and down the East Coast. Self-employed, his office is in his basement; both his wife, Betty, and his father help on the paperwork. Although Westport has the image of a fashionable and smart-set community, the Kurmans live in an unsplashy neighborhood, a few block off the Merritt Parkway. Kurman is short, gentle-speaking, and totally gracious. His life since August 5, 1965, has been one of lonely non-adjustment, a vigilance that has tried to disturb the peace that calmly allows 250,000 children to be injured every year and large numbers killed.*

"My son David was drowned in a canoeing accident in Maine that August," said Kurman, seated on the living room sofa. "I am not a wealthy man but I am not pleading poverty either. I guess you might say I am a man of possibly better-than-average means. I did not want David growing up in a goldfish bowl of Westport. I thought it would be good for him to get around. The boy loved to read. He was a fine student and I thought it would be good for him to go off to a camp and learn something about the outdoors. The camp we sent him to was in New York State, run by a YMCA in Rochester. The camp sent us a brochure which I think would satisfy anyone had they looked at it and studied it. I certainly had the utmost confidence in the boy's ability to swim and I certainly did not expect anything like a drowning. I expected adventure. I expected fun. I expected good, hard work, and I expected him to be paddling, which is what I wanted and which is why I sent him there. I did not send him on any expeditionary situation, something to endanger his life."

On August 5, the YMCA group made its way to the west branch of the Penobscot River near Millinocket in Maine. The campers were going down a section of the river called Passamaquoddy Falls when a number of the canoes were overturned by the rough waters and jutting rocks. The YMCA counselor had not supplied the boys with life jackets. "When David was killed," Kurman said, "it took a three-and-a-half-day search to find the boy's body. The waters the group tried to pass through were a raging hell-hole that no man in his right mind would ever attempt. I graduated from Cornell as a biologist and if I was ever told to investigate that water, I would probably sit on a riverbank and write out a report. I would not go into that water. When I went up to look at the waters myself, I learned that the Great Northern Paper Company has a large paper mill in the area. They shoot their cords of pulpwood logs to the mill downriver and in this stretch where David was killed, the logs actually tumble end over end."

Kurman speaks emotionally about the negligence of the YMCA and it is hard not to suspect that perhaps he exaggerates; after all, it is an unsettling subject. On checking the record, however, Kurman, if anything, understates the situation. In a trial held in district court in New York in May 1971—the case took six years to reach a judge—Kurman won a settlement of $30,000 from the insurance company of the YMCA in Rochester. Among those testifying were the chief of police in Millinocket, a deputy sheriff, and two of the boys on the trip. The police chief testified that the canoes used by the YMCA were unsuitable for the rivers because they had keels, good only for placid waters, not rapids. The sheriff testified that the YMCA counselors, intent on making time, would not participate in a search for the Kurman boy after the canoe overturned. Instead, the paper company closed down its operations and sent out special search parties to find the boy. In his suit against the YMCA, Kurman charged that the leaders of the trip were inexperienced, had selected waters which were dangerous for canoeing, had no life jackets for the boys, and no ropes or snubbing poles to guide the canoes away from the rocks. The defense called no witnesses. Kurman recalls the irony of the phone call from the YMCA following the accident. "They told me—bluntly and coldly right over the phone—that David drowned because he disobeyed instructions."

Shortly after the accident, Kurman made the first of what would, in six years, be hundreds of journeys to get legislation for camp safety. "Maybe I just should have forgotten about the whole thing," he said. "People tell me I'm a little crazy for keeping with this tragedy all these years, since nineteen sixty-five, with no let up. They mean well and they tell me to relax, forget about the past. They ask me how I don't go out of my mind to fight this. The facts are the opposite, though. I'd lose my mind if I knew these conditions existed and didn't do anything. A friend of mine, a kind guy, says maybe a psychiatrist could help me forget about David and about camp safety. He means well but isn't it strange? I don't need a psychiatrist. I'm normal. My friend needs the help. He looks away from the reality."

The first trip after the accident that Kurman made was to the office of New York Governor Nelson Rockefeller. "I was naive. I thought if you brought this to the attention of the officials they would do something, they would tighten up on the situation so it wouldn't happen again. I certainly did not expect to see my own boy alive again, but I felt why should this happen to someone else's child? I brought it to their attention and I asked them if they could tighten up to prevent similar tragedies that might happen with other children sent to camps in New York State. I was told, 'Well what do you expect us to do?' I said, 'There must be some legislation. There's a law for spitting on the sidewalk. There ought to be a law for taking care of the camps for children.' They told me, the people in Rockefeller's office, that the camps in New York have to comply with the sanitary code. I asked what that meant and they said that it simply means safe food and safe water. I asked, 'What about personnel?' and I was told they were not concerned with personnel. So I asked how are you going to determine if a camp is safe when I want to send a child to one? I was told, 'They print brochures, that's how you tell.' I was amazed that they said that, because the next summer after David was killed, the camp issued the same brochure it had sent me a year earlier."

The experience with Rockefeller's people jolted Kurman. Like most citizens, he believed that once you told elected officials that something was wrong, they would change it. Moreover, this particular issue involved kids—keeping them safe. Who would not be for that? Kurman was soon to find out.

Because his furniture work took him to about a dozen state capitals, Kurman was able to get to the politicians. He also went to the newspapers, television and radio stations to get their support. (Kurman has a file weighing more than 100 pounds, filled with clippings from the New England and national press.) The media rallied behind him, with a few exceptions. As for the politicians, they also were for camp safety, at least while Kurman sat before them explaining the problem. "Sure they were," he said. "Here I am in their office, telling them about my boy who drowned, what else can they say?" Yet saying and doing are not the same, and Kurman discovered in New York what was to become a long agony of consensus solutions. He found an assemblyman in Albany who sponsored a law calling for life preservers while in pleasure boats. "It was a mild bill," said Kurman, "just requiring that people strap up in a life preserver when they took to the water. It passed the assembly a hundred forty-seven to three. But on its final reading the bill was starred. This is a technical term meaning that the legislation is temporarily dead until the star is removed. I begged the majority leader of the assembly to remove the star—because he had the power to do so—but he declined. So the bill died.

"I kept at it. In the next session, I spent at least one hundred hours lobbying for the bill—personal visits to Albany, to Niagara Falls to see a state senator, to Utica to see an assemblyman, to Astoria, Queens, to see another assemblyman. This time the bill passed, Rockefeller signed it, and I said to myself, well, the system will work if you just keep at it. But I was astonished to find that in the final version of the bill an exemption was made—for private ponds and lakes, exactly the waters where most of the summer camps are located. So there was really no law at all, as far as I could see. In fact, the law that was passed was worse than no law at all, because now parents would be fooled and think their kids were protected at camp." Kurman has never been able to find out who slipped the exemption through.

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*Statistics on camp fatalities are hard to come by. In 1965, the Mutual Security Life Insurance Company of Fort Wayne, Indiana, made a study of 3.5 million campers, mostly children in organized camps. Between the years 1962 and 1964, 88 death claims were submitted.

When he went to work on the Connecticut legislature, known as a fickle group, Kurman found that the editorial support of the state's newspapers—from the small and conservative Greenwich Times to the large Hartford Courant—had already alerted the politicians. Grimly, something else also aided the chances for a life-preserver law. While the bill was being debated in committee, five teen-age boys in Fairfield County took a small sailboat into Long Island Sound in rough waters. Only two life jackets were on board. The boat capsized, with three boys drowning and two surviving. The latter had on the life jackets. Although the politicians, moved by this tragedy, which was felt throughout the state, quickly passed the law, Kurman noticed there was still pressure to weaken it. Several groups, representing camp operators, were involved. Kurman wrote to the state's Department of Agriculture and Natural Resources in Hartford and found a sympathetic official in Bernard W. Chalecki, director of the Boating Commission. Chalecki replied that when the law went into effect many requests were received from the Boy Scout camps asking for exemptions. The Boy Scouts said they could not afford to buy a sufficient number of life-savings devices, so the law should not apply to them. The Boating Commission never granted the exemptions. An irony of the Boy Scout request is an article from a Boy Scout magazine titled "Trip Fun with Safety." "Life vests or jackets should be standard equipment for every canoe trip—one for every person in the party. These life vests are to be put on and worn by every person on all occasions when conditions of weather or water indicate there is any possibility of danger of upset or swamping from wind, waves, rapids or other causes. They are to be put on before the danger area or time is reached and kept on until after the time of hazard has passed . . ."

Kurman's eye easily saw the sparks of contradiction flying off this flinty opposition. "There are the Boy Scouts—holy, pure and all-American, preaching safety for the public to behold but all the while trying to get around the law in quiet." The Boy Scout evasiveness has not been confined to Connecticut. They have been at work in Texas also. State Senator Lane Denton from Waco wrote to Kurman in March 1971 that a youth camp-safety bill had been introduced by him in the Texas legislature and sent to a subcommittee. Even at that early stage, Denton said, "the main opposition was from the Boy Scouts and the private camp operators." With wit, Denton added that since these two groups were opposed, "this type of legislation is definitely needed." Four months later, Denton wrote to Kurman with the bleak news that his bill had died in subcommittee. "The Boy Scouts led the fight against the bill," Denton said. It would be eighteen months before the Texas legislature would again meet.

At the same time Kurman was going after the state politicians, he was also coming to Washington. A national bill was his goal. In six years, he believes he has seen every senator (or every senator's legislative assistant) and nearly all the representatives. One of those on the Hill visited by Kurman in the early days and who has stayed with him since is Dan Krivit, chief counsel for the House Select Subcommittee on Labor. His subcommittee was the pad from which a youth camp-safety bill would be launched, if at all. "I remember when Kurman first came around," Krivit recalled. "He was emotional. He did all the talking. He made demands. He damned congressmen as do-nothing politicians. God, he came on strong. But I have a rule—that you have to distinguish between the guy who has facts and the guy who has bluster. You can tell soon enough. We see a lot of special-interest people who are mostly big talk with small arguments. The appeal of Kurman was that he had a command of the facts. I was able to check them out pretty quickly and see that he was right."

Another whom Kurman saw in his early trips to Congress was Representative Dominick Daniels of New Jersey. A kindly man who works hard but one of the anonymous herd of low-profile congressmen. Daniels took an interest in Kurman and agreed to hold hearings. In July 1968, he told his colleagues on the opening day of testimony: "This morning we take the first major step forward to provide minimum federal safety standards for summer camps across the nation. We must identify the nature and magnitude of such problems as may exist and consider whether state and local regulations are adequate to deal with them. If we determine during the course of these hearings that a significant problem exists, I pledge that I will do everything in my power to ameliorate the situation. Summer camps deal in what is perhaps the most precious commodity we have—the lives of our youngsters."

Although the hearings were a success and glowing statements of support were heard for the Daniels bill, nothing ever came of them in the way of legislation. Dan Krivit said that "we couldn't muster enough enthusiasm." Kurman was dismayed that Congress did not act, particularly when the American Camping Association—which is not a militant group—endorsed the Daniels proposals. Although Kurman had been around politicians enough by now to know that most of them were banal lightweights, he still had faith that change would come. At the hearing, he finished his testimony by saying: "I want to thank you, Chairman Daniels. I think it is a wonderful thing when an ordinary citizen of this country can go before the representatives that we have and get a hearing such as I have had. It certainly does far, far more for my feelings toward this wonderful country we live in than anything I have ever read in textbooks or anything else, and I want to thank you very much." Dan Krivit, who was present for these words, said that some of the politicians were touched by Kurman's sincerity. "He sounded almost corny, even a little pious. But nobody in the room moved a muscle or shuffled a paper when he spoke."

Daniels and Krivit, as disappointed as Kurman that nothing resulted from the hearings in the 90th Congress, immediately called witnesses for a new set of hearings early in the first session of the 91st Congress. By now Kurman was becoming a wise pool player, alert to all the political angles between which legislation continually caroms. He became a regular visitor to Washington, going up and down the halls of the Cannon office building, the Rayburn building, the new Senate office building and the old Senate office building, spreading out his facts to the politicians and their aides. He found senators more congenial. "They are in for six years, so they are free from the pressure the representative gets. Their constituency is wider also, so they don't have to fear the special-interest groups."

In the House, Kurman was often amazed to find friendly receptions from men and women who "were on the wrong side of every issue I cared about except youth and camp safety." On this, they wanted a strong law, and they said so. Following hearings, the best bill to get out of the committee was one calling for a survey, An authorization of $175,000 was requested. This was a weak bill, much flabbier than the Ribicoff bill which was now making its way through the Senate and had, in fact, been voted in the Congress before. Kurman was bitter when the House voted down even the weak survey bill, 152–151.

As though it was decided that a poisonous pesticide should be sprayed once and for all at this bothersome gnat from Westport, H. R. Gross, an Iowa Republican known for his passion for saving the taxpayers' money (though not on defense spending), spoke up. A survey for $175,000? asked Gross. What folly. Gross warned that if the House did not watch out, it would soon be sending federal "wet nurses" to look out for the kids in camp. A columnist for the Washington Star also checked in with his wit. "Maybe someone ought to make another approach" rather than the survey, wrote John McKelway. "Why not let the National Institutes of Health see if it can find a cure for homesickness?" Turning serious, McKelway said that if it wasn't for "that small item of $175,000" it would "probably be safe to say this piece of legislation is the most innocuous thing to have faced the 91st Congress." Kurman had become accustomed by now to the hidden opposition of the Boy Scouts and the private-camp operators but being laughed at was devastating.

Although the public argument against federal legislation for camp safety was that the states could and should do the job themselves, Kurman believed another reason existed also—money. "Let's face it," he said, "safety costs money. Spending money for things like life vests, sturdy boats, qualified personnel, well, it means you have an expense you might otherwise cut corners on. Running a camp is a business. There's nothing wrong with that. Profits aren't evil. They only become bad when you risk lives for the sake of making more money."

Instead of being depressed by the brutal defeat he had taken, Kurman became even more dogged. He kept in close contact with Dan Krivit and Dominick Daniels. Both advised Kurman that not much more could be done in the 91st Congress; let things ride. The only source of encouragement was in two pieces of legislation that were now on the books: the Coal Mine Health and Safety Act and the Occupational Health and Safety Act. Both required that standards be set and enforced by the federal government. If Congress could approve of this kind of "federal interference" that would affect industries with earnings in the tens of billions, why couldn't a camp-safety bill—involving only one industry—be passed also? Even more compelling was another fact: if the employees of the camps were now covered by a federal safety law why not the children? Yet even this encouragement had a bleak side to it. In 1969, Congress had passed a safety-and-health law for coal miners all right, but it had been considering the law since 1951—eighteen years and thousands of dead workers before. Camp safety had only been an issue for six years and the total number of corpses was still only in the hundreds. Have a little patience, Mr. Kurman.

Going to the post for the third time, Daniels held hearings in July 1971. The same facts of tragedy and negligence came out, facts that by now were trotted out like tired dray horses. This time, the House was faced with a choice of five bills, while in the Senate the Ribicoff bill still stood. The scene was quiet until November. Kurman again came to Washington. The pressure was on because it was known that the House would soon debate the camp-safety bills as an amendment to the Higher Education Act. I spoke with Kurman and was amazed at his fullness of hope, that he still talked as if he had discovered the outrage only that morning. "I have faith in Congress," he said. "Do you know that there are a lot of them I've persuaded since the last session?" He ran off a few names, less known to most Americans than the second-string line-ups of baseball's expansion teams. Yet they were people who had power over our lives. On November 4, the House, working well into the evening, argued camp safety, now known as Title 19 of the Higher Education Act. Kurman had allies who knew their facts and argued forcefully.

Rep. John Dent of Pennsylvania: "Does anybody in this place really believe that these camps in America are all safe and quiet little havens? Let me tell you something. The brochures they have in most instances on these camps are so antiquated that they do not even cover or resemble what the camp looks like when the children are sent there by their parents. Anybody can be hired. No one needs to pass any kind of examination or test of any kind. There is not even a simple qualification or requirement as to their ability or training or anything. A camp is an open place with absolutely no requirements as to who can run them and who cannot run them or who shall be allowed to run them. This is the only place in the whole activity of youth in the entire country where there is not one single federal regulation as to even minimum requirements for safety."

Another voice was from a New York Republican, Peter Peyser. Referring to the arguments calling for inaction or delay, he said, "I must say I am a little amazed by some of the things I am hearing said about camp safety here. There is a problem of camp safety but people seem to be saying, 'We do not have any statistics dealing with safety in camps.' Statistics are very simple. I have a list right here of thirty-five children killed this past summer, and this is one section of the country. They were all killed in camps; killed in accidents, for the most part, which never should have happened. There were six drownings with no life-guards on duty. Six were killed in a truck with a teen-age girl driving on the highway, who had no proper license to drive a group of children, and there were no regulations in the camp as to who would or could drive. We have lists from California, New Hampshire, Connecticut, Massachusetts, Minnesota, Oklahoma—I can name all these states with deaths in this year. There were thousands of accidents."

However persuasive these arguments were, Jake Pickle of Austin, Texas, would have none of it. His opposition remained firm. For one thing, "as an Eagle Scout, I think I know what safety means in any camp . . . Let us not get trapped into supporting the Daniels bill . . . Support my substitute, and then we can have a study and have some facts to determine what to do." Ironically Pickle was now calling for the same survey idea which two years earlier had been voted down by the House and mocked by the Washington Star columnist. "This is progress," Kurman said. "We will eventually have a camp safety law. Everyone knows this, so the people like Pickle try to poke along in slow motion because they know they can't stop it. I can't give up. I have to keep snapping at them."

The position of Eagle Scout Pickle was based less on the rightness or wrongness of the issue than on what his constituents demanded. Pickle said on the House floor that he had numerous wires from "a dozen or more major camps in my district strongly opposing this measure (the Daniels bill), saying that the states ought to have the right to enforce any such standards."

Coach Darrell Royal, for example, who ran Camp Champion when he wasn't on the gridiron, had wired Pickle. So did the Dallas YMCA "representing many of the YMCAs of Texas."

Pickle did not come on as a Neanderthal who wanted the law of the cave to prevail. Instead, he pictured himself as one who truly cared about the children. "Everyone," he said, "is in favor of camp safety. There is not a man or woman in this chamber who would vote against saving the lives of children. But Mr. Chairman, we must mix in some judgment with our fervor. I think the intent of the committee's legislation is good and I support that intent. However, I think we may be premature in our action today. This legislation would create a new bureaucracy with strong regulations, inspections, and enforcement through fines and injunctions. Mr. Chairman, I will readily admit and even support legislation which might save the life of even one child away at camp. I know in my own mind that there are camps in this country which may need policing . . . I do not think we know enough about the problems of camp safety. I am not certain in my own mind if the bill before us even goes to the heart of the matter. And before we jump with the solution, I think we would be wise first to survey the needs. I think we should first have a comprehensive study to seek out the basics, like how many camps exist, who runs them, what kind of safety training exists for their personnel, what is the true accident record, and all the pertinent questions which must be asked."

H. R. Gross, Mr. Money Saver, was not heard this time around on the idea of the survey, even though the cost was now up to $300,000. As a final irony, Gross joined Jake Pickle and 182 others in voting for the survey amendment of Pickle and against the standards bill of Daniels. Only 166 supported the latter. The survey amendment joined the Ribicoff bill in the Senate and went into conference committee—a parliamentary device where a final bill is drawn up in closed sessions, reconciling differences between House and Senate versions. The Ribicoff bill, while superior to the survey, was still basically weak because it only allowed states to adopt HEW standards, rather than requiring them to do so. Thus, if Texas or any state doesn't want to get in line, it doesn't have to. Indeed, there is small chance they will. Oddly, one Texas congressman who has been friendly to Kurman and who voted against the Pickle survey and for the Daniels bill, was Bob Eckhardt. "I was under a great deal of pressure to oppose the legislation (the Daniels bill) and received many letters from camp owners and directors from all over the Southwest," Eckhardt wrote Kurman. "I cannot tell you how much I admire your fine work. It is most unfortunate that it takes such personal tragedies to wake the country up. I sometimes fear, however, that the power of the special-interest lobby groups to defeat pro-people programs is limitless."

I was with Mitch and Betty Kurman in Westport in mid-spring 1972 when the conference committee was wrangling over the Pickle and Ribicoff bills. Kurman was in high spirits, at the prospect that the committee would go along with the Ribicoff approach. "I'm sure they will," he said with excitement. "They know what a long fight this has been. They know what kind of action is needed, and even then the Ribicoff approach is a mild one. I've spoken to every man and woman on the committee at least once, some of them two or three times. They know me." Shortly before lunch, a phone call came from Washington. Kurman took it, and five minutes later came back to the living room, stooped over, silent, slumping into the sofa. "They settled on the Pickle survey bill," he said.

He and Betty were silent for a few minutes, each with their own feelings of sadness. But they had a rage too. "We have a terrific system," Kurman said, echoing his lofty statement in the House hearings five years before. "But money corrupts. Everybody thinks politicians have power but when you talk to politicians, they say 'What can I do? I'm only one congressman, I'm helpless too.' You hear that from senators. Imagine, a United States senator saying he's helpless. I remember talking to Hubert Humphrey—he told me there are 'powerful forces' at work against the camp-safety bill. But when I asked him specifically who these powerful forces were, Humphrey had nothing to say. For the first time, he was speechless. It comes down to this. For every profitable industry you have a lobby to protect and a group of politicians to protect the lobby. It's like the new double-protection door locks that are selling so big to keep the thieves out. But the lobbying-political complex keeps the thieves in so that the public never sees them. But they steal and rob from us all the same. They stole our son."

Most of the political defeats recorded in American life are suffered by persons holding or seeking office and who, on election day, are rejected by the voters. But politicians are not the only ones who are struck down by political defeat. Common citizens, obscure, self-supporting, and in debt to nothing but a conscience, are rejected also. Newspapers and news shows are filled with reports on primary campaigns, delegate counts, the pointless polls and the useless speeches, so only occasionally is anyone aware that a struggle involving a lone citizen is going on. The defeat suffered by Mitch and Betty Kurman was filled with frustration, anguish, and gloom, yet personally the Kurmans were not beaten; they held or sought no office and they cared nothing about political parties. In reality, the defeat was one for the American political system, for the goal of participatory democracy that glowing speakers yak about to college students at graduation time. The story of Mitch Kurman suggests that the excitement of electing a new president may be the smelling salts by which the public apathy is revived but it will barely disturb the near-dead feeling of the wealthy industries supported by forceful lobbies and the Jake Pickles.

I continue to get calls and letters from Kurman, and I write to him. Mostly he sends along clippings of camping accidents—six kids killed here because of bald tires on the camp truck that crashed, two drowned there because of no life jackets; one kid sexually molested by a deranged camp counselor who was hired on without background checking, two children killed when they slipped on a rocky ledge that a counselor led them on against the advice of a park ranger. Each story is tragic, and I wonder how Kurman can absorb it all. Each letter and call ends on the same note, that Kurman had recently been to see another congressman and persuaded him about the need for a camp-safety law.

Protecting Children at Summer Camp

With considerable persistence, not to mention faith in his fellow legislators, Rep. Dominick V. Daniels (D-N.J.) is holding still another round of hearings on the proposed Youth Camp Safety Act. His efforts go back to 1966. Rep. Daniels stated recently: "In the last three Congresses, I have held hearings on youth camp safety with the aim to bring an end to the tragic waste of young lives occurring each summer because of the dearth of health and safety standards for youth camps. There have been many horror stories brought to my attention."

Some 8 million youngsters attend summer camps. The most recent statistics—from the Center for Disease Control in Atlanta—reveal that in the summer of 1973 25 deaths occurred, with 1,448 injuries and 1,223 serious illnesses. But these figures were mostly based on voluntary questionnaires to camps (with less than half in the 7,800 sample reporting) and news clippings. Such a spotty way of gathering information is not only indicative of the lack of concern about summer camp safety but is also part of an ongoing pattern. HEW itself was required by Congress to study the issue—an evasive solution reached by a House-Senate conference committee—but could come up with only a 16-page report issued a year late. Even then, Rep. Peter Peyser (R-N.Y.), a cosponsor of the House bill, called the report "inconclusive" and "useless."

Among the old and well-known facts presented by the HEW report was that current state laws are "grossly inadequate." This is the main reason for bringing in federal standards. Many states have no camp safety laws at all, and of the ones that do only a few enforce them to any meaningful degree. Thus, it is often left to the conscience or goodwill of the individual camp owners to provide the most in safety. Many owners are strict and do all they can for the children, but what of the ones who are not? Should they be allowed to set up a camp? How can parents tell the difference between safe and unsafe camps? By scanning the brochures? As for self-surveillance, only 3,500 of the nation's 10,600 camps are accredited by the American Camping Association.

The proposed Youth Camp Safety legislation of Rep. Daniels establishes minimum federal safety standards which the states can assume on their own—states that do not act will be subject to HEW authority—with HEW paying up to 80 per cent of the costs. The Senate is considering a bill that is weaker, because it would only provide funds for states that wish to adopt a youth camp safety program, leaving unprotected children in states that refuse to comply. The weakness of this approach is the poor record of the states in adopting youth camp safety legislation. Since hearings began three Congresses ago, only six states have upgraded their laws to the point of being comprehensive. Hope is offered in the Senate, however, because Sen. Walter F. Mondale (D-Minn.) will soon introduce another bill, one as strong as the Daniels' proposal in the House.

Too many children and their parents have learned the hard way that summer camp safety is a much neglected issue. It is shameful that only Rep. Daniels and a few others—including private citizens using their own time and money—have been active in this lonely campaign. What is needed now is a strong commitment from HEW, the kind that has been lacking for so long and in part has been contributing to the many abuses within parts of the camping industry.

Mr. MONDALE. Mr. President, I also ask unanimous consent to have the text of the bill printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3639

A bill to provide for the development and implementation of programs for youth camp safety

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Children and Youth Camp Safety Act".

STATEMENT OF PURPOSE

Sec. 2. It is the purpose of this Act to protect and safeguard the health and well being of the youth of the Nation attending day camps, resident camps, and travel camps, by providing for establishment of Federal standards for safe operation of youth camps, to provide Federal assistance to the States in developing programs for implementing safety standards for youth camps, to provide for the Federal implementation of safety standards for youth camps in States which do not implement such standards and for Federal recreational camps, thereby providing assurance to parents and interested citizens that youth camps and Federal recreational camps meet minimum safety standards.

DEFINITIONS

Sec. 3. For purposes of this Act—

(1) The term "youth camp" means—

(A) any parcel or parcels of land having the general characteristics and features of a camp as the term is generally understood, used wholly or in part for recreational or educational purposes and accommodating five or more children under 18 years of age, living apart from their relatives, parents, or legal guardians for a period of, or portions of, 5 days or more, and includes a site that is operated as a day camp or as a resident camp; and

(B) any travel camp which sponsors or conducts group tours within the United States, or foreign group tours originating or terminating within a State, for educational or recreational purposes, accommodating within the group five or more children under 18 years of age, living apart from their relatives, parents, or legal guardians for a period of 5 days or more.

(2) The term "youth camp safety standards" means criteria directed toward safe operations of youth camps, in such areas as—but not limited to—personnel qualifications for director and staff; ratio of staff to campers; sanitation and public health; personal health, first aid, and medical services; food handling, mass feeding, and cleanliness; water supply and waste disposal; water safety, including use of lakes and rivers, swimming and boating equipment and practices; vehicle condition and operation; building and site design; equipment; and condition and density of use.

(3) The term "youth camp operator" means any private agency, organization, or person, and any individual, who operates, controls, or supervises a youth camp, whether such camp is operated for profit or not for profit.

(4) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(5) The term "State" includes each of the several States, the District of Columbia, Puerto Rico, and the Virgin Islands.

GENERAL DUTY

Sec. 4. Each youth camp operator shall provide to each camper safe and healthful conditions, facilities, and equipment which are free from recognized hazards that are causing, or are likely to cause, death, serious illness, or serious physical harm, as well as adequate and qualified instruction. and supervision at all times, wherever or however such camp activities are conducted and with due consideration of conditions existing in nature.

PROMULGATION OF YOUTH CAMP SAFETY STANDARDS

Sec. 5. The Secretary shall develop, and shall by rule promulgate, modify, or revoke youth camp safety standards. In developing such standards, the Secretary shall consult with State officials and with representatives of appropriate public and private organizations, and shall consider existing State regulations and standards and standards developed by private organizations which are applicable to youth camp safety. The Secretary shall make the initial promulgation of standards required by this section within 1 year after the effective date of this Act.

STATE JURISDICTION AND STATE PLANS

Sec. 6. (a) Any State which, at any time, desires to assume responsibility for development and enforcement of youth camp safety standards applicable to youth camps therein (other than travel camps) shall submit a State plan for the development of such standards and their enforcement.

(b) The Secretary shall approve a plan submitted by a State under subsection (a), or any modification thereof, if such plan in his judgment—

(1) designates a State agency as the agency responsible for administering the plan throughout the State,

(2) provides for the development and enforcement of youth camp safety standards which standards (and the enforcement of such standards) are or will be at least as effective in providing safe operation of youth camps (other than travel camps) in the State as the standards promulgated under section 5,

(3) provides for the enforcement of the standards developed under paragraph (2) in all youth camps in the State which are operated by the State or its political subdivisions,

(4) provides for an inspection of each such youth camp at least once a year during a period the camp is in operation,

(5) provides for an advisory committee, to advise the State agency on the general policy involved in inspection and certification procedures under the State plan, which committee shall include among its members representatives of other State agencies concerned with camping or programs related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with organized camping.

(6) provides for a right of entry and inspection of all such youth camps which is at least as effective as that provided in section 9,

(7) contains satisfactory assurances that such State agency has or will have the legal authority and qualified personnel necessary for the enforcement of such standards,

(8) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards,

(9) provides that such State agency will make such reports in such form and containing such information as the Secretary may reasonably require,

(10) provides assurances that State funds will be available to meet the portions of the cost of carrying out the plan which are not met by Federal funds, and

(11) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of funds received under this Act.

(c) The Secretary shall approve any State plan which meets the requirements of subsection (a), but shall not finally disapprove any such plan, or any modification thereof, without affording the State agency reasonable notice and an opportunity for a hearing.

(d) Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall (1) notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan; and (2) shall notify such State agency that no further payments will be made to the State under this Act (or in his discretion, that further payment to the State will be limited to programs or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this Act (or payment shall be limited to programs or portions of the State plan not affected by such failure).

(e) The State may obtain a review of a decision of the Secretary withdrawing approval of or rejecting its plan by the United States court of appeals for the circuit in which the State is located by filing in such court within 30 days following receipt of notice of such decision a petition to modify or set aside in whole or in part the action of the Secretary. A copy of such petition shall forthwith be served upon the Secretary, and thereupon the Secretary shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Secretary's decision in rejecting a proposed State plan or withdrawing his approval of such plan is not supported by substantial evidence the court shall affirm the Secretary's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

GRANTS TO STATES

SEC. 7. (a) The Secretary may make grants to States which have in effect plans approved under section 6 to assist them in carrying out such plans. No such grant may exceed 80 per cent of the cost of developing and carrying out the State plan. Payments under this section may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of underpayments or overpayments.

(b) There are authorized to be appropriated for the fiscal year 1973, and each of the five succeeding fiscal years, such sums as may be necessary to make the grants provided for in this section.

ENFORCEMENT BY SECRETARY; CITATIONS

SEC. 8. (a) The Secretary shall be responsible for the enforcement of youth camp safety standards in States which do not have in effect a State plan approved under section 6, and with respect to travel camps.

(b) The Secretary shall issue regulations and procedures providing for citations to youth camp operators for any violation of the duty imposed by section 4, of any standard, rule, or order promulgated pursuant to section 5, or of any regulations prescribed pursuant to this Act. Each citation shall fix a reasonable time for the abatement of the violation. The Secretary may prescribe procedures for the issuance of a notice in lieu of a citation with respect to *de minimus* violations which have no direct or immediate relationship to safety or health.

INSPECTIONS, INVESTIGATIONS, AND RECORDS

SEC. 9. (a) In order to carry out his duties under this Act, the Secretary may enter and inspect any youth camp and its records, may question employees, and may investigate facts, conditions, practices, or matters to the extent he deems it necessary or appropriate.

(b) For the purpose of any hearings or investigation provided for in this Act, the provisions of section 8(b) of the Occupational Safety and Health Act of 1970 shall be applicable to the Secretary.

(c) To determine the areas in which safety standards are necessary and to aid in promulgating meaningful regulations, camps subject to the provisions of this Act shall be required to report annually, on the date prescribed by the Secretary, all accidents resulting in death, injury, and illness, other than minor injuries which require only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of activity or motion, or premature termination of the camper's term at the camp. Camps operating solely within a State which has in effect a State plan approved under section 6 shall file their reports directly with that State, and the State shall promptly forward such reports on to the Secretary. All other camps, including travel camps, shall file their reports directly with the Secretary. The Secretary shall compile the statistics reported and include summaries thereof in his annual report to the President and Congress.

PENALTIES

SEC. 10. (a) Any youth camp operator who willfully or repeatedly violates the requirements of section 4, any standard, rule, or order promulgated pursuant to section 5, or of any regulations prescribed pursuant to this Act may be assessed a civil penalty of up to $2,500 for each violation.

(b) Any youth camp operator who has received a second or subsequent citation for a serious violation of the same nature of the requirements of section 4, of any standard, rule, or order promulgated pursuant to section 5, or of any regulations prescribed pursuant to this Act, shall be assessed a civil penalty of up to $1,000 for each such violation.

(c) Any youth camp operator who fails to correct a violation for which a citation has been issued under section 8(b) within the period permitted for its correction may be assessed a civil penalty of not more than $500 for each day during which such failure or violation continues, or until the camp closes in its normal course of business.

(d) For purposes of subsection (d) a serious violation shall be deemed to exist in a youth camp if there is substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use, in such camp, unless the operator did not, and could not with the exercise of reasonable diligence, know of the presence of the violation.

(e) Civil penalties owed under this Act shall be paid to the Secretary for deposit into the Treasury of the United States and shall accrue to the United States and may be recovered in a civil action in the name of the United States brought in the United States district court for the district where the violation is alleged to have occurred or where the operator has his principal office.

PROCEDURES TO COUNTERACT IMMINENT DANGERS

SEC. 11. (a) The United States district courts shall have jurisdiction, upon petition of the Secretary, to restrain any conditions or practices in any youth camp, or in any place where camp activities are conducted, which are such that a danger exists which could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Act. Any order issued under this section may require such steps to be taken as may be necessary to avoid, correct, or remove such imminent danger and prohibit the presence of any individual in locations or under conditions where such imminent danger exists, except individuals whose presence is necessary to avoid, correct, or remove such imminent danger.

(b) Upon the filing of any such petition, the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order pending the outcome of an enforcement proceeding pursuant to this Act.

(c) Whenever and as soon as an inspector concludes that conditions or practices described in subsection (a) exist in any campsite or place of camp activity, he shall inform the affected campers, camp owners, and camp supervisory personnel of the danger and that he is recommending to the Secretary that relief be sought.

VARIATIONS

SEC. 12. The Secretary, upon application by a camp owner showing extraordinary circumstances or undue hardship, and upon the determination by a field inspector, after inspection of the affected premises and facilities, that the conditions, practices, or activities proposed to be used are as safe and healthful as those which would prevail if the camp owner complied with the standard, may exempt such camp or activity from specific requirements of this Act, but the terms of such exemption shall require appropriate notice thereof to parents or other relatives of affected campers.

TRAVEL CAMPS

SEC. 13. (a) All travel camps shall register annually with the Secretary on such date as he shall prescribe.

(b) Registration shall consist of a declaration of intent to operate a travel camp and shall contain such other information as the Secretary may reasonably require, such as, but not limited to, a disclosure of the principal owners and/or operators and their addresses, a list of key supervisory personnel and their qualifications, the equipment belonging to the camp which will be utilized in operating the camp, and a reasonably explicit description of the itinerary for each planned tour route and activities, number of enrollment, number of counsellors and supervisory personnel to accompany each tour and their qualifications.

FEDERAL RECREATIONAL CAMPS

SEC. 14. (a) The Secretary shall develop safety standards to govern the operation of Federal recreational camps. The Secretary shall cooperate with Federal officers and agencies operating Federal recreational camps to assure that such camps are operated in compliance with the Secretary's standards. The Secretary may make the services of personnel of the Department of Health, Education, and Welfare available, without reimbursement, to other Federal agencies to assist them in carrying out this section.

(b) For purposes of this section, a Federal recreational camp is a camp or campground which is located on Federal property and is operated by, or under contract with, a Federal agency to provide opportunities for recreational camping to the public.

ADVISORY COUNCIL ON YOUTH CAMP SAFETY

SEC. 15. (a) The Secretary shall establish in the Department of Health, Education, and Welfare an Advisory Council on Youth Camp Safety to advise and consult on policy matters relating to youth camp safety, particularly the promulgation of youth camp safety standards. The council shall consist of the Secretary, who shall be chairman, and nine members appointed by him, without regard to the civil service laws, from persons who are specially qualified by experience and competence to render such service and shall include one representative from the Department of the Interior. Prior to making such appointments, the Secretary shall consult with appropriate associations representing organized camping.

(b) The Secretary may appoint such special advisory and technical experts and consultants as may be necessary in carrying out the functions of the council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding $100 per day, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

ADMINISTRATION

SEC. 16. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress at least once in each fiscal year a comprehensive and detailed report on the administration of this Act.

(b) The Secretary is authorized to request directly from any department or agency of the Federal Government information, suggestions, estimates, and statistics needed to carry out his functions under this title; and such department or agency is authorized to furnish such information, suggestion, estimates, and statistics directly to the Secretary.

(c) Nothing in this Act or regulations issued hereunder shall authorize the Secretary, a State agency, or any official acting under this law to restrict, determine, or influence the curriculum, program, or ministry of any youth camp.

(d) Nothing in this Act shall be deemed to authorize or require medical examination, immunization, or treatment for those who object thereto on religious grounds, except where such is necessary for the protection of the health or safety of others.

AUTHORIZATION

SEC. 17. There are authorized to be appropriated to carry out the provisions of this Act (in addition to the amounts authorized in section 7) such sums as may be necessary for the fiscal year ending June 30, 1973, and for each of the five succeeding fiscal years.

EFFECTIVE DATE

SEC. 18. This Act shall take effect 90 days after the date of its enactment.

By Mr. MOSS:

S. 3640. A bill to guarantee to the civilian employees of the executive branch of the United States the right to have a counsel or representative of his choice present during interrogations which may lead to disciplinary actions and to prevent unwarranted reports from employees concerning their private life. Referred to the Committee on Post Office and Civil Service.

FEDERAL EMPLOYEES' RIGHT TO COUNCIL

Mr. MOSS. Mr. President, this week, I introduced S. 3623, a bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Today I am introducing what I regard as a companion bill. This proposal would guarantee to Federal employees the right to counsel during interrogations which may lead to disciplinary actions. The bill would also prevent agencies from obtaining unwarranted reports from employees concerning their private lives.

My congressional colleagues are well aware that I have always strongly defended the U.S. Civil Service. The Federal Government has made great strides since the days of the "spoils system," and today's Civil Service System stands as one of our Nation's great achievements.

But there is still room for considerable improvement. The vast majority of our Federal employees take pride in their jobs, and they are devoted to the service of their country. I am afraid, however, that we have not yet provided these employees with all of the legal safeguards necessary to carry out their jobs with the steadfastness the Federal service requires.

There is no greater impediment to devoted, wholehearted service than the threat of unreasonable or capricious discipline. Unfortunately, we have yet to establish fully adequate protection against the threat of arbitrary suspension or firing, and against the infringement of individual privacy.

The legislation I am proposing would go a long way toward establishing this protection. The bill is part of the legislative program of the National Treasury Employees Union. I have found from working on legislation with this group, as well as other Government employee unions, that they are concerned not simply with improving the lot of their own members, but with improving the Civil Service System, and thereby strengthening our American system of Government.

By Mr. MONTOYA:

S. 3641. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes. Referred to the Committee on Public Works.

Mr. MONTOYA. Mr. President, as chairman of the Subcommittee on Economic Development of the Committee on Public Works, I introduce today a bill to extend and amend the Public Works and Economic Development Act of 1965, as amended. The bill provides for continued authority of the Economic Development Administration and the seven title V Regional Action Planning Commissions. Present authority expires on June 30, 1974.

I am pleased that Senator JENNINGS RANDOLPH, chairman of the Committee on Public Works, is cosponsoring this bill. Senator RANDOLPH has long championed economic development programs, giving critical support at all times but especially when the executive branch has been less than steadfast in its support.

The Public Works and Economic Development Act first became law in 1965, the same year of the Appalachian Regional Development Act. The Congress intended to bring Federal assistance to areas and regions suffering from high unemployment and underemployment. A partnership between local areas, multicounty districts, States, and the Federal Government has resulted over the years from this legislation.

The purpose of this bill is to extend the authorization of funds and programs under this act for 3 years. We believe a 3-year authorization period is necessary to build back stability into the administration of these programs. Congress is again telling this administration that it does not want to terminate these successful programs. We had to fight last year to continue the EDA and the title V Commissions for 1 year. The time for a substantial measure of permanence in these programs is now. The failure of the administration to propose something more than another 1-year temporary effort adds to the creditability gap that haunts it on a number of fronts.

When Congress extended the act for a 1-year period last June, it instructed the administration to submit within 6 months a proposal for restructuring these programs if past efforts needed improvement. The result was a proposal called the Economic Adjustment Assistance Act. The Department of Commerce and the Office of Management and Budget requested a 1-year extension of the present program during which it hoped to phase out EDA and the Commissions and to phase in the new adjustment program, which is essentially a block-grant program.

The Subcommittee on Economic Development heard administrative spokesmen for the proposal at a hearing in March. S. 3041 contains that proposal.

Since the proposal was submitted, we have gathered a great many reactions to the administration's bill—and they are in large measure negative. Few people and groups who know these programs believe it wise to jettison a program and an agency that have performed well and have gained vast experience about what constitutes economic development. The administration proposal would, of course, throw the action to the States. Much of our feedback questioned whether the States could carry out such programs with their present capabilities. The bill I introduced today addresses the role of the States and moves to increase their capabilities, without in any way detracting from the role of development districts and local communities.

Mr. President, these programs have a great deal of support in Congress. The extension bill last year passed by a wide bipartisan margin. The need for Federal economic development programs does not diminish. The economy is in trouble. Unemployment hits today like a hurricane, literally devastating communities. Inflation, of course, hurts everyone, but it hurts the unemployed and low-income families the most. These programs are designed to reach the unemployed and underemployed through long-range efforts.

The need persists and is greater than ever—not just in the rural America, but also in our cities—for the special kinds of tools provided in the Public Works and Economic Development. Act. For this reason, I have proposed in this bill authorizations which are significant increases over the 1975 act for a number of the programs.

I believe more money not less should be put into these programs. Unfortunately, the underfunding we have experienced in the past has had the effect of keeping EDA and the Commissions from attaining the best effect resulting from adequate lead-time planning. What we have seen is the administration asking for but a fraction of the authorizations, then coming back and telling Congress that its evaluation says the impact of these programs has not measured up to the goals and purposes for which they were enacted. Thus, they should be terminated. I suggest the effect is that of the proverbial shell game.

Mr. President, the principal features of the bill are these: First, to extend the life of these programs for a 3-year period, to June 30, 1977. Second, to continue present program categories, with some amendments and additions. Third, to institute a broad new effort to increase the States' capabilities in economic development. And fourth, to establish a program specifically to deal with the severe economic consequences of base closings, environmental requirements and similar Federal actions.

The bill sets the title I public works authorization at a realistic figure of $300 million annually. The downhill sliding of the economy in recent years means the addition of more and more eligible areas. The flexibility and impact of EDA's public works program for both country and city is known and satisfactorily tested. Up to $30 million annually of this authorization is to be available for operating grants for educational and health facilities such as vocational schools and hospitals whose construction initially was financed in part from title I funds.

Title II authorization which includes business loans and guarantees is increased from a very low $55 million for fiscal year 1974 to $100 million annually.

The authorization figure for all the preceding years was $170 million annually. Our most recent hearings in New England in May documented for the subcommittee current and continuing need for a sound, flexible and expanded business loan program. Amendments to this title add to that flexibility.

Title II is the planning and technical assistance title. The bill launches an additional thrust to the planning heretofore undertaken—it emphasizes economic development planning, with grant money provided for that purpose to States and substate entities. The bill I introduce provides specific new authorization of $15 million to States to speed up their capability to do that much needed economic development planning at that level.

Since 1965 EDA has significantly improved planning capabilities at county levels, at district levels, at multi-State regional levels—indeed, at every level but the State level. This provision will redress that omission. The Federal Government must assist in the effort to improve the ability of the States to deal with the impact of adverse economic forces and to participate in the programs designed to correct longstanding economic imbalance.

The bill further supports this effort by adding a significant new program to the act to begin with fiscal year 1966 and 1967. It would provide authority under title III to establish a supplementary public works grant program to be administered by the States. The funds would supplement title I projects. Funds would be allocated to each State based on the ratio of title I grants within each State since the act first became law. States would match the Federal funds it grants to local public works projects on the basis of three Federal dollars to one State dollar ratio. The first year, fiscal 1975, would be a planning year for the States. The authorization for 1976 and 1977 would be $100 million each year. Mr. President, this effort, I believe, will do much to bring the States into the economic development activity more meaningfully than has been possible before. While I do not favor a block-grant approach as a substitute for the programs authorized in this act, I find this proposal compatible with State involvement in economic development.

Title IV of the act has to do with eligibility of areas, and with the development district program. The new language opens up title I areas to title II eligibility. Many of these areas are urban. This added eligibility should greatly assist the beginnings of their development programs, as well as continuing to assist programs in the rural counties.

The basic building block of the Public Works and Economic Development Act since its inception has been the development district program. The law has required two redevelopment areas in a district to enable it to receive funds. For a number of years there has been discussion about liberalizing this statutory requirement which had validity when the program first began. The district was an experimental approach to deal with jobs and income at a multicounty level. However, the two-area requirement limits the number of districts.

Mr. President, EDA's district program is its most successful program. Most States have developed multicounty planning, development, and coordinating institutions, many of them spurred by the effectiveness of the EDA development districts. The OMB-Department of Commerce evaluation report this year concedes that the EDA's district program is a success. Many other Federal programs today seek regional focus in their application. Some States have legislated their own programs. The result is a flexible, multijurisdictional institution that seems to have passed the innovation stage and is here to stay.

The bill reduces the requirement of two redevelopment areas for each district to one. The practical effect will be to increase substantially the number of districts that can be formed and designated and begin a program in economic development

The bill authorizes $200 million for each of the fiscal years for the title V regional commissions. They are popular with the States. Their achievements are real and enduring. I know in my own State the significant role in development played by the Four Corners Regional Commission. But like someone once said about Christianity—"It's not that it has failed; it's never been tried." Neither have the regional commissions been tried in the sense of having a meaningful level of funding and with a 2- or 3-year mandate so that longer than 1-year efforts can be planned. They are understaffed and underfunded. I propose to assist this multi-State approach reach its potential by present authorization more than doubling its present $95 million annual authorization.

Another significant feature of the bill is the addition of a new title. Title IX recognizes the legitimacy of the concern of the administration, States, and localities for a meaningful response to deal with the severe economic consequences of Federal actions. Typical examples are the closing of military bases or closing certain industries because of environmental requirements. A good recent example of this is the closing of naval facilities in Rhode Island. The bill would establish a program to assist States and communities in dealing with these events, before the fact if possible. The bill authorizes $100 million annually, to be administered by the Secretary of Commerce. It will be remembered that the administration wanted to make the entire program an adjustment program, phasing out the other EDA and Commission programs. What I propose here is an expansion of the authority in the act, which has provided for EDA assistance in section 401(a)(4), the "sudden rise" section, to communities affected by unexpected plant and base closings. This program would consolidate those efforts and provide special program status; this special program will enable us to continue to meet long-term economic development needs while giving us the ability to meet economic emergencies without one effort detracting from the other.

Finally, the bill provides an additional $25 million annual authorization for Indians. Indian groups would continue their eligibility for title I funds. The purpose here is to earmark funds so that they are not placed in competition for limited funds with non-Indian communities.

Mr. President, a hearing has been scheduled for June 26, 1974, beginning at 9:30 a.m. in the Senate Public Works Committee hearing room, 4200 Dirksen Senate Office Building. The hearing will hear testimony from administration officials, representatives of affected public interest groups, and Senators on this bill as well as on the administration proposal, S. 3041. Should the House bill, H.R. 14883, pass that body by that date, we shall of course also welcome testimony on it.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Section 105 of the Public Works and Economic Development Act of 1965 as amended, is amended by striking the period at the end thereof and inserting a comma and the following: "and not to exceed $300 million for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.". The final sentence of section 105 of such Act as amended, is amended by striking "and after the words" June 30, 1973" and inserting June 30, 1975, June 30, 1976, and June 30, 1977." Section 105 of such Act is further amended by adding at the end thereof the following: "For each of the fiscal years and June 30, 1975, June 30, 1976, and June 30, 1977 not to exceed $30 million of the funds authorized to be appropriated for each such fiscal years shall be available for grants for operation of any health or educational project heretofore or hereafter funded under this title, and such grants may be made up to 100 per centum of the cost thereof for a two year period and 75 per centum thereof in any succeeding fiscal year for which such grant is made.

SEC. 2. (a) Title I of such Act, as amended, is included by striking out section 102.

(b) Title IV of such Act is amended—

(1) by adding the following new paragraph at the end of section 401(a):

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year."; and

(2) by striking out the period at the end of section 401(a)(7) and inserting in lieu thereof a semicolon.

(c) Any area of substantial unemployment so designated under authority of section 102 of title I of the Public Works and Economic Development Act of 1965 which has not had such designation terminated before the date of enactment of this section shall be deemed for the purposes of such Act to be such an area designated under section 401(a)(8) of such Act.

SEC. 3. (a) Section 201(c) of such Act, as amended is amended by striking out the period at the end and inserting in lieu thereof ", and shall not exceed $100 million per fiscal year for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.".

(b) Section 202 of such Act, as amended, is amended—

(1) by striking all of subsection (a) and inserting in lieu thereof the following new subsection:

"SEC. 202. (a)(1) The Secretary is authorized to aid in financing, within a redevelopment area, the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings by (A) purchasing evidences of indebtedness, (B) making loans (which for purposes of this section shall include participation in loans), (C) guaranteeing loans made to private borrowers by private lending institutions, for any of the purposes referred to in this paragraph upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"(2) The Secretary is authorized to aid in financing any industrial or commercial activity within a redevelopment area by (A) making working capital loans, (B) guaranteeing working capital loans made to private borrowers by private lending institutions upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan,";

"(C) guaranteeing rental payments of leases, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease."

(2) by striking in subsection (b)(7) the comma after the words "no loan" and inserting immediately thereafter the words "or guarantee,".

(3) by striking out in subsection (b)(9) "Loan assistance" and inserting in lieu thereof "Loan assistance (other than for a working capital loan)".

SEC. 4. (a) Section 302 of Such Act, as amended, is amended by redesignating such section as section 303.

(b) Such Act, as amended, is amended by inserting immediately after section 301 the following new section 302:

"302. (a) The Secretary is authorized, upon application of any city or other political subdivision of a State, or sub-State planning and development organization (including an economic development district), to make direct grants to such city, other political subdivision, or organization to pay up to 100 per centum of the cost for economic development planning.

The Secretary is further authorized to assist economic development districts in—

"(1) providing technical assistance (other than by grant) to local governments within the district; and

"(2) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review.".

(b) The Secretary is authorized upon application of any State to make direct grants to such State to pay up to 100 per centum of economic development planning. Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and economic development districts located in whole or in part within such State, and such State plan shall, to extent possible, be consistent with local and economic development district plans.

(c) Section 303 of such Act, as redesignated by this Act, is amended by inserting "(a)" immediately after "Sec. 303.", by striking out the period at the end of such subsection and inserting in lieu thereof the following: "and $75 million per fiscal year for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.", and by adding at the end of such section the following new subsection:

"(b) Not to exceed $15 million in each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977, shall be available to make grants under subsection (b) of Section 302."

(d) There is hereby authorized to be appropriated $100 million for each of the fiscal years ending June 30, 1976 and June 30, 1977, for allocation by the Secretary among the States for the purpose of supplementing grants made pursuant to Title I of this Act. Such funds shall be allocated among the States in the ratio which grants made under Title I since August 26, 1965 in each State is to total grants made to all States since August 26, 1965. Such supplementary grants shall be made by the Governor with respect to any projects approved by the Secretary after date of enactment of this Act and may be used to reduce the non-Federal share below the 20 per centum required by subsection (c) of Section 101 or may be used to waive the non-Federal share. Funds available under this section shall be available for such supplementary grants if the State provides a matching share of 25 per centum of the funds made available to the State under this subsection.

SEC. 5. (a) Section 403(a)(1)(B) of such Act, as amended, is amended by striking out the words "two or more redevelopment areas" and inserting in lieu thereof "at least one redevelopment area".

(b) Section 403 of such Act, as amended, is amended by inserting at the end of such section the following two new subsections:

"(i) Each economic development district designated by the Secretary under this section shall as soon as practicable after its designation provide that a copy of the district overall economic program be furnished to the appropriate regional commission established under title V of this Act, if any part of such proposed district is within such a region, or to the Appalachian Regional Commission established under the Appalachian Regional Development Act of 1965, if any part of such proposed district is within the Appalachian region.

"(j) The Secretary is authorized to provide the financial assistance which is available under this Act to a redevelopment area to those parts of an economic development district which are not within a redevelopment area, when such assistance will be of substantial direct benefit to a redevelopment area within such district. Such financial assistance shall be provided in the same manner and to the same extent as is provided in this Act for a redevelopment area, except that nothing in this subsection shall be construed to permit such parts to receive the increase in the amount of grant assistance authorized in paragraph (4) of subsection (a) of this section."

(c) Section 403(g) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "per fiscal year for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, and June 30, 1977.

(d) In addition to 403(g), there is hereby authorized to be appropriated not to exceed $25 million for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977, for projects for Indian tribes to otherwise carrry out the purposes of this Act.

SEC. 6(a) Section 503 of such Act, as amended, is amended by striking out "and training programs" and inserting "training programs, and the payment of administrative expenses to substate planning and development organizations (including economic development districts)," in lieu thereof.

(c) Section 509(d) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974, to be available until expended $95,000,000," and inserting in lieu thereof "for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977, to be available until expended $200,000,000."

(d) Section 511 of such Act, as amended, is amended to read as follows:

"COORDINATION

"SEC. 511. (a) The Secretary shall coordinate his activities in making grants and loans and providing technical assistance under this Act with those of each of the regional commissions (acting through the Federal and State cochairmen) established under this Act in making grants and providing technical assistance under this title, and each of such regional commissions shall coordinate its activities in making grants and providing technical assistance under this title with whose activities of the Secretary under this Act.

"(b) Each regional commission established under this Act shall coordinate its activities under paragraphs (2) and (7) of section 503(a) of this Act with the activities of the economic development districts in such region."

SEC. 7. Section 2 of the Act entitled "An Act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for titles 1 through IV through fiscal year 1971", approved July 6, 1970 (Public Law 91–304), is amended by striking out "1974" and inserting in lieu thereof 1977".

SEC. 8. The Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new title at the end of the Act:

"TITLE IX—SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE

"PURPOSE

"SEC. 901. It is the purpose of this title to provide special economic development and adjustment assistance programs to help State and local areas meet special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government and from compliance with environmental requirements that remove economic activities from a locality.

"DEFINITION

"SEC. 902. As used in this title, the term 'eligible recipient' means a State, a redevelopment area or economic development district established under title IV of this Act, an Indian tribe, a city or other political subdivision of a State, or a consortium of such political subdivisions.

"GRANTS BY SECRETARY

"SEC. 903. (a) The Secretary is authorized to make grants to any eligible recipient which has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government) to carry out a plan which meets the requirements of subsection (b) of this section and which is approved by the Secretary, to use such grants for any of the following: public facilities, public services, business development, planning, unemployment compensation, rent supplements, mortgage payment assistance, research, technical assistance, training, relocation of individuals, and other appropriate assistance. Such grants may be used in direct expenditures by the eligible recipient or through redistribution by it to public and private entities in grants, loans, loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private profitmaking entity.

"(b) No plan shall be approved by the Secretary under this section unless such plan shall—

"(1) identify each economic development and adjustment need of the eligible recipient for which assistance is sought under this title;

"(2) describe each activity planned to meet each such need;

"(3) explain the details of the method of carrying out each such planned activity;

"(4) contain assurances satisfactory to the Secretary that the proceeds from the repayment of loans made by the eligible recipient with funds granted under this title will be used for economic adjustment; and

"(5) be in such form and contain such additional information as the Secretary shall prescribe.

"(c) The Secretary shall as is practicable coordinate his activities in requiring plans and making grants and loans under this title with regional commissions, states, economic development districts and/or other appropriate planning and development organizations.

"REPORTS AND EVALUATION

"SEC. 109. (a) Each eligible recipient which receives assistance under this title shall annually during the period such assistance continues make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need it was designed to alleviate and the purposes of this title.

"(b) The Secretary shall provide an annual consolidated report to the Congress, with his recommendations, if any, on the assistance authorized under this title, in a form which he deems appropriate. The first such report to Congress under this subsection shall be made not later than January 30, 1976.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 905. There is authorized to be appropriated to carry out this title not to exceed $100,000,000 per fiscal year for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.".

By Mr. BROCK:

S. 3642. A bill to establish certain programs to promote innovation in transportation. Referred to the Committee on Commerce.

Mr. BROCK. Mr. President, I am introducing legislation today which I believe could significantly improve our approach to transportation policymaking. It would do that by encouraging innovation through the pilot testing of new approaches to policy. At the very least it would enhance our understanding of the economic dynamics of transportation by air and road, and increase our knowledge of the costs and benefits of some of our present policies. Its four measures are firmly based on economic theory, but do not restrict themselves to an academic ideal of optimum economic efficiency.

In transportation policymaking, as in all matters, we take other factors into consideration including fairness, regional balance, broader national interest, et cetera. This is right and proper. It is equally proper, however, that we make such decisions on the basis of the full facts, and that we be explicitly aware of how much a particular policy is costing us, what its benefits are, and to whom they flow.

This concern for explicitness and openness is central to the first two components of the bill. The first requires that at all Civil Aeronautics Board hearings, estimates of the main benefits of proposed policy decisions shall be given together with the assumptions underlying such estimates, and that any group shall be allowed to present its own similar analyses. This would require, in effect, a broad economic impact statement analogous to the environmental impact statement we now demand for major investment decisions. It recognizes that transportation services do have significant economic consequences for interests or groups as well as areas and that we should attempt to take this explicitly into account instead of implicitly as we do now.

The essential point is that the CAB is supposed to regulate the airline industry in the public interest when, quite frankly, I do not see any accepted definition of that term. I suspect that many of us assume it be equal to consumer interest but the evidence shows otherwise, for the CAB is mandated to also take into consideration other aims including, amongst others, national defense, the highest degree of safety, sound economic conditions in the industry, and improving the relations between air carriers. We cannot blithely assume that all these various goals can be maximized simultaneously. If we want more of some, then you have to have less than the other—involving, therefore, the diversion of resources from one group to another.

The obvious implication from the fact that unregulated airline rates within California are significantly lower than interstate flights of a comparable length is that, to a significant extent, regulated resources are being directed from the consumer to other groups. As Prof. William Jordan, a leading economist on airline regulatory policy has pointed out, groups directly involved include airline employees, lawyers and regulatory practitioners, aircraft and engine manufacturers, government agencies, communication carriers, petroleum companies, et cetera.

Thus the goal of the lowest fares for the maximum number of people is, in fact, not a preeminent one. The CAB is also attempting to implement its wide, complex, ambiguous mandate to perform a variety of other functions. Yet, unless we try and make clear in this process what the rationale is, what the assumptions are, and what our priorities are between all these different goals, we run the danger of losing control of policymaking and eventually finding that we are fulfilling none of our aims very well or achieving them (very inefficiently) at incredibly high cost.

Thus, in this manner, for example, one of the alternative goals is to ensure the contribution of regulated airlines to the national defense. The failure of the present policy is indicated by the fact that, out of the 338 wide-bodied jets ordered through November, 1973, only 20 are to be convertible for cargo use and now we have a call to provide direct incentives to the airlines to purchase cargo capable aircraft.

On the other hand, if we wish aircraft engine manufacturers and airline employees to benefit, then we seem to have been doing well. We now have extraordinary excess capacity resulting from three major postwar replacement cycles and from the underutilization of aircraft.

I believe we should attempt to bring these issues under more explicit consideration—and that this measure, while in no way a complete answer, would be a significant step in that direction.

The same principle underlines section two, which deals with the provision of air service to small communities. In a report by the CAB's own staff on this issue, they pointed out that the cost of supporting short haul, low density air service using large aircraft was not the small amount claimed. Instead it amounted to more than $2C per passenger on the average, and in one extreme case over $200.

The report also calculated the considered savings that could be achieved if the current support program, which is a very complex mix of indirect with direct subsidy, were changed to one totally direct subsidy program relying on competitive bids. This is what this measure proposes—a 2-year test of this policy to see whether it can do what its proponents claim.

There is nothing in this measure which is hostile to serving small communities—it is just that we should attempt to supply that service at the least possible cost and that we should be conscious of what that cost is. It is simply impossible to conceive of a coherent transportation policy when whole parts of the network operate without a proper accounting of benefits and costs.

Section 3 addresses itself to the problem of airport congestion. Although the energy crisis has had certain positive effects in terms of reduction of flights, congestion is still a problem and will continue to be so in the future. Our traditional response to the long waiting lines for takeoff, or the seemingly eternal circling of the holding pattern, is to build more airports or expand existing ones. This was the moving force behind the 1970 airport development and aid program.

Yet, there is an increasing amount of evidence that this policy is a mistake. Indeed, let me quote Prof. Ross Eckert of UCLA, a leading expert on airport congestion:

> The program (ADAP) is unlikely to accomplish this goal for two reasons. First, most of the investments already bought will have little effect in reducing congestion. Second, by expanding facilities without imposing peak-hour landing fees demand and congestion are encouraged. The program has not only perpetuated the problem it was designed to deal with but has probably made the problem worse.

Thus, section 3 authorizes a pilot testing of peak-hour landing charges to see whether they would even out the demand for major airport use and divert some of the traffic to relieve airports. There is a very strong economic argument to suggest that it will.

A uniform fees structure in the context of peaked demands leads to many different inefficiencies. Thus, for example, when runway space is allocated by willingness to incur delay rather than willingness to pay, much lower valued flights, such as instructional, recreational or short haul carriers, are given preference over high valued movements such as a heavily laden transcontinental jet.

Of course, the value of some short haul/general aviation trips may be higher, but most carrier flights will be of higher value, and this position is further supported by the experience of New York's three airports in 1968. When a $25 peak hour fee was applied, general aviation and air taxi traffic dropped by 30 percent at peak hours—strongly suggesting that it was of marginal value. On the other hand, the costs of congestion at these three airports during 1967–68 was estimated at almost $49 million.

The potential savings are enormous. A 1970 study of runway capacity at New York's JFK airport suggested that if minimum peak hour charges had been raised to $100 for all flights, the reduction in general aviation flights, and consolidation of competing flights, would roughly equal the entire projected growth in traffic at Kennedy by 1980. To accommodate this growth through increased runways would require a $200 million investment.

The FAA's preferred method of reducing severe congestion is administrative rationing with hourly quotas on the maximum number of flights that can be utilized, but the FAA can have no empirical basis on which to divided up the time between carriers, air taxis, and general aviation. It is really no more than administrative guess work substituted in place of the function that prices routinely provide.

Now it would be dishonest to pretend that this measure guarantees success. In fact, I am saying the exact opposite. Let us experiment—let us give the FAA the authority to try this out at certain major congested airports. The FAA has resisted the experimental use of peaked landing fees on the grounds that it might increase costs or dislocations to the aviation system—a position which ignores the costs and disallocations caused by the present system.

The only way to resolve the question is to try it out—a good test would be at Washington's National and Dulles Airports. If it is proven to have no positive effect, even that will be an advance as we then have greatly increased knowledge of the economic nature of aviation traffic.

Exactly the same points apply to the final part of the bill, which would allow the Secretary of Transportation to negotiate with recipients of mass transit funds to try out an experimental program of road user charges in congested highways. I have the benefit, here, of an analysis of our mass transit policies by Prof. George Hilton of the University of California. His basic position is that there are two very different interpretations of the decline in U.S. mass transit systems since World War II, and that most of our mass transit policies have been based on the one that is incorrect—thus dooming them to failure (or at least to only limited success).

The one which has been accepted was developed by Llye Fitch and Associates (a private research firm) in the early 1960's, and was at the heart of the 1964 Urban Mass Transportation Act. It states that mass transit declined because it was undercapitalized. The channeling of enormous funds from the highway trust fund, and so forth into roads created an imbalanced situation, with mass transit being increasingly unable to compete with the car. In a sense, then, it says that travelers were lured away from mass transit by road construction and can be lured back again if the investment imbalance is rectified. Thus it follows fairly logically that our policy should be to spend money on mass transit, its appeal will return and thus ridership.

The alternative interpretation, however, states that the decline is not simply a result of us spending a lot of money on roads and little on mass transit, but is also related to significant changes in the geographic layout of cities, changes in the labor force, changes in recreation habits (and a whole set of similarly complex changes). At the very least this interpretation suggests that the reasons for mass transit deterioration are more complicated than just a lack of money being spent on them. In particular, it says that, linked in with the changes in city form (growth of suburbia, and so forth) is the fact that as families' income has increased the demand for cars has gone up even faster. Thus, simply spending money on mass transit in itself will not change the situation. Drivers can only be persuaded to change their behavior when driving becomes more costly to them.

If one accepts such an interpretation, one should have a two-barreled approach of simultaneously improving mass transit together with pricing road use in congested areas at peak times, preferential treatment for public transport vehicles, and so forth—car users pay by having to wait longer than bus passengers. The rationale for this is that the social costs of car use in certain cities at certain times has become almost intolerably high, and that this type of policy is equitable because rush-hour drivers do not pay the full costs of providing the capacity to handle peak hour traffic, the congestion, pollution, and so forth, they cause.

Such a policy does not involve physical restriction on anyone, but just a use of the price mechanism to improve transportation, (and transportation policy) in cities. Further, it would be tried out only in conjunction with funding of new significant mass transit improvements. I am also hopeful that this proposal will stimulate more debate and awareness of the state of the art in technologies for road pricing.

At present one of the drawbacks of such ideas is that so many of us automatically assume their implementation would involve toll booths or meters with corresponding delays and traffic holdups. This is not the case at all. There are schemes which insure payment without delay and trouble in collection. One excellent idea indicative of what I mean has been developed by Mr. Sumner Myers of the Institute of Public Administration. Mr. Myers' idea simply involves a prepaid windshield sticker for congested area driving which, comprised of two chemicals, would after a predetermined period, change to a new distinctive color, thus signifying that the driver's paid-for time is up. Enforcement could thus be greatly simplified. At peak hours, unless you have a sticker and it is the right color, you are going to get a ticket.

I am not suggesting that such an idea has all the answers, but I do believe that with a little ingenuity we could develop a viable system of peak hour user charges. And then the decision of the individual traveler could be made in an economic context which more truly reflects the total cost to society at large of providing him with the transportation facilities.

None of these proposals offers panaceas for our transportation ills—neither will I pretend that they will guarantee improvements. What I can say with assurance is that they are all based upon thoughtful and rigorous economic analyses which predict significant improvements. Their adoption does not rule out other policy options and does not involve us in enormous expenditures. Even if they all proved to have little effect, we will have had the benefit of the knowledge gained, while, if they are successful, they offer the potential building blocks for policies to insure a better, more efficient and effective transportation system.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Transportation Innovation Act of 1974".

BENEFIT AND LOSS STATEMENT IN AIR CARRIER REGULATION

SEC. 2. Section 401 of the Federal Aviation Act of 1958 is amended by inserting at the end thereof the following:

"BENEFIT AND LOSS STATEMENT

"(o) Any application for a certificate or permit, or change therein, or for a change in any rate, fare, or charge, classification, rule, regulation, or practice, or for any other action pursuant to this title which would affect service to the public shall be accompanied by an estimate of public benefits and losses resulting therefrom, including any unusual benefits or losses to identifiable major groups within the public. The Board shall determine its own such estimates and shall accept and give consideration to such estimates from interested parties. All such estimates shall be matters of public information."

DEMONSTRATION PROGRAM IN PROVIDING AIR SERVICE TO SMALL COMMUNITIES

SEC. 3. (a) It is the intent of the Congress in enacting this section to authorize the conduct of a demonstration program by the Civil Aeronautics Board which would enable the Congress to evaluate the advantages and disadvantages of a contract method of providing air service to small communities.

(b) As used in this section—

(1) "Air carrier" means any citizen of the United States who engages directly in, or proposes to engage directly in, air service.

(2) "Air service" means the carriage by aircraft, on a regularly scheduled basis, of persons or property as a common carrier for compensation or hire.

(3) "Board" means the Civil Aeronautics Board.

(4) "Citizen of the United States" means (A) an individual who is a citizen of the United States or of one of its possessions, or (B) a partnership of which each member is such an individual, or (C) a corporation or association created or organized under the laws of the United States or of any State, territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.

(5) "Small community" means a village, town, city, or other locality in the United States not receiving unsubsidized air service on a daily, schedule basis by a certificated air carrier.

(c) The Board is hereby authorized to enter into contracts with air carriers by which such carriers undertake to provide air service to and from small communities selected by the Board pursuant to the provisions and this section.

(d) The Board shall award contracts hereunder in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except that provisions of such Act which are determined by the Board to be inconsistent with the purposes of the experimental program shall be inapplicable to such contracts.

(e) Prior to the award of a contract under this section, the Board shall ascertain that the proposed contractor is capable of meeting, during the contract period, all requirements of the Board and of the Federal Aviation Administration for safety and reliability of operation.

(f) No contract under this section may exceed two years in duration or be renewed. No increase in contract price may be made for the benefit of an air carrier after the contract has been entered into, except for increases in costs attributable to Governmental actions.

(g) In exercising the authority granted in this section, the Board shall designate the geographical areas in the United States within which small communities will be selected for the award of contracts for the provision of air service. In designating such areas, the Board shall consider, among other things, the need to assure sufficient diversity among the several geographical areas, in regard to such factors as travel patterns of the population, the nature of flying conditions, population density, and the nature of the air service, if any, that would be provided other than pursuant to this section, in order that the areas considered together may afford a basis for the evaluation of the method of providing air service authorized by this section.

(h) In selecting small communities located in the areas designated pursuant to this section, the Board shall consider, among other things, the following factors:

(1) the need for sufficient diversity among the various small communities selected, so that the communities considered together may afford a basis for the evaluation of the method of providing air service authorized by this section;

(2) the availability and practicability of alternative means of transportation to and from the various small communities;

(3) the views of the small communities located within the geographical areas designated pursuant to this section, and of the appropriate agencies of the government of each State lying partially or wholly within such geographical areas;

(4) the views of air carriers, if any, currently providing air service to, from, or between any point or points in any geographical area designated pursuant to this section; and

(5) the effect of such selection on the development of the Nation's air transportation system.

(i) A contract between the Board and an air carrier for the provision of air service to a small community or communities shall include—

(1) the minimum number of frequencies the air carrier shall be required to operate to and from the small community or communities;

(2) the maximum rates and fares the air carrier may charge, subject to revision for such reasons and by such procedures as the Board may provide;

(3) minimum passenger capacity requirements in respect to the aircraft to be operated by the air carrier; and

(4) such arrangements as the Board may require by which the Government may be reasonably assured of reimbursement in the event of default by the air carrier, including reimbursement for the cost of obtaining another air carrier to provide the air service which the defaulting carrier undertook to provide.

(j) (1) The Board may suspend the certificate of any air carrier to provide air transportation on a subsidy-eligible basis to and from any small community in respect to which air service is to be provided under this section. Any suspension pursuant to this subsection shall be for no greater period than the term of the contract under which such air service is to be provided.

(2) The Board may relieve any air carrier from any provision of title IV of the Federal Aviation Act of 1958 (except subsection (k) of section 401 thereof) in respect to air service to small communities pursuant to this section if it finds that such action would be in the public interest.

(3) The provisions of sections 551–559 of title 5 of the United States Code shall not be applicable to actions of the Board under this section. Such actions may be taken with out notice and hearing.

(k) The Board may prescribe such regulations and issue such orders as may be necessary to carry out the provisions of this section.

(l) (1) The Board shall, thirty days prior to the initiation of the first procurement process authorized herein, report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate the geographical areas designated pursuant to subsection (g) of this section and the small communities selected pursuant to subsection (h).

(2) The Board shall, no later than one year from the date of enactment of this section and annually thereafter so long as a contract entered into hereunder remains outstanding, report to the Congress on the progress of the demonstration program authorized hereby. The Board's final report, which shall be submitted to the Congress within ninety days after termination of the last outstanding contract, shall include, among other things, the following: (A) the quality and extent of air service provided to small communities pursuant to this section, (B) the cost of the Government of such service, and (C) the Board's evaluation of the relative advantages and disadvantages of the contract method of providing air services to small communities.

(m) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section, but not more than $2,000,000 shall be appropriated in any fiscal year. Such sums shall remain available until expended.

(n) This section shall terminate two years after the date of its enactment. The termination of this section shall not affect the disbursement of funds under, or the carrying out of, any contract commitment, or other obligation entered into pursuant to this section prior to the date of termination.

DEMONSTRATION PROGRAMS TO REDUCE AIRPORT CONGESTION

Sec. 4. Title I of the Airport and Airway Development Act of 1975 is amended by inserting at the end thereof the following:

"DEMONSTRATION PROGRAMS TO REDUCE AIRPORT CONGESTION

"Sec. 54. (a) As a condition of carrying out projects pursuant to this title at airports selected by him for the purpose of this section the Secretary shall require the carrying out of demonstration programs at such airports to determine if increased user charges for airplanes using airports during hours of greatest congestion will significantly reduce such congestion.

"(b) The Secretary shall report the results of demonstration programs pursuant to this section to the Congress not later than two years after the date of enactment of this section."

DEMONSTRATION PROGRAMS ON REDUCING HIGHWAY CONGESTION WITH TOLL CHARGES

Sec. 5. (a) The Secretary of Transportation shall enter into such arrangements with recipients of assistance under the Urban Mass Transportation Act of 1964 as are necessary to carry out demonstration programs concurrent with impovement of mass transportation facilities, under which congestion at peak hours on heavily used highways and streets is reduced by the establishment of tolls for the use of such highways and streets during such hours.

(b) Programs pursuant to this section may be carried out notwithstanding the provisions in title 23 of the United States Code prohibiting the charging of tolls on highways constructed pursuant to the provisions of such title.

(c) The Secretary shall report the results of demonstration programs pursuant to this section to the Congress not later than two years after the date of enactment of this Act.

By Mr. JAVITS (for himself and Mr. Taft):

S. 3643. A bill to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service. Referred to the Committee on Commerce.

Mr. JAVITS. Mr. President, I introduce today a bill that will commence the long overdue process of restoring our Nation's rail passenger system to the place it deserves in our overall national transportation program. Although the initial commitment to a federally supported National Railroad Passenger Corporation was made 4 years ago, and substantial progress has been made both in terms of better service and improved planning, it is imperative that this commitment be increased and amplified if we are to meet the goals of a truly balanced transportation system and obtain the benefits of a rail system that serves the Nation's needs.

For most Americans, travel by rail is not an available or feasible alternative to the airplane and the private automobile. Yet by the standards of energy efficiency, environmental improvement and land use, rail service provides not only a better alternative, but also a crucial component of the solution to our environmental and energy dilemmas.

Moreover, our citizens have shown us that where convenient rail passenger service exists, the demand for its use has skyrocketed. Even before the onslaught of the energy crisis, which highlights the immediacy of the need for an expanded rail passenger system, the public finally began to return to the railroads as a means of transportation.

Amtrak's President, Roger Lewis, states in his report to the Congress of 1973, that, "travel demand that had been anticipated by 1977 as a result of normal growth is with us now." But even with this unprecedented increase in demand, Amtrak has neither the legislative commitment or direction which it so vitally needs to make rail service available to a greater number of people.

Currently only 1 percent of all intercity travel is via railroad. This compares to 87 percent by private automobile, 10 percent by air and 2 percent by bus. If we are to seriously attack the inefficiencies in energy utilization in the country—of which the transportation sector is the most blatant example—dramatic shifts in these percentages are essential and must be begun without further delay. Yet existing law requires only one new train to be instituted each year. This rate of expansion must be increased and better directed by the Congress.

The Rail Passenger Service Act amendments that I introduce today primarily address three related aspects of Amtrak service. Taken together, they could pave the way for an efficient and realistic transportation alternative for millions that presently have no rail passenger service at all and for millions more who, because of the inadequacy of the rail passenger system, cannot use Amtrak service for their major transportation event each year—their vacation travel.

Section 1 of these amendments would require Amtrak, over a 4-year period, to institute rail service to every major urban center in the Nation, except where it is affirmatively determined that such service is unnecessary or impracticable.

It is startling that our national rail passenger system, as it is presently constituted, does not serve such cities as Cleveland, and Toledo, Ohio, Tulsa, Oklahoma, or Jersey City, N.J. These omissions must be corrected.

The presumption should be reversed from a city having the burden of proving that it needs rail service more than any other city to a finding that rail service to all cities will be provided unless it is unnecessary or would not serve the public interest.

This year, under the experimental train provision of exisiting law, more than a dozen applications—each with substantial merit—were received by the Department of Transportation for designation as the experimental route. Yet, service on only one route is required to be instituted, and it is unlikely that more than one will be selected. It is time that our States and cities receive the rail service that they need: service that cannot commence unless the Federal Government provides the necessary incentives.

In addition to mandating service to major urban centers, section I would require direct medium distance rail service between large population centers—service which is currently insufficient. It is generally held that rail passenger service demand is greatest for points 100 to 300 miles apart. People traveling shorter distances more often opt for the automobile, while longer distances bring out the time advantages of air travel.

But within this range, as has so obviously been demonstrated by the demand within the Northeast corridor, people will flock to the rails if comfortable and efficient service is available.

These amendments would require such service except where an affirmative finding is made that it would not serve the public convenience and necessity. As a result service could be begun on such routes as Pittsburgh to Buffalo and Cleveland; Nashville to Memphis; and Detroit to Indianapolis. These are but a few examples of the potentialities of this requirement. Service on these interurban routes, if available and convenient, would surely take many travelers out of their cars. The direct energy and environmental benefits, not to mention the future land use benefits caused by a lesser need for new highways and airports, would be substantial.

Section 2 contains a major change in the Federal commitment to rail passenger service where States or localities want and need such service but cannot afford to institute it without Federal assistance.

Present law requires the State or locality to pay at least two-thirds of the avoidable costs. In no other mode of interstate transportation is the Federal share so low. For all major road construction under the highway trust fund the Federal share varies from 70 to 90 percent. Federal airport development assistance varies from 50 to 80 percent of the costs involved. The House and Senate passed versions of mass transit assistance would provide an 80 percent Federal share. My amendment would change the Federal share of rail passenger service assistance to 66⅔ percent. If this sharing provision is to have any utility whatsoever, the Federal share must be on this level.

The amendment would also authorize specific funds for this assistance. Currently, any Federal assistance under this section would have to come out of Amtrak's general appropriation, thereby potentially impairing service on other routes. This is obviously self-defeating. If a State or locality commits one-third of the needed funding, the Federal Government should stand ready to provide the balance for so necessary a service.

The third and final major change in existing law is contained in section 4 of these amendments. This section contains provisions which would begin to put vacation travellers back on the railroads, which is a service as much needed by the travellers themselves as by our tourist and recreation industry.

Last winter saw the severe effects of the gasoline shortage on the tourist industry. Hearings were held in the Senate on the energy related problems of that industry. However, we also witnessed the tremendous savings in precious gasoline that can be effected by cutting back vacation travel by automobile.

If these savings are to continue on any scale—savings that are critical to our energy independence—vacationers must be provided with a reasonable alternative mode of transportation to recreation areas, such as National parks and shore and mountain resort regions. That alternative is clearly the passenger train.

The amendments I introduce would attack this problem in two ways. First, it would require Amtrak to designate five routes from urban centers to recreation areas on the basis of maximum potential use. Service would be instituted on these routes in 1975. Examples of service that could be provided pursuant to this section are New York City to the Catskill Mountains resort area; Los Angeles to Las Vegas; and Boston to the New Hampshire and Vermont resort regions. Rights of way and trackage—now lying idle with respect to passenger service—exist on many such routes so the costs would be limited to facility improvement and equipment acquisition.

Second, loan assistance would be made available to States and localities, and loan guarantees would be authorized to private groups, for construction and improvement of rail lines to recreation areas. This will certainly encourage expansion of rail service to recreation areas, and it will do so at a minimal cost to the Federal Government. Of course, once service is instituted, the Federal share of operating assistance provided by section 2 would apply.

It is time we began to alter the transportation priorities that have led to our overdependence on the private automobile. Last year, of the $28.2 billion in public fundings for transportation, only one-fourth of 1 percent went to rail transportation. This compares with 86 percent for highways and 10 percent for air transportation. This past year has shown us that the rail passenger system is not dead, it is merely dormant.

It is time we gave it some vitality. We have seen that Amtrak and the Department of Transportation will not do this on their own; legislative initiative is required if rail passenger service is to become a realistic alternative mode of transportation to the private automobile for the majority of Americans.

Mr. President, I ask unanimous consent that the full text of the Rail Passenger Service Amendments of 1974 be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Passenger Service Amendments of 1974."

Sec. 1. Title II of the Rail Passenger Service Act of 1970 is amended by inserting at the end thereof a new section as follows:

"Sec. 203. Extensions of Basic System

"(a)(1) The Corporation shall establish, subject to the provisions of subsection (b), rail passenger service on such extensions of the basic system as are necessary to provide the following:

"(A) by July 1, 1974, through service to every standard metropolitan statistical area in the contiguous forty-eight States exceeding one million in population;

"(B) by July 1, 1976, through service to every such standard metropolitan statistical area exceeding five hundred thousand in population; and

"(C) by July 1, 1978, through service to every such standard metropolitan statistical area exceeding two hundred and fifty thousand in population.

"(D) by July 1, 1976, adequate service between all standard metropolitan statistical areas exceeding five hundred thousand in population which are between one hundred and three hundred miles apart.

"(b) The Corporation may preliminarily exclude an extension pursuant to subsection (a), except subsection (a)(1)(A), upon (A) a preliminary finding by the Secretary that the public convenience and necessity does not require such extension, or (B) a preliminary finding by the Corporation that establishment of such service is unnecessary or impracticable. If a finding of impracticability is based on a shortage of equipment, the Corporation shall within 60 days of such finding, place orders for sufficient equipment necessary to institute such service. If either such finding is preliminarily made for any other cause, the Secretary shall call a public hearing, in accordance with the provisions of Section 553 of Title 5, United States Code, in the area or areas directly affected affording all interested parties the opportunity to be heard. Within 60 days after the conclusion of public hearings, the Secretary shall report his findings to the Board of Directors of the Corporation, which shall finally determine whether such extension should be excluded. The Secretary shall report to the Congress in a separate report for each such exclusion explaining in detail the reasons for such finding.

"SEC. 2. Section 403(c) of the Rail Passenger Service Act of 1970 is amended to read as follows:

"(c)(1) For purposes of this section, the reasonable portion of such losses to be assumed by the State, regional or local agency, shall be no more than 33⅓ per centum of the solely related costs and associated capital costs, including interest on passenger equipment, less revenues attributable to such service. If the Corporation and the State, regional or local agencies are unable to agree upon a reasonable apportionment of such losses, the matter shall be referred to the Secretary for decision. In deciding this issue the Secretary shall take into account the intent of this Act and the benefits to be derived from the proposed service.

"(2) There are authorized to be appropriated to the Secretary for the benefit of the Corporation, $10,000,000 in fiscal year 1976, $25,000,000 in fiscal year 1977, and $25,000,000 in fiscal year 1978.

SEC. 3. (a) Section 403 (d) of the Rail Passenger Service Act of 1970 is amended to read as follows:

"(d) The Corporation shall initiate not less than two experimental routes each year, such routes to be designated by the Corporation on the sole basis of the demonstrated need and probable use of such service, and shall operate such routes for not less than two years. After such two-year period, the Corporation shall terminate any such route if it finds that it has attracted insufficient patronage to serve the public convenience and necessity, or it may designate such route as a part of the basic system."

SEC. 4. Section 403 of such Act is further amended by inserting at the end thereof the following:

"(e) (1) The Corporation shall study the need for and potential use of routes between major centers of population and heavily used recreation areas one hundred to three hundred miles from such population centers. By July 1, 1975, the Board of Directors shall designate no less than five such routes for service on the basis of demonstrated need and probable use of such service, costs of establishing such service and such other factors as it may prescribe. Such service may be limited to certain days of the week, months of the year, or otherwise as the Corporation finds necessary. Service shall be initiated on such routes as soon thereafter as is practicable, and shall be continued for not less than two years. After such two-year period, the Corporation shall terminate any such route if it finds that it has attracted insufficient patronage to serve the public convenience and necessity, or it may designate such route as a part of the basic system.

"(2) By July 1, 1976, and annually thereafter, the Corporation shall designate one additional experimental recreation route and the provisions of paragraph (1) shall apply to such designation and route in the same manner as applicable to routes designated thereunder, except as specifically provided in this paragraph. Service on routes designated pursuant to this paragraph shall be initiated as soon as practicable after designation.

(f) (1) The Secretary is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participation in loans), to any State, or to any local or regional agency, for purposes of capital construction, acquisition, and improvement cost of rail lines and facilities to recreation areas. Any loan provided pursuant to this subsection shall not exceed 70 per centum of the construction, acquisition, and improvement cost necessary to institute service on the proposed route. The amount of loans outstanding at any time pursuant to this subsection may not exceed $50,000,000. There are authorized to be appropriated such amounts as necessary to carry out this subsection.

(2) The Secretary is authorized to guarantee loans made to private borrowers by private lending institutions in connection with construction, acquisition and improvement of rail lines and facilities to recreation areas. The amount of guaranteed loans outstanding pursuant to this subsection, at any time, may not exceed $100,000,000. The Secretary shall prescribe and collect from the lending institution a reasonable annual guarantee fee. There are authorized to be appropriated such amounts as necessary to carry out this subsection.

(3) Funds loaned or the repayment of which is guaranteed under this section shall be used for the purchase or development of land and facilities and for working capital necessary to institute the proposed rail passenger service to a recreation area, and shall not be used for operation or maintenance of any part of the line after an initial start-up period.

(4) (A) Applications for such loans shall be made in writing to the Secretary in such form and with such content and other submissions as the Secretary shall prescribe to protect reasonably the interests of the United States.

(B) Each loan and loan guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate: *Provided, however,* That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such indebtedness.

(5) The Secretary shall make a finding in writing before making a loan to any applicant under this section, that—

(1) The loan is necessary to institute the desired rail passenger service;

(2) It is satisfied that the business affairs of the applicant will be conducted in a reasonable and prudent manner; and

(3) the applicant has offered such security as the Secretary deems necessary to protect reasonably the interests of the United States.

(6) (A) Each recipient of financial assistance under this section, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance and such other records as will facilitate an effective audit.

(B) The Secretary, and the Comptroller General of the United States or any of their duly authorized representatives shall, have access for the purpose of audit and examination to any books, documents, and papers and records of such receipts which in the opinion, the Secretary, or the Comptroller General may be related or pertinent to the loans referred to in subsection (f)(1) of the section. The Secretary or any of his duly authorized representatives shall, until any financial assistance received under this title has been repaid to the Secretary, have access to any such materials which concern any matter that may bear upon—

(1) the ability of the recipient of such financial assistance to make repayment within the time fixed therefor; and

(2) the effectiveness with which the proceeds of such assistance is used.

SEC. 5. Section 403 of such Act is further amended by inserting at the end thereof the following:

"(g) The Secretary shall study the need for and potential use of routes between urbanized population centers and airports serving those population centers. He shall identify the routes where such service would most significantly serve the public convenience and necessity and estimate the initial costs of each such route and the probable profitability of each such route. He shall report to the Congress on the results of this study along with his recommendations as to whether the Corporation should provide any or all such service, not later than July 1, 1975.".

By Mr. INOUYE:

S. 3644. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurse practitioners under medicare and medicaid. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, nurses and midwives have played a vital role in the delivery of health services during the early stages of our country's medical history. There have been numerous tales of these valiant women who brave natural and man-made dangers to assist in the delivery of health services. Florence Nightingale and Clara Barton have become part of our folk history.

In remote areas of our country, where a shortage of doctors exists, nurses continue to perform those services which were historically performed by midwives. These services include prenatal and postnatal care, the treatment of many childhood illnesses, preventive health care, and many home health services which are now unavailable from most highly complex medical centers.

Unfortunately, during these days of advanced technical knowledge and highly specialized training, in places where these complex medical centers abound, the nurses have been relegated to the very minor roles of caretakers and administrators. Despite their increased knowledge and training, these highly skilled professionals are allowed to perform very few services without the direct supervision of a medical doctor. In addition, many nurses spend more hours per week in administrative or clerical roles than in direct patient care. This results in an under-utilization of many qualified professionals with an accompanying over-demand of medical doctors. With doctors performing so many services which could readily be performed by trained nurses, the cost of medicine has sky-rocketed.

In view of the high cost of medical care throughout our Nation, I propose that we now release the nursing professionals from the bondage of the direct supervision of medical doctors and allow them to perform those services for which they have been trained and have proven themselves fully capable of performing. By allowing the nurses to participate more fully in the delivery of home health care and preventive services, the scope of available health care will greatly expand, yet the total cost of these services would be greatly reduced.

In addition to the reduced cost and the expanded services, the all-important personal contact with the patient would greatly increase. This resulting morale boost would decrease recovery time and improve the image of the entire health profession.

To encourage this change toward a less expensive and more effective health care system, I am introducing this bill to amend the Social Security Act to provide for inclusion of the services of licensed nurse practitioners under medicare and medicaid. I hope my colleagues will join me in recognizing the importance and far-reaching implications of this trend in health care and will act to secure an early consideration and passage of this bill.

By Mr. INOUYE:

S. 3645. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, today I am introducing legislation which would amend the Social Security Act of 1972 by authorizing payment for therapeutic services provided by a licensed or certified psychologist.

There presently is a growing consensus that we will soon pass a Comprehensive National Health Insurance bill. I fully support this important development, however, I have been distressed to note that nearly every one of the proposed bills have limited the scope of approved mental health coverage to only those services provided under the supervision of a physician. In taking this position, we have not provided our citizens with a true "freedom-of-choice" to choose the practitioner that they might desire.

We are all aware of the staggering costs of health care in our Nation today. In calendar year 1973, our health expenditures grew to $94.1 billion or 7.7 percent of our Gross National Product. This represented an 11 percent increase over the previous year. The most recent employment figures available further indicate that in 1971, over 4.4 million people were employed in health occupations; this was 5 percent of our civilian labor force and made the health industry the third largest in the Nation. There is no question that today health is a major concern for all of us and I feel it is now time to look much more closely at exactly how we have been utilizing our precious and very expensive health resources.

In the mental health field, psychologists have long possessed recognized expertise. Members of that profession hold positions of major administrative and clinical responsibility including the chief of a State mental health division, heads of hospital units, and chiefs of comprehensive community mental health centers. As a profession they also serve as expert witnesses and on the sanity commissions of our courts. In 47 States and the District of Columbia, psychologists are licensed or certified under statute. In their daily functioning, they simply do not require physician supervision.

In my State of Hawaii, our largest insurance company has recognized psychologists as independent practitioners for the past 3 years. Combining their coverage and that of the Department of Defense's Champus program, approximately 80 percent of our State population have ready access to psychological services. Personally, I have been very impressed by the harmony that exists between our psychological community and its medical counterparts.

In concluding, I would urge my colleagues to support this important measure and by doing so, to insure that in our forthcoming national health insurance program, our constituents will have ready access to mental health services and the freedom to choose the practitioner of their choice.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 3648. A bill to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. TUNNEY. Mr. President, today our public transportation systems are thoughtlessly designed with barriers blocking the handicapped from using them. Those obstacles—small things such as steps and turnstiles which the more fortunate, able-bodied person passes without notice each day—pose an impassable barrier to handicapped persons.

The handicapped possess valuable training and skills. They have both an ability and a desire to learn. Yet, senseless travel barriers prevent many of them from taking full advantage of the economic opportunities of our society. For the Nation as a whole, this is a waste of valuable talent. For the individual, influenced by a society which holds productive activity and personal autonomy in the highest esteem, it can mean a life of despair and self-criticism.

Perhaps even more tragically, while the handicapped have the same need as all of us for social and personal relationships, needless travel barriers can cut off a handicapped person from friends and relatives, plunging him into a life of loneliness.

A transportation system which prevents the physically handicapped from using it discriminates against a population which has an equal right to the full advantage of all the social and economic opportunities offered by the society.

In 1970 Congress recognized that right by enacting section 16 of the Urban Mass Transit Act which declared it to be—

> National policy that elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services.

In 1973, by passing the Federal Aid Highway Act, Congress took the further step of requiring that mass transit projects funded with moneys shifted from Federal-aid highway projects "shall be planned and designed so that mass transportation facilities and services can effectively be utilized by elderly and handicapped persons."

Yet, there is still no uniform provision making a similar requirement of transportation projects otherwise funded by the Federal Government. The legislation I am introducing today would eliminate the gap left by the Federal Aid Highway Act of 1973. This legislation would amend the Urban Mass Transportation Act of 1964 to insure that rolling stock purchased with Federal funds shall be designed and constructed so as to be readily accessible to the physically handicapped and elderly.

I am simultaneously introducing an amendment to the proposed Unified Transportation Assistance Act to insure that if that legislation is passed, there will be accessibility to new mass transit facilities and vehicles for the handicapped.

An Urban Mass Transportation Administration study has found that an estimated total of 13,370,000 handicapped Americans would experience difficulties in utilizing mass transit systems. That is more people than the combined populations of America's three largest cities, New York, Chicago, and Los Angeles. An estimated 5.3 million of these 13,370,000 are unable to use mass transit at all, though they could do so if transit facilities were modified and improved to accommodate them. These 5.3 million Americans are the physically handicapped whose mobility is limited as a result of a chronic or long term medical condition. Included in the 5.3 million are the 1,200,000 arthritics who need wheelchairs, most of the half million Americans who are victims of cerebral palsy, 66,000 paraplegics, 34,000 quadraplegics, and many of our 2,000,000 hemiplegics.

Federal money should not be used to build yet more transit systems which needlessly segregate the handicapped.

If a handicapped person is rich, he can surmount some of his problems by hiring an attendant and by taking taxis, but the vast majority of the handicapped are not only disabled, but poor. Due to poor housing, poor nutrition, and neglected health needs, people who were raised in poverty account for a high proportion of the disabled. Whereas, 21 percent of the general population live in families with incomes of less than $4,000 a year, over half of the families of employable, but disabled adults live below this poverty line. Also, among the aged who live alone or with nonrelatives, 77 percent have incomes under $2,000 a year, and half of America's handicapped are elderly. Thus, aside from the fact that the handicapped have a congressionally recognized right to equal access to mass transit, mass transit must be made accessible because it is the only tranportation which a vast number of handicapped persons can afford.

Not only would the handicapped be benefited if mass transit were made accessible to them, but our society as a whole benefit as well. The Department of Transportation estimates that 13 percent of the chronically handicapped population of working age, or some 200,000 people would enter the work force if travel barriers in and around metropolitan areas were removed. These are people who have gone through the costly rehabilitation process, who are ready, willing, and able to work, but who are denied employment by our thoughtless designing of transit systems.

Providing transit facilities so that these people could get to work would be an economic boon. Their employment would result in an increase in the sale of goods and services of nearly a billion dollars. This estimate omits increased tax revenues and lower welfare payments. As a result, this dollar estimate is extremely conservative. Furthermore, it does not give any indication of the benefits which would ultimately be derived if the handicapped had access to educational and vocational training. This access is now often denied just by the absence of transit facilities which the handicapped can use along with the able bodied.

Yet another economic benefit of making mass transit accessible to the handicapped is that there would be significantly more revenue riders. This can make an important difference in the income receipts which are crucial for every transit system. Also, a great many of the handicapped travel most often between 9 a.m. and 11 a.m. rather than between 7 a.m. and 9 a.m. Thus, they constitute a traffic market for off-peak hours, hours when transit systems need patrons

Another economic benefit to society is that a barrier-free transit system, as insurance company studies have shown, would result in fewer personal injuries through the elimination of tripping and falling hazards. These hazards are a major cause of accidents to the general public.

Also, another general benefit of having an accessible mass transit system is that such a system would aid all of us who have ever been frustrated in our use of public transportation by the circumstances under which we are traveling.

The improvements needed by the chronically handicapped include elevators allowing access to underground or elevated mass transit stops. They include wider doors, ramps, and gates as an alternative to turnstiles at transit stations. On buses, they include lower floor levels, a lift or ramp at the door, and improved seating configurations.

Such improvements would benefit a skier with a broken leg or an expectant mother. They would benefit the businessman with two suitcases, the shopper trying to carry bulky packages, the child who is too short-legged to climb steps safely, and the mother struggling to guide a toddler through a subway turnstile.

Although the inconveniences experienced by most people will be no more serious than those posed by cumbersome packages or a toddler, the public's willingness to use mass transportation is undoubtedly influenced by just such trying encounters. Clearly, the design and operating changes which could be made to accommodate the chronically handicapped would also improve the quality of transportation for the rest of the population.

That improvement in quality of service, it should be pointed out, would result in an increased demand by revenue patrons. This would mean that not only would the transit user benefit, but the transit system would economically benefit as a result of having more ticket purchasers.

The benefits, then, of rendering mass transit accessible to the handicapped are enormous for society as a whole. The benefits loom especially large, however, when compared to the relatively minimal cost. In my State of California, BART, providing rapid transit for the San Francisco Bay area, has recently begun operation. It is 100-percent accessible to the handicapped. All stations have special elevators. Boarding platforms and train interiors present no obstacles to wheelchair movement. The system cost over $1 billion, yet, it has been estimated that it only cost approximately $8 million to render the entire system accessible.

Buses present a special problem. Presently, fitting a conventionally designed bus to accommodate the handicapped is expensive. BART estimates it will cost $19,500 per bus. BART has voluntarily decided to fit 36 buses it is going to buy so the buses will accommodate the handicapped, demonstrating how important BART thinks it is to make buses accessible. I think that the cost of fitting conventional buses to accommodate the handicappped is too great to force on society as a whole, however.

The Urban Mass Transportation Administration has been developing transbus, though. It is a totally new bus which represents the first basic design change in urban transit buses in more than 15 years. It has been estimated that transbus will accommodate the handicapped with optional equipment which will costly only $1,000 per bus.

Protoypes of transbus will be tested this summer. I think this new bus can reasonably be expected to be in production by June 30, 1977. The legislation I propose today will give local officials buying buses an option of providing alternative services for the handicapped or buying conventional buses fitted to accommodate the handicapped until that date. After June 30, 1977, however, when transbus will be available, buses purchased with Federal money will have to be accessible.

If transbus or any other bus which has practical, reasonable features to accommodate the handicapped becomes available at an earlier date, buses purchased with Federal money will have to be accessible as of that earlier date.

If, on the other hand, after full hearings, the Secretary of the Department of Transportation determines that neither transbus nor any other bus with practical and reasonable features to accommodate the handicapped can be available by June 30, 1977, the Secretary may extend the deadline for buying accessible buses.

There may be no extensions past June 30, 1979, however. It is unreasonable to suppose that development of accessible buses will take any longer than that. If the Secretary grants an extension, he must report his action to Congress and to the General Accounting Office. GAO shall assess the need for the extension and report to Congress. This will assure that any extension is fully warranted.

The legislation I propose today would be a solid step toward full integration of the handicapped. The amendment to UMTA would assure that new federally funded transit facilities would be barrier-free so that both able-bodied and handicapped alike will be able to use mass transit to go to work, to go shopping, to visit family and friends, and to participate fully in the life of the community.

The amendment to the proposed Unified Transportation Assistance Act—UTAP—has the same goal as the amendment to UMTA. It would change UTAP so as to insure that there is not a development of separate, segregated transportation systems for the handicapped as a "substitute" for making new public transportation systems accessible to the handicapped.

Such a development of purportedly "separate but equal" systems as a substitute for making new systems for the general public accessible would be allowed by UTAP as now drafted, and, obviously, could be redundant and costly.

Also "separate but equal" facilities would be a disaster for the handicapped. They desperately desire integration into the mainstream of American life, and it would be a cruel blow to them to have to witness the building of new transit facilities and the purchase of new vehicles which would have built into them the same thoughtless barriers which have prevented them from using mass transit in the past.

Neither my amendment to UMTA nor my amendment to the proposed Unified Transportation Assistance Act would prevent special services for the handicapped such as Dial-a-Ride. Indeed, the amendment to UTAP I am proposing would stop the proposed deletion by UTAP of section 16 (b) and (c) of the Urban Mass Transportation Act of 1964 for the very purpose of continuing to allow the Department of Transportation to set aside money to fund special transportation projects for the handicapped. My amendments would simply prevent such projects from becoming a substitute for integrating new mass transit facilities and vehicles by making them barrier-free.

It was to the end of furthering congressional intent that the handicapped not be segregated from new public mass transit systems that section 16(d) of the Urban Mass Transportation Act defines "handicapped person" as "any individual who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, is unable without special facilities or special planning or design to utilize mass transportation facilities and services as effectively as persons who are not so affected." The Unified Transportation Assistance Act, as proposed, would delete that definition. My amendment to UTAP, in the interest of furthering the integration of the handicapped into society, would prevent that deletion.

Both the handicapped and society as a whole would benefit socially, psychologically, and economically from the integration of the handicapped through provision for barrier-free mass transit. I urge the Congress to give immediate consideration to my amendment of the Urban Mass Transportation Act and to insert my amendment of the proposed Unified Transportation Assistance Act into that legislation so we can be sure that all of our people will be able to enjoy the benefits of mass transit.

Mr. President, I ask unanimous consent to include the texts of the bill to amend the Urban Mass Transportation Assistance Act and the amendment to the Unified Transportation Assistance Act at this point in the RECORD.

There being no objection, the bill and amendment were ordered to be printed in the RECORD, as follows:

S. 3648

A bill to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following:

"(e) The Secretary shall require that any bus or other rolling stock or any station, terminal, or other passenger loading area for use in mass transportation service which is acquired, improved, or constructed in whole or in part, with Federal funds or under authority of Federal law pursuant to a contract or grant agreement entered into after ninety days following the enactment of this subsection be designed and constructed with features to allow utilization by physically handicapped persons and elderly persons with limited mobility.

"(f)(1) With regard to buses only, a Governor or local public body may satisfy the requirement of subsection (e) by providing alternative transportation service for physically handicapped persons and elderly persons with limited mobility. The alternative service provided shall be sufficient to assure that handicapped persons and elderly persons with limited mobility have available mass transportation service in accordance with standards promulgated by the Secretary. Federal financial assistance under sections 103(e)(4) and 142 of title 23, United States Code, and this Act shall be available for the Federal share of the cost of alternative services authorized by this paragraph.

"(2) Except as provided in paragraphs (3) and (4) of this subsection, the alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (e) only until June 30, 1977, or until such earlier time that buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility become available.

"(3) The alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (e) until such date later than June 30, 1977 (but not later than June 30, 1978) as the Secretary determines to be necessary to achieve the availability of buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility. The Secretary shall make such determination at least ninety days but not more than one hundred and twenty days prior to June 30, 1977, on the record after opportunity for an agency hearing. The Secretary shall report his determination within ten days after making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other relevant information, he concurs with the Secretary's determination.

"(4) If the Secretary determines that additional time after the date determined under paragraph (3) is necessary to achieve the availability of buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility, the Secretary may permit a Governor or local public body to satisfy the requirement of subsection (e) by providing alternative service in accordance with paragraph (1) until one year after the date determined under paragraph (3). The Secretary shall make such determination at least ninety days but not more than one hundred and twenty days prior to the date determined under paragraph (3), on the record after opportunity for an agency hearing. The Secretary shall report his determination within ten days of making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other relevant information, he concurs with the Secretary's determination.".

AMENDMENT NO. 1449

On page 7, line 20, strike out all through page 8, line 6, and insert in lieu thereof the following:

"(c)(1) With regard to buses only, a Governor or local public body may satisfy the requirement of subsection (b) by providing alternative transportation service for physically handicapped persons and elderly persons with limited mobility. The alternative service provided shall be sufficient to assure that handicapped persons and elderly persons with limited mobility have available mass transportation service in accordance with standards promulgated by the Secretary. Federal financial assistance under sections 103(e)(4) and 142 of title 23, United States Code, and the Urban Mass Transportation Act, as amended, shall be available for the Federal share of the cost of alternative services authorized by this paragraph.

"(2) Except as provided in paragraphs (3) and (4) of this subsection, the alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (b) only until June 30, 1977, or until such earlier time that buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility become available.

"(3) The alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (b) until such date later than June 30, 1977 (but not later than June 30, 1978) as the Secretary determines to be necessary to achieve the availability of busses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility. The Secretary shall make such determination at least 90 days but not more than 120 days prior to June 30, 1977, on the record after opportunity for an agency hearing. The Secretary shall report his determination within 10 days of making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other revelant information, he concurs with the Secretary's determination.

"(4) If the Secretary determines that additional time after the date determined under paragraph (3) is necessary to achieve the availability of busses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility, the Secretary may permit a Governor or local public body to satisfy the requirement of subsection (b) by providing alternative service in accordance with paragraph (1) until one year after the date determined under paragraph (3). The Secretary shall make such determination at least 90 days but not more than 120 days prior to the date determined under paragraph (3) on the record after opportunity for an agency hearing. The Secretary shall report his determination within 10 days of making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other relevant information, he concurs with the Secretary's determination."

On page 15, line 16, strike out "(a)".

On page 13, strike out lines 19 and 20.

By Mr. PELL:

S. 3649. A bill to amend the Social Security Act to establish a procedure for the prompt payment of social security benefits to individuals whose social security checks have been lost, stolen, or otherwise delayed, and to expedite hearings and determinations respecting claims for benefits under title II and XVIII of the act. Referred to the Committee on Finance.

SOCIAL SECURITY FAIRNESS

Mr. PELL. Mr. President, today, I am introducing "The Social Security Recipients Fairness Act of 1974". The purpose of this legislation is to remedy the long-standing, unjustifiable, and intolerable delays which social security recipients too often face in receiving their due benefits.

Ever since I have been a Senator I have read letters and listened to my constituents describe to me the economically disastrous and psychologically demoralizing experience of an individual citizen, whose regular benefit check has been lost, stolen, or delayed, caught in the middle between three or four social security and

Treasury Department offices. When a check is delayed, and when that delay is compounded by a prolonged and complicated replacement process, the economic effects on the recipient can be cruel indeed.

The low-income recipient, who relies upon the prompt and regular delivery of the check, must go without food, or medicine, or else delay paying rent, the fuel or phone companies, or other business firms.

The middle-income recipient is not necessarily better off: Let me quote briefly from a recent letter I received:

> I am having real problems as far as keeping up with my mortgage, and my phone has been shut off because I wasn't able to pay it. Also, I have had to cash in my life insurance to keep us going.

All of this because several checks had been delayed. I am sure that every Senator has, on occasion, picked up the phone to attempt to right a wrong of many months standing. Furthermore, I believe that many of our constituents' experiences with delayed checks and many bouts with a balky disability appeals process go unreported. The faith of Americans in their Government is at an all time low, and the many examples of thoughtless and unresponsive bureaucracy which I have encountered in the pursuit of fairness for these recipients are certainly responsible for a measure of that discontent.

This is not the first time that I have spoken in the Senate about the sluggishness of the Social Security System. On February 7, 1972, more than 2 years ago, I called for reform in the processing of benefit claims, and listed what was then a growing roster of cases which were textbook examples of administrative clumsiness.

Today, I am introducing legislation which reflects my ideas and my evaluation of studies which have focused on the social security claims process. This legislation will not call for a further congressional study of the administrative breakdown; rather, I have based it upon the fact that there are some clearly identifiable instances and locations in which the Social Security System works expeditiously. This legislation requires the Social Security Administration to make its whole system work that way. Nothing could be fairer than that.

I am targeting this legislation to the two problems I see most frequently: First, the problem of the tardy replacement of benefit checks which have been lost, stolen, or otherwise delayed. Second is the problem, and in some regions of this country the tragedy, of the enormous administrative delays in the disability appeals process.

LOST, STOLEN, OR DELAYED CHECKS

The most endemic problem I have seen is the delay in issuing benefit checks when a change in client status occurs or when a regularly issued check is lost or stolen. I have recently worked on several cases which clearly illustrate this problem.

Mrs. F. B. and her daughter live in Providence. Mrs. B.'s husband died in May of 1973, and although she properly notified the Social Security Administration, her claim checks were improperly drafted and made for the wrong amount, for several months. After my office interceded, one check was properly drafted, but the next several reverted to the incorrect amount and wrong recipient name. Again, my office interceded, and again, Mrs. B. went on the merry-go-round of one accurate check, followed by a series of unusable drafts. After my third intercession, the checks stopped completely. In February 1974, the situation was corrected, taking 9 months to solve.

Mr. D. was disabled in May 1972. His benefits were supposed to begin in December, 1972, but, as check after check failed to arrive, Mr. D. contacted my office. An investigation failed to locate Mr. D's file in social security's Baltimore headquarters. To complicate matters, each time a call was made to the Social Security Administration, the earlier contact individual had been replaced, or was ill, or on vacation. Mr. D.'s case ostensibly was placed on "critical," "emergency," and then "special claim" status, but the checks did not come. In February of 1974, Mr. D. began to receive some compensation. That case problem took 14 months to resolve.

When Mrs. Y discovered that her monthly check had been stolen from her mailbox, she correctly reported the theft and requested a substitute. That was in February 1973. After repeated requests had brought no result, Mrs. Y. contacted my office, and I was advised in early October 1973, that a substitute check would be delivered to Mrs. Y. during the third week of that month. By November 15, when no check had been received, I called Social Security again. Mrs. Y finally received a check, hand delivered by a member of the Secret Service, on December 3, 1973. Mrs. Y. is on a totally fixed income. She has no resources to cushion the loss of her money, yet it took the SSA and other agencies 10 months to issue a substitute check.

It is hard enough upon the average family when a check is merely delayed, but the experience of Mr. G. S. of Cranston, R.I., illustrates that it may not help to attempt to straighten out the problem.

Shortly before retirement, Mr. G. S. had inquired regarding his level of benefits, and learned that he would receive approximately $388 per month. His first three checks had not arrived when Mr. S. contacted my office. He had already filed the proper notification forms, and, to complicate matters, his wife's medicare premiums, which should have been deducted automatically from her benefit check, could not be paid. When Mr. S. finally received an official looking envelope and opened it, hoping that it was a check, he learned that the couple's medical insurance coverage had been stopped, because the premiums were not being paid. The local Social Security manager conceded that, with inquiries coming in on the case, the solution might have been delayed. In other words, if Mr. S. had not pointed out that the defaulting of medical insurance was Social Security's fault, he might have been reimbursed faster. Mr. S. has still not received his first check: Social Security has now admitted that they have lost his folders.

These examples clearly illustrate that the present operation of this nonsystem is too rigid to meet the completely justifiable emergency needs of the individual social security recipient. My legislation puts the flexibility that is needed into the social security law, so that no person or family will ever again have to wait for more than 4 days for the replacement of a delayed, stolen, or misplaced social security check.

DISABILITY CLAIM HEARINGS AND APPEALS

If one becomes distressed upon reviewing the sorry performance of the Social Security Administration with regard to lost, stolen, or delayed checks, one must still reserve some measure of astonishment for the discrepancies which mark the disposition of disability claim appeals.

I have conducted a thorough study of the disability appeals process, and I have carefully documented an outstanding problem which deserves immediate attention and rectification.

The process by which a claimant must contest a social security disability determination is long and complex: it can also be a costly and arduous route. This is, unquestionably, an area in which much thought needs to be given to the rights of the claimant, and to the proper role of the Social Security Administration. In the legislation I have introduced today, I have pinpointed one shocking aspect of this appeals process; namely, the length of time it takes from the date an appeal is filed, until a final decision is reached. It has been said that "Justice delayed is justice denied." What then, can we say about an appeals process which is able to be routinely completed in 93 days in one region, but which takes 120 days in the Atlanta region, 206 days in the Chicago region, and worst of all, has recently been taking an average of 226 days to complete in New England? The very important question which is resolved for some of our citizens in 93 days, 3 months on the average, takes more than 7 months, or an average of twice as long to be resolved for others. How can the social security bureaucracy be content when such vital decisions are delayed for months beyond the time which is reasonable and proper for a careful determination?

It is edifying to note here that the Railroad Retirement Board which administers a similar disability insurance system for railroad employees maintains a 3-month average for their hearings and appeals process, regardless of the region in which the claim originated.

Last year more than 68,000 persons requested appeal hearings after they were dissatisfied with initial disability decisions made by the Social Security Administration, 61,000 of those appeals were finally adjudicated. Of that number, 31,467 were reversals, that is, findings in favor of the claimant and in opposition to the earlier disability determination.

This means that of the cases which were appealed, more than half were found to have been improperly decided on the local level. I believe that this statistic, in itself, calls for a thorough reappraisal of the initial decision process. What I find shocking in this situation is the enormous disparity in regional efficiency in the determination of this issue. Thousands of disabled Americans wait for months because of unnecessary bureaucratic time wasting. Each month means a loss of badly needed income. Each month of waiting longer than is reasonably necessary represents a tragedy.

Furthermore, there are just average figures. A close study of the figures indicates that 20 percent of the cases in the New England region are more than 289 days old. I can compare this sorry record with the Dallas region, the Nation's most efficient in this regard, in which the average age for the one-fifth longest pending cases is only 163 days. I have explored this interregional time lag, and I can find no reason for it other than the fact that some regional offices, my own region among them, apparently believe that they are not responsible for providing adequate service to the average American. I believe that this cavalier attitude is wrong and must be changed, and I have today introduced legislation which will require that standards of efficiency which can be set by one region must become the standards for all of the regional offices.

Title I of my bill expedites the replacement of lost, stolen, or otherwise delayed social security checks. It would allow a recipient who is due a check, but whose check has not arrived 72 hours beyond its due date, to receive a full value replacement check within 24 hours after filing a claim and notice at their local social security office. Under this regulation, there would be no 7- to 9-week or more delay while another check was issued by another department of the Government. There would be no 6-month delay while a computer was reprogramed. Of course, these bookkeeping procedures would still be carried out, but no longer would they be at the expense of the recipient. A recipient who deserved a check would get one, no more than 4 days late, and I believe that this would represent a great improvement.

Title II of my bill modifies the disability appeals process. This title would put time on the side of the individual claimant. It requires that the hearing and appeals process be completed expeditiously. It stipulates that if the process exceeds 110 days, from the date the request for a hearing was filed until the date a final determination was reached, the claimant would be entitled, from that 110th day on, to the full benefit level he or she claimed. Any benefits paid after that day, later found to be invalid as continuing payments for the adjudicated level of disability compensation, would remain the property of the claimant, and would be assessed as a penalty on the appeals system for delaying the decision process.

Of course, and I want to emphasize this point, unnecessary delays which were the responsibility of the claimant, such as missing hearing appointments without a valid reason, would not be considered in the calculation of 110 days.

Mr. President, I believe that compelling reasons exist for the timely and thorough consideration of this legislation. This legislation would put some balance, some fairness, if you will, into the relationship between an individual and the Social Security Administration.

Mr. President, I request unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Social Security Recipients Fairness Act of 1974"

TITLE I—REPLACEMENT OF LOST, STOLEN, OR DELAYED CHECKS

Section 205(q) of the Social Security Act is amended to read as follows:

"EXPEDITED BENEFIT PAYMENTS"

"(q)(1) The Secretary shall establish and put into effect procedures under which expedited payment of monthly insurance benefits under this Title will, subject to paragraph (4) of this subsection, be made in the manner prescribed in paragraphs (2) and (3), of this subsection.

"(2)(A) Not later than one day after the date an individual files (with the official and at the place prescribed under regulations of the Secretary) a completed application (described in subparagraph (B)), the Secretary shall certify for payment and cause to be made to such individual the monthly insurance benefit payment alleged in such application to be due to such individual, unless information known to the Secretary indicates that a material allegation made in the application is untrue or for other reasons such individual is not entitled to such benefit payment, in which case, the Secretary shall apprise such individual of such information.

"(B) The application referred to in subparagraph (A) shall contain:

"(i) the name, address, and social security number of the applicant,

"(ii) an allegation that, one or more monthly benefit payments due and payable to the applicant have not been received by the applicant as of the date of the filing of the application, and are at least seventy-two hours overdue, together with the date that each such payment was due,

"(iii) an allegation that the applicant is entitled to such benefit, and,

"(iv) such other data or information as the Secretary shall by regulations prescribe.

"(3) Any payment made pursuant to a certification under this subsection shall not be considered an incorrect payment for purposes of determining the liability of the certifying or disbursing officer.

"(4) For purposes of this subsection, benefits payable under section 228 shall be treated as monthly insurance benefits payable under this title."

SEC. 2. The amendment made by the first section of this Act shall be effective in the case of applications filed and written requests filed, under section 205(q) of the Social Security Act, on and after the first day of the first calendar month which begins more than sixty days after the date of enactment of this Act.

TITLE II—EXPEDITING OF HEARINGS AND DETERMINATIONS

Part A of title XI of the Social Security Act is amended by inserting, immediately after section 1123, the following new section:

"SEC. 1124. (a) In the administration of the programs established by title II and title XVIII, the Secretary shall establish procedures designed to assure that—

"(1) any duly requested hearing to which an individual is entitled thereunder will be held within a reasonable period of time after such hearing is so requested, if such hearing is requested with respect to a determination of the Secretary (A) as to the entitlement of such individual to monthly insurance benefits under title II and title XVIII or the amount of any such benefit, (B) which is described in section 1869(b)(1).

"(2) not later than 110 days after any hearing (described in paragraph (1)) is duly requested, the Secretary will render a final determination on the issues which were the subject of such hearing, or if no final determination of the Secretary has been made at that time, the Secretary shall make payments of benefits to such individual in like manner as if a final determination.

"(3) No payments to an individual shall be made under paragraph (2) for any period after a final determination of the Secretary has been made (after a hearing on the matter) denying the claim of such individual.

"(4) Any payments made pursuant to paragraphs (2) and (3) shall not be considered to be an incorrect payment for purposes of determining the liability of the certifying or dispursing officer who makes or authorizes such payment to be made.

"(5) Any payment made pursuant to paragraphs (2) and (3) shall be nonrefundable and shall remain the property of the individual."

By Mr. DOMENICI:

S. 3650. A bill to authorize the Secretary of Transportation to make certain highway improvements in order to more effectively carry out the purposes of the Navajo Indian irrigation project, New Mexico. Referred to the Committee on Public Works.

Mr. DOMENICI. Mr. President, the Navajo Indian irrigation project, authorized in 1962, is designed to furnish irrigation water over a 10-year period, to 110,630 acres of land, both on and adjacent to the Navajo Reservation in New Mexico. Irrigation of this land will provide a means of self-support for 850 Indian families on the farm units and will create employment for an additional 1,700 families. It is further estimated that the project will provide a substantial part of the livelihood for about 17,000 of the Navajo people directly from the on-farm operations, and for an additional 10,000 people from the agriculturally oriented industries required by the development of the project.

Construction and development of the project are proceeding pretty much on schedule. Both the Congress and the administration, in recognition of the vast potential of this project to benefit the Navajo Nation as well as the entire country, are continuing to make good on commitments made by the Congress by the law enacted in 1962 (Public Law 84–483), which will total approximately $280 million by the time the project is completed.

So far the picture is good and the vast potential I have referred to would seem well on the way to realization. Unfortunately, a situation exists which will severely impede the realization of this potential and drastically diminish its benefits. At the time of the initial authorization, and in fact up until only very recently, this situation had not been recognized as the grave limiting factor it will be as the project is completed and as production from the project becomes a reality.

The situation I refer to is the poor condition and the extremely limited carrying capacity of the highway system in this area. These highways provide the only ground transportation for the Navajo Reservation, and, in fact, the entire Four Corners area.

The existing roads are inadequate to meet the transportation and safety needs of this area today even without the staggering increase in transportation needs that will be generated by the Navajo irrigation project.

Let me cite a few of these figures to illustrate this point:

First. The first 10,000 acres of irrigated land will be ready for planting by 1976. At that time, 8,000 acres will be planted in barley, 500 in potatoes, and 500 in corn. First-year production is estimated at 25,340 tons, or 1,267 truckloads of 20 tons each; and

Second. By the time that this irrigation project is completed, this area will be producing 750,000 tons of agricultural products annually. If all the trucks needed just to transport this amount of produce to market were lined up bumper to bumper, they would stretch over 250 miles. Keep in mind that these figures do not reflect the total amount of traffic associated with this agricultural project. Supply and service facilities, feed lots, and agrabusiness in this area will more than double the traffic associated with marketing the produce alone.

I believe that the Navajo Indian irrigation project in and of itself would present sufficient justification for increased road construction expenditures, but, in addition, the Navajo Tribe would benefit in still another way. At present, the Navajo Nation has leased coal mining rights so that seven coal gasification plants will be constructed and operated on the reservation.

Just as the irrigation project will benefit the Navajos economically, so too will these gasification operations. The first such facility, known as the Burnham Complex, should be in operation by mid-1975. Although this will be one of the smallest, this facility will bring between 800 and 1,000 new families into the area, and generate a payroll of as much as $70 million annually. Construction of the Burnham Complex will require 240 workers, which will include a sizable number of Navajo Indians. The Navajos have also been guaranteed employment opportunities when this facility is in operation.

These seven gasification projects will also insure an increase in income to the Navajo Nation which will accrue from the leasing of coal fields and from royalty payments.

Although these facilities will greatly benefit the Navajos, they will certainly actuate a tremendous increase in traffic flow both on and around the Navajo Reservation.

Again, looking at the Burnham Complex, construction during 1974–75 will entail some 54,000 tons of construction materials and equipment moving into that project site. In this case, however, the project will be severely hampered if the main road into the area is not upgraded. In fact, the use of the word "road" here is perhaps a misnomer. This State Highway 371, for the most part, amounts to little more than an unpaved, rutted trail.

From this illustration, it is obvious that the coal gasification projects will add still greater demands to the Navajo Nation's antiquated highway system, and act to decrease the economic gains which the Navajos will derive from their irrigation project.

Mr. President, the Congress of the United States, representing all the people of this great Nation, must continue to honor the trust relationship our country has to its Indian people. This is a sacred obligation that is no better illustrated than by the creation and follow through on the Navajo irrigation project.

The irrigation project is also an example of another principle that governs the relationship between the Government and Indian people. That principle, Mr. President, is our obligation to help provide the means by which Indian people may achieve true self-determination. The economic and employment benefits to be derived from the irrigation project will go a long way toward realization of self-determination and self-sufficiency by the Navajo Nation, this country's largest Indian tribe.

In view of what we have already committed, Mr. President, in recognition of both these fundamental principles, it would be shortsighted to fail to provide the means for maximum achievement.

The bill I introduce today would provide that means—it would underwrite the expansion and improvement of the highway to meet the growing transportation needs I have outlined above.

However, it will not pay the whole cost of the needed road improvements. The New Mexico State Highway Department has estimated the total cost at $62.5 million. Current plans for allocations of State and Federal highway funds for the next 5 years include only $12.5 million for the roads in question. This bill would authorize $25 million over 5 years, only half of the amount needed to supplement the normal highway funds. The rest will come from the people who stand to benefit: the Navajo Nation, the industries developing the mineral resources of the Navajo Reservation, and the communities served by the roads. This is not wishful thinking; the organization has been set up and some hard talk has already taken place about what needs to be done and who will help pay for it. I am convinced that we will be able to forge a rare partnership of Government and private efforts for the benefit of the entire Nation.

I fully realize that this method of financing highway construction is a highly unusual legislative initiative. But—unique situations frequently require unique initiatives and for the many reasons I have outlined, this is one of those unique situations. We have here the opportunity and indeed the obligation to bring the Navajo irrigation project to fruition with maximum benefits. It also provides an opportunity to increase substantially the Nation's supply of agriculture products and energy, both in such great need not only in this country, but throughout the world. To me, our duty is clear; we mst act and this bill provides the vehicle for effective action. Accordingly, I urge its immediate hearing by the appropriate committee and rapid completion of the legislative process.

Mr. President, I ask unanimous consent that the text of my bill for improving these highway facilities be included in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Transportation, after (1) consultation with the Secretary of the Interior and (2) entering into necessary arrangements with the State of New Mexico, shall make such improvements in approximately 200 miles of New Mexico State Highways numbered 44, 666, and 371, as are necessary to provide improved transportation facilities in order to more effectively carry out the purposes of the Navajo Indian Irrigation Project, authorized by Public Law 87–483, approved June 13, 1962 (76 Stat. 96), including industrial development in the area.

Sec. 2. There is authorized to be appropriated out of the Highway Trust Fund for the purposes of this Act not to exceed $5,000,000 for the fiscal year beginning July 1, 1974, and each of the succeeding four fiscal years. Amounts appropriated pursuant to this section shall remain available until expended.

ADDITIONAL COSPONSORS OF BILLS

S. 3492

At the request of Mr. Brock, the Senator from Oregon (Mr. Hatfield), the Senator from Wyoming (Mr. Hansen), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Maryland (Mr. Mathias) were added as cosponsors of S. 3492, a bill to prohibit discrimination on the basis of sex or marital status in the granting of credit.

S. 3516

At the request of Mr. Brock, the Senator from Virginia (Mr. William L. Scott) was added as a cosponsor of S. 3516, a bill to provide for the issuance of special series of postage stamps, in conjunction with the Bicentennial celebration of the United States, depicting the flag of each of the 50 States, Guam, the District of Columbia, Puerto Rico, and the Virgin Islands.

S. 3517

At the request of Mr. Brock, the Senator from Virginia (Mr. William L. Scott) was added as a cosponsor of S. 3517, a bill to provide for the issuance of special series of postage stamps for the Bicentennial celebration depicting an historical event or individual for each of the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

S. 3525

At the request of Mr. Curtis, the Senator from New Mexico (Mr. Montoya), and the Senator from Colorado (Mr. Dominick) were added as cosponsors of S. 3525, to amend Public Law 88–482, of August 22, 1964.

S. 3582

At the request of Mr. Ribicoff, the Senator from New Mexico (Mr. Montoya), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 3582, to extend food stamp eligibility for SSI recipients.

SENATE RESOLUTION 340—SUBMISSION OF A RESOLUTION RELATING TO INTERNATIONAL WHEAT AGREEMENT CONFERENCE

(Referred to the Committee on Foreign Relations.)

Mr. HUMPHREY. Mr. President, protocols for the extension of the International Wheat Agreement soon will be coming before the Senate.

Members of the Senate will recall that the Senate ratified the present International Wheat Agreement on July 12, 1971. The protocols soon to come before the Senate extend the agreement for 1 additional year.

The Senate voted 78 to 0 in July of 1971 to ratify the present agreement. A part of the Senate action was to pass Senate Resolution 136, which directed the administration to return to the negotiation table for the purpose of getting reinstated into the agreement provisions concerning pricing arrangements, reference wheats and basing points—points of shipment.

Although the Senate unanimously enacted this sense of the Senate resolution at the time it ratified the present International Wheat Agreement, the administration has done nothing to follow the direction.

Therefore, Mr. President, I am today reintroducing the language of Senate Resolution 136 on behalf of Senator McGee and myself. It is time that we bring some order to the chaotic international trading situation in wheat—some stability which will assure protection both to producers and consumers.

A meaningful agreement will iron out the fluctuations in the market, assuring farmers of being treated equitably and fairly, and providing consumers adequate supplies of wheat and its products at stable and reasonable costs.

The present agreement has one redeeming feature. It has a Food Aid Convention, under which developed countries have agreed to make contributions of wheat, coarse grains, or products derived therefrom to developing countries.

The United States has a commitment of 1.9 million metric tons under the convention and other developed countries also are participants. But the provisions which have made past wheat agreements practical and useful instruments in the conduct of international trade between both exporting and importing countries do not exist in the present agreement.

The agreement, as it now stands, is a mere statement of the good intention among the major wheat traders of the world. The disturbing aspect of such an agreement is that it does not come to grips with the problems of the trade—problems which inspired the original wheat agreement more than 20 years ago, and which have kept it alive all these years.

Recognizing the shortcomings of the present agreement, its drafters had the good judgment to provide the mechanism through which continuing negotiations could take place to provide needed pricing provisions, reference wheats and basing points—points of shipment. This was accomplished under article 21 of the agreement. Article 21 provides that the International Wheat Council shall examine the questions of prices and related rights and obligations of the signators to the agreement when it is judged that these matters are capable of successful negotiation. The Wheat Council is specifically authorized, under article 21, to request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference.

That is the purpose of the resolution that I introduce today. It expresses the sense of the Senate that the President should request the International Wheat Council, at the earliest possible date, to ask the Secretary-General of UNCTAD to convene a negotiating conference as provided in article 21 of the IWA.

Reports from a recent conference of the International Federation of Agricultural Producers attended by representatives of more than 40 nations indicate that broad agreement exists for renewing efforts to negotiate meaningful pricing provisions. They recognize that international commodity agreements without minimum price features are little more than statements of good faith. An agreed range of price movement with an established minimum price would help to stabilize the world market and protect all concerned.

International representatives of producers are increasingly mindful that the world is shrinking, both politically and economically. The need to expand world trade in agricultural commodities has, in a real sense, internationalized farmers' problems. No longer can a nation ignore urgent economic concerns of producers in other countries. Where the same crops are grown under different terms and conditions, it is imperative that accord be reached if orderly trade expansion is to continue.

Western European countries are criticized for high price support levels and the maintenance of a policy of price support designed to keep 12 to 14 percent of their population engaged in agricultural production. These policies are promulgated out of political and economic considerations. The U.S. Congress also continues to take action to protect primary producers out of political and economic concerns. Such policies will continue.

The proper route to expanding trade is not trade war, but trade negotiation and agreements.

This Nation—both from a consumer and farmer standpoint—would have benefited greatly during the past 2 years, noted by tight international wheat supplies and the huge Soviet wheat deal, if we had reached agreement on wheat to be traded with some accord on prices.

I ask the Senate to review carefully the course of action I am calling for here today. And I ask my colleagues to look in retrospect over the past 2 years at the advantages a meaningful international agreement would have given this Nation in the management of its wheat sales.

Mr. President, the Foreign Relations Committee report on the protocol, recommending a 1-year extension of the wheat agreement, reiterates the need for negotiations on the provisions of the resolution at the earliest possible time.

I offer this resolution because I believe that the wheat agreement as it comes to the Senate can and needs to be improved upon.

The Senate should not proceed to give its advice and consent to an extension of the agreement, without pointing out the urgent need to correct an obvious deficiency.

Mr. President, the text of the resolution that I am introducing today follows:

S. Res. 340

Resolved, That it is the sense of the Senate that the President should request the International Wheat Council, at the earliest possible date, to request the Secretary-General of UNCTAD to convene a negotiating conference as provided in article 21 of the International Wheat Agreement, concluded at Geneva on February 20, 1971, with a view toward the negotiation of provisions relating to the prices of wheat and to the rights and obligations of members in respect of international trade in wheat.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 339

At the request of Mr. Hugh Scott, his name, and the name of the Senator from North Dakota (Mr. Young), were added as cosponsors to Senate Resolution 339, expressing gratitude to Dr. Henry Kissinger for his efforts in the cause of world peace, and confidence in his sincerity, integrity, and veracity.

At the request of Mr. Allen, the Senator from Alaska (Mr. Stevens), the Senator from Connecticut (Mr. Ribicoff), the Senator from Rhode Island (Mr. Pell), the Senator from Missouri (Mr. Eagleton), the Senator from South Dakota (Mr. Abourezk), the Senator from Colorado (Mr. Dominick), the Senator from Louisiana (Mr. Long), the Senator from Indiana (Mr. Bayh), and the Senator from Wyoming (Mr. McGee) were added as cosponsors of Senate Resolution 339, supra.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 88

At the request of Mr. Nelson, the Senator from Louisiana (Mr. Johnston), the Senator from South Dakota (Mr. McGovern), the Senator from Wyoming (Mr. McGee), the Senator from Iowa (Mr. Clark), the Senator from Illinois (Mr. Stevenson), the Senator from Maine (Mr. Hathaway), the Senator from New Hampshire (Mr. McIntyre), the Senator from Nevada (Mr. Cannon), the Senator from Texas (Mr. Bentsen), and the Senator from Utah (Mr. Moss) were added as cosponsors of Senate Concurrent Resolution 88, relative to national economic emergency.

AMENDMENT OF RAIL PASSENGER SERVICE ACT OF 1970—AMENDMENT

AMENDMENT NO. 1446

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. MOSS submitted an amendment, intended to be proposed by him, to the bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes.

TEMPORARY INCREASE IN THE PUBLIC DEBT—AMENDMENTS

AMENDMENT NO. 1447

(Ordered to be printed, and to lie on the table.)

TUITION TAX CREDIT

Mr. RIBICOFF. Mr. President, I introduce with the distinguished Senator from Colorado (Mr. DOMINICK), the Senators from South Carolina (Mr. HOLLINGS and Mr. THURMOND), the Senator from Texas (Mr. TOWER), the Senator from Maryland (Mr. MATHIAS), and the Senator from New Jersey (Mr. CASE), an amendment to H.R. 14832 to provide tuition tax credits for the expense of higher education. The Senate has passed similar proposals three times before, most recently in 1971. Unfortunately the House has each time failed to follow the Senate's lead.

Today the need for this amendment is greater than ever before. College costs have not stabilized since we last acted on this proposal. In fact they increased 5 percent over the past year alone. In the last 5 years the cost of a public college education has risen 26 percent and a private college education 27 percent.

If you want your child to go to an ivy league college, you can expect to spend $5,000 each year. While public college costs are not that high, they are still far from inexpensive. One year at the University of Connecticut, UCLA, Minnesota or Michigan, for example, will cost about $2,000.

I ask unanimous consent that a chart listing the cost of several colleges for 1973–74 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Undergraduate enrollment	Tuition, fees, room and board	Additional for-out-of staters
Akron University	10,550	$1,195	$960
Alabama University	11,425	1,385	510
Amherst	1,230	4,355	
Antioch	2,450	4,675	
Arizona State	18,900	1,300	890
Arkansas University	10,500	1,350	530
Auburn	13,800	1,375	525
Ball State	16,000	1,665	630
Boston University	12,900	4,267	
Bowling Green	13,200	1,875	1,143
Brigham Young	25,500	1,755	
California University (Los Angeles)	28,610	1,925	1,500
California State (Chico)	10,300	1,358	1,110
Central Michigan	12,200	1,682	640
Cincinnati	18,400	1,914	945
Cleveland State	11,850	1,890	690
Colorado University	16,800	1,787	1,319
Columbia	2,600	4,778	
Connecticut University	16,000	1,795	1,250
Cornell University	11,330	4,765	
Delaware University	11,200	1,670	575
Eastern Michigan	13,000	1,405	848
Florida University	18,500	$1,815	$1,050
Florida State	16,500	1,670	1,050
Georgia University	16,300	1,519	720
Georgia State	12,600	1,657	900
Harvard	54,700	5,025	
Houston University	15,900	1,371	860
Illinois University	24,000	1,811	990
Iowa University	13,200	1,734	630
Iowa State	15,825	1,470	630
Kansas University	14,500	1,486	790
Kansas State	12,800	1,490	590
Kent State	19,500	1,878	1,200
Kentucky University	20,000	1,340	730
LSU	17,000	1,104	630
Mankato State College	11,050	1,293	396
Maryland	24,500	1,793	1,000
Massachusetts University	17,320	1,758	600
MIT	4,700	5,007	
Memphis State	11,550	1,548	720
Michigan University	20,500	1,994	1,564
Michigan State	33,415	1,818	855
Minnesota	42,000	2,048	906
Missouri University	17,100	1,480	1,000
Nebraska	17,000	1,623	1,000
New Mexico University	14,000	1,536	828
New York City (City)	11,800	[1]116	900
North Carolina University	12,460	1,452	1,575
North Carolina State	10,170	1,442	1,560
North Texas State	10,300	1,368	1,080
Northeastern University	15,000	3,472	
Northern Illinois	20,980	1,648	670
Notre Dame	6,600	3,700	
Ohio State	33,675	2,094	1,050
Ohio University	15,800	2,064	1,200
Oklahoma University	12,200	1,475	1,280
Oregon University	11,850	1,529	1,059
Oregon State	13,000	1,480	1,059
Penn State	38,200	1,995	1,131
Pittsburgh	15,000	2,366	900
Princeton	4,160	4,735	
Puerto Rico University	37,000	865	
Purdue	20,700	1,840	900
Rutgers	13,980	2,024	584
St. John's (New York)	13,000	[1]2,120	
South Carolina	12,360	1,550	638
South Florida	14,000	1,656	1,050
Southern Illinois University	18,000	1,703	858
Temple University	13,100	2,400	900
Tennessee University (Knoxville)	19,500	1,509	720
Texas University	40,000	1,392	1,080
Texas Tech	20,000	1,226	1,080
Utah University	17,300	1,503	675
Virginia Poly	15,000	1,487	600
Wayne Stage University	15,730	1,668	1,190
Western Michigan University	15,000	1,685	600
Wichita State	13,300	1,398	590
Wisconsin University	21,700	1,688	1,348
Yale	4,900	5,000	

[1] No housing.

Source: Business Week July 7 1973.

Mr. RIBICOFF. The Office of Education has estimated the average cost of a year at a public college in 1973–74 will be $1,492. A year at a private institution for the same period will cost an average of $3,281. At these rates a parent sending a child to college this last fall can expect to spend anywhere from $5,000 to $20,000 before a bachelor's degree is awarded.

Who can afford those prices? Not many people. The very wealthy may be able to absorb these constant increases and the very poor may still qualify for scholarships and grants. The children of the middle class, however, are slowly being eliminated from the college market. Their parents' income is too high for scholarship help, but too low to meet tuition. Unless families are willing to go deep into debt, many young students are going to be prevented from attending the school of their choice.

The Federal student loan programs were designed to help these students, but so far have failed. The combination of high interest rates, insufficient Federal funding and bureaucratic snags have resulted in fewer students receiving loans this year than last year.

The loan programs simply do not provide enough help. As a result, this year, more than ever before, we need to enact a tuition tax credit bill.

Under our proposal a maximum tax credit of $325 would be allowed for each student.

The credit would be computed on the basis of 100 percent of the first $200 of qualifying expenditures for tuition fees, and books; 25 percent of the next $300; and 5 percent of the subsequent $1,000. No credit would be allowed for student costs above $1,500.

The resulting credit would be allowed against the Federal income tax of any person who paid the expense of education for himself or another person at a qualified education institution. Because we believe that students should be allowed to seek the type of higher education they believe suits them best, vocational, technical and business schools as well as colleges, universities, and graduate schools will be covered.

The credit would begin to be phased out when the taxpayer's adjusted gross income reached $15,000. Two percent of the amount by which a taxpayer's adjusted gross income exceeded $15,000 would be deducted from the credit available to that taxpayer. Thus, no taxpayer with an income above $31,250 would be eligible for a credit.

I ask unanimous consent that a chart detailing the distribution of the tax credit be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVAILABILITY OF TUITION CREDIT BY AMOUNT OF QUALIFIED EXPENSES AND INCOME LEVEL (PER STUDENT)

Qualified expense	Adjusted gross income					
	$10,000	$15,000	$20,000	$25,000	$30,000	$35,000
$100	$100.00	$100.00	0	0	0	0
$200	200.00	200.00	$100.00	0	0	0
$300	225.00	225.00	125.00	$25.00	0	0
$400	250.00	250.00	150.00	50.00	0	0
$500	275.00	275.00	175.00	75.00	0	0
$750	287.50	287.50	187.50	87.50	0	0
$1,000	300.00	300.00	200.00	100.00	0	0
$1,250	312.50	312.50	212.90	112.50	$12.50	0
$1,500	325.00	325.00	225.00	125.00	25.00	0

Mr. RIBICOFF. I cannot emphasize too strongly the need for passage by the Senate and the full Congress of this amendment. While it is not the final answer to the issue of financing higher education, it will allow thousands of American families and students to meet rising college costs. It will mean that the

American dream of higher education does not turn into a modern American nightmare.

AMENDMENT NO. 1448

(Ordered to be printed, and to lie on the table.)

Mr. RIBICOFF. Mr. President, on May 14 Senators MAGNUSON and I as well as a number of other Senators introduced an amendment to H.R. 8217 to repeal the oil depletion allowance. Since that time the Senate leadership as well as the chairman of the Senate Finance Committee have asked that major tax proposals be considered as amendments to the debt ceiling bill. For that reason we are reintroducing our amendment today as an amendment to the debt ceiling bill, H.R. 14832.

Since we introduced our amendment, support has grown for repeal of the depletion allowance.

At this time the following Senators are officially listed as cosponsors of our amendment to H.R. 8217:

Ribicoff, Magnuson, Pastore, Aiken, Bayh, Case, Clark, Hart, Humphrey, Jackson, Kennedy, and McIntyre.

Mondale, Williams, Metzenbaum, Tunney, Proxmire, Nelson, Moss, Hughes, Muskie, Stevenson, Brooke and McGovern.

Every other business can deduct from its gross sales only the actual cost of replacing the goods it sells. Oil companies, however, can deduct 22 percent of their gross revenues from their taxable income, whether or not this deduction bears any relation to the actual cost of replacing the oil sold.

As a result, American taxpayers have been paying the oil companies billions of dollars a year through tax subsidies for the oil industry. The industry saved about $705 million in U.S. taxes in calendar year 1971 because of the oil depletion allowance. It has been estimated that because of rising prices this provision will cost the U.S. taxpayer $2.6 billion in fiscal year 1975.

The Senate will soon be considering a tax cut proposal to stimulate the economy and provide much needed relief for the already overburdened taxpayer. I support this tax cut to help taxpayers regain some of the earning power they have lost through inflation.

I can think of no better way to raise the money to pay for this tax cut for workingmen and women than to remove this special oil interest tax advantage and require the oil companies to pay their fair share of taxes.

The major oil companies' profits are skyrocketing and each of us is paying the price of these profits at the filling station and at tax time.

Look at the record. In the first 3 months of 1974 Exxon's profits were $708 million—39 percent above the same period in 1973.

Texaco's profits rose 123 percent to $589 million. Gulf Oil and Standard Oil of Indiana's profits were up 75 percent. Skelly Oil's profits were up 97 percent. And Occidental's profits were up 817 percent.

It is unconscionable to allow these companies to reap such dividends at the expense of every working American. While the workingman in the lowest income tax bracket pays 14 percent of his income in taxes, four of the largest oil companies paid U.S. income taxes at an average rate of 2.89 percent. Aramco, the Middle-Eastern consortium of giant oil companies paid U.S. taxes at a rate of one-tenth of 1 percent.

Texaco paid 1.7 percent and Mobil 1.3 percent on incomes of $1.3 billion. These tax breaks helped the industry's profits climb 52 percent over last year to their highest levels ever.

Clearly the percentage depletion allowance is costing billions of dollars.

Is it serving any useful purpose? I strongly believe percentage depletion serves no useful purpose.

Depletion allowances were originally enacted to enable oil companies to subtract from their income a suitable amount to cover the loss which occurs as an oil well wears out or exhausts its supply. The original depletion allowance was called cost depletion. The law was based on the cost of what the oil company actually lost. It was similar to depreciation provisions which most businesses utilize. In the 1920's however, the law was changed, with the support of the oil companies, to allow the companies to subtract a set percentage of their income in computing taxes—originally 27½ percent and now 22 percent.

Today the allowance has little to do with actual costs of depletion, is costly, wasteful, misdirected, and discourages the diversification of our energy resources.

1.THE OIL DEPLETION ALLOWANCE IS COSTLY

In calendar year 1971 the allowance cost taxpayers over $700 million. With rising oil prices it is estimated that it will cost the taxpayers nearly $3 billion in 1975. This is because the allowance is based on income. Thus, as prices and profits skyrocket, so does the depletion allowance. Instead of paying more taxes on more income, the oil companies pay less.

2. THE DEPLETION ALLOWANCE IS A WASTE OF MONEY

Most of the benefit of depletion goes to foreign operations and to people who cannot and do not produce oil. A landowner who receives royalties from an oil company gets the benefits of percentage depletion. But this landowner has nothing to do with exploring or drilling for new oil. In 1968 a major Treasury Department study—the CONSAD study—concluded that 42 percent of the depletion allowance goes to such nonoperating interests in domestic production or to foreign oil producers.

3. PERCENTAGE DEPLETION DOES NOT ENCOURAGE EXPLORATION

That portion of the depletion allowance which goes to domestic oil producers does not encourage exploration.

Since only 10 percent of the exploratory wells strike oil, depletion benefits only a small portion of the high-risk drilling. Oil companies prefer to spend money drilling in existing oilfields to be certain of receiving the oil depletion subsidy. The main effect of the allowance is to encourage overdrilling in known oilfields. A producer can use the allowance to wipe out a maximum of 50 percent of net income on a well before tax computation. This means that the biggest benefit of the subsidy goes to the most profitable wells.

The allowance may actually operate to discourage producers from operating less profitable or marginal wells. The stripper well operator, producing less than 10 barrels a day, gets the short end.

He is forced to pump the wells he has while the big companies can close down their marginal wells and skim the cream off their profitable wells. With generous tax laws such as the depletion allowance, the big companies have more money to buy up and gain control of most of the stripper well operations.

4. DEPLETION ALLOWANCE DISCOURAGES DIVERSIFICATION OF U.S. ENERGY RESOURCES

The United States is too dependent on oil. Yet this misdirected tax subsidy discourages the production of cheaper and more abundant sources of energy. First of all, depletion benefits for minerals are based on the value of those minerals in the ground and not in their final processed form. Thereafter, a $7 barrel of crude oil gets the full benefits of the depletion allowance while a $7 barrel of oil made from coal will only receive depletion benefits on the value of the original coal. Since coal costs less than oil, the bulk of the $7 cost of liquified coal lies in processing expenses. These do not qualify for depletion.

At present then, a company producing a $7 barrel of crude oil gets a tax bonus of about $1.30. A company producing the same $7 barrel of oil from coal liquefication would rescue a bonus from the taxpayers of only 10 cents. Those who develop solar energy or a more efficient gas engine would receive no bonus at all.

In sum, the depletion allowance discourages the development of alternative energy resources, provides benefit to producers of foreign oil, pays dividends to foreign and domestic landowners to just sit back and collect royalties. And it gives most of its benefits to the large integrated oil companies and not independents.

I am pleased to note that the Ways and Means Committee has decided to recommend repeal of the percentage depletion allowance. However, the slow phaseout of the allowance contemplated by that committee would have no effect in 1974. Our proposal would return significant revenues to the Public Treasury rather than turning them over to an industry whose profits rose 55 percent in 1973 while the consumer paid the price.

I urge my colleagues to join with me in removing the percentage depletion tax loophole.

AMENDMENT NO. 1450

(Ordered to be printed, and to lie on the table.)

SUPPLEMENTAL SECURITY INCOME ADJUSTMENTS AMENDMENT

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators MONDALE, HATHAWAY, MCGOVERN, TUNNEY, PELL, MONTOYA, ABOUREZK, HART, and RIBICOFF, I am introducing today the supplemental security income adjustments amendment to H.R. 14832, the debt limit bill.

The elderly, the blind, and the disabled have been particularly hard hit by the double digit inflation that has wracked our economy during the past year.

As chairman of the Consumer Economics Subcommittee of the Joint Economic Committee, I have closely followed the staggering increases in the cost of living and have seen how it has affected these people. They have seen the prices they pay for food explode 40 percent, their rents rise by 18 percent, and vital medical care costs jump by 22.5 percent, all during the last 4 years. And these, the most inflationary items in the American market basket, take a much larger portion of the income of the supplemental security income—SSI—beneficiary than of the average American family.

This amendment, which is virtually identical to S. 3339 which I introduced on April 10, would provide an automatic cost-of-living escalator provision to Supplemental Security Income payments.

I believe that its enactment is vital in protecting the purchasing power of SSI recipients from the income reducing effects of inflation.

The protection of the real buying power of benefits received under the SSI program which would result from adopting the proposed escalator is certainly necessary. Congress endorsed this principle when it provided such an automatic cost-of-living adjuster to social security benefits. It is time we extended this income security feature to the estimated 5.1 million Americans who are expected to receive SSI benefits when the program is in full operation. Certainly the 3.8 million elderly poor and the 1.3 million blind and disabled citizens participating in this program require the same protection from inflation as the regular social security recipient.

If the commitment made by Congress, that these people would be guaranteed a certain minimum standard of livng in their adversity, is to have any meaning at all, protection of the buying power of their benefits from a shrinking dollar must also be assured. As I see it, the automatic cost of living escalator for SSI, a concept endorsed by the President, is the proper way to accomplish this objective.

The administration has projected the cost of the SSI escalator for the next 5 years in the appendix to the fiscal year 1975 budget. According to the Office of Management and Budget estimates, it would have no cost in fiscal year 1975, since a legislated increase was enacted, $360 million in fiscal year 1976, $750 million in fiscal year 1977, and the same in fiscal year 1978, and $1,450 million in fiscal year 1979. Of course, estimates of this kind are very tentative, since they are tied so directly to the rate of inflation. But regardless of the exact cost, the estimated first-year spending increase of $360 million would be substantially less than 7 percent of the total cost of SSI in that year. The data in the fiscal year 1975 budget indicate to me that not only is the provision of the cost-of-living escalator for SSI benefits desirable, but it is something that our Nation surely can afford to do.

And, Mr. President, given the existence of the automatic escalator for social security, unless we pass the legislation I am proposing in this Congress, we could end up next year providing increases in social security checks that are, for millions of people, completely offset by a parallel reduction in the value of their SSI check.

Therefore, I believe that in order to truly fulfill our obligation to those in the SSI program, and to prevent an unpardonable hardship on individuals who are provided with SSI in addition to regular social security benefits, the supplemental security income adjustments amendment which I have introduced needs to be enacted.

Mr. President, I ask unanimous consent that the full text of this amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT NO. 1450

At the end of section 2, add the following new section:

"Sec. 3. (a) Section 1611 of the Social Security Act (as enaced by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a)(1)(A), by insertin "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under secton 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"Sec. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections) which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).

"(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof 'ar amount equal to 50 per centum of the amount specified in section 1611(a)(A).'

"(d) This amendment shall become effective on July 1, 1974, or (if later) on the first day of the first calendar month which begins after the date of enactment of this amendment."

AMENDMENT NO. 1451

(Ordered to be printed, and to lie on the table.)

SINGLE TAXPAYER EQUITY AMENDMENT

Mr. HUMPHREY. Mr. President, today I am introducing the single taxpayer equity amendment as an amendment to H.R. 14832—the debt limit bill.

This amendment is identical to amendment number 1429 to H.R. 8217, which I introduced on June 10. A discussion of my amendment can be found on page S. 10123 of the June 10 Congressional Record.

Mr. President, I ask unanimous consent that the full text of this amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT NO. 1451

At the end of Section 2, add the following new section:

"Sec. 3. (a) Section 1 of the Internal Revenue Code of 1954 (relating to rates of tax on individuals) is amended—

(1) by striking out subsections (b) and (c);

(2) by redesignating subsection (d) as (b); and

(3) by striking out so much of subsection (a) as precedes the table therein and inserting in lieu thereof the following:

"(a) "General Rule.—There is hereby imposed on the taxable income of every individual, other than an individual to whom subsection (b) applies, a tax determined in accordance with the following table:".

(b) Section 2 of such Code (relating to definitions and special rules) is amended—

(1) by striking out subsections (a) and (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (a), (b), and (c), respectively.

(c) Sections 511(b) (1) and 641 of such Code are each amended by striking out "section 1(d)"; and inserting in lieu thereof "section 1(b)".

(d) Section 6015 (a) (1) of such Code is amended to read as follows:

"(1) the gross income for the taxable year can reasonably be expected to exceed $10,000 ($5,000, in the case of an individual subject to the tax imposed by section 1 (b) for the taxable year); or".

(e) the amendments made by this section shall apply to taxable years beginning after December 31, 1973.

(f) The Secretary of the Treasury or his delegate shall prescribe and publish tables reflecting the amendments made by this section which shall apply, in lieu of the tables set forth in section 3402(a) of the Internal Revenue Code of 1954 (relating to percentage methods of withholding), with respect to wages paid on or after January 1, 1974.

AMENDMENT NO. 1452

(Ordered to be printed, and to lie on the table.)

Mr. CLARK submitted an amendment, intended to be proposed by him, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1454

(Ordered to be printed, and to lie on the table.)

Mr. DOLE submitted an amendment,

intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO. 1455

(Ordered to be printed, and to lie on the table.)

Mr. BARTLETT (for himself and Mr. Bennett) submitted an amendment, intended to be proposed by them, jointly, to House bill 14832, supra.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT OF 1973—AMENDMENT

AMENDMENT NO. 1449

(Ordered to be printed, and referred to the Committees on Public Works, Finance, and Banking, Housing and Urban Affairs.)

Mr. TUNNEY (for himself and Mr. Cranston) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3035) to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1449) reads as follows:

AMENDMENT NO. 1449

On page 7, line 20, strike out all through page 8, line 6, and insert in lieu thereof the following:

"(c)(1) With regard to buses only, a Governor or local public body may satisfy the requirement of subsection (b) by providing alternative transportation service for physically handicapped persons and elderly persons with limited mobility. The alternative service provided shall be sufficient to assure that handicapped persons and elderly persons with limited mobility have available mass transportation service in accordance with standards promulgated by the Secretary. Federal financial assistance under sections 103(e)(4) and 142 of title 23, United States Code, and the Urban Mass Transportation Act, as amended, shall be available for the Federal share of the cost of alternative services authorized by this paragraph.

"(2) Except as provided in paragraphs (3) and (4) of this subsection, the alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (b) only until June 30, 1977, or until such earlier time that buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility become available.

"(3) The alternative service authorized under paragraph (1) of this subsection may be used to satisfy the requirement of subsection (b) until such date later than June 30, 1977 (but not later than June 30, 1978) as the Secretary determines to be necessary to achieve the availability of buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility. The Secretary shall make such determination at least 90 days but not more than 120 days prior to June 30, 1977, on the record after opportunity for an agency hearing. The Secretary shall report his determination within 10 days of making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other relevant information, he concurs with the Secretary's determination.

"(4) If the Secretary determines that additional time after the date determined under paragraph (3) is necessary to achieve the availability of buses designed with practical and reasonable features which allow their utilization by physically handicapped persons and elderly persons with limited mobility, the Secretary may permit a Governor of local public body to satisfy the requirement of subsection (b) by providing alternative service in accordance with paragraph (1) until one year after the date determined under paragraph (3). The Secretary shall make such determination at least 90 days but not more than 120 days prior to the date determined under paragraph (3) on the record after opportunity for an agency hearing. The Secretary shall report his determination within 10 days of making the determination to the Congress and to the Comptroller General of the United States. The Comptroller General shall review the determination and report to the Congress whether, taking into account information available to the Secretary and any other relevant information, he concurs with the Secretary's determination."

On page 15, line 16, strike out "(a)".

On page 13, strike out lines 19 and 20.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1453

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. HARTKE. Mr. President, today I submit an amendment to S. 3394, the Foreign Assistance Act of 1974. My amendment is identical to the one I introduced last session which was adopted by voice vote in the Senate to the Foreign Assistance Act of 1973. Unfortunately, the Senate receded from the amendment in conference with the House.

Mr. President, as my colleagues are aware, I have long encouraged the legislation of stronger international narcotics control. There is no need to remind the addicts in the world of the mental destruction cognizant with opium and its derivatives.

In light of recent developments between several countries and the United States, the production of opium will increase rather than decrease during the very near future. We must not recede from the gains made to stem the flow of narcotics and dangerous drugs into the United States during the past year.

My amendment to chapter 8 of the Foreign Assistance Act of 1961, 22 U.S.C. 2291, will not terminate assistance to any particular country. It will only clarify the law as written; setting forth a clear mandate to those countries where illicit opium and its derivatives are transported, produced, distributed, and manufactured that adequate steps are to be taken in coordination with the Department of State.

My proposal clarifies the intent of Congress by calling upon the President to make an affirmative finding that each country is taking adequate steps to control illicit opium. The Secretary of State shall set forth the measures which constitute a good faith effort to control illicit opium and its derivatives.

Such measures may reflect the individuality of any country, but must reflect: The enactment of criminal laws controlling illicit opium; a viable enforcement agency; the vigorous enforcement of the criminal laws; the full cooperation of the country with the Department of State; the establishment of border interdiction procedures; the destruction of seized illicit opium; and the establishment of controls for legal opium.

Mr. President, my proposal does not engage in foreign policy, but merely sets forth the intent of Congress to the President that unless countries are as concerned about the illicit flow of narcotics as is the United States, this country should not support their endeavors while they bankrupt the fabric of America.

Both treatment and law enforcement officials in the United States are becoming increasingly concerned with the sizable volume of dangerous drugs reaching our shores. While I do not believe my amendment should be extended to other dangerous drugs until evidence becomes available that the governments of other countries are not taking decisive action to curtail the transportation and manufacture of such drugs into illict channels leading to the drug traffic in the United States, we may want to include the control of drugs other than opium and its derivatives in the near future.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT NO. 1453

At the end of the bill, add the following new Title:

TITLE V

INTERNATIONAL NARCOTICS CONTROL

Sec. 11. Chapter 8 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291), as amended, relating to international narcotics control, is further amended

(1) by inserting in section 481 "(a)" immediately after "International Narcotics Control.—";

(2) by inserting in section 481 "(b)" immediately after the first sentence and before the beginning of the second sentence which reads, "In order to promote";

(3) by striking out of section 481 the fourth sentence to the end which begins with "The President shall suspend" and inserting in lieu thereof:

"(c) The President (or his delegate) shall cause to be suspended all foreign assistance, tangible or intangible, including but not limited to gifts, loans, credit sales, or guarantees to each country, except as provided in (b) of this section, when such aid is rejected by the Congress in accordance with subsection (b) of section 482 of this chapter.";

(4) by striking "Sec. 482.", and inserting in lieu thereof "Sec. 483."

(5) by inserting the following:

"SEC. 482. (a) The President shall make an affirmative finding that a country is taking adequate steps, as set forth in (c) of this section, to control the production, distribution, transportation, and manufacture of opium and its derivatives within ninety days of the enactment of this section and each year thereafter, which finding shall be submitted to the Congress the first day of June of each year.

"(b) Within ninety days following the submission of such affirmative findings, the Congress may adopt a concurrent resolution rejecting such findings as to any or all countries, whereupon the President shall immediately suspend all foreign assistance to such country in accordance with section 481 of this chapter.

"(c) The Secretary of State, after coordination and consultation with all other departments or agencies involved with the control of the production, distribution, transportation, and manufacture of opium and its derivatives, shall set forth those measures which constitute a good faith effort to control illicit opium and its derivatives. Such measures may reflect the individuality of a country, but shall include the following:

"(1) the enactment of criminal laws controlling the production, distribution, transportation, and manufacture of opium and its derivatives;

"(2) the establishment of a viable agency to enforce criminal laws controlling the production, distribution, transportation, and manufacture of opium and its derivatives;

"(3) the vigorous enforcement of criminal laws controlling the production, distribution, transportation, and manufacture of opium and its derivatives;

"(4) the full cooperation of such country with all United States departments or agencies involved in the interdiction of the supply of illicit opium and its derivatives, into the United States;

"(5) the establishment of border procedures for the interdiction of opium and its derivatives, out of or into such country;

"(6) the destruction of all illicit opium and its derivatives after its evidentiary use has expired; and

"(7) the establishment of detailed procedures for the control of all legal production, transportation, distribution, or manufacture of opium and its derivatives.".

HEARING ANNOUNCEMENT ON WILDERNESS BILLS

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on sundry wilderness bills to be announced later.

This hearing will be held on June 24 at 10 in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel, at 225-2656.

HEARING ANNOUNCEMENT IN S. 3628

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 3628, a bill to amend the Wild and Scenic Rivers Act of 1968 by designating the Illinois River and its tributaries as a potential component of the National Wild and Scenic Rivers System.

This bill is in addition to Public Land bills previously announced.

The hearing will be held on June 20 at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel, at 225-2656.

NOTICE OF HEARING ON EGG RESEARCH AND CONSUMER INFORMATION ACT

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agricultural and Forestry will hold a hearing Friday, July 12, on H.R. 12000, the Egg Research and Consumer Information Act. The hearing will begin at 9:30 a.m. in room 324 Russell Office Building. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARING ON H.R. 11559

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Territories and Insular Affairs on June 19, 1974, at 10 a.m. in room 3110 Dirksen Senate Office Building, on the following bill:

H.R. 11559, to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes.

NOTICE OF HEARING ON S. 1244

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation, at 10 a.m. on July 11, 1974, in room 3110 Dirksen Senate Office Building, on the following bill:

S. 1244, to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc.

ADDITIONAL STATEMENTS

QUESTIONS OF JUSTICE

Mr. FANNIN. Mr. President, there is a venomous attitude among many members of Congress and prevalent in the press of Washington that threatens the future of our country. Now this venom is threatening even the efforts of our government to secure world stability and peace.

Last week the media performed disgracefully and irresponsibly when reporters subjected Secretary of State Henry Kissinger to their obsession with the triviality of the Watergate inquisition.

After this news conference the reporters were gleeful that they had been able to divert the discussion from the Mideast situation and that they were able to prevent any meaningful discussion of the larger issues of world peace.

Whether Mr. Kissinger instigated or simply cooperated in necessary national security wiretaps 5 years ago is inconsequential. That any members of the press should believe this more important than world peace is incredible.

Mr. President, the New York Times this morning carried an article by Special Presidential Consultant Patrick J. Buchanan. In this article Mr. Buchanan makes some very good and valid observations concerning the poisoned atmosphere in Washington. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"MR. NIXON IS DOWN AND HYPOCRISY IS KING IN THE NATIONAL CAPITAL"

(By Patrick J. Buchanan)

WASHINGTON.—Richard M. Nixon, President of the United States, has been named an unindicted co-conspirator by the unanimous vote of a grand jury in the nation's capital, Washington, D.C. Sounds impressive and ominous.

Now the President's lawyers have asked the Supreme Court to decide the constitutional question of whether the grand jury had the right to name him as an unindicted co-conspirator in a criminal proceeding. They also plan to argue that the evidence on which the Watergate grand jury acted was "totally insufficient" to name him a co-conspirator.

What went into the production of that headline—so deleterious to the President—"Jury Linked Nixon to Cover-Up"—variations of which appeared prominently in almost every newspaper and news magazine in America? What "linked" this President to the Watergate cover-up, and why?

Well, the grand jurors who voted 19 to 0 to name this President were drawn from a pool of residents of the nation's capital and environs, the most anti-Nixon city in the United States.

While the District of Columbia was giving an astonishing 78 per cent of its votes to George McGovern and Sergeant Shriver, elsewhere in America the pair was buried beneath the greatest avalanche of ballots in the history of the Democratic party.

Only a single member of that 23-member grand jury was a Republican. Seventeen of the 23 were black—members of a racial minority that voted, nationally, upwards of 10 to 1 against the President, a minority whose political leaders have repeatedly characterized Richard Nixon and his Administration as bigoted and racist.

Such was the composition of the Watergate grand jury. And who were the prosecutors who gathered and presented the selected evidence? They were Archibald Cox's men. Seven of the first eleven senior appointments to the Watergate special prosecution force—Ruth, Vorenberg, Heymann, Neal, McBride, Merrill and Cox himself—had histories of close political or professional association with the brothers Kennedy.

Had Martin Luther King been indicted for "sedition" by a grand jury in Plaquemines Parish, La., by prosecutors formerly associated with the late Leander Perez, The New York Times might have viewed that charge with the same skepticism with which many have greeted this particular grand jury's naming of Richard Nixon.

The prosecutors have contended that their quarry has been justice all along. But the circumstantial evidence mounts that the true quarry is Richard Nixon and his men. H. R. Haldeman was indicted for perjury by misplacing the comment "it would be wrong" by no more than eight minutes in the conversation of March 21, 1973. While John Dean's repeated and critical misplacing of the discussion of "hush money" by eight days—from March 13 to March 21—was passed over as honest error.

When Dwight Chapin was convicted for the felony of perjury for not telling the truth about his knowledge of a misdemeanor, the members of the prosecution staff, gathered in court, cheered and embraced.

When John Mitchell and Maurice Stans were proved innocent of the Vesco indictment by a petit jury, outside of Washington, reporters characterized the mood at the special prosecutor's office here in Washington as one of gloom and despair. Why should that be, if the men were exonerated after a fair trial?

Mr. Nixon is down and hypocrisy is king in the national capital.

Charles Colson pleaded guilty to having leaked derogatory information about an individual under indictment—and faces potential disbarment and a possible prison sentence for his offense.

Meanwhile, the Watergate committee, chaired by the great constitutionalist, Senator Sam J. Ervin Jr., is a veritable gusher of malicious leaks against innocent and indicted alike in the Watergate affair, even as the same publications that vilify Mr. Colson for his leaks about Daniel Ellsberg reap handsome profits from publishing every rumor and report about the Watergate indictees.

Strange how ineffectual the committee counsel Samuel Dash can be when the targets of the leaks are Mr. Nixon's men—and how effective an investigator he turned out to be when the target of the leak was Prof. Sam Dash himself.

When an anonymous staffer was quoted in the counterculture tabloid, Rolling Stone, as having said that Sam Dash was an "egomaniac," the professor proved a veritable Gletkin* in pursuing and punishing, within hours, the offending staffer.

No Congressional committee staff in history has managed a more deplorable record of violating its own rules of confidentiality, and systematically savaging the reputations of its witnesses, than the majority staff of Sam Dash.

Their claim to be the arbiters and authors of a new code of political ethics has passed from being hypocritical to being hilarious. Given the reckless disregard for the rights and reputations of witnesses, Mr. Dash's treatise on ethics should be accorded the same reception as a treatise by Madame de Pompadour on chastity.

We live in strange times: Henry A. Kissinger, the American Secretary of State, is being called upon to answer publicly—not for the wisdom of the Paris concessions that brought disengagement in Vietnam, not for the negotiated agreement on strategic arms with the Russians, not for the diplomatic opening to Peking, nor détente with the Russians, not for his diplomatic triumph in the Middle East. No, Henry Kissinger is being dragged into the dock to answer the historic question of whether, in the use of a handful of wiretaps five years ago, his operative verb should have been "recommended" instead of "referred."

And what of the President of the United States? Apparently, he will not be judged in impeachment proceedings for great questions such as the constitutionality of his clandestine decision to use American air power against enemy-occupied Cambodia, a decision of moment and controversy that may have cost thousands of enemy lives and saved thousands of American lives.

No, the impeachment of the President, at this writing, is more likely to hinge on such questions as what day in March of 1973 was it that John Dean told him that Gordon Strachan might have known what the convicted Watergate buggers had been up to.

One historian has observed that an unmistakable sign of a declining nation or civilization is an exaggerated emphasis by its intellectuals upon the trivial, the insignificant and the inane—to the exclusion of matters crucial to the survival of the state. Under such a criteria, the nation qualifies.

THE FIELD MUSEUM

Mr. STEVENSON. Mr. President, the Field Museum of Natural History in Chicago is this year observing its 80th anniversary.

The Field Museum exhibits and educational programs have enriched the lives of millions of schoolchildren, and its vast collections have brought scholars and scientists from many nations to Chicago for advanced studies and research. In sum, the Field Museum is a place where scientists have extended the boundaries of man's knowledge, and where millions of visitors have explored their relationship to the world around them.

On June 25, the Field Museum will celebrate its anniversary with rededication ceremonies honoring the many benefactors who have contributed to the institution's growth and to the attainment of its eminence. This occasion will also serve to encourage public support for the museum's current $25 million capital campaign which will make possible the first major renovation of the building occupied by the museum for the past half century.

Mr. President, I ask unanimous consent that a resolution adopted by the board of trustees of the Field Museum of Natural History be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, on June 2, 1894, Field Museum of Natural History opened to the public for the first time, then occupying quarters in Jackson Park (now the Museum of Science and Industry);

And whereas, Field Museum collections were moved from Jackson Park in 1920 to the Museum's present and permanent home in Grant Park;

And whereas, notwithstanding the generosity of its early benefactors, Field Museum, like many other institutions serving the public, has in recent years experienced major need for substantially updating its half-century old facilities, and accordingly supported legislation in the Illinois General Assembly (enacted June 1971) authorizing the Chicago Park District to issue $30 million in bonds for capital improvements to the six museums located on Park District lands;

And whereas, the Board of Trustees of Field Museum in September of 1971, responded to the General Assembly's enabling legislation by announcing a three-year, $25 million capital campaign for renovation of Field Museum, providing that $12.5 million of this amount would be forthcoming through private gifts from corporations, foundations, and individuals with a like amount to be matched by Park District bond issues;

And whereas, private gift response for capital purposes has now reached nearly $11 million, enabling the Museum to carry forward many of the vital projects necessary for updating of its facilities;

And whereas, many gifts of large and small amounts have contributed to the success of this milestone effort to completely renovate a major cultural institution while preserving its most noteworthy architectural integrity and while continuing its important programs of collection, research, education and exhibition without interruption;

And whereas, this cultural institution on June 2, 1974, will commemorate its 80th anniversary of service to the community and the nation;

Now, Therefore, Be it *resolved* by the Board of Trustees of Field Museum of Natural History that the month of June 1974 shall be observed as "Re-dedication" month for Field Museum and shall be the occasion for opening the building's original cornerstone in order to place within it documents commemorating the first major renovation of Field Museum's permanent facilities which it has occupied for the past 53 years, and shall serve to call attention to the need for general support from the community for the successful completion of the Museum's Capital Campaign.

Passed March 18, 1974.

BLAINE J. YARRINGTON,
President.
JOHN S. RUNNELLS,
Secretary.

RUDYARD KIPLING

Mr. AIKEN. Mr. President, when I was a very small boy, a famous poet lived in our community in Vermont.

One of his most famous poems, and one of my favorites, was entitled "If."

Unfortunately, Rudyard Kipling was unable to accept all the advice incorporated in this poem, reportedly because of differences with his in-laws, and after 5 years gave up his Vermont residence and moved back to England, where he lived the rest of his life.

However, this poem "If" is as applicable today as it was three-quarters of a century ago.

I think it would be very helpful for Members of Congress, as well as high officials of the executive branch, to read Kipling's advice carefully, and so I ask unanimous consent to have it printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

IF

(By Rudyard Kipling)

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too:

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* Gletkin, one of the principal characters in Arthur Koestler's novel, "Darkness at Noon," was the Soviet Communist party official who was the relentless interrogator of the protagonist.

If you can wait and not be tired by waiting,
Or being lied about don't deal in lies,
Or being hated don't give way to hating,
And yet don't look too good, nor talk too wise;
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim,
If you can meet with Triumph and Disaster
And treat those two imposters just the same,
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build 'em up with worn-out tools;
If you can make one heap of all your winnings
And risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings
And never breathe a word about your loss;
If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the Will which says to them: "Hold on!"
If you can talk with crowds and keep your virtue,
Or walk with Kings—nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE, DREXEL UNIVERSITY, COLGATE UNIVERSITY, UNIVERSITY OF CINCINNATI, AND CATAWBA COLLEGE CONFER HONORARY DEGREES UPON SENATOR SAM J. ERVIN, JR.

Mr. INOUYE. Mr. President, our colleague, Senator SAM J. ERVIN, JR., made commencement addresses at the 1974 commencements of the University of North Carolina at Charlotte, Drexel University, Colgate University, the University of Cincinnati, and Catawba College. At these commencements, these institutions of learning conferred honorary degrees upon Senator ERVIN.

I ask unanimous consent that the citations accompanying the awarding of these degrees be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITATION—THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE, SAMUEL JAMES ERVIN, JR.

Samuel James Ervin, Jr.: From the lee side of Hawksbill and Table Rock came this man who moved to the windward side of national events. Graduate of the University of North Carolina at Chapel Hill and the Harvard Law School, he became known at the courthouse and the statehouse as a man of keen perception, intellect, depth and dedication. He moved to the United States Senate as a champion of the nation's Constitution, insistent that its guarantees of individual liberties be preserved and implemented. More at home in the law library than in the limelight, he nevertheless stepped forward in a time of crisis. When it seemed there was little integrity left, his statesmanship captured the nation's imagination. His dedication to the principles upon which his country was founded earned him the sobriquets of "last of the founding fathers" and "Uncle Sam." He was unwilling to let pass, without challenge, inroads upon the traditional separation of governmental powers. Raconteur par excellence, he has selected wisdom from mountain folkways, the Bible and Shakespeare to the edification and delight of us all. To him, the University of North Carolina at Charlotte proudly awards the degree of Doctor of Laws.

SAMUEL JAMES ERVIN, JR., DOCTOR OF LAWS, HONORIS CAUSA

"In our time the destiny of man presents its meaning in political terms," Thomas Mann has said. The United States Senator whom we honor today has reawakened the American conscience, stirring us out of complacency by recalling to us a heritage of democracy based on equal application of, and protection under, the law.

A man of reason and compassion, wit and high seriousness, he has devoted his judicial and political career to the preservation of individual freedoms as contained in the Bill of Rights, thus truly deserving to be titled "the last of the founding fathers." His moral vision and thoughtful actions have provided a model for good government in its broadest sense—that which takes into consideration "the greatest good for the greatest number." The legislation he has inspired—reform of the bail system for indigent defendants, revision of the Uniform Code of Military Justice, limiting the use of lie-detector tests, etc.—has steadily advanced the cause of American civil liberties. A seeker after truth, this Senator has consistently adhered to his convictions regardless of the public controversy they may elicit.

". . . he hath so planted his honours in their eyes, and his actions in their hearts, that for their tongues to be silent, and not confess so much, were a kind of ingrateful injury." Senator Sam J. Ervin, it is with these words of Shakespeare that Drexel University confers upon you the degree of Doctor of Laws, honoris causa.

SAM J. ERVIN, JR., DOCTOR OF LAW

Colgate University is privileged to honor one of the most unusual and distinctively American statesmen of our time. We salute the distinguished leadership of Senator Sam Ervin, of North Carolina.

Senator Ervin's ability to see the main issue in complex circumstances reassures a nation beset with doubt. At a time when betrayal of the public trust has impugned our political faith, his exemplary commitment to our democratic creed lists public confidence. To a citizenry alarmed by apparently sordid abuse of official power, his recourse to our constitutional remedies confirms the Rule of Law in America. Symbolizing the triumph of public virtue, Sam Ervin has become a modern American folk-hero.

This most recent role is a fitting capstone to the Senator's long and notable career. Spanning more than half a century, and reaching from his hometown of Morganton, North Carolina, to the nation's Capitol, his record of service is an inspiring model of dedication to the public weal. As a much decorated soldier in World War I, as a respected lawyer in his community, as legislator and judge in his state, as congressman and senator in Washington, he has risen steadily to national and international eminence.

Senator Ervin's stature in the Congress is the product of his extraordinary personal abilities and character. His sagacity and integrity have earned him the esteem of colleagues and constituents along a wide political spectrum. Renowed for his scholarly knowledge of the Constitution, and devout reverence for its principles, he is the Senate's recognized authority on the law of the land.

The cause of individual freedom has inspired Senator Ervin's most impassioned engagements. Zealous in his defense of personal liberty he has aggressively championed the citizen's right to privacy, the separation of church and state, and the people's "right to know." His special solicitude for the plight of the powerless has produced landmark protections for the rights of American Indians and the mentally ill. He has helped to fortify numerous ramparts against the encroaching claims of official prerogative.

Yet his labors are leavened by his warmth, wit, and inimitable style, endearing the Senator to an admiring nationwide audience. Eloquent orator and engaging as a raconteur, he graces public discourse. His repertoire of quotations from the Great Books illumines contemporary concerns with the wisdom of the ages. Beyond displaying erudition, they serve also to remind us of the timeless "relevance" of classical learning.

We proudly join in the nation's acclaim and gratitude for this faithful guardian of our most precious traditions.

Mr. President, it is an honor and a privilege to present Sam J. Ervin, Jr. for the degree of Doctor of Laws, *honoris causa*, from Colgate University.

JUNE 9, 1974.

Sam J. Ervin, Junior, whose native Carolina wit and wisdom have spiced and enhanced a nation's appetite for the orderly processes of the law.

A United States Senator of significance since 1954, his name became a by-word and his features became universally known and recognized during the months of investigation into high federal government management and operations by the Select Committee of the Senate which he chaired. His probing questions and his strong reliance and insistence on the integrity of the law helped to elevate a Senate hearing into a national classroom for the examination of beliefs and philosophies about the American system of government. He has served as a state legislator in his native state, as a judge of Criminal and Superior Courts, as a member of the U.S. House of Representatives and as a Senator for twenty years. In this latter capacity, he has served as chairman of the Committee on Government Operations and on its subcommittees on Constitutional Rights, Separation of Powers and Revision of Codification of Laws. He has been a delegate to the Democratic National Convention in four presidential years. He served with distinction with the First Infantry Division in France during World War I, receiving the Purple Heart with Oak Leaf Clusters and the Silver Star among his numerous citations. He has been honored on numerous occasions by Universities, by his lifelong friends in Morganton, North Carolina, by his church and by patriotic and political organizations. Retiring from the Senate in 1974 at the pinnacle of his career, he becomes a notable senior statesman on the American public scene.

By virtue of the authority vested in me as President of the University of Cincinnati, I hereby gladly confer upon you, Sam J. Ervin, Jr., the Degree of Doctor of Law, honoris causa.

WARREN BENNIS, *President*.

CITATION—CATAWBA COLLEGE, HON. SAM J. ERVIN, JR., DOCTOR OF LETTERS

President Shotzberger: I have the honor to present for the degree Doctor of Letters—

The Honorable Sam J. Ervin, Jr., United States Senator.

An acknowledged leader in the United States Senate, Senator Ervin has brought honor, scholarship and integrity to our political life. He has served the nation well and has demonstrated his great faith in God and the Constitution of the United States.

Born in North Carolina, Senator Ervin became a Lawyer, a Soldier, a North Carolina Supreme Court Justice, a State Representative, a Congressman and a United States Senator. For twenty years, Senator Sam has served his state and his nation and has distinguished himself as the leading authority of the United States Constitution, as well as a man of great warmth, wit, and knowledge.

Held in the highest esteem by his friends, supporters, and fellow legislators, Senator Sam has chosen to retire from the Senate and to return to his beloved North Carolina.

With pleasure I present for the degree Doctor of Letters, The Honorable Sam J. Ervin, Jr.

THE LIVESTOCK CRISIS

Mr. CURTIS. Mr. President, I believe that American consumers have a great deal at stake in connection with the crisis in the livestock industry. If producers go out of business or if even they cut down their operations because of the losses being sustained, we are going to be short of meat and what we do have is going to be very high priced.

We are facing a very tough situation. I believe that consumers should be interested in seeing an improvement in beef and pork prices to the producer and I think all segments of the industry—retailers, packers, producers—must get together and cooperate with the Government to promote greater consumption of meat and have a better distribution of the proceeds from the sale of the meat over the retail counter. I think this is important.

In a meeting with the President last week, Senator DOLE and I suggested a White House Conference on Livestock. I am pleased that such a meeting—to bring together all these interested parties—has been scheduled for next Monday.

Also on Monday, the Senate Agriculture Committee will hold a hearing on legislation introduced by myself and other Senators to provide guaranteed loans to allow many producers to stay in business who might otherwise fall by the wayside.

We have also made a request that import quotas be reinstituted. I am hopeful about this. I think it is very important. But all American people have a stake in this matter. We must do something to get the cattle industry back on the track and again become a profitable business.

Like all our citizens, Mr. President, livestock producers are feeling the effects of inflation and high interest rates. However, while the income of most Americans is remaining stable or being adjusted upward with cost-of-living increases—cattlemen have seen the price of their animals drop by more than 20 percent in 6 months and hog prices have dropped 45 percent.

The beef industry alone has lost almost $2 billion since last October with losses of a similar magnitude by producers of pork, poultry, and milk.

The Committee on Agriculture and Forestry has held a number of hearings on this subject since last January. We have heard of the financial losses sustained by many individuals. However, we have not had any recommendations supported by all interested parties that will provide immediate relief.

Again, let me say how gratified I am that the President has agreed to call together producers, packers, retailers, and Members of Congress next week to discuss ways and means of alleviating the current crisis.

It is my very sincere hope that this White House Conference will result in a plan of action which will prevent additional bankruptcies among farmers, ranchers, and feeders. At the same time, packers and retailers must make a fair profit. Finally, all of this must translate into a price that consumers can afford to pay.

THE LATE ADLAI E. STEVENSON: AN ANTIDOTE FOR WATERGATE

Mr. CRANSTON. Mr. President, on June 4 approximately 47 percent of the California electorate voted in the State's primary. It was the lowest turnout in a California primary since World War II.

The conventional explanation has been that the plethora of misconduct and violations of the law by some of the highest officials in our Federal Government has generated a widespread frustration with politicians and the political process. The resulting apathy reflects a cynicism about our political system and a feeling that it does not matter what the individual citizen thinks or does.

To the extent that this theory about America's mood is correct, it should concern all of us.

The lesson of Watergate must teach the American people the compelling necessity for greater involvement by everyone in the political process, for greater viligance that our rights and freedoms are not stolen away while we are not watching.

All of us in public office have a major responsibility of bringing this lesson home to the American people if we are to save our governing system from the public apathy which can only spawn a dreary future of Watergate-polluted nightmares, and an ever-eroding democratic process.

Our distinguished colleague from Illinois (Mr. STEVENSON) did an outstanding job of fulfilling this responsibility in a speech last weekend about his father. The late Adlai Stevenson was, as a politician, the very antithesis of the sleazy tribe of political misfits whose involvement in Watergate and the coverup has been paraded before America's television screens this past year. He set a standard for political behavior which can serve all of us as we resurrect our political system from the Watergate ash heap.

And he did not do it by turning his back on America's political scene.

As Senator STEVENSON said:

> My father was, first and foremost, a politician—and proud of it. For him the word was not an epithet—but a title of honor; in his mind politics was not another word for cynical maneuvering and shady dealing. It was another word for public service.

Mr. President, our colleague's message should be heard by all Americans. I ask unanimous consent that Senator STEVENSON's speech be printed in the RECORD:

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ADLAI E. STEVENSON, PREPARED FOR DELIVERY AT GRADUATION EXERCISES AT THE ADLAI E. STEVENSON HIGH SCHOOL, PRAIRIE VIEW, ILL.

It means a great deal to me to express, on behalf of my father's family, our thanks for the honor that this school pays his memory.

I hope this school will be forever linked, not just to his name, but to the values he stood for and spoke for in his public life.

He was unfailingly optimistic about the prospects for reason and for progress in America. He trusted in the good sense of the people; he talked sense, confident that, in time, reason would prevail. He knew that in our self-governing nation the ultimate judgments are rendered by the people. And so he believed the people had to be trusted with the truth. Like Jefferson and Wilson, he was certain that trust in the people would produce excellence in government and exalt us to high, common purposes. His confidence in the people and their government merged. Even in the depths of political defeat he never lost his confidence that an informed public would give itself an enlightened government.

My father was, first and foremost, a politician—and proud of it. For him the word was not an epithet—but a title of honor; in his mind politics was not another word for cynical maneuvering and shady dealing. It was another word for public service.

Faith in our democratic system and service to it were the ideals on which he based his public career.

Today those ideals seem scarce in our public life. And so I raise two questions and suggest some answers:

Is there any reason to be optimistic—in a time of inflation and corruption and shaken public faith?

Is there any reason to honor or choose the profession of politics—when each day's headlines tell of corruption and betrayals of public trust?

I think there are good reasons to answer "yes"—an emphatic yes—to both questions.

Our system—attacked and abused as it is—is functioning.

The inflation we are suffering is not caused by some deep fault or breakdown in our system; it was not ordained by fate. It is the result of mistaken policies and priorities. By exchanging old policies for new ones and by reordering our national priorities, we can solve our economic troubles.

Our resources, though we have not always been wise about conserving them, are still rich beyond imagining. Our productive capacity, though underdeveloped, is by far the greatest on earth. Our people, though they are the victims of unemployment and underemployment, are the most energetic, well-educated and highly skilled of all the world's people.

It's a tribute to the durability and strength of our economic system that it has survived the abuse of mistaken policies and misplaced priorities for as long as it has without worse consequences. And it's not too late, by any means, to change our ways.

The corruption that dominates the headlines is not a judgment upon our nation or its political system. It is a judgment upon a few wrongdoers in government who failed their nation.

And, tragic as the corruption may be, we find in it proof that our democracy, even when put to the gravest tests, can survive and function and prevail. The wrongdoers are being held to account for their actions. Our system of justice is functioning—slowly but surely. The courts and the press have stood firm, and so is the Congress standing firm. The public is staying on course, insisting that its leaders be held accountable for their acts and decisions.

These facts are cause for optimism and confidence that out of the present trials we will emerge a wiser and stronger self-governing people.

I believe the American people understand that. They distinguish between the corruption of men and the corruption of our government. Only about twenty-five percent of the people express confidence in the President of the United States. The Congress ranks about as low in the national esteem. When asked recently by pollsters if they had faith in their leaders, a majority of Americans answered "no." Asked if they had faith in their country, close to seventy percent answered "yes." The American people perceive that though their leaders have fallen short, their country merits their faith and their service.

They wisely perceive that the faults are not in our system—but in a few officials who have misused that system.

Our present problems are traceable to nothing more nor less than a failure of leadership. For too many years we really haven't heard a voice of goodness and broad vision in our politics like the voice of the man for whom this school was named. For too many years we have heard, not the voice of decent principle—of idealism, if you will—but the voice of a cold and soulless pragmatism. For too long, the question asked by our leaders has been not, "Is it decent?" but "Will it play in Peoria?"

Our problems are problems of policy and leadership. And they can all be solved by improving our policies and our leadership. And you, my young friends, are the ones who must do it.

If I asked how many of you want to be politicians I suspect that few would respond. If I asked your parents how many wanted their children to be politicians, few would say, "I do." Parents would think to themselves, "Better they do something respectable, like collecting garbage, than be a politician." It is that attitude that inspired my father to enter politics. He saw that unless the best citizens entered our politics, the worst would control it. Today it is that attitude that stands between the nation and its future. So my advice to you who are sons and daughters and to you who are parents is this: do not shun the world of politics—enter it, and be politicians. That, after all, is what our founding fathers had in mind: that every citizen should play an active part in the affairs of his community and his nation; that every citizen, in short, should be a politician.

What sort of politician? Jefferson, Lincoln, Wilson and Roosevelt were politicians. There is no nobler profession than that of the politician, for in no other profession is there such an opportunity to do good—and so much temptation to resist! So much opportunity for service and hard work—and so little material reward for it.

Those who created and sought to cover up the corruption we now are suffering were not politicians. They did not understand the exacting ethics of public service. They brought with them to Washington, not the ideals of Jefferson and Wilson, but the anything-goes ethic of the backroom. And the first thing to go was decency. These were not politicians. They were advertising men, lawyers and self-appointed pragmatists.

For them politics was a game in which all that counted was winning. You cannot find a word in their recorded conversations about service or what is right for the country. The one option they never discussed was the only one my father ever considered—trusting the people with the truth.

The man for whom this school is named was a politician. And he would want you to be the same. A true politician has a sense of history—great sweeps of history like the "revolution of rising expectations" in the world. A true politician seeks to join the United States with the tides of humanity struggling for bread and freedom, for economic and social justice. A true politician lives by the principles which made this nation great and still sustain it. He has a vision of a decent future to strive for. A true politician struggles to serve, not just to win.

If we can return to places of high responsibility citizens who live by those principles, we can recover and justify the faith our political forefathers held in our system. We can restore honor to that word, politician.

The great danger that faces us in America is not after all inflation—or even corruption in government. Our system, wisely framed by the founders and wisely managed by its leaders, has ways of dealing with those evils, great as they are.

The greatest danger facing us is the corruption of ourselves.

The greatest danger is that we will say of men who serve the public, "They're all alike. They all do it."

Or that we will dismiss wrongdoing with a cynical shrug of the shoulder: "It's nothing new—they just got caught this time.

The greatest danger is not in being lied to—but in lying to ourselves.

As Henry Stimson put it: "The deadliest sin of all is cynicism". Without confidence in ourselves and in our system, we will turn upon ourselves. We will say they all did it, or the government is corrupt, or blame someone else. And then we will lose the trust in ourselves which alone holds this rich and diverse country together.

So I urge you: Do not succumb to that danger. Do not believe that lie—do everything you can to recover, and then restore to others, faith in that democratic system which Lincoln called "the last, best hope of earth." Be a politician—a servant of your country, in private life, in public life.

If you are, you will make of this school more than a shrine to the name of my father; you will enshrine his values and purposes.

And that, of all the honors you might pay him, would be the one he would cherish most.

LITHUANIAN INDEPENDENCE

Mr. GOLDWATER. Mr. President, on the occasion of Lithuanian Independence Day, which will be celebrated June 15, I would like to commemorate the spirit of freedom which still lives among the proud people of Lithuania by bringing to the attention of my colleagues an eloquent plea on behalf of Lithuanian self-determination by the Lithuanian-American Community of Phoenix, Ariz. I hope this petition will remind my friends in Congress that the struggle in the world between the forces of freedom and slavery, under the various hues of communism, is not over.

To me, Mr. President, there is no greater priority that we should have than freedom; and I am proud to ask for unanimous consent, on behalf of all those persons and groups who seek to keep alive the quest for independence by Lithuania, that the petition by the Phoenix Chapter of the Lithuanian-American Community be printed in the Record.

There being no objection, the petition was ordered to be printed in the Record, as follows:

Petition by Lithuanian-American Community, Phoenix Chapter

(By Emily Josen, President)

On June 15, Lithuanian-Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940 and the subsequent mass deportations of thousands of Lithuanians to Siberian concentration camps.

Today, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human rights.

The Soviet Union is now seeking détente as well as a Most Favored Nation Status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the peoples of Lithuania and the other Captive Nations.

The United States should adopt an official policy for the current European Security Conference in accordance with House Concurrent Resolution 394 of the first session of the 93rd Congress submitted by Mr. Derwinski to the Committee on Foreign Affairs. "Now, therefore, be it RESOLVED by the House of Representatives (the Senate concurring), that it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union."

While steadfastly maintaining the United States policy of nonrecognition of the forcible incorporation of the Baltic States into the Soviet Union, the United States should insist that the following policy changes are made by the Soviet Union:

1. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.
2. Increase of the current five-day tourist visa to Lithuania to a more reasonable limit.
3. Elimination of unreasonable travel restrictions on tourists in Lithuania.
4. Provision for Lithuanians to emigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

NATHAN SHAPELL—A GREAT AMERICAN

Mr. CRANSTON. Mr. President, United Press International recently carried the outstanding story of an American businessman's rise from imprisonment in Auschwitz concentration camp in Nazi Germany to chairmanship of a multimillion-dollar California homebuilding firm. It is an inspiring epic, made even more meaningful to me by my personal friendship with him.

Nathan Shapell combines humanitarianism and compassion with the creative enterprise of a successful American businessman. I would like my colleagues to share with me this summary of Nate Shapell's life. I ask unanimous consent for the story from the Santa Monica Evening Outlook to be printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

SHAPELL SURVIVED NAZI TERROR REIGN

NEW YORK (UPI)—Nathan Shapell lost his home in Poland and most of his relatives to the Nazis, but without formal education or a word of English he formed a company which has built 20,000 homes for American families.

The chairman and chief executive officer of Shapell Industries, Beverly Hills-based home buidling firm with annual sales of $9 million, entered the real estate business in 1953 and now charts the destiny of one of five housing companies listed on the New York Stock Exchange.

But Shapell Industries is more than just another chapter in the American dream. It is a symbol of survival forged by Shapell, his brother David and his brother-in-law Max Weber—the only male members of the Shapell family to live through Hitler's reign of terror and internment in Nazi concentration camps.

Even before Shapell came to the United States in 1951 wearing the tatooed number that marked his imprisonment in Auschwitz, he had built a community in Bavaria for thousands of displaced persons whose homes, families and lives had been destroyed by the Nazis.

This intense and gentle man has written a book about the post-war years—"Witness to the Truth"—in the English that eluded him when he first arrived in America. Proceeds will go to a foundation for needy children.

"I became a leader by default," Shapell said in describing his role as a 23-year-old Jewish refugee who persuaded the American military government to permit him to set up a community in the German town of Munchberg, untouched by the war. "Our leadership was gone," he said.

Thousands of displaced persons poured into Munchberg. Thrust into the role of a diplomat shuttling between the DPs, the hostile German resident, and U.S. officers, stunned by Hitler's carnage and unprepared for the enormity of the refugee problem, Shapell made Munchberg a model community while similar efforts failed in other parts of Germany.

In his 5½ years at Munchberg, Shapell built the first orphanage in Germany for 450 Jewish children, kibbutzim to prepare young DPs for immigration to Palestine, a school and turned broken lives into a revitalized community. He also acted as a public defender for the DPs.

"If a DP spent one day in jail, his entire family would be denied immigration to Canada, Australia or the United States," Shapell explained. He lost only one case, although he left school in his teens.

Shapell and his wife, Lilly, who also survived several concentration camps and a death march, sailed for America in 1951, only after every one of Munchberg's temporary residents had found a permanent home.

"Witness to the Truth," written in 1963, is dedicated to the 52 members of Shapell's family who died under Hitler's rule. "It's time somebody stood up and said: 'Look at all America has done for the world.'" said Shapell.

ADDRESS BY HON. HOWARD H. CALLAWAY, SECRETARY OF THE ARMY, AT THE GRADUATION CEREMONY, U.S. MILITARY ACADEMY, WEST POINT

Mr. GOLDWATER. Mr. President, one of the more inspiring talks delivered to school graduates during this commencement season was one delivered by the Honorable Howard H. Callaway, Secretary of the Army, to the U.S. Military Academy's graduating class on June 5. Secretary Callaway reminded the corps' class of 1974 that the Army's mission today extends beyond that of defending the United States against direct attack. The Secretary informed them that the Army today is the "key to the Free World's conventional forces that provide the balance upon which our hopes for peace are founded."

Mr. President, I ask unanimous consent that the entire text of Secretary Callaway's graduation address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE HOWARD H. CALLAWAY

Gentlemen of the Class of 1974, Gentlemen of the Corps, distinguished guests, proud parents, ladies and gentlemen:

What an exciting day this is. I sense a feeling of pride and challenge. I'm delighted to be a part of it.

This is not only a great day for those of you who are graduating today; it's also a great day for the Army. For the Army is welcoming over eight hundred of our country's finest young men into the ranks of its professional officers. You have proven yourselves. You have met standards of excellence that are recognized the world over.

You are entering the service of your country at a challenging time. Nine days from today, the Army will celebrate its 199th birthday, and begin its 200th year. So you enter the Army just in time for its bicentennial celebration. Your first years of service will contain moments of pageantry and ceremony, celebrating the role that the Army has played in developing our land and protecting our freedom. These will be proud moments. Enjoy them.

But more important, you enter the Army at a time when the Nation is moving from a postwar period to a new era of genuine hope for a generation of peace throughout the world. This hope for peace is made possible partly by a strategic nuclear balance that would make nuclear war clearly unprofitable to any side. But as we have seen, nuclear restraint alone does not guarantee peace. True peace requires that our non-nuclear forces also strike a balance, to make it equally unprofitable for any country to engage in conventional war. And this requires conventional strength.

So the Army's mission today is not just to defend the Nation against direct attack. Today's Army is the key to the Free World's conventional forces that provide the balance upon which our hopes for peace are founded.

No longer can the Army accomplish this monumental task with a small cadre which will provide the leadership for a larger Army. No longer can we wait for the arsenal of democracy to stir, as it becomes awakened to the challenge. We don't have time for that. We must now be able to respond in days or weeks, not in months or years.

As a nation, we have elected to accomplish these difficult, subtle tasks—tasks that are immense and global in scope—without conscription, without a draft. We have elected to meet these challenges by asking young men and women to serve their country, freely and without compulsion. We have chosen to express the will and determination of our country and the convictions of its people through the voluntary service of large numbers of its young citizens. This clearly adds a new dimension to our challenge.

I think you will agree that this is a sufficient challenge—even for the Class of 1974. Simply stated, the challenge is to have a well-trained, well-equipped, disciplined, ready volunteer Army, large enough to fulfill our global commitments in such a manner as to deter military aggression.

There are still many in America who feel that we cannot accomplish this global mission with a volunteer Army. I disagree. I disagree because I believe in the young men and women of America today. I believe they want peace, and realize we cannot have peace without strength. They are no different from other generations of young Americans who have always been willing to serve their country. All that is necessary for the success of today's Army is leadership worthy of those who join. I am convinced that you and your fellow officers from ROTC and OCS will provide this leadership.

Yes, I really mean that. I am counting on you as second lieutenants to provide the leadership to make the volunteer Army work.

Most of you, after leave and further training, will serve your initial tour with units. That means that sometime early next year you will begin to have an impact on the units that we depend on to accomplish the mission—and you will have a direct influence on the young men and women who volunteer for service in the Army.

You will have a chance to take the young man who has never succeeded at anything before in his life and show him that you have faith in him; and you can help him and encourage him to become an outstanding soldier.

And you will also have the chance to take the outstanding young man who has never failed at anything in his life (as a matter of fact he's so good he thinks he should have your job) and be innovative enough to keep him challenged. And this can be *your* challenge: to make your unit good enough to live up to the legitimate expectations of our best soldiers.

You will need to have the skill to conduct repetitive training—training that *has* to be done over and over—in a way that's exciting, challenging and meaningful.

You will need to take the young man who was raised in a permissive atmosphere and show him the meaning and value of discipline, especially self-discipline; you will have to make him understand that an Army without discipline is a sham, but a disciplined Army is an inspiration to the Nation.

You will need to take the young man raised with prejudice and show him that in the Army, everyone is judged by the job he does, not by his background.

You will need to insure that the young man who is coming to his unit, perhaps in a foreign country, away from home for the first time, is welcomed and that he knows he is part of a unit that cares about him.

You will need to challenge everyone in your platoon to go as far as his God-given talents will allow. You will need to insure that your soldiers take full advantage of the educational opportunities available in the Army, to help them realize their potential.

This will not only help them while they're in the Army, but will be of benefit to themselves and to the country when they return to civilian life—whether that's in two years or twenty.

You will need to inspire change in the attitudes of people, both those serving above you and below you, who still feel that the Army is made up of numbers rather than of people. You will need to show by caring immensely for your men, and by showing that every individual is important to you—as a person. This does not mean coddling. It does not mean being soft or easy. It means that we treat each soldier with dignity and respect.

You will need to show by your example of integrity that there's no room in the Army for anything else. You will need to show by your own idealism, by your openness and candor in everything that you do, that the Army is an appropriate place for idealism. There is no place in the Army for anyone—from recruit to general officer—without integrity, and you will be in position to perpetuate these values.

In all your actions as leaders, you will affect the attitude of soldiers toward the Army; and through these soldiers you can collectively have an impact on the country as a whole. If the experiences of our soldiers are good ones—if they sense that what they are doing is important and worthwhile—their attitude will help our efforts to attract and retain top-notch people in the Army. When a soldier goes on leave or completes his hitch, the story he tells to his parents and his friends will be very credible. If he goes home with a story of challenge, of opportunity, of discipline, and of service, we can expect America to be proud of him, and of the Army and what it's doing. And if the American people feel that way about their Army, we will have all the support and encouragement we need.

I don't expect that your job will be easy, but I am sure that it can be done. As a matter of fact, if it were easy, the Army wouldn't need you. But the Army does need you, with your training and background, because it has a difficult job to do.

Today's recruits, still going through basic training, have idealism and a desire to be challenged. The young soldiers assigned to units, who are no longer recruits, still expect to be challenged and stimulated. The noncommissioned officers who are the mainstays of any unit will look to you for leadership, for courage, for concern. The people are there, in the units. They are qualified, well-motivated people who can do everything expected of them. It's up to you to inspire them, and to make the Army worthy of our Nation's expectations.

As you leave West Point today, you join a select company of graduates that stretches back to the beginning of the last century. This company numbers among its members many of the greatest leaders our country has known. Leaders from each succeeding class and each generation have made their mark by building on the achievements of their predecessors. It is the continuity of achievement, the cumulation of service, that has enabled the Army to meet each new challenge.

I am confident that you can keep pace with this company, and that the eight hundred of you can have an enormous impact on the Army. With the challenges facing you today, you can make the greatest contribution by building on the work of those who have gone before, and by drawing strength and wisdom from their example.

If I may, I'd like to paraphrase a thought that goes back almost two thousand years: by standing on the shoulders of giants, you can see farther than the giants themselves.

There have been giants before you, giants among the soldiers and leaders who have served in the past. They tower above the rest, and can lift you to see terrain even beyond their farthest vision. But you have to earn the right to that vision by dedication, by devotion, by desire, by integrity.

I challenge you now to stand on the shoulders of the tallest giants that have walked before you. None of them ever joined the Army at a time of greater opportunity or challenge.

If you accept this challenge, I believe we can have the finest Army our Nation has ever known. I really mean that. I sincerely believe that with your leadership we can have the best Army we've ever had. And I believe this is a challenge worthy of you. I urge you to accept it!

ADVICE FOR YOUNG LAWYERS

Mr. ERVIN. Mr. President, the Honorable Donald Gunn, Judge of the Probate Court in St. Louis, Mo., has written an excellent article entitled "A Handbook for Young Lawyers" which contains much advice upon the important subject of legal ethics. This article deserves the widest possible dissemination at this particular time, and for that reason, I ask unanimous consent that it be printed in the body of the RECORD. The copyright on this article belongs to Judge Dunn, and I use it for the purpose of printing in the CONGRESSIONAL RECORD with his consent.

There being no objection the article was ordered to be printed in the RECORD, as follows:

PRACTICAL ASPECTS OF THE PRACTICE OF LAW—A HANDBOOK FOR YOUNG LAWYERS

(Copyright 1972 Donald Gunn)

Congratulations: You are entering into the greatest of all professions. This is no idle boast. It is, instead, a simple statement of fact. The ravages of disease are dreadful to contemplate. The loss of freedom is far worse. Since the beginning of time mankind has cherished his individual liberty. The great Patrick Henry expressed the feeling of a freedom loving people with his statement that he would prefer to die rather than to lose his liberty.

Law is the essence of liberty. Its purpose is to establish and preserve an orderly society where individual rights are protected and their correlative duties are acknowledged. While the layman endeavors to find the abstraction of "justice", the lawyer seeks the "rule of law". The dispensing of justice is a subjective judgment. What seems just to one judge may be rank injustice to another. But the rule of law applies equally to all men.

The fundamental difference between the role of government in our democracy and in a totalitarian state is quite simple. We hold it to be evident that our fundamental rights come from Almighty God and that the role of government is to protect and preserve those rights. Freedom of speech, of the press, of assembly and the like are not given to us by the constitution, they are guaranteed by it. If they originated in the constitution they could be taken away by its revocation. But they cannot be. Such human rights flow from a Divine Creator through to all other earthly endeavors.

They cannot be abridged by the action or inaction of any human being. They are ours because we are creatures of the Creator. Their preservation is the single most important task of mankind. Is it any wonder, then, that the profession devoted to such a noble purpose should be accepted as paramount to all other earthly endeavors.

We have described the concept of "justice" as an abstraction. We do not, of course, wish in any sense to downgrade its importance to our society. Obviously, lawyers should desire justice at all times. A world in which there was true justice for all men would indeed be a utopia. But the use of the descriptive word "true" immediately gives rise to problems of definition. We live in an imperfect world. It is unrealistic to think that true justice for all people can be accomplished in this life. The barriers of human greed and avarice are too great. The frailties of human nature are too many.

But the lawyer's quest for justice can be satiated, in part at least, by a high and unfailing devotion to the rule of law. We are not to be governed by men but by law. The rule of man can change from day to day, from ruler to ruler, from whim to fancy. The rule of law is constant. It is fixed and determined by legislative enactments or by court decisions. It controls the path of the government, the decisions of judges, the conduct of the people. While it may be changed it is never frivolous. It may be modernized but not weakened. Its power is in its continuity and its even application.

It is not strange, then, that lawyers should be genuinely and deeply devoted to the rule of law. They have seen the beautiful logic and the general fairness of its application to any and every factual situation. Every court decision read and pursued gives deeper understanding of the depth and the majesty of our judicial system. If you are to be a good and successful lawyer you must love the law, as well as respect it. You must understand its importance to mankind and to the future of our civilization. The law has been and will be good to you. You, as one of its standard bearers, should be good to the law!

The role of the lawyer in our society has greatly changed over the years. Where he was once consulted only on strictly legal matters or where court action seemed imminent, today he is the adviser to businessmen in their affairs of commerce, he is the counselor to investors, the arbitrator of domestic relations disputes, the guide of both industry and labor, the mentor of public officials, the cornerstone of community action and the principle educator in public affairs.

You are a professional man. You are not a merchant, a salesman, or a businessman. A profession has been defined as a vocation requiring advanced study in a specialized field. You are not, in any sense, an employee of your clients. You should always think of yourself as a man of letters, educated not only in the law but in the arts as well. By reading, by discussion and by study you will improve your stature, broaden your horizons, increase your depth. It is important for you to recognize the need for continuing education, not only as a mechanic who seeks to become more skilled at his trade, but as a man of learning and culture.

While you should, if at all possible, carry out the wishes of your client in gaining his objective, you are well aware that you may not do so in a way that requires dishonest or unethical conduct. But what do you do if a client suggests a course of action which you know to be wrong? Obviously, you are faced with a difficult choice. Your conscience and your professional training say "no". Your fear of financial loss says "take a chance"! What do you say?

In the first place it will be well for you to remember throughout your practice that the respect people have for you will, in a large measure, be but a reflection of the respect you have for yourself. If, because of any personal or professional dereliction, you are ashamed of your own conduct, no matter how deeply hidden that shame may be, you most certainly will have lost the respect and confidence of the people around you. The lawyer who will perform a dishonest act FOR a client, will in the hidden judgment of that client, perform a dishonest act AGAINST that client. While some one client may like having a corner-cutting lawyer for a time, you will find that his legal matters of substance will soon be turned over to reputable and respected members of the bar. With no desire to moralize, we can truthfully assure you that deception and dishonesty will destroy, not build, a law practice.

Moreover, the peace of mind which results from the knowledge that you are living up to the best traditions of the bar in your dealings with your clients, far surpasses any material gain which a shady practice might bring you.

One of the hazards of inexperience is the temptation to become personally involved with your client or his or her cause. You may become deeply distressed over the injustices your client is caused to suffer. You may be irritated by the attitude or conduct of your opposing counsel. You may feel frustrated over the delays in negotiations or those permitted by the court. You may hate your opponent or dislike his attorney. But in no event should you permit yourself to consider the legal problems before you as though they were your own. Such a view robs you of the objectivity needed to make sound judgments and to properly evaluate involved factual or legal questions. While you may well have sympathy for your client-wife in a divorce case you would do well to approach the case armed with citations and investigations rather than emotional charges. Proper and intelligent representation of her cause is far better than all the sympathy or solicitude in the world.

Personal involvement of a deeper nature, particularly with clients of the opposite sex, should never be permitted. Remember that the walls of your office do have ears, in the sense that what you say to a client in absolute confidence may well be repeated and distorted many times before you hear it back, much to your embarrassment, before a group of people. It is imperative for you to remember that your client, unlike you, is not bound by any seal of secrecy. What you say, innocently or with abandon, may well come back to haunt and embarrass you at any time—even years later.

It is equally important that you always have in mind that clients are usually persons not trained in the law and totally unaware of the complexities presented by what seems to them a rather simple legal proposition. Clients much prefer concise answers to such questions as whether you will win or lose their case; how much in damages will they be awarded; how long will it take to solve the problem, and the like. These are obviously questions which are difficult, if not impossible, to answer. Not only should you avoid any attempt to answer them directly, but you must also avoid stating anything which will be construed by them as an answer. A simple comment on what your client states his Aunt Minnie got out of her fall on the bus, can easily be interpreted by the client that it is your opinion his case is worth much more than Aunt Minnie's. This failure to communicate can impair negotiations when you finally get an excellent settlement offer, albeit less than Aunt Minnie's alleged recovery. The simple act of telling a client how much you sued for can be interpreted as indicating your view of the value of the case. Or, by a process of his own formula, that you think he should get ninety percent or half or some other portion or percentage of the amount sought in the prayer of the petition.

We are certainly not urging that you be deceptive with a client. Indeed, we are stressing the necessity of frankness. For until you near the time for concluding a litigated matter it is usually very difficult to evaluate either your chances of success or the outcome in dollars and cents. These are conclusions which rest in large measure not on your view of the case alone, but on the information known to your adversary and to which you are not privy.

Strangely enough one of the most difficult aspects of your practice will be to convince your client that he should tell you the truth, the whole truth and nothing but the truth. For some inexplicable reason many clients feel it is advisable to present what they consider to be a favorable case to their own lawyer, even though the truth may be, in fact, better for them. In view of this quirk in human nature, it is imperative that you interrogate your client fully, attempting to ferret out the facts as they are, not as he would have them be. Without giving your client an inappropriate lecture, it is well to explain to him that the whole truth is quite important to your evaluation and presentment of his case. Calm his fears of the truth by assuring him of your role as his ally as well as the confidential nature of your relationship. Explain that you are not bound to disclose all that you know to your opponent, but that by knowing all you will be able to decide what you should or should not so disclose.

We would be remiss if we did not discuss the importance of preparation in the handling of the legal affairs of your clients. We stress this here since the first and foremost act of preparation occurs at the time you first interview your client concerning his legal problem. Most frequently he is the best source of information necessary to the representation of his cause. By all odds he is usually your best witness. All relevant information, whether it appears to be important at that moment or not, should be elicited from him. The use of a prepared form or checklist for various situations, to assure against overlooking inquiry as to all proper and necessary information, will prove to be most helpful.

As we have pointed out, the facts are all important in evaluating the legal question involved. Once the facts have been determined the application of the law becomes a matter of research and study. Your first interview with your client should never be hurried or incomplete. Take your time, prod, ask questions, listen, and then ask more questions. At this point you may well take the role of a devil's advocate, seeking not only basic facts but those which your opponent will present you with at a later time. How embarrassing to learn six months after you have opened as estate that the real property was jointly owned at the time of the decedent's death. Or how foolish will you feel when you go into court to defend against an allegedly unreasonable charge, and it develops that your client had signed an acknowledgement for the full amount, but failed to tell you about it "because you didn't ask". Or what of those sleepless nights during the trial of a damage suit because you found out, after you impaneled the jury, that your client had six prior damage claims, when he only got around to telling you about three. One reaction in these instances is, of course, to blame your client. But a more logical and honest answer is that you were simply careless in your interviews with him.

After getting as many facts as possible from your client, it will usually be necessary to search elsewhere for evidence to support your position. As in all aspects of the law practice, this will require not only skill but plenty of hard work. There will be witnesses to interview, public records to review, hospital reports to copy, vital statistics to obtain and the like. While this work may at first seem to be less than pure legal services, the truth is that the ability to know what facts are needed to establish your case and when and how those facts can be presented as admissible evidence, is one of the highest skills of the profession. There are no shortcuts to gathering facts. When a lawyer attempts to find one he will be confronted with a high barrier. It is known as the rules of evidence. There is an old saying that a child who has his homework done is never late for school.

As to the legal aspects of your client's case, it may at times seem more convenient or quicker or easier to rely upon your memory as to the law of a matter under consideration. Or you may just quote what some other lawyer told you about what the Supreme Court held in a similar case. There is no easy way to find the law, just as there is no magic wand for developing the facts. The question is not what you think the law is—or, indeed, should be. The real solution lies in what the statutes say and the cases hold. And this means working at legal research, the benchmark of a true lawyer. Your effort to get to trial in any case, will be measured in a large degree by how ready for trial you really are. Cases are disposed of, and money is made by the lawyer, when at the call of the docket, he can announce ready and mean it.

Lawyers live by recognizing the need for adherence to law. It is apparent, therefore, that they should do no less in the handling of their own practice. Courts have dockets, tax returns have due dates, pleadings are to be filed within certain time spans, appeals must be taken within prescribed periods. The good lawyer recognizes the importance of meeting all legal requirements as to time. Those who fail to do so will soon find that penalties, default judgments, broken appointments and harmful court orders will be detrimental to his practice, as well as to his position at the bar and in the community. But lawyers are busy people. They should not depend upon their memory in such important matters as scheduling appointments, meeting deadlines or answering docket calls. It is imperative that the young lawyer devise a "system" for keeping dockets, calendars and schedules. Only by so doing will he conserve his time and his reputation—the two most important ingredients to a successful law practice.

In addition to marshaling his own time in order to obtain a maximum return in peace of mind and dollars, it is always well to remember that while you have many and varied legal matters to handle, to each of your clients there is only one—his own! The often spoken complaint that "I never hear from my lawyer", has some substance. There is much truth in the adage that the wheels of justice grind slowly. What are ordinary delays and postponements to you are frequently sources of great concern and irritation to your client. It is advisable, therefore, that you keep your client informed, to some degree at least, on progress and developments. Obviously you cannot spend a great percentage of your time in reporting to your clients. But a periodic letter to the effect that you have filed suit, that depositions have been taken, that you have asked for a setting or the like, establishes a better lawyer-client relationship, makes your client feel more secure and will, in the long run, make referrals from such clients a greater possibility.

From time to time during your years of practice you will come into possession of highly valuable documents or papers. They may have real monetary value such as in the case of stocks, bonds, certificates of deposit and the like, or they may have significant worth as evidence or be of other inherent value. In the pressure of daily activities it is very easy to let such articles be lost or mislaid. They may be shoved into another file, or fall into a waste basket or find their way into an old brief case. Your fiduciary role as the custodian of articles entrusted to your care should not be taken lightly. It is at once highly important that you not only exercise great care in this regard, but that you provide for some method of safeguarding such items. An office safe is an excellent investment. A safe deposit box can be rented at a fairly nominal cost. In any event the hazards of loss by fire or theft or inadvertance should be considered and precautions taken. Moreover, when such items have been in your possession and are surrendered to your client, or someone else on his behalf, make it a practice to always obtain a receipt, no matter how much you may trust the person to whom they are delivered. In this, as in many other respects, you are your own lawyer—and your lawyer would advise you to trust no one. In this regard we add one word of advice. As soon as you start to practice, purchase a policy of professional liability insurance. It may sound like an unnecessary expense, but, like other insurance coverage, when needed it will be worth its weight in gold.

Many lawyers go through their years of practice in the constant fear that someone will find out they don't know all there is to know about the law. This is preposterous! It not only creates a feeling of insecurity but leads to making statements, taking positions and rendering advice in a way which is not only erroneous but sometimes ridiculous. No physicians knows all there is to know about medicine. No engineer is all knowledgeable as to the science of engineering.

And, by the same token, any lawyer is a fool to think he can keep in his mind the whole body of the ever-changing and living law. Nor do clients expect such omnipotence. What is more likely to result from such an immature attitude on the part of a lawyer, is that both his friends and his clients will lose faith in the lawyer who pretends to be all-knowing and whose judgment, advice and conclusions prove to be erroneous in the light of deliberate consideration. The real measure of a good lawyer is whether he understands the basic legal question involved in any matter submitted to him, whether he can analyze that question in a lawyer-like manner, and whether he knows where to look for the law which applies to it. So armed he will then give intelligent and adequate study to researching the question. Off the cuff or so-called "curbstone" opinions can lead to serious entanglements with great damage to a client's cause. Moreover, a client is very likely to become aware that had he been properly advised in the first instance, he could have obtained a much better result. The words "I honestly don't know" should be a part of every person's vocabulary, lawyers included.

By the same token it is a wise lawyer who knows his own limitations. It is no admission of ignorance or of inadequacy for a lawyer to call in another attorney to assist him in all or some aspect of a matter which he is handling. A fresh approach, a broader view, a more objective analysis can frequently result from seeking the assistance of associate counsel. Lawyers, by chance or by desire, frequently become more or less specialists in one or more given fields of the law practice. The general practitioner who recognizes this and seeks the skills of such attorneys, has not only done his client a distinct favor, he has also made his own responsibilities less onerous and his time more flexible, to his ease of mind and his financial benefit. While the net fee to the lawyer making such a decision may be less in dollars, it will frequently prove to be greater on a time basis. Many shortsighted lawyers still fear such referrals on the theory that the client may establish a relationship with the associate counsel which may lead to loss of the client and his law business. This is not at all likely. In the first place lawyers brought into litigation in this manner should, and do, respect the attorney-client relationship of original counsel. This is not only on the basis of professional courtesy but because the associate will soon find other lawyers fearful of asking him to become co-counsel, if he is guilty of pirating law business.

One final work on the question of consultation with associate counsel. A lawyer must always keep in mind that his prime obligation is to his client, not to his own practice or his financial success. If calling in special counsel would be advantageous to the client and his cause, there is hardly any other decision the honorable lawyer can make.

The drafting of court pleadings will prove to be one of the most interesting and significant phases of your practice.

This is so because consideration of what should be alleged will surely give you a thorough understanding of the elements which you must prove at the time of trial. If your pleading measures up to the accepted standard of alleging the ultimate facts, you will find that it serves as a guide to the complete preparation of your case. Obviously, your proof will go beyond the allegations in the pleading. But basically the pleading and the proof are significantly inter-related. By the same token, a close examination of your opponent's pleadings will give you a projection of what to expect by way of his proof as well as an indication of his ability to establish the facts he has alleged.

The writing of briefs and the making of oral arguments before a trial or appellate court could themselves be the sole topic of a handbook for lawyers. While the young lawyer may not encounter these activities too often in the early stages of his career, the basic rules which apply to them ought to be learned at an early date. Suffice it to say that lawyers should always have in mind that the objective is persuasion not verbosity; that judges are impressed by demonstrating a thorough understanding of the facts and a deep knowledge of the applicable law; and that pride of authorship can be a detrimental trait in a field where learning is more important than rhetoric. Flights of fancy, abstraction on justice and equity and the like not only are of no assistance to the court, they are an academic approach to a pragmatic situation. Many young lawyers approach the bench in the style of undergraduate debaters, stating, perhaps quite eloquently, their own view on what the outcome should be. But the court isn't really concerned. Such expressions as "I think" or "it would seem like" or "we contend" and so forth have no place in the lawyer's vocabulary. As an adversary he should be quite clear and forceful that under the law and the facts the case should be decided in his client's favor.

It goes without saying that lawyers should never, under any circumstances, attempt to mislead the court by erroneous quotations, by language taken out of context so as to state a different result than the one actually reached, or by failure to mention that a cited case has been overruled or modified. But these are obvious questions of basic honesty and should need no elaboration.

One of the most difficult areas for young lawyers is the matter of determining fees. What have his services been worth? How can he determine what to charge so as not to cheat himself and at the same time neither overcharge nor startle or even offend his client?

Four basic considerations should be given weight in this determination. They are: How much time was spent? How complex or how simple was the problem? How great was the responsibility imposed? What kind of a result was obtained? We are aware that some lawyers add a fifth dimension to this analysis. It is "How much money does the client have?" We urge you not to take this approach. It is a consideration which should have no real bearing on the ultimate decision you must reach.

In the early years of their practice many lawyers find that their friends are of the opinion that they should be glad to handle legal matters merely for the "experience" they afford. While experience is a valuable asset, it is clearly non-negotiable. Moreover, if the young lawyer permits his acquaintances to put him in a category of a counsellor on trivia, he will find that their worthwhile law business will go to another attorney, one who thinks more highly of the value of his own services.

Obviously, there will be times in those early years where the young lawyer is in fact thankful for law business from which he can learn. Or his services may be sought by persons close to him, such as a member of his family or a close personal friend. Generally speaking all such relationships, as far as possible, should be kept on a business basis. Many people who are not billed for legal services are reluctant to return to the same lawyer, for fear they would appear to be looking for free advice. However, in some of such instances the young lawyer may, in his own good judgment, decide that he does not want to charge a fee for his services. The way to communicate this fact to his client is not to simply refrain from sending the client a bill. This leaves an open end situation in which the client simply supposes that the lawyer is delinquent in sending out his statements. Instead, it would seem to be more prudent to send a statement of the services rendered but instead of a stated amount, a mere indication that there is "no charge". This makes clear the lawyer's position, while at the same time indicating to the client that the relationship is one of lawyer and client, not merely friend and friend.

Similarly, if the lawyer wishes to charge less than what he considers a full fee, determined in the light of the criteria set out above, it would be well to send a bill for the full fee, showing thereon a "courtesy discount" of such amount as will reduce the sum due to that which the lawyer actually feels he should charge.

Most lawyers, in particular those who are diligent and industrious, are well paid for their services. The profession will assure you a good financial return. Of course, it will frequently be necessary to do legal work for people who simply cannot afford to pay. It is in the best tradition of the bar that a lawyer will never permit an injustice to occur merely because the unfortunate in our society are unable to pay for legal services.

It is a trite but quite true saying that books are the lawyer's tools. A competent tradesman handles his tools with great care. He protects them from loss and damage and makes certain they remain in good working condition. Books used by the lawyer should never be written in, underscored, doodled upon or mutilated in any manner. A phrase found to be of particular interest in one situation ought not be underscored thereby lessening the value of the remainder of the text in numerous other situations. Not only will the exercise of great care in the use of books enhance their value to the lawyer who is constantly using them, but will also insure a higher monetary value at the later time of their sale or trade.

An area of high priority for the consideration of the young lawyer is his or her relationship with other members of the bar. As we have said, ours is a great profession and it would be well for you to develop and nurture a continuing respect and affection for your fellow practitioners. Many persons have a way of pitting one lawyer against another, either directly by openly consulting an attorney while they are being represented by another, or indirectly by asking hypothetical questions designed to test the advice the first lawyer has rendered. The propriety of the direct approach is clearly covered by the canon of ethics. But the second, or indirect method, must be guarded against at all times. There is an old adage that free legal advice is worth exactly what it costs—nothing. But it is not difficult for a lawyer to be trapped into expressing an opinion which may prove to be contrary to the advice already received by the questioner. Such apparently contrasting opinions most frequently result from a difference in the presentation of the facts, rather than any real disagreement as to the law. But young lawyers would do well to avoid any discussion of matters then in the hands of another attorney. Just bear in mind that you may well be the object of such surreptitious review the next time around.

None of the foregoing should be construed, however, as suggesting that any lawyer should condone misconduct on the part of a fellow attorney. The legal profession will enjoy as much respect as lawyers earn for it. Those in the profession who do it a disservice are not entitled to protection at the expense of the public. The cardinal rule for the young lawyer should be to remember his own obligations to his chosen profession in the light of accepted professional standards. It is not his place to criticize or question the judgment or conduct of another attorney unless in good conscience he determines that it is his professional duty to do so. At the same time, it is quite sad to see a person trapped into an untenable or detrimental position because of neglect, inaction or misrepresentation by another lawyer. When in doubt regarding such a delicate matter it would be well to consult with a respected and more experienced member of the bar. Nothing is more degrading to the profession than a tug of war between two attorneys over a piece of law business.

For some reason many lawyers seem to find it necessary to rely upon alcohol as a crutch in their daily activities. The devastating effect of this practice need not be pointed out here. What we would suggest is that the habit of seeking artificial help of this kind is usually the result of a feeling of insecurity or inadequacy. Many such lawyers are simply seeking escape from their own inability to cope with the problems and pressures which inevitably result from practicing law. Our advice then, is not in urging abstinence from alcohol, it is rather in suggesting a review of your daily professional habits in search of any need to correct or improve them.

It may be that trial work upsets you, or that you are unsure of yourself in a particular field of law, or that deadlines are mounting, or a certain client or a particular case is putting on too much pressure. Or it may well be that you are living beyond your means or some unanticipated expense has created a serious financial crisis. When these things occur you must remind yourself that you are a professional man trained to seek solutions to problems, not to try to bury them. An intelligent review of your personal and business involvements with a view to adopting such procedures or systems as will correct the problems, should be given top priority. If you need help in this regard, get it! Problems put under a microscope and analyzed have a way of becoming smaller and more susceptible of solution. At any rate, if you remove the causes of your tensions and anxieties, you may find that your need for escape, or for fortification, or for solace, will vanish. Dependence upon alcohol is, in many instances, but a sign of immaturity. Those entering this great profession should rate themselves on this highly important scale.

While we are on the subject, a word about the attribute of "maturity" may be in order. One of the real scourges of our time is the overprotective attitude of today's parents. The generation which knew the lash of the great depression wanted, above all else, to see to it that their children would never have it so bad. There is an old adage that tough times make tough people. We have not had tough times! Maturity has been defined as "the state of being fully grown". A person is mature, then, when he no longer acts as a child. This means that he has learned how to accept the obligations of family life; how to take defeat and disappointment without whimpering; how to admit blame for his errors without excuse; how to stand alone for a principle, against the unthinking crowd; and, finally, how to be devoted to duty over personal ease or pleasure. Immaturity has well recognized symptoms. It means oversleeping in the morning, failing to file pleadings or to be in court on time, being late for appointments, losing papers entrusted to your care, forgetting to record appointments or court dates, showing up for trial unprepared or keeping files or their contents in a slovenly or disorderly manner. Finally, it means blaming your secretary for your own mistakes. Remember one thing, you will never be successful as a lawyer until you have gained that elusive but essential ingredient of "maturity". Without it "there's just no way".

There is still another facet to this great and noble profession. It is the opportunity it will afford you to serve the public good in any one or more of a variety of ways peculiarly adaptable to members of the legal fraternity. It is the absolute duty of lawyers to devote part of their professional career to such endeavors as in holding public office, either elective or appointive, participating in community affairs or in charitable or church activities of one kind or another. Moreover, mere lip service, with an eye on becoming better known for business reasons only, does not satisfy this obligation.

The participation of the lawyer should be in substance as well as in form. Motivation for participating in such activities is of the greatest importance. It doesn't take people very long to spot a phoney who shows up at the P.T.A. meeting just long enough to make a speech and then promptly begs off accepting an assignment to do a little work for the good of the cause. Volunteers for selfish reasons are a dime a dozen. Those for selfless reasons are the bread and butter of our social order.

The perception, the logic, the analytical abilities of a legal mind are what social and civic reform and the enhancement of human dignity are all about. Lawyers are needed to make laws as well as to interpret them. They are needed in administrative positions. Their persuasive powers are sought after in promoting civic causes. Their guidance is needed in questions pertaining to the religious and moral tone of the community. No profession can truthfully be said to have done so much to promote the moral and intellectual good of our nation, than men of the law.

Remember, too, that every lawyer owes some of his time to his profession. Direct contributions to professional organizations can and should be made by accepting an office or a committee assignment, or by mere regularity in attendance at meetings. The desire to serve may be manifest in different ways. But every lawyers should demonstrate that desire by showing a genuine interest in the activities of one or more of our professional organizations.

Throughout all of your career as a lawyer, there is one essential ingredient which will ultimately measure your true success. It is your own personal integrity. You alone can be the judge as to how you will measure up in this regard. You are the one person who will know whether you do things you shouldn't simply because it seems likely that no one will ever find out about them. You are the one person who will know whether you have been less than truthful, or honest, or decent—regardless of whether anyone else will ever be made aware of those things. Integrity results from the determination to do what is right in all instances, not only when you are in fear of getting caught for doing wrong. One of our great modern day philosophers once said that "right is right when nobody's right, and wrong is wrong when everybody's wrong." How true!

In conclusion we must again urge you to look upon your entrance into the great profession of law as a very real and meaningful privilege. You have not bought it, since it is not for sale. You do not own it, since its possession is subject to limitations and restrictions. This privilege is, in a sense, yours as a life estate to be preserved and used for your own and the common good and then to be passed on to the lawyers who will follow you and who will, we hope, find reason to revere your name as one who has been a credit to the profession of law.

We close with a scriptural quotation (Matthew 5:13–16) which we sincerely believe should be the measure of a true lawyer in the highest and finest sense of that noble term:

"You are the salt of the earth. But if salt becomes tasteless, what can make it salty again? It is good for nothing, and can only be thrown out to be trampled underfoot by men.

You are the light of the world. A city built on a hilltop cannot be hidden.

No one lights a lamp to put it under a tub: they put in on the lamp-stand where it shines for everyone in the house.

In the same way your light must shine in the sight of men, so that, seeing your good works, they may give the praise of your Father in heaven."

CEREAL LEAF BEETLE THREATENS GRAIN SURPLUS

Mr. CRANSTON. Mr. President, the recent controversial sale of wheat to the Soviet Union, and the resulting grain shortages and price increases suffered by domestic consumers, have graphically illustrated just how vulnerable our economy is to sudden fluctuations in the availability of grain.

In an October, 1973, article published in the Center Report, a publication of the Center for the Study of Democratic Institutions, theoretical biologist Robert Rosen discusses another kind of threat to our grain supplies: the cereal leaf beetle. This pest has the capacity of totally destroying crops of spring grains, unless massive doses of pesticides are used, a remedy which is both expensive and environmentally harmful. Mr. Rosen discusses in this short article a possible prototype program for the control of this pest and raises serious question about the ability of our present government structures to deal with this threat.

It is provocatve reading, and I ask unanimous consent that the text of this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

GRAIN CROPS AGAINST THE IMPERVIOUS CEREAL LEAF BEETLE

(By Robert Rosen)

Robert Rosen, a leading theoretical biologist, is a Center Associate.

The recent controversial sale of wheat to the Soviet Union has sent a series of shock waves throughout our entire economic structure, which continue to propagate today. The increasing severity of these shocks has graphically shown us just how vulnerable all sectors of the economy are to fluctuations in the availability of grain. These recent experiences should be borne in mind while reading the remarks to follow, for we shall consider (a) another kind of threat to our grain supply and, perhaps even more alarming, and (b) an apparent incapacity on the part of present governmental structures to deal with this threat.

As a member of the faculty of Michigan State University last year, I participated in an extensive interdisciplinary program entitled "Ecosystem Design and Management." This program was sponsored by the National Science Foundation through its RANN (Research and National Needs) office, and it had as its ultimate goal nothing less than the development of a scientific basis for landscape management and planning in its broadest sense. To reach such a goal, we found it necessary to accumulate a broad base of experience in treating specific problems. To this end, a variety of "prototype studies" were initiated under the program. Each prototype was chosen according to two criteria: it must epitomize, in a microcosm, essential features which had to be incorporated in the long-term project activities; further, the solution of each prototype problem would be important in itself, in the short term.

Five prototype programs were established in accordance with these criteria. They were:

1. Power plant siting, as a prototype of the interaction between industrial man with his environment.
2. The beef feedlot, as a prototype of the interaction of agricultural man with his environment.
3. Effluent spraying and its effect on terrestrial ecosystems.
4. Processing capabilities in aquatic ecosystems.
5. Pest management, as a prototype of the problem of ecosystem design and the control of interacting biological populations.

It is with the last of these, the pest management problem, that we shall be mainly concerned. The specific pest chosen for consideration was a pest of grain, the cereal leaf beetle. This beetle is native to Europe and Central Asia, and was first discovered in the United States in 1962. Since that time, it has spread inexorably until it presently extends over an area ranging from Pennsylvania to Wisconsin, and from Kentucky to Ontario. The beetle attacks mainly wheat, oats, and barley, crops which are planted with a combined acreage of about one hundred million acres annually in the United States and Canada. Moreover, according to the MSU studies, "it has increased measurably in all locations where detected, and each year surveys indicate a continual expansion of its known range. *At present there is no indication of its potential distribution limits or the density it can attain.*"

The cereal leaf beetle, despite all attempts at quarantine combined with massive spraying programs, seems to be moving inexorably north and west toward the granaries of this continent. The pest has the capacity of totally destroying crops of spring grains, unless massive doses of pesticides are used. The approximate cost of pesticides is $6 per acre (remember that there are one hundred million acres to be protected), *exclusive* of environmental damage caused by the pesticides. It is clear that some other remedy must be found, and found quickly.

It is clearly hopeless to attempt to exterminate the beetle; rather, means must be found to control it, i.e. to keep the damage it causes to grain crops below an economically acceptable threshold. A number of resources are available for this purpose besides pesticides (which can, to be sure, be used in a variety of selective fashions to minimize environmental damage). For one thing, certain grains are more resistant than others, and this resistance can be increased genetically. Again, appropriate strategies of planting and crop rotation can help keep the beetle population localized and lower their density. Finally, there is the entire area of biological control; the possibility of finding predators and/or parasites specific to the beetle.

A search was made some years ago in Europe for natural parasites of the cereal leaf beetle. Some twenty different parasites were discovered, of which three were chosen and introduced into the fields on an experimental basis. Unfortunately, the biology of these parasites, and their relation to the cereal leaf beetle's life cycle, were not well-known at that time; the parasites chosen for introduction turned out to interfere with each other, and no measurable control of beetle population has been achieved so far.

However, it is clear from the above that we have at our disposal at least a half-dozen different components of an effective control program. The problem is to orchestrate these components properly into a control strategy so that they act synergistically, and not antagonistically. This was the problem undertaken at MSU.

A tentative solution to this problem has in fact been obtained, through detailed modeling of the beetle's life cycle and its interaction with its hosts and its parasites. The key to a synergic control strategy turns out to involve timing the control measures; e.g., time of crop planting, time of parasite release, time of limited spraying of pesticide properly in relation to the beetle's life cycle. This life cycle, in turn, depends crucially in any year on (a) the distribution of overwintering adults from the previous year, and (b) the local temperature variation in the field.

There is, therefore, no one grand strategy which will uniformly control the pest throughout its range. Rather, the overall control strategy must involve many hundreds of limited local strategies, the nature of each determined by the local conditions. In short, local strategies must develop from the "on-line" acquisition of local data, which must be integrated with the overall situation and from which the individual local strategies can be computed.

So far, so good—at least theoretically. These results are ready to be submitted to the appropriate agency of government, so that the cereal leaf beetle can be brought under control and catastrophe averted. But to whom do we provide them? What is the agency with the responsibility to see that the problem is solved, and with the authority to see to it that the appropriate strategies of control are instituted?

At first sight, it would seem that this is no problem. Indeed, the RANN program of NSF has stipulated that, before any project is funded through the program, an appropriated "user group" be identified by the research workers, and plans set forth whereby representatives of the "user group" are to be integrated into the project from the outset. In the case of the cereal leaf beetle, it seemed clear to us that the appropriate "user groups" would be the United States Department of Agriculture and the Agriculture Extension Service, and the NSF agreed. However, as the details of our integrated pest management strategy developed, it became more and more clear that the "user groups" we had chosen did not possess the requisite requirements of responsibility and authority, and in fact could not implement the kinds of control strategies which we proposed. Worse than that: we could find no group of "users" with these qualifications, nor the capacity to generate such a group under existing conditions.

We can specify in detail the properties of the presumptive "user group." It must have the authority to bear the expense of establishing and maintaining the local monitoring facilities which must be the backbone of the control strategy. It must have the authority to establish and maintain the central facilities at which the local strategies are computed. And finally, it must have the authority to see to it that the control strategies are actually implemented as the local level, by each farmer in the field, even though the strategy will vary from region to region and from year to year.

The authorities required for this are presently spread over a host of local, regional and federal jurisdictions. It is difficult to find a way whereby, in the present scheme of things, they can be extricated and vested in an appropriate agency. The present distribution of administrative authority was, of course, created to solve particular kinds of problems which have arisen in the past. There is no reason to expect this separation of jurisdictions to be appropriate to the kinds of problems which are now before us; indeed, we concluded that, in the present circumstances, the problem of the cereal leaf beetle cannot be solved.

In other words, we see that in order to solve one relatively circumscribed problem of pest management, we require an effort that is at bottom political. We require the generation of entirely new structure, which cuts across traditional lines of authority in novel ways. But the existent structures have an inertia of their own, which resists attempts to modify them so as to meet the new problems. Thus the cereal leaf beetle is not merely an agricultural challenge, but a challenge to the body politic itself.

Two further points must be made. For one thing, it should be remembered that the cereal leaf beetle study was intended as a *prototype*. If it is in fact a prototype, then many other similar problems will likewise lead to solutions which cannot be implemented because no appropriate "user group" exists or can be created easily. That this is in fact the case is indicated, not only by our experience with others of our prototype projects, but by the recent history of many environmental and planning projects.

Second: let us sharpen the question somewhat, and ask what is the appropriate "user group" for the result just announced; namely, that an important environmental problem cannot be solved with the present distribution of authority and responsibility? Who is there to tell? And who has the authority and responsibility to act? Is it the Congress of the United States? And if it is, how are we then to follow the RANN precepts, and involve this "user group" directly into the research endeavor? It is on the solution of problems like this that the solutions to all the others will depend.

We repeat that the challenge of the cereal leaf beetle, serious as it is economically, is at bottom a political challenge. It is not an indictment of our system to point out that its present structures will not directly meet a new kind of challenge; after all, they were invented to meet the other kinds of challenges. However, we can say that the system will have failed if it cannot in fact meet the problem of the "user group"; a problem which will return with ever-greater insistence in the years to come.

MAJ. GEN. ARTHUR B. HANSON, USMCR

Mr. MATHIAS. Mr. President, it was my honor to attend a ceremony at the Marine Barracks recently to recognize

the distinguished service throughout the last 8 years of Maj. Gen. Arthur B. Hanson of the U.S. Marine Corps Reserves, and his long service as a member of the corps in many capacities.

The Commandant, Gen. Robert E. Cushman, Jr., attended the review saluting Major General Hanson, as did many guests from all of the armed services and from his wide circle of friends in Maryland. The review commanded the admiration and respect of all present as an example of military precision and martial music.

Major General Hanson was awarded the Legion of Merit from the President of the United States. I believe the citation accompanying this award speaks for itself, and I ask unanimous consent that it be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,
Washington, D.C.

The President of the United States takes pleasure in presenting the Legion of Merit to

MAJOR GENERAL ARTHUR B. HANSON, UNITED STATES MARINE CORPS RESERVE

for service as set forth in the following

CITATION

For exceptionally meritorious conduct in the performance of outstanding service as a Marine Corps Reserve General Officer from November 1966 through May 1974.

Throughout this period, Major General Hanson exhibited superior professionalism in the performance of a variety of demanding assignments. He served on various Reserve Boards, as a member of promotion selection boards, and as a personal representative of the Commandant of the Marine Corps at a variety of official functions. In all assignments, Major General Hanson displayed aggressiveness, sound judgment, peerless determination, and exceptional resourcefulness. His business and professional acumen, foresight, and intimate familiarity with the Reserve establishment permitted him to contribute significantly to the improvement of both individual and collective leadership within the Marine Corps Reserve, thereby enhancing the training and mobilization readiness of all Marine Corps reservists.

By his outstanding competence, judgment, and inspiring devotion to duty throughout, Major General Hanson upheld the highest United States Naval Service.

For the President:

J. WILLIAM MIDDENDORF,
Acting Secretary of the Navy.

THE UNITED STATES OF AMERICA

This is to certify that the President of the United States of America has awarded the

LEGION OF MERIT

to Major General Arthur B. Hanson, United States Marine Corps Reserve for exceptionally meritorious conduct in the performance of outstanding services from November 1966 through May 1974.

Given this 31st day of May, 1974.

J. WILLIAM MIDDENDORF,
Acting Secretary of the Navy.

THE OFFSHORE OIL GRAB

Mr. KENNEDY. Mr. President, I want to call to the attention of my colleagues a recent editorial published in the Boston Globe entitled "The Offshore Oil Grab."

The question of whether an extensive oil and gas leasing and drilling operation should be undertaken on the U.S. Outer Continental Shelf is of critical importance to the entire Nation. It is of particular concern to those of us in New England.

A recent study by the Council on Environmental Quality included a strong recommendation that an accelerated leasing program be undertaken in the Georges Bank area off the New England coast. A critic of that study, prepared by the National's Academy of Sciences, while noting that development of OCS oil and gas and environmental protection need not be mutually exclusive objectives questioned the assumptions and criteria used by the CEQ in assessing the issues posed. It termed the criteria used by the CEQ in ranking potential OCS development areas by the degree of relative net environmental risk "inadequate and misleading."

Mr. President, I ask unanimous consent that the Globe editorial, highlighting the concerns of New Englanders over the impact of an extensive offshore leasing program be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, June 9, 1974]

THE OFFSHORE OIL GRAB

In the middle of last winter's energy crisis, President Nixon announced that the Administration would increase oil leasing on the outer continental shelf from three million acres to 10 million acres in 1975. This would equal the total amount of offshore lands leased over the past 20 years and would represent one-fifth of all the offshore lands existing between state waters and waters to a depth of 660 feet, the present practical limit for offshore drilling.

The point is not that drilling will begin immediately on 10 million acres of ocean floor off the Atlantic coast or in the Gulf of Alaska. It is that, as early as October—roughly 120 days from now—decisions could be made that would turn over vast tracts of public lands to private interests and commit this country to an energy policy based on drilling for oil and natural gas under conditions that are still only partly understood.

Oil technology has come a long way since the drilling spill that released 16,000 tons of oil into the Santa Barbara Channel in January 1969 or the infinitely smaller spill off West Falmouth that same September. But scientists at Woods Hole are still learning from the West Falmouth incident which dumped 650 tons of refined oil near the entrance to the Cape Cod Canal.

One of their first findings was that, although oil was never seen in West Falmouth Harbor, shellfish died there within 24 hours of the spill. The more serious discovery was that half a year later the polluted area had increased tenfold to cover 5000 acres offshore and 500 acres of marsh. Oil conclusively tied to the spill is still present in the marsh four and a half years later. This may have serious implications in terms of the chronic seepage from drilling rigs on the ocean floor and from oil-water separators on drilling platforms and its effect on the micro-organisms that are the basis of the marine food chain.

So far there has been no major incident in Britain's North Sea where exploration and drilling has been underway since 1969.

But production has not yet begun in any of the North Sea's 16 oil fields. And it remains to be seen whether new technology, including steel and concrete-encased well heads on the seafloor, giant seabed storage tanks and huge semi-submersible drilling platforms can prevent damage. Meanwhile the related development boom onshore has been a mixed blessing to Scotland's small coastal towns.

Once again environmentalists are being called obstructionists as they plead for caution. But Rep. Michael Harrington of Massachusetts has repeatedly emphasized that he and others are not opposed to deep sea drilling.

They want to examine alternatives and make sure that the penalties, in terms not only of deep sea and coastal pollution, but of the social and economic impacts to onshore communities, are minimized.

A 12-month study by the President's Council on Environmental Quality, released April 18, estimates that unexplored offshore oil deposits may be double the country's proven reserves of 37 billion barrels, with as much as 10–20 billion barrels in three broad locations on the Atlantic shelf.

This represents a sharp downgrading of earlier estimates, following exploratory drilling near Sable Island off Nova Scotia, where nothing has been found to date. But, with the country now using six billion barrels of oil a year (17 million barrels a day), of which one-third must be imported, and with energy consumption in the United States increasing at four percent a year, the Administration is determined to press hard for new development on the continental shelf.

A Bureau of Land Management survey released last week and reflecting the oil companies' private evaluation of offshore drilling areas in the United States, lists Georges Bank off New England as seventh-to-ninth in potential production among 17 areas to be studied by the Interior Department this summer, But, because of its high CEQ rating in terms of ecological safety (based on distance from shore, wave heights and low earthquake potential), George Bank along with the Baltimore Canyon remains a prime target in the campaign for "Project Independence."

Clearly the time to reflect is before drilling starts, not afterwards. A preliminary report from the Ford Foundation's Energy Policy Project, issued March 31, strongly suggests that a national energy policy should be established before turning public resources over to private industry. Savings in energy consumption should be pushed. The cost-benefits of alternative sources of energy such as nuclear power or deep-mined coal should be weighed. And consideration should be weighed. And consideration should be given to withholding the outer continental shelf for other uses or as a strategic resource for the future.

Monte Canfield Jr., deputy director of the Ford Project who was charged with oversight of the BLM's leasing activities at Interior from 1969 to 1972, flatly told us that "there is no reason to go into the Atlantic or the Gulf of Alaska." He cautions that the 10 million acre leasing goal is four times what the National Petroleum Council set as a maximum goal in its own study. "Industry can't handle this. It's like putting a drunk in front of a bathtub of gin and giving him a straw to drink with." He predicts the "dumping" of 10 million acres at "bargain prices" will reduce competition, deny the public fair return for its lands, and simply foster increased and unnecessary production as a self-fulfilling prophecy.

As a sign of the government's eagerness to forge ahead, a representative from the Department of Interior recently indicated to the New England Council that, contrary to an earlier understanding that no action would take place until the U.S. Supreme Court rules in the five-year-old battle between the Federal government and the state of Maine et al over territorial boundaries. Interior will go ahead with leasing on the Atlantic shelf and "hold the money in escrow," which means the general treasury.

A major weakness in the on-rushing proceedings is that most of the information related to oil and natural gas is confidential and comes from the oil industry itself. Some direct form of Federal participation in oil development could provide a valuable check against private exploitation of the public interest. Perhaps the licensing and regulating functions of Interior should be separated as they were recently in the case of the Atomic Energy Commission. And the release of impounded funds under the Coastal Zone Management Act of 1972 could be used to establish estuarine sanctuaries and to plan against what CEQ describes as "permanent degradation of the environment and unnecessary disruption of traditional values" near oil-related facilities onshore. Also, if measures are taken to increase supply, parallel action should also be taken to reduce the wanton consumption of energy in the United States.

Like Rep. Harrington, we're not against deep sea drilling per se. We are against a wholesale ravaging of the continental shelf for the sake of a slogan and token independence.

WYOMING COW-BELLES NAME ESSAY WINNERS

Mr. HANSEN. Mr. President, it was my privilege to be in Laramie, Wyo., last weekend for the annual Wyoming Stock Growers and Cow-Belles Convention.

One of the things that happened at the convention brought home to me once again the things that make Wyoming a special place and the Wyoming Stock Growers Association and Cow-Belles very special organizations of that State. And that was the awarding of the Beef for Father's Day essay contest winners.

Rodney Drury of Casper was named first place State winner for the best essay entitled "Why My Father Should be Father of the Year."

Ronda Watson of Sundance was awarded second place and Lisa Collins of Douglas and Anita Ring of Huntley tied for third place.

Almost every county in Wyoming had participation from fourth and fifth grade students and their essays were entered in the county Cow-Belle contest and the three best essays from each county were sent on to the State committee where they were judged.

Mrs. Leonard Masters, Wyoming Cow-Belle president from Ranchester; Velma Doyle, information director, and Mrs. John Rankine, Cow-Belle beef promotion chairman, worked hard on the 1974 contest. Mrs. Masters, who helped judge the letters, said:

> We smiled a little and cried some when we judged these essays. We found that some of the qualities the youngsters appreciated most in their Dads were that they did things with them to teach them right from wrong. They all loved their Dads and were very proud of them. We enjoyed all the fourth and fifth graders for their efforts and inspiration.

Mr. President, I ask unanimous consent that Rodney Drury's winning essay be printed as a part of the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

Why I Think My Dad Should Be Father of the Year

My father's name is Hahlon Drury. He has to be both a mother and father since my mother has passed away.

He does many things for my brothers, my sister and me.

He takes us places, buys our clothes, cooks some of our meals. He also teaches us what is right and wrong.

He buys us what we need and some things we want.

He also helps us with our pets, but best of all he loves us with all his heart.

That's why I think my Dad should be Father of the Year.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for the past 6½ years, I have daily urged the Senate to ratify the Genocide Convention accords. Today I again implore the Senate to seize the role of world moral leadership and adopt this treaty.

There are those critics who call supporters of the Genocide Convention mere dreamers and idealists for thinking the destruction of national ethnic, racial or religious groups. But Mr. President, my answer to these critics is this: If the United States is to gain the confidence of the world's peoples and thereby achieve its stated foreign policy objectives of world peace and freedom, then the United States must demonstrate its commitment to moral leadership in the world by taking a firm legal and official stand against genocide. Human rights and world peace are intrinsically related. Where the basic rights of people are threatened, peace itself is threatened. All too often, unchecked domestic oppression has grown into foreign aggression, as demonstrated by the example of the Axis powers during World War II.

That a written document, such as the Genocide Convention, when duly enacted can have a great impact in the lives of men is evidenced by the impact of the Magna Carta, the English Bill of Rights of 1689, the U.S. Constitution, and the American Bill of Rights. As the ABA section of individual rights and responsibilities noted in 1969:

> In each of the states in the development of human liberty how much significance did a given document, amendment, or judgment have? In detail, of course, the answer varies from instance to instance. Speaking broadly, however, it is fair to say that the documents which became landmarks were produced when the time was ripe for them (or perhaps a little before), and that their impact went far beyond the immediate and enforceable issue. The lasting documents were persuasive documents, and they changed men's minds and men's lives.

Mr. President, the time for the United States to ratify the Genocide Convention has long been ripe and the Senate ought to adopt it immediately.

ANOTHER DAY OF MEMORY FOR LITHUANIAN AMERICANS

MR. HRUSKA. Mr. President, earlier this year I addressed the Members of the Senate on the occasion of Lithuanian Independence Day. June 15 is another important day on the calendar for Lithuanian Americans. It marks the day some 30 years ago when the Soviet Union forcibly annexed this small European state.

No freedom loving American can look at what happened to the nations of East Europe without feeling a sense of loss and regret. The brave peoples of these nations had little chance to defend themselves against the Soviet Union. They stand today as a sad reminder of that period of East-West confrontation which began even before the guns from World War II were silenced.

When I spoke last February, I called attention to the fact that the world is a far different place than it was three decades ago or even 5 years ago. That is due in large measure to the successful diplomacy initiated by President Nixon in 1969. In that short span of time, he has accomplished a remarkable transformation in world diplomacy. Soviet-American "détente" has replaced the angry mistrust of the cold war.

"Détente" gives new hope to all peoples of the world including those of oppressed nations. I said in February and repeat again today with even greater conviction:

> When ideas can begin to flow between the United States and the Soviet Union, then perhaps they can begin to trickle throughout the Communist world.

President Nixon is now in the Middle East on a visit of historical dimensions. He goes to this troubled spot of the world to build upon agreements already worked out by Secretary of State Kissinger. Following this visit, he will travel again to the Soviet Union for further negotiations to strengthen the policy of "détente."

On this somber occasion of remembering June 15, 1940, we can also look with hope to the future. Perhaps the day will come when the light of freedom will again shine for the brave peoples of Lithuania. Certainly, this is the prayer of each of their relatives in this country and for every citizen of the world who values freedom and human decency.

Mr. President, I ask unanimous consent that there be printed in the Record at the conclusion of my remarks, a letter I have received from Mr. Danguole Antanelis relating to Lithuania. He is a member and representative of the Association of Young Lithuanian Americans. His ideas and views contain very worthwhile suggestions. I recommend to my colleagues a careful reading of this letter.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Association of Young
Lithuanian Americans,
May 28, 1974.

Dear Roman Hruska: On June 15, 1974, Lithuanian Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940, and the subsequent mass deportation of thousands of Lithuanians to Siberian concentration camps.

Currently Lithuanians are denied the right of rational self-determination, suffer continual religious and political persecutions, and are denied their basic human rights.

The Soviet Union is now seeking détente, as well as Most Favored Nation status with the United States. The desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the people in Lithuania and the other Captive Nations.

The Policies which we recommend be pursued are:

(1) Lowering of excessive tariffs imposed on gifts to relatives and friends residing in Baltic States.

(2) Increase current five-day tourist visa to Lithuania to a more reasonable limit.

(3) Elimination of unreasonable travel restrictions on tourists to Lithuania.

(4) Provision for Lithuanians to immigrate to other countries as provided by the Charter of the United Nations—signed by the Soviet Union.

We are seeking your assistance, together with your fellow members of Congress, to bring these issues to public attention. This can best be done in conjunction with your remarks concerning the observance on June 15 on the floor of the Senate. While the Senate will not be in session on June 15, 1974, please schedule your remarks as close to that date as possible. We would appreciate receiving a copy of the Congressional Record containing your remarks.

With all due respect.

DANGUOLE ANTANELIS.

MINORITY VIEWS ON S. 707, THE CONSUMER PROTECTION AGENCY ACT

Mr. ERVIN. Mr. President, on May 29, for myself and Senators ALLEN, NUNN, and BROCK, I filed part II of Senate report 93–883 which contains the minority views on S. 707, the Consumer Protection Agency Act.

This proposed legislation, which is now pending on the Senate Calendar, would create a new independent Federal agency, headed by an administrator, appointed by the President, subject to Senate confirmation. This administrator would have the broadest possible powers to intervene in the administrative proceedings of every Federal department and agency as of right and as a party, and to seek judicial review of the decisions of such departments and agencies. The sole standard contained in the measure, upon which such intervention would be based, is his determination that the result of a pending action may substantially affect the interests of consumers which are defined in the bill as covering just about everything.

Mr. President, in my judgment, concurred in by many others, this bill is one of the most pervasive and far-reaching pieces of legislation ever to come before this body. It would affect dramatically the interests of all of the American people, and it contains the seeds for bringing to a halt the effective operation of this Government by imposing the machinery for interminable delays in proceedings which are being carried on daily by virtually every Federal department and agency, involving the interests of hundreds of millions of men, women, and children.

Because of the far-reaching and pervasive coverage of this bill, it is vital that the people of this Nation have a full and complete understanding of what the bill is likely to do to the operations of this Government which affect their daily lives. Congressional reports and documents have a very limited circulation. The CONGRESSIONAL RECORD, however, is widely circulated and widely read. Although these minority views have only been available for a few days, we have had an overwhelming demand for copies.

In order that the American people have an opportunity to understand the issues and be aware of the true nature of this measure, I ask unanimous consent that part II of the Senate report 93–883, which contains only 26 pages, be printed in full in the RECORD, following my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CONSUMER PROTECTION AGENCY ACT

MINORITY VIEWS

[To accompany S. 707]

S. 707 would coronate a Caesar within the Federal bureaucracy.

With deference to Shakespeare, we say to other supporters of consumer rights that our support is no less than theirs; that we rise against this Caesar not because we desire consumer protection less, but because we desire good government more.

INTRODUCTION

This bill would create an independent Federal Consumer Protection Agency—a "CPA"—to decide for consumers what is in their best interests, and then to make sure that that decision is acted upon inside and outside the Government.

We believe that a CPA such as that proposed in S. 707 is a bad idea whose time has come and gone, and we urge the bill's rejection or, at least, its extensive revision after thorough consideration. We do so for the following major reasons:

I. S. 707 is bad in theory, being conceived out of a paranoid fear of businessmen and farmers, a patronizing attitude toward consumers and a paradoxical view of the role of Government.

II. S. 707 grants powers to a political appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have.

III. S. 707 will result in the subversion of the public interest to the often conflicting special interests of consumers, as these special interests are defined by a corps of bureaucrats.

IV. S. 707 is, itself, a fraud upon consumers who have been led to believe it is the answer to their day-to-day problems and frustrations.

V. S. 707, if enacted, will lead inexorably to the creation of other special advocacy agencies representing interests just as important as those of the consumer which are threatened by the existence of a powerful CPA.

These matters deserve discussion in some detail, both in these views and during consideration of this bill on the floor.

I. S. 707 IS BAD IN THEORY, BEING CONCEIVED OUT OF A PARANOID FEAR OF BUSINESSMEN AND FARMERS, A PATRONIZING ATTITUDE TOWARD CONSUMERS, AND A PARADOXICAL VIEW OF THE GOVERNMENT

At the Constitutional Convention of 1787, Gouverneur Morris observed that, "The most virtuous citizens will often as members of a legislative body concur in measures which afterwards in their private capacity they will be ashamed of."

A study of the underlying theories of S. 707 will lessen the probability of such shame redounding to Members of the Senate by increasing the probability of this bill's rejection.

We are asked to believe that most, if not all, businessmen are scheming swindlers whose every action must be subject to review and attack by consumer protection agents who have been untainted by any business experience more responsible than a paper route.

We are asked to believe that all consumers are mental midgets who must look to Washington to find out how to manage their personal lives from some bureaucratic consumer "representative" who will have neither the time nor the knowledge to shop for and cook a decent supper.

We are asked to believe that existing Federal agencies are incapable of protecting consumers because not enough consumers appear before them, and that the answer to this problem is not to devise ways for more consumers to appear before such agencies or to revitalize these units, but to create another agency to appear before them.

The "capture" theory

Proponents of the CPA concept will rely most often upon the so-called "capture" theory to substantiate the need for a CPA. According to this theory, the regulatory agencies designed to protect the public are always "captured" by the very interests they are supposed to regulate, bending to the will of these special interests with whom they are in constant touch.

This theory is an oversimplification of a complicated problem well recognized in several economists' circles—a problem caused by the fact that the Federal Government has gotten too large and too pervasive, a problem which decidedly cannot be solved by making the Government even larger and more pervasive.

Professor James Q. Wilson defines the problem with more precision: [1]

"[T]he agencies are not so much industry-oriented or consumer-oriented as *regulation-oriented*. They are in the regulation business, and regulate they will, with or without a rationale. If the agencies have been "captured" by anybody, it is probably by their staffs who have mastered the arcane details of rate setting and license granting."

Anyone need merely pick up a single copy of the *Federal Register* to see why businesses need to be in constant touch with the agencies that attempt to regulate them down to the last detail. Consider, for just one example, this regulation of the Food and Drug Administration: [2]

"Each plant shall provide its employees with adequate toilet and associated hand-washing facilities within the plant. Toilet rooms shall be furnished with toilet tissue. . . . Signs shall be posted directing employees to wash their hands with cleaning soap or detergents after using toilet."

That brilliant bit of rulemaking probably cost the taxpayers thousands of dollars while bureaucrats pondered over its need. Add the CPA to this process and we probably shall have the grade of the toilet tissue specified, the required signs in specified colors, and the detergents banned.

It should be obvious that, even if we accept the "capture" theory without question, it does not follow at all that another fallible Federal agency is the solution. Professor Milton Friedman, in commenting on consumer activists who rely upon the "capture" theory has stated that you might expect these activists "to draw the obvious conclusion that there is something innate in the political process that produces this result; that, imperfect as it is, the market does a better job of protecting the consumer than the political process. But no, their conclusion is very different: establish stronger agencies instructed more explicitly and at greater length to do good and put people like us in charge, and all will be well. Cats will bark." [3]

Before leaving the capture theory, we note an irony with its use in relation to the CPA. As the debate on this bill will probably prove, we shall hear this theory expounded to show the devilment that the business community is supposed to be responsible for.

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[1] Wilson, paraphrasing Louis Jaffe—"The Dead Hand of Regulation," 25 *The Public Interest* 47–48 (1971).

[2] 21 C.F.R. ¶ 128.5(d).

[3] Newsweek, Feb. 19, 1973, at 70.

The advocates of S. 707 keep forgetting about the capture theory in relation to organized labor. Perhaps we should return to Professor Wilson again: "Indeed, if any agency has been 'captured' by its clients, it has been, under certain Presidents, the National Labor Relations Board. . . . (Curiously, academic criticism of business domination of regulatory agencies rarely extends to organized labor influence in the NLRB.)"[4]

In this regard, it is interesting to review section 6(a)(11 of S. 707 wherein organized labor has been granted a full exemption for many of the consumer-affecting activities of Federal labor agencies such as the NLRB. But that is a subject for a later section of these views.

No examples showing a need for a CPA

A review of the extensive hearings on S. 707 will reveal much preaching, praying and puffing, but not a single concrete example which demonstrates the need for a CPA such as the one now being proposed.

One would think that a bill of this magnitude would be supported by hundreds, if not thousands, of citations to Federal agencies and businessmen bilking the consumer in ways the CPA could best prevent. The few Federal activities cited by proponents of a CPA as allegedly showing a need for a new consumer advocacy agency do not withstand even the most superficial scrutiny.

Some of these examples are cast in light of agency officials being malfeasant, deliberately not doing their assigned jobs. This leads to two conclusions never drawn from the examples: (1) If you can prove malfeasance, you can have these officials fired; you do not need a new agency to do this, and (2) if officials in existing agencies can be malfeasant, so can officials in the new CPA—and we shudder to think about what could happen with malfeasants who have the power that would be bestowed by S. 707.

Most of the examples are judgmental or the result of Monday morning quarterbacking for which the CPA would be no more reliable than anyone else. Some raise questions about agency priorities, a subject more proper for legislative than CPA oversight. Some state problems which were solved by the responsible agencies soon after being stated.

It seems to us the rankest form of speculation to cite a particular Federal activity with which one disagrees, and then to assume that if there had been a CPA in existence that the CPA would have agreed with your viewpoint and forced its sister agency to take any different action than was taken.

The point is that the CPA is given complete discretion to do virtually anything it wants anywhere it wants within the Federal administrative process. No standards, or guidelines worthy of the name have been written into the bill.

II. S. 707 GRANTS POWERS TO A POLITICAL APPOINTEE WHO WOULD BE RESPONSIBLE TO NO ONE, POWERS WHICH NO RESPONSIBLE OFFICIAL WOULD USE AND WHICH NO IRRESPONSIBLE OFFICIAL SHOULD HAVE

Diligent efforts have been made by some to present this bill as mild, innocuous, traditional land inevitable. It has been cloaked in grandmotherly rhetoric which hides the wolf lying beneath. A close review of the bill's complex provisions will, however, reveal that the CPA's powers are to be far broader than the simple goals by which its proponents are making it known.

This CPA has been modeled after what its proponents purport to despise most. The CPA is to be a bare knuckle lobbyist for a special interest within the larger public interest, a lobbyist with more power, money and prestige for its purposes than any we have heretofore seen, a lobbyist able to insinuate itself where no others have dared, to get information that no others could know existed, to use the force of law like no others dreamed.

If we are to believe the proponents of this bill that legislative oversight is totally ineffective in controlling agency actions, then we shall have a CPA which is absolutely free of any control and responsibility. Until fiscal year 1977, when new authorizations must be sought from the Senate Committees on Government Operations and Commerce, it answers to no one but its appropriations committee, whom it is authorized to lobby along with other Members of Congress.[5]

Have we forgotten Mr. Justice Frankfurter's admonition: "If one man can be allowed to determine for himself what is law, every man can. That means first chaos, then tyranny. For legal process is subject to democratic control by defined, orderly ways which are part of the law. In a democracy, power implies responsibility."[6]

The power of independence

The CPA Administrator is responsible to no one in deciding for consumers what is in their best interests. The Administrator is totally isolated from supervision by any elected official. He or she is to be appointed for a fixed term coterminous with that of the President, and may be removed only for inefficiency, neglect of duty or malfeasance in office. Sec. 5(b)(1).

This is one of several provisions which has forced the present Administration to oppose S. 707, unless amended. Once ensconced, the CPA Administrator can, in practical effect, do as he pleases within the broad confines of this bill.

Which leads us to this thought: The power of a CPA to disrupt the priorities of any Administration is clear, as will be shown later; in fact, the CPA, under S. 707, may invade the Office of the President almost at will.

How do we guard against the distinct possibility that any person chosen by the President to be the CPA Administrator will be first screened for absolute loyalty? The fact that the Senate must confirm this nomination does not appear to be sufficient protection against this probability. If the Senate fails to confirm, there is no CPA Administrator; if it confirms, it cannot touch the Administrator for any reason; it can only cut off its nose to spite its face by not funding the agency.

The power to decide what is best for everyone

To understand the vast powers this CPA Administrator would have, it is necessary to begin with two definitions set forth in S. 707. The first takes five lines to define "consumer" as meaning every human being in this world (and, considering space flights, beyond). For those who may find difficulty believing this, here is the definition of consumer as it appears in section 4(7) of S. 707; no human being could possibly be left out:

"Consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family or household purposes.

The next definition is that of the "interest of consumers," a much more complicated and lengthy provision which can be reduced, for practical purposes, to one word: "anything." Here is the definition, as found in section 4(11) of S. 707:

"Interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

What could possibly be omitted? The real clincher, however, is found in section 14(e)(1) and (2) which explicitly provide that the CPA Administrator's determination of what is in the interest of consumers is not reviewable in court by anyone.

The excessive resources and powers generally

One of the most patently absurd myths being propounded in relation to this bill is that the CPA merely will be on parity with other special interest advocates; that is, the CPA will simply be placed on an equal footing with business interests who appear before Federal agencies to protect their interests.

Nothing could be further from the truth. What this bill does is to take the strongest advocacy powers available to regulatory agencies, and grant them to the CPA without delegating the responsibilities which go along with these powers; it then takes the strongest rights of private citizens available to no governmental unit, and blends them into the CPA recipe; next it adds a generous measure of rights never given to *either* a governmental unit or private person, and, finally, sprinkles this power pie with millions of dollars to make sure that the CPA will overwhelm all proponents of other viewpoints.

On this last point, proponents of this bill will also be quick to point out that the CPA will "only" have an appropriation of $25,000,000 during its third year, and that this is a "paltry" sum. It may be paltry compared to some of the overly-fat existing Federal agencies which have been granted substantive programs, but it is a huge sum compared to the monies which will be available to advocates of differing viewpoints in the Federal forums in which the CPA will use most of this money. And this is not to mention the fact that, under this bill, the CPA is to draw upon, free or at cost ,the considerable resources of existing agencies to make sure it wins its point.

The advocacy functions of the CPA are its prime purpose in life, as the majority views in the Committee report make clear, not to mention the findings in the bill, itself. The report also makes clear that it is intended that the CPA concentrate its resources on relatively few proceedings and activities of other Federal agencies, because that is all it will have time for in the huge multi-ringed Federal forums of action.

A very conservative estimate of the amount of CPA resources which are intended to be devoted to its advocacy function, we would say, then, is seventy-five percent per year. Taking the figure of $25,000,000 for its third year of operation, this would mean that we could, very conservatively, expect at least $18,750,000 spent on or in support of consumer advocacy by the CPA in that one year alone, not to mention all of the free services it will have other Federal agencies perform for it.

Concentrating such resources into the expected relatively few proceedings, and using the extraordinary powers granted to it, will, indeed, make the CPA a super advocate.

What is continually forgotten by adherents to the parity myth is that the CPA's business will *be* such litigation, and that the business firm's role is to attempt to *avoid* litigation. There will be no private party who will be able to match the resources or the powers that the CPA could put into any one proceeding.

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[4] Wilson, op cit., 48–49.

[5] Sec. 6(a)(9), S. 707, the word "lobby" is used in the practical, nontechnical sense, since the CPA technically speaking will be merely furnishing information and views and subject to 18 U.S.C. 1913 and 31 U.S.C. 15.

[6] *United States* v. *Mine Workers*, 330 U.S. 258 (1946) at 312 (concurring).

Another commonsense element never mentioned by those who propound this parity myth is that you cannot equate *all* business advocacy and treat it as an entity worthy of matching Federal consumer funds. The same companies do not exercise advocacy powers in relation to the same Federal programs.

A car manufacturer will care little what the Federal Food and Drug Administration proposes as a proper percentage of peanuts in peanut butter.

In addition, there is most often no unified business front on any given Federal proposal—a reading of any rulemaking file will show that businessmen are advocating against businessmen most of the time, each attempting to protect as best he can his own legitimate interests. And, none of these has millions of dollars to spend annually for this purpose. One of the very few situations where you will find unity of diversified, legitimate businesses is in relation to this bill—with minor exceptions, they oppose it virtually without exception.

Finally, completely overlooked in this parity myth is the fact that many businesses simply cannot afford adequate counsel and advocacy *themselves*—small, medium and even large companies often cannot keep up with the layers upon layers of bureaucracy propounding regulations and adjudicating issues. It also would seem obvious and fair to say that, in terms of numbers, small businessmen are the targets of more Federal actions than are large businessmen.

We ask that these all-too-often overlooked factors be kept in mind as we proceed to discuss some, just some, of the overreaching powers to be granted to the CPA. We also ask the Senate to remember that the CPA will—*alone* and without *any* possibility of being successfully challenged—determine what is in the best interest of consumers. Having done this, it is likely to use these extraordinary powers to make certain that that unchallengeable determination is implemented inside and outside the Government.

In addition, leaving aside the question of resources and considering only the proposed extraordinary powers for the CPA, the words of Oliver Wendell Holmes come to mind: "The prize of the general is not a bigger tent, but command."

The power to meddle where no others dare

S. 707 gives the CPA authority to insinuate itself into everything another Federal agency, or any of its employees, could possibly do.

For this purpose, the bill divides what the Federal Government does into two broad categories: (1) "agency proceedings," that is, the more formalized and structured decisionmaking of existing Federal agencies, and (2) "agency activities" which include *anything* else that a Federal agency may or can do, especially unstructured efforts sometimes called "informal" action.

The terms "agency activity" and "agency proceeding" are defined in the bill at section 4 (4) and (5), and used as words of art throughout the bill to define the CPA's powers, especially, but not exclusively, its advocacy powers under section 7.

At this point, we should like to focus attention on the CPA's powers to disruptively meddle in the often inchoate and very informal "activities" of Federal agencies before they reach any stage at which the public is invited to comment or otherwise participate in a structured proceeding.

Let us use an example for clarity—trade negotiations with foreign governments. This illustration is picked because it is one of many target areas specially intended for CPA intrusion.

To cite but one example of this intent, look at the Majority Report's explanation of the term "commerce," as that term appears in section 4 of S. 707. The majority states that, "The inclusion of foreign nations in the definition of the term 'commerce' reflects the intention that the Consumer Protection Agency be permitted to fulfill its responsibilities in [Federal agency] activities which may involve trade." Then, in its explanation of subsection 7(b) of the bill, the Majority Report states that, "Among the activities [of Federal agencies in which the CPA may participate] are the . . . initiation of action of any kind with respect to negotiation. . . ."

The State Department being a target agency for the CPA under this bill, let us consider what the CPA could, as a matter of unchallengeable right, do in regard to Secretary of State Kissinger's negotiations which may relate to trade of fuel products to this country from the Middle East.

There can be no doubt that these negotiations may substantially affect the interests of consumers in this country, and the fact that these negotiations may involve other, overriding factors of the public's interest in national security is irrelevant under this bill. The CPA cannot, under any circumstances, be stopped from participating in these negotiations.

The first thing the CPA might do would be to specifically request, under subsection 9(b), information which this provision of S. 707 requires the State Department to "promptly provide" to the CPA; namely—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject [such as, in this example, fall-back negotiating positions of the U.S.]; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency [i.e., State Department] and which would facilitate the [CPA] Administrator's timely and effective participation under section 7 of this title.

At this stage, the State Department is not *obligated* to give the CPA raw information which has been classified in the interest of national defense or security; it may, if it wishes, merely summarize from such classified material in providing the CPA with the information which must be turned over to the consumer advocates. See paragraph (1) of subsection 11(c).

This specific request would be made "continuing in nature," that is, the bill recognizes that informal activities move from stage to stage, and that the CPA's participation rights in them move right along and are renewed at each stage. Therefore, the CPA need make only one specific request under subsection 9(b) for continuing status reports and summaries of proposed measures to be taken by the State Department at each stage of the negotiations.

It should also be noted, as the Majority Report states in its explanation of section 9, "Whenever there is any dispute between the Federal agency [i.e., in this case, State Department] and the CPA over whether a particular action or type of action may substantially affect the interests of consumers, the Federal agency [i.e., State Department] shall *defer to the CPA's determination.*" [Emphasis added.]

In exercising its advocacy functions to participate in the trade negotiations, the CPA is given the rights, under subsections 7(b) and 7(d), to participate in this agency activity and to request or petition the State Department to take action which the CPA feels to be best for consumers.

These rights, it should be reemphasized, are continuing in nature with each new phase of the negotiations. As the Majority Report states, in its explanation of section 7, "The Administrator [of the CPA], under subsection (b), has the right to participate . . . at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity."

Participation by the CPA in trade negotiations or any other informal activity under this subsection 7(b) may be by "presenting written or oral submissions" to the forum agency *at each stage* of the activity. These submissions need not be simultaneously submitted with those of another person, but "the Federal agency [e.g., State Department] shall give full consideration" to these submissions of the CPA before taking action.

The Majority Report crystalizes, for those who are not familiar with this bill's intricate legal provisions, how extraordinary a right of advocacy this is to be. In its explanation of subsection 7(b), the majority notes that the CPA, and *not* the forum agency such as the State Department decides whether the CPA's submission is to be oral or written, and that—

"The provision does require, however, that the *CPA have a full opportunity* to submit its views to the decisionmaking authority before any decision is made either to take, or not to take, certain action, where the CPA determines that a substantial consumer interest is at stake. The specific requirement that the agency give full consideration to the [CPA] submission is intended to insure that the rights extended by this subsection are meaningful. The Federal agency [e.g., State Department] may not brush aside such submissions arbitrarily, capriciously, or in a pro forma manner. Each agency is required to afford the CPA as *equal an opportunity* to present its views as are afforded business representatives and *other parties* interested in the same agency activity." [Emphasis added.]

Has anyone seriously considered the implications of these powers? In our example, Secretary Kissinger must keep the CPA continually informed of all *expected* and actual activity at each stage of the negotiations, must listen to the CPA before making a decision at each stage, and must give the CPA an opportunity equal to any other party—equal opportunity to the person negotiating for a foreign nation, be he king or minister.

Can anyone imagine the Secretary of State telling some sheik, "Excuse me, before I decide on your new proposition, I must contact the Administrator of the Consumer Protection Agency or one of his agents." It would appear that an advocate of the CPA will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law.

But the worst is yet to come. If the CPA, under subsection 7(d), requests the Secretary of State to take particular action during these trade negotiations, and the Secretary fails to take the requested action—the Secretary must notify the CPA in writing why he refused to act, and this writing is to be a matter of public record.

Then, to top that, the CPA is authorized, under subsections 8(a) and 14(e) to take Secretary Kissinger to court to seek review of the Secretary's refusal to act as requested by the CPA or to give the CPA a full opportunity to participate.

The prospects for disruption and delay contained in the proposed power for the CPA to participate in any informal Federal activity of its choosing are apparent. We just use a topical example to illustrate them. For those who might say that this is an extreme example, we say that it was specifically contemplated, as evidenced by continued reference to trade activities in the legislative history of this bill, including the Majority Report.

We also point out that the genesis of this CPA bill is dissatisfaction over Federal agencies who have not done as their supporters thought they would. And, if the potential supporters of the CPA accept this theory and believe in the scientific method, then we must assume that the CPA will not act as they think it will.

The power to be a dual prosecutor

Moving from the informal to the more formal agency proceedings in which the CPA is given extraordinary rights to advocate its special interests in public interest forums, let us again just focus on one area—adjudications of alleged violations of law by Federal agencies.

An example of such a proceeding most often cited by proponents of a CPA is found in the Federal Trade Commission: The FTC's proceedings to determine whether a deceptive act or practice has been committed in violation of the Federal Trade Commission Act. Under that Act, Congress has delegated to the FTC quasi-judicial powers to adjudicate such violations because such adjudications take a special form of expertise which would more efficiently be handled administratively than in a court of general jurisdiction.

This is a proceeding subject to 5 U.S.C. 554, and, therefore, one in which the CPA may, as of unchallengeable right, intervene as a party to represent consumer interests under subsection 7(a) of S. 707.

The FTC has consistently refused to all consumerists the right to intervene as full parties in such adjudications, and is on record in a letter to Senator Allen during the last Congress as not being able to support such an extraordinary right in its adjudications.[7] Why this is such an extraordinary power might not be readily apparent to those who are unfamiliar with this type of adjudication and the rights of a party in it.

These adjudications, as are all formal agency adjudications subject to the Administrative Procedure Act, are required to be mini-trials conducted with a record of the proceeding and decided upon the basis of evidence contained in that record. This is to preserve the due process rights of the party charged with the alleged violation.

In an FTC adjudication of the type mentioned, there are really only two "parties"—the company or businessman charged with the alleged violation, called a Respondent, and the FTC prosecutor, called a Complaint Counsel, who acts as an advocate before a FTC Administrative Judge or the Commission, itself.

Neither competitors of the respondent nor consumers of his products or services have a right to appear as a party, although they may be allowed to intervene at certain levels as limited intervenors for a particular evidentiary purpose, or, as amicus curiae.

The reason that an outsider has no right to appear as a party is because party status carries with it certain rights pertaining to putting information into the record upon which a decision must be made. If a party can dominate the record, his position will usually prevail. These rights relate to primarily the production or questioning of evidence, and include such powers as cross-examination of the other party's witnesses, introduction of your own witnesses, subpena power, and the like.

The FTC staff, through its Complaint Counsel, prosecuted its charge with use of these powers, and the respondent has an equal opportunity to defend. Under subsection 7(a) of this bill, the CPA could enter such a proceeding, as of right, as a full party—the FTC could not throw the CPA out or downgrade its intervention status, no matter who complained.

Proponents are fast to point out that the CPA could intervene, if it wished, as a party-respondent to help defend the accused businessman. A simple reading of any of the hearings on proposals to establish a CPA ought to make it clear that the likelihood of the CPA intervening to protect a businessman charged by the FTC with a deceptive act is extremely remote. Besides, even if an accused businessman did not want such help, he would be given an offer which, by law, he could not refuse.

The real probability, however, is that the CPA will intervene on the side of the FTC prosecutor as *another* full party-prosecutor—whether or not the FTC prosecutor thought this was a good idea.

Now, consider what happens once the CPA orders the FTC to let it in as a dual prosecutor: To the extent that the CPA follows a line of prosecution identical to that of the FTC prosecutor, we have useless, expensive and delaying duplication; to the extent that the CPA's line of prosecution diverges from that of the FTC, we have an outsider not only usurping FTC's congressionally mandated responsibility, but subjecting a citizen (as of yet innocent) to conflicting prosecutions. Very serious due process questions are raised when two prosecutors see who can outprosecute whom.

There is a hortatory clause in subsection 7(a) which proponents rely on to assure us that the CPA will rarely intervene as a party. It says that the CPA shall refrain from intervening as a party, *unless* the CPA determines it is necessary to intervene as a party to represent consumers. This is not only meaningless, it is misleading when offered to calm the business community, because an even more insidious power relative to this point is contained in a later advocacy provision.

Under subsection 7(e) the CPA can achieve many of the important rights of a party without intervening as a party and subjecting itself to like powers by an opposing party. This well-camouflaged provision would grant the CPA the power to order a forum agency such as the FTC to, in turn, issue orders with respect to the summoning of witnesses, production and copying of papers and books of a party or witness and to issue interrogatories which must be answered by a party.

Thus, the CPA could intervene as an amicus curiae, insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CUA's liking. A prosecutor's dream.

Subsection 7(e) would allow the forum agency only the same amount of discretion to refuse such a CPA demand for party powers as the forum would have in relation to actual parties, themselves. That is, there is no added protection against unfairness or disruption, merely the general rules as to relevancy, burdensomeness and the like which, under the Administrative Procedure Act, apply to all real parties when they attempt to seek greater discovery.

In addition, there is a reference to the fact that a forum agency will issue only orders which are "appropriate" with respect to its rules of practice and procedure. On first glance, one would think that this would give the forum agency some additional discretion in the matter to prevent abuse; but on closer examination of this subsection, one will find that such rules of practice and procedure by a forum agency must be "consistent with subsection (c) of this section" 7 of the bill.

A look at subsection 7(c) will show that proponents of an overreaching CPA need not worry about the CPA's not having more rights than anybody else in any formalized proceeding. This subsection (c) requires each Federal agency, as soon as this bill is enacted, to rewrite its rules of practice and procedure in consultation with the CPA.

What is the purpose of such a massive rewriting of all agency rules of advocacy? The answer is also found in subsection 7(c): "to provide for the [CPA] Administrator's orderly intervention or participation in accordance with this section," that is, in accordance with the unprecedented powers in section 7. So much for the myth that advocacy will be as usual in all federal agencies, with nothing being changed by this bill.

The power to challenge the Government

We now enter into one of the most highly controversial portions of this bill—the unprecedented grant of power to this nonregulatory agency to challenge *at will* the final decisions of regulatory agencies in court. It is an area which, in light of the many debates on this subject, brings to mind Mr. Justice Jackson's quip in *SEC* v. *Chenery Corp.*, wherein he stated, "Now I realize fully what Mark Twain meant when he said, 'The more you explain it, the most I don't understand it.'"[8] It is incomprehensible why the CPA should need such massive power to accomplish its goals.

This power to seek an overthrow of final Government decisions, at the request of a Government agency (CPA), is likely to have a coercive effect upon a forum agency's decisionmaking, a burdening effect upon our already overburdened courts, and a disastrous effect upon public policymaking as mandated by Congress.

The *Chenery* case, mentioned above (and still the law until this incomprehensible bill is enacted), held, in pertinent part, that the courts cannot disturb a final decision of an administrative agency where—[9]

"It is the product of administrative experience, appreciation of the complexities of the problem, realization of the statutory policies, and responsible treatment of the uncontested facts. It is the type of judgment which administrative agencies are best equipped to make and which justifies the use of the administrative process * * *. Whether we agree or disagree with the result reached, it is an allowable judgment which we cannot disturb."

Under S. 707, as explained in more detail earlier, Congress would be delegating to the CPA the administrative expertise to decide what is best for consumers, an expertise which, by virtue of paragraphs (1) and (2) of subsection 14(e), could be challenged by no one anywhere, including in court.

Under section 8 of this bill, the CPA would be granted legislative standing as an expert agency to challenge in court the final decisions of its sister expert agencies. The significance of legislative standing is this: heretofore, the courts generally determined, based upon the facts and law in each case, whether a party bringing a suit was the proper party to bring it.

Thus, to use an unlikely but instructive illustration, if a Russian General filed suit in a United States Federal Court to appeal a decision by the Atomic Energy Commission allowing for a nuclear explosion in the Aleutian Islands, the court would most likely throw him out as not being a proper party to bring such a suit—he did not have proper standing before the court on this issue. If the CPA, on the other hand, appeared in that court with the same suit, the court could not even inquire into the question of whether the CPA was a proper party—subsection 8(a) is a message from Congress to the courts which says that the CPA shall have automatic standing to sue whenever it appears in court, and the court must go to the merits of the case.

Turning to that subsection 8(a), we note that it contains what is either a drafting error or another attempt to usurp power. This subsection grants to the CPA a right to appeal any "action" of any agency. ("Action," by the way, includes failure to act under subsection 4(3).) Yet, this subsection does not require that the CPA's appeal be in relation to an action which would adversely affect consumers. That is, subsection 8(a), if taken literally, grants the CPA power to appeal a decision on any grounds.

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[7] See Con. Rec., vol. 118, pt. 24, p. 32065.

[8] 332 U.S. 194, 214 (1947).

[9] Ibid at 208–209.

This subsection 8(a) quite clearly provides that, "The [CPA] Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any agency action reviewable under law." Grounds for such review are not mentioned anywhere in the bill.

A provision in a later subsection adds to the confusion but does indicate that this sweeping grant in subsection 8(a) was not intended. Subsection 14(g) requires the CPA, upon appealing, to issue a public statement in which it sets forth the consumer interest it intends to represent in court. Perhaps it was intended that this later provision applying to an extra-judicial duty would modify the clear right of the CPA in judicial proceedings.

More significantly at this point, perhaps it is worthy to remember that the definition of "interest of consumer" is broad enough to cover virually anything which might be affected by a Government decision, and, of course, whatever the CPA says is an interest of consumers would be, as a matter of law if this bill is enacted, an interest of consumers.

Thus, whatever confusion is generated by the unlimited grant of judicial review rights to the CPA turns to consternation over the fact that it makes no difference how you view this sweeping bill. It is just another problem in this misconceived legislation for the courts to clear up at some later date.

Returning to the grant of standing in subsection 8(a), what this means, in nonlegal language, is this: If the CPA files the proper papers on time (that is, it follows "the manner prescribed by law"), it will have an unrestricted right to sue (that is, a court may not say the CPA is an improper party) for judicial review of any agency action if anyone under any circumstances could have so sued (that is, if the action were "reviewable under law," as are virtually all Federal actions in one respect or another).

Considering the scope of the CPA's jurisdiction and its rights to interpret its own jurisdiction, this is the most far-reaching right to judicial review ever conceived by Congress, stripping the courts of any shred of discretion to control their own calendars.

This power will not only change the standard of review of Federal actions (although not the scope), it will place a confusing and confounding burden upon our Federal courts, a burden which can only result in the courts making public policy contrary to the very essence of American administrative law.

In practical terms, the courts will be faced with two congressionally-ordained expert agencies; one agency being mandated to balance all special interests and come to a final decision on the basis of the public interest, and another agency challenging that public interest decision on the basis of its explicit right to seek judicial review of such decisions as a representative of a special interest.

There are those who predict that the CPA will not appeal many final agency decisions. The only reason for supposing such a prediction to be true would be that the CPA has enough power, including the threat of suit, to coerce any other agency into acting in accord with the CPA's views. Otherwise, the CPA's initial determination would be a shallow fraud.

That is, when the CPA intrudes into a proceeding being conducted by another agency, it must make a determination that that proceeding "may substantially affect the interests of consumers" (sec. 7(a)), and it must issue a public statement to this effect in which the CPA sets forth the substantial interest of consumers it is going to represent (sec. 14(g)).

Having done all that as the publicized champion of the consumer, does anyone seriously believe that a decision by the forum agency with which the CPA has publicly disagreed will be left unchallenged? Does anybody believe this extraordinary and overreaching judicial review right is going to go abegging in the hands of a Washington bureaucrat, especially one with his reputation on the line?

We also fail to recognize any merit in the argument that the forum agency will always win such court fights. This argument does not recognize the fact that the CPA is to be a congressionally-ordained expert agency fighting another congressionally-ordained expert agency in an embarrassing *U.S.* v. *U.S.* court battle to determine who speaks for the Government.

If one recognized expert says in court that another recognized expert did not give the proper or sufficient weight to the evidence presented in an administrative hearing, it is elemental that the court, on review, must go through all of the evidence and assign its *own* values to the evidence, perhaps even coming up with a decision that neither expert agency agrees with.

Santayana observed that those who are disposed to ignore history must be prepared to repeat it. Yet, we have heard these two soothing but erroneous arguments before—few suits will be brought, and most of these will be won by existing agencies. We heard them in debate on the National Environmental Policy Act which has many striking parallels to this CPA legislation.

In relation to these two soothing arguments which we are hearing now again, consider the recent remarks by one of the leading jurists in this country and an acknowledged expert and scholar on administrative law, Henry J. Friendly, Chief Judge of the U.S. Court of Appeals for the Second Circuit. On the subject of congressional omniscience about litigation, he states: [10]

"One must wonder whether the framers of the seemingly simple formulation [in NEPA] that any Federal agency which proposes any action that "would have a significant effect upon the quality of the human environment" must prepare an impact statement, could have remotely conceived the volume of litigation it would spawn. In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not."

In light of this history, and to paraphrase the learned judge, in practical effect S. 707 may well come to mean that any proposed federal action having a conceivable effect on the consumer will become the subject of a suit, whether successful or not.

On the question of success of suits, the second soothing argument we hear in relation to S. 707, proponents of this concept fail to recognize one central point. No matter who wins a *U.S.* v. *U.S.* suit, the Government, by definition, always loses and the courts always find these suits among the most burdensome and difficult. This is so because they have to substitute their judgment where it was never intended to be substituted, or they have to remand and, thereby, cause great delay with no guarantee that another appeal would not be taken from the subsequent agency action.

Consider the problem in relation to NEPA, as Judge Friendly makes it clear: [11]

"A court cannot decide whether an agency gave sufficient weight to environmental factors without making up its own mind what would be sufficient weight. This involves each judge's making his own value judgment, and these will differ in accordance with his particular tastes."

The respected jurist continues with an illustration:

"If, for example, Mr. Justice Douglas were sitting as a district judge, I would guess that few impact statements would survive his "limited" review, even though he was obliged to find that the attention paid by the agency to environmental factors was not simply insufficient, but "clearly" so. Almost all such cases are appealed [to a higher court]. When the reviewing court sustains the agency, years will have elapsed during which costs will have vastly increased."

There are two additional arguments made by proponents of S. 707, arguments which are spurious, but not clearly so upon first examination. The first is that Federal agencies, right now in some instances, can take a sister agency to court for a judicial review of its final decision. What these proponents always fail to point out is that (*a*) it is a rare occurrence, and (*b*) it *only* happens between agencies which have regulatory or proprietary congressional mandates which are in conflict. The CPA has no such mandates.

The courts are the proper place to resolve a conflict in duties imposed by Congress upon two different agencies. For example, the Justice Department was given authority to prevent anti-competitive mergers, and the Federal Home Loan Bank Board was given authority to approve mergers. It is one thing for the Justice Department to challenge such an FHLB-approved merger in court; it is entirely another thing for the CPA, a nonregulatory agency, to challenge such a merger where the Justice Department has failed to do so. The CPA is to be a gadfly with no substantive duties or responsibilities.

The second argument demonstrates an unfortunate insensitivity to one of the basic principles under which this country was founded. It goes like this: If businessmen, environmentalists and consumerists can sue a Federal agency in court, how can we not give the CPA such a power?

Those who make this argument are confusing private rights with public duties—a very dangerous thing to do in this day and age.

The rights of citizens representing their own special interests to challenge a Government action which adversely affects them is a right to be cherished, a measure of the liberty which has made this country great. Extending that right of challenging the Government to the Government itself, such as this bill does, is a mockery of that right which will lead to its erosion and a division of the Government.

We can guard, perfect and expedite the exercise of private rights, but we should never make the mistake of thinking that we do this by letting the Government exercise these same rights either by proxy or prediliction. The Federal Government should concentrate more on doing for citizens what they cannot do for themselves, rather than patronizingly poaching private rights, thereby depleting them.

To illustrate the point, suppose a bill were introduced to grant any Federal District Court judge the unchallengeable right to intervene in the proceedings of any other District Court for the purpose of protecting the interests of consumers. Now suppose this bill also granted these intervening judges the additional right to appeal to the Court of Appeals any decision of his brother judge, as any adversely affected party could. If Members could not support such a bill, look again at S. 707. It follows the same principle.

Before leaving this complex subject, we must point out another facet of section 8 in this bill which could easily turn danger into calamity. The CPA may appeal to the courts, not only actions arising out of proceedings and informal activities in which it has participated, but the CPA may appeal to the courts agency actions in which it has *not* participated.

Thus, we shall not know whether any "final" decision of the Government is really final until we know whether the Government, through the CPA, is going to appeal itself or seek a further delaying rehearing prior to appealing.

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[10] 4 Maryland Bar Journal (April 1974), at 13.

[11] Ibid., at 14.

As Mr. Justice Brandeis said, "Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficient * * *. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."[12]

The power of inquisition and revelation

This is indeed a bill full of superlatives, and we shall now discuss another one: Under S. 707, the CPA would have the most far-reaching information-gathering powers of any existing Federal agency, bar none. And, when coupled with its broad powers to disseminate what it has gathered, the CPA clearly becomes a threat to privacy.

The CPA is granted authority to compel other agencies and private citizens to divulge information that no other agency would even ask for, and then to publish it.

Again, we are asked to have faith in this totally independent, unknown future Administrator of the CPA, but we are told he is needed because we cannot trust other bureaucrats. We are assured that he will not use all of the powers granted to him, but we are told that they are so necessary that they cannot be trimmed back.

Under subsection 11(a), the CPA is granted general power to gather information. This is done in very broad terms, terms which, according to the Majority Report, allow the CPA to conduct its own product testing in its own laboratories. During the early years of this bill's proposal there was general agreement that such product testing power should not be vested directly within the CPA, and should specifically be prohibited.

Subsection 11(b) of S. 707 provides the partisan CPA advocate with something no special interest advocate ever had, which no nonregulatory agency ever had, and which very few substantive agencies have—the power to require citizens to file, under oath, reports or answer to questions put to them by the CPA.

Under this provision, the CPA clearly could force businessmen to divulge trade secrets, and, indeed, a reading of section 12 of the bill confirms that such was intended. Section 12 authorizes the CPA under certain circumstances, to disclose trade secrets to the public—something no other agency may do to our knowledge.

Under this provision, the CPA might never be able to force reporters to divulge their sources. Whether or not this was intended, is not clear. However, it is significant that a lawyer from Consumers Union, which publishes the magazine *Consumer Reports*, expressed fear at one of our hearings that such could happen, and nothing was changed in this regard.

The subject matter of these information orders from the CPA is "limited" to whatever information the CPA considers is required "to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to an interest of consumers." In short, the scope of the orders is limited to anything the CPA Administrator wants.

If a person who is on the wrong end of one of these orders wishes to quash it in court, the Administrator is likely to prevail by merely showing that the information substantially affects health or safety of consumers or falls within the other areas of scope mentioned above, and is relevant to those purposes. Considering the fact that the CPA is the congressionally-endowed expert in this area, that is hardly a test. The only other hope of the citizen is that he can prove that answering will be unnecessarily or excessively burdensome; a slight hope.

The CPA cannot use information received under this power against the person who supplied it in a *pending* agency proceeding, but it can use the information in a *subsequent* proceeding. Thus, the non-regulatory CPA can have regulatory power by proxy—it can force information out of a businessman, present that information to a regulatory agency, demand a proceeding against the person (and appeal any decision not to hold a proceeding), enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. Thus, the CPA will have all of the rights of a regulatory agency and none of the responsibilities.

Subsection 11(c) of the bill gives the CPA virtually untrammeled access to any Federal agency file and record which the CPA Administrator, in his discretion, "deems necessary for the performance of his functions." This power is subject to seven extremely narrow exceptions, most of which evaporate right out of sight when you read their intent in the Majority Report.

One of these exceptions is worth noting, however, because it will result in making the jobs of existing Federal agencies far more difficult. The exception is found in paragraph (7)(B) of subsection 11(c). This exception allows a Federal agency to deny to the CPA trade secrets and other confidential business information which it has received subsequent to the enactment of this bill, *but* the Federal agency may deny the CPA access to these secrets *only* under the following conditions:

(*a*) The original agency must have gotten the secrets pursuant to a written agreement not to divulge them; *and*

(*b*) The information must not have been obtainable without such an agreement (that is, the original agency had no subpena or other mandatory power to obtain it); *and*

(*c*) The failure to obtain the secret information would have seriously impaired the original agency in carrying out its program, *and*

(*d*) Access to the information is likely to cause substantial competitive injury to the person who supplied the secrets.

This is not only an extremely narrow exception, but also it will clearly result in businessmen failing to voluntarily surrender confidential inforamtion to assist the Government in its programs.

It may seriously be doubted whether a businessman who does not want his trade secrets shown to the CPA would volunteer such information to an agency which could procure it by subpena or other means—the CPA could have access to the secrets just for the asking, because the information could have been obtained by the original agency without an agreement to keep it confidential.

Perhaps those who advocate this idea do not realize how extensive a practice it is for businessmen to save a Federal agency the trouble of a suit by volunteering confidential information under a protective agreement. If this provision remains such a practice would probably no longer be extensive, and it is likely that all Federal agencies will have to go into court to get the information they need.

We should note that this provision would allow the owner of a trade secret to seek a court injunction against granting the CPA access to it. But the bill is silent with respects to any grounds upon which the injunction could lie, thus forcing him to plead the conditions listed above—an obviously hopeless task.

As to disclosure of information obtained by the CPA, subsection 12(a) grants to the Administrator the right "to discuss to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this Act." The subsection makes it clear that the only limitations to be placed upon such CPA disclosure are those listed in this section 12. No other existing legal limitations on Federal agency disclosures would apply.

Needless to say, after such a broad delegation of power to disclose information, one might expect numerous and tightly drawn exceptions to such an unbridled right to disclose the vast amount of information which the CPA will gather. Unfortunately, this section follows the pattern of its predecessors—narrow, contorted, and ill-fitting limitations upon an overwhelming grant of power.

Subsection 12(b) applies to information which the CPA has gotten through its access to the files and the records of other agencies. More specifically, it applies to information exempted from mandatory public disclosure by these agencies under the Freedom of Information Act or any other applicable statute. Even more specifically, this subsection applies only to such information where the original source agency has specified in writing to the CPA that information is exempted from public disclosure by statute, and that the CPA should not disclose it. In such a case, the CPA may not disclose that particular information. Or if the original, source agency has specified a particular form or manner for the disclosure of such information, the CPA must comply with that specification. Otherwise, the CPA has a full disclosure right, subject to some minor inconveniences, but not prohibitions, in later subsections which will be dealt with below.

Subsection 12(c) creates a broad loophole in existing trade secret law (18 USC 1905) which now prohibits all Federal agencies and their employees from using to their own advantage and disclosing trade secrets and other confidential business information. S. 707 would allow the CPA to publicly disclose such trade secrets and confidential information if the CPA in its discretion decided that such disclosure was necessary to protect health and safety generally (no relation to a consumer transaction or interest is necessary).

This regulatory function for the nonregulatory CPA applies to information received from private citizens who either volunteered it or were forced to surrender it under the CPA's information order power which would allow discovery of trade secrets. It also probably applies to information volunteered by a Federal agency, so long as the CPA did not exercise its authority under subsection 11(c) to force the agency to surrender the trade secrets. But the disclosure function does not apply to information which the CPA has forced a Federal agency to divulge under subsection 11(c).

The CPA is also allowed to disclose any such trade secrets or confidential information to congressional committees, courts and Federal agencies when the CPA is representing an interest of consumers, but it must do so in a manner designed to preserve the information's confidentiality. In addition, the CPA is allowed to generally divulge such confidential information to other Federal officials concerned with its subject matter in the same manner.

In all other cases, the CPA would be bound by the same law as other Federal officials, and would not be allowed to disclose such secrets or confidential information. But the loophole which this subsection creates is big enough to frighten anyone who has millions of dollars invested in a secret formula or process.

Subsection 12(d) of S. 707 makes it clear that the nonregulatory CPA's regulatory function is complete with respect to protecting the public. Where, in the sole opinion of the CPA, "immediate release is necessary to protect the health or safety of the public," the CPA is authorized to disclose immediately such trade secret information or any other disclosable information in its possession.

In other cases, where release of information might cause substantial injury to reputation or good will, the CPA will allow the affected person or company time to comment or seek injunctive relief. Again, we wonder about what grounds such a person or company would plead in court in light of the clear statutory right of the CPA to divulge the information.

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[12] *Olmstead* v. *United States*, 227 U.S. 438.

Subsection 12(e) originally began as a provision designed to guard against the CPA telling consumers what to buy, eat and do. It applies to CPA-released information which names products and services. Now, together with its intent as laid out in the Majority Report, this subsection achieves the opposite result.

This subsection 12(e) provides, in pertinent part, that the CPA shall "not indicate *expressly* that one product is a better buy than any other product." The Majority Report in its explanation of the subsection fleshes this out as follows:

"This provision should not be read as prohibiting the [CPA] Administrator from making any statement comparing the relative characteristics of any product or service. He may make objective comparisons of performance or of service. Frank, factual and meaningful discussion of various products and services by the Administrator are not precluded by this subsection."

That is, the CPA can determine what characteristics of competing products it should test, and publish the results in order of performance of the characteristics chosen by the CPA as most important. It will be a message to consumers as to what the CPA recommends should be purchased, but it will not be labeled as such.

The one happy note in this subsection is that, for the first time, the bill recognizes that consumers are not complicated idiots—they will be able to recognize a good-better-best rating when they see one, even if it is not labeled as such.

III. S. 707 WILL RESULT IN THE SUBVERSION OF THE PUBLIC INTEREST TO THE OFTEN CONFLICTING SPECIAL INTERESTS ARE DEFINED BY A CORPS OF BUREAUCRATS

CPA-like Federal advocacy units were tried during the New Deal, and they failed so miseraby that President Franklin D. Roosevelt let them lapse and would not heed the arguments of consumer activists that they should be made permanent.[13] They failed because the interests of consumers are all-too-often diffused and conflicting so as to make it impossible in many cases to single out a consumer interest which is truly representative and which may be advocated strongly without equivocation. As one New Deal official described the unsuccessful Federal consumer advocacy unit experiment of that day, it was a "spearhead without a shaft."[14]

What is the consumer interest in an automobile? Cost, safety, availability, power, appearance, fuel consumption, speed, impact on the environment, size, comfort? In point of fact, it is all of these, and which of them should be considered primary should be left up to the consumer who is the only one who can properly weigh these characteristics in light of his own situation. To advocate *for* safety (for example, mandatory seat belts) can mean to advocate *against* cost and convenience, two other valid consumer interests.

The interests of consumers are not only self-contradictory when segregated for advocacy purposes, but also often conflict with other established interests. The interest of consumers of fuel oil versus the interests of environmentalists in clean air and conservation may prove to be a classic confrontation if coal use continues to increase and the CPA is created. What about the interests of consumers in foreign lower-priced goods versus the interests of a working man who needs protection from foreign imports which may cause him to lose a job?

For those who still have difficulty appreciating the fact that one cannot divide every American's interests into neat litle boxes that all fit within the public interest on a scale of rigid priorities, perhaps one might be willing to accept on faith the word of one of the acknowledged experts in consumer affairs. In testifying on a predecessor to this bill in the House of Representatives, this expert said that "It is quite clear, as many people have said, that you can't separate substantively the consumer interests from other interests."[15] That expert was Ralph Nader.

The point is, the presentation of differing viewpoints, before a substantive agency which has the duty to balance these views and make a decision in the public interest, can be a very delicately balanced process. Allowing a CPA to intrude into such a process, with no responsibility except to itself, and with power far in excess of the need of any other participant (and, in some respects, in excess of that of the forum agency) is likely to subvert the public interest to the special interest of consumers, as that special interest is defined by the CPA.

IV. S. 707 IS, ITSELF, A FRAUD UPON CONSUMERS WHO HAVE BEEN LED TO BELIEVE THAT IT IS THE ANSWER TO THEIR DAY-TO-DAY PROBLEMS AND FRUSTRATIONS

Some of the opponents of this bill are like Job; they multiply words without knowledge. This section of our views will highlight some of the misstatements made about this bill which have led many to misconceive it.

The "fly-by-night" fly-by-night theory

If we have heard it once, we have heard it hundreds of times: This bill is a blessing to legitimate businesses, it will only affect those shady fly-by-night outfits such as those who sell consumers defective aluminum siding; or it will finally get that auto repair man who pads his bill and does a poor job repairing your car. This is, out and out, pure nonsense.

If it were not for the scandalous and unfounded charges that have been levied or implied, we would list here for you the business firms that have been mentioned by some of the leading witnesses who favor and helped draft an overly-strong agency such as the one proposed in S. 707. These businesses are not your local aluminum siding man, they are well respected, blue chip campanies found in all of our States.

In point of fact, with the elimination of the State grant program from this bill and the new prohibition on the CPA's taking action at the State and local levels, the CPA will have no immediate impact on the day-to-day problems that consumers have been led to believe will be solved by the new Agency.

Rather, the history and provisions of this bill show that the CPA will be involved in very complex and lengthy Federal administrative proceedings and court appeals, involving such things as antitrust cases, rate settings, agricultural marketing orders, trade negotiations and a multitude of other matters which may take months and even years to resolve.

One of the most fascinating misconceptions relating to this bill was in a recent edition of *Business Week* magazine which endorsed the CPA concept because it would create an "ombudsman" for consumers which would assist businessmen in defining consumer interests. It appears that the editorial writer had never even read one of the leading CPA bills. The last time an attempt was made to make the CPA more nearly like an ombudsman was on the floor of the Senate in 1972, when the so-called "amicus amendment" was offered to allow the CPA to assist other agencies and to prohibit it from attacking them.

That amendment failed, and that failure resulted in a desire by many Senators to consider and evaluate the predatory powers of that bill at length. The current bill is just as bad, if not worse.

Why was big labor exempted?

One of the things consumers are definitely upset about is the price of goods and services in this country. If there is any better example of a special interest which has "captured" its regulatory agencies or whose actions directly and measurably increase consumer prices—if there is any better example than organized labor, it has not been shown in the hearings on this bill.

Does anyone remember the effects of dock strikes and truck strikes on the cost and availability of goods and services? Does anyone have any idea how much money the Occupational Safety and Health Administration is costing businesses who pass it along to consumers?

A very unique provision is found in paragraph (11) of subsection 6(a) of this bill. This is not, nominally, an exemption provision where one would normally look to see who was exempted; it is a mere listing of the generalized functions of the CPA, a provision most people would hardly give a second glance to. Yet, hidden in this function provision is a prohibition, namely:

"The [CPA] Administrator shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute involving wages or working conditions affecting health and safety."

We do not blame organized labor for being afraid of this bill, but we find it difficult to rationalize the letters we received from labor unions in support of this bill, letters sent after Federal arbitration and mediation activities, many NLRB proceedings and the like were exempted. Perhaps labor agrees with us that the CPA could bring any management to its knees.

The Majority Report states that these areas were exempted "because their effect on a transaction of interest to the consumer is too remote to justify involvement of the CPA." Delay in settlement of a dock strike will have an *immediate* effect upon consumer prices and the availability of goods, both specifically mentioned as interests of consumers in the definition of that term in the bill. Anyone who cannot see that has not read the Committee Report in the 92d Congress on this bill, wherein Senator Allen pointed out that the AFL–CIO had submitted for a prior CPA bill hearing record a legal opinion which concluded that NLRB proceedings might result in a substantial impact upon consumer prices.

Failure to see such an elemental fact tends to substantiate the theory that consumer interests are in the subjective eye of the beholder, and will vary considerably from person to person and from situation to situation; such failure to see the impact of labor dispute proceedings upon consumers also may indicate a bias against the business community, a bias that is reflected in this entire bill.

Failure to see such an elemental fact also tends to confirm that this bill, indeed, is not a consumer protection bill, but one which fits better into the description by

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[13] For a detailed history of these CPA-like units, see Leighton, *Consumer Protection Agency Proposals: The Origin of the Species*, 25 Ad. Law Rev. 269 (American Bar Ass'n., 1973).

[14] Ibid., at 277.

[15] Hearings on H.R. 6037 and Related Bills, before a Subcommittee of the Committee on Government Operations, 91st Congress, 1st Session, at 175.

Ralph Nader who, when he originally proposed the idea in House hearings, said:[18]

"I think what we should try to do is reform the entire governmental apparatus through this kind of office of consumer advocacy, with strong powers, with strong skills, with strong zeal, strong consumer testing and disclosure functions. * * * I think that the kind of office of consumer advocacy, with investigation powers, and research and testing powers, and complaint handling powers, and just simply representation before these agencies, would revolutionize this Government."

V. S. 707, IF ENACTED, WILL LEAD INEXORABLY TO THE CREATION OF OTHER SPECIAL ADVOCACY AGENCIES REPRESENTING INTERESTS JUST AS IMPORTANT AS THOSE OF THE CONSUMER WHICH ARE THREATENED BY THE EXISTENCE OF A POWERFUL CPA

If we were to enact this bill to give super rights to the special interests of consumers, how could we logically say no to a similar request for an Environmental Advocacy Agency, or a Labor Protection Agency, or a Small Business Protection Agency, or a Taxpayer Protection Agency, or a host of other agencies to represent special interests that are at least equal to those of the consumer?

Scenting possible enactment of this legislation, at least one consumer group is already laying plans for the next advocacy agency. The May issue of *Nutrition Action*, a publication of the Center for Science in the Public Interest, urged in an editorial that a Nutrition Advocacy Agency be created to take informal and legal action to encourage Federal agencies to shape policies with up-to-date concepts in preventive medicine.

Where will it stop, logically? Perhaps only when the entire Government is reformed, as urged; but if we are going to reform the Government, let us at least admit that this is our intent, and let us take the proper steps to do it openly, not by guerrilla warfare.

SHORT SUMMARY AND CONCLUSION

This bill is being promoted in the good name of the consumer, yet its provisions belie its promotion. When the guillotine was about to behead a famous French lady during that country's revolution, she cried out, "O liberty, how many crimes are committed in thy name." After a thorough reading of S. 707, it leads us to conclude, "O Consumers what crimes we are asked to commit in thy name."

This bill will promote disruption and delay in the Federal Government. It is ill-conceived and over-powered. It will grant some unknown political appointee appalling powers to coerce other agencies to do his bidding, to pry into the private affairs of the public and to publish information which could ruin legitimate businessmen. It will subvert the public interest to a lesser included special interest.

We again urge that this bill be rejected for the reasons stated in these views, or at least, that the bill be thoroughly rewritten after thoughtful consideration.

SAM J. ERVIN, Jr.
JAMES B. ALLEN,
BILL BROCK,
SAM NUNN.

THE 34TH ANNUAL BALTIC STATES FREEDOM COMMEMORATION

Mr. ROTH. Mr. President, June 15 is the 34th annual Baltic States Freedom Commemoration. This commemoration marks the loss of independence for Latvia, Estonia, and Lithuania and the subsequent deportation of many of their citizens at the beginning of the Second World War.

Between the two world wars, the three Baltic States enjoyed two decades of national independence and self-government. In the early years of independence all three rapidly recovered from the effects of the First World War largely as the result of hard work, thriftiness, and determination, and virtually without loans or foreign aid. Education, literature, and the arts and sciences flourished in a cultural renaissance.

After Hitler invaded Poland on September 1, 1939, the Soviet Union also invaded from the east. Following this, the foreign ministers of Estonia, Latvia, and Lithuania were invited to Moscow and then forced to sign mutual-assistance pacts. Although the mutual-assistance pacts guaranteed there would be no interference in their internal affairs, it was not long before the Soviet Union had complete control of the Baltic countries.

Under Soviet domination, thousands of Estonians, Latvians, and Lithuanians were deported to Siberia and other parts of the Soviet Union during the 1940's. Others fled to Germany and were forced to live in displaced-persons camps. These moves were part of a deliberate policy to destroy the cultures of the three Baltic States.

I might add that today these people still have to struggle to maintain their identity in their own lands. In Vilnis, the capital of Lithuania, native Lithuanians have become a minority. Latvians may become a minority in their own country by 1975 as may Estonians in their country by 1985.

Some may say that we can on longer fail to recognize the annexation of the Baltic States by the Soviet Union. I believe that even while we seek to put our relationship with the Soviet Union on a sound basis, we cannot condone nor excuse actions we find morally repugnant. For this reason I have cosponsored Senate Concurrent Resolution 80 urging the U.S. delegation to the European Security Conference not to recognize the annexation of these nations by the Soviet Union.

On the 34th anniversary of Baltic States Freedom Day, it is particularly fitting that we remember the courageous Latvians, Estonians, and Lithuanians and reaffirm to all nations our belief in the fundamental rights and inherent dignity of all mankind.

ANNIVERSARY OF THE SOVIET ANNEXATION OF LITHUANIA

Mr. WILLIAMS. Mr. President, Saturday marks a sad aniversary which reminds us that all nations do not share our blessings of liberty. On June 15, 1940, the democratic republic of Lithuania was occupied by the Red Army and forcibly annexed by the Soviet Union. Today, 34 years later, that nation remains under the yoke of Communist rule.

The trials of the Lithuanian people have been long and hard. Since 1795, this small nation has struggled under the burden of foreign domination. This tragic history of oppression was broken by only two decades of independence. But during its 20 years as a free country, few nations have demonstrated their capacity and ability for self-government as well as well as Lithuania. Its civic leaders brought about long-needed land reform, created and expanded industry, established an adequate transportation system, and enacted social legislation and an educational policy which could well be copied by other nations throughout the world.

Tragically, this breath of freedom was short lived. On June 15, 1940, the Soviets demanded immediate formation of a "friendly" government and occupied the country. That day, 5,000 political prisoners were executed; 30,000 members of the Lithuanian intelligentsia had been deported to Siberia the day before.

Despite devastating blows like these, the people of Lithuania the world over have never abandoned their noble struggle for freedom and self-determination. Today, these courageous people still cling to the hope of independence, despite Soviet attempts to demoralize the people, and russify their culture and institutions.

Mr. President, let me cite a single example of the courage and lust for freedom which characterizes Lithuanians today. On May 14, 1972, 20-year-old Roma Kalanta set himself afire in a park in Kaunas, the second largest city in Lithuania. Inspired by his ultimate sacrifice, several thousand youths took to the street for 2 days shouting, "Freedom for Lithuania!" In the following 2 weeks, two other Lithuanians immolated themselves in the cause of freedom. Exemplary of acts throughout the last several years, this is but one instance of the continuing, active determination of this oppressed people.

Appropriately, we of the free world who enjoy the blessings of liberty have not forgotten those who still languish in the dismal shadow of tyranny and oppression. We have never recognized the incorporation of Lithuania into the Soviet Union, and continue to maintain diplomatic relations with the representatives of the former independent government. I believe we must continue this policy of support for freedom-loving Lithuanians everywhere.

Mr. President, today over 3 million people in Lithuania suffer continual religious and political persecution. In spite of this persecution, these courageous people, including the more than 22,000 Lithuanian-Americans in my own State of New Jersey, cling to the ideals of freedom and independence. Therefore, as we commemorate this day, I am hopeful that my colleagues in Congress and all my fellow Americans, will join in feeding the flame of hope which burns within each brave Lithuanian.

H.R. 8193 WOULD MEAN INCREASES IN COSTS OF IMPORTED OIL

Mr. CURTIS. Mr. President, I am opposed to legislation introduced in the other body which would require that 30 percent of all U.S. waterborne petroleum imports be transported in U.S.-flag tankers.

This measure, H.R. 8193, represents an insidous threat to the orderly expansion of American argiculture. It would impose added costs of at least 50 cents a barrel of petroleum imported, because the importation of oil using U.S.-flag vessels is simply more costly at this time than using foreign flag vessels.

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[18] Ibid., at 175 and 176.

Moreover, as the cost of imported oil increases, the price of domestic oil will naturally follow proportionately. Farmers, already caught in the cruel vise grip of inflation, would be hardest hit of all. The agricultural industry uses more petroleum products than any other industry. I am told that H.R. 8193 could cost U.S. farmers an additional $100 million or more a year. Not only would this be an unwarranted and unconscionable financial burden on farmers, but eventually these higher costs would have to be passed along to consumers. The resulting increased food and fiber costs at grocery and clothing stores would be outrageously inflationary.

Not only would consumers be faced with higher food costs, but enactment of this legislation could mean complete disaster for thousands of farmers, and utterly wreck the economy of cities and towns serving rural America.

This proposed legislation would undoubtedly lead to increased pressures on the Congress to have similar mandatory requirements placed on commercial exports—particularly products such as corn, wheat, rice, and other agricultural commodities. In fact, labor interests have openly stated in congressional testimony that the enactment of flag quota legislation for oil imports would be just the first step.

Agriculture's growth record is tied to growing export demand and new export opportunities. The domestic market for agricultural commodities simply will not absorb the farm goods which U.S. farmers produce efficiently.

Farm income depends on the 20 to 25 percent of U.S. agricultural commodities which are sold annually to customers overseas. In 1973, exports gained $5 billion. They are headed for another gain of about $7 million this year.

In fiscal year 1973 the average of all the differential paid under title I of Public Law 480 was about $25 a ton. In many cases the difference amounted to more than half of the entire rate.

Unilateral action by the United States to impose flag quota requirements would inevitably result in retaliation by other nations. And neither the farmers of this Nation, nor the taxpayers, are prepared, in my judgment, to absorb an additional $25 a ton in shipping rates.

Enactment of this legislation would seriously hamper the trading flexibility of the United States, and deprive this country of the vital capability of shifting transportation resources in accord with the best interests of national security.

Consumers on the eastern seaboard would be hit quickly and directly. In New England, for example, nearly all the residual oil used for generating electricity and other heavy industrial uses is imported. This legislation would mean an additional immediate cost of 4 cents a barrel to the final user, and a projected increase of 15 cents a barrel by 1985. This would mean higher electric utility bills and higher heating costs for large buildings, with the cost increases quickly spreading to other petroleum users.

Many oil producing countries are interested in their own long-range plans to develop major tanker fleets. Enactment of cargo preference legislation by the United States would encourage Arab and other oil producing nations to require a percentage of their oil exports to move in national flag vessels.

This proposed legislation would apply cargo preference to commercial cargoes for the first time, although it is true that some degree of cargo preference is in use by other nations. However, if we should enact this bill we would by our very action invite—or at least provide the excuse for—foreign countries to take additional discriminatory measures. Such action by our trading partners could very easily apply cargo preferences to all types of cargo and thereby jeopardize or inhibit the profitable employment of the U.S.-flag merchant fleet in our normal trade relations. Such legislation would do enormous damage to U.S. relations with other maritime nations including Japan, the Scandinavian and Western European nations. It would violate treaties of "friendship, commerce, and navigation" with at least 20 countries.

Mr. President, this is a period of dynamic change in world trade. Our nation is now aware of the dangers inherent in relying heavily on overseas energy sources. Our concern generates not so much from the flag of the tanker, but rather from the available source of petroleum and other energy resources. Out of this consideration has come the top priority national effort to increase our domestic energy supplies. At the same time, Congress has taken the initiative through the Merchant Marine Act of 1970 to revitalize the U.S. maritime industry.

The act of 1970 has created the greatest peacetime shipbuilding boom in U.S. history. A majority of the ships contracted are tankers. The use of direct subsidies to expand the U.S.-flag tanker fleet is providing the following benefits for all U.S. citizens and taxpayers.

Thirty tankers have been ordered, including nine very large crude carriers.

Tankers, including unsubsidized ships, valued at $1.7 billion and totaling 5 million deadweight tons, are under construction or on order at U.S. shipyards.

One hundred four subsidy applications are pending for additional tanker contracts.

If we continue the existing program at current funding levels, the existing program will provide the U.S.-flag tanker capacity for a 20-percent penetration into the oil import trade by the early 1980's.

$150 million has already been invested in new shipyard facilities. Another $350 million investment is planned.

Federal subsidies have been reduced from 55 percent in 1969 to 33.4 percent in 1973.

Other Government programs also help stimulate development of the U.S.-flag tanker fleet. Such programs include the oil import license fee remissions for imports from U.S. territories, Federal Mortgage Insurance for tankers constructed for the Alaska pipeline, the U.S.-flag Soviet maritime agreement, and U.S. Navy programs to use commercial tankers where feasible.

Mr. President, I strongly favor the goal of expanding the U.S.-flag tanker fleet, and the foregoing shows that a majority of my colleagues in the U.S. Congress agree with me.

However, this is not the time to divert national resources into a cargo preference program, which would prove both costly and counterproductive in terms of national objectives.

THE U.S. POSTAL SERVICE'S ADVERTISING CAMPAIGN

Mr. EAGLETON. Mr. President, a copyrighted article written by Mr. Ronald Kessler, appearing in the Washington Post, revealed that the people of St. Louis, Mo., were the subjects of an intensive advertising campaign by the U.S. Postal Service. St. Louis received worse mail service than the rest of the country, but opinions of the postal service were higher in St. Louis than in cities with better service that had not been exposed to the advertising.

Because of the public relations benefits of the ads, Mr. James L. Schorr, Director of Advertising for the Postal Service, argued in a memo that advertising being tested in St. Louis should be extended nationwide.

Mr. President, as a Senator from Missouri and a member of the Senate Postal Appropriations Subcommittee, I find an advertising campaign to improve the image of the Postal Service an inappropriate expenditure of Federal funds.

I have received many letters complaining about poor postal service in Missouri. In May of this year I conducted a study of Missouri mails and found many areas of deficiency. On May 23 I presented my findings to Postmaster General Klassen in the hope that the U.S. Postal Service would take corrective action.

My study found that airmail and first-class mail posted in Washington, D.C. and received in Missouri take exactly the same transit time. Making the public aware of what they are getting for their airmail money would be an appropriate advertising expense of the Postal Service.

The U.S. Postal Service says that 95 percent of the mails are delivered within the time allowed by the "Postal Service Standards." As Mr. Kessler's article points out, the Postal Service times delivery between the post office postmarking the letter and the post office receiving the letter. When timing from mailbox to front door, as I recently did in my own study in Missouri, service standards were met only 85 percent of the time. According to my calculations, over 700,000 letters are delivered late in Missouri every day. Even when taking into consideration the great volumes of mail handled daily by the Postal Service, over a half million late letters a day is too much.

Mr. Kessler's article reveals a number of other disturbing developments regarding the delivery of the mail. I think it is advisable for all my colleagues to read the first article of Mr. Kessler's series.

Mr. President, I ask unanimous consent that Mr. Ronald Kessler's article regarding the U.S. Postal Service be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 9, 1974]

U.S. POSTAL SERVICE

(By Ronald Kessler)

The new U.S. Postal Service has deliberately slowed delivery of first class mail and has overcharged first class mail users by an apparent $1 billion a year while undercharging commercial mail users, a Washington Post investigation has found.

Delivery of first class mail—the class used most Americans for letters—has been slowed by a Postal Service policy of putting aside mail arriving from out of town during the night for sorting during the day.

The policy, which delays mail by a full day, was put into effect largely to avoid paying extra salary for night work. But the total cost of extra night salary is about 1 per cent of the postal budget, and the new policy has saved only a fraction of this cost.

While the Postal Service saves night salary by allowing sacks of first class mail to pile up in post offices throughout the country, it continues to pay the extra salary for sorting non-priority mail carrying less postage than first class letters. This includes slow-moving fourth class parcel post and commercially oriented, junk mail and second class newspapers and magazines.

A transcript of a high-level meeting of postal officials in 1969, when the new policy for first class mail was begun, shows a decision was made to no longer strive for overnight mail delivery and to keep this a secret from Congress and the public.

The transcript shows that Frank J. Nunlist, then an assistant postmaster general, told regional postal officials:

"Now if we announce that we are going to do this (lower overnight standards) there are 700,000 guys (postal workers) that are going to run to their congressmen and say, 'You can't have a postal corporation; these guys are not going to serve the American people.'

"So," Nunlist continued, "we have got to be a little tight about this, and you can't even say to your employees in the post office, 'Don't promise prompt service.' We have got to play this game pretty carefully."

While the Postal Service has slowed first class delivery, the agency also has overcharged this class of mail and undercharged those classes generally used by special commercial interests, six postal cost studies, including two by the Postal Service, show.

One study, by the U.S. Postal Rate Commission staff that represents the public, shows an over-charge to first class mail users in fiscal 1972 of about $1 billion, or 2 cents per letter. (The figure does not include the overall postal deficit for which no particular class of mail pays).

The study shows undercharges to third class, so-called junk mail, second class newspapers and magazines, and fourth class parcel post.

The Postal Service is required by law to avoid favoring or discriminating against any mail user and to charge rates that cover all costs reasonably assigned to each class of mail.

The Postal Service denies it overcharges, and it cites as evidence a seventh study it has performed, which shows that third class junk mail pays for itself. This study has been rejected by failing to show true postal costs by both the chief administrative law judge of the separate U.S. Postal Rate Commission, which helps sets postal rates and by the General Accounting Office, the audit arm of Congress.

Some postal officials have publicly defended the official Postal Service cost study say privately it was designed to cover-up losses run up by cheaper classes of mail generally used by commercial interests. The reason, they say is that users of more expensive first class mail, who include both individuals and businesses, do not have the political clout of the special interests.

The Washington Post investigation has also found that:

Since the new policies of the Postal Service were established in 1969, first class mail has been slowed 14 per cent to 23 per cent, according to the agency's own mail sampling system. During about the same time, the price for first class service has risen 66 per cent, or about double the rate of inflation.

A $1 billion parcel sorting network being built by the Postal Service to try to stop loss of business to its private industry competitor, United Parcel Service (UPS), promises to offer slower service than UPS. The Postal Service has acknowledged internally that a chief reason for the success of UPS is a package damage rate a fifth that of the Postal Service. But sorting equipment in the new parcel network will, in the course of processing parcels, drop them a foot, compared with what UPS says is no drop during its processing.

A mechanized letter sorting system said by the Postal Service to produce savings of billions of dollars has been found by the GAO to be more costly than the existing, old-fashioned system. The Postal Service's internal auditors have reported confidentially that the new system sorts letters at a rate slower than the system used by Benjamin Franklin, the first postmaster general, who placed letters, one by one, in pigeon holes.

The Postal Service has spent more than $140 million on contract cost overruns since the assertedly cost conscious policies of the new agency were established in 1969. About half the contracts for $5,000 or more awarded by the Postal Service in 1973 were let without competitive bidding involving formal advertising. Although competitive bidding is not required by law, it is the method considered cheapest and fairest by the GAO and the Postal Service itself.

These and other findings resulted from a four-month Washington Post investigation of the Postal Service. The investigation included visits to five of the six largest post offices in the country; interviews with hundreds of present and former postal officials, technical experts, mail users, and postal oversight officials; and examination of hundreds of internal Postal Service memos, reports, studies, and letters, as well as congressional and rate hearings, government audit reports, and private consultants' reports.

What emerges is a portrait of how one of the largest government agencies works—or doesn't work—for the tax and postage-paying citizens it is supposed to serve.

Asked for a comment on The Post's findings. Postmaster General Elmer T. Klassen said he would defer to comments made by his deputies on specific matters because he is not familiar with all the details of postal operations.

E. V. Dorsey, senior assistant postmaster general for operations, acknowledged that first class mail arriving from distant points at night is not sorted until daytime. He disputed, however, that this delayed mail.

"We have priorities," he said. "We have other things to do." He said the policy saves the 10 per cent extra night pay and some equipment costs.

Arthur Eden, director of rates and classification, denied first class mail users are overcharged. He said rates are set in accordance with law, and cited a Columbia University professor who agrees with the agency's method of determining costs of various classes of mail.

Asked to cite improvements since the Postal Service was created, Klassen said in a letter it has "improved the speed and reliability of service." He said productivity has increased, field managers have been made accountable for service and costs, and postmasters are no longer selected because of their political connections.

"In short," Klassen said in the letter, 'we've come a long way. We have made some mistakes, but they are far outnumbered by the things we have done right. Through the diligence of a great number of dedicated men and women, we are well on the road to making the Postal Service an organization of which every American can be proud."

To most Americans, the Postal Service is the only branch of federal government that touches them directly each day. The mailman walking his route on a tree-lined residential street, as depicted by Norman Rockwell on covers of the old Saturday Evening Post, has become a symbol of America.

To the nation's businesses, the Postal Service is essential. Without it, the economy would quickly become paralyzed. Recognizing this, the Founding Fathers specifically provided in the Constitution for operation of a national postal service.

The present Postal Service is a big business. Its $9.8 billion budget would rank it among the nation's 10 largest industrial firms. Its 700,000 employees make it second only to the Defense Department as the federal government's largest employer.

Although the Postal Service is a big business, it has never had the same incentives to achieve efficiency that a business has. If its service was slow and customers complained, there was no reason to think they would turn to a competitor. Congress historically had prohibited private companies from competing with the Postal Service for first class mail delivery.

If the postal agency wasted money, its employees did not fear losing their jobs in a bankruptcy proceeding. Congress would always bail the agency out with more subsidies.

Public dissatisfaction with this method of doing business reached a head in 1966, when the Chicago post office became so glutted with mail that it closed down.

Lawrence F. O'Brien, then postmaster general, proposed that a presidential commission study reform of the old Post Office Department. In 1968, the panel, headed by former American Telephone & Telegraph Co. chairman Frederick R. Kappel, recommended reorganization of the department as an independent branch of government.

The idea, the commission's report said, was that the agency could use modern business methods to move the mail if it were insulated from politics and given independent control over its funds. Such methods would save at least 20 per cent of the agency's costs, the commission estimated.

The agency that evolved from this recommendation is a branch of government with certain special privileges. Unlike other government departments, it does have control of its own funds and may raise additional money by selling bonds to the public. It is prohibited from making appointments based on political considerations.

Finally, it is required to become financially self-sufficient—free of subsidy from Congress—in 1984.

The agency does not report to the President. Instead, it is run by a board of governors whose members are appointed by the President with the consent of the Senate, much as the Federal Trade Commission is run.

Although Congress enacted the Kappel Commission proposals into law in 1970, and the new agency chose to change its name in 1971, most of the new policies followed today by the Postal Service did not require legislation and were implemented in 1969 by Winston M. Blount, President Nixon's appointee as postmaster general.

But five years later, a key finding of the Kappel Commision remains true:

"The commision has found a pattern of public concern over the quality of mail service. Delayed letters, erroneous deliveries, damaged parcels, and lost magazines and newspapers are everyday experiences."

Rep. Thaddeus J. Dulski, chairman of the House Post Office Committee, wrote to Postmaster General Klassen last December, "No one expected the transition from the Post Office Department to the U.S. Postal Service to be easy, but on the other hand, neither did anyone expect it to be catastrophic."

Dulski and others have charged that rather than improving mail service, the new agency has spent millions of dollars on advertising the public relations efforts to make the public think it is getting better service.

This approach was illustrated by an internal Postal Service memorandum written last year by James L. Schorr, director of advertising.

Schorr, whose department spent $2.5 million on advertising last year, argued in the memo that advertising being tested in St. Louis should be extended nationally.

The reason, Schorr wrote, was that although the advertising promoted such special postal products as money orders and stamp collecting supplies, it had the effect in St. Louis of improving the public's overall view of the Postal Service.

"This is particularly significant," he wrote, "in that the actual level of (mail) service in St. Louis fell off worse during Christmastime than in the rest of the country . . ."

Indeed, Schorr wrote, favorable opinions of the Postal Service were found to be higher in St. Louis than in cities with better service that had been exposed to the advertising.

Like a number of other postal officials, Schorr declined to be interviewed by this reporter.

Instead, Schorr said questions would be answered by the agency's public relations department. But one can learn little about the Postal Service and why the mail is so slow by going through official channels.

Klassen, in testimony before the Senate postal committee last year, said service was actually "somewhat better than on July 1, 1971, when the Postal Service came into being."

What Klassen did not tell the committee was that nearly all the mail processing policies followed by the new agency were started in 1969, and the 1971 date he used for comparison represented little more than a change in the name of the department.

He did not say that when compared with the last year of the old Post Office policies, service had deteriorated.

"The method of presenting statistics is highly selective," said a former postal official who helped write some of Klassen's speeches and congressional testimony.

"We're always desperate to find something good to say about service," said a current postal official who has gathered information for Klassen's statements in agency annual reports.

The difficulty is not surprising. The agency's internal mail sampling system confirms what thousands of complaints to the agency and Congress have charged; that rather than improving service, the new Postal Service has made it worse.

Nor does the sampling system, known as Origin-Destination Information System (ODIS), necessarily portray the full extent of the deterioration.

The system records postmarks before letters are given to carriers for delivery to homes and businesses.

This means it does not measure delays that occur before letters are postmarked—when they are picked up from collection boxes, trucked to post offices, and initially sorted. It also means the system does not measure delays after letters are received by letter carriers.

In one test, the GAO found the ODIS figures would show a 10 per cent longer delivery span if it measured time from deposit of letters to delivery.

The postmarks used in the ODIS system are recorded by clerks who work for local postmasters. Since the postmasters' performance is being measured by the system, this arrangement does not necessarily provide incentives for doing an accurate job.

"The standard procedure is to disregard late mail," says Melvin Wilson, a Los Angeles postal clerk who recorded ODIS mail until 1970.

If late mail were included in daily reports, Wilson said, "They'd call you down and say, 'Do they (the figures) look right to you?' That means change it."

Carolynne M. Seeman, the statistician in charge of ODIS, acknowledged that cheating occurred. "We've seen information erased (from reports) to make the service look better," she said.

She said she does not have the staff to question the accuracy of the reports, and she said she does not believe, cheating is a "major problem."

Despite the opportunities for cheating, the ODIS figures show a 23 per cent increase in average first class mail delivery time from the last three quarters of fiscal 1969—the last year of the old Post Office—to the same quarters in fiscal 1973. (The first quarter was not tabulated.)

The figures show service improved slightly in fiscal 1974 but remained 14 per cent slower than under the old Post Office.

The agency handled 89.7 billion pieces of mail in fiscal 1973, compared with 82 billion pieces in fiscal 1969.

What the figures mean to the average user of the mails is that there is no assurance that a letter will be delivered overnight anywhere in the country.

The chances of overnight delivery of out-of-town mail in the most recent fiscal quarter were only two in five. For local mail, the chances were about nine in 10.

There is, of course, no way of knowing whether a particular letter will be one of those delivered overnight, and the chances of getting overnight delivery are slimmer when letters are addressed to cities in distant states.

ODIS figures show that in the postal fiscal quarter ended March 29, first class letters mailed from Washington, D.C., and from Manhattan, N.Y., received overnight delivery to specific cities in these proportions:

[In percent]

To:	*From Washington*	*From Manhattan*
Akron	9	4
Boston	19	14
Brooklyn, N.Y	17	60
Chicago	9	6
Cincinnati	17	2
Detroit	17	6
Los Angeles	10	2
Miami	5	1
Richmond	74	7
San Francisco	15	2
Manhattan, N.Y	44	73
Washington, D.C	90	21

Despite this performance, the Postal Service periodically tells Congress and the public that it is meeting, or nearly meeting, its overnight delivery standards. What the Postal Service defines as overnight delivery is often quite different from what one would expect.

Overnight delivery of air mail is promised only if it meets certain tests. It must be deposited in special, white-topped collection boxes; it must be zip coded; it must be mailed before 4 p.m.; and it must be addressed to certain cities generally not farther away than 600 miles.

Since the identity of these cities is known only to the Postal Service and is constantly changing, a mail user has little chance of knowing whether his letter will be delivered the next day.

Indeed, says Miss Seeman of the ODIS system, only about 2 per cent of total air mail volume meets the overnight standard of the Postal Service.

For first class mail, the Postal Service has established a standard for local delivery that represents an erosion of service when compared with the standard of the old Post Office Department.

The old standard promised overnight delivery within a state. The new one promises it only within local delivery areas, only if letters are mailed before 5 p.m., and only for 95 per cent of the mail.

A substantial portion of business mail is deposited after 5 p.m., postal officials said, and some question whether a 95 per cent standard is good enough for the mailer who wants to know his letter will get there the next day.

For out-of-town mail, the Postal Service standard allows as many as three days for delivery. In part because of this generous time span, the agency was able to claim that a historic subpoena requesting President Nixon's appearance in a Los Angeles courtroom arrived only a day late—although it took six days to make the trip from Los Angeles to the D.C. Superior Court.

The Postal Service did not count two of the days because they were holidays.

Despite the leniency of the standards, the ODIS figures show they often are not met. This has not deterred the Postal Service from claiming they are.

The basis for the claims is often a different measuring system that uses specially prepared envelopes sent through the mails by postal employees. These envelopes—called test letters—generally portray service in a more favorable light than the ODIS system.

The GAO has reported that air mail test letters bore markings that made them readily identifiable as test letters to the clerks who sorted the mail. The clerks singled them out and gave them speedy treatment, including dispatching them in specially marked pouches.

On the basis of these purported tests, Klassen claimed in the fiscal 1971 report the agency was "close to the attainment of its performance standards for air mail. . ." Postal officials made similar claims in 1972 Senate hearings.

The unreliability of the tests is no secret. Marie D. Eldridge, former statistical director of the Postal Service, said internal auditors periodically reported that clerks ran across work room floors carrying the special letters.

Nevertheless, the Postal Service spent $4 million in a little over a year to send air mail test letters, GAO reported. Although these tests have been stopped, local post offices continue to send test letters to measure the service they provide local residents.

The D.C. post office sends about 600 of the letters a week. They are small, prestamped envelopes that bear the notation, "MAS," which stands for Methods and Standards, the department that sends them out.

Robert H. Brown Sr., a clerk in the D.C. post office, said supervisors instruct employees to look for the letters and speed them on their way. "It is a farce," he said.

A supervisor whose suburban Washington home is a recipient of the letters said they have never taken more than a day to be delivered.

L. A. Hasbrouck, who sends the letters from the D.C. post office, said, "I don't deny that the mailings could be identified as test letters."

Asked why taxpayer money is being spent to send them, Hasbrouck did not reply directly. Instead, he said the "MAS" notation is gradually being removed from plates used to print addresses on the letters.

If the test letters appear to be a dubious expenditure, the $200 million spent by Americans last year on air mail represent, in the view of Rep. Lester L. Wolff (D-N.Y.), a "fraud."

When air mail was first flown in 1918, paying the extra postage for an air mail stamp was the only way to get air service. Today, nearly all mail sent outside local delivery areas goes by air.

The Postal Service claims the extra 3 cents for an air mail stamp buys the fastest possible service to any point. Special, white-topped air mail collection boxes bear stickers promising overnight service even in local delivery areas.

But the ODIS figures show the extra air mail postage generally buys slower service. Air mail was delivered overnight 21 per cent of the time in the most recent postal fiscal quarter, or about a third as often as first class.

Even local mail that carries air mail postage—as suggested by air mail collection boxes—gets there far slower than first class, the ODIS figures show.

The figures also show that air mail has a slight advantage over first class if it goes more than about 400 miles, but the Postal Service promises speedy air mail service over any distance.

The answer to the mystery of slow air mail service, according to postal experts, is that the special, costlier treatment given air mail has the effect of slowing it.

"You divert air mail to a separate center, and in the meantime the first class is running like hell through the system," says M. Lile Stover, who was director of distribution and delivery until 1969.

In addition, Stover and others said air mail addressed to nearby cities with no air service is sent back to the first class section for delivery.

Indeed, said Mrs. Eldridge, the former statistical director, "Air mail often goes back and forth several times."

Terming air mail a "fraud on the American consumer," Rep. Wolff of New York last year asked the Federal Trade Commission to investigate the Postal Service for possible violation of deceptive advertising laws.

The FTC declined on the grounds it cannot investigate another government agency.

"A government agency should be more responsible than companies in the private sector," Wolff said. "It seems to me incredible that a government agency is allowed to get away with defrauding the American public."

Those who pay 60 cents extra for special delivery service also might not get what they pay for.

Clerks in the special delivery section of the D.C. post office said special delivery for downtown businesses is delivered with regular mail, and special delivery for residences is specially delivered only if the regular carrier has already left.

In New York, only 35 per cent of special delivery mail received special service on a typical Tuesday, a House postal subcommittee was told in 1970. Most of the special deliveries were of packages.

"If a private company charged extra for special delivery and didn't specially deliver, it would be referred to the Attorney General for investigation," said Rep. Edward I. Koch (D-N.Y.). "As far as I'm concerned, its fraud."

LITHUANIAN INDEPENDENCE

Mr. CURTIS. Mr. President, this Saturday—June 15, 1974—marks the 34th year since the Soviet invasion of Lithuania. It might be more apt of me to say that June 15 marks the 34th year since the beginning of the Soviet persecution of Lithuanian institutions and ideals.

In violation of three nonaggression treaties, thousands of Red army troops marched into Lithuanian on June 15, 1940, to forcibly replace the government with a provisional government that eventually led to the declaration of Lithuania's status as a "Soviet Socialist Republic." With this Soviet-imposed declaration, Lithuania has lost all of its national autonomy. Its rich historical, cultural, and religious heritage is denied preservation.

An autonomous Lithuanian empire was first created in 1251 by Mindaugus the Great. The status enjoyed by Lithuania during the Middle Ages was, indeed, considerable. During the 15th century, Vytautus the Great successfully defended Lithuania from Mongol and Tartar invasions, thereby protecting the weaker empires of Western Europe. Lithuania under Vytautas was predominately Christian and in close contact with both Rome and the rest of Europe.

The Lithuanian-Polish Commonwealth was established in 1569 in reaction to the emergence of Russian imperialistic sentiment. But in 1795, the Commonwealth was finally partitioned among Russia, Prussia, and Austria, with the greater part of Lithuania falling to czarist Russia.

The people of Lithuania clung to their traditions and culture. Their spirit successfully resisted the Russian attempts to replace the Lithuanian language with Russian. So faithful were the Lithuanians to their cultural heritage that Russification attempts were abandoned in 1905.

From 1915 until 1918, Lithuania was subjected to German occupation. In 1918, Lithuania was granted her independence and in the succeeding years established friendly relations with Soviet Russia. But Soviet Russia evidently still coveted Lithuania.

June 15, 1940, marks the Soviet invasion of Lithuania.

Since 1940 every attempt has been made by Soviet Russia to culturally incorporate Lithuania into the Soviet Union. The Soviets met with resistance everywhere.

Lithuanians were a religious people and strongly adhered to Catholicism. The Soviets attempted to forcibly abolish Christianity in Lithuania as they attempted to abolish all cultural and intellectual Lithuanian traditions.

Out of frustration with the massive resistance of the Lithuanian people, the Soviets began genocidal operations which to this date have obliterated one-fourth of the Lithuanian population since 1940. Lithuanians today, after enduring 34 years of Soviet persecution, still cling to their national identity.

The Soviet Union does not truly rule the Lithuanian people. The relationship between the Soviet Union and Lithuania is one of captor and captive. Lithuanians continue to resist subjection and although they are very much aware of their captive status, they continue to maintain their traditions as best they can.

Mr. President, let us use June 15 as the day to remember the strivings for freedom of the captive people of the entire world. Let us remember the valiant struggle of th Lithuanian people. Let us welcome a Soviet-American détente, but let us not condone cultural persecution within the Soviet Union.

And let this day serve as our reminder to abolish persecution and discrimination within our own country, whether the persecution is racial, intellectual, or institutional.

INDUSTRY WEEK MAGAZINE WRITER CALLS LAWS AND GOVERNMENTAL REGULATIONS MAJOR BARRIERS TO COAL'S COMEBACK; IMPROVEMENTS IN MINING TECHNOLOGY ARE COMING

Mr. RANDOLPH. Mr. President, the June 70, 1974, issue of Industry Week magazine contains an article by John J. Mullally, "Will Coal Be King Again?" The author, in evaluating the coal situation, expresses the view that—

> Although the relatively backward state of coal mining technology gets much of the criticism . . . the major barriers to coal's comeback are laws and government regulations.

With energy being a substance and a subject of vital importance to this country, we should look carefully at reports and writings by groups and individuals with good credentials.

Key points of the article include the comment that:

First. We have the capability to become self-sufficient in energy supplies.

Second. A doubling of coal production should be possible, even by 1980.

Third. But, there are not enough coal producers today that see new, long-term contracts coming down the road to warrant their making the investment.

It is my hope, Mr. President, that the actions taken by the House of Representatives on Tuesday—and by the Senate on Wednesday—in approving the conference report on H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974, will prove to be helpful in converting more powerplants to coal and otherwise enhancing coal utilization without being detrimental to the environment. It should stimulate more long-term contracts and greater capital investment support for coal mine investment on the part of the money markets.

Mr. President, the article, "Will Coal Be King Again?" is an incisive account of coal's problems, potential solutions, and reasonably predictable future. But, more than this, it faces the realities of not only the fossil fuel—coal—but, also, of the acuteness of the energy situation as a whole.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL COAL BE KING AGAIN?

Many alleged energy experts point to this country's vast coal reserves—and the utilization technologies that will result from a $20 billion R&D push—and say they can see the light at the end of the tunnel.

However, until that coal is ripped from the earth it is only so much black dirt and the technology advances are mere academic exercises.

The light in the tunnel is visible; it's a coal miner's lamp, and it's just at the entrance. And the forces that will make this miner more productive by 1980 do not involve lasers from the laboratory; they are laws from legislators.

Domestically, we are sitting on an estimated 200 billion tons of coal, about 90% of the nation's fossil fuel reserve. The vastness of this supply dictates that we use it to solve the present—and future—energy crunch.

"We're the Saudi Arabia of coal," says Ernest S. Starkman, vice president, environmental activities staff, General Motors Corp.

"One of the ironies of our energy problem," says Secretary of the Interior Rogers Morton, "is that we use so little of our abundant energy resource."

TWO NECESSARY STEPS

Last year, domestic coal companies produced 600 million tons of coal. Interior's Office of Coal Research has called for tripling this production by 1985—an annual rate of almost 2 billion tons—if we are to meet the demands provided by advanced usage technology.

"This is a tall order," understates Secretary Morton, who believes it can be met if two things take place.

"First, we will need to make a market for this much coal, which is mainly a function of its environmental acceptability.

"Second, we will have to find ways of producing enough coal, at acceptable social and economic cost, to satisfy the market we have created. The requirement here is for a coal industry capable of delivering the coal that will be needed," said Secretary Morton in an address to the West Virginia University School of Mines.

These qualifications almost uncannily dovetail with the stance of coal industry spokesmen.

Says William V. Hartman, vice president-special projects, Peabody Coal Co., St. Louis, "The No. 1 problem that I see is the EPA moratorium on so-called high-sulfur coal in 1975, which means that all existing facilities and new facilities cannot use high-sulfur coal beyond that date."

High-sulfur coal, the type that would be banned by the Environmental Protection Administration accounts for almost 90% of all the coal found east of the Mississippi.

"Any potential customer [coal user] . . . has this to reconcile with," adds Mr. Hartman.

"Of course, this directly affects us. Can we put in a mine and spend money that will be necessary in an operation that would normally last 20 years, with the sword of Damocles hanging over us next year?"

The investment for putting in a medium large mine, one producing about 1 million tons per year, is about $20 million, says a National Coal Assn. spokesman.

Also, before one shovel of dirt is turned to put in a new mine today, "all the coal that that mine is expected to produce is, in effect, sold . . . it's under a long-term contract," says Jack Chisholm, group vice president-coal operations, Pickands Mather & Co., Cleveland.

"There aren't enough coal producers today that see new, long-term contracts for coal coming down the road to warrant their making the investments," says James W. Wilcock, president, Joy Mfg. Co.

"Coal mines can be financed only through some sort of assurance that a market will exist long enough to amortize the investment. The uncertainty as to what we will do meantime paralyzes the investment decisions," says Secretary Morton, regarding federal action guaranteeing coal demand.

To assure these long-term contracts, Mr. Wilcock stresses the need for federal legislation to direct that all future boilers, with the exception of nuclear facilities, be coal-fired, and to attempt to have present boilers converted to coal in a reasonable period of time.

He also states that there must be waivers granted for the burning of high-sulfur coal until near the end of the decade, at which time utilities would have to install some type of sulfur emissions control system.

"In the meantime, under these conditions, the utilities would have no choice except to issue contracts," says Mr. Wilcock. These longer-term contracts for coal would then trigger the expansion of old mines and the addition of new mines, he believes.

If this type of legislation comes to fruition to assist coal mining, there are other regulations that still will frustrate the industry's attempt to meet even its present demand.

The coal industry's capability to produce coal as required has been graphically demonstrated; almost each year its productivity increased, based on tons per man per day (T/M/D), until 1969.

The underground mine had reached an industry peak of 15.61 T/M/D. In 1969, the productivity indicator slid to 13.76 T/M/D. Last year, productivity decreased further to 11.91 T/M/D.

Industry spokesmen agree that the major cause of this dramatic drop is the 1969 Mine Health & Safety Act. They note that they are not challenging the law or the value of it. However, they do take serious issue with the enforcemnt procedures.

"If these laws are not enforced with more logic and less silly harassment, you are going to continue to have a drag on productivity," says one spokesman. . . .

TRAINED MANPOWER REQUIRED

Another aspect of the health and safety legislation slowed down productivity and also added to the skilled manpower shortage underground mining faces. Industry sources estimate that about 700 underground mine foremen were taken out of productive mining positions and made safety inspectors.

To counter the manpower shortage, industry, government, and academia already have begun to act in concert. Last June, 260 mining engineers were graduated in the U.S. Although this number is small, it is two and one-half times the number graduated in 1970.

Mr. Hartman of Peabody Coal adds, "We have to find people who recognize the advantages of working underground. We have our own training schools . . . we get applicants who desire a position in an underground mine and have no experience, and we train them."

Before these people can be trained, they must be attracted to an industry that admits it has "an image problem." One of the most often suggested remedies for this "image problem," voiced by both management and labor, is one of the most basic requirements for meeting the coal demand of the 1980s and '90s: improved mining technology.

Mining technology and extraction methods have not exactly moved at a Space Age rate.

As late as 1947 all of the bituminous coal in the U.S. was mined either by hand or first-generation mining machines, says a coal technology spokesman at the Battelle Memorial Institute, Columbus, Ohio. In the 1950s the advanced continuous-mining method came into prominence and has been the mainstay of the domestic coal industry.

There have been some advances in technology, namely European-developed long and shortwall mining techniques. But in 1971 these methods accounted for only 2.5% of domestic production.

"It's rather ironic that recent criticism has been directed to mining machinery manufacturers for barely being beyond the pick-and-shovel stage when at least two of these companies [out of four] publicly reported unsatisfactory 1973 income, due to low volume sales of coal machinery," says Kent E. McElhatten, president of the Pittsburgh-based National Mine Service Co., and one of the original designers of the continuous-mining machine.

This lack of revenue has apparently dampened R&D efforts and led to a trimming of research funds. However, money is coming for stepped-up R&D efforts.

"Congress has provided $7.5 million supplemental appropriation for fiscal '74 which is for excavation and mining research," says Dr. Robert Marovelli, division chief for mining research, health, and safety of the U.S. Bureau of Mines. Next year the division is expecting a mining R&D allocation of $46.5 million.

The reason for the massive infusion of funds is not simply the lack of a coordinated R&D effort from the industry. The Office of Coal Research has stated: "Present coal mining technology is inadequate to the task of producing the quantities of coal which are projected to be required by 1985 at acceptable environmental and social cost."

And so the office plans to divide its research efforts and money along two paths: surface or strip mining research and underground research.

Because underground is the more complex and technologically oriented extraction method, most of the funds throughout the entire five-year life span of the program are for underground technology. The proposed five-year budget for all extraction methods is $334 million.

The underground research efforts will involve the following areas:

High-speed mine development systems.

Automated longwell mining machines.

Automated/remote control continuous mining.

Automated continuous roof supports.

Mining systems for western coal .

Environmental protection of surface areas near underground mines.

Advanced mining systems.

Underground coal gasification.

If these efforts are successful, mining experts foresee individual productivity increases of as much as 50% in certain areas and cost savings of 25% for new mine construction.

Guided by the two interrelated considerations of economics and environmental protection, the government R&D effort will address two areas in surface mining:

Improved surface mining systems.

Improved excavation and reclamation equipment.

In addition to government R&D into future technologies, universities, through their mining colleges, and private institutions are funding research efforts to produce the needed technology.

One such private program is being conducted by Battelle Memorial Institute. This $25 million, five-year effort concerns the entire coal technology spectrum, from extraction technology to end-use technology, and will involve such areas as burner technology, methanol production, and chemicals from coal.

A major portion of the research will concentrate on mining operation experiments which include a systems approach to underground mining, machine utilization in surface mining, and reclamation in surface mining.

Although all of the government and private R&D efforts are welcomed by the coal industry, the industry also realizes that these projects are to last for five years.

Before these programs come to an end in 1980, the domestic coal industry still is expected to double its production with present technology.

Today, coal company spokesmen state that their mines are operating at capacity. But they emphatically assert that their capacity is not limited by technology; it is limited by the legislative and economic conditions under which they must operate.

"A doubling of coal production should be possible even by 1980 if the needed incentives were provided," states an expert from the Cornell Workshop on the National Energy Research & Development Program.

If the incentives are provided, an immediate impact will be felt by the mining machinery manufacturers. The impact, they believe, will not take the form of quantum technology jumps in machinery, but simply that of supplying the present machinery to meet the created demand.

"The availability, or lack thereof, of coal face extraction machinery may, in the final analysis, prove to be the lone insurmountable problem in meeting the coal production requirements," says Mr. McElhatten, whose National Mine Service Co. is now estimating leadtimes on new equipment at 14 months.

This leadtime is certainly not unique within the industry. "If we could ship as fast as they order," says a spokesman for Jeffrey Mfg. Co., Columbus, Ohio, "we'd be sitting on top of the world. Right now, it's not next month; it's next year."

Manufacturers of surface-mining equipment face the same leadtime situation. Marion Power Shovel Co. Inc., Marion, Ohio, gives a leadtime of "two years, possibly longer."

For the type of massive power shovels and draglines required for surface mining, there is an additional six- to 18-month on-site assembly time.

The reasons for these leadtimes, say industry sources, are individual design requirements and manufacturing space. The Cornell Workshop report also states that the power shovel and dragline manufacturers have been given 18-month leadtimes on large gear cutters, which are vital to production.

A manufacturing spokesman further states that the leadtimes are for those pieces of equipment that start design and construction now. Marion Power Shovel estimates it has a four-year backlog of orders.

Even working with tremendous backlogs and with the government pouring millions into coal technology research, the R&D departments of the manufacturers and the coal companies have certainly not been idle. Nor have the manufacturers and the operators been pursuing their own goals for technology advancement.

"The degree of success of any new mining venture or profitable continuation of an existing operation may well be decided by the relationship between the mine operators and equipment manufacturers," says Mr. McElhatten.

Because of this cooperation and understanding of each other's difficulties, spokesmen say that near-term technological advances will be mainly improvements in existing equipment and better utilization of the equipment—but with few, if any, breakthroughs.

One recent major advance is a technological development by Consolidation Coal Co., which conceivably could boost mine output by 50%.

Basically, it is a hydraulic, in-mine transport system for mined coal. The coal is crushed, slurried, and pumped from the mining machine directly to the surface.

Present operations call for coal to be ripped from the coal face by a continuous-mining machine and dumped into a shuttle car, which then moves to unload at a conveyor belt or another shuttle car for rail transport to the surface.

While the shuttle car is away from the continuous-mining machine, the machine must stop mining. Because of this delay, mining machines are able to produce only about half the time.

The Consolidation system thus is expected to allow the continuous-mining machine to genuinely be continuous.

TOMORROW'S TECHNOLOGY

After the next ten or 20 years, what promise does ultra-advanced technology hold for coal?

Engineers and unrestrained planners at Marion Power Shovel have toyed with the idea of lasers for breaking coal and stripping overburden at surface mines. However, Marion spokesmen caution that this is pure blue-sky design and nowhere near reality.

"I think that if you are talking about Buck Rogers-type technology," says a Bureau of Mines spokesman, "you are looking at fewer men underground, remote control . . . keeping men back from dangers, may be in air-conditioned cabinets where all they will be doing is monitoring operations. Some foresee such things as surface-controlled underground mining with TV monitors. Now this is really way, way out. No one sees this as being a practical approach."

And people in the coal business are practical people. They realize what is expected of them, and they realize they can do it.

However, the immediate answer is not a well-funded, man-on-the-moon type of technology push from Washington.

A large part of the answer, however, does come from Washington—in the form of new legislation, revised legislation, and logical enforcement of existing legislation.

"We have the capability to become self-sufficient," states E. P. Berg, president and chairman, Bucyrus-Erie Co., South Milwaukee, Wis. "It is vital to our future welfare and urgent that constructive steps be taken as soon as possible. It is up to the government to enact legislation which will allow the energy industries to move forward now."

TIRED OF SOLZHENITSYN?

Mr. BUCKLEY. Mr. President, the official publication date for Alexander Solzhenitsyn's "Gulag Archipelago" is fast approaching and should rekindle interest in the plight of those millions of Soviet citizens he so eloquently represents.

We cannot afford to forget that Solzhenitsyn's exile and the treatment of those who remain in the U.S.S.R. stand as testimony to the fundamentally totalitarian nature of the Soviet state. This is something we should bear in mind as we continue down the perilous road of "détente."

Mr. President, Alfred Kazin recently made an analysis of Solzhenitsyn's importance for the "Village Voice" that I think should be read by as many Americans as possible.

As Kazin points out:

> It was Solzhenitsyn who, from the moment he came to our attention with the ominous sound in "Ivan Denisovitch" of a guard rousing his captives by beating a hammer against a pipe, made us witnesses to the fear and cruelty on which the (Soviet) system rests.

Mr. President, I ask unanimous consent to print Mr. Kazin's article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIRED OF SOLZHENITSYN?

(By Alfred Kazin)

"The Soviet poet Yevgeny Yevtushenko has apparently apologized for his protest last February of the expulsion of the novelist Alexander I. Solzhenitsyn with a new poem. The new epic poem, ostensibly dedicated to the workers at the Kama River truck-assembly plant, a favorite Soviet economic project, incorporates an attack on the exiled writer, although Mr. Solzhenitsyn is never mentioned by name. He is referred to as a 'mock-Russian' who 'sings mournfully into his beard' about Czarist times."—New York Times, May 23, 1974.

"Even here in Zurich, the KGB has continued its provocations, Soviet citizens who make no secret of their origins telephone or come uninvited to my home. They warn me to be careful of my children. I first received such threats a year ago in Moscow in letters written to me by mythical Soviet gangsters. . . ."

"Now these threats are repeated by my Zurich callers as 'sympathetic warnings' against Western gangsters. But my experience has proved to me that all the gangsters in my life come from one and the same organization."—Alexander I. Solzhenitsyn, Time, May 27, 1974.

When Alexander Solzhenitsyn was forcibly thrown out of the Soviet Union, there was a brief flurry of protest—among writers mostly, of course. But by now the outside world—and many, many writers in it—have found that we can live very comfortably with the thought of Solzhenitsyn in exile. As many people pointed out even before Solzhenitsyn's plane had landed in Frankfurt only some dark sympathy for Nazis made Solzhenitsyn go first to Germany. He obviously had a lot of money in Swiss banks; his family has been allowed to join him; his views are suspiciously conservative, even critical of the West. His worst crime was to show that Vlasov's army of deserters from the Red Army represents the most amazing rebellion in wartime by any modern army. So the Russians have already boasted in their press of their cleverness in getting rid of Solzhenitsyn. They modestly admit that they have "obliterated" him.

Exiles do have a way of sinking out of sight. Though we can anticipate that the imminent publication in English of Solzhenitsyn's monumental description of the Soviet prison and labor system. "The Gulag Archipelago," will soon revive sympathy and admiration for Solzhenitsyn, it is possible that after that subsides, Solzhenitsyn in Zurich will have as little political and moral influence in diminishing the Soviet system as Nabokov in Lausanne. Russians out of Russia do not have the influence, even on Western opinion, that Russians can have in Russia. A famous French authority on the subject, Eugene de Vogue, noted that "the Russian, ruled by the sentiment of mutual dependence, is never willing to cut the thousand ties which bind men, actions, thoughts, to the rest of the universe; he never forgets the natural mutual dependence of all things." As a long-standing admirer of the Russian critic and novelist, Andrei Sinyavsky, I was shocked by how long it took me to learn that Sinyavsky had finally been released from a camp and had settled in France.

You may be "tired of Solzhenitsyn," and I have heard more than one writer say, in good American literary fashion, "he's made more than I have!" But unlike any living American writer you can think of, Solzhenitsyn is destined to remain a political symbol and may very well have a lot of political influence—whether he wants it or not. Solzhenitsyn seems to be the one writer produced by Soviet society itself who is determined to expose Leninism, root and branch—to destroy the fiction that the tyranny of the bureaucracy represents anything but the perpetuation of its own power and of the old Czarist belief that the only function of the masses is to obey.

Leninism has much to answer for, not least the influence on Nazism of what one historian has called the peculiarly modern idea that "there are entire classes of people whose very existence is objectively a crime and who must therefore be cut off society's body like a diseased limb. The question of individual guilt or responsibility is irrelevant." But brutal as Leninism has been toward the Russian people and many in Eastern Europe, it has dishonestly justified its practical politics—making unrelenting war on a large segment of one's own people. The Leninist fiction is that systematic terror is always necessary and will somehow lead to the elimination of all social conflict.

Writers in America cannot easily understand that the function of literature in the Soviet Union—even of the most arcane poetry—has for a long time now been to expose propaganda, those unbelievable, generally unbelieved but enforced fictions on which the system rests. American society is full of profound class and race violence, is marked by terrible deprivations, is plainly unjust to many people. But we have no lack of documentation, of truth-telling exposes, of resources for demolishing the myth, if myth there remains, of America as an "ideal" society. *Our* literature suffers no great truths. It suffers from trivality, the absurdity of purely sexual or material goals, from the exhaustion of pursuing success and of generally achieving it. Above all, it suffers from the fact, as is true everywhere in Western society, that our quest for individuality does not have the requisite sources in personality.

But Soviet society suffers from a theology that is still able to command frightened obedience from millions of people, even from thousands of the professionals necessary to a technocratic society. The attraction of Communist theology is no longer its apocalyptic view of history. But Communism has set up the national sense of compulsion, the overwhelming drive, that has managed to lift bumbling old Russia into a superpower. The gospel of unlimited progress under "Communism," which no one believes actually exists, was enough to unite all the professional patriots, functionaries, and propagandists against the *seven* dissidents who actually stood up in Red Square against the ccupation of Czechoslovakia.

Now Solzhenitsyn is not a "great" writer, at least not a writer on the grand scale, as "August 1914" showed. It may be that writers on the grand scale, as we can see in the case of that deluded super-rationalist Sartre, are not what we particularly need just now. But Solzhenitsyn is something better than that chimera of the "great" writer, the universal genius, left over to us from the 19th century: he is a documentarian, a truth-teller, in the deepest sense of the word a *fact* man. Thanks to his voluminous intelligence, the kind of absolute pitch that writers do bring to their memories (especially about prison), and his scientific training (from Pushkin to Nabokov the mark of the really "enlightened" writer in Russia), he has planted in his mind everything he has ever learned and read about the Russian penal system. And the particular thing that makes him so exhilarating to Russians in and out of Russia, despite the painful nature of his material in "One Day in the Life of Ivan Denisovitch." "Cancer Ward," and especially "The First Circle" that prime document of the absolute hell that Soviet Communism has been for millions of innocent people, is his expose of the absolute unreality on which Leninism rests.

Unreality, because despite the widespread and exacted obedience to the regime, the Russians no longer believe in the lies they *had* to believe in when they told these lies to themselves. The Russians, given the siege mentality that has dominated their history and that has been their justification for so much suffering, may possibly, in the protracted crisis of the West, hold out longer for so-called Communism than even they know. But Solzhenitsyn has been more feared by the regime than any other Soviet writer, and more hated by the toadies in the Writers' Union, because he has completely and systematically removed himself from Leninism. As the six members of the Writers' Union in Ryazan complained when they expelled the seventh, Solzhenitsyn, he is a "talented enemy of Socialism"—by which they mean Leninism.

Solzhenitsyn in "The First Circle" had the courage to show how infinitely more liberal and humane Russian culture was before 1917, just as only Nabokov has persisted in telling the outside world, in the face of the widespread Leninist lie, that the exiles from Communism were generally democrats, not "White Guards." It was Solzhenitsyn who, from the moment he came to our attention with the ominious sound in "Ivan Denisovitch" of a guard rousing his captives by beating a hammer against a pipe, made us witnesses to the fear and cruelty on which the system rests.

Gogol said in gratitude to Pushkin—"He always said that I was especially endowed to bring into relief the trivialities of life, to analyze an ordinary character, to bring to light the little peculiarities which escape general observation. The reader resents the baseness of my heroes; . . . I should have been pardoned had I only created picturesque villains; their baseness is what will never be pardoned. A Russian shrinks before the picture of nothingness. "That, especially in "The First Circle," is why Solzhenitsyn has earned the hatred of the Soviet regime as no other writer has. He has exposed to the whole world the fraudulent historical "purpose" and concern for social justice that underlies the Lenin-Stalin-Brezhnev power system that today, as in 1917, is armed mostly against its own people.

One change has occurred recently: there are more and more willing exiles from Russia. All over the world now there is a new Russia in exile whose purpose, even when unknown or unacknowledged, is to move mentally back into Russia, to provide alternatives to what, too long, has been taken as the fatal necessity and inevitability of Bolshevism in Russia. Solzhenitsyn is and will be even against his will, a prime symbol of this Russian mind freed of Leninism. We will find ourselves more and more drawn to him, even if we don't wish to be. For as the Soviet system must always push onward, must always engage in struggle, militancy, war, so Solzhenitsyn and the community he makes by his books will seem, simply by the force of his documentation, a response to terror and morally at least, an alternative. There are more and more exiles from Russia; there will be more and more. And whatever their disagreements and futilities, they will bring out the simple truth of what Russia is and has been.

INFLATION'S IMPACT ON MOST FAMILIES WORSENS IN 1974—TAX RELIEF A MUST

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics, I released a staff study several months ago on "Inflation and the Consumer in 1973." Now that the first quarter results are available, I want to bring that study up to date .

Economic statistics from the first quarter of 1974 show consumers to be much worse off now than last year. The severe inflation of 1973 continued and actually worsened in the first quarter of 1974. All measures of real earnings in the first quarter of this year showed sharp declines. The broadest measure of purchasing power, real per capita disposable income, declined at an annual rate of 7 percent in the first quarter, the largest decline since the 1930's.

The Consumer Price Index in the first quarter rose at a 14.2 percent annual rate, the largest such rise since 1951. Food increases accounted for only one-third of this rise, compared to one-half in the 1973 inflation. Of greater importance this year are higher transportation costs, which contributed 18 percent of the first quarter inflation compared to 7 percent last year. This was caused mainly by a doubling (at an annual rate) of gasoline and oil prices in the first 3 months of 1974.

Housing costs rose somewhat more rapidly than last year, contributing to 30 percent of the first quarter overall rise. The increase again is due to rising fuel and utility costs, mainly, which were up at an annual rate of 27.8 percent. By far the largest contributors to inflation in the first quarter, then, were food, 31 percent, housing, 30 percent, and gasoline and oil, 21 percent.

Because of the greater predominance of food and housing costs in a low-income family budget, the poor were again hit hardest by the first quarter inflation. The only good news for the poor came in the relatively small increase in rents and the stability of public transportation prices.

The Wholesale Price Index increased at a 24.8 percent annual rate; these increases mean that the higher consumer prices we are seeing now will continue well into 1974. The prices of industrial commodities rose by 29.2 percent, insuring higher prices for durable consumer goods in the future.

Although income after taxes went up in the first quarter (at a slower rate than in previous quarters), the increase was more than eaten up by inflation. All measures of real income showed Americans to be worse off in the first quarter than in the previous one. Real adjusted hourly earnings of production workers declined at a 5.7-percent annual rate. Real compensation per man-hour, which includes overtime earnings and fringe benefits and which usually goes up more than other indexes, went down even more—at an annual rate of 6.4 percent. This reflects in part the past year's decline in overtime hours in manufacturing, from 3.8 hours in April 1973 to 2.6 hours in April 1974.

Real weekly earnings decreased more than hourly earnings, also reflecting this slowdown in the number of hours worked per week. Production and nonsupervisory workers' real gross weekly earnings and earnings after taxes dropped 9.1 percent and 9.5 percent respectively at annual rates. The 1973 increase in social security taxes, which hit these middle- and lower-income workers hardest, helps explain this large decrease in real spendable earnings.

A broader measure of purchasing power after taxes, which includes all people receiving income, is per capita real disposable income. Because it includes upper- and middle-class workers it rarely declines. Its growth slowed to 2.4 percent in 1973 but in the first quarter of this year it actually went down 7.2 percent at an annual rate. This is the largest decline in almost 40 years. Total real disposable income also declined, at a 6.5-percent annual rate.

Clearly, if first-quarter trends continue in 1974, the American consumer will have suffered another blow to his standard of living. What is even more discouraging is that this administration refuses to take any steps which will alleviate conditions for those hardest hit by this inflation. The declines in real income for low- and middle-income families in 1973 should have been enough to make this administration support a tax cut for these families. Now that the first-quarter results show a continuing and in fact worsening trend, it is unconscionable that the President and his economic advisers continue to oppose tax relief.

CAPITAL GAINS AND TAX REFORM

Mr. KENNEDY. Mr. President, at a time when the concern of the vast majority of our citizens is centered on the need for tax relief and tax reform, a determined lobbying effort is being made to persuade Congress to increase still further the tax preference that is now available on income from capital gains. This effort is being conducted on behalf of the investment community and others hoping to widen the capital gain loophole, with a view to encouraging Congress to adopt this proposal under the guise of tax reform.

My view is that Congress should resist this proposal. True tax reform in the area of capital gains lies in the direction of narrowing, not widening, the current preference. Under present law, one of the principal tax preferences accorded to capital gains is that only 50 percent of the gain is included in taxable income. Under the proposal now being urged on Congress, the proportion of capital gain included in taxable income would be reduced by an even larger amount, depending on the length of time the asset is held. In one version of the proposal, the exclusion would be reduced by an additional 2 percent for each year the asset is held, up to a maximum of 15 years. Under this proposal, only 40 percent of the gain on the sale of stock would be included in income if the stock is held for five years; only 30 percent would be included if it is held 10 years; and only 20 percent would be included if it is held 15 years or longer.

The effect of this proposal would be to provide a major new tax cut for the wealthiest individuals in the Nation. At the present time, the tax on capital gains for those in the highest—70 percent—tax bracket is only 35 percent—that is, since a tax rate of 70 percent is applied on half the income from capital gains, the rate is equivalent to a tax of 35 percent on the full gain.

Under the investment community proposal, however, the top tax rate on capital gains would be reduced to 14 percent—70 percent of 20 percent—if the asset is held for 15 years. Ironically, this 14-percent tax rate is precisely the rate that is now imposed on individuals in the lowest tax bracket, those earning $5,300 a year or less.

As my support for the tax relief legislation now about to come before the Senate indicates, I believe that a tax cut is a vital step to improve the equity of our tax system, to provide relief for taxpayers burdened by inflation, and to generate the economic stimulus that the country needs if it is to pull itself out of the current slowdown and recession.

However, priorities must be established in determining who is to receive the tax relief.

The proposal I am sponsoring with Senators MONDALE and LONG would increase the personal exemption from $750 to $825, provide an optional tax credit of $190 in lieu of the exemption, and establish a work bonus for low-income workers equal to 10 percent of their social security payroll tax. Under this proposal, the overwhelming bulk of the $6.5 billion in benefits would go to low- and middle-income citizens. Obviously, these are the income groups that should have the first priority in tax relief.

Yet, the tax cut proposed by those who favor a reduction in the capital gain tax rate would substitute a priority under which the wealthiest individuals become the ones receiving the highest priority for a tax cut. Such a step would be unwise and unfair, especially at the present time, when so many low- and middle-income families are hard pressed by inflation.

To clarify the deleterious effects of the proposal to reduce the rate of tax on capital gains, it is useful to describe how the tax preference for capital gains actually works.

For present purposes, capital gains enjoy two important advantages over other kinds of income under the Federal income tax.

First, a major preference enjoyed by capital gains is the advantage of tax deferral—the tax on a capital gain is deferred until such time as a sale of the asset actually takes place. The income represented by the accumulating gain in the value of the asset goes untaxed, even over a period of many years, until it is finally sold.

For example, if an individual buys a share of stock for $100, holds it for 2 years while it appreciates by $20 in value each year, and then sells it for $140, a tax is imposed on the full $40 of gain in the year of sale, not just on the $20 of gain that occurred in the year in which the sale took place.

Thus, our present tax system recognizes that the increased value of the stock in the first year constitutes income for the individual. But, the tax on the income is deferred until the year in which the stock was sold.

This deferral, a tax preference in its own right, has the effect of an interest free loan by the Government to the individual, in the amount of the taxes that are deferred year by year until the asset is finally sold. Thus, the taxpayer is entitled to take the funds that he would otherwise have paid in tax in these years, and invest them for additional current income.

The second tax preference for capital gains is the widely understood tax rate applied when the income is finally taxed. Even when the sale of an asset occurs, only half of the gain is included in the taxpayer's taxable income. Thus, in the previous example, even though the taxpayers had $40 of gain on the stock, only $20 is included in his taxable income; the remaining $20 goes tax free.

In effect, then, not only does the taxpayer receive an interest-free loan from the Government when he invests in a capital asset, but half the loan is forgiven when the asset is finally sold, because he is required to pay taxes on only half the gain.

The proposal to increase the capital gain exclusion would continue the interest-free loan treatment available under present rules. It would also increase the amount of the income that goes untaxed, from the present bargain rate of 50 percent tax free to an incredible new rate of 80 percent.

In recent years, many tax experts have raised questions about whether the Federal Government should continue the tax practice of making interest free loans to the Nation's wealthiest individuals, through the deferral of accrued tax on capital gains.

Even assuming that the interest free loan program should continue, however, it is clear that we should be moving in the direction of reducing, not increasing the amount of capital gain that escapes the income tax. Thus, one of the principal tax reforms I favor is to increase the amount of capital gain included in taxable income from 50 to 60 percent, thereby achieving a modest tightening of the tax code's current major preference for capital gains.

I do not support efforts to close the gap altogether between the tax on ordinary income and the tax on capital gains, but we must go part way.

The change I propose in the capital gains tax would not substantially impair the flow of capital in the Nation. A major tax preference would still exist for capital gains in the Revenue Code. The top rate of tax on capital gains would increase from its present level of 35 percent—70 percent × 50 percent—to a new level of 42 percent—70 percent × 60 percent—a modest increase of 20 percent in the tax rate.

The new tax rate of 42 percent on capital gains will still compare extremely favorably with the 70 percent top rate on ordinary income. In the Tax Reform Act of 1969, Congress increased the capital gains rate from 25 percent to 35 percent, an increase of 40 percent, and Wall Street did not miss a stride.

The two principal arguments advanced for the proposal to expand the capital gains preference will not withstand analysis.

The first argument is that the capital gains tax is imposed partly on gains created by inflation, rather than on true economic gains. Therefore, say the sponsors of such proposals, the way to take the inflation element out of the tax base is to increase the amount of capital gains excluded from income.

There are two defects in this inflation argument. First, the remedy proposed bears no direct relationship to the inflation problem. Congress might well conclude that only true gains should be taxed. But increasing the exclusion percentage from 50 percent to 80 percent is no guarantee that true economic gains will in fact be taxed. In many cases, it may simply become another windfall for the wealthy.

If Congress wants a measure that will tax true gains, a simple cost-of-living adjustment to the basis of the assets is all that is required.

But such a cost-of-living adjustment may produce greater taxes for capital gains for some individuals and lower taxes for others compared to the present proposal, depending on the period of time the asset is held and the cumulative degree of inflation over the period. But a flat percentage exclusion will hardly ever—except in the most unlikely combination of events—correlate taxable gain with true economic gain, exclusive of inflation. If inflation is the problem, then a blunderbuss approach of expanding the current preference is not the answer.

The second defect in the inflation argument is that the proposal is an elitist one that purports to deal with the inflation problem only for wealthy citizens. At the present time, the various tax preferences for capital gains produce an annual revenue loss of about $9 billion. Nearly one-third of this amount goes to the tiny fraction of families that have incomes in excess of $100,000 a year.

What is being proposed under the guise of tax reform, therefore, is that the few thousand wealthiest families in the Nation are entitled to have their tax burden adjusted for inflation, but that the other 70 million low and middle income taxpayers are not entitled to any adjustment in their own tax burdens for inflation.

One of the most important assets held by low- and middle-income taxpayers is their savings account. Obviously, inflation eats away at each savings account each year. Under the theory advanced by the proponents of greater preferences for capital gains, we should also be giving a tax preference to persons whose primary asset is a savings account. The same is true of investments in U.S. savings bonds; with inflation, the principal amount of the bond is worth less each year.

But we hear no tax reduction proposals to compensate for those losses to inflation that affect so many of our citizens.

In short, we are being told that inflation is a problem in the tax system, but it is a problem that should be solved only for the wealthiest citizens in the country. The low- and middle-income taxpayers, as usual, are left to fend for themselves and to combat inflation as best they can.

The second argument advanced by those who favor an increase in the tax preference for capital gains is that it will reduce the so-called lock-in effect of capital gains by inducing more frequent sales of capital assets. This argument is difficult to accept. The real cause of the lock-in effect in our tax system today is the failure to tax capital gains on property transferred at death.

Under present tax rules, the gain on assets held by a taxpayer at death is never subject to income tax. To return to the earlier example, if the taxpayer held the stock that he purchased at $100 until death, at which time its value was $140, the $40 in gain would go completely free of the income tax. This is the real cause of lock-in for capital gains—the incentive to holders of assets to retain them until death. The solution to the lock-in problem is to tax these capital gains at death.

In fact, the current proposal to expand the capital gains preference might well increase the existing lock-in effect, rather than reduce it, since investors will be encouraged to retain their stock and other assets for longer periods of time, in order to enjoy the increasingly lower capital gains rates that would become available. And, once the asset has been held for 15 years, the wealthy investor would then be faced with the choice of selling it and paying a 14 percent tax, or holding it until death, and avoiding the tax altogether.

Indeed, if the proponents of the capital gain proposal are serious about reducing the lock-in effect, they will join in efforts to tax such gain at death. At a single stroke, this reform would eliminate the present very strong incentive for wealthy individuals to hold assets until death, even though nontax considerations would clearly require that the asset should be sold.

In sum, the proposals now being aired to expand the capital gains loophole deserve the most careful and cautious study by Congress, especially since they are being advanced under the alluring guise of tax reform. To me, such proposals represent no reform at all. They are simply another effort to provide an increased tax preference for the wealthy, at the expense of the millions of low and middle income individuals who already bear too heavy a burden under the tax laws.

Mr. President, this issue has recently been the subject of an excellent analysis by Professors Roger Brinner and Stanley Surrey of Harvard University. I ask unanimous consent that their article, which appeared in the Washington Post on May 26, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TAX ESCAPE FOR THE FEW

(By Roger Brinner and Stanley S. Surrey)

In the past year, a group of individuals interested in investment banking and the stock market, with the aid of Washington legal advisers, has been quietly pushing a proposal to reduce the tax on capital gains.

A Senate finance subcommittee already has held little-publicized hearings on the proposal, and it is now being promoted before the House Ways and Means Committee as a "tax reform."

The essence of this proposal is that the proportion of a capital gain included in taxable income—which now is only 50 per cent of the gain—should be reduced still further. The proposed reduction would be in steps of 2 per cent a year for each year the asset is held, up to 15 years. Thus, for stock held for 15 years, only 20 per cent of the gain on its sale would be taxable.

For the wealthiest individuals, those in the 70 per cent top tax bracket, this proposal would thus reduce their tax on the gain from 35 per cent (70 per cent of 50 per cent of the gain) to only 14 per cent (70 per cent of 20 percent of the gain). Ironically, 14 per cent is also precisely the rate of tax applicable to the wages of the poorest taxpayers in the country.

Any reduction in the capital gains tax on the sale of stock or other capital assets will primarily benefit high-income families. Recent statistics of income indicate that individuals and families with incomes above $25,000—about 3 per cent of all tax returns—account for around 55 per cent of all capital gains. Taxpayers with more than $100,000 of income—about 0.1 per cent of all returns—receive about 30 per cent of all capital gains.

There are two defenses made of this proposal—most of whose benefits would go to a small group of wealthy families. The first is that recent inflation has increased tax burdens on the earnings of investors. The second is based on the so-called "lock-in" effect; that is, the incentive to keep investments in a given stock although others may be available offering higher pre-tax returns.

As to the first rationalization offered by supporters of the proposal, it is true that inflation creates stock price appreciation which is subject to taxation, but which does not reflect true wealth appreciation in terms of purchasing power.

If the goal of a neutral income tax is to tax wage and capital income equivalently, it can be argued that only the component of a capital gain which reflects an increase in purchasing power belong in the tax base. But under this view, the correct proportion of the gain which should be included is not an arbitrary and constant number such as the current 50 per cent or the proposed 20 per cent—it is the proportion of the inflated gain which is a true increment of purchasing power.

Given erratic fluctuations in stock market prices and large annual differences in the general rate of inflation in the economy, such a proportion must be a highly variable figure to adjust properly for inflation. While this reasoning indicates that inflation does produce an additional tax burden, it must be noted that the inflation burden does not justify the proposed declining tax rate schedule.

The basic line of reasoning pertains to the tax treatment of assets held one year or 15 years: If the ratio of the purchasing power gain to the inflated gain is the same for any two periods of different length, the inclusion proportion should be the same.

A little further thought should indicate that recipients of capital gains are not alone in their inflation-induced predicament. The individual holding a bond or maintaining a savings account also suffers from an inflation problem which is not recognized under our present tax system.

Moreover, the sponsors of the proposal are quiet about several tax preferences now received only by the owners of stocks and other physical assets. Any increase in value of these capital assets is not necessarily taxed immediately or inescapably. In the first place, the potential income represented by a current increase in value is untaxed until the asset is sold at some future date.

A substantial monetary benefit arises through this tax deferral because the government has effectively provided an interest-free loan equal to the potential tax liability each year. Those who have followed President Nixon's tax problems have seen the value of such a loan—for example, assuming only a 6 per cent annual interest rate, his unpaid 1969 tax liability of $170,000 would require an interest payment today of approximately $45,000.

In addition to this interest-free loan or deferral benefit, only one half of the accumulated gain is typically subject to taxation when the asset is finally sold. Inasmuch as the investor who places his funds in a savings bank or bond benefits from neither of these preferences, it does not seem reasonable to begin an inflation adjustment of the tax system by according further privileged treatment to capital gains.

To briefly evaluate the position which the contrasting effects of inflation and deferral present to a conscientious tax policy maker, assume that stocks appreciate at approximately twice the rate of increase in consumer prices, as was the case for the 1960–1972 period. Our policy maker, seeking to tax labor and capital income equivalently, should therefore require only a 50 per cent inclusion of current nominal gains in taxable income.

However, a higher proportion of any long-accumulated gains should be included to reflect the deferral benefit. Using the average rates of inflation in consumer prices and stock prices for the recent past approximately 70 per cent of the total gain in a share of stock held for 15 years should be included in taxable income.

This increase from 50 to 70 per cent of course sharply contrasts with the proposed decrease in capital gains inclusion from 50 to 20 per cent over 15 years.

As to the second defense, "lock-ins," two types currently exist. One results from the deferral benefit discussed above. But rather than eliminating this distortion, the proposal would exacerbate it significantly.

The second source of lock-in effects reflects still another tax benefit currently provided for potential income in the form of accrued capital gains; the gain is never subject to income taxation if it is transferred to one's heirs as a bequest.

It seems obvious that the correct response to this second lock-in effect is not the proposed widening of the preferences in the present treatment of capital gains, but rather elimination of the current benefit produced by the tax-escape-by-bequest mechanism.

The defenses of this proposal for capital gains tax reduction thus are wanting in substance. The proposal would bestow huge benefits to a very small group of families. To present this proposal as "tax reform" is indeed ironical.

As we have seen, the proposal hides the current capital gains tax preferences and aims only to increase them, while drawing faulty conclusions about the effects of inflation.

If one were serious about exploring the effects of inflation on the tax system, one could examine the idea of allowing an investor to "write up" the purchase price of an asset by the amount of inflation that may have occurred since the date of purchase, i.e., multiplying the purchase price by the ratio of the consumer price index in the year of sale to the index in the year of purchase.

The corrected gain then could be included in income under a proportion schedule which rises as the holding period increases (to reflect the deferral benefit) and any accrued gain would be subject to income taxation on a transfer at death. Bond holders would be allowed their inflation losses. Other effects of inflation on the tax system would be examined.

COAL CONVERSION AND CLEAN AIR ACT

Mr. BUCKLEY. Mr. President, I appreciate this opportunity to comment on H.R. 14368, the Energy Supply and Environmental Coordination Act of 1974. I am generally satisfied with the outcome of the Conference deliberations over this bill, which provides federal authority to mandate conversion to the use of coal in certain stationary fuel-burning sources and authorizes amendments to the Clean Air Act in order to facilitate such conversions.

The main thrust of the bill is to encourage the return to using coal, an indigenous fuel which this country has in great abundance, and thereby to reduce our dependency on foreign imports of residual oil as the primary fuel burned in electric generating facilities. In order to facilitate such conversions to coal, the bill authorizes extensions in the compliance dates presently applicable to fuel-burning sources for controlling the amount of sulfur oxides and particulate matter which such sources may emit into the atmosphere.

Although this will permit such power plants to delay for a few years the controls which are presently required under State implementation plans to carry out the Clean Air Act, such extensions are confined to plants located in those regions where the health-related primary ambient air quality standards will not be violated.

To this end, I am particularly pleased that the conferees agreed to adopt an amendment which I suggested when this bill was first considered by the Senate; that is, to deny any compliance date extension to any source located in an air quality control regions which does not now meet the primary ambient air quality standards for sulfur oxides or particulate matter. Thus, unless a plant located in such a region can meet the emission limitation presently required for controlling these pollutants, no conversion to coal may take place. This will assure the protection of public health in those regions which are now the dirtiest and which now violate the health-related standards.

Furthermore, no compliance date extension may be granted by the Administrator of the EPA until a fuel-burning source submits and obtains approval of a plan for compliance, which includes its means for compliance and compliance schedule, to meet by January 1, 1979, the most stringent degree of emission reduction that the plant would have had to achieve under the State implementation plan prior to conversion.

Thus a powerplant cannot convert to coal unless it has firmly committed itself to meeting the original state-imposed emission limitation for that plant no later than January 1, 1979.

Mr. President, I would like at this point to offer a comment concerning section 7(c)(1) of the conference report. That section specifies:

> No action taken under the Clean Air Act shall be deemed a major federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

First, let me say that I do not share the apprehension which others have expressed over the effect of language in the fiscal 1974 Appropriations Act for Agriculture—environmental and consumer protection programs which prompted the amendment to the National Environmental Policy Act embodied in section 7(c)(1). As I read the appropriations statute, it does not in any degree change existing law respecting the extent to which NEPA impacts on the Environmental Protection Agency. Therefore, in my judgment curative amendments were not required.

Second, having said that, let me point out that the NEPA exemption occuring in section 7(c)(1) of the conference report is narrowly confined, as was the NEPA exemption in section 511(c)(1) of the 1972 Amendments to the Federal Water Pollution Control Act, to exempt EPA from only the impact statement duties set out in section 102(2)(C) of NEPA. These specific exemptions, in other words, do not affect the other important provisions of NEPA that may be applicable to EPA in its actions under the Clean Air Act or any other legislation.

It has long been my view that it is desirable that the provisions of NEPA requiring broad-based balancing in decisionmaking, be applicable to all actions of the EPA as well as to those of other Federal agencies. Only through the application of these requirements to all Federal agencies can the tendency to view specific problems with tunnel vision be avoided. It is wrong to focus on one problem, and in attempting to achieve its solution, to create other social and environmental problems. Therefore, it is good policy to require EPA to examine the full range of social and environmental consequences in its decisionmaking. I am aware of court documents to the effect that EPA is exempt from NEPA. If this is in fact the state of the law, then I recommend that this situation be reviewed in any revision of NEPA.

Finally, Mr. President, I am happy to note that H.R. 14368 settles the issue of what automobile emission limitations will apply in model year 1976. I favor the continuation of the 1975 standards for 1 extra year because I believe it important to provide corporate planners with the degree of stability that is necessary to perfect the technology for automobile emission control. Furthermore, manufacturers needed to know last fall what the standards would be for model year 1976 automobiles in order to design emission controls for nitrogen oxides that are technically compatible with the controls that will be in place for hydrocarbons and carbon monoxide in model 1975 cars. In this bill the Congress as a whole has confirmed the action taken by the Senate last December when it passed S. 2772; this was long overdue. I also favor setting the statutory standard for oxides of nitrogen at 2.0 g/m for model year 1977 because, according to testimony before the committee, this is the level which appears to encourage the pursuit of the broadest range of technological options for achieving emissions controls, including alternatives to the catalyst.

On balance, I believe the amendments adopted by the Conference regarding automobile emissions deadlines will contribute to, rather than impede, the progress toward the goal of clean air.

COURT NARROWS "MIRANDA"

Mr. McCLELLAN. Mr. President, in 1966 the Supreme Court handed down its decision in *Miranda* v. *United States*, 384 U.S. 436 (1966), and, in my opinion, caused considerable dismay in the field of law enforcement.

In enacting title II of the Omnibus Crime Control and Safe Streets Act of 1968 (Public Law 90–351), Congress, in effect, expressed its concern with the rigid requirements of Miranda. Title II provides that a voluntary confession shall be admissible in evidence in a Federal criminal trial and that the absence of a Miranda-type warning was only one factor to be considered by the judge in resolving the voluntariness issue (18 U.S.C. 3501).

Last evening, I was gratified to read the news story in the Washington Star-News reporting that the Supreme Court has eased somewhat the inflexibility of the rule of the 1966 Miranda decision. I have not read the opinion, but according to the news story, the Court, voting 8 to 1, decided that if the warning fell short of the full range of advice set out in Miranda, evidence obtained as a result of police questioning of the suspect might still be used.

Mr. President, I consider this a very important decision by the Court. I count it as one more definite sign that we are slowly getting back to a more rational balance between the rights of society and the rights of the criminal, which had been swinging too far in favor of the criminal.

I ask unanimous consent that the story from the Washington Star-News of June 10, 1974, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

COURT NARROWS "MIRANDA"

(By Fred Barnes)

The Supreme Court today narrowed the controversial 1966 Miranda decision, ruling that prosecutors may use some evidence obtained from suspects who have not been advised fully of their legal rights.

The Miranda ruling had barred the use in court of any evidence gathered from a defendant who had not been given a complete warning about his rights to remain silent and to have a lawyer.

Today, the court—voting 8–1—said that, if the warning fell short of the full range of advice spelled out in the Miranda decision, evidence obtained as a result of police questioning of the suspect still might be used.

"Just as the law does not require that a defendant receive a perfect trial, only a fair one, it cannot realistically require that policemen investigating serious crimes make no errors whatsoever," Justice William H. Rehnquist's opinion for the majority said.

"The pressures of law enforcement and the vagaries of human nature would make such an expectation unrealistic," he added.

However, the opinion did not provide specific guidelines on how much error or omission in a Miranda warning would be considered permissible. Presumably, that will depend on case-by-case rulings in the future.

The decision came in one of the most important criminal cases before the justices this term, and was a victory for views held by the Nixon administration and many prosecutors.

The administration had strongly supported the Michigan prosecutor who took the case to the highest court, urging the easing of the Miranda requirement.

Two of the court's liberal justices who ordinarily favor the rights of defendant—William J. Brennan Jr. and Thurgood Marshal—joined in the case with six justices who usually support the powers of police and prosecutors.

Only Justice William O. Douglas, the court's most outspoken liberal, dissented.

The case involved the rape of a 43-year-old woman in Pontiac, Mich., in 1966. Police, following a dog who had been left in the victim's house, arrested Thomas W. Tucker.

Before questioning him, police advised him of his right to remain silent and his right to have a lawyer present. But they failed to inform him of his right to a free lawyer if he could not afford to hire one.

The Miranda ruling required that suspects be told of all three rights prior to interrogation.

Tucker, as an alibi, told police that he was with a friend at the time of the assault. Police then went to the friend, but he linked Tucker to the rape.

The friend testified in court against Tucker, who was convicted. However, a federal judge later upset the conviction on the ground that the friend's testimony was improper since it had resulted from police questioning of Tucker without a full Miranda warning.

The highest court's ruling today reinstates the conviction of Tucker. The majority opinion concluded that none of Tucker's constitutional rights had been violated.

MR. AND MRS. J. MASON DAVIS OF BIRMINGHAM TYPIFY "AMERICA'S RISING BLACK MIDDLE CLASS"

Mr. ALLEN. Mr. President, as its cover story for the issue of June 17, 1974, Time magazine featured "America's Rising Black Middle Class," relating another chapter in the history of the United States that supports our country's unique society composed of peoples from every corner of this globe.

As part of its essay, Time includes a featurette entitled "Two Families That Have Made It." This article tells the success story of Mr. and Mrs. J. Mason Davis, of Birmingham, Ala. The Davis' are widely known for their work in civic, business, education, and political fields.

The story, I believe, illustrates the uniqueness of this land which, time and time again in its long history, has provided opportunities to people from every corner of the world, from every racial and religious background, willing to work toward achieving their goals. There is no question that some have had to work harder than others to take advantage of these opportunities, but I believe that Mr. Percy E. Hughes summed up the feeling of all Americans in his statement quoted on the last line of the article:

> I'm happy with the fact that I came up instead of going backwards.

Mr. President, I am pleased and proud that an Alabama family was chosen to exemplify the continuing transition in America's lifestyle, and I congratulate Mr. and Mrs. Davis on their recognition.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

TWO FAMILIES THAT HAVE MADE IT

In life-style, attitude and aspiration, the black middle class is almost as diverse as any other ethnic group of comparable income. Some of this diversity is shown in the following two portraits, one of a long-established, upper-middle-income black family in the Deep South, another of a newly arrived middle-income couple in the North.

THE RISING HEIR

On the outskirts of Birmingham stands the black suburban development of Briarmont, where handsome houses sprawl over huge lots arrayed along winding, tree-lined streets. One of the most attractive homes is a $35,000 three-bedroom ranch with avocado green paneling, a sunken living room and a two-car garage. A dark blue Cadillac and a tan Buick compact decorate the driveway. This is the home of J. Mason Davis and June Davis and their two children, the family on Time's cover.

Lawyer, businessman and politician, Davis, 38, personifies the growing self-confidence and influence of Birmingham's black upper middle class. He is a member of both the state and county Democratic executive committees. His law practice is expanding so quickly that last year he took on a junior partner and now he plans to add another. Important segments of the city's black leadership are urging him to run for mayor.

Davis' rise is the culmination of the dreams of his grandfather, C. M. Harris, who at the turn of the century determined to carve out an economic niche that would shelter his descendants from segregation. He started a funeral home and later founded the Protective Industrial Insurance Co. of Alabama. In 1967 it put up the money with which the Acamar Realty and Insurance Agency—of which Davis is part owner—bought the site for Briarmont. The profits from developing it and other business deals, plus the growing income from his law practice (more than $40,000 last year) could some day make Davis a millionaire.

He has seen Birmingham change from a city so segregated that civil rights workers called it the "toughest town outside of South Africa" to an "All-America" city cited by the National Municipal League for its progress in race relations. In 1961, when Davis returned with a degree from the University of Buffalo law school, "you could feel the tension. The white lawyers weren't friendly. You sort of felt alone." Today, things are relaxed enough for Davis to joke with white judges about his great-grandfather, B. F. Saffold, a 19th century justice on Alabama's supreme court. June Davis, on her job as a psychologist for the city schools, mixes easily with the integrated staff. Says she: "We get along fine, but I don't tell myself that we're in love with each other."

Davis' aristocratic background could hamper his political ambitions. "When you come from a middle-class bag, it's not easy to convince the masses that you're an all-right dude," he admits. Sometimes he must choose between black solidarity and his own best judgment. Example: the county Democratic committee "had to endorse a black for the county commission even though there was a Jewish fellow who was the better candidate. If we blacks on the commission had taken the stump for the Jewish fellow, we would have been vilified as Uncle Toms."

There is, Davis believes, a rift between the black middle class and the black poor, which is reflected in a wave of burglaries in Briarmont and other "good" black neighborhoods. Since 1971 the Davises have twice been burglarized; they now have iron bars on their windows and keep a German shepherd dog named Santana.

Above all, Davis is concerned with preserving and building on his family's money. "Every person who lived during the Depression feels a sense of precariousness," he says. "I hope that my children always have a wary eye toward their security. It may be that three generations of blacks amass something and that the fourth generation will rip it off." The Davises' children, Karen, 16, and Jay, 11, are being trained to carry on the family tradition. Karen wants to become a musician, but her father hopes to persuade her to become a lawyer. "She's quite a politician," he says. "She went out of her way to meet white kids at high school, while other black kids segregated themselves." As for Jay, Davis says: "There's nothing I'd like better than for him to get his law degree and come back and run the business."

THE STRIVING ENTREPRENEUR

Nearly every Friday, Percy E. Hughes of suburban Greenburgh, N.Y., rushes home from work, quickly changes clothes and with his wife Jackie speeds down the parkway to the evening service at the Bronx Church of God in Christ. Like many black families who have only recently arrived in the middle class, the Hugheses have built their lives around the church. In fact, their dedication to the fundamentalist Pentecostal church may help them achieve one of the most important middle-class aspirations: buying a home. By encouraging the Hugheses' frugality, the church is helping them save the money for a down payment.

At 31, Percy Hughes is a striver who is building a lawn-care business. He has been interested in gardening since he earned pocket money with his grandfather's lawn mower in Gordonsville, Va. At 13 he began spending summers helping his father, who migrated to Greenburgh and had a gardening service. Hughes joined him full time in 1961 after dropping out of a segregated high school because "I had faith I wasn't going to pass English."

Six years later, after he married Jackie, whom he had met at church, his father set him up in the trade. "He gave me an old truck, two mowers and about ten clients," Hughes recalls. Now he owns two trucks and several thousand dollars' worth of lawn-care equipment and employs several workers at $3.50 an hour. He has 45 customers who pay him an averge $60 month; about two-thirds of them, including Singer Cab Calloway and Dancer Pearl Primus, are black. That gives him a measure of satisfaction: "I like to see my people progress. I don't envy them. I take pride in their success because I know where they came from."

Last year Hughes cleared $7,000 from the business and another $1,300 working during the cold, off-season months as a security guard. His wife earns $9,400 as a secretary to David Robinson III, a black lawyer who is regional counsel to Xerox. She started in secretarial work by enrolling in a three-month program in which IBM paid people to study shorthand, typing and English. Now she is learning to be a legal secretary so that she can earn still more.

The Hugheses have something that many other Americans would envy: an almost debt-free life. From the plastic-slipcovered furniture to the color television console, everything in their $217-a-month, two-bedroom apartment is fully paid for. Their only major bill is the note on their 1972 Ford Gran Torino Sport, which will be paid off this year. The Hugheses hope to buy a home within the next five years. Meanwhile, says Hughes, "we're living comfortable, but it'll take me a few years to reach certain goals. I'm happy with the fact that I came up instead of going backwards."

GORGING THE FINANCIAL SYSTEM WITH OIL MONEY

Mr. CURTIS. Mr. President, in the Washington Post of June 12, 1974, a column by Joseph Alsop appeared entitled "Gorging the Financial System With Oil Money."

Mr. Alsop, in perceptive fashion, calls our attention to the economic danger of "unmanageable sums of money" and trade deficits which the world financial system will have to contend with as a result of the oil profit influx. Mr. Alsop quotes David Rockefeller in warning that the present world financial situation could become economically and politically chaotic.

The article is cogent and explicit in its warnings. I think we would be wise to be alert to the very real danger caused by the financial strain of profit influx into the world financial system.

Mr. President, I ask unanimous consent Mr. Alsop's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GORGING THE FINANCIAL SYSTEM WITH OIL MONEY

In Europe, the economic equivalent of the Bible's "cloud no bigger than a man's hand" is already there, hovering on the horizon for all to see. On all the evidence to date, the cloud foretells a great tempest in the fairly near future.

The nature of the cloud is simple enough. Owing to a lag in the payments system, the oil producing countries only recently began to take in their huge profits from the new high oil prices. They have had most of the money earned in the first quarter of 1974 for not much more than two months. They will not get the profits of the second quarter until midsummer.

Yet even the first quarter profits are proving to be unmanageable. The Arab oil producers, particularly, have mostly banked their money in Europe in the form of short term Euro-dollar deposits. As a result, even the biggest banks are now so gorged with this oil money that they have just begun refusing such deposits at more than 4 per cent interest, or even refusing the deposits absolutely.

In other words, the first outpost of the world financial system to feel the strain is already proving to be unequal to the strain. But this initial strain from the new oil money is a mere trifle to what the whole world financial system will somehow have to withstand before long.

This country's two outstanding forecasters in this field, the staff of the Chase Manhattan Bank and the independent petroleum expert, Walter Levey, have just admitted to excessive conservatism. Fortunately, both estimated that after paying for all possible imports, the oil producing countries would have $50 billion left over to invest at the end of this year. Their new figure is $60 billion.

In other words, this problem of the new oil money is getting bigger, not smaller. With $60 billion to invest, in fact, the oil producing countries will have to find ways to place an amount of money, in just one year, equivalent to about two thirds the total value of all the overseas investments of the United States in the last three quarters of a century.

Nor is that all. Before the new high oil prices, the oil producing countries had already accumulated reserves of about $14 billion. Looking further down the road, the wise head of the Chase Manhattan Bank, David Rockefeller, has recently noted that the oil producers' reserves will reach about $140 billion in 1975, and will pass $200 billion in 1976.

These are enormous transfers of wealth from the rest of the world to the little group of oil producers. As Mr. Rockefeller also made plain, the world financial system has never before had to handle such transfers, and is almost wholly unequipped to do so.

In addition, the majority of the richest oil producers are also unequipped to handle the mountains of gold they are now accumulating. The latest single accumulation will unquestionably be made by Saudi Arabia, for instance. Yet the Saudi Arabian monetary agency is still a vestigal institution, which keeps its books in Arabic—and entirely by hand!

Naturally, in Saudi Arabia and from Kuwait down through the Persian Gulf hotel rooms are literally unobtainable because of the hosts of foreign financiers and promoters who have flocked in to tell the oil producers how to spend or invest their money. Much of this activity is shady, but not all of it. The Chase Manhattan, for instance, is opening a merchant bank as a joint enterprise with the Saudi Arabian government.

For this country, there may even be a short-term gold lining. In the opinion of both Walter Levey and the Chase Manhattan staff, the United States is the natural refuge for final deposits or investment of much of the new oil money. Thus our balances of payments may show huge surplus on capital account, partly concealing the deficit in the trading account that high oil prices will cause.

Over time, however, the poorer nations' total inability to pay for the energy they need; plus the trading deficits due to be incurred by almost all the richer nations; plus the unmanageable sums of money the world financial system will be called upon to manage, can all add up to "economic and political chaos," marked by "disruptive domestic unemployment and depression." The omnibus quotations, once again, are from Mr. Rockefeller.

The one hope for a solution—and it is a slender one—lies in the total transformation of the Mideastern scene by Dr. Henry A. Kissinger's diplomacy. But nowadays the new game of hunt-the-Secretary of State has been added to hunt-the-President.

You can argue, in fact, that Washington Watergating while the tempest approaches is worse than Nero fiddling while Rome burned.

FOREIGN STUDENTS AND JOBS

Mr. KENNEDY. Mr. President, a few weeks ago the Immigration and Naturalization Service (INS) issued an order concerning the summer employment of foreign students in this country. Apart from changing the procedure for obtaining a work permit, the apparent intent of the order was to eliminate most foreign students from the labor market. There is perhaps good reason to modify and change some of the long-standing regulations which apply to these students; but for those few students who depend on summer employment, it is regrettable that the INS order came so late in the school year. Hopefully, the new regulations are being implemented with the greatest degree of compassion and decency. And because I share the concern of many over its longer term ramifications, I am also hopeful that the INS and the Department of State will actively review the new order in the broad context of our foreign relations and the traditional encouragement our Government has given to the exchange and movement of both American and foreign students.

In this connection, Mr. President, I commend to Senators an editorial in the June 12 issue of the New York Times, and ask unanimous consent that the text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Students and Jobs

An estimated 17,000 foreign students out of the 150,000 who are enrolled in American colleges face financial difficulties this summer if the United States Immigration and Naturalization Service enforces its recent order prohibiting these students from accepting temporary employment. Unless the immigration authorities are generous in their promise to make exceptions in hardship cases, some students may actually have to cut their studies short and return to their home countries if they are prevented from supplementing their funds during the vacation period.

In tightening existing work rules, the immigration authorities are responding to the current economic downturn with an effort to protect the job opportunities of disadvantaged American youths. Although the actual number of jobs involved is not really significant, officials argue that no needy American should be displaced by a foreign national when jobs are so hard to come by.

It is nevertheless an oversimplification to treat the problem as nothing but a question of job openings. The opportunity to work in an American setting can be an important and even necessary part of a foreign student's total educational experience. Rather than looking at the matter purely from the point of view of the immigration laws and the ups and downs of the economy, educational and governmental planners ought to seek new ways of simultaneously expanding employment opportunities for foreign students in the United States and for American students abroad. Such an approach could improve young people's foreign study experience without creating too unfavorable a balance of youth jobs in any country.

Simply barring foreign students from supplementing their funds by means of summer employment will have the effect of excluding the less affluent from study here, thus turning that important educational opportunity into the exclusive privilege of the rich. Until more satisfactory arrangements are worked out, the immigration authorities can help avert unnecessary hardship by enforcing the rules with a maximum of compassion and a minimum of rigidity.

REPEAL OF THE PROFESSIONAL STANDARDS REVIEW ORGANIZATION

Mr. BENNETT. Mr. President, there recently appeared in the Congressional Record a statement encouraging the repeal of the Professional Standards Review Organization. Because of my concern about the misunderstandings and misinformation contained in the article I have prepared a letter presenting a factual description of PSRO and how it works. This letter will be sent to all Members of Congress. I ask unanimous consent that the text of the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Dear Congressman: Within the past few days you received a letter dated June 7, 1974 from Congressmen Rarick and Crane concerning the Professional Standards Review Organization section of P.L. 92-603.

In their letter they called upon you to join them as co-sponsors of legislation to repeal the PSRO provision.

As the principal sponsor of the PSRO provision in the Congress, I feel I must reply to the material which was sent to you purportedly as a "fact sheet" on PSRO's. Most unfortunately this material contained a number of significant inaccuracies and misstatements which I will address below.

Let's begin at the beginning. During our deliberations on Medicare legislation over a three-year period from 1969 to 1972, the Senate Finance Committee and the House Ways and Means Committee saw a clear need for establishing effective mechanisms to review and audit the soaring Governmental expenditures, now amounting to $25 billion, for health services under the Medicare and Medicaid programs.

As any Member of Congress will recognize, in order for us to discharge our responsibilities to the public, we must have some way to assure that public funds are being appropriately spent. Prior to PSRO, review and audit of Medicare and Medicaid expenditures was carried out by employees of the Social Security Administration, State agencies and insurance company personnel. Many doctors objected to this sort of review and we agreed with them. The PSRO amendment represents an attempt to establish a mechanism whereby local physicians themselves can review the quality and necessity of health services provided under the Medicare and Medicaid programs rather than having this review be done by clerks and bureaucrats. The doctors in an area are not required or forced to assume review responsibility. It is absolutely voluntary on their part.

Members of the Senate Finance and House Ways and Means Committees are not alone in seeing the need for and supporting effective professional review mechanisms such as PSRO. The Department of HEW strongly endorses and supports the PSRO provision of law. Drafters of most of the major National Health Insurance bills including the Administration, Senator Kennedy, Chairman Mills, Chairman Long and Senator Ribicoff, have included the PSRO provisions in their health insurance legislation.

In addition, physicians in many areas of the country have recognized PSRO for what it is—a chance for physicians to review themselves rather than being reviewed by nonphysicians—and have supported the PSRO provision. State medical societies such as those in Utah, Colorado, New Mexico, Mississippi, Pennsylvania, and others, support the PSRO provisions of law. In addition, prestigious national medical specialty societies such as the American College of Surgeons, the American College of Physicians and the American Academy of Pediatrics, are supportive of the PSRO statute.

Now let me address for a moment the inaccuracies contained in the material you were sent.

1. The material said that, "The Secretary of HEW is authorized to establish "norms" of health care, which will inevitably mean standardization of medicine and a decline in quality of medical care."

In fact, the law calls for *the local physicians* to establish ranges of norms which in rare cases only may be subject to review by the National Professional Standards Review Council, composed entirely of non-governmental physicians. At no point can the Secretary in any way establish or dictate norms of medical care under PSRO. It should also be noted that these norms are guidelines only—professionally developed checkpoints beyond or below which it is reasonable for his peers to ask a physician why certain care was or was not provided.

2. The material said that, "To assist the Secretary in the development of these "norms", the employees of the 193 regional PSRO's are permitted to enter physicians' offices and inspect the private medical records of ALL patients. This is an invasion of privacy and a violation of doctor-patient confidentiality."

Actually, the amendment merely allows the local physicians where they so choose to inspect medical records of Medicare and Medicaid patients to the extent they find it necessary to review a colleague's practice. The PSRO law contains stricter penalties for breech of confidentiality than any present health insurance laws or regulations. Additionally, authority to inspect records antedates PSRO in Medicare and Medicaid. Under PSRO it would be undertaken only in unusual situations exercising professional discretion; under prior in law those same record could be reviewed by insurance company and government personnel.

3. The material says that, "These 'norms will then be used to determine the necessity of hospital admissions, length of stay, nature and number of medical tests, type of treatment and what pharmaceuticals a physician may prescribe. This is clearly cookbook medicine and medicine by averages."

Actually, the norms referred to in the legislation, as I mentioned above, are established by the local practicing physicians in an area and are used merely as points of reference or checkpoints in the review process. They do not serve as determinants of acceptable care or barriers to further care. Without any norms to review against, review becomes meaningless. The development of such norms, to be used as checkpoints, has been supported by many major national medical specialty societies. Again, all of this antedates PSRO. State agencies and insurance company agents under Medicare were applying their own—anonymously developed and applied—norms in determining whether care provided was reasonable for payment under Medicare and Medicaid.

4. The material states that, "Payment to Medicare and Medicaid patients may also be denied if the PSRO determines that medical care was not 'medically necessary' or might have been provided 'more economically.' This, in effect, amounts to the rationing of health care."

Actually, current Medicare law, along with nearly all private health insurance policies, says that only necessary medical care will be paid for. This is not rationing. Rationing is when the Government says that only certain services will be paid for. For example, two visits to the physician a month. This is exactly the kind of rationing that some State Medicaid programs have resorted to in the absence of effective review, and exactly the type of rationing PSRO is designed to eliminate.

5. The material states, "Doctors who fail to follow these norms' may be subject to a $5,000 fine, litigation, or may be forced to pay for the 'unnecessary treatment'. This is unusually harsh punishment."

Actually, the amendment contains provisions for the local physician to assess sanctions where they feel they are necessary. Obviously, if the local physicians are to effectively discharge their review responsibilities, they must have some sanctions at their disposal. Hopefully, educational efforts will correct improper practice in most cases. Repayments of anywhere from $1 to $5,000 is actually a less "harsh" penalty than the total suspension from Medicare and Medicaid participation authorized under other sections of law.

I have enclosed a copy of a pamphlet prepared by the staff of the Senate Finance Committee which will give you further background concerning the PSRO provision. It is especially important to note the large number of physician-sponsored organizations (beginning on page 12) who have already requested formal PSRO status.

I hope you will review this material carefully before making any decisions on this important matter. If I or my staff can be of any help to you, please feel free to call my office.

Sincerely,

WALLACE F. BENNETT.

A PROFESSOR'S "STREET LESSONS"

Mr. McCLELLAN. Mr. President, with the respect and gratitude due our law enforcement officers, I would like to submit for the RECORD a recent report by Dr. George L. Kirkham, an assistant professor, School of Criminology, Florida State University, Tallahassee, Fla., entitled "A Professor's 'Street Lessons'" and a synopsis of this report by William F. Buckley Jr., "Criminologist As Cop," which appeared in the June 6 issue of the Washington Star-News.

This report relates the enlightening experience of one criminologist who like many of us have stood in judgment and harshly criticized our law enforcement officers in the handling of police matters. This report expresses the one-sided basis of such judgment. It details not only the burdensome and demanding task facing policemen performing their duty, but also the unmerited discredit and disrespect that is all too common these days.

May I reiterate from a statement that I formally made on the floor of the Senate that it is not always pleasant to be a police officer in our troubled society and that the physical risk of being a police officer is high. Dr. Kirkham's report expresses one individual's conscious realization of this fact acquired by stepping into the policeman's shoes for a short time.

Mr. President, no one can read these articles without feeling a deeper sense of appreciation for those men who dedicate themselves to law enforcement. I hope every individual in this country will read them.

Mr. President, I ask unanimous consent that Dr. Kirkham's article and Mr. Buckley's new synopsis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Reprinted from the FBI Law Enforcement Bulletin, March 1974]

A PROFESSOR'S "STREET LESSONS"

(By Dr. George L. Kirkham)

As policemen have come under increasing criticism by various individuals and groups in our society in recent years, I cannot help but wonder how many times they have clenched their teeth and wished they could expose their critics to only a few of the harsh realities which their job involves.

Persons such as myself, members of the academic community, have traditionally been quick to find fault with the police. From isolated incidents reported by the various news media, we have fashioned for ourselves a stereotyped image of the police officer which conveniently conforms to our notions of what he is. We see the brutal cop, the racist cop, the grafting cop, the discourteous cop. What we do not see, however, is the image of thousands of dedicated men and women struggling against almost impossible odds to preserve our society and everything in it which we cherish.

For some years, first as a student and later as a professor of criminology, I found myself troubled by the fact that most of us who write books and articles on the police have never been policemen ourselves. I began to be bothered increasingly by many of my students who were former policemen. Time and again, they would respond to my frequently critical lectures on the police with the argument that I could not possibly understand what a police officer has to endure in modern society until I had been one myself. Under the weight of this frustration, and my personal conviction that knowledge has an applied as well as a theoretical dimension, I decided to take up this challenge: I would become a policeman myself as a means of establishing once and for all the accuracy of what I and other criminologists had been saying about the police for so long.

FROM PROFESSOR TO COP

Suffice it to say that my announced intention to become a uniformed patrolman was at first met with fairly widespread disbelief on the part of family, friends, and colleagues alike. At 31, with a family and an established career as a criminologist, I was surely an unlikely candidate for the position of police recruit. The very idea, it was suggested to me, was outrageous and absurd. I was told that no police administrator in his right mind would allow a representative of the academic world to enter his organization. It had never been done and could not be done.

Fortunately, many of my students, who either had been policemen or were at the time, sounded a far more optimistic and enthusiastic note. Police administrators and officers alike, they said, would welcome the opportunity to expose members of the academic community to the problems of their occupation. If one of us were really willing to see and feel the policeman's world from behind a badge and blue uniform, instead of from the safe and comfortable vantage point of a classroom or university office, police officers themselves would do everything in their power to make the opportunity available. Despite these assurances from my policemen-students, I remained skeptical over my chances of being allowed to do such an unorthodox thing.

This skepticism was, however, soon to be overcome. One of my better criminology students at the time was a young police officer on educational leave from the Jacksonville, Fla., Sheriff's Office. Upon learning of my desire to become a police officer in order to better understand the problems of policemen, he urged me to contact Sheriff Dale Carson and Undersheriff D. K. Brown of his department with my proposal. I had earlier heard other police officers describe the consolidated 800-man force of Jacksonville-Duval County as one of the most progressive departments in the country. I learned that Sheriff Carson and Undersheriff Brown, two former FBI Agents, had won considerable respect in the law enforcement profession as enlightened and innovative administrators.

The size and composition of Jacksonville, as well as its nearness to my university and home, made it appear to be an ideal location for what I wished to do. Numbering just over one-half million residents, Jacksonville impressed me as being the kind of large and rapidly growing American city which inevitably experiences the major social problems of our time: crime and delinquency, racial unrest, poverty, and mental illness. A seaport and industrial center, Jacksonville offered a diversity of urban, suburban, and even rural populations in its vast land area. I took particular note of the fact that it contained a fairly typical inner-city slum section and black ghetto, both of which were in the process of being transformed through a massive program of urban redevelopment. This latter feature was especially important to me insofar as I wanted to personally experience the stresses and strains of today's city policeman. It was, after all, he who had traditionally been the subject of such intense interest and criticism on the part of social scientists such as myself.

Much to my surprise, both Sheriff Carson and Undersheriff Brown were not only supportive but enthusiastic as well over my proposal to become a city patrolman. I made it clear to them at the outset that I did not wish to function as an observer or reserve officer, but rather wanted to become a fully sworn and full-time member of their department for a period of between 4 and 6 months. I further stated that I hoped to spend most of this period working as a uniformed patrolman in those inner city beats most characterized by violence, poverty, social unrest, and high crime rates. They agreed to this, with the understanding that I would first have to meet the same requirements as any other police candidate. I would, for example, have to submit to a thorough character investigation, a physical examination, and would have to meet the same training standards applied to all other Florida police officers. Since I was to be unpaid, I would be exempted from departmental civil service requirements.

RESTYLING AN IMAGE

Both Carson and Brown set about overcoming various administrative and insurance problems which had to be dealt with in advance of my becoming a police officer. Suppose, for example, I should be injured or killed in the line of duty, or should injure or kill someone else. What of the department and city's liability? These and other issues were gradually resolved with considerable effort on their part. The only stipulation set forth by both administrators was one with which I strongly agreed: for the sake of morale and confidence in the department, every officer must know in advance exactly who I was and what I was doing. Other than being in the unusual position of a "patrolman-professor," I would be indistinguishable from other officers in every respect, from the standard issue .38 Smith and Wesson revolver I would carry to the badge and uniform I would wear.

The biggest and final obstacle which I faced was the necessity that I comply fully with a 1967 Florida Police Standards law, which requires that every police officer and deputy sheriff in the State complete a minimum of 280 hours of law enforcement training prior to being sworn in and assigned to regular duty. Since I had a full-time university job nearly 200 miles from Jacksonville, this meant that I would be unable to attend the regular sheriff's academy. I would have to attend a certified academy in my own area, something which I arranged to do with Sheriff Carson's sponsorship.

For 4 months, 4 hours each evening and 5 nights a week, I attended the Tallahassee area police academy, along with 35 younger classmates. As a balding intellectual, I at first stood out as an oddity in the class of young men destined to become local law enforcement officers. With the passage of time, however, they came to accept me and I them. We joked, drank coffee, and struggled through various examinations and lessons together. At first known only as "the professor," the men later nicknamed me "Doc" over my good-natured protests.

As the days stretched into weeks and the weeks into months, I took lengthy notes on the interviewing of witnesses at crime scenes, investigated imaginary traffic accidents, and lifted fingerprints. Some nights I went home after hours of physical defense training with my uniformly younger and stronger peers with tired muscles, bruises, and the feeling that I should have my head examined for undertaking such a rugged project.

As someone who had never fired a handgun, I quickly grew accustomed to the noise of 35 revolvers firing at the cardboard silhouettes which our minds transformed into real assailants at the sound of the range whistle. I learned how to properly make car stops, approach a front door or darkened building, question suspects, and a thousand other things that every modern police officer must know. After what seemed an eternity, graduation from the academy finally came, and with it what was to become the most difficult but rewarding educational experience of my life: I became a policeman.

THE SCHOOL OF HARD KNOCKS

I will never forget standing in front of the Jacksonville police station on that first day. I felt incredibly awkward and conspicuous in the new blue uniform and creaking leather. Whatever confidence in my ability to "do the job" I had gained during the academy seemed to evaporate as I stood there watching other blue figures hurrying in the evening rain toward assembly. After some minutes I summoned the courage to walk into the station and into my new career as a core city patrolman.

That first day seems long ago now. As I write this, I have completed over 100 tours of duty as a patrolman. Although still a rookie officer, so much has happened in the short space of 6 months that I will never again be either the same man or the same scientist who stood in front of the station on that first day. While it is hard to even begin to describe within a brief article the many changes which have occurred within me during this time, I would like to share with fellow policemen and colleagues in the academic community a few of what I regard as the more important of what I will call my "street lessons."

I had always personally been of the opinion that police officers greatly exaggerate the amount of verbal disrespect and physical abuse to which they are subjected in the line of duty. During my first few hours as a street officer, I lived blissfully in a magic bubble which was soon to burst. As a college professor, I had grown accustomed to being treated with uniform respect and deference by those I encountered. I somehow naively assumed that this same quality of respect would carry over into my new role as a policeman. I was, after all, a representative of the law, identifiable to all by the badge and uniform I wore as someone dedicated to the protection of society. Surely that fact would entitle me to a measure of respect and cooperation—or so I thought. I quickly found that my badge and uniform, rather than serving to shield me from such things as disrespect and violence, only acted as a magnet which drew me toward many individuals who hated what I represented.

I had discounted on my first evening the warning of a veteran sergeant who, after hearing that I was about to begin work as a patrolman, shook his head and cautioned, "You'd better watch yourself out there, Professor! It gets pretty rough sometimes!" I was soon to find out what he meant.

Several hours into my first evening on the streets, my partner and I were dispatched to a bar in the downtown area to handle a disturbance complaint. Inside, we encountered a large and boisterous drunk who was arguing with the bartender and loudly refusing to leave. As someone with considerable experience as a correctional counselor and mental health worker, I hastened to take charge of the situation. "Excuse me, Sir," I smiled pleasantly at the drunk, "but I wonder if I could ask you to step outside and talk with me for just a minute?" The man stared at me through bloodshot eyes in disbelief for a second, raising one hand to scratch the stubble of several days growth of beard. Then suddenly, without warning, it happened. He swung at me, luckily missing my face and striking me on the right shoulder. I couldn't believe it. What on earth had I done to provoke such a reaction? Before I could recover from my startled condition, he swung again—this time tearing my whistle chain from a shoulder epaulet. After a brief struggle, we had the still shouting, cursing man locked in the back of our cruiser. I stood there, breathing heavily with my hair in my eyes as I surveyed the damage to my new uniform and looked in bewilderment at my partner, who only smiled and clapped me affectionately on the back.

THEORY VERSUS PRACTICE

"Something is very wrong," I remember thinking to myself in the front seat as we headed for the jail. I had used the same kind of gentle, rapport-building approach with countless offenders in prison and probation settings. It had always worked so well there. What was so different about being a policeman? In the days and weeks which followed, I was to learn the answer to this question the hard way. As a university professor, I had always sought to convey to students the idea that it is a mistake to exercise authority, to make decisions for other people, or rely upon orders and commands to accomplish something. As a police officer myself, I was forced time and again to do just that. For the first time in my life, I encountered individuals who interpreted kindness as weakness, as an invitation to disrespect or violence. I encountered men, women, and children who, in fear, desperation, or excitement, looked to the person behind my blue uniform and shield for guidance, control, and direction. As someone who had always condemned the exercise of authority, the acceptance of myself as an avoidable symbol of authority came as a bitter lesson.

I found that there was a world of difference between encountering individuals, as I had, in mental health or correctional settings and facing them as the patrolman must: when they are violent, hysterical, desperate. When I put the uniform of a police officer on, I lost the luxury of sitting in an air-conditioned office with my pipe and books, calmly discussing with a rapist or armed robber the past problems which had led him into trouble with the law. Such offenders had seemed so innocent, so harmless in the sterile setting of prison. The often terrible crimes which they had committed were long since past, reduced like their victims to so many printed words on a page.

Now, as a police officer, I began to encounter the offender for the first time as a very real menace to my personal safety and the security of our society. The felon was no longer a harmless figure sitting in blue denims across my prison desk, a "victim" of society to be treated with compassion and leniency. He became an armed robber fleeing from the scene of a crime, a crazed maniac threatening his family with a gun, someone who might become my killer crouched behind the wheel of a car on a dark street.

LESSON IN FEAR

Like crime itself, fear quickly ceased to be an impersonal and abstract thing. It became something which I regularly experienced. It was a tightness in my stomach as I approached a warehouse where something had tripped a silent alarm. I could taste it as a dryness in my mouth as we raced with blue lights and siren toward the site of a "Signal Zero" (armed and dangerous) call. For the first time in my life, I came to know—as every policeman knows—the true meaning of fear. Through shift after shift it stalked me, making my palms cold and sweaty, and pushing the adrenalin through my veins.

I recall particularly a dramatic lesson in the meaning of fear which took place shortly after I joined the force. My partner and I were on routine patrol one Saturday evening in a deteriorated area of cheap bars and pool halls when we observed a young male double-parked in the middle of the street. I pulled alongside and asked him in a civil manner to either park or drive on, whereupon he began loudly cursing us and shouting that we couldn't make him go anywhere. An angry crowd began to gather as we got out of our patrol car and approached the man, who was by this time shouting that we were harrassing him and calling to bystanders for assistance. As a criminology professor, some months earlier I would have urged that the police officer who was now myself simply leave the car double-parked and move on rather than risk an incident. As a policeman, however, I had come to realize that an officer can never back down from his responsibility to enforce the law. Whatever the risk to himself, every police officer understands that his ability to back up the lawful authority which he represents is the only thing which stands between civilization and the jungle of lawlessness.

The man continued to curse us and adamantly refused to move his car. As we placed him under arrest and attempted to move him to our cruiser, an unidentified male and female rushed from the crowd which was steadily enlarging and sought to free him. In the ensuing struggle, a hysterical female unsnapped and tried to grab my service revolver, and the now angry mob began to converge on us. Suddenly, I was no longer an "ivory-tower" scholar watching typical police "overreaction" to a street incident—but I was part of it and fighting to remain alive and uninjured. I remember the sickening sensation of cold terror which filled my insides as I struggled to reach our car radio. I simultaneously put out a distress call and pressed the hidden electric release button on our shotgun rack as my partner sought to maintain his grip on the prisoner and hold the crowd at bay with his revolver.

How harshly I would have judged the officer who now grabbed the shotgun only a few months before. I rounded the rear of our cruiser with the weapon and shouted at the mob to move back. The memory flashed through my mind that I had always argued that policemen should not be allowed to carry shotguns because of their "offensive" character and the potential damage to community relations as a result of their display. How readily as a criminology professor I would have condemned the officer who was now myself, trembling with fear and anxiety and menacing an "unarmed" assembly with an "offensive" weapon. But circumstances had dramatically changed my perspective, for now it was *my* life and safety that were in danger, *my* wife and child who might be mourning. Not "a policeman" or Patrolman Smith—but *me*, George Kirkham! I felt accordingly bitter when I saw the individual who had provoked this near riot back on the streets the next night, laughing as though our charge of "resisting arrest with violence" was a big joke. Like my partner, I found myself feeling angry and frustrated shortly afterward when this same individual was allowed to plead guilty to a reduced charge of "breach of peace."

LOUD DEFENDANTS AND SILENT VICTIMS

As someone who had always been greatly concerned about the rights of offenders, I now began to consider for the first time the rights of police officers. As a police officer, I felt that my efforts to protect society and maintain my personal safety were menaced by many of the very court decisions and lenient parole board actions I had always been eager to defend. An educated man, I could not answer the questions of my fellow officers as to why those who kill and maim policemen, men who are involved in no less honorable an activity than holding our society together, should so often be subjected to minor penalties. I grew weary of carefully following difficult legal restrictions, while thugs and hoodlums consistently twisted the law to their own advantage. I remember standing in the street one evening and reading a heroin "pusher" his rights, only to have him convulse with laughter halfway through and finish reciting them, word for word, from memory. He had been given his "rights" under the law, but what about the rights of those who were the victims of people like himself? For the first time, questions such as these began to bother me.

As a corrections worker and someone raised in a comfortable middle class home, I had always been insulated from the kind of human misery and tragedy which become part of the policeman's everyday life. Now, the often terrible sights, sounds, and smells of my job began to haunt me hours after I had taken the blue uniform and badge off. Some nights I would lie in bed unable to sleep, trying desperately to forget the things I had seen during a particular tour of duty: the rat-infested shacks that served as homes to those far less fortunate than I, a teenage boy dying in my arms after being struck by a car, small children clad in rags with stomachs bloated from hunger playing in a urine-spattered hall, the victim of a robbery senselessly beaten and murdered.

In my new role as a police officer, I found that the victims of crime ceased to be impersonal statistics. As a corrections worker and criminology professor, I had never given much thought to those who are victimized by criminals in our society. Now the sight of so many lives ruthlessly damaged and destroyed by the perpetrators of crime left me preoccupied with the question of society's responsibility to protect the men, women, and children who are victimized daily.

For all the tragic victims of crime I have seen during the past 6 months, one case stands out above all. There was an elderly man who lived with his dog in my apartment building downtown. He was a retired bus driver and his wife was long deceased. As time went by, I became friends with the old man and his dog. I could usually count on finding both of them standing at the corner on my way to work. I would engage in casual conversation with the old man, and sometimes he and his dog would walk several blocks toward the station with me. They were both as predictable as a clock: each evening around 7, the old man would walk to the same small restaurant several blocks away, where he would eat his evening meal while the dog waited dutifully outside.

One evening my partner and I received a call to a street shooting near my apartment building. My heart sank as we pulled up and I saw the old man's mutt in a crowd of people gathered on the sidewalk. The old man was lying on his back, in a large pool of blood, half trying to brace himself on an elbow. He clutched a bullet wound in his chest and gasped to me that three young men had stopped him and demanded his money. After taking his wallet and seeing how little he had, they shot him and left him on the street. As a police officer, I was enraged time and again at the cruelty and senselessness of acts such as this, at the arrogance of brazen thugs who prey with impunity on innocent citizens.

A DIFFERENT PERSPECTIVE

The same kinds of daily stresses which affected my fellow officers soon began to take their toll on me. I became sick and tired of being reviled and attacked by criminals who could usually find a most sympathetic audience in judges and jurors eager to understand their side of things and provide them with "another chance." I grew tired of living under the ax of news media and community pressure groups, eager to seize upon the slightest mistake made by myself or a fellow police officer.

As a criminology professor, I had always enjoyed the luxury of having great amounts of time in which to make difficult decisions. As a police officer, however, I found myself forced to make the most critical choices in a time frame of seconds, rather than days: to shoot or not to shoot, to arrest or not to arrest, to give chase or let go—always with the nagging certainty that others, those with great amounts of time in which to analyze and think, stood ready to judge and condemn me for whatever action I might take or fail to take. I found myself not only forced to live a life consisting of seconds and adrenalin, but also forced to deal with human problems which were infinitely more difficult than anything I had ever confronted in a correctional or mental health setting. Family fights, mental illness, potentially explosive crowd situations, dangerous individuals—I found myself progressively awed by the complexity of tasks faced by men whose work I once thought was fairly simple and straightforward.

Indeed, I would like to take the average clinical psychologist or psychiatrist and invite him to function for just a day in the world of the policeman, to confront people whose problems are both serious and in need of immediate solution. I would invite him to walk, as I have, into a smoke-filled pool room where five or six angry men are swinging cues at one another. I would like the prison counselor and parole officer to see their client Jones—not calm and composed in an office setting, but as the street cop sees him—beating his small child with a heavy belt buckle, or kicking his pregnant wife. I wish that they, and every judge and juror in our country, could see the ravages of crime as the cop on the beat must: innocent people cut, shot, beaten, raped, robbed, and murdered. It would, I feel certain, give them a different perspective on crime and criminals, just as it has me.

HUMANENESS IN UNIFORM

For all the human misery and suffering which police officers must witness in their work, I found myself amazed at the incredible humanity and compassion which seems to characterize most of them. My own stereotypes of the brutal, sadistic cop were time and again shattered by the sight of humanitarian kindness on the part of the thin blue line: a young patrolman giving mouth to mouth resuscitation to a filthy derelict; a grizzled old veteran embarrassed when I discovered the bags of jelly beans which he carried in the trunk of his car for impoverished ghetto kids—to whom he was the closest thing to an Easter Bunny they would ever know; an officer giving money out of his own pocket to a hungry and stranded family he would probably never see again; and another patrolman taking the trouble to drop by on his own time in order to give worried parents information about their problem son or daughter.

As a police officer, I found myself repeatedly surprised at the ability of my fellow patrolmen to withstand the often enormous daily pressures of their work. Long hours, frustration, danger, and anxiety—all seemed to be taken in stride as just part of the reality of being a cop. I went eventually through the humbling discovery that I, like the men in blue with whom I worked, was simply a human being with definite limits to the amount of stress I could endure in a given period of time.

I recall in particular one evening when this point was dramatized to me. It had been a long, hard shift—one which ended with a high-speed chase of a stolen car in which we narrowly escaped serious injury when another vehicle pulled in front of our patrol car. As we checked off duty, I was vaguely aware of feeling tired and tense. My partner and I were headed for a restaurant and a bite of breakfast when we both heard the unmistakable sound of breaking glass coming from a church and spotted two long-haired teenage boys running from the area. We confronted them and I asked one for identification, displaying my own police identification. He sneered at me, cursed, and turned to walk away. The next thing I knew I had grabbed the youth by his shirt and spun him around, shouting, "I'm talking to you, punk!" I felt my partner's arm on my shoulder and heard his reassuring voice behind me, "Take it easy, Doc!" I released my grip on the adolescent and stood silently for several seconds, unable to accept the inescapable reality that I had "lost my cool." My mind flashed back to a lecture during which I had told my students, "Any man who is not able to maintain absolute control of his emotions at all times has no business being a police officer." I was at the time of this incident director of a human relations project designed to teach policemen "emotional control" skills. Now here I was, an "emotional control" expert, being told to calm down by a patrolman!

A COMPLEX CHALLENGE

As someone who had always regarded policemen as a "paranoid" lot, I discovered in the daily round of violence which became part of my life that chronic suspiciousness is something that a good cop cultivates in the interest of going home to his family each evening. Like so many other officers, my daily exposure to street crime soon had me carrying an off-duty weapon virtually everywhere I went. I began to become watchful of who and what was around me, as things began to acquire a new meaning: an open door, someone loitering on a dark corner, a rear license plate covered with dirt. My personality began to change slowly according to my family, friends, and colleagues as my career as a policeman progressed. Once quick to drop critical barbs about policemen to intellectual friends, I now became extremely sensitive about such remarks—and several times became engaged in heated arguments over them.

As a police officer myself, I found that society demands too much of its policemen: not only are they expected to enforce the law, but to be curbside psychiatrists, marriage counselors, social workers, and even ministers, and doctors. I found that a good street officer combines in his daily work splinters of each of these complex professions and many more. Certainly it is unreasonable for us to ask so much of the men in blue; yet we must, for there is simply no one else to whom we can turn for help in the kind of crises and problems policemen deal with. No one else wants to counsel a family with problems at 3 a.m. on Sunday; no one else wants to enter a darkened building after a burglary; no one else wants to confront a robber or madman with a gun. No one else wants to stare poverty, mental illness, and human tragedy in the face day after day, to pick up the pieces of shattered lives.

As a policeman myself, I have often asked myself the questions: "Why does a man become a cop?" "What makes him stay with it?" Surely it's not the disrespect, the legal restrictions which make the job increasingly rough, the long hours and low pay, or the risk of being killed or injured trying to protect people who often don't seem to care.

The only answer to this question I have been able to arrive at is one based on my own limited experience as a policeman. Night after night, I came home and took off the badge and blue uniform with a sense of satisfaction and contribution to society that I have never known in any other job. Somehow that feeling seemed to make everything—the disrespect, the danger, the boredom—worthwhile.

AN INVALUABLE EDUCATION

For too long now, we in America's colleges and universities have conveyed to young men and women the subtle message that there is somehow something wrong with "being a cop." It's time for that to stop. This point was forcibly brought home to me one evening not long ago. I had just completed a day shift and had to rush back to the university with no chance to change out of uniform for a late afternoon class. As I rushed into my office to pick up my lecture notes, my secretary's jaw dropped at the sight of the uniform. "Why, Dr. Kirkham, you're not going to go to class looking like *that*, are you?" I felt momentarily embarrassed, and then struck by the realization that I would not feel the need to apologize if I appeared before my students with long hair or a beard. Free love advocates and hatemonger revolutionaries do not apologize for their group memberships, so why should someone whose appearance symbolizes a commitment to serve and protect society? "Why not," I replied with a slight smile, "I'm proud to be a cop!" I picked up my notes and went on to class.

Let me conclude this article by saying that I would hope that other educators might take the trouble to observe firsthand some of the policeman's problems before being so quick to condemn and pass judgment on the thin blue line. We are all familiar with the old expression which urges us to refrain from judging the worth of another man's actions until we have walked at least a mile in his shoes. To be sure, I have not walked that mile as a rookie patrolman with barely 6 months' experience. But I have at least tried the shoes on and taken a few difficult steps in them. Those few steps have given me a profoundly new understanding and appreciation of our police, and have left me with the humbling realization that possession of a Ph. D. does not give a man a corner on knowledge, or place him in the lofty position where he cannot take lessons from those less educated than himself.

[From the Washington Star-News, June 6, 1974]

CRIMINOLOGIST AS COP

(By William F. Buckley, Jr.)

Hugo Park of the Atlanta Journal has the good sense to read the FBI Law Enforcement Bulletin, where recently he saw an account of the extraordinary experiences of one George L. Kirkman, assistant professor of criminology at Florida State University, from which account I put together the following . . .

Dr. Kirkman apparently decided that as a professor of criminology, he lacked something, namely police experience. Accordingly he took time off and attended the police academy. Having done so, he was assigned the regular work of a patrolman. By his own account, he will not be the same again.

"I had personally been of the opinion" writes Dr. Kirkham, "that police officers greatly exaggerate the amount of verbal disrespect and physical abuse to which they are subjected in the line of duty." Well, the police do not tend to exaggerate, Dr. Kirkham discovered.

Notwithstanding that he approached his—clients? patients?—with exaggerated civility, he was seldom repaid in kind. "Excuse me, sir," he said to a barroom brawler, "but I wonder if I could ask you to step outside and talk with me for a minute?" That was very nearly the end of Dr. George L. Kirkham, whom the brawler turned on intending mayhem.

Soon after his tour of duty began, he told someone double-parked in a crowded thoroughfare to move his car. He refused. So our hero told him he was under arrest. Whereupon the double-parker raised a Saturday night crowd by shouting and yelling that the police were harassing him.

"A hysterical woman unsnapped and tried to grab Kirkham's revolver and an angry mob converged on the two officers," Park writes. "Fearing for his life, Kirkham pressed the hidden release button on the shotgun rack."

Meditating on the incident, Kirkham later wrote, "How readily as a criminology professor I would have condemned the officer who was now myself (for) menacing an 'unarmed' assembly with an 'offensive' weapon." A complaint was filed against the double-parker who very nearly caused a riot. "I felt bitter when I saw this individual . . . back on the streets the next night, laughing.

Dr. Kirkham discovered something we all know in the abstract, but take little into account. "As a criminology professor, I had always enjoyed great amounts of time in which to make difficult decisions. As a police officer, however, I found myself forced to make the most critical choices in the time frame of seconds rather than days; to shoot or not to shoot, to arrest or not to arrest to give chase or let go—always with the nagging certainty that others, those with great amounts of time in which to analyze and think, stood ready to judge and condemn me for whatever action I might take or fail to take."

Dr. Kirkham has the grace to recall one of his standard lectures back at Florida State U. It goes, "Any man who is not able to maintain absolute control of his emotions at all times has no business being a police officer."

He is a wiser man, and wishes others who lecture on criminology would share his experience.

"Wher I put the uniform of the police officer on, I lost the luxury of sitting in an air conditioned office with my pipe and books, calmly discussing with a rapist or armed robber the past problems which had led him into trouble with the law. Such offenders had seemed so harmless in the sterile setting of prison. The often terrible crimes which they had committed were long since past, reduced like their victims to so many printed words on a page."

It is curious that everyone in America who practices the profession of instructing everyone else on the subject of ghetto life advises us all that we should cross the tracks and see what conditions there are really like, which is good advice.

It is often that comparable advice is given to those whose knowledge of crime is circumscribed by poetic admiration for the decisions of the Warren Court. Dr. Kirkham may have discovered that he has choleric weaknesses, but he is an honor to his profession.

THE REPORT OF THE GROUP OF EMINENT PERSONS TO STUDY THE IMPACT OF MULTINATIONAL CORPORATIONS ON DEVELOPMENT AND INTERNATIONAL RELATIONS

Mr. JAVITS. Mr. President, during the past year I have been privileged to serve as 1 of 20 members on a United Nations panel studying multinational corporations. On Friday, June 7, the Economic and Social Council of the United Nations issued the result of our work entitled "The Report of the Group of Eminent Persons To Study the Impact of Multinational Corporations on Development and International Relations." The members of the group represent a distinguished cross-section of world leaders in business, government, and academia, with representatives from both developed and developing countries. The other U.S. participant, J. Irwin Miller, chairman of the Board of Cummins Engine Co., Inc., rendered a distinguished and extremely valuable service to the group.

The report was issued in three parts: part I consisted of the general report on the role of multinational corporations in developing countries; part II contains more specific discussion on such issues as ownership, financial flows, technology, transfer pricing, employment, consumer protection, competition and market structure, and information disclosure, and part III contains the comments of individual members of the group who wished either to disagree or to expand on the first two parts of the report.

The group held three sessions—in New York in September 1973, Geneva, Switzerland, in November 1973, and in New York in March 1974. Although my Senate activities prevented me from attending all of the sessions I would have wished to have attended, I attended the key sessions and followed all the proceedings very closely through my staff. In order to contribute to the debate on the subject, and to present my own views on multinational corporations, and their role in the development process, I wrote considered news on the U.N. report which were incorporated in part III of the report.

Because I regard this as an extremely important subject which should have the widest possible public discussion, I would like to share with my colleagues my comments on the report. I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS ON U.N. MNC REPORT BY SENATOR JACOB K. JAVITS

The Report of the Group of Eminent Persons represents a great effort by talented and diverse individuals, who bring to this Report substantially different perspectives on the role of MNCs in world development. In such a group it would be utterly unrealistic to expect unanimity of views or overwhelming agreement on the Report produced.

The Report seeks to limit the scope of disagreement by expressing several viewpoints, even if these may be somewhat contradictory, while it also attempts to strike a balance among the views expressed. This format, however, permits the expression of fears voiced by various groups about the adverse effects of MNCs without thoroughly examining the charges and assumptions to determine whether there is substance to the fears. Hence, the Report proliferates the initial error by skipping from the expression of a particular fear, based upon various hypothetical situations, to proposing a recommendation—but without an adequate factual basis. Thus, I find that the Report contains a significant number of recommendations from which I must dissent.

My other fundamental reservations regarding the Report are caused by its high level of generalization—unsupported in numerous cases, as I have said, by documentation or even argumentation, its bias in favor of governmental as opposed to private decision-making, its lack of a clear definition of the problems resulting from MNC investment, and its inability to set out a reasonable list of priorities for action to be taken to deal with them.

The major priority recommendation of the Report is to provide a continuing role for the United Nations through a Commission on Multinational Corporations and an Information and Research Center under ECOSOC auspices. I am in full agreement with this recommendation of the Group. It is important that this new United Nations effort be conducted in harmony with the work on the MNCs also being carried on by the OECD, the World Bank, the EEC and others and will give consideration to parallel national inquiries like those of the U.S. Congress.

The Report assumes that the central problem is a conflict between the economic power of the MNCs and the political power of the host governments and sets out various concerns expressed about MNCs by various groups, without any attempt to assess their validity. Nevertheless, from these generalizations the Report concludes on I–3:

"Fundamental new problems have arisen as a direct result of the growing internationalization of production as carried out by MNCs. We believe these problems must be tackled without delay."

This type of easy conclusion could undermine the authority of all of the Group's recommendations.

Because the Report sees the central problem as one of conflict between the economic power of MNCs and the political sovereignty of nations, the fundamental solution advocated by the Report is to increase the bargaining power of host countries. Furthermore, the two implicit assumptions of the Report are that governmental involvement is preferable to private initiative, and that governments know best and will act always in the long run in the interest of their citizens. Based on long experience, I seriously question both assumptions.

Although witnesses before the Group clearly testified that there is no direct equivalence between the power of an MNC and the power of a sovereign state, the Report nevertheless proceeds to devise various ways by which host countries can strengthen their bargaining position, or power, against MNCs. However, since many of the recommendations are concerned with exercising greater political control over MNCs without taking sufficient account of the economic realities—for example, why MNCs choose to invest in LDCs—the result is likely to be a suffocating surveillance of MNC activities by the host country government and discrimination against MNCs compared with indigenous private enterprise. Excessive regulation and control will actively discourage MNC investment, and therefore deprive LDCs of capital and technology, which for all practical purposes, may well be unavailable in adequate amounts except from MNCs. This is clearly in the interest of neither the MNCs nor the developing countries.

Nor am I convinced that there need be any conflict of interest between MNCs and host countries. Private foreign investment plays a crucial role, along with public aid flows, both bilateral and multilateral, in providing critically important inputs to developing countries, and both are needed.

MNCs as a group have played more of a major role in creating a more prosperous world economy, to the benefit of all nations, and therefore have been more of a major force for progress and peace than is generally recognized. This need not and does not beg their deficiencies or the political machinations of some MNCs.

Indeed, Arnold Toynbee finds multinational corporations have a major historical role to play in an increasingly interdependent world; in fact, he asserts that most of our global economic problems "are due to the misfit between the antiquated political setup of local states and the real, global economic setup."[1]

Also many corporate MNC leaders have shown an interest in cooperating with the UN and other international agencies studying the MNC. But it is essential that the rules of the game be clearly stated; nothing discourages private investment more readily than frequent changes in government policy and consequent uncertainty regarding the policy to be expected. A large number of MNC executives testified before the Group, and many of the suggestions they made have found their way into the Report. However, since MNCs exist as profit making enterprises, governments cannot continually diminish their profit making capacity and expect them to continue to invest in these circumstances. The important point is to be sure that it is in the public interest of the host countries to have MNC investment, while allowing sufficient profits to make their continued existence worthwhile.

I deplore as strongly as the other members of the Group political interference by MNCs, i.e. ITT's attempts to interfere in the internal affairs of Chile. Probably other MNCs have engaged in similar abuses, which must also be condemned and their repetition prevented. However, the Report as a whole represents a reaction to highly atypical behavior by a few MNCs, and glosses over entirely a number of examples of serious abuses of MNCs by developing country governments such as vindictive nationalization, arbitrary and capricious rule making and procedure, abrogation of contracts and other discriminatory treatment (as against indigenous enterprise). The Report would have been far more valuable had it achieved such a degree of balance, and had it sought to bring about a harmonization of interests between MNCs and developing countries.

Raymond Vernon of Harvard University has stated a view of MNCs which I find revealing and lucid:

"It is not the chosen instrument in an international conspiracy for grinding the faces of the poor; neither is it mankind's salvation in a parlous world of hostile nation states.

"It is one more human institution, at the same time fallible and useful, whose benefits can be increased and drawbacks reduced by appropriate public policies."[2]

It is in the long term interest of developing countries to welcome foreign private investment that will provide infusion of capital and technology on terms suitable for the host country and that will accomodate indigenous aspirations for participation in management and ownership. It is possible to devise policies that will establish a harmonious relationship between private foreign capital and internal development needs. A number of countries have succeeded in developing such policies, and more effort should have been expanded in identifying these policies. It would be regrettable in a world of decreasing aid and sharply increasing oil and other resources prices to shut off flows of private capital in the guise of regulating MNCs.

There follows a more detailed analysis of the Report, with my comments on the individual chapters.

Although I am not necessarily in total agreement with all parts of the Report not mentioned specifically below, I have limited my comments to the more important points.

Finally, I am conscious of the genuine efforts of the Group to reach a unanimous Report, and to accommodate all the various opinions expressed. Because of the complexity of the subject and the differing perceptions of persons comprising the Group, it has not been possible to reach a unanimous Report.

Therefore, while the Report is deficient in the respects stated below, I have joined the other members of the Group in submitting it to the Secretary General. I do this in the expectation that deficiencies in the Report will tend to come under review in the further work of the UN on MNCs and that the publication of the Report will develop public discussion of the subject in a way that will be further self correcting.

CHAPTER II—IMPACT ON DEVELOPMENT

1. On Page 10 the Report recommends that host countries give precise instructions to MNCs regarding the conditions under which they should operate and what they should achieve. Although the objective sought—maximum understanding between the developing country government and the MNC on the conditions of investment and operation—is clearly worthwhile and to be encouraged, it may be both impractical and even counterproductive to give precise instructions on every aspect of MNC operation. Certainly, it is entirely appropriate for the developing country government to establish general guidelines for the MNC to follow, and to work out a mutually agreed set of guidelines for the more detailed aspects of the MNC's operations.

2. On Page 11 the second recommendation is somewhat unclear regarding the role of the United Nations in assisting the host country governments in negotiations with MNCs. The recommendation states:

"That the United Nations should strengthen the capacity to assist host countries, at their request, in such negotiations with MNCs, as well as to train their personnel in the conduct of such negotiations (see Chapter IV)."

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[1] Arnold Toynbee: Are Businessmen Creating a New Pax Romana?" *Forbes*, April 15, 1974, p. 68.

[2] Vernon, Raymond. "Multinational Enterprices: Performance and Accountability," (Unpublished paper), November 1973, p. 14.

The United Nations should not be a party to adversary negotiations between a host government and an MNC; such a role is highly inappropriate, and also unrealistic, considering the wide spectrum of expertise that would be required.

3. The recommendation at the top of Page 12 suggests that—

"In the initial agreement with MNC's, host countries should consider making provision for the review, at the request of either side, after suitable intervals, of various clauses of the agreement."

The recommendation would have been improved by the addition of the ten year period, mentioned at the bottom of Page 11. This would ensure that the host country would not ask for re-negotiation after a very short period of time.

4. The second recommendation on Page 12 is acceptable in principle. It states:

"That developing countries should consider including provisions in their initial agreement with MNCs which permit the possibility of a reduction over time of the percentage of foreign ownership; the terms, as far as possible, should also be agreed upon at the very beginning in order to minimize the possibilities of future conflict and controversy."

Developing country governments and citizens are certainly entitled to participation in the ownership and thus the profits made by MNCs in their countries. However, it should be recognized that a requirement *ab initio* for phased disinvestment can work to discourage many investments, particularly in high technology areas. Such stringent initial terms might encourage MNCs to attempt to amortize all their investment during the early years of the investment, resulting in higher prices and more wasteful development of resources.

5. I object to the poor logic represented by the paragraph at the top of Page 20 which calls attention to—

"The possible role of MNCs in the volatile short-term movements that have occurred (in the international monetary system) in addition to the fundamental disequilibria in the balance of payments of several major industrial countries."

Even though the Report agrees that the convulsions in the international monetary system were probably not caused by MNC activities, the Report nevertheless finds that the potential movement of funds is sufficient to require vigilant monitoring by central banks.[3] Policy recommendations, even in a form other than "The Group recommends," should be reached with greater attention to the basic facts.

CHAPTER III—IMPACT ON INTERNATIONAL RELATIONS

1. The issues discussed in this Chapter are central to the Report, and therefore it is most important that the issues be examined with great impartiality and care. I do not feel that the Report has achieved the appropriate degree of objectivity. For example, it is stated on Page 2 that in a number of cases—

"MNCs have actively promoted political intervention in the domestic affairs of host, particularly developing, countries."

Since ITT is the only example mentioned in the Report, is it not fair to require that other examples be documented to substantiate this charge?

As another example, the Report rather vaguely charges, without substantiation, that MNCs, being close to domestic groups favoring foreign investment, can "rally against groups advocating social reforms." On Page 5 the Report states that—

"Governments, especially home country governments . . . have on occasion used the corporations as instruments of their foreign policy and even for intelligence activities."

Again the charge is not substantiated, although on the contrary the world has recently been treated to numerous examples of oil producing countries forcing their foreign policy objectives on oil consuming countries through MNCS headquartered in those same consuming countries.

Again, this Chapter represents a reaction of the Group to the activities by ITT in attempting to intervene in the affairs of Chile rather than a case strengthened by adequate examples. While ITT's action in Chile was a reprehensible affair that resulted in the denial of ITT's claim for OPIC insurance compensation for its expropriated Chilean properties, it has not been established that it is the norm for MNCs. Therefore, the Report tends to feed the fears of those who believe that MNCs are subverting governments of developing countries, without the faintest shred of evidence beyond the ITT example to prove that this fear is justified.

2. The Report correctly points out on Page 6 that it is clearly necessary for host governments to pledge themselves to pay fair compensation. For compensation to be fair and adequate, it must also be prompt and effective. Compensation long delayed will be often of little value.

3. The Report states at the bottom of Page 6 that while compensation for nationalization should ideally be determined by mutual negotiation, the host country government, by failing to agree to this, can force recourse to the host country legislative and judicial processes. No reference is made to the requirements of international law that nationalization be non-discriminatory, for a public purpose, and that prompt, adequate and effective compensation be paid. UNCTAD Resolution 88 (XII) is cited, but not UN General Assembly Resolution 1803, which affirms the obligation required by international law to pay fair compensation for expropriated property.

4. The Report on Page 7 suggests that, in cases of countries with serious balance of payments problems:

"International lending agencies should consider making soft long-term loans available to countries facing this difficulty."

While one may sympathize with the plight of countries having balance of payments problems, their very condition ought to cause them to proceed with great caution before using their limited capital resources to acquire ownership over existing assets. Developed countries are not likely to approve the use of soft, long-term loans, which should be used for the development of new productive capacity or infrastructure, for purposes of nationalization of MNC properties.

5. The Report is deficient in its treatment of international arbitration on Pages 7 & 8. Most developed countries accept international arbitration, and the majority of the 65 countries which have joined the World Bank's Center for the Settlement of Investment Disputes are developing countries. In this particular case the Group erred on the side of caution in not making a recommendation that would encourage international arbitration.

6. On Page 9 the Group recommends that—

"Home countries should refrain from involving themselves in differences and disputes between multinational corporations and host countries. If serious damage to their nationals is likely to arise, they should confine themselves to normal diplomatic representations. No attempt should be made to use international agencies as means of exerting pressure."

This recommendation is not realistic. It is entirely proper for a home country to review its aid program, for example, in the case of a country that has expropriated unfairly the property of home country nationals. No government should be asked to accept the principle that it should limit itself exclusively to "normal diplomatic representations" in the case of serious damage being inflicted on their nationals by the host government.

I should point out that I have worked in the U.S. Senate to remove the mandatory character of U.S. law requiring the termination of U.S. foreign aid to a country expropriating a U.S. national's property without fair, adequate and prompt compensation. This amendment has been achieved with respect to bilateral aid, and it is my hope that it can now be achieved with respect to multilateral aid. However, the President should retain the discretion to cut off aid if he thinks the situation warrants it. I should also point out that the United States business community clearly opposes the mandatory nature of U.S. law requiring aid termination, and supports the position I have outlined.

CHAPTER IV—INTERNATIONAL MACHINERY AND ACTION

1. I have previously stated my agreement with the recommendation of the Group that a Commission on Multinational Corporations be established under ECOSOC. This is a most worthy objective. The Commission should work in the closest harmony with other international bodies engaged in similar activity.

2. On Page 6 the Report suggests that—

"Advisory teams . . . should be made available to requesting governments to assist them in evaluating investment proposals, and in analyzing proposed contracts and arrangements, and, if desired, to provide technical advisory support to governments related to their negotiations with MNCs."

I have previously stated (Comments on Ch. II, #2) my objections to UN advisory teams providing technical support to developing country governments related to their negotiations with MNCs. The training efforts proposed are to be commended.

3. The discussion of a Code on Conduct on Pages 8–9 is rather insubstantial for so important a subject. A code of conduct should be developed from the widest possible variety of sources over a period of time and the task of preparation cannot be entrusted alone to the Commission on Multinational Corporations.

4. The Report notes on Page 9, the serious lack of both financial and non-financial information on MNCs, but the Group seems to have no clear *idea* of what information should be sought, or in what order of priority. It is possible to inundate the UN with flows of information without any of its being reduced to a comprehensible form of use to developing country governments. It should be recognized that careful standards of confidentiality would have *to be* devised, as in the case with "confidential" corporate data collected by the departments of the U.S. Government, for example, MNCs are reluctant to release some kinds of information because it is developed at considerable cost to the individual MNC and could be useful to competitors. Without the greatest care and mutual cooperation in this sensitive matter, governments will regard failure to release certain types of information as evidence of wrongdoing rather than the legitimate preservation of corporate knowhow and financial data. On the other hand, there is growing pressure on MNCs from all governments to provide more data for public policy purposes, and MNCs must be prepared to cooperate in this definite trend.

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[3] For an analysis of MNC activities in the international monetary markets, see "How the Multinationals Play the Money Game," an interview with Sidney Robbins and Robert Stobaugh, *Fortune*, Volume 88 No. 2, August 1973, pp. 59–62.

CHAPTER V—OWNERSHIP AND CONTROL

1. On page 6, the example of ADELA as a corporate model for other MNCs to follow is misleading, because ADELA's aims are those of an investment bank, taking minority equity participations in new ventures for development purposes, with a view of revolving the investment once it has reached the stage of maturity. This is not the ordinary intent of an MNC, and cannot be held up as an example to the average MNC. But it shows a need for a global ADELA for private enterprise just as the International Bank for Reconstruction and Development has a soft loan International Development Association.

2. The recommendation on Page 7 that MNCs gradually switch from involvement in well established projects to reinvestment in new ventures seems to be fairly impractical; it would exclude the MNC from the benefits of a ripening situation, while leaving it only with all the costs and the risks of the initial stages of a new enterprise.

CHAPTER VI—FINANCIAL FLOWS AND BALANCE OF PAYMENTS

1. This chapter takes a sound overall approach to the question of financial flows. The Report makes the proper point on Page 5 that developed countries should provide greater access to their markets for the manufactured and processed goods of the developing countries. I agree on the necessity for a scheme of generalized preferences for the developing countries.

2. On Page 3 & 4 the Report states:

"Because of their concern with the balance of payments problem, developing countries sometimes restrict remission of dividends, royalties and so on. Nevertheless, MNCs are often able to circumvent such restrictions through transfer pricing and other devices."

The second sentence implies that MNCs in fact do circumvent dividend restrictions through transfer pricing mechanisms, although there is little information on this subject and none before the Group.

CHAPTER VII—TECHNOLOGY

1. Chapter VII contains much useful material on technology. There is no doubt that it has been largely the ability of the MNCs to generate and apply technology which accounts for their rapid growth, as each affiliate may draw upon the knowledge of the entire organization. The real problems stem from the fact that the market for technology is an oligopolistic one and the bargaining position of the developing countries is obviously weak. While developing countries would like to create and strengthen their own national technological capabilities, it is not clear how this may be accomplished in a practical way. A major concern should be to encourage the transfer of technology, but this is unlikely to be accomplished through the highly simplistic formulation contained in the first paragraph on Page 10. After stating that "there is no formula by which the fair price of technology can be determined," the paragraph concludes with the statement that "the transfer to the developing countries does not entail any significant extra cost." Although this presumably is an argument advanced by the developing countries, the reader is left with the implication that technology transfers should be a virtual gift.

2. In the section entitled "The Choice of Products" the Report recognized that the interest of developing countries is often that of having labor-intensive methods of production used, as well as having national tastes and needs recognized in designing the product to be sold to domestic customers. The usual position of MNCs, based on costs, is often in favor of internationally standardized products. On this issue, not enough weight has been given to the positive effect of standardization the world over, in order to achieve economies of scale at a global level and to use them for the purpose of raising the standards of living in developing host countries.

3. On Page 7 the Group recommends that developing countries set up "machinery for screening and handling investment proposals by multinational corporations . . . For evaluating the appropriateness of technology." This recommendation is both impractical and unworkable. Government officials are likely to be unqualified to pass judgment on MNC technology. and may opt for a labor intensive technology for domestic political reasons, thereby shutting off more advanced technology inflows. This is even more likely in the case of the more technologically advanced MNCs.

4. It is certainly worth examining alternative means of acquiring technology as outlined on Pages 12–14, although it should be pointed out that what is actually reinforcing the position of the MNCs is two facts. First, technology becomes obsolete fairly rapidly and a constant supply of fresh technology is essential. Second, know-how concerning the capability of producing efficiently is much more than the technology which patents protect. Nevertheless, it is proper for host countries to consider ways other than foreign direct investment for acquiring technology and to favor these alternative solutions: management contracts, joint ventures and turnkey operations, which permit ownership and control to remain at least partly in indigenous hands.

CHAPTER VII—EMPLOYMENT AND LABOR

1. On pages 4 & 5 the Report recommends that—

"Home and host countries, through general budgetary support, the normal working of the social security system or the establishment of social funds, provide for full compensation to the workers displaced by production decisions of multinational corporations. Recognizing that some developing countries do not possess adequate means for that purpose, the Group recommends that consideration should be given to the creation of an international social fund, including contributions by MNCs, which would supplement the resources available to such countries."

Adjustment assistance for workers under certain conditions, such as those contemplated in the proposed U.S. Trade Reform Act of 1973, is quite important. Moreover, the government of each developing country can properly give adjustment assistance for whatever purpose it chooses. However, it is improper to attempt to compel a private company (MNC) to pay for such assistance. Such a recommendation is discriminatory against MNCs as compared with other business enterprises. To the extent that a state can afford adjustment assistance measures, they should apply equally to national and multinational enterprises. Otherwise, the displaced workers formerly employed by the multinationals would receive more favorable treatment than their fellow countrymen. The idea of an international social fund would entail very difficult questions of distributive fairness.

2. In an environment of underdevelopment and chronic unemployment, developed countries should favor the upgrading of their domestic productions through appropriate retraining of their workers and should leave the doors open to imports of labor-intensive and low-skill products manufactured in developing countries. This can also be an effective way to restrain inflation in the developed countries. One must, of course, recognize the political obstacles to such a policy.

3. The Report recommends on Page 12 that—

"Through appropriate means, home countries prevent MNCs from going into countries where workers' rights are not respected unless the affiliate obtains permission to apply internationally agreed labour standards, such as free collective bargaining, equal treatment of workers and humane labour relations."

This seems to invite home countries to interfere in the affairs of sovereign nations. Although such policies may have worthy objectives, multinational enterprises should not be used for the purpose of imposing one government's attitude upon another. International standards of behavior, applicable to both national and multinational enterprises, can only be arrived at and implemented by the consent of sovereign governments.

CHAPTER IX—CONSUMER PROTECTION

1. My only comment on this chapter concerns its underlying assumption that governments have the wisdom necessary to prohibit the importation or local production of socially undesirable products. For example, on Page 2 the Report states:

"We believe that governments have the right to discourage, or even prohibit in some cases, the importation or local manufacturing of certain products which they consider socially undesirable."

While one can understand the desire of governments to control the abuses of certain types of advertising, the suggestions contained in this chapter are likely to lead to the development of yet another developing country bureaucracy aimed at maintaining the social purity of its citizens—a path more likely to lead to totalitarianism than freedom.

CHAPTER X—COMPETITION AND MARKET STRUCTURE

1. A substantial portion of this Chapter constitutes an explicit endorsement of a report to UNCTAD by the Ad Hoc Group of Experts on Restrictive Business Practices (document TD/B/C.2/119), which contains various allegations of MNC misconduct without sufficient factual proof. Both the UNCTAD report and the Group's report focus on various types of "possible" MNC misconduct, without a factual base or examination of the behavior alleged.

2. On Page 5 the Report states that—

"One of the means at the disposal of host countries, which should be internationally accepted, is to relate profit available for remittance by an affiliate to its export performance."

Many MNCs invest in a country in order to serve that local market, while others investing in raw material extraction may export their entire production. Thus export performance may be completely irrelevant to the object and size of the investment and hence irrelevant as a criterion for profit remittance.

CHAPTER XI—TRANSFER PRICING

1. Transfer pricing is a real problem. It has been used largely for reducing taxation, and sometimes to decrease profits in less than 100% owned subsidiaries, through the shifting of the profit from one country to another. Other reasons include protecting the MNC from risks of currency depreciation, and taking advantage of different rules of exchange controls regarding various types of remittances. Section 482 of the U.S. Internal Revenue Code is an example of an attempt to regulate transfer pricing, in order to prevent tax evasion, based on arm's length prices.

2. On Page 5 the Report suggests that—

"The transfer prices at which an MNC deals with or among its affiliates, as well as the prices in transactions with outside suppliers or customers, should either be publicized or made known to the interested parties upon request."

While full disclosure of information on transfer pricing is a worthy principle, it should be recognized that for MNCs selling hundreds of products in dozens of markets, this would be extremely difficult to do. Also quite legitimate questions of business confidentiality are involved. Often such information is highly competitive and may involve confidential proprietary information.

CHAPTER XII—TAXATION

1. The question of taxation is extremely important and deserves the highest priority for study. It would indeed be useful if international agreement could be reached on essential tax matters, such as the use of tax incentives and inducements. The Report recognizes that tax reform in the treatment of MNC earnings could be a powerful tool in a concerted strategy for development.

2. On Page 6 the Report calls for—

"Taxation by home countries of the global profits of their MNCs as if they were earned within their borders, while providing full relief for taxes paid to other countries. In other words, the principle of taxation of world profits would apply on an accrual basis and would not be deferred until such time as earnings abroad are remitted to the home countries."

There are undoubtedly strong arguments for the elimination of tax havens, but this proposal would require a complete reworking of the international tax system. This proposal requires far more study, and cannot be accepted on the basis of the facts before the Group or the Group's arguments in the Report.

3. The recommendation on Page 9 states that—

"The various schemes which are or may be applied for the taxation of multinational corporations should be supplemented by the provisions which it has suggested in each case to meet the various objectives which it has analyzed."

This recommendation is extremely vague and should not have been included in the Report in so imprecise a form.

CHAPTER XIII—INFORMATION DISCLOSURE AND EVALUATION

1. The inadequacies of existing information on MNCs, and information gathering and evaluation systems, are a frequent theme of the Report. The convening of an Expert Group on International Accounting Standards, as recommended on Page 2, is a sound suggestion which should be implemented. It is important to recognize the legitimate confidential character of much of the information sought about MNC activities. The UN needs to define more precisely the type of information needed and develop safeguards necessary to preserve its confidentiality.

THE STATE OF THE JUDICIARY IN THE SEVENTH FEDERAL CIRCUIT

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a portion of a report entitled "The State of the Judiciary in the Seventh Federal Circuit," prepared by a distinguished jurist and a valued friend, Chief Judge Luther M. Swygert. I believe that my colleagues will find much more than cold facts in the portion of the report reprinted below; they will find perceptive observations about some of the most profound problems facing our courts today.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE STATE OF THE JUDICIARY OF THE SEVENTH FEDERAL CIRCUIT

(By Chief Judge Luther M. Swygert)

I must never speak more clearly than I think.—*Niels Bohr*

The desire to have things done quickly prevents their being done thoroughly.—*Confucius*

As I have done in previous years, I wish to report on the affairs of the Seventh Circuit and to give the bar and the public an accounting of our Circuit for the past year. I appreciate the opportunity you afford me.

DISTRICT COURTS

First, let me discuss the workload of the district courts. The number of cases filed in the district courts, both civil and criminal, was almost identical in 1972 and 1973. The number of terminations also remained about the same.

The Western District of Wisconsin continues to have one of the highest caseloads in the nation. A new judgeship for that district has been approved by the Senate Subcommittee which is considering the Omnibus District Judgeship Bill. The Subcommittee did not, however, approve new judgeships for the Northern District of Indiana and the Southern District of Indiana, although additional judgeships had been recommended by the United States Judicial Conference for both districts.

There is one district court vacancy, here in Milwaukee. As you know, former Chief Judge Robert E. Tehan took senior status on July 1, 1971. The vacancy thus created has existed for almost three years. Happily the press has reported some recent activity which might lead to the filling of that vacancy. I might add that Chief Judge Reynolds and Judge Gordon and the Circuit Judicial Council have strongly urged the President to fill this vacancy.

Since our last conference three district judges were appointed and took office. Judge Prentice Marshall in the Northern District of Illinois, who filled the vacancy created by the death of Judge Napoli, Judge Harlington Wood, Jr. in the Southern District of Illinois, who filled the vacancy created when Chief Judge Poos took senior status, and Judge Allen Sharp in the Northern District of Indiana, who filled the vacancy created when Chief Judge Grant took senior status.

COURT OF APPEALS

Turning to the appellate court, the Seventh Circuit Court of Appeals in 1973 experienced a ten percent increase in filings over 1972. But I am happy to report that the court still was able to terminate twenty-nine more cases than were docketed during the year. This was the first time we terminated more appeals than were filed since 1966.

The increase in caseload of the Court of Appeals reflects the national trend of a constant gain during the 1960's which is continuing into the 1970's. In the Seventh Circuit 361 appeals were filed in 1961; 510 appeals in 1966; 843 appeals in 1970; and 1163 appeals in 1973. This represented a 128% increase since the authorization of the eighth judgeship for the court in 1966.

In 1973 the court heard oral arguments in six appeals a day, five days a week, for twenty-two weeks, or a total of 660 arguments. Prior to September 1968 the court was hearing two arguments a day, then shifted to three arguments per day. In September 1970 the court began hearing four appeals per day, and then in September 1972 went to six per day.

Circuit Judge Roger J. Kiley took senior status on January 1, 1974. The vacancy created thereby has not yet been filled, although it is hoped that it will be shortly.

Recently the Senate Subcommittee on Improvements in Judicial Machinery held a hearing on the need for a ninth circuit judgeship for the Seventh Circuit. A request for this additional judgeship was recommended in 1971 by the Judicial Conference of the United States. I hope that Congress will include this request in the pending Circuit Judgeship Omnibus Bill.

At this point, I would like to acknowledge the great aid the Court of Appeals has received during the past year from its senior judges, many of the Circuit's senior and active district judges, and a number of judges from outside the Circuit including Mr. Justice Tom Clark.

COPING WITH THE COURT OF APPEALS CASELOAD

Besides increasing the number of oral arguments per day, the Court of Appeals has instituted several innovations over the past five years.

The court has a simple but effective screening procedure whereby a relatively few cases are disposed of without oral argument and a good number are limited to less than thirty minutes per side for argument. Our screening procedure also permits related cases, this is, cases presenting similar issues, to be set for argument on the same day.

The circuit judges are strongly committed to oral argument, albeit often limited, in all appeals except *pro se* prisoners appeals, patently frivolous appeals, and those appeals in which a motion for summary affirmance under Circuit Rule 22 is granted. We think litigants and their counsel are entitled to present their arguments orally and that oral argument materially aids the judges in fully understanding the issues and focusing on them. I hope we never abandon that attitude.

As another innovation the Court of Appeals put into effect Circuit Rule 28, a plan covering the publication of signed or *per curiam* opinions and disposition by unpublished orders. Citation of the latter is prohibited within the Circuit. The rule may be somewhat controversial, but I believe it is working well and, generally, has the acceptance of the bar. That acceptance is evidenced by a recent poll conducted by your Association and by studies conducted by other bar association with the Circuit.

Circuit Rule 28 is described in detail in Mr. Strubbe's report, including the reasons for the rule and the criteria used in differentiating unpublished orders from published opinions. I commend your reading Mr. Strubbe's description. I wish, however, to emphasize two aspects of Rule 28: It saves judge time and reduces the needless publication of decisions which have no precedential value and, second, it assures litigants and counsel that their appeals have been fully considered since detailed reasons are stated in the orders for the court's judgment.

A third innovation was the adoption of Circuit Rules 24 and 30 which have benefitted litigants by reducing the costs of appeal. Circuit Rule 24, as you know, dispenses with the requirement of an appendix of the record in *all* cases. I do, however, wish to emphasize the preferred practice suggested in the rule of attaching a small appendix to the briefs so as to include in the briefs the findings of the district judge, his memorandum of decision, the contract sued upon, the applicable statute, etc. Circuit Rule 30 reduced from twenty-five to fifteen the number of copies of the briefs which must be filed.

A fourth innovation described in detail in Mr. Strubbe's report is the extensive use of docketing conferences in criminal appeals pursuant to Rule 33 of the Federal Rules of Appellate Procedure. At the conference, held immediately after the appeal is filed, a briefing schedule tailored to the individual appeal is adopted. The court is contemplating the use of Rule 33 in civil cases, particularly in patent and antitrust appeals.

COPING WITH THE DISTRICT COURT CASELOAD

I report that Rule 50(b) plans in each district court for the expedition of criminal cases are operating, with some minor exceptions, satisfactorily.

The number of pending civil cases more than three years old is less than the national average in each of our districts. A more impressive indicator of the work of the district judges is the fact that as of January 1, 1974, there were only six cases and four motions in the entire Circuit held under advisement for more than sixty days.

It should be noted, however, that a number of district courts are experiencing difficulty in trying civil cases because of the increase of criminal filings.

The district chief judges for the last two years have been having periodic meetings with the chief judge of the Circuit to discuss matters of mutual interest, such as Rule 50 (b) plans, Criminal Justice Act plans, jury selection plans, and jury utilization. These meetings have been effective in improving court administration within the Circuit.

In 1971, and since that time, the district judges have met at a separate session on the first day of the annual judicial conference. I believe all would agree that this innovation has made our Conference more beneficial. Since 1971 concurrent meetings have been held for various court personnel. Clerks of the courts met in 1971, the magistrates in 1972, the judges' secretaries in 1973, and the probation officers are meeting this year.

FUTURE INNOVATIONS

The District Courts for the Northern District of Illinois and Western District of Wisconsin and the Court of Appeals are making a joint study regarding the feasibility of microfilming all the papers and documents filed in those courts and using microfilm, or rather microfiche, as the primary source of reference. This feasibility study is being conducted by the National Archives and Records Service Center and, if feasible, microfilming will start as an experiment this year. The courts do not know all the possible advantages or disadvantages except for a tremendous saving of filing space.

Judge Beamer has agreed, with the help of the University of Notre Dame Law School, to record on audiotape a number of trials beginning in September. If any of these cases are appealed, the Court of Apepals shall, on an experimental basis and with consent of counsel, use the tapes as the record on appeal. I add that the court reporter in those cases will continue to record the testimony and prepare a transcript if necessary.

This completes my report. However, I would be remiss if I did not acknowledge the great debt that the bar and the federal courts of the Seventh Circuit owe the Bar Association of the Seventh Federal Circuit. Your support has been of inestimable value. I shall not attempt to recount your many beneficial activities. I would, however, like to mention the Practitioner's Handbook, the study of Rule 28, the support for the ninth circuit judgeship, and your invitation to the Commission on Revision of the Federal Court Appellate System to hold a hearing in Chicago. Parenthetically, the invitation has been accepted and the Commission will hold hearings in Chicago on June 10 and 11. And, of course, we could not forget your annual participation in our Circuit conference. That participation has meant much to the success of our conferences. Your generosity in furnishing portraits of the circuit and district judges is also very much appreciated.

I would like to close my remarks on a personal note. This is my last report on the state of the judiciary of the Seventh Circuit. My tenure as chief judge will end in accordance with federal statute early next year. For that reason, I would like to take this opportunity to express my deep appreciation and thanks to your Association for its gracious understanding and cooperation.

My equally sincere, heartfelt appreciation is extended to my fellow judges of the Circuit, both the district judges and my brothers on the Court of Appeals, for their unqualified support, understanding, and cooperation. There has been good rapport. Moreover, you have engendered a spirit of collegiality and fraternalism throughout the Circuit that has made my tasks much easier. I am sure the spirit of cooperation and support of both the bar and the judges afforded me will continue when Judge Fairchild succeeds me as chief judge.

If I have one final word as chief judge, it is this: I hope the federal judiciary continues always, above everything else, to think of the quality of justice that our courts afford litigants. Quantity ought never reduce quality. I have spoken on this subject on other occasions. It is an article of faith with me. As I recently said at the Senate Subcommittee hearings while testifying for the ninth judgeship: "Hurried judgments are sometimes unwise judgments." Every judge should be dedicated to the prime principle that since each case is of utmost importance to the litigants, it therefore deserves not only full consideration but also whatever amount of judicial time that is required by the importance of the issues.

Judges can utilize many methods to speed up the judicial process without sacrificing sound judgments. Such ways include pretrial conferences, bifurcated trials, streamlining jury selection, appellate prehearing conferences, and limited screening. But speed for the sake of speed should be avoided. Pretrial conferences designed to coerce settlements or shunted to magistrates, denial of proper voir dire questions during jury selection, hurried trials in district courts, drastic screening procedures designed to severely curtail oral argument in appeals, and summary decisions without stating reasons by appellate courts do not comport with good judging. Furthermore, we judges should try to forego complaining about the large amount of work we have to do and bemoaning our mounting caseloads. What we need is both constant probing in imaginative and constructive ways for better methods by which the judicial process can operate and judges who completely dedicate themselves to the business of judging. What we need is a responsible and competent bar who will avoid consuming, needlessly, judges' time by presenting insubstantial issues and making frivolous arguments.

We judges and lawyers of this country must render a continuing accountability to the public for our performance. We hardly need to remind ourselves that we, the judiciary and the bar, are primarily responsible not only for the proper administration of justice but also for the guarding of the Constitution and a system of laws, without which our free society could not exist.

In that vein I close my remarks by quoting the then Governor of the State of California, Earl Warren, who spoke before the American Bar Association in Atlantic City in 1946: "The administration of justice is not a vested monopoly of lawyers and judges, but on the contrary is the property of all the American people—a system designed for the protection of their personal and property rights in a free and orderly society. Millions of Americans go through their lives without ever coming into contact with any phase of the administration of justice—either civil or criminal. To these people, the courts seem far removed, and seem to have little bearing on their lives. Yet, the fact is, that our American court system is inseparably connected with the lives of all our people, whether they use it or not, in much the same way that the fire department functions, for the protection of homes which never burn."

COMMUNITY SERVICES ACT OF 1974

Mr. CURTIS. Mr. President, on May 29 the House of Representatives passed, with very little debate, a measure of enormous significance which is shot through with the potential for wrongful spending and misdirection of public funds. I refer to H.R. 14449, a $3.76 billion dollar proposal which has been misnamed as the Community Services Act of 1974.

Because of the esteem in which I hold the members of our counterpart legislative body, I can only conclude that the great majority of those who voted for H.R. 14449 did so without either carefully examining its 179-page contents, or looking behind its phraseology to consider its actual impact.

Many Members appear to have voted for it because they had been persuaded that to do so was necessary to preserve Federal funding for OEO's community action agencies. Personally, I am opposed to such use of funds. But my point is that even those who wish to provide Washington money and control of Community Action Agencies might do themselves a favor by opposing other provisions in H.R. 14449 which are unrelated to the basic question of whether Community Action should be institutionalized in its present form.

Some members appear to have voted for H.R. 14449 because it provided for the symbolic death of OEO. My argument to those is that realities are more important than cosmetics. H.R. 14449 eliminates OEO in name only. In fact, it preserves and expands its operations, under different names and in new bureaucratic locations—places where its more nefarious activities will be better able to escape the glare of public attention.

Still other members appear to have supported H.R. 14449 because they felt they had to in order to survive politically—not because the special interest groups which profit from its largesse have spent the last year organizing to protect their private claims on the public purse by bringing political pressures designed to penalize at the polls those Members of Congress who dared to resist their demands. This lobby—which has reached into every congressional district in America—has ridden to battle armed with literally millions of dollars of public funds to advance their cause.

The OEO lobby has been funded in a variety of ways: First, assignment of personnel and equipment to build pressures in favor of H.R. 14449 and its predecessor legislation; second, publications and mailings by many of the several thousands OEO-funded organizations throughout the Nation; third, use of OEO-sponsored conferences and travel funds to promote passage of the bill; fourth, the organization of demonstrations and rallies by OEO employees and employees of OEO-funded groups; fifth, checkoffs of dues from OEO employees and employees of OEO-funded organizations; sixth, assignment of fees and other organizational assessments from OEO grants for nonprofit organizations, directly and indirectly into the coffers of lobbying coalitions and groups; seventh, support from literally dozens of private organizations which thrive on the extra dollars which flow to them by virtue of their tax-exempt status.

Despite this massive lobbying campaign—aided and abetted by the maneuverings of high-ranking OEO officials who used their control over public funds to organize pressures on Members of Congress—despite all these efforts, I am convinced that if the American people could participate in a referendum on this legislation, fully aware of its contents, they would reject it overwhelmingly.

Let me give you the true flavor of this

incredible bureaucratic powergrab and payoff machines:

It is provided that governing boards of Community Action agencies shall include officials or members "of business, industry, labor, religious, welfare, education, or other major groups and interests in the community." This has the effect of giving control over millions of dollars (in funds from the Federal Treasury which are assigned to CAA's in major cities) to leaders of the AFL–CIO, welfare rights organizations and others which are primarily political in nature.

Operating from the premise that the only poor people worth listening to are the organized poor, H.R. 14449 establishes that "representative groups of the poor which feel themselves inadequately represented" may petition for "adequate" representation.

Even though CAA's and their employees, because they are defined as private non-profit groups, are not subject to the same restrictions on their activities which cover Federal employees, that is not so bad as the fact that the CAA's are empowered to delegate their functions to other private organizations even less accountable to the public then are they.

The bill, in effect, mandates the use of CAA funds to promote political change by virtue of such language as that which called for effective procedures by which the poor and area residents will be enabled to influence the character of programs affecting their interests.

Prohibitions on advocacy on behalf of the poor do no preclude picketing, protest, or other direct action unless done in violation of law. Believe me, there is no such law.

Every CAA is called upon to encourage the establishment of housing development and services organizations in competition with the private housing industry.

CAA's are given authority over such diverse aspects of the lives of the poor as employment, education, family planning, making better use of available income and living environment. They are even ordained with a mission to remove obstacles and solve personal and family problems.

Under the guise of community food and nutrition, H.R. 14449 authorizes the use of funds for services which in the past have underwritten conferences promoting the fortunes of such activist groups as the Grey Panthers.

There is a rural housing program created under which HEW bureaucrats may dispense 33-year loans at 1 percent interest and which also authorizes grants to nonprofit rural housing development corporations.

One of the most insidious sections of the bill permits employees of the Federal Government to enter any neighborhood in America and assign funds authorized under H.R. 14449 to develop neighborhood centers which are to be involved in child development, legal services, consumer protection, education, social services, and housing. In one fell swoop this bill could give Federal bureaucrats the power to supplant local government and intrude their social values and political objectives into every community, indeed, every streetcorner, in the Nation. If this provision becomes law, we might as well abolish Congress, abolish State and local government, and simply turn over the authority which we hold in trust from the people to the faceless bureaucrats who many feel already run America.

> The Director shall make grants or enter into contracts to provide financial assistance for the operating expenses of programs conducted by community-based design and planning organization to provide technical assistance and professional architectural and related services . . . to persons and community organizations or groups not otherwise able to afford such assistance.

Mr. President, stop and think about what that language means. Can any conscientious Member of this Congress support such sweeping language mandating that the Government arbitrarily assign funds for the purposes described simply on the grounds that the recipients cannot otherwise afford it?

There is a special section (213) on "Consumer Action and Cooperative Programs" which mandates grants and contracts for "consumer action and advocacy—and to develop means of enforcing consumer rights." Mr. President, why should we establish a consumer protection agency when this bill gives its powers to employees of the HEW bureaucracy?

This bill gives HEW the power to negotiate directly with bureaucratic employees of State agencies to "act as agents of the United States," totally bypassing elected officials and promoting direct bureaucrat-to-bureaucrat relationships without the inconvenience of interference by the voting public.

In an unusual grant of power, even for this bill, H.R. 14449 authorizes HEW to "provide financial assistance for projects conducted by public or private nonprofit agencies which are designed to serve groups of low-income individuals who are not being effectively served by other programs under this title." This should be called the "anything goes" section of H.R. 14449 because it grants total authority to Federal officials who may assign U.S. resources for any purpose they personally favor.

"The provision of special, remedial, and other noncurricular educational assistance" may be introduced, according to H.R. 14449, to virtually any elementary and secondary school in the United States. If loose interpretations of the past are any guide to future action, this section could be used to underwrite every liberal panacea from busing to sex education.

An incredible new source of bureaucratic patronage is opened up by H.R. 14449 as the "Director is authorized to make loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time to any low-income rural family" where he thinks it will help lift them out of poverty. It is further provided that "loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs."

H.R. 14449 creates a legal services program free of even those limited safeguards which now apply at OEO or those fewer which would come under the H.R. 7824 corporation plan. This result is achieved by giving Labor Department bureaucrats—including those who might have questionable backgrounds—authority to fund "legal advice and representation, and consumer training and counseling" through seasonal farmworker-oriented public interest law projects, such as the notorious migrant legal action program.

Not content to extend the powers of HEW and Labor Department officials, H.R. 14449 also expands the authority of the Small Business Administration. Believe it or not, the SBA would be empowered to give 15-year $50,000 loans "to any small business concern—or to any qualified person seeking to establish such a concern" so long as the Administrator of SBA, or those to whom he assigns authority, believe such loans will help establish businesses in areas "with high proportions of unemployed or low-income individuals or owned by low-income individuals." Moreover, the SBA may "defer payments on the principal of such loans." Mr. President, this is an invitation to trouble and abuse of power.

As if we have not already wasted enough money on expensive studies commissioned by the Government, H.R. 14449 includes broad authority to finance "research and demonstration" activities to aid "in furthering the purposes of this act."

With respect to special "demonstrations" which might, in each case, total millions of dollars in Federal aid, as well as with respect to all other activities sanctioned by H.R. 14449, bureaucrats can move the money they control into any State or community in the Nation without the approval and, indeed, over the objections of the elected officials of such jurisdictions.

In another patronage boondoggle which could be misused for political purposes, the Director is authorized to "appoint, without regard to the civil service laws, one or more advisory committees—to advise him with respect to his functions under this act." H.R. 14449 permits compensating such appointees at the present rate of $138 per day and paying their travel to whatever meeting sites officials of HEW might indicate. Nothing in the bill would preclude the appointment of hundreds, and even thousands of private citizens to these advisory posts, just as was the case in OEO's heyday. Mr. President, the administration wiped out literally hundreds of these OEO advisory posts last year. Why waste the taxes of our constituents by resurrecting them?

In its prohibitions on political activities, H.R. 14449 properly prohibits the use of funds "appropriated to carry out this act" to pay the salary of any officer or employee of the administration who, in his official capacity as such an officer or employee, engages" in activities designed to influence particular elections. But, it imposes no such restraint on the hundreds of thousands of persons employed full time by the advocacy groups which H.R. 14449 would subsidize, nor, even for administration officials, does it restrict what they may do on non-"official" time. Thus the bill has even fewer safeguards than those already established by the Hatch Act for direct Government employees.

Eligibility for the benefits of H.R. 14449 is so broad that anyone can profit from its provisions (if favored by its bureaucratic bosses) so long as his lack of income does not result from "refusal without good cause, to seek or accept employment commensurate with his health, age, education, and ability." Who decides what is "good cause" for refusing work? The National Welfare Rights Organization? What about unemployed Harvard professors who cannot find positions on college faculties? Under this bill, if they turned down the chance to teach high school or drive a bus, they would be eligible for a parasitic existence at the expense of those willing to work for a living.

In a typical effort to assuage the honest concerns of those citizens weary of subsidizing demonstrations and protest marches, H.R. 14449 bans aid to demonstrations—but only if the demonstrations are illegal. As we know, demonstrations are usually not illegal, but that does not mean that the American taxpayer should be compelled to subsidize them as he would under H.R. 14449.

Because of the widespread anger that 78 to 80 percent of Federal poverty money goes to underwrite administrative costs, H.R. 14449 says salaries paid with appropriated funds to bureaucratic employees of organizations subsidized under the act "shall not be counted as an administrative expense." Mr. President, Congress may try "painting the roses red," but it shall not fool the people with this type of deception.

In an insidious racial slur on America's tradition of color-blindness in the expenditure of public funds, H.R. 14449 prescribes that benefits shall be assigned, not on the basis of need, or of merit, but on the basis of inherited racial and ethnic characteristics. I refer specifically to language setting forth conditions of assistance to business enterprises "owned or controlled by one or more socially or economically disadvantaged persons. Such persons include, but are not limited to Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts."

Mr. President, in these remarks, I have simply scratched the surface of this legislative monstrosity. Many equally bad provisions have been omitted from mention. Many of those cited could be expanded upon in great detail.

My purpose is to alert my colleagues to the contents of H.R. 14449, so that when the American people find out about it, they will have been forewarned to the reasons for their understandable wrath.

FRENCH NUCLEAR TESTING IN THE PACIFIC

Mr. HARTKE. Mr. President, leaders of our Government recently met with the new President of France, Valery Giscard d'Estaing, and reported to the Congress that a more cordial relationship between France and the rest of the world should be anticipated. Events over the weekend lead me to believe the foreign policy of France has not taken a new humanistic cooperative approach. In fact, discord within the French Cabinet over nuclear testing in the Pacific led to the dismissal of M. Jean-Jacques Servan-Schreiber as the Minister for Administrative Reform.

When Mr. Servan-Schreiber told a news conference that France's armed forces chiefs had virtually forced the government to carry out the country's next series of atmospheric nuclear tests in the Pacific this summer, he was immediately released by the new President.

Mr. President, I introduced Senate Resolution 155 last August 2, calling upon the President to inform the Government of France of the strong condemnation on the part of the United States of France's blatant disregard for human welfare and international law as evidenced by its policy of continued above-surface nuclear detonations in the Pacific Ocean. With the latest developments, I believe the expeditious passage of the resolution should merit the attention of all my colleagues.

Mr. President, I ask unanimous consent that an article appearing in the June 10 issue of the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GISCARD FIRES SERVAN FROM FRENCH POST

PARIS, JUNE 9.—Millionnaire publisher Jean-Jacques Servan-Schreiber today criticized France's nuclear testing policy and was promptly dismissed from the Cabinet post he had held for less than two weeks.

His dismissal from the relatively minor post of minister for administrative reform was announced by Prime Minister Jacques Chirac after a late-night meeting with President Valery Giscard d'Estaing.

Servan-Schreiber, 50, who has long tried to cultivate the image of a dynamic, Kennedy style shirt-sleeved politician, had told a news conference earlier that France's armed forces chiefs had virtually forced the government to carry out the country's next series of atmopsheric nuclear tests in the Pacific this summer.

"The government was not consulted . . . The military confronted the Cabinet with a fait accompli," Servan-Schreiber said, apparently trying to indicate that this absolved him from maintaining solidarity with the Cabinet on this issue.

Defense Minister Jacques Soufflet sharply rejected Servan-Schreiber's description of the military role, declaring in a radio interview that decisions about nuclear testing clearly fall under the president's jurisdiction.

"Obviously, the army did not present him with a fait accompli. There can be no doubt in the matter. The president is naturally responsible for the military authorities," Soufflet said.

Servan-Schreiber, who heads the left-of-center Radical Party, has been a long-time critic of France's nuclear program. Last year, he sailed with a group on a yacht into the Polynesian test area to protest the nuclear tests.

Giscard d'Estaing had made it clear during his campaign lsst month that he intended to continue the country's nuclear testing program, and Chirac said before Parliament last week that France would continue its efforts in the nuclear field.

Yesterday, Giscard d'Estaing announced that France would end its atmospheric nuclear tests following the series planned for this summer. Future tests would be conduced underground, he said.

Servan-Schreiber said today, however, that the president's statement "preserves the future but cannot entirely redress the damage caused to our country."

Servan-Schreiber, publisher of the mass circulation weekly news magazine l'Express, supported Giscard d'Estaing in the presidential election and was rewarded with the ministerial post.

He has encouraged his followers to refer to him as "JJSS"—a conscious attempt to imitate JFK and FDR.

Servan-Schreiber is widely assumed to have presidential ambitions.

His unexpected criticism of the government nuclear program yesterday, which carried with it the logical risk of dismissal from the Cabinet, gave rise to speculation that he may have regarded the administrative reform ministry post as too unimportant for him.

Just two days ago, Servan-Schreiber's sister, Francoise Giroud, a top editor and columnist for l'Express, turned down a position with the government because she said it was not sufficiently important.

But she said the post that was finally offered was "not really at government level," and said this change "seemed to me to indicate a very definite backing down on the part of Mr. Chirac regarding the importance that would be paid to women's conditions and rights."

Servan-Schreiber has been an international celebrity since he authored "The American Challenge" in 1967. The book contended that the United States was taking over Western Europe through the investments and dynamism of American industry on the Continent.

It was hard to gauge immediately the impact of Servan-Schreiber's dismissal less than two weeks after he had entered a Cabinet with other hard-core moderate opponents to Gaullism. The political forces to which Servan-Schreiber belongs have essentially been out of power since Charles de Gaulle took over the French government in 1958.

But Servan-Schreiber may be seen by his political allies and by the public as a special case. The key to that will be whether his partner as head of the moderate anti-Gaullists, Jean Lecanuet, remains in office or not. He entered the Cabinet as Justice Minister, a prestigious, but not a key post.

If Lecanuet stays in office, Servan-Schreiber's dismissal can be passed over by the Giscard d'Estaing government as nothing but a regrettable incident needed to assert ministerial discipline at the outset of a new administration. Then Servan-Schreiber would most probably appear as what he has often been, a maverick whose personal political ambitions were difficult to fit into the mold of a team effort.

Between them, Lecanuet and Servan-Schreiber could claim to speak for a disparate group of perhaps 60 deputies in the 490-seat National Assembly.

The regular Gaullists control 181 seats and Giscard d'Estaing's own party, the Republican Independents have 55. If other centrists were to follow Servan-Schreiber into the opposition, that might force Giscard d'Estaing to rely more heavily on the Gaullists and to trim his current highly publicized efforts to get away from the slightly authoritarian image of the Gaullists in domestic policy and away from their doctrinal anti-Americanism in foreign policy.

NO-KNOCK REPEAL

Mr. PERCY. Mr. President, on June 7, 1974, I introduced S. 3603, a bill designed to repeal the Federal and District of Columbia no-knock statutes as well as to insure official compliance with fourth amendment safeguards in the future. Due to an oversight, the text of my legislation was not printed at the conclusion of my remarks in the Record, as I had requested. I ask unanimous consent that this be done now so that Senators and Members of the House of Representatives can review it, hopefully offer to cosponsor it or introduce similar proposals, or suggest appropriate alterations.

There being no objection, the letters were ordered to be printed in the Record, as follows:

S. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 509(b) of the Controlled Substances Act (21 U.S.C. 879) is amended to read as follows:

"(b) No Federal officer, authorized to execute a search warrant relating to offenses involving controlled substances, may break open an outer or inner door or window of a building, or any part of a building, or anything therein, without first identifying himself and giving notice of his authority and purpose.".

Sec. 2. Section 3109 of title 18, United States Code, is amended to read as follows: "No Federal officer may, pursuant to the conduct of any search, break open an outer or inner door or window of a building, or any part of the building, or anything therein, without first identifying himself and giving notice of his authority and purpose.".

Sec. 3. (a) Section 23–561(b)(1) of the District of Columbia Code is amended by striking out the last sentence thereof.

(b) Section 23–591(c) of the District of Columbia Code is repealed.

SENATOR NELSON OPPOSES TAX CUT

Mr. PERCY. Mr. President, a recent article in the Christian Science Monitor outlines the reasons why Senator Gaylord Nelson is opposed to a tax cut this year. Senator Nelson states that the additional inflation a tax cut would create would more than wipe out any benefits generated by such a cut.

Senator Nelson gives a number of reasons why a tax cut is not appropriate this year and concludes by saying that a tax cut "may be good election-year politics, but it is bad economics, bad for the country, and bad news for the taxpayer."

Mr. President, I totally concur with the views of Senator Nelson and ask unanimous consent that the article from the Christian Science Monitor be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Contends Reduction Would Boost Deficit—Nelson Opposes Proposed U.S. Tax Cut

(By Philip W. McKinsey)

Washington.—The Senate will be voting next week on a tax cut proposed by Senators Edward M. Kennedy (D) of Massachusetts, and Walter F. Mondale (D) of Minnesota, both potential contenders for the presidential nomination in 1976. And ordinarily in an election year, a tax cut led by two such influential figures would have all-out endorsement by their liberal colleagues.

Thus it is notable when a liberal stalwart like Sen. Gaylord Nelson (D) of Wisconsin parts company, charging that a tax cut in the face of double-digit inflation "is like a little boy playing with matches in the midst of the Chicago fire." A tax cut for individuals not fully offset by some revenue raisers would be "fiscal folly," he warns.

The Kennedy-Mondale proposal would cut personal taxes $6.6 billion by raising the personal exemption from $750 to $825 and offering a tax credit as an alternative. But it raises only $4 billion in tax "reforms," and it is doubtful that all the proposed reforms would pass.

The reforms include ending the oil depletion allowance immediately, repealing fast write-offs for business investment (the asset depreciation range), repealing export incentives, and tightening the minimum tax on wealthy individuals.

SOME QUESTION MOTIVES

To many of the liberals, a tax cut by itself is pure political gamesmanship and some express some cynicism about the motives of Senators Kennedy and Mondale. "This is a ship being set out to sink," says one.

The House Ways and Means Committee is drafting a tax-reform package, which could raise revenues from business and upper-bracket taxpayers simultaneously with cutting taxes for lower brackets, and most members consider that the more responsible route. Even the AFL–CIO opposes a tax cut without fully offsetting revenue-raisers.

Senator Nelson argues that the inflation a tax cut would feed would more than wipe out the benefits. A 1 percent increase in consumer prices adds an extra $8.5 billion burden on to consumers, some $2 billion more than the tax break they would get.

SITUATION CALLED DIFFERENT

Senator Nelson thinks the tax-cut proponents are harking back nostalgically to 1964, when a tax cut in the face of a big deficit actually helped wipe out the deficit by stimulating the economy. But 1974 is not 1964, says Mr. Nelson. The economic situation is entirely different.

Then, industry was operating well below capacity and consumer demand was lacking. Today, many basic industries are operating at or near full capacity; further demand would simply drive up prices.

STABILIZATION HELD NEED

The economy is stagnant, the Senator acknowledges. The gross national product dropped more than 6 percent in the first quarter, and the rate of growth over the past year has been essentially zero. But this slump is due largely to a sharp drop in autos, the oil problem, and residential construction. And slack in these elements of the economy would not be helped by a tax cut.

The few dollars a week a taxpayer would save would not induce him to buy a car. The oil problem was due to events abroad. And the housing slump is caused by record-high interest rates and a money shortage, and will not be corrected until monetary policy stabilizes.

"Demand exists," Senator Nelson points out, "but only a few people can afford the present costs of new homes. A general tax cut has never been considered a proper response to a housing decline."

The political pressure for a tax cut comes from the fact that the real earnings of workers have dropped 4.7 percent in the past year. But if a tax cut is justified, for that reason, Mr. Nelson argues, it should not be voted until Congress has first done the tougher job of raising other taxes to pay for the slice in personal taxes.

A tax cut that widens the deficit, he says, "may be good election-year politics, but it is bad economics, bad for the country, and bad news for the taxpayer."

NEW DANGERS TO LAW ENFORCEMENT OFFICERS

Mr. PERCY. Mr. President, I recently learned, for the first time, of the manufacture and sale of two items which pose very real threats to the lives and safety of our law enforcement personnel.

The "belt buckle knife" and the "gun wallet" are the latest weapons on the market, and their potential use seems perfectly fitted for attacks against law enforcement officers.

I regard this latest development as one which is both quite serious and which needs to be brought to the attention of my colleagues in the Senate.

I ask unanimous consent that a letter I have received from Mr. David Fogel, executive director of the Illinois Law Enforcement Commission, and the material which he sent me from the Criminal Justice Digest, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Illinois Law Enforcement Commission,
Chicago, Ill., June 3, 1974.

Hon. Charles H. Percy,
U.S. Senate New Senate Office Building
Washington, D.C.

Dear Mr. Percy: At a time in our nation's history when our society is numbed by the daily accounts of violence we are forced to read and hear from our news media, it is particularly ironic that private industry continues to produce and sell commercially a wide variety of weapons. I am referring specifically to the enclosed copies of news stories describing a "belt buckle knife" produced by the Bowen Knife Company of Atlanta, Georgia, and the "gun wallet" produced by a California firm unknown to me as of this writing.

Both weapons are equally abhorrent; hower, the "gun wallet" is particularly insidious. How many times a day do our police officers across the country ask citizens to produce their driver's licenses—most of which are contained in wallets of one sort of another. How many police officers will die because they were unable to discern a "gun wallet" from a regular one; how many police officers will die because they were unable to spot a "belt buckle knife." I thought you would like to be apprised of these developments, and they prompt my asking this question: Does our free enterprise system include the right to produce weapons such as these?

If there is one thing we do not seem to need in this country it is more weapons—guns or knives. Unfortunately, the statistics support this position. As you know, the Federal Bureau of Investigation reported that during 1972 there were 12,260 deaths as the result of gunshot wounds. Of that number, 112 were law enforcement officers. An additional 6,260 persons were killed with "other weapons", the principle sub-category of which appears to be "knives or other sharp instruments".

I cannot help but wonder how many additional deaths will occur once the "belt buckle knife" and "gun wallet" are in wide circulation. There must be a solution to the problem posed in this letter. We would like to help you, in any way that we can, to find it.

Sincerely,

David Fogel,
Executive Director.

Belt Buckle Knife Is Two-Edged Sword Depending on the Wielder

(By Roger H. Robinson)

The belt buckle knife recently introduced by the Bowen Knife Company of Atlanta, Ga., is now available. It may be purchased by the general public at gun shops and sporting good stores as an item for sport and survival use.

However, because of its concealability, the buckle knife poses a threat to law enforcement and custodial officers.

On the other hand, it has a definite application in law enforcement if utilized as a part of an officer's personal equipment—either as a uniform on an off duty pant's belt. Most important, however, is that an officer be able to recognize these buckles if worn by a suspect or prisoner.

Definitely not a gadget, the Bowen Belt Knife is a high quality piece of cultery (retailing for $30 each) specifically designed for survival uses. It currently is offered in two blade styles: a single edge utility blade, and a double edged blade. The latter may be illegal in some jurisdictions where any double edged knife falls into the dirk or dagger category and is designated as a concealed weapon.

Both blades are well designed and are manufactured from high quality 440C stainless steel. The buckle handle or grip on both styles are identical; however, the single edge style does have a bottle opener incorporated into the inside rear edge of the buckle.

Fortunately or unfortunately, depending on who is the wearer, these knives are well concealed when worn and are not susceptible to discovery using normal search techniques. This could be a tremendous asset for the police officer who is in trouble, or conversely could pose a dangerous hazard if worn by a suspect. Although the potential hazard prompted the FBI to publish a warning in the January 1973 issue of the *FBI Bulletin*, they failed to point out either the merits of this knife as a useful piece of equipment for the Law Enforcement officer, or the points of difference which make its recognition simple.

These knives have an overall length of 5½ inches and are approximately ¼ inch thick at the thickest point. The grip measures 2 inches across the buckle and the blade is 2⅞ inches in length. There is a ⅝ inch shank between the buckle and blade which facilitates an effective grip on the knife.

The knife blade is sheathed laterally along the belt in a soft leather sheath stitched to the inside of the belt. The entire knife is curved slightly to fit the curvature of the body, and is affixed to the belt and buckled by means of a stainless steel stud located on the shank between the buckle and the blade.

THIS STUD IS THE KEY TO VISUAL IDENTIFICATION

The buckle does not have a typical buckle tongue and is offset to the rear or wearer's left. This leaves two empty buckle holes visible between the stud and the leading edge of the buckle; otherwise the belt has the outward appearance of a heavy and attractive dress belt in either black or brown leather.

Regarding the merits of the knife as an addition to a police officer's personal equipment, the Bowen Belt Knives were field tested both as a dress belt and as a uniform belt under a gun belt to test for comfort and possible hazards to the wearer from the knife cutting through the sheath, etc.

The knives were found to be extremely comfortable even though they were worn during strenuous activities.

The next test was to determine how many of my colleagues would spot the knife. I knew that the majority had seen the warning in the *FBI Bulletin*. The uniform of the day in my present position is a suit, so the belts were worn in the open as a pant's belt, the majority of the time in the office without a coat. After two weeks of constant wear, I raised the subject of the buckle knife. One individual said that he had seen the warning and would certainly recognize one if seen. The subject was dropped and after one more week was again raised. It was obvious that recognition of the belt knife was not easy.

As a tool for the police officer, the belt knife may be the answer to the not unusual situation where a knife is needed immediately. The first occasion that I needed a knife was an experience that I wouldn't want to repeat. It was late on the 4–12 shift and as a new deputy sheriff was doing my time in the maximum security section of the county jail. I had just begun a tour of the above cell catwalk when I saw a towel looped through the ceiling grate of one of the cells.

Upon reaching the cell, I could see the prisoner slowly strangling in an attempted suicide. My pocket knife, which at that time was a $1.50 special used primarily for such chores as cleaning my fingernails, was out and sawing at the towel. It was so dull that I thought it would never cut through. Finally the towel parted and the prisoner hit the deck with a thud. After several minutes of artificial respiration, he came out of it and was alright but since that time I've carried a good knife, with a razor sharp blade.

FAST DRAW ON THE WALLET MAY PRODUCE BULLETS INSTEAD OF BILLS, POLICE WARN

"When he reaches for his wallet, you may get more than his license," warns the Seattle Police Department's monthly newspaper.

According to the department news item, a California company has been advertising a new "gun wallet". The weapon looks and feels like a wallet, but instead of cards and cash it carries a high-standard derringer that fires two .22 magnum or long slugs.

A finger hole provides access to the trigger and the user can reach for his wallet, then commence firing, the article stated. The News warned that although the weapon is advertised as being sold to law enforcement agencies, there is a danger that it will find its way into "unfriendly hands" and warns officers to be watchful for this type of disguised lethal weapon.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

DEPOSITORY INSTITUTIONS AMENDMENTS OF 1974

The PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 11221, which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 11221, a bill to provide for deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs, with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Depository Institutions Amendments of 1974".

TITLE I—AMENDMENTS TO AND EXTENSIONS OF PROVISIONS OF LAW RELATING TO FEDERAL REGULATION OF DEPOSITORY INSTITUTIONS

INCREASE IN FEDERAL DEPOSIT INSURANCE CORPORATION INSURANCE CEILING

SEC. 101. (a) The following provisions of the Federal Deposit Insurance Act are amended by striking out "$20,000" and inserting in lieu thereof "$25,000":

(1) The first sentence of section 3(m) (12 U.S.C. 1813(m)).

(2) The first sentence of section 7(i) (12 U.S.C. 1817(i)).

(3) The last sentence of section 11(a) (12 U.S.C. 1821(a)).

(4) The fifth sentence of section 11(i) (12 U.S.C. 1821(i)).

(b) The amendments made by subsection (a) take effect upon the expiration of sixty days following the date of enactment of this Act and do not apply to any claim arising out of the closing of a bank prior to the date on which such amendments take effect.

INCREASE IN FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INSURANCE CEILING

SEC. 102. (a) The following provisions of title IV of the National Housing Act are amended by striking out "$20,000" each place it appears therein and inserting in lieu thereof "$25,000":

(1) Section 401(b) (12 U.S.C. 1724(b)).

(2) Section 405(a) (12 U.S.C. 1728(a)).

(b) The amendments made by subsection (a) take effect upon the expiration of sixty days following the date of enactment of this Act do not apply to any claim arising out of a default, as defined in section 401(d) of the National Housing Act, where the appointment of a conservator, receiver, or other legal custodian as set forth in that section becomes effective prior to the date on which such amendments take effect.

INCREASE IN NATIONAL CREDIT UNION ADMINISTRATION INSURANCE CEILING

SEC. 103. (a) The second sentence of section 207(c) of the Federal Credit Union Act (12 U.S.C. 1787(c)) is amended by striking out "$20,000' and inserting in lieu thereof "$25,000".

(b) The amendment made by subsection (a) takes effect upon the expiration of sixty days following the date of enactment of this Act and does not apply to any claim arising out of the closing of a credit union for liquidation on account of bankruptcy or insolvency pursuant to section 207 of the Federal Credit Union Act (12 U.S.C. 1787) prior to the date on which such amendment takes effect.

CHANGE IN NAME OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SEC. 104. (a) Section 402(a) of the National Housing Act, as amended (12 U.S.C. 1725(a)), is amended to read as follows:

"(a) The Federal Savings and Loan Insurance Corporation is redesignated as the Federal Savings Insurance Corporation (hereinafter referred to as the 'Corporation') and references in this title and in any other law to the Federal Savings and Loan Insurance Corporation shall be deemed to be references to the Corporation. The Corporation shall insure the accounts of institutions eligible for insurance as hereinafter provided. The Corporation shall be under the direction of the Federal Home Loan Bank Board and is authorized to issue such rules, regulations, and orders as it may deem necessary or appropriate to enable it to administer and carry out the purposes of this title and to require compliance therewith and prevent evasions thereof. The principal office of the Corporation shall be in the District of Columbia.".

(b) Subsection (d) of section 2 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1462(d)), is amended to read as follows:

"(d) The term 'association' means a Federal Savings and Loan Association or Federal Savings Association chartered by the Board under section 5 of this Act, and any reference in any law to a Federal Savings and Loan Association shall be deemed to be also a reference to a Federal Savings Association.".

(c) Subsection (a) of section 403 of the

National Housing Act, as amended (12 U.S.C. 1726(a)), is amended by inserting before the comma after "Federal savings and loan associations" the words "and Federal savings associations".

CONVERSION OF SAVINGS AND LOAN ASSOCIATIONS

SEC. 105. (a) Section 403(b) of the National Housing Act, as amended (12 U.S.C. 1726(b)), is amended by adding at the end thereof the following new sentence: "As used in this subsection the term 'reserves' shall, to such extent as the Corporation may provide, include capital stock and other items, as defined by the Corporation.".

(b) Section 12(i) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 781(i)), is amended to read as follows:

"(i) In respect of any securities issued by banks the deposits of which are insured in accordance with the Federal Deposit Insurance Act or institutions the acounts of which are insured by the Federal Savings and Loan Insurance Corporation, the powers, functions, and duties vested in the Commission to administer and enforce sections 12, 13, 14 (a), 14(c), 14(d), 14(f), and 16(1) with respect to national banks and banks operating under the Code of Law for the District of Columbia are vested in the Comptroller of the Currency, (2) with respect to all other member banks of the Federal Reserve System are vested in the Board of Governors of the Federal Reserve System, (3) with respect to all other insured banks are vested in the Federal Deposit Insurance Corporation, and (4) with respect to institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation are vested in the Federal Home Loan Bank Board. The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall have power to make such rules and regulations as may be necessary for the execution of the functions vested in them as provided in this subsection and none of the rules, regulations, forms, or orders issued or adopted by the Commission shall be in any way binding upon such officers and agencies in the performance of such functions, or upon any such banks or institutions in connection with the performance of such functions.".

(c) Paragraph (5) of subsection (1) of section 407 of the National Housing Act, as amended (12 U.S.C. 1730(1)(5)), is amended by inserting after "disclosures" a comma and the following: "including proxy statements and the solicitation of proxies thereby,".

(d) Subsection (j) of section 402 of the National Housing Act, as amended (12 U.S.C. 1725(j)), is amended to read as follows:

"(j)(1) Except as provided in paragraphs (2) and (3), until June 30, 1976, the Corporation shall not approve, under regulations adopted pursuant to this title or section 5 of the Home Owners' Loan Act of 1933, by order or otherwise, a conversion from the mutual to stock form of organization involving or to involve an insured institution, except that this sentence shall not be deemed to limit now or hereafter the authority of the Corporation to approve conversions in supervisory cases. The Corporation may by rule, regulation, or otherwise and under such civil penalties (which may be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection.

"(2) After December 31, 1973, the Corporation may approve any application submitted for filing prior to May 22, 1973, pursuant to regulations in effect and adopted pursuant to this title or section 5 of the Home Owners' Loan Act of 1933: Provided, That, with respect to a plan of conversion of any such applicant which, before May 22, 1973, has given written public notice to its accountholders of adoption of a plan of conversion or has obtained waiver forms from substantially all its new accountholders subsequent to the giving of such notice, such plan need not require payment for stock distributed to accountholders as of a record date prior to the date of such notice.

"(3) After June 30, 1974, the Corporation may approve in accordance with such regulations on a test basis not more than twenty-three applications for such conversion: *Provided,* That the Corporation may also approve a number of applications for such conversion from insured institutions in a State which enacts legislation authorizing such conversions subsequent to May 22, 1974, not in excess of 1 per centum of the number of insured institutions in such State, or, in the case of such a State which has less than 100 insured institutions, the Corporation may approve one application for conversion. Notwithstanding any other provision of law, an insured institution converting in accordance with this subsection may retain its Federal charter. Notwithstanding the foregoing, the Corporation shall not permit the conversion of federally chartered institutions in States the laws of which do not authorize the chartering of State stock associations.".

MORATORIUM ON CONVERSION OF FEDERAL DEPOSIT INSURANCE CORPORATION INSURED INSTITUTIONS

SEC. 106. Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end thereof the following new subsection:

"(10) Until June 30, 1976, the responsible agency shall not grant any approval required by law which has the practical effect of permitting a conversion from the mutual to the stock form of organization, including approval of any application pending on the date of enactment of this subsection, except that this sentence shall not be deemed to limit now or hereafter the authority of the responsible agency to grant approvals in cases where the responsible agency finds that it must act in order to maintain the safety, soundness, and stability of an insured bank. The responsible agency may by rule, regulation, or otherwise and under such civil penalties (which shall be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection."

EXTENSION OF FLEXIBLE REGULATION OF INTEREST RATES AUTHORITY

SEC. 107. (a) Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1975".

(b) In carrying out their respective authorities under the amendments made by the Act of September 21, 1966 (Public Law 89-597), the Federal supervisory agencies shall give due consideration to existing market interest rates, so that consumer savers receive a fair and appropriate rate of interest on their savings. Nothing in this subsection shall be construed to preclude such agencies from establishing different rate ceilings for the institutions subject to their jurisdiction.

INCREASE DOLLARS LIMITATION ON THE COST FOR CONSTRUCTION OF FEDERAL RESERVE BANK BRANCH BUILDINGS

SEC. 108. The ninth paragraph of section 10 of the Federal Reserve Act, as amended (12 U.S.C. 522), is amended by striking out "$60,000,000" and inserting in lieu thereof "$140,000,000".

PURCHASE OF UNITED STATES OBLIGATIONS BY FEDERAL RESERVE BANKS

SEC. 109. (a) Section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "November 1, 1973" and inserting in lieu thereof "November 1, 1975" and by striking out "October 31, 1973" and inserting in lieu thereof "October 31, 1975".

SUPERVISORY AUTHORITY OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM OVER BANK HOLDING COMPANIES AND THEIR NONBANKING SUBSIDIARIES

SEC. 110. Subsection (b) of section 8 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)), is amended by adding at the end thereof the following new paragraph:

"(3) This subsection and subsections (c), (d), (h), (i), (k), (l), (m), and (n) of this section shall apply to any bank holding company, and to any subsidiary (other than a bank) of a holding company, as those terms are defined in the Bank Holding Company Act of 1956, in the same manner as they apply to a State member insured bank."

EXTENSION OF SAVINGS AND LOAN HOLDING COMPANY AUTHORITY TO PARENT AND SUBSIDIARY COMPANIES

SEC. 111. Section 407(e) of the National Housing Act, as amended (12 U.S.C. 1730(e)), is amended by adding at the end thereof the following new paragraph:

"(3) This subsection and subsections (f), (j), (k)(2), (m)(3), (n), (o), and (q) of this section shall apply to any savings and loan holding company, and to any subsidiary (other than an insured institution) of a savings and loan holding company, as those terms are defined in section 408 of this title, in the same manner as they apply to an insured institution."

INDEPENDENCE OF FINANCIAL REGULATORY AGENCIES

SEC. 112. No officer or agency of the United States shall have any authority to require the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the National Credit Union Administration to submit legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress if such recommendations, testimony, or comments to the Congress include a statement indicating that the views expressed therein are those of the agency submitting them and do not necessarily represent the views of the President.

INCREASE IN AUTHORITY OF THE TREASURY TO PURCHASE FEDERAL HOME LOAN BANK OBLIGATIONS

SEC. 113. Subsection (i) of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1431 (i)), is amended as follows:

(1) In the fourth sentence of the first paragraph, strike out "subsection" both places it appears and insert in lieu thereof "paragraph".

(2) In the second paragraph, strike out "The authority provided in this subsection" and insert in lieu thereof "In addition to obligations authorized to be purchased by the preceding paragraph, the Secretary of the Treasury is authorized to purchase any obligation issued pursuant to this section in amounts not to exceed $3,000,000,000. The authority provided in this paragraph shall expire on August 10, 1975, and".

(3) In the second paragraph, strike out "Home Loan Bank Board" and insert in lieu thereof "Federal Home Loan Banks".

COMPLIANCE WITH STATE LAW

SEC. 114. (a) No rule, regulation, or order issued by a Federal supervisory agency shall prevent or be interpreted to exempt any federally chartered financial institution from complying with any State law or regulation which protects borrowers by establishing limitations on the terms and conditions which may be imposed on borrowers in connection with a mortgage loan contract or consumer credit contract including, but not limited to, interest rate adjustment clauses, prepayment penalty charges, acceleration clauses, late payment charges, default notices, attorney fees, or maximum interest charges unless the authority to issue such rule, regulation, or order with respect to a particular term or condition is authorized under Federal law by language specifically granting such authority affirmatively and not merely by implication or recognition. Nothing in this section shall preclude a Federal supervisory agency from using its regulatory authority to impose limitations on a particular term or condition of a mortgage loan contract or consumer credit contract made by a federally chartered financial institution which affords the borrower greater protection than he would otherwise obtain under applicable State law or the regulations thereunder.

(b) As used in this section—

(1) the term "Federal supervisory agency" means—

(A) the Comptroller of the Currency with respect to national banks and district banks;

(B) the Federal Home Loan Bank Board with respect to Federal savings and loan associations;

(C) the National Credit Union Administration with respect to Federal credit unions;

(2) the term "federally chartered financial institution" means a national or district bank, a Federal savings and loan association or a Federal credit union;

(3) the term "mortgage loan contract" means a loan secured by a mortgage or residential real property designed principally for the occupancy of from one to four families, but also including residential properties sold as condominiums and cooperatives regardless of size; and

(4) the term "consumer credit contract" means a contract subject to the disclosure requirements imposed under the Truth In Lending Act (15 U.S.C. 1601).

AUTHORITY OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO PURCHASE MORTGAGES FROM STATE INSURED INSTITUTIONS

SEC. 115. The first sentence of section 305 (a)(1) of the Federal Home Loan Mortgage Corporation Act is amended by inserting "or from any financial institution the deposits or accounts of which are insured under the laws of any State if the total amount of time and savings deposits held in all such institutions in that State is more than 20 per centum of the total amount of such deposits in all banks, building and loan, savings and loan, and homestead associations (including cooperative banks) in that State" immediately after "agency of the United States".

TITLE II—NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS

ESTABLISHMENT

SEC. 201. There is established the National Commission on Electronic Fund Transfers (hereinafter referred to as the "Commission") which shall be an independent instrumentality of the United States.

MEMBERSHIP

SEC. 202. (a) The Commission shall be composed of twenty members as follows:

(1) the Chairman of the Board of Governors of the Federal Reserve System or his designate;

(2) the Secretary of the Treasury or his designate;

(3) the Comptroller of the Currency or his designate;

(4) the Chairman of the Federal Home Loan Bank Board or his designate;

(5) the Administrator of the National Credit Union Administration or his designate;

(6) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation or his designate;

(7) the Chairman of the Federal Trade Commission or his designate;

(8) one individual, appointed by the President, who is an official of a State agency which regulates banking, thrift, or similar financial institutions;

(9) six individuals, appointed by the President, who are officers or employees, of, or who otherwise represent banking, thrift, or other business entities including retailers, including one representative each of commercial banks, mutual savings banks, savings and loan associations, credit unions, retail users of electronic fund transfer systems, and nonbanking institutions offering credit card services; and

(10) six individuals, appointed by the President, from private life who are not affiliated with, do not represent and have no substantial interest in any banking, thrift, or other financial institution, including but not limited to credit unions, retailers, and insurance companies.

(b) The President shall appoint a Chairperson of the Commission from among the members of the Commission by and with the advice and consent of the Senate unless the appointee already holds an office to which he was appointed by and with the advice and consent of the Senate. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

FUNCTIONS

SEC. 203. (a) It shall be the function of the Commission to conduct a thorough study and investigation and to recommend appropriate administrative action and legislation necessary in connection with the possible development of public or private electronic fund transfers systems, taking into account, among other things—

(1) the need to preserve competition among the financial institutions and other business enterprises using such a system;

(2) the need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system;

(3) the need to afford maximum user and consumer convenience;

(4) the need to afford maximum user and consumer rights to privacy and confidentiality;

(5) the impact of such a system on economic and monetary policy;

(6) the implications of such a system on the availability of credit;

(7) the implications of such a system expanding internationally and into other forms of electronic communications; and

(8) the need to protect the legal rights of users and consumers. In carrying out its function, the Commission shall consult with and obtain the advice of the Attorney General with respect to the competitive and antitrust implications of electronic fund transfer systems.

(b) The Commission shall establish a clearinghouse for information on or relating to electronic funds transfer systems for the public, President, and Congress.

(c) The Commission shall make an interim report within one year of its findings and recommendations as it deems advisable and shall transmit to the President and to the Congress not later than two years after the date of enactment of this title a final report of its findings and recommendations. Any such report shall include all hearing transcripts, staff studies, and other material used in preparation of the report. The interim and final reports shall be made available to the public upon transmittal. Sixty days after transmission of its final report the Commission shall cease to exist.

(d) The Commission shall not be required to obtain the clearance of any Federal agency prior to the transmittal of any interim or final report.

ADMINISTRATION

SEC. 204. (a) The Commission—

(1) may appoint with the advice and consent of the Senate and may fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

(2) may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code but at rates not to exceed $150 a day for individuals;

(3) shall conduct and transcribe open public hearings at such times and places and otherwise secure such information as may be necessary to the performance of its functions.

(b) The Comptroller General is authorized to make a detailed audit of the books and records of the Commission, and shall report the results of such audit to the Commission and to the Congress.

COMPENSATION

SEC. 205. (a) A member of the Commission who is an officer or employee of the United States shall serve as a member of the Commission without additional compensation, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(b) A member of the Commission who is not otherwise an officer or employee of the United States shall be compensated at a rate of $150 per day when engaged in the performance of his duties as a member of the Commission, and shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 206. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request, such data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(b) The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Commission may request to assist it in carrying out its functions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. There are authorized to be appropriated without fiscal year limitations such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this title.

Mr. McINTYRE. Mr. President, I yield 30 seconds to the distinguished majority whip.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcall votes are ordered prior to the hour of 12 o'clock noon today, they not occur until the hour of 12 o'clock noon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This will allow committees to meet without interruption.

The PRESIDENT pro tempore. The time for debate on this bill shall be limited to 1 hour, to be equally divided between and controlled by the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Texas (Mr. TOWER), with 30 minutes on any amendment, except an amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE), on which there shall be 1 hour's debate, with 10 minutes on any amendments in the second degree, debatable motions, or appeals.

Mr. McINTYRE. Mr. President, during the consideration of H.R. 11221, I ask unanimous consent that the following staff members of the Committee on Banking, Housing, and Urban Affairs be permitted the privilege of the floor: Pat Abshire, Howard Beasley, Carl Coan, Anthony Cluff, Carolyn Jordan, Kenneth McLean, T. J. Oden, Stephen Paradise, Dudley O'Neal, and Jerry Buckley.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, the bill now pending before the Senate, H.R. 11221, entitled the Depository Institutions Amendments of 1974, is a proposal containing a number of sections, many of which relate directly to the scope of Federal regulatory authority over institutions and the manner in which the institutions themselves function in our country.

The Subcommittee on Financial Institutions, of which I am chairman, and the full committee itself, has spent considerable time and effort in both hearings and executive session in developing a comprehensive piece of legislation which we think represents a balanced approach in dealing with a number of difficult issues.

This bill as originally passed by the House dealt with basically two subjects: First, an increase in Federal deposit insurance and, second, total deposit insurance on local, State, and Federal Government funds deposited in federally insured institutions The committee has substantially amended the House-passed bill, H.R. 11221, and included several proposals also incorporated in other bills that have either passed the House of Representatives or are presently awaiting floor action by the House.

Basically, the bill before us today contains the following provisions:

First, an increase in the present rate of Federal deposit insurance for those financial institutions participating in this program from $20,000 to $25,000. Historically, Federal deposit insurance has been increased in amounts of $5,000, and the committee believes that in view of the fact that the last increase was in 1969, a further increase is necessary and appropriate at this time.

Second, the bill would change the name of the Federal Savings & Loan Insurance Corporation, which is the insurance fund administered by the Federal Home Loan Bank Board, to the Federal Savings Insurance Corporation. This action was taken by the committee in view of the fact that the Corporation, in fact, does not insure loans, but only savings accounts. This proposal has been made on numerous occasions so as not to mislead individuals on Federal deposit insurance.

Third, a provision in the bill extends until June 30, 1976, a legislative moratorium on conversions that was first imposed last year. While the moratorium is extended, there is also a provision to allow a limited number of conversion test cases to proceed so that Congress may have the opportunity of an actual experience on how conversions of savings and loans take place. This issue revolves around the present structure of our saving and loan industry. By law, federally chartered savings and loan associations must be mutual in form. At least 22 States, however, provide for capital stock savings and loan associations and also allow mutual savings and loans to convert to stock form. A number of questions have been raised as to the ability of allowing mutual to stock conversions to take place on an equitable basis. The committee recognized this concern and decided to take a course of action providing for a limited experiment over the next 2 years. When the present conversion moratorium was passed last year, Congress provided for a small number of conversions to take place under rules and regulations issued by the Federal Home Loan Bank Board.

As of this date, no conversion has been approved by the Board. However, the Board does strongly favor conversion legislation and feels that they are capable of regulating and monitoring conversions so that they take place on an equitable basis. The committee felt that a limited experiment would provide a practical basis to determine whether conversion is in the public interest, but in doing so recognized that there are potential dangers involved in such activity and that they must be closely supervised by the Federal Home Loan Bank Board.

Fourth, the bill also extends a moratorium on conversion of banks insured by the Federal Deposit Insurance Corporation. This moratorium is also for 2 years, and the committee felt that such action was consistent with the position taken with regard to conversions of savings and loan associations. The basic purpose is to provide a brief moratorium on the conversion of mutual savings banks to commercial banks in that the committee is presently considering legislation that would substantially alter the structure and regulation of our financial institutions. One such provision in the legislation being presently considered is the proposal to provide Federal chartering to mutual savings banks.

Fifth, Federal regulatory authority to set flexible interest or dividend rate maximums on time or savings deposits of financial institutions has been extended for 1 year. The present Federal authority over interest rates expires December 31, 1974.

While this expiration date is still several months away, this would be the only extension of present legislative authority that would not be dealt with if not included in this bill. Therefore, the committee decided to provide for a 1-year extension at this time until December 31, 1975. The bill would also amend Federal interest and dividend rate authority to provide that Federal supervisory agencies shall give consideration to existing market interest rates in establishing ceilings to assure consumer savers a fair return on their savings funds. This was done by the committee in view of our present economic climate and was based on the feeling that unreasonably low interest rate ceilings could be counterproductive. The amending language also makes it clear, however, that Federal supervisory agencies administering interest rate authority are not precluded from establishing different rate ceilings for the institutions subject to their jurisdiction. Since the passage of flexible interest rate authority in 1966, there has been an historical differential on savings rates paid by thrift institutions and by commercial banks. The committee does not intend that the amending language be interpreted to alter this historic rate differential among different types of financial institutions.

Sixth, another section of the bill would increase the present dollar limitation on Federal Reserve Branch bank building construction authority from $60 to $140 million. The present limitation for construction of buildings has been virtually exhausted, and new buildings are needed to permit the Reserve banks to efficiently perform their services.

As the economy has grown, the workload of Federal Reserve banks has also expanded. Based on current estimates, the increase in the authorization by $80 million would meet the Fed's construction needs through 1977. At present, the Federal Reserve is contemplating the construction of branches in Baltimore, Md.; Charlotte, N.C.; Omaha, Nebr.; and Los Angeles, Calif.

Seventh, the bill also contains a section authorizing the purchase of U.S. obligations by the Federal Reserve banks. This would renew until October 31, 1975, the authority of the Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 billion outstanding at any one time. This authority has been infrequently used in recent years, normally in periods just prior to tax payments dates. Its existence permits the department to operate with considerably lower cash balances than would *otherwise* be required.

Eighth, sections of the legislation before us today would also amend existing law to provide the Federal Reserve Board and the Federal Home Loan Bank Board with expanded cease-and-desist powers over the operations of parent holding companies of bank and savings and loan holding companies. This cease-and-desist authority would also apply to nonfinancial institution subsidiaries of the parent holding company. The purpose is to remedy a present supervisory deficiency over the regulation of holding company operations.

The committee was informed by the Federal Reserve Board and the Federal Home Loan Bank Board *of situations* where the actions of a parent holding company or its subsidiaries constituted a serious threat to the safety, soundness, or stability of a subsidiary financial institution. The committee feels that this cease and desist authority is necessary to aid in preventing or terminating practices which might result in damage to depositories or to public confidence in our financial system. The committee, however, expects that the Federal agencies will not use this authority to interfere unduly in the affairs of nonbanking subsidiaries.

Ninth, the proposed legislation also contains language clarifying existing law to provide that no Government official may require the Securities and Exchange Commission or the independent banking regulatory agencies to submit for prior approval or review their legislative recommendations, testimony, or comments to the Congress. A similar provision was included in the law creating the Consumer Product Safety Commission. This section, however, contains language requiring that the agency include in its recommendations for testimony a statement indicating that the views expressed are those of the agency and do not necessarily represent those of the President or his administration. The purpose of this section is to preserve and strengthen the independence of these agencies.

Tenth, the bill also contains a section which would increase by $3 billion the discretionary authority of the Secretary of the Treasury to purchase Federal Home Loan Bank obligations. This authority was originally established by Congress in 1950 at a figure of $1 billion and in 1969 was increased to $4 billion. The increase contained in the bill presently before the Senate is in recognition of the expanded authorities of the Federal Home Loan Bank system and of its support to the presently distressed condition of our national housing market. This amendment is a temporary increase, and it should be noted that the authority is discretionary with the Secretary of the Treasury.

Eleventh, an amendment was also included in the proposed bill, the purpose of which is to make it clear that Federally chartered financial institutions are subject to certain State consumer protection laws. It would provide that no rule, regulation, or order issued by the Federal Home Loan Bank Board, the Comptroller of the Currency, or the National Credit Union Administration shall exempt a federally chartered institution from complying with any State law or regulation which protects borrowers by limiting the terms and conditions of a mortgage loan or consumer credit contract. The amendment would provide, however, that federally chartered institutions can be exempt from State law in those instances where Congress itself specifically grants an exception.

Twelfth, H.R. 11221 as amended by the committee would also expand the powers of the Federal Home Loan Mortgage Corporation by authorizing the purchase of residential mortgages from State-insured institutions if the total amount of time and savings deposits in such institutions represent more than 20 percent of all such deposits in that State. This amendment specifically applies to the State of Massachusetts where for historical reasons mutual savings banks have had their deposits insured by the Massachusetts Central Insurance Fund rather than by Federal insurance. This provision would allow the Federal Home Loan Mortgage Corporation to purchase conventional mortgages on newly constructed homes at below market interest rates. This authority is presently available in most States except Massachusetts and the amendment would make it possible for residents of that State to participate in this program.

Thirteenth, title II of the proposed bill would establish a National Commission on Electronic Fund Transfers. This Commission would be composed of 20 members appointed by the President and would include the representatives of Federal and State agencies having legislative jurisdiction over financial transactions; various segments of the financial and business sectors of our economy; and private individuals representing the public and consumers. The function of this Commission is to conduct a thorough study and investigation over a 2-year period of electronic fund transfers systems and to recommend appropriate administrative action and legislation concerning primarily the preservation of competition, user and consumer convenience, rights to privacy and confidentiality, and the protection of legal rights of users and consumers.

The committee provided an authorization for appropriations not to exceed $2 million during the life of the Commission.

In adopting this proposal, the committee recognized attempts by industry to apply modern computer and communications technology to the transfer of money. Experimental programs and pilot projects are already in progress in various locations throughout the country. These pilot programs make it available for individuals to handle their monetary affairs electronically, and this development has sometimes been referred to as the "cashless" or "checkless" society. In approving this Commission, the committee recognized that the concept of electronic fund transfers poses a number of questions which must be resolved before any rational decisions can be made and that ultimately the answers to these questions must be resolved by Congress.

The committee is concerned that without sufficient study electronic fund transfers development could result in distortions to competition and the invasion of individual citizen's right to privacy and confidentiality.

As I think Senators can see, the bill contains a large number of separate issues dealing with both the structure and regulation of our national financial system.

In closing, I wish to express my appreciation to my colleagues on the committee, and I urge the approval of this legislation by the Senate.

There being no objection, the excerpts from the committee report (No. 93–902) were ordered to be printed in the RECORD, as follows:

Mr. McINTYRE. Mr. President, I ask unanimous consent that excerpts from the committee report 93–902 be printed in the RECORD.

HISTORY OF LEGISLATION

The Subcommittee on Financial Institutions held hearings on March 19–21 on three bills: H.R. 11221 as passed by the House, Title I of S. 2735, and S. 2640. These three bills contain provisions providing for an increase in Federal deposit insurance from its present limit of $20,000 to $50,000 and would also have provided for full deposit insurance on government funds deposited in Federally-insured institutions.

The Subcommittee on April 8–10 also held hearings on two bills, S. 3132 and S. 3224, providing among other matters for the conversion of mutual savings and loan associations to stock form of ownership.

During hearings held on S. 2591, the Financial Institutions Act of 1973, during the week of May 13–17, the Subcommittee considered in conjunction with those hearings S. 3266, a bill to establish a National Commission on Electronic Funds Transfers.

During the Subcommittee's legislative consideration of the various proposals before it, the individual bills were consolidated into a Committee print that after Full Committee action was incorporated as an amendment into the House-passed bill, H.R. 11221.

The Committee, after deliberation, agreed by a majority to report the bill as amended to the Senate.

FEDERAL DEPOSIT INSURANCE

Sections 101, 102, and 103 of the bill would increase Federal deposit insurance from the present maximum of $20,000 to $25,000. Three federal agencies, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration, each of which administer separate deposit insurance funds are involved. The effective date for the insurance increase as provided in the bill would be 60 days after enactment.

Throughout the history of Federal deposit insurance, most increases in the insurance level have been in the amount of $5,000. The Committee believes in view of the fact that the last increase was in 1969 that a further increase is necessary at this time in order to compensate for the effect inflation has had during the last five years.

A further reason for an increase in Federal deposit insurance at this time is the belief on the Subcommittee's part that a Federal deposit insurance increase would have a positive impact on encouraging citizens to increase their savings.

Given the present economic conditions in the country, Federal actions that would encourage additional savings would in the Committee's opinion provide an additional stabilizing influence.

CHANGE IN NAME OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Section 104 of the bill would amend the National Housing Act to change the name of the Federal Savings and Loan Insurance Corporation to the Federal Savings Insurance Corporation.

The Committee took this action in view of the fact that the Federal Savings and Loan Insurance Corporation only insures savings accounts and not loans.

The proposal has been made on numerous occasions that this action be taken so as not to mislead individuals with respect to Federal deposit insurance.

CONVERSION OF SAVINGS AND LOAN ASSOCIATIONS FROM MUTUAL TO STOCK FORM OF OWNERSHIP

Section 105 is designed to provide for a test program for conversion of mutual savings and loan associations to stock savings and loan associations. The thrust of this section is to allow for at least 30 experimental test cases for the period prior to June 30, 1976. The moratorium on conversions other than the test cases is continued for 2 years until June 30, 1976.

Section 105(a) provides that the term "reserves" shall include capital stock and other items as defined by the corporation in order to facilitate the creation of a Federal *stock* savings and loan. Currently all Federal savings and loan associations must be of mutual ownership and hence there has been no need for the term "reserves" to encompass capital stock since mutual institutions do not have capital stock.

Section 105(b) and (c) transfer the responsibility for regulation of securities issued by institutions insured by the Federal Savings and Loan Insurance Corporation from the Securities and Exchange Commission to the Federal Home Loan Bank Board. At the present time, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency have this responsibility for their respective institutions.

Section 105(a) provides for a 2-year continuation of the moratorium on conversions except for a limited number of test cases. Those test cases may include: (a) those institutions that had submitted an application and in certain instances had given written notice to its account holders prior to May 22, 1973; (b) a total of not more than 23 applications from the 22 states[1] that currently provide for conversions; and (c) a number of conversions from states which enact legislation authorizing such conversions to take place subsequent to May 22, 1974 with the total number of converting institutions from any such state not to exceed 1% of the number of insured institutions in that state or 1 institution, whichever is greater. (The Committee intends that this 1% figure be interpreted by the Board to be rounded to the nearest whole number of potential conversions allowable in administering this provision.) The Committee's reason for including this provision in subsection (d) (3) is to make sure that institutions in states that subsequent to enactment of this provision permit conversions to take place would be given an opportunity to participate in the conversion experiment. The Committee understands that there are at least two states that are presently taking action to permit conversions. The State of Florida has acted on legislation that would provide for conversions commencing January 1, 1975, and the State of New Jersey is presently considering the adoption of conversion legislation. This provision would provide the opportunity for institutions located in such states as New Jersey and Florida also to be able to convert on an experimental basis.

The Committee recognizes that the problems inherent in the conversion from a mutual form of organization to a stock form are substantial. The Committee, however, believes that there are practical limits to the extent of theoretical study of the problem without actual experience. The Committee does not think it appropriate to open the flood gates of conversion nor does it think it appropriate to continue to prohibit any and all conversions. The Committee, therefore, has taken the position that a limited number of conversions in a controlled atmosphere appears to be the most appropriate way to learn as much as possible about the problems of conversions and the techniques available to deal with such problems.

The Committee expects the Federal Home Loan Bank Board to pursue these conversion cases in such a framework so as to provide the most useful information possible with respect to conversions. In issuing regulations and in accepting applications the Committee also expects the Board to be as innovative and experimental as is consistent with constitutional due process requirements and property rights. Furthermore, consistent with these rights, the Committee expects the Board to adopt a flexible approach in the manner in which conversions are approved. The Committee bill does not require any conversions to take place, but only authorizes a limited number of test cases which may be approved by the Federal Home Loan Bank Board based on the merits of each application.

During hearings on this topic and in the markup sessions, the Subcommittee and Committee discussed the various known techniques by which mutual associations could convert from their mutual form to a stock form. The techniques generally seemed to fall within 4 categories:

1. A free distribution of stock equivalent to the value of the reserves to the depositors or shareholders of the institution:
2. Sale of stock to its depositors and general public equal to the estimated market value of the reserves with the proceeds going to the new corporation;
3. Donation of the accumulated reserves or market value of the institution to a public trust; and
4. A combination of the above methods.

Rather than specifying the various methods under which the Board could allow conversion, the Committee has provided the Board with the flexibility to structure its own approaches. But the Committee expects the Board to experiment and encourage innovative approaches so as to obtain the most comprehensive experience consistent with constitutional rights not only of the converting institution but also of other institutions affected by such conversion. [The Committee does not wish any method to be precluded from consideration to applications regardless of their conversion plan. This is not to mean that the Committee condones an unjust enrichment by any individual from conversion.] It expects the Board to make every effort to provide equity for all concerned while avoiding the potential hazards of unjust enrichment through possible "inside" manipulation or "outside" raiding.

The Committee expects the Board to evaluate the various conversion applications not only for their equity with respect to the distribution of reserves, but also for the purpose of taking into consideration the need to achieve via these test cases the greatest practical experience possible. In order for Congress to benefit by the limited experiment the Committee believes that the Board, in approving plans of conversion, should attempt to achieve the following: (1) as much geographical dispersion as possible; (2) an equitable distribution with respect to the sizes of the converting institutions; (3) an appropriate distribution between the State chartered and Federally chartered institutions authorized to convert; (4) flexibility to the extent possible in the manner in which institutions are allowed to convert; (5) the most efficient method for attracting additional capital for institutions in dire need for such capital; and (6) conversion procedures which are best suited to the characteristics of the particular converting institutions during this experimental period; and (7) a form of conversion providing maximum protection to the depositors.

In this regard, the Committee believes that the Bank Board should give priority treatment to approving or disapproving conversion applications of the associations submitting applications prior to May 22, 1973, the date Congress adopted the statutory moratorium now in existence. [These associations offer Congress a further opportunity to examine what occurs when savings and loan associations are allowed to convert under a free distribution procedure.] The Board's early consideration of those applications is appropriate in view of certain actions taken by those associations prior to May 22, 1973; the effective date of the present statutory moratorium.

Under the language adopted by the Committee, those associations which (1) had submitted applications with the Board prior to May 22, 1973, and (2) had given either written public notice to their account holders that such a plan of conversion had been adopted, would be permitted to convert under a procedure which allows for the free distribution of stock to its depositors. It is the Committee's understanding that there are at least three associations which may so qualify. They are: First Federal Savings and Loan Association of Phoenix, Arizona; Prudential Federal Savings of Salt Lake City, Utah; and Tucson Federal Savings and Loan Association of Tucson, Arizona.

Each of these associations would be allowed to covert under the free distribution procedure. These associations had taken certain public actions, provided for in this section, regarding plans of conversion adopted by them and submitted to the Board prior to May 22, 1973. These public actions have given rise to reliance and expectations on the part of the account holders of these associations, and the Committee does not believe it is appropriate for the Congress to frustrate these expectations.

These plans of conversion were submitted to the Board at a time when the Board's regulations required conversions to occur on a free distribution basis. When the Congress adopted the statutory moratorium provisions last year, it provided therein for a shorter moratorium to be applicable to the associations submitting applications prior to May 22, 1973. This shorter moratorium expired on December 31, 1973, and it was anticipated that these applications would be processed shortly thereafter. The Board, however had altered its regulations to require conversions to occur on the basis of the priority sale of stock to eligible account holders and the establishment of a liquidation account. In view of these circumstances, the Committee believes that it would be appropriate to allow these associations to convert in accordance with plans of conversion intended to be in compliance with the regulations in effect when their applications were submitted for filing.

The other associations which the Committee understands had submitted applications prior to May 22, 1973, would also be allowed to convert under the language adopted by the Committee. The Committee understands that these associations are: Capital Savings and Loan Associations, Olympia, Washington; Franklin Savings Association, Austin, Texas; Standard Savings Association, Houston, Texas; and Sweetwater Savings Association, Sweetwater, Texas.

It was the Committee's understanding that these associations wished to convert under the Board's new regulations. However, it is not the Committee's intention to restrain the Board from allowing those associations to convert under any modified plan which would be appropriate in their case. Indeed, in their instance, as in the case of the other 23 "test conversions" in the 22 states which now allow stock charters, and the other test conversions as provided for in this section of the bill, the Committee encourages the Board to be as flexible and innovative as possible in allowing those associations to convert under procedures which are appropriate to their particular situation.

The Committee expects the Board to evaluate continuously and report to Congress on a periodic basis the successes of the various conversions undertaken and submit a final report to the Committee prior to the expiration of the moratorium, June 30, 1976.

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[1] The Committee understands that these states are: Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Kansas, Michigan, Mississippi, Montana, Nevada, New Mexico, Ohio, Oregon, South Dakota, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

MORATORIUM ON CONVERSION OF FEDERAL DEPOSIT INSURANCE CORPORATION INSURED INSTITUTIONS

Sec. 106 of the bill would amend the Federal Deposit Insurance Act to provide that until June 30, 1976, Federal regulatory agencies shall not grant approval of any application or proposal from an insured bank which has the practical effect of permitting a conversion from mutual to stock form of organization.

This section, however, grants authority to the responsible Federal agencies to allow an organizational change to take place if the responsible agency finds that this action is necessary in order to protect the safety, soundness, and stability of the insured bank.

The purpose for this section is to provide a brief moratorium on the conversion of mutual savings banks to commercial banks. The Committee is presently considering legislation that would substantially alter the present structure and regulation of financial institutions.

One of the provisions in the proposal would provide for Federal chartering of mutual savings banks. The Committee is of the opinion that the establishment of this moratorium for mutual savings banks is consistent with the action taken with regard to conversion of savings and loan associations from mutual to stock form.

EXTENSION OF FLEXIBLE REGULATION OF INTEREST RATES AUTHORITY

Section 107 of the bill extends for one year, until December 31, 1975, the authority of the financial regulatory agencies to set flexible interest or dividend rate maximums on time or savings deposits of depository institutions.

On six different occasions Congress has extended this authority for varying and consecutive periods of time and unless further extended this authority would expire on December 31, 1974.

The original basis for enacting flexible rate control authority was a finding by Congress that interest rate competition was putting an enormous upward pressure on savings rates paid by thrift institutions beyond their ability to pay such rates. Through this rate control authority the Federal agencies have established interest rate differentials between commercial banks and competing thrift institutions. The Committee in examining this question resolved that a one year extension of this authority is appropriate.

Section 107(b) amends the Federal interest and dividend rate authority to provide that Federal supervisory agencies shall give consideration to existing market interest rates in establishing ceilings to assure consumer savers that they receive a fair and appropriate rate of interest on their funds. The Committee believes that in our present economic climate that unreasonably low interest rate ceilings could be counter-productive in that savers would remove their funds from financial institutions covered under Federal interest rate ceilings to other investments bringing a higher rate of return. If this situation continues to develop, it could well be that the existence of Federal interest rate controls rather than discouraging disintermediation, i.e., shifts of funds among various institutions, would actually become a primary cause of such activity.

The Committee notes, however, that the consideration given to existing market rates by the Federal agencies should be balanced with the recognition of the benefit afforded to consumer savers by Federal deposit insurance. Investments made on the open market are subject to a greater degree of risk than deposits made by savers in institutions offering Federal deposit insurance.

This subsection is not intended to alter the existing practice of regulatory authorities to establish rate ceilings consistent with the ability of thrift institutions to pay such rates in recognition of the relatively lower yield of their investment portfolio containing largely residential mortgages as required by law.

This subsection also makes it clear that Federal supervisory agencies administering interest rate authority are not precluded from establishing different rate ceilings for the institutions subject to their jurisdiction. Since the passage of flexible interest rate authority in 1966, there has been an historical differential on savings rates whereby the thrift institutions are allowed to offer a higher interest rate than commercial banks. This has been necessary to keep in balance the relative competitive advantage that commercial banks have over thrift institutions with respect to their investment portfolio. Thrift institutions are limited by law to the relatively lower yielding residential mortgage investments and thus have much more restrictive limitations on the rate payable on savings than a commercial bank. Until such time that adjustments can be made in the structure of financial institutions, which is now under consideration by the Committee, a continuing interest rate differential may be necessary.

The Committee does not intend that the amending language be interpreted to alter this historical rate differential between different type institutions.

INCREASE DOLLAR LIMITATION ON THE COST FOR CONSTRUCTION OF FEDERAL RESERVE BANK BRANCH BUILDINGS

Sec. 108 of the bill increases by $80 million, from $60 million to $140 million, the amount of money which may be spent by the Federal Reserve System to construct buildings for branches of the Federal Reserve banks.

Sec. 10 of the Federal Reserve Act, as presently written, in effect imposes a $60 million limit on the construction of buildings for branches of the Federal Reserve banks. The existing authorization is virtually exhausted, and new buildings are needed to permit the Reserve banks to perform their functions efficiently.

Federal Reserve branches perform functions important to the banking system and to the public, including particularly handling cash and checks. The use of branches by the Federal Reserve banks saves time and money in transporting cash and checks in addition to speeding up the operations of the commercial banking system.

As the economy grows, the workload of the Reserve banks also expands. While technological improvements in the method of handling many Federal Reserve Operations have helped to stem the need for additional space, increases in the volume of operations have more than offset the savings. Some idea of the growth in the workload of Reserve bank branches is indicated by the volume increases in the following activities from 1968 through 1973:

Currency operations.—Increased by 20 percent.

Coin operations.—Increased by 19 percent.

Check collections.—Increased by 40 percent.

The statutory limit on branch building construction applies to the cost of the building proper—that is, the cost of constructing, purchasing, or adding to buildings—but not to the cost of land, vaults, permanent equipment, furnishings, or fixtures. Branch building programs are subject to approval by the Board of Governors in Washington.

Based on current estimates, the increase in authorization of $80 million will allow for construction needed through 1977. The following is a tabulation of the estimated building proper costs of Federal Reserve branch building construction contemplated:

Federal Reserve bank branch:	*Cost*
Baltimore	$24,000,000
Charlotte	15,000,000
Omaha	14,000,000
Los Angeles	26,000,000
Total	79,000,000

Appropriated funds are not used in constructing Federal Reserve buildings; the cost of construction is amortized out of the earnings of the Federal Reserve banks over a period of years.

PURCHASE OF OBLIGATIONS BY FEDERAL RESERVE BANKS

Sec. 109 of the bill would renew, until October 31, 1975, the authority of Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 billion outstanding at any one time. The direct purchase authority is a temporary accommodation to be used only under unusual circumstances.

The authority for Federal Reseve banks to make direct purchase of U.S. obligations was enacted in World War II and has been extended temporarily from time to time since enactment. The last extension (P.L. 93-93, approved August 14, 1973) extended the authority from June 30, 1973 to October 31, 1973. Thus, at present there is no authority for such direct purchases by Federal Reserve banks.

The Committee has been informed by the Treasury that this authority is a needed and useful tool to have under certain circumstances.

The authority has been used in recent years only in periods just prior to tax payment dates. Its existence permits the Department to operate with considerably lower cash balances than would otherwise be required. The availability of the direct purchase authority is also important as a standby means of providing a ready source of funds in the event of a disruption in the private financial markets due to a serious national emergency or a nuclear attack on the United States. This section of the bill, therefore, reinstates the authority of the banks to make such purchases until October 31, 1975.

The following chart indicates the number of times the Treasury has used the direct purchasing authority. As will be noted, this direct borrowing system has been used only 38 times since 1942.

DIRECT BORROWING FROM FEDERAL RESERVE BANKS, 1942 TO DATE

Calendar year	Days used	Maximum amount at any time (millions)	Number of separate times used	Maximum number of days used at any one time
1942	19	$422	4	6
1943	48	1,320	4	28
1944	None			
1945	9	484	2	7
1946	None			
1947	None			
1948	None			
1949	2	220	1	2
1950	2	180	2	1
1951	4	320	2	2
1952	30	811	4	9
1953	29	1,172	2	20
1954	15	424	2	13
1955	None			
1956	None			
1957	None			
1958	2	207	1	2
1959	None			
1960	None			
1961	None			
1962	None			
1963	None			
1964	None			
1965	None			
1966	3	169	1	
1967	7	153	3	3
1968	8	596	3	6
1969	21	1,102	2	12
1970	None			
1971	9	610	1	9
1972	1	38	1	1
1973[1]	10	485	3	6

[1] Through Sept. 30, 1973.

The Committee believes that the temporary authority granted to the Federal Reserve banks to purchase directly U.S. obligations is important as a standby means of providing a ready source of funds to the Federal Government.

EXTENSION OF SUPERVISORY AUTHORITY OVER BANK HOLDING COMPANIES AND SAVINGS AND LOAN HOLDING COMPANIES TO PARENT COMPANY AND SUBSIDIARIES

Sections 110 and 111 of the bill would amend existing law to provide the Federal Reserve Board and the Federal Home Loan Bank Board with additional authority by expanding the scope of cease and desist powers of these agencies to cover parent holding companies and for non-banking subsidiaries.

These sections would not alter present procedures or standards but would simply extend existing cease and desist provisions to remedy a supervisory deficiency.

Under present law, the only available means of dealing with unsafe and unsound practices or violations on the part of a parent holding company is through the sanctions contained in criminal law.

The Committee was informed by the Federal Reserve Board and the Federal Home Loan Bank Board of situations where the actions of a parent holding company or its non-financial institutions subsidiaries constituted a serious threat to the safety, soundness, or stability of a subsidiary financial institution.

The present cease and desist procedure continued in existing law enables the Federal supervisory agencies to move quickly and effectively to correct unsound or illegal practices by financial institutions and the extension of this authority will better equip the agencies to assure that financial institutions are not endangered with respect to activities engaged in by parent holding companies or for non-financial institution subsidiaries.

The Committee believes that the principal concern of the Federal supervisory agencies in discharging their responsibilities under the Federal law should be with the soundness of affiliated financial institutions. It is clearly in the public interest that these institutions remain sound and viable whether operated independently or as part of a holding company system. The cease and desist authority that the Committee recommends will, among other things, help prevent or terminate practices which might result in significant damage to depositors or to public confidence in the financial system. However, the Committee expects that the agencies will not use this authority to interfere unduly in the affairs of nonbank subsidiaries.

INDEPENDENCE OF REGULATORY AGENCIES

Section 112 applies to the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the National Credit Unit Administration. It would clarify existing law by providing that no government official may require any of these agencies to submit for prior review or approval their legislative recommendations, testimony or comments to the Congress. Similar provisions have already been enacted into law with respect to the Consumer Product Safety Commission. To ensure that there is no misunderstanding, Section 112 requires that the agency include in its recommendations or testimony a statement indicating that the views expressed are those of the agency and do not necessarily represent those of the President.

The purpose of this section is to preserve and strengthen the independence of these agencies, which were originally created by the Congress to be free of control by the executive branch. In some cases, agency officials have felt that before testifying to the Congress, they must clear their testimony with the Office of Management and Budget. This section is designed to correct that misimpression. In so doing, it should not be inferred that the Committee believes the financial regulatory agencies are required by existing law to clear their congressional testimony with the Office of Management and Budget. The Federal Reserve Board has been especially independent of the executive branch and the Committee, in recommending the adoption of Section 112, is simply restating and clarifying the independence of the financial regulatory agencies implied under existing law.

Because Congress delegated its own legislative power to these independent agencies, it is important to prevent executive usurpation of their powers. If these agencies are to be effective in their vital role of preserving the integrity of our financial institutions, it is essential that each of their administrators must be capable of informing Congress exactly what he and his agency believe to be the facts about the matter before it. The public interest will be far better served if legislative recommendations and comments are presented directly to the Congress, without regard to whether they conform to the official Administration position. Of course, nothing in the amendment would prevent the Administration from making its views known to the Congress. Thus the Congress would have the benefit of the Administration's judgment as well as the judgment of the independent financial regulatory agencies.

INCREASE IN AUTHORITY OF THE TREASURY TO PURCHASE HOME LOAN BANK OBLIGATIONS

Section 113 of the bill would increase by $3 billion the authority of the Secretary of the Treasury the discretionary authority of the Secretary of the Treasury to purchase Federal Home Loan Bank obligations.

In 1950 the Congress authorized the Secretary of the Treasury, in his discretion, to purchase obligations of the Federal Home Loan Banks, up to $1,000,000,000 as an aggregate amount to be outstanding at any one time. The Senate report on this action noted that it would aid the housing markets by providing "Government support to the Federal home loan banks in supply the credit needs of their members in any possible future emergency in which the banks could not obtain sufficient funds in the private money market." The Senate report also stated: "In addition, it is believed that the very existence of this Government support would, under less favorable economic conditions, tend to stabilize the Federal Home Loan Bank System even though the support is not actually used."

In 1969, the Congress expanded the purchasing authority of the Secretary of the Treasury of $4,000,000,000. This increase was in recognition of the subsequent expansion of the Federal Home Loan Bank System and of its massive support to the distressed housing market at the time.

The Committee finds that these same factors are present at this time. But, in addition, the Secretary of the Treasury and the Federal Home Loan Bank System have recently acted, at the request of the President, to employ $3 billion of the $4 billion authorization on a standby basis to initiate a new commitment program for conventional mortgages.

This amendment temporarily increases the purchasing authority of the Secretary to $7 billion in recognition of all of these circumstances, particularly the $3 billion standby commitment of the Secretary under the President's recent housing initiatives.

This amendment was adopted by the Committee by a vote of 6–5.

COMPLIANCE WITH STATE LAW

The Committee adopted an amendment included under Section 114 of the bill which makes it clear that federally chartered financial institutions are subject to certain State consumer protection laws. The amendment is supported by the National Association of State Bank Supervisors and the National Association of State Savings and Loan Supervisors.

Section 114 would provide that no rule, regulation or order issued by the Federal Home Loan Bank Board, the Comptroller of the Currency or the National Credit Union Administration shall prevent or exempt a federal credit union from complying with any State law or regulation which protects borrowers by limiting the terms and conditions of a mortgage loan or consumer credit contract. Notwithstanding this general policy, the amendment would provide that federally chartered institutions can be exempt from State law in particular instances where Congress specifically grants an exemption. The amendment also would make it clear that the federal supervisory agencies are not precluded from using their regulatory power to afford borrowers greater protections than those contained in State law.

The need for a clarifying amendment stems from several recent interpretations of the Federal Home Loan Bank Board to the effect that the regulations of the Board with respect to the operations of federal savings and loan associations preempt any contrary State law. Under these interpretations, the Board has held that federal savings and loan associations do not have to comply with State laws establishing limitations on escalator clauses, prepayment penalty clauses or other similar clauses, even in those cases where the State law affords the borrower with a greater degree of protection.

During the Committee's consideration of this issue, some doubt was expressed that the Bank Board has the authority to preempt State law by regulation and it was suggested that the matter might be clarified through the courts. However, a majority of the Committee felt that a court test of the Board's authority would prove time consuming and perhaps inconclusive and that a clear and immediate clarification of Congressional policy was necessary.

The Committee believes that federally chartered financial institutions should be subject to State consumer protection laws for the following reasons:

(1) *To safeguard State's rights.*—Unless there are overriding interests to the contrary, the federal government should not interfere with the efforts of a State to protect consumers. Federally chartered financial institutions are subject to a wide variety of State laws including laws dealing with taxes, branching, fire and building codes, conversions, usury and the like. The Committee sees no reason to make a special exception for consumer protection laws.

(2) *To restrict unlimited administrative power.*—Even if a case could be made for preempting a State consumer protection law in a particular area, the power to reverse the judgment of a State should not be delegated to a federal administrative agency. The Comptroller of the Currency and the National Credit Union Administration are headed by one man, while the Federal Home Loan Bank Board is headed by three. These non-elected officials should not be given the power to over-rule by a stroke of the pen, the considered judgment of a State Legislature and its governor. Only Congress should make such a decision if it is to be made at all.

(3) *To preserve the dual banking systems.*—If federally chartered financial institutions are exempted from State consumer protection laws, these institutions would be given an unfair competitive advantage over State chartered financial institutions. If State chartered institutions are able to live under State consumer protection laws, there is no reason why federally chartered institutions should not abide by the same rules.

(4) *To conform to federal policies on usury.*—With certain exceptions, national

banks and federal savings and loan associations are specifically required by federal law to comply with State usury laws. Legislation establishing limitations on the terms and conditions of a mortgage loan or consumer credit contract is simply an extension of the usury law in that both are designed to protect borrowers by limiting the amount of revenues accruing to creditors. Accordingly, Section 114 would clarify that this broader interpretation of State usury laws is applicable to federally chartered financial institutions.

AUTHORITY OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO PURCHASE MORTGAGES FROM STATE INSURED INSTITUTIONS

Section 115 would expand the powers of the Federal Home Loan Mortgage Corporation by authorizing the corporation to purchase, and make commitments to purchase, residential mortgages from any financial institution the deposits of which are insured under the laws of any State if the total amount of time and savings deposits held in all such institutions in that State is more than 20 percent of the total amount of such deposits in all banks, building and loan, savings and loan, and homestead associations (including cooperative banks) in that State.

In adopting this provision the Committee was mindful of the President's recent announcement of a plan to permit the Federal Home Loan Mortgage Corporation to purchase, and make commitments to purchase, conventional mortgages on newly constructed homes at below market interest rates (8¾%). This plan, which has been called the "conventional tandem plan," would be implemented by using Treasury borrowing power conferred by Section 11(i) of the Federal Home Loan Bank Act, as amended.

The "conventional tandem plan" would be available through the majority of mortgage lending institutions in all States except Massachusetts, where, for historical reasons, mutual savings banks, which are the dominant mortgage lenders in that State, have their deposits insured by the Massachusetts Central Fund. In adopting Section 115 the Committee sought to make available to Massachusetts homebuyers the same opportunity presently enjoyed by residents of other states to participate in the "conventional tandem plan." The Committee believes that mortgage money which is offered at below market interest rates with U.S. Treasury backup should be equally available in all states.

ESTABLISHMENT OF NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS

Title II of the bill would provide for the establishment of a National Commission on Electronic Fund Transfers.

The Commission would be composed of 20 members appointed by the President and including the Federal Reserve Board, Treasury, Comptroller of the Currency, FDIC, Federal Trade Commission, Federal Home Loan Bank Board, National Credit Union Administration, a State-regulatory officer, 6 individuals representing banking, thrift, and other business entities, providing for one representative each of commercial banks, savings and loan associations, mutual savings banks, credit unions, retailed users of EFTS, non-banking institutions offering credit card services, and 6 individuals from private life who are clearly identifiable as representing the public and consumers best interest.

The bill further would provide that the Chairperson of the Commission and the Executive Director shall be confirmed by the Senate. The function of this Commission is to conduct a thorough study and investigation of electronic funds transfer system and to recommend appropriate administrative action and legislation taking into account among other things:

(1) The need to preserve competition among the financial institutions and other business enterprises using such a system;

(2) The need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system;

(3) The need to afford maximum user and consumer convenience;

(4) The need to afford maximum user and consumer rights to privacy and confidentiality;

(5) The impact of such a system on economic and monetary policy;

(6) The implications of such a system on the availability of credit;

(7) The implications of such a system expanding internationally and into other forms of electronic communications; and

(8) The need to protect the legal rights of users.

Title II also would require that the Commission consult with and receive advice from the Department of Justice and that they transmit to Congress not later than two years after enactment a final report of its findings and recommendations.

The Commission has an authorization for appropriations not to exceed $2 million.

The Commission recognized that our national payments mechanism—the system used to transfer funds from one individual or business to another—is constantly changing and developing. The concept of electronic funds transfer systems is the newest of a long series of developments. In early times, affairs of finance were conducted through bartering. Then came coins, currency, checks, and finally credit cards. Each has advantages over the other, yet all have substantial drawbacks. Currency is not safely transmitted through the mail, nor is it practical in transactions involving large sums. The sheer volume of checks that pass through our banking system is staggering. It has risen from 16 billion in 1966 to 23 billion a year currently, not including the billions of checks issued by the Federal Government.

Faced with this situation, both industry and government have made attempts to apply modern computer and communications technology to the needs of the payments mechanism. Experimental programs and pilot projects are already in progress in various locations. In some of these programs, computers and data transmission system are being utilized to perform some of the traditional functions of clearinghouses which sort and process paper checks. Thus, for example, some individuals are today receiving payroll deposits and are paying some of their bills electronically. Experiments involving the use of this technology in retail transactions are also in progress. Results to date are inconclusive.

The Committee recognize that the concept of electronic fund transfers poses a number of questions which must be resolved before any rational decisions can be made and that ultimately the answers to these questions must be resolved by Congress.

The Committee is concerned that without sufficient study that electronic funds transfers development could result in distortions to competition and the invasion of individual citizens' right to privacy and confidentiality.

During the existence of this study Commission, the Committee would urge that Federal agencies involved in electronic funds transfers as well as those engaged in such activity in the private sector recognize that this potential payments mechanism is in an experimental stage and, therefore, is subject to substantial change and modification.

The Committee is concerned that premature action by the Federal Government or private industry could have serious ramifications. If clear that Congress will be called upon to determine the extent and manner in which this potentially new payment system will operate.

The Committee believes, therefore, that during the existence of the Commission that actions taken both by Federal regulatory agencies and private industry be of an experimental rather than of a permanent nature.

CORDON RULE

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate in connection with this report.

ADDITIONAL VIEWS OF SENATORS WILLIAM PROXMIRE AND HARRISON WILLIAMS

NEED FOR A GAO AUDIT OF THE FED

Unfortunately, the Committee rejected an amendment to authorize the General Accounting Office to audit the operations of the Federal Reserve Board, thus ending a 40-year period in which the Fed was the only important agency of government not audited for Congress by the GAO. Specifically, the amendment directed the Comptroller General to make an audit, at least once in every three years, of the Federal Reserve Board, the Federal Reserve Banks, branch banks, related agencies and facilities, and to report the results to the Congress, together with suggestions for more efficient administration and with a listing of activities found by the GAO not to be in compliance with the applicable law. In order to safeguard the confidentiality of certain delicate monetary operations, the amendment provided that the GAO audit would not cover examination reports of Federal Reserve member banks or transactions conducted on behalf of foreign central banks. For the same reason, operations concerning open market transactions and discount policy determined by the Board to be sensitive would not be available for audit by the GAO until one year after their occurrence.

Despite the fact that the Fed has been largely exempt from GAO audit since the 1930's, the audit principle has already won widespread support. The House Banking and Currency Committee has approved a bill identical to my amendment, and even those who dissented stated that they favored at least a partial audit. By a vote of 333 to 20, the full House approved a bill containing a more limited audit of the Fed's administrative expenses. In its annual report, the Joint Economic Committee has strongly endorsed periodic audit of Federal Reserve Board activities as part of a program to make the Fed more accountable to the Congress. Support has also come from outside groups inside and outside the financial industry, including the National Association of Homebuilders, the AFL-CIO, National Savings & Loan League, the U.S. Savings and Loan League, the Credit Union National Association, the Independent Bankers Association of America and the National League of Insured Savings Associations.

Resistance to the idea has come almost exclusively from the Fed itself. Federal Reserve officials have stated that GAO audits would interfere with the independence of the Fed, particularly in the sensitive area of monetary policy. There is no truth to this objection. Under the proposed legislation, GAO would review finances, management and programs, and report to the Congress on the efficiency of operations and on whether the programs are fulfilling the purposes Congress envisioned in the Federal Reserve Act and other legislation. But the GAO could not dictate what the Fed's programs should be, nor could it direct the Fed's monetary policies. GAO can only call the attention of Congress to the programs and actions which it finds are inefficient or not in accordance with the purposes of Congress, without in any way affecting the Fed's power to make its own decisions. Its work is purely informational.

Another objection sometimes made is that the Fed already conducts its own audits assisted by private accounting firms. However, these audits are not as complete as GAO audit. The private audit addresses only the question of whether the financial state of the audited bank has been accurately represented in its reports. It does not address questions of economy, efficiency, or legality. A private auditor is not qualified to evaluate matters of public policy for the Congress; only the GAO can do that.

Others argued that the GAO should not be allowed to audit the Federal Reserve System because the GAO lacks experience in this area. However, GAO audits virtually every agency of the government, including the Department of Defense and the Atomic Energy Commission, both of which are engaged in sensitive, complex and technical operations. Not only has GAO established its expertise in auditing these agencies, but its audits have not in any way hampered operations of any agency and have in fact brought about savings of millions of dollars.

The Federal Reserve System should be audited because, to look at the matter realistically, it is in fact spending government funds. The operational expenses of the Fed are paid out of the interest on the Treasury bonds it holds, and the remainder of that interest is returned to the Treasury. Every dollar that the Fed spends is a dollar which will somehow have to be raised from the taxpayers. The legality and propriety of the Fed's expenditures is therefore a matter of compelling interest to Congress.

Furthermore, astronomical sums of money are involved. The Fed holds in its open market portfolio about $76 billion in government securities—about 20% of the national debt. Even greater amounts are involved in its clearinghouse functions. In recent testimony, George W. Mitchell, Vice Chairman of the Board of Governors, states that the Federal Reserve System annually handles a flow of 27.8 billion pieces of coin and currency with a value of $53.2 billion, 9.8 billion checks totalling $3.7 trillion and wire transfers amount to $17 trillion. The very magnitude of these responsibilities cries out for the improved congressional oversight which only a regular GAO audit can make possible.

The Fed's own operational expenditures have been rapidly increasing, reaching $495 million in 1973, an increase of 104% from 1968 levels. During this same period, federal outlays increased by only 49%. Thus, expenditures by the Fed are increasing more than twice as fast as federal expenditures.

If the Fed proceeds with its plan to establish an electronic funds transfer system to replace the present check clearing system, millions of dollars of additional capital and operating expenditures will be required. An audit is required to make sure these funds are spent wisely.

It should also be noted that under the bill reported by the Committee, the Fed is authorized to spend an additional $80 million for the construction of branch banking facilities. New buildings are planned for Baltimore, Charlotte, Omaha and Los Angeles. It is expected that over $70 million will have been expended on these projects by 1977. At present, Federal Reserve construction procedures may best be described as highly informal. Competitive bidding is not required. The other safeguards which the General Services Administration imposes on most federal construction are not applicable to the Fed. Under these circumstances, a GAO audit is needed to provide at least minimal protection against extravagent or improper expenditures.

All this is not to declare that there is any serious problem with the way the Fed conducts its operations. Rather, it is to say that where any agency of government is as powerful and important as the Fed, it is vital that Congress have readily available all the information it needs to evaluate its performance. True, the Board provides specific information on request. But, Congress lacks the staff to gather and evaluate on a regular basis all the data needed for effective oversight. This is what the GAO is for, and it performs this function admirably in auditing other agencies. For the most part, the only information Congress now gets about the Federal Reserve System is what the Fed wants it to have. Surely there can be no compelling reason for continuing to accept this anomalous and undemocratic arrangement. It is time to make the Fed accountable to the Congress.

HARRISON WILLIAMS,
WILLIAM PROXMIRE.

ADDITIONAL VIEWS OF SENATOR WILLIAM PROXMIRE

STOCK CONVERSIONS OF SAVINGS AND LOAN ASSOCIATIONS CONTRARY TO PUBLIC INTEREST

The Committee approved an amendment which substantially repeals the moratorium on Savings and Loan stock conversions in effect since 1963. Under Section 105 of the bill, the Federal Home Loan Bank Board is authorized to approve up to 30 conversion plans over the next two years in the 22 states which permit conversion from the mutual form of organization to the stock form of organization. In addition, the Board is authorized to approve more than 30 additional conversions in the remaining 28 states should these states enact legislation authorizing mutual savings and loan associations to convert to capital stock associations.

HISTORY OF THE CONVERSION ISSUE

Under the Home Owners Loan Act of 1933, Congress authorized the chartering of federal mutual savings and loan associations. Mutual savings and loan associations may also be chartered in all 50 states. In addition, 23 states have authorized state charters for capital stock associations. At the end of 1972, mutual associations comprised 86% of all associations and held 79% of the assets of the S&L industry as indicated in Table I:

TABLE I

Form of organization	Number of association	Percent	Total assets (billions)	Percent	Net worth (billions)
Federal mutual	2,044	49	$136	58	$8.3
State mutual	1,560	37	51	21	3.3
Subtotal mutual	3,604	86	187	79	11.6
State stock	587	14	49	21	3.1
Total	4,191	100	236	100	14.7

In 1948, Congress passed legislation which the Federal Home Loan Bank Board interpreted as authorizating the conversion of mutual savings and loan associations into capital stock associations. Under this authority, the Board approved 58 conversion plans from 1948 through 1963. However, because of various inequities and abuses arising from these conversions, the Board in 1963 established an administrative moratorium on any further conversions. With one exception the moratorium on conversions has been maintained up to the present time.

The basic problem in permitting the conversion of savings and loan associations from the mutual to the capital stock form of organization is how to dispose of the net worth which the mutual association has accumulated over the years. It is not clear as to who, if anyone, has an ownership claim on this net worth. The danger involved in conversion is that the accumulated net worth will be appropriated for the benefit of those insiders who engineer the conversion plan. The potential for abuse is enormous since the net worth of mutual savings and loan associations reached $11.6 billion by the end of 1972.

In an exhaustive study of the Savings and Loan Industry directed by Irwin Friend of the University of Pennsylvania, the conversions from mutual to stock occurring during the 1948–1963 period were carefully reviewed. The Friend report, issued in 1969, catalogued a number of serious abuses associated with the conversion process. These include the following:

"Depositors were not given adequate information about the conversion plan;

"Dissenting shareholders who did not like the conversion plan were not given any alternative means of realizing their claim to a share of reserves and surplus;

"In a majority of pre-1963 conversions the control group initiating the conversion was able to appropriate a large part of the net worth. The Friend report indicates that this finding is consistent with the view expressed by most knowledgeable observers, that the pre-1963 conversions generally ended up with somewhere between 75 and 100 percent of the permanent stock owned by the management group.

"Conversion plans were often initiated by the most dubious elements within the savings and loan industry. For example, in 1961–62, 23 associations in Illinois were permitted to convert from mutual to stock companies. Eight of these associatons had failed by the end of 1968."

After discussing whether these abuses could be preserved through stricter regulations, the Friend report concludes with the following observation:

But even if we could assume that regulation is able to overcome these possible sources of inequity, we are left with a paradox: if true equity is established the entrepreneurial basis for interest in conversions may be reduced to a point where few conversions may take place. Thus, if a transformation from mutual to stock structure is deemed desirable, this may require some degree of inequity as a condition for reasonably speedy transformation. Another aspect of equitable conversion is that it necessitates detailed supervisory intrusion into the process. If this intrusion is carried out with the detail and conscientiousness of the Houston conversion, there may be few conversions. If it is compromised either by lax enforcement or a move to general rules without close surveillance, entrepreneurial capture of mutual net worth may be resumed and the rate of conversions accelerated, at the expense of equity."

In 1972 the Home Loan Bank Board temporarily suspended the moratorium on conversions and approved a test conversion plan involving a San Francisco savings and loan association. Shortly thereafter, the Board announced it would consider further applications for conversions pursuant to proposed regulations published in January of 1973. These proposed regulations provoked such a controversy that in August of 1973 the Congress imposed a statutory moratorium on conversions. The statutory moratorium expires on June 30, 1974. Congress must now consider whether to continue the moratorium or to permit conversions to occur.

PROBLEMS WITH CONVERSIONS

As the 1948–63 experience so clearly indicates, the major problem associated with conversion plans is the possibility of windfall profits accruing to a small group of insiders who initiate the conversion plan. Any scandals involved in the conversion process can have an adverse effect upon the entire S&L industry. Evidence of windfall profits going to a select few could easily undermine public confidence in the integrity and financial reputation of all savings and loan associations. Should this occur, the abilities of savings and loan associations to attract the deposits required to meet our housing needs could be severely impaired.

Another problem with permitting conversions from mutual to stock is the danger that the major portion of the savings and loan industry could come under the control of holding companies. For example, 68% of the assets held by capital stock savings and loan associations are already under holding company control. Moreover, unlike the Bank Holding Company Act, savings and loan holding companies owning only one association are permitted to engage in any activity no matter how far removed from the S&L business. The Federal Reserve Board has even permitted bank holding companies to own and operate savings and loan associations. Thus if conversions are possible, many mutual S&L's could be taken over by large conglomerate corporations or bank holding companies or S&L holding companies.

The prospect of take over by S&L holding companies would seem to be confirmed by the reactions of S&L holding companies to the Board's new conversation regulations. In a letter to association members dated January 25, 1974, an official of a trade association representing S&L stock companies talked about the "fantastic acquisition opportunities" arising from the new Board conversion regulations. One of the reasons why Congress provided only mutual charters for federal savings and loan associations in 1934 was to insure their independence and local character. Mutual associations, by their very nature, are immune from mergers, acquisitions, tender offers or other forms of corporate takeover. The independence and local orientation of mutual savings and loan associations could be radically transformed if these associations are permitted, through the conversion process to pass under holding company control.

NO CASE FOR CONVERSION

Some of the problems stemming from conversions might be minimized through the administrative regulations and policies of the Home Loan Bank Board. However, Congress has little control over these policies. Any statutory authority for conversions thus involves some degree of risk that abuses will still occur in spite of the Board's policies and regulations. Congress might be willing to accept these risks if there were demonstrable and substantial public benefits arising from the conversion process. However, the Bank Board has been unable to demonstrate any benefits from conversions that could not be realized through other means.

The main argument advanced by the Bank Board was that conversions would permit mutual savings and loan associations to raise more capital by issuing capital stock. Implicit in this argument is the notion that there are a substantial number of capital deficient associations whose operations could be substantially expanded if they had access to the capital markets. The argument is fallacious on a number of grounds.

First of all there is no significant difference between mutual and stock associations in the amount of capital employed. At the end of 1972, the net worth of all mutual associations comprised 6.19% of total assets. The comparable figure for capital stock associations was 6.31%. Thus mutuals have done about as well as stock companies in raising capital.

Second, those who apply for conversions do not conform to the Board's picture of a capital deficit association. The net worth of the 16 conversion applicants on file with the Board is 6.02% of total deposits, or 20% above the statutory minimum of 5% for established associations. The most vociferous conversion applicant has a net worth to deposit ratio of 8.09%, well above the industry average. Whatever the claims of the Board, the motivation for conversions must be ascribed to other grounds.

Third, the Board has other alternative methods for meeting the capital needs of mutual associations. It could authorize savings and loan associations to meet a portion of their capital requirements through the issuance of subordinated debentures, an option now available to commercial banks. Second, those associations who are capital short can still meet all the legitimate demand for mortgage loans in their community by selling a portion of those loans to the Federal Home Loan Mortgage Corporation, a subsidiary of the Home Loan Bank Board. This was one of the purposes Congress had in mind when it created the corporation.

It has also been argued that conversions should be encouraged on the grounds that capital stock associations are generally better managed. However, the Bank Board presented no evidence to substantiate the claim. In fact, the claim that stock associations are more efficient was rejected by the Friend Report on the S&L industry. The Friend study examined the operating characteristics of stock and mutual associations in great detail and concluded there were no significant differences in their efficiency. As a matter of fact, figures compiled by the Home Loan Bank Board indicate that capital stock companies experienced a financial loss rate 3½ times greater than the comparable rate for mutual associations. These figures would tend to suggest that stock associations are managed less effectively compared to mutual associations.

In summary, the Board failed to make a case for any significant public benefits which might arise from permitting mutual associations to convert to capital stock associations. Conversions will not raise more money for housing that could not be raised through other means. There is no convincing evidence that stock associations are better managed than mutual associations. Nor is there any great demand for conversions within the savings and loan industry. The U.S. Savings and Loan League, which represents 95% of the industry, is opposed to the Board's conversion legislation. Conversions are also strongly opposed by the Council of Mutual Savings Institutions, an organization representing mutual savings and loan associations.

BOARD CONVERSION PLANS DEFICIENT

Even if one were to concede the argument that conversions are in the public interest, the specific conversion plans advanced by the Board are clearly deficient. Two plans have thus far been developed by the Board. The first plan was announced in January of 1973 and provided that the depositors in a converting association as of a record date would receive a free distribution of their pro-rata share of the association's net worth. The distribution would be in the form of common stock certificates which could be resold in the open market.

There are two serious defects in the so-called free distribution plan. First, it is unfair and arbitrary in the manner in which it rewards depositors. A depositor who had his money in a mutual association for 20 years and who thus helped to build up the association's net worth would get nothing if he withdrew his funds one day before the record date established in the conversion plan. Conversely, a depositor who put his money in the association one day before the conversion date (possibly as a result of inside information) would receive a windfall profit.

Second, the free distribution plan would have a disruptive effect on the savings and loan industry. Once the possibility of conversions became widely known, depositors would shift their money from association to association in anticipation of the windfall distributions accruing from the conversion process. Because of the pressures brought by depositors, mutual associations would be forced to convert whether they wanted to or not. The structure of the entire savings and loan industry could thus be radically transformed in a relatively short period of time.

When the Board presented its first plan to Congress, these difficulties were minimized. The Board assured the Congress that its free-distribution plan was the only fair and workable method for effecting conversions. Fortunately, the Congress did not buy the Board's arguments and instead imposed a statutory moratorium on any further conversions. (PL 93–100 enacted August 16, 1973).

Following the statutory moratorium imposed by Congress, the Board re-examined its free-distribution plan and discovered that the critics of the plan were right after all and the Board was wrong. The Board concluded that the free distribution method *was* unfair and disruptive.

Following its rejection of the free-distribution method, the Board announced a second plan in February of 1974. This plan calls for the sale of stock shares rather than their free distribution. Depositors would be given the first opportunity to purchase these shares in amounts proportionate to their deposits as of a record date. Any shares not purchased by the depositors would be made available to management and the general public. The value of the new stock shares would be equal to the fair market value of the association as determined under procedures to be specified by the Board. The fair market value could be more or less than the association's book value depending upon prevailing market prices for the shares of capital stock associations.

In its latest testimony before the Committee, the Board once again tried to convince Congress that it has discovered the one fair and workable method for processing conversions. However, there are serious defects in the Board's second plan that in some ways render it even more unacceptable. The major defect with the Board's latest proposal is the strong possibility that windfall profits will accrue to management or other insiders.

The probability of windfall profits is inherent in any stock sale plan where the owners of the new stock acquire an ownership right in the existing equity of the converted associations. For example, assume a mutual association with assets of $100 million and a net worth of $6.2 million, the owners of the new capital stock association would be required to purchase stock shares in the amount of $6.2 million. However, the infusion of $6.2 million in new capital will double the net worth of the association to $12.4 million. Thus the owners of the new stock association wind up paying $6.2 mililon for an association whose net worth has suddenly become $12.4 million. In effect, they have doubled their money overnight.

The Board argues that these windfall profits are largely theoretical in terms of today's stock market. S&L stocks are now selling at a Price/Earnings ratio of around 5. Thus the Board argues that the market value of the converted association would still be only $6.2 million despite its book value of $12.4 million. In effect the Board is proposing to set the fair market value of a converting association at an amount equal to the earnings after conversion (taking into account the incremental earnings derived from the new capital) multiplied by the prevailing Price/Earnings ratio on S&L common stocks.

The Board asserts that it is proper to undervalue an association for conversion purposes as long as the market for S&L stocks in general is undervalued. Under this approach, there is a built-in incentive to convert when the market for S&L stocks is abnormally depressed. The managers of an association are in the best position to know its true worth and can take maximum advantage of this knowledge to time the conversion plan and acquire stock in the converted S&L at a bargain basement price. The Board does not propose to limit the number of shares which can be acquired by management and one witness quoted a knowledgeable investment banking source to the effect that under the Board's plan, management or their associates would wind up with 75% of the stock.

In addition to the built-in incentive of management to initiate conversions when the P/E ratio of S&L stocks is abnormally low, the mechanics of the Board's appraisal method makes conversions progressively more difficult as the P/E ratio returns to more normal levels even assuming the managers of a mutual wanted to convert. For example, if the P/E ratio on S&L stocks were to return to its historic average of around 12, it would take more than $60 million under the Board's formula to purchase a mutual S&L with a net worth of only $6.2 million.

How many investors would be willing to buy stock in a converted S&L at a price more than ten times the book value prior to conversion?

In summary, the only time the Board's new conversion plan is workable, from the point of view of both management and investors, is when the market for S&L stocks is abnormally low. This is precisely the time when the probability of windfall profits accruing to insiders is at a maximum.

EXPERIMENTATION UNSOUND

Despite the inherent defects in the Board's new plan, a majority of the Committee decided to permit the Board to process a limited number of conversions on an experimental basis. However nothing will be gained from these experiments when the basic conversion plan is inherently defective. The situation is analagous to an airplane manufacturer who discovers serious errors in the design plans for a new aircraft which increases the probability that the plane will crash. Under these circumstances, the airplane manufacturer doesn't experiment with the lives of test pilots by building a limited number of aircraft for experimental purposes. He sends the engineers back to the drawing board and tells them to produce a better plan. This is what the Congress should tell the Home Loan Bank Board. It is inappropriate and contrary to sound public policy to "experiment" with windfall profits.

Another problem with the experimental approach taken by the Committee is that it prejudices the adoption of other approaches to the conversion issue which have not been adequately considered by the Board and which may be more promising. For example, the Friend report on the S&L industry suggested that one method for solving the windfall profit problems would be to distribute the equity in a converting association to the F.S.L.I.C. According to the Friend report,

"The mutual shareholder has an excellent legal claim to the net worth of a converting association, but his moral claim is not especially strong. We have seen that mutual shareholders, especially under rate control, are nonparticipating de facto creditors. Furthermore, they do not expect to realize any claim on net worth, so that their conversion profits would constitute windfall gains. Since the capital value of the bulk of mutual shares is insured by the FSLIC, profits of conversions accruing to shareholders also cannot be said to be a reward for risk bearing. Thus the case for shareholders participation, while legally sound, is otherwise not very compelling. It may be argued plausibly that the FSLIC, as the primary risk bearer and as the representative of the taxpaying public, has at least as good a moral claim to participation in conversion profits.

A similar approach is contained in S. 3224 which I introduced. Under this bill, the equity in a converting association would be transferred to a public trust and used for the purpose of improving low and moderate income housing. However, the depositors of the association would still retain a residual claim on the equity transferred in the event the association ever liquidated subsequent to conversion.

Under the experimental approach recommended by the Committee, the Board would be free to approve a limited number of conversions on the basis of its second plan involving the sale of stock and retention of the association's existing equity. These conversions would create certain precedents and expectations which would be difficult, if not impossible to reverse, if it were subsequently decided that the public trust fund approach should be adopted. Thus the so-called "experimental" approach taken by the Committee is largely illusory. For all practical purposes, the Committee has approved the Board's latest plan lock, stock, and barrel.

SPECIAL INTEREST PROVISIONS

Perhaps the worst feature of the Committee bill is a proviso giving three associations the option of converting under the Board's earlier free distribution plan which even the Board now acknowledges is contrary to the public interest. None of the three associations testified before the Committee and no evidence was presented during the hearings or the Committee's markup as to why these three associations should be singled out for such favorable treatment. How can members of Congress conscientiously permit three associations to give away free stock to their depositors when all other associations are denied the same right?

The proviso in question is contained under Section 402(j)(2) of the National Housing Act which is added by Subsection 105(d) of the Committee bill. Although the language is written in apparently general terms, only three associations qualify for its benefits—the Prudential Savings and Loan Association of Salt Lake City, Utah; the First Federal Savings and Loan Association of Phoenix, Arizona; and the First Federal Savings and Loan Association of Tucson, Arizona.

The Federal Home Loan Bank Board is strongly opposed to these special exemptions. In an unusually strong letter to the Chairman of the Subcommittee on Financial Institutions, the Board stated its unequivocal opposition to the special exemptions approved by the Committee. The full text of the Board letter is reprinted at the end of these views.

William Proxmire.

Federal Home
Loan Bank Board,
Washington, D.C., May 20, 1974.

Hon. Thomas J. McIntyre,
Chairman, Subcommittee on Financial Institution, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In my letter to you of May 13, 1974, I discussed the matter of a legislative exception to any conversion moratorium provision, which would specially authorize Prudential Federal Savings and Loan Association to convert on a free distribution basis. My letter objected to a certain draft of such an exception on grounds which included the facts that the draft was applicable to other associations, embodied in correct legal assumptions, and failed to specify any distinguishing features of the Prudential situation that the Congress might determine could justify a special exception. In order to make the nature of our concern completely clear, we provided a draft example of a special exception that would avoid these difficulties.

My letter specifically did not endorse such an exception and indicated that any decision on this matter was ultimately one for the Congress to make. I now understand that the Subcommittee is giving consideration to one or more special provisions the effect of which would be to authorize Prudential, as well as certain other associations, to convert on a free distribution basis and which may be worded in a manner that might cause future interpretative and litigation problems. This fact is extremely disturbing to the Board, and while we continue to believe that this is a matter for the Congress ultimately to determine, I believe that under these circumstances it is now necessary for the Board to state its advice to you clearly and plainly.

It is the Board's view that no special exceptions authorizing conversion on a free distribution basis are warranted in the Prudential case or in any other case. We would urge the Subcommittee to reject all such exceptions, however drafted. The reasoning behind this position may be quickly summarized in the following two paragraphs.

First, after the fullest consideration the Board has come to the conclusion that conversions on a free distribution basis cannot be authorized without unacceptable injury to the public interest. For the Congress to deliberately sanction conversion on such a basis even in a single case creates a precedent of the most damaging sort, given our present state of knowledge.

Second, while there are circumstances in the Prudential case and in two cases in Arizona which can be cited to distinguish them from other cases, we do not believe that these circumstances justify special treatment. No two things are ever completely alike and they can obviously be distinguished if one wishes to do so. The real question is whether the distinctions amount to such a difference in kind that completely different treatment of them is merited.

In this connection a brief review of certain past history may be helpful. In July of 1972, following the Citizens test conversion, the Board announced its willingness to accept the filing of study applications.

It was hoped that these would elicit in a concrete way suggestions and problems that were not identified in the single Citizens experiment. The Board's moratorium clearly continued in effect both generally and as to these applications. Five applications were soon received, but with the exception of the Prudential application, they were so incomplete that they were of no assistance whatsoever. The two Arizona associations were not among these study applicants. In September 1972 the Board therefore abandoned the idea of accepting study applications and announced that it would proceed to propose conversion regulations of general applicability.

These regulations were proposed in January of 1973, and at the same time the Board proposed to formally revoke its old and inadequate conversion regulations which had been inoperative since 1963. In March 1973, after receiving a very heavy volume of public comments, the Board announced that it would not adopt the January proposals, but would proceed with revised proposals. When the Congress then began to consider moratorium legislation, it was thus quite clear to all concerned that the Board planned to revoke its old, inoperative regulations and to propose at some future date further regulations the nature of whose provisions was unknown. In addition, when the possibility arose that the Congress might make some special provision for associations that had previously filed applications with the Board, the two Arizona associations attempted to do so in an effort to create a "grandfather" position for themselves.

The Committee of Conference acted on the moratorium legislation on May 22, 1973. It approved a shorter moratorium until December 31, 1973 for "study applications" filed prior to the date of the Conference and a longer moratorium until June 30, 1974 for all other applications. It is our understanding that the Conference intended this shorter moratorium for those associations which had originally actually filed study applications with the Board and that the May 22, 1973 date was chosen because of uncertainty during the Conference as to the exact dates of the Board's prior actions. This would clearly exclude the Arizona associations and probably would not have given recognition to their efforts to manufacture a "grandfather" status.

Regardless of that point, however, it seems clear that the intent of the Congress was to grant the study applicants a priority as to timing of processing, but to require that their applications be processed in accordance with the revised regulations which all concerned knew the Board was developing. The December 31, 1973 date makes little sense unless it is considered to mean that the Board had at least until that date to develop those regulations. The Board in fact proposed these regulations on November 28, 1973. They were adopted in final form on February 28, 1974, the delay of 2 months being attributable to the difficulty of the subject and the many other competing demands on the Board's time. In addition, the language of the statute itself, and its construction both judicially and in the report of Committee of Conference, indicate that the study applicants were to be processed in accordance with the regulations in effect on or after December 31, 1973.

I am aware, Mr. Chairman, that representations have been made to the Subcommittee which place a different perspective on the events recounted above and which raise various factual disputes. The same representations have been made to us. We have examined these representations carefully and in good faith, and with an overriding desire to achieve equity within the intent of Congress. We have been unable to conclude that the Congress intended to authorize a few associations, or even one association, to proceed on a "windfall" basis in contradistinction to all the rest of the industry.

Realistically, it is true in the sense that, with the issues now being sharply focused, the Congress is in a position to examine this matter anew and to now make its present intent clear beyond doubt. That being the case, we would respectfully and strongly urge the Congress to reject any special provisions authorizing a "windfall" conversion and to thereby avoid the setting of even a single precedent in favor of this damaging approach.

I would be glad to discuss this matter with you personally at your convenience.

Sincerely,

THOMAS R. BOMAR.

ADDITIONAL VIEWS OF MESSRS. TOWER, BENNETT AND BROCK

In general, we agree with most of the provisions contained in H.R. 11221, as adopted by the Banking Committee. We believe that the Committee acted wisely and appropriately in increasing deposit insurance coverage to $25,000, allowing a number of test conversions from mutual to stock form to take place in the savings and loan industry, extending Regulation Q until December 31, 1975, and establishing a National Commission on the Electronic Transfer of Funds, as well as on most of the other provisions adopted by the Committee.

However, we do have some reservation about several of the amendments which the Committee adopted, none of which was the subject of hearings in the Banking Committee. They are:

(1) a provision dealing with compliance of State laws; and

(2) a provision increasing the Treasury's authority to lend standby, emergency funds directly to the Federal Home Loan Banks;

(3) a provision allowing the Federal Home Loan Mortgage Corporation to buy mortgages from nonfederally insured thrift institutions.

(1) Section 114 of H.R. 11221 prohibits Federal bank regulatory agencies from adopting any rule, regulation, or order exempting federally chartered depository institutions from complying with State laws or regulations designed to protect the consumer. It is our understanding that this provision grew out of a problem in Wisconsin, where several federally chartered savings and loan associations exercised the escalator clause on their outstanding mortgages, as allowed by the Home Loan Bank Board, before the expiration of a three-year waiting period required under Wisconsin law.

However, this amendment would apply in many other situations and in other States. Indeed, it is for that very reason that we question the appropriateness of adopting this provision without knowing what its impact may be. No hearings were held on this issue to determine exactly which Federal regulations may be involved or affected, or what impact this provision may have on the relationship which exists between Federal regulations and State statutes.

We are not necessarily opposed to the provision, and it may be appropriate for the Senate to adopt it. By the same token, however, it may also be unwise to adopt it. In the absence of hearings, we have no way of knowing the answers to these and other questions, and, for that reason, we believe it should not have been adopted without being given appropriate consideration by the members of the Banking Committee.

(2) Section 113 of H.R. 11221 would increase the Treasury's authority to lend directly to the Federal Home Loan Banks by another $3 billion. The purpose of this provision is to replenish the $3 billion in direct Treasury lending authority which is to be used as part of the Federal financing package to help housing, announced by the President on May 10 of this year.

At the present, the Treasury, has authority to lend $4 billion in standby funds to the Federal Home Loan Banks in emergency situations. When Congress first granted this authority to the Treasury in 1950, it was noted that it would be used in ". . . any possible future emergency." Subsequent extension and expansion of the authority in 1969 expressed the intention that it would be used to help stabilize the mortgage market during periods of tight money.

The intent of section 113 of H.R. 11221 to replenish the fund by an additional $3 billion goes even one step further. It is clear that these funds were to be used only as a last resort, when all other actions failed. Certainly, it was not intended to provide an ongoing source of funds for the housing market. Yet the replenishment of the funds by $3 billion sems to imply that Treasury funds are not just available in emergency, but that they constitute an unlimited source of mortgage credit whenever money conditions become tight. The next step will be to provide an ongoing source of funds directly from the Treasury to housing under any conditions.

The replenishment of those emergency funds creates an illusion that housing can be aided in the long run through direct Treasury financing. It must be recognized, however, that the Treasury itself will need to borrow the funds needed to replenish its capacity for direct lending, which only adds to the already burgeoning demand for credit in our economy. The end result will be upward pressure on interest rates, which will accentuate the problems that thrift instiutions presently face in being unable to compete for funds. In our opinion, it would be shortsighted to believe that housing can continue to be supported by this type of direct Treasury lending.

With this move, we are only perpetuating the trend toward nationalization of our housing markets, the end result of which will be the demise of our private savings and loan system. Shortsighted individuals in the home financing system may praise this extension of the Treasury authority, but surely farsighted ones will realize that, if this trend continues, savings and loan associations will become mere field offices of the Department of Housing and Urban Development or the Federal Home Loan Bank system, or whatever other government agency may be created to administer these funds. This action should be avoided if we are to keep our thrift institutions as viable and responsive as possible.

WALLACE BENNETT,
JOHN TOWER,
BILL BROCK.

ADDITIONAL VIEWS OF MESSRS. TOWER AND BENNETT

Section 115 of H.R. 11221 would authorize the Federal Home Loan Mortgage Corporation to purchase residential mortgages from non-federally insured depository institutions. Presently the Corporation is authorized to buy mortgages only from federally insured institutions. Non-federally insured institutions can sell their mortgages at the present to the Federal National Mortgage Association, an independent tax-paying institution.

This amendment would allow the non-federally insured institutions operating in Massachusetts to avail themselves of the subsidized conventional mortgage plan. However, a number of financial institutions in states which have their own state insurance corporations would continue to be excluded from this program. These states include Maryland and Ohio. Additionally, mortgage bankers in all states cannot avail themselves of this program while retaining their servicing contracts. Thus, equity demands that we either leave the system as it stands, recognizing that any government subsidy, which operates through channels effectively excluding some participants, is discriminatory to some extent. Or, we must open the channels so that all may participate. The two choices which we have are either to strike section 115 or to enlarge it so that all individuals or corporations may sell their mortgages to the Federal Home Loan Mortgage Corporation and retain their servicing contracts.

WALLACE F. BENNETT.
JOHN TOWER.

Mr. TOWER. Mr. President, I concur with my distinguished friend from New Hampshire and commend him on the work that he has done on the bill, and I urge its adoption.

Mr. President, I call up an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 22, strike out lines 11 through 23 and insert in lieu thereof the following:

EXPANDED AUTHORITY OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO PURCHASE MORTGAGES.

SEC. 115. Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended by inserting after the first sentence thereof the following new sentences: "In addition, the Corporation is authorized to purchase, and make commitments to purchase, residential mortgages from any financial institution the deposits or accounts of which are insured under the laws of any State, from any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program, or from any other person approved by the Corporation for purpose of this sentence, except that the authority conferred by this sentence may be exercised only to the extent that commitments are being made based on funds made available pursuant to the exercise of the authority conferred by section 11(i) of the Federal Home Loan Bank Act. The servicing of any mortgage purchased hereunder may be performed by the seller or by any other qualified seller with whom the seller may contract."

Mr. TOWER. Mr. President, section 115 of H.R. 11221, as reported by the committee, will allow nonfederally insured financial institutions to sell their mortgages to the Federal Home Loan Mortgage Corporation. At present, the Corporation is authorized to buy mortgages from federally insured institutions.

However, this section of the bill would apply only to depository institutions in States where more than 20 percent of the deposits in all depository institutions are nonfederally insured. In other words, it would apply only in Massachusetts, where most mutual savings banks are insured under a State insurance fund.

In States where non-federally-insured institutions hold less than 20 percent of the deposits in that State, depository institutions would not be allowed to sell their mortgages to the corporation. In other words, State insured institutions in States such as Maryland and Ohio, where less than 20 percent of the total deposits are insured under a State insurance fund, would be excluded from the program.

The amendment which I am offering would broaden the provision in H.R. 11221 so that all non-federally-insured institutions, as well as qualified mortgage bankers, could sell their mortgages to the FHLMC. This would make qualifications for selling mortgages to the corporation more closely in line with the secondary market activities of FNMA, which also buys mortgages from a broad spectrum of mortgage lending institutions while, at the same time, providing equitable treatment for all mortgage lenders, whether federally insured or not.

Mr. President, this amendment has been discussed with the distinguished manager of the bill, the Senator from New Hampshire (Mr. MCINTYRE), and it is my understanding that he is prepared to accept it.

Mr. MCINTYRE. Mr. President, I yield myself as much time as I need.

The amendment offered by the distinguished Senator from Texas, the ranking member of the Financial Institutions Subcommittee, simply broadens the Brooke amendment that we had in committee, and allows non-federally-insured financial institutions in Massachusetts to sell mortgages, That is what the Brooke amendment would do, and I see no objection to this. As a matter of fact, it is a good amendment, and we are ready to accept it.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. MCINTYRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment by the Senator from Texas (Mr. TOWER).

The amendment was agreed to.

Mr. TOWER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the following:

TITLE III—DISPOSITION OF ABANDONED MONEY ORDERS AND TRAVELER'S CHECKS

FINDINGS

SEC. 301. The Congress finds and declares that—

(1) the books and records of banking and financial organizations and business associations engaged in issuing and selling money orders and traveler's checks do not, as a matter of business practice, show the last known addresses of purchasers of such instruments;

(2) a substantial majority of such purchasers reside in the States where such instruments are purchased;

(3) the States wherein the purchasers of money orders and traveler's checks reside should, as a matter of equity among the several States, be entitled to the proceeds of such instruments in the event of abandonment;

(4) it is a burden on interstate commerce that the proceeds of such instruments are not being distributed to the States entitled thereto; and

(5) the cost of maintaining and retrieving addresses of purchasers of money orders and traveler's checks is an additional burden on interstate commerce since it has been determined that most purchasers reside in the State of purchase of such instruments.

DEFINITIONS

SEC. 302. As used in this title—

(1) "banking organization" means any bank, trust company, savings bank, safe deposit company, or a private banker engaged in business in the United States;

(2) "business association" means any corporation (other than a public corporation), joint stock company, business trust, partnership, or any association for business purposes of two or more individuals; and

(3) "financial organization" means any savings and loan association, building and loan association, credit union, or investment company engaged in business in the United States.

STATE ENTITLED TO ESCHEAT OR TAKE CUSTODY

SEC. 303. Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—

(1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, that State shall be entitled exclusively to escheat or take custody of the sums payable on such instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum;

(2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, until another State shall demonstrate by written evidence that it is the State of purchase; or

(3) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to ecscheat or take custody of such sum, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum.

APPLICABILITY

SEC. 304. This title shall be applicable to sums payable on money orders, traveler's checks, and similar written instruments deemed abandoned on or after February 1, 1965, except to the extent that such sums have been paid over to a State prior to January 1, 1974.

Mr. TOWER. Mr. President, this amendment provides for the equitable disposition of abandoned money orders and traveler's checks.

The proceeds will be paid over to the State in which the instrument was purchased. If the State of origin is unknown, the amount will accrue to the State in which the issuing organization has its principal place of business.

This is identical, Mr. President, to S. 2705, which was passed by the Senate back on February 28.

The matter has been discussed with the distinguished manager of the bill. It is my understanding that he is prepared to accept the amendment.

Mr. MCINTYRE. The Senator from Texas is correct. It has been discussed with my staff and myself, and we have no objection. It was adopted by the Senate in February, and I agree to accept it.

I yield back my time.

Mr. TOWER. Mr. President, I yield back the remainder of the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas (Mr. TOWER).

The amendment was agreed to.

The PRESIDING OFFICER. Are there any further amendments? The bill is open to further amendment.

Mr. TOWER. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TOWER's amendment is as follows:

At the appropriate place, insert the following:

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION SECONDARY RESERVE ADJUSTMENT

SEC. . Paragraph (1) of subsection (d) of section 404 of the National Housing Act, as amended (12 U.S.C. 1727), is amended by inserting "(A)" immediately after "(d)(1)" and by adding at the end thereof the following:

"(B)(i) As used in this subparagraph (B), 'minimum net reduction year' means a year in which, at the close of December 31, the aggregate of the primary reserve and secondary reserve equals or exceeds 1¼ per centum of the total amount of all accounts of insured members of all insured institutions, and 'beginning balance' means, with respect to each insured institution, the amount of such institution's pro rata share, if any, of the secondary reserve as of the close of December 31, 1973, plus any amount or amounts which, after such close, shall have been transferred to such institution under the last sentence of subsection (e) of this section.

"(ii) In May of each year succeeding each of the first ten minimum net reduction years occurring after December 31, 1973, the Corporation shall reduce the amount of each insured institution's pro rata share, if any, of the secondary reserve as of the preceding December 31 by making to the extent available, a cash refund to each such institution of the difference, if any, between such pro rata share and the applicable percentage of its beginning balance prescribed in the following table:

"Minimum net reduction year:	*Percent of beginning balance*
"1	98.1818182
"2	94.5454546
"3	89.0909091
"4	81.8181818
"5	72.7272727
"6	61.8181818
"7	49.0909091
"8	34.5454546
"9	18.1818182
"10	0.0000000".

Mr. TOWER. Mr. President, this amendment provides a cash rebate to those savings and loan associations whose balances in the secondary reserve funds of the Federal Savings and Loan Insurance Corp. are so large that they would never be phased out under any premium plan. The Federal Home Loan Bank Board and the Office of Management and Budget suggested last year, when this subject came to the floor of the Senate, that they be allowed time to work out technical legislation for phasing out repayments over a period of time, and stated that they would give this high priority in the coming year.

The amendment I have called up is the result of a thorough study by the Senate and the appropriate Federal agencies, and I recommend that the amendment be agreed to.

It is my understanding that the Senator from California, who cosponsored this amendment with me, wishes to speak to the matter, so I yield him such time as he may require.

Mr. CRANSTON. Mr. President, I thank the Senator from Texas very much. I appreciate his leadership in this very important effort.

Last year, I joined the Senator from Texas in supporting his amendment regarding repayment of excess premiums in the secondary reserve of the Federal Savings and Loan Insurance Corp. to the appropriate savings and loan associations, most of which are located in the rapid growth States of recent years such as California and Texas. Because of the complexity of creating a withdrawal plan, the amendment was withdrawn pending technically accurate legislation to carry out the rebate from the administration. Thanks to the efforts of the Senator from New Hampshire, we presently have this legislation before us.

There are approximately 55 savings and loan institutions in California who have accumulated sufficiently large balances in the secondary reserve that it is unlikely that their shares will be amortized within a reasonable period of time under the present premium repayment structure.

It is only equitable that we do not penalize those institutions, who have paid in excessive amounts because of their high rate of growth and done an aggressive job in the thrift and homeownership market. And more importantly this refund will provide additional funds for housing. I am pleased that the administration has been cooperative in working out this complex problem, and I thank Senator TOWER for his diligence and concern, and for the opportunity to join him in this effort.

Mr. TOWER. Mr. President, it is my understanding that the distinguished manager of the bill is prepared to accept the amendment.

Mr. McINTYRE. Mr. President, I have no objection to this amendment, and I am prepared to accept it. I yield back the remainder of my time.

Mr. TOWER. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER (Mr. GRAVEL). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Texas (Mr. TOWER).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call be charged equally to both sides.

Mr. McINTYRE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I call up an amendment to section 111 of the Federal Credit Union Act, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. Section 111 of the Federal Credit Union Act (12 U.S.C. 1761) is amended by striking the period at the end thereof and adding ", *provided, however,* that reasonable health, accident, and similar insurance protection shall not be considered compensation under regulations promulgated by the Administrator."

Mr. TOWER. Mr. President, this amendment would amend section 111 of the Federal Credit Union Act (12 U.S.C. 1761) to permit Federal credit unions to provide reasonable health, accident, and similar insurance protection for volunteer supervisory board and committee members in those credit unions on a more simplified and equitable basis than now permitted. Section 111 prohibits payment of compensation to members of the board of directors of the credit union and members of the supervisory committees. That section has been interpreted to permit credit unions to obtain group accident insurance to protect directors and committee members while traveling on official business, but insurance may not otherwise be provided for members of the board of directors, credit committee, or other officials because that would constitute the payment of compensation, which the act prohibits.

The amendment would permit credit unions to provide directors and committee members with reasonable health, accident, and similar insurance protection.

In case of these officials, we are dealing with volunteers who are not paid. Certainly risks incurred in the performance of such services should be covered by insurance, and we believe it should be in keeping with other such contemporary insurance offerings.

It is my understanding that the manager of the bill is prepared to accept the amendment.

Mr. McINTYRE. Mr. President, I yield myself such time as I may need.

I say to my able colleague from Texas that it is my understanding that this amendment would simply try to give a measure of assistance to the management of credit unions who are not being paid for their services but are acting as volunteers.

I have no objection and am prepared to accept the amendment.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. McINTYRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment by the Senator from Texas.

The amendment was agreed to.

Mr. McINTYRE. Mr. President, I yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. SPARKMAN'S amendment is as follows:

On page 22 after line 23 insert the following new subsection:

TECHNICAL AMENDMENT

SEC. 116 (a). Section 7(d)(2) of the Act of August 16, 1973 (Public Law 93-100) is amended by striking out "the Commonwealth of Puerto Rico,".

(b) The amendment made by subsection (a) applies with respect to any taxable year or other taxable period beginning on or after August 16, 1973.

Mr. SPARKMAN. Mr. President, the amendment I offer is a technical one to clear up a situation which has developed because the Commonwealth of Puerto Rico was included in the definition of "State" in section 7(d) (2) of Public Law 93–100 approved August 16, 1973.

Public Law 93–100, among other things, directed the Advisory Commission on Intergovernmentatl Relations to make a study of all pertinent matters relating to the application of State "doing business" taxes on out-of-State depositories—commercial banks, mutual saving banks, and saving and loan associations. In addition, Public Law 93–100 imposed a moratorium until December 31, 1975, on taxation on interstate transactions during which States could impose, with one additional tax, the restricted list of taxes which could have been imposed on any insured depository not having its principal office within such State.

As defined in Public Law 93–100, the term "State" includes the Commonwealth of Puerto Rico. The Commonwealth should not have been included in the definition in this instance because in matters that fall within the purview of Public Law 93–100, the Commonwealth, under Federal Reserve Board regulation (12 CFR part 213), is treated as a "foreign country."

My amendment simply deletes the words "the Commonwealth of Puerto Rico" from definition of "State" in section 7(d)(2) of Public Law 93–100 and reinstates the Commonwealth's position before the enactment of Public Law 93–100.

The matter has been discussed with the floor manager of the bill (Mr. McIntyre) and with the ranking minority member of the committee (Mr. Tower) as well as other committee members. Both Senators McIntyre and Tower are willing to accept the amendment.

We had not received all the information concerning this matter prior to the committee markup of H.R. 11221. Had the information been available, I feel certain the committee would have included this amendment as a provision of H.R. 11221 when it was reported.

As I said I have discussed this amendment with the chairman of the subcommittee, who is managing the bill, and I hope that he will accept the amendment.

Mr. McINTYRE. Mr. President, the amendment is technical in nature, and I have no objection whatsoever to straightening the Record out. I am prepared to accept the amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. TOWER. For the minority, I am prepared to accept the amendment. Indeed, Mr. President, I am a cosponsor of it.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment and yield back the remainder of my time.

Mr. McINTYRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama (Mr. Sparkman).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BROCK. Mr. President, it has been brought to my attention that an error appears on page 3 of the committee report.

The PRESIDING OFFICER. Who yields time?

Mr. BROCK. In the absence of the Senator from Texas, I yield myself such time as I may require.

Mr. President, it has been brought to my attention that there is an error appearing on page 3 of the committee report to accompany H.R. 11221. The footnote on page 3 inadvertently leaves out Tennessee as one of the States that currently provides for conversions of savings and loan associations from mutual to stock form of ownership. I believe the error occurred because information presented in testimony by the Federal Home Loan Bank Board was out of date, and the list of stock States was not properly updated.

So that the legislative history will be accurate, I wish to clarify the record. Section 105(d) of H.R. 11221 would amend section 402(j) of the National Housing Act. Pursuant to section 402(j)(3), 23 "test basis" conversions would be authorized for approval by the Federal Home Loan Bank Board during the period June 30, 1974, to June 30, 1976, as exemptions to the moratorium on conversions—page 15, lines 13–23. Section 402(j)(3) would also permit a Federal savings and loan association to convert to a federally chartered stock savings and loan association in States "the laws of which . . . authorize the chartering of State stock associations"—page 15, lines 23–24; page 16, lines 1–5.

The laws of the State of Tennessee authorize State stock savings and loan associations and have so authorized since May 14, 1973. See acts 1973, chapter 360, section 3, dated May 14, 1973, and the amendment thereof on April 5, 1974, in title 45, Tennessee Code Annotated, section 1302. I also have been advised by counsel that a Tennessee State chartered mutual can convert to a State chartered stock association. Thus, the footnote at the bottom of page 3 of Senate Report No. 92–902 issued by the Senate Banking Committee is incorrect, for Tennessee was inadvertently omitted.

If I may have the attention of the manager of the bill briefly, I would ask that this legislative history be considered in the conference report in order to correct this situation.

Mr. McINTYRE. Mr. President, in response to my good friend, I am delighted that he has found out that his State is one of the States that enable savings and loan institutions to convert from mutual to stock. We want to set the record straight. That is an important fact. In our debates in executive session we made sure that we do not want to hurt any State where this practice was outlawed unless the law was changed and there was a test case. So the legislative history indicates that Tennessee is one of the States, and we will protect its interests when we go to conference.

Mr. TOWER. Mr. President, I yield myself such time as I may need under the bill, and I yield now to the Senator from Illinois (Mr. Percy).

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I appreciate very much having the distinguished Senator yield to me.

I commend my colleagues on the Senate Banking Committee for the work they have done on this bill. I enjoyed my 4 years on the committee, and I continue to follow its work with great interest.

There is one problem I see in the bill on which I would appreciate clarification. There are some States that have fixed usury laws which put a limitation on loan interest rates—in Illinois we have an 8-percent-usary rate—but notice that the bill, in section 107, states, in part:

> . . . the Federal supervisory agencies shall give due consideration to existing market interest rates, so that consumer savers receive a fair and appropriate rate of interest on their savings.

I am certainly in favor of fair and appropriate rates of interest for savers. It is absolutely essential that they be provided fair rate; otherwise the funds would be diverted to other investments.

Although it is not in the language of the bill, I would ask, Do I assume that the Federal advisory agencies would also take into account the financial conditions of thrift institutions in setting interest rate ceilings? The report states that this subsection is not intended to alter existing practices of regulatory authorities to establish rate ceilings consistent with the ability of thrift institutions to pay such rates.

Can I assume, although this language is in the report, but is not in the bill's language, that consideration will be given to the financial condition of financial institutions in setting the interest rate ceilings? I ask this question of both the majority and minority floor managers of the bill; whether it would not be possible, in view of the grave problems that could potentially be created, that the sense of the report language could not be incorporated in the bill itself, possibly in conference?

Mr. McINTYRE. Mr. President, the distinguished Senator from Illinois is absolutely correct in what he has just said. We have to protect the consumer savers and the mortgage home buyers. We will be alert to the fact. I will take under consideration clarifying this point without any doubt. The usury laws are important to the States. We are in an economic climate today that is causing a confrontation with State laws. We will be happy to do as the Senator from Illinois has requested.

Mr. TOWER. Mr. President, let me say to the Senator from Illinois that the intent is as he has stated it. I join the Senator from New Hampshire in saying that I will not be reluctant to see that the language is placed in the bill.

One further point. A number of State legislatures could review their somewhat out-of-date usury laws and update them along the lines of the real world we live in today. I am not being critical of the Senator's State, because this is something that is prevalent in other States. The old usury laws were designed to protect the small borrower in another day, and I think many States could review their usury laws.

Mr. PERCY. I appreciate the spirit of the Senator's comments. He is very mild, indeed, in his comments. Coming from Illinois, let me say that I feel that my State is out of step with reality in this matter. We are not living in the real world with an 8-percent usury law. It must be increased to a realistic level. I hope that this can be done cooperatively between the State legislature and our

Governor, whose approval will be required and whose signature would be required on that law. Because of the current usury law, saving and loan associations are now squeezed in between rates they pay to remain competitive and rates they are limited to on loans, and certainly we do not want to put them in an untenable position.

I am most grateful to my colleagues for their comments.

I have also discussed this matter with the distinguished chairman of the committee, the Senator from Alabama (Mr. SPARKMAN), and I appreciate his sympathetic approach to this problem, as well.

Mr. TOWER. Mr. President, I reserve the remainder of my time on the bill.

AMENDMENT NO. 1438

Mr. BROCK. Mr. President, I call up my amendment No. 1438 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill, add the following:

TITLE III—FAIR CREDIT BILLING

§ 301. Short title

This title may be cited as the "Fair Credit Billing Act".

§ 302. Declaration of purpose

The last sentence of section 102 of the Truth in Lending Act (15 U.S.C. 1601) is amended by striking out the period and inserting in lieu thereof a comma and the following: "and to protect the consumer against inaccurate and unfair credit billing and credit card practices."

§ 303. Definitions of creditor and open end credit plan

(a) The first sentence of section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended to read as follows: "The term 'creditor' refers only to creditors who are card issuers, or who regularly extend, or arrange for the extension of, credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required, whether in connection with loans, sales of property or services, or otherwise."

(b) Section 103(i) of such Act (15 U.S.C. 1602(i)) is amended to read as follows:

"(i) The term 'open end credit plan' refers to a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which either a finance charge may be computed on the outstanding unpaid balance from time to time thereunder, or a credit card is issued."

§ 304. Disclosure of fair credit billing rights

(a) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) is amended by adding at the end thereof a new paragraph as follows:

"(8) A statement, in a form prescribed by regulations of the Board of the protection provided by sections 161 and 170 to an obligor and the creditor's responsibilities under sections 162 and 170. With respect to each of two billing cycles per year, at semiannual intervals, the creditor shall transmit such statement to each obligor to whom the creditor is required to transmit a statement pursuant to section 127(b) for such billing cycle."

(b) Section 127(c) of such Act (15 U.S.C. 1637(c)) is amended to read:

"(c) In the case of any existing account under an open end consumer credit plan having an outstanding balance of more than $1 at or after the close of the creditor's first full billing cycle under the plan after the effective date of subsection (a) or any amendments thereto, the items described in subsection (a), to the extent applicable and not previously disclosed, shall be disclosed in a notice mailed or delivered to the obligor not later than the time of mailing the next statement required by subsection (b)."

§ 305. Disclosure of billing contact

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end thereof a new paragraph as follows:

"(11) The address to be used by the creditor for the purpose of receiving billing inquiries from the obligor."

§ 306. Billing practices

The Truth in Lending Act (15 U.S.C. 1601–1665) is amended by adding at the end thereof a new chapter as follows:

"Chapter 4—CREDIT BILLING

"Sec.
"161. Correction of billing errors.
"162. Regulation of credit reports.
"163. Length of billing period.
"164. Prompt crediting of payments.
"165. Crediting excess payments.
"166. Prompt notification of returns.
"167. Use of cash discounts.
"168. Prohibition of tie-in services.
"169. Prohibition of offsets.
"170. Rights of credit card customers.
"171. Relation to State laws.

"§ 161. Correction of billing errors

"(a) If a creditor, within sixty days after having transmitted to an obligor a statement of the obligor's account in connection with an extension of consumer credit, receives at the address disclosed under section 127(b)(11) a written notice (other than notice on a payment stub or other payment medium supplied by the creditor if the creditor so stipulates with the disclosure required under section 127(a)(8)) from the obligor in which the obligor—

"(1) sets forth or otherwise enables the creditor to identify the name and account number (if any) of the obligor,

"(2) indicates the obligor's belief that the statement contains a billing error and the amount of such billing error, and

"(3) sets forth the reasons for the obligor's belief (to the extent applicable) that the statement contains a billing error,

the creditor shall, unless the obligor has, after giving such written notice and before the expiration of the time limits herein specified, agreed that the statement was correct—

"(A) not later than thirty days after the receipt of the notice, send a written acknowledgement thereof to the obligor, unless the action required in subparagraph (B) is taken within such thirty-day period, and

"(B) not later than two complete billing cycles of the creditor (in no event later than ninety days) after the receipt of the notice and prior to taking any action to collect the amount, or any part thereof, indicated by the obligor under paragraph (2) either—

"(i) make appropriate corrections in the account of the obligor, including the crediting of any finance charges on amounts erroneously billed, and transmit to the obligor a notification of such corrections and the creditor's explanation of any change in the amount indicated by the obligor under paragraph (2) and, if any such change is made and the obligor so requests, copies of documentary evidence of the obligor's indebtedness; or

"(ii) send a written explanation or clarification to the obligor, after having conducted an investigation, setting forth to the extent applicable the reasons why the creditor believes the account of the obligor was correctly shown in the statement and, upon request of the obligor, provide copies of documentary evidence of the obligor's indebtedness. In the case of a billing error where the obligor alleges that the credit's billing statement reflects goods not delivered to the obligor or his designee in accordance with the agreement made at the time of the transaction, a creditor may not construe such amount to be correctly shown unless he determines that such goods were actually delivered, mailed, or otherwise sent to the obligor and provides the obligor with a statement of such determination.

After complying with the provisions of this subsection with respect to an alleged billing error, a creditor has no further responsibility under this section if the obligor continues to make substantially the same allegation with respect to such error.

"(b) For the purpose of this section, a 'billing error' consists of any of the following:

"(1) A reflection on a statement of an extension of credit which was not made to the obligor or, if made, was not in the amount reflected on such statement.

"(2) A reflection on a statement of an extension of credit for which the obligor requests additional clarification including documentary evidence thereof.

"(3) A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction.

"(4) The creditor's failure to reflect properly on a statement a payment made by the obligor or a credit issued to the obligor.

"(5) a computation error or similar error of an accounting nature of the creditor on a statement.

"(6) Any other error described in regulations of the Board.

"(c) For the purposes of this section, 'action to collect the amount, or any part thereof, indicated by an obligor under paragraph (2)' does not include the sending of statements of account to the obligor following written notice from the obligor as specified under subsection (a), if—

"(1) the obligor's account is not restricted or closed because of the failure of the obligor to pay the amount indicated under paragraph (2) of subsection (a), and

"(2) the creditor indicates the payment of such amount is not required pending the creditor's compliance with this section.

Nothing in this section shall be construed to prohibit any action by a creditor to collect any amount which has not been indicated by the obligor to contain a billing error.

"(d) Pursuant to regulations of the Board, a creditor operating an open end consumer credit plan may not, prior to the sending of the written explanation or clarification required under paragraph (B)(ii), restrict or close an account with respect to which the obligor has indicated pursuant to subsection (a) that he believes such account to contain a billing error solely because of the obligor's failure to pay the amount indicated to be in error. Nothing in this subsection shall be deemed to prohibit a creditor from applying against the credit limit on the obligor's account the amount indicated to be in error.

"(e) Any creditor who fails to comply with the requirements of this section or section 162 forfeits any right to collect from the obligor the amount indicated by the obligor under paragraph (2) of subsection (a) of this section, and any finance charges thereon, except that the amount required to be forfeited under this subsection may not exceed $50.

"§ 162. Regulation of credit reports

"(a) After receiving a notice from an obligor as provided in section 161(a), a creditor or his agent may not directly or indirectly threaten to report to any person adversely on the obligor's credit rating or credit standing because of the obligor's failure to pay the amount indicated by the obligor under section 161(a)(2), and such amount may not be reported as delinquent to any third party until the creditor has met the requirements of section 161 and has allowed the obligor the same number of days (not less than ten) thereafter to make payment as is provided under the credit agreement with the obligor for the payment of undisputed amounts.

"(b) If a creditor receives a further written notice from an obligor that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a creditor may not report to any third party that the amount of the obligor is delinquent because the obligor has failed to pay an amount which he has indicated under section 161(a)(2), unless the creditor also reports that the amount is in dispute and, at the same time, notifies the obligor of the name and address of each party to whom the creditor is reporting information concerning the delinquency.

"(c) A creditor shall report any subsequent resolution of any delinquencies reported pursuant to subsection (b) to the parties to whom such delinquencies were initially reported.

"§ 163. Length of billing period

"(a) If an open end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part unless a statement which includes the amount upon which the finance charge for that period is based was mailed at least fourteen days prior to the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

"(b) Subsection (a) does not apply in any case where a creditor has been prevented, delayed, or hindered in making timely mailing or delivery of such periodic statement within the time period specified in such subsection because of an act of God, war, natural disaster, strike, or other excusable or justifiable cause, as determined under regulations of the Board.

"§ 164. Prompt crediting of payments

"Payments received from an obligor under an open end consumer credit plan by the creditor shall be posted promptly to the obligor's account as specified in regulations of the Board. Such regulations shall prevent a finance charge from being imposed on any obligor if the creditor has received the obligor's payment in readily identifiable form in the amount, manner, location, and time indicated by the creditor to avoid the imposition thereof.

"§ 165. Crediting excess payments

"Whenever an obligor transmits funds to a creditor in excess of the total balance due on an open end consumer credit account, the creditor shall promptly (1) upon request of the obligor refund the amount of the overpayment, or (2) credit such amount to the obligor's account.

"§ 166. Prompt notification of returns

"With respect to any sales transaction where a credit card has been used to obtain credit, where the seller is a person other than the card issuer, and where the seller accepts or allows a return of the goods or forgiveness of a debit for services which were the subject of such sale, the seller shall promptly transmit to the credit card issuer a credit statement with respect thereto and the credit card issuer shall credit the account of the obligor for the amount of the transaction.

"§ 167. Use of cash discounts

"(a) With respect to a credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card.

"(b) With respect to any sales transaction, any discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge as determined under section 106, if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.

"§ 168. Prohibition of tie-in services

"Notwithstanding any agreement to the contrary, a card issuer may not require a seller, as a condition to participating in a credit card plan, to open an account with or procure any other service from the card issuer or its subsidiary or agent.

"§ 169. Prohibition of offsets

"(a) A card issuer may not take any action to offset a cardholder's indebtedness arising in connection with a consumer credit transaction under the relevant credit card plan against funds of the cardholder held on deposit with the card issuer unless—

"(1) such action was previously authorized in writing by the cardholder in accordance with a credit plan whereby the cardholder agrees periodically to pay debts incurred in his open end credit account by permitting the card issuer periodically to deduct all or a portion of such debt from the cardholder's deposit account, and

"(2) such action with respect to any outstanding disputed amount not be taken by the card issuer upon request of the cardholder.

In the case of any credit card account in existence on the effective date of this section, the previous written authorization referred to in clause (1) shall not be required until the date (after such effective date) when such account is renewed, but in no case later than one year after such effective date. Such written authorization shall be deemed to exist if the card issuer has previously notified the cardholder that the use of his credit card account will subject any funds which the card issuer holds in deposit accounts of such cardholder to offset against any amounts due and payable on his credit card account which have not been paid in accordance with the terms of the agreement between the card issuer and the cardholder.

"(b) This section does not alter or affect the right under State law of a card issuer to attach or otherwise levy upon funds of a cardholder held on deposit with the card issuer if that remedy is constitutionally available to creditors generally.

"§ 170. Rights of credit card customers

"(a) Subject to the limitation contained in subsection (b), a card issuer who has issued a credit card to a cardholder pursuant to an open end consumer credit plan shall be subject to all claims (other than tort claims) and defenses arising out of any transaction in which the credit card is used as a method of payment or extension of credit if (1) the obligor has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the transaction from the person honoring the credit card; (2) the amount of the initial transaction exceeds $50; and (3) the place where the initial transaction occurred was in the same State as the mailing address previously provided by the cardholder or was within 100 miles from such address, except that the limitations set forth in clauses (2) and (3) with respect to an obligor's right to assert claims and defenses against a card issuer shall not be applicable to any transaction in which the person honoring the credit card (A) is the same person as the card issuer, (B) is controlled by the card issuer, (C) is under direct or indirect common control with the card issuer, (D) is a franchised dealer in the card issuer's products or services, or (E) has obtained the order for such transaction through a mail solicitation made by or participated in by the card issuer in which the cardholder is solicited to enter into such transaction by using the credit card issued by the card insurer.

"(b) The amount of claims or defenses asserted by the cardholder may not exceed the amount of credit outstanding with respect to such transaction at the time the cardholder first notifies the card issuer or the person honoring the credit card of such claim or defense. For the purpose of determining the amount of credit outstanding in the preceding sentence, payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of: (1) late charges in the order of their entry to the account; (2) finance charges in order of their entry to the account, (3) debits to the account other than those set forth above, in the order in which each debit entry to the account was made.

"§ 171. Relation to State laws

"(a) This chapter does not annul, alter, or affect, or exempt any person subject to the provisions of this chapter from complying with, the laws of any State with respect to credit billing practices, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any State law is inconsistent with any provision of this chapter if the Board determines that such law gives greater protection to the consumer.

"(b) The Board shall by regulation exempt from the requirements of this chapter any class of credit transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this chapter or that such law gives greater protection to the consumer, and that there is adequate provision for enforcement."

§ 307. Conforming amendments

(a) The table of chapters of the Truth in Lending Act is amended by adding immediately under item 3 the following:

"4. CREDIT BILLING.................... 161".

(b) Section 111(d) of such Act (15 U.S.C. 1610(d)) is amended by striking out "and 130" and inserting in lieu thereof a comma and the following: "130, and 166".

(c) Section 121(a) of such Act (15 U.S.C. 1631(a)) is amended—

(1) by striking out "and upon whom a finance charge is or may be imposed"; and

(2) by inserting "or chapter 4" immediately after "this chapter".

(d) Section 121(b) of such Act (15 U.S.C. 1631(b)) is amended by inserting "or chapter 4" immediately after "this chapter".

(e) Section 122(a) of such Act (15 U.S.C. 1632(a)) is amended by inserting "or chapter 4" immediately after "this chapter".

(f) Section 122(b) of such Act (15 U.S.C. 1632(b)) is amended by inserting "or chapter 4" immediately after "this chapter".

§ 308. Effective date

This title takes effect upon the expiration of one year after the date of its enactment.

TITLE IV—AMENDMENTS TO THE TRUTH IN LENDING ACT

§ 401. Advertising; more-than-four-installment rule

(a) Chapter 3 of the Truth in Lending Act (15 U.S.C. 1661–1665) is amended by adding at the end thereof a new section as follows:

"§ 146. More-than-four-installment rule

"Any advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit repayable in more than four installments shall, unless a finance charge is imposed, clearly and conspicuously state, in accordance with the regulations of the Board:

" 'THE COST OF CREDIT IS INCLUDED IN THE PRICE QUOTED FOR THE GOODS AND SERVICES.' "

(b) The table of sections of such chapter is amended by adding at the end thereof a new item as follows:

"146. More-than-four-installment rule.".

§ 402. Agricultural credit exemption

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by adding at the end thereof a new paragraph as follows:

"(5) Credit transactions primarily for agricultural purposes in which the total amount to be financed exceeds $25,000."

§ 403. Administrative enforcement

(a) Section 108(a) of the Truth in Lending Act (15 U.S.C. 1607(a)) is amended by striking out paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(b) Section 108(a) of such Act (15 U.S.C. 1067(a)) is amended by adding at the end thereof a new paragraph as follows:

"(6) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association."

§ 404. Liens arising by operation of State law

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended—

(1) by striking out "is" the first time it appears in the first sentence of subsection (a) and inserting in lieu thereof ", including any such interest arising by operation of law, is or will be"; and

(2) by inserting after "obligor" the second time it appears in the first sentence of subsection (b) the following: ", including any such interest arising by operation of law,".

§ 495. Time limit for right of rescission

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended by adding at the end thereof a new subsection as follows:

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the disclosures required under this section or any other material disclosures required under this chapter have not been delivered to the obligor."

§ 406. Good faith compliance

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(f) No provision of this section or section 112 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason."

§ 407. Liability for multiple disclosures

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(g) The multiple failure to disclose to any person any information required under this chapter to be disclosed in connection with a single account under an open end consumer credit plan, other single consumer credit sale, consumer loan, or other extension of consumer credit, shall entitle the person to a single recovery under this section but continued failure to disclose after a recovery has been granted shall give rise to rights to additional recoveries."

§ 408. Civil liability

(a) Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended to read as follows:

"(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter or chapter 4 of this title with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damage sustained by such person as a result of the failure;

"(2) (A) in the case of an individual action twice the amount of any finance charge in connection with the transaction, except that the liability under this subparagraph shall not be less than $100 nor greater than $1,000; or

"(B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery in such action shall not be more than the lesser of $100,000 or 1 per centum of the net worth of the creditor; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional."

(b) Section 130(b) of such Act (15 U.S.C. 1640(b)) is amended by inserting after "this section" the first place it appears the following: "for any failure to comply with any requirement imposed under this chapter,".

(c) Section 130(c) of such Act (15 U.S.C. 1640(c)) is amended by striking out "chapter" and inserting in lieu thereof "title".

(d) Section 130 of such Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(h) A person may not take any action to offset any amount for which a creditor is potentially liable to such person under subsection (a) (2) against any amount owing to such creditor by such person, unless the amount of the creditor's liability to such person has been determined by judgment of a court of competent jurisdiction in an action to which such person was a party."

(e) The amendments made by sections 406, 407, and 408 shall apply in determining the liability of any person under chapter 2 or 4 of the Truth in Lending Act, unless prior to the date of enactment of this Act such liability has been determined by final judgment of a court of competent jurisdiction and no further review of such judgment may be had by appeal or otherwise.

§ 409. Full statement of closing costs

Section 121 of the Truth in Lending Act (15 U.S.C. 1631) is amended by adding at the end thereof a new subsection as follows:

"(c) For the purpose of subsection (a), the information required under this chapter shall include a full statement of closing costs to be incurred by the consumer, which shall be presented, in accordance with the regulations of the Board—

"(1) prior to the time when any downpayment is made, or

"(2) in the case of a consumer credit transaction involving real property, at the time the creditor makes a commitment with respect to the transaction.

The Board may provide by regulation that any portion of the information required to be disclosed by this section may be given in the form of estimates where the provider of such information is not in a position to know exact information."

§ 410. Business use of credit cards

(a) Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631–1644) is amended by adding the following new section at the end thereof:

"§ 135. Business credit cards

"The exemption provided by section 104(1) does not apply to the provisions of sections 132, 133, and 134, except that a card issuer and a business or other organization which provides credit cards issued by the same card issuer to ten or more of its employees may by contract agree as to liability of the business or other organization with respect to unauthorized use of such credit cards without regard to the provisions of section 133, but in no case may such business or other organization or card issuer impose liability upon any employee with respect to unauthorized use of such a credit card except in accordance with and subject to the limitations of section 133."

(b) The table of sections of such chapter is amended by adding at the end thereof a new item as follows:

"135. Business credit cards.".

§ 411. Identification of transaction

Section 127(b) (2) of the Truth in Lending Act (15 U.S.C. 1637(b) (2)) is amended to read as follows:

"(2) The amount and date of each extension of credit during the period and a brief identification on or accompanying the statement of each extension of credit in a form prescribed by regulations of the Board sufficient to enable the obligor to identify the transaction, or relate it to copies of sales vouchers or similar instruments previously furnished."

§ 412. Exemption for State lending agencies

Section 125(e) of the Truth in Lending Act (15 U.S.C. 1635(e)) is amended by striking the period at the end thereof and adding the following: "or to a consumer credit transaction in which an agency of a State is the creditor."

§ 413. Liability of assignees

(a) Chapter 1 of the Truth in Lending Act (15 U.S.C. 1601–1613) is amended by adding at the end thereof a new section as follows:

"§ 115. Liability of assignees

"Except as otherwise specifically provided in this title, any civil action for a violation of this title which may be brought against the original creditor in any credit transaction may be maintained against any subsequent assignee of the original creditor where the violation from which the alleged liability arose is apparent on the face of the instrument assigned unless the assignment is involuntary."

(b) The analysis of such chapter is amended by adding at the end thereof a new item as follows:

"115. Liability of assignees.".

§ 414. Credit card fraud

Section 134 of the Truth in Lending Act (15 U.S.C. 1644) is amended to read as follows:

"§ 134. Fraudulent use of credit card

"(a) Whoever knowingly in a transaction affecting interstate or foreign commerce, uses or attempts or conspires to use any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain money, goods, services, or anything else of value which within any one-year period has a value aggregating $1,000 or more; or

"(b) Whoever, with unlawful or fraudulent intent, transports or attempts or conspires to transport in interstate or foreign commerce a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen. or fraudulently obtained; or

"(c) Whoever, with unlawful or fraudulent intent, uses any instrumentality of interstate or foreign commerce to sell or transport a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

"(d) Whoever knowingly receives, conceals, uses, or transports money, goods, services, or anything else of value (except tickets for interstate or foreign transportation) which (1) within any one-year period has a value aggregating $1,000 or more, (2) has moved in or is part of, or which constitutes interstate or foreign commerce, and (3) has been obtained with a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card; or

"(e) Whoever knowingly receives, conceals, uses, sells, or transports in interstate or foreign commerce one or more tickets for interstate or foreign transportation, which (1) within any one-year period have a value aggregating $500 or more, and (2) have been purchased or obtained with one or more counterfeit fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards; or

"(f) Whoever in a transaction affecting interstate or foreign commerce furnishes money, property, services, or anything else of value, which within any one-year period has a value aggregating $1,000 or more, through the use of any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained—

shall be fined not more than $10,000 or imprisioned not more than ten years, or both."

§ 415. Grace period for consumers

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) The conditions under which a finance charge may be imposed, including the time period (if any) within which any credit extended may be repaid without incurring a finance charge, except that the creditor may, at his election and without disclosure, impose no such finance charge if payment is received after the termination of such time period."; and

(2) by amending subsection (b)(10) to read as follows:

"(10) The date by which or the period (if any) within which, payment must be made to avoid additional finance charges, except that the creditor may, at his election and without disclosure, impose no such additional finance charge if payment is received after such date or the termination of such period."

§ 416. Disclosure by card issuers

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding the following new subsection:

"(d) Card issuers who also engage in other than open-end credit transactions shall not be required to make disclosures required by this section with respect to such transactions."

§ 417. Effective date

This title takes effect upon the date of its enactment, except that section 409 and 411 take effect upon the expiration of one year after the date of its enactment.

TITLE V—EQUAL CREDIT OPPORTUNITY

§ 501. Short title

This title may be cited as the "Equal Credit Opportunity Act".

§ 502. Findings and purpose

The Congress finds that there is a need to insure that the various financial institutions and other firms engaged in the extensions of credit exercise their responsibility to make credit available with fairness, impartiality, and without discrimination on the basis of sex or marital status. Economic stabilization would be enhanced and competition among the various financial institutions and other firms engaged in the extension of credit would be strengthened by an absence of discrimination on the basis of sex or marital status, as well as by the informed use of credit which Congress has heretofore sought to promote. It is the purpose of this Act to require that financial institutions and other firms engaged in the extension of credit make that credit equally available to all creditworthy customers without regard to sex or marital status.

§ 503. Amendment to the Consumer Credit Protection Act

The Consumer Credit Protection Act (Public Law 90–321), is amended by adding at the end thereof a new title VII:

"TITLE VII—EQUAL CREDIT OPPORTUNITY

"Sec.
"701. Prohibited discrimination.
"702. Definitions.
"703. Regulations.
"704. Administrative enforcement.
"705. Relation to State laws.
"706. Civil liability.
"707. Effective date.

"§ 701. Prohibited discrimination

"(a) It shall be unlawful for any creditor to discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction.

"(b) An inquiry of marital status shall not constitute discrimination for purposes of this title: *Provided*, That said inquiry is for the purpose of ascertaining the creditors' rights and remedies applicable to the particular extension of credit, and not to discriminate in a determination of creditworthiness.

"§ 702. Definitions

"(a) The definitions and rules of construction set forth in this section are applicable for the purposes of this title.

"(b) The term 'applicant' means any person who applies to a creditor directly for an extension, renewal, or continuation of credit, or applies to a creditor indirectly by use of an existing credit plan for an amount exceeding a previously established credit limit.

"(c) The term 'Board' refers to the Board of Governors of the Federal Reserve System.

"(d) The term 'credit' means the right granted by a creditor to a debtor to defer payment of debt or to incur debts and defer its payment or to purchase property or services and defer payment therefor, whether or not a finance charge or late payment charge is imposed.

"(e) The term 'creditor' means any person who regularly extend, renews, or continues credit; any person who regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who participates in the decision to extend, renew, or continue credit.

"(f) The term 'discriminate' means to take any arbitrary action based on any characteristic attributable to the sex or marital status of an applicant.

"(g) The term 'person' means a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

"(h) Any reference to any requirement imposed under this title or any provision thereof includes reference to the regulations of the Board under this title or the provision thereof in question.

"§ 703. Regulations

"The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to provide for such adjustments and exceptions to facilitate compliance therewith. Such regulations shall be prescribed as soon as possible after the date of enactment of this Act, but in no event later than the effective date of this Act.

"§ 704. Administrative enforcement

"(a) Compliance with the requirements imposed under this title shall be enforced under:

"(1) Section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks, by the Comptroller of the Currency,

"(B) member banks of the Federal Reserve System (other than national banks), by the Board,

"(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation.

"(2) Section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

"(3) The Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal Credit Union.

"(4) The Acts to regulate commerce, by the Interstate Commerce Commission with respect to any common carrier subject to those Acts.

"(5) The Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or foreign air carrier subject to that Act.

"(6) The Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

"(b) For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law. The exercise of the authorities of any of the agencies referred to in subsection (a) for the purpose of enforcing compliance with any requirement imposed under this title shall in no way preclude the exercise of such authorities for the purpose of enforcing compliance with any other provision of law not relating to the prohibition of discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

"(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

"(d) The authority of the Board to issue regulations under this title does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

"§ 705. Relation to State laws

"(a) A request for the signature of both parties to a marriage for the purpose of creating a valid lien, passing clear title, or waiving inchoate rights to property, shall not constitute discrimination under this title: *Provided, however,* That this provision shall not be construed to permit a creditor to take sex or marital status into account in connection with the evaluation of creditworthiness of any applicant.

"(b) Consideration or application of State property laws directly or indirectly affecting creditworthiness shall not constitute discrimination for purposes of this title. For the purposes of this subsection, only those State property laws in effect on the date of enactment of this Act shall be considered or applied: *Provided,* That said laws shall be considered or applied only so long as they are not made more discriminatory in nature by State action subsequent to the date of enactment of this Act.

"(c) When both parties to a marriage separately and voluntarily apply for and obtain credit accounts with the same creditor, those accounts shall not be aggregated or otherwise combined for purposes of determining permissible finance charges under the laws of any State.

"(d) This title shall preempt any State law that prohibits the separate extension of credit to both parties to a marriage when each party voluntarily applies for separate credit from the same creditor and each party would be eligible for separate credit but for his or her marital status.

"(e) Except as otherwise provided in this title, the applicant shall have the option of pursuing remedies under the provisions of this title in lieu of, but not in addition to, the remedies provided by the laws of any State or governmental subdivision relating to the prohibition of discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

"§ 706. Civil liability

"(a) Any creditor who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant in an amount equal to the sum of any actual damages sustained by such applicant acting either in an individual capacity or as a representative of a class.

"(b) Any creditor who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant for punitive damages in an amount not greater than $10,000, as determined by the court, in addition to any actual damages provided by section 706(a): *Provided, however,* That in pursuing the recovery allowed under this subsection, the applicant may proceed only in an individual capacity and not as a representative of a class.

"(c) Section 706(b) notwithstanding, any creditor who fails to comply with any requirement imposed under this title may be liable for punitive damages in the case of a class action in such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery in such action shall not exceed $100,000. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

"(d) When a creditor fails to comply with any requirement imposed under this title, an aggrieved applicant may institute a civil action for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other action.

"(e) In the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court shall be added to any damages awarded by the court under the provisions of subsections (a), (b), and (c) of this section.

"(f) No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(g) Without regard to the amount in controversy, any action under this title may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

"(h) An action may be brought under this section regardless of whether administrative remedies have been exhausted by the applicant bringing such action. The exhaustion of administrative remedies by an applicant shall not preclude such applicant from bringing an action under the provisions of this section.

"(i) An action brought under this section shall not preclude the applicant in such action from bringing any action based on any provision of law not relating to the prohibition of discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

"§ 707. Effective date

"This title takes effect upon the expiration of six months after the date of its enactment.".

Mr. TOWER. Mr. President, I ask unanimous consent that Tom Brooks, of the committee staff, be granted the privilege of the floor during the debate on H.R. 11221 and amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I offer the amendment on behalf of myself and of the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. President, the Truth in Lending Act amendments are important to every American household.

This vital legislation would amend the Truth in Lending Act to protect consumers against inaccurate and unfair billing practices, update the Truth-in-Lending Act, prohibit credit card fraud, and prohibit discrimination in all credit transactions on account of sex or marital status.

First, I would like to deal with title V of the amendment which would add a new provision to the Consumer Credit Protection Act to assure equal credit opportunity. This title is taken from S. 3492 which Senators BENNETT, BROOKE, CRANSTON, PACKWOOD, TOWER and I introduced on May 14, 1974. It prohibits discrimination on the basis of sex or marital status in the granting of credit.

It is a refinement of title III of S. 2101 which passed the Senate on July 23, 1973, and was referred to the House Banking and Currency Committee where no action has been taken to date.

I receive many letters every day from all over America from both men and women who cannot comprehend the lackadaisical attitude of Congress toward such an important problem. It is hypocritical to constantly assure constituents that action will be taken to remove this barrier to women's equality—and nothing is done. Assuring equal credit lending practices requires the cooperation of many people, but we—Congress—must assume the primary role: that of instigating laws to prohibit credit discrimination on the basis of sex or marital status.

The elimination of sex discrimination and the assurance of equal opportunity for women in American society is a great but unnecessary problem—one which my Senate colleagues and I hope to alleviate with the passage of the Equal Credit Opportunity Act. Admittedly, the granting of credit to credit-worthy women is only one aspect of equal rights, but it is an important one. Part of the problem is the difficulties people have in recognizing the many facets of discrimination against women. Equal rights do not come bundled up in one neat package. Many, many problems must be solved before any progress can be made. Unfair credit lending is one of these problems. Consider the vastness of the role credit plays in American economic life: homes, cars, clothing, businesses are nearly always acquired on credit.

It is not fair for a woman to be denied equal access to these necessities simply because she was born female. We do not suggest that a woman be granted credit because she is a woman. We believe women should be allowed a choice—that is, after all, the premier purpose of women's rights: not being forced to choose one lifestyle or another, but being free to choose any option available to men.

Due to our heritage, we are raised to consider women "the weaker sex." People never questioned this idea until now. No longer is this true. Ideas are changing—now so must our laws. It is important not only that laws be created to enable women to obtain credit, but that laws be supported by women, credit lenders, and by society at large. A successful law depends on its practicality, visibility, strength of purpose and fairness. I believe the Equal Credit Opportunity Act is such a law. It is now up to us to initiate action.

The Senator from Wisconsin (Mr. PROXMIRE) and I seek to attach this amendment to H.R. 11221, the depository institutions amendment, because we feel that women's rights have taken the back seat for too long. S. 2101 has been in hibernation in the House for nearly 1 year. It is mandatory that women be granted the privilege of obtaining credit. Every consumer deserves an equal opportunity for access to the credit market, and that credit should never be withheld because of sex or any other factor not related to ability and willingness to repay the loan. We have waited long enough to take action—now is the time.

Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, I offer, along with the Senator from Tennessee (Mr. Brock), an amendment substantially along the lines of S. 2101 which passed the Senate last July and is now before the House Committee on Banking and Currency. As it passed the Senate last July, S. 2101 had three titles. Title I, called the Fair Credit Billing Act, required the prompt resolution of billing disputes and prohibited other unfair credit billing practices. Title II made a series of largely technical amendments to the Truth in Lending Act. Title III prohibited discrimination in the granting of credit on the basis of sex or marital status.

The amendment offered by Senator Brock and me includes the exact language of the first two titles of S. 2101 as passed by the Senate. Our amendment also includes the latest rewrite of the provision barring sex or marital-status discrimination as included in S. 3492, introduced by Senator Brock on May 14, 1974. However, there are no major changes in the provision already passed by the Senate.

Mr. President, my Subcommittee on Consumer Credit has worked long and hard on S. 2101. Like all legislation, it is the product of compromise. There are some provisions in the bill I do not like. There are other provisions I would like to see in the bill. I am sure other Senators feel the same way. But, on the whole, it is a good bill and one which significantly advances the cause of consumer protection. I am greatly disappointed, therefore, that the House Banking Committee has not seen fit to act upon S. 2101.

Since we are approaching the end of a long session, there is a good chance that S. 2101 might die in the 93d Congress. I believe this would be most unfortunate for the consumer. There are many provisions in S. 2101 which are relatively noncontroversial, including title I, the Fair Credit Billing Act. There is also a general consensus that discrimination in credit on the basis of sex or marital status should be prohibited. I hope we can find a way, together with our colleagues in the House, to expedite action on these relatively noncontroversial matters while reserving until next year the more controversial parts of S. 2101.

Accordingly, Mr. President, I am offering, along with Senator Brock, a revised version of S. 2101, as an amendment to the pending bill, H.R. 11221, in the hope that we can persuade the House conferees to agree to as many of the provisions of S. 2101 as may be possible.

The PRESIDING OFFICER (Mr. Allen). Who yields time?

Mr. McINTYRE. Mr. President, I yield myself 2 minutes.

I say to the Senator from Tennessee and the Senator from Wisconsin that we are perfectly willing to accept this proposed amendment and take this matter to conference.

I do think, Mr. President, that we should point out that the House bill, as we go to conference, will only have positions on two or three of the many, many issues we will have.

We can only promise the distinguished Senator from Tennessee and his cosponsor, the Senator from Wisconsin, to do our very best at the conference to see if we can get our brothers in the House to see the good and the rationale behind this amendment.

Mr. BROCK. Mr. President, let me first express my very sincere gratitude to the manager of the bill. He has voted for the proposed legislation on his part and has supported it. I have no fears about his support of the basic concept. I am grateful for his acceptance of the amendment.

I do think that, having acted twice now, the Senate is in a position to begin to insist that the House match its deeds with its words.

We have a problem in this country. Women simply cannot get credit—either commercial credit, credit for home loans, credit for personal loans, or consumer credit—on the same basis as men. It is inexcusable. It is important that they be given access to the economy of this Nation. It is important not only to women, but to the Nation. It is absolutely insane that this condition should continue to obtain when we know it is wrong.

I hope that the House, in its wisdom, will accept the logic of this amendment; because I am quite confident that if the matter were given to the House for a vote, it would pass almost as unanimously as it did in the Senate.

Mr. GURNEY. Mr. Presdent, will the Senator yield?

Mr. BROCK. I yield.

Mr. GURNEY. Mr. President, I would very much like to have my name added as a cosponsor of the Senator's amendment, if he will allow me to do so.

Mr. BROCK. Mr. President, I ask unanimous consent that the name of the Senator from Florida be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GURNEY. I thank the Senator.

Mr. BROCK. Mr. President, I am prepared to yield back the remainder of my time.

I again thank the Senator from New Hampshire for accepting the amendment.

Mr. McINTYRE. Mr. President, we are willing to accept the amendment. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. CHILES. Mr. President, on behalf of Senator Gurney and myself, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 15, line 19, strike the words "subsequent to May 22, 1974,".
>
> On page 15, line 18, after the word "enacts", insert the words "subsequent to May 22, 1974,".

Mr. CHILES. Mr. President, the Florida law dealing with Florida stock associations which became effective by the Governor's signature on June 19, 1973, under chapter 665.717, section 5, reads as follows:

> This Act shall take effect upon becoming law, except for Sections 665.710, 665.711, 665.712, 665.713 and 665.714, which will take effect on January 1, 1975, provided, however, no conversion to stock by an existing savings and loan association shall be permitted until January 1, 1975.

Since the Florida stock association law is already in effect with the proviso for the moratorium on conversions of existing associations until January 1, 1975, are the Florida savings and loan associations who have already applied to the Federal Home Loan Bank Board to convert from mutual to stock, qualified to be considered by the Federal Home Loan Bank Board as part of the 30 enumerated test cases contained in this bill?

Mr. McINTYRE. Mr. President, I yield myself such time as I may require.

I simply say to the junior Senator from Florida that the attempt of the committee was to protect States such as Florida which had passed the enabling legislation to convert from mutual to stock, and had set January 1, 1975—I believe I am correct on that—as a date when the conversions could take place in Florida.

I have some concern that the proviso which is known in our conference and agreement among ourselves in the executive session as Senator Williams' proviso, which was put in to protect Florida, would be better for that State. If it is the combined wisdom of the junior and senior Senators from Florida that they would prefer their State to be in the 23 that would be allowed conversion as the Federal Home Loan Bank Board selects them, that is agreeable to me, and I would be willing to accept that proposal.

I just want to be sure that the record indicates there is a possibility that if Florida is included in the 23 States, if it does not act quickly, it would be frozen out of that number, since that number would be under the selection and the decision of the Federal Home Loan Bank Board.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. TOWER. Mr. President, I concur with the Senator from New Hampshire. I think he is absolutely right. I am prepared to accommodate the Senator from Florida. I would point out that that is no guarantee they will get into the program.

Mr. McINTYRE. Mr. President, I agree with the distinguished Senator from Texas that it is safer under the Williams proviso. But, as I have indicated, if that is what the Florida bankers and the Florida savings and loans and thrift institutions are requesting, I am agreeable.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McINTYRE. Mr. President, I yield to the Senator from Florida.

Mr. GURNEY. Mr. President, I am glad the distinguished Senator from New Hampshire, the manager of the bill, made that distinction clear. The Florida people do understand that. They do understand that under the bill they would be entitled to that, but actually they would prefer to take their chances among the more additional test cases.

One of the reasons why that is true is that I do say with pride that the Florida federal savings and loan institutions are many and are very strong and represent some of the finest in the country.

I think from what they tell my colleague from Florida (Mr. Chiles) and me, certainly they feel they stand a pretty good chance with the Federal Home Loan Board because some of their institutions represent what the Federal Home Loan Bank Board wants to try. They are perfectly willing to take the chances in the test group, and that is why they prefer this approach. As I indicated, the Florida Savings and Loans wish to take their chances within the pool and possibly get two or three or more test case conversions, as opposed to being limited to the one which they would be restricted to under the Williams provision.

In my State of Florida, where our population has been growing very rapidly, we need more housing. This housing can often be acquired through loans made by savings and loan associations. The savings and loan associations typically obtain their funds through taking in savings. Such savings come primarily from current earnings and from savings transferred by retirees.

However, the reserves of Federal savings and loan associations are based on deposits, and typically, with a mutual institution the only source of reserves are current and past earnings.

In Florida, savings and loan associations have been growing rapidly. For example, one S. & L. chartered in 1960 and had $229,559,640 in savings as of March 31, 1974. And yet, in spite of this rapid growth, earnings oftentimes have not been sufficient to build up substantial reserves.

Associations which have been chartered 20 years or longer need reserves—FIR—of 5 percent of savings. If the reserve situation gets close to the minimum, associations may quit taking in savings, since an increase in savings necessitates an increase in reserves. Such a step, which can be precipitated by a period of low earnings, obviously hurts housing if the dollars which would have been deposited in the S. & L. go to some other type of institution or investment.

Capital stock dollars to S. & L.'s substantially help this problem. First, capital stock dollars are not counted in the base for determining the reserve requirement. And second, dollars from the capital stock can serve as reserves.

Thus, $1 from capital stock can serve as a base for many more dollars of deposits. Parenthetically, I should mention that associations which have been chartered less than 20 years need reserves based upon an equation which multiplies the age of the S. & L. by one quarter of a percent per year.

Under these circumstances, it is not surprising that 8 of the 20 additional test basis applications are from Florida. Florida has the economic conditions which would foster conversions and the sale of stock. To limit conversions in Florida to a single S. & L. would violate the very purpose that this program is intended to address.

The 23 additional test basis cases came about possibly as a result of 20–20 hindsight. A representative of the Office of the General Counsel of the Bank Board read a list at the full Senate Banking Committee markup of 22 States which authorize stock associations. As page 3 of the Banking Committee report indicates, they are States in which State-chartered associations can convert. The list was incomplete because it did not contain Tennessee and Florida.

Florida, as you know, is in an unusual situation because stock associations were authorized on June 4, 1973, but the sections of the Savings Association Act authorizing conversions do not become effective until January 1, 1975. Thus, under section 665–717—

> No conversion to stock . . . shall be permitted until January 1, 1975.

When the Banking Committee staff members were advised that the language of section 105(d) of H.R. 11221 was ambiguous, and that the date of May 22, 1974, could be read either with enact or authorize, I understand that they indicated that it was their intent to have it qualify authorize. Thus, that would mean that if it were to modify authorize, Florida would be included with States such as New Jersey which have not enacted stock statutes. If it were to modify enact, which is what Florida wants, then it would be included within the group of the 23 test basis cases stipulated in the preceding lines 13 through 15.

As a practical matter there will not be one from each State that authorizes stock associations. Factors such as size of associations, conservative management, economic conditions, or State law will mitigate against applications. For example, in the States of Michigan and Washington, present State law may prevent the conversion of a State-chartered mutual to a State-chartered stock.

I believe that the Bank Board should have discretion to select more than one test case or more than 1 percent of insured institutions as test cases from a State. Florida had no applications in the seven pre-May 22, 1973, study applications. Since Florida had neither a stock law nor a conversion statute prior to May 22, 1973, that is not surprising.

However, since the Federal Home Loan Bank Board has begun accepting applications again, as of April 8, 1974, eight applications from Florida have been submitted. Of the 20 cases, others are from the following States: California, New Mexico, Ohio, Wisconsin, Illinois, Texas, Tennessee, Kansas, and Maryland.

Therefore, since the Florida Stock Association law is already in effect, with the proviso that does not permit conversions of existing mutual associations until January 1, 1975, and as the Florida Savings and Loan Associations who have already applied to the Federal Home Loan Bank Board to convert from mutual to stock associations are qualified to be considered by the Board as part of the test cases enumerated in this bill, I think it behooves us to now clear away any potential ambiguity. Therefore, I concur in the request to amend H.R. 11221 so that the phrase in section 105(d)(3) "subsequent to May 22, 1974," will follow the phrase in the preceding line "in a State which enacts."

Mr. McINTYRE. We have tried to make it a diverse type experiment and not take all of one method. We hope to learn by this experience with respect to monetary conversions. We hope to be able to learn and be better able to deal with this matter.

Mr. President, with that agreement, I am perfectly willing to accept the amendment. I think my good friend from Texas joins me in that statement.

Mr. TOWER. I am willing to accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McINTYRE. I yield back the remainder of my time on the amendment.

Mr. CHILES. I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1426

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1426.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

> At the end of the Act, insert the following new title:
>
> TITLE —LIMITATION ON OUTLAYS
>
> Sec. . Expenditures and net lending during the fiscal year ending June 30, 1975, under the budget of the United States Government shall not exceed $295,000,000,000.

The PRESIDING OFFICER. Is this the amendment on which the Senator has been allotted 1 hour?

Mr. PROXMIRE. That is my understanding: 1 hour on the amendment, one-half hour on a side.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. I shall not take long.

Mr. President, the amendment would establish a $295 billion ceiling on Federal outlays for fiscal year 1975. This represents a cut of over $9 billion in the spending proposed in the President's budget.

The Senate voted on a similar amendment offered to the wage-price control legislation about a month ago and adopted it by a two-to-one margin. That bill, however, was tabled, so the ceiling died. I am hopeful that this bill will pass. The amendment is cosponsored by the Senator from Tennessee (Mr. Brock), and I am delighted to have his cosponsorship. No one has been more concerned with wasteful spending and inflation than the Senator from Tennessee. I think his support is most helpful in this regard.

Instead of a whopping $30 billion, 11-percent increase in Federal spending as proposed by the President, my amendment would allow a more modest increase of $20 billion, or 7.5 percent above the spending level for fiscal year 1974.

Mr. President, there has been much discussion in recent months on how to stop our rampaging inflation. Well, Congress can do something right now to fight inflation.

I notice on the desk of the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) an article entitled "The Way to Halt Inflation," which deals with the blueprint of the Secretary of the Treasury. What does he suggest? He suggests one thing: Cut spending. He is correct. This is the one action Congress and the Federal Government can take that will have an effect on inflation. It is controversial as to whether controls will work. We have gone through that. But there is no question that we can cut the budget.

Congress can exercise its most fundamental power, the power of the purse. If we are really concerned about inflation, then how can we agree to the President's budget for fiscal year 1975, a budget which proposes the largest dollar increase in Federal spending in peacetime history, and one of the largest percentage increases?

During the last 5 years, the administration has talked a good game about fighting inflation. It has wrongly tried to pin the big spender label on Congress. Yet the fact remains, that year after year, it has been the President himself who has proposed huge increases in Federal spending. In the 5 years since the President took office, the Federal budget has grown from $196 billion to more than $304 billion, an increase of over 55 percent.

There is nothing inevitable about Federal spending. We do not have to throw up our hands and confess impotence. Congress can control spending if it really wants to. There is a vast amount of waste in the Federal budget. A cut of $9 billion would not begin to touch the savings which could be made if wasteful programs were cut back or eliminated. If we are truly interested in economy, the time to begin is now. Not next year, not next month, not tomorrow, but now.

I have estimated that the budget could be cut by more than $9 billion while still leaving funds left over to increase programs which are underfunded.

The Defense program could be cut by $7.1 billion by limiting outlays to last year's level. With the end of the Vietnam war and our improved relations with the rest of the world, there is no reason to have a bigger military budget. Let the Pentagon absorb the cost of inflation and pay increases by cutting out fat.

The foreign aid program can be cut by at least $3 billion. The total foreign aid budget is closer to $9 billion to $10 billion than the $4 billion shown in the budget.

About $6 billion of that $10 billion is military assistance. Much of this money goes for wasteful military assistance. Why should we continue to provide military aid to some 45 countries around the world, including the $1.9 billion to Thailand and South Vietnam after the war is said to be over?

Several more billions of wasteful spending can be cut out of the space, public works, and highway programs without undue difficulty.

Mr. President, I would not try to impose my notion as to where this spending should be cut. We all have differing views, and the President has differing views.

The amendment would provide that we must live within that $295 billion. It would serve notice on the Committee on Appropriations and the authorizing committees, which also have great authority, in connection with the ban on spending, and to do it now before action is fully taken. Not only would this be effective with Congress, but also it would have a profound effect on the inflationary psychology which affects our economy.

Mr. President, a dramatic and decisive action by Congress to cut the President's budget by $9 billion would have a profound effect on the inflationary psychology which has infested our economy. It would break the back of inflation. It would have fewer inflationary expectations. Inventory spending to avoid inflation would be cut back. Unwarranted plans to add more plant or equipment simply to beat rising prices would be revised.

Second, labor unions would be less inclined to make inflationary wage demands if they were confident that inflation was being brought under control.

Third, the Federal Reserve Board would be less inclined to pursue a tight money policy if it saw that Congress was shouldering part of the burden by cutting spending. A relaxation of monetary policy would help to bring down interest rates and revive the depressed homebuilding industry which is already suffering from an unemployment rate in excess of 8 percent.

A cut in Federal spending of $9 billion would have a two-pronged effect. First, the actual reduction of $9 billion in Federal spending is in itself deflationary. It decreases aggregate demand for goods and services by $9 billion. Second, a spending cut will curb inflationary expectations. It will convince the public that the Federal Government is playing its part in curbing inflation.

Mr. President, I say that the best way to convince the American people that we are concerned about inflation is to cut the President's budget. All we need is the will and the determination to cut the budget. Mr. President, I urge the adoption of my amendment.

The PRESIDING OFFICER (Mr. ALLEN). Will the Senator from Wisconsin add the name of the junior Senator from Alabama (Mr. ALLEN) as a cosponsor?

Mr. PROXMIRE. I am proud and happy to add the name of my good friend from Alabama as a cosponsor.

Mr. President, I ask unanimous consent that the name of the Senator from Alabama be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield such time as he may desire to the Senator from Tennessee (Mr. BROCK).

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BROCK. Mr. President, I was privileged to cosponsor this amendment with the Senator from Alabama and the Senator from Wisconsin. First, I would like to express my gratitude for the gracious comments of the Senator from Wisconsin and to repay as best I can in kind.

I do not think any Member of this body is more concerned about inflation and its cost in hardship to the American people than the Senator from Wisconsin; and no one has attempted more to do something about it.

I have read so many articles and so many studies on the impact on human life of inflation. I wonder if any figure, book, or publication can really reflect the agony of the effect on families from something that is not of their making.

There is an interesting article in the U.S. News & World Report, June 17, 1974. The article reads in part:

> The United States is in the grip of inflation more severe than anything experienced in its peacetime history.
>
> That fact has taken a while to sink in. Inflation now is beginning to hurt badly. Starting to take hold also is the idea that rampaging prices and sky-high interest rates aren't going to be waved away by Washington without an all-encompassing national effort at restraint—or a steep recession.
>
> So, people suddenly are feeling less secure. They are talking about the need to be more economical, more cautious.
>
> None of this is happening for the first time in this country. But rarely before has inflation struck with such virulence. So far in 1974, the cost of living is shooting upward at a rate of 12 per cent a year.
>
> What this means in practical terms is that, in spite of pay raises, people are having to make do with less. Millions are dropping plans for buying new cars or taking trips to Europe. Houses more and more are being priced beyond the reach of the typical family. Steaks and rib roasts are appearing on the dinner table less often. Meat substitutes and "extenders" are a booming segment of the food business.

The article has a chart which is interesting, illustrating the shrinking dollar. Placing the 1969 dollar, which is just 5½ years ago, at a value of 100 cents, that dollar today is worth 75 cents, and at the current rate of inflation, by 1979 it will be worth 57 cents.

If the present inflation is not curbed, the average home now costing $37,500 will cost $51,700 in 1979. The price of food will go from $54.40 per family a week now to $80.50 in 1979. The local busfare will go from 38 cents now to 53 cents in 1979. The price of gasoline will go from 58 cents a gallon now to 88 cents in 1979.

Mr. President, I ask unanimous consent that this article be included in the RECORD, along with an article in the same magazine entitled "A Lesson From Europeans on Beating Cost of Living."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE MESS THE UNITED STATES IS IN AND WHAT CAUSED IT

After an era of unprecedented prosperity, Americans are starting to realize that the nation's economic machinery is badly out of whack—and they feel it. Inflation, only an occasional irritant since World War II, now is devouring family savings, putting familiar pleasures out of reach, spreading insecurity. Ways to end it seem elusive.

The articles on these and following pages describe the problem, what it means to people as consumers, workers and investors, and what the cure may be.

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But penny-pinching brings no sense of security—just the opposite. Planning for the future has become all but impossible for most people. How much support will $100,000 of life insurance buy for a family bereft of its breadwinner 10 years from now? How much will be needed to put a child through college 10 years hence? Or to provide for a comfortable retirement? No one has the remotest idea.

All the while, inflation is eating away at the value of funds set aside—bank accounts, savings bonds, insurance policies, even stocks, once considered a good inflation hedge. The careful saver feels more and more like a "sucker."

On paper, the average home-owner has a big gain in the value of his house. But until he sells, that "windfall" merely adds to his assessments and property tax.

Economists spot little reason for encouragement. The best the Nixon Administration can suggest is that consumer prices may be rising at an annual rate of no more than 7 per cent by the end of 1974. Many experts outside the Government are predicting 1 or 2 percentage points more than that.

There is increasing talk in economic circles that inflation may clip an average of 5 or 6 cents off the dollar yearly for the foreseeable future.

Why? What has gone wrong with an economic system that in the past produced prosperity with fairly stable prices over long periods of time?

Three culprits named. Irving Friedman, a leading authority on the subject, now senior adviser on international operations at the First National City Bank of New York, cites three major causes for the ailment.

At the head of his list, Mr. Friedman puts Government promises to maintain "full employment," a pledge adopted in the U.S. when memories of the great depression were still fresh. What this means is that, whenever steps taken to fight inflation lead to fewer jobs, the signals are switched, even if it means giving inflation a new lease on life. Recessions since World War II have been brief and mild.

Next on the list, Mr. Friedman places the development of the "welfare state." All around the globe, governments now deem it their duty to try to give all their people a "decent" standard of living—a standard that keeps rising. In the U.S., this means an endless parade of new or expanding Government outlays—for food stamps, housing subsidies, medical aid, education, income support for the poor and elderly, city parks and rural golf courses. The list goes on and on.

Those factors add up to deficit spending in the billions of dollars and a generally liberal supply of money and credit.

Finally, Mr. Friedman points to the one thing that seems most threatened now by inflation—the American way of life, rapidly being emulated by people around the globe. Consumers expect each year to bring new comforts, conveniences or playthings, a frame of mind zealously encouraged by advertising, credit cards and mass communications.

Put all this together on a global scale, and the result is a demand for goods and services that tends to outrun supplies. Even in the midst of a slump, the U.S. has shortages of skilled labor, steel, copper, paper, boxcars, farm machinery, oil-drilling rigs and fresh lobsters, to name just a few.

Tough remedy. Most economists agree, in broad terms, on what is needed to bring inflation under control: Hold down demand for goods and services and, at the same time, take steps to increase supplies. But that remedy is hard to apply.

The Federal Reserve is keeping a tight rein on the money supply. But complaints are growing about the record borrowing costs that result and about the slump in business. Already, the Government has moved to pump more credit into the housing market.

The Federal Reserve's efforts are also complicated by those big Government deficits, 89 billion dollars in the five years ending this June 30. Since early 1970, the U.S. Treasury has had to borrow 49 billion dollars, and the Federal Reserve has put up 17 billion of that.

That financing, says Darryl R. Francis, president of the Federal Reserve Bank of St. Louis, has "fostered" an increase of 23 billion dollars, or nearly 8 per cent a year, in the reserves that commercial banks use to expand their loans and deposits. In the same period, the money supply has increased at an annual rate of nearly 7 per cent.

The Federal Reserve bought those 17 billions of Treasury bills and bonds, Mr. Francis points out, to keep interest rates from going too high.

Even so, they are now at the highest level in 100 years. And inflation goes zipping along.

Now, the Nixon Administration is talking about eliminating the budget deficit, but officials say this won't be possible until the year beginning July 1, 1975, at the earliest. Meanwhile, the President is asking Congress to provide more unemployment benefits for people laid off as a result of the slump.

To increase supplies, the Government plans to feed the markets with more materials from the federal stockpiles—if Congress agrees. The chief idea along these lines comes from Treasury Secretary William E. Simon: Give business some new tax benefits in return for investing in the mines, wells and plants that will turn out more of the scarce materials.

Lawmakers, however, balk at cutting taxes on business without doing something also to relieve the mass of taxpayers, and the Administration argues that a tax cut for individuals would simply add to the inflation.

Congress right now is under popular pressure to boost business taxes and to cut those of individuals. The reason is fairly simple: Many people find their taxes going up faster than incomes. That, in part, is another result of rampant inflation. As workers get pay raises, they find themselves climbing into higher-rate tax brackets.

A family of four that has had an increase in income from $20,000 in 1967 to $28,800 in 1974 has, in theory, kept up with inflation. Income before taxes and cost of living are both 44 per cent higher. But the family's Social Security and federal income taxes combined are up 76 per cent. Result: less buying power.

OUT OF CONTROL

All the while, inflation continues to feed on itself.

Businessmen expect prices to go still higher. They want to buy materials and equipment before that happens. They place orders far in advance, build up inventories whenever possible. No one really knows how much is stashed away, contributing to those price-boosting shortages.

The same inflationary expectations make consumers as well as businessmen believe it is better to borrow and buy than to save and wait. Individuals and corporations took on more new debt last year than ever before—220 billion dollars' worth. And that demand for credit, in turn, helped to push interest rates to their present peaks.

The high interest rates add to the cost of doing business and, at the same time, make it more difficult for industry to finance the facilities needed to expand output.

Workers, whose pay raises generally lagged behind the rise in the cost of living last year, want bigger increases this year and the protection of escalator clauses in their union contracts. Bigger pay raises, in turn, are expected to add a new "cost-push" dimension to inflation.

The experts say that, somehow, "inflationary expectations" have to be uprooted. If economists are right, that won't be done without changing a number of ideas and attitudes that have been popular for a generation or more.

A Lesson From Europeans on Beating Cost of Living

Across the heartland of industrial Europe—from Britain to the Mediterranean and from Italy to Sweden—people are offering this lesson to Americans:

A typical family has little chance of outmaneuvering inflation—but it is possible to survive.

Britons are eating less beef, giving up foreign vacations and donating less to charities. But still their savings shrivel, and their prices roar upward.

Some Parisians are forsaking a decades-old custom and entertaining business acquaintances at home instead of in a cafe.

Newlyweds in Rome, faced with rents that take half their income, are trying to balance things out by buying less meat, more chicken and eggs.

In Bonn, capital of West Germany, where inflation is "only" 7.1 per cent a year at latest count, grocer Adolf Scheben says:

"I have to charge 30 per cent more for a pound of margarine than I did four months ago. The best I can do is to try to break even and hope that I survive until things take a turn for the better."

Until recently, inflation elsewhere has generally exceeded that in the U.S. As late as 1973, the cost of living in the U.S. rose less than in any major industrial nation in Western Europe.

But now Americans are faced with the problems of living that people on the other side of the Atlantic have been wrestling with for years.

Staff members of "U.S. News & World Report" in Europe cabled these reports of how families, businesses and governments have tried to cope with inflation:

LONDON

Britons' attempts to maintain their traditional ways of life in the face of inflation are being tightly squeezed, and prospects for the future are gloomy.

Average earnings were up 14 per cent in the year ending last March, half a per cent more than prices. But economists now see an annual rate of inflation of 20 per cent for the next two years—and a drop in the standard of living of 5 per cent.

In a country where wages are well below those in the U.S.—a typical auto worker may make about $515 a month and many professionals are paid less than $10,000 a year—workers are hit hard by price rises. Those on fixed incomes are hurt even worse.

"Our first priority is food, everything we buy is the cheapest," says the wife of a retired Army officer. "We've cut baths to two a week instead of one a day to save the cost of heating water. Soap ends are crushed together and used again. We have hot water for two hours a day only."

The effects of inflation are showing up in many areas.

The inflation parade in Europe

[In percent]

United Kingdom	51
Italy	45
Sweden	43
Netherlands	40
France	40
Switzerland	38
Austria	35
Belgium	33
West Germany	31

SOURCE.—Organization for Economic Cooperation and Development.

Abandoned dogs

The Canine Defense League says the number of abandoned dogs, especially large dogs, is growing as pet-food prices rise.

Sales of beef and lamb are down and rabbit is up. Pub managers find lunchtime crowds eating less—and drinking more. London's 14,000 restaurants, where a moderate-priced dinner for two can cost $25, are anticipating what experts call "the biggest shakeout in decades" as more families stay home.

Stock-market investments have dwindled. Color-TV sales are plummeting and people are having appliances repaired rather than replacing them.

Housing is a special problem. Average prices have doubled since 1970 and some middle-class houses are going for $100,000 and more. More families are buying rundown homes in unfashionable areas to repair as "do-it-yourself" projects.

Britons who have been able to vacation abroad and send their children to private schools are facing a change in habits. Holidays now are likely to be at a nearby beach and rising costs may soon make a private education the exclusive preserve of the very rich.

"I suppose I'm numbered by living from month to month," says a headmaster of one school. "Every penny I earn is committed. All our furniture is secondhand and we've stopped replacing it. Even the television set, which broke down recently, has not been repaired."

Government programs to curb inflation, including subsidies on such staple foods as bread and butter, have had little effect.

PARIS

French consumers staged a buying spree early this year, stocking up on furniture and clothing in an effort to out-distance inflation. But spending now has turned down and economists expect it to stay there for a while.

Since the first of the year, inflation has been running at an annual rate of 17 per cent. Wages have not kept pace.

With a skilled French workman making about $500 a month, food costs may take half his income. Yet few French families are cutting back except as a last resort. They also keep using their cars, even though gas now costs about $1.25 a gallon. Most still plan to take their prized summer vacations, although cheaper camping trips are becoming popular. So are other economies:

A new apartment is postponed; a couple no longer runs out casually to a bistro for a drink, much less to a restaurant or a movie. Says one wife:

"Meat is still vital. But I'm making all our clothes and shopping around for the cheapest food lines. We're not getting new curtains and we don't go out any more except to visit our family or the neighbors."

Rising costs have forced a number of shops and small factories into bankruptcy. Other businessmen, finding it harder and harder to get credit, are uneasy about Government policies which have been aimed at growth and full employment rather than curbing inflation.

BONN

West Germany's current anti-inflation performance is one of the best in the world. Statistics even show that the German wage earner is slightly better off than a year ago. Average real income is up 2 per cent because pay increases of 13 per cent have run ahead of price rises.

For example, Matthias Kurz, an auto worker in Cologne who earns about $800 a month, calculates his real income is up about 4 per cent. His wife also works part time as a nurse. The Kurzes pay $160 a month in rent and visit Italy or Yugoslavia every year.

"I go to great lengths to find out where I can buy what I need at the cheapest prices," he says. "If I would have to reduce my spending greatly, I'd cut down first on my smoking and, secondly, skip the holiday abroad."

Vacations at home

Other German families are economizing, especially on vacations. One survey shows that half of the families with three or more children—and a third of those with two—will stay home this summer.

Sales of new homes have slowed, and bankruptcies among builders have become frequent.

Less-than-luxurious apartments priced at $100,000-plus here and in other cities are moving slowly.

In a country where pensioners may get only $250 a month and a dozen eggs cost $1.40, a pound of butter $1.60, and a pound of coffee $4, Mr. Scheben, the grocer, notes customers are more and more careful about what they buy.

Government policies are given credit for softening the impact of inflation. A stabilization program last year included an 11 per cent tax on investments and cancellation of depreciation allowances on construction. Although much of this package has now been repealed, the central bank has kept its tight-money policy.

Other strengths of the Germans, some experts point out, are a vivid memory of disastrous inflations in the past and the reputation workers here have of working harder than those in other countries.

GENEVA

As most salaries and wages increase automatically with the cost of living, Switzerland has been pinched less by inflation than other countries.

Still, with consumer prices up 10 per cent from last year, many Swiss are uneasy about the continuing spiral. As a construction worker here says:

"Nobody wants his pay to fall behind, but this race of wages and prices makes no sense. In the end it's the little man who's going to suffer."

Although the automatic pay increases generally have exceeded the rise in the cost of living, some Swiss find their purchasing power eroding. For one thing, they say, the official statistics tend to underestimate the real cost of living. Also, the graduated income tax takes bigger and bigger bites from the increased wages.

ROME

On the surface, Italians seem to be spending money with the same light-hearted attitude as a year ago. Shops and movies are crowded. So are the highways, even though gasoline's price has gone up 45 per cent.

Behind this facade, however, there are serious problems. Inflation has hit hard at workers who make about $350 a month in heavy industry.

Housing costs have risen 40 per cent in the last year.

Apartments in Rome now may cost up to $70,000 for four rooms. Rents for two-room flats, from $100 to $170 a month, eat up half the take-home pay of some younger workers.

Two or three jobs

To keep up the spending, many Italians are dipping into their savings or taking extra jobs. A survey showed 1 out of every 4 workers has two jobs and 1 in 6 has three.

Consumers are more selective. Sales of perfumes and cosmetics are down. Housewives, faced with a jump in olive-oil prices of from $1.90 a liter last year to more than $3 now, are learning to cook with margarine.

Italians still crowd the roads in large numbers on week-ends, but many seem to be choosing beaches closer to home and taking picnic lunches instead of eating in restaurants. Gasoline consumption is down by 20 per cent since the first of the year.

Businesses so far have fared better than the workers, but many businessmen are wary of the future—with more trouble getting credit and interest rates bound to be higher than the 15 per cent prime rate now in effect.

Mr. BROCK. Mr. President, I have been in the Congress for 11½ years now. In those 11½ years we have never had a surplus, except for 1 year, 1969. Every other year there has been a deficit, ranging from $4.8 billion in 1963, the first year in which I served in the House, to a high of $25.2 billion in 1968.

The projected deficit this year ranges in estimates from $11 billion to $15 billion, and some say it may be as high as $20 billion.

The Federal debt has gone up from $310 billion to $485 billion, and we are presently considering an increase in the debt ceiling.

It just seems to me that if we are going to do something about inflation, we had better start with our own house here in the Congress. We have increased Federal spending by almost 200 percent in these 11½ years, from $111 billion to a proposed $305 billion budget offered by the President of the United States.

We simply cannot ask the American people to tighten their belt, to go without meat, to reduce their grocery purchases, to reduce their health purchases, housing, and clothing, and not accept a commensurate responsibility on the part of the Congress of the United States.

That is what the Senator from Wisconsin is asking that we do—to tighten our belt, to accept the fact that the U.S. Government is the major factor in aiding and abetting inflation, that deficit spending creates inflation in prices and that deficits force the Government into the money market to borrow which in turn forces up interest rates.

As a result we now have an 11-percent prime interest rate. How does one buy a house with an 11-percent interest rate? He just does not buy a house. That is what is happening.

We have got to get a handle on inflation. We have no choice. It is not enough for Congress to criticize banks for charging their interest rates or people for excessive spending. The leadership is here. That leadership has got to be exercised.

The Senator from Wisconsin is of the opposite party. The President is of my party. The party has nothing to do with this problem. The problem is that the Federal Government must exercise a great deal more restraint than it has. This amendment would at least start the process of placing some limitation on our excesses. We have no alternative.

We can debate the priorities. We can pass a budget bill, and we have done it, and the budget reform bill is a good bill; but until we accept the personal, individual responsibility and the collective responsibility of the Congress of the United States to halt the impact of taxes and prices on the American people, we simply are not living up to our constitutional responsibilities.

I urge the adoption of this amendment.

Mr. TOWER. Mr. President, will the Senator yield me 2 minutes?

Mr. PROXMIRE. I yield 2 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I support the amendment offered by the Senator from Wisconsin and the Senator from Tennessee. I have been saying throughout my public life that it is essential, if we are to get inflation under control, that Congress discipline itself to the extent that it causes Government to live within its means. I think this is a constructive amendment.

It is my understanding that it gives discretion to the administration as to where the cuts in spending should be made. Is that correct?

Mr. PROXMIRE. That is correct, but as I said, if we act now, Congress will have an opportunity in the appropriation bills and actions by the authorizing committees to make our own determinations. If we do not do that, then it would have to be up to the President.

Mr. TOWER. So we could go either way?

Mr. PROXMIRE. That is right.

Mr. TOWER. We can live within the spirit of it ourselves through the appropriation process.

Mr. PROXMIRE. That is right. The point is, there will be a ceiling. We would be assured of that. As far as the public is concerned, they do not care who does it, so long as it is done.

Mr. TOWER. I thank the Senator. I shall certainly support the amendment. I will raise this caution with the Senator from Wisconsin and the Senator from Tennessee. The rule of germaneness may be raised and pressed in conference, and I am not terribly sanguine about having this amendment survive in conference. I hope it will. If I am one of the conferees, I certainly shall support it in conference.

Mr. McINTYRE. Mr. President, I yield myself 2 minutes and say to my distinguished friends from Wisconsin and Tennessee that this spending ceiling passed the Senate as an amendment on May 9, as I recall, by a vote of 56 to 31. I am very much in favor of the amendment. I shall be happy to accept it and take it to conference.

I would appreciate very much if we might have a decision now as to whether the Senator is going to request a rollcall on this amendment.

Mr. PROXMIRE. Mr. President, may I say to my friend from New Hampshire I very much appreciate his support. I do think under the circumstances, even though we did have a rollcall on a similar amendment before, we should have a rollcall on this one. As the Senator from Texas has pointed out, it will have a tough time in conference as it is, so it is very important to get every Senator on record on this amendment, because this will be the best opportunity to establish a ceiling. For those reasons, I think it would be best to have a record vote. It will make a difference.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed be charged to neither side.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SPARKMAN). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Wisconsin.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. TOWER. Mr. President, I yield 1 minute.

CONTROL OF TIME ON S. 2784

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that instead of Mr. THURMOND having control on the one side with respect to S. 2784, which is the Vietnam veterans' bill that was reported by the Committee on Veterans' Affairs, Mr. HANSEN's name be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

PRESERVATION OF WILDERNESS AREAS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CHILES) laid before the Senate a message from the President of the United States, which, with the accompanying papers, was referred to the Committee on Interior and Insular Affairs. The message is as follows:

To the Congress of the United States:

There is no greater challenge facing America today than the discovery and development of new energy resources.

As we move toward national self-sufficiency in energy, however, we must be diligent in protecting and preserving our natural heritage of unspoiled wilderness areas and the ecosystems which they support.

With this goal in mind, and pursuant to the Wilderness Act of 1964, I am today proposing 15 new additions to our National Wilderness Preservation System. These additions comprise more than 6 million acres and would nearly double existing wilderness acreage.

I would also like to take this opportunity to urge once again that Congress enact the eastern wilderness legislation I recently submitted, now embodied in legislation labeled S. 2487 and H.R. 10469. On May 31, the Senate passed a bill which would designate certain wilderness areas in the Eastern United States. The Senate bill, I believe, is inadequate. I urge the House to give early and favorable consideration to wilderness legislation incorporating the Administration proposal, and I urge the Congress to adopt it as the most balanced approach to studying and designating wilderness areas in the Eastern United States.

Briefly described, the additions I am proposing today are:

(1) Crater Lake National Park, Oregon—122,400 acres. Crater Lake is the deepest lake in the country and, in its ancient caldera setting, one of the most beautiful. The lake is surrounded by rugged and varied terrain, most of which is recommended for wilderness designation.

(2) Havasu National Wildlife Refuge, California—2,510 acres of Sonoran desert land. Located in one of the hottest and driest areas of the country—rainfall averages only 4.73 inches per year—this refuge is the home of such rare or endangered species as the Yuma clapper rail, the Gila monster, and the peregrine falcon.

(3) Semidi National Wildlife Refuge, Alaska—256,000 acres comprising nine islands and surrounding submerged lands in the western Gulf of Alaska. The refuge's fragile estuarine system is a breeding ground for vast colonies of sea birds and other forms of wildlife.

(4) Hawaiian Islands National Wildlife Refuge, Hawaii—1,742 acres on various islets and reefs distributed among some 800 miles of ocean between the main Hawaiian Islands and Midway Island. Among the rare forms of wildlife found within this refuge are the Laysan teal, found only on Laysan Island; the Hawaiian monk seal; and the green sea turtle.

(5) Crab Orchard National Wildlife Refuge, Illinois—4,050 acres. This refuge is a haven for such migratory waterfowl as Canada geese, snow and blue geese, and mallard ducks.

(6) Zion National Park, Utah—120,620 acres. This park is a superlative example of the effect of erosion on an uplifted plateau. The great bulk of its towering peaks and pinnacles, arches, and natural

bridges are recommended for wilderness designation.

(7) Katmai National Monument, Alaska—2,603,547 acres. Situated near the base of the Alaskan Peninsula, this massive area comprises three entirely different ecosystems: a coastal area dotted with fjord-like bays; a mountainous area atop ancient volcanic basement rocks; and a plain crisscrossed by lakes of glacial origin.

(8) Rice Lake and Mille Lacs National Wildlife Refuges, Minnesota—1,407 acres. Consisting largely of bog, forest, and lakes, Rice Lake National Wildlife Refuge supports a variety of birds, notably the ring-necked duck. Both of the islands which constitute the small, nearby Mille Lacs National Wildlife Refuge are also included in this recommendation.

(9) Glacier National Park, Montana—927,550 acres. Located in the Rocky Mountains of Montana, this park—nearly all of which is suitable for wilderness designation—contains some 50 small glaciers and 200 lakes.

(10) Red Rock Lakes National Wildlife Refuge, Montana—32,350 acres. Although it harbors a multitude of ducks, as well as such mammals as moose, elk, deer, and antelope, the primary purpose of this refuge is to protect the once-rare trumpeter swan, largest of all American waterfowl.

(11) Olympic National Park, Washington—862,139 acres. The home of more than 50 wildlife species, this landscape of rain forests and seashore lies in the wettest winter climate in the lower 49 States.

(12) Tamarac National Wildlife Refuge, Minnesota—2,138 acres. One of the most important sanctuaries along the Mississippi Flyway, this area hosts thousands of pairs of ducks during the annual nesting season.

(13) Rocky Mountain National Park, Colorado—239,835 acres characterized by massive peaks, Alpine lakes, and mountain forests. Among the wildlife found here are wapiti, mule deer, and bighorn sheep.

(14) Missisquoi National Wildlife Refuge, Vermont—620 acres. Located less than a mile from the Canadian border, this refuge supports primarily waterfowl but also a population of 100 whitetail deer, a species which was all but nonexistent in this area 30 years ago.

(15) Unimak Islands (Aleutian Islands National Wildlife Refuge), Alaska—973,000 acres. A rich diversity of wildlife, including the Alaskan brown bear and the once-rare sea otter, inhabit this island. Its scenic coastline, rugged mountains, and volcanic remnants make the island ideal for the study of interrelated marine and terrestrial ecosystems.

In addition, two proposals which have been previously submitted—Pinnacles National Monument and Sequoia-Kings Canyon National Parks, all in California—have been augmented by sufficient acreage to warrant resubmission to the Congress. The enlargements, which are attributable to revised management philosophy and plans and the recent acquisition of private inholdings, amount to 5,970 acres in the case of Pinnacles and 68,800 acres in the case of Sequoia-Kings Canyon.

Three other areas—previously proposed—Cabeza Prieta Game Range, Arizona; Desert National Wildlife Range, Nevada; and Glacier Bay National Monument, Alaska—contain surface lands suitable for wilderness designation. However, because two of these areas are open to mining, and all three may contain minerals vital to the national interest and have not been subjected to adequate mineral surveys, I am recommending that action on these proposals be deferred pending the completion of such surveys.

After a review of roadless areas of 5,000 acres or more and roadless islands, the Secretary of the Interior has concluded that seven areas are not suitable for preservation as part of the National Wilderness Preservation System. These are: Savannah National Wildlife Refuge, Georgia; Little Pend Oreille National Wildlife Refuge and Turnbull National Wildlife Refuge, Washington; Bowdoin National Wildlife Refuge and the National Bison Range, Montana; National Elk Refuge, Wyoming; and Horicon National Wildlife Refuge, Wisconsin.

In addition to this message, I am transmitting herewith to the Congress letters and reports from the Secretary of the Interior regarding these wilderness proposals. I concur with the recommendation of the Secretary in each case, and I urge the Congress to give early and favorable consideration to all of these proposals.

RICHARD NIXON.

THE WHITE HOUSE, *June 13, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. CHILES) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations, with an amendment, in which it requested the concurrence of the Senate.

DEPOSITORY INSTITUTIONS AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 11221) to provide for deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

Mr. BROCK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The pending question is on agreeing to the Proxmire-Brock amendment.

Mr. BROCK. Mr. President, the unanimous-consent agreement was to postpone votes until 12 o'clock. I ask unanimous consent that this amendment be temporarily laid aside until the hour of 12 o'clock for the vote, and that we be allowed to offer further amendments at this time.

The PRESIDING OFFICER. Is all time yielded back on the amendment?

Mr. PROXMIRE. Mr. President, it is my amendment. It is highly embarrassing. I yield back my time on the amendment.

Mr. TOWER. I yield back my time.

The PRESIDING OFFICER. All time on the amendment is yielded back. The bill is open to further amendment.

Mr. BROCK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On pages 20, strike out lines 6 through 16 and insert in lieu thereof the following:

(2) Strike out the second paragraph and insert in lieu thereof the following:

"In addition to obligations authorized to be purchased by the preceding paragraph, the Secretary of the Treasury is authorized to purchase any obligations issued pursuant to this section in amounts not to exceed $2,000,000,000. The authority provided in this paragraph shall expire August 10, 1975.

"Notwithstanding the foregoing, the authority provided in this subsection may be exercised during any calendar quarter beginning after the date of enactment of the Depository Institutions Amendments of 1974 only if the Secretary of the Treasury and the Chairman of the Federal Home Loan Bank Board certify to the Congress that (1) alternative means cannot be effectively employed to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market, and (2) the ability to supply such funds is substantially impaired because of monetary stringency and rapidly rising interest rates. Any funds borrowed under this subsection shall be repaid by the Home Loan Banks at the earliest practicable date.".

Mr. BROCK. Mr. President, I am submitting this amendment to the bill as reported by the Banking Committee. Under section 113 of that bill, we would increase the Treasury's authority to lend directly to the home loan banks by an additional $3 billion. Presently, the Treasury's authority is limited to $4 billion in standby authority.

The purpose of this provision of the bill is to replenish the funds which the President announced on May 10 of this year would be used in a new mortgage commitment program designed to help housing. Under that program the Federal Home Loan Bank System is authorized to buy up to $3 billion in new conventional mortgages from savings institutions during the remainder of this year.

The financing for this program would come directly from the Treasury, under statutory standby loan authority. The additional $3 billion authorized by this section of the bill would be used to replenish the $3 billion used under this new program, thereby retaining $4 billion in unused standby funds at the Treasury.

The authors of this provision intended, of course, that this new authority would be temporary, expiring on August 10, 1975. But the trouble with this provision, as is so often true in other cases, is that it could become permanent lending authority. For that reason, I am offering an amendment to this section of the bill which would require the Secretary of the Treasury and the Chairman of the Home Loan Bank Board to certify each quarter that the conditions which warranted the extension of funds to the Home Loan Bank System are still in existence. If they are not, then any funds made available under this lending authority would have to be paid back and could not be extended again until such conditions reappear. In addition, the amendment would raise the Treasury's lending authority by $2 billion, rather than by $3 billion.

The reason for this amendment is to assure the funds which the Treasury supplies to the home loan banks are truly used for an emergency situation, or under conditions which truly warrant such action. The replenishment of these funds, as provided in this section of H.R. 11221, creates an illusion that housing can be helped over the long run through direct Treasury financing. The truth of the matter is that the Treasury itself must turn around and borrow these funds, thereby increasing the demand for funds in the open market and pushing up interest rates. This, in turn, only accentuates the problems which thrift institutions face when interest rates increase.

The other problem with this provision of the bill is that it creates a direct pipeline from the Treasury to housing. Other sectors of our economy are equally affected by high interest rates, and their cause is as just as that of housing. What we are initiating is not only a step in the direction of nationalizing our housing markets, but opening the door to the possibility that other demands as equally important can be met through direct Treasury financing.

The amendment which I am offering would help to assure that the funds to be used in the President's new program will be used only as conditions warrant, and that the extension of funds to housing at this time will be truly temporary, as intended in this section of the bill.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

I have great sympathy for this amendment, because I think we should do our best to restrain Federal lending as well as Federal spending at this time, because whatever action we take to provide more funds from the Federal Government to the private sector is inflationary.

At the same time, there is no question that the area that has been hardest hit by high interest rates is home building, and I just disagree with my good friend from Tennessee when he says that other sectors are equally affected by high interest rates.

They just are not. Cooperate borrowing is affected, but not nearly so drastically as housing. Housing has already suffered a catastrophic reduction of almost 30 percent, because of high interest rates.

The corporate sector is booming; they have the biggest increase in plant and equipment in history, the biggest increase ever. It is an enormous increase.

Therefore, for this reason, I am reluctant see any cutback in the $3 billion we provided for the Home Loan Bank Board, which is a way, as the Senator properly said, of getting money into the housing sector. The Home Loan Bank Board provides the funding, of course, for savings and loan institutions, which are the principal source of the funds for mortgages in this country.

Housing is in such dire straits that the estimates now are that we will have housing starts of about 1.6 million this year, which is 1 million starts below our goal, and far below what we had last year.

Unemployment in the construction trades is close to 9 percent. So when we employ more people and have more resources, it is less inflationary than it is in most other areas.

Under these circumstances, I am reluctant to support an amendment vitiating the sectors taken by the committee providing $3 billion for the Home Loan Bank Board to make available for housing when they so desperately need it.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. BROCK. I am very much in sympathy with what the Senator says. I am so concerned with the direct access to the Treasury that I originally thought of simply requiring the certification and allowing no increase, because the President has already announced a $10 billion increase in the support program for the housing market.

In terms of our Federal housing programs, coupled with the private programs amounting to approximately $45 billion, that would in itself be, and is, more than a 20-percent increase.

Granting that the basic $4 billion was an emergency reserve, as originally intended, I frankly felt that I had to compromise with myself. So I did initially suggest a $1 billion increase. After conversation with the Senator from Wisconsin we made it $2 billion. That is $12 billion.

That is well in excess of a 25-percent increase in fund availability for housing. That is an incredibly large amount of money. I do hope that the Senator can accept the modified version with the $2 billion limit. I fully understand his concern, and I share it; I think he is correct in saying that housing has been affected more than any other segment of the economy. But it is true that even actions to support housing can sometimes be counterproductive, because if we go too much to the marketplace to obtain funds to provide for Federal assistance to borrowing for any purpose, we simply further dislocate the market and force interest rates so high that people cannot afford to borrow, no matter where they get the money from, whether Federal borrowing, savings and loan associations, or anywhere else.

That is why I believe a more moderate approach is warranted, and I again urge the acceptance of the amendment.

Mr. PROXMIRE. May I say to the Senator from Tennessee that the action that he and I just took in offering an amendment to reduce Federal spending by $10 billion is one way, and I think pershaps the best way, to ease the pressure on interest rates, by reducing the amount of Federal borrowing by $10 billion.

Mr. BROCK. I completely agree.

Mr. PROXMIRE. What we are trying to do is combine that here with the channeling of a relatively modest part of it into the housing sector.

There is just no free lunch. We cannot have borrowing of $3 billion for any purpose without having the effect on the rest of the economy. I would agree with that.

But I think, as the Senator agrees, one area that is supersensitive, terribly sensitive, to high interest rates is housing, because a person pays for a house over 25 or 30 years.

The high interest rates enormously increase the cost and the monthly payments, and automatically take literally millions of people out of the housing market.

Under the circumstances, I will be happy—and I have talked with the chairman of the committee—on behalf of the subcommittee and the committee, to accept the amendment of the Senator from Tennessee.

I might point out that in addition to the $2 billion limit, he also has some additional restrictions limiting the conditions under which even that $2 billion could be borrowed, providing that alternative means cannot be effectively employed to permit members of the Home Loan Bank system to continue to supply reasonable amounts of funds to the mortgage market, and furthermore that this $2 billion can only be used if the ability to supply such funds is substantially impaired, because of monetary stringency and rapidly rising interest rates.

So the Senator has restrictions already built in, in addition to the fact he is reducing the amount to $2 billion. So I support the amendment of the Senator from Tennessee.

Mr. BROCK. I thank the Senator very much. I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CHILES). All remaining time has been yielded back. The question is on agreeing to the amendment of the Senator from Tennessee (Mr. BROCK).

The amendment was agreed to.

Mr. CRANSTON. Mr. President, President Nixon's proposed budget for fiscal year 1975 is a breathtaking, recordbreaking, taxpayer-busting $304.4 billion. It contains a $9 billion deficit which can only worsen the inflation that is wracking our country.

The deficit actually is worse than it appears.

The Federal funds deficit in the President's budget is a whopping $17.9 billion. Part of this is covered in the reporting of the unified by budget by an anticipated $8.4 billion surplus in the Social Security Trust Fund and other trust funds. The trust funds surplus—this means people paid more trust fund taxes than they had to—will bring the unified budget deficit down to about $9.4 billion.

But $17.9 billion or $9.4 billion are too much.

We must get this budget into balance. If the President cannot or will not balance his budget—and OMB Director Roy Ash says he cannot and will not do it—then Congress must balance it for him. And we must make a balanced budget stick.

We must get this budget into balance to keep faith with the people who are being hurt badly by inflation.

There is a time and season for everything, but this is not the season for a Federal deficit in excess of $9 billion.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin, Number 1426.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Maine (Mr. HATHAWAY) and the Senator from Wyoming (Mr. McGEE) are absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) and the Senator from Montana (Mr. METCALF) are absent because of illness.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Iowa (Mr. CLARK) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BARTLETT), and the Senator from Oklahoma (Mr. BELLMON) are necessarily absent.

The result was announced—yeas 74, nays 12, as follows:

[No. 254 Leg.]

YEAS—74

Abourezk
Allen
Bayh
Beall
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cook
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Gurney
Hansen
Hartke
Haskell
Hatfield
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Johnston
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—12

Aiken
Bennett
Biden
Cotton
Griffin
Hart
Hruska
Jackson
Javits
Kennedy
Magnuson
Muskie

NOT VOTING—14

Baker
Bartlett
Bellmon
Bentsen
Church
Clark
Hathaway
Long
McGee
Metcalf
Metzenbaum
Randolph
Symington
Talmadge

So Mr. PROXMIRE's amendment (No. 1426) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McINTYRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. NELSON). The bill is open to further amendment.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the passage of H.R. 11221.

The yeas and nays were ordered.

Mr. BENNETT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BENNETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 22, after the sentence ending on line 10, add the following new subsection:

(c) (1) The Advisory Commission on Intergovernmental Relations (hereinafter referred to as the "Commission") shall conduct a study of all pertinent matters relating to the appropriate relationship between the authority of Federal supervisory agencies and the authority of States with respect to the protection of borrowers from federally chartered financial institutions in connection with terms and conditions applicable to mortgage loan contracts and consumer credit transactions, including, but not limited to, interest rate adjustment clauses, prepayment penalty charges, acceleration clauses, late payment charges, default notices, attorney fees, or maximum interest charges. In conducting such study, the Commission shall consult with the heads of Federal supervisory agencies and with appropriate State officials.

(2) The Commission shall make a report to the Congress of the results of its study, together with such recommendations for legislation or administrative action as it deems appropriate not later than June 30, 1975.

(3) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats or retire to the cloakroom for their conversations. The Senator from Florida will please take his seat. [Laughter.]

The Senator from Utah may proceed. The Senate will be called to order if confusion again arises in the Senate Chamber.

Mr. BENNETT. Mr. President, I am submitting an amendment to section 114 of H.R. 11221 as reported by the Committee on Banking, Housing and Urban Affairs. That section of the bill would prohibit any Federal bank regulatory agency from adopting or enforcing a rule or regulation that is in contravention of a State law or regulation designed to protect borrowers of federally chartered institutions.

Mr. President, I intended to submit an amendment that would have struck the provision in section 114. But, I intend to replace it with a proposal that the matter, which has not had any hearings, be referred for a year to the Advisory Commission on Intergovernmental Relations. After discussing this with the author of section 114 of the bill, we have agreed, and I have modified my original amendment, to allow the provision to remain in the bill with the understanding that simultaneously the Advisory Commission on Intergovernmental Relations will for 1 year study the problem and report back to Congress.

I understand this is acceptable to the Senator from Wisconsin (Mr. PROXMIRE), who is the author of the original proposal. If it is acceptable to the manager of the bill, I hope that it will be accepted, and that we can go to third reading.

Mr. PROXMIRE. Mr. President, I wish to say to my good friend from Utah that it is, indeed, acceptable. I appreciate the modification very much. It is a useful proposal that should be studied by the Advisory Commission on Intergovernmental Relations.

Would it be possible to include in the study the National Association of Supervisors of State Banks and the National Association of Supervisors of Savings and Loan Associations?

Mr. BENNETT. I have no objection.

Mr. President, I ask that the amendment be so modified.

The PRESIDING OFFICER. The amendment is so modified.

Mr. BENNETT. Mr. President, the modification would include as consultants, in the study called for by the amendment, the National Association of Supervisors of State Banks and the National Association of Supervisors of Savings and Loan Associations.

The amendment, as modified, is as follows:

On page 22, after the sentence ending on line 10, add the following new subsection:

(c) (1) The Advisory Commission on Intergovernmental Relations (hereinafter referred to as the "Commission"), in consultation with the National Association of State Bank Supervisors and the National Association of State Savings and Loan Supervisors, shall conduct a study of all pertinent matters relating to the appropriate relationship between the authority of Federal supervisory agencies and the authority of States with respect to the protection of borrowers from federally chartered financial institutions in connection with terms and conditions applicable to mortgage loan contracts and consumer credit transactions, including, but not limited to, interest rate adjustment clauses, prepayment penalty charges, acceleration clauses, late payment charges, default notices, attorney fees, or maximum interest charges. In conducting such study, the Commission shall consult with the heads of Federal supervisory agencies and with appropriate State officials.

(2) The Commission shall make a report to the Congress of the results of its study, together with such recommendations for legislation or administrative action as it deems appropriate not later than June 30, 1975.

(3) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I do not wish to offer an amendment but to address an inquiry to the manager of the bill.

Mr. TOWER. Mr. President, I yield such time to the Senator from Ohio as he may require.

Mr. TAFT. Mr. President, my question relates specifically to the amendment that I believe was adopted earlier, offered by the Senator from Texas. I believe the amendment has been adopted which allows the Federal Home Loan Mortgage Corporation to purchase mortgages pursuant to section 11(i) of the Federal Home Loan Bank Act. Ohio has a sizable group of savings and loan associations, insured under State law, which at present hold about 5 percent of the deposit assets in the State.

Am I correct in assuming that this amendment allows those institutions to participate in the recently announced $3 billion program to provide below-market interest rate funds to be used for residential housing?

Mr. TOWER. Yes, it does.

Mr. TAFT. Would the same be true for savings and loan institutions insured by an entity of the State in North Carolina, Maryland, and Mississippi?

Mr. TOWER. Yes, but I cannot be certain about the States.

Mr. TAFT. The States having such laws.

Mr. BROCK. When it is a subsidy program.

Mr. TAFT. I think my question would so qualify it; only when it is a subsidy program.

I thank the Senator for his explanation.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. McINTYRE. Mr. President, I ask for third reading.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TOWER. Mr. President, I am prepared to yield back all my time.

Mr. McINTYRE. I yield back all my time.

The PRESIDING OFFICER. All time is yielded back. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, may we have order?

The PRESIDING OFFICER. Regular order is called for. The Senate will be in order. The Senate is not in order. The Senate will please be in order.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Chair for insisting that there be order in the Senate. I hope the Chair will persist until order is secured.

The PRESIDING OFFICER. The rollcall will not proceed until the Senate is in order.

The clerk may proceed.

The rollcall was resumed.

The PRESIDING OFFICER. The Senate is not in order. Pursuant to rule XIX, Senators will go to their seats and respond to the rollcall from there.

The Senate is not in order.

The clerk may proceed.

The rollcall was resumed.

The PRESIDING OFFICER. The Senate is not in order. Senators will conduct their conversations in the cloakrooms. The Senate is not in order under rule XIX. The Senate is not in order.

Will Senators conferring retire to the cloakroom?

The Senate is not in order.

The rollcall was resumed.

The PRESIDING OFFICER. The Senate is not in order. The clerk will not proceed until the Senate is in order.

Will Senators return to their seats and respond to the rollcall from their seats?

Pursuant to rule XIX, the clerk will not call the roll until Senators have resumed their seats.

The rules are XII and XI.

Mr. ROBERT C. BYRD. Mr. President, will the Chair state that ruling again?

The PRESIDING OFFICER. Under Senate rule XII, Senators will return to their seats and respond to the roll from their seats.

Mr. ROBERT C. BYRD. There is no rule requiring a Senator to respond from his seat. I am all for enforcing the rules of the Senate, but there is no such rule.

The PRESIDING OFFICER. Under rule XII, the Chair has the authority to request Senators to return to their seats.

Mr. ROBERT C. BYRD. The Chair has that right, but there is no rule requiring Senators to respond from their seats.

The PRESIDING OFFICER. Well, the Chair is requiring them to return to their seats under rule XIX. They can respond or not.

The rollcall was resumed.

Mr. ROBERT C. BYRD. Mr. President, may I say most respectfully, out of friendly argumentation, that there is no rule under which the Chair can ask a Senator to take his seat, unless he has spoken in a derogatory manner concerning another Senator or another State, and enforce it.

The PRESIDING OFFICER. Debate is not in order in the course of a rollcall. [Laughter.]

Mr. TOWER. Mr. President, I ask for the regular order.

Mr. ROBERT C. BYRD. Mr. President, the Chair is correct.

The PRESIDING OFFICER. Regular order has been requested.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that?

Mr. TOWER. I withhold that.

The PRESIDING OFFICER. A rollcall is in progress.

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. A rollcall is in progress.

Mr. PASTORE. I know, but I would like to inquire if my name is on the rollcall as having voted.

The PRESIDING OFFICER. The Senator is recorded.

Mr. PASTORE. I thank the Chair. Now the Chair can proceed.

The PRESIDING OFFICER. The Chair thanks the Senator from Rhode Island.

Mr. ROBERT C. BYRD. Mr. President, may I say to the Chair, again in a friendly way, the Chair always has the last word. [Laughter.]

The rollcall was concluded and the vote recapitulated.

Mr. TOWER. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Regular order is called for.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Ohio (Mr. METZENBAUM), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Maine (Mr. HATHAWAY), and the Senator from Wyoming (Mr. McGEE) are absent on official business.

I also announce that the Senator from Missouri (Mr. Symington), and the Senator from Montana (Mr. Metcalf) are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark), the Senator from West Virginia (Mr. Randolph), and the Senator from Ohio (Mr. Metzenbaum) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bartlett), and the Senator from Oklahoma (Mr. Bellmon) are necessarily absent.

The result was announced—yeas 89, nays 0, as follows:

[No. 255 Leg.]

YEAS—89

Abourezk
Aiken
Allen
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—11

Baker
Bartlett
Bellmon
Church
Clark
Hathaway
McGee
Metcalf
Metzenbaum
Randolph
Symington

So the bill (H.R. 11221) was passed.

The title was amended, so as to read: "A bill to amend and extend laws relating to the regulation of depository institutions, to establish a National Commission on Electronic Fund Transfers, and for other purposes."

Mr. McINTYRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 11221, and that the bill be printed as it passed the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. Sparkman, Mr. McIntyre, Mr. Proxmire, Mr. Williams, Mr. Bennett, Mr. Tower, and Mr. Brock conferees on the part of the Senate.

Mr. TOWER. Mr. President, I move to reconsider the vote by which H.R. 11221 was passed.

Mr. McINTYRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PURCHASE OF SERVICES AND PRODUCTS OF THE BLIND AND OTHERWISE HANDICAPPED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of H.R. 11143, and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> H.R. 11143, an act to redesignate the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped as the Committee for Purchases From the Blind and Other Severely Handicapped, to authorize the appropriation of funds for such committee for fiscal year 1974 and succeeding fiscal years.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. Mr. President, I move to strike all after the enacting clause and that the text of Calendar No. 880, S. 2687, be substituted in lieu thereof.

The PRESIDING OFFICER. As reported.

Mr. ROBERT C. BYRD. As reported.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the agreement of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11143) was read the third time and passed.

Mr. JAVITS. Mr. President, there is a slight difference in the title. I move that the title be amended to comply with the text of the Senate bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read: "An act to create a Committee on Purchases of Blind-Made Products, and for other purposes," approved June 25, 1938 (41 U.S.C. 46–48c).

JAVITS-WAGNER-O'DAY LEGISTATION AIDS EMPLOYMENT FOR HANDICAPPED

Mr. RANDOLPH. Mr. President as chairman of the Subcommittee on the Handicapped. I am pleased to support S. 2687, the 1974 amendment to the Javits-Wagner-O'Day Act. This legislation introduced by the able Senator from New York (Mr. Javits) provides authorizations for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. It makes other important improvements to this program which provides vital job opportunities for the blind and severely handicapped.

The Committee for Purchase of Products and Services of the Blind ond Other Severely Handicapped is the successor to the Committee on the Purchase of Blind-Made Products which was established by the Wagner-O'Day Act of 1938. That act gave the blind a special priority in selling certain products to the Federal Government. It was amended in 1971 by Public Law 92–28 which extended the coverage of the act to other severely handicapped persons and broadened its scope to include services as well as commodities. In 1973, the act was further amended to increase the authorization for the statutory committee from $200,000 to $240,000 for fiscal year 1974. The authorization under these amendments expires at the end of fiscal year 1974.

The committee performs a valuable service for many severely disabled Americans by increasing the employment opportunities for these handicapped individuals and, where possible, preparing them to engage in normal competitive employment.

During the past 2 years, the statutory committee certified 37 new groups of commodities and 20 services for priority procurement by the Government from blind and other severely handicapped workshops. These additions have an annual sales value of about $5.7 million and provide jobs for over 600 blind and other severely handicapped individuals. Workshop sales to the Government in fiscal year 1973 were approximately $30 million, an increase of $5 million over the previous year.

Over 5,000 handicapped persons are now employed in some 80 sheltered workshops providing goods and services for the Government and other organizations—private and public. The average annual wage for these workers is approximately $3,640. Due in large part to the efforts of the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped, these individuals are now gainfully employed and thus are making a substantial contribution to their own support. The small sum appropriated annually for the statutory committee is a constructive investment in our human resources.

S. 2678 provides a continuing authorization to the Javits-Wagner-O'Day committee of "such sums as may be necessary" for its operations. It anticipated that its appropriation will remain at a level of $250,000 to $300,000 over the next 3 or 4 years.

This measure would increase the committee membership from 14 to 15 members by adding a fourth public member, who would be a person with knowledge of problems associated with the employment of the handicapped who are not blind. One member currently represents that group as well as the blind. Under the bill, this member would represent only the blind in the future.

The bill also shortens the title of the committee to "Committee for Purchases from the Blind and Other Severely Handicapped." The word "severely" is retained in the bill as reported, It was omitted by oversight when the bill was introduced.

Finally, S. 2687 clarifies the definition of "direct labor" so that it expressly covers the provision of services as well as the manufacture of commodities.

Last, express my genuine appreciation to Senator Javits, the ranking minority member of the Committee on Labor and Public Welfare, for sponsoring this legislation. He has been one of the chief proponents of this measure, having introduced this bill, and also the 1971 and 1973 amendments. His dedication to this program is reflected by the inclusion of his name in the title of the act.

Mr. President, I know my colleagues will support the passage of the Javits-Wagner-O'Day Act Amendment of 1974. The handicapped need the help of the Congress so they may better help themselves and then help others.

Mr. JAVITS. Mr. President, as the distinguished chairman of the Subcommittee on the Handicapped has pointed out, the measure before us, S 2687, extends the Javits-Wagner-O'Day Act. While this may appear to be a minor measure for the Senate—and it is overshadowed by much other major legislation—the more than 5,000 people who work in workshops who would otherwise not be employed were it not for the Javits-Wagner-O'Day Act, this is major legislation for the several thousand additional persons who it is anticipated will obtain gainful employment through the act in the next 5 years.

I have seen what the Javits-Wagner-O'Day Act means in operation, having visited a workshop in New York City conducted by the Federation of the Handicapped under the direction of Milton Cohen, its longtime director. I was tremendously inspired by the degree of work and the dedication of the severely handicapped people employed there and by the deep sensitivity which goes into dealing with them and teaching them, especially the mentally handicapped who are very much in evidence in this operation.

Congress has given these people an opportunity to function as fully active members of the larger community and relieved from them the burden of being dependents of their families and of society.

The Handicapped Subcommittee, under the able direction of Senator Randolph, gave most careful consideration to the legislation before it and has produced a bill which has the support of the administration and of the overwhelming majority of the community which it is designed to serve. This is not a costly measure. As a matter of fact, the expenditure contemplated during the fiscal year runs in the area of a quarter million dollars.

A great philosopher, Maimonides, once described the various levels of charity. The highest level, "the golden mean," he said, was helping someone to help himself. The Javits-Wagner-O'Day Act is not charity, but it is assistance to those of our blind and other severely handicapped fellow citizens who but for this act would not be able to help themselves. And it produces for the government well made products and high quality service. As a matter of fact, these goods are being sold in the Senate stationary room and an arrangement is being worked out with the keeper of the stationery to increase the share of these goods, as is pointed out on page 4 of the committee report.

Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2687 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Rhode Island were to be recognized, would he yield to me briefly?

Mr. PASTORE obtained the floor.

Mr. PASTORE. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 881 and 882, both of which have been cleared.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first bill.

CERTAIN FEDERALLY OWNED LANDS HELD IN TRUST FOR SISSETON-WAHPETON SIOUX TRIBE

The Senate proceeded to consider the bill (S. 1412) to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, beginning with line 16, add the following new language:

Sec. 2. This conveyance is subject to the right of the United States to use and improve such portions of tracts numbered 1 and 2 as the Secretary of the Interior may determine for so long as he deems necessary.

Sec. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

So as to make the bill read:

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described lands on the Lake Traverse Indian Reservation in North and South Dakota is hereby declared. subject to all valid existing rights-of-way of record, to be held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe:

(1) The southeast quarter of the southeast quarter of section 16, township 123 north of range 53 west of the fifth principal meridian, containing 40 acres formerly used as the Enemy Swim day school site.

(2) The northwest quarter of the southeast quarter of section 4, township 123 north of range 51 west of the fifth principal meridian, containing 40 acres, formerly used as the Big Coulee day school site.

(3) The southwest quarter of the southwest quarter of the southwest quarter of section 15, township 126 north of range 52 west of the fifth principal meridian, containing 10 acres, formerly used as the Long Hollow day school site.

(4) Lots thirteen, fourteen, fifteen, and sixteen of block twenty-six, original townsite of Sisseton, South Dakota, containing 0.24 acre, formerly used for Agency office and superintendent's quarters.

Sec. 2. This conveyance is subject to the right of the United States to use and improve such portions of tracts numbered 1 and 2 as the Secretary of the Interior may determine for so long as he deems necessary.

Sec. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FOREIGN INVESTMENT STUDY ACT OF 1974

The Senate proceeded to consider the bill (S. 2840) to authorize the Secretary of Commerce to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert in lieu thereof:

That this Act may be cited as the "Foreign Investment Study Act of 1974".

Sec. 2. The Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to conduct a comprehensive, overall study of foreign direct and portfolio investments in the United States.

Sec. 3. The Departments of Commerce and Treasury, in consultation with appropriate agencies, shall determine the definitions and limitations of direct and portfolio investments for the purposes of the study authorized in section 2 of this Act.

Sec. 4. In carrying out the study described in section 2 of this Act, the Secretary of Commerce and the Secretary of the Treasury shall, respectively and jointly as may be appropriate—

(1) identify and collect such information as may be required to carry out the study authorized in section 2 of this Act;

(2) consult with and secure information from (and where appropriate the views of) representatives of industry, the financial community, labor, agriculture, science and technology, academic institutions, public interest organizations, and such other groups as the Secretaries deem suitable; and

(3) consult and cooperate with other government agencies, Federal, State, and local, and, to the extent appropriate, with foreign governments and international organizations.

Sec. 5. The Secretary of Commerce shall carry out that part of the study authorized in section 2 of this Act relating to foreign direct investment, and shall, among other things, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, magnitude, and rate of foreign direct investment activities in the United States;

(2) survey the reasons foreign firms are undertaking direct investment in the United States;

(3) identify the processes and mechanisms through which foreign direct investment flows into the United States, the financing methods used by foreign direct investors, and the effects of such financing on American financial markets;

(4) analyze the scope and significance of foreign direct investment in acquisitions and takeovers of existing American enterprises, the significance of such investments in the form of new facilities or joint ventures with American firms, and the effects thereof on domestic business competition;

(5) analyze the concentration and distribution of foreign direct investment in specific geographic areas and economic sectors;

(6) analyze the effects of foreign direct investment on United States national security, energy, and natural resources, agriculture, environment, real property holdings, balance of payments, balance of trade, the United States international economic position, and various significant American product markets;

(7) analyze the effect of foreign direct investment in terms of employment opportunities and practices and the activities and influence of foreign and American management executives employed by foreign firms;

(8) analyze the effect of Federal, regional, State, or local laws, rules, regulations, controls, and policies on foreign direct investment activities in the United States;

(9) compare and contrast the foreign direct investment activities in the United States with the investment activities of American investors abroad and appraise the impact of such American activities abroad on the investment activities and policies of foreign firms in the United States;

(10) study the adequacy of information, disclosure, and reporting requirements and procedures;

(11) determine the effects of variations between accounting, financial reporting, and other business practices of American and foreign investors on foreign investment activities in the United States; and

(12) study means whereby information and statistics on foreign direct investment activities can be kept current.

Sec. 6. The Secretary of the Treasury shall carry out that part of the study authorized in section 2 of this Act relating to foreign portfolio investment, and shall, to the extent he determines feasible, specifically—

(1) investigate and review the nature, scope, and magnitude of foreign portfolio investment activities in the United States;

(2) survey the reasons for foreign portfolio investment in the United States;

(3) identify the processes and mechanisms through which foreign portfolio investment is made in the United States, the financing methods used, and the effects of foreign portfolio investment on American financial markets;

(4) analyze the effects of foreign portfolio investment on the United States balance of payments and the United States international investment position;

(5) study and analyze the concentration and distribution of investment in specific United States economic sectors;

(6) study the effect of Federal securities laws, rules, regulations, and policies on foreign portfolio investment activities in the United States;

(7) compare the foreign portfolio investment activities in the United States with information available on the portfolio investment activities of American investors abroad;

(8) study the adequacy of information, disclosures, and reporting requirements and procedures; and

(9) study means whereby information and statistics on foreign portfolio investment activities can be kept current.

Sec. 7. (a) The Secretary of Commerce and the Secretary of the Treasury may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the Secretaries concerned but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Department of Commerce or the Department of the Tresaury in conjunction with the provisions of this Act, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(b) The Secretary of Commerce and the Secretary of the Treasury are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of any agency or instrumentality of the Federal Government in conjunction with the study authorized in this Act.

Sec. 8. The Secretary of Commerce and the Secretary of the Treasury shall submit to the Congress an interim report eighteen months after the date of enactment of this Act, and not later than two and one-half years after enactment of this Act, a full and complete report of the findings made under the study authorized by this Act, together with such recommendations as they consider appropriate.

Sec. 9. There is authorized to be appropriated a sum not to exceed $3,000,000 to carry out the purposes of this Act. Any funds so appropriated shall remain available until expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the appropriate extracts from the committee report be inserted in the Record in explanation of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the pending business?

The PRESIDING OFFICER. The amendment has been agreed to, and the bill, S. 2840, as amended, is passed.

Without objection, the title will be appropriately amended.

AMENDMENT OF THE COMMUNICATIONS ACT

Mr. PASTORE. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. Nelson). Under the previous order, the Senate will now proceed to the consideration of S. 585, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 585) to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts.

The Senate proceeded to consider the bill.

Mr. PASTORE. Mr. President, the bill was introduced by the Senator from Utah (Mr. Moss).

What it would do is to amend the Communications Act to give the Federal Communications Commission authority to require that all AM and FM radios shipped in interstate commerce or imported from any foreign country into the United States be capable of adequately receiving both AM and FM signals. This requirement would not apply to radios retailing for less than $15.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

PRIVILEGE OF THE FLOOR

Mr. McCLURE. I ask unanimous consent that James Streeter, of my staff, be accorded the privilege of the floor at all phases of the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I ask unanimous consent that it be in order to request the yeas and nays on passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLURE and Mr. PASTORE requested the yeas and nays.

The yeas and nays were ordered.

Mr. PASTORE. This legislation is intended to assure that the American people receive the maximum radio broadcasting service available. At present a significant segment of the total radio audience do not possess receivers capable of receiving FM signals. As a consequence, many FM channel assignments are lying fallow and many FM stations which are on the air operate at a loss.

In assessing the need for an all-channel receiver law, the committee sought to determine whether the public's interest in the larger and more effective use of radio requires one. The testimony of 23 witnesses demonstrated strongly that the public interest would be served by the passage of this legislation.

Despite an improved growth pattern in recent years, FM radio has not developed to a point where the listening public is receiving the benefits it should from this technology. Members of the public who do not have an FM radio either at home or in their cars are cut off from nearly 42 percent of the radio stations now on the air.

In many areas of the country, local radio service is provided by daytime-only AM stations. Of the 4,402 stations on the air, one-half operate from sunrise to sunset. Consequently, the people in these areas are dependent upon these daytime stations for local news, information about school openings and closings, and local weather reports including tornado watches and storm warnings. Between sunset and sunrise, therefore, these people are without a radio source for information about such important local events.

As a matter of fact, it was dramatically emphasized during our hearings that in some of the areas of the country where there has been catastrophic damage because of the weather storms or tornadoes, much of the news could not be brought to the people.

In many of these areas, FM signals have been assigned. When and if FM becomes a viable medium, stations will undoubtedly come on the air. Because of the superior characteristics of the FM signals, such stations will be able to operate nighttime as well as daytime, thus making vital information available around the clock.

For all practical purposes, space in the AM portion of the spectrum is exhausted. The future development of aural broadcast facilities therefore rises with FM into a single aural service.

More important, nearly all public broadcasting stations with the unique programing they offer are located in the FM band.

According to one of the studies submitted to the committee, the cost of adding FM to a house radio are nominal and will likely be further reduced by technological improvements.

Another study submitted at the hearings demonstrates that the actual out-of-the-pocket costs for adding to a typical AM-only car radio is minimal, about $7.

I think I ought to emphasize this because an argument will be made that this proposal will gouge the consumer. That is not true at all. What the automobile manufacturers are doing is using a rule of thumb: If a person orders only an AM set in his automobile, they charge a certain amount of money, let us say, $40 or $50. If he wants FM and AM, they double. It costs them only about $6 or $7 to do it, but they double, just as a rule of thumb. If he goes to stereo, they triple it.

If the consumer is being gouged at all, he is being gouged because the manufacturers are doing it, not because of the dual capacity of the radio set itself.

Furthermore, having had the experience with the all-channel television receiver legislation in 1962, I believe the same situation will be duplicated with the enactment of this bill. Namely, the prices for AM/FM receivers could come down due to the large volume of such radios which will be manufactured.

After 30 years of experience it should be apparent that absent affirmative action by the FCC, the public will not fully realize the potential of FM radio in the foreseeable future.

Whatever encroachment the legislation would make on the public's right of free choice is minimal, and is far outweighed by the attendant benefits the public will receive from a flourishing FM service.

Enactment of this bill will, in my judgment, make a significant contribution to the further expansion of the radio broadcasting industry with all of its implications—more jobs in manufacturing, in retailing, in servicing, and in broadcasting.

I hope the Senate will pass the bill.

Mr. President, the proposed legislation was introduced by the Senator from Utah (Mr. Moss), and I yield to him at this time for further elaboration of the need for this measure.

Mr. MOSS. Mr. President, I thank the Senator from Rhode Island, the chairman of the Subcommittee on Communications, for his vigorous work on the bill before us.

It is a long journey that has brought this bill to the floor of the Senate today. It began on June 11, 1968, when I introduced my first all-channel radio bill. In each intervening Congress I have reintroduced the bill and have restated my conviction that the public deserves access to the broadest possible range of radio services. The passage of this bill by Congress would assure that this would be so.

S. 585 is a simple bill. It would amend the Communications Act to give the Federal Communications Commission authority to require that all radio receivers selling for more than $15—and shipped in interstate commerce, or brought in from any foreign country—be capable of reception of both FM and AM bands.

The bill follows the pattern set a number of years ago when we passed legislation requiring that both UHF and VHF reception be built into all television sets.

Recent studies, which were discussed in full at the committee hearing on S. 585, indicated that the actual out-of-pocket cost for adding FM to a typical AM radio would be only about $7 and this would be true of car radios as well as those of other types. Mass production would probably bring this price down considerably.

Again, we might draw from the experience we had when the UHF-VHF bill went into effect.

A TV manufacturer reminisced recently:

> I remember all of that jazz about how all-channel TV tuners would cost $8 to $10. We're making them now for $1.50 to $2.00 and delighted to get the business.

At the present time, a substantial segment of the radio audience does not own radio receivers which can receive FM signals. Since there are well over 3,000 commercial and noncommercial FM stations, this is a great loss both to the listening audience and to the stations themselves.

Although many homes do have, somewhere in them, a radio which will receive FM broadcasts, only about 25 percent of all cars have factory-installed radios, and it is estimated that overall, whether the public is at home or in their cars, they are cut off from nearly 42 percent of the radio stations now on the air.

Since we have reached the limit on AM frequencies, any new stations must be FM. Building up the audience for FM listening, therefore, means not only a better deal for the radio public, but more jobs in radio manufacturing, in retailing, and in servicing, more broadcasting jobs in FM stations, and more economic security for the stations themselves.

There have been a number of significant recent developments in the broadcasting world which make the passage of the bill today even more of a plus than it could have been in any of the 5 years since it has been introduced. The timing is good.

First, the FCC has come to realize that radio is a single aural service that operates on two bands, and the Commission now regulates it as a single service;

Second, public noncommercial radio has blossomed in the last few years, and has become a full-fledged radio service on FM. Its increasing coverage of the governmental process provides a significant new perspective for the American people of their national and local governments at work;

Third, the microchip technology holds the promise of revolutionary new radios with all-channel capability that will be small both in size and in cost;

And finally, we have at hand the results of two very good studies which are available to answer those who still may wish to protest the AM-FM requirement on the basis that its costs will be too much for the public to bear.

Mr. President, the American consumer is probably not aware that we have reached the limit on AM frequencies in our precious stockpile, and that virtually all new radio stations will be FM stations. Many people continue to buy only AM radios not knowing they cannot hear any of the new stations which will spring up in the years ahead—new stations with new, interesting, and probably controversial programs. They buy radios today unsuspecting of the fact that they are vastly limiting their horizons.

Additionally, and I believe of equal importance, is the very fact of public broadcasting. Congress is now appropriating funds from general taxpayers' revenues to increase noncommercial broadcasting, which, incidentally, can only expand FM frequencies. The continued manufacturer of AM-only radios is making those tax dollars less effective, and is shortchanging those who buy radios only because they are not getting full value from their tax dollars.

Mr. President, before concluding, I wish to thank again the chairman of the Communications Subcommittee of the Senate Commerce Committee, Mr. PASTORE, for holding the hearings on this bill and for bringing it to the floor of the Senate. Also, I express my appreciation to the many people and organizations who joined the cause of all-channel radio to make the hearings so effective and authoritative that there was no question that the bill should be reported to the Senate, and should be passed.

Mr. President, I hope that we can, today, pass the bill and send it along, so that it may become law.

Mr. GOLDWATER. Mr. President, I should like publicly to ask that someone fix this microphone of mine. [Laughter.] Or I will come down and fix it myself.

Mr. President, I wanted to ask the distinguished Senator from Utah (Mr. Moss) a question and make a few comments.

Would this requirement for FM and AM be applied to stereo sets that we buy for our homes? Most of them today carry only FM, because FM is the only frequency on which we find stereo broadcasting.

Mr. MOSS. It would not be mandatory by this legislation alone but the FCC, by regulation, can determine that, in making its regulations, while it is possible to buy a stereo set without FM in it.

Mr. GOLDWATER. I ask that question, because most stereo equipment for the home does not have AM. The user only wants stereo, and he cannot get that through AM. So I hope we will make it clear that it would involve a change in the law on this piece of equipment, and that cost is not involved in it.

Mr. MOSS. Of course, none of this is retroactive. It applies only to manufacturing after this becomes effective in the law; but the power is granted—in fact, the authorization is given—to the FCC, by regulation, to put it into effect, and, in my opinion, the FCC does have the power to make the exceptions for certain specialized types of equipment.

But the ordinary radio which we can go out and buy in a store, send away for from a mail order catalog, or have installed in one's car, will have to be on both bands if it is shipped in interstate commerce.

Mr. GOLDWATER. Let me make this observation, that one of the reasons why many more car radios do not have FM in the 80- to 108-megahertz range is that reception is not uniformly good. Even in the city of Washington, when driving to work, it is difficult to get any one station that will remain tuned for that period, due to the fact that these waves do not bounce off the ionosphere, but are directed to go from the transmitter direct to the receiving set. Therefore, many people, when they buy automobiles, do not put FM in the car. They are interested in stereo reception from FM radios, but if we get more than 20 miles away from an FM station, reception is most difficult. I am not speaking against this concept. I think it is an idea that runs a little bit against the grain of those who like the free enterprise system and would like the system to make its own choice; nevertheless, if we do have the spectrum—and we do—then I see nothing wrong with making the addition which is being made in this bill. It does not amount to a lot of money. We can buy one with AM for $2 and one with AM and FM for around $7. Car equipment costs more, because it requires miniaturization. I think, with this becoming mandatory, the manufacturers will get into miniaturization more than they have and the price will come down.

I wanted to make it clear that making FM available in an automobile is not saying that we will get good reception, because we will not. It requires, for proper reception, a decent antenna and also some permanency in the frequency.

Mr. MOSS. I thank the Senator from Arizona for his comments. He is correct about the need for a direct line so that FM signals can be picked up. I might say, loosely, that in my experience, one cannot remain tuned in tightly on an AM station in many situations here in Washington. There is a news station that I try to pick up, sometimes in the afternoon, but I get so much interference coming over and it fades out so that instead of news I am getting some rock and roll music, which I do not especially want to bring in. That is because that AM band is many times jammed and has these strong stations on it. That is the reason why we need more variety to pick up FM.

Even if we are a long distance away, traveling in the car, 20 to 40 miles away, we will probably pick one station, but still it is available to us. I would emphasize that the testimony shows, first, on the minimal cost that the Senator referred to, that it will undoubtedly come down with mass production, and second, a great service has been performed in the smaller communities which had tornadoes recently. In nearly every instance, it was the FM station that was the one that could get out the local warnings. It was not the big station 200 or 300 or 400 miles away. It was the local station, and those stations, of course, being local, were able to give adequate warning to those who were driving their cars which had FM radios, or to those who had FM radios in their homes, so that they could take appropriate precautions against the storm.

Mr. GOLDWATER. The Senator is running into trouble on the AM frequencies, because nighttime power is different, and it is possible to receive west coast stations in Washington. I remember during World War II, when I was in China, we used to pick up a broadcasting station in Salt Lake City which was working on AM.

The only way we are ever going to correct that, of course, is to cut down the number of stations, which we will not do. What we will probably do will be to go more to the European system.

The European countries are now using frequencies in the 7,000-megahertz class and the 14,000-megahertz class, and are even beginning to go into the 21,000-megahertz. All the good foreign broadcasting is done on those frequencies. They do not bother the Senator from Utah, but they give us radio operators a bad time.

There is not much we can do about it. When we go to the occasionally held frequency conference in Geneva, we come out the last guy on the stick. The United States has taken a bad beating on it. I am hoping that when the frequency conference is held again, we can get the committee interested, and perhaps send some staff people over there to fight the battle for us.

We are slowly losing a lot of our spectrums to the European broadcasters who use frequencies that we need, not just for amateur use, but also for communications use in general by the armed services and by political entities.

Mr. MOSS. I again thank the Senator. His expertise in this field is well known, and his comments do indeed enhance our record to indicate the problems that still exist in this broadcasting field.

We hope we can move ahead as suggested. I do hope that he will support this bill.

Mr. PACKWOOD. Mr. President, will the Senator from Utah yield for a question?

Mr. MOSS. I yield.

Mr. PACKWOOD. I did not quite understand the Senator's former answer about radio tuners that we buy for our homes in a class of expense anywhere from $200 to $800, where a good many of us have the desire to have an AM tuner. As a matter of fact, I am trying to build a digital tuner that is just FM.

Is this kind of legislation going to prohibit us from being able to purchase, or is this in any way a directive to the FCC to say, "No more can you have in your homes the tuners that are just FM"?

Mr. MOSS. No, it certainly never would impinge on any tuner that the Senator would build himself and put together, because that is not a manufactured product made and shipped in interstate commerce. He would make it in his home for his home.

Mr. PACKWOOD. That is not quite true. I am not as expert as Senator Goldwater. This is indeed a kit purchased in Michigan and sent through the mails. So it is in interstate commerce.

Mr. MOSS. Again I must say that that, of course, is going to be set up by regulations. We have authorized the Commission to make this requirement. The Senator is not asking that he be excused from getting an FM band, but that he be excused from getting an AM band, as I understand it.

Mr. PACKWOOD. That is correct.

Mr. MOSS. Frankly, we did not take testimony on that, and we did not write that into the report. My observation, however, is that by regulation the Federal Communications Commission can exempt certain specialized types of receivers. That is the answer I tried to give the Senator from Arizona, who talked about stereo, that on a stereo set there could not be a requirement of adding on all of the bands if there was a specialized reason for it.

The real thrust of the bill is that the average consumer, the man who does not know all about radios the way the Senator from Arizona does, is at the present time blind or not informed about what his radio will do. He just goes down and buys a radio. It is particularly true of automobiles. He ends up simply with an AM band. Thereafter, to buy a conversion kit of some kind to put in FM is an expensive and troublesome thing. So he is limited pretty much to his AM band.

Because of the great success that UHF-VHF brought us in television, we have concluded as a committee that we ought to do the same thing with radio. When one buys a radio, he will get both bands on it. If he is going to specialize beyond that in some way, that will have to be done by regulation of the Federal Communications Commission.

Mr. PACKWOOD. Can we make certain in our colloquy here? The Senator uses the term "specialized," and there is some reference in the report to marine bands. The kind of tuner I am talking about is not a specialized band. It is the kind of tuner one would see in almost any hi-fi or stereo store.

With respect to most of the better models—Harman-Kardon, Thomas, Scott, or Fisher—when one is buying a tuner, not an FM tuner, it is bought by select people who know what they want, but those models do pick up regular broadcasts, not just short-wave or marine bands.

I want to make sure that the FCC does not feel compelled to say that all tuners, be they $15 tuners or $500 tuners, must have an AM and FM band combined in the same tuner.

Mr. MOSS. It is the intention of the legislation to give flexibility to the FCC in its rulemaking, on which hearings would be held and testimony taken. I think that power on rulemaking would reside with the FCC, and it certainly would be within their power to grant the kind of exemption that the Senator is talking about.

Mr. PACKWOOD. Just so that we understand, the bill we are considering today does not compel AM-FM tuners for every price from $15 and up. Is that correct?

Mr. MOSS. That is right. This has to be by regulation of the Commission.

Mr. PACKWOOD. I thank the Senator.

Mr. MOSS. The Senator from Kentucky is the ranking minority member of the subcommittee, and perhaps he would like to speak.

Mr. COOK. I may speak before the debate is concluded, but the Senator from Idaho asked for approximately 10 minutes, and I am perfectly willing to yield. The Senator from Michigan also wishes 5 minutes.

Mr. McCLURE. I thank the Senator, Mr. President, for yielding this time.

Mr. President, I have requested to speak on this bill—one which many other Senators seem to feel is rather a minor matter. However, while it may not be a fundamentally important bill, it is one of those irritating busybody laws that pass unnoticed and take away just a little bit more of our "unimportant" freedom. The bill gives the FCC authority to require that all radios costing more than $15 be capable of receiving AM and FM. The committee report says the bill "is intended to assure that the American people receive the maximum radio broadcast service possible"—and they are going to get that service whether they want it or not. Obviously there is no public demand for this bill. Anyone who wants an AM/FM radio is free to buy one. More than 90 percent of the expensive home-use radios sold are AM/FM anyway.

On the other hand, the bill will have an impact on car buyers. They face these options: Purchase a very expensive AM/FM car radio, or no radio at all. And since many people cannot afford it, the practical effect is that a certain percentage will choose no radio at all.

It is not often today that the American consumer has a chance to get something from the Federal Government for a bargain price, but that is what the committee purports to accomplish in reporting this legislation.

By authorizing the Federal Communications Commission to require that all radios retailing for more than $15 must have AM/FM capability, the committee proposes to legislate an increased FM market. The bill is aimed primarily at the automobile radio market, because of the fact that only only 25 percent of factory installed car radios have FM capability. It may be noted that in 1964 only 4 percent of the cars sold had FM radios while by 1973 this percentage had risen to 28 percent.

In addition, the electronics industry indicated that a substantial number of buyers install FM radios so that the total percentage of radios sold in 1973 within FM capability was about 40 percent. Furthermore, it is estimated that this figure would rise to about 75 percent by 1978.

The committee report suggests that increased costs will be nominal and cites two studies by private consulting firms in support of that argument. The report also declares that the "encroachment—on the public's right of free choice is minimal, and is far outweighed by the attendant benefits the public will receive from a flourishing FM service."

However nominal the cost may be, the public is entitled to a better idea of what those costs will be. With respect to car radios, the A. D. Little consulting firm concluded that the parts and labor cost for adding FM capability is about $7. But that is a 50-percent increase over the estimated parts and labor cost of producing an AM only radio, and excludes general and administrative costs as well as manufacturer and dealer markups.

The other study referred to in the committee report was conducted by the consulting firm of W. J. Kessler Associates. In this report the firm suggested a way of lowering the cost of AM/FM car radios by adding on converters at the manufacturing stage. However, the report indicated that there still could be as much as a 40-percent increase in the average retail price of a standard auto radio.

It is interesting to note the testimony before the committee by the chairman of the FCC, the agency given the responsibility for implementing the provisions of this bill. While supporting the objectives of this legislation, Chairman Wylie pointed out the following:

> Very candidly, Mr. Chairman, I can't accurately predict what effect the legislation may have on the price—whether an AM/FM auto radio will continue to cost what it does today or when or to what extent competitive forces or economies of production might result in a lower price to the consumer. In the meantime, as a result of the passage of S. 585, the consumer would lose the AM only option now available and be faced—particularly when he buys a car—either with doing without a radio or paying more and getting an AM/FM radio.

If the auto companies are charging excessive prices for AM/FM radios, and I am not defending their pricing policies, there is certainly no assurance that this bill will lead to lower prices. In fact, the opposite is likely to occur through the creation of a captive market.

To suggest that the consumer will be getting additional radio service at a cheap price is to defy the laws of economics and reality.

Anyone in the broadcast industry will tell you that rush-hour driving time is the most profitable broadcast time. And that Mr. President, is what is really behind this bill—an effort to give FM broadcasters a market they could not earn through free competition.

We are not saying that this is a threat to the basic freedoms we enjoy. What we are trying to say is that it violates the basic assumption that every American should be free to act in any way so long as his actions do not harm the rights of others. This bill substitutes the judgment of unelected bureaucrats for the individual decisions of free American people. When I was campaigning for the Senate, I promised to work toward repeal of some of our wasteful and unnecessary Big Brother laws already on the books. Certainly a corollary obligation is to see that no new such laws are enacted.

While we all pay attention to major issues that affect our freedoms, we should also pay attention to the minor ones that slip by unnoticed. Freedom can be lost in small increments as well as major upheavals.

In a few days the Senate is expected to take up the misnamed Consumer Protection Act. If we are truly concerned about protecting the consumer, we should do it by protecting his freedom of choice in the marketplace. Free men do not need to be protected from themselves.

This bill ought to be defeated, because it is an unnecessary intrusion on the rights of the people to make decisions effecting their own lives—though I concede this bill only affects a small particle of freedom.

Mr. President, the Record also should note that the Department of Justice recommends against the enactment of this legislation, a matter which is glossed over in the committee report. I think some comment should be added to the colloquy that took place with respect to the questions of the Senator from Arizona (Mr. Goldwater) and the Senator from Oregon (Mr. Packwood) as to whether or not AM should be mandated.

If the real reason, as stated by the Senator from Utah, is to require everyone to have the full spectrum—which is the reason for this legislation—the FCC would have to mandate the AM band on these high-priced home receivers as well as the mandate for FM on the less expensive auto receivers.

The real motive is not to provide a better spectrum for the consumer, but to create a market for a certain few in the broadcast business, and that is not the right of Congress to mandate.

Mr. HRUSKA. Mr. President, will the Senator yield a little time to me for the purpose of asking a question?

Mr. McCLURE. If I have time remaining I yield to the Senator from Nebraska.

Mr. MOSS. I am happy to yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I was not present during the discussion of that part of the bill relating to increased costs. My attention has been called to the fact that one of the popular-make automobile manufacturers advertises an AM radio when installed in a newly purchased car at $60 and an AM–FM combination for $120.

I read with curiosity in the report that the cost would be increased $6 or $7. I cannot quite reconcile that with this bit of information. Can the Senator enlighten me?

Mr. MOSS. I shall be glad to answer. This is a question that arose during the hearings. As the Senator noted, automobile manufacturers generally double the cost of radios with the FM band. Consequently, the Arthur D. Little Co. was commissioned to make a study of the cost of adding the FM band to a standard AM radio, such as a car radio. The testimony was, and it was not disputed during the hearings, that it would cost $6.95 with the FM band.

Consequently, some members of the subcommittee have asked why we do not start a hearing of the manufacturers and find out why they are gouging the consumer by that added cost rather than the mere expense of the FM band.

Mr. HRUSKA. I would suggest that the significant difference is justification for further study.

With respect to the Arthur D. Little study, the consumer will not be able to take that study to the automobile dealer and say, "I want an FM radio and I will pay you $7 more," and the dealer will then put it in. Instead, the consumer has to fork over $120.

We also have the complaint of the Federal Government getting involved in the operation of the free market. Here we have a bill that proposes to take from the consumer his choice of whether he wants a $60 radio or a $120 radio.

Mr. MOSS. It would not work out that way. As a matter of fact, the Ford Motor Co. acknowledged that the overcharge is high and if the AF–FM radio became the base radio for the Ford automobile they feel the volume of increase would create some unit savings and cost savings would be 10 percent to 15 percent immediately.

Mr. HRUSKA. If it is a 10-percent saving, that would reduce the cost from $120 to $108.

Mr. COOK. No, from $60 down.

Mr. MOSS. Yes, from $60 down. That is what they add on to put in the added band. The Senator said 10 to 15 percent. But what will happen and what we feel confident will happen is what happened with UHF–VHF television. That used to be an expensive proposition. In fact, there was great resistance to this bill when it came before our committee. Actually, when it became a requirement on television to have both UHF and VHF the cost plummeted down to where it was so minimal there was hardly any difference between what it used to cost for a single channel television set.

Mr. HRUSKA. I would like to observe that some 11 million new automobiles a year are manufactured. Ninety percent have radios. Seventy-two percent of these are AM radios only. If the cost difference between AM and AM–FM is averaged at $50, the added cost to the consumer would be about $350 million.

One can say, "All right, let us use $10 as an average cost difference." Even $10 would amount to a $70 million cost to the consumer. That is a lot of money. Somebody ought to be speaking in behalf of the consumer, as suggested by the Senator from Idaho.

Mr. COOK. Mr. President, I will not buy the proposition that if people can afford to buy an automobile they are not going to buy an AM–FM radio rather than just an AM radio.

Mr. HRUSKA. That would be a decision for the automobile industry. I do not think the decision would be uniform. The woods are full of people searching for capitalistic ventures of that kind in order to make a profit.

It is not for Congress in its all-encompassing wisdom to say we know better than the open market or we know better than the customer as to what he should or should not buy.

Mr. COOK. Mr. President, I yield myself 5 minutes.

Mr. President, it is rather amazing for me to hear what is being said here today because we established an AM band of from 535 to 1605 kilocycles. The Government established it for the purpose of having an AM radio band. We now have 4,403 stations using that band. The Federal Government also established an FM band, and that FM band is now also available to the public. We now have two bands because of overcrowding. This reflects on the individual who goes in to buy a radio and, because the salesman does not say he ought to have an AM–FM radio, he buys an AM radio. Let us say it is a college student or a young fellow who just got married. He buys an AM radio. He goes to a friend and hears some good music and asks him what station that is. And the friend asks, "You mean you do not have an FM radio?" When he learns that, he feels he has been cheated.

Let me say to the Senator from Nebraska and the Senator from Idaho that I have seen sales on radios that did not say they were AM or FM. They would be on sale for $9.95 or $10.95, and nobody said a word about it, but they were all AM radios.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. McCLURE. What the Senator is saying to me, and I assume in justification of this legislation, is that the people of this country are too stupid to know what they want to buy.

Mr. COOK. Not at all, and the Senator knows better, and I will not buy that theory at all. The Senator knows better than present that theory to me. The Senator just a minute ago said that because a radio may cost $35 or $40 or $60, a person will not buy an automobile with that radio. I am telling the Senator I cannot buy, nor can many people buy, the theory that when a man buys a $5,000 or $6,000 automobile he is not going to buy the automobile because it includes a radio that will cost $50 or $60.

Mr. McCLURE. Will the Senator yield?

Mr. COOK. I yield.

Mr. McCLURE. I did not make that statement. I said he should have the option to buy or not to buy that radio.

Mr. COOK. The Senator said he might not buy the automobile with that radio. I seriously doubt that he is not going to buy the automobile because it does or does not have such a radio. It seems to me there is a degree of theory that we are trying to attribute to FM radio, but it also shows that there is a degree of theory to be made for AM radio. Maybe there is a theory that there may be a group of AM radio people who do not want a bill that says they must have both AM and FM radios. Maybe we ought to look at it from both sides of the spectrum. Maybe we ought to admit that there are some people looking after the AM radio interests throughout the country.

I want to tell the people, through the RECORD, that there are literally hundreds and hundreds of daylight-to-dark stations. They operate only from sunup to sundown. FM radios, because of their limited range, can operate on a 24-hour basis.

I have a telegram from the head of Morehead State University, who gives credit to the FM station in his community for having stayed open on April 3 all night when, in the Commonwealth of Kentucky, almost 40 tornadoes were sighted and we lost somewhere in the vicinity of 50 lives, and the only basic communication warning and information sources that the people had was a 50,000-watt station out of Louisville and the FM stations that were allowed to stay on after dark.

There is a degree of public interest involved in the ability to be in communication, to have the people have local communication at all times, which they do now have on the AM band.

So I am saying that perhaps we are extending the right under the first amendment of the people's ability to know and be told the problems of the country in the event of disaster.

So what I am saying is that we fight a situation here where we created an

AM band a few years ago, and everybody was content with it, and it is now a band that operates from 535 to 1605 kilocycles and contains over 4,400 radio stations.

We wanted to make available to the American public another band, and it was made available, and we are now saying that, when we made that FM band available, we now want to see that you have the opportunity to utilize that band. That, to me, makes a good deal of sense.

I would hope to back up what the Senator from Nebraska said—that we ought to do something about the matter of whether it is a $60 increase; because I have to tell Senators that, if people do not have FM radios in their automobiles, they can get them installed very easily. At Hechinger's parking lot someone put in an FM conversion for $18, and it was so advertised. Senators know that, if they can do it for someone who already has an AM radio in there for that price, the price of FM to begin with is not going to cost anywhere near $18.

So I would suggest I think we are doing the citizens of the country a good and indeed a proper service by making available to them as much communication as we can get to them.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. HART. Mr. President, I approach this question with somewhat mixed feelings. I am delighted that there are some Senators here expressing concern about the welfare of the consumer.

That aside, and addressing directly the proposal pending, Mr. President, I conclude that this is one of those exercises in elitism about which the Federal Government, and particularly the Congress, is increasingly being criticized. The bill's purpose is not to give the American public an opportunity to have AM or FM. Its effect is to make you buy FM whether you like it or not. That is what we are doing. We are imposing it—like it or lump it. If one wants a radio, he is going to have to have AM and FM.

As was said, the marketplace permits one to make a judgment. I may have an AM–FM radio in my car, if I want to, or in my home. I may decide to get an AM only, if that is my desire.

I am one of the people here who generally are labeled by the critics as overeager to regulate what shall be put on the market. I plead guilty to being overeager to regulate something if it affects my health and my safety, but beyond that I suggest we ought not go.

Really, the only argument that has persuasive force to justify this bill is that, somehow or another, I will be safer and the Nation will suffer a lower health cost if everybody is required to have, if he has a radio at all, an AM and FM radio because in the middle of the night the local tornado warning will not be available to him except on FM.

Well, if that is really the theory, this legislation should be amended, and it should require that every car and home have a radio and not just every radio have an AM and FM band. The next step is to require that they not only have an AM and FM radio; they must keep it on FM only.

In this way we would add to the health of the community, but we are not ready to go this far, I hope.

It seems to me there is clearly going to be an added cost. Senators cannot convince me that an FM can be provided at the same price as an AM. Even those who support the bill acknowledge there is an added cost.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HART. What do we get for it? We have the opportunity now to get FM if we want it. If we are compelled to get it, if one would prefer only AM, he would have been denied an opportunity at a price which, I think, is not justified.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HART. Yes.

Mr. PASTORE. Of course, the Senator from Michigan knows the high respect I have for his opinion on almost any subject. I know what a great advocate he is of the consumer interests, and he and I have joined in this crusade year in and year out.

Mr. HART. That is correct.

Mr. PASTORE. It is only regrettable sometimes that we have to act in a negative way to get a positive result.

If the Senator will recall, the same arguments were made at the time we made all television sets all-channel sets. There was one time, of course, when they were all VHF, and then the big serious question came up if we were going to accommodate the public fully that we would have to make them all-channel sets and, for that reason, we passed legislation not too long ago, and I think the Senator from Michigan favored the legislation at that time.

Mr. HART. I did then and I do now.

Mr. PASTORE. Yes, that is true.

I think we did a good thing. I think we did add a little bit to the cost but, in the long term, it was worth it for this reason: Not only did we add to the spectrum because we had more channels under the UHF spectrum, but even beyond that, we brought into being public television, and public television would not exist today if it had not been for UHF, and that is the big contribution that we made to the country.

Now, I am saying in this particular case——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. PASTORE. Mr. President, can I have another minute?

Mr. HART. I do not have it.

Mr. COOK. I will yield 2 more minutes, Mr. President.

Mr. PASTORE. The same can be said about what we are trying to do here.

I know it can be argued by some people, Why should not the purchaser have the right of choice? It is hard to knock that down; that argument is hard to refute. But the point is that FM is coming into being.

I remember in my State the pioneer in FM was WEAN. That was the first station in my State to have FM.

When they went off the air for 1 hour, they did not get one call. It broke their heart. Apparently nobody listened or nobody was listening. And yet, because they started, because they were the pioneers and today we have a multitude of FM stations. They bring fine music, not all rock 'n roll; that comes mostly on AM. You get some high-class cultural music over FM, and that is what this is all about.

I realize the Senator can argue well, and does argue well, that it is adding somewhat to the cost. But that $7 extra when that radio is put into the automobile. I think, is worthwhile because not only do we enhance the trade, we accommodate the public to a greater degree and, in the long run, I think the cost is worth the benefit, and the benefit is worth the cost.

Mr. HART. Mr. President, will the Senator yield me another 2 minutes?

Mr. COOK. Mr. President, how much time have I?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. COOK. I yield 2 minutes to the Senator from Michigan. I have 5 minutes left.

Mr. HART. One minute.

I am not suggesting, nor did the Senator from Idaho suggest, that the survival of the free world hinges on this vote.

Mr. PASTORE. Of course not.

Mr. HART. But I do suggest that all of us should understand the implications in this relatively modest proposal, the title of which, incidentally, is to require that this be done. I do not know whether there is any problem with the Senator's title——

Mr. PASTORE. Oh, no.

Mr. HART. But the title appears to require that this be done, not just turn the question over to the FCC. In every judgment that we make which intrudes on an individual's freedom, we should have some cost-benefit justification; and in my book neither public safety nor the improvement of the economic status of those who want to make money out of FM stations or sell more symphony records justifies what we are doing.

I would also hope that I might be given unanimous consent to have printed in the Record some questions and answers that my own office staff developed on the subject.

There being no objection, the material was ordered to be printed in the Record, as follows:

QUESTIONS AND ANSWERS ON THE RADIO ALL-CHANNEL BILL

Q.: Several years ago, we voted for requiring all TVs to have both VHF and UHF capability. How can one distinguish the requirement that all radios have AM and FM capability?

A.: The range of selection for viewers on the VHF system is very limited—three to five stations maximum in most communities. The range of selection on the AM band of radios is three to five times as great. Therefore, the need for government intervention to increase selectivity and reduce monopolistic tendencies is much greater in the UHF situation.

Second, the entry costs for new TV stations are much higher than for radio stations. The TV industry could argue, in the UHF case, that they needed a guaranteed minimum market in order to get started. The FM stations have far lower entry costs, as the large number of FM stations shows, and the industry, while not as profitable as AM, is alive and growing.

Third, a TV is a high ticket item. Few consumers, were willing to pay the additional cost required for UHF reception, especially when there were few programs available. The radio is a relatively low ticket item and the additional cost of adding FM, while large, has not deterred a large market from developing. In contrast, to the UHF situation, there is already a wide selection of FM stations available.

Q.: If, as the FM stations have stated, the additional cost of including the FM band is only $6, why the fuss?

A.: The $6 figure is soft, to say the least. A leading manufacturer of AM-FM radios for cars told the Antitrust Subcommittee that the cost differential between AM and AM-FM radios is $15–$20. Ford Motor officials estimate the additional cost per car at $55. In 1973, 28% of new cars with radios had the FM band; to require the additional 72% of car radios to have the FM band would cost consumers approximately $400 million in 1975, assuming the same number of cars sold. $400 million is a lot of money to charge consumers for something many do not want.

MAKE FM VIABLE

Q. Will the Radio All-Channel Bill stimulate the FM radio industry enough to make the FM band competitive with AM and therefore economically viable?

A. The economic problems of the FM radio industry come from a variety of reasons including its relatively shorter range than AM, the smaller number of FM receivers, and the nature of the programming. All of these add up to small audiences.

Increasing the number of FM receivers would help in one area to make the industry economically stronger but if most of the new FM radios are beyond your station's range, or if the new FM radio owners just won't listen to your programs, then your station will still fail.

It is in the public interest to have educational programs, classical music, and public interest broadcasts over the FM airwaves, but this may not be the way to stimulate the industry. Direct economic subsidy to public radio, increased public interest programs on present stations (both AM and FM) or some other stimulant may increase the audience of the industry much more effectively, without sticking the Federal Government into the industry in this way.

Q. Will the Radio All-Channel Bill serve the public interest by providing more FM receivers, thereby increasing the potential listenership for public interest, and educational programming?

A. Yes, there can be no doubt that an increase in the number of FM receivers in use will increase the potential FM listenership. It will also make the market limits larger, stimulating advertising to support not only the present public interest programs but perhaps stimulate new entries into the FM public interest market, providing more selection in public interest programs.

However, the ultimate factor in increasing FM public interest listenership comes not from more FM radios, but from listeners who are entertained enough by the program content to tune in. Access now to FM receivers is economically competitive with AM, and yet FM stations, especially in the public interest field, do not find a large enough listener market to attract advertisers.

More FM receivers, and more public interest programs are a socially desirable goal, but those two factors must be brought together by something Congress cannot provide: audience appeal.

Q. Will the Radio All-Channel Bill have a positive effect on competition?

A. To properly answer this, the question must be divided into two parts; first, competition among radio manufacturers at the time of purchase of the radio and second, competition between radio stations, both AM and FM, for the radio listener.

The radio manufacturing industry is not highly concentrated, and at the present time there is wide price, quality, and option competition among radio manufacturers, including the option of AM only, AM/FM, and FM only for the radio purchaser. By requiring only AM/FM radios to be sold, you decrease the option competition (as well as severely limiting the freedom of choice to the consumer) and you do not increase the number of competitors, nor price competition (which may in fact decrease), nor quality competition. Therefore, this would have a small anti-competitive impact on the radio purchase market.

Proponents of the bill, argue that the more FM receivers available, the more FM listeners there will be, which in turn will stimulate competition among FM stations for these new listeners and encourage market entrance by new FM licensees. That this has some pro-competitive effect cannot be denied. However, the new FM receivers only create potential listeners who must be attracted to the stations to increase its market. The potential gain is great; the actual gain should not be overestimated and will probably continue to be a small share of the total radio listener market which listens to and enjoys the educational, public interest programs. Too rapid growth in this area may even dilute the present weak financial base of many FM stations, resulting in the anti-competitive effect of their financial demise.

Mr. COOK. Mr. President, I yield 1 minute to the Senator from New York.

Mr. BUCKLEY. I also oppose the bill.

Mr. President, S. 585, a bill with the innocent title of All-Channel Radio Receivers is one of the most blatant examples of the intrusion of Big Brother government into the free choice of ordinary citizens. This bill would prohibit an American citizen from purchasing a radio receiver costing more than $15 that is capable of receiving only AM signals or only FM signals. It apparently does not matter to the individuals who propose this legislation that an individual citizen may wish to use his own judgment in the matter as to whether or not he wishes to purchase an all-FM or all-AM radio receiver. Rather, they would compel him to conform to the whim of some faceless statute which would arbitrarily rob citizens of their freedom of choice.

There is simply no justification for this blatantly anticonsumer legislation. In many areas of the country, FM programing is extremely limited and frequently difficult to receive at long distances. In other areas of the country, especially urban areas, FM programing is of high quality and substantial choice is available. There is no reason why the Federal Government should seek to impose an arbitrary preference for receivers capable of receiving both AM and FM signals.

This bill should be defeated. It is, in fact, a wonder to me that it could ever have been seriously proposed by my congressional colleagues.

Mr. COOK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator's time remaining is 3 minutes.

Mr. COOK. Mr. President, I merely wish to conclude by saying I could not agree more with the Senator from Michigan and this is not an earth-shaking decision. But I would say that I think all of us have to remember that when the Senate decided to offer to the American public and see that the American public had a right to have all-channel television, and we went to UHF and VHF receivers and saw to it that they all had to be that way, prior to that time all one had to do was to have a UHF station come into his town when he had a VHF television, and then he really did spend the money because his kids wanted that extra channel, and they wanted that extra programing, and they said, "Gee, we cannot see that one; we do not have the opportunity to see that one." So that converter really did cost him money, and there were people in the business then who sold those converters, those who had blazed the trail, so that one could get his television converted so that he could pick up the UHF stations, and we decided to resolve that problem so it did not cost that kind of money, and so that he did not have to pay that tremendous sum of money. In the end, it was truly the consumer who benefited when the Congress, in its wisdom, decided to make available to the public the necessity of the manufacturer to produce an all-channel television receiver.

What we are saying here is that the Government of the United States has granted licenses throughout the United States on the AM and FM bands. They have become a way of life in the United States in regard to the receivability of signals to the American citizen.

Therefore, if that is the case, not that he does not know the differences—in many instances he may—but the fact is that for his own safety, for his own protection in the event we have to utilize those facilities, and because of the fact that they are duly licensed frequency channels in the American radio system today, we would like to see to it that both will be made available.

We have heard all this about how much more it would cost and how much more the consumer will have to pay out.

I happen to believe that is not the case. I happen to believe they will be able to produce them at a very reasonable cost, and that the American people will be delighted.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired. The Senator from Utah has 1 minute.

Mr. MOSS. Mr. President, I am pleased that so many Senators have engaged in this debate today; apparently we have had many converts to consumerism. I have been trying to protect the consumer in this body for a long time.

I am convinced that this is a consumer's bill. The Federal Government, by its licensing procedure, has provided for an FM band and an AM band on which citizens may receive signals. The purpose of this measure is to make sure that those who buy receivers will be able to get the signals on both bands, for all the reasons we have set forth.

This bill will promote diversity and creativity in the broadcast industry. The educational and noncommercial market will come of age. That is the purpose of the bill, and I hope it will pass overwhelmingly.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLURE. Mr. President, I have an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

After line 18, page 2, add a new section as follows:

SEC. 3. Any person who subscribes to one newspaper must subscribe to at least two.

[Laughter.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries and in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCLURE. I ask unanimous consent that the name of the junior Senator from New York (Mr. BUCKLEY) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I think the sponsors of the legislation will note that this amendment is only designed to gain a point with respect to placing in perspective the argument made by the proponents that the purpose of the bill is only to provide an opportunity for more people to have more information. I suggest that if that is a good argument, my amendment is a good amendment. Certainly if one newspaper is good, two newspapers would be twice as good. If AM is good and FM is good, and we can mandate the people to have both, why not mandate that they have both newspapers?

Mr. MOSS. Mr. President, I move to lay the amendment of the Senator from Idaho on the table.

The PRESIDING OFFICER. A motion to lay on the table is not in order until the time of the Senator has been yielded back.

Mr. HART. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Michigan.

Mr. HART. Might not the point be made even more clearly if the Senator modified his amendment to provide that anyone who buys a newspaper should be required to buy—and then enumerate the learned journals whose economic survival is questionable, but whose wisdom, in the judgment of many, is enormous?

Is that not more in line with what the Senator is trying to do?

Mr. McCLURE. I think the Senator is correct. I think his point is valid.

I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I was going to make the exact point made by the Senator from Michigan.

We are told this legislation is necessary for two reasons: First, because there are so many FM stations that are struggling to survive; and, second, that isolated communities cannot themselves survive in times of emergency without access to the traditional forms of communications.

I find the parallel exact in every respect, and urge it upon our colleagues.

Mr. McCLURE. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. DOLE. Mr. President, the bill before us today is a perfect example of what so many people find wrong with the Federal Government.

It is an unwarranted, unnecessary, and highly questionable interference with the individual's right of free choice. It is a glaring and disturbing example of the big brother mentality at work in Congress. And I oppose it vigorously.

I find absolutely no justification for the Government to tell people that they must buy radios that recieve both AM and FM signals. What possible concern is it to the Government in Washington what kind of radios the American people buy? Certainly, there is no constitutional basis for such meddling. And even more importantly, there is no justification in this period of great concern for increases in the cost of living to force the consumer to pay for some extra, added and more expensive gadget when he purchases a basic item such as a radio.

This bill demonstrates the same sort of heavy-handed Government-knows-best nonsense that has forced the American to endure trapeze- and buzzer-encumbered automobiles, overbearing and punitive OSHA regulations, senseless and disruptive forced busing of schoolchildren away from their neighborhood schools, and mountains of redtape, triplicate forms, and bureaucratic tyranny.

It is a sad commentary on Congress that such a piece of legislation should be dignified by consideration on the Senate floor. I would hope and urge that it be soundly defeated as a signal to the American public that these assaults on their basic, most fundamental freedom—the freedom of choice—will not be tolerated further.

Mr. MATHIAS. Mr. President, I have spoken before about the need to reinvigorate the sense of community in America. I have said that in many cases, the advance of technology has worked to destroy the sense of community which is central to our sense of ourselves as a nation.

In particular, the mass media, all too often, contribute to the erosion of neighborhood ties by emphasizing the uniformity of people in advertising methods as well as in editorial or program content. The search for larger numbers and common denominators is a constant force for the diminution of individuality. However, this need not be the case, as is shown by the example of one major radio station in Baltimore, Md.

WBAL radio, with a signal which can be heard from Bermuda to Canada, has not grown too big to forget the people who live in its own back yard. The station has gone an extra step to meet the needs of its neighbors in the Baltimore area, even when the handful of people being helped was far too small to count in the audience ratings so important to advertisers.

WBAL radio's "Call For Action" project, the only one in the State, is one example. Over 4 years, volunteers have handled over 27,000 requests for help or advice. This project underwritten by the station itself, goes beyond the use of the normal broadcasting facilities available to all stations. A similar example of extra effort is in the summer camp program for needy children. This has expanded to include 10 innercity churches who formed a corporation at the station's request to lease a camping site. The program, funded through contributions by the station and by its listeners, sent 150 children to camp in its first year, 1969, and sent nearly 800 children last summer.

In addition to continuing efforts, WBAL radio has been highly effective in meeting special needs on a spot basis. Some examples:

A trip for 200 children, many of whom had never been out of the inner-city, to a dairy farm;

An appeal for wheel chairs for sick and elderly who could not afford them, resulting in donations of over 30 chairs;

When the Maryland League for Crippled Children needed a bus to transport the children, WBAL radio asked listeners to send in trading stamps, and in 4 weeks had received enough stamps for two buses;

An effort to get furniture and bedding for a facility serving runaway teenagers resulted in donations of everything from sheets and furniture to pots and pans.

The list of successes also includes such items as Christmas gifts for needy children, crutches for hospital patients, musical instruments for children in Baltimore's Cherry Hill section, and sports equipment donated through local fire houses for use in city recreational programs.

Al Burk, vice president and general manager of the station, admits to an immediate, selfish interest in the well-being of his community, which cannot help but pay off in good will for WBAL radio. I suspect, however, that this is not the whole story. When one considers the man hours which go into any such person-to-person effort similar to those I have listed and compares that with the minimal return it must bring to the station, the effort does not "pay off" in a strictly business sense.

They do pay off, however, and not only to those who are directly benefitted. The entire community needs those who have both the ability and the will to take time out to pay attention to the unmet needs of the few. The work of Al Burk, Urban Affairs Director Jesse Webster, the volunteers who contribute to their programs and the public and private agencies who share their goals all help to repair the worn spots in the fabric of the Baltimore community. Their work, and the work of many public-spirited citizens, is our most valuable safeguard against the loss of community. It is the glue which joins our society, and they are preserving that society in the finest traditions of civil leadership.

Mr. BAYH. Mr. President, I rise in support of S. 585, the all channel radio receiver bill, as reported from the Committee on Commerce. The requirement that all radios costing over $15 be equipped to receive both AM and FM stations is reasonable and necessary to provide maximum efficient radio service to the American people.

Over the past 13 years the number of FM stations in this country has increased dramatically—from 829 licensed stations in 1961 to 3,174 FM stations on the air today. However, a significant portion of the American public does not own radios that are equipped to receive FM stations and the majority of FM stations operate at a financial loss as a consequence.

The citizens who do not have access to FM stations in their home or car are cut off from listening to 42 percent of the radio stations on the air. Many of these stations are of a specialized nature, providing educational programs and classical music, for which the high fidelity and interference-free characteristics of FM are especially well suited. Many of these stations are operated by colleges and universities and offer a unique variety of public service programs.

While this legislation does involve increased Federal guidelines and regulations in the communications field, it seems necessary in order to reach the full potential of FM broadcasting and thus serve the public interests. In addition, Congress set a precedent 10 years ago by adopting legislation to require television sets to be built to receive both UHF and VHF signals. That legislation was passed for many of the same reasons we should pass the all channel radio receiver bill—namely, to increase the public's access and choice of available programing.

This legislation, S. 585, will offer the citizens of Indiana and the Nation an opportunity to choose and select from the programing offered by AM and FM stations with the purchase of a single radio. In doing so it will further the important goal of providing our citizenry with the greatest possible access to news, public interest broadcasting, and varied types of radio programing. I urge its adoption.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of this measure, the Senate proceed to the consideration of S. 1486 rather than S. 1485, and that S. 1485 be placed on the calendar under subjects on the table.

The PRESIDING OFFICER. Is there objection?

Mr. BUCKLEY. Mr. President, reserving the right to object, what are those bills?

Mr. ROBERT C. BYRD. They are on the calendar, Nos. 831 and 832.

Mr. BUCKLEY. I thank the Senator very much. I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BROCK (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Tennessee (Mr. BAKER). If he were present and voting he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. HELMS (when his name was called). Inasmuch as I am a stockholder and I am a director of a broadcast station, to avoid possible conflict of interest I answer "Present."

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Louisiana (Mr. LONG), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Maine (Mr. HATHAWAY), and the Senator from Wyoming (Mr. MCGEE) are absent on official business.

I also announce that the Senator from Montana (Mr. METCALF), and the Senator from Missouri (Mr. SYMINGTON) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 44, nays 42, as follows:

[No. 256 Leg.]

YEAS—44

Abourezk
Aiken
Allen
Bayh
Beall
Biden
Brooke
Byrd, Robert C.
Case
Clark
Cook
Ervin
Gravel
Gurney
Hartke
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Magnuson
Mansfield
Mathias
Metzenbaum
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Talmadge
Tunney
Williams

NAYS—42

Bartlett
Bennett
Bentsen
Bible
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Fannin
Fong
Griffin
Hansen
Hart
Haskell
Hatfield
Hruska
Johnston
Kennedy
McClellan
McClure
McGovern
McIntyre
Mondale
Nelson
Percy
Proxmire
Roth
Scott, William L.
Stennis
Thurmond
Tower
Weicker
Young

ANSWERED "PRESENT"—2

Helms
Taft

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Brock

NOT VOTING—11

Baker
Bellmon
Church
Fulbright
Goldwater
Hathaway
Long
McGee
Metcalf
Muskie
Symington

So the bill (S. 585) was passed, as follows:

S. 585

An act to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude moduled (AM) and frequency modulated (FM) broadcasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303 of the Communications Act of 1934 is amended by adding the following new paragraph at the end:

"(t) Have authority to require that apparatus designed to receive any amplitude modulated (AM) or frequency modulated (FM) broadcast be capable of adequately receiving all frequencies allocated by the Commission for AM and FM broadcasting when such apparatus is shipped in interstate commerce, or is imported from any foreign country into the United States, for sale or resale to the public: *Provided, however,* That this authority shall not extend to apparatus designed to receive only amplitude modulated (AM) or frequency modulated (FM) broadcasts and retailing for less than $15."

SEC. 2. Section 330 is amended—

(1) by striking out "paragraph (s)" in subsection (a) and inserting in lieu thereof "paragraphs (s) and (t)";

(2) by striking out "that paragraph" in subsection (a) and inserting in lieu thereof "those paragraphs";

(3) by striking out "section 303(s)" in subsection (b) and inserting in lieu thereof "sections 303(s) and 303(t)"; and

(4) by striking out "TELEVISION" in the section heading and inserting in lieu thereof "BROADCAST".

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPORT EXPANSION ACT OF 1973

The PRESIDING OFFICER (Mr. BARTLETT). Under the previous order, the Senate will now proceed to the consideration of S. 1486, calendar No. 832, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1486) to authorize the Secretary of Commerce to engage in certain export expansion activities, and for related purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments.

OBSERVANCE OF A PERIOD TO HONOR AMERICA

Mr. HUGH SCOTT. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

I ask unanimous consent that the time not be charged against either side on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

S. CON. RES. 90

Whereas it is the sense of Congress that 1974 be recorded as the year that all freedom loving Americans demonstrate a reaffirmation of their patriotism and love and respect for these United States of America upon the occasion of the 198th anniversary of its founding; and

Whereas the Congress is aware that while many of the problems confronting America may appear to be monumental, they are problems that are surmountable through the exercise of the American spirit and will; and

Whereas the rekindling of that spirit and will can begin by honoring America: Now, therefore, be it *Resolved in the Senate, (the House of Representatives concurring)*, That Congress declares the 21 days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America, and let there be public gatherings and activities at which the people of the United States can celebrate and honor their country in appropriate manner.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUGH SCOTT. Mr. President, first, I ask unanimous consent that time on this resolution be limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I am pleased to join the distinguished majority leader the Senator from Montana (Mr. MANSFIELD) in asking for the immediate consideration of our concurrent resolution to declare the 21 days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America. An identical proposal is also being considered in the House of Representatives today.

This coming Independence Day will mark the 198th year since the signing of our Declaration of Independence. In those nearly 200 years, the Nation has suffered battle, hardship, and often despair. But the Declaration and our Constitution remain intact. As Americans, we still pledge to them our lives, our fortunes, and our sacred honor.

It is fully proper that each American remind himself that ours is a Nation worthy of honor, and it seems especially appropriate that the period between Flag Day and Independence Day be designated for this purpose.

We ask that our resolution be immediately agreed to.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

CONGRATULATIONS TO SENATOR STENNIS

Mr. HUGH SCOTT. Mr. President, I was not able to be on the floor of the Senate the other day to pay tribute to the distinguished chairman of the Armed Services Committee for exhibiting his usual skill and competence in managing the defense procurement bill. We were all pleased to note the stamina displayed by our good friend, the Senator from Mississippi (Mr. STENNIS), in meeting the taxing demands of handling major legislation on the floor of the Senate. I congratulate him on his outstanding effort.

I also congratulate the distinguished Senator from South Carolina (Mr. THURMOND), the manager of the bill on this side of the aisle. It was a very difficult bill. It was handled with discretion, with dispatch, and with a great deal of patience, and a good result was achieved.

EXPORT EXPANSION ACT OF 1973

The Senate continued with the consideration of the bill (S. 1486) to authorize the Secretary of Commerce to engage in certain export expansion activities, and for related purposes.

Mr. SPARKMAN. Mr. President, in considering S. 1486, the Foreign Relations Committee drew a distinction between those provisions involving the State Department and overseas activities, upon which the committee chose to act, and those of an essentially domestic character, which the committee chose to report back without recommendation. Although, in the broadest sense, all export promotion activities have an international dimension, the committee has generally not addressed itself to export programs conducted in the continental United States, unless such programs are in possible conflict with international agreements to which the United States is a party.

The provisions of S. 1486 to which the committee directed its attention were sections 6 and 14 of the bill as received by the committee. Section 6 provided for the establishment abroad of as many as five Regional Export Assistance Centers, to be operated by the Secretary of Commerce as "storage, distribution, and service headquarters for small, medium-sized, new-to-export, and new-to-market American exporters." Section 14 required that, henceforth, in connection with any proposed Federal action which "could significantly affect international economic relations, the balance of payments, or the balance of trade of the United States," there be prepared an international economic impact assessment statement, to include detailed analysis and recommendations from all interested agencies.

In regard to both of the sections, the committee was sympathetic with the implied general goal, but in both cases the committee had very serious doubts about the efficacy of the specific provisions.

Concerning the proposed Regional Export Assistance Centers (REAC's), the committee noted that foreign governments might well raise serious objections to REAC's on the ground that both the services they would provide and the exports they would facilitate would be in unfair competition with the domestic firms of those countries. Equally as important, with regard to the administration of such a program, the operation of REAC's by the Secretary of Commerce would be inconsistent wtih the longstanding principle, embodied in repeated Presidential directives, that all U.S. Government activities in a foreign country, save those involving U.S. forces, come under the direct jurisdiction of the American Ambassador. In this connection, section 6(b)(2) was particularly objectionable in that it would vest in the Secretary of Commerce the authority to assign Foreign Service officers otherwise under the jurisdiction of the Secretary of State.

In considering the proposed system for the preparation of international economic impact assessment statements, a requirement which would undoubtedly entail extensive activity by the State Department as well as other agencies, the committee questioned the wisdom of imposing such a further burden upon the executive branch. Clearly it is desirable that the administration's policymaking process involve contributions from all interested agencies and that the process occur, as much as possible, in full public view. But in the committee's understanding, the President's Council on International Economic Policy, created in 1972, already provides an effective mechanism for the collection, coordination, and publication of agency views.

With these serious doubts about both the sections which it particularly considered, the committee chose to amend the bill by deleting those sections. The remaining sections—those dealing with domestic export promotion activities—are contained in the bill which the committee has reported back to the Senate without recommendation.

Finally, Mr. President, I should note that the administration also opposes the sections deleted by the committee, as well as several other sections of the bill. This is shown in a letter from the Deputy Secretary of State to the chairman of the Foreign Relations Committee, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, May 14, 1974.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On May 10 I wrote you to express the Department of State's opposition to S. 1485, a bill that would create 15 overseas export representatives. These positions would be manned by personnel drawn from the Department of Commerce and would inspect and instruct economic/commercial officers who are assigned overseas.

I wish in this letter to reiterate that position, speaking now for the Administration as a whole. I should note in particular that I have discused this with Secretary Dent, and that the Department of Commerce is also opposed to this legislation.

When Secretary Dent and I talked about S. 1485, we also discussed S. 1486. I understand that Commerce would favor passage of Section 15, which would expand the scope of the Webb-Pomerene Act, but that it would not favor enactment of the other provisions of S. 1486 in their present form despite finding merit in the objectives of some of the other provisions.

The Office of Management and Budget has asked us to note that there has been inadequate time for it to secure the concurrence of other government agencies which are interested in S. 1486 and for OMB to determine if the bill is consistent with the Administration's program.

Sincerely,

KENNETH RUSH,
Acting Secretary.

Mr. BROCK. Mr. President, I ask unanimous consent that during the consideration of S. 1486, J. V. Crochett and John Backe of my staff may be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that during the consideration of this matter the committee staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, S. 1486 was reported on April 11, 1974, with amendments, and on April 23, 1974, it was considered and passed. On April 24, passage was vacated, and it was referred to the Committee on Foreign Relations. On May 20 of this year it was reported to the Senate by the Senator from Alabama (Mr. SPARKMAN) with amendments.

As manager of the Commerce Committee bill, I have listened to the arguments presented by the distinguished Senator from Alabama, and I find them most persuasive. I have no objection to the bill as amended.

Therefore, the Committee on Commerce is prepared to accept the two amendments submitted by the Committee on Foreign Relations.

Mr. President, on April 23 we had a most comprehensive discussion of the measure before us. It would be repetitive to review what we said on that date. However, at this point I would like to submit for the consideration of the Senate an amendment which I have at the desk. I call up the amendment.

The PRESIDING OFFICER. The amendment is not in order until the amendments of the Committee on Foreign Relations are disposed of.

Mr. SPARKMAN. Mr. President, I ask that the amendments of the Committee on Foreign Relations be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

Mr. INOUYE. Mr. President, may I now take up my amendment?

The PRESIDING OFFICER. The Senator's amendment is in order.

Mr. INOUYE. I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. INOUYE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

On page 57, line 13, insert the following: at the end of line 13:

"The provisions of the preceding proviso shall not apply to any association operating under this Act prior to the date of enactment of the Omnibus Export Expansion Act, or to any person which was a member of such association before that date, except with respect to participation by that person in any other association beginning after that date."

On page 59, line 1, delete "June 30, 1974," and insert in lieu thereof "June 30, 1975,".

On page 59, line 11, delete "June 30, 1975," and insert in lieu thereof "June 30, 1976,".

On page 59, line 21, delete "June 30, 1976," and insert in lieu thereof "June 30, 1977,".

Mr. INOUYE. Mr. President, this amendment is actually technical in nature. By some inadvertent error, this section was left out of the printed bill as reported by Commerce Committee.

Furthermore, there are three other minor amendments changing the authorization dates. The original bill referred to June 30, 1974. That has been changed to 1975, and the 1975–76 has been changed to 1976–77, accordingly.

Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SPARKMAN. I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I send to the desk a technical amendment. It is possible that this duplicates the amendment of the Senator from Hawaii.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

In the printing of S. 1486 as reported by the Foreign Relations Committee, there was a typographical error which can be corrected if the Senate will accept a technical amendment. The error occurs on page 23 of the bill, line 25, where a deletion bracket has mistakenly been printed.

Mr. SPARKMAN. Mr. President, I yield back my time on the amendment.

Mr. INOUYE. I yield back my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

The amendment is agreed to, and the correction will be made.

The PRESIDING OFFICER. The question is on agreeing to the Commerce Committee substitute, as amended.

The Commerce Committee substitute, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRIFFIN. Mr. President, are further amendments in order?

The PRESIDING OFFICER. Further amendments are no longer in order. Further amendments are not in order.

Mr. GRIFFIN. Mr. President, I make the following request to protect a Senator who is not in the Chamber. I did not realize the parliamentary situation. I am very much in favor of the bill. I serve on both the Committee on Commerce and the Committee on Foreign Relations. But I think we should rescind the adoption of the substitute for the time being so that amendments will be in order.

I ask unanimous consent that the action of the Senate in that regard be rescinded. Perhaps the Parliamentarian can advise us as to the proper form.

I ask unanimous consent that the bill be open to further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. BROCK. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 24, line 8, strike out "section 7" and insert in lieu thereof "section 9".

On page 25, line 5, strike out "section 10" and insert in lieu thereof "section 12".

On page 34, between lines 14 and 15, insert the following:

"INTERNATIONAL TRADE SPECIALISTS

"SEC. 6. (a) (1) There is established within the Department of Commerce and in its field offices an international trade specialist program. The Secretary shall recruit, train, and assign such personnel to the program as may be necessary to implement the purposes of the Act, except that the number of such personnel shall not exceed three in each field office, and shall not exceed one hundred for the entire program.

"(2) Each international trade specialist appointed under this section shall have had at least five years of executive level experience in private industry directly related to exporting products from the United States. Any individual who is or who has been a career employee of the United States shall be ineligible for an appointment under this section for a period of five years following the date of his separation from employment by the United States.

"(3) Appointments as international trade specialists shall be without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(4) An individual appointed as an international trade specialist may occupy such position for a period of (or periods aggregating) not more than five years, and shall be compensated at rates established by the Secretary, but not to exceed $25,000 per annum.

"(b) The function of international trade specialists will be to augment existing field office staffs. International trade specialists will be engaged exclusively in the promotion of export expansion activities through the export expansion programs administered by the Secretary.

"(c) The Secretary shall conduct an evaluation of the program carried out under this section and transmit a report to the Congress not later than three years after the date of enactment of this Act. Such report shall include information on the recruitment, training, and placement of personnel, the export expansion programs under which such personnel operated, data on increased exports in terms of dollar amounts and quantity of shipments, and recommendations with respect to the program's continuation.

"EXPORT MEASUREMENT

"Sec. 7. (a) To measure adequately the progress of the export expansion programs carried out by the Secretary, more accurate and definitive measurements than those already in use must be established and implemented.

"(b) The Secretary shall establish and implement a procedure within the Bureau of the Census of the Department of Commerce to insure that each shipper's export declaration contains the address (including the State) of the exporter. Total exports for each State, by country of destination, and by schedule B commodity groups, will be compiled in a monthly report for each of the field office areas of the Department of Commerce.

"(c) The permanent implementation of the procedure described in subsection (b) and the availability of funds authorized under subsection (e) are contingent on the implementation and conduct of a pilot project encompassing the exports of not less than eight States for not less than six consecutive months. For the purpose of this subsection, there are authorized to be appropriated not to exceed $175,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976.

"(d) An evaluation of the measurement program established under this section shall be carried out by the Office of Field Operations, Department of Commerce, in cooperation with its field offices. Not later than eighteen months after the date of enactment of this Act, the Secretary shall transmit a report on such evaluation to the Congress including therein information on the implementation of such procedures, an analysis of results, and recommendations as to improvements, or discontinuation of the program."

On page 34, line 16, strike out "Sec. 6." and insert in lieu thereof "Sec. 8.".

On page 37, line 14, strike out "Sec. 7." and insert in lieu thereof "Sec. 9.".

On page 39, line 20, strike out "Sec. 8." and insert in lieu thereof "Sec. 10.".

On page 40, line 20, strike out "11 and 12" and insert in lieu thereof "13 and 14".

On page 42, line 11, strike out "12" and insert in lieu thereof "14".

On page 42, line 19, strike out "Sec. 9." and insert in lieu thereof "Sec. 11.".

On page 44, line 17, strike out "Sec. 10." and insert in lieu thereof "Sec. 12.".

On page 48, line 4, strike out "Sec. 11." and insert in lieu thereof "Sec. 13.".

On page 48, line 7, strike out "section 10" and insert in lieu thereof "section 12".

On page 49, line 5, strike out "section 10" and insert in lieu thereof "section 12".

On page 50, line 1, strike out "section 11 and 12" and insert in lieu thereof "sections 13 and 14".

On page 51, line 5, strike out "Sec. 12." and insert in lieu thereof "Sec. 14.".

On page 52, line 2, strike out "section 11" and insert in lieu thereof "section 13".

Mr. BROCK. Mr. President, I offer this amendment on behalf of myself and Senators COOK, DOLE, BENNETT, TOWER, and McGOVERN.

I may say at the outset that I appreciate the efforts of the Senator from Hawaii (Mr. INOUYE) and the leadership he has given to this particular legislation. I support the bill. I do think it is a valuable contribution to our trade export program.

The effort I make here with this particular amendment is not to change in any way the efforts made by the Senator from Hawaii or his committee, but simply to add to the authority of the Secretary two new authorities to enhance his ability to serve the American export community and provide greater impetus to our export program.

The first suggestion I make in this amendment is to create within the Department of Commerce what I call an international trade specialist program. This program would be limited to 3 of these trade specialist field offices and to 100 overall throughout the entire country.

The specialists appointed shall have had at least 5 years of executive level experience in private industry directly related to exportation. Any individual who is or has been a career employee of the United States would be ineligible for appointment for a period of 5 years following the date of separation from employment by the United States.

Appointments would be made in a very simple effort to provide more expertise to our field offices simply because today they are so burdened with a massive job. They are doing a good job, in my opinion, but their effectiveness is sharply reduced because of a shortage of expert, experienced personnel and by the unavailability of up-to-date financial data; and that relates to the second part of the amendment I have offered, which is incorporated in section 7.

In this particular section the amendment attempts to deal with the inadequacy of our information to date. Export data runs as much as 2 years after the fact, and it just is not possible for either the Congress or the Secretary of Commerce or the American business community to rationally plan a sales program without more up-to-date information.

What I have suggested is that the Secretary shall establish and implement a procedure within the Bureau of the Census of the Department of Commerce to insure that each shipper's export declaration contains the address of the exporter. Total exports for each State, by country of destination, and by schedule B commodity groups, will be compiled in a monthly report for each of the field office areas of the Department of Commerce.

We would create a pilot project in not less than 8 States for not less than 6 consecutive months to see if this is in fact a viable procedure.

We have in the amendment an authorization of $175,000 for each of the fiscal years of 1975 and 1976, after which an evaluation of the measurement program established under this section shall be carried out by the Office of Field Operations in the Department of Commerce, in cooperation with its field offices.

We then require that, not later than 18 months after the date of enactment of this act, the Secretary shall transmit a report on such evaluation to the Congress, including therein information on the implementation of such procedures, an analysis of results, and recommendations as to improvements, or discontinuation of the program.

In sum, I am asking for two things: increasing the availability of expert and professional talent for our field offices and increased access to information in that field to the department, the business community, and the Congress of the United States, on a monthly report basis, so that decisions are based not on information 2 years after the fact, but on current information.

Mr. SPARKMAN. Mr. President, may I ask the Senator just this one question?

The PRESIDING OFFICER. The Senator from Alabama (Mr. SPARKMAN).

Mr. SPARKMAN. Would the effect of these two amendments be solely with reference to Commerce Department people, and not involve Foreign Service people?

Mr. BROCK. That is correct.

Mr. SPARKMAN. The Senator knows that is largely the effect of the amendments we put in the bill, because jurisdiction over Foreign Service would not be under the Commerce Department.

Mr. BROCK. No Foreign Service personnel would be allowed to play a role under this particular amendment.

Mr. SPARKMAN. I was talking about Foreign Service.

Mr. BROCK. My proposal would not allow any Foreign Service people to be trade specialists, so designated, unless they had been out of Federal Government employment for 5 years.

Mr. SPARKMAN. Mr. President, I want to yield to the Senator from Hawaii (Mr. INOUYE), whose bill this really is, out of the Commerce Committee. The Senator from Hawaii has given us complete cooperation all the way through, and I want to express my appreciation for the manner in which he has cooperated.

Mr. INOUYE. I thank the Senator.

Mr. SPARKMAN. I yield the Senator such time as he may require, within my limitation.

Mr. INOUYE. Mr. President, as the manager of the bill in the Commerce Committee, I have studied this amendment, and I find it is one that is very worthy of serious and favorable consideration.

I think the important fact to note at this time is that only about 4 percent of our gross national product is related to exports. Less than 4 percent of the businesses of the Nation is involved in foreign trade. If one is interested in getting into this business, he will find himself in a maze of agencies. Almost 80 agencies are involved in foreign trade policy in one way or another.

Second, businessmen interested in foreign trade might be inundated with paperwork. Finally, a businessman may find that the information he needs is not available.

We hope that, with the passage of the bill and with the Brock amendment, some of the problems we find in the business community will be overcome. We think they will be.

I hope the Senate will consider the amendment and the bill favorably.

Mr. BROCK. Mr. President, may I express my gratitude to the distinguished Senator from Alabama and, of course, most specifically to the distinguished Senator from Hawaii for his comments.

I think the committee's efforts are directed to the very point that we raise such a small percentage of gross national product from our involvement in export trade, and we tend to ignore the tremendous impact not only on us but the world at large and our relationship to the world, and it is important that we be part and parcel of the world community.

Our dependence is well documented. We simply must trade in order to survive. While it is a fact that only 4 percent of our gross national product is involved in export trade, it amounts to many billions of dollars. What is worse is that this export trade is done by less than 200 firms. We have to get more middle-size and small businesses involved in the business of export.

I think the Department of Commerce is trying desperately to do that, but we need the help encompassed in this legislation.

I appreciate the Senator's support of my amendment, and I urge its adoption.

Mr. President, I am prepared to yield back my time.

Mr. GRIFFIN. Mr. President, I wish to say a few words to indicate my wholehearted support for the amendment offered by the Senator from Tennessee and also for the legislation as it has been amended. I have the privilege of serving on the Foreign Commerce and Tourism Subcommittee of the Committee on Commerce, chaired by the Senator from Hawaii (Mr. INOUYE). I wish to join the Senator from Alabama in commending the Senator from Hawaii for his leadership in bringing this important legislation to the floor.

Michigan as a State has offices in Brussels and in Tokyo for the purpose of promoting exports from the State of Michigan. It should be noted that, in some respects, State activity has been more vigorous than Federal activity in promoting the important national goal of increasing our exports and improving our balance of payments.

Certainly this type of legislation is long overdue. The amendment of the Senator from Tennessee (Mr. BROCK) will strengthen the bill. I urge that it be adopted and that the bill be passed.

The PRESIDING OFFICER. Is all time yielded back on the amendment?

Mr. INOUYE. Mr. President, before yielding back my time, I would like the RECORD to show the great contribution of Senator PEARSON. I think it should be noted that his bill, S. 1007, is incorporated in S. 1486. His bill focused directly upon the importance of exports, and provided for the establishment of the Federal Export Agency.

Furthermore, Senator PEARSON's bill provided for the creation of export associations. I think this bill, S. 1007, plus the Brock amendment, have done much to strengthen the whole bill.

I yield back the remainder of my time.

Mr. BROCK. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Tennessee (Mr. BROCK).

The amendment was agreed to.

Mr. PEARSON. Mr. President, I wish to express my support for this legislation.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. I yield time.

Mr. PEARSON. I express support for this legislation. As one who serves both on the Committee on Commerce and the Committee on Foreign Relations, I watched this legislation proceed, so may I add my compliments to the distinguished Senator from Hawaii (Mr. INOUYE) for his leadership and for his spirit of compromise and accommodation to the views of both of those committees.

As he so generously recited, this bill does incorporate the provisions of S. 1007 which had as its purpose the implementation of export opportunities for small business and small businessmen.

I think the fact is generally overlooked that of all the export business that is carried on between this Nation and all other foreign nations, it is about 4 percent of the business, and they are the great corporations, the multinational corporations. All the rest compete here with each other and with foreign companies.

So it seems to me that this is an opportunity—it is no guarantee, there is no special provision or aid for companies but it does open the door and it provides an opportunity—for American business to go into new markets with new products and provide, I think, for greater American employment and greater opportunities for American jobs and some improvement, hopefully, in the balance of payments.

So I am very grateful that the committee accepted this proposal. I do think it is going to be a measure, as the distinguished majority leader said a few moments ago, that will open up opportunities, I think, for greater exports in behalf of our businessmen.

I congratulate both the Senator from Alabama (Mr. SPARKMAN) and the Senator from Hawaii (Mr. INOUYE).

Mr. SPARKMAN. Mr. President, I spoke a few moments ago about the fine cooperation of the Senator from Hawaii. As a matter of fact, this bill, as he pointed out a while ago, was passed by the Senate, and I discovered it the next morning when I read the CONGRESSIONAL RECORD. I went to the Senator from Hawaii and asked him if it would be agreeable to have the passage of the bill vacated so that it might be referred to the Foreign Relations Committee. He very kindly consented. He has been most helpful throughout, and I want to pay my respects to him in that regard.

Mr. DOLE. I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill insert the following new section:

REIMPOSITION OF MEAT IMPORT QUOTAS

SEC. 16. Notwithstanding the last sentence of subsection (d) of section 2 of the Act of August 22, 1964 (78 Stat. 594; Public Law 88-482), any suspension under such subsection of any proclamation made by the President under subsection (c) of such section is terminated on the date of enactment of this Act.

Mr. DOLE. Mr. President, this morning, at a meeting called by the distinguished majority leader, the Senator from Montana (Mr. MANSFIELD), 35 or more Senators expressed their concern about limiting imports of beef. A number of other Senators who have favored this action were unable to be present or were unable to have any staff members there.

I think this concern by Senators on both sides of the aisle reflects the severe conditions existing today in the livestock industry and the importance of limiting imports.

I believe it was made clear, or should have been made clear at the meeting this morning, that when the livestock industry is on the verge of a crisis, then those who consume livestock products, beef, pork—whatever it may be—are also endangered because if the livestock industry should fall into bankruptcy there would be a great scarcity of all these commodities, and, of course, the prices would soar.

So we have seen in the State of Kansas and in every other cattle-producing or hog-producing State—and in industries involving broilers and eggs and almost every other livestock commodity—disastrous results which started back with price controls and were aggravated by the truck strike, and aggravated by government interference. So this amendment would reimpose import quotas—it would suspend the proclamation made by the President, notwithstanding Public Law 88-482 of the 88th Congress, more specifically subsection (d), and the last sentence of that subsection.

Mr. President, I discussed the situation with the distinguished Senator from Hawaii earlier. I do not intend to press the amendment, not because I have any lack of confidence in what might happen in the Senate, but because right now consideration is being given by the administration. Last week, the junior Senator from Kansas and the distinguished junior Senator from Nebraska (Mr. CURTIS) visited with President Nixon. Yesterday a number of Senators visited with Secretary of Agriculture Butz.

I think on Friday of this week a group of Representatives and Senators will visit with Secretary Butz; and on Monday of next week at the White House conference, Members of Congress, producers, retailers, livestock producers, and others will meet with Secretary Butz and Mr. Kenneth Rush, the President's economic adviser, in an effort to find some relief for the distressed livestock industry. So it might not be timely to have a vote on the amendment at this time.

I do believe it is timely to point out again to the administration and to everyone concerned about the health of this very important domestic industry, the real plight that it is in.

At this morning's meeting, a great number of matters were covered. First of all, it was unanimously agreed by those present, as I said, some 30 to 35, perhaps more, that import quotas should be reimposed.

Second, it was agreed that hearings be held, starting next Monday afternoon, in the Subcommittee on Agricultural Credit of the Committee on Agriculture and Forestry; that some credit must be extended to those livestock producers, feeders, and others who are in financial distress.

Third, it was agreed that there should be a study by the Federal Trade Commission or some other appropriate agency to determine whether or not someone has made a windfall profit at the expense of the livestock producers, because, while farm prices have remained fairly low, the lowest in 10 years in some cases, the price paid at retail has remained rather high. So the consumer has not gotten a bargain. And if there has been a windfall profit, or some other improper profit, the American people should know.

It was also suggested that there ought to be increased buying by the Department of Agriculture for school lunch programs, and by the Department of Defense. This would be of some help to the livestock industry. This is probably more symbolic and psychological than real, but it would be of some assistance.

The next point I make is that the livestock industry is, and has been for some weeks, in serious condition; and with the livestock industry in serious condition, it affects not just the producer, not just the cow-and-calf man, and not just the feeder, but it affects the whole economy. It has affected the economy in Kansas to the tune of $600 million in losses in a $2 billion industry. That is the impact it has had on just one State. I am sure that has been doubled or tripled in some States like Texas. But it has a nationwide impact. It also has a very severe impact on the American consumer, and will have a severe impact on the American consumer in the next few months unless there is some relief for the livestock producers.

I might add, to the credit of the livestock producers, that they are not looking for Government handouts; they are not looking for subsidies; they do not want some grandiose, expensive Federal relief program. But they do, I think with complete justification, feel that if imports are pouring into this country from Australia, because Japan has closed off imports, the European Economic Community has closed off imports, and Canada has closed off imports, America should not be the dumping ground at the very time when one of our domestic industries is in great distress.

I do not believe that is too much for the livestock producers of America to ask. As I say, they are not looking for any Government handout, and they are not looking for any Government subsidy. They believe, as I have said with justification, that there ought to be some protection granted by this Government, and the best protection now is the imposition of import quotas.

REIMPOSITION OF MEAT IMPORT QUOTAS

The amount of concern by Senators reflects the severe conditions existing in the livestock industry and the importance of limiting imports.

I believe the Senate may have to act soon to restrict meat imports if the administration does not act first. The amendment I offer would terminate the suspension of meat import quotas immediately.

The cattle industry in Kansas and throughout the country has been in a disastrous situation for the past 8 months and no relief is in sight at this point. A continuation of this situation can only result in widespread bankruptcy and economic ruin throughout the cattle industry and other meat industries.

CONSUMER HURT IN THE END

The most important point of this whole situation is that consumers will ultimately be hurt the most by economic disaster in the cattle industry, and this, Mr. President, is an issue that every member of this legislative body will have to answer to.

Cheap imported meat this summer may lower the food bill for housewives for a while, but the disruption in the domestic production of beef will ultimately lead to higher prices.

The present trend in the cattle business is that cowherds are being thinned, feedlots are being shut down, and there is a general decline in our ability to produce meat. The future outlook promises a continuation of this trend.

As every cattleman knows, it takes a 3-year cycle to increase the production of beef again once it has dropped. If our capacity to produce is hurt this year, consumers can ultimately expect a long and higher priced road back to ample supply of tender and juicy choice beef.

FUTURE OUTLOOK SEVERE

Mr. President, the outlook for the cattle industry is especially severe for several reasons. First, cow slaughter and the thinning of cowherds is above normal. Second, we have a large inventory of beef in storage at this time. Third, there is a large supply of beef on the hoof presently existing in feedlots which must come to the market in the near future. Finally, since import restrictions have been implemented in Japan and the European Economic Community, we have seen the shipments of beef all over the world redirected to the United States.

All of these trends mean additional beef coming onto the U.S. market. The addition of increased imports will greatly contribute to the market glut and a disastrous situation in the livestock market. The only result can be widespread bankruptcy for cattlemen in Kansas ad all across the country.

To provide relief from this increase in imports, we need this reimposition of meat import quotas, as I offer today.

IMPORTS RISING

Since beef import quotas were lifted in 1972, we have seen the United States become "the world's dumping ground for beef." We have seen incoming shipments of beef rise to 1,354,000,000 pounds of beef in 1973.

In 1974, imports are expected to rise to 1.55 billion pounds. This is about 200 million pounds more than last year's shipment for an astounding increase of nearly 15 percent. Such a level of imports is equivalent to about 3.25 million head of cattle.

In terms of the overall beef industry in the United States, the 1.55 billion pounds of beef imports expected this year represents over 7 percent of the total quantity of beef produced in this country last year. Clearly this portion of the market is enough to have a harmful effect on prices.

And the true level and impact of beef imports this year may not have been properly evaluated yet. Large numbers of cattle are reportedly being fattened in Australia for export. This beef is expected to hit the U.S. market later this summer at the same time increased numbers of American cattle will be ready for sale.

MARKET DEPRESSED BY IMPORTS

The impact of beef imported into this country will be to further depress the market. This meat comes from countries where cattle are fattened for market on grass. While grass-fed cattle can be fattened more cheaply, the meat from these animals is not of the quality most desired by American consumers. The major portion of grass-fed beef will find its way into cheaper cuts such as hamburger and lunch meat.

The deluge of Australian meat expected later this summer will drive the market even lower than the present disastrous prices. The effect is likely to be that most commercial feedlots where prime American beef is produced will be driven out of business and the domestic output of meat will decline.

Mr. President, in the State of Kansas alone the livestock industry is a $2 billion industry. They have sustained a natural loss of over $600 million in just the past 8 months. I say to those who are concerned about the price of meat for the consumer, or the price of meat at all, this is a matter of grave import and it has a great impact wherever cattle are raised. And this is not just for feeders, but for the stockers and cattlemen and livestock producers in general.

Mr. President, it is to prevent disaster in the cattle and meat producing industries that I offer this amendment. It is to avoid ultimately higher meat prices for all American consumers that I urge every Senator to support this measure.

Mr. President, I ask unanimous consent that Public Law 88-482 be printed in the RECORD.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 88-482

An act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) item 852.20 of title I of the Tariff Act of 1930 (Tariff Schedules of the United States; 28

F.R., part II, August 17, 1963) is amended to read as follows:

"852.20 Wild animals (including birds and fish) imported for use, or for sale for use, in any scientific public collection for exhibition for scientific or educational purposes. Free Free".

(b) Headnote 1 of part 4 of schedule 8 of such title I is amended by striking out "item 850.50," and inserting in lieu thereof "items 850.50 and 852.20,".

(c) The amendments made by this section shall take effect on the tenth day after the date of the enactment of this Act.

Sec. 2. (a) It is the policy of the Congress that the aggregate quantity of the articles specified in items 106.10 (relating to fresh chilled, or frozen cattle meat) and 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1964, should not exceed 725,400,000 pounds; except that this quantity shall be increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of these articles in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of these articles during the years 1959 through 1963, inclusive.

(b) The Secretary of Agriculture, for each calendar year after 1964, shall estimate and publish—

(1) before the beginning of such calendar year, the aggregate quantity prescribed for such calendar year by subsection (a), and

(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of the articles described in subsection (a) which (but for this section) would be imported in such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual imports for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

(c) (1) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture pursuant to subsection (b) (2) equals or exceeds 110 percent of the aggregate quantity estimated by him pursuant to subsection (b) (1), and if there is no limitation in effect under this section with respect to such calendar year, the President shall by proclamation limit the total quantity of the articles described in subsection (a) which may be entered, or withdrawn from warehouse, for consumption, during such calendar year, to the aggregate quantity estimated for such calendar year by the Secretary of Agriculture pursuant to subsection (b) (1).

(2) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture pursuant to subsection (b) (2) does not equal or exceed 110 percent of the aggregate quantity estimated by him pursuant to subsection (b) (1), and if a limitation is in effect under this section with respect to such calendar year, such limitation shall cease to apply as of the first day of such calendar quarter; except that any limitation which has been in effect for the third calendar quarter of any calendar year shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (d).

(3) The Secretary of Agriculture shall allocate the total quantity proclaimed under paragraph (1), and any increase in such quantity pursuant to subsection (d), among supplying countries on the basis of the shares such countries supplied to the United States market during a representative period of the articles described in subsection (a), except that due account may be given to special factors which have affected or may affect the trade in such articles. The Secretary of Agriculture shall certify such allocations to the Secretary of the Treasury.

(d) The President may suspend any proclamation made under subsection (c), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the nation of the economic well-being of the domestic livestock industry;

(2) the supply of articles of the kind described in subsection (a) will be inadequate to meet domestic demand at reasonable prices; or

(3) trade agreements entered into after the date of the enactment of this Act ensure that the policy set fourth in subsection (a) will be carried out.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection.

(e) The Secretary of Agriculture shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

(f) All determinations by the President and the Secretary of Agriculture under this section shall be final.

Approved August 22, 1964.

Mr. DOLE. Having made what I consider to be a preliminary case, and having served notice on every Senator that in the event satisfactory action is not taken by the administration this amendment or a similar amendment will be tacked on to appropriate legislation by the junior Senator from Kansas or by some other Senator from either side of the aisle, at the first opportunity, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is on the engrossment and third reading of the bill.

The bill (S. 1486) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1486

An Act to regulate commerce by authorizing and establishing programs and activities to promote the export of American goods, products, and services and by increasing the recognition of international economic policy considerations in Federal decision-making, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Export Expansion Act of 1974".

DECLARATION OF POLICY

Sec. 2. (a) Findings. The Congress hereby finds and declares that:

(1) In 1960 the United States produced 25 per centum of the manufactured goods sold in the world market, but by 1971 the United States-produced percentage of the manufactured goods sold in the world market had dropped to less than 20 per centum. From 1960 to 1971, the United States share of the world's export markets declined from 21 per centum to 16 per centum. Such decrease represents approximately $8,000,000,000 in lost American exports and five hundred thousand lost job opportunities for Americans.

(2) In 1971 and 1972 the United States experienced balance-of-trade deficits for the first time since 1893. The deficit for 1971 was more than $2,000,000,000 and the deficit for 1972 was more than $6,000,000,000.

(3) The standard of living of Americans, the Nation's ability to finance imports, the maintenance of high domestic employment, and the capacity of the United States to contribute to peace and international development and to discharge its international responsibilities and the national security needs are all dependent in significant part upon maintenance of favorable international trade balances. Progressive devaluations of the value of the dollar have provided temporary relief but the real solution to the problem of avoiding chronic balance of trade deficits without periodic devaluations lies in increasing the amount and value of American exports.

(4) The amount of assistance given to producers of American goods, products, and services by the Federal Government in finding and taking advantage of marketing opportunities in foreign nations is very limited compared to the Federal aid and incentive credits extended to domestic industrial and commercial interests and in contrast to the export promotion program maintained by many foreign nations. Since foreign commerce has been, until recently, of only limited significance to the national well-being compared with interstate and local commerce, American policymakers were in the past unaccustomed to recognizing and evaluating international economic policy considerations, and small businessmen who have traditionally produced only for the domestic market lack the experience to sell in foreign markets.

(5) The cooperation of all sectors of American society, including industry, labor, consumers, agriculture, and Government at all levels can result in an expansion of American exports and more favorable business performance abroad.

(b) Purposes.—It is therefore declared to be the purpose of Congress in this Act to provide Federal Government assistance and to stimulate export expansion through—

(1) grants to sponsoring governments;

(2) establishment of export training programs;

(3) simplification and standardization of international trade documentation and procedural requirements;

(4) establishment of the Federal Export Agency; and

(5) certifying and assisting United States Export Associations.

DEFINITIONS

Sec. 3. As used in this Act—

(1) "Agency" means the Federal Export Agency established under section 9 of this Act.

(2) "Agency of the Federal Government" means any department, agency, bureau, commission, or other office in the executive branch of the Federal Government; any independent agency or establishment of the United States, including a corporation primarily acting as an instrumentality of the United States; and any regional, State, or local agency which is empowered by Congress to issue standards, orders, permits, or other administrative regulations which may become effective without the necessity for approval by any other agency of the Federal Government.

(3) "Association" means a United States export association organized under section 12 of this Act.

(4) "Director" means the Director of the Agency.

(5) "Export activity" means any activity

which may, directly or indirectly, alone or in conjunction with any other such activity, result in the sale of any American goods, products, or services in a foreign nation. The term includes, but is not limited to, advertising, marketing, publicity, and sales activity in any foreign nation; participation in trade exhibitions; product use familiarization; supplying samples, models, and technical data; preparing bids on projects in foreign nations; operating market development and sales offices, showrooms, warehouses, repair or service centers in foreign nations; and transportation services; and trade or documentation procedures.

(6) "Export group" means any combination of two or more persons organized and operated solely for the purpose of carrying on export trade.

(7) "Foreign commerce" means selling or providing goods, commodities, products, data, or transportation, insurance, tourism, or other services, including export activity services, outside the United States.

(8) "Person" means an individual or an association, corporation, partnership, or other organization existing under or recognized by the laws of the United States or the laws of any foreign country.

(9) "Secretary" means the Secretary of Commerce.

(10) "Small business" means a corporation, partnership, joint venture, proprietorship, or other business entity which is independently owned and operated and which is not dominant in its field of operation.

(11) "Sponsoring government" means any State, municipality, regional, or local government agency which undertakes an export expansion project pursuant to section 4 of this Act.

(12) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

(13) "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

GRANTS TO SPONSORING GOVERNMENTS

SEC. 4. (a) GENERAL.—The Secretary is authorized to make a grant or loan or provide technical assistance to a sponsoring government for any project which is likely to result in an increase in American exports and which is endorsed and supported by such governments: *Provided*, That the amount of any Federal financial assistance shall never exceed 50 per centum of the total cost of the project.

(b) PROCEDURE.—The Secretary shall prescribe such rules, regulations, and procedures as he deems necessary or appropriate for the administration of this section.

(c) FACTORS.—In determining whether to make a grant or loan or provide technical assistance to a sponsoring government, which has filed an application in writing with him for assistance with respect to a particular propect which is described in such form and with such particularity and information as he requests, the Secretary shall consider all relevant factors, including, but not limited to—

(1) the sales potential of such project;

(2) the qualifications and capability of the exporters who would benefit from such assistance;

(3) the availability of assistance through other facilities and programs maintained by the Secretary or other agencies of the United States. The Treasury shall direct sponsoring governments and exporters to utilize such other facilities and programs to the extent possible;

(4) the extent to which the sponsoring government is following and using innovative and imaginative methods and approaches;

(5) the willingness of the sponsoring government and project participants to cooperate with the American exporters and agencies of the United States to increase the total value and amount of American exports; and

(6) the impact of such project on United States demand, supply, and prices.

(d) RECORDS.—Each sponsoring government shall keep such records as the Secretary shall require including records which fully disclose the amount and disposition by all direct or indirect recipients of assistance under this section; the total cost of the project for which such assistance was rendered; the amount of such total cost which was supplied by sources other than the Federal Government; the amount, if any, by which exports of project participants one year after the termination of the project exceed exports by such participants before the project was approved for assistance under this section; and such other records as the Secretary determines will facilitate an effective financial and performance audit.

(e) AUDIT AND EXAMINATION.—The Secretary and the Comptroller General of the United States, or any of their duly designated representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of sponsoring governments and other project participants which are pertinent to the assistance received under this section.

EXPORT TRAINING PROGRAMS

SEC. 5. (a) GENERAL.—The Secretary, in cooperation with other Federal agencies, is authorized to establish, maintain, and conduct educational and training programs to increase the expertise, capability, and interest of American citizens and businesses in the export trade and to facilitate the efforts of small, new, or potential American exporters. Such educational and training programs may be designed to—

(1) train appropriate persons, including new and potential exporters and their employees and such other persons as the Secretary selects, in technical export problems, such as transportation services, trade documentation and procedures, currency and credit, financing, tariffs, and nontariff barriers to trade;

(2) teach and provide information on effective export and marketing techniques and approaches;

(3) familiarize participants in such programs with previous United States experience in particular markets and any special opportunities, difficulties, and problems likely to be encountered in such markets; and

(4) introduce such participants to all the relevant services and programs maintained by Federal agencies in the United States and in foreign nations and by appropriate international organizations.

(b) AUTHORITY.—The Secretary is authorized to—

(1) contract with American or foreign universities or private individuals or firms to establish, operate, teach or in other ways to assist in maintaining and conducting export training programs under this section. Such contracts may be entered into, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5) and the temporary and intermittent services of individuals may be procured to the same extent as if authorized under section 3109 of title 5, United States Code, at rates not to exceed $100 a day for qualified individuals. Each department, agency, and instrumentality and each independent regulatory agency of the United States is authorized to furnish to the Secretary, upon written request, on a reimbursable basis or otherwise, such assistance as the Secretary deems necessary or appropriate to the carrying on of export training programs under this section, including but not limited to, transfer of personnel with their consent and without prejudice to their position and rating;

(2) issue such rules, regulations, forms, and procedures as he deems necessary or appropriate for the administration of this section; and

(3) acquire by purchase, lease, or otherwise such facilities or other property as may be necessary or appropriate to carry out the provisions of this section.

(c) FEES.—The Secretary shall charge each participant in an export training program a fee sufficient to cover not less than one-half of the total cost of such program for such participant or student, including indirect and overhead costs. The Secretary, in his discretion, may admit to participate without payment of any fee, a limited number of employees of the Federal agencies and the United States Congress who are directly involved in international commerce.

INTERNATIONAL TRADE SPECIALISTS

SEC. 6. (a) (1) There is established within the Department of Commerce and in its field offices an international trade specialist program. The Secretary shall recruit, train, and assign such personnel to the program as may be necessary to implement the purposes of the Act, except that the number of such personnel shall not exceed three in each field office, and shall not exceed one hundred for the entire program.

(2) Each international trade specialist appointed under this section shall have had at least five years of executive level experience in private industry directly related to exporting products from the United States. Any individual who is or who has been a career employee of the United States shall be ineligible for an appointment under this section for a period of five years following the date of his separation from employment by the United States.

(3) Appointments as international trade specialists shall be without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter 111 of chapter 53 of such title, relating to classification and General Schedule pay rates.

(4) An individual appointed as an international trade specialist may occupy such position for a period of (or periods aggregating) not more than five years, and shall be compensated at rates established by the Secretary, but not to exceed $25,000 per annum.

(b) The function of international trade specialists will be to augment existing field office staffs. International trade specialists will be engaged exclusively in the promotion of export expansion activities through the export expansion programs administered by the Secretary.

(c) The Secretary shall conduct an evaluation of the program carried out under this section and transmit a report to the Congress not later than three years after the date of enactment of this Act. Such report shall include information on the recruitment, training, and placement of personnel, the export expansion programs under which such personnel operated, data on increased exports in terms of dollar amounts and quantity of shipments, and recommendations with respect to the program's continuation.

EXPORT MEASUREMENT

SEC. 7. (a) To measure adequately the progress of the export expansion programs carried out by the Secretary, more accurate and definitive measurements than those already in use must be established and implemented.

(b) The Secretary shall establish and implement a procedure within the Bureau of the Census of the Department of Commerce to insure that each shipper's export declaration contains the address (including the

State) of the exporter. Total exports for each State, by country of destination, and by schedule B commodity groups, will be compiled in a monthly report for each of the field office areas of the Department of Commerce.

(c) The permanent implementation of the procedure described in subsection (b) and the availability of funds authorized under subsection (e) are contingent on the implementation and conduct of a pilot project encompassing the exports of not less than eight States for not less than six consecutive months. For the purpose of this subsection, there are authorized to be appropriated not to exceed $175,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976.

(d) An evaluation of the measurement program established under this section shall be carried out by the Office of Field Operations, Department of Commerce, in cooperation with its field offices. Not later than eighteen months after the date of enactment of this Act, the Secretary shall transmit a report on such evaluation to the Congress including therein information on the implementation of such procedures, an analysis of results, and recommendations as to improvements, or discontinuation of the program.

SIMPLIFICATION OF DOCUMENTATION

SEC. 8. (a) PROGRAM.—(1) The Secretary of Commerce, in cooperation with other Federal agencies, in implementing and administering this Act, shall design rules and regulations, requirements for reporting, conduct of programs, recordkeeping, furnishing and compilation of data, inspection of documents, application requirements, and the like in such a manner as to reduce the cost of and expedite the administration, reporting, recordkeeping, and trade documentation and procedures required under this Act. Rules and regulations, reporting, recordkeeping, and trade documentation and procedural requirements under this Act shall be periodically reviewed and revised in the light of developments in the field of information technology.

(2) The Secretary of Transportation is authorized and directed to encourage, develop, and promote the improvement, formulation, and adoption of simplified and standardized international trade documentation and procedural requirements. In performing this function, the Secretary shall consult with all Federal Government agencies involved in international trade on ways to reduce the costs of trade documentation and procedures and shall consult and work with such other qualified and interested persons as he deems appropriate.

(b) IMPLEMENTATION.—The Secretary of Transportation shall take all steps necessary to implement each of the following if after consultation and review, he determines that implementation is likely to further the policy of this Act;

(1) Acceleration of business and Government programs to adopt simplified standardized trade and transportation documentation and procedures;

(2) Encouragement of international agreements on the acceptance of common invoice forms, including the elimination of unnecessary language translation of documentation;

(3) Simplification of documentation identification through the use of standard control numbers;

(4) Replacement of the Government bill of lading with commercial bill of lading;

(5) Review of all existing, new, or revised transport documents on a centrally coordinated basis;

(6) Sponsorship and encouragement of programs of statistical exchanges between the United States and other countries on a bilateral basis to reduce trade documentation and simplify the collection of import-export data;

(7) Simplification, standardization, and coordination of import entry documentation with standardized forms to reduce the complexity of import documentation;

(8) Examination of customs forms, practices, and procedures relating to the administration of customs drawback;

(9) Promotion of intergovernmental programs to eliminate conflicting and/or retaliatory documentation requirements;

(10) Review of customs requirements on the methods of payment of import duties;

(11) Replacement of all special foreign assistance international forms with standard commercial documents; and

(12) Simplification of regulations and procedures for the issuance of export licenses and temporary export licenses.

(c) REPORT.—The Secretary of Transportation shall issue a report to the Congress and the President not later than ninety days after the end of each fiscal year with respect to actions taken to simplify and standardize international trade documentation and procedures together with plans for the following year and legislative recommendations, if any. Such report shall be submitted to the Congress without prior review, clearance, or submission to any other agency or officer of the United States.

UNITED STATES FEDERAL EXPORT AGENCY

SEC. 9. (a) ESTABLISHMENT.—There is hereby established in the Department of Commerce an agency to be known as the Federal Export Agency.

(b) DIRECTOR.—The Agency shall be administered and supervised by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate now and hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(c) DEPUTY DIRECTOR.—The Director shall appoint a Deputy Director, who shall serve as Acting Director during any period of absence or incapacity of the Director and who shall carry out any duties delegated or assigned to him by the Director. The Deputy Director shall receive compensation at a rate now and hereafter prescribed for offices and positions at level of GS–18 on the General Schedule (5 U.S.C. 5332).

(d) INTERMITTENT SERVICES.—The Director may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the Agency, but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Agency, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(e) ASSISTANCE AND COOPERATION.—The Agency may secure from any agency of the United States any information relating to international trade and United States foreign policy necessary to enable it to carry out its duties under this Act. Upon request of the Director, each such department or agency is authorized to furnish such information to the Agency on a reimbursable basis or otherwise. The provisions of section 1905 of title 18, United States Code, shall apply to the Agency, its officers and employees, with respect to information obtained under this subsection or in any other manner. The Agency shall not release, without written permission of each person to whom it relates, any information described in section 552(b) of title 5, United States Code.

(f) REORGANIZATION.—The Secretary is authorized, after investigation, to transfer the whole or a part of the functions of any office subject to his jurisdiction to the Agency, upon the preparation of a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan and the submission of such plan to Congress together with a declaration that such reorganization is necessary or appropriate to further the declaration of policy of this Act: *Provided*, That such reorganization plan shall not become effective if either House of Congress within sixty days after the date of transmittal passes a resolution stating in substance that such House does not favor the reorganization plan.

DUTIES OF AGENCY

SEC. 10. (a) GENERAL.—The Agency shall, in coordination with other Federal agencies—

(1) foster the development of United States export associations or joint export projects composed of businesses which have not actively engaged in substantial export sales operations, or which, in the opinion of the Director, may have potential for further exports;

(2) survey and identify small businesses which possess undeveloped export potential and which are interested in joining with other small businesses in United States export associations or in joint export projects in order to develop a joint export operation;

(3) obtain operating and other business information from such small businesses, from export management concerns, export groups, and from any other person engaged in exporting in order to provide assistance and advice to such small businesses, export groups, or persons engaged in exporting, with respect to the identification of products which have export potential, the combination of products for efficient exportation, and the development of export markets;

(4) provide technical assistance, advice, and financial support through grants, loans, and cost-sharing contracts in accordance with the provisions of sections 13 and 14 of this Act;

(5) provide institutional leadership to bring together small businesses who are interested in entering into joint exporting arrangements through the formation of a United States export association or export groups and to provide assistance in the formation of such associations or groups;

(6) encourage the use of export management companies, and export management personnel and divisions of other companies, by associations or groups wherever appropriate; and

(7) establish and conduct programs for the development of technical, professional, and managerial skills necessary to the establishment and operation of United States export associations and necessary to successful operations by export groups or persons engaged in exporting, and for the development of liaison between the Agency, United States export associations, export groups, and international financial, investment, and marketing institutions.

(b) ANNUAL REPORT.—The Director shall not later than ninety days after the end of each fiscal year, make a report in writing to the Congress and the President on the activities of the Agency, during the preceding fiscal year. The report shall not be subject to prior submission, review, of clearance of any other agency or officer of the United States. The report shall include, but not be limited to, the following:

(1) number of associations, export groups, persons, and sponsoring governments operating under this Act during the fiscal year;

(2) number of companies which are members of such associations or which are participating in joint export projects;

(3) amount and purpose of grants and loans, and cost-sharing contracts provided;

(4) an evaluation of the operations of firms which have formed associations or export groups or persons who have entered into cost-sharing contracts under section 14 of this Act in increasing exports;

(5) any recommendations, including recommendations for legislation, which may be necessary or desirable to improve export performance; and

(6) the activities of the Agency in stimulating an export consciousness within the United States business community.

POWERS OF THE AGENCY

SEC. 11. The Agency is authorized—

(a) to adopt a seal, which shall be judicially recognized;

(b) to issue such rules and regulations, in accordance with section 553 of title 5, United States Code, as it deems necessary and appropriate to carry out the provisions of this Act;

(c) to the extent necessary or appropriate to the policy of this Act, to acquire and maintain property (real, personal, or mixed, tangible, or intangible, or any interest therein) by purchase, lease, condemnation; or in any other lawful manner; to sell, lease, or otherwise dispose of such property in any manner; and to construct, operate, lease, and maintain buildings, facilities, or other improvements on such property;

(d) to accept gifts or donations or services, money, or property in any form;

(e) to collect, analyze, and publish data and information related to exports and export promotion; to maintain such information offices and answering services as the Director determines necessary to give prompt, accurate, and meaningful responses to questions from potential exporters; and to maintain a continuous market survey of the most profitable export opportunities for American goods, products, and services. To the extent possible, the Agency shall utilize programs, data, and information already available in other Federal Government departments and agencies. The Agency shall provide liaison at an appropriate organization level to insure coordination of its activities with such other agencies, departments, bureaus, or offices;

(f) to enter into contracts or other arrangements or modifications thereof, with any person, any department or agency of the United States, and any State government or political subdivision thereof;

(g) to make advance, progress, or other payments which the Director deems necessary or appropriate to further the policy of this Act;

(h) to propose, in the discretion of the Director, additional programs in furtherance of the policy of this Act to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives without prior submission, review, or clearance of any other agency or officer of the United States; and

(i) to take such other action as may be necessary to carry out the provisions of this Act.

UNITED STATES EXPORT ASSOCIATIONS

SEC. 12. (a) ELIGIBLE BUSINESS.—Upon application in writing by a small business, the Agency shall certify such business as eligible to participate in a United States export association if—

(1) its average annual sales during the five calendar years preceding the year in which such application is made were less than $30,000,000;

(2) not more than 5 per centum of its average annual sales during such period consisted of sales to foreign markets, not including Canada and Mexico, except insofar as the Director determines that such small business has the potential for substantially increased export;

(3) it is not already a member of more than one United States export association; and

(4) on the basis of an examination and estimate of the quality and appeal of its products in relation to demand in foreign markets, the Director determines that membership in a United States export association would likely result in an increase in the export sales of such business.

(b) FORMATION.—Three or more businesses, which have been certified as eligible businesses under subsection (a) of this section may combine for the limited purpose of forming a United States export association subject to the provisions of this title. Such an association shall be a corporation formed organized to operate as a cooperative marketing entity exclusively to—

(1) enter foreign markets and engage in export sales of American goods, products, and services; and

(2) provide members of such associations with appropriate international trade assistance and export activity services, including but not limited to—

(A) identification of foreign markets for the goods, products, and services sold by such members;

(B) promotion of goods, products, and services sold by such members in foreign markets; and

(C) assistance to such members in technical aspects of exporting such as obtaining necessary licenses, financing, and guarantees.

(c) QUALIFICATION.—A United States export association formed in accordance with the requirements of subsection (a) and (b) of this section may qualify for assistance from the Agency if—

(1) the association is composed of at least three businesses, each of which has been certified as an eligible business under subsection (a) of this section;

(2) the association files an application for qualification with the Agency. Such application shall be presented in such manner and shall contain and be accompanied by such information as the Director may require. Each such application shall provide that—

(A) any assistance received under this title shall be used exclusively for the purposes authorized under this title; and

(B) the association and each of its members agree to observe the rules and regulations promulgated under this title;

(3) each business which is a member of the association has paid not less than $1,000 into a common escrow account; and

(4) the association has appointed a chief executive officer who demonstrates to the satisfaction of the Director that he is qualified to direct the export activities of the association, or the association has retained an export management firm which demonstrates to the satisfaction of the Director that it is qualified to carry out such export activities.

(d) LIABILITY.—A United States export association formed and qualified under this section shall be liable to the United States for repayment of the full principal, interest, and any penalty due on any loan received from the Agency. If such association breaches such obligation, in whole or in part, each of the businesses which is a member of such association shall be directly liable, jointly and severally with the other members, for repayment of the loan, including any unpaid principal, interest, and penalty amounts. Termination of membership in such an association on the part of any business shall not operate to terminate the liability of such business for association debts as of the date of withdrawal.

(e) ANTITRUST LAWS UNIMPAIRED.—Nothing in this Act shall be construed to modify or repeal any provision of any of the antitrust laws of the United States, including any laws prohibiting restraints of trade, unfair trade practices, or impairment of competition.

AGENCY ASSISTANCE TO ASSOCIATION

SEC. 13. (a) TECHNICAL ASSISTANCE GRANT.—The Agency is authorized to make a technical assistance grant to a United States export association which is formed and qualified under section 12 of this Act. The amount of such grant shall be not less than the amount of money in the common escrow account maintained by such association and not more than $75,000. Technical assistance grant funds may be used by such association for a period of not more than two years after the date of application for such grant to—

(1) secure expert advice and assistance in developing the operating agreements necessary to further joint export operations by members of such associations;

(2) finance management seminars and teaching programs for members of such associations with respect to operating export information including export market analysis, export marketing, channels of export distribution, and identification of promising market areas for products;

(3) develop common catalogs and other marketing aids for such association and its members; and

(4) develop such other operating export information as is determined by the Agency to be appropriate.

(b) LOAN.—The Agency is authorized to make a loan to a United States export association which is formed and qualified under section 12 of this Act. The amount of such loan shall be not in excess of the amount paid in by the members of such association to provide funds for the employment of management and other personnel and to provide working capital for the development of international representation of goods, products, and services sold by such members. The interest rate of such loan shall be not less than the average annual interest rate on all interest-bearing obligations of the United States having maturities of twenty years or more and forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan, adjusted to the nearest one-eighth of 1 per centum.

(c) LIMIT.—No United States export association (including any successor association or any association composed of substantially the same members) shall receive from the Agency more than one technical assistance grant and one loan.

(d) RECORDS.—(1) Each recipient of Federal assistance under sections of this Act, pursuant to grants, subgrants, contracts, subcontracts, loans, or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by sections 13 and 14 of this Act, shall keep such records as the Agency shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Director of the Agency, in the administration of these sections, shall minimize recordkeeping and documentation in a manner consistent with sound commercial and administrative practice and shall design rules and regulations, and requirements for reporting conduct of programs, recordkeeping, furnishing and compilation of data, inspection of documents, application requirements, and other such matters in such a manner as to reduce the cost of report-

ing, recordkeeping, and export documentation required.

(e) Audit and Examination.—The Director of the Agency and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Director or the Comptroller General may be related to or pertinent to the grants, subgrants, contracts, subcontracts, loans, or other arrangements referred to in such subsection.

AGENCY ASSISTANCE FOR JOINT EXPORT PROJECTS

Sec. 14 (a) Joint Export Projects.—The Agency is authorized to enter into a cost-sharing contract with any export group or persons comprising such group to further the purposes of this Act and to foster, promote, and develop the export trade of the United States. Such a cost-sharing contract may be entered into by the Agency if—

(1) the export activity to be undertaken will be in addition to any export activity which such export group or persons comprising such groups are likely to have undertaken at such time in the absence of such contract;

(2) the recipient of such Agency assistance demonstrates to the satisfaction of the Director that the chief operating officer of such project is qualified to direct such project;

(3) the cost shared by the Agency will be incurred on behalf of such export group or persons comprising such group in carrying on export trade;

(4) the Agency's share of any costs shall not exceed 50 per centum of the total costs or $100,000, whichever is less;

(5) such export group or persons comprising such group has not received a technical assistance grant or loan authorized under section 13 of this Act or a prior contract authorized under this section; and

(6) the Director determines that such export activity will not have an adverse effect on the United States supply, demand, and prices of those goods or services to be exported.

(b) Procedure and Conditions.—(1) Any export group or persons comprising such group seeking to enter into a cost-sharing contract with the Agency shall file an application in writing with the Director in such form and containing such information as he shall by regulation prescribe. Such application shall be acted upon in accordance with regulations of the Agency.

(2) Any cost-sharing contract that may be entered into under this section shall include a provision requiring the Agency's share of the cost incurred to be repaid from gross profits earned by the export group or persons comprising such group from sale of goods or services resulting from such cost-sharing contract, together with any other reasonable conditions as the Director shall impose.

AMENDMENTS TO THE EXPORT TRADE ACT

Sec. 15. (a) Section 1 of the Export Trade Act (40 Stat. 516; 15 U.S.C. 61) is amended to read as follows:

"As used in this Act—

"(1) 'Antitrust laws' means the laws defined as such in sections 12 and 44 of title 15, United States Code, the Federal Trade Commission Act (15 U.S.C. 41–58), and other laws of the United States in pari materia, including State laws on antitrust and unfair methods of competition, and all amendments to the foregoing.

"(2) 'Association', wherever used in sections 1 through 5 of this Act, means any combination, by contract or other arrangement, of two or more persons who are citizens of the United States or which are created under and exist pursuant to the laws of any State or of the United States.

"(3) 'Export trade' means exclusively trade or commerce in goods, products, merchandise, or architectural, engineering, construction, training, financing, insurance or project or general management services or the licensing for distribution or exhibition of motion pictures or television films or tapes or similar services which are exported, or in the course of being exported, from the United States to any foreign nation. The term does not include—

"(A) the production, manufacture, or sale for consumption or for resale within the United States of such goods, products, merchandise, or services, or any act in the course of such production, manufacture, or sale for consumption or for resale;

"(B) any act, practice, agreement, or course of conduct a substantial effect of which is to constitute a restraint of trade or commerce, including foreign commerce, in the United States; or

"(C) trade or commerce in patents, licenses, or know-how except as incidental to the sale of such goods, products, merchandise, or services.

"(4) 'United States' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

"(5) 'Trade within the United States', wherever used in sections 1 through 5 of this Act, means trade or commerce between two or more States.".

(b) Section 2 of the Export Trade Act (40 Stat. 517; 15 U.S.C. 61) is amended by inserting "(a)" before the first sentence thereof, deleting "therein" at the end thereof, and adding the following: "therein: *Provided further,* That a person is eligible to participate in an association if, upon application in writing, the Federal Trade Commission finds that—

"(1) a partnership's, person's, or corporation's export sales are likely to be substantially increased as a result of membership in an association and that it is not likely to increase export sales significantly without membership in an association, or

"(2) a partnership's, person's, or corporation's membership in an association is essential to the effective functioning of such association.

The provisions of the preceding proviso shall not apply to any association operating under this Act prior to the date of enactment of the Omnibus Export Expansion Act, or to any person which was a member of such association before that date, except with respect to participation by that person in any other association beginning after that date.".

(c) Section 2 of such Act is further amended by adding at the end thereof the folllowing two new subsections:

"(b) The Secretary of Commerce, in consultation with the Chairman of the Federal Trade Commission, shall establish within the Department of Commerce a program to promote and maximize the formation of associations and the use of the provisions of this Act in a manner consistent with this Act and the antitrust laws.

"(c) The Chairman of the Federal Trade Commission and the Attorney General of the United States and their duly authorized representatives shall meet and discuss periodically as necessary to avoid conflicting positions regarding the formation and maintenance of associations.".

CONFORMING AMENDMENT

Sec. 16 Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(134) Director, Federal Export Agency."

AUTHORIZATION FOR APPROPRIATIONS

Sec. 17. There are hereby authorized to be appropriated such sums as are necessary—

(a) for the fiscal year ending June 30, 1975, not to exceed to—

(1) $5,300,000 for purposes of carrying out section 4 (grants to sponsoring governments);

(2) $800,000 for purposes of carrying out section 5 (export training programs); and

(3) $25,000,000 for programs carried out by the Agency.

(b) for the fiscal year ending June 30, 1976, not to exceed—

(1) $8,000,000 for purposes of carrying out section 4;

(2) $1,500,000 for purposes of carrying out section 5; and

(3) $35,000,000 for programs carried out by the Agency.

(c) for the fiscal year ending June 30, 1977, not to exceed—

(1) $8,000,000 for purposes of carrying out section 4;

(2) $1,500,000 for purposes of carrying out section 5; and

(3) $35,000,000 for programs carried out by the Agency.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. INOUYE and Mr. GRIFFIN moved to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 883 to 894, inclusive.

The PRESIDING OFFICER. Without objection, it is so ordered.

CARIDAD R. BALONAN

The bill (S. 2382) for the relief of Caridad Balonan, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(2) and 204 of the Immigration and Nationality Act, Caridad R. Balonan shall be held and considered to be the natural-born alien daughter of Felix O. Balonan, a lawful resident alien of the United States. No natural parent, brother, or sister of the said Caridad R. Balonan, by virtue of such relationship, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

IVY MAY GLOCKNER

The joint resolution (S.J. Res. 192) to grant the status of permanent residence to Ivy May Glockner, formerly Ivy May Richmond nee Pond, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the case of Ivy May Glockner formerly Ivy May Richmond nee Pond, in whose case deportation was suspended in accordance with the provisions of section 19(c)(2) of the Immigration Act of February 5, 1917, as amended (39 Stat. 889; 54 Stat. 672–673), the Commissioner of Immigration and Naturalization is authorized and directed to cancel deportation proceedings and, in accordance with the provisions of the said section 19(c)(2) of the said Act, to record the alien's lawful admission for permanent residence as of June 9, 1946, upon payment of a fee of $18 to the Commissioner.

MILDRED CHRISTINE FORD

The bill (H.R. 1961) for the relief of Mildred Christine Ford, was considered, ordered to a third reading, read the third time, and passed.

MRS. GAVINA A. PALACAY

The bill (H.R. 2514) for the relief of Mrs. Gavina A. Palacay, was considered, ordered to a third reading, read the third time, and passed.

CHARITO FERNANDEZ BAUTISTA

The bill (H.R. 5477) for the relief of Charito Fernandez Bautista was considered, ordered to a third reading, read the third time, and passed.

GIUSEPPE GRECO

The bill (H.R. 7685) for the relief of Giuseppe Greco was considered, ordered to a third reading, read the third time, and passed.

VICTOR HENRIQUE CARLOS GIBSON

The Senate proceeded to considered the bill (S. 864) for the relief of Victor Henrique Carlos Gibson which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212(a)(22) of the Immigration and Nationality Act, Victor Henrique Carlos Gibson may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *Provided further*, That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LIDIA MYSLINSKA BOKOSKY

The Senate proceeded to consider bill (H.R. 2537) for the relief of Lidia Myslinska Bokosky which had been reported from the Committee on the Judiciary with an amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

H.R 2537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Mrs. Lidia Myslinska Bokosky, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act, shall not be applicable in this case.

LINDA JULIE DICKSON (NEE WATERS)

The Senate proceeded to consider the bill (H.R. 5667) for the relief of Linda Julie Dickson (nee Waters) which had been reported from the Committee on the Judiciary with an amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed, as follows:

H.R. 5667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(23) of the Immigration and Nationality Act, Linda Julie Dickson (nee Waters) may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

MELISSA CATAMBAY GUTIERREZ

The Senate proceeded to consider the bill (H.R. 4590) for the relief of Melissa Catambay Gutierrez which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Melissa Catambay Gutierrez and Milagros Catambay Gutierrez may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in their behalf by Mr. and Mrs. Ulpiano F. Gutierrez, citizens of the United States, pursuant to section 204 of the said Act: *Provided*, That the brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An Act for the relief of Melissa Catambay Gutierrez and Milagros Catambay Gutierrez."

EXTENSION OF DEFENSE PRODUCTION ACT

The bill (S. 3270) to amend the Defense Production Act of 1950, as amended was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 717(a) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2166(a)), is further amended by striking out the date "June 30, 1974" and inserting in lieu thereof the date "June 30, 1976".

LANCE CPL. FEDERICO SILVA—PASSED OVER

The bill (H.R. 7682) to confer citizenship posthumously upon Lance Cpl. Federico Silva, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

PENTAGON SPENDING

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a detailed article entitled "Power Struggle: Critics Blame Congress for Inability to Curb Spending by Pentagon," written by Richard J. Levine and published in the Wall Street Journal of Thursday, June 13, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, this is an excellent article which explains in some detail the outstanding work being done by the distinguished Senator from New Hampshire (Mr. MCINTYRE).

It is a story and a study, I think, worth the attention of all Members of the Senate, because it gives one an idea of the difficulties which confront Senator MCINTYRE, and the Herculean efforts he has made and is still making to face up to the situation which confronts his particular subcommittee, the Committee on Armed Services, the Senate, and I might say the American people as well.

The article follows:

EXHIBIT 1

POWER STRUGGLE: CRITICS BLAME CONGRESS FOR INABILITY TO CURB SPENDING BY PENTAGON

(By Richard J. Levine)

WASHINGTON.—Sen. Thomas J. McIntyre is worried.

For six years, the moderate New Hampshire Democrat has chaired the influential Senate Armed Services subcommittee on military research and development, doggedly searching for fat in the Pentagon's mammoth budget requests. It is an experience that has left him deeply concerned about Congress' ability to control military spending—or even to stay on top of an ever-changing array of Pentagon programs.

"I sometimes feel as if we are wrestling with a greased octopus," he says.

Sen. McIntyre is no knee-jerk critic of the military. But the concern he voices is essentially the same as that of the Pentagon's sharpest critics—a concern heightened by indications that Pentagon budgets are headed toward $100 billion-plus levels, even though America's combat role in Vietnam has ended and relations have improved with the Soviet Union. Many of these critics are coming to the view that Congress will never effectively challenge the sprawling defense bureaucracy until it overcomes formidable organizational and political problems of its own.

The immensity of Congress' task is all too apparent to the lanky, 59-year-old Senator from New Hampshire. Over the years Mr. McIntyre has pored over thousands of pages of small-print budget books, chaired hundreds of hearings and studied projects ranging from death-dealing lasers and deep-diving submarines to long-range bombers and low-flying missiles.

$3.3 BILLION IN CUTS

After a half-decade of hard work, he can cite a number of accomplishments. His five-member panel has recommended cumulative cuts in military R&D totaling some $3.3 billion, most of which have been approved on the Senate floor. The Senator has played an important role in slowing and reshaping such major weapons programs as the Trident ballistic missile submarine. And as a result of the panel's persistent probing, he says, Pentagon research officials now supply "sharper answers and faster admissions of being wrong."

But despite these modest successes, the defense budget for the fiscal year beginning July 1 has grown to a peacetime record of $92.6 billion, including $9.3 billion for research and development alone. Sen. McIntyre is concerned about the rapid growth of R&D budgets, frustrated by the changing rationales used by defense planners to justify some programs and alarmed by the Pentagon's tendency to move weapons systems into production almost automatically once they have reached advanced stages of development.

"How can a handful of guys compete against a request for $9.3 billion?" he asks plaintively in his Yankee accent. "The size and complexity of our military R&D effort exceeds one's grasp, however ambitious one's reach."

POLITICAL UNWILLINGNESS

The current wrestling match is almost over for Sen. McIntyre. The Senate Tuesday passed a $21.8 billion authorization bill for weapons research and procurement, leaving only the Senate-House conference. The full Armed Services Committee trimmed $1.27 billion from the Pentagon request, much of it for military aid to Vietnam. And the Senate has left the committee's work almost untouched, rejecting floor amendments aimed at stopping weapons or withdrawing U.S. troops from overseas. A McIntyre amendment to defer development of more accurate and more powerful nuclear warheads for intercontinental ballistic missiles was defeated 49 to 37, despite the Senator's argument that such improvements could increase the danger of nuclear war.

As many defense critics see it, setbacks such as these result primarily from Congress' political unwillingness to grapple with the Defense Department, rather than from an institutional inability to do so. "Fundamentally, it's a problem of political will," says an aide to a liberal Democratic Senator. "It isn't that Congressmen are dumb or uninformed, but just that they aren't ready to challenge the Pentagon. There isn't any popular demand."

Among the factors contributing to this reluctance are Congress' disenchantment with the still-shaky U.S.-Soviet detente, Capitol Hill's preoccupation with presidential impeachment and the traditional wariness of politicians to make defense cutbacks that could end up costing constituents jobs.

LARGE BUDGET, SHORT TIME

However, other observers believe Congress is suffering from a lack of organization as well as a lack of will. And after being repeatedly rebuffed in attempts to cut defense spending by eliminating funds for individual weapons systems, they're looking for new tactics and approaches.

"The defense budget is too large, congressional time is too short, and the problems of achieving consensus on specific cuts are usually overwhelming," argues the Federation of American Scientists, a public-interest lobby that favors defense reductions. "During a quarter century of cold war, Congress has never come to grips with the Defense Department" except through the Armed Services and Appropriations committees, which tend to be "somewhat stacked" in favor of the Pentagon. The group's proposed solution: congressional imposition of an "overall limit" on the defense budget that would dictate across-the-board cuts.

Rep. Les Aspin, the young Wisconsin Democrat who has emerged as one of the Pentagon's severest critics, favors this approach. For one thing, he says, the ceiling approach allows Congressmen and Senators to translate into law a "political judgment" that defense spending is too high, without having to challenge the complex technical arguments of military professionals.

Last year, an Aspin amendment to chop $950 million from the procurement bill was approved by the House, then subsequently was killed quietly by Senate-House conferees. This year, the Wisconsin legislator's call for a $733 million reduction was defeated on the House floor.

But Sen. McIntyre rejects across-the-board cuts regardless of their political appeal, arguing that they represent an abdication of Congress's duty to review Pentagon requests in detail. This review is especially important in the research-and-development budget, he maintains, because it contains seed money for future weapons and is crucial to whether the U.S. remains ahead of the Soviet Union in military technology.

The problem is that it's impossible for the small committee to examine, much less master, the entire R&D request because of its staggering size. (The other subcommittee members are Democrats Harold Hughes of Iowa and Harry Byrd of Virginia and Republicans Peter Dominick of Colorado and Barry Goldwater of Arizona.)

This year's $9.3 billion request covered 550 budget items, including the esoteric (atmospheric investigations, $4.2 million), the mundane (mine warfare, $2.7 million) and the controversial (B1 strategic bomber, $499 million). These budget items break down into some 3,000 individual programs and projects and some 30,000 distinct subtasks.

Confronted with so vast a job, the subcommittee has become highly selective about those programs it looks at in hearings. Its practice is to examine big-money projects like the B1 bomber and the Trident missile submarine and brand-new projects like improved-accuracy nuclear warheads. There's also a tendency to "ride herd on old familiar friends" that have caused concern in the past, Sen. McIntyre says.

FAT, LEAN, OR ADEQUATE

This spring the committee held 91 hours of formal hearings on 37 programs representing roughly one-third of the R&D money requested by the Pentagon. Committee staffers began preparing for the closed-door hearings about a month before they opened in March, with the bulk of the work falling to Hyman Fine, the 56-year-old staff chief of the subcommittee. Mr. Fine, a former budget analyst for the Air Force, worked closely with Robert Old, who represents the panel's Republican members, and Larry Smith, Sen. McIntyre's administrative assistant. Using the 11 thick "justification" books sent over by the Pentagon and information obtained in informal meetings with defense officials, the staff prepared hundreds of questions for the major witnesses.

So when Malcolm Currie, the Defense Department's new director of research and engineering, appeared first before the full committee and then the subcommittee, Sen. McIntyre was ready: "Would you describe the $9.3 billion (R&D) program as fat, lean or merely adequate? Was the $9.3 billion the direct result of your recommendation to the Secretary of Defense? Will you identify and describe all programs . . . which are to provide for improved accuracy of our intercontinental ballistic missile and submarine-launched ballistic missile forces?"

Mr. Fine was hired by Chairman John Stennis of the Senate Armed Services Committtee in late 1969, about a year after the courtly Mississippian had created the R&D panel and picked Sen. McIntyre to head it. Sen. McIntyre could use more men like Mr. Fine, but he explains that there isn't much chance he will get them because "Sen. Stennis believes all we can do is question, not match the Pentagon expertise."

Yet a larger staff might enable the McIntyre panel to cope more effectively with one of its most difficult problems—the constantly changing rationales employed by the Pentagon to justify some weapons projects. "They've got more ways to skin a snake than you can think of," Sen. McIntyre says. "Always there's a new argument as to why new equipment is needed. This year the big argument is what we learned from the Yom Kippur War."

For example, the Air Force for years sold the AWACS airborne warning and control system (a Boeing 707 jet with a new radar and sophisticated communications equipment) primarily as a defense against Soviet long-range bombers. But the Soviet bomber threat is no longer considered very grave. Perhaps for that reason, the AWACS is now being pushed as the ideal system for controlling tactical fighter planes in a conventional war. The generals assert that the experience of the Israeli air force against the Egyptians and Syrians last October demonstrated the need for such a system. The Senate bill passed Tuesday contains money for the first 12 AWACS production models.

Another serious problem confronting the R&D subcommittee is pressure from the Pentagon to put weapons into production once they are in advanced stages of development. "The reality of bureaucratic momentum . . . makes most R&D efforts virtually tantamount to a decision to acquire a weapons system," explains Sen. McIntyre.

A FEW SUCCESSES

Though Congress still tends to defer to the Pentagon in this area, Mr. McIntyre—who describes himself as a "small-town country lawyer" who didn't know "Cal Tech from MIT" when he became chairman—has had some success in getting the Defense Department to proceed more cautiously in developing complex weapons, while—it is hoped—avoiding costly technical difficulties. Mr. Currie, the Pentagon R&D chief, cites recent Pentagon decisions to slow—though not to kill—development of such systems as the B1 bomber and the SAM-D air-defense missile.

The McIntyre panel has been the key factor in preventing the Navy from rushing ahead with development of a 2,000-ton surface-effect ship, a vessel designed to skim over the seas on a cushion of air at high speeds, before work is completed on a smaller version. And while Sen. McIntyre last year narrowly lost a floor fight to slow construction of the Trident missile submarine, his views eventually prevailed in the Pentagon, and the program has been decelerated. A senior Defense Department official admits that "McIntyre raised some better questions than we gave answers to."

But on many other issues, Sen. McIntyre hasn't prevailed. He has watched uneasily as the price of the B1 bomber has risen to $61.5 million apiece, knowing the program is in trouble and wondering at what point the plane becomes "cost ineffective." He has tried without success to get the Army and the Navy to build one rather than two heavy-lift helicopters. "I'm right back where I started," he says, "All the rivalry between the services is still there. Nothing is going to put a stop to that."

BORING INTO THE BUDGET

Over the years, Sen. McIntyre's work on the R&D subcommittee has won respect in both the Senate and the Pentagon. "They're doing a first-rate job," says Richard Kaufman, a military analyst for Sen William Proxmire (D., Wisc.), a leading Pentagon critic, John Foster, Pentagon research chief from 1965 until last June, says the panel made a "dedicated effort to really bore into" the R&D budget, sometimes getting into details he considers better left to the Defense Department.

It is his growing reputation, Sen. McIntyre's aides believe, that makes it more and more likely he can carry the "middle of the Senate" on a given issue. But even today, the Senator concedes, it is probably impossible to beat a major weapons system on the floor of the Senate if the Pentagon and the Armed Services Committee both support it.

Despite today's frustrations, Sen. McIntyre is in a lot stronger position than in 1968, when Sen. Stennis first approached him about the R&D chairmanship. He had gone on the Armed Services Committee in 1965, he says, "with the express intent of trying to . . . be helpful to the Portsmouth (N.H.) Naval Shipyard," one of the major employers in his economically deprived state. But he became increasingly disenchanted with the committee, then under the direction of the powerful Richard Russell of Georgia.

"Richard Russell's knowledge was sacrosanct," he recalls. "We sat at a big table, and I was way down at the bottom. It really got frustrating. One day I asked, 'Will the chairman speak a little louder so we down here can hear what the chairman and the ranking minority member are deciding for us?"

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of the period for the transaction of routine morning business, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Bartlett). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIFFICULTIES CONFRONTING THE AMERICAN BEEF INDUSTRY TODAY

Mr. MANSFIELD. Mr. President, a group of between 35 and 40 Senators from the cattle-producing States met this morning for the purpose of considering the difficulties which confront the beef industry of this country today.

Not only is cattle production in a precarious condition at the present time due to the decline in prices and the increase in costs, but the same applies in a similar degree to chickens, eggs, and the pork segments of the economy.

At that time, the group met for the purpose of considering ways and means to cope with the situation which has developed. On the basis of the unanimous agreement of those present—and it was a bipartisan group of Senators—it was decided that a letter would be dispatched to the President of the United States in which certain requests would be made having to do with legislation to provide emergency assistance to the cattle industry under the Department of Agriculture loan program.

This proposal was acceded to because of the great need and the tremendous losses which the feedlot operators are undergoing at the present time.

Then an agreement was made—again unanimously—that the administration look into the possibility of expanding military food programs through the Department of Defense, and school lunch programs, through the better use of beef, pork, chickens and eggs; and, most important, it was the unanimous feeling of the bipartisan group of Senators in attendance that the President should exercise his authority in reimposing strict import quotas on beef and livestock products which compete with those in this country.

Mr. President, let me say that, in addition, the Chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Georgia (Mr. Talmadge), announced that the subcommittee, under the chairmanship of the distinguished Senator from South Dakota (Mr. McGovern), would hold hearings on the question of legislation to provide emergency assistance to the cattle industry under the Department of Agriculture loan program beginning on Monday next.

It was also announced that representatives of various groups connected either directly or indirectly with the beef segment of the economy had been invited to a meeting at the White House on Monday next for the purpose of considering the drastic situation which confronts the beef, the cattle, and other segments of the agricultural economy.

Mr. President, I ask unanimous consent to have printed in the Record the letter I wrote to the President of the United States on June 7, 1974.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., June 7, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: In recent days, presentations have been made to the White House staff in behalf of a seriously depressed livestock industry. I wish to join with my colleagues in asking that you give this situation your personal attention. We cannot permit such a vital element of our economy to flounder as it is now. Action must be taken to close the gap between prices received by the livestock producers and the prices charged by the packers and retailers.

The reasons for this predicament are varied. The main point is that something has to be done now to protect the ranchers of our Nation. I am joining with several of my western colleagues in the introduction of legislation to provide emergency assistance to the cattle industry under the Department of Agriculture's loan program. These loans are vital to feed lot operators. I also concur in the recommendations that the Federal Government introduce a beef purchase program for military and school lunches. Most importantly, I ask that you exercise your authority in reimposing strict import quotas on beef and livestock products which compete with those in this Country. As you know, I have consistently supported this safety valve and the present situation underscores the need to reimpose these quotas.

Your cooperation and assistance in this matter are vital. I am convinced that we can have a strong and healthy livestock industry if some reasonable attitudes can be returned to the price of beef in the retail market.

Respectfully yours,

Mike Mansfield.

Mr. MANSFIELD. Mr. President, I received a reply to that letter this morning from Tom C. Korologos, Deputy Assistant to the President, which reads as follows:

June 10, 1974.

Dear Senator: I would like to acknowledge and thank you for your June 7 letter to the President expressing concern about the problems facing the cattle industry.

I have noted that you plan to join several of your colleagues in the introduction of legislation to provide emergency assistance to to industry under the Department of Agriculture's loan program. I have also made note of your request that action be taken to reimpose quotas on meat imports, and I will be pleased to pass along your letter to the President upon his return from the Middle East. This matter is receiving most careful attention by his agricultural and economic advisors at this time, and you may be assured that your views will have a part in the deliberations.

With warm regard,

Sincerely,

Tom C. Korologos,
Deputy Assistant to the President.

Mr. President, I also made an opening statement to the bipartisan group of Senators which met this morning which reads, in part, as follows:

The White House yesterday announced a conference of cattlemen, meat packers, grocery-chain executives and agricultural lenders next Monday to see what can be done to reverse the falling price of live cattle and prevent the threat of widespread bankruptcies among the cattle feeders.

Cattle feeders have been complaining that although the price of beef on the hoof has dropped more than 25 percent since the beginning of the year.

The cattle feeders claim they are losing between $100 and $200 on each animal they market because of the continued high price of feed and the plunging price of cattle.

Yesterday the price of cattle dropped another $1 per hundred pounds in the Omaha livestock markets for the third consecutive day. The price of an average 1,100-pound prime steer has declined between $30 and $35 this week alone.

Paarlberg, however, indicated that the Nixon administration may be opposed to bills in Congress to provide up to $3 billion in government-backed loan guarantees to cattle feeders to stave off bankruptcies because "it would be bailing out creditors rather than helping out farmers."

I disagree with that contention.

Continuing the statement:

Senate hearings are scheduled Monday on the various financial assistance measures.

Mr. President, if my information is correct, that will get underway in the House Agricultural Committee, and they will consider an omnibus bill related to the various matters concerned with the situation which has developed.

That is about it, Mr. President, at this time.

Mr. HANSEN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes, indeed; I am glad to yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I want to compliment the distinguished majority leader for his continuing interest in and concern for the problems of all Americans, including those in the livestock business.

I am one of those who attended the meeting this morning, responding to the Majority Leader's call that we get together to discuss what might be done to solve the cattlemen's problems and what steps could be taken in order to bring such measures of relief as are within the purview of Congress, and further to explore with him and others some suggestions to the executive branch of the government. For those who are uniquely familiar with agriculture, there is an awareness that the livestock industry, the cattle business specifically, has never asked for the kind of support or the kind of programs that we have seen in operation in times past with many other segments of agriculture. Beef is not a price-supported commodity as wheat has been, as cotton has been, as corn has been, as tobacco has been, as wool has been, and as many other products have been. Rather, the feeling of the typical cowman has been that he would rather take his lumps, take the ups and downs in the market, and have the opportunity of benefiting when prices rise, than to be locked into a Government price support program, to price controls, to Government controls — period — programs that all too often have kept agriculture in a deeply depressed state.

Under this philosophy, it is true that the typical cattleman has had good times and bad times. What is not generally known is that for nearly 20 years the price of cattle in this country was lower than it was in the early 1950's. I think that in 1951 or 1952 the price was higher than it was at any subsequent time for a period of almost 20 years. Everyone will recall that last August, when price controls were removed from most products, most commodities, they were not removed from beef. As a consequence, many feeders who had cattle on feed then made what has since proved to be a very bad decision.

Anticipating the time when price controls would be removed, as indeed they would be later, they kept their cattle. They withheld from the market cattle that normally would have been marketed.

There was intense resentment throughout the country over the sharp escalation in the price of beef, and the typical housewife reacted as we might all have anticipated she would. She readily joined others in reducing purchases of beef.

About the time the price controls were taken off, the pattern seemed to have been set, the pattern that was being manifested in homes all across America, that they were going to eat products other than beef, or at least eat less beef than they had been eating earlier.

The price of live cattle started dropping. It has since dropped steadily, so that today we find, comparing the price of live cattle now with what it was less than a year ago, the drop has not only been dramatic; it has been disastrous.

Many feeders, as the distinguished majority leader has said, have gone broke. The losses throughout the feeding industry are oftentimes from $100 to $150 per head, collectively some $1.5 billion. Some feeders have experienced losses even more severe than those figures, or $150 to $200.

There have been a great number of bankruptcies throughout the United States. Some people who are in the so-called cow and calf business, who sell feeder animals, may think, if they have not been in business very long, that this is of no particular concern to them. But it is of great concern to everyone and to that group of cattle producers particularly, because what they are able to get for their animals offered to the feeders will be a reflection of the profitability of feeder operations in the past feeding season.

As a consequence, the disastrous experience that the feeders have had certainly is being driven home very forcibly and traumatically to cattle producers today. Feeder prices of calves which a year ago were from as much as 80 cents per pound to 60 cents per pound have dropped this year to prices in the thirties.

We are finding out, as we should have known all along, that if the feeder does not have a profitable operation, those in the cattle-raising business may also anticipate not having a profitable operation.

While the price of live cattle has been dropping, the costs of raising cattle have continued to go up. The price of labor is higher. The price of practically everything that the farmer and rancher uses is higher. The price of baling wire has gone up, I am told by some of my constituents, as much as 4 times what it was a year ago, for those who can even find this product.

One of the things has been speculated about by a number of people is, Why is it that despite the very dramatic and significant drop in the price of live cattle, we find no significant paralleling drop at the retail level?

Economists oftentimes discuss this facet of the economy—that is, that when prices are rising, the spread between what live cattle sell for and what the price of beef is at the retail level is narrow.

I suppose what happens invariably is that with prices of live cattle rising, there is a built-in resistance to rising prices in the supermarket. As a consequence, the margin, the difference between the price of meat at the marketplace and the price of beef on the hoof, tends to be narrower than it otherwise would be. Conversely, when the price of live cattle is dropping, as is now the case, it is easier for retailers to sustain prices at the high level than to lower them, then raise them back up again when live cattle increase.

I think there is this lesson to be learned from this fact that is constantly demonstrated in the marketplace: that is, that we can expect, in a market which is characterized by declining live cattle prices, that the spread will be greater. Many stock men are anxious to find out the reasons for the depressed price of what they have to sell, which primarily is beef on the hoof.

We look around for scapegoats. We look around for people to blame.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRIFFIN. Mr. President, will the Chair recognize the junior Senator from Michigan?

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. I yield to the Senator from Wyoming.

Mr. HANSEN. I thank the distinguished Senator, the minority whip, and express my appreciation to him.

Mr. President, there probably is plenty of blame to go around everywhere. Certainly, there is no doubt that the price of beef in the supermarket could be lowered, and there would still be a nice margin of profit. I hope that the retail markets in America will take this step very shortly, because in so doing they could increase the consumption of beef; they could make it more accessible to all the people, and in greater quantities than before, by the simple tactic of lowering price, and at the same time could bring a measure of relief that is sorely needed now to the livestock industry.

If the financially disruptive experiences of the cow business continue it certainly follows that there will be less beef down the road for all Americans. I say that because no one wants to stay in a business that is losing money and that is precisely what has been happening to the cow business for a number of months.

I think the President of the United States should exercise the authority he has under the import quota law passed in 1964 to halt the flow of imports that have been rejected by the rest of the world, almost, and now are being diverted to be sold here in America.

What has been happening is that Japan had built up a rather significant trade in the beef business. There is a great appetite developing among the Nipponese for beef and it was being imported in great quantities, but with inflation reaching the proportions that it has in Japan, the Japanese have embargoed the importation of beef, for all practical purposes, to that country. This has happened also in the European Common Market. So today we find other countries exporting the products only, for all practical purposes, to the United States of America.

This compounds the problem of the livestock men and results in the fact that at the end of this year, 1974, in all probability, 7 percent of the beef that is consumed in America will be imported beef. On top of the very serious oversupply situation that we now have, this will be too much and it will mean there will be further bankruptcies throughout Cattle Land, U.S.A., and we can expect to find less beef produced in the future to satisfy the appetites of all Americans.

Mr. President, I ask unanimus consent that a statistical analysis of the beef import situation and a copy of my telegram to the President requesting import restrictions be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND INFORMATION ON MEAT IMPORT SITUATION

MEAT IMPORT ACT

The Meat Import Act of 1964 operates from the base years 1959–63. Average annual production of beef, veal, mutton and goat during that five-year period is weighed against average annual imports of fresh, frozen and chilled beef, veal, mutton and goat during the same period. By using these two five-year averages, the government comes up with a factor of imports representing 6.7% of U.S. production.

Each annual import quota figure is determined by taking a three-year moving average of U.S. commercial production of beef, veal, mutton and goat and applying the 6.7% factor. For example, the 1974 quota is arrived at by calculating U.S. commercial production of beef, veal, mutton and goat for 1972, 1973 and 1974 (estimated). An average is struck for these three years, and the 6.7% factor is applied, resulting in the quota figure of 1,027,900,000 pounds (product weight). The same procedure is followed annually.

MEATS COVERED BY MEAT IMPORT ACT OF 1964

[Million pounds]

Year	Import quota	Trigger (110 percent)	Actual imports
1971	1,025.0	1,127.5	1,132.6
1972	1,042.4	1,146.6	1,355.5
1973	1,046.8	1,151.4	1,354.4
1974	1,027.9	1,130.7	(1)

[1] 1974 estimates, USDA: Jan. 1 announcement, 1,575; Apr. 1 announcement, 1,575.

Under the law, quotas are not "triggered" unless estimated imports are expected to reach 110% of quota. For 1974, the "trigger" point is 1,130.7 million pounds (product weight).

The Secretary of Agriculture makes an estimate of imports for the calendar year beginning on January 1 each year, and he makes subsequent estimates on April 1, July 1 and October 1. Based on the estimates by the Secretary of Agriculture, the President may trigger the quota, suspend the quota or come up with restraint levels in accordance with the Act. Following is the language of that section of the law:

"(d) The President may suspend any proclamation made under subsection (c), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

"(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the nation of the economic well-being of the domestic livestock industry;

"(2) the supply of articles of the kind described in subsection (a) will be inadequate to meet domestic demand at reasonable prices; or

"(3) trade agreements entered into after the date of the enactment of this Act ensure that the policy set forth in subsecion (a) will be carried out.

"Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection."

With meat prices increasing, the President suspended import quotas in mid-1972. The restraints were suspended again in 1973. In early 1974, the President announced that quotas would be suspended again during the current year. Imports for 1974 had been estimated at 1,575,000,000 pounds, compared with the "trigger" level of 1,130,700,000 pounds and actual 1973 imports of 1,354,400,000 pounds (1,845,100,000 pounds carcass equivalent)—the previous record year.

Beef accounts for more than 97% of the meat imports subject to the Import Act.

On July 1 and again on October 1, the Secretary of Agriculture will issue updated estimates of 1974 imports. Under the law, the President must consider the "importance to the nation of the economic well-being of the domestic livestock industry" in making his decision on further quota suspension or reimposition of restraints.

1974 MEAT IMPORTS

In the first four months of 1974, meat imports subject to the law totaled 396,700,000 pounds, up 2% from 1973. In addition, there were an estimated 115 to 120 million pounds of imported meat in the U.S., in cold storage under bond to the shipper, and not yet included in reported import data.

Most of the imported meat is boneless manufacturing-type beef which competes with U.S. cow beef and other non-fed beef used in hamburger and similar products.

The leading exporters of meat to the U.S. so far this year are Australia (148.5 million pounds through March), New Zealand (46 million), Costa Rica (22.4 million), Ireland (17.5 million) and Mexico (14.8 million). Amounts from the different countries may vary from year to year, depending on where they can obtain the highest price. Ireland, for example, sharply decreased its sales to the U.S. in 1973 and then increased its volume by eight times in the first quarter of 1974, when previous market outlets were closed. Thus, most of the exporting countries are a less stable source of supply for the U.S. than are domestic producers.

CURRENT STATUS OF IMPORTING NATIONS

At present, the U.S. is the only major beef-eating nation in the world with its borders completely open to beef imports. Japan, European Economic Community countries and Canada have banned or restricted imports in order to protect their own livestock producers and their balance of payments positions.

With other markets largely closed, the major exporting nations are expected to "dump" their surplus beef on the U.S. market.

FEDERALLY INSPECTED U.S. MEAT PRODUCTION, 1974 TO DATE

	1974	Change from 1973 (percent)
Meat, through June 1 (million pounds):		
Beef	8,576.2	+6
Pork	5,563.7	+7
Total red meat	14,410.3	+6
Poultry, through May 15	3,673.0	+10
Cattle slaughter, through May 11 (thousand head):		
Cows	2,139.6	+7
Bulls	219.2	+8
Heifers	2,651.6	0
Steers	6,456.0	+3
Storage stocks, Apr. 30 (million pounds):		
Beef	505	+40
Pork	395	+59
Poultry	381	+111

Total beef and meat production through May is at record levels, even ahead of the previous highs in 1972. Storage stocks of beef and other meats also are at new highs.

The increase in cow slaughter is attributed in large measure to cow herd reductions brought on by economic conditions in the industry, and further reductions in the nation's basic beef cow herd are expected if financial losses continue.

Total beef imports—not just those subject to the Meat Import Act—have been running at 7 to 8% of the total U.S. beef production in recent years. In 1973, imports were 8.5% of total beef and veal production of 21.4 billion pounds.

CATTLE INDUSTRY COSTS AND PRICES RECEIVED, 1974, WITH COMPARISONS

	1974	Year ago	Percent difference
Costs:			
Corn, Chicago (bushel), May 30	$2.74	$2.42	+13
Hay, U.S. average (ton), May 15	$50.80	$40.60	+25
Index of prices paid by farmers (1967=100), May 15	165	143	+15
Feed index, Apr. 15	167	139	+20
Fertilizer index, Apr. 15	178	112	+59
Seed index, Apr. 15	232	156	+49
Interest index, Apr. 15	204	179	+14
Wage rate index, Apr. 15	173	157	+10
Feeder livestock index, Apr. 15	152	185	−18
Average prices received (hundredweight), June 4:			
Choice steers, Omaha	$38.50	$46.75	−18
Utility cows, Omaha	$25.00	$32.90	−24
Choice feeder steers, Oklahoma City	$32.00	$55.80	−43

Except for feeder cattle purchased by feeders, most agricultural inputs now cost substantially more than a year earlier. Cattle prices, meanwhile, are sharply lower than a year earlier and even farther below 1973 highs.

ECONOMIC SITUATION

Feedlots

Most cattle feeders have been in a loss position since last September and have lost most or all of the equity invested in cattle sold during that period. The feeding industry has lost more than $1.5 billion in the last 9 months.

Current breakeven price on fed cattle is estimated at an average of $49.00 per cwt. Based on an average sales price of $39.00, this means the industry is still losing approximately $105.00 per head on cattle currently being marketed.

Average cost of grain on feedlot cattle at this time is 48¢ per pound.

Cow-calf operations

Because of feeder cattle prices sharply lower than the highs of 1973, many cow-calf operators (including ranchers and farmers) are expected to have 1974 gross incomes which are down by 50% from 1973. At the same time, their total costs are up by at least 20%.

Breakeven prices for 450-lb. calves were recently estimated by the Montana Extension Service at $243.50 per calf. This compares with traditional cost estimates for the area of $130 to $150 per calf.

The current price for a 450-lb. calf in Montana averages $175.00.

Numbers of feed cattle on grass are estimated at 15% over a year ago. Many of these cattle, plus liquidated cows, may be sold for slaughter off grass, rather than going into feedlots for finishing. This non-fed beef will have to compete with the increased amounts of imported beef.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW, APRIL 1974 WITH COMPARISONS[1][2]

[In thousands of pounds]

Country of origin	April 1973	April 1974	January-April 1973	January-April 1974	Percent change from 1973: April	Percent change from 1973: January-April
Australia	40,473	35,785	173,246	184,241	−12	+6
New Zealand	27,267	24,601	75,537	70,448	−10	−7
Costa Rica	9,105	4,857	31,058	27,256	−47	−12
Mexico	2,953	3,762	32,425	18,535	+27	−43
Nicaragua	6,512	2,227	21,274	16,760	−66	−21
Canada	4,056	2,072	13,903	14,148	−49	+2
Ireland	612	9,108	2,614	26,627	+1,388	+919
Guatemala	2,582	1,938	16,028	12,405	−25	−23
Honduras	2,523	3,416	14,098	14,178	+35	+1
Panama	98	337	1,116	1,257	+244	+13
Dominican Republic	1,376	336	5,569	2,993	−76	−46
United Kingdom		582	114	805		+606
Haiti	77	155	647	667	+101	+3
El Salvador	292	2,239	3,167	6,365	+666	+101
Belize						
Total[3]	97,926	91,414	390,796	396,686	−7	+2

[1] Preliminary.

[2] Fresh, frozen, and chilled beef, veal, mutton and goat meat including rejections. Excludes canned meat and other prepared or preserved meat products.

[3] May not add due to rounding.

Source: Livestock and Meat Products Division, Foreign Agricultural Service, U.S. Department of Agriculture.

BEEF IMPORT STATISTICS—MEATS COVERED BY MEAT IMPORT LAW OF 1964

[In millions of pounds]

	Quota	Trigger (110 percent)	Actual
1971	1,025.0	1,127.5	1,132.6
1972	1,042.4	1,146.6	1,355.5
1973	1,046.8	1,151.4	1,354.4
1974	1,027.9	1,130.7	

Note: 1974 estimates—Jan. 1, announcement, 1,575; Apr. 1, announcement, 1,575.

JUNE 5, 1974.

The PRESIDENT,
The White House,
Washington, D.C.:

Since last September, American cattle feeders have lost more than $1.5 billion. They are in desperate trouble, and the 1.55 billion pounds of imported meat expected to flood our market this year is compounding a critical situation. The expected import level this year of seven percent of domestic production is too high. The quotas called for by the 1964 Meat Import Quota Law should be immediately imposed.

I urgently request that you move immediately to impose restrictions on imports of beef. Japan, Canada and the Common Market countries are turning away beef shipments, and it is imperative the United States act to prevent the dumping of these shipments on our own depressed market. An industry seriously weakened today cannot provide a sufficient and reasonably-priced supply of meat to consumers tomorrow.

CLIFFORD P. HANSEN,
U.S. Senator, Wyoming.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HANSEN. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I think it is extremely important and very necessary that the import quotas on meat be reinstituted. We are facing the most severe situation in the livestock industry that we have experienced in the memory of the present generation. I think the Government of the United States has a very special responsibility in this matter.

There are cattle feeders who have taken such a great loss that some of them will have to sell their land. Others have suffered a loss running into great sums, losses from which they never will recover during their lifetime. There will be situations where the local banks will not be able to provide the credit for them to carry on. Cattle prices have gone down tremendously.

Less than a year ago prime steers were selling in Omaha for as high as $57 a hundred. That price is down in the thirties now.

It was reported to me that a load of prime steers was offered for sale at Sioux City. All day went by and there was no offer. Finally this load of 25 or 26 head was sold for $30. That is 30 cents a pound, and the purchaser was a representative of a dogfood manufacturer.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. Would it not be nice if the ultimate buyer of the beef, the consumer, could get the benefit of beef at that low price so that it could be used for human consumption rather than used as dog food?

Mr. CURTIS. The Senator is correct. As a matter of fact, the 30 cents a pound, by the time all the hide is taken away, the bones, and the offal, the meat is less than 50 cents a pound and it is the finest meat served in many of the steak houses in Washington or anywhere else.

I admit that in this particular load they were overweight. Someone might say the feeder should have sold before. Hindsight is always better than foresight. The market had been dropping and he held on too long.

Mr. President, this dislocation started with the placing of a ceiling, the price ceiling, on beef and not on other things. That causes dislocation from which we will be a long time recovering. The Cost of Living Council was wrong in putting it on and the Cost of Living Council is wrong in refusing to take it off, after everyone knowledgeable of agricultural situations asked them to do so.

Congress made a mistake in granting such authority that they could put such a ceiling on. The President made a mistake in taking the advice of the Cost of Living Council. In other words, the Government was in error, all of us.

This crisis situation must be remedied or it will have far-reaching effects. The losses taken by cattle feeders is so great that they cannot possibly pay ranchers very much for their feeders. If feeders go out of business what happens to the grain market? The Government should act and act now.

The distinguished Senator from Kansas (Mr. DOLE) and the junior Senator from Nebraska called on the President of the United States last week. We made two recommendations. One recommendation was that a White House conference be called and in that conference should be cattle men, feeders, representatives of the packers, both large and small, and the chief executives of the major retail chain stores.

The idea was to get them all in a room to do a little jawboning and to see that every segment of the economy that has something to do with the production and distribution of meat would do its part, and that each segment would share justly in the amount that the ultimate consumer pays. That recommendation has been taken. The conference will be held Monday. I commend the President of the United States for taking this action.

The second recommendation we made was that the existing meat import quota law be put into effect. It has been suspended. It was suspended at a time when there was a great deal of discussion about consumer boycotts. It was suspended at the time when there were demonstrators and placard carriers, threatening to boycott beef and other products. It was suspended with the idea it would lower prices. It has not done any of those things. It has been an invitation to foreign countries to ship great amounts of meat, particularly beef, into this country.

It did not do too much damage for several months, but in the meantime, because of their own economic situation, Japan has practically embargoed the importation into Japan of beef. The European economic community has done the same thing. So the other exporting nations, principally Australia and, to a lesser amount, New Zealand, have only one place that they can sell their meat, and that is here. And unless we do something, this importation is going to grow. Whether it grows or not, it stands as a cloud over the market of live cattle and live hogs.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CURTIS. I ask unanimous consent that I be recognized for 5 minutes more.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will withhold that request, I ask that I be recognized.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield my 5 minutes to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator.

The price of cattle and hogs has always been reasonable, even at its highest price. Keep in mind, farmers do not sell beef; farmers do not sell pork; farmers sell cattle and hogs, and the price has never been too high.

The quota law was enacted in the middle 1960's. It is not an embargo. It gives foreign countries a just and what I think is a generous—too generous—share of our market. It even allows them to share in some of our growth in consumption. That law served us and I think well, from the time of its enactment until 1972, when it was suspended.

In retrospect, it should not have been suspended, but certainly now it should be reinstituted.

Mr. President, this is not an unfriendly act toward foreign countries. This is not an embargo. This is allowing a law to operate that has been on the books for 8 or 9 years or more. It is allowing a law to operate that every country in the world knows about. It is allowing a law to operate that permits enough meat to be imported into this country to be beneficial to the importers and to meet the needs and wishes of the American buying public.

As long as it is suspended, we are in a position of saying to the world, "We will take all the meat you can produce" at a time when Europe says, "We won't take a pound," at a time when Japan says, "We won't take a pound."

Mr. President, the request that the distinguished Senator from Kansas and I make of the President has had attention. It has been referred to the departments that have jurisdiction of trade matters. I refer to the Department of the Treasury and the Department of Commerce and the Department of State, the trading agency and, of course, the Department of Agriculture. The responsible officials in those agencies will be advising the President what to do.

I say to those departments that are going to advise him, "You betray the President of the United States if you do not advise him to reinstitute these quotas, because the economy of America demands it and because our foreign friends may ask us not to, but they will lose respect for us if we do not reinstitute those quotas."

I say to those groups who are going to advise the President, "Keep in mind that it was those groups, or some of them, that wrongfully imposed the price ceiling on beef." They are part of the problem. They caused the problem, in part. And, as a matter of fairness and justice, they should act now.

Mr. President, the American people believe that the reinstitution of these quotas will help. If they believe that, that is the way it is going to come out; and if their request that it be reimposed is denied, the reverse will be true. It will come out that way, and more meat will flow in here.

Mr. President, I hope that if the Executive does not act in reimposing quotas on the importation of meat within a very few days, the Congress will act.

I yield the floor.

INFLATION

Mr. HARRY F. BYRD, JR. Mr. President, the dominant problem facing our Nation today, in my judgment, is the need for the Federal Government to put its financial house in order. Most will agree, I think, that the major cause of the inflation we are having now is the continuing and accelerated deficits of the Federal Government. It is deficit spending, massive Government-spending programs, that are the major causes of the inflation which is eating so heavily into every wage earner's paycheck and into every housewife's grocery dollar.

If we are going to get the cost of living under control, if we are going to get inflation under control, we must first get Government spending under control.

Mr. President, one of the few men in the executive branch of Government who seems to be willing to tackle this problem is the Secretary of the Treasury, Mr. William E. Simon. I commend Mr. Simon for his forthright position and for the difficult task that he has undertaken. I know that his views are not necessarily in the majority among his colleagues in the executive branch.

Secretary Simon gave an interview to the editors of U.S. News & World Report. In it he made it clear that a slash in the massive Federal outlays is necessary if we are going to whip double-digit inflation.

The views expressed by Mr. Simon are, I think, so sound that I ask unanimous consent that the interview, published in U.S. News & World Report in its issue of June 17, 1974, captioned "A Way To Halt Inflation," be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A WAY TO HALT INFLATION—THE TREASURY SECRETARY'S BLUEPRINT

Slash massive federal outlays if you're going to whip "double-digit inflation," says William E. Simon, who came to the magazine's conference room for this interview. Will Congress agree? Yes, he predicts, and tells why.

Question. Mr. Secretary, is this country going to be able to bring inflation under control?

Answer. We can do it. But it is going to require a curb on Government spending, and the key to that is better co-operation between the Congress and the White House. It also requires a will on the part of the American people to stop demanding or accepting the largesse of the Federal Government without paying for it. It's just as fundamental as that. We must work toward balance in fiscal and monetary policy in this Government.

I won't buy for one minute the idea that 75 per cent of the budget is uncontrollable. That is a cop-out. We've got to quit saying there's nothing we can do about it—that "Congress has passed the laws, and here they are, even if we don't like some of them."

I'm suggesting that we—both the Congress and the executive branch—had better take a brand-new look at this and begin to get some fiscal sanity back into the picture.

Question. Can you cite some examples of what you consider bloated federal spending?

Answer. I'm not going to be specific on recommendations right now because we're doing a budget study on the controllable side—as well as on the uncontrollable side, which is our big problem.

Question. Just what do you mean by "controllable" and "uncontrollable" items in the budget?

Answer. Essentially, "uncontrollable" refers to budget items provided for by laws passed in previous years. In other words, laws already on the books spell out some obligations for more than one fiscal year. For instance, Social Security payments are spelled out by law. As the number of persons receiving Social Security increases, the amount of money goes up, too, in almost uncontrollable fashion.

Question. Who is to blame for the expansion of the uncontrollable side of the budget?

Answer. You can't just point the finger at Congress—or at the White House. It has come from both sides. Anyway, what's the difference whether it was an Administration plan or a congressional action that locked in new spending on an ever-escalating basis? The fact of the matter is that it's there.

Congress is about to pass—I hope—a budget-reform bill which is a step in the right direction, but only a first step. Congressmen are now hearing from their constituents that something has to be done about the budget and about inflation. That's why we're seeing action. I met with the Republican side of the House Ways and Means Committee just the other day, and to a man they are hearing this from back home. It's a genuine ground swell.

Question. Do you mean that people are urging a cut in Government spending to deal with inflation?

Answer. Yes, sir—and these Congressmen say that this will be the most popular thing that they can do to get re-elected this year. They tell me that their people are simply fed up with the way the Government's budget shoots up year after year. It took this country 185 years to get to 100 billion dollars of annual spending in the budget. But it took only nine more years to get to 200 billion, and only four more after that to get to the third hundred billion.

Question. In the past when people talked about cutting federal spending they were for it as long as it didn't affect them—

Answer. Yes, in the past that's been correct. But in the past we've never had double-digit inflation. It's always been well under 10 per cent. But now that we're above that into two digits, people are scared. And if we wait another year or two to meet this head on, we'll be back in the same mess we are right now, only at a higher rate of inflation, because it's going to start from a higher base than the one we started at two years ago, which was 3 per cent.

It's the same with interest rates. Interest rates this time started up from 8 or 8½ per cent. During the credit crunch in '66, they started at 6 per cent.

Each year we're grinding more and more inflationary expectation and actual inflation into our economy, and if we don't begin to turn it around, not only on the fiscal side—on the spending side—but on the financing side of it, this country is headed for disaster.

The financing side is little understood. But it is staggering when you realize that borrowing by the Federal Government and its agencies today takes about 60 per cent of the funds raised in the securities markets.

Question. Do you believe that in an election year Congressmen are going to vote to cut Government spending?

Answer. I certainly do. For the first time we have a chance of doing something because of the double-digit inflation. If we ever had a chance to cut back, now is the time. I'm not saying we can balance the fiscal '75 budget [for the year starting July 1, 1974]. I don't think it's advisable to slam on the fiscal brakes that quickly. But we must make a step in that direction and then move toward balance in '76.

Question. How much of a budget cut would be a step in the right direction? Roy Ash, Director of the Office of Management and Budget, has said you couldn't find as much as 5 billions—

Answer. It all depends whether one wants to take a look at the uncontrollables. You probably couldn't find 5 of 6 billions if you just wanted to look at the controllable portion of it. I'm talking about the uncontrollable portion of it. I'm talking about the uncontrollable side.

You're going to say, "Well, how do you get that done?" The answer is that you identify programs that are overfunded—whether it's food stamps or the many programs of the Department of Health, Education and Welfare—or wherever it is that the budget has grown tremendously.

Question. Don't you have to go to Congress, though, and get a change in the law?

Answer. That's right—you do.

Question. Isn't it a fact that every time the President has done that—on school lunches, milk programs, almost anything—he's been beaten down?

Answer. That's been true. But I'm not going to take the attitude: "Ah, hell, we've tried that before; it doesn't work." I suggest that it's never really been tried before with everybody's heart behind it.

Question. Are you suggesting a fundamental change in attitude toward things like the full-employment budget?

Answer. I am not a full-employment-budget man. I don't think 1 per cent of the people in this country understand the full-employment concept. It's a good concept, useful to those who fully understand it, but there are problems with how it is interpreted and how it is calculated.

For example, almost everybody agrees that a goal of no more than 4 per cent unemployment is unreasonable in view of the change in the labor force over the last 20 years. But what I am talking about is actually heading toward balance in the unified budget as we know it.

Question. Mr. Secretary, has the Administration's ability to deal with this in Congress been damaged by the Watergate mess?

Answer. I can honestly say—and I don't know anybody in this Administration who spends more time on the Hill and on the telephone talking to Congressmen than I do—that it hasn't bothered me one iota.

Question. You don't think the authority of the President has been eroded with Congress?

Answer. I certainly do not.

I'm suggesting that things have changed, and events are going to make Congress want to go in the budget-cutting direction because at this point in time it's the right thing to do politically. They're getting the ground swell from home. Double-digit inflation is a tax that's being levied on the American people, and they don't like it.

Let me tell you something: I think there's such a change in sentiment that we should put what you might call a "full-court press" on this whole subject and really fight to cooperate and get together. And I've talked to Democrats and Republicans alike on the Hill, and that is the attitude I find.

Question. Historically, hasn't inflation of the sort we have now been solved only by the country going into a recession?

Answer. I don't know that we can go back and say that every single time it's gone that way. I agree that the danger is there when you're relying solely on monetary policy to control inflation. But if we use fiscal policy to restrain federal spending and give monetary policy a chance to work, which Arthur Burns [Chairman, Federal Reserve Board] would certainly like to do, then we can lick this problem.

I'm a realist. I don't know that over the long run this great country will do all these things, but I'm only here once, and so shouldn't I try to get done what's right?

Question. Mr. Simon, how much is this out of your control in the sense that inflation is being imported through high prices for oil and other basic commodities?

Answer. Our energy policy will correct the oil problem over time. Until that time, obviously, we're going to be paying these high prices for foreign oil. But they're not going to triple again—we certainly know that. If anything, they're going to be lower a year from now, or even sooner, than they are right now. I'd bet on it, if I were a betting man.

Now, we haven't had a complete pass-through, yet, of this big run-up in oil prices. We won't see that until the end of the year. For example, in petrochemicals we have yet to see the full impact. And there isn't much that you can touch during the course of the day that isn't made in one form or another in the petrochemical industry. The high cost of oil is going to come out in the form of higher prices for toothbrushes, plastic cups, and so on down the line.

Question. What about wages? Now that controls are ended, will they leap upward and add to inflation?

Answer. My judgment is that while wage increases aren't going to be in the 15 to 20 per cent bracket, they are going to be significantly above the 5.5 per cent guideline that we had in effect the past couple of years.

Question. Does that mean you need a new incomes policy?

Answer. No, it most certainly does not, because if we learned anything from wage and price controls it is that they produce distortions and compound and postpone your problems.

What we must have is restraint on federal spending so that the Government won't be putting all this pressure on the economy and the money markets, forcing interest rates higher than they should be and keeping the inflation fires burning. This is what has to be reversed. This is fundamental. Then you can deal with shortages and other inflationary problems by acting rather than reacting.

Question. Are you worried that present interest rates—as high as 12 per cent or more—will restrain business borrowing enough to prevent recovery from the current slump?

Answer. There's a lot of talk about the slump, but actually it is isolated to energy-related activities. Automobiles are the prime case in point.

It's true that high interest rates are postponing borrowing. There's no question about that. But I'm not worried about too little capital investment. The McGraw-Hill survey shows an increase of 19 per cent in outlays for plant and equipment this year. The Commerce Department figure is 12.2 per cent. But whether it's 12.2 per cent or 19 per cent, the evidence is compelling that this is a source of great strength in our business outlook right through 1975.

Another point that we must stress as far as this inflation problem is concerned is that we have to give incentives to business to expand production of fuel, paper, steel and other commodities so that the U.S. doesn't have to rely on foreign nations for these key items.

Question. Do you have a plan that would do this?

Answer. One thing we're talking about is accelerated depreciation. It works, and it works quickly. This was proven back in the Korean War. In the Treasury Department, we are taking a look at the various plans to expand production of these vital products. We're discussing whether it should be done on an over-all basis or whether it should be done by specific industries.

Question. What is your position on an income-tax cut for individuals?

Answer. It would be highly inflationary.

All it would do is fuel a demand that's already excessive. People would just go out and buy the small-ticket items that are already in short supply.

Question. Do you think Congress will vote against a tax cut for individuals, but approve reductions for business?

Answer. We're not talking about cutting taxes for business. We're talking about accelerated depreciation and other incentives for some of our basic industries to assure the consumer that he can get commodities at a reasonable price, rather than forcing him to rely on foreign sources at a much higher price.

Don't misunderstand me. I'm not saying it will be easy to get this through Congress. But we're hopeful, and we're talking with the leaders on the Hill. We're going into this study with the encouragement of Mike Mansfield, the Senate Majority Leader, and Speaker Carl Albert in the House. Senator Hugh Scott and Representative John Rhodes, the Republican leaders in Congress, are taking part in these discussions.

Question. Mr. Simon, economists seem to be in disarray. Many are confessing they're baffled by this double-digit inflation—that many of the old rules don't seem to apply. How can anybody speak with much confidence of what the cure is?

Answer. I'm sorry, but I don't buy the first part of your comment—that those in the economic profession are in such disarray that they can't find agreement. The economists whose opinions I respect, whether it's Paul McCracken [a former Chairman of the Council of Economic Advisers] or many others, are in fundamental agreement that, leaving the politics of the situation aside, for a sustained period of time there is one fundamental thing that's needed, and that's prudent fiscal and monetary policies.

Let me tell you something to make my point: Go back and trace America's prosperity. At the end of World War II it was the only country in the world with any real power, economically and otherwise. As the rest of the world recovered its economic strength, however, the dollar became overvalued. We should have changed that somewhere around the mid-50s or late '50s, but we continued with a fixed exchange rate and an overvalued dollar. And as we were creating all of those deficits and sending the IOU's around the world, you could find a lot of economists who were predicting—some almost to the year—that a fundamental change would have to be made in our international monetary system. And they were correct; some economists, at least, understood what was going on. A lot of them talked about it, but it wasn't very popular to print what they said.

I can give you a score of statements I made before I came to Washington. I haven't changed my tune one iota.

Question. Some well-known economists are saying that the 1975 federal budget, which you say must be cut, is too tight—

Answer. Sure. There's a group who believe that the American people have grown to expect each year that all of their needs are going to met by Washington, and "let's just ignore the inflationary consequences."

It isn't going to be easy to turn this thing around. But, at this particular point in time, I believe sincerely we have an opportunity to do it, due to the unprecedented inflation rate and interest rates. Now that we've got people's attention, damn it let's do what's right.

Question. But what is right? President Nixon's proposed national health program would add 5 or 6 billion dollars to the budget. Are you going to drop the program and say, "Well, we're at a point where we can't take on anything that costly?"

Answer. I think you're going to see some of that, but I wouldn't pinpoint a particular program, because these things are being worked out right now. I don't know what

> the President will come down on. But he'll make the individual decisions—that I'll promise you.
>
> We've got to slow the growth of the budget to a pace that will provide normal expansion of the economy, rather than the inflationary growth rate that started with the "guns and butter" policy in 1964 during the Vietnam War. Some say this will entail self-sacrifice on the part of the American people. My answer is that when you're dealing with a budget as massive as 305 billion dollars, there is enough latitude to get back to fiscal responsibility without sacrifice.
>
> Question. Is your attitude toward the budget accepted within the Administration generally?
>
> Answer. I'll put it this way: I'm making significant progress compared to where I started a month ago when I became Secretary of the Treasury. At that time, the whole idea was considered ridiculous. And I'm picking up a lot of support in Congress.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LEAKS BY STAFF MEMBERS

Mr. HUGH SCOTT. Mr. President amidst the miasmic fogs of the Washington scene, every now and then the light of reason shines through and someone points to what is actually happening rather than what someone outside of Washington might believe was happening at any given moment.

Here in Washington, D.C.—and I am told that "D.C." stands in some people's minds for the "District of Confusion"—we are in the hands of the magic men, those who would misdirect our eyes, as I have noted before, from the truly important to the merely trivial. And yet there are people who see through this sort of thing, and one of them is Archibald Cox, the former Special Prosecutor in the Watergate matters. At Cambridge, Mass., which is the heart of the area of the lifted eyebrow, Mr. Cox strikes through to a matter which has not often been referred to on this floor. I have not at any point criticized the Ervin Committee, the Watergate Committee, and I have determined to do my best not to do so. They are composed of eminent and honorable Senators. They worked very hard and their work performed a national service without question.

At the same time, I think it is now necessary to point out that despite the best intentions of Senators, there are staff members who leap unwarrantedly to the conclusion that they are really the Senators themselves, or at least that they know more than the Senators—and I am not disputing whether that is correct or not—but they certainly rushed rapidly to news story sources in order to secure the publication of those matters which Senators have decided in and out of committee are confidential and ought not to be published.

The selected leaks are being used as a matter of policy. For example, when the Senate Watergate Committee decided not to publish a report at this time, members of the staff evidently decided that they knew more than the Senators and decided to publish the report in selective form and from selected and favored sources in order to do maximum damage, because if the evidence in a given matter was not sufficient, a part of the evidence would be made to serve for the whole in order to make the American people think that the real evidence was there.

No discipline has been exercised in this matter and no sanctions have been imposed; therefore, some members of the staff have felt free to act, as was stated in Stephen Leacock's Gertrude the Governess:

> He flung himself from the room, flung himself upon his horse, and rode madly off in all directions.

This tactic is offensive, and it was offensive, to Mr. Archibald Cox who, in Cambridge on June 11, compared some of the tactics of the committee, with special reference to the staff, with those used by the late Senator McCarthy in the 1950's.

In discussing this McCarthyism, he also criticized intellectuals and the press for not pointing out the similarities and for not denouncing them. I quote now from Mr. Cox:

> Should not the same objections be raised when the staff or possibly some members of the Ervin Committee leaked the result of an incomplete investigation, give out the accusatory inferences it draws from secret testimony, and even releases proposed findings of guilt upon men under indictment and awaiting trial?

The **PRESIDING OFFICER.** The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, I will yield my 5 minutes to the Senator.

Mr. HUGH SCOTT. Mr. President, I thank the distinguished Senator.

At this time, if I may, I ask unanimous consent that I may proceed for 10 minutes, if there is no objection.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I ask generally that all Senators may speak for 10 minutes, I being the only Senator involved at the moment. [Laughter.]

Mr. Cox went on:

> Procedural fairness does not depend on whose ox is being gored.

He maintained that institutional questions of impeachment are important, and that one of the institutional questions arising from impeachment was "our confidence in our institutions."

He said that this meant "that our self-confidence hangs in the balance," adding "The manner in which the proceedings are conducted, the role of reason, the degree of impartiality, the degree of effort to achieve justice will affect our self-confidence far more than the ultimate vote."

I agree with Mr. Cox. I think the record shows that I supported him when he was here, and I am supporting his views now.

The Wall Street Journal, in an editorial entitled "Mr. Kissinger Fights Back," refers favorably to Mr. Cox's speech and makes this point:

> We were struck by the counterpoint, and particularly so in the context of one widespread reaction to Mr. Kissinger's threat—that he was overreacting, that he was tired, even that he was petulant over the lack of celebration of his Middle Eastern exploits. We think the matter has an importance transcending any one personality, and that Mr. Kissinger's instinct was right; the charges against him deserved a serious and even extraordinary reaction.

I will not read the entire editorial, but I ask unanimous consent to include it at the end of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. But the conclusion is that—

> Admittedly it is difficult to tell precisely where reality does end, and perhaps the charges against Mr. Kissinger do deserve more exploration. But of this we are quite sure: At some point a corrective will be necessary, and this cannot take place until someone like Mr. Kissinger starts to fight back.

The Foreign Relations Committee will consider, will continue its review of, Dr. Kissinger's earlier testimony given in open hearing, closed hearing, in special testimony offered to a special subcommittee consisting of the Senator from Alabama (Mr. SPARKMAN) and the Senator from New Jersey (Mr. CASE).

We found nothing to criticize. The Secretary was confirmed by a vote of all but one by the committee.

We heard all of these things, so far as I can now recall, which have been brought forward belatedly as flash news, late news, new news—most of it is very old news to the committee; an item here, an item there, which crops up. Most of them are semantic interludes on which a story is constructed. Most of them are built on a 1-pound skeleton with 200 or 300 pounds of synthetic flesh. Most of it turns on the difference beteen initiated or originated or referred or proposed.

Some of it turns on alleged material which cannot be rebutted, since the person involved is no longer alive. But none of it really changes the facts which we heard, and when we hear Dr. Kissinger again, if we hear from the Department of Justice or from any member of the committee what is involved, I would be in favor of releasing all of the material that does not involve strictly national security matters, or that does not affect the rights of third persons.

I agreed to the release of that part of my questioning to the House Judiciary Committee. We went through this 2 months ago. There was never a leak from our committee. But it did not get over into the bucket of the House Judiciary Committee long enough for that committee to reach the bottom of the bucket before it leaked out. Selectively, of course; inaccurately, of course; unwisely, certainly. And, of course, all of this contributed to the misleading of the public.

Aside from being unfortunate, this kind of thing is a disgrace. The Secretary is engaged on a mission of peace. He has done the most miraculous job of any Secretary of State in modern times in advancing the cause of peace in the world. Where there was killing, he has brought life. Where there was slaughter, he has brought disengagement. Where there was fear, he has brought hope. And yet all of this would willingly be sacrificed by some of his detractors for the sake of a semantic difference as to whether or not Dr. Kissinger initiated certain surveillances.

This makes no sense at all.

I remember a householder neighbor of mine whose house was broken into, and he rushed out and fired three shots. I rushed down just in time to see the offender arrested and then escape from the police. Well, he got away, so they promptly arrested my neighbor for the possession of a firearm without a license.

This situation is a little bit similar to that. It is as if a householder finds his home vandalized, and instead of looking for the vandal, the householder is arrested.

What is important here is, Are there secrets which the Nation is entitled to regard as such? If so, is it proper to seek to preserve the confidentiality of that information? And if it is proper, then what attempts should be taken to stop it? And then, are those steps proper?

The facts here are that Dr. Kissinger testified before our committee and publicly said in the press conferences that he had great concern, because some 10,000 classified items had escaped by way of the Pentagon Papers. Without regard to whether some should or should not have been classified—and I do not pass on that—he was concerned. He was obviously concerned, and he was greatly concerned. There was a meeting. The meeting was with the President, the Attorney General, and the then Director of the FBI.

One of the others present suggested electronic surveillance. Dr. Kissinger, who had only been in the Government 4 months and did not know the details of the way in which intelligence operations work or are protected, was instructed to stay within certain categories established under the electronic surveillance procedure, and was requested to supply names.

He supplied some of the names in this case. The names of some of the newspapermen, to my recollection, were not supplied by him. Then the committee met. It met several times and considered the matter carefully, and the conclusion was that there was not anything to the charges brought against Dr. Kissinger.

Then, lo and behold, while he is in the midst of a mission of peace, various people proceed to try to find something to write about, because most of the Watergate story itself has been rehashed ad infinitum and ad nauseam, and most people, I expect, have long since stopped reading most of it. That may be unfortunate, because it is well that we all be informed.

But the search for something new, and especially the search for a shining target, proved irresistible, and so it was decided that somewhere, somehow, maybe Dr. Kissinger could be brought down.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to proceed for 2 additional minutes.

Mr. GRIFFIN. Mr. President, if I may be recognized, I yield such portion of my 10 minutes as the distinguished minority leader may require.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me to interrupt, I ask unanimous consent that there be no time limitation during the remainder of the period for routine morning business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. I thank the distinguished Senator from West Virginia.

I am not suggesting a conspiracy at all. I am simply suggesting that in the search for something to write about, there was something less than restraint operating here. There was something less than a balancing of the priorities. There was something less than a sufficient concern for the prestige of the United States and its Secretary of State at a delicate time. There was, therefore, something less than I personally would have liked to see.

I have no concern about Dr. Kissinger's integrity. More than a majority of the Senate have already gone on record to that effect today and yesterday; and more than a majority, by far, of the American people feel that way. The mail coming in is overwhelmingly supportive of Dr. Kissinger in that regard, and I suspect there will be more of it.

So I think the people who thought they had a big story have gone too far. I think it is regrettable. I do not know; if I had been a journalist I might have submitted to the same temptation.

All I am asking for now is a little restraint. Let the committee meet. Let them comply with Dr. Kissinger's request for a continuance of this review that we thought we had ended 2 months ago when we had heard virtually everything that has now been repeated, and then let the committee make its report; and when the committee has made its report, let us, for Heaven's sake, assume that "a thing done has an end," as James Branch Cabell used to say.

A thing done has an end. Let us not continue to hound, harass, and pursue the Secretary of State of the United States as he attempts to carry on the foreign policy of the United States in following after the ways that lead to peace. Let us have some respite for decent citizens in this country, if a responsible committee acts responsibly and makes a responsible report, as I am certain they will do.

I have great regard for the chairman of that committee and for all of its members, and I am certain that what the committee does will be a complete and careful investigation. And when it is made, I am myself convinced of the outcome. But once it is made, let us, for Heaven's sake, not have any more leaks from the other body in the House Judiciary Committee. Let us not have any more leaks from the zealous honorarium-seeking staff members of the Senate Watergate Committee. Let us, for Heaven's sake, try to look for evidence and facts rather than innuendo, rumor, indiscretion, undisclosed sources, unproved statements, and a general attitude that the facts do not matter.

So I have delivered myself of a small peroration.

EXHIBIT 1

MR. KISSINGER FIGHTS BACK

About the same time Henry Kissinger was holding a press conference in Salzburg and threatening to resign, former Watergate prosecutor Archibald Cox was speaking to the Harvard Chapter of Phi Beta Kappa, warning that some of the leaks of Watergate material smack of the tactics used by Senator Joseph McCarthy in the 1950s.

We were struck by the counterpoint, and particularly so in the context of one widespread reaction to Mr. Kissinger's threat—that he was overreacting, that he was tired, even that he was petulant over the lack of celebration of his Middle East exploits. We think the matter has an importance transcending any one personality, and that Mr. Kissinger's instinct was right; the charges against him deserved a serious and even extraordinary reaction.

The Senate Foreign Relations Committee, which has already been over the evidence once, is now reviewing the question of how deeply Mr. Kissinger was involved in wiretapping in 1969 and 1970, and in particular whether his testimony before the committee was accurate. We do not pretend to know the definitive truth. Perhaps Professor Kissinger concocted the whole plot and forced it down the throat of J. Edgar Hoover, John Ehrlichman and other squeamish types. But somehow we doubt it.

It seems to us more plausible that the operation arose much the way Mr. Kissinger testified. He admitted, after all, that his concern over security leaks was an important input into the decision, and that he and his staff provided the names of some of those tapped. Given this, we have trouble understanding the significance of the debate over what seems to be a question of the precise point in this ongoing program any one tap could be considered to have been "initiated."

Human nature being what it is, we assume that Mr. Kissinger's account, and for that matter Mr. Kissinger's memory, paints his own role in the best possible light. Similarly, we would expect that other agencies and individuals involved in the wiretapping program would be protecting their flanks, trying to diffuse responsibility as widely as possible There would be any number of ways President Nixon could come to believe Mr. Kissinger asked for wiretaps, or that Mr. Kissinger's name could appear as the initiator in an FBI document. Perhaps the document has an "initiator" blank that needs to be filled in. No single piece of evidence is likely to be conclusive.

So you have conflicting accounts and conflicting memories about what almost certainly was even at the time an ambiguous course of events. Assuming that the truth of the matter runs something along this line, it is the perfect raw material for the kind of process that disturbs Mr. Cox. For at the moment we are in the grip of an alchemy that seizes on any available ambiguity and presents it in the worst possible light. In this atmosphere a semantic argument can easily become an accusation of perjury.

The alchemy of course arises from the climate of the moment. Everyone naturally interprets new events in the light of experience, and our recent experience has been Watergate. So a Congressman reading the documents, or a reporter writing about them, sees the available material in this context, applying to its unconscious stereotypes evolved from a record of official dissembling. The application of such stereotypes often highlights an important part of reality, but typically at the cost of obscuring much else that is also true. An artificial order is imposed on an unordered reality.

When the stereotype of duplicity is applied to high officials it highlights some truth, but it also has an especially destructive potential. For the very purpose of high officials is to deal with questions that are both weighty and ambivalent. Even if miraculously there were no mistakes, there will always be ambiguities that can fit the theme of dishonesty. The stereotype can easily acquire an existence of its own, sooner or later carrying us beyond reality and obscuring more than it reveals.

Admittedly it is difficult to tell precisely where reality does end, and perhaps the charges against Mr. Kissinger do deserve more exploration. But of this we are quite sure: At some point a corrective will be necessary, and this cannot take place until someone like Mr. Kissinger starts to fight back.

Mr. CURTIS. Mr. President, will the distinguished minority leader yield?

Mr. HUGH SCOTT. I am glad to yield with this thought: That I have written two books in which I stated, "Never argue with the press." I want the press to remember that there come times when I forget even my own wisest judgment. I suppose I will live to regret this one.

I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I commend the distinguished minority leader for the statement he has just made. He has spoken out not only on behalf of a distinguished and dedicated Secretary of State but his words have been for the benefit of this country and all the peoples of the world.

My question is this: Does the Senator believe that these attacks are made upon the Secretary of State at this time for the purpose of advancing investigations and ascertaining the truth, or does the Senator think there may be some other reason for these attacks upon this man?

Mr. HUGH SCOTT. I have no personal knowledge of the motivations. They certainly do not advance the search for peace. The truth was ascertained in our committee, and the future job of the committee is in accord with the supererogation, and so I do not really impute evil motives to anyone, but I feel that the whole exercise is unnecessary, or like the old wartime question, "Is this trip necessary?" In my view, this particular "trip" was not.

Mr. CURTIS. Does the Senator feel that this exercise is damaging to the efforts to establish peace in the world?

Mr. HUGH SCOTT. It certainly cannot be helpful because it has diverted the attention of the Secretary of State from the job he was appointed to do. It has also diverted the attention of the people of this country from the steps that are being taken to improve chances for peace. So, I do not think it has been at all helpful.

Mr. CURTIS. I thank the distinguished minority leader. It seems to me that regardless of the motives of those who have pounced upon the Secretary of State, the end result could be very damaging to this country and other countries as well; is that not true?

Mr. HUGH SCOTT. I think, if this continues, it will shake the confidence of people in other countries in American institutions, in the fairness of American institutions, and in their effectiveness, yes.

Mr. CURTIS. I thank my distinguished leader.

Mr. GRIFFIN. Mr. President, will the distinguished minority leader yield?

Mr. HUGH SCOTT. I am glad to yield but since each Senator has an unlimited time to speak, perhaps the Senator wants time in his own right; but I yield.

Mr. GRIFFIN. Mr. President, I commend the distinguished minority leader for speaking out as he has, and I wish to associate myself with his remarks.

If he has disregarded some of his own advice by venturing to criticize some segments of the news media, I am willing to join him in that predicament. He has performed a valuable and important service by blowing the whistle on the tactics of McCarthyism, as they have been characterized by none other than Archibald Cox.

It is wrong and unpatriotic to use such tactics against those who are accused of being Communists, but it is also wrong to use such tactics against anyone. None other than Archibald Cox has branded such tactics for what they are.

Mr. President, perhaps the unfortunate incident concerning Dr. Kissinger will serve a good purpose. I hope the speech of the distinguished minority leader will serve a good purpose by awakening or alerting people to the fact that there are some limits and bounds—that it is possible even for the press to go too far. I refer to the irresponsible use of leaks from the other body, from the staff of the Watergate Committee, as well as to other breaches of ethics and principle which are very disturbing.

In this morning's Washington Post, for example, there is published an article written by Jack Anderson entitled "Watergate Jury Called 'Exceptional,'" referring to the reported action of the grand jury in naming the President as an unindicted coconspirator.

His article reassures the American people that this was an outstanding grand jury.

He says:

> We have broken through the secrecy which has surrounded the Watergate grand jury. Inside sources have described the closed-door drama; we have had access to actual transcripts.

Well, that is interesting, but it is also very disturbing that Mr. Anderson has had access to the actual transcripts of the grand jury proceedings which, by law, are required to be kept secret.

Unfortunately, there are a number of people in and out of Congress, and in and out of the news media, who should heed the words and advise of the distinguished minority leader today.

Mr. President, I ask unanimous consent that the article referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATERGATE JURY CALLED "EXCEPTIONAL"

(By Jack Anderson)

The American people are entitled to know more about the historic grand jury that named President Nixon an "unindicted co-conspirator" in the Watergate crimes.

The 23 grand jurors, selected from all walks of life, watched the Watergate drama develop behind guarded doors. They heard the secret testimony; they listened to the presidential tapes.

Four were absent when the grand jury met on March 1. The remaining 19 voted for the first time in history to accuse an American President of criminal conspiracy. Were they fair to Richard Nixon? Or were they out to get him, as he has said of his accusers?

We have broken through the secrecy, which has surrounded the Watergate grand jury. Inside sources have described the closed-door drama; we have had access to actual transcripts. We are perhaps in a unique position, therefore, to assess this red-letter grand jury.

The 23 citizens—including an economist, a cleaning woman, a retired Army officer, an elevator operator, a receptionist, a taxi driver—were called together on June 5, 1972, to hear evidence of crimes in the District of Columbia.

Courthouse sources say one grand jury in ten is outstanding. This one, in the opinion of Assistant U.S. Attorney John Forney Rudy II, then in charge of the grand jury section, was "exceptional."

Most of the jurors were alert and responsive, with a keen sense of civic duty. At least one woman gave up her job to stay on the jury. They were well informed and asked sharp questions.

So when chief Watergate prosecutor Earl Silbert asked for an experienced grand jury, Rudy immediately recommended this one.

They had already served several weeks and could have begged off. "We asked whether they would be willing to sit on a case that might last five or six months," recalls Rudy. "They were not told it would be the Watergate case." Without hesitation, they agreed to stay beyond the normal period of duty.

The early transcripts revealed no hint of prejudice against the President. On the contrary, the grand jurors at first seemed to shy away from implicating the President in the Watergate horror.

We spotted many openings in the secret testimony, where it would have been logical to ask about his involvement. But in the beginning, the follow-up questions weren't asked, almost as if there were an unspoken wish to keep the President out of it.

As the evidence piled up, the feeling seemed to grow inside the grand jury room that Mr. Nixon was responsible at least for the Watergate atmosphere, that his own suspicion and hostility had infected the White House with a moral rot.

Occasionally, the growing outrage would surface. During a discussion of propriety, for example, a juror snapped: "Is 'proper' an obsolete word these days?"

Three jurors, in particular, began to ask questions aimed at the President. Other jurors wanted to call witness not on the prosecution list, who they thought might have knowledge of the President's involvement.

But most questions from the jurors were not at all loaded against the President. The best questions were asked by the gray-bearded foreman, Vladimir Pregelj, and a black postal clerk, Harold Evans.

The methodical Pregelj, a native of Yugoslavia and a naturalized citizen, had a gift for reducing the complexities down to simple, pointed questions.

The grand jurors were irritated with the special prosecutors, incidentally, for restricting the questioning. After the special prosecutors took over the Watergate case, they stopped inviting the jurors to cross-examine witnesses.

The jurors had a high attendance record and put in long hours. Once they stayed in session until midnight and found the cleaning crew had locked them in. They had to pound on the doors to rouse a janitor to let them out.

They were scrupulous about the grand jury rules and kept the Watergate secrets locked behind the tightest lips in Washington. They were absolutely furious at us for publishing excerpts from the grand jury transcripts. They were highly upset, too, with the Washington Post's intrepid Watergate sleuths, Bob Woodward and Carl Bernstein, for attempting to question grand jury members.

The 23 Watergate jurors, a cross-section of the people of Washington, closely followed the case as it evolved from a foolish burglary into a plethora of dirty deeds. The cover-up came apart before their eyes. White House witnesses lied and cried. The high were humbled; careers were ruined.

In the end, they concluded that the President was implicated. Seven days after they named him an "unindicted coconspirator," we reported that they believed he was involved in both "the Watergate coverup" and "an alleged conspiracy to buy the silence of the Watergate defendants."

We even gave the nose count on March 7, reporting that "all but four of the 23 grand jurors (sought) some way to hold Mr. Nixon accountable for the cover-up" but "the prosecution informed them it would be impossible to indict a sitting President.

The best commentary was given by President Nixon himself, who declared over nationwide television on April 30, 1973: "It is essential that we place our faith . . . especially in the judiciary system."

Mr. HUGH SCOTT. Mr. President, I will conclude by referring to an old Latin maxim, because it is the absolute right of the press to pursue every avenue in order to seek the truth, to find out from all of us public officials everything that is legitimately to be found out, whether we like to tell it or not, and all proper and legitimate sources in pursuit of the news are the right of the press, and all of us must fight to preserve those rights.

I am urging only that kind of response that would protect others in their honor, their self-respect and their reputation, unless there exists a legitimate reason to attack it.

I have in mind the old Latin maxim, "Sic utere tuo ut alienam non laedas," which means, "So use that which is yours as not to injure the rights of another."

SECRETARY OF STATE KISSINGER

Mr. WEICKER. Mr. President, I would like to respond to some of the comments made here in the last half hour by the distinguished minority leader (Mr. HUGH SCOTT) and the assistant minority leader (Mr. GRIFFIN).

I have a deep respect and affection for both of these men. I have that respect based on their dedication to individual rights, the Constitution, and, indeed, everything this Nation stands for in the way of principle.

My concern today is not with the guilt or innocence of any individual, from the President on down. My concern is that we as a Nation understand what it is that we had, in the way of our principles, in the way of the Constitution, and in the Bill of Rights. What we need now is not a vote of approval for the Secretary of State, for the President, for Senator WEICKER or for any other Senator. Rather we must reaffirm our belief in the Constitution, and in the principles cited in that Constitution. That is what is important.

The title of President, the title of Secretary of State, the title of Senator mean nothing. The title of American means everything. The sooner those in high places and the American people understand that, the sooner we once again make alive the spirit, the concepts, and the principles that have brought greatness to the United States of America.

Before I get to the substance of my comments, however, I would like to point out that almost a year ago now, I voted against Dr. Kissinger's nomination to be Secretary of State. I did so not on the basis of his professional ability or mental capacity. At the time I stated he would make an outstanding Secretary of State, and I thought he had a brilliance that would assure him and this Nation, success in his endeavors.

I opposed his nomination because Dr. Kissinger did not exist in a vacuum. He was part of an administration with a widespread pattern of misbehavior, much of it based on national security affairs, involving the questionable use of wiretaps, surveillance, and other facilities of the various law enforcement and intelligence agencies.

My evaluation is no different today. Then as now, it is necessary that we have the truth.

I would also note that my following remarks are directed to Members on both sides of the aisle who have rather prematurely drawn certain conclusions on this matter.

First the press has every right to ask questions. It is fundamental to a free press. No point in espousing freedom of the press and saying "but." There is no "but" in the first amendment.

There is always going to be an adversary relationship between politicians and the press. I find myself involved in that as much as the President or the Secretary of State or anybody else. The job of the press is to dig, and one of the basic ways they get the truth before the American people is by asking questions. They have the right, in fact the duty, to ask anything—anything.

Dr. Kissinger is not a victim of biased news media. He is not the victim of the House Judiciary Committee. He is not the victim of the Senate Watergate Committee.

Dr. Kissinger is a victim of his own administration. He is a victim of the administration's policy of withholding information, it smacks of the same thing that we have been hearing for months and months wherever Watergate is concerned—rather than produce the facts, attack a biased news media or the prosecutors, or some congressional committee.

I would far prefer that the highest offices in our land, the executive branch of the Government, would be the ones to give us the truth. That is as it should be. That is what we had come to believe over the years. That is what we had a right to believe. But that has not been the case during the past year.

Can you imagine, Mr. President, if certain questions had not been asked by the press a year ago, if Watergate had been left to the executive branch, if the American public paid heed to the admonition that the media, in their investigating and reporting, can ask questions on anything but Watergate?

Two issues in the present matter are of particular concern to me. One is the question of leaks. The other is the tactic of equating those who seek the truth with treason and disloyalty.

We talk about McCarthyism, and I think I understand that phrase in its historical context. I also understand that equating dissent, and questions, and comment, with disloyalty and treason comes far closer to McCarthyism than anything done by those individuals or bodies or institutions that have been charged with recent investigations.

We hear also about the matter of leaks. I would like to set the record straight in this area, because it is a matter that can be documented.

I would prefer that the House Judiciary Committee conduct its hearings in public, a position I also took in the Senate Watergate Committee. Whenever we close the doors in this Nation, we lay ourselves open to the possibility of information coming out second hand, and that is second best. The American people deserve only the best when it comes to the truth of matters involving the highest national interest.

Let me also say that when it comes to the art of leaking, I would say that probably 50 percent is done by the committees and 50 percent by the White House. If you want to find out how to leak, read the transcripts, read the Senate Watergate Committee exhibits, the memorandum of Messrs. Buchanan, Magruder, Haldeman, and Colson, setting out in black and white just how you chop somebody to bits by leaking.

They know what this art is all about, and they practiced it. They practiced it time and time again, to defame embarrass, and destroy. The Ellsberg case is a classic example of the consideration given to the rights of others, insofar as this administration is concerned, and how, if you want to discredit, you do it via the leak route.

The business of leaking is deplorable, as is the conduct of business behind closed doors, especially where it provides really the only excuse the White House has for its course of conduct.

Now, the question obviously comes up as to whether I would approve of ending the Vietnam war or a peace settlement in the Mideast, if achieving such an end involved sharing of the Constitution just a bit. The answer is "No."

As I have said many times in the past, you are now getting to the hard questions as far as the American people are concerned.

Democracy is a terribly inefficient form of government, to end wars, to bring about peace settlements, or to bring about quiet at home. Mr. Brezhnev in Russia can do things we cannot do in this country. He can do them faster and more smoothly. Our system of government does not work that way.

I repeat an incident told by Martin Agronsky about when he was interviewing Justice Hugo Black. The subject was a series of Supreme Court decisions which could be interpreted as favoring the criminal. Mr. Agronsky asked whether these decisions made it more difficult to convict a criminal.

Justice Black turned to Agronsky and told him to take a look at the Bill of Rights. Everything in there makes it more difficult to convict an American. The right to counsel makes it more difficult to convict. The right to a trial by jury makes it more difficult to convict.

I cite that story because it illustrates that the whole Constitution is based not just on what is good for society but what is good for the individual as well. It accentuates the individual, it accentuates one human being. That is what is precious in this country.

Obviously, if that is the priority, you have to sacrifice somewhere along the line, and the sacrifice comes in the matter of efficiency, in peace and quiet, rigid law and order. All of these things have to suffer to some extent.

But we have recognized that since the beginning and that is why this Nation is as great as it is. Because each individual has been allowed the freedom to bring about the best that was in them, rather than conform, and subject themselves to conformity.

Let us remember, we started the Vietnam war because we shaved the Constitution, and went around the end. I would not have wanted it ended by shaving the Constitution, and I do not want foreign policy successes anywhere, no matter how dramatic, by shaving the Constitution.

Once you establish that principle, "the end justifies the means." Where have we all heard that before? We heard about again and again after the presidential campaign of 1972. And that is what Watergate is all about.

I said in a speech at a commencement at Kent, Conn., a year ago that eventually the American people were going to have to make this choice, and it was going to be a very tough one to make. Whether or not they wanted to rewrite the Constitution, or whether they would insist upon following it and guarantee a greatness no other nation has ever achieved, much less sustained.

When I hear words like "disloyalty," "treason," applied to those who speak out against those in power, I am reminded of testimony that I heard not so long ago when certain officials in the administration, without any facts at hand, tried to plant the story that the Democratic Party and its candidate were associated with Communist groups, leftwing groups, and foreign money. When asked what their facts were, they said, "we don't have any."

We can achieve peace throughout the world without going outside the Constitution of the United States. I think in some way the Secretary of State has almost put the American people to an unacceptable choice and that is unfortunate.

Questions that were asked in recent days were not based on air. They were based on a record. This is not to say that the Secretary of State was guilty of ordering wire taps. That has not been ascertained. But answers are needed. I think it is important to point out that 1 year ago this matter could have been laid to rest. Because it was 1 year ago that the matter was before the Senate Foreign Relations Committee, and that committee was denied access to the necessary files in the FBI.

This matter did not come up 2 days ago in Salzberg, Austria. This matter came up in the United States almost a year ago, and because of the pattern and choice of the executive branch to withhold information, to withhold the truth, it all reemerges a year later.

We had better hope and pray that we still have the press and Congressmen and Senators and judges who are going to stand in there when the executive branch does not, to get the truth when the executive branch of Government does not. The executive branch of Government did not get the truth out on the table on this matter a year ago; and, yes, it hangs on, just as indeed some of the questions of Watergate hang on.

These questions are not kept there by the news media or the Watergate Committee or the House Judiciary Committee.

Let us not forget that if the President had put all the truth on the table, that would have been the end of Watergate investigations. The President of the United States, not a biased news media, keeps the Watergate Committee in business, and keeps the House Judiciary Committee in business.

Mr. President, I have to strongly disagree with many of the comments made in the last 48 hours. I realize that in the flush of great achievement it is unpopular to say anything negative. But I thought it important that certain reminders be made now, rather than allow important principles to be brushed aside.

I do not want the American people to regret the fact that they let a little bit of the Constitution float away at this moment, even though peace in the Middle East was achieved.

I think it is very important that we, in our priorities, hold our Constitution and all its principles in reverence and, above all else that we lay stress on the means we use to achieve our ends.

If we do this, we will then look upon dissent and questions not as disloyalty but as patriotism. Not the old-fashioned patriotism of keeping your mouth shut while everything around you is going wrong, but the guts to stand up and question, in an orderly and in a peaceful way.

That is a patriotism far better suited to these times than the patriotism of cliches and wearing the trappings of democracy while failing to understand it.

Mr. GRIFFIN. If the distinguished Senator from Connecticut will permit me, I have a couple of chores to perform on behalf of the distinguished majority whip.

AUTHORITY TO PRINT S. 3523, AND ADDING AN ADDITIONAL COSPONSOR OF THE BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 3523, passed yesterday, be printed as passed, and that the name of the Senator from Missouri (Mr. EAGLETON) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10 a.m. on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, the following Senators be recognized, each for not to exceed 10 minutes, after the two leaders or their designees have been recognized: Senators DOMENICI, HUGHES, DOLE, HANSEN, MCCLURE, MOSS, HASKELL, ABOUREZK, TOWER, BIBLE, JACKSON, HUMPHREY, BENTSEN, CHILES, CLARK, and MCGEE; and that those Senators be followed by WILLIAM L. SCOTT of Virginia for not to exceed 15 minutes, and by Senator ROBERT C. BYRD for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the recognition of the various Senators just named, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONSIDER H.R. 14832 ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon conclusion of routine morning business on Monday next, the Senate proceed to the consideration of H.R. 14832, the debt limit bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from New Jersey (Mr. WILLIAMS), I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3203.

The PRESIDING OFFICER (Mr. BARTLETT) laid before the Senate the amendment of the House of Representatives to the bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes which was to strike out all after the enacting clause, and insert:

That (a) section 2(2) of the National Labor Relations Act is amended by striking out "or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual,".

(b) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(14) The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.".

(c) The last sentence of section 8(d) of such Act is amended by striking out the words "the sixty-day" and inserting in lieu thereof "any notice" and by inserting before the words "shall lose" a comma and the following: "or who engages in any strike within the appropriate period specified in subsection (g) of this section,".

(d) Section 8(d) of such Act is amended by adding at the end thereof the following new sentence: "Whenever the collective bargaining involves employees of a health care institution, the provisions of this section 8(d) shall be modified as follows:

"(A) The notice period of section 8(d) (1) shall be ninety days; the notice period of section 8(d) (3) shall be sixty days; and the contract period of section 8(d) (4) shall be ninety days.

"(B) Where the bargaining is for an initial agreement following certification or recognition, at least thirty days' notice of the existence of a dispute shall be given by the labor organization to the agencies set forth in section 8(d) (3).

"(C) After notice is given to the Federal Mediation and Conciliation Service under either clause (A) or (B) of this sentence, the Service shall promptly communicate with the parties and use its best efforts, by mediation and conciliation, to bring them to agreement. The parties shall participate fully and promptly in such meetings as may be undertaken by the Service for the purpose of aiding in a settlement of the dispute."

(e) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(g) A labor organization before engaging in any picketing, striking, or other concerted refusal to work at any health care institution shall, not less than ten days prior to such action, notify the institution in writing and the Federal Mediation and Conciliation Service of that intention, except that in the case of bargaining for an initial agreement following certification or recognition the notice required by this sentence shall not be given until the expiration of the period specified in clause (B) of the last sentence of section 8(d) of this Act. The notice shall state the date and time that such action will commence. The notice, once given, may be extended by the written agreement of both parties.".

(f) Title II of the Labor Management Relations Act, 1947, is amended by adding at the end thereof the folowing new section:

"CONCILIATION OF LABOR DISPUTES IN THE HEALTH CARE INDUSTRY; INTERRUPTIONS

"Sec. 213. (a) If a labor dispute between a health care institution and its employees is not settled under the National Labor Relations Act, and in the judgment of the Director of the Federal Mediation and Conciliation Service threatens substantially to interrupt the delivery of health care, the Director shall create a board to investigate and report respecting such labor dispute. Such board shall be composed of such number of persons as to the Dierector may seem desirable: *Provided, however*, That no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any health care institution. The compensation of the members of any such board shall be fixed by the Director. Such board shall be created separately in each instance and it shall investigate promptly the facts as to the labor dispute and make a report thereon to the Director within 30 days of its creation.

"(b) There is authorized to be appropriated such sums as may be necessary for the expenses of such board, including the compensation and the necessary traveling expenses and expenses actually incurred for subsistence, of the member of the board. All expenditures of the board shall be allowed and paid on presentation of itemized vouchers therefor approved by the Director.

"(c) After the creation of such board and for thirty days after such board has made its report to the Director, no change in the status quo, in effect prior to the expiration of the contract in the case of negotiations for a contract renewal, or in effect prior to the time of the impasse in the case of an initial bargaining negotiation, except either by agreement or within the final ten days notification as provided in section 8(g) of the National Labor Relations Act, shall be made by the parties to the controversy."

(g) Such Act is amended by adding immediately after section 18 thereof the following new section:

"INDIVIDUALS WITH RELIGIOUS CONVICTIONS

"Sec. 19. An employee of a health care institution who is a member of and adheres to tenets or teachings of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment."

(h) The amendments made by this Act shall take effect thirty days after the date of the enactment of this bill.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Williams, I move that the Senate disagree to the amendments of the House of Representatives to S. 3203 and agree to the request of the House of Representatives to S. 3203 and agree to the request of the House for a conference on the disagreeing votes of the two houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agree to; and the Presiding Officer appointed Messrs. Williams, Randolph, Pell, Nelson, Eagleton, Hughes, Hathaway, Cranston, Javits, Schweiker, Stafford, Taft, and Dominick conferees on the part of the Senate.

AMENDMENT OF ARMS CONTROL AND DISARMAMENT ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 12799.

The PRESIDING OFFICER (Mr. Bartlett) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. By request, I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. Fulbright, Sparkman, Muskie, Humphrey, Aiken, Case, and Javits conferees on the part of the Senate.

FOREIGN DISASTER ASSISTANCE ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 12412.

The PRESIDING OFFICER (Mr. Bartlett) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, by request, I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. Fulbright, Sparkman, McGee, Humphrey, Aiken, Case, and Javits conferees on the part of the Senate.

FILING OF SUPPLEMENTAL MINORITY, OR ADDITIONAL VIEWS

Mr. ROBERT C. BYRD. Mr. President, the leadership was prepared today to call up Calendar No. 839, S. 2201, a bill to provide for settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas. The bill has been on the Calendar since May 22, 1974. The leadership was only informed at the time the Senate disposed of the bill, S. 1486, today, however, that there had been some understanding among the members of the committee that reported the bill S. 2201 and the staff thereof and Mr. Buckley to the effect that Mr. Buckley would have some additional time during which to file supplemental or minority views.

I merely make this statement at this point for the Record so that the committee staff will realize that it is difficult for the leadership to schedule measures for action and keep the legislation moving on the Senate floor if such private understandings are had without consent having first been given from the floor for a delay in the filing of such supplemental, minority, or additional views.

I read from paragraph (e) of section 133 of the Legislative Reorganization Act, to be found on page 91 of the book "Standing Rules of the United States Senate," provisions of the Legislative Reorganization Act of 1946 to 1970, relating to the operation of the Senate:

> If, at the time of approval of the measure or matter by any Standing Committee of the Senate, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days in which to file such views in writing with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within and shall be a part of the report filed by the committee with respect to that measure or matter.

The committee report was appropriately and timely filed in connection with S. 2201. However, there was no consent request from the floor for additional time in which supplemental, minority, or additional views could be separately submitted. This oversight results now in a further delay before the Senate can take up the bill.

I do not make this statement in derogation of any Senator or any member of staff, but merely to call attention to the fact that if supplementary or minority or additional views are going to be filed separately from the report of a committee consent of the Senate must be obtained from the floor. Otherwise, the leadership, not knowing about such special arrangements, would be expecting to call up a measure on the calendar and may so announce, and then find that because certain views have not been filed and no consent given it is impossible to proceed with the bill. This was the case in connection with S. 2201.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, before I yield I now ask unanimous consent to file the minority views on S. 2201. In addition to the minority views, I have been asked to submit agency views on the bill from the Office of Management and Budget and the Secretary of the Army and the Secretary of the Department of the Interior.

I ask unanimous consent that the minority views and agency views be printed in the RECORD.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

S. 2201—MINORITY VIEWS OF SENATORS BUCKLEY AND BAKER

We oppose passage of S. 2201, as reported by the Committee on Public Works. This bill, we believe, represents an ad hoc decision that extends to some oystermen fishing the waters of Louisiana disaster benefits that are unavailable to the general public. We believe this bill would breach the necessary and long-established practice that holds the Federal Government free from liability for damages resulting from flood control activities, a practice, we might add, that was written into law in 1928 when the United States Government first undertook flood control projects on a major scale.

Specifically, this bill authorizes $5,000,000 to indemnify the Louisiana oyster fishermen for the value of oysters they would have harvested if the Bonnet Carre and Morganza spillways had not been opened in April 1973. These spillways were opened to divert Mississippi River flood waters away from New Orleans and out toward the Gulf of Mexico. The diversion of these fresh waters into normally saline waters led to the destruction of many oysters.

The Bonnet Carre spillway was authorized in 1928, with structural work completed four years later. Since then, it has been opened on four occasions: in 1937, 1945, 1950, and from April 8 to June 21 of last year, according to the Corps of Engineers. Control structures for the Morganza Floodway were completed in 1954. The opening on April 17, 1973, was apparently its first use as a floodway. It was closed and drained by July 31.

According to a brief field hearing in New Orleans on this legislation, oystermen began to lease State oyster tracts in the path of waters that would pass through the spillways only *after* construction of the spillways. Previously, they had leased areas farther toward the sea, land that was less susceptible to any impact from spillway openings.

Thus, the hearings indicate, the oystermen obtained these leases in apparent full knowledge that the spillways existed and that there was every possibility they would be opened in times of flood.

Because of the extreme flooding in the Mississippi Valley last year, the President declared many areas of Louisiana as major disaster areas. This declaration covered the parishes where most of the oyster damage occurred.

The President's declaration, of course, made all citizens of those parishes eligible for the full benefits of the Federal disaster relief law. Specifically, it made the oystermen eligible for unemployment insurance and disaster loans to pay costs related to damages, including repair and replacement of oyster planting machinery, reseeding the oyster beds, payments on oyster bed leases, interest on debts, taxes, insurance premiums, and family subsistence.

While 1,150 oystermen work in the parishes included in the disaster declaration, only 57 applied for disaster relief loans. To date, loans have since been approved for 21 of these oystermen under provisions of P.L. 93-237. These loans provide $5,000 in forgiveness and will cost the oystermen 1 per cent in interest.

We are solicitous of the plight of these oystermen. But it must be noted that they are already eligible to participate in the most liberal individual assistance ever provided to victims of natural disasters. This standard for assistance treats the Louisiana oystermen fairly, certainly as fairly as the Chesapeake Bay oystermen and others harmed by other national disasters. We do not believe it is necessary to go beyond the generous assistance already available .

A second, and probably more significant, argument against this bill is its erosive effect as a precedent. When the Congress first approved a major flood control effort by the Corps of Engineers in 1928, the Congress stated:

"No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place."

This language (Section 3 of P.L. 70-391; 33 USC Sec. 702(c)) has been upheld consistently by the Courts. It is construed to bar any action against the United States for design, construction, operation or maintenance of a flood control facility.

This law, furthermore, was in effect when oyster beds were seeded in the path of waters that would be released through the spillways in a major flood.

The purpose of this prohibition is clear: when the Federal Government undertook to control devastating floods in the major river basins of the nation, it was apparent that all flooding could never be stopped, despite the diligent and extensive efforts of the Corps of Engineers. Congress decided that to assure program efficiency, the Federal Government must insulate itself from the additional cost and harassment of compensating flood losses which might occur despite these efforts.

S. 2201 would seem to alter this thrust, setting the stage for allowing anyone to receive full compensation from the Federal Government for damages associated with flooding, if those damages are in any way related to the operation of a Federal project. As an analogy, the Federal Government might participate in the construction of a levee protecting a town. And that levee might work well, saving the town from vast and terrible flooding. But, that same levee might have the effect of diverting extra flood water onto adjacent agricultural lands. The precedent of S. 2201, we believe, might be used by the owners of that hypothetical farm land to say that they should receive compensation for any and all agricultural losses related to flooding. Such a policy would be unwise. It would destroy any incentive to the prudent use of areas prone to flooding.

The opening of the Bonnet Carre and Morganza spillways averted disastrous flooding in the populated area of New Orleans, Louisiana. Had the Mississippi flood waters not been diverted through the spillways, the waters would have dealt a tragic blow to the people and economy of Louisiana.

While we sympathize with the oyster fishermen who suffered losses we believe that the policy enunciated by this bill threatens the integrity of flood control law and could prevent work to protect other communities because of the threat of associated damage claims.

We believe present legislation treats the oystermen fairly, by recognizing that they are in fact the victims of the natural disaster that *required* the opening of the spillways, and by extending to them the full benefits accorded all other victims of the same disaster.

The Committee has received comment on S. 2201 from the Department of the Army, the Interior Department, and the Office of Management and Budget. Attached are those views, each in opposition to the bill.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 29, 1974.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of July 24, 1973 for the views of the Office of Management and Budget on S. 2201, a bill "To provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas."

The Department of the Interior and the Department of the Army in their reports to your Committee, have provided their reasons for opposing enactment. For the reasons set out in those reports, the Office of Management and Budget is also opposed to the enactment of S. 2201.

Sincerely,

JAMES F. C. HYDE, Jr.,
Acting Assistant Director for Legislative Reference.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C. June 5, 1974.
Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning S. 2201, a bill, "To provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas."

We recommend that the bill not be enacted.

S. 2201 would provide for payment to oyster fishermen in the State of Louisiana for losses which would otherwise not be compensable by reason of 33 U.S.C. 702c, which specifically states that the United States is not liable in any way for any flood damage resulting from or by flood waters at any place.

We are not aware of any special reason for departing from generally applicable laws permitting compensation or disaster assistance to injured parties which would justify the relief to the oyster fishermen provided by the bill. Enactment of the bill could precipitate requests for similar relief legislation in other areas and circumstances.

Moreover, the provisions of the bill are generally vague and lacking in guidelines. For example, there are no criteria for determining the class of oyster fishermen entitled to consideration under the bill, what constitute losses, or what minimum or maximum allowances should be set.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN H. KYL,
Assistant Secretary of the Interior.

DEPARTMENT OF THE ARMY,
Washington, D.C., May 30, 1974.
Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Department of the Army on S. 2201, 93d Congress, a bill "To provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas."

The bill as reported by your Committee to the Senate on May 22, 1974, would authorize and direct the President or his designee to receive, investigate, settle and pay all claims against the United States for losses incurred by oyster fishermen in the State of Louisiana in the destruction of their oyster crops as a result of the action taken by the United States in opening the Bonnet Carre and Morganza Spillways in Louisiana during 1973, including claims for reasonable expenses incurred as a result of the losses and interest on the principal amount of such claims computed at 6 per centum per annum from the date of such losses. The President or his designee would be limited in the settlement of these claims to determining (1) whether the losses sustained resulted from the action of the United States in opening the aforementioned spillways during 1973; (2) the amounts to be awarded as compensation for such losses; and (3) the persons entitled to receive such awards. Payment to any person of an award pursuant to the provisions of the bill would be deemed in full settlement and discharge of all claims of that person against the United States for the aforementioned damages arising out of the actions of the United States. The President would be required to report to Congress within two years of enactment of the bill regarding the character, equities, and amounts involved in each settled claim, together with findings and recommendations for each unsettled claim. The sum of $5 million would be authorized to be appropriated to carry out the provisions of the bill.

The actions of the United States in opening the Bonnet Carre and Morganza Spillways, as referred to in the bill, were undertaken by the Army Corps of Engineers during the spring flood of 1973. The Corps operated these spillways during the flood to accomplish the purpose which they are intended to serve, which is to protect the city of New Orleans and other areas in the State of Louisiana and to limit the flow of water to the safe capacity of the Mississippi River channel below Morganza. If this operation had not been carried out, existing levees could have been breached which would, in turn, have resulted in a substantial hazard to human life and catastrophic property damages.

Section 3 of Public Law 391, 70th Congress, approved May 15, 1928 (33 U.S.C. 702c) provided, in pertinent part, that "No liability of any kind shall attach to or rest upon the United States for any damage from or by flood waters at any place." This provision of section 3 of the 1928 Act has been consistently interpreted as an absolute bar to a judicial cause of action against the United States for recovery of any damages resulting from flood waters due to or in spite of Federal design, construction, operation or maintenance of a flood control project.

The case of *National Manufacturing Co. v. United States* 210 F.2d 263 (8th Cir. 1954) is noted as a leading case on the interpretation of section 3 wherein the Eighth Circuit Court of Appeals articulated the rationale of the section as follows:

> [W]hen Congress entered upon flood control on the grand scale contemplated by the Acts [of 1928 and 1936] it safeguarded the United States against liability of any kind for damage from or by floods or flood waters in the broadest and most emphatic language. The cost of the flood control works itself would inevitably be very great and Congress plainly manifested its will that those costs should not have the flood damages that will inevitably recur added to them . . . [T]here is no question of the power and right of Congress to keep the government entirely free from liability when floods occur, notwithstanding the great government works undertaken to minimize them.
>
> Undoubtedly that absolute freedom of the government from liability for flood damages is and has been a factor of the greatest importance in the extent to which Congress has been and is willing to make appropriations for flood control and to engage in costly undertakings to reduce flood damages. 210 F.2d 270, 271.

It is thus evident that the aforementioned provision of section 3 of the 1928 Act would bar recovery from the United States in any judicial action against the United States concerning any damages to the subject oyster fisheries caused by the Corps of Engineers operation of the Bonnet Carre and Morganza Spillways during 1973. Moreover, the Department of the Army believes that the congressional policy for enacting this immunity provision, as articulated by the court in *National Manufacturing Co.* (quoted above), remains worthy of our continuing support. Accordingly, we must oppose enactment of S. 2201 because we believe that its enactment would provide a very strong precedent for subsequent and continual erosion of the effectiveness of that policy whenever and wherever parties may alleges some particular flood damage due to or notwithstanding authorized Federal flood control activities.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

HOWARD H. CALLAWAY,
Secretary of the Army.

Mr. ROBERT C. BYRD. I yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I thank the distinguished majority whip for his usual cooperation in trying to accommodate Members, and in this instance honoring the request of the Senator from New York (Mr. BUCKLEY). He is perfectly right in calling attention to the rule, and I join him in his desire to make sure that not only Senators but particularly committee staff personnel are aware of the fact that when a bill is reported by a committee, it is reported and goes on the calendar, and is eligible to be called up for action in the Senate.

If there are to be any special arrangements, they will have to be arranged by unanimous consent. I think the advice, the cautionary remarks, of the distinguished majority whip are altogether in order. I join him in calling attention to the situation, and hope that we will not have to make similar remarks in the future.

Mr. ROBERT C. BYRD. I thank my distinguished friend, the assistant Republican leader.

ORDER FOR RECOGNITION OF SENATOR ALLEN ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. ALLEN be recognized after Mr. MANSFIELD on Monday next in the sequence of Senators for whom orders for the recognition thereof have been granted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is the recognition to be for 10 minutes or 15 minutes?

Mr. ROBERT C. BYRD. For 10 minutes.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I apologize to the distinguished Senator from Connecticut (Mr. WEICKER). I appreciate his usual courtesy and patience so that the program may be stated before he proceeds.

SENATE RESOLUTION 339—ADDITIONAL COSPONSORS

Mr. ALLEN. Mr. President, since the printing of Senate Resolution 339, which was presented yesterday by 40 sponsors, the following Senators have asked to be included as cosponsors of the resolution: Mr. Stevens, Mr. Ribicoff, Mr. Young, Mr. Hugh Scott, Mr. Pell, Mr. Eagleton, Mr. Abourezk, Mr. Dominick, Mr. Long, Mr. Bayh, and Mr. McGee, making a total of 51 sponsors of the resolution.

I ask unanimous consent that the names of the Senators whose names I have just given be added as cosponsors of Senate Resolution 339.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL MONDAY, JUNE 17, 1974, AT 9:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:45 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON MONDAY, JUNE 17, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Virginia (Mr. William L. Scott) be moved to the top of the list of those Senators for whom orders for recognition have been entered, his name appearing, then, immediately following the recognition of the two leaders under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO ROLLCALL VOTES TO OCCUR ON MONDAY PRIOR TO 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday, June 17, 1974, prior to the hour of 3:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR WILLIAM L. SCOTT ON MONDAY NEXT

Mr. GRIFFIN. Mr. President, I ask unanimous consent that on Monday Senator William L. Scott be recognized in the original order as requested; in other words, prior to Senator Robert C. Byrd.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION FOR COMMITTEES TO HAVE UNTIL MIDNIGHT FRIDAY, JUNE 14, 1974, TO FILE REPORTS

Mr. GRIFFIN. Mr President, I ask unanimous consent that all committees have until midnight tomorrow to file reports on legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be no session tomorrow because the calendar has been cleared of all items except those which, for one reason or another, cannot be taken up now.

For example, H.R. 8217 will be delayed until after the debt limit bill has been taken up and disposed of. Otherwise, the same amendments would be offered, the same votes would occur twice, the same debates would be conducted twice, and the time of the Senate would be wasted.

Certain other measures on the calendar are awaiting the passage of Senate or House companion bills. Moreover, the decks need to be cleared for taking up the debt limit bill on Monday.

On Monday, the Senate will convene at 9:45 a.m. After the two leaders or their designees have been recognized under the standing order, various Senators will be recognized to speak for not to exceed 10 minutes each. Then the Senator from Virginia (Mr. William L. Scott) and I will be recognized for not to exceed 15 minutes each, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes, after which the Senate will proceed to the consideration of the debt limit bill. There is no time limitation on that bill.

The debt limit bill will remain before the Senate until it is disposed of, but the leadership may wish to place the Senate on a double track from time to time in the event circumstances dictate.

Some of the measures which will be ready for action on a multiple track system are as follows, but not necessarily in the order listed. Also, may I say that the list is not necessarily confined to the measures enumerated: S. 3164, S. 2201, S. 424, S. 707, S. 3423, and various measures that are on the calendar under Subjects on the Table—for example, the Comprehensive Test Ban Treaty, and S. 1485. Other measures include the following: S. 2784, on which there is a time limitation. This is a bill that was reported by the Committee on Veterans' Affairs. Hopefully that bill can be called up Wednesday on a double track. Other measures cleared for action may be called up at any time. Conference reports may be called up at any time.

Just a word of warning with respect to appropriation bills. They will begin to surface on the calendar during the second half of June. It is my understanding that the House expects to pass eight appropriation bills in addition to the continuing resolution, before the end of June. So some of these measures certainly will be ready for Senate floor action and will be acted upon before the July Fourth holiday. This means Friday sessions are increasingly a surety, and it may be necessary to hold Saturday sessions at some point prior to the July Fourth holiday in order to clean the calendar. Additionally, rollcall votes can be expected daily.

ADJOURNMENT TO 9:45 A.M. MONDAY NEXT

Mr. WEICKER. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until the hour of 9:45 a.m. on Monday, June 17, 1974.

The motion was agreed to; and at 4:50 p.m. the Senate adjourned until Monday, June 17, 1974, at 9:45 a.m.

NOMINATION

Executive nomination received by the Senate June 13, 1974:

NATIONAL TRANSPORTATION SAFETY BOARD

Francis H. McAdams, of the District of Columbia, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1977 (reappointment).

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13, 1974:

DEPARTMENT OF JUSTICE

Keith S. Snyder, of North Carolina, to be U.S. attorney for the western district of North Carolina for the term of 4 years.

Gerald J. Gallinghouse, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years.

Otis L. Packwood, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years.

Norwood Carlton Tilley, Jr., of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years.

Laurence C. Beard, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years.

Max E. Wilson, of North Carolina, to be U.S. Marshal for the western district of North Carolina for the term of 4 years.

U.S. PATENT OFFICE

Paul J. Henon, of Virginia, to be an Examiner-in-Chief, U.S. Patent Office.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Robert R. Elliott, of Virginia, to be General Counsel of the Department of Housing and Urban Development.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify be fore any duly constituted committee of the Senate.)

THE JUDICIARY

Robert W. Porter, of Texas, to be U.S. district judge for the northern district of Texas.

Robert M. Duncan, of Ohio, to be U.S. district judge for the southern district of Ohio.

H. Curtis Meanor, of New Jersey, to be U.S. district judge for the district of New Jersey.

Donald S. Voorhees, of Washington, to be U.S. district judge for the western district of Washington.

IN THE COAST GUARD

Coast Guard nominations beginning John S. Calhoun, to be lieutenant (j.g.), and ending Harry R. Bishop, to be chief warrant officer, W2, which nominations were received by the Senate and appeared in the Congressional Record on June 7, 1974.

EXTENSIONS OF REMARKS

ACTIVITIES OF THE MINT MUSEUM OF ART IN CHARLOTTE, N.C.

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, not too many people associate Charlotte, N.C., with gold or know that at one time our area was a major gold mining center. Fewer realize that there was once a U.S. Mint in Charlotte where there now stands a Federal office building named for my distinguished predecessor, Charles R. Jonas. Still fewer know that the mint, reconstructed not far away is now a museum, the Mint Museum of Art.

I now put you all on notice of these facts hitherto guarded by Carolinians and our esteemed doorkeeper. I do so not only so that the next time you get a $5 gold piece in change and note a mint mark "C" on it, you will know from whence it came, but also so that you can be brought up to date on the mint museum, a thriving institution that is now receiving some international attention.

A postsummer event of note is being announced by officials of Charlotte's Mint Museum of Art. A September Seminar on Ceramic Arts will be held September 16–17–18 at the Mint Museum in cooperation with the well-known Pennsbury Manor Forum, held annually at the historic home of William Penn in Bucks County, Pa.

In Charlotte, N.C., 3 days will be devoted to illustrated lectures by six outstanding British experts and two noted authorities from colonial Williamsburg, according to the Mint Museum. The programs for the September seminar and the Pennsbury Manor Forum are being planned by Miss M. Mellanay the Delhom curator of the Delhom Gallery at the Mint, showplace of rare pieces of pottery and porcelain that make up the Delhom collection.

Speakers scheduled for the September seminar are the following:

John Austin, Curator of Ceramics and Glass, Colonial Williamsburg.

Gilbert Bradley, Lecturer and Collector of Blue and White Porcelain, London.

Joan Dolmetsch (Mrs. Carl), Curator of Prints, Colonial Williamsburg.

Ian Lowe, Assistant Keeper, Department of Western Art, The Ashmolean Museum, Oxford.

Alan Smith, Senior Lecturer, History of Art Department, University of Manchester, Manchester.

Hugh Tait, Deputy Keeper, Department of Medieval and Later Antiquities, British Museum, London.

Peter Walton, Curator, Lotherton Hall, Temple Mueseum House, Leeds.

Cleo Witt, Curator, Applied Art, City Art Gallery, Bristol.

Said Mr. Cleve Scarbrough, director of the Mint Museum:

> Most important to interested scholars and collectors who will attend the September Seminar is the opportunity to browse through the Mint Museum of Art and to examine at first hand pieces of exquisite ceramic art in the famed Delhom Collection.

The September seminar is being presented under auspices of the Delhom Service League, a working arm of the Mint. Mrs. Albert Littlejohn is president of that group. Chairman of the event is Mrs. Mildred Gwin Andrews, of Charlotte.

COMMEMORATION OF ANNEXATION OF LITHUANIA BY SOVIET UNION

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to join my colleagues today in the commemoration of the annexation of Lithuania by the Soviet Union, which occurred on June 15, 34 years ago. This commemoration is a sad event in the history of the world; indeed this violation of the sovereignty of Lithuania is tragedy for all peoples of the world who cherish, as do we the people of the United States, freedom and personal liberty.

Since her conception as a nation in 1251, Lithuania has had a proud heritage as a country determined to obtain its freedom and independence. Through the history of Lithuania, this determination has not wavered in the face of the imposition of external rule by the nations surrounding her. After more than a century of Czarist Russian rule, Lithuania declared her independence as a modern nation in 1918, and flourished as an independent state until 1940. A tragic episode of World War II, however, was the forced incorporation of Lithuania into the Soviet Union in 1940, which brought to an end the existence of Lithuania as an independent nation.

Since that time, Soviet rule has meant the oppression of the Lithuanian people, and the suppression of Lithuanian culture. While the massive deportations of Lithuanians, which took place during the first 10 years of Soviet rule, no longer occur, the denial of freedom and liberty remains a harsh fact of Lithuanian life.

With this awareness in mind, I urge my fellow Congressmen and all the people of the United States, who know the joys of political freedom and individual liberty, to support the people of Lithuania in their efforts to obtain freedom from Soviet domination and suppression.

To this end, I urge support of House Concurrent Resolution 394 which states that—

> It should remain the policy of the United States not to recognize . . . the annexation of the Baltic Nations by the Soviet Union.

And that the U.S. delegation to the European Security Conference should not agree to such a recognition by that body.

Further, in this age of closer communication and cooperation with the Soviet Union, I urge that the Congress recognize, within the context of this closer association, that it is the duty of the United States to support the cause of freedom and the end of oppression of groups of people within the Soviet Union. Today I speak with special reference to the people of Lithuania.

Let us hope that this period of Soviet domination of the Lithuanian people is but a somber interlude in this people's historic struggle for national and cultural independence, and personal liberty.

THE 1975 BUDGET SCOREKEEPING REPORT NO. 2—AS OF JUNE 7, 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. MAHON. Mr. Speaker, I am inserting for the information of Members, their staffs, and others excerpts from the "Budget Scorekeeping Report No. 2, as of June 7, 1974," as prepared by the staff of the Joint Committee on Reduction of Federal Expenditures. The report itself has been sent to all Members.

This report incorporates the President's budget revisions announced May 13 and included in the Midsession Budget Review of May 30, 1974. The following summary shows the current budget estimates as compared to the February 4 estimates:

[In billions]

	Fiscal year 1974			Fiscal year 1975		
	Feb. 4 estimate	May 30 revision	Change	Feb. 4 estimate	May 30 revision	Change
Unified budget receipts	$270.0	$266.0	−$4.0	$295.0	$294.0	−$1.0
Unified budget outlays	274.7	269.5	−5.2	304.4	305.4	+1.0
Deficit	−4.7	−3.5	−1.2	−9.4	−11.4	+2.0

Of course, not a great deal of congressional action has been completed as yet this session. The "Scorekeeping Highlights" from the report, which I will include here, point up the completed action through June 7, and show the major pending legislative actions taken to date.

These excerpts from the 1975 Scorekeeping Report No. 2 follow:

FISCAL YEAR 1975 SCOREKEEPING HIGHLIGHTS

OUTLAYS

The impact of congressional action through June 7 on the President's fiscal year 1975 budget outlay requests, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget outlay estimate as revised and amended to date	$305,439	$305,439	$305,439
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	−300	+180	−215
Pending action	+58	+10	
Legislative bills:			
Completed action	+95	+76	+652
Pending action	+1,235	+1,410	
Total changes:			
Completed action	−$205	+$256	+$437
Pending action	+1,293	+1,420	
Total	+1,088	+1,675	+437
Deduct: Portion of congressional action included in May 30 revisions	+135	+135	+135
1975 budget outlays as adjusted by congressional action to date	306,392	306,979	305,741

COMPLETED ACTIONS

A summary of major individual actions composing the $437 million total outlay impact of completed congressional action to date on budgeted 1975 outlays follows:

COMPLETED ACTION OF BUDGETED OUTLAYS

(EXPENDITURES)

[In thousands]

Bills (including committee action)	Congressional changes in 1975 budgeted outlays
Appropriation bills:	
Second supplemental, 1974 (1975 outlay impact)	−$215,000
Legislative bills:	
Urban mass transit operating subsidy (S. 386)	+400,000
Civil Service minimum retirement (Public Law 93-273)	+172,000
Veterans disability benefits increase (Public Law 93-295)	+134,800
Civil Service survivor benefits (Public Law 93-260)	+4,600
Congressional Record, reduce postage fees (S. 3373)	−8,486
Military flight pay incentive (Public Law 93-294)	−16,700
Rejection of salary increases for federal executives (S. Res. 293)	−34,000
Total, 1975 outlay impact of completed congressional action	+437,214

PENDING ACTIONS

The major pending legislative actions affecting 1975 budget outlays which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that only three regular 1975 appropriation bills have been acted on to date, and that several major legislative bills have not yet reached the reported stage.

MAJOR PENDING ACTIONS ON BUDGETED OUTLAYS

(EXPENDITURES)

Bills (including committee action)	Congressional changes in budgeted 1975 outlays (in thousands)	
	House	Senate
Appropriation bills:		
Legislative branch	−$5,400	
Special energy research and development	+31,300	+$10,000
Public works	+32,000	
Legislative bills (backdoor and mandatory):		
Veterans educational benefits	+898,400	
Housing and Community Development Act		+553,000
Emergency energy unemployment	(1)	+500,000
Child nutrition and school lunch		+256,000
Civil service survivor annuity modification	+202,000	(2)
Postponement of postal rate increases	+45,200	+45,200
Public safety officers death gratuity	+43,700	(2)
Food stamp and special milk programs		+40,000
Hopi and Navajo Tribes relocation	+28,800	

[1] Rejected.
[2] Action taken last session.

BUDGET AUTHORITY

The impact of congressional action through June 7 on the President's fiscal year 1975 requests for new budget authority, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget authority requests as revised and amended to date	$324,502	$324,502	$324,502
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action			
Pending action	+123	+5	
Legislative bills:			
Completed action	+95	+76	+652
Pending action	+1,495	+5,607	
Total changes:			
Completed action	+$95	+$76	+$652
Pending action	+1,618	+5,612	
Total	+1,713	+5,688	+652
Deduct: Portion of congressional action included in May 30 revisions	+135	+135	+135
1975 budget authority as adjusted by congressional action to date	326,080	330,055	325,019

COMPLETED ACTIONS

A summary of major individual actions composing the $652 million total impact of completed congressional action to date on 1975 budget authority requests follows:

COMPLETED ACTION ON BUDGET AUTHORITY REQUESTS

[In thousands]

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands)
Legislative bills:	
Urban mass transit operating subsidy (S. 386)	+$400,000
Civil Service minimum retirement (Public Law 93-273)	+172,000
Veterans disability benefits increase (Public Law 93-295)	+134,800
Civil Service survivor benefits (Public Law 93-260)	+4,600
Congressional Record—reduce postage fees (S. 3373)	−8,486
Military flight pay incentive (Public Law 93-294)	−16,700
Rejection of salary increases for federal executives (S. Res. 293)	−34,000
Total, 1975 budget authority impact of congressional action	+652,214

PENDING ACTIONS

The major pending legislative actions affecting 1975 budget authority which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that only three regular 1975 appropriation bills have been acted on to date, and that much major legislation has not yet reached the reported stage.

MAJOR PENDING ACTIONS ON BUDGET AUTHORITY REQUESTS

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands)	
	House	Senate
Appropriation bills:		
Legislative branch	−$5,878	
Special energy research and development	+66,100	+$5,488
Public works	+63,159	
Legislative bills (backdoor and mandatory):		
Federal Home Loan Bank System—temporary increase in standby borrowing authority		+$3,000,000
Housing and Community Development Act		+1,650,000
Veterans educational benefits	$+898,400	
Emergency energy unemployment	(1)	+500,000
Civil service survivor annuity modification	+362,000	(2)
Child nutrition and school lunch		+256,000
Private pension protection	+100,000	+100,000
Public safety officers death gratuity	+43,700	(2)
Postponement of postal rate increases	+45,200	+45,200
Food stamp and special milk programs		+40,000
Hopi and Navajo Tribes relocation	+28,800	

[1] Rejected.
[2] Action taken last session.

A PROLIFERATION OF CONDOMINIUM AND TOWNHOUSE DEVELOPMENTS

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BROTZMAN. Mr. Speaker, in recent years there has been a proliferation of condominium and townhouse developments. Many people have found that condominium or townhouse living suits their individual needs better than detached homes or apartments. In addition, these higher density forms of living result in a fuller utilization of land in our already sprawling metropolitan areas.

There are, however, complications present whenever such developments are constructed and occupied. To varying degrees, the owners of townhouses or condominiums either own some land in common or some of the land in the development is owned by an association composed of all of the landowners. To manage and maintain these properties, it is accepted practice for the developer to establish either a condominium corporation or a homeowners' association.

Homeowners are required to belong to these corporations or associations as a condition of ownership. This is typically a provision in the covenants which run with each property. Annual assessments are imposed following the affirmative vote of a specified percentage of the owners. With the funds so collected, various items of maintenance and capital improvement may be undertaken, generally pursuant to the decision of a board of directors elected by the owners. At the minimum, these associations will provide services like maintenance of the common areas, including playgrounds, repair of the street and parking areas, which are typically not eligible for governmental maintenance, snow removal, regulation of architectural standards, and similar quasimunicipal functions. Condominium corporations will do all of these things, and they will also maintain commonly owned roofs and building exteriors. In the case of a high-rise condominium, the corporation will maintain commonly owned hallways and elevators. Some associations may provide for trash collection and maintenance of the lawns on each property. In short, homeowners associations and condominium corporations collect assessments and with those assessments, they perform the types of services that would have to be performed individually in the case of people living in detached homes on city streets.

The Internal Revenue Service has ruled that condominium corporations and homeowners associations, for the most part, are not exempt from taxation under section 501(c)(4) of the Internal Revenue Code. The IRS ruling poses a clear threat to the Nation's homeowners associations and condominium corporations. While there is no firm count on the number of these organizations, it has been estimated that there are now approximately 20,000, and that about 4,000 new ones are coming into existence each year.

Accordingly I am today introducing legislation which would create a new category of tax-exempt organizations under section 501(c) of the Internal Revenue Code to include condominium corporations and homeowners associations.

Under current IRS regulations, the expenses of these associations are deductible as business costs. This offsets a considerable part of their income. However, these associations must establish capital reserves for major repairs such as resurfacing streets and parking lots. Without tax-exempt status, the associations must pay corporate income tax on the amount they retain in their capital reserve funds each year.

Homeowners associations and condominium corporations are not profitmaking operations. They are, in actuality, more like a conduit, collecting assessments from homeowners and making disbursements to those who perform the required maintenance functions. Yet, under current regulations, receipts of assessments from homeowners are treated as income and money retained beyond the tax year is treated as profit.

Even a small association is thereby assessed a penalty of 22 percent on any money it sets aside to assure the continued quality of life in its neighborhood. This tax could well dissuade many associations from setting aside money from each year's assessment to build up needed capital reserves. Should this happen, neighborhoods will ultimately be faced with the unpleasant choice of imposing exorbitant one-time charges for capital improvements or deciding to not make improvements at all. It seems to me, Mr. Speaker, that while the IRS rulings may be correct on the law, they represent bad tax policy and bad housing policy. Our Federal tax policy should not be one of discouraging self-help efforts at providing for attractive neighborhoods over the long run. Considering the Nation's housing shortage, our efforts should be directed at encouraging homeowners to take the steps necessary to assure that their properties will be attractive and livable for many years. For those reasons, I hope the House will act favorably on the bill I am introducing.

REPUBLIC OF LITHUANIA

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RHODES. Mr. Speaker, on June 15, Lithuanian Americans remember a day of sorrow for all Lithuanian people—the day in 1940 when the Republic of Lithuania was invaded by Soviet Russia. As a result of this invasion, and forcible annexation, Lithuanians are still deprived of rights which the free nations of the world take for granted—the right of national self-determination as well as religious and political freedom.

The observance of June 15 by Lithuanians around the world is recognized with sympathy and understanding by all who affirm basic human and national rights for all people. With them, we look forward to the day when the events of that June 15 can be erased forever from their memory.

CONSUMERS WILL SUFFER IF CATTLEMEN DO NOT OBTAIN RELIEF

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. THONE. Mr. Speaker, every consumer in America will pay dearly in the future unless the desperate plight of cattle feeders improves immediately. The crisis has gone on so long that it is now affecting ranchers also. Unless there is relief now, seed stock cowherds that have taken generations to produce will be liquidated. This will cause a beef shortage that will last for years.

I am working on an eight-point program to provide immediate and long-range solutions. The points are:

First. A bill to provide for immediate suspension of all meat imports into the United States has been introduced by me.

Second. A bill to provide that the President can suspend meat import quotas for no more than 60 days without the approval of Congress has my sponsorship.

Third. I have introduced legislation to make feedlot operators eligible for Farmers Home Administration loans.

Fourth. By means of this newsletter, I am urging all Nebraskans to urge Members of Congress from urban areas to support measures to give relief to cattle feeders.

Fifth. A telegram to the President from me has urged that quotas on meat imports into the United States be reimposed immediately.

Sixth. In personal visits with Secretary of Agriculture Earl Butz, Under Secretary J. Phil Campbell, and Assistant Secretary Clayton Yeutter, I have urged that pressure be put on other beef-producing nations to restrict their shipments to America voluntarily.

Seventh. During a visit with James Halverson, Director, Bureau of Competition, Federal Trade Commission, I urged speed in the FTC study of the spread between prices farmers receive and what retailers charge. This investigation can help to reduce that spread.

Eighth. I am urging the cattle industry to agree on a program of marketing and promotion similar to the one that wheat producers have.

Currently, meat imports coming into the United States amount to about 7½ percent of the Nation's consumption. Our present situation is desperate enough to shut off all fresh meat imports completely for 90 days. This shutdown for this period should be sufficient to permit recovery of the cattle market.

For the longer range, we need to strengthen the meat import quota law. Present legislation gives the President the power to suspend the quotas imposed by the law. The amendment would provide for sharing that power between the executive and the legislative branches.

My bill on Farmers Home Administration loans to feedlot operators provides that money would be available only when borrowers could not obtain commercial financing. No new money would need to be appropriated as USDA revolving loan funds are already ample.

The FTC has assured me that top priority is being given to the investigation of the "relative inflexibility of food prices at the retail level." The Agency's people are now in the field collecting data. More FTC personnel are involved in this new study than in any other investigation by the Agency.

All the groups involved in producing beef for the American consumers need to agree on a system for promoting its consumption here and abroad. When such agreement is reached, I will introduce and support any legislation needed to implement the plan.

Once the production of beef declines—and it already has dropped—it takes 3 years to increase the supply. For the sake of every consumer in America, steps must be taken now to rectify the disastrous circumstances that are causing widespread destruction of the beef producing industry.

CAPT. CLARENCE REINSCHMIDT

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. GINN. Mr. Speaker, the heroic actions of a courageous Savannahian during World War II are a part of a new book being released this month.

This book and the remarks about Capt. Clarence Reinschmidt were featured recently in the "City Beat" column that appears regularly in the Savannah Morning News.

It has been my pleasure to know Mr. Reinschmidt for many years. He is an outstanding leader in the Savannah business and civic arena and a great credit to his State and Nation.

The inspiring story of Mr. Reinschmidt and his acts of patriotism and courage is a story that should be known to all freedom-loving Americans. I insert the articles in the RECORD at this point:

CITY BEAT

Thirty years after the Allies hit the beaches of Normandy to draw the shades on the Third Reich, Pennsylvanian Jack Colbaugh has finally spilled the beans on Savannahian Clarence Reinschmidt's role in World War II.

Colbaugh has written a book, "The Bloody Patch" (Vantage Press Inc., New York, $5.95), which comes out this month to tell the story of the "Rough and Ready" 28th Infantry Division whose keystone-shaped Bloody Patch insignia left its mark forever on the history of human conflict.

In his prologue to the story Colbaugh writes: "Clarence Reinschmidt, artillery liaison captain with the much-decorated 109th Infantry Regiment, deserves special comment in any introduction to the story that follows. Here was the 'Sergeant York' of World War II who even now should be awarded the Congressional Medal of Honor, highest of all awards, for his incessant battles against the enemy from St. Lo (often one-man battles) to the Czechoslovakian border."

"Rough and ready," of course, is a common adage for many who came out of Savannah's Old Fort section, where Reinschmidt spent six years as an engineer with the Savannah Gas Co. before he was called to war in 1942. Though he's still working there and, in fact, lives there with his wife, he was not born in the Old Fort. But he "matured" there after his graduation from the University of Florida.

Reinschmidt's outfit didn't go ashore on D-Day, 30 years ago today, but a couple of weeks later the Germans knew he was on the scene. "It was Captain Reinschmidt," author Colbaugh writes, "who had nineteen battalion commanders lost in combat, who was out on the point day and night when the Germans attacked Mortain and Avaranches to close off Patton's Third Army, which had broken out in the open in Normandy. It was he who fought all around the Falaise pocket, who supplied the most artillery support in the fateful Hurtgen Forest invasion, who stood in place at Ettelbruck and stopped the Germans' Ardennes attack completely on the southern hinge of the Bulge, time after time missing bullets and shells miraculously while infantrymen fell around him; it was he who reached Colmar after the Bulge in time to be the first to invade the city through mine fields and German machine gun posts resting in the center town square, with Colonel Rudder, commanding officer, 109th Infantry, waiting for the American Seventh Army and the First French Army to follow with their divisions. It was Captain Reinschmidt who time and time again braved concentrations of German shells while calling in large concentrations of American artillery shells. . . . Reinschmidt was probably the man in the most and toughest battles of the war, expending the most damage on the enemy, surviving the longest of any war hero, who continually refused medals because he believed his dead buddies were the cream of fighting men and that they deserved the decorations. He was usually the lead man with the Bloody Patch Division, in the furtherest field forward and the closest observation point to the enemy, for the longest time, in the most ferocious fighting in all the history of warfare."

Colbaugh's knowledge of Reinschmidt is first-hand. He spent five years with the Pennsylvania division's 107th Field Artillery.

He certainly couldn't have got much from Reinschmidt, who turns the subject around when even his closet friends inquire about his war days. Like the other day when a friend brought up the subject and Reinschmidt put the spotlight on another Savannahian, Harry Butler, who was a major in command of a battalion trying to punch through the Siegfried Line when they met on the battlefield.

"Now there was one whale of a good combat officer," Reinschmidt told his friend. "He was terrific. He did a magnificent job. Imagine two Savannahians meeting on the front lines in Europe."

In nine months of daily combat, Reinschmidt depended on more than gunpowder. "I prayed day and night," he said. "I was one of the fortunate ones."

We can't resist passing along the sequel to our piece yesterday on the Savannah Gas Company's Clarence Reinschmidt, described as World War II's "Sergeant York" in a new book coming out this month on the 28th Infantry Division.

Somewhere in the story we mentioned how Mr. Reinschmidt deftly sidesteps inquiries about his battlefield days, recently singing the praises of a fellow Savannahian in the 28th. Harry Butler, when someone brought up the war.

Yesterday, we learned that Butler, a major in command of the Second Battalion of the 109th Infantry Regiment, took a few minutes between battles with the Germans to recommend the Combat Infantryman's Badge for Capt. Reinschmidt.

But because he was an artillery liaison officer to Butler's battalion, and technically not an infantryman, the award was rejected. So Butler sent in a second request, asking corps headquarters "to give Reinschmidt my combat badge."

Commenting on Pennsylvanian Jack Colbaugh's book. "The Bloody Patch," and the author's high praises of Reinschmidt, Butler added an endorsement. "It was all true and then some. If it wasn't for Clarence Reinschmidt, a lot of us wouldn't be here. In fact, I wouldn't be talking to you now."

OUR ECONOMY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to comment on the speech dealing with the state of the economy which my colleague from Arkansas (Mr. MILLS) delivered to this body on June 10.

While I commend the chairman of the House Ways and Means Committee for his thoughtful presentation, I must take vigorous opposition to some of his recommendations. He directs us to follow a consistent policy of restraint in fiscal and monetary matters, and follows this commendatory instruction by suggesting that we return to Federal controls on wage and prices. In my opinion, reverting to a phase II structure is not only a giant step backward, but would further delay a return to normalcy through a free market economy.

Our current rate of inflation is testimony to the inequities developed during our period of economic controls—consumers were caught in an evil vise with fixed incomes on one hand and continuously increasing prices on the other. To suggest that a return to price controls would do anything to bail out the hapless consumer smacks of sheer fiscal insanity. We must not be panicked into repressive economic measures which can only lead us further down our inflationary path. Our continuing growth is entirely dependent upon economic emancipation from bureaucratic controls. We must restore a balance in the historic forces of supply and demand which provided our country with the strongest economy ever known in the world. A review of the current marketplace, with its skyrocketing interest rates, its shocking food prices, its unstable housing market, only underscores the inability of the Federal Government to stabilize prices and wages without disastrous results. During the late and unlamented Federal regulations, we saw spiraling inflation, shortages of basic commodities, and growing consumer frustration and anger—a direct outgrowth of an uncertain and chaotic Federal authority.

Mr. Speaker, I urge my colleagues not to be dissuaded by the insidious temptation to return to phase II—or IV, or VII. By restoring the authority of the Economic Stabilization Act, we will be denying our mandated obligation to exercise fiscal restraint as responsible legislators. I would applaud the chairman for the positive stance he takes relative to the proposed tax cuts. We must refrain from election year sops which would only serve to fuel the inflationary fires. It will take stern exercise of fiscal self-control to get our economy once again in hand.

A STATEMENT IN SUPPORT OF HOUSE CONCURRENT RESOLUTION 394

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. CLARK. Mr. Speaker, I wish to give my full support to the House Concurrent Resolution 394 which declares that—

> It is the sense of the Congress that the United States delegation to the European Security Conference [the Conference for European Security and Cooperation] should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

Since the forcible annexation of the independent nations of Estonia, Latvia, and Lithuania in 1940 by the Soviet Government it has been the fixed policy of the United States to refuse to recognize the legitimacy of the incorporation of these countries into the Soviet Union. These annexations took place under the guise of applications for membership by the legislatures of these countries. But legislatures were packed and the countries were coerced into submission by a brutal occupation of Soviet troops. The acts of incorporation were therefore fraudulent. Our Government has never accepted them and continues to recognize Estonian, Latvian, and Lithuanian governments in exile as the legitimate governments of the unfortunate countries.

All of these countries are ancient nations with proud histories dating back into the early middle ages. Their strong sense of national identity and their right to independence have been attested throughout history by their indomitable will to achieve self-government. Centuries of oppressive rule as members of the Russian Empire have not dimmed their longing for freedom. The brief period of independence between the two World Wars showed the depth of this feeling. Despite this harsh oppression they have suffered since the latest Russian annexation in 1940, the spirit lives on unquenched. Many stories of protest and martyrdom prove its vitality. For the United States to turn its back on these brave peoples and to write them off as Russians contrary to the sense of this resolution would be to violate the basic principles of the American people.

DEMOCRATS' DOUBLE STANDARD

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. SHUSTER. Mr. Speaker, according to today's Washington Post, the former Democratic Vice President has been caught with his hand in a $170,000 cookie jar. I realize his cronies will probably say "boys will be boys."

We are told that he really did not know it was illegal to accept a 7.9-carat gem and 10 furs from a foreign head of state who incidentally was receiving $350 million in foreign aid from America. We are also told that the file on this matter somehow disappeared from the State Department in the last days of the previous Democratic administration.

One Vice President gets drummed out of office for accepting kickbacks—as he should be—but—it is supposedly all right for another Vice President, whose party controls this place to accept a $170,000 so-called gift—which he hurriedly returns, only after a newspaper starts asking questions about it.

I have not been around here long enough to adjust to the double standard foisted on the minority by the majority on this Hill. I call on the Justice Department, the Ervin committee and the Judiciary Committee to investigate these transgressions just as vigorously as Watergate is being pursued.

And to my colleagues on my side—I ask when are we going to stop sitting on our hands, letting these hypocrites do a job on us? We are not even toothless tigers—we are a bunch of pusillanimous pussycats.

Following is the Post story and the foreign aid given to the Congo during the previous Democratic administration:

THE $100,000 DIAMOND RECEIVED IN 1968: HUMPHREY TURNS IN GIFT GEM

(By Maxine Cheshire)

Sen. Hubert H. Humphrey (D-Minn.) returned to the State Department yesterday a 7.9-carat diamond worth more than $100,000 which his wife was given in 1968 by Congo President Joseph Mobutu.

The unset gem was removed from a safety deposit box in Minnesota and flown here by special courier. Humphrey then summoned a State Department messenger to Capitol Hill to return the unset gem to the Office of Protocol.

The delivery late yesterday followed two days of inquiries from The Washington Post on the whereabouts of the jewel and a sack of valuable baby leopard skins given Humphrey's wife, Muriel, on the same African trip by an official of Somalia.

The 10 leopard skins cannot be returned, a spokesman for the former Vice President's office said, because they were sold in 1970 for $7,500 and the money donated to a school for the mentally retarded in Minneapolis, Minn.

The diamond and the furs are officially the property of the U.S. Government under the Foreign Gifts and Decorations Act, which was amended in 1966 to bar foreign largesse to the families of U.S. officials, as well as officials themselves.

Under the law, such gifts are to be turned in to the Chief of Protocol for cataloging and disposition.

Sen. Humphrey, in a prepared statement issued by his office last night said: "I did not realize at the time that the Foreign Gifts and Decorations Act covered members of my family. In the case of both the leopard skins and the diamond, they were gifts made to Mrs. Humphrey. It was assumed that the gifts belonged to her.

"On all foreign trips," the statement continued, "I was accompanied by a protocol officer of the State Department. At no time did any officer of the State Department or any other agency of government inform me that the gifts received by me or members of my family should be placed in the custody of the department.

However, the diamond and furs were turned over by a secretary on Humphrey's staff to the Chief of Protocol's office for processing in January, 1968, the same month they were received by the Humphreys.

They were cataloged and stored in the custody of the Protocol Office for a year.

On Jan. 14, 1969, one week before Humphrey was to end his term as Vice President, his office asked the Johnson administration's outgoing Chief of Protocol to give the gifts back.

Since that time, Humphrey's press secretary Betty South said yesterday, the diamond has been kept by the Humphreys in a safety deposit box located in a bank "somewhere in Minnesota."

The furs were kept in cold storage at the L.A. Rockler Co. in Minneapolis, she said, until January 1970.

At that time, according to Mrs. South, Sen. and Mrs. Humphrey instructed the furrier, Sheldon Rockler, to sell the skins and give the money to the Louise Whitbeck Fraser School for the Mentally Retarded in Minneapolis.

In his statement yesterday, Humphrey declared that:

"At no time has the State Department or any agency of government asked for return for the diamond and furs, nor indicated that they were not Mrs. Humphrey's personal property. On the contrary, the department released these items to us. President Mobutu of the Congo, now Zaire, made very clear when the diamond was presented to Mrs. Humphrey that it was not being made to a public official or for a public purpose.

"Nevertheless, the diamond has not been mounted or worn. It is now in the custody of the State Department. The gifts were never used for personal gain. Instead of leaving the skins to deteriorate at the State Department, they were sold to aid a nonprofit school for the education and training of mentally retarded children.

"Neither Mrs. Humphrey nor I benefited in any way from the gift of the leopard skins. The State Department has not raised with me the question of reimbursement for the skins. Should such a request be made of me, I will consider the matter at that time."

Sen. Humphrey's records are incomplete on details of the furs transaction and so are those of the school. But Rockler's files show that the 10 pelts were sold in May, 1970, through the firm of D. H. Martonelli, Inc., in New York City for $750 each.

Neither company involved took a commission on the sale, Rockler said, and the entire amount of $7,500 was given to the school.

The check was made out directly to the school, Rockler said, thus eliminating any necessity for the Humphreys to declare the $7,500 on their income. Humphrey's press secretary said yesterday that the Humphreys claimed no tax deduction for the $7,500 as a charitable contribution.

Such a tax deduction would not be allowed by the Internal Revenue Service, a tax expert said yesterday.

Under the U.S. Criminal Code, there is a statute which makes it a criminal offense for anyone to convert U.S. government property "to his use or the use of another . . . without authority" or to "sell, convey or dispose" such property.

Under the law, the Chief of Protocol is supposed to designate whether a gift will be sent to storage, be returned to the recipient for "official use" until he leaves office, be dispatched to another government agency or a public repository such as a museum, or be sold as surplus.

The law, State Department officials claimed earlier this week, is "weak, vague" and without teeth. It puts the responsibility for disclosing and turning in gifts with the recipient and leaves the Chief of Protocol—Congress's designated watchdog—little more than a clerk, powerless to ensure compliance.

Humphrey's office declined to supply any details on the diamond, as to its size or value. But four retired State Department employees who handled the gift when it was registered remembered an appraisal made at that time.

A reputable New York jeweler said yesterday that a 7.9 carat gem of fine quality would currently be worth "between $20,000 and $23,000 a carat."

Following inquires by a reporter, State Department officials tried vainly for two days to locate files on the diamond and the furs. Mitchell Miller, a senior attorney in the legal administration section of the State Department in early 1969 who helped draft the 1966 law, says the file disappeared from his office shortly after the two items were turned backed to Humphrey.

"We are going to look into the Chief of Protocol's reasons for giving the gifts back to Mrs. Humphrey," Miller says. "But we discovered we didn't have a file any longer."

The Chief of Protocol in 1968 was Tyler Abell, a long-time Humphrey backer whose wife was Lady Bird Johnson's social secretary.

Abell says his memory is hazy after five years, but he recalls that he was called sometime shortly before the inauguration of Richard M. Nixon in 1969 by "some girl" in then-Vice President Humphrey's office. He thinks it may have been Betty South.

The Humphreys wanted to get custody of their diamond and the leopard skins, he says.

"Frankly," Abell says, "I assume that they were acting before Nixon took over and while there was still someone there that they knew who had the flexibility to give them a fair hearing and interpret regulations their way."

He had a "long talk" with someone in the State Department's legal advisory office about the matter, but he does not remember the name of the lawyer he consulted.

"But from what he said," Abell recalls, "I finally concluded that I could go ahead and let the Vice President have his things."

Abell, who is a lawyer himself, said he would "never have violated" the 1966 law "even for an old friend."

He assumed that the Humphreys intended to turn the items over to "some Minnesota museum."

Abell personally is opposed to having such gifts "get stuck in a vault some place" where "they aren't doing anybody any good."

"Why not have them used?" he asked.

State Department officials are looking into the legality of Abell's decision to relinquish the gifts.

There are no other Humphrey gifts currently on file with the Chief of Protocol's office except the diamond and the furs. Mrs. South said that a list, dating back to 1966, is currently being prepared.

It will be turned over within a few days, she said, to representatives of the General Accounting Office.

Disclosure of the existence of the diamond and furs follows recent stories in The Washington Post on gifts of valuable jewels that have been given over the past three years by other foreign leaders to the wives of President Nixon, former Vice President Spiro T. Agnew, former Secretary of State William P. Rogers and Sen. J. William Fulbright (D-Ark.).

AMOUNT OF FINANCIAL ASSISTANCE ZAIRE—CONGO—RECEIVED FROM THE UNITED STATES

FOREIGN ASSISTANCE ACT, 1962–65

Loans	$35.0
Grants	201.0
Total	236.0
1966:	
Loans	31.5
Grants	7.0
Total	38.5
1967:	
Loans	36.9
Grants	6.9
Total	43.8
1968:	
Loans	22.6
Grants	6.5
Total	29.1
Grand total	347.4

SSI

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mrs. SCHROEDER. Mr. Speaker, the 6 months that have passed since the supplementary security income program went into effect have given us ample opportunity to see the deficiencies in this new program and their disastrous impact on the lives of our aged, blind, and disabled Americans. I am today cosponsoring legislation, authored by my colleague from New York (Ms. ABZUG), which is designed to remedy some of the more obvious problems of the SSI program.

Skyrocketing inflation has had its cruelest impact on senior citizens and others living on fixed incomes. We are all familiar with the heartrending appeals from our elderly constituents whose already meager resources have been so diminished by rising prices that they can no longer afford to eat properly or maintain decent shelter. Those on SSI, the new Federal program which was to insure to all elderly persons in need the minimum level of income necessary to meet basic needs, has in many cases left the recipients worse off that they were before. Whereas in the past, such individuals could seek additional living allowances from local welfare agencies, under SSI these agencies no longer provide financial assistance. SSI has no flexibility to meet increasing costs—no matter how severe.

As inflation worsens, and despite President Nixon's optimistic pronouncements, no relief seems to be in sight, the plight of these elderly citizens becomes increasingly more critical. I believe it is essential that a cost-of-living escalator be built into SSI. The bill I have sponsored today provides for cost-of-living increases in SSI benefits in the same percentage and manner of such increases are granted to social security recipients.

The bill also gives added incentive to the States to maintain any increases they had made in benefit levels to compensate for inflation between the time SSI was enacted and the time it went into effect. Under current law, States whose payment levels in January 1972, were more than the Federal floor for SSI were given a Federal supplement to maintain their payments at the higher January 1972 level. This bill extends the supplement to the level of payment in December 1973, immediately prior to conversion from the State programs to SSI.

In recognition of the particular difficulty faced by the elderly because of increasing food prices, the bill guarantees that all SSI recipients will be eligible for food stamps and that States will not have to lower their benefit levels in order to provide the stamps. I am glad to note that favorable action is expected next week on a bill which would suspend for 1 year the food stamp cutoff which would otherwise go into effect on July 1 of this year. This extension will give Congress an opportnuity to rework the complicated eligibility standards scheduled by current law to become effective at the end of this month.

The bill provides another means of protection against inflation by insuring that persons receiving both SSI and social security do not lose the benefit of social security increases. Under the current systems, persons whose social security benefits are relatively high received a 7-percent increase in their April checks and will receive another 4-percent increase in July. Persons whose benefits were so low that they were eligible for SSI, however, received no increase, because their SSI checks were reduced by the exact amount of the increase in social security payments. My bill would prevent this cruel and senseless result.

The bill also contains a number of needed changes in administration of the program. One of the most glaring deficiencies in the current law is the failure to provide authority to the Secretary of Health, Education, and Welfare to make emergency payments to recipients who have not received their monthly payments. Currently, without such emergency authority, innocent recipients are made to bear the burden of agency mistakes, Postal Service errors, delays, and thefts. While they wait, they often must go without food or face eviction. Provisions are also made for speedy action on SSI applications, judicial review of eligibility determinations, and greater Federal-State cooperation in providing aid to the disabled prior to a final determination of disability. Other sections of the bill are attempts to humanize the program, including a provision to change the current practice whereby payments are automatically cut by one-third if a recipient lives in the household of another, regardless of whether or not the recipient is making regular rental payments. Our senior citizens already face too much loneliness. We must not force them to choose between a shared life with others, accompanied by decreases in already minimal benefit levels, or a lonely life in some downtown pensioner's hotel.

NEW YORK CITY COUNCIL CALLS FOR GREATER EFFORT TO ACCOUNT FOR MIA'S

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RANGEL. Mr. Speaker, I wish to bring to the attention of my colleagues the following resolution which was submitted by Councilman Vallone to the council of the city of New York on March 14, 1974, and unanimously passed. I am not sure that it is common knowledge that the United States still has missing servicemen from the Indochina area. The fact that there is no full accounting of U.S. MIA's is a great stain on our peace with honor termination of the Vietnam war.

I believe that the United States should redouble its efforts to determine the whereabouts of servicemen who so gloriously served their country.

The resolution that was passed by the New York City Council is enclosed as follows:

RESOLUTION

Resolution calling upon President Nixon and the Congress of the United States to redouble their joint efforts to obtain information about Americans listed as missing in action (MIA's).

Whereas, there are more than 1200 Americans listed as missing in action in North Vietnam, Laos and Cambodia and

Whereas, North Vietnam promised to release all prisoners of war held in Southeast Asia and to supply a "complete" list of these men immediately upon the signing of the Peace Treaty, and

Whereas, since the release of some American prisoners, North Vietnam and its allies have never accounted for a single missing American, and

Whereas, the families of the MIA's are actively seeking the cooperation of all legislative bodies throughout the United States, and

Whereas, the families of the MIA's have been, and still are, suffering grievous mental suffering and grief in their lack of knowledge of the status of the MIA's, and

Whereas, a memorandum of the Senate Foreign Relations Committee, published by the New York Post on March 4, 1974, indicates that stronger pressure to obtain this information should be brought to bear, and

Whereas, it would be a decent and humane act to obtain information concerning the status of the MIA's, now therefore, be it

Resolved that the Council of the City of New York calls upon President Nixon and the Congress or the United States to redouble their joint efforts to obtain information about Americans listed as missing in action (MIA's).

OIL AND GAS PROFIT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ARCHER. Mr. Speaker, many of the proponents of the punitive tax proposals currently aimed at the petroleum industry justify their activity by alleging that the industry's earnings are unreasonable and result in windfall profits that should be taxed away. The changes they advocate in the tax code would be immediate and would likely result in permanent disadvantage to the industry. Even if the industry profits were to continue to remain high, the increased tax burdens that would result from the enactment of these punitive and discriminatory tax changes would impair the industry's ability to find and develop new sources of energy supply.

In regard to the question of petroleum industry profitability, there was recently brought to my attention an analysis of the 1974 first quarter earnings of the selected companies in the oil industry. This analysis, prepared by the Carl H. Pforzheimer & Co. of New York City, discusses the causes for the current rise in earnings. To a very substantial extent the achievements in the oil and gas industries profit experience in the first quarter of 1974 are attributable to "one-shot" effects which cannot be counted on as recurring items in the industry's profit picture. For this reason we must proceed very slowly, if at all, in basing tax policy on the first quarter earnings experience of the industry.

Mr. Speaker, I commend the reading of this analysis to my colleagues and will insert the paper in its entirety at this point. In submitting this study, I have for the purposes of simplification only modified the accompanying table by deleting two columns showing per share earnings.

FIRST QUARTER 1974 OIL INDUSTRY EARNINGS

Record high industry profits were reported in the first quarter of 1974 with most companies experiencing exceptionally large gains. The aggregate effect of the broad-based improvement is reflected in the combined income of 36 representative companies. These organizations earned a total of $4,077,848,000 in the period, an increase of $1,949,440,000 or 91.6% over the initial 1973 quarter.

The five United States-based internationals earned $2,135,894,000, an increment of $890,269,000, or 71.5% over the same period last year. Inventory profits were the dominant factor in the higher income figure and were a reflection of the rapid rise in world oil prices late in 1973. Four United States-based internationals which quantified this source of earnings—Exxon, Texaco, Socal and Mobil—had total inventory profits of some $568 million. This income, which is likely to be non-recurring, amounted to nearly three-quarters of the overall profit improvement by these companies.

The Royal Dutch/Shell Group, with its greater Eastern Hemisphere orientation, reported first quarter earnings up 162.1% to $727.5 million. Inventory profits of $285 million accounted for 63% of this advance.

Other companies listed in the accompanying table are mainly oriented toward North American operations, and had combined earnings of $1,214,454,000, an increase of $609,271,000 or 99.3%.

The reasons for the virtual doubling of net by this group included markedly higher domestic crude oil realizations, better natural gas prices, improved chemical income, and a sharp increase in earnings from foreign operations for many companies, with inventory profits playing a large part in the overseas improvement. The profitability of refining and marketing operations was mixed as some companies experienced difficulty in recouping costs under Government price and margin guidelines.

Free-world crude production in the quarter averaged 45.8 million barrels per day. This magnitude of output was about 2 million barrels per day less than production immediately before the five-month embargo initiated last October by several Arab producing countries, but was 1.2% more than the initial 1973 quarter. In addition to restricted supplies, world-wide consumption was further constrained by actions of consumer nation governments seeking to stretch out oil on hand, and by higher prices and a mild winter.

In the U.S., first quarter crude production amounted to 9,040,000 barrels per day, a decline of 2.1% from the prior year. The rate of decrease was less than that recorded in 1973, indicating that the declining trend of U.S. production may be bottoming out. This leveling is the initial result of the recent pick-up in oil field activity which in turn was stimulated by higher crude oil prices.

First quarter domestic demand of 16,760,000 barrels per day was 8.2%, or 1,500,000 barrels per day less than a year ago. Motor gasoline consumption in the period declined 5.6%, aviation fuels 11.9%, middle distillates 6.5%, residual fuel oil 14.1%, liquified gases 9.9%, and other products 6.8%. For the remainder of 1974, assuming unrestricted availability of imports, demand is expected to approach last year's level in the second quarter and moderately exceed 1973 levels in the second half.

A number of companies pointed out that full year results are not expected to increase at the first quarter rate. Inventories have been replenished by higher cost oil. The profitability of oil moving in international trade will depend on the outcome of negotiations in progress between companies and export nations, and on trends in world prices. The latter are already showing signs of softness. In the U.S. earnings may be affected by a number of Congressional proposals. These, if passed, would phase out or retroactivity eleminate the 22% depletion allowance, initiate a "windful profits" tax on domestic oil production, or otherwise adversely impact profits.

Largely reflecting political uncertainties in the U.S. and abroad, oil shares as indicated by the Carl H. Pforzheimer & Co. Average of 30 oil stocks declined from an historic high of 594.97 on January 4 to 402.17 on May 23. The CHP & Co. Index as a ratio of the Dow Jones Industrials in this period decreased from 67.85% to 49.94%. In the present market, many important oil company stocks are selling at price-earnings ratios approaching their lowest levels in more than a quarter century.

COMPARATIVE OIL COMPANY EARNINGS

[Dollar amounts in thousands]

	3 mo, 1974 net income	3 mo, 1973 net income	Percent change, net income
Amerada Hess Corp	$49,851	$36,706	+35.8
American Petrofina, Inc	13,083	4,735	+176.3
Apco Oil Corp	3,024	889	+240.2
Ashland Oil, Inc.[1]	19,398	15,904	+22.0
Atlantic Richfield Co	93,944	50,303	+86.7
Belco Petroleum Corp	6,098	2,984	+104.4
Cities Service Co	68,800	36,800	+87.0
Clark Oil & Refining Corp	13,331	4,846	+175.1
Commonwealth Oil Refining Co	15,635	2,806	+457.2
Continental Oil Co	109,200	47,500	+129.9
Creole Petroleum Corp.[2]	43,300	37,400	+15.8
Crown Central Petroleum Corp	4,838	303	+1496.7
Exxon Corp	705,000	508,060	+38.8
General Crude Oil Co	8,456	3,514	+140.6
Getty Oil Co	73,644	33,092	+122.5
Gulf Oil Canada Ltd.[2]	41,800	20,800	+101.0
Gulf Oil Corp	290,000	165,000	+75.8
Imperial Oil Ltd.[2]	92,700	46,000	+101.5
Kerr-McGee Corp	23,619	11,876	+98.9
Kewanee Oil Co	6,142	3,605	+70.4
Louisiana Land & Exploration	27,963	15,606	+79.2
Marathon Oil Co	30,620	14,426	+112.3
Mesa Petroleum Co	1,147	4,634	−75.2
Mobile Oil Corp	258,600	155,800	+66.0
Murphy Oil Corp	27,373	7,665	+257.1
Occidental Petroleum Corp	67,769	8,289	+717.6
Pennzoil Co	41,347	19,624	+110.7
Phillips Petroleum Co	80,900	43,400	+86.4
Quaker State Oil Refining	5,330	3,604	+47.9
Royal Dutch Petroleum [3]	436,500	166,560	+162.1
Shell Oil Co.[2]	121,845	80,233	+51.9
Shell Transport & Trading [3]	291,000	111,040	+162.1
Skelly Oil Co.[2]	19,670	9,961	+97.5
Southland Royalty Co	3,039	1,312	+135.7
Standard Oil, California	292,882	152,809	+91.7
Standard Oil, Indiana	219,023	121,116	+80.8
Standard Oil, Ohio	22,600	17,500	+29.1
Sun Oil Co	90,825	49,146	+84.8
Superior Oil Co	14,495	4,747	+205.4
Texaco, Inc	589,412	264,016	+123.2
Union Oil of California	72,960	38,251	+90.7

[1] Fiscal period corresponding to calendar period.

[2] Consolidated in report of parent company.

[3] Based on 60 percent of Royal Dutch/Shell Group for Royal Dutch Petroleum, and 40 percent for Shell Transport & Trading.

Date of source: May 29, 1974.

SPIRIT OF FREEDOM ENDURES IN LITHUANIA AFTER 34 YEARS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. COUGHLIN. Mr. Speaker, it has been 34 years since freedom was wrested away from the people of Lithuania and they have been forced to live under the domination of the Soviet Union.

While I believe that all of us want peaceful and cordial relations with the government in Moscow, I think we must always pause to remember that the basic thrust of the Russian system is to suppress liberty and dissent in contrast to the American system which has thrived and grown on these concepts.

I feel we must recall, as in the case of Lithuania, that there are millions of people in the world today who are not masters of their own destiny. The news of dissident scientists and intellectuals, of people of various religious faiths who want to pursue their own beliefs and goals provides additional evidence of the differences that so distinctly separate the American and Soviet concepts of life.

To people of Lithuanian descent throughout the world, the sorrow that has afflicted their homeland has not been eased by the years that have passed since the days of World War II. They yearn, with only the yearning that freedom-loving people can feel, for the day when once again Lithuania is a free country—free in every sense to govern unshackled from a foreign ideology that stifles liberty and the fruits that this basic principle bears.

In this country, we have come to cherish the fundamental freedom we enjoy and to recognize how important it is to the individual. Freedom served as a keystone when our Nation was founded. It has guided us through almost two centuries. And we should continue to inspire the dream of freedom throughout the world.

I commend the Lithuanian-American community of the United States for its devoted work in making, not just the Congress but the Nation as a whole, remember that Lithuania is not free. The anniversary of the Soviet occupation is a suitable occasion to recall the words adopted in August 1958, by the Lithuanian World Congress. Consisting of Lithuanian refugees and immigrants to the free world, this Congress framed a resolution calling upon free nations to "reaffirm in every suitable occasion the inalienable rights of the Lithuanian people to national independence and individual freedom."

I think I can speak for all Americans who revere personal and national freedom when I express the fervent hope that liberty and independence are soon returned to Lithuania. Surely, the Lithuanian people, in this enlightened age, are entitled to their own national identity and the right to direct their own destiny.

LITHUANIAN INDEPENDENCE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ADDABBO. Mr. Speaker, on June 15, Lithuanian Americans will join with other people of Lithuanian descent throughout the free world to commemorate the forcible annexation of Lithuania by the Soviet Union in 1940 and to rekindle the hopes of those who are held captive.

It is particularly important that we in the Congress recognize the extent of this oppression of the Lithuanian people at a time when détente and increased trade are priority items in United States-Soviet relations. It would be tragic and foolish for the American people and our leaders to ignore the lessons of the past in our deliberations on future international policies.

That is why it is so important for our negotiators at the European Security Conference to refuse to give official recognition to the illegal annexation of Estonia, Latvia, and Lithuania by the Soviet Union. Those acts of oppression can never be legitimized and the basic international rights of people cannot be sacrificed in the name of détente now or at any other time.

This is a time to remember the events of 1940 which resulted in the cultural, religious, and political persecution of the people of Lithuania and it is a time to commemorate the past with reaffirmation of our Nation's support for oppressed people everywhere. Their hope for liberty must be continued if our own liberty is to be a lasting right.

H. F. "FRANK" CARTER

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. KETCHUM. Mr. Speaker, I am honored today to call to the attention of Congress, the accomplishments of one of Kern County, California's most distinguished citizens, the late H. F. "Frank" Carter of McFarland.

During recent ceremonies held at McFarland Elementary School, a towering flag staff was dedicated and a U.S. flag flown over the Capitol in his honor, was presented. Mr. Carter served on the board of the school for 15 years.

Mr. Carter and his wife, Catherine, moved to McFarland in 1931, originally being from Missouri. Frank Carter found work in various capacities, first as a mechanic for Road District No. 1, and then as a carpenter and painter. In the 1960's, he went into farming with his son, Warren. Through his skills, Mr. Carter was instrumental in the development and continued growth of McFarland.

Frank Carter leaves behind him a record of great commitment to the betterment of his community. Along with his 15 years of service on the school board, Mr. Carter also served on the McFarland Planning Commission for several years and was an active member in church affairs.

More importantly, however, he will be remembered not for his accomplishments, but for his dedication to those around him. Frank Carter was a man who gave selfishly of his time and efforts to improve his community. He possessed the qualities of those men who made our Nation great—the ability to love his country and his fellow man.

MAJOR NATIONAL HEALTH INSURANCE PROPOSALS

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DUNCAN. Mr. Speaker, I have just received from the Chamber of Commerce of the United States a "Comparative Analysis of Major National Health Insurance Proposals" which I want to share with my colleagues and those who are interested in the various national health insurance proposals. The comparison follows:

COMPARATIVE ANALYSIS OF MAJOR NATIONAL HEALTH INSURANCE PROPOSALS

Health care in the United States is big business today. In fiscal 1973, we spent $94 billion . . . up over 500% in the last 20 years. By fiscal 1975, spending is expected to jump 24%—to $116 million.

Forty percent of the nation's health bill is paid by government—federal, state and local—for Medicare, and health programs for government employees, veterans, servicemen and their dependents. The private sector picks up 60% of the tab—about $56 billion.

Business has a major stake in the health care debate because it is the largest single private purchaser of health services. Employers spent at least $20 billion in fiscal 1973 for employee health insurance programs, industrial health facilities and Medicare payroll taxes.

Passage of some form of national health insurance legislation would have far-reaching effects on employer-sponsored health insurance programs and cost. Some bills would compel employers to provide a certain benefit package for employees; others would impose a tax penalty if they did not. Still others would eliminate private health insurance and establish a monolithic, government run system.

There are dozens of national health insurance bills presently pending before the 93rd Congress. However, most health observers agree that Congress will devote most of its attention to only eight bills. Five of these attempt to improve health care by building upon the existing system, using private health insurance in the main. Two would eliminate private health insurance and establish a monolithic, government-run program. Finally, one would establish a federally run program to provide protection against catastrophic illnesses for all and medical and hospital benefits for the poor.

Detailed analysis of each bill listed in this publication is available. You may write or call the Chamber for your copy.

COMPARISON OF NATIONAL HEALTH INSURANCE PROPOSALS—93D CONGRESS

APRIL 11, 1974.

Title: Concept

Health Security Act

H.R. 22 and S. 3

National health insurance program providing comprehensive benefits, administered by the Federal Government and financed by payroll taxes and general revenues.

Endorsed by Committee for National Health Insurance and organized labor.

Health Care Insurance Act

H.R. 2222 and S. 444

Income tax credits and federal vouchers to offset, in whole or in part, the costs of purchasing a qualified health insurance policy. Endorsed by the American Medical Association.

National Health Care Act

H.R. 5200 and S. 1100

Three-part national health insurance plan covering most persons under age 65 (Medicare remains in effect for the aged). Provides tax incentives (and penalties) for employers and individuals who purchase broad coverage from private carriers and establishes a state plan for the poor. Endorsed by Health Insurance Association of America.

National Health Care Services Reorganization and Financing Act H.R. 1

Two-part national health insurance plan covering most of the population under age 65 (a revised Medicare remains in effect for the aged): (1) required employer plan for employees; and (2) federally purchased plan for the poor. Although an employer-employee plan is mandated, the bill fails to provide a mechanism to enforce the mandate.

Incentives provided to encourage reorganization of health care delivery into a system of Health Care Corporations (HCCs). Enclosed by American Hospital Association.

National Health Standards Act S. 3353

Two-part national health insurance plan covering most of the population under age 65 (Medicare remains in effect for the aged and disabled): (1) required employer-sponsored plan for employees and their families; and (2) federally-purchased plan for the poor. Endorsed by Chamber of Commerce of the United States.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Three-part Federal program: coverage of catastrophic illness which would pay expenses for hospital and medical care above a specified amount; uniform national program of medical benefits for low-income persons; certification program for private basic health insurance plans. Programs would be administered by Federal Government and financed by payroll taxes and general revenues.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

National health insurance program providing comprehensive benefits, administered by the federal government and financed by payroll taxes and general revenues.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Three-part national health insurance plan covering all U.S. residents: employer-sponsored plan for employees; federal-state purchase plan for the poor; and revised Medicare for the aged. Endorsed by Nixon Administration.

Title: Coverage

Health Security Act—H.R. 22 and S. 3

All U.S. residents, on compulsory basis.

Health Care Insurance Act—H.R. 2222 and S. 444

All U.S. residents under age 65, on voluntary basis. Those age 65 and over would continue to receive benefits under Medicare.

National Health Care Act—H.R. 5200 and S. 1100

Private plans—employer plans provide coverage of employees and their families.

Individual plans provide coverage of persons who voluntarily elect such coverage.

State plans—mandatory enrollment of those persons receiving federal financial assistance and voluntary enrollment of the near-poor and uninsurable persons.

National Health Care Service Reorganization and Financing Act—H.R. 1

Employer plan—employers required to provide plan for employees and their families.

Federal plan—Federal Government will purchase plan for low-income persons and their families and contribute towards the purchase of a plan for the medically indigent and their families.

National Health Standards Act—S. 3353

Employer Plan—employers required to provide plan for employees and their families.

Public Plan—federal government will purchase plan for "low-income" persons and their families and contribute towards the purchase of the plan for others.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Catastrophic Provision: Workers and families covered by Social Security, plus beneficiaries.

Low-Income Plan: Medicaid beneficiaries plus those with annual incomes below a specified "low income" level. Special provision included to enable those with higher income to become eligible.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

All U.S. residents, except for those covered under Medicare.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

All U.S. residents, except employees of the federal government.

Title: Benefits

Health Security Act—H.R. 22 and S. 3

Pays the entire cost of practically all personal health care needs. There are no cut-off dates, coinsurance, deductibles or waiting periods. Benefits include:

Hospital services;

Nursing home care, limited to 120 days per benefit period;

Physician services;

Dental services, initially for children under age 15 with coverage gradually increasing to include all ages;

Laboratory and X-ray services;

Medical appliances and eye-glasses; and

Prescription drugs, limited to chronic and other specified illnesses.

Health Care Insurance Act—H.R. 2222 and S. 444

Pays a portion of the cost of basic health care needs including:

Hospital services, limited to 60 days per benefit period;

Nursing home care, limited to 120 days per benefit period;

Physician services;

Dental services, initially for children ages two through six and extending to older children later, and emergency dental care for all adults;

Laboratory and X-ray services;

Prescription drugs; and
Catastrophic coverage.

Deductibles and coinsurance: institutional care—$50 per stay; non-institutional care—20 percent coinsurance limited to $500 per family. Separate deductible for catastrophic equal to 10% of taxable income.

National Health Care Act—H.R. 5200 and S. 1100

Broad range of benefits with cost-sharing provisions. Benefits phased-in over 10-year period for private plans and 5 years for public plan. Initial private plan benefits include:

Hospital services, limited to 30 days;
Nursing home care, limited to 60 days;
Physician services;
Home health services;

Catastrophic coverage: effective after an individual incurs $5,000 of charges for care within a 12-month period. Up to a life-time maximum of $250,000.

Public plan benefits: initially more comprehensive than private plans; provides additional days of hospital and nursing home coverage, prescription drugs and dental care for children under age 19.

Deferment of benefit phase-in: President is authorized by Executive Order to defer the phase-in of benefits after finding a lack of health care facilities and supplies.

National Health Care Services Reorganization and Financing Act—H.R. 1

Broad range of benefits with cost sharing provisions and specified limitations including:

Hospital services, limited to 90 days of care per benefit period;
Nursing home services, limited to 90 days of care per benefit period;
Physician services;
Dental services initially for children under age 8 with coverage gradually increasing to cover all children under age 13;
Laboratory and X-ray services;
Medical appliances and eyeglasses;
Prescription drugs; and
Catastrophic coverage.

Copayments: required for most benefits; $5 per day for hospital services; $2.50 per day for nursing home services; $2 per visit for physician services; and 20 percent of charges for most other services including dental services, medical appliances and eyeglasses.

National Health Standards Act—S. 3353

Broad range of benefits with cost-sharing provisions and specified limitations including:

Hospital services;
Nursing home care, limited to post-hospital confinement;
Physicians services;
Laboratory and x-ray services;
Medical appliances;
Prescription drugs; and
Catastrophic coverage.

Co-payments: Yearly deductible of $100 per person up to $200 per family plus co-insurance of 25 percent—maximum cost sharing of $2,500 per year.

Benefit equivalence: An employer can substitute an alternate plan if the total expected claim cost per employee of the benefit equivalent plan is at least equal to the total expected claim cost of the required benefit plan including 100 percent of expected claim cost of hospital services, inpatient physician services, surgical care services and x-ray and laboratory services.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Catastrophic Provision:

Pays for same types of benefits as Medicare. Hospital and nursing home expenses covered after first 60 days of such care, subject to a copayment of $15 per day for hospital and $7.50 for nursing home. Other medical expenses covered after first $2,000 incurred per family, subject to a 20 percent coinsurance which ends after total coinsurance payments per family exceeds $1,000.

Low-Income Plan:

Pays for basic benefits: hospital care for up to 60 days; skilled nursing and intermediate facility care; home health services; physicians' services; X-ray and laboratory services; prenatal and well-baby care; family planning services; periodic screening, diagnosis and treatment for children under 18; inpatient mental health care and limited outpatient psychiatric services.

No deductibles; $3.00 copayment for each of first 10 physician visits.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Broad range of benefits with cost-sharing provisions including;

Hospital services;
Nursing home care, limited to 100 days a year;
Physician services;
Home health services, limited to 100 visits per year;
Dental, vision and hearing care for children under age 13;
Laboratory and x-ray services;
Medical appliances;
Prescription drugs; and
Catastrophic coverage.

Copayments: deductible of $150 per person to a maximum of two per family. All services, except drugs, subject to a 25 percent coinsurance (outpatient drugs—$1 per prescription drug). Maximum annual liability for total cost-sharing of $1,000. Contains provisions for reducing deductibles and coinsurance for low-income.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Broad range of benefits with cost-sharing provisions and specified limitations including:

Hospital services;
Physician services;
Outpatient prescription drugs;
Mental health services, limited to 30 full days of inpatient services and 30 visits to community care center;
Vision, hearing and dental care for children under age 13;
Laboratory and X-ray services;
Medical appliances; and catastrophic coverage.

Co-payments: Private plan: Deductible of $150 per person to a maximum of three deductibles per family ($50 per person deductible for outpatient drugs); co-insurance of 25 percent with a maximum liability for total cost sharing of $1,500 a year.

Public plan: Deductible, co-insurance and maximum liability is income-related.

Title: Administration

Health Security Act—H.R. 22 and S. 3

Administered by the Federal Government through a five-member, full-time Health Security Board, appointed by the President and serving under the Secretary of HEW, which would establish national benefits patterns, set standards of participation and develop policy guidelines. Regional and local boards would determine their own needs and priorities and allocate funds accordingly. A National Health Security Council would advise the Board.

Health Care Insurance Act—H.R. 2222 and S. 444

An eleven-member Health Insurance Advisory Board, appointed by the President, would establish minimum health insurance carrier qualifications and develop programs to maintain quality health care and effective use of health resources. Private insurance carriers issue policies. State insurance departments certify carriers and qualified policies. Treasury Department processes tax credits. DHEW issues voucher certificates.

National Health Care Act—H.R. 5200 and S. 1100

Employer plan—administered by private insurance carriers, under state supervision. Treasury Department determines tax status of plan.

State plan—administered by private carrier under state supervision. Regulations for program established by DHEW.

National Health Care Services Reorganization and Financing Act—H.R. 1

Establishes a new federal department to administer the program and National Health Services Advisory Council to advise the Secretary on administraitve policy and formulation of regulations. Mandatory State Health Commissions would implement the program and would develop state health care plans, subject to approval by the Secretary of Health.

National Health Standards Act—S. 3353

Employer Plan: Administered by private insurance carriers, under state supervision and DHEW overview. "Pools" for small employers and the self-employed would be established.

Public Plan: Administered by private carrier under state supervision. Regulations for program established by DHEW. Carriers would participate in "pools."

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Catastrophic Provision and Low-Income Plan: Administered by Social Security Administration under which private carriers handle claims and pay providers for service.

Certification Program: Secretary of HEW would certify that health insurance policies marketed by private carriers meet certain standards of adequacy. Penalty imposed on carriers if they fail to market certified policies.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Administered by the federal government through a new independent Social Security Administration. Carriers used as intermediaries. Employers with 1,000 or more employees could select carrier to administer the program on behalf of the employees.

Health benefit card would be issued to every individual covered under the national health plan and the Medicare program.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Private plan: Administered by private insurance carriers under state supervision.

Public plan: Administered by private carrier under state supervision. Federal government would establish eligibility, prepare regulations and operate the expanded Medicare program.

"Employee" and other lawsuits and criminal penalties authorized against employers failing to comply with requirements.

Title: Estimated Additional Federal Cost

Health Security Act—H.R. 22 and S.3

$60 billion, FY 1974.

Health Care Insurance Act—H.R. 2222 and S. 444

$7 billion, FY 1974.

National Health Care Act—H.R. 5200 and S. 1100

$7 billion, FY 1974.

National Health Care Services Reorganization and Financing Act— H.R. 1

$18 billion, FY 1974.

National Health Standards Act—S. 3353

$3.6 billion, FY 1975.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

$8.9 billion, FY 1974.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

$40 billion, FY 1975.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

$5.9 billion, FY 1975.

Title: Financing

Health Security Act—H.R. 22 and S. 3

Financed by federal taxes on payroll, self-employed and unearned income, and federal general revenues: 36 percent from a tax of 3.5 percent on employers' entire payroll; 12 percent from a tax of 1.0 percent on employees' wages up to $15,000 per year and all unearned income; 2 percent from a tax of 2.5 percent on self-employed income up to $15,000 per year; and 50 percent from general revenues. Employers required to pay part or all of employees health security tax. Also, if sum of employer-employee tax is less than outlays for existing health plan, cash differences must be paid by employer to employees, former employees and survivors.

Health Care Insurance Act—H.R. 2222 and S. 444

Tax credits of 10 to 100 percent of the cost of a qualified health insurance policy, depending on annual income tax payments. Federal voucher certificates, financed from federal general revenues, issued to persons with little or no tax liability.

Tax penalty equal to 50 percent of allowable tax deductions would be imposed on employers whose plans fail to be designated "qualified employee health care" plans.

National Health Care Act—H.R. 5200 and S. 1100

Private plans—employee-employer plan premium paid by employees and employers with a maximum on the employee contribution which may be required by the employer. Tax penalty imposed on employers whose plans fail to meet the requirements of the Act; penalty equal to 50 percent of allowable business deductions for first year, 75 percent for second year and 100 percent for each year thereafter. Individual plan policy holders pay entire premium.

Public plan—no premium contribution required for lowest income group; for others, part of premium paid by enrollees, with amount varying according to family income. Federal and state governments pay balance of costs from their general revenues.

National Health Care Services Reorganization and Financing Act—H.R. 1

Private plans—employers would be required to purchase for their employees and their families a comprehensive level of benefits, paying at least 75 percent of the premium costs. Enrolees who opt into HCCs would be entitled to a 10 percent federal subsidy of their premiums.

Public plan—no premium contribution required for lowest income groups; for others, part of premium paid by enrolees, with amount varying according to family income. Individuals on Medicare would no longer be required to pay premium for physicians' benefits. Federal Government to finance costs of public plans from general revenues.

National Health Standards Act—S. 3353

Employer Plan: Employer-employee plan premium paid by employees and employers with the employer being required to pay not more than 50 percent of premium cost.

Public Plan: Financed by federal general revenues and individual premium contributions varying according to family income.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Catastrophic Provision:

Finance by payroll taxes on employers, employees and self-employed. Tax rates for employers, employees and self-employed: 0.3 percent initially, rising to 0.4 percent ultimately. Taxes apply to first $13,200 of earnings.

Low-Income Plan:

Financed by Federal general revenues and contributions by states.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Financed by additional federal taxes on employers, employees, self-employed, unearned income and federal general revenues: 3 percent on employer payroll up to $20,000 a year; 1 percent on employee wages up to $20,000 per year; 2½ percent on self-employed and unearned income up to $20,000 per year. Public assistance would be paid from general revenues, plus a continuing contribution from the states.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Private plan: Employers required to purchase plan for employees paying at least 65 percent of premium costs initially, increasing to 75 percent after three years. Subsidy available for employers whose payrolls rise by more than 3 percent due to compliance.

Public plan: Shared by state and federal government with state share (25 percent) related to current levels of state expenditures, ability to pay and anticipated future expenditures. Limited individual and family contribution required.

Medicare: Payroll taxes on employers, employees, and self-employed and general revenues, plus a small premium contribution by beneficiaries.

Titles standards for providers of services

Health Security Act—H.R. 22 and S. 3

Same as Medicare, with additional requirements; hospitals cannot refuse staff privileges to physicians. Nursing homes must be affiliated with hospital which is responsible for medical services in homes. Physicians must meet national standards; major surgery performed only by qualified specialist. All providers: records subject to review by regional office. Also, can be directed to add or reduce services, and to establish linkages with other providers.

Health Care Insurance Act—H.R. 2222 and S. 444

The Advisory Board is required to develop programs to maintain quality of care.

National Health Care Act—H.R. 5200 and S. 1100

Same as Medicare.

National Health Care Services Reorganization and Financing Act—H.R. 1

Secretary would prescribe standards of quality and comprehensiveness, and State Health Commissions would enforce such standards.

National Health Standards Act—S. 3353

Same requirements and standards as Medicare.

Establishes a Presidential council to review the quality of federal health care programs and apprise the President and Congress of their findings.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Same requirements and standards as Medicare.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Same requirements and standards as Medicare.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Same requirements and standards as Medicare.

Title: Reimbursement of providers of services

Health Security Act—H.R. 22 and S. 3

National health budget established and funds allocated, by type of service, to regions and local areas.

Hospitals and nursing homes: would receive annual predetermined budget based on reasonable cost.

Physicians, dentists and professionals: methods available are fee-for-service based on fee schedule, per capita payment for persons enrolled, and (by agreement) full- or part-time salary. Payments for fee-for-service may be reduced if payment exceeds estimates.

Comprehensive health service organizations and medical society foundations: per capita payment for all services (or budget for institutional services). Can retain all or part of savings.

Health Care Insurance Act—H.R. 2222 and S. 444

Based on usual and customary charges.

National Health Care Act—H.R. 5200 and S. 1100

Hospitals and other institutions: reasonable cost of services, based on prospectively approved rates. Hospitals prepare budgets and schedule of charges which are reviewed by a State Commission responsible for establishing charges, subject to DHEW approval.

Physicians and dentists: reasonable charges, based on customary and prevailing rates.

National Health Care Services Reorganization and Financing Act—H.R. 1

HCC and other provider charges fixed prospectively for a 12-month period, subject to Commission approval.

National Health Standards Act—S. 3353

Hospital and other institutions: Reasonable cost of services, based on prospectively approved rates. Hospitals prepare budgets and schedules of charges which are reviewed by representatives of public and private payors. Rates would be uniform for all payors.

Physicians and other health providers: Reasonable charges, based on usual and customary rates.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Same provisions as Medicare.

Hospital and other institutions: reasonable costs of services.

Physicians and suppliers: reasonable costs of services.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Hospitals and nursing homes: prospective payment system with incentive payments to certain providers.

Physicians, dentists and professionals: fee schedules established by professions and accepted by the Social Security Administration.

Other items and services: lowest cost most frequently available in locality.

Payment would not be made to any hospital not receiving the endorsement of state and local health planning agencies.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Hospital and other institutions: Reasonable cost of services, based on prospectively approved rates.

Physicians and other providers: Reasonable charges, based on amounts predetermined by providers and other interested parties. Physicians could, under private plan, bill additional charges to patient if patient is notified beforehand of such additional charges.

All persons would receive an identification card which would be evidence of financial protection for all covered services. Providers would accept the card as evidence of such coverage and would bill the indicated carrier for covered services.

Title: Delivery of resources

Health Security Act—H.R. 22 and S. 3

Health planning. DHEW responsible for health planning, in cooperation with state planning agencies.

Priority to be given to development of comprehensive care on ambulatory basis.

Health resources development fund: will receive, ultimately, 5 percent of total income of programs, to be used for improving delivery of health care and increasing health resources.

Comprehensive health service system: could receive grants for development, loans for construction, and payments to offset operating deficit.

Manpower training: grants to schools and allowances to students for training of physicians for general practice and shortage specialties, other health occupations, and development of new kinds of health personnel.

Health Care Insurance Act—H.R. 2222 and S. 444

The Federal Board is directed to develop programs for effective use of manpower and resources.

National Health Care Act—H.R. 5200 and S. 1100

Health planning: increased funding and authority given to state and local planning agencies. Approval of planning agency required before projects can receive funds under Federal programs. Also, Presidential Advisory Council on Health is created.

Health Maintenance Organizations: must be made available as an option to persons enrolled in state plan and employee-employer plans with employer paying no more than existing arrangements.

Ambulatory Health Centers: grants, loans and loan guarantees for construction and operation of centers.

Health manpower: loans and grants for students and educational institutions, with priority given to shortage areas.

National Health Care Services Reorganization and Financing Act—H.R. 1

HCCs: Would offer comprehensive health services to everyone in its area; after the first 5 years, HCC required to offer, as an option, services on a capitation basis of payment; HCC can contract with physicians, dentists, nursing homes, etc. for the provision of services.

Health providers: physicians, dentists, podiatrists and optometrists in an HCC area will be given an opportunity to practice as members of the professional staff of the HCC or as affiliated providers.

National Health Standards Act—S. 3353

Every employer covered by the act must offer his employees the option of enrollment in a "qualified" health maintenance organization (HMO). The employer would select the HMO of his choice.

Health planning: Hospitals required to submit to local health planning agencies all proposed expenditures which exceed $100,000, change the facility's bed capacity, or substantially change the facility's services If the local health planning agency finds that such expenditure is inconsistent with health needs, the hospital would not be reimbursed for any expenditures made for the disallowed expense.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

No provision.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Establishes within DHEW a Health Resources Board to assure the availability of services covered under the program. One percent of trust fund to be available for this purpose.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

All employers would be required to offer a Health Maintenance Organization (HMO) option.

Full-participating providers: Agree to accept reimbursement through the healthcard as payment in full for all patients; all hospitals would be required to be full-participating providers.

Associate-participating providers: Agree to accept reimbursement through the healthcard as payment in full for low-income and Medicare patients and as payment for the insured amount of the private plan.

Non-participating providers: Some providers would not be reimbursed from any approved plan for services provided.

Title: Relationship to other Government programs

Health Security Act—H.R. 22 and S.3

Medicare: abolished.

Medicaid and other assistance programs: would not pay for covered services.

Other programs: most not affected.

Health Care Insurance Act—H.R. 2222 and S. 444

Medicare: continues to operate.

Medicaid and other assistance programs: would not pay for services under program.

Other programs: most not affected.

National Health Care Act—H.R. 5200 and S. 1100

Medicare: continues to operate.

Medicaid: limited to aged, blind and disabled.

Other programs. most not affected.

National Health Care Services Reorganization and Financing Act—H.R. 1

Medicare: continues to operate.

Medicaid and other assistance programs: would not pay for services under program.

Other programs. most not affected.

National Health Standards Act—S. 3353

Medicare: continues to operate.

Medicaid: repealed.

Other programs: most not affected.

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Medicare: continues to operate.

Medicaid: would be replaced by new medical assistance plan for low-income people.

Other programs: most not affected.

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Medicare: expanded to include outpatient prescription drugs and long-term care.

Medicaid: repealed.

Other programs: most not affected.

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Medicaid: Terminated except for certain services not covered by the act.

Medicare: would be retained for the aged.

Other programs: most not affected.

Title: Sponsors

Health Security Act—H.R. 22 and S. 3

Committee for National Health Insurance; AFL-CIO; UAW; American Public Health Association; Rep. Martha Griffiths (D-Mich.) and 70 House members; Sen. Edward Kennedy (D-Mass.) and 20 Senators.

Health Care Insurance Act—H.R. 2222 and S. 444

American Medical Association; Rep. Richard Fulton (D-Tenn.) and 157 House members; Sen. Vance Hartke (D-Ind.) and 18 Senators.

National Health Care Act—H.R. 5200 and S. 1100

Health Insurance Association of America; Rep. Omar Burleson (D-Tex.) and 42 House members; Sen. Thomas McIntyre (D.-N.H.) and 4 Senators.

National Health Care Services Reorganization and Financing Act—H.R. 1

American Hospital Association; Rep. Al Ullman (D-Ore.) and 13 House members.

National Health Standards Act—S. 3353

Chamber of Commerce of the United States; Senator Paul Fanin (R-Ariz.)

Catastrophic Health Insurance and Medical Assistance Reform Act—H.R. 14079 and S. 2513

Sen. Russell Long (D-La.) and 22 Senators. Rep. Joe Waggonner (D-La.)

Comprehensive National Health Insurance Act—H.R. 13870 and S. 3286

Senator Edward M. Kennedy (D-Mass.); Representative Wilbur D. Mills (D-Ark.)

Comprehensive Health Insurance Act—H.R. 12684 and S. 2970

Nixon Administration; Representatives Wilbur Mills (D-Ark.) (by request) and Herman Schneebeli (R-Penn.); Senator Bob Packwood (R-Ore.).

BIESTER RELEASES RESULTS OF CONSTITUENT POLL

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BIESTER. Mr. Speaker, I am pleased to submit to the RECORD the results of my eighth annual constituent questionnaire.

The survey was distributed postal patron in the second week of April in Bucks County and the portions of eastern Montgomery County comprising the Eighth Congressional District of Pennsylvania.

The format of the questionnaire allows the respondent the opportunity to indicate the intensity of his or her feeling on various issues beyond a simple yes-or-no answer. I experimented with this approach last year. Not only has it been very well received by my constituents but it makes the results more meaningful to me.

As I am sure my colleagues who also utilize constituent questionnaires will agree, such an undertaking plays a very constructive role in the communication process between citizens and their representatives. Beyond offering residents an opportunity to make their views known on the necessarily limited number of issues covered, it serves to encourage additional comments on the subjects covered or on other issues of concern to them.

Many of the issues covered in the questionnaire will be receiving congressional consideration in the weeks and months ahead, and I would like to share with my colleagues the opinions expressed by my constituents on these most important matters.

The results follow:

RESULTS OF THE 1974 CONGRESSIONAL QUESTIONNAIRE

(In percent)

WAGE AND PRICE CONTROLS

1. The President's authority to continue wage and price controls expires April 30th. Which one of the following would you favor?

(1) Terminate all wage and price controls—28.

(2) Maintain controls only in areas of greatest increases—40.

(3) Firm controls across the board—32.

HEALTH INSURANCE

2. With regard to health insurance coverage, which action should the government take?

(1, Provide Federal coverage for all basic health needs including preventive care—40.

(2) Provide Federal coverage only for major illnesses or long-term serious illnesses—43.

(3) None—17.

3. If a health insurance program were enacted, how should it be financed?

(1) Primarily from general revenues of Federal government—41.

(2) Primarily from shared employee-employer contributions—34.

(3) Primarily through tax credits for those voluntarily subscribing to private plans—25.

THE PRESIDENT

4. With regard to the President's status, which most closely reflects your view of the President at this time?

(1) He is not chargeable with any impeachable offense—15.

(2) May be chargeable with some wrongdoing but should not be impeached—22.

(3) He is chargeable with wrongdoing and should resign—16.

(4) He is chargeable with wrongdoing and should be impeached by the House and tried by the Senate—40.

(5) Uncertain—7.

	Strong no	No	Uncertain	Yes	Strong yes
WHAT ACTION SHOULD CONGRESS TAKE IN THE FOLLOWING AREAS					
ENERGY AND CONSERVATION					
5. Require by law complete oil company profit, supply, and resource data?	3	4	3	18	72
6. Terminate year-round daylight saving time after fall 1974?	25	21	10	19	25
7. Provide operating subsidies for mass transit systems?	9	8	8	36	39
8. Postpone implementation of auto emission standards?	30	23	11	21	15
9. Delay implementation of air-quality standards to permit use of high-sulfur fuels?	29	27	14	20	10
10. Accelerate research and development of energy from nonfossil fuels?	1	1	2	25	71
11. Regulate the oil companies as public utilities?	13	14	9	19	45
12. Initiate coupon gas rationing?	58	25	9	5	3
TAX REFORM					
13. Limit deduction provided U.S. companies situated abroad for taxes paid by them to foreign governments?	5	8	12	27	48
14. Allow tax credits for higher education tuition expenses?	11	8	5	32	44
15. Impose a more effective minimum taxpayment in high-income brackets?	3	4	3	21	69
16. Allow tax credits for portion of rent applicable to property tax?	13	14	17	32	24
17. Provide deductions for costs of commuting by mass transit?	24	21	9	27	19
18. Increase the personal income tax exemptions?	7	10	10	27	46
19. Terminate the oil depletion allowance?	7	9	22	20	42
20. Reduce social security taxes, making up difference from general revenues?	22	24	16	19	19
21. Provide credits to elderly for property taxes and rent?	2	3	3	35	57
22. Provide tax credits for nonpublic elementary and secondary education expenses?	34	19	7	19	21
23. Impose a graduated tax on new cars based on their size and gas mileage per gallon?	26	17	10	22	25
ELECTION REFORM					
24. More strict accounting of contribution receipts and expenditures and more stringent enforcement of campaign laws?	1	1	2	17	79
25. Establish partial public financing of Federal campaigns with a prohibition on larger private contributions?	17	12	9	24	38
26. Establish general public financing with a prohibition on private contributions?	25	22	13	14	26
27. Limit campaign expenditures in Federal campaigns?	2	2	3	24	69

BAN THE HANDGUN—L

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BINGHAM. Mr. Speaker, a depressingly familiar event was replayed last Thursday night in Queens, N.Y. A trivial argument exploded into serious violence, because of the availability of a handgun.

Senseless shootings like this remind us once again of the need for a comprehensive Federal gun control law to limit the private possession of handguns. Even stringent local laws, such as New York City's, are rendered ineffectual, because standards elsewhere are lax.

Unfortunately, incidents like the one last week receive only passing interest, and fail to evoke any public demand for firearms restrictions. The national clamor for gun control which arises when a President or other notable is shot implies a disturbing double standard. The life of each citizen is no less precious.

I include in the RECORD an article from the June 7 edition of the New York Post relating this latest episode of senseless handgun violence:

A PARKING ROW ENDS IN SHOOTING

(By Richard Schwartz)

A Queens man and his son were shot early today in a dispute over a parking space near the son's Elmhurst home.

Police said Macevonio Luna, 62, and his son, Estanisciao, 26, were shot by a third man shortly before 1 a.m. in an argument over a parking spot the son had taken.

Police said the two were shot by James Burns, 62, of 37-38 104th St. Corona, as they were walking away from the son's car, which Burns had asked them to move.

The elder Luna, of 42-43 Elbertson Ct., and his son, of 42-09 Junction Blvd., were both in Elmhurst Hospital, where the father was reported in critical condition with four gunshot wounds of the body and Estanisciao was in serious condition, shot twice in the leg.

Burns was charged with two counts of attempted murder. Police said they recovered a .38-caliber revolver from the scene.

LITHUANIANS

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. SMITH of New York. Mr. Speaker, on June 15, Lithuanians will commemorate the forcible annexation of their country by the Soviet Union in 1940 and the subsequent deportation of their countrymen to Siberian concentration camps. As a leader of the free world, the United States must continue to condemn any action which would deprive a people of their right to self-government. Unfortunately, our pleas for a free Lithuania have been ignored through the years. While we strive for détente, let us not forget captive peoples. In our hearts we know that the Soviet Union will not release its grip on these people without a fight, something to be avoided in these times of uneasy atomic peace. But the Soviet Union does want the approval and trade of the free nations of the world, and facing our censure, may be willing to make concessions. The Lithuanian-American Community of the U.S.A., Inc., seeks four policy changes which we can strongly urge the Soviet Union to enact. These include lowering of excessive tariffs on gifts to those residing in the Baltic States; a more reasonable tourist visa limit; elimination of unreasonable tourist travel restrictions, and provision for Lithuanians to immigrate as provided for by the Charter of the United Nations, signed by the Soviet Union. Let us work for these concessions and let us continue to work and pray for a free Lithuania.

INDIA'S NUCLEAR WEAPONRY

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. GROSS. Mr. Speaker, the Government of Pakistan is deeply concerned, and properly so by the action of the Government of India in developing and exploding a nuclear weapon.

Pakistan shares a long and common border with India and only recently fought a short but bitter war with India, the repercussions of which will long be felt in that area of the world.

The U.S. Government which, through the years, has bilked the American people out of some $10 billion dollars and handed it over to India, ought to be equally concerned for different reasons. Americans were led to believe that the outpouring of their dollars would alleviate at least some of the widespread poverty and malnutrition that brings death to thousands of Indians each year, and that it would be an incentive to India's Government to raise the standard of living to at least a subsistence level.

Instead, Prime Minister Indira Gandhi is willing to watch the citizens of her country starve while the Government develops costly nuclear bombs. With whom does India plan to go to war? This is the grave question for which Pakistan seeks an answer.

Mr. Speaker, I offer for printing in the RECORD the Aide Memoire issued by the Government of Pakistan, followed by a communication of the date of June 5, 1974, from Prime Minister Zulfikar Ali Bhutto of Pakistan, to Prime Minister Indira Gandhi of India, seeking to learn the meaning of India's development of nuclear weaponry:

AIDE MEMOIRE

In the light of India's detonation of a nuclear bomb the United States of America's and Canada's long standing collaboration with India in the nuclear field has raised a number of immediate issues apart from its effect on the fabric of international peace and security.

(i) In which reactor was the plutonium for the Indian nuclear bomb produced and from where was the heavy water for this reactor obtained from?

India has the following reactors in operation or nearing completion:

(a) Apsara one MW pool type research reactor at Trombay critical since August 1956.

(b) Indian designed Zerlina zero power heavy water experimental reactor (400 watt) critical since January 1961 at Trombay.

(c) Purnima zero power plutonium fast fueled reactor.

(d) Two power reactors at Tarapur near Bombay supplied by the U.S.A. These are boiling light water type moderated reactors utilizing enriched uranium, developing 190 MW each and have been both critical since February 1969.

(e) Cirus research reactor at Trombay supplied by Canada under the Colombo Plan. This natural uranium heavy water reactor of 40 MW power has been critical since July 10th, 1960.

(f) Two Canadian designed and supplied CANDU type natural uranium heavy water power reactors at Dina Partap Sagar in Rajasthan. Power output 200 MW each. RAPP I became critical in 1971. RAPP II is now complete.

(h) Two reactors, MAPS 1 and 2, CANDU-type natural uranium heavy water, output 200 MW each nearing completion at Kalpakkam near Madras.

India has also announced plans to build power reactors of 500 MW size near New Delhi and in Uttar Pradesh. The Atomic Energy Commission of the Government of India in its report of 1970 "Atomic Energy and Space Research a Profile for the Decade 1970–80" has outlined as stage 1 of its nuclear power strategy the building up of plutonium stocks which will be used in stage 1 in Fast Breeder Reactors to breed yet more fissionable material, uranium-233 and plutonium.

Of the reactors which are now critical only the Canadian Cirus reactor at Trombay is completely unsafeguarded. For a short time after its criticality this reactor used Canadian fuel and was subject to some form of Canadian inspection. From then on the reactor used Indian fuel and Canada relied upon Article III of the India-Canada Agreement on CIR Trombay Reactor of April 28, 1956 which states "The Government of India will ensure that the reactor and any products resulting from its use will be employed for peaceful purposes only." The Government of Canada repeatedly stated that there was no difference between a nuclear weapon device and a so-called peaceful nuclear device and Canada made known this interpretation to India. It is clear that the plutonium employed in India's bomb could only have come from the Canadian reactor and was then refined in India's plutonium separation plant which has been operating since 1964. The President of Canada's Atomic Energy Control Board Mr. D. C. Hurst seems in his statement of May 23rd, 1974 to agree with this inevitable assessment.

The Canadian reactor at Trombay is dependent upon heavy water supplies. The US supplied power reactors at Tarapur did not become operational until 1969. Article 9 of the India-US Agreement for Purchase of Heavy Water of March 16, 1956, states ". . . the heavy water sold hereunder shall be for use only in India by the Government in connection with research into and the use of atomic energy for peaceful purposes, and shall be retained by Government and by other parties authorised by the Government to receive it, and not re-sold or otherwise distributed."

(ii) What are the parameters of India's strategic stockpile of plutonium as it now exists in its two modes—completely unsafeguarded—relatively safeguarded at the present time, and what factor of projection can now be foreseen?

As a rule of thumb a CANDU reactor utilizing natural uranium produces 0.9 grams of plutonium per megawatt in one day. Most reactors are in operation 300 days a year. Hence the Trombay reactor running for 300 days a year with a high ratio of PU 239 to total plutonium would produce 10.8 kilograms in one year. By now a stockpile of about 152 kilogrmas of unsafeguarded plutonium should be available to India. A "strategically significant quantity" of nuclear material would be its critical mass, as a sphere of the material in metallic form, inside a thick tamper of beryllium. This would of course only apply if the technology for an implosion type bomb as opposed to gun type bomb was applicable. India's explosion of May 18, 1974 resulted from a plutonium type implosion device. The lowest published critical mass for plutonium is four kilograms. India's plutonium stockpile of the unsafeguarded mode corresponds to the potential for making 38 atom bombs.

The Canadian reactors, RAPP I and RAPP II have the potential of producing 108 kilograms of plutonium a year. For the present this amount is subject to the Trilateral Safeguards Agreement between India, Canada and the IAE. The MAP 1, MAP 2 reactors at Kalpakkah which will soon become critical will also produce at least 108 kilograms of plutonium a year—27 potential atom bombs. Both the MAP reactors are not subject to any safeguards. The two projected 500 megawatt reactors will produce annually, once critical, 270 kilograms of plutonium—67 potential atom bombs. Beyond 1980 India's stage 2 and stage 3 of its nuclear strategy envisages a number of Fast Breeder reactors and Thorium Breeders, the first Fast Breeder Test Reactor is expected to be completed in 1976 and there are plans to build a Fast Breeder prototype reactor of 200 megawatt output in 1977. The rate of operation of these projected Breeder reactors coupled with the "doubling" time achieved will become a function of assessing the second stage of India's proliferating stockpiles of fissionable material.

(iii) What safeguards are now in operation, do they have any inherent weaknesses, are they subject to a time limitation and does a workable international IAEA system now exist which could embrace unsafeguarded facilities?

The Trombay reactor is completely unsafeguarded. The U.S. supplied reactors at Tarapur are covered under Articles VI–A, VI–B–2, VI–B–4 and particularly VII–A–1 of the India-U.S. Agreement for Tarapur Reactor of August 8, 1963. There could be some semantic differences of interpretation of Article VII–A–1 which speaks only of atomic weapons and military purposes. However, since these reactors use enriched uranium the end product as opposed to various articles of equipment does not readily lend itself to the manufacture of weapons grade fissionable material.

RAPP I and RAPP II are governed by Section 11–C(I) of the Trilateral Agreement which states that such nuclear materials produced in or the use of such nuclear materials shall be subject to implementation by the Agency of the safeguards provisions of this Agreement. The IAEA of course has no physical power of ensuring controls against unauthorized diversion and basically such agreements depend on the good faith of the parties concerned. Section 27 of the Trilateral Agreement states that it shall remain in force for initial period of five years and shall stand extended automatically thereafter unless terminated by any party either at the end of the first five years period or at any time thereafter upon six months prior notice. Hence theoretically the Trilateral Agreement of June 1971 can be revoked by India after five years and six months. The plutonium produced after this hypothetical termination would be completely unsafeguarded. Furthermore it is not quite clear how the IAEA, after the termination of the Agreement, would safeguard the considerable amounts already produced whilst the agreement was in force and how it would safeguard by pursuit the additional plutonium bred from this amount in other unsafeguarded breeder reactors.

An IAEA safeguards system does exist. Pakistan's KANUPP reactor, for instance, is subject to IAEA safeguards. Any country which is sincere in its desire to use nuclear energy only for peaceful purposes should have no difficulty in placing all its reactors, separation plants, enrichment plants, gaseous diffusion or gas centrifuge, and fissionable stockpiles under IAEA safeguards.

(iv) Though the Indian nuclear explosion of May 18, 1974, makes the issue of motivation now academic, can an empirical study of India's acknowledged nuclear and space research programme lead to the conclusion that the aims are entirely peaceful?

The question of peaceful uses must be viewed in the context of Article V of the Treaty on the Non-Proliferation of Nuclear Weapons. "Each party to the Treaty undertakes to take appropriate measures to ensure that, in accordance with this Treaty, under appropriate international observation and through appropriate international procedures, potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to the Treaty on a non-discriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development. Non-nuclear-weapon States Party to the Treaty shall be able to obtain such benefits, pursuant to a special international agreement or agreements, through an appropriate international body with adequate representation of non-nuclear-weapon States. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force. Non-nuclear-weapon States Party to the Treaty so desiring may also obtain such benefits pursuant to bilateral agreements."

The wellspring of India's nuclear programme is apparent in the Preamble to the Resolution of the Government of India creating the Atomic Energy Commission, in 1958. ". . . The special requirements of atomic energy, the newness of the field, the strategic nature of its activities and its international and political significance have to be borne in mind in devising such an organisation. . . ." India's nuclear programme has been characterised by the desire to set up completely unsafeguarded reactors. The only logic behind an unsafeguarded reactor is to be able to produce a nuclear device. This capability has now been demonstrated by India. It is universally recognised that there is no difference between a nuclear weapon and a so called peaceful nuclear device. The same device which might move millions of tons of earth could also be used to kill hundreds of thousands of people.

Nuclear weapons can be made from plutonium, high-enriched uranium and uranium-233. High-enriched uranium U-235 has usually been obtained for weapons purposes from extremely expensive gaseous diffusion plants. An alternative potential method for obtaining U-235 lies in the development of the gas centrifuge process. India's AEC's ten year plan of 1970 estimated the cost of developing this process to be around $150 million for the period 1970-1980. S. K. Ghaswala, who was then Technical Editor of the Indian and Eastern Engineer, observed in his published analysis of the 1970 Indian AEC report:

"The difficulty is that both the gas centrifuge and the fast breeder reactor are still undeveloped even in the advanced countries of the world. In knowledgeable circles it is felt that the gas centrifuge process would cost around $200 million and its establishment would be unjustifiable, unless its products are exported. . . . Even when fast breeder reactors appear on the scene the aggregate demand for plutonium plus enriched uranium would not justify investing such a large sum on one project alone—unless of course, the country intends to go in for nuclear explosives even for 'peaceful' purposes." Uranium 233 is produced in nuclear reactors containing thorium. India has vast reserves of thorium and the long range aim of its nuclear programme is to base nuclear power generation as soon as possible on thorium rather than uranium. This aim was explained by the late head of India's AEC in his lecture "On the Economics of Atomic Power Development in India and the Indian Atomic Energy Programme" delivered on September 6, 1957, in Dublin.

In analysing India's delivery capability and its rapidly developing programme for acquiring medium range missiles coupled with the external help it is receiving in this field, it suffices to examine the Indian AEC's report of 1970, Atomic Energy and Space Research a Profile for the Decade 1970-80, presented by Chairman Sarabhai. Part II of this report entitled "Space Research" states inter-alia;

"The subject of exploration of outer space was allocated in 1961 to the Department of Atomic Energy. . . . In 1965, the Atomic Energy Commission approved the setting up of the Space Science and Technology Centre (SSTC) . . . The most important task of the Space Science & Technology Centre is to develop indigenously a satellite launch capability. . . . The first launch that would be attempted in 1974 would be to place in a near circular orbit at about 400 km. a satellite of about 30 kg. The launcher which is being designed, designated SLV-3, would have four stages and would weigh approximately 20 tons. The length of the vehicle would be about 21 meters. . . . SLV-3 would be followed in the period 1975-79 by satellite launch vehicles using more powerful motors and it is the objective of the Space Science & Technology Centre to develop by the end of the 1970's a launch vehicle capable of putting a 1200 kg. satellite into synchronous orbit at 40,000 km. This is the type of capability which is needed to fully exploit, on our own, the vast potential arising from the practical applications of space science and technology. . . ."

(v) What has been and what will be the cost of India's nuclear weapons and delivery programme?

The UN Secretary-General's expert report on "The Effects of the Possible Use of Nuclear Weapons and the Security and Economic Implications for States of the Acquisition and Further Development of these Weapons", of October 1967 estimated that it would cost $5600 million over 10 years to build up a small, high quality nuclear force consisting at the end of the first 5 year period of 15-20 nuclear weapons and 10-15 bombers, and including at the end of the 10 year period 20-30 thermonuclear weapons, 100 intermediate-range missiles and 2 missile-launching nuclear submarines. The report estimated that a "modest" nuclear capability consisting of 100 plutonium warheads, 30-50 jet bomber aircraft and 50 medium-range missiles in soft emplacements would cost $1.7 billion over 10 years. The cost estimates were based on the situation developing in an industrialised country, it being understood that the cost for either programme would increase if applied to developing countries. It was further understood that there would also be the practically unavoidable risk of escalating costs inherent in the mechanism of the arms race.

Without going into the pre-1970 costs of India's nuclear capability and delivery programme and without including the cost of India's existing jet bomber capability the most conservative estimate of overt costs for the period 1970-1975 and the period 1975-1980 is contained in the annexed cost estimates for India's Atomic Energy Programme and Space Research Programme contained in the 1970 Atomic Energy Commission Report.

[In millions of dollars]

	1970-75	1975-80	1970-80
AE programme	500	1,212.5	1,712.5
SR programme	85	131.0	216.0
Total	585	1,343.5	1,928.5
Annual average	117	268.7	

The Indian Atomic Energy Commission Report does not of course address itself to the cost factors inherent in the actual building of nuclear bombs and to the production as opposed to the research and development costs of delivery systems missiles.

2. It is clear that the acquisition by India of a nuclear capability is of grave concern to the international community and in particular to India's neighbours. It has been noted that Sections 119 and 120 of Public Law 91-194 and Chapter 1 Section 4 of Public Law 90-269, address themselves to the question of the acquisition of sophisticated weapon systems by countries and the relevance of such acquisitions to the national security of the United States.

TEXT OF THE REPLY OF THE PRIME MINISTER OF PAKISTAN TO THE PRIME MINISTER OF INDIA DATED JUNE 5, 1974

DEAR MADAM PRIME MINISTER: Thank you for your message of May 22.

2. We have taken note of your assurance that you remain fully committed to the development of nuclear energy resources for peaceful purposes only and that you will continue to condemn the military use of nuclear energy as a threat to humanity.

3. You will, however, appreciate that it is a question not only of intentions but of capabilities. As you know, in the past we received many assurances from India which regrettably remained unhonoured. India's categorical assurance regarding a plebiscite in Jammu and Kashmir in order to enable its people to freely decide their future is the most outstanding example.

4. It is well established that the testing of a nuclear device is no different from the detonation of a nuclear weapon.

Given this indisputable fact, how is it possible for our fears to be assuaged by mere assurances, assurances which may in any case be ignored in subsequent years. Governments change, as do notional attitudes. But the acquisition of capability, which has direct and immediate military consequences, becomes a permanent factor to be reckoned with. I need hardly recall that no non-nuclear-weapon state, including India, considered mere declarations of intent as sufficient to ensure their security in the nuclear age.

Furthermore, the Indian nuclear explosion is an event which cannot be viewed in isolation from its surrounding circumstances. Your rapidly developing programme for acquiring medium-range missiles and with external assistance, placing a satellite in orbit, thus obtaining a delivery system for nuclear weapons, and your projected building of a nuclear navy are most pertinent in this context. These are matters of concern not only to Pakistan but to all countries which border on the Indian Ocean.

6. Pakistan's reaction to India's nuclear explosion is, therefore, in no way abnormal or disproportionate. Indeed our reaction is shared by practically all impartial opinion throughout the world. Pakistan has additional reasons for a unique anxiety because no two among the five nuclear-weapon states, nor anyone of them and a non-nuclear-weapon state, have been involved in the kind of confrontation and unresolved disputes which have bedeviled relations between India and Pakistan. You have mentioned, rightly too, that agreements between India and Pakistan, worked out during the last two years, were reached on the basis of absolute equality. However, the fact cannot be dismissed that these agreements were but a sequel to the act of armed intervention by India which brought about the dismemberment of Pakistan.

7. You have referred to the economic compulsions behind your nuclear test. Since Pakistan faces economic problems broadly of the same kind as India, we cannot be unsympathetic to attempts at achieving a breakthrough in their solution. No one can disagree with the proposition that nuclear energy can be an immense boon. But one can have access to nuclear technology and nuclear power without having to conduct nuclear explosions. In fact, it has been made entirely possible for the non-nuclear-weapon states to use nuclear explosives for peaceful application under procedures of international control. I am, therefore, at a loss to understand why a developing country like India should choose to divert immense resources to the acquisition of a nuclear-weapon capability when these could be utilized for the alleviation of poverty and disease.

8. Our policy for the last two years has been to make every effort to establish relations between India and Pakistan on a rational neighbourly basis. We do not wish to be deflected from that policy, as I said in my statement in Lahore on the 19th of last month. Your nuclear explosion, however, introduced an unbalanced factor at a time when progress was being made step-by-step towards a normalization of relations between our two countries and we had reason to look forward to equilibrium and tranquility in the sub-continent. When Pakistan's attempts to obtain even spare parts under treaty commitments cause an outcry in India not only unjustified but totally disproportionate, it would be unnatural to expect public opinion in Pakistan not to react to the chauvinistic jubilation widely expressed in India at the acquisition of a nuclear status.

9. We find it difficult to beileve that the deleterious effects of this new phenomenon can really be removed unless the nuclear-weapon powers undertake the obligation jointly or individually to defend a non-nuclear-weapon state against the nuclear threat and unless also a nuclear state, which wishes to forsake the development of nuclear weapons, does so through one or more

concrete and binding international instruments. Since you have declared that India does not want to develop nuclear weapons or to exercise a nuclear threat against any state, neither of these two components of a solution of the problem should be disagreeable to you.

10. The question of a binding agreement between a nuclear state and one or more non-nuclear-weapon states which would preclude the use or threat of nuclear weapons is something that can be taken up between the states concerned. The question of credible assurances to non-nuclear-weapon states is, however, one of global implications and, therefore, of direct concern to the United Nations. In the sixties, India was among the first to put forward the idea of a joint nuclear umbrella for the non-nuclear-weapon states.

I have, therefore addressed the Secretary General of the United Nations, which has the over-riding responsibility in this field, and the five permanent members of the Security Council, asking them to give this question their urgent attention.

11. You will agree that this matter is of tremendous importance to both your people and ours.

In view of its extraordinary nature, I propose to release to the press your letter and my answer after it will have reached you in Delhi.

This has become all the more necessary since the press has already reported the substance of your letter.

Yours sincerely,
ZULFIKAR ALI BHUTTO.

THE GREAT PROTEIN ROBBERY: NO. 26—THE STUDDS-MAGNUSON 200-MILE FISH BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. STUDDS. Mr. Speaker, in recent months I have submitted a number of examples of how foreign overfishing in the waters off New England has decimated the valuable fishing fleets of my district and of New England.

However, as can be seen from the following article from the Daily News-Miner of Fairbanks, Alaska, this problem is not restricted to New England, but affects the important fishing harvests off Alaska, also. My distinguished colleague from that State, DON YOUNG, recognizes the severity of this situation and is playing a leading role in the effort to enact the Studds-Magnuson bill, legislation that will be a giant first step toward revitalizing our important U.S. fishing industry.

I include the article from the Daily News-Miner in the RECORD:

THE 24TH ANNUAL PROGRESS EDITION, 1974: FOREIGN COMPETITORS SPOIL STATE FISHING

(NOTE.—The following review and forecast of the fishing industry in Alaska was prepared by the State Department of Economic Development, Irene Ryan, commissioner.)

The 1973 fishing season produced a near record low salmon harvest of about 22 million fish, strong shrimp and crab landings and very high prices for all species at every level of production; but the wholesale value of all seafood products produced will almost certainly be the highest in history. Indications are that the costs of plant and vessel operations in 1973 also reached record levels. Commercial utilization of plant wastes was initiated by a firm in Kodiak in response to environmental requirements.

Individual commercial fishing licenses sold by June 30 were up 34 per cent from the year before. Gear license sales were up more than 41 per cent.

The unprecedented increase in gear license sales, especially salmon gear, is attributed largely to a desire by many people to establish or re-establish a history of commercial fishing before the new limited entry law passed by the last regular session of the state legislature becomes effective, although this gives them no certain priority under the law.

SALMON HARVEST

The 1973 salmon catch of about 22 million fish was one of the smallest since the fishery began to develop over 70 years ago. Harvests since 1960 have averaged about 50.4 million fish and have ranged as high as 68.5 million (1970) and as low as 20.9 million (1967). Due to fluctuations in the pink salmon two-year life cycle, fewer pinks would be expected in an odd year. By averaging pink salmon catches only for odd years between 1960 and 1972, the total average salmon catch for the period falls to 44 million fish. The 1973 harvest is more accurately assessed when compared to this figure.

Pink salmon returns to most parts of the state and red salmon returns to the western region, especially Bristol Bay, were exceedingly low. Japanese fishing on the high seas intercepting salmon bound for Bristol Bay, and the Aleutian Islands continued to aggravate a situation which began with a heavy kill of juvenile fish in the cold winters of 1970–72. Pink salmon with a short two-year life cycle were the first species to show evidence of the severe winter mortalities. Other species, particularly chums and Bristol Bay reds, which mature at three to six years, are likely to show reduced returns in the future.

The evidence indicates that commercial salmon harvests in 1974 will be very poor and will probably fall even lower than the level experienced in 1973.

SALMON PRODUCTION

While salmon harvests in 1973 were about the lowest on record, market values, due to inflation, short supply and heavy demand, were by far the highest on record.

By August, 1973, exports of fresh and frozen salmon to Japan, (from the U.S.) had already reached an all time annual record of 15.4 million pounds. The previous high was in 1969 when 14.1 million pounds were exported. Japanese buyers have purchased more frozen salmon from Alaska and Puget Sound areas than can readily be sold.

*** quota system and except for the Chignik area most quotas are being filled. The Aleutian Island areas around Unalaska and Adak produced 27.9 million pounds in 1972 and 36.7 million pounds in 1971.

Based on 1967 average prices paid to fishermen, the value of king crab increased over 600 per cent from 12 cents to 78 cents per pound in September of 1973. From a total of some 30 different product groups (including most major species taken by U.S. fishermen) which were compared by the National Marine Fisheries Service, king crab showed the greatest increase in value during the seven-year period from 1967. By November 1973 the price had again increased to 84 cents per pound. In November 1972, the price was pegged at 46 cents to 47 cents. Statistics released recently indicate that king crab products produced in 1972 were valued at about $44 million at wholesale.

A catch of 5.4 million pounds of dungeness crab was reported through September 1973 compared to 4.7 million pounds in the same period during 1972. About 5.3 million pounds were caught during the entire year of 1972 and 3.7 million pounds in 1971.

The catch of tanner (snow) crab reached a record high 54.2 million pounds through September 1973, compared to 23.6 million pounds caught during the same period in 1972. The total harvest in 1972 was 29 million pounds and in 1971 was 12.9 million pounds. Prices to the fishermen are currently 20 cents per pound compared to 13 cents to 13½ cents in November of 1972. Increased tanner crab production is related to current good Japanese markets for shellstocks, improved methods of meat recovery and an absence of quota restrictions (except in Prince William Sound). The health of the tanner crab industry in Alaska is highly dependent on sales to Japan. The Japanese market has fallen off noticeably due to good domestic production in the Bering Sea and a more restrictive Japanese monetary policy (energy shortgage related). Unexpectedly high inventories have been created and it is likely that the market will soften in 1974. Prices in Alaska may be adversely affected.

SHRIMP

Shrimp harvests through September 1973 reached 79.0 million pounds compared to 59.6 million during the same period in 1972. Total annual harvest for 1972 was 81.3 million pounds and for 1971 was 94.9 million pounds. Most of the increased production last year came from the Chignik area where 17.5 million pounds were harvested compared to only four million pounds for the entire year of 1972. An additional increase of about three million pounds appears to be coming from the Alaska Peninsula area. These areas are not subject to catch quotas, while at Kodiak, the major production area, the quota is set at 55 million pounds. Plant expansion into the Shumagin Islands and plant requirements at Kodiak are primarily responsible for increased harvests.

HALIBUT

About 30 million pounds of halibut were delivered into West Coast ports in 1973. These fish are primarily caught off the Alaska coast by U.S. and Canadian vessels. In 1971 about 51 per cent of the catch was delivered into Alaska ports. The total catch last year of 30 million pounds compares to 43.0 million in 1972 and 46.7 million in 1971. Prices to the fishermen reached about 83 cents per pound last year compared to 65 cents per pound in September 1972.

Halibut catches have dropped considerably over the past ten years and concern is expressed over the condition of the resource. Much is known about the life history of Pacific halibut, and the management program developed and maintained by the International North Pacific Halibut Commission has had a long history of success. Responsibility for the current situation is apparently due to increasingly large catches of halibut by Japanese high-seas trawlers taken during other fishing operations. Harvest this year by the Japanese alone is estimated to be 15 million pounds, a high percentage of which is believed to consist of immature fish. The official Japanese position seems to be that conservation measures would interfere with major trawler operations and, thus, are economically impractical. U.S. and Canadian fisheries people feel that trawling operations could bypass known halibut nursery areas.

HERRING

Herring catch data for 1973 has not yet been compiled, however, utilization of this resource is escalating rapidly. In 1972, 1.9 million pounds were frozen whole, 5.3 million pounds were frozen as bait, 451,200 pounds of herring sac roe and 873,800 pounds of herring eggs on kelp were processed. Prices to the fishermen for herring were around $50.00 a ton in 1971. In 1973 processors were paying $150.00 to $160.00 a ton.

REGULATIONS

Regulations for implementing the limited entry law are currently being formed by the limited entry commission and are not expected to substantially influence the outcome of the 1974 season.

Fuel supplies during the existing shortage are being allocated to plants and vessels on the basis of purchases during 1973 on a month-by-month basis. Currently, operators can obtain about the same amounts as purchased from a given dealer at the same time last year. Obviously, if a plant was operating at a reduced schedule for some reason last year or of a vessel was not fishing, sufficient supplies may not be available for full scale operations this year.

The system will cause confusion, and in areas of Alaska where storage is inadequate and transportation time and distance are factors, fuel may temporarily be unavailable or vessels may put to sea with partially full tanks. Problems of supply will be compounded if allotments are reduced below the 1972 level.

The influx of new fishing and processing operations (those that did not operate in 1972) and the expansion and development of existing operations will be hampered by the fuel shortage. Records of average vessel operating costs indicate that fuel and lubricating supplies amount to about 10 to 15 per cent of total expenses (excluding depreciation, interest on investments and shared returns) for most operations.

FOREIGN TAX HAVENS AND FOREIGN SITUS TRUSTS: TAX LOOPHOLES THAT MUST BE PLUGGED

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. VANIK. Mr. Speaker, one of the fastest growing tax loopholes is the use of foreign situs trusts and foreign tax havens.

On March 1, I asked the Treasury Department for the latest information on the use of foreign trusts. The Department replied that—

> While they do not know how much tax avoidance is involved, the primary reason why an American would choose to use a foreign trust rather than a domestic trust is to reduce or defer U.S. taxes.

In essence, the tax advantage involved in the use of a foreign trust is summarized by the Department:

> The effect of the unlimited throwback rule in the case of a foreign trust may be characterized as an interest-free loan to such trust of the U.S. taxes which would have been paid had the trust distributed its income currently.

The full text of the Department's letter describing how foreign trusts work follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., May 17, 1974.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK. Thank you for your letter of March 1, 1974, regarding the taxation of foreign trusts. The principal tax advantages accruing to foreign trusts stem from the fact that foreign trusts are generally treated as non-resident aliens for U.S. tax purposes. As such, they are taxable only on their U.S. source income or their income which is effectively connected with the conduct of a U.S. trade or business; they are not taxed on U.S. source capital gains or interest from U.S. bank deposits unless such income is effectively connected with the conduct of a U.S. business.

The U.S. beneficiaries of a foreign trust are not taxable on the trust's income until they receive trust distributions. Upon such distributions, the beneficiaries pay taxes which equal what they would have paid had the accumulated income been distributed currently. This rule, known as the "unlimited throwback" rule, has applied to foreign trusts since 1962 and it was extended to distributions by domestic trusts by the 1969 Tax Reform Act.

Although the unlimited throwback rule assures that U.S. tax will ultimately be paid, it still allows unlimited deferral of the tax. During the period a foreign trust accumulates income, it does not pay U.S. tax on its foreign source income, U.S. capital gains, or interest on U.S. bank deposits. Although U.S. tax must ultimately be paid in the year of distribution to a U.S. beneficiary, this may be many years later, and in the meantime the trust has had the use of the money which would otherwise have been paid in taxes. By contrast, a domestic trust is taxable currently by the U.S. on all of its worldwide income. Accordingly, the effect of the unlimited throwback rule in the case of a foreign trust may be characterized as an interest-free loan to such trust of the U.S. taxes which would have been paid had the trust distributed its income currently.

During consideration of the 1969 Tax Reform Act, the Senate Finance Committee proposed that there be a special interest charge on beneficiaries receiving accumulation distributions at the rate of three percent per year from the time of accumulation to the time of distribution. This proposal was not enacted.

Our office does not at the present time have any statistics regarding the use of foreign trusts by U.S. citizens. However, all U.S. persons who establish or make transfers to foreign trusts are required to file with the Internal Revenue Service a regular gift tax return (if a gift is involved) and a special information Form 3520. Failure to file either form involves both civil and criminal penalties. Gift tax returns are subject to normal audit procedures regardless of the person or entity to which a gift is made.

Form 3520 requires data regarding the name of the trust, place of creation, name of trustee, the names, addresses, and birth dates of beneficiaries, terms of the trust regarding distribution and termination, and data regarding the kind, cost, and description of property transferred to the trust as well as the amount, if any, paid by the trust for property transferred. This form is filed with the IRS Office of International Operations and is immediately distributed to the Internal Revenue district where the taxpayer files his returns. The information on the form is then available to the agent who audits the taxpayer's return.

You asked whether the use of foreign trusts by Americans constitutes a serious problem of tax avoidance. Although the seriousness of the problem is debatable, it seems likely that in most cases the primary reason why an American would choose to use a foreign trust rather than a domestic trust is to reduce or defer U.S. taxes.

I hope this information will be of assistance to you.

Sincerely yours,
FREDERIC W. HICKMAN,
Assistant Secretary.

The Treasury Department's letter is a rather dry statement of the problem—others are much more imaginative.

There is a new publican called Tax Haven Review. In the first issue, the editor states:

> A regular and up-to-date information source on tax havens was urgently needed by lawyers, auditors, bankers, individual and professional money managers.
>
> Starting with this issue Tax Haven Review can inform you regularly about legal changes, political, economic and other facts affecting the safety of your investments in 35 tax havens.

The first issue describes the political and tax situation in Hong Kong, the Bahamas, Costa Rica, the Isle of Man, and the Cayman Islands. The tone of this new "newsletter" is well conveyed by some of the quotes from the Cayman Islands section:

> With a total population of 13,100, they [the Cayman Islands] now rate some 140 banks and trust companies and about 5,000 registered companies, one for every inhabitant of the capital, Georgetown.
>
> The Caymans also came relatively late to the tax haven scene, another big advantage. The authorities have deliberately enacted legislation which makes the islands an attractive tax shelter. . . .
>
> No area in the world is less taxed than the Caymans. There is an import tax, and stamp duties and registration fees are charged—and every male citizen over 18 pays CI$2 a year. But there are no income taxes, capital gains taxes, inheritance or other kinds of taxes.

The new publication also provides a "not-so-grim fairytale" of how the foreign situs trust can help avoid taxes. Following are portions of the "fairytale":

THE FOREIGN SITUS TRUST: A NOT-SO-GRIM FAIRY TALE

(By Lloyd E. Shefsky and Lee R. Barbakoff)

INTRODUCTION

Once upon a time, in the Kingdom of Alltax, there lived a knight who had accumulated great wealth. The knight lived with his wife and three children in a beautiful palace, and wanted for nothing that could be needed or desired by man. The knight had accumulated this great wealth by favor of the King, for whom he had fought great battles, expanding the jurisdiction and improving the economy of the Kingdom. However, the jurisdiction required maintenance, and the economy required constant priming. The King was therefore left with little alternative but to assess increasingly by heavier taxes. So the King assessed a tax on income, a tax on death, a tax on gifts and other taxes far too numerous to mention. All the inhabitants of the Kingdom felt the burden of the heavy taxation.

The knight, after reviewing the various tax decrees and discussing them with the various counsellors of the court, so arranged his affairs that his properties and his valuable assets would be transferred to a nobleman of another kingdom, to be held in safekeeping in accordance with the knight's instructions. The knight was most careful in his planning and implementation of the transfers to the nobleman in the other kingdom, and, in so doing, the knight managed to avoid most of the burden of the income tax, the death tax, and the gift tax. And the knight and his family lived happily ever after.

There is only one thing wrong with this fairy tale: It need not be a fairly tale, it can, and does, happen.

UNITED STATES TAXES

The impact of that fairy tale becomes most startlingly apparent, when we examine the various tax laws imposed in the U.S. Unlike many countries in the world which have adopted a "mind and management" concept of taxation, the basic and underlying principle of taxation in the U.S., is one of universality. A person (which includes a citizen of the U.S. and a trust whose situs is in the U.S.) is taxable by the U.S. on all of his income, regardless of the source or derivation of that income. This burden may be alleviated in some cases by granting credit for taxes paid to foreign jurisdictions, and by excluding some income earned abroad by persons absent from the U.S. for substantial periods of time. However, by and large, the principle of universality of income does apply. Substantially, the same principle applies to the U.S. estate tax imposed on the estate of a deceased U.S. citizen. Keeping in mind that principle of universality, let us examine the nature and impact of the various taxes in the U.S. persons establishing or dealing with trusts in other jurisdictions.

CASE STUDY

Perhaps, the effect of such programs can best be seen by analyzing a hypothetical example.

Mr. I. M. Taxed, a U.S. citizen, resident in Chicago, Illinois, is 52 years old, a widower with three adult children and five minor grandchildren. He started his own business (High Flyer, Inc.) thirty years ago. The business prospered, and, four years ago, High Flyer, Inc. was acquired by Stable Industries, Inc., a publicly held conglomerate, whose stock is traded on the New York Stock Exchange. The stock in Stable Industries, Inc. which Mr. Taxed received presently is valued at $5,000,000 and is readily tradable. His other assets are valued at $1,000,000.

Despite his success and fortune, Mr. Taxed is somewhat concerned, because Stable Industries, Inc. is highly growth oriented and pays extremely low dividends. He anticipates retirement in about 5 years and would prefer diversified investments with reasonable yields, enabling him to live comfortably without invading principal. He would like to sell $4,000,000 of Stable Industries, Inc. stock and reinvest the proceeds in diversified municipal bonds. He goes to his tax counsellors to learn the tax ramifications of such a transaction and to review his overall estate plan.

The following is a summary of the analysis which his tax counsellors presented:

Sale of $4,000,000 of Stable Industries, Inc. Stock:

Basis of stock—approximate = zero.

Effective Federal tax rate, including tax preference = 40%.

Tax on sale: $4,000,000 × 40% = $1,600,000.

State Tax at 2.5% = $100,000.

Investment of $2,300,000 remainder:

Reasonably secure 6% tax free bonds that will yield $138,000 tax free income, which will be sufficient for his needs and will be expended each year. (It is assumed that Mr. Taxed will not purchase highly leveraged tax shelter investments, which might effectively preclude his purchasing tax free bonds.)

Estate Tax:

Assuming that a taxable estate of $4,300,000 remains after payment of the tax on sale of the stock:

Estate and Inheritance Tax = Approx. $2,300,000.

Summary of Results:

	Amounts	Percentages
Estate at beginning of example	$6, 000, 000	100
Less—		
Federal and State tax on sale	(1, 700, 000)	(28⅓)
Federal and State death taxes	(2, 300, 000)	(35⅓)
Remainder to heirs	2, 000, 000	33⅓

The example may seem extreme, but, in fact, may reasonably aproximate many actual situations. In the example, 66⅔% of the estate will be consumed by taxes, with only 33⅓% left to distribute to Mr. Taxed's heirs. Even if he does not sell the stock, death taxes would approximate $3,500,000, leaving only approximately 40% for his heirs, and meanwhile, he would not have the income flow for retirement. Mr. Taxed, upon viewing the result, may wonder why he worked so hard to build up a business for the sake of the government.

Mr. Taxed, somewhat stunned and highly motivated by the analysis, would no doubt inquire of his tax counsellors how the potential taxes might be minimized without disrupting his plans and goals. His tax counsellors, might propose one of the sophisticated methods of utilizing foreign-situs trusts to achieve the desired result. The effect of such a transaction, on the same factual situation, might be as follows:

Assume that a trust had been settled in the Bahamas, with a Bahamian trust company acting as trustee, for the children and grandchildren of Mr. Taxed. Mr. Taxed could enter into a transaction with the trust, whereby he sells $4,000,000 of his stock to the trust, in exchange for which the Trustee promises to pay him $366,000 per year, for the rest of his life, on a private annuity basis.

Mr. Taxed:

Sale of $4,000,000 of Stable Industries, Inc. stock to a foreign trust in exchange for a private annuity:

Tax at time of Sale: None

Return to Mr. Taxed on Private Annuity:

Annual Payment	$366, 000
Capital Gains	[1] 166, 000
Tax on Capital Gain	(66, 400)
Ordinary Income	[1] 200, 000
Tax on Ordinary Income	(120, 000)
Annual After-Tax Cash Flow	180, 000

Number of Years Life Expectancy: 24.

Estate and Inheritance Taxes:

Balance of Estate (all assets not transferred in private annuity)	$2, 000, 000
Estate and Inheritance Tax	(900, 000)
Available for Distribution to Beneficiaries of Estate	1, 100, 000
Trust:	
Investment Principal	4, 000, 000
Annual Return on Investment (Assumes 10% Return) [2]	400, 000
Annual Annuity Payments	(366, 000)
Estimated Fees and Costs	(24, 000)

Net Annual Cash Flow: $10,000.

Estimated Term of Trust: 24.

Estimate Compounded Cash Flow over Life of Trust	885, 000
Aggregate Principal and Income Distributable to Beneficiaries	4, 885, 000
Tax on Repatriation of Funds on Distribution	$1, 221, 000
Net to Beneficiaries	3, 664, 000

[1] Since there was a zero basis in the stock, there could not be any recovery of capital.

[2] The 10% return is used to equate the 6% municipal return in the prior example with the theoretical after-tax return on capital gains. In fact, certain trusts have achieved returns for in excess of the assumed annual rates of 10%. To the extent the 10% yield is exceeded, the balance in the trust will grow geometrically because of the absence of tax and the compound interest factor.

Summary of Results for Mr. Taxed and Trust:

	Amounts	Percentages
Estate at beginning of example	$6, 000, 000	100. 0
Estate in United States at death	2, 00, 0000	33. 0
Less Federal and State death taxes	(900, 000)	15. 0
Distribution to heirs from foreign trust	4, 885, 000	81. 4
Less capital gains tax	(1, 221, 000)	20. 3
Remainder to heirs	4, 763, 000	79. 5
Estimated additional cash		
Flow to annuitant over life expectancy		
[($180,000–138,000)×24]	1, 008, 000	16. 8
Total benefits	5, 771, 000	96. 3

The net result is that Mr. Taxed's heirs will be left an additional $2,763,000 which they otherwise could not have received, and that Mr. Taxed would have an additional $42,000 per year of cash flow throughout the rest of his life or an aggregate cash flow over expected life of $1,008,000. Additional savings might be recognized, since personal property taxes would not be assessable against the trust property, which would be held outside the U.S. The procedure and result are not substantially different than that of the knight in the fairy tale. (Another alternative might be for Mr. Taxed to sell his stock to the trust on an installment basis. The installment receivable would remain in Mr. Taxed's estate; however, the payments could be deferred over a longer period of time than his estimated or actual life.)

The rather substantial benefits derived in the example are partially a function of the amounts involved; however, similarly significant benefits are available in smaller estates with proper planning.

Mr. Speaker, I am not for high taxes or against individuals legally reducing their taxes. But I believe that our tax system should be as fair as possible—and that tax shelters available to only the wealthy should be eliminated. The foreign trust is a tax shelter for the rich, and I am hopeful that the Ways and Means Committee will be able to take action this year to eliminate the foreign situs trust gimmick.

BALANCING MAN AND NATURE IN THE CHESAPEAKE BAY—PART III

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BAUMAN. Mr. Speaker, America's largest and most important estuary, the Chesapeake Bay, is the object of considerable serious scientific study. Earlier this week, I inserted in the RECORD the first two installments in a series of articles on the bay by Woody West, of the Washington Star-News, and today I am inserting part three, which examines in detail this scientific study.

As Mr. West notes, one of the most important aspects of the scientific study under way is a project known as the Chesapeake Bay Hydraulic Model, now under construction at Mattapeake, on Kent Island, an area I am honored to have within the congressional district I represent. The model was established through the efforts of my predecessors as U.S. Representatives from the First District of Maryland, the late Bill Mills, and Interior Secretary Rog Morton. Only last week the House appropriated an additional $3 million for continued construction of the model. I strongly support this project, and hope that the potential it offers is augmented by the creation of a formal Chesapeake Bay Compact, to study and implement the knowledge gained by this model and other scientific study of the bay.

Mr. West's article notes the fact that, along with 16 cosponsors from Maryland, Virginia, and Delaware. I introduced legislation several months ago to permit creation of such a compact to study and guide the Chesapeake Bay's future. But he also notes the reluctance with which it has been met, and I must admit that I am disappointed by the fact that the Judiciary Committee has chosen to ignore the bill in spite of the obvious need for quick action. As Mr. West writes at the end of this article:

It is a race against time.

The article follows:

MAN AND NATURE IN A RACE AGAINST TIME

(By Woody West)

This is the third of a four-part series on Chesapeake Bay, the forces that threaten it and its future with regard to the millions of people in this area who depend on it for work and pleasure. Today: The role of science in Bay affairs.

As the pressures from a frantically swelling urban population continue to multiply around the Chesapeake Bay and its tributaries, science has a focal role in determining the future of this extra-ordinary resource.

The present population of more than 8 million people—stretching from the Susquehanna River basin to Norfolk-Newport News—is projected to more than double, perhaps as soon as the end of the century.

There is apprehension among leading Bay scientists and administrators that the public, whose lethargy about environment has only begun to diminish in recent years, may decide to pass the word to the scientific community one of these days: Take care of the problem and do it on the double.

"If we can put a man on the moon, why can't we . . ." became a tedious chorus after the epochal Apollo flight.

But Dr. William J. Hargis Jr., director of the Virginia Institute of Marine Science, deflates that simplistic view as applied to the Bay "In the space program" he said, "they were dealing with hardware and predictables far beyond what can be done in the environment, in the Chesapeake.

"Public consciousness about the environment has not yet translated into providing the means to gain timely and essential data that is necessary to deal with many of these pressures on the Bay. And, remember, it always costs more to do studies under a deadline. In many of these areas you just can't rush. You're dealing with Mother Nature and as the margarine ad says, she doesn't like to be trifled with." Hargis added.

A striking example of this complexity was provided in a key study for the National Science Foundation in 1972, which called for a mobilization and coalescence of research about the Chesapeake and its application to the needs of society.

Suppose, the study posited, that both Maryland and Virginia were to ban the use of selected pesticides. What could happen?

There would be gains: Cleaner water from reduced agricultural runoff, more sports fisheries, increased commercial fishing, and additional water recreation with related employment opportunities.

Then the study dropped the inevitable "on the other hand." There would be potential losses from the prohibition: Reduced agricultural yields, decline in vital poultry production caused by higher prices for feed grains, reduced employment in poultry processing, and increased consumer prices for poultry products.

So intricately interwoven man and nature that the complexity of the problem grows. On the side of potential gains for the pesticide ban, the study reflected further, could come these questions: Given cleaner water, what would be the increased biological activity. If there were increased biological activity, what would be the effect on employment, on land values and use for sports and commercial fisheries, as well as for boating and recreation.

But the potential losses, too, would raise other questions: If the prohibition reduced agricultural yields, what new crop patterns might emerge and what effect could this have on employment: Given a reduced production of feed grains, would there follow a contraction of the poultry industry and jobs in processing plants?

Finally, might these various potential changes, or a combination of them, have an impact on migration of people into or out of particular areas of Virginia and Maryland? Would potential gains require new schools, roads, hospitals or on the contrary, stimulate pressures to abandon some of these facilities? Would changing employment create new demands for more skilled workers or more service workers?

The formidable chart of possibilities from one specific effect is a daunting example of what Johns Hopkins University's Dr. Donald W. Pritchard calls the fundamental precept of environmental research: "There are no simple answers."

Pritchard, Hargis and Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute, have for decades constituted an influential triumvirate in Bay scientific affairs. They no longer are lonesome.

The magnitude of scientific scurrying becomes apparent in the "Chesapeake Technical Conference and Chowder and Marching Society," a whimsically labeled creation of Dr. Donald W. Lear Jr. one of the Annapolis field office of the Environmental Protection Agency.

A few years back, Lear decided it would be helpful if all the institutions, agencies and private firms engaged in Chesapeake-related research were to meet informally each year to find out who was doing what and when. Some 40 representatives turned out for the first get together, appropriately held at a Southern Maryland crab house.

This year's session had a roll call of 51 groups, which ranged from the obvious governmental agencies and academic contingents to the Ichthyological Association from Delaware, the Martin-Marietta Corps., the Westinghouse Ocean Research Laboratory and a consultant in phytoplankton taxonomy.

One of the first collective efforts was the Chesapeake Research Council. It is composed basically of Hargis, Cronin and Pritchard. It is, as Cronin says, "almost unstructured—it was organized on my back porch one afternoon when we decided we needed a mechanism for cooperative programs, to approach the Bay as the unified.

A more recent groupings, and potentially the most significant development on Chesapeake Bay thus far, is the Chesapeake Research Consortium. Its incorporation in 1972, as an umbrella administrative unit for much Bay research and as a conduct for a sizable wad of federal research dollars, embodies a major policy direction for environmental investigation and seeks to include the "managers" of the Chesapeake—the local, state and federal agencies that have a daily jurisdiction in Bay affairs.

Essentially, it provided the marching orders for much of the scientific energies available around the Chesapeake. Increasingly, the emphasis is toward what Pritchard calls 'the early application of research results to the needs of society."

The still-young consortium has not been without growing pains, which its director, Dr. Theodore Chamberlain, describes as "highly sensitive." However, there is agreement among Bay observers that the consortium is an essential beginning toward cooperation, scientific and managerial, even if it is not the final mechanism.

The motivation of many researchers has been that of "pure" science, committed to rigorously pursuing a natural phenomenon wherever it might lead. However a more pragmatic dictate to solve the Bay's environmental problems has encountered a degree of resistance from some of these investigators.

Another criticism of the still-young consortium at this stage is that it is not sufficiently broad-based, both in academic participants and sources of financing. The consortium's board of directors has set up a committee to study ways to enlarge both areas.

For now, however, the consortium remains the broadest-based and dominant group of its kind. Its director, Dr. Chamberlain, puts its aim this way:

"We're going to have to put a social value on everything we do. It's no longer possible to make statements about aspects of the system without doing this. Right now, there's what might be called a dynamic equilibrium in this entire area—everything's changing in every way."

Maryland's Coulter, whose Natural Resources Department has major responsibilities for the state's portion of the Bay, feels the consortium "has the potential to be the best thing that has yet come down the pike. For the first time, the major institutions of science and government are talking, planning with each other. We're over the hump of bringing these competing organizations together."

It is co-ordinating, for instance, a massive study of waste-water disposal, the most critical development pressure on the Chesapeake and its tributaries. Another current study involves minute investigation of the fragile wetlands and shorelines of the Bay area—over 8,500 miles of sensitive shoreline buffeted both by man and weather.

Concurrently, the various institutions are continuing their own studies—on the life cycle and culture of the valuable oyster and marketing processes; on the effects of heavy metals—zinc and lead, copper and mercury—on studies of parasites and exotic forms of aquatic plant life; on spawning grounds and migratory patterns of Bay species; on nutrient loading, spoil disposal from dredging, tides and currents, sediment control, pesticides and biocides.

Much of this diverse scientific engineering information, as well as socioeconomic aspects of the Bay area, now is being collated by the Army Corps of Engineers in what will be the first comprehensive inventory of such data. This "existing conditions" study will be followed by a "future conditions" report, projecting what can be expected to happen on the Bay in coming years.

The "existing conditions" study, a massive compilation, has taken nearly five years.

Part of the congressional directive under which the Corps is working is a sophisticated hydraulic model of the Chesapeake, a 14-acre shelter for which is now being completed at Mattapeake or Kent Island just east of the twin Bay Bridge.

That model will duplicate in miniature the physical properties of the Bay, tides and currents, tributary flows, and salinity levels so that an event—the onslaught of a Tropical Storm Agnes, for instance—can be simulated in the device to indicate what results will follow. It will be able in three days to process a year's accumulation of data, Corps spokesmen say, and thus permit a speedy calculation of the effects of a major storm's effects.

But beyond the present mechanisms and those institutions attempting to act as catalysts to preserve the Bay, there should be some more formal, more potent structure, according to many scientists and administrators who are thinking of, perhaps, a semi-autonomous bistate agency.

Maryland's Cronin said, "I've hoped for many years that the two states can find an effective way for bi-state action, based on aggressive and positive action and supplemented by the federal government, to approach and to manage the bay as the single unit it is—the single physical, chemical, biological and environment entity that it obviously is."

He added, though, that he had seen on effective movement by Maryland and Virginia toward that concept."

Discussion of such a regional governing body has bobbed about the Bay for half a dozen years, inconclusively. A Chesapeake Bay Compact has been discussed but, so far, has met with reluctance at key points.

The most recent wave in this direction came in April when Rep. Robert E. Bauman, a Republican from Maryland's Eastern Shore, introduced legislation to permit formation of such an inter-state agency. Bauman was joined by 16 colleagues from the Bay states and Delaware.

So there it stands—a vast store of scientific energies and capabilities, a mountain of often conflicting interests, and a groping attempt to bring these vital functions into something approaching a unified whole. It is a race against time.

COMMUNICATION WITH CONSTITUENTS

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BRAY. Mr. Speaker, next to the mailman the Member of Congress is the Federal official closest to the individual citizen. This is often overlooked or ignored. Also seldom realized is the fact that through the Congressman the citizen has a direct and rapid pipeline to the Federal Government—any part of it—at any time on any matter. This is a very real freedom that must be preserved and strengthened.

A public opinion poll is probably the very best way of keeping this pipeline open and in constant use. It enhances the regular communication I have with my constituents and generates new and widespread interest in pending issues. As in past years, the results from the poll will be tabulated and inserted into the RECORD, with everyone being polled getting a copy of the insert.

The questions follow, for "Your Opinion, Please—1974":

(1) If busing school children for racial reasons is not banned by the Supreme Court, would you favor a constitutional amendment?

(2) Should there be Federal legislation requiring registration of rifles and shotguns, and prohibiting private ownership of handguns?

(3) Should the U.S. keep control over the Panama Canal?

(4) Should there be Federal Government regulation of the use of privately-owned and state-owned land?

(5) Should political campaigns be financed out of the Federal Treasury?

(6) Should there be a Federal law setting the death penalty for "terrorist" crimes, such as kidnapping when the victim is harmed, sky-jacking and assassination?

MINIMUM WAGE LAW

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ROUSH. Mr. Speaker, the minimum wage law became effective on May 1 of this year, after several years of serious, protracted effort on the part of the Congress to increase the below-poverty level minimum wage rate.

I was personally shocked to find out that the Department of Labor is evidently not equipped to handle the questions of people who are subject to the new provisions of that law. A constituent from my district in Indiana contacted the local Labor Department office, was referred to the Indianapolis office and in despair, finally gave up and called me. It seems to me that if people are required to abide by the law, at least we owe them the decency to make sure that they know what it is. Do not we have a tradition in this country that all laws are printed because otherwise the citizenry is not responsible to those laws? Well, with the complexity of present day legislation I think it is incumbent upon the departments of Government that administer these laws to provide full, detailed, specific, and understandable explanations of these laws.

The Education Amendments of 1972 are not fully implemented because HEW is still working over the part dealing with equality of education in physical education. And I found out, purely by accident, that a tax bill passed in 1969 could not be implemented until 1972 because that's when the regulations were finished. I am afraid we will not be able to fund communities that wish to make use of the funds provided under the emergency medical services bill last year because regulations are still in the works on that. Legislation we pass that has a termination date is ready to expire before people find out about it and use it. I do not think any of this fair to the American people and I do not blame them when they complain.

THE NATION'S LIVESTOCK FEEDER CRISIS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ZWACH. Mr. Speaker, during the past few days I have received numerous calls and telegrams in regard to the falling beef market prices.

Tuesday's market dropped to 35 cents on beef in St. Paul, and hog prices have dropped to pre-1972 levels.

With your permission, Mr. Speaker, I would like to insert into the RECORD a mailgram I received from the National Livestock Dealers Association. It hits the nail on the head, and reads as follows:

[Mailgram]

BRIGHTON, COLO.,
June 11, 1974.

Representative JOHN ZWACH,
Committee on Agriculture, U.S. House of Representatives, Washington, D.C.:

Each day while the Nation's livestock industry continues to call attention to the crisis situation that exists, and urges immediate action for relief. Economic disaster reaches further into all segments of the industry. As the result of the tremendous losses being suffered by the nation's livestock feeders, the industry unable to purchase replacement stock even if such businesses can find any feasible economic basis for so doing. As a result, the nation's livestock marketing system is in a severe situation and its entire existence as known is threatened.

Livestock marketing businesses around the country report business off up to 75 percent to 80 percent during the past several months, with some closings, at least temporary, and others reporting employee lay-off others are threatened with actual bankruptcy, a continuation of the critical and unpredictable market situation dangerously threatens the nation's livestock marketing industry.

The board of directors of the National Livestock Dealers Association meeting in Chicago, Illinois, on June 8 and 9 adopted the following four-point proposal which it urges be immediately implemented to provide relief to the critically dangerous situation in the livestock industry:

1. Implementation of an immediate embargo on all meat imports entering the United States to be effective until January 1, 1975, and followed at that time by a reimposition of quotas under the Meat Import Act of 1964.

2. Authorization for the SBA and/or the FHA for loan guarantees to the livestock industry and funding of $1 billion to support such guarantees.

3. Limiting of U.S. purchases of meat and meat products, including military purchases, to those products produced in the United States.

4. Changing meat grading standards so that over feeding of cattle will not be encouraged, but so that the consumer will be guaranteed a leaner product with the same degree of quality now enjoyed.

All segments of the industry face bankruptcy if relief is not forthcoming, the

American consumer will suffer the consequences. We urge immediate action.

NATIONAL LIVESTOCK DEALERS ASSOCIATION,
JOHN C. AUGUSTINE, *Executive Director.*

ABOUT AMERICANS IN FOREIGN JAILS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. WOLFF. Mr. Speaker, as Americans contemplate traveling outside the United States this summer, they should be aware of the stiff drug abuse laws that exist in many foreign countries. Most of the Americans held in foreign jails are now facing drug charges or convictions, with some offenders facing sentences of up to 30 years.

U.S. News & World Report has written an informative article on this subject, and I would like to insert it in the RECORD for the attention of my colleagues. In an attempt to end the misinformation and lack of information on foreign drug laws, I have introduced legislation which would direct the Attorney General to prepare a pamphlet explaining the drug abuse laws of certain foreign countries and to require the distribution of the pamphlet to passengers traveling on an air or water carrier to foreign countries. The U.S. News & World Report article, which points out the need for the legislation I have introduced, follows:

[From the U.S. News & World Report, June 17, 1974]

ABOUT AMERICANS IN FOREIGN JAILS

You often read of American visitors abroad being arrested, frequently on narcotics charges, and then sentenced to long terms in foreign prisons. How big a problem is this?

At the latest count, the State Department had records of 1,492 Americans detained in jails of 59 countries. Most of them—1,013—were being held on drug charges or convictions. The remainder had been arrested on charges including robbery, assault, extortion, rape and murder.

Which countries hold the most American prisoners?

Mexico, with 470 imprisoned Americans, heads the list. Canada, Germany, the United Kingdom and Spain follow, in that order. Forty-two Americans are still in Cuban jails, 11 of them on drug charges.

What help are U.S. authorities able to give these Americans in trouble?

Very little—unfortunately so, in the cases of some prisoners.

What many Americans seem to forget when they are in another country is that they are no longer under the protection of U.S. law. Many are shocked, after they are detained by police, to discover they are liable to punishment under a largely unfamiliar legal system. Prison sentences may be far more severe than they would be for similar offenses committed in the U.S.

Aren't there any actions that U.S. officials can take?

Yes—but always with the recognition that under international law each country has the right to punish violators of its laws.

For example, U.S. consular officials watch to be sure that Americans are not treated more harshly by the courts than nationals of the country.

The U.S. Government is also concerned when prison sentences, even though applied equally to both Americans and nationals, appear to be excessive. Consular officials are also supposed to be of assistance in finding lawyers and verifying that adequate opportunity has been given to prepare a defense.

Consuls are instructed to visit Americans in foreign jails; see that they receive sufficient food, toilet articles and medicines, and, when possible, attend their trials.

Several American youths were recently tried and sentenced in Turkey on drug charges. What happened there?

Those still imprisoned in Turkey from that case are Katherine Zenz, 28, of Lancaster, Wis.; Jo Ann McDaniel, 29, of Coos Bay, Oreg., and Robert Hubbard, 23, of San Antonio. All were accused of smuggling hashish and were sentenced to death, although Mr. Hubbard testified that the women were unaware of the narcotics.

Later a court commuted the sentences to life imprisonment. However, an amnesty law recently passed in Turkey is expected to make all three eligible for release after 12 years.

In another case, William Hayes, a 27-year-old American, was arrested as he was leaving Turkey and charged with possession of hashish. He was given a five-year sentence. The Turkish Government, dissatisfied with the sentence, appealed to a higher court which ruled that Mr. Hayes should serve a 30-year term. However, the new amnesty law would permit his release in eight years.

Even though international law provides no legal justification for protesting against an "excessively harsh" sentence, the State Department has stated that it considers the life sentences much too harsh.

Unofficial talks have been held with Turkish leaders in an effort to get the sentences reduced.

It seems as though countries which are major producers of narcotics are the ones that impose the toughest penalties when they detain an American. Why is this so?

Some countries—Afghanistan, Turkey and India, for examples—only a few years ago thought of drug usage as a habit of foreigners. They now realize that their own youths have been infected, and they are far less lenient.

There's another side to the story, too: In country after country, there is a growing revulsion against the influx of "hippies" from the U.S. and some Western European nations.

A reaction has set in against "hippie" colonies and drug usage by their inhabitants. Countries are now expelling, or turning back, foreign visitors with long hair and unacceptable forms of dress.

Can Americans arrested abroad be released on bail?

Generally not. And their confinement before trial can last as long as a year in various countries.

Foreign courts in some cases make little distinction between the possession of "hard" drugs, such as heroin, and the possession of marijuana. Often there's no line drawn between possession for personal use and for sale. First-time offenders may get the maximum sentence.

Some examples of what can happen:

Possession of a drug in Mexico, except in the case of an addict, calls for a prison sentence of from two to nine years and a fine of from $80 to $800. Trafficking in drugs brings a jail term of from three to 10 years and a fine of from $160 to $1,600. Pretrial confinement in Mexico lasts between six and 12 months.

Possession for personal use in Greece is punishable by a prison term of not less than two years. Maximum sentence for trafficking is 10 years. Of the 27 Americans now detained in Greece on drug charges, several are serving four and six-year sentences.

The present cosponsors of the resolution are Representatives ABZUG, ADDABBO, BADILLO, BRASCO, BROWN of Michigan, BROWN of California, BUCHANAN, CEDERBERG, COLLINS of Illinois, CONYERS, DELLUMS, DE LUGO, DENT, EDWARDS of California, EILBERG, FRASER, HARRINGTON, HELSTOSKI, KOCH, METCALFE, MCKINNEY, MITCHELL of Maryland, MOSS, STARK, THOMPSON of New Jersey, CHARLES H. WILSON of California, and HOLTZMAN.

SHORTAGES AND THE ENERGY CRISIS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ARCHER. Mr. Speaker, there has been much concern in this Congress over our energy shortage and the steps necessary to meet that problem. I recently received a letter from Mr. Hiram I. Walker, president of the Walker-Huthnance Offshore Co., in Houston, Tex.

Mr. Walker details in his letter the problem he has been experiencing in securing equipment to run and operate his drilling rigs which are necessary to produce energy. He sent with his letter a list of the supply company's estimated delivery date for equipment necessary to run his drilling rigs. I call it to the attention of my colleagues. I have selected only a number of items to illustrate the problem.

The letter follows:

WALKER-HUTHNANCE OFFSHORE CO.,
Houston, Tex., May 24, 1974.

Hon. WILLIAM R. ARCHER,
Washington, D.C.

DEAR BILL: In regard to our conversation of this week, enclosed is a supply company's estimated delivery date for equipment we might purchase from them to run and operate our drilling rigs, which, of course, is a source for oil and gas.

We ordered some tool joints this year from the Hughes Tool Company and we were informed we could expect delivery in 1979.

Also in regard to our conversation the following pertain to the ranch business:

1. In order to obtain steel fence posts and barbed wire, I had to drive 120 miles past Kansas City, Missouri to get them.
2. Baling wire was obtained at $30.00 a roll, this is up from $13.00, after approximately 6 months of searching.
3. A dual wheel pick up truck, I obtained after a 7 month wait. (wheels and hubs were unobtainable)
4. I waited 8 months to obtain a goose neck cattle trailer because of the shortage of wheels. I finally gave up and I'm going to drive them to the market, but I will need a chit from the environmentalist as we will raise a lot of dust.

The United States is a country of shortages and in my opinion, it is due to governmental regulations and the government being anti free enterprise.

If I can ever help you, please let me know.

Yours very truly,

HIRAM I. WALKER.

MANUFACTURERS ESTIMATED DELIVERY LEAD TIMES

Baylor Company (Brakes), 9–12 months.

Bear Manufacturing Company (Automatic Drillers), 2 months.

Cameron Iron Works (Blowout Preventers and Manifolds), 12–14 months.

Caterpillar Tractor Company, 9–12 months.

Dresser-Swaco (Automatic Drillers), 3 months.

Drilling Well Control (Chokes), 4–6 months.

Goodall Rubber Company (Hose Goods), 3–6 months.

Gray Tool Company, 4–6 months.

Ingersoll Rand (Air Hoists), 4–5 months.

Philadelphia Gear (Mud Mixers), 8–10 months.

Rucker Shaffer (Valves), 8–12 months.

Well Control (Degasser), 3–4 months.

MOUNTAINSIDE NAMED BICENTENNIAL COMMUNITY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RINALDO. Mr. Speaker, of the 588 county and municipal entities in the State of New Jersey, 37 have been designated as Bicentennial communities. In reviewing a list of these today, I was extremely pleased to note that six of them—or 16 percent of the total—are part of the 12th Congressional District.

I make this observation because Mountainside, N.J., has been designated as the sixth Bicentennial community in my district. On Saturday, June 15, the Mountainside Cultural and Heritage Committee will hold a special observance at the local library to commemorate the honor that has come to the borough.

As you know, the American Revolution Bicentennial Commission has set rigid standards for municipalities seeking official recognition as Bicentennial communities. Any municipality that aspires to fly the flag signifying its right to observe the 200th anniversary of the signing of the Declaration of Independence must propose a program of true historic and cultural import.

The resourceful and determined members of the Cultural and Heritage Committee in Mountainside have prepared such a program and won their Bicentennial flag. Chairman Matthew Powers and his committee have planned a series of projects that are intended to remind citizens of the future of Mountainside's historic role in the building of this great Nation of ours.

When Mountainside began its planning for the Bicentennial observance, the borough encountered a problem facing many relatively young communities. Only a few years past the observance of the 75th anniversary of its own incorporation, Mountainside as such did not exist in 1776.

However, the committee came up with an ingenious approach that has been commended by officials of the Bicentennial Commitee in Washingon. They proposed burying a time capsule containing contemporary accounts of life in 20th century Mountainside, plus records and artifacts regarding the public officials of our time. One hundred years from now, when the United States will be celebrating its Tricentennial, the 21st century residents of Mountainside will have an accurate record of how their 20th century predecessors lived.

I believe this unique approach of the borough of Mountainside deserves the sincerest form of flattery on the part of other communities in this Nation, which would do well to emulate Mountainside's example.

Additionally, the committee decided to restore the Badgely house, a structure that dates back to 1695. In prerevolutionary times, the Badgely house served as an outpost for settlers along the ridge of the Watchung Mountains. During the war itself, it was pressed into service as a refuge for colonists sought by the British troops who roamed through the area.

The Mountainside Cultural and Heritage Commission has already sponsored a display as part of its Bicentennial celebration. And plans are in the works for an international festival this coming September.

So, Mr. Speaker, I believe that the borough of Mountainside deserves to be commended for its creative and innovative approach to marking the 200th anniversary of the founding of our Nation.

ON THE RIGHTS OF THE LITHUANIAN PEOPLE, ANNIVERSARY DATE IS SATURDAY, JUNE 15

HON. JOSEPH P. VIGORITO

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. VIGORITO. Mr. Speaker, with much frustration and sorrow, millions of Lithuanians throughout the free world are commemorating the forcible annexation of Lithuania by the Soviet Union on June 15, 1940, and the subsequent mass deportations of thousands of Lithuanians to Siberian concentration camps.

Lithuanian-Americans who live in our free society note that 34 years have passed and still their brothers and sisters in Lithuania are denied the right of self-determination. These people are unable to freely express themselves politically and certainly do not have freedom of religion. The people of Lithuania are frankly being denied their basic human rights.

Free Lithuanians throughout the world are justly asking the United States to remain steadfast on its policy of nonrecognition of the forcible incorporation of the Baltic States, including Lithuania, into the Soviet Union. In the face of talks about détente with the Soviet Union, the United States should not agree to the recognition of the Soviet Union's annexation of Lithuania, Latvia, and Estonia.

In discussions with the Soviets, our U.S. representatives should press for the loosening of Russia's stranglehold on the people of Lithuania by allowing the following measures: Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic area; increase the current 5-day tourist visa to Lithuania to a more reasonable limit; elimination of unreasonable travel restrictions on tourists to Lithuania, and provisions for Lithuanians to immigrate to other countries as provided by the Charter of the United States and signed by the Soviet Union.

The Soviet Union can only expect détente and most favored nation trade status if it at least allows a small degree of freedom for its people in relation to the rest of the world.

Lithuanian-Americans are especially concerned about the continuing strife of their fellow Lithuanians. They are freedom-loving people who wish only the basic human freedoms which are not yet theirs. I call upon Congress and the people of the United States to back the citizens of Lithuania in their quest for freedom.

FINANCIAL STATEMENT

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. PARRIS. Mr. Speaker, as an elected official in a position of public trust, I have felt an obligation in the past to make public information regarding my personal finances. In past campaigns as a candidate for public office, I have disclosed to the residents of my district the facts of my financial condition.

As you know, I am a candidate for reelection to Congress this year. Because of that candidacy, and because of my belief that responsible financial disclosure is an obligation of every public official, I take this opportunity to insert into the RECORD a statement of my assets and information about my tax payments—even though such information is not required by law.

Mr. Speaker, the bulk of the net worth of my wife and myself, as well as my personal income comes from my salary as a Member of Congress, an automobile agency which I own, a small commercial property an interest in an office building, a family trust and listed securities.

For the RECORD, I have the following net assets: Value of real estate, less mortgages, including the automobile agency and the commercial properties which I just mentioned, my home in Fairfax Station and an interest in unimproved farmland in Fauquier County, Va., $861,900; notes receivable and limited partnership interests, $117,000; unlisted securities representing ownership interests in various commercial enterprises, $483,185; listed securities totaling $86,692; family trusts with an approximate value of $160,000; and personal property of limited and indeterminate value. My liabilities at this time amount to $88,000, excluding mortgages on real property.

Mr. Speaker, as you can see, the private enterprise system has been very kind to me. I have tried to repay this kindness by working hard to assure others the same opportunities I have had and by paying a substantial portion of my income to the State and Federal Governments as taxes. I would like the RECORD to show that during the years 1968 through 1973, I have paid $177,220.25 in State and Federal income taxes. Paying my fair share in taxes has been a privilege and I only hope that as an elected official I can have some part in seeing that not only the taxes paid by me, but the taxes paid by every American are not squandered but expended by the Government with wisdom and a sense of fiscal responsibility.

HOW TO END INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. COLLINS of Texas. Mr. Speaker, I want to share with you some concise observations in a letter I received this morning. He writes about inflation, Congress, and overspending; and ties it all together. I have known Bill for 25 years. He is dynamic and, as chief executive officer, built from scratch one of our Nation's major businesses. He puts inflation where it belongs, and that is in the lap of Congress for overspending the budget.

America will have to face an economic crisis by 1976, unless we wake up today. We cannot spend money we do not have; issue money with no gold base, or borrow money at higher interest rates without a reverse impact. Spend and spend, and we will repeat history's famous statement, "It ain't worth a Continental Dollar."

Bill wrote me a personal letter so I am not using his name. But I hope the businessmen back in your State are as aware of where the ship of state stands as is my good friend back in Texas. I hope you will agree with the logic of his letter:

You may add another voice to the country's growing impatience with our serious leadership gap and disturbing inflationary trend. I write to you as a deeply concerned businessman.

Indecision in economic policy is the order of the day in the face of growing inflation. There seems to be but little awareness of the serious sensitivity of domestic monetary affairs to the strong winds and tides of international events.

When a leadership void exists, our country cannot tolerate a void in the competent management of our public affairs. Better plans for the national utilization of our resources must be developed. Accountability and control has to be applied over all governmental expenditures. Plans made require a relevance not only to the desires of the electorate but also to our ability to pay.

Those who say that only a portion of our Federal budget is controllable make a terrible error in judgment. Congress does have the ability—and the responsibility to control the full spectrum of the budget. Now especially is the time for Congress to assert its leadership in fiscal responsibility. It is urgent that our government move quickly towards a balanced budget.

I will be pleased to have suggestions on how we may best support your efforts towards this objective.

NEW TOWN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. LAGOMARSINO. Mr. Speaker, enclosed is an article prepared by one of my constituents, Mr. Leon B. Sager of Santa Barbara, Calif., which will be of interest to those concerned with the "New Town" concept.

The article follows:

EXPERIMENTAL NEW TOWNS AROUND THE WORLD

(By Leon B. Sager)

The sudden worldwide environmental concern is culminating for many in a new interest and involvement in their communities.

Since the beginning of time nature has presented man with his greatest challenge. He has built his civilization by mastering nature and drawing on its vast resources. But in his devotion to human progress he has often destroyed nature. Lately he has awakened to the realization that nature, too, is essential to his well-being. Contamination of the air and water and other forms of "progress" now threaten the very environment on which he depends for life.

Ours is an age of urbanization and motorization for which older cities are simply not prepared. Higher density and narrow streets have been on a collision course. Pollution alone has reached the stage where in Los Angeles physicians are telling some of their patients to move away. In Tokyo traffic policemen are often required to wear gas masks. Gas masks were also recently ordered for 50,000 workers employed in the petrochemical plants in the vicinity of Venice, Italy.

Evidence is accumulating that, at least in part, pollution as well as unplanned and excessive urban concentration can be avoided; that it is possible to achieve a healthier environment for living. With the development of technology, transportation, and communication, governments can now guide growth in a more enlightened and beneficial way.

The controlled growth movement started at the turn of the century when Ebenezer Howard laid out the original greenbelt around London. The first satellite new towns were created. Not only has England continued to expand in this direction; the whole Western world has followed and the movement has spread to Asia as well. Spectacular evidence of the shift from conventional urbanization to the planned community is provided by New Delhi and Chandigarh in India, Petaling Jaya, in Malaysia, and the satellite towns surrounding Singapore, in Indonesia.

New communities limit private automobile usage. In its place paths for walking and bicycling as well as public transportation are provided. Many European cities have set up streets exclusively for walkers: for example, Amsterdam, Cologne, Copenhagen, The Hague, Stockholm, and Barcelona. New York City, Philadelphia, Chicago, and Los Angeles are experimenting with the idea, and the movement is growing.

One example of the new towns is Stevenage in Britain. Stevenage is a planned community 30 miles north of London. Six large neighborhoods of 10,000 persons each were built in a semicircle around the town center, and each of them is provided with its own shopping center of four to 12 shops. The main shopping center is reached for the most part by bus, bicycle, or pedestrian walkway. By 1972, more than 18,000 industrial workers were employed in the 400 acres devoted to industry on the west side of town. Of all employed residents of Stevenage, 85 per cent work inside the town.

But even in Britain, which has the longest history of new town building, vast changes have been found necessary. Perhaps the most important change has been in size: Harlow and Stevenage have doubled their original population while Milton Keynes, the most recent new town, is planned for 250,000 residents.

Citizens of satellite cities also require efficient, rapid transit to central cities. The movement to meet this problem coupled with the effort to solve congestion, pollution, discomfort, and loss of time is worldwide. It takes the form of the greatest construction of subways in history, greatly expanded provision of buses including exclusive bus lanes, and a variety of new people-moving devices such as guided-rail lines, monorails, and a dial-a-bus service. Massive efforts are underway to find new solutions by employment of science and technology.

There are many European examples of comprehensive community planning. In Belgrade, for example, the response to central city congestion was to move across the Danube and erect a whole new city on 10,000 acres of agricultural land, of which 40 per cent is in parklands with broad open spaces along the river-front for museums, exhibition halls, and public buildings. Another planned community immediately adjacent to an established city is Esposizione Roma (E.U.R.) which is only 15 to 20 minutes ride by rapid transit from the center of Rome and close to the airport and the Mediterranean. An attractive city of 100,000 has arisen. At the center, an artificial lake is surrounded by promenades and gardens. The subway station opens onto the lake front.

France has designated eight growth centers in a nationwide regional urbanization plan to counter the attractions of Paris. Ten new communities are planned or have been started in less congested parts of the country. Sweden provides an example of metropolitan development that encompasses both the old city and the suburbs. In stockholm, it has been public policy since the early part of the century to buy property outside its borders in anticipation of long-term growth. A series of small suburbs of 10,000 to 15,000 people, and an occasional main center of 50,000 to 100,000 people were created, all with easy access to Stockholm.

The new town movement is about to come of age in America. Powerful forces—public and private, natural and directed—are converging all over the U.S. The decade of the Seventies will see scores, if not hundreds, of new developments spring up, transforming not just the physical landscape, inside and outside of cities, but the human affairs of millions of Americans as well.

Many of the new cities are being built entirely by private entrepreneurs, among them Columbia, Maryland and Reston, Virginia, both near Washington, D.C. The federal government began sponsoring a movement to aid in the development of new communities and to guide future urban growth in 1968. Legislation under the direction of the Department of Housing and Urban Development provided loan guarantees totaling $250 million, enlarged two years later to $500 million. Individual new communities may apply for loan guarantees as high as $50 million. Fifteen new communities have been approved; 20 more are in the process of final application.

One such community is The Woodlands, Texas, a 17,000 acre forest tract 28 miles north of Houston, Texas. More than one million dollars was invested privately in master planning the new town. One of every four acres will be preserved as open space or developed as recreation areas. Land use, sewage treatment systems, storm drainage, roadways and paths have been designed to assure minimum air, ground and water pollution. Seven villages and a town center are planned, the residential areas to contain 49,000 dwelling units on 6,200 acres. They will provide a mix of income and ethnic groups in both homeowner and rental dwellings. The Woodlands, which anticipates a population of 150,000 people, has received a $50 million loan guarantee.

The sudden worldwide environmental concern is culminating for many in a new interest and involvement in their communities. Life enrichment, if not sheer survival, requires that all individuals learn to give part of their time to social planning. Though, ultimately, this must extend to the region, the state, the nation, and the world, a good place to start is one's own community.

A good example is Santa Barbara, California. Internationally known for its beauty, the city's quality of life has become endangered by a dramatic increase in population, mostly new residents. The expansion rate between 1960 and 1970 was twice that of the state and four times that of the nation. Confronted with the conversion of pleasant orchards and open land to drab unplanned housing and commercial units, Santa Barbara faces the question: Can rapid growth and poorly planned urbanization be stopped?

Fortunately, there is among the citizenry a strongly motivated group of capable and concerned individuals willing to devote a large amount of time to civic affairs. Recognizing that the basic problem was land usage, citizen groups developed a movement to create coordinated country and city general plans. Many thousands of citizens belong to such organizations as the Citizens Planning Association, the Committee for Santa Barbara, and the Community Environmental Council, to name a few. Their efforts to control growth are beginning to show results.

Concerned citizens groups have found that even political bodies cannot necessarily be reiled upon. Politicians must be persuaded and sometimes threatened with loss of political position to act for the overall community interest. When politicians fail to provide desired legislation, Californians have developed an effective technique, the Initiative.

JOE MOAKLEY FIGHTS FOR POSTAL WORKERS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. WALDIE. Mr. Speaker, seldom has a freshman Member of Congress demonstrated the vigor and determination in working for the benefit of postal workers and Federal employees as my distinguished colleague from the Commonwealth of Massachusetts, the Honorable JOE MOAKLEY.

During his freshman term in the Congress, JOE has served on the Post Office and Civil Service Committee. As chairman of the House Subcommittee on Federal Retirement and Employee Benefits, I have seen JOE prove himself to be a diligent and hardworking legislator in the finest tradition of the House of Representatives.

Accordingly, the committee has grown to respect his sound judgment and legislative expertise.

As we all know, the civil servant has unjustly shouldered the burden of skyrocketing prices for food, energy, health, and other vital consumer products.

Unlike most members of the private sector, postal workers and Federal employees have been both underpaid and underappreciated. JOE, as we can clearly see from his record, is keenly aware of this inequity. Because of his efforts and those of other progressive members of the committee, Federal employees now enjoy some of the benefits they so justly deserve.

Permit me to name just a few of the areas in which JOE has introduced or sponsored legislation:

First. Cost-of-living increases for retirees;

Second. Decreased cost of health benefits;

Third. Right to strike for postal employees;

Fourth. Early retirement for certain employees; and

Fifth. Government pay more of life insurance.

In all, JOE has sponsored more than 40 bills in the field of postal service. This impressive record, matched by only a few of his colleagues, is an example of the productive capacity of this tireless Congressman.

A breakdown of the legislation sponsored by JOE clearly shows his outspoken support of the Federal employee.

NOW PUBLIC LAW

Provide retirement benefits for Federal employees separated from service before eligibility date;

Increase Government share of health insurance costs effectively increasing your takehome pay; and

Increased annuities for Federal employees.

PASSED IN HOUSE

Reclassify position of U.S. marshal;

Reduce deductions of Federal employees for retirement; and

Increase multiplication factor for hazardous duty retirement.

REPORTED OUT OF COMMITTEE

Finance cost of mailing matter free or at reduced rates of postage;

Establish arbitration board between supervisors and Postal Service; and

Allow claims for overpayment at GPO.

PENDING BEFORE THE COMMITTEE

Allow postal employees to attend veteran's funeral without loss of pay or leave;

Enforce conflict-of-interest statutes;

Include locally recruited personnel in granting overseas differentials;

Permit postal employees to strike;

Improve workweek or firefighters;

National Guard technician to receive some benefits as Federal employees;

Increase employment opportunity of persons unable to work regular hours;

Age and service total 80 for immediate retirement;

Access to licensed providers of health services in Federal health benefits program;

Prohibit Civil Service Commissioner from holding another job;

Special assistance for employees separated involuntarily;

Access to social workers, services under Federal health benefits program;

Supplementary coverage to medicare program for enrollees of Federal health benefits program;

Free letter mail when writing to President, Vice President, Congress or Federal agencies;

Reemployment of recovered disability annuitants;

Government pay all costs of Government life insurance;

Supplemental retirement benefits for State and local law enforcement officers; and

Improve mail service; method of reimbursement for public service.

Through this type of decisive action, JOE has demonstrated his concern for the welfare of those Americans who have devoted their working life to years of public service. It is indeed an honor to serve in the Congress with such a man.

POLISH DAY PROGRAM IN ELIZABETH, N.J.

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RINALDO. Mr. Speaker, this Sunday, I will have the privilege of being the principal speaker at the 37th Annual Polish Day program in Elizabeth, N.J. I consider this a special honor, for the heritage of the Polish and American peoples are inextricably linked together. Indeed, the whole Western civilization owes a profound debt to Poland.

Over 500 years ago, one of the greatest scientists of all time was born and nurtured on Polish soil. Nicolaus Copernicus has had no equal in the field of astronomy, and his theories and insight revolutionized our views of the world. In fact, it would not be going too far to say that Copernicus is one of those great men who shut the door forever upon the Dark Ages and led us into the light of modern times.

But he is not alone in the hall of Polish heroes. Where would the United States be today without Casimir Pulaski, who came to the Thirteen Colonies from Poland and helped them throw off the yoke of British servitude. This great man even gave his life at the battle of Charleston.

But, Mr. Speaker, I will not be recounting tales of heroes this weekend. I will be speaking of the Polish heritage and Polish people. Anyone who knows the least bit of history knows that Polish history is more than a few men, no matter how great; it is more than stories in yesterday's newspapers.

It is a vibrant, living tradition that makes itself felt in the United States of the 20th century. It is the story of people who have contributed so much and are so vital to the lifeblood of this congressional district. And I want to congratulate the Polish people who have contributed physically through their honest hard work. They have also contributed spiritually; the Polish people that I know are strongly religious, highly energetic, and full of national pride with a spirit that endeavors to strive for self-fulfillment and intellectual accomplishments.

Mr. Speaker, I am proud of the Polish people who have come to this country and joined us, and I am positive that we are a better country for their participation in our affairs, because it is their kind of contribution to the United States that continues to make this a land of opportunity and freedom for everyone.

CONNECTICUT OPERA ASSOCIATION HONORS FRANK PANDOLFI

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mrs. GRASSO. Mr. Speaker, this Tuesday evening members and friends of the Connecticut Opera Association and the Connecticut Opera Guild will gather to honor Frank Pandolfi, whose 33 years of unparalleled service to the cultural well-being of my State has justly earned him the title: "Father of Opera in Connecticut."

Frank is retiring as executive director of the opera association, an organization of dedicated and hard-working opera patrons which he founded in 1941. Over the years, under Frank's loving and careful guidance, the association has brought numerous works of operatic art to our State. Since 1949—when it was given official civic organization standing with Frank as its head—the association has produced an average of six operas a year in Connecticut and surrounding States. It has also sponsored a splendid children's program which is designed to instill a desire for opera and an appreciation of this musical art in the youngsters of our State.

Both Frank and the association have come a long way since those first days in 1941 when Frank's music students made their own scenery and costumes and presented "La Boheme" and "Traviata" before a capacity crowd of 250 opera buffs at the old Avery Theater in Hartford. As a matter of fact, just 1 year later Frank produced the world-famous work "Carmen" with the famous Metropolitan Opera star Winifred Heidt playing lead soprano to a sellout audience of over 3,000 at the Bushnell Memorial in Hartford.

Together with his association, Frank has always worked diligently to bring the finest of opera to Connecticut. Indeed, through his gracious efforts, Connecticut's national image has blossomed culturally and musically. Frank's most recent production was a staging of the "Daughter of the Regiment," starring Metropolitan Opera diva Beverly Sills.

Frank's long love affair with the finely intoned word and phrase—the intense pathos and exuberant joy that is opera—is well known by Connecticut patrons of the arts, who have benefited over the years from his enthusiastic and persistent pursuit of culture of our State.

Born in Mormanno, Calabria in Italy, he moved to this country and Connecticut at the age of 10, bringing with him an outlook and a creative energy that have captivated his native land and made it the center of opera in the world and the birthplace of greats such as Verdi and Puccini.

As a child in the new world, Frank developed tuberculosis and was forced to endure a long period of convalescence during which time he listened to and learned to love and appreciate the precise and beautiful nuances of opera as sung by the great Italian tenor Enrico Caruso.

Frank has always had a truly lovely voice, and in those early days he began a process of self-education by singing in Hartford area choirs. At the age of 20 he traveled to New York City where he studied first under Silvio Garavelli, a renowned baritone, and then under Ferrari Fontana, a famous dramatic tenor at the Metropolitan Opera. He auditioned for the great Sigmund Romberg and was given a role in the Romberg-Shubert production of "The Prisoner of Zenda." Later he obtained a singing role in the NBC national radio program "Gene and Frank."

In the 1930's Frank returned to Hartford, set up a studio and soon met, fell in love with, and married his accompanist, Carmella Cavalier. It was from this studio that Frank launched his active and long career in opera in Connecticut.

Since that time and now for more than three decades, Frank, working through the Association, has given spirit, breath and life to opera in our State. He has brought the masters to Connecticut, and we are deeply indebted to him. Indeed, one such master—Dorothy Kirsten, Metropolitan Opera diva—is planning to attend Frank's testimonial Tuesday. She is serving as honorary chairman of the event.

I would like to join other friends of opera in Connecticut in wishing Frank years of happiness and peace in deep enjoyment of many performances to come.

LITHUANIAN INDEPENDENCE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. WOLFF. Mr. Speaker, on June 15, 1940, through forcible annexation by the Soviet Union, Lithuanians lost their independence. While the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are at loss of basic rights, Lithuanians have not given up their fight for liberty.

Between 1940 and 1952, about 30,000 Lithuanians lost their lives fighting for the freedom of their countrymen. During 1972 there were many demonstrations in Lithuania against the Soviet presence, and rioting followed the self-immolation of Romas Kalanta. Two others beside this young Roman Catholic burned themselves in protest.

On such an occasion we should give thanks for the civil rights and liberties that are ingrained in our heritage. Such liberties should be among all men throughout the world. The anniversary of the invasion of Lithuania should stand as an appropriate hour to recognize the plight facing the people of Lithuania. It is only through such recognition that the hope for Lithuanian freedom is kept alive.

WILL WAR ON POVERTY BE CRIPPLED BY SHIFT OF OEO PROGRAMS TO OTHER AGENCIES?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RANGEL. Mr. Speaker, we in the House have just passed a Community Services Act which shifts many of the programs formerly administered by the Office of Economic Opportunity to the Department of Health, Education, and Welfare. Although I supported this shift as a means of achieving a bill which would have majority support in this body, I had questions and continue to raise questions about what will happen to some of these important programs once they are shifted to a larger, unwieldy Government bureaucracy.

A possibly ominous portent is the recent complaint of the National VISTA Alliance about the effect upon VISTA, the 10-year-old poverty program which was merged in 1971 with the Peace Corps and other small agencies to form ACTION. According to the National VISTA Alliance VISTA has become little more than a national media campaign which encourages citizens to spend their weekends in clean-up efforts in communities. When it began VISTA permitted dedicated college students and others to lend their skills to meaningful social changes within communities.

It appears to me that this program is now being deemphasized and that students are no longer being encouraged to work in our inner cities and rural areas on the problems of the poor. I place in the RECORD for the information of my colleagues a news report from the Community News Service concerning the complaint by the National VISTA Alliance about a deflection of VISTA talent away from fighting poverty. It reflects the need for us to be certain that the programs we shift into other agencies will maintain their character once within a new bureaucracy whose essential purpose has nothing to do with the fighting and eradication of poverty.

The news report follows:

GOVERNMENT CRIPPLING VISTA FIGHT AGAINST POVERTY

(By Lovett Gray)

VISTA, a 10-year-old anti-poverty program under the Office of Economic Opportunity (OEO), has been de-emphasized and diverted from its original aims of fighting poverty, according to the National VISTA Alliance (NVA). The Federal Government is now reportedly asking VISTA volunteers to work for various governmental agencies that have nothing to do with fighting poverty. These moves are being made under the direction of a former White House aide who has been a frequent critic of VISTA.

"VISTA (Volunteers In Service To America) has been turned into a government token poverty program," said Della Mancuso a regional representative for the 1,500-member Alliance. "In the beginning there was a lot of community organizing, now there are just service type projects. My general feeling is that the people being recruited now are not really interested in organizing the community."

Organizing the community, she said, means work that "could not be done by paid staff workers—organizing rent strikes, affecting change in institutions and putting power into the hands of the people."

VISTA, formed in 1964, grew out of the "War on Poverty." It was designed to strengthen efforts to eliminate poverty and poverty-related human, social and environmental problems.

In 1971 the organization merged with the Peace Corps and seven other smaller agencies to form ACTION. At that time the NVA argued that the merger was designed by the Nixon Administration to downgrade VISTA and submerge its activity for the poor in a broad, multi-purpose agency dominated by the Peace Corps.

This sentiment was strengthened with the appointment of Michael Balzano, Jr., former White House aide and critic of the VISTA program, as director of ACTION.

Robert Coombe, regional vice-president of the four-year-old NVA said a recent agreement with the Federal Disaster Assistance Administration to provide 50 volunteers in the event of a publicly declared disaster will cause volunteers to "sacrifice their work in the community."

Ben Conti, VISTA Program Coordinator for the region covering New York, New Jersey, Puerto Rico and the Virgin Islands, said that more than 100 VISTA workers have already volunteered and gone through preliminary orientation for the FDAA program. In-depth training for volunteers who, Conti said, will man "one-stop centers" and coordinate the efforts of all the federal agencies at the disaster site, will be held within the next three months.

But Coombe said the volunteers will not man these "one-stop" centers. He pointed to the 1972 Pennsylvania flood where VISTA volunteers shoveled mud from basements, a job which he said should have been done by the National Guard.

Coombe also charged that the volunteers were not fully aware of all facets of the FDAA program when they signed up, especially of the fact that the program was mandatory.

Tom Page, a VISTA volunteer since February, is a para-legal intern at the Delancey Street Mobilization for Youth Legal Services. Page said he was under the impression that the list he signed for the program was just a "resource list" of volunteers who might be available at the time of a disaster. Page said he had no idea he was signing anything that contained mandatory provisions.

Coombe said the FDA agreement and another one with the Federal Office of Petroleum Allocation, where a volunteer did clerical work, exemplified the shift away from anti-poverty work. Other VISTA volunteers have reportedly been sought by the Office of Petroleum Allocation.

AID FOR SYRIA?

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ROUSH. Mr. Speaker, after being assured on one day that the United States had made no financial commitments in the Middle East, I read just the next day that $100 million in aid will be asked for Syria.

It is incredulous to me that we should be asked to make such an unusually large expenditure when there are so many needs here at home. Is our commitment to the rest of the world so great that we must neglect our own people?

Does our relationship with the rest of the world depend upon our money and our wealth rather than our goodwill and our willingness to just be good neighbors? If that is the case, then we are building on sand instead of rock, and our house is bound to come tumbling down.

It seems to me we should start asking ourselves some very basic questions:

Wherein do our priorities lie?

What kind of commitments have we made all over the world?

Can we really afford to do all that the administration is asking in the way of foreign aid?

Is it in our best interests to furnish arms and military equipment to governments whose philosophy is foreign to ours in the recognition of basic rights and freedoms?

What are we getting in return for all we give? Is there any tradeoff for all we give?

Mr. Speaker, one of the latest administration proposals to come along is the cleaning of the Suez Canal. We are being offered the "privilege" of cleaning the canal at the cost of $30 million. They say if we do not do it, Russia will.

Mr. Speaker, may I remind you that the Suez Canal was not blocked by this country. I would also remind you that the greatest benefit from reopening the canal will accrue to some of the wealthiest nations in the world—the oil-rich nations of the Middle East who are today wallowing in American dollars.

I would like just once for the United States to be in the position of having other countries fighting among themselves to see who can give us money.

Come to think of it, Mr. Speaker, the way we are going that day may not be far off.

BOATING SAFETY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. STUDDS. Mr. Speaker, the summer boating season is upon us and every year literally thousands of people are rescued by the Coast Guard. But hundreds of people die each year despite the efforts of the Coast Guard and various State and local groups to point out the dangers of water sports. We can reduce this toll by educating the public to safe boating practices.

The Cape Cod Standard-Times of Hyannis, Mass., should be commended for making space available for the local Coast Guard unit to inform the public about safe boating practices. I urge my colleagues to read the following safe boating article from the May 12, 1974, Sunday Cape Cod Standard-Times and to pass the information on to their local newspapers.

The article follows:

COAST GUARD LOG: SIGNALING DISTRESS

EDITOR'S NOTE: This weekly feature is produced by the staff of the Coast Guard Air Station at Otis Air Force Base.

Boats, like cars, can break down and often do. Nine times out of ten when it happens, there is some one within easy hailing distance to call on for help.

However, if you run into trouble and there is no other boat nearby, there are a number of recommended distress signals to use, depending upon the equipment you have on board and upon the visibility at the time.

If your radio works broadcast on 2182 KHz (or on Channel 16, 156.8 MHz) "Mayday, Mayday, Mayday." Give your boat's name, the exact nature of your trouble, and your exact position.

But note, a Mayday should be sent out ONLY when a life or death situation exists, such as fire, danger of sinking, drifting ashore on a rocky coast, etc. A simple call for assistance will suffice in such cases as engine breakdown, out of fuel, etc.

Small wooden and plastic boats show up poorly on radar screens. It is a good idea to carry a metal reflector (available at moderate cost in a fold-up version). In case of emergency, hoist this to assist vessels or planes searching for you.

Two new pleasure craft distress signals which are not required but are recognized by the Coast Guard are: (a) A simple orange-red flag of any size waved from side to side. (b) The Canadian Surface to Air Signal which is a 72x45 inch fluorescent orange-red panel cloth with an 18 inch black square and an 18 inch black circle 18 inches apart. Tie it across the cabin top or deck.

More conventional and commonly used signals include: (a) Fire a gun about once every minute. (b) Blink your white range light, or a spotlight, to signal SOS. It's 3 dots, 3 dashes, 3 dots. (c) Reverse your flag or ensign so that it flies upside down. (d) Sound your horn, bell or whistle rapidly and repeatedly. (e) Send up emergency flares. Special kits are available for small boats and come in day and night types. (f) If you are equipped with International Code Flags, the signal "NC" means "I am distress and require assistance." (g) A man waving, his arms can be an effective way to summon help on the water. But the signal is easily confused and misunderstood unless done correctly.

The Coast Guard introducted a distress signal (1965) which is "Slowly and repeatedly raise and lower both arms outstretched at the side". Don't confuse this with a general greeting or friendly wave, and don't use it unless you mean it. But when you need it, do it the right way.

Coast Guard search and rescue activities for the last two weeks:

Rescue missions: 19.

Lives saved: 2.

Persons materially assisted: 13.

COMMUNIST OCCUPATION OF LITHUANIA

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. McCOLLISTER. Mr. Speaker, Saturday, June 15, will be the 34th anniversary of the Communist takeover and occupation of Lithuania. I would like to join with Lithuanian Americans and Lithuanians throughout the world in taking special note of this day.

Currently, Lithuanians are denied the right of self-determination, and suffer religious and political persecution at the hands of the Soviet Union. Despite such oppression, Lithuanian citizens continue to defy the Communist regime in an effort to reinstate freedom, equality, and justice to their country.

The Association of Young Lithuanian Americans and the Lithuanian-American community have asked that we, as Americans, do more than applaud these efforts. I call your attention to the following statement they have issued in commemoration of the 1940 annexation of Lithuania by the Soviet Union:

The Soviet Union is now seeking dètente as well as "Most Favored Nation Status" with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the people of Lithuania and the other captive nations.

The policies which we recommend be pursued are:

(1) Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the United States;

(2) Increase current five-day tourist visa to Lithuania to a more reasonable limit;

(3) Elimination of unreasonable travel restrictions on tourists to Lithuania;

(4) Provision for Lithuanians to immigrate to other countries as provided by the Charter of the United Nations and signed by the Soviet Union.

Mr. Speaker, it is hoped that Congress will extend renewed assurance to Soviet Lithuanians that their plight has not been forgotten and that steps will be taken to ease their burden.

THE PUBLIC IS IN THE MOOD FOR CAMPAIGN REFORM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BROWN of California. Mr. Speaker, my own State of California recently answered one of the questions that has been asked in the wake of the Watergate revelations. That question was, What do the voters want? The answer, as thunderously expressed last week in California, is clean up politics and get money out of the political process. In California the issue was put before the voters through an initiative campaign that was spearheaded by Common Cause. It passed by nearly 70 percent of the vote, in spite of the credible arguments made against the ballot measure. I was one of the early supporters of that initiative, just as I am a supporter of the Udall-Anderson Clean Elections Act. I hope that the Congress will now recognize the need to pass meaningful campaign reform, including a public financing provision.

An article from a paper in my district pointed out that 21 States have approved campaign reforms this year. I wish to insert this article and an article and an editorial about the California Campaign Reform Act for the benefit of Members who do not have an opportunity to read California papers.

The articles follow:

[From the Daily-Enterprise, June 7, 1974]

Twenty-One States Have Approved Campaign Reforms This Year

(By Louise Cook)

Worries over Watergate and its implications have turned 1974 into a year of political reform. An Associated Press survey showed reforms have been approved by lawmakers or voters in 21 states this year.

Most of the measures are similar to, but not so far reaching as, the one passed by California voters in a referendum on Tuesday. They limit campaign contributions, make candidates account for the money they've spent, curb activities by lobbyists and require public officials to disclose their financial holdings.

Common Cause, the self-styled "citizens' lobby" that spurred the California referendum, has been a leader in the drive for reform in other states. Legislators themselves also expressed concern over public loss of confidence in elected officials and sought to regain the trust of the people.

"Out of the rubble of 'Watergate' and the Agnew affair,' the 1974 . . . . legislature rose as a body to support reform in its conflict-of-interest laws and in its laws relating to the conduct of elections," said Republican Robert Bennett, president of the Kansas Senate and a candidate for his party's gubernatorial nomination.

The Kansas lawmakers passed two bills: one dealing with the conduct of state officials, the other limiting campaign contributions and requiring spending reports before and after elections.

Other states where reforms have been approved are: Alaska, Arizona, California, Connecticut, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Minnesota, Nebraska, New Jersey, New York, North Carolina, Oklahoma, Ohio, Rhode Island, South Dakota and Wyoming.

Nine other states passed bills in 1973 and two approved some reform legislation prior to last year. Measures are pending in four states and have been defeated or allowed to die in six states. The issue has aroused little or no interest in eight states.

Some of the reform measures had been pending for years, but gained little support until the disclosures about campaign spending during the 1972 presidential election.

A. G. Lancione, a Democrat and speaker of the House of Representatives in Ohio, where a code of ethics bill was enacted, said reform measures had been pending for some time. "I think Watergate expedited their passage," he said. "If it hadn't of been for Watergate, they may not have passed."

The Florida legislature established an ethics commission with subpoena powers and passed a measure requiring all public officials to disclose their financial holdings.

Both measures are before Gov. Reubin Askew, who had urged an even-stiffer disclosure bill. He said the legislation that passed was "a meaningful step toward meeting the most important challenge today—that of winning the confidence and trust of the people."

The new measures will mean more paperwork. "There's going to be a lot more bureaucracy for campaign organizations which we hope is worth the effort," said Connecticut Gov. Thomas Meskill who signed into law four election reform bills on May 22.

Among the Connecticut laws is one prohibiting any group from spending organization funds for political contributions. The groups may set up special committees to collect funds for candidates, but must list all contributors.

State scandals provided the impetus for reforms in some areas. Arizona legislators, who established controls on campaign spending and lobbying and required financial disclosures by public officials, were spurred to action by conflict-of-interest charges involving two lawmakers.

The Texas legislature passed several reform measures in 1973, most resulting from the 1971 Sharpstown scandal in which the House speaker and two aides were convicted of conspiracy to accept bribes concerning banking bills.

Reform advocates in states where measures for change were defeated say they won't give up. Idaho lawmakers defeated bills that would have required registration of lobbyists and disclosure of campaign funding. But supporters of the measures, led by state Sen. John Peavey, a Republican, are circulating petitions to get the 25,000 signatures necessary to put the measure on the November ballot.

Those states that passed reforms in 1973 are: Alabama, Hawaii, Iowa, Massachusetts, Michigan, Nevada, Oregon, Texas, and Wisconsin.

Washington and Arkansas passed reform legislation earlier; measures are pending in Pennsylvania, Louisiana, Illinois and Delaware; they were defeated or died in New Hampshire, Missouri, Vermont, Tennessee, New Mexico and Idaho.

No action has been taken in Utah, North

Dakota, Mississippi, Colorado, Montana, South Carolina, Virgina and West Virginia.

[From the Sun-Telegram, June 6, 1974]

Reform Is the Mood

Out of Tuesday's primary election in California two results are not included in the tabulations of returns but emerge with impressive significance:

—Fewer than half of the registered voters cared enough to cast ballots.

—Those who did care and did vote gave notice that they demand campaign reform and honesty and integrity in government.

If the forecasts of voter turnout were gloomy, the actual turnout was gloomier at a time when citizen concern with government should be wide and deep.

San Bernardino County voters, in better than the state pattern, nevertheless made a poor showing. Only 52.2 per cent of those registered went to the polls.

By parties, 53.2 per cent of registered Republicans voted, very low for GOP voters who usually have a considerably better record than Democrats. And 53.8 per cent of the Democrats registered voted, a rarity insofar as exceeding the Republican percentage.

Republicans, it seems, with Watergate and all, are plainly discouraged and disenchanted. It now remains for them to rekindle their enthusiasm before November to infuse their party with the strength it obviously needs.

However, members of both parties, by giving Proposition 9—the political reform initiative—a whopping majority, placed probably the strongest regulations in the nation covering campaign spending, financial disclosures and lobbying into state law.

It was passed over the opposition of the California Chamber of Commerce, organized labor and legislators who were quite content with the largesse of lobbyists under existing loose control.

Some other indications of the mood for reform of voters:

Assemblyman John P. Quimby was beaten by Terry Goggin, a young lawyer, for the Democratic nomination in the 66th District. Quimby's close ties with Sacramento lobbyists were well known, and Goggin capitalized on them as one of his campaign issues.

Quimby opposed Proposition 9, while Goggin gave it heavy support.

Secretary of State Edmund G. Brown Jr. campaigned on political reform issues and won the Democratic nomination for governor. He beat San Francisco Mayor Joseph L. Alioto and Assembly Speaker Bob Moretti just as handily as pre-election polls indicated.

State Controller Houston I. Flournoy beat Lt. Gov. Ed Reinecke for the Republican gubernatorial nomination. Reinecke was once considered a shoo-in for the nomination. Then Watergate changed things and counted him out.

He was indicted by the Watergate grand jury on three counts of perjury. He was steadfast in his protestations that he is innocent of the charges, but his efforts failed to quash the indictment or have his case brought to trial before the election.

However, voters refused to select him over Flournoy, who had no Watergate millstone around his neck or other association with Nixon administration scandals.

And in general throughout the state, candidates who pledged themselves to political reform found most favor with the voters of both parties.

It now remains for candidates and political leaders to carefully assess the results of the election and begin their preparations for the November general election. An early start may help keep politics lively through the summer and generate voter alertness to the issues which will develop as campaigns keep moving toward their fall climax.

One conclusion can be safely drawn from what happened last Tuesday. The voters who voted had an overriding concern for all political and governmental reforms which will reduce the ability of selfish special interests to influence legislators and their positions on bills before the state Legislature.

The mood appears bound to continue. Candidates who do not respect it and conduct their campaigns in accordance with it will face rejection.

[From the Sun-Telegram, June 6, 1974]

It's "Eastward Ho" for Common Cause, Prop. 9

(By Vic Pollard)

SACRAMENTO.—Backers of Prop. 9 were exuberantly laying plans yesterday to parlay California voters' approval of the country's toughest political reform law into a national movement.

"Our motto from now on is Eastward ho!" said Jack Conway, the national president of Common Cause, the citizen group that was a major sponsor of the initiative.

Prop. 9, which will impose campaign spending limits, new conflicts of interest provisions and strict lobbying regulations, was the major specific issue in a generally lackluster primary election campaign that focused mainly on Watergate-related issues of integrity, campaign finance and special interests.

While the voters turnout was low, those who did cast ballots favored the reform proposal by a margin of better than 2 to 1.

The measure was drafted by young attorneys in the office of Secretary of State Edmund G. Brown Jr., who won the Democratic gubernatorial nomination Tuesday.

When the legislature refused to adopt its major provisions, the measure was qualified for the ballot by initiative petitions circulated largely by longhaired young people under sponsorship of Common Cause, the People's Lobby, and Ralph Nader's California Citizen Action Group.

Kenneth Smith, statewide chairman of Common Cause, said the voters' action "really shows California is now leading the way in political reform and we think people in other states are beginning to follow."

Common Cause Chairman John Gardner added: "The citizens victory on Prop. 9 in California sounds a trumpet blast that will be heard throughout the state capitols and in the Congress of the United States."

He said it shows people "want a political and governmental system that is open, accountable and unbought."

Although Common Cause officials hailed the California vote as the start of a trend, it is not the first such measure in the nation.

Washington voters approved a similar measure sponsored by a coalition of groups including Common Cause, two years ago.

However, enforcement of that law has been plagued with controversy and financial difficulties. The California initiative which has built-in financing for a special campaign practices commission, was seen by its supporters as a refinement of the Washington experiment.

Smith also noted that there is a tough conflict of interest measure on the Oregon ballot in November and citizens' groups were trying to qualify an initiative similar to Prop. 9 for the November ballot in Arizona.

Beyond that, he said, Common Cause has plans to launch initiative campaigns or buttonhole state legislators in order to push similar reform measures in about 30 other states where it has significant organizations.

However, Gardner's statement made it clear that any momentum generated in California will be used first in an effort to prod Congress into action on federal campaign reform.

The Senate has passed legislation providing for campaign spending limits and public financing of federal campaigns. Similar legislation has been bottled up in the House, however, for more than a year.

"The California action," he said, "should send a shock wave through the House of Representatives, which has been putting off—in one of the great stalling acts of the century—campaign finance reform."

The landslide victory for Prop. 9 was somewhat surprising in light of the fact that it was opposed by leaders of both parties, organized labor, business and most other groups with a sizable piece of the established political action.

The measure will create a bi-partisan, appointive Fair Campaign Practices Commission with power to enforce the new regulations and suggest changes and additions.

The new rules include campaign spending ceilings tied to the number of votes for each office, new and stricter laws on conflicts of interest for public officials and more detailed reporting of campaign contributions.

It will also outlaw campaign contributions by lobbyists—but not by their employers and other corporations—and limit wining, dining and other gifts from lobbyists to $10 per month per legislator.

ANDY STEPANIAN TO BE NEW PRESIDENT OF MONTEREY PARK CHAMBER OF COMMERCE

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DANIELSON. Mr. Speaker, on June 22, 1974, Mr. Andy Stepanian will be installed as president of the Monterey Park Chamber of Commerce. I am looking forward to his year as president because I know he is going to do a great job for the chamber and for the city.

Andy Stepanian already has developed his goals for the 1974–75 business year. He wants to attract more business activity to the Monterey Park area, and has adopted the theme "Buy in Monterey Park." Under his direction, the chamber will work toward promoting local shopping and encouraging business development.

Mr. Stepanian is very well-qualified for his leadership role. Last year, he headed up the Monterey Park Lions Club, which experienced one of the best years in its history under his guidance. He has also been very active as a member of the board of directors of the Monterey Park Boys' Club and as a past chairman of the United Fund. He is currently working on the Los Amigos District Boy Scout Sustaining Membership Enrollment campaign, and he often works for several other community service organizations.

Andy Stepanian has had extensive business experience as the owner of S & S Janitorial Service, which has customers in Monterey Park and throughout southern California. His abilities, and those of the new vice president Judy Winchell, assure me that next year will be a rewarding one for the chamber of commerce and a fruitful one for the city of Monterey Park.

MEMORIAL DAY

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ZWACH. Mr. Speaker, my fellow Minnesotan and good friend of every Member of this body, the Honorable Ancher Nelsen of the Minnesota Second Congressional District, delivered a Memorial Day address in Waconia, Minn., which was outstanding.

In order to share this address with my colleagues and to give it the wide readership which it deserves, I insert it into the Congressional Record:

Memorial Day

(By Ancher Nelsen)

Good Morning, Everyone: And thank you all, particularly Mrs. Van Eyll who handled the correspondence, for inviting me to come and share your observance of Memorial Day. Since I am approaching retirement after almost 40 years of public service, you can be sure that I feel a bit like "an old Soldier" myself. So it is a great pleasure and honor to be here with the members of your VFW post, your auxiliary, and the others of your community.

We meet, of course, to honor America's war dead—those who gave the last full measure of their devotion for us. We also pay tribute on this day to all others whose service and sacrifice in the armed forces have helped to preserve, protect and defend the United States.

Our custom of decorating the graves of our patriots with spring flowers dates back well over 100 years, to a time just after the Civil War. And one of the largest and most famous resting places for our fallen is located just a mile of two from the Capitol where I work in Washington. It is called Arlington. There, in this national military cemetery, the whole history of our country is reflected.

There, you will find the grave of 14 unknown Revolutionaries of the War of 1812, killed in the cellars of Fort Washington when the British burned the city. There you will find the obelisk of General Joe Wheeler, Confederate cavalry commander, later Congressman and finally a general in the Spanish-American war. There rest the remains of Abner Doubleday, gunner at Fort Sumter, corps commander at Gettysburg, inventor of American baseball. There is the statue of Geronimo's surrender, marking the grave of the great Indian fighter, General George Crook. There you can find the graves of General Pershing, General George Marshall and General Wainwright.

Arlington is the final home for thousands of Civil War dead, the war in which more Americans lost their lives than in all the other wars of our history combined. Many of them were very young. The average age of Union men at Gettysburg was 19. The Confederates were a few months younger. You can tell the Southerners' graves at Arlington because of the pointed-top markers. They were designed, I've been told by a Southerner, "so no damn yankee can set on their graves."

It is at Arlington that the mast of the U.S.S. Maine stands, taken from the sunken battleship at Habana Harbor. There you can see the magnificent Iwo Jima Memorial, depicting the brave Marines struggling to raise our flag on a bloody hill. There also is the Tomb of the Unknown Soldiers. Guarded 24 hours a day by an elite corps of soldiers, it is dedicated to all those who fought and died in the wars of this century.

Presidents Kennedy and Taft lie buried at Arlington. They are being joined even now by the last of our men to come home from Vietnam.

Arlington, like cemeteries everywhere, speaks solemnly of the awesome sacrifices Americans have been willing to make for the things in which we believe.

Today, much that we believe in is under sharp attack, especially by our young people. One recent poll claims that doctors and trash collectors are two of the only groups or institutions in the whole country that retain the confidence of even a simple majority of Americans. I don't even want to mention where the President or Congress rank in this particular poll. It is too saddening.

There is, of course, a tendency on the part of each generation to think that its problems and challenges are the worst ever. Yet when we look back over American history, we always find plenty of those who recognized the clouds were temporary, and who remembered the sun above. Perhaps we need a few more Americans with a long view today.

In his book, "Profiles in Courage," John Kennedy tells the story of Edmund G. Ross. Ross was a Senator from Kansas during the time of the impeachment trial of President Andrew Johnson. Ross had a background which made him seem highly sympathetic to those who thought Johnson had violated the Constitution and our laws. Yet astonishingly, he was the only Senator who refused to declare his position on impeachment before he heard all the arguments in the case. Ross came to realize that beyond all the name-calling and partisan passions of that turbulent era, lay the principle of Constitutional government with divided powers. Ross held the crucial vote. When he cast it against impeachment, he saved the President by a single vote.

Ross himself later wrote: "I almost literally looked down into my open grave. Friendships, position, fortune, everything that makes life desirable to an ambitious man were about to be swept away by the breath of my mouth, perhaps forever." For years afterward, Ross was villified and his family was harassed. His political career was ruined.

Yet according to Kennedy, only many, many years later did those who had so viciously attacked realize the Constitutional importance of the Ross position. In Kennedy's words, Johnson's impeachment was an effort "to make the Legislative Branch of the government supreme." Kennedy felt that Ross' vote "may well have preserved for ourselves and posterity Constitutional government in the United States."

A second story from our history illustrates another fundamental worth preserving in the American system. The time was 1770. The place was Boston. A bloody riot occurred between the British troops quartered in the city and the colonists. Several English soldiers were put on trial for murder. Feeling ran so high, no one wanted to defend the accused.

Finally, a lawyer stepped forward who was to become the second President of the United States. His name was John Adams. In the trial that ensued, Adams is credited with establishing a first principle of justice that Americans cherish to this day, and it helped to get two of the English acquitted. What was the principle? As Adams put it: "It is of more importance to the community that innocence should be protected than it is that guilt should be punished."

Reverence for the essential good of our country was never better demonstrated than by a man named Robert E. Lee. After the Civil War, General Lee encountered a bitter Southern woman who vowed she would never be reconciled to the North, nor obey its laws. Lee told her: "Madam, don't bring up your sons to detest the United States Government. Recollect that we form one country now. Abandon all these local animosities and make your sons Americans."

One of the things we prize most in America is its spirit of equality, which in turn has opened up so many opportunities for our people, regardless of their birth or station. One of my favorite illustrations involves Booker T. Washington. He was born a slave in Virginia in a one-room shack with a dirt floor. He had to walk 500 miles to find a school where he could become educated. He worked as a janitor to earn his schooling. But he became the founder of one of the most famous Negro institutions in the United States, the Tuskegee Institute. He received an honorary degree from Harvard. He was welcomed by Teddy Roosevelt at the White House table. He became the friend of many of the greatest leaders of his time.

All these episodes serve to remind us of the essential greatness of our country. Despite all the stresses and strains, our Constitution has stood firm for nearly 200 years. Our system of justice remains strong and vigorous. The equality and opportunities available to each generation of Americans are unmatched anywhere else in the world.

And for all this, may we ever remain grateful to those whom we honor on this Memorial Day. Congressman William Hudnut of Indiana expressed our sentiments perfectly in a prayer he delivered on Flag Day. It is worth repeating:

"O God our Father, we are gathered in this ceremony to express our gratitude to Thee for all that our Star-Spangled Banner symbolizes, and to recommit ourselves to making these symbols more real and meaningful parts of our national life.

For the drum beats of history held mute in her folds, we thank Thee, Lord.

For the roll call of heroes—from the mountains to the prairies, from the bayous to the oceans, from the ghettos to the suburbs, from the red clay of Georgia to the snowy caps of Alaska, from the rock-ribbed coast of New England to the sun bleached shores of Hawaii—who have marched with loyalty and courage under her colors down the hallowed corridors of American history, from Valley Forge to Omaha Beach, from Bull Run to Iwo Jima, from the forests of Germany to the rice paddies of Korea and the prison camps of Vietnam, we thank Thee, Lord.

For the ideals and hopes enshrined in her star-studded field, and for the dreams and aspirations she betokens of a better future and a better way of life, where there will be more justice, more brotherhood, more peace, more liberty, and more equality built into the sinews of the human community, we thank Thee, Lord.

O God, we want to live out our days under Thee and make ours truly a nation "under God."

Save us from the idolatry of making a god of our particular country or creed or party or race or way of life or point of view. Remind us of your transcendent sovereignty before which the nations rise and fall, and your beneficent providence under which they keep their rendezvous with destiny.

Where we are wrong, correct us; where we are weak, strengthen us; where we are corrupt, purify us; where we are divided, reconcile us; and where we are right, confirm us.

And grant, O most merciful Father, that in our day and generation, we may achieve something worthy to be remembered, so that when we pass the Flag on to our own children, they will receive it with pride, and we will be able to rest from our labors secure in the knowledge that we have built constructively if not completely, and served faithfully if not perfectly. And to you be the glory and the praise, now and forever, world without end. Amen." Thank you.

THE ENERGY RESOURCES DEVELOPMENT ACT OF 1974

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. OWENS. Mr. Speaker, on May 9, 1974, the Senate passed and sent to the House S. 3009, a bill to amend the Mineral Leasing Act of 1920 to provide that moneys due the States from development of oil shale resources may be used for purposes other than public roads and schools. Legislation similar to S. 3009 is currently under consideration by the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee.

I am convinced that some updating of the Mineral Leasing Act of 1920 as amended, is necessary. Therefore, after months of conferring with several oil shale experts and urban planners, I am today introducing a bill which would accomplish the objectives of S. 3009, but additionally establish an "Energy Resources Area Impact Fund" which is supported in part by increased royalties charged on the production of shale oil. Essentially what I have done in my bill is to extend and modify an existing bill (H.R. 13178) which was introduced by our respected colleague, Congressman TENO RONCALIO of Wyoming. Before I present the details of my bill, let me present the rationale for my legislation.

The energy crisis that we experienced in recent months has produced a national commitment to develop our domestic energy resources. Our mineral resources, like oil shale, coal, and tar sands, which we have in abundance, but which have lain largely untapped, are soon to be the raw material which will contribute to the goal of national independence in energy. Development of these mineral resources for the production of energy will benefit the National as a whole, whatever our jobs may be and wherever we live and work.

But the impact of massive development of these mineral resources will be experienced where the coal, oil shale, and tar sands are extracted and processed, especially in the surrounding communities which will support the workers and the families of workers who process these minerals. In many respects, such development will be a great boon to the economy of affected regions, but in other ways, the communities in the coal, tar sands, and oil shale regions will have to bear great new costs.

People will be drawn to the jobs created by the new industries. Economists and planners foresee roughly 200,000 people migrating to areas where the Green River formation occurs in Colorado, Utah, and Wyoming to support a 1-million-barrel-per-day oil shale industry. The growth of coal gasification and liquefaction industries will result in added populations to regions of the sparsely populated West. If the tar sand deposits of Utah are developed, eastern Utah will experience additional growth.

The impact on existing communities will be enormous. The expanding population will need and demand additional housing, roads and streets, expanded water systems, sewage collection and water treatment systems, health care facilties, shops and stores. To obtain these services, new populations will be attracted to the existing small towns in the region or to newly established communities. The expected population growth in these areas will strain whatever services already exist, and expansion of their capabilities will be required if the needs of existing residents and new residents are to be met.

Small towns may suddenly find themselves considerably bigger and their growth rates changed spectacularly, but they may also find themselves with little capability to plan for the new growth and without money for providing the new services and facilities. Such a situation could be chaotic, a situation where great social costs would be placed on those who come to work the oil shale, tar sands, and coal deposits, and on the local governments that must serve these workers. These socioeconomic impacts will be disproportionately distributed unless all citizens who will benefit from the energy so derived act to prevent such an imbalance.

In order to prevent this imbalance, I am today introducing a bill to create an "Energy Resources Area Impact Fund," which would channel funds to impacted areas to help them bear the cost of new social, urban planning, and community development needs of these areas. By creating a fund that would receive a portion of the royalties paid for the extraction of certain mineral energy resources and supplemented by Federal appropriations, we can create a mechanism for assisting communities where the new population will reside, and we will enable localities to respond to the needs of their present and prospective populations.

The bill that I am introducing would create a community planning and development assistance program tailored to the special and unique needs of the areas impacted by mineral resource development. It is entirely proper and just that such a special program be created for special needs. Because energy development is a clear national priority, it is not a partisan matter. We all agree that if our Nation is to continue in its world role, it must draw fully on the strength of our domestic energy resources.

We must provide for those who will work to make these resources available, and we must do this by channeling community planning and development dollars to the governments within whose jurisdictions these people must be served.

This is not simply another Federal spending program. The fund the bill would establish is designed to channel a portion of the wealth created primarily by coal and oil shale extraction and processing to meeting community needs. The Federal appropriations that would be authorized would be needed only during the initial period of resource development, the period during which royalties do not flow. After such flow is established, the appropriations, which would be refundable advances, would be repaid from the impact fund.

Besides creating an energy resources area impact fund, the legislation which I am introducing today also requires that the moneys due to the States under the provisions of the Mineral Leasing Act of 1920, as amended, where those are derived from the development of primarily oil shale and coal resources, may be used for purposes other than public roads and schools at the option of the State. This legislation is essential if we are to provide for the balanced growth of the impacted areas resulting from development of these mineral resources.

The last issue which my bill addresses is the royalty payment due the Federal Government on a barrel of shale oil. Under the current lease stipulations of the prototype oil shale leasing program of the Department of the Interior, a royalty fee of 12 cents per ton of oil shale—30 gallons of shale oil per ton—is levied. In other words, the oil companies which will process oil shale from public lands will have to pay the people of the United States less than an 18 cent royalty for every barrel of shale oil produced. Are the people of the United States receiving fair compensation for the exploitation of this publicly-owned resource? The royalty payment on a barrel of crude oil is currently about 66 cents on oil produced at the controlled price. It is around $1.25 for new oil which is not subject to price control.

Accordingly, I have tied the need for additional moneys to the impacted area to an increased royalty charge which will be placed on a barrel of shale oil. The legislation which I am introducing requires the payment of not less than 6¼ percent royalty charge on the gross value of the shale oil produced. Because of the tremendously large capital investment required to establish an oil shale processing plant and because the economic competitiveness of the oil shale industry has not been tested, I decided that from a policy point of view it was more reasonable to place a 6¼ percent royalty charge on this new industry rather than the conventional 12½ percent charge, as suggested in H.R. 13178.

Mr. Speaker, in order that other Members of the House and their staffs can study my bill and discuss its merits, I insert a copy of the bill in the RECORD at this time:

H.R. 15398

A bill to provide assistance for community planning needs required by development of mineral resources for energy production, and to amend the procedure specified in the Mineral Leasing Act of 1920 relating to royalties paid on shale oil produced on Federal land, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Resources Area Development Act of 1974".

SEC. 2. It is the purpose of this Act to—

(1) establish an Energy Resources Area Impact Fund;

(2) provide assistance for community social and urban planning needs required by development of mineral resources for energy production; and

(3) amend the Mineral Leasing Act of 1920 to provide for a minimum royalties payment to the Federal Government for shale oil produced on Federal lands.

SEC. 3. The Congress hereby finds that—

(1) development of our domestic energy resources such as coal, oil shale, and tar sands is of much importance to the Nation;

(2) development of these domestic resources can create adverse and beneficial social and economic impacts on those areas of the country containing such materials;

(3) the Federal Government should help reduce the adverse social and economic impacts resulting from development of these energy materials; and

(4) the Federal Government should provide assistance for the economic and social readjustment of the area should development of these mineral resources prove to be economically unattractive or environmentally prohibitive.

SEC. 4. (a) Notwithstanding any provision of the Mineral Leasing Act of 1920, and any other applicable provision of law, for the privilege of mining, extracting, and disposing of any oil shale from any land leased from the United States, the lessee shall pay to the United States, according to regulations prescribed by the Secretary of the Interior, a royalty which shall not be less than an amount equal to 6¼ per centum of the gross value of such oil mined, extracted, or disposed of during any year from the lands subject to such lease, and an annual rental, payable at the beginning of each year, at the rate of 50 cents per acre per annum, for the lands included in the lease; the rental for any one year shall be credited against the royalties accruing for that year and such royalties shall be readjusted at the end of each twenty-year period by the Secretary of the Interior.

(b) Notwithstanding any other provision of law, all money received from sales, bonuses, royalties, or rentals of public lands under the provisions of section 7 or 21 of the Mineral Leasing Act of 1920 (30 U.S.C. 207 and 241), shall be paid into the Treasury of the United States and distributed according to the following:

(1) 37½ per centum thereof shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of such year to the State within whose boundaries the leased lands are located. Such money shall be used by such State or political subdivision thereof for the construction and maintenance of public roads and transportation systems, and the support of public schools or other public education institutions and for planning, construction, maintenance costs, and assistance to communities directly impacted by mineral resource development for the production of energy, as the legislature of such State may direct.

(2) 10 per centum thereof shall be paid into the Energy Resources Area Impact Fund, established under section 5 of this Act, which shall be used for the purposes specified in such section.

(3) All other such moneys shall be paid into the reclamation fund established by the first section of the Reclamation Act (43 U.S.C. 391).

(4) In addition, there are authorized to be appropriated such sums to the Energy Resources Area Impact Fund deemed necessary to carry out the purposes of this Act.

SEC. 5. (a) There is hereby established in the Treasury of the United States a fund to be known as the Energy Resources Area Impact Fund (hereafter referred to as the "fund"). Such fund shall consist of revenues covered into such fund as provided in section 4. In addition there are hereby authorized to be appropriated to the fund, as repayable advances, such additional sums as may be required to carry out the purposes of this Act. Moneys paid into the fund shall be available for expenditures to provide loans and grants to States, counties, multicounty districts, and units of general purpose local governments for the purposes of—

(1) the planning, acquisition, construction reconstruction, or installation of public works, facilities, and site or other improvements, including neighborhood facilities, utilities, streets, street lights, solid waste collection and disposal facilities, water purification, treatment, storage, and distribution facilities, health care facilities, and other facilities needed for the provision of necessary social services;

(2) the maintenance and operation of such facilities and the provision of necessary social services during the period of initial mineral resource development impact, not to exceed a period of 15 years;

(3) the improvement of State and local governmental planning and management capacities with regard to community growth associated with the rapid development of mineral resources for production of energy; and

(4) the economic and social readjustment of areas seriously affected by declining production or closing of mineral resource extraction and processing operations.

Such grants and loans shall be made available to those specific jurisdictions recommended by the Governor of such State affected and determined by the Secretary of the Interior (hereafter referred to as the "Secretary") to be directly impacted by significant population growth due to energy or by resource development. Moneys covered into the fund shall be available for expenditures for such purposes only when appropriated therefor. Such appropriations shall be made without fiscal year limitations.

(b) The fund shall be administered under the direction of the Secretary within 90 days after enactment of this Act. The Secretary shall prescribe such regulations as are necessary and reasonable to assure that loans and grants made from the fund are used by the State or political subdivision thereof receiving such assistance for the purposes specified in subsection (a). No more than 50 per centum of the moneys available in the fund shall be used for grants. In approving such loans and grants, the Secretary shall consult with the Governor of the State, the Secretary of the Department of Health, Education, and Welfare, the Secretary of the Department of Housing and Urban Development, the Secretary of the Department of Transportation, the Secretary of the Department of Agriculture, the Administrator of the Environmental Protection Agency, the Administrator of the Small Business Administration, and the heads of such other departments and agencies of the Federal Government which may be engaged in programs or activities applicable to meeting the needs for which such loans and grants are provided under subsection (a). Loans made under the provisions of this Act shall be made for a reasonable period and shall be repaid with interest, and on terms and conditions, satisfactory to the Secretary. Such loans shall bear interest at a rate specified by the Secretary, which rate shall not be less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus one-eighth of 1 per centum.

(c) Assistance under this section shall be made available only to those eligible jurisdictions for which officially adopted comprehensive plans for growth and development have been certified by the Secretary, in consultation with the Secretary of the Department of Housing and Urban Development, except that jurisdictions without such plans, but otherwise eligible for assistance under this section, may receive assistance to develop such plans after providing assurance to the Secretary that such assistance will in fact be used for that purpose. No assistance shall be provided under this Act to activities or projects that conflict with such officially adopted and certified plans.

(d) No assistance for sewer facilities shall be made under the provisions of this Act unless the Administrator of the Environmental Protection Agency certifies to the Secretary that any waste material carried by such facilities will be adequately treated before it is discharged into any public waterway so as to meet applicable Federal, State, interstate, or local water quality standards.

(e) No assistance shall be provided under this Act unless the Secretary determines that the activity or project is necessary because of the impact of mineral resource development for the production of energy, that it will contribute to the maintenance or improvement of the quality of life of the people in the community to be served and that service delivery systems, public works, facilities, and site or other improvements to be assisted have been designed so as to serve the foreseeable growth needs of the area.

(f) The Secretary shall encourage cooperation in preparing and carrying out plans for meeting growth needs among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. The Secretary is further authorized and directed to take such other actions as he deems necessary and appropriate to encourage areawide approaches to meeting growth needs associated with rapid development of mineral resources for the production of energy. The Secretary shall take such action as he deems necessary to assist in the coordination of actions of Federal agencies in providing assistance to jurisdictions eligible for assistance under this Act.

(g) Applications for assistance under the provisions of this Act shall be subject to review and notification provisions of title VI of the Intergovernmental Cooperation Act of 1968, and section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

(h) The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance in planning for growth in areas impacted as a result of mineral development for the production of energy and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

SEC. 6. Budgetary reserves shall not be established, out of any of the funds authorized to be appropriated by this Act, for fiscal policy purposes or to achieve less than the full objectives and scope of this Act.

I urge my colleagues to support this proposal because it is clearly needed in order to meet the needs of those areas of the country which will be impacted by minerals development for the production of energy. I hope that the House Interior and Insular Affairs Committee will seriously consider this legislation during their upcoming hearings on development of our domestic resources for energy needs.

JAMES WECHSLER ON IMPEACHMENT SPEED-UP

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Ms. ABZUG. Mr. Speaker, James A. Wechsler, noted columnist recently had an article in the New York Post, June 6, 1974, regarding the need for urgency in the House impeachment inquiry. Mr. Wechsler's article is succinct and to the point. He states, and I agree, that the attitude of ranking Democrats in both the House and the Senate is disturbing. They are dragging their feet in this matter. A solid foundation exists for impeachment proceedings to begin. This coming fall is an election year and there is an increasing danger that feet-dragging on this grave issue will prevent its resolution.

On October 23, 1973 I introduced a resolution of impeachment (H. Res. 625) which charges the President with seven separate violations of the Constitution. Mr. Nixon has defied Federal court orders to release certain tapes, documents, and materials for inspection by the court. Mr. Nixon has usurped war-making and appropriation powers of Congress by authorizing secret bombing in Cambodia and by impounding funds appropriated for domestic programs by the legislative branch. Earlier this year Judge Gerhard A. Gesell of the U.S. District Court for the District of Columbia ruled that the dismissal of Special Prosecutor Archibald Cox was clearly illegal. This decision constitutes a serious ground for impeachment.

The time is past for contemplation, there is already sufficient evidence to warrant the House's voting to impeach Mr. Nixon and order him to stand trial before the Senate. Chairman PETER W. RODINO, JR. of the Judiciary Committee should act expeditiously and report to the House immediately.

I urge we delay no further. We need to move on to the pressing domestic needs of the American people. This is a serious matter, and, as I share Mr. Wechsler's views on this subject, I commend the New York Post article to the attention of my colleagues:

IMPEACHMENT SLOWDOWN

(By James A. Wechsler)

At the start two perils confronted the men running the impeachment proceedings. One was any sign of a partisan "rush to judgment." The other was a slow-motion exercise so prolonged by the desire to avoid any appearance of unseemly haste that the ultimate Senate trial carried over into the next Congressional session.

It became quickly evident that John Doar and Albert Jenner, the committee's able, conscientious counsel, would effectively resist any stampede. Even most of their early detractors have by now conceded their scrupulous respect for fair procedures and the diligence of their quest for truth.

But there are now ominous indications that their fastidiousness is being cynically exploited by the Administration's operatives, and by the weakness of some Democrats in high places. There is growing danger that what has steadily assumed the dimensions of an Administration filibuster will succeed in averting completion of a Senate trial before November's elections. And that could fatally obstruct resolution of the issue.

Richard Nixon's strategy is plainly subject to change without notice. Charles Colson's defection may be the prelude to other bombshells; the trap seems to be inexorably closing. As one of my colleagues perhaps wistfully suggested in these pages yesterday, Nixon may decide on his return from Moscow to proclaim his mission accomplished and abdicate in a flourish of self-righteousness.

But devoutly as that result may be wished, it can hardly be deemed a sure thing. Others hold to the darker view that Nixon will have to be dragged kicking and screaming from the White House even after he has exhausted his last legal remedy against eviction. It is probably most plausible that what he does will depend in important measure on his apparent ability to postpone the Senate's judgment day until next January.

In these circumstances Nixon must have derived large comfort from recent statements by the top two Senate Democrats—Mansfield and Byrd—blandly asserting that a Senate impeachment trial begun this year could be continued when Congress reconvenes in January.

The effect of these pronouncements was to dilute any mood of urgency in the House impeachment inquiry. It was sadly consistent with the tendency of the Democratic leadership in both chambers to minimize the importance of speeding the case of U. S. vs. Nixon to a decision climax—either by his resignation or through a Senate trial.

The longer one contemplates their performance, the harder it is to suppress the suspicion that they are exposing their political vested interest in his survival—at least through this year's Congressional balloting and perhaps even until November, 1976. For there is serious doubt about the validity of their claim that a Senate impeachment trial can be resumed as if nothing had happened after new members take their place in that body.

Over long years many statesmen on Capitol Hill have affirmed their conception of the Senate as a "continuing body." But the frail precedents they cite are unpersuasive. In fact what they are arguing is that newly-elected Senators who have not heard the presentation of previous evidence could step into the role of jurors and participate in the verdict on Nixon's guilt or innocence.

At the very least such a procedure would give Nixon a chance to seek a Supreme Court ruling on the question of whether he had been denied due process of law. Legal scholars who widely agree that an impeachment conviction would not be reviewable by the high court on evidentiary issues believe this would present a wholly different and difficult question. Certainly many Americans would be troubled by the spectacle of a trial that violated traditional requirements about the continuity of jury service.

What is perhaps most disturbing about the attitude of Mansfield, Byrd and other ranking Democrats is the intimation that the case already amassed against Nixon—bulwarked by key passages in the edited transcripts—is still highly "inconclusive," requiring many more long weeks of exploration and evaluation.

It is a matter of record that he discussed the payment of "hush-money" with top aides (whether he finally ordered it or not). He was informed of perjury and did nothing about it. He vowed his resolve to use government agencies to punish his enemies. While the Ellsberg trial was in progress, he sanctioned the offer of the FBI directorship to the presiding judge. His spokesmen have reaffirmed that he is unprepared to pledge compliance if the Supreme Court rules he must turn over the hidden tapes.

These are only a small fragment of the devastating facts now beyond dispute. Certainly there may be unsettled allegations worthy of final pursuit, but a solid foundation for an impeachment resolution based on obstruction of justice—among other things—exists. There is no excuse for extended delay, and for relaxed confidence that the Senate faces no serious deadline. It will not be too long before the country begins to address harsh questions to dawdling Democrats who are playing Richard Nixon's game.

PRIESTS' SENATE RESOLUTION ON AMNESTY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Ms. ABZUG. Mr. Speaker, I have received from Father Raymond M. Rafferty, chairman of the Senate of Priests of the Archdiocese of New York, a resolution on amnesty which I would like to insert into the RECORD. The Senate of Priests represents over 1,300 diocesan and religious priests working in the archdiocese of New York. They spent 2 months polling their constituents and conducting seminars on the question, in order that the final vote would be truly representative.

The resolution which follows was also sent to the President, the Members of the House of Representatives Judiciary Committee, the priests of the archdiocese of New York, and other religious and civic officials:

RESOLUTION ON AMNESTY

Whereas, many young men have left this country or have gone to prison rather than be involved in what they considered to be an immoral and unjust war in Souhteast Asia, and

Whereas, the American Bishops, in their October and November, 1971 NCCB statements, urged that the civil authorities grant amnesty for convictions incurred under the Selective Service Act, be it

Resolved, That the Senate of Priests of the Archdiocese of New York urge the President and Congress of the United States to grant an immediate and general amnesty to those who have evaded the draft, left the country, or have been imprisoned because of their opposition to compulsory military service in the Indo-China war, and that amnesty be granted on an individual basis to those who have deserted the Armed Forces for reasons of conscience when no other serious crime was involved.

THE OTHER SIDE OF BILL COSBY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RANGEL. Mr. Speaker, I wish to shed light on the concerned, humanitarian side of a man who is best known merely for his wit. Bill Cosby, as described in the following article from the Christian Science Monitor, is a Ph. D. candidate in education at the University of Massachusetts. He is most interested in developing techniques to educate deprived, inner-city children. Through an ingenious employment of the media, and with full advantage of his pleasing personality, he has become, for thousands of such youngsters, a friend, a confidant, and a hero. I commend him in his efforts and hope that his pursuits can inspire Congress to deal with its problems in a humane, imaginative fashion.

The article from the Christian Science Monitor of May 20, 1974, follows:

BILL COSBY, STUDENT AND EDUCATOR

(By Polly de Sherbinen)

AMHERST, MASS.—The lights in the graduate school office fade, and Bill Cosby settles back with a coterie of University of Massachusetts deans to watch a film he has made.

The projector whirrs. On screen, Mr. Cosby reminisces with a young prison inmate about the neighborhood in which they both grew up. The inmate killed a man, by mistake, while a rumble was on. Mr. Cosby speaks of his own gang, switch-blades, street fights.

What can this have to do with academia? Mr. Cosby walks out of the inner sanctum where he showed the film as part of his comprehensive examinations at the UMass School of Education. Three years after enrolling there, he has taken the first major step on his way to becoming Dr. William Cosby.

Granny glasses reinforce his seriousness. He is almost conservatively dressed—maroon sports shirt, checked jacket, modish shoes. His speech, in contrast to the showman's skillful timing, is consistently slow and measured.

HOPES TO HELP YOUTHS

He soberly explains that he has made this film to help encourage low-income urban kids to take hold of education. For this reason, he went to the Pennsylvania state prison to film "A Date at Graterford."

Mr. Cosby, after listening to an inmate talk, probed a tragic irony, "You had to kill someone and be laid away almost for life before you found you're an intelligent human being." He found the same was true of many others.

Mr. Cosby persistently sought an answer: Does it have to be that way?

In the film, Mr. Cosby asked the youth: "If you had something to say to some young dudes now, what would you say?" The inmate, an appealing young man, reflected: "Life on the corners is kind of glamorous . . . if you give it up, what do you replace it with?"

Mr. Cosby pressed the question. The reply came earnestly, hesitatingly. "One of the things that I've always felt I needed in my life was people who understood me, so I feel that maybe a lot of the problems the young children or the young adolescents are encountering, can be possibly overcome, or some solutions can be found if they can just sit down and talk with somebody."

LACK OF UNDERSTANDING

Another inmate, sentenced to life, is studying in prison to become an Episcopal clergyman. "What was your failure?" Mr. Cosby asked him. "Not understanding where I was going," the sensitive, handsome young man replies.

Five years ago in "Cool Cos," a book published for schoolchildren, Mr. Cosby dreamed of making a million as actor and entertainer, and then going back to school to teach. "If I can keep even one confused, unhappy kid from going down the drain, from dropping out of school, I'll have made a real contribution," he said.

Since then, he's decided to use television, films, and other media for teaching. He's kept youngsters on the edge of their sofas yelling "There he is!" as actor Cosby pops in and out of fast-moving Sesame Street and Electric Company scenes, and he's introduced Fat Albert and the Cosby Kids to television audiences.

On Saturdays, when kids crowd around the TV set to see Mr. Cosby commenting on his cartoon friends living it up in the junk yard, they can hardly guess he is the 12th partner in an all-out effort to teach them sound values. The others are 10 UCLA scholars and Dean Dwight Allen at the UMass School of Education.

HUMOR TEACHES VALUES

In Fat Albert, Mr. Cosby uses humor to teach values. In the Graterford film, he is intent upon the message, touched, with humor, that education pays. On film, he settles into spontaneous, plainspoken, and relaxed conversation with prison inmates. He is easy to talk with.

In one conversation, an inmate tells Mr. Cosby he hopes to go to Temple University after he's released. Mr. Cosby replies, "You have to go there, man. You have to go there. I'll give you my football jersey."

Mr. Cosby was reported in "Cool Cos" to be making over $1 million a year at the end of the last decade. If making educational films cuts into his income, he sees it as "a matter of a human being doing what he enjoys doing. Some people would rather go out and fool around with a boat, or write a book."

He continues, "It's a matter of what one wants to do. You're still running. It's a matter of how you feel when you're running."

PRESENT FOR HIS MOTHER

Part of his reason for wanting the doctorate is personal. The "biggest present" is for his mother, who will be assured that her son has "something to fall back on." And he wants his children to know that "their father can do something besides being an entertainer." His fourth child and third daughter is a year old.

Mr. Cosby and his wife, Camille, live in a secluded house on a country road near Amherst where the UMass School of Education is located. It is their only home. He estimates spending seven months a year there, away from show biz life.

Mrs. Cosby cooks their meals. Her husband testifies, "My wife works very, very hard at being probably one of the greatest mothers." She was a psychology major in college.

Moving to the country seems to have made Mr. Cosby's earlier dream a reality: living in a place where he can "basically just kind of get up in the morning and look out and see what kind of a day it is and just go." And go he does.

He describes how going after a doctorate feels. "You look at things and you say, gee whiz, this is interesting, all these things keep popping up. Then you find out, gee whiz, you know, this is going to take me 800 years before I'm finished with this, and you got to close it off, but you're enjoying it."

ANNEXATION OF LITHUANIA

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mrs. GRASSO. Mr. Speaker, June 15 marks the 34th anniversary of the forcible annexation of Lithuania by the Soviet Union—a criminal act abhorred by freedom-loving people throughout the world. Truly this is an anniversary filled with sadness and somber reflection.

In 1940, a full 20 years after the Soviets had signed a peace treaty with the Lithuanians, the suppression of freedom in this Baltic State began. The Soviet Union occupied and colonized its smaller neighbor, and 45,000 Lithuanians died during the takeover, while 30,000 more were deported to Siberia. Yet, in the face of the iron cruelty of Soviet domination, Lithuanians have continued to nurture a longing and a deep resolve for freedom. Their spirit remains irrepressible, their drive for liberty resolute. Truly Lithuanians are valiant men and women who desire a better life for themselves and their families.

We in America share with Lithuanians a full and complete love of freedom, and a desire to see that each human being has the right of setting and following a chosen, peaceful course in life—fulfilling their hopes and dreams as free men and women.

The deep dedication of Lithuanians to cherished ideals of brotherhood and equality for all is clearly reflected in the commitments and the many accomplishments of Lithuanian-Americans in Connecticut and throughout the Nation. These people are admirably tied to their heritage and to the traditions of Lithuania, and through hard work and diligence they have made for themselves a lasting place in the history of our country.

Together with Lithuanian-Americans, we are resolved to press for freedom for Lithuania and the other forcibly annexed Baltic States of Latvia and Estonia. Today I have introduced a resolution supported by many who long for a free Lithuania. This measure expresses the sense of Congress that the U.S. delegation to the European Security Conference should not agree with the recognition by the Conference of the Soviet Union's annexation of Lithuania, Estonia, and Latvia, and that it should remain U.S. policy not to recognize in any way this Soviet annexation. It has also been my privilege to cosponsor a resolution expressing sympathy for Simas Kudirka, that valiant and courageous Lithuanian seaman whose jump to an American ship and much deserved freedom was thwarted by the arcane mysteries of international law, and who is now suffering because of his overwhelming desire to live as a free man.

In this time of détente we must not forget those suffering in captive nations. For this reason it is my hope that efforts will be made to affect the following changes in Soviet policy.

First. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States;

Second. Increases in the current 5-day tourist visa to Lithuania to a more reasonable limit;

Third. Elimination of unreasonable travel restrictions on tourists in Lithuania;

Fourth. Provision for Lithuanians to emigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

These are important considerations—steps that would be important strides toward the realization of the dream of millions of Lithuanians and their comrades in that country—a Lithuania filled with freedom and happiness for all.

CLOSING LOOPHOLE IN CONTROLLED SUBSTANCES ACT

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. HASTINGS. Mr. Speaker, last week the U.S. District Court for the District of Columbia handed down a decision whose practical effect will be to significantly increase the responsibilities of the Drug Enforcement Administration in preventing abuses in the distribution and use of methadone. Specifically, in American Pharmaceutical Association against Weinberger, Civil Action No. 1485–73, the court held that the Food and Drug Administration lacks statutory power to restrict the channels of commercial distribution of drugs for which an approved new drug application, or NDA, is in effect. Since methadone is an approved analgesic, the court held that the FDA had no right to permit its sale in hospital pharmacies while denying the right of nonhospital pharmacies, even though registered under the Controlled Substances Act, to sell it upon the prescription of a duly registered physician.

If this decision had come a few months earlier, Federal authorities might be faced with a much more serious problem than now confronts them. Fortunately, last month the President signed a bill which requires separate registration under the Controlled Substances Act to dispense methadone—or any other narcotic drug—in the maintenance treatment or detoxification treatment of narcotic addicts. This separate registration can be revoked if the practitioner fails to observe standards prescribed by the Secretary of Health, Education, and Welfare for the conduct of such treatment.

Mr. Speaker, I am today introducing legislation to close the last remaining legal loophole left to those who might be tempted to be careless or unscrupulous in prescribing narcotic drugs for maintenance or detoxification, under the guise of prescribing drugs for analgesia. My bill would very simply provide that anyone who dispenses a controlled substance for maintenance or detoxification without possessing the requisite special registration, could have his general controlled substances registration suspended or revoked.

The bill enacted last month provided an effective sanction against those who are registered to provide maintenance or detoxification treatment and who then violate the conditions of such registration. My bill rounds out the picture by providing an equally effective sanction against those who may be even more culpable, that is, those who fail to register in the first place. Suspension or revocation of their general narcotic registration would be at once far more expeditious and far less drastic a remedy than criminal prosecution or the revocation of their license to practice, yet would be fully as effective in curbing all but the most blatant criminal acts, such as outright sales where no physician-patient relationship is ever involved.

Mr. Speaker, I believe that this legislation can significantly strengthen the regulatory structure for the control of methadone, a regulatory structure which may in any case have to be revised in the light of last week's court decision.

ESSENTIAL IMPROVEMENTS IN SSI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BINGHAM. Mr. Speaker, the Supplemental Security Income—SSI—program, designed to provide a secure income for those aged, blind, and disabled members of our society who are in dire financial need, has drastically missed its mark. The arrow has been diverted by complexities that have surfaced in the few months that SSI has been in effect. Many SSI recipients, those people who desperately need Federal assistance in order to sustain themselves in the most rudimentary fashion, soon discovered that as participants in the SSI program, they were compelled to manage on less than they had when they were originally deemed eligible for Federal supplemental assistance.

Examples of letters from participants in the SSI program express more keenly and dramatically than could I the frustration and disappointment that the SSI program is creating. Surely a program with such positive potential deserves further review and reform to enable it to become responsive to the needs of those citizens whom it was designed to help. I, along with several other concerned colleagues, have introduced comprehensive legislation to improve the SSI program. The attention of Congress must be drawn to this legislation as soon as possible so that the technical oversights and complicated requirements that have caused unforeseen yet intense hardships can be eliminated.

The examples of letters follow:

JUNE 6, 1974.

Representative JONATHAN B. BINGHAM,
New York Center,
New York, N.Y.

DEAR REP. BINGHAM: At the outset, as a disabled person, I wish to state that I am in strong opposition to having been transferred to the new federal program, and doubly so in view of its inadequacies in comparison to the state welfare program, without even given a choice. For one to be on the SSI program, I think it should be strictly on a voluntary basis.

I question the reasoning behind the federal government's takeover of the disability division of the welfare department. Is this Mr. Nixon's concept of "cleaning up the welfare mess"?

I feel it is grossly unfair—a disabled person living alone receives the gold check (which isn't that large) and that's the extent of the SSI benefits. Just why is it that the welfare department still finances telephone service, travel and moving expenses, etc. for AFDC cases while all the disabled get is cutbacks?

Representative Bingham, will you please push for repeal, as opposed to introduction of additional bills, for complete and total repeal of Public Law 92603 and help to bring the disabled back to the state welfare program where we were obviously better off.

Sincerely,

GLADYS MCCARTNEY.

BRONX, N.Y.,
March 11, 1974.

HON. JONATHAN BINGHAM,
East Fordham Road,
Bronx, N.Y.

DEAR MR. BINGHAM: On January 1, 1974 I was transferred from the New York City Welfare rolls to the Supplemental Security Income Program. This had been heralded in the newspapers as a great advance for the elderly, the blind and the disabled (I fall in this latter category) but from where I sit this seems to be no improvement at all.

As you may know, being eligible for the SSI program automatically disqualifies the recipient from food stamp benefits. Although the money grant that I received while on welfare did not change the loss of food stamps resulted in a fifteen dollar a month loss in my total budget and in these times that leaves quite a hole in my pocketbook. I do not see this as an advantage over what I received while on welfare.

In the New York Times last month it was reported that Congress had voted a ten dollar increase (effective in March) for SSI recipients, but my check of March 1 did not reflect any such increase. It had been my suspicion that the state would merely deduct the ten dollar increase in the federal contribution from its own contribution. I called up my Social Security office and they told me that to the best of their knowledge that was exactly what happened. They said that possibly the only people who would benefit from the increase would be those whose total grant did not exceed the $206 limit set by Congress. I know several people who fall into that category and their grants also did not show an increase.

I would like to say that although I get a higher allotment that is because my rent is higher and my welfare budget had been adjusted accordingly. Therefore, I and anyone receiving more than $206 a month would be in a position to benefit from any increase in the SSI grant just as well as those who receive less but whose rent is less. Right now I have $94 to live on after my rent is paid. I live in a decontrolled apartment and my lease expires in May. And as there is no allowance in the SSI program for increased expenses that ten dollars could have gone to alleviate the stress of the rent increase I can expect in May (which will undoubtedly be at least $15 and probably more). If the increase results in a rent I cannot afford I will have to move. Welfare pays one month's rent, one month's security, one broker's fee and mover's fees. SSI pays nothing. The stigma of being a "welfare bum" is more than offset by the advantage of a program which is not based on a rigid, inflexible grant. True, in three years there has been no increase in the size of my grant despite increases in the cost of living (which does effect poor people as well as wage earners), at least when I was forced to move the last time Welfare provided the necessary services.

If it was Congress' intent that this ten dollar increase be passed along to the SSI recipients I feel that you ought to be informed that in New York State this was not done. If it was not Congress' intent and that ten dollar increase was voted on merely to reduce the size of the state contribution, then it was just another reflection of the total cynicism afflicting politicians at all levels of government, and not merely the executive branch. The SSI program, with its lack of food stamp benefits and emergency provisions, is, in social terms, a step downward for the elderly and sick who were transferred onto it from the welfare rolls. In political terms it can be construed as a cowardly attack on the group that constitutes the smallest percentage of all those receiving welfare (the group that has the least political pull and the least ability to fall back on their own resources, legal or illegal, because they have none at all) to win a few more votes from an unthinking, ignorant electorate. I feel it is cheap and cynical to campaign at the expense of blind, aged and disabled people.

I would like to know your feelings on this matter and what, if anything you would consider doing to alleviate the plight of the SSI recipient. Did you vote for the SSI program? And if you did, were you aware that there were no benefits to be accrued to the people in it; that, indeed, there would be a loss of benefits and added insecurity? Did you vote for this increase? Did the bill specify to whom the benefit of this increase would fall? Are you aware that, if this pattern continues, there will never be a cost of living increase for those in the SSI program? Only an increase in the Federal budget?

I would again remind you that the SSI program constitutes the smallest group of people receiving Public Assistance and that the transfer of this group from the welfare rolls did not result in a tremendous decrease in the welfare budgets of the various states. Politically there is nothing to be gained from this program and, as I have said, there have been no social gains whatsoever. I would hope that you can help to do something about this disastrous situation and I would greatly appreciate hearing from you your feelings on this matter.

Sincerely yours,

LAURIE GILBERT.

Impeach Nixon!

LITHUANIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DELANEY. Mr. Speaker, June 15 is the 34th anniversary of the annexation of Lithuania by the Soviet Union. In the years since the Second World War, thousands of Lithuanians have sacrificed their lives, while others are in exile or in Siberian concentration camps. The Lithuanians are proud people. Their loyalty and desire for freedom have more than passed the test of time. We can do no less than to stand firm in our support for their freedom and self-determination.

It was not too long ago that our forefathers came to this land in search of religious and political freedom, in search of the basic human rights denied them in Europe. Lithuanians too, want that which is rightfully theirs. With the spirit of '76 almost upon us let us not forget those less fortunate than we. I join with my colleagues in expressing the hope and prayer that this year will finally bring both freedom and independence to Lithuania.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 42

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. HARRINGTON. Mr. Speaker, an article appeared in the Oil Daily of June 12, 1974, concerning the development of synthetic energy.

In addressing the Oil Daily Annual Forum on Synthetic Energy, Robert B. Paige, a Merrill Lynch, Pierce, Fenner & Smith vice president, stated that the major problem facing synthetic energy developers was the lack of money to finance such projects. With projected increases in capital investment and decreases in gross savings, observers foresee high interest rates and more selective screening processes on the part of investors.

Mr. Paige reports:

> For the financial executive in the oil and gas industry, the prospect of entering these long-term capital markets is intimidating.

Private industry may not be willing to take the risks in developing synthetic energy plants, and achieving Project Independence goals may be difficult.

I would suggest, Mr. Speaker, that the Federal Government might undertake to accomplish this research through establishment of the Federal Oil and Gas Corporation. Legislation which I have introduced would authorize the corporation "to engage in research directed toward development or utilization of abundant and nonpolluting supplies of energy, from whatever source, and build, own, and operate research testing or demonstration facilities, alone or on a joint or cooperative basis with private or other entities."

Many of the greatest scientific breakthroughs in this century have been the result of Government and private industry working together on challenges that private industry could not afford or risk alone. Perhaps our need to perfect synthetic energy sources can be filled in a similar way.

IN COMMEMORATION OF THE FORCIBLE ANNEXATION OF LITHUANIA BY THE SOVIET UNION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. KEMP. Mr. Speaker, on June 15, Lithuanian-Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940.

The Hitler - Stalin - Molotov-Ribbentrop Pact of August 1939, contained a secret protocol which gave Lithuania and the Baltic States of Estonia and Latvia to the Soviets, at a time when these states were still free republics. War began days later, and the Soviets forced the Baltic States to sign mutual assistance pacts which exacted under duress permission for Russian military bases on Baltic soil. After the fall of France there was a full-scale Soviet invasion, "legitimized" by these forced treaties, and by June 17, 1940, all three countries were occupied.

The United States was the first, in 1940, to denounce the Soviet takeover of the Baltic States. Throughout these 34 years since the takeover we have refused to recognize the Baltic States forced annexation by the Soviet Union. In 1966 the House and Senate unanimously passed House Concurrent Resolution 416 calling for freedom for Lithuania and the Baltic States of Estonia and Latvia, and the President has reaffirmed our commitment to a free Baltic States by labeling that Soviet imperialist act as a violation of "not only the spirit and letter of international law but—an offense against—the standards of common human decency."

Living in a free nation, we can never really understand the sufferings of the captive peoples. But, we can offer to the brave citizens of those lands who still fight for liberty, and to their many friends and relations in the United States, the assurance that we as a people will never rest until Lithuania and the other captive nations regain their rightful heritage of freedom. We will never rest as long as there is denial of religious freedom, denial of self-determination—denial of human rights.

As the Soviet Union and the United States now approach détente, we, as the leading power in the free world, have a unique opportunity to ease the plight of the peoples of Lithuania and other captive nations—to bring about Soviet compliance with the provisions of the United Nations Charter and the Universal Declaration of Human Rights and an end to all forms of persecution for political and ideological reasons.

I proudly join in supporting the cause of freedom for Lithuania and the Baltic States by recognizing June 15 as a day to commemorate the annexation of Lithuania as a demonstration of our continuing commitment to the Lithuanian people and to all captive nations.

BALTIC STATES' GENOCIDE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DERWINSKI. Mr. Speaker, today is Genocide Day, the 34th anniversary of the mass deportation of people from Estonia, Latvia, and Lithuania to slave labor camps in Siberia and other sections of the Soviet Union. This historic action of Communist brutality occurred in 1941, shortly before Nazi armed forces invaded its previous ally, Communist Russia.

The three Baltic republics had enjoyed a shortlived freedom, having secured their independence shortly after the end of World War I. The territory of the three small countries was invaded first by Soviet troops and then by Nazi forces.

Toward the end of World War II when Soviet troops reoccupied the Baltic States, the U.S.S.R illegally incorporated these three nations into its structure, an action which our Government has never recognized. Since then, the Baltic people have suffered from the collectivization of their farms and the nationalization of their industries. They have suffered religious persecution and their children have been subject, through Communist educational institutions, to Communist brainwashing.

Hundreds of thousands of Estonians, Latvians, and Lithuanians were shipped from their homelands like cattle, to be replaced by peoples from other parts of the Soviet Empire. This exchange of populations has substantially altered the ethnic compositions of Estonia, Latvia, and Lithuania.

Mr. Speaker, it is not pleasant to have to invite the House's attention to such an occasion as Genocide Day. Unfortunately, we must take note of it, so long as the Soviet Union continues to treat the Baltic peoples as colonials to be exploited, as chattels to be exported, and as inferior creatures to be exterminated. Genocide is wrong, no matter who practices it, no matter who the victims are, and regardless of whether they be many or few.

However, I direct the attention of the Members to the fact that throughout the free world the peoples of Estonian, Lithuanian, and Latvian origins maintained their traditional civic, cultural, and church organizations and continue their efforts on behalf of their enslaved compatriots held captive within the U.S.S.R. The legitimate spokesman for the Baltic peoples are found in the free world rather than the Russian puppets in the three so-called Soviet Socialist Republics. I am confident, Mr. Speaker, that the perseverance of the Baltic peoples will triumph over communism and that freedom will ultimately be restored to Lithuania, Latvia, and Estonia.

GOVERNMENT-MANDATED DEVICES

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BROOMFIELD. Mr. Speaker, the Automobile Cub of Michigan recently conducted a survey of its members, and I think the results will be of great interest to all Members of Congress. If the Michigan survey is indicative of a national feeling, American motorists are fed up with the regulations Washington has imposed on their cars.

Nearly 7,000 drivers answered the questionnaire, and almost one-third of the respondents included a strongly worded letter with their questionnaire. The results were overwhelmingly against Government-mandated devices on automobiles.

Seventy-four percent of those responding expressed their disapproval of the seatbelt-interlock system on 1974 cars. An even greater number, 83 percent stated that even if inflatable airbags are proven safe and effective, they should not be required by law. Eighty-one percent of the motorists do not feel the size, weights, or gas mileage of cars should be regulated by Congress. And 72 percent feel the Clean Air Act should be eased to make catalytic converters unnecessary.

For the past decade Congress and the Federal agencies have burdened the industry with expensive, and oftentimes unnecessary regulations. It started innocently enough with optional seatbelts, progressed through mandatory seatbelts, and resulted in a blatant invasion of privacy on the part of Government—the 1974 interlock system.

Now it appears the bureaucrats at the National Highway Traffic Safety Administration (NHTSA) are just getting warmed up. The auto industry has recently been informed that airbags, a $225 option on some cars this year, will be mandatory on 1977 model cars. NHTSA took this action despite the fact that the auto manufacturers, after spending millions of dollars testing these devices, concluded the air bag will not accomplish anything that is not being done presently by the seatbelt system, and have serious drawbacks.

The estimated cost for installing airbags as standard equipment would be $2.6 billion per year. And we all know who will end up paying the bill—the American public. For that price American drivers will get in return an uncertain safety device that the auto industry itself has reservations about.

Bureaucratic blunders like this make Washington look as far removed from reality as Disneyland. Henry Ford once said that government should serve, not dominate. If the NHTSA thinks its arbitrary decisions regarding seatbelts and airbags are serving the public, perhaps the results of this questionnaire will jolt them back into reality.

ISRAEL HONORS AMNON BARNESS, MAX CANDIOTTY, AND DAVE FINKLE

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. REES. Mr. Speaker, the American people have lent unwavering support to the courageous State of Israel since its birth 26 years ago. During that time a number of forward-thinking companies in this country have recognized the importance of maintaining this profile, advancing their support through corporate dinners, where millions of dollars in State of Israel bonds were sold.

The acknowledged leader in this area of activity, the corporation which held the first such dinner and the firm which has held more Israel bond dinners than any other, is Daylin, Inc., Amnon Barness, Daylin's chairman of the board, assumed a leadership role in this effort when he established and was named chairman of the International Corporate Program for Israel Bonds. In the past year, through this program, some 40 companies in the United States and Canada held such dinners, selling more than $40 million in Israel bonds.

Now the State of Israel is honoring Mr. Barness for his unselfish dedication to this cause. Also to be honored are Mr. Barness' two partners at Daylin who share his philanthropic as well as his business interest. These two men who, with Barness, founded the company 14 years ago, are Max Candiotty, president of Daylin, and Dave Finkle, Daylin's chairman of the Executive Committee.

The honor will take the form of dinners on both coasts of America—one on June 22 in the Waldorf Astoria Hotel, New York, and the other on June 27 in the Century Plaza Hotel, Los Angeles. Civic and Government leaders from both Israel and the United States will join industry leaders and associates of the honorees at Daylin, to pay special tribute to these three giants of humanity.

To mark this special occasion, the State of Israel will present Mr. Barness, Mr. Candiotty, and Mr. Finkle with the coveted and rarely conferred Prime Minister's Medal.

In New York, the tribute dinner general chairman is Arnold Siegel, and Eugene Kalkin is general cochairman, while in Los Angeles the dinner cochairmen are J. Norman Alpert and Bernard Marcus.

Samuel D. May is president of the Prime Minister's Club, Daylin East, and the New York general coordinating chairmen are: Harold Bitterman, Bernard Jacobs, Albert Lechter, Gary Parks, Sherman Simon, and William Wolff. The treasurer is Bernard Rackmil.

Coordinating chairmen in Los Angeles are Bernard Kritzer, Jerry M. Sudarsky, and Charles "Chic" Watt.

Others in New York who are helping in the project are: Dinner chairmen—Arthur Blank, Donald Florman, Sy Gothelf, Robert Karan, Seymour Karch, Herbert Katz, Helen Lee, Herman Leibmann, Murray Rae, Charles Siegel, Murray Turkel. Dinner coordinating chairmen—Saul Adelman, Steve Adler, Vincent De Luca, Herbert Katz, Noel Kleinman, Stanley Memis, John Nicoletti, Robert Reinhardt, George Ringel, Robert Schiller, Robert Swerdlick, Jerry Tamber, Sidney Tanenbaum, Morton Weinstein, and Lou Zucker.

The committee in Los Angeles includes the following associate chairmen: Sam Bass, Leon Beck, Alan Bergman, Jean-Louis Bourguet, Marvin Chanin, Theodore Crey, Mme. De Clausade, Frank Denny, Nick Einfeld, Albert B. Glickman, Sol Goldsmith, Ray Gorney, Peter Grant, Jack R. Hearne, Harold Heldfond, Edmunc C. Hill, D. J. Kelley, Sidney Kern, Alec G. Land, George J. Lehman, Alvin M. Levin, Robert McKnight, Wilhelm A. Mallory, E. Ray Moore, Gilbert "Buddy" Palmer, Alan Potruch, Henry Rosenzweig, Kal Rubin, David Saks, Richard Segal, Rudy Seidler, Charles Siegel, George Swerdlow, and Dr. S. Jerome Tamkin.

I would like to take this opportunity to urge the Members of this 93d Congress to join me in paying special tribute to these outstanding gentlemen—Amnon Barness, Max Candiotty, and Dave Finkle—for their devotion, their leadership, their compassion.

LITHUANIANS STILL HOPE FOR FREEDOM

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. HAYS. Mr. Speaker, on June 15 we commemorate an important day in history, not a day of national independence but of enslavement, not the achievement of liberty but its loss. In 1940, on June 15, Lithuania and its neighbors on the Baltic Sea were forcedly annexed by the Soviet Union. Subsequently, thousands of Lithuanian citizens were deported to Siberian concentration camps for no other reason than that they wanted to remain Lithuanian.

Most Americans living today cannot remember the annexation of Lithuania, and I am sure that some believe that it occurred so long ago we should let the affair pass into history. But I do remember, and if liberty and justice have any meaning for us as a nation, we must not let the fate of the captive nations become nothing more than a footnote to history. After 34 years the people of Lithuania still hope for freedom and we must not let that hope die.

I understand from all the reports that the Soviet Union is interested in détente and wants most-favored-nation status. I do not see much hope for détente until the Soviet Union does more than merely talk about justice and the rights of men. A good sign that the U.S.S.R. is serious would be a positive action to ease the plight of Lithuanians and other captive nations.

DR. PAUL RUSCH: MIRACLE WORKER IN PRACTICAL DEMOCRACY

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. MATSUNAGA. Mr. Speaker, worldwide peace and international cooperation are recognized goals toward which our Nation is striving in the aftermath of recent devastating wars. While world leaders invest much energy toward reaching these ends, it is often the efforts of individual citizens which prove to be of immeasurable value in securing such peace and cooperation.

Dr. Paul Rusch, the founder and inspirational leader of the Kiyosato Experimental Education Project—KEEP—is one such individual. It was my great privilege to serve as a fellow officer in the Military Intelligence Service for a period of 8 months during World War II with Paul Rusch. Even then he was an inspiring leader who enriched the lives of those with whom he came in contact. I was fortunately numbered among them. As a lieutenant colonel in the intelligence staff of General MacArthur in postwar Japan, Dr. Rusch viewed firsthand the vast destruction and misery brought upon a defeated nation. He recognized the need for a stable, democratic government in Japan which could meet the survival demands of its people. Dr. Rusch realized that a practical demonstration of democracy at the grassroots level was essential to achieve success. He noted that it occurred to him that "democracy was not something that could be given or thrust upon a people. It had to be learned firsthand, worked at, experienced." This dedicated, giving man set out to assist the peoples of Japan in achieving democracy and prosperity and founded KEEP, the Kiyosato Educational Experiment Project.

Dr. Rusch's aim was to develop a model early New England type community, built around the church and Christian democratic principles, and to provide a new source of food for Japan's war-impoverished people. He chose Kiyosato, Yamanashi-Ken as the site for an experimental farm, near the St. Andrew's Brotherhood Youth Camp. The farm was to demonstrate that agricultural achievements were possible in an area above the rice growing level. The community was to also be equipped with a church and modern educational, medical, and social facilities.

The miraculous success of this project is well known. To date the KEEP community includes an agricultural school, conference lodge, youth camp, experimental farm, rural hospital, nursery school, free library, and church. This venture has proven that upland farming in Japan can be productive and that an improverished people can operate a self-help system and take advantage of modern know-how to achieve prosperity.

At age 76 Dr. Rusch is, as Lt. Col. Stuart W. Shadbolt stated in a Pacific Stars & Stripes article:

> A living legend in the history of the United States and Japan, an American who saw a need and determined "to do something about it."

Through KEEP, Dr. Rusch has not only alleviated human suffering and hunger, but has inspired new faith, and hope for the future, among a once lost populace. He is indeed a miracle worker in practical democracy.

The world is in crying need of men such as Dr. Rusch to lay solid foundations for future peace, cooperation, and prosperity.

Presently Americans everywhere are struggling to recover from the human losses and emotional wounds inflicted by our Nation's longest and most divisive war—the War in Vietnam. Our Nation and the nations of North and South Vietnam need dedicated persons to lead them out of the pain and misery of war. A man like Dr. Rusch would seem a noble model for all to emulate. If his constructive, peaceful goals could be adopted, the people of Southeast Asia could look forward with some hope to an early recovery from war and devastation.

DEPORTATIONS IN THE BALTIC STATES

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. REID. Mr. Speaker, once again I ask my colleagues to join with me in commemorating yet another tragic anniversary of the Republic of Estonia. Over 30 years ago in communities throughout Estonia, Latvia, and Lithuania, thousands of individuals were indiscriminately deported from their native lands by the Soviet authorities.

Each of these exiled men and women carried with them their undying idealism and their unyielding desire to be free. The memories of these individuals such as Konstatin Pats, President of Estonia, have remained in the hearts and minds of those people today who are working to recreate a free and independent Estonia, Latvia, and Lithuania.

At a time when the most powerful nations of the world are gathering around a table of peace in Geneva, the United States—symbol of the modern democratic order—must renew its commitment to the members of those communities which after 56 years under Soviet control, still recognize and express their desire to be free. We must insure that these rights of self-determination, self-reliance, and self-government are restored to Estonia, Latvia, and Lithuania. Just as we treasure our own freedom, we must recognize those communities who believe in theirs.

PUBLIC SAFETY OFFICERS BENEFITS ACT OF 1974

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. FISH. Mr. Speaker, the House passed the Public Safety Officers Benefits Act of 1974 April 24 and sent it to the Senate, which had acted on the measure in a slightly different form. The bill is now designated as S. 15 and has the wide support of the police and law enforcement organizations and supporters. I hope the Senate will accept the House version which broadens the coverage of police and firemen who die in the line of duty.

I spoke to such a group in New York City May 4, sponsored by Mr. Ordway P. Burden, of Mt. Kisco, N.Y. Mr. Burden is a young man who has spent the majority of his life as an active supporter of law enforcement and law enforcement organizations. He is a member of many organizations including: The Hundred Club of Connecticut; the Hundred Club of Massachusetts; and the Hundred Club of Westchester County, N.Y. where he is also a director of the club.

These Hundred Clubs are organizations of private cititzens who are not, except in a very few instances in any way connected with law enforcement organizations. They have nothing personal to gain except the good feeling that they are helping the widows and families of policemen and firemen who have lost their lives making our neighborhoods and towns better and safer places to live.

Usually these "clubs" are composed of members who have given a $100 or more per year to aid the widows of those men who lose their lives for us. I learned at the New York meeting that in some instances the Hundred Clubs give money for education of the children of the slain policemen, and they provide various forms of outright cash support. In some cases the money is given to the widow in lump sum—$10,000, $20,000, up to as much as $40,000. In other cases they spread it out in the form of monthly income, and some "clubs" told at the meeting of taking care of the widow and her family until she remarries or until the end of her life.

This is very laudatory and for many people a completely anonymous humanitarian act. These club memberships are all made up of prominent, influential people who have as their only concern and aim to take care of the widows and their families.

The Public Safety Officers Benefits Act will relieve some of the work that Mr. Burden and his "clubs" are now doing, if the slight language changes are accepted by the Senate and the President signs it into law. But it will not take over all the benefits offered by these 50-odd "clubs" throughout the country. It will however, allow the clubs the further opportunity to concentrate more on the educational requirements of the children of the slain law enforcement officers. It will also provide the widows the opportunity to live normal lives and not to have to suffer or to take a lesser position in life simply because their husbands lost their lives as firemen or policemen, protecting our lives and property.

At the meeting I attended at the New York Hilton May 4, I spoke personally with many of the more than 50 people who attended the session. Included among those at the head table with me was my colleague, Congressman MARIO BIAGGI, of New York, Mr. Robert D. Gordon, executive director of the International Conference of Police Associations, headquartered in Washington, D.C., and Mr. John Harrington, international president of the Fraternal Order of Police, who lives in Chalfont, Pa.

Hundred Club representatives came to the New York meeting from as far away as Denver. There are Hundred Clubs in over half the States at the present time and I understand one of the purposes of the May 5 meeting was to see if they could help get more of these "clubs" formed in other States and cities.

My hat goes off to Mr. Burden and the Hundred Clubs for the outstanding job they have been doing in the past and the job they are set up to do in the future.

GSA ADMINISTRATOR SAMPSON PRAISED FOR OPEN POLICY IN SELECTION OF ARCHITECTS AND ENGINEERS

HON. KENNETH J. GRAY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. GRAY. Mr. Speaker, we have all heard a lot recently about lack of public confidence in our Government, about how governmental decisionmaking should be open for public inspection, and about the need to curb possible abuses of power. Unfortunately, not enuogh has been taken to correct these situations.

Therefore, I was extremely pleased to see a recent example of a Federal agency, on its own initiative, taking positive action to secure improvements. I am referring to the sweeping changes in the procurement of architect-engineer services announced on June 10 by Arthur Sampson, Administrator of the General Services Administration.

Last October, Mr. Sampson appointed a special, high-level study committee to study GSA's procedures for selecting architect-engineers, and to make any recommendations they wished in order to improve the process. The committee was made up of businessmen, architects, engineers, educators, journalists, and government administrators.

Their report was accepted by Mr. Sampson on June 10, and most of the recommendations were ordered implemented immediately. While the committee found that basic GSA procedures were excellent, and found no evidence of improprieties, their recommendations will better define the selection criteria used, and reasons for an architect-engineer selection. They will also remove all steps in the selection process from behind closed doors.

This is another example of the type of dynamic leadership and good management sense that Art Sampson has continually displayed at GSA. I commend his actions in this matter and hope that others will follow his example.

I would like to submit for the RECORD a copy of Mr. Sampson's statement of acceptance of the report and a brief summary of the highlights of the committee recommendations:

REMARKS BY ARTHUR F. SAMPSON

Before I comment on the committee report and our response to it, I want to make two preliminary points. Points which will help you to fully understand the importance of this document, its nature and its content.

First, about the committee itself: this really was an outstanding group. You have their names. Professionals with years of experience in all areas of the construction industry. The committee and staff had only six months to do a difficult job of research and evaluation. And they did it. Their work was orderly and on time all the way along.

The final product of that effort reflects the full independence and the broad experience of the committee membership. That makes it for us both a challenge to live up to and a working document we can build on. Which is exactly what it should be.

The second point about this report is this: it responds precisely to the charter which we gave the committee.

In October, I approved the charter of the committee.

It was not to be an investigatory body, a board of inquiry or anything of the sort.

This was to be careful and thorough research effort.

Let me quote from the committee charter:

"The committee will recommend a process to be used by GSA for the selection of architects and engineers to receive federal contracts. It shall study GSA's present system for selecting architectural and engineering firms, previous systems used by GSA, systems used by state and local governments and systems used in the private sector. It shall take into account the opinions of those exports in the field whose advice it considers of value. It shall have access to all GSA employees and all relevant records. It shall study at least the last four years of GSA experience with the selection of architects and engineers."

In part, the scope of committee research was defined in this way to make it a manageable effort. But, more important, the charter of the group was designed to avoid a sensational or emotional approach to the issues. It was designed to produce a set of recommendations that could be acted on because action was so badly needed to restore public confidence.

That's what it did. The final committee report recommends specific action. Not high-sounding moral reforms, but detailed steps to improve our selection process. To minimize the opportunity for improper influence in the selection of architects and engineers.

Let me tell you about those recommendations and our response.

I'm glad to be able to announce some decisions on the report the same day we release it. It was for this reason that I have followed the committee's work with close and personal attention.

Chairman Hines has kept me informed of progress along the way. And, on one occasion, the committee as a whole requested a meeting with me to discuss their thinking.

So today, I can announce our response to a number of committee recommendations and some dramatic improvements in our selection process.

The first change I can announce today: the study committee recommended, and I have accepted, the idea of ranking the most qualified firms in order of preference for final selection.

Our new selection process will work as follows: our regional advisory panels will identify five to eight firms of outstanding qualifications.

From that list, an in-house panel will recommend the top three firms. And they will rank them in order of preference. The final selection will continue to be made by the administrator of GSA.

Now, however, his choice will be clearer and the basis for the choice fully documented. Should the administrator select other than the top ranked firm, he, in turn, will have to document his decision.

This is brand new for GSA. Previously the administrator did the ranking.

What ranking and documentation mean, in effect, is this: the final authority in the selection system—the administrator—will have the minimum opportunity to make a selection based on improper political, personal, or other motives. He will have, still, the freedom to choose among firms that are equal or nearly equal in excellence. But his choice must be fully and carefully recorded.

This is the backbone of our improved selection system.

Hand-in-hand with it go several other changes:

We will make our regional public advisory panel members ineligible for GSA work during their tenure. To maintain the stature of the panels and professional interest in them we will shorten the individual membership to one year and reduce the number of members.

And we will establish in each region a pool of our best professional talent to evaluate firms recommended by panels. A national evaluation board will be established for major and special projects.

And we will develop a detailed manual of procedures as recommended by the committee, to make sure this system operates fairly, consistently and with a minimum of outside influence.

There are other changes to be made in the system, of course, and other recommendations to be studied.

But this is the heart of the new GSA selection process. A system we believe can operate with even more strength, independence and fairness than our current system.

One final area of change and improvement: the study committee recommended, and we have accepted, a number of ideas to improve the informational aspects of our selection system.

First, a member of the regional public advisory panel will be invited to sit in as an observer on our in-house evaluation of firms. That will assure the panels that *our* analysis is as impartial and professional as *their own*. And we will, as the committee recommended, fully inform the panel on the final selection made.

Next, we will maintain and release each year a report on the A–E selections made. Open to the Congress, to other federal agencies, to the professional community and the general public, this report will be a complete and continuing record of our new selection process.

I want to make another announcement today. It's a change I've been think about for some time. One that will fundamentally alter the basis for selecting A–E's.

Instead of depending exclusively on an evaluation of professional competence and reputation, GSA will begin a process of awarding architectural and engineering design contracts on the basis of project proposals.

We are deferring this action until January 1, 1975, so that we can fully explain it, and completely explore its implications with design professionals and their organizations.

Starting in January 1975, firms interested in GSA projects will be asked to submit—in addition to a profile of their firm, which is now required—a standard form which responds in detail to published project criteria.

This is brand new to GSA.

But it is only the first step.

Over a three to five year period, GSA will require even more—and more detailed information from architects and engineers seeking our commissions.

The exact gait of this process is not yet defined. But the end result is defined.

Ultimately, GSA will award A–E contracts on the basis of fully developed project proposals. Proposals that will include evidence of technical and professional distinction; estimated fees, construction and life cycle cost estimates; and planning and design concepts.

This is a revolutionary step for GSA and, in the long run, may have a significant impact on the construction industry.

This decision responds to no specific study committee recommendation. But it does respond to the committee's concern for fair and impartial selection of A–E's. It does respond to GSA's concern for the production of the finest architecture. And it does respond to realities of the construction industry.

An industry which is turning more and more to systems building, to performance specifications and to new ways to manage construction.

We believe that professional competition based on technical proposals is the way of the future. And we're headed that way.

Those, then, are the highlights of the committee report and our reaction to it.

By memorandum dated today, I have directed the commissioner of GSA's public buildings service to make those changes which I mentioned—and others.

We will act promptly to put these changes on the books and into effect. And we will monitor the effect of those changes.

To that end, I have directed the appointment of a special assistant to the commissioner of the public buildings service to work full time for a year to make sure the new system goes into operation and works well.

It should be noted and emphasized that these changes apply only to GSA and do not presently affect A–E selection procedures of any other federal agency.

Several other steps will be taken in the near future.

First, we will actively discuss the report and our changes with other appropriate federal agencies and departments.

In the end, I believe, this report will prompt cooperation and change in the federal community which will keep the government a uniform and progressive client for A–E services.

As a second step we will assure the widest distribution of this report to governors and mayors and other officials of building programs. We believe the report is a well-developed document. It urges workable change and improvement. And so we will maximize its exposure.

In summary, then, I believe this to be an excellent report. It has proposed and will lead to some dramatic changes in the GSA selection of architects and engineers. And, in the long run, I think it will have national impact in encouraging reform and improving the public image of the professional design community and their work for federal, state, and local building programs.

UNITED STATES–PUERTO RICO STUDY WAYS TO BETTER COMMONWEALTH

HON. JAIME BENITEZ

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BENITEZ. Mr. Speaker, since September 1973, an advisory group appointed jointly by the President of the United States and the Governor of Puerto Rico, has been assiduously working in an effort to achieve a consensus and render recommendations as to how best the Congress of the United States and the people of Puerto Rico may further develop Commonwealth status. After a series of congressional enactments were submitted to and approved by the Puerto Rican electorate in referenda, and after a constitution was drafted in a constitutional convention in Puerto Rico, and after this constitution was approved both by the Congress of the United States and by the Puerto Rico electorate, Commonwealth status was established as a compact in July 1952. The Supreme Court of the United States has just rendered a very important opinion in the case of Colero against Pearson Yacht Leasing Co., reaffirming the fact that, by virtue of this compact, Puerto Rico is no longer a territory in the constitutional sense, but a Commonwealth organized under a constitution of its own choosing in free union or association with the United States. The constitutional convention of Puerto Rico specifically noted in resolution 23 attached to the constitution, that the Puerto Rico-Federal relations could and should be modified when and if such modifications became mutually desirable and acceptable.

Pursuant to a plebiscite decision taken on July 23, 1967, wherein the Puerto Rican electorate overwhelmingly endorsed the further development and improvement of Commonwealth over the alternative of statehood or of independence, President Nixon and Gov. Hernández Colón appointed in September 1973 a 14-member group to recommend desirable changes. The seven Presidential appointees include two Members of this body: the Honorable Thomas Foley and the Honorable Donald Clausen; three Members of the other body: the Honorable Marlow Cook, as cochairman; the Honorable Bennett Johnston and the Honorable James Buckley; former Governor of Illinois Richard Ogilvie, and Mr. Paul Howell of Texas. The seven members appointed by Gov. Hernández Colón were: Hon. Luis Muñoz Marín, former Governor of Puerto Rico, as cochairman; Hon. Juan Cancel Ríos, President of the Senate of Puerto Rico; Hon. Justo Méndez, member of the Senate of Puerto Rico; Hon. Víctor M. Pons, Jr., Secretary of State for Puerto Rico; Hon. Luis Ernesto Ramos Yordán, Speaker of the House of Representatives of Puerto Rico; Mr. Angel Rivera, president of Banco Crédito y Ahorro Ponceño, and myself.

I am happy to announce that the advisory group has just finished its fifth joint meeting, held in Washington Monday, June 10, Tuesday, June 11, and Wednesday, June 12. A review of two previous documents submitted by the Puerto Rican delegation, as well as a discussion of 28 questions pertaining to these documents, submitted by the mainland delegation, and the answers offered by the Puerto Rican delegation, took place during these 3 days in an atmosphere of frank and probing cordiality.

With the interchanges above noted and with the testimony of 72 witnesses received in public hearings in Puerto Rico, a common understanding of achievements, problems and goals of the Commonwealth status has been attained. A consensus has been reached as to the following:

First. In endeavoring to advance Commonwealth "within its own framework to the maximum of self-government and self-determination compatible with a common defense, a common market, a common currency and the indissoluble link of U.S. citizenship," the point of reference must be Puerto Rico's own self-determination and inner dynamics in cultural, economic and political requirements rather than in extension of uniformities prevailing in the States or in divergencies existing in independent communities.

Second. In the furtherance of the responsibilities of the advisory group it is jointly agreed that the Puerto Rican group shall formulate a proposed draft of a new Statute of Federal Relations with such consultation and cooperation from their mainland colleagues as they may deem advisable. The consideration of the proposed draft shall be the next item of business of the joint ad hoc advisory group.

Third. The draft to be proposed should endeavor to cover whatever aspects of the 15 points originally mentioned as may seem desirable.

Fourth. The proposed draft should include a section dealing with a special mechanism, procedure, or agency responsible on a continuing basis for the consideration, adjudication, or recommendation of proper action to be taken concerning ways of dealing with and disposing of issues not covered in the proposed new statute of relations.

Fifth. The proposed draft be submitted sufficiently in advance to the rest of the members of the advisory group so that the meeting to be called for its consideration would permit prior consultations with appropriate bodies. The cochairman will call for the meeting after due consultation with members.

Mr. Speaker, this prolonged and difficult process, which hopefully is moving toward a successful resolution, can be understood in the light of the questions raised by individual members of the mainland delegation and the answers provided by the Puerto Rican group. I place them in the RECORD at this point:

JUNE 6, 1974.

Hon. MARLOW W. COOK,
Cochairman, Ad Hoc Advisory Group on P.R.

DEAR SENATOR COOK: The Puerto Rican members of the Ad Hoc Advisory Group have welcomed the opportunity to study and respond to the 28 questions formulated at our request by our mainland colleagues and submitted for our consideration in your letter of March 20, 1974. While we understand that the questions are an aggregate of individual inquiries referred to you by the several members and do not necessarily reflect a group consensus, yet for discussion purposes it seems best to treat them as a unit.

Our review of the 28 questions has enabled us to discern wherein our perceptions of the Commonwealth status may be at variance with those of our mainland colleagues; and, therefore, wherein we may differ on the merits of some of the proposals for further development of the Commonwealth. If indeed these differences exist, they are traceable, in our judgment, to the very nature of a unique political experiment in our Constitutional system which we have not yet fully explored at this relatively early stage in the work of our Ad Hoc Advisory Group. Our answers to your questions rest on the unique historical record of Commonwealth status. We trust they will help to establish a common threshold of understanding with our mainland colleagues with whom we share a joint responsibility for carrying out a mission of capital importance to Puerto Rico and the United States.

We will answer the 28 questions in their numerical order, with the exception of question 14, which we have selected for our initial reply. The answer to the questionnaire is appended to this letter.

Very truly yours,

LUIS MUÑOZ MARÍN,
Cochairman.

REPLY TO QUESTIONNAIRE

14. "Would obtaining more privileges and rights than other members of the same federal association be inconsistent with the principle of maximum self-government compatible with common citizenship, common defense, common market and common currency?"

We address ourselves to this question at the outset because we feel that it expresses in the most explicit form three assumptions that underlie virtually the entire series of questions. The three assumptions are: (1) that statehood, i.e., "other members of the same federal association," is the proper measurement for Commonwealth status; (2) that uniformity with statehood is the appropriate principle of measurement; and (3) that deviations from statehood are conceived in terms of "obtaining more privileges and rights" (for Commonwealth status) "than other members of the same federal association".

These three assumptions serve to emphasize the validity of the comment by Governor Rafael Hernández Colón in his appearance before the Ad Hoc Advisory Group on April 27, 1974. On that occasion the Governor observed:

"Perhaps the basic problem which some members of Congress and others have had from time to time in wrestling with Commonwealth is the unique character of this concept. To understand the unfamiliar—Commonwealth—they sometimes tend to resort to the familiar—statehood. Any such comparison hinders understanding and limits creativity."

The Governor's observation is grounded on the history of Puerto Rico's relationship to the United States. At the time that Puerto Rico was annexed by the United States after the Spanish-American War, it had been a colony of Spain for nearly 400 years. Its nine hundred thousand inhabitants constituted a distinct people with a homogenous culture and language different and distinct from those of the United States. As a distant possession of a declining power during the 19th century, the Island's economy had deteriorated to a condition of chronic stagnation when its fragile trade with Spain in sugar, coffee and tobacco was shattered by annexation. Having wrestled with Spain for home rule during the latter part of the 19th century, Puerto Rico finally had acquired the notable charter of autonomy in November, 1897, and had conducted the first elections for its Parliamentary Government in April, 1898, four months before American troops occupied the Island. Thus, the ferment of a strong home rule movement was eagerly transferred to the United States, known by the people of Puerto Rico as a Nation whose founding principle was government by consent of the governed. These, then, were the distinctive characteristics and the distinctive problems of the Island acquired by the United States.

At the outset the people of Puerto Rico and their leaders thought that Statehood would be the natural outcome. They requested a broad territorial status to be followed shortly by Statehood. The Military Government, the Foraker Act of 1900, the misunderstandings, admonitions and denials that followed created a state of confusion that perplexed Puerto Rican leadership and disposed them to explore other alternatives to the Territorial Colonial Status.

At the same time, but from an opposite perspective, American leaders were enthused, shocked or ambivalent about "Manifest Destiny", "the American Dream", "our brown brothers", and whether or not the Constitution follows the flag. The position adopted by the President, the Congress and the Judiciary was to keep their options open, to foster health, education, English, trade, individual rights, maintain a firm political control, discourage Statehood or Independence and let the future take care of itself.

The decision taken by Congress in the Foraker Act of 1900 and epitomized in the doctrine of the "unincorporated territory" stirred a momentous constitutional debate. There were those who read the Foraker Act as a design for "imperialism", for it appeared to invest virtually unlimited legal authority in the Congress to deal with a dependency, beyond the limits of constitutional restraints. Sustained by the Supreme Court in 1901, the doctrine of only basic constitutional restraints upon Congress and upon the Legislature of Puerto Rico held its own, in spite of challenges, in the *Insular Cases*. These challenges became particularly strong, as far as Puerto Rico was concerned, after the political modifications of the new Organic Act of 1917, which included outstandingly the extension of U.S. citizenship to Puerto Rico. The potentials for good of this unprecedented departure from traditional constitutional practice became evident as the ingenuity of Puerto Rican leadership began to make a virtue out of necessity and the United States receded from its brief adventure in imperialism.

In the economic realm, the Congress was as generous as it had been restrictive in the political field. The flexibility inherent in the Congressional authority permitted Puerto Rico to gain access to the continental market but without being subject to the uniformities of internal revenue and customs laws. This distinctive treatment laid the foundations of Puerto Rico's remarkable accelerated economic growth beginning in the 1940's.

The President and the Congress began to respond to the special needs of a distant Island by then peopled by one million and a half fellow citizens of different language and culture, but none the less well trained in the democratic processes and attuned to democratic values.

In the realm of Puerto Rico's cultural development, the flexibility of Congressional authority permitted the conferral of United States citizenship (the Jones Act of 1917) upon a population of different culture and language without either the commitment to Statehood or to uniformities inherent thereto. That there was no commitment to Independence either, lends emphasis to the unique nature of the developing relationship. The Congressional decision of 1917 and a later one of 1947 ceding total control over the educational system recognized Puerto Rico's right to determine its own cultural character through its own chosen style of cultural self-expression. Seen in retrospect, the essential merit and wisdom of the American experiment was the decision to treat Puerto Rico as a case *sui generis,* uninhibited by established practice, free to pursue new forms of union or association on federalism.

In the realm of Puerto Rico's political evolution, the flexible scope of Congressional authority, exercized during a long and agonizing era under the Foraker Act and the Jones Act to severely limit self-government on the Island, was utilized in 1950 under the terms of Public Law 600 to join with Puerto Rico in establishing the wholly novel Commonwealth status. The pertinent language of Public Law 600 read:

"Fully recognizing the principle of government by consent, this Act is now adopted in the nature of a compact so that the people of Puerto Rico may organize a government pursuant to a constitution of their own adoption."

The people of Puerto Rico freely accepted the terms of the compact in a popular referendum. What the compact produced was succinctly summarized in the unanimous report of the joint United States-Puerto Rico Commission on the Status of Puerto Rico of 1966:

"The steps in the procedure were similar to the familiar ones of Enabling Act procedures for the admission of States to the Federal Union, *but without the result of creating a federal state.* There was created, instead, a new form of federal relationship. It was based upon two spheres of government—that of constitutional self-government within Puerto Rico, and that of the Federal Government—with the two spheres of government connected by the applicable parts of the Federal Constitution and by the Federal Relations Act." (emphasis added)

It is of interest to note that a recent decision of the U.S. Supreme Court, *Calero-Toledo* v. *Pearson Yacht Leasing Co.,* referred to the procedure and to the compact in the following language:

"By 1950 . . . pressures for greater autonomy led to Congressional enactment of Pub. L. 600, 64 Stat. 319, which offered the people of Puerto Rico a compact whereby they might establish a government under their own constitution. Puerto Rico accepted the compact, and on July 3, 1952, Congress approved, with minor amendments, a constitution adopted by the Puerto Rican populace."

The Supreme Court then quoted with approval Judge Magruder's observations on Puerto Rico's constitution in *Mora* v. *Mejias,* 206, F. 2d 377 (1953), as follows:

"The preamble to this constitution refers to the Commonwealth . . . which 'in the exercise of our natural rights, we (the people of Puerto Rico) now create within our union with the United States of America.' Puerto Rico has thus not become a State in the federal Union like the 48 States . . ."

We can now return to what we referred to earlier as the three assumptions contained in question 14, which appeared to us also as assumptions that underlie virtually the entire series of our mainland colleagues' 28 questions.

We respectfully reject the assumption that statehood is the proper measurement for the Commonwealth status. The historical record is demonstrably clear that an economically underdeveloped Island with its own homogeneous culture required and received distinctive treatment to encourage its economic growth and to preserve its cultural identity. We, therefore, also respectfully reject the assumption that uniformity with statehood constitutes an appropriate principle of measurement for the Commonwealth.

The third position, that deviations from statehood are conceived in terms of "obtaining more privileges and rights" for Commonwealth status than those enjoyed by the States, is likewise objectionable. The assumption here is that no rearrangement in the distribution of responsibilities is possible within the Federal framework. In achieving the goal of government with the consent of the governed, Commonwealth must balance what it lacks in the field of participatory Federal government with greater self-government.

We shall now endeavor to trace developments leading to the Charter of this Advisory Group.

While the establishment of the Commonwealth status was a creative act of inestimable importance, it was not, nor could it be, conceived in terms of perfection. It was understood from its inception that Commonwealth status could be further developed, or indeed that further development would be necessary, as experience would inevitably reveal some undefined legal, political and economic boundaries. Thus, the Constitutional Convention of Puerto Rico, which drafted the Commonwealth Constitution, in Resolution 23, expressed itself with complete clarity: "The people of Puerto Rico reserve the right to propose and accept modifications in terms of its relations with the United States. . . ." Copies of the Resolutions were sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States.

In July of 1962, on the occasion of the tenth anniversary of the Commonwealth, Governor Muñoz Marin wrote to President Kennedy stressing the need for "growth to occur" in the Commonwealth relationship and setting forth the guiding principles for further development of Commonwealth status. In response, President Kennedy wrote: "I am aware . . . that the Commonwealth relationship is not perfected and that it has not realized its full potential, and I welcome your statement that the people of Puerto Rico are about to begin the consideration of this with the purpose of moving toward its maximum development; I am in full sympathy with this aspiration."

The exchange of letters set in motion a series of events which have led to the creation of our Ad Hoc Advisory Group:

In December of 1962, Joint Resolution No. 1 was adopted by the Legislature of Puerto Rico setting forth six principles for the further development of Commonwealth. The Resolution was sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives. (A copy of Resolution No. 1 is appended to this document.)

Consultations with Congress on the six principles, including a brief session of hearings, led to the conclusion that a contemporary review of Commonwealth status would be a useful prior step to the consideration of its further development. Accordingly Congress invited the Legislative Assembly of Puerto Rico to establish a joint United States-Puerto Rico Commission on the Status of Puerto Rico to "study all factors . . . which may have a bearing on the present and future relationship between the United States and Puerto Rico." The Commission was established in February, 1964. Its Puerto Rican membership consisted of prominent spokesmen for the status alternatives of Commonwealth, Statehood and Independence. The Commission issued its report in August 1966. It concluded that "an expression of the will of citizens of Puerto Rico by popular vote on the question of whether they wish to continue Commonwealth status capable of growth and development, or to change to either statehood or independence would be helpful to all concerned." It also recommended the procedure of joint advisory groups:

"If the people of Puerto Rico should by plebiscite indicate their desire for Statehood or Independence, a joint advisory group or groups would be constituted to consider appropriate transition measures. If the people of Puerto Rico should maintain their desire for the further growth of the Commonwealth along the lines of the Commonwealth Legislative Assembly's Resolution No. 1 of December 3, 1962, or through other measures that may be conducive to Commonwealth growth, a joint advisory group or groups would be convened to consider these proposals."

The Commission report analyzed each of the status alternatives, concluding for the purposes of a plebiscite that all three "are within the power of the people of Puerto Rico and the Congress to establish . . ." On the matter of further Commonwealth development the Commission report stated:

"It is appropriate that the people of Puerto Rico should seek a more perfect Commonwealth, unless they choose another status. This is all the more appropriate for two societies as vitally alive and as rapidly changing as those of Puerto Rico and the United States. Since the growth must primarily meet the needs of Puerto Rico, the initiative lies there. The Commission believes that any process of further development would best be accomplished proceeding step by step as the needs dictate. In this manner, the principles contained in Joint Resolution No. 1 of December 3, 1962, should now be pursued, as should also other pertinent proposals that may be conducive to Commonwealth growth."

The next event leading to the creation of our Ad Hoc Advisory Group was the 1967 status plebiscite, in which 60 per cent of the people voted in favor of Commonwealth defined on the ballot as including:

"The authorization to develop Commonwealth in accordance with its fundamental principles to a maximum of self-government compatible with a common defense, a common market, a common currency and the indissoluble link of the citizenship of the United States."

(A copy of the definition on the ballot is appended to this document.)

On April 13, 1970, the first Ad Hoc Advisory Group was established to consider the presidential vote for Puerto Rico. Its report, issued on August 18, 1971, recommended a popular referendum on the presidential vote.

In September of 1973 the second Ad Hoc Advisory Group was created. The pertinent provisions of the Charter provide:

"In order to implement the express desires of the people of Puerto Rico freely made in the plebiscite of 1967, this Ad Hoc Group will be charged further to develop the maximum of self-government and self-determination within the framework of Commonwealth—a common defense, a common market, a common currency, and the indissoluble link of United States citizenship.

"The Advisory Group will inquire into and report and recommend on the extent to which the statutory laws and administrative regulations of the United States should apply in Puerto Rico.

"As part of this Charter, the Group must study alternate forms of participation in the Federal decisions affecting the people of Puerto Rico which the people of Puerto Rico ought to consider together with the Presidential vote recommended by the first Ad Hoc Advisory Group.

"In keeping with the plebiscite law, no change in the relationship recommended by the Group, together with the recommendations of the first Ad Hoc Advisory Group would be made unless previously approved by the people of Puerto Rico."

The 15-point agenda which was proposed by the Puerto Rican delegation on November 11, 1973, and subsequently accepted by our mainland colleagues as a working paper, springs directly from the terms of the Advisory Group's Charter which, in turn, is rooted in the results of the 1967 Plebiscite and the record of over two decades of experience under Commonwealth status.

We have reviewed the events that have led to the creation of our Ad Hoc Advisory Group for the reason that its very existence as well as the character of its mandate are testimony of the distinctive manner in which Puerto Rico reflects a new dimension of American Federalism. The plebiscite of 1967, and the history of Commonwealth before and after that plebiscite, as well as our charter of 1973, require us to address ourselves to imperfections that were bound to occur in a fundamentally fruitful but unique federal relationship, imperfections made all the more evident by two decades of dynamic evolution of mainland federalism, which have at times both benefitted and tended to inhibit Puerto Rico's further development.

Our proposed improvements, when they are formally presented, perforce should be considered in terms of their compatibility with the essential bonds referred to in question 14, which unite Puerto Rico to the United States: common citizenship, common defense, common market and common currency; for these are the bonds that forge our common destiny in our joint pursuit of democratic values. As a creative concept within American constitutional law, the basic goals and norms that bind us together are part and parcel of Commonwealth. Beyond these goals and norms there lies a vast, unchartered field for development and improvement. We hope to indicate some of its new directions, as well as to indicate where its foundations are firm and enduring, in our remaining replies to the 28 questions.

(1) "In the opinion of the Puerto Rican delegation, what specific powers exercised by the federal government are considered by the Puerto Rican people to be the essential and basic elements of the permanent union between the United States and Puerto Rico?"

As already indicated, the essential and basic elements of a permanent union or association between the United States and Puerto Rico are common citizenship, a common defense, a common currency, a common market and a common dedication to the principles of individual freedom and political democracy. We understand and welcome this communality of values, interests and purposes. We appreciate that to uphold and further them the Federal Government must have jurisdiction in respect to Puerto Rico and exert powers that are essential to its functions. Within the context of the nature of Commonwealth, these include the power to wage war and to conclude peace, to accept military volunteers and recruit citizens, to conduct foreign affairs, to fix tariffs, (with agreed exceptions such as that related to coffee), to regulate interstate commerce, to maintain free trade within its jurisdiction; to govern currency matters, to pass laws and regulations and take administrative action to fulfill these responsibilities. The Supreme Court of the United States is the final arbiter of constitutional controversies and of controversies involved in United States-Puerto Rico relationships.

At the same time, while recognizing federal authority on these fields, we assert that the powers of the federal government and the manner and degree to which some of them are exercised, or will hereafter be exercised, with respect to Puerto Rico, have not historically been and presumably will not be the same as in the federated states of the Union. For example, the long standing and special mechanism applicable to wage and hour regulation; the provisions as to federal taxes, on which the development of Puerto Rico has depended, the federal banking laws, etc., and Puerto Rico has historically had power to impose tariff duties on coffee—a power which no state has or could be given under the United States Constitution. Further, it should be noted that even in situations where the federal government undoubtedly possesses power, a wide variety of alternatives is available with respect to the exercise of power and methods of consultation with, and participation by, Puerto Rico regarding decisions taken in the exercise of such powers should be devised in a practical and mutually convenient manner.

(2) "Does the 'Commonwealth' style of self-government as it is applicable to the relationship of the United States and Puerto Rico provide a more extensive form of self-government than exists in the individual states?

"If so, where is there, or where should there be greater autodetermination, i.e. in the area of regulations, social and economic reform, or both areas?"

Basically, we refer both to Resolution No. 1 of 1962 of the Legislative Assembly of Puerto Rico and the language of our Charter: all powers essential to the federal government in the Commonweath relationship should properly be exercised by the federal government, within procedures of consultation and participation with the government and people of Puerto Rico; all other powers should be exercised by the people of Puerto Rico and their government.

(3) "The foundations of the relationship between the United States and Puerto Rico, as stated in the opening statement of the Puerto Rican delegation, are common citizenship, common defense, common market and common currency.

"What are the benefits accruing to the Puerto Rican people as a result of the common citizenship which are different from those accruing to citizens residing on the mainland? What are the basic reasons for such differences? What duties and responsibilities of citizenship should accrue to the federal government from the Puerto Rican people as compared to United States citizens residing on the mainland?"

We see no difference in our citizenship with respect to rights, duties and responsibilities.

(4) "It is quite easy to foresee the responsibilities of the federal government in the concept of common defense. What are the responsibilities of the Puerto Rican people? When would they become operative? Who would decide when and where they would become operative?"

Like other citizens, Puerto Ricans are subject to selective service laws and to service in the armed forces of the United States. Puerto Rico also has an obligation, which it discharges, to maintain a "militia" or national guard, which can be called into federal service. Puerto Ricans are, as United States citizens, fully committed to discharge their defense responsibilities; and Puerto Rico extensively participates in the common defense by making available land, water and air facilities for training and use of the United States armed forces. Its participation in this respect is probably greater than that of any state on a proportionate basis.

Obviously, like any other United States citizens, Puerto Ricans have a right to object that the military seek to use an excessive amount of Puerto Rico's limited land—or that they conduct their activities in a way that is unnecessarily prejudicial to the life of a Puerto Rican community. Similarly, it is entirely conceivable that agreements could be reached, beneficial to both the United States and Puerto Rico, with respect to different methods of administering selective service, during periods when it is in effect. All of this contemplates agreements designed to serve the common defense in the best possible way, which means taking into account the welfare of the Puerto Rican people as well as the need for defense activities.

(5) "Still under the concept of common defense, why is there persistent agitation against defense activities and installations of the common defense force such as in Culebra and Vieques? Should not these Puerto Rican people, as American citizens, contribute toward the common defense as to the United States citizens who reside in close proximity to military installations on the mainland, for example Vandenburg Air Force Base, California military missile testing, Fort Sill, Oklahoma, artillery, and Nellis Air Force Base, Nevada, nuclear testing."

The Armed Forces have or have recently held in Puerto Rico military installations and bases such as Ramey Air Force Base, Fort Allen, Henry Barracks, Roosevelt Roads, Culebra, Vieques, Buchanan. There is no general persistent agitation in Puerto Rico regarding defense activities and installations for common defense. There is general civic protest as to Culebra, and some times as to Vieques, because of particulars that could arouse equal protests under similar circumstances anywhere in the United States.

(6) "What does the concept of common market mean, other than duty free and open trade between the mainland and Puerto Rico?"

Besides duty free and open trade between the mainland and Puerto Rico, common market could mean the possibility of Puerto Rico entering into trade agreements with third parties, in manners not incompatible with United States treaties and national defense. Also, the elimination of the obsolete mercantilist prohibition to Puerto Rico to export finished products beyond a certain quota—sugar is the example.

Common market benefits are never one-sided. Puerto Rico's major benefit has been that of a growing economy. The major economic benefit reaped by the United States has been that of a flourishing export trade with the Island, which during the past decade alone has increased in value from approximately $3 billion to $5 billion. But the inherent dynamics of the common market combines two rapidly changing economies. For example, as the United States, in fulfillment of worldwide obligations, has moved towards freer trade by reduction of tariff levels, new areas of competition between Puerto Rican manufacturers and foreign manufacturers have developed within the mainland market. Furthermore, the trade balance between Puerto Rico and the mainland is slowly but increasingly unfavorable and Puerto Rico must cope with this growing deficit if it is to reduce the levels of its high unemployment rates.

(7) "It has been stated at various times that there are no 'classes' to citizenship, especially that Puerto Ricans are not second class citizens of the United States. Is this compatible with the creation of a new "class" of citizens who would have free access to the island and not to the mainland or to the mainland but not to Puerto Rico?"

This question seems to be based upon a misapprehension. We have never suggested and we would oppose the suggestion that there be created a new "class" of United States citizens who would not have free access to both Puerto Rico and the mainland.

(8) "On what basis could the proposed Puerto Rican immigration authorities designate a United States citizen of whatever race, creed or former national origin, attempting to immigrate to Puerto Rico *persona non grata?*"

This question is also based on a misapprehension. We have never suggested and we would oppose empowering either Puerto Rican or United States authorities to prevent free entry or immigration to Puerto Rico of any United States citizen—whether natural born or naturalized.

(9) "What are the burdens of the present federal laws governing navigable waters on the Puerto Rican economy and way of life?"

This subject requires further study which is underway. As an initial matter, it would seem an unnecessary and useless burden on the United States, and a needless curtailment of Puerto Rican autonomy, for federal laws to apply to waters which are entirely within Puerto Rico, and which are not navigable in any realistic sense.

(10) "a. Tariff policy is established to protect the economic community or 'common market' as a whole. Would not granting power to one member of the community to establish its own tariff policy and enter into its own trade agreements with other economic communities automatically create economic friction with the members of the 'common market' which are disadvantaged by the concessions given by one of the members to an outsider?

"b. Would not such economic friction eventually lead to the expulsion of the favored member of the common market by the non-favored members?

"c. Would not the authority to negotiate and establish tariffs and enter into trade agreements create a co-equal government in the geneology of nations? Is this compatible with permanent association with the United States under a federal system?"

We do not quarrel with the concept that "tariff policy is established to protect the economic community or 'common market' as a whole." As the United States is aware and fully understands, however, in an interdependent world, tariff policy is necessarily a flexible instrument. We believe that the wise and innovative flexibility in tariff policy would bring advantages to both Puerto Rico and the United States.

We envisage that during the next decade, Puerto Rico can assume a significant role in its geographic region, analogous to the roles of the Federated States that border Mexico and Canada, but potentially richer in the results. What we envisage during the next decade is Puerto Rico's growth as both a transportation and financial center in the Caribbean. We also envisage new opportunities for trade with a growing Caribbean Community organization, with the Dominican Republic, Venezuela, Colombia and the Central American Common Market. These are real possibilities for Puerto Rico, and if its role is realized, the benefits for United States policy in the Caribbean region can be immeasurably great.

Rather than contemplating a narrower perspective of "frictions," or the non-existent possibility of "expulsion," we believe that the United States should actively encourage and facilitate Puerto Rico's potential role in the Caribbean. These can help to solve the severe problems of the region's growth, contribute to Puerto Rico's further growth, and directly create wider opportunities for mainland trade. What is contemplated, and what we propose, is a new flexible tariff policy which, without damage to mainland interests, can serve to realize a larger capability for Puerto Rico's economy within its common market with the United States.

(11) "Admitting that the programming on both the mainland and insular television and radio are not of the highest quality desirable, all broadcast licensees must pass through the same license renewal gauntlet every three years at which time there is an analysis of their programming vis-a-vis public affairs, news, entertainment and commercial advertising. What substantive changes could not be made in the caliber of Puerto Rican broadcasting by a local communications agency which would not be on a collision course with constitutional guarantees of free speech?"

Puerto Rican regulation of its own television and radio facilities (within limits that would not impinge upon the United States or any international communication rights) would be subject to the guarantees of free speech in both the United States and Puerto Rican constitutions. Again, within properly defined limits, so as to provide necessary technical and legal safeguards, it is difficult to imagine why the United States would want to exercise comprehensive control over television and radio licensing in the Island. Puerto Rico, for example, may have different criteria and different needs with respect to the allocation of frequencies as between educational and commercial stations, and different considerations with respect to advertisements and features involving liquor, tobacco, medicines, drugs, violence, etc. In the United States, cultural and local conditions are relatively similar. In Puerto Rico, they are quite different from those with which the FCC ordinarily deals.

(12) "If agreements of an economic or trade nature are foreseen under points 9 or 15 as a result of Puerto Rican representation (participation) in international organizations and affairs, how is common market with the United States to be insured, especially in the light of Venezuela's stipulation that none of their oil be exported from Puerto Rico to the United States? (under previous embargo restrictions)"

We believe we have answered this question in the first paragraph of our answer to question number 6.

(13) "Although somewhat vague, Section 9 of the Puerto Rican Federal Relations Act appears to provide desirable flexibility for determination of which federal statutes apply to Puerto Rico under prevailing circumstances. Would not a clearer but obviously a more rigid provision covering the applicability of federal statutes be far less adaptable to changing social, economic, and other conditions which in the future might straight-jacket the applicability of beneficial federal legislation?"

This question poses a basic problem. Because of the wide range in legislation it involves, as well as the uncertainties and changes inherent in the modern world, absolute *a priori* answers are not desirable. Perhaps, some areas of constitutional application must remain undetermined and, hopefully, creative. The difficulty of this does not excuse us from searching for a more appropriate arrangement. The present formula is unsatisfactory both as a practical, legal matter, and because of its theory. It leaves the determination of which federal laws apply to Puerto Rico in the hands of the courts without a meaningful standard, instead of in the law-making agencies of the United States and Puerto Rico. The present standard is a colonial concept which has fostered some of the worldwide attack on the United States as a colonial power in respect to Puerto Rico. It is anachronistic and anomalous, in light of the present relationship between the United States and Puerto Rico.

(14) "Would obtaining more privileges and rights than other members of the same federal association be inconsistent with the principle of maximum self-government compatible with common citizenship, common defense, common market and common currency?"

Already answered.

(15) "Under any of the proposals on future land acquisition would the federal government have the power to expropriate land through the courts without prior agreement on the part of the commonwealth government?"

(16) "a. Would future acquisitions of land by the federal government be subject to veto by the government of the Commonwealth under the proposal that such acquisitions be the subject of mutual agreement?

"b. What differences would there be in negotiating such a "mutual agreement" and negotiating a "mutual agreement" for an airbase in Spain, or Iceland, a naval base in Japan or a satellite communications site in South Africa?"

(17) "a. Regarding land now in use by the federal government, is it proposed that the Commonweath government participate in the determination of the length of the need of federal agencies for this land?

"b. What effect does federal ownership of land in Puerto Rico and federal regulations on disposal of its land holdings have on the exercise of maximum self-government within the framework of common citizenship, common defense, common market and common currency by the people of Puerto Rico?"

These relate to the question of federal land holdings and future acquisitions. We believe that the guiding principles should be that agencies of the federal government should be allowed to hold, acquire, or use lands in Puerto Rico that they may require for their purposes under the provisions of the association. It is common experience, however, that there is a tendency in all government officials—civil or military—to acquire land in excess of their needs and to continue to hold it far beyond the time when it is needed. Partly because of Puerto Rico's geographical remoteness, partly because of its limited participation in the United States government, and party because of the extreme shortage of land in Puerto Rico for its population, the problems of federal land acquisition and tenure are more acute in Puerto Rico than they are in most of the states. In any event, sensible, practical, procedures should be and certainly can be devised to meet the needs of both the federal agencies and of the people of Puerto Rico. We are not prepared at this time to suggest the detailed procedures which would strike an appropriate balance. They are under study and are certainly a significant subject for consideration of the Ad Hoc Advisory Group.

(18) "Would the full ramifications of common defense as envisioned by the Puerto Rican delegation include substantive changes in the mutual rights and obligations which now comprise the concept of common defense? If so, what are these substantive changes?"

No substantive changes. See the answers to questions 4 and 5.

(19) "What justification would be presented to the mainland governors and mayors whose areas have a large influx of aliens and large minority groups of American citizens, i.e. Blacks, Chicanos, Puerto Ricans, and where the population density is equal to or greater than Puerto Rico for permitting Puerto Rico to determine its own immigration policy?"

We do not suggest that Puerto Rico should have the power to exclude any American citizens. See the answers to questions 7 and 8.

(20) "a. How many aliens now reside in Puerto Rico?

"b. How many of these aliens would have been refused entry into Puerto Rico under the proposed Puerto Rican control over immigration, and on what basis?

"c. What has been the volume of this type of alien immigration by year since 1955?

"d. What are the national origin of these aliens?

"e. Did they first enter Puerto Rico or the mainland from which they subsequently entered Puerto Rico?"

There are 55,366 aliens in Puerto Rico. Of these 23,857 are Cubans and 16,206 are from the Dominican Republic. It is entirely impossible to predict how many of these aliens, if any, would have been refused entry into Puerto Rico under a new and different plan which has never been in effect, but which is one of the topics for discussion by the Ad Hoc Advisory Group. During the years 1957–1963, there were 10,650 immigrants admitted to Puerto Rico, for an average of 1,331 persons per year. During the period of 1964–1973, there were 55,940 immigrants admitted to Puerto Rico for an average of 5,594 per year. (See two tables 12 attached.) As these figures show, during the last ten years the inflow of aliens to the Island has increased greatly. Obviously, increases of this magnitude create a problem for a small community like Puerto Rico, with a population density fifteen times that of the United States.

(21) "a. U.S. carriers now serving Puerto Rico are reportedly operating at a loss or a marginal profitability. In the opinion of the Puerto Rican delegation, do you believe U.S. carriers will continue to serve the island after the trade is open to foreign carriers at the same rate as now?

"b. If the U.S. carriers should discontinue service to the island, what guarantee would there be that the foreign carriers would continue to serve Puerto Rico if it became unprofitable to do so?"

As an island community, dependent almost exclusively on maritime trade and interchange, shipping is now more than ever a crucial issue in Puerto Rican life. It is one fraught with difficulties and yet one which we must explore from several different angles. The solution of the coastwise shipping problem is not necessarily foreign ship competition. Coastwise shipping at present only affects Puerto Rico, Hawaii, and Alaska, although the declared aim of the policy is maintaining an adequate United States Merchant Marine for the benefit of the United States as a whole, in peace and war. An adequate system of construction and operative subsidies could be the fair answer. At present, the government of Puerto Rico is negotiating the purchase of the main domestic shipping lines serving the Island.

(22) "What authority does Puerto Rico seek over labor relations?"

We see no reason why Puerto Rico should not have full authority over labor relations.

(23) "Under the essential concept of a common market it appears that all members of the wage and hour working classes, who also share a common citizenship, should have a right to earn, or should be in a program which is designed so that someday they will earn, the same wage for the same day's work. What rationale can be presented for excluding Puerto Rican American citizens from such a right?"

There is no reason in principle why a Puerto Rican worker should not have as good a minimum wage as any other worker in the United States. Under present law, none receives less than 60% of the federal minimum, and more than half receive wages substantially higher than the federal minimum. Present provisions require annual increases of 12 or 15¢ an hour until parity in the minimum is reached. Additionally, industry reviews are provided to shorten the distance whenever possible. The difficulty with reaching the same minimum is correlated directly to the difficulty in achieving an approximation in the per capita income between Puerto Rico ($1,842.00 in 1973) and the United States ($4,918 in 1973) or any state (Mississippi $3,448.00 in 1973). The history of labor relations and the rise in wages throughout Puerto Rico evidence the deep concern shown by the Commonwealth in the improvement of its labor force.

(24) "The present system of federal minimum wage legislation, in which Puerto Rico has a special niche, has generated the highest standard of living of any known civilized country and the highest standard of living of any Caribbean island, and has among its ultimate aims a Puerto Rican minimum wage and standard of living comparable to that on the mainland. On what rationale would the law advocating the highest possible minimum wage for all American citizens be changed to one of local or provincial control?"

Same as answer 23.

(25) "The statement by Dr. Antonio Santiago-Vázquez relating to laws on ecological matters indicates that the federal government has machinery far in excess of that now available in Puerto Rico to monitor the quality of the environment and has the capabilities to consider the unique attributes of Puerto Rico's size and population density in its monitoring effort without the cost of creating an additional monitor. Does this effect the Puerto Rican delegation's views regarding transfer of authority for ecological laws?"

(26) "The Environmental Policy Act of 1969 was enacted to assure all American citizens of the best environment possible no matter where he or she resides. Alaska is relatively pristine ecologically; the act hopefully will keep it that way. Hawaii is composed of islands just as Puerto Rico, yet the act applies to it. The coast of the mainland could be said to have the same 20-mile characteristic from Seattle, Washington, to San Diego, California, and from Brownsville, Texas, to Bar Harbor, Maine, yet the act applies to assure a quality environment. What justification is there to exclude Puerto Rico from the act under which a large and far-reaching expertise is being created to protect the environment of all American citizens?"

We do not believe that the more ample facilities of the United States with respect to ecological matters in Puerto Rico should dictate the conclusion that this duty and burden and the policy decisions to be arrived at, should be placed upon the United States. This is a duty that, it would seem to us, the United States should insist that Puerto Rico undertake, and which Puerto Rico is willing to undertake as part of its necessary and appropriate governmental duties. Certainly, the ecology of Puerto Rico does not affect the continental United States or any part of it. We fail to understand why the United States would want to regulate the ecology of Puerto Rico.

(27) "The section on transportation needs clarification. In view of Puerto Rico's exemption from the provisions of the Interstate Commerce Act, what other forms of transportation does the Puerto Rican delegation wish to consider, air or land, or both? What specific problems does the committee wish to alleviate by adjustments required by local realities?"

This matter is under study, but, in principle, it seems clear that Puerto Rico should have complete authority with respect to transportation within its territorial boundaries—whether by air or land. We recognize that transportation between parts of the United States and Puerto Rico and, particularly transportation originating or terminating in Puerto Rico with foreign countries—which does not touch upon other parts of the United States—present different problems as to which adequate participation by Puerto Rico may be the desirable objective, rather than control.

(28) "In regard to the present attempt to acquire the telephone facilities on Puerto Rico:

"a. What statutory and/or constitutional authority of the Commonwealth of Puerto Rico is being utilized to make such acquisition?

"b. Is the Puerto Rican delegation aware of any comparable constitutional or statutory authority for any mainland state jurisdiction to make such acquisition?"

Puerto Rico certainly has power—as do the various federated states and even most municipalities—to acquire telephone and public utility facilities. The Government of Puerto Rico is in the process of acquiring the telephone facilities in Puerto Rico through *purchase*, that is, as an ordinary business transaction. Notwithstanding this, it could acquire them by exercising the power of eminent domain contained in the Commonwealth Constitution, Article II, Section 9 of the Bill of Rights, which, in part, reads:

"Sec. 9. [Just compensation for private property] Private property shall not be taken or damaged for public use except upon payment of just compensation and in the manner provided by law".

Practically all, if not all, the States of the United States have comparable constitutional authority. There are literally hundreds or thousands of instances of such acquisitions, including water, gas and electric systems. Telephone systems are no different, and there are many instances on the mainland in which municipalities have acquired telephone systems.

The definition of Commonwealth on the ballot in the 1967 Plebiscite was the following:

A vote in favor of Commonwealth shall mean:

(1) The reaffirmation of the Commonwealth established by mutual agreement under the terms of Act 600 of 1950 and Joint Resolution 447 of 1952 of the Congress of the United States as an autonomous community permanently associated with the United States of America;

(2) The inviolability of common citizenship as the primary and indispensable basis of the permanent union between Puerto Rico and the United States;

(3) The authorization to develop Commonwealth in accordance to its fundamental principles to a maximum of selfgovernment compatible with a common defense, a common market, a common currency and the indissoluble link of the citizenship of the United States;

(4) That no change in the relations between the United States and Puerto Rico shall take place unless previously approved by a majority of the electors voting in a referendum held to that effect.

[Joint Resolution No. 1 approved Dec. 3, 1962]

1. JOINT RESOLUTION NO. 1 OF THE LEGISLATIVE ASSEMBLY OF THE COMMONWEALTH OF PUERTO RICO, DECEMBER 3, 1962

Joint Resolution To propose to the Congress of the United States of America the procedure for establishing the Interior final political status of the people of Puerto Rico

Whereas the people of Puerto Rico favor the determination of the final political status of Puerto Rico in such manner that no doubt may remain about the noncolonial nature of such status;

Whereas the people of Puerto Rico consequently favor, in different proportions, three forms of political status for Puerto Rico: Commonwealth status, based on common citizenship and developed to the maximum that may be agreed upon between the Congress of the United States and supporters of such status in Puerto Rico; federated Statehood, under conditions equal to those of the federated States that already compose the American Union; Indepedence as this status exists in the Latin republics of America;

Whereas those who favor Commonwealth status and the supporters of federated Statehood are against the separation of Puerto Rico from the United States, and most of the proponents of Independence favor that such status be achieved in friendship with the United States;

Whereas those who support Commonwealth status conceive its maximum development, in permanent union with the United States of America, under the following principles:

1. The recognition and reassertion of the sovereignty of the people of Puerto Rico, so that no doubt may remain of their capacity to enter into a compact under conditions of juridical equality.

2. The assurance of the permanence and irrevocability of the union between the United States and Puerto Rico on the basis of common citizenship, common defense, common currency, free market, common loy-

alty to the values of democracy, and of such other conditions as may be considered in the compact, of mutual benefit to the United States and Puerto Rico.

3. The specific definition of the powers of the United States with respect to Puerto Rico, which shall exclusively be those essential to the union.

4. All other powers shall be exercised by the constitutional organisms of the people of Puerto Rico.

5. Participation by the people of Puerto Rico in the powers exercised, under the compact, by the government of the United States, in matters affecting Puerto Rico, in a measure proportional to the scope of such powers. This may include, among other ways of implementing such participation, the right to vote for the President and Vice President of the United States.

6. The adoption of a formula under which the people of Puerto Rico will contribute to defray the general expenses of the United States Government, in a manner compatible with the stability and economic growth of Puerto Rico.

Whereas those who favor federated Statehood conceive it as the only desirable form of permanent union with the United States, in the way enjoyed by the fifty States of the Union;

Whereas those who favor Independence conceive it in the form already known in other countries of the Americas;

Whereas such three forms of political status are and should be based on the sovereign capacity of the people of Puerto Rico, whether it be for joining the Union as a federated State, for becoming independent, or for developing Commonwealth status, in permanent union with the United States, as requested by its supporters and as the Congress may agree, along the lines of the fourth whereas of this resolution.

Whereas it is hereby clearly expressed that nothing in this Resolution shall be interpreted as an endorsement by supporters of Commonwealth status of either federated Statehood or Independence; or as an endorsement by supporters of federated Statehood or either Commonwealth status or Independence; or as an endorsement by supporters of Independence of either Commonwealth status or federated statehood: Now, therefore, be it

Resolved, By the Legislative Assembly of Puerto Rico.

SECTION 1. To propose to the Congress of the United States the prompt settlement, in a democratic manner, of the political status of Puerto Rico, applying the principles here expressed in accordance with the WHEREASES of this Resolution.

SEC. 2. That, the Congress once having expressed the form which it is willing to agree that Commonwealth status may take in consonance with the principles contained in the fourth whereas of this Resolution, the three status formulas here specified be submitted to the vote of the people of Puerto Rico, on the basis of such expression by Congress and in accordance with the laws of Puerto Rico, so that the winning formula remain established or be established pursuant to the will of the Puerto Rican people.

SEC. 3. That a copy of this Resolution, in the English language, be transmitted to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States, and the Resident Commissioner from Puerto Rico in the United States.

SEC. 4. This resolution shall take effect immediately upon its approval and shall continue in effect until its purposes are achieved pursuant to the provisions of Section 2 hereof.

Approved December 3, 1962.

NOTE.—Official translation authorized by the Governor.

IMPEACHMENT OR RESIGNATION?

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. QUIE. Mr. Speaker, the editorial appearing in the May 22 Republican Eagle published in Red Wing, Minn., discusses some of the pertinent questions on impeachment and raises other points which deserve consideration.

The current controversy is placed in reasonable perspective and I commend it to my colleagues:

IMPEACHMENT OR RESIGNATION?

In the current turn of impeachment politics, we find it symbolic that Goodhue County's two more Democratic-leaning editors spoke up last week in favor of a full and fair trial for President Nixon rather than any Republican pressuring him into resignation.

These two editors are friends Al Grimsrud at the Zumbrota News and Tootie Campbell, Goodhue Tribune.

Our view here for many months has been that the Administration's Watergate abuses are not only a national problem but particularly a Republican problem. This is because the President can't be removed without Republican votes in Congress, and because Republicans, from the grassroots to national leadership, ought to feel a special responsibility to correct the sins of the nominee they selected and the Administration they campaigned to put in office.

Republicanism is too important to the nation, after all, to allow its good philosophies and principles to be besmirched by the underhanded and unprincipal behavior that's been revealed in the Nixon White House.

Now that GOP leaders are finally moving toward this necessary housecleaning, they're accused of doing so only to enhance their prospects in next fall's elections. While Democrats piously assert that a Nixon resignation would be wrong, that the impeachment inquiry should go the full constitutional House-Senate route.

Which position leaves the Democrats open, in our view, to the accusation that they want to string out Richard Nixon's ordeal over the impeachment coals for as long as possible in order to reap the maximum blackening of the Republican name therefrom and to elect all sorts of new Democrats next November, from Congress to the Ellsworth courthouse.

Leaving such partisanship aside, we would make the following points about the resignation vs. impeachment argument:

(1) If it must come to that, America is strong enough to stand the strain of a full impeachment trial before the Senate.

It would be painful and uncomfortable, surely. It would be nerve-wracking should a foreign policy crisis arise while the U.S. maker of foreign policy and commander-in-chief is thus in the dock. But American government would cope.

If the President should hold to what daughter Julie describes as his position, to fight to the end as long as one Senator is with him, we shouldn't shy away from impeaching him because of the trial's pain and difficulty.

(2) But a trial would be long, painful, perhaps involve some risk. Therefore, a Nixon resignation would be a desirable substitute if it would hasten the day when Americans can unite again behind a new President and give undivided attention to pressing national and world problems.

We see no dangerous precedent here that would weaken future presidents. After all, there's no way anybody—any newspaper, any citizen, any group of congressman—can "force" a President to quit office. Future White House occupants will continue to be "strong" presidents because the method of presidential selection and the needs and circumstances of these times all demand it.

If Richard Nixon does resign, history will record that he resigned in the face of impending impeachment and trial. Or to avoid being formally removed from office. Or to spare the country from the ordeal of his impeachment trial.

The manner and attitude of the Nixon resignation would be important, of course, for what it contributed to, or detracted from, the binding up of the nation's wounds. Despite the offenses which President Nixon has committed in office, we retain a confidence that when it comes to high policy and high national stakes on the world scene, Richard Nixon is a true American patriot and will put America's interests above his own.

(3) An impeachment trial, if it comes to that, should not be looked upon as the counterpart of a criminal trial in a local court but rather as a constitutionally unique kind of broad political judgment in which senators ballot on whether, looking at the President's offenses and the national situation, he should be removed or retained in office.

We say this because there is much talk about the President being "innocent until proven guilty" and of proof "beyond any reasonable doubt."

These everyday judicial concepts do not apply because impeachment is not a criminal trial. Conviction in an impeachment trial doesn't put anybody in jail. Conviction would simply leave Richard Nixon an American citizen like the rest of us, ineligible for further federal office but otherwise legally free.

The first consideration in impeachment is not justice for Richard Nixon but justice for America.

A YOUNG MAN OF GREAT COURAGE

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. METCALFE. Mr. Speaker, Calvin Johnson, Jr., a young man who resides in the First Congressional District of Illinois, recently received his eighth grade diploma after 2 years of study while confined to a hospital bed at Cook County Hospital.

Despite a series of illnesses, among them sickle cell anemia and two severe bone diseases, Calvin has kept up his studies and last Monday officially graduated through a program of the Christopher School for the Physically Handicapped.

Calvin has been a source of pride for me and an inspiration for young people everywhere.

Mr. Speaker, an article from the Tuesday, June 11, 1974, editions of the Chicago Tribune tells Calvin's story better than I ever could:

HE SHED HOSPITAL GOWN FOR CAP, GOWN

(By Derrick Blakley)

A 64-year-old retired carpenter who never finished second grade saw a dream come true Monday when his chronically ill son received an elementary school diploma at his hospital bedside.

Calvin Johnson Jr., 14, of 3706 S. Prairie Av., was presented with his 8th grade diploma in ceremonies conducted at his bedside at Cook County Hospital while his father, Calvin Johnson Sr., proudly looked on.

Young Calvin has been attending classes at the hospital since he was admitted July 18, 1972, for treatment of sickle cell anemia, tuberculosis of the bones, and osteomyelitis, another bone disease. The special bedside teaching program is provided to pediatric patients thru the Christopher School for the Physically Handicapped, 5042 S. Artesian Av.

Calvin Jr., sharply dressed in a red-and-green check suit, smiled broadly as John Glazier, school principal, presented him with his diploma. His teacher, Mrs. Mary Majewski, also was present for the ceremony.

"Calvin was a very ardent student who worked hard all the time and cooperated in everything we tried to do," Mrs. Majewski said.

"I'm very proud. But to get down to basics . . . to tell you how I feel . . . I couldn't do," Calvin Sr., said his voice strained with emotion.

Calvin's father found out his son had the various bone diseases in 1961, two years after he was born. Young Calvin has been unable to walk for almost the last two years now with his father giving his undivided attention to seeing that his only son will someday be able to lead a normal life.

Calvin Sr. has had to attend to his son's needs alone for the last nine years. His wife left the family in 1965 and has not been seen since, the older Johnson said. Public aid has paid for most of young Calvin's medical care.

Even tho Calvin Sr. is proud of his son's accomplishments, he is even happier just to see him alive.

"I prayed so hard I believe God got tired of me begging. I prayed for him to give me back my son . . . and he did."

LITHUANIA—24TH ANNIVERSARY OF ANNEXATION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RUPPE. Mr. Speaker, on June 15, Americans of Lithuanian heritage plus others throughout the world will commemorate the 24th anniversary of the annexation of their motherland by the Soviet Union in 1940. It is right that we remember at this time those presently living in what is considered to be a captive state. They are denied the right of national self-determination as well as their basic human rights.

As embodied in a resolution presently before the Senate, I would urge that the United States not recognize the forcible annexation of Lithuania and its sister Baltic States, Latvia and Estonia, and I would also urge the Soviet Union make the following policy changes:

First. Lower the excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States;

Second. Increase the current 5-day tourist visa to a more reasonable limit;

Third. Eliminate the unreasonable travel restrictions on tourists to Lithuania;

Fourth. Provide for Lithuanians to immigrate to other countries as provided by the charter of the United Nations of which the Soviet Union is a signer.

LITHUANIAN INDEPENDENCE

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DONOHUE. Mr. Speaker, on June 15 next, free people from around the world will be pausing to pay tribute to a people whose faith and courage has been a true inspiration to all men, and whose struggle for recognition and freedom has been, in a particular way, close to the hearts of all Americans.

Thirty-four years ago, the Soviet Union forcibly annexed Lithuania, and deported thousands of its citizens to concentration camps in Siberia. In doing so, the Soviet Union thought it could destroy a nation's heritage, and obliterate a people's will for freedom and self-determinization.

Since then the Soviet Union has continued its suppressive activities. It has sought systematically to limit the Lithuanian people's political and religious freedom; it has denied them their basic rights, and has subjected them to harsh and inhuman rule.

The Soviet oppressors, however, have found that the courageous spirit of the Lithuanian people cannot be suppressed, and that their determination for self-recognition and freedom is deep and long lasting.

Following the conclusion of World War II, native Lithuanians, in small but highly disciplined units, fought the Soviet occupation army at a cost of over 50,000 Lithuanian lives. Since then other Lithuanians have been inhumanly exiled, deported, and murdered. And more recently, mass demonstrations of protest have been directed against the Soviet occupation, demonstrations that culminated in the self-immolation of three Lithuanian youths.

We Americans, who in our own history have known the meaning of enslavement, can understand the yearnings of the Lithuanian people. And we who have struggled and suffered for our own freedom can appreciate the Lithuanian people's continued effort for self-determination and the right to be again recognized as a nation.

The Soviet Union is now seeking détente, as well as a most-favored-nation status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to speak out on behalf of those people being denied their basic human rights, particularly by the Soviet Union.

The aim of détente is the wish of every nation. To live in peace, free to develop and build one's own future so that a nation's people can benefit from the blessings of this Earth, is a hope deep within every man. What the Soviet Union wants for itself, is something they must be willing to grant to others.

As a step toward achieving this goal, it is imperative that the U.S. delegation to the European Security Conference not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

Furthermore, efforts should be made to insist that the Soviet Union lower the excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States, increase the current 5-day tourist visa to Lithuania to more reasonable limits, eliminate unreasonable travel restrictions on tourists to Lithuania, and permit Lithuanians to immigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

In spite of the sadness that cannot help but be a part of this day, the knowledge that freedom cannot forever be denied, gives us hope and confidence, that again, and hopefully in the near future, the Lithuanian people will be recognized as a nation, free to celebrate their own heritage, free to determine their own future. On this special occasion it is most fitting that we publicly pledge our persevering American cooperation until the full freedom of the valiant Lithuanian people is achieved.

INDEPENDENCE FOR THE BALTIC STATES

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. LENT. Mr. Speaker, this month marks the 34th anniversary of the forceful annexation of the peace-loving people of Lithuania, Latvia, and Estonia by the Soviet Union in June 1940. I am heartened to see that the Department of State has recently reaffirmed the U.S. policy of not recognizing the annexation of the Baltic States and further has stated that it is in full accord with House Concurrent Resolution 394, expressing the sense of Congress that the United States should not agree to the recognition by the Conference on Security and Cooperation in Europe of the annexation.

I call the attention of my colleagues to the saddening plight of these Baltic peoples. The annexation of 1940 was followed by the mass deportation of over 150,000 Balts to Siberian labor camps in an effort to bread the spirit of these fiercely independent people and crush any possible resistance for all time. The failure of this tactic is evidenced by the fact that, between 1940 and 1952 alone, 30,000 freedom fighters have made the supreme sacrifice in their attempt to restore freedom and self-determination.

The Soviet Union is now seeking détente and most-favored-nation status in trade relation with the United States. This desire on the part of the Soviet Union presents us with a unique opportunity to correct some of the most blatant denials of basic human relations for the peoples of Latvia, Estonia, and

Lithuania. Some of the present practices on the part of the Soviet Union can only be construed as harassment. I call for your support for the immediate implementation of the following four points:

First. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.

Second. Increase the current 5-day tourist visa to these States to a more reasonable limit.

Third. Elimination of unreasonable travel restrictions on tourists to these States.

Fourth. Provision for immigration to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

I am proud to insert the full text of House Concurrent Resolution 394 into the Record at this point:

House Concurrent Resolution 394

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain recognition by the European Security Conference of its annexation of these nations, and

Whereas the United States delegation to the European Security Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

CONTINUING OPPOSITION TO ATTACK ON CHARITIES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ASHBROOK. Mr. Speaker, the House Ways and Means Committee is presently considering legislation which would change the Federal income tax laws. Among the proposals being considered is a provision to repeal deductions for charitable contributions. This idea was presented by Wilbur Mills, chairman of the committee that deals with tax legislation, in the last Congress and was reintroduced in this Congress by Representative Heinz who is a member of the same committee.

I oppose any legislation which would not allow deductions for charitable contributions. The United States, unlike many other countries in the world, has a history of individual donations to worthwhile appeals. This is a tradition that should be continued and encouraged. Repealing deductions for charitable contributions would do the exact opposite.

The importance of private contributions can be seen by looking at the amounts given in 1973. Last year religious groups received $10.09 billion; the health area including hospitals received $3.98 billion; education received $3.92 billion; social welfare organizations received $1.76 billion; arts, humanities, and civic groups received $1.8 billion; and other miscellaneous groups received $2.98 billion. These gifts went to support churches, schools, hospitals, orphanages, libraries, YMCA's, YWCA's, self-help programs, Boy Scouts, Girl Scouts, orchestras, scholarships, medical research, and many other programs which serve millions of Americans and many millions of less fortunate throughout the world.

Private charitable organizations play a vital role in our national life. They bring together Americans who want to work together without governmental coercion.

The last major tax revision had an undesirable effect on charitable contributions. Present proposals would have a devastating impact.

The Congress of the United States should be considering proposals to encourage more contributions and not discourage those presently being made.

INFLATION AND TAXES: THE NEED FOR ACTION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ZABLOCKI. Mr. Speaker, only last month in his radio message on the state of the economy, President Nixon assured us that "the worst is behind us. Not only was Congress properly skeptical of such an assertion but so was Federal Reserve Chairman Arthur Burns, who said the day after the President's speech:

> The gravity of our current inflationary problem can hardly be overestimated. If past experience is any guide, the future of our country is in jeopardy.

With inflation running today over 10 percent and real income having declined by 6 percent in the last 12 months, it is the middle- and lower-income people who have borne the brunt of inflation. Accordingly, the working man and woman are demanding that Congress take the necessary steps to reduce inflation, to reform our tax structure, and to restore confidence in our economic system.

Addressing himself to this very problem, our colleague and friend, Representative Henry S. Reuss, has recently proposed a tax reform package in an attempt to make our tax system fairer which, contrary to administration rhetoric, would not necessarily be inflationary, and according to a recent study by the Office of Management and Budget, might even prevent as many as 250,000 Americans from becoming unemployed.

In a column which appeared in the June 7 issue of the Baltimore Sun, columnist Marquis Childs discusses Representative Reuss' tax reform proposal. I recommend this article to my colleagues and include the article at this point:

A Congressman Looks at Tax Breaks

Washington.—From throughout the country comes reports that inflation, the steadily rising curve of high prices, is far more than Watergate the issue that voters put at the top of the list.

This is confirmed by a Harris Poll showing that by 82 to 15 per cent the sample polled gives President Nixon negative marks "on the way he has handled the economy."

Wherever you go the story is the same—we can just barely make it and then by cutting back on what we once thought were necessities. This reflects the feeling of millions of families, particularly in the income brackets up to $15,000.

The concern, the rancor, of these millions is directed not alone at the administration but at Congress as well. Since Congress rates below the President in the polls, here is a serious challenge to demonstrate that change can be pushed through the clogged, sluggish channels of a body that drifts toward stalemate in many areas.

One of the principal pushers is Representative Henry S. Reuss of Wisconsin, who was chosen to deliver the Democrats' response to Mr. Nixon's bland "all will soon be well" address on the economy. Mr. Reuss is working to get endorsement by the Democratic Steering Committee and eventually by the Democratic Caucus of a program calculated to send shivers down the spines of the conservatives and the rich.

He must convince that formidable gatekeeper, Chairman Wilbur D. Mills of the House Ways and Means Committee, and if Mr. Mills believes there is sufficient pressure from an aroused public, then Carl Albert (D., Okla.), the cautious speaker, may also be persuaded.

The Reuss proposal calls for a federal income tax cut of $6 to $7 billion in the low-to-moderate income brackets. This would help those barely scraping along to make ends meet. The President has, of course, set his face against a tax cut as inflationary.

But Mr. Reuss, whose economic know-how has been repeatedly demonstrated on the Joint Economic Committee and on the Banking and Currency Committee, ties in plugging tax loopholes to return to the Treasury virtually the full amount of the cut.

His proposal would provide for a capital-gains tax on securities held in an estate. There is no such tax today. No matter how much the securities have advanced in value, they escape when they are in the estate of the deceased taxpayer.

Mr. Reuss estimates that closing this loophole, long zealously guarded by lawyers and trust officers, would bring in $2 billion.

The oil-depletion allowance has for years been the target of reformers who have aimed particularly at the foreign earnings of the oil giants. Arkansas's Mr. Mills finally agreed to a three-year phasing out of this bonanza. Mr. Reuss is urging that it be knocked out, or at least drastically reduced, at once. Depending on how deep the cut, this could bring in several billions.

Another loophole Mr. Reuss would plug is DISC, the acronym for a subsidy for exports costing about $1 billion a year. Ironically enough, DISC subsidizes exports of materials in scarce supply in this country such as scrap metal and timber.

The hobby farm is one of the most sensitive loopholes. The rolling acres dotted with black angus or herefords, the well-built barns, the handsome manor house, all this is a happy picture, and if the beef cattle return no profit there is always a satisfactory tax loss. Mr. Reuss believes plugging this hole would mean close to $1 billion to the Treasury.

These are all carefully guarded sanctum sanctorums and the lobbyists will be swarming over Capitol Hill to ward off the vandals. The next days are likely to tell the tale in the steering committee.

Whatever its ultimate fate, and with the backing of Mr. Mills it might well get through the House, the reform program would convince millions of hardpressed families that Congress is doing something about inflation.

D.C. COMMUNITY DEVELOPMENT CORPORATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. FAUNTROY. Mr. Speaker, today I introduced H.R. 15363, which would create a D.C. Community Development Corporation.

The purpose of this bill is to establish a local corporation responsible to the Mayor and Council to assist in the financing of new construction, rehabilitation of housing, and the rebuilding of riot-torn neighborhoods in the District of Columbia, and, where private resources are lacking, to undertake the development and initial management of residential, commercial, industrial, or public facilities in order to improve neighborhoods, relieve unemployment, and attract private investment. The corporation's board would be appointed by the Mayor with the consent of the City Council, and would carry out its activities only in areas, and in accordance with plans, approved by the Mayor and Council. It would function in a manner similar to the housing finance agencies, public development corporation, and industrial development commissions which have been established in nearly 40 States, drawing its financial resources from the sale of bonds, which might be tax exempt or backed by Government guarantees or reserve funds. It would also be eligible to receive governmental and private loans and grants for locally approved community development purposes.

The proposed community development corporation would be intended to overcome existing constraints to development such as: First, high risk of obtaining an adequate return on investment because of such factors as an uncertain market, high operating costs, and changing social and/or physical environment; second, cumbersome and time-consuming public review processes; third, high cost of land for certain uses (for example, housing and industrial); and fourth, difficulty of land assembly, through the use of one or more of the following kinds of authority:

Direct loans for construction when no private funds are available;

Guarantee of private loans for construction when not otherwise available;

Interest subsidies;

Operating subsidies;

Insurance of private mortgages;

Purchase of mortgages;

Use of eminent domain to complete private assemblies, or to assure parcels of adequate size for economically feasible development;

Absorption of some of the costs of land acquisition by resale for private use at a write-down sufficient to produce an adequate return on investment;

Direct construction by the Corporation for resale, or lease to private developers or operators;

Direct or indirect assistance for the provision of housing for persons of low or moderate income.

The activities of the corporation would be intended to support and supplement those of private investors, developers, and financial institutions—not to substitute for them or to act independently of them. The authority and resources of the Corporation would be directed toward attracting and stimulating private market activity by filling gaps in existing public and private development ventures and assuming risks and costs which cannot be absorbed by others in pursuit of approved public development policies.

The corporation would be separate from the normal city bureaucracy, in order to be able to obtain and administer independent sources of revenue, such as loans, proceeds from bond sales, mortgages, etc. The obligation of the Corporation would be its own and would not be backed by the full faith and credit of either the District or Federal governments, except insofar as the city chose to provide direct subsidies, or authorize the corporation to participate in already authorized Federal loan or grant programs.

HOUSE MUST GRASP OPPORTUNITY TO EXTEND ETHNIC STUDIES PROGRAM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. KEMP. Mr. Speaker, as a sponsor of the Ethnic Heritage Studies Act and a representative from the greater Buffalo area, a community with a deep awareness of ethnic traditions and contributions, I wish to bring my colleagues' attention to the importance of the pending 4-year extension of the act which is to be considered during the House-Senate conference on H.R. 69.

I know I speak in behalf of large numbers of my constituents and others in western New York and that I reflect the feelings of many of my colleagues in this body when I say I am greatly disappointed that the administration, and more specifically, the Department of Health, Education, and Welfare has not yet implemented the measure's provision to appoint a National Advisory Council on Ethnic Heritage Studies.

This failure is the more distressing as we rapidly approach June 30, 1974, the date of the expiration of the ethnic studies program before the Senate-approved 4-year extension which will hopefully be approved by the full Congress.

The failure to make council appointments has been brought to the attention of HEW Secretary Caspar W. Weinberger who, in a recent letter to Senator RICHARD S. SCHWEIKER, has given his pledge to proceed expeditiously with the appointment of the Council as soon as congressional approval of the extension is forthcoming.

The extension is, in my judgment, critical, if we, the representatives of the people are to be responsive to the some 900 actual grant applications received from every section of the country, according to the Secretary, since appropriations for the program were granted in December 1973. In addition to these applications to share in the disbursement of the $2,375,000 appropriated for the program by June 30, this year, the Office of Education has received approximately 4,000 requests for information, according to Secretary Weinberger's report.

Mr. Speaker, my distinguished colleague (Mr. DULSKI) and I have consistently supported legislation to provide funding assistance for ethnic heritage studies in our education systems. From both sides of the aisle, we are deeply aware of the privilege of representing a community with an outstanding awareness of its ethnicity. As a member of the Education and Labor Committee, it was my privilege to support his outstanding effort to secure the act's extension when we debated ESSA in March.

As I stated in this Chamber during that debate, we have, for too long, ignored the potential of encouraging an emphasis on the diversities of our ethnic traditions and their contributions to our Nation as a whole.

Now, at this time, we have yet another opportunity to rectify this condition.

I urge the House conferees to accept the Senate's acceptance of the Senate-passed extension and my colleagues to approve a conference report including the extension.

AMERICAN LITHUANIAN COMMUNITY OF RHODE ISLAND

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ST GERMAIN. Mr. Speaker, on June 15, 34 years ago, the Soviet Union forcibly annexed Lithuania and sent thousands of Lithuanian citizens to Siberian concentration camps. I feel it is most appropriate that we take this week to commemorate this sad experience.

I have received a letter from the American Lithuanian Community of Rhode Island, which expresses better than I can, the responsibility we have to remember this violation of human liberty and courageous struggle by Lithuanians to free themselves of foreign domination. The letter reads as follows:

AMERICAN LITHUANIAN COMMUNITY
OF RHODE ISLAND,
June 6, 1974.

Hon. FERNAND J. ST GERMAIN,
House Office Building, Washington, D.C.

DEAR MR. ST GERMAIN: On June 15, Lithuanian-Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940, and the subsequent mass deportation of thousands of Lithuanians to Siberian concentration camps.

Currently, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecutions, and are denied their basic human rights.

The Soviet Union is now seeking détente, as well as a Most Favored Nation Status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the peoples of Lithuania and the other Captive Nations.

The United States should adopt an official policy for the current European Security Conference in accordance with House Concurrent Resolution 394 of the first session of the 93rd Congress submitted by Mr. Derwinski to the Committee on Foreign Affairs. . . .:

Now, therefore, be it RESOLVED by the House of Representatives (The Senate concurring), that it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

Sincerely,

A. Valuiskis,
Chairman.

THE KISSINGER CASE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. FORSYTHE. Mr. Speaker, America is paying a heavy price for the Watergate deed and the excessive political acts of those who controlled the President's reelection campaign in 1972.

Faith and trust in the President and in the Congress is at a low ebb; people doubt the integrity of their own Government and their leaders.

We all want to know the truth; to ascertain who is responsible for illegal and sordid acts and to bring them to the bar of justice.

The process provided in our Constitution to achieve this is underway, and it should be completed as promptly as possible in a manner consistent with individual fairness and justice.

It is wrong for those involved in this task to become so zealous in their endeavors as to unfairly drag into the Watergate quagmire the one man in our Government who has proven his patriotism and his unquestionable ability to bring peace to our world.

It is wrong that such a man as Dr. Henry Kissinger, whose very integrity has been crucial to reaching peace agreements in Southeast Asia and the Mideast, should be forced to "clear his name."

It is wrong that we should become so infected with the disease of distrust that we jeopardize Mr. Kissinger's ability to conduct American foreign policy.

The sickness of Watergate simply cannot have so afflicted our society that we will accept newspaper stories leaked by unnamed individuals as gospel, and force this man to appear, nearly as a defendant, before the Congress.

What kind of a society have we become? What does a man have to do to prove his trustworthiness, his dedication to his nation, his sincerity to the cause of peace, and his ability to bring it about?

If Dr. Kissinger tells us that he, as national security adviser to the President, expressed concern about security leaks to the President, I believe him. It was his job; his responsibility.

If he tells us that he did not know of any such group as the Plumbers, or of plans to burglarize the office of Dr. Ellsberg's psychiatrist, I believe him.

He has testified to this under oath. He is willing to do so again.

Those individuals who are leaking classified documents to the press have acted irresponsibly, at the very least. It is my view that a responsible press should weigh the consequences of the publication of such documents, and that it should not permit itself to become, perhaps unwittingly, the tool of those who appear eager to discredit everyone—and anyone—within the President's circle.

The impeachment inquiry is necessary. The despicable acts of Watergate and other political abuses must be explored; those involved must be prosecuted, and punished.

If the evidence, when it is presented to the House of Representatives, indicates that the President is guilty of a violation warranting his impeachment, then I will vote accordingly. If, on the contrary, this is not supported by the evidence, then I will also vote accordingly.

But the impeachment proceedings must be conducted in a responsible manner. Leaks to the press must be stopped. Perhaps the best way to be fair to all concerned is to open the proceedings to the public, so that there will be no secrets.

We must not lose sight of our mission. We cannot let ourselves become so infected by the desire to purge the Government of everything bad that we do irreparable harm to the honorable, and to our Nation, in the process.

FLAG DAY. JUNE 14, 1974

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ROGERS. Mr. Speaker, on this Flag Day of 1974, I think of 700 Frenchmen, most of whom had never been outside France, who visited Arlington National Cemetery last Tuesday, to express their thanks. Thanks for the sacrifice of more than 6,000 American lives on one of the proudest and most awesome days in the history of this symbol of our country, the day of the invasion of the beaches of Normandy by Allied forces June of 30 years ago.

For the United States, England, and Russia, the invasion was a necessary undertaking in an effort to shorten a war which has embroiled the world. To the French, it was the beginning of the way back from defeat. So these Frenchmen have come, soon to number a thousand in all, with letters from those who could not make the journey, simply to say "thank you" to those who made this sacrifice, many the sacrifice of death.

On this Flag Day, I would urge every American to display his flag, and to look on it for a moment and imagine it as it flew over those embattled beaches 30 years ago. I believe it will take on new dimensions in his eyes, and will better reflect the greatness which is this country of ours.

SOVIET CONCEPT OF DÉTENTE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DERWINSKI. Mr. Speaker, a few weeks ago Members of the House and Senate met with a parliamentarian group from the Soviet Union. An article explaining the Soviet officers concept of détente appears in the Christian Science Monitor of May 23.

The column emphasizes the strong public views expressed by Boris N. Ponomarev who headed the Soviet delegation. I believe that this article is a very objective commentary that will be of interest to those who did participate in the conference and to those who did not, a very keen insight into the subject of our relations with the Soviet Union.

The Christian Science Monitor article of May 23, 1974, follows:

U.S. Lawmakers To Learn Soviet Concept of Détente

(By Paul Wohl)

"Parliamentarians" of the Supreme Soviet of the U.S.S.R. are in Washington to establish contact with United States congressmen and to explain to them the Soviet concept of detente.

The delegation composed of seven men and one woman, mostly magazine or newspaper editors, is headed by Boris N. Ponomarev, chairman of the foreign affairs commission of the Soviet of Nationalities, one of the two houses of the Soviet legislature.

In line with the double nature of the Soviet state, which is ruled by the Communist Party, most of the members of the delegation also belong to the party's Central Committee, which elects the Politburo.

THESIS DEVELOPED

Mr. Ponomarev, the head of the delegation, is an alternate (nonvoting) member of the Politburo, and head of one of the most important sections of the Central Committee's "apparatus"—the section in charge of relations with foreign Communist parties.

In other words, he is a maker and formulator of party policy, rather than a party parliamentarian. In a major article entitled "Vladimir Ilich Lenin and the Communist World Movement" published in No. 6 of Kommunist, the Central Committee's political and ideological journal, Mr. Ponomarev has developed a thesis that in theoretical phrasing says what the Soviet Union's blunt former Nikita S. Khrushchev told the American people: "We will bury you!"

CLEAR MEANING

While Mr. Ponomarev's article used theoretical language, its meaning is clear. This may explain why issue No. 6 of Kommunist has failed to reach the United States. The latest issue to arrive is No. 5 of March, an unusual occurrence because Kommunist is a bi-weekly.

"Capitalism in today's countries is not only ripe but overripe for Socialist transformation," wrote Mr. Ponomarev.

PRESENT-DAY SYMPTOMS

"In each one there exists the complete machinery of accounting and control [a prerequisite of socialism, according to Lenin] which serves the financial oligarchy as a means of maintaining and strengthening the capitalist system of exploitation."

The present-day symptoms of this system, he said, are decay and a parasitical nature. As examples the author mentioned the current chaos, the energy crisis, the "enormous growth of the military-industrial complex," and the "abuse of executive power."

This characterization is aimed at the U.S., whose "supernational or international corporations, essentially American, monopolize an increasing share of world production."

The international corporations are part and parcel of the "straight monopolistic system in the era of imperialism . . . a dying capitalism condemned by history to make place for socialism."

Lenin anticipated with Mr. Ponomarev that "in the coming decisive battles of world revolution, the majority of mankind will turn against capitalism and imperialism."

BASIC POLICY

"The capitalist system which," the author admitted, "is still capable of industrial growth and scientific technical progress . . . will not collapse automatically . . . but at any time in one or other part of the system, the situation can arise which opens the way for basic social transformation," provided there is readiness.

"What matters is to find the right road." This is the Soviet Union's basic policy according to Moscow's apostle of detente.

"The Soviet Union consistently supports . . . all peoples who fight for their freedom and independence. Thousands of fighters against imperialism find refuge in our country. We consider it our international duty to stand up for foreign Communists.

SUAVE LANGUAGE

"We can say boldly," Mr. Ponomarev concluded, "the Communists have the initiative when the cardinal questions of the fate of human society are at stake . . . in the struggle for communism and against imperialism."

In his exploratory talks and persuasive efforts to win over U.S. legislators to the Soviet concept of detente, the head of the Supreme Soviet delegation is certain to use suave and conciliatory language.

The fact that most delegation members are, and have been for years, responsible editors of leading party publications guarantees their mastery of rhetoric and argumentation. Like Mr. Ponomarev, they devote only a tiny fraction of their time to parliamentary sessions that are of a rubber-stamp nature and involve no major public debate.

DAIRY FARMING

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, the Council of Economic Advisers is picking up where the now-defunct Cost of Living Council left off. It is trying to drive the last nail in the coffin of America's dairy producers. The U.S. Department of Agriculture was going to announce yesterday its recommendation that imports of nonfat dry milk be cut off as of June 30. This would have kept an estimated 145 million pounds of foreign product off the American market and been of great help in strengthening milk prices during the present period of oversupply. Now, Gary Seevers, of the Council of Economic Advisers, is attempting to sabotage this effort to provide needed relief to our dairymen. It is a shocking and appalling development that the Council of Economic Advisers would attempt to influence the judgment of the Agriculture Department which properly understands the plight of our dairy farmers.

CHICAGO NEWSPAPER EDITORIALS URGE THE HOUSE TO SUPPORT THE INTERNATIONAL DEVELOPMENT ASSOCIATION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. McCLORY. Mr. Speaker, I am pleased to note that the Senate recently voted by an overwhelming 55 to 27 majority to approve a U.S. contribution to the International Development Association in the amount of $1.5 billion. Also, on Monday, June 10, the House Subcommittee on International Finance reported a similar bill, H.R. 15231, with provision giving the United States the option to pay its share to IDA over a 4-year period beginning in fiscal 1976. The House will have an opportunity to reassess its action of last January when it defeated the original IDA bill.

Mr. Speaker, I would like to bring to the attention of my colleagues excellent editorials which appeared in two of Chicago's most respected newspapers—the Chicago Tribune and the Chicago Daily News. These editorials take note of the fact that the U.S. share of total IDA funding has dropped from 40 percent in 1972 to 33 percent in this legislation, while 24 other countries, including Kuwait and Israel, have promised to pledge $3 billion to IDA this time.

As the Chicago Tribune editorial of June 2, 1974, points out:

> IDA is probably the most efficient means for giving poor and crowded countries the aid without which they may ultimately drag the whole world down to disaster.

We must realize, as the Daily News editorial of June 1, 1974, declares, that we "will go on living more closely with all the other nations of the world; our only option is to try to make that world more habitable and those relationships productive and harmonious."

Mr. Speaker, I urge my colleagues to consider the persuasive arguments of these two editorials in preparation for a new examination of this important legislation. The full text of the editorials is reprinted herein below:

[From the Chicago Tribune, June 2, 1974]

REPLENISHING IDA

The Senate has approved a $1.5 billion contribution to the International Development Association, a World Bank affiliate which makes for the development of poor nations. The Senate action, in effect, resurrects a measure which had been rejected last January by the House.

Altho there is no assurance that the House will reverse its earlier decision, the favorable Senate vote alone is expected to trigger the release of contributions from 11 donor countries totalling more than $680 million. Without these funds, IDA was expected to run out of funds after June 30.

An agreement to replenish IDA funds was reached last September at the annual meeting of the World Bank. The U.S. said it would put up one-third of the contributions, compared with the 40 per cent it had contributed in the two previous replenishments. IDA makes "soft loans" payable in 50 years and carrying a service charge of three-quarters of 1 per cent, in place of interest, to the neediest members of the World Bank organization.

IDA is probably the most efficient means for giving poor and crowded countries the aid without which they may ultimately drag the whole world down to disaster. It is true that the United States is having economic troubles of its own these days, but so are other countries, rich and poor alike. Oil and food prices are high for everybody. The difference is that the rich countries have the means to pay the price; the poor ones do not.

Bilateral foreign aid has almost always failed; often it has yielded anti-Americanism instead of gratitude. The Nixon administration has quite properly undertaken to shift to multilateral aid, such as thru IDA. With their money as well as their future at stake, the richer countries thus have a joint interest in seeing that their money is put to effective use and in helping to provide the management and technological skill without which money can be useless.

The IDA bill may have new trouble in the House because of reports that 40 per cent of IDA's replenishment funds are being sought by India, which has just spent more than $170 million to develop nuclear capability while its people starved.

But if members of the House are angered at this, they can be sure that the other countries which contribute to IDA are at least as angry—notably Canada. Perhaps the House can add a provision limiting aid to India, but there is no point penalizing other countries because of resentment against India. Multilateral aid is important in an increasingly small world where conditions in one country inevitably affect the others.

[From the Chicago Daily News, June 1, 1974]

RIGHT ACTION ON FOREIGN AID

With its decisive 55-to-27 approval of a four-year, $1.5 billion contribution to the International Development Assn., the Senate headed the United States back on a course of responsible international policy. Whether the House, which earlier rejected the same legislation, can be induced to change its mind is questionable. But the project deserves all the effort the administration forces can bring to bear.

The IDA is the affiliate of the World Bank that provides 50-year loans at minimal interest rates to the world's poorer countries. The aim is to stimulate the agricultural and industrial development that will help bring hundreds of millions of illiterate and desperately poor people in the disadvantaged nations to a condition of dignity and self-help.

The premise behind the provision of such help is simple: The responsibility of strong nations for the weaker ones is simply unavoidable. There can be no peace for anyone while substantial portions of the world's population are racked by hunger and disease.

Nor is the provision of funds entirely a one-way street. The United States and the other rich nations need expanding markets.

The less developed nations can provide those markets, at first for skills and developmental equipment, later for goods of all kinds. And as the energy crisis has demonstrated, the rich nations need much that the less developed ones can provide by way of raw materials. Much of the world's oil, bauxite, manganese, tin and other industrial essentials is found in those areas.

The traditional arguments of the isolationists against "helping ungrateful nations" and for keeping charity at home are specious and hollow. The United States will go on living more closely with all the other nations of the world; our only option is to try to make that world more habitable and those relationships productive and harmonious.

The House should reconsider its January action at the earliest practicable moment. The IDA stands to run out of funds on June 30 unless the "have" nations renew the flow. Other nations have begun to renew their cash pledges, some of them contingent upon U.S. action. The Senate has rightly seen that action as imperative to the nation's self-interest. The House should get in step.

AIKEN LOVES ITS YOUTH

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DORN. Mr. Speaker, the ethical and moral values of our people, especially young Americans, are the very foundation of our greatness as a nation. May I commend to the Congress and to all Americans the following account of the second annual Aiken, S.C., prayer breakfast, sponsored by the Greater Aiken Chamber of Commerce and honoring the graduates of Aiken's two local high schools:

AIKEN LOVES ITS YOUTH

(By Frank T. Galardi)

The sign of the times as depicted in today's many morbid news releases dealing with crime, corruption, inflation, Watergates, pot, pornography, Satan worship, and streakers came to a screeching halt as the word of God reached a couple of hundred youths through an unusual event in the lovely City of Aiken, South Carolina.

The Greater Aiken Chamber of Commerce for a second year provided their community youth with a breakfast, now widely acclaimed as the "Aiken Prayer Breakfast." Here we find leaders of industry and business and citizens joining hands in a common bond of fellowship to pay homage and to revere the work of the Almighty. This, is certainly a welcome and wholesome relief which shows community leaders who refuse to allow ugly headlines to distort their perspective. This, is the sort of spirit which brought about our belief in God and Country; a spirit which took us from 13 colonies to the great America we know and love.

As the Aiken Prayer Breakfast program unfolded in a church multipurpose building which housed this moving event, a tremendous and powerful spirit began to fill the room. The upper portion of the program heralded a musical group of young teens who sang spiritual and religious music in the "now" fashion. As the tempo and enthusiasm increased the beautiful music rendered by these young artists took on a new meaning. To follow, adult artists, a husband and wife team, renowned for their musical leadership in a Spartanburg, South Carolina church, reached out also through song to communicate with the many youths from two local high schools. The Prayer Breakfast was a farewell gift from the Greater Aiken Chamber of Commerce to the graduates of two local high schools, presumably a "first" for this type of program. Directly following the musical part of the program, a young lady, president of the student body, commenced the program officially with an opening prayer, beautifully rendered and originally composed. The Honorable Mayor of this fine southern city joined with greetings from the City of Aiken and his well chosen thoughts brought a deep silence as each of the youths devoured his words. To keep the reverence of the program, a young male senior provided a reading from the Old Testament, then came the President of the Chamber of Commerce, a local bank official, who brought a fatherly and moving message to cap the theme of "Aiken Loves Its Youth;" an outstanding athlete and student brought forth a beautiful reading from the New Testament, the "love chapter" from 1st Corinthians, 13th Chapter. Upon concluding the last words of this beautiful passage the room echoed spontaneous applause and cheers. This was today's youth eager to show their appreciation for the wonderful words and thoughts of the reading. Not to slow down the tempo of paying homage to our Maker a lovely junior miss offered a prayer for our national leaders. Thus, setting the theme for the guest speaker, anonymously described, but to say he is an outstanding American, whose works are well known in the Washington, D.C. area for his tolerance and understanding and for his efforts of brotherhood which now brings him to many parts of America because of his deep and moving message. He is a true disciple who brings to many the word of God,—the word we seldom seem to recognize because it is so simple to find—that word, "love."

As the guest speaker unfolded the teachings of the Master, the story of love was brought to all in a message which told, that to achieve peace in the world, peace in our soul, and to find better understanding to many of our problems, each of us must begin in our own hearts to bear love. Bearing of love brings understanding, giving of this love and loving your enemy we achieve the true meaning of the word love, described as "agape." The youth's reaction to this truly beautiful message from the Washington visitor brought an unprecedented rousing and standing ovation. This—from the maligned youth of today. They recognized God's word and responded in kind—such an electrifying response! One could feel the spirit which filled the dining hall. The leaders, through their Chamber of Commerce, achieved a new milestone by honoring their community's youth with a message endowed with God's touch.

As the last strain of the vocal benediction, which was offered by a student, "Lord, I've Come Unto Your Garden" one could feel each of the youth receiving a little touch of Paradise.

Indeed, the day brought new hope for the graduates. Stronger Americans will go forth and "God and Country" will always remain our goal. As for the city leaders, they know that they follow His word because "Aiken Loves Its Youth."

INNOVATIVE SOCIAL SERVICES PROGRAM IN OHIO

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. SEIBERLING. Mr. Speaker, the Ohio Department of Public Welfare has recently announced establishment of an innovative new program designed to expand Ohio's capability to deliver critically needed social services to low-income people and at the same time provide work opportunities for welfare recipients as employees of local public and private agencies.

Under the new program, called Employment Opportunities in Social Services, participating county welfare departments will be able to use State funds now going for aid to dependent children and general relief benefits, to pay the salaries of former recipients hired to provide social services to other low-income community residents. These funds will be matched on a 3 to 1—Federal against local—basis with Federal funds under title IV–A of the Social Security Act.

The program addresses itself to three critical problems:

It provides needed jobs, at a decent wage with fringe benefits, for welfare recipients who want and are able to work;

It permits an expansion of social services to low income people without an increase in cost or taxes;

It provides a savings in tax dollars for Ohio residents.

Pilot projects conducted in Butler and Montgomery counties since 1971 have provided work for up to 74 unemployed male heads of ADC families, have removed an estimated 259 persons from the welfare rolls in both counties and provided help to more than 14,000 low-income elderly, blind and disabled county residents. To top it off, welfare savings to these counties and the State in 1973 amounted to $232,000 in unused welfare grants and reduced the taxpayers contribution in food stamp assistance.

Statewide, the program has enormous potential. Welfare Department officials estimate that EOSS employment will remove between 10,000 and 20,000 people from Ohio's welfare rolls in its first full year of operation.

I think the Ohio Department of Public Welfare is to be commended for initiating this new program which could become a model for the Nation. By recognizing the desire of able-bodied welfare recipients to be engaged in productive work, the program will make far better use of the taxpayers dollars and will significantly enhance the quality of life for many low-income people.

A fact sheet describing the program follows these remarks:

EMPLOYMENT OPPORTUNITIES IN SOCIAL SERVICES PROGRAMS

THE OHIO DEPARTMENT OF PUBLIC WELFARE

Question: What is the EOSS program?

Answer: The Employment Opportunities in Social Services (EOSS) program is the newest and promises to be one of the most innovative programs developed by the Ohio Department of Public Welfare.

Question: What is the purpose of the program?

Answer: EOSS is designed to expand Ohio's capability to deliver critically needed social services to low-income people and at the same time provide work opportunities for welfare recipients as employes of local public and private agencies.

Question: What kinds of work will be performed by employes hired under EOSS?

Answer: Those employed will be paid for providing the following services: day care, homemaker services, transportation, nursing home counselling and chore services.

Question: What type of activities does the work involve?

Answer: Day care consists of providing care for children while the mother or other family members are away from the home working.

Transportation, as the name implies, would include taking people to grocery stores, medical appointments or the other necessary points in the community.

Homemaker services involves helping persons, particularly the elderly or disabled, with their personal household needs, such as meal preparation and shopping, and the correction or prevention of abuse or neglect situation.

Chore Services include the performance of more physically vigorous activities such as lawn mowing, minor household repairs, and painting.

Adult Protective Services involves providing care and treatment to elderly, or mentally or physically incapacitated adults in their own homes, or elsewhere, such as nursing homes or institutions.

Question: How many people will be employed initially?

Answer: This will depend on local agencies. At this time we are discussing the program with seven local units, and expect to have approved at least three county plans by the end of May.

Question: How many people will be EOSS employees by the end of the current biennium.

Answer: The Departments expects that an estimated 2,500–5,000 heads of families to be employed by June 30, 1975.

Question: What will this mean to the welfare rolls?

Answer: The Department expects EOSS employment to remove between 10,000 and 20,000 people from Ohio's welfare rolls in its first full year of operation.

Question: What will this mean to Ohio taxpayers?

Answer: It will mean an expansion of services to low-income people, a large number of whom are elderly, without an increase in cost or taxes; a reduction in the state's share of ADC and GR cost; and, a reduction, hopefully, in medical cost. Exact figures on saving will come with reports on EOSS, however, the Butler-Montgomery county pilot project saved $232,200.00 in 1973 by employing only 74 people.

Question: Will EOSS require the expenditure of additional state funds?

Answer: No.

Question: How will it be financed?

Answer: Under EOSS, participating county welfare departments will be able to use state funds now being paid out for Aid to Dependent Children (ADC) or General Relief (GR) benefits to match with federal funds under Title IV–A of the Social Security Act.

Under this title federal funds are available on a $3 to $1 (federal vs. state or local) matching basis. By increasing the flow of federal dollars into Ohio, the Department can provide base salaries for those employed without the expenditure of any additional state funds.

Question: How will this payment process work in the case of an individual family?

Answer: The state's share of an ADC grant to an eligible family is used to match federal funds available under Title IV–A of the Social Security Act. By utilizing both the state funds and the increased federal funding available, it will be possible to reimburse local units for a salary based on the minimum wage and fringe benefits. For a family of four it means that instead of a maximum grant of $2,402, the family would receive $4,160 or $1,758 a year more.

Question: What about other employment related benefits?

Answer: Under EOSS, the county unit whether public or private will be required to provide employes with medical coverage. The same civil service status provided to other members of public agency is also a program requirement.

Question: Who is eligible for the positions made available through EOSS?

Answer: Any current Aid to Dependent Children (ADC) or General Relief (GR) family head will be eligible for the employment opportunities provided through EOSS.

Question: How will prospective employes be selected for the program?

Answer: EOSS participants will be selected from the employable recipients active in the Work Incentive (WIN) program or from the General Relief (GR) intake rolls. County agencies will be responsible for recruiting, selecting, and training former recipients hired to work in local EOSS programs. Training will be in conjunction with the Ohio Bureau of Employment Services.

Question: Who qualifies to receive the services provided by those working in the program?

Answer: Any person who is, has been, or because of their income level may become eligible for state or federal "cash" assistance benefits.

Question: Can local units beside county welfare department have an EOSS program?

Answer: Any county welfare department that wants to establish a local EOSS program must first submit a "project proposal" to the state welfare department's Division of Social Services describing how services will be expanded, what services will be delivered and submit a monthly report.

Question: Can local units beside county welfare department have an EOSS program?

Answer: Yes, if done within state guidelines and approved by the State. Other local units expressing an interest in the program have been county children services boards and community action agencies.

Question: Has this approach been tested before?

Answer: Yes. Since October 1971, the Department, in conjunction with the Butler and Montgomery County Welfare Departments, has been conducting pilot service employment projects in both these counties. EOSS is a logical expansion of this concept. Training for the Butler-Montgomery project, as with EOSS, will be in cooperation with the Ohio Bureau of Employment Services.

Question: What benefits have occurred from these programs?

Answer: Together, these projects have provided work for up to 74 unemployed male heads of ADC families. Removed an estimated 259 persons from the welfare rolls in both counties and provided help (transportation and chore services) to more than 14,000 low-income elderly, blind or disabled county residents. Welfare savings to these counties and state in 1973 amounted to $232,200 in unused welfare grants and reduced the taxpayers contribution in food stamp assistance.

EAST GERMANS AND NORTH KOREANS PLANNING DIPLOMATIC MISSIONS IN WASHINGTON, D.C.

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. RARICK. Mr. Speaker, from the Chairman of the East German Communist Party we learn that we may soon have another Communist embassy in our Nation's Capital, that is, that of the East German Communist Government.

In the same paper that carried this East German release, another article contained an intereting letter to the editor from Ranjan Borras, reconfirming the 30-year failures of the attempts to divide the German people into two governments. In fact, Mr. Borra suggests that Herr Brandt's resignation because of the spy scandal was a farce to coverup for the failures of the German leaders to reunify Germany. If our Government now further betrays the German people's deep desire for unity by recognizing the East Germany puppet state, we are but compounding this anachronism of the United Nations one-world international elite against the German people.

The East Germany rumblings appear to be more than rumors in Washington, where the gossip columns announced that John Sherman Cooper is expected to go to East Germany when the United States opens a diplomatic post there, as France and England have already done.

The other development on the international front here in Washington, was the announcement that three North Korean diplomats from their United Nations posts in New York City, spent 5 days in our Nation's Capital.

Once diplomatic posts are opened by East Germany and North Korea, Castro Cuba can be expected to be next. The preparatory groundwork and advance publicity are underway to condition the people that anything that can be tolerated at the United Nations in New York City can certainly be tolerated in our Nation's Capital, that is except the independence of the Government of Rhodesia.

The related news clippings follow my remarks:

[From the Washington Post, June 13, 1974]

NORTH KOREAN OFFICIALS VISIT HERE

(By Jaehoon Ahn)

Three North Korean officials scored a diplomatic first this week—but they did it so shyly that it almost went unnoticed.

They stayed incommunicado at their hotel, the Shoreham.

They politely parried the questions of reporters and turned the conversation to other themes.

They accomplished their diplomatic ground-breaking simply by being in Washington as the first North Korean officials to receive permission to venture beyond New York City since the Korean War.

The occasion was a five-day U.N. sponsored conference at the State Department on food hygiene. It started Monday.

The three diplomats, all of whom are attached to the United Nations in New York City, are Chang Chol Su, Kim Chung Gol and Kim Hyong Ik.

State Department officials said that the United States has an obligation to allow persons attached to the United Nations to travel to U.N.-connected meetings. The officials categorically denied that there was any political significance in their being here, though one official said that North Korea is "interested in a broader relationship."

Last April, the government turned down a request by North Korea's chief U.N. delegate, Ambassador Kwon Min Joon, to attend a seminar at Harvard.

At the conference table, the delegation was identified as representing the Democratic People's Republic of Korea.

That in itself was history-making: the first time such a sign had been on display in Washington.

In the hallway of the State Department the officials made still more history: they became the first of their countrymen to drink State Department coffee, and diplomatically seemed to like it.

But a reporter's arrival brought some suspicion.

Was the reporter a newsman for a South Korean paper? Those reporters "call the gangster (President) Park Chung Hee a good guy!" said one of the diplomats. But the reporter was not from a South Korean paper. Smiles, but still some nervousness.

Most subjects were brushed aside as too controversial.

What did they think about Yankee food, then? In the present delicate state of U.S.-North Korean relations, even such a subject could be touchy. It is not fit for Korean tastebuds, one of the officials admitted. "But what choice do we have?" That reflected a pragmatism that Henry Kissinger might have approved of.

At the South Korean Embassy in Washington, an official said: "We have no objection to North Koreans at any international organization's meeting—as long as they contribute to these technical conferences and eventually it may help reduce tension in the Korean Peninsula."

[From the Washington Star-News, June 9, 1974]

Blue Skies for the Coopers, Here and Overseas

(By Betty Beale)

Once again, Lorraine Cooper and the Hagerstown Almanac were right about the weather—it didn't rain Thursday night for the Coopers' annual garden buffet in honor of the United States Senate. Is there anything like the Hagerstown Almanac in East Germany? It could matter to the Coopers because John Sherman Cooper is expected to go to Berlin as ambassador if and when the United States opens a diplomatic post there, as France and England already have since the Berlin Agreement.

Senators from both sides of the aisle along with such other VIPs as Elliot Richardson, new presidential assistant Kenneth Rush, Undersecretary of State Joseph Sisco and the ambassadors of Italy, France, Great Britian and Argentina flocked to the Coopers' handsome Georgetown house.

[From the Washington Star-News, June 4, 1974]

Honecker's Nudge

East German Communist party chief Erich Honecker isn't hazarding any timetables, but he said yesterday he sees no reason to delay establishing diplomatic relations with the United States.

There has been speculation that full relations would be realized this year. East German Foreign Ministry officials were in Washington recently to discuss an exchange of ambassadors.

"The state of the dialogue makes it evident there is no reason for delay," the party leader told an interviewer.

Willy Brandt

(By Ranjan Borra)

Sir: Willy Brandt's resignation as the chancellor of West Germany is yet another indication that flotsam in the currents of politics is eventually caught up by the tides of history. In fact, none of the German leaders since the end of World War II was able to demonstrate any capability of responding to the indomitable will of the German people to reunify themselves and reassert their nationalist aspirations that lay crumbled amidst the ruins of the Third Reich.

In the ideological polarization that must persist despite the détente between the East and the West, the need for a strong and united Europe cannot be over-emphasized; and yet, for the past quarter of a century, that goal has remained elusive largely because of the failure on the part of the West to realize the need for its essential ingredient: a strong and nationally united Germany. For a mythical fear that a move in this direction would lead to another armageddon, it has sought to perpetuate the status quo in central Europe and keep West Germany as its client state, the disastrous consequences of which lie in the storehouse of the future.

It is unfortunate that no chancellor, Willy Brandt included, could make the bid for a break from the standards set by the victor nations and emerge as a true leader of the German people in a world where those standards, in view of new power confrontations, have become irrelevant and obsolete.

It is quite apparent that the spy scandal was merely an excuse for Willy Brandt's resignation. Besides the domestic unrest which he was unable to quell, his much-boasted "Ostpolitik," which virtually represented a shameful surrender of the principle of a united Germany, had suffered serious setbacks. In fact, this failure has come as a boon to the German people inasmuch as it means that the idea of unification can still be retrieved and hard-line bargaining with the Communists can still be carried on.

In Willy Brandt's departure, history has once again spoken for the German people. Will the new leadership act up to the message?

CONSTRUCTION LAYOFFS HIT 4,000 IN DADE COUNTY, FLA.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. LEHMAN. Mr. Speaker, this afternoon the headlines of the Miami News read, "Construction Layoffs Hit 4,000 Here." This afternoon, the House Banking and Currency Committee also reported out its omnibus housing legislation, H.R. 15361.

I have not yet seen the committee's final proposal. However, I would hope that it would address itself to the urgent situation outlined in the Miami News article which appears below:

[From the Miami News, June 13, 1974]

Construction Layoffs Hit 4,000 Here

(By Alan Gersten)

Unemployment is becoming widespread in Dade County's construction industry, hard hit by material shortages and high interest rates that are driving away potential buyers.

Officials now estimate that since Jan. 1 about 4,000 or 10 per cent of construction workers in the area have been laid off. Not since the early 1960s has the outlook been so bleak.

With the average carpenter, plumber or block mason making $15,000, that amounts to a loss of payroll for Dade County of $60 million if the 4,000 remain out of work for a year.

"There have been considerable layoffs and nearly every builder and developer has been affected," declared William Safreed, executive director of the Builders Association of South Florida.

He said the jobless problem has accelerated in the last few months because of the tight money situation, which has forced developers to curtail, delay or cancel new ventures.

It's estimated that new construction is down by 25 per cent. Moreover, unsold condominimums now number between 5,000 and 6,000—and a considerable number of townhouses and single-family homes are vacant.

The main problem, as most builders see it, is a lack of money to build or buy. Savings and loan associations lack funds to make mortgage loans because customers are withdrawing their money to invest in high interest-bearing securities.

"A year ago you could sell anything in single-family homes and townhouses. Now buyers are not interested in paying 9.5 percent interest plus closing costs on a home," Safreed explained.

A lot of the large building developments in Dade are having problems building and selling units, Safreed said. "I don't like what I hear from the builders and developers."

Leonard Miller, president of Lennar Corp., said there have been no layoffs at his firm but he has not been hiring, either. He felt his situation was somewhat different because Lennar was involved in FHA and VA financing, which relies on government financing and not S&L money.

Miller said the firm also had "long relationships" with S&Ls and had its own mortgage affiliate to help it obtain financing. But he did admit that the high interest rates "have slowed the recovery of housing."

Nationally, housing starts—homes and apartments—in the first four months of 1974 were at an annual rate of 1.6 million, or 30 percent below the rate in the same period a year earlier. Some experts predict a 1.6 million rate will be the level for all of 1974.

The last time housing starts for a full year dropped that low was 1970 when they totaled 1.4 million.

In Dade, new housing permits from January through April were off 22 percent over the same period a year earlier, First Federal reported Monday in an economic analysis. The report also said sales of both new and used housing has dropped—off 10.1 percent in Dade this year.

Meanwhile, another Dade builder, Sam Jennings, said the layoffs "must be taking place." However, his firm has two new large projects—in Cutler Ridge and Dadeland—and now needs 30 more employes.

H. V. Green, who runs a construction company bearing his name, said in recent months he has been forced to lay off six to seven permanent office workers, or 20 percent of his staff, and 50 to 60 carpenters, or 40 percent of the workers hired to do specific building projects.

"The demand is still there," Green contended. "It's just the money situation and that people have no confidence about things in general."

George Berlin, vice president of the Aventura development in North Dade, said there have been no layoffs recently, but sales are about half what they were a year ago.

Most industry observers don't expect any relief until probably the end of the year. Then, hopefully, inflation will cease, the federal government will put more money into the banking system and interest rates will fall.

By then, however, Safreed predicts that some of Dade's smaller builders will be out of business. "The large, strong companies will be the ones able to survive, partly because they are cutting back now on everything," he said. "But many of the little guys will fall by the wayside."

SOUTH TEXAS FAMILY FACES NEW CHALLENGE

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. DE LA GARZA. Mr. Speaker, the cattlemen of the United States are up against a tough situation. Tumbling prices for their meat, rising costs of everything they buy, and heavy imports of meat products threaten many of them with economic disaster.

There has been a great deal of publicity in recent years about cattle ranches as tax shelters, but the kind of ranches I am talking about are working operations where the owners hope to make a profit. In fact, they have to make a reasonable profit in order to keep going. Tax shelters are not their objective.

These cattlemen are a tough and independent breed. A recent issue of the Wall Street Journal contained a story about a ranching family in the 15th Congressional District of Texas which I wish to share with my colleagues. The McAllen Ranch has been in operation in South Texas since the late 18th century. I know the McAllens, father and son. They are the kind of sturdy, determined people who built the great Southwest of the United States. Their story is an inspiring one and I present it here with pride:

RIDING IT OUT—CATTLE-PRICE PINCH IS ONE MORE CHALLENGE FOR MCALLEN FAMILY

(By Mike Tharp)

THE MCALLEN RANCH, TEXAS.—The odds are that Jim McAllen will survive the current economic crunch in the cattle industry with the same gritty self-reliance that has enabled him and his ancestors to ranch this semitropical South Texas land since the late 18th Century.

The McAllens have withstood attacks by bandits and rustlers and made it through droughts, depressions, hurricanes and epidemics of cattle diseases. Like other Western cattlemen, they are fiercely independent and they treasure their traditions proudly. Jim McAllen, who at age 36 runs the 70,000-acre ranch with his 62-year-old father, has modernized operations considerably. But by breeding and inclination he remains a cowboy who knows that life on a cattle ranch still demands long hours of hard work, the instincts of a gambler and more than a little luck.

Last year all this resulted in record profits for cattlemen, but this year Mr. McAllen and other ranchers are being squeezed by rising costs and falling cattle prices. Costs of things that ranchers buy have risen 15% above last year, and one expert estimates that keeping a cow or raising a calf for a year now costs about $190, up from $135 to $145 a year ago.

Meanwhile, the prices Mr. McAllen gets for the cattle he ships to feedlot operators for fattening have dropped. When price ceilings on live cattle were lifted last September, he held back some calves for six months in hopes that prices would improve. Eventually, he sold them for $249 each, $10 less than the price allowed—and paid—under the price ceiling. Last week, his calves (which weigh about 500 pounds each) brought $140. "We're getting now what we got 10 years ago," he says.

BYPASSING BEEF

The prices are falling largely because of consumer reluctance to buy beef. Per capita consumption dropped to 110 pounds last year from a record 116 pounds in 1972. Though organized boycotts seem to have gone out of style, housewives continue to bypass the beef.

"We haven't seen this kind of reluctance this century," says David Stroud, president of the National Live Stock and Meat Board, a trade group.

All sorts of dire warnings are being made as a result of this squeeze—that the cattle industry will go bankrupt, that production is being cut back and so less beef will be available in a couple of years, and so forth. As evidence, the doomsayers cite the fact that in May 10% fewer cattle were put on feed than in the year-ago month. Even fewer will be fattened unless prices go up, they warn, urging that the government restrict meat imports. (Yesterday, prices fell again on the nation's wholesale markets; see story on page 38.)

But cow-calf operators such as Mr. McAllen are the key link in the production chain that moves a calf from the open range to the supper table. The feedlot operator, the meat packer, the purveyor and the retailer are all important, but the rancher determines the supply of cattle that is ultimately available to consumers.

"BRED INTO US"

Mr. McAllen says he can't afford to cut back his herds. "The land has got to produce," he explains. "If we were speculators or weekend ranchers, we could sell out. But when bankers, doctors and lawyers start folding up their investment ranches, it avalanches down on real ranchers." They apparently are responding much like Mr. McAllen: The Agriculture Department forecasts another increase in the nation's beef this year—a 12% rise to 130 million head.

"The more we produce, the more we want to produce," Mr. McAllen says. "It's kind of bred into us. If the government would leave us alone, we'd produce what it wants. We don't want to be controlled by anybody, and we don't like agricultural products being used as a pawn in international deals." Predictably, Mr. McAllen is in favor of restrictions on imported beef. "We're the people that made the country—not the foreigners—and you should think of the home folks first."

Such bristling don't-tread-on-me attitudes are common among ranchers. "Cattlemen have always been able to weather the storm, but I don't think they've seen a storm like this—at least, not in the last two decades," a Department of Agriculture economist says.

But Mr. McAllen is confident that the ranch will come through these hard times as it has endured others for generations. "No other industry can suffer a one-third loss in a year and still operate," he says. He recognizes, though, that ranchers have image problems with both politicians and consumers.

"The housewife at the meat counter probably thinks the rancher made his money overnight and drives around in a Rolls Royce with steer horns on the hood," he says. "Actually, I'm a welder, mechanic, electrician, plumber, a helluva good windmill repairman—and last, I'm a cowboy."

He spends more time in his air-conditioned, radio-equipped pickup truck than in the saddle, and wields a welding torch as often as a lariat. But like the cowboys of a hundred years ago, his workdays stretch from dawn to dusk.

One recent morning, he arose as usual at six o'clock. By seven, he was swallowing a second cup of coffee and calling his father on the two-way radio in his office to ask if a certain section of fence would be repaired that day. Then he drove his 1974 truck through several pastures to check on windmills and water tanks.

East of a saltwater lake, he flushed two coyotes from their daylight lair. He grabbed a loaded rifle from the seat next to him and fired two shots, but the coyotes disappeared over a ridge into thick stands of mesquite. "The next shot's yours," he said with a grin to a visitor in the pickup cab.

The water-supply survey took until lunch time, which is to say until 1 p.m. Mr. McAllen's father, Argyle A. McAllen, refuses to set his watch to daylight saving time, so everybody on the McAllen ranch eats lunch an hour later than the hands on other ranches. ("The cows aren't on daylight saving, so why should we be?" Mr. McAllen's father says.) Mr. McAllen, his father and their Mexican-American hands share a lunch of meat and beans, served on tin plates stamped with the McAllen brand, a "rolling" S M (after Salome, Mr. McAllen's great-grandmother).

After lunch, he continued to drive to his outlying herds. Like most ranchers, he doesn't like to reveal exactly how many animals he has on the ranch. He does admit to having 4,000 cows, plus bulls and yearlings. The average calf crop runs 85% to 90% of the cows (about 3,800 calves) in the December-March calving season.

As he drove, the blue-eyed, sandy-haired rancher looked for the telltale signs of screwworm wounds, observed which cows are about to give birth and, once, herded a bull from one pasture to another with the pickup.

The next morning Mr. McAllen drove to nearby Reynosa, Mexico, to buy cowboy gear for his ranch hands. While he and the proprietor haggled amiably in Spanish over the price, Mr. McAllen examined each of the 10 pairs of chaps he wanted to buy. They settled on $56 a pair, compared with $33 a year ago. (Chaps of similar quality would cost about $75 in the U.S., he says.)

"HE'S GOT TO MAKE A LIVING"

He winced as he fingered the bill of sale. "He showed me his cost and asked if he could make $8 a pair," Mr. McAllen said. "He's got to make a living, too."

Mr. McAllen spent that afternoon behind shaded goggles welding a lock piece onto a gate. A sudden rain blew in from the south, cratering the red earth and driving several uncorraled horses beneath mesquite trees. As sparks sputtered from the welding torch, Mr. McAllen said: "My dad used to be a little leery about all the newfangled stuff I was doing. Then I built this barn we're standing in and he got interested pretty quick."

The ranch has about 130 horses that are used by the eight ranch hands to patrol the herds. Because their acreage is spread over three separated parcels of rolling rangeland, the McAllens usually load horses and riders into trailers and tow them miles from the ranch headquarters before deploying the cowboys among the cattle. Besides working the cattle, the cowboys have fences to mend, windmills to maintain, pens to build, brush to clear, foraging grass to plant, and wells and waterways to dig.

More than ranching goes on at the McAllen ranch. Nine years ago the first of now numerous natural-gas wells was drilled on the property. In the fall, wealthy deer and quail hunters (including such celebrities as Bing Crosby and Phil Harris) lease portions of the ranch and go hunting from comfortable, well-outfitted mobile homes.

THE RANCHER BUYS HIS BEEF

Mr. McAllen and his pretty, blonde wife Frances regularly entertain friends and neighbors in their rambling, Spanish-style home (which is the main house of the ranch, located a few hundred feet from Mr. McAllen's father's home). The single-story house, made from white clay blocks and topped with red tiles, is surrounded by a three-foot limestone fence to keep out rattlesnakes.

During one recent barbecue, Mr. McAllen confessed that "we buy most of our own beef." Holding up a thick, well-marbled steak, he adds: "We couldn't afford to raise beef like this." That's because it would take weeks of fattening on grain in a feed lot. He thinks, though, that more people will begin buying grass-fed rather than grain-fed beef because costs and prices would be lower all along the line from rancher to housewife. Grass-fed beef doesn't taste as good, he concedes, "but the consumer wants cheaper beef."

When he's not worrying about economics, Mr. McAllen devotes his time to professional and personal interests. He is on the boards of directors of the Texas and Southwestern Cattle Raisers Association, the Rio Grande Valley Ballet Foundation and the county historical society. He also paints, sculpts and has collected a wide variety of artifacts, ranging from arrowheads to antique guns. He is something of an inventor, too, having devised a multilock gate and a feeder that allows only bulls, not cows, to eat special feed.

Mr. McAllen grew up on the ranch, attended schools 35 miles away in Edinburg and won several Future Farmers of America cattle contests. After spending a year at Texas A & M University ("I didn't like school," he says), he leased a large ranch from his uncle and ran it for 11 years. In 1969 he entered a partnership with his father and two aunts, whose combined holdings now make up the McAllen ranch.

The ranching heritage of the McAllens is strong. Originally, the land was part of a Spanish grant to a direct ancestor of Mr. Allen in 1791. Several generations of McAllens and their relatives by blood and marriage have ranched it since then. (The city of McAllen, some 40 miles south of the ranch, is named after Jim's great-grandfather.) Many of the Mexican-American hands who have worked with the McAllens were born on the ranch and lived and died here.

Together, the owners and workers have defended the ranch against all sorts of calamities, including a 1915 raid by Pancho Villa's bandits. Bullet scars are still visible above a doorway and in the seat of a wooden chair in the elder Mr. McAllen's high-ceilinged home.

When he was 25, Jim McAllen married Frances, an Edinburg native who studied English at Southern Methodist University. "I thought sure I'd wind up in Dallas," she says with a laugh, "but Jimmie yelled at me to come back home, so I did." They have three daughters aged 10, nine and five, and a 15-month-old son, James Jr.

"I'd like to see James become a rancher," Mr. McAllen says, "but I won't insist on it. I'll leave it up to him."

Young James will grow up observing on his father's office wall a leather map of the ranch that bears a legend of the ranch's history and concludes: "That you our sons may carry on where we left off and fathom more."

PENTAGON VIOLATION OF PARIS PEACE ACCORD

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ASPIN. Mr. Speaker, the Pentagon has violated the Paris peace accord by requesting funds to modernize the South Vietnamese Air Force and provide them with technically superior aircraft for replacements of projected losses in the war.

According to the Paris peace agreement lost or destroyed military equipment can be replaced on a 1-for-1 basis and must be "of the same characteristic and properties." Equipment can be replaced if it has been "destroyed or damaged, worn out, or used up after the cease-fire," the treaty says.

Mr. Speaker, this year's Pentagon budget contains funds for replacement equipment that is clearly superior to weapons currently held by the Thieu regime, and for the modernization of other equipment.

Mr. Speaker, this year's Pentagon budget contains two possible violations of the Paris peace accord and two clear-cut violations. Among the possible violations are $85.4 million for 28 F–5F tactical fighters being used to modernize the South Vietnamese Air Force by replacing old F–5A's with the technically superior F–5F.

Another possible violation is the purchase of four C–130 aircraft at a cost of $20.3 million. The possibility exists that the treaty may be violated if the United States replaces small C–7 aircraft with the C–130's. The Pentagon projects the loss of two South Vietnamese C–130's and two C–7's. The United States still does have 32 C–7's in its Reserve force, but if the United States sent the C–130's to replace the lost C–7's, it would be a violation of the treaty.

There are also two clear-cut violations of the treaty. The request for $15.7 million for 29 A–37B fighters, will be used, in part, to replace old propeller-driven, single engine A–1's. The A–37B has twin-jet engines and is a more accurate fighter than the A–1 because of superior electronic equipment. Also, $6.5 million is contained in the budget to modify four transport aircraft converting them into so-called gunships which are attack aircraft rather than transports. This modernization also clearly violates the treaty.

Modernizing South Vietnamese aircraft or replacing old planes with superior aircraft is a blatant and clear violation of treaty. Some of these aircraft will not be of the same characteristic and properties as the aircraft they are replacing.

Mr. Speaker, I am not suggesting that the other side may not have violated the treaty in some instances, but that does not constitute any justification for the United States to so blatantly ignore this agreement.

In addition, it is absurd for the U.S. Congress to approve funds for projected future losses by the South Vietnamese. This appropriation assumes that the war will continue unabated for the next 2 years. When losses occur then the United States can replace, according to the treaty, on a 1-for-1 basis. Approving the funds now is unnecessary and only further bloats the Pentagon's already oversized budget.

OF PRESIDENTS AND PRECEDENTS

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. HANRAHAN. Mr. Speaker, impeachment has seemed unthinkable for previous Presidents, but now it is rapidly becoming a reality. Will an impeachment this year harm future Presidents? This question is asked by Mr. William Safire of the Chicago Tribune. I insert his very interesting article for the benefit of my colleagues:

Of Presidents and Precedents

Washington.—Of the 11 American Presidents who left office during this century, 10 left either feet first or with their political reputations ruined.

violations. Among the possible violations

Let us count the ways. McKinley was assassinated. Theodore Roosevelt turned his office over to William Howard Taft, then ran against him, and both were trounced. Wilson collapsed, and Harding died in office.

Coolidge chose not to run again, Hoover was beaten, Franklin Roosevelt died. Truman was too unpopular to run again, Kennedy was assassinated, and Johnson, like Truman, knew he had had enough.

Only Eisenhower escaped the White House alive and with his reputation intact, after serving as long as the Constitution allowed.

As this depressing review shows, most American Presidents close out their political careers in three ways: by dying or being murdered, by being defeated, or by abdicating—refusing to run again, usually because they knew they would lose.

To these three means of ending political service, we are now in danger of adding a fourth and fifth: impeachment and its inevitable companion, forced resignation.

In the absence of a grab for tyranny, we do not need these extra ways of wearing or striking down our elected leaders. The eight-year tenure of a President—one fixed term, with the likelihood of one more—already has too many ways of being truncated without the addition of "quit or be fired."

For argument's sake, set aside feelings about Richard Nixon's tax conduct or lack of moral outrage at Watergate. Consider the consequences to our form of government of impeachment for anything other than an indisputably "high" crime like treason.

If there had been the precedent of successful impeachment, surely there would have been a serious move to impeach Herbert Hoover during the Depression. If impeachment had been a usable weapon in a political opposition's arsenal, the "mess in Washington" of the Truman years combined with the firing of Gen. MacArthur would have led to some congressional action on the demand, voiced then by the Chicago Tribune but not taken seriously, to impeach the President.

If there had been a removal-for-office precedent, the segregationists who displayed bumper stickers reading "Impeach Earl Warren" in the '50s would not have been dismissed as kooks demanding the impossible, but as a minority whose representatives were capable of making a serious move to bring down a chief justice.

And if impeachment were a lively possibility with a recent precedent, certainly there would have been a move in the mid-'60s to impeach Lyndon Johnson. It would not have succeeded, but the headline-making bills would have been dropped in the hopper, the dissenters would have had the rallying point of specific action, and the President would have been even more hamstrung than he was.

Once a political weapon moves from a remote paper proposition to a device that has once worked, its use will be invoked again and again. Perhaps not successfully; but the potential of imepachment would add to the pressure to resign on legislative "votes of confidence," and a President whose popularity is a diminishing asset—like most of this century's dozen—will be forced to campaign continually rather than govern.

Each Congressman voting on impeachment now should put himself in the shoes of one of the next dozen Presidents who would serve under the direct threat of recall.

I do not suggest that a successful impeachment now would lead to a rash of successful impeachments in the future; I do suggest that there will be no putting the impeachment genie back in the bottle once it has done its thing. By turning the unthinkable into the quite possible, we introduce a new and weakening element into our political affairs. Is it worth it?

Most people now talking for publication say yes, it would be worth it. But others, including a number of congressmen, are not talking for publication. They are weighing dangers, and many—who are neither sophists nor blind loyalists—believe the presumed danger to the republic of not impeaching Richard Nixon is outweighed by the real danger of laying the knife of impeachment on the stage of every future Presidential drama.

REVENUE SHARING'S HIDDEN COSTS

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. GROSS. Mr. Speaker, with the end of the fiscal year fast approaching, and with another massive payment of so-called Federal revenue-sharing funds about to be doled out to some 38,000 State and local governments, I believe it is fitting that I release a report from the General Accounting Office showing some startling and expensive facts about this program.

At my request the GAO took a close look at what was done with the revenue-sharing money received by all 50 States, the District of Columbia, and the 50 counties and cities receiving the largest amounts of funds under this program during the first 18 months of its life.

The GAO found that as of June 30, 1973—1 year ago—these 151 governments had been so ill-prepared to use these funds that they had invested 74 percent of them, a total of $2.8 billion.

These investments earned the 151 State and local governments a total of $76.4 million in interest. Of this total, the GAO estimated that $17.9 million in interest was earned from investing in obligations of the Federal Government.

In other words, the taxpayers of this country took a double beating. The Federal Government not only took their money away from them initially and, after the Washington bureaucrats siphoned off part of it, gave it back to them in the form of revenue sharing; but these same taxpayers had to shell out nearly $18 million more in interest payments because their local governments reinvested this money in Federal notes or bonds.

I said at the time this ill-conceived program was proposed that the nearly bankrupt Federal Government was the last entity on this Earth that had revenue to share. The GAO report clearly demonstrates that revenue sharing has done nothing but worsen the already pitiful state of the Treasury.

At the very least Congress should amend the legislation to prevent the citizens of this country from, in effect, being taxed twice on one program, as is the case here.

I include the GAO report for insertion in the RECORD at this point:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

HON. H. R. GROSS,
House of Representatives,
Washington, D.C.

DEAR MR. GROSS: As agreed with your office, we contacted the 50 State governments, the District of Columbia, and the 50 counties and 50 cities that received the largest amounts of revenue sharing funds through June 30, 1973. For each of the 151 governments, we obtained or estimated the interest earned on revenue sharing funds through June 30, 1973, and, when possible, we identified the interest earned on funds invested in Federal Government obligations.

The Revenue Sharing Act was enacted on October 20, 1972, but provided for payments covering a retroactive period beginning January 1, 1972. The first payment for the 6-month period ended June 30, 1972, was made on December 11, 1972, and the second payment for the period July 1 through December 31, 1972, was made on January 8, 1973. The act provides that subsequent payments be made at least once each quarter and not later than 5 days after the close of each quarter. Quarterly payments began with the April 1973 payment.

Section 123(a) of the act provides that a recipient government must use its revenue sharing funds and any interest earned on them within the time prescribed by the Secretary of the Treasury. This indicates that the Congress anticipated that recipient governments could invest the funds and earn interest on them.

Department of the Treasury regulations require a recipient government to use, obligate, or appropriate funds within 2 years after the end of the period for which the funds were received. Because the time between obligation or appropriation and disbursement varies considerably, revenue sharing funds could remain invested beyond 2 years. The regulations also provide that the period in which the funds must be used, obligated, or appropriated can be extended with the Department's approval. Thus it is possible that the funds could be invested for even longer periods.

ESTIMATED INTEREST EARNED BY THE GOVERNMENTS

Through June 30, 1973, the 151 governments received about $3.8 billion in revenue sharing funds, or about 58 percent of the $6.6 billion distributed to all 38,000 governments.

At June 30, 1973, about $2.8 billion, or 74 percent, of the funds received by the 151 governments was invested. Investment practices varied considerably. Some governments placed all their revenue sharing funds in a single type of investment, such as U.S. Treasury bills or bank certificates of deposit; others placed their funds in several different types of investments; and others commingled their revenue sharing funds with other funds in a common investment pool.

Through June 30, 1973, the 151 governments had earned an estimated $76.4 million in interest on the funds. Of this total, an estimated $17.9 million was earned from investing in Federal Government obligations.

Detailed data on the funds invested and the interest earned on them is shown in the enclosures. The following table summarizes that data.

REVENUE SHARING FUNDS RECEIVED AND INVESTED AND INTEREST EARNED AS OF JUNE 30, 1973

[Dollar amounts in millions]

Governments				Estimated interest earned from—		
Type	Number	Funds received	Funds invested	Federal obligations	Other investments [1]	Total
States and District of Columbia	51	$2,257.6	$1,914.9	$11.7	$38.1	$49.8
Counties	50	544.7	441.2	2.9	10.1	13.0
Cities	50	982.6	416.9	3.3	10.3	13.6
Total	151	3,784.9	2,773.0	17.9	58.5	76.4

[1] Consisted primarily of certificates of deposit, time deposits, commercial paper, and repurchase agreements.

ESTIMATED INTEREST COST TO THE FEDERAL GOVERNMENT

When Federal receipts are insufficient to meet expenditures, the difference is obtained through borrowing; when receipts exceed expenditures, outstanding debt can be reduced. Thus, advancing funds to organizations outside the Government before they are needed either unnecessarily increases borrowings or decreases the opportunity to reduce the debt level and thereby increases interest costs to the Federal Government.

Because almost all of the 151 governments had invested revenue sharing funds, they apparently received the funds before needed or before they were prepared to spend the funds. The funds which were not invested in Federal obligations typically were placed in low-risk investments which have interest rates that are reasonably comparable to the rates of Federal obligations. Therefore, the interest earned by the governments can be used as an approximation of the interest cost to the Federal Government through June 30, 1973, as a result of early advancement of revenue sharing funds.

POLICY FOR ADVANCING CASH TO FINANCE FEDERAL PROGRAMS

The Federal policy for financing grants and other programs is to avoid premature advances of funds to organizations outside the Government. Department of the Treasury Circular No. 1075 states that advancing funds substantially affects Treasury financing costs and the public debt.

The circular provides two methods for advancing funds: by Treasury check or letter of credit. If funds are advanced by Treasury check, the Federal agency responsible for the program is required to schedule the advances so that the funds are available to the recipient only immediately before the recipient disburses them. However, if the agency has, or expects to have, a continuing relationship with a recipient for at least 1 year and if annual advances aggregate more than $250,000, a letter of credit is used.

A letter of credit permits a recipient of Federal funds to draw funds for program operations, as needed, through a commercial bank and a Federal Reserve bank subject to monetary and other limits established by the program agency. The program agency is responsible for monitoring the recipient's use of the letter of credit to insure that it draws funds only when needed for disbursements.

If the payment methods prescribed in the circular are properly implemented, idle Federal funds in the possession of recipients are kept at a level which minimizes the Federal Government's financing costs.

OPINION ON ADVANCING REVENUE SHARING FUNDS WHEN NEEDED BY RECIPIENT GOVERNMENTS

The Federal policy of advancing funds as close as possible to the date the recipient needs them does not apply to the revenue sharing program under the existing act. Primarily because of the flexibility inherent in revenue sharing, it is not possible to accurately estimate the interest savings if the act were amended to permit a system of disbursing funds when the recipients need them.

Under most Federal aid programs, funds must be used for specific purposes. If funds are so earmarked and if there are adequate accounting controls, the program agency usually can determine when funds are needed and thereby time the advance of funds to coincide with the recipient's cash requirements.

In contrast, a basic objective of revenue sharing is to give State and local governments wide discretion and flexibility in deciding how and when to use the funds. Even if a policy of disbursing funds when needed were adopted, recipient governments could expend revenue sharing funds in programs or activities which have immediate cash needs and thus could decrease or eliminate interest savings that could be realized by the Federal Government. Recipient governments could benefit from using revenue sharing funds in programs with immediate cash needs because they could then invest their own funds that are freed by using revenue sharing funds. Therefore, we believe a policy of disbursing funds when needed might affect recipient governments' decisions on using the funds and would tend to conflict with the objective of giving them flexibility.

On the other hand, if a sufficient number of recipient governments do not use their revenue sharing funds as soon as they are available, the Federal Government could save substantially. Because the amount of savings depends on recipient governments' actions, we cannot be certain whether such a policy would achieve the desired savings in interest costs to the Federal Government.

AGENCY COMMENTS

Officials of the Office of Revenue Sharing, Department of the Treasury, generally agreed with our observations but emphasized the following.

Because State and local governments have wide discretion in deciding how to use revenue sharing funds, the extent of savings to the Federal Government would depend largely on their voluntary cooperation.

During the period reviewed, recipient governments had received a full year's retroactive payment. In the future, when the funds are being disbursed on the regular quarterly basis, the amount of idle revenue sharing funds available for investment probably will decline.

Because about 38,000 governments receive revenue sharing funds, a policy of advancing funds when needed would significantly increase the administrative workload of the Office of Revenue Sharing and would thereby increases costs and reduce overall savings.

Many State and local governments, assuming that the investment of revenue sharing funds would continue to be permitted, have budgeted or appropriated anticipated future interest earnings. A change in the law at this point could adversely affect State and local government plans.

The officials also pointed out that most recipient governments obtain relatively small amounts of revenue sharing funds and suggested that, if the Congress prescribes a change in the payment method, it should consider making it apply only to those recipients that obtain large amounts of funds.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

We trust the above information is responsive to your needs.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

ENCLOSURE I—REVENUE SHARING FUNDS RECEIVED AND INVESTED AND INTEREST EARNED BY 50 STATES AND DISTRICT OF COLUMBIA AS OF JUNE 30, 1973

	Millions		Estimated interest earned from (thousands)—		
State	Funds received	Funds invested	Federal obligations	Other investments	Total
Alabama	$38.7	$23.0	$797		$797
Alaska	2.8	2.8		$39	39
Arizona	21.3	21.3		508	508
Arkansas	24.8	24.9	81	278	359
California	234.8	235.1	805	5,245	6,050
Colorado	22.9	22.9	3	595	[1] 596
Connecticut	28.0	28.6	19	803	822
Delaware	8.1	(2)		119	119
District of Columbia	29.9	15.4	449		449
Florida	61.8	62.2	1,403	78	1,481
Georgia	45.8	45.8		1,264	1,264
Hawaii	9.9	(2)		86	86
Idaho	8.9	6.6		217	217
Illinois	114.0	116.2	243	2,574	2,817
Indiana	47.4	48.5		1,358	1,358
Iowa	31.5	32.2	77	633	710
Kansas	21.8	22.1		317	317
Kentucky	45.0	45.0		1,165	1,165
Louisiana	52.2	52.1	64	1,216	1,280
Maine	13.0	13.0	105	193	298
Maryland	44.4	44.7		1,213	1,213
Massachusetts	69.2	(2)	76	20	96
Michigan	93.7	93.7	161	1,930	2,091
Minnesota	44.1	45.3	1,213		1,213
Mississippi	37.6	37.7	941		941
Missouri	41.1	41.6	1,064		1,064
Montana	8.6	8.2	162	57	219
Nebraska	16.2	16.6		472	472
Nevada	4.8	4.7		[3] 68	[3] 68
New Hampshire	7.0	7.0	176		176
New Jersey	69.4	69.8	1,127	741	1,868
New Mexico	14.5	14.8		447	447
New York	245.7	55.3	798	2,735	3,535
North Carolina	56.7	54.2	481	1,086	1,567
North Dakota	9.2	9.2		218	218
Ohio	88.8	90.9	204	2,399	[1] 2,602
Oklahoma	24.6	24.4	5	519	[1] 525
Oregon	22.0	20.1	35	562	597
Pennsylvania	115.8	76.4	14	2,045	2,059
Rhode Island	10.1	10.3		267	267
South Carolina	31.1	31.4	509	291	[1] 799
South Dakota	10.1	10.1	31	279	310
Tennessee	41.3	41.2		1,058	1,058
Texas	104.0	104.9		920	920
Utah	12.9	12.9		313	313
Vermont	6.2	2.8		132	132
Virginia	44.1	45.2	26	1,000	1,026
Washington	32.4	32.5	63	818	881
West Virginia	29.6	29.9		775	775
Wisconsin	55.6	57.2	597	964	1,561
Wyoming	4.2	4.2		118	118
Total	2,257.6	1,914.9	11,729	38,134	[1] 49,861

[1] Totals do not add due to rounding.
[2] No funds were invested as of June 30, 1973.
[3] Amount of interest could not be broken out between Federal obligations and other investments.

ENCLOSURE II—REVENUE SHARING FUNDS RECEIVED AND INVESTED AND INTEREST EARNED BY 50 SELECTED COUNTIES AS OF JUNE 30, 1973

	Millions		Estimated interest earned from (thousands)—		
State and county	Funds received	Funds invested	Federal obligations	Other investments	Total
Alabama: Jefferson	$9.0	$8.7	$211		$211
Arizona:					
Maricopa	6.4	6.0	27	$128	155
Pima	4.9	3.0	7	97	104
California:					
Alameda	12.2	12.3		323	323
Contra Costa	7.0	7.0		195	195
Fresno	8.2	7.9	62	132	194
Kern	9.0	9.1	2	229	231
Los Angeles	106.6	106.8	1,413	1,413	2,826
Orange	10.9	10.9	1	300	301
Riverside	8.6	8.3	15	240	255
Sacramento	10.4	7.7		230	230
San Bernardino	12.4	12.3		321	321
San Diego	14.0	14.2		481	481
San Joaquin	6.1	1.2		157	157
Santa Clara	9.8	9.9		242	242
Tulare	4.9	4.9	3	128	131
Ventura	6.6	6.0	19	162	[1] 180
Delaware: New Castle	5.4	5.0		152	152
Florida:					
Dade	13.0	13.2	332		332
Hillsborough	5.6	4.0		147	147
Georgia: Fulton	7.4	6.3	2	189	191
Illinois: Cook	18.3	16.5		516	516
Indiana: Lake	4.1	4.1	60	37	97
Kentucky: Jefferson	7.4	7.5	201		201
Louisiana: Jefferson	5.8	5.9		163	163
Maryland:					
Anne Arundel	6.0	6.0	59	127	186
Baltimore	12.1	5.8		226	226
Montgomery	6.1	5.8	51	95	146
Prince Georges	11.8	11.1		268	268
Michigan: Wayne	14.8	(2)			(2)
Minnesota: Hennepin	7.4	6.8		203	203
Missouri: St. Louis	6.7	6.1	162		162
New Jersey;					
Essex	8.8	6.2		218	218
Hudson	5.8	5.8	4	173	177
New York:					
Erie	12.5	9.8		343	343
Monroe	6.6	3.0		76	76
Nassau	16.4	3.5		372	372
Onondaga	6.5	6.7		201	201
Suffolk	16.8	.1		103	103
Westchester	4.5	.2		37	37
Ohio:					
Cuyahoga	11.7	9.4	195		195
Hamilton	5.0	5.0		131	131
Oregon: Multnomah	6.3	5.5		172	172
Pennsylvania: Allegheny	14.7	6.0		239	239
Tennessee: Shelby	6.9	6.2		178	178
Texas: Harris	7.7	7.8		226	226
Utah: Salt Lake	6.7	6.8		170	170
Virginia: Fairfax	5.2	5.2	64	63	127
Washington: King	7.3	4.5		145	145
Wisconsin: Milwaukee	16.4	7.1		319	319
Total	544.7	441.2	2,890	10,067	12,956

[1] Totals do not add due to rounding.
[2] County officials stated that any allocation of interest to revenue sharing funds would be meaningless. They consider the funds as the first funds to be expended in the areas for which they are allocated.

ENCLOSURE III—REVENUE SHARING FUNDS RECEIVED AND INVESTED AND INTEREST EARNED BY 50 SELECTED CITIES AS OF JUNE 30, 1973

State and city	Millions: Funds received	Millions: Funds invested	Estimated interest earned from (thousands)—: Federal obligations	Estimated interest earned from (thousands)—: Other investments	Total
Alabama:					
Birmingham	$6.3	$5.5	$104	$52	$156
Mobile	5.6	3.8	31	93	[1] 125
Arizona:					
Phoenix	9.7	8.7		266	266
Tucson	5.7	5.7	7	156	163
California:					
Los Angeles	40.1	25.1	805		805
Oakland	5.9	5.9	82	82	164
San Diego	8.0	7.1	45	157	202
San Francisco	22.4	23.0		595	595
Colorado: Denver	15.0	14.6	373		373
Florida:					
Jacksonville	10.2	10.4	80	160	240
Miami	8.4	4.8	107	75	[1] 183
Tampa	6.7	5.6	2	163	165
Georgia: Atlanta	7.7	2.5	108		108
Hawaii: Honolulu	15.0	14.7	23	343	366
Illinois: Chicago	78.6	(2)		[3] 872	[3] 872
Indiana: Indianapolis	13.9	5.7	3	388	391
Kentucky: Louisville	11.8	11.4	301		301
Louisiana:					
Baton Rouge	8.5	[4] 7.2		[3] 161	[3] 161
New Orleans	21.4	12.4		436	436
Maryland: Baltimore	29.8	20.5	101	565	666
Massachusetts: Boston	22.6	21.6		641	641
Michigan: Detroit	46.3	(5)			(5)
Minnesota: Minneapolis	7.0	2.0	33	112	145
Missouri:					
Kansas City	11.6	10.9	296		296
St. Louis	15.8	16.0		434	434
New Jersey:					
Jersey City	5.8	.9		115	115
Newark	10.7	4.0		229	229
New Mexico: Albuquerque	7.6	3.8		173	173
New York:					
Buffalo	9.6	(2)		24	24
New York	258.6	(5)			(5)
Ohio:					
Cincinnati	10.4	6.1	87	185	272
Cleveland	18.2	15.7		456	456
Columbus	8.2	8.2		161	161
Toledo	5.8	4.8	147		147
Oklahoma: Oklahoma City	6.9	.2	4	2	6
Oregon: Portland	10.5	10.6	231	45	[1] 275
Pennsylvania:					
Philadelphia	55.5	(2)	17	27	44
Pittsburgh	14.8	7.9		329	329
Rhode Island: Providence	5.5	4.0		139	139
Tennessee:					
Memphis	14.5	13.1	12	374	[1] 385
Metro-Nashville/Davidson	9.0	8.8		249	249
Texas:					
Dallas	14.7	14.6		309	309
El Paso	6.9	6.5		177	177
Fort Worth	5.8	4.0	4	113	[1] 118
Houston	18.9	19.0	73	444	517
San Antonio	10.8	10.5		197	197
Virginia:					
Norfolk	8.5	8.4	26	209	235
Richmond	6.9	6.9		198	198
Washington: Seattle	10.5	6.1	174	54	228
Wisconsin: Milwaukee	14.0	7.7		353	353
Total	982.6	416.9	3,276	10,313	[1] 13,590

[1] Totals do not add due to rounding.

[2] No revenue sharing funds were invested as of June 30, 1973.

[3] Amount of interest could not be broken out between Federal obligations and other investments.

[4] Represents revenue sharing funds available for investment on June 30, 1973. City officials could not say whether the funds were actually invested on that day.

[5] Revenue sharing funds were never invested.

NONNUCLEAR ENERGY RESEARCH AND CLEAN AIR ARE COMPATIBLE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. BINGHAM. Mr. Speaker, the Nation's energy needs must be increasingly met by coal.

The United States contains extensive coal reserves, between one-fifth and one-half of the world's total deposits. However, the extent of usable coal is restricted by two factors. First, the heat content of coal (measured by Btu's) determines its energy yield per unit of weight. Second, environmental regulations mandate that emissions from coal-burning powerplants contain narrowly prescribed amounts of toxic elements, particularly sulfur oxides.

In order to meet emissions standards established by the Clean Air Act, coal-burning utilities and industries have two options: They can either burn coal whose sulfur content is within the EPA maximum or they can burn high-sulfur coal in plants equipped to reduce sulfur oxide emissions below dangerous levels.

Obviously, it is economically more attractive to burn low-sulfur coal; conversion to high-sulfur coal necessitates expenditures for research, capital investment in sulfur-removal equipment, and the costs of training and salaries of personnel needed to operate and maintain this equipment. Unfortunately, supplies of low-sulfur coal are far from limitless. Recent studies indicate that deposits of low-sulfur high-Btu coal, the kind which both meets air quality regulations and is most economical to burn, will be in short supply by 1985. Consequently, use of high-sulfur coal becomes increasingly important if a general shortage is to be averted.

Present Government research by the EPA and the Department of Interior's Office of Coal Research and Bureau of Mines includes efforts to perfect processes for removing sulfur before, during, and after coal combustion.

Precombustion and combustion technologies are, despite intensification of research efforts, unlikely to be available for widespread commercial application before the 1980's. Post-combustion methods, on the other hand, have been successfully researched, tested, and commercially employed. These technologies, collectively known as "flue gas desulfurization," or more commonly, "stack-gas scrubbing," have over the past year been unjustly criticized in an exorbitant publicity campaign by members of the private utility industry.

Last fall, the EPA conducted hearings on "Power Plant Compliance with Sulfur Oxide Air Pollution Regulations." These hearings focused on the reliability, feasibility, effectiveness, and costs of flue gas desulfurization. Testimony by utilities, environmentalists, private research companies, FGD manufacturers, and State and Federal officials was received. The EPA's conclusion was decisive: Scrubbers can and should be used to satisfy Clean Air Act air quality standards and thereby expand America's energy potential. The Agency's report provides a valuable general introduction to the status and potential of flue gas desulfurization. I include herewith the first part of that report:

REPORT OF THE HEARING PANEL'S NATIONAL PUBLIC HEARINGS ON POWER PLANT COMPLIANCE WITH SULFUR OXIDE AIR POLLUTION REGULATIONS

SUMMARY AND RECOMMENDATIONS

Background

Excess quantities of sulfur oxides (SO_x) seriously affect human health through increased incidences of respiratory disease and damage many types of materials. Congress amended the Clean Air Act in 1970 to establish strict requirements and timetables to clean the air. Where health-related standards were involved, cost and difficulty of control were not to be issues in establishing the standards or the compliance schedules to meet them.

As required by the Act, EPA promulgated primary (health-related) and secondary (welfare-related) ambient air quality standards in April 1971 for a number of air pollutants, including sulfur oxides. By mid-1972 the States had adopted and EPA had approved implementation plans that established emission requirements for most sources that needed to be controlled to meet the ambient air quality standards. Power plants emitted over 17 million tons or nearly 60 percent of the total SO_x in 1972 and were therefore included among the sources needing control.

The Act required that emission limitations related to attainment of primary standards be met as quickly as possible, and no later than mid-1975. However, where strict criteria were met, limited extensions were provided by the statute. Congress intended that achievement of primary ambient air quality standards receive priority over achievement of more stringent requirements. EPA has urged that States review their implementation plans to assure that they adequately reflect this priority.

There are about 970 fossil-fueled power plants in the U.S. today having a combined generating capacity of about 302,000 megawatts. Of this capacity, roughly 55 percent (166,000 megawatts) are coal-fired, 17 percent (51,000 megawatts) are oil-fired, and 28 percent (85,000 megawatts) are gas-fired. All gas-fired plants are obviously now in compliance with sulfur oxide emission requirements. Some of the coal- and oil-fired plants were in compliance with sulfur oxide emission requirements when the requirements were adopted and many other plants have been or are now being brought into compliance by converting to fuels having lower sulfur contents.

Switching to a low-sulfur fuel would seem to be the simplest route to compliance with SO_x emission requirements. Coal washing and/or limited blending of present with lower sulfur fuels is often sufficient, and in such cases, total conversion to a lower sulfur fuel would not be required. However, supplies of low-sulfur fuels are limited and will not be sufficient to permit all noncomplying power plants to meet the emission requirements. Furthermore, use of low-sulfur western coal by plants east of the Mississippi River would result in a failure to use readily available high-sulfur eastern coal during a fuel supply crisis. The energy crisis will aggravate the existing shortages of low-sulfur fuels. Since supplies of low-sulfur fuels will be insufficient, flue gas desulfurization (FGD) systems will be required on a large number of power plants in order to achieve compliance with SO_x emission limitations. Use of FGD systems will enable power plants to meet emission requirements while using important high-sulfur fuel resources.

Many utilities have suggested that, rather than meet existing SO_x emission requirements, they be allowed to use tall stacks and intermittent control systems to achieve ambient air quality standards. Such techniques rely upon the dispersion of pollutants instead of the constant reduction of pollutant emissions. EPA considers constant emission reduction techniques, such as FGD, far superior to dispersion techniques and has proposed regulations that limit the use of such dispersion techniques to situations where constant emission reduction controls are not available. Dispersion techniques can, however, often be appropriately required as interim steps (to minimize the impact of plant operation on air quality) in schedules requiring compliance with emission limitations.

It is difficult to estimate the magnitude of the need for FGD systems since this need depends on the present and future availability of low-sulfur coal and oil, the number of oil-fired plants that will switch to coal, and the extent to which supplies of low-sulfur fuels can be redistributed to areas where they are most needed. EPA's best current estimate of the need through 1980 for FGD systems to allow coal-fired power plants to meet primary ambient air quality standards and new sources performance standards is that some 90,000 megawatts of FGD control will be necessary. This represents an application of FGD control to about 30 percent of the total projected national coal-fired generating capacity in 1980. Additional long range FGD requirements will, of course, include systems for oil-fired plants, systems for plants to meet State emission limitations designed to improve and maintain air quality below primary standards, and systems for other sources such as large industrial boilers.

This report assesses the oral and written testimony received during the public hearing on the status of power plant compliance. Witnesses included representatives of some 20 utilities, 5 trade associations, 8 State agencies, 11 vendors of pollution control equipment, and 5 environmental or public interest groups. These witnesses are listed by affiliation in Appendix C. Principal findings and recommendations are summarized below.

Findings

1. Flue gas desulfurization (FGD) technology must be installed on a large number of power plants if sulfur oxide (SO_x) emission requirements adopted pursuant to the Clean Air Act are to be met in the 1970's.

(a) there was general agreement from witnesses at the hearing that low-sulfur fuel supplies are now and will continue to be inadequate to provide the sole means of complying with SO_x emission limitations.

(b) witnesses generally agreed that technologies such as coal gasification and liquefaction to take sulfur from coal will not be available until the 1980's and that therefore FGD represents the only technology that will be available within the next several years to control SO_x.

(c) witnesses generally agreed that FGD systems, when operating properly, can reduce SO_x emissions by 85 to 90% (sufficient to meet most, if not all, emission requirements).

(d) the continued use of available high-sulfur coal combined with FGD control is especially important given our present energy crisis.

2. Many established SO_x emission limitations will not be met by the mid-1975 compliance date of most State implementation plans and will not be met at all unless the electric utility industry makes the necessary commitments to install FGD systems where needed.

(a) only a few utility witnesses testified that their companies have compliance programs to install FGD systems at plants for which low-sulfur fuels will not be available. To date only 44 FGD units controlling about 18,000 megawatts of generating capacity have been installed or committed to by utilities in the U.S.

(b) while the time required to design and install an FGD system on an existing plant varies with the size and retrofit characteristics of the plant, testimony at the hearing suggested that typical design and installation times will run from 27 to 36 months. This time requirement is obviously longer than the 18 months left before the mid-1975 compliance date of most State Implementation Plans. For those installations where a modular approach is warranted, typical design and installation times will run from 41 to 54 months.

(c) a number of witnesses testified to the capacity of vendors of FGD systems to provide these systems. While it is clear that vendor capacity now exceeds orders for FGD systems, it is also clear that excess capacity is not now as great as the need for FGD systems; hence, vendor capacity will tend to constrain the speed at which systems can be installed.

3. With several noteworthy exceptions, the electric utility industry has not aggressively sought out solutions to the problems they argue exist with FGD technology.

(a) while a few utilities, generally the smaller ones, testified that they had aggressive programs to solve alleged problems with FGD technology, most utilities seem content to raise the problems and wait for other utilities to solve them. Only 22 of the some 300 utilities operating fossil-fueled plants in this country have installed or have made a commitment to install at least one full scale FGD system.

(b) utility industry research and development efforts in general are limited and in 1972 amounted to less than 1 percent of industry revenues. Work on FGD technology is only a small but undetermined portion of this effort.

(c) the testimony of some utilities indicates that they have applied greater efforts to defending their lack of progress or to attempting to change existing emission requirements than they have in controlling their SO_x emission through FGD technology.

(d) while testimony at the hearing indicated that the control of the chemistry of FGD systems is critical to reliable operation, few utilities testified that they have hired personnel skilled in such chemical operations.

(e) testimony from several utilities indicated that they are not aggressively following the work of those companies in the U.S. and Japan that have installed full scale FGD systems. This lack of active monitoring makes a "wait and see" attitude less defensible.

4. Although most utility witnesses testified that FGD technology was unreliable, that it created difficult sludge disposal problems, and that it cost too much, the hearing panel finds, on the basis of utility and FGD vendor testimony, that the alleged problems can be, and have been, solved at a reasonable cost. The reliability of both throwaway and saleable product FGD systems has been sufficiently demonstrated on full-scale units to warrant widespread commitments to FGD systems for SO_x control at coal- and oil-fired power plants.

(a) although some FGD installations in the U.S. have encountered reliability problems (primarily scaling, plugging, erosion, or corrosion), the panel finds that each of these problems can be solved through careful system design and proper control of system chemistry. Testimony at the hearing by utility and vendor witnesses revealed that all of the above problems have been solved at one or more full scale FGD installation in this country or Japan.

In reaching this conclusion the panel recognizes that operating parameters vary somewhat from plant to plant and that minor modifications of the basic FGD design will be required to optimize FGD operation on individual power plants. Operating experience at the following facilities is considered particularly important:

(1) Chemico Mitsui Miike Lime Scrubber—This unit has operated with near 100 percent reliability controlling a 156-megawatt coal-fired boiler near Omutu, Japan since its startup in March 1972. The panel finds that this unit has established that hydrated lime (calcium hydroxide) systems, operating generally in a closed-loop mode and occasionally subjected to varying loads, can operate for periods exceeding 1 year with no scaling, plugging, erosion, corrosion, or other significant operating problems.

(2) Louisville Gas & Electric's Paddy's Run Lime Scrubber—This unit has operated with good reliability since its startup in April 1973 and has reinforced the finding that closed-loop hydrated lime systems can operate reliably with proper chemistry control. This unit is particularly significant because pH control has been successful to date in achieving good operability despite wide variations in SO_2 inlet concentration and boiler loads.

(3) Japan Synthetic Rubber's Chiba Wellman-Lord System—This 70-megawatt facility, which produces high-quality concentrated sulfuric acid as the by-product, has operated with greater than 95 percent availability to the oil-fired boiler during over 2 years of operation. The panel believes that when efficient particulate removal equipment is installed upstream of the SO_x scrubbers, Wellman-Lord systems can operate reliably for extended periods of time on coal-fired boilers.

(b) the panel finds that the following commercially available FGD process/application combinations can be installed with the expectation of successful operability and reliability, in approximate order of confidence:

FGD System, power plant, and by-product:
Wellman-Lord, Oil, Sulfuric acid.

Lime scrubbing, Coal or oil, Throwaway.
Nellman-Lord, Coal, Sulfuric acid.
Limestone scrubbing, Coal or oil, Throwaway.

A number of other FGD process/applications, such as magnesium oxide scrubbing (oil or coal), catalytic oxidation (oil or coal), Wellman-Lord (producing sulfur), and UOP/Shell (oil or coal), are not as fully demonstrated as the previously listed systems, and are expected to be demonstrated for full scale installations in the near future. Commitments can be made at the present time with good confidence that some of these systems will achieve a high degree of SO_x removal with acceptable reliability.

(c) the disposal of sludges produced by some types of FGD systems was cited throughout the hearing as a potential problem, and water pollution and land deterioration were named as two environmental complications. However, during the hearing, technology was described that can reclaim sludges for use as landfill at the many landfill sites available. In those cases where landfill is not economically practical due to a lack of available sites, regenerable-product or saleable-product FGD systems that do not produce throwaway sludge can be used. Fuel switching is also possible in such cases.

(d) the costs of installing FGD systems will vary depending upon many factors such as the type of power plant, space requirements, and the degree of control required. The panel finds that these costs, while substantial, are reasonable and will not impose an undue burden on either the electric utility industry or its customers.

(1) the hearing panel finds that the typical capital cost to install FGD on an existing plant will most commonly range from $50 to $65 per kilowatt of plant capacity. Capital requirements for the purchase of FGD equipment are estimated to be about $5.4 billion through 1980 to meet primary and new source performance standards, an increase of about 4 percent above expected power industry capital requirements without scrubbing.

(2) annual costs for operating FGD systems involve an annualization of capital costs plus such operating costs as those for waste disposal and for additional power to run the FGD system. The panel believes that the typical annual operating cost will range from 2 to 4 mills/kw-hr of power generated. The impact of this increased operating cost on consumers of electricity will vary depending upon the number of plants a given utility must control, and could result in a price increase of from 15 to 20 percent where control of most plants is required. Nationally, however, only about 30 percent of the projected coal-fired generating capacity will need FGD systems through 1980 to meet primary and new source performance standards; this can be expected to result in an average consumer cost increase of only about 3 percent.

(3) the increased electricity required to power an FGD system typically amounts to 4 to 7 percent of a plant's generating capacity. Based on EPA's estimate of the number of plants that will require FGD systems to attain primary standards, FGD installations will increase the national demand for electricity by only 1 percent through 1980.

(4) the cost of scrubbing may be prohibitive for plants with insufficient space or for older plants that will be retired shortly. Such plants should receive priority for available low-sulfur fuels.

(e) during the hearing, some utilities claimed that they should not be required to install FGD systems because they were unable to obtain lifetime reliability guarantees from vendors. Vendors have made substantial commitments to the development of FGD technology and generally offer guarantees for these systems that are comparable to the guarantees provided for other equipment purchased by a utility. No vendor is willing to assume all risks during the lifetime of the scrubber by guaranteeing its reliable operation at all times largely because the vendor rarely has control over the operation and maintenance of the system after the initial performance test. It is understandable that the utility industry is anxious to avoid risks, but the panel finds that guarantees now offered by vendors are appropriate and that the utility creating the pollution must assume the remaining risks associated with control of that pollution.

5. The utility industry has generally lacked a real incentive to develop FGD technology and to install this technology where needed to meet SOx emission requirements.

(a) since FGD systems, unlike improved boiler designs, for example, do not result in more efficient generation of electricity, utilities do not have a profit incentive to develop and install these systems.

(b) vigorous enforcement of State SOx emission requirements has not taken place in many cases, apparently as a result of the debate over whether FGD technology is sufficiently developed.

(c) while a number of State public utility commissions allow an automatic pass through (rate increase) of increased costs resulting from switching to a low-sulfur fuel, similar automatic pass throughs are not generally allowed for increased costs resulting from the installation of FGD systems. This tends to bias the industry toward fuel switching as a compliance mechanism.

(d) during the hearing many utility witnesses claimed that, because FGD technology is new, malfunctions of the FGD system would occur and would cause non-compliance. Although bypasses can be installed to prevent plant shutdown during malfunctions and although installation of control system redundancy and use of proper operating and maintenance procedures should reduce the occurrence of breakdowns, malfunctions will still occur that cause emissions to exceed the emission standards. Many States do not specifically provide for unpreventable malfunctions in their regulations, but use enforcement discretion to deal with such occurrences. Most power companies feel that more formal procedures should be developed; the hearing panel agrees.

Recommendations

On the basis of oral and written testimony presented during the hearing, the hearing panel recommends that:

1. The electric utility industry should:

(a) make immediate commitments to install FGD systems where needed to meet SO_x emission requirements, giving priority to those sources where controls are needed to meet primary ambient air quality standards and new source performance standards

(b) aggressively pursue FGD developmental programs to improve reliability, to lower operating costs and to advance FGD technology that results in a saleable by-product

(c) undertake further characterization and evaluation efforts on sludge disposal, with emphasis on large scale systems, to assure the widespread applicability and effectiveness of sludge disposal systems at reasonable costs

(d) hire (and train) personnel with the skills needed to properly design and operate FGD systems

2. EPA and the States should:

(a) create a strong incentive for the installation of FGD systems by establishing expeditious but reasonable compliance schedules and by vigorously enforcing these schedules.

(b) formalize procedures for dealing with unpreventable control system malfunction where such formal procedures do not already exist

(c) urge State public utility commissions to treat increased costs from FGD control in the same manner as increased fuel costs are treated

(d) consider such other methods of creating an incentive to control SO_x emissions as the Administration's proposed charge (tax) on SO_x emissions.

3. Compliance schedules established by the utilities, States, and EPA should:

(a) be developed for each utility after considering the number and types of plants requiring FGD systems and the need to properly sequence installations to preserve utility power reserves

(b) give priority to installation of FGD systems at those plants where systems are needed to meet primary ambient air quality standards and new source performance standards

(c) require installation of FGD systems at a rate commensurate with vendor capacity

(d) require, where feasible, the use of interim control measures such as intermittent control systems in order to minimize the impact of SO_x emissions on air quality until FGD systems can be installed

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GULF BETWEEN PRODUCER AND RETAIL MEAT PRICES

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. FISHER. Mr. Speaker, the cattle and hog price situation remains serious. I have urged the President to revoke his order authorizing the importation of beef in excess of the statutory limits. Producers of all meats face possible bankruptcy unless prompt relief is forthcoming.

It is encouraging to note that the White House has announced a conferference of cattlemen, meat packers, grocery-chain executives, and agricultural leaders for next Monday to see what can be done to reverse the falling prices to producers and the threatened bankruptcies among the cattle feeders.

Under leave to extend my remarks, I include a letter I received from Mr. Frank Ligon of Fort Stockton, Tex., in which he gives some details about the hog price situation. The letter follows:

JUNE 10, 1974.

Representative O. C. FISHER,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE FISHER: I wish to make the following comments on the meat situation.

Two weeks ago I sold hogs for 27¢ a pound. I priced sausage and the cost of 1½ pounds of "Jimmy Dean Whole Hog Sausage" is $1.75. The dressing percentage of hogs is about 70%. Paying 27¢ for a 220 pound hog equals $59.40 a hog. Including profit and middleman the total cost of sausage should be about 80¢ a pound. To the consumer, this would be $1.20 for 1½ pounds of "Jimmy Dean Sausage". This would make the sausage about 55¢ a package over priced. Since selling these hogs the price of live hogs has dropped further but sausage has not. It is my view that the consumer is not realizing the drop in the price of live hogs; or vice a versa—the farmer is not realizing a higher price for his hogs.

I would like someone to "sound off" about this and perhaps it would help either the consumer or the farmer.

Sincerely,

FRANK LIGON.

CARTER'S NEWSLETTER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. CARTER. Mr. Speaker, some years ago the people of the Fifth Congressional District of Kentucky elected me to be their Representative in Washington. My wife, who is a good Methodist, and I had a problem on our hands. Our young son deeply loved the little town where we lived and all the young people there. It was hard to convince him that we must make the transition to Washington.

Finally, when this was accomplished, on the night before we were to leave for Washington, as I went through his bedroom, I heard him as he prayed, "God bless Mom and Dad; God bless Mammie Bradshaw and Aunt Ruthie; God bless Uncle Abe and Uncle Jim." Then there was a pause and he said, "Goodby, God, we're going to Washington."

After I had been sworn in as a Member of this august body, one of the senior members of the Committee on Committees, the honorable CLARENCE BROWN, SR., of Ohio, pointed his finger at me and said, "CARTER, you will go on the Interstate and Foreign Commerce Committee and the Subcommittee on Public Health and Welfare." And there I have been ever since.

I relinquished the opportunity to become ranking member of Communications and Power, and Transportation and Aeronautics to stay on a subcommittee which means much to all the people of this great country of ours.

During the past 10 years, we have seen massive strides made against many diseases. The World Health Organization, with much assistance from the United States and the leadership of Dr. Donald A. Henderson, has almost eradicated smallpox from the face of the Earth. It exists today only in four countries: Ethiopia, Bangladesh, India, and Pakistan. Within the next few years it should be completely eradicted.

The particular subject which means so much to me and other members of the committee is the finding of the cause, prevention, and cure of cancer in its various forms.

During the past 10 years, we have seen great progress made in this direction. Victims of this insidious disease now stand a much greater chance of survival. From 70 to 90 percent of the victims of Hodgkin's disease are now cured.

One eminent physician, whose specialty is in the field of leukemia, has been able to secure remissions in 50 of 100 youngsters attacked by lymphocytic leukemia. Mr. Speaker, only 10 years ago few, if any, of these children would have survived as long as 2 months.

I submit that the cost may be considered by some to be heavy—over $600 million per year. But actually, this is a small price to pay for the good which has been accomplished. This cost per year is approximately one-half of the cost of a Trident submarine. I support construction of this submarine, but I support even more strongly the attack which has been launched against cancer.

Already, great gains have been made for the sake of those who are suffering from this dread disease. Let us not be penurious—neither would I ask that we be wasteful. We must persevere, we must authorize and appropriate every cent which can be used to conquer cancer. And we must continue, until it is conquered.

POLICE OFFICER SLAIN IN FLORIDA

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. LEHMAN. Mr. Speaker, a few weeks ago, another police officer was slain in Miami. Simmons Arrington was both well-respected and well-liked by the people in the community. Aside from his duties as a police officer in the uniformed patrol division of the Dade County Public Safety Department, Arrington was involved in the Big Brothers organization and the Northside Optimist Football team. His concern was the well-being of his community, and helping people.

On April 24, 1974, the House passed the Public Safety Officers Benefits Act of 1974. The Senate passed a similar bill on March 29, 1973. During the 92d Congress, similar legislation had passed both Houses, but the House did not have time to consider the conference report which was filed because of adjournment. I certainly hope that the Judiciary Committees of both Houses will not permit the same fate to occur with S. 15, but will begin the process to continue this legislation on its way.

I am inserting into the RECORD below two statements on Mr. Arrington, one by Earl Chantlos, his partner, and the other written by Mr. Arrington himself entitled "Where I'm At."

In closing, I would like to extend my sincerest sympathy to Mrs. Arrington, her daughter Tosca and her son Robert.

The statements follow:

REFLECTIONS OF SIM

I came to know Simmons Arrington five years ago when we were both working in the uniformed patrol division of the Dade County Public Safety Department. A year later, when I was assigned to the North District Community Service Section, Captain Clifton asked me to choose a partner. I immediately chose Sim because of his ability to deal with the public and his concern for his community. I was thankful that Sim was interested in the position.

Sim and I worked together for four years, and our relationship developed into more than a "partnership." Sim became a part of my life; he was a man I knew more than my own brother.

Sim was a black man who had no color to me and I trust he felt the same about me. I saw Sim as a beautiful man who had love and concern for people. We worked together so well that when his wife and my captain asked me to share some of my reflections of him in the funeral service, my first reaction was that no one would believe or understand what I wanted to say. In four years we never had a fight or argument. We never even said a cross word to each other.

Sim's job was serving the public. It was a job very few people, including his fellow officers, knew very much about until they had to call for his services. The job included every area of police work, from dealing with a simple little child dispute between six and seven year olds to major cases of rape and murder. It was one of the most diversified positions in the department. We handled child disputes, domestic disputes, neighbor disputes, school disputes, labor disputes, racial disputes, and we also assisted the detective sections to investigate burglaries, rapes, robberies and murders. Sim was an all-around policeman: he was on the scene when needed.

A great deal of our time was spent on the junior and senior high school campus trying to develop a working relationship with our community teenagers, and adult leaders. Many times fellow officers and friends would jokingly say, "they've got it made, all they have to do is baby sit for the school kids!!!" I know this bothered Sim as it did me at times, but he never said anything about it to anyone. Yet, a few years ago when we had many racial problems on the school campus, the uniform officer and the school authorities couldn't wait until Sim arrived on the scene to help settle the issues. He knew how to deal with people fairly in those tense situations.

Now that our school problems are under control, we have had more time to spend on the campus conducting classes and rap sessions with the students. Sim's concern was to show young people that policemen are human, that policemen do care about them and their needs. We both knew we weren't going to turn every delinquent teenager around, but for everyone we did, it made our job worthwhile.

Because of his knowledge of police work, his knowledge of the community, and his superior ability to work with fellow officers, Sim had numerous opportunities to transfer to the organized crime section, robbery section or homicide section. These positions held more prestige in the eyes of many people, but Sim would not transfer. Sim's concern was to reach out and help young people while he could. He often said, "We've got to reach them while they are young." At the same time, both Sim and I recognized and appreciated the dedicated work of every other uniform officer and detective in our department who had to deal with the "hard core criminal element" in our community. We were well aware of the necessary investigations and arrests they have to make day in and day out, but our concern was to reach as many young people as possible before they became a part of that "hard core element" in our society.

Sim's concern for young people extended far beyond "his call of duty." He was an active worker with the Northside Optimist Football Team and the Big Brothers organization. Sim helped to coach a team of youngsters on his off-duty time and he also managed to be the big brother to a young nine year old boy who no longer had a father. On Sunday afternoons Sim would go to Scott Park to play basketball with the community teenagers—again on his off-duty time.

We now question, "How could such a great life be taken away from us?" "Why was it wasted in such a manner?" I don't have the answers to those questions either, but I do know Sim's life won't be wasted if we pick up where he left off. I know my first impression when I arrived on the scene of the shooting and again, and again, and again at the hospital where he died was, "Why didn't they *kill* the subject who shot Sim?" I know many people are asking that question in the community and each of you fellow police officers are asking that same question. I have since talked with each detective on the scene of the shooting and I am convinced that they handled the case in the best manner possible under the circumstances. Each officer there knew and loved Sim, and they reacted and conducted themselves like professional police officers. Although it is a natural reaction, we cannot let revenge control our behavior at this time. If we believe in God as Sim did, and I know he did, then we must also believe in what God has promised in His word, the Bible. In the Old Testament we read in Deuteronomy 32:35 where the Lord says, "To me belongeth vengeance and recompense," and again in the New Testament He says in Romans 12:17–21, "Recompense to no man evil for evil. . . ." "Vengeance is mine; I will repay, saith the Lord," and "Be not overcome of evil, but overcome evil with good." Many times, we as police officers become frustrated and disillusioned with our judicial system and we cannot understand why so many criminals are allowed to "go free" for crimes we know they have committed. At this time we must look to our judicial system again, but no matter what the court may do with the subject, we cannot seek revenge for I know God is going to take care of the final judgment of the man who did the shooting. We cannot "Be overcome with evil, but we must overcome evil with good" as I know Sim would want us to do.

The death of Dr. Martin Luther King was a tragic event for many people. Much was said and televised about all the negative events that followed his death like the burning and rioting, but very little was said or televised about the many people who took up the cause of humanity after his death. Many people, both black and white, began working for the human cause of "people and their needs". This is what Sim would want YOU to do today; Follow Sim's example. If many of the young people who loved and admired his life, and had the compassion he possessed for his fellow man, would prepare themselves to become police officers and carry on Sim's job—this would make a better community for all of us. If you fellow police officers want to do something for Sim at this time, carry on his mission—help your fellow officers, your fellow man, and be concerned about the young people of your community. No one will ever replace my partner, but together we have to carry on his desire to help people.

We have lost a great man, a devoted father, a loving husband, and tremendous partner—but please, please let us not lose all Sim lived and died for . . .

Where I'm At

"Perceiving, Behaving, Becoming," the title of a book written primarily for educators, parents, psychologists, social workers, people working/dealing with children best describes where I'm at. Although the contents of this book is not applicable to my life at status quo per se, adaptability of the concept is most apropos. I am beginning to perceive life in a different mold. Life and living have taken on a newer and deeper meaning than what had previously been taught to me, regimented, and fancied into what I may well deem society's success syndrome. Generally included in the success syndrome are materialistic acquisitions. . . . job positions, bank accounts, sleek cars, showcase houses (homes, intentionally not included), established accounts, wealth and social position. My perceptions are bringing me much closer to developing myself into a complete and humane individual of worth and dignity. Also, it has brought me closer to the realization and acceptance of a Force greater than man and life. It is called many names by many people. I chose to call it God. Within the realm of this Moving Force, I am getting to know myself and beginning to realize my purpose here on this Good Earth and recognize the role that I may have been destined to perform.

I am behaving within the framework of my perceptions. It is reacting to my daily encounters more confidently. Fortunately, my line of work provides unlimited opportunities for me to be of service to others. My behavior is becoming less and less arrogant and aloof—which in actuality were shams to hide my feelings of inadequacy.

I am becoming a more adequate person. A more positive attitude towards life, people and environmental situations is emerging. I am taking a greater and more genuine interest in others and their concerns which in turn is bringing me greater satisfaction with myself. In its truest sense, I am becoming a man.

RICHARD L. ROUDEBUSH JOINS IN SALUTE TO THE FLAG AND FLAGTOWN, U.S.A.

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. MYERS. Mr. Speaker, Flagtown, U.S.A., also known as Mellott, Ind., sponsored its fourth annual American Flag Appreciation Day last weekend. Begun in 1971 to promote patriotism and respect for the American Flag, the event annually attracts thousands to this community of just over 300 residents. Principal speaker for Sunday's Flag Appreciation Day observance was the Honorable Richard L. Roudebush, former U.S. Representative from Indiana, who now serves as Deputy Administrator of the Veterans' Administration. I would like to share his inspiring remarks with all those who read this:

Address By Richard L. Roudebush

It is a real pleasure to be in Flagtown, U.S.A.

What you have done here—and are doing here—is both unique and inspiring. I know of no other town that has so dedicated itself to such a worthwhile project, and that has been so successful in carrying it out.

And, of course, you are to be congratulated on the subject you chose to build a community festival around. It is one that can properly command the attention and the interest of citizens of all ages—and of all types and opinions—regardless of their inclinations and beliefs on other matters.

Of course the throughness with which you pursue your subject—our beloved flag—from the youngest to the oldest resident of Mellott, impresses me greatly.

This year marks the twenty-fifth anniversary of flag day—becoming an official and permanent observance—because of an act of Congress. Although, of course, it has been observed unofficially and with irregularity for much longer.

In a Flag Day message in 1915 President Woodrow Wilson said: "The things that the flag stands for were created by the experiences of a great people. Everything that it stands for was written by their lives. The flag is the embodiment—not of sentiment—but of history."

President Wilson was saying that the flag is not just a trademark for the United States of America, not just an emblem to designate a great nation, not just a symbol to which we pay homage, because it is traditional that we do so.

The flag, rather, represents us all—our activities, and our accomplishments. It stands for the way we have met and overcome adversity in the days since we became a nation, for the way we have grown physically, and for the way we have progressed toward a nobler and more promising existence, for the way we have helped raise the condition of our own people, and that of other people who look to us; for the way we have safeguarded the principles under which the country was founded, nurtured, and developed them, to give them added intent and added reality.

The flag does not stand abstractly for truth, freedom, bravery, and all the other qualities whose symbolism is ascribed to it.

It stands for them only—As they have been given meaning by what we have done.

At the time President Wilson spoke, the American flag had been carried into battle during five great wars, since the time of its adoption. Less than two years later it was to accompany American fighting men into the greatest war mankind had known to that time.

Three times since it has gone to war.

The fact that our flag has been flown in battle so many times in our history, particularly in recent history, is something we can take no pride or comfort in. We are not a warlike people.

But I think we can take pride and comfort in the fact that our flag has never been flown in a war which we entered for selfish reasons, for reasons of aggrandizement or aggression. We have never tarnished the proud banners which you display so prominently today, by attacking other nations, so that we might acquire their territory or subjugate their people.

This does not mean, of course, that all Americans have always acted honorably in war; that there have not been cases in which our flag has been dishonored by those who carried it.

But the American flag has never been a symbol of encroachment or conquest. It is—throughout the world—a symbol of protection for those who would resist aggression, a symbol of hope for those who would remain free.

The flag is not simply a banner to be carried into battle, as you so well know, and to consider the flag only for the circumstances under which it has gone to war is to miss the greater part of its meaning.

It is a standard of peace as well as a military standard, and it has flown for nearly two hundred years over a nation that has led the world in achievements for its people, and in pursuits that lead to improved life for all people.

The first flag was designed with thirteen stripes and with thirteen stars. Stars to represent a new constellation. The constellation has now grown to fifty stars. The nation has grown to more than 200 million citizens spread across a whole continent and beyond.

The influence of the nation has been felt in the remotest parts of the world. And evidence of our success—as a nation—exists far beyond terrestrial confines. There are artifacts on the moon that attest to the energy and genius of our society. There are satellites throughout the solar system—conceived, designed, and launched by persons born under and acting under the American flag.

I am sure that the possibility that there would be American flags on the moon was something never considered by our founding fathers—by those who adopted the first flag in 1777.

The fact that there are American flags on the moon—is a tribute to them and to the kind of country they envisioned, and a tribute to all who have helped that country endure, grow and develop.

They had a vision of a new kind of society, something that had never been seriously tried before. A country in which the people had full say on how they were to be governed.

For the first time in the history of the world, a people declared themselves free and independent, and set up institutions to give and to guarantee individuals the liberty to pursue their lives the way they wished.

It was a great experiment and it worked. It was an experiment soon followed by other groups of people. And even today people are still seeking and declaring their liberty, with the success of America as their inspiration.

Our Founding Fathers adopted a flag as a symbol of that great experiment. Because our nation has been successful, its flag has experienced lasting honor and respect.

As President Wilson pointed out, we, and others throughout the world, honor the flag because of our history, not simply because it is there.

We and others respect it because our nation is respected, because our people have achieved great things for mankind.

You do a valuable service by calling attention to the flag, for in doing so you call attention to our greatness as a people and, I hope, inspire individual acts that are consistent with that greatness.

This must be the purpose of Flag Day. And this must be the purpose of your own unique and innovative American Flag Appreciation Day if the homage we show to the colors is to have real meaning.

But then you know all these things.

You, not I, are the citizens of Flagtown, the experts on the meaning of the flag, the activists in calling attention to this great national emblem and in promoting its use.

I commend you for what you are doing here and I appreciate your community spirit.

I also appreciate your hospitality and thank you for the opportunity to discuss with you a few of my own thoughts—about the flag—a symbol that is inspiring and precious to me as it is to all Americans.

May this annual observance continue and may it grow in esteem and influence.

FORCE OF ALMS

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. GROSS. Mr. Speaker, Barron's magazine of June 3, 1974, contained an excellent editorial concerning the fantastically wasteful and almost utterly useless foreign giveaway program in India.

Editor Robert M. Bleiberg correctly states that foreign aid in India has been a total loss. And he says of the current champion of ever more aid to India, Robert Strange McNamara, "guiding genius of the Edsel, the TFX and the war in Vietnam," that "evidently nothing succeeds like failure."

McNamara and his fellow bleeding heart liberals are at their old stand, bleating in behalf of Indira Gandhi, whose government is so misguided that it prefers to spend millions to manufacture atomic bombs rather than tend to the hunger of its citizens.

I include the editorial for insertion in the RECORD at this point:

FORCE OF ALMS—INDIA HAS FORFEITED ALL CLAIM TO FOREIGN AID

(By Robert M. Bleiberg)

For the International Development Association, so-called soft loan affiliate of the World Bank, and the U.S. Senate alike, it was business as usual last week. On Thursday, the openhanded lending institution, which extends credit for as long as half-a-century at zero rate of interest (plus a small service charge), announced $200 million in advances to several borrowers for a variety of presumably worthy purposes: $6.3 million for a highway project in Rwanda, $10.7 million "to help rehabilitate agriculture" in the Sudan, $21.5 million to Kenya for livestock projects and $150 million to India for imports of raw materials, components and spare parts. Twenty-four hours earlier, the Senate also did what comes naturally. By a lopsided margin of 55–27, it voted to bestow another $1.5 billion on IDA over the next four fiscal years, a move which, if ratified by the House, would encourage contributions of twice as much from other developed countries. The vote, said a pleased Robert S. McNamara, who heads both the World Bank and IDA, "demonstrates that the U.S. Government is prepared to face up to the increasingly desperate situation threatening the poorest peoples of the world."

Perhaps and perhaps not—last January the lower chamber, by what one gratified member described as "an almost unbelievable vote of 248 to 145," in which 21 Republicans and 26 Democrats switched from hot to cold, decisively defeated a similar measure, leaving the issue unresolved. Of course, since then a good deal has happened. In particular, friends of IDA, including (to judge by the Congressional Record) such powerful pressure groups as the National Ass'n for the Advancement of Colored People, National Rural Electric Cooperative Ass'n, United Nations Ass'n of America and U.S. Catholic Conference, have rallied to the cause. Editorial writers throughout the country—notably one from a leading journal whose strongest point was that the money would do no harm—have unsheathed their eloquent pens. Schoolchildren have contributed lunches to the starving sub-Saharans, and much has been made of India's worsening plight.

Yet the arguments that prevailed in January have lost none of their force—to the contrary. As the Record suggests, a handful of die-hards, who tend in their calculations to put the U.S. first, found it impossible to reconcile further global giveaways with the debilitated state of the national currency; in the past five months, the dollar has weakened. Many other lawmakers, for whom dollars-and-cents count more heavily than either philosophy or economics, balked at the vast disparity between the cost of money to their constituents—a minimum of 8%-9% at the time—and to IDA's pampered borrowers. Today the commercial bank's best customers must pay several percentage points more.

These are reasons enough to vote no on IDA—persuasive in January, commanding in June. Domestic considerations aside, there is a compelling case to be made against the agency and its works. Over the years nearly half of all IDA assistance—44% as of March 31, 1974, and the figure has risen since—has gone to India, which, by virtually every yardstick save that of the U.S. Senate, has proven unworthy of help. As a credit risk, for one thing, India leaves much to be desired. At New Delhi's urgent behest, scheduled repayments of its foreign obligations have been stretched out time and again, while last winter Washington obligingly wrote off two-thirds of a $3.3 billion credit balance amassed in counterpart funds.

In the world affairs, India, which leans increasingly toward the Soviet Union, is perennially hostile to the West: it shrilly criticizes the U.S. naval base at Diego Garcia in the Indian Ocean, while ignoring the Soviets' mounting threat to the area. In contemptuous disregard of commitments made to Canada, to say nothing of the good opinion of mankind, by which it supposedly set such store—it has just exploded—for "peaceful purposes"—an atomic bomb. Thanks to Socialist mismanagement, finally, the Indian government has squandered tens of billions in foreign aid and driven its people to the brink of starvation and despair. With Robert McNamara, guiding genius of the Edsel, the TFX and the war in Vietnam, evidently nothing succeeds like failure. Let your profits run, say we, and cut your losses.

And India has been a total loss. Excluding nearly $3 billion in non-interest-bearing IDA loans (which, though the U.S. taxpayer foots much of the bill, strictly speaking is an international affair), this country since World War II has lavished upwards of $9 billion on the hapless land. For good, India has returned naught but ill. Long before the Vietnam war, which it consistently denounced as an act of U.S. aggression, India, in the United Nations and elsewhere, rarely failed to line up on the Communist side. Despite decades of crying peace, its armed forces ruthlessly expelled the Portuguese from Goa and launched a naked attack on Pakistan (the eastern-most part of which, christened Bangladesh, has become another international basket case, depending, for survival on Western alms). And last month, to nearly universal dismay, India set off a nuclear blast.

"A significant achievement for the Indian Atomic Energy Commission," proclaimed Prime Minister Indira Gandhi, "and for the whole country." Some of her countrymen take a different view. Last week the Gandhi Peace Foundation, a prestigious Establishment body which rarely differs with the government, issued a sharply worded dissent. "Dropped from the air, the 'nuclear device for peaceful purposes' would have killed 100,00 and maimed many thousands more. The whole thing is a cruel joke on the (Indian) people—still waiting for the day when they can be sure of two square meals a day, two small pieces of cloth to hide their shame and a shaky roof over their head. . . . When the country's situation is one of great stress, on account of gross underutilization of industrial capacity and available resources, including human resources, the search for a new source of energy of doubtful immediate use doesn't exactly square with our national priorities."

No it doesn't. On conservative estimates, India spent $175 million toward this end in the past half decade, and under its new Five-Year-Plan, has budgeted twice as much. That's more than one third of what the U.S. Senate has so generously voted. Meanwhile, except for a privileged few—businessmen, for example, who profit handsomely from import restrictions and export licenses, and the bureaucrats with whom they share the spoils—the people of India live in growing misery. Years ago Professor B. R. Shenoy, director of the privately endowed Economics Research Centre in New Delhi, estimated such unearned income at over $1 billion per year, channeled into rising production of luxury items like air conditioners. At the same time, living standards of the huddled masses, measured by the consumption of such necessities of life as cotton cloth and food grain, suffered a steady decline.

Since then, with an occasional respite, things have gone from bad to worse. Triggered in part by the costly Bangladesh adventure, inflation lately has been running at an annual rate of roughly 25%. Food supplies have dwindled, to the point where only huge tonnages of grain from abroad suffice to stave off widespread hunger. Unrest has surged: in mid-1973 Uttar-Pradesh, India's most populous state, had to be taken over by the military when local Congress Party functionaries, frightened by a revolt of the provincial constabulary, proved unable to rule. Last month, a nationwide strike on the railroads (government-owned and operated), which cost India some $2 billion in production and trade, was crushed only by mass arrests—estimates ranged from 20,000 to 50,000—of union members. "A major triumph," said The New York Times, "for Prime Minister India Gandhi." A few more such victories, and all will be lost.

As to the why of the Indians' plight, it plainly lies not in their stars but in themselves. Ever since taking office—notable since her sweeping re-election after the Pakistan war—India Gandhi has pushed her country relentlessly left-ward. Import curbs, which automatically raise the cost of living and heap windfalls on an undeserving few, have proliferated. Everything in sight—banks, insurance companies, oil producers—has been nationalized. (Indeed, government seizure of the wholesale grain trade, now hastily rescinded, nearly succeeded in touching off a famine.) Restrictions on foreign investment, the latest promulgated as recently as March, even as New Delhi was renewing its plea for foreign aid, has effectively barred the door to private capital from abroad. (Fertilizer, by the way, is in terribly short supply because India has refused to permit foreign investment in such facilities.) The U.S. government may or may not, in McNamara's words, "face up to the increasingly desperate situation facing the poorest peoples of the world," but that's not the point. When will the Indian government face up to it?

CANADIAN NATURAL GAS PIPELINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ASPIN. Mr. Speaker, I believe that we should move forward as rapidly as possible on the proposed trans-Canadian natural gas pipeline sponsored by a consortium of U.S. and Canadian oil and gas companies. But, Mr. Speaker, at the same time it is important to remember that the major oil companies are flip-flopping in their arguments on the relative merits of the Canadian vs. Alaska pipeline. The same companies that argued against the Canadian oil pipeline have now switched sides and favor building a natural gas pipeline through Canada. The oil companies are using precisely the same arguments in favor of the Canadian natural gas pipeline that they vehemently denounced a few months ago when the Canadian oil line was under consideration. For example, during the oil pipeline battle the oil companies said the Alaska route would be superior environmentally to a Canadian route. Today the consortium promoting the trans-Canadian natural gas pipeline says that a Canadian pipeline would have minute environmental impact.

Also, during the Alaska pipeline debate the oil companies argued that in the interest of national security oil should not be piped through a foreign country—Canada. Today the same companies including Exxon, Arco and Sohio say that the Canadian pipeline project is "attractive from a national security point of view."

Clearly the big oil companies are willing to expound contradictory argument as long as it means higher profit. When there is a buck involved the oil companies could care less about the truth of their previous arguments.

Mr. Speaker, I believe a Canadian pipeline is the best way to provide the Midwest with larger amounts of relatively cheap energy. In fact, I have joined with six of my Midwestern colleagues in intervening in the Federal Power Commission case which will determine whether an Alaskan or Canadian route is built.

THE PROBLEM OF AGE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1974

Mr. ROSENTHAL. Mr. Speaker, it gives me a great deal of pleasure to be able to call to the attention of my colleagues an article written by one of my constituents, Robert I. Queen, which appeared in the 40th Annual Page One Awards Yearbook, published by the Newspaper Guild of New York.

Bob Queen is a well-known journalist, writer, and press aide, and had served in the House of Representatives as an assistant to Congressman Alfred E. Santangelo from New York for about 3 years, from 1960 to 1963.

He has been most active in the field of public relations, and is an author of note. As an indication of his outstanding ability, this is the 23d year that an article of his has appeared in that prestigious publication. That record speaks for itself.

Several years ago he had written an article, which had then appeared in the Yearbook on "My Younger Generation," a report on living with three active children. This year his article is on "The Problem of Age." I do not know if that is a consequence of living with his three active children, but I want you to share the benefit of his writing.

I am taking the liberty of inserting the article in the RECORD at this point, and I offer my warm congratulations to him on his unique achievement over the years.

The article follows:

THE PROBLEM OF AGE

The author, Robert I. Queen, has served as volunteer chairman and coordinator for a number of professional organizations attempting to locate jobs for newsmen adversely affected by mergers and newspapers going out of business. He has written numerous articles on the plight of newsmen suddenly cast on the beach by circumstances. He recently took another survey of the situation and here are his findings.

"Things are seldom what they seem—Skim milk masquerades as cream!"

These words from H.M.S. Pinafore, by Gilbert & Sullivan, capsule a devastating truth that must occur to any man, particularly one past 35 who finds himself looking for a job.

It starts early, almost immediately after the job hunt begins. You find your old résumé and begin to bring it up to date. It seems to present the picture of a vigorous, responsible, well-qualified man who should be able to fit into a number of higher echelon positions. But just to be sure, you discuss it with a few friends whose judgment you respect and who may be able to put you in touch with persons who may have a few choice vacancies.

At the end of the week, you find that they "would be happy to have a few copies of your résumé to pass along." However, they feel that you could profitably make a few changes in it.

"The résumé is too long." "It's too short." "It's toc specific." It's not specific enough." "You must never mention your age." "You should only give your date of birth." "A graduate degree and a doctorate is the kiss of death." "List all of the courses you have ever taken."

While your friends fight the battle of the résumé, you make the rounds of the agencies, all of which are advertising the perfect position for you: a job that seems in fact never to exist outside the Help Wanted pages of The New York Times or Wall Street Journal. Meanwhile, they have an excellent opening in New Delhi if you're willing to relocate and have a fluent knowledge of Sanskrit.

You are also, of course, writing letters of application and sending out your current temporary résumé to all and every opening advertised in the newspapers and such appropriate magazines as Editor & Publisher, Broadcasting, Advertising Age, Television, and Quill.

A satisfying number of responses arrive and your days begin to fill up with interviews, usually an hour apart, at opposite ends of town. These interviews are never decisively positive, only decisively negative.

You soon find out that what you considered your strong points are going to be held against you. Twenty-five years experience is just what you need, only "unfortunately our pension plan makes it impossible for us to hire anyone over 35 . . ." You could do the job with one hand tied, which means you're "over-qualified" and they won't insult you by offering it to you. You are "a gentleman and a scholar" but a "City College degree doesn't fit in with the corporate image." The interview is closed with ". . . What a shame your father didn't send you to Harvard or Yale!"

Should your interviewer decide to overlook your gray hair, your ability and even an Honor Fraternity, you then begin to run the gauntlet from Personnel Officer to Vice President, from Psychologist to Psychiatrist, from ink blots to personality inventory. Your wife is also called in for an interview to determine if she can "fit the image required." At the end of three months, they become tired of the entire thing and hire the president's nephew who just dropped out of college.

Meanwhile, your file fills up with letters expressing the writer's regret at not having a position for a man of your "unparalleled ability and experience" and assuring you that "your letter and resume will be kept in the active file should a position develop in the future."

One such letter is from a "Mr. X." to whom you are introduced by a friend. He almost weeps when he hears that you are available. He had the perfect position for you but he filled it yesterday. If only you had sent him a resume for his active file.

Apparently no man over 35 is supposed to be able to take instruction by reading or by any other means. You must find your economic niche in life early and spend the rest of your life guarding it, or a similar neighboring niche, and never mind what lies over the economic horizon. Should your niche somehow be destroyed, you can easily find yourself economically homeless.

Take a man of 55 who has a family, owns his home and has roots in the community. He has spent all or most of his life in the newspaper field and this field has been getting smaller and smaller in the last 30 years. Suddenly his job is gone and he is faced with the choice of destroying his roots of a lifetime in order to take another position in another community or finding another kind of employment.

Suppose that he moves to another town, another paper, can he be certain that another merger, another bankruptcy, might not move him on again and again? If he should decide to stay, can he start again as a beginner in another field?

He may be willing, but no one else seems to think it possible. Over and over he will hear the words, "Yes, we have a job, but its for a beginner, a younger man. You wouldn't be interested in this position with your experience." But this "experience" doesn't count for any job, it seems it's always the "wrong kind of experience."

What the potential employer really means is that the applicant is "too old" although age is a word that is not mentioned. Instead, it is covered with euphemisms like "experience" "background", "training,"—a whole lexicon of words to cover the obviously unmentionable one—AGE!

What happened to the people on the New York Daily Mirror, New York Herald Tribune, World-Journal-Tribune has been happening to those on many other papers in our country. It is also happening to elevator operators, billing clerks, gas jockeys and executives in many corporations. Given a choice, industry seems to prefer narrow experience to broad experience, youthful inexperience to mature, varied experience.

Why?

What does a man out of work do between age 35 and when he becomes eligible for Social Security benefits?

May 3, 1974.

Mr. Robert I. Queen,
Flushing, N.Y.

Dear Bob: The Newspaper Guild of New York's 1974 Page One Awards in Journalism will be presented at our 40th Anniversary Page One Awards Dinner on Wednesday evening, May 22, 1974 in the Wine Cellar (lower level) of Mamma Leone's Ristorante, 239 West 48th Street.

You and your guest are cordially invited to join us on this occasion.

Cocktail Reception: 7:00 p.m.

Dinner: 8:00 p.m.

We would appreciate it very much if you would be kind enough to let us know in advance whether or not you plan to attend.

Looking forward to seeing you on May 22nd, and with all good wishes.

Cordially yours,

Harry Fisdell,
Secretary-Treasurer and Chairman, Page One Awards Committee.